

## **Buddle\_FAV\_SB715**

Uploaded by: Buddle, Jeff

Position: FAV

# PROFESSIONAL FIRE FIGHTERS OF MARYLAND

JEFFREY D. BUDDLE, PRESIDENT  
JOHN F. QUIRK, SECRETARY TREASURER



THOMAS A. SKINNER, 1<sup>ST</sup> VICE PRESIDENT  
MELISSA L. BRAGG, 2<sup>ND</sup> VICE PRESIDENT

CHARTERED 1969

February 26, 2020

Senator Guy Guzzone, Chair  
Senate Budget and Taxation Committee  
3 West Miller Senate Office Building  
Annapolis, Maryland 21401

SUBJECT: Senate Bill 715 - Housing and Community Development - Affordable Housing Development Credit Program

Chairman Guzzone,

The Professional Fire Fighters of Maryland represents over 10,000 active and retired fire fighters and paramedics across the State of Maryland. On behalf of our members we strongly support Senate Bill 715 and urge the Senate Budget and Taxation Committee to issue **a favorable report**.

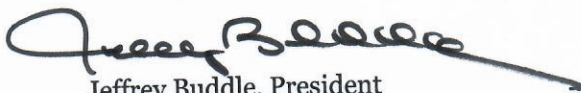
Senate Bill 715 would create a Maryland affordable housing tax credit that will match the existing federal Low-Income Housing Tax Credit to help garner new private investment that will help build more affordable housing units in Maryland. These units that will remain affordable for thirty years and require high quality building construction and maintenance. The Maryland Department of Housing and Community Development (DHCD) can implement program without additional administrative expenses because it already administers Maryland's application and awards processes for the federal housing credit program.

A \$5 million annual allocation of state credits could mean millions in new private investment in affordable housing, capturing unused federal tax credit dollars, and generating state and local revenue from residents of these new homes. Other states have implemented successful tax credits similar Senate Bill 715 and seen tremendous success, leading to the renewal and expansions of their programs.

Senate Bill 715 will help address the critical need for affordable housing in Maryland. Too many firefighters I represent cannot afford to live in the counties they serve. Some live in Pennsylvania and drive to Annapolis – or even further distances – because of the cost of housing. Since 2001 and adjusted for inflation, rents in Maryland have increased by 31% while wages have only gone up by 5%, according to the Center on Budget and Policy Priorities. Statewide on average it costs \$1,431 per month for a two-bedroom market-rate rental apartment, which requires an annual income of \$57,238 to afford that apartment, according to the National Low-Income Housing Coalition. Starting salaries for fire fighters are less than \$45,000 per year in some counties.

On behalf of all the members of the Professional Fire Fighters of Maryland we strongly support SB715 and urge the Senate Budget and Taxation Committee **to issue a favorable report**.

Sincerely

  
Jeffrey Buddle, President  
Professional Fire Fighters of Maryland

## **MoCo\_FAV\_SB715**

Uploaded by: County, Montgomery

Position: FAV



# Montgomery County

## Office of Intergovernmental Relations

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ROCKVILLE: 240-777-6550

ANNAPOLIS: 240-777-8270

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**SB 715**

**DATE: February 26, 2020**

**SPONSOR: Senator Guzzone, *et al.***

**ASSIGNED TO: Budget and Taxation**

**CONTACT PERSON: Amy Samman** (amy.samman@montgomerycountymd.gov)

**POSITION: SUPPORT** (Department of House and Community Affairs)

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### **Housing and Community Development – Affordable Housing Development Credit Program**

Senate Bill 715 creates a credit against the State income tax for the owner or developer of a low-income housing project that is a qualified development. The Secretary of the Department of Housing and Community Development may not approve a project unless the applicant demonstrates the tax credit is necessary for the financial viability of the development and must competitively award tax credits in a manner consistent with the State's qualified allocation plan under the federal low-income housing tax credit.

Montgomery County's Department of Housing and Community Development (DHCA) supports Senate Bill 715. Montgomery County has a severely rent burdened population. Ninety-two percent of our households earning under \$50,000 are spending over 30% of that income on housing, and 61% are spending over 50% of that income on housing. Montgomery County has over 80,000 households (22% of 370,000 total households) earning under \$50,000 (46% of the County median). The County currently has a shortage of over 20,000 units affordable to households with under 30% of the area median income (AMI). The recent Council of Governments' report on housing needs projects the County will need to support housing for an additional 11,000 households under 30% AMI in the next ten years.

Economic viability in every community requires supporting housing for all residents and the income tax credit created by Senate Bill 715 will assist Montgomery County in meeting its low-income housing needs.

For the foregoing reasons, DHCA respectfully requests a favorable Committee report for Senate Bill 715.

## **MoCo\_Samman\_FAV\_SB 715**

Uploaded by: Samman, Amy

Position: FAV



# Montgomery County

## Office of Intergovernmental Relations

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ROCKVILLE: 240-777-6550

ANNAPOLIS: 240-777-8270

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**SB 715**

**DATE: February 26, 2020**

**SPONSOR: Senator Guzzone, *et al.***

**ASSIGNED TO: Budget and Taxation**

**CONTACT PERSON: Amy Samman** (amy.samman@montgomerycountymd.gov)

**POSITION: SUPPORT** (Department of House and Community Affairs)

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### **Housing and Community Development – Affordable Housing Development Credit Program**

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Economic viability in every community requires supporting housing for all residents and the income tax credit created by Senate Bill 715 will assist Montgomery County in meeting its low-income housing needs.

For the foregoing reasons, DHCA respectfully requests a favorable Committee report for Senate Bill 715.

## **Scott\_FAV\_SB715**

Uploaded by: Scott, Brandon

Position: FAV



**Brandon M. Scott**  
*President*  
Baltimore City Council

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e-mail: [councilpresident@baltimorecity.gov](mailto:councilpresident@baltimorecity.gov)

**SB 715**

February 25, 2020

**TO:** The Honorable Members of the Senate Budget and Taxation Committee

**FROM:** The Honorable Brandon M. Scott, President of the Baltimore City Council

**RE:** SENATE BILL 715 – Housing and Community Development –  
Affordable Housing Development Credit Program

**POSITION: SUPPORT**

I write to you in **support** of Senate Bill 751. This bill will address the issue of affordable housing in Maryland through a new state tax credit that will help generate more private investment in affordable housing projects.

Affordable housing is a vital need in Baltimore City. Too many families in our city struggle with finding and staying in housing that is safe, stable, and affordable. Senate Bill 715 would help to address these issues in our city by incentivizing private investment in affordable housing. Baltimore has a problem with homes and apartments that are improperly maintained or otherwise substandard. As these funds can also be used to help renew old housing units and make them affordable, we can help to address that problem as well.

There is significant instability and upheaval to a family's life when they are forced to move because they can no longer afford their current home. It also can disrupt neighborhoods and communities. Creation of housing units that are affordable over the long-term is vital. Under your proposed program in Senate Bill 715, any new construction created with this Maryland affordable housing tax credit will remain affordable for thirty years. They must also be constructed to high standards and be well maintained as these projects must adhere to the existing federal Low-Income Housing Tax Credit regulations.

As this bill will address the critical need for affordable housing in Baltimore City and the rest of Maryland, I urge you to move for a **favorable** report on Senate Bill 715.



