



# Affordable Housing

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## AFFORDABLE HOUSING AND RELATED SERVICES

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### LINKAGE TO COUNTY RESULTS AREAS

- A More Affordable and Welcoming County for a Lifetime

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### PROGRAM CONTACTS

Contact Scott Bruton of the Department of Housing and Community Affairs at 240.777.3619, Christine Hong of the Department of Health and Human Services at 240.777.1179 or Anita Aryeetey of the Office of Management and Budget at 240.777.2784 for more information.

#### **FY26 APPROVED BUDGET**

The FY26 Approved Budget includes approximately \$313.4 million in resources identified to support affordable housing and other housing-related services, including funds for community organizations that augment County services.

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#### Department of Housing and Community Affairs

The Department of Housing and Community Affairs (DHCA), in collaboration with other County departments and agencies and non-profit partners and developers, improves housing affordability, livability and compliance with housing requirements across the full continuum of housing in the County. DHCA provides support and services to residents and businesses which include: Multi-family Housing Program to create, preserve and rehabilitate affordable housing units and provide low-income rental housing assistance; Affordable Housing Program to support first-time homebuyers, preserve affordable single-family housing units and ensure that Moderately Priced Dwelling Units (MPDUs) are provided and monitored for rental and resale control; Landlord-Tenant Mediation Program to adjudicate compliance with landlord-tenant law, assisting landlords and tenants through mediation and arbitration to understand requirements and improve their relationships; Common Ownership Community Program to support associations and homeowner members in mediating and adjudicating disputes concerning compliance with regulations and association rules, providing technical assistance to the governing bodies of homeowner/condominium; Licensing and Registration Program to issue licenses to all rental housing and register all housing units within common ownership communities to improve support and compliance efforts; Housing Code Enforcement Program to respond to complaints and to regularly inspect rental housing to meet the County's safety and sanitary requirements; and Neighborhood Revitalization Program to plan and implement housing revitalization in targeted areas and to revitalize commercial areas throughout the County to support small businesses and encourage private investment.

DHCA also receives Federal Grants (i.e., Community Development Block Grant, HOME Investment Partnership Grant, Emergency Solution Grant) annually to support housing acquisition and preservation; assist nonprofit providers in rehabilitating group homes for low income, special needs persons; provide financial and technical assistance for selected affordable neighborhoods to improve their quality of life and safety; support fair-housing activities; provide community grants to nonprofit organizations and local municipalities for housing-related activities and services; and partner with Department of Health and Human Services to assist residents with housing stabilization and relocation services to prevent

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eviction and homelessness.

### **Affordable Housing Program**

- Administer the Moderately Priced Dwelling Unit (MPDU) program to ensure that for sale and rental units are developed, maintained, and offered to households at 70% AMI or less in accordance with Chapter 25A of the Code and related regulations.
- Administer the Workforce Housing Unit program to ensure that for sale and rental units are developed, maintained, and offered to households between 120% AMI and 70% AMI per Chapter 25B and related regulations.
- Administer the Home Accessibility Rehabilitation Program (HARP) by partnering with Rebuilding Together and Habitat for Humanity to install accessibility improvements for senior and/or disabled homeowners or their residents to make their homes more accessible, visitable, or livable.
- Continue to partner with the Maryland State Department of Housing and Community Development and the Housing Opportunities Commission to provide down payment assistance to Montgomery County first time homebuyers.
- Continue to partner with Maryland State Department of Housing and Community Development to provide down payment assistance to full-time Montgomery County Government employees and MCPS union employees who are first time homebuyers.
- Coordinate with rental developments where the MPDU control period is expiring, to provide extension of MPDU rent rates for tenants by supplementing market rate rents with County funds.
- Continue energy efficiency upgrades by partnering with Habitat for Humanity and Efficient Homes to replace outdated household appliances for low-income households, a significant share of which are senior homeowners.

