Isiah Leggett
County Executive

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Montgomery County, Maryland

Consolidated Plan for Housing and Community Development Action Plan, Fiscal Year 2013 July 1, 2012 to June 30, 2013

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Montgomery County, Maryland
Consolidated Plan for Housing and
Community Development
Action Plan, Fiscal Year 2013
July 1, 2012 to June 30, 2013

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CONSOLIDATED PLAN FOR
MONTGOMERY COUNTY, MARYLAND
July 1, 2012 to June 30, 2013
FY2013 Action Plan

Executive Summary

Background

The United States Department of Housing and Urban Development (HUD) requires that all jurisdictions entitled to receive funding under the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with Aids (HOPWA) programs develop a Consolidated Plan for community development no less than every five years, and an Action Plan every year. Developing the plan is a collaborative process that relies on community input and provides an opportunity for strategic planning to ensure that actions taken at the local level are coordinated and comprehensively address priority housing and community development needs. An Action Plan is required annually to provide specific information on how the funds awarded will be used to meet the priority needs identified in the Consolidated Plan, and annual evaluation and performance reports are prepared to track progress and measure accomplishments.

This annual Action Plan serves as Montgomery County's application for CDBG, HOME and ESG funds for Fiscal Year 2013 (July 1, 2012 – June 30, 2013). The Department of Housing and Community Affairs (DHCA) is the lead agency responsible for the submission of the Action Plan to HUD and this must be done no later than May 15 each year. The City of Gaithersburg is eligible to receive funds directly from HUD, so it prepares its own Consolidated Plan. The cities of Rockville and Takoma Park receive funding through the County but determine locally how CDBG funds will be used in their jurisdictions.

In addition, for other competitively awarded funds, HUD may require that applicants obtain a Certification of Consistency with the Consolidated Plan as part of the application submission. DHCA is responsible for providing these certifications for all projects in the county occurring outside the Gaithersburg city limits and does so at the request of the applicants and upon review of the proposed use of funds to ensure consistency.

Funding

Montgomery County is entitled to receive $5,551,407 in federal funding for County fiscal year 2013 through CDBG, HOME and ESG formula allocations. HOPWA funds are awarded on a regional basis, with the State of Maryland assuming grant responsibilities for a service area comprised of both Frederick and Montgomery counties. Information on how the County proposes to use the CDBG, HOME and ESG funds in Fiscal Year 2013 is noted later in this summary.

The CDBG program funds activities that primarily benefit low- and moderate-income (LMI) residents of the community and is used for a wide range of community development activities like

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housing rehabilitation loans, code enforcement, neighborhood revitalization projects and social services provided by nonprofit organizations. The HOME program funds loans for the creation and preservation of affordable housing and grants for the provision of tenant-based rental assistance. The ESG program funds will be used for Homelessness Prevention and Rapid Re-Housing activities including Housing Stabilization and Relocation Assistance and Rental Assistance to help stabilize households who are homeless or at imminent-risk of homelessness. ESG funds will also support the Homeless Management Information System (HMIS). HOPWA funds tenant-based rental assistance and supportive services for persons living with HIV/AIDS and their families.

While DHCA is the lead agency for the preparation of the plan and administration of CDBG, HOME and ESG funds received by the County, the County's Department of Health and Human Services (DHHS) is the local "program sponsor," responsible, under contract with the AIDS Administration in the Maryland Department of Mental Health and Hygiene, for the HOPWA funding.

The funding levels used here are those published on the HUD website and current as of February 1, 2012: (http://www.hud.gov/offices/cpd/about/budget/budget12/). For the upcoming fiscal year, which begins July 1, 2012, CDBG funding has been cut by 18.1% over last year's level. Combined with the previous year's cut of 16.2% this means that the upcoming program is being funded at only 68.7% of the level of funding received just two years ago. The HOME program is taking the biggest hit this year, receiving 40.0% less funds than the year before and 46.8% less than two years ago. While the CDBG and HOME funds have been greatly affected by budget cuts, the ESG program has actually seen rising support – the program beginning July 1, 2012 will be funded at a 14.7% increase over last year's program and at 79.6% more funds than two years ago. For the fiscal year July 1, 2012 - June 30, 2013, the HUD allocation approved for Montgomery County upon approval of its Annual Action Plan are:

CDBG	$3,821,180
HOME	$1,326,417
ESG	$403,810
Total	$5,551,407

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The allocation amount for the HOPWA program for the Bethesda-Frederick-Gaithersburg, MD Metropolitan Division, which includes both Montgomery and Frederick Counties, is not yet known. For the current year (County FY12 ending 6/30/2012) the grant amount for the Montgomery County portion of the Bethesda-Frederick-Gaithersburg, MD Metropolitan Division was $853,739.00. Of this $790,636.00 is available for long term rental subsidies, which is subsidizing 60 rental units, housing 69 persons living with HIV, and housing a total of 114 people. It is expected that the County will receive a similar amount of FY13 funding. More information on the HOPWA program is found on page 69.

Consultation and Citizen Participation

Montgomery County residents are afforded many opportunities to express their views and opinions, identify priority needs and discuss gaps in service delivery. Volunteer boards and commissions provide community input in all aspects of public policy and administration. DHCA facilitates an annual public hearing to solicit comments from residents concerning community development needs, with residents provided further opportunity for comment at public hearings held

by the County Council in conjunction with annual approval of the budget. While DHCA provides residents with an opportunity to comment on the draft Consolidated Plan, staff also incorporates public input provided through issue-oriented forums and town meetings not directly related to the development of the Consolidated Plan. For example, every year the County Executive holds public town hall meetings in various locations around the county to listen to resident concerns and also holds "virtual" town halls where residents can call in or email in with questions and comments. Other county departments hold community forums or conduct studies to obtain input in specific policy or program areas, such as services for special populations like seniors, the homeless, persons with disabilities or those with limited English proficiency. For example, persons representing some thirty organizations worked on the development of a Continuum of Care for assistance to the homeless. Contact is made with the Housing Opportunities Commission (HOC) of Montgomery County to discuss the concerns of the agency and the residents it serves. The Maryland-National Capital Planning Commission, Montgomery County Department of Planning coordinates with DHCA on matters affecting housing in its plan making capacity and through regulation and control of land development. Finally, to ensure a regional perspective regarding a variety of issues including transportation, affordable housing, fair housing and the homeless, the county actively participates in the Metropolitan Washington Council of Governments (COG) as a means of furthering inter-jurisdictional cooperation.

The county has a "Citizen Participation Plan" (included here as Appendix A) in accordance with federal requirements. In preparation of this Consolidated Plan, DHCA worked closely with the Community Development Advisory Committee (CDAC) appointed by the County Executive. In addition, Montgomery County Continuum of Care has developed an action plan to identify a formerly homeless person to participate on their Performance and Evaluation Committee. The plan includes outreaching to current agencies to identify a formerly homeless person and coordinate participation to begin no later than April 2012. A public hearing was held in October 2011 before the Community Development Advisory Committee (CDAC) to receive input regarding needs to be addressed in the plan and to review past performance. A summary of testimony from this hearing is on file at DHCA. Additionally, five public hearings were held on the Fiscal Year 2013 Operating Budget by the Montgomery County Council over the April 10-12, 2012 period as part of the budget review process.

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In an attempt to make this document available for review/comment by as many interested individuals/groups as possible, draft copies were placed in the County's five regional government service centers with the public being informed by local newspaper advertisement (copy included in the report) of the availability of the document and the opportunity to comment on it prior to final submission. The newspaper ads also noted that the document is available on the County's website at: http://www.montgomerycountymd.gov/Content/DHCA/index.asp. Notice was also provided to the State of Maryland and surrounding jurisdictions.

Needs Assessment and Analysis

Montgomery County is a desirable place to live, and this desirability, characterized by strong schools and access to employment opportunities, has spurred population growth, immigration that continues to increase the ethnic and racial diversity of the county, a focus on transit-oriented development as traffic congestion worsens and the county approaches "build out" and an increasing demand for affordable housing.

In the 2000s, Montgomery County's population grew by more than one percent per year, reaching 971,777 in 2010. Contributing to the rise in population has been a high birth rate and foreign immigration. Between 2000 and 2008 the county gained 65,000 residents from a natural increase in population (i.e., births minus deaths). Over the same period, foreign immigration to Montgomery County accounted for nearly 67,000 new residents or about 86% of net migration. In 2010, Montgomery County became one of 336 "majority-minority" counties in the United States, with Non-Hispanic Whites making up 49.3 percent of the county's population, down from 59.5 percent in 2000.

Montgomery County has also experienced an increase in its older population greater than the population at large. Between 1990 and 2010, those 65 and over went from 10.2% of the population to 12.3% of the population. According to the Council of Governments latest forecast (Round 8.0) this age group will make up 17% of the population by 2040.

Housing (for persons with and without special needs)

Even though the County has developed some of the most progressive and effective affordable housing programs in the country, programs such as the award-winning Moderately Priced Dwelling Unit (MPDU) program, and the Housing Initiative Fund (HIF), a model trust fund, current efforts do not sufficiently address the affordable housing needs. While County Executive Isiah Leggett continues his commitment to "Affordable Housing in an Inclusive Community" as a priority policy objective, the economic downturn has increased the need for affordable housing at a time when county budgetary shortfalls mean fewer resources are available.

Over the last six budgets, the county has addressed an unprecedented $2.6 billion in budgetary shortfalls that have strained services and reduced the size of the County workforce by over ten percent. In his proposed $4.56 billion operating budget for fiscal year (FY) 2013, Montgomery County Executive Isiah Leggett strategically restores some of the most critical and important services that were cut back dramatically over the past five years. The budget focuses on Leggett's priorities to fully fund education and increase strategic investments in public safety and the safety net for the most vulnerable. This proposed budget represents an increase of $199 million from the FY12 approved budget – or 4.6 percent. The total recommended FY13 Operating Budget for the Department of Housing and Community Affairs is $29,062,068, an increase of $3,203,158 or 12.4 percent over the FY12 Approved Budget of $25,858,910. The Department's budget includes a $19 million contribution to the Montgomery Housing Initiative to create and preserve more affordable housing and it also earmarks $1.5 million to support the development of 140 units of affordable housing for low-income seniors, the first part of a two-year commitment that will total $6 million.

While the 2010 Census (Demographic Profile – DP-1) indicates that 68% of county residents are owner-occupants, median for-sale home prices have generally increased over time faster than general inflation and faster than real incomes, causing affordability challenges for households with a wide range of incomes (see Table 6 in the Housing and Market Analysis section on page x for more detail). This holds true despite the more than one third drop in median home sales prices from the 2006 peak to the last available sales data by year, which was 2010, if we just go back ten years to include both the build up and the bursting of the housing bubble. Over the last decade (2000 – 2010) the average inflation rate was 2.8% while household median incomes rose only at a 2.2% annual pace. During this same period the median sales prices increased 5.6% per year for new single-family

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detached homes, 4.2% for existing single-family attached homes, 2.8% for new single-family attached homes, and just 1.5% for existing single-family detached homes, the only category to rise less than inflation and incomes.

For those 32% of Montgomery County households that rent, a report released in March, 2010, by the Montgomery County Tenants Work Group, indicated that tenants, especially those with limited incomes, were seeing rents increase faster than the cost of living and their incomes. The federal Fair Market Rent for a two-bedroom unit in the county as of Federal Fiscal Year 2012 (October 1, 2011 – September 30, 2012) was $1,506. Table 1 shows how these economic forces translate into housing cost burdens for both owner and renter households.

Poverty is on the rise across the country and in the suburbs. Montgomery County is part of that trend. The rate of poverty in Montgomery County increased from 5.1 percent in 2007 to 7.5 percent in 2010, now totaling 72,259 residents. This is the highest poverty rate in more than two decades. The Maryland Self-Sufficiency Standard (http://www.selfsufficiencystandard.org/docs/Maryland2012.pdf) defines the income needed to realistically support a family, without public or private assistance. For most workers throughout Maryland, the Self-Sufficiency Standard shows that earnings well above the official Federal Poverty Level are nevertheless far below what is needed to meet families' basic needs. In Montgomery County, the amount needed to make ends meet for one adult, one preschooler, and one school-age child is $36.90 per hour ($77,933 annually), which is 421% of the Federal Poverty Level. Also supporting the notion of broad economic distress is data available through the U.S. Census Bureau's 2005-07 American Community Survey, compiled by HUD into the Comprehensive Housing Affordability Strategy (CHAS) data (see Table 1). It shows that just over one third of all county households were either severely or moderately "cost burdened" by housing. With blacks and Hispanics (all races) having significantly lower median household incomes (Figure 2) than do Asians and non-Hispanic whites, they are disproportionately impacted.

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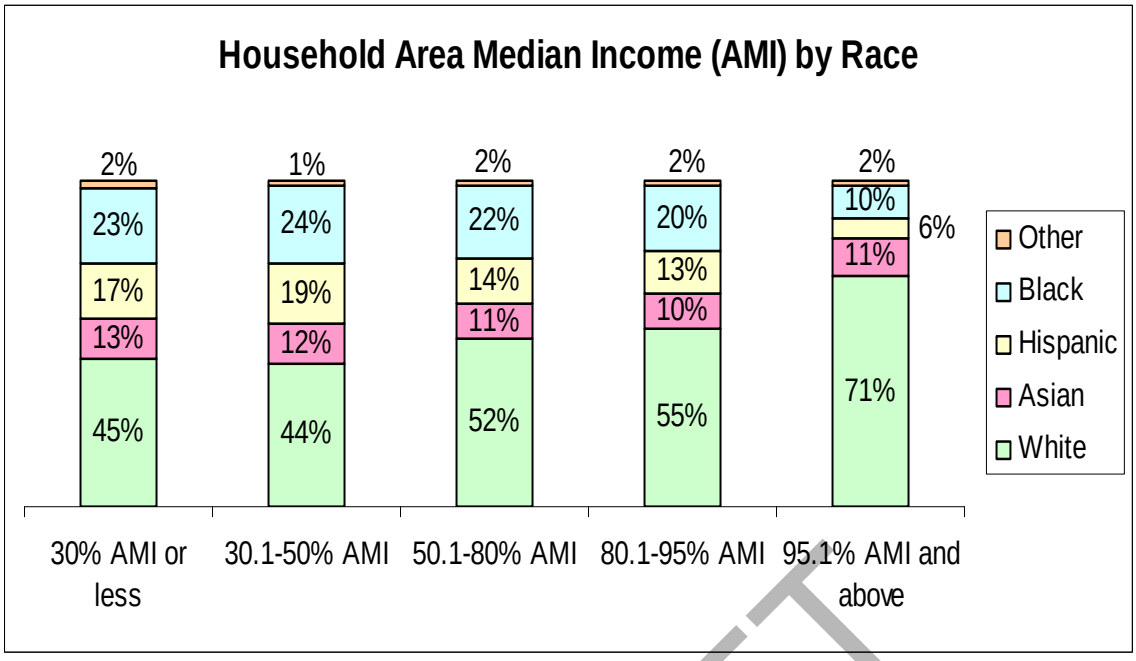
Table 1

	Cost Burdened Households				
Tenure Status	Moderate	Severe	Total	Total as a Percent of All Households	All Households
Owner	43,875	25,460	69,335	28.8%	240,480
Renter	25,265	20,630	45,895	44.9%	102,140
Total	69,140	46,090	115,230	33.6%	342,620
Total as a Percent of All Households	20.2%	13.5%			

Moderate cost burden = housing cost greater than 30%, less than or equal to 50% of income
Severe cost burden = housing cost greater than 50% of income

Source: Department of Housing and Urban Development, 2009 Comprehensive Housing Affordability Strategy (CHAS) (Based on 2005-07 American Community Survey data)

Figure 1



Source: Department of Housing and Urban Development, 2009 Comprehensive Housing Affordability Strategy (CHAS)

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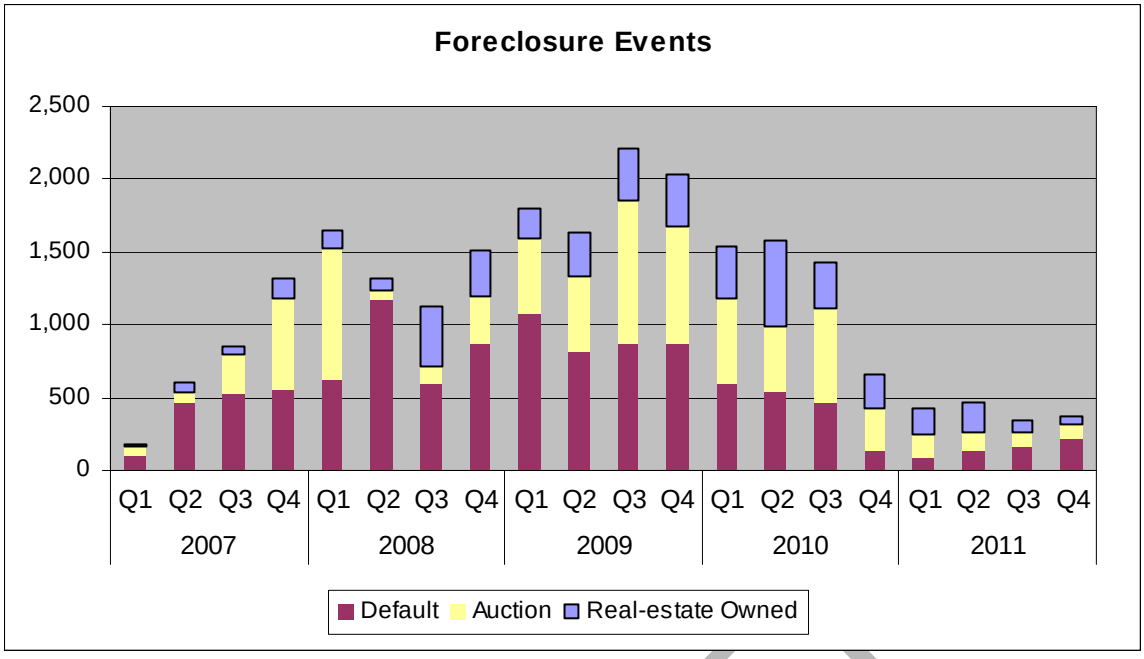
There continues to be a need for additional affordable housing units for both renters and owners. Households with low- and moderate-incomes are finding it increasingly difficult to purchase a first home in the County. Increasing the supply of affordable workforce housing is becoming a more pressing priority as housing prices force many who work in the County to seek housing outside the County, impacting the available labor force and exacerbating traffic concerns.

Residential Foreclosures

The number of people losing homes to foreclosure during the Great Recession has been staggering and unprecedented in modern times. The causes that find borrows unable to keep up with their mortgages are varied, from variable-rate loans that re-set payments higher, refinancing made impossible because of dropping home values, to job losses and persistently high unemployment. High levels of foreclosures beginning in 2007 have been a nationwide phenomenon and affluent places like Montgomery County have not been spared. Data collected by the Maryland Department of Housing and Community Development from the firm RealtyTrac show a dramatic rise in foreclosure filings in Montgomery County, peaking in 2009 (see Figure 3 below). Court filings include “default”, when a borrower is late with payments, “auction”, when the unit is scheduled to be auctioned off, and “real-estate owned”, when the lender takes possession of the home. Some housing units appear in the data below for more than one filing type. Compared to other Maryland jurisdictions, the situation in Montgomery County appears to have improved when normalizing foreclosures by the number of housing units - Montgomery County was fifth of the five largest jurisdictions in 2011, down from 2nd in 2009Q2 (see Table 2 below).

Figure 2: Foreclosures



Sources: MD DHCD, RealtyTrac

Table 2: Foreclosure filings per housing unit, 2011

	Housing Units	% of total housing units in Maryland	Foreclosure Filings	Housing units per Foreclosure
Prince George's	321,577	13.80%	5,432	59
Baltimore City	294,298	12.60%	1,921	153
Anne Arundel	204,199	7.10%	1,137	179
Montgomery	364,998	15.60%	1,620	225
Baltimore	328,125	14.10%	1,768	185

Sources: CountyStat, MD DHCD, RealtyTrac

Foreclosures can have a devastating affect on those directly involved and vacant, foreclosed homes can also affect neighborhoods. While Montgomery County can't prevent the loss of homes by every defaulting borrower it has taken aggressive steps to identify those at risk of foreclosure and to provide financial counseling and mediation services between lenders and borrowers. Services have been directed to identified foreclosure "hotspots" in the Germantown, Gaithersburg, and Silver Spring areas. From 2008 to 2011 more than 300 workshops have been held. In 2011 1,806 clients were served by individual foreclosure counseling sponsored by the County. According to foreclosure counselor agency reports, the most commonly reported outcome was "mortgage modified".

Special Needs

Montgomery County assists **vulnerable populations** County-wide – those with low incomes and in need of affordable housing with supportive services, including the elderly, the developmentally

disabled, persons with physical disabilities, persons with mental illness or chronic medical conditions, such as those living with HIV/AIDS, those with addictions and victims of domestic violence all have special needs. In addition to other sources, the County uses funding from the Housing Initiative Fund (HIF) for much needed rental assistance, has worked to improve service delivery through a "no wrong door" policy for accessing services and by improving coordination of service delivery, as has been the case with the opening of the Family Justice Center, a comprehensive, "one-stop" service shop for victims of family/domestic violence and their children. The County has also, through its Commission on Aging and the Commission for Persons with Disabilities, encouraged universal design and visitability in new housing construction. Having accessible housing is especially important for older residents that want to age in place and for others with mobility impairments. The County Council recently voted to add enhanced accessibility for disabled persons as one of a number of "public benefit" incentives for developers under the County's new Commercial-Residential (CR) zone.

