

**Testimony to the Senate Education, Energy, and the Environment Committee**  
**SB315: Housing Innovation Pilot Program and Housing Innovation Fund – Establishment**  
**(Housing Innovation Pilot Program Act of 2023)**  
**Position: Favorable**

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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 315.

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.<sup>1</sup>

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 4<sup>th</sup> 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.<sup>2 3</sup>

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

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

<sup>3</sup> <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 315 provides one such solution. If enacted, SB 315 will provide funding to expand Maryland's affordable housing stock in innovative ways. New affordable housing must be developed to close the current gap in availability and prepare for increasing need in years to come.

For all these reasons, we support SB 315 and respectfully urge a favorable report.

Best,  
Michael Donnelly  
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