### **Multi-family Housing**

- Provide gap financing through the Montgomery Housing Initiative Fund (HIF) and the Affordable Housing Opportunity Fund (AHOF) by leveraging private capital, as well as Federal and State resources, to create new rent-regulated housing units or to preserve existing affordable units and reduce housing burdens for lower income households.
- Provide capital funding to support acquisitions and preservation of those current naturally occurring affordable housing (NOAH) to ensure continued affordability for County residents, especially those areas at risk of rent escalation to higher market rents, including the Purple Line Corridor and other County transit corridors.
- Exercise the County's Right of First Refusal (ROFR) by partnering with nonprofit providers to purchase any rental housing property with four or more units when available for sale to protect and preserve those units' affordability.
- Provide funding to affordable housing developers for the construction of new rent restricted housing units, including on County-owned land, with funding from the HIF.
- Partner with the Housing Opportunities Commission (HOC) to implement the new Nonprofit Preservation Fund to provide funding for acquisition and preservation of existing affordable housing units in the County.
- Protect lower-income residents by working with property owners through County-supported rental agreements to preserve affordable rents.
- Provide acquisition and renovation financing to support organizations serving special needs populations with housing and supportive services.

### **Code Enforcement**

- Perform technical inspection and enforcement to administer Chapter 26 of the County Code, Housing and Building Maintenance standards by inspecting condominiums, multifamily apartments, single-family housing, including Accessory Dwelling Units (ADU) to ensure safe and sanitary conditions.

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- Conduct inspections of concentrated code enforcement efforts in specific areas to include multi-family inspection based on requirements for annual troubled properties, more frequent inspections for at-risk properties and triennial inspections for compliant properties.
  - Perform inspections and enforcement to administer Chapter 48 of the County Code, Solid Waste and Chapter 58 of the County Code, Residential Weeds and Rubbish.
  - Conduct court ordered inspections for enforcement and adoption and foster care home inspections.
  - Investigate potential code violations in residential and commercial properties and performs technical inspection and enforcement to administer Chapter 26 of the County Code, Housing and Building Maintenance standards by inspecting condominiums, multifamily apartments, single-family housing, including Accessory Dwelling Units (ADU) to ensure safe and sanitary conditions based on complaints received. In addition, performs inspection and enforcement to administer Chapter 48 of the County Code, Solid Waste and Chapter 58 of the County Code, Residential Weeds and Rubbish.
  - Conduct inspections of concentrated code enforcement efforts in specific areas to include multi-family inspection based on requirements for annual troubled properties, more frequent inspections for at-risk properties and triennial inspections.
  - Educate residents and property owners about their rights and responsibilities in the area of property maintenance as per the following chapters within Montgomery County's Code.

### **Licensing and Regulation**

- Issue annual rental license to condominiums, single-family homes, multi-family units, accessory dwelling units, and short-term residential rentals to ensure rental properties comply with County regulations and requirements.
- Conduct an annual Single-family and Multi-family Rental Housing Survey to collect housing data related to area rents, vacancies, turnover, utilities, and amenities to inform decision-makers about the County's rental market conditions.
- Register common ownership communities throughout Montgomery County.

### **Landlord-Tenant Mediation**

- Ensure fair and equitable relations between landlords and tenants by proactively communicating their legal rights and responsibilities through educational resources and publications, enforcing pertinent regulations and County codes, conducting investigations and mediating complaints.
- Facilitate a complaint process where landlords and tenants can file complaints and have access to mediations and present complaints to the Commission on Landlord Tenant and Affairs (COLTA), as an alternative to the judicial process in District Court.
- Oversee the COLTA, a quasi-judicial body that hears disputes between landlords and tenants when mediations are not fruitful. Issue citations when necessary and pursue citation enforcement via the Montgomery County District Court to ensure compliance with consent agreements, COLTA Decisions and Orders and the Montgomery County Code.
- Calculate and publish the annual voluntary rent guidelines per County Code to help both public agencies and the real estate industry correlate inflationary pressures to rent increases in the Washington D.C. Metropolitan Region.

### **Common Ownership Communities (COC)**

- Promote knowledgeable and responsible management of common ownership communities, by developing and providing training programs for common ownership community board members and residents per Montgomery County Bill 45-14.
- Promote public awareness of the legal rights and obligations of common ownership community board members and COC owners as stipulated in County Code along with pertinent regulations.
- Facilitate a complaint process where owners and board members can file complaints and have access to mediations and

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a hearing with the Commission on Common Ownership Communities (CCOC), as an alternative to the judicial process in District Court.

