



Susan O'Neill, Chair

Charlotte Davis, Executive Director

Testimony in Support of
Senate Bill 643 – Housing – Community Development Program Act – Funding
House Appropriations Committee
April 4, 2023

The Rural Maryland Council supports Senate Bill 643 – Housing – Community Development Program Act – Funding as amended by the Senate Budget & Taxation Committee. The amended bill requires the Comptroller to distribute \$5.0 million from the State's unclaimed property fund to the Community Development Program Fund (CDPF) within the Department of Housing and Community Development (DHCD) for Fiscal Years 2024, 2025, 2026, and 2027. The bill also repeals uncodified language from prior chapter law specifying that DHCD is not required to incur costs for the Community Development Program (CDP) until money is appropriated in the State budget. The bill takes effect June 1, 2023.

Senate Bill 643 creates a permanent funding source for the Community Development Fund which was created in 2018. The funding is critical operating dollars for community-based organizations to use for affordable housing, neighborhood and commercial revitalization, housing and financial counseling, small business development, community services, and more.

Rural communities face unique challenges when dealing with the affordable housing crisis. Because development does not generally occur at a large scale in rural areas, construction costs are often higher in rural communities compared to urban areas, which reduces the incentives for private investment. Additionally, a lack of access to credit in many rural areas limits funding for maintenance of existing units. Senate Bill 643 will provide the financial support needed to help resolve these housing challenges.

The Rural Maryland Council respectfully requests your favorable support with amendments of Senate Bill 643.

The Rural Maryland Council (RMC) is an independent state agency governed by a nonpartisan, 40-member board that consists of inclusive representation from the federal, state, regional, county and municipal governments, as well as the for-profit and nonprofit sectors. We bring together federal, state, county and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic or regulatory solutions.