



**Testimony to the Senate Education, Energy & the Environment Committee
SB 203 – Housing Innovation Pilot Program Act of 2024
Position: FAVORABLE WITH AMENDMENTS
January 25, 2024**

SB 203 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 203 if amended to remove the preference for funding non-Low Income Housing Tax Credit and Tax Exempt Bond projects to allow other PHAs across the state with the ability to access 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 HB 60 if amended.

Respectfully submitted on January 25, 2024 by Miranda Darden-Willems, Executive Director, on behalf of the MAHC Board of Directors.



MAHC Board of Directors

Christine Madigan, Enterprise Community Development, President

Tom Ayd, Green Street Housing, Vice President

Willy Moore, Southway Builders, Secretary

Miles Perkins, AGM Financial, Treasurer

Mansur Abdul-Malik, NHP Foundation

Mike Cumming, CohnReznick, Chief Financial Officer

Mary Claire Davis, AHC Greater Baltimore

Ivy Dench-Carter, Pennrose Properties

Maryann Dillon, Housing Initiative Partnership

Peter Engel, Howard County Housing Commission

Mike Font, New Harbor Development

Chickie Grayson, Retired, Advisor Emeritus

Dana Johnson, Homes for America

Brian Lopez, Osprey Property Company

Dan McCarthy, Episcopal Housing

David Raderman, Gallagher, Evelius & Jones, Of Counsel

Catherine Stokes, Telesis Corporation

Jessica D. Zuniga, Foundation Development Group, Ex Officio

www.mdahc.org

443-758-6270