



**Consolidated Annual Performance and
Evaluation Report for
Montgomery County, Maryland**

**Program Year 2011 / County Fiscal Year 2012
July 1, 2011 - June 30, 2012**

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Consolidated Annual Performance and Evaluation Report for Montgomery County, Maryland

Consolidated Plan

Background

The United States Department of Housing and Urban Development (HUD) approved the Consolidated Plan for Montgomery County delivered May 15, 2011 and covering the period July 1, 2011 to June 30, 2012. This plan sets forth overall priority needs for community 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) (which transitioned into the Emergency Solutions Grant during the program year)
- HOME Investment Partnership (HOME)
- Housing Opportunities for Persons with Aids (HOPWA)

Each year the County develops an annual action plan that provides specific information on activities to be funded during the fiscal year to address priority needs identified in the Consolidated Plan. Then, by September 30th of each year, the County reports to residents and to HUD on how federal funds were spent and what was accomplished during the previous fiscal year.

This report covers the fiscal year July 1, 2011 – June 30, 2012, which is also the federal Program Year 2011. During this period, Montgomery County was eligible for funds totaling approximately \$7,227,599 from CDBG, ESG and HOME. As for HOPWA, the program was established by HUD to address the specific housing and service needs of persons living with HIV/AIDS and their families. The City of Frederick has been designated as a formula grantee for HOPWA funds on behalf of the Bethesda-Frederick-Gaithersburg Metropolitan Division.

Summary of Resources and Distribution of Funds

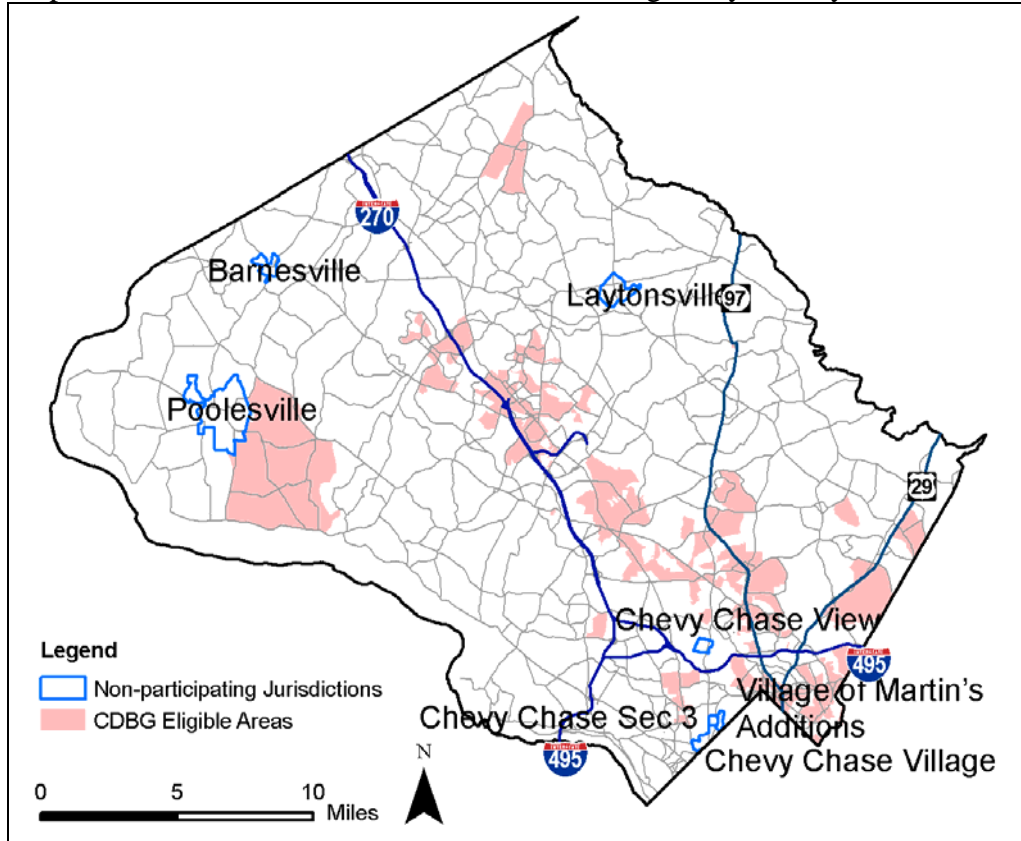
During the fiscal year the following funding was available to the County:

- Community Development Block Grant (CDBG) \$5,058,057 (including \$394,984 in program income)
- Emergency Shelter Grant (ESG) \$352,152
- HOME Investment Partnership (HOME) \$2,212,374

During Program Year 2011 \$6,475,943 was committed and \$6,307,150 was expended.

Funds were expended throughout the County. A map of the low and moderate income areas in the County is provided below. Note that County CDBG funds can't be used in the non-participating jurisdictions of Barnesville, Chevy Chase Sec 3, Chevy Chase View, Chevy Chase Village, Laytonsville, Martins Addition, and Poolesville.

Map 1: Low and Moderate Income Areas in Montgomery County



Action Plan

This report covers those activities funded through the CDBG, HOME, and ESG programs in Montgomery County for the period July 1, 2011 – June 30, 2012. More detailed information is available by activity and grant year through use of HUD's Integrated Disbursement and Information System. If you would like more detail about any activity reported here, please contact Matt Greene, Senior Planner on the Grants Administration and Special Projects Section staff at 240-777-3631.

For the fiscal year July 1, 2011 – June 30, 2012, there was funding for the following activities. Please note a concerted effort was made to receive and process all invoices for activity through June 30, 2012. However, it may be necessary to make adjustments to the expenditures below to account for invoices not submitted in a timely manner.

**Community Development Block Grant (CDBG)
July 1, 2011 - June 30, 2012**

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) **\$5,058,057**

The county received \$4,663,073 in CDBG funds for Program Year 2011 / local Fiscal Year 2012 (July 1, 2011 – June 30, 2012) and program income of \$394,984, providing a total of \$5,058,057 in CDBG funds available for the following activities.

CAPITAL IMPROVEMENTS PROJECTS

Fenton Street Village Pedestrian Linkages **\$458,000**

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

| | |
|---|------------------------------|
| <i>Performance Measurement Objective:</i> | Suitable Living Environment |
| <i>Amount Expended:</i> | \$0 |
| <i>Outcome:</i> | Availability / Accessibility |
| <i>Outcome Statement:</i> | Project underway |
| <i>Total funding available:</i> | \$458,000 |
| <i>Persons/households assisted:</i> | 2,375 |

Focused Neighborhood Assistance **\$720,000**

This project provides for focused neighborhood assistance in selected neighborhoods with a primary focus on residential areas. Project elements will comprehensively address community needs for neighborhood preservation and enhancement. Resources are currently focused in two neighborhoods, one in Mid-County (Wheaton/Glenmont) and one in Upcounty (Germantown/Gunner's Lake); two other neighborhoods will be selected in FY12.

| | |
|---|-----------------------------|
| <i>Performance Measurement Objective:</i> | Suitable Living Environment |
| <i>Amount Expended:</i> | \$289,421 |
| <i>Outcome:</i> | Sustainability |
| <i>Outcome Statement:</i> | Project underway |
| <i>Total funding available:</i> | \$430,579 |
| <i>Persons/households assisted:</i> | N/A |

