

SB 46 Testimony .pdf

Uploaded by: Cory McCray

Position: FAV

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Budget and Taxation Committee

Capital Budget Subcommittee
Health and Human Services Subcommittee

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony in Support of Senate Bill 46

Housing Development and Neighborhood Revitalization Programs – Notice and Application Requirements

Dear Chairman Pinsky and Members of the
Education, Health, and Environmental Affairs Committee:

I write to urge you to **support** Senate Bill 46. Providing proper notice to Maryland State Legislators within the General Assembly regarding applications to federal housing and neighborhood development programs is a critical piece of maintaining clear communication of housing, development, and revitalization efforts; and is imperative to promote awareness—keeping constituents abreast of accessible opportunities and projects within their neighborhoods and communities.

Through Senate Bill 46, Maryland State Legislators will be provided access to important information regarding applications for federal tax credits and other benefits as they relate to housing and neighborhood revitalization. It is important that due notice is provided to Maryland State Legislators within the General Assembly to cultivate an environment of transparency, clarity, and awareness. Under Senate Bill 46, a requirement is placed on administrations who seek benefits from programs, like the federal Low-Income Housing Tax Credit Program, the Rental Housing Program, the Partnership Rental Housing Program, the Community Legacy Program, the Neighborhood Business Development Program, and the Baltimore Regional Neighborhood Initiative Program within the Department of Housing and Community Development. This requirement mandates that administrations provide notice of application and application status, prior to submission and following approval, within a specified amount of time. The deadlines for notice vary and are reasonably based on the type of program involved.

It is necessary that Senate Bill 46 is implemented to ensure streamline communication and shared understanding amongst community partners, legislative bodies, and constituents.

If enacted, Senate Bill 46 will take effect on July 1, 2022, and will require the adoption of new practices in accordance with the change in law.

In efforts to stay abreast of housing and development projects and opportunities within our communities, I respectfully request a favorable report of Senate Bill 46.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Cory V. McCray". The signature is fluid and cursive, with a prominent initial "C" and a long, sweeping underline.

Cory V. McCray

State Senator, 45th District

CDN SB46 TESTIMONY.pdf

Uploaded by: Claudia Wilson Randall

Position: UNF



Testimony SB 46
Education, Health and Environmental Committee
February 16, 2022
Position: UNFAVORABLE

Dear Chairman Pinsky & Members of the Education, Health and Environmental Committee:

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities. CDN envisions a state in which all communities are thriving and where people of all incomes have abundant opportunities for themselves and their families.

SB 46 requires that applications be provided to the members of certain delegations to the General Assembly regarding applications to the federal Low-Income Housing Tax Credit Program, the Rental Housing Program, the Partnership Rental Housing Program, the Community Legacy Program, the Neighborhood Business Development Program, and the Baltimore Regional Neighborhood Initiative Program within the Department of Housing and Community Development.

For both for-profit and non-profit partners in community development, best practice includes getting the input of community stakeholders for every project they may take on. This may include meetings with schools, civic associations and other appropriate partners in the community. Our partners appreciate the need for local jurisdictions and project sponsors to engage with the community in planning community revitalization projects. We support the significant effort that goes into developing Sustainable Community plans, local Consolidated Plans and local land use plans.

Since 2013, CDN and our partners have worked hard to remove application requirements that would bring approval of specific DHCD funded projects into the political process. We are deeply concerned that this bill would endanger our members' efforts to provide affordable housing opportunities in urban, suburban and rural jurisdictions.

Further, we suspect that this legislation will open our state to Fair Housing challenges. While we understand the requirement for community input, Fair Housing laws prevent communities from requiring permission or notification of elected officials.

We respectfully request an UNFAVORABLE report.

Submitted by Claudia Wilson Randall, Executive Director, Community Development Network

DRM Testimony SB46 Feb. 16, 2022.pdf

Uploaded by: Leslie Dickinson

Position: UNF

Education, Health and Environmental Committee

Feb. 16, 2022

SB 46 – Housing Development and Neighborhood Revitalization Programs – Notice and Application Requirements**Position: Unfavorable**

Disability Rights Maryland (DRM) is the Protection and Advocacy Agency for the State of Maryland. As part of the federal Protection and Advocacy System, DRM works to increase opportunities for Marylanders with disabilities to be part of their communities and live in safe, decent, affordable and accessible housing.

People with disabilities, especially non-elderly persons with disabilities, have long been recognized as the group with one of the most acute housing needs both in the Maryland, and throughout the Country. A person whose income was derived from SSI in 2021 received \$794.00 a month (the most recent numbers available).¹ At this payment level, to rent a one-bedroom apartment in Maryland requires 157% of SSI income based on a state-wide average (152% of SSI income for an efficiency apartment). In the Baltimore-Columbia-Towson market, the requirement is 140% of SSI income to rent a one-bedroom unit and in the Washington suburbs, rent increases to 195% of SSI monthly income. See [*“The Technical Assistance Collaborative’s” hands-on, data gathering tool.*](#)²

It is therefore not surprising that the Maryland Department of Disabilities has identified construction of affordable and accessible housing for persons with disabilities as an *Olmstead*³ strategy for increasing the integration of people with disabilities into the community. Yet, numerous obstacles remain, and SB 46 if enacted, will likely create additional impediments.

