



Testimony to the House Environment & Transportation Committee  
HB501: Revitalizing Neighborhoods Through Homeownership Program and  
Fund -Established  
Position: Favorable

February 21, 2023

The Honorable Kumar P. Barve, Chair  
Environment and Transportation Committee  
Room 251, HOB  
Annapolis, MD 21401  
cc: Members, Environment and Transportation Committee

Honorable Chair Barve and Members of the Committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland provides direct assistance today while passing legislation and regulations to create systemic change in the future.

We are writing today in support of HB501.

Home-ownership is a critical component for building wealth, particularly for low-income families and for communities of color. In fact, research from the [Department of Housing and Urban Development \(HUD\)](#) found that *“wealth accumulation for low-income and minority households, although low, experiences a major increase through home ownership”*.

Homeownership leads to increased wealth through home equity and the appreciation of a home as well as a hedge against rising rents, tax deductions for mortgage interest and property taxes, low capital gains taxes relative to other investments and more. Social benefits also accrue to homeowners and their families including [better health outcomes](#), greater educational attainment by children, and more civic engagement.

Despite the benefits of homeownership, many low-income residents and households living in communities of color in Maryland do not own their own home. There are myriad reasons why including the ongoing effects of redlining, discrimination based on race or ethnicity, less access to credit or wealth to afford a down payment, and more. The [Urban Institute](#) has looked

2209 Maryland Ave · Baltimore, MD · 21218 · 410-220-0494

info@econaction.org · www.econaction.org · Tax

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at homeownership rates in Maryland and found that white households' homeownership rate is at least 20% higher than Black or Hispanic households.

HB 501 will increase the opportunity of homeownership for low-income families across Maryland by establishing a nonlapsing fund to provide financial assistance to prospective homebuyers through purchase and renovation of HUD Dollar Homes program.

We believe that the investment required to launch and implement this fund will be recovered and redoubled by increases in household wealth, reduced health care costs, greater neighborhood stability, and increased appreciation in the neighborhoods that are being renovated.

For all these reasons, we support HB 501 and urge a favorable report.

Best,

Marceline White  
Executive Director

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