

# **MMHA - 2022 - SB 744 - Affordable housing agencies**

Uploaded by: Aaron Greenfield

Position: FAV



**Bill Title:** Senate Bill 744, Housing and Community Development - Affordable Housing - Listing and Disposal of Excess Real Property

**Committee:** Education, Health and Environment

**Date:** March 10, 2022

**Position:** Favorable

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry including towing companies.

This bill requires the Department of Planning to provide a list of excess real property owned by the State to the Department of Housing and Community Development. DHCD must determine whether any of the listed properties are suitable for use or redevelopment as affordable housing. The various units of State government must develop proposals to donate or sell excess real property determined to be suitable for use or redevelopment as affordable housing.

In December 2020, the Department of Housing and Community Development commissioned the Maryland Housing Needs Assessment & 10-Year Strategic Plan. The 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. According to the Plan, the State is short 85,000 rental units for low-income households. With Maryland expected to add an estimated 97,166 low-income households by 2030, the shortage will worsen unless the State creates and preserves many more deeply affordable homes.

This legislation is an important tool in identifying affordable housing options to satisfy Maryland's pressing needs.

For foregoing reasons, MMHA respectfully requests a favorable report for Senate Bill 744.

**For additional information, please contact Aaron J. Greenfield, 410.446.1992**

**CDN SB 744 FAVORABLE.pdf**

Uploaded by: Claudia Wilson Randall

Position: FAV



**Testimony SB 744**  
**Education, Health and Environmental Affairs Committee**  
**March 10, 2022**  
**Position: FAVORABLE**

Dear Chairman Pinsky and Members of the Education, Health and Environmental Affairs 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 744 would require the Department of Planning to provide a list of excess real property owned by the State to the Department of Housing and Community Development; requiring the Department to determine whether any of the listed properties are suitable for use or redevelopment as affordable housing; and requiring units of State government to develop proposals to donate or sell excess real property determined to be suitable for use or redevelopment as affordable housing.

According to the Maryland Housing Needs Assessment that was completed in 2021 by the National Center for Smart Growth and Enterprise Community Partners, Maryland will have to make a significant investment in housing over the next 10 years in order to keep up with economic and demographic shifts in the state. The analysis showed that the state is short 85,000 rental units for low-income households. With Maryland expected to add an estimated 97,166 low-income households by 2030, the shortage will worsen unless the state creates and preserves many more affordable homes. Thirteen of the state's 23 counties and Baltimore City don't have enough housing that's affordable to very low-income renters. The deficit is largest in Montgomery County, followed by Baltimore.

Ensuring that all families live in affordable, stable homes will improve community health outcomes, thereby reducing health care and education costs. This is an urgent priority for an equitable recovery from the pandemic. Building a firm foundation for stable homes begins with policies that provide opportunities for families to afford to rent or buy decent homes necessary for good health. Given the health, educational, and cost implications of families living in unstable homes, there is an urgent need to increase supply of affordable homes.

As long as the Maryland economy needs essential jobs that pay \$25 per hour or less, we will have to have housing that is affordable for families making those wages. It is urgent that the state work toward these strategies now. As we put off these decisions, the cost of building and preserving affordable housing in Maryland only grows more expensive.

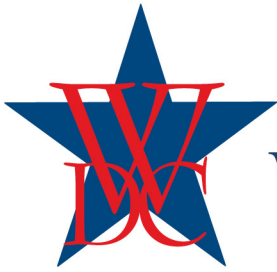
We ask your favorable report for SB 744.

Submitted by Claudia Wilson Randall, Executive Director

**WDC Testimony SB0744-2022\_FINAL.pdf**

Uploaded by: JoAnne Koravos

Position: FAV



MONTGOMERY COUNTY, MARYLAND  
WOMEN'S DEMOCRATIC CLUB

P.O. Box 34047, Bethesda, MD 20827

[www.womensdemocraticclub.org](http://www.womensdemocraticclub.org)

**Senate Bill 0744**  
**Housing and Community Development – Affordable Housing**  
**– Listing and Disposal of Excess Real Property**  
**Education, Health and Environmental Committee – March 10, 2022**  
**SUPPORT**

Thank you for this opportunity to submit written testimony concerning an important priority of the **Montgomery County Women's Democratic Club (WDC)** for the 2022 legislative session. WDC is one of the largest and most active Democratic Clubs in our County with hundreds of politically active women and men, including many elected officials.

