

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

BILL 15-26: TAXATION - PROPERTY TAX CREDITS - HABITAT FOR HUMANITY REHABILITATIONS

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Bill 15-26 would have a small positive impact on racial equity and social justice (RESJ) in the County. A property tax credit for homes developed and rehabilitated by Habitat for Humanity could allow for more affordable homeownership opportunities in the County. These would disproportionately help Black and Latinx families in the County to build wealth. Given Habitat for Humanity's history of developing and rehabilitating homes in the County, the number of homes incentivized through this Bill is likely to be small.

PURPOSE OF RESJ IMPACT STATEMENTS

RESJ impact statements (RESJIS) evaluate the anticipated impact of legislation on racial equity and social justice in the County. RESJ is a **process** that focuses on centering the needs, leadership, and power of Black, Indigenous, and other People of Color (BIPOC) and communities with low incomes. RESJ is also a **goal** of eliminating racial and social inequities. Applying a RESJ lens is essential to achieve RESJ.¹ This involves seeing, thinking, and working differently to address the racial and social inequities that cause racial and social disparities.²

PURPOSE OF BILL 15-26

Habitat for Humanity, Metro Maryland offers a program that rehabilitates “distressed” single-family or townhouse properties that are then sold to low-income families. Properties can either be donated to or purchased by Habitat for Humanity. Habitat for Humanity also accepts land donations, which must be suitable for building affordable housing. This program has developed and/or rehabilitated multiple properties in Montgomery County.³

In 2010, the Maryland General Assembly authorized a tax credit for qualified properties owned by Habitat for Humanity. It expanded the tax credit to include development properties in 2011.⁴

The purpose of Bill 15-26 is to create a 100 percent property tax credit in the County for properties owned by Habitat for Humanity that are:⁵

- Intended to be relinquished in the near future; and
- Used for development, rehabilitation, and transfer to a private owner.

The Bill would also establish an application process for this tax credit and require an annual report from grantees of the tax credit. Further, the tax credit would only apply for the period where the property meets the eligibility requirements, rather than the entire tax year it is eligible in.⁶ According to the Bill's lead sponsor, the property tax credit is intended to help provide affordable homeownership in the County.⁷

The County Council introduced Bill 15-26 on March 17, 2026.

This RESJIS builds on the following ones:

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- Bill 38-23, Tenant Displacement – Right of First Refusal to Buy Rental Housing – Amendments, published in October 2023;⁸ and
- Bill 5-24, Finance – Child Investment Fund, which OLO published in April 2024;⁹ and
- Bill 18-24, Housing Policy – Standards and Procedures – Amendments, published in October 2024.¹⁰

Please refer to these RESJISs for background on housing insecurity, the racial wealth gap, the affordable housing shortage, and racial equity.

ANTICIPATED RESJ IMPACTS

To consider the anticipated impact of Bill 15-26 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who would primarily benefit or be burdened by this bill?
- What racial and social inequities could passage of this bill weaken or strengthen?

OLO identified the following groups who would be impacted by Bill 15-26:

- **Habitat for Humanity** would benefit from having access to a 100 percent property tax credit. This would help decrease their operating costs from property taxes on homes developed or rehabilitated by the organization. According to Habitat for Humanity:

“Bill 15-26 would reduce costs for each home built by Habitat in Montgomery County. Money saved on one home stretches fundraising dollars further and at scale will help Habitat build more affordable homes for lower income families.”¹¹

In the last five years, Habitat for Humanity has sold 24 homes housing 80 community members in the County.¹²

- **Community members who demand affordable housing** would benefit from increased affordable homeownership opportunities if the property tax credit allows Habitat for Humanity to develop or rehabilitate more homes. Increased homeownership opportunities would also help community members to build wealth – a fundamental element of economic mobility and security.

Historical and contemporary racial inequities, including the racial wealth gap, drive increased demand in affordable housing among BIPOC families in the County. As shown in Table A (Appendix), Black, Native American, and Latinx households in the County are more likely to have lower incomes. Black and Latinx households also have the highest cost-burdened rates by race and ethnicity in the County (Table B, Appendix).

Past data from Habitat from Humanity shows that Black and Latinx community members are most likely to buy affordable homes sold by the organization. Of the 24 homes sold by the organization in the last five years, 75 percent were purchased by Black community members and 21 percent were purchased by Latinx community members (Table C, Appendix).

- **Community members at-large** would be burdened by the forgone revenue from the property tax credit. Property taxes are the largest source of tax revenue for the County government.¹³ The forgone revenue would undermine the County’s ability to provide public goods and services. This could particularly harm BIPOC community members, especially as they continue to become a larger part of the County’s population.

