

April 29, 2026

Montgomery County Council  
c/o County Council President Natali Fani-Gonzalez  
100 Maryland Ave  
Rockville, MD 20850

Dear Council President Fani-Gonzalez and Members of the Council,

The Montgomery County Green Bank (MCGB) respectfully requests that you and your colleagues take this letter into consideration as you discuss the FY27 budget. Though MCGB recently received unanimous support for NDA funding from the joint session of the Transportation and Environment and General Operations Committees, several press releases have subsequently indicated an interest by Councilmembers to reduce or completely zero out the budget and pause operations.

While we fully appreciate the difficult fiscal decisions before you, these proposals have been framed as a measure to reduce costs and protect working families. In reality, they would do the opposite. Please allow us with this letter to share the methods and specific examples of how **MCGB stretches the investment of public dollars, mitigates risk, lowers costs, and improves housing habitability, business continuity, and affordability through climate programs. Economic benefit is a foundational feature of MCGB supported projects, not a secondary consideration behind the environment.** There are few programs in the County that tackle these issues through sustainable finance, and we believe it is a mistake to veer away at this point in time.

**MCGB unlocks significant savings for small businesses and nonprofits in Montgomery County.**

Energy is a major and volatile expense for small businesses and nonprofit service providers. Our financing helps stabilize and reduce those costs, allowing organizations to retain staff, maintain services, and avoid passing costs onto customers. Furthermore, every project financed supports contractors, electricians, HVAC professionals, and other local trades, growing jobs and tax revenue in the County.

For example, MCGB has supported community-serving organizations such as houses of worship. In one case, a local church installed a solar system and upgraded building systems with little upfront cost, resulting in immediate reductions in monthly energy expenses. Those savings allowed the church to redirect funds toward community programming. Specifically, the Church leases space to a woman-owned small daycare business, and those savings were key to leveling the cost of daycare. As one of only two organizations in this rural area that provides daycare services, this has been critically important to the community.

As another example, MCGB's Technical Assistance (TA) Program has helped catalyze industry in pursuit of key public priorities. The TA Program has over 30 technical service providers that offer heavily discounted, if not free, feasibility studies, ASHRAE energy audits, interconnection studies, energy benchmarking and data verification, permitting services, and other technical studies. The program has demonstrated that MCGB supported projects create jobs for local installers and contractors while at the same time benefiting the community.

**MCGB brings outside capital into the County, multiplying public dollars.**

Each dollar allocated to MCGB is used to attract multiple dollars of private investment. This means more projects, more savings, and more impact without additional burden on taxpayers. Eliminating MCGB funding does not save money in the broader sense; it reduces total investment flowing into Montgomery County.

As of March 31, 2026, MCGB has catalyzed \$340,593,789 of investment in the County by leveraging a cumulative \$64,599,000 in Fuel Energy Tax funding. This leverage factor of over 4:1 has stretched the County's dollars, enabling benefits to reach over 6,000 households, out of which 4,500 are low- to moderate-income. MCGB-financed projects have led to annual energy savings of just over \$12 million – real savings for residents and businesses – and have supported 2,854 direct and indirect jobs. These impacts have been accomplished through the addition of 14 megawatts of distributed renewable energy and the mitigation of over 35,000 tons of annual carbon dioxide equivalent.

### **MCGB strengthens resilience and reduces long-term fiscal risk.**

Investments in resilience - backup power, flood mitigation, efficient systems - reduce the economic disruption and public costs associated with extreme weather and infrastructure stress. These are preventative investments that protect both households and County finances. Without financing solutions, households and building owners delay upgrades, locking in higher energy bills and higher disaster recovery costs. The County loses momentum, private capital disengages, and projects become more expensive over time. Furthermore, the County loses a key risk mitigation tool to protect against rising future expenses.

Underinvestment in resilience can cost communities up to \$33 for every \$1 not spent on proactive resilience and adaptation measures. MCGB's first clients in this space have been affordable multifamily housing developers who have recognized that proposition. Our resilience dedicated fund product has allowed these developers to proactively improve properties with resilience features to both stabilize costs today and create adaptive capacity to potential future shocks.

### **MCGB directly reduces the cost of living for working families.**

MCGB programs finance energy efficiency, electrification, and solar projects that lower monthly utility bills, often immediately. In a period of rising energy prices, this is one of the only tools the County has to structurally reduce household expenses, not just subsidize them temporarily.

As an example, our residential solar financing program allows single-family households that otherwise could not afford upfront installation costs the ability to adopt solar with little to no money down, resulting in immediate monthly savings. Furthermore, this program creates advantageous financing terms directly for Montgomery County residents, and with deeper discounts for residents in Equity Emphasis Areas. In a period of rising energy prices, these savings function as a durable, structural reduction in household expenses, something that direct subsidies alone cannot achieve.

### **MCGB supports affordable housing and multifamily residents.**

MCGB works with affordable housing providers and multifamily property owners to finance building upgrades that improve comfort, health, and energy performance, without increasing rents and fees. These are direct quality-of-life improvements for renters and condo owners across the County.

For example, MCGB recently closed a loan to a multifamily rental property in Silver Spring consisting of ten residential buildings and over 100 affordable housing units. The project – the electrification of each HVAC system – modernized aging infrastructure, improved resident comfort and health, enhanced system resilience, and substantially reduced on-site greenhouse gas emissions, aligning the property with Montgomery County's Building Energy Performance Standards (BEPS). As a result of these improvements, and alongside the indoor air quality benefits of electrified systems, the project generated \$152,751 in annual utility cost savings. These savings immediately stabilized rent for all the households in the face of increasing energy costs.

**Bottom line:**

We believe that MCGB should not be considered discretionary programming operating at the margins when the County is seeking to reduce costs and protect the livelihood of residents. MCGB is a financial engine that lowers costs, attracts investment, supports housing, strengthens small businesses, and builds resilience. All of which directly benefit working families.

At a time when energy prices are rising and economic uncertainty is increasing, reducing one of the County's most effective cost-reduction tools would be, in our view, counterproductive. We welcome continued dialogue with the Council to ensure that Montgomery County's budget reflects both fiscal responsibility and long-term affordability for the residents we all serve.

Respectfully submitted,



Stephen Morel  
Chief Executive Officer

Cc: Marilyn Balcombe, Vice President  
Shebra Evans, Councilmember  
Andrew Friedson, Councilmember  
Evan Glass, Councilmember  
Will Jawando, Councilmember  
Sidney Katz, Councilmember  
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