



WRITTEN TESTIMONY
**THE IMPORTANCE OF SUPPORT TO ADDRESS
THE APPRAISAL GAP IN HISTORICALLY REDLINED COMMUNITIES**

*Submitted by: BUILD (Baltimoreans United in Leadership Development)
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BUILD supports the passage of SB 704 which makes alterations to strengthen the Appraisal Gap From Historic Redlining Financial Assistance Program because of the impact it can have for addressing the racial wealth gap, particularly in communities in Baltimore and across the state, that have been impacted by redlining and other forms of destructive and racially discriminatory housing policies and practices.

We can see the impact of these historic policies most clearly in places like Baltimore City, where BUILD has organized and worked for justice for more than 45 years.

Baltimore City is facing a crisis of vacant and abandoned homes. Not only are there more than 13,000 vacant and abandoned buildings. There are 21,000 vacant lots and tens of thousands of houses at significant risk of vacancy because of their proximity to other vacant properties.

These vacant and abandoned properties are concentrated in neighborhoods like West Baltimore, East Baltimore, and Park Heights, that were focus of racially discriminatory housing policies and practices. Redlining – which this legislation particularly calls out – was pioneered in Baltimore more than a century ago.

These policies and practices have broken the housing market in many neighborhoods across Baltimore City.

Many of BUILD's member congregations and organizations, including my own, are located in neighborhoods where the costs to rehabilitate homes are significant. But those investments are made at a loss, because of the number of abandoned properties in the surrounding neighborhood.

In this context, continuing investment in this Appraisal Gap Financial Assistance Program and the proposed changes in this legislation are crucial. The legislation makes it possible for individual homeowners who purchase properties to qualify for assistance, as well as developers.

These changes will be crucial and make it more possible for the program to address the racial wealth gap in Baltimore City and across the state where it is implemented, while also incentivizing affordable homeownership, so that families can build wealth across Maryland.

BUILD's History and Track Record on this issue

BUILD – Baltimoreans United In Leadership Development – is a broad-based, non-partisan coalition of more than 35 religious congregations, non-profits, and schools in Baltimore. Founded in 1977, BUILD has a long, productive track record acting on issues related to housing, jobs, schools, safety, and more. This has included the creation of the nation's first living wage ordinance in Baltimore City and working with the state legislature to invest \$1 billion in rebuilding Baltimore City's aging school infrastructure in recent years. We are part of the Industrial Areas Foundation (IAF), the nation's oldest and largest multi-faith organizing network in the United States.

For 15 years, BUILD has worked in East Baltimore to address vacant and abandoned properties. As part of that work, we created – with other national partners – a non-profit developer called ReBUILD Metro. [ReBUILD Metro has transformed 450 properties into homes in four neighborhoods in East Baltimore](#), representing a collective investment of more than \$120 million – without displacing a single resident.¹ This investment has also helped reduce the murder rate in the areas where we work by more than half. It has created mixed-income communities with affordable housing at scale. This work in East Baltimore has benefited greatly from the existing Appraisal Gap program, and these changes make it possible for more individuals and families to benefit as well.

BUILD is also working in close partnership with Baltimore City and with the Greater Baltimore Committee, having developed a focused and vetted plan to address the crisis of vacant and abandoned housing in Baltimore City at scale.

¹ In the two neighborhoods where ReBUILD Metro has worked for the longest period of time, we have reduced the vacancy rate to only 7.8%, down from 48%, a decrease of 85%. The population has increased by 45%, compared to a decrease in population citywide. Our work has increased the wealth of nearby homeowners by more than \$50 million, all while the neighborhoods themselves have remained more than 90% Black. We have done this without displacing a single family and ensuring that community-driven, mixed income development is central to that work.