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Taken together, OLO anticipates Bill 15-26 would have a small positive impact on RESJ in the County. A property tax credit for homes developed and rehabilitated by Habitat for Humanity could allow for more affordable homeownership opportunities in the County. These would disproportionately help Black and Latinx families in the County to build wealth, which is fundamental for economic security and mobility. Given Habitat for Humanity’s history of developing and rehabilitating homes in the County, the number of homes incentivized through this Bill is likely to be small.

RECOMMENDED AMENDMENTS

The County’s RESJ Act requires OLO to consider whether to recommend amendments to bills that could reduce racial and social inequities and advance RESJ.¹⁴ OLO anticipates Bill 15-26 would have a positive impact on RESJ in the County. As such, OLO does not offer recommended amendments.

CAVEATS

Two caveats to this RESJIS should be noted. First, predicting the impact of bills on RESJ is challenging due to data limitations, uncertainty, and other factors. Second, this RESJIS is intended to inform the Council’s decision-making process rather than determine it. Thus, any conclusion made in this statement does not represent OLO’s endorsement of, or objection to, the bill under consideration.

APPENDIX

Table A: Median Household Income by Race and Ethnicity, Montgomery County¹⁵

| Race or ethnicity | Median Household Income |
|-------------------|-------------------------|
| Asian | \$147,950 |
| Black | \$92,979 |
| Native American | \$92,587 |
| Pacific Islander | \$122,500 |
| White | \$164,638 |
| Latinx | \$98,644 |
| County | \$132,450 |

Source: [Table S1903](#), 2024 American Community Survey 5-Year Estimates, Census Bureau.

Table B: Cost-Burden Rates of Renter- and Owner-Occupied Households by Race and Ethnicity, Montgomery County

| Race or ethnicity | Cost-Burden Rate (Renter-Occupied) | Cost Burden Rate (Owner-Occupied) |
|-------------------|------------------------------------|-----------------------------------|
| Asian | 37.1 | 25.5 |
| Black | 54.4 | 33.1 |
| White | 37.1 | 23.0 |
| Latinx | 55.5 | 27.1 |
| County | 46.8 | 25.0 |

Source: [Table S0201](#), 2024 American Community Survey 1-Year Estimates, Census Bureau.

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Table C: Race and Ethnicity of Community Members Buying Homes Developed or Rehabilitated by Habitat for Humanity since 2021, Montgomery County

| Race or ethnicity | # of Community Members | % of Community Members | % County Population |
|-------------------|------------------------|------------------------|---------------------|
| Asian | 1 | 4.2 | 15.4 |
| Black | 18 | 75.0 | 18.6 |
| White | 2 | 8.3 | 42.1 |
| Latinx | 5 | 20.8 | 21.0 |

Source: OLO communication with Habitat for Humanity on April 1, 2026 and [Table DP05](#), 2024 American Community Survey 5-Year Estimates, Census Bureau.

¹ Definition of racial equity and social justice adopted from M. Gamblin et al., [“Applying Racial Equity to U.S. Federal Nutrition Programs,”](#) Bread for the World and [Racial Equity Tools](#).

² Ibid.

³ [“New Construction & Rehab: Habitat for Humanity Current Projects,”](#) Habitat for Humanity Metro Maryland.

⁴ [House Bill 558](#), Maryland General Assembly, Enacted April 12, 2011.

⁵ [Introduction Staff Report for Bill 15-26](#), Montgomery County Council, Introduced March 17, 2026, pgs. 1-2.

⁶ Ibid.

⁷ [Councilmember Friedson verbal comments during Bill 15-26 introduction](#), Montgomery County Council YouTube, March 17, 2026.

⁸ [RESJIS for Bill 38-23](#), Office of Legislative Oversight, October 13, 2023.

⁹ [RESJIS for Bill 5-24](#), Office of Legislative Oversight, April 8, 2024.

¹⁰ [RESJIS for Bill 18-24](#), Office of Legislative Oversight, October 3, 2024.

¹¹ OLO communication with Habitat for Humanity Metro Maryland staff on April 1, 2025.

¹² Ibid.

¹³ [FY26 Approved Taxes](#), Montgomery County Operating Budget.

¹⁴ [Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established](#), Montgomery County Council.

¹⁵ For Tables A, B, and C, race is inclusive of Latinx origin. Data on Native American and Pacific Islander community members is not available for all data points in this RESJIS.