

July 1, 2009 – June 30, 2010

**CONSOLIDATED PLAN FOR
MONTGOMERY COUNTY, MARYLAND**

Background

This Plan sets forth overall needs for community and economic development, including affordable and supportive housing; it also identifies the needs of special populations, such as the homeless and persons with disabilities. The Consolidated Plan provides a comprehensive strategy for addressing identified needs that relies on both public and private resources and participation by and coordination with all interested parties, with an emphasis on citizen input. A federally-approved plan is required of all states and local jurisdictions entitled to receive federal funds under the following programs:

- Community Development Block Grant (CDBG)
- Emergency Shelter Grant (ESG)
- HOME Investment Partnership (HOME)
- Housing Opportunities for Persons with Aids (HOPWA)

This Action Plan specifically identifies how funds received for the year will be spent to meet the priority needs identified in the Consolidated Plan.

For the fiscal year July 1, 2009 - June 30, 2010, Montgomery County has been notified by HUD, that upon approval of its Consolidated Plan/Annual Action Plan, it is eligible to receive the following amounts (which include program income):

• Community Development Block Grant (CDBG)	\$ 5,667,818
• HOME Investment Partnership (HOME)	\$ 2,863,177
• Emergency Shelter Grant (ESG)	<u>\$ 226,875</u>
	\$8,757,870

Housing assistance for persons with HIV/AIDS is provided based on metropolitan (and non-metropolitan) service areas through the Housing Opportunities With AIDS (HOPWA) program. In Maryland, there are four metropolitan service areas which help provide housing assistance to persons with HIV/AIDS, including the Washington, D.C., which assists persons living in Prince George's, Charles, and Calvert Counties; Baltimore City, which helps persons living in the City as well as Anne Arundel, Baltimore, Carroll, Harford, Howard, and Queen Anne's County's; the City of Gaithersburg (administered by the State of Maryland), which serves Frederick and Montgomery Counties; and Wilmington, Delaware, which serves Cecil County. The State of Maryland also serves the remaining counties, including Allegany, Caroline, Dorchester, Garrett, Kent, Saint Mary's, Somerset, Talbot, Washington, Wicomico, and Worcester. Montgomery and Frederick Counties represent 20% of the State's population and 7.5% of the living cases of HIV in the State. The AIDS Administration contracts with the Montgomery County

Department of Health and Human Services to provide long-term rental assistance through the HOPWA program in Montgomery County and with the Housing Authority of the City of Frederick to provide long-term rental assistance in Frederick County.

Housing Opportunities for Persons with AIDS (HOPWA)

Effective July 1, 2008, the City of Gaithersburg relinquished all grantee responsibilities under the formula HOPWA program first assigned to the City as the most populous jurisdiction in the Metropolitan Statistical Area (MSA) in FFY04. As of October 1, 2007 for Frederick County and April 1, 2008 for Montgomery County, the State of Maryland's AIDS Administration assumed all grantee responsibilities for this Metropolitan Division.

The City of Frederick is the grantee, and just as Gaithersburg had done, reassigned their award to the State. Despite very close population shifts among Frederick, Gaithersburg, and the City of Rockville, as long as the federal legislation allows, it is likely that the State of Maryland will retain grantee authority.

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.

In addition, low-income Montgomery County residents with HIV/AIDS who receive HOPWA assistance receive case management services through the Department of Health and Human Services. 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.

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.

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, 2009. 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 joint 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 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 its residents. 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.

The Consolidated Plan relies, in part, on software that allowed the county to create many of the graphics that are included in this document. In an attempt to make this document available for review/comment by as many interested individuals/groups as possible, draft copies were placed in regional government centers with the public being informed by local newspaper advertisements (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 was available on the County's website at:

<http://www.montgomerycountymd.gov/Content/DHCA/index.asp>

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 Relations Commission (HRC) is the lead county agency responsible for directing activities to further fair housing.

The Housing Opportunities for Persons with Aids (HOPWA) program is administered regionally. Montgomery County is now part of the newly created Bethesda-Frederick-Gaithersburg Division, which consists of Frederick and Montgomery Counties. HUD designated 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 later in this document. A summary of activities proposed to be undertaken is provided later in this document.

Housing and Market Analysis

Montgomery County, Maryland is an exceptional community. It combines vibrant, exciting and diverse urban centers with attractive suburban neighborhoods and a beautiful and productive agricultural landscape. The County is home to almost one million individuals, making up 18% of Maryland's entire population. It is home to the largest concentration of residents holding a Bachelors degree of any community with a population over 50,000, and it encompasses nearly 500 square miles of land. The economy and community commitment are among the strongest in the nation. The cultural arts environment continues to expand. No longer can it be described as a "bedroom community" to the nation's capital. The attraction is based upon much, including an excellent school system, public services, job availability, well-maintained neighborhoods, and commercial centers. The downside of being one of the most desirable communities in the nation in which to live is the increased inflationary pressures on the County's housing stock. 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 Montgomery Housing Initiative Fund (HIF), a model trust fund, our current efforts do not sufficiently address the affordable housing crisis that we now are facing. Indeed, the scope of the affordable housing issue is substantial, encompassing a wide spectrum of income levels from the homeless and special needs populations, well into the range of the middle income workforce. The difficulty, and in some cases the impossibility, of finding affordable housing here has reached catastrophic proportions. The County's Department of Health and Human Services (DHHS) maintains a list of properties that registered and licensed and available to persons with special needs.

To address these issues, Montgomery County Executive Isiah Leggett formed the Affordable Housing Task Force by issuing Executive Order 84-07 on February 28, 2007.

Recognizing that the increasing lack of affordable housing will have crippling effects on Montgomery County's residents, communities, and economy, County Executive Leggett brought together a group of dedicated representatives and individuals from all sectors of Montgomery County and the region to form the task force. Housing experts and advocates, representatives of the financial and development industry, builders, housing providers, planners, community members and representatives of governmental departments and agencies all came together to consider the issues and potential solutions. In last year's Consolidated Plan, it was noted that under the County Executive's leadership, the **Report and Recommendations Montgomery County's Affordable Housing Task Force** (dated March 2008) was highlighted. A series of strategies and recommendations were produced.

The following provides the status of the implementation of the recommendations of the Affordable Housing Task Force.

ISSUE 1: PRESERVE AFFORDABLE HOUSING

Recommendation: Create a Short Term Property Acquisition Fund.

Implementation: Develop and fund an instrument to provide short term acquisition financing for public, nonprofit, and for-profit agencies.

Status and Timeline:

Completed January 2008: Technical Paper developed by Affordable Housing Task Force.

Completed July 2008: FY 2009 Budget includes \$25M Bond issue for Housing Initiative Fund to support acquisitions.

January 2009: First use of the Acquisition Fund – a \$3,635,000 loan to Montgomery Housing Partnership for the purchase of Maple Towers apartments.

Recommendation: Create a revolving equity fund.

Implementation: Develop legislation to create a revolving equity fund and incorporate a managing board.

Status and Timeline:

Completed January 2008: Technical Paper developed by Affordable Housing Task Force.

Spring/summer 2008: met with OMB and financial consultants

Winter/spring 2009: Identify structural needs and timeline for implementation of fund, and assess impact of the current economy on fund potential.

Winter 2009/10: Prepare FY 2011 Budget to include Bond financing for fund.

Recommendation: Work proactively with owners of developments that provide affordable housing

Implementation: Create an "early warning system" to head off the loss of affordable housing inventory.

Status and Timeline:

Ongoing: DHCA has updated its comprehensive list of price and income controlled multifamily properties to include federal, state, and County assisted and regulated multifamily housing. Staff is presently verifying the accuracy of all information so the list can be converted to a searchable, geocoded database. DHCA also maintains close contact with apartment owners and industry and owners to get advanced notice of potential sales. DHCA, by law, is notified of contract sales or conversions of multifamily housing.