Facility Planning **\$50,000**

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

| | |
|---|-----------------------------|
| <i>Performance Measurement Objective:</i> | Suitable Living Environment |
| <i>Amount Expended:</i> | \$50,000 |
| <i>Outcome:</i> | Sustainability |
| <i>Outcome Statement:</i> | Project Completed |
| <i>Total funding available:</i> | \$0 |
| <i>Persons/households assisted:</i> | N/A |

Contingency (Capital) **\$100,000**

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

| | |
|---|--|
| <i>Performance Measurement Objective:</i> | Suitable Living Environment |
| <i>Amount Expended:</i> | \$0 |
| <i>Outcome:</i> | Availability/Accessibility, Sustainability |
| <i>Outcome Statement:</i> | Project underway |
| <i>Total funding available:</i> | \$100,000 |
| <i>Persons/households assisted:</i> | N/A |

PROJECTS ADMINISTERED BY COUNTY GOVERNMENT

Department of Housing and Community Affairs (DHCA)

Group Home Acquisition and Rehabilitation **\$250,000**

Funds will be used to provide loans to nonprofit organizations for the purchase and/or rehabilitation of properties for use as group homes.

| | |
|---|------------------|
| <i>Performance Measurement Objective:</i> | Decent Housing |
| <i>Amount Committed</i> | \$501,307 |
| <i>Amount Expended:</i> | \$300,538 |
| <i>Outcome:</i> | affordability |
| <i>Outcome Statement:</i> | Project underway |
| <i>Total funding available:</i> | \$200,770 |
| <i>Persons/households assisted:</i> | 46 |

Housing Production and Preservation **\$967,843**

A total of \$967,843 will be used for affordable housing activities. Eligible activities include loans to assist in the purchase of existing properties for use as housing affordable to low- and moderate-income residents and funds for housing rehabilitation to enable low and moderate income owners of single-family homes and owners of multi-family properties occupied by low- and moderate-income tenants to eliminate code violations and make other necessary improvements, including accessibility and energy conservation improvements.

| | |
|---|------------------|
| <i>Performance Measurement Objective:</i> | Decent Housing |
| <i>Amount Expended:</i> | \$65,695 |
| <i>Amount Committed</i> | \$250,000 |
| <i>Outcome:</i> | Sustainability |
| <i>Outcome Statement:</i> | Project underway |
| <i>Total funding available:</i> | \$184,305 |
| <i>Persons/households assisted:</i> | 10 |

Code Enforcement **\$554,000**

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

| | |
|---|-----------------------------|
| <i>Performance Measurement Objective:</i> | Suitable Living Environment |
| <i>Amount Expended:</i> | \$513,406 |

| | |
|-------------------------------------|------------------------------|
| <i>Outcome:</i> | Availability / Accessibility |
| <i>Outcome Statement:</i> | Project Underway |
| <i>Total funding available:</i> | \$40,594 |
| <i>Persons/households assisted:</i> | 1,653 persons |

NONPROFIT PROVIDERS

A Wider Circle \$25,200
“Neighbor-to-Neighbor”

A total of \$41,900 in second year funding to be used to collect donations of furniture and basic home goods and distribute these items to needy families in Montgomery County. The Countywide program will benefit an estimated 5,000 people.

| | |
|---|------------------------------|
| <i>Performance Measurement Objective:</i> | Suitable Living Environment |
| <i>Amount Expended:</i> | \$22,774 |
| <i>Outcome:</i> | Availability / Accessibility |
| <i>Outcome Statement:</i> | Project Completed |
| <i>Total funding available:</i> | \$2,426 |
| <i>Persons/households assisted:</i> | 187 |

Asian American LEAD: Leadership, Education \$37,800
and Development for Youth & Family
“Middle School Program”

Fund the position of a middle school program coordinator to provided academic enrichment activities, and tutoring to low-income Asian American youth in the Wheaton/Silver Spring areas of Montgomery County. The Kennedy, Wheaton and Einstein school clusters program will benefit an estimated 100 students.

| | |
|---|------------------------------|
| <i>Performance Measurement Objective:</i> | Suitable Living Environment |
| <i>Amount Expended:</i> | \$34,501 |
| <i>Outcome:</i> | Availability / Accessibility |
| <i>Outcome Statement:</i> | Project Underway |
| <i>Total funding available:</i> | \$3,299 |
| <i>Persons/households assisted:</i> | 101 |

Caribbean Help Center, Inc \$37,800
“Caribbean Help Center Information and Referral Services”

Expand their information and referral services to assist low income immigrants with limited English proficiency, primarily those who speak French or Creole. The Countywide program will benefit an estimated 800 people.

| | |
|---|------------------------------|
| <i>Performance Measurement Objective:</i> | Suitable Living Environment |
| <i>Amount Expended:</i> | \$37,800 |
| <i>Outcome:</i> | Availability / Accessibility |
| <i>Outcome Statement:</i> | Project Completed |
| <i>Total funding available:</i> | \$0 |
| <i>Persons/households assisted:</i> | 364 persons |

Catholic Charities of the Archdiocese of Washington **\$17,590**
“Montgomery County Family Center”

Continue to provide emergency assistance to prevent residents from being evicted or to prevent utility cutoffs. The Countywide program will benefit an estimated 12 households

Performance Measurement Objective: Decent Housing
Amount Expended: \$16,800
Outcome: Affordability
Outcome Statement: Project Underway
Total funding available: \$790
Persons/households assisted: 27 persons

College Tracks, Inc. **\$37,800**
“College Tracks Program at Wheaton High School”

Continue the CollegeTracks program at Wheaton High School, where they serve students at risk of not attending or succeeding in college because they are not knowledgeable about the higher education system. This is a contract extension because this was a qualifying project within a Focused Neighborhood Assistance area. An estimated 450 households will benefit.

Performance Measurement Objective: Suitable Living Environment
Amount Expended: \$27,500
Outcome: Availability / Accessibility
Outcome Statement: Project Underway
Total funding available: \$10,300
Persons/households assisted: 198 persons

Community Ministries of Rockville, Inc. **\$37,800**
“Mansfield Kaseman Health Clinic”

Provide medical care to uninsured residents of Montgomery County at the Mansfield Kaseman Health Clinic. pay for a portion of the medical director/physician, the clinic director, medical assistant and laboratory costs. An estimated 2,000 people will benefit.

Performance Measurement Objective: Suitable Living Environment
Amount Expended: \$33,000
Outcome: Availability / Accessibility
Outcome Statement: Project Underway
Total funding available: \$4,800
Persons/households assisted: 647 persons

Germantown Cultural Arts Center, Inc. dba, **\$16,800**
Black Rock Center for the Arts
“Arts and Language”

Support a comprehensive after-school program that utilizes instruction in playwriting and theatre production to improve reading, writing, and public speaking proficiencies in middle school students in Germantown. An estimated 44 students will benefit.

