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Testimony

**SB643 – Housing – Community Development Fund Program Act - Funding**

BUDGET & TAXATION COMMITTEE  
March 8, 2023

**Position: FAVORABLE**

Dear Chairman Guzzone and Members of the Senate Budget and Taxation Committee:

Garwyn Oaks Northwest Housing Resource Center (*aka GO Northwest*) urges this committee to vote a favorable report for **SB632 – Housing – Community Development Fund Program Act – Funding** .

SB643 creates a permanent funding source for the Community Development Fund which was created in 2018. The funding would provide critical operating dollars for community-based organizations to use for affordable housing, housing and financial counseling, neighborhood and commercial revitalization, small business development, community services, and more. We are seeking \$5 million from the Unclaimed Property Fund after usual disbursements have been made.

Founded in 1999 as Garwyn Oaks Housing Resource Center, and incorporated in 2007 as Garwyn Oaks Northwest Housing Resource Center (*aka GO Northwest*), GO Northwest, a HUD approved housing counseling agency and 501c3 organization, provides homeownership and financial education, counseling, coaching and resources to predominantly low-moderate income individuals to equip them to obtain, maintain, and retain their homes affordably and successfully. Through our services, partnerships and resources, GO Northwest achieves its goal of growing and preserving homeownership in Baltimore City. In FY 22, August 1, 2021 through July 31, 2022, GO Northwest achieved the following:

- Conducted 11 virtual homebuyer workshops, 243 persons attended.
- Counseled 198 homebuyers: 73 homebuyers (36.8%) purchased a home in Baltimore City; over 50% (53.4%) of these homebuyers purchased a home in Northwest Baltimore
- Counseled 16 homeowners at risk of foreclosure, 16 homeowners (100%) retained their home.
- Assisted 10 homebuyers submit and receive closing costs funding to purchase homes in the Howard Park community through a partnership with Healthy Neighborhoods, Inc.

**Need:** we found our clients experienced difficulty in finding and buying a home affordably due to a number of factors including an increase in home prices, higher interest rates for mortgage loans and low housing inventory. . According to Long and Foster Market Conditions Report 12/2022, Baltimore Metro Area, comparing December 2022 to December 2021 the total units sold: decreased by 42%; total active housing inventory: lower by 20%; median sale price was 3% higher than December 2021. These conditions plus the economic impact of COVID 19 made the housing market more difficult for homebuyers, especially low to moderate income homebuyers. Many clients are

challenged with a lack of financial capacity including negative credit, debt, and low/ limited income, savings, and access to resources to obtain affordable housing.

These market and economic conditions also had a negative impact on homeowners trying to preserve and retain their homes. Lack of income, savings and employment negatively impacts the ability to pay one's mortgage, putting delinquent homeowners at risk of foreclosure. . According to Foreclosure Hotspots in MD 2022, Qtr.2 Report, Baltimore City placed second behind Prince Georges County in the report's Severe and Very High Hotspots categories for foreclosure events. Homeowners in our NW communities found it difficult to maintain the condition of their homes, especially low to moderate and senior homeowners due to the inability to find and secure affordable resources to preserve the condition of their homes, many homeowners were unable to keep up the maintenance on their homes, The lack of home maintenance and deterioration can lead to home Foreclosure, vacancy, and neighborhood decline, which discourages homebuyers from selecting our neighborhoods as their new home, and current homeowners to stay decreasing community sustainability and stability.

GO Northwest services address the aforementioned needs by providing homeownership and community instruction, counselling, resources and information activities to homebuyers and homeowners to obtain, maintain and retain their homes affordably, thus sustaining viable homeownership and communities in Baltimore City. We see homeownership as a vital tool to establish sustainability, stability and growth in our neighborhoods, and thus in our city.

As a service provider, the need for operating funds is vital to the continuation of our programs and services to the communities we serve. As many granting entities are program or capital oriented, finding and securing operating funding is highly challenging and competitive, especially for small nonprofits such as ours. General operating support is the working capital nonprofits need to sustain their day-to-day operations to implement and support the services and programs we provide. A lack of working capital can prevent organizations from meeting basic operational needs, like payroll and rent. In the last three years, we have been challenged with staff transitions and unforeseen operating costs. As a small nonprofit, we are always seeking funders who provide funding for operating costs. Having additional sources for this funding would greatly help nonprofits like GO Northwest to be able to cover staffing and operating costs so we can confidentially plan, implement and expand homeownership and related community development services to help more people to not only become homeowners but to remain homeowners.

We ask that you please vote a favorable report for SB643.

Respectfully Submitted:

*Mereida Goodman*, Executive Director