



**Testimony to the House Environment and Transportation Committee  
And the Senate Education, Energy, and Environment Committee**

**regarding:**

House Bill 0599

Senate Bill 0483

**Housing and Community Development Financing Act of 2024  
Maryland Community Investment Corporation - Establishment**

Submitted via electronic transmission

February 2024

To Members of the Committees:

I am writing today on behalf of Enterprise Community Partners (Enterprise) to thank Governor Moore for his leadership in supporting housing affordability and community development priorities across Maryland with multiple proposed budget and legislative initiatives. Additional resources, capacity, and partnerships with localities and community-serving partners will ensure greater investments, vital services, and benefits to support Maryland residents and neighborhoods. Enterprise's organizational mission is fully aligned with the goals of the Governor's initiatives, and we stand ready to be a strong partner to Maryland in achieving them.

Today we would like to offer context and perspectives regarding the potential creation of a state Community Investment Corporation, and specifically its potential to become a vehicle for distribution of federal New Market Tax Credits (NMTC.)

**About Enterprise:**

Founded 40 years ago here in Maryland, Enterprise is committed to making home and community places of pride, power and belonging, with platforms for resilience and upward mobility for all.

Our impact and investment in Maryland housing and affordability is one measure of our commitment to the state and its residents. Enterprise's affordable housing production, preservation, and rehabilitation efforts total more than \$1 billion in total portfolio value, including 76 apartment communities and more than 7,500 homes in Maryland. Our work is centered on holistic resident services and environmentally sustainable design, construction, and operations.

In addition, we provide millions of dollars each year in loan financing, equity investments and grants to nonprofit and mission-minded community organizations, as well as technical assistance, partnerships, and a variety of federal, state, and local policy analysis. This includes our role as an allocator of New Market Tax Credits, further described below.

**Our Experience with New Markets Tax Credits:**

As an NMTC allocator, we work locally and nationally with mission-driven developers, sponsors, and other Community Development Entities (CDE) to build transformative projects in communities across the country. An active leader in this arena since the program's inception, Enterprise is currently the second largest allocatee in the industry, and one of only three CDEs that have won 15 tax credits awards during that time.

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Nationally, Enterprise administers our NMTC allocations across 25 states and the District of Columbia. Our portfolio includes \$1.12B in NMTC allocations benefiting 106 projects. These projects have financed programs and services to benefit more than 2 million residents.

In Maryland, Enterprise's NMTC footprint includes 11 projects totaling \$119.3 million in NMTC allocation, and a combined \$2 billion in development costs. These projects have created 2,375 housing units and 2.1 million square footage of community facilities. They also generated more than 10,000 jobs and financed programming and services for over 117,000 low-income people.

Enterprise brings deep and dynamic experience with the NMTC program; we understand well the roles NMTC plays in meeting community needs. We also understand the complexity, the time, and capacities needed to stand up an allocatee and to manage its programmatic functions well. Our expertise also includes evaluating proposed uses of the credits to ensure successful, long-standing outcomes.

### **NMTC in Action: Service Center, Baltimore**

In partnership with Seawall Development and several additional Maryland-serving entities, the Service Center project in Baltimore's Remington neighborhood replaces a former auto service center with a 68,000 square-foot mixed-use development. Features of the Service Center include more than 60 new housing units for those making a range of committed income levels, and a new hub for commercial goods and services. The census district in which Remington is situated has a poverty rate of 43.5%, a 61.98% area median income, and an unemployment rate of 13% (1.57 times the national average). There is an existing bus stop on site and numerous additional bus and light rail stops within 0.5 miles.

The commercial space will be anchored by Wide Angle Youth Media, a minority-controlled, women-owned nonprofit that trains and equips youth from underserved areas with the skills and experiences necessary to move into stable, quality jobs in arts and media.

