



September 10, 2024

Montgomery County Council  
Council Office Building  
100 Maryland Avenue  
Rockville, Maryland 20850

Dear Council President Friedson and members of the County Council:

My name is Dan Reed and I serve as the Regional Policy Director for [Greater Greater Washington](#), a nonprofit that works to advance racial, economic, and environmental justice in land use, transportation, and housing throughout Greater Washington. We support the draft 2024-2028 Growth and Infrastructure Policy, which will make it easier to produce more housing options that reflect the needs of our county's diverse population.

We echo the testimony of Montgomery for All supporting the policy recommendations, but I'd like to focus on the recommendation to discount transportation and school impact taxes for three-bedroom apartments, office-to-residential conversions, and single-family attached and detached units less than 1,800 square feet. A 2020 Montgomery Planning study<sup>1</sup> identified these housing types in particular as gaps in our housing stock—options that residents are looking for but are currently difficult to find.


While impact taxes are an important source of revenue for much-needed infrastructure, they have unintentionally discouraged the production of smaller, lower-priced homes. The combination of high land costs and high fees mean that homebuilders must build larger, more expensive homes—or receive deep subsidies—in order for their projects to make financial sense. Even though households have shrunk over the past several decades, the median new home in Montgomery County is 3,867 square feet, and the median price for a single-family home in 2023 was \$970,000.<sup>2</sup> Many households cannot afford these prices, but more importantly, most households simply don't want or need a house that large.

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<https://montgomeryplanning.org/blog-design/2020/01/over-housed-number-crunching-montgomerys-housing-crunch/>

<sup>2</sup> <https://moco360.media/2024/05/13/zoning-reform-at-the-heart-of-solving-county-housing-crisis-officials-say/>

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80 M Street SE, Suite 100, Washington, DC 20003  
[info@ggwash.org](mailto:info@ggwash.org)



In conjunction with Attainable Housing Strategies—which recommends allowing up to four homes on a single-family zoned lot, reducing land costs as a proportion of a new home’s price—the 2024-2028 Growth and Infrastructure Policy will help Montgomery County tackle its housing shortage, lower housing costs, and provide the housing types that residents want and need. Any loss in revenue from discounting impact taxes might be offset by increased housing production<sup>3</sup>. We’ll also have a larger tax base as more people can find the housing they need at prices they can afford, meaning they are more likely to stay here.

We appreciate the County Council’s consideration of our comments, and look forward to working with you to make Montgomery County a more affordable, equitable, and sustainable place to live.

Sincerely,

Dan Reed  
Regional Policy Director

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<sup>3</sup> <https://www.huduser.gov/periodicals/cityscpe/vol8num1/ch4.pdf>