

LeadingAge Maryland - 2024 - HB 538 - Housing Expa

Uploaded by: Aaron Greenfield

Position: FAV



576 Johnsville Road
Sykesville, MD 21784

TO: Environment and Transportation Committee
FROM: LeadingAge Maryland
SUBJECT: House Bill 538, Land Use - Affordable Housing - Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024)
DATE: February 20, 2024
POSITION: **Support**

LeadingAge Maryland requests a favorable report on House Bill 538, 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.

House Bill 538 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

House Bill 538 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 House Bill 538.

Aaron J. Greenfield, Greenfield Law, 410.446.1992

HB 538 SPONSOR TESTIMONY.pdf

Uploaded by: Adam Rhoades Brown

Position: FAV



SPONSOR TESTIMONY

House Bill 538 - Land Use – Affordable Housing – Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024)

Dear Chair Korman, Vice Chair Boyce, and Distinguished members of the House Environment and Transportation Committee,

Maryland is facing a housing and affordability crisis. By conservative estimates, our state is short 96,000 liveable units when compared to our current population. Marylanders are cramming into homes and paying far too much for them. Multiple children are packed into a single room, intergenerational households are becoming the norm, and in the worst cases, Marylanders are experiencing homelessness due to an inability to afford a roof over their heads.

By the laws of supply and demand, this shortage does not simply impact those who are unhoused – it impacts all of us. As of our most recent data, 52% of Maryland renters pay 30% or more of their wages on housing-related costs. Shockingly, 23% of renters are spending half of every dollar earned on shelter. And this isn't unique to renters. Homeownership is increasingly out of reach for many families. Driven by price and interest rate increases, the income needed to purchase the median Maryland home has increased by a staggering 52% in the last two years, from \$85,215 to \$132,702. For context, based on the most up-to-date information published by the US Census Bureau, Maryland has the highest median household income in the nation at \$98,461. This means that making the highest median household income in the wealthiest nation on Earth is still insufficient to afford even the median priced home in our state.

A key reason for these high costs is Maryland's inability to build new units. According to the Census Bureau Building Permits Survey, Maryland ranks 41st among all fifty states and DC for new housing units permitted per 100,000 residents. This supply shortage marks a fundamental barrier to Maryland's economic competitiveness. Given Maryland's high cost of living - driven in large part by housing costs - Maryland is an expensive place for top talent and businesses. If we want to grow Maryland's economy and expand opportunity for our residents, we have to address housing costs.

Marylanders understand the gravity of this situation. According to polling completed by the Maryland Association of Realtors, 82% of Marylander voters say the cost to buy a home is too high, compared to 57% just four years ago. In the same poll, 66% of voters said that there is too little housing for people with low incomes, and 65% of voters believe that excessive regulations make it too difficult to build affordable housing options. Perhaps most concerning is that 44% of younger renters and 30% of all voters aged between 18-34 years reported that they are



considering leaving Maryland due to housing costs. Maryland's strength is its people, and we can't afford to lose them.

To address the housing crisis, we need to move in partnership across all levels of government and the private sector. Partnership is not a goal for any political purpose – but rather, a necessity to make progress on addressing this crisis and unlock Maryland's full potential. .

This is why my administration has introduced House Bill 538, the Housing Expansion and Affordability Act of 2024. This important legislation seeks to establish regulatory incentives for vital development to address the housing supply and affordability crisis. The state does a great job at telling local authorities and private businesses where they cannot build, like in certain agricultural and environmentally-sensitive areas. But we haven't done enough to incentivize development in areas where building is more desirable. Our legislation seeks to narrow this gap and remove barriers to development through a few key policies:

1. Regulatory Incentives and Density Bonuses

This section of the bill streamlines processes and allows for properties to be developed with higher density and in a more expeditious manner if the property is:

- Within 1 mile of a passenger rail station and will contain at least 25% affordable housing units. This seeks to address both the state's housing and environmental goals by incentivizing the creation of new housing while unlocking car-free options for everyday travel;
- Formerly a historic state-owned campus or complex that was built at least 50 years ago and will contain at least 50% affordable housing units. This seeks to address two problems at once by providing incentives to develop blighted properties while incentivizing the creation of more housing units; or
- Owned by a 501(c)(3) organization and will contain at least 50% affordable housing units. Housing operated on properties owned by nonprofit organizations are subject to property taxes.
- The density bonuses in this section are sensitive to local zoning decisions. Specific housing development will be authorized to be developed with higher density and in a more expeditious manner by:
 - Permitting middle housing in areas zoned for single-family;
 - Permitting mixed-use and 30% greater density in areas zoned for multifamily;



-
- Permitting 30% greater density in areas zoned for mixed-use; and
 - Permitting mixed-use housing in line with the highest density area of the jurisdiction for areas zoned as nonresidential.

2. Adequate Public Facility Ordinance Alterations

This section of the bill limits the ability of local jurisdictions to deny permits or unreasonably restrict projects funded by low-income housing tax credits (“LIHTC”) or other affordable housing financing programs managed by the Maryland Department of Housing and Community Development (“DHCD”).

This component of our legislation focuses on adequate public facility ordinances (“APFOs”), which are often barriers to the construction of new affordable housing, by stating that projects receiving LIHTC or certain DHCD multifamily funding cannot be denied a permit on the basis of an APFO. Additionally, they cannot be unreasonably restricted or limited to the point of impact the project’s viability, affordability, or density on the basis of an APFO.

As a state, we are 96,000 units short today, and these new housing units will seek to house people already in our communities. By doing this statewide instead of asking a single jurisdiction to stop the practice, it is much less likely that a family will uproot from schools, friends, or family and move to a new area.

At the request of the Maryland Association of Counties, this exemption will sunset after a period of 15 years.

3. Modernizing Code for Manufactured Homes

This section of our legislation addresses the high costs and lengthy time frame of construction by permitting new manufactured homes in areas zoned for single-family residential uses. The bill applies to manufactured homes that are, or will be, converted to real property once attached to a foundation.

STATE OF MARYLAND
OFFICE OF THE GOVERNOR



With these alterations, Maryland will take a powerful step toward addressing our affordability crisis. To make this Maryland's decade, we must address this issue head on. For these reasons, I respectfully ask the committee for a favorable report on House Bill 538.

Sincerely,
Governor Wes Moore

HB538_Amazon_FAV.pdf

Uploaded by: Anya Malkov

Position: FAV



February 16, 2024

The Honorable Marc Korman
Chair, Environment and Transportation Committee
Maryland House of Delegates

Re: Support for House Bill 538 (Housing Expansion and Affordability Act of 2024)

Dear Chair Korman and Members of the Environment and Transportation Committee:

On behalf of Amazon, I write to express support for the Housing Expansion and Affordability Act of 2024 (HB538). Amazon believes that all people should have access to housing they can afford and we are committing our resources to increase the supply of long-term, affordable homes for low-to-moderate income residents.

Since the launch of the Amazon Housing Equity Fund in 2021, we have invested more than \$185 million in eight projects across Montgomery and Prince George's Counties. These investments support the preservation and creation of 1,780 affordable homes for households earning 30% - 80% of area median income.

We fund affordable housing within a half mile from public transit, making it easier for residents to access critical resources like jobs, schools, and retail. Three of our Maryland projects – in College Park, New Carrollton and North Bethesda – were done in partnership with the Washington Metropolitan Area Transit Authority (WMATA) to build transit-oriented communities.

Transit-oriented development connects communities to jobs and services and promotes local community and economic development while also reducing commute times and associated expenses. We appreciate the focus on transit-oriented development in the Housing Expansion and Affordability Act of 2024, and urge a favorable report.

Thank you for your consideration.

Sincerely,

Anya Malkov
Head of Maryland Public Policy
Amazon

HB0538-ET-FAV-BMS .pdf

Uploaded by: Brandon Scott

Position: FAV



BRANDON M. SCOTT
MAYOR

*Office of Government Relations
88 State Circle
Annapolis, Maryland 21401*

HB0538

February 20, 2024

TO: Members of the House Environment and Transportation Committee

FROM: Mayor Brandon M. Scott, City of Baltimore

RE: House Bill 538 – Land Use – Affordable Housing – Zoning Density and Permitting
Housing Expansion and Affordability Act of 2024

POSITION: Support

Chair Korman, Vice Chair Boyce, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** House Bill (HB) 538

HB 538 would establish local density bonuses for residential development and create regulatory certainty for developers seeking to address Maryland’s housing shortage.

A number of key components of the legislation such as Density Bonuses and Manufactured Homes are initiatives that BCA supports, and are already reflected in our local Building and Zoning Codes or our work to incentivize development in targeted areas in Baltimore. The changes proposed in this bill to APFO Exemptions, such as limiting meetings and addressing standing to affordable developments, are not generally applicable to Baltimore City. Baltimore City already allows for manufactured housing in our Building Fire and Related Codes (BFRC) and we do not see this legislation to permit new manufactured homes in zones that allow single-family residential uses as an impediment in Baltimore City. BCA is committed to working with Governor Wes Moore and his Administration to continue to address Maryland’s housing crisis by promoting affordable residential development.

Mayor Brandon M. Scott is poised to make the largest investment ever into Baltimore’s disadvantaged neighborhoods. In late 2023, the Scott Administration announced a comprehensive vacant housing reduction strategy which will include the issuance of non-contiguous TIF Bonds, revival of the Industrial Development Authority and working with BUILD and the GBC to raise \$300 million from private investors and the philanthropic community. HB 538 would aide efforts already underway to support development in targeted areas of the City, some of which align with our focus areas.

The density bonuses proposed in HB 538, which includes Baltimore MARC stations, metro subway stations, MTA Light Rail Stations, and other passenger rail stations, includes many areas already targeted for investment in East Baltimore, West Baltimore, South Baltimore and Park Heights.

Baltimore City developers also already enjoy some additional incentives to aid their work in targeted neighborhoods to rehabilitate vacant properties assisted by the work of Baltimore City Department of Housing and Community Development (DHCD). Baltimore City DHCD also offers a number of homebuyer incentives to help populate newly rehabilitated or constructed housing such as;

- Homebuyer Down Payment Grants to be paired with developer incentives to make rehabbed vacants in target neighborhoods affordable at all income levels.
- Live work incentives: There is capital ear-marked for entrepreneurs to crate live/work spaces with retail or studio on the first floor, with living space above it. Many vacants in Baltimore neighborhoods are zoned for commercial use and can be rehabbed to support our small businesses.

HB 538 represents a targeted approach that will be particularly helpful in transit centered jurisdictions like Baltimore. The Bill seeks to establish local density bonuses for residential development which will help to create regulatory certainty for developers seeking to address Maryland's and Baltimore's affordable housing shortage. A number of key components of the legislation enhance or expand incentives to create housing opportunities that are so desperately needed for Baltimore families.

For these reasons, the BCA respectfully request a **favorable** report on HB 538.

Written Support - HB538 - Housing Expansion and Af

Uploaded by: Carmel Roques

Position: FAV



Wes Moore | Governor

Aruna Miller | Lt. Governor

Carmel Roques | Secretary

Date: February 16, 2024

Bill Number: HB538

Bill Title: Land Use - Affordable Housing - Zoning Density and Permitting - Housing Expansion and Affordability Act

Committee: House Environment and Transportation

MDOA Position: FAVORABLE

The Department of Aging (MDOA) thanks the Chair and Committee members for the opportunity to submit this letter of support on House Bill 538 - Affordable Housing - Zoning Density and Permitting - Housing Expansion and Affordability Act.

The Maryland Department of Aging (MDOA) serves as Maryland's State Unit of Aging, administering federal funding for core programs, overseeing the Area Agency on Aging (AAA) network at the local level that provides services, and planning for Maryland's older adult population. A lack of affordable housing options for older adults is one of the biggest and consistent challenges we hear about from our AAA network, state and community partners, and older adults themselves.

Pursuant to a recent Executive Order, in January 2024, MDOA launched the Longevity-Ready Maryland Initiative,¹ which will build upon existing efforts across state agencies, private and philanthropic sectors and other stakeholders to tackle real-life challenges throughout the lifespan, taking a whole-of-life and whole-of-government approach. Key goals of Longevity-Ready Maryland are for all Marylanders to lead lives that are healthy, financially secure, socially connected, purposeful - with increased access to affordable housing. The Housing Expansion and Affordability Act will absolutely do this, serving as a critical step forward for older Marylanders.

¹ See Maryland Department of Aging: Longevity-Ready Maryland Initiative *available at*: <https://aging.maryland.gov/Pages/LRM.aspx>



Wes Moore | Governor

Aruna Miller | Lt. Governor

Carmel Roques | Secretary

For these reasons, the Department of Aging respectfully urges a favorable report for HB 538. If you have any questions, please contact Andrea Nunez, Legislative Director, at andrea.nunez@maryland.gov or (443) 414-8183.

Sincerely,

A handwritten signature in blue ink that reads "Carmel Roques". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Carmel Roques
Secretary
Maryland Department of Aging

HB0538_Housing_Expansion_and_Affordability_Act_MLC

Uploaded by: Cecilia Plante

Position: FAV



TESTIMONY FOR HB0538

Land Use – Affordable Housing – Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024)

Bill Sponsor: Speaker

Committee: Environment and Transportation

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of HB0538 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists, and our Coalition supports well over 30,000 members.

Maryland is facing an affordable housing crisis. The amount of new housing has outstripped demand and prices have increased dramatically. Young people can no longer afford to buy a house. This bill, if enacted, is designed to incentivize new affordable housing development and would permit properties to be developed quickly and with higher density as long as the developers provide a certain percentage of affordable housing. This is accomplished by offering 'density bonuses', which would allow more units to be built in the area than typically allowed.

Density bonuses apply to properties that would be developed close to a transportation hub or housing built by a non-profit organization that would contain at least 50% affordable units.

The bill would also permit new manufactured homes in single-family residential zones.

Our members understand that we need to change the way that we permit housing in order to encourage the growth that we need. Additionally, we need to encourage high-density, affordable housing near transportation hubs. We support this bill and recommend a **FAVORABLE** report in committee.

IL Written Testimony HB 538 of 2024.pdf

Uploaded by: Chris Kelter

Position: FAV



**HB 538: Land Use – Affordable Housing – Zoning Density and Permitting
(Housing Expansion and Affordability Act of 2024)**

Testimony of Maryland Centers for Independent Living

SUPPORT

House Environment and Transportation Committee, February 20, 2024

Centers for Independent Living (CIL) are created by federal law. CILs work to enhance civil rights and community services for people with disabilities. There are seven CILs throughout Maryland, operated by and for people with disabilities. At least 51% of CIL staff and Board are people with disabilities. CILs provide Information and Referral, Advocacy, Peer Support, Independent Living Skills training, and Transition Services to individuals in their communities. Housing assistance is offered by CILs as housing services are critical to independent living.

HB 538 Impacts People with Disabilities: When the Americans with Disabilities Act was passed in 1990, Congress recognized that housing discrimination against individuals with disabilities was a serious and pervasive social problem.¹ The recent “State Disabilities Plan”, by the Maryland Department of Disabilities identifies the need for “Improved availability of integrated, affordable, and accessible housing options for people with disabilities and their households.”² More than half of all people with disabilities in Maryland had annual household incomes below \$15,000 in 2016.³ In 2023, the average monthly rent of a one-bedroom apartment in Maryland was \$1,111, while monthly Supplemental Security Income payments for individuals with disabilities were just \$841.⁴ Our affordable housing crisis disproportionately affects Marylanders with

¹ 42 U.S.C. §12101 (a).

² Maryland Department of Disabilities, “STATE DISABILITIES PLAN 2020-2023”. @ 12 (available at [MDOD StateDisabilitiesPlan_062321_COPY \(1\).pdf \(maryland.gov\)](https://www.maryland.gov/MDOD/StateDisabilitiesPlan_062321_COPY_(1).pdf)).

³ MD. DEP’T OF HEALTH, BRFSS BRIEF: DISABILITY AND HEALTH AMONG MARYLAND ADULTS (August 2018) (available at https://health.maryland.gov/bhm/DHIP/Documents/BRFSS_BRIEF_2018-08_Disability.pdf).

⁴ TECHNICAL ASSISTANCE COLLABORATIVE, PRICED OUT: THE HOUSING CRISIS FOR PEOPLE WITH DISABILITIES (2021), <http://www.tacinc.org/knowledge-resources/priced-out-v2/>

disabilities.⁵ The 2020 Maryland Housing Needs Assessment and 10-Year Strategic Plan, found that persons living with disabilities need to be better served by Maryland’s housing market.⁶

Individuals with physical disabilities are impacted by the housing crisis twofold: affordability and accessibility. The lack of accessible, affordable housing is well-documented. The increase in low-income renters and the rise in an aging demographic will ultimately lead to an even greater need for economical and navigable housing in the coming years.

CILs regularly engage people with disabilities who struggle to find housing. CIL consumer surveys identify housing as a top need. CILs assist individuals with housing modifications, and experience the frustrations of inaccessible and unaffordable housing, which contributes to adverse health outcomes, falls and instability.

Support. Passage of this bill could result in increased housing for people with disabilities. New development can readily include accessible housing and compensate for an older, inaccessible housing stock, which is costly to retrofit. We appreciate the intention of the bill to streamline processes for properties that are owned by 501(c)(3) organizations and will contain at least 50% affordable housing units. The bill identifies serious barriers to the development of affordable housing. While the bill *allows* practices to combat housing discrimination it appears toothless against those localities where NIMBYism and zoning barriers persist. The legislation does not tie critical provisions to funding penalties or enforceability. The bill identifies what *should* change but stops short of *requiring* changes that would result in fair housing and affordable opportunities. We wish provisions in this part of the bill were mandatory so as to realize the goals of our country’s Fair Housing Act and to ensure opportunities for people with disabilities.

Protecting the housing and civil rights of Marylanders with disabilities benefits all Marylanders.

We appreciate the consideration of these comments.

For further information contact:

Imani Graham, Executive Director
The IMAGE Center
410-982-6311
igraham@imagemd.org

or Chris Kelter, Executive Director
Accessible Resources for Independence
443-713-3914
ckelter@airnow.org

⁵ “2022 Maryland Housing Needs Assessment and 10-Year Strategic Plan”, prepared by the National Center for Smart Growth and Enterprise Community Partners, Inc. Dec. 2020 @.30 (available at [Maryland Housing Needs Assessment.pdf \(mdahc.org\)](#); See, also, “Housing Needs by State”, National Low Income Housing Coalition, 2023 (available at: [Housing Needs By State | National Low Income Housing Coalition \(nlihc.org\)](#)).

⁶ Maryland Housing Needs Assessment & 10-Year Strategic Plan, (n 3) @ 1.

2024.02.20 HB0538 Favorable.pdf

Uploaded by: Christiana Rigby

Position: FAV



Howard County Council

George Howard Building
3430 Court House Drive
Ellicott City, Maryland 21043-4392

Christiana Rigby
Councilmember

District 3

TESTIMONY IN SUPPORT OF HB0538

Land Use – Affordable Housing – Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024)

February 20, 2024

Dear Chair Korman, Vice Chair Boyce, and Members of the Environmental and Transportation Committee:

Thank you for the opportunity to provide testimony to the Committee. I am writing to express my strong support for the thoughtful, targeted, and balanced proposal that is HB0538, legislation that offers density bonuses for certain types of development.

As the Howard County Councilmember representing both transit-oriented development zoning districts in the County, I firmly believe this legislation will reduce the barriers developers face and encourage additional homes and housing affordability in these zones.

Maryland is short 96,000 housing units, a number that is only projected to increase. Our residents feel the impact of Maryland's housing shortage as 52 percent of renters are cost-burdened. Prospective homeowners face similar challenges as Marylanders need an income of \$132,000 to afford a median-priced home. This increased by 56 percent from October 2021 to October 2022.

Currently, there are many mechanisms in place to restrict housing development and not enough options to incentivize development. By expanding opportunities for density bonuses, limiting the impact of Adequate Public Facility Ordinances, and permitting new manufactured homes in single-family residential zones, local jurisdictions have access to new tools that increase housing affordability and housing supply. These are solutions aimed at addressing a significant root cause of Maryland's housing shortage and increased housing costs.

Thank you for your consideration of this legislation, and I respectfully encourage a favorable report.

Yours in service,

A handwritten signature in cursive script that reads "Christiana Rigby".

Christiana Rigby

CDN HB538 FAVORABLE.pdf

Uploaded by: Claudia Wilson Randall

Position: FAV



Testimony HB 538
House Environmental and Transportation Committee
February, 20, 2024
Position: FAVORABLE

Dear Chairman Korman and Members of the Environment and Transportation Committee:

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities. CDN envisions a state in which all communities are thriving and where people of all incomes have abundant opportunities for themselves and their families.

HB 538 - a local legislative body from prohibiting the placement of certain manufactured homes in a zoning district that allows single-family residential uses under certain circumstances; prohibiting a local jurisdiction from using an element of an adequate public facilities law to deny a certain permit for a State-funded affordable housing project or to restrict or limit the development of the project in certain manners; requiring local jurisdictions to allow an increase in density of certain qualified projects in certain districts or zones for certain properties formerly owned by the State, located within a certain distance of a rail station, or owned or controlled by a nonprofit organization; providing for the calculation of residential density in certain zoning districts; prohibiting the application of certain zoning requirements under certain circumstances.

In 2020, the University of Maryland's National Center for Smart Growth and Enterprise Community Partners released the [Maryland Housing Needs Assessment and 10 Year Strategic Plan](#). The report was commissioned in response to a request from the chairs of the Maryland General Assembly's Senate Budget and Taxation and House Appropriations committees.

At that time the findings included:

- A shortage of 85,000 affordable apartments for families and individuals earning less than 30% of median income, representing the most serious gap in supply for people at all income levels;
- An additional 97,200 families and individuals earning less than 50% of median income are expected to move to the state by 2030, highlighting the need to dramatically increase affordable housing supply over the next 10 years; and

- Seniors, people with disabilities and people of color face significant hurdles to stable housing, such as inflexible standards used by landlords when screening tenants and high down payments.
- These disparities have been made worse by the pandemic; Today, a variety of factors have set the stage for unprecedented challenges for Maryland renters, most pressing are incomes that have not kept pace with housing cost increases . Renters across Maryland have seen the average rents far outpace inflation and sharp increases of all goods and services.

Housing is at the root of unleashing the economy for Marylanders. Housing challenges are the top of every business owner's list of challenges today. Housing impacts every regions' ability to attract and retain labor and build competitive schools. Further, poor housing threatens the health and resilience of Maryland families.

This legislation can help to accelerate the speed of development throughout the state and work to address the current need for more than 100,000 units of housing. Members of the General Assembly need to ensure that new development not only serves high-income suburbs but also homes for veterans, people with disabilities, people of color as well as the ever- increasing numbers of older adults who will live well past 80 years of age. All groups will need services and will need care.

We urge your favorable report for HB 538.

Submitted by Claudia Wilson Randall, Executive Director

Carrington 2024 testimony HB538 Housing Expansion

Uploaded by: Darrell Carrington

Position: FAV



CARRINGTON & ASSOCIATES, LLC
Integrity.Passion.Results
Since 2008

House Bill 538 – Land Use – Affordable Housing – Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024)

SUPPORT

Carrington & Associates, LLC's offers its strong support for House Bill 538, the Housing Expansion and Affordability Act of 2024. Our firm believes that affordable housing is a critical component of community development, and we commend the legislative efforts to address zoning density and permitting to promote more accessible housing options.

Carrington & Associates, LLC is committed to fostering sustainable and inclusive communities. We firmly believe that the proposed legislation aligns with these values by encouraging the preservation of natural resources, providing for affordable housing, and facilitating orderly development and growth.

We particularly appreciate the provisions of the bill that aim to:

1. Prohibit unreasonable limitations or requirements on qualified projects, such as height, setback, bulk, parking, loading, dimensional, or area requirements.
2. Allow an increase in density for certain qualified projects, promoting flexibility in zoning regulations to accommodate the diverse needs of our community.
3. Prohibit the application of certain zoning requirements under specific circumstances, ensuring that affordable housing projects are not unduly burdened by unnecessary restrictions.

These measures are essential steps toward creating a more equitable and accessible housing landscape, and we believe they will contribute significantly to the betterment of our community.

Carrington & Associates, LLC commends the diligent work of the Governor, Speaker, co-sponsors, and all involved in the drafting and introduction of House Bill 538. We understand the complexities involved in such legislation and appreciate the commitment to addressing the housing challenges faced by our community.

Thank you for your attention to this matter. We fully support the passage of House Bill 538 and look forward to witnessing the positive impact it will have on our community's housing landscape.

For the foregoing reasons, we ask for your FAVORABLE report for House Bill 538.

final House Bill 538 testimony .pdf

Uploaded by: Gregory Countess

Position: FAV



House Bill 538
In the House Environment and Transportation Committee–
Land Use-Affordable Housing-Zoning Density and Permitting
(Housing Expansion and Affordability Act of 2024)
Hearing on February 20, 2024
Position: FAVORABLE

Maryland Legal Aid (MLA) submits its written and oral testimony on HB 538 in response to a request from the Office of the Governor of Maryland, Wes Moore

House Bill 538 is legislation that prohibits a local legislative body from allowing the placement of affordable housing in a zoning district and permitting a local jurisdiction to increase the density of certain qualified projects.

MLA is a non-profit law firm that provides free legal services to the State’s low-income and vulnerable residents. MLA handles civil legal cases involving a wide range of issues, including representing people and families struggling with housing and eviction. Too many of the people we represent face eviction because they can’t afford the housing in which they reside.

This legislation provides an opportunity to affordable housing providers to avoid the barriers in current law which restrict the development of certain affordable housing products including manufactured homes and cluster cottages as well as removing barriers to build transit-oriented housing.

Baltimore Regional Jurisdictions, Baltimore City, Baltimore County, Anne Arundel County, the City of Annapolis Housing Authority, Harford County and Howard County produced a document required by federal law to identify the impediments to Fair Housing. One of the barriers identified is the lack of affordable housing. A component of that barrier to housing is zoning, use of the “adequate public facility law” and delay because the need for local review is abused by opposition to affordable housing. This legislation is an important component of a strategy to overcome this impediment and produce enough housing to meet the need.¹

By any measure, housing is not affordable for thousands of residents throughout Maryland. The Maryland Department of Housing and Community Development commissioned a study released in December of 2020 that measured housing need in this state. The report noted that “Despite continued progress, ... Maryland currently lacks approximately 85,000 rental units for its lowest income households (meaning extremely low-income or those earning 30 percent of area median income [AMI (Area Median Income)] or below). In many parts of the state, there aren’t enough rental units for very low-income households (those earning under 50 percent AMI) either. Maryland will add an estimated 97,200 extremely and very low-income households between 2020 and 2030. Without further acceleration to create and preserve deeply affordable

¹ https://www.baltometro.org/sites/default/files/bmc_documents/general/community/analysis-to-impediments/2020_RegionalAI_final.pdf

units, this shortage will worsen.”²

The human right to housing is one of the most essential and universally recognized human rights. It finds strong recognition in international, federal, and state. The Universal Declaration of Human Rights guarantees “the right to a standard of living adequate for the health and well-being of [the individual] and of his[/her] family, including food, clothing, shelter and medical care and necessary social services.”³ One of the basic aspects of the right to housing is that such housing should be affordable.⁴

HB 538 is a step toward providing more affordable housing and we urge a favorable report.

Gregory Countess, Esq.
Director of Advocacy for Housing and Community Economic Development
Maryland Legal Aid
410 951 7687

² <https://dhcd.maryland.gov/Documents/Other%20Publications/Report.pdf>

³ The Universal Declaration of Human Rights, G.A. Res. 217, U.N. GAOR, 3d Sess., pt. 1, U.N. Doc. A/810 (1948).

⁴ General Comment 4, Committee on Economic, Social and Cultural Rights, U.N. Doc. E/1992/23, ¶6 (1991).

HB 538 - SUPP - E&T - Housing - Land Use Act - F

Uploaded by: Heather Iliff

Position: FAV



marylandnonprofits.org

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410.727.6367 | 800.273.6367 | Fax 410.235.2190

February 20, 2024

Testimony on House Bill 538
Land Use – Affordable Housing – Zoning Density and Permitting
(Housing Expansion and Affordability Act of 2024)
House Environment and Transportation Committee

Position: Favorable

Maryland Nonprofits is a statewide association of more than 1800 nonprofit organizations and institutions. We urge you to support House Bill 538 and approve Governor Moore’s proposal to expand opportunities for new housing development as part of the strategy to address the critical shortage of affordable housing in our state.

House Bill 538 would directly address Maryland’s housing supply and affordability crisis to lower costs and expand economic opportunity for Marylanders across the state. The bill incentivizes construction of highly targeted new housing by removing barriers to development that have contributed to the current supply shortage. The legislation also has provisions to modernize land use law and expedite and simplify approval for transit-oriented development, development on former state-owned complexes, and housing development by 501(c)(3) organizations if certain affordability requirements are met, in addition to incentivizing development projects by allowing for greater density when certain conditions are met.

Limitations on development such as density or other planning and zoning restrictions, unnecessarily limit development opportunities and increase costs of land, and the cost of housing purchase or rental. Maryland is estimated to have a housing shortage today of over 100,000 units, and the majority of those are needed for low-income families.

Maryland Nonprofits’ broad membership includes organizations serving the entire spectrum of individual, family and community needs across our state. This perspective allows us to see better than most that resolving poverty and the social and economic inequities that burden the lives of too many Marylanders, particularly families and communities of color, requires addressing the multiple interconnected challenges that they face every day. Factors such as lack of available transportation, food insecurity, unaffordable childcare, and access to adequate health care and services, all impact the health and education of children, the opportunity to access to jobs and stable employment, the ability to build a sustaining level of wealth, and more. Access to safe, stable, and affordable housing is essential to meeting most if not all of these needs.



Maryland Nonprofits’ mission is to strengthen organizations and networks for greater quality of life and equity.

Excessive housing costs among renters, but also for many low-and moderate-income homeowners, impacts their families' nutrition, decisions to when to seek health care, ability to own a car, pay college debt or save for their own children's education, and to live within accessible reach of employment, educational opportunities, or shopping for basic needs. The education of children who are forced to attend two or more different schools a year because of housing instability will suffer regardless of our investments in the Blueprint for Maryland's Future.

Housing affordability, or its 'unaffordability', has become a serious crisis in our state. According to the Maryland Housing Needs Assessment that was completed in 2021 by the National Center for Smart Growth and Enterprise Community Partners, Maryland will have to make a significant investment in housing over the next 10 years to keep up with economic and demographic shifts in the state. The analysis showed that the state is short 85,000 rental units for low-income households. With Maryland expected to add almost 100,000 low-income households by 2030, the shortage will worsen unless the state creates and preserves many more affordable homes.

The "Housing Expansion and Affordability Act of 2024" is a necessary and integral part of Governor Moore's plan to end poverty and make Maryland more affordable for all.

We urge you to give House Bill 538 a **favorable report**.

HB538_DHCD_SUPPORT.pdf

Uploaded by: Jake Day

Position: FAV



WES MOORE
Governor
ARUNA MILLER
Lt. Governor
JACOB R. DAY
Secretary
JULIA GLANZ
Deputy Secretary

DATE: February 20, 2024

BILL NO.: House Bill 538

TITLE: Land Use – Affordable Housing – Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024)

COMMITTEE: House Environment & Transportation Committee

Letter of Support

Description of Bill:

House Bill 538 prohibits local jurisdictions from prohibiting the placement of manufactured homes in single-family residential zones; limits, for the next 15 years, the ability of local jurisdictions to deny building permits or unreasonably restrict tax credit-funded or other DHCD-managed affordable housing projects through the use of adequate public facility ordinances (APFOs); and allows for the development of properties with higher density within 1 mile of a passenger rail station and containing at least 25% affordable housing units, as well as historic former state-owned campuses or complexes or nonprofit-owned properties containing at least 50% affordable housing units.

Background and Analysis:

Currently, Maryland faces a 96,000-unit housing shortage, exacerbated by local barriers to construction of multifamily housing. The shortage of housing affordable to Marylanders making below median incomes is particularly severe. House Bill 538 addresses this shortage in three key ways:

First, permitting the placement of new manufactured homes in any single-family zoned residential area addresses the high costs and lengthy time frames of construction of traditional stick-built housing. Manufactured homes typically take 20-50% less time to construct and install, and have construction costs per square foot about half that of traditional stick-built homes. HUD standards also require that these homes have high construction quality and meet high energy efficiency standards.

Second, limiting the ability of local jurisdictions to unreasonably delay or restrict affordable housing projects will help house Marylanders already in those communities. Adequate public facility ordinances (APFOs) are currently outright preventing the development of essential, otherwise viable housing projects. Additionally, these policies often place unreasonable requirements on these projects that significantly increase their cost, and delay construction, which both increases costs and lengthens the wait for move-in-ready housing. This bill limits the application of APFOs on a very small number of state-financed projects (30-40 projects annually) that provide the housing that is most needed by working families in Maryland.

Finally, allowing and incentivizing higher-density and affordable housing near rail stations, on historic former state-owned properties, and nonprofit-owned properties both helps address the housing shortage and boosts Maryland's economy by connecting more residents to employment centers in the state. It also incentivizes the development of underutilized land and the creation of more housing units on those properties.

DHCD Position:

The Department of Housing and Community Development respectfully requests a **favorable** report on House Bill 538.



MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
7800 HARKINS RD • LANHAM, MD 20706 • DHCD.MARYLAND.GOV
301-429-7400 • 1-800-756-0119 • TTY/RELAY 711 or 1-800-735-2258



HB 0538, FAV, FCG, OCE, JF, LS24.pdf

Uploaded by: Jessica Fitzwater

Position: FAV



FREDERICK COUNTY GOVERNMENT
OFFICE OF THE COUNTY EXECUTIVE

Jessica Fitzwater
County Executive

HB 538 – Land Use – Affordable Housing – Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024)

DATE: February 20, 2024
COMMITTEE: House Environment and Transportation Committee
POSITION: Favorable
FROM: The Office of Frederick County Executive Jessica Fitzwater

As the Frederick County Executive, I urge the committee to provide a favorable report to House Bill 538, the Housing Expansion and Affordability Act of 2024.

Frederick County is the fastest growing jurisdiction in Maryland and with that comes great opportunity as well as considerable challenges. One of those challenges is meeting the housing needs of our residents. While we know that as a state we have a housing shortage of 96,000 units, I have seen firsthand the acute housing needs in Frederick County. Between high rates of new residents and our aging population here in Frederick County, our community is a prime example of the need for affordable units across a broad spectrum of housing needs from condominiums and senior housing to duplexes and triplexes to single-family homes. To best serve our constituents, we must invest in creative and coordinated solutions to incentivize mixed-use, mixed-income development.

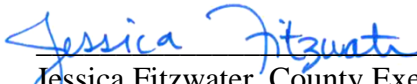
Frederick County's comprehensive plan, Livable Frederick, highlights not only a community-driven vision for the future of Frederick County, but also the many components that contribute to quality of life, including housing. A major goal of this plan is to build a varied housing stock in order to support fairness, equity, and resilience that serves the needs of present and future residents. This means using the levers we have in local government, such as zoning and land use decisions, to incentivize the development of a broader and richer mix of dwelling types.

During my time as a Frederick County Council Member, I was proud to sponsor and pass several pieces of legislation to incentivize the development of Moderately Priced Dwelling Units (MPDUs), including using density bonuses and impact fee exemptions. The provisions and intent of the Housing Expansion and Affordability Act of 2024 align well with those local initiatives and will help other jurisdictions move in a similar direction.

As a County Executive and member of the Maryland Association of Counties, I greatly appreciate the ongoing discussions between the Administration and MACO regarding amendments to this proposal. Local government must always balance development with infrastructure needs. One major piece of this bill is an exemption from local adequate public facility ordinances (APFOs) from projects receiving LIHTC or certain DHCD multifamily funding. For a jurisdiction like Frederick County, limiting that exemption to only the portions of the project that meet the definition of affordable housing is a crucial detail to ensure local governments can manage infrastructure needs.

Addressing the affordable housing crisis will require collaboration among all levels of government. There is no magical solution to this complex challenge, but mitigating the barriers to developing dense, affordable housing, is one crucial step forward. I commend the Governor and Secretary Day for tackling this issue head-on and greatly appreciate their team's ongoing commitment and dialogue with the legislature, local governments, and stakeholders.

Thank you for your consideration of HB 538. I urge you to advance this bill with a favorable report.



Jessica Fitzwater, County Executive
Frederick County, MD

TheArcCentralChesapeake_Written Testimony_Gov Hous

Uploaded by: Jonathon Rondeau

Position: FAV



February 20, 2024

House Environment and Transportation Committee
The Honorable Chair Marc Korman
Room 251
Annapolis, MD 21401

Re: House Bill 538: Land Use – Affordable Housing – Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024) – Favorable Support

Dear Chair Korman and Members of the Environment and Transportation Committee:

I am writing to you on behalf of The Arc Central Chesapeake Region in SUPPORT of HB 538: The Housing Expansion and Affordability Act of 2024.

The Arc Central Chesapeake Region (The Arc) serves over 3,000 children and adults with intellectual and developmental disabilities and their families in Anne Arundel County and Maryland's Eastern Shore. The Arc's mission is to support people with intellectual and developmental disabilities to live the lives they choose by creating opportunities, promoting respect and equity, and providing access to services. Building affordable housing has been a natural part of this work since The Arc's founding in 1961 and has accelerated in recent years in response to the housing crisis.

This is why in 2007, The Arc founded Chesapeake Neighbors, our affordable housing nonprofit subsidiary, to serve as a property redevelopment and management arm tasked with creating quality, affordable, and accessible housing for people with disabilities and low-income families. To date, Chesapeake Neighbors has created more than 70 affordable housing units in Central Maryland and the Eastern Shore.

Our state is in crisis - no community in Maryland has enough affordable housing to support the needs of its residents. We need the ability to leverage every resource to create more housing opportunities throughout the community, and density bonuses are a critical tool for allowing organizations like Chesapeake Neighbors to do so. **Density bonuses allow us to tailor affordable housing to a community's needs with greater nuance, which is especially important for the diverse and inclusive communities we create.**

Chesapeake Neighbors specializes in creating mixed-income communities that blend affordable housing with market rate housing. Mixed-income development is an established best practice for all populations because it helps deconcentrate poverty while creating affordable housing in areas of opportunity. We focus on small, scattered site housing, which utilizes existing housing infrastructure that is already aligned with established community norms. A typical Chesapeake Neighbors development might look like a single-family home split into a duplex, or a larger residence renovated to support ten individual units.

Linguistically, it may seem counterintuitive that a small, scattered-site housing developer would be a proponent of density bonuses; however, in implementation, it is not. This is because economies of scale are still relevant in small, scattered-site housing – it is still more cost-efficient to produce ten units rather than one. **Chesapeake Neighbors believes in small, scattered-site housing, and density bonuses allow us to increase economies of scale while staying true to our mission.**

As a nonprofit developer, we execute this inclusive, scattered-site work through a combination of grants, donations, and government funding. By comparison, private, for-profit developers tend to skew toward higher-unit, market rate developments, or higher-unit developments that benefit from LIHTC tax incentives. This approach, paired with the use of investors who orient around a bottom-line only focus, creates a more profitable development model intended to generate revenue. And in generating revenue, we know the network of investment-oriented financial resources available to for-profit developers is considerable.

Both our development model and the for-profit development model are essential to creating greater housing supply for Marylanders. However, for organizations like Chesapeake Neighbors to survive and compete in the housing market while serving Marylanders with intellectual and developmental disabilities and low-income families, **it is quintessential we have our own robust network of financial resources that allow us flexibility and creativity to continue developing affordable housing at scale.** Density bonuses are an important tool that both provides this support and empowers us to remain competitive while we drive this essential work forward.

For these reasons, The Arc Central Chesapeake Region, and Chesapeake Neighbors support Governor Moore's vital Housing Agenda, including Section 7-504, and urge the Committee for a favorable report.

Sincerely,



Jonathon Rondeau
President & CEO
Chair, Chesapeake Neighbors Board of Directors

HB538_JCRC_FAV.pdf

Uploaded by: Laura Salganik

Position: FAV



Committee: Environment and Transportation

Testimony on: HB538 – Land Use – Affordable Housing – Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024)

Organization: The Jewish Community Relations Council, Howard County, MD

Submitting: Betsy Singer and Laura Salganik, Co-chairs

Position: Favorable

Hearing Date: February 20, 2024

Dear Chair and Committee Members:

The Jewish Community Relations Council of Howard County (JCRC) is submitting this testimony in support of HB538.

It is an important tenet of justice in Judaism that everyone should have a safe and affordable place to live. Unfortunately, we are falling far short of this social justice goal in Maryland.

The Housing Expansion and Affordable Housing Act of 2024 contributes to Smart Growth by proposing important steps to increase the supply of affordable housing in the state through density bonuses and a more expeditious approval process for some housing, limiting the ability of APFO to deny permits for housing funded through some mechanisms, and permitting manufactured homes that meet a legal definition and are attached to a foundation in single-family residential areas.

Increasing the supply of affordable housing is important because housing is central to every aspect of individuals' lives – health, education, maintaining a job, etc. In addition, it is crucial for a thriving economy – places for workers to live. Lack of affordable housing is responsible for a myriad of problems that affect both residents and businesses, and become a drain on public resources.

When families can't find housing that is affordable – i.e., costs are 30 percent or more of their income – they enter the ranks of the "rent-burdened," and are likely to have difficulty affording other necessities such as food, clothing, transportation and medical care. Those who pay 50 percent or more of their income on rent burden are designated as "severely rent burdened." Imagine having a low income and spending 50 percent of it on rent! What is left? No wonder so many families line up in their cars to get food from neighborhood food programs. Rent is eating up their money.

In Maryland in 2022, there were about 370,000 households who were rent burdened, almost half of all rental households. And 180,000 households were severely rent-burdened, almost a quarter of all rental households. Contrary to what one might expect, the percentages of rental households who were rent burdened and severely rent-burdened was similar in Howard County, our home county, the wealthiest in Maryland. This is a state-wide issue.

However, in spite of the importance of affordable housing, it is a constant struggle to build. **We urge you to pass HB358, the Housing Expansion and Affordability Act of 2024.**

HB0538 ACDS Support - Housing Expansion & Affordab

Uploaded by: Lisa Sarro

Position: FAV



**HB0538 – Land Use – Affordable Housing – Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024)
Hearing before the Environment & Transportation Committee
February 20, 2024**

Position: SUPPORT (FAV)

SUPPORT: Arundel Community Development Services, Inc., (“ACDS”) urges this Committee to issue a Favorable report on HB0583, the Housing Expansion and Affordability Act of 2024.

ACDS serves as Anne Arundel County’s nonprofit housing and community development agency, helping Anne Arundel County residents and communities thrive through the provision of safe and affordable housing opportunities, programs to prevent and end homelessness, and community development initiatives. As part of this role, ACDS advises the County on issues related to affordable housing, develops housing and community development strategies for Anne Arundel County, and works with the County to support the development of safe, affordable housing for all County residents.

