



**Testimony to the House Appropriations Committee
HB 500 - Community Development Administration – Home Improvement
Projects – Mandated Appropriation
Position: FAVORABLE
March 7, 2023**

HB 500 would provide \$1.5 Million in funding to DHCD to cover the cost for repairs or deferred maintenance in smaller rental properties that serve low income tenants. Property owners continue to face increased costs to operate their properties, including skyrocketing insurance and utility costs, personnel costs, and maintenance and groundskeeping costs. Affordable housing properties have restricted rents so they cannot raise the rents to cover the increased operating costs or pay for larger repairs. These properties also often have very limited cash reserves available to pay for large maintenance items, such as a new roof or piece of HVAC equipment. These types of properties could benefit from such a fund and allow them to make a necessary repair and maintain the property without having to recapitalize the entire property to complete a larger scale renovation. An annual appropriation of \$1.5 million could potentially assist 3-5 properties each year and will help ensure that lower income tenants' health and safety are not jeopardized by a landlord who cannot afford to make unexpected but necessary repairs to their property.

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.

Respectfully submitted on March 7, 2023 by Miranda Darden-Willems, Executive Director, on behalf of the MAHC Board of Directors.

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