## **Garagiola\_FWA\_SB715**

Uploaded by: Garagiola, Rob

Position: FWA

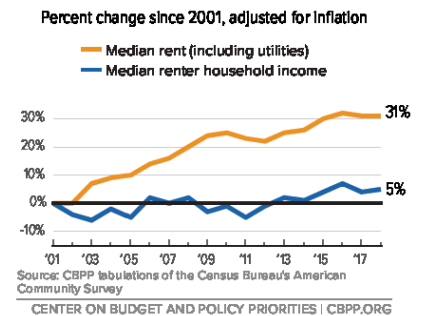
# MORE HOUSING FOR MARYLAND'S WORKING FAMILIES

## SUPPORT SB 715 To Spur Private Investment In New Affordable Housing

### MARYLAND IS FACING A LOOMING HOUSING CRISIS AND NEEDS TO BUILD MORE UNITS

- 🏠 Over the next decade, 320,000 new housing units are needed in the Washington Metro Area alone. That is an increase of 75,000 over current targets, according to a 2019 report by the Metropolitan Washington Council of Governments. The COG set a target of at least 75% or 240,000 of these units should be affordable to low- and middle-income households.
- 🏠 More than 178,000 Maryland families pay more than half of their monthly income on rent, leaving too little for expenses like health care, transportation, and nutritious food. Housing is considered unaffordable when it costs more than 30 percent of a household's income.
- 🏠 In 2019, the Maryland Department of Housing & Community Development (DHCD) received 47 applications requesting \$122 million in financing but was only able to award \$44 million to 15 projects totaling 1,837 units. This record number of applications and units financed illustrates the demand for this funding.
- 🏠 While many Maryland affordable homes are financed using the federal Low-Income Housing Tax Credit (Housing Credit) and the Maryland Rental Housing Works Program among other programs, Maryland does not use all of its Federal affordable housing credits. Additional incentives are necessary to meet the growing need for these homes.

### Rents Have Risen Dramatically; Income Has Not



### Maryland Housing by The Numbers

8 <sup>th</sup>	In Nation for Cost of Housing
33%	Of State Rents
\$1,431	Avg 2-Bdrm Market-Rate Rent
\$57,238	Income to Afford Avg Market-Rate 2-Bdrm

### THE SOLUTION | SB 715 A Maryland State Housing Credit

- 🏠 Establish a Maryland affordable housing tax credit that will match the federal housing credit to help create new private investment and expand access to federal tax credits.
- 🏠 The Maryland tax credit can be implemented without additional costs as DHCD previously administered the federal housing credit program in the state.
- 🏠 A \$5 million annual allocation for 6 years of state credits could mean millions in new private investment in affordable housing and generating state and local revenue from residents of these new homes.
- 🏠 Federal tax credit regulations can be applied to the state credit to assure that the homes remain affordable for thirty years and require high quality building construction and maintenance.
- 🏠 The annual state credits paired with federal credits helps to lower the leverage needed for developers to complete so-called 9% deals.

### PROGRAM OVERVIEW

#### EASY IMPLEMENTATION

State housing tax credit uses existing federal housing credit infrastructure at no additional administrative cost.

#### GUARANTEED HIGH-QUALITY HOUSING

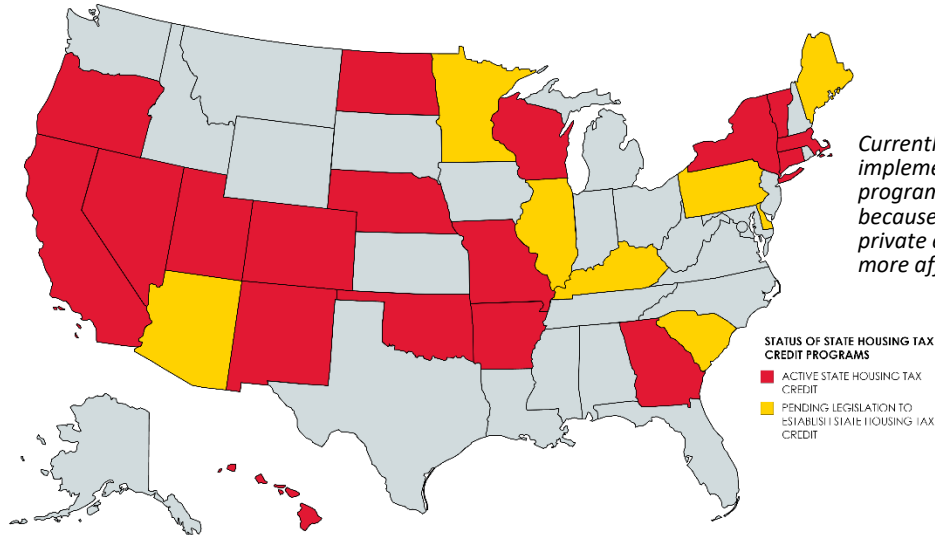
On top of DHCD oversight, investors monitor performance to ensure quality affordable housing that serves families, enhances neighborhoods, and protects the state's investment

#### LONG TERM AFFORDABILITY

The state housing tax credit agreement runs 30 years to preserve affordability for an extended period.

**MANY OTHER STATES MAXIMIZE FEDERAL AFFORDABLE HOUSING TAX CREDIT FUNDS**

## WITH A STATE-LEVEL TAX CREDIT PROGRAM



### COLORADO

Between 2015 and 2018, CO's state affordable housing tax credit program directly supported the development of 4,796 affordable rental units and enabled the state Housing Finance Agency to support 15,312 units using state and/or federal Housing Credits. CO renewed their state housing tax credit through 2024, citing the credit's ability to leverage over \$465 million in private sector investment that otherwise would not have occurred.

### GEORGIA

State credits issued to projects for the first three years of the program in GA enabled the construction of a total of 25,007 units of affordable housing, resulting in a total economic impact of \$4.47 billion for the state and the creation of 12,000 jobs.

### WISCONSIN

Since its establishment in 2018, the Wisconsin State Tax Credit Program has supported the development of 1,861 affordable rental homes. The year after the program was implemented the number of affordable units generated through tax credits nearly doubled.

#### For More Information Contact:

##### Government Relations

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##### Coalition & Media Contact

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## **Garagiola\_FWA\_SB715**