- Work with the CCOC to advise the County Executive and the County Council on issues affecting COCs and suggesting legislative solutions.
- Through technical assistance and guidance on community governance, it improves the quality of life in the communities. It also strengthens the self-governing community structure and enhances property values.
- Structure a "revolving loan fund" to provide incentives for those troubled and distressed COCs. The loan program is intended to require the completion of a capital needs assessment study and provide financial assistance to address critical emergent needs, potential evacuation and/or condemnation situations encountered by the COCs.

### **Rental Assistance Program - HPRA (Homeless Prevention and Relocations Assistance)**

- Provide financial assistance and supportive services referral to eligible individuals and families who are at imminent risk of homeless and that have exhausted benefits available from the Department of Health and Human Services (DHHS), the Housing Opportunities Commission (HOC) and other community partners.
- Provide support on disaster efforts, recovery teams and relocation efforts.
- Collaborate with DHHS, HOC and community partners to provide intervention and solution-focused housing services to prevent tenant evictions and locate affordable housing for displaced homeless individuals and families.
- Develop and maintain working relationships with the Sheriff's department and HOC to assist in tenant issues.
- Collaborate with Code Enforcement on specific cases involving the condemnation of properties that involve the temporary relocation of families.
- Ensure that multifamily buildings that opt to convert into condominiums abide by relevant Montgomery County Code laws and regulations.
- Facilitates certification process for tenant associations interested in exercising their Right of First Refusal upon receipt of Notification of Sale.
- Ensure that tenant's rights and tenant's associations rights are upheld when landlords demolish at least one third of the units in a rental property, rehabilitate the rental housing or conduct any other action that would displace at least one third of the tenants at a rental property.

### **Grant Management**

- Allocate the Community Development Block Grant (CDBG) awarded by the U.S. Department of Housing and Urban Development to support the acquisition, preservation, and rehabilitation of affordable housing units for low- and moderate-income residents.
- Assist nonprofit providers in rehabilitating group homes occupied by lower-income, special needs persons with CDBG funds to eliminate code violations and make needed improvements, including accessibility and energy conservation improvements.
- Provide CDBG funds to support the county's low-income population through partnerships with community public services providers in area such as health care, education, employment, and emergency relief in their communities.
- Advocate fair housing through public outreach, education, and awareness campaigns, including movie theater and bus ads.
- Implement affordable housing and community development projects within the city limits of Rockville and Takoma Park with federal pass-through funds.
- Provide HOME funds and operating support to the County's Community Housing Development Organizations (CHDOs), including Montgomery Housing Partnership, Inc. and Housing Unlimited, Inc. (HUI), for acquisition, construction, or renovation of rental housing for persons with low incomes.

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- Provide the Emergency Solutions Grant (ESG) to HHS to support programs that prevent and end homelessness by providing housing stabilization, relocation services, rental assistance, and shelter services.
  - Preserve housing in Takoma Park through inspection and enforcement of safety and habitability of regulated units. Housing Code Enforcement proactively inspects all properties and responds to individual complaints to address code compliance.

### **Neighborhood Revitalization and Community Development**

- Provide financial and technical assistance through the Focused Neighborhood Assistance Program (FNA) to create safe, secure, and appealing neighborhoods.
- Address the physical decline in racially diverse, low-to-moderate income neighborhoods and the prevention of blight, slums and threats to life and safety.
- Provide financial and technical assistance through the Facade Easement Program to private property and business owners who desire to improve older commercial properties to meet today's commercial demands. Improvements include installing new facade treatments, site improvements, gateway signage, lighting, streetscape elements, plant material installation and the acquisition of an easement term to control facade improvements.
- Rehabilitate group homes with Federal CDBG grants for older and disabled persons with incomes up to 30% AMI. Improvements often address required home inspections, ADA accessibility, and health and safety issues such as updating smoke detectors, providing adequate egress, updating bathrooms and kitchens, and including energy star refrigerators, HVAC systems and water heaters.

### **Rent Stabilization**

- Determine annual rent increase limits for rent stabilized properties and enforce compliance with these limits.
- Enforce landlord compliance with limits on fees charged to tenants.
- Manage the application processes for and implementation of fair return, capital improvement, and substantial rehabilitation petitions for rent increases above annual limits.
- Oversee exemptions for rental properties from rent stabilization requirements.
- Conduct community outreach to educate landlords and tenants about the rent stabilization law and regulations.
- Respond to service inquiries and troubleshoot service problems related to compliance with the rent stabilization law and regulations.
- Investigate and enforce remedies for noncompliance with the rent stabilization law and regulations.
- Enforce landlord reporting requirements under the rent stabilization law and regulations.

