

SB203_HousingInnovationPilotProgram_LOS.pdf

Uploaded by: Brian Sims

Position: FAV



Maryland
Hospital Association

January 25, 2024

To: The Honorable Brian J. Feldman, Chair, Senate Education, Energy, and the Environment Committee

Re: Letter of Support - Senate Bill 203 - Housing Innovation Pilot Program and Housing Innovation Fund - Establishment (Housing Innovation Pilot Program Act of 2024)

Dear Chair Feldman:

On behalf of the Maryland Hospital Association's (MHA) 62 member hospitals and health systems, we appreciate the opportunity to comment in support of Senate Bill 203, which would improve access to quality, affordable, and stable housing in Maryland—contributing to better health outcomes.

Maryland hospitals care for millions of people each year, around-the-clock. In addition to the care they provide, they evaluate factors inside and outside of their organizations to promote the health and the well-being of the populations they serve and the tens of thousands they employ. Hospitals are committed to addressing the social drivers of health, which includes housing.

The Department of Health and Human Services defines housing insecurity as high housing costs in proportion to income, poor housing quality, unstable neighborhoods, overcrowding, or homelessness.¹ As an important social determinant of health, housing security must be addressed when developing goals for accessibility or quality of care. Unstable housing can increase the risk of infectious or chronic disease and exacerbate previously existing health conditions.²

SB 203 would help local housing authorities increase the production of affordable housing units by providing loans to local housing authorities for mixed-income, cross-subsidized housing and increase the volume of housing production.

Housing is one of the best-researched social determinants of health, and addressing housing insecurity has been found to improve health outcomes and decrease health care costs.

For these reasons, we request a *favorable* report on SB 203.

For more information, please contact:
Brian Sims, Vice President, Quality & Equity
Bsims@mhaonline.org

¹ Cutts, D. B., Meyers, A. F., Black, M. M., Casey, P. H., Chilton, M., Cook, J. T., Geppert, J., Ettinger de Cuba, S., Heeren, T., Coleman, S., Rose-Jacobs, R. Frank, D. A. (2011). US Housing insecurity and the health of very young children. *American journal of public health*, 101(8), 1508-14. Retrieved from: www.ncbi.nlm.nih.gov/pmc/articles/PMC3134514/

² Taylor, L. (2018). Housing and Health: An Overview of the Literature. *Health Affairs*. Retrieved from: <https://www.healthaffairs.org/doi/10.1377/hpb20180313.396577/>.

MLU written testimony - HB07 Housing Innovation Pi

Uploaded by: Carlos Orbe, Jr.

Position: FAV



Testimony Supporting **HB007**

Senate Education, Energy, and the Environment Committee

January 24, 2024

Position: SUPPORT

Housing Innovation Pilot Program and Housing Innovation Fund - Establishment (Housing Innovation Pilot Program Act of 2024)

My name is Carlos Orbe, Jr., and I am the Communications and Public Affairs Specialist for Maryland Latinos Unidos (MLU). I am writing on behalf of Maryland Latinos Unidos (MLU), a statewide network dedicated to supporting and advocating for Latino and immigrant communities in Maryland. As an organization deeply committed to the welfare and empowerment of these communities, we wanted to express our strong support for the "HB07 Housing Innovation Pilot Program and Housing Innovation Fund - Establishment (Housing Innovation Pilot Program Act of 2024)" currently under consideration.

At Maryland Latinos Unidos, our mission revolves around addressing the disparities and inequities that our Latino and immigrant communities often face. We firmly believe that the proposed "HB07 Housing Innovation Pilot Program and Housing Innovation Fund" aligns with our core values and objectives. By championing this legislation, which establishes the Housing Innovation Pilot Program and the Housing Innovation Fund within the Department of Housing and Community Development, Maryland demonstrates a commitment to tackling the pressing housing issues that disproportionately affect Latinos and immigrants in our state.

The objectives outlined in "HB07 Housing Innovation Pilot Program and Housing Innovation Fund," such as increasing housing production, encouraging innovation in housing projects, and providing state matching funds for local initiatives, strongly resonate with our mission. We recognize that housing affordability and accessibility are critical concerns for many Latino and immigrant families in Maryland. Therefore, we believe that this legislation has the potential to make a substantial positive impact on the lives of our community members.

Furthermore, we appreciate the attention given to the fiscal aspects of this bill, as well as its potential to stimulate local economies and support small businesses involved in housing development and construction.

Maryland Latinos Unidos is dedicated to building the capacity of grassroots Hispanic-serving organizations and ensuring that all Latinos have access to essential services. We believe that "HB07 Housing Innovation Pilot Program and Housing Innovation Fund" can contribute significantly to achieving these objectives.

In conclusion, we urge you to consider our strong support for "HB07 Housing Innovation Pilot Program and Housing Innovation Fund." It represents a vital step towards addressing housing disparities and promoting equity in our state. We would be honored to collaborate further and provide any assistance or insights that might be helpful in advancing this legislation.

Thank you for your attention to this critical matter. We look forward to continued partnership and the opportunity to create a brighter future for Maryland's Latino and immigrant communities.

Sincerely,
Carlos Orbe, Jr.
Communications and Public Affairs Specialist
Maryland Latinos Unidos (MLU)

SB0203_Housing_Innovation_Pilot_Program_MLC_FAV.pd

Uploaded by: Cecilia Plante

Position: FAV



TESTIMONY FOR SB0203
Housing Innovation Pilot Program and Housing Innovation Fund - Establishment
(Housing Innovation Pilot Program Act of 2024)

Bill Sponsor: Senator Waldstreicher

Committee: Education, Energy, and the Environment

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Aileen Alex, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of SB0203 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists, and our Coalition supports well over 30,000 members.

Maryland is facing a significant affordable housing crisis.

The Housing Innovation Pilot Program Act creates a five-year pilot program to reward counties that are doing creative things to fund affordable housing. The program provides matching funds for projects that are publicly owned, meet strict affordability standards (20% of units for income under 50% AMI and 40% under 60%) and meet prevailing wage requirements. In these mixed income projects, the revenue from higher-income renters first pays off the construction bonds and then goes back into the loan fund to support future projects.

Such social (publicly-owned, mixed-income) housing also gives local governments the opportunity to advance transportation and climate policy objectives.

As an example, Montgomery County has established itself as a national leader on building affordable housing. Using this model, the County has built 731 affordable units in only three years and has four additional projects in the pipeline with 2,000 units. This program would incentivize other local creative approaches by other Counties as well.

We believe that it is important to keep all residents housed, particularly those residents who are most at risk. This program allows us to meet that basic human need and create the green, transit-centric society we need to survive.

We support this bill and recommend a **FAVORABLE** report in committee.

SB203_DHCD_SUPPORT.pdf

Uploaded by: Chuck Cook

Position: FAV



WES MOORE
Governor
ARUNA MILLER
Lt. Governor
JACOB R. DAY
Secretary
JULIA GLANZ
Deputy Secretary

DATE: January 25, 2024

BILL NO.: Senate Bill 203

TITLE: Housing Innovation Pilot Program and Housing Innovation Fund - Establishment (Housing Innovation Pilot Program Act of 2024)

COMMITTEE: Senate Education, Energy, and the Environment Committee

Letter of Support

Description of Bill:

Senate Bill 203 would establish the Housing Innovation Pilot Program and Housing Innovation Fund. The Housing Innovation Pilot Program would be a program established within the Department of Housing and Community Development (DHCD). Through the Housing Innovation Pilot Program, DHCD would offer low-or-no interest loans to Public Housing Authorities (PHA) or to counties acquiring private sector housing in conjunction with a PHA. Projects financed under the Housing Innovation Pilot program must include at least 20% of units that are affordable to households making no more than 50% of the area median income (AMI), and at least 40% of units that are affordable to households making no more than 60% AMI. Additionally, projects must maintain the affordable set-asides for a period of at least 99 years, remain in public ownership, and include a commitment to prevailing wage requirements.

Background and Analysis:

Maryland faces a shortage of 96,000 housing units. Additionally, analysis has consistently emphasized that Maryland's greatest housing needs are for residents with low- and moderate incomes. Both the 2020 Maryland Housing Needs Assessment and the 2023 National Low-Income Housing Coalition analysis of housing unit shortages have found extreme housing deficits are for households with low incomes. Recently, the Comptroller's recent report found that this has a meaningful impact on Maryland's economy, as lower- and middle-income workers have left the state to find less expensive housing.