Uploaded by: Garagiola, Rob

Position: FWA

SPRING 2018 COMPETITIVE FUNDING ROUND - AUGUST 30, 2018

Applicant/Project Sponsor	Site Location and Address	Primary Population Served	Units	PWD and Special Needs Units	Total Project Costs	Requested LIHTC	Requested Rental Housing Program/HOME Funds	Requested PRHP	Approved LIHTC	Approved Rental Housing Program/HOME Funds	Approved PRHP
<b>Anne Arundel</b>											
Pennrose, LLC & Housing Authority of the City of Annapolis	<b>Newtowne 20</b> 810A Brooke Court, Annapolis, MD 21401	FAM	86	13	\$ 24,880,934	\$ 1,500,000	\$ 2,000,000	\$ 1,875,000	\$ -	\$ -	\$ -
Woda Cooper Development, Inc. & Interfaith Housing Alliance, Inc.	<b>Culver Crossing</b> Aris T. Allen Blvd, Annapolis, MD 21401	FAM	30	5	\$ 17,974,219	\$ 1,465,564	\$ 1,945,000	\$ -	\$ -	\$ -	\$ -
Woda Cooper Development, Inc. & Interfaith Housing Alliance, Inc.	<b>Brock Bridge Landing</b> 7902 Brock Bridge Road, Jessup, MD 20794	FAM	38	6	\$ 18,940,931	\$ 1,500,000	\$ 2,000,000	\$ -	\$ 1,500,000	\$ 2,000,000	\$ -
			154	24	\$ 61,796,084	\$ 4,465,564	\$ 5,945,000	\$ 1,875,000	\$ 1,500,000	\$ 2,000,000	\$ -
<b>Baltimore City</b>											
SCG Development Partners, LLC	<b>Fayette Apartments</b> 19 E. Fayette Street, Baltimore, MD 21202	FAM	27	7	\$ 11,493,184	\$ 712,742	\$ 1,364,000	\$ -	\$ -	\$ -	\$ -
Episcopal Housing Corporation & French Development, LLC	<b>Four Ten Lofts</b> 410 N. Eutaw Street, Baltimore, MD 21201	FAM	76	20	\$ 23,357,556	\$ 1,500,000	\$ 2,000,000	\$ -	\$ 1,500,000	\$ 2,000,000	\$ -
Unity Properties, Inc.	<b>Bon Secours Apartments V</b> 31 N. Fulton Avenue, Baltimore, MD 21223	FAM	58	13	\$ 20,853,542	\$ 1,500,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -
Mission First Housing Development Corporation & The Henson Development Group	<b>520 Somerset Apartments</b> 520 Somerset Street, Baltimore, MD 21202	FAM	69	11	\$ 23,995,147	\$ 1,499,850	\$ 1,500,000	\$ 1,000,000	\$ 1,499,850	\$ 1,500,000	\$ 1,000,000
Osprey Property Company, LLC & The Women's Housing Coalition	<b>22 Light</b> 22 Light Street, Baltimore, MD 21202	FAM	40	6	\$ 20,279,693	\$ 1,498,767	\$ 1,720,000	\$ -	\$ 1,498,767	\$ 1,720,000	\$ -
Osprey Property Company, LLC	<b>Flamingo Place Apartments</b> 3900-3934 Flamingo Place, Baltimore, MD 21211	FAM	47	8	\$ 17,714,041	\$ 1,478,970	\$ 150,000	\$ -	\$ 1,478,970	\$ 150,000	\$ -
The Community Builders, Inc.	<b>The Ashbie</b> 1213 Madison Avenue, Baltimore, MD 21217	FAM	53	8	\$ 17,453,070	\$ 1,383,802	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -
Enterprise Homes, Inc.	<b>The Oaks at Frankford</b> 5521 Frankford Avenue, Baltimore, MD 21206	FAM	67	11	\$ 20,071,320	\$ 1,500,000	\$ 1,800,000	\$ -	\$ -	\$ -	\$ -
			437	84	\$ 155,217,553	\$ 11,074,131	\$ 12,534,000	\$ 1,000,000	\$ 5,977,587	\$ 5,370,000	\$ 1,000,000
<b>Baltimore County</b>											
Homes for America, Inc. & New Harbor Development	<b>Red Maple Place</b> Joppa Road/Fairmont Avenue, Towson, MD 21286	FAM	56	9	\$ 23,779,603	\$ 1,500,000	\$ 2,000,000	\$ -	\$ 1,500,000	\$ 2,000,000	\$ -
Conifer Realty LLC & Episcopal Housing Corporation	<b>The Enclave at Lyons Mill</b> 9307 Lyons Mill Road, Owings Mills, MD 21117	FAM	53	8	\$ 19,417,637	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -
Osprey Property Company, LLC	<b>Towns at Padonia</b> 100 Long Vista Court, Lutherville, MD 21093	FAM	26	4	\$ 15,443,558	\$ 1,265,000	\$ -	\$ -	\$ 1,265,000	\$ -	\$ -
Telesis Baltimore Corporation & CT Development Partners	<b>Lyon Homes, Phase II</b> 415 New Pittsburg Avenue, Dundalk, MD 21222	FAM	90	22	\$ 22,398,452	\$ 1,500,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -
			225	43	\$ 81,039,250	\$ 5,765,000	\$ 4,000,000	\$ -	\$ 4,265,000	\$ 2,000,000	\$ -
<b>Carroll</b>											
ReBuild Metro, Inc. & MBID of Delaware, LLC	<b>Willows at Westminster</b> 214 Pennsylvania Avenue, Westminster, MD 21157	FAM	40	6	\$ 12,726,790	\$ 1,074,190	\$ 1,890,000	\$ -	\$ -	\$ -	\$ -
Green Street Housing, LLC & REBJ, Inc.	<b>Carrolltowne Village</b> 6500 Carrolltowne Village Drive, Eldersburg, MD 21784	FAM	38	6	\$ 15,596,232	\$ 1,207,170	\$ -	\$ -	\$ 1,207,170	\$ -	\$ -
Conifer Realty, LLC & Interfaith Housing Alliance, Inc.	<b>Westminster Way</b> 19, 27, 41 Union Street, and 312, 314, 316, 318, 322 W. Main Street, Westminster, MD 21157, 21158	FAM	55	9	\$ 19,511,012	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -
Foundation Development Group, LLC & Pax-Edwards, LLC	<b>Taneytown Crossing</b> Harney Road and Westview Drive, Taneytown, MD 21787	FAM	36	6	\$ 14,604,287	\$ 1,293,849	\$ -	\$ -	\$ 1,293,849	\$ -	\$ -
			169	27	\$ 62,438,321	\$ 5,075,209	\$ 1,890,000	\$ -	\$ 4,001,019	\$ -	\$ -
<b>Cecil</b>											
Elkton Housing Authority & MBID of Delaware, LLC	<b>Willows at Rudy Park</b> 100-315 Rudy Park, Elkton, MD 21921	FAM	68	11	\$ 17,633,908	\$ 1,436,109	\$ -	\$ -	\$ 1,436,109	\$ -	\$ -
			68	11	\$ 17,633,908	\$ 1,436,109	\$ -	\$ -	\$ 1,436,109	\$ -	\$ -
<b>Frederick</b>											
Interfaith Housing Alliance, Inc. & PIRHL Developers, LLC	<b>499 West Patrick Apartments</b> 499 West Patrick Street, Frederick, MD 21701	FAM	40	6	\$ 15,662,793	\$ 1,345,481	\$ -	\$ -	\$ -	\$ -	\$ -
			40	6	\$ 15,662,793	\$ 1,345,481	\$ -	\$ -	\$ -	\$ -	\$ -

