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**TO:** House Economic Matters Committee  
**FROM:** LeadingAge Maryland  
**SUBJECT:** Senate Bill 325, Land Use - Permitting - Development Rights (Maryland Housing Certainty Act)  
**DATE:** April 2, 2026  
**POSITION:** Favorable

LeadingAge Maryland supports Senate Bill 325, Land Use - Permitting - Development Rights (Maryland Housing Certainty Act).

LeadingAge Maryland is a community of more than 150 not-for-profit aging services organizations serving residents and clients through continuing care retirement communities, affordable senior housing, assisted living, nursing homes and home and community-based services. Members of LeadingAge Maryland provide health care, housing, and services to more than 20,000 older persons each year.

#### The Crisis: A Dearth of Affordable Senior Housing

Maryland faces a severe and growing shortage of affordable housing for older adults. According to the Department of Housing and Community Development, the state needs over 40,000 additional affordable senior units by 2030 to meet demand, yet current production levels fall drastically short. Nonprofit developers, who provide the majority of affordable senior housing in our state, routinely encounter waiting lists of three to five years for their communities.

The development of affordable senior housing is uniquely complex. These projects require 9–12% Low-Income Housing Tax Credits (LIHTC), tax-exempt bond financing, state and federal subsidies, and philanthropic capital. From site control to occupancy, the development timeline routinely spans five to seven years, involving multiple zoning approvals, site plans, subdivision reviews, and permits.

#### How SB 325 Enables Affordable Senior Housing Development

SB 325 creates the certainty and financial flexibility necessary to move these critical projects from concept to completion. Specifically:

- Vested Rights and Regulatory Certainty (Section 12-201): Senior housing projects cannot secure financing without assurance that approved plans will remain viable throughout the development cycle. Currently, local regulatory changes—zoning modifications, new environmental standards, or altered impact fee structures—often derail projects mid-stream, rendering previously secured tax credits and financing infeasible.

By freezing applicable laws and regulations as of the date a “substantially complete application” is submitted, and by providing vested rights for the longer of five years or a locally determined period, SB 325 allows nonprofit developers to secure LIHTC allocations and construction financing with confidence. This is essential for affordable senior housing, where approval processes frequently extend beyond traditional three-year vesting periods.

- Deferred Collection of Development Impact Fees (Section 20-128): For nonprofit developers operating on razor-thin margins, the upfront payment of development excise taxes and impact fees—often totaling millions of dollars—can render a project financially impossible. These fees must be paid before construction drawings are finalized and long before revenue-generating occupancy is achieved.

SB 325’s requirement that development impact fees and excise taxes be collected only after construction is complete and Certificate of Occupancy requirements are met (or 30 days prior to final inspection) preserves vital construction capital. For affordable senior housing financed through complex layering of public and private sources, this liquidity protection can be the difference between a project breaking ground or stalling indefinitely.

- Protection for Phased Senior Campuses (Section 12-201): Affordable senior housing is frequently constructed in phases—Independent Living followed by Assisted Living and Memory Care—as funding becomes available through competitive state and federal programs. SB 325’s treatment of discrete phases as separate housing development projects ensures that each phase receives the same regulatory and financial protections, allowing nonprofit providers to build out full-service Life Plan Communities without risking the expiration of approvals for earlier phases.

Without the protections offered by SB 325, Maryland will continue to lose affordable senior housing projects to regulatory uncertainty and prohibitive pre-construction costs. This legislation directly addresses the “dearth” of affordable senior housing by enabling nonprofit developers to leverage scarce public and private resources efficiently and with predictable timelines.

For these reasons, LeadingAge Maryland urges the Committee to give Senate Bill 325 a favorable report.