

AGENDA ITEM #3(G)  
February 24, 2009

**ACTION**

**MEMORANDUM**

February 20, 2009

TO: County Council

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **ACTION: Resolution to Amend Resolution No. 16-577, Approval and Appropriation for the FY09 Operating Budget of the Montgomery County Government, to shift \$500,000 in Recordation Tax revenues from rent subsidies to emergency assistance (budget provision No. 46)**

The PHED and HHS Committees held a joint session on February 5<sup>th</sup> to receive an update on the implementation of the Housing First Plan and the expansion of HOC's Rent Supplement Program. As a part of the session, the joint Committee received an update from the Director of the Department of Health and Human Services on the increased demand for shelter and emergency services. (The full Council has discussed the increased need for safety net services at its November 18, 2008 session and February 10, 2009 brown-bag lunch on the neighborhood network initiative.) The joint Committee also received the projected expenditures of the Recordation Tax revenues that are required to be spent on rental assistance.

The Council included the following budget provision in the FY09 Operating Budget Resolution regarding the Recordation Tax:

*This resolution appropriates one half of the net revenue attributable to the increase in the rate of the recordation tax enacted in Bill 11-07, Recordation Tax – Rate, to the Housing Initiative Fund. Seventy percent of these funds must be used to create a local housing voucher program and 30% must be used for short-term emergency rental assistance.*

The FY09 Operating Budget assumed \$2.615 in Recordation Tax revenues would be deposited into the HIF and used for rental assistance. \$1.830 million (70%) would be used by HOC for the Rent Supplement Program (a project based assistance program) and \$785,000 (30%) would be used by DHHS for emergency rental assistance. Projections indicate that the full \$2.615 million will be realized in FY09.

The Committee was told by DHHS that the number of households in need of emergency assistance to prevent evictions has grown substantially and that existing funding will most likely only last through March or April. The Committee was informed by HOC that, while they are starting to have success finding new landlords to participate in the Rent Supplement Program, the start up has been a bit slower than expected and they are able to shift \$500,000 of funding back to DHHS for emergency rental assistance for FY09. This would be a one-time opportunity as the HOC Rent Supplement Program will have higher full year costs in FY10.

**The joint PHED and HHS Committee unanimously recommends approval of this shift in funds to ensure that there are sufficient funds in FY09 for emergency rental assistance. The following is the amended language.**

*This resolution appropriates one half of the net revenue attributable to the increase in the rate of the recordation tax enacted in Bill 11-07, Recordation Tax – Rate, to the Housing Initiative Fund. For FY09, this amount is projected to be \$2,615,000. Of this amount, \$1,330,000 will be transferred to the Housing Opportunities Commission to support the Rent Supplement Program and \$1,285,000 may be used by the Department of Health and Human Services for emergency rental assistance.*

**An amendment to a resolution can be introduced and acted upon in the same Council session and does not require the Council to waive its rules of procedure.**

A resolution reflecting the joint Committee's recommendation is attached at © 1-2.

The joint Committee agreed to continue to monitor the implementation of the Housing First Plan and the Rent Supplement Program. The joint Committee has requested a nighttime tour of the county's emergency shelters. The Committee has asked to review the following information at a future session:

- Information on vacancy rates for rental apartments.
- Additional information on the "Housing Locator" positions, whether these types of positions are used in other jurisdictions, and, if so, how many individuals and/or families are they expected to be able to find housing for in the course of a year.
- A comparison of funds spent on housing assistance, including subsidies, emergency assistance, and eviction prevention, in the first six months of FY08 and FY09.
- Additional information on the characteristics of the families that are coming into the homeless system.
- Additional information on the caseload and reimbursement rates for care coordinators for individuals and families.

Attached at © 3-19 is the DHHS presentation provided to the Council at their February 10<sup>th</sup> lunch, "Reweaving the Safety Net." This overview includes information on the demand for emergency and housing services in the County.

