



Bill No: SB 695—Building Code - Construction and Significant Renovation of Housing Units - Electric Vehicle Parking Spaces

Committee: Environment and Transportation

Date: 3/4/2024

Position: Unfavorable

The Apartment and Office Building Association of Metropolitan Washington (AOBA) represents members that own or manage more than 23 million square feet of commercial office space and 133,000 apartment rental units in Montgomery and Prince George's Counties.

Senate Bill 695 requires the construction of new multifamily residential buildings with separate garages, carports, or driveways for each residential unit to include certain parking spaces for electric vehicle charging. The bill applies to significant renovations with separate garages, carports, or driveways, defined as housing units that include electric panel upgrades that increase the panel's capacity or parking upgrades that involve repaving or trenching in or around the parking space. Communities making these renovations to the community must include one EVSE-installed parking space capable of providing at least level 2 charging and one EV-ready parking space. If the significant renovation of housing units includes or will include on-site, off-street, and common-use parking, then it must also include, for every 25 residential units, at least one common EVSE-installed parking space.

AOBA supports efforts to expand electric vehicle charging capacity throughout the State. However, AOBA members are concerned about the cost of adding EV charging stations to existing housing units that undergo significant renovations. The bill defines significant renovations as any renovation that includes electric panel upgrades that increase the capacity of the panel or parking upgrades that involve trenching in or around parking spaces.

While electric panel upgrades may increase capacity to meet new appliance or building system requirements, the new capacity may not be sufficient for a level 2 EV

charging station. Thus, this bill could require significantly higher capital investments than housing providers had intended when deciding to make such upgrades. These costs come at a time when the rental housing industry is already under significant strain due to increased operating expenses, such as utilities, labor, and insurance; increased delinquencies due to the pandemic; and new legal mandates, such as the Building Energy Performance Standards and restrictive rent regulations in Montgomery and Prince George's Counties.

The [Maryland Energy Administration \(MEA\) report](#) analyzes the potential cost estimates for a Level 2 (LV2) charging station for different multifamily building types. The report concludes that it cost \$1.4 billion to install LV2 chargers for 10% of parking spaces. That figure increases substantially as more parking spaces are being retrofitted with chargers. Adding L2 Chargers to 50% of parking spaces will cost housing providers \$7.4 billion for multifamily developments. These figures are significant even with financial assistance from the public sector, and other cost saving measures are still exorbitant for AOBA members. Moreover, MEA would have to allocate \$660 million to meet the demand for multifamily communities to make installations.

AOBA members will be burdened with this cost to meet targets set by the State and forced to pass these costs on to residents to ensure compliance with the bill requirements, thus decreasing the State's viable naturally occurring housing stock. The total cost of making such renovations to the parking lot outweighs the payback period on this bill, as it could take about 10 years with assistance or more without. This will result in housing providers not pursuing projects because it is an unappealing investment.

For these reasons, AOBA requests an unfavorable report on SB 695. For further information, contact Ryan Washington, AOBA's Government Affairs Manager, at 202-770-7713 or email rwashington@aoba-metro.org.