

SB 773 HOA Ban Testimony.pdf

Uploaded by: Adria Crutchfield

Position: FAV



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Baltimore, Maryland 21201

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www.brhp.org

February 19, 2024

Senator William C. Smith, Jr., Chair
Senator Jeff Waldstreicher, Vice Chair
2 East
Miller Senate Office Building
Annapolis, Maryland 21401

RE: Support for Senate Bill 773 – Homeowners Associations – Restriction on Long-Term Rentals – Prohibition

Hearing before the Senate Judicial Proceedings Committee on February 20, 2024

Position: Support (FAV)

Dear Honorable Members of the Senate Judicial Proceedings Committee:

Thank you for the opportunity to submit testimony on behalf of the Baltimore Regional Housing Partnership (BRHP). I am writing to express our support for Senate Bill 773. BRHP is a non-profit organization that expands housing choices for families with low incomes who have historically been excluded from housing in well-resourced neighborhoods, helping them to access and transition successfully to safe, healthy, and economically vibrant communities.

As the Regional Administrator for the Baltimore Housing Mobility Program, BRHP has opened pathways to a better future for low-income families for over 10 years. BRHP currently provides over 4,300 low-income families with over \$80 million in rental assistance annually in the form of the Housing Choice Voucher and couples that with counseling supports for families as they move from areas of concentrated poverty to areas of opportunity in Baltimore City and the five surrounding counties. BRHP is dedicated to helping achieve racially and socially equitable public policy that ensures low-income families have access to quality and affordable homes in communities of their choice.

The proposed legislation, which seeks to amend Section 11B-111.11 (Article—Real Property) of the Annotated Code of Maryland, is a step in the right direction to protecting the rights of Maryland renters, ensuring that homeowners who wish to rent out their properties for economic gain have the choice, and that homeowners who may have biases against renters are not skirting the intentions of the HOME Act, which was enacted in 2020 to help expand housing choice for all.





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Housing Availability

The restriction of long-term rentals by homeowners' associations (HOAs) may significantly reduce the number of available, affordable rental properties within a community. Not only does it restrict a much-needed housing supply, but it also hoards opportunities in terms of access to good schools, higher-paying jobs, and community amenities.

This limitation can exacerbate housing shortages, particularly in areas where demand for rental properties is high. By prohibiting HOAs from imposing such restrictions, this bill will enable more homeowners across Maryland to offer their properties for rent, thereby adding to the available and affordable housing stock. It is a critical measure for ensuring that our communities can grow and thrive with a diverse range of housing options.

Family Stability

This increase in available long-term rental properties has several benefits. Specifically, long-term rentals offer greater stability for tenants compared to short-term rentals, especially for tenants with children. Families with school-aged children benefit greatly from long-term tenancies as they help ensure children can remain in the same school for an extended period. This continuity is important for academic performance and social development, as frequent moves can disrupt a child's education and development. Further, long-term residency in one area allows families to establish relationships with local service providers, such as healthcare professionals, which is critical to managing health and accessing care. Additionally, as we have seen in our program, tenants who reside in a community for longer periods are more likely to invest in their neighborhoods, contributing to local economies and fostering community ties leading to stronger, more resilient neighborhoods.

Flexibility for Homeowners

Moreover, this bill will benefit property owners by allowing for greater flexibility regarding owner-inhabited housing. Long-term rentals can provide a stable source of income for homeowners, especially in times of economic uncertainty. This bill supports the economic well-being of Maryland residents who choose to rent out their homes, enhancing the quality of life for themselves and for residents seeking stable, affordable housing solutions.

Fair Housing and Housing Opportunities

SB 773 takes an important step toward fostering community diversity and addressing the lingering effects of historic housing discrimination practices, including redlining. Historically, neighborhoods with access to educational and economic opportunities, low poverty rates, and greater public safety have been less accessible to communities of color and communities with lower incomes due to exclusionary, discriminatory practices. Protecting the





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availability of long-term rentals ensures that more individuals and families continue to have the opportunity to live in neighborhoods from which they have previously been excluded, promoting increased opportunities for Maryland renters.

