

TURNING THE
KEY



UNLOCKING
**MARYLAND'S
POTENTIAL**



Maryland

DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT

OUR GOAL

*Set Maryland on a growth
trajectory to achieve
housing affordability*



Maryland's Housing Crisis: The Problem

Maryland, like every state in the nation, is facing a housing affordability crisis caused by a supply shortage, and driven by our state's failure to build at a sufficient pace.

Maryland is short **96,000** housing units. Over the last 10 years, Maryland has underproduced housing at a rate of **5,600** units per year on average.



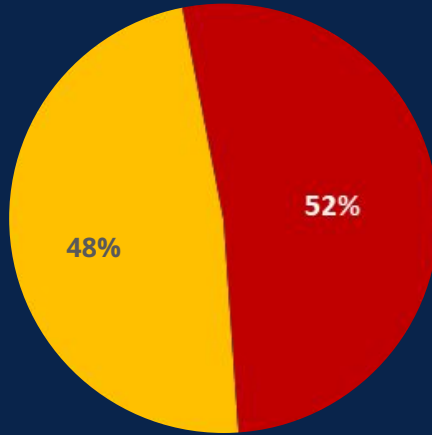
Homebuyers left in Limbo as housing shortage persists — The Baltimore Banner

One-third of Marylanders considering leaving state for cheaper housing — WBAL-TV

Southern Maryland Housing Market Still Faces Inventory Woes As Affordability Crisis Grows — The Southern Maryland Association of Realtors

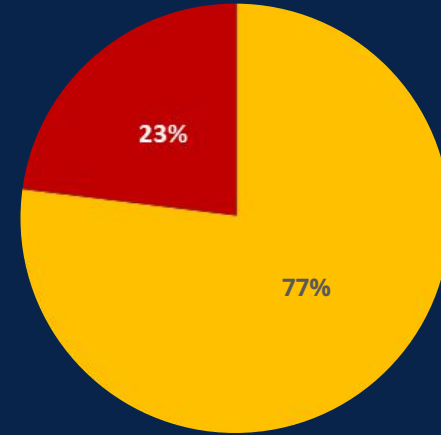
Maryland affordable housing is scarce, and realtors are lobbying for change — WTOP

Cost Burdens Reach All Time Highs



Share of Maryland **renters** who spend more than 30% of income on housing

■ Spend less than 30% ■ Spend more than 30%



Share of Maryland **homeowners** who spend more than 30% of income on housing

■ Spend less than 30% ■ Spend more than 30%



Maryland's Housing Crisis: The Impact

This supply shortage caused higher living costs: rents on the rise, fewer homes on the market and therefore home prices rising as well.

More than half of Maryland renters (52%) are cost-burdened, paying **30% or more** of their wages on housing-related costs.

The median home value was \$300,000 in 2010 and is now \$398,000, an **increase of 32%**. And since 2010, median rents rose **37%**.

Increased borrowing costs have pushed homeownership out of reach for many Marylanders

