



Housing Initiative Partnership, Inc.

30+ YEARS of Housing Security | Financial Stability | Community Success

HB 1330

Testimony to the House Environmental and Transportation Committee In Support of HB 1330

March 3, 2022

Housing Initiative Partnership, Inc. fully supports legislative efforts to increase funding for affordable housing, such as proposed House Bill 1330.

Housing Initiative Partnership, Inc. (“HIP”) strongly supports a \$50 million increase in funding for affordable housing production. We know through the recently completed Housing Needs Assessment that there is a desperate need for quality affordable housing throughout the State of Maryland. As a member of the Maryland Affordable Housing Coalition, we have advocated for additional funding for Rental Housing Works and other capital housing programs, including Partnership Rental Housing funds, to help address the lack of affordable housing statewide. Given this one-time infusion of federal funds to states due to emergency COVID relief, we believe that making an unprecedented investment in affordable housing which creates jobs and a safety net for lower income families and seniors is one of the best investments the State of Maryland can make.

We know there is a ready pipeline of project proposals that are awaiting funding commitments from the Department of Housing and Community Development that are stalled due to a lack of State funds. In fact, HIP is about to close on the acquisition and new construction of a 90-unit apartment community for seniors called the Residences at Springbrook in Clinton, Md. Like all developers, we have experienced unprecedented construction cost increases due to supply chain disruptions, rising interest rates trimming the amount of debt we can support, and dropping prices on Low Income Housing Tax Credit equity. As a result, we expect to close with close to \$2 million in cost increases since we submitted our original proposal 2.5 years ago. Despite this financial strain, we remain committed to closing this deal to provide beautiful homes for lower income seniors, in the hopes that Maryland DHCD can identify additional resources to help us close the gap.

We welcome the effort to increase funds for affordable housing through bills such as HB 1330. While we believe there are a number of modifications that should be made to the legislation as drafted, we welcome the opportunity to work with you to craft legislation that can make a difference for lower income residents statewide.

Respectfully submitted:

**Maryann Dillon
Executive Director**



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