



April 16, 2020

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

Testimony regarding the FY21 Operating Budget

Council President Katz and members of the Council,

My name is John Paukstis, President and CEO of Habitat for Humanity Metro Maryland, a non-profit provider of affordable homeownership opportunities working in Montgomery County since 1982.

Habitat for Humanity is happy to see a commitment to affordable housing in the FY21 operating budget as proposed by the County Executive with a proposed \$52.7 million for the Housing Initiative Fund (HIF). Combined with the proposed CIP budget, this would mean a housing investment of \$83 million, an increase over FY20 levels. While we are excited for an increase in funds, we strongly encourage the Council to increase funding for the HIF to \$100 million. In addition to funding preservation and housing development, the HIF supports rental assistance, permanent supportive housing, and homeownership assistance.

The need for housing affordability is acute and has only been magnified by our current health crisis. Between 2010 and 2017 the County lost more than 27,000 housing units that rented under \$1,500. Many renters pay more than 30% of their income on housing and oftentimes they are paying exorbitant rent to live in overcrowded or substandard housing conditions. We applaud the Council for its commitment to meet the housing shortfall projections laid out in the Council of Governments (COG) Report. In order to produce more than 23,000 affordable units we need to make more funding available in the Housing Initiative Fund while thinking creatively about how we can bring in new partners to leverage public dollars.

As we enter into difficult health and financial times, it's important to double down on our commitment to safe, healthy, and affordable housing for all. You cannot shelter in place if you don't have a safe and secure home. While evictions and foreclosures have been temporarily halted, homeowners and renters will struggle to catch up with payments and will be at risk of eviction and foreclosure after stays are lifted. We urge the council to consider adding funding to the operating budget to support tenants and homeowners at risk of losing their homes due to ballooning rent and mortgage payments.

In the words of Mathew Desmond, author of Evicted, “it is hard to argue that housing is not a fundamental human need. Decent, affordable housing should be a basic right for everybody in this country. The reason is simple: without stable shelter, everything else falls apart.”

We appreciate the Council’s dedication to housing affordability issues over the years and request that the council increase the HIF funding to \$100 million. Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink that reads "John Paukstis". The signature is written in a cursive style with a large, prominent initial "J".

John Paukstis
President & CEO
Habitat for Humanity Metro Maryland, Inc.