National Weekly 30-Year Fixed Mortgage Rates

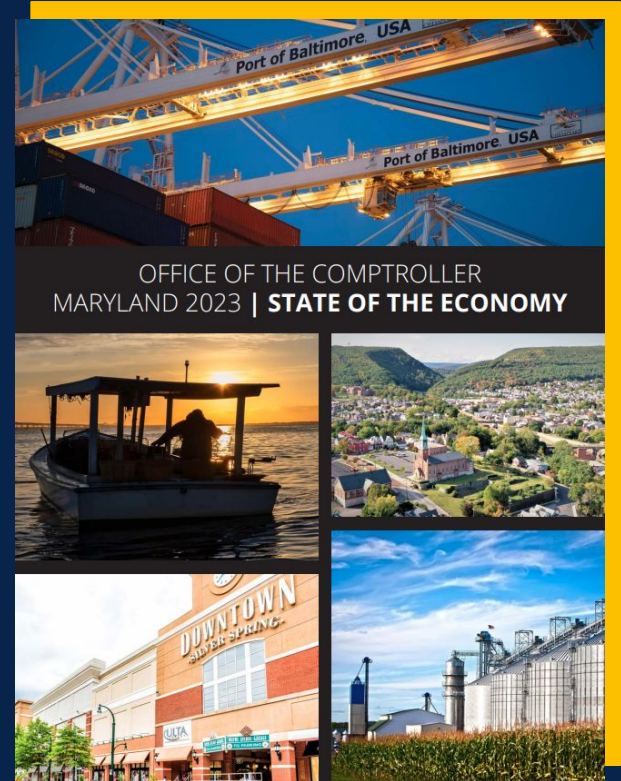


Source: Freddie Mac via [St. Louis Fed](#)

Maryland's stagnant economy is driven by the lack of available affordable housing

Maryland Comptroller Brooke Lierman's 2024 State of the Economy report found that Maryland's economy grew at a rate of just **1.6%** compared to **13.9%** nationally, driven in part by the "availability of affordable housing for lower- and middle-income households."

Maryland ranks seventh highest in cost of living out of 50 states.



STATE OF MARYLAND HOUSING 2024

Information from American Strategies 2024 State of Housing Poll

MARYLAND VOTERS SAID:



The cost to buy a home
in Maryland is **TOO HIGH**

57% >>>> **82%**
2020 2024

TOO FEW HOMES available to buy



30% >>>> **49%**
2020 2024

\$ \$ \$ \$
61% **81%**
2020 2024

The cost to rent a home
in Maryland is **TOO HIGH**

TOO LITTLE housing
for people
with moderate
incomes



46% >>>> **65%**
2020 2024



**TOO FEW
PLACES** to rent

48%
2024
34%
2020

Marylanders can't afford a home in the same neighborhood where they grew up

Maryland Association of REALTORS State of Maryland Housing found **99%** of respondents ages 18-34 say it's harder to buy a home today than for previous generations.

30% of young Marylanders are considering leaving the state due to housing costs.

Marylanders believe housing costs are a statewide problem and something needs to be done

Greater Greater Washington polling showed that **72%** said state government should do more to improve access to rental and homeownership opportunities.

61% of Maryland voters supported a state law requiring local governments to allow more homes near rail transit.

And similarly, **62%**, supported a law to require allowing more income-restricted homes near transit.



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Poll says Marylanders want more homes, in more places, to fit more budgets

HOUSING GGWASH POLICY By **Dan Reed** (Regional Policy Director) March 11, 2024

SHARE






New townhomes next to the West Hyattsville Metro station. Photo by Graham Reid.

We asked Maryland voters what they think about Governor Wes Moore's bill that would juice home construction across the state. They like what's in it—and they want state leaders to make a move, because local governments haven't done enough to fix our housing crisis.

Due to decades of underbuilding, **Maryland is short 96,000 homes**, which has contributed to **dramatic increases in housing costs**. To fix that, Governor Moore and housing secretary Jake Day **introduced a housing package** we lovingly call Moore Housing. The package contains three bills—proposing more tenant protections, new financing tools, and permitting and zoning changes—currently

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ALSO OF INTEREST

TRANSPORTATION OPINION
Is it time to bring back the W&OD as commuter rail?

PUBLIC SPACES OPINION

We cannot wait to address the crisis.

Rapidly increasing housing costs have exacerbated housing instability, which disproportionately impacts some groups, highlighting inequities that exist in our communities.

Dimensions of Housing Instability



Housing Quality



Housing Cost Burden



Homelessness



Lack of Transportation



Neighborhood Quality
(at least 40% of HHs in the
CTs are below the poverty
line)



Residential Instability

- Evictions/Foreclosures
- Doubling-up
- Overcrowding
- Living in substandard housing



Lack of access to good
paying jobs



Access to good
performing schools

A photograph of Governor Wes Moore, a Black man with a shaved head, wearing a dark blue suit and a light blue tie. He is seated at a dark table, leaning forward and signing a white document with a silver pen. To his left, another man in a suit is partially visible, also looking down. In the background, an American flag is partially visible. The image has a blue color overlay.