SB 46 requires that the Administration provide notice of **applications** for federal low-income housing tax credits within 14 days of receipt of the application, and requires that applicants for State programs (i.e., Partnership Rental Housing Program, the Community Legacy Program, etc.) provide **advanced notice** of their intent to apply, to members of the delegation to the General Assembly for the district in which the proposed project is located. Such notice requirements may seem innocuous, yet certain jurisdictions in the State where residents are intent on keeping low-income and moderately affordable housing out of their neighborhoods will have advanced notice – at the **pre-application/application** stage – to organize and demand that their representatives prevent such projects from coming to fruition. While this may not be the goal of

¹ SSI income has increased to \$841.00 a month in 2022.

² See also, [*Priced Out: The Housing Crisis for People with Disabilities \(2017\), Technical Assistance Collaborative; Out of Reach \(2019\), National Low-Income Housing Coalition.*](#)

³ *Olmstead v. L.C.*, 527 U.S. 581 (1999)

the SB 46, the likelihood of unintended consequences is high, adding yet another obstacle to the creation of affordable and accessible housing throughout Maryland.

Disability Rights Maryland is co-counsel and participates in monitoring a Voluntary Compliance Agreement – an agreement which resulted from a complaint with the Department of Housing and Urban Development (“HUD”) against a Maryland jurisdiction based upon alleged violations of the Fair Housing Act, and other civil rights laws. As part of the remedy, the jurisdiction has agreed to create hundreds of units of affordable and accessible housing for low-income families, including families with disabilities. The jurisdiction is far behind in the creation of such housing, due in large part to community opposition and an antiquated planning and zoning process.

While the need is great, there are significant barriers to creating affordable housing, some of which are related to NIMBYSM and exclusionary zoning, which keeps higher density housing out of particular neighborhoods by prohibiting building anything other than single-family detached houses. *See [Brookings’ 2020 article on housing affordability](#)*. In addition, market forces and housing speculation continue to endanger the affordability of existing housing. *See [ProPublica “When Private Equity Becomes Your Landlord,” Feb.7, 2022](#)*.

According to a [state-commissioned report](#) released in February 2021, Maryland will have to make substantial changes to its housing ecosystem to keep homes affordable over the next 10 years. An analysis from the University of Maryland’s National Center for Smart Growth and Enterprise Community Partners, a nonprofit housing lender and advocacy organization, says Maryland must add thousands more housing units by 2030 to accommodate a swelling population of low-income residents, while also meeting unmet demand from moderate-income residents, seniors and people with disabilities.

Rather than creating notice requirements, the General Assembly should consider establishing dedicated funding sources for affordable housing, enacting zoning reforms which remove barriers to rezoning, and adopting [rent stabilization](#) policies, just some of the recommendations in the University of Maryland state commissioned report (link above).

For the foregoing reason, Disability Rights Maryland urges an [unfavorable](#) report on SB 46.

Please contact me if you have questions or would like additional information. I can be reached at (410) 727-6352, x-2488 or via email Leslied@disabilityrightsmd.org.

Sincerely,

/s/ Leslie K. Dickinson

Leslie K. Dickinson
Attorney – Housing & Community Inclusion Unit

SB 46_DHCD_LOI.pdf

Uploaded by: Graham Shaffer

Position: INFO

DATE: February 17, 2022

BILL NO.: Senate Bill 46

COMMITTEE: Senate Education, Health, and Environmental Affairs Committee

TITLE: Housing Development and Neighborhood Revitalization Programs – Notice and Application Requirements

SPONSORS: Senator McCray

Letter of Information

Description of Bill:

Senate Bill 46 requires that within 14 days of the approval of projects funded by certain Department-administered programs, the Department of Housing and Community Development notify by email the General Assembly delegation in the district where the project is located. The bill additionally requires applicants to these programs to notify the General Assembly delegation by email and certified mail 30 days prior to submitting their application.

Background:

Senate Bill 46 amends the notice requirements for the federal Low Income Housing Tax Credit (LIHTC), Partnership Rental Housing Program, Community Legacy, Neighborhood Business Works, and the Baltimore Regional Neighborhood Initiative (BRNI). This bill imposes new requirements on both the Department and its applicants, requiring notice to be given by the Department to legislators from the district where the project is located within 14 days of project approval, notice from a potential applicant at least 30 days before an application is submitted.

Currently, for our revitalization and housing programs impacted by this bill, the Department provides a 45 day notice and comment period to local governments after an application has been received and prior to an award being finalized. This was a change from the agency's previous practice of requiring local resolution or approval, as that practice was considered by the U.S. Department of Housing and Urban Development and community advocates to have a potentially discriminatory impact on historically disadvantaged communities.

The Department also makes public a regularly updated list of projects in our Rental Housing Works (RHW) pipeline (<https://dhcd.maryland.gov/HousingDevelopment/Documents/rhw/RHWReport.xlsx>). RHW is a loan that is layered into the financing structure for non-competitive LIHTC projects. These projects constitute the vast majority of rental housing units financed by the agency.

Across most of our programs, we find that the bulk of applications tend to be submitted on or shortly before the application deadline. Imposing a notice requirement to meet program eligibility threshold represents a significant barrier to participation, and would certainly disenfranchise applicants. We believe that the requirement of an applicant to submit notice to officials not involved in the award process would result in a disparate impact to disadvantaged communities and may constitute a violation of civil rights laws, including the Fair Housing Act of 1968.

Further, should the committee choose to adopt a post-application, pre-award notice requirement for the agency, we advise that the 14 day notice to be provided by the agency following receipt of an application is not a reasonable amount of time to process applications, determine what district they may be located in, and turn around letters of notice. The existing local government notice and comment periods do not specify a time frame relative to application, but rather relative to award, which allows administrative flexibility in processing applications, while also preserving a reasonable opportunity for review.