



Testimony
SENATE BILL 327
BUDGET and TAXATION COMMITTEE
January 29, 2025
Position: FAVORABLE

Dear Chairman Guzzone and Members of the Budget and Taxation Committee:

The Community Development Network of Maryland (CDN) is the voice for Maryland’s community development sector and serves nearly 150 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland’s urban, suburban and rural communities. CDN envisions a state in which all neighborhoods are thriving and where people of all incomes have abundant opportunities for themselves and their families.

SB 327 - allows county governments to enter into payment-in-lieu-of-taxes (PILOT) agreements with developers in exchange for maintaining at least 50% of their rental units as affordable housing for at least 15 years.

According to recent analysis by the National Low Income Housing Coalition, Maryland will have to make a significant investment in housing over the next 10 years in order to keep up with economic and demographic shifts in the state. The state is short by more than 100,000 rental units for low-income households. Thirteen of the state’s 23 counties and Baltimore City don’t have enough housing that’s affordable to very low-income renters.

Ensuring that all families live in affordable, stable homes will improve community health outcomes, thereby reducing health care and education costs. Housing is an urgent priority for economic growth and equitable recovery from the pandemic. Building a firm foundation for stable homes begins with policies that increase the production of housing affordable to households making less than \$65,000 per year. Given the health, educational, and cost implications of families living in unstable homes, there is an urgent need to increase supply of affordable homes and help families meet rent demands and reduce costs.

SB 327 respects the autonomy of Maryland’s counties, empowering local governments to enter into agreements that meet their specific housing needs. PILOT agreements are a valuable tool for fostering public-private partnerships. The bill strikes a thoughtful balance between incentivizing property developers and ensuring access to affordable housing. It leverages the power of public-private partnerships.

We urge a favorable report for Senate Bill 327.

Submitted by Claudia Wilson Randall, Executive Director, Community Development Network