



House Bill 39 – Report on the Public or Private Conversion of State Property to Affordable Housing

Position: Support

Maryland REALTORS® support HB 39, to study strategies for the use of surplus public lands for the development of affordable housing.

The price of land is a significant cost factor for the development of new housing. In Maryland's most populous areas, the cost of land has increased anywhere from 12-27% over a five-year period, and can contribute as much as 35% to the overall cost of a project. To make affordable housing possible, state and local government entities across the country have offered surplus properties to developers under land leases, community land trusts or land grants. By removing land costs, developers are able to bring down the costs of new dwellings to more affordable levels.

The location of affordable housing near transit is also an important factor. After housing, transportation is the second-highest cost for low-income families. Transit-oriented developments also typically require the construction of fewer parking spaces, which further reduce the cost of housing in those buildings.

In addition to looking at surplus lands, agencies may also wish to study the co-location of government facilities with affordable housing. A joint report by the National Housing Conference and the Urban Land Institute mentions co-location options with libraries, fire stations, and community centers. While this is more closely associated with local government facilities, opportunities may still exist at the state level that would be worthy of consideration.

Maryland currently faces a shortage of over 82,000 housing units. We must collectively look at new and innovative methods of producing housing options if we are to close that gap. For this reason, Maryland REALTORS® ask for your support of House Bill 39.

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