

Maryland Department of Housing and Community Development  
The Rental Housing Works State Legislative Campaign

**NCSHA 2012 Awards**

**Category:** Legislative Initiative  
**Sub-Category:** State Campaign  
**Entry Name:** The Rental Housing Works State Legislative Campaign

By the time the 2012 session of the Maryland General Assembly ended in April, the Maryland Department of Housing and Community Development and its supporters had achieved a remarkable feat – they had secured \$17.5 million in the Fiscal Year 2013 Capital Budget to fund the construction of affordable rental housing. The Rental Housing Works initiative will allow DHCD to leverage up to 20 times that amount in private sector funding. It also enables the state to build approximately 2,000 new affordable rental housing units, support nearly 1,300 jobs, and generate \$36 million in state and local taxes over the next 15 years. What made this success remarkable was that the funds were secured in an extremely challenging fiscal environment. While the budgets of many other state agencies were being cut, the legislature *added* \$2.5 million to the governor’s original \$15 million request and had contemplated adding even more.

**BACKGROUND**

Under the leadership of Secretary Raymond A. Skinner, DHCD’s multifamily housing finance program already had a strong track record. Maryland successfully utilized \$114 million from President Obama’s Neighborhood Stabilization Program. DHCD partnered further with Fannie Mae, Freddie Mac, and the U.S. Treasury to deploy a New Issue Bond Program during 2010 and 2011, effectively leveraging an additional \$92 million for multifamily rental construction. Combined with state resources, those programs helped make 2010 a record year for multifamily construction in Maryland, at a time when the collapse of the national housing market brought private financing to a virtual halt. However, as federal programs expired, a growing list of worthy rental housing projects remained in the pipeline awaiting gap financing. As the prospect for additional funding from Washington dimmed, it was clear that a new stimulus package for Maryland must be launched by *Maryland* to maintain the momentum.

In the fall of 2011, Governor Martin O’Malley announced that his focus for the upcoming legislative session was, in his words, “jobs, jobs, jobs.” The governor asked for proposals from cabinet agencies that could be included in his legislative agenda and strategies for future job growth. Rising to the challenge, DHCD’s Multifamily Housing Finance staff worked with the leadership of the Maryland Affordable Housing Coalition to craft a carefully detailed proposal for a new initiative.

**NEW INITIATIVE**

DHCD branded its new enterprise “Rental Housing Works” to reflect the program’s parallel goals of providing Maryland families expanded opportunities to place an affordable roof over their heads *and* access to work in the construction industry. A

Maryland Department of Housing and Community Development  
**The Rental Housing Works State Legislative Campaign**

new slogan, “Housing Creates Jobs”, was created to further reinforce these two goals.

Rental Housing Works is designed to support jobs and provide much-needed affordable rental housing for Maryland’s hardworking families, including seniors and individuals with special needs. In addition, the funding will provide critical gap funding for up to 20 shovel-ready projects; leverage significant resources from the private sector; provide jobs and maximize economic activity in Maryland; and boost state and local tax revenues.

Rental Housing Works uses an existing, highly-effective housing finance program to further fuel and maintain a strong economic and job recovery. The program capitalizes on the components of a current bond program to provide developers with new funding and the ability to lock in favorable long-term interest rates to fill critical “gap” financing.

## **STRATEGY**

The Maryland Constitution grants exclusive authority to the chief executive to include and increase funding for specific initiatives in the state’s annual budget. Thus, convincing the governor to include the Rental Housing Works initiative in his capital budget was the crucial prerequisite before turning to any legislators for support. The initiative was featured prominently in DHCD’s preliminary budget request to the state’s Department of Budget and Management in the fall of 2011. The Multifamily Housing Finance staff presented a persuasive argument for the program’s inclusion but was ever cognizant that the established inter-agency process has limited effectiveness to secure new funding. A broader, multi-faceted approach was needed.

