

HB599 - Housing and Community Development Financin

Uploaded by: Abigail Snyder

Position: FAV

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 Zionist Organization of America
 Baltimore District

Written Testimony
HB599 - Housing and Community Development Financing Act of 2024
Environment and Transportation Committee– February 20, 2024
Support

Background: House Bill 599 would establish the Maryland Community Investment Corporation as an independent unit to make investments in certain low-income communities; require the Corporation to apply for an allocation of federal new markets tax credits; and expand the eligible uses of the Strategic Demolition and Smart Growth Impact Fund to include grants and loans for debt payments and for credit enhancement for certain projects.

Written Comments: The Baltimore Jewish Council represents The Associated: Jewish Federation of Baltimore and all of its agencies. This includes Comprehensive Housing Assistance Inc. (CHAI), a housing and community development agency that promotes stable communities for Jewish residents and their neighbors in Northwest Baltimore and other designated areas. Their many projects help create and maintain affordable housing; improve public spaces; encourage neighborhood investment; and enhance quality of life.

The need for affordable housing is far-reaching. Though the Maryland poverty rate has decreased 6.8% over the past 10 years, it still ranks among one of the higher poverty rates in the country. By establishing the Maryland Community Investment Corporation and requiring that it is responsible for many functions, including (but not limited to):

- Receiving, making, and facilitating qualified equity investments and financial assistance for low-income communities;
- Coordinating with other qualified community development entities to help ensure that low-income communities are receiving the maximum benefit of qualified equity investments;
- Making investments and financial assistance available to low-income communities; and
- Fostering inclusive and diverse entrepreneurship and innovation throughout the state, including initiative to raise awareness of programs that assist low-income communities,

We will truly set up a pipeline that will properly serve our low-income residents across the state.

For these reasons, the Baltimore Jewish Councils asks for a favorable report on HB599.

The Baltimore Jewish Council, a coalition of central Maryland Jewish organizations and congregations, advocates at all levels of government, on a variety of social welfare, economic and religious concerns, to protect and promote the interests of The Associated Jewish Community Federation of Baltimore, its agencies and the Greater Baltimore Jewish community.

HB0599 SPONSOR TESTIMONY.pdf

Uploaded by: Adam Rhoades Brown

Position: FAV



SPONSOR TESTIMONY

House Bill 599 - Maryland Community Investment Corporation - Establishment (Housing and Community Development Financing Act of 2024)

Dear Chair Korman, Vice Chair Boyce, and Distinguished members of the House Environment and Transportation Committee,

One of my top priorities as Governor is addressing poverty in the State of Maryland. To make meaningful progress in this long standing challenge, we must ensure that we are leaving no resources on the table and utilizing all tools at our disposal in a strategic way. That is what House Bill 599, the Housing and Community Development Financing Act of 2024, seeks to accomplish.

The bill can be broken down into two primary sections:

Establishment of the Maryland Community Investment Corporation (“MCIC”)

This section establishes a new Community Development Entity (“CDE”) to serve as an instrumentality of the state, the Maryland Community Investment Corporation.

CDEs are entities certified by the U.S. Treasury Department to make loans or investments that stimulate community development. The legal structure of these entities is determined by the Treasury, and they are funded through the New Market Tax Credit (NMTC). NMTCs are used primarily to fund commercial, industrial, community facility, and mixed-use real estate projects, as well as operating businesses located in qualifying low-income communities. NMTCs can subsidize approximately 15% to 20% of a project’s capital needs, usually in the form of low-interest, forgivable debt. CDEs sell the tax credits to investors with federal income tax liabilities, and use the funds raised by the tax credit sale to make debt or equity investments in entities located in qualified low-income communities.

NMTCs are allocated based on a competitive annual process. \$5 billion annually is currently dedicated to this program. On average, approximately 50% of the CDEs that apply in the competitive round receive NMTC allocations, with an average award of \$50 million. Once a CDE receives a NMTC award, it has five years to utilize it. The more quickly CDEs utilize their allocated tax credits, the stronger their argument is to receive new funding in the next competitive round.

Many public jurisdictions have established new entities that have become certified CDEs to directly channel federal investment in their communities. For example, the State of California has deployed \$253 million in federal NMTCs through their CDE. As required by the U.S. Treasury, the Corporation would be managed by a Board of Directors with a Chair picked from among their membership. The proposed membership would include the Comptroller, the



Secretary of Housing and Community Development, the Secretary of Commerce, and two members appointed by the governor representing nonprofit entities in the state and low-income communities.

Alterations to Strategic Demolition and Smart Growth Impact Fund

This section of our legislation seeks to expand the eligible costs for which a grant or loan can be issued to a local government or community development organization under the Strategic Demolition and Smart Growth Impact Fund to include debt payments and credit enhancement.

Under current law, the purpose of the Fund is to provide grants and loans to assist in predevelopment activities, including interior and exterior demolition, land assembly, architecture and engineering, and site development for certain revitalization projects. This alteration to the Program is aimed at providing local governments and community development organizations an enhanced tool to promote development.

Taken together, these programs will help us to address the housing crisis and invest in low income communities across the State. For this reason, I respectfully request a favorable report on House Bill 599.

Sincerely,
Governor Wes Moore

HB599_Housing and Community Development Financing

Uploaded by: Angela Martin

Position: FAV



2/16/2024

Re: Support of HB 599 – Housing and Community Development Financing Act

Dear Honorable Chair Korman and Members of the Environment and Transportation Committee,

I am writing on behalf of the Maryland Community Action Partnership (MCAP) to urge your support of HB 599 – Housing and Community Development Financing Act.

The Maryland Community Action Partnership (MCAP) is a statewide non-profit organization comprised of Maryland's 17 Community Action Agencies (CAAs), which collectively serve every Maryland county. Together, we work toward eradicating homelessness and poverty to realize our vision of ensuring that all Maryland families are stable, economically secure, and live in safe and thriving communities.

As the federally designated anti-poverty agencies serving Marylanders with low-incomes, the MCAP network of CAAs supports HB 599 because of its investment in low-income communities and its impact on the individuals and families that our network serves.

If passed, the bill would:

- Enhance Maryland's long-term financial investment in low-income communities through more dedicated staff and the award of competitive federal resources.
- Direct an estimated \$50 million in federal funding for community investment in Maryland through the creation of a Maryland Community Investment Corporation.
- Adjust the Strategic Demolition and Smart Growth Impact Fund allowable uses to enhance the ability of government agencies to finance housing and community development initiatives.

It is MCAP's position that this legislation will create an opportunity to address the staggering 96,000-unit shortage of housing in the State as well as the increasing unaffordability of available housing. With the income required to afford the median priced home jumping 56% to \$132,000 in a two-year period, the cost to purchase, or even rent a home has become insurmountable for many Marylanders. More than 52% of Maryland renters spend 30% or more of their income on housing related costs, with a quarter of renters spending more than 50% of their income on housing related costs. We must act now, and by creating additional opportunities to leverage federal funds to address this housing crisis, we can work together to create a pathway to stability and economic security in all Maryland communities.

If there is any additional information that I can provide for you as you consider this bill, I would be happy to help. You can contact me at amartin@maryland-cap.org, or by calling 205-757-0764.

Sincerely,

A handwritten signature in black ink, appearing to be "Angela Martin", written in a cursive style.

Angela Martin, Executive Director

MML-HB 599 - FAV.pdf

Uploaded by: Angelica Bailey Thupari

Position: FAV



Maryland Municipal League
The Association of Maryland's Cities and Towns

TESTIMONY

February 20, 2024

Committee: House Environment & Transportation

Bill: HB 599 - Maryland Community Investment Corporation - Establishment (Housing and Community Development Financing Act of 2024)

Position: Support

Reason for Position:

The Maryland Municipal League (MML) strongly supports House Bill 599, which is designed to utilize New Market Tax Credit federal funding to aid new development in low-income communities. The New Markets Tax Credit program provides municipalities with a valuable tool for promoting economic development, revitalizing distressed areas, and improving the quality of life for residents in underserved communities.

HB 599 also seeks to expand grants and loans to local governments from the Strategic Demolition and Smart Growth Impact Fund to assist in predevelopment activities. The Strategic Demolition and Smart Growth Impact Fund can provide municipalities with the resources and support they need to tackle blight, promote sustainable development, and create more resilient, thriving communities.