Implementation: Develop a range of tools and incentives that can be used to preserve endangered affordable housing.

Status and Timeline:

Ongoing: DHCA is making use of the new HIF acquisition funding, and continuing to use Housing Code Enforcement, Multifamily Rehabilitation Loans and assignment of right-of-first-refusal contracts to nonprofit housing providers to promote extended affordability in housing developments.

ISSUE 2: CREATE AFFORDABLE HOUSING

Recommendation: Add “Increasing Affordable Housing” as a new objective in all master plans.

Implementation: Secure an agreement with M-NCPPC to address affordable housing in all future master and sector plans.

Status and Timeline:

Completed: DHCA now comments on all master and sector plans, advocating that affordable housing be addressed in the plans, and that M-NCPPC establish an “affordable housing goal” in each plan area.

December 2008: Met with M-NCPPC Planning Director and staff to discuss this recommendation and develop joint steps to achieve goal.

Recommendation: Investigate and Implement the use of an affordable housing impact fee or a reasonable alternative on all new non-residential development.

Implementation: After research and analysis of other jurisdiction’s programs, draft legislation.

Status and Timeline:

Completed January 2008: Technical Paper developed by Affordable Housing Task Force.

December 2008: Met with M-NCPPC Planning Director and staff to discuss this recommendation and develop joint steps to achieve goal.

September 2009: Establish group to develop work program and implementation timeline (DHCA, M-NCPPC, DED, Chamber of Commerce).

Recommendation: Create a more attractive planning and economic environment for the development of affordable housing.

Implementation: Develop zoning text amendments to increase heights, densities, FAR, and provide more flexibility.

Status and Timeline:

Completed January 2008: Technical Paper developed by Affordable Housing Task Force. Completed August 2008: ZTA 08-08 becomes effective allowing additional height in the Fenton Village Overlay Zone for Workforce Housing.

Continuing: Study and draft ZTAs to respond to additional needs for height, density and flexibility.

December 2008: Met with M-NCPPC Planning Director and staff to discuss this recommendation and develop joint steps to achieve goal.

Implementation: Develop amendment to the zoning process to allow zoning map amendments in a more timely manner

Status and Timeline:

January 2009: Met with Planning Board Chairman and M-NCPPC Planning Director to discuss the AHTF recommendation that may be addresses in the zoning ordinance rewrite.

Implementation: Amend subdivision and site plan process to consolidate reviews of Affordable Housing.

Implementation: Amend impact tax laws to allow additional tax waivers for Affordable Housing.

Status and Timeline:

December 2008: Met with M-NCPPC Planning Director and staff to discuss these recommendations and develop joint steps to achieve goal. Expansion of waivers of impact fees for workforce and market rate units in an affordable housing development was discussed.

Recommendation: Reduce parking requirements for housing developments.

Implementation: Develop a zoning text amendment to revise parking requirements in certain areas.

Status and Timeline:

Completed January 2008: Technical Paper developed by Affordable Housing Task Force.

July 2008: Discussed issue (briefly) with Council Transportation & Environment Committee as part of overall review of County parking requirements

3rd Quarter FY 2009: Convene working group (DHCA, DOT, RSCs, MNCBIA)

4th Quarter FY 2009: Draft and submit ZTA amending parking requirements

Recommendation: Develop a comprehensive inventory of all publicly owned sites and properties.

Implementation: Create inventory of sites and evaluate for potential development of affordable housing.

Status and Timeline:

Ongoing: The Office of the County Executive convened Department of General Services and Office of Risk Management, and M-NCPPC staff to develop a comprehensive inventory.

Implementation: Evaluate all capital development projects for potential inclusion of affordable housing.

Status and Timeline:

Ongoing: All capital development projects are now assessed for potential affordable housing development. Projects that are planned to include housing are the Silver Spring Library and the 3rd District Police Station. The RFP for the 2nd District Police Station asks for an option of including mixed income housing in a joint development

ISSUE 3: ADOPT REGULATORY REFORM

Recommendation: Expedite regulatory reviews.

Implementation: Amend development process to expedite review of affordable housing.

Status and Timeline:

Completed January 2008: Technical Paper developed by Affordable Housing Task Force.

December 2008: Met with M-NCPPC Planning Director and staff to discuss this recommendation and develop joint steps to achieve goal.

3rd Quarter FY 2009: Recommendations to CE

Recommendation: Permit accessory apartments by right, subject to conditions.

Implementation: Develop zoning text amendment to allow accessory apartments by right, adding conditions for administrative approval

Status and Timeline:

Completed, fall 2008: Review of past effort to permit accessory apartments by right
Continuing: Discussions with communities regarding conditions to be required for by right approval.

February 2009: Draft ZTA transmitted to Planning Director for discussions and informal review.

3rd Quarter, FY 2009: Recommendations to the County Executive.

Recommendation: Establish a centralized authority for affordable housing.

Implementation: County Executive should designate a single point of contact for coordination of affordable housing efforts.

Status and Timeline:

Completed: The County Executive has confirmed that the Director of the Department of Housing and Community Affairs is the designated staff person for coordination of affordable housing projects and programs.

ISSUE 4: ACHIEVE COMMUNITY ACCEPTANCE OF AFFORDABLE HOUSING

Recommendation: Promote well-designed, low-impact affordable housing to foster public acceptance.

Implementation: Work with M-NCPPC and DPS to promote good design and positive community impacts from affordable housing.

Status and Timeline:

December 2008: Met with M-NCPPC Planning Director and staff to discuss this recommendation and develop joint steps to achieve goal.

Spring 2009: Convene study group to develop County design guidelines for affordable housing development.

Recommendation: Develop and implement an extensive community support campaign.

Implementation: Through an PFP process, solicit a plan for the development and implementation of a public education program for affordable housing.

Status and Timeline:

Spring 2009: Review campaigns conducted in other jurisdictions.

Summer 2009: Develop and issue RFP for consultant services.

Winter 2009-10: Conduct public education campaign.

ISSUE 5: GOALS FOR AFFORDABLE HOUSING PRESERVATION AND PRODUCTION

Recommendation: Establish affordable housing preservation and production goals.

Implementation: Convene service providers and advocates to review and assess the County's current affordable housing productions goals and recommend new goals

Status and Timeline:

Spring 2009: Convene stakeholders to review existing annual production and preservation goals.

Summer 2009: Adopt revised annual production and preservation goals.

ISSUE 6: HOME PURCHASE ASSISTANCE FOR PUBLIC EMPLOYEES

Recommendation: Establish a program to assist county employees in purchasing a home in the County.

Implementation: Submit request for State enabling legislation to permit property tax, transfer tax, and recordation tax waivers for County employees.

Status and Timeline:

Completed fall, 2008: Convened stakeholders to determine steps for overcoming impediments to implementing home purchase assistance program.

Completed October 2008: Local Bill filed to permit Montgomery County to set rates and terms for abatement of property taxes, transfer taxes, and recordation taxes

Implementation: Initiate participation in the State House Keys 4 Employees (HK4E) program.

Status and Timeline:

Completed, October 2008: State DHCD approved County participation in HK4E program, announced by CE and Council President on 12/1/2008.

Completed, January 2008: Employee Closing Cost Assistance Program begun – administered by HOC. HK4E program becomes available to eligible County employees

OTHER ISSUES:

Amend Voluntary Rent Guideline to Reflect Owner-Paid Energy Costs

The apartment management industry has asked the Department to study an amendment to the County’s Voluntary Rent Guideline process to permit recognition of owner-paid energy costs. After reviewing available data sources on energy costs and the portion of residential expenses represented by energy, the Department has not found a uniform, documented data sources for such information. The Department does not believe that an equitable system for accounting for landlord paid utilities can be implemented. The Department, instead, will work with the industry to educate residents about energy costs and increase the energy efficiency of multifamily housing in the County. The 2009 Voluntary Rent Guideline was announced and was set at 4.4 percent.

