



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

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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:

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