Performance Measurement Objective: Suitable Living Environment
Amount Expended: \$15,842
Outcome: Availability / Accessibility

| | |
|-------------------------------------|------------------|
| <i>Outcome Statement:</i> | Project Underway |
| <i>Total funding available:</i> | \$958 |
| <i>Persons/households assisted:</i> | 22 persons |

Interfaith Works, Inc. \$29,400
“Project LEAD”

Continue to provide vocational services to low-wage earners in community sites that serve low-income residents of the County, including Interfaith Works’ Interfaith Clothing Center. The Countywide program will benefit an estimated 187 people.

| | |
|---|------------------------------|
| <i>Performance Measurement Objective:</i> | Suitable Living Environment |
| <i>Amount Expended:</i> | \$12,238 |
| <i>Outcome:</i> | Availability / Accessibility |
| <i>Outcome Statement:</i> | Project Underway |
| <i>Total funding available:</i> | \$8,358 |
| <i>Persons/households assisted:</i> | 11 persons |

Latino Economic Development Corporation of Washington, DC \$31,920
“Small Business Development and Micro-loan Program”

Expand their small business micro-loan program with an additional loan officer. This will allow LEDC to increase the number of small business loans. The Countywide program will benefit an estimated 35 people.

| | |
|---|-------------------------------|
| <i>Performance Measurement Objective:</i> | Create Economic Opportunities |
| <i>Amount Expended:</i> | \$23,532 |
| <i>Outcome:</i> | Sustainability |
| <i>Outcome Statement:</i> | Project Underway |
| <i>Total funding available:</i> | \$8,388 |
| <i>Persons/households assisted:</i> | 39 persons |

Liberty’s Promise, Inc. \$37,800
“Enriching the Lives of Immigrant Youth”

Continue an after-school program of civic engagement and a professional internship program in partnership with Wheaton High School. This is a contract extension because this was a qualifying project within a Focused Neighborhood Assistance area. The program will benefit an estimated 50 students.

| | |
|---|------------------------------|
| <i>Performance Measurement Objective:</i> | Suitable Living Environment |
| <i>Amount Expended:</i> | \$13,941 |
| <i>Outcome:</i> | Availability / Accessibility |
| <i>Outcome Statement:</i> | Project Completed |
| <i>Total funding available:</i> | \$23,859 |
| <i>Persons/households assisted:</i> | 49 persons |

Manna Food Center, Inc. \$36,120
“Farm to Food Bank”

Purchase locally grown fruits and vegetables from area farms, orchards and farmers’ markets at wholesale prices to provide low income families with fresh produce. The program will benefit an estimated 3,000 people.

| | |
|---|------------------------------|
| <i>Performance Measurement Objective:</i> | Suitable Living Environment |
| <i>Amount Expended:</i> | \$36,120 |
| <i>Outcome:</i> | Availability / Accessibility |
| <i>Outcome Statement:</i> | Project Completed |
| <i>Total funding available:</i> | \$0 |
| <i>Persons/households assisted:</i> | 1,095 persons |

Ministries United Silver Spring/Takoma Park, Inc. \$36,590

“Housing and Utilities in Lower Silver Spring/Takoma Park is a MUST”

Provide utility and housing assistance to eligible clients in the zip codes of 20901, 20910 and 20912. An estimated 40 households will benefit.

| | |
|---|------------------------------|
| <i>Performance Measurement Objective:</i> | Suitable Living Environment |
| <i>Amount Expended:</i> | \$33,926 |
| <i>Outcome:</i> | Availability / Accessibility |
| <i>Outcome Statement:</i> | Project Underway |
| <i>Total funding available:</i> | \$2,664 |
| <i>Persons/households assisted:</i> | 14 persons |

Mobile Medical Care, Inc. \$37,800

“Specialty Care Coordination for the Uninsured”

Support a part-time Specialty Care Coordinator to schedule appointments for the uninsured, low-income and homeless Montgomery County residents. The program will benefit an estimated 1,000 people.

| | |
|---|------------------------------|
| <i>Performance Measurement Objective:</i> | Suitable Living Environment |
| <i>Amount Expended:</i> | \$31,186 |
| <i>Outcome:</i> | Availability / Accessibility |
| <i>Outcome Statement:</i> | Project Underway |
| <i>Total funding available:</i> | \$6,614 |
| <i>Persons/households assisted:</i> | 825 persons |

Montgomery County Coalition for the Homeless \$37,800

“Creative Housing Initiative pilot Project (CHIPP)”

A total of \$37,800 will be used to support a case manager position for the CHIPP permanent supportive housing program. The Countywide program will benefit an estimated 16 people.

| | |
|---|------------------|
| <i>Performance Measurement Objective:</i> | Decent Housing |
| <i>Amount Expended:</i> | \$27,907 |
| <i>Outcome:</i> | Affordability |
| <i>Outcome Statement:</i> | Project Underway |
| <i>Total funding available:</i> | \$893 |
| <i>Persons/households assisted:</i> | 17 persons |

Montgomery County MD Delta Alumnae Foundation, Inc. \$37,800

“Science, Technology, Engineering and Mathematics Saturday Academy”

Provide alternative paths to learning that will interest and encourage students to gain more knowledge about science, technology, engineering and mathematics. The program will benefit an estimated 50 households.

| | |
|---|------------------------------|
| <i>Performance Measurement Objective:</i> | Suitable Living Environment |
| <i>Amount Expended:</i> | \$34,506 |
| <i>Outcome:</i> | Availability / Accessibility |
| <i>Outcome Statement:</i> | Project Underway |
| <i>Total funding available:</i> | \$2,294 |
| <i>Persons/households assisted:</i> | 54 persons |

Prison Outreach Ministry, Inc. \$37,800
“Welcome Home Reentry Program”

Support a staff position to link persons returning to the community after incarceration, with services necessary to reentry. The program will benefit an estimated 100 people

| | |
|---|------------------------------|
| <i>Performance Measurement Objective:</i> | Suitable Living Environment |
| <i>Amount Expended:</i> | \$0 |
| <i>Outcome:</i> | Availability / Accessibility |
| <i>Outcome Statement:</i> | Project Underway |
| <i>Total funding available:</i> | \$37,800 |
| <i>Persons/households assisted:</i> | 0 |

Sunflower Bakery \$13,290
“Expansion of Sunflower Bakery Program”

Training eight additional individuals with development or cognitive disabilities in Sunflower Bakery’s inclusive on-the-job training program in 2012 over a 12-month period. The funding will partially support training personnel (including professional chefs and bakery assistants), ingredients, supplies, curriculum updates, and operations. The program will benefit an estimated eight people..

| | |
|---|------------------------------|
| <i>Performance Measurement Objective:</i> | Suitable Living Environment |
| <i>Amount Expended:</i> | \$8,018 |
| <i>Outcome:</i> | Availability / Accessibility |
| <i>Outcome Statement:</i> | Project Underway |
| <i>Total funding available:</i> | \$5,272 |
| <i>Persons/households assisted:</i> | 6 persons |

Washington Youth Foundation \$31,080
“Professional Youth Initiative Project”

Continue a volunteer training and work program and a parent training program to educate parents with the skills and knowledge to support their children’s volunteer work and internship program. The Countywide program will benefit an estimated 271 people..