WDC urges the passage of SB0744 – Housing and Community Development – Affordable Housing – Listing and Disposal of Excess Real Estate. As identified in the *Maryland Housing Needs Assessment and 10-Year Strategic Plan*, Maryland currently lacks 85,000 affordable housing units and will gain an additional 97,000 low-income households by 2030. The State of Maryland currently owns more than 14,000 pieces of real property. Some of these properties may be suitable for reuse or development for affordable housing. This bill would require the state to identify state-owned properties that could be used for affordable housing and to publish an inventory of those properties.

SB0744 would aid minority groups, especially African Americans and indigenous people, who experience homelessness at higher rates than Whites, according to The National Alliance to End Homelessness. These minority households, particularly those headed by women, also spend a disproportionate percentage of their income on housing. Research has linked the absence of adequate affordable housing to greater transmission and mortality rates from COVID-19. An increase in the supply of affordable housing could help alleviate these disadvantages.

Innovations in affordable housing solutions, such as the ones in SB0744, would help foster a healthier and more equitable society. **Therefore, we ask for your support for HB0927 and strongly urge a favorable Committee report.**

Respectfully,

Leslie Milano  
President Leslie Milano

*Keeping Members Better Informed, Better Connected, and More Politically Effective*

**SB 744\_realtors\_fav.pdf**

Uploaded by: Lisa May

Position: FAV



**Senate Bill 744** – Housing and Community Development - Affordable Housing - Listing and Disposal of Excess Real Property

**Position: Support**

Maryland REALTORS® supports efforts to increase the supply of affordable housing options in Maryland through legislation like SB 744.

Maryland currently faces a shortage of over 82,000 housing units. The availability of land for development is a key factor in whether additional housing options can be constructed at all, much less whether they can be constructed at costs affordable to low- and moderate-income residents. Many of Maryland's most populous areas are now either fully or mostly built-out. In those areas, developable land will be in high demand or be found only through redevelopment, both of which result in housing options that are more expensive.

Several states and large cities have been able to produce affordable housing in very high-cost areas through the disposal of surplus property. By offering properties to developers by direct donation, land leases, community land trusts or land grants, it is possible to decrease the costs of new dwellings by as much as 35%.

For this reason, Maryland REALTORS® ask for your support of SB 744.

**For more information contact [bill.castelli@mdrealtor.org](mailto:bill.castelli@mdrealtor.org), [susan.mitchell@mdrealtor.org](mailto:susan.mitchell@mdrealtor.org), [lisa.may@mdrealtor.org](mailto:lisa.may@mdrealtor.org) or [theresa.kuhns@mdrealtor.org](mailto:theresa.kuhns@mdrealtor.org)**



**MBIA Letter of Support SB 744.pdf**

Uploaded by: Lori Graf

Position: FAV

March 10, 2022

The Honorable Paul G. Pinsky  
Senate Education, Health & Environmental Affairs Committee  
Miller Senate Office Building,  
2 West Wing 11 Bladen St.,  
Annapolis, MD, 21401

**RE: Support SB 744 Housing and Community Development – Affordable Housing – Listing and Disposal of Excess Real Property**

Dear Chairman Pinsky:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **SB 744 Housing and Community Development – Affordable Housing – Listing and Disposal of Excess Real Property**. MBIA Supports the Act in its current version.

This bill would require the department of planning to provide a list of excess real property owned by the State to the Department of Housing and Community Development for the purposes of determining whether any of the listed properties are suitable for use or redevelopment as affordable housing. MBIA supports this measure. Housing opportunities in Maryland are already scarce and finding places to develop new property is difficult. Re-evaluating the use of property owned by the Department of Housing and Community Development and using it to address this problem is something that benefits all Marylanders.