Applicant/Project Sponsor	Site Location and Address	Primary Population Served	Units	PWD and Special Needs Units	Total Project Costs	Requested LIHTC	Requested Rental Housing Program/HOME Funds	Requested PRHP	Approved LIHTC	Approved Rental Housing Program/HOME Funds	Approved PRHP
<b>Garrett</b>											
<b>Chautauqua Park West</b>											
Garrett County MD Community Action Committee, Inc.	Ringer Drive, 100-600 Pleasant View Lane, 108 Decatur Street, Oakland/Loch Lynn/Mt. Lake Park, MD 21550	FAM	77	12	\$ 21,624,202	\$ 1,500,000	\$ 2,000,000	\$ -	\$ 1,500,000	\$ 2,000,000	\$ -
			77	12	\$ 21,624,202	\$ 1,500,000	\$ 2,000,000	\$ -	\$ 1,500,000	\$ 2,000,000	\$ -
<b>Harford</b>											
Homes for America, Inc. & New Harbor Development	<b>Homes for Fountain Green</b> 1900 N Fountain Green Road, Bel Air, MD 21014	FAM	72	11	\$ 22,067,947	\$ 1,500,000	\$ 1,800,000	\$ -	\$ 1,500,000	\$ 1,800,000	\$ -
Pax-Edwards, LLC, Osprey Property Company, LLC & Harford Community Action Agency, Inc.	<b>Benson's Corner</b> 1700 Harford Road, Fallston, MD 21047	FAM	56	9	\$ 20,852,760	\$ 1,500,000	\$ 2,000,000	\$ -	\$ 1,500,000	\$ 2,000,000	\$ -
Pax-Edwards, LLC, Osprey Property Company, LLC & Harford Community Action Agency, Inc.	<b>Riverwoods at Tollgate II</b> 3803 Monument Circle, Abingdon, MD 21009	FAM	57	9	\$ 18,542,925	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -
Green Street Housing, LLC, REBJ, Inc. & Harford County Community Action Agency, Inc.	<b>Village at Blenheim Run</b> 1919 & 1921 Pulaski Hwy, Havre de Grace, MD 20178	FAM	51	8	\$ 17,963,841	\$ 1,500,000	\$ 650,000	\$ -	\$ 1,500,000	\$ 650,000	\$ -
Delaware Valley Development Company & Housing Commission of Talbot	<b>Hillcrest at Havre de Grace</b> 1001 Graceview Drive, Havre de Grace, MD 21078	FAM	45	8	\$ 17,339,419	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -
Enterprise Homes, Inc.	<b>Melrose Place</b> 1700 Melrose Lane, Forest Hill, MD 21050	FAM	36	6	\$ 13,147,186	\$ 1,110,395	\$ 710,000	\$ -	\$ -	\$ -	\$ -
			317	51	\$ 109,914,078	\$ 8,610,395	\$ 6,660,000	\$ -	\$ 6,000,000	\$ 4,450,000	\$ -
<b>Howard</b>											
J. Kirby Development & Housing County Housing Commission	<b>Riverwatch Phase II</b> 5635 and 5659 Furnace Avenue, Elkridge, MD 21075	FAM	58	9	\$ 20,673,602	\$ 1,422,751	\$ -	\$ -	\$ 1,422,751	\$ -	\$ -
Woda Cooper Development, Inc.	<b>Robinson Overlook</b> 7410 Grace Drive, Columbia, MD 21044	FAM	48	8	\$ 17,962,838	\$ 1,361,659	\$ 1,875,000	\$ -	\$ 1,361,659	\$ 1,875,000	\$ -
Enterprise Homes, Inc.	<b>Ranleagh Court</b> 5951-6033 Turnabout Lane, Columbia, MD 21044	FAM	76	12	\$ 26,323,978	\$ 1,173,372	\$ -	\$ -	\$ -	\$ -	\$ -
Enterprise Homes, Inc.	<b>Roslyn Rise</b> 10301-10421 Twin Rivers Road, Columbia, MD	FAM	126	17	\$ 43,481,773	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
			308	46	\$ 108,442,191	\$ 5,457,782	\$ 1,875,000	\$ -	\$ 2,784,410	\$ 1,875,000	\$ -
<b>Montgomery</b>											
RST Development, LLC	<b>Main Street Apartments</b> 59 Monroe Place, Rockville, MD 20850	FAM	70	17	\$ 32,095,294	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -
REBJ, Inc. & Montgomery Housing Partnership	<b>Sligo Apartments</b> 715-719 Sligo Avenue, Silver Spring, MD 20910	FAM	42	7	\$ 18,418,961	\$ 1,430,000	\$ -	\$ -	\$ -	\$ -	\$ -
Housing Opportunities Commission of Montgomery County	<b>900 Thayer Apartments</b> 8240 Fenton Street, Silver Spring, MD 20910	FAM	69	11	\$ 27,297,135	\$ 1,518,750	\$ -	\$ -	\$ -	\$ -	\$ -
			181	35	\$ 77,811,390	\$ 4,448,750	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -
Pennrose, LLC & Foundation Development Group, LLC	<b>Prince George's Vansville Square</b> 11701 Old Baltimore Pike, Beltsville, MD 20705	FAM	80	12	\$ 24,459,940	\$ 1,500,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -
Pennrose, LLC & Redevelopment Housing Authority of Prince George's County	<b>Glenarden Phase 2B</b> 8405 Hamlin Street, Lanham, MD 20706	FAM	104	16	\$ 34,561,301	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -
			184	28	\$ 59,021,241	\$ 3,000,000	\$ 3,500,000	\$ -	\$ -	\$ -	\$ -
<b>Somerset</b>											
NHP Foundation & Housing Commission of Talbot	<b>Princess Anne Townhomes</b> 30475 Pine Knoll Drive, Princess Anne, MD 21853	FAM	120	18	\$ 25,912,618	\$ 1,500,000	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -
Enterprise Homes, Inc.	<b>The Reserve at Somerset Commons Phase II</b> 30520 Hickory Road, Princess Anne, MD 21853	FAM	54	9	\$ 14,274,801	\$ 1,252,904	\$ 945,000	\$ -	\$ 1,252,904	\$ 945,000	\$ -
			174	27	\$ 40,187,419	\$ 2,752,904	\$ 3,445,000	\$ -	\$ 1,252,904	\$ 945,000	\$ -
<b>Worcester</b>											
Homes for America, Inc.	<b>Homes at Berlin and Pleasant Manor</b> 113 Flower Street, 115 Flower Street and 545 Bay Street, 301 S. Church Street, Berlin/Snow Hill, MD 21811/21863	FAM	85	13	\$ 16,705,266	\$ 1,145,971	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -
			85	13	\$ 16,705,266	\$ 1,145,971	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -
			2419	407	\$ 827,493,696	\$ 56,077,296	\$ 43,849,000	\$ 2,875,000	\$ 30,217,029	\$ 18,640,000	\$ 1,000,000

