

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

**Position: Favorable**

**February 20, 2024**

Members of the House Environment & Transportation Committee:

My name is Sarah Reddinger and I'm the Vice President of Community Development with Habitat for Humanity Metro Maryland. Habitat Metro Maryland is a nonprofit serving Montgomery and Prince George's Counties that builds, sells, and preserves affordable homeownership in partnership with limited income families. Since its founding in 1982, Habitat Metro Maryland has completed more than 885 projects in partnership with the local community.

To advance its mission, Habitat combines funding and resources from an array of sources including mortgage payments from homeowners, private donations, grants, revenues from our ReStores, and state, federal and local government funding.

Because Habitat is focused on homeownership, Habitat is not able to utilize one of the largest federal funding tools for housing, the Low-Income Housing Tax Credit (LIHTC). It is exclusively designed for rental housing. While Habitat and others have long advocated for a federal tax credit program for homeownership, one does not yet exist. That said, Habitat affiliates and other nonprofit affordable homeownership organizations across the US have successfully used New Market Tax Credits (NMTC) for the development of affordable homeownership.

House Bill 599 would authorize the creation of the Maryland Community Investment Corporation (MCIC) with the objective that MCIC apply for NMTC funding as a Community Development Entity or CDE. Only CDE's are allowed to apply for NMTC allocations. The creation of the MCIC has the potential to increase the use of federal NMTC funding in Maryland and could play an important role in increasing the development of affordable homeownership opportunities for lower income families, otherwise locked out of the market.

Homeownership was out of reach for many lower- and middle-income families across Maryland before the pandemic and is even more out of reach now due to increasing home values, interest rates, and property taxes. Nationwide and locally, we're seeing ownership rates for only upper income households increase and we're seeing the racial ownership gap widen. As you know, homeownership is the primary way that families build wealth in the US and it is imperative and a matter of equity that we play an active role in breaking down barriers to wealth building. In order to provide affordable ownership opportunities we need subsidy tools and NMTCs are one such tool.

Habitat encourages the committee to provide a favorable report for HB599 as we work collectively to leverage available resources and provide affordable homeownership opportunities in Maryland.

Thank you for your time and consideration.

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