Like the rest of the State, Anne Arundel County is facing a housing crisis. With 45 percent of all renters being cost burdened and the median home sales price at \$470,000 for 2023, we have a severe shortage of both rental and homeownership opportunities in the County, especially for low- and moderate-income residents. To address these challenges and ensure that Anne Arundel County is “the Best Place for All” the County is tackling its housing crisis with a multi-faceted approach, having enacted policies to incentivize the development of affordable housing through land use and minimize barriers to development, establishing a Housing Trust Fund to financially support affordable housing development, and administering robust and effective eviction and homelessness prevention programs. Recently enacted policies include establishing and enhancing our own “Workforce Housing” density incentive provision and exempting LIHTC developments from school APF requirements. While there is still much work to do, collectively, these efforts have helped generate a pipeline that will preserve or create over 1,550 units in the next couple of years.

The Housing Expansion and Affordability Act of 2024 includes and expands upon provisions, such as eliminating APF requirements as a barrier to the development of LIHTC developments, that we have found to be helpful in generating new housing development opportunities here in Anne Arundel County. Creating increased density allowances in areas where it makes sense – close to transit and redevelopment areas- increases the financial viability of development and the requirement to include affordable units ensures that our workforce will not be left behind, while ensuring sustainable and smart development. Furthermore, increasing density allowances for nonprofit developers helps build the development capacity of smaller, locally rooted developers, like ACDS and partners like The Arc of the Chesapeake and Habitat of the Chesapeake, who are uniquely invested in and committed to our communities.

We look forward to the many benefits the implementation of the Housing Expansion and Affordability Act of 2024 will bring for our community.

For the reasons noted above, ACDS urges the Committee to issue a FAVORABLE report on HB0583.

MBIA Letter of Support HB538.pdf

Uploaded by: Lori Graf

Position: FAV

February 20, 2024

The Honorable Marc Korman
Environment & Transportation Committee
House Office Building, Room 251,
6 Bladen St., Annapolis, MD, 21401

RE: HB 538 Land Use – Affordable Housing – Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024)

Dear Chairman Korman,

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **HB 538 Land Use – Affordable Housing – Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024)**. MBIA supports this measure.

Maryland currently faces a housing shortage of approximately 96,000 housing units. If nothing changes, that number will increase by 5,600 units per year. The National Association of Homebuilders reports that the estimated rent of a Maryland Housing Unit is more than 30% of household incomes state wide with 25% of people spending more than 50% of their income on housing. In order to address this problem, we need a concerted effort to make housing available, and affordable to the residents of this state.

This bill presents a comprehensive approach to addressing the housing shortage by modernizing local land use laws and streamlining approval processes for transit-oriented development. These measures are crucial in creating new opportunities for our members to construct much-needed housing units that meet the needs of all Marylanders. By incentivizing the construction of targeted new housing, the bill creates pathways for individuals and families to secure safe and affordable homes in areas with access to essential services and transportation.

Another key component of this bill is its provision to allow development on former state-owned complexes. By leveraging underutilized land resources and promoting partnerships with nonprofit organizations, this bill creates a conducive environment for builders to undertake innovative projects that meet the growing demand for all types of housing.

MBIA is also in support of this bill's emphasis on increasing density under certain conditions. We believe it is essential for optimizing land use and promoting sustainable growth. By encouraging denser development in appropriate locations, HB 538 ensures that builders can maximize the use of available land while preserving the character and charm of our communities. This balanced approach is critical in accommodating population growth and housing demand without compromising the quality of life that residents' value.

For these reasons, MBIA respectfully requests the Committee give this measure a favorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the House Environment & Transportation Committee

MARYLAND IN CRISIS

Maryland is experiencing an unprecedented housing shortage

A limited supply of land, a shortage of skilled labor, increased regulation, increasing material costs and rising interest rates are all contributing to higher home prices and rents. The result? Marylanders are struggling to afford one of the most basic human needs — shelter.



"Maryland is the 8th least affordable state in the US for housing costs"

Jake Day, the Maryland secretary of Housing and Community Development



FACTS



Maryland is short at least 96,000 housing units.

This will increase by 5600 units a year if no action is taken

Restricting housing supply in high-productivity cities leads to an increase in property values, and it is therefore in the rational self-interest of current property owners to seek such restrictions. However, the social costs of these private gains are immense, particularly when one considers higher-income neighborhoods have greater access to a range of benefits, including quality public schools, better government services, healthier environments, and more green spaces. Restricting the ability of people to move into these communities also exacerbates the defacto racial and class segregation created and reinforced by 20th-century urban development and housing policies.



An acre increase in minimum lot size = **36 % reduction** in the number of new housing units



The price of rental housing increases 2.3% for every new regulation



A residential parking spot costing \$24,000-\$34,000 **increases rent by 17 %**

"We must address the housing crisis at its source: Withering supply"

Maryland Governor, Wes Moore

Home prices have risen nationally, since 2019. Both the Forbes Advisor Index and Missouri Economic Research and Information Center Index place Maryland among the states with the highest cost of living. The median home price in Maryland was \$411,200 compared to the national median home price of \$348,600 in 2022. The cost of housing is impacted by housing inventory. Between 2019 and 2022, the housing inventory dropped between 40% and 75% in every county (57% on average, statewide) while median home prices increased 27% statewide

HOUSING IN CRISIS

Regulations imposed by all levels of government account for \$93,870, or 23.8% of the current average sales price of a new single-family home

Visit marylandbuilders.org for more information

HB 538 Gov Affordability Expansion PJC FAV.pdf

Uploaded by: Matt Hill

Position: FAV



C. Matthew Hill
Attorney
Public Justice Center
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hillm@publicjustice.org

HB 538 - Land Use – Affordable Housing – Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024)
Hearing before the House Environment and Transportation Committee, Feb. 20, 2024
Position: SUPPORT (FAV)

Public Justice Center urges you to move favorable on HB 538. The Public Justice Center (PJC) is a nonprofit public interest law firm that stands with tenants to protect and expand their rights to safe, habitable, affordable, and non-discriminatory housing. The PJC represents or advises over 800 renters and their families each year. Renters in Maryland are in desperate need of additional housing opportunities. As the Moore Administration has pointed out, Maryland is experiencing a severe shortage of housing units. For working class families, the need is even more acute. The state lacks [146,085 units of affordable rental housing for families earning 50% or less of the state median income \(appx. \\$60,000\)](#). At Public Justice Center, we see the impact of this shortage daily. Our clients often cannot find affordable, habitable replacement housing – now more than ever. This lack of housing mobility forces them to remain in uninhabitable units, lose out on job opportunities that require a move, or even become homeless when they are evicted and cannot find a new place. In my 15 years as a housing attorney, this is the worst rental market I have ever seen for renters seeking affordable, sustainable housing.

HB 538’s targeted density bonuses for projects that include affordable housing, limited exemptions from Adequate Public Facility Ordinances, and greater allowances for manufactured housing will help facilitate more development of affordable, inclusive housing. These reforms are a critical component of any plan to create more affordable housing, and, ultimately, prevent homelessness. The research is clear: the answer to homelessness is affordable housing. The lack of affordable housing affects also increases fiscal burdens on the state including: higher costs for state-funded shelters, increased costs for foster care, reduced tax revenue from lost employment and education instability. A [recent study by Stout, Risius, Ross in Maryland found that every dollar invested by the State in eviction prevention returns \\$2.39 in costs and fiscal benefits](#).

The need to clear zoning and regulatory hurdles is exemplified by recent issues in Baltimore County, where PJC has been involved in advocacy. A modest, [proposed 56-unit affordable housing development in Towson known as Red Maple](#) has been the subject of more than 4 years of litigation based on zoning and regulatory disputes. The development is still on pause while the case is on appeal even though the project is strongly supported by the County Administration and the local branch of the NAACP. More recently, a [proposed transit-oriented, mixed use development in Lutherville directly on the light rail](#) is facing significant community pushback using zoning and regulatory provisions to anchor their opposition.

Baltimore County is under a [HUD Voluntary Compliance Agreement and is obligated to produce 1,000 new affordable housing units in Opportunity Areas by 2027 to remedy decades of discriminatory land use and zoning policies](#). These discriminatory land use and zoning policies had perpetuated segregation in the County

and had a disparate impact on the housing choices available to Black households, households with children and persons with disabilities. The County is lagging far behind in meeting the interim benchmarks in developing the required affordable units in part because of restrictive zoning and regulatory provisions that have impeded developments such as Red Maple.

In short, Maryland cannot dismantle decades of segregation, right the racial wrongs, and lift children out of poverty without reducing zoning and land use barriers to the development of affordable housing.

Public Justice Center urges the Committee's report of Favorable on HB 538.

HB_538_FAV_LateTestimony_PGCMA

Uploaded by: Melinda Mendoza

Position: FAV



Prince George's County Municipal Association
An Association of 27 Municipalities



February 27, 2024

The Honorable Marc Korman, Chairman
Environment and Transportation Committee
Room 251
House Office Building
Annapolis, MD 21401

Re: Support for HB0538

Dear Chairman Korman,

Thank you for the opportunity to submit testimony. We write on behalf of the 27 municipalities that make up the Prince George's County Municipal Association (PGCMA), which collectively represents more than 955,000 residents, to share our support of House Bill 538, which is cross filed as Senate Bill 0484, with the following amendments:

- Municipalities will allow manufactured homes to enter their communities. However, to protect local community property values and preserve local community culture, manufactured homes must adhere to local municipal design guidelines and local or county historical zoning laws.
- While density permitting is encouraged and supported, the SB0484 density requirements guidelines will be followed where municipal guidelines on density do not exist.

PGCMA therefore respectfully requests the Committee support the proposed amendments for HB0538.

Sincerely,

Melinda Mendoza

Melinda Mendoza

PGCMA President

MMendoza@ColmarManor.org

2024-02-20 HB0538.pdf

Uploaded by: Michael O'Connor

Position: FAV



FREDERICK

OFFICE OF THE MAYOR

February 20, 2024

House Environment and Transportation Committee
The Honorable Chair Marc Korman
Room 251
Annapolis, MD 21401

Re: House Bill 538: Land Use – Affordable Housing – Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024)

Position: Favorable

Dear Chair Korman and Members of the Environment and Transportation Committee:

Thank you for your time and consideration of my testimony today. I am writing to you in SUPPORT of HB 538: The Housing Expansion and Affordability Act of 2024.

It is common knowledge that Maryland is experiencing an affordable housing crisis. For several years, cities and towns across our state have worked hard to address this crisis across the many forms it takes:

- General affordability
- Lack of housing stock
- Connectivity to infrastructure and areas of opportunity
- Building electrification and the transition to cleaner energies

The areas above form the core of our housing concerns, but they are by no means exhaustive, and represent broad strokes that contain tremendous nuance across our communities.

In the City of Frederick, we have made strides in addressing the crisis by establishing a Department of Housing and Human Services, in 2020. We have a Moderately Priced Dwelling Unit (MPDU) ordinance, and recently the released an \$8.2 million plan for affordable housing projects supported through this MPDU program. We project it will support over 870 families and promote inclusive community growth. A multifaceted approach reflects our deep commitment to enhance living conditions and ensuring equitable access across the housing continuum for all residents.

Of course, increasing affordable housing cannot occur in a vacuum. Balancing the many economic realities households face require the investment in infrastructure to build and sustain



FREDERICK

OFFICE OF THE MAYOR

healthy and safe communities. These include the realities of access to transportation, health care, energy, childcare, and education to name a few.

The affordable housing crisis that exists across a diverse set of communities requires an extensive, well-resourced toolkit, as well as thoughtful leadership that brings stakeholders together to solve our collective challenges. House Bill 538 adds much needed tools for cities to use in addressing the affordable housing crisis, from addressing density to streamlining permitting as tools to support new development. As importantly, the legislation represents an opportunity for true partnership between the State of Maryland and municipal government. I am grateful to the Governor and his team for their enthusiasm, collaboration, and thoughtfulness in igniting discussion about the solutions to address the need for affordable housing in our state.

As the fastest growing jurisdiction in Maryland, and the second fastest growing jurisdiction in the DMV, Frederick is an epicenter of our region-wide housing dynamics. Our goal is to create a true range of housing options that spans the full spectrum of renters and buyers within our community. In doing so, we are constantly reminded of how intersectional this issue is. Affordable housing, for instance, impacts young renters and first-time homebuyers who may carry significant debt from student loans, older residents living on fixed incomes with growing medical expenses, as well as lower and middle-income wage earners with children in their households.

Understanding the diversity of the housing crisis is essential for meaningful conversations around addressing affordability and acknowledging the broad coalition of Marylanders who are dependent on the tools provided by legislation like House Bill 538. This legislation is broad in its impact because the crisis it is designed to address touches Marylanders from every walk of life.

For these reasons, I support Governor Moore's Housing Agenda, including House Bill 538, and urge the Committee for a favorable report.

Sincerely,

Michael O'Connor,

Mayor

Testimony HB538 Housing Expansion Act.pdf

Uploaded by: Mike Posko

Position: FAV

**Testimony
HB 538
Environment and Transportation Committee
February 20, 2024
Position: Favorable**

Dear Chair Korman, Vice-Chair Boyce and members of the Committee:

For 40 years, Habitat for Humanity of the Chesapeake has been a catalyst for moving low-income families out of poverty toward more prosperous, stable futures through affordable homeownership. By bringing people together to build homes, communities, and inspire hope, we settled 794 families into energy-efficient, affordable homes with zero-interest mortgages. This positively impacted the lives of more than 3,000 partner family members (more than half of whom are children), involved more than 1,200 volunteers annually and impacted hundreds of other community residents who benefit from safer, more vital communities as homeownership rates increase.

During the next year, Habitat Chesapeake will work on 16 homes, some of them new construction, and rehabilitate properties that stand vacant or abandoned in Baltimore area neighborhoods including Curtis Bay, Milton-Montford, and Sandtown.

We know that homeownership is one of the most effective means for ensuring progress for first-time and first-generation homebuyers. It also provides tremendous benefit for our city and entire state. The supply of homes—especially for first-time homebuyers has plummeted over the past few years, and we know that this is deeply affecting us in Maryland.

The Housing Expansion and Affordability Act could provide a real means for our State to meet its goal of creating more housing units, increasing population, and creating equitable revitalization.

We favor enlarging access to affordable homeownership for low- to moderate-income homebuyers as an essential strategy for equitable revitalization. Such investments will pay great dividends for Baltimore and the State of Maryland. We hope that the Committee will look favorably upon this bill, as it may provide a real solution to some of the consistent problems of housing supply in our state.

Sincerely,



Mike Posko, CEO

MAHC Testimony_HB 538_Gov Hsng Bill_FAV.pdf

Uploaded by: Miranda Willems

Position: FAV



**Testimony to the House Environment & Transportation Committee
HB 538 – Land Use – Expedited Development Review Processes for Affordable
Housing - Requirements
Position: FAVORABLE
February 20, 2024**

HB 538 is landmark legislation that would improve the development review and approval process for affordable housing and prevent local governments from overburdening these projects with red tape. According to the National Low Income Housing Coalition, as of 2023 Maryland had a shortage of 146,000 rental units available to extremely low-income renters. Maryland is experiencing a true housing crisis, and the only way to solve it is to build more affordable housing units. This will take time, creativity, financing, and cooperation among State and local governments. This bill would help to expedite the review and approval process and remove unnecessary barriers to allow affordable housing developments to proceed. It would also give developers more incentives to build more affordable housing.

Our members are told by policymakers at the state and federal level to locate affordable housing developments in “communities of opportunity” with well-funded schools and available services. This is sound public policy. Unfortunately, these areas often have schools that have been deemed overcrowded under local Adequate Public Facilities Ordinances (APFO). This creates a self-perpetuating system of exclusion whereby well-performing schools attract new families, drive up housing prices, and box out new affordable housing.

The irony here is that our members provide the workforce housing that makes Maryland communities great. The Governor’s legislation will ensure that our members can continue to provide cohesive communities in which the “janitor lives next to the CEO”.

We appreciate the concern expressed by some that abrogating Adequate Public Facilities Ordinances will have a detrimental impact on their local communities. We want this committee to know that the ultimate impact of the Housing Expansion Act as it relates to this provision will be small. Our members routinely need to seek exemptions from APFO in counties that prohibit new development in “closed” schools. Although these exemptions add significant expense and substantially delay much needed affordable housing developments, their impact on local school capacity is limited. Based on past experience, the HB538 exemption would benefit just 2-3 projects per year in any given county, with a de minimis impact on local schools.

We support HB 538 to expand the ability to develop affordable housing across the State as we work collaboratively to solve the housing crisis.



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, contractors, tax credit investors, consultants and individuals.

Respectfully submitted on February 20, 2024 by Miranda Darden-Willems, Executive Director, on behalf of the MAHC Board of Directors.

MAHC Board of Directors

Christine Madigan, Enterprise Community Development, President

Tom Ayd, Green Street Housing, Vice President

Willy Moore, Southway Builders, Secretary

Miles Perkins, AGM Financial, Treasurer

Mansur Abdul-Malik, NHP Foundation

Marsha Blunt, Pennrose Properties

Mike Cumming, CohnReznick, Chief Financial Officer

Mary Claire Davis, AHC Greater Baltimore

Ivy Dench-Carter, Pennrose Properties, Advisor Emeritus

Maryann Dillon, Housing Initiative Partnership

Peter Engel, Howard County Housing Commission

Mike Font, New Harbor Development

Chickie Grayson, Retired, Advisor Emeritus

Dana Johnson, Homes for America

Brian Lopez, Osprey Property Company

Dan McCarthy, Episcopal Housing

David Raderman, Gallagher, Evelius & Jones, Of Counsel

Catherine Stokes, Telesis Corporation

Jessica D. Zuniga, Foundation Development Group, Ex Officio

HB538.pdf

Uploaded by: Mitchell Posner

Position: FAV

February 16, 2024

Delegate Marc Korman
Chair, House Environment and Transportation Committee
Room 251
House Office Building
Annapolis, Maryland 21401

Re: In Support of HB538, Housing Expansion and Affordability Act of 2024

Dear Honorable Chair Korman and members of the House Environment and Transportation Committee,

I am writing on behalf of Community Assistance Network, Inc., (CAN), the designated anti-poverty Community Action Agency (nonprofit) serving Baltimore County and a committed advocate for community development and affordable housing initiatives. We have reviewed HB538, titled the "Housing Expansion and Affordability Act of 2024," and we are pleased to express our enthusiastic support for this critical legislation.

In Baltimore County CAN operates the three largest homeless shelters, a Community Choice Pantry and assists hundreds of families a year avoid evictions. The lack of affordable housing is the number one stress on almost all of our clients (your constituents). HB538 addresses key issues related to land use and zoning that directly impact the availability and affordability of housing in our communities. We believe this legislation will significantly contribute to the expansion of affordable housing options and foster sustainable growth. The provisions outlined in the bill, particularly those related to manufactured homes, adequate public facilities, and qualified projects, align with our organization's mission of "Helping People. Changing Lives".

The specific provisions of HB538 that prohibit local legislative bodies from impeding the placement of certain manufactured homes and restrict the use of adequate public facility laws to deny permits for state-funded affordable housing projects are commendable steps toward removing barriers to affordable housing development.

We appreciate the forward-thinking approach of the bill, especially in encouraging local jurisdictions to allow increased density for qualified projects near rail stations and especially those owned by nonprofit organizations. These measures will facilitate nonprofits like CAN to directly contribute to the development of diverse housing options, promoting inclusivity and addressing the critical issue of affordable housing shortages.

CAN firmly believes that HB538 represents a positive and necessary step towards ensuring that all members of our community have access to safe, affordable housing. We commend the bill's sponsors and urge approval of this legislation for the betterment of our clients and our larger community.



CAN

Community Assistance Network

Helping People. Changing Lives.

7900 E. Baltimore Street
Baltimore, MD 21224

Thank you for your attention to this matter. We look forward to witnessing the positive impact that HB538 will have on affordable housing initiatives in our county and state.

Please feel free to contact me at mposner@canconnects.org or 410-336-8035 if you have any questions and/or need additional information.

Sincerely,

Mitchell Posner
Executive Director

HB0538 – TSO - Housing Expansion and Affordability

Uploaded by: Patricia Westervelt

Position: FAV

February 20, 2024

The Honorable Marc Korman
Chair, House Environment and Transportation Committee
251 House Office Building
Annapolis Maryland 21401

***RE: Letter of Support – House Bill 538 – Affordable Housing – Zoning Density and Permitting
(Housing Expansion and Affordability Act of 2024)***

Dear Chair Korman and Committee Members:

The Maryland Department of Transportation (MDOT) supports House Bill 538 as an opportunity to address crucial issues related to affordable housing and zoning regulations, which are significant to the State's communities and residents.

House Bill 538 prevents local jurisdictions from utilizing elements of public facilities laws to impede the development of certain State-funded affordable housing projects or other qualified projects, or to unnecessarily restrict or limit their progress. Ensuring access to affordable housing is essential for fostering inclusive and sustainable communities.

House Bill 538 will support greater transit ridership by enabling increased housing and other land uses near rail stations. This complements and amplifies our on-going State and local transit-oriented development (TOD) efforts, where in concert with local communities, we are working to make transit more convenient, accessible, and attractive to residents and commuters, and thus increasing their likelihood of using the service. With more riders using the system, House Bill 538 has the ability to expand employment opportunities and drive economic growth. Additionally, increasing transit ridership is essential to addressing the climate crisis by reducing carbon emissions, and promoting safer and healthier streets for our entire region.

By supporting House Bill 538, MDOT recognizes the importance of removing barriers to affordable housing development and advancing equitable housing policies throughout Maryland. This legislation aligns with MDOT's commitment to promoting accessible transportation options and enhancing quality of life for all Maryland residents.

For these reasons, the Maryland Department of Transportation respectfully requests the Committee grant House Bill 538 a favorable report.

Respectfully submitted,

Pilar Helm
Director of Government Affairs
Maryland Department of Transportation
410-865-1090

HB 538.pdf

Uploaded by: PRISCILLA KANIA

Position: FAV



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aarp.org/md | md@aarp.org | twitter: @aarpm
facebook.com/aarpm

HB 538 Land Use – Affordable Housing – Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024)
House Environment and Transportation Committee
FAVORABLE
February 20, 2024

Good afternoon Chair Korman, Vice Chair Boyce and members of the House Environment and Transportation Committee. I am Priscilla Kania, AARP volunteer lead advocate and resident of Anne Arundel County. On behalf of over 850,000 members, we thank you for the opportunity to speak in support of HB 538 Affordable Housing – Zoning Density and Permitting. We thank Governor Moore for initiating such important legislation.

This bill defines “Affordable” as using less than 30% of household income for housing and applies to households earning 60% or less of area median income. Older Marylanders, families, service workers and many other groups on fixed or limited income will benefit from this legislation and be able to use the remainder of their income for life’s necessities such as food and medical care.

I am speaking to you today to emphasize the importance of expanding the availability of affordable housing. Affordable housing is being discussed throughout the state. Currently zoning restrictions and the permitting processes currently in place are a major factor in limiting the availability of affordable housing. Across the United States, there is a mismatch between the available housing stock and what the market wants and needs. This is partly due to shifting demographics, such as a rapidly growing aging population and shrinking household sizes, partly due to the growing demand for communities that are walkable.

Communities and builders recognize the need for a shift in the way American homes are designed, regulated, and developed. So-called Missing Middle Housing is a critical to the solution. Such residences are described as missing because very few have been built since the early 1940s due to regulatory constraints, the shift to auto-related patterns of development and financing challenges.

Where the structures do exist, they often go unnoticed because — and this is a good thing — they blend right in. Missing middle-style buildings such as modular homes are compatible in look and feel with surrounding homes but are much more affordable. “Missing middle housing types are a great way to deliver affordable housing choices by design since they’re of a scale that most communities would support. But they can also hit higher-value niche markets,” says Daniel Parolek, founder of Opticos Design and the architect who coined the missing middle terminology.

The missing middle concept also enables housing conversations — even in communities that bristle at words like “density” or “multi-family.” Discussions develop around questions such as “Where will your children live if they move back to the area after college?” “Where will downsizing empty nesters move when they need to be in a less car-dependent community?” “Where will new teachers or police officers who have moderate incomes be able to live?” The answer is missing middle housing.

Cincinnati, Ohio; Flagstaff and Mesa, Arizona; Kauai County, Hawaii; Beaufort County, South Carolina; and Decatur, Georgia, are among the communities that have identified their zoning codes as a barrier and are either modifying the largely use-based codes or replacing them with a form-based, place-based approach that will allow a mix of housing types and land uses. That way, for instance, a neighborhood or street can contain single-family modular homes and multifamily homes as well as, say, a small market within walking distance — so buying a gallon of milk won’t require a drive to the supermarket.

AARP Maryland is committed to working with you to effectively address Maryland’s housing options for older adults. We ask the Committee to issue a favorable report on HB 538. If you have any questions, please feel free to contact Tammy Bresnahan at tbresnahan@arp.org or by calling 410-302-8451.

MDP HB 538 Written Testimony.pdf

Uploaded by: Rebecca Flora

Position: FAV

HEARING DATE: February 20th, 2024

BILL NO: HB 538

COMMITTEE: House Environment and Transportation Committee

POSITION: Support

FOR INFORMATION CONTACT: Andrew Wilson (443) 366-4224

TITLE: Land Use – Affordable Housing - Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024)

BILL ANALYSIS:

HB 538 includes amendments to the §4–104(c), §7–105; and §7–501 through §7–506 of the Land Use Article of the Maryland Code to facilitate development of affordable housing around existing and planned fixed rail transit stations, as well as targeted affordable housing opportunities, through the application of density bonuses in specific instances.

POSITION AND RATIONALE:

The Maryland Department of Planning (MDP) supports HB 538 and is providing testimony specific to the density bonus provisions. MDP is the primary state agency tasked with both supporting local governments in their implementation of the Land Use Article and with the State’s oversight of smart growth land use policy such as the Priority Funding Areas. MDP also partners with DHCD and MDOT to align community revitalization goals with transportation planning using data and geospatial mapping in developing interactive tools to assist in local decision-making regarding land use and development. One such tool is the [Transit Station Area Profile Tool](#) (TSAPT) that displays socioeconomic, employment, median housing sales and ridership data around Maryland’s rail transit stations. This tool is used by local governments, interest groups and the private sector to explore transit-oriented development (TOD) opportunities in their community. MDP is working on other tools to help identify affordable housing opportunities as well as other state and local land use concerns.

The density bonus approach proposed in HB 538 retains the underlying zoning and simply allows for added number of units or square foot if a residential project is located within 1-mile of a transit station and includes affordable housing in the project plans. Density bonuses are a common approach to incentivizing development that is desired and require an added boost to stimulate the market response. The application proposed in HB 538 is serving to stimulate the development of affordable housing through streamlining of process and increasing the amount of development that may occur. These reduce the per unit development cost that will in turn enhance affordability.

The density bonuses outlined in HB 538 have been reviewed by the MDP planning team and are considered appropriately scaled to ensure there are no significant conflicts with area context and properties adjacent to the 1-mile zones. These bonuses include:

- Permitting “middle housing” in areas zoned for single-family;
- Permitting “mixed-use” and 30% greater density in areas zoned for multifamily;
- Permitting 30% greater density in areas zoned for “mixed-use”; and
- Permitting residential uses in areas zoned nonresidential that is aligned with highest density residential area of the jurisdiction.

Focusing the density bonus within a 1-mile distance of rail stations allows for an adequate area to be considered for infill development. It also is consistent with research and actual case studies that indicate ½ mile walk distances from transit to be acceptable for the avoidance of cars or other vehicles to connect people from their home to transit centers. Application of these walk distances will of course also depend on quality of pedestrian (or cycle) paths, safety, and overall experience of the pedestrian to ensure alternative to cars are used for this “last mile” connection. Increasing the number of residents living within walking or cycling distance to transit stops also reduces overall carbon footprint, improves health, increases access to employment centers connected by transit and supports social connectivity to enhance community well-being. All these factors are also well documented contributors to community resiliency.

Density bonuses targeted around transit centers also works to optimize the transit investments to benefit the maximum number of people which has the added potential to increase overall ridership leading to improved financial viability of the transit systems. Additionally, providing a density bonus will also attract other public and private investment in the area, leading to great economic and community development around the rail stations. Clearly, this approach as proposed in HB 538 provides multiple benefits that have been outlined above.

MDP stands ready to support local jurisdictions with the interpretation and implementation of HB 538 and will continue to develop data driven tools to inform decision making. We are confident that this landmark bill will have a positive impact on communities and support the sustainable growth of Maryland for generations to come.

Testimony in support of HB0538.pdf

Uploaded by: Richard KAP Kaplowitz

Position: FAV

HB0538_RichardKaplowitz_FAV
2/20/2022

Richard Keith Kaplowitz
Frederick, MD 21703-7134

TESTIMONY ON HB#0538 - POSITION: FAVORABLE

Land Use – Affordable Housing – Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024)

TO: Chair Korman, Vice Chair Boyce, and members of the Environment and Transportation Committee

FROM: Richard Keith Kaplowitz

My name is Richard Kaplowitz. I am a resident of District 3. I am submitting this testimony in support of HB#0538, Land Use – Affordable Housing – Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024) ¹

The lack of affordable housing in Maryland is creating a crisis. As reported by Maryland Matters:

A report commissioned by the Maryland Department of Housing and Community Development last year found that Maryland lacks about 85,000 rental units for people earning 30% of the area median income or below. That report also found that Maryland is expected to add an estimated 97,200 low-income households between 2020 and 2030.

Even realtors have acknowledged the problem and think we must work together on solutions. This bill is a statement by Maryland that local jurisdictions must not use their housing codes when those codes conflict with the ability to place needed housing within a community. It encourages local jurisdictions to provide housing justice and equity towards a certain type of housing stock that contributes to solving a lack of affordable housing.

When state funding for housing occurs, the state must work in partnership with the local jurisdiction on making that housing become available. This bill attempts to outline and mandate that a locality does not create barriers to expansion of housing within their community. This will not be permitted to them through enforcement mechanisms they have established that prevent or retard having that housing occur. My Jewish faith tells me, in Proverbs 24:3 “A house is built with wisdom, and it is established with understanding...” Support for the stranger, the poor, the widow and the orphan are a commandment repeated throughout the Torah. This bill supports that righteous objective with a just treatment of those members of our society most in need of that blessing from institutions and persons capable of delivering those results. **I respectfully urge this committee to return a favorable report on HB0538.**

¹¹ <https://www.marylandmatters.org/2022/03/13/as-new-survey-shows-rising-concern-about-housing-affordability-realtors-join-call-for-accessory-dwelling-units/#:~:text=A%20report%20commissioned%20by%20the%20Maryland%20Department%20of,estimated%2097%2C200%20low-income%20households%20between%202020%20and%202030.>

HB538_Lincoln Avenue Communities_FAV

Uploaded by: Stacy Kaplowitz

Position: FAV



February 19, 2024

Chairman Korman, Vice Chair Boyce, and Members of the Committee:

Thank you very much for the opportunity to provide written testimony in support of the Housing Expansion and Affordability Act (HB0538). I will keep these remarks brief.

My name is Stacy Kaplowitz, and I am a Rockville resident and a mother of two MCPS students. I serve as the incoming Chair on the Rockville Housing Enterprises Board and as a mentor in the Housing Association of Nonprofit Developers (HAND) GenerationHAND program. Further, I am Vice President/Managing Partner of Lincoln Avenue Communities. Lincoln Avenue Communities (LAC) is one of the nation's leading developers, investors, and operators of affordable and workforce housing, providing high-quality, sustainable homes for lower- and moderate-income individuals, seniors, and families nationwide. We are a mission-driven organization serving residents across twenty-six states. We currently own more than 136 affordable rental communities providing homes for over 25,000 families and seniors.

I strongly support the passage of HB0538. The Housing Expansion and Affordability Act comes at a critical time when our state's affordable housing crisis continues to deepen. As a Maryland resident and affordable housing advocate who deeply cares about the well-being and prosperity of our communities, I believe this legislation presents a crucial opportunity to remove onerous regulatory hurdles and outdated and often discriminatory zoning and land use policies that have held our communities back from prospering for decades.

This legislation is an important step in dismantling restrictive land use policies like the Adequate Public Facility Ordinances (APFO), which have perpetuated redlining, exacerbating Maryland's affordable housing crisis. With the passage of HB0538, NIMBYs can no longer use the APFO 'test' as a weapon to fight new or expanded affordable housing development. Density bonuses and expedited entitlement and permitting are critical tools that will be a catalyst for new, transit-oriented, affordable housing development.

Housing affordability isn't just an issue for *some* people, it is a basic need for *all* people. We have a shortage of nearly 100,000 affordable homes in Maryland, adding 5,600 more to that shortage each year. Fair and transparent land use policies are critical in addressing our housing crisis. HB0538 will help to dismantle existing barriers that keep us from achieving that basic need for all Marylanders.

The Housing Expansion and Affordability Act is an important step in the right direction.

Thank you for your leadership.

Sincerely,

A handwritten signature in black ink that reads "Stacy Kaplowitz". The signature is written in a cursive, flowing style.

Stacy Kaplowitz

Anne Arundel County _FAV_HB538.pdf

Uploaded by: Steuart Pittman

Position: FAV



February 20, 2024

House Bill 538

**Land Use – Affordable Housing – Zoning Density and
Permitting (Housing Expansion and Affordability Act of 2024)**

House Environment and Transportation Committee

Position: FAVORABLE

Anne Arundel County **SUPPORTS** House Bill 538 - Land Use – Affordable Housing – Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024). This critical legislation will help address the current housing crisis that Anne Arundel County and all of Maryland are facing.

In Anne Arundel County, 45 percent of renters are cost burdened and the median home sales price was \$470,000 in 2023. Since I took office in 2018, we have taken several important steps to address the severe shortage of both rental and homeownership opportunities in the County. These include numerous legislative incentives to spur the development of affordable housing, establishing a Housing Trust Fund to support affordable housing development, funding eviction and homelessness prevention programs, establishing and enhancing our own “Workforce Housing” density incentive provisions, and modernizing our school Adequate Public Facilities ordinance to reduce its impediment to housing development. Furthermore, in partnership with our County Council, we are undertaking several more significant pieces of legislation in the very near future, addressing inclusionary zoning through our Moderately-Priced Dwelling Unit (MPDU) program, incentivizing redevelopment in certain areas of the County, and creating Missing Middle housing.

The Housing Expansion and Affordability Act of 2024 includes and expands upon provisions that have been effective in Anne Arundel County. Increased density allowances in areas such as multi-family and mixed-use zones increase the financial viability of development, while requiring affordable units ensures that we leave no one behind. Increasing density allowances for nonprofit developers helps build the development capacity of smaller, locally rooted developers, like our own Arundel Community Development Services and its partners, who are committed to expanding housing opportunities for all of our residents.

For all of these reasons, I respectfully request a **FAVORABLE** report on House Bill 538.

A handwritten signature in blue ink, appearing to read "Stuart Pittman".

Stuart Pittman
County Executive

HB 0538 Housing Expansion and Affordability Act -

Uploaded by: Talya Kravitz

Position: FAV

February 20, 2024

The Honorable Marc Korman
Chair, Environment and Transportation Committee
Maryland House of Delegates

Re: Support for House Bill 538 (Housing Expansion and Affordability Act of 2024)

Dear Chair Korman and Committee Members,

On behalf of the Greater Washington Partnership (the Partnership), I am writing to express our support for the Housing Expansion and Affordability Act of 2024 (HB 538). This bill will help address the state's housing shortage by incentivizing construction of market rate and affordable housing units near transit stations. We applaud the Moore Administration for introducing this measure and confronting housing challenges on behalf of Maryland's workforce.

The Partnership is a nonprofit alliance of nearly 50 leading corporate, university and nonprofit employers in Maryland, Virginia, and the District of Columbia committed to championing the region's growth and vitality. Recognizing the importance of mobility and inclusive growth to our economic competitiveness, the Partnership developed the [Blueprint for Regional Mobility](#) and the [Regional Blueprint for Inclusive Growth](#), employer-informed strategies to enhance the transportation system from Baltimore to Richmond and address the region's pervasive racial wealth gap. Through these Blueprints, our employer community has called for increased housing availability in rapid transit corridors as a cost-effective strategy to expand access to opportunity in the region.

Cost of living – and specifically the cost of housing – features prominently in domestic migration patterns and appears to be contributing to Maryland's relatively slow population growth since at least 2019.¹ Housing demand has outpaced supply and cost increases have outpaced wage growth, exacerbating an affordability crisis. Maryland's housing shortage is estimated to be at least 96,000 units, a figure likely to grow absent major changes in the market.² The lack of affordable and attainable housing threatens the state's economic competitiveness and vitality. As housing becomes increasingly unattainable, businesses face difficulty attracting and retaining talent, which has serious implications for community investment and economic growth.

Promoting transit-oriented housing development is a particularly impactful and equitable solution to this challenge. The average resident in the Washington, DC metro area can access more than 1.7 million jobs within 45 minutes by vehicle – assuming she has access to a personal vehicle – yet just 160,000 jobs (9%) can be accessed in the same amount of time via transit.³ In the Baltimore region, this figure stands at 6% of jobs. Co-locating both market-rate and affordable housing with regional transit stations can greatly improve job accessibility, and by extension upward economic mobility for Marylanders.

¹ See [State of the Economy](#), Office of the Comptroller (January 2024).

² See [December Briefing](#), House Environment and Transportation Committee (December 2023); see also [There's a housing crisis in Maryland. Here's how lawmakers might fix it](#), The Herald-Mail (Feb. 13, 2023) (120,000 units).

³ See [Blueprint for Regional Mobility](#), Greater Washington Partnership.



By facilitating increased density in transit corridors, HB 538 has the potential to accelerate housing production while channeling density in a manner that ensures Marylanders of all incomes are able to access opportunities across the region.

For these reasons, we urge a **favorable** report on HB 538. Thank you for your consideration and shared commitment to reducing barriers to mobility and opportunity, as well as making this region the best place to live, work, and build a business.

Contact:

Thomas J. Maloney

Vice President, Policy & External Affairs

tmaloney@greaterwashingtonpartnership.com



GREATER WASHINGTON PARTNERSHIP
1330 Connecticut Ave NW, Suite 315
Washington, DC 20036

greaterwashingtonpartnership.com
info@greaterwashingtonpartnership.com

UWCM 2024 Letter of Information - Standard Header.

Uploaded by: Valerie Skvirsky

Position: FAV

FOR INFORMATIONAL PURPOSES

Letter of Information Re: House Bill 538/Senate Bill 484 – Housing Expansion and Affordability Act of 2024 and House Bill 599/Senate Bill 483 – Housing and Community Development Financing Act of 2024.

United Way of Central Maryland (United Way) is committed to pursuing a more just, fair, and equitable society where one’s background does not predict future outcomes. Unfortunately, every day, low-wage earners are forced to make impossible decisions. They are ALICE: Asset Limited, Income Constrained, Employed. They often earn too much to qualify for government benefits, but not enough to support a “survival budget” for life’s essentials. ALICE households and households in poverty are forced to make tough choices, such as deciding between quality child care or paying the rent — choices that have long-term consequences not only for their families, but for all.

United Way’s public policy team analyzes the effects of legislation and policies on individuals and communities and helps guide policy formation to expand equity, opportunity, and access for all. Supported by a board-level Public Policy Committee, we advocate for needed investments, governmental action, and community empowerment, and help amplify the voices of others to effect positive change for our region. United Way in collaboration with its Public Policy Committee has identified accessible childcare and initiatives to move ALICE households away from the benefits cliff ¹and promote self-sufficiency as its [2024 Maryland General Assembly Legislative Session Key Priorities](#) (Key Priorities).

An essential component to United Way’s advocacy of its Key Priorities is the support of programs and funding aimed at eviction prevention and rehousing. Therefore, United Way supports the Governor Wes Moore’s Administration’s efforts to make housing affordable and accessible for ALICE residents and other struggling Marylanders. To learn more about United Way housing programs, visit: <https://uwcm.org/housing-programs>.

If you have any questions concerning United Ways Key Priorities or public policy initiatives, please contact either Windy Deese, Vice President of Public Policy and Economic Advancement for United Way, at windy.deese@uwcm.org or our contract lobbyists Lisa Harris Jones (lisa.jones@mdlobbyist.com) and/or Caitlin McDonough (caitlin.mcdonough@mdlobbyist.com) with Harris Jones & Malone, LLC.

¹ A “benefits cliff” is a term used to describe the potential loss of public benefits to working people resulting from small increases in earned income—sometimes as little as \$100 a year—whether or not they’re financially stable enough to absorb the loss of those benefits.

Health Care for the Homeless - 2024 FAV HB 538 - Z

Uploaded by: Vicky Stewart

Position: FAV

**HEALTH CARE FOR THE HOMELESS
TESTIMONY IN SUPPORT OF**

**HB 538 - Land Use – Affordable Housing – Zoning Density and
Permitting (Housing Expansion and Affordability Act of 2024)**

**House Environment and Transportation Committee
February 20, 2024**



Health Care for the Homeless strongly supports HB 538, which will allow for the creation of more critically needed affordable housing. As such, HB 538 will tangibly prevent and end homelessness in Maryland.

Health Care for the Homeless, established in 1985, is Maryland’s leading nonprofit provider of integrated health services and supportive housing for people experiencing homelessness. We envision a community where everyone is healthy and has a safe home in a just and respectful community. To bring about that future, the organization works to end homelessness through racially equitable health care, housing and advocacy in partnership with those of us who have experienced it.

Since 2001, Health Care for the Homeless has developed and gradually expanded programing to deliver tenancy assistance and supportive services in housing for people experiencing and at great risk of homelessness. Last Fall, we opened Sojourner Place at Oliver, a 70-unit affordable apartment building in the historic Oliver neighborhood in Baltimore City with co-developer and co-owner Episcopal Housing Corporation. We intend to develop more rental housing for people experiencing and at risk of homelessness because there is simply not enough affordable housing, particularly for people making 30% or less of Area Median Income. According to the National Low Income Housing Coalition 2023 GAP Report there are more than 200,000 Maryland households making less than 30% of AMI.¹ There are only 30 units of affordable housing for every 100 households making 30% or less of AMI in Maryland.² The deficit in available housing is the largest for any income level.

Housing ends homelessness. HB 538 will make it easier for mission-drive organizations like ours to meet the State’s pressing need for quality, affordable housing, particularly for households with extremely low incomes. This bill includes measures that increase a developer’s opportunity to leverage cost-saving construction technology, that reduce costly administrative delays for affordable housing projects that have already been scrutinized and deemed worthy of State investment, and to reasonably increase the diversity of housing options in neighborhoods with reasonable access to amenities. These are all tools that increase economy of scale, reduce costs and support the delivery of units in a timely manner – benefiting investors, lenders, developers and prospective tenants.

