

ACDS_FAV_HB_933.pdf

Uploaded by: Koch, Kathleen

Position: FAV



March 11, 2021

House Bill 933

Anne Arundel County – Transfer Tax – Housing Trust Special Revenue Fund

Position: FAVORABLE

Thank you for the opportunity to testify in support of House Bill 933, legislation that would enable Anne Arundel County to consider, and if approved by the County Council, enact legislation to establish a special revenue fund dedicated to providing affordable housing for low and moderate income families in Anne Arundel County. Arundel Community Development Services, Inc. (ACDS) serves as Anne Arundel County’s housing and community development agency, helping Anne Arundel County residents and communities thrive through the provision of affordable and sustainable housing opportunities, programs to prevent and end homelessness, and community development initiatives.

HB 933, which would authorize the County, through the local legislative process, to raise the transfer tax on real estate transactions over \$1,000,000, creating a dedicated fund that could be used to develop and preserve affordable homeownership and rental housing units serving our County’s most cost burdened households. While the COVID-19 pandemic has left service industry workers and households at the lower end of the economic spectrum in more precarious housing situations, the great need for affordable housing in this County was clearly demonstrated even before the current crisis began. In 2019, ACDS conducted a housing needs assessment, which stated over 21 percent of all renter households earning 80% and below area median income (AMI) were severely cost burdened, while 11,385 homeowner households at that same income level were severely cost burdened. The analysis also showed the County had just about half of the necessary affordable rental stock that was needed to serve the over 17,000 households in the County earning \$50,000 or less.

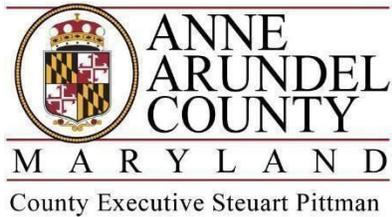
One of the best ways to meet the unmet need for affordable housing is to develop and preserve income restricted units. Typically, these assisted units require deep subsidies to make them affordable for the workforce, people with disabilities and other income limited households, yet State subsidies are extremely competitive and are only awarded to a fraction of the development teams who apply for them. This tool would help leverage and stretch those competitive funds and allow the County to support the creation and preservation of additional units. Developing and preserving affordable units is good for the economy as it generates additional construction related jobs and helps house the workforce in communities in a sustainable matter.

For the reasons noted above, we urge a FAVORABLE report on HB 933.

Anne Arundel County_FAV_HB 933.docx.pdf

Uploaded by: Pittman, Steuart

Position: FAV



March 11, 2021

House Bill 933

Anne Arundel County – Transfer Tax – Housing Trust Special Revenue Fund House Environment and Transportation Committee

Position: FAVORABLE

House Bill 933 would enable the County Council to create a Housing Trust fund with revenue from the County Transfer Tax on real estate transactions over \$1,000,000. This bill would not mandate a particular rate, and if passed, the Council would only have the authority to set the rate after a public hearing and vote. Additionally, it can only apply to the largest transactions, which account for just 5% - 7% of the transactions in the County.

Despite advocacy from the Chamber of Commerce and many business owners over the last several decades, the County has been unable to create housing that is affordable for our workforce, our young adults, and our seniors. My Administration has made strides toward creating additional affordable housing stock by working with the Council to pass the County's first fair housing legislation, a workforce housing bill, and putting millions in the budget for the rental housing production fund. Creating a funding mechanism for an Affordable Housing Trust Fund is the next step in that work, and HB933 is needed for us to move forward.

Even before the COVID-19 pandemic, affordable housing needs in Anne Arundel were great, especially for low- and moderate-income renters and homeowners. In June of last year, the County released its Five Year Consolidated Plan, which illustrated the affordability issues our county faces. A household paying more than 50% of its income on housing costs is considered severely cost burdened. In our county, moderate income equates to an annual household income of \$78,000 for a family of four. Twenty-one percent of moderate income renters in Anne Arundel County are severely cost burdened. Homeowner households are also severely cost burdened, as there are 11,385 moderate-income homeowner households who pay more than 50% of their income towards housing costs.

Our 2019 analysis showed there were 17,603 households earning \$50,000 or less per year in the county, but just 8,680 affordable rental units were available at the appropriate price level to serve those households. Just under half of these low-income households are being adequately served. Currently, our County Housing Commission has a waiting list of 23,800 unduplicated families for our programs.

The authority under this bill for a rate increase only applies to property transfers over \$1,000,000. That category makes up just 5% to 7% of total properties sold each year. Additionally, Anne Arundel County's transfer tax rate of 1% is the lowest rate among our

neighboring jurisdictions - Prince George's County has a transfer tax rate of 1.4% and the City of Baltimore and Baltimore County both have rates of 1.5%. Any revenue associated with a rate increase would go directly to a Housing Trust Fund dedicated to assisting low and moderate income residents.

This bill will not solve our affordability crisis, but it will help by allowing the County Council to create a dedicated revenue stream to address housing issues.

For those reasons, I urge a FAVORABLE report on House Bill 933.

