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HB0503 Land Use - Regional Housing Infrastructure Gap (Housing for Jobs Act)

Environment & Transportation Committee Hearing March 4, 2025

Position: FAVORABLE

To the Honorable Members of the Environment & Transportation Committee:

Community Legal Services (CLS) is a nonprofit legal services provider dedicated to ensuring equitable access to justice and due process of law for Maryland's most under-represented populations. We strive to support, protect, and advocate for the human rights of all individuals and families. We urge the Committee to issue a FAVORABLE report on this critical legislation, which will expand housing opportunities, increase job growth in our community, and stimulate the local economy.

Maryland Must Be Proactive to Increase the Housing Supply in Areas Where There Are Available Jobs.

As a provider of free legal services for Maryland's most vulnerable individuals and families, we spend most of our time in court, providing legal representation to protect the rights of tenants and homeowners. We consider it our mission to prevent evictions and maintain housing stability. It's what we do every single day. However, the populations we serve need more than we can provide through legal representation. They need homes. They need housing options they can afford in the communities where jobs are available and where they want to live with their families. For far too many Maryland residents, housing options simply do not exist. By removing some of the barriers to development of housing in job-friendly areas, the Housing for Jobs Act will increase housing options for all, including low- and moderate-income households.

The Housing for Jobs Act Will Expand Affordable Housing Options.

Maryland is facing a severe housing shortage, contributing to rising rental costs and displacement, particularly for working families, seniors, and individuals with limited incomes. Expanding housing options, as HB0503 facilitates, is a necessary step toward addressing this crisis. While the Housing for Jobs Act does not mandate the inclusion of income-based or "affordable" rental units in new developments, studies by the National Bureau of Economic Research and others

show that adding housing at all price points helps improve affordability by easing competition for existing lower-cost units and preventing rent hikes that disproportionately impact low-income families. Further, comprehensive research looking at a compilation of studies confirms that increasing supply through policies that enable more housing production leads to greater affordability over time. By targeting areas that need more housing to meet the needs of the job market, this legislation will help alleviate pressure on the existing rental market in areas where jobs are plentiful, which in turn benefits lower-income households by increasing the availability of affordable housing with easy geographical access to jobs.

Finally, developments still must satisfy local community laws that govern the quality and quantity of affordable housing that must be built under the Housing for Jobs Act. For example, all local moderately priced dwelling unit (MPDU) and other inclusionary housing ordinances will still apply in counties where they have been (or will be) enacted, so we anticipate new affordable housing will be included in developments under this Act, despite the Act itself being silent on affordable housing.

The Housing for Jobs Act Will Generate New Job Opportunities.

Housing development generates jobs. The Center for Housing Policy and other prominent housing organizations report that the implementation of housing initiatives create new career pathways both during construction and through new consumer spending. In fact, the National Association of Home Builders estimates that building 1,000 average single-family homes creates 2,900 full-time jobs, and building 1,000 rental apartments results in 1,250 jobs. New job opportunities are broad and wide-ranging, from new employment positions in lumber, concrete, and heating, to new professional openings in architecture, engineering, real estate, and the law.

According to the Maryland Manual On-line, more than 100,000 people are unemployed in Maryland and roughly 579,500 Marylanders live below the poverty line. By facilitating the creation of new jobs, the Housing for Jobs Act will help uplift these Marylanders into newer and better employment pathways. This is a key factor in CLS's support for the Housing for Jobs Act.

The Housing for Jobs Act Will Stimulate the Local Economy.

Housing Development Stimulates Local Economies. In addition to creating new jobs, the Housing for Jobs Act will benefit local economies by increasing tax and revenue streams. Consumer spending associated with housing development contributes to the expansion of local economies on top of the additional revenue received from increases in taxes and fees. Studies show that building 1,000 average single-family homes would generate approximately \$110 million in taxes and fees which local communities could use to fund essential services such as

police, firefighters, and schools. Similarly, 1,000 new rental apartments would produce \$55.91 million in taxes and revenue. Furthermore, a boost to the local population, on top of costs associated with transforming new dwellings into homes, results in increased consumer spending when new housing is created. This can be transformative and permanently uplifting for entire communities. With consumers' legitimate concerns that higher inflation and economic turmoil are lurking around the corner, there is no better time than now to pass the Housing for Jobs Act. By easing the total number of requirements they must satisfy, developers will build more housing which will stimulate the local economy long after these housing initiatives are completed. (Among other references, see: Center for Housing Policy, and National Association of Homebuilders.)

Conclusion

CLS strongly urges the Committee to issue a favorable report on HB0503. The Housing for Jobs Act is an essential component of what must, of necessity, be a multi-faceted approach to dealing with Maryland's housing crisis. Removing barriers to housing development in jobabundant areas will set in motion a chain of events that includes improved housing supply, increased job opportunities, and improved local economies, all of which will benefit the communities we serve. In addition to increasing the housing supply where it is most needed, the Act will serve as a vital tool in our State's efforts to ensure businesses have workers and people can afford to live where they work.

Please feel free to reach out to Jessica Quincosa, Executive Director, or Lisa Sarro, Director of Litigation & Advocacy, with any questions at quincosa@clspgc.org, and sarro@clspgc.org, respectively.