

Committee: PH
Committee Review: At a future date
Staff: Ludeen McCartney-Green, Legislative Attorney
Purpose: To receive testimony – no vote expected
Keywords: #AffordableHousing

AGENDA ITEM #8
January 17, 2023
Public Hearing

SUBJECT

Bill 33-22, Capital Improvements Program – Affordable Housing Feasibility Study – Required
Lead Sponsor: Councilmember Friedson
Co-Sponsors: Councilmembers Katz and Albornoz, then Councilmembers Navarro, Riemer, and Rice

EXPECTED ATTENDEES

Members of the public

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- To receive public testimony – no vote expected

DESCRIPTION/ISSUE

Bill 33-22 would:

- (1) require the County Executive to submit an affordable housing feasibility study to the Council for certain capital projects;
- (2) establish a review process for the Council to determine project feasibility for colocation of affordable housing; and
- (3) generally amend County law regarding the analysis of capital projects.

SUMMARY OF KEY DISCUSSION POINTS

- None

This report contains:

Staff Report	Pages 1-3
Bill 33-22	©1
Legislative Request Report	©5
Lead Sponsor Memorandum	©6
Economic Impact Statement	©7
Racial Equity and Social Justice Impact Statement	©11

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M E M O R A N D U M

January 12, 2023

TO: County Council

FROM: Ludeen McCartney-Green, Legislative Attorney

SUBJECT: Bill 33-22, Capital Improvements Program – Affordable Housing Feasibility Study – Required

PURPOSE: Public Hearing – to receive testimony

Bill 33-22, Capital Improvements Program – Affordable Housing Feasibility Study – Required, sponsored by Lead Sponsor Councilmember Friedson with Co-Sponsors Councilmembers Katz and Alborno and then-Councilmembers Navarro, Riemer and Rice was introduced on November 15, 2022. A public hearing is scheduled for January 17, 2023, at 1:30 PM. A Planning, Housing, and Parks Committee worksession is tentatively scheduled for January 23, 2023.¹

Bill 33-22 would:

- (1) require the County Executive to submit an affordable housing feasibility study to the Council for certain capital projects;
- (2) establish a review process for the Council to determine project feasibility for co-location of affordable housing; and
- (3) generally amend County law regarding the analysis of capital projects.

PURPOSE

The purpose of this bill is to make the process of evaluating a project for colocation of affordable housing and County facilities more transparent between the Executive branch and the County Council.

BACKGROUND

Under the current law, the Office of Management and Budget (OMB) is required to provide to the County Council during the transmission of the Capital Improvements Program (CIP) budget,

¹ #AffordableHousing

an affordable housing assessment for each applicable capital project that is in the facility planning stage.² The affordable housing assessment takes into consideration several factors in its evaluation: (1) the feasibility of including a significant amount of affordable housing in the project; (2) the effect of the project on the supply of affordable housing in the immediate area; (3) what capital or operating modifications, if any, would promote and maximize affordable housing in the project and the immediate area; and (4) what operating budget modifications, if any, would be needed to build and maintain affordable housing in the project.

The problem here is, by the time the capital project and housing assessment are included in the CIP for the Council's consideration there are already barriers to the project, *i.e.* site constraints, costs of construction, design elements, the program of requirements, etc., that would prevent the feasibility of the project from moving forward, and as a result, a lost opportunity for affordable housing.

Bill 33-22 would seek to strengthen the evaluation of co-location of affordable housing and County facilities *earlier* in the capital project development process by requiring a robust feasibility study prior to the facility planning stage. In return, this would provide an opportunity for the Council to review the study and determine whether to support the findings or make further recommendations.