Housing is health care. Studies across the country confirm what we see in Baltimore City, that when people without homes are provided a safe and stable place to live, at a price they can afford, costly ED visits and hospitalizations reduce,³ encounters with the criminal justice system reduce, and positive indicators or

¹ <https://nlihc.org/gap/state/md>

² <https://nlihc.org/housing-needs-by-state/maryland>.

³ See, for instance, the outcomes of the Maryland Medicaid supportive housing waiver program, known as Assistance in Community Integration Services (ACIS), which showed “[s]tatistically significant decline in the average number of ED visits, avoidable ED visits, and inpatient admissions for ACIS participants in the year following enrollment in the program.” The Hilltop

stability and health increase, particularly when the housing is accompanied with voluntary access to supportive health services.

Affordable housing with supportive services is precisely what we need more of in Baltimore City and across the state. If HB 538 bill passes, our organization (and many socially conscious developers like us) will be in a position to say “yes” to more redevelopment and new construction projects that our respective communities want and need, but that we currently have to pass on. I encourage you to say “yes” to much needed housing. Say “yes” to keeping well-considered projects on schedule and on budget. And vote in favor of HB 534.

Health Care for the Homeless is Maryland’s leading provider of integrated health services and supportive housing for individuals and families experiencing homelessness.

We deliver medical care, mental health services, state-certified addiction treatment, dental care, social services, housing support services, and housing for over 10,000 Marylanders annually at sites in Baltimore City and Baltimore County.

Our Vision: Everyone is healthy and has a safe home in a just and respectful community.

Our Mission: We work to end homelessness through racially equitable health care, housing and advocacy in partnership with those of us who have experienced it.

For more information, visit www.hchmd.org.

House Bill 0538 testimony.pdf

Uploaded by: Aidan Larsen

Position: FWA

Dear Members of the House Environment and Transportation Committee,

My name is Aidan Larsen. I am a resident of Montgomery County in District 16 and **I am writing in support of House Bill 0538, the Housing Expansion and Affordability Act of 2024.**

I grew up as a child in Montgomery County and loved my time here. I moved to other parts of the country for college and graduate school, but after experiencing the Midwest and the South, I knew I wanted to return to the place I had grown up to settle down and potentially raise children of my own. While my wife and I are lucky enough to be able to afford a nice townhome in the county, the lack of housing in the county and the restrictive zoning laws present here made that housing incredibly expensive and limited the number of options in denser areas and near the Metro. The Housing Expansion and Affordability Act of 2024 would help to ameliorate this problem and allow a greater diversity of housing options to be built.

In fact, while I support the act in its current form, I would like to acknowledge my support for additional amendments to the bill to include more types and price ranges of development so more Marylanders can benefit. I support lowering the percentage of affordable units required for the density bonus to kick in for larger apartment buildings. I also support removing the affordability requirement for “missing middle” housing that would be approved by right within areas zoned for single family homes. I believe these changes would make the bill even stronger and increase the amount of housing that these bills would produce that would be available to people who can afford market rate housing, like me.

Thank you for your consideration.

Sincerely,
Aidan Larsen
2 Grove Ridge Ct.
North Bethesda, MD 20852
larsenaid@gmail.com

MML-HB 538 - FWA.pdf

Uploaded by: Angelica Bailey Thupari

Position: FWA



Maryland Municipal League
The Association of Maryland's Cities and Towns

TESTIMONY

February 20, 2024

Committee: House Environment & Transportation

Bill: HB 538 - Land Use – Affordable Housing – Zoning Density and Permitting
(Housing Expansion and Affordability Act of 2024)

Position: Favorable with Amendment

Reason for Position:

The Maryland Municipal League (MML) appreciates the Administration's intent with HB 538: safe and affordable housing is a fundamental component of a healthy, thriving community, and municipalities have a vested interest in promoting policies and initiatives that ensure housing affordability for all current and future residents. However, this interest must be balanced with the pragmatic challenges of running a local government. To meet these challenges, MML requests amendments addressing the following concerns.

The first of these is limited infrastructure capacity. Increasing density also increases the risk that adequate infrastructure will not be available for those new residents, especially public water and sewer capacity. This is especially true in zones that do not receive high volume water or sewer services, like areas exclusively zoned for single-family homes or commercial use. Granting the State authority to bypass public facilities regulations, even in limited circumstances like LIHTC and State-funded projects, could create a significant burden on infrastructure that local governments will have to navigate alone.

The bill's definition of "unreasonable limitation or requirement," which includes any limitation or requirement that has a substantial adverse impact on the qualified project's viability, the degree of affordability of the qualified project's affordable units, or the qualified project's allowable density, is also concerning. Without access to the project's financing information, how can local governments ensure that their well-intentioned requirements don't impact the project's affordability? Lack of information and lack of clarity can lead to increased and costly litigation, which local governments are eager to avoid.

However, MML appreciates the Administration's collaboration and communication in the drafting of this bill, and since its introduction. The League is confident that continued conversations will lead to solutions that meet the intent of the bill while addressing our members' concerns.

For these reasons, the League respectfully requests that the committee provide House Bill 538 with a favorable report after adopting amendments addressing the issues above.



Maryland Municipal League

The Association of Maryland's Cities and Towns

FOR MORE INFORMATION CONTACT:

Theresa Kuhns

Angelica Bailey Thupari, Esq.

Bill Jorch

Justin Fiore

Chief Executive Officer

Director, Advocacy & Public Affairs

Director, Public Policy & Research

Deputy Director, Advocacy & Public Affairs

HB 538.pdf

Uploaded by: brian quinn

Position: FWA

February 20, 2024

Brian M. Quinn

T 410.494.6221
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Delegate Mark Korman, Chairman
House Environment and Transportation Committee
251 Taylor House Office Building
6 Bladen Street
Annapolis, Maryland 21401

Re: House Bill 538 – Land Use – Affordable Housing – Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024) - FAVORABLE WITH AMENDMENTS

Dear Chairman Korman:

On behalf of our client, Himmelrich Associates, Inc. (“Himmelrich”), I am writing to express our support for HB 538 with the amendments included below. Himmelrich is a Baltimore-based real estate firm focused on repurposing and readapting industrial and historic properties.

Himmelrich supports HB 538 with the following amendments:

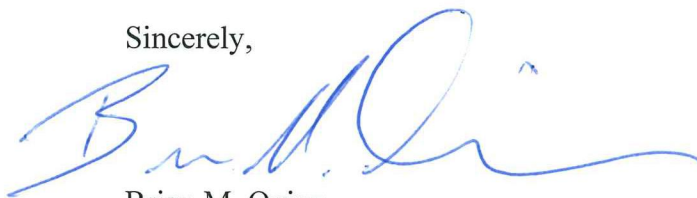
1. On page 4, in line 10, after “ARTICLE” insert “, UNLESS THE NEW MANUFACTURED HOMES ARE LOCATED ON LAND CURRENTLY OR PREVIOUSLY OWNED BY THE FEDERAL GOVERNMENT THAT IS OVER EIGHTY ACRES IN SIZE AND WAS THE SITE OF A MILITARY RESERVATION”.
2. On page 7, in line 6, after “(I)” insert “IS OR”; after “BY” insert “EITHER”; and after “STATE” insert “OR THE FEDERAL GOVERNMENT IF THE FEDERAL LAND IS OVER EIGHTY ACRES IN SIZE AND WAS THE SITE OF A FORMER MILITARY RESERVATION”.
3. On page 7, in line 27, after “USE,” insert “OR ON LAND THAT IS OR WAS OWNED BY THE FEDERAL GOVERNMENT, IS EIGHTY ACRES IN SIZE AND WAS THE SITE OF A FORMER MILITARY RESERVATION,”
4. On page 13, in line 7, after “ARTICLE” insert “; OR (III) WITH FEDERAL HISTORIC TAX CREDITS FOR RENOVATIONS”

February 20, 2024

**COMPLYING WITH THE STANDARDS OF THE U.S. DEPARTMENT OF
THE INTERIOR**".

Thank you very much for your attention.

Sincerely,



Brian M. Quinn

cc: Member, House Environment and Transportation Committee

CSG Testimony on HB 538 Land Use – Affordable Hous

Uploaded by: Carrie Kisicki

Position: FWA

February 20, 2024

The Honorable Delegate Marc Korman
Chair, Environment and Transportation Committee
Maryland House of Delegates

HB 538 Land Use – Affordable Housing – Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024) — Favorable with Amendments

Carrie Kisicki, Montgomery County Advocacy Manager

Dear Chair Korman and Committee Members,

Thank you for the opportunity to testify. Please accept this testimony on behalf of the Coalition for Smarter Growth, the leading organization advocating for walkable, bikeable, inclusive, and transit-oriented communities as the most sustainable and equitable way for our region to grow and provide opportunities for all.

We urge you to support HB 538. As noted in the Comptroller’s January 2024 [State of the Economy report](#), Maryland faces an urgent housing shortage and rising housing costs. This lack of available housing harms middle- and low-income families, and threatens our economic competitiveness as households leave Maryland to seek lower costs of living elsewhere.

HB 538 would open up more opportunities to build the housing, both market-rate and affordable, that we must build to meet our state’s needs. We are glad to see Governor Moore put forward these measures and ask you to support the bill.

We also note that securing financing for affordable housing projects can be a major—and sometimes even fatal—obstacle to seeing these projects completed and actual housing units built, and this challenge increases at greater levels of subsidy. To make HB 538 even more effective at producing the housing Maryland needs, we recommend lowering the percentage of dedicated affordable housing that projects must contain to qualify for density bonuses, while perhaps providing an additional, higher density bonus to projects that are able to provide higher levels of affordability.

Sincerely,



Carrie Kisicki
Montgomery County Advocacy Manager

AIA MD HB 538 Ltr Spprt W Amends.pdf

Uploaded by: Chris Parts

Position: FWA



16 February 2024

The Honorable Delegate Marc Korman
Chair of the Environment and Transportation Committee
Room 251
House Office Building
Annapolis, Maryland 21401

Re: Letter of Support with Amendments for HB 538
Land Use – Affordable Housing – Zoning Density and Permitting (Housing Expansion and
Affordability act of 2024)

Dear Chair Korman and members of the Environment and Transportation Committee:

I am writing to voice AIA Maryland's support and concerns for House Bill 0538. AIA Maryland represents nearly 2,000 architects in the state of Maryland and advocates for the profession and the quality of the built environment. We are architects and we have an important role in project planning, design, and implementation of affordable housing and housing in general.

The key points of this legislation that we favor are that it incentivizes development largely in places where it should go, near transportation, and allows it on formerly owned state property. It creates opportunities for greater density of housing and mixed-use housing in areas where it may benefit a community. It also recognizes a variety of middle housing options in areas zoned for single family residences and we believe that list should be expanded to include accessory dwelling units.

Aspects of this legislation that we believe should be stronger, pertain to planning guidelines set to protect public space and community character. It should be noted that as density in communities may grow, dedicated open space that gets suitable light, and air needs to be considered. Additionally, adequate public facilities need to be part of understanding the potential impact of higher density. Such facilities may include schools, recreation, health & social services. Finally, while we believe a fully open public process for multiple presentations before decision making entities may be challenging, the legislation may consider one open meeting and a representative group to be empowered to work through issues that may take more than one meeting to address.

Locating Housing Near Transportation

We fully support greater density of housing near rail. Ideally these rail points are focal points of housing, commerce and services. This locates the people who fill these homes near significant rail transportation nodes. Ideally it also places these persons near the shopping, workplaces and restaurants that develop in these rail community and town centers. When this happens all these residents work, shop and eat near where they live and allow them the option to travel to other rail and metro stops nearby. Increased numbers and density of housing makes for better communities and more business.

Study Manufactured Housing Near Rail

We applaud the effort to provide more housing near rail transportation. We feel a study to discern and evaluate if manufactured housing will provide the best, appropriate density of housing at these important locations near transit. For example manufactured housing that is single story and precludes a second floor

or basement may not provide appropriate density of housing and could diminish density if only single level homes are provided.

Adequate Public Facilities

The proposed bill exempts housing under brought forward by this law from all restrictions of adequate public facilities regulations. Adequate public facilities regulations are provisions of local comprehensive plans that provide guardrails on development and some of these measures are important, and significant to those persons in affordable housing. For example these regulations assure that adequate schools, education facilities, social services, recreation facilities and other important infrastructure components are available. Given that this regulations increases housing density as much as 30% for these projects – adequate schools and parks should not be overlooked.

Further this bill will allow significant density increases and some of the persons who will fill these homes and be our neighbors will be also need community services, including appropriate sources of grocery stores, shopping, community, medical and social services, fire and civil protection. This bill may allow increased density of housing and persons in these developments with inadequate support – some measures of adequate public facilities should be maintained.

Limit / Control Public Hearings

The bill proposes limited public hearings for affordable housing under this regulation. We support managing the local community oversight for projects. Again, citizen comment is critical for making better communities and oversight is part of the process. Measures to streamline and manage this will help charitable organizations and developers supporting these denser housing projects manage the cost and time for development.

It's clear one our greatest needs is affordable housing – now. Simplifying the development process will bring this housing to persons sooner is needed, while maintaining appropriate community input. Community input will keep everyone involved and ultimately make better housing and better communities.

Housing Outcomes

We support this bill with the concerns noted because housing has been and remains a critical need and is a human right for persons seeking an adequate standard of living. Simply put making more housing helps everyone, including making workforce housing for our teachers, first responders and other civic workers and it also helps those who have physical and other health challenges.

Moving Forward

AIA Maryland and its membership encourages steps to improve the quality of Maryland's built environment, and increasing density of housing, and affordable housing located near transit with appropriate checks, balances and services is better for the citizens of Maryland. AIA Maryland believes the focus of this bill is good and some elements of the bill should be further refined with appropriate consideration to address the concerns noted above .

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Parts', with a long horizontal line extending to the right.

Chris Parts, AIA
Director, Past President, AIA Maryland

Comments on HB 538, the Housing Expansion and Affo

Uploaded by: Dan Reed

Position: FWA



Chair Marc Korman
and Members, Environment and Transportation Committee
House Office Building
6 Bladen Street
Annapolis, Maryland 21401

February 20, 2024


Dear Chair Korman and Members of the Environment and Transportation Committee:

My name is Dan Reed and I serve as the Regional Policy Director for [Greater Greater Washington](#), a nonprofit that works to advance racial, economic, and environmental justice in land use, transportation, and housing throughout Greater Washington. **GGWash strongly supports House Bill 538, the Housing Expansion and Affordability Act.** We applaud the leadership displayed here by the Governor and by Secretary of Housing and Community Development Jake Day, and are grateful that they have started this important dialogue.

As written, House Bill 538 would require local jurisdictions to allow a 30% “density bonus” for new developments near transit or on land owned by nonprofits or the state. It would also streamline the local permitting process, including multiple public hearings and Adequate Public Facility Ordinances that at worst can kill a project and at best add significant delays and costs. Exclusionary zoning and lengthy permitting processes are two ways that local governments have choked off Maryland’s housing supply, resulting in a shortage of 96,000 homes. The consequences are clear: double-digit home price increases in the past five years; working families getting priced out of the neighborhoods where they have built their lives; and a slowing economy as Marylanders pack up for cheaper locales. I have lost count of how many of my friends and loved ones have left for North Carolina or Florida in the past few years. Every single one of them is a loss not just for my family, but for our whole state.

Governor Moore has been clear that the issue is a lack of supply. That’s why we have two recommendations to ensure that the Housing Expansion and Affordability Act can rise to the occasion.

1. **Reduce the affordability requirements for larger residential projects.** Subsidized, income-restricted housing is a crucial part of our housing solution. However, the high requirements in this bill—setting aside 25 to 50% of the units in a development for lower-income households—will make new projects financially infeasible in many areas, including the high-cost, jobs- and resource-rich communities where the demand for housing is greatest. We recommend that the percentage be lower than the 30% density bonus, preferably 15 or 20 percent. A lower

The Washington, DC region is great  and it can be greater.



percentage will still yield more deeply affordable homes if it can catalyze the development of more homes overall.

- 2. Eliminate the affordability requirement for smaller, middle housing developments.** Many middle-income Marylanders struggle to find homes they can afford but do not qualify for income-restricted, subsidized housing. We need solutions that increase housing for them as well. Allowing middle housing—duplexes, townhomes, and small apartment buildings—in single-family zoned neighborhoods can unlock housing options at a significantly lower price than comparable new construction single-family homes. We should encourage the production of this housing without income restrictions or subsidies, as it's providing a more affordable option that is largely missing today.

Again, we appreciate Governor Moore and Secretary Day's commitment to solving Maryland's housing shortage. This is certainly the beginning of a longer conversation, and we are eager to work with the administration and the General Assembly to identify solutions and make them a reality. We ask the Environment and Transportation Committee to be bold, and ensure that all Marylanders have access to more housing options within their budgets.

Sincerely,

Dan Reed
Regional Policy Director

HB0538-ET_MACo_SWA.pdf

Uploaded by: Dominic Butchko

Position: FWA



House Bill 538

Land Use – Affordable Housing – Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024)

MACo Position: **SUPPORT**
WITH AMENDMENTS

To: Environment & Transportation Committee

Date: February 20, 2024

From: Dominic J. Butchko

The Maryland Association of Counties (MACo) **SUPPORTS HB 538 WITH AMENDMENTS**. This bill makes several changes to the land use article enabling higher density bonuses under three different scenarios, authorizing the use of manufactured housing, and loosening restrictions related to adequate public facility ordinances. Counties are pleased to join this policy discussion, and offer amendments to help implement these goals most effectively.

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 greatly appreciate Governor Moore’s collaborative approach in developing the Administration’s housing package. For several months, staff from the Department of Housing & Community Development have been meeting with both MACo and our membership to discuss possible components of the bill. It goes without saying, HB 538 is a surgically targeted piece of legislation, aimed at preserving the foundations of local autonomy while also taking emergency measures to meet the current housing crisis.

While supportive of several concepts within the legislation, counties do have some concerns, specifically around implementation, ambiguity, and infrastructure capacity. Counties offer the following amendments to both strengthen this legislation and ease local apprehensions:

Amendment # 1: Replace “Manufactured” with “Modular”

The distinction between manufactured and modular housing may appear minute, but this precision is important. Historically, until about the 1970s, manufactured housing had been associated with trailers and trailer parks. While the quality and imagination of design has shifted since then, this type of housing still must follow HUD standards and can still take the form of a trailer. Modular housing on the other hand offers all the same benefits in terms of affordability and speed, but must comply with state and local regulations. Counties agree that modular housing should be a potential component of moving the needle on housing supply.

Additionally, section 4-104 may be interpreted so that local governments are prohibited from limiting development in single family residential areas for any project that may have a manufactured home. Counties may have a variety of reasons for limiting development, the biggest reasons being infrastructure and school capacity. In addition to replacing “manufactured” with “modular,” counties request clarifying language be added to ensure that local authority on these matters be clearly retained.

Amendment Language:

- 4-104 MODULAR
 - STRIKE LINES 3-7, AND INSERT,
 - THE GOVERNING BODY OF A POLITICAL SUBDIVISION MAY NOT PROHIBIT THE PLACEMENT OF A MODULAR HOME IN ANY ZONE THAT ALLOWS SINGLE FAMILY RESIDENTIAL DEVELOPMENT, BASED ONLY ON THE FACT THAT THE STRUCTURE IS MODULAR.
 - A MODULAR HOME FOR THIS SECTION MEANS A HOUSE BUILT IN A FACTORY IN TWO OR MORE MODULES THAT MEETS THE STATE OR LOCAL BUILDING CODES WHERE THE HOUSE WILL BE LOCATED, AND WHERE SUCH MODULES ARE TRANSPORTED TO THE BUILDING SITE, INSTALLED ON FOUNDATIONS, AND COMPLETED.
 - THIS SUBTITLE DOES NOT AFFECT THE AUTHORITY OF A GOVERNING BODY OF A POLITICAL SUBDIVISION TO ENACT AND ENFORCE STANDARDS OR REQUIREMENTS RELATED TO THE PLACEMENT OF HOUSING IN ANY ZONE THAT ALLOWS SINGLE FAMILY RESIDENTIAL DEVELOPMENT, INCLUDING MODULAR HOUSING.

Amendment #2: Clarify Applicability of Density Bonuses

Under the state density bonuses awarded in sections 7-502, 7-503, and 7-504, the administration has made it clear that their intent was to allow for multiple paths to one 30% state density bonus, instead of multiple paths to multiple stackable bonuses. If state density bonuses can be stacked, it is not inconceivable to envision a scenario where projects can quickly and dramatically escape the bounds of

local infrastructure constraints, and end with a wide variety of serious unintended consequences. This would carry a significant risk of overwhelming the schools, roads, emergency response, water and stormwater systems, along with other critical infrastructure. Counties request clarifying language be added ensuring that the bill matches the Administration's clearly stated intent.

Amendment Language:

- 7-502 (B)(5)
 - After this section, INSERT, "(6) IF A PROJECT IS AWARDED A 30% DENSITY INCREASE UNDER THIS SECTION, THEN IT IS NOT ELIGIBLE FOR A DENSITY UNIT INCREASE UNDER 7-503 (B)(5) OR 7-504 (B)(5)"
- 7-503 (B)(5)
 - After this section, INSERT, "(6) IF A PROJECT IS AWARDED A 30% DENSITY INCREASE UNDER THIS SECTION, THEN IT IS NOT ELIGIBLE FOR A DENSITY INCREASE UNDER 7-502 (B)(5) OR 7-504 (B)(5)"
- 7-504 (B)(5)
 - After this section, INSERT, "(6) IF A PROJECT IS AWARDED A 30% DENSITY INCREASE UNDER THIS SECTION, THEN IT IS NOT ELIGIBLE FOR A DENSITY INCREASE UNDER 7-502 (B)(5) OR 7-503 (B)(5)"

Amendment #3: Align Distance from a Train Station to Reflect Infrastructure Capacity Limits

As drafted, this bill currently awards a 30% state density bonus for housing projects that meet a certain affordability threshold within 1 mile of a rail station. Counties recognize that these are areas where density should be concentrated and, in many cases, already award bonuses within a certain proximity of rail stations. While the proposed bonus itself does not necessarily cause concern, the 1-mile proximity poses some significant challenges. In most jurisdictions, the infrastructure within .25 miles may largely be able to handle additional capacity constraints. But beyond that threshold, factors like road capacity, sewer capacity, etc. begin to become more challenging to address. Counties request that the proximity state density bonus be decreased to avoid unintended consequences.

Amendment Language:

- 7-503 (A)(2)(II)
 - Strike "1" and replace with ".25."

Amendment #4: Establish a Proportional Standard

There are extensive references to an ambiguous "unreasonable" standard which the legislation attempts to create. The broad intent of the section is to ensure that local jurisdictions do not enact certain requirements, such as setbacks and height restrictions, which may impede the ability of developers to execute on the state density bonuses they may be granted. Counties recognize the intent, but as drafted, the current language will lead to significant litigation, along with additional time and

costs, and will likely result with the courts settling issues in a manner contrary to the will of the General Assembly or the Governor. Instead, counties propose that a “proportional” standard be adopted, allowing local jurisdictions the flexibility of amending their codes to accommodate state density bonuses, preventing unintended outcomes, but still preserving the ability for residents to shape the look, smell, and feel of their communities.

Amendment Language:

- 7-501 (N)
 - Strike lines 20 through 26.
- 7-505
 - In lines 22-28, STRIKE and INSERT “A LOCAL JURISDICTION MAY IMPOSE ANY LIMITATION OR REQUIREMENTS PROPORTIONAL TO THE IMPACT OF A QUALIFIED PROJECT UNDER THIS SUBTITLE.”

Amendment #5: Align Public Hearing Requirements with Existing Law & Practice

The Administration has made it clear that the intent of this legislation is to significantly limit the number of public hearings a local jurisdiction may require for a qualified project. As drafted, the current language does not accurately reflect or address current practice or law related to public hearings. Counties request a clarifying amendment that ensures this provision can be implemented.

Amendment Language:

- 7-506
 - In lines 4-7 STRIKE and INSERT, “EXCEPT AS OTHERWISE PROVIDED OR REQUIRED BY STATE LAW, A LOCAL GOVERNMENT MAY NOT REQUIRE THAT A QUALIFIED PROJECT UNDER THIS SUBTITLE BE SUBJECT TO MORE THAN ONE PUBLIC HEARING FOR EACH REQUIRED DEVELOPMENT APPLICATION, BEFORE EACH OF THE FOLLOWING:”

Amendment #6: Flexibility Around Adequate Public Facilities

Counties are appreciative of the Administration’s willingness to engage with local leaders to try to address significant concerns related to relaxing adequate public facility ordinances (APFOs). For context, APFOs are guardrails on development to ensure that critical infrastructure – like classroom size, hospital capacity, water, stormwater, and wastewater systems, emergency response capabilities, and others – do not become overwhelmed. As the primary provider of public services, management of these services is always a top priority for counties. The Administration has agreed to place a 15-year sunset on this provision, highlighting the seriousness of the housing crisis and the need for APFOs.

Additionally, while counties recognize the Administration’s urgency to loosen APFO restrictions for certain projects, it is not clear why a market rate portion of a project should not be subjected to these

requirements. Units at or above market rate provide the same infrastructure constraints but do not have the benefit of increasing affordability. To this effect, counties request amendments balancing the need for increased unit production with the limits of infrastructure capacity.

Amendment Language:

- 7-502, 7-503, & 7-504 (B)(2)
 - Add clarifying language “EXCLUSIVELY ZONED RESIDENTIAL” and “IF ADEQUATE PUBLIC WATER AND PUBLIC SEWER IS AVAILABLE TO SERVE THE PROJECT”
- 7-502, 7-503, & 7-504 (B)(4)
 - Strike and replace with “IN AN AREA ZONED EXCLUSIVELY FOR COMMERCIAL USE AND SERVED BY PUBLIC WATER AND SEWER, A QUALIFIED PROJECT MAY CONSIST OF MIXED-USE DEVELOPMENT WITH DENSITY LIMITS THAT DO NOT EXCEED THE HIGHEST ALLOWABLE DENSITY IN THE LOCAL JURISDICTION’S MULTIFAMILY RESIDENTIAL ZONES.”
- 7-105
 - In (B)(1) INSERT “...FOR AFFORDABLE HOUSING”
 - In (B)(2) INSERT “...AFFORDABLE HOUSING PORTION OF THE...”
 - In (B)(2) (I) & (III) INSERT “PORTION OF”
 - INSERT “(C) IF A PROJECT IS DETERMINED TO NOT MEET ADEQUATE PUBLIC FACILITY REQUIREMENTS, THE LOCAL JURISDICTION SHALL HAVE TWO YEARS TO TRY TO ADD CAPACITY TO THE NECESSARY PUBLIC FACILITIES.
 - (D) IN INSTANCES WHERE A PROJECT QUALIFIES FOR THE EXEMPTION UNDER 7-105 (B), THE STATE SHALL PROVIDE ADEQUATE ADDITIONAL FUNDING TO INCREASE THE CAPACITY OF THE NECESSARY PUBLIC FACILITIES.”

Amendment #7: Extend the Effective Date

Currently, the implementation date is set for October 1, 2024. Several sections of this bill will require significant revisions to local code and processes. Counties request that the implementation date be pushed back to January 1, 2025, to allow additional time to complete any necessary revisions before implementation.

Amendment Language:

- On page 13, line 21, STRIKE: “October 1, 2024” and INSERT: “January 1, 2025”
- On page 13, line 22, STRIKE: “September 30, 2039” and INSERT “December 31, 2039”

Amendment #8: Guardrails Around Nonprofit State Density Bonus

Under this bill, nonprofits that develop projects with certain affordability thresholds are granted a state density bonus. Counties have serious concerns with this provision as it may open the door for bad actors to create nonprofits or form nonprofit divisions to take advantage of the state density bonus.

Counties request clarifying language to ensure state density bonuses are awarded to genuine nonprofits and protect against unscrupulous corporate actors who may wish to undermine the intent of the General Assembly and the Governor.

Amendment Language:

7-504 (A)

- STRIKE (A)(2)
- At line 17, INSERT:
 - “(2) "CONTROLLED BY" MEANS A BUSINESS STRUCTURE WHEREBY THE NONPROFIT ORGANIZATION IS A MANAGING MEMBER, GENERAL PARTNER, OR OTHERWISE CONTROLLING ENTITY IN A BUSINESS STRUCTURE WITH A FOR PROFIT MEMBER OR PARTNER AS DEMONSTRATED BY A LICENSED MARYLAND ATTORNEY.
 - (3) "NONPROFIT ORGANIZATION" MEANS AN ORGANIZATION THAT IS TAX-EXEMPT UNDER §501(C)(3) OF THE INTERNAL REVENUE CODE AND HAS DEMONSTRATED SUCCESSFUL RESIDENTIAL CONSTRUCTION AND/OR MANAGEMENT OF AFFORDABLE RESIDENTIAL DEVELOPMENT WITHIN THE SAME METROPOLITAN STATISTICAL AREA (AS DEFINED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT) AS THE PROPOSED DEVELOPMENT.”
- At line 19, STRIKE "(3)" and INSERT "(4)"

Amendment #9: Technical Changes

Planners almost universally define “TOWN HOUSE” as three or more connected units. Language should be amended to be consistent with terminology currently used by planning professionals.

Amendment Language:

- 7-501 (M)
 - STRIKE “TWO” INSERT “THREE.”

Require DHCD to establish a clear definition for “SUBSTANTIAL RENOVATION.”

Amendment Language:

- 7-502 (A)(1)

- Add, “AS ESTABLISHED BY THE MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (DHCD) ANNUALLY AND IDENTIFIED IN THE DHCD MULTIFAMILY RENTAL FINANCING PROGRAMS STANDARDS.”

Allow counties flexibility in determining a definition of “AFFORDABLE DWELLING UNIT” that may better align with local policies.

Amendment Language:

- 7-501 (D)
 - Add “OR DESIGNATED AS A MODERATELY PRICED DWELLING UNIT UNDER CHAPTER 25A OF THE MONTGOMERY COUNTY CODE OR ANY ADDITIONAL PROGRAM WITH THE SAME LEVEL OR GREATER OF AFFORDABILITY.”

As the frontline actor in land use, and housing policy, counties remain committed to working with all stakeholders in advancing comprehensive housing solutions. Counties gladly voice our appreciation to Governor Moore for both the targeted nature of this housing package, and for his Administration’s months-long collaboration with local leaders. While counties do have refining concerns as mentioned above, none of these issues are insurmountable. For this reason, MACo urges the Committee to give HB 538 a **FAVORABLE WITH AMENDMENTS** report.

TOCC Testimony 2-20-2024.pdf

Uploaded by: Irene Lane

Position: FWA



Irene Lane, *Mayor*
Barney Rush, *Vice Mayor*
Rich Brancato, *Treasurer*
Stephanie Martz, *Secretary*
Joy White, *Community Liaison*

**Testimony by the Town of Chevy Chase
Maryland House Environment and Transportation Committee
Public Hearing on Housing Expansion and Affordability Act of 2024 (HB0538)
February 20, 2024**

Chair Korman, Vice Chair Boyce, and Members of the House Environment and Transportation Committee,

My name is Irene Lane, and I am the Mayor of the Town of Chevy Chase, which is a self-governing municipality located in Montgomery County. Our town is comprised of 1,032 homes and is situated entirely within one mile of the Bethesda metro rail station. While we have embraced accessory dwelling units (ADUs) and recently supported construction of a senior living community with 507 dwelling units, our current zoning is for single-family homes.

We fully appreciate and support the aim of the housing bill to broaden housing options, including multifamily and affordable housing, both in our area and across the state. However, we have some questions and propose two amendments for the committee's consideration during your deliberations. Our intention is to ensure that this legislation supports affordable housing development without compromising municipal authority to establish building codes that apply uniformly to all residential housing types.

First, clear and precise language should be used for the avoidance of doubt in implementing the legislation and safeguarding affordable housing developments. Unfortunately, sections 7-501 and 7-505 use vague terms like “unreasonable” and “substantial adverse impact” when referring to local jurisdictions’ established building codes and ability to regulate housing development.

We are concerned that the current language suggests that the sole criterion for assessing the reasonableness of local regulations is whether the established building code would have a "substantial adverse impact" on a potential qualified project. This approach neglects other crucial factors that municipalities need to consider, such as stormwater management, emergency vehicle access, the right to quiet enjoyment, and tree canopy preservation for climate resilience. Additionally, it overlooks factors that developers must weigh, such as prevailing land values and profit margins. Centering solely on established building codes undermines both fairness and the imperative that building regulations should be consistent across various housing types.

Therefore, we urge the committee to amend Sections 7-501 and 7-505 to stipulate that limitations or requirements imposed on qualified projects be no stricter than those applied to other allowable housing types within the zone. Our specific amendments are noted in Appendix A of this letter.

Second, Section 7-503 includes mixed-use development as part of qualified projects in areas zoned for multifamily residential use. Given ongoing discussions in Montgomery County to up-zone single-family residential communities to accommodate multifamily housing, many small municipalities could face rapid changes under the current bill. If the primary goal is to increase housing, particularly affordable housing, why introduce mixed-use development especially as many small municipalities across the state lack current building codes for commercial or retail establishments? We propose that mixed-use development be deferred for further consideration, allowing time to assess the impacts of qualified projects.

Finally, Section 7-503 permits a 30% housing density bonus for qualified projects, raising questions about adherence to local municipal building codes and the potential for larger structures. We seek clarification on whether the 30% density bonus requires compliance with local codes and reiterate our aim for equitable application of municipal building regulations across all residential housing types.

Thank you for considering our questions and amendment, ensuring that local municipal building codes are upheld consistently.

Sincerely,

A handwritten signature in cursive script, appearing to read "Irene N. Lane".

Irene N. Lane
Mayor, Town of Chevy Chase

Appendix A

The subjective nature of terms like "unreasonable" and "substantial adverse impact" may result in varying interpretations and could potentially necessitate judicial intervention for resolution. We are looking to avoid that with the proposed amendments.

7-505

A LOCAL JURISDICTION MAY NOT IMPOSE ANY ~~UNREASONABLE~~ LIMITATION OR REQUIREMENTS ON A QUALIFIED PROJECT UNDER THIS SUBTITLE THAT IS STRICTER THAN INCLUDING LIMITATIONS ON OR REQUIREMENTS THAT APPLICABLE TO OTHER PERMISSIBLE HOUSING TYPES FOR THE ZONE, CONCERNING:

- (1) HEIGHT;
- (2) SETBACK;
- (3) BULK; OR
- (4) PARKING;
- (5) LOADING, DIMENSIONAL, OR AREA; OR
- (6) SIMILAR REQUIREMENTS.

7-501

~~(N) "UNREASONABLE LIMITATION OR REQUIREMENT" INCLUDES ANY LIMITATION OR REQUIREMENT THAT HAS A SUBSTANTIAL ADVERSE IMPACT ON:~~

- ~~(1) THE VIABILITY OF IAN AFFORDABLE HOUSING DEVELOPMENT IN A QUALIFIED PROJECT;~~
- ~~(2) THE DEGREE OF AFFORDABILITY OF AFFORDABLE DWELLING UNITS IN A QUALIFIED PROJECT; OR~~
- ~~(3) THE ALLOWABLE DENSITY OF THE QUALIFIED PROJECT.~~

BaltimoreCounty_FWA_HB0538.pdf

Uploaded by: John Olszewski

Position: FWA



JOHN A. OLSZEWSKI, JR.
County Executive

JENNIFER AIOSA
Director of Government Affairs

AMANDA KONTZ CARR
Legislative Officer

WILLIAM J. THORNE
Legislative Associate

BILL NO.: **HB 538**

TITLE: Land Use – Affordable Housing – Zoning Density and
Permitting (Housing Expansion and Affordability Act of 2024)

SPONSOR: Speaker Jones (By Administration Request)

COMMITTEE: Environment and Transportation

POSITION: **SUPPORT WITH AMENDMENTS**

DATE: February 20, 2024

Baltimore County **SUPPORTS** House Bill 538 – Land Use – Affordable Housing – Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024). This legislation seeks to establish regulatory incentives to development to address the housing supply and affordability crisis. The legislation contains three main components:

- HB 538 allows for certain properties to be developed with higher density if they include a certain percentage of affordable units (defined in this context as units preserved at 60% AMI).
- The legislation limits the ability of local jurisdictions to deny permits or unreasonably restrict projects funded by low-income housing tax credits (LIHTC) or other affordable housing financing programs managed by State DHCD on the basis of local adequate public facilities ordinances (APFOs). Baltimore County concurs with the Maryland Association of Counties (MACo) that this exemption should sunset after a period of 15 years.
- The legislation permits new manufactured/modular homes in areas zoned for single-family residential uses, overriding any local laws or ordinances that would prevent their placement.

HB 538 is a comprehensive approach at tackling the housing crisis head on. As a whole, the bill is a positive step that has the potential to benefit local housing production on sites where that development is appropriate. Consistent with our partners at MACo, we believe that changes are still needed to ensure that housing production does not preempt local land use authority or impact critical community infrastructure.

Accordingly, Baltimore County requests a **FAVORABLE WITH AMENDMENTS** report on HB 538 from the House Environment and Transportation committee. For more information, please contact Jenn Aiosa, Director of Government Affairs at jaiosa@baltimorecountymd.gov.

MNCPPC_ HB 538 Housing Expansion and Affordable Ho

Uploaded by: Jordan BaucumColbert

Position: FWA



POSITION STATEMENT

Bill: HB 0538 Land Use – Affordable Housing – Zoning Density and Permitting (*Housing Expansion and Affordable Housing Act of 2024*)

Position: Support with Amendments

Date: February 20, 2024

Contact: Debra Borden, General Counsel

Jordan Baucum Colbert, Government Affairs Liaison

Dear Chair Marc Korman and Vice Chair Regina T. Boyce,

The Maryland-National Capital Park and Planning Commission (M-NCPPC or “the Commission”) has voted to support this bill with amendments. The Commission respectfully requests that the Environment and Transportation committee consider this information and include it in the record.

Overview: The Commission supports the need to provide more housing throughout the State of Maryland. This Bill is a great start to moving the state in that direction. We have some suggested amendments to clarify language and help to avoid conflicts and confusion in implementation.

Proposed Amendments

Effective Date:

A proposed effective date of October 1, 2024, may not allow the counties sufficient time to amend their zoning and subdivision ordinances to conform to the bill.

Suggested language:

- Change to December 31, 2024, or later.

Section 4-104:

There is a distinction between “manufactured home” and a home manufactured off site and assembled on a property, which is known as a “modular home” in current planning parlance and can be a more reasonably priced housing option than a stick-built home. Further, allowing these in any zone would provide more housing options.

Suggested language:

- (page 2, line 24): §4-104(C) (Limitations – Modular Homes)
- (page 4, lines 1-8): A legislative body may not prohibit the placement of a modular home in any zone that allows residential development. A modular home for this section means a house built in a factory in two or more modules that meets the State or local building codes where the house will be located, and where such modules are transported to the building site, installed on foundations, and completed.

Section 7-501 Definitions:

- Definition of “affordable dwelling unit” should allow inclusion of existing affordable or inclusionary housing programs in various jurisdictions across the state.
Suggested language (page 5, lines 9-11): Affordable dwelling unit means a dwelling unit that is affordable to households earning 60% or less of the area median income or meets the criteria of a local jurisdiction’s inclusionary zoning housing program and provides price controls for at least 30 years.
- Definition of “mixed use” should capture residential with any other use.
Suggested language (page 6, lines 2-3): “Mixed use” means any combination of a residential use with a non-residential use.
- Definition of “town house” should align with general planning definitions and allow for different ownership structures, such as a condominium regime. It should be 3 units and should not specify it has to be on a separate lot to allow for condominium ownership.
Suggested language (page 6, line 13-16): “Town house” means a complex of dwelling units constructed in a row of three (3) or more attached units, where each dwelling unit shares at least one common wall with an adjacent dwelling unit.

Section 7-502:

- Definition of “unreasonable limitation or requirement” should be modified to help explain its limitations. The term “affordable housing development” is also not needed and is confusing because it is not a defined term, because the term “Qualified Project” encompasses the affordability component. Also, including an impact on not only density but also the number of units to capture various ways of calculating more units.
Suggested language (page 6, lines 17-23): “Unreasonable limitation or requirement” includes any limitation or requirement that has a substantial adverse impact on:
 - (1) The viability of a Qualified Project;
 - (2) The degree of affordability of affordable dwelling units in a Qualified Project; or
 - (3) The allowable density or number of units in a Qualified Project.
- Density Bonus language should specify that a Qualified Project can exceed the density of the zone including any local bonus density. In the section allowing middle housing units, there is no

need to restrict this to exclusively single-family zones, it can just apply to all residential zones. This would allow more housing types and density in more locations. Further, including that it could be more units or square footage may also provide more opportunities for more housing in certain zones.

Suggested language:

- (page 7, lines 12-14): In accordance with this subsection, a local jurisdiction shall allow the density of a Qualified Project to exceed the density otherwise authorized, including bonus density allowed by the local jurisdiction, in a district or zone.
- (page 7, lines 15-16): In an area zoned exclusively for residential use a Qualified Project may include middle housing units.
- (page 7, lines 23-26): In an area zoned exclusively for non-residential use, a Qualified Project may consist of mixed-use development with density limits that do not exceed the highest allowable density, in the local jurisdiction's multifamily residential zones, including any bonus density allowed by the local jurisdiction.
- (page 7, lines 27-29): In an area zoned for mixed use, a Qualified Project may include 30% more housing units or residential development square footage than may be allowed in that zone, including any bonus density allowed by the local jurisdiction.

Section 7-503:

- A Qualified Project under this section should include projects that are deed-restricted for 30 years as opposed to 40 years, as this is fairly standard for such programs and financing. Also, the rail station should not need to be within the State of Maryland as stations located in the District of Columbia but within 1 mile of a Maryland project could be useful locations for more housing as well.

Suggested language:

- (page 8, lines 6-7): Is on property that is located within 1 mile of a rail station
 - (page 8, lines 10-11): Is deed restricted to include 25% of units that are affordable dwelling units for a period of at least 30 years.
 - (page 8, line 17): Metrorail system station.
- The Bonus Density, like in the prior section, should specify that it is in addition to any bonus density afforded by the local jurisdiction. Also, remove restriction to only single-family residential zones for middle housing.

Suggested language:

- (page 8, lines 19-21): In accordance with this subsection, a local jurisdiction shall allow the density of a Qualified Project to exceed the density otherwise authorized, including any bonus density allowed by the local jurisdiction, in a district or zone.
- (page 8, lines 22-23): In an area zoned exclusively for residential use, a Qualified Project
- may include middle housing units.
- (page 8, lines 24-25 and page 9, lines 1-3): In an area zoned exclusively for multifamily residential use, a Qualified Project: (i) shall have a density limit that

exceeds by 30% the allowable density in that zone, including any density bonuses allowed by the local jurisdiction.

