

Maryland Governor Wes Moore's 2024 Housing Package

Maryland Department of Housing and Community Development

Legislative Advocacy: State Advocacy

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MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

2024 NCSHA Annual Awards Submission

ENTRY NAME:

Maryland Governor Wes Moore's 2024 Housing Package

ENTRY CATEGORY:

Legislative Advocacy: State Advocacy





Maryland Department of Housing and Community Development Maryland Governor Wes Moore's 2024 Housing Package Category: Legislative Advocacy SubCategory: State Advocacy

Maryland Governor Wes Moore's 2024 housing package is a legislative response designed to address the 96,000 housing unit shortage identified in the state of Maryland that, without intervention, will continue to grow at an average rate of 5,600 units per year. It is also designed to address the growing affordability crisis for housing in the state of Maryland wherein 30% of younger Marylanders say they're considering moving to a different state because of high housing costs. To address these issues, Governor Moore put forward the most comprehensive housing package Maryland has seen in the last 15 years.

First, the Housing Expansion and Affordability Act (HEAA) creates regulatory incentives for developers to produce qualified projects in areas near transit, formerly owned by the State and federal government, or those being developed by a nonprofit entity. Second, the Renters' Rights and Stabilization Act enhances protections for renters by creating a statewide Tenant Bill of Rights, and also reduces the overall impact of evictions on Maryland by raising the court filing fees associated with the eviction process. Third, the Housing and Community Development Financing Act creates a quasi-governmental entity called the Maryland Community Investment Corporation to become certified as a Community Development Entity to apply for federal New Market Tax Credits and incentivize the development of affordable housing.

Housing Expansion and Affordability Act

The Housing Expansion and Affordability Act of 2024 (HEAA) advances the Department's mission of creating innovative community development initiatives that will suit a growing Maryland by establishing regulatory incentives for development.

The HEAA does this by incentivizing the development of affordable housing in areas that have the infrastructure to support it. This bill requires local jurisdictions to allow an increase in the density of qualified projects if the new development:

- 1. Is on land formerly owned by the State or federal government
- 2. Is within three-quarters of a mile of a rail station
- 3. Is being developed by an entity controlled by a nonprofit organization.

To be a qualified project, developments must set-aside 15-25% of units for households earning 60% or less of the Area Median Income.





The HEAA was passed with the support and input of many community stakeholders. The administration and the Department engaged with the Maryland Association of Counties and the Maryland Municipal League during the development of the legislation to build a broad coalition of support for the legislation. This included meetings every other week with these groups in the months leading up to the state's 90-day legislative session to facilitate discussions and address any concerns around the proposals. Both associations and many individual local governments testified in support of the legislation and worked with the administration and Department to improve the language of the text.

Like other larger bills, the HEAA underwent both a committee hearing and a subcommittee hearing process. During the series of public hearings, Maryland DHCD and the Governor's Office were allowed to answer questions and provide reasoning and intent for many provisions in the bill. Each amendment added to the bill was added with a unanimous vote from the subcommittee regardless of political party as a result of DHCD and the Governor's Office's inclusion and good-faith participation in the public process.

Renters' Rights and Stabilization Act

The Renters' Rights and Stabilization Act raises the eviction filing fee from \$8 for summary ejectment to \$43, creates a more equal ecosystem for renters through the establishment of the Office of Tenant and Landlord Affairs in Maryland's Department of Housing and Community Development, and requires this new office to develop and publish a statewide Tenants' Bill of Rights. Also, part of this bill is a codification of the "right of first refusal" into Maryland law, allowing tenants the first opportunity to purchase their home if their landlord decides to sell.

In raising the fee for summary ejection, the bill will address Maryland's highest-in-the-nation eviction filing rate of 48% by disincentivizing the systematic filing of an eviction for late rent. It does not seek to disincentivize evicting problematic tenants, but instead seeks to give the tenant who knows they can and will pay a fair chance to pay their rent. Amendments to this legislation included provisions to facilitate housing access for tenants utilizing utility assistance. This amendment arose from a bipartisan workgroup of legislators, advocates and administration/Department representatives. As a result of this workgroup, the bill passed unanimously from a bipartisan committee.