Resolution No: \_\_\_\_\_

Introduced: \_\_\_\_\_

Adopted: \_\_\_\_\_

COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND

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By: County Council

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SUBJECT: Amendment to Resolution No. 16-577, Approval and Appropriation for the FY 2009 Operating Budget of the Montgomery County Government, Budget Provision No. 46 – Recordation Tax

Background

1. On November 13, 2007 the Council enacted Bill 11-07, *Recordation Tax – Rate*. The bill requires that one-half of the additional revenues received must be used for rental assistance programs for low- and moderate-income households. These revenues must not be used to supplant any otherwise available funds.
2. The County Executive estimated the amount of new recordation tax revenue that must be used for rental assistance is \$2,615,500 in FY 2009.
3. On May 22, 2008, the County Council adopted Resolution 16-577, *Approval and Appropriation for the FY 2009 Operating Budget for the Montgomery County Government*. Budget provision forty-six required the Recordation Tax revenues that must be used for rental assistance to be allocated in the following manner, “*This resolution appropriates one half of the net revenue attributable to the increase in the rate of the recordation tax enacted in Bill 11-07, Recordation Tax – Rate, to the Housing Initiative Fund. Seventy percent of these funds must be used to create a local housing voucher program and 30% must be used for short-term emergency rental assistance.*”
4. On February 5, 2009, the Planning, Housing and Economic Development Committee and Health and Human Services Committee held a joint worksession on the Housing First Implementation Plan. The update included information on the increased demand for emergency rental assistance because of the impacts of the economic downturn, the expectation that the Department of Health and Human Services (DHHS) will expend all its emergency rental assistance funding by March of April 2009, and the Housing

Opportunities Commission revised FY 2009 expenditures for the Rent Supplement Program which would allow \$500,000 to be shifted from the Rent Supplement Program to DHHS emergency assistance.

5. The joint Committee recommends that the Council amend Resolution No. 16-577 to reallocate the Recordation Tax revenues so that \$500,000 is shifted to DHHS emergency services.

Action

The County Council for Montgomery County, Maryland, approves the following action:

Budget provision No.46 of Resolution 16-577 is amended as follows:

*This resolution appropriates one half of the net revenue attributable to the increase in the rate of the recordation tax enacted in Bill 11-07, Recordation Tax – Rate, to the Housing Initiative Fund. For FY09, this amount is projected to be \$2,615,000. Of this amount, \$1,330,000 will be transferred to the Housing Opportunities Commission to support the Rent Supplement Program and \$1,285,000 may be used by the Department of Health and Human Services for emergency rental assistance.*

This is a correct copy of Council action.

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Linda Lauer, Clerk of the Council

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REWEAVING THE  
SAFETY NET

COUNTY COUNCIL  
BROWN BAG BRIEFING  
FEBRUARY 10, 2009

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# GOALS FOR TODAY

UNDERSTAND THE THREE  
COMPONENTS OF THE EMERGENCY  
SAFETY NET:

1. Neighbors supporting neighbors
2. A fund to help neighbors in need
3. Building the Neighborhood Safety Net

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# WHAT IS THE SCOPE OF THE PROBLEM:

- Children - poverty in the midst of affluence - 17% are poor
- Single mothers and elderly women are at higher risk of poverty
- Disabled adults and elderly have special challenges
- Soaring energy costs are impacting low income residents
- Growing rates of adolescent pregnancies
- Year to Date, over 30% of individuals visiting the Montgomery Works One Stop have college degrees
- 83% of new customers are unemployed compared to 75% last year
- Low wages are increasing reliance on public assistance.
- Lack of affordable housing for those below 30% of AMI.
- Ranks of uninsured are growing in the county.
- Rising food costs increase hunger

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# NEIGHBORHOODS AT GREATER ECONOMIC RISK

The following zip codes show increased evictions, requests for emergency assistance and applications for other HHS services:

20904

20874

20906

20877

20850

20910/03

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## Some Shocking Facts:

- Temporary Cash Assistance, Food Stamps and Medical Assistance caseloads have reached 12 month highs, with the following numbers:  
TCA=741; FS=13,617; MA=32,809.
  
  - Food stamps and public assistance caseloads grew by over 16% in FY08 from FY07.
  
  - Temporary Cash Assistance caseload grew by 13% for the first time in 12 years of welfare reform – this figure would be higher except a high percentage don't qualify for federal assistance.
  
