



Montgomery County

Office of Intergovernmental Relations

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SB 715

DATE: February 26, 2020

SPONSOR: Senator Guzzone, et al.

ASSIGNED TO: Budget and Taxation

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POSITION: SUPPORT (Department of House and Community Affairs)

Housing and Community Development – Affordable Housing Development Credit Program

Senate Bill 715 creates a credit against the State income tax for the owner or developer of a low-income housing project that is a qualified development. The Secretary of the Department of Housing and Community Development may not approve a project unless the applicant demonstrates the tax credit is necessary for the financial viability of the development and must competitively award tax credits in a manner consistent with the State's qualified allocation plan under the federal low-income housing tax credit.

Montgomery County's Department of Housing and Community Development (DHCA) supports Senate Bill 715. Montgomery County has a severely rent burdened population. Ninety-two percent of our households earning under \$50,000 are spending over 30% of that income on housing, and 61% are spending over 50% of that income on housing. Montgomery County has over 80,000 households (22% of 370,000 total households) earning under \$50,000 (46% of the County median). The County currently has a shortage of over 20,000 units affordable to households with under 30% of the area median income (AMI). The recent Council of Governments' report on housing needs projects the County will need to support housing for an additional 11,000 households under 30% AMI in the next ten years.

Economic viability in every community requires supporting housing for all residents and the income tax credit created by Senate Bill 715 will assist Montgomery County in meeting its low-income housing needs.

For the foregoing reasons, DHCA respectfully requests a favorable Committee report for Senate Bill 715.