



Committee: Ways and Means

Bill: House Bill 211- Rental Housing Fund, Calculation of Taxable Income, and Transfer Tax - Alterations (Affordable Housing Investment Act)

Date: February 9, 2023

Position: Favorable

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry.

The Rental Housing Fund provides loans to for-profit, limited profit, or nonprofit developers; nonprofit organizations; county governments; municipalities; or local housing authorities for the purpose of creating rental housing. In general, eligible residents must have incomes of no more than 60 percent of the area median income, and the owner must reserve the same proportion of units for these tenants as the Rental Housing Program Funds are to the total financing of the project.

House Bill 211 (HB 211) alters the Rental Housing Fund statute to require the Governor to appropriate \$20,000,000 to the fund annually beginning in FY25. The bill also makes certain revisions to the tax and real property article around the sale of residential property to first time Maryland home buyers.

In December 2020, the Department of Housing and Community Development commissioned the Maryland Housing Needs Assessment & 10-Year Strategic Plan. The analysis from the University of Maryland's National Center for Smart Growth and Enterprise Community Partners, determined that Maryland must add thousands more housing units by 2030 to accommodate a swelling population of low-income residents, while also meeting unmet demand from moderate-income residents, seniors, and people with disabilities. According to the Plan, 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 more affordable homes.

This legislation is an important tool in creating additional housing options to satisfy Maryland's pressing needs. For foregoing reasons, MMHA respectfully requests a favorable report for HB 211.

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