



MONTGOMERY HOUSING ALLIANCE

www.montgomeryhousingalliance.org

A coalition of organizations focused on increasing the rate of preservation and development of affordable housing in Montgomery County

Testimony on Expedited Bill 38-23, Tenant Displacement – Right of First Refusal to Buy Rental Housing – Amendments Montgomery Housing Alliance

October 10, 2023

Good afternoon Council President Glass and members of the Council. My name is Mary Kolar, and I am testifying on behalf of Montgomery Housing Alliance (MHA), a county-wide coalition of affordable housing providers and advocates across the housing continuum.

MHA strongly supports Expedited Bill 38-23. A diverse, vibrant, and economically robust Montgomery County is not possible if we cannot ensure that all residents have access to affordable homes. To meet this goal, we know that we need myriad strategies and tools; the county's right of first refusal is one such tool. Right now, however, its effectiveness is limited. The technical amendments offered in Bill 38-23 will enable the county to exercise the right in a more meaningful way, preventing harmful tenant displacement.

Affordable housing is one of the county's most pervasive and persistent challenges. According to a 2020 study done by the Montgomery County Planning Department, we are at risk of losing 7,000 to 11,000 units of naturally occurring affordable housing (NOAH) by 2030. Losses of this magnitude would further compound the deficit of affordable units we face. As you know, the county must significantly increase housing production over the remainder of the decade to meet the needs of our population. Adequately preserving NOAH units, especially along the Purple Line and other major transit corridors, will prevent need from deepening and, critically, will increase housing stability for the households who reside in these communities. Affordable housing is key to fostering equal access to economic opportunity, ensuring that the benefits of expanded transit accrue to all communities. The opportunity to advance equitable development along the Purple Line Corridor is fleeting; if the county does not act now, affordable homes will be lost.

As it currently operates, the right of first refusal ultimately results in the county transferring a property at risk of losing affordability to a preservation partner. The proposed amendments merely streamline this process. Allowing a County Executive to assign purchase to a qualified entity will alleviate the need to reserve tens of millions of dollars solely to purchase and then transfer a property. This will have a dual effect: it will free resources that can then be used for



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additional housing development and will allow the county to significantly increase the number of units it can preserve through the right of first refusal.

We applaud the Council's ongoing commitment to housing issues, and we especially commend you for recently approving a nonprofit preservation fund. The proposed amendments will work in tandem with these funds to make the preservation process more effective and efficient. Too often, economic development leads to the displacement of low income people and people of color. This outcome is not inevitable, but preventing it requires deliberate policy choices. These technical adjustments, which are in keeping with the spirit of law, will help the county make important strides in preservation, keep communities intact, and ensure that current residents benefit from economic growth and investment in the county.

Thank you for the opportunity to provide input as you consider this matter.



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