BILL SPECIFICS

Specifically, Bill 33-22 would require the County Executive to submit an affordable housing feasibility study *prior to* facility planning, development of the program of requirements, site selection, or land acquisition of any capital project. The study would include the following requirements, (lines 16-26 of the Bill):

(c) Contents of the feasibility study. The study must include, but is not limited to, the following:

- (1) a description of the proposed capital project;
- (2) outreach efforts and stakeholder input;
- (3) the program of requirements, if developed;
- (4) potential site and environmental constraints;
- (5) programmatic elements evaluated for co-location;
- (6) projected total cost of construction, including, if any, costs of co-location of affordable housing;
- (7) a statement of whether co-location is feasible; and
- (8) any other related components used for consideration to determine project feasibility.

² County Code §25B-7

After the Council receives the study submitted by the County Executive, within 30 days, the Council must review the analysis provided in the study. The analysis will provide a basis for considering co-locating affordable housing on any new CIP project (this bill would not apply to refresh projects). The Council must decide whether to approve or disapprove of the analysis presented in the feasibility study and depending on the Council's decision, this sets the direction of the project.

Feasibility Study Approved by Council. If the affordable housing feasibility study is approved, DGS moves forward with its normal capital project development process (planning, design, budget, and construction).

Feasibility Study Disapproved by Council. If the Council disapproves the analysis provided by the Executive, the Council can direct the Executive Branch to go back and perform additional analysis, and within a reasonable timeframe come back to the Council, with a capital project plan that includes co-location. When the Council reviews the Executive's capital project plan, it can approve the plan that includes co-location, waive any requirements, or agree with the Executive that housing is not feasible for the project.

If the project is determined feasible, it would be included in the CIP as a part of the normal budget review process to receive funding.

Waiver Provision

The bill also includes a waiver provision, if the Council determines the project would result in a loss of a site; require emergency appropriation; or experience further delay not in the best interest of the public then the Council may waive requirements.

The effective date of the bill would be July 1, 2023, after the CIP budget for FY 2024 is approved by the Council.

This packet contains:	<u>Circle #</u>
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0Bill No. 33-22
Concerning: Capital Improvements
Program – Affordable Housing
Feasibility Study – Required
Revised: 11/7/2022 Draft No. 5
Introduced: November 15, 2022
Expires: May 15, 2024
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Friedson
Co-Sponsors: Councilmembers Katz and Alborno, then-Councilmembers Navarro, Riemer and
Rice

AN ACT to:

- (1) require the County Executive to submit an affordable housing feasibility study to the Council for certain capital projects;
- (2) establish a review process for the Council to determine project feasibility for colocation of affordable housing; and
- (3) generally amend County law regarding the analysis of capital projects.

By amending

Montgomery County Code
Chapter 25B, Housing Policy
Section 25B-7

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Section 25B-7 is amended as follows:**

2 **25B-7. Affordable housing feasibility study and assessment.**

3 (a) Definitions. As used in this Section:

4 Affordable housing feasibility study means an analysis of any applicable
 5 capital project that includes an evaluation of affordable housing at a
 6 library, recreation center, police station, fire station, or any other general
 7 services building.

8 Applicable capital project means any proposed building project
 9 administered by the Department of General Services or the Parking
 10 Management Division of the Department of Transportation.

11 (b) Affordable housing feasibility study. For any applicable capital project,
 12 prior to facility planning, development of the program of requirements,
 13 site selection, or land acquisition, the County Executive must prepare and
 14 submit an affordable housing feasibility study to the Council.

15 (c) Contents of the feasibility study. The study must include, but is not limited
 16 to, the following:

- 17 (1) a description of the proposed capital project;
- 18 (2) outreach efforts and stakeholder input;
- 19 (3) development of the program of requirements, if any;
- 20 (4) potential site and environmental constraints;
- 21 (5) programmatic elements for colocation projects;
- 22 (6) the projected total cost for construction, including, if any, costs of
 23 colocation of affordable housing;
- 24 (7) a statement of whether colocation is feasible; and
- 25 (8) any other related components used for consideration to determine
 26 project feasibility.

27 (d) County Council review; capital project plan.

