

HB13 Sponsor Testimony - Senate.pdf

Uploaded by: Delegate Robbyn Lewis

Position: FAV

ROBBYN LEWIS
Legislative District 46
Baltimore City



The Maryland House of Delegates
6 Bladen Street, Room 424
Annapolis, Maryland 21401
410-841-3772 · 301-858-3772
800-492-7122 Ext. 3772
Robbyn.Lewis@house.state.md.us

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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

**Testimony in Support of HB13 - Residential Property -
Affordable Housing Land Trusts -
Authority to Establish Condominium Regimes**
Hearing date: March 26, 2024

Thank You Chair Smith, Vice Chair Waldstreicher, and members of the Judicial Proceedings Committee, I am Delegate Robbyn Lewis testifying on behalf of HB13, which will create more homeownership opportunities for low- and moderate-income Marylanders.

The bill before you is in the exact same posture as its Senate crossfile, SB199, which was introduced by Vice Chair Waldstreicher and passed the Senate unanimously on February 22nd.

HB13 fixes a loophole in the Affordable Housing Land Trust Act, which was enacted in 2010 (Maryland Annotated Code, Real Property § 14-501). The loophole has the paradoxical result of increasing the cost of developing affordable homes, thereby undermining the Act's intent. The bill before you close the loophole, lower development costs, thereby unlocking the potential of the Housing Land Trust model in Maryland.

It is important to understand the basics of the Affordable Housing Land Trust model of homeownership. The 2010 Act defined Affordable Housing Land Trusts (AHLT), also known as "community land trusts". These are entities that turn renters into homeowners, by means of a special type of community ownership that prevents rapidly rising housing costs. AHLTs, which are often created and managed by nonprofit organizations, buy land and develop homes on behalf of a community and hold it in trust.

In an AHLT, homeowners enter an extended (as long as 99-years) renewable lease with the land trust, and pay an annual maintenance fee. Over time, these folks build equity and grow their family's wealth.

Please note that a "home" can be a single-family house on a lot, or a rowhouse, townhouse or a unit – basically, an "apartment" - within a multi-family building. In the case of a multi-family building, the AHLT maintains ownership of the land, while the multifamily building on that land is leased to a condo association set up by the AHLT. In this arrangement, the condo association owns or leases the building, and the homeowner, i.e., the condo unit owner, owns their unit outright,

When a homeowner decides to sell, the home must be sold to another income-qualified buyer, who will then enter a new lease with the land trust. Every homeowner in the land trust has a stake in the success of their neighbor - a principle called shared equity. The land trust limits the sale price to maintain affordability. Ultimately, the homes remain accessible to more Maryland families, protected from speculation, gift and price shocks.

Here's how the bill works: it exempts AHLTs from certain provisions in the Affordable Housing Land Trust Act that drive up the cost of development for multifamily buildings.

The Residential Condominium Act (Maryland Real Property Code Ann. Sec. 11-01 et. seq.) states that a residential condo cannot be created on a "leasehold estate." This is based on Maryland's historic ground lease system. As a result, a land trust must create a two-part ownership structure, which adds significant expense and complexity, ultimately making it financially impossible to create affordable multifamily housing under the land trust model.

Thank you for your consideration. I respectfully request a favorable report for HB13.

Sincerely,

Delegate Robbyn Lewis

HB0013-JPR_MACo_SUP.pdf

Uploaded by: Dominic Butchko

Position: FAV



House Bill 13

Residential Property - Affordable Housing Land Trusts - Authority to Establish Condominium Regimes

MACo Position: **SUPPORT**

To: Judicial Proceedings Committee

Date: March 26, 2024

From: Dominic J. Butchko

The Maryland Association of Counties (MACo) **SUPPORTS** HB 13. This bill enables local Affordable Housing Land Trusts to establish condominium regimes.

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.

Counties support HB 13 as it provides an additional tool in the toolbox for local actors, with the best interests of the community in mind, to address the affordable housing crisis. If passed, this legislation would save significant time and resources for projects meant to bring more Marylanders into homeownership and increase the broader affordable housing supply. While there is no silver bullet to the current affordable housing crisis, this bill should be part of a multipronged strategy.

By empowering local actors in the development of affordable housing across various forms, Marylanders will see overall better outcomes and more solutions tailored to the communities they call home. For this reason, MACo urges the committee to give HB 13 a **FAVORABLE** report.

HB0013OPPOSE.pdf

Uploaded by: Peggy Williams

Position: UNF

HB0013

OPPOSE

Residential Property - Affordable Housing Land Trusts - Authority to Establish Condominium Regimes

Dear Committee Members:

I strongly oppose this bill. These land trusts are a way to take control of private residential property and put it into the hands of non profits who build affordable housing, and then manage the property for the benefit of “the community.” Per UNAgenda21 Sustainable Development policy, privately owned land is a threat to social equity of people on the planet. This is Communitarianism ideology, a social philosophy where the rights of the individual needs to be “balanced” with the rights of the community. The individual will lose. This is an underhanded assault on private property rights and ownership. Please oppose this bill.

Peggy Williams

Severna Park

D31