For these reasons, MBIA respectfully requests the Committee give this measure a favorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or [lgraf@marylandbuilders.org](mailto:lgraf@marylandbuilders.org).

cc: Members of the Senate Education, Health & Environmental Affairs Committee

# **MAHC Testimony\_SB 744 Conversion of state property**

Uploaded by: Miranda Willems

Position: FAV



**Testimony to the Senate Education, Health & Environmental Affairs  
Committee**  
**SB 744 – Housing and Community Development – Affordable Housing –  
Listing and Disposal of Excess Real Property**  
**Position: SUPPORT**  
**March 10, 2022**

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SB 744 would require several State agencies to work together to look at the list of excess real property owned by the State, determine if any of those properties are suitable for housing, and make those properties available for sale or donation to developers for the construction of new affordable housing units. According to the National Low Income Housing Coalition (NLIHC) Maryland is the 8<sup>th</sup> most expensive state in the country for housing costs. They estimate that there is a shortage of 131,793 rental homes that are affordable and available for extremely low income renters, and that Maryland households would have to earn \$28.60 per hour to afford a two bedroom apartment at fair market rent. There continues to be a lack of affordable rental housing in Maryland for the households who need it, and part of the problem is a lack of available land to develop multifamily housing, given the financing constraints for these types of developments that have limited operating budgets to pay debt service in the future. If the State does own any surplus property that could be used for residential development, this would provide an ideal and unique opportunity for the State to assist private developers in creating additional affordable housing. This would be a great partnership opportunity for the State and help Maryland meet its housing needs for our most vulnerable residents. DHCD already works with affordable housing developers and could easily implement such a program.

MAHC is the leading organization for the affordable rental housing industry in Maryland and represents over 185 member organizations, including nonprofit and for-profit developers, State and local housing authorities, property management companies, financial institutions, community development organizations, contractors, tax credit investors, consultants and individuals. Our members develop affordable housing properties across the state and could benefit from SB 744.

**Respectfully submitted on March 10, 2022 by Miranda Darden-Willems, Executive Director, on behalf of the MAHC Board of Directors.**

**MAHC Board of Directors**

Jessica D. Zuniga, Foundation Development Group, President  
Christine Madigan, Enterprise Community Development, Vice President  
Catherine Stokes, Homes for America, Secretary  
Nichole Doye Battle, GEDCO, Treasurer  
Tom Ayd, Green Street Housing  
Miles Cary, Bank of America Merrill Lynch  
Mike Cumming, CohnReznick, Chief Financial Officer



# MARYLAND AFFORDABLE HOUSING COALITION

Ivy Dench-Carter, Pennrose Properties  
Maryann Dillon, Housing Initiative Partnership  
Kathy Ebner, Retired, Ex-Officio  
Peter Engel, Howard County Housing Commission  
Chickie Grayson, Retired, Advisor Emeritus  
Clifton Martin, Housing Commission of Anne Arundel County  
Dan McCarthy, Episcopal Housing  
Willy Moore, Southway Builders  
Ninette Patrick, Habitat America  
Miles Perkins, AGM Financial  
David Raderman, Gallagher, Evelius & Jones, Of Counsel

[www.mdahc.org](http://www.mdahc.org)  
443-758-6270

**SB0744\_FAV\_City of Rockville\_Housing & Comm. Dev.**

Uploaded by: Pam Kasemeyer

Position: FAV



**Testimony of the Rockville Mayor and Council**  
**SB 744 – Housing and Community Development – Affordable Housing – Listing and Disposal of**  
**Excess Real Property**  
**Support**

The Mayor and Council of Rockville are thankful to Chairman Pinsky and the Senate Education, Health, and Environmental Affairs Committee for the opportunity to share the City’s comments on SB 744. We are grateful to Senator Hettleman for sponsoring this important legislation.

The City supports SB 744, and its goals to increase the availability of real property in Maryland for affordable housing development by requiring the prioritization of affordable housing when disposing of public lands no longer necessary for agency use. As you consider the merits of this legislation, we urge the committee to provide the bill with a favorable report and forward it to the full Senate for a vote.

