

**Testimony to the House Appropriations Committee
HB1253 - National Capital Strategic Economic Development Program - Eligibility**

Position: Favorable with Amendments

Dear Chair McIntosh and Members of the Committee:

My name is Chris Gillis and I'm testifying on behalf of MHP to urge a favorable with amendments report on House Bill 1253.

By way of background, MHP is a non-profit affordable housing provider with apartment communities located throughout Montgomery and Prince George's Counties.

As you know, the National Capital Strategic Economic Development Fund, or NED, aims supports residential and commercial neighborhood revitalization activities in Montgomery and Prince George's Counties. NED is critical to ensuring that we maintain a diverse mix of affordable housing options in high-cost jurisdictions and to positioning small businesses to survive and thrive in today's economy.

HB1253 would modify the areas of Montgomery and Prince George's County that are eligible for NED funding. Currently, projects must be located in state-designated Sustainable Communities inside the beltway in order to be eligible. Projects in Sustainable Communities outside the beltway are also eligible provided that they are in an Opportunity Zone or Enterprise Zone. HB1253 would alter the eligibility requirements and limit funding in future years to projects located at least part within the beltway.

We support the effort to simplify the eligibility requirements for NED and to do away with the Enterprise Zone and Opportunity Zone eligibility criteria. However, due to technical difference in the way the two counties designate their Sustainable Communities, the bill as drafted would have the effect of reducing the number of neighborhoods that are eligible for NED in Montgomery County, whereas in Prince George's County, the bill would expand eligibility to areas not previously eligible. Generally speaking, we support expanding eligibility to areas outside of the beltway because most all of these communities are in urban environments where the costs of construction are higher, and the NED program helps mitigate against these risks.

We are in communication with the bill's sponsors and DHCD staff regarding this technical issue and request that the committee work with the sponsors to identify a solution that does not disadvantage projects in one county over another.

Thank you for considering our views on the matter.