



**Testimony of Patricia Harris  
Growth Infrastructure Policy 2024-2028  
Montgomery County Council – September 10, 2024**

Good Afternoon President Friedson and Members of the County Council. I am Patricia Harris with the law firm of Lerch, Early & Brewer here on behalf of several homebuilders. I am here this afternoon to express support for a number of the impact tax provisions contained in the proposed Growth and Infrastructure Policy (GIP). I first want to applaud the Planning Board and the direction of the GIP -- a number of recommendations go to the heart of the County's most critical problem -- the housing shortage.

An important provision for our clients is the classification of the two-over-two housing type product, which are townhouse like structures with one unit on floors 1 and 2 and the second unit on floors 3 and 4. This is a fairly new housing type that is growing in popularity given that they are smaller, denser and more affordable than townhouses. Two-over-twos are responsive to the housing shortage and are also a more viable first time ownership option. For these reasons, they should be encouraged.

The GIP in Recommendation 2.4 rightly reaffirms that two-over-twos should be classified as low rise multi-family units for purposes of student generation rates and impact tax rates. While the current County Code indirectly classifies these units as low rise multi-family, the proposed clarification is needed to eliminate the current debate about the classification. The data supports this classification -- the student generation and transportation impacts are more aligned with low rise multi-family, not single family attached units. It is important to emphasize that correctly classifying this unit type has significant impact on the economics of these projects. The difference in the school impact tax rate between low rise multi-family and single family attached is 300% -- \$6,584 vs. \$21,664, while the transportation impact tax rate is almost double.

We also want to express support for GIP Recommendation 4.3 that proposes to provide a 50 percent impact tax discount for single family or single family attached homes that are less than 1,800 square feet. Again, these units are the entry-level housing product type that the County wants to encourage and this exemption will have a meaningful impact.

Our “big picture” overall observation is that the sum of the proposed Growth and Infrastructure Policy measures strikes the right balance between regulation and incentives and reflect a serious effort to further the County’s housing objectives.

Thank you.