



Testimony SB 445

Education, Energy, and the Environment Committee

February 21, 2023

Position: FAVORABLE

Dear Chairman Feldman and Members of the Education, Energy and Environment Committee

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities. CDN envisions a state in which all neighborhoods are thriving and where people of all incomes have abundant opportunities for themselves and their families.

SB 445 - Expands the forms of financial assistance available under the Appraisal Gap from Historic Redlining Financial Assistance Program; altering eligibility requirements for projects that may receive financial assistance under the Program; altering the time period when applications may be submitted under the Program; repealing certain restrictions on the amount of financial assistance that may be provided under the Program; etc.

Many historically disinvested black communities throughout the state have seen their housing markets decimated and have been unable to attract new residents for home ownership. The key reason that potential investors are reluctant to put money into buying and fixing up houses in these areas throughout the state is because the properties later don't appraise high enough to reflect the improvements. In fact, rehabbed properties often appraise for less than the value of the home plus the improvements, discouraging future buyers to invest in the community.

In 2021, the Maryland General Assembly passed legislation that created a public funding tool to address the stubbornly problematic appraisal gap in historically redlined and disinvested neighborhoods across Maryland. This legislation removes restrictions of the original legislation and allows for greater flexibility for applications timing and uses. The communities most in need require these changes to meet the variety of needs.

We respectfully request a favorable report for SB 445.

Submitted by Claudia Wilson Randall, Executive Director