

**SUPPORT – HB 877**

**Workgroup on Adaptive Re-Use of Vacant Commercial Spaces**

February 16, 2021

Testimony of Delegate Geraldine Valentino-Smith

Maryland House of Delegates

Environment and Transportation Committee

Dear Chair Barve and Vice-Chair Stein:

As the House Chair of the Joint Committee on Ending Homelessness (JCEH), I am excited to present HB-877, *Workgroup on Adaptive Re-Use of Vacant Commercial Spaces*, which stems from the Committee's interim work and final report and recommendations submitted to the Speaker.

While the Joint Committee has been acutely aware that in pre-pandemic Maryland many low income Marylanders have been struggling with housing insecurity, now in the midst of the Covid-19 crisis, the pandemic has created a "crisis within a crisis" for many housing insecure Marylanders and particularly for our homeless population.

The long awaited *Maryland Housing Needs Assessment 10 Year Strategic Plan* was recently released and reveals the pre-existing housing inventory shortages:

- A shortage of affordable and available units with an overall deficit of about 85,000 units for extremely low-income households.
- Between 2020 and 2030, Maryland will add nearly 100,000 new households earning less than half of median income. About 49,000 of those will qualify as extremely low-income households, and 47,500 will qualify as very low-income households.
- Out of 167,778 severely cost-burdened renter households in the state, more than 120,000 have extremely low incomes and therefore risk losing housing.

The Joint Committee reviewed many aspects of our housing crisis and made several recommendations, including examining the adaptive reuse of large vacant commercial spaces to address the severe need we have for transitional and affordable housing. The Joint Committee concluded that the accessing of unutilized and underutilized existing structures and creating policies to encourage adaptive reuse for such structures is something Maryland should seek to study in more detail with the creation of a Workgroup.

In an effort to better understand the potential benefits of supporting adaptive reuse policies, the Joint Committee devoted a meeting to gathering testimony from a wide range of participants, including GEDCO, Fair Housing Action, Maryland Multi-Housing Association and the Department of Housing and Community Development and the Lord Baltimore Hotel. County housing agencies across the state were also surveyed and presented the myriad of housing needs across the state. The National Conference of State Legislators also presented on other state initiatives in adaptive re-use.

The Joint Committee reviewed a unique example of adaptive reuse used during the pandemic wherein the Lord Baltimore Hotel in Baltimore City was converted into a free quarantine center for the homeless and provide rooms to over 600 homeless persons. The Hotel's partnership was funded through the \$103 million that Baltimore received through the federal CARES Act.

Due to decreased shelter capacity and impossible conditions for isolation, other counties around the state also have used CARES Act dollars to house positive Covid homeless persons in hotels. Officials from Washington County presented on the crucial role that hotels played in housing and quarantining homeless families and individuals, but again noted that the solution was short term as CARES funding would go away. Accordingly, the creative response to the pandemic by using unutilized hotel rooms, illustrated that when you have the combination of existing infrastructure and supplemental funds, capacity for needed shelter can be created faster and more cost effectively than waiting for the development of newly constructed units.

Highly successful projects around the country include one in Cleveland, Ohio, where a former hospital sat empty for 12 years before being converted to 137 dwellings for low income seniors. In Woodbury, New Jersey, a former opera house was converted to housing for homeless veterans. In Richmond Virginia a former lumber yard was converted into 61 affordable housing units. From Ohio, to Virginia to New Jersey policies that support adaptive reuse of structures are leading the way to providing housing for homeless or housing-insecure families and persons.

In addition to other states recognizing the benefit of adaptive reuse policies, since 1988 the Federal Vacant Property Program has accessed vacant federal buildings for housing conversions and long has had a policy to prioritize the re-use of existing infrastructure when possible to address housing insecurity.

HB877 creates the framework for a Workgroup to study the feasibility as well as the limitations of converting vacant commercial spaces for residential use, for identifying state funds available to developers interested in developing affordable housing and for identifying and analyzing successful programs and initiatives in other states.

Since initial drafting, there have been requests for amendments by some advocates that help ensure a more diverse membership for the Workgroup which are worthy of consideration.

The focused study of adaptive re-use of existing vacant commercial properties is a valuable pathway to helping Maryland create innovative solutions to meet our housing needs. The Joint Committee on Ending Homelessness strongly encourages a favorable report on HB 877.