In the context of the extent of Maryland's housing crisis, DHCD supports an all-tools-in-the-toolbox approach to creating more housing units where the state has the greatest need. Low- and no-interest loans are an important tool to create more affordable housing, as this reduces the costs of servicing debt and reduces the level of rents needed for the housing project to be financially sustainable. An additional advantage of below-market loans is that they can be recycled to help new borrowers as the funds are repaid. These advantages are magnified in the Housing Innovation Pilot program, where: (1) market rents in mixed-income projects can offset reduced affordable rents; (2) state investment is complemented by local investment; and (3) both DHCD and local Public Housing Authorities have demonstrated success in producing more affordable housing through administering similar programs.

DHCD Position

The Maryland Department of Housing and Community Development respectfully requests a **favorable** report on Senate Bill 203

CDN SB203 FAVORABLE.pdf

Uploaded by: Claudia Wilson Randall

Position: FAV



Testimony
SENATE BILL 203
Education, Energy and the Environment Committee
January 25, 2024
Position: FAVORABLE

Dear Chair Feldman and Members of the Education, Energy and the 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.

SB 203 - Establishes the Housing Innovation Pilot Program in the Department of Housing and Community Development to provide funds for certain mixed-income, cross-subsidized housing and to create opportunities to increase the volume of housing production; establishing the Housing Innovation Fund as a special, non- lapsing fund to be used only to provide low- or no-interest loans to local housing authorities; etc.

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.

Ensuring that all families live in affordable, stable homes will improve community health outcomes, thereby reducing health care and education costs. Housing is an urgent priority for economic growth and equitable recovery from the pandemic. Building a firm foundation for stable homes begins with policies that increase production of housing affordable to households making less than \$65,000 per year.. Given the health, educational, and cost implications of families living in unstable homes, there is an urgent need to increase supply of affordable homes and help families meet rent demands and reduce costs.

Local governments and the development community need more funds that are flexible to produce and preserve affordable housing across the state. In order for Maryland to be a state with opportunity, decision makers will need to invest at the intersection between housing and health, housing and economic development and housing and education.

We ask your favorable report for SB 203.

Submitted by Claudia Wilson Randall, Executive Director

WDC 2024 Testimony SB203_Final.pdf

Uploaded by: Cynthia Rubenstein

Position: FAV



MONTGOMERY COUNTY, MARYLAND
WOMEN'S DEMOCRATIC CLUB

P.O. Box 34047, Bethesda, MD 20827

www.womensdemocraticclub.org

**SB0203 - Housing Innovation Pilot Program and Housing Innovation Fund -
Establishment (Housing Innovation Pilot Program Act of 2024)
Education, Energy & Environment Committee – January 25, 2024
SUPPORT**

Thank you for this opportunity to submit written testimony concerning an important priority of the **Montgomery County Women's Democratic Club (WDC)** for the 2024 legislative session. WDC is one of Maryland's largest and most active Democratic clubs with hundreds of politically active members, including many elected officials.

WDC urges the passage of SB203. This bill will provide creative affordable housing opportunities for low- and moderate-income families in Maryland. Maryland is facing a significant affordable housing crisis. [A 2021 report](#) commissioned by the Maryland Department of Housing and Community Development found that the state currently lacks 85,000 rental units for low- and moderate-income families. This number is expected to increase appreciably over the next ten years. As rents in the state have skyrocketed by more than 30 percent in the last decade, low- and moderate-income families find themselves left behind, as they face housing insecurity, inability to pay rent and potential homelessness. The Housing Innovation Pilot Program creates opportunities and incentives for local affordable housing production.

This bill establishes a pilot program to reward counties that use innovative methods to fund affordable housing. The program provides matching funds for projects that meet affordability set asides and that will remain in public ownership. The project must set aside 20% of units for residents with a household income under 50% Area Mean Income (AMI) or 40% of units for residents with a household income under 60% AMI.

We ask for your support for SB203 and strongly urge a favorable Committee report.

Tazeen Ahmad
WDC President

Janet Frank
Chair, WDC Affordable Housing Subcommittee

Comments on SB203, Housing Innovation Pilot Projec

Uploaded by: Dan Reed

Position: FAV



Chair Brian Feldman
and Members, Education, Energy, and the Environment Committee
Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

January 25, 2024

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

My name is Dan Reed and I serve as the Regional Policy Director for [Greater Greater Washington](#), a nonprofit that works to advance racial, economic, and environmental justice in land use, transportation, and housing throughout Greater Washington. **GGWash supports Senate Bill 203, the Housing Innovation Pilot Project Act of 2024**, which creates a sustainable funding source for affordable housing.

Maryland faces a significant housing shortage—96,000 homes, according to the Maryland Housing Needs Assessment¹—which has led to double-digit increases for rents and home prices. This burden falls hardest on lower-income residents, who risk losing not only their homes, but access to jobs, schools, health care, and support networks. Subsidized, income-restricted affordable housing is a big part of the solution, but securing financing is a significant barrier. This bill rises to the challenge by providing matching funds to publicly-owned, mixed-income, cross-subsidized housing developments. Public ownership ensures that revenue from rent can be used to finance additional projects. Under this model, Montgomery County’s Housing Opportunities Commission, has built over 700 homes in the past three years, nearly half of which are income-restricted, and has another 2,000 units in its development pipeline².

Maryland needs to use all the tools available to tackle its housing shortage. The Housing Innovation Pilot Project Act will be an important addition to the toolbox. We ask the committee to give this bill a favorable report.

Sincerely,

A handwritten signature in black ink that reads 'Dan Reed'.

Dan Reed
Regional Policy Director

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

² <https://www.hocmc.org/extra/1116-pipeline.html>

The Washington, DC region is great and it can be greater.

SB0203-EEE_MACo_SUP.pdf

Uploaded by: Dominic Butchko

Position: FAV



Senate Bill 203

Housing Innovation Pilot Program and Housing Innovation Fund - Establishment (Housing Innovation Pilot Program Act of 2024)

MACo Position: **SUPPORT**

To: Education, Energy, and the Environment
Committee

Date: January 25, 2024

From: Dominic J. Butchko

The Maryland Association of Counties (MACo) **SUPPORTS** SB 203. This bill would provide counties with additional resources through the Housing Innovation Pilot Program, incentivizing the development of county-owned affordable housing projects.

For the 2024 Maryland General Assembly Session, MACo has made it a priority – one of the Association’s four legislative initiatives – to *Advance Comprehensive Housing Solutions*. Much like climate change and sea level rise, the challenges surrounding affordable housing are vast and call for a large, multipronged effort. While it may be easy to deduce a simple cause-and-effect relationship in other policy areas, housing is a complex web of multifaceted factors. Addressing challenges like workforce, financing, interest rates, broad economic trends, supply chain, and large out-of-state corporate interests – among many other obstacles – requires an all-hands-on-deck effort from policy makers at all levels.

MACo is working with sponsors to cross-file legislation to target several components of this crisis: abandonment/blight disincentives, corporate owner transparency, and short-term rental oversight. Additionally, under this initiative, counties will be supporting other pro-housing legislation that will help to advance the conversation, balance local flexibility, and ensure more Marylanders can afford a place to call home.

To that end, SB 203 would provide a significant tool for jurisdictions seeking to take direct action in their local housing markets. The program would provide dollar-for-dollar matching funds for county housing projects meeting certain state criteria. These matching funds would take the form of either low- or no-interest loans, giving the State a renewable programmatic funding source and giving counties access to low-cost capital.

SB 203 creates a program that is renewable and empowers local governments to do more in ensuring access to affordable housing. For this reason, MACo **SUPPORTS** SB 203 and urges a **FAVORABLE** report.

SB 203 PN Testimony 2024.pdf

Uploaded by: Doug Ryan

Position: FAV



January 24, 2024

Environment and Transportation Committee
Maryland General Assembly
House Office Building
Annapolis, Maryland 21401

Re: SB 203 - Housing Innovation Pilot Program and Housing Innovation Fund - Establishment
(Housing Innovation Pilot Program Act of 2024)

Chair Feldman, Vice Chair Kagan, and Members of the Committee:

We write in support of SB 203, the Housing Innovation Pilot Program Act of 2024. Prosperity Now is a national, nonpartisan, nonprofit organization based in Washington, D.C. that works to expand economic opportunity for all Americans by promoting and advocating for asset-building policies and programs.