Sincerely,

A handwritten signature in blue ink that reads "Stuart Pittman". The signature is fluid and cursive, with the first name "Stuart" and last name "Pittman" clearly legible.

Steuart Pittman
County Executive

ACT HB933 SUPPORT Letter.pdf

Uploaded by: Sirmons, Ryan

Position: FAV



ANNE ARUNDEL
CONNECTING TOGETHER



8 Carvel Circle, Edgewater, MD 21037 | www.actiaf.org | (667) 777-2565

March 9, 2021

**WE WANT TO LIVE IN OUR OWN HOMES
SUPPORT HB933/SB566**

ANNE ARUNDEL COUNTY – TRANSFER TAX – HOUSING TRUST SPECIAL REVENUE FUND

“I bought my first home with the help of a housing trust fund in Annapolis. I worked hard to save the money, but needed help with the closing costs. I know so many others in my church who would benefit from this in the county.”

–Grandmother and church leader, 2021

Dear Members of the Environment and Transportation Committee:

We ask for your favorable support on HB 933/SB 566. Over the past three years, ACT, a strictly non-partisan citizen’s organization representing 27 congregations, non-profits, and small businesses across our county, has been *listening to our community*. Housing affordability is at the top of families’ lists of concerns. Many of the thousands of people we have talked with have told us, over and over again, that they try to save, they work multiple jobs, but they cannot get over the hump of housing affordability as housing prices rise and rise in our county, outstripping the pace of wage increases. We asked for a Housing Trust Fund in the county as part of a package of solutions that give hardworking people a chance at housing security and affordability. **This bill helps make their dream a reality.**

Working moms and dads are being left behind. Over four years, housing prices have surged over 10% across the county while wages have not kept up. Rents have increased accordingly. People are saving, but the realities of closing costs and other fees become too far a stretch to get on a housing ladder with a bottom rung that is ever being driven out of reach. Included in this group are our teachers, law enforcement professionals, first responders, medical and dental technicians, and other middle class families who not only make our community whole, but have been essential to our community negotiating a pandemic. **We want them living in Anne Arundel County, but so many have told us they live farther away because it’s too expensive to live here. Let’s fix that.**

This bill is a benefit to our county’s middle class. The transfer tax will not be imposed upon properties that sell for under \$1 million in a county where the median housing price ranges between \$300,000-\$400,000. As an example, **only three of 81 properties – fewer than 4% –** transferred in Anne Arundel County in August 2020 would have been subject to this tax. Further, it will be set and held accountable by the County Council, the most direct elected representatives of county citizens. **Working class people getting on the housing ladder and storing up equity will increase the tax base of our county for the mutual benefit of all citizens.**

This bill helps provide a lifeline that maintains the integrity of our communities for the mutual benefit of everyone. **We urge you to vote for a favorable recommendation for HB 933/SB 566.**

ACT MEMBER INSTITUTIONS

Annapolis Friends Meeting
Asbury UMC, Annapolis
Broadneck Baptist Church
First Presbyterian Church of Annapolis
Fresh Start Church, Glen Burnie
Joy Reigns Lutheran Church
New Life Fellowship, Hanover

St. Margaret’s Episcopal Church, Annapolis
The United Church of Christ of Annapolis

A.A. Co. Muslim Council
Ark and Dove Presbyterian Church
Asbury Broadneck UMC
First Christian Community Church

Gloria Dei! Lutheran Church, Arnold
Kingdom Celebration Center, Odenton
St. Andrew By the Bay Roman Catholic Church
St. Philip’s Episcopal Church, Annapolis

Woods Memorial Presbyterian Church, Severna Park

NAACP A.A. Co. Branch
Bread and Butter Kitchen
Christ Our Anchor Presbyterian Church
New Creations Deliverance Ministries

Islamic Society of Annapolis
Light House, Annapolis
St. Anne’s Episcopal Church, Annapolis

Unitarian Universalist Church of Annapolis

an affiliate of the Industrial Areas Foundation

HB 933-AOBA--UNF Final.pdf

Uploaded by: Francis, Frann

Position: UNF



Bill No: HB 933—Anne Arundel County- Transfer Tax- Housing Trust Revenue Fund

Committee: Environment and Transportation

Date: 3/11/2021

Position: Oppose

The Apartment and Office Building Association of Metropolitan Washington (AOBA) represents members that own or manage more than 23 million square feet of commercial office space and 133,000 apartment rental units in Montgomery and Prince George’s Counties. Some of the management companies that we represent have property throughout the state, including in Anne Arundel County.

House Bill 993 would authorize Anne Arundel County to increase transfer taxes on residential and commercial properties sold in the County that are valued over \$1 million to fund a Housing Trust Special Revenue Fund that will be appropriated to provide affordable housing to moderate and low income to residents in the County.

Many commercial and multifamily housing properties have seen a drastic loss of income due to the Covid-19 pandemic and this bill will exacerbate that economic hardship for the real estate community. Simply put, this is not the time to authorize another tax on this industry as it will cause greater turmoil.