- (page 9, lines 9-11): In an area zoned for mixed-use, a Qualified Project may include 30% more housing units or residential square footage than may be allowed in that zone, including any bonus density allowed by the local jurisdiction.

Section 7-504:

- Allow for situations of non-profit entities owning or controlling the land, possibly by ground lease or other structure. Also reduce the time frame from 40 years to 30 years.

Suggested language:

- (page 9, lines 22-23): Is wholly owned or under control of a non-profit organization
 - (page 9, lines 28-29): Is deed-restricted to include 50% of units that are affordable dwelling units for a period of 30 years.
- Clarify that the additional bonus density is above what the local jurisdiction otherwise provides, as stated in the above sections. Also remove restriction for middle housing units to only single-family zones.

Suggested language:

- (page 10, lines 1-3): In accordance with this subsection, a local jurisdiction shall allow the density of a Qualified Project to exceed the density otherwise authorized in a district or zone, including any bonus density provided by the local jurisdiction.
- (page 10, lines 4-5): In an area zoned exclusively for residential use, a Qualified Project may include middle housing units.
- (page 10, lines 8-10): Shall have a density limit that exceeds by 30% the allowable density in that zone, including any bonus density allowed by the local jurisdiction.
- (page 10, lines 16-18): In an area zoned for mixed-use, a Qualified project may include 30% more housing units or residential square footage than allowed in that zone, including any bonus density allowed by the local jurisdiction.

Section 7-505:

- In this section, it makes sense that design criteria cannot impose an unreasonable limitation or requirement, but operational aspects of a use, like loading, should still be considered by a local jurisdiction to assure that projects do not have unintended negative impacts.

Suggested language (page 10, line 27): Remove this line related to “loading, dimensional, or area.”

Suggested language:

- (page 10, line 28): Remove the phrase “Similar requirements”.

Section 7-506:

- Projects that come before the Planning Board often require more than one application approval. For instance, a project might need approval of a concept plan, a subdivision plan and a site plan, each with their own hearing. Applicants generally decide how many applications they wish to process at the same time, as there is significant investment in creation of these plans.

Sometimes financing is staggered or business partners need to be found before a project can proceed to the final approval stages. Therefore, it may not be possible or economical for a qualified project to have only one hearing before the Planning Board. However, in the interest of streamlining and preventing unnecessary hearings we could offer some amendment to the language.

Suggested language:

- (page 11, lines 2-5): Except as otherwise provided or required by State law, a local government may not require that a Qualified Project under this subtitle be subject to more than one public hearing for each required development application, before each of the following:

Section 10-103:

- Change the nomenclature from “Manufactured Homes” to “Modular Homes”.

Suggested language:

- (page 11, line 26): § 4-104(c) (Limitations – Modular Homes)

Section 7-105:

- All development needs adequate public facilities. It is important that affordable housing has public services, and facilities that are comparable in quality to those of market-rate developments. We understand the goal of this provision is to prevent the use of APF to block affordable housing and agree that APF should not be a tool to specifically prevent affordable housing, but a different approach may address this issue more effectively to ensure affordable housing developments have equitable access to infrastructure and amenities. If these projects are receiving state funding, it would be most equitable for the state funding to include the necessary infrastructure funding. Alternatively, in jurisdictions with local impact taxes these units should be exempt from the local jurisdiction impact taxes, but not from all APF.

Suggested language:

- (page 13, new lines 17-20): (C) Notwithstanding the above section B, in a local jurisdiction that imposes impact taxes for transportation and schools, State Funded Affordable Housing Projects will be exempt from local impact taxes but will be subject to the local Adequate Public Facility Law.

The Commission urges the committee to give this bill a favorable report with the proposed amendments.

HB 538- Housing Supply - FAV - REALTORS.pdf

Uploaded by: Lisa May

Position: FWA



House Bill 538 – Land Use - Affordable Housing - Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024)

Position: Support with Amendments

Maryland REALTORS® supports efforts to address our housing crisis. For this reason, we urge your strong support for HB 538.

Maryland currently faces a shortage of nearly 150,000 housing units and growing, according to the National Low Income Housing Coalition. This shortage now impacts not just low-income residents, but also those of moderate incomes, young professionals, seniors, and working families. It encompasses both what has been traditionally considered as “affordable housing” but now also Missing Middle Housing types. What is more, these housing shortages are impacting our broader economy, as evidenced by the Comptroller’s 2023 State of the Economy report, which noted that Maryland’s economy is growing at just a fraction of our national rate.

HB 538 begins the work of closing our housing shortage by granting density bonuses and easing zoning restrictions on qualified projects in areas adjacent to transit, owned by non-profits and lands formerly controlled by the state. It removes restrictions on the construction of modular housing and streamlines the development process that is currently subject to excessive delays created by the public hearing process.

For HB 538 to have the most impact, we recommend the following:

- To revise the percentages for affordable housing downward to levels that will result in financially viable projects for housing developers,
- To increase the percentages of density bonuses granted to offset costs incurred in providing dedicated affordable housing units; and,
- Expanding the definition of “cottage cluster” under 7-501 to incorporate all local cottage development types, including those currently enacted in Queen Anne’s County.

Many will state that HB 538 is an intrusion into local control of zoning. In reality, local zoning practices have led us to the housing shortage that we are in today and maintaining that local control will continue to grow the crisis.

It is time for state action. The status quo is no longer an option, both for policy makers and for the residents of Maryland. Included in our testimony are the full results of the Maryland REALTORS® State of Housing Poll, which surveys the views of registered Maryland voters on housing. In it, you will find support for the very policies outlined in HB 538, including Middle Housing, and reducing regulatory roadblocks that stand in the way of producing it.

Maryland REALTORS® applauds efforts to ease our housing crisis and reduce our current 150,000-unit housing shortage. With the above considerations, we ask for your support of House Bill 538.

For more information contact
lisa.may@mdrealtor.org or christa.mcgee@mdrealtor.org



MD Statewide Housing 2024 R1 FNL.pdf

Uploaded by: Lisa May

Position: FWA

National Association of REALTORS®

MD – State of Housing January 2024

American Strategies designed and administered this multi-modal survey conducted by professional interviewers and via Qualtrics. The survey reached 807 adults (807 weighted) adults, age 18 or older, who indicated they were registered to vote in Maryland. The survey was conducted January 9-16, 2024.

Sixteen percent of respondents were reached on wireless phones and twenty-one percent on VOIP/landlines. Sixty-four percent of respondents were reached online. Quotas were assigned to reflect the demographic distribution of registered voters in Maryland, and the data were weighted to ensure an accurate reflection of the population. The sample was drawn from a third party vendor file. The overall margin of error is +/- 3.4%. The margin of error for subgroups is larger and varies. Percentage totals may not add up precisely due to rounding.

Executive Summary

- **Housing affordability is seen as a worsening problem in Maryland.** There is a steady increase in the number of voters who say the cost to buy a house or rent an apartment is too high. The problem with housing costs is not limited to lower income voters - nearly two-thirds now say there is too little housing available for people with moderate incomes in their part of Maryland. When it comes to obstacles to buying a house, low wages, high interest rates, and having enough money for a down payment are seen as the biggest obstacles. Most say there are too many rules and regulations that make it hard to build affordable homes but are split on whether more housing will bring down housing costs. Voters have increased familiarity with ADUs, but a large majority are still unfamiliar.

- **Percentage of voters who say housing costs are too high continues to trend upward.** Eighty-two percent say that the cost to buy a house is either much (54 percent) or somewhat (28 percent) too high. This is a steady increase from 2020 (57 percent too high), 2022 (71 percent too high), 2023 (76 percent too high).
 - ❖ The story is the same for the cost to rent an apartment; 81 percent say the cost is much (55 percent) or somewhat (26 percent) too high, with a continuous upward trend from 2020 (61 percent too high), 2022 (71 percent too high), and 2023 (80 percent too high).

 - ❖ Almost half of renters under 50 in Maryland say they are considering moving out of the state because of housing prices.

 - ❖ More than half personally feel at least some financial strain from the amount they pay in rent or mortgage each month; in line with 2023, 25 percent say housing costs cause a *significant* financial strain on their budget.

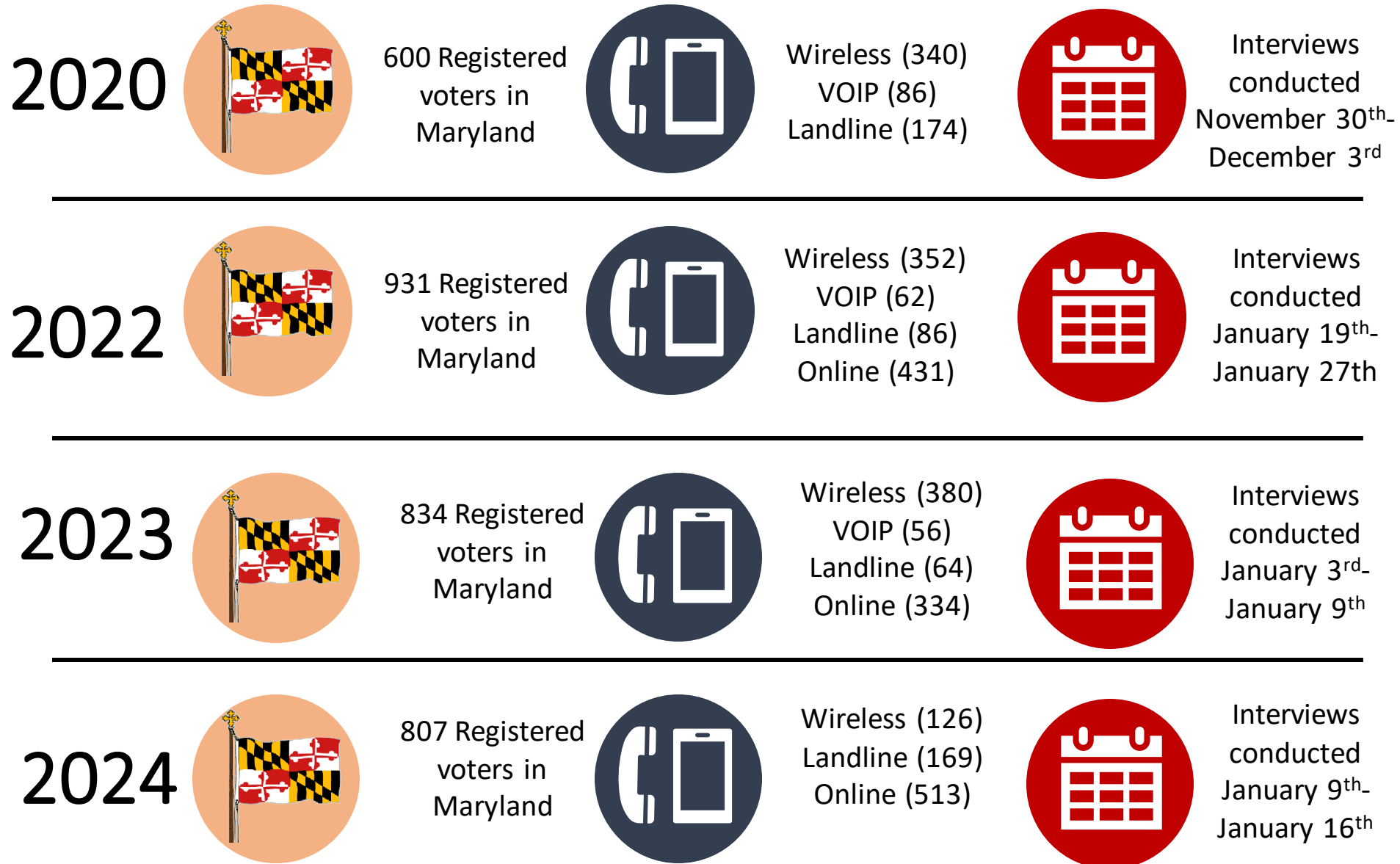
Key Findings

- **Lack of housing for people with moderate incomes.** Nearly two-thirds (65 percent) say there is too little housing for people with moderate incomes in their part of Maryland, up from just 46 percent who felt this way in 2020.
- **Too little housing for young people, lower income people and seniors.** Large majorities also perceive a lack of housing for younger people (73 percent too little), lower income people (66 percent) and older people who are looking to downsize or have special needs (62 percent). These percentages have been relatively stable since 2022.
- **Wages not keeping up with housing prices, trouble saving for a down payment, and increased interest rates are the biggest obstacles to buying a home.** Sixty-five percent say that having a full-time job but still not making enough to afford a home is a huge obstacle to buying a house. Higher interest rates (62 percent) and not having enough for the down payment (56 percent) and are also viewed as top obstacles to buying a home.

Key Findings

- **Voters agree that there are too many rules and regulations that make it hard to build affordable homes but are split on whether more housing will bring down housing costs.** Two-thirds (65 percent) agree that there are too many local rules and regulations that make it hard to build homes that Marylanders can afford, with one-third (30 percent) strongly agreeing. But voters are split on the effect of housing construction on housing prices. Fifty-three percent agree that building more housing will help bring down the overall cost of housing in Maryland; 45 percent disagree with this statement.
- **Voters have increased familiarity with ADUs, but a large majority are still unfamiliar.** Twenty percent say they are very (7 percent) or somewhat (13 percent) familiar with ADUs. This is up from last year when 14 percent said they were very (5 percent) or somewhat (9 percent) familiar. Seventy-nine percent say they have never heard of Accessory Dwelling Units.

Survey Methodology



Demographics

Gender



Women
53%



Men
47%

Age

18-29: 14%
30-39: 16%
40-49: 15%
50-64: 24%
65+: 29%

Party

Democrat: 48%
Independent: 30%
Republican: 21%

Race

White: 59%
African American or Black: 28%
Hispanic or Latino: 5%
Asian: 4%

Owner/Renter

Homeowner: 64%
Renter: 24%
Lives with Friends/Family: 11%

Region

Greater Baltimore: 22%
Montgomery: 16%
Prince George's: 14%
Central: 12%
Anne Arundel: 10%
Cecil/Harford: 6%
Lower Shore: 6%
Southern Maryland: 4%

Education

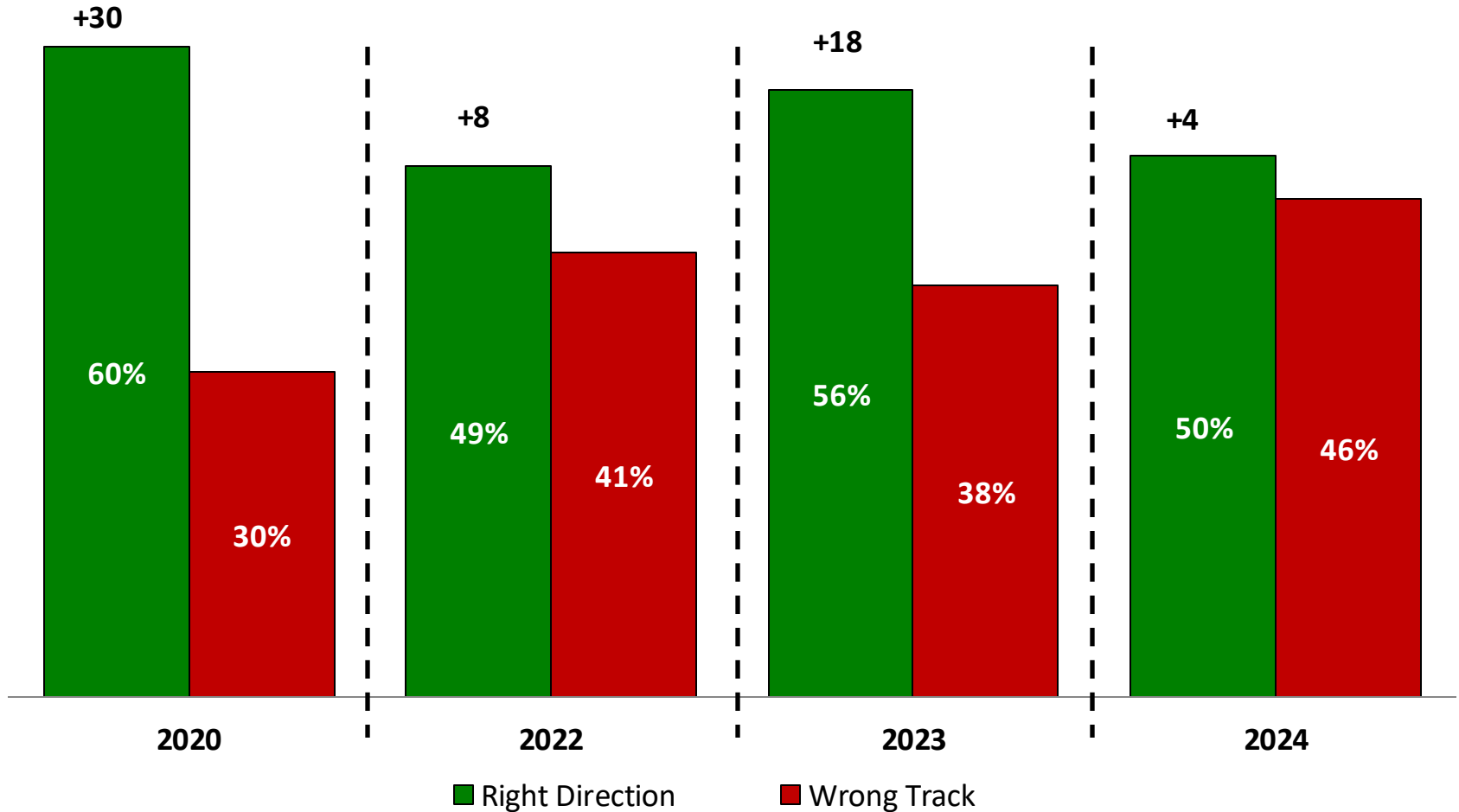
High School Grad: 15%
Post High School: 27%
College Graduate: 57%

Mood

Bare Majority See State as Off on the Wrong Track

Voters Less Positive Compared to 2023

Maryland Direction Over Time

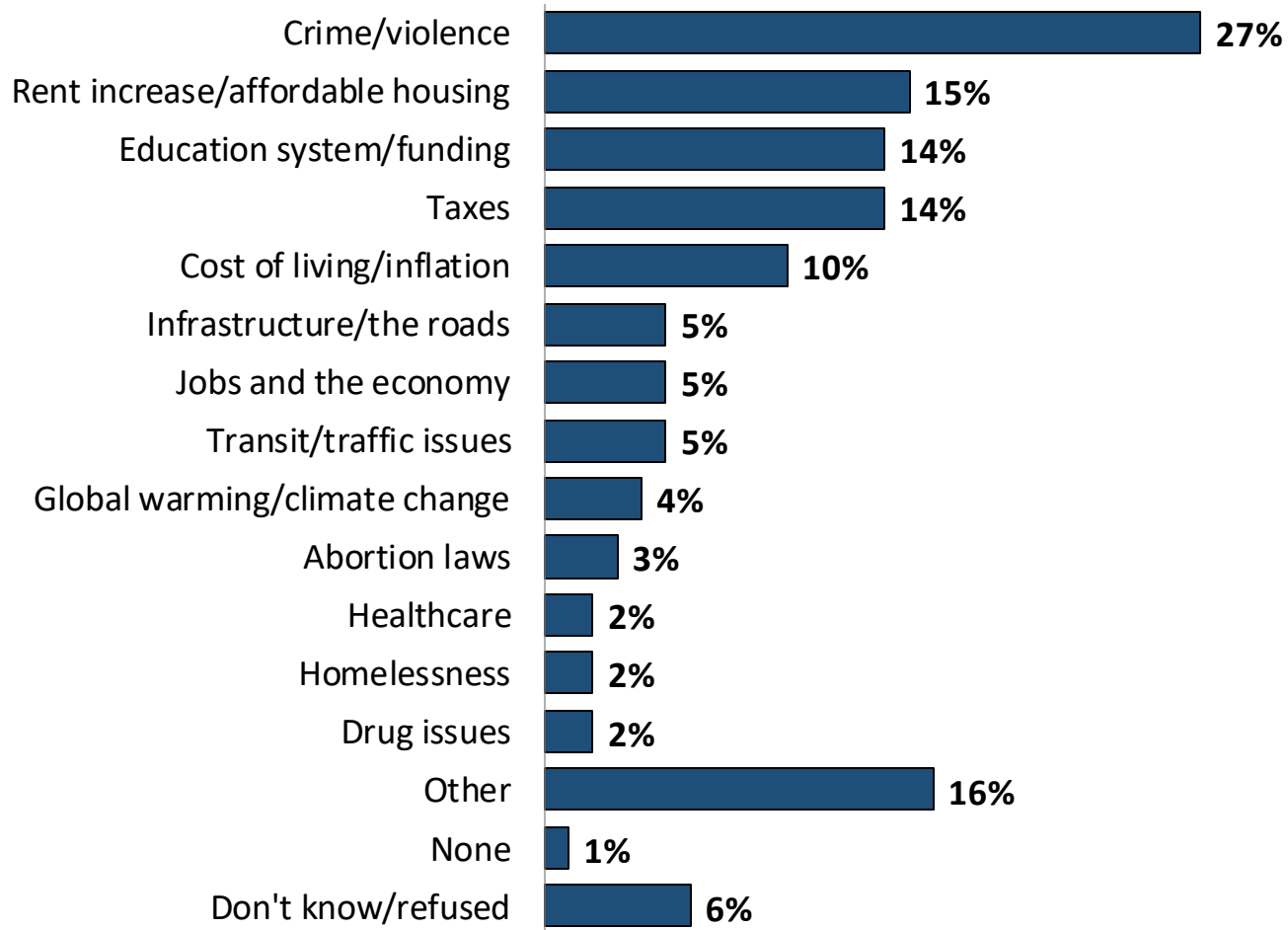


Q.4 Generally speaking, do you think that things in Maryland are going in the right direction, or do you feel things have gotten off on the wrong track?

Crime Tops the List of Volunteered Issue Concerns

Housing costs in second tier with education and taxes

Biggest Issue in Maryland



Selected Quotes Describing Major Issue Concern

Issues in Maryland – Volunteered Responses

“Crime, High taxes for home buyers causing them to look out of state for homes, elder care/nursing home problems.”

“Affordable housing, housing/mortgage grants to promote home ownership for those who need down payment assistance, and programs that discourage gun violence in schools!”

“Crime and public safety, especially out of control juvenile crime and crimes from repeat offenders who should still be in jail.”

“More affordable, less taxes. The working people are struggling.”

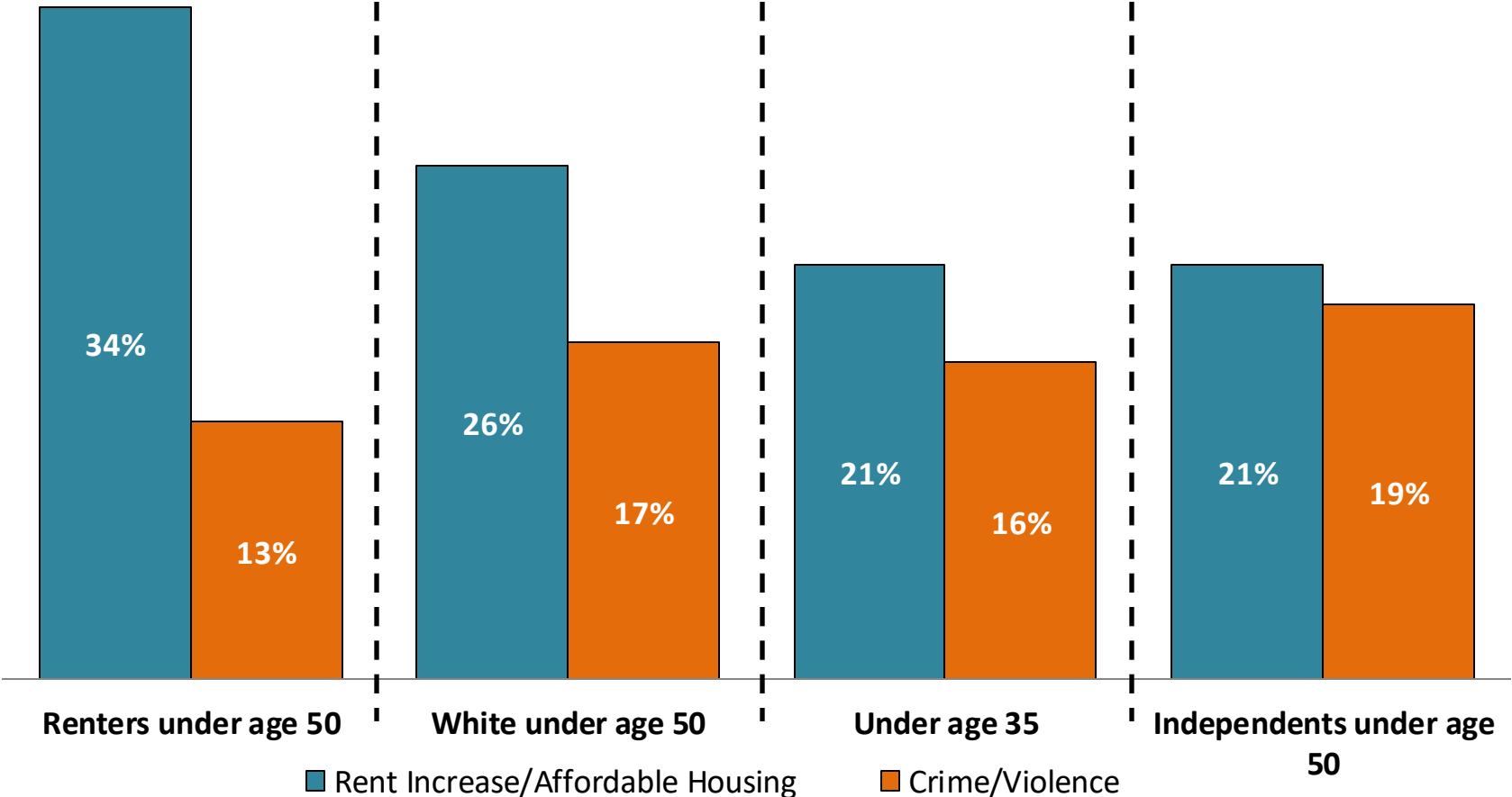
“The biggest issue in Maryland is youth crime that is out of control. The governor and state legislature needs to come up with common sense laws that hold youth and their guardians accountable.”

“Affordable housing. People working previously middle-class jobs are being priced out of the market at an increasing rate, not to even mention people struggling to get by and working 2 jobs for a small 1 bedroom costing them \$2000 a month.”

“Education- particularly public schools in Baltimore, which need more funding and teacher support.”

Rents and Housing Costs the Top Concern for Younger Voters (Under Age 50)

Biggest Issue



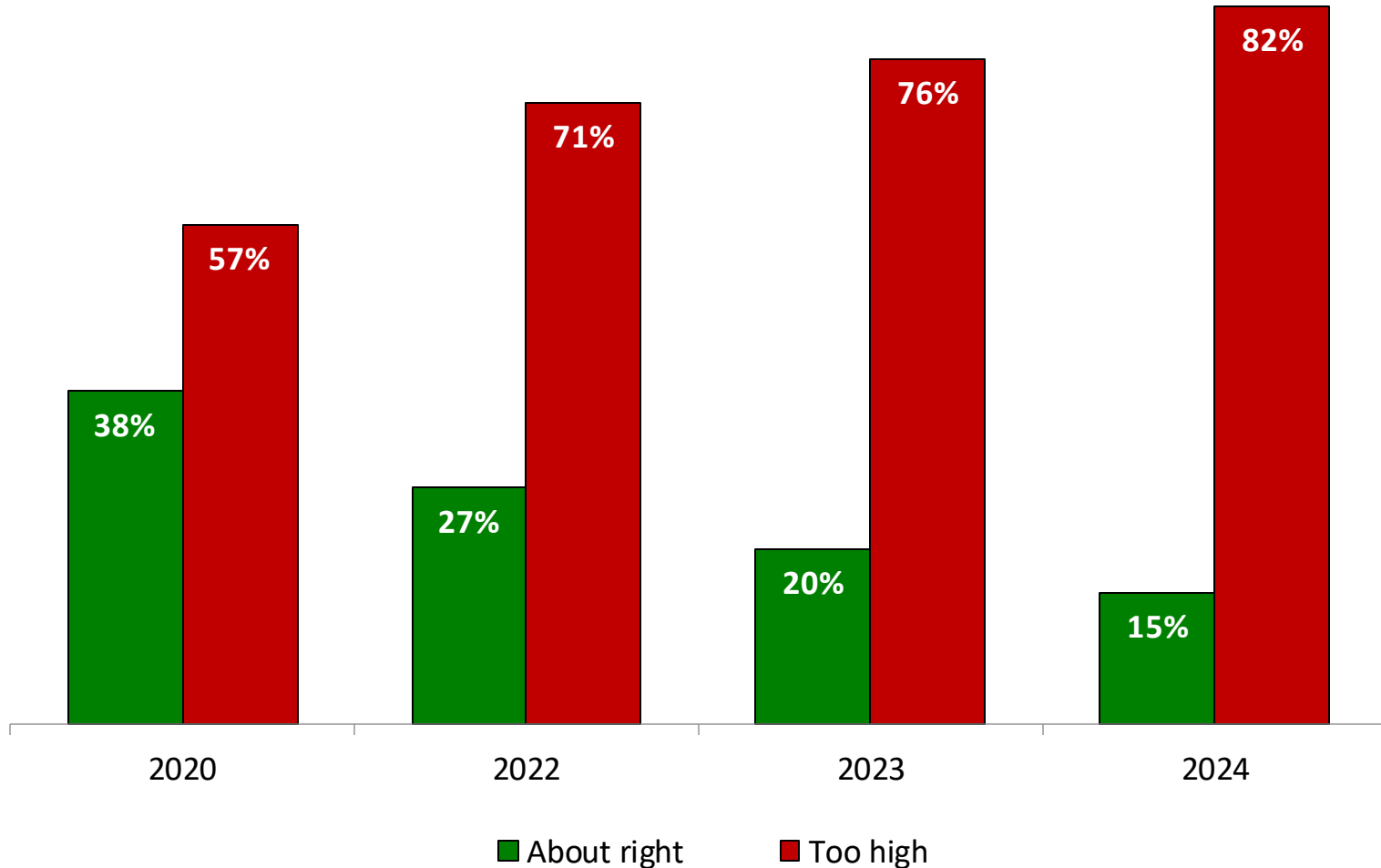
Q.5 And what would you say is the biggest issue in Maryland that you would like the governor and state legislature to focus on?

Housing Affordability and Supply

Large Majority Say the Cost to Buy a Home in Maryland is Too High

25-Point Increase Since 2020

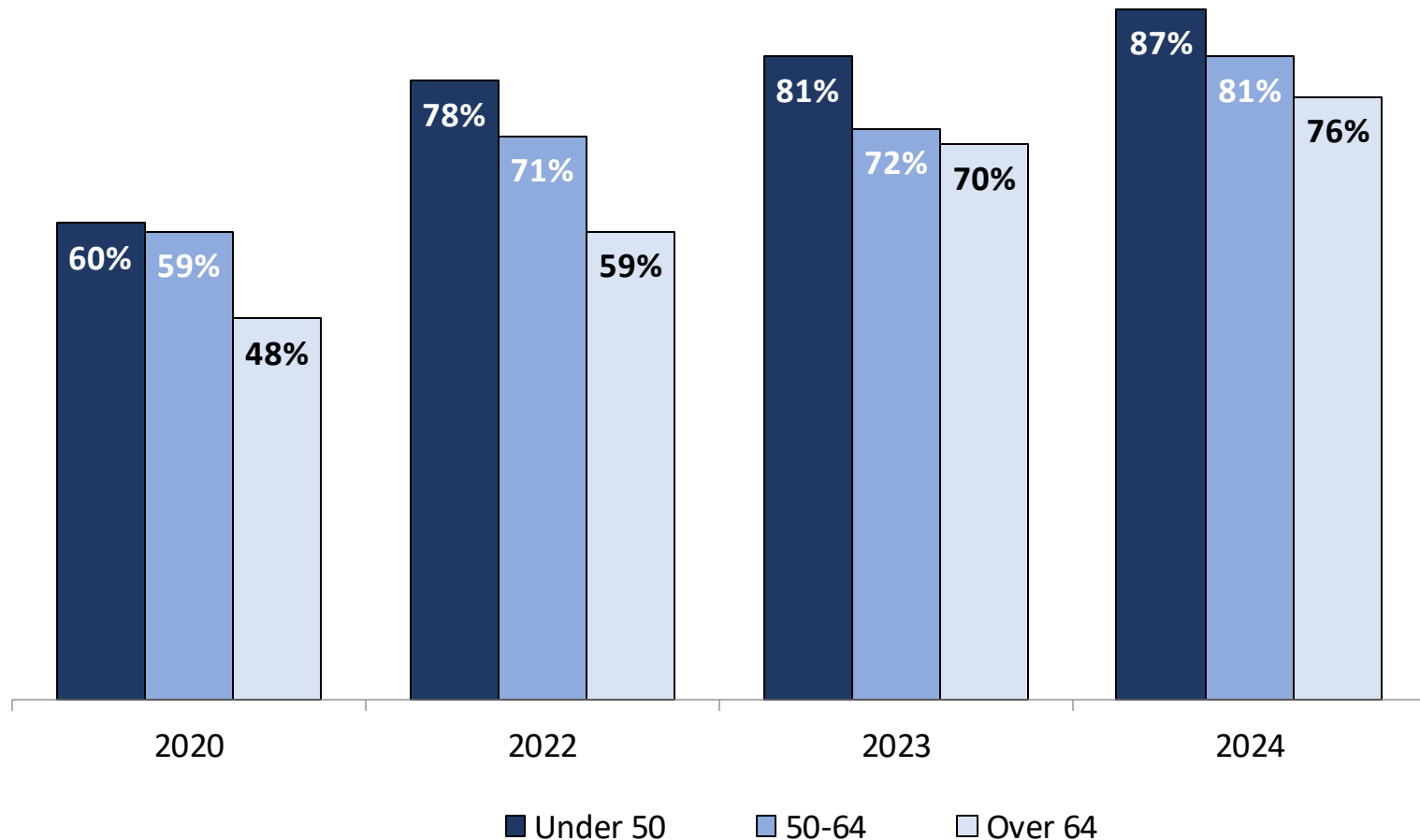
Cost to Buy a House Time Series



Q.6 (ROTATE WITH Q.7) Generally speaking, would you say that the cost to buy a house in your part of Maryland is (ROTATE FIRST TO LAST AND LAST TO FIRST) too high, about right, or too low?

Sense that Home Costs are Too High is Up Among all Age Groups; Almost All Under Age 50 Say Costs are Too High

Cost to Buy a House is Too High by Age Groups
Time Series

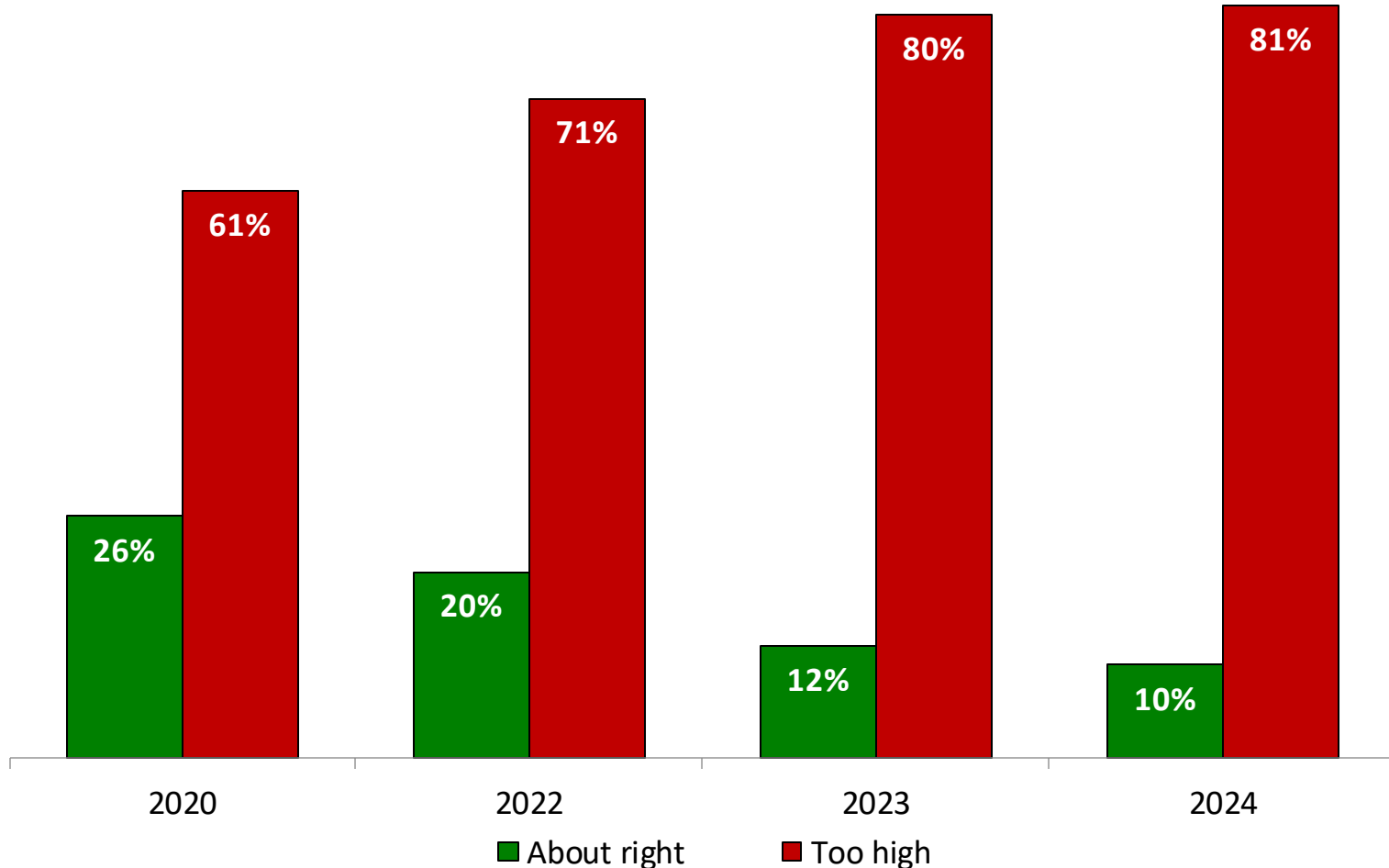


Q.6 (ROTATE WITH Q.7) Generally speaking, would you say that the cost to buy a house in your part of Maryland is (ROTATE FIRST TO LAST AND LAST TO FIRST) too high, about right, or too low?

Voters Overwhelmingly Say that Cost to Rent an Apartment is Too High

Continued increase from 2020; up 20-points

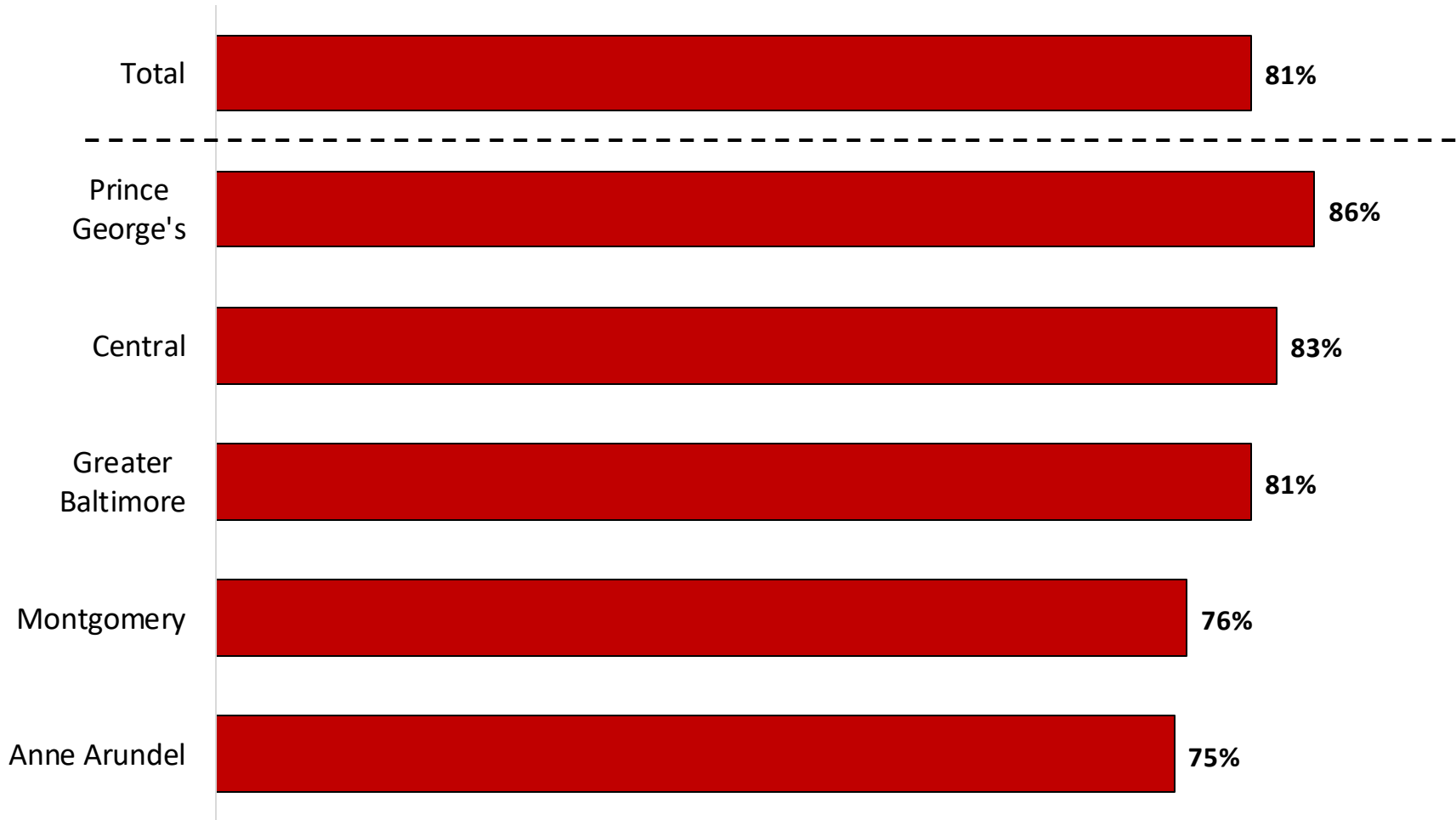
Cost to Rent Time Series



Q.7 (ROTATE WITH Q.6) Generally speaking, would you say that the cost to rent an apartment in your part of Maryland is (ROTATE FIRST TO LAST AND LAST TO FIRST) too high, about right, or too low?

