

**MEMORANDUM**

April 19, 2016

TO: Planning, Housing, and Economic Development Committee  
Health and Human Services Committee

FROM: Linda McMillan, Senior Legislative Analyst *LM*

SUBJECT: **FY17 Operating Budget: Housing Initiative Fund and Housing First**

**Housing Initiative Fund (HIF)**

**County Executive Recommendation for the FY16 HIF Appropriation**

The FY17-22 Fiscal Plan display for the HIF included in the Executive's FY17 Operating Budget is attached at © 1-2 and a multi-year table of HIF funding prepared by Council staff is attached at © 3.

- For FY17, the Executive's Budget recommends \$46,925,482 as the "Total Investment in Affordable Housing." This includes both funding appropriated to the operating and capital parts of the HIF (a non-tax supported fund).
- The total resources shown as funding this program is \$55,179,526 with the following components:

Beginning balance (FY16 rollover)	\$ 4,786,860
Transfer from the General Fund	21,767,940
Other non-CIP revenues	16,012,326
New CIP proceeds	13,409,000
CIP carryover, including repayments	2,591,000
Less end of year balance	-3,387,600
<b>TOTAL</b>	<b>\$ 55,179,526</b>
Less debt services and indirect costs	(8,254,044)
<b>TOTAL available for investments</b>	<b>\$46,925,482</b>

- Excluding debt service, funding for the HIF is increased by \$2,263,231 (5.06%) from the FY16 Approved.
- Debt service requirements for previously issued non-G.O. Bond debt is increased by \$754,200 (10.5%). As discussed in the CIP worksession, \$13,409,000 of the new funding for the Acquisition and Preservation account will come from the issuance of non-G.O. Bond debt. Another \$7,843,000 is recommended for FY18. The HIF six-year projections show that this will add \$1,505,290 to the debt service requirement by FY20.
- The transfer from the General Fund is \$21,767,940. This is a \$2,508,163 increase from FY16. If the General Fund Transfer were equal to 2.5% of the actual property taxes paid in FY15, the transfer would be \$27,217,480 (actual property taxes paid were \$1,088,699,217). This would be an increase of \$5,449,540 more than the amount recommended by the County Executive.

### **Recordation Tax Proposal**

Council President Floreen is proposing increasing the components of the Recordation Tax in order to fund the capital improvements program, Montgomery County Public School's capital projects, and rent assistance to low and moderate income households. The legislation was introduced at the Council's April 19<sup>th</sup> session. The proposed increase in the Recordation Tax Premium would add about \$5 million per year to the HIF for rent assistance.

Council staff raises this proposal now as this packet contains some recommendations from Council staff for increased funding which, as of this packet, would need to be funded through the reconciliation list but may be able to be funded through Recordation Tax Premium revenues if the proposed increase is approved by the Council.

### **Housing First**

#### **Update on Housing First and the Homeless Point-in-Time Survey**

Attached at © 4-10 is an update from the Department of Health and Human Services (DHHS) Director Ahluwalia on the Housing First Plan. It includes summary information from the 2016 Point-in-Time survey. The full 2016 Point-in-Time report from the Council of Governments has not yet been released.

- A total of 981 homeless individuals were counted on January 28, 2016. This is a 119 (11%) decline from the 2015 count of 1,100. It is higher than the 2014 count of 891.
- The decrease is attributable to a reduction in homeless households with children. The 2016 count found 109 such households compared to 159 in 2015, a decrease of 32%.

This is an important turnaround as the 159 in 2015 was a 74% increase from the 91 counted in 2014.

- There was a 4% increase in the number of homeless adults from 598 in 2015 to 623 in 2016.
- Chronic homelessness decreased from 162 in 2015 to 145 in 2016 (9%) and has declined 36% since 2013.

**In addition, the report highlights:**

- Montgomery County achieved “Functional Zero” for homeless Veterans as a part of its commitment to the Zero:2016 Initiative. An April 7<sup>th</sup> HUD “Snaps in Focus” recognizing Montgomery County and four other jurisdictions (including Arlington County) is attached at © 18-19. Montgomery County will continue to have Veterans who experience homelessness (17 were counted in the Point-of-Time survey). The County is committed to making homelessness brief and infrequent.
- The FY16 funding for Veteran Homelessness was used to create permanent supportive housing for 20 Veteran households and a rapid re-housing program for 15 Veteran households. The effort has leveraged resources from the Housing Opportunities Commission and the Veterans Administration. A total of 66 Veterans have been housed through these efforts through March 31, 2016.
- In FY16 a new Young-Adult Rapid Re-Housing Program began operating. It has capacity for 20 households and provides 24 months of rental subsidy and case management. Nineteen (19) of 20 households placed in the program continue in the program and a new household has been accepted and is looking for housing.
- More than 460 people attended the 5<sup>th</sup> annual “Homeless Resource Day.”
- Groundbreaking for the new Progress Place took place in October 2015. Construction is scheduled to be completed in December 2016. It will include 21 Personal Living Quarters for (what will be formerly) homeless adults.
- The family shelters continue to focus on reducing barriers to permanent housing and the average stay has declined from 117 days in FY14 to 81 days so far in FY16.
- The Housing First model works to reduce the time in shelters. The report notes that the average length of stay in the family shelters was 81 so far in FY16 compared to 98 days in FY15 and 117 days in FY14.
- Efforts are underway to relocate the Wilkens Avenue Women’s Shelter to a site that will be shared with Cornerstone Montgomery. This will enable the shelter to be co-located with behavioral health, medical, and other services.

## **Interagency Commission on Homelessness**

The Annual Report of the Interagency Commission on Homelessness is attached at © 11-17. It notes that the Commission's Strategic Plan has four overarching goals:

1. Prevent and end homelessness among Veterans by the end of 2015.
2. Finish the job of ending chronic homelessness by the end of 2017.
3. Prevent and end homelessness for families, youth, and children by 2020.
4. Set a path to ending all types of homelessness.

The Commission has identified two significant barriers:

1. Lack of sufficient affordable housing for extremely low income homes, individuals and families (households at or below 30% of area median income).
2. Landlords willing to rent to homeless individuals and families with criminal histories and poor credit.

The Commission has made two funding recommendations:

1. Increase permanent supportive housing for persons experiencing chronic homelessness. Additional resources are needed by the CoC to be able to meeting the goal of ending chronic homelessness by 2017.
2. Increasing supply of housing affordable to extremely low-income families (those below 30% of area median income) who do not have high service needs.

## **Effort to Leverage Medicaid Reimbursement**

Director Ahluwalia has been working with Prince George's County and the City of Baltimore to apply for a Medicaid Waiver to leverage additional funding for support services for housing for homeless people.

Director Ahluwalia will update the joint Committee on the status of the application.

## **Council Staff Recommendations for FY17**

For now, Council staff is recommending tracking these recommendations as reconciliation list items that require additional General Fund resources. If additional resources are available from the Recordation Tax Premium, then much of the cost should be able to move to that source of funding. These recommendations total \$542,415, much less than the \$5 million that would be generated from the proposed Recordation Tax Premium increase. Recordation Tax revenue can provide rental assistance through a traditional subsidy (shallow or deep) but can also provide rent assistance by permanently reducing the cost of a unit. This method can be very effective in working to serve more very-low and extremely-low income households as it eliminates the possibility that funding for the deep subsidy will not be available in future years.

### ***Zero:2016 – Veterans Homelessness***

As previously noted, the FY16 funding was used to create permanent supportive housing for 20 Veteran households and provide rapid re-housing to 15 Veteran households. The FY16 funding (\$500,000) is carried through to FY17 but no additional funding is specifically recommended.

