



## House Bill 3

### *Land Use - Expedited Development Review Processes for Affordable Housing - Requirements*

MACo Position: **SUPPORT**

To: Environment & Transportation Committee

**WITH AMENDMENTS**

Date: January 30, 2024

From: Dominic J. Butchko

The Maryland Association of Counties (MACo) **SUPPORTS HB 3 WITH AMENDMENTS**. This bill would require counties to establish and implement an expedited development review process for nonprofit and local housing authority projects which meet certain conditions.

For the 2024 Maryland General Assembly Session, MACo has made it a priority – one of the Association’s four legislative initiatives – to *Advance Comprehensive Housing Solutions*. Much like climate change and sea level rise, the challenges surrounding affordable housing are vast and call for a large, multipronged effort. While in other policy areas, it may be easy to deduce a simple cause-and-effect relationship, housing is a complex web of multifaceted factors. Addressing challenges like workforce, financing, interest rates, broad economic trends, supply chain, and large out-of-state corporate interests – among many other obstacles – requires an all-hands-on-deck effort from policy makers at all levels.

MACo is working with sponsors to cross-file legislation to target several components of this crisis: abandonment/blight disincentives, corporate owner transparency, and short-term rental oversight. Additionally, under this initiative, counties will be supporting other pro-housing legislation which helps to advance the conversation, balances local flexibility, and ensures more Marylanders can afford a place to call home.

Counties recognize and support the targeted intent of HB 3 and are keenly interested in partnership and being proactive stakeholders around affordable housing issues more globally. Counties offer the following clarifying amendments which serve to make this legislation implementable:

- Adjust the income threshold from 80% to 60% of area median income (AMI). 80% AMI is still very close to market rate, so this threshold would not adequately address housing affordability - it is too high to be effective. Lowering the threshold to 60% will provide incentive to prioritize housing solutions for economic groups in greater need.
- Adjust the proposed process for granting waivers from this requirement. Currently, the proposed process relies upon the State Department of Housing and Community Development

to oversee the granting of these waivers. As each county has its own process related to land use, it would be impossible for the Department to be familiar enough with each process to accurately assess whether a county can or cannot legitimately meet this requirement. A more streamlined system, based on wholistic merits and on-the-ground realities for each jurisdiction, would better meet the needs of Marylanders. MACo would be happy to work with the sponsors to design such a process.

While counties support that the intent of HB 3 is to precisely target certain affordable housing projects, the legislation does need minor adjustments to achieve full impact while being implementable. For this reason, MACo **urges the committee to give** HB 3 a report of **FAVORABLE WITH AMENDMENTS**.