Persons with Limited English Proficiency

It is important to note that lower-income persons in need of affordable housing, with and without special needs, who have limited English proficiency, are in need of culturally sensitive and linguistically appropriate services. Some 30 percent of County residents are foreign-born, one in three speaks a language other than English at home and an estimated 14.5 percent are of limited English proficiency. In March, 2010, County Executive Isiah Leggett signed an Executive order on Language Access that will ensure consistently high quality services for residents with limited English proficiency, institutionalize effective practices and encourage cross-agency coordination with other public institutions in the county and build upon the county's current Limited English Proficiency (LEP) policy. Accomplishments at the Department of Housing and Community Affairs include assigning a dedicated department liaison for language access issues, creating a department Language Access Plan, certifying staff speakers of other languages, posting materials in visible places and in multiple languages about how to obtain services in other languages, translating a host of program information and forms into Spanish, and training more than half of the staff in language access issues. You can read more about the County's LEP here: www.montgomerycountymd.gov/LEP**.**

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Homeless

For the homeless or those pending possible eviction and facing homelessness, housing choices are not only limited by affordability considerations but also by the need for supportive services. A point-in-time survey was conducted in January 2012 showing a homeless population count of 982. This is a 13.3% decrease from the 2011 count of 1,132, and a 7.7% decrease from the 2010 count which was 1,064. The 13.3 decrease in homelessness is primarily from a decrease in homeless households without children, formerly known as "individuals". There was a slight increase in the number of homeless families from 374 in 2011 to 381 in 2012. In addition, 61% of all persons counted were households without children while 39% were persons in families. More than two-thirds (69%) of Montgomery County homeless households without children reported chronic substance abuse, serious mental health issues, or co-occurring disorders, consistent with previous year. In addition, more than one-third (37%) reported chronic health problems and/or a physical disability. Thirty-three percent of the County's households without children were considered chronically homeless.

The Continuum of Care continues to provide supportive services related to the special needs of the homeless recuperating after hospital discharge via Healthcare for the Homeless. During this enumeration in consideration of utilizing a tool known as the Vulnerability Index, data was collected to document the percentage of homeless persons with medically fragile conditions. Fifteen (11.5%) of the 130 unsheltered adult homeless without children reported one or more medically fragile conditions. The most prominent condition was Hepatitis C (7), followed by frostbite, heatstroke, liver disease, and physical disability that limits mobility.

The enumeration indicated that 24 percent of households with children were experiencing a current episode of homelessness due to domestic violence which is a decrease from 36 percent in 2011. Twenty-six (26) percent of adults in families report problems with substance abuse, serious mental health issues, or co-occurring disorders. Chronic health and physical disability was reported by approximately 12 percent of the adults in households with children.

General employment decreased for households without children in 2012 to sixteen percent from 20 percent in 2011. Employment also declined among adults in households with children to 46 percent in 2012 from 49 percent in 2011.

Of homeless individuals reporting income, 24 percent reported employment as their primary income source and 36 percent reported disability income (SSI/SSDI) as their primary income source. In households with children, of those adults reporting income, 55 percent reported employment as their primary source followed by 29 percent with TANF/Public Assistance, 10 percent reporting "other", and 6 percent reporting disability as their primary source of income.

The weak economy has also resulted in increased need for emergency housing assistance to prevent homelessness, including emergency payments to prevent evictions and utility cutoffs. Preventing homelessness through early intervention, coordinated case management, and financial assistance are priorities, along with more long-term transitional and permanent housing and supportive services needed to help those already homeless. The need for year-round shelter and "safe havens" for those single homeless persons who are unwilling or are unable to assume the responsibilities inherent in participation in the County's system of social services continue to be a recommendation.

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Funding Priorities and Strategies

Montgomery County Executive Isiah Leggett presented his recommended $4.3 billion operating budget for fiscal year (FY) 2013 on March 15, 2012. The recommended budget includes an increase of $64.7 million, or 5.5 percent, for tax-supported Montgomery County Government programs. It focuses on Leggett's priorities to fully fund education, increase strategic investments in public safety and the safety net for the most vulnerable, and restore some hours for libraries and services for recreation centers. "I am restoring some of the reductions that have most negatively affected our residents' quality of life," said Leggett. "The necessary steps we have taken to address structural budget gaps by resolving an unprecedented $2.6 billion in budget shortfalls over six budgets have resulted in significant cuts in service. Our public safety systems have been strained to the limit; our library and recreation services pared down; our County building maintenance has noticeably deteriorated; and County roads await repairs. Selectively restoring some services within our means will immeasurably enhance the health and welfare of our residents." The recommended budget also

maintains the County's sustained commitment to affordable housing – it includes more than $32 million for affordable housing, providing for the renovation of distressed housing, the acquisition and preservation of affordable housing units, the creation of housing units for special needs residents, and creation of mixed-income housing.

Priority policy objectives continue to be:

Children Prepared to Live and Learn
Affordable Housing in an Inclusive Community
Safe Streets and Secure neighborhoods
A Responsive and Accountable County Government
Healthy and Sustainable Communities
An Effective and Efficient Transportation Network
A Strong and Vibrant Economy
Vital Living for All of Our Residents

Restoring fiscal prudence and restructuring government to make it more accountable and effective are important strategies to ensure that spending is sustainable and that funds, while more limited, continue to be well spent. One recent initiative to enhance efficiency, effectiveness and responsiveness has been the development of a centralized call center and constituent services management system (MC311: http://www3.montgomerycountymd.gov/311/) that provides both a "one-stop" number for the public to call for non-emergency information and a tracking system to ensure that every caller gets a timely response. After just a few months of serving the public the system received a Technology Solutions Award for Telecommunications & Information Technology from the Public Technology Institute. Montgomery County was the sole recipient of the award for jurisdictions with populations of more than 750,000. The system launched in June 2010 and handled over 500,000 service requests in its first year. Survey results in March 2011 show more than 71 percent of users satisfied or extremely satisfied. Another major efficiency success has the been the full implementation of an Oracle-based financial, procurement, human resources and budgeting system, streamlining business processes and enhancing reporting capabilities. A final example of streamlining County government operations is County Executive Isiah Leggett's recently announced cross-agency effort to make meaningful changes to the development application process. An initial step consolidates construction inspections currently being done by the Department of Permitting Services and Montgomery County Fire and Rescue Services. Additionally, the Maryland-National Capital Park and Planning Commission will change its process for review of DPS-issued building permits as it pertains to forest conservation plans. A dedicated website has been created to receive comments and information on streamlining the development approval process (http://www.montgomerycountymd.gov/permittingservices).

An overarching strategy is the focus on "managing for results," with performance data becoming the primary basis for review and analysis of the funding requests of county operating departments. Montgomery County recently implemented a results-based budgeting system. A key driver of "managing for results" is the CountyStat Office that works with county operating departments and partner agencies to focus on performance management using four principles: require data-driven performance; promote strategic governance; increase government transparency; and foster a culture of accountability. Opportunities for cross departmental/agency coordination have been enhanced through

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a collective focus on key, cross-cutting issues, such as foreclosures and affordable housing, positive youth development, vital senior living and pedestrian safety. In addition, the Department of Housing and Community Affairs created a Focused Neighborhood Assistance Program currently active in two geographically-defined areas selected using CountyStat principles. More about CountyStat can be found here: http://www.montgomerycountymd.gov/countystat.

Focused Neighborhood Assistance

Strong, well-maintained neighborhoods are a critical component of overall community well-being and quality of life for Montgomery County residents. In 2009 the Department of Housing & Community Affairs (DHCA) initiated a data-driven process to identify neighborhoods that could most benefit from public-led revitalization efforts. Staff first mapped the incidence of crime, household incomes, and single-family rental/foreclosure data for 271 geographic areas. Through discussions with other staff, including area school principals, District Police Commanders, Directors of the County's Regional Service Centers and representatives from a number of county departments, including Transportation, Health and Human Services and Recreation, DHCA staff applied professional judgment and field research to choose the two geographically defined Focused Neighborhood Assistance Areas: the Upcounty Focus Area in the Gunners Lake/Waring Station area of Germantown and the Mid-County Focus Area in Glenmont. Revitalization activities are underway in both areas using CDBG-R funds. Once proposed Focus Areas were defined, staff outreached to the community to confirm interest and solicit participation in community charrettes to better define priority needs from the community's perspective and to determine realistic opportunities for visible positive impact given available staff and financial resources.

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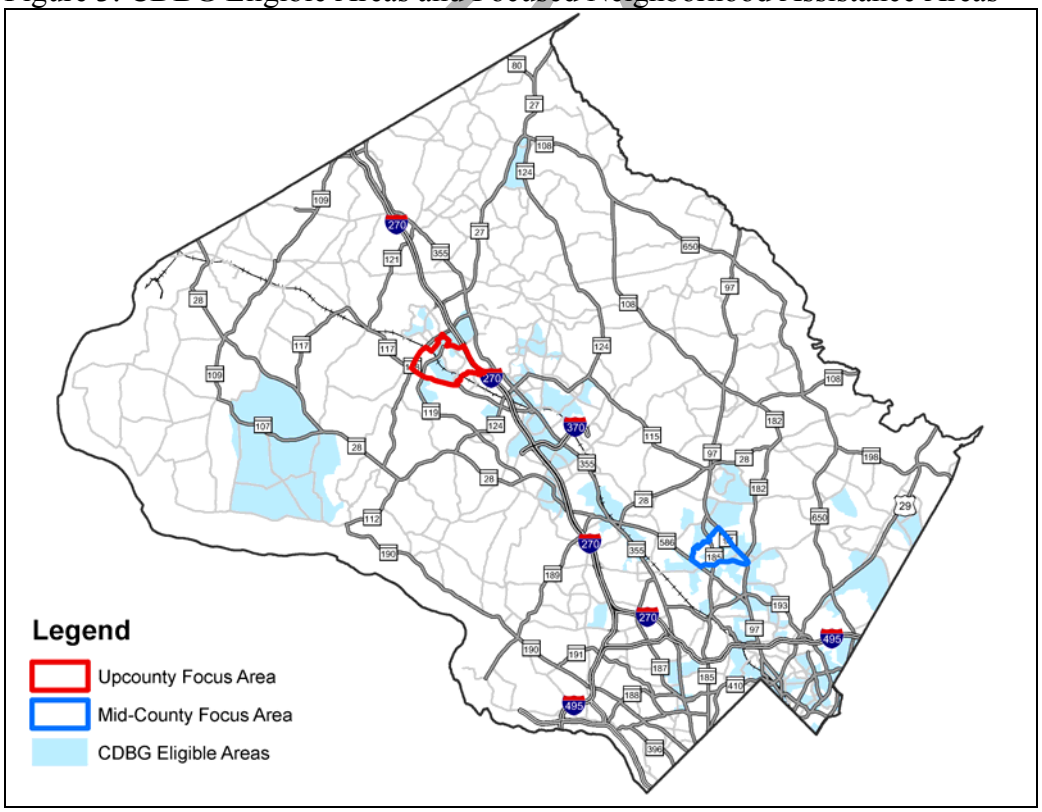
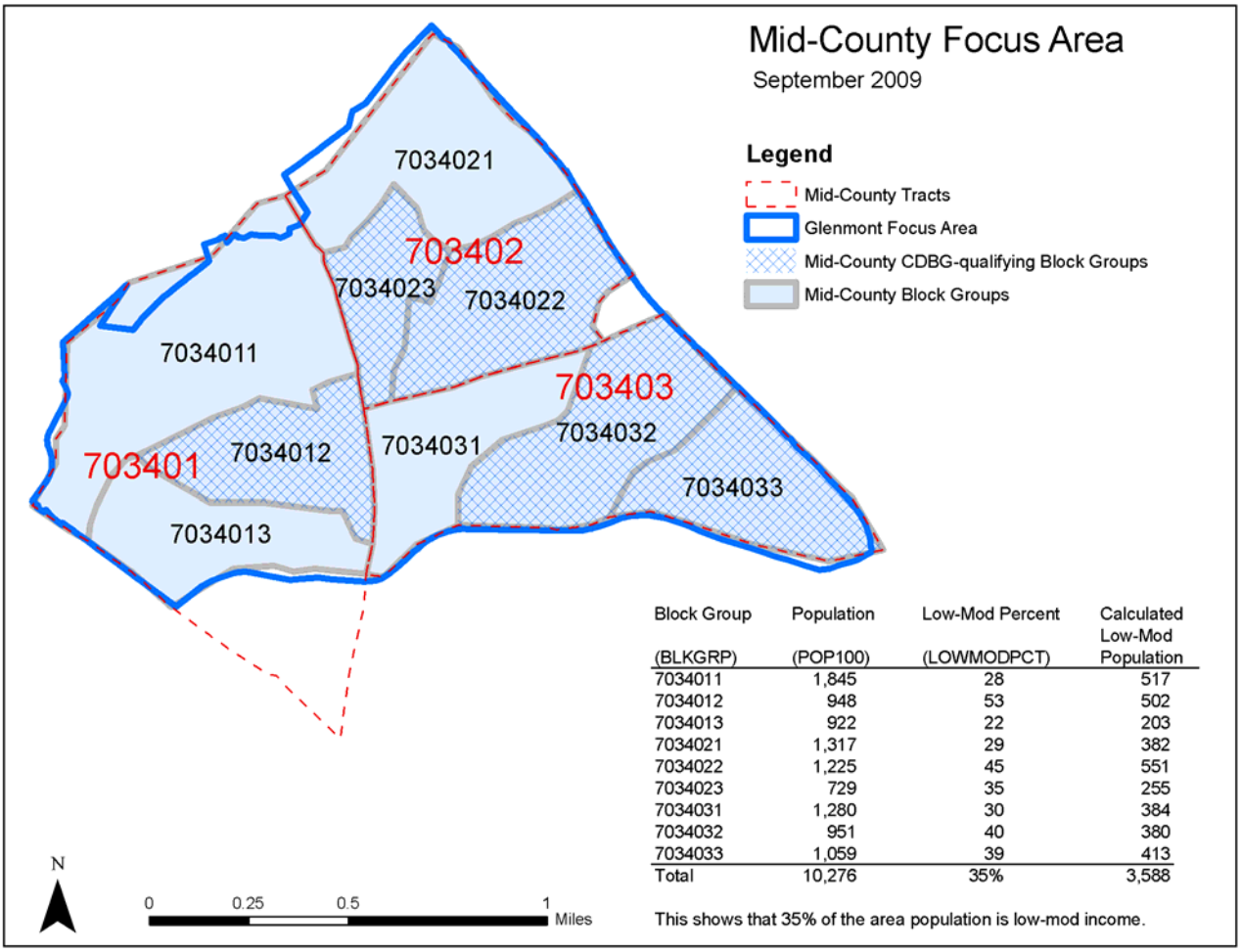
Figure 3: CDBG Eligible Areas and Focused Neighborhood Assistance Areas



The Mid-County Focus Area, covering one and a half square miles just to the west of the Glenmont Metro Station, is primarily residential in nature, with a few institutional and commercial uses including Randolph Hills Nursing Center, several public schools, and the Stoneymill Shopping Center. Nearly the entire stock of 3,220 single-family detached housing units was built between 1949 and 1962. The area also includes one townhouse development, Foxhall Square, on Georgia Avenue and 163 units of multi-family housing. The Mid-County Focus area had a significant percentage of students qualifying for the Free and Reduced Meal Program during the 2008-09 school year – 56.8%. This compares with 27.0% countywide.

Figure 4: Mid-County Focus Area – Percent of Population of Low-Mod Income



Block Group (BLKGRP)	Population (POP100)	Low-Mod Percent (LOWMODPCT)	Calculated Low-Mod Population
7034011	1,845	28	517
7034012	948	53	502
7034013	922	22	203
7034021	1,317	29	382
7034022	1,225	45	551
7034023	729	35	255
7034031	1,280	30	384
7034032	951	40	380
7034033	1,059	39	413
Total	10,276	35%	3,588

This shows that 35% of the area population is low-mod income.

In the community charrette residents of the Mid-County Focus Area voiced concern over incomplete or deteriorated mid-block pedestrian pathways within their neighborhood. Such areas, they reported, had become hang-out sites for local youth, including gang members. DHCA is using more than $120,000 of CDBG-R funds to reconstruct pathways and provide lighting. Approximately 900 linear feet of new concrete pathways were constructed in 2010. Lighting for four local pathways will be installed in 2011. Such path improvements enable residents to better and more safely navigate within their neighborhood, connect to the local elementary school, and provide better security for pedestrians as well as for adjacent homes.

In the Mid-County Focus Area, the Wheaton-Glenmont Outdoor Swimming Pool received $35,000 of CDBG funding in 2010 for safety and security improvements based on concerns expressed by police, Department of Recreation staff, and community members. Police reported that the facility, one of the busiest in Montgomery County, had experienced frequent thefts, primarily from lockers or in 'out of sight' areas. Secondly, police were called multiple times to investigate 'peeping Toms' in the nearby wooded area that abuts the pool. Lastly, the pool had a need for lifts for use by mobility impaired members of the community. DHCA provided and installed privacy fencing to screen the pool from wooded and outside public areas and bought two banks of new, durable outside lockers for placement on the pool deck in full view of pool patrons and staff. Two free-standing, moveable and weighted lifts were also purchased and assembled.

DHCA also focused on identifying single family properties that were vacant or in need of repair for code violations or for health and safety reasons. DHCA referred such homes to AHC, Inc., Habitat for Humanity, and Rebuilding Together for acquisition and rehabilitation or for home improvements that benefited qualified low income families.

Table 3: Foreclosure Events in Focus Areas – 2008

Mid-County Focus Area		Upcounty Focus Area	
Event Type	Events	Event Type	Events
Default	84	Default	172
Auction	39	Auction	84
Real-estate Owned	27	Real-estate Owned	38
Total	150	Total	294

Note: There were 5,476 foreclosure events countywide. Compared to the total stock of all housing types, this represents 1.5%. The Mid-County Focus Area had 2.9 times this rate of foreclosure events (4.4%) while the Upcounty Focus Area experienced 2.5 times the countywide rate, or 3.8%.
Sources: RealtyTrac and MD DHCD

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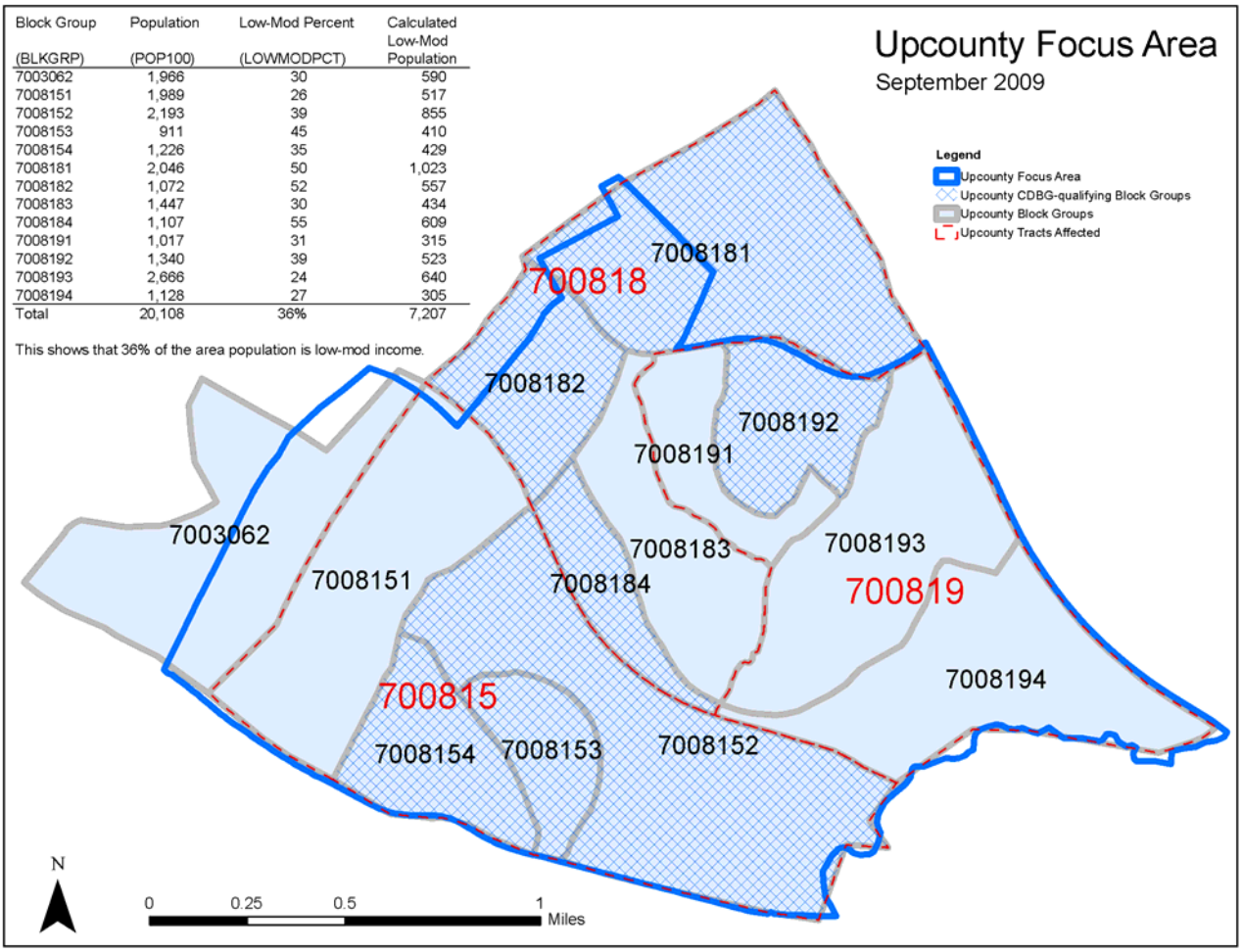
The Upcounty Focus Area consists of 7,806 housing units of various types as well as some commercial properties. Based on stakeholder feedback and supported by a visual survey, the 684-unit Cinnamon Woods Community was identified as one that could benefit from financial support to expand the HOA's ongoing efforts to make improvements to exterior housing conditions. This community of quad-style homes was built during the early 1970s and had a relatively high proportion of families with students qualifying for the Free and Reduced Meal Program; 54.2% of students qualified, compared to 36.8% for the entire Focus Area and 27.0% countywide. Deterioration to housing exteriors due to age, the income-eligibility of homeowners for the financial assistance (CDBG-R) available and community concern over increasing property vacancies due to foreclosure activity were all factors in selecting this community.

Figure 5: Upcounty Focus Area – Percent of Population of Low-Mod Income



Block Group (BLKGRP)	Population (POP100)	Low-Mod Percent (LOWMODPCT)	Calculated Low-Mod Population
7003062	1,966	30	590
7008151	1,989	26	517
7008152	2,193	39	855
7008153	911	45	410
7008154	1,226	35	429
7008181	2,046	50	1,023
7008182	1,072	52	557
7008183	1,447	30	434
7008184	1,107	55	609
7008191	1,017	31	315
7008192	1,340	39	523
7008193	2,666	24	640
7008194	1,128	27	305
Total	20,108	36%	7,207

This shows that 36% of the area population is low-mod income.