This year, Governor Wes Moore took action.

Governor Moore and the administration took decisive action, driving forward an ambitious legislative agenda focused on housing to lay the groundwork for Maryland's growth for decades to come.

In addition to Governor Moore's Housing package, the department introduced a departmental bill aimed at targeting state investment in long disinvested areas and to better protect vulnerable households from foreclosure.

Governor Moore's housing package was developed to address the root causes of the affordability crisis by:

- Spurring new housing construction
- Cutting burdensome red tape
- Enhancing long-term financial investment in low-income areas, and
- Centralizing resources for Maryland renters.



A group of people, including two men and two women, are seated at a long wooden table in what appears to be a legislative chamber. They are all smiling and laughing, suggesting a moment of joy or agreement. The man second from the left is bald and wearing a dark suit with a patterned tie. The man next to him has grey hair and is wearing a dark suit with a red tie. The woman on the far left has short brown hair and glasses, wearing a dark blazer. The woman on the far right has short brown hair and glasses, wearing a dark blazer over a light blue shirt. In the background, other people are visible, some also smiling. The text "OUR OUTCOMES" is overlaid in large, bold, yellow capital letters. Below it, the text "Historic progress on housing and Governor Moore's Housing Package" is written in a smaller, white, italicized font. A nameplate with the word "MARYLAND" is visible on the table in front of the woman on the left.

OUR OUTCOMES

*Historic progress on
housing and Governor
Moore's Housing Package*

Historic Progress on Housing

INPUTS



126

SUPPORTERS TESTIFYING



51

COMMITTEE, SUBCOMMITTEE &
WORK GROUP MEETINGS



1,450

YES VOTES

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



Partnership was key

Our legislation had the support of elected officials and leaders across the political spectrum and at all levels of society. Maryland Municipal League and the Maryland Association of Counties — two major organizations representing municipal and county leaders — supported our agenda.

Months of collaboration and conversation between the state and local governments began well before session and was crucial to the development and success of the bills.





Fiscal Year 2025 Legislative Session

Governor Wes Moore's 2024 Housing Package

- Housing Expansion and Affordability Act
- Renters' Rights and Stabilization Act
- Housing and Community Development Financing Act

Departmental Bill

- Just Communities



Housing Expansion and Affordability Act

HB 538

The Housing Expansion and Affordability Act of 2024 (HEAA) establishes regulatory incentives for vital development to address the housing supply and affordability crisis in a manner that is sensitive to local zoning. The state currently blocks local authority to develop certain agricultural and environmentally-sensitive areas but we do not incentivize development in areas where building is more desirable.

The Housing Expansion and Affordability Act will:

- 1. Create Regulatory Incentives and Density Bonuses**
- 2. Modernize Code for Manufactured and Modular Homes**

① Regulatory Incentives and Density Bonuses

The first component of the Act targets the most suitable locations to increase density, where it won't change the character of the surrounding area and is sensitive to local zoning. These density bonuses are limited to specific locations, so long as they contain a certain percentage of affordable housing units.

- Allowing added density in these areas – within a three-quarter mile of a passenger rail station, properties owned by a 501(c)(3) organization or formerly state-owned properties – just makes sense.
- Take for example, formerly state and federal-owned campuses. This bill kills two birds with one stone, revitalizing dangerous eyesores while addressing the housing shortage and bringing tax revenue back on the books for both local governments and the state.

② Modernizing Code for Manufactured and Modular Homes

The second component of the Housing Expansion and Affordability Act focuses on the root of the supply problem, construction costs. The state and its officials have a responsibility to address the statewide consequences of this housing shortage, and the HEAA reasonably lowers the barriers to produce more housing.

