



Testimony to the Environment and Transportation Committee
HB873 Appraisal Gap from Historic Redlining Financial Assistance Program-Alterations
Position: Favorable

The Honorable Delegate Korman, Chair
Environment and Transportation Committee
Room 251, House Office Building
Annapolis, MD 21401

Chair Korman and Honorable 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 here in support of HB873.

Economic Action works on housing justice through our fair housing, tenant advocacy, and Homeowners' and Renters' Tax Credit programs. We've also been extensively involved in research, task forces, and policy related to mitigating the foreclosure crisis, expanding homeownership, and spurring community reinvestment.

HB873 addresses the issue of appraisal gaps in historically redlined communities by providing financial assistance to prospective homeowners who seek to purchase a house in a historically redlined neighborhood. In Baltimore, research has shown that the median home in majority-white neighborhoods is worth over twice as much, or \$138,627 more, as the median home in a Black-majority neighborhood¹.

Legislation in 2023 provided financial assistance to affordable housing developers to renovate homes in historically redlined neighborhoods which have had trouble getting traditional financing. HB873 builds on last year's legislation by providing funds for potential homeowners to purchase these homes.

HB873 will help close the appraisal gap, invest in traditionally underserved neighborhoods, increase housing stock and expand racial equity and justice.

For all these reasons, we support HB873 and urge a favorable report.

Best,

Marceline White
Executive Director

¹ <https://www.brookings.edu/articles/homeownership-racial-segregation-and-policies-for-racial-wealth-equity/>

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