The work of the Department of Housing and Community Affairs in the Upcounty Focus Area consists of two projects within the Cinnamon Woods Community:

1) Exterior Home Improvements Program

This program involves exterior painting, replacement of damaged wood on homes, fences and sheds and installation of vinyl siding. Homeowners qualify for participation based on HUD Income Limits. Upon completion approximately 60 low-income households will have substantially improved home exteriors. This improvement, combined with the HOA's annual painting program, results in an extensive upgrade to the visual attractiveness of the entire community. Over $450,000 in CDGB-R funding will be utilized.
Over the past two years 70 single family homes for income eligible homeowners received exterior improvements. The program has been extended for another year with the expectation that 30 to 60 additional homes will receive exterior improvements.

2) Lighting Improvements

Security issues were highly ranked during the community charrette, and the HOA was successful in obtaining a State of Maryland Bond Bill in the amount of $100,000 toward improved community lighting. The bond bill required a dollar-for-dollar match. DHCA provided the match from CDBG-R and utilized CDBG funds for needed consultant services for a lighting survey and engineering. The community received new and improved street lights throughout the HOA-owned common areas. Substandard lights will be replaced with modern, energy efficient lights.

In 2011, the Mckendree neighborhood was selected as the third Focused Neighborhood Assistance Area (FNA). The FNA includes two streets Brookridge Court and Forest View Place located within Montgomery Village on the outskirts of Gaithersburg.

Montgomery Village is a planned community created in the early 1960's. The developer Kettler Brothers worked with local government officials, civic activists, professional planners and engineers to develop a community that could meet the needs of major businesses relocating from Washington, DC, and the federal government employment presence growing in the outer suburbs. A variety of housing types were built in distinctive neighborhoods that were close to schools and activity centers. McKendree was constructed in 1976 and 1977 as the first Moderately Priced Dwelling Units (MPDU) in the County. The MPDU program is a landmark affordable housing program established by local legislation in 1974. It required that 15 percent of the total number of dwellings in every subdivision containing 50 or more units be affordable to moderate-income households with an affordability control period of five years. In subsequent years, the control period was extended. The current control period for new MPDU units is 30 years. McKendree is composed of 212 back to back side by side town homes. Nearly half of the homes are rental properties. The control period expired decades ago but the neighborhood remains an island of affordable housing in an ocean of higher priced homes.

As with the first two Focused Neighborhood Assistance Areas, DHCA held a community Charettee and is in discussions with other staff, including area school principals, District Police Commanders, Directors of the County's Regional Service Centers and representatives from a number of county departments, including Transportation, Health and Human Services and others. This outreach provides the base information for project development. Initial assessments predict the scope will include pedestrian linkages, exterior home repair, CEPTED (crime prevention through environmental design) landscape and lighting improvements.

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Affordable Housing

Increasing the supply of affordable housing through both preserving existing units as affordable and expanding the supply of new affordable units is an ongoing priority. Housing priorities include maintaining existing housing through code enforcement and rehabilitation, preserving housing that could be lost from the affordable housing stock, modernizing public housing, building new, affordable housing, including housing for special needs populations and for those who need moderately-priced housing who may work in, but cannot afford to live in, the county.

The County uses local funds, as well as federal and state resources, to create and preserve affordable housing by partnering with housing providers to provide flexible financing designed to leverage other sources of funds and to be responsive to unique project requirements. Montgomery

County has used a number of strategies to address affordable housing priorities, developing a range of tools and incentives, including a locally funded housing trust fund and an award winning inclusionary zoning program.

County Executive Leggett has appointed a number of task forces and work groups to bring together informed individuals from all sectors to examine and make recommendations on a wide variety of issues. Past groups related to housing include the Affordable Housing Task Force, the Code Enforcement Work Group, and the Tenants Work Group. Other boards, committees and commissions work on a variety of issues like poverty (Community Action Board) and the needs of special populations (Commission on Aging; Commission on Persons with Disabilities) that inform the housing discussion and that, along with other groups and initiatives, like the Interagency Fair Housing Coordinating Group and the Senior Sub-cabinet for Vital Aging, make recommendations and serve as strong advocates for affordable housing. Relying on the talent and dedication of those who volunteer is an important strategy in bringing the "best thinking" from all view points to address concerns.

A number of the recommendations made by these groups have been implemented or are being considered. As a result of the Code Enforcement Workgroup recommendations, new laws will went into effect in April and July of 2011 dealing with home-based businesses, off-street parking and paving front yards that are enhancing neighborhood safety, aesthetics, and environmental quality. The county, through the Department of Housing & Community Affairs (DHCA), continues to use housing code enforcement, multifamily rehabilitation loans and assignment of right-of-first-refusal contracts to affordable housing providers to promote extended affordability in housing developments.

Preservation of existing affordable housing, especially public housing, is a growing concern as federal funding for maintenance decreases below what is needed and the existing housing stock ages. Using funds provided from federal stimulus dollars and other resources, the county continues to enhance affordability for lower-income households through the provision of weatherization assistance and other energy improvements, while addressing lead hazards and correcting housing code violations. In particular, scores of low-income households are being assisted with the weatherization of their homes through a three-year project funded with federal stimulus funds (the American Recovery and Reinvestment Act or "ARRA") through the U.S. Department of Energy and the Maryland State Department of Housing and Community Development. This 5.5 million dollar program is providing energy-saving housing renovations which will save households money while also decreasing the environmental impact of housing in Montgomery County. The program will wrap up by September 2012.

Since 1974, Montgomery County has had an inclusionary zoning law. In fact, the Moderately Priced Dwelling Unit Program (MPDU) is believed to be the country's first mandatory inclusionary zoning law that specified a density bonus allowance to builders for providing affordable housing. The law presently requires that between 12.5 and 15 percent of the total number of units in every subdivision or high-rise building of 20 or more units be moderately priced. From 1976 through 2011 more than 13,200 affordable units were produced, averaging 224 units annually over the past ten years.

The MPDU law allows the County's public housing authority the right to purchase one-third of the moderate priced units produced in each subdivision to assist low-income tenants. To expand and retain an inventory of low-income housing in the County the law permits the public housing authority, the Housing Opportunities Commission, (HOC) and recognized nonprofit housing sponsors to

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purchase up to 40% of the affordable units (HOC is limited to one-third). The County imposes certain resale and occupancy restrictions on the MPDUs when the completed units are sold. Because of changes in the law over time, this controls period varies according to when the unit was initially sold. For this reason, the control period can be either 10, 15, or 30 years. The price for which the unit can be resold is controlled during this period, and the unit must be resold through the MPDU program to another MPDU certificate holder. The County has the right of first refusal to purchase any MPDU put up for sale, and almost all units that are sold during the control period are purchased by the County or HOC. There are currently more than 2,600 private units (not including those owned and controlled by HOC and non-public sector affordable housing providers) under the auspices of the MPDU program.

When the County makes county-owned land available for residential development through a competitive process, it requires that a Workforce Housing component be included. This generally means that at least ten percent of the housing units in the project must be sold or rented to households with incomes at or below the 120% of the area-wide median income.

Montgomery County's Revolving Loan Program for Downpayment & Closing Cost Assistance began in 2005. The program is managed by the County's Department of Housing and Community Affairs and is funded annually by the County's Housing Initiative Fund (HIF) based on budget availability. Administration of the program is provided by the Housing Opportunities Commission (HOC). First-time homebuyers who work in Montgomery County and are purchasing their first home in the County may apply for the program. Homebuyers who meet the income and eligibility guidelines can receive a loan up to $10,000 (or up to 5% of the purchase price) towards their downpayment and closing costs. The loan is fully repayable over a 10-year period at an interest rate of 5%. Below is a summary of loan activity FY 2005 through Q2 FY 2012.

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Table 4: Revolving Loan Program

Downpayment/Closing Cost Assistance Loans Made To Eligible First-Time Homebuyers in Montgomery County

Period	# of First-Time Homebuyers	Amount of Loans
Q1 - Q2 FY 2012	25	$219,203
FY 2011	104	$851,012
FY 2010	152	$1,252,051
FY 2009	73	$617,022
FY 2005 - 2008	45	$355,132
Total	399	$3,294,420

Table 5: Revolving Loan Program

Summary of Loan Repayment			
Period	Principal	Interest	Total
Q1 - Q2 FY 2012	$181,924	$62,820	$244,744
FY 2011	$244,461	$110,321	$354,782
FY 2010	$191,202	$63,453	$254,655
FY 2009	$37,434	$18,450	$55,884
FY 2005 - 2008	$66,662	$20,126	$86,788
Total	$721,683	$275,170	$996,853

Special needs housing for our most vulnerable residents, particularly housing with supportive services, continues as a high priority. There are a number of groups with special needs, including, but not limited to, the homeless or those pending possible eviction and facing homelessness, persons with physical or developmental disabilities, the elderly, those who are victims of abuse, those for whom stable housing is a requirement for family preservation or reunification, former inmates and those with chronic mental illness or addictions.

During 2011, Montgomery County held the first "Homeless Resource Day" as a way reach out to residents experiencing homelessness and connect them with needed community resources and supports. More than 300 people attended this highly successful event and were able to receive health screenings, registration for mainstream benefits, legal assistance, clothing, employment, haircuts and more. The CoC plans to hold this event annually in the future.

The county can provides local funding for rental assistance for eligible persons or those threatened with homelessness as well as for persons with disabilities. It is a priority to prevent households from becoming homeless and to increase the availability of permanent affordable and affordable supportive housing in accordance with both the county's Continuum of Care (CoC) and its Housing First approach. The Housing First initiative continues to support homeless prevention, homeless outreach and the rapid placement of homeless individuals and families in permanent housing. Despite funding challenges caused by the current economic downturn, Montgomery County has continued its commitment to its Housing First Model by increasing the number of permanent supportive housing beds. Over the past year, the local Public Housing Authority opened a 12-unit permanent supportive housing program for formerly homeless adults, one non-profit provider, in conjunction with the Department of Consumer Affairs, developed 6 permanent supportive units for formerly homeless adults and a new program for six chronically homeless families opened. Additionally, the County received 25 VASH vouchers in 2010 and an additional 25 in 2011.The success of this approach in Montgomery County can be seen by the increase in homeless persons placed over the last five years, in the permanent supportive housing from 737 in 2008 to 1,640 in 2012.

Housing Policy

The current Housing Policy for Montgomery County, Montgomery County, *The Place to Call Home*, identifies a number of important goals to provide a range of affordable housing resources throughout the County to meet the needs of the County's diverse population. This policy, adopted in

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2001, was bolstered by the report of the County's Affordable Housing Task Force (AHTF), published in March 2008, which focused in on key policy areas and created a series of detailed recommendations. However, the County has been preparing a new housing policy to go along with the newly adopted Housing Element of the General Plan (see below under *Planning*). The draft Housing Policy adopts the goals and objectives of the Housing Element and it crafted to provide guidance on implementation of these goals and objectives. There has been extensive coordination among County agencies in the drafting of the Housing Policy and two community meetings have been held to gather public input. The new draft Housing Policy will be considered by the County Council soon and will hopefully be adopted as official policy sometime in 2012.

Planning

The Housing Element of the General Plan was first approved in 1969 and later approved as a part of the 1993 General Plan refinement. The newest version of the Housing Element, prepared by the Maryland-National Capital Park and Planning Commission (M-NCPPC), was approved, with amendments, by the County Council On March 29, 2011 and adopted by the Maryland-National Capital Park and Planning Commission in May 2011 (the Element can be found online here: http://www.montgomeryplanning.org/community/housing/index.shtm). It is intended to be a 20-year policy document that informs the more detailed work of master plans, sector plans, and zoning text amendments. The Housing Element makes note of the chronic shortage of housing that is affordable for much of the County's work force and other moderate and lower income households and recommends a series of public policy actions that should be taken to reduce the housing affordability gap in Montgomery County. And the Housing Element recognizes that "a combination of forces - a shrinking supply of developable land, higher land costs, rising energy prices, shifts in the County's demographic profile, and environmental constraints - direct us to housing policies that look inward rather than outward to accommodate the housing needs of the next generation for homes and communities that are balanced, convenient, and sustainable." Thus, the three overarching goals are:

1. Conservation and care of existing neighborhoods and the existing housing stock.
2. Concentrate new housing in mixed-use, transit oriented areas.
3. Encourage and maintain a wide choice of housing types and neighborhoods for people of all incomes, ages, lifestyles, and physical capabilities at appropriate locations and densities. Implement policies to bridge any housing affordability gaps.

Planners are also working to simplify and rewrite the entire zoning code, which currently involves reducing or consolidating 123 existing zones into 30 proposed zones. Alongside this effort has been a push to create more flexible, mixed-use zones that accommodate housing in transit-accessible areas and help new create new, vibrant communities. In 2009 the County Council approved a new Commercial-Residential (CR) zone for the White Flint Master Plan which includes a range of densities, uses and heights, from 45 feet maximum height at the edge climbing higher along Rockville Pike. Since then planners have prepared additional plans recommending use of the CR zone. The key to the new CR zones is that developers will only be allowed the density and height shown on the zoning map in return for providing public benefits on a list of amenities which includes affordable housing. DHCA comments on all master and sector plans, advocating that affordable housing be addressed in the plans.

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Non-housing Community Development

Montgomery County Executive Isiah Leggett's proposed FY13 budget strategically restores some of the most critical and important services that were cut back dramatically over the past five years as the County faced unprecedented budget challenges. However, this budget is still below the first Leggett budget of five years ago. Even with these fiscal challenges, the proposed budget includes the following: 1) funding for 43 additional police officers, 2) a 9.2 percent increase for the Montgomery County Fire & Rescue Service (MCFRS), 3) a nearly 10 percent increase in library spending, restoring 15 positions, increasing materials acquisitions, and expanding service hours, 4) restoration of funding for some of the most critical programs that serve vulnerable populations, such as youth and seniors, 5) $1.5 million to support the development of 140 units of affordable housing for low-income seniors, the first part of a two-year commitment that will total $6 million, 6) $19 million for the Montgomery Housing Initiative to create and preserve more affordable housing, and 7) a 10.4 percent increase for the Department of Transportation to hire more bus drivers, match Bikesharing grants and inaugurate three new Ride On routes.

The Department of Health and Human Services is continuing the "no wrong door/customer service initiative" to improve access to services and coordination of care, including access to quality health care (physical, oral and behavioral health), food and clothing for low-income and underserved populations. Additional family support services, including childcare subsidies and youth development programs as well programs that enhance the well-being of other special needs groups like pregnant women, the frail elderly, victims of domestic violence and persons with developmental disabilities or chronic medical conditions are on-going needs.

A key community development objective is to continue to move the county government towards a results-based culture, doing the best possible job of using finite public resources, that have become increasingly limited given the economic downturn, to meet priority needs in the most effective and efficient way possible. In the long-term, results-based budgeting will continue to ensure that the county continues to use resources wisely to provide not only decent housing but also a suitable living environment and expanded economic opportunities for all county residents, especially those with limited incomes.

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Economic Development Activities and Anti-Poverty Strategies

The Montgomery County Department of Economic Development (DED) is charged with implementing the County's economic development vision of being a globally-competitive, highly-diversified and knowledge-based economy that provides for the retention and growth of existing companies, stimulates new job creation and enhances entrepreneurial opportunities for all businesses. The Development offers strategic financial programs to support the creation and attraction of targeted businesses and jobs within the County, tailored workforce training and assistance for employers, and targeted services to support the growth of the County's small and minority business community, including our Small Business Revolving Loan Fund, Local Small Business Reserve Program, and business mentorship program, among many other initiatives. An example is the Montgomery County Business Innovation Network, which has five strategically located facilities throughout the County. The Network provides over 150K square feet of incubator office and lab space currently housing some

170 companies and supporting 650 county-based jobs. Since 2000, the Network has graduated nearly 100 companies who occupy some 700K square feet of office space and have created over 2,000 jobs.

The county has developed a Life Sciences and Technology Economic Development strategy and is the only local jurisdiction in the nation to provide a biotechnology tax credit. In February, 2010, the county signed a Memorandum of Understanding with Johns Hopkins University that reflects the shared objectives of advancing the biosciences industry, higher education and workforce development within the county. In May 2010, the County Council approved the Great Seneca Science Corridor Plan, which will transform the County's world-renowned, 300-acre Shady Grove Life Sciences Center into an integrated, transit-served, highly sought-after destination featuring amenities and housing for existing, emerging and leading life sciences, professional services and advanced technology entities and professionals. This progressive Plan is a key component to ensure the County's continued growth and economic sustainability for decades to come.

The County Executive appointed a Green Economy Task Force that concluded its work in early 2010 producing the Report of the Montgomery County Green Economy Task Force. Included are recommendations designed to increase the number of new green businesses in Montgomery County. Preliminary research shows there are about 200 such businesses in the County, ranging from high-profile solar companies to solo-practitioner green consultants. One of the Task Force's recommendations includes quantifying the County's green businesses to more accurately measure their growth. The Task Force's report includes recommendations to:

- Use County facilities as demonstration spaces for local green technologies;
- Position Montgomery County as an early adopter of smart-grid;
- Coordinate with the Maryland-National Capital Park and Planning Commission to ensure its proposed zoning code re-write allows -- and encourages -- the use of renewable energy components;
- Create a small farm incubator;
- Create a public/private partnership that will invest in early-stage green technology companies; and
- Expand green jobs training for students and the general workforce.

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Effective July, 2003, the county enacted a law requiring the payment of a living wage ($13.65 per hour for County FY13 – July 1, 2012 through June 30, 2013) by for-profit contractors with 10 or more employees who have contracts totaling $50,000 or more with the County in a year. Effective July, 2009, the prevailing wage law applies to contractors and subcontractors with county construction projects valued at more than $500,000 that are awarded or financed by county government. Additionally, effective April 1, 2010, the exemption to the Wage Requirements Law for having fewer that 10 employees was repealed. The county sets prevailing wage rates by using the rates established by the State Commissioner of Labor and Industry, and this law also prohibits the misclassification of workers into lower paying job categories, giving the county the ability to withhold contractor payments, if a violation of the law is found. Montgomery County also supports workforce development through MontgomeryWorks, a "one-stop" career system, that provides an array of vocational assessment, job readiness and job training and job placement services to dislocated workers, low-income adults, older workers, disadvantaged workers and youth.

Montgomery County also continues to invest in public education as a high priority, supporting a world-class school system. The county prides itself on encouraging and supporting education as part of an overall commitment to making rigorous academic programs available to all students. This includes support for access to preschool, nutritious meals for lower-income students, family support through programs such as Linkages to Learning and initiatives such as the Kennedy Cluster Project to identify and address the underlying causes of the achievement gap among African American students, and Excel Beyond the Bell, a partnership with the Montgomery County Collaboration Council for Children, Youth and Families, to provide out-of-school time activities for at-risk youth. Job training and adult English literacy are also seen as keys education activities assisting low-income persons in securing employment.

Economic development activities go hand-in-hand with anti-poverty strategies. According to a January, 2010, report from the Brookings Institution, Montgomery County is home to a poorer population now than 10 years ago. The Department of Health and Human Services reports that as of December 31, 2011, requests for assistance since FY07 increased by 52% for Temporary Cash Assistance (TCA), 138% for Food Stamps (FS), and 60% for Medicaid (MA). Providing jobs for the unemployed or under-employed is a pressing need as is continued housing-related assistance, particularly for eviction prevention and counseling to mitigate the impact of foreclosure.

The Community Action Board (CAB), the County's federally-designated anti-poverty group, provides a voice for low-income people in the county, advocating for policies and services on their behalf and sharing the challenges facing low-income residents. The priority support of 'safety-net' services is clearly an anti-poverty strategy, one that seeks to preserve the services needed by the most vulnerable, including the transportation and childcare subsidies that working parents need. The CAB has become a strong supporter of the Community Action Agency's Voluntary Income Tax Assistance (VITA) program, a primary source of Earned Income Tax Credit (EITC) outreach in the community.

The agency studied the extent of EITC under-utilization and the reliance of the County's poor in using paid tax preparers, since the Earned Income Tax Credit EITC (and Child Tax Credits) are the most effective anti-poverty program in the nation, especially for child poverty. An analysis of IRS 2009 federal tax data was conducted to calculate the economic impact of low-income residents failing to file, and of using paid tax preparers: 50,373 (approximately 12%) of 425,134 tax returns filed by Montgomery County residents in 2009 received the Earned Income Tax Credit (EITC). The average EITC refund in Montgomery County was $2,044, with an economic impact of approximately $155 million in 2009. 20% to 25% of Montgomery taxpayers, or 11,000 households, failed to claim the federal EITC in 2009, resulting in the loss of a potential $20 million in lost economic activity. The loss is magnified because it does not reflect the economic loss of failure to claim the Child Care Credit, nor the added economic benefit of the Maryland EITC (25% match of federal EITC), nor the Montgomery EITC (67% match to Maryland EITC). 32,108 (or 64%) of county residents receiving EITC used a paid preparer in 2009. Based on an average fee of $189, low-income residents paid an estimated total of $6 million. The Community Action Board (CAB) and county press releases, letters and testimony highlighted the importance of EITC and free tax help; In FY11, The County Council continued funding of its local EITC, the Working Families Income Supplement, providing providing $12.9 million in additional EITC to qualifying county residents.

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Addressing the gaps in EITC access in FY11 was challenging, following the loss of ARRA funding which in FY10 expanded VITA's free-tax preparation services to 2,749 residents, with an added financial education component. The ARRA funding had supported two full-time, year-round staff, and four part-time seasonal staff. In FY11, the program was sustained by one part-time, year round staff, and one part- time seasonal staff, which affected services, despite significant volunteer and community partner support, including 68 volunteers who contributed over 3,000 hours of service. In FY11, 1,455 customers were served, receiving $3,246,001 in refunds and credits; with $497,017 in owed taxes expected to be returned to the federal and State government. 100,000+ flyers were distributed about free tax, and staff participated in over 20 countywide events to raise awareness.

Community Service Block Grant funding supported the coordination and operations of VITA services at Community Actions' Wheaton and Takoma Park sites; DHHS provided facilities, IT equipment, and support for administration and program management. The IRS provided support for program operations, including training, software and written resources. Two "city" partnerships, the City of Gaithersburg at Family Services, Inc, and the City of Rockville's Community Services, continued contributing in-kind space, equipment, appointment services, on-site support, marketing and volunteer outreach. The County's "311" system referred residents to VITA and other community free tax sites. Gaithersburg's Bank On linked VITA customers with free banking accounts through five banks and credit unions. Spanish Catholic Center added volunteer interpretation for speakers with Limited English Proficiency. Maryland Dept. of Housing and Community Development recruited two Community Fellows through University of Maryland School of Social Work. Maryland CASH Campaign provided training, marketing, and supported a US Savings Bond campaign. The TANF agency (Arbor E&T) provided work experience trainees to support clerical and administrative functions.