By allowing pre-fabricated homes in single-family zoned areas, the state can help address high costs and the lengthy time frame of construction, and open the pathway to homeownership and wealth for many Marylanders, especially for first-time homeowners who can't afford a down payment on a site-built home.



Renters' Rights and Stabilization Act

HB 693

The Renters' Rights and Stabilization Act of 2024 is a bill to increase housing security in Maryland and bolster protections for our renters. This is a full-scale, ground-up approach that protects the most vulnerable: the unsheltered homeless, tenants subject to a turbulent rental system, and those who have lacked opportunity to build generational wealth.

The Renters' Rights and Stabilization Act will:

- 1. Address High Eviction Filing Rates**
- 2. Establish a New Office of Tenant and Landlord Affairs**
- 3. Lower Security Deposit Maximums**
- 4. First statewide Tenant Opportunity to Purchase law in the nation**



① Addressing High Eviction Filing Rates

For far too long, renters in Maryland have faced exploitation and manipulation due to systemic flaws and a lack of transparency.

This section seeks to address Maryland's status as having the lowest-in-the-nation eviction filing fee by raising the total cost of filing an eviction from **\$15** to **\$50**.

This alteration strikes a balance between creating incentives for landlords to work with tenants prior to filing and allowing filing fees to be recoverable in some instances.

② Office of Tenant and Landlord Affairs

The Office of Tenant and Landlord Affairs (OTLA), housed in the Department of Housing and Community Development, will serve as the central point of assistance for Maryland renters.

It will be the first dedicated statewide office focused on the needs of renters, providing them with transparent resources on their rights and how to exercise them – frequently asked questions, an accessible website, tailored informational resources – with support from our team. It would additionally disseminate a Tenants Bill of Rights, which will serve as a major source of information on renters' rights and must be provided to all tenants as an addendum to their lease.

This kind of support, partnered with the work of a certified financial counseling provider and implementing a tenant right of first refusal, can empower renters to transition to homeownership, thereby stabilizing neighborhoods and preventing displacement.

③ Lower Security Deposit Maximum

Lowering security deposits removes substantial barriers to becoming housed and reduces financial instability for renters across the state.

This law reduces the allowable security deposit for renters in Maryland from two month's rent to one month's rent. This change closes the "first and last month's rent" loophole by limiting the tenant costs to occupy the premises to the security deposit and first month's rent.

The median rent across all unit sizes in Maryland is \$1,819, meaning a tenant can be required to come up with roughly \$5,400, or more, to move in. According to the Federal Reserve, the median American family has about \$8,000 accessible in savings accounts and the typical renter has only about \$3,400 in total savings, amounts that could be nearly or entirely used up to pay a two-month security deposit and the first month's rent on a rental unit in Maryland.

For many renters, even those with incomes at or above the area median, this places a new home out of reach, and these high up-front costs affect renter mobility and can force renters to stay with landlords despite unreasonable rent increases and/or inadequate housing.

④ First Statewide Tenant Opportunity to Purchase Law

This section seeks to create new and better pathways to homeownership by providing renters with a right of first offer and refusal should the landlord decide to sell the rental property with a sitting tenant, allowing a renter the option to purchase the property themselves rather than it being sold to another landlord or potential inhabitant. This provides opportunities for wealth creation and rebalances dynamics that have prevented generational wealth.

This right preserves both naturally occurring affordable housing and the essence of communities that are at risk of gentrification as outside investors seek to purchase and redevelop homes. This mitigates displacement of the families that make communities what they are and keeps them put with a new investment in their neighborhoods, contributing to community cohesion and promoting a sense of belonging.



Housing and Community Development Financing Act

HB 599

The Housing and Community Development Financing Act of 2024 unlocks new tools to strengthen Maryland communities and address the ongoing housing crisis.