Safe and affordable housing is a fundamental component of a healthy, thriving community, and municipalities have a vested interest in promoting policies and initiatives that ensure housing affordability for all current and future residents. However, local governments often lack the resources to meet these vital needs. HB 599's funding expansions can lead to a significant positive difference in our communities.

For these reasons, the League respectfully requests that the committee provide House Bill 599 with a favorable report.

FOR MORE INFORMATION CONTACT:

Theresa Kuhns

Angelica Bailey Thupari, Esq.

Bill Jorch

Justin Fiore

Chief Executive Officer

Director, Advocacy & Public Affairs

Director, Public Policy & Research

Deputy Director, Advocacy & Public Affairs

Anne Riggle Testimony - House Bill 599.pdf

Uploaded by: Anne Riggle

Position: FAV

15th February 2024

To the Environment and Transportation Committee

Subject: Testimony in Support of House Bill 599 - Maryland Community Investment Corporation – Establishment (Housing and Community Development Financing Act of 2024)

Honorable Members,

I am Anne Riggle, Chief Executive Officer of City Life Historic Properties, a real estate development firm registered in Baltimore, Maryland. I am here to express my strong support for **House Bill 599**, which seeks to establish the Maryland Community Investment Corporation, a community development entity controlled by the State of Maryland.

Since 2017, I have collaborated with the State to highlight and emphasize the need for significant funding to address the challenges posed by boarded and vacant houses and declining residency in Baltimore. Baltimore alone has over 13,000 vacant and abandoned houses and structures, and the trend will most likely continue if the State does not seek creative ways to fund these housing projects. Indeed, the State is facing an affordable housing shortage of at least 96,000 units. The Maryland Community Investment Corporation (MCIC) is an excellent opportunity for the State to bring in the needed funding to address these housing challenges. MCIC can apply for New Markets Tax Credits (NMTC) and programs such as the Capital Magnet Fund and Technical Assistant Grant.

The establishment of the MCIC will influence legislation that impacts funding in Maryland while addressing the State's housing crisis. Furthermore, this initiative aligns perfectly with Governor Wes Moore's vision to make housing more affordable and accessible to all Marylanders. To realize these ambitions, the State needs to increase its funding sources for housing, and NMTCs are an excellent opportunity to do that. The establishment of the MCIC will foster economic development and revitalization in underserved communities across the State. Maryland will follow the example set by California, Illinois, Dallas, and Phoenix as states or cities that have CDEs and participate in the NMTC program.

This meaningful legislation signifies the State's essential step towards greater economic equality and community growth by establishing the Maryland Community Investment Corporation (MCIC). The Bill promises extensive benefits – spurring job opportunities, energizing economic activity, and uplifting quality of life across underserved populations in Maryland. This Bill represents a commitment to advancing prosperity, building generational wealth, and eliminating disinvested communities.

I urge you to support House Bill 599 and look forward to seeing its positive impact on communities in Maryland. Thank you for considering my testimony on this important matter.

Sincerely,

Anne Riggle
Chief Executive
City Life Historic Properties

HB0599-ET-FAV-BMS.pdf

Uploaded by: Brandon Scott

Position: FAV



BRANDON M. SCOTT
MAYOR

*Office of Government Relations
88 State Circle
Annapolis, Maryland 21401*

HB0599

February 20, 2024

TO: Members of the Environment and Transportation Committee

FROM: Mayor Brandon M. Scott, City of Baltimore

RE: House Bill 599 – Maryland Community Investment Corporation – Establishment
Housing and Community Development Financing Act of 2024

POSITION: Support

Chair Korman, Vice Chair Boyce, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** House Bill (HB) 599

HB 599 would unlock new tools to strengthen Maryland communities and address the ongoing housing crisis by establishing the Maryland Community Investment Corporation (MCIC) and making alterations to the Strategic Demolition and Smart Growth Impact Fund.

BCA supports the expansion of the use of the strategic Demolition and Smart Growth Impact Fund to include debt payments and credit enhancements, which would be particularly impactful in Baltimore’s long disinvested neighborhoods that are the focus of current revitalization efforts. The purpose of the Fund is to provide grants and loans to assist in predevelopment activities, including interior and exterior demolition, land assembly, architecture and engineering and site development. By expanding the fund to include debt financing Maryland Department of Housing and Community Development (DHCD) will be able to increase its funding for acquisition, demolition, infrastructure and stabilization efforts. In FY24, the Fund budget is \$25M (\$5M for statewide, and \$20M for Project CORE in Baltimore City).

- **Acquisition:** As of December 11, 2023, the City only owns 6.6% of all registered vacant buildings in the City. The City has committed to using significant local dollars to continue to acquire and rehab vacant properties.
- **Demolition:** Vacant properties that have reached their useful life will be strategically demolished. These decisions will be made in partnership with our neighbors in these communities through Baltimore City’s DHCD’s block-level planning process.
- **Infrastructure:** Investing in vacant homes is not enough. The City must invest in the streets, sidewalks, and basic amenities of these neighborhoods in order to create thriving communities.

- Stabilization: Baltimore City’s DHCD is able to do significant rehabilitation to vacant properties like replacing roofs and porches, particularly those that are at risk of harming occupied properties. These stabilization investments get properties rehabilitation ready as they go through the Acquisition and Developer Incentive pipeline.

Mayor Brandon M. Scott is poised to make the largest investment ever into Baltimore’s disadvantaged neighborhoods. In late 2023, the Scott Administration announced a comprehensive vacant housing reduction strategy which will include the issuance of non-contiguous TIF Bonds, revival of the Industrial Development Authority and working with BUILD and the GBC to raise \$300 million from private investors and the philanthropic community. HB 599 would aide efforts already underway to support development in targeted areas of the City, some of which align with our focus areas.

- The City will issue non-contiguous TIF bonds in tranches using vacant houses across the City. If successful, these TIFs are expected to generate at least \$150 million over 15 years. This “Uptown TIF” will be the first time that a TIF has been used in this way in any City in the U.S.
- By resurrecting the dormant IDA, the City will be able to borrow an additional \$150 million that will be repaid by the economic activity generated by restored vacant properties. The IDA was created in the 1980s to help finance the redevelopment of our waterfront, now it will be used to redevelop our neighborhoods.
- The City, alongside GBC and BUILD will generate private and philanthropic investment to help rehab vacant homes, expand homeownership counseling, increase our homeowner repair grants program, and spur economic growth in our neighborhoods.

BCA is committed to working with the Governor and his Administration to continue to address Maryland’s housing crisis by unlocking new tools to promote affordable residential development. Expanding the eligible uses of the Strategic Demolition and Smart Growth Impact Fund to include grants and loans for debt payments and for credit enhancement for certain projects would provide Baltimore City and community development organizations additional ways to promote development. The benefits of this Bill will be seen on the ground in communities already targeted for investment in East Baltimore, West Baltimore, South Baltimore and Park Heights.

HB 538 represents a targeted approach that will be particularly helpful in low-income communities, projects in sustainable communities or opportunity zones and neighborhoods primed for revitalization. A number of key components of the legislation will enhance or expand acquisition, demolition and stabilization efforts that are so desperately needed to create affordable housing opportunities for Baltimore families.

For these reasons, the BCA respectfully request a favorable report on HB 599.

HB599_HousingCommunityDevelopingFinancing2024_LOS.

Uploaded by: Brian Sims

Position: FAV



Maryland
Hospital Association

February 20, 2024

To: The Honorable Marc Korman, Chair, House Environment and Transportation Committee

Re: Letter of Support - House Bill 599 - Maryland Community Investment Corporation -
Establishment (Housing and Community Development Financing Act of 2024)

Dear Chair Korman:

On behalf of the Maryland Hospital Association's (MHA) member hospitals and health systems, we appreciate the opportunity to support House Bill 599, which would improve access to quality, affordable, and stable housing in Maryland—contributing to better health outcomes—and also boost economic growth for all Marylanders.

Maryland hospitals care for millions of people each year, around-the-clock. In addition to the care they provide, they evaluate factors inside and outside of their organizations to promote the health and the well-being of the populations they serve and the tens of thousands they employ. Hospitals are committed to addressing the social drivers of health, which includes housing.