City Partners, Maryland CASH Academy and Coalition for the Advancement of Financial Education Montgomery linked VITA customers with financial education, and the VITA coordinator completed certification in financial coaching to enhance services for customers and provided post-season counseling. As funding for Community Action's ARRA financial education pilot concluded, and DHHS staff lost capacity to refer clients to the ARRA funded financial education consultant, the agency responded by developing a financial education training series for DHHS' emergency services staff, partnering with HHS colleagues, the University of Maryland at College Park's School of Public Health's Department of Family Science and Maryland CASH Campaign. In the fall, the first-round of financial education training for social workers with ongoing case management responsibilities was held. Thanks to the concerted efforts of Montgomery County's 200-member Census Complete Count Committee and countless volunteers and community leaders 80 percent of the households in Montgomery County filled out and returned their 2010 Census questionnaires. This participation rate was two percentage points higher than in 2010 and six points above the national average. This outstanding result will ensure that Montgomery County receives its fair share of federal and state spending that is allocated based on Census data for years to come. The newest data on population by race has already become available in order to redraw legislative boundaries and more detailed information will be published on a rolling basis over the next two years. The funding based on this data is critical to providing many of the services and supports needed as part of an anti-poverty strategy and to address other housing and non-housing community development needs.

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The Family Self-Sufficiency (FSS) Program at HOC (http://www.hocmc.org/fss2/fssintr.htm) helps currently assisted families achieve self-sufficiency over a five to seven year period and to end dependency on all public benefits, such as welfare, food stamps, medical assistance, and child care subsidies. There are currently 441 families voluntarily participating in the program, primarily composed of single female heads of household with one or two children. Since its inception in 1993 through August 2011, a total of 731 FSS families have successfully graduated the program and one third of the graduates have advanced from unemployment/welfare assistance to self-sufficiency. Participants have benefited from CDBG sponsored activities that have allowed for employment to replace welfare.

Lead-based Paint Hazards

They are approximately 47,000 thousand units built prior to 1950 and 162,000 units built between 1950 and 1978, although current figures are not available for the numbers of these units that may be occupied by lower-income households. (The federal government banned lead-based paint from housing in 1978.)

According to Maryland law (effective October 1, 2004) all residential rental properties in Montgomery County have to meet the requirements of the state Lead Poisoning Prevention Program in order to be licensed. Properties built before 1950 have to provide proof to DHCA of their registration with the Maryland Department of Environment (MDE) or proof that the rental property is lead free.

Fact sheets regarding the specifics of Maryland and federal law and other materials regarding lead paint are provided to all rental property owners. Under the Housing Choice Voucher program, both the participating landlord and family sign a statement containing a disclosure of known information on lead-based paint and/or lead-based paint hazards in the unit, common areas or exterior painted surfaces and that the owner has provided the lead hazard information pamphlet to the family.

In addition to testing residences, young children are tested for possible exposure to lead paint. The County's Department of Health and Human Services (DHHS) has a program in partnership with the state for testing and case management for children who have elevated blood lead levels (at least 10 micrograms per deciliter) and promotion of lead safe environments through education and outreach. There are very few children in Montgomery County who have elevated blood lead levels and, upon investigation, exposure has more often come from outside the county and/or from non-housing sources, such as toys. In partnership with federal and state governments, the County, public housing authorities and other partners educate and outreach to schools, child care facilities, landlords, residents, and the medical community about lead poisoning.

The United States Environmental Protection Agency's Renovation, Repair and Painting Final Rule (which was created under the authority of the Toxic Substances Control Act, Section 402(c)(3), of TSCA and became effective April 22, 2010) contains new rules regarding environmental lead exposure when working on existing housing units. The County's new low-income, home-weatherization program, funded by the American Recovery and Reinvestment Act through the U.S. Department of Energy and the Maryland State Department of Housing and Community Development, provided training and certification for five DHCA employees responsible for overseeing weatherization efforts. The program provides energy-saving housing renovations for income-eligible

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county residents. The training covered all major aspects of the EPA's Renovation, Repair and Painting Final Rule.

Barriers to Affordable Housing

While barriers exist to the creation and preservation of affordable housing, the county continues to work to address these. The County Executive has received wide-ranging support and enlisted countless volunteer hours from those willing to serve and offer their expertise on the many task forces, work groups, boards, committees and commissions convened to address concerns and make recommendations. Throughout this summary, there have been numerous examples of actions being taken. Although the availability of financing continues to be a barrier, the county is using bond funding to provide short-term acquisition financing to augment other funding. Changes in legislation recommended by the Code Enforcement Work Group have been adopted and result in more timely and effective housing code enforcement. The recent approval of a new Commercial/Residential (CR) Zone will allow future redevelopment areas designated in master plans to become more dense mixed-use communities that will increase the supply of housing. And the new Housing Element of the General Plan, adopted in 2011, recommends a number of policy objectives, regulatory reforms, and land use strategies that will further affordable housing objectives. The goals embodied in the Housing Element are being incorporated into a new implementation document, the County's Housing Policy, anticipated to be adopted as official County policy in 2012.

Institutional Structure/Coordination/Public Housing

Montgomery County is fortunate to partner with many for-profit and not-for-profit agencies and public institutions in carrying out its housing and community development objectives. The service delivery system, while strong overall, is being strained by increases in demand and reductions in funding resulting from the recent recession and continued weak economy. Total applications for public assistance programs (Temporary Cash Assistance and Food Stamps) continued their sharp increase through 2011 while weak public funding at both the state and local level and as well as reduced levels of philanthropic and other private-sector support is resulting in less funding to meet greater needs. The County continues to work closely with the Housing Opportunities Commission, as a public housing entity, in meeting the housing needs of our low-income residents. HOC is not only a public housing agency but also a redevelopment authority. Commission members are appointed by the County Executive and approved by the County Council.

Montgomery County government works closely with public and assisted housing providers and private and governmental health, mental health and service agencies to ensure a coordinated response in meeting the need for affordable housing, including housing both with, and without, supportive services. Through a "cross agency initiative" under the auspices of CountyStat, the department directors of DHCA, DHHS and the Executive Director of HOC conduct CountyStat presentations on affordable housing before the County Executive/Chief Administrative Officer together in keeping with a coordinated approach. As recommended by the Organizational Reform Commission, County Executive Leggett recommends moving ahead with the consolidation of the Housing Opportunities Commission (HOC) and the Department of Housing and Community Affairs (DHCA) to produce continuing savings and improve the coordination and effectiveness of affordable housing programs.

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The HOC works closely with its residents to become more involved in management through participation in the Resident Advisory Board. It also encourages participation in its Family Self-Sufficiency and Employment Initiative programs to obtain skills and experiences necessary for successful employment and becoming financially prepared to purchase a home or to meet other life goals. HOC offers closing cost assistance, first mortgage loans through participating lenders, homeownership counseling and other supports for those who participate in a HOC program, like the Housing Choice Voucher program. HOC is investigating possibilities to expand housing for very low-income household through the leveraging of its existing affordable housing stock, including public housing. Any program would preserve and expand affordable housing opportunities. The federal budget environment offers real challenges to HOC core programs for very low-income families. Some budget and appropriations proposal would reduce funding for the Housing Choice Voucher program as well as both the operating and capital subsidies for public housing.

In addition, Rockville Housing Enterprises (RHE) serves as the public housing authority for the City of Rockville, with a Board of Commissioners appointed by the Mayor and approved by the City Council. RHE works with the residents of its 105 public housing units through a Resident Counselor who assists residents with employment preparation, budgeting workshops and referrals to educational opportunities and other services.

Action Plan

The Department of Housing and Community Affairs (DHCA) is the lead agency responsible for the submission of the Consolidated Plan to United States Department of Housing and Urban Development (HUD). This year's Plan must be delivered to HUD by May 15, 2012. The Action Plan specifies how the county proposes to spend the federal CDBG, HOME and ESG funds it expects to receive for County FY2013.

A public hearing was held in October 2011 before the Community Development Advisory Committee (CDAC) to receive input regarding needs to be addressed in the Plan and to review past performance. A summary of testimony from this hearing is on file at DHCA. Other hearings were held in April 2012 as part of the County Council's budget approval process.

Montgomery County has a number of progressive procurement laws and regulations, including the Living Wage Requirements Law, Prevailing Wage Law, the Minority, Female and Disable Owned Businesses (MFD) Program, and the Local Small Business Reserve Program (http://www.montgomerycountymd.gov/content/DGS/pro/Index.asp). All spending associated with this Action Plan must be in compliance with the laws and regulations of Montgomery County as well as all applicable federal laws and regulations, the most stringent among them prevailing.

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Projected Use of Funds – CDBG/HOME/ESG

Community Development Block Grant (CDBG)
July 1, 2012 - June 30, 2013

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) **$4,321,180**

The county expects to receive $3,821,180 in CDBG funds for Fiscal Year 2013, and with anticipated program income of $500,000, an estimated total of $4,321,180 in CDBG funds will be available for the following activities.

CAPITAL IMPROVEMENTS PROJECTS **$1,470,000**

Fenton Street Village Pedestrian Linkages $600,000

This project provides pedestrian links in the commercial area located along the eastern edge of the Silver Spring Central Business District and is an extension of the streetscape program that is being implemented in the area.

Focused Neighborhood Assistance $720,000

This project provides for focused neighborhood assistance in selected neighborhoods with a primary focus on residential areas. Project elements will comprehensively address community needs for neighborhood preservation and enhancement. Resources are currently focused in two neighborhoods – Cinnamon Woods in the Germantown area and the McKendree neighborhood of Montgomery Village.

Facility Planning $50,000

The fund will be used to conduct preliminary planning and design studies for a variety of projects dispersed throughout the County for possible inclusion in a future capital budget.

Contingency (Capital) $100,000

The fund will be used to cover an unanticipated design and construction related cost.

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PROJECTS ADMINISTERED BY COUNTY GOVERNMENT

Department of Housing and Community Affairs (DHCA) **$1,287,079**

Housing Acquisition and Preservation $1,070,406

Funds will be used for affordable housing activities. Eligible activities include loans to assist in the purchase of existing properties for use as housing affordable to low- and moderate-income residents and funds for housing rehabilitation to enable low and moderate income owners of single-family homes and owners of multi-family properties occupied by low- and moderate-income tenants to eliminate code violations and make other necessary improvements, including accessibility and energy conservation improvements. Assistance may be provided for public housing modernization and for group home acquisition and/or rehabilitation. An estimated 30 units will be created, preserved, or improved.

Code Enforcement $216,673
Funds will be used to partially cover costs incurred for code enforcement efforts in low-and moderate income areas in conjunction with other public or private improvements and services.

Administration (capped) $780,450
This will fund DHCA's staff in planning, administration and monitoring of the CDBG program, including preparation of the Consolidated Plan, staff support for a citizens' advisory committee, environmental reviews, preparation of contracts, payment processing and auditing, federal reporting and loan servicing.

NONPROFIT PROVIDERS **$457,337**
Funds will be used to provide a variety of CDBG-eligible public services to low- and moderate-income county residents eligible for CDBG-funded assistance:

African Women's Cancer Awareness Association (AWCAA) $44,928
"Health Women 2012"
Support outreach efforts designed to increase breast cancer screening among African immigrant women. An estimated 300 people will benefit.

Catholic Charities of the Archdiocese of Washington $45,000
"Immigration Legal Services"
Provide legal services to enable Montgomery County residents to resolve immigration issues in such areas as naturalization/citizenship, employment- and family-based permanent residency and consular processing. The Countywide program will benefit an estimated 125 people.

Community Bridges, Inc. $43,194
"Jump Start Girls! Adelante Ninas Elementary School Program"
Support multi-cultural out-of-school-time activities for elementary school youth (4th & 5th graders) An estimated 48 students will benefit.

Community Ministries of Rockville, Inc. $38,500
"Latino Outreach Program (LOP)"
Support the Naturalization Program which is designed to provide assistance to foreign-born residents preparing for citizenship. An estimated 334 people will benefit.

Eastern Montgomery Emergency Assistance Network, Inc (EMEAN) $22,000
"Networking RX Assistance in Eastern Montgomery County"
Provide uninsured and under-insured Montgomery County residents with assistance in obtaining needed medical prescriptions. An estimated 65 people will benefit.

Germantown Cultural Arts Center, Inc. (dba, $33,533
Black Rock Center for the Arts)
"Arts and Language"
Support a comprehensive after-school program that utilizes instruction in playwriting and theatre production to improve reading, writing, and public speaking proficiencies in middle school students in Germantown. An estimated 60 students will benefit.

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IMPACT Silver Spring $40,000
"Family Asset Building Network (FABNET)"
Support the development of FABNET, an asset-based approach to economic empowerment, to provide in-depth support to households over a 12-month period, including the provision of supportive skills in the areas of technology, home-based business creation, ESOL and general workforce development and the convening of support "circles" to assist participants in meeting their economic goals. The Countywide program will benefit an estimated 120 people.

Mental Health Association of Montgomery County, Inc. $45,000
"Kensington Wheaton Youth Services"
Provide a 12-month youth development and family support program for youth with emotional and behavioral problems. The program will benefit an estimated 60 people.

Ministries United Silver Spring/Takoma Park, Inc. $42,986
"Housing and Utilities in Lower Silver Spring/Takoma Park is a MUST"
Provide utility and housing assistance to eligible clients. An estimated 40 households will benefit.

National Center for Children and Families $45,000
"Betty's House"
Provide program support for immigrant women and their American-born children who are survivors of domestic violence residing in Betty's House, a transitional housing program. The program will benefit an estimated 18 people.

Rockville Presbyterian Church $32,361
"Rainbow Place"
Support staff needed to operate Rainbow Place Shelter, a facility serving homeless women. The program will benefit an estimated 80 women.

Sudanese American Community Development Organization (SACDO) $24,835
"SACDO/SACCMD School Development Plan"
Provide partial operating support for a "weekend school" for youth between the ages of 4 and 16 that emphasizes Arabic instruction and cultural awareness to support positive family relationships and to help bridge the cultural and generation gap between immigrant parents and their children. The program will benefit an estimated 90 people.

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PROJECTS ADMINISTERED BY MUNICIPALITIES **$326,314**

CITY OF TAKOMA PARK **$115,002**

City of Takoma Park $62,752
"Commercial Façade Easement Program"
Funds will be used for the City's commercial façade easement program. Matching funds up to $10,000 would be available for storefront improvements in all CDBG-eligible areas of Takoma Park. A total of 8 commercial properties are expected to benefit.

District of Columbia Baptist Convention $35,000
Mission Church – Housing Rehabilitation
"MissionServe Takoma Park 2012"
Provide repairs and/or accessibility improvements to homes in the City of Takoma Park which have been identified by the City as having deficiencies that threaten the health, safety, and environment of their moderate- to low-income occupants. An estimated 2 families will benefit.

Takoma Park Presbyterian Church $2,760
"Community Kitchen Food Safety Classes"
Provide Food Safety classes to low-income residents to assist them in making healthy and economical food choices and developing self sufficiency skills. An estimated 5 people will benefit.

MHP Takoma Park $5,520
"Community Life Services"
Provide supportive services for low- to moderate-income residents in MHP's properties. Services include pre-school training and socialization (ages 3-5), homework clubs (ages 6-12), and summer enrichment (ages 3-5 and 6-12). An estimated 55 children will benefit.

Community Bridges, Inc. $4,140
"Jump Start Girls Program"
Support multi-cultural out-of-school-time activities for girls in 6th through 8th grade. An estimated 12 girls will benefit.

YMCA – Youth & Family Services $4,830
"Smart Choices with Emotions Program"
Provide three therapeutic group sessions at Takoma Park Middle School on a weekly basis to students in 6th through 8th grade. An estimated 60 students will benefit.

CITY OF ROCKVILLE **$211,312**

Asian Pacific American Legal Resource Center $8,400
"Legal Services"
Provide legal services to Asian immigrants with limited English proficiency, particularly Vietnamese Americans, Japanese Americans, Korean Americans, and the general Asian elderly population. An estimated 30 people will benefit.

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Korean Community Service Center $7,600
"Outreach and Services"
Provide self-sufficiency services to Asian families with limited English proficiency, including case management, referrals, and citizenship preparation. An estimated 33 people will benefit.

Manna Food Center, Inc. $3,000
"Smart Sacks Student Nutrition Education"
Provide brochures and other nutrition education elements to students via the existing Smart Sacks program, which provides a backpack full of kid-friendly, nutritious food each Friday. An estimated 194 elementary school students at five schools will benefit.

Rockville Housing Enterprises $78,464
"Public Housing Capital Improvements"
Renovate kitchens and baths in 10 housing units, including installation of new energy-efficient appliances and water-saving plumbing fixtures. Ten households will benefit.

Single-Family Rehabilitation $101,158
Provide home-improvement loans to income-eligible homeowners to correct code violations, make accessibility modifications and improve energy efficiency. An estimated 7 households will benefit.

Stepping Stones Shelter $12,690
"Evening Case Management Services"
Support a portion of the salary of a full-time case manager. An estimated 30 households will benefit.

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SUMMARY OF EXPECTED BENEFIT FROM CDBG PROJECTS

Persons	1,689
Households	89

HOME INVESTMENT PARTNERSHIP PROGRAM (HOME
July 1, 2012 - June 30, 2013

HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) **$1,826,417**

The HOME grant is designed to increase housing choices for low-income households through rental and home ownership programs, in cooperation with public, private and nonprofit organizations. During the coming year, it is anticipated that the County will receive $1,326,417 in funding for HOME projects, and together with anticipated program income of $500,000, an estimated total of $1,826,417 in HOME funds will be available. Funds will generally be made available in the form of low-interest loans and other subsidies, and units assisted may be both rental and owner-occupied.

PROJECTS ADMINISTERED BY COUNTY GOVERNMENT

Department of Housing and Community Affairs (DHCA)

Housing Production and Preservation $1,369,735

Funds will be used to create home ownership opportunities, new rental housing, or to rehabilitate existing housing (both rental and single-family homes). This housing will principally serve low-income households. DHCA will work with the private sector, non-profits and the Montgomery County Housing Opportunities Commission (HOC) in implementing this program. Additionally, if the opportunity is available, HOME funds will be used for group homes to serve special populations and for specialized housing programs. All agreements executed involving HOME funds will comply fully with all HOME regulations, including setting forth resale or recapture requirements in the case of homeownership projects. This is estimated to produce or preserve 40 units.

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Community Housing Development Organizations (CHDOs) $198,963
Housing Production

The project will fund the housing development activities of CHDOs. This represents the federally mandated fifteen percent of the HOME allocation. Up to 10 percent of this total ($19,715) may be used for project-specific technical assistance, site control, and seed money loans. It is anticipated that one to three organizations will use these funds for acquisition, construction, or renovation of rental housing for persons with low-incomes. This is estimated to produce or preserve 10 units.

PROJECTS ADMINISTERED BY NONPROFITS AND OTHER PUBLIC AGENCIES

CHDO Operating Assistance $59,200

Funds will be used to partially cover the administrative costs of qualified CHDOs: Montgomery Housing Partnership (MHP) and Housing Unlimited. MHP will receive $44,400 and Housing Unlimited will receive $14,800. By regulation, only CHDOs using HOME funds to own, sponsor, or develop affordable housing are eligible for operating support. This operating support cannot exceed 50 percent of a CHDO's operating budget in any fiscal year or $50,000 annually, whichever is greater.

Rental Assistance – Housing Opportunities Commission $67,088

Up to a total of $67,088 will fund rental assistance in partnership with the Housing Opportunities Commission (HOC). HOC administers the State of Maryland's Rental Allowance Program in the county, and HOME funds will leverage this state funding source to assist households who are homeless

or at-risk of becoming homeless. HOC will administer these funds. The program will benefit an estimated 30 people.

Fair Housing Activities $19,562
Funds will be used for activities that serve to affirmatively further fair housing choice. Activities may include sales, rental and lending testing, education/outreach, training and research. Activities will be administered by the Office of Human Rights.

ADMINISTRATION $111,869
The fund will be used to cover the county's expenses associated with operating the HOME Program. Combined Fair Housing and administrative expenses represent 10% of the entitlement amount.

SUMMARY OF EXPECTED BENEFIT FROM HOME PROJECTS

Persons	30
Households	0
Units	50
CHDO's	2

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EMERGENCY SOLUTIONS GRANT (ESG)
July 1, 2012 - June 30, 2013

EMERGENCY SOLUTIONS GRANT (ESG) **$403,810**
The ESG Program enables the county to assist persons who are homeless or at risk of homelessness. For County FY2013, it is anticipated that the County will receive $403,810 in ESG funding. Funds are used in conjunction with the Continuum of Care homeless assistance system and will be administered by the county's Department of Health and Human Services.

PROJECTS ADMINISTERED BY COUNTY GOVERNMENT

Department of Health and Human Services (DHHS)

Rapid Re-Housing - Housing Stabilization and Relocation Services $186,638
Funds will be used to assist homeless households locate, obtain and retain housing. Eligible singles and families include those living in temporary shelter, in a place not meant for human habitation or other places described in Category I of the newly revised homeless definition issued by HUD. A total of $63,531 will be used for case management services and $123,107 will be available for security deposits. Approximately 30 households will be assisted with the two Rapid Re-Housing programs.

Rapid Re-Housing - Rental Assistance $66,289
Funds will be used to help homeless households obtain and retain permanent housing. Assistance will be provided to households eligible for these serves must meet the criteria for Category I of the homeless definition recently issued by HUD. Approximately 30 households will be assisted with the two Rapid Re-Housing programs.

Homeless Management Information System (HMIS) $15,000
Funds will be used for licensing fees, data quality activities, training and other costs necessary to support the Montgomery County Continuum of Care's Homeless Management Information System. This CoC-wide database is used to track client services and provides valuable data to support planning activities.

