

Gino Renne, President Lisa Blackwell-Brown, Secretary-Treasurer Lisa Titus, Recorder

## A VOICE FOR WORKING AMERICA

## Testimony of Lisa Blackwell-Brown Secretary/Treasurer, UFCW Local 1994 MCGEO

## Montgomery County Council Public Hearing – March 11, 2025 Opposition to Expedited Bill 2-25

Good [afternoon/morning] Council President Stewart and members of the Montgomery County Council. My name is Lisa Blackwell-Brown, and I am the Secretary/Treasurer of UFCW Local 1994 MCGEO. I am here today to testify in opposition to Expedited Bill 2-25, which seeks to provide a payment in lieu of taxes (PILOT) for the conversion of high-vacancy commercial properties into residential developments.

While we appreciate the Council's efforts to address the urgent need for affordable housing, Expedited Bill 2-25, unfortunately, does not meet the needs of our community.

First, the bill, by exempting 100% of the real property tax for 25 years, would deprive Montgomery County of a significant source of revenue. Property taxes are a critical funding stream for essential public services, including schools, public safety, infrastructure maintenance, and community programs. The long-term loss of this revenue would inevitably strain the country's resources and could lead to service reductions or increased taxes elsewhere to make up for the shortfall.

Secondly, the bill sets the affordability requirement at only 15% of units for households earning 60% or less of the area's median income (AMI). This threshold is too low to meaningfully address the housing crisis in Montgomery County, where the need for truly affordable housing — particularly for low- and moderate-income families — far exceeds the proposed targets.

In addition, the bill lacks sufficient mechanisms to ensure that developers comply with the affordability requirements over the long term. Without robust enforcement and oversight, there is a real risk that property owners could fail to meet the affordability standards while continuing to benefit from the tax exemption. Furthermore, the bill does not require owners to demonstrate a significant public benefit beyond meeting the minimum affordability threshold.

MCGEO is aware of the OLO report, concluding that this bill could have a negative impact on racial equity and social justice (RESJ) in that converting high-vacancy commercial







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properties into residential developments has the potential to accelerate gentrification and displacement in vulnerable communities. Without stronger protections for existing residents and more inclusive affordability requirements, this bill could exacerbate economic inequality rather than alleviate it.

We urge the Council to oppose, better yet, withdraw Expedited Bill 2-25 and explore alternative approaches that balance affordable housing with the imperative to protect public revenue and maintain strong affordability requirements. We are counting on you to be trustworthy stewards of our community's resources and know that you can do better.

Thank you!