| | |
|---|------------------------------|
| <i>Performance Measurement Objective:</i> | Suitable Living Environment |
| <i>Amount Expended:</i> | \$25,901 |
| <i>Outcome:</i> | Availability / Accessibility |
| <i>Outcome Statement:</i> | Project Underway |
| <i>Total funding available:</i> | \$5,179 |
| <i>Persons/households assisted:</i> | 50 persons |

PROJECTS ADMINISTERED BY MUNICIPALITIES

CITY OF TAKOMA PARK \$138,000

Crossroads Farmers Market \$21,000

“Opportunity and Community in the Crossroads”

Bi-lingual marketing and educational initiative designed to improve access to fresh and locally grown foods, increase awareness of the nutritional benefits of fresh food, and to promote use of WIC and food stamps. An estimated total of 415 low and moderate income persons will benefit by the project.

| | |
|---|------------------------------|
| <i>Performance Measurement Objective:</i> | Suitable Living Environment |
| <i>Amount Expended:</i> | \$0 |
| <i>Outcome:</i> | Availability / Accessibility |
| <i>Outcome Statement:</i> | Project Underway |
| <i>Total funding available:</i> | \$21,000 |
| <i>Persons/households assisted:</i> | 0 |

City of Takoma Park \$119,280

“Commercial Façade Easement Program”

Funds will be used for City’s commercial façade easement program. Matching funds up to \$10,000 would be available for storefront improvements in all CDBG eligible areas of Takoma Park. A total of 14 commercial properties are expected to benefit.

| | |
|---|------------------|
| <i>Performance Measurement Objective:</i> | Decent Housing |
| <i>Amount Expended:</i> | \$0 |
| <i>Outcome:</i> | Affordability |
| <i>Outcome Statement:</i> | Project underway |
| <i>Total funding available:</i> | \$119,280 |
| <i>Persons/households assisted:</i> | 0 |

CITY OF ROCKVILLE \$294,000

Community Ministries of Rockville \$13,100

“Elderly Ministries Program”

Funds will support administrative expenses associated with providing case management to senior citizens and frail elderly residents of the City of Rockville. This service will assist approximately 50 individuals.

| | |
|---|------------------|
| <i>Performance Measurement Objective:</i> | Decent Housing |
| <i>Amount Expended:</i> | \$0 |
| <i>Outcome:</i> | Affordability |
| <i>Outcome Statement:</i> | Project Underway |
| <i>Total funding available:</i> | \$13,100 |
| <i>Persons/households assisted:</i> | 0 |

Rockville Housing Enterprises \$93,410

Funds will be used by Rockville Housing Enterprises for improvements to 13 single family units located in David Scull Courts. These improvements will benefit 13 families.

| | |
|---|------------------|
| <i>Performance Measurement Objective:</i> | Decent Housing |
| <i>Amount Expended:</i> | \$0 |
| <i>Outcome:</i> | Affordability |
| <i>Outcome Statement:</i> | Project Underway |
| <i>Total funding available:</i> | \$93,410 |
| <i>Persons/households assisted:</i> | 0 |

Single-Family Rehabilitation **\$123,650**

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 10 households will benefit.

| | |
|---|------------------|
| <i>Performance Measurement Objective:</i> | Decent Housing |
| <i>Amount Expended:</i> | \$0 |
| <i>Outcome:</i> | Affordability |
| <i>Outcome Statement:</i> | Project underway |
| <i>Total funding available:</i> | \$123,650 |
| <i>Persons/households assisted:</i> | N/A |

Stepping Stones Shelter **\$12,600**
“Case Management Services”

The funds will be used to install a central air conditioning system at the shelter for adults and children. This shelter facility will assist approximately 100 households.

| | |
|---|------------------------------|
| <i>Performance Measurement Objective:</i> | Suitable Living Environment |
| <i>Amount Expended:</i> | \$0 |
| <i>Outcome:</i> | Availability / Accessibility |
| <i>Outcome Statement:</i> | Project underway |
| <i>Total funding available:</i> | \$12,600 |
| <i>Persons/households assisted:</i> | 0 |

CONTINGENCY **\$0**

No CDBG funds were budgeted for contingency operating uses.

ADMINISTRATION **\$952,000**

This funded 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.

Amount Expended: \$771,052

HOME Investment Partnerships Program (HOME)
July 1, 2010 - June 30, 2011

HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) **\$2,212,374**

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 Program Year 2011 / local Fiscal Year 2012 (July 1, 2011 – June 30,

2012), the County received \$2,212,374 in funding for HOME projects. No program income was received during this period. Funds were generally made available in the form of low-interest loans and other subsidies, and units assisted were both rental and owner-occupied.

PROJECTS ADMINISTERED BY COUNTY GOVERNMENT

Department of Housing and Community Affairs (DHCA)

Housing Production and Preservation \$1,197,680

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

| | |
|---|------------------|
| <i>Performance Measurement Objective:</i> | Decent Housing |
| <i>Amount Committed</i> | \$932,000 |
| <i>Amount Expended:</i> | \$932,000 |
| <i>Outcome:</i> | Sustainability |
| <i>Outcome Statement:</i> | Project underway |
| <i>Total funding available:</i> | \$0 |
| <i>Persons/households assisted:</i> | N/A |

Community Housing Development Organizations (CHDOs) \$331,856
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 (\$33,185) 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.

| | |
|---|------------------|
| <i>Performance Measurement Objective:</i> | Decent Housing |
| <i>Amount Committed</i> | \$0 |
| <i>Amount Expended:</i> | \$2,325,000 |
| <i>Outcome:</i> | Sustainability |
| <i>Outcome Statement:</i> | Project underway |
| <i>Total funding available:</i> | \$-2,325,000 |
| <i>Persons/households assisted:</i> | N/A |

PROJECTS ADMINISTERED BY NONPROFITS AND OTHER PUBLIC AGENCIES

CHDO Operating Assistance \$99,680

Funds will be used to partially cover the administrative costs of qualified CHDOs: Montgomery Housing Partnership (MHP) and Housing Unlimited. MHP will receive \$74,760 and Housing Unlimited will receive \$24,920. 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.

| | |
|---|-------------------|
| <i>Performance Measurement Objective:</i> | Decent Housing |
| <i>Amount Expended:</i> | \$99,680 |
| <i>Outcome:</i> | Sustainability |
| <i>Outcome Statement:</i> | Project Completed |
| <i>Total funding available:</i> | \$0 |
| <i>Persons/households assisted:</i> | N/A |

Rental Assistance – Housing Opportunities Commission \$112,000

Up to a total of \$112,000 will fund rental assistance in partnership with the Housing Opportunities Commission (HOC). HOC administers the State of Maryland’s Rental Allowance Program in the county, and HOME funds will leverage this state funding source to assist households who are homeless or at-risk of becoming homeless. HOC will administer these funds.

| | |
|---|------------------|
| <i>Performance Measurement Objective:</i> | Decent Housing |
| <i>Amount Expended:</i> | \$19,340 |
| <i>Outcome:</i> | Sustainability |
| <i>Outcome Statement:</i> | Project underway |
| <i>Total funding available:</i> | \$92,660 |
| <i>Persons/households assisted:</i> | N/A |

Rental Assistance – Montgomery Coalition of the Homeless \$750,000

Up to a total of \$750,000 may be used for rental assistance in partnership with the Montgomery County Coalition for the Homeless (MCCH) in furtherance of the County’s “Housing First Program”. MCCH will operate this program.

| | |
|---|------------------|
| <i>Performance Measurement Objective:</i> | Decent Housing |
| <i>Amount Expended:</i> | \$0 |
| <i>Outcome:</i> | Sustainability |
| <i>Outcome Statement:</i> | Project underway |
| <i>Total funding available:</i> | \$750,000 |
| <i>Persons/households assisted:</i> | N/A |

Fair Housing Activities \$32,930

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.

| | |
|---|------------------|
| <i>Performance Measurement Objective:</i> | Decent Housing |
| <i>Amount Expended:</i> | \$12,882 |
| <i>Outcome:</i> | Sustainability |
| <i>Outcome Statement:</i> | Project underway |
| <i>Total funding available:</i> | \$20,048 |
| <i>Persons/households assisted:</i> | N/A |

ADMINISTRATION**\$188,307**

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.

