



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 ZTA 23-02, Regulatory Approvals – Mixed-Use Housing Community Montgomery Housing Alliance

May 2, 2023

Good afternoon Council President Glass and members of the Council. My name is Mary Kolar, and I am testifying on behalf of Montgomery Housing Alliance (MHA), a county-wide coalition of affordable housing providers and advocates across the housing continuum.

As you consider Zoning Text Amendment (ZTA) 23-02, Regulatory Approvals – Mixed-Use Housing Community, we encourage you to enact the ZTA, with several key amendments that will better ensure that the measure achieves its intended goals.

With the recommended changes detailed below, ZTA 23-02 will be an important step toward the Council's goal of significantly increasing affordable housing throughout the county. Improving and streamlining regulatory processes is a critical component of our collective efforts to add over 40,000 units of housing over the next decade, a significant portion of which is affordable to low-to-moderate-income households. ZTA 23-02, which would create an expedited approval process for residential projects that meet an affordability threshold, is an important step toward improving the development process.

We believe that there are several changes that will strengthen the legislation and better achieve the goal of increasing affordable housing development. These include:

- **Removing the requirement for projects to contain at least two commercial uses.** The primary goal of the measure should be to apply the expedited approval process to projects that meet the identified affordable housing threshold. Most affordable housing developments do not include a commercial use, as it often does not make sense for the financial structures of the projects, which are already complex. The additional burden of meeting the requirement for even one commercial use would undermine the benefits of an expedited review process for many projects. We support the goal of fostering mixed-use communities and ensuring that residents of affordable housing are able to benefit from easy access to commercial amenities. To that end, we support including mixed-use projects with an affordable component as allowable under the expedited process, but strongly urge that commercial uses not be mandated.



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- **Modifying the affordability threshold.** We urge you to modify the affordability threshold to better align this measure with the various mechanisms and programs used to achieve affordability in projects. Instead of defining the affordability threshold as applying to Moderately Priced Dwelling Units (MPDUs) or DHCA equivalents, the threshold should apply to projects with the requisite percentage of units built under any government regulation or binding agreement that provides affordability to households earning at or below 60% of area median income (AMI). This change would allow projects built under the Low Income Housing Tax Credit (LIHTC) program to clearly qualify for the expedited review process, and would better align the new process with Bill 26-21, which established this threshold for automatic Payment in Lieu of Taxes (PILOT).
- **Ensure that the expedited review process can apply to affordable homeownership.** As currently written, ZTA 23-02 would not exclude affordable homeownership projects that otherwise meet size and affordability requirements; for example, the ZTA would apply to multi-unit affordable homeownership and rental developments, such as Habitat for Humanity and AHC's Randolph Road project. We urge you to ensure that the measure retains this applicability.
- **Change the name of developments that fall under the new plan category from "Mixed-Use Housing Community" to "Affordable Housing Community."** Updating the language in this way would better reflect the intent of the measure to improve the review process for projects that meet the affordability threshold.

Again, MHA strongly supports efforts to improve review processes and reduce the administrative timeline for affordable housing development. We applaud the Council's ongoing commitment to housing issues, and your efforts to craft innovative policy tools to address the real and significant need that persists. ZTA 23-02 is an important mechanism to help achieve housing targets in the county in a timely way, and we believe the changes recommended above will only make the measure stronger and will more effectively help us achieve our shared goal of significantly increasing affordable housing in the county.

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



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