- (1) Within 30 days after the Council receives the affordable housing feasibility study under subsection (b), the Council must:
 - (A) review the feasibility study; and
 - (B) determine by a vote whether to approve or disapprove the analysis provided in the feasibility study.
 - (2) An analysis approved by the Council under subparagraph (1)(B) permits the project to proceed in its normal course of planning, design, and construction.
 - (3) If the Council disapproves of the analysis under subparagraph (1)(B) and determines that colocation of affordable housing is feasible, the County Executive must, within a reasonable timeframe, develop and transmit to the Council a plan where the capital project identified in the study includes colocation of affordable housing.
- (e) Review of the Executive's plan. Before appropriation in the Capital Improvements Program, the Council must review and approve the plan submitted by the Executive under subsection (d)(3). A plan that does not include colocation must contain a written explanation describing the circumstances as to why the requirements for colocation could not be fulfilled.
- (f) Waiver. The Council may waive any requirement under this Section if the Council determines the project would:
- (A) result in a loss of a site;
 - (B) require emergency appropriation; or
 - (C) experience further delay not in the best interest of the public.
- [(a)] (g) Affordable Housing Assessment. For each applicable capital project in

the Capital Improvements Program during facility planning, the Office of Management and Budget must include in or transmit with the CIP an evaluation of:

- (1) the feasibility of including a significant amount of affordable housing in the project;
- (2) the effect of the project on the supply of affordable housing in the immediate area;
- (3) what capital or operating modifications, if any, would promote and maximize affordable housing in the project and the immediate area; and
- (4) what operating budget modifications, if any, would be needed to build and maintain affordable housing in the project.

[(b)] (h) * * *

[(c) As used in this section, applicable capital project means any proposed building project administered by the Department of General Services or the Parking Management Division of the Department of Transportation.]

* * *

Sec. 2. Effective Date; Transition. The amendments in Section 1 take effect on July 1, 2023.

LEGISLATIVE REQUEST REPORT

Bill 33-22

Capital Improvements Program – Affordable Housing Feasibility Study – Required

DESCRIPTION: Bill 33-22 would: (1) require the County Executive to submit an affordable housing feasibility study to the Council for certain capital projects; (2) establish a review process for the Council to determine project feasibility for co-location of affordable housing; and (3) generally amend County law regarding the analysis of capital projects.

PROBLEM: Co-location allows the County to shift its focus away from stand-alone individual projects and toward either: (a) making maximum use of its existing assets or (b) integrating the County's goal of increasing its stock of affordable housing into the objectives of new CIP projects. The purpose of this bill is to make the process of evaluating a project for the co-location of affordable housing and County facilities more transparent between the Executive branch and the County Council.

GOALS AND OBJECTIVES: To strengthen the existing requirement for the Executive Branch to assess the viability of co-location of affordable housing with new county facilities at a site for a potential library, recreation center, police station, fire station, or any general services building in the County.

COORDINATION: Department of General Services

FISCAL IMPACT: To be completed by OMB

ECONOMIC IMPACT: Office of Legislative Oversight

RESJ IMPACT: Office of Legislative Oversight

EVALUATION: To be completed.

EXPERIENCE ELSEWHERE:

SOURCE OF INFORMATION: Ludeen McCartney-Green, Legislative Attorney

APPLICATION WITHIN MUNICIPALITIES: N/A

PENALTIES: N/A



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

ANDREW FRIEDSON
COUNCILMEMBER
DISTRICT 1

MEMORANDUM

TO: Colleagues
FROM: Andrew Friedson *AF*
SUBJECT: Colocation of Affordable Housing with County Facilities
DATE: November 9, 2022

On November 15, 2022, I will be introducing legislation (attached) to strengthen the [existing requirement](#) for the Executive Branch to assess the viability of colocation of affordable housing with new or significantly renovated county facilities.