Amount Expended: 167,274

Emergency Shelter Grant / Emergency Solutions Grant (ESG)**July 1, 2011 June 30, 2012****EMERGENCY SHELTER / SOLUTIONS GRANT (ESG)****\$352,152**

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 some of our most needy. The Homeless Emergency and Rapid Transition to Housing Act (HEARTH) of 2009 transitions the Emergency Shelter Grant program into the Emergency Solutions Grant program and this change was carried out during the plan year.

Montgomery County was first awarded an allocation of \$225,377 in FFY11 (County FY12) Emergency Shelter funds, the use of which was described in our approved FFY11 (County FY12) Consolidated Plan. Subsequently, during the plan year, a second allocation was provided under the new Emergency Solutions Grant regulations in the amount of \$126,775. Services are being delivered for the Emergency Solutions Grant by the Montgomery County Department of Health and Human Services under a memorandum of understanding with DHCA and a Substantial Amendment to the Consolidated Plan was submitted and approved by HUD to account for this second allocation of funds.

At the time of writing, not all project related data for the Emergency Solutions Grant program activities were available via IDIS reports. The issue was discussed with HUD staff and a solution is expected in the near future. IDIS report 91, ESG Financial Summary, is available and is included in the appendix to this report. Screen shots of the IDIS system on IDIS projects 2700 and 2703, which include descriptions of beneficiaries served in the Activity Description box, are included for the purpose of detailing the persons served under this program.

The goal for the ESG program was to serve 290 persons (first allocation) and 25 households (second allocation). As shown in the IDIS system for project 2700 (Shelter) served 94 adult, Female-Headed Households with the following characteristics: 26 whites, 2 Hispanic, 1 Asian, 54 African American (Black), American Indian/Alaskan Native 1 and 10 Other Multi-Racial. IDIS project 2703 (Homeless Prevention) served 312 people, including 79 Female-Headed Households and 147 children. Of the total beneficiaries for project 2703 47 were white, 49 Hispanic, and 216 African American (Black).

IDIS report PR91 indicates that \$136,269 was drawn in Program Year 2011, leaving \$215,883 in expenditures required September 19, 2013.

Matching requirements for the ESG program come from County funds.

Consolidated Plan descriptions of activities under the first and second ESG allocations:

First Allocation – Emergency Shelter Grant

PROJECTS ADMINISTERED BY DHCA

Homeless Prevention Assistance **\$67,613**

Funds 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 65 people will benefit.

Shelter Renovation/Maintenance **\$115,996**

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

Rockville Presbyterian Church **\$30,500**
“Rainbow Place”

Funds will be used to provide case management services and increased staff hours at the emergency shelter for homeless women. A total of 75 people will benefit.

ADMINISTRATION **\$11,268**

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.

Second Allocation – Emergency Solutions Grant

These funds will primarily be used to provide short term housing assistance and related services to County residents who are homeless. Approximately \$40,875 will be used for Tenant Based Rental Assistance, approximately \$75,900 will be used for Housing Relocation and Stabilization Services and \$10,000 of these monies will be used for tracking and maintenance of the Homeless Management Information System (HMIS) which is a condition of receipt of these funds.

Proposed Activities:

1) Rapid Re-Housing (\$116,775)

Funds will be used for Rapid Re-Housing activities, including Housing Stabilization and Relocation Assistance (\$75,900) and Rental Assistance (\$40,875) to help stabilize households who are homeless. An estimated 25 households will benefit.

2) Homeless Management Information System (HMIS) (\$10,000)

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

CAPER Narratives

Assessment of Goals and Objectives. In each of the following sections covering Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME) and Emergency Shelter Grant / Emergency Solutions Grant (ESG) there is an assessment of goals and objectives. Information on services delivered under Housing Opportunities for Persons With Aids (HOPWA) program was provided by the Montgomery County Department of Health and Human Services, which serves as the sub-recipient for funds in Montgomery County, which falls under the Bethesda-Frederick-Gaithersburg Metropolitan Division.

Affirmatively Furthering Fair Housing

As a part of the Office of Human Rights, The Fair Housing Program has developed a far-reaching program of outreach and monitoring activities.

Educational activities include training for landlords, real estate professionals, property managers, lenders, and other housing professionals, as well as information to and training for the general public. A fair housing curriculum for 5th grade has been developed as part of a Human Rights Youth Diversity Camp which is offered throughout Montgomery County. Each year, a fair housing Poster Contest is conducted in selected elementary school classrooms throughout the County. The winner of the contest receives a saving bond for college and their winning entry is displayed on transit buses that run throughout the county during Fair Housing Month.

The Office of Human Rights has developed a comprehensive program of testing for discrimination in the rental or sale of housing, home mortgage financing and compliance with architectural guidelines. Enforcement actions are taken as warranted by the Office of Human Rights' [Compliance Section](#).

As part of determining the level of discrimination in the County, the Office of Human Rights periodically conducts workshops and seminars, for example, the free forums featured several discussion topics including: Foreclosure Education and Prevention; Understanding Your Housing Rights and Responsibilities; and Scams: Loan Modification and Housing. an evaluation of the practices of mortgage lenders in the County, and the frequency and patterns of FHA foreclosures.

Examples of Fair Housing activities typically undertaken include a Fair Housing educational forum held on April 7, 2011 jointly with the Maryland Department of Housing and Community Development and Montgomery County's Office of Human Rights; the One Stop Fair Housing Shop educational Forum held November 10, 2011 with participation from the Montgomery County Landlord-Tenant Affairs Office, Commission of People with Disabilities, Office of Consumer Affairs, Housing Opportunity Commission and the Maryland Department of Disabilities and the Commission on Civil Rights and the US Department of HUD FHEO; and the Department of Housing and Community Affairs updated report: [Analysis of Impediments to Fair Housing Choice](#).

Affordable Housing

During the fiscal year the County had a goal of making housing more affordable and more available and accessible to 575 households (under Performance Measurement Objectives in the Consolidated Plan, category Decent Housing, outcomes Availability/Accessibility and

Affordability). The actual number assisted was 796 according to IDIS reports PR85 (CDBG Housing Performance Report) and PR23 (HOME Summary of Accomplishments). The County continues to strive for maximum service while being faced with a decreasing amount of resources. By leveraging and partnerships with the nonprofit and private sector resources an attempt is being made to increase the benefits to County residents.