DHCD has worked diligently over the years to cultivate and foster a strong collaborative relationship with our constituent groups and customers. These efforts culminated in 2000 with the formation of the Maryland Affordable Housing Coalition as a partnership of for-profit and non-profit developers of affordable housing. The organization serves as a collective voice for rental housing in Maryland by ensuring adequate public and private resources, efficient and effective programs, and strongly advocates for sustained and increased funding for DHCD’s budget and programs.

In October 2011, the coalition’s leadership met with the governor's chief of staff to make the case for the inclusion of housing in the administration’s job package. Coalition members also visited the state’s budget secretary to urge the program’s inclusion and coordinated closely with DHCD. The coalition also had its 125-organization membership write letters, emails, and placed phone calls to the governor and the budget secretary. These visits and emails generated early support for the Rental Housing Works initiative that proved critical in creating a groundswell of excitement even before the governor had committed to it. MAHC also hired an experienced legislative consultant to assist in their advocacy efforts.

At Secretary Skinner’s request, staff prepared a one-page briefing document that succinctly described the goals and objectives of the Rental Housing Works

Maryland Department of Housing and Community Development  
**The Rental Housing Works State Legislative Campaign**

initiative. This document proved an effective tool in a series of one-on-one meetings between Secretary Skinner and key legislators on the House and Senate budget committees to preview the program. MAHC members then followed-up with these legislators in individual visit to further reinforce the need and potential of the initiative.

In January 2012, Governor O'Malley announced at a press conference that he was including the \$15 million for the new initiative in his budget while sustaining consistent funding intact for the existing rental housing programs. After the budget was announced, DHCD staff and coalition members visited almost all of the 38 legislators who serve on the budget committees to discuss the proposed initiative. In several cases, these visits were the second time the legislator had been briefed.

In February, MAHC held its annual Housing Day advocacy event at the state capitol, during which Governor O'Malley, Lt. Governor Brown and Secretary Skinner spoke to an audience of over 200 coalition members and other advocates. The corridors of the House and Senate buildings echoed with the voices of advocates wearing their bright yellow "Housing Creates Jobs" stickers on their lapels and visiting legislators—leaving them well-versed on the Rental Housing Works' goals and objectives ..... and with "Housing Creates Jobs" cookies! DHCD joined with 125 other groups to sponsor Housing Day. It was a massive success, far exceeding anything the housing advocates had ever pulled off in the past in Maryland.

The success of the legislative advocacy campaign exceeded expectations when the Senate Budget & Taxation Committee approved transferring an additional \$5 million from another program to increase Rental Housing Works initiative's proposed funding to \$20 million. The real prospect of achieving even greater funding to the initiative then originally proposed electrified the advocates who launched an extensive email campaign to support the increased funding. Ultimately, the House did not concur with the \$20 million but in conference committee a compromise led to the addition of \$2.5 million. As a result, the funding approved by the legislature for Rental Housing Works was \$17.5 million—a record funding increase for rental housing unmatched in Maryland's history.

## **RESULTS**

On June 6, the Maryland Board of Public Works approved the first affordable rental housing project to receive Rental Housing Works funding. Pikeswood Apartments LLC will acquire and rehabilitate Pikeswood Park, a four-story 140-unit brick rental building with two elevators located in Randallstown, Baltimore County. Of the 140 units, 91 will serve households with incomes at or below 60 percent of the area median income.

The success of the campaign for the Rental Housing Works initiative demonstrates the power of strong, broad-based coalitions and the importance of aligning program goals with the objectives of a state's political leaders. Maryland's success has not gone unnoticed. As of this writing, DHCD has been contacted by housing advocates in at least one neighboring state requesting a presentation on the key elements of the initiative and the successful strategy to win its approval.

# COMMUNITY REVIEW

The Official Blog of DHCD



... ensuring that all Maryland Citizens have the opportunity to live and prosper in affordable, desirable and secure housing in thriving communities.



Home About Us

— Can Home Improvement Contractors Get State Financing to Help Make Their Buildings More Energy Efficient?

