

**Testimony
HB447
Ways and Means Committee
January 31, 2025
Position: Favorable**

Dear Chair Atterbeary and Members of the Committee:

For 40 years, Habitat for Humanity of the Chesapeake 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 have settled more than 800 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.

This year, Habitat Chesapeake is in active construction on homes in Baltimore City and Howard County, and in pre-development for five new homes in Anne Arundel County (Severn).

Our work to ensure affordability for our homeowners, who fall within the 30-80% AMI for the region. The average household income for one of our buyers is currently around \$45,000.

The way that we achieve an affordable mortgage for our homebuyers relies on our ability to cover two gaps. The first gap between the cost of construction and the appraised value for the home. The second in ensuring affordability by covering any gap that might remain between the appraised value and our homeowner's capacity to pay a mortgage successfully. As a result, payments are limited to 30% of family income through use of second mortgages.

Due to the investment that we are making throughout the pre-development process through to settlement with our homeowners, a reduction in carrying costs on the properties we own in the County, including those in our holdings or in pre-development, would go a long way toward helping us build more homes.

This legislation could provide a real means for our goal to meet the need for affordable homeownership in Anne Arundel County.

Sincerely,


Mike Posko, CEO