



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 22-24E, Taxation – Collection of Development Impact Taxes Montgomery Housing Alliance

January 15, 2025

Montgomery Housing Alliance (MHA), a county-wide coalition of affordable housing providers and advocates across the housing continuum, supports legislative efforts to foster housing production throughout Montgomery County. Expedited Bill 22-24 is one such measure, reducing development costs in a way that is revenue-neutral for the capital budget.

As the Council is well aware, the county must significantly increase housing production to meet housing targets over the next several years. Especially post-pandemic, inflation and rising construction and insurance costs have added barriers to the development process and exacerbated the challenge of producing new homes at the necessary rate. We appreciate the Council's efforts to identify creative solutions to ease the development process.

As the Council looks to support development, we urge you especially to support and incentivize production of affordable units. Of the 41,000 units the county aims to produce by 2030, 75% must be affordable to low- and moderate-income households. As a county, we face an overall shortfall of housing; this is particularly true with regard to affordable housing. The National Low Income Housing Coalition estimates that we have a deficit of over 33,000 units affordable and available to households at or below 50% of the area median income (AMI). This means that for every 100 low-income households, only 36 affordable units are available to them. The impact of this shortfall is felt everyday by these individuals and families. Forty-eight percent of renter households in the county are cost burdened, and 25% are severely cost burdened, meaning they spend over half their incomes on housing costs. For low-income households, the situation is even more dire. Among households earning less than 50% of AMI, 88% are cost burdened and 34% are severely cost burdened. Every day, these families must make impossible choices between paying for housing and paying for other critical priorities like education, health care, and reliable transportation.

Measures to increase overall housing production, such as Bill 22-24E, are important steps to addressing the shortage, and we urge you to combine them with other important tools that especially advance efforts on affordable housing, such as continuing to prioritize affordable housing in the county budget, establishing strong affordability incentives in proposed zoning



*The Montgomery Housing Alliance is a coalition of
the Community Development Network of Maryland*



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updates, supporting rental assistance programs, and continuing to prioritize preservation of naturally occurring affordable housing.

We applaud the Council for the hard work you have done and continue to do to prioritize housing. As you know, fully addressing the housing crisis requires myriad tools. Measures to reduce the cost of housing development, like Bill 22-24E, are an important tool, and must be combined with strong and continued support of targeted affordable housing preservation and development to ensure a diverse, vibrant, and economically robust Montgomery County where all residents have homes they can afford.

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



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