Maryland faces an existential housing crisis. SB 203, through its innovative and low-cost funding mechanisms, can make a real difference in aiding local housing providers develop new affordable housing across the state.

Unfortunately, in too many communities across Maryland, high costs impede families' abilities to secure housing. The impediments disproportionately impact families and communities of color, further exacerbating the racial wealth divide and inequities in Maryland.

Housing cost burdens, of course, directly undercut families' abilities to pay bills, save and invest in their futures, including homeownership and retirement. The lack of housing affordability has externalities, too. For example, workers who live far from employment centers add traffic congestion to points on their commute. Employers in high-cost areas need employees at all wage levels. Longer and costlier commutes aggravate employee turnover. Cost-constrained families buy fewer goods and services, reducing the economy's output and the state's tax revenues.

Recent reporting underscores one direct impact of the housing crisis. Maryland's economic growth has lagged the nation's and those of our neighboring states. A January report from Comptroller Lierman's office underscores that the lack of housing is a major reason. It notes that

Prosperity Now

1200 G Street NW
Suite 400
Washington, DC 20005

T 202.408.9788

E hello@prosperitynow.org

prosperitynow.org

Maryland has some of the highest housing costs in the nation and that between 2019 and 2022, the housing inventory dropped statewide by about 57% (though worse in some counties), while median home prices increased 27%.

According to our own analyses, 50% of Maryland renters are cost burdened, meaning they spend more than 30% of their incomes on housing. Any income disruption would likely lead to eviction. Twenty-seven percent of homeowners in the state are cost burdened. These rates are similar to those in Montgomery County. The cost burdens impact groups across Maryland, but disproportionately hurt Black and Latino Marylanders.

The failures in our housing markets are on multiple fronts. Income, land use, financing, and supply all contribute. Study after study documents that new housing helps reduce housing costs in local markets. We must build more housing of all types. That said, the crisis is most felt by our neighbors with the lowest incomes. SB 203 can help. By supporting our state's good network of local housing authorities, this pilot program can leverage existing expertise and resources, including public land and air rights.

On a personal note, my family has lived in Montgomery County for 25 years. I also worked at the Housing Opportunities Commission for thirteen years. I know what local housing providers can accomplish with the right tools. In this session, the legislature has an opportunity unlike any other in our state's recent history to advance housing security.

In closing, SB 203 offers Maryland a program to help families find the first step on the ladder of economic opportunity. It would incentivize housing construction. It would help position families for economic security. Maryland would be stronger because of it. I can be reached at dryan@prosperitynow.org or at 202-207-0155.

Sincerely,

Doug Ryan
Vice President, Policy and Applied Research
Prosperity Now

SB 203 Social Housing fund testimony.pdf

Uploaded by: Gregory Countess

Position: FAV



MARYLAND LEGAL AID

**Senate Bill 203
In the Senate Education, Energy and Environment Committee—
Housing Innovation Pilot Program
Hearing on January 25, 2024
Position: FAVORABLE**

Maryland Legal Aid (MLA) submits its written and oral testimony on SB 203 in response to a request from Senator Jeff Waldstreicher.

Senate Bill 203 is legislation that would create housing to break down the stratification between those renters with different income levels and requiring any housing built pursuant to the fund have long term affordability restrictions. Maryland Legal Aid (MLA) supports SB 203.

MLA is a non-profit law firm that provides free legal services to the State’s low-income and vulnerable residents. MLA handles civil legal cases involving a wide range of issues, including representing people and families struggling with housing and eviction.

The human right to housing is one of the most essential and universally recognized human rights. It finds strong recognition in international, federal, and state. The Universal Declaration of Human Rights guarantees “the right to a standard of living adequate for the health and well-being of [the individual] and of his[/her] family, including food, clothing, shelter and medical care and necessary social services.”¹ One of the basic aspects of the right to housing is that such housing should be affordable.²

By any measure, housing is not affordable for thousands of residents throughout Maryland. The Maryland Department of Housing and Community Development commissioned a study released in December of 2020 that measured housing need in this state. The report noted that, “Despite continued progress, ... Maryland currently lacks approximately 85,000 rental units for its lowest income households (meaning extremely low-income or those earning 30 percent of area median income [AMI (Area Median Income)] or below). In many parts of the state, there aren’t enough rental units for very low-income households (those earning under 50 percent AMI) either. Maryland will add an estimated 97,200 extremely and very low-income households between 2020 and 2030. Without further acceleration to create and preserve deeply affordable units, this shortage will worsen.”³

¹ The Universal Declaration of Human Rights, G.A. Res. 217, U.N. GAOR, 3d Sess., pt. 1, U.N. Doc. A/810 (1948).

² General Comment 4, Committee on Economic, Social and Cultural Rights, U.N. Doc. E/1992/23, ¶6 (1991).

³ <https://dhcd.maryland.gov/Documents/Other%20Publications/Report.pdf>

The cost to Maryland renters and the state is high. A recent study shows that cost burdened renters spend 57% less on healthcare and 17% less on food. Housing affordability affects the mental health of parents, children's cognitive functioning and adolescent delinquent behavior.⁴

SB 203 is an important affirmative step in increasing the supply of affordable housing to Maryland renters, particularly if the bill grants maximum flexibility to Housing Authorities to establish a one-for-one match of Housing Authority funds to program funds.

By providing opportunity for Housing Authorities to reduce economic stratification by not mandating that the housing serve only those with incomes below 60 percent of AMI, while also requiring that any housing built using the fund have long term affordability restrictions the bill provides an incentive to build communities of opportunity while also building housing that is permanently affordable.

For these reasons MLA urges a favorable report for SB 203.

Sincerely,

A handwritten signature in black ink that reads "Gregory Countess". The signature is written in a cursive, flowing style.

Gregory Countess, Esq.
Director of Advocacy for Housing and Community Economic Development
Maryland Legal Aid
410 951 7687

⁴ <https://www.annualreviews.org/doi/full/10.1146/annurev-soc-090921-040646#:~:text=Evidence%20from%20multiple,Credit>

Maryland Catholic Conference_FAV_SB203.pdf

Uploaded by: Jenny Kraska

Position: FAV



**MARYLAND
CATHOLIC
CONFERENCE**

January 25, 2024

SB 203

**Housing Innovation Pilot Program & Housing Innovation Fund – Establishment (Housing
Innovation Pilot Program Act 2024)**

Senate Education, Energy, & Environment Committee

Position: Favorable

The Maryland Catholic Conference (MCC) offers this testimony in support of Senate Bill 203. The Catholic Conference is the public policy representative of the three (arch)dioceses serving Maryland, which together encompass over one million Marylanders. Statewide, their parishes, schools, hospitals, and numerous charities combine to form our state's second largest social service provider network, behind only our state government.

Senate Bill 203 aims to establish the Housing Innovation Pilot Program within the Department of Housing and Community Development.

The MCC believes in the importance of creating compassionate and innovative solutions to address the pressing issue of affordable housing. Catholic teaching supports the right to private property but recognizes that communities and government have an obligation to ensure that housing needs of all are met, especially the poor and vulnerable members of our communities. Access to safe and affordable housing is a fundamental human right and this legislation represents a positive step toward achieving this goal.

The establishment of the Housing Innovation Pilot Program, along with the creation of the Housing Innovation Fund, signifies a commitment to finding creative and sustainable solutions for housing needs. By providing funds for mixed-income, cross-subsidized housing, the program acknowledges the diversity within our communities and the importance of fostering spaces where people of various economic backgrounds can live together and have the opportunity to thrive.

The requirement for local housing authority to provide a dollar-for-dollar match for Program funds awarded to housing innovation projects demonstrates a collaborative approach to addressing housing challenges. This partnership between the state and local authorities reflects the values of community, shared responsibility, and solidarity that are integral to our faith.

The Conference appreciates your consideration and, for these reasons, respectfully requests a favorable report on Senate Bill 203.