Foreclosure rates have risen dramatically across the nation, and Maryland has not escaped the trend. From the 3rd Quarter of 2006 to the 3rd Quarter of 2007, foreclosure events in Maryland increased by 639 percent. The climb is expected to continue this year as many of the adjustable rate mortgages issued in recent years reset to higher interest rates. It is estimated that 33,000 Maryland homeowners are expected to face interest rate resets this year.

Governor O'Malley announced initiatives that include the “Bridge to HOPE” Loan Program, which provides small gap loans at zero percent interest to homeowners facing difficulty, giving them time to get back on their feet or find a solution. The statewide program is administered by the Maryland Department of Housing and Community Development’s Community Development Administration (CDA).

Governor O'Malley also announced an emergency regulation that makes Maryland the second state in the country to require loan servicers to file detailed monthly disclosure reports about their loss mitigation and loan modification efforts. The reports outline the precise nature and extent of the actions being taken to assist homeowners who have defaulted on loans.

Governor O’Malley’s legislative package and regulatory proposals included legislative and regulatory proposals and bills that:

Improve the regulation of mortgage industry professionals and reform lending practices by:

Banning pre-payment penalties for sub prime loans;

Assuring a borrower's ability to repay a loan and verify sources of income; and

Increasing the mortgage licensing requirements, including the surety bond requirement for mortgage lender licensees and institute a minimum net worth requirement.

Create a criminal mortgage fraud statute that covers all potential actors engaged in mortgage fraud.

Modify the Protection for Homeowners in Foreclosure Act (PHIFA), which was passed in 2005, by banning the conveyance of real property in the foreclosure rescue context.

Reform the foreclosure process by:

Requiring a lender to wait 90 days after default before filing the foreclosure action;

Sending a uniform Notice of Intent to Foreclose to the homeowner 45 days prior to filing an action; and

Requiring personal service to notify a homeowner of impending foreclosure and require that a sale may not occur for 45 days after service.

Reform lending practices in Maryland by:

Requiring a duty of good faith and fair dealing for mortgage industry professionals;

Requiring brokers and lenders to show a reasonable net tangible benefit for borrowers when refinancing;

Tracking rates of default and foreclosure of mortgage industry professionals; and

Strengthening the experience requirement to obtain a license.

Housing Supply and Costs

The median sales price of a new single-family detached home jumped sharply in the first quarter of 2007, topping \$1.1 million for the first time. The median sales price for all types of housing in Montgomery County's increased 8 percent overall in July while home prices were flat for the rest of the Washington, D.C. metro region. At \$490,000, Montgomery County's median sales price was the region's highest. (*Washington Business Journal*, August 10, 2007)

First quarter 2007 home sales volumes were below levels from the same period in previous years. Most in demand in first quarter 2007 were used single-family detached units, followed by used condominiums and used single-family attached units.

According to the Office of Federal Housing Enterprise Oversight (OFHEO), home price appreciation in the Washington, D.C. region is ahead of the national average. Maryland posted the strongest gain in the region. (*Washington Business Journal*, May 31, 2007)

Source: M-NCPPC, Research & Technology Center

There are currently 1,547 public housing units in Montgomery County.

Household Income

Census figures indicate that compared with other affluent major metropolitan areas, the Washington metro area “ranks first in median income among blacks and non-Hispanic whites, and the regions’ Hispanics and Asians rank second. (*Washington Post*, September 2, 2007)

Household Size

Maryland National Park and Planning Commission 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 an up-tick to 2.70 in 2003. The average household size of single-family homes crossed the 3-person mark (3.04) and multi-family units stayed just shy of 2 people (1.96). The increasing multi-family household size points to more families living in multi-family dwellings and the appeal of luxury condominiums to empty nesters (i.e., parents ages 45 to 64 that no longer have children living at home). Average household size reflects the household’s life stage typically demarcated by the age of the household head. The largest average household size, 3.29, occurs in households where the householder is 35 to 44 years old, coinciding with the life stage when more children are present in the household. The large family size of this age group occurs in both single-family structures, averaging 3.68 persons per household, and multi-family households, at 2.35. For single-family householders 25 to 34 years old, the average household size increased from 2.87 in 1987 to 2.98 in 2003.

Characteristics of Montgomery County’s current housing stock are summarized in the following table:

Number of Households
(2006 Research Center)

	Number	Percent
Total	350,000*	100.0
Owner-occupied	260,005	74.3
Renter-occupied	89,995	25.7

*Forecast for 2010 is 362,000

In documenting the high housing cost facing residents, the 2000 U.S. Census reported Montgomery County as having the highest average homeownership and rental costs in Maryland. In 2003, the average monthly ownership cost (including principal, interest, taxes, and insurance) for homeowners is \$1,436; the most costly option, single-family detached houses average \$1,672 per month while garden condominiums averaging \$883 offer the most affordable ownership choice. Average rental costs range from \$950 for garden apartments to \$1,541 for single-family detached houses – the overall average rental costs is \$1,060 in 2003. Since rental households typically have a lower median household income than homeowners, rental households are more likely to incur an excessive housing cost burden. Excessive housing burden is defined as a household spending more than 30 percent of its annual income on housing costs – either contract rent or mortgage costs. Only 14.1 percent of homeowners in 2003 report mortgage outlays exceeding 30 percent of income, compared to 37.7 percent incidence among renters who pay the same percentage of income for contract rent.

More than 16,000 housing units in Montgomery County receive some form of government assistance that results in below-market rents. In addition to subsidized housing developments, there are also unassisted housing developments and households able to locate housing in the private market made affordable through use of federal rental assistance. Currently, Montgomery County uses over \$100,000 in HOME funds for tenant-based rental assistance in conjunction with State Rental Allowance Program funds to assist approximately 40 households each year.

Housing - Preservation/Rehabilitation

The housing stock is aging as the county is predominantly built out. 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 must be addressed. It is estimated that up to 1,050 project based Section 8 units could be lost in the next few years as a result of expiring subsidies and prepayments.

Lead Hazards

Lead-based paint has become a critical issue that must be dealt with on a priority basis that will create pressure on limited budgets. It is estimated that to date in excess of \$1,000,000 of State and County funds have been committed to projects under contract for lead abatement. DHCA is currently testing pre-1978 structures for lead paint as required by HUD when using CDBG and HOME funds. The lead paint emphasis will increase the complexity and cost of future housing rehabilitation efforts.

The State of Maryland and Montgomery County continue to focus on identifying and correcting health risks created by the presence of lead in paint and water. Maryland has enacted Lead Laws based on primary prevention and has established a standard of care for lead hazard reduction that must be met at each rental turnover for residences built prior to 1950. There is a mandatory Lead Rental Registry for these properties and Full Risk Reduction Inspection Certificates for these properties are required.

Maryland has also established a Childhood Lead Screening Program to promote and provide lead poisoning screening of children in areas of highest risk. Maryland Department of Health and Mental Hygiene (DHMH) has collaborated widely with organizations including the University of Maryland, Maryland's Department of the Environment (MDOE), and the Lead Health Advisory Group and used Center for Disease Control (CDC) guidelines to develop a model for predicting areas of lead paint exposure risk. Four housing variables were found to be predictive, 1) percent of pre-1950 housing, 2) median housing value, 3) poverty index, and 4) percent of homes built between 1950 and 1980. This predictive model classifies census tracts into four levels of risk; high-, moderate-, low-, and negligible-risk (which are generically classified as "at risk") and negligible risk. In Montgomery County, zip codes 20912 and 20913 are "at risk," largely because a large percentage of these buildings were built prior to 1978.

