

Testimony to the Senate Education, Energy, and the Environment Committee
SB296: Housing and Community Development – Whole-Home Repairs Act of 2023
Position: Favorable

February 14, 2023

The Honorable Brian J. Feldman, Chair
Senate Education, Energy, and the Environment Committee
2 West
Miller Senate Office Building
Annapolis, Maryland 21401
cc: Members, Education, Energy, and the Environment Committee

Honorable Chair Feldman and Members of the Committee:

Economic Action Maryland is a nonprofit organization that works statewide to advance economic justice and equity through direct-service, research, and advocacy.

We are writing in support of Senate Bill 296.

Our Tenant Advocacy program assists renters and property owners with housing issues. We provide information and referrals to other agencies and organizations when necessary. Through our daily work we see the profound negative impacts Marylanders face because of our state's lack of safe, affordable housing.

Maryland's Department of Housing and Community Development published its Housing Needs Assessment in 2020. The report noted a worsening shortage of affordable and available housing, particularly for "extremely low-income households" that earn 30% or less than the area median income (AMI). At that point in time, for every 100 households at or below this threshold, there were only 33 homes available.¹

But the situation has only gotten worse since 2020. Moody's Analytics recently reported that the United States is now "rent-burdened" nationwide for the first time. This means the average ratio of rent to household income has risen above 30%. Households are increasingly priced out of homeownership and nationwide multifamily vacancy rates remain steady, driving housing costs to unprecedented highs. In the 4th quarter of 2022, the national average for monthly rent payments rose above \$1,700 per unit for the first time, 20.6% higher than the pre-pandemic average.^{2 3}

¹ <https://dhcd.maryland.gov/Documents/Other%20Publications/Report.pdf>

² <https://cre.moodyanalytics.com/insights/market-insights/q4-2022-housing-affordability-update/>

³ <https://cre.moodyanalytics.com/insights/cre-trends/q4-2022-preliminary-trend-announcement/>

This affordability crisis is driving evictions and displacing families. It leads households to settle for inadequate housing without enough space for the number of people living in a home. It also causes renters to live in unsafe condition when there isn't habitable and affordable housing available.

This crisis is complex and demands a multifaceted response. Senate Bill 296 provides one necessary solution. If enacted, SB 296 will provide funding to preserve Maryland's existing housing stock. While new affordable housing must be developed, preserving existing housing will expand habitable housing stock and incentivize necessary repairs to keep homes up to code.

For all these reasons, we support SB296 and respectfully request a favorable report.

Best,
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