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Health and Government Operations  
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Health Occupations and Long Term Care

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Health Disparities

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Joint Committee on Program Open Space  
and Agricultural Land Preservation

**THE MARYLAND HOUSE OF DELEGATES**  
ANNAPOLIS, MARYLAND 21401

**Testimony in Support of HB13 - Residential Property - Affordable Housing Land  
Trusts - Authority to Establish Condominium Regimes**

**January 30, 2023**

Thank You Chair Korman, Vice-Chair Boyce, and members of the Environment and Transportation Committee, I am Delegate Robbyn Lewis testifying on behalf of HB13, which will create more homeownership opportunities for low- and moderate-income Marylanders.

This bill is a re-introduction of last year's HB567, which this committee passed essentially unanimously (with one "excused") and which then passed the House unanimously, 137-0. Regrettably, last year's bill stalled in the Senate.

The bill before you is in the exact same posture as last year's bill, which, again, this Committee passed unanimously.

HB13 fixes a loophole in the Affordable Housing Land Trust Act, which was enacted in 2010 (Maryland Annotated Code, Real Property § 14-501). The loophole has the paradoxical result of increasing the cost of developing affordable homes, thereby undermining the Act's intent. The bill before you close the loophole, lower development costs, thereby unlocking the potential of the Housing Land Trust model in Maryland.

It is important to understand the basics of the Affordable Housing Land Trust model of homeownership. The 2010 Act defined Affordable Housing Land Trusts (AHLT), also known as "community land trusts". These are entities that turn renters into homeowners, by means of a special type of community ownership that prevents rapidly rising housing costs. AHLTs, which are often created and managed by nonprofit organizations, buy land and develop homes on behalf of a community and hold it in trust.

In an AHLT, homeowners enter an extended (as long as 99-years) renewable lease with the land trust, and pay an annual maintenance fee. Over time, these folks build equity and grow their family's wealth.

Please note that a "home" can be a single-family house on a lot, or a rowhouse, townhouse or a unit – basically, an "apartment" - within a multi-family building. In the case of a multi-family building, the AHLT maintains ownership of the land, while the multifamily building on that land

is leased to a condo association set up by the AHLT. In this arrangement, the condo association owns or leases the building, and the homeowner, i.e., the condo unit owner, owns their unit outright,

When a homeowner decides to sell, the home must be sold to another income-qualified buyer, who will then enter a new lease with the land trust. Every homeowner in the land trust has a stake in the success of their neighbor - a principle called shared equity. The land trust limits the sale price to maintain affordability. Ultimately, the homes remain accessible to more Maryland families, protected from speculation, gift and price shocks.

Here's how the bill works: it exempts AHLTs from certain provisions in the Affordable Housing Land Trust Act that drive up the cost of development for multifamily buildings.

The Residential Condominium Act (Maryland Real Property Code Ann. Sec. 11-01 et. seq.) states that a residential condo cannot be created on a "leasehold estate." This is based on Maryland's historic ground lease system. As a result, a land trust must create a two-part ownership structure, which adds significant expense and complexity, ultimately making it financially impossible to create affordable multifamily housing under the land trust model.

Thank you for your consideration. I respectfully request a favorable report for HB13.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Lewis", with a long horizontal flourish extending to the right.

Delegate Robbyn Lewis

District 46, Baltimore City