Council staff believes that to continue implementing functional zero for Veteran households there must be funding available to address the needs of Veterans who will come into the system. **Council staff recommends \$150,000 in additional funding for FY17. As with FY16, Council staff is not tying it to a specific allocation but it is expected it would be used for permanent supportive housing, rapid re-housing, and one time grants to re-establish housing.** Other resources would be leveraged. This is critical because accessing services through the Veterans Administration greatly reduces the cost of permanent supportive housing and other support services a person needs to stay successfully housed.

### ***Zero:2016 – Chronically Homeless***

Reaching functional zero for the chronically homeless is the second part of Montgomery County's commitment to Zero:2016. Two steps that Community Solutions has identified are:

1. Having a Quality "By-Name" List to track progress.
2. Having a coordinated entry system scorecard.

The County must also make sure that this effort is accurately using the new HUD definition for chronically homeless. Chronic homelessness is defined as:

Lives in a place not meant for human habitation, a safe haven, or in an emergency shelter; and has been homeless continuously for at least 12 months or on at least 4 separate occasions in the last 3 years where the combined occasions must total at least 12 months. An individual may also have been living in an institutional care facility for fewer than 90 days but meets all the criteria. Some of the changes are that the occasions of homeless have to total 12 months. A requirement that the person is a homeless individual with a disability (previously it was a disabling condition) and new record keeping requirements. Some people will not meet the new definition and some people may now meet the definition. Permanent Supportive Housing is to be prioritized for these people.

The Executive's recommended budget includes \$184,000 to start housing people in the 21 units at Progress Place starting in December 2016. This is an important new resource for this population. In addition, the budget contains about \$300,000 in funds that will be used to match new HUD funding that has been requested for family and individual Permanent Supportive Housing and Rapid Re-Housing which would also become a resource to the Continuum of Care and the Zero:2016 effort.

**Council staff recommends \$250,000 to fund the Zero:2016 Initiative for the chronically homeless.** This funding would allow DHHS to ensure that recordkeeping requirements have been updated, assistance with housing location is available, and would provide some funding for direct program if an existing program is not able to meet the housing need of a client.

**The joint Committee should request that DHHS provide a report to the Council no later than September 15<sup>th</sup> on the number of Veterans who have entered the homeless system and the time it takes to move them into housing. The report must also provide an update on the effort to reach functional zero for the chronically homeless by 2017. It should report on whether the County has a “Quality By-Name List,” the number of chronically homeless in the system as of September 1<sup>st</sup>, and any identified barriers to achieving the Zero:2016 goal.**

### **Moving Two Grant Requests into the Base Budget**

There are 17 grant requests for programs related to housing programs for special populations that are moving through the grants process. A sub-group of the Interagency Commission on Homeless has been asked to review the grants (in place of the Grants Advisory Group) and the Council Grants Manager may or may not include them in the package of recommended grants that will be made to the Council.

There are two grants that Council staff recommends be funded as reconciliation list items in the DHHS budget rather than as a community grant in the Grants NDA.

#### **1. Interfaith Works – Security for Community Vision and Wilkens Avenue \$50,000**

Interfaith Works has requested \$50,000 to fund security provided by off-duty police officers at Community Vision (Progress Place – which also houses Shepherd’s Table) and the Wilkens Avenue Women’s Assessment Center. They received a \$30,000 Community Grant in FY16 and the Executive is recommending a \$35,000 Community Grant in FY17. Interfaith Works notes that there were several serious incidents prior to bringing on security and without security they must rely on response to a call to Police or the Crisis Center.

Council staff believes that adequate security should be a part of the base contract and included in the budget. It is critical, particularly in the case of Progress Place, the community, clients, and staff feel there is an environment of safety. Preventing incidents or de-escalating incidents that may have started is very important. Interfaith Works notes that they work closely with the Montgomery County Police Department in contracting for off-duty officers.

**Council staff recommends that the joint Committee place \$15,000 on the reconciliation list with a note that, if approved, \$35,000 will be moved from the Community Grants NDA to the DHHS budget for a total increase of \$50,000 to the DHHS budget. The grant will also continue through the regular grants process so it is not lost should the Council not decide to approve reconciliation list funding.**

**2. Montgomery County Coalition for the Homeless PPH Case Management  
\$242,400**

MCCH has applied for \$242,400 in grant funding to replace funding that was previously provided through the Freddie Mac Foundation for case managers for the Partnership for Permanent Housing, which provide Permanent Supportive Housing for individuals and families. The Executive has recommended a \$100,000 Community Grant.

Permanent Supportive Housing capacity is one of the most critical components of the Continuum of Care – as it provides permanent housing. To meet the definition of Permanent Supportive Housing there must be a case management component. Permanent Supportive Housing is provided through Housing Choice Vouchers must have appropriate case management. While many of the rental subsidies are funded by the County (and so could continue without case management), it would no longer be Permanent Supportive Housing. Given the vulnerability of the households, case management is a critical component of keeping people housed. It is of course best when non-county funds can be leveraged, but the County should be certain that this service will be provided as a part of the program.

**Council staff recommends that the joint Committee place \$142,400 on the reconciliation list with a note that, if approved, \$100,000 will be moved from the Community Grants NDA to the DHHS budget for a total increase of \$242,400.** Again, the grant should continue through the regular process in case it is not approved through the reconciliation list.

**Expenditures for Neighborhoods to Call Home**

Each year, funding is allocated for contractual services that are funded in the HIF for the Building Neighborhoods to Call Home program. These contracts recognize that services are needed to support the overall effort to increase affordable housing and support improvements in existing neighborhoods that already have affordable housing. The following services are recommended for funding in FY17:

Rebuilding Together	\$200,000
Long Branch Tenant Counseling (CASA)	\$250,000
Pine Ridge Center	\$146,340
Montgomery Housing Partnership (MHP)	\$120,000

The PHED Committee will discuss the FY17 funding for MHP as it is new funding for FY17. (In FY16, MHP was able to use funds appropriated in FY15 for the program.)

**Council staff recommends approval.**

**Payment in Lieu of Taxes**

Each year the Council must include a provision in the Operating Budget resolution specifying the monetary cap for non-HOC PILOTS.

*The Director of Finance must maintain a record of all payment-in-lieu-of-taxes (PILOT) agreements currently in effect under the Tax-Property Article of the Maryland Code. The record must estimate (in current year dollars) the amount of property taxes abated for each agreement for each of the next 10 fiscal years. As authorized by the County Code, Section 52-18M, the Director of Finance may sign payment-in-lieu-of-taxes agreements for affordable housing that abate annual property tax revenues up to the following annual limits for all properties not owned or operated by the Housing Opportunities Commission.*

FY 17	13,699,915
FY 18	16,165,900
FY 19	17,297,513
FY 20	18,162,389
FY 21	19,070,508
FY 22	20,024,034
FY 23	20,624,755
FY 24	21,243,497
FY 25	21,880,802
FY 26	22,537,226

*The Director of Finance must not sign any payment-in-lieu-of-taxes agreement that would increase the total amount of abated property tax revenues above any of the listed annual limits without prior approval of the County Council by resolution.*

**Council staff recommends approval.**

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**FY17-22 PUBLIC SERVICES PROGRAM- FISCAL PLAN**

