



**MARYLAND AFFORDABLE
HOUSING COALITION**

RENTAL HOUSING WORKS INITIATIVE

The Good News: This year an additional \$15 million in funding has been appropriated in the Governor's jobs package in a program called Rental Housing Works. This \$15 million in general obligation bonds will help to leverage \$170 million of available tax exempt bonds and private investment of \$285 million, generating substantial revenues to State and local governments. These funds will provide essential gap filling financing to create nearly 1,700 affordable housing units and will make it possible to fully use the State's backlog of unused bond authority. **Most critical, this proposal is estimated to create more than 1,100 new quality private sector housing jobs.**

Why: Maryland is experiencing a near record high unemployment rate of 7.4% as of September 2011. We need strong State action to create jobs. Housing construction is a key generator of high quality, private sector jobs. Historically, no economic recovery has occurred without a housing recovery. The Maryland Department of Housing and Community Development projects a shortfall of 127,000 units of affordable rental housing by 2015, and demand for such housing is increasing during these challenging economic times.

The Opportunity: The Community Development Administration (CDA) receives a federal allocation of tax exempt bond and housing tax credit authority which can be issued to finance new multifamily housing development and preserve existing housing. As of now, \$170 million of bond authority and additional tax credit authority is going unused and will be lost to the State because needed gap filling financing is not available to make affordable rental housing projects feasible. A State investment of \$15 million will allow full use of the available bond and tax credit authority and attract private investment. Every dollar invested by the State will leverage over \$15 of private capital.

CDA has all laws, regulations and systems in place to efficiently and effectively administer this new initiative. Housing developers have projects ready to go to fully utilize the funds. The applications in each competitive funding round for rental housing funds far exceed available resources.

***THE RENTAL HOUSING WORKS INITIATIVE CAN BE A HUGE
WIN-WIN FOR ALL***

The full report is available on the MAHC website at

www.mdahc.org