

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 540

(Senator Conway)

Education, Health, and Environmental Affairs

Appropriations

Morgan State University - Student Housing

This bill prohibits the Board of Regents of Morgan State University (MSU) from entering into any contract for student housing that is located in the 1500 block of Havenwood Road in Baltimore City unless (1) the Hillen Road Improvement Association approves and (2) the developer executes a memorandum of understanding (MOU) with the Hillen Road Improvement Association and the Original Northwood Community Association regarding development of the Northwood Shopping Center. The bill also specifies conditions that must be met if the MSU Board of Regents enters into such a student housing contract. In addition, the bill requires, to the extent practicable, the developer of a shopping center located in the 1500 block of Havenwood Road to (1) fulfill minority business accelerator goals and (2) employ individuals who reside in the 43rd legislative district.

Fiscal Summary

State Effect: MSU advises it has no current plans to enter into a contract for student housing for a building at the 1500 block of Havenwood Road in Baltimore City. However, if MSU were to enter to into such a contract, MSU revenues and expenditures could be affected as explained below.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: If the board enters into a contract for student housing in accordance with the bill, the Board of Regents of MSU must notify the Senate Education, Health, and

Environmental Affairs Committee and the House Appropriations Committee. The maximum height of the student housing may not exceed specified heights at specified locations. Priority for housing must be given to students in the following order: graduate students; senior undergraduate students; junior undergraduate students; sophomore undergraduate students; and freshman undergraduate students.

The management company of the student housing must provide 24-hour supervision of the students who live in the housing. Likewise, the MSU Police and Public Safety Department must provide 24-hour patrols of the housing. The management company and MSU Police and Public Safety Department must jointly coordinate these patrols.

On termination of any student housing contract entered into by the Board of Regents of MSU for this location, the housing must be converted to nonowner-occupied residential dwelling units.

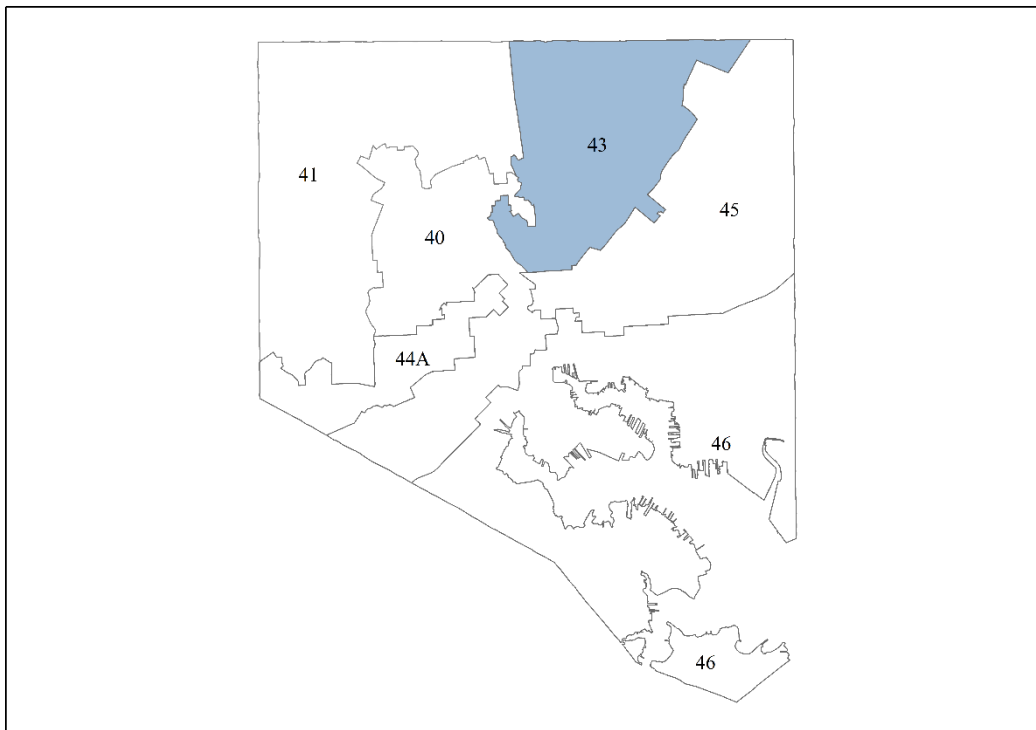
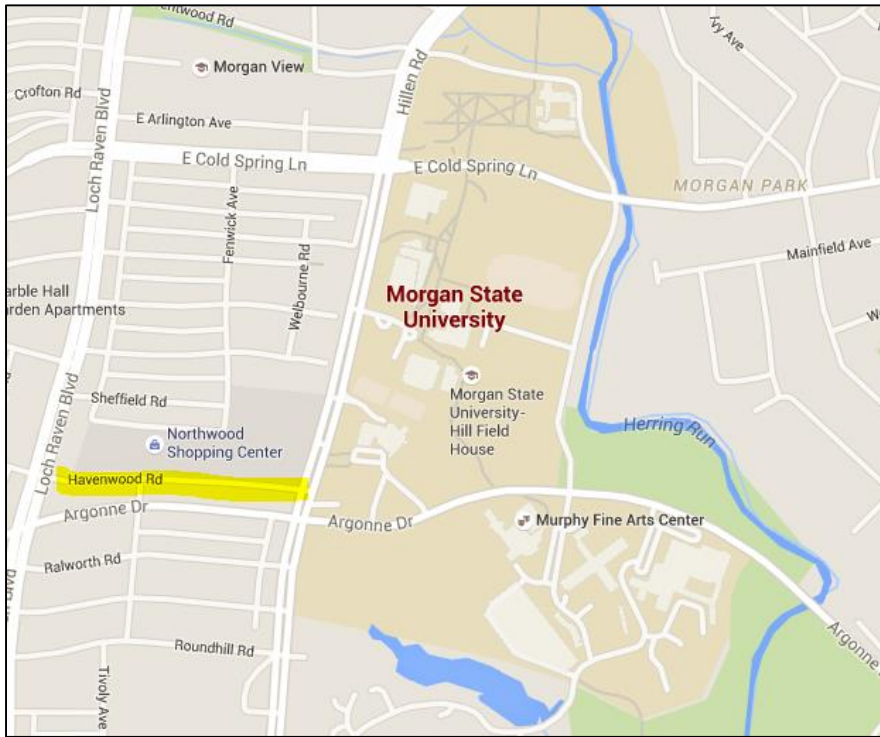
Current Law: Subject to any applicable State law, rule, or regulation, the Board of Regents of MSU may contract with any person to receive or provide services, research, training, or demonstrations.

