

Testimony on Bill 16-24, Development Tax Amendments, October 1, 2024

Nancy Floreen

On behalf of better public policy

This bill offers you a real chance to do something, not just talk. And so, I offer you two suggestions. The first, a simple way to advance the production of affordable housing:

Permit 100 percent exemptions from school and transportation and parks taxes and tests and related mitigation obligations on and off site for units that are affordable or support affordability, that is

1) all – not just some - units in projects that include more than 15 percent Moderately Priced Dwelling Units or units produced under another similar affordability program;

2) all of those units constructed in conjunction with religious or non-profit organizations prioritizing housing;

3) all units of 2000 square feet or less;

4) all units that satisfy level 1 accessibility improvements.

This will not solve the problem, but it will help. And it will help conform this policy to the Racial Equity and Social Justice Act.

My unique perspective, based on 8 years as a member of the planning board and 16 years as a member of the county council, allows me to say, with some certainty, that during that time we created an inequitable tax and land use system. We created a class system. We burdened new construction with costs prior residents did not have to pay. We basically priced less wealthy people out. We came up with countless new rules and regulations that simply made it harder to construct new housing and commercial space – based on school capacity and roadway tests that truly bear no relationship to reality, serve miniscule portions of our population, but looked good on paper.

This is a small chance for you to right those wrongs.

The cost to your \$6 billion capital and \$7 billion operating budgets would be miniscule, and you might actually do some good.

This brings me to my second suggestion - frankly, the more intellectually honest one. Alternatively, suspend the whole GIP and development tax system for four years and see what you get. An incidental benefit is that you would save huge amounts of staff review time and cut out the cost of private consultants. You would certainly improve Montgomery

County's economic competitive status and would open the doors to a more equitable system of housing for all. Give it a shot. Be bold. Be better!