## **Department of Health and Human Services**

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The Department of Health and Human Services' (HHS) Services to End and Prevent Homelessness (SEPH), in collaboration with the Interagency Commission on Homelessness (ICH), provides a full continuum of housing services including housing stabilization, rental assistance, energy assistance, homeless diversion, emergency shelter and street outreach, rapid rehousing, and permanent supportive housing; and employs evidence-based and promising practices. HHS provides housing-related services through the following programs:

### **Interagency Commission on Homelessness**

- ICH promotes a community-wide commitment to ending homelessness, providing funding for efforts to promote community-wide planning and strategic use of resources to address homelessness (most notably in submitting the coordinated funding requests to the federal Housing and Urban Development (HUD) that funds programs across the provider community), improving coordination and integration with mainstream resources and other programs targeted

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to people experiencing homelessness.

### **Coordinated Entry**

- The Coordinated Entry process ensures that all people experiencing homelessness have fair and equitable access to available housing matches. Households are quickly identified, assessed for, referred, and connected to housing and assistance based on their assessed needs and vulnerability.

### **Homeless Services for Families**

- Homeless Services for Families provides emergency shelter to families with children including intake and assessment, case management, and housing location to link families experiencing homelessness to housing, behavioral health, financial, and legal services. All services are housing focused with a goal of connecting families with permanent housing as quickly as possible and removing systemic barriers to accessing housing and services.

### **Homeless Services for Single Adults**

- Homeless Services for Single Adults provides emergency shelter and street outreach to adults experiencing homelessness. All services are housing focused with a goal of connecting adults with permanent housing as quickly as possible by removing barriers such as poor credit, criminal history, limited or no access to behavioral and somatic healthcare, and low or no income. Homeless services include centralized shelter intake and diversion, comprehensive case management, assertive engagement, housing location, employment training and job development, legal services, and assistance with entitlements like Food Stamps and Medicaid.

### **Housing Initiative Program**

- The Housing Initiative Program is a Housing First permanent supportive housing program serving individuals and families with disabilities. Program participants are quickly connected to permanent scattered site units without any preconditions and offered housing location services and intensive wraparound support services. The rental assistance is provided by HHS staff and services are offered via contracts with non-profit partners. This program also acts as the lead entity for the 1115 Medicaid Waiver Assistance in Community Integration Services through the state Department of Health.

### **Permanent Supportive Housing**

- Permanent Supportive Housing is an evidence-based practice that provides immediate access to a permanent housing subsidy and long-term, wraparound support services to more vulnerable households with disabilities. All programs use a Housing First approach that offers housing without preconditions such as sobriety, absence of criminal record, treatment compliance, or participation in services.

### **Prevention/Housing Stabilization Services**

- Prevention/Housing Stabilization Services provides conflict resolution, mediation, financial assistance, housing location, and case management to County residents at risk of homelessness. The program's focus is to partner with families and individuals to resolve their housing emergency through creative problem-solving. State and County grants are provided to prevent evictions and utility cut offs or to secure new housing. Short-term case management services are provided to help at-risk households develop and implement plans to prevent a future housing crisis.

### **Rapid Rehousing (RRH)**

- Rapid Rehousing (RRH) is an intervention designed to help individuals and families to quickly exit homelessness, return to housing in the community, and avoid a return to homelessness. The core components of the rapid rehousing program are housing location, move-in and rent assistance, case management, and employment services. The goal of the

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program is to help people overcome any barriers to obtaining housing quickly, increase income, and support self-sufficiency to stay housed. Rapid rehousing is offered without any preconditions, such as employment, income, absence of criminal record, or sobriety.

### **Rental Assistance Program (RAP)**

- The Rental Assistance Program (RAP) provides a subsidy to individuals and families at risk of or currently experiencing homelessness. The target population for this program are seniors, people with disabilities, and others on fixed income. Monthly assistance is provided, and renewable every 12 months to bridge the gap between available income and housing costs.