Height restrictions for buildings are generally governed by local zoning regulations.

Background: According to Housing Policy Watch, a developer has expressed interest in redeveloping Northwood Plaza Shopping Center, which is located in the 1500 block of Havenwood Road and across Hillen Road from MSU's main campus, into mixed-use apartments and retail for MSU students. The Hillen Road Improvement Association is one of the neighborhood associations from the area surrounding MSU. **Exhibit 1** shows the location of MSU and Havenwood Road in Baltimore City as well as the location of the 43rd legislative district.

According to MSU's [website](#), it is the mission of the MSU Police and the Public Safety Department to provide a safe a secure campus environment conducive to education for MSU students, faculty, staff, and visitors. The Patrol Division of the MSU Police and Public Safety Department provides police coverage and response 24 hours a day, every day of the year.

Exhibit 1
Location of Morgan State University and Havenwood Road and
43rd Legislative District within Baltimore City



Source: Google Maps; Department of Legislative Services

State Fiscal Effect: MSU advises it has no current plans to enter into a contract for student housing for a building at the 1500 block of Havenwood Road in Baltimore City; thus, any effects on expenditures and revenues are only speculative. Even so, if MSU were to decide that entering into such a contract would be beneficial for the institution, MSU revenues and expenditures could be affected as described below.

The height restrictions may impact the number of units that can be built at the location, which in turn may increase the per-unit cost of the project. This may increase the cost of the student housing and, thus, potentially decrease MSU revenues – depending on the structure of the student housing contract. Requiring MSU to give priority for housing in the order specified in the bill may affect the institution’s ability to fill the housing or fill the housing at a competitive cost, which may affect MSU and the management company’s revenues. The housing demand at MSU is unknown.

The requirement that the management company provide 24-hour supervision of the students who live in the housing and coordinate with the MSU Police and Public Safety Department may increase MSU expenditures. It is unknown how much costs may be affected, as no public safety plan for the area has been developed.

Finally, prohibiting MSU from entering into such a contract without approval from the Hillen Road Improvement Association and an MOU executed by the developer could cause MSU expenditures to increase due to the potential need for alternative student housing if the Hillen Road Improvement Association were to disapprove any such contract or the association or the Original Northwood Community Association were to refuse to enter into an MOU with the developer.

Additional Comments: The developer’s profit margin may be affected by the restrictions and requirements in the bill, which may cause the developer to choose not to develop the property as student housing. It is unknown what plans the developer has for the site listed in the bill, or how the bill may impact those plans.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Housingpolicywatch.com, Morgan State University, Google Maps, Department of Legislative Services

Fiscal Note History: First Reader - February 23, 2016
min/rhh Revised - Senate Third Reader - April 6, 2016
Revised - Enrolled Bill - May 16, 2016

Analysis by: Caroline L. Boice

Direct Inquiries to:
(410) 946-5510
(301) 970-5510