



MONTGOMERY HOUSING ALLIANCE

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 Montgomery County FY23 Operating Budget Montgomery Housing Alliance

April 19, 2022

Good afternoon Council President Alborno 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.

MHA applauds the historic levels of funding for affordable housing included in the budget. Combined, the proposed capital and operating budgets allocate nearly \$100 million for housing preservation and development, including \$40 million for the critical goal of preserving naturally occurring affordable housing. With dramatically rising construction and labor costs, funding needs for housing are only increasing. The scope of the FY23 budget provides a strong baseline for the County to build on in future years.

As you know, housing affordability is one of Montgomery County's most protracted and pervasive challenges. Prior to the pandemic, half of tenants in the 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. Low-income households and communities of color are especially impacted by lack of access to affordable housing, including homeownership. We face a 32% gap between white households who own their homes and Black and African American households who own their homes. People of color and those with low incomes have been among the hardest hit by the health and economic consequences of the pandemic. It is more apparent than ever that ensuring access to stable and affordable homes is a matter of equity, as well as a critical public health intervention.

MHA commends the Council's commitment to affordable housing programs and unanimous affirmation of the housing targets identified in the 2019 Council of Governments report. We estimate that in order to fully meet the targets by 2030, the County needs to dedicate at least \$122 million to affordable housing production annually. The funding levels in the proposed budget represent a major step toward meeting this goal, and we urge the Council to further



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increase the scope of funding into the future. Additionally, we urge you to allocate \$20 million in ARPA funds toward housing. Together with the proposed budget, this would put the County on pace to meet targets and ensure that all Montgomery County residents have stable and affordable homes.

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



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