



CITY OF TAKOMA PARK, MARYLAND

HB 790 Support

Ways and Means Committee

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HB 790 Green Buildings Tax Credit for Multifamily Housing

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The City of Takoma Park supports, and urges favorable consideration of, this bill.

This bill would offer state income tax credits for green building practices in multifamily buildings 10 units and up, for new construction, complete renovation or conversion, and upgrading existing building systems that reduce energy use by 15% and energy/water use by 30%. It prioritizes buildings with majority low/moderate income residents, or in opportunity zones, or in qualified census tracts.

The City of Takoma Park is a densely developed, largely residential municipality of almost 18,000 people living within 2.4 square miles in Montgomery County, Maryland. The City's residential housing stock is about half multi-family rental buildings and half single-family detached homes. This bill would apply to a significant number of Takoma Park's existing multifamily rental buildings that are 10 units and up, many of which are older structures (built before 1940) with a great need for energy efficiency improvements that benefit renters as well as building owners. The bill would also apply to new construction and gut rehabilitation of buildings within Takoma Park's opportunity zone, an area where the City expects major changes to existing properties in the near future.

This bill supports our city's climate change, housing and equity priorities. The City has committed to aggressive measures to dramatically reduce greenhouse gas emissions by 2035, and to an aggressive housing and economic development plan

that prioritizes protecting affordable housing in our community. To achieve both of these goals requires attention to multifamily housing, and both building owners and the City require tools with which to do this.

Significantly reducing energy use in existing smaller multifamily buildings is one of the most difficult areas in which to make progress, due to the many obstacles inherent to rental housing including the up-front cost of measures. This bill would provide a powerful financial tool to literally build in the measures for more efficient energy and water use, significant greenhouse gas reductions, and greater comfort and affordability for renters, in this group of buildings.

Maryland is highly vulnerable to the negative impacts of climate change. We have already begun to witness these, including more severe and frequent storms, greater rainfall, increased flooding, more frequent and extreme heat waves, sea level rise along its extensive coasts, and other detrimental impacts. Recent reports from the International Panel on Climate Change (IPCC) and the National Climate Assessment make clear that our climate is dramatically and rapidly changing, with devastating consequences, and that greenhouse gas emissions must be dramatically reduced in the very short term to address these consequences.

Takoma Park has been a leader among Maryland communities in responding to the challenges of climate change and in reducing greenhouse gas emissions through our many local policies and actions. To truly fulfill these commitments, and move our community toward dramatically reduced GHG emissions, we need tools such as this that encourage rental building owners to take action.

In sum, the City of Takoma Park supports HB790, and encourages a favorable vote.