The Rockville Mayor and Council adopted the City of Rockville’s 2040 Comprehensive Plan in August 2021 and its first Climate Action Plan in January 2022. Both documents outline planning goals and specific actions to increase affordable housing opportunities for current and future City residents. The City’s 2040 Comprehensive Plan calls for a mix of infill housing types in certain defined areas of traditionally single-family neighborhoods, compatible in scale with single-family homes. They would include duplexes, triplexes, fourplexes, and townhouses/rowhouses – the “Missing Middle.” The city has begun implementing some of these measures.

The availability and affordability of land for development has a significant impact on the supply of affordable housing. The City of Rockville is nearly built out. Most of the future residential development will need to occur through the redevelopment of existing sites (i.e., plan amendment; gentle-density/ in-fill), making it challenging to find available land within or immediately outside of Rockville city limits to accommodate new residential development.

The Rockville Mayor and Council recently adopted policy amendments to increase and preserve its affordable housing supply using an existing tool – inclusionary zoning. Specifically, the City now requires 15% of Moderately Priced Dwelling Unit (MPDU) set aside throughout the city, representing an increased percentage in a large portion of Rockville. Additionally, the City now requires a 99-year affordability restriction, departing from the 30-year control period in previous years, thereby ensuring longer-term affordability of its MPDUs.

Developable land made available through SB 744 would help further and facilitate the City’s implementation of its policy objectives and goals of generating additional affordable housing. Per the Maryland Department of Assessment and Taxation, there are currently 17 State owned parcels in Rockville, including the District Courthouse.

We ask that you incorporate the following amendments into the bill:

- Include municipalities, public housing authorities, and for-profit affordable housing developers as potential recipients of excess real property.
- Consider allowing flexibility that would permit for mixed-use development (i.e., retail) with emphasis on affordable housing and within the context of a municipality’s zoning code.

In closing, SB 744, is a positive step forward as it could facilitate the development of affordable housing. We ask for your support for this important legislation.

**SB0744-933824-01 (1).pdf**

Uploaded by: Shelly Hettleman

Position: FAV





**SB0744/933824/1**

AMENDMENTS  
PREPARED  
BY THE  
DEPT. OF LEGISLATIVE  
SERVICES

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BY: Senator Hettleman  
(To be offered in the Education, Health, and Environmental  
Affairs Committee)

AMENDMENT TO SENATE BILL 744

(First Reading File Bill)

On page 2, in line 21, strike “**ALLOWS**” and substitute “**IS AFFORDABLE FOR**”;  
and strike beginning with “**TO**” in line 22 down through “**RENT**” in line 23.

On page 3, in line 28, after “**DONATING**” insert “**OR SELLING**”.

On page 6, in line 5, after “**SECTION**” insert “**WHICH HAVE NOT BEEN DISPOSED  
OF UNDER SUBSECTION (B) OF THIS SECTION**”.

**SB744\_Hettleman\_FAV.pdf**

Uploaded by: Shelly Hettleman

Position: FAV



*The Senate of Maryland*  
ANNAPOLIS, MARYLAND 21401

TESTIMONY OF SENATOR SHELLY HETTLEMAN  
SB 744 – HOUSING AND COMMUNITY DEVELOPMENT – AFFORDABLE HOUSING  
– LISTING AND DISPOSAL OF EXCESS REAL PROPERTY

The goal of SB 744 is to increase the amount of affordable housing in Maryland. According to a study funded by the Department of Housing and Community Development (DHCD), and prepared by the National Center for Smart Growth and Enterprise Community Partners, Inc.,<sup>1</sup> Maryland lacks approximately 85,000 rental units for its lowest income households.<sup>2</sup> The study projects that between 2020 and 2030, Maryland will add an estimated 97,200 extremely and very low-income households. These projections were made immediately before COVID, which has put additional families into poverty and housing insecurity.<sup>3</sup> Without accelerating the rate of development of affordable housing, the current shortage will continue to worsen.

