

# Statewide Housing Production Targets: Public Meeting #1 - 2025/10/22 11:49 EDT - Transcript

## Attendees

+1 410-\*\*\*-\*\*60, Andrew Wilson -MDP-, Becky Thayne, Bhavna Sivasubramanian, Brad Kroner, Caila Prendergast, Carter Reitman -MDP-, Catherine Skeeter - Somerset P&Z, Chase Powell, Christine Duvall, Christopher Heyn, Christopher Wood, Dan Pontious, Danny Ross, Daphne Daly, David Bjorndalen, David Williams, Dominic Butchko, Elizabeth Billquist, Eric Ketterling, Grant Searfoss, Haley Lemieux -DHCD-, Halina Bennet, Holly Baldwin, jabari cooper, james squires, Jen Leonard, Jennifer Keener, Jesse Drewer, Joel Beller, Joel Binkley, John Maneval, Jonathan R. Butler, Jordan Gilmore -DHCD-, Katherine Carter - DHCD-, Kenya Spencer, Laura Searfoss, Liam Mercer, Lisa Govoni, M.C. Keegan-Ayer, Frederick County Council, Maggi Currier -MDP-, Maia Berlow, Marcus Monroe, Mark Clements, Mary Berneski, Melissa Bondi, Mike Ryan, Mike Wilkins, Milana Vayner, Nancy Andrew, Ned Howe, Nia Condrey, Norma Rahall, Owen Bailey, Patrick Hughes, Peter Engel, read.ai meeting notes, Rebecca McNeill, Rex McGroder, Ryan Chelton, Ryan Trout, Sarah Franklin, Steve Lafferty, Steve MacGray, Steve O'Connor, Steven Palmer, Susan Llareus -MDP-, Talisha Searcy, Terry Hickey, Tyler Grote, Vibe Board S1 75, Vincent Fry, Vincent Rogers, Wicomico, Will Cornish

## Transcript

**Jordan Gilmore -DHCD-:** Hi folks. just wanted to welcome everybody. I see have some people coming in. we'll start the meeting in just a couple minutes here. just want to remind everyone this meeting will be so just be aware of that. we'll have a transcript and recording available afterward.

**Jordan Gilmore -DHCD-:** All right, we're, ready to go ahead and get started. just wanted to remind everyone one final time, this meeting is being recorded. we'll have a question and answer session at the end before we part ways.

**Jordan Gilmore -DHCD-:** but again just be aware of that and a transcript and recording of the meeting will be available afterward.

**Haley Lemieux -DHCD-:** We'll go ahead and get started. my name is Haley Lemieux. I'm the director of the office of policy development at BHC. and for the meeting overall, the first half of the meeting, we are going to provide an overview of our existing thinking on how to approach setting statewide housing targets. this is a mandate from Governor Wes Moore's housing executive order that was signed in September. we'll cover the executive order and how we're approaching it. we'll also have a 30 minute question and answer period as part of the meeting. to ask a question, you will need to use the raise hand feature. if you're currently joining by phone, you won't be able to participate in the Q&A and we also unfortunately are not able to accept questions over chat. so we'll reiterate how to ask a question during that part of the meeting.

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**Haley Lemieux -DHCD-:** and we'll go ahead and get started.

**Jordan Gilmore -DHCD-:** And by way of introduction, my name is Jordan Gilmore. I'm the policy analyst in the office of policy development here at DHCD. so as Haley mentioned, the origin of these housing production targets are in the, executive order, on addressing Maryland's affordable housing crisis, which was signed back in early September. and just to kind of briefly recap what exactly the order says with regard to housing production targets, DHC is required to by January 1st, 2026 publish housing production targets by January 1st and every five years thereafter for the state, each county and each municipality in the state that exercises planning and zoning authority.

**Jordan Gilmore -DHCD-:** That order also requires DHCD to conduct a public engagement process which you're participating in right now. this is the first public hearing on the housing production targets. There will be a second follow-up public hearing on November 19th for folks who either couldn't make it to this one or want to join that one as followup. the executive order also requires DHC to publish the methodology and supporting basis for calculating those housing production targets. in other words to explain the reasoning behind the numbers, how we got there why we chose the factors we did to determine those target numbers. and finally requires DHC to publish an annual report beginning the 1st of January 2027.

