Written Testimony in Opposition to House Bill 1497

On Behalf of Urban Atlantic

Chair, Vice Chair, and Members of the Committee:

Thank you for the opportunity to submit testimony in opposition to House Bill 1497.

Urban Atlantic is a real estate development and investment firm that has delivered mixed-use, residential, and transit-oriented development projects across the Mid-Atlantic region, including in the State of Maryland. The firm has projects and active development interests in Charles County, where it works in partnership with local governments and community stakeholders to deliver housing, community amenities, and economic development that support the County's long-term growth.

Urban Atlantic is deeply concerned that House Bill 1497 would impose a form of rent control tied to a tenant's age. While we appreciate the goal of supporting older Marylanders, the mechanism proposed in this legislation would create significant operational challenges for property owners and managers while also introducing substantial uncertainty into housing investment decisions.

First, from a property management and operational standpoint, a rent regulatory system that is triggered when a tenant reaches a particular age would be extraordinarily difficult to administer in practice. Multifamily housing communities often contain hundreds of residents whose lease terms renew at different times throughout the year. Tying rent regulation to a tenant's birthday would require property managers to continuously monitor tenants' ages and potentially change the legal status of units in the middle of lease cycles.

For example, if a tenant turns the qualifying age during an existing lease term, property managers would face difficult questions about how and when the new restrictions apply. Does the restriction apply immediately upon the tenant's birthday, at the next lease renewal, or retroactively? How should properties treat units when multiple tenants of different ages share a lease? These operational questions are not theoretical—they would arise constantly in real-world housing management and would create substantial compliance challenges for property owners, property managers, and even state regulators tasked with enforcing the law.

In practical terms, this approach would require property managers to track and manage a rolling system of rent regulation tied to the personal characteristics of individual tenants rather than the unit itself**.** Housing regulations are traditionally structured around properties or units because they provide a clear and administrable standard. By contrast, tying rent control to a tenant's age introduces a dynamic and constantly shifting regulatory framework that would be extremely difficult to implement consistently and fairly.

Second, legislation that introduces unpredictable rent restrictions can significantly affect the willingness of investors and lenders to finance housing development. Multifamily housing projects require substantial upfront capital and are financed based on long-term revenue

projections. When the regulatory framework governing rents becomes uncertain or subject to individualized tenant characteristics that may change at any time, it becomes more difficult to underwrite projects and secure financing.

This concern is particularly important in jurisdictions such as Charles County, where Urban Atlantic has projects and where population growth is increasing demand for new housing. The County plays an important role in accommodating regional housing needs as the Washington metropolitan area continues to grow. Policies that introduce uncertainty into housing operations or development economics risk slowing the production of new housing in areas where it is most needed.

Third, Maryland already has a range of targeted policy tools available to support older residents without imposing broad and difficult-to-administer rent regulations. Programs that provide direct financial assistance, property tax relief, or housing subsidies for seniors can help achieve affordability goals while maintaining a stable and predictable framework for housing providers.

Urban Atlantic strongly supports policies that help Maryland residents remain stably housed as they age. However, those policies must also be administrable, predictable, and compatible with the realities of operating multifamily housing communities. House Bill 1497, by tying rent regulation to the age of individual tenants, would create a regulatory framework that is both operationally complex and difficult to enforce.

At a time when Maryland is facing a well-documented housing shortage, it is important that state policy encourage housing production and maintain a stable environment for investment in new housing communities. Unfortunately, House Bill 1497 would move Maryland in the opposite direction.

For these reasons, Urban Atlantic respectfully urges the Committee to give House Bill 1497 an unfavorable report**.**

Thank you for your consideration.

Respectfully submitted,

Tom Coale
On behalf of Urban Atlantic