The Department of Health and Human Services defines housing insecurity as high housing costs in proportion to income, poor housing quality, unstable neighborhoods, overcrowding, or homelessness.¹ As an important social determinant of health, housing security must be addressed when developing goals for accessibility or quality of care. Unstable housing can increase the risk of infectious or chronic disease and exacerbate previously existing health conditions.²

HB 599 will establish the Maryland Community Investment Corporation, which is tasked with facilitating greater investment in and representation from low-income communities in the state. This promotes community buy-in and greater understanding of the pressing issues that are preventing the community from reaching their full potential.

For these reasons, we request a *favorable* report on HB 599.

For more information, please contact:
Brian Sims, Vice President, Quality & Equity
Bsims@mhaonline.org

¹ Cutts, D. B., Meyers, A. F., Black, M. M., Casey, P. H., Chilton, M., Cook, J. T., Geppert, J., Ettinger de Cuba, S., Heeren, T., Coleman, S., Rose-Jacobs, R. Frank, D. A. (2011). US Housing insecurity and the health of very young children. *American journal of public health*, 101(8), 1508-14. Retrieved from: www.ncbi.nlm.nih.gov/pmc/articles/PMC3134514/

² Taylor, L. (2018). Housing and Health: An Overview of the Literature. *Health Affairs*. Retrieved from: <https://www.healthaffairs.org/doi/10.1377/hpb20180313.396577/>.

CSG Testimony on HB 599 Maryland Community Investm

Uploaded by: Carrie Kisicki

Position: FAV

February 20, 2024

The Honorable Delegate Marc Korman
Chair, Environment and Transportation Committee
Maryland House of Delegates

**HB 599 Maryland Community Investment Corporation - Establishment (Housing and
Community Development Financing Act of 2024) — Favorable**

Carrie Kisicki, Montgomery County Advocacy Manager

Dear Chair Korman and Committee Members,

Thank you for the opportunity to testify. Please accept this testimony on behalf of the Coalition for Smarter Growth, the leading organization advocating for walkable, bikeable, inclusive, and transit-oriented communities as the most sustainable and equitable way for the D.C. region to grow and provide opportunities for all.

Securing financing can be a major barrier to moving affordable housing and community development projects forward. This bill would create an innovative additional source of funding to support equitable community development and produce more of the housing that Maryland needs.

We are also excited about the possibility that federal New Market Tax Credits administered through the new state-owned investment corporation created by this bill could be used to support affordable homeownership opportunities—for which there are currently few sources of state support compared to affordable rental projects.

We urge you to support HB 599, and thank Governor Moore for putting this legislation forward.

Sincerely,



Carrie Kisicki
Montgomery County Advocacy Manager

HB0599_Housing_and_Community_Development_Financing

Uploaded by: Cecilia Plante

Position: FAV



TESTIMONY FOR HB0599

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

Bill Sponsor: Speaker

Committee: Environment and Transportation

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of HB0599 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists, and our Coalition supports well over 30,000 members.

The housing market in Maryland has fallen way behind in building affordable housing, which has caused a housing crisis in the state. Solving this problem requires changes to zoning; encouragement of high-density, transit-oriented projects; as well as investment in the development of affordable housing.

This is a companion bill to HB0538 (Housing Expansion and Affordability Act of 2024), which seeks to expand affordable housing in the state by changing zoning laws and encouraging high-density, transit-oriented projects. The investment component of the housing solution is provided in this bill by creating the Maryland Community Investment Corporation, which would make loans or investments aimed at developing and improving communities.

It is anticipated that the Community Investment Corporation would direct an estimated \$50 million in federal funding to invest in community projects in the state.

We support this bill and recommend a **FAVORABLE** report in committee.

2024.02.20 HB0599 Favorable.pdf

Uploaded by: Christiana Rigby

Position: FAV



Howard County Council

George Howard Building
3430 Court House Drive
Ellicott City, Maryland 21043-4392

Christiana Rigby
Councilmember

District 3

TESTIMONY IN SUPPORT OF HB0599

Maryland Community Investment Corporation – Establishment (Housing and Community Development Financing Act of 2024)

February 20, 2024

Dear Chair Korman, Vice Chair Boyce, and Members of the Environmental and Transportation Committee:

Thank you for the opportunity to provide testimony to the Committee. I am writing to express my strong support for HB0599, legislation that establishes a Community Development Entity and expands upon the Strategic Demolition and Smart Growth Impact Fund.

Rapid inflation, high construction costs, and increased land value have impacted development across Maryland. We need State level intervention to get us back on track. The establishment of a Community Development Entity, the Maryland Community Investment Corporation, allows the State to apply for New Market Tax Credit's and increases our opportunities for development in low-income communities.

Expanding the Strategic Demolition and Smart Growth Impact Fund will greatly benefit redevelopment across Maryland. Rapid inflation and rising land value has increased barriers to entry for redevelopment. By including debt payments and credit enhancements as eligible costs, we will see additional investments in our communities.

Thank you for your consideration of this legislation, and I respectfully encourage a favorable report.

Yours in service,

Christiana Rigby

CDN HB 599 FAVORABLE.pdf

Uploaded by: Claudia Wilson Randall

Position: FAV



Testimony HB 599
House Environmental and Transportation Committee
February 20, 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 communities are thriving and where people of all incomes have abundant opportunities for themselves and their families.

HB 599 - This legislation would set up a Community Development Entity (CDE) – the Maryland Community Investment Corporation to make investments in low-income communities; requiring the Corporation to apply for an allocation of federal new markets tax credits and expanding the eligible uses of the Strategic Demolition and Smart Growth Impact Fund to include grants and loans for debt payments and for credit enhancement for projects.

A CDE is a corporation or partnership that is an intermediary vehicle for the provision of loans, investments, or financial counseling in Low-Income Communities (LICs). Benefits of being certified as a CDE include being able to apply to the CDFI Fund to receive a New Markets Tax Credit (NMTC) allocation to offer its investors in exchange for equity investments in the CDE and/or its subsidiaries; or to receive loans or investments from other CDEs that have received NMTC allocations.

By some estimates, the City of Baltimore would require \$2.5 billion in order to address vacant property throughout the city. After more than 60 years of disinvestment, it will take \$125 million per year for the next 25 years to address the cities’ vacant housing crisis.¹ Meanwhile the cost of maintaining vacants is more than \$100 million per year and the lost tax revenue is estimated at least \$100 million per year.²

¹ https://rebuildmetro.com/wp-content/uploads/2023/02/ReBUILD-Metro_Whole-Blocks-Exec-Summ.pdf

² . <https://abell.org/publication/the-costs-of-baltimores-vacant-housing/#:~:text=In%20The%20Costs%20of%20Baltimore's,million%20in%20annual%20public%20expenses.>

A Maryland CDE would make it significantly easier to raise capital for Baltimore City and other areas of the state that need high amounts capital in order to reverse decades of disinvestment.

New Markets Tax Credits were designed to increase the flow of private sector capital to businesses, nonprofits, community facilities, and other important projects in the poorest communities in the U.S. Maryland has been missing out on the full power of these investments because without a public entity that can complete these transactions, the cost is very high. This entity can put that capital to work, financing everything from building homeownership to health clinics and childcare centers.

We urge your favorable report for HB 599.

Submitted by Claudia Wilson Randall, Executive Director

HB599 MD Community Investment Corp Establishment.p

Uploaded by: Dan Ellis

Position: FAV



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.



25 E. 20th Street, Suite 170 Baltimore, Maryland 21218
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www.nhsbaltimore.org



Neighborhood Housing Services of Baltimore, Inc.

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, appearing to read "D. T. Ellis".

Daniel T. Ellis
Chief Executive Officer



25 E. 20th Street, Suite 170 Baltimore, Maryland 21218
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www.nhsbaltimore.org

Comments on HB 599, Housing and Community Developm

Uploaded by: Dan Reed

Position: FAV



Chair Marc Korman
and Members, Environment and Transportation Committee
House Office Building
6 Bladen Street
Annapolis, Maryland 21401

February 20, 2024

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

My name is Dan Reed and I serve as the Regional Policy Director for [Greater Greater Washington](#), a nonprofit that works to advance racial, economic, and environmental justice in land use, transportation, and housing throughout Greater Washington. **GGWash supports House Bill 599, the Housing and Community Development Financing Act**, which would create a new, innovative funding source for affordable housing and community development.