Climate Coalition of MOCO testimony in favor of S

Uploaded by: JIM Driscoll

Position: FAV



CLIMATE COALITION
Montgomery County, MD

Testimony for SB0203

Housing Innovation Program and Housing Innovation Fund–Establishment

Bill Sponsor: Senator Waldstreicher

Committee: Education, Energy, and Environment

Organization Submitting: Climate Coalition Montgomery County

Person Testifying: Dr. Jim Driscoll, Member

Position: Favorable

We are submitting testimony in favor of SB203 on behalf of the Climate Coalition Montgomery County (CC-MoCo)

CC-MoCo is a network of 21 local organizations and many individuals. We are advocates of actions aimed at meeting the goals of Montgomery County’s Climate Emergency Resolution, adopted in 2017, to reduce greenhouse gas emissions by 80% by 2027 and 100% by 2035; and to build resilience to the dire impacts of climate change especially for our most vulnerable residents. We also work to support Maryland state-wide legislation that will advance these goals.

Maryland faces a crisis in affordable housing and a climate crisis. We climate activists support this bill as a key part of the solution to both.

This bill seeks to meet the critical need for large amounts of affordable new housing in Maryland by encouraging innovation in building publicly-owned, mixed-income housing, what we call social housing. By mixing apartments for different income levels, social housing avoids the known problems associated with low-income housing projects intended exclusively for low-income residents. The revenue from “market rate” higher income residents also allows the County to pay off the costs of construction and build additional social housing with no new State or County investment—a continued pool of funding for new affordable housing. By avoiding private ownership, the County is free to establish its own additional priorities. We would include net-zero electrification, climate change adaptation measures, proximity to transit, targeted amenities, affirmative action and union-hiring.

This bill provides state matching funds for projects that meet this definition of social housing. They must be publicly owned, mixed-income, meet strict affordability standards (20% of units for income under 50% of the area median income and 40% under 60%) and meet prevailing wage requirements.

We believe that it is important to keep all residents housed, particularly those residents who are most at risk. This program allows us to meet that basic human need and create the green, transit-centric society we need to survive.

We support this bill and recommend a FAVORABLE report in committee.

James Driscoll, On behalf of the Climate Coalition Montgomery County

Organizational Members of the Climate Coalition Montgomery County

350 Montgomery County

ACQ Climate (Ask the Climate Question)

Bethesda Green

Biodiversity for a Livable Climate

Chesapeake Climate Action Network (CCAN)

Elders Climate Action

Environmental Justice Ministry Cedar Lane Unitarian

Universalist Church

Ecosystems Study Group

Elder Climate Action

Glen Echo Heights Mobilization

Green Sanctuary Committee of the Unitarian-Universalist

Church of Silver Spring

Montgomery County Faith Alliance for Climate Solutions
(MC-FACS)

Montgomery Countryside Alliance

One Montgomery Green

Sugarloaf Citizens' Association

Transit Alternatives to Mid-County Highway Extended/M-83
(TAME)

The Climate Mobilization Montgomery County (TCM-MoCo)

Zero Waste Montgomery County

SB0203.docx.pdf

Uploaded by: Jonathan Dayton

Position: FAV



Statement of Maryland Rural Health Association (MRHA)

To the Education, Energy, and the Environment Committee

Chair: Senator Brian Feldman

January 24, 2024

Senate Bill 0203: Housing Innovation Pilot Program and Housing Innovation Fund - Establishment (Housing Innovation Pilot Program Act of 2024)

POSITION: SUPPORT

Chair Feldman, Vice Chair Kagan, and members of the Education, Energy, and the Environment Committee, the Maryland Rural Health Association (MRHA) is in **SUPPORT** of **Senate Bill 0203: Housing Innovation Pilot Program and Housing Innovation Fund - Establishment (Housing Innovation Pilot Program Act of 2024)**

Housing has been a major issue for many people living in rural areas of Maryland. According to the National Low Income Housing Coalition, “Across Maryland, there is a shortage of rental homes affordable and available to extremely low-income households (ELI), whose incomes are at or below the poverty guideline or 30% of their area median income (AMI). Many of these households are severely cost-burdened, spending more than half of their income on housing. Severely cost-burdened poor households are more likely than other renters to sacrifice other necessities like healthy food and healthcare to pay the rent and to experience unstable housing situations like evictions.”

We don’t want rural Marylanders to have to choose between housing and healthcare. When housing becomes a priority, we see that a person’s health declines. Therefore, there’s a direct correlation between the two. We urge a favorable report on this pilot program.

Sincerely,

Jonathan Dayton, MS, NREMT, CNE, Executive Director

jdayton@mdruralhealth.org

SB 203_MD Center on Economic Policy_FAV.pdf

Uploaded by: Kali Schumitz

Position: FAV

Marylanders Need More Affordable Housing Options

Position Statement Supporting Senate Bill 203

Given before the Senate Education, Energy, and the Environment Committee

SB 203 will establish the Housing Innovation Pilot Program in the Department of Housing and Community Development (DHCD) to provide low or no interest loans for certain mixed-income and cross-subsidized housing projects. DHCD will distribute the loans directly to local housing authorities to fund these affordable housing projects. The goal of this pilot program is to create opportunities for the state's public housing authorities to increase the volume of housing production by offering an incentive of providing state matching funds for housing innovation projects funded through local revolving loan funds. **The Maryland Center on Economic Policy supports Senate Bill 203 because it will increase affordable housing options for the state's most vulnerable renters.**

SB 203 will provide new housing opportunities in which:

- At least 20% of the units are set aside for households with a gross annual income of not more than 50% of the area median income for a household of like size
- At least 40% of the units are set aside for households with a gross income of not more than 60% of the area median income for a household of like size
- The affordable units set aside remain restricted at elevated levels for at least 99 years
- The project remains in public ownership

In administering the funds, DHCD will prioritize funding projects that:

- Do not use low-income housing tax credit equity or tax-exempt volume cap
- Commit to prevailing wage requirements

Before any funds will be administered, local housing authorities will be required to provide evidence that the program funds will be matched by their funding on a dollar-for-dollar basis as well as meet other criteria adopted by the Secretary. In return, DHCD will coordinate with local housing authorities to ensure access to other financial resources such as senior debt products and develop new resources in support of statewide housing production. If passed, SB 203 will be a 5-year pilot program that would be in effect from July 2024 to June 2029.

SB 203 is being introduced at a very important time in Maryland as housing prices and rent soared during the pandemic and have not dropped. Maryland had an affordable housing problem long before the pandemic. According to the Maryland Housing Needs Assessment, nearly one-third of all Maryland households are

experiencing housing cost burdens.ⁱ Of these, 67% are homeowners while 33% are renters. Among renters, 48% of those households are cost burdened, and among low-income households, 76% are severely cost-burdened.

The latest Out of Reach report from the National Low Income Housing Coalition lists Maryland as the ninth least affordable state for renters.ⁱⁱ To afford a modest two-bedroom apartment in the state, a family must earn \$28.93 an hour or \$60,183 annually. A minimum wage worker in Maryland would have to work 78 hours per week year-round.

When families struggle to pay rent, they face greater risks of instability, eviction, and even homelessness, which research links to food insecurity, poor health, lower cognitive scores and academic achievement, and more frequent foster care placement among children. Seniors, people with disabilities, and those on fixed incomes cannot live safely without affordable housing and supportive services.

Unaffordable and unstable housing also perpetuates racial, economic and health disparities in our state. If we want to close disparities between white, Black and Brown Marylanders, we must begin with housing. We cannot write a prescription for housing but that is what many in our state need to stabilize their health. We must make homeownership available to more people of color throughout the state.

For the past couple of years, Maryland has had a surplus in state funding. The surplus is a historic opportunity to provide investment for housing affordability, security, and stability in every area in our state. SB 203 is a step in the right direction because affordable housing is a foundation for all Marylanders. For these reasons, **the Maryland Center on Economic Policy respectfully requests the Education, Energy, and the Environment Committee to make a favorable report on Senate Bill 203.**

Equity Impact Analysis: Senate Bill 203

Bill Summary

SB 203 will establish the Housing Innovation Pilot Program in the Department of Housing and Community Development (DHCD) to provide low or no interest loans for certain mixed-income and cross-subsidized housing projects. DHCD will distribute the loans directly to local housing authorities to fund these affordable housing projects. The goal of this pilot program is to create opportunities for the state's public housing authorities to increase the volume of housing production by offering an incentive of providing state matching funds for housing innovation projects funded through local revolving loan funds.