Governor Praises Secretary Skinner for Foreclosure Prevention Efforts: "He's Fighting for Every House as if it Was His Own" —

 Search

## Governor's New Affordable Rental Housing Initiative Will Put 1,100 Marylanders to Work, Finance Up to 20 New Projects

Posted on January 12, 2012



JANUARY 12

**Annapolis, MD** – Governor O'Malley predicted that his plan to put an additional \$15 million into the production of affordable rental housing throughout the state would have no trouble winning approval in the legislature, because it would generate "real jobs for real people here in Maryland." [Learn more.](#)

"Every legislator in the session that opened this week will be looking at how to create jobs," the governor said during Jan 12 press conference announcing the Rental Housing Works initiative. "There will be a laser-like focus on jobs this year. This is an initiative that will sell itself."

Governor O'Malley said the money invested through the Rental Housing Works initiative would spur new development throughout the state. The additional \$15 million would provide gap financing for up to 20 affordable rental housing projects next year, support more than 1,100 jobs and leverage \$285 million in additional investment.

Secretary Skinner joined the governor at a construction site just a few blocks from the State House in Annapolis, where workers were clearing the ground for Obery Court/College Creek Phase II, the new construction of 63 rental units for hardworking families. The new homes are part of the revitalization of the city's historic Clay Street community through a partnership between DHCD, the Housing Authority of Annapolis, developer Pennrose Properties and the City of Annapolis. Several of the construction workers at the site live in the community they are helping rebuild, said Mark Damby, president of Pennrose Properties.

Rental Housing Initiative will provide gap-financing for new projects in DHCD's pipeline so that the revitalization of Maryland communities like Obery can continue.

"In order for a modern economy to create jobs, you have to make modern investments and there is no 'infrastructure' investment as important as our homes," the governor said.

Trudy McFall, president of the Maryland Affordable Housing Coalition, agreed. "No economy digs itself out of a recession without investing in housing to create jobs," she said.

### Recent Posts

- Weatherization, Other DHCD Programs, a Big Part of Proposals Now Before the Maryland Public Service Commission
- Maryland Ranks Among National Leaders in Foreclosure Prevention Counseling, Study Finds
- Grand Opening Celebrates Renovation of Affordable Rental Housing in Baltimore's Franklin Square Community
- Report Finds Reason for Cautious Optimism that National Housing Market May be Starting to Recover
- Family Celebrates Winning Their First Home During Upbeat Prince George's County Housing Fair as Optimism Grows

### Archives

- June 2012
- May 2012
- April 2012
- March 2012
- February 2012
- January 2012
- December 2011
- November 2011
- October 2011
- September 2011
- August 2011
- July 2011
- June 2011
- May 2011
- April 2011
- March 2011
- February 2011
- January 2011
- December 2010
- November 2010
- October 2010
- September 2010
- August 2010
- July 2010
- June 2010
- May 2010

### Categories

- Affordable Housing
- Agency Relocation
- Be Smart
- BRAC
- Capital For A Day
- Community Development
- Community Legacy
- Customer Service
- Emergency Mortgage Assistance Program
- Energy Efficiency
- Fair Housing
- First-Time Homebuyers
- Foreclosure Mediation
- Foreclosure Prevention
- From Our Partners
- Governor O'Malley
- Green & Growing
- Green Energy
- Homelessness

# COMMUNITY REVIEW

The Official Blog of DHCD



... ensuring that all Maryland Citizens have the opportunity to live and prosper in affordable, desirable and secure housing in thriving communities.



Home About Us

← Senator Cardin Tells Homeowners at Foreclosure Prevention Workshop: "If You are in Financial Trouble, You are Not Alone"