As written, this bill would establish the Maryland Community Investment Corporation, which would use federal new market tax credits to lend money for community development projects around the state, which include but aren't limited to affordable housing. Ironically, financing is a significant barrier to investment in the places where investment is needed most. By directing funds to these places, this bill would help generate much needed homes and economic opportunities.

We applaud Governor Moore and Secretary Day for their leadership on housing issues in Maryland, and urge the Environment and Transportation Committee to give this bill a favorable report.

Sincerely,

A handwritten signature in black ink that reads 'Dan Reed'.

Dan Reed
Regional Policy Director

The Washington, DC region is great  and it can be greater.

Carrington 2024 testimony HB599 MD community inves

Uploaded by: Darrell Carrington

Position: FAV



House Bill 599 – Maryland Community Investment Corporation

SUPPORT

Carrington & Associates, LLC offers its support for House Bill 599, the "Maryland Community Investment Corporation – Establishment (Housing and Community Development Financing Act of 2024)." Our organization believes that this proposed legislation holds significant promise for fostering economic growth and community development in our great state.

Carrington & Associates, LLC is committed to initiatives that contribute to the well-being and prosperity of our local communities. We believe that the establishment of the Maryland Community Investment Corporation, as outlined in House Bill 599, will play a crucial role in making investments in low-income communities, providing opportunities for growth, and enhancing the overall quality of life for residents.

The strategic objectives outlined in the bill, such as the establishment of an advisory committee, application for federal new markets tax credits, and expanded eligible uses of the Strategic Demolition and Smart Growth Impact Fund, align with our values and objectives for community development. We believe that the proposed legislation will create a framework for sustainable investment and inclusive economic development throughout the state.

We appreciate the comprehensive approach taken by the bill to address the diverse needs of low-income communities, and we are particularly supportive of its emphasis on fostering diverse entrepreneurship and innovation.

As a responsible corporate citizen, Carrington & Associates, LLC stands ready to collaborate with government agencies, community organizations, and other stakeholders to ensure the success of the Maryland Community Investment Corporation.

Thank you for your dedicated service and commitment to the well-being of Maryland's communities. We urge you to support House Bill 599 and its potential positive impact on community development in our state.

For the foregoing reasons, we ask for your FAVORABLE report for House Bill 538.

DB Testimony - House Bill 599.pdf

Uploaded by: Dominic Boapea

Position: FAV

15th February 2024

To the Environment and Transportation Committee
Subject: Testimony in Support of House Bill 599 - Maryland Community Investment Corporation –
Establishment (Housing and Community Development Financing Act of 2024)

Honorable Members,

I am Dominic Boapea, the Business Development and Finance Manager at Riggle Capital, a Community Development Entity registered and operating in Baltimore, Maryland. I am here to express my strong support for House Bill 599, which seeks to establish the Maryland Community Investment Corporation, a community development entity controlled by the State of Maryland. Establishing this corporation will allow the State to apply for and potentially receive NMTC allocation authority.

The NMTC program has been vital in fostering economic development and revitalization in underserved communities across the United States. The economic impact of NMTC projects in Maryland cannot be understated. Since the program's inception in 2002, over \$3.8B has been invested in more than 112 projects and businesses in Maryland; some of these projects are Remington Row, Hoen Lithograph, Casa De Maryland, and Lexington Market. Over 14,000 full-time jobs and 23,000 temporary constructions have been created. Additionally, over 16.7 million sq. ft. of real estate has been constructed or renovated using NMTCs. However, more could be done. Although CDEs in Maryland have been awarded over \$3.5B in NMTC allocation authority since 2002, less than 20% (\$0.7B) was placed in Qualified Low-Income Community Investments (QLICs) in Maryland. Setting up a state CDE means Maryland joins other States and Cities, such as Illinois, California, Dallas, and Phoenix, who apply for allocation and ensure all NMTCs awarded are placed in Qualified Low-Income Community Investments in their respective jurisdictions.

The Bill represents a critical step forward in the State's commitment to economic equity and community development. By supporting this Bill and the establishment of MCIC, the House will ensure that the State actively participates in the NMTC program and continue efforts towards the economic revitalization in underserved communities, fostering job creation, stimulating economic growth, and improving the quality of life for countless Marylanders.

I urge you to support House Bill 599 and look forward to seeing its positive impact on communities in Maryland. Thank you for considering my testimony on this important matter.

Sincerely,

Dominic Boapea
Business Development/Finance Manager
Riggle Capital

HB0599-ET_MACo_SUP.pdf

Uploaded by: Dominic Butchko

Position: FAV



House Bill 599

Maryland Community Investment Corporation – Establishment (Housing and Community Development Financing Act of 2024)

MACo Position: **SUPPORT**

To: Environment & Transportation and
Ways & Means Committees

Date: February 20, 2024

From: Dominic J. Butchko

The Maryland Association of Counties (MACo) **SUPPORTS** HB 599. This bill establishes the Maryland Community Investment Corporation and expands the uses of the Strategic Demolition and Smart Growth Impact Fund.

For the 2024 Maryland General Assembly Session, MACo has made it a priority – one of the Association’s four legislative initiatives – to *Advance Comprehensive Housing Solutions*. Much like climate change and sea level rise, the challenges surrounding affordable housing are vast and call for a large, multipronged effort. While in other policy areas, it may be easy to deduce a simple cause-and-effect relationship, housing is a complex web of multifaceted factors. Addressing challenges like workforce, financing, interest rates, broad economic trends, supply chain, and large out-of-state corporate interests – among many other obstacles – requires an all-hands-on-deck effort from policy makers at all levels.

MACo is working with sponsors to cross-file legislation to target several components of this crisis: abandonment/blight disincentives, corporate owner transparency, and short-term rental oversight. Additionally, under this initiative, counties will be supporting other pro-housing legislation which helps to advance the conversation, balances local flexibility, and ensures more Marylanders can afford a place to call home.

A major obstacle to unlocking additional housing production is financing. At the mercy of higher interest rates, state and county governments are limited in tools to offer more attractive financial incentives. If enacted, HB 599 would provide another “tool in the toolbox” by establishing the Maryland Community Investment Corporation. The Corporation would be tasked with using federal incentives, such as New Market Tax Credit, to offer more attractive financing for affordable housing development. Additionally, the bill broadens the flexibility of the Strategic Demolition and Smart Growth Impact Fund to include debt payments and credit enhancement.

A central element of the housing crisis is driven by financing, and HB 599 offers innovative approaches to enable more housing projects to become financially viable. For this reason, MACo urges the Committee to issue HB 599 a **FAVORABLE** report.

BaltimoreCounty_FAV_HB0599.pdf

Uploaded by: Giuliana Valencia-Banks

Position: FAV

JOHN A. OLSZEWSKI, JR.
County Executive



JENNIFER AIOSA
Director of Government Affairs

AMANDA KONTZ CARR
Legislative Officer

WILLIAM J. THORNE
Legislative Associate

BILL NO.: **HB 599**

TITLE: Maryland Community Investment Corporation – Establishment (Housing and Community Development Financing Act of 2024)

SPONSOR: Speaker Jones, By Request of the Governor

COMMITTEE: Environment and Transportation

POSITION: **SUPPORT**

DATE: February 20, 2024

Baltimore County **SUPPORTS** House Bill 599 – Maryland Community Investment Corporation – Establishment (Housing and Community Development Financing Act of 2024). This legislation, which is part of Governor Moore’s three-pronged housing package, is focused on investment in low-income and underserved communities.

HB 599 establishes the Maryland Community Investment Corporation (MCIC) as a Community Development Entity (CDE). This has the potential to help drive more resources for commercial revitalization in the Baltimore County communities that have been historically underserved, especially the west side of the County and the southeast of the County. Commercial revitalization is an important part of community development, and one that can lead to further investments in surrounding communities. Furthermore, the potential to invest in mixed-use projects aligns with Baltimore County’s current efforts at the local level to broaden allowances for mixed-use development in aging commercial corridors. These corridors are noted in Baltimore County’s draft Master Plan 2030 as ideal locations for redevelopment and revitalization. Baltimore County supports efforts by the State to potentially direct more investment to these areas.

Moreover, HB 599 alters the eligible uses of grants and loans issued under the Strategic Demolition and Smart Growth Impact Fund. Currently, the Fund can assist local governments and community development organizations with costs related to exterior demolition, land assembly, architecture and engineering, and site development. The legislation would add payments and credit enhancement to this list. Baltimore County supports this change, which would expand opportunities for the State to invest in housing and community development activities by creating more flexibility in how projects are funded. Ultimately, this could lead to more projects being financially viable, thus driving development that otherwise would not have advanced.

