



*ACS supports Howard County nonprofits in the achievement of their missions
because strong nonprofits improve the quality of life for all.*

January 27, 2021

Senator Clarence Lam, Delegation Co-Chair
Delegate Jessica Feldmark, Delegation Co-Chair

Re. Ho. Co. 12-21

Dear Dr. Lam and Ms. Feldmark,

As Executive Director of the Association of Community Services (ACS), it is my privilege to offer testimony on behalf of our over 150 nonprofit member organizations and community advocates who work diligently on behalf of vulnerable populations in our community. I am offering this letter in opposition of Ho.Co. 12-21, which prohibits Howard County from allowing a fee-in-lieu payment for developers of new residential projects.

In its draft recommendations, the Housing Opportunities Master Plan proposes “updating MIHU rules and structures, including an evaluation of the fee-in-lieu calibration” and recommends “that it should be used in limited cases provided that it would result in more affordable units than would be generated by providing MIHU on-site, or that a development would be unable to proceed otherwise.”

Fee-in-lieu is a reliable source of revenue to support nonprofits in their efforts to acquire, improve and lease homes to low-income county residents. It also provided the funds for the Settlement Down Payment Loan program which assisted 21 MIHU buyers in 2018. Without these funds of about \$25,000 per unit, these sales would very likely not have been possible. Since the beginning of the MIHU program, 64 units have been released to the builder largely because DHCD did not have the funding for these down payment and closing cost loans. Buyers who qualified based on income and credit often did not have enough savings. Fee-in-lieu helped reverse this trend.

The Fee-In-Lieu is an important income stream for affordable housing in Howard County. In 2018, the County received \$3,288,590. The County needs to keep this tool in its toolbox as one option for expanding our supply of affordable housing. As the Housing Opportunities Master Plan Task Force made clear, Howard County will need to employ a variety of strategies to begin addressing its critical shortage of affordable housing. Please do not eliminate this option.

Respectfully Submitted,

Joan Driessen
Executive Director