**Montgomery Housing Initiative**

FISCAL PROJECTIONS	FY16 APPROVED	FY17 REC	FY18 PROJECTION	FY19 PROJECTION	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION
<b>ASSUMPTIONS</b>							
Indirect Cost Rate	15.98%	16.45%	16.45%	16.45%	16.45%	16.45%	16.45%
CPI (Fiscal Year)	2.0%	1.8%	2.3%	2.5%	2.7%	2.7%	2.7%
Investment Income Yield	0.65%	0.50%	1.00%	1.50%	2.50%	2.50%	3.00%
<b>BEGINNING FUND BALANCE</b>	<b>7,241,980</b>	<b>4,786,860</b>	<b>3,387,600</b>	<b>2,198,840</b>	<b>1,442,600</b>	<b>1,290,810</b>	<b>1,182,610</b>
<b>REVENUES</b>							
Taxes	9,182,680	10,276,000	10,628,000	11,165,000	11,447,000	12,329,000	13,168,500
Charges For Services	32,188	50,800	70,200	90,000	109,400	128,412	147,052
Miscellaneous	4,981,686	5,686,326	5,684,066	5,681,766	5,679,446	5,677,096	5,674,686
<b>Subtotal Revenues</b>	<b>14,196,554</b>	<b>16,012,326</b>	<b>16,382,266</b>	<b>16,936,766</b>	<b>17,235,846</b>	<b>18,134,508</b>	<b>18,990,238</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>							
Transfers To Debt Service Fund	(7,196,110)	(7,950,310)	(8,708,010)	(9,451,510)	(9,455,600)	(9,450,460)	(9,446,660)
MHI Property Acquisition	(7,196,110)	(7,950,310)	(8,708,010)	(9,451,510)	(9,455,600)	(9,450,460)	(9,446,660)
Transfers To The General Fund	(289,410)	(303,734)	(305,874)	(305,874)	(305,874)	(305,874)	(305,874)
Indirect Costs	(289,410)	(303,734)	(305,874)	(305,874)	(305,874)	(305,874)	(305,874)
Transfers From The General Fund	19,259,777	21,767,940	21,767,940	21,767,940	21,767,940	21,767,940	21,767,940
<b>TOTAL RESOURCES</b>	<b>33,212,791</b>	<b>34,313,682</b>	<b>32,523,922</b>	<b>31,146,162</b>	<b>30,684,912</b>	<b>31,436,924</b>	<b>32,188,254</b>
<b>CIP CURRENT REVENUE APPROP.</b>							
PSP OPER. BUDGET APPROP/ EXP'S.	(2,275,000)	0	0	0	0	0	0
<b>Operating Budget</b>							
Debt Service: Other (Non-Tax Funds only)	(3,313,781)	(3,345,702)	(3,345,702)	(3,345,702)	(3,345,702)	(3,345,702)	(3,345,702)
Compensation Adjustment	(63,480)	(61,280)	(59,020)	(56,750)	(54,400)	(52,050)	(49,640)
Labor Agreement	n/a	0	(55,390)	(78,090)	(96,680)	(96,680)	(105,980)
Labor Contracts - Other	n/a	0	(13,011)	(13,011)	(13,011)	(13,011)	(13,011)
Rental Assistance Program (RAP)	n/a	0	(1,802)	(1,802)	(1,802)	(1,802)	(1,802)
Housing First	(9,605,920)	(11,274,240)	(11,626,240)	(11,769,060)	(11,489,060)	(12,371,060)	(13,210,560)
Neighborhoods to Call Home	(8,043,955)	(8,043,955)	(8,043,955)	(8,043,955)	(8,043,955)	(8,043,955)	(8,043,955)
Special Needs and Nonprofit Housing	(596,340)	(716,340)	(716,340)	(716,340)	(716,340)	(716,340)	(716,340)
100,000 Homes	(2,380,510)	(2,380,510)	(2,380,510)	(2,380,510)	(2,380,510)	(2,380,510)	(2,380,510)
Zero 2016	(437,120)	(437,120)	(437,120)	(437,120)	(437,120)	(437,120)	(437,120)
Affordable Housing Initiative	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Subtotal PSP Oper Budget Approp / Exp's	(2,275,000)	0	0	0	0	0	0
<b>TOTAL USE OF RESOURCES</b>	<b>(29,937,251)</b>	<b>(30,925,482)</b>	<b>(30,325,082)</b>	<b>(29,703,562)</b>	<b>(29,394,102)</b>	<b>(30,254,314)</b>	<b>(31,069,074)</b>
<b>YEAR END FUND BALANCE</b>	<b>3,275,540</b>	<b>3,387,600</b>	<b>2,164,360</b>	<b>1,335,308</b>	<b>1,068,240</b>	<b>801,180</b>	<b>534,120</b>
<b>Total Use of Resources</b>	<b>(29,937,251)</b>	<b>(30,925,482)</b>	<b>(30,325,082)</b>	<b>(29,703,562)</b>	<b>(29,394,102)</b>	<b>(30,254,314)</b>	<b>(31,069,074)</b>
<b>Affordable Housing and Acquisition and Preservation CIP Project #P760100</b>	<b>(14,725,000)</b>	<b>(16,000,000)</b>	<b>(17,000,000)</b>	<b>(3,464,400)</b>	<b>(5,014,400)</b>	<b>(4,625,900)</b>	<b>(1,628,418)</b>
<b>TOTAL INVESTMENT IN AFFORDABLE HOUSING (MHI Fund + CIP Project)</b>	<b>(44,662,251)</b>	<b>(46,925,482)</b>	<b>(47,325,082)</b>	<b>(33,167,962)</b>	<b>(34,408,502)</b>	<b>(34,880,214)</b>	<b>(32,697,492)</b>

**Assumptions:**

1. Maintains the County Executive's commitment to affordable housing. In addition to expenditures reflected in this fund, the Affordable Housing Acquisition and Preservation CIP Project #P760100 includes the issuance of \$13.4 million of debt in FY17 in addition to \$2.6 million in estimated loan repayments in FY17 to provide continued high level of support for the Housing Initiative Fund Property Acquisition Revolving Program created in FY09.
2. The amount shown in the Fiscal Plan for the Affordable Housing Acquisition and Preservation CIP project in FY16 is different from the PDF by \$2,275,000. This is because that amount is already included in the Total Use of Resources in the MHI fund.
3. Montgomery County Council Resolution #15-110 provides for an allocation from the General Fund to the Montgomery Housing Initiative fund (MHI) of \$16.1 million or the equivalent to 2.5 percent of actual General Fund property taxes from two years prior to the upcoming fiscal year, whichever is greater, for the purpose of maintaining and expanding the supply of affordable housing. The actual transfer from the General Fund will be determined each year based on the availability of resources.

