



Testimony Concerning SB 63
Baltimore City - Property Tax Credit for Newly Constructed Dwellings
Reauthorization and Modification
January 15, 2020

Position: Support

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 200 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.

The purpose of Senate Bill 63 is to reauthorize the Mayor and City Council of Baltimore City to grant by law, a certain property tax credit against the property tax imposed on certain newly constructed dwellings in Baltimore City. The High-Performance Newly Constructed Dwellings Property Tax Credit encourages the construction and purchase of new homes in Baltimore City. The program provides a 5-year property tax credit with the credit amount decreasing annually.

The city of Baltimore urgently needs new construction in order to transform and invigorate long stagnant markets throughout the city. In the last three years, Project Core and other investments have cleared land for significant investments. There is space for new customizable homes for city residents. The tax credit is a benefit that small and large developers can pass along to city residents.

In order to increase home ownership in the city of Baltimore and remain competitive with other regional jurisdictions, the city must have a variety of homeownership products. There is an urgent need for new housing production and substantially rehabilitated homes are needed. The Newly Constructed Dwellings Property Tax Credit has incentivized builders and buyers. While many incentives have been designed for developers and investors, the tax credit program benefits the resident of the property directly.

We urge your support to continue this program in Baltimore City to increase production and purchase of new homes throughout the city.