



Bill Title: Senate Bill 414 – Climate Solutions Now Act of 2021

Committee: Environment and Transportation

Date: March 31, 2021

Position: Unfavorable

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry.

Senate Bill 414 – Climate Solutions Now Act of 2021 includes numerous requirements to Maryland’s energy infrastructure to achieve a goal of net zero emission by 2045. MMHA supports Maryland’s efforts in the fight against climate change. However, we oppose this bill due to its unrealistic goal and timeline, draconian requirements, and negative impact on housing affordability.

The requirements that new construction be solar ready and yield net zero energy emissions would add substantial costs at a time when Maryland is already experiencing a housing affordability crisis before COVID-19. New construction needs to be flexible and is greatly needed to ensure that housing prices do not climb even higher due to a lack of supply in the market. Construction materials such as lumber have also gone up while rental revenues have decreased for many building owners. The bill’s net zero energy and solar readiness requirements for new construction would dramatically increase costs, turn away potential investors, and reduce the chances of new construction and housing supply in Maryland. We request that these provisions be removed.

MMHA is also concerned with the bill’s requirement of 40% energy reduction for a building during a major renovation. Most low-income renters live in older buildings that need renovations. The past year, MMHA members of C-Class rental housing have reported monthly delinquency rates averaging 33% per month, a historical loss for housing providers. SB 414’s excessive energy reduction requirement for renovations would disincentivize many multifamily owners from making major improvements to apartments that were built decades ago. If apartment owners do decide to renovate, they will have to increase rents to pay for these mandates. Increased rents in these apartment communities would price out low-income renters, exacerbate Maryland’s affordability crisis and potentially expose more to the risk of homelessness. Low-income communities are likely to suffer the most due to the effects of climate change, but solutions to climate change should also protect low-income residents from being priced out and losing their homes.

For these reasons, MMHA requests an unfavorable report from the Committee.

**Aaron Greenfield, MMHA Government Affairs Director. 410.446.1992 or
agreenfield@mmhaline.org**