**Jordan Gilmore -DHCD-:** and each year thereafter that assesses progress again at the state, county and municipal levels toward meeting those housing production targets. the order also requires that annual report to discuss potential solutions by which local jurisdictions can make progress toward meeting those production targets.

**Haley Lemieux -DHCD-:** So in establishing housing production targets we have a couple goals which are underlying how we're approaching the development of the formula. the first broadly folks have heard from the department before the extent of Maryland's housing crisis. we have a shortage of 96,000 units. That's up for growth from 2023. that's the high level estimate that you've heard from the department before. we are expecting that estimate to be contextualized with this housing target setting work. it's been two years since the data underlying that was used and we are likely going to have a different approach than the growth team and calculating it which we'll talk about in this meeting.

**Haley Lemieux -DHCD-:** broadly we know that our housing market is not well functioning. about half of renters in the state, a little over half, are housing cost burdened and about a quarter of homeowners. a well functioning housing market doesn't produce such high housing costs and housing cost burdens. so it's ity for the state. It's a key priority for it's a priority for the long-term economic growth of the state. one of the primary drivers of domestic out migration for Maryland is how high housing costs, especially for households 18 to 35. so we have a couple key goals in setting housing targets that we think will relate to solving the housing crisis. Jordan, if you can advance the Thank you.

**Haley Lemieux -DHCD-:** so part of our goal here is just to set concrete goals to define where we are and where we need to be. We are really seeing this as an information tool for local jurisdictions to support local efforts to increase the housing production. so one of our key goals is to create a statewide benchmark. so information that's consistent jurisdiction to jurisdiction a shared understanding of where we are in the housing crisis. so that's one of our key goals on this. we are also going to use it as a benchmark for the department to consider progress towards the Maryland housing leadership award which is also part of the governor's executive order.

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**Haley Lemieux -DHCD-**: so jurisdictions that receive a housing leadership award will receive priority in their applications to some of DHCD's key community development funding programs so that we can continue to invest in places that are supporting the overall community infrastructure that Marylanders need. we're broadly looking like I said to really have this be a tool and to also provide that as a tool for the public by quantifying housing need for folks outside of local jurisdiction governments for advocates builders other stakeholders to understand how their jurisdiction is in addressing a public housing need.

**Haley Lemieux -DHCD-**: so those are the underlying architecture of how we're approaching this and some of the initial factors that we're thinking through will be reflected in those goals.

**Jordan Gilmore -DHCD-**: So, I'm going to briefly discuss how some other jurisdictions that have implemented housing targets have approached them put them in place. so, we'll start with California. California has had a two-step statutory mandate to set regional housing targets. that's been in place since 1981. and in short, how that works is the state housing department, our analog over there in California sets overall, regional targets, known as regional housing need determinations for 23 regions in the state. in order to come up with those targets, they look at factors including projected household growth, trends in household size, overcrowding rate, and the relationship between jobs and housing.

**Jordan Gilmore -DHCD-**: they use those factors to break down targets by affordability level. and then once those regional targets are set the council of governments in each of those 23 regions then allocates the regional target among the local jurisdictions within that region. Vermont is another state that sets housing state law in Vermont requires local regional governments to submit housing element plans. their state DHC uses that information along with other factors to publish both high and low five and 25-year housing targets. and they break those housing targets down into one for Chittenden County which is where Burlington the capital of the state is.

**Jordan Gilmore -DHCD-**: and that rest of state number is then divided proportionally by the number of households for each region in the rest of the state. some of the factors Vermont considers includes again projected household growth low and high estimates for that. seasonal homes of course Vermont ski country kind of has a lot of vacation homes something some parts of Maryland also deal with. they set a target vacancy rate of 5%. we'll talk a little bit about that more later. they also make an adjustment for the unhoused population. in other words, they factor to that final calculation the number of homes necessary to house all people in the state that are experiencing homelessness. Washington state on the west coast also sets housing production targets.

**Jordan Gilmore -DHCD-**: so their state growth management act requires counties in the state to project future housing needs in their housing element of their comprehensive plan. those projected household growth figures that they as a factor are calculated by the state department of commerce. similar to how Vermont factors in a 5% baseline vacancy rate, Washington state calculates or factors in a baseline 6% vacancy rate as well as adjustments for seasonal homes migrant worker housing.

