



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

Action in Montgomery
Affordable Housing Conference of
Montgomery County
AHC, Inc.
APAH
Coalition Homes, Inc.
Coalition for Smarter Growth
Enterprise Community Partners
Habitat for Humanity
Metro Maryland
Housing Initiative Partnership
Housing Opportunities Commission of
Montgomery County
Housing Unlimited
Interfaith Works
Jewish Community Relations
Council of Greater Washington
Keystar Real Estate
Latino Economic Development
Center
MHP
Montgomery County Coalition
for the Homeless
Rebuilding Together
Montgomery County
Victory Housing

July 29, 2022

Hon. Gabe Albornoz, President
Montgomery County Council

Re: Bill 13-22 – Building Decarbonization

Dear Council President Albornoz and Members of the Council,

Montgomery Housing Alliance (MHA) supports Bill 13-22 and the Council’s efforts to electrify Montgomery County and achieve the goal of zero greenhouse gas emissions. We have several recommendations to strengthen the bill, better align with state climate policy, and help support mission-minded non-profit housing providers in meeting standards.

MHA recommends that the Council take the following actions:

- 1. Provide financial and technical assistance for affordable housing providers.**
Creating financial and technical assistance programs will help ensure that providers can install higher-cost heat pumps and adopt high-efficiency measures that result in lower energy costs for residents. This is a matter of equity: comprehensive decarbonization is a crucial goal, but the increased energy costs that may result disproportionately impact low-income residents.

As noted in the Racial Equity and Social Justice Impact Statement on Bill 13-22, Black and Latinx households face greater energy burdens than white and Asian households. This is especially true of households with low incomes, including low-income homeowners and those living in affordable rental homes.

MHA applauds the Council’s recent decision to dedicate funds to the Montgomery County Green Bank; however, the Green Bank is required to structure assistance as loans. These loans can be useful tools, but it is equally critical to establish technical assistance and grant funds to help mission-minded and nonprofit providers meet standards in a way that benefits residents. Pairing loans and grants together in this way will magnify their impact.

The Montgomery County Climate Action Plan correctly states that “if landlords are required by law to make costly energy efficiency retrofits and/or electrification conversions, this could adversely impact the availability or price of



The Montgomery Housing Alliance is a committee of the Community Development Network of Maryland

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affordable housing, and costs could be passed on to renters.” Establishing financial and technical assistance programs will help prevent this unintended consequence.

2. **Clarify the definition of additions.** As written, it is unclear whether an addition would require the underlying existing structure to be entirely electrified, or whether the provisions of the bill would only apply to the addition itself.
3. **Consider an alternative mechanism to define “affordable housing.”** As affordable housing providers and advocates, we recommend expanding the definition of housing affordability in Montgomery County. We are happy to have follow up discussions with the Council to further explore the best mechanism(s) for identifying affordable housing.
4. **Ensure that Montgomery County building decarbonization legislation aligns with Maryland’s Building Energy Transition Plan.** This alignment should include:
 - a. *Creation of a building emissions standard.* The standard should include measurement and reporting of direct (on-site) emissions and support to help implement emissions reduction measures. The state’s Building Energy Transition Plan recommends a building emissions standard that shall achieve net-zero emissions from commercial and multifamily residential buildings by 2040 (with an earlier target for state-owned property).
 - b. *Inclusion of a cost effectiveness test.* The Building Energy Transition Plan directs the Building Code Administration to develop a cost effectiveness test which would allow building projects to seek variances to code requirements while maintaining electric-ready standards. For example, in some cases electrification of dedicated outdoor air systems (DOAS) used to heat and cool common areas may not be cost effective, and in certain cases natural gas may be more energy efficient. A cost effectiveness test would allow for considered, targeted exemptions for DOAS. Such a cost effectiveness test should include the federal social cost of carbon.

MHA recognizes that building inefficiencies are a major driver of Montgomery County’s total carbon emissions, and we support efforts to transition commercial and residential properties, especially new construction, away from fossil fuel energy. We appreciate and support the two-year delay for affordable housing included in the bill. The timeline from pre-development to groundbreaking is typically several years. Requiring affordable housing development to comply immediately could therefore dramatically change the scope of work and financing for projects already in the pipeline, potentially derailing them.

We urge you to amend Bill 13-22 with the recommendations we have outlined in order to better align it with state building decarbonization policy, support mission-minded affordable housing providers, and ensure that as we work toward net-zero emissions we do so in a way that is equitable for all Montgomery County residents. Thank you for your time and attention.

Sincerely,

Montgomery Housing Alliance