We are all aware of the housing crisis we face. Bill 33-22, which helps ensure we make the highest and best use of county-owned property by collocating affordable housing with our own capital projects, provides another important tool to address our county's housing needs and allows us to lead by example. We have unfortunately missed countless opportunities for colocation in the past. Because our housing needs are great and our land is scarce, we must aggressively pursue each feasible project. This bill would accomplish that goal by ensuring a thorough and transparent analysis and review deserving of our shared commitment to increasing our affordable housing supply.

Specifically, this bill would add the following requirements/conditions:

- Require an affordable housing feasibility study prior to facility planning, development of the program of requirements, site selection, or land acquisition. This study would include eight requirements outlined on lines 19-28 of the draft and be submitted to the Council which would then review the analysis and approve or disapprove the assessment, setting the direction of the project.
- If the affordable housing feasibility study is approved, DGS moves forward with their normal capital project development process working with DHCA, HOC, and/or a private or nonprofit housing development partner.
- If the Council disapproves the Executive Branch assessment, the Council can direct the Executive Branch to go back, do additional analysis, and come back to the Council or the Council can concur with the Executive Branch that housing is not feasible for a given project.
- The colocation projects then make their way to inclusion in the CIP which the Council receives and reviews during the regular CIP review process. The Council President has the discretion to send the review of these projects to the appropriate Council committee(s) or to put a project on the full council agenda for review by the body.
- If anything has changed from the time of the Council's approval of the affordable housing assessment, the Executive Branch must come to the Council requesting a waiver to build a stand-alone county facility.

Please let us know if you would like to co-sponsor this legislation and of course, do not hesitate to reach out to me or Cindy with any questions.

Economic Impact Statement

Office of Legislative Oversight

Bill 33-22

Capital Improvements Program – Affordable Housing Feasibility Study – Required

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Bill 33-22 would have an indeterminate impact on economic conditions in the County in terms of the Council's priority indicators. The Bill would require, both, the Executive to inform the Council of the status of affordable housing colocation for specific capital projects and the Council to intervene in the evaluation of these projects at an earlier stage in the capital development process. These reforms to the legislative process could have *indirect* economic impacts if they (a) increase affordable housing colocation at County facilities and/or (b) change timeline or specifications of certain capital projects. While increasing affordable housing would benefit certain residents, there is uncertainty regarding the Bill's potential indirect impacts to certain private organizations involved in capital projects and broader economic conditions.

BACKGROUND

The goal of Bill 33-22 is to make the process of evaluating a capital project for co-location of affordable housing and County facilities more transparent between the Executive branch and the Council. The Bill would attempt to achieve this goal by reforming the process in two ways.

First, the Bill would require the Executive to provide the Council with an analysis of the feasibility of co-locating affordable housing in a capital project *earlier* in the capital development process. Under the current law, the Office of Management and Budget (OMB) is required to provide an affordable housing assessment for each project to the Council during the transmission of the Capital Improvements Program (CIP) budget.¹ The Bill would require the Executive to submit an "affordable housing feasibility study" before facility planning, development of program of requirements, site selection, or land acquisition. As stated in the Bill, the study would include the following elements:

- (1) a description of the proposed capital project;
- (2) outreach efforts and stakeholder input;
- (3) the program of requirements, if developed;
- (4) potential site and environmental constraints;

¹ [McCartney-Green to County Council](#), November 10, 2022.

Economic Impact Statement

Office of Legislative Oversight

- (5) programmatic elements evaluated for co-location;
- (6) projected total cost of construction, including, if any, costs of co-location of affordable housing;
- (7) a statement of whether co-location is feasible; and
- (8) any other related components used for consideration to determine project feasibility.

Second, the Bill would require *earlier* Council action in the process of evaluating a capital project. In particular, the Council would be required to review and vote on whether to approve the feasibility study within thirty days. If the Council approves the study, the project will proceed in its normal course. If, however, the Council disapproves the study and determines that colocation of affordable housing is feasible, the Executive would be required to provide the Council with a new plan “where the project identified in the study includes co-location of affordable housing.”

