

Cherrywood Homeowners Association, Inc.

P.O. Box 159

Olney, Maryland 20830

March 11, 2025

Montgomery County Council
101 Maryland Avenue
Rockville, Maryland 20850

Re: More Housing N.O.W. Bills and ZTAs

Dear County Council:

The Cherrywood Homeowners Association is a 606-unit homeowners association located in Olney, Maryland. We are a County Master Plan planned community that includes single-family detached homes, townhouses, and MPDUs. I am commenting on ZTA 25-02 and 3 as well as PILOT bill 2-25.

Due to time restraints, some of my testimony is only in my written submission. For background, let me state that my wife and I have lived in a 1000 sq ft apartment, a duplex, a townhouse, a starter home, and a full size home. We fully understand why many families choose this progression. Our interest rate was 12.5% when we moved here 40 years ago and more then 40% of our income went to housing so the current times are not necessarily the most difficult ones in County real estate history.

While this new plan is less intrusive than the original AHSI plan, it still starts the AHSI process where the Council is redefining and downgrading the meaning of single family zoning by virtue of a ZTA. This plan will REPLACE naturally occurring affordable housing (NOAH) with much smaller, market rate housing. It will further decrease the most popular style of living in MoCo (SFD) further driving up the costs of the detached homes remaining. Instead, you should be building and offering these multiplexes in the failed malls, vacated spaces, and new communities where there are 100,000 units already in the Planning development pipeline.

The current plan is an indiscriminant County-wide plan that paints blue boxes on existing streets throughout the County without regard for existing Master Plans, adjacent communities, and infrastructure especially the increased congestion expected from having more cars accessing the County's commuters routes between traffic signals.

In specific regard to Cherrywood, you have designated several acre plus lots adjacent to our community for upzoning. Using your FAR of 1.25, each of these single house lots could be converted to 50+ apartment units! Not only would that cause a traffic nightmare on Georgia Avenue, the only north-south corridor in the County, but all the water from that new impervious surface would run downhill into Cherrywood homes. This is poor planning!

Cherrywood is also concerned about a developer buying some of the lots in Cherrywood that would likely be flooded. While CM Friedson has said this can't happen, Jason Sartori and a land use attorney have said there is no language in the ZTA that prevents this chaining from happening. This omission needs to be corrected.

Cherrywood was one of the first HOAs to recommend converting near empty commercial buildings to affordable housing, the only real housing shortage in Montgomery County. Outside the current Federal layoffs and deportations, this plan makes sense if it conformed to the current standard of greater than 50% affordable homes for a 15-year PILOT benefit. The current Council proposal of only 15% affordable homes for a 25 year PILOT benefit is a bad deal for taxpayers. We concur with the RESJ impact statement that this plan "could undermine the County's ability to provide future public goods and services" and that "This could particularly harm BIPOC community members." We do not support the PILOT bill for this reason. We understand that a fiscal analysis of this proposal won't even be ready for review until March 18th.

With AHSI, no councilmember could name any HOA where the Board of Directors for that organization endorsed the application of AHSI within their own community. Similarly, despite the claim that the community was involved with the development of this newest proposal, we could not identify any HOA representatives at the press release although we could identify representatives of developer groups. Can you name any established community where the governing body has endorsed this plan adjacent to their community?

We must also question the overall rationale for rushing this plan forward at a time of historic downturn in the economy. The Federal, State, and Local governments are all over budget. The State of Maryland is projecting the loss of 29,000+ federal jobs and the State fiscal deficit this year has been upped to \$3.3 billion. A significant portion of the State deficit will be passed on to the counties. In addition, the Federal government is still planning deportations that will further decrease housing demand. All of these changes will likely result in fiscal shortfalls and a downturn in the real estate market. Now is a particularly inopportune time to serve up another gift to developers. We join Marc Elrich and Will Jawando in asking the Council to acknowledge the unprecedented current fiscal crises to pull these proposals and wait at least 6 months until the dust settles at the Federal level. Housing needs could be tremendously different after the layoffs and deportations.

Lastly, we remained concerned about the purposeful misrepresentation of the market rate housing situation in the County by the Planning Staff and some members of the Council as excuse to attack single family detached housing. Single family detached housing is the most popular form of housing for several reasons. It is not racist as the Planning Director claims and either the target on those developments or the Planning Department Director needs to be removed. It is purposely deceptive to keep telling County residents that the average cost of a home in the County is over a million dollars and insinuate County residents now need an annual income of \$340,000 to buy a home. Thousands of homes are sold every year to people making considerably less than 340K.