Homelessness Prevention - Housing Stabilization and Relocation Services $55,883
Funds will be used to assist households at risk of homelessness to preserve housing or to locate and obtain affordable housing. Funds will be used for case management services and deposits. Priority will be given to those households most at risk of becoming homeless including those whose current living situation can not be preserved. ESG assistance will be used to stabilize these households and prevent the need for emergency shelter. A total of $15,883 will be used for case management services and 40,000 will be available for deposits. Approximately 12 households will be served with the two Homeless Prevention programs.

Homelessness Prevention - Rental Assistance $20,000
Funds will help stabilize households at risk of homelessness to help them obtain and retain permanent housing. Assistance will be provided in the form of first months rent. Approximately 12 households will be served with the two Homeless Prevention programs.

Emergency Shelter $50,000
Funds will be used for Shelter operations including maintenance, furnishings, and supplies necessary for operation of emergency shelter. An estimated 100 people will benefit.

ADMINISTRATION $10,000

The funds will be used to partially cover the county's expenses associated with operating the ESG Program. Administrative expenses represent 2.5% of the entitlement amount

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SUMMARY OF EXPECTED BENEFIT FROM ESG PROJECTS

Persons	100
Households	42

Section 1

Housing and Market Analysis

Montgomery County was an agricultural area and a bedroom community of Washington DC for the first half of the 20th century. Housing development during the 1950s and 1960s was predominantly small-lot single-family detached homes reaching out from the DC border. However, recent decades have seen job creation, in the high-tech and bio-tech industries especially in the last decade, outpace the growth in the resident labor force. Housing development since 1970 has been more than fifty percent multi-family and single-family attached. And through it all, the county's desirability and high quality of living have placed pressure on housing prices, as the more affluent in the region have bid up prices in virtually all segments of the market. In fact, of the more than three thousand counties in the US, Montgomery County ranked 15th for 2007 per capita personal income ($67,525). And with large, open tracts of land available for development now a thing of the past, reversing the pressure on prices and ensuring a supply of housing at a range of prices to meet the demand of residents and would-be residents is as challenging as ever.

The recent recession has certainly brought changes to the Montgomery housing market. Most housing measures peaked around 2006-2007 at the height of the housing bubble - prices were high, time-on-market low, vacancies low, units in the production pipeline high, and so on. All of these indicators reversed course around 2007. For example, median sales prices for existing single-family detached houses dropped by 46% from 2007 to 2010. In the period from 2003-2005, it took less than 40 days on average to sell an existing home and by 2007 it took around 100 days. It fell back to 66 days in late 2010. The Metro DC market pipeline of new housing units had jumped from 18,000 in 2005 to a high of nearly 37,000 in December of 2007. The pipeline has since cooled and had returned to its 2005 levels by the fall of 2009. And while home prices have fallen, rents have increased and rental vacancy rates have dropped, putting the squeeze on renters.

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Montgomery County's unemployment rate in December 2010 was 5.2%. While the rate was fairly steady over the prior year it still represents a big increase from 3.2% in 2008. This persistent high level of unemployment is straining household budgets and programs serving these households. And while Montgomery County can still be characterized as affluent, the estimated percentage of people in poverty increased from 5.1% in 2007 to 7.5% in 2010. The most vulnerable among us have long represented the highest priority for housing assistance and the ranks of the vulnerable appear to have grown.

More information on efforts to increase the stock of affordable housing can be found on the Department of Housing and Community Affairs website here:
http://www.montgomerycountymd.gov/apps/dhca/index.asp

Public and Assisted Housing

There are two independent public housing authorities in Montgomery County where this Consolidated Plan is in effect – the Housing Opportunities Commission (HOC) and Rockville Housing Enterprises (RHE). Together they own and operate 1,662 public housing units, with HOC having 1,557 and RHE 105. HOC controls 6,025 Housing Choice Vouchers while RHE administers 414 units in its

Housing Choice Voucher program. RHE also owns and operates 56 units of Low Income Housing Tax Credit (LIHTC) affordable housing. As an indication of housing need for low-income residents, HOC's Voucher waiting list has been reduced to about 15,600, as of April 2012, from 16,800 in January 2010. HOC also had over10,900 applicants, down from 14,200, on its Public Housing waiting list. These changes reflect the slow turnover of subsidies, not any decreases in need. HOC has not opened it general waiting lists since late 2008. The RHE waiting list in mid-2011 included 1,014 households (approximately 20% of the City of Rockville's population who were below the poverty line), of whom 40% were extremely low income families and 56% were very low income. More information on HOC and RHE can be found at their websites: HOC - http://www.hocmc.org/ and RHE - http://www.rockvillehe.org/index.html.

In terms of the 504 needs assessment HOC continues to expand the number of accessible units in the portfolio. It is in the process of modifying units to full accessibility.

HOC has identified the following strategies for improving operations and living conditions for public housing residents:

Strategies:

In early 2012, HUD approved HOC's application to sell 669 scattered-site public housing units to an HOC- affiliated entity in order to convert the subsidies to project-based vouchers. Once HUD provides the additional vouchers, this effort will enhance HOC's ability to improve and maintain the units, as well as allow HOC to expand its affordable housing portfolio, while serving the same population.

Implement measures to de-concentrate poverty by bringing higher income public housing households into lower income developments.

Implement public housing security improvements.

Designate developments or buildings for particular resident groups (elderly, persons with disabilities).

Undertake affirmative measures to ensure access to assisted housing regardless of race, color, religion national origin, sex, familial status, and disability.

Undertake affirmative measures to provide a suitable living environment for families living in assisted housing, regardless of race, color, religion national origin, sex, familial status, and disability.

Undertake affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required.

Develop and maintain effective relationships with providers of assistance and support to children and adult victims of domestic violence, dating violence, sexual assault, or stalking.

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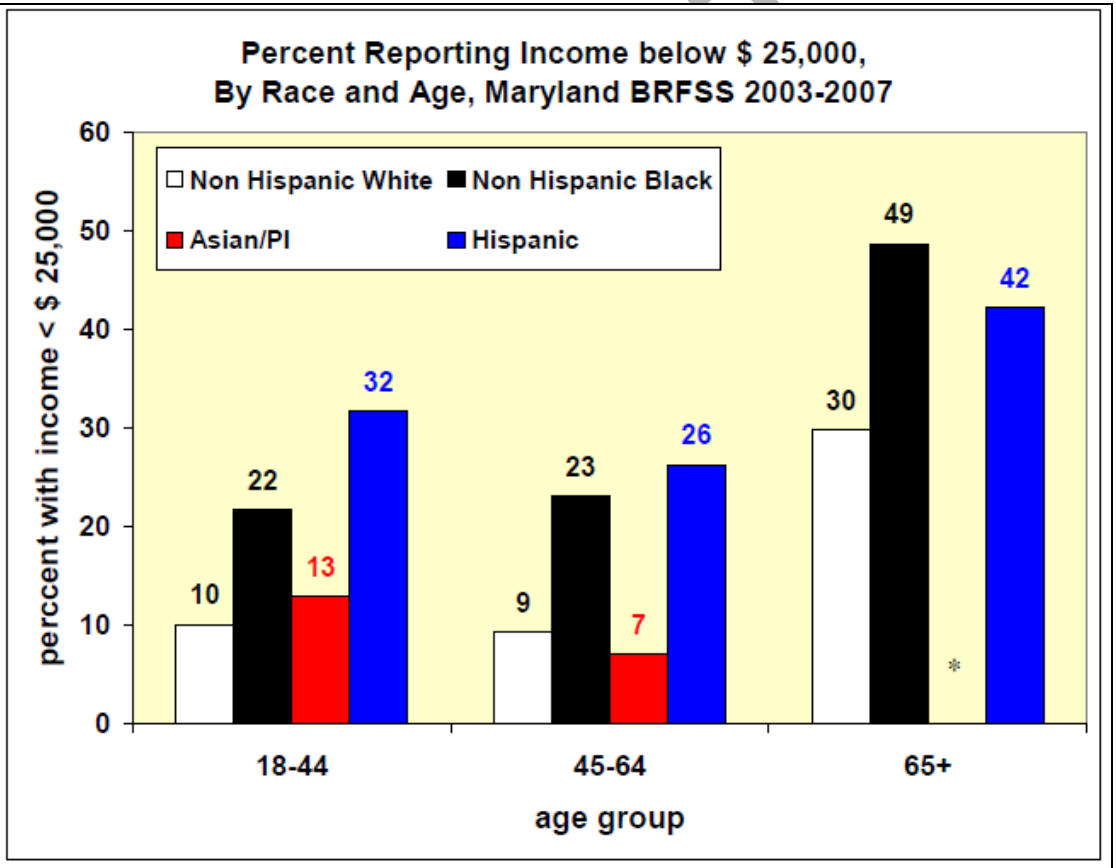
With regard to assisted units, both public housing and other, these efforts will not decrease the total number of assisted units in HOC's inventory.

Areas of Ethnic Concentration

As revealed in the last 2000 decennial census, as well as the Montgomery County Census Update Survey (CUS) 2008, blacks and Hispanics (all races) have significantly lower median household incomes than do non-Hispanic whites, Asians, or the County population overall. According to the CUS 2008, 38% of Hispanic homeowners and 41% of Hispanic renters spent more than 30 percent of their income on housing. That compares with 27% and 39%, respectively, for blacks. At the same time, 34% of all renter households countywide spent more than 30 percent of their income on housing costs. Data from the Maryland Behavioral Risk Factor Surveillance System also show that minority populations have more members with low incomes, compared to Whites. (American Indian data could not be reported due to small numbers.)

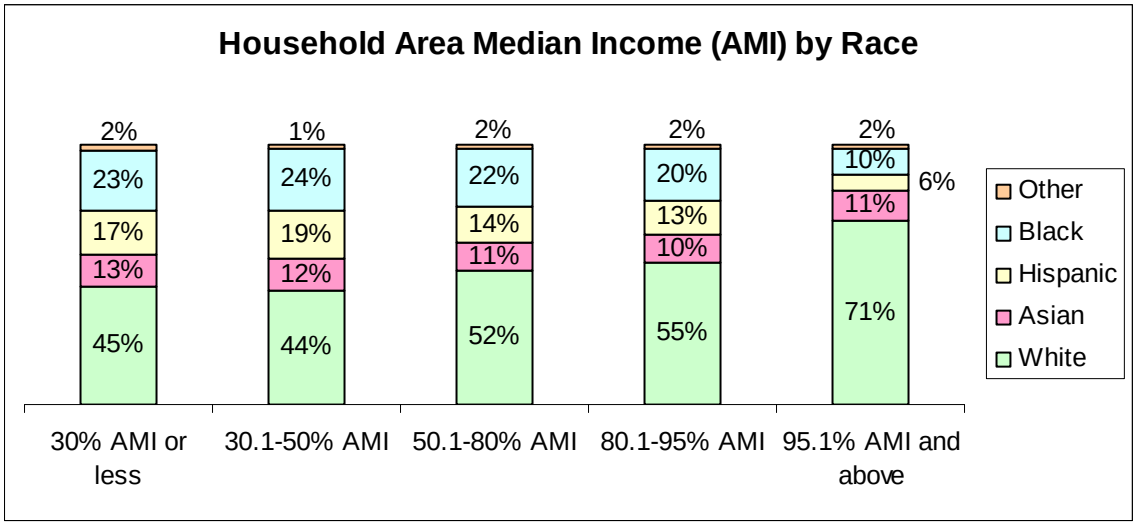
Figure 6: Income by Race and Age – source: http://www.dhmh.state.md.us/hd/conf/conf09/Selected_Data_Charts_Economics.pdf, accessed March 24, 2011



** Asian/PI data for age 65+ could not be reported due to small numbers*

Office of Minority Health and Health Disparities
Maryland Department of Health and Mental Hygiene
May, 2009

Figure 7



Source: 2009 Comprehensive Housing Affordability Strategy (CHAS) data from the Department of Housing and Urban Development (based on 2005-07 American Community Survey data)

Table 6: Cost Burden for Households by Race and Tenure

Tenure	Race	All Households	Cost Burden Moderate	Cost Burden Severe
Owner	NH White	68.6%	58.8%	49.0%
	NH Black	10.0%	13.8%	13.7%
	NH Asian	11.6%	14.7%	13.5%
	NH Other	1.4%	1.2%	2.5%
	Hispanic	8.4%	11.5%	21.4%
	All	100.0%	100.0%	100.0%
Renter	NH White	44.9%	41.8%	43.1%
	NH Black	28.7%	30.2%	29.9%
	NH Asian	10.7%	10.8%	9.9%
	NH Other	2.3%	2.2%	1.8%
	Hispanic	13.3%	15.0%	15.3%
	All	100.0%	100.0%	100.0%

Source: Department of Housing and Urban Development,
2009 Comprehensive Housing Affordability Strategy (CHAS) (based on 2005-07 American Community Survey data)

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Table 7: Montgomery County Population by Race & Hispanic Origin

Race	2010 Number	Percent of Total	2000 Number	Percent of Total	Change	Percent Change
Total Population	971,777	100.0%	873,341	100.0%	98,436	10.1%
White	558,358	57.5%	565,719	64.8%	-7,361	-1.3%
Black or African American	167,315	17.2%	132,256	15.1%	35,059	21.0%
American Indian and Alaska Native	3,639	0.4%	2,544	0.3%	1,095	30.1%
Asian	135,451	13.9%	98,651	11.3%	36,800	27.2%
Native Hawaiian/Other Pacific Islander	522	0.1%	412	0.0%	110	21.1%
Some Other Race	67,847	7.0%	43,642	5.0%	24,205	35.7%
Two or More Races	38,645	4.0%	30,117	3.4%	8,528	22.1%
Non-Hispanic Total	806,379	83.0%	772,737	88.5%	33,642	4.2%
White	478,765	49.3%	519,318	67.2%	-40,553	-8.5%
Black or African American	161,689	16.6%	129,371	16.7%	32,318	20.0%
American Indian and Alaska Native	1,580	0.2%	1,756	0.2%	-176	-11.1%
Asian	134,677	13.9%	98,281	12.7%	36,396	27.0%
Native Hawaiian/Other Pacific Islander	427	0.0%	351	0.0%	76	17.8%
Some Other Race	3,617	0.4%	2,630	0.3%	987	27.3%
Two or More Races	25,624	2.6%	21,030	2.7%	4,594	17.9%
Hispanic Total	165,398	17.0%	100,604	11.5%	64,794	39.2%
White	79,593	8.2%	46,401	46.1%	33,192	41.7%
Black or African American	5,626	0.6%	2,885	2.9%	2,741	48.7%
American Indian and Alaska Native	2,059	0.2%	788	0.8%	1,271	61.7%
Asian	774	0.1%	370	0.4%	404	52.2%
Native Hawaiian/Other Pacific Islander	95	0.0%	61	0.1%	34	35.8%
Some Other Race	64,230	6.6%	41,012	40.8%	23,218	36.1%
Two or More Races	13,021	1.3%	9,087	9.0%	3,934	30.2%

Sources: US Bureau of the Census, Maryland State Data Center.

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Housing Demand & Supply

Demand for housing comes from Montgomery County's desirability as a place to live as well as from strong employment growth within the county and within the region. In the 2000s, Montgomery County's population grew by more than one percent per year, from 873,341to 971,777 in 2010. Contributing to the rise in population has been a high birth rate and foreign immigration. Between 2000 and 2008 the county gained 65,000 residents from a natural increase in population (i.e., births minus deaths). Over the same period, foreign immigration to Montgomery County accounted for nearly 67,000 new residents or about 86% of net migration.

Population data (based on decennial Census data for 2000 and 2010) shows that the non-white population grew at a faster rate than the white population over the past decade (see Table 5). In fact, when defining "minority" as everyone other than non-Hispanic white alone, Montgomery County has become "majority minority" for the first time with the minority share of the population increasing from 40.5% in 2000 to 50.7% 2010. The trend toward increased diversity is expected to continue and is resulting in an increased need for outreach and services to minority populations, many of which do not have English as their native language. The maps below show the distribution of population by race and Hispanic origin as population density for 2010.

