



Neighborhood Housing Services of Baltimore, Inc.

February 15, 2022

Delegate Marc Korman, Chair
House Office Building
Room 251
Annapolis, Maryland 21401

RE: HB 599

Honorable Chair Korman and Members of the Committee:

I am the Chief Executive Officer of Neighborhood Housing Services of Baltimore (NHS). Our organization believes that economic and social justice are a right for all residents and communities. We promote this belief by removing barriers of access to homeownership, helping resident access resources to maintain their homes, and supporting communities historically impacted by systemic disinvestment. One way we support people and communities is by ensuring capital is available. We are a certified Community Development Financial Institution (CDFI) and each year leverage and lend millions of dollars while also deploying millions more in community serving projects. One important source of capital has been Project CORE. NHS has deployed more than \$3 million of CORE funds to support acquisition and stabilization of properties for redevelopment. NHS is also an end user of New Market Tax Credits (NMTC) to support homeownership. While this is an unusual use of NMTC we have successfully completed one deal totaling \$6 million that created 25 properties for homeownership. Additionally, we are scheduled to close on a second deal in March 2024 providing an additional \$6 million for homeownership.

HB599 does several important things. First, it establishes the Maryland Community Investment Corporation. This corporation provides a vehicle for Maryland to compete for federal NMTC allocations each year. These funds can then support projects around the state. This leverage of federal funds creates additional opportunity for redevelopment and growth in Maryland. This exciting opportunity will allow Maryland to bring additional federal dollars that are desperately needed. These funds will support both commercial uses as well as property redevelopment for homeownership. It is a great opportunity to lead in using NMTC for homeownership outcomes.



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The second portion of HB599 authorizes that the Strategic Demolition and Smart Growth Impact Fund can support debt payments and credit enhancements. This is an important provision to support the redevelopment of disinvested communities around the state. Authorizing these funds to be able to support debt service allows the state to issue bonds that can generate significantly more capital to invest in communities. This investment is critical to the long-term health and sustainability of our communities.

We ask that the committee provide a *favorable* report on HB599.

Sincerely,

A handwritten signature in black ink that reads "D. T. Ellis".

Daniel T. Ellis
Chief Executive Officer



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