



Montgomery County FY27 Capital Budget

Position: Support with Amendments

submitted via online transmission
April 10, 2026

To All Members of the Committee:

I am writing today on behalf of Enterprise Community Development (ECD) to thank County Executive Elrich and the County Council for their ongoing budget support for affordable housing. This funding has allowed for collaboration among Montgomery County, housing providers, and lenders to produce and preserve housing that is paramount to the County's residents and to its long-term economic strength.

We respectfully urge your support for additional funding for the Department of Housing and Community Affairs (DHCA), to meet today's moment of both great housing needs and the significant pipeline of entitled developments. Recent estimates by the Metropolitan Washington Council of Governments suggest that Montgomery County needs to add 3,500 additional housing units per year through 2030. Yet the proposed capital budget of \$100.5 Million represents a decrease of approximately \$20 Million from funding levels over the last two years. At the same time, there are numerous projects ready to break ground during the coming fiscal year, if they can be awarded necessary local funding. To ensure that all of the affordable projects in the pipeline for the next fiscal year can be undertaken, the County would need to allocate \$169M.

We support, at a minimum, an additional \$20 Million to maintain funding at the current FY26 levels. Without an increase to the proposed budget, shovel-ready projects that could house current and future residents are at risk of being delayed or derailed. In the absence of required local funding, many of these projects may be shelved indefinitely. Affordable housing developers have committed significant predevelopment capital to these projects in response to the County's call for new supply of affordable homes. If the prospect for full funding dims, it will have a chilling effect on future affordable housing development and may impair some of these sponsors, reducing future capacity. Additional resources will ensure adequate program dollars, staff, and administrative support for vital services that support housing development investments and outcomes in Montgomery County.

About Enterprise:

Enterprise Community Partners (Enterprise) is a national nonprofit that exists to make a good home possible for the millions of families without one. We support community development organizations on the ground, aggregate and invest capital for impact, and advance housing policy at every level of government. We are deeply committed to Maryland, where we were founded more than 40 years ago. Since 1982 Enterprise has provided \$3.9 Billion in debt, equity, and grants in Maryland, supporting the creation of over 46,000 homes. In Montgomery County we have invested over \$634 Million and supported the creation of 5,700 homes.

As the affordable housing developer and management arm of Enterprise, ECD owns and operates 81 properties in Maryland, providing housing for almost 14,000 residents. In Montgomery County we operate seven communities and over 900 homes, housing over 1,600 people. We are committed to creating quality and sustainably designed affordable homes that offer holistic resident services.

Our Impact

County funding has allowed ECD to preserve affordable housing developments serving families and seniors in communities throughout the county. Recently, ECD, in a joint venture with Seabury Resources for Aging, Inc., closed on the redevelopment of Springvale Terrace in downtown Silver Spring. Located blocks from two Purple Line stations, this 236-unit senior housing redevelopment project will replace an obsolete, carbon-emitting property with a new all-electric building, directly benefiting its future residents through lower utility costs. We're pleased to be able to partner with the County and others to turn the region's first property developed using HUD's Section 202 financing over a half century ago into a modern, affordable community that allows seniors to age in place in an area of rich amenities. Previous funding supported bringing four projects totaling over 300 affordable units to the county.

Our preservation and new construction efforts in these projects across the county would not be possible without local resources. The affordable housing programs in the County's operating and capital budgets promote job growth and private investment by leveraging the County funds with Federal tax credits, State loans, and private investment for every \$1 the County invests. The economic impact of each DHCA project reaches beyond simply the production of affordable housing, but also creates quality long term jobs, repayment of loans with interest, and generates new real property taxes, development fees and transfer taxes.

Like many providers, ECD has additional pipeline projects we hope will secure available County funding so they too can bring more quality, affordable homes to current and future residents who need them. This current pipeline includes three projects comprising over 600 new and preserved rental homes.

- Strathmore brings 400 units located at the Grosvenor-Strathmore Metro Station and adjacent to the Strathmore Music Center.
- Parkside Terrace preserves 87 units of a naturally occurring affordable housing community.
- Silver Spring United Methodist Church brings 135 units as part of the United Methodist Church's goal to expand its mission of serving the community by developing affordable housing on underutilized portions of their church property.

DHCA's programs make these deals possible; while demand continues to outpace available funding resources, we know that every single dollar allocated to DHCA will be used in the coming fiscal year to help deliver much needed housing, create jobs, and support our state economy.

Our Support for Department of Housing and Community Affairs Funding and Additional Request:

We support, at minimum, an additional \$20 million to maintain funding at the current FY26 levels, which is needed to address the increased construction and financing costs and allow many of the dozens of projects in the DHCA pipeline to close and begin construction.

Enterprise applauds County Executive Elrich and the County Council for recognizing the urgent need and the economic value of investing state resources into affordable housing and community development pipelines. We continue to face deficits in housing production, preservation and rehabilitation, which is needed to help more county residents find housing they can afford. Additional costs for construction, labor, insurance, and other inflationary increases make each dollar added to these programs even more important to bring projects to fruition and into service for residents.

It is a testament to Maryland's housing practitioner network that such a substantial level of potential activity is possible, and to the County for supporting and financing as many projects as possible to create and preserve more affordable homes for county residents. **We urge your support for additional revenues** to ensure these programs can be effective in delivering housing stability and nonprofit partner sustainability in helping the State meet its goals.

Our team would be happy to answer any questions you may have about our work in Maryland, and we appreciate your consideration of these views. On behalf of Enterprise Community Development, we urge you to adopt the DHCD rental housing and assistance programs budgets as requested.

Respectfully submitted,

Jennifer Leonard
Policy Director, Enterprise Community Development

Cc: Janine Lind, President, Enterprise Community Development
Melissa Bondi, Mid-Atlantic Senior Director, Enterprise Community Partners