## **Garagiola\_FWA\_SB715**

Uploaded by: Garagiola, Rob

Position: FWA

SPRING 2019 COMPETITIVE FUNDING ROUND - JULY 31, 2019

Applicant/Project Sponsor	County/Address	Primary Population Served	Units	Targeted Population Units	Community Context	Total Project Costs	Requested LIHTC	Requested RHF/HOME Funds	Requested PRHP	Approved LIHTC	Approved RHF/HOME Funds	Approved PRHP
<b>Anne Arundel</b>												
Taft-Mills Group, LLC	Church Creek Crossing Aris T. Allen Blvd Annapolis, MD 21401	FAM	30	6	COO/Small DDA	\$ 18,006,890	\$ 1,500,000	\$ 800,000	\$ -	\$ -	\$ -	\$ -
Woda Cooper Development Inc.	Millersview Crossing 619 Brightview Road Millersville, MD 21108	ELD	54	10	COO/Small DDA	\$ 16,508,614	\$ 1,500,000	\$ 1,900,000	\$ -	\$ 1,490,000	\$ 2,000,000	\$ -
Woda Cooper Development, Inc.	The Reserve at Severna Park 211 Ritchie Highway Severna Park, 21146	FAM	30	6	COO/Small DDA	\$ 19,621,056	\$ 1,500,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -
			114	22		\$ 54,136,560	\$ 4,500,000	\$ 4,700,000	\$ -	\$ 1,490,000	\$ 2,000,000	\$ -
<b>Baltimore City</b>												
Mission First Housing Development Corporation	420 Aisquith 420 North Aisquith Street Baltimore, MD 21202	FAM	64	10	QCT/OZ	\$ 25,484,838	\$ 1,500,000	\$ 1,100,000	\$ -	\$ -	\$ -	\$ -
Unity Properties	Bon Secours Apartments V 31 N Fulton, 25,34,41,47,51,105,107,109,111,119,120,121,122,124, 125,126 S Fulton Ave Baltimore, MD 21223	FAM	58	12	QCT/OZ	\$ 21,336,090	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
Foundation Development Group, LLC	Canton Overlook I 1617 Broening Highway Baltimore, MD 21224	FAM	63	13	QCT/OZ	\$ 19,787,648	\$ 1,500,000	\$ 1,900,000	\$ -	\$ -	\$ -	\$ -
Homes for America, Inc	Carrollton Place 302 N Smallwood Street Baltimore, MD 21223	FAM	54	11	QCT/OZ	\$ 18,687,576	\$ 1,500,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -
Conifer Realty, LLC	Cold Spring Lane 3003, 3005, 3025 West Cold Spring Lane, 2928, 3006 Boarman Ave Baltimore, MD 21215	FAM	56	12	QCT	\$ 16,011,090	\$ 1,492,069	\$ -	\$ -	\$ 1,492,069	\$ -	\$ -
Osprey Property Company II LLC/Pax Edwards, LLC	Parkway Overlook 1600 N Hilton St Baltimore, 21216	FAM	62	13	QCT	\$ 19,321,097	\$ 1,500,000	\$ 2,000,000	\$ -	\$ 1,500,000	\$ 2,000,000	\$ -
McCormack Baron Salazar, Inc	Perkins Phase I 1401 E. Pratt Street Baltimore, 21231	FAM	102	13	QCT/OZ	\$ 35,648,781	\$ 1,500,000	\$ 2,000,000	\$ 2,500,000	\$ -	\$ -	\$ -
Pax Edwards, LLC & Osprey Property Company II LLC	Rosemont Gardens 2304 Winchester Street Baltimore, MD 21216	FAM	68	14	QCT/OZ	\$ 19,885,529	\$ 1,500,000	\$ 2,000,000	\$ -	\$ 1,500,000	\$ 2,000,000	\$ -
Episcopal Housing Corporation, Health Care for the Homeless	Sojourner Place at Wolfe 1402 N. Wolfe Street Baltimore, MD 21213	PSH	70	35	QCT/OZ	\$ 19,761,836	\$ 1,500,000	\$ 2,000,000	\$ -	\$ 1,500,000	\$ 2,000,000	\$ -
Pennrose, LLC	St. Benedict Row 2612 St. Benedict Street Baltimore, MD 21223	FAM	68	14	QCT	\$ 20,572,932	\$ 1,500,000	\$ 655,000	\$ -	\$ -	\$ -	\$ -
The Community Builders, Inc.	The Ashbie 1213 Madison Avenue Baltimore, MD 21217	FAM	53	10	QCT/OZ	\$ 19,157,840	\$ 1,500,000	\$ 850,000	\$ -	\$ -	\$ -	\$ -
Enterprise Homes Inc	The Greens at Irvington Mews 2 200 Block of Woodington Ave, Baltimore,MD 21229	ELD	57	12	QCT	\$ 16,465,266	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
Pennrose, LLC	Uplands Rental Phase II 4625 Edmondson Ave Baltimore, MD 21229	FAM	111	23	QCT	\$ 29,588,590	\$ 1,500,000	\$ 950,000	\$ -	\$ -	\$ -	\$ -
CHAI	Woodland Gardens I 4701 Park Heights Avenue Batimore, MD 21215	ELD	80	8	QCT/OZ	\$ 18,905,196	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -
			966	200		\$ 300,614,309	\$ 20,992,069	\$ 15,955,000	\$ 2,500,000	\$ 5,992,069	\$ 6,000,000	\$ -
<b>Baltimore County</b>												
CT Development Partners & Telesis Baltimore Corporation	Henrietta Lacks Village at Lyon Homes 411 New Pittsburg Ave Turner Station, MD 21222	FAM	90	20	QCT/OZ	\$ 23,444,105	\$ 1,500,000	\$ 1,670,000	\$ -	\$ 1,500,000	\$ 1,670,000	\$ -
			90	20		\$ 23,444,105	\$ 1,500,000	\$ 1,670,000	\$ -	\$ 1,500,000	\$ 1,670,000	\$ -
<b>Caroline</b>												
Volunteers of America National Services	Tanyard Branch Apartments 2 127 Interfaith Avenue Federalsburg, MD 21632	FAM	32	5	QCT/OZ	\$ 12,337,682	\$ 1,149,084	\$ 17,959,924	\$ -	\$ -	\$ -	\$ -
			32	5		\$ 12,337,682	\$ 1,149,084	\$ 17,959,924	\$ -	\$ -	\$ -	\$ -
<b>Carroll</b>												
ReBuild Metro, Inc. and MBID of Delaware, LLC	Willows at Westminster 214 Pennsylvania Avenue Westminster, MD 21157	FAM	40	8	COO/OZ	\$ 13,567,312	\$ 1,251,478	\$ -	\$ -	\$ -	\$ -	\$ -
			40	8		\$ 13,567,312	\$ 1,251,478	\$ -	\$ -	\$ -	\$ -	\$ -



Applicant/Project Sponsor	County/Address	Primary Population Served	Units	Targeted Population Units	Community Context	Total Project Costs	Requested LIHTC	Requested RHF/HOME Funds	Requested PRHP	Approved LIHTC	Approved RHF/HOME Funds	Approved PRHP
<b>Charles</b>												
Enterprise Homes Inc	La Plata Gardens Washington Ave LaPlata, MD 20646	FAM	72	12	COO	\$ 20,625,000	\$ 1,500,000	\$ 600,000	\$ -	\$ -	\$ -	\$ -
			72	12		\$ 20,625,000	\$ 1,500,000	\$ 600,000	\$ -	\$ -	\$ -	\$ -
<b>Frederick</b>												
Taft-Mills Group, LLC	Baker Overlook 499 W. Patrick Street Frederick, MD 21701	FAM	40	8	COO	\$ 16,912,245	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
Pax Edwards, LLC	Hamilton Station 33 Hamilton Ave Frederick, MD 21701	FAM	56	12	QCT/OZ	\$ 19,518,683	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
Taft-Mills Group, LLC	Manchester Reserve 5614 New Design Road Frederick, MD 21703	FAM	30	6	COO	\$ 18,912,577	\$ 1,500,000	\$ 1,725,000	\$ -	\$ -	\$ -	\$ -
Conifer Realty, LLC	Overlook East 423 A, 423B, and 423 1/2 E. Patrick Street Frederick, MD 21701	FAM	43	9	QCT/OZ	\$ 17,828,293	\$ 1,475,802	\$ -	\$ -	\$ -	\$ -	\$ -
SCG Development Partners, LLC, Housing Authority of City of Frederick, New Harbor Development, LLC	South Street Centre 110 W South Street Frederick, MD 21701	FAM	56	12	QCT/OZ	\$ 22,425,160	\$ 1,500,000	\$ 2,000,000	\$ 750,000	\$ 1,500,000		\$ 2,750,000
Taft-Mills Group, LLC	The Residences at Railroad Square 9 S. Maple Avenue Brunswick, MD 21716	FAM	45	9	QCT/OZ	\$ 19,996,252	\$ 1,500,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -
			270	56		\$ 115,593,210	\$ 8,975,802	\$ 5,725,000	\$ 750,000	\$ 1,500,000	\$ -	\$ 2,750,000
<b>Harford</b>												
Homes for America	Harbour Hills 1001 Graceview Drive, Quarry Road, and Level Road Havre de Grace, MD 21078	FAM	60	12	COO	\$ 20,255,284	\$ 1,500,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -
			60	12		\$ 20,255,284	\$ 1,500,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -
<b>Howard</b>												
Howard County Housing Commission	Artist Flats 5910 Symphony Woods Road Columbia, MD 21044	FAM	53	11	COO/Small DDA	\$ 23,681,213	\$ 1,500,000	\$ -	\$ 2,845,480	\$ 1,500,000	\$ -	\$ 2,845,480
Homes for America	Ellicott Gardens Two 5511 and 5513 Waterloo Road Ellicott City, MD 21043	FAM	70	14	COO	\$ 25,368,678	\$ 1,500,000	\$ 550,000	\$ -	\$ 1,500,000	\$ 550,000	\$ -
Enterprise Homes Inc.	Ranleagh Court 5951-6033 Ranleagh Court Columbia, MD 21044	FAM	76	11	COO/Small DDA	\$ 27,089,882	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
Enterprise Homes Inc	Residences at Roslyn Rise 10301-10421 Twin Rivers Road, Columbia, MD 21044	FAM	59	9	COO/Small DDA	\$ 26,105,962	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -
			258	45		\$ 102,245,735	\$ 6,000,000	\$ 550,000	\$ 2,845,480	\$ 4,500,000	\$ 550,000	\$ 2,845,480
<b>Kent</b>												
Green Street Housing, LLC & REBJ, Inc	Brookmeadow Apartments 150 & 160 Flatland Road Chestertown, MD 21620	FAM	67	14	QCT/OZ	\$ 18,973,512	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
			67	14		\$ 18,973,512	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Montgomery</b>												
Montgomery Housing Partnership, Inc	Residences at Forest Glen 2106 Belvedere Blvd Silver Spring, 20902	FAM	53	9	COO	\$ 24,719,544	\$ 1,500,000	\$ 2,500,000	\$ -	\$ 1,500,000	\$ 2,000,000	\$ -
REBJ, Inc & Montgomery Housing Partnership	Sligo Apartments 715 Sligo Avenue Silver Spring, 20910	FAM	35	7	COO	\$ 16,617,559	\$ 1,475,000	\$ -	\$ -	\$ -	\$ -	\$ -
			88	16		\$ 41,337,103	\$ 2,975,000	\$ 2,500,000	\$ -	\$ 1,500,000	\$ 2,000,000	\$ -
<b>Prince George's</b>												
Pennrose, LLC	Glenarden Hills Phase 2B 8405 Hamlin Street Lanham, MD 20706	FAM	104	12	QCT/OZ	\$ 31,926,566	\$ 1,500,000	\$ -	\$ 375,000	\$ -	\$ -	\$ -
Victory Housing, Inc.	Victory Commons 2317 Brinkley Road Fort Washington, 20744	ELD	80	0		\$ 22,552,036	\$ 1,500,000	\$ 750,000	\$ -	\$ -	\$ -	\$ -
Pax Edwards, LLC	Woodyard Station 8999 Woodyard Road Clinton, MD 20735	FAM	46	10	DDA	\$ 18,697,115	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -
			230	22		\$ 73,175,717	\$ 4,500,000	\$ 750,000	\$ 375,000	\$ 1,500,000	\$ -	\$ -

