

DATE: February 7, 2023

BILL NO.: Senate Bill 166

COMMITTEE: Senate Education, Energy, and the Environment Committee

TITLE: Housing and Community Development - Adaptive Reuse

SPONSORS: Sen. Waldstreicher

Letter of Information

Description of Bill:

Senate Bill 166 would add a definition of adaptive reuse to the Housing and Community Development Article and require that staff for all of our programs notify applicants for our programs that adaptive reuse is an eligible use.

Background and Analysis:

This bill would occupy staff resources and potentially sow confusion among applicants. We do not have any housing finance tools that specifically preclude adaptive reuse.

Affordable housing developers are quite familiar with our finance tools and are aware that adaptive reuse is an eligible purpose. Further, when a developer applies to us for affordable housing development financing, they are already applying on behalf of a particular project, which will either be adaptive reuse or it will not.

In addition, because this bill would appear to apply to all of our programs for which adaptive reuse may be an eligible use, it would impact our community development tools in the Division of Neighborhood Revitalization (NR). While these tools are broad enough that they could be used for housing development, in practice, that is not their primary purpose, and the applicants for these programs are not typically affordable housing developers, rendering the notice more confusing than clarifying.

Conclusion

If the committee chooses to move forward with this proposal, we would ask that our non-housing-focused programs that may be impacted by this bill, including those in our Division of Neighborhood Revitalization, be exempted from the notification requirement. In addition, we would like to inform the committee of our recently completed [study](#) on the strong tools currently available for adaptive reuse in Maryland.