



**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**

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 8th 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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