

March 1, 2024

The Honorable Brian J. Feldman
Chair, Education, Energy, and the Environment Committee
Maryland State Senate
Miller Senate Office Building
Annapolis, Maryland 21401

RE: [SB 484](#) -- Land Use – Affordable Housing – Zoning Density and Permitting (Housing Expansion and Affordability Act of 2024) — Position: **Favorable with Amendments**

Dear Chair Feldman and committee members:

Please accept this testimony on behalf of the Coalition for Smarter Growth, the leading organization advocating for walkable, bikeable, inclusive, and transit-oriented communities as the most sustainable and equitable way for our region to grow and provide opportunities for all.

We urge you to support SB 484. As noted in the Comptroller's January 2024 [State of the Economy report](#), Maryland faces an urgent housing shortage and rising housing costs. This lack of available housing harms middle- and low-income families, and threatens our economic competitiveness as households leave Maryland to seek lower costs of housing elsewhere.

SB 484 would open up more opportunities to build needed housing, overcoming impediments for both market-rate and affordable home construction. We support this bill but suggest two amendments to strengthen it.

Proposed Amendments:

1. Lower the share of affordable units to 20% of the units in a qualified project.
2. Stipulate Priority Funding Area locations for non-profit qualified projects.

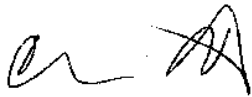
Discussion of amendments

Affordable set aside: We recommend a 20% set aside share of affordable units rather than 50% or 25%, in order to conform to and leverage the most common affordability financing tool, 4% Low Income Tax Credits (LIHTC). These tax credits allow for financing of 20% affordable housing with the remainder at market rate. In most cases, non-profit projects are likely to build 100% of their units as affordable, but more flexibility in financing can help create more possibilities for affordable housing.

Priority Funding Areas: The location and connectivity to essential services is a core component in a households' budget. After housing costs, [transportation is the greatest cost](#). Thus we continue to support the state's approach using Priority Funding Areas (PFAs) as a guide for the cost-effective locations of new housing. To this end, we recommend requiring that qualified non-profit housing projects be located in Priority Funding Areas in order to maintain minimal levels of accessibility to services, reduced household transportation costs, and consistency with reduced environmental impacts associated with development outside PFAs.

Thank you for your consideration. We ask the committee for a favorable recommendation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cheryl Cort', with a stylized flourish at the end.

Cheryl Cort
Policy Director