To encourage registration in the Lead Rental Registry, in early March 2004, Montgomery County's Department of Housing and Community Affairs' Division of Housing and Code Enforcement notified all pre-1950 Multi-Family Dwelling owners in zip code 20912 (an area at-risk for lead paint exposure) that failure to register their properties with MDOE by July 1, 2004 would result in denial of their annual Rental Facility License.

The county also funds a program to assist owners of pre-1950 rental housing to test for and mitigate lead paint risks with Housing Initiative monies. Owners of eligible rental properties of 100 units or fewer can receive a \$75 per unit rebate for XRF paint testing. If lead is found, owners can apply for low interest rehabilitation loans to make necessary repairs.

In addition to testing residences, children are tested for possible exposure to lead paint. Montgomery County Department of Health and Human Services (DHHS) recently implemented a requirement that all children who reside, or have previously resided in both "at-risk" zip codes provide documentation from a health care provider that they have undergone blood lead level testing prior to entering a public pre-kindergarten, kindergarten program or first grade. DHHS then initiates various activities based on evidence of any elevated blood levels in these children.

Domestic water is increasingly being scrutinized as a potential source of lead exposure in Montgomery County. Washington Suburban Sanitary Commission (WSSC), the county's public water utility company, has periodically tested single family residences for the presence of lead in the drinking water. Results of these tests continue to be negative, although WSSC has recently expanded the frequency and size of the sampling as awareness of the potential problem has grown, suggesting the water main distribution system for the domestic water is not contaminated. WSSC only uses chlorine to pre-treat the water for bacteria. Water supplies in adjacent Washington, D.C., which uses chloramines to pre-treat the water, have revealed much higher and more pervasive lead contamination in the water. Preliminary research suggests the more corrosive chloramines cuts through the layer of sediment that forms inside the water main, exposing the water passing through to any lead components that may have been used during construction.

Unlike the county's residential water supply, recent tests at several of the public elementary schools in the "at risk" areas have disclosed unacceptable levels of lead at a number of the faucets. In response, students are prohibited from drinking water from any outlet other than specified fountains, which are flushed for 15 minutes every 4 hours while wider testing is being conducted. Remedial measures will be taken in response to the level of contamination such testing may reveal.

Population Characteristics

According to the Montgomery County Department of Park and Planning since 1989, Montgomery County has been the most populous jurisdiction in Maryland. At the time of the 2003 Census Update Survey, the County's estimated total population figure was 925,000, a 6 percent increase from the U.S. Census Bureau's April 2000 estimate of 873,341. Over one-fifth of the Washington, D.C. metropolitan population resides in Montgomery County. Nationally, Montgomery County falls in the top 45 counties ranked by total population. The population forecast for 2010 is 966,000.

In 2000, its ranking of 49th just cracked the top 50-population size list; thus, Montgomery County's population size is increasing relative to all other counties. One of the emerging trends of this decade is a marked increase in the County's population growth compared to the 1990s. The two leading contributors to the County's sustained population growth are the unflagging record level of births (the historic pace of more than 13,000 births per year is expected to continue at least until 2010), and the influx of new residents from other states and immigrants from other countries. Montgomery County has

already gained almost 52,000 people since 2000, or approximately 15,900 people per year.

The Population Estimates Branch of the U.S. Census Bureau estimates 33,868 net international migrants moved to “gateway” Montgomery from April 2000 to July 2003. This is 46.7 percent of all immigrants that moved into Maryland during this period. In the state, the County’s only rival as a magnet for international migrants is neighboring Prince George’s County, which attracted fewer than half of Montgomery County’s net immigrants during the same period. Only births (42,796 between 2000 and 2003) exceed international migration as a component of the County’s growth.

This trend toward increased diversity is expected to continue and is resulting in an increased need for outreach and services to these minority populations, many of which do not have English as their native language.

The maps on the following pages denote the distribution of African-Americans, Asians and Hispanics in Montgomery County based on an analysis of 2000 census update information. The Maryland National Park and Planning Commission is the source of all demographic data in this section of the report unless stated otherwise.

The County identifies areas eligible for CDBG funding. A map of these areas follows the population maps referenced above.

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 more 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 concern and interest. In October, 2008 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.

Faced with a \$587 million budget gap in the coming year resulting from stagnant economic growth, rising unemployment, a faltering housing market and less assistance from the State of Maryland, Montgomery County Executive Isiah Leggett announced his recommended \$3.83 billion tax-supported operating budget for the fiscal year (FY) that begins July 1, 2009.

The budget protects public safety, education, and the County’s safety net for the most vulnerable, while cutting costs by eliminating nearly 400 government positions, providing no cost-of-living pay raises (COLAs) to public employees, realizing cost savings from all County departments and reducing expenditures in the capital budget.

This budget keeps faith with Leggett's commitment to hold the line on property taxes at the Charter limit, including a credit of \$690 to lower the burden on homeowners and maintain a more progressive property tax. Under the recommended budget, the property tax rate remains unchanged. Both the real average household County tax burden and County taxes as a share of personal income fall to their lowest levels since 2004.

Leggett's budget brings the County government's tax-supported growth rate down from a 14.1 percent increase in FY07, the year before he took office, to less than zero – an actual decrease of 0.4 percent for the coming fiscal year – the lowest level in 18 years.

Funding will continue for the community-based Centro Nia pre-kindergarten program for 40 three- and four-year-olds to better prepare them for school. The budget also includes funding to relocate and modernize the Outpatient Addiction Services clinic and continue support for the Family Justice Center, a one-stop assistance center for families affected by domestic violence.

The County Executive is recommending community grants totaling \$2.9 million for nonprofit organizations that assist County agencies in addressing human service needs. The budget continues vital services to keep seniors independent in the community for as long as possible, maintaining home aide services and providing \$134,000 for over 24,000 meals at senior centers.

During times of fiscal and economic challenges, creating **affordable housing** and preserving the County's current affordable housing stock becomes even more critical. Leggett's budget includes an investment of nearly \$58 million in the Montgomery Housing Initiative Fund for acquisition and rehabilitation of the County's affordable housing stock, an increase of \$3 million over last year's level

As part of the Consolidated Plan planning process, all jurisdictions are required to identify priority needs. In identifying these needs for this program year, emphasis is being placed on the preservation of affordable housing units and economic development. The county is an active partner with the State of Maryland in a number of activities promoted through the State's Smart Growth Policy. This policy fosters economic vitality and improves the quality of life by maintaining and improving infrastructure and services in existing communities. The initiatives that have been undertaken under the Smart Growth Policy include, but are not limited to, Main Street Maryland, the Neighborhood Business Development Program, Enterprise Zones (businesses which locate in designated areas receive tax advantages) and Business Assistance and Permit Coordination. These programs offer the opportunity to leverage county funds. The State has made it clear that funding for economic development activity is available for use by the county in those areas designated as Smart Growth Areas.

Montgomery County has been selected for Economic Development Initiatives, Special Purpose Grants which are administered by HUD and targeted to support the revitalization effort in Silver Spring. Funds will be used for construction and financial incentives to attract other businesses to the area.

The county has incorporated several financing mechanisms to create successful public/private partnerships in commercial areas. The Facade Easement and Storefront Canopy programs are designed to encourage property owners and business operators in targeted areas to improve the physical condition and visual appearance of their buildings. The Facade Easement Program is geared toward more extensive exterior improvements, while the Storefront Canopy program is designed for improvements at a minimum cost. Staff also works with property owners and business operators to secure financing from private and public sources for improvements. Other financing tools are available through the County's Department of Economic Development, the Maryland Department of Business and Economic Development, the Maryland Department of Housing and Community Development, and the U.S. Small Business Administration.

