



**TESTIMONY**  
**HOUSE BILL 7**  
**Environment and Transportation Committee**  
**January 30, 2024**  
**Position: FAVORABLE**

Dear Chairman Korman and Members of the Environment and Transportation Committee:

The Community Development Network of Maryland (CDN) is the voice for Maryland’s community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland’s urban, suburban and rural communities. CDN envisions a state in which all neighborhoods are thriving and where people of all incomes have abundant opportunities for themselves and their families.

**HB 7** - Establishes the Housing Innovation Pilot Program in the Department of Housing and Community Development to provide funds for certain mixed-income, cross-subsidized housing and to create opportunities to increase the volume of housing production; establishing the Housing Innovation Fund as a special, non- lapsing fund to be used only to provide low- or no-interest loans to local housing authorities; etc.

According to the Maryland Housing Needs Assessment that was completed in 2021 by the National Center for Smart Growth and Enterprise Community Partners, Maryland will have to make a significant investment in housing over the next 10 years in order to keep up with economic and demographic shifts in the state. The analysis showed that the state is short 85,000 rental units for low-income households. With Maryland expected to add an estimated 97,166 low-income households by 2030, the shortage will worsen unless the state creates and preserves many more affordable homes. Thirteen of the state’s 23 counties and Baltimore City don’t have enough housing that’s affordable to very low-income renters. The deficit is largest in Montgomery County, followed by Baltimore City.

Ensuring that all families live in affordable, stable homes will improve community health outcomes, thereby reducing health care and education costs. Housing is an urgent priority for economic growth and equitable recovery from the pandemic. Building a firm foundation for stable homes begins with policies that increase production of housing affordable to households making less than \$65,000 per year.. Given the health, educational, and cost implications of families living in unstable homes, there is an urgent need to increase supply of affordable homes and help families meet rent demands and reduce costs.

Local governments and the development community need more funds that are flexible to produce and preserve affordable housing across the state. In order for Maryland to be a state with opportunity, decision makers will need to invest at the intersection between housing and health, housing and economic development and housing and education.

We ask your favorable report for HB 7.

Submitted by Claudia Wilson Randall, Executive Director