



**Testimony to the House Environment & Transportation Committee  
HB 826 – Statewide Rental Assistance Program  
Position: FAVORABLE WITH AMENDMENTS  
February 28, 2023**

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HB 826 would create a new state-funded housing voucher program to assist low income households who are currently on a waiting list for a federal housing voucher with their monthly rent payments at the location of their choice for up to five years. It is meant to provide interim rental assistance while the household waits for a federal voucher to become available, so the program should have more turnover than the federal program and be able to assist more households over time. After subtracting the administrative fees, the proposed \$15 million appropriation to fund the program would assist approximately 1,100 households per year. We can all agree that there is an urgent need across the State for more affordable housing for low income households, so a State-funded voucher program would assist these households who are cost burdened and living in unstable, unsafe, or unaffordable housing.

Our concerns about the bill are technical in nature. The bill requires that the State's public housing authorities (PHA's) administer the program, but because of a few differences between the proposed State program and the existing federal program, it would require them to create a new/separate program. It would be much easier for the PHA's to implement if the two programs had the same rules and regulations. It would also be easier to transfer the tenant's voucher from a state voucher to a federal voucher when one becomes available. Additionally, the proposed 1% administrative fee is extremely low (compared to the 8-10% provided to administer the federal vouchers) so we would request an amendment to allow the administrative fees for the state program to be calculated using the same formula as the federal program to ensure that there is no financial burden on the PHA's to administer the new program.

According to the National Low Income Housing Coalition, Maryland needs to build an additional 131,827 affordable housing units just to serve the households in our State that earn up to 50% of the area median income. The need for affordable housing continues to grow as does the cost to build the housing given inflation, rising interest rates and material costs, so until more permanent income restricted affordable housing is built, a housing voucher program is a good solution for the State to solve Maryland's affordable housing crisis. MAHC supports HB 826 with the technical amendments outlined above.

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, general contractors, architects, tax credit investors, consultants and individuals.



Respectfully submitted on February 28, 2023 by Miranda Darden-Willems, Executive Director, on behalf of the MAHC Board of Directors.

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