The Office of Tenant and Landlord Affairs will be the first dedicated statewide office in Maryland to focus on the needs of Maryland's renters. It will directly serve and protect Maryland's renters during the leasing process by producing and publishing a statewide Tenant Bill of Rights. There will be a copy of the statewide Tenant Bill of Rights included in any lease signed by a Tenant in the State of Maryland. This document will summarize the existing laws and remedies available to residential tenants under State and Federal law. Further, the "right of first refusal" legislation is the first of its kind at a statewide scale, creating an important new avenue for the preservation of rental housing with three or fewer units.





Housing and Community Development Financing Act

Passing with bipartisan support in both the House and Senate, the Housing and Community Development Financing Act creates the Maryland Community Investment Corporation, a quasi-governmental entity to draw new funding from the U.S. Treasury, in the form of New Market Tax Credits (NMTC), and then invest that money in communities throughout Maryland that have high concentrations of poverty.

The Maryland Community Investment Corporation (MCIC) will take advantage of NMTCs allocated to Maryland that are currently being left on the table and use them specifically for projects within Maryland. While this would not be the first Community Development Entity to operate in Maryland, it would be unique in its commitment to exclusively supporting Maryland and in having staff support from the Maryland Department of Housing and Community Development.

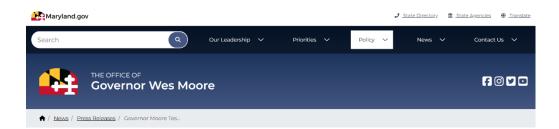
Within the committee process, this bill was amended to codify that the MCIC will prioritize projects that are owned or operated by entities that have their principal place of business in Maryland, and that its advisory board will be composed of members geographically representative of the locations of low-income communities in Maryland. This amendment arose out of a deliberative process with legislators and community stakeholders to ensure that sufficient guardrails were in place to ensure that the MCIC represents the interest of a broad array of low-income Maryland communities. As a result of this amendment, the HCDFA received bipartisan support during the Committee hearing and voting process. For example, in the Maryland House of Delegates, this bill passed with broad bipartisan support from both parties in three different committees across the two chambers and in final chamber-wide votes.





VISUAL AIDS

1. <u>Press Release: Governor Moore Testifies in Support of Moore-Miller Administration</u> 2024 Housing Package



Governor Moore Testifies in Support of Moore-Miller Administration 2024 Housing Package

Published: 2/20/2024

ANNAPOLIS, MD — Governor Wes Moore today testified in front of the House Environment and Transportation Committee in support of the Moore-Miller Administration's 2024 legislative housing package. Joined by Maryland Department Housing and Community Development Secretary Jake Day, the governor spoke in support of three bills: The Housing Expansion and Affordability Act, The Housing and Community Development Financing Act and The Renter's Bights Stabilization Act. The bills aim to spur new housing construction, ease regulations, enhance long-term financial investment in low-income areas and centralize resources for Maryland renters—all as part of a comprehensive approach to make Maryland more affordable.

"Maryland is facing a housing crisis and it isn't just hurting some of us – it's hurting all of us. When we talk about Maryland's housing crisis, we're talking about individual lives and livelinoods, but also the health and success of our entire state," said Gow. Moore. "The housing crisis remains one of the greatest threats to Maryland's success—and that's why our administration has assembled the most comprehensive housing package that any Maryland administration has introduced in years. This housing package will help us make Maryland more affordable, and empower us to unleash the potential of our state."



Interiousing expansion and antoroability fact (see 4e-4/rie 3-29) seess to directly address Marylands indusing supply and affordability crisis to lower costs and expand economic opportunity for Marylanders across the state. This legislation will incentivize the construction of highly targeted new housing by removing barriers to development that have contributed to the current supply shortage. The bill also seeks to modernize land use law and expedite and simplify approval for transit-oriented development, development on former state-owned complexes, and housing development by 501(c)(3) organizations if certain affordability requirements are met, in addition to incentivizing development projects by allowing for greater density when certain conditions are met.

