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February 12, 2020

Anne R. Kaiser, Chair
House Ways and Means Committee
House Office Building, Room 131
Annapolis, Maryland 21401

**RE: HB566 – SUPPORT WITH AMENDMENTS – OPPORTUNITY ZONE
ENHANCEMENT PROGRAM – ELIGIBILITY- LEAD – BASED PAINT
AFFECTED PROPERTIES**

Dear Chair Kaiser and Members of the Committee:

The Green & Healthy Homes Initiative (“GHHI”) writes in support of House Bill 566 with amendments. The Opportunity Zone investments are a new national community investment program that incentivizes long-term capital investments in low-income communities that are traditionally underinvested in across the United States. These zones create opportunities for development and redevelopment in communities where the need for safe and healthy affordable housing is of the utmost priority. For decades, lead poisoning has been a leading contributor to learning disabilities, speech development problems, loss of IQ and attention deficit disorder, which results in poor school performance. Millions of dollars are spent on special education and juvenile justice costs in Maryland to combat the effects of lead poisoning, and thousands of children enter our public-school systems with the propensity for disruptive behavior that impedes their development and that of their classmates. Children poisoned by lead are 7 times more likely to drop out of school and 6 times more likely to end up in the criminal justice system. The ultimate tragedy of childhood lead poisoning is that it is an entirely preventable disease, especially through housing interventions and lead abatement.

The most recent Maryland Department of the Environment (MDE) Annual Enforcement and Compliance Report states that over 133,000 affected properties were registered in the State of Maryland in fiscal year 2018. Many of these older homes may contain lead paint hazards, such as lead dust as result from indoor sources such as old lead paint on surfaces that are frequently in motion or bump or rub together (such as window frames and doors), deteriorating old lead paint on any surface will lead to paint chips and dust and get on surfaces that occupants in the home will increase their exposure to lead. Unfortunately, many older homes are populated in communities occupied by people of color where communities have experienced long periods of disinvestments, which has directly led to an increase in lead exposure through deterioration of home and community infrastructure.

Maryland is one of the first states addressing the transparency of proposed development in opportunity zones with an interactive search portal for opportunity zone investments and one of

the first to introduce legislation for implementation. Maryland, by adding requirements related to healthy and safe environments, can continue its proactive leadership in this area and create the standard for the country.

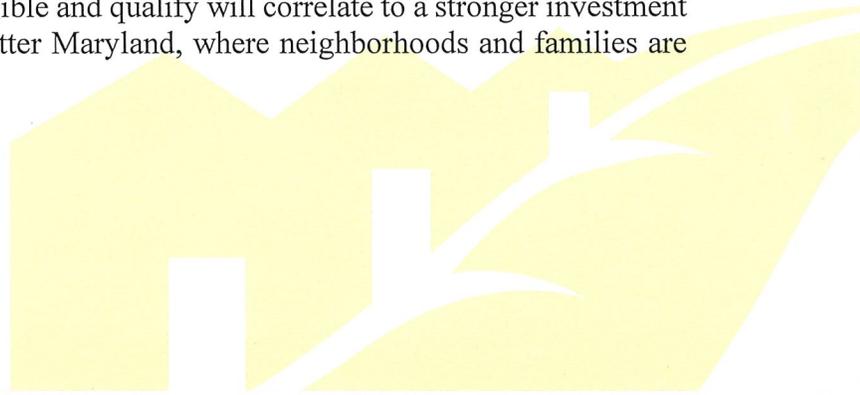
We thank the House for its support in the passage of SB174 in 2019, which extends certain benefits under the More Jobs for Marylanders 4 Program to businesses that locate or expand in opportunity zones in the State and requiring certain reports. We know the potential for the amount of investment that will impact these communities and request that with any development or redevelopment align with the requirement to provide lead free windows and doors, and remediate any structural defects that may cause chipping, flaking, and peeling lead paint.

Solution

HB566 is an innovative bill to ensure the substantial national investment in Opportunity Zones work to prevent lead poisoning and to bring housing to a higher standard of health and safety.

The Bill requires for full compliance with current law, Maryland Reduction of Lead Risk in Housing Act (property registration with MDE and lead inspections) and calls for a complete lead hazard control measures for affected properties that are redeveloped within Opportunity Zones investment. The lead hazard control measures should align with HUD guidelines for leaded window and door replacements to ensure adherence to that nation's best practices. Further, the proposed amendment below would strengthen HB566 to make the Bill language clear that replacement of leaded windows and doors, which is the most frequent source of toxic lead exposure, is required to be replaced in order for the owner to receive the Opportunity Zone benefits, where applicable. This enhanced incentivized tax credit for owners, who will provide not only proof of lead remediation with a passing lead dust clearance test, but verification of replacement of doors and windows free of lead-based paint.

These critical requirements improve lead safety standards as a part of renovation and rehabilitation and allows Maryland investors to be at the forefront in a huge economic benefit that will stabilize communities and protect children and families from the irreversible, lifelong impact of lead exposure. Both homeowners and renters will have an overall improvement in housing stability, health and comfort, while developers and owners experience less maintenance, increased property value and improved occupancy within these communities. This is a critical step to ensure that communities at risk for the toxic legacy of lead contamination have access to safe and healthy housing. The direct impact for investors, fund managers, property developers, new or expanding businesses, and local stakeholders to be eligible and qualify will correlate to a stronger investment in housing that will continue to shape a better Maryland, where neighborhoods and families are healthy, thriving, and lead-free.



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Amendment

GHHI supports HB566 and offers a friendly amendment to the Committee for its consideration:

- We recommend that the Bill be amended to include the following language:

“**REQUIREMENT** that, for the substantial improvement of the property performed in accordance with § 1400Z-2(D)(2)(D)(II) of the Internal Revenue Code, doors and windows are replaced free of lead-based paint.”

WE ASK YOU TO SUPPORT HB566 WITH AMENDMENTS.

Respectfully Submitted,



Ruth Ann Norton
President and CEO