Recently, areas where this leveraging approach has been highly successful include: the Kensington, Wheaton, and Silver Spring. The private sector has met the challenge to reinvest and has been an active partner in making positive changes.

The County's commercial revitalization effort:

- Demonstrates the county's commitment to its older commercial areas;
- Encourages the infusion of private investment;
- Optimizes public investment;
- Capitalizes on efforts of local business and civic organizations;
- Builds on momentum;
- Provides a catalyst for commitment from both the public and private arenas; and,
- Leverages county resources.

This partnership arrangement is based on a team effort that assumes a benefit will be achieved when both parties (i.e., public and private) assume some of the risk. Business owners and investors understand this concept.

A summary of key, priority needs for Montgomery County is provided below:

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.

Twenty point nine percent of all Montgomery County households reside in garden apartments. Only single-family homes account for more households. Garden apartments are primarily rental units, and are most affordable among the various types of housing in the county. Garden apartments also have the most diverse population. The African-American population accounts for 27% of garden apartment residents. This is twice the proportion for the county as a whole. Hispanics also represent a higher percentage of residents of garden apartments than their numbers for the entire county's population.

Only 10% of the Montgomery County household population lives in high-rises. However, this population, as opposed to residents of garden apartments, is twice as likely to be over the age of 65, and four times as likely to be older than 75. Residents of high-rises are overwhelmingly white, (62.6%), and over 50% of these residents have a bachelor's degree or higher. One person households comprise 55.8% of the households residing in high-rises. Over 58.7% are non-family households. Their median income is 68% of the median county income and 29% earn under \$30,000 per year. Sixty-eight point nine percent of high-rise households are renters, and 48.2 % pay in excess of 25% of their income for housing.

High-rise renter households face a greater threat of shelter poverty than any other group of residents in the county. While garden apartment households also pay a substantial portion of their income for housing, high-rise households are 20% more likely to face this situation.

Data on income limits is provided below:

The median household income in Montgomery County is \$102,700 as of February, 2009.

Family Size	Extremely Low (30% of median)	Low (50% of median)	Moderate (Section 8 Low)
1	\$21,550	\$35,950	\$44,800
2	\$24,650	\$41,100	\$51,200
3	\$27,700	\$46,200	\$57,600
4	\$30,800	\$51,350	\$64,000
5	\$33,250	\$55,450	\$69,100
6	\$35,750	\$59,500	\$74,250
7	\$38,200	\$63,650	\$79,350
8	\$40,650	\$67,800	\$84,500

Source: U.S. Department of Housing and Urban Development February 2009

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, but additional strategies need to be pursued to address this priority need.

Shelter and Services for the Homeless

For the homeless or those threatened with homelessness, housing choices are not only limited by affordability considerations but also by the need for supportive services. Preventing homelessness through early intervention, coordinated case management, and financial assistance were identified as 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 priorities as well. In 2005, 33% of the families in the shelter system population were identified as suffering from chronic mental illness, substance abuse or co-occurring disabilities; 43% of the families reported domestic abuse. Seventy-three percent of the single adult shelter population was identified as suffering from chronic mental illness, substance abuse or co-occurring disabilities. 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 were also 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.

The county is committed to serving homeless persons through the programs/information listed below. The Housing Opportunities Commission (HOC) does not provide emergency housing. The programs on this page are specifically for people that are homeless and have been referred to HOC by other participating organizations.

However, homeless households should also look into other [housing programs](#), for which they may qualify, including Public Housing and the Housing Choice Voucher program.

- [**Supportive Housing**](#)
- [**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.
- [If You Are Homeless or Facing a Housing Crisis...](#)

Anyone who is facing a housing crisis or is homeless should contact the [Montgomery County Department of Health and Human Services](#) located at 1301 Piccard Drive, Rockville, Maryland.

Montgomery County Department of Health & Human Services	Telephone
Families during normal work hours should call:	(240) 777-4550, Rockville (240) 777-3075, Silver Spring (240) 777-4448, Germantown
Families outside of normal work hours (24 hour service) should call:	(240) 777-4000, Rockville Crisis Center (240) 777-4815, TTY
Single persons should call (24 hour service):	(240) 777-4000, Rockville Crisis Center (240) 777-4815, TTY
Department of Housing and Community Affairs For help resolving a dispute with your landlord.	(240) 777-3609 (240) 777-3600

The local police department also provides information about the nearest crisis center.

An Interagency Housing Workgroup made up of public and private agency leaders has formed to study, develop and recommend policies to expand homelessness prevention efforts and housing options for households with incomes below 30% of the area median income (AMI) and who also have a disability, are homeless or are elderly. The workgroup determined that households with this very low income level and special needs require deep rental subsidies linked to appropriate housing supports and service coordination. The County Executive responded to this need in his Recommended Operating Budget by including funding to establish a supportive housing rental assistance program to provide “deep” housing subsidies (up to 80% of Fair Market Rents) for 75 special needs and homeless households.

Non-Housing Community Development

Montgomery County also places a high priority on cultivating a positive business climate through incentives to businesses which will result in job creation and retention, including support through economic and commercial revitalization activities. Capital projects including acquisition, renovation, and construction of public facilities and infrastructure improvements are components of this overall effort. Public services that support expansion of economic opportunities for persons of low and moderate-income and those with special needs, including employment, employment training, and other supportive services are a high priority as well.

Fair Housing

Actions to affirmatively further housing choices for all county residents are coordinated through the County's Office of Human Rights (OHR) and spearheaded by the Interagency Fair Housing Coordinating Group, an entity with both public and private sector representation.

Montgomery County will continue to work to address impediments to fair housing. Comprehensively 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 addressing impediments to housing choice through management and coordination of fair housing programs and activities and ongoing monitoring of legislation, policies and procedures.

Impediments to Fair Housing 2008 Updates

Impediment 1

Unfair Lending Practices

- The office of Human Rights is currently contracting for testing of lending institutions in Montgomery County. Anticipated completion of the lending tests is June of 2008.
- Results will be reviewed for appropriate legal, legislative or procedural action.

Impediment 2

Lack of Awareness

- The Office of Human Rights placed information and displays in all of the County Libraries during April (Fair Housing Month) to increase awareness of Fair Housing rights.
- The Office of Human Rights held a community awareness program (April 2008) to introduce the community to the issues in Fair Housing.
- The Office of Human Rights participated in numerous fairs, festivals and outreach programs throughout the year to increase awareness of issues in fair housing.
- The Office of Human Rights offered a quarterly seminar for property management professionals, real estate professionals and tenants to advise participants of their rights and responsibilities regarding fair housing.

Impediment 4

Lack of Available, Affordable Housing for Individuals with Disabilities

- The Office of Human Rights partnered with the Office of Disability Services to support the “Visit-Ability” and “Liv-Ability” programs for builders to build accessible housing for people with disabilities.
- The Office of Human Rights spearheaded support for legislation allowing single family homeowners to modify their residences to allow them accessibility.

Impediment 6

Shortage of Testing

- The Office of Human Rights continues to provide “in-house” matched pair rental testing throughout the County. The testing program estimates it will complete over 125 matched paired tests of rental units this year.

Strategic Plan

The County's Capital Improvement and Public Services programs 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 that are reproduced on the inside cover of this document.

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.

The Annual Action Plan for Fiscal Year 2010 included herein notes the activities that will be funded with CDBG, HOME and ESG dollars and provides specific information about each.

Performance Measurement

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.

Departments then identified "Headline Department Performance Measures," data to gauge (1) the extent to which the desired results are being achieved, and (2) the efficiency of each department in achieving its results.