Figure 8

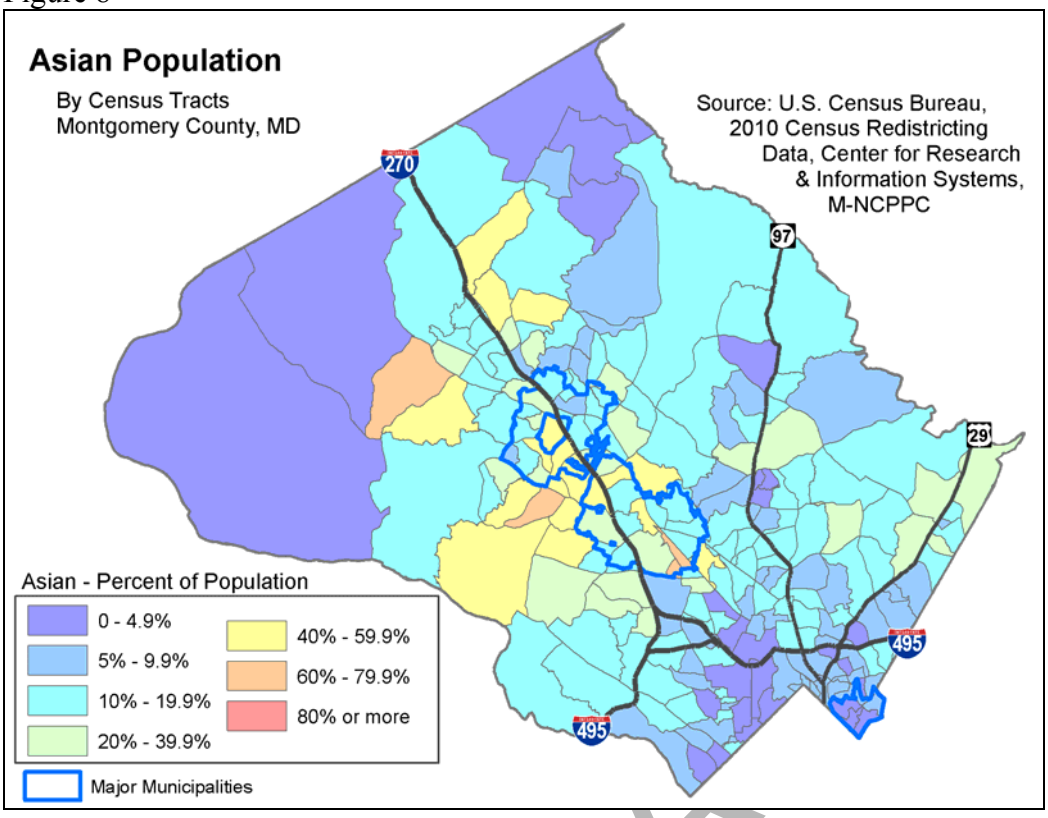


Figure 9

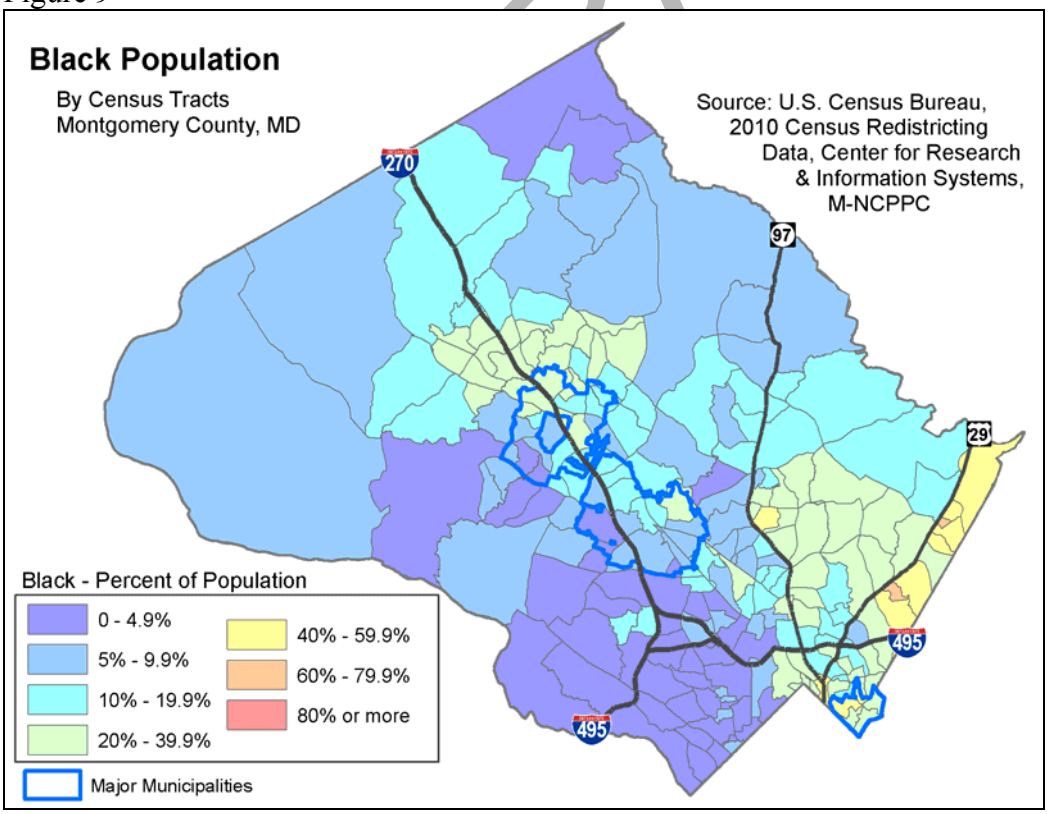


Figure 10

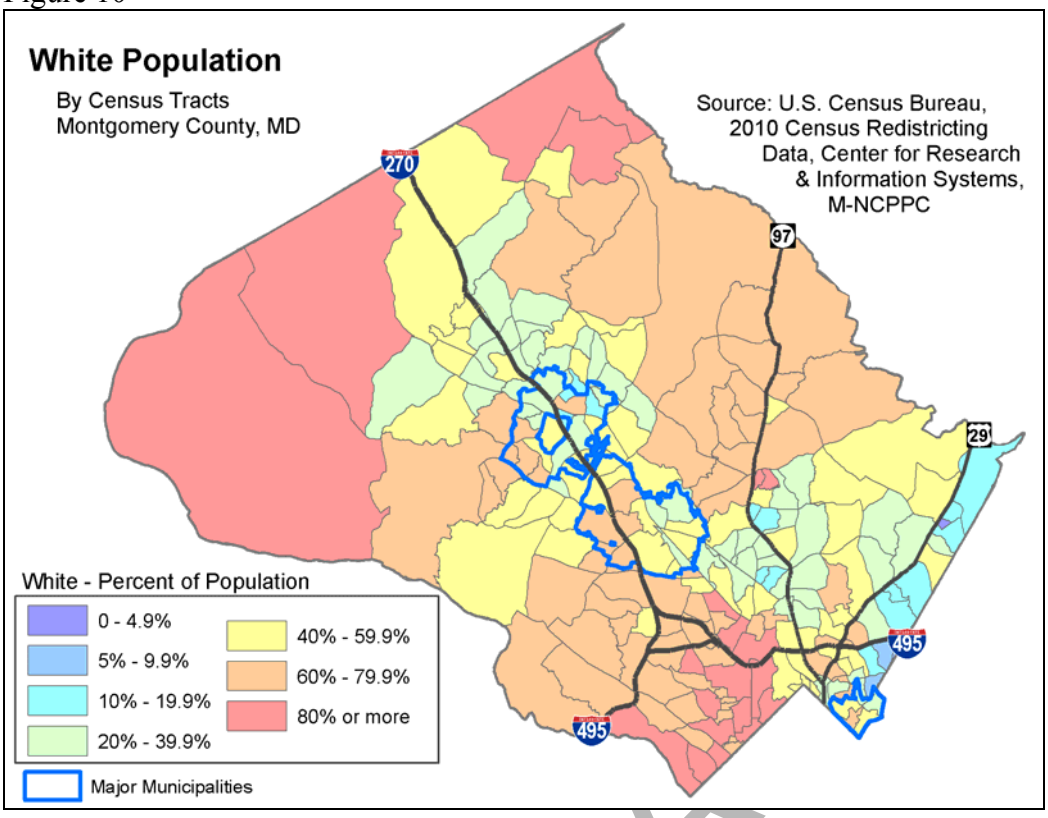


Figure 11

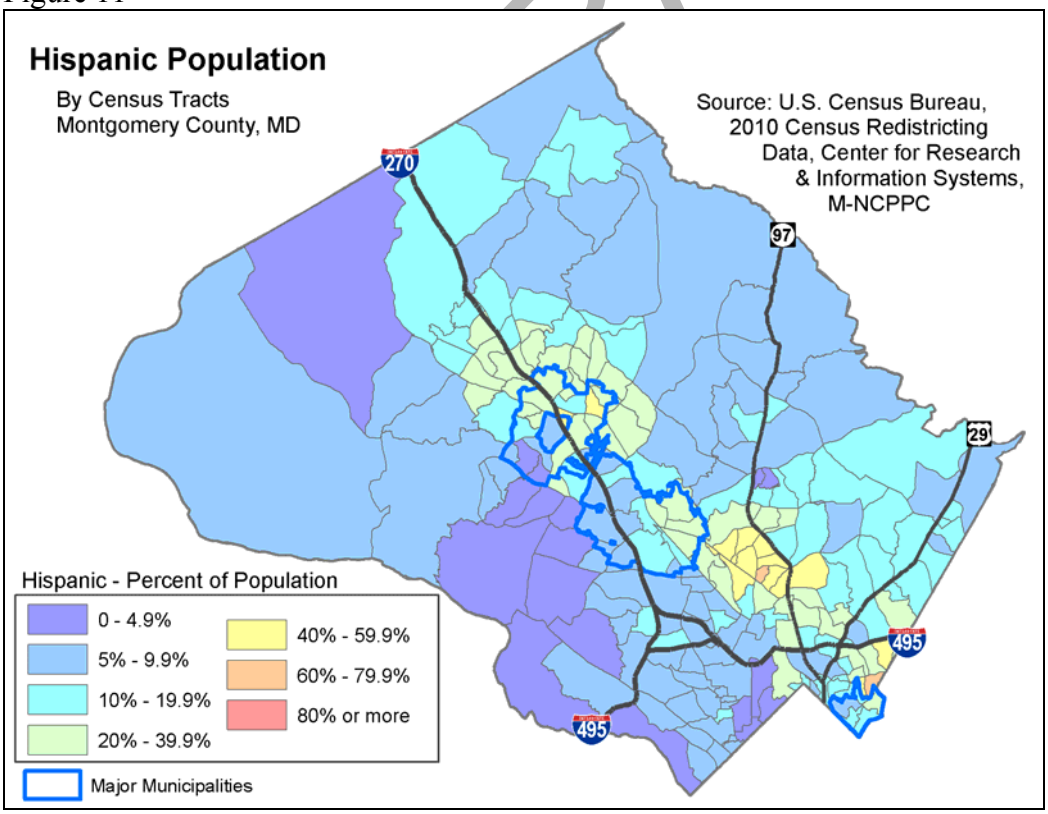
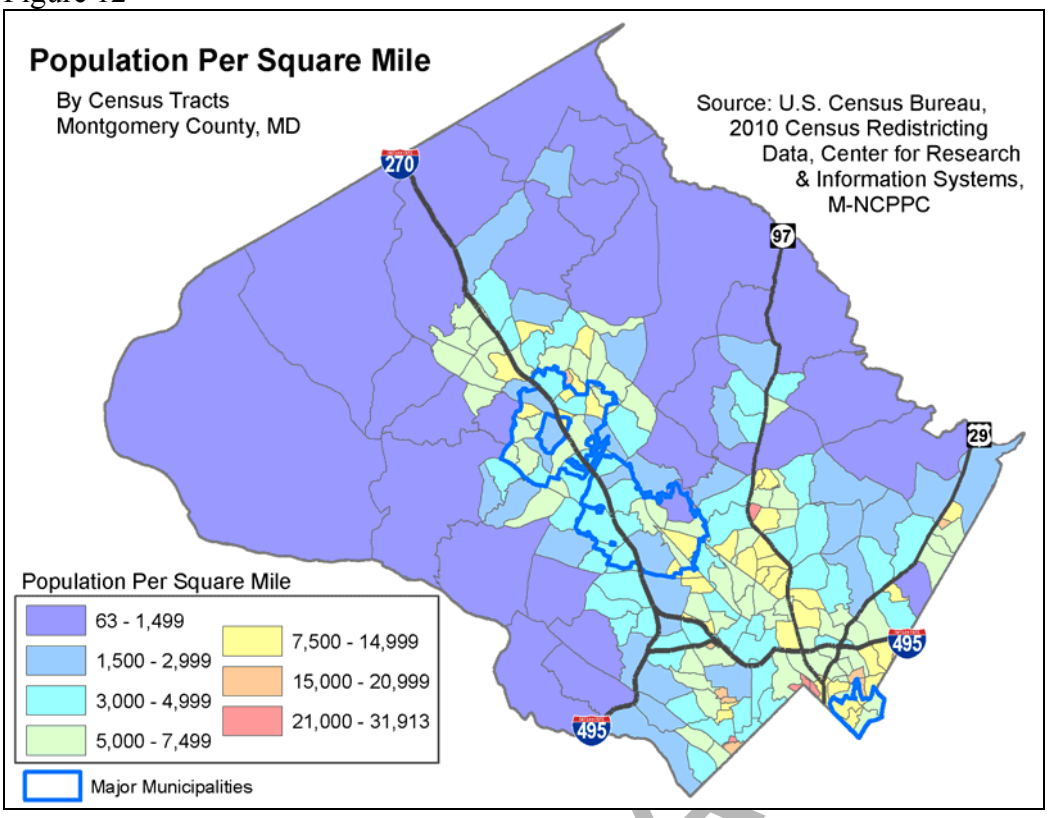
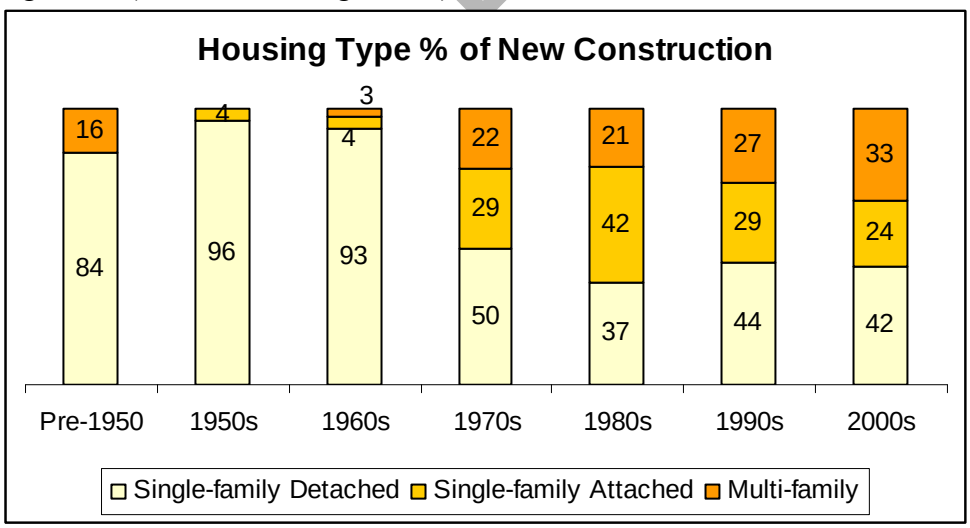


Figure 12



The housing stock has been changing in composition over time from predominantly single-family detached to a mix of detached, attached, and multi-family. Future growth is expected to continue this shift toward more attached and multi-family style development.

Figure 13 (2000s are through 2007)



Source: Maryland Department of Assessments and Taxation

Median for-sale home prices have generally increased over time faster than general inflation and faster than real incomes, causing affordability challenges for households with a wide range of incomes. From 2000 to 2010 the median sales price for single-family home types increased between 16 and 73 percent while median household income increased by 22 percent (see Table 6 and Figure 15). Low interest rates and easy credit availability fed the dramatic increase in prices through 2006. Prices have weakened considerably but are still expensive to many, especially those with poor credit who access financing at low rates. Montgomery County's median sales price for single and multifamily, new and used homes was $355,000 in October 2010, the same level as 2004. Montgomery County's median sales prices typically have remained higher than most of the region and the nation since 1999. In first quarter 2010, the county's median was 1.9 times the nation's median sales price. The continued affordability problem can be seen in the Comprehensive Housing Affordability Strategy (CHAS) (based on 2005-07 American Community Survey data), showing that just over one third of households were either severely or moderately "cost burdened" (see Table 1, page 5).

Table 8: Median Home Sales Price

MEDIAN HOME SALES PRICE (2000 to 2010)

YEAR	DETACHED HOMES new	DETACHED HOMES existing	ATTACHED / TOWNHOUSES new	ATTACHED / TOWNHOUSES existing	MEDIAN HOUSEHOLD INCOME	INFLATION RATE*
2000	$390,670	$262,950	$262,384	$142,725	$77,400	3.3%
2001	$436,458	$289,000	$265,380	$155,500	$77,250	2.6%
2002	$481,286	$340,000	$277,978	$185,000	$77,600	2.4%
2003	$590,760	$383,000	$367,200	$229,000	$78,150	2.8%
2004	$666,540	$450,000	$427,501	$283,500	$81,700	2.8%
2005	$764,678	$530,000	$499,298	$340,000	$84,950	4.0%
2006	$881,600	$552,500	$518,510	$356,750	$89,250	3.6%
2007	$896,917	$560,000	$464,482	$360,000	$91,900	3.6%
2008	$804,205	$513,000	$459,180	$320,000	$93,800	4.5%
2009	$652,338	$300,000	$386,184	$215,000	$94,050	0.2%
2010	$675,000	$304,000	$345,123	$215,000	N/A	1.7%
2000-2010 Change	72.8%	15.6%	31.5%	50.6%	21.5%	
2000-2010 Annualized Rate of Change	5.6%	1.5%	2.8%	4.2%	2.2%	

* Change in annual average Consumer Price Index - All Urban Consumers (CPI) for Washington-Baltimore, DC-MD-VA-WV. Sources: M-NCPPC Research & Technology Center, STAR System report; U.S. Bureau of Labor Statistics, Consumer Price Index; Maryland State Data Center for income estimates in current dollars.

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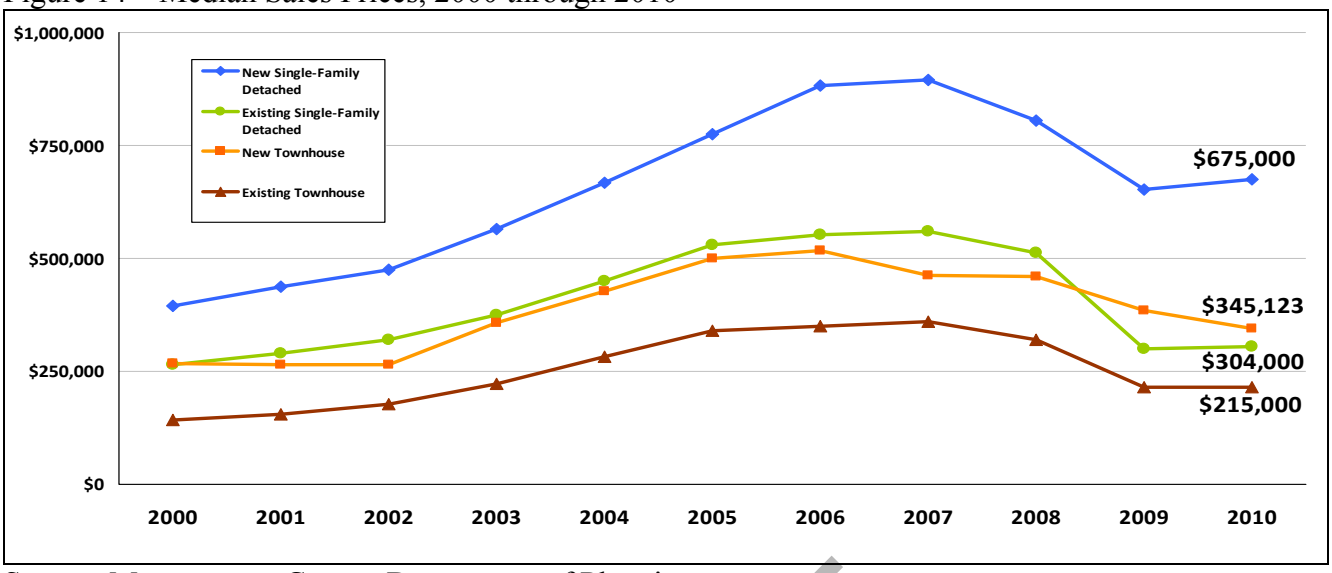
Figure 14 – Median Sales Prices, 2000 through 2010



Source: Montgomery County Department of Planning

The Department of Housing and Community Affairs, Licensing and Registration Unit, annually conducts a survey of all multifamily rental facilities in Montgomery County with twelve or more rental units. The April 1, 2011 data represent 75,060 units as reported by 434 rental facilities located within Montgomery County's unincorporated areas as well as within the municipalities of Rockville, Gaithersburg and Takoma Park. The data represents 94.7 percent of the approximately 79,265 total units in multifamily rental properties of twelve or more units. The results show:

- a tightening housing market countywide with a vacancy rate of 3.7 percent for both subsidized and market rate units, which is unchanged form 2010;
- the vacancy rate for market rate units in 2011 was 3.8 percent, down 0.3 percentage points from the 2010 rate of 4.1 percent;
- The vacancy rate for properties with subsidized units only was 1.8 percent, down 0.6 percentage points from the 2010 rate of 2.4 percent;
- the average countywide turnover rent is now $1,442, an increase of 3.8 percentage points from 2010;
- the average countywide holdover rent is $1,335. The average reported percentage increase for holdover rents was 4.2 percent, 2.2 percentage points above the 2.0 percent voluntary rent guideline for 2011.

In the next thirty years we'll have to find room for more than one hundred thousand new households (see Table 8 for forecast data). In this timeframe the rate of job creation is forecast to well exceed both population and household growth, likely placing further pressure on housing costs and employees attempt to live near their work. New residential and commercial growth will likely be at higher densities than past development and will be directed to places near existing and planned transit service.

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Table 9: Forecasts

Metropolitan Washington Council of Governments Round 8.0 Cooperative Forecasts (Dec 2010) Montgomery County			
Year	Households	Population	Employment
2005	347,500	929,097	500,000
2010	360,500	979,996	506,000
2015	377,000	1,016,996	540,000
2020	398,000	1,064,995	585,000
2025	417,000	1,108,997	628,000
2030	438,000	1,151,997	673,000
2035	453,000	1,181,997	703,000
2040	463,000	1,198,997	723,000
2010 - 2040 Change			
Percent	28.4%	22.3%	42.9%
Number	102,500	219,001	217,000

Housing Tenure and Type

Home ownership remains dominant in Montgomery County. However, while owner occupied dwelling units accounted for 75 percent of all occupied housing units according to the 2008 Census Update Survey, this is two percentage points lower than in 2003. In 2008 50 percent of Montgomery County households resided in single-family detached homes. The remainder occupied townhouses (18%) and multi-family units (32%). Of the various types of housing in the county, garden apartments (mid-rise) account for 21 percent, with 69 percent of these being rental properties.

Table 10: Tenure Characteristics & Household Size by Structure Type

	Single-Family Detached	Townhouse	Mid-Rise	High-Rise	All Types
Households by Structure Type	177,365	65,465	75,085	39,085	357,000
% Total Households by Structure Type	49.7%	18.3%	21.0%	10.9%	100.0%
Average Household Size	3.05	2.73	2.07	1.65	2.63
Tenure: % Rental	4.0%	11.0%	69.3%	59.4%	25.1%

Source: 2008 Census Update Survey; Research & Technology Center, Montgomery County Planning Dept., M-NCPPC.

Household Size

The Montgomery County Planning Department reports that after decades of declining average household size from 3.65 in 1960 to 2.62 in 1987, the trend bottomed out in the 1990s. The County's average household size showed a small decline from 2.7 in 2003 to 2.63 in 2008. Differences in household size for households in different structure types were not large enough to be statistically significant.

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New Housing Production

During the 1980s the county gained an average of more than 7,000 new units per year. Production dropped in the 1990s to around 3,600 per year and picked up again to average nearly 4,000 per year in the 2000s through 2008. However, the level of completions began dropping after 2002 with 2008 seeing just 2,164 units completed. Approvals (at the subdivision and site plan level, as opposed to building permits) are a leading indicator of future activity and clearly show the expected further shift toward multi-family housing, which comprises 61% of approvals from 2000 through 2008.

Table 11: Housing Completions and Approvals

Housing Completions and Approvals 2000 - 2008	Single-family	Townhouse	Multi-family	Total
Completions	12,575	7,681	15,602	35,858
percent of completions	35.1%	21.4%	43.5%	
Approvals	10,842	7,578	28,443	46,863
percent of approvals	23.1%	16.2%	60.7%	

Source: Montgomery County Department of Planning

Housing - Preservation/Rehabilitation

The housing stock is aging as the County is predominantly built out - only four percent of the County land zoned for development remains undeveloped. This older housing stock is some of our most affordable and therefore needs to be maintained. This includes both owner and renter stock. These homes need not only rehabilitation but also preservation. Expiring subsidies and prepayments of federally assisted mortgages must be addressed.

Special Needs Facilities and Services

It is the policy of the Continuum of Care (CoC) to expand permanent supportive housing rather than year-round emergency and transitional shelter (During the winter season, the number of emergency shelter beds is increased to meet the demand to keep people safe.) Section 3A, Strategic Planning Objectives, of the Continuum of Care report (beginning on page 63 – Section 3 of this report is the CoC report in its entirety) details the strategies and approaches to identifying and serving people in need of supportive housing.

Strategic Plan

The basis for priorities given to categories in Table 2A (in Section 2) is that the County feels it should serve those in the lowest income categories first. This has been a consistent priority for many years. Certainly there are needs in all low/moderate income families and there is an effort to judiciously use the limited resources that are available, but the County feels that the highest priority needs to be given to those with the fewest resources.

1) *Indicate the general priorities for allocating investment geographically within the jurisdiction and among different activities and needs….*

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- Assisting vulnerable populations County-wide – those with low incomes and in need of supportive services, including the elderly, youth, the homeless, persons with disabilities, medical or other special needs and persons with limited English proficiency.

- Increasing and preserving the supply of affordable housing throughout the County, including housing for persons with special needs.

- Revitalizing older commercial areas and expanding economic opportunities

2) *Describe the reasons for assigning the priority.*

Vulnerable Populations

- The homeless are the highest priority because basic shelter is fundamental to any strategy for assisting those most in need.
- Persons with low incomes are often threatened with homelessness because of the high cost of housing in the County, and those with special needs, whether for senior assisted living or supportive services due to disability are particularly vulnerable.

Housing

- There continues to be a need for additional affordable housing units for both renters and owners. Households with low- and moderate-incomes are finding it increasingly difficult to purchase a first home in the County. Increasing the supply of affordable workforce housing is becoming a more pressing priority as housing prices force many who work in the County to seek housing outside the County, impacting the available labor force and exacerbating traffic concerns.
- Special needs housing for our most vulnerable residents, as described above, is a high priority.
- Preservation of existing affordable housing, especially public housing, is a growing concern as federal funding for maintenance decreases below what is needed and the existing housing stock ages.

Commercial areas and economic opportunities

- Revitalizing older commercial areas is a priority because doing so enhances economic opportunities that lead to job creation
- Assisting lower income households to increase their incomes by providing education, job training, childcare and other employment-related support enhances employment opportunities and self-sufficiency

3) *Identify any obstacles to meeting underserved needs;*

- Inadequate federal and state funding
- Competing demands for public services

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- Challenges of development (diminishing supply of land; costs; neighborhood opposition)
- Growth of population in need – aging population; growth in numbers of residents with limited English proficiency - coupled with the inability of private, public and nonprofit sectors to meet growing needs
- Inadequate incomes of population in need

The overall goal is community improvement, including not only housing-related activities but public facilities and services and expansion of economic opportunities. Activities proposed to be undertaken with CDBG, ESG, and HOME funds are outlined in detail in this document in the Action Plan section of the Executive Summary.

The County's Capital Improvement and Public Services programs, as presented in conjunction with the FY13 Capital and Operating budgets for the County, identify specific activities that will be undertaken to meet priority needs. These activities relate to goals, strategies and outcomes and reflect the vision and guiding principles of the County.

