December 10, 2024

The Honorable Wes Moore

The State House

100 State Circle

Annapolis, MD 21401

RE: Qualified Allocation Plan Threshold Requirement – Permanent Supportive Housing

Dear Governor Moore,

I am writing in strong support of the proposed changes to the threshold requirement in the Maryland Qualified Allocation Plan (QAP) that all Low-Income Housing Tax Credit (LIHTC) projects include Permanent Supportive Housing (PSH) units – the greater of five apartments or 15% of projects. This modest provision will go a long way toward achieving the state’s goal to prevent and end homelessness.

[INSERT INFORMATION ABOUT YOUR ORGANIZATION]

Beyond a onetime PSH set aside in 2019, the State has never deployed its most effective housing production tool to develop safe, decent and affordable housing for Maryland residents experiencing homelessness. We applaud your vision to ensure that all Maryland residents have access to housing that sustains them, and we are in full support of your efforts to ensure that the LIHTC program benefits *all* Marylanders.

The 2020 Maryland Housing Needs Assessment and 10-Year Strategic Plan demonstrates that the need for affordable housing is most acute for Maryland residents with incomes below 30% of Area Medial Income and for those experiencing homelessness. These residents have the fewest options with only 32 units available for every 100 extremely low-income households who need assistance. The market will not serve these residents. It is the responsibility of the Government to address market failures like this one.

Maryland has had an exemplary record of supporting affordable housing. The competitive 9% tax credit program has produced limited units for residents with incomes below 30% of AMI while the noncompetitive 4% tax credit program has skewed toward the top of the affordable income range. The State has developed a bold program of supports for PSH residents including Project Based Vouchers to aid residents with their rent obligations and supportive service funding for case management, including use of the 1115 Medicaid waiver program.

Thank you for your leadership to expand access to affordable housing for all Marylanders. We particularly appreciate the hard work of Secretary Jacob Day and his staff in the Office of Homeless Solutions to ensure that the most robust affordable housing development tool at our disposal is capable of effectively serving Marylanders experiencing homelessness. While we understand that some developers have voiced concerns over the proposed requirements, we urge you to stand firm in your commitment to the PSH threshold in the QAP.

Sincerely,