**Notes:** 1. These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.

Affordable Housing Support Summary (000's)														
Actual Operating Budget Expenditures: FY2008-2014, FY15 Approved Budget, and FY16 Rec.	2008	2009	2010	2011	2012	2013	2014	2015	2016 Approved	2017 Recommended	Total Funding	Non-County Dollars Leveraged	Creation/ Preservation of Affordable Housing Unit 2008-2016	Projected FY17 Creation/ Preservation of Affordable Housing Units
<b>MHI Fund</b>														
Operating Budget	33,715	23,083	27,266	16,450	13,890	21,021	24,312	27,658	27,662	30,925	245,984			
Debt Service (int. only)				1,572	2,183	2,454	2,930	3,646	3,566 *	3,740	20,091			
<b>Total MHI Operating Budget</b>	<b>33,715</b>	<b>23,083</b>	<b>27,266</b>	<b>18,023</b>	<b>16,073</b>	<b>23,475</b>	<b>27,242</b>	<b>31,304</b>	<b>31,228</b>	<b>34,666</b>	<b>266,075</b>			
<b>Other General Fund Affordable Housing Support</b>														
HHS Housing Programs (General Fund)			9,588	10,442	9,642	9,549	10,169	11,823	11,612	11,393	84,218	19,454	13	2
HOC NDA	5,731	6,141	6,135	5,804	5,514	5,583	6,093	6,376	6,401	6,513	60,294			
<b>Total Other General Fund Support</b>	<b>5,731</b>	<b>6,141</b>	<b>15,724</b>	<b>16,246</b>	<b>15,156</b>	<b>15,132</b>	<b>16,263</b>	<b>18,199</b>	<b>18,013</b>	<b>17,906</b>	<b>144,511</b>			
<b>Total Operating Budget</b>	<b>39,446</b>	<b>29,224</b>	<b>42,990</b>	<b>34,269</b>	<b>31,229</b>	<b>38,607</b>	<b>43,505</b>	<b>49,503</b>	<b>49,242</b>	<b>52,572</b>	<b>410,586</b>	<b>19,454</b>	<b>13</b>	<b>2</b>
<b>Funding Sources: Programed Funding Thru FY13, FY14, FY15 and FY16 Rec.</b>														
Affordable Housing Acquisition and Preservation Project (CIP)														
MHI						2,500			2,275		4,775			
HIF Revolving Loan Program						73,310	19,410	7,280		13,409	113,409			
Loan Repayment Proceeds						9,701	7,280	6,670	2,460	2,591	28,702			
G.O. Bonds								2,000	7,725		9,725			
Recordation Tax Premium									4,540		4,540			
<b>Total CIP</b>						<b>85,511</b>	<b>26,690</b>	<b>15,950</b>	<b>17,000</b>	<b>16,000</b>	<b>177,151</b>	<b>927,182</b>	<b>25</b>	<b>3</b>
<b>Other Affordable Housing Support</b>														Incl. MHI & CIP
PILOTS (Payments in lieu of Taxes Non-HOC)	6,252	6,581	7,944	7,986	8,022	8,514	9,677	10,305 *	12,804 **	13,700	91,784		7	8
Sub Total Affordable Housing											679,521			
HOC (PILOTS)	7,205	8,095	8,625	8,213	8,266	8,496	9,312	9,345	9,015 **	9,500	86,073		7	7
DGS - Discounted Land Value									29,542	8,282	37,823			
<b>Total Affordable Housing Support</b>											<b>803,417</b>	<b>946,636</b>	<b>40</b>	<b>18</b>
* Estimated Debt Service interest for FY17														
** Estimated PILOT value for FY16 and FY17														
PILOT Cap														

In support of operating cost for Non-profits and Senior housing

Captured in DHCA

	A	B	C	D	E	F	G	H	I	J
1	Housing Initiative Fund	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16
2	Original Approved Budgets	Approved	Recommend							
3										
4	<b>Resources (non-CIP):</b>									
5	Beginning Balance	3,475,930	7,583,260	1,951,890	208,760	5,189,990	425,189	5,964,840	2,960,408	7,241,980
6	Transfer from the General Fund	20,760,060	9,782,490	19,919,268	10,475,420	9,573,290	15,589,247	17,816,357	18,572,277	18,572,277
7	Miscellaneous Revenues	5,518,260	14,452,370	13,316,490	5,917,070	5,426,730	9,810,276	14,212,529	14,799,007	14,196,554
8										
9	<b>Resources Before Required Transfers</b>	<b>29,754,250</b>	<b>31,818,120</b>	<b>35,187,648</b>	<b>16,601,250</b>	<b>20,190,010</b>	<b>25,824,712</b>	<b>37,993,726</b>	<b>36,331,692</b>	<b>40,010,811</b>
10										
11	<b>Required Transfers:</b>									
12	Transfer to Debt Service Fund (debt service on acquisition and preservation bonds)	NA	(1,850,000)	(2,180,000)	(2,500,000)	(4,619,190)	(5,643,610)	(7,510,400)	(7,196,010)	(7,196,110)
13	To General Fund for Indirect Costs	(108,300)	(159,630)	(177,150)	(182,720)	(190,720)	(186,970)	(251,900)	(280,930)	(289,410)
14	To General Fund for Tech Modernization	NA	(18,470)	(24,770)	(20,160)	(14,340)	(15,590)	(12,605)	(14,551)	-
15										
16	<b>Non-CIP Resources Available for Programs</b>	<b>29,645,950</b>	<b>29,790,020</b>	<b>32,805,728</b>	<b>13,898,370</b>	<b>15,365,760</b>	<b>19,978,542</b>	<b>30,218,821</b>	<b>28,840,201</b>	<b>32,525,291</b>
17										
18	<b>Uses:</b>									
19	Personnel Costs	862,240	1,239,370	1,290,230	1,436,060	1,514,880	1,540,363	1,605,462	1,770,182	1,811,074
20	Housing First	NA	4,500,000	8,900,000	7,250,000	7,172,800	7,537,655	7,537,655	7,856,455	7,856,455
21	Rental Assistance Programs (previously tied to Recordation Tax)	NA	2,615,500	3,047,000	2,000,000	2,000,000	4,415,500	10,363,973	9,252,551	9,605,920
22	Neighborhoods to Call Home	1,000,000	1,003,000	933,500	466,420	596,340	596,340	596,340	596,340	596,340
23	Other Operating	26,617,700	19,274,570	16,894,660	2,672,310	1,629,500	1,631,610	1,590,060	1,502,707	1,502,707
24	Other Debt Service (Non-tax Funds)	78,260	76,870	75,300	73,580	71,730	69,770	67,730	65,630	63,480
25	Special Needs and Non-Profit Housing	NA	NA	NA	NA	2,380,510	2,380,510	2,380,510	2,380,510	2,380,510
26	Senior Housing - Silver Spring (The Bonifant)	NA	NA	NA	NA	NA	1,500,000	4,500,000	0	NA
27	100,000 Homes*	NA	437,120	437,120						
28	Affordable Housing - loans and grants*								3,796,166	2,721,145
29	<b>Uses of Non-CIP HIF</b>	<b>28,558,200</b>	<b>28,709,310</b>	<b>31,140,690</b>	<b>13,898,370</b>	<b>15,365,760</b>	<b>19,671,748</b>	<b>28,641,730</b>	<b>27,657,661</b>	<b>26,974,751</b>
30										
31	<b>Ending Balance</b>	<b>587,750</b>	<b>1,080,710</b>	<b>1,665,038</b>	<b>0</b>	<b>0</b>	<b>306,794</b>	<b>1,577,091</b>	<b>1,182,540</b>	<b>3,275,540</b>
32										
33	<b>New CIP Funding</b>	<b>500,000</b>	<b>25,000,000</b>	<b>25,000,000</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>10,000,000</b>	<b>2,720,000</b>	<b>9,280,000</b>	<b>12,265,000</b>
34	Loan Repayment Proceeds	-			2,200,000	6,669,085	7,231,000	7,280,000	6,670,000	2,460,000
35	<b>CE Estimated CIP Funding**</b>	<b>500,000</b>	<b>25,000,000</b>	<b>25,000,000</b>	<b>17,200,000</b>	<b>21,669,085</b>	<b>17,231,000</b>	<b>10,000,000</b>	<b>15,950,000</b>	<b>14,725,000</b>
36										
37	<b>HIF Funding available for Program Uses</b>	<b>29,645,950</b>	<b>54,790,020</b>	<b>57,805,728</b>	<b>31,098,370</b>	<b>37,034,845</b>	<b>36,902,748</b>	<b>38,641,730</b>	<b>43,607,661</b>	<b>43,974,751</b>
38										
39	Other operating includes closing cost assistance, foreclosure assistance, support for MPDU homebuyers									-
40	*These categories added for FY15 - previously included in other operating categories									
41	**CIP shows \$17 million in available CIP funding; however \$2.275 million will be appropriated in the operating budget in Affordable Housing loans and grants									