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. More information can be found on the County's website at:

www.montgomerycountymd.gov/statmpl.asp?url=/Content/EXEC/stat/performance.asp

CONSOLIDATED ACTION PLAN PERFORMANCE MEASUREMENT OBJECTIVES

I. Suitable Living Environment

A. Outcome: Availability/Accessibility

Outcome Statements:

- *300 youth/children will have access to services that may include tutoring, mentoring and enrichment activities for the purpose of providing a suitable living environment.
- *350 elderly persons will have access to services which may include feeding programs, transportation, health services and job skills training for the purpose of providing a suitable living environment.
- *300 people with mental and developmental disabilities will have access to services that may include life and job skills development for the purpose of creating a suitable living environment.
- *3920 people will have access to social services that may include referrals for basic needs, healthcare, life and job skills training, and legal services for the purpose of providing a suitable living environment.
- *545 persons will have access to shelter and other support services for the homeless for the purpose of providing a suitable living environment.

- *2900 persons will have access to health care services for the purpose of providing a suitable living environment.

B. Outcome: Sustainability

- 5 communities/neighborhoods will have activities and services that may include streetscape enhancement, pedestrian links, and building and infrastructure improvements to create sustainability for the purpose of creating a suitable living environment.

II. Decent Housing

A. Outcome: Availability/Accessibility

- 60 households will receive housing rehabilitation loans and services that improve accessibility for the purpose of providing decent housing.
- 50 persons will have access to services that address impediments to fair housing for the purpose of providing decent housing.
- 10 new permanent supportive housing units for persons with special needs will be constructed or acquired that improve accessibility for the purpose of providing decent housing.

B. Outcome: Affordability

- 2 households will receive downpayment and closing cost assistance for the purpose of creating decent affordable housing.
- 35 persons will receive rental and utility assistance for the purpose of creating decent affordable housing and prevent homelessness
- 100 affordable housing units (Housing Production & Rehabilitation HOME and CHDO Housing Production and Public Housing Modernization) of housing will be created or preserved through work of CHDOs, public housing authority, and/or other private entities for the purpose of creating decent affordable housing for LMI households

III. Economic Opportunity

A. Sustainability

- 10 businesses will be assisted with façade treatment or building rehabilitation and loans in to create sustainability in targeted areas for the purpose of creating economic opportunity.
- funds will be used to implement a variety of projects on both the county and city levels that have been initiated as a result of receiving CDBG, HOME and ESG money and leveraging it with County, State and private funds.

*** estimates will be revised based on negotiated scope of service**

Sources of Funds

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 the County will again seek this funding.

The Montgomery County Executive in his recommended FY10 budget proposes local resources that address priority needs and specific objectives described in the Consolidated Plan. In particular, the FY10 proposed budget includes:

On **education**, the budget increases the Montgomery County Public Schools budget by \$38.5 million – a two percent increase – and fully funds all educational programs and nearly 99 percent of the Montgomery County Public Schools request – with a different mix of state and County resources. Because MCPS is receiving \$24 million in additional funding due to a State funding error last year, plus federal stimulus funds, the County will apply for a waiver from the State “maintenance of effort” requirement that will lower the County’s contribution by \$50 million while fully funding schools’ needs.

Ninety-five percent of the total tax-supported County spending increase requested goes to MCPS. The budget supports an anticipated student body of 140,500. Per pupil spending increases to a record \$15,149.

While reducing the Health and Human Services Department budget, hard decisions have been made to bolster **programs that assist the most vulnerable** in the county. The recommended budget sustains the most important commitments and makes improvements to other vital services.

The Montgomery Cares program, which promotes access to healthcare for the uninsured and has seen a 33 percent increase in visits over the past year, will increase the number of clients served annually to about 22,500. Staff was added to support the opening of the Linkages to Learning and School-Based Health Center at New Hampshire Estates Elementary School. Two sites will be established for an expanded emergency safety net program in low-income neighborhoods to ensure that individuals and families in crisis are connected to the appropriate services.

Funding will continue for the community-based Centro Nia pre-kindergarten program for 40 three- and four-year-olds to better prepare them for school. The budget also includes funding to relocate and modernize the Outpatient Addiction Services clinic and continue support for the Family Justice Center, a one-stop assistance center for families affected by domestic violence.

The County Executive is recommending community grants totaling \$2.9 million for nonprofit organizations that assist County agencies in addressing human service

needs. The budget continues vital services to keep seniors independent in the community for as long as possible, maintaining home aide services and providing \$134,000 for over 24,000 meals at senior centers.

During times of fiscal and economic challenges, creating **affordable housing** and preserving the County's current affordable housing stock becomes even more critical. Leggett's budget includes an investment of nearly \$58 million in the Montgomery Housing Initiative Fund for acquisition and rehabilitation of the County's affordable housing stock, an increase of \$3 million over last year's level.

The budget recommendations provide:

- An overall tax-supported budget of \$3.83 billion, representing only a 1.1 percent increase over FY09.
- A reversal in a 10-year trend by decreasing the tax-supported Montgomery County Government budget by 0.4 percent, a **reduction** of \$5.6 million from FY09.
- A total recommended budget (which includes debt service, grants and enterprise funds) for FY10 of \$4.42 billion, up nearly \$83 million over the FY09 approved budget, and a 1.9 percent increase, the lowest level of increase in 18 years.

Action Plan

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, 2009. 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 the appendix to the Action Plan.

A public hearing was held in October 2008, before the 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 in April 2009, 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.

**Community Development Block Grant (CDBG)
July 1, 2009 - June 30, 2010**

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) \$ 5,667,818

The county expects to receive \$5,067,818 in CDBG funds for Fiscal Year 2010, and with anticipated program income of \$600,000, an estimated total of \$5,667,818 in CDBG funds will be available for the following activities.

CAPITAL IMPROVEMENTS PROJECTS

Fenton Street Village Pedestrian Linkages \$ 50,000

This project provides funds for 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. The extended pedestrian network will ensure safe pedestrian connections from the public parking facilities in the interior of each city block to the businesses on Georgia Avenue, Fenton Street and the side streets.

Long Branch Pedestrian Linkages \$ 870,000

This project will provide for a series of linkages in the Long Branch community that will connect the high-density residential areas with the Village Center and other key activity/service centers such as the Long Branch Library and the Long Branch Community Center. Significantly, a new ADA accessible bridge will provide a safe, pedestrian accessible link between the Community Center and the Library. It will also stabilize, protect, and enhance existing streamside areas and preserve the natural character of the stream valley and improve pedestrian and bike circulation and accessibility in the Long Branch Village Center by connecting single-family and multi-family housing to playgrounds, the library and the community center pool complex.

South Silver Spring Pedestrian Linkages \$ 680,000

This project provides for a series of pedestrian links through large, awkwardly-shaped city blocks in South Silver Spring that will improve connections between existing

businesses, parking and Montgomery College, and planned, new commercial development, and over 1,000 new housing units. The objective is to overcome the inconvenience and isolation created by the unusually large block pattern in the area. These links will be created partly on Parking Lot District property and partly on private land.

Facility Planning **\$ 50,000**

A total of \$50,000 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 **\$ 100,000**

A total of \$100,000 will be used to cover an unanticipated design and construction related cost.

PROJECTS ADMINISTERED BY COUNTY GOVERNMENT

Department of Housing and Community Affairs (DHCA)

Façade Improvement, Sign and Canopy Program **\$ 50,000**

The funds will be used to improve commercial building facades through loans to owners of older commercial properties in targeted areas to make needed improvements.

Comprehensive Neighborhood Assistance **\$ 50,000**

The project will fund services and/or physical improvements in conjunction with other public and private initiatives in older, moderate-income neighborhoods to enhance the quality of life and address residents' concerns.