Background

SB 203 is being introduced at a very important time in Maryland as housing prices and rent soared during the pandemic and have not dropped. Maryland had an affordable housing problem long before the pandemic. According to the Maryland Housing Needs Assessment, nearly one-third of all Maryland households are experiencing housing cost burdens. Of these, 67% are homeowners while 33% are renters. Among renters, 48% of those households are cost burdened, and among low-income households, 76% are severely cost-burdened.

The latest Out of Reach report from the National Low Income Housing Coalition lists Maryland as the ninth least affordable state for renters. To afford a modest two-bedroom apartment in the state, a family must earn \$28.93 an hour or \$60,183 annually. A minimum wage worker in Maryland would have to work 78 hours per week year-round.

Equity Implications

When families struggle to pay rent, they face greater risks of instability, eviction, and even homelessness, which research links to food insecurity, poor health, lower cognitive scores and academic achievement, and more frequent foster care placement among children. Seniors and the disabled on fixed incomes cannot live safely without affordable housing and supportive services.

Unaffordable and unstable housing perpetuates racial and economic and health disparities in our state. If we want to close disparities between white and black and brown Marylanders, we must begin with housing. We cannot write a prescription for housing but that is what many in our state need to stabilize their health. We must make homeownership available to more people of color throughout the state.

Impact

SB 203 will likely **improve racial, health and economic equity** in Maryland.

ⁱ Maryland 10 Year Housing Assessment <https://dhcd.maryland.gov/Documents/Other%20Publications/Report.pdf>

ⁱⁱ National Low Income Housing Coalition <https://nlihc.org/oor/state/md>

SB 203 - Housing Innovation Pilot Program and Hous

Uploaded by: Kam Bridges

Position: FAV



Advocating better skills, jobs, and incomes

Testimony in Support of Senate Bill 203

**Housing Innovation Pilot Program and Housing Innovation Fund - Establishment
(Housing Innovation Pilot Program Act of 2024)**

TO: Hon. Brian J. Feldman, Chair, and Members of the Senate Education, Energy, and the Environment Committee

FROM: Job Opportunities Task Force

DATE: January 25, 2024

The Job Opportunities Task Force (JOTF) is an independent, nonprofit organization that develops and advocates policies and programs to increase the skills, job opportunities, and incomes of low-wage workers and job seekers in Maryland. **JOTF urges a favorable report for Senate Bill 203, which would increase affordable housing options for the state's most vulnerable renters.**

Senate Bill 203 would provide new housing opportunities in which; at least 20% of the units are set aside for households with a gross annual income of not more than 50% of the area median income for a household of like size, at least 40% of the units are set aside for households with a gross income of not more than 60% of the area median income for a household of like size, the affordable units set aside remain restricted at elevated levels for at least 99 years, and the project remains in public ownership. In addition, in administering the funds, DCHD will prioritize funding projects that do not use low-income housing tax credit equity or tax-exempt volume cap and will commit to prevailing wage requirements. Before any funds will be administered, local housing authorities will be required to provide evidence that the program funds will be matched by their funding on a dollar-for-dollar basis as well as meet other criteria adopted by the Secretary.

Maryland has been facing an affordable housing issue for a number of years; recently that issue has ballooned into a crisis. According to the Maryland Housing Needs Assessment, nearly one-third of all Maryland households are experiencing housing cost burdens. Of these, 67% are homeowners while 33% are renters. Among renters, 48% of those households are cost burdened, and among low-income households, 76% are severely cost-burdened. The latest Out of Reach report from the National Low Income Housing Coalition lists Maryland as the tenth least affordable state for renters. To afford a modest two-bedroom apartment in the state, a family must earn \$31.08 an hour, which is 234% above the state's current minimum wage. A minimum wage worker in Maryland would have to work 94 hours per week yearround; that would require working almost 16 hours a day in a 6-day workweek. When simply affording modest housing for fully employed workers requires herculean efforts like this, clearly there is an urgent need in Maryland for more affordable housing options.

Under these conditions, both the Maryland economy and workforce suffer. When large percentages of the workforce are operating under crisis mode simply to afford the bare necessity of lodging, it damages their capacity to be full participants in society and puts greater strain on support services. When families struggle to pay rent, they face greater risks of instability, eviction, and even homelessness, which research

JOTF JOB OPPORTUNITIES TASK FORCE

Advocating better skills, jobs, and incomes

links to food insecurity, poor health, lower cognitive scores and academic achievement, and more frequent foster care placement among children. All of these outcomes require the state to spend more tax dollars on social services that mitigate the symptoms but do not alleviate one of the main drivers of the issue. In addition, individuals with these circumstances are unable to dedicate the time, energy, and financial commitments needed to pursue further education or career development opportunities, artificially suppressing their career growth potential. Maryland cannot and will not be able to achieve its economic potential nor properly utilize its most valuable commodity, its people, without creating more affordable housing opportunities. Senate Bill 203 is an important step in this direction.

For these reasons, JOTF supports Senate Bill 203 and urges a favorable report.

For more information, contact:

Kam Bridges / Senior Public Policy Advocate / Kam@jotf.org

SB203_Montgomery County CE_FAV 2024-01-24.pdf

Uploaded by: Leslie Frey

Position: FAV



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

January 25, 2024

TO: The Honorable Brian Feldman
Chair, Education, Energy, and the Environment Committee

FROM: Marc Elrich
County Executive

RE: Senate Bill 203 - Housing Innovation Pilot Program and Housing Innovation Fund -
Establishment (Housing Innovation Pilot Program Act of 2024)

Senate Bill 203 creates a five-year pilot program to provide matching funds for housing development projects that meet certain requirements, such as: 1) the project must set aside 20% of units for residents with a household income under 50% AMI (area median income) and 40% of units for residents with a household income under 60% AMI; 2) the project must remain in public ownership; and 3) the project must commit to meeting prevailing wage requirements. I strongly support Senate Bill 203 as there is a dire for need State and local governments to work together to find solutions to the housing crisis.

Montgomery County has long been an innovator in developing affordable housing.¹ We were one of the first jurisdictions to implement a “Moderately Priced Dwelling Unit” policy, which requires developers to set aside 12.5 to 15 percent of the units in new projects for households making about two-thirds of the area’s median income (\$152,100 for a family of four), Montgomery County has also been on the vanguard of affordable housing financing with its Housing Investment Fund that helps with both production of new affordable units and preservation of existing units. Also earlier this year, the Council passed historic rent stabilization, which is another tool to protect tenants.

Despite these efforts, Montgomery County is experiencing an affordable housing shortage of nearly 25,000 units for household with incomes below 50% of AMI in 2018, coupled with a decrease of over 5,000 units affordable for households with incomes below 65% of AMI between 2014 and 2018. Since 2010, household growth in Montgomery County has been concentrated in households at the lowest and highest end of the income distribution. These trends are due to various factors, including existing households increasing their income and lower income households moving to the County. These trends imply that there is demand for housing across the income spectrum, with a particularly growing need for affordably priced housing.²

¹ <https://www.nytimes.com/2023/08/25/business/affordable-housing-montgomery-county.html>

² Montgomery County Planning Department’s 2020 Housing Needs Assessment

The Honorable Brian Feldman

Re: Senate Bill 203

January 25, 2024

Page 2

We need as many options as possible to help families get and stay in affordable housing. Senate Bill 203 is a needed tool for county governments like Montgomery County that are pushing to addressing the housing needs of their residents. I respectfully urge the committee to issue a favorable report.

SB 203 - Housing Innovation Fund - FAV - REALTORS.

Uploaded by: Lisa May

Position: FAV



Senate Bill 203 – Housing Innovation Pilot Program and Housing Innovation Fund - Establishment (Housing Innovation Pilot Program Act of 2024)

Position: Support

Maryland REALTORS® supports efforts to increase the supply of housing options in Maryland through legislation like SB 203. This bill establishes a funding mechanism to provide affordable housing options at a variety of price points for Maryland residents.

Maryland currently faces a shortage of nearly 150,000 housing units and growing. This shortage now impacts not just low-income residents, but also those of moderate incomes, young professionals, seniors, and working families. It encompasses both what has been traditionally considered as “affordable housing” but now also Missing Middle Housing types.

