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Support for Maryland HB 1330, More Homes for Marylanders Act

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The program proposed by Delegate Stewart in HB 1330 is a strong and meaningful step in a new direction for the public sector's role in the development of housing, and it should be looked upon favorably for several reasons which I will detail here. First and foremost, this proposal learns from and lends a helping hand to solutions that have been developed at the local community level. Second, the program is not simply dividing up the same old pie in a new way, but is creating a whole new pie. And finally, the program has the potential to support economic stability and job security via housing production in the medium and long term. The potential positive impacts of this well thought out bill are many, and the drawbacks are none.

The Montgomery County Housing Opportunities Commission recently established an innovative bond financing program to expand their mixed income portfolio and better serve the needs of a growing community. The mixed income program draws on HOC's long experience with multifamily property development, and relies only on a small—almost nominal—\$3 million per year appropriation from the county capital budget. Leveraging these funds through the municipal bond market allows the agency to produce thousands of units of housing at mixed income levels. HB 1330 draws on the experience of this program, and would allow agencies like HOC across the state of Maryland to replicate the innovative model.

An important piece of the puzzle with affordable housing is the difficulty of dealing with scarce funding resources, like Low-Income Housing Tax Credits, Community Development Block Grants, and other sources that are limited by federal government appropriations. The non-profit community that often builds affordable housing is well aware of the competitive nature of these funding sources. What is unique about this program is that rather than divvying up those scarce resources in a new way, the mixed income housing program creates a new pie that supports local jurisdictional agencies to finance their own mixed-income housing through the municipal bond market. Rather than drawing down on already scarce resources and picking new winners and losers, this bill would create new opportunities for local agencies, creating new winners.

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Finally, the important economic stability effects of public sector involvement in the financing and development of new housing cannot be overlooked. Already in Montgomery County, one of the projects under the new HOC program came from a private developer whose financial investors walked away from the deal. HOC stood at the ready to join the project as a partner, and ensure that more of the homes would be affordable to Marylanders at the same time. At a larger scale, these effects could be quite strong, ensuring that even in bumpy economic times or recessions, the housing sector remains more stable, keeping construction workers employed building mixed income housing for Marylanders.

HB 1330 would be a benefit to all Marylanders—renters, construction workers, and all.