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Montgomery County Council
100 Maryland Avenue
Rockville, MD 20850

Written Testimony for Montgomery County Council on More Housing NOW Package

Dear Councilmembers:

My name is Leila Finucane, and I am representing Victory Housing, a nonprofit specializing in developing affordable and mixed-income senior and multi-family housing in both Maryland and the District of Columbia. We appreciate the opportunity to submit testimony in hopes that we can provide useful feedback for the Council to consider based on our professional expertise in affordable housing programs and development.

While Victory Housing generally agrees with the overall objective of increasing the housing supply, we have significant reservations about the approach that the More Housing NOW package takes.

- With respect to building more workforce housing in ZTA 25-02, we take issue with creating yet another complex program for workforce housing instead of an approach of reviewing and adjusting the existing MPDU program if it is decided that the income level restriction should be increased. While some households at 70% to 120% of AMI would qualify for this so-called “workforce” affordable housing under ZTA 25-02, there is not enough evidence to suggest that these households at this band of income would elect to go through a lengthy income certification process for these units when they could afford a market rate unit with its straightforward application process. We have had experience with this tension in both Montgomery County, at a community with 80% income level restrictions, as well as in the District, at a recent townhome style unit development where the restricted units were for 100% of AMI households. Furthermore, the costs and complexity of compliance with such programs will add costs to the already expensive development process as well as to the costs of housing program administration by creating a parallel to the MPDU program. Further, we do not support funneling \$4M to \$8M in Housing Initiative Funds being used for a program that is not at the current MPDU levels of income.
- Our concerns with ZTA 25-03 and SRA 25-01 are two-fold. First, this expedited approval process for projects that convert high vacancy commercial properties to residential use bypasses the vital community input process. We suggest that where this is possible should be very narrow, even better in pre-studied and identified areas. As developers, we rely on community

engagement and support when considering a new project, whether previous input from planning or project by project. Existing community members should have the opportunity to voice their support or concerns during the predevelopment phase.

- Victory Housing has reservations about Expedited Bill 2-25, as there is fiscal danger involved in giving tax abatements to a development that is not serving the public purpose of creating a housing stock that is deeply affordable. In this bill's case, the 100% tax abatement will last for 25 years for qualifying projects that only require 15% of units to be MPDU. This essentially is giving tax abatements for mostly market rate housing. Where the problem to be solved is partly the question of changing the use of tax producing commercial properties, it would seem especially critical to ensure that the solution does not eliminate property taxes.

Victory Housing agrees with the intention behind this More Housing NOW package, creating more housing supply in general, but regrettably cannot support it in its current condition.

Respectfully submitted,



Leila Finucane
President and CEO
Victory Housing, Inc.