

The Honorable Martin O'Malley
Governor of Maryland
100 State Circle
Annapolis, MD 21401

RE: REQUEST FOR SUPPORT OF INCREASE RENTAL HOUSING FUNDING

Dear Governor O'Malley:

I am writing to request that you increase funding for the Rental Housing Fund of the Maryland Department of Housing and Community Development (DHCD) by \$10 million dollars in your fiscal year 2010 budget. As we all know, the lack of affordable housing in Maryland is a serious problem. The cost of housing has risen much faster than wages, and in our troubled economy, many of our citizens are finding it more and more difficult to maintain themselves in a safe and decent environment. DHCD'S annual Rental Housing Fund appropriation has been dramatically reduced over the past 20 years to fund other priorities, and it is imperative to reaffirm and increase support for rental housing as part of an effort to build and sustain strong communities.

These are especially difficult times for renters. The most recent census data indicates that one-third of Maryland households pay more than 30% of their income in rent. As incomes drop, the number of people with the ability to find and pay for acceptable and affordable housing drops as well. Maryland has desperate unmet housing needs for our work force, for families who have lost their homes as a result of foreclosure, for senior citizens, for persons with disabilities and for persons in danger of becoming homeless.

Rental Housing Funds are used to make loans, not grants, and are an investment in better housing for Maryland residents. This program is funded with repayments from prior loans and has not received general funds for several years. This is the time to bring all available resources to the table and not withhold available resources just to stay within previous budget marks.

There are also new federal funds available through the newly enacted Neighborhood Stabilization Fund. Up to 25% of these funds may be used for rental housing development and preservation. The federal government recognizes the need for affordable housing as a key part of stabilizing the foreclosure crisis and helping families in need.

We have never had enough resources to fund the need and demand for these housing programs. With soaring housing costs and the rapid loss of existing affordable housing, the situation is critical. I strongly urge you to budget an increase of \$10 million dollars in the Rental Housing Fund of DHCD.

Sincerely,

cc: Raymond Skinner, Secretary, DHCD