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Baltimore City

Health and Government Operations
Committee

Chair

Health Occupations and
Long-Term Care Subcommittee

House Chair

Joint Committee on Administrative,
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Testimony of Delegate Samuel I. Rosenberg
Before Environment and Transportation Committee

In Support of

House Bill 1411

Real Property - Insufficient Condominium Reserve Account Grant Fund - Establishment

Chair Korman and Members of the Committee:

Three years ago, 98 people died in a tragic collapse of the Surfside Condominium in Florida. The Maryland General Assembly passed House Bill 107 (2022) in response, realizing what happens when deferred maintenance is never addressed and condominiums have inadequate reserve funding. People die, and taxpayers must front the bill for the recovery. The legislature's work is not over yet; House Bill 107 required the governing body of certain cooperative housing corporations, condominiums, or homeowners associations to have a reserve study done within five years. We now know that condominiums must have funded reserves, so our aging buildings are no longer ticking time bombs.

House Bill 1411 expands on the previous legislation, requiring the state to create a fund to assist low-income condominium owners facing financial barriers to maintaining safe living conditions. This bill attempts to fix the benefits gap that low-income families face not only in my constituency but elsewhere in the state as well. The Department of Housing and Community Development (DHCD) would administer the fund, create an application process, and publicize its availability, prioritizing grants for residents aged 65 and older.

To bring this into perspective, in my constituency, low-income condominium owners and tenants are still legally required to match the reserve funds. However, because of the business model of operating for low-income owners and tenants, margins are very slim for condominiums, and the required amount of money to match the law is impossible to raise. House

Bill 1411 directly addresses this issue by providing economic relief and ensuring condo associations meet reserve requirements before critical infrastructure fails.

While the grant fund is a crucial step, the amendment to the bill acknowledges our state budget dilemma by mandating a study of condominium communities, particularly buildings over 50 years old. The study would identify units in financial distress, assess the income levels of residents, and evaluate whether reserve studies have been conducted. By pinpointing where the greatest needs exist, the state can ensure that funds are allocated effectively, particularly in communities like West Baltimore, where many condominiums house low-income residents in aging structures.

Neglecting reserve funding jeopardizes lives. I urge the committee to report FAVORABLE on House bill 1411 and the amendments I have submitted today.

March 4th, 2025