

MMHA - 2025 - SB572 - FAV.pdf

Uploaded by: Matthew Pipkin

Position: FAV



Senate Bill 572

Committee: Budget and Taxation

Bill: Senate Bill 572 – Anne Arundel County – Development Impact Fees

Date: 2/26/25

Position: Favorable

The Maryland Multi-Housing Association (MMHA) is a professional trade association established in 1996, whose members house more than 538,000 residents of the State of Maryland. MMHA’s membership consists of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities and more than 250 associate member companies who supply goods and services to the multi-housing industry.

Senate Bill 572 (“SB 572”) repeals a limitation on the authority of the Anne Arundel County Council that restricted the Council from granting exemptions from or credits against development impact fees only to not-for-profit entities that have been in existence for at least 3 years.

According to Maryland’s Department of Housing and Community Development Secretary Jake Day, Maryland currently lacks 96,000 affordable housing units. The cost of developing, renovating, and operating multi-housing buildings in this state has skyrocketed. This has resulted in a lack of investment in multi-family buildings in Maryland, as indicated by sales data through CoStar¹, which shows that multi-family total sales volume plummeted to \$1.89 billion, below the five-year average of \$4.47 billion (about a 58% decline).

By removing this arbitrary limitation on the County Council, Anne Arundel County will have another “tool in the toolbox” to entice investment and provide financial viability for development projects. For those reasons, MMHA would request a favorable report on SB 572.

Please contact Matthew Pipkin, Jr. at (443) 995-4342 or mpipkin@mmhaonline.org with any questions.

¹ Maryland House Environment and Transportation Committee. *State of Rental Housing*. Written and Presented by Aaron Greenfield, Esq. and Brian Anleu., 14 Jan. 2025. https://mgaleg.maryland.gov/meeting_material/2025/ent%20-%20133813519729648824%20-%20State%20of%20Housing%20Presentation%202025.pdf

SB572.HB453.TheArc.AACountyDevelopmentImpactFees.S

Uploaded by: Rylie Shewbridge

Position: FAV



February 26, 2025

Guy Guzzone
Chair, Senate Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis, Maryland 21401

Re: SB572/HB453 – Anne Arundel County Development Impact Fees – Support

Dear Chair Guzzone and Members of the Committee,

On behalf of The Arc Central Chesapeake Region and Chesapeake Neighbors, we write in support of ***SB572/HB453 – Anne Arundel County Development Impact Fees.***

The Arc Central Chesapeake Region empowers people with disabilities to live the lives they choose by providing services, advocating for change, and working to remove barriers to community access. Our goal is to create inclusive communities where everyone is welcome and has access to the resources they need. One way we foster inclusivity is through our subsidiary, Chesapeake Neighbors, which provides beautiful, safe, and accessible affordable rental housing for tenants ranging from low-income to market-rate renters.

During the 2024 legislative session, the state enacted the Housing Expansion and Affordability Act of 2024 (HEAA), a comprehensive housing package proposed by the Governor to reduce barriers to affordable and attainable housing. The enactment of HEAA marks a significant step toward these goals by incentivizing increased density, expanding affordable housing options, and preserving the ability of county and local governments to strengthen existing zoning ordinances to enhance housing affordability and attainability.

To build on this momentum, Anne Arundel County has made significant policy changes to support increased development opportunities, particularly for nonprofit developers. Development impact fees are one of the biggest barriers to housing development. Eliminating these fees would encourage housing growth, increase affordability, boost economic development, simplify and expedite approval processes, and attract more developers.

SB572/HB453 would grant the County the authority to exempt nonprofit developers that have been in existence for at least three years from development impact fees. Reducing large upfront costs will support the County and state's goal of increasing housing development.

For these reasons, we respectfully urge the committee to issue a favorable report on SB572/HB453.

Sincerely,

Jonathon Rondeau
President & CEO

DG Written Testimony_SB0572.docx.pdf

Uploaded by: Senator Gile

Position: FAV

DAWN D. GILE
Legislative District 33
Anne Arundel County

Finance Committee

Chair

Anne Arundel County
Senate Delegation



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony in Support of SB0572 - Anne Arundel County - Development Impact Fees

Mr. Chair, Mr. Vice Chair, and Members of the Senate Budget and Taxation Committee:

SB0572 would provide greater flexibility to the existing enabling statute pertaining to impact fee exemptions.

Background

During the 2008 Legislative Session, the General Assembly passed HB0515 (Chapter 509), which enabled Anne Arundel County (the County) to exempt or provide credits on impact fees for development by not-for-profit entities that have been in existence for at least three years.

Development impact fees are levied on developers for financing, in whole or in part, the capital costs of additional or expanded public works, improvements, and facilities required to accommodate new construction or development.

Solution

SB0572 as amended per SB0572/443626/1 would expand the list of entities that the County could exempt from impact fees to include a construction or development project that:

- Is a moderately priced dwelling unit
- Is an accessory dwelling unit
- Complies with the Counties existing requirements for “workforce housing”
- Qualifies for impact fee credits in cases where developers directly provide for infrastructure and/or services on behalf of the County.

The committee already has a letter of support from the Anne Arundel Senate Delegation for this bill, but an additional letter is pending to support the amendments submitted. This updated letter will be sent by the time of this hearing on Wednesday, February 26th.

For these reasons, I respectfully request a favorable report on SB0572.