Maryland needs multiple tools to solve the ongoing affordable housing crisis. There are a number of elements that make the development of affordable housing particularly challenging: access to capital, rising costs of labor and materials, and the finite amount of open land on which to build. This bill is primarily focused on expanding opportunities for the acquisition of land.

One of the policy solutions outlined in the DHCD report is promoting affordable housing on state-owned land.<sup>4</sup> The Department of Planning lists over 14,000 pieces of real property. Only a very limited number each year are identified as excess by any agency head, and only a subset of that would theoretically be identified as suitable for affordable housing. However, when a property is identified as suitable, by providing the land for free or at a discount, we can reduce the overall cost of development, thereby helping to keep future rents or mortgage payments lower.

Other states have similar programs. For example, Washington's State Surplus Program, which started in 1993, requires multiple state agencies to report their vacant and surplus properties to the Department of Commerce, which then works with those agencies to identify, catalog, and

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<sup>1</sup> *Maryland Housing Needs Assessment & 10-Year Strategic Plan*,  
<https://dhcd.maryland.gov/Documents/Other%20Publications/Report.pdf>, p. 1.

<sup>2</sup> Meaning extremely low-income or those earning 30 percent of area median income or below.

<sup>3</sup> *Maryland Housing Needs Assessment & 10-Year Strategic Plan*,  
<https://dhcd.maryland.gov/Documents/Other%20Publications/Report.pdf>, p. 2.

<sup>4</sup> *Id.*, p. 29.

recommend the best use of those properties suitable for affordable housing for very low-income, low-income, or moderate-income households.<sup>5</sup> Programs like these, that address the lack of real property available for development rather than just barriers to access to capital, are an innovative approach to addressing the housing crisis.

The bill's definition of affordable housing precludes any property where development would conflict with environmental or historic preservation interests. The bill also does not divert any funds as part of this process, and can actually raise funds generated through the sale of properties to developers or non-profits for affordable housing development.

The bill requires State units of government to compile a list each year of properties it owns and has either no current or future use for and that would be suitable for affordable housing.<sup>6</sup> As amended, the bill's definition of affordable housing will be consistent with definitions used under the Low Income Housing Tax Credit program. If the property is suitable, the bill, as amended, requires the unit of State government to work with the Department of Planning and DHCD to develop a proposal either to donate or sell the property to a non-profit or for-profit developer that intends to develop the property for affordable housing. If no non-profit or for-profit buyer is identified, then the property would be sold at auction and funds generated through this process would be deposited in the Rental Housing Fund, which is the state fund for financing affordable and low-income housing projects.

The bill also outlines elements used to assess a property's suitability for affordable housing. A property will be added to the list of suitable properties if it:

1. Is located in an area designated as a priority funding area under State Finance and Procurement Article § 5-7b;
2. Does not belong in a category of property listed in § 5-310(C)(1)(i) of the State Finance and Procurement Article, which includes environment and historic preservation laws and parks;
3. Is adequately sized for any type of residential use;
4. Has access to public utilities; and
5. Has access to feasible ingress and egress points.

This bill is a creative way of examining already existing state resources that may be appropriate and developable for affordable housing, and making them available to nonprofit and for-profit developers to help meet the desperate need Maryland has for affordable housing.

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<sup>5</sup> Wash. Rev. Code Ann. § 43.63A.510 (West)

<sup>6</sup> Housing and Community Development Article, § 2-203(B)(2), p. 3. The Department of Planning's State Clearinghouse regulation COMAR 34.02.02.03 defines "surplus" and "excess" properties as properties that either the Board of Public Works or a State agency determines is not suitable for any current or future needs of the State.

# **SB 744 Testimony.pdf**

Uploaded by: Tom Coale

Position: FAV

YIMBY Maryland was created in November of 2022 and since then has grown to over 400 members across the state. We were created to advocate for a better Maryland with abundant housing that's inclusive, sustainable, & affordable.



Maryland has a housing crisis and the state is going to have to play a role in solving it.

According to a 2021 report by the National Low Income Housing Coalition, there are only 35 affordable and available rental homes per 100 extremely low-income renter households in the Baltimore-Columbia-Towson area. Additionally, 84% of extremely low-income renter households in this area spend more than 30% of their income on housing costs and utilities.

