

Good evening Councilmembers. My name is Pei Pei Chan Mirabella and I am a Senior Vice President of Property Operations at The Bozzuto Group. I would like to address how the competing rent control proposal and anti-gouging legislation will not only have major negative impacts on housing providers who are operating properties across the County but also how this proposed legislation will impact and limit future investment and the deployment of capital necessary for the creation of needed housing in the County.

We fully support anti-gouging legislation that will protect families from “bad actors” that are exploiting residents.

The proposed legislation with a CPI + 8% formula would benefit from recommended modifications so that it is both applicable and enforceable.

The proposed legislation with a 3% cap will simply not allow our industry to adequately invest in and maintain our buildings, which will impact our ability to serve our residents and to address the longer term preservation needs of these communities. This will actually hurt not help the residents who live in the county. We also have concerns that the process to request relief will be cumbersome and, likely prevent us from meeting the on-going needs of our properties on a timely basis.

We are prepared to work with the Council to ensure legislation achieves meaningful anti-gouging protection without impacting the expansion of the County’s housing supply nor the preservation of it’s existing communities.

It is universally agreed that expansion of housing with affordability at all levels is critical to the County’s long term economic health. We are certain that the 3% rent cap proposal will have a negative impact on the availability of financing – both debt and equity - that is critical to producing affordable and market rate housing in Montgomery County.

In a region like ours, where investment capital flows between Northern Virginia, DC and Maryland, capital will gravitate to where the risk to return is lowest and most predictable. Extreme regulations in the form of rent control or rent caps, are key factors in evaluating that risk.

The expansion of affordable housing and helping our citizens who are rent challenged is our collective responsibility. We believe the entire Tenant Assistance and Protection Package is a very important first step to addressing that dire need. We remain committed to working with you to ensure the County’s housing stock continues to grow, that the existing stock is maintained and that future growth serves all residents at every level of affordability.

Thank you for your time.