

29-20

**Testimony
More Housing at Metrorail Stations Act
July 28, 2020**

The League of Women Voters of Montgomery County urges the County Council to join us in supporting the More Housing at Metrorail Stations Act Bill 29-20. We support Montgomery County policies and programs to maintain and increase the much-needed supply of affordable and low-income housing, which this bill addresses.

We ask for full support of the County Council for Bill 29-20, which would create much needed housing for low-income households on land close to transportation and in many cases jobs.

As Councilmember Riemer's press release pointed out, there are currently no high-rise developments underway on any Metro station property in Montgomery County, and several projects have recently been abandoned—e.g., at White Flint and Twinbrook.

- Bill 29-20 would extend Metro's existing property tax abatement for a period of 15 years for new high-rise developments which could produce at least 8,600 much needed units of housing.
- The high-rise buildings also would include between 1,200 to 1,300 units for the County's Moderately Priced Dwelling Unit (MPDU) affordable housing set-aside programs.
- This Bill seeks to change the economics of high-rise Metro station development and deliver the housing proximate to Metro that the County needs to fight climate change, promote housing affordability, and spur economic growth.

Bill 29-20 would provide more low-income and affordable housing -- as well as a new policy that would prevent net loss of affordable housing. It would aid low-income renters and make Metrorail Stations vibrant hubs. The July 2020 MoCo Housing Needs Assessment projects a need of over 63,000 new homes between 2020 and 2040 for working and non-working households (seniors/persons with disabilities), 26.6% of which represent households with annual incomes under \$50,000. More than half of these needed new homes will be multi-family rentals in the next 20 years.

Today 14% of county renters live in overcrowded homes. 40% of our police cannot afford to live in the county.

One of every two new households is low-income (earning under \$50,000 a year), indicating that the county has an increasing share of low-income households. By 2040 the forecast is that 20% of the county population will be 65 or older. Every submarket in Montgomery County faces a supply gap for households earning up to 60 percent of the Area Median Income (AMI). Submarkets with relatively affordable stock have also faced the most significant pricing pressure, leading to the loss of affordably priced units. In 2018, 50% AMI was about \$60,000 for a family of four. The current median income is \$100,000-\$110,000.

Bill 29-20 would require the Director of Finance to offer a payment in lieu of taxes for a high-rise building constructed by a private developer on property leased from the Washington Metropolitan Area Transit Authority (WMATA) at a Metro Station. The Bill would require the payment in lieu of taxes that would exempt 100% of the real property tax that would otherwise be levied for a period of 15 years beginning in the year a use and occupancy permit is issued for the qualifying development.

WMATA does not currently pay property tax because it is an instrumentality of the State of Maryland.

Property tax can be levied against a lessee of government property used for a private purpose under Maryland Tax-Property Code Ann. §6-102(e). WMATA has agreed to a long-term lease with a developer of some of its property at the Grosvenor-Strathmore Metro Station. Maryland Tax Property Code Ann. §7-501 authorizes the Council to enact a law providing for a payment in lieu of taxes for property leased from a government agency that is otherwise subject to a tax levy under §6-102(e).

Bill 29-20 would apply to any property leased from WMATA at a Metro Station in the County for a qualifying development of a residential or commercial high-rise building.

Diane Hibino and Kathy McGuire, Co-Presidents
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