

Greater Access to Affordable Housing Would Increase Economic Stability for Maryland Families

Position Statement in Support of House Bill 1406

Given before the House Environment and Transportation Committee

Ensuring everyone has a decent place to live would pay big dividends for all Marylanders. Increasing access to affordable housing is essential at a time when one in three Maryland households spends more on housing than they can afford, including nearly half of renters.ⁱ Legalizing multifamily homes could increase the amount of high density affordable housing across the state at a time when Marylanders are facing rocketing rental prices. For these reasons, the Maryland Center on Economic Policy supports House Bill 1406.

In order to afford a market rate two-bedroom apartment in Maryland, with rent of about \$1,500 per month, a family needs to earn more than 2.5 times the state minimum wage, about \$29 per hour.ⁱⁱ Raising wages is part of the equation but creating a greater supply of low-and moderate-priced rental housing is also essential.

Well-located affordable housing can connect families to communities with good-paying jobs, good public schools, and transit – increasing family incomes and providing long-term benefits for children who grow up with greater economic stability.ⁱⁱⁱ House Bill 1406 would create affordable housing in opportunity areas by preventing local restrictive zoning codes in census tracts that meet certain standards for jobs, transit access, and median household income. This could increase the supply of affordable housing in the communities that need it the most by legalizing multifamily homes in areas that would have normally been unaffordable.

New investments in well-designed opportunity neighborhoods could also address the ongoing harm from Maryland's history of housing segregation. Historically, communities in Maryland used restrictive zoning laws to prohibit the development of affordable multi-housing and to block out people of color from opportunity neighborhoods. If passed, House Bill 1406 would reserve decades of segregationist policies in the state.

Strong evidence shows that investing in affordable housing pays off in the long term by helping children and families stay healthy, and can ultimately reduce health care costs.^{iv} House Bill 1406 would expand Maryland's stock of affordable housing, which will strengthen our state's economy.

For these reasons, the Maryland Center on Economic Policy respectfully requests that the House Environment and Transportation Committee make a favorable report on House Bill 1406.

Equity Impact Analysis: House Bill 1406

Bill summary

House Bill 1406 would create affordable housing in opportunity areas by preventing local restrictive zoning codes in census tracts that meet certain standards for jobs, transit access, and median household income. This could increase the supply of affordable housing in the communities that need it the most by legalizing multifamily homes in areas that would have normally been unaffordable.

Background

Historically, communities in Maryland used restrictive zoning laws to prohibit the development of affordable multi-unit housing and to block out people of color from opportunity neighborhoods. Strong evidence shows that investing in affordable housing within opportunity neighborhoods pays off in the long term by helping children and families stay healthy, and can ultimately reduce health care costs. House Bill 1406 would work to undo the segregationist policies of the past and strengthen the quality of the state's affordable housing stock by expanding high density homes in opportunity census tracts.

Equity Implications

People of color are disproportionately impacted by the housing affordability crisis.

- Households of color account for half of renter households nationwide.
- Segregated housing—and the segregation of neighborhoods, cities, and counties that followed in Maryland—is the root cause of many of the barriers that too often hold back Black Marylanders and other Marylanders of color:
 - In 2016, children in Baltimore City were five times as likely as those in other counties to have lead poisoning, with the highest rates among those living in rental housing built before 1950. Black households are more than twice as likely to live in this housing type as white households.
 - Black workers face longer commutes than their white neighbors in most Maryland communities, and the gap is widest in the segregated communities. In some areas this commuting penalty adds up to more than 50 hours per year.

Impact

House Bill 1406 would likely **improve racial and economic equity** in Maryland.

ⁱ MDCEP analysis of 2017 American Community Survey one-year estimates. Housing costs are considered unaffordable if they amount to 30 percent or more of a household's income.

ⁱⁱ "Out of Reach 2018: Maryland," National Low-Income Housing Coalition. <https://reports.nlihc.org/oor/maryland>

ⁱⁱⁱ "Opportunities to End Homelessness and Housing Poverty in the 116th Congress," National Low-Income Housing Coalition, 2019. https://nlihc.org/sites/default/files/NLIHC_New-Congress-Memo_2019.pdf

^{iv} Lauren Taylor, "Housing and Health: An Overview of the Literature," *Health Affairs*, 2018, <https://www.healthaffairs.org/doi/10.1377/hpb20180313.396577/full/>