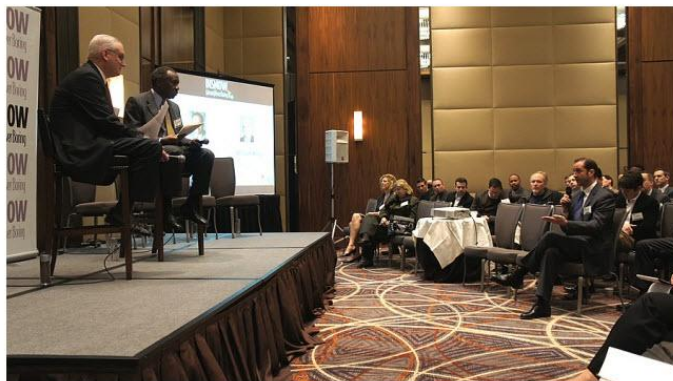
Clinton Homeowner Cited in Governor's Speech Says She's Happy to be an Ambassador for Foreclosure Prevention →

## Secretary Skinner: Balanced Approach to Housing Protects Homeownership While Expanding Affordable Rental Housing

Posted on [January 31, 2012](#)

JANUARY 31



**Baltimore** – The demand for affordable rental housing in Maryland and across the country is steadily growing, fed by foreclosures, the fragile economy and an increasing number of families that see advantages to renting rather than owning, Secretary Skinner said today.

Speaking at the first annual [Baltimore Affordable Housing Summit](#), Secretary Skinner said the state faces a shortage of nearly 127,000 affordable housing units over the next five years.

"The O'Malley-Brown administration is taking a balanced approach to housing policy," Secretary Skinner said, "that seeks to preserve and protect homeownership while expanding affordable housing opportunities for working families, senior citizens and people with disabilities."

For example, Governor O'Malley recently announced his \$15 million Rental Housing Works initiative, which will provide gap financing for up to 20 additional affordable rental housing projects next year, creating more than 1,100 jobs and leveraging \$285 million in additional investment.

The Baltimore Affordable Housing Summit brought together realtors, developers and financiers to take an in-depth look at the state of the affordable housing industry. As keynote speaker, Secretary Skinner engaged in a spirited question and answer session with Reznick Group Principal Bill Riley and members of the audience.

Visit DHCD's website at [Mdhousing.org](#) to learn more about the O'Malley-Brown administration's efforts to prevent foreclosures, expand homeownership opportunities and produce affordable housing throughout the state.

### Recent Posts

- Weatherization, Other DHCD Programs, a Big Part of Proposals Now Before the Maryland Public Service Commission
- Maryland Ranks Among National Leaders in Foreclosure Prevention Counseling, Study Finds
- Grand Opening Celebrates Renovation of Affordable Rental Housing in Baltimore's Franklin Square Community
- Report Finds Reason for Cautious Optimism that National Housing Market May be Starting to Recover
- Family Celebrates Winning Their First Home During Upbeat Prince George's County Housing Fair as Optimism Grows

### Archives

- [June 2012](#)
- [May 2012](#)
- [April 2012](#)
- [March 2012](#)
- [February 2012](#)
- [January 2012](#)
- [December 2011](#)
- [November 2011](#)
- [October 2011](#)
- [September 2011](#)
- [August 2011](#)
- [July 2011](#)
- [June 2011](#)
- [May 2011](#)
- [April 2011](#)
- [March 2011](#)
- [February 2011](#)
- [January 2011](#)
- [December 2010](#)
- [November 2010](#)
- [October 2010](#)
- [September 2010](#)
- [August 2010](#)
- [July 2010](#)
- [June 2010](#)
- [May 2010](#)

### Categories

- [Affordable Housing](#)
- [Agency Relocation](#)
- [Be Smart](#)
- [BRAC](#)
- [Capital For A Day](#)
- [Community Development](#)
- [Community Legacy](#)
- [Customer Service](#)
- [Emergency Mortgage Assistance Program](#)
- [Energy Efficiency](#)
- [Fair Housing](#)
- [First-Time Homebuyers](#)
- [Foreclosure Mediation](#)

# COMMUNITY REVIEW

The Official Blog of DHCD



... ensuring that all Maryland Citizens have the opportunity to live and prosper in affordable, desirable and secure housing in thriving communities.