Accordingly, Baltimore County urges a **FAVORABLE** report on HB 599 from the House Environment and Transportation committee. For more information, please contact Jenn Aiosa, Director of Government Affairs at jaiosa@baltimorecountymd.gov.

Testimony on HB 599 .pdf

Uploaded by: Gregory Countess

Position: FAV



**MARYLAND
LEGAL AID**

Advancing
**Human Rights and
Justice for All**

**House Bill 599
In the House Environment and Transportation Committee–
For the purpose of establishing the Maryland Community Investment Corporation
Hearing on February 20, 2024
Position: FAVORABLE**

Maryland Legal Aid (MLA) submits its written and oral testimony on HB 599 in response to a request from the Office of the Governor of Maryland, Wes Moore.

House Bill 599 is legislation that establishes the Maryland Community Investment Corporation to make investment in certain low-income communities.

MLA is a non-profit law firm that provides free legal services to the State’s low-income and vulnerable residents. MLA handles civil legal cases involving a wide range of issues, including representing people and families struggling with housing and eviction. Many of our clients live in communities that would be served by the investments made by the corporation created by this legislation.

This legislation creates the vehicle through which communities, where low-income persons live, would be provided investment, in some cases through community created organizations, which would begin to address the widespread harm created by decades of disinvestment. Dilapidated housing, rents that are not affordable, healthcare access, food deserts, low home ownership rates, generational wealth disparities are among some of the harms impacting these communities. Structured as it is by this legislation, not only will the Board of the Community Investment Corporation, as constituted, bring together agency heads and representatives of affected communities, but it creates an entity uniquely fashioned to address these harms. HB 599 targets financing, New Market Tax Credits, which can create housing as well as commercial ventures that provide food, healthcare opportunities, affordable housing, business opportunities and jobs.¹

HB 599 is a step toward addressing years of misguided policies that have produced communities which ill-serve low-income people in Maryland. Maryland Legal Aid urges a favorable report. If you have any questions, please contact Gregory Countess at gcountess@mdlab.org or at (410) 951-7687.

¹ <https://www.ruralhealthinfo.org/funding/1198> and also https://sbfriedman.com/sites/default/files/download/NMTC%20Guide%202018_1.pdf

HB 599 - SUPP - E&T - HCD Financing Act - Feb 20

Uploaded by: Heather Iliff

Position: FAV



marylandnonprofits.org

1500 Union Avenue | Suite 2500 | Baltimore, MD 21211
410.727.6367 | 800.273.6367 | Fax 410.235.2190

February 20, 2024

Testimony on House Bill 599
Maryland Community Investment Corporation – Establishment
(Housing and Community Development Financing Act of 2024)
House Environment and Transportation Committee

Position: Favorable

Maryland Nonprofits is a statewide association of more than 1800 nonprofit organizations and institutions. We urge you to support House Bill 599 and approve Governor Moore’s proposal to establish a statewide community development entity as part of the strategy to address the critical shortage of affordable housing in our state.

House Bill 599 establishes the Maryland Community Investment Corporation to allow the state to compete for tens of millions in federal funding through the New Market Tax Credit program. Upon award of federal funds, the Maryland Community Investment Corporation will make investments in low-income communities and community development projects across the state. The legislation also seeks to strengthen the Strategic Demolition and Smart Growth Impact Fund by allowing for debt payments and credit enhancements to be covered for qualified projects—in all, creating new tools for community and economic development in high-need communities.

Maryland Nonprofits broad membership includes organizations serving the entire spectrum of individual, family and community needs across the state. This perspective allows us to see better than most that resolving poverty and the social and economic inequities that burden the lives of too many Marylanders, particularly families and communities of color, requires addressing the multiple interconnected challenges that they face on a daily basis. Factors such as lack of available transportation, food insecurity, affordable childcare, and access to adequate health care and services, all impact the health and education of children, the opportunity for access to jobs and stable employment, the ability build a sustaining level of wealth, and more. Access to safe, stable and affordable housing is essential to meeting most if not all of these needs.

Excessive housing costs particularly among renters, but for many low-and moderate income home-owners as well, impacts their families’ nutrition, decisions to when to seek health care, ability to own a car, or pay college debt or save for their own children’s education, and to live within accessible reach of employment, educational opportunities, or shopping for basic needs. The education of children who are forced to attend two or more different schools a year because of housing instability will suffer regardless of our investments in the BluePrint.



But housing affordability – or ‘unaffordability’ – has become a serious crisis in our state. 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.

The creation of the Maryland Community Investment Corporation, and the other elements of this legislation, can play a significant role in addressing this crisis.

We urge you to give House Bill 599 a **favorable report**.

HB0599_FAV_City of Rockville_MD Comm. Investment C

Uploaded by: Izola Shaw

Position: FAV



**Testimony of the Mayor and Council of Rockville
HB 599 – Maryland Community Investment Corporation – Establishment
(Housing and Community Development Financing Act of 2024)
SUPPORT**

Good afternoon, Chairman Korman and members of the House Environment and Transportation Committee. I am Izola Shaw, Rockville City Councilmember, and I thank you for this opportunity to provide testimony in support of HB 599.

The City of Rockville Mayor and Council unanimously support HB 599, which creates a new, state-owned financial institution, the Maryland Community Investment Corporation, that could fund community development projects around the state by taking advantage of New Market Tax Credits. This bill also expands the eligible cost for which a grant or loan can be issued to a local government or community development organization under the Strategic Demolition and Smart Growth Impact Fund to include debt payments and credit enhancement.

We strongly support the provisions of HB 599, due to its potential to enhance community development initiatives and further diversity, equity, and inclusion within Rockville's low-income neighborhoods and designated sustainable communities. We are especially hopeful that the City's housing authority, Rockville Housing Enterprises, would be able to take advantage of the new financing opportunities to build upon their work preserving and producing affordable housing.

In conclusion, Rockville is excited about the potential for new funding opportunities for community development projects that would improve Rockville's affordability, equity, and livability. For these reasons, we urge the Committee to provide HB 599 with a favorable report. Thank you.

HB599_DHCD_SUPPORT.pdf

Uploaded by: Jacob Day

Position: FAV



WES MOORE
Governor
ARUNA MILLER
Lt. Governor
JACOB R. DAY
Secretary
JULIA GLANZ
Deputy Secretary

DATE: February 20, 2024
BILL NO.: House Bill 599
TITLE: Maryland Community Investment Corporation - Establishment (Housing and Community Development Financing Act of 2024)
COMMITTEE: House Environment & Transportation Committee

Letter of Support

Description of Bill:

House Bill 599 establishes a community development entity called the Maryland Community Investment Corporation for the purpose of receiving and investing federal New Market Tax Credits and allows use of Strategic Demolition Fund resources for credit enhancement and debt service on government bonds, enabling expanded state investment in addressing vacant properties.

Background and Analysis:

Federal New Market Tax Credits, established in 2000 and administered by the Treasury Department, are primarily used to fund commercial, industrial, community facility, and mixed-use real estate projects, along with businesses located in qualifying low-income communities. About \$5 billion per year is currently allocated to the NMTC program.

Typically, community development entities (CDEs) act as intermediaries, competing for NMTC allocations and selling the tax credits to investors with federal tax liabilities. CDEs then use the funds from selling the tax credits, along with other public subsidies and private sector funds, to invest in development projects. Many jurisdictions across the country have established CDEs for this purpose, including the state of California, along with Chicago, Phoenix, Los Angeles, and Dallas. These CDEs have successfully channeled billions of dollars of federal investment into local communities, resulting in the construction of numerous major projects.

Creating a state sponsored CDE will give Maryland more mission and policy control over federal funding opportunities and allow it to work in concert with state funding programs. The Maryland Community Investment Corporation will be a crucial resource for channeling federal funds to Maryland communities.

Granting DHCD additional flexibility in the use of Strategic Demolition Fund money will be a key enhancement to the program. Expanding the allowable uses to include credit enhancements and debt payments will accelerate capital formation for program activity and will multiply the state's investment by an order of magnitude. This will enable greater and more efficient investment in revitalization projects, and the transformation of community liabilities into community assets.