If enacted, the change in law would take effect on July 1, 2023, after the Council approves the CIP budget for FY23.²

INFORMATION SOURCES, METHODOLOGIES, AND ASSUMPTIONS

Per Section 2-81B of the Montgomery County Code, the purpose of this Economic Impact Statement is to assess, both, the impacts of Bill 33-22 on residents and private organizations in terms of the Council’s priority economic indicators and whether the bill would have a net positive or negative impact on overall economic conditions in the County.³

The reforms to the legislative process described above would have no *direct* economic impacts on residents, private organizations, or broader conditions. However, they potentially could have *indirect* economic impacts. These impacts could occur if the reforms (a) increase affordable housing co-location at County facilities and/or (b) change the timeline or specifications of certain capital projects.

In subsequent sections, OLO discusses the economic implications of these potential indirect impacts. The primary sources of information used in this analysis are materials enclosed in the Bill’s Introduction Staff Report (cited above) and a consultation with the attorney who wrote the bill.

VARIABLES

The primary variables that would affect the indirect, economic impacts of enacting Bill 33-22 is the number of affordable housing units’ co-location at County facilities.

² [Bill 33-22](#).

³ Montgomery County Code, [Sec. 2-81B](#).

Economic Impact Statement

Office of Legislative Oversight

IMPACTS

WORKFORCE ▪ TAXATION POLICY ▪ PROPERTY VALUES ▪ INCOMES ▪ OPERATING COSTS ▪ PRIVATE SECTOR CAPITAL INVESTMENT ▪ ECONOMIC DEVELOPMENT ▪ COMPETITIVENESS

Residents

OLO anticipates Bill 33-22 potentially could have positive, indirect impacts on certain residents in the County in terms of certain indicators prioritized by Council. If the reforms to the capital development process increase affordable housing co-location at certain County facilities, the Bill would indirectly benefit residents who attain more affordable housing than they otherwise would in the absence of the reforms. Holding all else equal, more affordable housing reduces the total amount of income required for housing.

Beyond this potential indirect impact, OLO does not expect the Bill to affect residents in terms of the Council's other priority indicators.

Businesses, Non-Profits, Other Private Organizations

OLO anticipates Bill 33-22 would have an indeterminate impact on certain private organizations in the County in terms of the Council's priority indicators. If the reforms to the capital development process increase affordable housing co-location, construction companies/developers may be indirectly benefited by affordable housing being added to a capital project. If the reforms to the capital development process change the timeline or specification of certain capital projects, the Bill could indirectly impact private organizations involved in these projects. It is uncertain, however, whether these indirect impacts would be positive or negative.

Net Impact

While Bill 33-22 could have positive, indirect impacts on certain residents in the County, there is uncertainty regarding the Bill's potential impacts to certain private organizations. For this reason, OLO is unable to anticipate the net economic impact of the Bill on all stakeholders and broader economic conditions in the County.

DISCUSSION ITEMS

Not applicable

WORKS CITED

McCartney-Green, Ludeen to County Council. [Memorandum](#). November 10, 2022.

Montgomery County Code. [Sec. 2-81B, Economic Impact Statements](#).

Economic Impact Statement

Office of Legislative Oversight

Montgomery County Council. [Bill 33-22, Capital Improvements Program – Affordable Housing Feasibility Study – Required.](#)

Introduced on November 15, 2022.

CAVEATS

Two caveats to the economic analysis performed here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. Second, the analysis performed here is intended to *inform* the legislative process, not 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

Stephen Roblin (OLO) prepared this report.

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

BILL 33-22: CAPITAL IMPROVEMENTS PROGRAM – AFFORDABLE HOUSING FEASIBILITY STUDY – REQUIRED

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Bill 33-22 could have a positive impact on racial equity and social justice (RESJ) in the County. Data on household median incomes suggest Black and Latinx households, particularly renter households, could disproportionately benefit from an increase in affordable housing units. If Bill 33-22 works as intended, an increase in affordable housing could also narrow racial disparities in housing insecurity, such as rent burden and homelessness, by increasing the availability of units that are more affordable to Black and Latinx residents. Because only a limited number of projects would be eligible for affordable housing co-location, OLO anticipates the positive RESJ impact will be small.

