



**Testimony to the Senate Education, Environment & Environment Committee  
SB 315 – Housing Innovation Pilot Program Act of 2023  
Position: FAVORABLE WITH AMENDMENTS  
February 10, 2023**

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SB 315 would create a Housing Innovation Pilot Program to provide matching low and no interest loan funds to Public Housing Authorities (PHAs) to develop qualified mixed income housing projects. The program would give priority to PHAs that are developing affordable housing projects that do not use Low Income Housing Tax Credits (LIHTC) or Tax-Exempt bonds. Additional funding, as proposed by this bill, is needed to develop affordable housing and to support our PHA's development projects so they can adequately meet the needs of limited income residents, and many PHA's around the state are engaging in the development of affordable housing projects outside of the traditional public and assisted housing models. However, it is our understanding that only the PHA in Montgomery County – the Housing Opportunities Commission – currently has the capacity to develop such eligible housing without relying on LIHTC or Tax-Exempt bond financing. The LIHTC is the primary financing tool used to build new affordable housing across the country, so we feel the priority for funding established in the bill would be too limiting and restrict the ability for all other housing authorities across the State from accessing the funds.

Many of the State's largest PHAs are participating in HUD's Rental Assistance Demonstration (RAD) Program and investing in major renovations or redevelopment of their aging public housing portfolios, all of which have used the LIHTC and/or Tax-Exempt bond funds as a primary source of financing. This new Pilot Program should be used to allow the State to invest in additional publicly owned affordable housing projects and continue the redevelopment and modernization of the State's remaining aging public housing stock, which could be done if the clause giving preference to non-LIHTC and Tax-Exempt Bond projects was removed.

We support SB 315 if amended to remove the preference for funding non-Low Income Housing Tax Credit and Tax Exempt Bond projects to allow other PHAs the ability to use the funding.

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. Our members include several Housing Authorities who could benefit from SB 315 if amended.

**Respectfully submitted on February 10, 2023 by Miranda Darden-Willems, Executive Director, on behalf of the MAHC Board of Directors.**



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