Continuum of Care

The Continuum of Care chart in the appendix at Tab 6 shows actions taken to address the needs of homeless persons and those with special needs who are not homeless but require supportive housing.

Other Actions

Addressing Obstacles to Meet Underserved Needs

A concerted effort has been made to coordinate with other County agencies and community groups in both the identification of needs and the resources available to meet these needs. The goal, in a time of diminishing resources, is to maximize effect through the elimination of duplication and employment of economies of scale when possible to serve the largest number of residents possible.

Fostering and Maintaining Affordable Housing

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

A concerted effort has been made to preserve existing affordable housing through a code enforcement program that results in the annual rehabilitation of approximately 30 homes. DHCA's Office of Landlord/Tenant Affairs requires licenses for all rental units and provides dispute mediation. It has published a Landlord/Tenant Handbook which spells out the rights and responsibilities of both landlords and tenants. The Office of Landlord-Tenant Affairs works closely with the Housing Code Enforcement Section to ensure tenants have housing that is in compliance with all applicable County laws. The Montgomery County Tenants Work Group (TWG), appointed and first convened in 2008 by County Executive Isiah Leggett, recently completed a thorough review in May 2010 of the primary issues impacting renters in the community (A full report is available on the County's website here: http://www.montgomerycountymd.gov/Content/EXEC/TWG/pdf/twg_report_3-2010.pdf).

On August 25, 2011 Montgomery County today launched the Residential Energy Efficiency Rebate Program that will provide incentives of up to \$3,000 to owner occupants of single family homes and condominiums who make new energy efficiency improvements. Eligible improvements include air sealing, insulation, heating and cooling, geothermal heat pumps, solar water heating and appliances. The \$1.1 million program is made possible by a grant from the U.S. Department of Energy with funding from the American Recovery and Reinvestment Act (ARRA). The residential rebate is part of a package of programs developed under the County's ARRA grant. Other efforts will retrofit commercial, multi-family and public buildings, train workers in new, green skills, and provide public education and outreach. Montgomery County also offers property tax credits for renewable energy and energy efficiency

measures, authorized at \$500,000 annually. The number of applications for these credits continues to grow and has far exceeded the annual limit, resulting in a several year backlog of applicants. The County is prohibited from using federal ARRA funds to supplement the County's existing tax credit program.

The most comprehensive effort to foster and maintain affordable is currently underway and that effort is to update the County's 2001 Housing Policy. This comes on the heels of the adoption on March 29, 2011 of an Amendment to the Housing Element of the County's General Plan, which was itself a major, comprehensive effort to consider all aspects of housing and housing affordability. The Housing Element spells out three goals:

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

The Housing Element then goes on to lay out four objectives to carry out these goals and these objectives are all being incorporated into the new draft Housing Policy:

1. Housing and Neighborhood Connectivity: Concentrate most new housing near public transportation and provide easy, multi-modal connections to jobs, schools, shopping, recreation, and other leisure activities.
2. Diverse Housing and Neighborhoods: Create diversity in the type and size of units, neighborhoods, facilities, and programs to accommodate current and future residents.
3. Housing and the Environment: Provide economically and environmentally sustainable housing and neighborhoods.

Housing Policy public participation meetings were held November 30, 2011 and December 1, 2011, numerous emails, web announcements, and other notices were created and distributed in order to get maximum input from residents on the creation of this new policy. It is hoped that a final version will be adopted in late 2012.

All of the efforts described above represent a comprehensive effort which is necessary to preserve our affordable housing supply.

Eliminate Barriers to Affordable Housing

To address this issue, Montgomery County Executive Isiah Leggett formed the Affordable Housing Task Force by issuing Executive Order 84-07 on February 28, 2007. Recognizing that a 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. A full status report on the implementation of the recommendations

of the Affordable Housing Task Force appears in the Program Year 2010 CAPER beginning on page 46 and an earlier version also comprises Appendix B of the Consolidated Plan covering the period July 1, 2011 through June 30, 2012.

OTHER ISSUES:

Evaluating and Reducing Lead-Based Paint Hazards

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

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

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

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

The United States Environmental Protection Agency's Renovation, Repair and Painting Final Rule (created under the authority of the Toxic Substances Control Act (section 402(c)(3) of TSCA) contains new rules regarding environmental lead exposure when working on existing housing units. The County's new low-income, home-weatherization program, initially funded through the American Recovery and Reinvestment Act through the U.S. Department of Energy, provided training and certification for five DHCA employees to oversee weatherization efforts. The training covered all major aspects of the EPA's Renovation, Repair and Painting Final Rule.

Reducing the Number of Persons Living Below the Poverty Level

This also falls into the category of interagency coordination. DHCA has worked with many agencies including the Department of Health and Human Services and the Housing Opportunities Commission to identify need and to allocate resources. The public service

component of the project list is evidence of the fact that a majority of our effort is to support and, where possible, create self-sufficiency. This is an effort that will not have a satisfactory conclusion until there are no families at or below the poverty level.

Among efforts that help reduce the number of persons living below the poverty level is the Family Self Sufficiency Program run by the Housing Opportunities Commission (HOC). This program helps public housing and Housing Choice Voucher families achieve self-sufficiency over a five to seven year period. The program is intended to end dependency on welfare assistance. The program serves up to 441 families, primarily composed of single female heads of household with one or two children, who enroll on a voluntary basis and agree to case management services with the goal of improving the head of household's education, career training and employment. Participants are able to establish escrow accounts. As of August 2012, of the currently enrolled FSS families, 60% are employed, 39% of whom were welfare or unemployed families.

Overcome Gaps in Institutional Structures and Enhancing Service Coordination

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

Interdepartmental teams have been formed. The key ideas embodied in this program are:

- Neighborhood based services customized to neighborhood needs
- Partnership with neighborhood leaders and organizations
- Intervention in at-risk neighborhoods
- Nurturing of involvement and leadership from the multi-cultural community, particularly the immigrant community.

Fostering Public Housing Improvements and Resident Initiatives

Funding is provided for public housing units managed by local municipalities, the Housing Opportunities Commission (HOC) and the County. The goal is a standard of living that is equitable for all. This involves resident input to ensure that real concerns are addressed and not what government has perceived as being a problem. Input is gathered through a variety of means. HOC holds public hearings and has regular discussions with the Resident Advisory Board (RAB), which includes clients from across its portfolio, including public housing and Housing Choice Voucher program. HOC staff also review any proposed policy changes with the RAB. The focus of these various meetings is on maintenance, adequacy of supportive services, and property management, and general HOC customer service. Numerous self-sufficiency and education programs, supported with public funds, result in greater effort by residents to speak out on those issues affecting their families with regard to their living conditions.

Priority Public Housing Needs

The Housing Opportunities Commission maintains its Public Housing units to meet or exceed community and County standards. However, due to years of inadequate federal support

of Public Housing, coupled with the age of the properties, the portfolio still has a great need. HOC projects that in the period of fiscal years 2013 through 2018, the agency's Public Housing stock has a capital need of over \$17 million beyond the annual Capital Fund program grants provided each year by HUD.