The Housing and Community Development Financing Act will:

- 1. Establish the Maryland Community Investment Corporation to Access New Market Tax Credits**
- 2. Increase the impact of state investments to reduce vacant properties statewide through new program flexibility**

① Federal New Markets Tax Credits

The New Markets Tax Credit program, established by the Treasury Department, has been instrumental in funding various real estate and business projects in low-income communities across the nation. It is critical that Maryland takes full advantage of this opportunity to spur economic growth and development in our state.

We can transform community liabilities into assets and not only improve the physical landscape of our neighborhoods but also create opportunities for economic empowerment and growth.

With our own state-sponsored community development entity, we gain greater control and flexibility over how these federal funds are utilized. This means we can direct investments toward projects that align with our state's unique priorities and address the specific needs of our communities.



② Alterations to Strategic Demolition Fund

This bill will also provide additional flexibility in the use of Strategic Demolition Fund resources. Specifically, it expands the allowable uses to include credit enhancements. This enhancement will significantly accelerate capital formation for program activities, including remediating vacant properties enabling us to multiply the impact of our state's investment in revitalization projects.



Just Communities

SB 308, HB 241

This will create a new geographic data layer, similar to Priority Funding Areas and Sustainable Communities, to target state investment. This Just Community data layer will create a proactive approach to target state investments to help reverse decades of disinvestment and exclusionary policies.

A potential Just Community must have past and current economic and housing trends that demonstrate a need for reinvestment in the area in combination with other metrics like redlining, imprisonment rates, and environmental hazards tracked by the Division of Just Communities.

The creation of the Just Communities designation and division marks a new and focused effort by DHCD and the State of Maryland to remedy and reverse these policies, creating another mechanism to open pathways to opportunity in communities that have been previously denied them, and ensuring that no Marylander is left behind.



Fiscal Year 2025 Capital Budget

On top of the governor's proposed budget, the General Assembly recognized the need for focused investment in housing and community development – Not a single dollar from the Governor's proposed capital budget for DHCD was cut.

The **\$361 million** capital budget will allow the department to make meaningful progress toward making Maryland a desirable and affordable place to live.

Rental Housing Programs have been allocated a total of **\$110 million**, compared to **\$55 million** in FY24.

In total, the Department's Community Development Administration will be trusted with over **\$258 million** in resources to deploy for affordable housing production.



OUR FUTURE

*Impact on the housing
landscape across the state*

Changing the Housing Landscape

2024 marks the turning point for the state to reduce the housing shortage and make Maryland an affordable, desirable place to live. The Governor's Housing Package and budget have created the pathways for more homes to be built in Maryland than in any of the previous 15 years.

Taken together, this legislation provides a comprehensive, collaborative reboot to our housing landscape by spurring new housing construction, cutting burdensome red tape, enhancing long-term financial investment in low-income areas, centralizing resources for Maryland renters, and getting our economy moving again.















Session Implementation

Follow along as the department publishes guidance and resources for local officials, developers, community development organizations and others to implement the new laws.

- Go to the Turning the Key webpage at dhcd.maryland.gov/TurningtheKey
- Subscribe to the Turning the Key campaign distribution lists at dhcd.maryland.gov/subscribe
- Follow us on social media @mdhousing on X, @marylandhousing on Facebook, Instagram and LinkedIn

Subscription Topics

- ☐ Maryland Department of Housing and Community Development (DHCD) 
- ☐ Maryland Mortgage Program (MMP) 
- ☐ Community Development Administration Partner Lists 
- ☐ Newsletters
- ☒ Turning the Key: Unlocking Maryland's Potential 
 - ☐ Updates for County and Municipal Officials 
 - ☐ Updates for Law Enforcement and Legal Partners 
 - ☐ Updates for Development Teams 
 - ☐ Updates for Renters and Homeowners 
 - ☐ Updates for Banks, CDFIs, Financial Institutions 
 - ☐ Updates for Community Development Organizations 

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If we want to make this Maryland's decade, housing must come first. The 2024 legislative session marked a critical step forward in our work to remedy the state's housing crisis and take the strain off Maryland families.