Across the State Voters Agree Rent is Too High

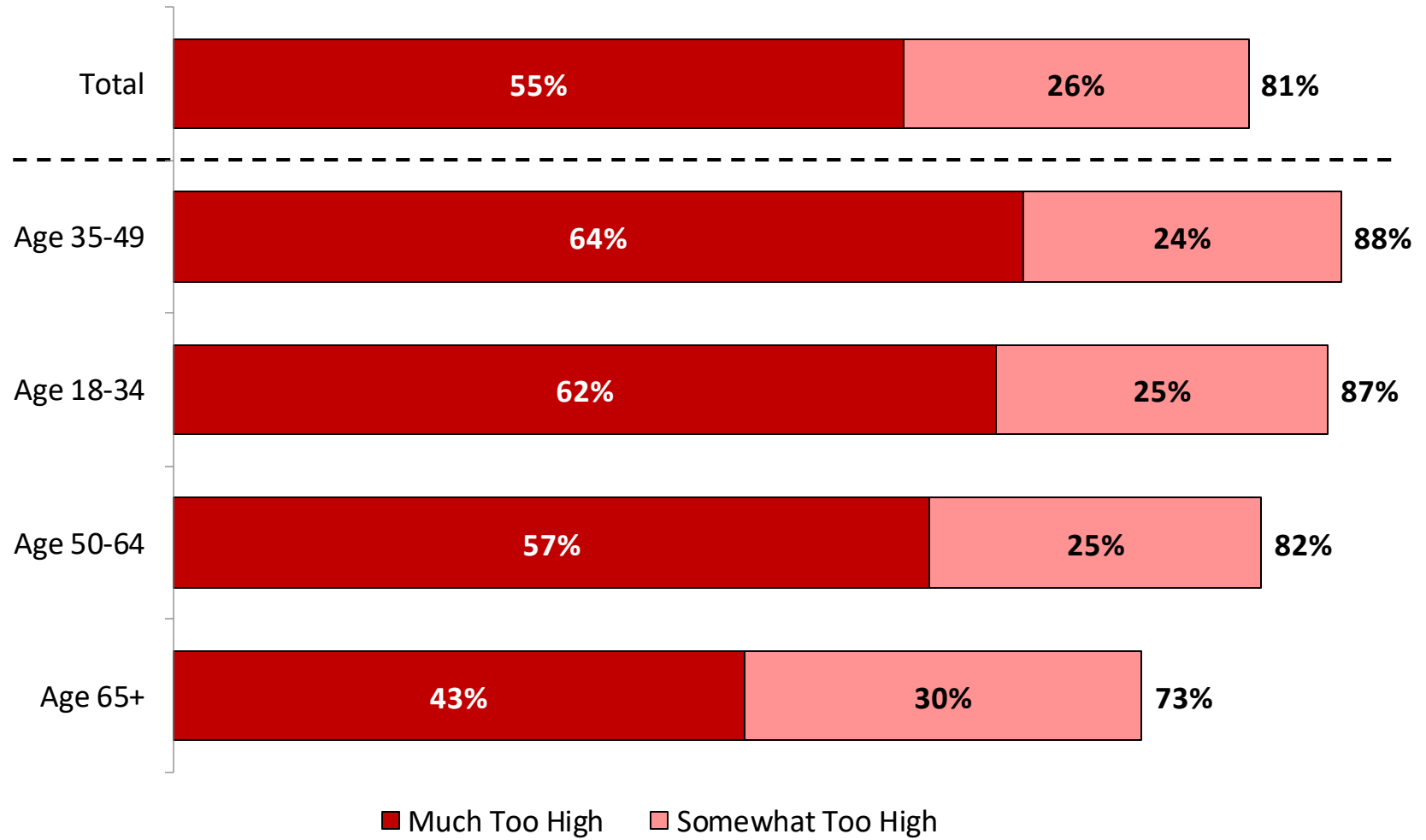
Cost to Rent an Apartment: Too High by region



Q.7 (ROTATE WITH Q.6) Generally speaking, would you say that the cost to rent an apartment in your part of Maryland is (ROTATE FIRST TO LAST AND LAST TO FIRST) too high, about right, or too low?

Concern Over Rental Costs Crosses All Age Groups

Cost to Rent an Apartment: Too High by Age

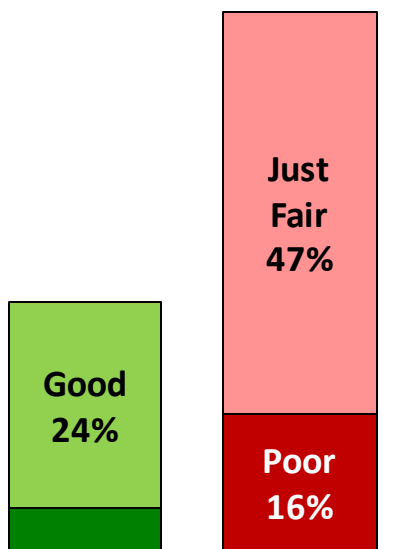


Q.7 (ROTATE WITH Q.6) Generally speaking, would you say that the cost to rent an apartment in your part of Maryland is (ROTATE FIRST TO LAST AND LAST TO FIRST) too high, about right, or too low?

State Government Seen as Doing Only a Fair or Poor Job on Housing Affordability and Supply

State Legislature Job Performance Over Time

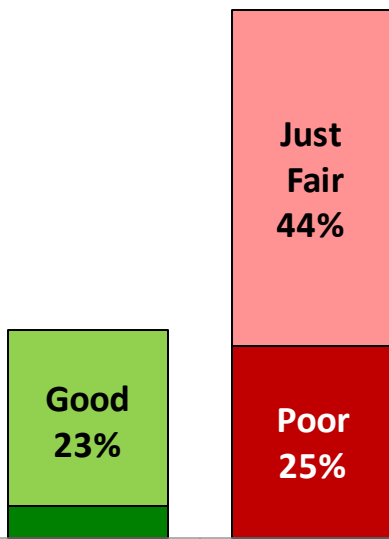
2020



Excellent/Good: 29%

Just Fair/Poor: 63%

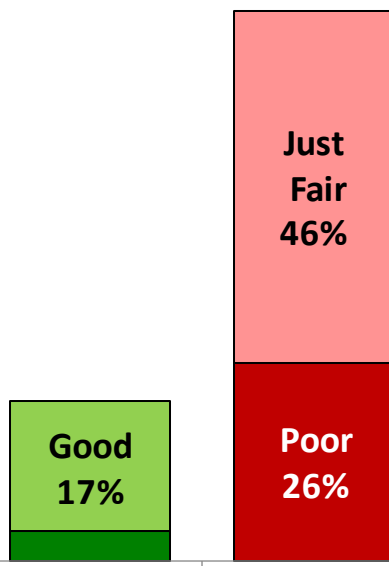
2022



Excellent/Good: 27%

Just Fair/Poor: 69%

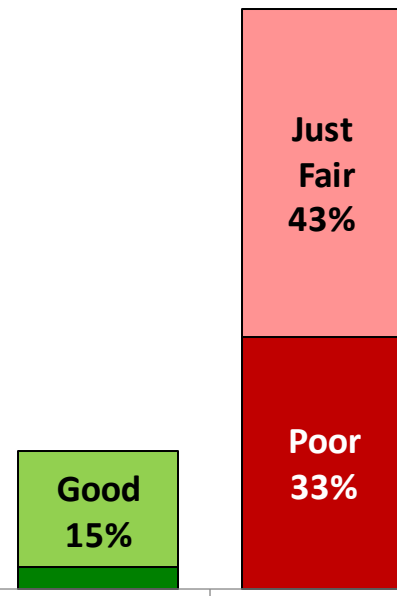
2023



Excellent/Good: 21%

Just Fair/Poor: 72%

2024



Excellent/Good: 18%

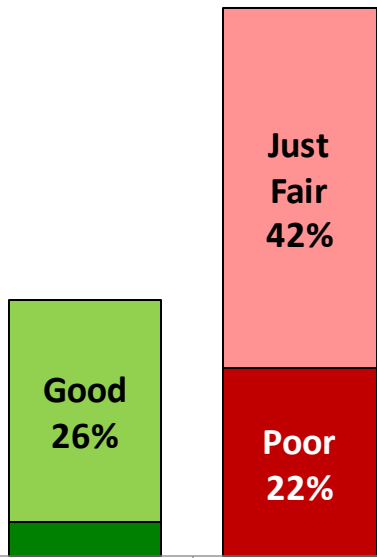
Just Fair/Poor: 77%

Q.8 How would you rate the job being done by the governor and Maryland state legislature on the issue of housing affordability and supply? Would you say they are doing an/a (ROTATE FIRST TO LAST AND LAST TO FIRST) excellent, good, just fair, or poor job?

Voters Also Critical of County and City Government on Addressing Housing Affordability and Supply

Local County Job Performance Over Time

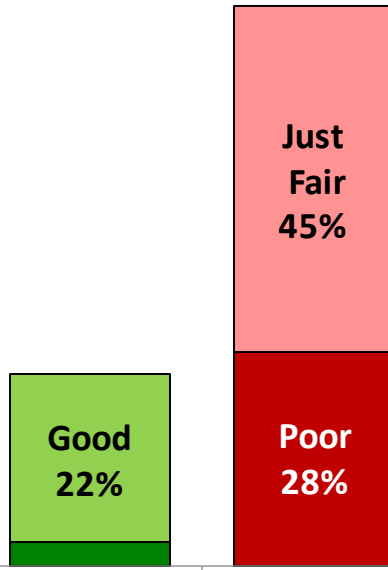
2020



Excellent/Good: 29%

Just Fair/Poor: 64%

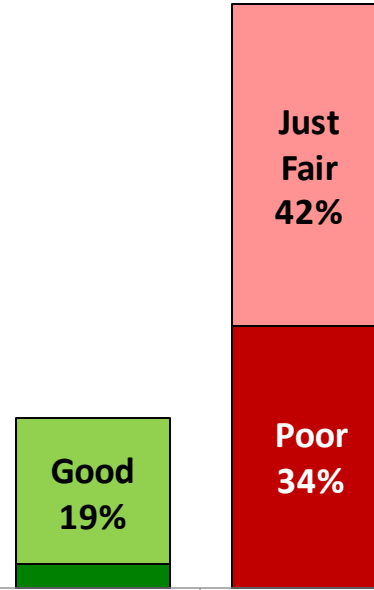
2022



Excellent/Good: 25%

Just Fair/Poor: 73%

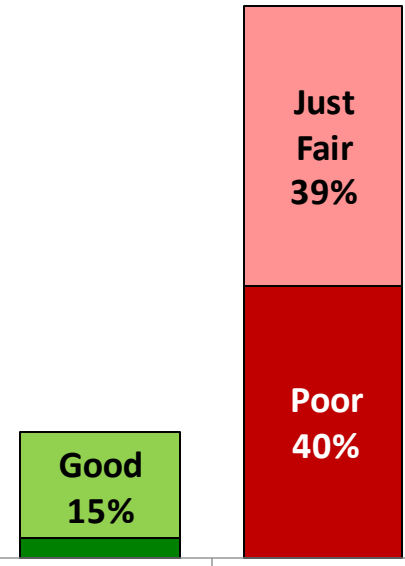
2023



Excellent/Good: 21%

Just Fair/Poor: 76%

2024



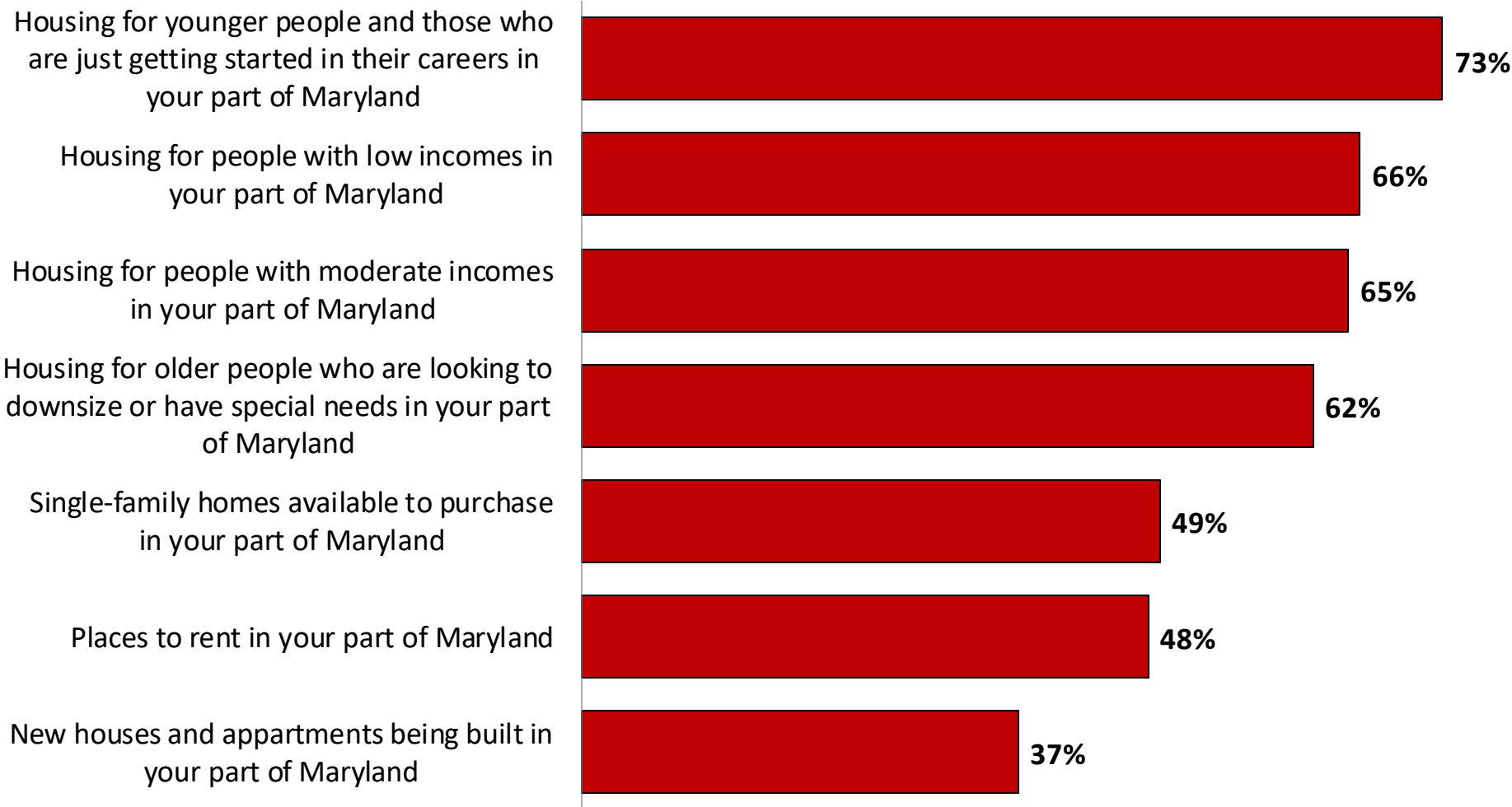
Excellent/Good: 18%

Just Fair/Poor: 79%

Q.9 And how would you rate the job being done by your LOCAL county and city governments on the issue of housing affordability and supply? Would you say they are doing an/a (ROTATE FIRST TO LAST AND LAST TO FIRST) excellent, good, just fair, or poor job?

Voters See Too Little Housing for Young People, Those with Low and Moderate Income and Seniors

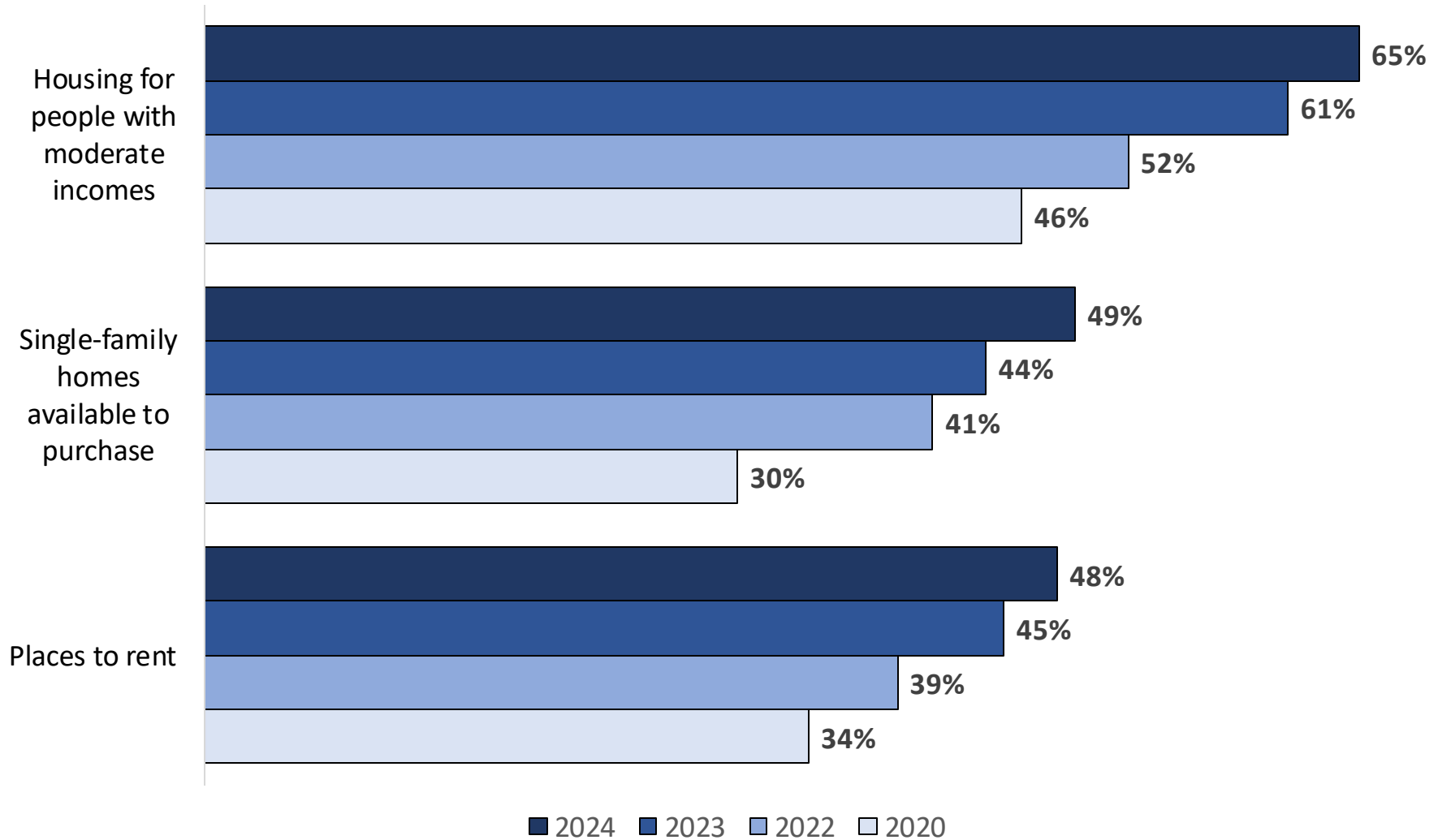
Percent Too Little Available



Q.10 Still thinking about housing, please tell me if you think there is (ROTATE TOO MUCH/TOO LITTLE) too much, too little, or the right amount of each of the following in your part of Maryland.

Steady Increase in Perceived Lack of Housing for Those With Moderate Incomes, and Homes to Buy or Rent

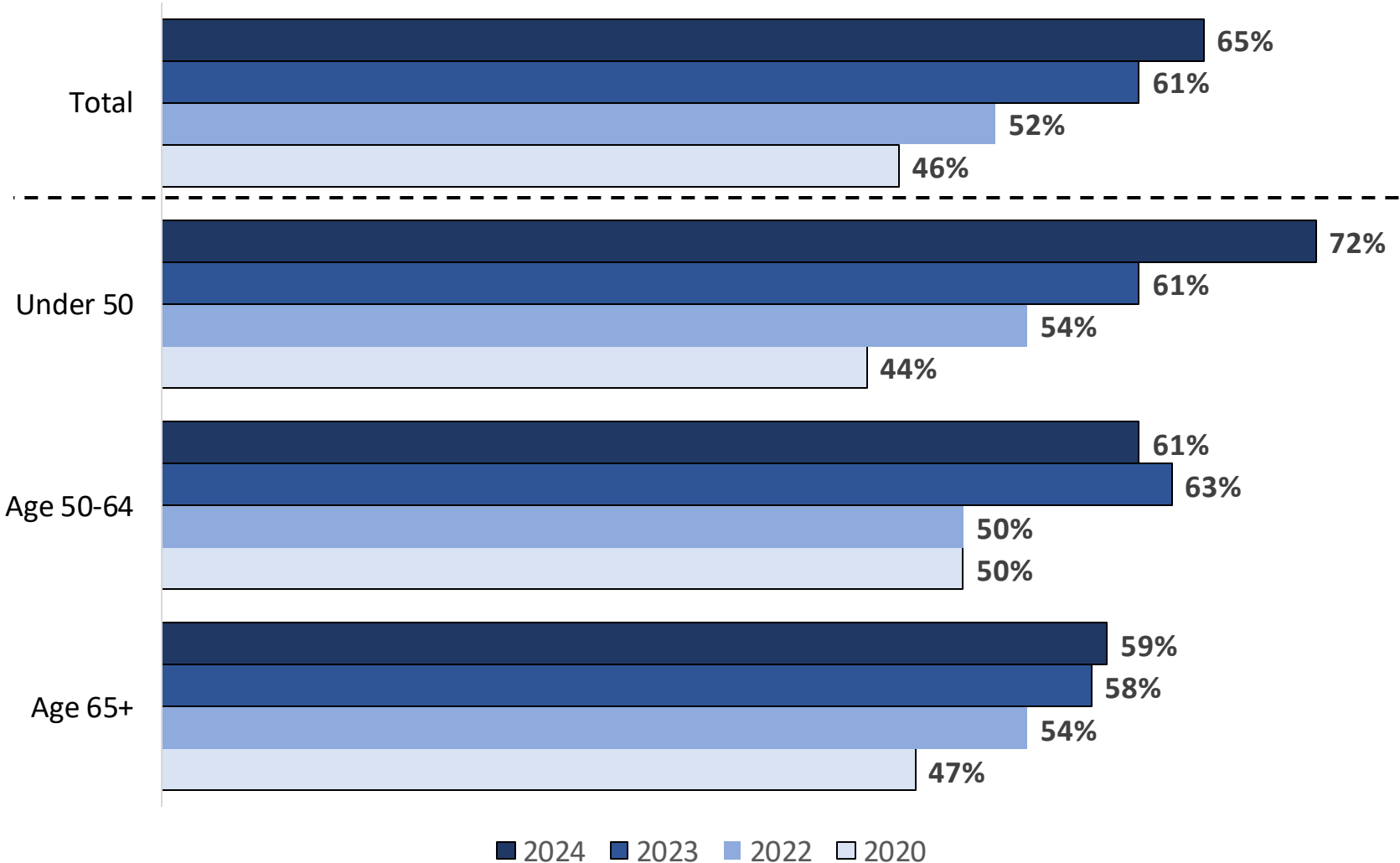
Percent Too Little Housing Available: Time Series



Q.10 Still thinking about housing, please tell me if you think there is (ROTATE TOO MUCH/TOO LITTLE) too much, too little, or the right amount of each of the following in your part of Maryland.

Voters Under 50 Show Largest Increase in Perceived Lack of Housing for Those With Moderate Incomes

Too Little Housing for People With Moderate Incomes Time Series By Age

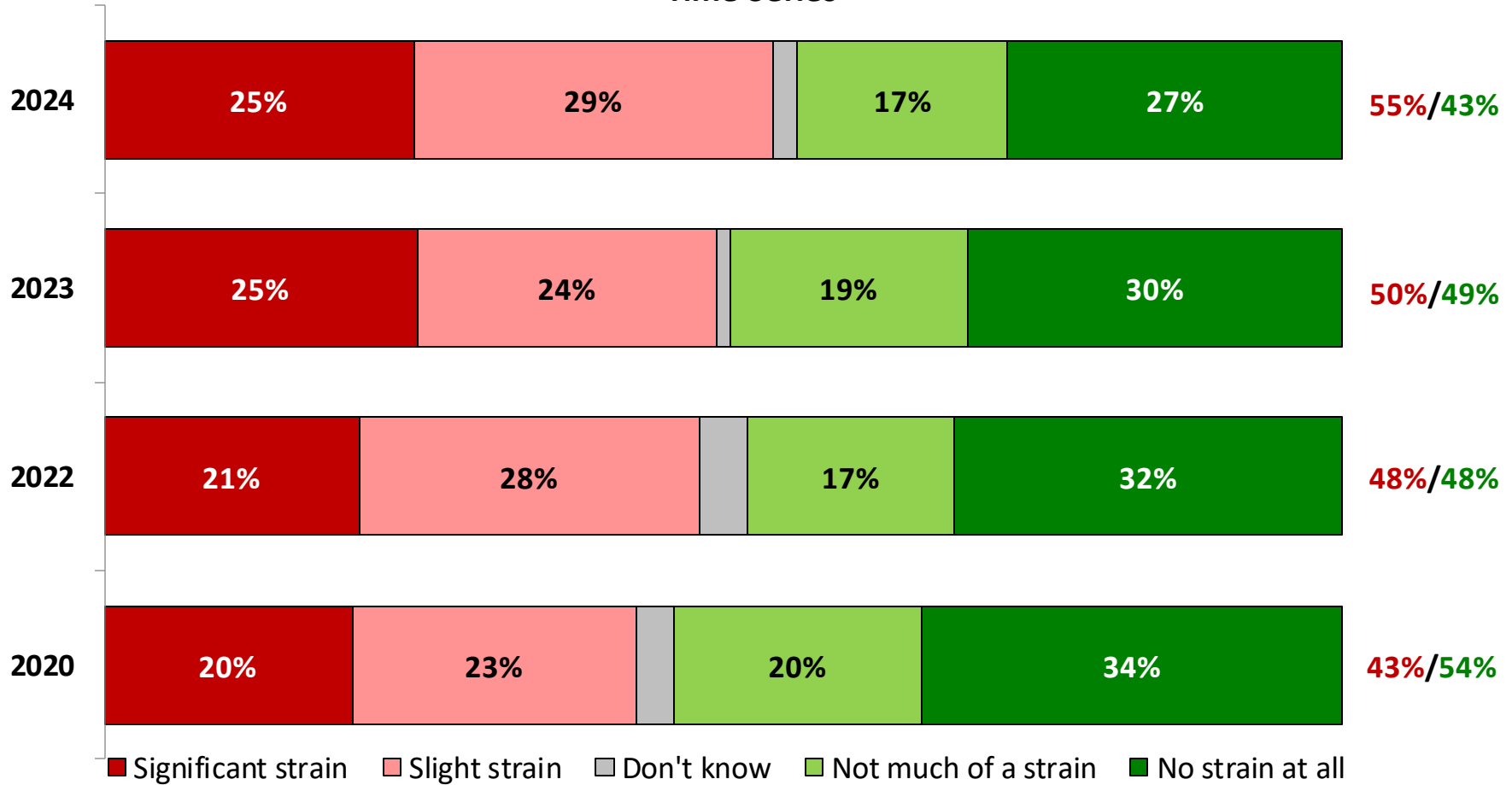


Q.10 Still thinking about housing, please tell me if you think there is (ROTATE TOO MUCH/TOO LITTLE) too much, too little, or the right amount of each of the following in your part of Maryland.

Housing Cost Strain

Over Half Feel Financially Strained by Monthly Mortgage or Rent Payment

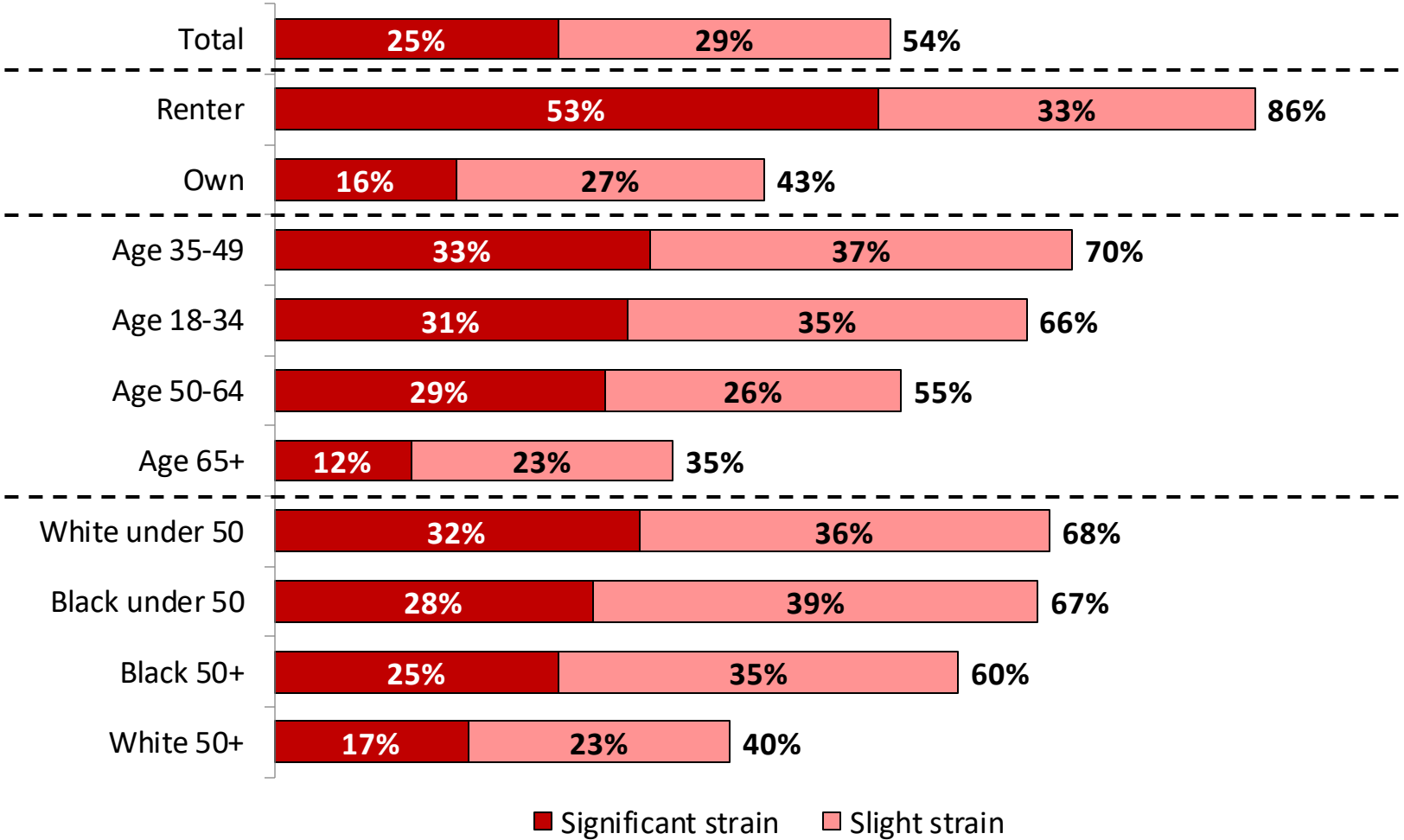
Financial Strain from Housing Payments
Time Series



Q.19 How much of a financial strain on your budget is paying your rent or mortgage each month? Is it (ROTATE FIRST TO LAST AND LAST TO FIRST) a significant strain, a slight strain, not much of a strain, or no strain at all?

Renters Intensely Feeling The Strain From Housing Payments

Financial Strain from Monthly Rent or Mortgage
by Homeownership, Age and Race/Age



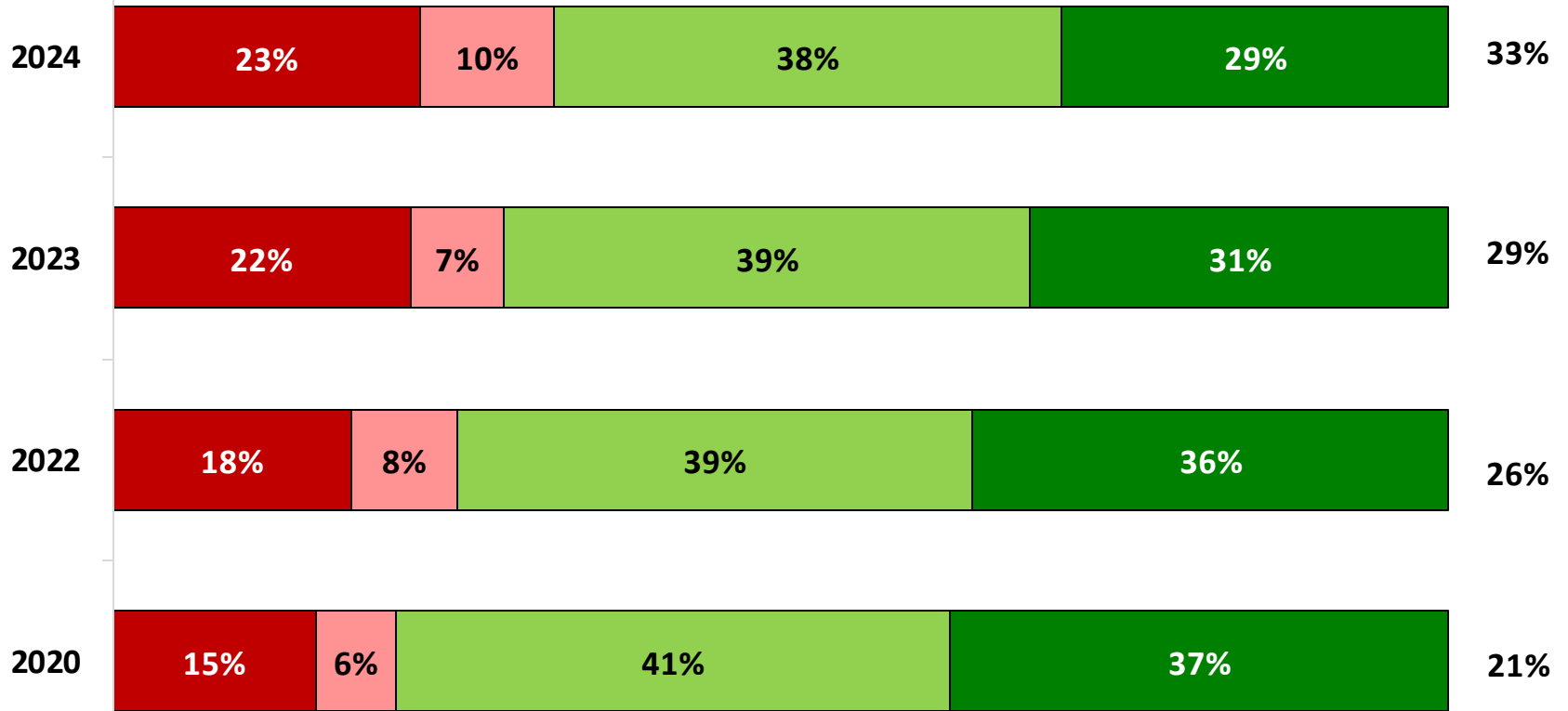
Q.19 How much of a financial strain on your budget is paying your rent or mortgage each month? Is it (ROTATE FIRST TO LAST AND LAST TO FIRST) a significant strain, a slight strain, not much of a strain, or no strain at all?

Nearly One-Quarter Have Thought About Moving Out of State Because of High Housing Costs

Consider Moving Due to Financial Strain of Rent or Mortgage

Time Series

Total Yes



■ Yes, outside of the state ■ Yes, move elsewhere in Maryland ■ No ■ No strain or don't know (From Q. 17)

Q.19 How much of a financial strain on your budget is paying your rent or mortgage each month? Is it (ROTATE FIRST TO LAST AND LAST TO FIRST) a significant strain, a slight strain, not much of a strain, or no strain at all?

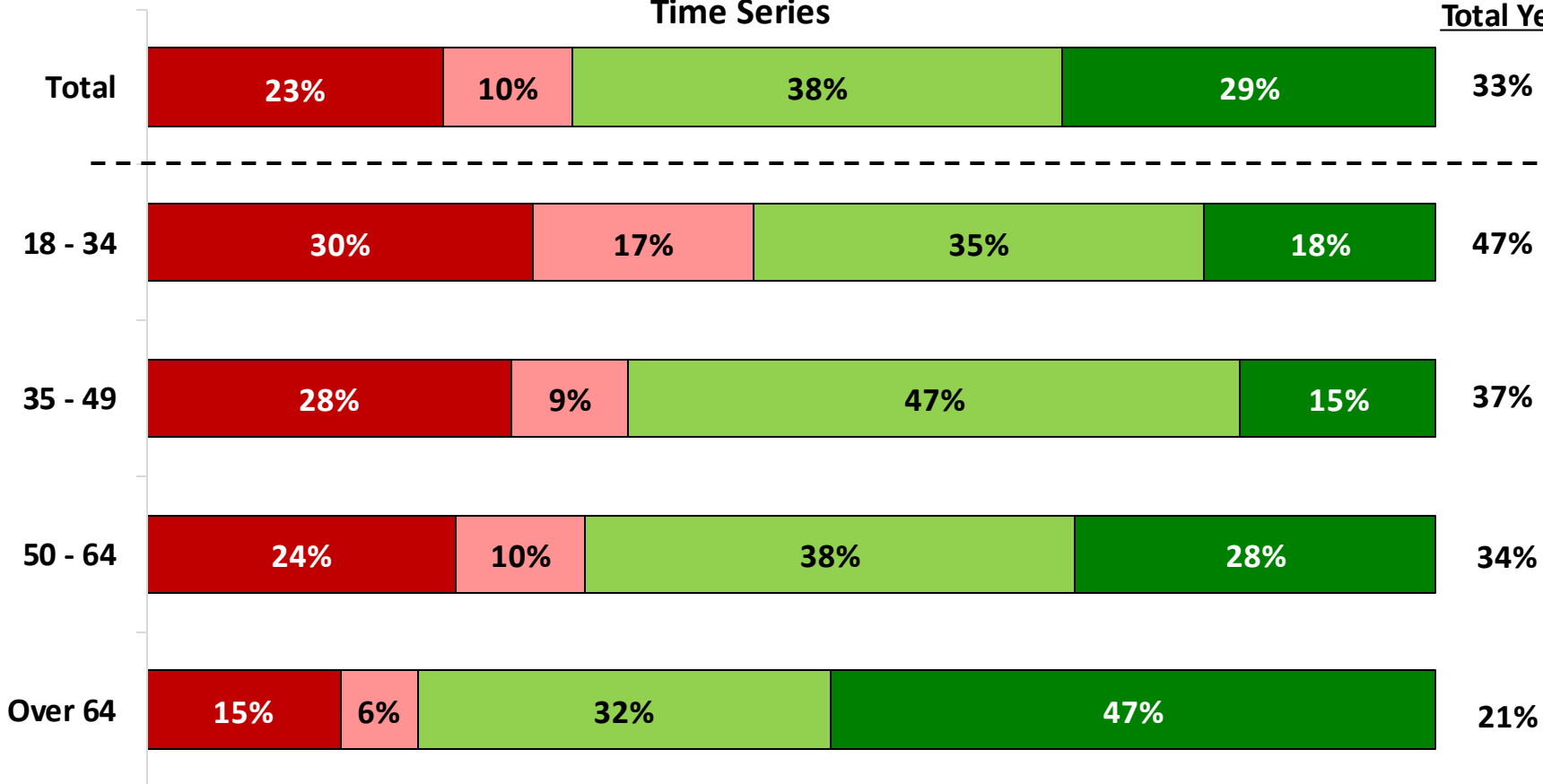
Q.20 (IF SIGNIFICANT, SLIGHT, OR NOT MUCH IN Q.17) Does the cost of housing make you think about moving from your current home or not?

Younger Voters More Likely to Consider Moving Due to Rising Housing Costs

Consider Moving Due to Financial Strain of Rent or Mortgage

Time Series

Total Yes



■ Yes, outside of the state ■ Yes, move elsewhere in Maryland ■ No ■ No strain or don't know (From Q. 17)

Q.19 How much of a financial strain on your budget is paying your rent or mortgage each month? Is it (ROTATE FIRST TO LAST AND LAST TO FIRST) a significant strain, a slight strain, not much of a strain, or no strain at all?

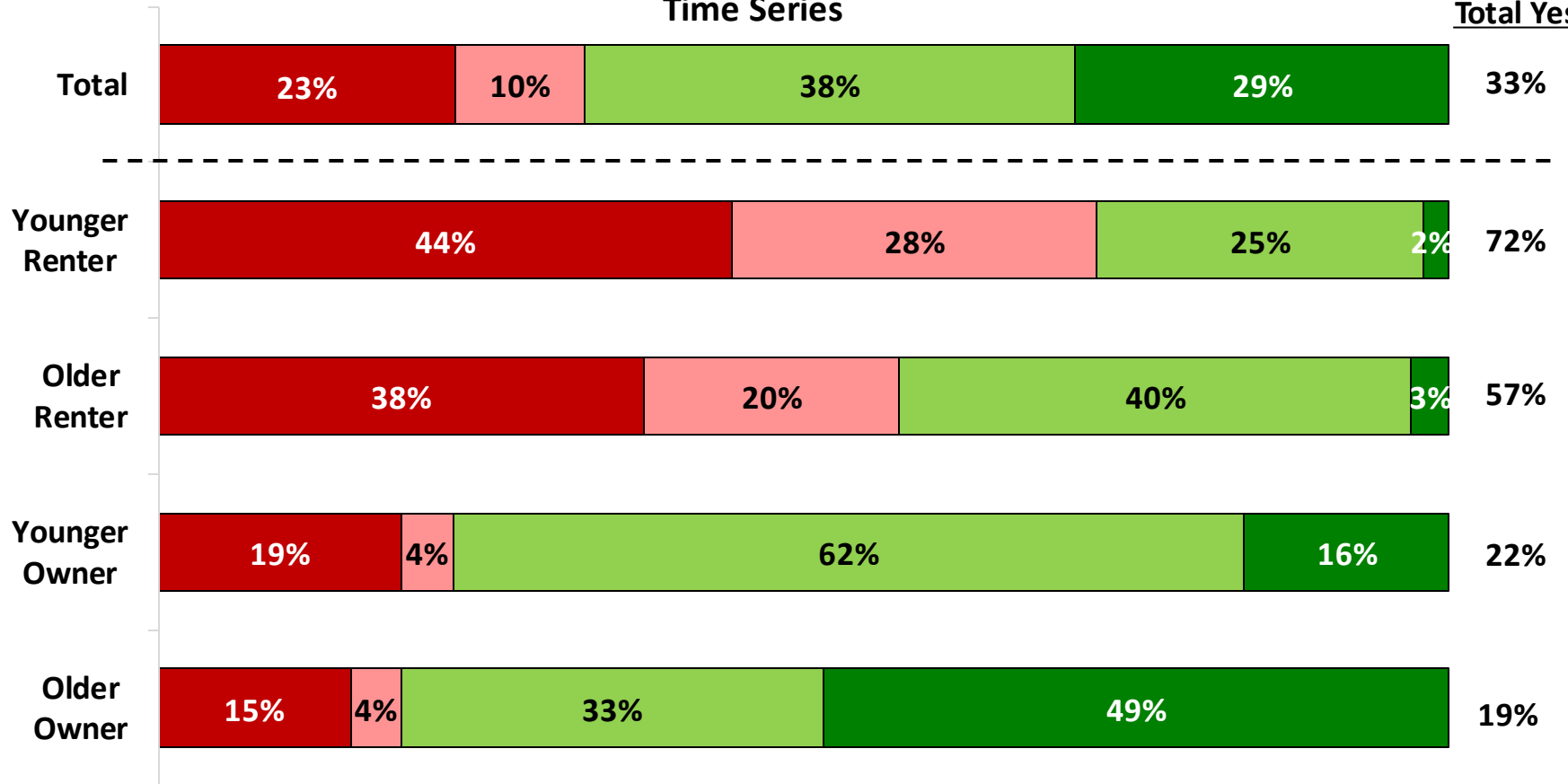
Q.20 (IF SIGNIFICANT, SLIGHT, OR NOT MUCH IN Q.17) Does the cost of housing make you think about moving from your current home or not?

