

McCORMACK
BARON
SALAZAR

RE: SB715/HB1567

To the Chair and members of the committee,

I'm writing this letter in support of the proposed measures to increase affordable housing development in the state of Maryland through a state affordable housing tax credit. Maryland's middle- and working-class constituents are being priced out of their communities due to high rents and it's the state's responsibility to address this issue head on. As a developer in the state, we know firsthand how hard it can be to get these projects off of the ground, and how many worthy projects just simply do not have the federal funding to move forward.

A state LIHTC credit match is crucial as another tool in the toolkit for developers in the state. Every year developers like us apply to the state through a process called the QAP. For every four developers applying for federal LIHTC dollars through the QAP from the state, only one receives funding. Adding an additional \$5 Million of state dollars to the existing federal allocation will allow many more projects to be built, and more affordable units to exist in the communities that need them most. A state credit is a strong addition to a program that's already working in the state and shows that Maryland legislators are committed to addressing their constituents' needs.

A state credit match is a proven model-- states like Colorado, Wisconsin, Nebraska, Georgia and Missouri have all helped address their affordable housing issues through similar structures. Over the last 10 years, these states have seen significant affordable housing gains in addition to significant economic benefits that come from construction and local jobs supported. These other states have also proven that there is a market for these credits; because the credits can be used with a variety of taxes, including insurance premium tax, there is a strong credit buyer pool that already exists within the state.

The state affordable housing credit match is a tested program and one that, if implemented, will show Maryland's commitment to its citizens to help them live and thrive in their communities. We urge the committee to vote in favor for SB715/HB1567.

Thank you,



Vincent R. Bennett
President

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