### **Office of Home Energy Programs (OHEP)**

- The Office of Home Energy Programs (OHEP) provides households with limited income annual credits towards their electric and gas/fuel bills to ensure the lights stay on. Additional grants are available to assist households with a utility disconnect notice. OHEP is also currently administering the Low-Income Household Water Assistance Program (LIHWAP) - a time limited water assistance program funded through federal Covid relief funds.

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## **Housing Opportunities Commission (HOC)**

### **Rental Assistance Program**

Provide financial assistance to eligible individuals and families who are at imminent risk of homelessness.

### **Housing Production Fund (HPF)**

The HPF is utilized in conjunction with additional HOC investment, private investment, and conventional construction debt to finance construction and lease-up phases for new-construction developments. Developments funded by the HPF are "30/70" new construction developments, so that no less than thirty percent of a project's total units are affordable to low- and moderate-income residents and no more than seventy percent are market-rate units. The affordable units are set at two affordability levels. Ten percent of a project's units are at Moderately Priced Dwelling Unit ("MPDU") rents, which are affordable to a family of four making approximately \$85,000 or less, and twenty percent of project's units are at 50% of the AMI.

The goal of the HPF is to produce 2,500-3,000 newly constructed units over a twenty-year period. With \$100 million available, it is anticipated that two or more development projects can be undertaken at any given time. On average, each transaction will yield at least 150-180 affordable units and approximately 500-600 total units. At the end of five years, HPF financing is repaid at the permanent financing of the development back to the HPF.

### **County-supported Capital Improvements Program**

HOC has four active projects in the Recommended FY25-30 CIP including the following:

- HOC County Guaranteed Bond Project that serves to identify the uses of County guaranteed HOC bonds for housing construction and permanent mortgage financing as well as coinsurance with appropriate Federal, State, and private insurers on HOC revenue bonds and notes issued to finance new or existing residential units.
- The HOC MPDU/Property Acquisition Fund is a revolving loan fund which authorizes HOC to utilize up to \$12.5 million at any one time for: (a) interim financing, including cost of acquisition and finishing by HOC, of MPDUs as permitted in Chapter 25A of the Montgomery County Code, provided that the unit is used in tandem with a Federal, State, or local subsidy program and is developed to provide housing to low- and-moderate-income households; and (b) planning, acquisition, and improvement of sites and/or existing properties for low and-moderate-income, single, or

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multifamily housing facilities, which are to be owned and operated by HOC or its designee.

- The HOC Opportunity Housing Development Fund is a revolving loan fund from which HOC is authorized to use up to \$4.5 million at any one time to temporarily cover project planning, site improvements, building construction loan guarantees, construction financing, short-term financing (including second trusts), insurance for permanent financing, notes and bonds, and associated professional and financing fees for housing developments undertaken by HOC or its designees.
- The Supplemental Funds for Deeply Subsidized or Affordable HOC Owned Units project provides funding for capital improvements for deeply subsidized and affordable HOC owned units to for activities including replacement of roofs, windows and doors; improvements to unit interiors such as kitchen and bathroom modernization; replacement of major mechanical, electrical, plumbing systems and equipment; appliance replacement; life-safety improvements; site improvements such as fencing, site lighting, landscaping, and sidewalk and parking lot replacement.


#### **Payment in Lieu of Taxes program**

- The County provides a payment in lieu of taxes ("PILOT") to HOC-owned and controlled properties in furtherance of HOC's mission to preserve and expand the County's inventory of affordable housing. It also allows HOC to provide increased affordability on a permanent basis on newly acquired and newly constructed communities, which is a major annual source of net new affordable housing units in the County.
- The PILOT also allows HOC to ensure its properties receive sufficient reinvestment to eliminate deferred maintenance and have adequate operating budgets to properly maintain the communities.