  - In Germantown the number of customers seeking services from HHS increased from about average of 3,200 a month to almost 5,000 since September.
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# More Shocking Facts

- Countywide, home energy assistance applications grew from 7,828 in FY07 to 9,043 in FY08.
- All 95 family shelter beds are full. All single adult shelter beds are full. We had an all time high of 61 families in January, 2009 and down to 52 in February 2009 in motels and approximately 45 more are living with friends and family but are homeless.
- Manna on a daily basis is serving 164 families compared to 108 same time last year. For the fiscal year there has been a 50% increase for Manna with their distribution of free groceries
- 39% increase in child neglect calls from 9/07 to 9/08 with continuing increases and placements into foster care have increased by 55% through January of 2009 compared to June of 2008

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# A COMMITMENT TO HELP THOSE MOST IN NEED FROM:

- The Executive Branch of Government
- The Non-Profit Sector
- Philanthropy
- Residents of the Affected Neighborhoods

These commitments resulted in the development of a unique partnership that has led to the creation of a new way to deliver services.



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# Neighbors Supporting Neighbors

- Key Elements of the Neighbors in Need outreach effort

## Outcomes:

- To ensure that everyone in the community knows of available emergency services and how to access them.
  - To leverage other community resources to sustain long term recovery for those in crisis.
  - To create new, sustainable public-private networks of mutual support in targeted neighborhoods.
  - To increase the number of people embarking or staying on a path towards self-sufficiency and secure employment.
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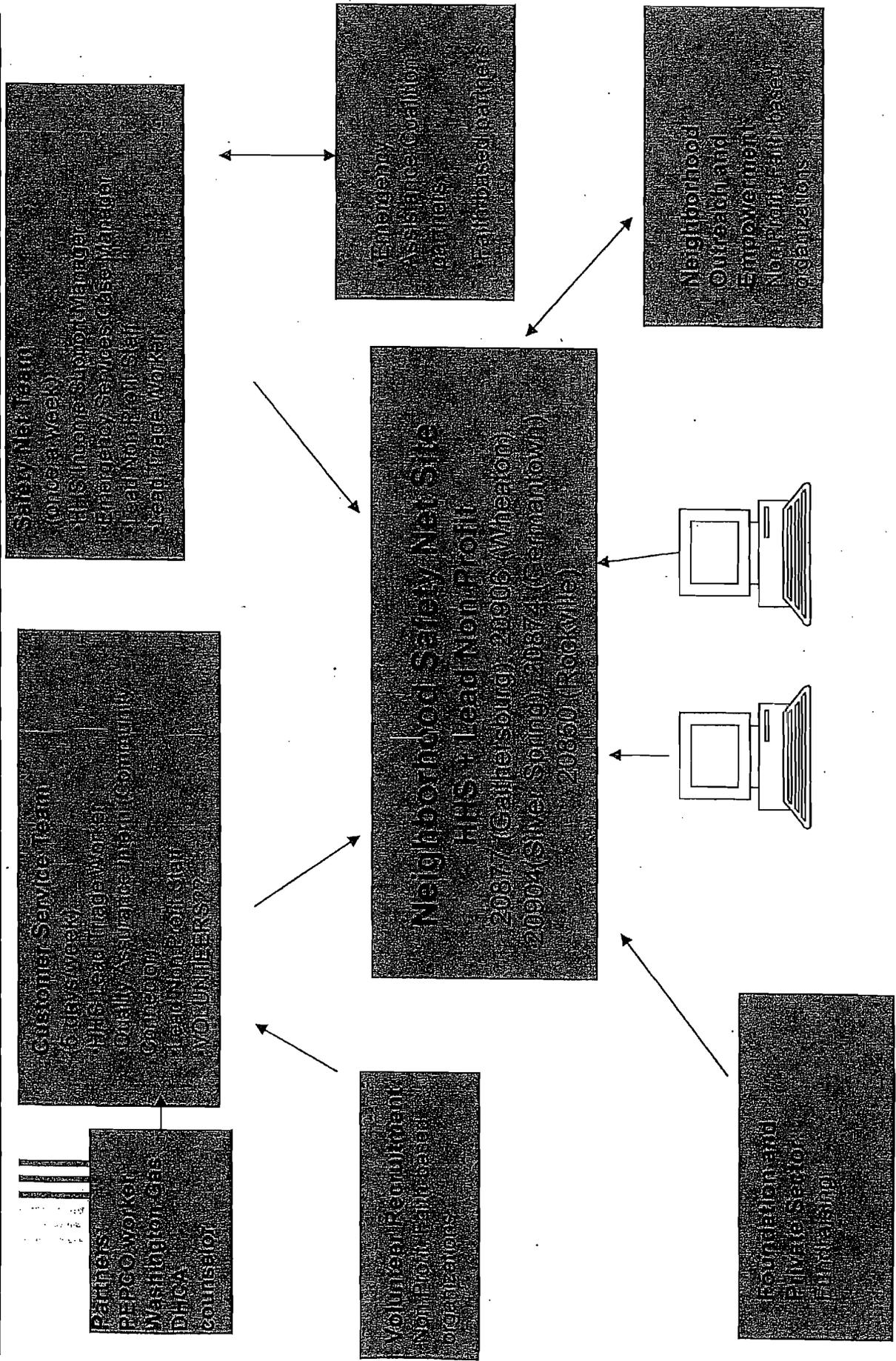
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# Outcomes for Neighbors Supporting Neighbors – 12 month Forecast