Applicant/Project Sponsor	County/Address	Primary Population Served	Units	Targeted Population Units	Community Context	Total Project Costs	Requested LIHTC	Requested RHF/HOME Funds	Requested PRHP	Approved LIHTC	Approved RHF/HOME Funds	Approved PRHP
<b>St. Mary's</b>												
Conifer Realty, LLC	Patuxent Cove II 22014 Pegg Road Lexington Park, MD 20653	FAM	38	8	COO/OZ	\$ 12,804,510	\$ 1,200,389	\$ -	\$ -	\$ -	\$ -	\$ -
			38	8		\$ 12,804,510	\$ 1,200,389	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Talbot</b>												
Pennrose, LLC	Doverbrook Apartments 705 Dover Road Easton, MD 21601	FAM	72	15	COO/OZ/DDA	\$ 23,115,674	\$ 1,500,000	\$ 2,000,000	\$ 1,650,000	\$ -	\$ -	\$ -
Delaware Valley Development Company	Port Street Commons 11 Jowite St Easton, MD 21601	FAM	62	13	DDA/OZ	\$ 16,767,812	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
			134	28		\$ 39,883,486	\$ 3,000,000	\$ 2,000,000	\$ 1,650,000	\$ -	\$ -	\$ -
<b>Washington</b>												
Pax Edwards, LLC	Hopewell Manor 11220 Pepperbush Circle Hagerstown, MD 21740	FAM	64	13	COO	\$ 16,760,072	\$ 1,461,681	\$ -	\$ -	\$ -	\$ -	\$ -
Hagerstown Housing Authority	McCleary Hill Phase II W Washington Street Hagerstown, MD 21740	FAM	79	14	COO	\$ 21,982,290	\$ 1,500,000	\$ 2,000,000	\$ 1,000,000	\$ 1,300,000	\$ 1,000,000	\$ 3,000,000
			143	27		\$ 38,742,362	\$ 2,961,681	\$ 2,000,000	\$ 1,000,000	\$ 1,300,000	\$ 1,000,000	\$ 3,000,000
<b>Worcester</b>												
Homes for America	Homes at Berlin 113 Flower Street, 115 Flower Street, and 545 Bay Street Berlin, MD 21811	FAM	54	11	COO/OZ	\$ 11,208,142	\$ 904,879	\$ -	\$ -	\$ 904,879	\$ -	\$ -
Green Street Housing, LLC & REBJ, Inc	Village at Royal Port 310 Purnell Street & 216 Belt Street Snow Hill, MD 21863	FAM	54	11	COO/OZ	\$ 17,105,301	\$ 1,500,000	\$ 1,250,000	\$ -	\$ -	\$ -	\$ -
Milford Housing Development Corporation & MBID of Delaware, LLC	Willows at Berlin 312 Maple Avenue Berlin, MD 21811	FAM	65	13	COO/OZ	\$ 17,479,148	\$ 1,498,000	\$ 750,000	\$ -	\$ 1,498,000	\$ 750,000	\$ -
			173	35		\$ 45,792,591	\$ 3,902,879	\$ 2,000,000	\$ -	\$ 2,402,879	\$ 750,000	\$ -
<b>TOTALS</b>			<b>2775</b>	<b>530</b>		<b>\$ 933,528,478</b>	<b>\$ 67,408,382</b>	<b>\$ 57,409,924</b>	<b>\$ 9,120,480</b>	<b>\$ 21,684,948</b>	<b>\$ 13,970,000</b>	<b>\$ 8,595,480</b>

## **Stern\_FWA\_SB715**

Uploaded by: Garagiola, Rob

Position: FWA

March 7, 2019

**Testimony in Favor of Maryland SB715: Affordable Housing Tax Credit**

Chairman and Esteemed Committee Members,

As the eighth most expensive state in the nation, many Marylanders cannot afford to live in the communities in which they work. Housing is considered “affordable” when a household spends less than 30 percent of their income on shelter and utilities; Households that spend more than this are considered cost-burdened, and are frequently forced to make difficult financial tradeoffs with other basic necessities. For every 100 low-income families in Maryland, there are only 35 affordable housing units available<sup>1</sup>. Many working professionals such as teachers, police officers, and construction workers do not earn Maryland’s housing wage. The “housing wage” needed to afford a two-bedroom apartment at fair market rent in Maryland is \$29.04, while the average wage of a renter is a mere \$17.56<sup>2</sup>. The state housing prices are pushing out the working citizens who contribute to Maryland society, both socially and economically.

For the last 40 years, the Federal Low Income Housing Tax Credit (LIHTC) has provided a partial solution to this affordable housing crisis. Each year, the Feds allocate each state tax credits or “LIHTCs” based on the number of citizens in a state, in the form of 9% and 4% tax credits. Developers apply to DHCD each year to receive credits to build their projects, and in return promise to maintain a certain number of lower rent units in the buildings for 15 years. The 9% credits help developers pencil out about 60% of affordable housing projects are each year dozens of developers apply. With the federal LIHTC money alone in Maryland, which is about \$16 million annually, only 1 in 4 developers are receiving funding for their projects.

With the amended version of SB715, there is a tremendous opportunity for Maryland to help extend the 9% credits so more affordable units will be built in the state. The legislation creates a three year pilot during which the state would match up to \$5M of the 9% Federal tax credits per year. This is another tool in the toolbox for MD developers to create more affordable housing, allocated the same way as the federal credits so there is no additional administrative burden. The Federal compliance period of 15 years still applies to projects so the state is protected and tenant quality of life ensured.

Maryland is taking little risk by implementing a state tax credit match for affordable housing—this is a proven model of success across the country. Programs Colorado, Wisconsin, Georgia, Missouri and Nebraska have all created state matches for the Federal LIHTC dollars coming into their states. Colorado, most similar to Maryland in current population size and growth, has had a thriving state match program since 2013. So successful, in fact, that they extended an additional eight years from its initial pilot and doubled the program size in 2019. Their program, which is now \$10M per year in state credits, has directly supported 15,312 affordable rental units. Over the course of the program, the state credit has raised \$534 million in new private sector investment and has had \$1.9 billion in economic impact in the state.

