

TO: Education, Energy and the Environment Committee
FROM: LeadingAge Maryland
SUBJECT: Senate Bill 484, Land Use - Affordable Housing - Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024)
DATE: March 1, 2024
POSITION: **Support**

LeadingAge Maryland requests a favorable report on Senate Bill 484, Land Use - Affordable Housing - Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024).

LeadingAge Maryland is a community of more than 140 not-for-profit aging services organizations serving residents and clients through continuing care retirement communities, affordable senior housing, assisted living, nursing homes, and home and community-based services. Members of LeadingAge Maryland provide health care, housing, and services to more than 20,000 older persons each year. As the trusted voice for aging in Maryland, we work to ensure older adults have access to the services they need, when they need them, in the place they call home. We partner with consumers, caregivers, researchers, public agencies, faith communities and others who care about aging in Maryland.

LeadingAge Maryland represents more than 90 affordable senior housing communities throughout the state. Affordable senior housing provides more than just shelter. It is a platform for delivering critical supportive services that help older adults live healthier, more independent lives. This includes services like transportation, case management, information and referral services, healthcare services, grocery delivery, regular meals – all of which improve health and wellbeing for residents. In 2023, affordable senior housing providers in Maryland assisted residents with securing tens of thousands of services.

Senate Bill 484 incentivizes new affordable housing development and substantial redevelopment and would permit properties to be developed with higher density and in a faster manner if the developers provide a certain amount of affordable housing. For example, a non-profit 501(c)(3) organization that wants to build a housing development with at least 50% affordable units would qualify for the density bonus. LeadingAge Maryland strongly supports Senate Bill 484 as it would support the development of much needed additional units of affordable senior housing in our state.

Maryland's 60 and older population is growing more rapidly than any other component of the population, and there is simply not enough affordable senior housing for those who need it. The U.S. Census Bureau estimates that 22% of Maryland's population will be 60 and older by the year 2030. This is a 26% increase from 2012. The number of Maryland households 65+ will increase by more than 35% between 2020 and 2040, from 597,637 to 808,677 households. By

2040, fewer Maryland 65+ households are projected to be homeowners, compared to in 2020 (77% vs. 80%). As a result of these two effects, Maryland will need to increase its supply of rental housing to meet projected needs. To prepare for the surge in Maryland older adult renters and coming demographic changes, Maryland must do all it can to increase the supply of affordable homes.

Housing cost burden for low-income older adults is at an all-time high. From an income perspective, many Maryland older adults are priced out of the housing market and are forced to pay more than they can afford for housing. High spending on housing can lead to older adults being unable to afford necessities such as food and medical services, which can negatively impact health outcomes. It is also important to note that those 65 and older are at a significantly higher risk of homelessness than other age groups. (Among those 65 and older with low income and severely housing cost burdened - spending more than half their income on housing). Nationwide, the number of households in the 65-and-over age group who are housing cost burdened – nearly 11.2 million in 2021 – is at an all-time high: 80% of older adult households 65+ earning less than \$15,000 were housing cost-burdened in 2021. The percentage of individuals who are housing cost burdened only increases with age.

In fact, in Maryland, 28.3% of 65 to 79 renter households are severely housing cost burdened, meaning they spend more than half of their incomes for housing (most of these households are extremely low-income households, with incomes below 30% of the area median). For 80+ renter households, cost burdens only increase. For this group, 39.8% spend more than half of their incomes for housing. Severe housing cost burden is a predictor of homelessness, which is on the steep rise among older adults in the United States. The lowest income households who spend more than half of their incomes for housing also spend 39% less on food and 42% less on out-of-pocket healthcare expenses than their non-housing cost-burdened peers. The rent eats first.

With the rapidly increasing population of older adults across the state, the need for affordable housing is expected to increase simultaneously. While HUD affordable senior housing communities can help bridge this gap, the waiting lists are often extremely long. Our members report that many age and income qualified older adults wait between 2-8 years to move into an affordable senior housing community. The development of additional affordable housing would help ensure that more older Marylanders with low incomes can access affordable housing.

LeadingAge Maryland suggests deeper income targeting within the bill's definition of "affordable dwelling unit." The bill defines "affordable" and "affordable dwelling unit." However, if the bill is to truly meet the needs of older adult Marylanders, the most likely to have severe housing cost burdens who are at greatest risk of homelessness and not having enough money for food and healthcare, the legislation must have income targeting. Perhaps, the bill could alter the definition of "affordable dwelling unit" to units that are affordable to households at 60% or less of AMI, including 20% that are affordable to households at 30% of AMI. The

long waiting lists for HUD housing are not full of households at 60% of AMI. They are full of households that are below 30% of AMI. Today, 84% of HUD 202/PRAC household have incomes below 30% of AMI. That's the vast majority of need. Unfortunately, without a requirement, the bill does not fully address the needs of this population.

For these reasons, LeadingAge Maryland respectfully requests a favorable report for Senate Bill 484.

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