**Affordable Housing Services  
FY26 Approved Operating Budget  
Tax-Supported**

Department	Project/Program	FY26 CC Approved
<b>Housing and Community Affairs</b>		
	Housing Code Enforcement	5,456,853
	Affordable Housing - MPDU	450,527
	Multifamily Housing Program	262,434
	Housing Development	196,171
	Tenant and Landlord Mediation	1,601,292
	Licensing and Regulations	1,079,113
	Common Ownership Communities	1,213,094
	Neighborhood Revitalization	547,626
	Rent Stabilization	1,523,824
	Grant Management	408,334
	Administration	2,408,470
	Multi-family Housing Program - Housing Production & Preservation	12,400,707
	Affordable Housing - Homeowner Downpayment Assistance	5,509,000
	Affordable Housing - Home Accessibility Rehabilitation Program (HARP)	318,373
	Housing First (HHS)	9,706,200
	<i>HHS Permanent Supportive Housing</i>	
	<i>HHS Prevention</i>	
	<i>HHS Rapid Rehousing</i>	
	<i>HHS Housing Initiative Program - Rental Subsidies, Client Costs, and Administration</i>	
	Rental Assistance Program (RAP)	25,397,109
	<i>DHCA RAP - \$6,877,536</i>	
	<i>DHCA Homeless Prevention and Relocation Assistance (HPRA) - \$472,128</i>	
	<i>HHS RAP - \$8,802,463</i>	
	<i>HHS Housing Initiative Program - Rental Subsidies - \$3,306,584</i>	
	<i>HOC RAP - \$3,263,570</i>	
	Neighborhood Revitalization - Neighborhood to Call Home	1,990,713
	Affordable Housing Acquisition and Preservation CIP	102,000,000
	Revitalization for Troubled and Distressed Common Ownership Communities	1,850,000
<b>Sub-total, Housing and Community Affairs</b>		<b>174,319,840</b>
<b>Health and Human Services</b>		
	Admin - Services to End and Prevent Homelessness	1,049,875
	Coordinated Entry	1,585,039
	Healthcare for the Homeless	2,604,515
	Homeless Services for Families	3,997,735
	Homeless Services for Single Adults	13,711,014
	Housing Initiative Program	2,461,167
	Interagency Commission on Homelessness	4,000
	Permanent Supportive Housing	13,082,324
	Prevention	13,464,178
	Rapid Rehousing	3,517,390
	Rental Assistance Program	1,898,063
<b>Sub-total, Health and Human Services</b>		<b>57,375,300</b>
<b>Housing Opportunities Commission</b>		
	Supplemental Funds for Deeply Subsidized HOC Owned Units Improvements CIP Project	1,250,000
	Cider Mill Apartments Capital Improvements CIP Project	250,000
	NDA - Housing Opportunities Commission	9,159,168
<b>Sub-total, Housing Opportunities Commission</b>		<b>10,659,168</b>
<b>Total Tax-Supported</b>		<b>242,354,308</b>
<b>Total Non-Tax Supported</b>		<b>13,681,083</b>
<b>GRAND TOTAL</b>		<b>313,410,691</b>

 <b>Affordable Housing Services</b> <b>FY26 Recommended Operating Budget</b> <b>Non-Tax-Supported</b>		
Department	Project/Program	FY26 Approved
Housing and Community Affairs		
	CDBG - Housing Acquisition and Preservation	1,632,291
	CDBG - Community Public Services with Nonprofit Organizations	660,000
	CDBG - Group Home Rehabilitation	1,000,000
	CDBG - Facility Planning/Administration	1,050,000
	CDBG - Focused Neighborhood Assistance	600,000
	CDBG - Code Enforcement	250,000
	CDBG - Fair Housing Activities	20,000
	CDBG - Municipality Housing Projects	354,000
	HOME - Housing Production and Preservation	1,971,853
	HOME - Community Housing Development Organizations Program	445,000
	ESG - Rapid-Rehousing (HHS)	430,074
	<i>HHS Rapid Rehousing - \$326,400</i>	
	<i>HHS Homeless Services for Families - \$106,128</i>	
	Takoma Park Grant - Code Enforcement	302,180
	Weatherization/Energy Efficiency Program	350,000
<b>Sub-total, Housing and Community Affairs</b>		<b>9,065,398</b>
<b>Health and Human Services</b>		
	Admin - Services to End and Prevent Homelessness	63,316
	<i>Homeless Services for Single Adults</i>	362,600
	Permanent Supportive Housing	493,050
	<i>Prevention</i>	2,983,676
	Rapid Rehousing	713,043
<b>Sub-total, Health and Human Services</b>		<b>4,615,685</b>
<b>TOTAL</b>		<b>13,681,083</b>