**Jordan Gilmore -DHCD-**: and Washington also sets income level subtargets for each county based on the distribution of the projected housing need to address present cost burdens as well as homelessness. And then once those county level targets are set the counties then have discretion to allocate that housing need among local municipalities. then finally more locally the Metropolitan Washington Council of Governments which I'm sure at least some of you are familiar with also sets regional housing targets and

they do that by determining forecasted employment and housing unit projections from each jurisdiction within that region. they use a jobs to housing ratio.

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**Jordan Gilmore -DHCD-**: the ratio they've used is 1.54 to calculate regional housing targets as well as projected housing shortfalls for both 2030 and 2045. and the council of governments also suggests local allocations for both again both 2030 and 2045 by multiplying the regional housing shortfall that they calculate by each local jurisd share of projected growth. so those are just a few of the other jurisdictions that do targets that we've been looking at as far as putting together our own formula, strategy, whatever you want to call it for implementing housing production targets.

**Haley Lemieux -DHCD-**: So, one of our goals for this public meeting, I think, is just to emphasize that there are lots of different ways to estimate the housing shortage, typically, projections for Maryland have varied from, 85,000 to 150,000 on estimates for current need, and those numbers get a lot larger when you talk about assuming future trends. we just want to context set that estimates for the housing shortage differ because they're focused on different populations or they're focused on different priority outcomes. and which outcomes we want to focus on when we're setting statewide housing targets is a policy decision that the state is making that we're actively looking to get feedback through this public meeting both as mandated in the executive order and just a priority from our team.

**Haley Lemieux -DHCD-**: so some estimates if you see really large current projected needs numbers, typically those are focused on estimated housing needs for low-income households. just because housing is available in the market doesn't necessarily mean that it's affordable to the income mix that's existing in the market. so some analyses focus on sub populations. we'll cover this in the next slide. but broadly right now at the state level u we're considering all household projection to cover a target that captures broadly housing needs for both homeowners, renters all levels. second estimates for the housing shortage differ just because they use different assumptions that reflect different priority outcomes.

**Haley Lemieux -DHCD-**: So if a target is focused on just accommodating current housing needs, that target will be different than a housing target that is focused on how much housing do we need in the market to enable future population and job growth. so that's a tension in the assumptions on the demand for housing that is reflected in different formulas. next slide please.

**Haley Lemieux -DHCD-**: And if you can advance all the bullets. Thank you. so a couple key priorities that we discussed with Secretary Day at the beginning to set our targets. first we are looking for consistency across the state. part of the goal of having a shared information tool is having a shared formula. that is able to be used across all jurisdictions, but also that can reflect the diversity of Maryland's jurisdictions. we know that we have different housing needs across the state. we have some markets with really some really expensive markets with really high housing cost burden rates.

**Haley Lemieux -DHCD-**: we had some markets that really struggle with weak demand. that really struggle to attract new market rate development and that really suffer from aging housing stock that can't meet current needs because it's consistently poor quality or it's consistently misaligned with the income mix in that market. and we also have some markets in the state that are seasonal demand markets and where vacation homes are a really strong factor. so we are taking an approach that can accommodate different housing demand dynamics to have a shared understanding of housing need across the state. We're

looking at one formula. So that's one initial goal that we've set out as a team as we're evaluating different factors.

**Haley Lemieux -DHCD-:** second, we are broadly looking to minimize the assumptions that are in our formula. I can give an example. up for growth methodology that you've heard from the state reference a lot. that includes an assumption on demand that some households aren't being formed because of the housing crisis. They looked at historic household formation and they created a gap saying that when Housing costs are higher. folks are less likely to form their own households. young adults are more likely to be roommates. parents are more likely to move into intergenerational households. college kids are less likely to move out. when otherwise in a functioning market, their preferences would have been different. that's a way to approach a housing demand estimate.

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**Haley Lemieux -DHCD-:** that does require more analysis and u more assumptions. So broadly our team is looking to utilize existing data sources and projection assumptions minimize rough estimates as much as feasible. all data collection is imperfect. we're going to use best available and part of that will be part of the public input process to help communicate why we think the data that we're using is the best available.

**Haley Lemieux -DHCD-:** another factor that we're thinking through, is that because we are, publishing, updates every five years and we're publishing, progress annually, the frequency, and, the recency of the data are important factors just to be able to meet our mandated timelines and also to help with our goal of producing a useful information tool. finally we are focusing on a top level goal of unit production. so our primary goal right now is a top level housing target number for the state and for counties and municipalities that have land use authority.

