



SB 0938

Community Development - Affordable Multifamily Rental Housing Stabilization Program - Establishment

Hearing before the Education, Energy, and the Environment Committee
March 10, 2026

Position: Favorable

submitted via online portal

Chair Feldman and Members of the Committee:

On behalf of Enterprise Community Development, thank you for the opportunity to provide comments urging you **to move favorable on SB 0938**. If adopted, this legislation would create an important new tool to support emergency and urgent repairs to multifamily affordable homes that are mid financing cycle. This stabilization funding is fundamental to preserving existing housing and maintaining residents' quality of life during the 15 years between refinancing opportunities.

About Enterprise:

Enterprise Community Partners (Enterprise) is a national nonprofit that exists to make a good home possible for the millions of families without one. We support community development organizations on the ground, aggregate and invest capital for impact, and advance housing policy at every level of government. We are deeply committed to Maryland, where we were founded more than 40 years ago. Since 1982 Enterprise has provided \$3.9 Billion in debt, equity, and grants in Maryland, supporting the creation of over 46,000 homes.

In addition, Enterprise builds and manages affordable communities through Enterprise Community Development (ECD), which owns and operates 117 properties throughout the Mid Atlantic. Eighty of our properties are in Maryland, providing housing for almost 14,000 residents. We are committed to creating quality and sustainably designed affordable homes that offer holistic resident services.

About the legislation:

Investing in timely repairs is critical for the stability and livability of multifamily housing. However, many affordable properties have limited resources to meet those needs once permanent financing is initially put into place. The Affordable Multifamily Rental Housing Stabilization Program established under SB 0938 offers a pathway to protect these homes and those living in them.

Like other owners of these communities, ECD includes replacement and operating reserves in its project financing; we inspect, assess, and plan for maintenance and replacement needs. However, many variables must go right for the reserves to be sufficient in the event we need to make emergency repairs.

By design, affordable housing communities generate less cash flow than market rate communities. The amount of rent property owners can charge, physical and economic occupancy challenges, insurance and security challenges, over-leverage at capitalization, and aging properties all contribute to circumstances that can put properties at risk.

As you may know, before the COVID pandemic, affordable housing often boasted minimal variability in its rent collections and operating expenses. The inflation factors included in establishing and maintaining the capital reserves were generally sufficient – even many years later. The years since the pandemic have been decidedly different as inflation and other costs have increased dramatically without additional cash flow as referenced above. Affordable housing properties we reinvested years ago now lack the funds to meet both planned and unexpected capital needs.

For ECD's own portfolio in Maryland, over the last three years we have spent between \$770-\$880 per unit per year – close to one month's rent for every unit. These capital expenses have increased approximately 10% in just two years. The burden of meeting the capital needs of our communities is on top of the increased expense of simply operating them. As one of the larger nonprofit affordable housing developers in the region, we are more able to continue to meet the physical needs of these properties. However, our resources are still finite. For smaller and mid-sized operators, there are minimal such resources available to meet even critical capital needs.

We urge you to vote favorable on SB 0938 so that Maryland's commitment to building new homes is matched with the same commitment to preserve homes that already exist.

Our team would be happy to answer any questions you may have about our work in Maryland, and we appreciate your consideration of these views. I may be reached at jleonard@enterprisecommunity.org or (310) 960-3578.

Respectfully submitted:

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Cc: Janine Lind, President, Enterprise Community Development