



Testimony in Support of HB 1149
Howard County Housing Commission
February 19, 2020

The Howard County Housing is in support of HB 1149. There is a widely-recognized and ever-worsening housing crises both nationally and locally. To date, the crises has gone almost wholly unaddressed by the public sector. HB 1149 provides some real assistance to the private sector and government community that is battling the shortage of housing affordable to moderate and lower income wage earners. While much more is needed, the Commission strongly endorses this step.

The shortage of decent and affordable housing is growing more acute every year. After homeownership rates dropped precipitously with the 2008 financial crises, rents began to rise and have risen at a faster rate than incomes for a number of years. The result is that there are fewer and fewer rental units that are affordable to many lower income households. The increasing number of homeless individuals and families is just one of the more visible signs of the problem.

In Howard County alone, data shows that there are over 5,000 households earning \$50,000 or less annually who do not have an affordable place to live. Families double up, sleep in cars, or simply pay such a large percent of their income for rent that they often cannot afford other necessities. The high cost of housing also makes people housing insecure, staying just one step ahead of eviction.

The problems faced by people paying too much for housing and with few options impact us all. These families commute farther, adding to already over-crowded roads and polluting highways. They use the emergency room as primary care, increasing hospital costs that the general population pays for through taxes. They have little time to devote to their children's schools, given the long hours and added commuting necessary to earn a living wage. It is difficulty in focusing on education and the lack of stable housing that perhaps matter the most since they lead to lasting problems for the next generation.

HB 1149 brings new money to the table to create badly needed housing for people with a wide-range of incomes. By taking the mixed-income approach, the bill allows capital subsidies – one-time funds that are used to help a development serve lower incomes – to create housing for

people at very low incomes – a group that often can only be assisted using public housing or housing choice vouchers.

The proposal builds on the Partnership Rental Housing Program (PRHP), which has been an effective tool for creating housing affordability state-wide since the mid-1980s. While PRHP has assisted thousands of families, the appropriation for the program was decreased from \$10 million in 2004 to \$6 million in 2005, where it has stayed ever since. In that time, the fund has lost about 25% of its value due to inflation, making the effective appropriation quite small.

Howard County is actively using the PRHP program, with funds planned to support the redevelopment in downtown Columbia of Toby's Dinner theater into a new cultural center, complete with theaters and classrooms, and 174 mixed-income rental units. Montgomery County, Baltimore City, Anne Arundel County, and others in both Western Maryland and on the Eastern Shore are actively developing housing that is affordable to low wage workers and low to moderate income households. The residents of these jurisdictions would all benefit from increases to PRHP.

We urge your support of HB 1149 as an investment in the State's people and particularly in our children, who stand to benefit the most from affordable and high-quality housing.

Peter Engel
Executive Director
Howard County Housing Commission