Further, the real estate industry contributes a great deal to County coffers. From FY2010- FY2021, Anne Arundel’s total real estate tax revenues have increased nearly \$350 million from \$604 million in FY2010 to \$950 million in FY2021-- a 57% increase. Also, of note, Anne Arundel County has the 4th highest local transfer tax rate in the state.

AOBA represents local companies that house Marylanders—predominately in class B and C properties which provide quality unsubsidized affordable housing for working families. Members are well acquainted with the need for increased affordable housing options. However, new and increased taxes will not improve conditions for residents in need of affordable housing. Rather, additional taxes harm the very residents the bill seeks to help as increased expenses may impact residents in various ways.

AOBA would be happy to work with County officials to seek innovative means to fund affordable housing that do not impose an additional tax burden on a financially struggling industry.

For these reasons AOBA requests and unfavorable report on HB 933.

For further information contact Erin Bradley, AOBA Vice President of Government Affairs, at 301-904-0814 or ebradley@aoba-metro.org.

MBIA Testimony HB 933.pdf

Uploaded by: Graf, Lori

Position: UNF

March 11, 2021

The Honorable Kumar P. Barve
Environment & Transportation Committee
House Office Building, Room 251,
6 Bladen St., Annapolis, MD, 21401

RE: HB 933 Anne Arundel County – Transfer Tax – Housing Trust Special Revenue Fund

Dear Chairman Barve:

The Maryland Building Industry Association, representing 1,100 member firms statewide, appreciates the opportunity to participate in the discussion surrounding **HB 933 Anne Arundel County – Transfer Tax – Housing Trust Special Revenue Fund**. MBIA **Opposes** the Act in its current version.

This bill would grant the County the authority to increase the transfer tax on residential and commercial properties sold in Anne Arundel County that are valued over \$1 million to fund a Housing Trust. MBIA opposes this measure on the following grounds.

Residents of Anne Arundel County already pay numerous fees and taxes including a recording fee; a state property tax; a county property tax; a Bay restoration fund fee; and a stormwater management fee. Additional fees may be added atop these universal charges as well depending on the nature of the property. Additionally, from fiscal year 2010-2021 the total real estate taxes collected by the county have increased 57% without the imposition of new taxes. Additionally, the real estate market is cyclical and would not produce consistent revenues for the county which could see massive revenue reductions due to overexposure in the event of a market downturn.

These taxes would drive up housing costs and the state of Maryland currently has a housing affordability crisis. By imposing additional costs on developers Anne Arundel county would drive up the price of residential units which would make it difficult for those units to be priced low enough that low income buyers could afford them. This bill has no cap on how high the special transfer tax could get, which means if the imposed tax is high enough it could conceivably obliterate the affordable housing market entirely by making it impossible to price new units low enough.

For these reasons, MBIA respectfully requests the Committee give this measure an unfavorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the House Environment & Transportation Committee

MMHA- HB933 Anne Arundel County - Transfer Tax - H

Uploaded by: Keller, Jessie

Position: UNF



TO: House Environment and Transportation Committee

FROM: Maryland Multi-Housing Association

SUBJECT: House Bill 933, Anne Arundel County – Transfer Tax – Housing Trust Revenue Fund

DATE: March 11, 2021

POSITION: Unfavorable

This testimony is offered on behalf of Maryland Multi-Housing Association (MMHA). We are a professional trade association established in 1996, whose members consists of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 556,000 residents of the State of Maryland and we have 250 associate member companies who supply goods and services to the multi-housing industry.

House Bill 933, Anne Arundel County – Transfer Tax – Housing Trust Revenue Fund Established, authorizes the governing body of Anne Arundel County to increase the transfer tax rate imposed on instruments coveting title to a property or leasehold interest in real property for conveyances of titles over \$1 million, and requires revenue from the higher transfer tax to be distributed to a Housing Trust Special Revenue Fund. Money from the fund shall be dedicated and appropriated to provide affordable housing in moderate and low-income individuals in the county including the City of Annapolis.

As housing providers, we witness firsthand the impact Maryland’s housing affordability crisis has on residents, a problem that COVID-19 has exacerbated. MMHA members are not immune to the financial challenges their residents are facing. According to MMHA’s ongoing delinquency surveys, most C class apartment communities are averaging around 33% delinquency monthly, a crushing blow to revenue.

An increased transfer tax rate, especially after property and income taxes were raised in recent years, and in during a time of such unprecedented financial hardship for property owners and managers, would devastate the rental and commercial real estate industries. The bill’s lack of limit on how high the transfer tax rate could be is cause for great concern as well.

The current transfer taxes and recordation taxes generated over \$300 million for Anne Arundel County from FY2019-FY2020. Increasing the transfer tax rate after a year of unprecedented revenue losses for property owners harms both owners and residents alike, as increased expenses will likely eventually be passed onto residents. If County leaders want to fund affordable housing, they should do so without raising taxes.

For these reasons, we respectfully request an unfavorable report from the Committee.



MARYLAND **MULTI-HOUSING** ASSOCIATION, INC.

For more information, please contact Jessie Keller at 410.413.1420