



Montgomery County FY25 Operating Budget Testimony

April 8, 2024

The Apartment and Office Building Association of Metropolitan Washington (AOBA) is a non-profit trade association representing more than 133,000 apartment units and over 23 million square feet of office space in suburban Maryland. Here in the County, AOBA members own/manage over 60,000 of the County's estimated 83,769 rental units and 20,000,000 square feet of office space.

Building Energy Performance

AOBA urges the Council to use the County's ample reserves to increase one-time funding to the Montgomery County Green Bank for BEPS compliance. AOBA commissioned Steven Winter Associates to assess the cost of complying with County and State BEPS for multifamily buildings. The cumulative cost of the energy efficiency improvements required to comply with BEPS is \$63 per square foot. This translates to \$20,000 - \$40,000 per unit, which would require double digit rent increases to finance. Multifamily building owners are already struggling to manage rising operating costs, so this will only exacerbate the problem and will likely deplete the county's inventory of naturally occurring affordable housing.

To offset these costs, the County Green Bank can provide technical assistance, interest rate buydowns, and other creative financing options to building owners. The Green Bank is already delivering results to the County with its existing funding. Last year, the Green Bank provided [\\$4.5 million in financing](#) for a multifamily building gas to electric conversion in Takoma Park. This one project took up 25% of the Green Bank's annual budget allocation. To extend the reach of the Green Bank and maximize its funding, AOBA also urges the Council to allow the Green Bank to bond fund its existing revenues.

Fire Safety

AOBA has been working with State and County officials to improve building safety. We believe that fire safety is a shared responsibility between building owners, tenants, and the County. Currently, the County's fire safety efforts are split between three different departments. DPS does fire code enforcement in buildings, but not in individual units. That responsibility is left to

the DHCA inspectors that are not fire code experts. Lastly, fire safety education and outreach is left to the Fire Department. To address this fragmented approach to fire safety, we urge the Council to establish an Office of Fire Safety that works across all three departments.

The first order of business for this new office should be to establish a Fire Alarm and Sprinkler System Training (FASST) Lab like the one in Fairfax, Virginia. The FASST Lab is a public-private partnership that provides firefighters, fire code inspectors, fire systems professionals, and building owners/staff with hands-on training for testing, inspecting, and maintaining fire alarm, detection, and suppression systems.

The first Lab was constructed in an 850 square foot mobile classroom trailer with enough space for 25 students. The total amount that Fairfax spent to transform a classroom trailer into a Lab training facility was \$2,700. Other funds were provided by state and federal grants. The complete value of donated systems approached \$400,000. With the systems, it was possible to replicate about 99% of all the different types of systems found in Fairfax. The new 2,500 square foot FASST Lab opened in 2017 and accommodates 50 students.

For more information about these budget requests, please contact Brian Anleu, Vice President of Government Affairs for Maryland, at banleu@aoba-metro.org