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DATE: February 8, 2024

BILL NO.: Senate Bill 333

TITLE: Housing and Community Development - Affordable Housing - Identifying Suitable Property

COMMITTEE: Senate Education, Energy, and the Environment Committee

Letter of Support

Description of Bill:

Senate Bill 333 allows DHCD, when determining whether surplus state-owned property is suitable for use or redevelopment as affordable housing, to consider, in addition to other factors, any DHCD-determined criteria necessary for such use. It also repeals a requirement that DHCD identify as suitable for such use any property that meets certain criteria.

Background and Analysis:

Under existing law, the Maryland Department of Planning is required to notify DHCD of any excess state property MDP does not dispose of under its own statutory procedures. Within 60 days of receiving such notice, DHCD must determine whether the property is suitable for use or redevelopment as affordable housing, and, if it is, notify the controlling unit of state government, which then puts forth a proposal (in consultation with DHCD and MDP) to donate or sell the property to an organization or private buyer for use or redevelopment as affordable housing.

In making its determination, DHCD is currently required to identify a property as suitable for use or redevelopment as affordable housing if it is located in a priority funding area, does not belong to a category of property acquired for certain conservation purposes under the Natural Resources Article, is adequately sized for residential use, has access to public utilities, and has access to feasible ingress and egress points.

This legislation gives DHCD flexibility in making its determination in two ways: First, by repealing the requirement for DHCD to identify as suitable any property that meets the criteria listed above; and, second, by also allowing it to establish other factors that are necessary for the property to be used or redeveloped as affordable housing. While this bill would still require DHCD to consider size, access to utilities, and ingress/egress, and prohibit it from identifying as suitable properties outside of priority funding areas, allowing DHCD to establish and consider additional factors in making its determination will help the Department better identify properties that are actually well suited for use or redevelopment as affordable housing.

DHCD Position:

The Department of Housing and Community Development respectfully requests a **favorable** report on Senate Bill 333.

