



Testimony to the Ways and Means Committee
HB390 Affordable Housing Payment In Lieu of Taxes Expansion Act
Position: Favorable

2/4/2025

The Honorable Delegate Atterbeary, Chair
Ways and Means Committee
House Office Building, Room 131
Annapolis, Maryland 21401

CC: Members of the Ways and Means Committee

Chair Atterbeary and Honorable Members of the Committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland provides direct assistance today while passing legislation and regulations to create systemic change in the future.

As representative of an organization that works closely with fair and affordable housing at both the policy and ground level, I am writing to ask for your favorable support for HB390, which would allow property owners and local governments in Maryland to enter into agreements where the owner makes a negotiated payment instead of paying county property taxes. In return, the owner must ensure that at least 50% of the rental units in the property remain affordable—meaning they are accessible to households earning 60% or less of the area median income—for at least 15 years.

Maryland is desperately behind on the development of affordable housing units, especially those for families with extremely low household incomes. In Maryland, [27%](#) of renter households are classified as extremely low-income, meaning they make 30% or less of the area median income. Of these extremely low-income households that rent, [75% are severely cost-burdened, paying over 50% of their income on housing costs.](#)

Our state must prioritize the development and creation of safe and effective affordable housing as the cost of living continues to soar. This is why I urge you to support HB390.

Mixed-income housing development is one of the most effective and socially beneficial ways to expeditiously create new affordable housing units. However, without programs such as HB390, private developers have few incentives to include affordable housing units in their complexes. Mixed-income housing development allows for affordable housing to exist in communities that might otherwise oppose solo affordable housing complexes, diversifying neighborhoods and providing new economic opportunities for low-income families. It also ensures that the units that are set aside for the purpose of affordable housing are well maintained, allowing these units to be preserved for future generations of low-income residents.



**ECONOMIC
ACTION MD**

Every Marylander deserves to live in a safe home that they can afford to live in. Thus, I urge a favorable report on HB90

Sincerely,
Zoe Gallagher, Policy Associate