Some of the activities identified in the Capital Improvement and Public Services programs are activities that will be undertaken with federal funds provided upon approval of this Consolidated Plan by the United States Department of Housing and Urban Development. The Consolidated Plan identifies and elaborates on the following strategies:

The Consolidated Plan discusses broad strategies for meeting the gaps identified between existing resources and identified needs. The Plan identifies and elaborates on the following strategies:

- Target resources to achieve the broadest and most effective solutions to the problems of our most vulnerable residents, including the homeless and other populations with special needs;
- Increase efficiency in service delivery for housing and community development-related programs;
- Eliminate housing discrimination and barriers (legislative and other) to the provision of affordable, accessible housing;
- Encourage self-sufficiency and long-term resolution of problems by focusing limited resources to address community concerns comprehensively at the neighborhood level;
- Employ both public and private resources to preserve and create a variety of affordable housing options to meet the needs of the County's low and moderate income and special needs populations. Work to encourage accessibility in standard design;
- Set realistic goals based on available resources and current economic and social conditions; and,
- Continue economic development efforts to meet State initiatives and the current needs of businesses in the County.

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Other Information / Plan Requirements

Administration

The Department of Housing and Community Affairs (DHCA) is the lead County agency responsible for submission of the Consolidated Plan and Annual Action Plan to HUD for receipt of

CDBG, ESG, and HOME funds and has been responsible for administration of the funds as well. In conjunction with the implementation of the Consolidated Plan, the Human Rights Commission (HRC) is the lead County agency responsible for directing activities to further fair housing. In 2012, the Montgomery County Department of Health and Human Services (DHHS) and the Department of Human Resources entered into a Memorandum of Understanding to utilize the Emergency Solution Grant funding. The funds will be able to support DHHS Housing Stabilization Services to prevent homelessness, rapidly re-house homeless persons, and support the Homeless Management Information System (HMIS).

The Housing Opportunities for Persons with Aids (HOPWA) program is administered regionally. Montgomery County is a part of the Bethesda-Frederick-Gaithersburg, MD Metropolitan Division (part of the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area), which consists of Frederick and Montgomery Counties. HUD designated the City of Frederick the HOPWA formula grantee for the Division.

Eligible Activities

A wide variety of activities that principally benefit Montgomery County's low and moderate income residents, as defined later in this document, are eligible for funds through these programs. While programs may target resources to specific populations such as the homeless (ESG) or persons with HIV/AIDS (HOPWA) or activities such as housing (HOME), the overall goal is community improvement, including not only housing-related activities but public facilities and services and expansion of economic opportunities. Activities proposed to be undertaken with CDBG, ESG, HOME, and HOPWA funds are outlined in detail elsewhere in this document.

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Development Process

The Department of Housing and Community Affairs (DHCA) is the lead agency responsible for the submission of the Consolidated Plan to HUD. The Plan is to be delivered to HUD by May 15, 2012. Montgomery County residents are afforded many opportunities to express their views and opinions, identify priority needs and discuss gaps in service delivery. Volunteer boards and commissions provide community input in all aspects of public policy and administration. DHCA facilitates an annual public hearing to solicit comments from residents concerning community development needs, with residents provided further opportunity for comment at public hearings held by the County Council in conjunction with annual approval of the budget. While DHCA provides residents with an opportunity to comment on the draft Consolidated Plan, staff also incorporates public input provided through issue-orientated forums and town meetings not directly related to the development of the Consolidated Plan. For example, the County Executive holds town hall meetings and budget forums in various locations around the county to listen to resident concerns. Other county departments hold community forums or conduct studies to obtain input in specific policy or program areas, such as services for special populations like the homeless and persons with disabilities or initiatives in the areas of recreation, economic development or commercial revitalization. For example, persons representing some thirty organizations worked on the development of a Continuum of Care for assistance to the homeless. Contact is made with the Housing Opportunities Commission (HOC) of Montgomery County to discuss the concerns of the agency and the residents it serves. Finally, to

ensure a regional perspective regarding a variety of issues including transportation, affordable housing, fair housing and the homeless, the county actively participates in the Metropolitan Washington Council of Governments (COG) as a means of furthering inter-jurisdictional cooperation.

In an attempt to make this document available for review/comment by as many interested individuals/groups as possible, draft copies were placed in the County's five regional government service centers with the public being informed by local newspaper advertisement (copy included in the report) of the availability of the document and the opportunity to comment on it prior to final submission. The newspaper ad also noted that the document was available on the County's website at: **http://www.montgomerycountymd.gov/Content/DHCA/index.asp.**

Managing the Process

DHCA is responsible for the submission of the Action Plan to HUD. A one-year Action Plan must be submitted to HUD no later than May 15, 2012. In preparation of this plan, DHCA worked closely with the Community Development Advisory Committee (CDAC) appointed by the County Executive. Additional information regarding citizen participation is found in Appendix A.

A public hearing was held in October 2011 before the Community Development Advisory Committee (CDAC) to receive citizen input regarding needs to be addressed in the Plan and to review past performance. A summary of testimony from this hearing is on file at DHCA. Other hearings were held April 2012, before the County Council to receive comments on the activities proposed to be undertaken prior to finalizing the Action Plan for submission to HUD. DHCA staff consulted with and collected data from numerous sources in preparing the annual Action Plan including staff in surrounding jurisdictions and at local and State levels.

Montgomery County residents are afforded many opportunities to express their views and opinions, identify priority needs and discuss gaps in service delivery. Volunteer boards and commissions provide community input in all aspects of public policy and administration. DHCA facilitates an annual public hearing to solicit comments from residents concerning community development needs, with residents provided further opportunity for comment at public hearings held by the County Council in conjunction with annual approval of the budget. While DHCA provides residents with an opportunity to comment on the draft Consolidated Plan, staff also incorporates public input provided through issue-orientated forums and town meetings not directly related to the development of the Consolidated Plan. For example, the County Executive and County Council hold public meetings in various locations around the County to listen to resident concerns. Other County departments hold community forums or conduct studies to obtain input in specific policy or program areas, such as services for special populations like the homeless and persons with disabilities or initiatives in the areas of recreation, economic development or commercial revitalization. For example, persons representing some thirty organizations work on the development of the Continuum of Care plan for assistance to the homeless. Additionally, the Montgomery County Continuum of Care has developed an action plan to identify a formerly homeless person to participate on their Performance and Evaluation Committee. The plan includes outreaching to current agencies to identify a formerly homeless person and coordinate participation to begin no later than April 2012. Finally, to ensure a regional perspective regarding a variety of issues including transportation, affordable housing, fair housing and the homeless, the County actively participates in the Council of Governments (COG) as a means of furthering inter-jurisdictional cooperation.

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In addition to staff of DHCA, the lead agency in compiling the Consolidated Plan, many other agencies provided information and comments that contributed to this report. These included the Department of Health and Human Services (an umbrella for many social service programs in the County) and the Department of Economic Development. The Maryland National Capital Park and Planning Commission (MNCPPC), the cities of Rockville and Takoma Park, the Housing Opportunities Commission (HOC), the Montgomery County Coalition for the Homeless, the Montgomery County Office of Human Rights, the Montgomery County Office of Community Partnerships, the Community Action Board, Non-profit Montgomery, the Montgomery County Commission on Aging, and a number of private agencies and groups also provided comment.

DHCA is particularly thankful to the Department of Health and Human Services for its review function and for providing much of the statistical information that is contained in this document regarding person with special needs, e.g. those focusing on services to children, elderly persons, persons with disabilities, persons with HIV/AIDS and their families, and homeless persons.

Monitoring

Montgomery County receives annual allocations from the Federal CDBG, HOME, and ESG Programs. Monitoring standards and procedures for each program are described here.

CDBG and ESG activities are monitored according to program requirements. Subrecipients and contractors are required to submit periodic progress and financial reports and submit quarterly benefit data reports. DHCA staff maintains regular telephone contact with subrecipients and contractors. Occasionally, staff will monitor projects as a joint effort with staff from other County Departments.

Staff provides technical assistance at the time contracts are drafted to ensure that all contractors are familiar with and understand program requirements. Topics discussed include income/beneficiary documentation, reporting, files and records management, invoicing for payment and timely expenditure of funds. In addition, staff members attend events sponsored by the sub-recipients/contractors related to programs that receive funding.

HOME: Montgomery County is responsible for ensuring that all HOME program funds are used in accordance with the program requirements. The County executes written agreements and performs monitoring of its grantees and contractors. The County will monitor all activities assisted with HOME funds to assess compliance with ongoing program requirements.

The County has an internal tracking system for HOME projects to follow the timing of required cyclical inspections automatically generating requests for information, receipt of audits and benefit data reports.

DHCA staff conduct site visits to all grantees during the contract period. These visits supplement other contacts (phone/email). The CAPER will include a list of those grantees that received site visits during the reporting period. A monitoring report is placed in the file of grantees.

The County is also subject to review by outside auditors. The current contract calls for programmatic and financial audits to be conducted annually.

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Institutional Structure

The Executive Branch implements and enforces Montgomery County's laws and provides executive direction to the government. Its chief executive officer is the County Executive. There are over 30 executive branch departments and agencies that help to deliver services to county residents. Listed below are the Departments directly involved in the services that are part of the Consolidated Plan package of services.

Department of Housing and Community Affairs

Housing Programs

- For Low and Moderate Income
    - Moderately Priced Dwelling Unit Program (MPDU)
    - Weatherization Program - helps you weatherize your home to save money on fuel bills.
    - Single Family Home Improvement Loan Program
    - Directory of Funding Sources For Affordable Housing
    - Productivity Housing Program

- For Public Agencies, Non-Profits & Developers
    - Multi-Family Housing Production Program
    - Group Home Rehabilitation Loan Program
    - Rehabilitation Program for Small Rental Properties
- Landlord-Tenant Resources
- Housing Code Enforcement
- Housing Initiative Fund
- Committees, Commissions, and Boards
- Real Property System - State of Maryland, Department of Assessments & Taxation
- Complaint Resolution

Other Resources:

- Housing Opportunities Commission
    - Public Housing

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- Section 8
- Section 236
- Rental Assistance
- Closing Cost Assistance Program
- Housing for the Elderly
- Housing for People with Disabilities
- Programs for the Homeless

- Department of Health and Human Services (DHHS)
  - Rooming House Rental Licensing
  - Adult Homeless Initiative
  - Shelter Services
  - Emergency Family Shelter Services
  - Homeless Services
  - Transitional Services
  - Family Self Sufficiency
  - Maryland Energy Assistance Program
  - Rental Assistance Program
  - (DHHS) maintains a list of properties that are registered, licensed and available to persons with special needs.
- The Maryland-National Capital Park and Planning Commission (M-NCPPC) is a bi-county agency which manages public parkland and provides land use planning, with administration shared with Prince George's County.

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Non-profit agencies and community-based organizations are extensively involved in the Consolidated Plan process. These agencies and organizations participate in the community input process providing comments to the CDCAC on the proposed funding priorities. Recipients of funding through the CDCAC process are monitored to solicit suggestions for improvements in the funding/implementation process.

These agencies reach out to the business community to secure its participation and contribution to the projects and programs funded in the County. The Continuum of Care planning process for home1ess services and programs also involves many of these same organizations in a collaborative

planning process in which the County is a partner in the process. Non-profits involved in affordable housing are an integral part of the process of providing and/or preserving affordable housing.

In terms of strengths, the County agencies offer not only housing programs, but housing code enforcement, the Office of Landlord-Tenant Affairs, and Neighborhood Revitalization, which allows for an inter-disciplinary approach to many housing and consolidated plan related problems. An integral part of the County's consolidated plan effort is the Housing Initiative Fund (HIF). Created in 1988, the HIF is Montgomery County's creative and flexible response to the need for housing choices that fit the County's diverse population. Rather than create a number of locally funded loan pools with separate intricate regulations, the County created one fund that can make loans to for-profit and nonprofit developers to help acquire, rehabilitate, build and preserve affordable housing. Through the HIF the County works closely with other financing sources and developers to help move housing developments from planning to completion, helping with everything from pre-development funding for project planning to long-term financing. Recognizing that affordable housing developments need to truly serve their residents, the County uses the HIF to fund service-related programs such as service coordinators, neighborhood surveys and seminars for small apartment owners.

Another strength is the County's MPDU Ordinance, which has created 13,246 affordable housing units through 2011 and is a model for the nation.

The largest gap is created by the fact that the demand for affordable housing units and related social services continues to exceed the supply while the ability of service providers to increase services is constrained.

Quarterly leadership forums bring managers and key staff from all County departments together to identify opportunities for collaboration and define priorities. In addition, the County has implemented a new planning and appraisal process for senior management stressing results-oriented outcomes and pay-for-performance, with an emphasis on teamwork, cooperation, and collaboration to ensure that departments work together.

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Program Specific Requirements

CDBG Program

The total amount allocated for projects ($4,321,180) is equal to the amount of the HUD grant plus program income.

CDBG funds must be used to benefit low- and moderate-income persons.

HOME Program

The County does not have any other forms of investment than those described in this report.

The County does not plan to use HOME funds to refinance any existing debt.

HOME funds are not used for homeownership activities.

Households who rent are at a particular risk of becoming homeless either through the conversion of their unit to condominium ownership or from their unit being foreclosed. Tenant-based rental assistance (TBRA) is provided to the Housing Opportunities Commission for formerly homeless in conjunction with state rental allowance program funds to assist homeless persons or those with emerging housing needs. Client incomes are at or below 30% of the area median.

Owners/property managers interested in participating in the HOME program must adhere to the County's affirmative marketing policies and procedures. They are parties to the "Regulatory and Loan Agreement" executed between the owner/property manager and the County. Under this agreement, the owner/property manager implements the policies and procedures contained in the Affirmative Marketing Plan. The affirmative marketing efforts of the owner/property manager will be assessed by DHCA. To determine if a good faith effort has been made, DHCA will examine information contained in the owner/property manager's Annual Benefits Data Report. Each year, the DHCA will compare the make-up of the tenants in the development to the demographic break-down of the County as a whole and against the previous year's Annual Benefits Data Report for the development.

At the discretion of DHCA, departmental representatives may make site visits to examine the records on actions the owner/property manager has taken and compare the actions with those that DHCA requires be taken. If DHCA finds that the required actions have been carried out, it will assume that the owner/property manager has made a good faith effort to carry out these policies and procedures.

DHCA works through the County's established Minority, Female and Disabled Person Owned Businesses (MFD) Program. The MFD program is responsible for ensuring that minority-owned businesses receive a fair share of the County's contracting opportunities. The goals of the program are to:

- Encourage economic development for minority persons. Increase business opportunities for minority persons.
- Notify minority-owned businesses of procurement opportunities.
- Provide information to minority business owners about the procurement system.
- Provide referrals for technical assistance, sureties, and financing information.
- Review procurement procedures to remove artificial barriers to competition.

Resources

Matching Funds for the HOME and ESG Programs

For County fiscal year 2013 (July 1 2012 – June 30, 2013), the County Executive's recommended budget invests over 19 million dollars in the Housing Initiative Fund (HIF) for the Housing Acquisition and Rehabilitation Program. The HIF will be the source of the HOME fund match. The HIF has the following goals:

1. Renovation of distressed properties that can be used to create affordable housing opportunities.
2. Preserving affordable housing that could be lost from the housing stock.
3. Building and creating new, affordable housing including those for special needs populations.

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4. Promoting and creating mixed-income communities with housing opportunities for all Montgomery County residents.
5. Building neighborhoods and not just housing units by linking supportive services and programs for communities and residents.

ESG fund match will be provided by general county revenue funds that will fund projects through the Department of Health and Human Services (DHHS). The Department provides core services that protect the community's health, protect the health and safety of at-risk children and vulnerable adults, and address basic human needs including food, shelter, clothing and personal care. The Department also provides a number of other services to assist families to be healthy, safe and strong. Section 3 contains details of proposed spending through the Continuum of Care.

Additional Funding Information

Montgomery County has been successful in securing both state and other sources of federal funding to support its initiatives. The County has secured Federal Economic Development awards and other sources of Federal funding to support homeless services. State Legacy grants have been received in the past and under new State of Maryland programs, such as the Sustainable Communities program, the County will again seek this funding.

In order for local agencies to receive funding under certain competitive programs, such as those for supportive housing, the county must have an approved Consolidated Plan in place and the applications for funding under these programs must be consistent with the needs and priorities identified in the Plan.

Generally, the county will apply for, or support applications for funding from other sources that address priority needs. The level of support will be contingent on an evaluation of all direct and indirect costs to the county, including the need to commit county resources to meet any matching or cash contribution required as a condition of funding.

Montgomery County Executive Isiah Leggett presented his recommended $4.3 billion operating budget for fiscal year (FY) 2013 on March 15, 2012. The budget focuses on Leggett's priorities to fully fund education, increase strategic investments in public safety and the safety net for the most vulnerable, and restore some hours for libraries and services for recreation centers, while maintaining his prudent policies that have put the County on the road to a sustainable economic future. "I am restoring some of the reductions that have most negatively affected our residents' quality of life," said Leggett. "The necessary steps we have taken to address structural budget gaps by resolving an unprecedented $2.6 billion in budget shortfalls over six budgets have resulted in significant cuts in service. Our public safety systems have been strained to the limit; our library and recreation services pared down; our County building maintenance has noticeably deteriorated; and County roads await repairs. Selectively restoring some services within our means will immeasurably enhance the health and welfare of our residents."

Leggett recommends an increase of $64.7 million, or 5.5 percent, for tax-supported Montgomery County Government programs. Of the additional spending increase for County Government, $37.7 million is for public safety and $26.9 million is for employee compensation and benefits, fixed cost increases and non-public safety programs.

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The overall recommendations include:

• A total County budget (all agencies, all tax-supported and non-tax supported funds and debt service) for FY13 of $4.56 billion, an increase of $199 million from the FY12 approved budget – or 4.6 percent.

• An overall tax-supported budget of $3.97 billion (including debt service) for all County agencies, an increase of $188.6 million from the FY12 budget -- or five percent.

• Increasing funding for the Montgomery County Public Schools (MCPS) by $50.7 million – a 2.6 percent increase from FY12. The budget funds 100 percent of the Board of Education tax-supported request at the Maintenance of Effort level.

• Funding increases for Montgomery College of $381,823, a 0.2 percent increase, which is 100 percent of the College tax-supported request at the Maintenance of Effort level.

• Funding increases for the Maryland-National Capital Park and Planning Commission (M-NCPPC) of $5.4 million, a 5.3 percent increase and 100 percent of its tax-supported request.

Outcomes

Performance Measurement

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The County Executive has directed department heads to focus their management on the achievements of "customer results". As a first step, each department has identified not just their customers and the services they deliver to those customers but, most importantly, the outcomes for those customers.

All County departments have developed Department Performance Plans, each of which begins with the Headline Department Performance Measures, which will gauge how well customer results are being achieved, as well as the department's operational efficiency. The Performance Plan then provides a succinct analysis and an action plan, including a budget, for improving performance - as measured by the trend lines of the Headline Department Performance Measures.

The introduction of the CountyStat program adds another useful dimension in performance measurement. The four major themes of CountyStat are Capacity Building, Policy Translation, Data Analytics and Integration, and Internal Consulting. Through adherence to these principles, CountyStat seeks to improve performance by creating greater governmental accountability, providing clearer transparency into County operations, applying data analytics to the decision-making process, and ensuring decisions are implemented by conducting relentless follow-up. CountStat is helping the County move from measuring activity and outputs to measuring outcomes and creating a culture of "managing for results". For additional information on CountyStat, please visit CountyStat website at http://www.montgomerycountymd.gov/countystat/.

CONSOLIDATED ACTION PLAN
PERFORMANCE MEASUREMENT OBJECTIVES

I. Suitable Living Environment

A. Outcome: Availability/Accessibility

Outcome Statements:

- *862 immigrants will receive services including breast cancer awareness outreach, legal services, citizenship preparation, self-sufficiency training, and other supports.
- *512 youth will receive such services as multi-cultural out-of-school-time activities, homework clubs, summer enrichment, therapeutic group sessions, "weekend school" that helps youth bridge the cultural and generation gap between immigrant parents and their children, emotional and behavioral supports, and nutrition education and healthy take-home food.
- *42 households at risk of homelessness will be assisted to preserve housing or relocate and obtain affordable housing
- *65 uninsured and under-insured Montgomery County residents will receive assistance in obtaining needed medical prescriptions
- 2375 people will benefit from enhanced pedestrian links in the commercial area located along the eastern edge of the Silver Spring Central Business District
- 25 low-income households will benefit from home ownership opportunities, new rental housing, or from rehabilitation of existing housing (both rental and single-family homes).
- *120 households will receive economic empowerment training
- 40 eligible clients will receive utility and housing assistance

*estimates will be revised based on negotiated scope of service

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B. Outcome: Affordability

- 35 low-income households will be assisted with home ownership or rental housing opportunities
- 190 people will assisted through fair housing activities and rental housing assistance

II. Decent Housing

A. Outcome: Availability/Accessibility

Outcome Statements:

- 60 households will benefit from a variety of housing assistance including loans to assist in the purchase of existing properties for use as housing affordable to low- and moderate-income residents and funds for housing rehabilitation to enable low and moderate income owners of single-family homes and owners of multi-family properties occupied by low- and

moderate-income tenants to eliminate code violations and make other necessary improvements, including accessibility and energy conservation improvement

B. Outcome: Affordability

Outcome Statements:

- 35 households will benefit from a variety of housing assistance including CHDO support for acquisition, construction, or renovation of rental housing for persons with low-incomes as well as funds for the creation of home ownership opportunities, new rental housing, or to rehabilitate existing housing (both rental and single-family homes)

C. Outcome: Sustainability

Outcome Statements:

- 200 households will benefit from enhanced code enforcement efforts in low-and moderate income areas in conjunction with other public or private improvements and services.

III. Economic Opportunity

A. Outcome: Availability/Accessibility

Outcome Statements:

- *55 low- to moderate-income residents in MHP's properties will receive supportive services which include pre-school training and socialization (ages 3-5), homework clubs (ages 6-12), and summer enrichment (ages 3-5 and 6-12).

*estimates will be revised based on negotiated scope of service

B. Sustainability

- *415 low-income residents will receive food safety training
- *60 Takoma Park Middle School students will receive three therapeutic group sessions on a weekly basis

*estimates will be revised based on negotiated scope of service

Needs Assessment

As part of the Consolidated Plan, all jurisdictions are required to identify priority community needs. Montgomery County has a long history of community involvement in government and currently has a number of active boards, committees and commissions appointed to advise the County Executive and members of the Council in a variety of areas. Additionally, the County Executive and members of the County Council frequently hold community forums to hear from residents on topics of community

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concern and interest. In October, 2011, Montgomery County held a public hearing before the Community Development Advisory Committee to take testimony on community development needs specific to developing the Consolidated Plan. This hearing is just one of many opportunities provided for public input throughout the year.

