

"Federation Corner" column  
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### **Let us give thanks**

by Jim Humphrey  
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Thanksgiving is the holiday we have created on which we collectively pause to list all of the things for which we are thankful. It is a tradition similar to, and just as meaningful as, the New Year's and election year traditions of making promises that one has no intention of keeping.

This year folks in Montgomery County can be thankful that the cost of housing is finally coming down. Recent data on the realtor.com website shows that nearly 40% of the single-family detached homes, townhouses and condos for sale in the county are priced under \$300,000, a price affordable to households earning workforce level income. For those unfamiliar with the jargon, workforce income refers to annual earnings up to 120% of Area Median Income, or roughly \$120,000 for a family of four.

In truth, this housing news is actually a mixed blessing because the decrease in home prices is due to a glut in the supply, caused in part by the thousands of homeowners who are unable to meet ballooning mortgage payments and now face foreclosure. In addition, few of the folks interested in buying a home at present are able to secure financing, since mortgage banks are leery to lend due to the national financial crisis. And while home sale prices are plummeting the cost of many rental units has risen dramatically.

Homeowners can be guardedly thankful that the fall in house prices might result in a reduction in the assessed values for existing homes, which could translate into lower property taxes. That would be a help, particularly for senior citizens who are living on fixed incomes or facing shrinking retirement investment accounts, yet are hoping to retire in place in their homes. But, again, a reduction in property taxes would be a mixed blessing resulting in less money going into county coffers to fund the public services and facilities we have all come to expect.

At least the economic downturn has resulted in a decrease in new development construction, giving the county government some time to figure out how to fund the roads, transit and schools needed to accommodate the approximately 30,000 new homes and 40 million square feet of commercial space that have already been approved to be built. But that may be tougher now, because the slowdown in construction activity will result in loss of jobs and reduction in business and income tax revenue to the county.

The county is facing a \$250 million shortfall in funding for the budget year beginning next July 1, similar to the \$240 million shortfall we faced for the current fiscal year. We can be thankful that the county has a balanced budget requirement, but it will mean that a quarter of a billion dollars must be slashed from county programs and services before next year's budget is approved.

We could give thanks that our County Executive promised in his 2006 campaign not to balance the budget on the back of homeowners by exceeding the charter limit for property tax increases. Again, for those unfamiliar with the jargon, the charter limit holds the yearly increase in property taxes to the annual inflation rate. But he broke that promise this year, his second year in office, by increasing property taxes by 13%, a bit more than the annual inflation rate. And County Council members, our elected representatives, unanimously supported the increase.

We can certainly be thankful that we live in a county with a national reputation for excellent land use planning, a fact of which we are continually reminded by the folks in the M-NCPPC Planning Department.

They point with pride to our Agricultural Reserve, a 93,000 acre area of land stretching across the northern tier of the county that is protected by zoning restrictions for agricultural use and as rural open space. Actually, the area has been reduced in the past few years to around 89,000 acres due to development nibbling around the edges. But, the number of new housing lots approved in the AgReserve and other "large lot" rural zones decreased from over 350 in Fiscal Year 2007 to around 150 in the past fiscal year. However, that reduction was likely due to the fact that banks have stopped lending money for most new home construction.

While we go "over the river and through the woods to grandmother's house," as the song goes, we can give thanks that Montgomery County has environmental assets that are the envy of many counties located near major cities across the nation. Our streams feed into the mighty Anacostia, Patuxent, Hawlings and Potomac Rivers. But the Potomac Conservancy did just rank the health of the Potomac River a "D minus," due to sediment and pollutants carried in the runoff from local streams. Still, the county has many beautiful forested areas for which we can be thankful. Unfortunately, the forest canopy coverage countywide has been reduced from 48% in 1973 to around 27% at the beginning of this century.

Come to think of it, I'll be thankful if I can just enjoy some turkey and mashed potatoes with the family this Thanksgiving. But with the price of food going up...

*The views expressed in this column do not necessarily reflect formal positions adopted by the Federation. To submit an 800-1000 word column for consideration, send as an email attachment to [waynemgoldstein@hotmail.com](mailto:waynemgoldstein@hotmail.com)*