

Racial Equity and Social Justice Impact Statement

Office of Legislative Oversight

BILL 18-24 HOUSING POLICY – STANDARDS AND PROCEDURES – AMENDMENTS

SUMMARY

The Office of Legislative Oversight (OLO) anticipates that Bill 18-24: Housing Policy-Standard and Procedures-Amendments could advance RESJ if it helps to increase the supply of affordable housing in the County. OLO anticipates that the Bill would benefit low- and moderate-income families and would disproportionately benefit Black low- and moderate-income households since they currently account for a majority of HOC households.

PURPOSE OF RESJ STATEMENTS

The purpose of RESJ impact statements (RESJIS) is to evaluate the anticipated impact of legislation on racial equity and social justice in the County. Racial equity and social justice refer to a **process** that focuses on centering the needs, power, and leadership of communities of color and low-income communities with a **goal** of eliminating racial and social inequities.¹ Achieving racial equity and social justice usually requires seeing, thinking, and working differently to address the racial and social harms that have caused racial and social inequities.²

PURPOSE OF BILL 18-24

The purpose of Bill 18-24 is to eliminate the Housing Opportunities Commission's (HOC) current requirement to issue a public notice and hold public hearings for proposed affordable housing developments.³ The elimination of this requirement could help streamline the development process for affordable housing projects and potentially increase the supply of affordable housing locally.

HOC is a public housing agency that provides affordable housing and supportive services for low- to moderate-income families in Montgomery County. Established in 1974, HOC is authorized to administer federal, state, County, and private affordable housing programs. The Commission may own, lease, and operate housing, provide for the construction or renovation of housing, and obtain funding.⁴

Generally, HOC must hold a public hearing on any affordable housing it proposes and report in writing the findings and conclusions from the hearing. At least 15 days before the hearing, HOC must give notice of the hearing by a display advertisement in two newspapers of general circulation in Montgomery County.⁵

Bill 18-24 mirrors recent legislation passed by the Maryland General Assembly, House Bill 424 - Montgomery County – Housing Opportunities Commission – Alterations, that remove the additional requirement for public hearing notices related to affordable housing.⁶ Specifically, the law would no longer define “agency” to include HOC. The law, however, still preserves the requirement for the Department of Housing and Community Affairs and any other governmental entity to provide notice and hearing for affordable housing projects.⁷

Bill 18-24 was introduced on September 17, 2024.

RESJ Impact Statement

Bill 18-24

This RESJ impact statement (RESJIS) builds on the RESJIS for Zoning Text Amendment 23-02, Regulatory Approvals - Mixed-Use Housing Community, and Bill 15-23: Landlord-Tenant Relations – Anti-Rent Gouging Protections. Please refer to these impact statements for detailed background on racial inequities in housing insecurity and affordable housing.

HOUSING AFFORDABILITY AND RACIAL EQUITY

Racial inequities in housing have also fostered racial disparities in housing security in Montgomery County where:

- A majority of Latinx and Black renters (63 percent and 57 percent) were cost-burdened (expending 30 percent or more of income on rent) in 2021, compared to 45 percent of White renters and 38 percent of Asian renters.⁸
- Among single adults experiencing homelessness in 2021, 56 percent were Black, 33 percent were White, 5 percent were Native American, and 4 percent were Asian or Pacific Islander.⁹
- Among families experiencing homelessness, in 2021, 84 percent were Black, 12 percent were White, and 3 percent were Native American.¹⁰

Racial inequities in housing have also fostered racial disparities in the demand for housing that is affordable to low- and moderate-income families in Montgomery County. In turn, Black families accounted for 59 percent (11,800) of the 20,000 HOC families in 2024 compared to accounting for 18 percent of the County’s population (1,62,061¹¹ in 2022).¹² Conversely, all other groups by race and ethnicity are underrepresented among HOC households compared to their shares of the County’s population.

**Table 1: Montgomery County and Housing Opportunities
Commission Populations by Race and Ethnicity, 2020**

Demographics ¹³	Montgomery County Population ¹⁴	HOC Families ¹⁵
White	41%	9%
Hispanic	21%	16%
Black	18%	59%
Asian/Pacific Island	15%	4%
Other/Unknown	6%	12%

Source: HOC of Montgomery County: Five-Year Strategic Plan 2024-2029

HOC in its five-year strategic plan, anticipates that the demand for affordable housing will continue to grow across the County.¹⁶ It observes that the County has struggled to build enough homes to accommodate its growing population which in turn has increased home prices and diminished affordability.¹⁷ HOC also finds that Montgomery County’s renters were most likely to spend more of their income on rent than renters in the region and Black residents have a greater chance of being severely cost-burdened than Black renters throughout Maryland as a whole.¹⁸

ANTICIPATED RESJ IMPACTS

To consider the anticipated impact of Bill 18-24 on racial equity and social justice, OLO considers two related questions:

- Who are the primary beneficiaries of this bill?
- What racial and social inequities could the passage of this bill weaken or strengthen?

