



CR89–2021 Fee-in-Lieu Rate for Moderate Income Housing

Written Testimony

May 25, 2021

Position: Opposed as filed

My name is Dan Hajdo and I'm offering testimony on behalf of Howard County Indivisible in opposition to CB 89 unless amended.

Just this evening's selection of budget bills includes a number of requests for the county government to borrow money. Meanwhile, last years budget vote revealed that the county pays over \$250 per square foot to provide affordable housing. That's nearly one hundred times more than what the county charges for fee-in-lieu.

Howard County government has allowed Howard Hughes Corporation and other entities to take advantage of the MIHU for their profit, subsidized by public funds, to evade responsibilities for affordable housing.

We are aware that there is a relatively new, industry friendly line of argument that deregulation of land use will lead market forces to lower housing prices. Somehow, in the Trickle Down Housing theory, this also leads to increased affordable housing. There is, however, little or no evidence to support this theory. And even proponents admit that, without some government intervention, there is no incentive for private industry to supply affordable housing.

There is, however, decades-worth of research to support mandatory inclusion and realistic fee-in-lieu fees as ways to provide affordable housing. Moreover, requiring 15% (at least) affordable housing within market rate housing developments helps alleviate the de-facto segregation of our county.

As it exists, and as it is currently applied in Howard County, fee-in-lieu allows the industry to skirt this public benefit. We urge you to significantly revise this resolution to stop the developer-subsidy.

The county should:

- 1) Raise the MIHU fee rate in this resolution to the maximum allowed by law.
- 2) Resolve to abolish the artificial cap Howard County legislation placed on the MIHU fee.
- 3) Make some provision, in the budget, for “developers” to pay their fair share of affordable housing or, hold them accountable for on-site inclusionary housing.