There are two primary drivers of high housing costs – housing supply and the cost of land. SB 744 addresses both.

First, we need more housing. According to the 2020 Maryland Housing Needs Assessment conducted on behalf of the Maryland Department of Housing and Community Development, Maryland lacks 85,000 rental units for its lowest income households and that is only projected to grow. Between 2020 and 2030, Maryland is expected to add an estimated 97,200 low income families, which will more than double the projected need.

What's stopping Maryland from developing more affordable housing? Land costs. MDAT has recently reported that residential property values in Maryland have increased 12.7% over the last 3 years and this increase only comes on top of an already inaccessible market.

SB 744 will enable nonprofit affordable housing developers to build new housing at below market prices. Programs like the Low Income Housing Tax Credit offer a critical means of providing housing, but these projects are still constrained by the bottom line – limiting the number of units they can build. If land is donated for development, affordable housing developers can build more units and provide housing for more families.

SB 744  
YIMBY MD - Favorable

And there is innovation in this space ready to come to the table. Companies like Vessel ([www.myvessel.com](http://www.myvessel.com)) seek out government owned property for pre-fabricated multifamily structures. And because they don't need to find investors, they can pass on equity in these projects to their tenants.

Efforts like this is why SB 744 is about more than just vacant land. It provides room for innovation in the affordable housing space beyond what we have right now. If we're going to take on the housing crisis and be a leader across the country, innovation is what we need.

For that reason, we urge a favorable report on SB 744.

- Tom Coale  
Chapter Lead for YIMBY Maryland  
443-630-0507  
YIMBYMD@gmail.com

# '22 SB 744 Affordable Housing-Excess Property DGS

Uploaded by: Ellen Robertson

Position: INFO



Larry Hogan  
Governor

Boyd K. Rutherford  
Lt Governor



Ellington E. Churchill, Jr.  
Secretary

Nelson E. Reichart  
Deputy Secretary

OFFICE OF THE SECRETARY

**BILL:** Senate Bill 744  
Housing and Community Development – Affordable Housing – Listing and Disposal of Excess Real Property

**COMMITTEE:** Senate Education, Health and Environmental Affairs

**DATE:** March 10, 2022

**POSITION:** Letter of Information

Upon review of Senate Bill 744 Housing and Community Development – Affordable Housing – Listing and Disposal of Excess of Real Property, the Maryland Department of General Services (DGS), provides these comments for your consideration.

This bill would require the DGS Office of Real Estate (ORE) to work with agencies that have identified excess real property for use as affordable housing to donate or sell the property. As properties are identified, DGS must work with each agency to have the property reviewed through the State Clearinghouse process to ensure there is no other critical state need for the property. As the Clearinghouse recommendations are received, each property is declared surplus. An inventory will then be developed and maintained of properties declared surplus by the Board of Public Works for possible future use by the State as affordable housing. For each donation or sale of property, DGS will need to order title work and appraisals, review them, prepare the legal documentation for the transfer of property, submit the required 45-day legislative notification, and submit a request to the Board of Public Works for approval of the transfer in accordance with State Finance and Procurement § 10-305.

**These tasks will require two additional Land Acquisition and Disposal Agents at a Grade 16 be hired to support this project.** DGS-ORE currently has multiple disposal requests for hospital campuses throughout the State determined to be surplus by the Maryland Department of Health, as well as additional sites by the Department of Juvenile Services. **With the current workload and current staffing level, two additional support is required to complete the tasks set forth in this legislation.**

**Expenditures will be needed for property title research and appraisals.** Additionally, acreage verification through a survey will be needed if descriptions do not close using the DGS deed plotter software. **Title research can typically range from \$1,000 - \$5,000 per property; appraisal costs can range from \$15,000 - \$30,000 for two appraisals depending upon the size of the property; and survey costs can range from \$25,000 – over \$100,000 per property.** These are minimum estimates only, as there is no way to accurately estimate these costs until properties are identified and preliminary research is performed by DGS.

For additional information, contact Ellen Robertson at 410-260-2908.

