



**Testimony to the House Environment & Transportation Committee
HB 3 – Land Use – Expedited Development Review Processes for Affordable
Housing - Requirements
Position: FAVORABLE WITH AMENDMENTS
January 30, 2024**

HB 3 would require local jurisdictions to establish an expedited development review process for affordable housing projects, but only if the land is owned by a nonprofit or housing authority. Currently, it is not uncommon for a County to take up to a year to review and approve a site development plan and issue building permits. During this time, the developer accrues carrying and financing costs for their proposed project. If this review time was shortened, the project could get under construction faster and financing and carrying costs would be reduced. Additionally, most multifamily affordable housing projects are built using federal Low Income Housing Tax Credits, which are awarded competitively by the Maryland Department of Housing and Community Development (DHCD) and have very strict IRS rules and deadlines around when the credits must be used and when the project must be completed and “placed in service.” According to the National Low Income Housing Coalition, as of 2023 Maryland had a shortage of 146,000 rental units available to extremely low-income renters. Maryland is experiencing a true housing crisis, and the only way to solve it is to build more affordable housing units. This will take time, creativity, financing, and cooperation among State and local governments. This bill would help to expedite the review and approval process and allow affordable housing units that are currently in the development pipeline to get under construction faster. It would also give developers another incentive to build more affordable housing.

We would like to offer one technical amendment and propose that eligible applicants include all projects that provide at least 50% of their proposed units to households earning 80% or below the area median income, as long as the income restrictions are recorded and secured by a Deed, regardless of the applicant’s nonprofit status. The focus should be on the units being built and not the type of developer proposing to build them.

We support HB 3 as amended to expedite the permitting process to allow our members to build more affordable housing units across the State as we work collaboratively to solve the housing crisis.

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.

Respectfully submitted on January 30, 2024 by Miranda Darden-Willems, Executive Director, on behalf of the MAHC Board of Directors.



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