

Bill: SB0327

Bill Title: Affordable Housing Payment In Lieu of Taxes Expansion Act

Position: **Favorable**



Members of the Senate Budget and Taxation Committee,

As a group which seeks to make the Baltimore region more enjoyable to live in, financially resilient, and adaptable to change, we feel that SB0327 is a valuable measure worth adopting.

As we all know, the Baltimore region is experiencing a housing affordability crisis. One of the principal reasons for this is that we are not allowing enough housing to be built, period. However, the dearth of housing is to be found most acutely at the smaller, cheaper end of the housing spectrum. Relatively affordable starter homes aren't being built here, pushing customers for such housing stock into rental properties. That demand results in rising rents, which places downward pressure on those residents with the lowest incomes. In the worst-case scenarios, lower income residents are either forced to move away or become homeless.

We need to incentivize the construction of smaller, more affordable housing units. This bill will appear to be one way of doing that. While we would prefer to see policy changes (in the form of zoning code reform, building code reform, etc.) that would allow for more housing to be built, we're in the midst of a crisis, so an "all of the above" approach is warranted.

There doesn't appear to be any obvious downside to this bill. It is enabling legislation which will allow counties flexibility - flexibility which they are not obligated to take advantage of.

In both the short-term and long-term, Maryland is stronger when all of its communities include a wide range of housing options - of varying sizes, price points, ages, formats, and ownership options. This bill will help to facilitate the construction of units at the lower, more affordable end of the housing spectrum.

We hope the committee finds these points helpful and convincing and we urge its members to **vote in favor of SB0327**. Thank you for your efforts and the opportunity for us to testify on this legislation.

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