

National Housing Trust Comments on HB1040

National Housing Trust (NHT) is a nonprofit that creates and preserves affordable homes to provide opportunity, reduce economic disparities, and strengthen community resiliency through practice and policy. As an affordable housing developer, NHT has preserved 450 affordable housing units in Maryland.

We urge the General Assembly to ensure that the Strategic Energy Investment Fund (SEIF) invests in energy savings and healthy Maryland communities, including the investments proposed in HB 1040. NHT works to advance clean energy to reduce carbon emissions and create healthier and more affordable housing for low-income residents. Affordable housing operates on tight margins and does not generate sufficient net operating income to support the upfront costs of clean energy. State funding is critical to filling funding gaps and leveraging other sources of financing to complete the capital stack.

Currently, NHT is deploying 2.3 MW of solar across a portfolio of 16 Maryland affordable housing properties. With this solar investment, the portfolio is expected to reduce CO2 emissions by 3.7 tons annually and save \$5.6 million in utility costs over 20 years. These savings will be reinvested back into the properties to benefit residents through appliance and equipment upgrades, energy efficiency measures, improved community amenities and services, and increased reserves to minimize future rent increases. Dedicated SEIF funding for clean energy deployment will help scale up similar projects and deliver benefits to communities throughout the state.

In particular, funding for the Maryland Clean Energy Center (MCEC) would help accelerate solutions to Maryland's energy demand and energy affordability crisis by investing in clean energy projects across the state. This funding would help MCEC scale its capabilities and offerings, allowing the Center to support better solar and battery projects serving low- to moderate-income (LMI) households.

In addition, the funding for energy efficiency and conservation, and for climate change mitigation in HB1040, would significantly strengthen affordable housing providers' ability to invest in clean energy improvements across their portfolios and to support compliance with state regulations, including Maryland's Building Energy Performance Standards (BEPS). These investments are essential to ensuring that affordable housing properties can meet required performance standards without compromising long-term affordability.

In 2025, NHT and our partners launched the Maryland Clean Energy Capacity Building Program to assist the state's affordable housing providers in complying with BEPS. Our experience with this program signaled a clear need for increased funding to support clean energy and energy efficiency investments in affordable housing.

Programs such as the Maryland Department of Housing and Community Development's Multifamily Energy Efficiency and Housing Affordability Greenhouse Gas Reduction Program (MEEHA-GGRP), which provide targeted financial assistance for whole-building electrification in affordable housing, are critical to helping housing providers comply with BEPS and maintain quality affordable housing. In exchange for funding, housing providers must keep rents affordable for at least 15 years. However, it is unclear to us whether the MEEHA-GGRP program is funded in FY2027. And given the scale of BEPS, it will require significantly more than the current \$5 million annual budget to meet the needs.

SEIF funding will make renewable energy deployment and energy-efficiency investments in affordable housing both feasible and sustainable, ensuring that low-income residents have access to reliable, resilient power during outages and extreme weather events. Moreover, safeguarding clean energy investments helps Maryland achieve its long-term climate, energy, and housing affordability goals.