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TO: House Economic Matters Committee
FROM: LeadingAge Maryland
SUBJECT: House Bill 1497, Charles County - Rent Stabilization - Seniors
DATE: March 12, 2026
POSITION: Favorable with Amendment

LeadingAge Maryland respectfully requests a favorable with amendment report on House Bill 1497, Charles County - Rent Stabilization – Seniors.

LeadingAge Maryland is a community of more than 150 not-for-profit aging services organizations serving residents and clients through continuing care retirement communities, affordable senior housing, assisted living, nursing homes and home and community-based services. Members of LeadingAge Maryland provide health care, housing, and services to more than 20,000 older persons each year.

We support the intent of House Bill 1497 to address housing affordability challenges, and we respectfully urge the Committee to adopt an amendment to ensure that federally subsidized housing is exempt from the rent stabilization framework proposed in this bill.

Housing affordability is a critical issue in Maryland, particularly for older adults on fixed incomes and other vulnerable populations. We appreciate the efforts to explore policy options to address rising rents and the cost of living. Ensuring that Marylanders have stable, affordable housing is a shared goal across sectors.

However, policy solutions must be grounded in evidence that leads to increased housing production, not restricted supply. Unfortunately, rent control and strict rent stabilization policies have historically had abysmal results in every jurisdiction that has enacted them, particularly when implemented without consideration for local market dynamics and developer incentives.

Evidence of Rent Control's Unintended Impact

Recent experience in Montgomery County, Maryland provides a cautionary example. Following the enactment of a strict rent control ordinance in July 2024, the County experienced a dramatic decline in new multifamily housing permits. Quarterly multifamily permits plummeted from an average of 582 units to just 23 units — a 96% drop — indicating that developers dramatically scaled back new construction in response to rent regulatory risk. This decline in building activity has serious consequences:

- Reduced housing supply, exacerbating affordability pressures rather than alleviating them
- Shrinking options for older adults and low-income households seeking accessible, well-located units
- Increased rents in unregulated segments of the market, as demand continues to outstrip supply

These outcomes demonstrate that well-intentioned rent regulation can actually undermine housing affordability rather than improve it.

Why an Exemption for Federally Subsidized Housing Is Critical

LeadingAge Maryland supports a targeted, strategic exemption to House Bill 1497 for all federally subsidized housing, including properties receiving support through programs such as:

- Section 8 Project-Based Rental Assistance
- Section 202 Supportive Housing for the Elderly
- Low-Income Housing Tax Credit (LIHTC) properties
- Other HUD or USDA rental assistance programs

These properties are already subject to robust federal affordability regulations, annual state and/or federal oversight, and prudent rent frameworks that ensure rents remain affordable to low-income residents. Applying state rent stabilization on top of these existing federal regulations would create:

- Redundant regulation, with limited incremental benefit for tenant protections
- Operational complexity, as owners try to reconcile multiple, potentially competing rent rules
- Financial instability, undermining long-term contracts that already preserve affordability

An explicit exemption will ensure that federally subsidized and mission-driven housing remains viable, continues to attract investment, and preserves housing that specifically serves older adults and low-income Marylanders.

Proposed Amendment

We recommend amending House Bill 1497 to include language that exempts federally subsidized housing from the rent stabilization provisions. On page 2, line 8 insert:

“THIS ACT DOES NOT APPLY TO ANY HOUSING UNIT OR COMMUNITY THAT RECEIVES FEDERAL RENTAL SUBSIDY OR AFFORDABILITY SUPPORT THROUGH FEDERAL PROGRAMS, INCLUDING BUT NOT LIMITED TO SECTION 8 PROJECT-BASED RENTAL ASSISTANCE, SECTION 202 SUPPORTIVE HOUSING FOR THE ELDERLY, LOW-INCOME HOUSING TAX CREDITS, USDA RENTAL ASSISTANCE, OR OTHER SIMILAR FEDERAL HOUSING ASSISTANCE PROGRAMS.”

This clarification preserves the intent to address affordability in the broader rental market while protecting federally supported housing that is vital to Maryland's seniors and low-income families.

LeadingAge Maryland supports the underlying goals of House Bill 1497 and urges the Committee to adopt the recommended exemption for federally subsidized housing. Excluding these units from rent stabilization will help ensure that we continue to produce and preserve the affordable homes that Maryland's most vulnerable residents need and deserve.

With this amendment, House Bill 1497 can advance affordability goals without unintended harm to housing supply or federally assisted communities.

For these reasons, LeadingAge Maryland respectfully requests a favorable report with amendments on House Bill 1497.