



April 8, 2025

Montgomery County Council
Stella Werner Council Office Building
100 Maryland Avenue
Rockville, MD 20850

Reference: Proposed Solid Waste, Licensing and Property Tax Increases

Subject: Opposition of Increases

Dear County Council:

On behalf of Kay Management, which accounts for more than 3,600 apartment rental units in Montgomery County, we would like to express our opposition to the proposed FY26 operating budget. We urge the Council to reject the proposed property tax increase, the increase to the solid waste collection charge, and any increases to rental licensing fees.

Kay Management Company was built by immigrants starting just before WW I and two generations later, it is still run by the Kay family. This bill will negatively impact the very people it purports to help by continuing the upward financial pressure on housing costs in Montgomery County.

Housing providers have still not recovered from the impacts of the pandemic. Rent delinquencies are still almost triple what they were before the illegal eviction moratorium and almost all of it is transferred to bad debt and written off entirely. Utility costs have increased by 25% and insurance costs are up more 250%. To keep up with inflation, labor costs have also increased considerably. Kay Apartment Communities never laid off any employees during the pandemic nor did they take any government funds or loans.

These trends are expected to worsen given the federal government's recent actions and worsening economy. Now is not the time to raise taxes and fees.

Rent is the primary source of income used to cover operating costs. Housing providers in the county will not be able to absorb the proposed increases without reducing services, raising rents, or a combination of the two.



For these reasons, Kay Management urges the Council to vote against the property tax and fee increases in the County Executive's proposed budget .

Sincerely,
Kay Apartment Communities

J. Clark Melillo

J. Clark Melillo
President

cc: File