



Housing Initiative Partnership, Inc.

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

SB 3: Land Use Expedited Review: SUPPORT WITH AMENDMENTS

Testimony of Maryann Dillon, Executive Director, Housing Initiative Partnership
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House Environment & Transportation Committee, January 30, 2024

About HIP

Housing Initiative Partnership, Inc. (HIP) develops innovative affordable housing, revitalizes neighborhoods, and equips people to achieve their housing and financial goals. Our vision is that every person lives in high-quality affordable housing in a thriving community. We maintain offices in Hyattsville in Prince George's County, and in Germantown and Gaithersburg in Montgomery County.

Support for HB3:

HIP develops multifamily affordable housing in Prince George's County and adjacent counties. Like all developers, HIP can experience extensive delays in the approval and entitlement process in the multiple counties in which we work. Given the critical path of funding for affordable multifamily projects, especially those funded with Low Income Housing Tax Credits (LIHTCs) which require projects to be placed in service in specific years and with funding dependent upon specific months of lease-up, delays in the entitlement process can really derail affordable housing development.

While we recognize that this is intended as broad reaching enabling legislation from which local jurisdictions can develop their own regulations, HIP would ask you to consider lowering income limits from 80% to 60%, consistent with the LIHTC program. In certain parts of the State, particularly in Montgomery and Prince George's County, area median incomes are so high that 80% AMI is, in effect, market-rate rents.

As a technical issue, we would ask that you amend (C)(a) to say "A CHARITABLE ORGANIZATION PROPOSING TO DEVELOP AFFORDABLE HOUSING ON LAND IN WHICH THE ORGANIZATION HAS AN OWNERSHIP INTEREST". We ask this because, in the LIHTC world in particular, developers including nonprofits must create separate for-profit entities to own the real estate in order for investors to earn tax losses. A nonprofit developer will have an ownership by being a partner in the partnership owner or a Member of an LLC which owns the land.

We welcome this proposed legislation as an effort to facilitate the important goal of developing much needed affordable housing in Maryland.

