

# **MMHA - 2022 - SB 744 - Affordable housing agencies**

Uploaded by: Aaron Greenfield

Position: FAV



**Bill Title: Senate Bill 744, Housing and Community Development - Affordable Housing - Listing and Disposal of Excess Real Property**

**Committee: Environment and Transportation**

**Date: March 29, 2022**

**Position: Favorable**

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 including towing companies.

This bill requires the Department of Planning to provide a list of excess real property owned by the State to the Department of Housing and Community Development. DHCD must determine whether any of the listed properties are suitable for use or redevelopment as affordable housing. The various units of State government must develop proposals to donate, lease or sell excess real property determined to be suitable for use or redevelopment as affordable housing. As amended, the bill requires the Comptroller to distribute \$30 million of income tax revenue from individuals to the Rental Housing Fund on or before June 30, 2022.

In December 2020, the Department of Housing and Community Development commissioned the Maryland Housing Needs Assessment & 10-Year Strategic Plan. The analysis from the University of Maryland's National Center for Smart Growth and Enterprise Community Partners, a nonprofit housing lender and advocacy organization, says Maryland must add thousands more housing units by 2030 to accommodate a swelling population of low-income residents, while also meeting unmet demand from moderate-income residents, seniors and people with disabilities. According to the Plan, the State is short 85,000 rental units for low-income households. With Maryland expected to add an estimated 97,166 low-income households by 2030, the shortage will worsen unless the State creates and preserves many more deeply affordable homes.

This legislation is an important tool in identifying affordable and funding housing options to satisfy Maryland's pressing needs.

For foregoing reasons, MMHA respectfully requests a favorable report for Senate Bill 744.

**For additional information, please contact Aaron J. Greenfield, 410.446.1992**

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Uploaded by: Claudia Wilson Randall

Position: FAV



**Testimony SB 744**  
**Environment and Transportation Committee**  
**March 29, 2022**  
**Position: FAVORABLE**

Dear Chairman Barve and Members of the Environment and Transportation Committee:

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities. CDN envisions a state in which all communities are thriving and where people of all incomes have abundant opportunities for themselves and their families.

SB 744 would require the Department of Planning to provide a list of excess real property owned by the State to the Department of Housing and Community Development; requiring the Department to determine whether any of the listed properties are suitable for use or redevelopment as affordable housing; and requiring units of State government to develop proposals to donate or sell excess real property determined to be suitable for use or redevelopment as affordable housing.

According to the Maryland Housing Needs Assessment that was completed in 2021 by the National Center for Smart Growth and Enterprise Community Partners, Maryland will have to make a significant investment in housing over the next 10 years in order to keep up with economic and demographic shifts in the state. The analysis showed that the state is short 85,000 rental units for low-income households. With Maryland expected to add an estimated 97,166 low-income households by 2030, the shortage will worsen unless the state creates and preserves many more affordable homes. Thirteen of the state's 23 counties and Baltimore City don't have enough housing that's affordable to very low-income renters. The deficit is largest in Montgomery County, followed by Baltimore.

Ensuring that all families live in affordable, stable homes will improve community health outcomes, thereby reducing health care and education costs. This is an urgent priority for an equitable recovery from the pandemic. Building a firm foundation for stable homes begins with policies that provide opportunities for families to afford to rent or buy decent homes necessary for good health. Given the health, educational, and cost implications of families living in unstable homes, there is an urgent need to increase supply of affordable homes.

As long as the Maryland economy needs essential jobs that pay \$25 per hour or less, we will have to have housing that is affordable for families making those wages. It is urgent that the state work toward these strategies now. As we put off these decisions, the cost of building and preserving affordable housing in Maryland only grows more expensive.

We ask your favorable report for SB 744.

Submitted by Claudia Wilson Randall, Executive Director

**MAHC Testimony\_SB 744\_SUPPORT\_3 29 2022.pdf**

Uploaded by: Miranda Willems

Position: FAV



**Testimony to the House Environment & Transportation Committee  
SB 744 – Housing and Community Development – Affordable Housing –  
Listing and Disposal of Excess Real Property  
Position: SUPPORT  
March 29, 2022**

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SB 744 would require several State agencies to work together to look at the list of excess real property owned by the State, determine if any of those properties are suitable for housing, and make those properties available for sale or donation to developers for the construction of new affordable housing units. According to the National Low Income Housing Coalition (NLIHC) Maryland is the 8<sup>th</sup> most expensive state in the country for housing costs. They estimate that there is a shortage of 131,793 rental homes that are affordable and available for extremely low income renters, and that Maryland households would have to earn \$28.60 per hour to afford a two bedroom apartment at fair market rent. There continues to be a lack of affordable rental housing in Maryland for the households who need it, and part of the problem is a lack of available land to develop multifamily housing, given the financing constraints for these types of developments that have limited operating budgets to pay debt service in the future. If the State does own any surplus property that could be used for residential development, this would provide an ideal and unique opportunity for the State to assist private developers in creating additional affordable housing. This would be a great partnership opportunity for the State and help Maryland meet its housing needs for our most vulnerable residents. DHCD already works with affordable housing developers and could easily implement such a program. Additionally, the \$30 million appropriation to the Rental Housing Fund is essential to getting the 70+ multifamily housing projects currently in the development pipeline at DHCD to the closing table. These projects have seen tremendous – and unforeseen – cost increases since the Pandemic due to unprecedented construction price increases and supply chain delays, labor costs, interest rate increases, and rising inflation. The additional funding will allow DHCD to provide larger loans to developers to close the gaps and get these stalled projects back on track and under construction.

