



Testimony SB 387

Housing – Community Development Fund Program Act Funding

February 12, 2019

Position: FAVORABLE

Dear Chairman Guzzone and the Members of the Senate Budget & Taxation Committee:

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

We urge this committee to vote a favorable report for SB 387 – Housing – Community Development Fund Program Act – Funding. SB 387 creates a permanent funding source for the Community Development Fund which was created during the 2018 legislative session. The funding will be critical operating dollars for community development organizations to use for affordable housing, neighborhood and commercial revitalization, housing and financial counseling, small business development, community services, and more. The funding source is \$5 million from surplus of the Unclaimed Property Fund.

In 2018, the General Assembly passed HB109 creating the Community Development Fund and board to work with the Maryland Department of Housing and Community Development to run the program. The Fund will be critical flexible operating funding for community development, including affordable housing, neighborhood and commercial revitalization, housing and financial counseling, small business development, community services, and more. Operating funding is the hardest funding to get for most organizations. This fund will help build capacity and expand the work of several groups across the state so they can have significant impact in their communities.

Once funded, the Community Development Fund will fill an important need. There is high demand for such funding. In the past two years, the Maryland Department of Housing and Community Development made available \$700,000 in special funds for operating dollars for nonprofit community development organizations. Each year, there have been 140 applications, totaling \$4.9million in requests (and could have been more except the maximum a group could request was \$50,000). In addition, the Community Legacy funding, capped at \$6 million in recent years, generated over \$36 million in applications last fiscal year, up from \$27 million in past years.

Further, as the Maryland General Assembly deliberates over education funding across the state, the work of the community development industry will improve communities so that children can grow and have opportunities.

We respectfully request a favorable report for SB 387.

Submitted by Claudia Wilson Randall, Associate Director, Community Development Network