



Bill No: SB 970— Fire Protection and Prevention - Sprinkler Systems and Smoke Alarms - Requirements (Melanie Diaz Sprinklers Save Lives Act)

Committee: Education, Energy, and the Environment

Date: 3/16/2023

Position: Unfavorable

The Apartment and Office Building Association of Metropolitan Washington (AOBA). AOBA's members own or manage over 23 million square feet of commercial office space and 133,000 apartment rental units in Montgomery and Prince George's Counties. **AOBA submits testimony to urging an unfavorable report to SB 970.**

Senate Bill 970 would require the installation of smoke alarms in public corridors accessible by units in high-rise buildings beginning July 1, 2023. Additionally, a high-rise building owner must post a notice in the building if a complete automatic sprinkler system does not protect the building. The bill prohibits a housing provider from requiring a resident with a hearing disability to pay for the purchase or installation of a notification appliance or provide any supporting documentation for a need of a notification appliance. SB 970 establishes that by January 1, 2033, each high-rise building, regardless of the date of construction, must be protected by a complete automatic sprinkler system installed, and, in the interim, each unit must be equipped with a fire extinguisher.

AOBA understands the need to keep residents safe and ensure buildings have fire prevention systems to prevent injuries or deaths. AOBA members have taken the necessary measures to keep residents safe by remaining compliant with local and state code enforcement laws and maintaining all fire safety equipment in good working order. However, this legislation seeks to increase the cost for individuals living in high-rise buildings and codify into law the State Fire Marshal's mandate to retrofit all existing buildings with an automatic sprinkler system.

1. Background

The State of Maryland initially addressed fire safety and sprinklers in 1974. Maryland General Assembly passed legislation to require all high-rise buildings constructed after July 1, 1974, to be installed with a complete automatic sprinkler system. Similarly, the State fire law requires newly constructed residential facilities, including multi-family communities, for which a building permit is issued on or after July 1, 1990. The State Legislature authorized the Fire Commission to make individualized assessments regarding fire risks posed by high-

rise buildings constructed before 1974. Under current state law, the commission must determine whether a high-rise building has an existing inimical hazard in the building built before 1974. Upon discovering a hazard, the commission will require necessary sprinkler retrofits in the building to avoid fire risks.

The Maryland Fire Prevention Commission convened a task force in 2017 to create recommendations to address the fire safety issue involving sprinklers in high-rise buildings, in which AOBA participated as a group member. The task force suggested four options but could not come together on any one suggestion. The group's four options were:

- Option 1 - Provide a complete building fire suppression system;
- Option 2 - Compliance with NFPA 101 for Existing High-rise Residential Occupancies (effectively requiring all dwelling units to have an exit directly to the exterior);
- Option 3 - Compliance with a set of parameters developed by the task force, which include provisions for: standpipes, a fire department elevator, protection of cooking equipment, smoke alarms, protection of exit access corridors, protection of vertical openings, and separation of hazards, elimination or mitigation of risks associated with a combustible exterior finish material, maintenance of means of egress, maintenance of manual fire alarm systems, and standby power; or,
- Option 4 – Compliance with the standpipe, FD elevator, cooking protection, and combustible exterior mitigation features of Option 3. Additionally, alarms would have to sound throughout the building, and in structures greater than 10 stories above grade, emergency power would be provided for at least one FD elevator.

In August 2019, the Maryland State Fire Prevention Committee determined that existing residential high-rise buildings not protected by an automatic sprinkler system are a distinct hazard. The State Fire Marshal then issued a statewide mandate that all existing high-rise buildings be brought into compliance with the Fire and Life Safety Codes, as adopted and amended, by January 1, 2033.

2. Cost Associated with Retrofitting Existing Buildings with a Sprinkler System

After recovering from high inflation costs and the coronavirus pandemic, AOBA members are experiencing significant financial hardships and economic viability. With the increased operating cost and historically high rent delinquencies, SB 970 will make it infeasible for housing providers to comply with the strict mandates described in the bill. To put the fiscal pressures into perspective, one member company with a portfolio of 2,969 apartment homes in the County currently carries a total delinquency of \$2,651,267. The total delinquency for the portfolio is slightly over \$5.2 million, comprising over 10,000 apartment homes. **In short, approximately 30% of the portfolio makes up 50% of the delinquency.**

The chart in the appendix is an actual cost estimate for a recently completed project on one of our member's properties. This chart illustrates a comprehensive picture of expenses for retrofitting existing buildings. The costs include but are not limited to materials, permitting fees, labor, and testing as a part of the retrofit implementation process. All these factors for one 310-unit property cost \$3.9 million. This bill will worsen conditions for many housing providers operating in the State as the cost associated with retrofitting existing high-rise buildings will be astronomical. Furthermore, this will impact many residents, specifically

lower-income and rent-burden renters, that will see increases in their rent. Thus, making it hard to afford where they live and increasing displacement for many families impacted by this state law.

In addition, the New Jersey Apartment Association commissioned an analysis of the State's 2007 proposal to require the retrofit of existing high-rise residential buildings with a complete automatic fire sprinkler system. The analysis concluded that New Jersey's proposal was not effective in addressing the fire safety issue in high-rise buildings and the State withdrew from considering the proposal for the following reasons:

- **Economic Impact:** The report calculated that implementing this mandate would cost roughly \$1.32 billion to \$1.8 billion statewide. This cost would be passed on to renters and burden them with \$200-\$400 per month in their rent.
- **Social Impact:** The report concluded that the State needed to fully consider the social impact of this proposal, specifically the costs associated with relocating residents during the construction phase. Moreover, many of the renters that live in cities throughout New Jersey dedicate a third of their income toward rent; thus, upon adoption, this mandate will further burden renters, including lower-income residents.
- **Safety Risks in High-Rise Apartment Buildings:** Existing safety codes and state regulations adequately provide a framework for addressing the risk of fires in high-rise buildings. There is no evidence to suggest fire suppression would result in a decrease in fire-related deaths or injuries.

3. What are other States doing to address this Issue

California, Maryland, and Washington, DC, have adopted a fire sprinkler mandate for high-rise buildings. In California, local code requires an automatic sprinkler system to be installed throughout existing high-rise buildings, except for airport traffic towers, open parking structures, and occupancy groups. Washington, DC, requires automatic sprinkler systems in buildings with one or more stories with an occupant load of 30 or more located 55 feet or more above the lowest level of fire department vehicles. SB 970 is the most stringent of the three compared to other jurisdictions. It is important to note that the Cities of New York, Chicago, and Philadelphia had considered similar policies for installation of sprinkler systems in existing high-rise buildings but decided against it. Instead, the municipalities favored code requirements that focused on the importance of containment, early warning, and safe evacuation the risk accompanied with fires in high rises buildings as opposed to imposing increased costs on communities.

For these reasons, AOBA urges an unfavorable report on SB 970. For further information, contact Brian Anleu, AOBA Vice President of Government Affairs, at 240-381-0494 or banleu@aoba-metro.org.