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Isiah Leggett  
County Executive

Uma S. Ahluwalia  
Director

MEMORANDUM

April 13, 2016

TO: George L. Leventhal, Chair  
Health and Human Services Committee

Nancy Floreen, Chair  
Planning, Housing and Economic Development Committee

FROM: Uma S. Ahluwalia, Director *Uma*

SUBJECT: Housing First Plan Update

The Montgomery County Department of Health and Human Services (DHHS), in partnership with the Interagency Commission on Homelessness and the Homeless Continuum of Care (CoC), continues to use a Housing First approach to prevent and end homelessness in Montgomery County. This approach utilizes outreach, prevention and rapid rehousing strategies to prevent individuals and families from entering homelessness and to reduce the length of stay for those who become homeless.

Montgomery County's Homeless Point-in-Time Survey was conducted on January 28, 2016, one day later than initially planned as a result of the January blizzard. A total of 981 homeless persons were counted that day, a decline of 11% over the 2015 count. This overall decrease in homelessness can be attributed to a 32% reduction in the number of homeless households with children, which fell from 159 in 2015 to 109 in 2016. The total number of homeless adults increased 4% from 598 in 2015 to 623 in 2016.

As part of our Housing First Eviction Prevention Program, in Fiscal Year (FY) 2016 (July-March), 2,382 State and County funded Emergency Assistance Grants totaling more than \$2.17 million were issued. This represents a 15% decrease over the same time during FY15 when 3,019 grants totaling more than \$2.55 million dollars were provided.

In addition to implementing the original Housing First Plan, the following strategies have been employed to address the current need for services:

Office of the Director

401 Hungerford Drive • Rockville, Maryland 20850 • 240-777-1275 • FAX 240-777-1494 • MD Relay 711  
[www.montgomerycountymd.gov/hhs](http://www.montgomerycountymd.gov/hhs)



George L. Leventhal Chair  
Nancy Floreen, Chair  
April 13, 2016  
Page 2

- Montgomery County achieved the goal of ending Veteran Homelessness by December 2015 according to benchmarks established by two national efforts – the U.S. Mayors Challenge to End Homelessness and the Zero:2016 Campaign. Montgomery County was one of only four jurisdictions nationally to meet both of these benchmarks. Key strategies to reach this goal included collaboration with the U.S. Department of Veterans Affairs to identify veterans; prioritization of veterans for homeless housing opportunities by nonprofit providers; and an increase in the supply of housing options for homeless veterans through collaboration with Montgomery County, the Housing Opportunities Commission and the Veterans Administration. Montgomery County provided funding to create a permanent supportive housing program for 20 veteran households and a rapid rehousing program for 15 veteran households. A total of 66 veterans have been housed through these efforts through March 31, 2016.
- In FY16, a Young-Adult Rapid Re-Housing Program designed to meet the unique needs of young-adult headed families began operations with the capacity to serve 20 households. This 24-month program pairs a rental subsidy with case management, independent living skills coaching, vocational and educational supports. A total of 20 households have been placed, of which 19 are still housed. An additional household has been accepted and is searching for housing.
- Montgomery County in partnership with the City of Gaithersburg held its fifth annual “Homeless Resource Day” as a way to reach out to residents experiencing homelessness and connect them with needed community resources and supports. More than 460 people attended this highly successful event and were able to receive health screenings, registration for mainstream benefits, legal assistance, employment, haircuts and more.
- Relocation of the Interfaith Works Community Visions Program and Shepherds Table from Progress Place in downtown Silver Spring to a new location is underway. Groundbreaking on the new location occurred in October 2015 and construction is projected to be complete by December 2016. This new facility will include a 21-unit Personal Living Quarters program for homeless adults. The Interagency Commission on Homelessness has continued to focus on implementation of its strategic.
- Continued collaboration between the Housing First Plan and the Neighborhood Opportunity Network to bring emergency assistance and entitlement programs to neighborhoods most impacted by the recession.

Attached please find the Housing First Implementation Plan Status Report and the Interagency Commission on Homelessness annual report which outlines our progress to date.

USA:gh

Attachments

## **Montgomery County Housing First Plan Implementation Status Update April, 2016**

The Montgomery County Housing First Initiative is designed to reduce homelessness through a broad array of strategies that help stabilize at-risk individuals and families to prevent loss of housing and to help homeless individuals and families rapidly exit homelessness. This public-private partnership is aligned with the work of the Montgomery County Continuum of Care and the Interagency Commission on Homelessness, which acts as the CoC's governing board. The underlying philosophy of the program reflects a shift away from "housing readiness" towards a model where the primary focus is to quickly house persons and address service needs once they are in permanent housing.

Montgomery County's Housing First plan continues to focus on reducing the length of stay in homelessness and providing stable housing for those exiting homelessness. Efforts focus both on assisting households at imminent risk of homelessness to remain housed and assisting homeless households to rapidly exit homelessness to permanent housing. Outlined below are the accomplishments and ongoing activities for the past year.

### **1. Annual Point-in-Time Count**

Montgomery County's homeless Point-in-Time Survey was conducted on January 28, 2016, one day later than initially planned as a result of the January blizzard. A total of 981 homeless persons were counted that day, a decline of 11% over the 2015 count. This overall decrease in homelessness can be attributed to a 32% reduction in the number of homeless households with children, which fell from 159 in 2015 to 109 in 2016. The decrease can be attributed to the increase of Rapid Re-housing subsidies, the opening of the Public Housing waitlist, and prioritization for the most vulnerable, has increased movement in the system that allows for clients to move out of emergency shelter and transitional housing more quickly. The total number of homeless adults increased 4% from 598 in 2015 to 623 in 2016.

The number of households experiencing chronic homelessness decreased 9% from 162 in 2015 to 145 in 2016, a continuation of a three-year trend during which chronic homelessness has declined 36% since 2013. Veteran homelessness decreased to 17 in 2016, a 29% decrease over the 2015 count and a 51% decrease over the 2014 enumeration. This decrease reflects the continued efforts of the Continuum of Care (CoC) to prioritize veterans and persons experiencing chronic homelessness for housing and implementation of a community-wide assessment process that matches households with the most appropriate housing option.

### **2. Homelessness Prevention**

The Department of Health and Human Services (DHHS) employs an array of strategies including financial assistance, case management and linkages to community resources to resolve housing emergencies and stabilize the living situation of vulnerable households including the following:

- Emergency Assistance Grants - In FY15 more than \$3.1 million in County and State funds were expended for 3,745 crisis intervention grants to stabilize at-risk households. In FY16

(July-March), 2,382 State and County funded Emergency Assistance Grants totaling more than \$2.17 million were issued compared to 3,019 grants totaling more than \$2.55 million dollars for the same time during FY15, representing a 15% decrease this year.