Housing at or below the 60% of AMI threshold is among the hardest to produce and cannot be accomplished in the marketplace without significant funding and programmatic supports. If adopted, this bill would assist with both of those needs to expand affordable housing production in Maryland.

There is no single answer to this housing shortage. Rather, it will take many modest actions that when taken together begin to make a difference. Maryland officials at both the state and local levels will need to work closely with one another and seek new and innovative ways of providing the housing that our residents need. The status quo is no longer an option.

Maryland REALTORS® applauds efforts to ease our housing crisis and reduce our current 150,000-unit housing shortage. We ask for your support of Senate Bill 203.

**For more information contact
lisa.may@mdrealtor.org or christa.mcgee@mdrealtor.org**

SB 203_MNADV_FAV.pdf

Uploaded by: Melanie Shapiro

Position: FAV



BILL NO: Senate Bill 203
TITLE: Housing Innovation Pilot Program and Housing Innovation Fund -
Establishment (Housing Innovation Pilot Program Act of 2024)
COMMITTEE: Education, Energy, and the Environment
HEARING DATE: January 25, 2024
POSITION: **SUPPORT**

The Maryland Network Against Domestic Violence (MNADV) is the state domestic violence coalition that brings together victim service providers, allied professionals, and concerned individuals for the common purpose of reducing intimate partner and family violence and its harmful effects on our citizens. **MNADV urges the Education, Energy, and the Environment Committee to issue a favorable report on SB 203.**

An inability to access safe and affordable housing is often an insurmountable barrier for a victim attempting to leave a domestic violence situation. With more than a third of domestic violence victims experiencing homelessness after leaving their abuser, safe and affordable housing is paramount for victims and survivors of domestic violence. Victims often remain in abusive relationships and children are exposed to ongoing violence because they have nowhere safe to go and are at risk of homelessness or housing instability. Furthermore, financial abuse occurs in an estimated 94-99% of domestic violence cases causing economic instability, lack of financial independence, and poor credit, all additional barriers to escaping an abusive relationship and accessing housing.

SB 203 creates a fund to support the development of affordable housing opportunities in Maryland. The bill establishes the Housing Innovation Pilot Program in the Department of Housing and Community Development to provide funds for certain mixed-income, cross-subsidized housing. SB 203 also establishes the Housing Innovation Fund to provide low- or no-interest loans to local housing authorities through the Housing Innovation Pilot Program. Additional affordable housing opportunities in Maryland are critical for victims of domestic violence and SB 203 would support the development of affordable housing.

For the above stated reasons, the **Maryland Network Against Domestic Violence urges a favorable report on SB 203.**

For further information contact Melanie Shapiro ■ Public Policy Director ■ 301-852-3930 ■ mshapiro@mnadv.org

1997 Annapolis Exchange Parkway, Suite 300 ■ Annapolis, MD 21401
Tel: 301-429-3601 ■ E-mail: info@mnadv.org ■ Website: www.mnadv.org

SB 203 Victoria Leonard LiUNA (SUPPORT).pdf

Uploaded by: Victoria Leonard

Position: FAV



January 25, 2024

The Honorable Brian Feldman, Chair
The Honorable Cheryl Kagan, Vice Chair
Senate Committee on Education, Energy and the Environment
2 West - Miller Senate Office Building
Annapolis, Maryland 21401

**SB 203: Housing Innovation Pilot Program and Housing Innovation Fund -
Establishment (Housing Innovation Pilot Program Act of 2024)
Position - Support**

Thank you Chair Feldman and Vice Chair Kagan and members of the Senate Committee on Education, Energy, and the Environment for the opportunity to submit written testimony in support of SB 203.

My name is Victoria Leonard, Political and Legislative Director for the Baltimore-Washington area of the Philadelphia/Baltimore/Washington Laborers' District Council (PBWLDC), an affiliate of the Laborers' International Union of North America (LiUNA). The PBWLDC represents more than 13,000 members. Our members are proudly employed on many infrastructure construction projects across the region. Nationwide, LiUNA represents more than 500,000 members.

We support SB 203. It establishes a much-needed Housing Innovation Pilot Program in the Department of Housing and Community Development. The purpose of the pilot program is to establish a Housing Innovation Fund to provide loans to local housing authorities to develop mixed-income, cross-subsidized housing. The program requires local housing authorities to provide a dollar-for-dollar match to get the funds. The program also requires the Department to prioritize projects that are not receiving other types of subsidies.

What we especially appreciate is that SB 203 requires loan recipients to commit to prevailing wage requirements. This means that the construction jobs created by the Housing Innovation Pilot Program will be quality jobs paying decent wages.

Comptroller Brooke Lierman's *State of the Economy Report* released earlier this month found that the lack of affordable housing for lower- and middle-income households is driving Maryland residents to move to other states. Both the [Forbes Advisor Index](#) and [Missouri Economic Research and Information Center Index](#) place Maryland among the states with the highest cost of living. The median home price in Maryland was \$411,200 compared to the national median home price of \$348,600 in 2022. The cost of housing is impacted by housing inventory. Between 2019 and 2022, the housing inventory dropped between 40% and 75% in every county (57% on average, statewide) while median home prices increased 27% statewide.

We clearly need to increase the supply of affordable housing in Maryland, and SB 203 helps with that, and in a way that creates quality jobs.

We urge the committee to issue a favorable report on SB 203 and send it over to the House.

RMC SB203 FWA Position Statement.pdf

Uploaded by: Charlotte Davis

Position: FWA



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Email: rmc.mda@maryland.gov
Website: www.rural.maryland.gov

Susan O'Neill, Chair

Charlotte Davis, Executive Director

POSITION STATEMENT

Senate Bill 203- Housing Innovation Pilot Program and Housing Innovation Fund - Establishment (Housing Innovation Pilot Program Act of 2024)

Senate Energy, Education and the Environment Committee

January 25, 2024

The Rural Maryland Council **SUPPORTS WITH AMENDMENT** Senate Bill 203 - Housing Innovation Pilot Program and Housing Innovation Fund - Establishment (Housing Innovation Pilot Program Act of 2024). This bill establishes the Housing Innovation Pilot Program and the related fund within the Department of Housing and Community Development (DHCD) to create opportunities for the State's public housing authorities to increase the volume of housing production and incentivize housing authorities to increase opportunities by providing State matching funds for housing innovation projects funded through local revolving loan funds.

Rural communities face unique challenges when dealing with the affordable, obtainable, and workforce housing crisis because development does not generally occur at a large scale in rural areas and construction costs are often higher compared to urban areas, which reduces the incentives for private investment. Additionally, a lack of access to credit in many rural areas limits funding for maintenance of existing units.

Recently, the Council established a Rural Housing Committee to research and assess the availability of affordable housing in Rural Maryland utilizing the recent Maryland Housing Assessment, examine the availability of quality affordable rural housing and identify specific rural challenges, developing policies and strategize to incentivize the construction of affordable rural housing, and identify best practices and case studies. As a part of the Committee's work, the Council partnered with the Partnership for Action Learning and Sustainability (PALS) with the University of Maryland which issued an analysis of rural housing in December 2023. The report found an uneven distribution of Public Housing Authorities, the entities responsible for the final step in housing assistance delivery, across rural counties. Three out of eighteen counties have alternative authorities—Allegany, Garrett, and Somerset. Notably, Caroline and Kent Counties lacks its own housing authority, presenting obstacles to accessing rural housing programs.

We ask the Committee to consider amendments to authorize a locally-designated alternative housing entity in rural areas that lack a public housing authority. This change would enable the rural counties that lack public housing authorities to participate in the pilot program and ensure equitable distribution of funding across the state. A true statewide program will coordinate resources and streamline program delivery to those who are most in need.

We ask for your FAVORABLE WITH AMENDMENT report of SB 203.

SB 203 AMENDMENTS

AMENDMENT No. 1:

On Page One, line 22 after "AUTHORITIES", add "OR A LOCALLY-DESIGNATED HOUSING ENTITY".

AMENDMENT No. 2:

On Page Two, line 12 after "AUTHORITIES", add "OR A LOCALLY-DESIGNATED HOUSING ENTITY".

