

**Testimony to the House Environment & Transportation Committee
HB60: Housing Innovation Pilot Program and Housing Innovation Fund - Establishment
(Housing Innovation Pilot Program Act of 2023)
Position: Favorable**

January 31, 2023

The Honorable Kumar P. Barve, Chair
House Environment & Transportation Committee
Room 251, Miller House Office Building
Annapolis, MD 21401
cc: Members, Environment & Transportation Committee

Honorable Chair Barve and Members of the Committee:

Economic Action Maryland is a nonprofit organization that works statewide to advance economic justice and equity through direct-service, research, and advocacy.

We are writing in support of HB60.

Our Tenant Advocacy program assists renters and property owners with housing issues. We provide information and referrals to other agencies and organizations when necessary. Through our daily work we see the profound negative impacts Marylanders face because of our state's lack of affordable housing.

Maryland's Department of Housing and Community Development published its Housing Needs Assessment in 2020. The report noted a worsening shortage of affordable and available housing, particularly for "extremely low-income households" that earn 30% or less than the area median income (AMI). At that point in time, for every 100 households at or below this threshold, there were only 33 homes available.¹

But the situation has only gotten worse since 2020. Moody's Analytics recently reported that the United States is now "rent-burdened" nationwide for the first time. This means the average ratio of rent to household income has risen above 30%. Households are increasingly priced out of homeownership and nationwide multifamily vacancy rates remain steady, driving housing costs to unprecedented highs. In the 4th quarter of 2022, the national average for monthly rent payments rose above \$1,700 per unit for the first time, 20.6% higher than the pre-pandemic average.^{2 3}

¹ <https://dhcd.maryland.gov/Documents/Other%20Publications/Report.pdf>

² <https://cre.moodyanalytics.com/insights/market-insights/q4-2022-housing-affordability-update/>

³ <https://cre.moodyanalytics.com/insights/cre-trends/q4-2022-preliminary-trend-announcement/>

This affordability crisis is driving evictions and displacing families. It leads households to settle for inadequate housing without enough space for the number of people living in a home. It also causes renters to live in unsafe conditions. All too often, our Tenant Advocacy program hears from people afraid to report or request repairs for serious threats to their health and safety. If a property owner retaliates against them or chooses not to renew the lease, it's far too difficult to find a new home that's safe and affordable. So, people settle for inadequate, substandard homes.

This crisis is complex and demands a multifaceted response. House Bill 60 provides one effective and necessary solution. If made law, HB 60 will provide funding to shore up Maryland's affordable housing stock in innovative ways making one of the Housing Needs Assessment's key proposals a reality. While HB 60 will not solve this crisis on its own, it is a common-sense response to protect Marylanders.

For all these reasons, we support HB60 and respectfully request a favorable report.

Best,
Michael Donnelly
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