**Crisis Intervention Emergency Grants Issued in FY15 by Funding Source**

GRANT TYPE (Most grants are given to prevent eviction and utility cut-offs.)	# of Grants	Expenditure	Average
STATE Funded	621	\$485,592	\$782
COUNTY Funded	2,336	\$1,659,923	\$711
County Recordation Tax	788	\$1,045,078	\$1,326
<b>Total</b>	<b>3,745</b>	<b>\$3,190,593</b>	<b>\$852</b>

**GRANT EXPENDITURE UPDATE**

Emergency Grants	# County Funded Grants	Expenditures (County)	# State Grants	Expenditures* (State)	# of County Recordation Tax Grants	Expenditures Recordation Tax	Total # Grants
July-Mar FY16	1,282	\$846,759	444	\$496,268	656	\$829,155	2,382
July-Mar FY15	1,729	\$1,146,847	503	\$362,455	787	\$1,043,328	3,019

\* Effective January 2015, the maximum allowable amount for State Emergency Assistance grant was increased to better meet client need and leverage State funds.

- Rental Assistance – An average of 1,731 households have received County Rental Assistance Program (RAP) each month in FY15. As of February 29, there were 3,710 names on the RAP waiting list. Applicants are experiencing an approximately 12 month wait before being pulled off the waiting list.
- Energy Assistance – A total of 10,808 Office of Home Energy Program (OHEP) applications were received during FY15, a 4% decrease over FY14. In FY16 as of February 29, 2016, 9,318 applications have been received compared to 8,791 for the same time last year, representing a 6% increase.
- Neighborhood Opportunity Network – Continued to collaborate with the Neighborhood Opportunity Network to bring emergency assistance and entitlement programs to neighborhoods most impacted by the recession. Emergency Services intake staff is deployed to the Gaithersburg and Wheaton offices one day each week to assess the needs of families applying for emergency assistance to prevent eviction.

**3. Rapid Exit from Homelessness:**

Montgomery County Department of Health and Human Services (DHHS), in collaboration with community partners, provides a range of services to homeless households including temporary

shelter, case management and permanent supportive housing designed to limit the time spent in homelessness and improve housing outcomes.

- Outreach – Four providers conduct outreach services in Montgomery County via contracts with the County: People Encouraging People Homeless Outreach, Community Visions, Bethesda Cares, and City of Gaithersburg. These organizations have provided outreach to approximately 558 homeless persons from July 1, 2015 through March 31, 2016.
- Family Assessment Shelters – Family shelters continue to focus on reducing the barriers to obtaining permanent housing. In FY15, the average length of stay for discharged families decreased to 98 days from 117 days in FY14. As of February 29, 2016, the average length of stay for discharged families has decreased to 81 days. The availability of alternative housing options including Rapid Re-Housing contributed to the decrease in length of stay.
- Motel Overflow Shelter – DHHS continues to utilize hotels as overflow emergency shelter for families to ensure that families remain safe. During FY15, DHHS had the capacity to serve a maximum of 30 families at one time. When full, DHHS worked closely with families to identify temporary community alternatives until space became available. In addition, DHHS continued to utilize a Service Integration Intensive Teaming Model to address the needs of families in hotel for over 30 days. The goal is to work collaboratively to help families address their behavioral health, credit, and criminal justice issues that are barriers to obtaining housing.

<b>SNH Household Placements</b>			
	Hotel Placement	Emergency Assessment Placements	
		Family Shelter Households	Individual Shelters
FY 16 Jul-Feb*	179	95	781
FY 15 Jul-Feb**	270	84	1,081

\* Numbers are preliminary and reflect maximum capacity of 30 in hotel.

\*\* Additional hotels were secured in FY15 and a maximum capacity of 30 was implemented effective April 2015

- Emergency shelter for single adults – In FY15, a total of 1,162 homeless single adults were provided emergency shelter compared to 1,243 in FY14. The average length of stay of those exiting shelter was 53 days. As of February 29, 2016, 1,229 homeless adults have been provided emergency shelter and for those exiting shelter the average length of stay is 32 days. All seasonal and overflow shelters are encouraged to refer unsheltered homeless adults to People Encouraging People Homeless Outreach for continued case management services.
- Housing Initiative Program (HIP) – The HIP provides permanent supportive housing including deep rental subsidies and service coordination services to up to 223 vulnerable low-income homeless households. Since program inception in FY08 a total of 338 households have been served, of whom 218 are currently housed. Two households are newly enrolled and searching for housing, while recruitment is underway for three additional openings. The opening of the Housing Opportunities Commission waiting list in August 2015, has contributed to an increase in transitions out of the program.

- **Medically Vulnerable Initiative** – A total of 25 HIP slots have been designated for medically vulnerable homeless adults. In addition to service coordination, Special Needs Housing has partnered with Public Health Services to provide nursing support to these clients to triage medical issues, coordinate medical care, link to medical services and provide health education. A total of 29 households have been placed in housing to date, of which 24 are still housed. An additional household is newly enrolled and searching for housing.
- **Cordell Avenue Private Living Quarters (PLQ)** – Twenty-four rental subsidies from the HIP program are being used to support the Cordell Avenue PLQ, which opened in November, 2010. The program serves 32 formerly homeless single adults and is operated by the Montgomery County Coalition for the Homeless. All subsidies are committed at this time.
- **Rapid Re-Housing Program (RRH)** – The Rapid Re-housing program provides a time-limited, shallow rental subsidy (\$400 per month for singles, \$600 per month for families) and case management services for up to twelve months. This continues to be a valuable resource for households who are not in need of permanent supportive housing but who cannot exit homelessness without assistance. Federal Emergency Solutions Grant funds support 22 subsidies – 10 for families and 12 for singles – while County funds support an additional 25 subsidies for families.
- **Young-Adult Rapid Re-housing program** – Designed to meet the unique needs of young-adult headed families this program began operations in FY16 with the capacity to serve 20 households. This 24-month program pairs a rental subsidy with case management, independent living skills coaching, vocational and educational supports. A total of 20 households have been placed, of which 19 are still housed. An additional household has been accepted and is searching for housing.
- **Housing Locator Services** – Housing Locator services continue to be a critical resource to help households quickly locate housing and exit homelessness. The Housing Locator provides assistance to HIP participants and RRH households. When possible, the Housing Locator will assist households in hotel or family shelters with significant housing barriers
- **The new Winter Overflow Shelter** opened November 1<sup>st</sup> at its permanent location on Crabbs Branch Road with the capacity to accommodate 75 individuals experiencing homelessness. This new site eliminated the need to utilize the East County Community Center and resolved community concerns with the use of that facility.

#### **4. Special Initiatives**

- **Ending Veteran Homelessness** – Montgomery County achieved the goal of ending Veteran Homelessness by December 2015 according to benchmarks established by two national efforts – the U.S Mayors Challenge to End Homelessness and the Zero:2016 Campaign. Montgomery County was one of only four jurisdictions nationally to meet both of these benchmarks. Key strategies to reach this goal included collaboration with the U.S. Department of Veterans Affairs to identify veterans; prioritization of veterans for homeless housing opportunities by nonprofit providers; and an increase in the supply of housing

options for homeless veterans through collaboration with Montgomery County, Housing Opportunities Commission and the Veterans Administration. Montgomery County provided funding to create a permanent supportive housing program for 20 veteran households and a rapid rehousing program for 15 veteran households. A total of a total of 66 veterans have been housed through these efforts through March 31, 2016.

