



# MONTGOMERY HOUSING ALLIANCE

[www.montgomeryhousingalliance.org](http://www.montgomeryhousingalliance.org)

*A coalition of organizations focused on increasing the rate of preservation and development of affordable housing in Montgomery County*

## **Testimony on the County's FY23-28 CIP Budget** Montgomery Housing Alliance

February 8, 2022

Good afternoon Council President Albornoz and members of the Council. My name is Mary Kolar, and I am testifying on behalf of Montgomery Housing Alliance (MHA). MHA is a coalition of organizations focused on increasing the rate of affordable housing preservation and development in Montgomery County. MHA members include non-profit developers, organizations that serve people in need of affordable housing, and other groups who count affordable housing as one of their policy goals.

We applaud the Council's commitment to affordable housing programs and your unanimous affirmation of the housing targets identified in the 2019 Council of Governments report.

As you take up the County Executive's proposed capital budget, we strongly encourage you to increase funding for affordable housing in order to meet those housing targets. The proposed budget includes significant funding increases for a wide range of important priorities, from bus rapid transit projects, to parks, to bicycle and pedestrian improvements. MHA supports these projects, but we urge you to ensure that funding for affordable housing keeps pace with these priorities, so that low-income households can afford to remain in the County and benefit from these community improvements. The proposed CIP includes level funding the HIF for the next six years. This simply will not provide enough resources to meet the County's housing targets. It is critical for funding to keep pace with dramatically rising construction costs, which threaten derail shovel ready projects. Additionally, the County should make a concerted effort to increase access to homeownership to address the 32% gap between white households who own their homes and Black and African American households who own their homes.

The ongoing public health crisis has only deepened need. As we enter the third year of the pandemic, low-income households continue to face its effects, and will bear the brunt of lasting impacts of the crisis into the future. Prior to the pandemic, half of tenants in Montgomery County were already cost burdened. Cost burdened families often sacrifice other critical needs, such as adequate food and health care, to make rent. As households have faced COVID-related reductions in income, it has become even more challenging for them to cover housing costs. Falling behind on payments not only jeopardizes the ability of low-income renters to stay in their homes, it threatens the stability of affordable housing properties, which are struggling to



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meet operating expenses in the face of rental income losses. This challenge is compounded as providers strain to meet new standards for residential housing in the County, such as window guards, air conditioning requirements, and energy performance standards. MHA strongly supports the efforts to improve living standards for County residents and implement the County's Climate Action Plan, but in order for mission-minded housing providers to meet these requirements and remain fiscally solvent, the County must increase funding for affordable housing. For example, the CIP includes nearly \$200 million for energy efficiency improvements for County office buildings – \$50 million more than it allocates to the HIF. As the County moves forward with new Building Energy Performance Standards, resources must also be allocated for energy improvements to affordable housing.

We strongly urge you to continue your commitment to affordable housing by increasing funding for the HIF in FY23 and future years, as well as allocating resources that will allow mission-minded housing providers to make needed upgrades and improve the lives of residents, while remaining financially stable.

Thank you for the opportunity to provide input as you consider this matter.



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