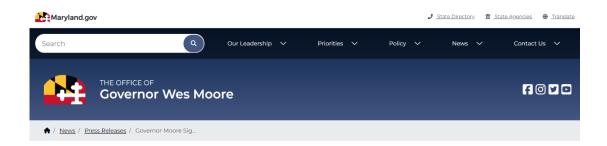
The Housing and Community Development Financing Act (SB 483/HB 599) focuses on strengthening state financing tools for housing construction and community development investments. The bill seeks to establish the Maryland Community Investment Corporation as a state Community Development Entity, which will unlock the ability to compete for tens of millions in federal funding through the New Market Tax Credit program. Upon award of federal funds, the Maryland Community Investment Corporation will make investments in low-income communities and community development projects across the state. The legislation also seeks to strengthen the Strategic Demolition and Smart Growth Impact Fund by allowing for debt payments and credit enhancements to be covered for qualified projects—in all, creating new tools for community and economic development in high-

The Renter's Rights Stabilization Act (SB 481/HB 693) addresses the immediate needs of renters who are experiencing housing instability. This omnibus bill seeks to 1) establish an Office of Tenant Rights in the Department of Housing and Community Development responsible for providing renters with information about their rights under law and creating a tenant's bill of rights; 2) address the high eviction filling rate in the nation by increasing the eviction filling fee and preventing it from being passed on to renters; 3) reduce the allowable security deposit from two months rent to one month; 4) create a powerful new pathway to homeownership by creating a statewide right of first refusal, allowing renters the right to purchase their home if being sold; 5) modify the state's new rental voucher program to provide prioritization of vouchers for families with children under the age of five and for preenant women.





2. <u>Press Release: Governor Moore Signs Housing Legislation to Make Maryland More Affordable</u>



Governor Moore Signs Housing Legislation to Make Maryland More Affordable

Published: 4/25/2024

ANNAPOLIS, MD – Governor Wes Moore today presided over the second bill signing ceremony of 2024, signing three housing bills dedicated to making Maryland more affordable. The bills, part of the Moore-Miller Administration's 2024 legislative agenda, address concentrated poverty in Maryland's marginalized communities, reduce instability in Maryland's housing supply and affordability, and enhance rights for Maryland enterts.

"We made the choice to put housing front-and-center this year because we know this issue can't wait. Building a stronger housing market can't wait. Tackling a housing shortage of 96,000 units in Maryland can't wait," said Gov. Moore. "We introduced the most comprehensive housing package of any Maryland administration in recent history – and we were unapologetic about it."



Included among Governor Moore's champion pieces of legislation signed today are:

The Housing Expansion and Affordability Act directly addresses Maryland's housing supply and affordability crisis to lower costs and expand economic opportunity for Marylanders across the state. The bill incentivizes the construction of new housing by removing barriers to development that have contributed to the current supply shortage. The bill will also modernize land use law and expedite and simplify approval for transit-oriented development, development on former state-owned complexes, and housing development by 501(c)[3] organizations.

The Housing and Community Development Financing Act strengthens the state's financing tools for tackling vacant houses and creates the Maryland Community Investment Corporation to unlock tens of millions in federal funding for investments in projects and businesses in low-income communities across the state.

The Renters' Rights and Stabilization Act protects Maryland renters who are experiencing housing instability. This bill establishes the Office of Tenant and Landlord Affairs to provide renters with information about their rights, creates the Maryland Tenants Bill of Rights, increases the eviction filing fee to address the high eviction filing rate across the county, saves renters money by reducing required security deposits and creates new pathways to homeownership by providing tenants the opportunity to purchase their homes.

Thanks to Governor Moore's leadership and working together with legislators and housing advocates, this was the most impactful session for housing in recent Maryland history," said Maryland Department of Housing and Community Development Secretary Jake Day. This year marks the turning point for the state to reduce the housing shortage, protect renters and ultimately make Maryland a more affordable, desirable place to live."

To view the complete list of bills signed into law today, visit: https://governor.maryland.gov/news/Pages/bill-signings.asp

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3. Social Media Posts (Link 1, Link 2, Link 3, Link 4)



Maryland Department of Housing and Community Development 🧇 April 9 at 9:16 PM · 🚱

Governor Wes Moore's 2024 Housing Package has passed the House and Senate and is on its way to his desk to be signed into law! Together, the Housing Expansion and Affordability Act, Renters' Rights and Stabilization Act, and the Housing and Community Development Financing Act will ensure greater access to affordable housing and will make work, wages, and wealth more attainable for all Marylanders.

Governor Wes Moore's Housing Package has

PASSED!





HB538

Housing Expansion and Affordability Act



HB693

Renters' Rights and Stabilization Act



HB599

Housing and Community Development Financing Act





15 shares







Maryland Department of Housing and Community Development

Published by Allison Foster ② · April 11 at 10:15 AM · ❖

On Monday, Governor Wes Moore's 2024 Housing Package was approved by the House and Senate and is on its way to his desk to be signed into law!