Ensure Compliance with Program and Comprehensive Planning Requirements

High levels of collaboration continue between homeless providers and the affected County Departments in terms of continuum of care. The goal is more affordable housing which necessitates scrutiny of all aspects of housing production/retention in the County. In addition, supportive services such as substance abuse prevention/treatment efforts are provided.

Leveraging Resources

The County was able to leverage federal funds at a rate of approximately 5:1 by using County, State and private funds. Although federal funds have been declining in recent years, County, State, and private funds have also been declining and have been doing so at similar rates. As noted in the HOME and ESG match reports included in this submission all matching requirements were met.

Public Participation/Citizen Comment

A total of \$7,622,583 (including \$394,984 of CDBG program income) was available during the fiscal year for citizens countywide.

All public service projects list the number of persons served and a summary of all persons served is provided.

All public facility and improvement projects indicate progress made during the fiscal year.

No comments from citizens were received during the comment period for this report.

Self-Evaluation of Accomplishments

The County continues to use federal funds to serve low and moderate income County residents. In general funds are being spent in a timely fashion; however, staff continues to work to improve the rate at which funds are drawn down. Grantees slow to draw down funds risk having those funds recaptured for reallocation to other activities. Delays that do occur are often the result of the complexity of the undertaking regarding design, engineering, legal and other professional services or stem from the need to coordinate many sources of funds and receive consensus among many diverse stakeholders. In those instances where this is not the case the problems usually are the result of permitting delays, faulty project designs or failure of grantees to provide adequate delivery of services. The County adopted a new accounting and financial system in County FY11 that has reduced the time required to produce checks in payment for approved services and materials.

We are continuing to work with HUD in using the IDIS reporting system that provides online delivery of information regarding our performance.

The County closely monitors the assignment of resources to specific goals and objectives. Each of the project listings note the specific objective and performance measurement that is being satisfied in carrying out the project. The Community Development Advisory Committee that determines the Public Service project funding offers a public perspective to the efforts being made to meet needs. Over 73% of the funding was used to serve low/moderate persons.

During the period covered for this report (July 1, 2011- June 30, 2012) there were no changes in program objectives and all available resources noted in the Consolidated Plan were utilized. In addition, the County provided Certifications of Consistency for numerous nonprofits and housing agencies seeking funding from Federal sources.

The County did not hinder plan implementation by any action or willful inaction.

ACCOMPLISHMENT DATA FROM IDIS REPORTS (COMPLETE REPORTS IN INDEX OF THIS DOCUMENT)

| Race/Ethnicity | CDBG Beneficiaries (PR 23) | |
|--|----------------------------|---------------------|
| | Total | Persons Hispanic |
| White | 11,294 | 7,573 |
| Black/African American | 7,572 | 99 |
| Asian | 6,614 | 4 |
| American Indian/Alaska Native | 48 | 0 |
| Native Hawaiian/Other Pacific Islander | 38 | 1 |
| American Indian/Alaskan Native & White | 71 | 41 |
| Asian & White | 16 | 0 |
| Black/African American & White | 132 | 3 |
| Am. Indian/Alaskan Native & Black//African Amer. | 135 | 10 |
| Other multi-racial | 14,447 | 51 |
| Asian/Pacific Islander (valid until 03-31-04) | 27 | 0 |
| Hispanic (valid until 03-31-04) | 121 | 121 |
| Total | 40,515 | 7,903 |

Percentage of Low-Moderate Benefit (CDBG) 73.85%

Percentage of Funds Obligated for Public Service Activities 14.29%

Percentage of CDBG Funds Obligated for Planning/Administration 16.23%

Details of all projects funded with CDBG, HOME and ESG funds are included in the body of this report.

Monitoring Standards and Procedures

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

CDBG and ESG activities are monitored according to program requirements. Sub-recipients and contractors are required to submit periodic progress and financial reports and submit quarterly benefit data reports. DHCA staff maintains regular telephone contact with sub-recipients and contractors.

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

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

The County has an internal tracking system for HOME projects that generates requests for information, audits and benefit data reports according to the schedule of required cyclical inspections.

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

MONITORING RESULTS

Monitorings are conducted each year for all contracts. Additional monitorings may be conducted if there is some concern about a grantee's performance or ability to effectively and efficiently carry out its contract duties. These monitorings usually take place in the field at the offices of the grantee, although they are sometimes conducted at DHCA if the grantee is known to the monitor and has an excellent performance record. These sessions average one hour in length and include review of files as well as current procedures/standards as required by HUD. Time is taken for any questions from the grantee as well as for technical assistance as necessary. A monitoring form is completed for each visit and is included in each case file. A blank copy of the form is included in the Appendix of this report.

Program Narratives

CDBG Program

Assessment of Goals and Objectives

For Program Year 2011 (the County's Fiscal Year 2012, July 1, 2011 to June 30, 2012) the County used CDBG funds for core services, including education, public services and public health and safety. There also continued to be a sustained commitment to affordable housing. Locally, the County allocated over 15 million dollars to the Housing Initiative Fund in Program Year 2011.

Clearly, however, needs in the aggregate far outweigh available revenues. The County continues to strive to do the best it can with the limited resources available.

The County was able to exceed its goal for persons and households being served. A compilation of HUD Tables 3C shows 35,505 persons and 514 households or housing units served was the goal, while IDIS report PR23 CDBG Summary of Accomplishments shows that the CDBG program alone served 40,515 persons and 1,812 households. Demographic details of the beneficiaries are included in the IDIS reports found in the Appendix and show that they are diverse.

The CDBG Financial Summary Report (PR26) shows that 73.85% of persons served were of low/moderate income.

There were no changes in program objectives during the fiscal year.

A map showing low and moderate income areas is included on page 2 of this report.

Neighborhood Revitalization Strategy (NRSA)

The County does not have an identified NRSA.

Section 108 Loan Guarantee

The County did not participate in the Section 108 Loan Guarantee Program.

HOME Program

Assessment of Goals and Objectives

The highest priority for the use of HOME funds is the creation/preservation of affordable housing. To this end all funds were used for this purpose.

IDIS PR23 notes that 263 households benefitted from new or preserved units using HOME funds.

Match Report

The completed report is included in the Appendix to this document.

MBE and WBE Report/Annual Performance Report

HUD's Contract and Subcontract Activity reports detailing minority and women owned enterprises and the Annual Performance Report are included in the Appendix to this document.

HOPWA

Effective April 2008, the State of Maryland assumed grantee responsibilities for the HOPWA program in Montgomery County. From July 2003 - March 2008, the City of Gaithersburg - as the most populous municipality in the Bethesda-Frederick-Gaithersburg Metropolitan Division - was the grantee. Although the City of Frederick became the official grantee in 2007, a statutory change in the legislation allowed the State to assume all grantee responsibilities on behalf of the entitlement jurisdiction. The Maryland Department of Housing and Community Development includes HOPWA information in the State's annual Consolidated

Plan; however, the Maryland Department of Health and Mental Hygiene (DHMH) is responsible for preparing the Consolidated Annual Performance and Evaluation Report (CAPER). In Montgomery County, the Department of Health and Human Services (HHS) acts as a sub-recipient of HOPWA funds, providing tenant based rental assistance (TBRA) to 112 County residents who are housed in 60 subsidized units (as of quarterly reporting period April-June 2012). In addition to TBRA, HHS provides health care, case management and other supportive services to eligible households. For Program Year 2011 (County fiscal year 2012) HHS was awarded \$853,739 in HOPWA funding.

