Bill: HB0503

Bill Title: Land Use - Regional Housing Infrastructure Gap (Housing for Jobs Act)

Position: Favorable with Amendments



Members of the House Environment and Transportation Committee,

As a group which believes that encouraging traditional, higher-density development patterns in Maryland will deliver us appealing, affordable, fiscally-sustainable communities, we support HB0503.

Housing affordability has gradually and all at once become a top concern for Marylanders. [1] Younger residents/voters, in particular, are overwhelmingly feeling the effects of this in an acute way, with 75% of **all** Marylanders agreeing that there is too little housing for them. [2]

This bill is one of many introduced over the course of the past two legislative sessions that are attempting to address this issue - from many angles. The overlapping plans of attack are necessary because of the deep-seated cultural forces that are silently aligned against us getting to the point where we can declare the problem solved.

The negative effects of affordable housing are most acutely suffered by younger and lower-income residents. Conversely, the positive effects of affordable housing are broadly enjoyed by... everyone else.

Policy discussions about creating affordable housing often suffer from a fatal incoherence. The people having the conversation and the organizations they represent are generally harmed by a decrease in prices. The incoherence is that they want housing to become more affordable but without prices going down.

[...]

To truly reduce prices through supply and demand mechanisms requires building a lot of new units. There is an institutional inertia against such an approach. That resistance needs to be acknowledged, not to shame but to understand why this challenge is so difficult. The list of those who benefit from high housing prices is long. It includes nearly everyone in a position to influence the production of new housing.

For example, local governments benefit from high housing prices. This is especially true for places that utilize the property tax. [3]

The fact that housing affordability has now risen to the top of so many people's concerns is a testament to how bad the situation has become.

While we support this bill, there are a few changes we would like to see made to it.

The bill provides for incentives for the construction of housing units within close proximity to public transit stations and housing units that are made affordable by deed restrictions. We would like to see the bill amended such that these incentives extended to more "naturally occurring" forms of affordable housing. The two that most immediately come to mind are accessory dwelling units and accessory apartments. Since both of these unit types are constructed within existing space constraints, they tend to take the form of smaller units which are naturally affordable. And it is these smallest of housing units which we are in the greatest need of producing.

In the bill, the smallest unit of measure to which a regional housing infrastructure gap may be apportioned is a county and an incorporated municipality. In the case of a county such as Baltimore County, which has no incorporated municipalities, we are concerned that the county will turn toward far-flung, low-density, greenfield development in a bid to address their gap. We do not want the counties to feel compelled or encouraged to pursue a sprawling, automobile-dependent, fiscally unsustainable development pattern. We would like to see the bill amended such that housing units built outside of a jurisdiction's existing infrastructure footprint only allows for the subtraction of 0.5 units from a local housing infrastructure gap.

Exceptions are provided for communities where the schools are at or above capacity. While this makes absolute sense on the surface, we suspect that school overcrowding is frequently weaponized to prevent the construction of new housing, such that those communities then push back against new school construction or school redistricting efforts. We would like to see the bill amended such that school overcrowding can only be used to prevent housing construction for a limited period of time, such as a maximum of two years. It is during that time the community would pursue school redistricting.

The main thrust of the bill's logic is based on achieving a healthy jobs-to-housing ratio. While this makes sense, we have to imagine that concessions need to be made for seasonal and other temporary workers. The immediate example that comes to mind is the annual struggle Ocean City experiences to house all of their Summer help. We would like to see the bill amended such that this type of situation is accounted for, simply so that such concerns are not allowed to preclude the broader state-wide aims of the bill.

Setting high-level targets and expectations for the state's jurisdictions, while allowing those jurisdictions to figure out how, specifically, they will hit those targets and satisfy those expectations is a good approach.

We hope the committee finds these points helpful and convincing and we urge its members to **vote in favor of HB0503, with our suggested amendments**. Thank you for your efforts and the opportunity for us to testify on this legislation.

BaltPOP - Baltimoreans for People-Oriented Places

References:

[1] Hallie Miller. The Baltimore Banner. "Poll: Maryland voters cite housing as top concern". February 12, 2025.

https://www.thebaltimorebanner.com/politics-power/state-government/maryland-housing-costs-poli-TCX702ZX5NELBFQYUBXD7VMKFE/

[2] Maryland REALTORS. "State Of Maryland Housing 2025". As of February 27, 2025. https://www.mdrealtor.org/Portals/22/adam/Content/NbGwqQoHZ0-GWM27fpnrVA/Link/2350-M DR-LobbyDay-Infographic-2025-WEB-M.pdf

[3] Charles L. Marohn Jr., Daniel Herriges. "Escaping the Housing Trap". 2024.