DHCD Position:

The Department of Housing and Community Development respectfully requests a **favorable** report on HB 599.



Maryland Catholic Conference_FAV_HB599.pdf

Uploaded by: Jenny Kraska

Position: FAV



MARYLAND
CATHOLIC
CONFERENCE

February 20, 2024

HB 599

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

House Environment & Transportation Committee

Position: Favorable

The Maryland Catholic Conference (MCC) offers this testimony in support of House Bill 599. The Catholic Conference is the public policy representative of the three (arch)dioceses serving Maryland, which together encompass over one million Marylanders. Statewide, their parishes, schools, hospitals, and numerous charities combine to form our state's second largest social service provider network, behind only our state government.

House Bill 599 would establish the Maryland Community Investment Corporation as an independent unit to make investments in certain low-income communities throughout the State.

This legislation presents an opportunity to significantly impact the lives of individuals and families living in low-income communities across Maryland. By establishing the Maryland Community Investment Corporation and expanding the eligible uses of the Strategic Demolition and Smart Growth Impact Fund, we can create pathways for economic empowerment, revitalization, and sustainable development in underserved areas.

Investing in low-income communities through initiatives like those proposed in this legislation not only fosters economic growth but also promotes human dignity and social inclusion. It provides residents with access to affordable housing, quality education, healthcare services, and employment opportunities – essential components for building thriving and resilient communities. By addressing barriers to financing and supporting projects that have the potential to transform neighborhoods, we can catalyze positive change and break the cycle of poverty.

The MCC appreciates your consideration and, for these reasons, respectfully requests a favorable report on House Bill 599.

Letter of Support-HB599.pdf

Uploaded by: Kia Holder

Position: FAV



Thursday, February 15, 2024

Re: In Support of HB 599 Housing and Community Development Financing Act

Dear Honorable Chair and members of the committee,

On behalf of Anne Arundel Community Action Agency, I urge you to support HB 599, Housing and Community Development Financing Act.

The Anne Arundel County Community Action Agency has been county's designated anti-poverty agency since 1965, with its mission "to assist people living in poverty working to achieve self-sufficiency and economic mobility by collaborating with community partners." Agency programs are a demonstrated pipeline to increase optimal outcomes across several well-being domains.

Anne Arundel Community Action Agency supports HB 599 as we are seeing firsthand the urgent housing needs of low-income individuals and families in Anne Arundel County where poverty significantly undermines their economic mobility. This bill would allow Maryland to enhance its long-term financial investment in low-income communities through more dedicated staff and the award of competitive financial resources.

If there is any additional information that I can provide as you consider this bill, I would be happy to help. You can contact me at (410) 626-1900 ext. 1017 or kholder@aaccaa.org.

Sincerely,

Kia Holder, Deputy Program Integrationist
92 W Washington Street
Annapolis, MD 21401

FINAL Written Testimony for Housing Community Deve

Uploaded by: Leslie McMillan

Position: FAV



WRITTEN TESTIMONY
**THE IMPORTANCE OF FLEXIBILITY FOR
THE STRATEGIC DEMOLITION & SMART GROWTH IMPACT FUND
AS PART OF HB 599 / SB 483**

*Submitted by: BUILD (Baltimoreans United in Leadership Development)
Leslie McMillan (BUILD Co-Chair / HB 599) &
Rev. Cristina Paglinauan (BUILD Executive Team / SB 483)*

BUILD supports the passage of Housing & Community Development Finance Act (HB 599 / SB 483) as part of the Governor's Housing Package because of the transformative impact it can have on addressing vacant and abandoned housing in Baltimore City as well as the impact and flexibility it will provide for other jurisdictions around the state.

Baltimore City is facing a crisis of vacant and abandoned homes. Not only are there more than 13,000 vacant and abandoned buildings. There are 21,000 vacant lots and tens of thousands of houses at significant risk of vacancy because of their proximity to other vacant properties.

This is not a new crisis for Baltimore City. It is a crisis rooted in our city's long history of destructive and racially discriminatory housing policies and practices, including redlining that was pioneered in Baltimore more than a century ago.

In this context, the changes to the Strategic Demolition and Smart Growth Impact Fund in this proposed bill – known more commonly in Baltimore City as Project CORE – will be transformative, especially when they are combined with the proposed investments made in Gov. Moore's budget.

They make Project CORE and similar funds in other parts of the state more flexible so that they can be maximally useful on the ground to act in at-scale and strategic ways.

BUILD's History and Track Record on this issue

BUILD – Baltimoreans United In Leadership Development – is a broad-based, non-partisan coalition of more than 35 religious congregations, non-profits, and schools in Baltimore. Founded in 1977, BUILD has a long, productive track record acting on issues related to housing, jobs, schools, safety, and more. This has included the creation of the nation's first living wage ordinance in Baltimore City and working with the state legislature to invest \$1 billion in rebuilding Baltimore City's aging school infrastructure in recent years. We are part of the Industrial Areas Foundation (IAF), the nation's oldest and largest multi-faith organizing network in the United States.

For 15 years, BUILD has worked in East Baltimore to address vacant and abandoned properties. As part of that work, we created – with other national partners – a non-profit developer called ReBUILD Metro. [ReBUILD Metro has transformed 450 properties into homes in four neighborhoods in East Baltimore](#), representing a collective investment of more than \$120 million – without displacing a single resident.¹ This investment has

¹ In the two neighborhoods where ReBUILD Metro has worked for the longest period of time, we have reduced the vacancy rate to only 7.8%, down from 48%, a decrease of 85%. The population has increased by 45%, compared to a decrease in population citywide. Our work has increased the wealth of nearby homeowners by more than \$50 million, all while the neighborhoods themselves have

also helped reduce the murder rate in the areas where we work by more than half. It has created mixed-income communities with affordable housing at scale.

Our work in East Baltimore has utilized Project CORE funds. And we have seen what could be possible if these funds were made more flexible and if they could be used for debt service or credit enhancements to allow for larger, more focused investments over time.

Flexibility in the Strategic Demolition & Smart Growth Impact Fund is Critically Important to Acting At Scale

Over the last year, BUILD has worked in close partnership with Baltimore City and with the Greater Baltimore Committee to develop a focused and vetted plan to address the crisis of vacant and abandoned housing in Baltimore City at scale. The same values that have driven BUILD's work in East Baltimore are incorporated into this plan.

By acting at scale – which the flexibility to use these funds as debt service or credit enhancements makes possible – more strategic investments can be made to rebuild neighborhood housing markets. This is exactly what we have done in East Baltimore in recent years. This work has increased population in these neighborhoods and more than doubled property tax income for the city and increased population in these neighborhoods during that time.

The key to this success has been a “whole blocks” approach that invests in every vacant property, vacant lot, and at-risk property. This is possible citywide, but only with at-scale and strategic investment over time.

We cannot afford not to act as a state.

A [recent study from Johns Hopkins' 21st Century Cities Initiative by Mary Miller and Mac McComas](#) laid out both the scope and the financial cost of our status quo – more than \$100 million per year in lost tax revenue. [Similar studies](#) have identified \$170 million in potential new, annual revenue to the state if this issue is addressed. Our own, non-partisan analysis – working with Public Financial Management – backs up this return on investment.

But the human costs are even greater. We see every day the immeasurable costs in lives, in spirit, and in hope, as block after block of abandoned lots and boarded-up buildings in our historically disinvested neighborhoods remain neglected.

It should be no surprise that in Oliver and Broadway East today – the neighborhoods where BUILD and ReBUILD Metro have worked the longest – that more than \$50 million in wealth for nearby homeowners has been created and that the homicide rate in these neighborhoods has been cut in half.

By investing in neighborhoods at scale – something made more possible by this act – we can invest in the communities and the people who matter most. We can create a return on investment that puts the State of Maryland on more healthy economic footing for the future.

remained more than 90% Black. We have done this without displacing a single family and ensuring that community-driven, mixed income development is central to that work.

HB 599 - Housing Finance - FAV - REALTORS.pdf

Uploaded by: Lisa May

Position: FAV



House Bill 599 – Maryland Community Investment Corporation - Establishment (Housing and Community Development Financing Act of 2024)

Position: Support

Maryland REALTORS® supports efforts to increase the supply of housing options in Maryland through legislation like HB 599. This bill establishes the Maryland Community Investment Corporation and expands the Strategic Demolition Fund to fund economic development and new affordable housing options for state residents.