Additionally, restricting and limiting long-term rentals undermines source of income protection laws, which are guaranteed in Maryland; imposing restrictions on long-term rentals can limit the availability of rental properties for voucher holders and others who rely on alternative sources of income, effectively excluding them from certain communities and perpetuating economic segregation. By prohibiting homeowners' associations from restricting long-term rentals, this bill ensures that all property owners can rent to individuals regardless of their income source. This is a significant step towards fair housing practices and ensures that individuals and families who utilize housing assistance programs are not unfairly barred from living in communities of their choosing.

By supporting this bill, BRHP is continuing our commitment to the creation of more inclusive communities that reflect the diversity of our state. SB 773 has the potential to help preserve stability for Maryland renters, while also helping to dismantle the legacy of redlining and other forms of housing discrimination by promoting equal access to housing opportunities for all Maryland residents. We appreciate your consideration and urge the Committee to issue a favorable report for SB 773.

Sincerely,

Adria Crutchfield

Executive Director



Stuart-SB773-Favorable.pdf

Uploaded by: Crystal Stuart

Position: FAV

February 20th, 2024

Judicial Proceedings Committee
Room 2, East Miller Senate Building
Annapolis, Maryland 21401

Senate Bill 773 – Homeowners Associations - Restriction on Long-Term Rentals – Prohibition – FAVORABLE

Chair Smith, Vice Chair Waldstreicher, and Members of the Judicial Proceedings Committee,

My name is Crystal Stuart and I am writing to share a personal experience of discrimination from my Homeowners Association (HOA) and express why SB773 will help.

I have been a resident of Quail Meadows for many years, and I have always appreciated the close-knit environment and the excellent schools in the area. However, my family's happiness was short-lived when our landlord informed us that we had to move out due to the HOA's adoption of new rules. These rules specifically excluded families with lower incomes from living in the neighborhood.

As a renter, this news was devastating for my family and me. We were unable to afford purchasing a property in the neighborhood, and suddenly we were being told that we did not belong here. It was heartbreaking to uproot my children from their home, school, and friends.

Finding a new home in a safe area with good schools was a challenging and stressful process for my family. It is disheartening to know that the HOA would reject families like ours simply because we are renting. We are contributing members of this community, actively participating in neighborhood events and maintaining our home in good condition. We do not deserve to be discriminated against based on our financial status. I am reaching out to bring attention to the negative impact that the HOA's actions have on families like mine.

I hope my words serve as a wake-up call for the HOA to reconsider their discriminatory policies and ensure that all residents, regardless of their income, are treated with fairness and respect. I strongly encourage you to view this bill favorably and take a progressive step towards inclusivity by reevaluating these policies. This will ensure that families like mine can continue to live in the community without fear of being forced out. Together, we can make our community a better and more welcoming place for everyone.

Thank you for taking the time to read my testimony. I urge you to give a favorable report to HB773.

Sincerely,
Crystal Stuart

SB0773-JPR_MACo_SUP.pdf

Uploaded by: Dominic Butchko

Position: FAV



Senate Bill 773

Homeowners Associations - Restriction on Long-Term Rentals - Prohibition

MACo Position: **SUPPORT**

To: Judicial Proceedings Committee

Date: February 20, 2024

From: Dominic J. Butchko

The Maryland Association of Counties (MACo) **SUPPORTS** SB 773. This bill prohibits a homeowners association from restricting long term rentals for periods of 6 months or longer.

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 in other policy areas, it may be easy to deduce a simple cause-and-effect relationship, 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 which helps to advance the conversation, balances local flexibility, and ensures more Marylanders can afford a place to call home.

One of the biggest obstacles to unlocking additional housing supply is the artificial removal of certain units from the market. SB 773 prohibits homeowners associations from banning long term rentals (6 months or longer) and in effect will serve to promote the total number of units available. As Maryland’s current housing crisis is multifaceted and requires a multipronged solution, smart policy prescriptions like this move Maryland another step in the right direction.

Counties cannot solve the housing crisis alone and SB 773 is an example of the innovative housing policy Maryland needs. For this reason, MACo urges the Committee to give SB 773 a **FAVORABLE** report.

Senate bill (SB773) Testimony.pdf

Uploaded by: Jeffrey Ratnow

Position: FAV

Senate bill SB773 Written Testimony

From:

Jeffrey H. Ratnow
1445 Riverside Ave.
Baltimore Maryland, 21230

Text:

As an owner and operator of several rental properties I fully, and emphatically, support this legislation for the following reasons.

