

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

## Position Statement in Support of House Bill 1090

*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.<sup>i</sup> For these reasons, the Maryland Center on Economic Policy supports House Bill 1090.

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.<sup>ii</sup> 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.<sup>iii</sup> House Bill 1090 would create a state-level fund that assists local housing authorities in financing publicly owned housing developments, in line with state-established standards. This could increase the supply of affordable housing in the communities that need it the most.

New investments in well-designed social housing could also improve high-poverty neighborhoods and take steps to address the ongoing harm from Maryland's history of housing segregation. Putting unused land to productive use, building attractive new housing, and bringing new residents to a community can invite other private investments and improvements.

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.<sup>iv</sup> House Bill 1090 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 Environmental and Transportation Committee make a favorable report on House Bill 1090.**

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## Equity Impact Analysis: House Bill 1090

### *Bill summary*

House Bill 1090 would establish a fund operated by the Department of Housing and Community Development. The fund would award loans to local housing authorities to increase and improve the supply of decent, safe and affordable social housing developments across the state. The main goal of the program is to support economic growth and activity by financing the construction of social housing projects across the state.

### *Background*

The affordable housing crisis has many dimensions, however the fundamental issue is the mismatch between what people earn or have available to spend for their homes and what housing actually costs. 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. Rents have risen faster than incomes over the last few decades and unfortunately the supply of affordable housing and rental assistance has not kept the pace with the demand. 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. House Bill 1090 would expand Maryland's stock of affordable housing, which will strengthen our state's economy.

### *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.
- Maryland schools are among the most segregated in the country, and they are just as unequal as they are separate. Black and Latinx students are three times as likely as white students to attend a school in which at least half of students are in low-income families. In 2020 more than half of Black students attended a school district that is underfunded by 15 percent or more.
- 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.

New investments in well-designed social housing would improve high-poverty neighborhoods and take steps to address the ongoing harm from Maryland's history of housing segregation

### *Impact*

House Bill 1090 would likely **improve racial and economic equity** in Maryland.

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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](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/>