SB0572-443626-1.pdf

Uploaded by: Senator Gile

Position: FAV



SB0572/443626/1

<p style="text-align: center;">AMENDMENTS PREPARED BY THE DEPT. OF LEGISLATIVE SERVICES</p> <p style="text-align: center;">24 FEB 25 12:25:45</p>

BY: Anne Arundel County Senators
(To be offered in the Budget and Taxation Committee)

AMENDMENTS TO SENATE BILL 572
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 3, strike “repealing” and substitute “altering the scope of”.

AMENDMENT NO. 2

On page 1, in lines 22 and 23, in each instance, strike the bracket; in line 22, before the second “development” insert “:

(I)”;

and in line 23, after “years” insert “;OR

(II) A CONSTRUCTION OR DEVELOPMENT PROJECT THAT:

1. IS A MODERATELY PRICED DWELLING UNIT, AS DEFINED IN § 17-12-101;

2. IS AN ACCESSORY DWELLING UNIT, AS DEFINED IN § 18-1-101;

3. COMPLIES WITH THE REQUIREMENTS OF § 18-10-174 FOR WORKFORCE HOUSING; OR

4. A. QUALIFIES FOR IMPACT FEE CREDITS FOR ANY CONVEYANCE OF LAND OR CONSTRUCTION RECEIVED AND ACCEPTED BY THE COUNTY OR THE COUNTY BOARD OF EDUCATION FROM A DEVELOPER,

SB0572/443626/01 Anne Arundel County s
Amendments to SB 572
Page 2 of 2

INCLUDING THE CONSTRUCTION OF A CONTRACT SCHOOL BY A DEVELOPER OR A DEVELOPER'S AGENT UNDER AN AGREEMENT WITH THE STATE BOARD OF EDUCATION; AND

B. THE CONVEYANCE OR CONSTRUCTION MEETS THE SAME NEEDS AS THE DEVELOPMENT IMPACT FEE TO PROVIDE EXPANDED CAPACITY BEYOND THE REQUIREMENTS OF ARTICLE 17".

SB 572 - AA Co - Impact Fee Waiver - NAIOP - FAV -

Uploaded by: Tom Ballentine

Position: FAV



February 17, 2025

The Honorable, Guy Guzzone, Chair
Senate Budget and Taxation Committee
Miller Senate Office Building, 3 West
Annapolis, Maryland 21401

Favorable: SB 572 - Anne Arundel Impact Fee – Waiver

Dear Chair, Guzzone and Committee Members:

The NAIOP Maryland Chapters represent approximately 700 companies involved in all aspects of commercial, industrial, and mixed-use real estate. On behalf of our member companies, I am writing to recommend your favorable report on SB 572.

SB 572 would broaden eligibility for impact fee waivers granted by the Anne Arundel County Council by removing the stipulation that only nonprofit entities are eligible.

This additional flexibility in applying the fees could be an important factor in affordability or feasibility of certain multifamily, commercial and retail development and redevelopment as well as leasing of existing buildings.

Providing some flexibility to provide waivers could be an important tool to consider market conditions and project economics and other county goals when implementing the impact fee.

For these reasons, NAIOP respectfully requests your favorable report on SB 572.

Sincerely,

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

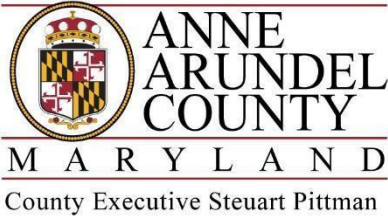
Tom Ballentine, Vice President for Policy
NAIOP – Maryland Chapters, *The Association for Commercial Real Estate*

cc: Budget and Taxation Committee Members
Nick Manis – Manis, Canning Assoc.

Anne Arundel County _FAV_SB572.pdf

Uploaded by: Ethan Hunt

Position: FWA



February 26, 2025

Senate Bill 572
Anne Arundel County - Development Impact Fees
Senate Budget & Taxation Committee

Position: FAVORABLE with AMENDMENTS

Anne Arundel County **SUPPORTS with AMENDMENTS** Senate Bill 572 – Anne Arundel County - Development Impact Fees. This enabling legislation, with the proposed amendment, would alter certain limitations on the authority of the Anne Arundel County Council to grant exemptions from or credits against development impact fees.

Anne Arundel County has used development impact fees since 1988 on new development, or a change or improvement to an existing use, that impacts public schools, transportation, or public safety facilities. This revenue may only be used to expand the capacity of public schools, roads, and public safety facilities. Currently, the State gives Anne Arundel County limited authority to grant exemptions from or credits against development impact fees for development only by not-for-profit entities that have been in existence for at least three years. This exemption was enacted by the General Assembly in 2008, after the approval of House Bill 515 of that year.

SB 572 will allow the County Council to determine any conditions for granting exemptions or credits in order to align the County's impact fee framework with development goals. With the amendment, these exemptions or credits are limited to development that is done by a non-profit organization that has been in existence for at least 3 years, Moderately-Priced Dwelling Units ("MPDUs), Workforce Housing, and Accessory Dwelling Units. It also ensures that the County can continue to grant impact fee credits to developers that provide road or school facilities that exceed adequate public facility mitigation requirements.

The authority SB 572 would grant to Anne Arundel County is not unprecedented in Maryland. Some other local jurisdictions, such as Montgomery County, already have broad authority from the state to grant impact fee exemptions and credits.

Accordingly, Anne Arundel County urges a **FAVORABLE with AMENDMENT** report on SB 572.

Stuart Pittman
County Executive