



May 3, 2022

The Honorable Sharon Green Middleton, Chair
Economic and Community Development Committee
Baltimore City Council
100 N. Holliday Street
Baltimore, MD 21202

RE: Affordable Housing Trust Fund

Dear Councilwoman Middleton:

I am writing in support of the Affordable Housing Trust Fund. Homes for America is a nonprofit organization with a mission to build and preserve quality affordable housing enhanced with services. We have a significant portfolio of properties in Baltimore and a growing pipeline of high impact developments in the City. We are fortunate to have two funding awards from the AHTF for two properties under development.

This is one of the most challenging operating environments in which to build or preserve affordable housing that we have experienced in our 28 year history. Interest rates are rising which reduces the amount of financing that a property can support and causes a budget gap. In addition, construction pricing is rising even faster than interest rates. According to the National Home Builders Association (NAHB), building material prices increased 20.3% year over year and have risen 28.7% since January 2020. These rising costs also create significant budget gaps. The combination of the two has delayed many projects from moving forward because they lack the necessary funding. And, all of this is happening while rents are also rising and there is a significant shortage of quality housing that is affordable to many City residents. There has never been a more important time for the City to invest in the production and preservation of housing. Subsidy sources like the AHTF are critical to enabling developments to proceed in this current environment.

Homes for America applauds the creation of the Affordable Housing Trust Fund and advocates for continued investment in the Fund.

Sincerely,

Dana Johnson
President & CEO