In Montgomery County, priority needs are addressed through both the Capital and the Operating budgets. For Fiscal Year 2013, the capital budget identifies priority projects in the areas of education, transportation, economic development, infrastructure renovation/maintenance and public safety. The County has maintained its sustained commitment to affordable housing over the years. The Executive's recommended FY13 Budget includes more than $32 million for affordable housing, providing for the renovation of distressed housing, the acquisition and preservation of affordable housing units, the creation of housing units for special needs residents, and creation of mixed-income housing. Within this allocation is $1.5 million for senior housing.

The recommended FY13 Capital Budget, the recommended amended FY13-18 Capital Improvements Program (CIP), the recommended FY13 Operating Budget, and the recommended FY13-18 Public Service Program are incorporated herein by reference as a comprehensive presentation of needs and the County's priorities in addressing these needs. These documents can be found on the Office of Management and Budget website: http://www.montgomerycountymd.gov/omb

Affordable Housing Without Supportive Services

Overall, a significantly high number of Montgomery County residents are burdened by disproportionately high housing costs. There continues to be a priority need for all types of affordable and accessible housing.

Affordability is defined as a rent level equal to or less than 30 percent of household income or a housing purchase price no more than 2.5 times household income. According to the Montgomery County Planning Department, in 2009, the county had a shortage of 43,000 units that were affordable for households earning less than $90,000 a year, however, the shortage of units approaches 50,000 when household size is taken into account.

The rate of poverty in Montgomery County increased from 5.1 percent in 2007 to 7.5 percent in 2010, totaling 72,259 residents. This is the highest poverty rate in two decades. Between 2009 and 2010, the number of residents in poverty increased by 11.8 percent, adding over 7,600 people. The increase of Montgomery County residents in poverty since the recession accounts for 24.1 percent of the state's increase.

When adjusted to 2010 dollars, households lost income since 1999. Non-family, Black, renter-occupied, Hispanic, and family households all lost income since 1999. Asian, Non-Hispanic Whites, and owner-occupied households made gains since 1999.

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Table 12: Net Change in Median Income

NET CHANGE IN MEDIAN HOUSEHOLD INCOME BY TENURE, RACE, AND ETHNICITY (in 2010 dollars)

Montgomery County, MD	2010	1999 [1]	Net Change	% change
All households	$89,155	$93,627	-$4,472	-4.8%
Non-Family	$54,477	$61,979	-$7,502	-12.1%
Black [2]	$60,063	$66,953	-$6,890	-10.3%
Renter-occupied	$53,369	$58,867	-$5,498	-9.3%
Hispanic	$65,314	$68,099	-$2,785	-4.1%
Family	$108,828	$109,963	-$1,135	-1.0%
Owner-occupied	$115,709	$114,694	$1,015	0.9%
Non-Hispanic White	$109,694	$106,674	$3,020	2.8%
Asian [2]	$98,325	$91,255	$7,070	7.7%

[1] 1999 income reported in 2010 constant dollars adjusting for inflation.

[2] Category includes those of Hispanic origin who may be of any race.

Sources: U.S. Census Bureau's Decennial Census 2000 and American Community Survey (ACS) 2010 1-Year, and Montgomery County Planning Department.

Other Special Needs

Non-Homeless persons with alcohol or other addictions, severe mental illness, AIDS or related diseases or who are physically or developmentally disabled or victims of domestic violence have need for supportive housing and services. Without support and services these non-homeless persons are at risk of becoming homeless.

In addition to the persons mentioned above, there are several different groups within the County who need special attention due to their inability to compete with the general population for adequate health care, employment training and affordable child care.

One such group is the under-employed/low income. This group is unable to obtain adequate health care and affordable child care because of their low wages and excessively high medical and daycare expenses. Another identifiable group is the elderly. As the County's population gradually ages, the number and needs of this group continues to increase. Their primary needs are medical care, housing and transportation. The needs of the frail elderly continue to be a high priority. Supportive housing needs of the frail elderly include 24-hour supervision, provision of all meals, housekeeping service and assistance with personal care (feeding, bathing, dressing, grooming). According to the

Area Agency on Aging, more group homes that provide these services are needed so that assisted group housing is available to low and moderate income elderly.

The children and youth in the County need more direct services in the form of daycare, tutoring and protection from abuse and neglect. National percentages indicate that two-thirds of all mothers of children ages 6-17 work outside the home. These statistics emphasize the need for more recreational and after school activities.

Affordable Housing With Supportive Services

In addition to the need for affordable housing for low-income county residents not in need of supportive services, there is the added need for housing that is affordable and accessible that meets the supportive services needs of persons with physical or developmental disabilities, those who are elderly, those who are victims of abuse, and those with chronic mental illness or addictions. Funding to nonprofit organizations to purchase properties for use as group homes is one way to assist in meeting this need.

Shelter and Services for the Homeless

For the homeless or those pending possible eviction and facing homelessness, housing choices are not only limited by affordability considerations but also by the need for supportive services. A point-in-time survey was conducted in January 2012 showing a homeless population count of 982. This is a 13.3% decrease from the 2011 count of 1,132, and a 7.7% decrease from the 2010 count which was 1,064. The 13.3 decrease in homelessness is primarily from a decrease in homeless households without children, formerly known as "individuals". There was a slight increase in the number of homeless families from 374 in 2011 to 381 in 2012. In addition, 61% of all persons counted were households without children while 39% were persons in families. More than two-thirds (69%) of Montgomery County homeless households without children reported chronic substance abuse, serious mental health issues, or co-occurring disorders, consistent with previous year. In addition, more than one-third (37%) reported chronic health problems and/or a physical disability. Thirty-three percent of the County's households without children were considered chronically homeless.

Issues related to the special needs of the homeless recuperating after hospital discharge or those in need of health services like dental and vision care or with illnesses such as tuberculosis or HIV/AIDS have also been identified as priorities. Public services that support families, especially those benefiting children and youth and those addressing needs of the ethnically and linguistically diverse immigrants to the county, are identified as priorities, as are services for the elderly.

Montgomery County has adopted a "Housing First" approach, which includes three main outcomes: prevention of homelessness, reduction in the length of time of homelessness, and decreased recidivism. The Partnership for Permanent Housing (PPH) (http://www.mcch.net/programs/pph.html) is an implementation tool for the Housing First approach. It reduces the amount of time families and individuals spend in homelessness by combining the case management component of transitional housing programs with quicker access to permanent housing. You can find more information on Housing First from the Montgomery County Department of Health and Human Services - http://www.montgomerycountymd.gov/hhs. The need for year-round shelter and safe havens for those

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single homeless persons who are unwilling or are unable to assume the responsibilities inherent in participation in the county's system of social services continues to be a priority.

Table 13: Homeless Subpopulations (2011)

Subpopulation Type	Individual Adults	Adults in Families	Children in Families	TOTAL
Chronic Substance Abuser (CSA)	136	5	N/A	141
Severe Mental Illness (SMI)	175	11	N/A	186
Dually Diagnosed (CSA & SMI)	208	7	N/A	215
Chronic Health Problem	140	20	N/A	160
Living With HIV/AIDS	13	3	N/A	20
Physical Disability	128	2	N/A	130
Domestic Violence Victim	39	133*	Included as household	172
Language Minority	173	29	N/A	202
U.S. Veterans	38	3	N/A	41

The Montgomery County Department of Health and Human Services (CoC Lead Agency) is the Prime Recipient to administer a $2,104,743 Homelessness Prevention and Rapid Re-Housing Program (HPRP) grant over a 3 year grant period. Under this program, homeless households residing in emergency shelters or graduating from transitional shelter are eligible to receive up to 18 months of rapid re-housing services including rental assistance and case management services. Prevention services are provided to households threatened with loss of permanent housing so they do not enter the homeless system. Financial assistance is available for up to six months of rental and utility arrears and up to three months of rent subsidy to household to prevent homelessness. In addition, households at risk of homelessness receive three months of case management to provide linkages to community resources and help stabilize the household.

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As the CoC Lead Agency, MCDHHS is able to coordinate HPRP activities with other prevention and rapid re-housing resources in the CoC. HPRP is regularly discussed at the Adult Homeless Teaming Group and Family Homeless Provider Team to share information and solicit referrals for rapid re-housing assistance. More than two million dollars have been expended through the eleventh quarter of the program ending March 31, 2012 and all funds will be expended by June 30, 2012. These funds have been a valuable tool in stabilizing households who are homeless and at-risk of homelessness. Grant-to-date assistance has been provided to 319 households consisting of 885 persons. Eighty households received homeless assistance and 240 received homeless assistance.

The county is committed to serving homeless persons through the programs/information listed below. Homeless households should also look into other housing programs, for which they may qualify, including Public Housing and the Housing Choice Voucher program.

Montgomery County Department of Health and Human Services Special Needs Housing Programs

County Rental Assistance Program (RAP) provides limited monthly assistance with rent to low income seniors, individuals with disabilities and families.

Handicapped Rental Assistance Program (HRAP) provides monthly financial assistance to individuals that reside in a group home licensed either by the State of Maryland or Montgomery County who have a mental illness which constitutes a disabling condition.

Supportive Housing Rental Assistance Program (SHRAP). Permanent supportive housing that provides a monthly housing subsidy and service coordination to very low income special needs renter households (both single adults and families with children).

Homeless Families with Children: Assessments for homeless families with children are completed in each of the regional offices. This unit coordinates the wait list for family shelter placement, completes the referrals when the family is places, monitors the contract providers.

Homeless Adults without Children: Initial assessments are conducted at the Crisis Center, located on the first floor at 1301 Piccard Drive in Rockville. Case management services are provided to the residents through department staff and a network of contract providers.

Homeless Adult Services: This program coordinates the delivery of emergency and transitional shelter services for the homeless. The program also coordinates service providers and serves as liaison to community organizations and neighborhood groups on homeless issues.

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Housing Opportunities Commission Programs

Supportive Housing: The Supportive Housing Program provides permanent subsidized housing to 165 formally homeless families and individuals with disabilities. The head of household must be disabled in order to qualify. These programs provide case management and extensive services funded by HUD and Montgomery County.

Shelter Plus Care (SPC): Provides permanent subsidized housing, case management, and other services to homeless adults with severe and persistent mental illness.

State Rental Allowance Program (RAP): Provides temporary rental assistance to individuals that are homeless or are experiencing a critical or emergency situation.

Transitional Housing (see Supportive Housing above): Provides temporary or permanent rental assistance and supportive services to homeless individuals or families.

Veterans Affairs Supportive Housing: Provides rental assistance to homeless veterans with severe psychiatric or substance abuse disorders.

Housing Counseling Program: Assists low-income families or singles who are homeless or in imminent danger of becoming homeless to locate, secure, and maintain permanent housing.

Anyone who is facing a housing crisis or is homeless should contact Montgomery County at (phone) 311 to find out what services may be available for them (The Housing Opportunities Commission does NOT provide emergency housing).

Affirmatively Furthering Fair Housing

Actions to affirmatively further housing choices for all County residents are coordinated through the County's Human Rights Commission (HRC) and spearheaded by the Interagency Fair Housing Coordinating Group's (IFHCG) Fair Housing Advocacy Committee (FHAC), an entity with both public and private sector representation. The FY2012 Update to the County's Analysis of Impediments to Fair Housing Choice (AI) can be found in Appendix B of this document. Additional information on Fair Housing can be found at the following County websites: http://www.montgomerycountymd.gov/content/humanrights/fairhousing.asp, http://www.montgomerycountymd.gov/content/dhca/community/Fair_Housing/home.asp.

Montgomery County will continue to work to address impediments to fair housing. Activities include:

- Testing to identify, and address, discrimination in rental and sales housing and in lending practices, followed by enforcement when necessary;
- Gathering information on the level of discrimination in the county through the use of surveys and data analysis;
- Increasing general public awareness of fair housing laws through educational and outreach activities;
- Providing training and technical assistance to housing professionals, including real estate agents, mortgage lenders, property managers, appraisers, builders, and others in the industry on ways to provide equal housing opportunities and prevent housing discrimination;
- Supporting the expansion and retention of housing that is affordable and accessible to lower-income residents; and,
- Continuing to identify and working to address impediments to housing choice through management and coordination of fair housing programs and activities and ongoing monitoring of legislation, policies and procedures.

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Fostering and Maintaining Affordable Housing

The Moderately Priced Dwelling Unit Program (MPDU), the County's nationally known housing program, continues to ensure that all developments of 20 units or more will contain affordable units. Efforts using HOME funds have emphasized approving projects that serve the lowest income groups possible.

Concerted efforts are made year-round through the code enforcement section to ensure that the existing housing stock is maintained to acceptable levels. DHCA's division of Landlord/Tenant Affairs licenses rental units and the Office of Consumer Protection's Commission on Common Ownership Communities provides dispute mediation. DHCA has published a landlord/tenant handbook which spells out rights and responsibilities and has sponsored neighborhood clean ups. This is a comprehensive effort which is necessary to preserve our affordable housing supply.

Affordable Rents

HUD regulations require that the County must adopt and make public its standard for determining affordable rents if it anticipates assisting rental housing with CDBG funds. Affordability is defined by the County as a rent level equal to or less than 30 percent of household income or a housing purchase price no more than 2.5 times household income.

The County does provide CDBG funding for Public Housing Modernization. This support of multi-family housing has created a partnership with the Housing Opportunities Commission (HOC), the County's Public Housing Authority.

As noted on its website and printed material HOC rents townhouses, condominiums and single family homes at reduced rates to people with low and moderate incomes. Located in dozens of neighborhoods throughout the County, all of the units have been built since 1986.

HOC's affordable housing programs offer below-market rents and others which base their rent on 30% of the household income. Included are:

In-House Section 8
Project-based units in which the subsidy is applied to the unit and is not transferable.

Section 236
Rent is based on 30% of income or a base-rent.

Privately-Owned Developments
Below market rents for households with modest income.

Rental Supplement Program
Developments that participate in the County-sponsored Rental Supplement Incentive Program.

Section 8/Mod Rehab
Provides units for very-low income households, but also moderate market rate units.

Opportunity Housing
Rents are moderately priced; some below market rates.

Affordable Scattered Site Units
HOC owns units throughout the County which are rented at below market rates.

For the Elderly/Disabled
Specialized housing programs for the elderly or people with disabilities.

HOC must provide a certification with its Public Housing Plan that it is in conformance with the County's Consolidated Plan. This underscores the HOC commitment to affordable rents.

Geographic Distribution

Page 11 of this report contains a map of low and moderate income areas by block group. These are the areas of direct assistance. Figure 15 below shows the current participating and non-participating

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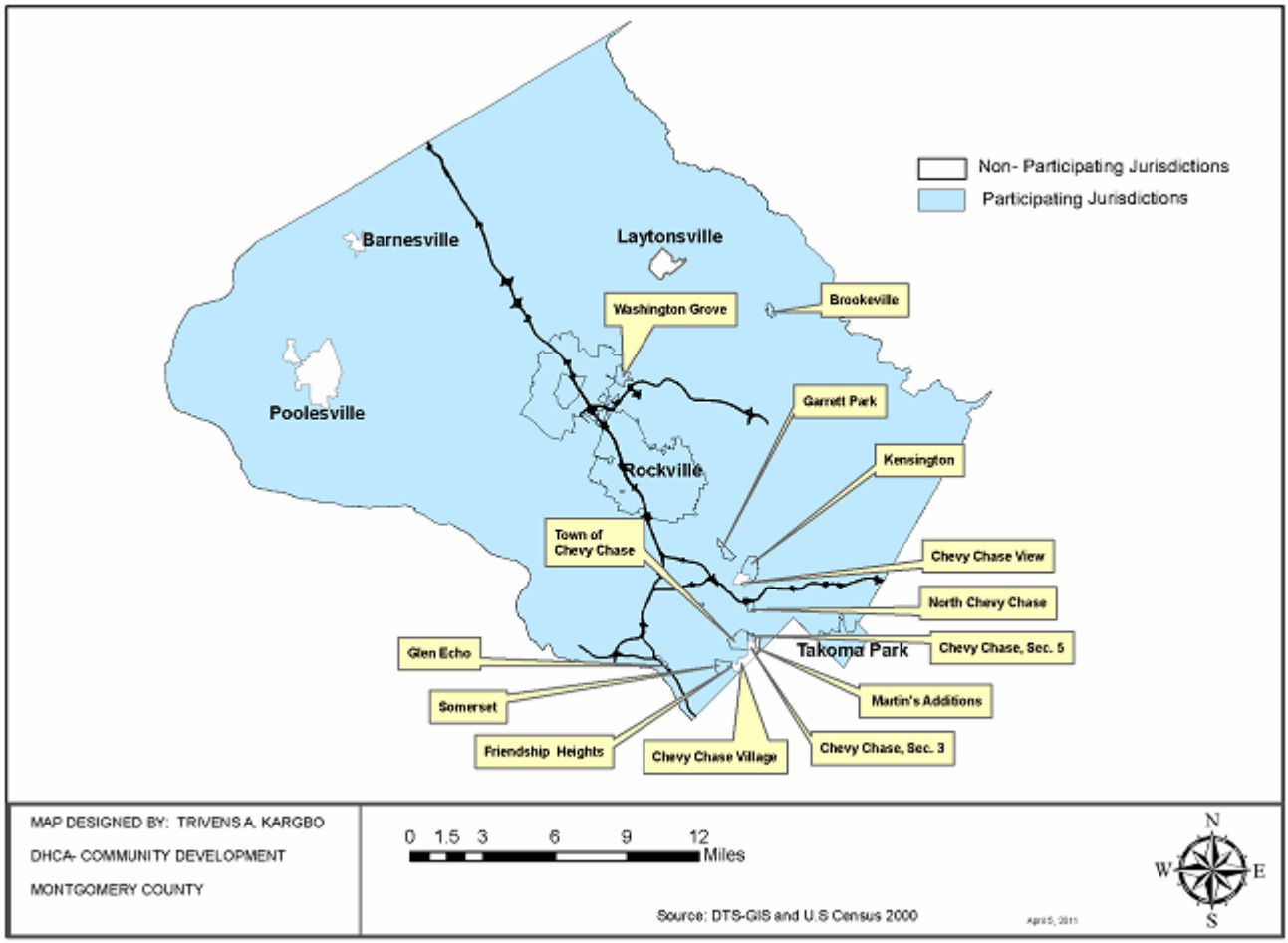
jurisdictions. County CDBG funds can not be spent in the non-participating jurisdictions of Town of Barnesville, Village of Chevy Chase (Sec. 3), Chevy Chase View, Chevy Chase Village, Town of Laytonsville, Town of Poolesville, and the Village of Martin's Additions. Cooperation agreements are executed with participating jurisdictions every three years and were last renewed for County fiscal years 2012-14, covering the period July 1, 2011 through June 30, 2014. A separate section of this report (Housing and Market Analysis) details areas of minority concentration. In terms of HOPWA, residents throughout the County are eligible based on need. There are no target areas in the County.

Figure 15: Participating Jurisdictions



Neighborhood Stabilization Program

In 2009, the Federal Government awarded Neighborhood Stabilization Program (NSP) funds nationally to states and local governments to address the national housing foreclosure problem. Montgomery County received $2,073,965 of NSP funds as a direct allocation and an additional $4,214,360 in NSP funds from the state of Maryland's "Neighborhood Conservation Initiative Program" (NCI) through a competitive process. Montgomery County also allocated a maximum of $815,000 in Community Development Block Grant (CDBG) funds toward this effort.

Montgomery County's Department of Housing and Community Affairs established a partnership with the Housing Opportunities Commission (HOC), the local Public Housing Agency, to use the above described funds to acquire, renovate, and lease foreclosed homes to families with incomes less than or equal to 50% of the Area Median Income. A total of twenty three homes were purchased, all of which were renovated and are now rented to eligible families. Renovations included energy saving modifications in HVAC systems, appliances, etc., as well as bath and kitchen upgrades to reduce maintenance costs. These homes will remain as affordable rental units for low-income larger families, for which there is a pronounced shortage in the local rental market.

Housing Opportunities for Persons with AIDS (HOPWA)

"Annual funding from the Department of Housing and Urban Development's Housing Opportunities for Persons with AIDS (HOPWA) is provided to the State of Maryland for the service area to include Caroline, Dorchester, Kent, Somerset, Talbot, Wicomico and Worcester counties on the Eastern Shore; Allegany, Garrett, and Washington counties in Western Maryland; Montgomery and Frederick counties in Central Maryland, and Charles County in Southern Maryland. The project funds tenant-based rental assistance for person living with HIV/AIDS whose income is at or below 80% of the mean income in their county of residence. The services include a housing care plan to assist individuals in obtaining permanent stable housing." This section is taken from the report of the Department of Mental Health and Hygiene, accessed on this page on April 3, 2012: http://grants.maryland.gov/Pages/AnnualReport.aspx.

As addressed in Section 210(c) of the FY2009 Appropriations Act, HUD has the authority to honor an agreement between the city that is initially designated to be a formula grant recipient and their state giving the state the right to assume the grant responsibility for the initially designated grant recipient. The City of Frederick is the grantee for the Bethesda-Frederick-Gaithersburg, MD Metropolitan Division (part of the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area) that consists of Montgomery County and Frederick County. The City has reassigned the award to the State of Maryland. The Housing Authority of the City of Frederick and the Department of Health and Human Services in Montgomery County remain the program sponsors for Frederick and Montgomery County, respectively.

Maryland's Department of Housing and Community Development (DHCD) works with the AIDS Administration in the Maryland Department of Health and Mental Hygiene (DHMH) in carrying out the functions of the program. DHCD provides the housing component through rental assistance payments, while the AIDS Administration provides supportive services. The AIDS Administration contracts with the Montgomery County Department of Health and Human Services (DHHS) to provide long-term rental assistance. In addition, low-income Montgomery County residents with HIV/AIDS who receive HOPWA assistance receive case management services through DHHS. These individuals are linked with local providers who support their social service needs, which may include medical care, addiction services/treatment, referrals for counseling, emergency financial assistance, home health care aide services, and assistance with rent, moving, utility, and other expenses. Non-homeless persons with special needs, such as those with mental illness, substance abuse problems, or developmental disabilities also receive assistance from the AIDS Administration.

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