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February 2, 2023

Committee Chair Delegate Kumar P. Barve
Committee Vice-Chair Delegate Dana M. Stein
Environment and Transportation Committee
Room 251
House Office Building, 6 Bladen Street
Annapolis, Maryland 21401

**RE: Support for HB0150 – Housing and Community Development – Adaptive Reuse
Hearing before the House Environment and Transportation Committee on February 7, 2023**

Position: Support (FAV)

Dear Honorable Members of the House Environment and Transportation Committee,

Thank you for the opportunity to submit testimony on behalf the Baltimore Regional Housing Partnership (BRHP). I am writing to express our support for House Bill 150. HB0150 gives the Department of Housing and Community Development (DHCD) the ability to fund projects utilizing the adaptive reuse strategy, which can yield increase of housing options for families facing an ever-tightening supply. The Baltimore Regional Housing Partnership (BRHP) is a non-profit organization that expands housing choices for families with low incomes, who have historically been excluded from housing in well-resourced neighborhoods, helping them to access and transition successfully to safe, healthy, and economically vibrant communities. As the Regional Administrator for the Baltimore Housing Mobility Program, BRHP has opened pathways to a better future for low-income families for nearly 10 years. BRHP currently provides over 4,300 low-income families rental assistance in the form of the Housing Choice Voucher and couples that with counseling supports for families as they move from areas of concentrated poverty to areas of opportunity in Baltimore City and the five surrounding counties.

BRHP is dedicated to helping achieve racially and socially equitable public policy that ensures low-income families have access to quality and affordable homes in communities of their choice. **We support HB 150 because adaptive reuse is another mechanism to add to our state's tool chest for building affordable housing quickly and cheaply.** Adaptive reuse, known as AR, is the taking of old, empty buildings and repurposing them for a new use. According to [Jack Bernard](#), Executive Director of Community Development Real Estate at JP Morgan Chase, "Adaptive reuse is about 15% to 25% cheaper and brings affordable housing on-line faster than new construction. AR conversions are increasing yearly with 53,000 expected by the end of 2022 – helping to repurpose the glut of empty office and retail properties while helping solve a housing crisis."

The Baltimore Regional Housing Partnership is an equal housing opportunity provider.





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BRHP administers two types of rental assistance programs through the Baltimore Housing Mobility Program, a Housing Choice Voucher Program: tenant-based vouchers and project-based vouchers. BRHP administers its own project-based voucher program, in addition to those it administers under the [Baltimore Regional Project-Based Voucher Program](#) with five other public housing agencies, and the Baltimore Metropolitan Council (BMC). The program provides housing vouchers to qualified and experienced developers for the development of affordable housing, including new construction, substantial rehabilitation, or existing housing. This effort encourages affordable housing development in areas of opportunity in the Baltimore region. Using adaptive reuse for mixed-income, mixed-use buildings can increase opportunities for diverse neighborhoods where people of different ethnicities, life experiences and different incomes can interact and get to know each other. This legislation will deepen government financial support for adaptive use so that programs like ours can further address our state's current shortage of quality affordable housing and expand housing choice in opportunity areas.

Background

There is a critical lack of affordable housing options for low-income individuals and families in Maryland. Maryland is the 8th most unaffordable state for housing. In order to afford the Fair Market Rent (FMR) for a two-bedroom unit in Maryland, a person earning minimum wage would have to work over 100 hours per week to avoid paying more than 30% of their income on housing related expenses.ⁱ In 2004, DHCD's Office of Research compiled data for Governor Ehrlich's Commission on Housing Policy to highlight the shortage of affordable housing by county. Overall, DHCD projected a need for 120,486 additional units of affordable housing by 2014. Over a decade later, the State has made inadequate progress towards meeting the needs outlined in the report, as the Department of Legislative Services recently noted federal data showing "there is a shortage of approximately 190,700 affordable rental housing units [in Maryland] for families earning less than 50% of the area median income."ⁱⁱ Maryland needs a comprehensive approach to mitigating the current housing crisis, which has been exacerbated by the COVID-19 pandemic, that must include as many useful tools as possible. In the last two years, U.S. cities created 32,000 affordable units with adaptive reuse and this legislation will allow our state to follow this trend by incentivizing the transformation of vacant commercial spaces into new homes for thousands of families.

Equity Implications

Unfortunately, the challenges of residing in a state with high living costs are borne disproportionately by minority, low-income families. Blacks or African Americans have one of the lowest levels of household income both in Maryland and nationally when comparing income levels by race or ethnicity. Furthermore, data regarding renters and general median income demographics indicate that renters in Maryland are more likely to be minority, low-income, or spend a disproportionate amount of income on rent.ⁱⁱⁱ Given the large and ever growing need for affordable housing in Maryland, narrowing the gap is

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going to require policies like HB 150 to increase our housing stock and create pathways to expanded housing choice.

BRHP appreciates your consideration and **urges the Committee to issue a favorable report for HB 150.**

Sincerely,

Adria Crutchfield
Executive Director
Baltimore Regional Housing Partnership

ⁱ National Low Income Housing Coalition (2020). Out of Reach. <https://reports.nlihc.org/oor>

ⁱⁱ Governor's Commission on Housing Policy. (2004.) Innovative Housing and Community Revitalization in Maryland: Solutions for a Positive Change.

www.msa.md.gov/megafile/msa/speccol/sc5300/sc5339/000113/001000/001578/unrestricted/20054454e.pdf

ⁱⁱⁱ U.S. Census Bureau, American Community Survey, 1-Year Estimates, 2021.