[Home](#) [About Us](#)

← Latest Community Legacy Program Awards: \$3.9 Million to 35 Municipalities and Community Groups Across Maryland | Secretary Skinner Tells Land Use Professionals in D.C. that Recovery Act's Housing Programs Helped Maryland →

## Governor Notes Link Between Affordable Housing and Jobs at Annual Housing Day Rally in Annapolis

Posted on [February 23, 2012](#)



**FEBRUARY 23**

**Annapolis, MD** – Wearing a bright yellow button that read, “Housing Creates Jobs,” Governor O’Malley joined Secretary Skinner and members of the Maryland Affordable Housing Coalition for the non-profit organization’s annual Housing Day. Each year, about 125 organizations that believe in the importance of expanding affordable housing for working families, senior citizens and disabled persons rally at the state capital to let lawmakers know about their support.

This year, advocates are pushing for the governor’s \$15 million Rental Housing Works initiative and are supporting full funding for DHCD’s rental housing programs.

“Rental Housing Works is designed to close the gap in our rental housing needs, invest in our economy, and create jobs,” Governor O’Malley said when he announced the initiative last month. “Here in Maryland, we’re facing a shortfall of nearly 127,000 affordable rental housing units over the next four years and through Rental Housing Works, we will work to address those critical housing needs.”

The new initiative will provide funding for up to 20 affordable housing projects, and it will create more than 1,100 jobs in Maryland. It will leverage significant resources from the private sector and will also generate an estimated \$36 million in state and local taxes over the next 15 years.

### Recent Posts

- [Weatherization, Other DHCD Programs, a Big Part of Proposals Now Before the Maryland Public Service Commission](#)
- [Maryland Ranks Among National Leaders in Foreclosure Prevention Counseling, Study Finds](#)
- [Grand Opening Celebrates Renovation of Affordable Rental Housing in Baltimore's Franklin Square Community](#)
- [Report Finds Reason for Cautious Optimism that National Housing Market May be Starting to Recover](#)
- [Family Celebrates Winning Their First Home During Upbeat Prince George's County Housing Fair as Optimism Grows](#)

### Archives

- [June 2012](#)
- [May 2012](#)
- [April 2012](#)
- [March 2012](#)
- [February 2012](#)
- [January 2012](#)
- [December 2011](#)
- [November 2011](#)
- [October 2011](#)
- [September 2011](#)
- [August 2011](#)
- [July 2011](#)
- [June 2011](#)
- [May 2011](#)
- [April 2011](#)
- [March 2011](#)
- [February 2011](#)
- [January 2011](#)
- [December 2010](#)
- [November 2010](#)
- [October 2010](#)
- [September 2010](#)
- [August 2010](#)
- [July 2010](#)
- [June 2010](#)
- [May 2010](#)

### Categories

- [Affordable Housing](#)
- [Agency Relocation](#)
- [Be Smart](#)
- [BRAC](#)
- [Capital For A Day](#)
- [Community Development](#)

Maryland Department of Housing and Community Development  
The Rental Housing Works State Legislative Campaign

Mdhousing's Blog

Creating Homeowners, Preserving  
Neighborhoods in Maryland

# COMMUNITY REVIEW

The Official Blog of DHCD



... ensuring that all Maryland Citizens have the opportunity to live and prosper in affordable, desirable and secure housing in thriving communities.

Home About Us



← "Pushing Back Against the Housing Crisis:" Secretary Donovan Addresses NCSHA Legislative Conference  
Revitalization Projects in Baltimore and Hyattsville are Honored by Maryland Economic Development Association

 Search

## Despite Challenging Fiscal Climate, Governor's Housing-Related Priorities Fared Well in 2012 General Assembly

Posted on April 27, 2012

APRIL 27



**Annapolis, MD** – Rental Housing Works, Governor O'Malley's plan to put more resources into the state's affordable rental housing budget, was one of two new initiatives passed by lawmakers during the legislative session that ended April 9, Secretary Skinner reported in his 2012 Legislative Review.