AMENDMENT No. 3

On Page Two, line 15 after "AUTHORITY", add "OR A LOCALLY-DESIGNATED HOUSING ENTITY".

AMENDMENT No. 4

On Page Three, line 11 after "AUTHORITIES", add "OR A LOCALLY-DESIGNATED HOUSING ENTITY".

AMENDMENT No. 5

On Page Three, line 12 after "AUTHORITIES", add "OR A LOCALLY-DESIGNATED HOUSING ENTITY".

AMENDMENT No. 6

On Page 4, line 5 after "AUTHORITY", add "OR A LOCALLY-DESIGNATED HOUSING ENTITY".

AMENDMENT No. 7

On Page 4, line 7 after "AUTHORITY", add "OR A LOCALLY-DESIGNATED HOUSING ENTITY".

AMENDMENT No. 8

On Page 4, line 12 after "AUTHORITIES", add "OR A LOCALLY-DESIGNATED HOUSING ENTITY".

AMENDMENT No. 9

On Page 4, line 18 after "AUTHORITY", add "OR A LOCALLY-DESIGNATED HOUSING ENTITY".

AMENDMENT No. 10

On Page 4, line 23 after "AUTHORITIES", add "OR A LOCALLY-DESIGNATED HOUSING ENTITY".

SB 203 HABC testimony 1 25 24_Final.pdf

Uploaded by: Crystal Hypolite

Position: FWA

Robin Carter
Chairperson, Board of Commissioners

Janet Abrahams
President | Chief Executive Officer



SB 203

January 25, 2024

TO: Members of the Education, Energy, and the Environment Committee

FROM: Janet Abrahams, HABC President & CEO 

RE: Senate Bill 203 - Housing Innovation Pilot Program and Housing Innovation Fund - Establishment (Housing Innovation Pilot Program Act of 2024)

POSITION: Favorable with Amendments

Chair Feldman, Vice Chair Kagan, and Members of the Committee, please be advised that while the Housing Authority of Baltimore City (HABC) is always supportive of additional funding programs that serve to preserve and increase the number of quality affordable housing opportunities, we believe that SB 203 would not be readily applicable to Baltimore City's affordable housing development due to our housing economics.

Affordable housing developments in Baltimore City requires use of a greater level of deeply affordable subsidies, such as LIHTCs; tax-exempt bonds, and the gap funding that is tied to these programs. These funds are not prioritized in/excluded from this proposed program. It appears that it is structured so it would be more advantageous to other areas of the State, other than Baltimore City, where there are stronger household incomes and overall housing market conditions.

While we understand that SB 203 will establish a pilot program to provide state matching funds for housing innovation projects funded through local revolving loans for particular mixed-income and cross-subsidized housing, it again prioritizes projects that do not utilize low-income housing tax credits (LIHTC) and tax-exempt bonds. As long as the proposed fund does not have the effect of cutting current or diluting future funding available for existing State housing funding programs, we are in support of it.

HABC is the 5th largest public housing authority in the country, serving over 42,000 of Baltimore City's low-income individuals through its Public Housing and Housing Choice Voucher programs. HABC's public housing inventory currently consists of approximately 6,000 units located at various developments and scattered sites throughout the city. Historically in Baltimore, public housing sites were built in segregated areas of the city with high concentrations of poverty and neighborhood disinvestment. Generally, in these neighborhoods there was and continues to be limited access to quality schools, green space/recreation areas, grocery stores, healthcare facilities, financial institutions, transportation, etc. These areas also have high rates of unemployment and crime, high concentration of poverty and minority

Housing Authority of Baltimore City | 417 East Fayette Street, Baltimore, MD 21202

 410.396.3232  www.HABC.org    @BmoreHabc 

populations, and lower life-expectancy rates than in more affluent areas of the city. Through the years, decreases and uncertainty in federal funding for public housing programs, has resulted in deferred maintenance and the deterioration of many public housing developments. This made it necessary to use innovative partnership and funding mechanisms to preserve affordable housing.

Since 2015, HABC has been converting a portion of its public housing to private ownership under HUD's Rental Assistance Demonstration (RAD). HABC has partnered with private developers and the State Housing Finance Agency to realize over \$978 million in investment for its current RAD projects, allowing for extensive renovations and significant capital improvements at the properties, representing the preservation of over 4,000 deeply affordable housing units. HABC is also working to transform its public housing into thriving mixed-income communities where residents have opportunities for economic mobility. Three of our current major redevelopment initiatives include the Perkins Somerset Oldtown (PSO) Transformation Plan, Transform Poe and the O'Donnell Heights Neighborhood Revitalization Plan.

The PSO Transformation Plan includes the demolition and redevelopment of Perkins Homes in East Baltimore into a vibrant mixed income community with affordable and market rate housing as well as other amenities and supportive services for residents. The housing plan includes the new construction of 629 public housing replacement units, 424 low-income units serving households with an average of 60% AMI and 307 unrestricted market rate units spread across the Somerset and Perkins sites. Working with the City of Baltimore, private developers, and other partners, the PSO Plan will bring over \$1 billion in investment to this area of the city. The Transform Poe Plan seeks to redevelop Poe Homes, which sits on seven acres in West Baltimore and consists of 288 obsolete public housing units. The O'Donnell Heights Neighborhood Revitalization Plan includes the redevelopment of the original 900 public housing units at the site with 924 newly constructed residential units. All of these redevelopment efforts, including the RAD projects, rely heavily on private investment and tax credits to make implementation possible.

HABC is currently exploring options to reposition or redevelop several of our other public housing sites, but funding and feasibility make this challenging. We estimate that the units that remain in our housing stock have immediate capital needs in the amount of over \$120 million and 20-year capital needs in the amount of over \$575 million. The projected cost to redevelop these sites on a scale similar to the PSO Transformation is over \$2 billion. In addition, there are several sites that were redeveloped under HUD's HOPE VI program, for which the affordability period has expired. To preserve this affordability at five of these sites, consisting of 457 units, HABC exercised its right of first refusal and brought them back into our inventory.

As HABC continues to seek funding and resources to support these efforts we are concerned that the dollar-for-dollar match would create a challenge to accessing these funds. Again, the requirement that this funding is not prioritized for projects that receive tax credits and tax-exempt bonds could present a challenge to HABC. Since HABC's current project pipeline, in addition to the many other redevelopment initiatives that take place throughout Baltimore City and the State of Maryland, rely on tax credits for their funding, it is critical that the Housing Innovation Program is not funded from existing State programs that are necessary for projects that use tax credits.

We respectfully request a **favorable with amendments that address concerns raised herein** on Senate Bill 203.

Respectfully submitted:

Janet Abrahams, HABC President & CEO

Housing Authority of Baltimore City | 417 East Fayette Street, Baltimore, MD 21202

 410.396.3232  www.HABC.org    @BmoreHabc 

HOC - SB203 - Support w_ Amendments.pdf

Uploaded by: Ken Silverman

Position: FWA

Housing Innovation Pilot Program Act of 2024
Position: Favorable w/ Amendments
Hearing before the Education, Energy & Environment Committee
January 25, 2024

Roy Priest, Chair
Frances Kelleher, Vice Chair
Jeff Merkowitz, Chair Pro Tem
Richard Y. Nelson Jr., Commissioner
Pamela Byrd, Commissioner
Linda Croom, Commissioner
Robin Salomon, Commissioner



Chelsea Andrews
President/Executive Director

10400 Detrick Avenue,
Kensington, MD 20895
240 627 9421

Dear Chair Feldman, Vice Chair Kagan, and Members of the Committee:

The Housing Opportunities Commission of Montgomery County (HOC) strongly supports Senator Jeff Waldstreicher's proposed legislation to establish a Housing Innovation Fund in Maryland and provide matching funds for the production of new mixed-income housing by Public Housing Authorities.

As Montgomery County's Public Housing Authority and Housing Finance Agency, HOC has been developing mixed-income housing since its reorganization in 1974. In 2021, Montgomery County Government partnered with HOC to amplify our production of market rate, workforce, and low-income housing by creating a \$100 million Housing Production Fund (HPF), which has garnered nationwide attention. This revolving fund provides low-cost, short-term construction financing for new housing development that provides a minimum of 20% of units affordable at 50% of Area Median Income (AMI) or below, and an additional 10% of units affordable at the level of the County's Moderately Priced Dwelling Unit (MPDU) program - 65-70% of AMI or below. The Commission seeks to provide deeper affordability whenever possible.