Five million more of 9% LIHTC dollars could build hundreds of more affordable units each year in Maryland, and really move the needle in terms of addressing this pressing challenge. With this program, Maryland has the opportunity to not only increase the number of affordable housing units being built, but also to increase jobs, tax revenue and the general welfare of its citizens. That is why we urge the committee to support SB715 as amended.

Sincerely,  
Rachel Stern  
Vice President, InState Partners  
1028 33rd St NW, Suite 200  
Washington, D.C. 20007

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<sup>1</sup> The Affordable Rental Housing Gap Persists, National Low Income Housing Coalition, [http://nlihc.org/sites/default/files/HS\\_4-1.pdf](http://nlihc.org/sites/default/files/HS_4-1.pdf)

<sup>2</sup> <http://nlihc.org/oor/maine>

## **MAHC\_UNF\_SB 715**

Uploaded by: darden, miranda

Position: UNF



**Testimony to the Senate Budget & Tax Committee**  
**SB 715 – Housing and Community Development – Affordable Housing**  
**Development Credit Program**  
**Position: OPPOSE**  
**February 26, 2020**

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SB 715 would create a state tax credit program that would pair with the existing federal Low Income Housing Tax Credit (LIHTC) for certain affordable housing projects. The credit would only be available to projects using the non-competitive 4% federal credit and State issued tax exempt bonds. This structure is typically used for acquisition/rehabilitation or substantial rehabilitation projects and is not widely used for the creation of new affordable housing units. While we appreciate the intent of the bill - to provide an additional resource for the development of affordable housing - our members did not have an opportunity to provide input on the proposed legislation. MAHC members are Maryland businesses and include the majority of the developers who use the LIHTC program in Maryland, and we were not given an opportunity to provide our input until the bill came out. Frankly, we think there are existing programs in place at DHCD that are a more efficient use of the State's limited resources and already provide capital funding for these same projects.

While we agree that - as the eighth most expensive State in the country - Maryland does need more affordable housing, we are not convinced that the addition of this tax credit will create the outcome intended. We looked into a state tax credit program a number of years ago when we were trying to find additional resources for affordable housing, and our members concluded that additional State loan funds would have a greater financial impact than a tax credit and thus Rental Housing Works (RHW) was born. RHW has been extremely successful in helping Maryland to use the previously underused bonding authority and 4% federal tax credits and in eight years RHW funds have leveraged over \$1.6 Billion in affordable housing investment. In fact, DHCD's multifamily bond issuance has more than TRIPLED in the last three years because RHW has been so successful. Due to Maryland's corporate tax structure, there is a limited pool of investors who have a Maryland tax liability and are willing to buy state credits at a competitive rate so the State would be forgoing \$1 per tax credit and the project would only receive an estimated \$.62 of that \$1 (according to the advocates for the bill).

MAHC is the leading organization for the affordable rental housing industry in Maryland and represents over 185 member organizations, including nonprofit and for-profit developers, State and local housing authorities, property management companies, financial institutions, community development organizations, contractors, tax credit investors, consultants and individuals. We would like the opportunity to work with the bill sponsors to further study how other states have created successful programs that could serve as a model for Maryland and to determine if there is an adequate market to make this program financially feasible before such a program moves forward. We understand the state has limited resources, and we want to ensure that state dollars are leveraged to the maximum extent possible. We encourage you to take the time to better understand the implications and limitations of a state tax credit and not move this legislation forward until more



information is gathered and vetted by experienced tax credit developers and investors who currently do business in the State of Maryland.

**Respectfully submitted on February 26, 2020 by Miranda Darden-Willems, Executive Director, on behalf of the MAHC Board of Directors.**

**MAHC Board of Directors**

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## MAHC 2019 MEMBER DIRECTORY

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Harkins Builders  
HDC Mid-Atlantic  
Health Care for the Homeless  
Henson Development Company  
Heritage Housing Partners Corporation  
Hertzbach & Company  
Home Partnership, Inc.  
Homes for America  
Hooten Construction  
Housing Authority of Baltimore City  
Housing Commission of Anne Arundel County  
Housing Initiative Partnership (HIP)  
Housing Trust of America  
Howard Bank  
Howard County Dept. of Housing and Community Development  
Howard County Housing Commission  
Hudson Housing Capital  
Humphrey Management  
Ingberman Management  
Interfaith Housing Alliance  
Jake Kirby  
Jeff Kirby  
Jeff Ratnow, Site-in-Sight  
Jennifer Lewis  
Jesse Alfriend  
John Brunnet, Gant Brunnet Architects  
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Maryland Association of Housing & Redevelopment Agencies  
Maryland Department of Disabilities  
Maryland Department of Health  
Maryland Dept. of Housing and Community Development  
Maryland Multi-Housing Association  
McCormack Baron Salazar  
Metropolitan Baltimore Quadel  
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Mike Font, New Harbor Development  
Mike Rodgers  
Miles & Stockbridge



National Foundation for Affordable Housing Solutions  
New Ecology  
NHP Foundation  
NHT Communities  
Nixon Peabody  
Novogradac & Company  
Osprey Property Company  
Pando Alliance  
Pax-Edwards  
Pedcor Investments  
Peggy White  
Pennrose Properties  
Penny Scrivens  
PNC Bank  
Preservation of Affordable Housing (POAH)  
Quantum Real Estate Management  
Quinn Evans  
R.E. Robertson Plumbing and Heating  
R4 Capital  
Raymond James Tax Credit Funds  
Real Property Research Group  
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The Coordinating Center  
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Valbridge Property Advisors  
Victory Housing  
Volunteers of America  
Volunteers of America Chesapeake  
Waldon Studio Architects  
Wells Fargo  
Whiting Turner Contracting Co.  
Wienczek Associates  
Winn Companies  
Woda Cooper Companies  
Woori America Bank  
Zavos Architecture + Design



**We agree that there is a severe shortage of affordable housing units in Maryland, but a State Affordable Housing Credit is not the answer.**

As the leading voice of the affordable housing industry in Maryland, MAHC previously explored the prospect of creating a state housing credit such as SB715/HB1567 proposes and concluded that the credits would not generate enough equity to meet the financing needs of the projects. We felt then, as we do now, that a State funded loan program was a more efficient and effective gap financing tool for delivering the most affordable housing units in Maryland and worked closely with Maryland DHCD to create the highly successful Rental Housing Works loan program eight years ago.

	STATE TAX CREDIT	RENTAL HOUSING WORKS (RHW)
Return on Investment:	\$.62 cents per \$1 (estimated)	\$1 per \$1 + loan is repaid with 2% interest + financing fees paid to DHCD  (leveraging \$1.6 Billion in direct investment)
3 Year Cost:	\$150 Million (paid over 12 Years)	\$75 Million (\$25 Million per year)
Amount of State Funds Going Directly to Finance Housing Projects:	\$93 Million	\$75 Million
History of Investment in Maryland:	\$0	\$150 Million over 8 years
Supported by:	Out of State business specializing in the sale of State tax credits	Maryland Affordable Housing Coalition – 185 Maryland businesses

**Rental Housing Works (RHW) – A Better Investment of limited State Dollars to Create More Affordable Housing and Utilize Maryland’s Bonding Authority.**

## **MBIA UNFAV SB715**

Uploaded by: Graf, Lori

Position: UNF

February 19, 2020

The Honorable Guy Guzzone  
Chairman, Senate Budget and Taxation Committee  
Senate Office Building, 3 West  
11 Bladen Street  
Annapolis, MD 21401

**RE: Opposition of Senate Bill 715 (Housing and Community Development - Affordable Housing Development Credit Program)**

Dear Chairman Guzzone:

The Maryland Building Industry Association (MBIA), representing 100,000 employees of the building industry across the State of Maryland, opposes Senate Bill 715 (Housing and Community Development - Affordable Housing Development Credit Program).