A Large Majority of Renters Are Thinking of Moving Due to Rising Housing Costs

Consider Moving Due to Financial Strain of Rent or Mortgage

Time Series

Total Yes



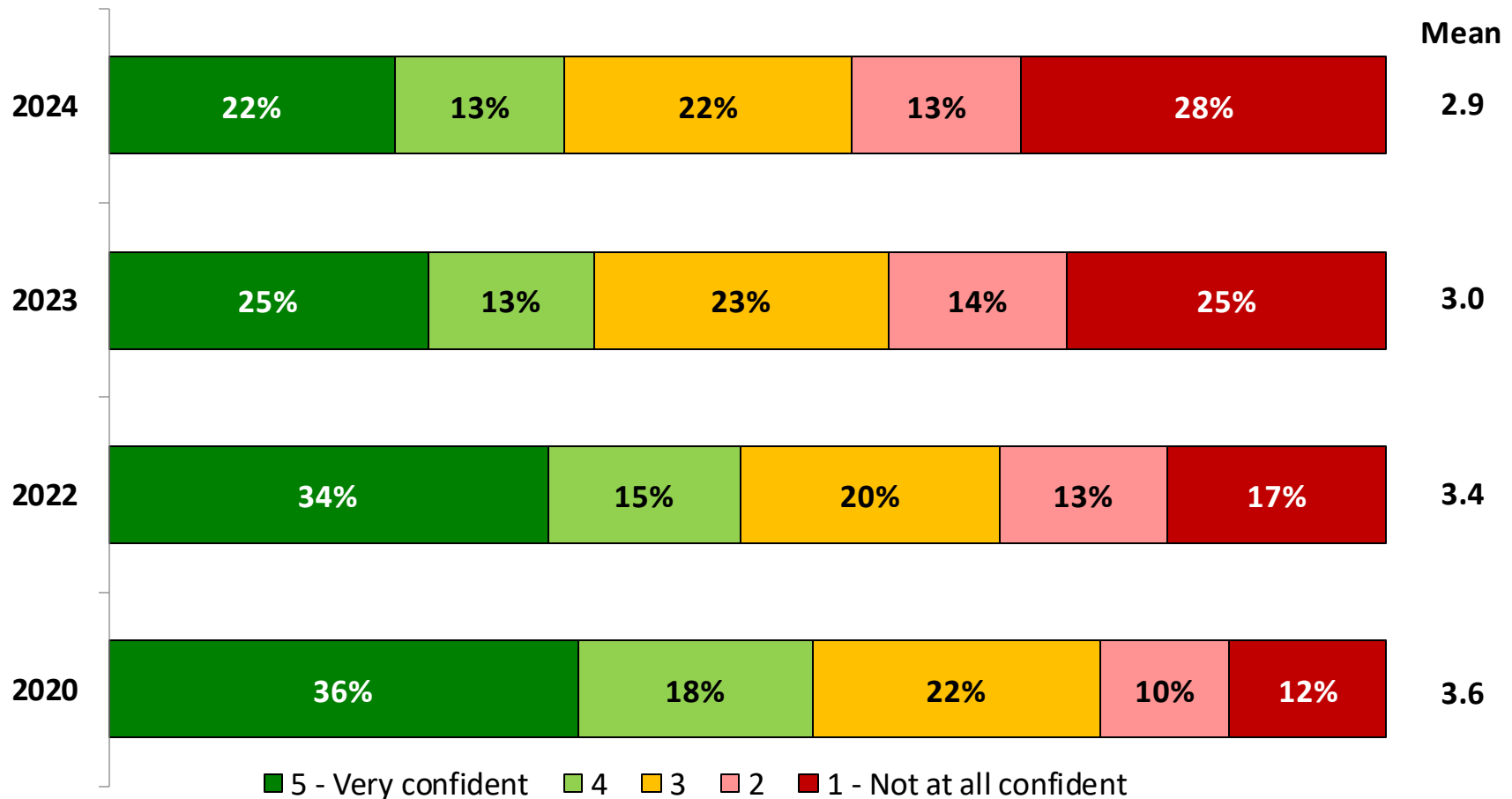
■ Yes, outside of the state ■ Yes, move elsewhere in Maryland ■ No ■ No strain or don't know (From Q. 17)

Q.19 How much of a financial strain on your budget is paying your rent or mortgage each month? Is it (ROTATE FIRST TO LAST AND LAST TO FIRST) a significant strain, a slight strain, not much of a strain, or no strain at all?

Q.20 (IF SIGNIFICANT, SLIGHT, OR NOT MUCH IN Q.17) Does the cost of housing make you think about moving from your current home or not?

Residents are Less Confident They Could Afford Another Home or Apartment in Maryland that Meets Their Needs

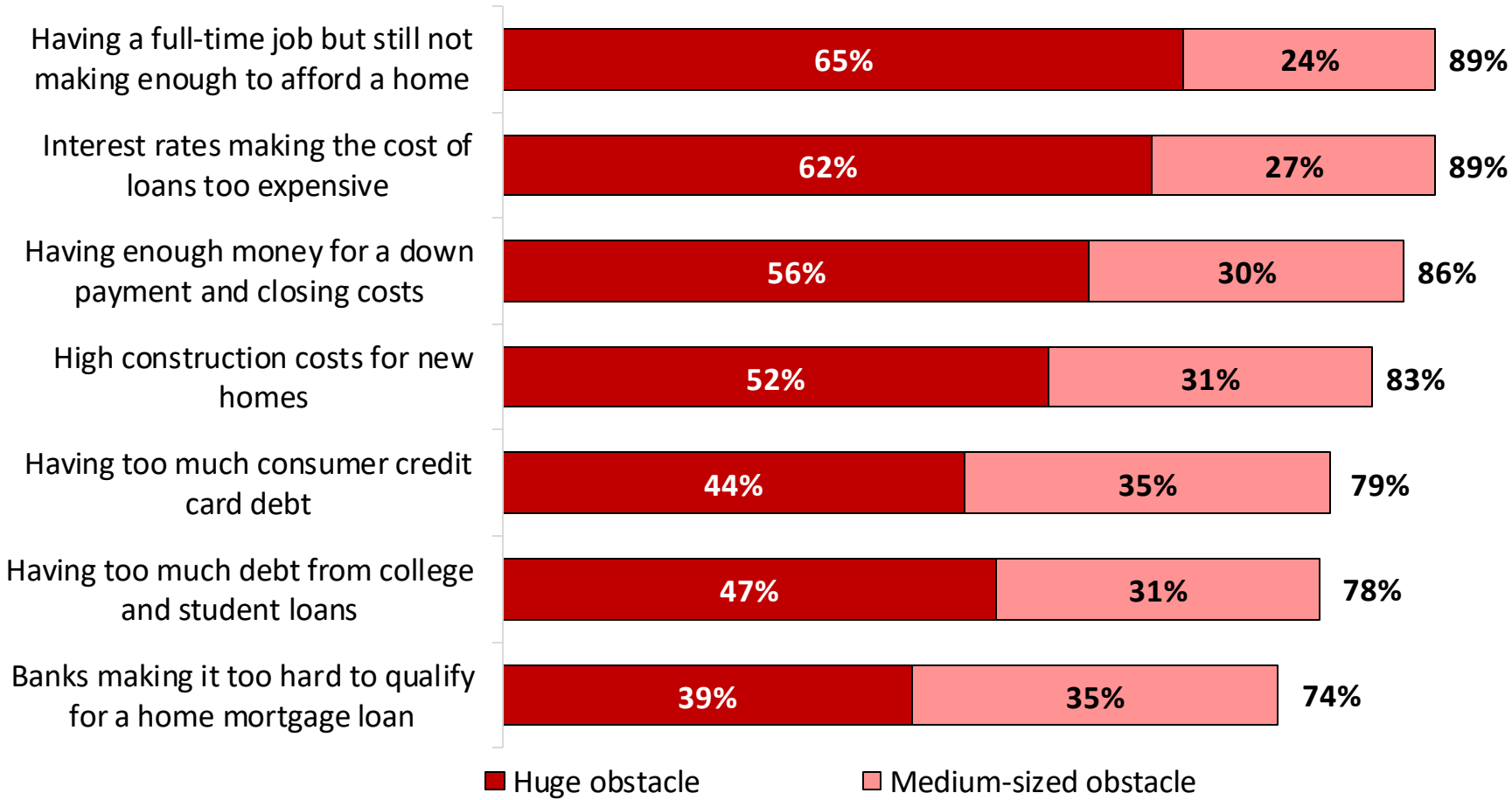
Confidence in Ability to Afford Another Home in Maryland Over Time



Q.22 On a scale of 1 to 5, where 1 means not at all confident and 5 means very confident, how confident are you that if you had to move from your current residence you would be able to afford to own or rent a home that meets your needs in Maryland? You can use any number from 1 to 5, the higher the number, the more confident you are.

Low Wages, Interest Rates, Down Payment, and Construction Costs Top Obstacles to Buying a Home

Biggest Obstacles to Buying a Home

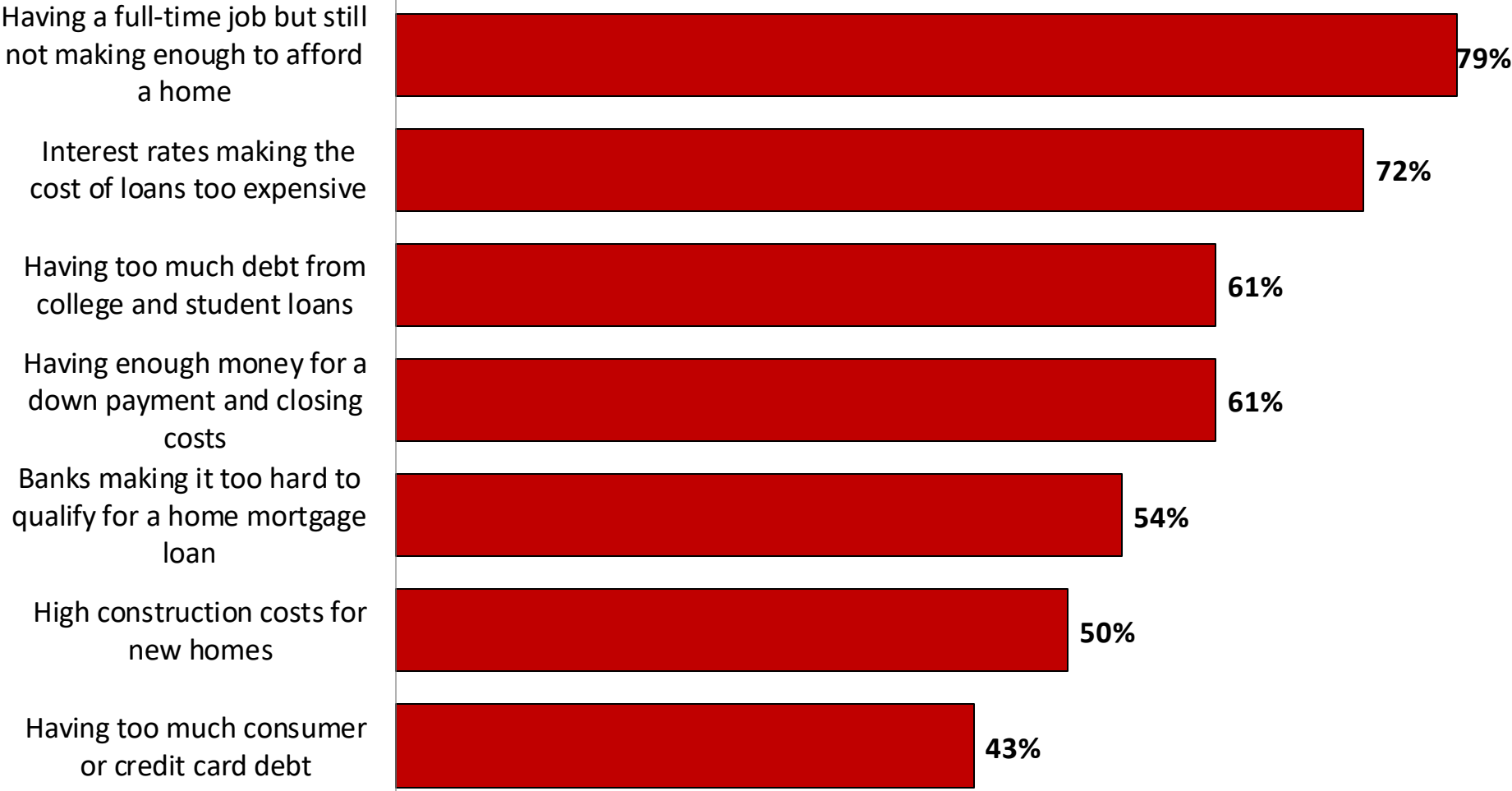


Q.12 Next, I am going to read several things some people have said make buying a home too difficult or expensive. After I read each one, please tell me whether you think that is a huge obstacle, a medium-size obstacle, a small obstacle, or not an obstacle at all that makes buying a home too difficult or expensive for people in your area...[item text above]

For Non-Homeowners, Wages, Interest Rates, Student Debt and Down Payment are Top Obstacles to Buying a Home

Huge Obstacles to Buying a Home

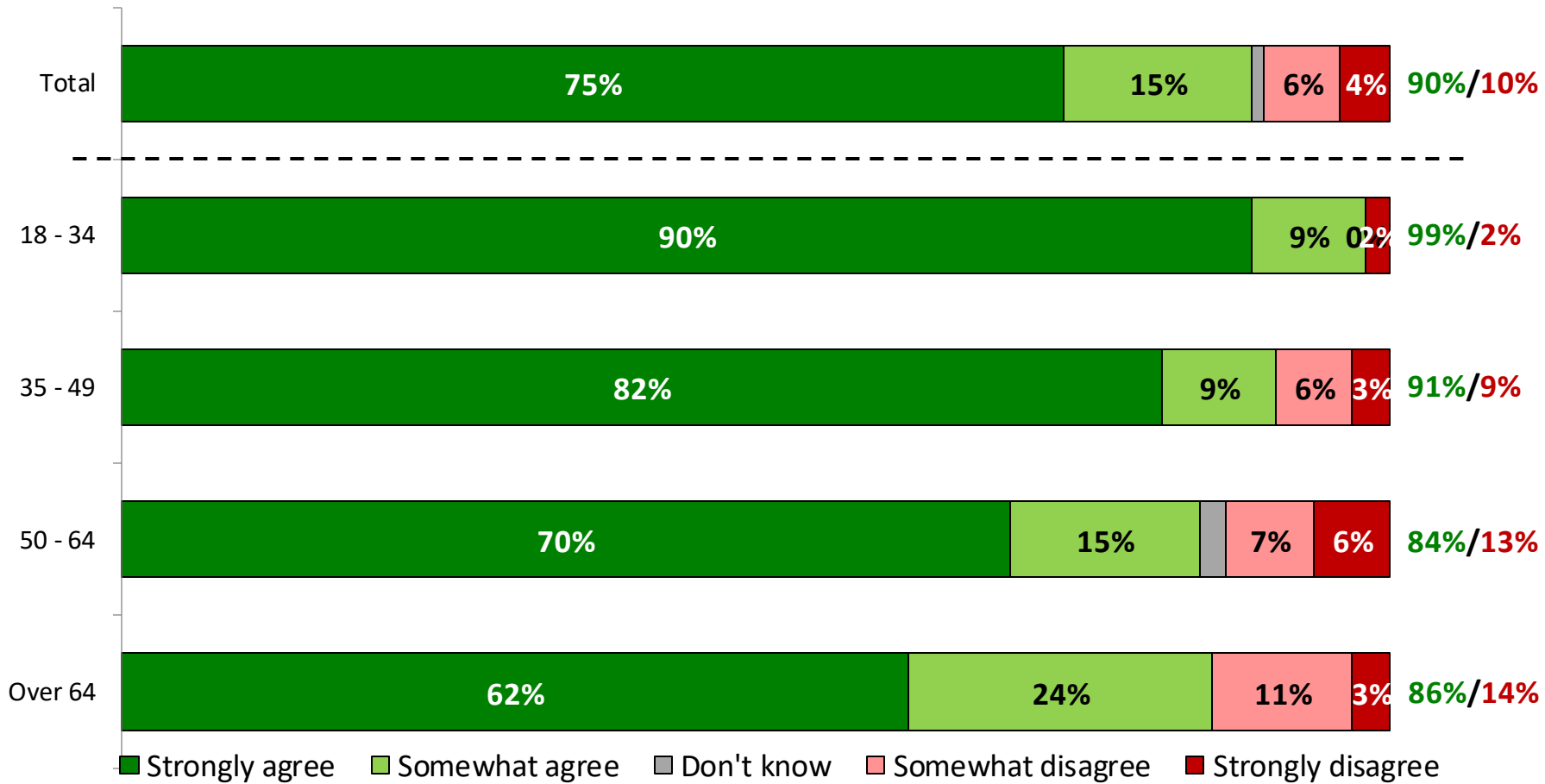
by Non-Homeowners (Includes Renters and those Living with Family or Friends)



Q.12 Next, I am going to read several things some people have said make buying a home too difficult or expensive. After I read each one, please tell me whether you think that is (ROTATE FIRST TO LAST AND LAST TO FIRST) a huge obstacle, a medium-size obstacle, a small obstacle, or not an obstacle at all that makes buying a home too difficult or expensive for people in your area.

Across Age Groups Voters Agree That it is Harder For Young Adults To Buy a Home Today

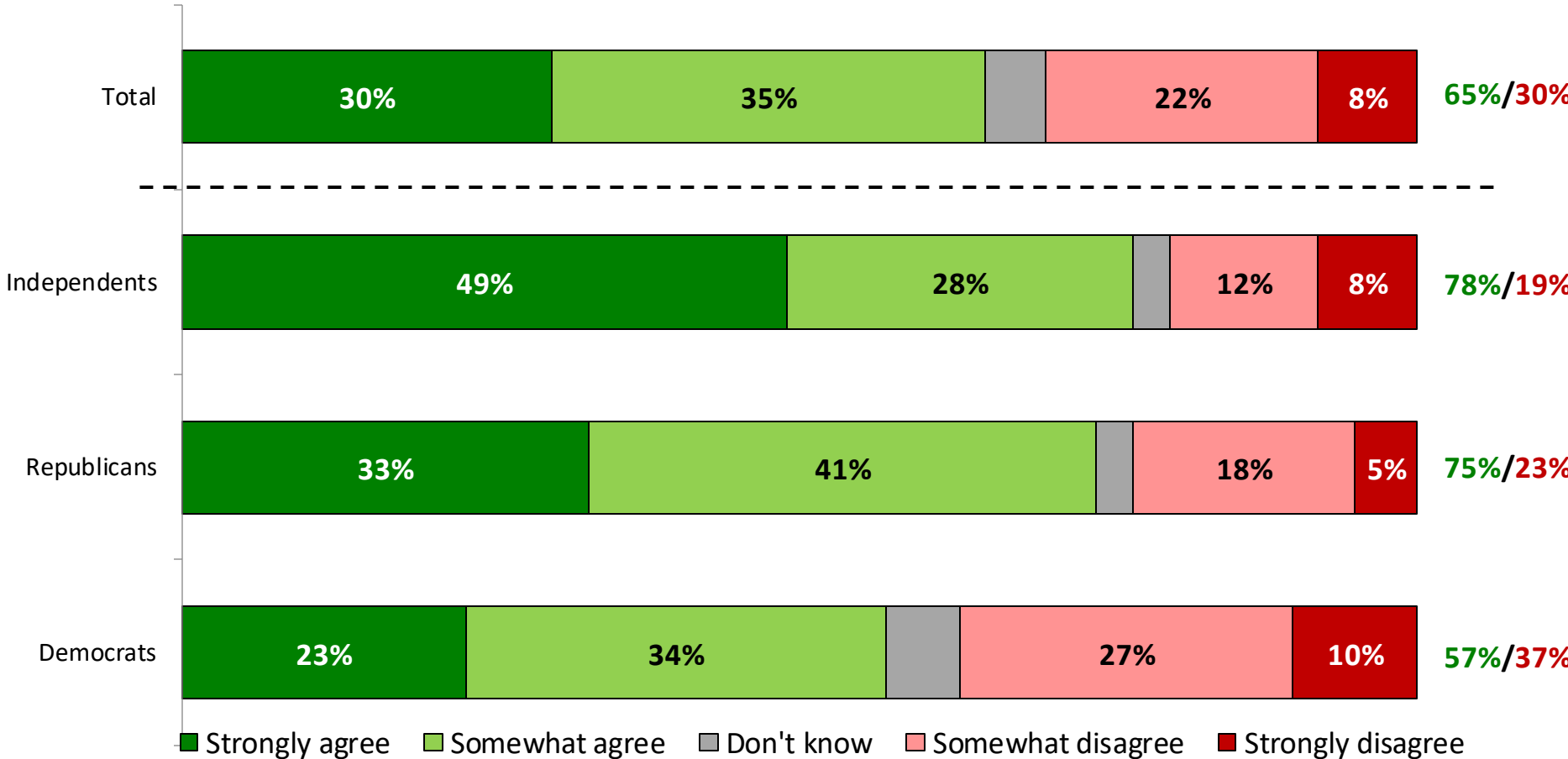
It is Harder For Young Adults to Buy a Home Today by Party



Q.13 Now I am going to read you a series of statements related to housing, growth, and development in Maryland. Please tell me whether you agree or disagree with each statement.... *It is harder for young adults to afford to buy a home today than it was for their parents' generations.*

Majorities Across Party Lines Agree That Excessive Regulations Are Making it Harder to Build Affordable Homes

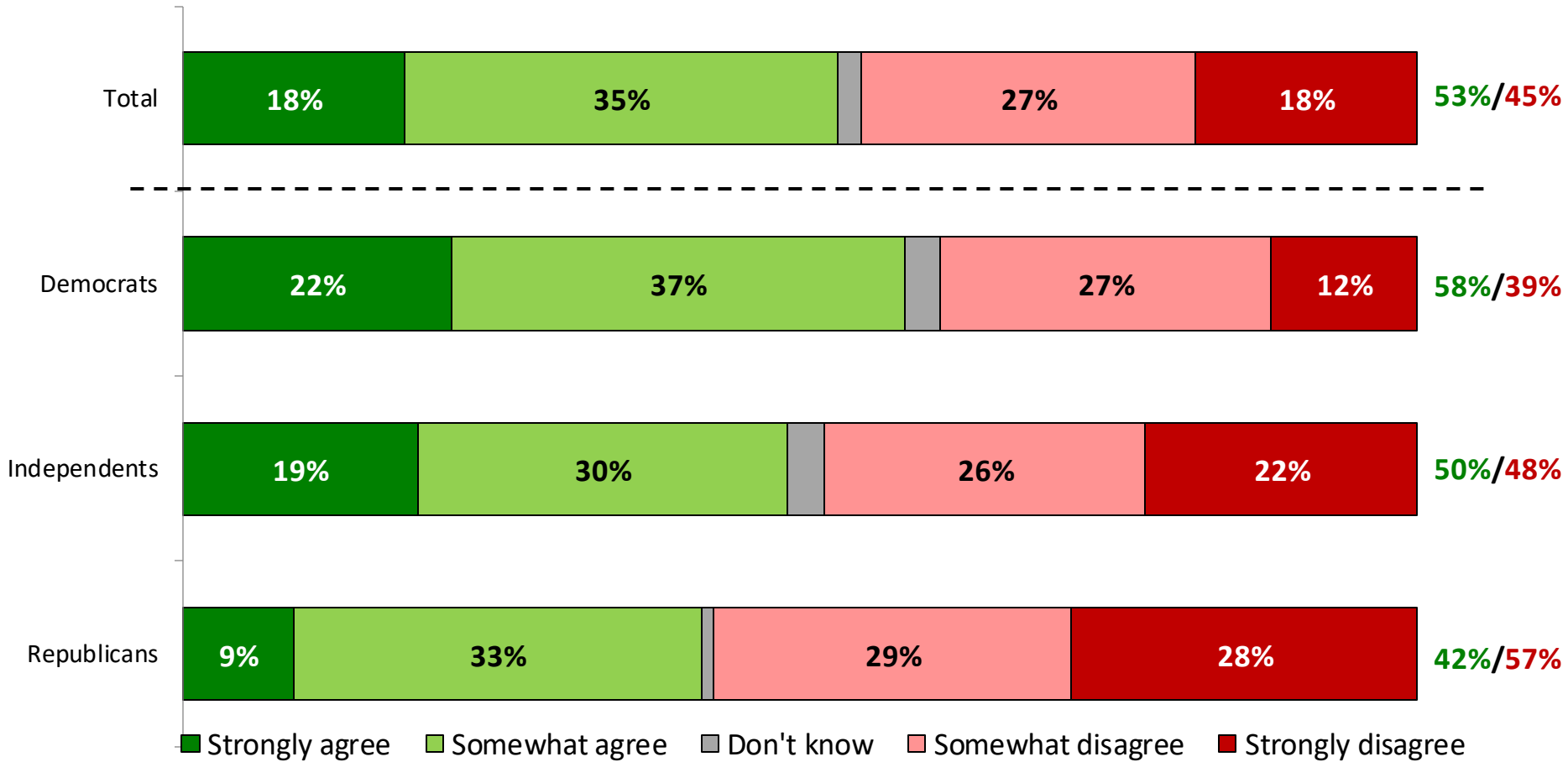
Too Many Rules and Regulations by Party



Q.13 Now I am going to read you a series of statements related to housing, growth, and development in Maryland. Please tell me whether you agree or disagree with each statement... *There are too many local rules and regulations that make it hard to build homes that Marylanders can afford.*

Democrats More Likely to Agree that Building More Housing Will Help Bring Down Costs

More Housing Effects on Housing Prices by Party

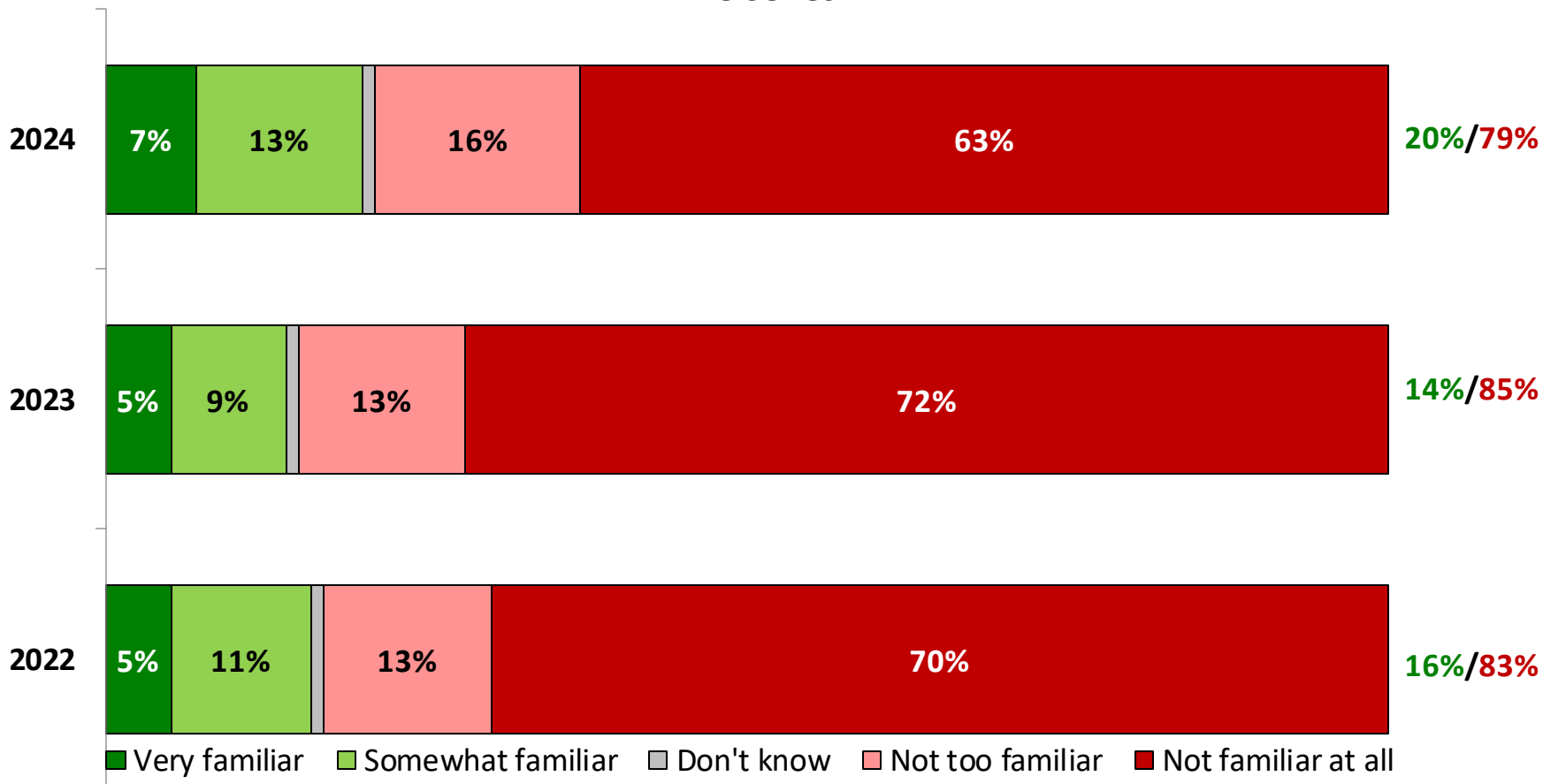


Q.13 Now I am going to read you a series of statements related to housing, growth, and development in Maryland. Please tell me whether you agree or disagree with each statement.... *Building more housing will help bring down the overall cost of housing in Maryland*

Accessory Dwelling Units

Voters Continue to Lack Familiarity with ADUs, but General Awareness is Up Slightly from 2022

ADU Familiarity
Time Series



Q.14 Next, I would like to ask you some questions about Accessory Dwelling Units, also known as A-D-U-s. How familiar are you with ADUs? Would you say you are - (ROTATE FIRST TO LAST AND LAST TO FIRST) very familiar, somewhat familiar, not too familiar, or not familiar at all?

What is an ADU?

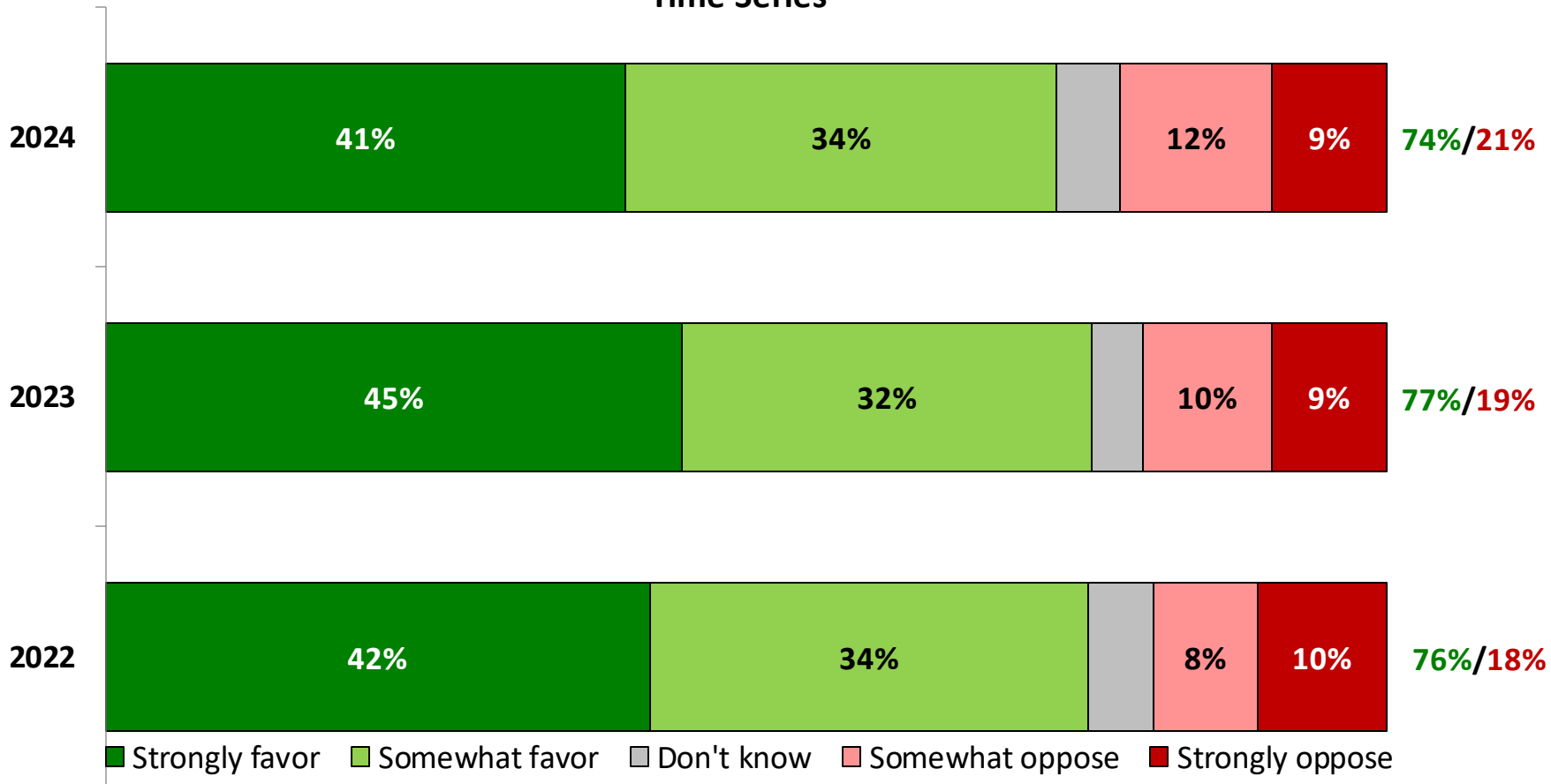
Below is the description respondents read about ADUs:

“An accessory dwelling unit, or ADU, is a separate residential unit in or on a private home or property, for example, a carriage house, garage apartment, or basement apartment. These units must have their own entrance, plumbing, and kitchen facilities.”

After hearing this definition, respondents were asked their opinion on ADUs. Results are on the following slides.

After Hearing a Description, Voters Continue to Support ADU Construction

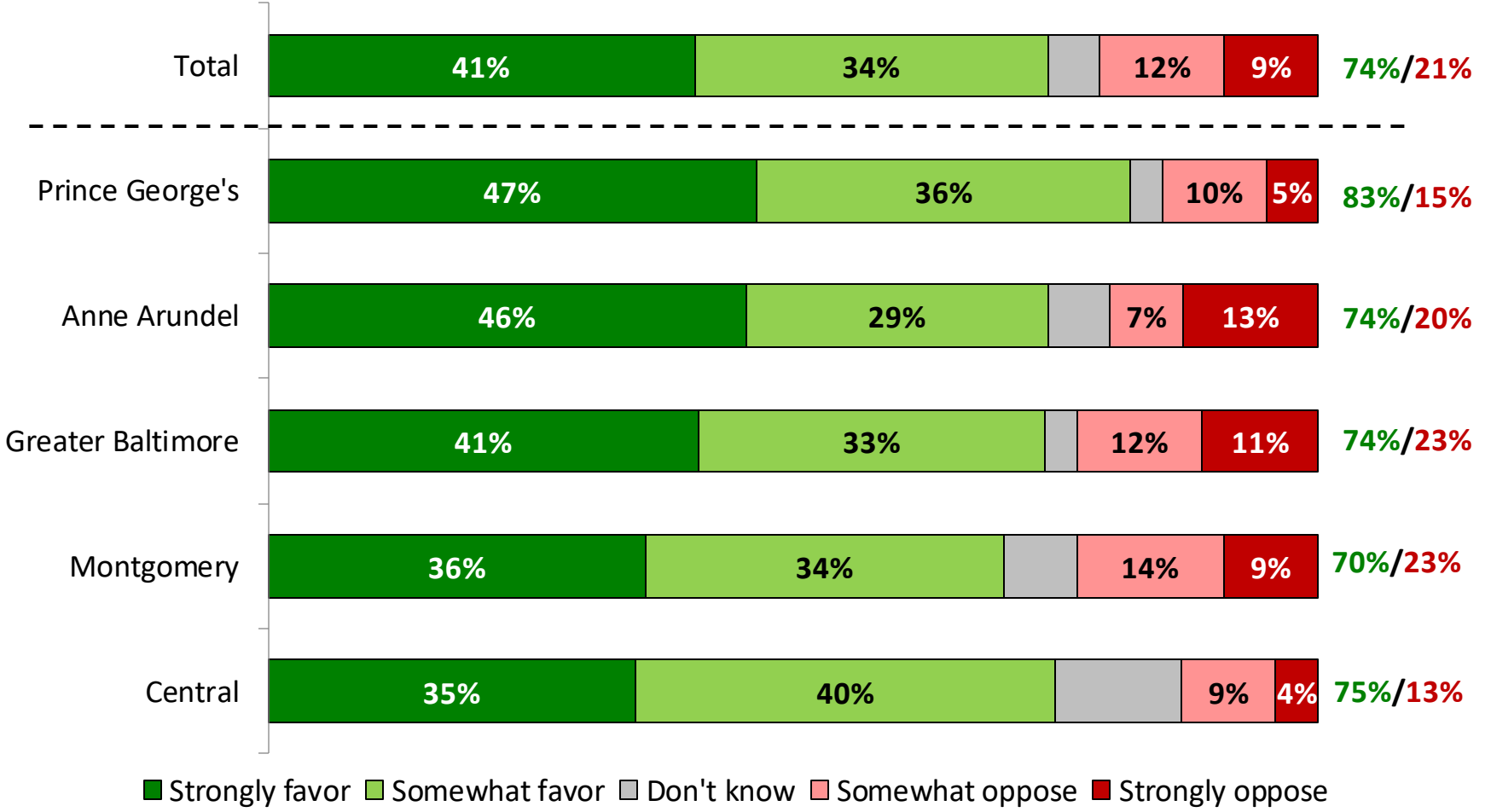
ADU Favorability
Time Series



Q.15 As you may know, local zoning laws often make it difficult for homeowners to have an ADU on their property. Would you (ROTATE) favor or oppose making it easier for Maryland homeowners to have an accessory dwelling unit or ADU on their property?

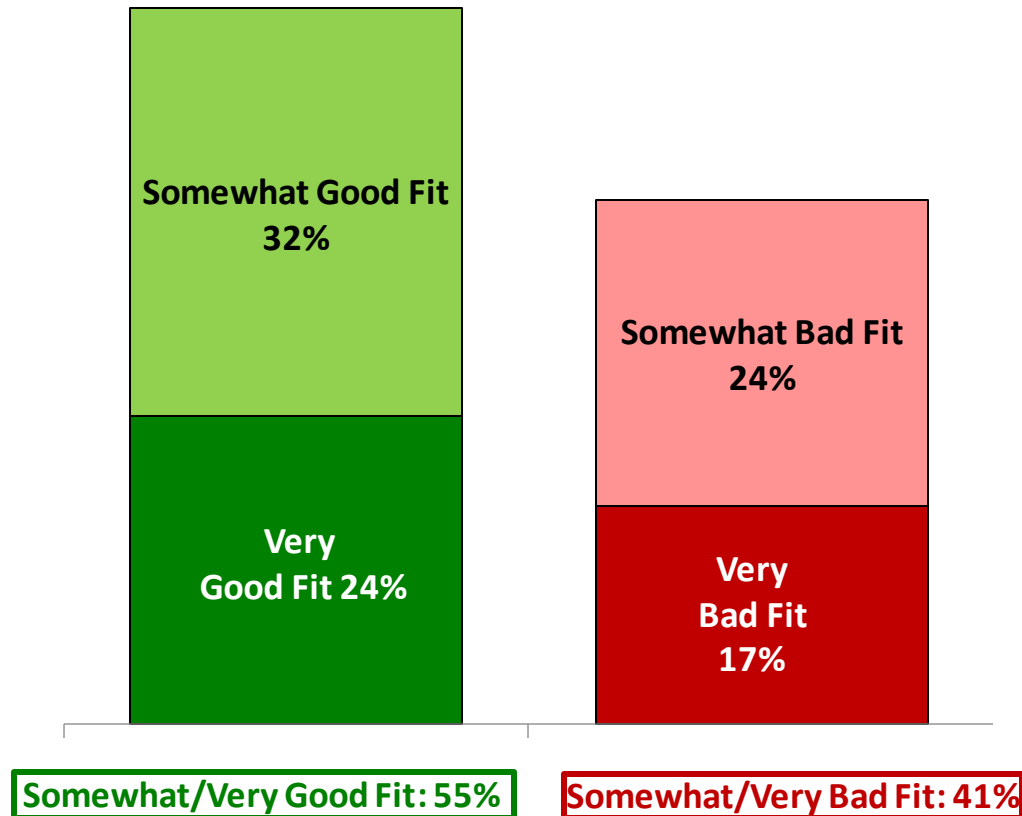
Across Maryland, Large Majorities Favor Making it Easier for Homeowners to Build ADUs on Their Property

ADU Favorability by Region



Q.15 As you may know, local zoning laws often make it difficult for homeowners to have an ADU on their property. Would you (ROTATE) favor or oppose making it easier for Maryland homeowners to have an accessory dwelling unit or ADU on their property?