**Haley Lemieux -DHCD-:** we're not currently focused on sub goals for example on income targeting or on rental versus home ownership targeting or on a current set aside of affordable units. we have a couple reasons why we're focusing on top lines just topline numbers. the first is that it's a lot harder for jurisdictions to target some of those sub goals. it's hard to create specific income mixes in your community. you may have different goals on home ownership versus rental housing availability in your community and those are values goals and we don't necessarily need to communicate values goals on that from the state level.

**Haley Lemieux -DHCD-:** and broadly our recommendation from the state is to produce as much affordable housing as we can finance. it's really a budgetary concern. and we have other publications that emphasizes housing need for low-income households. so in benchmarking and communicating this information tool we are focused on a topline goal of housing unit production. but that's also something that's subject to public feedback and that we're looking for feedback to see if what the thoughts are on That's the choice that we're making and starting from. next slide.

**Jordan Gilmore -DHCD-:** So I'm going to go into a little detail about the factors we're proposing to use when putting together our formula. so as I mentioned when discussing other states approaches to setting housing targets the major considerations are the same right really projected household growth and current housing stock that the time frames may differ and some of the adjustments and other considerations vary a bit between states depending on their unique needs exactly their respective statutory mandates about setting production

**Jordan Gilmore -DHCD-:** but those really are the biggest factors. comparing future need that is projected household numbers in our case five years from now. comparing that number with existing housing stock and those two numbers with some adjustments that I'll talk about here in a second are used to determine the number of units that need to be built in order for the state to have adequate housing stock at that future date. So, in determining the factors to consider in setting housing production targets in Maryland, we're planning to use that same basic blueprint. first we're going to look at projected household growth. again, in our case, for five years out, and then use that to determine how many housing units we'll need to house all of those households in five years. In other words, the projected demand.

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**Jordan Gilmore -DHCD-:** then we'll compare that to the current number of units and make a number of adjustments based on available data to determine projected supply in five years in order to determine how many units will need to be brought in line during that time online during that time frame in order to meet the target. So just to briefly run through these again supply side factors as I mentioned include current housing stock which we have from US census and American community survey estimates. we also want to consider when looking at that number the number of units lost each year.

**Jordan Gilmore -DHCD-:** one current statewide estimate for that is the state loses about 9,000 housing units per year to things like demolition, fire, disaster or just deterioration being taken out of service as a housing unit for whatever reason. So what that means is if no new housing units at all were being built in five years, we'll have about 45,000 fewer units than we do now. so we're also going to want to include adjustments for units that are not available as full-time housing.

**Jordan Gilmore -DHCD-:** as I mentioned earlier in Vermont with their calculation seasonal vacation homes those of course are a big factor in some Maryland jurisdictions. just for example Worcester County if you look at the number of households in Worcester County versus the number of housing units in Worcester County it looks like there are twice as many housing units as households there. But that housing unit number includes all those seasonal vacation beach houses that aren't really available for use as full-time homes. so that'll be a factor as well. as well as other vacant properties that get included in those overall housing unit counts but in reality are not available as housing. and that includes things like units undergoing lengthy repairs or renovations.

**Jordan Gilmore -DHCD-:** units that are being just used for storage by their owner who lives somewhere else etc. then when looking at the demand side factors as I mentioned earlier we start with and projected number of households in the state. Current number will be those latest census estimates. and the Maryland Department of Planning calculates projected household growth by looking at factors like births, deaths, migration patterns. since that's where we're most likely going to get the projected household growth numbers. we will also like other states that have set housing targets assume a baseline vacancy rate. I mean the reason for that practically speaking is there have to be some vacant units to allow for people moving renovation and repair etc. in a healthy housing market there is some vacancy.

**Jordan Gilmore -DHCD-:** So the desired number of homes in five years will be a bit larger than the projected number of households in five years. also as some other states have done plan to include enough housing units to house the existing unhoused population. those folks aren't included in those household counts. so we want to make sure they are accounted on that specific piece of data. there are a number of options for getting that number. some other states use the US HUD point in time counts which are sort of snapshot counts of the population that lacks housing at any given moment. but doesn't really

show the true picture as far as the total number of people who experience homelessness at some point in a given year for example.

**Jordan Gilmore -DHCD-**: but again, this is just kind of a broad overview of the factors, considerations, adjustments we're going to be looking at, in putting together a formula.

