



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Testimony in Support of HB 1090

Mixed-Income Housing Act of 2021

Testimony by Delegate Vaughn Stewart

February 23rd, 2021 • Environment and Transportation Committee

What the Bill Does

HB 1090 would dramatically expand high-quality affordable housing in Maryland, giving some of the most vulnerable Marylanders a place to call home. This bill promotes the development of high-quality, sustainably-built mixed-income housing throughout the state, as proposed by a political subdivision or local housing authority. Seventy percent of the units in these housing projects are reserved for households making less than three-quarters of the area median income (AMI), meaning most residents will be either low-income or middle-income. This housing is to permanently remain in public ownership, be designed for long-term occupancy, and be located within a reasonable distance of jobs and public amenities. To fund these projects, the bill adds an additional \$50 fee to the legally mandated filing of real estate documents or notices.

Why the Bill Is Important

Maryland is facing an affordable housing crisis. Last week, the DHCD released the Maryland Housing Needs Assessment and 10-Year Strategic Plan, an analysis performed by the University of Maryland's National Center for Smart Growth. The study concluded that Maryland must add thousands of new rental units by 2030, including 85,000 for low-income households. Among the studies' recommended actions was to establish dedicated revenue sources for affordable housing. That's the goal of HB1090.

While housing options are more plentiful for the relatively wealthy, those at less than half of AMI only have 58 affordable and available units per 100 renters; for those with extremely low income, this number craters further to 34 units per 100 renters. This disaster has likely only been exacerbated by the pandemic, as job losses have made it even harder for tenants to pay for their increasing rent — putting housing security at risk when eviction moratoria end.

In absence of affordable housing, Marylanders are left paying a dangerously high proportion of their income on rent; **nearly one-quarter of renters are paying over half of their income on rent — the second worst proportion in the country.** These folks are left to make an impossible

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choice: either cut other necessary spending, like food and health care, or don't pay rent and risk joining the nearly 50,000 Marylanders that experience homelessness each year.

Why the Committee Should Vote Favorably

Housing is a basic human necessity, and its absence has obvious and tangible impacts on the ability for folks to live productive lives. Without stable housing, Marylanders become trapped in a vicious and inescapable cycle that threatens unemployment and student academic performance. Even if low-income citizens can find housing, it tends to be far away from jobs, transit, and good schools.

Our bill would finance thousands of publicly-owned, deeply affordable homes using a small fee on real estate transactions. Based on the wildly successful Vienna model, these homes would be beautifully designed, near transit, accessible, and available to a mix of incomes. With an emphasis on union labor and sustainable building practices, the construction of these projects would boost economic growth, empower workers, and combat climate change.

Currently, the Partnership Rental Housing Program receives only \$6 million in funding per year. Through a modest \$50 fee on the filing of real estate documents, **about \$35 million more would be generated to support affordable housing in the state of Maryland per year.** The positive effects this would have on low-income renters would be transformative.

All Marylanders deserve a safe and affordable place to call home. I urge a favorable report.