Median price is the standard real estate term used to indicate what the average buyer pays for a home in this County. According to Rocket.com, the median price for a home in MoCo in February 2025 was \$615K down from \$650K last Summer. Currently a house is for sale at 11900 River Road for \$35 million. When this house sells, it will greatly skew the average price of a home that month, BUT not the median, which is why the median price is the main sales indicator. Let's stop trying to demoralize and mobilize the residents in our area that don't know the difference between the mean and the median when it comes to real estate. It is possible to buy a condo in MoCo, which is similar to a multi-plex, with income under a \$100,000. Let's be honest with the statistics.

Sincerely,



Paul F. Jarosinski
President

Other Comments:

1. Parking – Planning says 24% of the designated lots qualify for no parking requirements. All of these units are on commuter corridors where parking is generally prohibited. Each unit should be required to have two off street parking spaces.
2. Duplexes – These provide ZERO affordable workforce housing units! Any lot redeveloped under this plan should include at least one affordable workforce unit.
3. Trees and Climate Changes – This plan does not address all the mature trees that will be lost by disturbing the land for a larger building.
4. Traffic – Traffic congestion is already a problem in many areas. Increasing traffic through existing curbs cuts (not at signaled intersections) will exacerbate the current problem.
5. Service Roads – It was suggested that houses on service roads would not be affected, but that is not specified in the written information.
6. Workforce Housing – If the goal is to have housing for our police, firefighters, teachers, and nurses, shouldn't they be given priority?
7. Perhaps Adam Pugnucchio Perspective publication of 3-10-25 sums up the overall problem the best when he writes: "So let's connect the dots. Our elected officials approve taxpayer funding for organizations who then lobby them to pass rent control. Rent control along with conflicting and expensive BEPS laws is strangling the county's real estate industry. So more taxpayer money will now be used to try to plug the holes created by those policy choices."

Cherrywood Homeowners Association, Inc.

P.O. Box 159

Olney, Maryland 20830

March 24, 2025

Montgomery County Council
101 Maryland Avenue
Rockville, Maryland 20850
Re: More Housing N.O.W. Bills and ZTAs

Dear County Council:

The Cherrywood Homeowners Association is a 606-unit homeowners association located in Olney, Maryland. We are a County Master Plan planned community that includes single-family detached homes, townhouses, and MPDUs. These are additional comments on ZTA 25-02 and 3 as well as PILOT bill 2-25 now that the FIS was released last Thursday.

The FIS for Bill 2-25E came in at a phenomenal estimate of \$2.6 billion in lost property tax revenue. The conclusion states "Finance estimates...the annual loss of around \$230 million in property tax revenue per year, with total loss over that 25 year period of approximately \$2.6 billion." This is an extraordinary loss of property tax revenue for a project that will only yield 15% of the units as affordable units. Even more concerning is that this \$2.6 billion loss of tax revenue is based on multifamily development over the past 10 years (without the PILOT incentive) that everyone knows has been slow. If this incentive is passed, it could double the conversions and the property tax loss could balloon to over \$5 billion dollars leaving existing homeowners to cover this huge property tax deficit on top of the State's deficit of \$3.3 billion. Foregoing this amount of revenue for a paltry 15% production of affordable housing cannot be justified as the financial burden gets shifted onto existing local residents. We oppose this plan for financial reasons unless the percentage of truly affordable units can be doubled to 30% as suggested in the OLO RESJ report. Even if this commitment were to be made, some limits should be placed on the program so that the County property tax deficit did not balloon into billions of dollars in perpetuity.

We wonder if the County might be able to reduce the expense of generating "affordable" Work Force housing by spending just 10-20% of the \$2.6 billion to augment the construction of mostly affordable units through the methods described in the September DHCA Affordable Housing Pipeline. This would be a more targeted approach to affordable housing especially since there are already 35,000 approved market rate permits with another 80,000 units in the pipeline. Building conversions could be converted a couple at a time IF they were still needed after all the promised Federal layoffs and deportations.

Sincerely,



Paul F. Jarosinski
President