- Zero:2016 Campaign Next Steps – Building on the success of the Zero:2016 Campaign efforts to end veteran homelessness, efforts are underway to reach the goal of ending chronic homelessness by December 2017.
- The Regional Coordinating Council on Homelessness was established as an outgrowth of the Regional Summit on Homelessness held in March 2015. This group, that includes Executive membership from each of the three jurisdictions, focused its work on the development of a data sharing agreement that would allow for increased coordination and information exchange in the region.
- Montgomery County in partnership with the City of Gaithersburg held its fifth annual “Homeless Resource Day” as a way to reach out to residents experiencing homelessness and connect them with needed community resources and supports. More than 460 people attended this highly successful event and were able to receive health screenings, registration for mainstream benefits, legal assistance, employment, haircuts and more.
- Relocation of the Interfaith Works Community Visions Program and Shepherds Table from Progress Place in downtown Silver Spring to a new location is underway. Groundbreaking on the new location occurred in October 2015 and construction is projected to be complete by December 2016. This new facility will include a 21-unit Personal Living Quarter program for homeless adults.
- Planning continues around relocation of the Wilkens Avenue Womens Shelter to a new site. Cornerstone Montgomery in collaboration with Montgomery County is purchasing a new site which will enable the shelter to co-locate its program with behavioral health, medical and other vocational services.



**MONTGOMERY COUNTY  
INTERAGENCY COMMISSION ON  
HOMELESSNESS ANNUAL REPORT  
2015**

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## Overview

The Interagency Commission on Homelessness (ICH) was established by Montgomery County Council in 2014 and began its work in 2015 to promote efforts to prevent and end homelessness in Montgomery County. The mission of the ICH is to promote a community-wide goal to end homelessness, develop a strategic plan, educate the community about homelessness, promote partnerships to improve the County's ability to prevent and reduce homelessness, monitor programs that are components of the Continuum of Care and make recommendations to the County Executive and County Council to improve the Continuum of Care. The Interagency Commission on Homelessness has also been designated as the Governing Board of the CoC.

The Continuum of Care (CoC) is Montgomery County's local homeless program planning network. It is a public-private partnership that includes County and other government agencies, non-profit service providers, landlords and others who have a role in preventing and ending homelessness. The purpose of the CoC is to coordinate the implementation of a housing and service system within the Montgomery County CoC geographic area that meets the needs of homeless individuals and families. The Montgomery CoC provides a full continuum of housing services to homeless persons including outreach and engagement, emergency and transitional shelter, safe havens, rapid re-housing, permanent supportive housing and prevention strategies.

## Strategic Direction

In October, 2014 the ICH approved a Ten-Year Plan to End Homelessness after an extensive, community-wide planning process. The resulting plan is aligned with the Federal plan to end homelessness, *Opening Doors*, which was developed by U.S Interagency Council to End Homelessness. The Plan's overarching goals are as follows:

- Prevent and end homelessness among Veterans by the end of 2015.
- Finish the job of ending chronic homelessness by the end of 2017.
- Prevent and end homelessness for families, youth, and children by 2020.
- Set a path to ending all types of homelessness.

To further the goals of the strategic plan, the ICH has developed a one year action plan to guide its work, which is reviewed and updated annually. Priorities include increasing housing options; improving access to education and training; increasing employment; educating the community; increasing knowledge about best practices; and increasing collaboration and partnerships.

The Interagency Commission on Homelessness engaged in a variety of activities in FY15 in support of the CoC strategic plan. These include:

- Adopted Continuum of Care Governance Charter designating the Interagency Commission on Homelessness as the CoC Governing Board.

- Approved Continuum of Care Ten Year Strategic Plan and developed a Year One Action Plan.
- Joined the Zero: 2016 Initiative, a follow-on to the 100,000 Homes Campaign designed to help the communities to end Veterans homelessness by December 2015 and chronic homelessness by 2017. CoC housing providers have agreed to prioritize vacancies in their existing programs for Veterans and those experiencing chronic homelessness.
- Implemented consistent definition of Veteran to enable all CoC providers to more quickly identify Veterans and link them to housing.
- Adopted written standards for its coordinated assessment system to standardize referrals to housing programs and assure that homeless individuals and families most in need are prioritized for housing.
- Created Resource Development Committee to explore way to increase housing options that are affordable to low income persons and identify alternate funding sources.

### **Community Outreach and Public Engagement**

The Interagency Commission was involved in a variety of community outreach events to engage the public. These include:

- Homeless Resource Day 2014 - Montgomery County in partnership with the City of Gaithersburg held its fourth annual "Homeless Resource Day" as a way reach to out to residents experiencing homelessness and connect them with needed community resources and supports. More than 460 people attended this highly successful event and were able to receive health screenings, registration for mainstream benefits, legal assistance, employment, haircuts and more.
- Homeless Resource Guide – The ICH developed a resource guide that includes concise, comprehensive information about help available to persons experiencing homelessness in Montgomery County.
- ICH Community-Wide meetings - The ICH one Community-Wide meetings designed to engage the community and update the public on the activities of the CoC. The first ICH Community-wide meeting was held in February 2015.

### **Data and Trends regarding Homelessness in Montgomery County**

#### **Point-In-Time Count**

Montgomery County's homeless point in time survey was conducted on January 28, 2015. A total of 1,100 homeless persons were counted, 54% of whom were individuals and 46% were persons in families. This represents a 24% increase over the 2014 count. Most of this increase is a due to a rise in the number of homeless families, which increased 36% from 117 households in 2014 to 159 households in 2015.

As result of the CoC's efforts to prioritize housing for veterans and persons experiencing chronic homelessness, both group saw a decrease over the past year. There was an overall decrease of 11% percent in the number of persons experiencing chronic homelessness and a 31% decrease in the number of veterans experiencing homelessness between 2014 and 2015.

The table below provides a comparison of the past 3 years.

<b>MONTGOMERY COUNTY'S HOMELESS COUNT BY CATEGORY</b>					
<b>Category</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>Percent Change 2013 to 2015</b>	<b>Percent Change 2014 to 2015</b>
<b>Total Number Counted</b>	1100	891	1004	10%	23.5%
<b>Total Individuals</b>	598	603	638	-6%	-1%
<b>Total Number of Families</b>	159	91	117	36%	75%
<b>Total Persons in Families</b>	502	288	366	37%	74%
<b>Total Adults in Families</b>	184	101	137	34%	82%
<b>Total Children in Families</b>	318	187	229	39%	70%

Among individuals experiencing homelessness, 67% percent reported chronic substance abuse, serious mental health issues, or co-occurring disorders while 48% reported a chronic health condition and/or physical disability. Twenty-six percent met the criteria for chronic homelessness defined as a person who has a disabling condition and who has been homeless for at least 12 months or had four episodes of homelessness in three years. Looking at family households, 11% of adults in families reported chronic substance abuse, serious mental illness, or co-occurring disorders while 9% reported a chronic health condition and/or physical disability. Twenty percent of households with children reported that domestic violence contributed to their homelessness. Two percent of families met the criteria for chronic homelessness.

### Housing Inventory

Montgomery County CoC continues to provide a range of temporary and permanent housing options to address the needs of persons experiencing homelessness and help them rapidly exit homelessness. The crisis response system includes emergency shelter, overflow shelter and transitional housing options as outlined below:

MONTGOMERY COUNTY'S Year-Round and Winter Inventory of Beds				
	Beds for Households w/o Children	Beds\Units for Households w/children	Total Year-Round Beds	Total Winter Beds
Hypothermia/Overflow/Other (Additional winter Capacity)	260	221/73	0	481
Emergency Shelter Beds	150	132/41	282	0
Transitional / Safe Haven Beds	172	164/51	336	0
<b>TOTALS</b>	<b>582</b>	<b>417/165</b>	<b>618</b>	<b>481</b>

In addition, the CoC continues to expand permanent housing options including Rapid Rehousing and Permanent Supportive Housing for persons in need of supportive housing options in order to exit homelessness. In 2015, the number of permanent housing beds increased 11% from 1,771 in 2014 to 1,960 in 2015.