As one of three bills in the package, the Housing Expansion and Affordability Act will:

- Reduce or remove artificial regulatory barriers to producing more housing
- Allow added density in targeted areas, within a three-quarter mile of a passenger rail station, properties owned by a 501(c)(3) organization or formerly state-owned properties
- Allow pre-fabricated homes in single-family zoned areas
- · and more to address Maryland's 96,000 housing unit shortage.



Maryland Department of Housing and Community Development

Published by Allison Foster ② · April 10 at 3:09 PM · ❸

On Monday, Governor Wes Moore's 2024 Housing Package was approved by the House and Senate and is on its way to his desk to be signed into law! \aleph

As one of three bills in the package, the Renters' Rights and Stabilization Act will:

- Address high eviction filing rates by raising Maryland's eviction filing fee from \$15 the lowest fee in the nation - to \$50
- Establish a new Office of Tenant and Landlord Affairs
- Design and disseminate a Tenants Bill of Rights to all renters
- and more to create new pathways to homeownership.



HB538: Housing Expansion and Affordability Act

Maryland's **96,000 housing unit shortage** has grown at a rate of about 5,600 units a year. And it's **costing Maryland families**, translating into burdens that strain their budgets and eat away their paychecks.



The Housing Expansion and

Affordability Act reduces or removes artificial regulatory obstacles to producing more housing - the kind of red tape that is holding Maryland's economy back.

GOVERNOR WES MOORE'S 2024 HOUSING PACKAGE

HB693: Renters' Rights and Stabilization Act

For too long, renters in Maryland have faced exploitation and manipulation due to systemic flaws and a lack of transparency. Renters are at a disadvantage, struggling to survive and then needing to navigate a confusing patchwork of agencies and programs to get help.



The Renters' Rights and Stabilization Act addresses high eviction filing rates,

establishes a new Office of Tenant and Landlord Affairs, will reduce barriers to becoming a renter and create new pathways to homeownership.



Maryland Department of Housing and Community Development

Published by Allison Foster **②** · April 12 at 4:06 PM · **③**

On Monday, Governor Wes Moore's 2024 Housing Package was approved by the House and Senate and is on its way to his desk to be signed into law!

As one of three bills in the package, the Housing and Community Development Financing Act will:

- establish the Maryland Community Investment Corporation, a community development entity aimed at leveraging federal New Market Tax Credits (NMTC)
- expand the Strategic Demolition Fund
- and more to help Maryland spur economic growth and development.

GOVERNOR WES MOORE'S 2024 HOUSING PACKAGE

HB599: Housing and Community
Development Financing Act

With approximately \$5 billion allocated annually to the federal New Market Tax Credit program, it is critical that Maryland takes full advantage of this opportunity to spur economic growth and development in our state. We can't leave money on the table.