**Haley Lemieux -DHCD-**: And you can advance through the Thank So, we want to be upfront what we see as the pros and cons of this approach. so, I think a this aligns well with the overall baseline goals that we've set out to with the formula. it doesn't make more assumptions than we need to make. It relies on federal data sets that are updated annually and are available annually for Maryland jurisdictions. it's we think captures or intended to capture the variation in types of housing demand.

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**Haley Lemieux -DHCD-**: so for example the supply adjustments on removing seasonal and vacation homes will capture seasonal demand markets well and the adjustment for units that otherwise aren't available where they're vacant during most of the year due to foreclosure or repairs or for storage. that's a category in census data. will capture markets that have weaker demand Usually in stronger demand markets you don't see as many units held off the market over the long term.

**Haley Lemieux -DHCD-**: so on consistency across the state, capturing different demand, minimizing assumptions and being accessible for annual updates for the timelines that we have to meet. those are some pros that we see of this ula. and Jordan, if you can run through, I think two more bullets. Thank you. on some cons we are going to have to make some assumptions for smaller municipalities. broadly, that likely is going to be true, for, any formula or data source that we use on this. smaller geographies, data is typically just updated less frequently.

**Haley Lemieux -DHCD-**: one meaningful con that we've talked about as a team and are actively looking for feedback through this public session is that the household growth projections that we are using does bake in tight housing markets. so for example the Maryland Department of Planning household projections are all else equal. they do a cohort model. they have excellent methodology on their website if anyone is curious. Jordan and I are not the experts on their methodology.

**Haley Lemieux -DHCD-**: but for example that will assume that jurisdictions like Frederick will continue to grow and part of that part of those projections bacon areas where folks maybe would live elsewhere if they had the choice to but instead are opting for longer commutes and lower housing costs for their families. so the underlying dynamics that it's really challenging to afford some places in the state the underlying dynamics that it's really hard just to find housing options broadly in the state especially for lower income households are reflected in those five-year population projections.

**Haley Lemieux -DHCD-**: we to adjust for that, if we were to adjust for some kind of policy preference that job imbalances or jurisdictions with higher cost burdens should have higher targets. that would bump against our underlying desire not to build in too many additional assumptions into our targets. but that's a trade-off that we're actively looking for feedback on. and last, as we kind of touched on briefly, it doesn't break down the need for income level or set a target specifically for affordable deeprestricted units. part of this is that income level data, especially at the subjurisdiction level, is updated a lot less frequently.

**Haley Lemieux -DHCD-:** so a common source for that is HUD CHAZ data which typically is not updated annually. my understanding is it's released in fiveyear cycles typically. so that's something where again we'd need to build in more assumptions especially for smaller jurisdictions. we need to make new assumptions about how income mix will change over time. so yeah, those are some of the cons we see about breaking that down. but it's also something that other states have done and that other jurisdictions have done in quantifying and describing housing need and using it as an information tool.

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**Haley Lemieux -DHCD-:** broadly in whatever the department produces we will include recommendations for meeting housing need for a mix of income types. we've done a previous study, the housing needs assessment that looked at that data that was available to break out housing need by income level and can incorporate some of those findings in the housing targets. but broadly we're not anticipating at this point in time to set a specific unit count number or certain AMI bands. And again, something that we're actively looking to get feedback on.

**Jordan Gilmore -DHCD-:** So, as we mentioned at the very beginning, we're currently in the midst of the public engagement process for these housing production target calculations. we're accepting formal written comments through October 29th. one week after this and if you do have additional comments after today's meeting, please email those to that email address, the policy development. as I mentioned at the beginning, we will have a second public hearing on November the 19th. that'll be at the same time. also virtual. we'll share meeting the information about that meeting, including the link to join and everything over our website.

**Jordan Gilmore -DHCD-:** and our newsletter distribution list that goes out. my email as well as Haley's are also below if you have any specific questions for us. but at this point I will open things up to questions from those folks here. as Haley mentioned at the beginning we are asking that you please use the hand raised f feature. if you have a question and we'll go through and call on folks as they raise their hands,...

**Haley Lemieux -DHCD-:** And as soon as we admit you, you'll be able to speak. and camera on optional.

**Jordan Gilmore -DHCD-:** Peter, you can go ahead.

**Peter Engel:** Sorry, I had to click through the popups that were coming when you get accepted. so I just have two quick comments. One on methodology. I think u often what I discovered as I was trying to look into need was that the way local jurisdictions estimate demand is by counting the number of units that are planned to be built. not by some external demand based on actual sort of market demand. and that's a really difficult I talked with University of Maryland folks and others and it doesn't seem like anybody has an answer to that. birth rate migration are parts of it but they don't really address at a local jurisdictional level how that fits in.