The Service Center project will retain 21 permanent full-time jobs while creating 31 construction jobs and 49 new full-time jobs. Of those jobs, 70% of construction and 84% of new full-time FTEs will be quality jobs paying at least a Living Wage and providing benefits. In addition, 70% of construction and 50% of new full-time jobs created will be accessible, requiring less than a four-year degree. The general contractor will work towards a goal of 27% Minority Business Enterprise subcontractors for the construction of the building. The project has been designed to achieve the National Green Building Standard Silver rating or equivalent, and in compliance with the Baltimore City Green Construction Code.

This project is just one example of what is possible with NMTC and public-private investment in communities that need and deserve quality developments. Service Center will provide cross-cutting impact, providing new amenities and opportunities for housing, jobs, and community services, within existing neighborhood infrastructure and without resident displacement.

### **NMTC Activity in Maryland:**

Since 2003, the NMTC program has invested at least \$1.4 billion into the state of Maryland, supporting community developments whose total project costs were close to \$3.9 billion.

During that 20-year span, top Maryland CDEs by total allocation won include:

1. Enterprise - \$1.135 billion
2. Urban Research Park - \$607 million
3. Harbor Bank - \$534 million
4. Mid-City Community - \$459 million

5. UACD (Cross St. Partners) - \$423 million

The good news for Maryland is that we have a robust existing network of NMTC providers, who are active in investing the credits to support local community projects, and strong development partners who can use the credits to deliver quality projects across the state.

**Questions and Considerations in Creating a CDE:**

We support the goals and the intentionality behind the Governor's commitment to supporting greater community and economic development in qualifying lower-income communities across the state. In our observation, the creation of a Maryland Community Investment Corporation (CIC) is an ambitious undertaking that requires time, capacity, resources, and expertise to be committed before the benefits of the entity can begin to flow. Once created, the CIC would need to be certified by the U.S. Treasury's Community Development Financial Institutions Fund. The next step would be for the CIC to submit an application that would undergo a federal review process. Upon completing those reviews, the CIC would be eligible to compete for the next award round of NMTC allocations. The next round of applications (Round 21) is expected to be released in autumn 2024, with credit awards anticipated in 2025.

A challenge for all states and qualified CDEs participating in the NMTC application round is that currently more applicants exist than awardees for allocations. The program is currently authorized through 2025. National NMTC program demand continues to outstrip capacity at a rate of three to one. Maryland will need to invest resources to establish and then complete the federal process without knowing if it will receive allocations at its first opportunity to apply. The proposed CIC approach must be evaluated over a longer period given these conditions, with realistic expectations for what amount of NMTC capacity might be available to flow through the entity.

With those caveats in mind, it is also important to understand the amount of time, energy, and resources needed to make the CIC viable in its initial stages. We know the degree to which the Administration is committed to filling important positions in other agencies, such as the Department of Housing and Community Development, to help existing program implementation and deployment of resources into communities. We applaud this commitment and the positive impacts it can have to enable projects supporting lower-income communities to occur more quickly and with fewer overall costs.

We urge the Administration and the Assembly to support resource allocation to ensure current agencies have the capacity and expertise they need to support and to clear critically important pipeline projects to serve residents with housing affordability, community serving amenities, services, and other priorities. That should be inclusive of the CIC, and not a competitor to sister agencies for appropriate personnel and capacity.

Enterprise stands ready to share our perspectives and lessons learned on the New Markets Tax Credits program, elements of the proposed Community Investment Corporation, or any other aspects where we have expertise. We reiterate our strong, shared commitment to the Governor's goals for greater investment in housing and community development projects to support residents and neighborhoods.

We appreciate the opportunity to share our views. Our team would be happy to answer any questions you may have about our work in Maryland, and we appreciate your consideration of the ideas expressed today.

Respectfully submitted:

Melissa Bondi  
Mid-Atlantic State & Local Policy Director

Cc: Rev. David C. Bowers, Vice President and Mid-Atlantic Market Leader  
Ms. Lori Chatman, President, Capital Division