### Gaps in the Continuum of Care

Montgomery CoC has developed a diverse range of services to prevent and end homelessness in the County, yet gaps remain. These include:

- Lack of sufficient affordable housing for extremely low income homeless individuals and families (i.e. households at or below 30% of the area medium income)
- Landlords willing to rent to homeless individuals and families with criminal histories and poor credit.

### Funding Recommendations

The Interagency Commission on Homelessness is recommending the following in support of the CoC's Ten Year Plan:

- Increase permanent supportive housing for persons experiencing chronic homelessness. Additional resources are needed for the CoC to be able to meet the goal of ending chronic homelessness by 2017.
- Increasing supply of housing affordable to extremely low-income families (those below 30% of area median income) who do not have high service needs.

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### **Legislative or Regulatory changes Requested**

At this time ICH does not recommend any legislative or regulatory changes needed to implement the Continuum of Care Strategic Plan.

### **Conclusion**

The Montgomery County Continuum of Care (CoC) goal is to end homelessness for all individuals in our community. Although government resources have been strained over the past few years, the County has continued its commitment to prevent and end homelessness. The strategy to achieve this vision is of making homelessness a rare, brief, and nonrecurring event for all residents in Montgomery County.



April 7, 2016

## SNAPS In Focus: Ending Veteran Homelessness and What it Means for Zero: 2016 Communities

In October, HUD and its Federal partners, the Department of Veterans Affairs (VA) and the United States Interagency Council on Homelessness (USICH), released Federal criteria and benchmarks associated with what it means to end veteran homelessness locally. As of today, we have been able to celebrate victory with 23 communities and 2 states that were able to demonstrate to the interagency review team that they had met these benchmarks and criteria. And we know that in the months to come, even more communities will be able to claim success.

I'm excited to share that so far this year, four communities participating in the HUD-supported Zero: 2016 initiative have taken what it means to end veteran homelessness even further, not only meeting the Federal criteria and benchmarks, but also meeting the Zero: 2016 definition of "functional zero." In Zero: 2016, functional zero is reached when the number of veterans experiencing homelessness within a community is less than the average number of veterans being connected with permanent housing each month. In achieving this measure, a community has demonstrated the system and capacity to quickly and efficiently connect people with housing and ensure that veteran homelessness within the community will be rare, brief, and non-recurring.

I wanted to take a few minutes today to congratulate Arlington County, VA, the Gulf Coast Region of Mississippi, Montgomery County, MD, and Rockford, Winnebago, and Boone Counties, IL for reaching an extraordinary standard in ending veteran homelessness. "These communities have proven and documented that fewer veterans are now experiencing homelessness on their streets and in their shelters than they routinely house each month," explained Beth Sandor, director of Zero: 2016. "In doing so, they have defined themselves as leaders in the national effort to end veteran homelessness, demonstrating that a sustainable end to veteran homelessness is possible and showcasing the power of a coordinated system complete with a by-name list."

You may ask, "Why two definitions for what it means to end veteran homelessness?" The communities that signed up to participate in Zero: 2016 in late 2014 took on the challenge of meeting the initiative's rigorous goal of functional zero. These communities are leading the way in mapping out a measurable and sustainable end to veteran homelessness, and are receiving significant investments of federally-funded technical assistance in order to do so. The Federal criteria and benchmarks were created to take into consideration community context and allow Federal partners to confirm that communities have reached the goal of ending veteran homelessness as set out in the Mayors Challenge to End Veteran Homelessness. The four communities that have reached functional zero in Zero: 2016 have also all met the Federal criteria and benchmarks. While these measures of success are slightly different, they both ensure that communities have a system in place to end, not just manage, veteran homelessness.

The strategies that are key components of Zero: 2016 are also incorporated into the Federal criteria and benchmarks. Communities that meet both, such as these four communities, have proven that they have the system and capacity to not just house all veterans that are currently experiencing homelessness, but also to sustain these gains by quickly



identifying and housing veterans who may fall into homelessness, ensuring that homelessness among veterans is rare, brief, and non-recurring. These communities have created systems of unparalleled efficiency through the implementation of new strategies and proven best practices. These include adopting a community wide Housing First orientation, the development of a by-name-list, implementation of a coordinated entry system, and prioritization of those veterans with the highest levels of need.

I want to congratulate Arlington County, VA, the Gulf Coast Region of Mississippi, Montgomery County, MD, and Rockford, Winnebago, and Boone Counties, IL for serving as a model for other communities in their efforts to end homelessness among veterans. Thank you for sharing the bright spots and best practices that have helped you to meet the goal of ending veteran homelessness.

Ann Oliva  
Deputy Assistant Secretary for Special Needs



# By-Name List Progress

March 2016

[VETERAN]

## 14 COMMUNITIES WITH A QUALITY BY-NAME LIST

These communities have a By-Name list that meets the minimum caliber and quality threshold necessary to accurately track progress toward zero, as determined by the **Zero: 2016 By-Name List Scorecard**.



## 49 COMMUNITIES WORKING TOWARD A QUALITY BY-NAME LIST LIST

These communities have completed the **By-Name List Scorecard** and are in the process of refining their By-Name List to meet the minimum threshold criteria necessary to accurately track their progress toward zero.

## 11 COMMUNITIES THAT HAVE NOT TAKEN THE BY-NAME LIST SCORECARD

These communities have not yet completed the **By-Name List Scorecard**. Zero: 2016 is unable to work with these communities to determine/improve the quality of their By-Name List until the scorecard is complete.



# Coordinated Entry System Progress

March 2016

[VETERAN]

**58**  **COMMUNITIES THAT HAVE COMPLETED THE COORDINATED ENTRY SYSTEM SCORECARD**

These communities have completed the CES Scorecard and are constantly working to improve the quality and efficiency of their system.

**16**  **COMMUNITIES THAT HAVE NOT TAKEN THE CES SCORECARD**

These communities have not yet completed the CES Scorecard. Zero: 2016 is unable to determine areas for improvement within their systems.



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# By-Name List Progress

March 2016

[CHRONIC]

**4**  **COMMUNITIES WITH A QUALITY BY-NAME LIST**

These communities have a By-Name list that meets the minimum caliber and quality threshold necessary to accurately track progress toward zero, as determined by the **Zero: 2016 By-Name List Scorecard**.

**52**  **COMMUNITIES WORKING TOWARD A QUALITY BY-NAME LIST LIST**

These communities have completed the **By-Name List Scorecard** and are in the process of refining their By-Name List to meet the minimum threshold criteria necessary to accurately track their progress toward zero.

**19**  **COMMUNITIES THAT HAVE NOT TAKEN THE BY-NAME LIST SCORECARD**

These communities have not yet completed the **By-Name List Scorecard**. Zero: 2016 is unable to work with these communities to determine/improve the quality of their By-Name List until the scorecard is complete.



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# Coordinated Entry System Progress

March 2016

**[CHRONIC]**

## 53 COMMUNITIES THAT HAVE COMPLETED THE COORDINATED ENTRY SYSTEM SCORECARD

These communities have completed the CES Scorecard and are constantly working to improve the quality and efficiency of their system.

## 22 COMMUNITIES THAT HAVE NOT TAKEN THE CES SCORECARD

These communities have not yet completed the CES Scorecard. Zero: 2016 is unable to determine areas for improvement within their systems.



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