

DATE: February 5, 2026

BILL NO.: House Bill 168

TITLE: Housing and Community Development - Affordable Housing - Educator Workforce Housing and Municipal Corporations

COMMITTEE: House Economic Matters Committee

Letter of Information

Description of Bill:

HB 168 would establish that providing “educator workforce housing” is an eligible use of any DHCD program that offers loans, grants, or tax credits unless a program has laws or regulations governing its particular use. DHCD is to notify program award applicants that providing “educator workforce housing” is an eligible use.

The legislation also specifies that “teachers and other employees of a local school system” are to be considered a specific group for purposes of the Federal Low-Income Housing Tax Credit Program, or any other Federal program that uses State law to determine eligibility. As DHCD’s Community Development Administration acts as the State’s housing credit agency, it manages the LIHTC program for Maryland.

Background and Analysis:

The Federal Low-Income Housing Tax Credit was created at the Federal level to encourage the private sector to invest in the construction and rehabilitation of housing for low- and moderate- income families. States are given an allocation of tax credits to disburse according to rules set forward in their yearly Qualified Allocation Plan (QAP).

The requirements set forward in the bill would require DHCD to amend its QAP to include “educator workforce housing” as an eligible use of LIHTC. Maryland DHCD would need to conduct a public hearing” for the updated version of the QAP as well. As a part of this public hearing, DHCD takes comments and feedback from the public to ensure it is “appropriate to local conditions”.

Per Title 26 § 42 of the IRS code, DHCD would also need to publish a “written explanation” of the changes required from HB 168 as they would not be aligned with the currently “established priorities and selection criteria of “ the housing credit agency (DHCD and CDA) as written in the agency’s QAP.

In general, DHCD’s yearly update of the QAP involves a process of receiving public comment and then having a public hearing. Further, the IRS does allow QAP’s to be amended to include projects for special populations, like educators. DHCD values the role of public and local comments in shaping the QAP and acknowledges that decisions are best made in concert between the agency and its’ partners.