1. Five of the rentals I own are in Maryland Areas of Opportunity and are affordable units with long term HUD Housing Assistant Payment Contracts in place. Four out of Five of the units have a HOA. The low-income families who live in these affordable housing units will lose their housing, access to the good schools they send their kids to and the safe neighborhoods that their kids get to play in if HOA's pass restrictions on long term rentals.
2. Owning and operating rental properties is a way for regular people like me to be able to build long term wealth and financial stability. It's the last best way for a pathway to financial independence for those of us who are not already wealthy. HOA's having the power to end that puts all small investors at risk of losing our investments and forcing us to sell our properties in a distressed market.
3. Finally, looking towards the future, all new subdivisions that are built in Maryland require open space, recreational areas, storm water management facilities, forest conservation areas, amenity areas etc. In order to ensure that these areas are maintained properly, HOA's have to be created, which means that every single new meaningful housing development in Maryland will have the ability to ban rentals, unless this bill is passed.

There are many social justice and equality and equity reasons that should also be considered, but I am not an expert on that matter, so I will defer to others who hopefully will testify about the fairness of having unfettered access to rental housing. Thank you for your time in listening to my testimony and I implore you to pass the Homeowners Associations – Restriction on Long-Term Rentals – Prohibition.

SB 773 - HOA Rental - FAV - REALTORS.pdf

Uploaded by: Lisa May

Position: FAV



Senate Bill 773 – Homeowners Associations - Restriction on Long-Term Rentals - Prohibition

Position: Favorable

Maryland REALTORS® supports SB 773, which grants greater flexibility to the residents of Homeowners Associations.

Owners of properties within Homeowners Associations can be prohibited from renting their properties under the governing documents of that development. This can create difficulties when property owners need to temporarily relocate for their employment, as members of the military and foreign services often do.

It can also harm property owners when they face financial hardships. The ability to rent a property instead of selling at a loss in a down real estate market, or to avoid foreclosure or short sale, could be the best financial option for maintaining financial stability for that owner.

SB 773 preserves the rights that non-HOA owners have regarding the use of their properties as long-term rentals. Maryland REALTORS® encourages a favorable report.

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

SB 773 PJC FAV.pdf

Uploaded by: Matt Hill

Position: FAV



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**SB 773 - Homeowners Associations – Restriction on Long-Term Rentals – Prohibition
Hearing before the Senate Judicial Proceedings Committee, Feb. 20, 2024
Position: SUPPORT (FAV)**

Public Justice Center urges you to move favorable on SB 773. The Public Justice Center (PJC) is a nonprofit public interest law firm that stands with tenants to protect and expand their rights to safe, habitable, affordable, and non-discriminatory housing. The PJC represents or advises over 800 renters and their families each year.

Renters in Maryland are in desperate need of additional housing opportunities. As the Moore Administration has pointed out, Maryland is experiencing a severe shortage of housing units. For working class families, the need is even more acute. The state lacks [146,085 units of affordable rental housing for families earning 50% or less of the state median income \(appx. \\$60,000\)](#). At Public Justice Center, we see the impact of this shortage daily. Our clients often cannot find affordable, habitable replacement housing – now more than ever. This lack of housing mobility forces them to remain in uninhabitable units, lose out on job opportunities that require a move, or even become homeless when they are evicted and cannot find a new place. In my 15 years as a housing attorney, this is the worst rental market I have ever seen for renters seeking affordable, sustainable housing.

Homeowner’s Associations (HOA’s) exacerbate the shortage of units by restricting long-term rentals in livable communities. These restrictions have a disparate impact on protected classes under state and federal fair housing law: [Persons with disabilities](#), [Black and Latine households](#), and families who rely on a housing choice voucher to pay part of the rent are disproportionately renters in the state of Maryland. By denying or severely limiting access to housing to all long-term renters without a substantial business justification, HOA policies may violate fair housing law through this disparate impact. Often HOA restrictions may be located in [“Communities of Opportunity,”](#) and by restricting access to renters who are disproportionately from protected classes, such restrictions exclude protected classes from those neighborhoods and perpetuate segregation.

Of note, nothing in the bill modifies the ability of HOAs to restrict short-term rentals such as AirBnBs.

