



**BRANDON M. SCOTT**  
MAYOR

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**SB704**

February 29<sup>th</sup>, 2024

**TO:** Members of Senate Education, Energy, and Environment Committee

**FROM:** Nina Themelis, Director of Mayor's Office of Government Relations

**RE:** Senate Bill 704 – Appraisal Gap from Historic Redlining Financial Assistance Program - Alterations

**POSITION: Support**

Chair Feldman, Vice Chair Kagan, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 704.

This legislation would expand eligibility for financial assistance under the Appraisal Gap from Historic Redlining Financial Assistance Program to include individuals who purchase certain qualified property after a project is completed, at an affordable sales price and as an owner-occupant. These changes provide clarity on who is eligible for the program and will assist with program implementation.

The purpose of the Program is to provide financial assistance geared towards covering the appraisal gap between what it costs to build or redevelop a home and what it can be sold for in historically redlined neighborhoods. This appraisal gap is one of the most critical obstacles to homeownership in the City and is most prevalent in communities that have been historically redlined and disinvested. Homeownership is one of the most effective paths to creating intergenerational wealth, by clarifying who is eligible for funding to cover the gap between construction costs and what the market will bear, this Bill may make owning a home a reality for hundreds of city families.

Through its Community Catalyst Grants program, the City's Department of Housing and Community Development has begun to address the lack of capital and appraisal gap but is limited in the support that can be provided. An effective State Appraisal Gap program can leverage City and other resources to redevelop vacant and under-utilized properties for homeownership in historically redlined neighborhoods and increase the City's tax base.

We respectfully request a **favorable** report on Senate Bill 704.