RESJ Impact Statement

Bill 18-24

If eliminating the additional HOC public hearing requirement helps to increase the supply of affordable housing in the County, OLO anticipates that Bill 18-24 would benefit low- and moderate-income families and would disproportionately benefit Black low- and moderate-income households since they currently account for a majority of HOC households.¹⁹ OLO also anticipates that racial disparities in housing cost burden could also be diminished if Bill 18-24 helped to increase the supply of affordable housing in the County.

Overall, OLO anticipates that Bill 18-24 could advance RESJ if it helps to increase the supply of affordable housing in the County. However, OLO observes that the anticipated favorable impact of Bill 18-24 on RESJ is likely small as several factors are more determinant than reducing public hearings that shape the County's supply of affordable housing. Determinant factors for affordable housing include the rate of housing construction, the scale of investment, the cost of housing, loan availability, and interest rate.

RECOMMENDED AMENDMENTS

Bill 44-20 amending the County's Racial Equity and Social Justice Act²⁰ requires OLO to consider whether recommended amendments to narrow racial and social inequities are warranted in developing RESJ impact statements for Bills. OLO, however, finds Bill 18-24 will likely have a positive impact on RESJ in the County.

CAVEATS

Two caveats to this racial equity and social justice impact statement should be noted. First, predicting the impact of legislation on racial equity and social justice is a challenging analytical endeavor due to data limitations, uncertainty, and other factors. Second, this RESJ impact statement is intended to inform the legislative process rather than determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

CONTRIBUTIONS

OLO staffer Elsabett Tesfaye, Performance Management and Data Analyst, drafted this racial equity and social justice impact statement.

¹ Definition of racial equity and social justice adopted from "Applying a Racial Equity Lens into Federal Nutrition Programs" by Marlysa Gamblin, et.al. Bread for the World, and from Racial Equity Tools <https://www.racialequitytools.org/glossary>

² Ibid

³ Memorandum from Ludeen McCartney-Green, Legislative Attorney to County Council. Bill 18-24: Housing Policy – Standards and Procedures – Amendments. September 17, 2024.

https://apps.montgomerycountymd.gov/ccllms/DownloadFilePage?FileName=2842_1_25810_Bill_18-2024_Introduction_20240917.pdf

⁴ House Bill 424 - Montgomery County – Housing Opportunities Commission – Alterations. Effective October 1, 2024. As Cited in Memorandum from Ludeen McCartney-Green. <https://mgaleg.maryland.gov/mgawebsite/Legislation/Details/HB0424>

⁵ Ibid.

⁶ Ibid.

⁷ Ibid.

⁸ Table S0201, Selected Population Profile in the United States, 2021 American Community Survey 1-Year Estimates, Census Bureau.

⁹ "Point in Time Survey," Montgomery County Interagency Commission on Homelessness, Accessed December 5, 2022.

<https://www.montgomerycountymd.gov/homelessness/numbers.html>

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¹⁰ Ibid.

¹¹ United States Census, Montgomery County. 2020.

https://data.census.gov/profile/Montgomery_County,_Maryland?g=050XX00US24031#race-and-ethnicity

¹² Housing Opportunity Commission of Montgomery. Five Year Strategic Plan, 2024-2029. P. 47.

https://issuu.com/hoclpa/docs/board_approved_strategic_plan

¹³ HOC internal Data. 2024

https://issuu.com/hoclpa/docs/board_approved_strategic_plan

¹⁴ Montgomery Planning/American Community Survey, 2021. As cited in Housing Opportunity Commission of Montgomery. Five Year Strategic Plan P.48

¹⁵ HOC internal Data. 2024

¹⁶ Montgomery County Planning Board, Current demographic, economic, and housing market conditions, Jul 13, 2022. As cited in Housing Opportunity Commission of Montgomery. Five Year Strategic Plan P.40

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ Housing Opportunity Commission of Montgomery.

²⁰ Bill 44-20, Racial Equity and Social Justice – Impact Statements – Advisory Committee – Amendments, Montgomery County, Maryland, December 1, 2020.

https://apps.montgomerycountymd.gov/ccllms/DownloadFilePage?FileName=2682_1_12149_Bill_44-20_Signed_20201211.pdf