Maryland currently faces a shortage of nearly 150,000 housing units and growing, according to the National Low Income Housing Coalition. This shortage now impacts not just low-income residents, but also those of moderate incomes, young professionals, seniors, and working families. It encompasses both what has been traditionally considered as “affordable housing” but now also Missing Middle Housing types. What is more, these housing shortages are impacting our broader economy, as evidenced by the Comptroller’s 2023 State of the Economy report, which noted that Maryland’s economy is growing at just a fraction of our national rate.

Housing for those of lower incomes is among the hardest to produce and cannot be accomplished in the marketplace without significant funding and programmatic support. If adopted, this bill would efficiently direct federal tax dollars into areas of Maryland most in need of revitalization.

There is no single answer to this housing shortage. Rather, it will take many modest actions that when taken together begin to make a difference. Maryland officials at both the state and local levels will need to work closely with one another and seek new and innovative ways of providing the housing that our residents need. The status quo is no longer an option.

Maryland REALTORS® applauds efforts to ease our housing crisis and reduce our current 150,000-unit housing shortage. We ask for your support of House Bill 599.

For more information contact
lisa.may@mdrealtor.org or christa.mcgee@mdrealtor.org

HB0599 ACDS Support - Housing & Community Develop

Uploaded by: Lisa Sarro

Position: FAV



**HB0599 – Maryland Community Investment Corporation – Establishment
(Housing and Community Development Financing Act of 2024)**

**Hearing before the Environment & Transportation and Ways & Means Committees
February 20, 2024**

Position: SUPPORT (FAV)

SUPPORT: Arundel Community Development Services, Inc., (“ACDS”) urges this Committee to issue a **Favorable** report on HB0599, the Housing and Community Development Financing Act of 2024.

ACDS serves as Anne Arundel County’s nonprofit housing and community development agency, helping Anne Arundel County residents and communities thrive through the provision of safe and affordable housing opportunities, programs to prevent and end homelessness, and community development initiatives. As part of fulfilling this role, ACDS advises the County on issues related to affordable housing, develops housing and community development strategies for Anne Arundel County, and works with the County to support the development of safe, affordable housing for all County residents.

Like the rest of the State, Anne Arundel County has a housing crisis. With skyrocketing rents and continuously increasing home prices, we have a severe shortage of both rental and home ownership opportunities in the County, especially for low- and moderate-income residents. Despite the challenges, Anne Arundel County has long prioritized the housing needs of all its residents to ensure that Anne Arundel County is “the Best Place for All.” To that end, the County is tackling its housing crisis with a multi-faceted approach, enacting legislation to incentivize the development of affordable housing and minimize barriers to development, financially supporting the development of affordable housing, raising up communities most in need, and administering robust and effective eviction and homelessness prevention programs. However, even with all these efforts in full swing, *the bottom line is that we cannot effectively respond to the housing crisis without the availability of more affordable housing to meet the needs of our community.*

The use of tax credits to support the financing of low-income housing projects has been a particularly effective tool to attract developers and finance development loan packages in Anne Arundel County. This bill will create an additional, innovative, and entirely new pathway to obtaining tax credits for the development of affordable housing, which we anticipate will lead to a rapid increase in the development of new housing. Every possible tool in the affordable housing tool belt needs to be put into use to solve this crisis, and we firmly believe that this new financing mechanism will be a valuable and effective tool. The expectation that this program will be entirely self-sustaining within five years is an impressive bonus!

For the reasons noted above, ACDS urges the Committee to issue a FAVORABLE report on HB0599.

MBIA Letter of Support HB 599.pdf

Uploaded by: Lori Graf

Position: FAV

February 20, 2024

The Honorable Marc Korman
Environment & Transportation Committee
House Office Building, Room 251,
6 Bladen St., Annapolis, MD, 21401

RE: HB 599 - Maryland Community Investment Corporation - Establishment (Housing and Community Development Financing Act of 2024)

Dear Chairman Korman:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding the Maryland Community Investment Corporation - Establishment (Housing and Community Development Financing Act of 2024). MBIA **Supports** the Act in its current version.

House Bill 599 is a critical piece of legislation as it would create the Maryland Community Investment Corporation, which would make loans or investments aimed at developing and improving communities. We are in a housing crisis and on the verge of a major economic downturn if this issue is not addressed. Investing in economic development is more important than ever during times of retraction and downturn as communities strategize for business growth and resiliency. Economic developers and the programs they implement are an investment in growing and sustaining local economies.

This bill would channel federal funds into local communities, funding infrastructure for community based projects helps to create since it can support projects that have multi-state or national benefits and ensure the and according to the Moore administration the creation of this program would direct an estimated \$50 million in federal funding to invest in community projects.

For these reasons, MBIA respectfully requests the Committee adopt the proposed amendment and give this measure a favorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the House Environment & Transportation Committee

Testimony HB599 - signed letter.pdf

Uploaded by: Mike Posko

Position: FAV

**Testimony
HB 599
Environment and Transportation Committee
February 20, 2024**

Dear Chair Korman, Vice-Chair Boyce, and members of the committee:

For 40 years, Habitat for Humanity of the Chesapeake (HFHC) has been a catalyst for moving low-income families out of poverty toward more prosperous, stable futures through affordable homeownership. By bringing people together to build homes, communities, and inspire hope, we settled 798 families into energy-efficient, affordable homes with zero-interest mortgages. This positively impacted the lives of more than 3,000 partner family members (more than half of whom are children), involved more than 1,200 volunteers annually and impacted hundreds of other community residents who benefit from safer, more vital communities as homeownership rates increase.

During the next year, Habitat Chesapeake will work on 16 homes, some of them new construction, and rehabilitate properties that stand vacant or abandoned in Baltimore area neighborhoods including Milton-Montford, Sandtown, and Curtis Bay.

We know that homeownership is one of the most effective means for ensuring progress for first-time and first-generation homebuyers. It also provides tremendous benefit for our city and entire state.

We understand that the potential for new sources of funding for financing homebuilding as a welcome addition to the “toolkit” that we have available to us as a State, as developers, as homebuilders. The need to increase our housing supply in Maryland is great, and the means to produce units that will work for a wide range of household AMI is crucial. The establishment of the Maryland Community Investment Corporation will add new means for leveraging dollars to make projects happen and develop units to achieve the goal of increasing housing supply in our state. HFHC has successfully used New Market Tax Credits in the past and looks forward to using them again in the future as long as another entity guarantees the recapture risk and supports our organization with reporting and compliance throughout the entire seven year compliance period.

Our work to ensure affordability for our homeowners, who fall within the 30-80% AMI for the region, is made possible through the support of State and City funding sources and private donations. We understand the benefit of having another funding source available to do the work of building homes. With the need for supply and the need for affordable homes

as high as it is right now, we applaud this effort to create a new funding stream within our state.

We favor enlarging access to affordable homeownership for low- to moderate-income homebuyers as an essential strategy for equitable revitalization. We hope that the Committee will look favorably upon this bill, as it may provide a real solution to some of the consistent problems of housing in Maryland.

Sincerely,



Mike Posko, CEO

HB0599.pdf

Uploaded by: Mitchell Posner

Position: FAV

February 16, 2024

Delegate Marc Korman
Chair, House Environment and Transportation Committee
Room 251
House Office Building
Annapolis, Maryland 21401

Re: In Support of HB0599, Housing and Community Development Financing Act of 2024

Dear Honorable Chair Korman and members of the House Environment and Transportation Committee,

I am writing on behalf of Community Assistance Network, Inc., (CAN), the designated anti-poverty Community Action Agency (nonprofit) serving Baltimore County and a committed advocate for community development and affordable housing initiatives. We have reviewed HB599, titled the "Housing and Community Development Financing Act of 2024," and we are pleased to express our enthusiastic support for this critical legislation.

In Baltimore County CAN operates the three largest homeless shelters, a Community Choice Pantry and assists hundreds of families a year avoid evictions. The lack of affordable housing is the number one stress on almost all of our clients (your constituents). Establishing the Maryland Community Investment Corporation as an independent unit to make investments in certain low-income communities via HB599 addresses key issues related to the availability of sufficient funding to enable affordability of housing in our communities. We believe this legislation will significantly contribute to the expansion of affordable housing options and foster sustainable growth. The provisions outlined in the bill align with our organization's mission of "Helping People. Changing Lives".