This measure creates a new 10-year tax credit intended to encourage the building and ownership of new affordable housing, which is in limited supply in Maryland. Part of the reason for this is the expense of building; between labor, supplies, and fees from the State and local jurisdictions, builders often cannot afford to build affordable housing. While we appreciate the intent of this tax credit to make the construction and operation of affordable housing projects more financially feasible, MBIA supports the Maryland Affordable Housing Coalition's (MAHC) conclusion that these proposed tax credits would not generate enough equity to meet the financing needs of the projects, especially in comparison to existing programs like Rental Housing Works (RHW).

This proposed tax credit would cost the State \$150 million over 12 years. The credits themselves are estimated to sell for around \$0.62 per \$1.00. By comparison, 100% of Rental Housing Works funds go directly into a project, and are therefore a better use of limited state dollars. Both RHW and the proposed tax credit in this measure would serve the same pool of rental projects, but \$0.38 cents per \$1.00 is lost with the proposed tax credit. A State funded loan program like the Rental Housing Works loan program seems to be a more efficient and effective gap financing tool for delivering the most affordable housing units in Maryland.

MBIA appreciates the Sponsor and Committee's desire to incentivize the construction of more affordable housing, and would be very happy to work with any legislator in brainstorming new solutions. However, for the reasons stated above, MBIA respectfully requests the Committee give this measure an unfavorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or [lgraf@marylandbuilders.org](mailto:lgraf@marylandbuilders.org).

cc: Senate Budget and Taxation Committee Members

# **FINAL SB715 Written Testimony - Senate (2-26-2020)**

Uploaded by: Pickels, Hunter

Position: INFO

**DATE:** February 26, 2019

**BILL NO.:** Senate Bill 715

**COMMITTEE:** Senate Budget and Taxation

**TITLE:** Housing and Community Development - Affordable Housing Development Credit Program

**SPONSORS:** Sen. Guzzone

### **Letter of Information**

#### **Description of Bill:**

Senate Bill 715 would create a state income tax credit to work in conjunction with the federal Low Income Housing Tax Credit (LIHTC) and tax-exempt bonds. A qualified development under this proposal would be required to meet eligibility requirements for the federal LIHTC program and would need to be paired with 4% LIHTC. This proposed credit is supported by mandatory spending beginning in FY22 and ending in FY33.

#### **Background and Analysis:**

The Department of Housing and Community Development (DHCD), through its Community Development Administration (CDA), is the State's Housing Finance Agency authorized to issue tax-exempt bonds and to allocate the federal LIHTC to support the production of affordable rental housing in Maryland. There are two types of LIHTC, informally referred to as the 9% credit and the 4% credit. To qualify, a project owner must agree to comply with 26 USC § 42 and maintain an agreed-upon percentage of units for low income households. The project is required to meet their particular low income requirements for a 15-year initial "compliance period" and a subsequent "extended use period" of at least 15 additional years.

Developers of affordable rental housing do not generally keep an allocation of credits for themselves, though they may do so; instead, they use the credit to raise development capital by working directly with an investor who invests into a pass-through entity receiving tax credits or by working with a syndicator who acts as a broker between the developer and investor. In this way, the developer receives upfront capital to cover development costs and the investor benefits by "buying" the tax credits at a cost less than their full value. The value of a federal LIHTC credit presently hovers between \$0.90 and \$0.95 per dollar of credit eligible to be taken on federal taxes. Investors in LIHTC also benefit from other tax benefits associated with owning rental housing such as depreciation. We anticipate the value of a state tax credit to be approximately \$0.50-0.60 per dollar of credit the state is offering.

(more)

Presently, DHCD operates a program called Rental HousingWorks (RHW), which provides gap financing for affordable housing projects. RHW is operated in conjunction with the issuance of 4% LIHTC and results in quality affordable rental housing for low- and moderate-income households across the State of Maryland. RHW has proven to be very successful as an economic stimulus initiative that also addresses Maryland's significant shortage of affordable rental housing. RHW is a loan program, which means that participating affordable housing projects are able to apply every dollar in financial assistance directly to subsidize the construction of affordable housing and the state receives its money back with interest. For FY2021, Governor Hogan has included a record \$37 million for RHW in his budget.

Each dollar of RHW additionally yields \$11-15 in private capital from CDA-issued tax-exempt bonds, CDA allocation-based LIHTC equity, as well as other private and public sources. The current pipeline for RHW includes requests for over \$69 million in state dollars, generating over \$750 million in total project costs, 3,292 units created or preserved, and over 6,300 estimated jobs.





## **DBM\_INFO\_SB 715**

Uploaded by: Wilkins, Barbara

Position: INFO



# Maryland

DEPARTMENT OF BUDGET  
AND MANAGEMENT

LARRY HOGAN  
Governor

DAVID R. BRINKLEY  
Secretary

BOYD K. RUTHERFORD  
Lieutenant Governor

MARC L. NICOLE  
Deputy Secretary

## SENATE BILL 715 Housing and Community Development-Affordable Housing Development Credit Program (Guzzone, et al)

### STATEMENT OF INFORMATION

**DATE:** February 26, 2020

**COMMITTEE:** Senate Budget & Taxation Committee

**SUMMARY OF BILL:** SB 715 creates the Affordable Housing Development Credit Program Fund and mandates appropriation amounts to the Fund as follows: \$5 million in FY 2022; \$10 million in FY 2023; \$15 million in FY 2024 through FY 2031; \$10 million in FY 2032; and \$5 million in FY 2033. The Program provides tax credits to owners or developers of low-income housing projects.

**EXPLANATION:** DBM's focus is not on the underlying policy proposal being advanced by the legislation, but rather on the mandated appropriation provisions.

The Department of Budget and Management (DBM) is charged with submitting a balanced budget to the General Assembly annually and strives to create a structurally balanced budget, in which the growth in spending is less than the growth in revenues.

### General Fund Budget Outlook Fiscal 2022 - 2025

	Est. 2022	Est. 2023	Est. 2024	Est. 2025
Cash Balance	-\$833	-\$1,135	-\$1,201	-\$1,298
Structural Balance	-\$701	-\$905	-\$984	-\$1,071

Department of Legislative Services, January 2020 Fiscal Briefing

For FY 22 – FY 25, the cumulative impact of an ongoing imbalance between spending and revenues is a \$3.6 billion structural gap. Our structural budget problem reflects a spending problem; not a revenue problem.

Until we achieve long-term structural balance, programs cannot rely on a consistent funding level. Constituencies for these proposed programs or enhanced spending bills should be forewarned that passage of this legislation does not guarantee future funding. The diversion of General Funds may be repealed or otherwise modified in a subsequent Budget Reconciliation and Financing Act (BRFA) – this action is necessary to ensure a constitutionally required balanced budget in the next fiscal year.

The Administration is cognizant of the downside risks facing our economy and, in the FY 2021 Budget, has set aside \$1.3 billion in reserves. The Rainy Day Fund balance is equal to 6.25% of revenues, \$48 million more than recommended by the Spending Affordability Committee (SAC). Moody's Analytics has recently advised of a slowdown in employment growth in the latter part of FY 2021, which DLS estimates would add \$241 million to the structural budget gap in FY 2021 and \$419 million in FY 2022. Historic increases in funding for both K-12 education, as proposed by the Kirwan Commission, and school construction will further aggravate the budget gap.

The 2019 SAC commentary encourages a cautious fiscal approach -- **“Out-year fiscal stress is anticipated despite the expectation that personal income and employment will continue to grow steadily, and entitlement and prison caseloads will hold steady or decline. An imbalance is forecast before accounting for any recommendations from the Commission on Innovation and Excellence in Education.”**

For additional information, contact Barbara Wilkins at  
(410) 260-6371 or [barbara.wilkins1@maryland.gov](mailto:barbara.wilkins1@maryland.gov)