**Peter Engel:** And coming from Howard County, we know that the demand is very high and is very different from the number of units being built and the birth rate. so I hope you can find some way to take that into account. I just think the market demand is quite different from the way these are second comment on the methodology is that it just occurred to me you may want to do two of these not just one but have one that is your standard that you use and sort of have one on the side that's like a check. There's no reason other than simplicity that I'm sorry there are good reasons to only have one but if you want to assure people

that your one is accurate maybe there's a secondary one that never varies by more than 5% or something so you're good.

**Peter Engel:** and then in terms of the plan overall, I want to say that personally and as the ard or executive director of the Howard County Housing Commission, the housing authority for Howard County, strongly support the effort that the governor has proposed in the department of housing is carrying out. there are truisms about only doing what you can measure. I think all many people now acknowledge in the state and the region that the lack of housing is a problem. not just at the affordable level but moving into missing middle and others. on the other hand, almost no one really wants more housing in their area. and so by demonstrating having a real tool that demonstrates what the shortfalls in their area and then by inference what that does to their own housing prices, I think will go a long way to allow people to see the real connection between the shortage and housing costs.

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**Peter Engel:** And having a target really will help us hold leaders accountable as well for whether or not they are pushing that way. And as you noted, the Washington COG group and hand, which is a big piece of the measurement, housing association of nonprofit developers has really allowed us to look at what is happening and say, okay, this demand is still out there. look, these jurisdictions are making a lot of progress. These aren't. and that would allow for further state action if necessary or other action. thank you. I'll get off the line now.

**Haley Lemieux -DHCD-:** Hey,

**Jordan Gilmore -DHCD-:** Yeah, Peter, thank you very much for those comments. and with regard to the problem I guess of projecting need at the local municipal level, as I mentioned when going through the factors we're looking at, that is kind of one of the gaps we have as far as the data we're looking at. I think I mentioned MDP does their household projections all the way out to 2045 I think but they only break those down at the county level not at the municipal level. so for Howard County that there are projections for the number of households every 5 years out to 2045 but not for individual jurisdictions in those counties. So that is something we're looking at and really appreciate the feedback on

**Haley Lemieux -DHCD-:** I'll add briefly. Yeah, our fundamental assumption right now is one household equals one home plus that target vacancy rate since people do you need some liquidity in the market, If there was one household for one home for every one household, then no one would be able to move ever because there wouldn't be units available. So that's kind of our underlying assumption on structure. I also can offer that our team is seriously thinking about how household formation is itself formed by housing market dynamics. So the Maryland Department of Planning projections take into account current migration trends and we know that out migration from the state is driven by our current high housing costs. so that's something that we frankly don't have a good way to adjust for.

**Haley Lemieux -DHCD-:** It's something that our team can keep talking about. It's something that other housing shortage estimates have done and addressed in different ways. but there are trade-offs and those approaches. so also welcome other feedback on general perspectives on that. Ryan Trout I'm going to add you to the participant

**Ryan Trout:** Thank you both so much for this presentation today. I really appreciate all the work that's gone into this. I'm just curious if you all might be able to speak to the data set used for unhoused

populations. and whether there was consideration of using the methodology that the school systems use to count unhoused populations which includes doubled up households which might give us a better projection on the number of units than needed in that particular jurisdiction and maybe some of the pros and cons you guys weigh to use the HUD data set instead.

**Ryan Trout:** Thank you.

**Jordan Gilmore -DHCD-:** Yeah, sure.

**Jordan Gilmore -DHCD-:** So, as I mentioned, that is one of the issues we're looking at. that those HUD point in time counts, are really just a sort of momentary snapshot, that don't really capture the full picture. we are planning to discuss this with our division of homeless solutions. I know they collect and analyze a lot of data with regard to that. so we are looking at options. I just mentioned the HUD point in time counts as something we looked at as an option, something other states use in coming up in making adjustments to their targets. but we are aware there are other ways of calculating that number, but yeah, definitely appreciate the comment and feedback on that.