PURPOSE OF RESJ IMPACT 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, leadership, and power 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 33-22

According to the Montgomery County Planning Department's 2015 White Paper, co-location refers to "the locating of two or more organizations of public interest sharing some significant aspect of a physical space on a regular basis."³ As the housing crisis mounts, jurisdictions locally and throughout the country are increasingly considering co-location of housing units with public facilities, such as schools and libraries.^{4,5,6}

Under current law, during transmission of the Capital Improvements Program (CIP) budget, the County's Office of Management and Budget (OMB) is required to provide the County Council an affordable housing assessment for each applicable capital project that is in facility planning. The purpose of Bill 33-22 is to require the County Executive to submit an affordable housing feasibility study to the Council for certain capital projects, in addition to the affordable housing assessment already required. Capital projects requiring an affordable housing feasibility study would include libraries, recreation centers, police stations, fire stations, and other general services buildings.⁷

Bill 33-22 would require the Executive to submit the affordable housing feasibility study prior to facility planning, development of the program requirements, site selection or land acquisition of any capital project. This is intended to make affordable housing co-location more feasible through requiring planning for co-location earlier in the capital project development process.⁸

RESJ Impact Statement

Bill 33-22

Bill 33-22 would also establish a review process for the Council to determine project feasibility for co-location of affordable housing. The Council would determine by vote whether to approve or disapprove the analysis presented in the feasibility study. The Bill implies the Council would only disapprove of an analysis and request a revised plan for co-location if the study finds co-location to not be feasible.⁹ According to Council staff, the Bill does not change the existing CIP process and the Executive can ultimately include projects in the CIP with or without recommendations that arise from the Council through this process.

Bill 33-22 was introduced to the Council on November 15, 2022.

HOUSING INSECURITY AND RACIAL EQUITY

Government policies and practices have played a significant role in creating and sustaining housing inequities by race and ethnicity. As outlined below, Black and Latinx residents experience higher rates of housing insecurity and lower rates of homeownership. Please refer to the RESJIS for Expedited Bill 30-21, Landlord-Tenant Relations – Restrictions During Emergencies – Extended Limitations Against Rent Increases and Late Fees, for more on the government’s role in fostering racial segregation in housing and the racial wealth divide.¹⁰

Data on Housing Insecurity. Local data on three metrics of housing insecurity – rent-burdened households, rental assistance participation, and homelessness – demonstrate that Black and Latinx households in the County are especially housing insecure. More specifically, in the County:

- In 2021, 63 percent of Latinx renters and 57 percent of Black renters were rent-burdened (expending 30 percent or more of income on rent), compared to 45 percent of White renters and 38 percent of Asian renters.¹¹
- Among recent COVID-19 Rent Relief Program clients, 46 percent were Black and 24 percent were Latinx, while 8 percent were White and 2 percent were Asian or Pacific Islander.¹²
- 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.¹³
- Among families experiencing homelessness in 2021, 84 percent were Black, 12 percent were White, and 3 percent were Native American.¹⁴

Local data on homeownership also confirms housing inequities by race and ethnicity. In 2019, 75 percent of White and 73 percent of Asian households in the County were owner-occupied, compared to 50 percent of Latinx households and 41 percent of Black households.¹⁵

ANTICIPATED RESJ IMPACTS

To consider the anticipated impact of Bill 33-22 on RESJ in the County, OLO recommends the consideration of two related questions:

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

RESJ Impact Statement

Bill 33-22

For the first question, OLO considered the median incomes of County households. Residents with lower incomes could benefit from an increase in affordable housing if this Bill works as intended. Table 1 summarizes the median incomes of County households by race and ethnicity. For reference, 60 percent of the Area Median Income (AMI), a common threshold for affordable housing eligibility, is currently \$85,380 for a family of four.¹⁶

Table 1 suggests that the median income of Black households is below the 60 percent AMI threshold for a family of four, while the median income of Latinx households is slightly above the threshold. The median incomes of Native American, Asian, and White households exceed the threshold by \$23,400, \$37,803, and \$55,623, respectively. This data suggests that Black and Latinx households could particularly benefit from more affordable housing.

