

February 23, 2024

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

**RE: Building Code - Construction and Significant Renovation of Housing Units - Electric Vehicle Parking Spaces**

Dear Chairman Korman:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding Building Code - Construction and Significant Renovation of Housing Units - Electric Vehicle Parking Spaces. MBIA **Opposes** the Act in its current version.

House Bill 889 would require 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. While MBIA Supports the concept of creating the infrastructure for Elective Vehicles, we have some concerns about the current language in the bill. This bill imposes significant costs on buildings undergoing major renovations and may discourage renovations all together. The renovations section of the legislation would require any building that is doing any renovation, as simple as paving their driveway to install Electric Vehicle Charging station

This bill would also require EVSE-installed and EVSE-ready installed parking in certain new construction multi-family projects. The Maryland Energy Administration has recently completed a report that was required under 2023 HB830. The report outlines the costs and other challenges to installing these charging stations in multi-family buildings (see below for a summary of these costs).

MBIA supports the need for charging stations, however we have concerns about the timing of this measure. Maryland currently faces a housing shortage of approximately 96,000 housing units. If nothing changes, that number will increase by 5600 units per year. The National Association of Homebuilders reports that the estimated rent of a Maryland Housing Units 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 is an important first step in addressing this problem as it relieves some of the process burden for construction these desperately needed housing units. More than 50% of residents of the state of Maryland report that lack of housing availability is a major problem. According to the Maryland Department of Housing and Community Development, Maryland is the 8<sup>th</sup> least affordable state in the United States. In addition, regulations imposed by all levels of government account for 23.8% of the price of a house. This is not the time to provide disincentives to build housing in Maryland.

For these reasons, MBIA respectfully requests the Committee give this measure a unfavorable 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

## Summary of MEA Multifamily Residential EV Study

1. **The report estimated that the cost of installing charging equipment on 50% of multifamily parking spots would be \$7.4 billion.** That cost does not include offsite utility costs to bring the extra supply to the multifamily location and therefore underestimates the true cost. (Note that the cost estimates include a +/- variation of as much as 50% - suggesting that the cost could be as much as \$11.1 billion.)
2. **The report did not make a specific recommendation for legislation mandating EV infrastructure at multifamily housing.** Instead, it just noted that infrastructure would be needed, especially “within proximity of low-income communities.” However, low-income communities are likely to lag behind other communities in EV adoption because of fewer new and even fewer new, luxury, vehicles. In addition, the Governor has allocated additional funds for EV charging in low-income communities. The report concluded that: “To date, Maryland has succeeded in supporting EVSE infrastructure deployment in low-income and EJ communities in terms of the number of EVSE ports, particularly in urban centers such as the Washington D.C outskirts and Baltimore City.”
3. **The report was very optimistic in estimating that by 2035, 82% of vehicles on the road would be EVs.** However, it is not clear that the report accounted for the offsets allowed by Advanced Clean Cars II. MDE’s estimates assumed that many manufacturers would use those offsets to reduce EV sales during early years of the program. The report also states that the estimated number of vehicles could be reached only with \$660 million in incentives – compared to the current annual rate of \$3.5 million.
4. **The report appears to confirm that, for multifamily other than townhouses, the cost of later retrofitting parking lots for EV charging is roughly comparable to the cost at initial construction.** This would permit multifamily owners to delay installation until market demand develops.
5. **About 4% of cars currently on the road are EVs however electric vehicles are heavily concentrated in certain jurisdictions, especially Montgomery, Howard and Anne Arundel Counties.** (Note that the Howard County Building Code requires multifamily buildings to have EV Ready parking spaces. Montgomery County is considering a similar provision.)

Here are the key findings and recommendations from the report:

### **Key Findings:**

- EV adoption and EVSE infrastructure are primarily concentrated in affluent counties within the State. Nevertheless, there is a proportionate distribution of EVSE infrastructure to the population levels in EJ and low-income communities.
- There is a lack of EVSE infrastructure within proximity to low-income housing complexes.
- Advanced Clean Cars II will significantly increase EV adoption to nearly 1,867,000, representing 82% of vehicles on the road, in 2035. Maryland is estimated to need a total of 1,970 DCFC ports and 1,978,865 Level 2 ports to meet this EV demand.
- Chapter 582 (2023) is expected to support the deployment of up to 263,930 Level 2 ports if all existing multifamily dwellings installed EVSE infrastructure for 50% of their parking spaces. The infrastructure comes at a steep cost, estimated at \$7.4 billion dollars. For reference, MEA's FY24 budget for the Electric Vehicle Supply Equipment Rebate Program is \$2.5 million dollars.
- There are numerous payment options and ownership models available to ensure this cost is not borne solely by the property owner.

### **Recommendations:**

The Maryland Energy Administration makes the following recommendations for further activities to advance adoption of EVSE infrastructure and EVs in MD.

- Agencies should continue to work together to gather granular data on EV adoption and EVSE locations and upload this information to the Maryland Open Data Portal.
- Relevant agencies should conduct a thorough feasibility study to explore the development of an EV program supporting EVSE installations in low-income residential buildings.
- Agencies should collaborate with key stakeholders to continue existing EV and EVSE financial programs and develop innovative offerings, especially for low-income residents. Potential programs would include incentives, EV charging rates, technical assistance offerings, innovative ownership models, and revenue generation models.
- Agencies should collaborate with key stakeholders to continue educational programs for multifamily residents and developers but also as workforce development initiatives to ensure there is an adequate workforce to properly install and maintain the EVSE infrastructure.