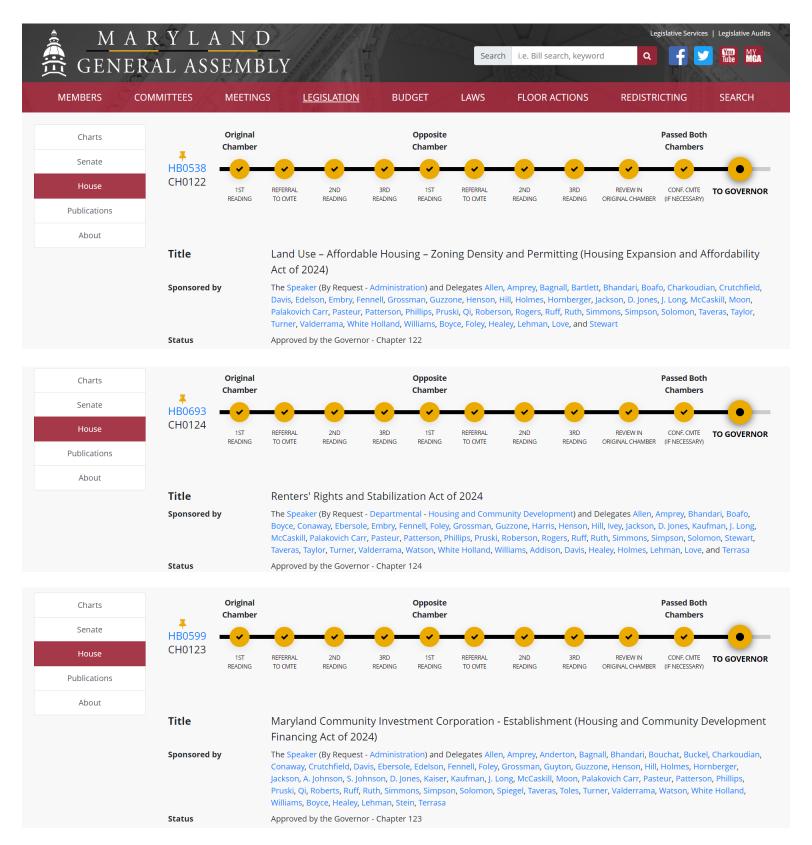


By utilizing federal New Market Tax Credits and enhancing the Strategic Demolition Fund, we will make community liabilities into assets, improve the physical landscape of our neighborhoods, and create opportunities for economic empowerment.





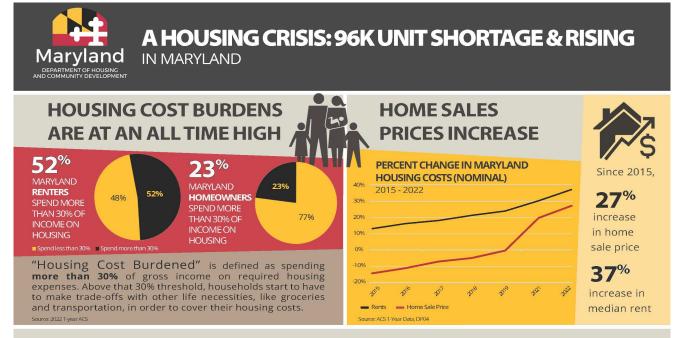
4. Maryland General Assembly Housing Bill Signings (<u>Link 1</u>, <u>Link 2</u>, <u>Link 3</u>)



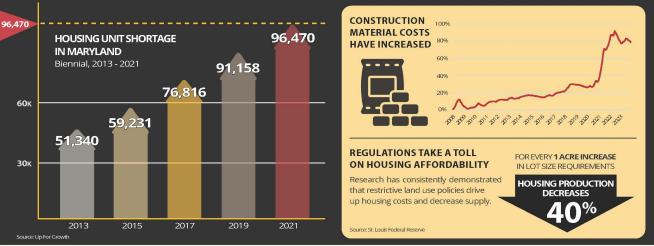


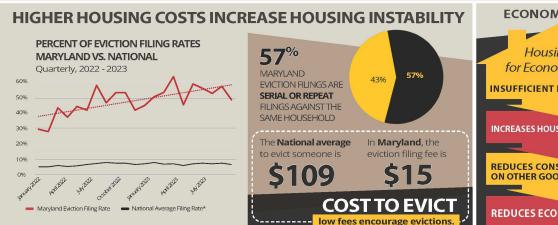


5. Infographics: A Housing Crisis: 96K Unit Shortage & Rising in Maryland



INACTION FUELS MARYLAND'S ESCALATING HOUSING SHORTAGE









Source: Maryland District Courts, Princeton Eviction Lab



6. Infographics: 2024 Legislative Housing Successes in Maryland



2024 LEGISLATIVE HOUSING SUCCESSES

IN MARYLAND

INPUTS



126

SUPPORTERS TESTIFYING



51

COMMITTEE, SUBCOMMITTEE & WORKGROUP MEETINGS





OUTCOMES



A NEW COMMUNITY DEVELOPMENT ENTITY



THE FIRST EVER OFFICE OF TENANT AND LANDLORD AFFAIRS



A \$361 MILLION CAPITAL BUDGET THAT MULTIPLIES INVESTMENT IN HOUSING AND COMMUNITY DEVELOPMENT



INCENTIVES TO INCREASE DEVELOPMENT DENSITY WHERE WE WANT IT



REQUIRES LANDLORDS TO OFFER RIGHT OF FIRST REFUSAL TO CERTAIN TENANTS



JUST COMMUNITY DESIGNATION TO TARGET INVESTMENT IN DISINVESTED AREAS



INCREASE IN EVICTION FILING FEE FROM \$15 TO \$50



REDUCTION IN THE ALLOWABLE SECURITY DEPOSIT TO ONE MONTH'S RENT