**Haley Lemieux -DHCD-:** Stephen Palmer, I'm going to add you as a participant.

**Steven Palmer:** Thank you so much, Stephen Palmer from Housing and former Lehand. We very recently appreciate Peter's shout out to our housing indicator tool which tracks targets and progress in greater Baltimore and greater Washington. my comment was a little similar to Peter's. I wanted to kind of reinforce where housing is built is almost as important as how much housing is built. I think Haley you're right and you're both kind of described the difficulties with making those kind of targets given that this is about the need and that goes kind of more broadly than a particular neighborhood.

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**Steven Palmer:** I would point you to just as a good example the city of Washington DC set targets for overall housing production and they also I think admirably set planning area targets for each area. Obviously, it's a city. It's a different kind of setup, but they've hit their goal by a pretty decent margin, but their tracking shows very clearly that they are at, 250 plus% in low-income neighborhoods and, 12% I think in the kind of, high rent formerly exclusionary suburb, neighborhoods.

**Steven Palmer:** And so it may be different from the actual targets as this is about need, but I think it's an important question how you link where within particular counties and jurisdictions and cities housing gets built because I think that's kind of if you build as much housing as you need but it's doesn't desegregate and doesn't kind of correct the last century of wrongs in planning and housing development. I think it's a missed opportunity. So, I applaud the efforts. I think it's really important. I'm excited to hopefully see some of these targets make their way onto our housing indicator tool in the coming years once they're set. and always happy to help with all the above, but I do want to lift up that point that warehousing gets built is vital. Thank you.

**Jordan Gilmore -DHCD-:** Yeah, thank you, Stephen. and I fully agree with that. these housing production targets are not intended to be a dictate of, where these local jurisdictions have to build housing. that they're really intended to be kind of a guideline just to show how much more housing needs to be in order to satisfy that need. but of course where to allow that housing to be built is going to be up to the local

jurisdiction. but as Haley said companying in those annual reports we will include information about planning for that sort of thing.

**Jordan Gilmore -DHCD-:** building housing specifically where it is as well as the type of housing that is needed to meet that local jurisdictions's unique needs.

**Haley Lemieux -DHCD-:** Thanks, Stephen. Vincent, I'm going to add you as a participant.

**Vincent Rogers:** Can you hear me?

**Haley Lemieux -DHCD-:** Yes, they can hear you.

**Vincent Rogers:** Thanks. This is Vincent Rogers. I'm from Frederick County, Director of Housing here. I think this is a great effort. We applaud you, the state, for taking this action. I do think one thing that's going to be important is for the jurisdictions either through the comment period or through, proactive outreach from your office to find out from jurisdictions if they've already developed their own targets or are in the process of developing targets. And that's not to say that it would be something that would be kind of offered up as a distinction in the methodology that you've already come up with, but in order to avoid confusion particularly among affordable housing advocates to see, a number from a jurisdiction that might be quite a bit different from what is coming through this process.

**Vincent Rogers:** I think at least some kind of acknowledgment of what might have already been done at the local level and how that's kind of different from the target that might be coming from this and in some way kind of explaining the difference would be I think something that would be a benefit to people who are interested in this issue and want to know what the targets are per jurisdiction.

**Haley Lemieux -DHCD-:** Jordan, I can start on this one. No, Vincent, completely agree. and we should have covered this in the presentation. I can share that my current thinking on this to help balance our goal for a single statewide methodology with acknowledging just that there's been a lot of really good existing work in this area is to just report any regional targets that have been set. So, the, metropolitan Washington COG targets, we would just add as part of our report to show this is a target for this jurisdiction in Maryland under the COG process, that use this methodology. so that folks can see part of this nuance that we've had conversations around and also just acknowledge these existing work and can compare progress against both targets.

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**Haley Lemieux -DHCD-:** my thinking right now is that there would be targets set by a regional council. We know that our colleagues at the Baltimore regional COG are also working on a target setting quantifying process and not necessarily an local target. but that's something that we're open to. if jurisdictions have set targets themselves that they frequently use and would like to communicate in this document, we can do a round of feedback to ensure that work is captured. But thank you for the flag. very well taken. something that we're thinking about seriously.

**Vincent Rogers:** Thank you.

**Jordan Gilmore -DHCD-:** Yeah, I don't have anything to add to that, but yeah, Benzo, thank you very much for that feedback. Appreciate it.

**Vincent Rogers:** Just one follow-up question if I might. So, it's just going to be a number, it'll be just a 10,000 units or whatever it might be. That's the kind of the extent of what the target will be that's published. Okay.

