



Testimony to the Budget & Tax Committee
SB 327 – Affordable Housing Payment in Lieu of Taxes Expansion Act
Position: Favorable w/Amendments (FWA)

SB 327 would give Counties/Baltimore City the authority to offer Payment in Lieu of Tax (PILOT) agreements to additional types of rental housing projects, specifically mixed income projects that provide housing for households with a variety of incomes, provided that at least 50 percent of the units are set aside for limited income renters. Currently, PILOTS can only be awarded to projects that also have a local subsidy, and all households must be of limited income. For local governments that have limited funds to invest in affordable housing, this would give them another tool in their toolbox to offer the property owner a PILOT as a way to help preserve or create affordable housing units. By requiring a 15 year affordability period, there is still the assurance of long term affordability. This could be especially helpful for preserving naturally occurring affordable housing “NOAH” properties or adding some affordable units to market rate properties in areas of opportunity, near transit, etc.

We would request that the Committee consider amending the bill to require a minimum of 20% of the units be affordable to households earning 60% or below the Area Median Income, which would be similar to the current IRS requirements for Low Income Housing Tax Credits and allow more projects to be considered for PILOTS, rather than the minimum 50% threshold established in the bill. Counties could still set their own (more stringent) parameters, but they would have the flexibility to better respond to market conditions and individual project financing needs in their communities if the minimum threshold were reduced.

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, community action groups, State and local housing authorities, property management companies, financial institutions, community development organizations, contractors, investors, consultants and individuals. This PILOT expansion will provide an additional resource for our members to use for the development and preservation of affordable housing across Maryland. **We urge your support of SB 327 with our friendly amendment.**

Respectfully submitted on January 29, 2025 by Miranda Darden-Willems, Executive Director, on behalf of the MAHC Board of Directors.

MAHC Board of Directors

Tom Ayd, Green Street Housing, President
Dana Johnson, Homes for America, Vice President
Willy Moore, Southway Builders, Secretary
Miles Perkins, AGM Financial, Treasurer
Mansur Abdul-Malik, NHP Foundation
Mike Cumming, CohnReznick, Chief Financial Officer



Davis, AHC Greater Baltimore

Mike Font, New Harbor Development

Christine Madigan, Enterprise Community Development, Ex-Officio

Dan McCarthy, Episcopal Housing

Brandon Moss, CSI Support & Development

Grant Searfoss, Severn Development

Mo Smith, Vorys, Of Counsel

Patrick Stewart, Pennrose Properties

Catherine Stokes, Diamond & Associates

Milana Vayner, Baltimore County DHCD

Jessica D. Zuniga, Humphrey Management/Foundation Development Group



www.mdahc.org
443-758-6270