Table 1: Median Household Income by Race and Ethnicity, Montgomery County, Maryland¹⁷

Race and ethnicity	Median Household Income
Asian	\$123,183
Black	\$83,194
Native American	\$108,780
White	\$141,003
Latinx	\$86,302

Source: Table S1903, 2021 American Community Survey 1-Year Estimates, Census Bureau.

Further, the median household income of renter households in the County was \$71,240, compared to \$147,209 for owner households.¹⁸ The median income of renter households falls well below the 60 percent AMI threshold for a family of four, which implies that renters could also benefit from more affordable housing. Table 2 suggests Black and Latinx households are overrepresented among renter households. Native American households are proportionately represented, while White and Asian households are underrepresented.

Table 2: Percent of All Households and Percent of Renter-Occupied Households by Race and Ethnicity, Montgomery County

Race and ethnicity	All Households	Renter-Occupied Households
Asian	14.7	13.3
Black or African American	19.1	31.6
Native American	0.4	0.3
White	49.0	32.8
Hispanic or Latino	15.0	20.1

Source: Table S2502, 2021 American Community Survey 1-Year Estimates, Census Bureau.

For the second question, OLO considered the extent to which this Bill could address racial disparities in housing security. The nationwide housing crisis is fueled in large part by the shortage of affordable housing. The National Low Income Housing Coalition estimates there is a shortage of 7 million affordable homes for more than 10.8 million extremely low-income families in the country.¹⁹ Locally, in response to the regional housing shortage, the Council supported housing targets established by the Metropolitan Washington Council of Governments. The targets call for the addition of 41,000 new housing units in the County by 2030, 75 percent of which should be affordable to low- and middle-income households.²⁰

RESJ Impact Statement

Bill 33-22

Data on housing insecurity outlined in the previous section suggests Black and Latinx households are disproportionately impacted by the housing crisis. Bill 33-22 could narrow racial disparities in housing insecurity, such as rent burden and homelessness, by increasing the availability of units that are more affordable to Black and Latinx residents.

Taken together, OLO anticipates Bill 33-22 could have a positive impact on RESJ in the County. Data on household median incomes suggest Black and Latinx households, particularly renter households, could disproportionately benefit from an increase in affordable housing units. If Bill 33-22 works as intended, an increase in affordable housing could also narrow racial disparities in housing insecurity, such as rent burden and homelessness, by increasing the availability of units that are more affordable to Black and Latinx residents. Because only a limited number of projects would be eligible for affordable housing co-location, OLO anticipates the positive RESJ impact will be small.

RECOMMENDED AMENDMENTS

The Racial Equity and Social Justice Act requires OLO to consider whether recommended amendments to bills aimed at narrowing racial and social inequities are warranted in developing RESJ impact statements.²¹ OLO anticipates Bill 33-22 could have a positive impact on RESJ in the County. As such, OLO does not offer recommended amendments.

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 Janmarie Peña, Performance Management and Data Analyst, drafted this RESJ 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 Bolan Smart Associates, Inc., “Colocation White Paper,” Montgomery County Planning Department, January 2015. <https://www.montgomeryplanning.org/research/documents/MNCPCColocationFinal1-14-15.pdf>

⁴ Steve Bohnel, “County Council Says it Supports Housing at Chevy Chase Library Site,” Bethesda Beat, May 12, 2022. <https://bethesdamagazine.com/2022/05/12/county-council-says-it-supports-housing-at-chevy-chase-library-site/>

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