The first \$50 million tranche of HPF funding required just a \$3 million annual appropriation, and the projects return \$2.5 million in interest each year, so the net cost to the County is just \$500,000/year. At today's interest rates, the net cost for \$50 million in bonds is about \$2.1 million/year. On average, \$50 million allows HOC to create 750 homes each 5-year revolution - or 3,000 homes over the 20-year life of the bonds. The funds then continue to revolve and produce housing in perpetuity.

The first \$50 million was quickly committed to two projects projected to deliver 681 units of new vibrant mixed-income housing. The Laureate at Shady Grove Metro station was completed in June 2023 and within five months is now fully leased. Hillandale Gateway, in East County, is under construction and planned to include a net zero energy Passive House multifamily building, which will be the first of its kind in Maryland. Each of these projects are served by transit, include community-serving retail, and are being delivered as public-private partnerships with private partners such as EYA, Bozzuto, and the Duffie Companies - but are owned and controlled by HOC. The County authorized a second \$50 million tranche in the spring of 2022, which the Commission is preparing to use to fund two new projects. We have several projects in the queue that will wait for those funds to revolve, but with State support HOC could accelerate those projects and deliver more housing, faster.

Ongoing public ownership ensures ongoing affordability, allows the provision of wrap-around services, and ensures that any growth in land value or equity can be used to provide more affordable housing in the coming decades. Tenant protections - such as HOC's policy of limiting rent increases to the rate of inflation - provide stability for all tenants, including those in market-rate units. Moreover, the funding that is repaid goes back into the HPF, becoming available for use in another new development. Because these projects are much larger than the typical affordable housing project, a 30% affordable HPF project can produce as many affordable units as a 100% affordable Low Income Housing Tax Credit project, without competing for those scarce federal resources.

This model has attracted national attention. It can be called public development, social housing, or mixed-income housing. It was recently featured in the New York Times, and jurisdictions across the country are seeking Legislation to adopt versions of this approach has recently been introduced in California, Washington state, Washington D.C., Maine, Hawaii and Rhode Island. Rhode Island's state Department of Housing has recently hired the Furman School at NYU to conduct a study of the HPF and international social housing models to guide that state's development of a similar model.

We applaud Sen. Waldstreicher and Del. Stewart for their vision and appreciate their willingness to work with us on clarifying amendments that ensure this fund is compatible with existing federal, state and local policies. By creating a Housing Innovation Fund to provide matching funds for local initiatives such as the HPF, Maryland can ensure production of stable, affordable housing across the State. This fund would allow local Authorities to produce more housing using local funding models that work for each individual jurisdiction, and if funding is available, we are eager to work with DHCD to develop technical assistance for other jurisdictions across Maryland.

Sincerely,

Chelsea J. Andrews

Chelsea J. Andrews
President

MAHC Testimony_SB 203_PHA Innovation Pilot_FWA.pdf

Uploaded by: Miranda Willems

Position: FWA



Testimony to the Senate Education, Energy & the Environment Committee
SB 203 – Housing Innovation Pilot Program Act of 2024
Position: FAVORABLE WITH AMENDMENTS
January 25, 2024

SB 203 would create a Housing Innovation Pilot Program to provide matching low and no interest loan funds to Public Housing Authorities (PHAs) to develop qualified mixed income housing projects. The program would give priority to PHAs that are developing affordable housing projects that do not use Low Income Housing Tax Credits (LIHTC) or Tax-Exempt bonds. Additional funding, as proposed by this bill, is needed to develop affordable housing and to support our PHA's development projects so they can adequately meet the needs of limited income residents, and many PHA's around the state are engaging in the development of affordable housing projects outside of the traditional public and assisted housing models. However, it is our understanding that only the PHA in Montgomery County – the Housing Opportunities Commission – currently has the capacity to develop such eligible housing without relying on LIHTC or Tax-Exempt bond financing. The LIHTC is the primary financing tool used to build new affordable housing across the country, so we feel the priority for funding established in the bill would be too limiting and restrict the ability for all other housing authorities across the State from accessing the funds.

Many of the State's largest PHAs are participating in HUD's Rental Assistance Demonstration (RAD) Program and investing in major renovations or redevelopment of their aging public housing portfolios, all of which have used the LIHTC and/or Tax-Exempt bond funds as a primary source of financing. This new Pilot Program should be used to allow the State to invest in additional publicly owned affordable housing projects and continue the redevelopment and modernization of the State's remaining aging public housing stock, which could be done if the clause giving preference to non-LIHTC and Tax-Exempt Bond projects was removed.

We support SB 203 if amended to remove the preference for funding non-Low Income Housing Tax Credit and Tax Exempt Bond projects to allow other PHAs across the state with the ability to access the funding.

MAHC is the leading organization for the affordable rental housing industry in Maryland and represents over 185 member organizations, including nonprofit and for-profit developers, State and local housing authorities, property management companies, financial institutions, community development organizations, contractors, tax credit investors, consultants and individuals. Our members include several Housing Authorities who could benefit from HB 60 if amended.

Respectfully submitted on January 25, 2024 by Miranda Darden-Willems, Executive Director, on behalf of the MAHC Board of Directors.



MAHC Board of Directors

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Tom Ayd, Green Street Housing, Vice President

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David Raderman, Gallagher, Evelius & Jones, Of Counsel

Catherine Stokes, Telesis Corporation

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NFG Testimony on SB0203.pdf

Uploaded by: Natali Fani-González

Position: FWA

NATALI FANI-GONZÁLEZ
COUNCILMEMBER, DISTRICT 6

100 Maryland Ave
Rockville, MD 20850

CHAIR
Economic Development Committee (ECON)

MEMBER
Planning, Housing and Parks Committee (PH)



MONTGOMERY COUNTY COUNCIL ROCKVILLE, MARYLAND

FAVORABLE
Senate Bill 0203
Housing Innovation Pilot Program Act of 2024
Senate Education, Energy, and the Environment Committee

January 25, 2024

Chair Feldman, Vice Chair Kagan and Members of the Education, Energy, and the Environment Committee,

My name is Natali Fani-González, and I am a Councilmember in Montgomery County. I am here to speak **in support with amendments of SB 0203: Housing Innovation Pilot Program Act of 2024.**

I represent a very diverse district in Montgomery County in terms of socio-economics. It includes my hometown in Wheaton and the areas of Glenmont and Forest Glen. My district has the highest percentage of Latinos in the entire County and, in my view, the best ethnic-restaurants in the entire DC region! Although Montgomery County is known for being a wealthy county, it has deep pockets of poverty located in my district, and particularly in places like Glenmont and Wheaton where I live with my family. The fact that my district has three metro stations makes it pretty significant, yet the lack of attainable housing around these metro stations is a huge problem for my community. A range of housing types priced for a range of incomes is essential to integration and equity, and Montgomery County's current housing supply simply does not meet the needs of current or future households. We need more housing and also more strategic ways of funding it like what we have done in Montgomery County with our Housing Production Fund. But the need is so huge that we cannot do this by ourselves. We need the State to look into a similar model of fiscal creativity to get us more housing, particularly near transit in low-income communities with the goal of uplifting and creating opportunities for all. That's why I wholeheartedly support the Housing Innovation Pilot

Program Act, with amendments by the Sponsors using the expertise of the Montgomery County Housing Opportunities Commission.

I am tracking this bill very closely, because my District desperately needs support. In Glenmont, for example, this proposed Housing Innovation pilot program would help us increase our housing supply, including income-restricted affordable housing, by the Glenmont metro station, which would lead to improving access to services, amenities, and infrastructure for low- and moderate-income residents who are disproportionately people of color. What's also key about Glenmont, the metro station we have there, has one of the lowest ridership of all WMATA's end-of-the-line stations, including those in Virginia. There has been no significant private redevelopment in Glenmont for decades. Sure, we have built a few townhomes in the last few years, but nothing on a large scale by this metro station to increase housing affordability and metro-ridership. The Housing Innovation Pilot Program Act of 2024 will help us get another funding stream to create more affordable housing by this metro station.

Thank you for your time.

Sincerely,



Natali Fani-González
Councilmember, District 6
Chair, Economic Development Committee