Demolition **\$ 30,000**

The project will be used to demolish condemned structures in the county.

Group Home Acquisition and Rehabilitation **\$ 150,000**

The project will continue providing loans to purchase properties by nonprofit organizations for use as group homes, and to provide rehabilitation and accessibility improvements for nonprofit group homes.

Housing Rehabilitation and Production **\$ 1,260,255**

The project will fund the County's ongoing rehabilitation program 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 energy conservation improvements. Some funds may also be used as financing to produce or preserve affordable housing in the county.

Public Housing Modernization* **\$50,000**

The project will be used for loans to the Housing Opportunities Commission (HOC) that will fund improvements to the County's aging public housing stock. HOC, through its long range planning process, has identified essential repairs that are needed at many of the 1,500 public housing units it manages.

Project Analysis and Engineering **\$ 105,000**
The funds will be used for project analysis and engineering studies associated with projects in revitalization areas.

NONPROFIT PROVIDERS

Circle of Rights, Inc. **\$7,000**
“Hispanic Stroke Support Group”

The project in first year funding to be used to support a stroke survivor support group and personal care assistant support group facilitated by Hispanic counselors with English interpretation primarily in the Gaithersburg area. An estimated 50 people will benefit.

Interfaith Works (formerly CMMC) **\$ 30,000**
“Supported Employment Program”

The project (see ESG for additional funding) in third year funding will be used to help homeless residents of Montgomery County achieve independence through employment and to help employers by providing qualified, dependable employees. The Countywide program will benefit an estimated 80 people.

Boat People SOS **\$25,300**
“Educational and Recreational Activities for Youth”

The project in first year funding will be used to support one full-time AmeriCorps volunteer and supervision time to carry out a youth enrichment program for 35 low-income Vietnamese youth in Montgomery County. An estimated 35 people will benefit.

CASA de Maryland, Inc. **\$20,000**
“Employment Rights/Legal Services Program”

The project in second year funding will be used to provide employment rights services through counseling, representation and education of low-wage workers who have not been paid their wages, as well as to domestic workers and victims of trafficking. The Countywide program will benefit an estimated 2,000 people.

Spanish Catholic Center, Inc. **\$20,000**
“English for Speakers of Other Languages”

The project in first year funding will be used to expand English for Speakers of Other Languages (ESOL) services to a new Germantown site. An estimated 150 people will benefit.

Career Transition Center, Inc. (CTC) **\$ 20,000**
“Transportation Supplement”

The project in first year funding will be used to supplement the amount of support CTC can devote to local transportation for the County’s job seekers. The Countywide program will benefit an estimated 100 people.

Eastern Montgomery Emergency Assistance Network **\$ 25,000**
“Networking Rx Assistance in Eastern Montgomery County”

The project in first year funding will be used to provide prescription medication to eligible low-income individuals who lack insurance coverage in Eastern Montgomery County. An estimated 80 households will benefit.

GapBuster Learning Center **\$ 35,000**
“Cross-Tutorial Mentoring Program”

The project in second year funding will be used to purchase supplies and educational material for each student, pay staff, provide incentives, and other operating costs associated with providing the Cross-Tutorial Mentoring Program. The Countywide program will benefit an estimated 90 people.

Habitat for Humanity of Montgomery County, Maryland, Inc. **\$ 45,000**
“AmeriCorp/VISTA Volunteer”

The project in first year funding will be used to assist residents acquire assistance. An estimated 8 households will benefit.

Independence Now, Inc. **\$ 25,000**
“Access to Success!”

The project in first year funding will be used to assist residents acquire assistive technology, minor home access modifications and minor vehicle modifications to empower them to be able to participate in their community. The Countywide program will benefit an estimated 30 people.

Legal Aid Bureau, Inc. **\$ 30,000**
“Legal Assistance for Housing Preservation”

The project in first year funding will be used to support one dedicated full-time attorney who will conduct community forums; provide outreach and education; and legal assistance to low-income residents who are at risk of losing their homes to foreclosure. The Countywide program will benefit an estimated 300 people.

Korean Community Service Center of Greater Washington, Inc. **\$ 25,000**
“Asian Minority Outreach and Services”

The project in second year funding will be used to assist low-income families, especially Korean, to become self-sufficient community members through promoting health and well being, ensuring stable housing, increasing service accessibility and achieving legal immigrant status. The Countywide program will benefit an estimated 1,530 people will benefit. Project includes \$20,000 from Montgomery County and \$5,000 from the City of Rockville.

Lutheran social Services of the National Capital Area **\$ 19,700**
“MC Placement & Matching Grant Employment Services Program”

The project in first year funding will be used to provide intensive case management and employment services to low-income refugee families with unemployed heads of households who are homeless or threatened with homelessness in Montgomery County. An estimated 250 people will benefit.

Liberty’s Promise, Inc. **\$ 30,000**
“Enriching Montgomery County’s Immigrant Youth”

The project in third year funding will be used to continue providing professional internship and civic education programs to low-income immigrant youth living in assisted or subsidized housing units. The Countywide program will benefit an estimated 50 immigrant youth.

Montgomery County Department of Health and Human Services **\$30,000**
“Get a Check-Up”

The project in first year funding will be used to expand on its prostate cancer screenings program by providing eligible low-income men with the appropriate screening, follow-up, patient navigation, and care coordination for suspicious prostate exam or symptoms. The Countywide program will benefit an estimated 300 people.

Maryland Vietnamese Mutual Association **\$ 20,000**
“Golden Age Project for Seniors”

The project in second year funding will be used to continue to help GAPS program to support healthy aging in-place for low-income Vietnamese Seniors through staffing for direct services, quality of life activities, volunteer recruiting efforts and translation fees. The Countywide program will benefit an estimated 100 people.

Mobile Medical Care, Inc. **\$ 30,000**
“Chronic Disease Care at Long branch Community Center”

The project in third year funding will be used to continue providing health care services, at the Long Branch Community Center, to individuals who need more intensive intervention and comprehensive education, training and support to help treat, control and manage their conditions. The program will benefit an estimated 800 people.

Montgomery County Coalition for the Homeless **\$ 45,000**
“Partnership for Permanent Housing”

The project in third year funding will be used to continue supporting case management services to Partnership for Permanent Housing households and assist them with maintaining housing stability. The Countywide program will benefit an estimated 400 people.

Muslim Community Center **\$ 20,000**
“Muslim Community Center Clinic for the Uninsured”

The project in first year funding will be used to pay the salary of a health care provider instructor and one administrative staff person. The Countywide program will benefit an estimated 200 people.

Pyramid Atlantic, Inc. **\$ 10,000**
“Y.E.S. (Youth Empowerment & Skills)”

The project in first year funding will be used to support an after-school and weekend job-readiness program serving Hispanic and African American teens. Activities include learning the elements of effective storytelling, the crafts of paper-making and bookmaking, researching future professions, plotting career paths and creating a power point presentation summarizing their aspirations. The program is concentrated on Silver Spring and will benefit an estimated 30 people.

The Shepherd’s Table, Inc. **\$ 21,000**
“Shepherd’s Table Eye Clinic”

The project in second year funding will be used to serve individuals who do not have eye care insurance and are in need of eye exams and eye glasses. The funds support the salary

of the Eye doctor and partial salary of a staff member who manages the program. The Countywide program will benefit an estimated 650 people.

Regional S. Lourie Center for Infants & Young Children \$ 27,000

“Community Resource Specialist for Lourie Center Early Head Start”

The project in first year funding will be used to provide individualized support for all families in the Early Head Start program who need to be connected to community services, such as citizenship, housing, employment, childcare, education and health services. The Countywide program will benefit an estimated 88 people.