Majority Feel That Denser "Missing Middle" Housing Would Be a Good Fit for Their Part of Maryland



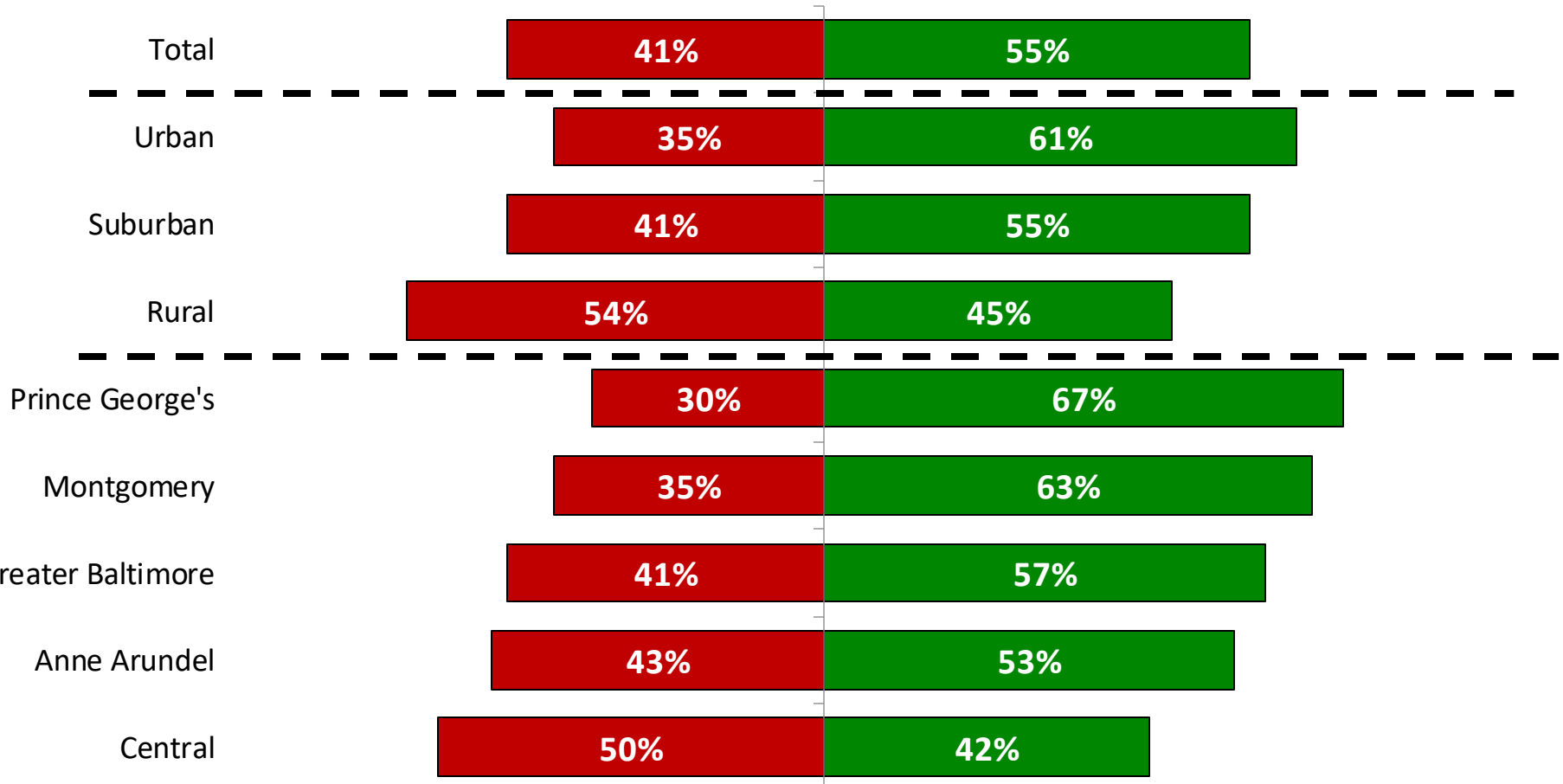
Q.16 Some people say that to bring down housing costs, Maryland needs more neighborhoods where single-family homes can be built closer together and that also include different kinds of housing options, like ADUs, townhomes, duplexes, and triplexes. This is often called "Missing Middle" housing. In general, do you think new neighborhood developments with these Missing Middle housing options would be a good fit or a bad fit for your part of Maryland

Missing Middle Popular Among Urban and Prince George's Voters

Missing Middle by Demographics

Somewhat Bad/Very Bad

Somewhat Good/Very Good



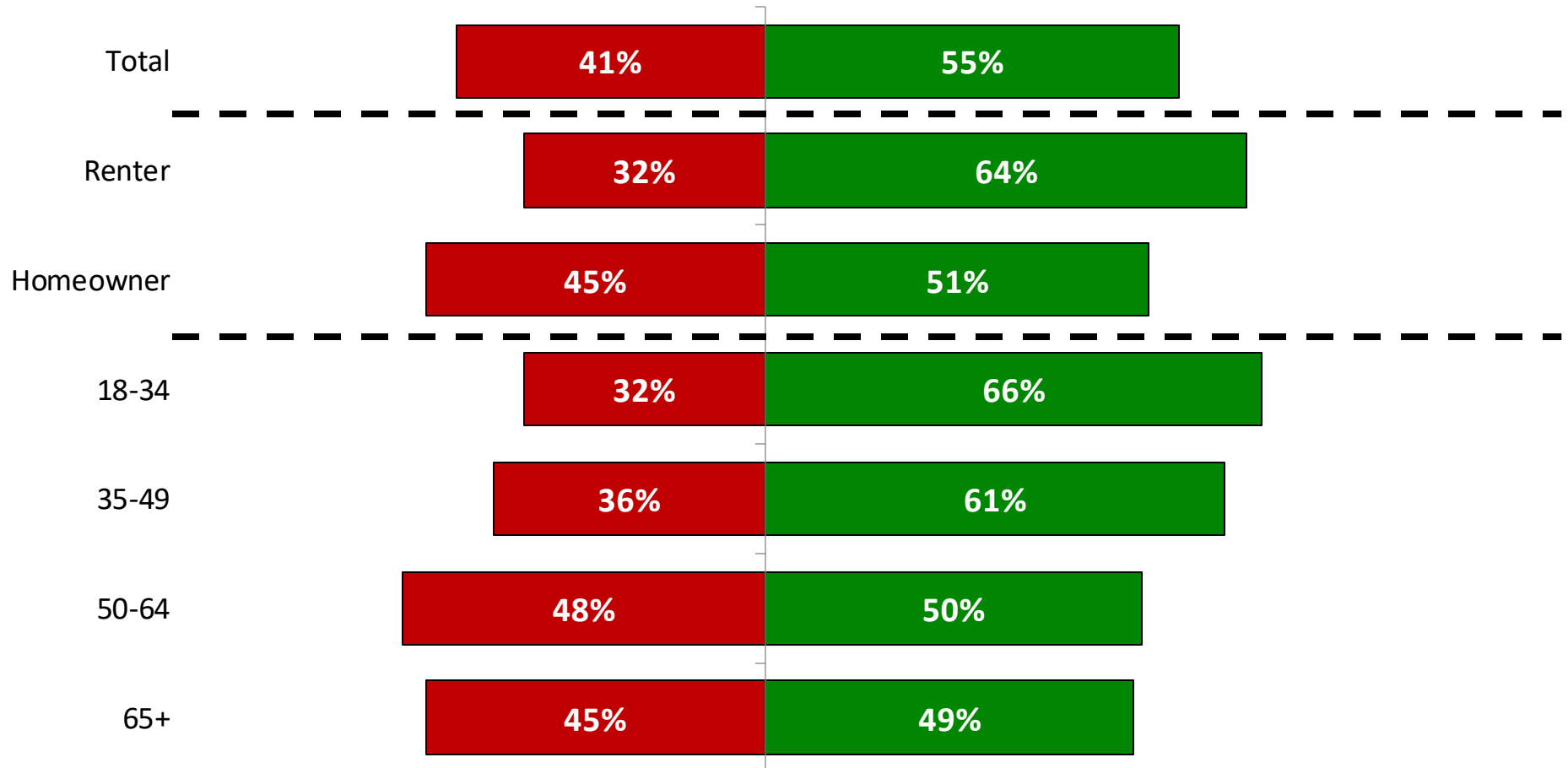
Q.16 Some people say that to bring down housing costs, Maryland needs more neighborhoods where single-family homes can be built closer together and that also include different kinds of housing options, like ADUs, townhomes, duplexes, and triplexes. This is often called "Missing Middle" housing. In general, do you think new neighborhood developments with these Missing Middle housing options would be a good fit or a bad fit for your part of Maryland

Missing Middle Popular Among Renters and Younger Voters

Missing Middle by Demographics

Somewhat Bad/Very Bad

Somewhat Good/Very Good



Q.16 Some people say that to bring down housing costs, Maryland needs more neighborhoods where single-family homes can be built closer together and that also include different kinds of housing options, like ADUs, townhomes, duplexes, and triplexes. This is often called "Missing Middle" housing. In general, do you think new neighborhood developments with these Missing Middle housing options would be a good fit or a bad fit for your part of Maryland

National Association of REALTORS®

MD – State of Housing January 2024

American Strategies designed and administered this multi-modal survey conducted by professional interviewers and via Qualtrics. The survey reached 807 adults (807 weighted) adults, age 18 or older, who indicated they were registered to vote in Maryland. The survey was conducted January 9-16, 2024.

Sixteen percent of respondents were reached on wireless phones and twenty-one percent on VOIP/landlines. Sixty-four percent of respondents were reached online. Quotas were assigned to reflect the demographic distribution of registered voters in Maryland, and the data were weighted to ensure an accurate reflection of the population. The sample was drawn from a third party vendor file. The overall margin of error is +/- 3.4%. The margin of error for subgroups is larger and varies. Percentage totals may not add up precisely due to rounding.

HB_538_FWA_LateTestimony_RayNosbaum

Uploaded by: Ray Nosbaum

Position: FWA

HB 538 Housing Expansion and Affordability Act

My name is Ray Nosbaum. I live at 1503 Sanford Road, which is in District 18. I am active with CHEER in the Long Branch community and am a member of St Camillus, which is a member of Action in Montgomery. CHEER in Long Branch collaborates with AIM. Long Branch and St Camillus are in District 20

I work with the Long Branch Stakeholders Housing Action Team convened by CHEER on addressing affordable housing issues especially since there will be 3 Purple Line stations in Long Branch

The Housing Expansion and Affordability Act needs amending for it to impact Long Branch positively

HB 538 and SB 484 Housing Expansion and Affordability Act of 2024 threatens already existing affordable housing in some locations around transit where there is already older, established housing that is market affordable

This bill would encourage housing to be built within 1 mile of train stations by allowing more density and quicker review processes. This Bill **needs** provisions for protecting **existing** affordable housing near transit with NO NET LOSS protection of the number of existing affordable housing units near a transit station. The Bill granting 30% bonus density near rail without NO NET LOSS protection would create incentives to demolish buildings with current market affordable units in Long Branch near new transit stations and only require new developments to include 25% affordable units. This would result in a loss of affordable units

The Bill needs to include clear, mandatory one-for-one replacement of existing affordable units with new affordable units or No Net Loss

Let me give a specific example of why this is important:

The Montgomery County 2013 Long Branch Sector Plan supports development at the intersection of University Boulevard and Piney Branch because one of the 3 Purple Line stations in Long Branch will be at that intersection

The Long Branch Sector Plan identified apartment complexes likely to be redeveloped because of the Purple Line, with 288 affordable units in 2013. This is all of the units in those apartment complexes. With redevelopment for higher density allowed by zoning there might be a maximum of 686 new units. Current language of the proposed Bills in the Assembly allowing for 25% affordable housing in higher density around transit stations would keep 170 of the current 288 affordable units. The neighborhood could lose almost 120 of the current 288 apartments that are affordable to current residents. This is why the proposed Bills need NO NET LOSS protection

HB 538 Housing Expansion and Affordability Act

Thank you for reading my concern and I hope the Housing Expansion and Affordability Act of 2024 is amended to include language for No NET LOSS of affordable homes near transit stations. Please reply to these comments

HB0538 -Land Use - Zoning Density and Permitting -

Uploaded by: Tom Ballentine

Position: FWA



February 16, 2024

The Honorable Marc Korman, Chair
House Environment and Transportation Committee
House Office Building, Room 251
6 Bladen St., Annapolis, MD 21401

Support w/ Amendment: HB 538 – Land Use Zoning Density and Permitting

Dear, Chair Korman and Committee Members:

NAIOP represents 22,000+ commercial real estate professionals in the United States and Canada. Our Maryland membership is comprised of a mix of local firms and publicly traded real estate investment trusts that have long-standing investments in Maryland but also have experience in national and international markets. NAIOP members deliver office, mixed use, multi-family, and warehouse developments that meet the changing ways that people work, live, shop and play. On behalf of our member companies, I am writing to support HB 538 with amendments.

The current framework for growth management was established in the early 1990s through enactment of the Smart Growth Areas Act. Among its provisions was the creation of locally designated Priority Funding Areas to serve as the location for the majority of future job and household growth.

Those growth areas were designated and certified to contain sufficient development capacity to accommodate 20-years of forecasted growth. More than 30 years later many of the state's growth areas are at or near their estimated development capacity and are not functioning as originally intended. Many have not been reconfigured and are struggling to accommodate current growth and maintain a healthy housing market. One of the principal reasons is that there are too few locations where local zoning allows mid-rise, five-to-seven story mixed use development.

HB 538 takes a relatively measured approach to increasing the density of affordable housing and transit-oriented development. It further takes steps to remove barriers resulting from adequate public facilities ordinances.

While somewhat prescriptive, the approach taken is narrow in its geographic application and focused on housing at price points that are extremely difficult to get to market. We agree with MBIA and other commentators that the percentage of affordable units required in the bill should be reduced and the targeted household income should be increased in order to make these projects financially viable.

Addressing shortcomings in land use planning is overdue and will be vital to achieving multiple priorities related to quality of life, environmental stewardship, and economic vitality. From our point of view, these initial steps will need to be supplemented by future performance-oriented changes that make local land use authorities responsible for planning and zoning results that better align with job and household growth projections.

For these reasons, NAIOP respectfully requests your favorable with amendments report on HB 538.

Sincerely,

A handwritten signature in blue ink, appearing to read "T.M. Ballentine".

Tom Ballentine, Vice President for Policy
NAIOP – Maryland Chapters, *The Association for Commercial Real Estate*

cc: Environment and Transportation Committee Members
Nick Manis – Manis, Canning Assoc.

HB 538 - Modular Homebuilders Amendment.pdf

Uploaded by: Tom Coale

Position: FWA

Amendment

p. 2, line 24

(10) §4-104(c) (Limitations – Manufactured Homes/**MODULAR DWELLINGS**);

p. 4, §4-104

Insert:

(A)(1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "MODULAR DWELLING" MEANS A BUILDING ASSEMBLY OR SYSTEM OF BUILDING SUB-ASSEMBLIES, DESIGNED FOR HABITATION AS A DWELLING FOR ONE OR MORE PERSONS, INCLUDING THE NECESSARY ELECTRICAL, PLUMBING, HEATING, VENTILATING AND OTHER SERVICE SYSTEMS, WHICH IS MADE OR ASSEMBLED BY A MANUFACTURER, ON OR OFF THE BUILDING SITE, FOR INSTALLATION, OR ASSEMBLY AND INSTALLATION, ON THE BUILDING SITE, INSTALLED AND SET UP ACCORDING TO THE MANUFACTURER'S INSTRUCTIONS ON AN APPROVED FOUNDATION AND SUPPORT SYSTEM.

P. 4, beginning on line 1

(c) A legislative body may not prohibit the placement of a new manufactured home OR MODULAR DWELLING in a zone that allows single-family residential uses if the ~~manufactured~~ home OR DWELLING:

(1) MEETS THE DEFINITION OF MODULAR DWELLING IN THIS SUBTITLE; OR

(2) Meets the definition of a manufactured home in § 9-102(A) of the commercial law article and IS, OR WILL BE AFTER PURCHASE, CONVERTED TO REAL PROPERTY IN ACCORDANCE WITH TILE 8B, SUBTITLE 2 OF THE REAL PROPERTY 8 ARTICLE.

Proposed Housing Expansion and Affordability Act o

Uploaded by: Adam Rybczynski

Position: UNF



CITY OF HAYRE DE GRACE

OFFICE OF THE MAYOR

William T. Martin

February 15, 2024

The Honorable Wes Moore
100 State Circle
Annapolis, MD 21401

Re: Proposed Housing Expansion and Affordability Act of 2024

Dear Governor Moore,

I share your concern about the housing shortage in our state. However, I disagree that the proposed *Housing Expansion and Affordability Act of 2024* (Senate Bill 484 and House Bill 538) (the “Act”) will adequately address that challenge. As the mayor of a unique and diverse city, I have seen that solutions to problems like housing shortages (which have multiple causes) are best addressed at the local level, taking into account the interests of all stakeholders, rather than through top-down, one-size-fits-all legislation. *The Housing Expansion and Affordability Act of 2024* is flawed because it prescribes an unrealistic approach to affordable housing that ignores local conditions, and will undermine the local land use and zoning authority granted under Maryland’s Land Use and Local Government Articles. Most importantly, if passed, this Act would jeopardize the safety, well-being and quality of life for all Marylanders, by allowing non-compliance with our current regulations, which have served our citizens well for the past thirty years. The Act will also set our state back from the strides made using successful managed growth and best practices through comprehensive plan development and sensitivity to environmental issues.

For the following reasons I urge you to request that the *Housing Expansion and Affordability Act of 2024* be withdrawn from the Maryland General Assembly:

The *Housing Expansion and Affordability Act of 2024* prescribes unreasonable requirements with undefined terms and thus would damage local communities such as Havre de Grace:

- **Property being formerly State-owned or owned by a non-profit does not mean that it is appropriate for high-density development. For example, State-owned National Guard property is located in the City’s industrial district, while “non-profit” owned property previously operated by Harford Memorial Hospital lies in the middle of the City and a few blocks from the**

Susquehanna River where parking is at a premium. Other areas may not have access to City water and sewer services. This focus on who owns the property and when is completely arbitrary.

- Indiscriminately allowing “middle housing” regardless of the location could deeply affect property values in the surrounding neighborhoods and negatively affect the fabric of the community, particularly those which are historically single family neighborhoods. While reduced property values may be viewed as “code” for others, from a municipal standpoint this is the City’s bread and butter. Our primary source of revenue is through property taxes – so a decrease in property values affects the bottom line and could mean higher tax rates down the road.
- The City of Havre de Grace was recently granted Certified Local Government status from the Maryland Historical Trust. The City would potentially lose its historic character with limited Historic Preservation Committee design reviews under this legislation.
- “Viability of an affordable housing development” is not defined and gives developers a lot of opportunity to usurp local zoning controls for their own profit motive.
- Allowing a 30% increase in density for a “qualified project” is unreasonable and does not take into consideration the ability to provide public services and may impact quality of life for local residents by overburdening parking, schools, roads, water and sewer, and fire and EMS services.
- Allowing residential development in areas where residential land uses are not allowed does not take into consideration the ability to provide services and transit options to residents.
- “Unreasonable limitation or requirement” is not defined and allows a developer to usurp local zoning controls arbitrarily.

The *Housing Expansion and Affordability Act of 2024* proposes a 60% Area Median Income threshold with 50% of units dedicated to affordable housing for a 40-year period - this is an arbitrary and capricious threshold:

- The Governor's office has not provided any rationale for arriving at the income and unit set-aside thresholds.
- The Maryland unit set aside, and income provisions are arbitrary and lack a rational basis.

The *Housing Expansion and Affordability Act of 2024* negates Adequate Public Facilities Ordinances:

In the supporting Memo titled *Governor Moore’s 2024 House Package*, it is stated that Adequate Public Facilities Ordinance are “barriers to the construction of new affordable housing.” I respectfully disagree; Adequate Public Facilities Ordinances are barriers to *all* housing if a developer cannot show that adequate public facilities are available to service the residents.

These laws are necessary controls to ensure essential public facilities such as water and sewer, schools, roads, and emergency services, can be provided to local citizens to maintain certain minimum standards everyone is entitled to receive in modern society. Adequate public facilities allow a local government to postpone or halt development until such time as these services can become available, are built and/or are provided by third parties.

For example, in the City of Havre de Grace:

- Two elementary schools serving the City are above or near capacity. Roye-Williams Elementary will be at or near capacity in the next three years based on committed development in the City of Havre de Grace and the City of Aberdeen.
- The Havre de Grace Middle/High School will be at or near capacity in the next three years.
- Harford County Board of Education redistricting will not be able to alleviate these known school capacity issues.
- The School Board has no plans to construct any new schools serving the City and even if they did, construction would not be funded and completed within the next three to five years.
- Dense development, as allowed in the proposed *Housing Expansion and Affordability Act of 2024*, will exacerbate school crowding and reduce educational opportunities for the very populations which the Act seeks to serve.

The *Housing Expansion and Affordability Act of 2024* would reverse the progress Maryland has made toward creating mixed-income communities, thus creating a new generation of housing projects and concentrated pockets of poverty which have not worked to lift people out of poverty in the past:

The Act explicitly states that developments under this proposal are, in fact, “qualified projects,” which would reverse the current model of affordable housing in our State and re-establish pockets of concentrated poverty.

If passed, the *Housing Expansion and Affordability Act of 2024* will do the following:

- Relax standards below federal standards for the development of housing for households at 60% of the Area Median Income or less. The United States Department of Housing and Urban Development defines “low income” as 80% of the area's median income and “very low income” as 50%.
- Relax standards below what the State requires local communities to examine as part of their Comprehensive Plan—workforce household incomes in the 60% - 120% Area Median Income range.
- Will require at least 50% of the housing units that fall under its requirements to be available for mostly very low-income families.

- Promote the development of concentrated pockets of poverty and the negative effects on families that are forced to live in those high-density environments.

The Housing Expansion and Affordability Act of 2024 negates local Comprehensive Plans:

If passed, the *Housing Expansion and Affordability Act of 2024* would reverse local governments' progress toward addressing the affordable housing shortage. For example, pursuant to Chapter 713 of *the 2019 laws of Maryland*, Havre de Grace is required to and is in the process of preparing a housing analysis as part of its Comprehensive Plan. Local governments should be given the opportunity to make affordable housing fit into the fabric of their community, not have it forced on them at arbitrary high density with a corresponding loss of taxable property. If passed, the *Act* would undo much of the work the City has already done to create a desirable quality of life that is accessible to residents of all income levels.

As part of this process, the City of Havre de Grace is taking the following steps:

- Developing quality policies that locate affordable housing near transit, employment, and services.
- Promoting the development of mixed-income communities as part of the comprehensive plan that would recognize the harms of concentrated poverty.
- Working with groups such as Habitat for Humanity to assist lower income families achieve home ownership.
- Developing policies to discourage blighted and vacant properties which diminish neighborhoods and which tend to affect lower income neighborhoods disproportionately by holding landowners accountable.

The House and Expansion and Affordability Act of 2024 would have prevented the recent Cheverly, hospital redevelopment project:

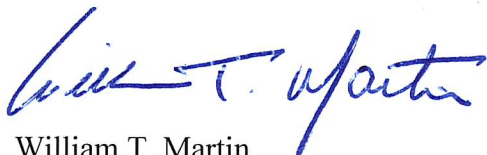
- The redevelopment project was not required to meet affordable housing set-aside requirements or the very low-income requirements listed in the *Housing Expansion and Affordability Act of 2024* in order to receive the funding.
- The redevelopment will have a “complete streets” focus, which is not required in the *Housing Expansion and Affordability Act of 2024*, but is important in connecting this site to the rest of the Town.
- The Cheverly redevelopment proposes a mix of housing types; on the other hand, the *Housing Expansion and Affordability Act of 2024* would allow developers to build any type of unit as they wish (meaning, what is best for their pocketbooks and not necessarily for the people who will be living in the housing or surrounding neighborhoods).
- The redevelopment project is located near transit, including the Cheverly Metro Station. This is not a consideration in the *Housing Expansion and Affordability Act of 2024*.

- Centralized public green space is included in the redevelopment plans (typically required by most local zoning laws and comprehensive plans). The *Housing Expansion and Affordability Act of 2024* does not allow local governments to plan for open space if it will affect the “viability” of the project.
- This project provides for 40,000 square feet of retail and 70,000 square feet of medical offices. This provides for services and employment opportunities near the housing development. The *Housing Expansion and Affordability Act of 2024* would not require the development of mixed uses and focuses solely on residential development for very low-income households.
- The Cheverly project had an intensive community engagement process. The *Housing Expansion and Affordability Act of 2024* limits public hearings and opportunities for the public to shape the project and is being pushed forward on an emergency basis without data to back up the immediate need for such housing on the properties to which it applies.

While I respectfully disagree with the Act for the reasons stated above, I do agree with your intention to ensure availability of affordable housing for Marylanders. It is unacceptable that our state is experiencing a shortage of 96,000 units. As a mayor and public school teacher who has spent my entire professional and elected career serving communities along the Route 40 Corridor which has its fair share of lower and middle income residents, I am reminded every day that this is a very real problem and witness daily the struggles of my students and their families.

The shortage of 96,000 housing units means that tens of thousands of families, veterans, and other hard-working Marylanders are being deprived of their dignity because they are unable to access housing. The uncertainty and disruption this housing shortage creates for the people we serve devastates the education system and the local communities. But waiving local land use and zoning requirements developed through local legislation and well thought out comprehensive plans which have served our communities well is not the answer.

In closing, I urge you to request that the *Housing Expansion and Affordability Act of 2024* be withdrawn from the Maryland General Assembly. Instead, I respectfully request that you set up a task force composed of local government leaders who have boots on the ground experience in responding to this housing issue in real time. These local leaders can assist in developing a proposal that would enable local governments to do what they do best - quickly respond to problems – , while allowing the state to provide necessary resources and funding. Together we can create livable communities where adequate public facilities laws, local land use and zoning, and environmental laws are applied equally to all residents, regardless of income.



William T. Martin
Mayor, City of Havre de Grace

cc: The Honorable Sen. Bill Ferguson, President of the Maryland Senate
The Honorable Del. Adrienne A. Jones, Speaker of the Maryland House of Delegates
The Honorable Sen. Brian J. Feldman, Chair Education, Energy, and the Environment
Committee
The Honorable Del. Marc Korman, Chair Environment and Transportation Committee
The Honorable Members of the Senate Education, Energy, and the Environment
Committee
The Honorable Members of the House of Delegates Environment and Transportation
Committee
The Honorable Members of the Harford County Delegation
The Honorable Robert Cassilly, Harford County Executive
The Honorable Members of the Harford County Council
The Honorable Members of the Havre de Grace City Council
Mayor John Carroll, President of the Maryland Municipal League
Mayor Michael O'Connor, President Elect of the Maryland Municipal League
Theresa Kuhns, Chief Executive Officer of the Maryland Municipal League

Resolutions - Calendar Resolution - 2024 - Resolut

Uploaded by: Adam Rybczynski

Position: UNF

CITY COUNCIL
OF
HAVRE DE GRACE, MARYLAND

RESOLUTION NO. 2024-02

Introduced by _____ Council President Ringsaker

A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF HAVRE DE GRACE, MARYLAND, PURSUANT TO THE LOCAL GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND AND SECTIONS 33 AND 34 OF THE CITY CHARTER FOR ESTABLISHING A POSITION OF OPPOSITION TO SENATE BILL 484 AND HOUSE BILL 538 INTRODUCED IN THE 446 SESSION OF THE MARYLAND GENERAL ASSEMBLY

WHEREAS, “The American people have always acted upon the deep-seated conviction that local matters can better be regulated by the people of the locality than by the state or central authority. One controlling idea of local self-government is to bring the officials nearer to the people whose interests are immediately affected by official conduct” E. McQuillin, *Municipal Corporations* § 70 (1911); and

WHEREAS, “The term ‘the people’ means a body politic, a corporate unit forming a compact organized society and acting as a political entity by and through representatives who constitute for the time being, the public authorities to whom is confided the duty of carrying out the will of the society, whether in making, executing or construing the rules and regulation comprehensively termed laws” E. McQuillin, *Municipal Corporations* § 62 (1911); and

WHEREAS, “The residents of a municipality are a municipal corporation” *Md. Local Government Code Ann. § 4-103*; and

WHEREAS, pursuant to Chapter 440 of the *1878 Laws of Maryland*, the citizens of Havre de Grace have incorporated into a body politic and corporate under the name the Mayor and City Council of Havre de Grace; and

WHEREAS, since the City's incorporation the Citizens of Havre de Grace have effectively developed and executed land use ordinances that are reflective of the diversity of this historic community and have been responsible stewards of the authority granted to them; and

WHEREAS, it is in the best interest of the citizens of Havre de Grace to retain full authority granted under the Maryland Constitution Home Rule Article XI-E and Maryland’s Land Use and Local Government Articles; and

WHEREAS, the 446 session of the Maryland General Assembly convened on January 10, 2024; and

WHEREAS, at the request of the Governor of the state of Maryland Senate Bill 484 and House Bill 538 *Land Use - Affordable Housing - Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024)* have been introduced in the Maryland General Assembly; and

WHEREAS, if passed, Senate Bill 484 and House Bill 538, according to Maryland’s Department of Legislative Services, would prohibit “a local legislative body from prohibiting the placement of a certain manufactured home in certain residential zoning districts under certain circumstances; prohibiting a local jurisdiction from using an element of an adequate public facilities law to deny certain permits for certain State-funded affordable housing projects or other qualified projects or to restrict or limit the development of the projects in a certain manner”; and

WHEREAS, before any bill introduced in the Maryland General Assembly is passed, it must receive a public hearing at which time the public has the opportunity to submit a position of favorable, favorable with amendments, unfavorable, or information through written or oral testimony; and

WHEREAS, it is in the best interest of the citizens of Havre de Grace for the Mayor and City Council of Havre de Grace to oppose Senate Bill 484 and House Bill 538.

NOW, THEREFORE, it is determined, decided, and resolved by the City Council that:

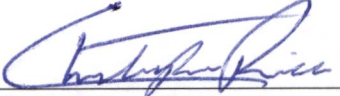
1. The Mayor and City Council of Havre de Grace (“the City”) reaffirm its position opposing legislation that would diminish a municipal government's authority for any powers presently granted under the Maryland Constitution or by the State Legislature under the Local Government Article or under the Land Use Article of the Annotated Code of Maryland.
2. It is the position of the City that if SB 484 and House Bill 538 are passed as introduced the general welfare of the citizens of the City of Havre de Grace would be harmed because the legislation would deprive local elected officials and zoning and land use bodies the authority to manage the maximum density of residential areas when compared with local zoning laws, historic preservation, availability of local business resources to service increased population, environmental impacts, and increased burdens on public facilities, all of which must be balanced to provide a healthy, thriving community for the citizens.
3. It is the position of the City that adequate public facilities ordinances serve the public's best interest and allow for managed growth consistent with the City’s well-thought out comprehensive plan. SB 484 and House Bill 538 would deny the underlying purposes of adequate public facilities laws, which are to ensure that such that public facilities are present or paid for prior to development. All residential communities, no matter their income levels, are entitled to adequate public facilities and those citizens already burdened with taxes, utilities rates, and other fees to support the City’s existing facilities should not bear the burden of unrestrained high density growth.

4. The City opposes Senate Bill 484 and House Bill 538 *Land Use - Affordable Housing - Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024)*.
5. The City respectfully requests the Maryland Senate Education, Energy, and Environment Committee to give Senate Bill 484 an unfavorable report.
6. The City respectfully requests the Maryland House of Delegates Environment and Transportation Committee to give House Bill 538 an unfavorable report.
7. The Mayor or his designee may submit testimony opposing Senate Bill 484 and House Bill 538.

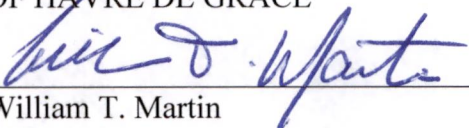
ADOPTED by the City Council of Havre de Grace, Maryland this 5th day of February, 2024.

SIGNED by the Mayor and attested by the Director of Administration this 6th day of February, 2024.

ATTEST:



Christopher Ricci
Director of Administration

MAYOR AND CITY COUNCIL
OF HAVRE DE GRACE


William T. Martin
Mayor

Introduced: 2/5/2024
Passed/Adopted: 2/5/2024
Effective Date: 2/6/2024

B. Powell Senate Bill 484 and House Bill 538 Writt

Uploaded by: Brittany Powell

Position: UNF

February 16, 2024

Dear Chair Feldman and Korman and the honorable members of the Education, Energy, and the Environment Committee and the Environment and Transportation Committee

I am submitting testimony today in opposition of Senate Bill 484 and House Bill 538, also known as the Housing Expansion and Affordability Act of 2024. Although I do not live in the district directly targeted by these bills, their impact will have implications for development in small towns like mine. I believe that if this legislation is passed as introduced, it will diminish the authority of municipal governments presently granted under the Maryland Constitution and by the State Legislature under the Local Government Article and the Land Use Article of the Annotated Code of Maryland.

My position is that this legislation would harm the general welfare of the citizens of the City of Havre de Grace because it would deprive local officials of the authority to manage the maximum density of residential areas when compared with local zoning laws, historic preservation, availability of local business resources to service increased population, environmental impacts, and increased burdens on public facilities. All of these factors must be balanced to provide a healthy, thriving community for our citizens.

I believe that adequate public facilities ordinances serve the public's best interest and allow for managed growth consistent with well-thought-out comprehensive plans. Senate Bill 484 and House Bill 538 would deny the underlying purposes of adequate public facilities laws, which are to ensure that public facilities are present or paid for prior to development. No matter their income levels, all residential communities are entitled to adequate public facilities, and those citizens already burdened with taxes, utility rates, and other fees to support our existing facilities should not bear the burden of unrestrained high-density growth.

Additionally, as written, the bill does not consider the steps local communities have taken to address affordable housing. For example, the City of Havre de Grace's zoning amendments to allow for affordable housing have been recognized as a "best practice" by the Maryland Department of Planning.

Our citizens have come together at council meetings, town halls, and feedback sessions to work together to provide recommendations and suggestions regarding zoning and development based on the needs of our community. We have collaborated over the past two years with our city council, county representatives, the current property owner, hired consultants, and community members. It is my belief that these bills override the hard work of the community members who have been successfully working together across the political spectrum to solve challenges and determine the future of our town based on our unique needs.

I was born and raised in Havre de Grace and my husband and I moved back to our home town to raise a family. We cherish the history, charm, and diversity of our community and we are civically involved because we believe that collaboration and democracy provide a voice to the people as we shape our future. As it stands, Senate Bill 484 and House Bill 538 effectively negate this work and override the interests of our citizens.

I respectfully request the Maryland Senate Education, Energy, and Environment Committee give Senate Bill 484 an unfavorable report and The Maryland House of Delegates Environment and Transportation Committee give House Bill 538 an unfavorable report.

Thank you for the opportunity to provide testimony today.

Sincerely,

Brittany Powell

HB0538.pdf

Uploaded by: David Morsberger

Position: UNF

David Morsberger
Davidsonville, Maryland

I strongly oppose HB0538, Land Use – Affordable Housing – Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024)

The State Government should not be given the right and ability to override the zoning decisions of the county and city governments who better understand the needs and desires of their citizens.

Items like this will cause more and more citizens of Maryland to leave the state in favor of states that recognize and support the local governments making zoning decisions tailored to the citizens who live within their jurisdictions. This includes me and my family who are lifelong residents of Maryland.

Please oppose HB0538

HB0538 Housing Expansion and Affordability Act of

Uploaded by: Ella Ennis

Position: UNF



Ella Ennis, Legislative Chairman
Maryland Federation of Republican Women
PO Box 6040, Annapolis MD 21401
Email: eee437@comcast.net

The Honorable Marc Korman, Chairman
and Members of the Environment and Transportation Committee
Maryland House of Delegates
Annapolis, Maryland

Re: **HB 0538** – Land Use – Housing Expansion and Affordability Act of 2024 – **UNFAVORABLE**

Dear Chairman Korman and Members,

Under HB 0538, the State Department of Planning will control decisions on “affordable housing qualified projects”, even when a project does not comply with a jurisdiction’s comprehensive plan and local planning and zoning laws. This can include height, setback, parking, and other requirements. A single-family zone could include newly-defined “middle housing” – duplexes, triplexes, quadplexes, cottage clusters, townhomes.

The Maryland Federation of Republican Women believes that local governments are closest to the people, and have a greater understanding of the desires of their citizens and the carrying capacity of their region. Local governments will be forced to ignore limitations on density and housing types in communities where the comprehensive plan and zoning laws were implemented only after substantial citizen input and acceptance.

The purchase decision of a home buyer includes many factors (price, taxes, schools, traffic, amenities, location, etc.). Any attempt to legislate a perfect Maryland community will fail because we are a diverse state in population and geography. There is no “one size fits all”.

Removing local authority to limit the height, setback, and bulk of a “qualified” project can change the character and design of the neighborhood where it is located. In zoning parlance, you will create a “change in the neighborhood” that will justify allowing nearby property owners to seek zoning changes based on these new parameters because the “qualified” project has nullified the restrictions that existed before.

Requiring that 30% to 40% of units be “affordable” within 40 years, keeping rent at 30% of the household’s income, and using 60% of the area’s median income as the qualifying income will most assuredly result in a large disparity between rent revenue and cost of upkeep. Who will be providing the additional funds needed to ensure those properties are well maintained and secure?

Local governments are best qualified to make decisions on design, density, and housing composition.

Please give **HB 0538** an **UNFAVORABLE** Report.

Sincerely,
Ella Ennis
Legislative Chairman

Letter to Stein on State HB 538.pdf

Uploaded by: Eric Rockel

Position: UNF

1610 Riderwood Drive, Lutherville, MD 21093

February 15, 2024

The Honorable Delegate Dana Stein
310 Lowe House Office Building
6 Bladen Street
Annapolis, MD 21401

Sent Via Email

Re: HB 538

Dear Delegate Stein:

Over thirty years ago I was a member of a citizen group convened by Senator Frank Kelly to interact with the Mass Transit Administration regarding the building of the Light Rail system in Baltimore County. At one of those meetings, I had a conversation with an MTA official about my concerns that the Light Rail would alter the character of my community in the long term. That official's response was that the MTA was responsible for building the best transportation system that it could within a finite budget, and my concerns were best raised at the local level, where questions about neighborhood character, land use and other concerns would be appropriately addressed.

That response from the MTA official was certainly true at that time, but HB 538 threatens to overturn that balance between state and local responsibilities regarding affordable housing. I reject the fact that this bill gives state-funded affordable housing projects the ability to avoid scrutiny with regard to adequate public facilities legislation enacted by county governments. Over-crowded schools, congested roadways and other public facilities are not suddenly adequate simply because they are the product of affordable housing. Additionally, this bill fails to describe what constitutes a "state-funded affordable housing project." Is a project with 1% of the total project cost a state-funded project, or does the project need to be totally financed by state funding?

A second objectionable feature is the additional density that this legislation would provide. For example, the bill speaks about giving a qualified project 30% more housing units in an area "zoned for mixed-use." Well, the fact of the matter is that Baltimore County does not

have a zoning classification called “mixed-use.” Mixed use development in Baltimore County is largely accomplished thru a development process entitled “planned unit developments.” Will the interpretation of this feature be left up to the courts to interpret? Also, in planned unit developments in Baltimore County, the question of housing density is negotiated between the developer and the community where the development will be located. So, this legislation would overturn that feature, not a desirable event in my opinion.

Another objectionable feature is that this legislation would give projects that are within one mile of a rail station and contain at least 25% of units that are affordable density bonuses, including a bonus equal to the highest allowable density in the local jurisdiction’s multifamily residential zone if the project is located in a nonresidential zone. Now in Baltimore County, the highest allowable density is a classification termed RAE 2, which allows 80 units per acre. Within one mile of the light rail line there are literally over 100 acres of property zoned for nonresidential use that could be turned into affordable housing projects resulting in at least 8,000 density units within a very compact one-mile radius. This level of redevelopment would alter the character of the community, and in my estimation cause the local government to be catching up to the consequences of this development in terms of traffic congestion, school overcrowding, etc. for another twenty to thirty years.

This problem would not be confined to the Lutherville neighborhood in which I live. Within one mile of the Hunt Valley station stop, there is undeveloped industrially zoned land in the Sparks Corporate Center that would also be subject to the development pressures that this legislation would impose.

I strongly object to this legislation that changes local land use decisions. If the State wants to help fund affordable housing, I have no problem with that approach, but I think venturing into local land use decisions goes too far. Finally, the bill’s support for manufactured housing and cluster cottages, the definition for which conforms with Baltimore County density requirements under DR 5.5 zoning, seem to be reasonable measures in my opinion. I also wonder why this bill does not include accessory dwelling units as a remedy to affordable housing? Please enter this letter in the official record.

Sincerely,

Eric Rockel

Cc: Honorable Michele Guyton

HS538.pdf

Uploaded by: Grant Handley

Position: UNF



TOWN OF NORTH EAST

February 14, 2024

The Honorable Chairman Marc Korman
The Maryland House of Delegates
Environmental and Transportation Committee
6 Bladen Street Annapolis MD 21401

Subject: Town of North East 21901 Written Testimony on HB538 - Unfavorable

Chairman Korman and Members of the Environmental and Transportation Committee,

Thank you for allowing us the opportunity to submit testimony today. The Town of North East opposes HB538 and respectfully urges an unfavorable report out of committee.

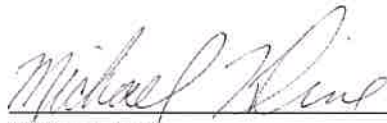
If passed, Senate Bill 484 and House Bill 538, according to Maryland's Department of Legislative Services, would prohibit a local legislative body from restricting the placement of certain manufactured homes in specific residential zoning districts under particular circumstances. Additionally, it would prevent a local jurisdiction from utilizing elements of an adequate public facilities law to deny permits for certain State-funded affordable housing projects or other qualified projects, or to restrict or limit their development in a particular manner.

The Town maintains that if SB 484 and House Bill 538 are enacted as introduced, they would adversely affect the general welfare of the Town of North East. This is because the legislation would strip local elected officials and zoning and land use bodies of their authority to manage the maximum density of residential areas. Such management involves considerations such as local zoning laws, historic preservation, environmental impacts, and the potential strain on public facilities. All of these factors must be carefully balanced to ensure the creation of a healthy, thriving community for its citizens.

