October 3, 2019

Vice President Sharon Green Middleton
Baltimore City Council
100 North Holliday Street, Suite 500
Baltimore, Maryland 21202

Re: Support of Council Bill 19-0389

Dear Vice President Middleton and Members of the Committee:

The Baltimore City Chapter of the Maryland Building Industry Association (MBIA) writes in support of Council Bill 19-0389, which will broaden the scope of the High-Performance Market-Rate Rental Housing Tax Credit and incentivize new multifamily homebuilding across Baltimore City.

Property taxes in Baltimore City represent ½ of the operating expenses for small, multifamily buildings. As a result, new apartment buildings are financially infeasible to construct in most of Baltimore City. New projects must charge higher rents to stay viable, and housing affordability suffers. The High-Performance Market-Rate Rental Housing Tax Credit was designed to incentivize new multifamily development projects by making them more affordable to build. This bill would broaden the credit by reducing the minimum number of required units in eligible projects from 20 to 10, expanding the number of projects eligible to receive financial incentives.

Increasing residential development increases the revenue for Baltimore City through income and sales tax, and provides new, safe homes for our residents. Tax credits like the High-Performance Market-Rate Rental Housing Tax Credit help incentivize new apartment buildings and enable developers to charge lower rents once completed. This is particularly impactful for smaller multifamily builders, whose work is in high demand throughout the City but may otherwise be unable to afford to build.

For these reasons, we ask the Baltimore City Council to support Bill 19-0389. If you have any questions or would like to discuss MBIA's position further, please do not hesitate to contact me at abailey@marylandbuilders.org or (202) 815-4445.

Sincerely,

Angelica Bailey, Esq.
Vice President of Government Affairs
Maryland Building Industry Association