



DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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**Testimony of Aseem Nigam, Director of the Montgomery County Department of Housing  
and Community Affairs**

**In Support of House Bill 1567  
*Housing and Community Development - Affordable Housing Development Credit Program***

**Environment and Transportation Committee  
Ways and Means Committee**

**March 3, 2020**

Good afternoon, Chairman Barve and members of the Committee. My name is Aseem Nigam, Director of the Montgomery County Department of Housing and Community Affairs. It is a pleasure to be here in support of House Bill 1567, which establishes the Affordable Housing Development Credit Program.

The proposed Affordable Housing Development Credit Program will provide critically needed funds to augment existing programs in creating housing for our most cost burdened households.

Montgomery County's lower income population is comparable to statewide distributions by percent of median income, with an acute shortage of over 20,000 units affordable to households under 30% median income. The recent Metropolitan Washington Council of Governments report projects Montgomery County will also need an additional 20,000 units affordable to households under 50% of median income by 2030.

**Office of the Director**

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Housing costs as a percentage of household income have steadily increased as housing cost increases exceeded income growth. This bill helps address key challenges in creating and preserving affordable housing in higher cost jurisdictions like Montgomery County.

Montgomery County has higher land and construction costs than most other jurisdictions in the state, and already high rents burdening our population. 92% of our 48,000 renter households earning under \$50,000 are spending over 30% of income on housing; and, 61% of them are severely rent burdened, spending over 50% of income. Median rent in Montgomery County is now \$1,750 per month, which needs \$70,000 per year to afford at 30% of income.

High cost areas like Montgomery County have trouble competing for 9% tax credits, achieving only one award per round in the past five years, totaling less than 10% of the credits. This level of support is disproportionate to Montgomery County's low-income housing needs, with 17% of state households under 30% of median income.

The Affordable Housing Development Credit Program will provide a critical supplement to the 4% LIHTC credits. The proposal will leverage the existing federal LIHTC financial infrastructure, following a model which has worked in a number of states around the country.

The Affordable Housing Development Credit Program will begin to address some of the affordable housing needs of high cost jurisdictions. I encourage the adoption of this legislation to help increase opportunities to stabilize affordable housing in Montgomery County and across the state.