- 17,000 households are more informed about available County and nonprofit emergency services
  - 800 households are contacted by a culturally competent volunteer about an emergency problem and 600 households apply for emergency services.
  - 240 residents create a new connection with neighbors, 180 develop three new relationships of support and 120 address an immediate need with help of a neighbor.
  - Creation and/or strengthening of diverse leadership networks in Gaithersburg, Wheaton and Silver Spring.
  - Creation of an approach to economic empowerment and workforce development which better links County services to the human process of empowerment and self-help.
  - Clear evidence and a replicable model for providing neighborhood supported services in an extremely diverse community like Montgomery County.
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# NEIGHBORHOOD SAFETY NET SERVICE MODEL



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# Neighborhood Safety Net

- Key Elements of the Neighborhood Safety Net
- Partners – HHS, OCP, Interfaith Works, City of Gaithersburg, Family Services Agency, Catholic Charities, all small and large non-profits in the identified communities, faith community, and residents within identified zip codes.
- Full service HHS integration
- Promise of a new way of a new and more responsive neighborhood based service delivery system
- Initial pilots in Gaithersburg, Wheaton, Long Branch

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# System Outcomes:

- ❑ Clients can and do access services in the neighborhood where they live
  - ❑ The Safety Net demonstrates a true partnership between public and private partners
  - ❑ Prevention activities increase because neighbors trust the system and identify children, adults and families in need and point them towards services
  - ❑ There is strong collaborative integrated service delivery
  - ❑ There is a streamlining of the bureaucracy and more efficient service protocols
  - ❑ Team based case practice demonstrates full maturity and is supported by an IT framework that is robust, interoperable and supports the outcome of interoperability.
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# Client Outcomes

- ❑ There is an increase in the number of clients who access services
  - ❑ There is an increase in the number of services accessed by clients at their neighborhood sites
  - ❑ Clients needs are identified earlier and more catastrophic events are avoided
  - ❑ The need for emergent and urgent services decreases over time
  - ❑ There is an increase in the number of applications approved and enrollment is increased due to assistance with the process
  - ❑ More clients complete the application process
  - ❑ Services are concurrent and based on need and not sequential and based on order of entry
  - ❑ There is higher degree of satisfaction of clients with the safety net
  - ❑ There is an increase in natural supports within the community for neighbors in need
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# Neighbors in Need Fund

Effort to date

Key questions answered:

- Why was this project attractive to philanthropy and why was it picked?
  - Why do funders get the “concept”?
  - What are funders looking for?
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## NEIGHBORS IN NEED MONTGOMERY FUND AT THE MONTGOMERY COUNTY COMMUNITY FOUNDATION

- ❑ \$100,000 1:1 challenge gift from one family launched fund.
  - ❑ Already many matching gifts, ranging from \$10 to \$40,000 have been given, and over \$184,000 has been raised.
  - ❑ Fund with steering committee of private donors will give to
    - 1) county-wide emergency service nonprofits; 2) emergency assistance through lead non-profit in the three pilot zip codes; 3) resident mobilization through Impact SS in three zip codes.
  - ❑ While philanthropy dollars are down significantly in recession , many residents still feel called to give locally, especially in this time of great need.
  - ❑ One critical factor: private giving only happens when there is a vibrant non-profit sector to invest in – large and small nonprofits serving the diversity of issues and residents in our community.
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# Increased Outreach will Lead to Increased Utilization

Approaches to addressing this problem:

1. We will weave the safety net differently leading to early identification, prevention and access to previously untapped resources in the community
2. By strengthening prevention and diversion reduce costly and deep end service needs
3. Strengthen the practice of neighbors helping neighbors
4. Demonstrate excess need which in turn will help the County draw down additional external resources