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THE MARYLAND HOUSE OF DELEGATES

ANNAPOLIS, MARYLAND 21401

Testimony in Support of HB952 - Real Property – Sale of Apartment Facilities – Rights of Qualified Organizations

HB 952 would allow qualified organizations dedicated to the preservation of affordable housing and/or senior housing the first chance at purchasing an apartment building with five or more units when it's listed for sale, as well as the opportunity to match any future offer the owner of the building receives. Because affordable housing units are subsidized by the federal and State government via programs like the Low-Income Housing Tax Credit, such organizations are able to cover their costs while still renting units at an affordable price.

In Maryland, over 70% of low-income and very low-income individuals spend over 30% of their income on rent, with 73% of very low-income individuals spending over 50% of their income on rent. There is a shortage of over 127,000 quality rental units available for low-income individuals. In order to afford a two-bedroom rental home at the Department of Housing and Urban Development's Fair Market Rent, a Maryland household needs to earn about \$60,000 per year—a salary that 40% of Maryland households do not make.

Rights of First Refusal have been enacted in a number of jurisdictions across the United States. DC's Tenant Opportunity to Purchase Act (TOPA) and District Opportunity to Purchase Act (DOPA) have preserved and converted thousands of affordable housing units over the last thirty years. In addition, Boston, Chicago, and California all have some form of ROFR laws that have been successful in promoting affordable housing. Rights of First Refusal are no stranger to Maryland, either; as Howard County, Montgomery County, and Prince George's County all have right of first refusal laws.

Expanding these laws to the entire State of Maryland will create and maintain affordable housing for thousands of low-income, elderly, and disabled Marylanders for years to come. ROFR is a market-oriented, win-win solution that doesn't impose a significant financial burden on building owners or force them to provide affordable housing the way other solutions might. It has been an innovative staple in the preservation of affordable housing across the United States and within pockets of Maryland, and it's time that all of Maryland's jurisdictions have access to another incredibly effective tool in their affordable housing toolkit.

For these reasons, I ask for a favorable report on HB952.