The specific provisions of HB538 that require the Corporation to apply for an allocation of federal new markets tax credits; expand the eligible uses of the Strategic Demolition and Smart Growth Impact Fund to include grants and loans for debt payments and for credit enhancement for certain projects that enable the financing of affordable housing projects are commendable steps toward removing barriers to affordable housing development.

We appreciate the forward-thinking approach of the bill. CAN firmly believes that HB599 represents a positive and necessary step towards ensuring that all members of our community have access to safe, affordable housing. We commend the bill's sponsors and urge approval of this legislation for the betterment of our clients and our larger community.



CAN

Community Assistance Network

Helping People. Changing Lives.

7900 E. Baltimore Street
Baltimore, MD 21224

Thank you for your attention to this matter. We look forward to witnessing the positive impact that HB599 will have on affordable housing initiatives in our county and state.

Please feel free to contact me at mposner@canconnects.org or 410-336-8035 if you have any questions and/or need additional information.

Sincerely,

Mitchell Posner
Executive Director

HB 599.pdf

Uploaded by: PRISCILLA KANIA

Position: FAV



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HB 599 – Maryland Community Investment Corporation - Establishment
House Environment and Transportation Committee
FAVORABLE
February 20, 2024

Good afternoon Chair Korman, Vice Chair Boyce and members of the House Environment and Transportation Committee. I am Priscilla Kania, AARP volunteer lead advocate and resident of Anne Arundel County. On behalf of over 850,000 members, we thank you for the opportunity to speak in support of **HB 599 Maryland Community Investment Corporation – Establishment**. We thank Governor Moore for initiating this important legislation.

HB 599 creates the rights, responsibilities, and function of Maryland Community Investment Corporation. Affordable housing is a priority for AARP due to the high number of older Marylanders on limited and fixed incomes. The recommendations in this legislation would positively impact this population.

In relation to Section 10-1105 (B) (6), might we suggest adding non-profits representing older adults. Since so many older Marylanders would benefit, it would be fitting to have non-profits representing this constituency given a voice.

AARP Maryland is committed to collaborating with you to effectively address Maryland's housing options for older adults. We ask the Committee to issue a favorable report on HB 599. If you have any questions, please feel free to contact Tammy Bresnahan at tbresnahan@aarp.org or by calling 410-302-8451.

Thank you.



Habitat Metro MD Testimony in Support of HB599.pdf

Uploaded by: Sarah Reddinger

Position: FAV

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.

Sarah Reddinger
Vice President of Community Development
Habitat for Humanity Metro Maryland, Inc.
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www.HabitatMM.org

MGA Support 2-16-24.pdf

Uploaded by: Sean Closkey

Position: FAV



February 16, 2024

Maryland General Assembly
Community Development Financing Act of 2024
Senate Bill 483 and House Bill 599

Dear Honorable General Assembly Members,

On behalf of ReBUILD Metro and the communities we serve, I am writing to support the Community Development Financing Act of 2024.

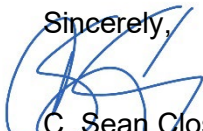
ReBUILD Metro envisions inclusive and equitable communities where families can afford access to high-quality housing that drives generational wealth. In total, ReBUILD Metro has created or restored high-quality homes for over 465 East Baltimore households, including 85 new homebuyers, 160 households in our single-family rental properties, 190 renters in three affordable multifamily buildings that we have codeveloped, and 30 homeowners participating in our Johnston Square Legacy Homeowner Repair Program.

Our “whole block” revitalization model has catalyzed an almost 90% reduction in vacant homes in our two legacy communities, resulting in a 54% rise in population, 57% rise in homeownership, and 125% rise in median income without displacement. In achieving this impact, we have created a model for how redlined and disinvested neighborhoods across Baltimore can rebuild themselves into growing communities of opportunity. In addition, the homicide rate dropped by 50% following redevelopment.

We have achieved these outcomes by working in partnership with the MD Department of Housing and Community Development (MD DHCD). We know that MD DHCD is an invaluable partner and at times requires greater and more innovative financing tools to help us as we resolve long-term and seemingly intractable issues in our community.

MD DHCD’s proposed Maryland Community Investment Corporation is an innovation that will help us expand our community services. We strongly encourage you to pass the Housing and Community Development Financing Act of 2024 and establish the Maryland Community Investment Corporation.

Sincerely,



C. Sean Closkey
President

Anne Arundel County _FAV_HB599.pdf

Uploaded by: Steuart Pittman

Position: FAV



February 20, 2024

House Bill 599

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

House Environment and Transportation Committee

Position: FAVORABLE

Anne Arundel County **SUPPORTS** House Bill 599 – Maryland Community Investment Corporation - Establishment (Housing and Community Development Financing Act of 2024)

House Bill 599 will allow critical investments in low-income communities by establishing the Maryland Community Investment Corporation and will enhance efforts to ensure every community - regardless of zip code - has unfettered access to state and federal resources.

Anne Arundel County takes pride in valuing all of our residents and communities. Unfortunately, some pockets of our County experience challenges that require an all-hands-on-deck approach to solving. House Bill 599 would give local jurisdictions an additional tool to build up underserved areas by expanding the Strategic Demolition Fund, which seeks to create economic development and job growth. By doing so, we can better fund construction projects and spur redevelopment in areas that need it most, ensuring that no community is left behind.

Projects like Communities of Hope, which Anne Arundel County currently implements to serve high-poverty neighborhoods, will see a significant boost with the passage of this legislation. For all of these reasons, I respectfully request a **FAVORABLE** report on House Bill 599.

Stuart Pittman
County Executive

UWCM 2024 Letter of Information - Standard Header.

Uploaded by: Valerie Skvirsky

Position: FAV

FOR INFORMATIONAL PURPOSES

Letter of Information Re: House Bill 538/Senate Bill 484 – Housing Expansion and Affordability Act of 2024 and House Bill 599/Senate Bill 483 – Housing and Community Development Financing Act of 2024.

United Way of Central Maryland (United Way) is committed to pursuing a more just, fair, and equitable society where one’s background does not predict future outcomes. Unfortunately, every day, low-wage earners are forced to make impossible decisions. They are ALICE: Asset Limited, Income Constrained, Employed. They often earn too much to qualify for government benefits, but not enough to support a “survival budget” for life’s essentials. ALICE households and households in poverty are forced to make tough choices, such as deciding between quality child care or paying the rent — choices that have long-term consequences not only for their families, but for all.

United Way’s public policy team analyzes the effects of legislation and policies on individuals and communities and helps guide policy formation to expand equity, opportunity, and access for all. Supported by a board-level Public Policy Committee, we advocate for needed investments, governmental action, and community empowerment, and help amplify the voices of others to effect positive change for our region. United Way in collaboration with its Public Policy Committee has identified accessible childcare and initiatives to move ALICE households away from the benefits cliff ¹and promote self-sufficiency as its [2024 Maryland General Assembly Legislative Session Key Priorities](#) (Key Priorities).

An essential component to United Way’s advocacy of its Key Priorities is the support of programs and funding aimed at eviction prevention and rehousing. Therefore, United Way supports the Governor Wes Moore’s Administration’s efforts to make housing affordable and accessible for ALICE residents and other struggling Marylanders. To learn more about United Way housing programs, visit: <https://uwcm.org/housing-programs>.

If you have any questions concerning United Ways Key Priorities or public policy initiatives, please contact either Windy Deese, Vice President of Public Policy and Economic Advancement for United Way, at windy.deese@uwcm.org or our contract lobbyists Lisa Harris Jones (lisa.jones@mdlobbyist.com) and/or Caitlin McDonough (caitlin.mcdonough@mdlobbyist.com) with Harris Jones & Malone, LLC.

¹ A “benefits cliff” is a term used to describe the potential loss of public benefits to working people resulting from small increases in earned income—sometimes as little as \$100 a year—whether or not they’re financially stable enough to absorb the loss of those benefits.

Enterprise_HB0599_Testimony_02162024-MD.pdf

Uploaded by: Melissa Bondi

Position: INFO



**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.

ENTERPRISE COMMUNITY PARTNERS, INC.

Washington, DC Office: 10 G Street NE ■ Suite 580 ■ Washington, DC 20002 ■ 202.842.9190 ■

www.EnterpriseCommunity.org

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