Local government serves as the primary connector between citizens and public services. HB538 seeks to upend that connection by completely ignoring local zoning authority. North East has strived to be a community with well thought out plans and solutions, as evidenced in the Town's Comprehensive Plan and Zoning Ordinance. Our Maryland Municipalities are governed by our Comprehensive Plans and local zoning authority, enabling each municipality to be unique. While HB538 is well-intentioned, this one size fits all approach will harm small communities such as ours.

We respectfully request an unfavorable report.

**Mayor and Commissioners
of the Town of North East**



Michael Kline, Mayor



Kelly A. Benson, Commissioner



Catherine Bernard-Dutton, Commissioner



Hilary A. Crothers-Moore, Commissioner



Raymond Mitchell, Commissioner

HB538_Beadell_UNF

Uploaded by: Kathleen Beadell

Position: UNF

Hearing Date February 20, 2024 at 1:00pm

Testimony in Opposition to HB 538

Dear Committee Chair and Environmental & Transportation Committee Members:

I urge you and The Environment & Transportation Committee to reject HB 538. The Governor's "Housing Expansion and Affordability Act of 2024" - for the following reasons:

1.) Section 7-105 of the bill states that local jurisdictions may not apply the standards of Adequate Public Facilities laws to deny, restrict or limit a State-funded Affordable Housing Project. Existing residents should not have to experience potentially overcrowded schools, congested roadways, drainage problems or overburdened sewer systems because an Affordable Housing project is able to bypass Adequate Facilities regulations.

2.) Secondly, in certain land use categories, Affordable Housing is given a zoning density bonus, including a 30% bonus in multi-family zones and the highest allowable residential density in nonresidential zones. This approach ignores local land use and density decisions that have the benefit of input from local planning commissions and local legislative scrutiny and decision making. Citizens, planners and local elected officials have thoughtfully tried to create a balance in land use density that this bill, if enacted, would overturn. The net result could be overcrowding and congestion, two conditions that citizens should not have to endure, regardless of the noble intentions of this bill.

In closing, let land use and density considerations remain at the local level. We don't need the heavy hand of the State disrupting the balance that appropriately should be set by local authorities.

Respectfully submitted,

Kathleen Beadell

President Greater Timonium Community Council

kathleenbeadell@gmail.com 410-977-7581

211 Gateswood Rd. Timonium, MD 21093

2-16-24 HB058 Unfav .pdf

Uploaded by: Melissa Idleman

Position: UNF

Greetings,

Please don't take local control away and Vote unfavorable on HB0538

Thanks,

Melissa Idleman

Testimony Robertson.pdf

Uploaded by: Tracy Robertson

Position: UNF

HB 538/SB 484

Housing Expansion and Affordability Act of 2024

Testimony by: Tracy Robertson, 414 Bourbon Street Havre de Grace MD 20178

I oppose Senate Bill 484 and House Bill 538 also known as the Housing Expansion and Affordability Act of 2024. I believe this legislation if passed as introduced will diminish the authority of municipal governments, adds unnecessary infrastructure burdens to local communities, strips communities of their ability to be unique, and takes away citizen involvement in local civic processes.

The City Council and administration of the City of Havre de Grace have a track record of providing creative solutions to affordable housing issues in our community. The city has supported the construction of multiple Habitat for Humanity Homes by donating city land and resources. The city has supported affordable housing apartment development on Route 40 as well affordable housing complexes within city limits that support seniors and families in need. Taking the authority out of the hands of the local policy makers gives the impression that we are not agreeable to affordable housing or able to provide workable solutions. In the case of the City of Havre de Grace our policy makers are open to ideas of developmental opportunities that can tackle the affordable housing crisis while also ensuring the needs of our community are addressed.

This bill will allow development to occur in potential areas that are already experiencing infrastructure and support concerns because of over development. My son attends Havre de Grace elementary school that has first and second graders going from outer buildings to a main

building four to five times a day because they do not have enough classroom spaces for the children in the main building. In a time when mass shootings are occurring across our country everyday as a parent, we must already worry about the safety of our children due to overcrowding. Another concern of high-density housing projects being allowed without local oversight is that our roads are already unsafe in some areas due to the volume of traffic. If this bill passes it will allow a potential developer to disregard these concerns if their project fits the outlined criteria. Excluding local city officials who are close to these issues and understand their communities will result in unintended determinantal consequences such as overcrowded schools and unsafe roadways.

Havre de Grace is a unique city that is often referred to as a “Hallmark Movie City” or your “All American City” with its Fourth of July parades, community festivals, and a rich arts & entertainment culture. This city is listed on the National Historical registry for its rich history from its naming by comments made by Lafayette, for almost being chosen as the Nation’s Capitol, and for surviving attack in the War of 1812. The citizens are working to preserve this rich heritage while moving the city forward to meet the needs of a modern city. This takes a delicate balance of insight and forethought that should be left in the hands of the citizens that walk in the footsteps of history makers every day, not by outside developers interested in only meeting a target goal of housing and return on investment. This bill will take a cookie cutter approach to development that can potentially destroy the uniqueness and richness of cities across the state of Maryland.

One of the reasons my husband and I moved to the City of Havre de Grace was it had a small town feel where everyday citizens if they chose to, can be involved in city operations.

Whether it be as an official elected to serve or as a volunteer at one of our many nonprofits, this city offers citizens a voice in their community. This bill will look to diminish that voice. To strip citizens of their rights to evaluate development in their community. This bill would strip their local leaders of authority to look out for the well-being of their citizens by reviewing and having an input in development. If you want citizens to be engaged in the electoral process then you must give them that ability to participate at the levels they are at. Our citizens attend zoning meetings, they have input in safety of our streets, they voice concern over public services in our community. They are active participants in managing their community and holding their leaders accountable. You will no doubt receive several testimonies from concerned citizens throughout this bill process as they do not want their rights taken away by this bill.

I moved to Havre de Grace almost ten years ago. We were attracted to its way of life. We have access to the Susquehanna River, there are walking trails, playgrounds for people and pets, a library, cultural art center and schools all right downtown. We have several art galleries, theatres and boutique shops that cater to the uniqueness of our city. Most importantly we moved here because we found a community that we had a voice and could make a difference. My husband joined the local American Legion and became a city councilman. I have joined our city Youth Commission and few nonprofit boards in my time here. We love our city. We welcome others to our city to be a part of all it has to offer. We only ask that we can continue to be entrusted to be good stewards of our city's infrastructure, uniqueness, and community involvement. This bill will strip the city of its authority to ensure development is done in a way that is congruent to the historical, environmental and functional considerations unique to our City.

HB0538 Testimony final.pdf

Uploaded by: Tobias Peter

Position: INFO



AEI Housing Center

February 20th, 2024

Testimony for House Bill HB0538:

Land Use – Affordable Housing – Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024)

Position: Neutral (Informational Only)

Edward J. Pinto

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The American Enterprise Institute (AEI) is a nonpartisan, nonprofit, 501(c)(3) educational organization and does not take institutional positions on any issues. The views expressed in this testimony are those of the author.

Summary:

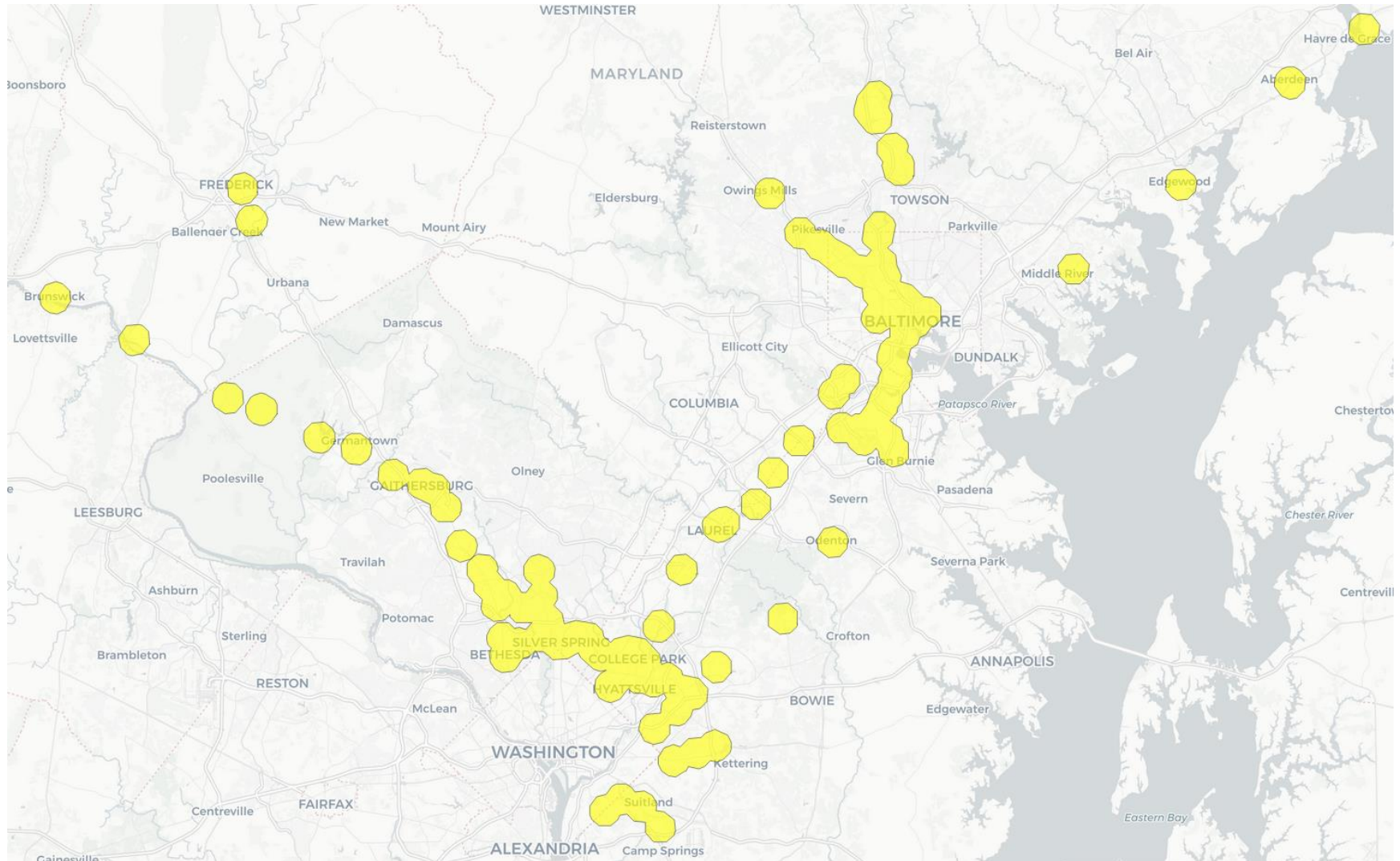
Within a 1-mile radius of rail stations, upzoning to 4 units per lot in areas currently zoned for single-family detached (SFD) homes presents the following opportunities:

- A total of 93,000 homes, at 4 units per lot, would be economically viable for Middle Housing conversion.
- We project that roughly 5,100 additional units would be built each year for the next 30-40 years.
 - With an inclusionary zoning (IZ) requirement of 1 unit being set aside for a household earning 60% or less of area median income (AMI), we project this number would drop to around 1,000 units – or by around 80%.
 - Building more housing would also jumpstart the filtering process, where older homes are passed down to lower-income households.
- The price of the newly built Middle Housing units would be around \$400,000 after conversion, roughly half of the value of SFD homes built from 2010-2022 in the same areas and about 78% of the value of the SFD homes they replaced. (Detailed price distribution below.)
 - The projected price distribution of new Middle Housing units would be entirely within the price range of homes actually bought by low-income households in 2022.

Other considerations:

- If applied across the state, and not just around rail stops, the supply effect could be as large as 19,000 additional units (at a density of 4 units per parcel) and 29,000 additional units (at a density of 8 units per parcel). (Detailed results below.)
- A strategy that focuses exclusively on multifamily (either by leaving in place single-family zones or imposing IZ mandates on Middle Housing) may have the unintended consequences of creating islands of density. These islands will have lots of people and amenities, which will drive up land values, including for surrounding areas.
 - The single-family homes in these areas will over time be converted to McMansions (large opulent homes) that will remove a relatively affordable older unit from the supply and replace it with an expensive unit.

Map of 1-mile buffer around Maryland railway stations



Source: Transit Explorer and AEI Housing Center.

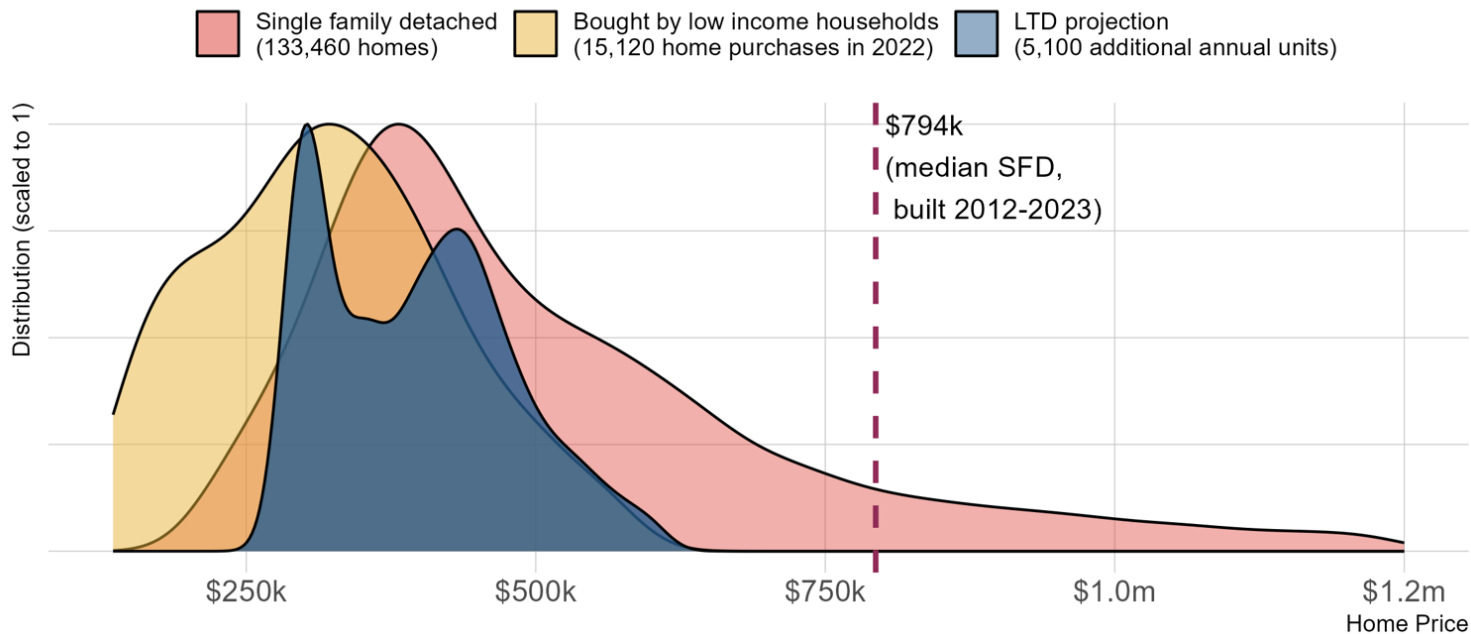
Estimated Price Distribution of New Middle Housing – around 1-mile buffer of Maryland railway stations

The below chart shows the home value distributions (using an Automated Valuation Model from Dec. 2022) of the outstanding single-family detached housing stock around a 1-mile buffer of Maryland railway stations and our projections for the townhome conversion price points. We also overlay the price points at which low-income borrowers (those with < 60% of AMI) purchases homes in 2022 (per HMDA data).

All Middle Housing conversions would be within reach of low-income borrowers, while new SFD housing built between 2012-2023 are much higher valued and hence further out of reach.

Boosting naturally affordable housing near Maryland transit

Light-Touch Density would reduce housing pressure by creating 5,100 additional homes annually affordable to low income households



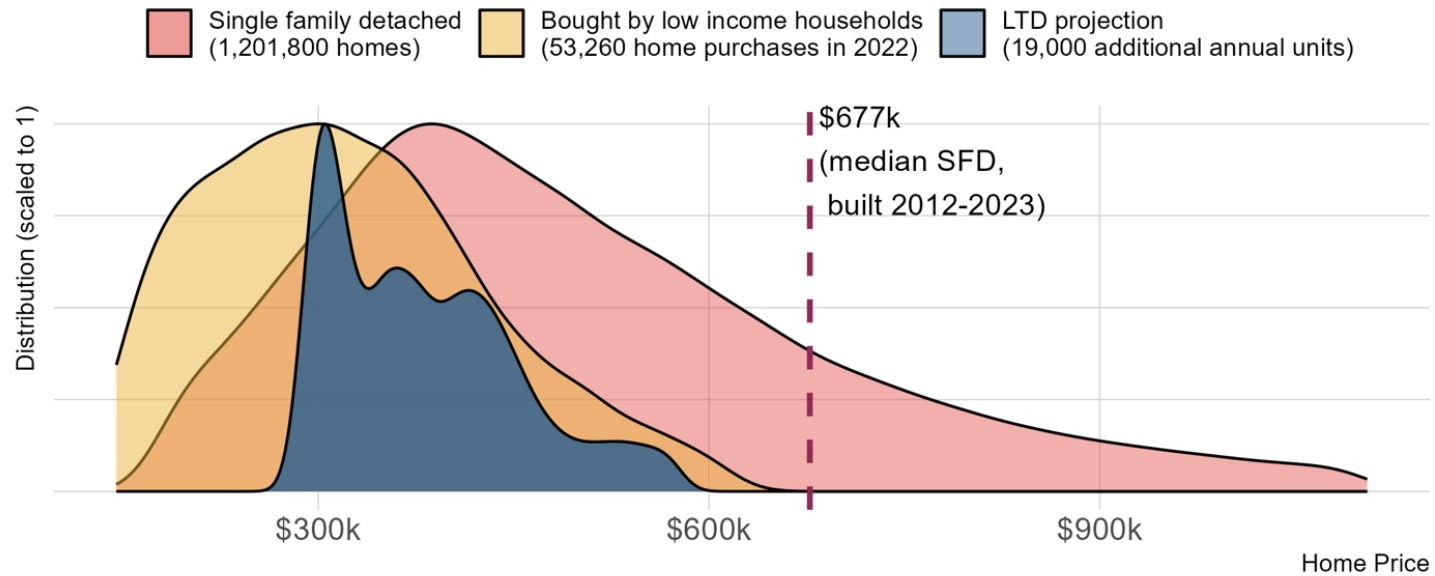
Restricted to 1-mile buffer around rail stations, SFD/LTD by property location, purchases by intersecting tract boundary.
Source: AEI Housing Center, HMDA, Public Records. Trimming the top and bottom 5% of each distribution.
Low income households earned less than 60% of county median income in 2022.
LTD projections based on a max of four units per existing SFD lot. More information at heat.aeihousingcenter.org.

Estimated Price Distribution of New Middle Housing – all of Maryland

Same chart as above but with different geography.

Boosting home production affordable to Maryland's low income homebuyers

Light-Touch Density would reduce housing pressure by creating 19,000 additional homes annually affordable to low income households



Source: AEI Housing Center, HMDA, Public Records. Trimming the top and bottom 5% of each distribution. Low income households earned less than 60% of county median income in 2022. LTD projections based on a max of four units per existing SFD lot. More information at heat.aeihousingcenter.org.

Detailed Modeling results:

Note that we model different scenarios based on the areas the policy would apply and the maximum allowable density.

LTD refers to Light-touch Density and is equivalent to Middle Housing in the context of this analysis. Most of the new units will be townhomes.

The results are for 1 year and we would assume that they would continue for the next 30-40 years assuming a market need for more housing.

These estimates are based on a variety of case studies that allowed some sort of Middle Housing in the past.¹ Since these legal changes were made decades ago, they allow us to evaluate the outcomes. In these case studies, we found that each year about 2% of parcels were converted to a higher and better use. For every parcel in Maryland, we estimate its economic viability to be converted to a higher and better use. We then assume that 2% of properties, for which the economics work, are converted each year. We also estimate the price point of the new Middle Housing types and plot the potential additional units on a map (see appendix 4).

For the detailed methodology, see here: <https://www.aei.org/wp-content/uploads/2023/06/State-and-Local-Upzoning-Bill-Infill-Conversion-Estimates-Methodology-v6.pdf>

To model the numbers with an inclusionary zoning (IZ) mandate, we orient ourselves on Seattle’s experience, which implemented an IZ requirement in 2019. As a result, townhome permits dropped 80% over the next years. For more on this, see appendix 2.

Maximum density (units per lot)	Cumulative net additional LTD conversion units after 1 year*			
	All State		Properties within 1 mile of a rail station	
	no IZ	with IZ	no IZ	with IZ
4	19,090	3,818	5,120	1,024
6	26,431	5,286	7,071	1,414
8	28,790	5,758	7,627	1,525

* Assumes that an IZ mandate reduces the economic viability by 80%.

¹ [Palisades Park, NJ](#): 1939 zoning law allowed 1- or 2-units on any parcel. [Charlotte, NC](#): R-MF zoning allowed small scale residential structures to be built in less than 5% of Charlotte’s neighborhoods. [Houston, TX](#): In 1998, the minimum lot size requirement decreased from 5,000 square feet to effectively 1,400 square feet within the city’s I-610 Inner Loop. [Seattle, WA](#): In the mid-1990s, the creation of the Low Rise Multifamily (LRM) zone allowed property owners to use their land more efficiently leading to a townhome construction boom. [Tokyo, Japan](#).

Maximum density (units per lot)	Cumulative net additional LTD conversion after 1 year as a % of 2017-2021 5-year ACS total housing units*			
	All State		Properties within 1 mile of rail station	
	no IZ	with IZ	no IZ	with IZ
4	0.8%	0.2%	0.2%	0.0%
6	1.2%	0.2%	0.3%	0.1%
8	1.3%	0.3%	0.3%	0.1%

* Assumes that an IZ mandate reduces the economic viability by 80%.

Maximum density (units per lot)	Median est. per unit price after LTD conversions relative to a buyer's AMI*	
	All State	Properties within 1 mile of a rail station
4	97%	98%
6	84%	83%
8	76%	76%

* We arrive at the prospective buyer's income as a share of AMI by multiplying the estimated price point by 3, which is a "normal" price-to-income ratio.

Maximum density (units per lot)	Median est. per unit price of LTD conversions as a % of original unit	
	All State	Properties within 1 mile of a rail station
4	78%	78%
6	63%	64%
8	53%	54%

Maximum density (units per lot)	Cumulative net additional homeowners after 1 year*			
	All State		Properties within 1 mile of a rail station	
	no IZ	with IZ	no IZ	with IZ
4	15,272	1,527	4,096	410
6	21,145	2,114	5,657	566

8	23,032	2,303	6,101	610
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* Assumes that 80% of Middle Housing units will be owner-occupied, similar to the current percentage. For more, see appendix 3.

Source: AEI Housing Center.

Appendix 1: McMansion conversion example in Bethesda

Consider a McMansion in Bethesda, which has more teardown McMansions than any other place in Maryland. To illustrate why McMansions get built, we look at a case study of two homes in the same Census block – one which has been redeveloped, and a prospective home on a same-size lot that has an economic case for either LTD or McMansion development.

Note that the McMansion conversion rate is about 1.6% of economically viable parcels per year, not too different to the 2% conversion rate for Middle Housing.

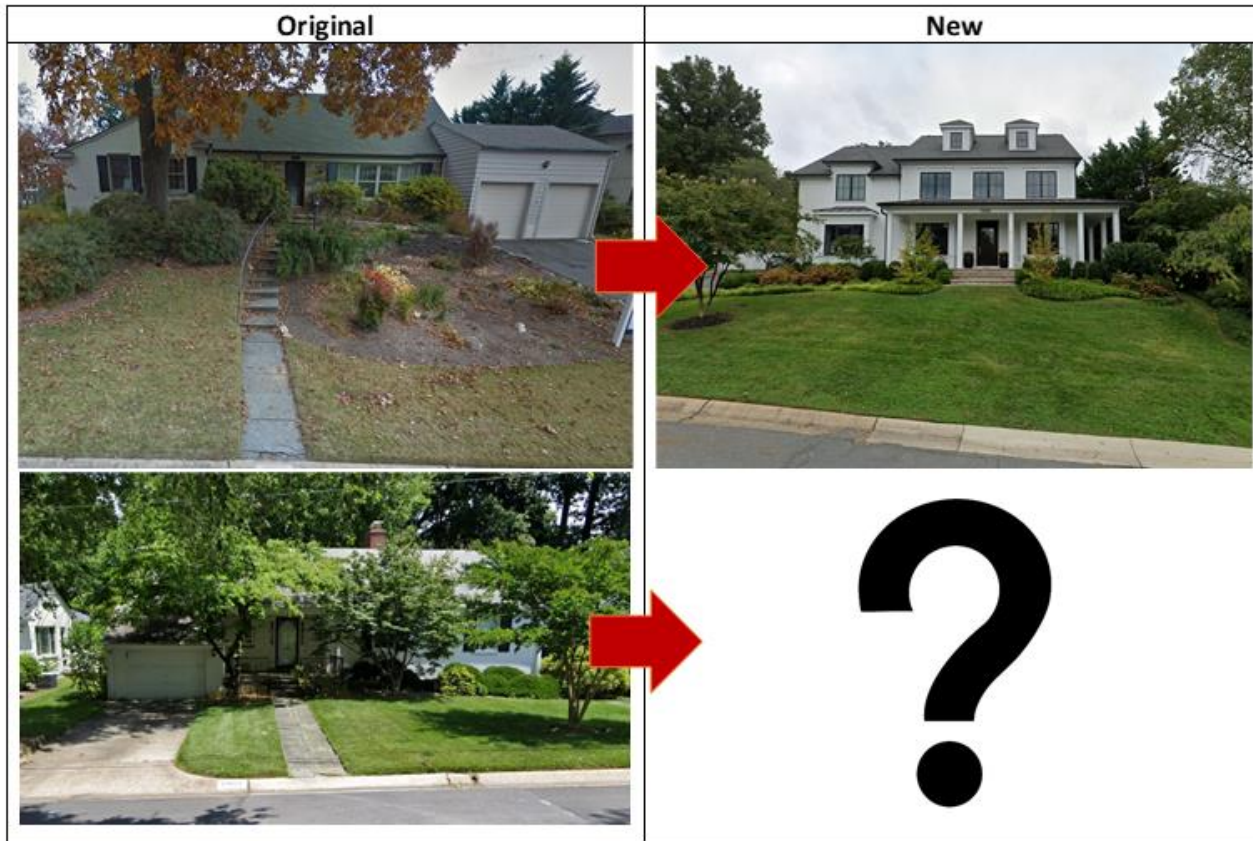


Image source: Google.

Address of top image: 7205 Honeywell Ln, Bethesda, MD 20814

Address of bottom image: 7601 Honeywell Ln, Bethesda, MD 20814

Appendix 2: The City of Seattle’s experience with Inclusionary Zoning (IZ)

In April 2019, Seattle’s Mandatory Housing Affordability (MHA) program took effect with the goal of creating thousands of new subsidized housing units made affordable through fees on development, while also boosting housing production overall. **It is on track to destroy Seattle’s townhome construction activity.**

In exchange for a modest density bonus, builders have a choice between designating a certain number of units as income-restricted (defined as 65% of area median income or less) or paying a hefty fee. “Based on a 2021 survey of [builder trade group members in the area], the average MHA fee per townhome unit is \$32,743, or \$130,972 for an average four-unit project. This fee roughly doubles townhome predevelopment costs.”

Consequently, new permits for townhomes have dropped precipitously, while they have remained about unchanged for the control group (see chart). We estimate that the effect of the IZ mandate was as high as an 80% reduction in townhome construction. Before the MHA implementation, townhome permits were averaging around 150 units per month and the trend was rising. By mid-2022, permitting had dropped to around 30 units with no commensurate drop in the control group.² (We notice a drop in both treatment and control group starting mid-2022, which may be because of rising interest rates.)

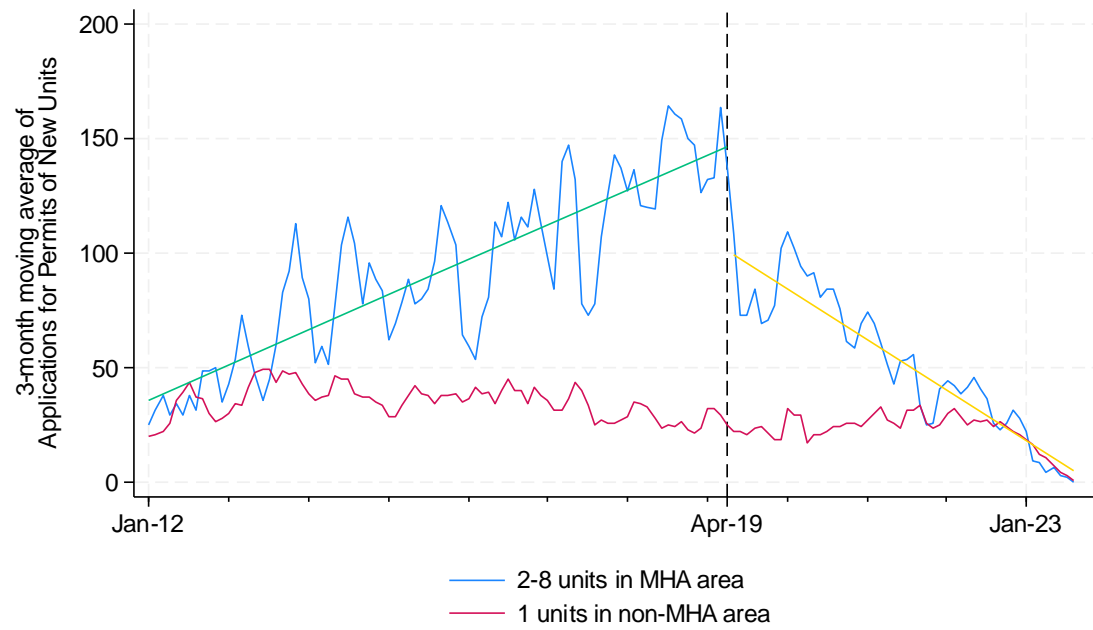
Many of the far-ranging consequences are summarized in an excellent report “[The Decline of Seattle Townhomes Under MHA.](#)”

The lesson is that to be successful, reform needs to follow the KISS (Keep It Short and Stupid) principle.

For more details on the case study, see <https://www.aei.org/research-products/report/expanding-housing-supply-with-light-touch-density-city-of-seattle-case-study/>.

² The drop was marginally smaller for projects with 2 to 4 units and larger for projects with 5 to 8 units.

Chart: Application Permits in the City of Seattle

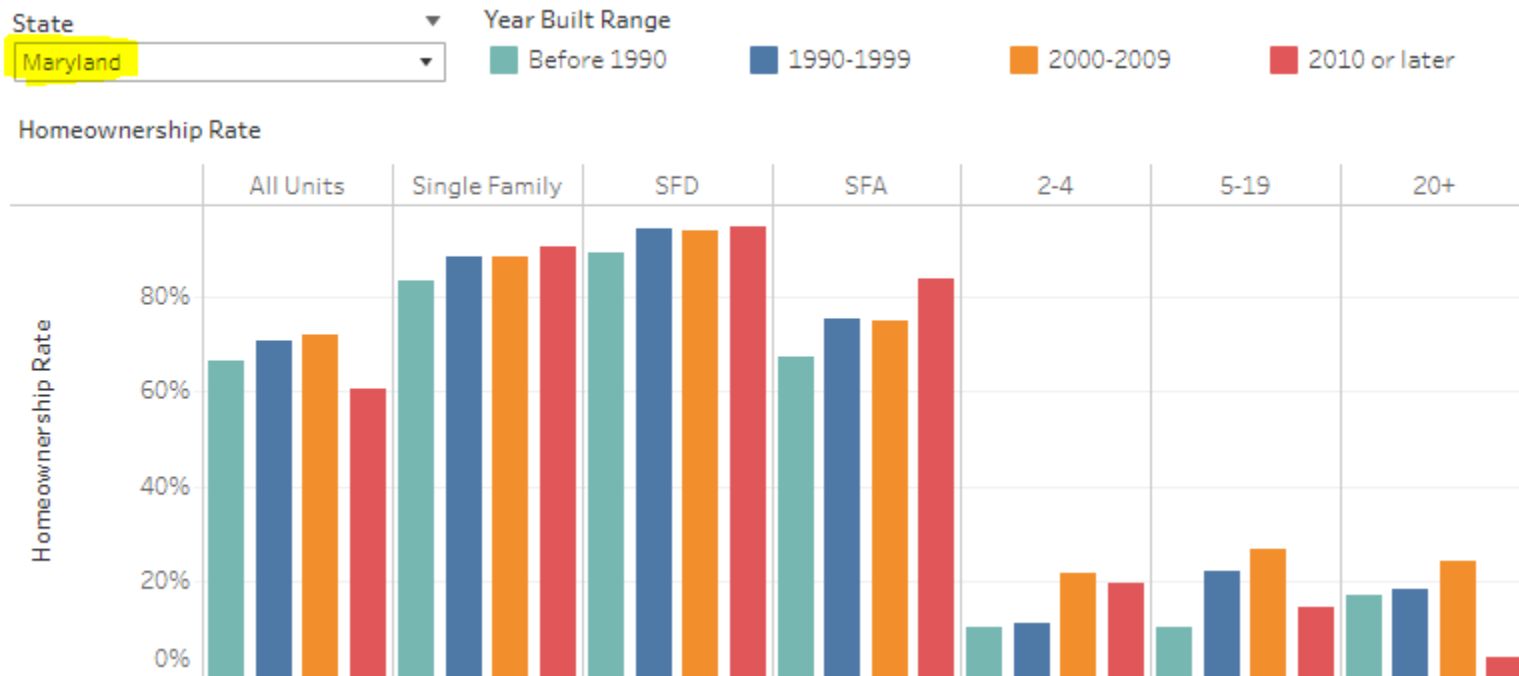


Source: City of Seattle, HUD, and AEI Housing Center, www.AEI.org/housing.

Appendix 3: Outcomes

Homeownership rates by type of building and year-built range.

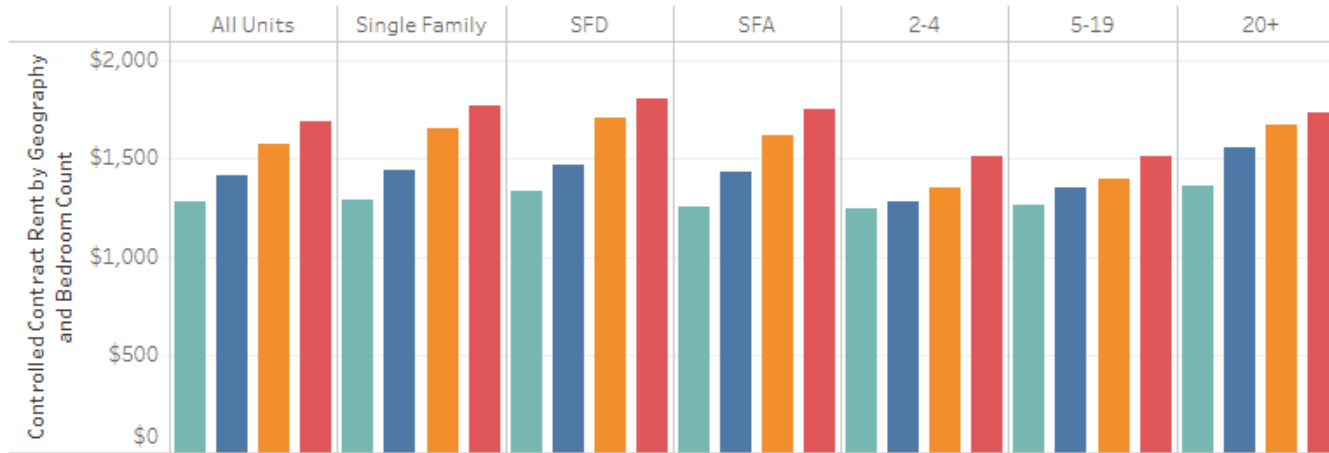
Note: Middle Housing would be classified as SFA (single-family attached). Homeownership rates for Middle Housing are far greater than for multi-family buildings, particularly newly built ones.



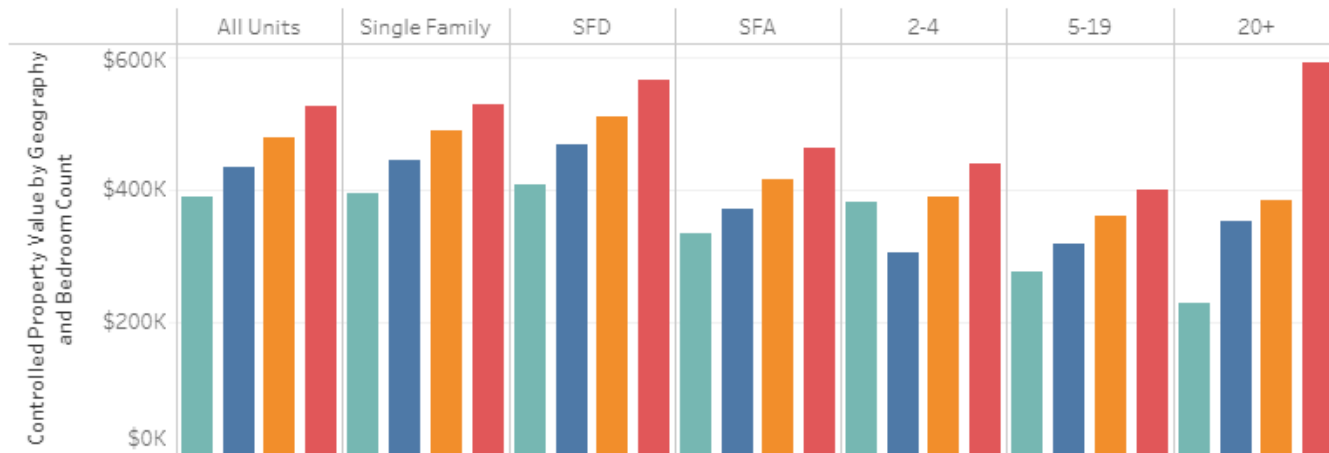
Rents and Property Values by type of building and year-built range.

Note: Middle Housing would be classified as SFA (single-family attached). Rents (after controlling for the number of bedrooms and location) after about near identical between Middle Housing and 20+ unit apartment buildings. Property values are lower, which enables homeownership opportunities as described above.

Controlled Contract Rent by Geography and Bedroom Count



Controlled Property Value by Geography and Bedroom Count



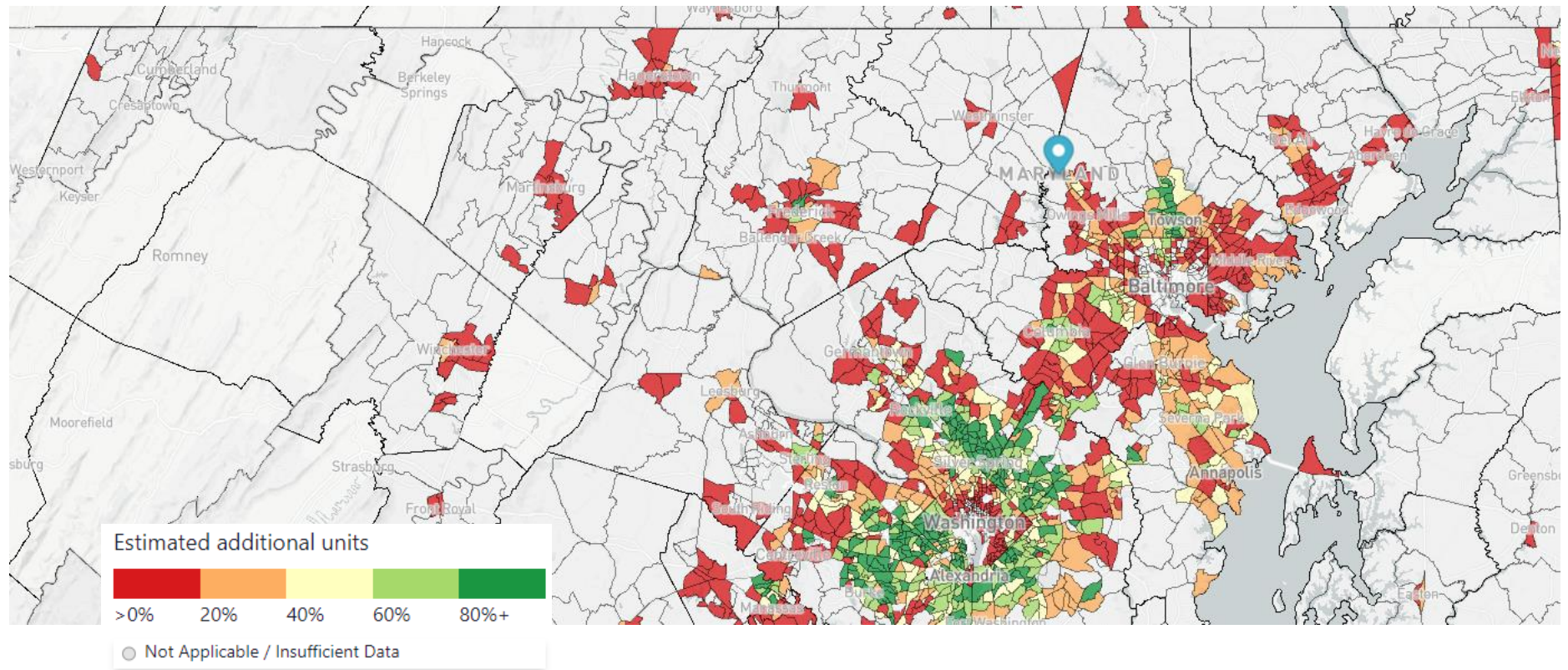
Note: For housing cost calculations, we exclude the bottom 5% of contract rents and property values and those households paying \$0 in contract rent. We include all households to calculate the homeownership rate. We calculate all results using Census-created household weights. Rental or Property Values are suppressed if they have less than 10 unweighted observations for each state, structure type, year built, and tenure type category. The Controlled Property Values and Controlled Contract Rents by state, year built, and units in structure are generated using a state-by-state linear regression with controls for bedroom count and Public Use Microdata Areas.

Source: 2021 ACS 5-Year Microdata and AEI Housing Center.

Appendix 4: Census Tract Map of Middle Housing Potential

The map displays the Middle Housing potential in increasing the housing stock. The map assumes a maximum allowable density of 8 units per parcel.

For more, see <https://heat.aeihousingcenter.org/ltd-map>.



Note: Estimates are based on a maximum of 8 units on existing SFD parcels. For full county and state estimates, see our [Light Touch Density Supply Estimates Tool](#).