



**More Housing N.O.W. (New Options for Workers)
Montgomery County Council
March 11, 2025
Support**

On behalf of the Gaithersburg-Germantown Chamber of Commerce, Greater Bethesda Chamber of Commerce, Greater Rockville Chamber of Commerce, Greater Silver Spring Chamber of Commerce, and Montgomery County Chamber of Commerce, we strongly support the More Housing N.O.W. (New Options for Workers) legislative and budget package. Thank you to the package's sponsors (Councilmembers Andrew Friedson and Natali Fani-González) and co-sponsors (Council President Stewart and Councilmembers Balcombe, Luedtke, and Sayles) for introducing the More Housing N.O.W. package.

Specifically, our chambers support:

- Expedited Bill 2-25, *Taxation – Payments in Lieu of Taxes – Affordable Housing – Amendments*, which establishes a payment in lieu of taxes (PILOT) for conversion of high-vacancy commercial properties to residential use.
- Zoning Text Amendment (ZTA) 25-02, *Workforce Housing - Development Standards*, which allows more residential building types along corridors with a workforce housing requirement.
- Zoning Text Amendment (ZTA) 25-03, *Expedited Approvals - Commercial to Residential*, which creates an expedited approval process for projects that convert high-vacancy commercial properties to residential use.
- Budget request to double Homeowner Assistance Program from \$4 million to \$8 million in the FY26 Housing Initiative Fund (HIF)
- Budget request of \$4 million for a new countywide fund to incentivize the construction of workforce units

Our chambers commend the goals of the More Housing N.O.W. initiative, which aims to increase housing supply, reduce costs, and expand pathways to homeownership. Notwithstanding the extreme headwinds facing Montgomery County's housing market, which include rent control and the specter of increasing property taxes, the availability of attainable housing is crucial for Montgomery County's economic success. Given the County's stagnant economic growth, our Chambers believe that increasing the supply of middle-income housing can drive economic activity. To spur growth and make Montgomery County more attractive to employers, the County needs more housing options for working families and young professionals.

We also support creating incentives for the struggling commercial property market. While many commercial properties are not ideal for residential conversion, More Housing N.O.W. offers innovative and competitive incentives to convert high-vacancy commercial properties to residential use. This approach addresses two significant economic issues: repurposing struggling commercial properties and increasing housing supply.

Montgomery County and the commercial real estate market may never fully recover from the COVID-19 pandemic, and pressures continue to grow with the potential downsizing of the federal government. Now is the time to provide new options and incentives for converting commercial properties. While these incentives will not solve all the challenges of the struggling commercial real estate market or the County's attainable housing shortage, they represent an important step in the right direction.

The Montgomery County Chamber of Commerce recently hosted a roundtable discussion titled "Making Montgomery County More Competitive in a Challenging Real Estate Climate." During this discussion, panelists explored potential solutions for key issues facing commercial real estate, including the implementation of tools such as payment in lieu of taxes (PILOTs) and tax increment financing (TIF). Panelists highlighted that while these tools are widely used across the country, they are not yet utilized in Montgomery County. The passage of this bill could enable Montgomery County to join other jurisdictions successfully employing PILOTs or TIFs, thereby providing greater options to address the County's real estate challenges.

As a united group of business organizations, we appreciate the opportunity to weigh in on these proposals and respectfully request the County Council to favorably consider the More House N.O.W. package.

Angela Franco
President & CEO
Montgomery County Chamber of Commerce

Marji Graf
President & CEO
Greater Rockville Chamber of Commerce

Stephanie Hesling
President & CEO
Greater Silver Spring Chamber of Commerce

Paula Ross
President & CEO
Gaithersburg-Germantown Chamber of Commerce

Allie Williams
President & CEO
Greater Bethesda Chamber of Commerce