



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

**Testimony in Support of HB 927
Housing and Community Development - Affordable Housing - Listing and
Disposal of Excess Real Property**

Maryland currently lacks 85,000 affordable housing units, with an additional 97,000 units needed by 2030.¹ Solving the affordable housing crisis will take a multi-pronged approach; among the recommendations made in a recent strategic plan commissioned by the State was promoting affordable housing on state-owned land.¹

The State of Maryland 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 proactively identify state-owned excess properties that are suitable for affordable housing and set up a process for the disposition of those properties for the creation of affordable housing.

A Proven Model from Other Jurisdictions

Land is often a substantial part of the cost of developing affordable housing. By providing land for free or at a discount, the State can reduce the overall costs of a development project, thereby helping to keep the housing affordable to low-income Marylanders and reduce the need for direct public subsidy.² Eliminating the cost of land is especially important when creating housing for very low income households (less than 30 percent of the area median income).³

Several states have enacted programs and processes to reuse government properties for affordable housing, as is proposed in this bill. California, Connecticut, Florida, and Washington states, and the District of Columbia have passed laws to proactively look for opportunities to create more affordable housing on surplus government properties.

¹ "Maryland Housing Needs Assessment & 10-Year Strategic Plan." National Center for Smart Growth and Enterprise Community Partners, Inc. Report commissioned by the Maryland Department of Housing and Community Development. <https://dhcd.maryland.gov/Documents/Other%20Publications/Report.pdf>

² "Public Land and Affordable Housing in the Washington DC Region: Best Practices and Recommendations," 2015, National Housing Conference's Center for Housing Policy.

³ "Public Land for Public Good," 2012, Coalition for Smarter Growth.

What this Bill Does

This bill looks for unneeded state-owned real estate that is suitable for reuse as affordable housing. Suitable properties could be donated or sold to a non-profit or for-profit developer to create affordable housing.

This legislation builds upon Maryland's existing disposition process for unneeded state properties. Currently, state agencies are encouraged to continuously keep an eye out for properties that are no longer needed. Such 'excess' properties are referred to the Maryland Department of Planning, which does outreach to other state agencies and local governments to gauge their interest in the property. Properties that are not wanted for government use are sold at auction. Ultimately, the Board of Public Works decides to sell or retain the property.

This bill would add a step to the disposition process to have the Department of Housing and Community Development evaluate each excess property and make a determination of the property's suitability for affordable housing. Under the bill, buildings or land can be considered suitable for affordable housing if they are located in a priority funding area, are not located in a park or a sensitive habitat, are of sufficient size, and have access to utilities and suitable ingress/egress.

Any properties that are suitable for affordable housing could then be donated or sold for that purpose. Local zoning laws and master plans remain in effect and local governments retain control over whether or not to approve a proposed affordable housing development project.

If an affordable housing buyer is not identified, the real estate would be sold at auction and the proceeds from the sale would go to the Rental Housing Fund.

The Rental Housing Fund helps to finance affordable housing through low-interest loans. The program has been successful at creating and rehabilitating affordable housing throughout Maryland by supplementing other financing options.

Every Marylander deserves the opportunity to live in housing they can afford. HB 927 would help to make this a reality by creating more affordable housing in Maryland.