In summary, Maryland cannot right the racial wrongs and lift children out of poverty without eliminating discriminatory provisions such as HOA restrictions on long term rentals.

Public Justice Center **urges the Committee’s report of Favorable on SB 773.**

MIH Testimony for SB773 & HB783.pdf

Uploaded by: Tim Wiens

Position: FAV



Testimony Concerning Maryland SB 773/ HB 783

[Maryland Inclusive Housing \(MIH\)](#) was created just over four years ago to help Maryland Developmental Disabilities Administration (DDA) as part of its transformation plan, to move services from a group home model toward a supported living model. Individuals with Intellectual and Developmental Disabilities (IDD), who do not live in group homes or with their families, need to identify places to live and that they can afford on their own.

We have engaged in doing this work in three specific ways:

1. Establishing and staffing cross-disability housing committees around the state to advocate for more affordable housing for people with IDD, other disabilities, and marginalized communities. This has resulted in helping pass the new inclusive housing legislation in the City of Baltimore and signing agreements with Kairos Development to partner with two new affordable housing developments.

Kairos Development has secured development rights for two properties in Baltimore City that are in the feasibility and predevelopment phases. Kairos Development has executed LOIs with MIH to reserve 10% of its units at each development for people with disabilities. In exchange MIH will refer its clients to the properties and provide housing supportive services.

2. Creating an [information clearinghouse](#) on the MIH website to help individuals, their families and service providers find, and secure affordable and accessible housing. This year, MIH partnered with DDA to create an “Assistive Technology Navigator,” which will help people with disabilities access the wide range of assistive technology available in Maryland.
3. Providing Housing Support Services (HSS) a Medicaid waiver approved services to help individuals, their families and service providers navigate the world of affordable and accessible housing. In addition to helping people find and move into housing, HSS also provides tenancy services to help people be good tenants including paying their rent on time. MIH is actively working with 130 people weekly to help them find accessible, affordable integrated housing. MIH has also trained 60 people from more than 30 DDA-licensed agencies to provide Housing Support Services.

As part of the MIH work of both providing Housing Support Services and supporting the over 60 other people across the State of Maryland who assist people with disabilities to access affordable, accessible, and integrated housing, we help people with disabilities navigate many barriers to finding such housing. Restrictive covenants of Homeowners Associations preventing long term rentals are one of those barriers. Most of the people we support are not in a position to purchase homes, but they could use voucher programs to enter into long-term lease agreements in developments that have Home Owner's Associations.

This law would help many people have better access to housing in Maryland, including people with disabilities.

Tim Wiens

Executive Director

Maryland Inclusive Housing

twiens@mih-inc.org

Zayets-SB773-Favorable.pdf

Uploaded by: Victor Zayets

Position: FAV

February 20th, 2024

Judicial Proceedings Committee
Room 2, East Miller Senate Building
Annapolis, Maryland 21401

Senate Bill 773 – Homeowners Associations - Restriction on Long-Term Rentals – Prohibition – FAVORABLE

Chair Smith, Vice Chair Waldstreicher, and Members of the Judicial Proceedings Committee,

I am writing to express my avid support for SB773 as I believe it will help strengthen renter and property owner rights from unregulated and discriminatory homeowners' association (HOA) practices.

As a landlord myself, I have been forced to stop renting out my properties due to HOAs banning rentals in their communities. This has not only affected my business, but more importantly, it has unfairly disrupted the lives of my tenants who have been living in these properties for years.

I would like to provide an example. In 2014, I bought a property in a foreclosure action with the intention of renovating and renting it for the community. I invested a significant amount of time and money to repair and renovate the property. After the renovation, I began renting out the property to Section 8 recipients.

However, the HOAs within the community refused to permit the property to be rented, citing their community guidelines that prohibit renters. This situation has placed me in a challenging position where I am looking at having to stop offering the rental properties to my tenants.

SB773 provides the necessary measures to ensure that when a landlord and a renter enter into a lease agreement, neither party will be forced to break that agreement due to HOAs banning long-term rentals in the community.

I urge you to consider the impact of this issue on not just landlords, but also on the lives of tenants who are at risk of losing their homes. I am more than willing to provide any further information or support needed to push this legislation forward.

I respectfully ask for a favorable report for this legislation.

Sincerely,
Victor Zayets