Montgomery County MD Delta Alumnae Foundation, Inc. \$ 45,000

“Science, Technology, Engineering and Mathematic Saturday Academy”

The project in first year funding will be used to conduct a five week learning experience for African-American eight grade students in Science, Technology, Engineering, and Mathematics. The program will be designed as an effort to provide an engineering orientation experience for students from underrepresented segments of the population. The Countywide program will benefit an estimated 50 people.

Washington Youth Foundation \$ 45,000

“Professional Youth Initiative Program”

The project in first year funding will be used to support staff salaries and program operating costs. The Countywide program will benefit an estimated 370 students.

PROJECTS ADMINISTERED BY MUNICIPALITIES

CITY OF TAKOMA PARK \$ 135,000

Manna Food Center Inc. \$ 9,000

“Smart Sacks and Takoma Park Distribution”

The project will be used by the grantee to provide for weekly distribution of 320 boxes of food to low and moderate income residents of Franklin Apartments and other low income housing units in Takoma Park and backpacks of child friendly food to low and moderate income children attending local public elementary schools. A total of 725 people are expected to benefit.

Digital Bridge \$ 6,000

“Community Technology and Resource Center”

The project will be used to provide hands on computer training to low and moderating income households with emphasis on assistance to those who are unemployed or underemployed. A total of 75 persons are expected to benefit.

City of Takoma Park \$ 5,000

“Recreation Department Scholarship Program”

The project will be used by the City of Takoma Park for scholarships to income eligible City residents participating in before/after school programs in the City. A total of 9 persons are expected to benefit.

City of Takoma Park \$115,000

“Affordable Housing Initiative”

The project will be used by the City of Takoma Park to provide gap financing for the acquisition, demolition and/or renovation of existing housing, gap financing

for new construction and down-payment assistance. Projects may include and rental and ownership opportunities. A total of 12 households are expected to benefit.

CITY OF ROCKVILLE	\$ 299,000
Community Ministries of Rockville “Latino Outreach Program”	\$ 16,000
The project will be used to provide basic English classes and workplace instruction to empower foreign born community members in Rockville and surrounding areas. They will also help them become U.S. citizens through the naturalization component of the Latino Outreach Program. This service will assist approximately 150 individuals.	
Community Ministries of Rockville “Elderly Ministries Program”	\$ 12,500
The project will provide funds to support administrative expenses associated with providing case management to senior citizens and frail elderly residents of the City of Rockville. This service will be able to assist approximately 50 individuals.	
Rockville Housing Enterprises	\$ 70,000
The project will be used by Rockville Housing Enterprises for improvements to David Scull Courts. These improvements will benefit approximately 10 families.	
Single-Family Rehabilitation	\$ 200,500
The project will be used to provide low-interest loans and grants to income eligible homeowners who need financial assistance in eliminating major code violations. An estimated 15 families will benefit.	
CONTINGENCY	\$ 50,000
This fund will be available for operating expenditures to allow for emergency community development needs, and funding non-public service out-of-cycle requests.	
ADMINISTRATION	\$1,226,532
This will fund DHCA’s staff in planning, administration and monitoring of the CDBG program, including application review and staff support for a citizen's advisory committee, environmental reviews, contract preparation, payment processing and auditing, federal reporting and loan servicing.	

SUMMARY OF EXPECTED BENEFIT FROM CDBG PROJECTS

Persons	8,579
Households	146

**HOME Investment Partnerships Program (HOME)
July 1, 2009 - June 30, 2010**

HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) \$ 2,863,177

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 \$2,314,416, in funding for HOME projects, and together with anticipated program income of \$500,000, an estimated total of \$2,814,416 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. Additionally, as noted below, the County will also receive \$48,761 to support homeownership activities through the American Dream Downpayment Initiative.

PROJECTS ADMINISTERED BY COUNTY GOVERNMENT

Department of Housing and Community Affairs (DHCA)

Housing Production and Rehabilitation \$ 2,008,112

The project 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.

**Community Housing Development Organizations (CHDOs) \$ 347,162
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 (\$34,716) 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.

American Dream Downpayment Initiative \$ 48,761

Under this new initiative, low-income families will be eligible to receive grants of up to \$10,000 to purchase single-family homes.

PROJECTS ADMINISTERED BY NONPROFITS AND OTHER PUBLIC AGENCIES

CHDO Operating Assistance \$ 115,700

Five percent of the HOME allocation (\$115,700) will be used to fund the administrative costs of qualified CHDOs in Montgomery County. Montgomery Housing Partnership (MHP) will receive \$86,450 and Housing Unlimited will receive \$29,250. 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 **\$ 112,000**

Up to a total of \$112,000 may be used for a rental assistance program to match the State of Maryland's existing rental assistance program, which serves persons and households who are homeless or about to be homeless. Eligible households will be taken from a waiting list as required by HUD; the Montgomery County Housing Opportunities Commission (HOC) will operate this program.

Fair Housing Activities **\$ 37,000**

The fund will be used for fair housing activities, such as sales, rental and lending testing, education/outreach, training and research. Activities will be administered by the Office of Human Rights.

ADMINISTRATION **\$ 194,442**

The fund will be used to cover the county's expenses associated with operating the HOME Program. Combined administrative expenses represent 10.0% of the entitlement amount.

SUMMARY OF EXPECTED BENEFIT FROM HOME PROJECTS

Persons	85
Households	187
Units	400
CHDO's	2

**Emergency Shelter Grant (ESG)
July 1, 2009 - June 30, 2010**

EMERGENCY SHELTER GRANT (ESG) \$ 226,875

The ESG Program enables the county to provide housing and other services to persons who are homeless or in danger of becoming homeless. Although smaller than the CDBG or HOME programs, the ESG program serves an essential role in providing services to our neediest population, the homeless. The County expects to receive \$226,875 in the coming year for ESG projects.

PROJECTS ADMINISTERED BY DHCA

Homeless Prevention Assistance \$ 68,000

The fund will be used to provide homeless prevention assistance, including payments for rent and utility arrearages necessary to prevent eviction, as well as security deposits or first month's rent to enable persons who are homeless or at-risk of homelessness to secure housing. An estimated 80 people will benefit.

Shelter Renovation/Maintenance \$ 87,532

The fund will be used to renovate and/or maintain shelters serving the homeless in Montgomery County. An estimated 150 people will benefit.

NONPROFIT PROVIDERS

**Montgomery County Coalition for the Homeless \$ 45,000
"Partnership for Permanent Housing"**

The project will be used to relocate families, couples without children, and single adults directly from homeless shelters to permanent, subsidized housing. An estimated 100 people will benefit.

**Interfaith Works, Inc. \$ 15,000
"Supported Employment Program"**

The fund (and an additional \$30,000 in CDBG) will be used to continue to support a full-time Vocational Counselor to enroll up to 80 homeless clients in a Supported Employment Program to assist them to achieve independence through meaningful employment and to meet employer's needs by providing long-term, qualified, dependable employees. A total of 80 people will benefit.

ADMINISTRATION \$ 11,343

The fund will be used to cover the county's expenses associated with operating the ESG Program. Combined administrative expenses represent 5.0% of the entitlement amount. funds. The appendix of this report contains a letter agreement between the County and the City on this matter.

SUMMARY OF EXPECTED BENEFIT FROM ESG PROJECTS

Persons

550

This is a draft copy of the Department of Housing and Community Affairs (DHCA) Consolidated Plan. Copies are being sent to all Service Centers **for public review at the Center**. Those wishing copies or having questions may call DHCA, Federal Programs on **240-777-3674**. Public comment is accepted at any time, but should any citizen wish to have their comments included in the final copy sent to HUD he/she must **contact DHCA by 5:00 pm on May 11, 2009**