



**Testimony HB 166**  
**Senate Education, Energy and Environment Committee**  
**February 7, 2023**  
**Position: FAVORABLE**

Dear Chairman Feldman and Members of the Education, Energy and Environment Committee:

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities. CDN envisions a state in which all communities are thriving and where people of all incomes have abundant opportunities for themselves and their families.

HB 166 - Establishing that adaptive reuse, retrofitting and repurposing of existing buildings to develop new affordable multifamily housing is an eligible use of certain financial assistance provided by the Department of Housing and Community Development; and requiring the Department to notify applicants for certain financial assistance that adaptive reuse is an eligible use of funds.

According to the Maryland Housing Needs Assessment that was completed in 2021 by the National Center for Smart Growth and Enterprise Community Partners, Maryland will have to make a significant investment in housing over the next 10 years in order to keep up with economic and demographic shifts in the state. The analysis showed that the state is short 85,000 rental units for low-income households. With Maryland expected to add an estimated 97,166 low-income households by 2030, the shortage will worsen unless the state creates and preserves many more affordable homes. Thirteen of the state's 23 counties and Baltimore City don't have enough housing that's affordable to very low-income renters. The deficit is largest in Montgomery County, followed by Baltimore City.

The need has only grown worse during the last two years of the pandemic as households making less than \$60,000 struggle to find homes in every region of the state. Lower income renters face greater barriers. These are predominantly black and brown essential workers as well as disabled and older adults in Maryland. The state will need to explore strategies to convert buildings to increase supply of affordable homes and help people meet rent demands and increasing costs.

This is an urgent priority for an equitable recovery from the pandemic. Ensuring that all families live in affordable, stable homes will improve community health outcomes, thereby reducing health care and education costs. Repurposing of the existing inventory of buildings throughout the state of Maryland will be one in a number of strategies needed to meet the need.

We ask your favorable report for HB 166

Submitted by Claudia Wilson Randall, Executive Director, Community Development Network