The legislature added \$2.5 million to the governor's initial \$15 million proposal. The \$17.5 million now slated for the Rental Housing Works initiative will generate an estimated \$332 million in total project costs, create 1,300 jobs and add 2,000 affordable

rental housing for hardworking families, senior citizens and persons with special needs. It brings DHCD's total FY2013 budget for rental housing programs to \$44 million.

Lawmakers also approved \$2.5 million for the Strategic Demolition and Smart Growth Impact Project fund, an initiative to provide grants to local governments and nonprofit organizations for redevelopment and revitalization projects in areas recommended by PlanMaryland for revitalization and growth.

Those initiatives were part of a successful session for DHCD's programs and priorities despite a very challenging fiscal climate, Secretary Skinner noted.

Other budget highlights include \$10.4 million to help provide low, fixed-rate mortgage loans and downpayment and settlement cost assistance to qualified low and moderate income families through the Maryland Mortgage Program; and \$4.25 million to help small businesses gain access to the capital they need to innovate and grow through the Neighborhood Business Works program.



Lawmakers also embraced three key measures recommended by Governor O'Malley's foreclosure task force – establishing early mediation, a statewide foreclosed property database and a tax credit for families that buy a foreclosed property as their principal home.

The 2012 Legislative Review will be available shortly on DHCD's website at [www.mdhousing.org](http://www.mdhousing.org).

### Recent Posts

- Weatherization, Other DHCD Programs, a Big Part of Proposals Now Before the Maryland Public Service Commission
- Maryland Ranks Among National Leaders in Foreclosure Prevention Counseling, Study Finds
- Grand Opening Celebrates Renovation of Affordable Rental Housing in Baltimore's Franklin Square Community
- Report Finds Reason for Cautious Optimism that National Housing Market May be Starting to Recover
- Family Celebrates Winning Their First Home During Upbeat Prince George's County Housing Fair as Optimism Grows

### Archives

- June 2012
- May 2012
- April 2012
- March 2012
- February 2012
- January 2012
- December 2011
- November 2011
- October 2011
- September 2011
- August 2011
- July 2011
- June 2011
- May 2011
- April 2011
- March 2011
- February 2011
- January 2011
- December 2010
- November 2010
- October 2010
- September 2010
- August 2010
- July 2010
- June 2010
- May 2010

### Categories

- Affordable Housing
- Agency Relocation
- Be Smart
- BRAC
- Capital For A Day
- Community Development
- Community Legacy
- Customer Service
- Emergency Mortgage Assistance Program
- Energy Efficiency
- Fair Housing
- First-Time Homebuyers
- Foreclosure Mediation
- Foreclosure Prevention
- From Our Partners
- Governor O'Malley
- Green & Growing
- Green Energy
- Homelessness
- Homeownership
- Housing Finance
- Housing Legislation
- HUD
- In the News

Maryland Department of Housing and Community Development  
The Rental Housing Works State Legislative Campaign



MARTIN O' MALLEY  
GOVERNOR  
ANTHONY G. BROWN  
L.T. GOVERNOR  
RAYMOND A. SKINNER  
SECRETARY  
CLARENCE J. SNUGGS  
DEPUTY SECRETARY

## Rental Housing Works

---

Rental Housing Works is designed to support jobs and provide much-needed affordable rental housing for Maryland's hardworking families, including seniors and individuals with special needs. The new \$15 million initiative will provide funding to up to 20 affordable housing projects and support more than 1,100 jobs.

### About Rental Housing Works

Rental Housing Works utilizes an existing, highly-functioning housing finance program to further fuel and maintain a strong economic and job recovery. The new funding will:

- Provide critical gap funding for shovel-ready projects
- Leverage significant resources from the private sector
- Provide jobs and maximizes economic activity in Maryland
- Boost both State and local tax revenues
- Finance urgently needed rental housing units for working families, seniors, persons with disabilities, and communities hit hard by foreclosures
- Address the shortage of affordable rental units, which is projected to be 127,000 through 2015
- Help ensure that housing continues to be an important factor in achieving Maryland's *Smart, Green & Growing* goals

**What could \$15 million in FY 2013 G.O. bond appropriation "buy" for Maryland?**