**Jordan Gilmore -DHCD-:** Are there any other questions?

**Haley Lemieux -DHCD-:** Yeah, that's...

**Haley Lemieux -DHCD-:** what we're anticipating at this point in time. Yeah.

**Jordan Gilmore -DHCD-:** I don't see any other hands raised, but please feel free to do so. Peter, I just added you. Yeah.

**Peter Engel:** Yeah, thanks. It just prompted from the last question. and I guess would you think about breaking down the need into income bands of some sort because we know that while producing a lot of high-end housing does trickle down. There is an impact on the market overall. it's unlikely to take care of people at 30% of median certainly and probably not going to have a lot of impact on people at 50% of median in that range maybe but at the lower ends what you pay doesn't cover operating costs much less debt so I think it could be very helpful or at least from our advocacy point of view keeping in the public's eye the fact that this isn't just one market and that

**Peter Engel:** there really is a greater need at certain levels. Thanks.

**Haley Lemieux -DHCD-:** Yeah, absolutely. No, I'll start on this. We know that there are some households who are never going to be able to afford housing in the marketplace, Exactly like you said, the rents that they can pay will never cover the operating costs for a unit. that's something our team really strongly has in mind. but kind of covered some of the downsides in presenting that. it can become a more confusing education information tool when you have those larger lower income housing unit projections. that's something that our team has run into talking to stakeholders who make decisions on housing policy in the state.

**Haley Lemieux -DHCD-:** So it's something where we really want to communicate that need and we really want to emphasize the need below market rate units and for affordable financing units but I think at this point in time our team isn't anticipating to do that with a target number to say you need to build x number of 30% AMI units. I think our messaging approach is going to be you need to build as many 30% AMI units as your jurisdiction can support and here's a current snapshot of the needs in that population group.

**Haley Lemieux -DHCD-:** I think that's going to be our approach at this point in time rather than quantifying a target or a number to add.

**Peter Engel:** I would just suggest that ...

**Peter Engel:** because what might be best to publish could change over time that you build a methodology that would collect that data even if you don't use it now and it might be something that other entities could use. Howard County for instance might be interested in knowing that data. So if there's a way to gather that as part of your methodology whether or not you publish it as a single statistic I think I would find it helpful and as long as this effort is happening build towards the future not the current state would be I think good planning...

**Haley Lemieux -DHCD-:** Thank you, Peter.

**Peter Engel:** but I'll up to you obviously so thank you really appreciate the efforts

00:55:00

**Jordan Gilmore -DHCD-:** You can go ahead.

**Vincent Rogers:** Sorry, I just wanted to match Peter and comments overall. just so just in terms of what comes next, I just want to make sure that I'm completely clear will the numbers come out? What will happen after that is really just like an incentive incentivization for the municipalities to achieve that number by virtue of the leadership award. That's the extent to...

**Vincent Rogers:** which municipalities will kind of be asked to meet these goals.

**Jordan Gilmore -DHCD-:** ...

**Jordan Gilmore -DHCD-:** under the executive order, it authorizes DHC, to grant that housing leadership award to jurisdictions that either one are on track to meet or exceed their housing production targets or jurisdictions that enact policies or legislation that significantly promote the development of housing. And recipients of that award may be eligible to have bonus points awarded for applications for department funding for things like state revitalization programs CDBG funding all that sort of stuff. so that's the incentive correct that's the main thrust of the yearly report.

**Vincent Rogers:** And then you'll publish reports that show how we're all doing. Right. Good.

**Jordan Gilmore -DHCD-:** The first one of which is supposed to come out 1127.

**Vincent Rogers:** Thank you.

**Jordan Gilmore -DHCD-:** If there are no other questions, again, if you think of something after discussing with your teams, over the next couple weeks, please feel free to send a message to us. the email address up there at the top. once again, we will be having a second public hearing on housing production targets.

**Jordan Gilmore -DHCD-:** we'll hopefully be further along in the process then on November 19th virtually from noon to 1:00 p.m. so be on the lookout for an email in your inbox with the link and everything to that. but just again I wanted to thank everybody for participating in this process. we greatly appreciate the feedback suggestions, questions all that sort of thing. and again, we look forward to continuing to engage with folks from local jurisdictions as we go through this process. So, thank you once again. All right. Thanks everybody.

**Meeting ended after 00:58:22** 🙌

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