MAHC is the leading organization for the affordable rental housing industry in Maryland and represents over 185 member organizations, including nonprofit and for-profit developers, State and local housing authorities, property management companies, financial institutions, community development organizations, contractors, tax credit investors, consultants and individuals. Our members develop affordable housing properties across the state and could benefit from SB 744.

**Respectfully submitted on March 29, 2022 by Miranda Darden-Willems, Executive Director, on behalf of the MAHC Board of Directors.**



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**SB744\_Hettleman\_FAV.pdf**

Uploaded by: Shelly Hettleman

Position: FAV



*The Senate of Maryland*  
ANNAPOLIS, MARYLAND 21401

TESTIMONY OF SENATOR SHELLY HETTLEMAN  
SB 744 – HOUSING AND COMMUNITY DEVELOPMENT – AFFORDABLE HOUSING  
– LISTING AND DISPOSAL OF EXCESS REAL PROPERTY

The goal of SB 744 is to increase the amount of affordable housing in Maryland. According to a study funded by the Department of Housing and Community Development (DHCD), and prepared by the National Center for Smart Growth and Enterprise Community Partners, Inc.,<sup>1</sup> Maryland lacks approximately 85,000 rental units for its lowest income households.<sup>2</sup> The study projects that between 2020 and 2030, Maryland will add an estimated 97,200 extremely and very low-income households. These projections were made immediately before COVID, which has put additional families into poverty and housing insecurity.<sup>3</sup> Without accelerating the rate of development of affordable housing, the current shortage will continue to worsen.

Maryland needs multiple tools to solve the ongoing affordable housing crisis. There are a number of elements that make the development of affordable housing particularly challenging: access to capital, rising costs of labor and materials, and the finite amount of open land on which to build. This bill is primarily focused on expanding opportunities for the acquisition of land.

One of the policy solutions outlined in the DHCD report is promoting affordable housing on state-owned land.<sup>4</sup> The Department of Planning lists over 14,000 pieces of real property. Only a very limited number each year are identified as excess by any agency head, and only a subset of that would theoretically be identified as suitable for affordable housing. However, when a property is identified as suitable, by providing the land for free or at a discount, we can reduce the overall cost of development, thereby helping to keep future rents or mortgage payments lower.

Other states have similar programs. For example, Washington's State Surplus Program, which started in 1993, requires multiple state agencies to report their vacant and surplus properties to the Department of Commerce, which then works with those agencies to identify, catalog, and

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<sup>1</sup> *Maryland Housing Needs Assessment & 10-Year Strategic Plan*,  
<https://dhcd.maryland.gov/Documents/Other%20Publications/Report.pdf>, p. 1.

<sup>2</sup> Meaning extremely low-income or those earning 30 percent of area median income or below.

<sup>3</sup> *Maryland Housing Needs Assessment & 10-Year Strategic Plan*,  
<https://dhcd.maryland.gov/Documents/Other%20Publications/Report.pdf>, p. 2.

<sup>4</sup> *Id.*, p. 29.

recommend the best use of those properties suitable for affordable housing for very low-income, low-income, or moderate-income households.<sup>5</sup> Programs like these, that address the lack of real property available for development rather than just barriers to access to capital, are an innovative approach to addressing the housing crisis.

The bill's definition of affordable housing precludes any property where development would conflict with environmental or historic preservation interests. The bill also does not divert any funds as part of this process, and can actually raise funds generated through the sale of properties to developers or non-profits for affordable housing development.

The bill requires State units of government to compile a list each year of properties it owns and has either no current or future use for and that would be suitable for affordable housing.<sup>6</sup> As amended, the bill's definition of affordable housing will be consistent with definitions used under the Low Income Housing Tax Credit program. If the property is suitable, the bill, as amended, requires the unit of State government to work with the Department of Planning and DHCD to develop a proposal either to donate or sell the property to a non-profit or for-profit developer that intends to develop the property for affordable housing. If no non-profit or for-profit buyer is identified, then the property would be sold at auction and funds generated through this process would be deposited in the Rental Housing Fund, which is the state fund for financing affordable and low-income housing projects.

The bill also outlines elements used to assess a property's suitability for affordable housing. A property will be added to the list of suitable properties if it:

1. Is located in an area designated as a priority funding area under State Finance and Procurement Article § 5-7b;
2. Does not belong in a category of property listed in § 5-310(C)(1)(i) of the State Finance and Procurement Article, which includes environment and historic preservation laws and parks;
3. Is adequately sized for any type of residential use;
4. Has access to public utilities; and
5. Has access to feasible ingress and egress points.

This bill is a creative way of examining already existing state resources that may be appropriate and developable for affordable housing, and making them available to nonprofit and for-profit developers to help meet the desperate need Maryland has for affordable housing.

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<sup>5</sup> Wash. Rev. Code Ann. § 43.63A.510 (West)

<sup>6</sup> Housing and Community Development Article, § 2-203(B)(2), p. 3. The Department of Planning's State Clearinghouse regulation COMAR 34.02.02.03 defines "surplus" and "excess" properties as properties that either the Board of Public Works or a State agency determines is not suitable for any current or future needs of the State.