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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 lack their 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".