**Montgomery County Department of Health and Human Services
HIV/STD Services, HOPWA Program
July, 1 2011 - June 30, 2012**

| Numbers Assisted | May 2011 | April-June 2012 |
|--|-----------|-----------------|
| Number of family units: | 54 | 60 |
| Number of persons with HIV/AIDS: | 60 | 65 |
| Number of other persons in units: | 39 | 47 |
| Total number of persons assisted: | 99 | 112 |

ESG

Assessment of Goals and Objectives

As noted under the project listings, all ESG funds were used for activities that addressed needs of homeless persons and homeless prevention goals. To this end all funds were used for this purpose.

The goal for the ESG program was to serve 290 persons (first allocation) and 25 households (second allocation). As shown in the IDIS system for project 2700 (Shelter) served 94 adult, Female-Headed Households with the following characteristics: 26 whites, 2 Hispanic, 1 Asian, 54 African American (Black), American Indian/Alaskan Native 1 and 10 Other Multi-Racial. IDIS project 2703 (Homeless Prevention) served 312 people, including 79 Female-Headed Households and 147 children. Of the total beneficiaries for project 2703 47 were white, 49 Hispanic, and 216 African American (Black).

Matching Resources

The County has committed in excess of \$1 million of its funds (match requirement of \$352,152 on a one-to-one basis) to address the problem of homelessness. The Department of Health and Human Services provides core services that protect the community's health, the health and safety of at-risk children and vulnerable adults, and address basic human needs including food, shelter, clothing and personal care.

Activity and Beneficiary Data

At the time of writing, not all project related data for the Emergency Solutions Grant program activities were available via IDIS reports. The issue was discussed with HUD staff and a solution is expected in the near future. IDIS report 91, ESG Financial Summary, is available and is included in the appendix to this report. Screen shots of the IDIS system on IDIS projects

2700 and 2703, which include descriptions of beneficiaries served in the Activity Description box, are included for the purpose of detailing the persons served under this program.

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. A point-in-time survey was conducted in January 2012 showing a homeless population count of 982. This is a 13.3% decrease from the 2011 count of 1,132, and a 7.7% decrease from the 2010 count which was 1,064. The 13.3 decrease in homelessness is primarily from a decrease in homeless households without children, formerly known as “individuals”. There was a slight increase in the number of homeless families from 374 in 2011 to 381 in 2012. In addition, 61% of all persons counted were households without children while 39% were persons in families. More than two-thirds (69%) of Montgomery County homeless households without children reported chronic substance abuse, serious mental health issues, or co-occurring disorders, consistent with previous year. In addition, more than one-third (37%) reported chronic health problems and/or a physical disability. Thirty-three percent of the County’s households without children were considered chronically homeless. Issues related to the special needs of the homeless recuperating after hospital discharge or those in need of health services like dental and vision care or with illnesses such as tuberculosis or HIV/AIDS have also been identified as priorities. Public services that support families, especially those benefiting children and youth and those addressing needs of the ethnically and linguistically diverse immigrants to the county, are identified as priorities, as are services for the elderly

Created in 2001, the Housing First Initiative provides permanent housing and follow-up social support to help previously homeless individuals and families move to permanent housing, rather than stay in an endless series of temporary or transition situations. The Initiative required DHCA to reserve 4.5 million for the Housing Initiative Fund to implement a plan to transition housing programs for the homeless to a Housing First Model. Montgomery County has adopted a “Housing First” approach, which includes three main outcomes: prevention of homelessness, reduction in the length of time of homelessness, and decreased recidivism. You can find more information on Housing First from the Montgomery County Department of Health and Human Services - <http://www.montgomerycountymd.gov/hhstmpl.asp?url=/content/hhs/index.asp>. 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 continues to be a priority.

Homeless Discharge Coordination

Montgomery County has multiple systems of care that are coordinated in a manner to minimize the extent to which individuals leaving institutions are discharged into homelessness. This is primarily true with respect to those individuals who were housed prior to entering the institution, and to a lesser extent for those who were homeless at the time of entering an institution.

Special Needs Housing and Public Health coordinate on several levels to ensure that clients being discharged from local hospitals are assessed prior to discharge and that shelter placement is utilized only as a last resort. If shelter placement is required, specific designated “medical beds” are available. Clients receive on-going medical monitoring from Healthcare for

the Homeless and case management is coordinated through Aging and Disability, Homeless Outreach Services, or the shelter.

The interaction between the Homeless Services System, the Behavioral Health System, and the Criminal Justice System are coordinated through several mechanisms. On a policy level, the Criminal Justice Behavioral Health Steering Committee addresses these issues through programs implemented to target the issues of mentally ill individuals who are interacting with the criminal justice system. Systemic interventions are made to assure that these individuals are properly assessed and receive the most appropriate level of resource necessary.

Specific accomplishments to date are:

- Joint collaboration between Special Needs Housing and Behavioral Health Services. This includes utilizing State Department of Health and Mental Hygiene funds to create a Homeless Outreach Program.
- Contract services for Homeless Outreach which includes transitional psychiatric services for mental health individuals until they can be connected to the Public Mental Health System.
- Continued participation on the Criminal Justice and Behavioral Health Steering Committee and the Correctional Re-entry Discharge planning committee.
- Continued funding for a Re-Entry housing programs for families that are re-uniting after a period of incarceration. The Re-Entry Program is transitional housing with a three (3) year limit to assist the family in addressing behavioral health issues, resolving any criminal issues, and credit / debt issues which would be barriers to permanent supportive housing.
- October 19, 2011 was the first Homeless Resource Day. This event was a collaboration within all of the Department of Health and Human Services including, Behavioral Health, Public Health, Income Supports, and Children Youth and Families. More than 300 people attended this highly successful event and were able to receive health screenings, registration for mainstream benefits, legal assistance, employment, haircuts and more. The CoC plans to hold this event annually in the future and is scheduled for November 15, 2012.
- There has been a concerted effort to identify and engage homeless veterans living in Montgomery County including the creation of one-stop center in collaboration with the Veterans Administration where veterans can be assessed for eligibility, apply for benefits, get connected to housing resources, and receive case management. In addition, Montgomery County received 15 Veteran Assisted Supportive Housing vouchers in 2012.
- In collaboration with Montgomery County Coalition to the Homeless, Seneca Heights, previously a transitional program for families converted to permanent supportive housing to address a need for deep subsidy housing for families.
- Special Needs Housing supports Dept. of Health and Human Services (DHHS) efforts around service integration. Service Integration meetings are held weekly for homeless families to ensure access to services, safety for children, and explore housing options.

Other Attachments and Narratives

Relocation

The County did not carry out any activities that necessitated relocation or relocation assistance.

Economic Development

The County did not carry out any activities that involved job creation.

Limited Clientele

The County did not carry out any activities that served Limited Clientele not falling into one of the categories of presumed limited clientele low mod benefit.

Program Income

- All CDBG program income was applied to activities under the funding category Housing Production and Preservation.
- There were no float funded activities
- Loan repayments were received from single and multi-family accounts and group home accounts
- Receivables are reported in accounting records
- The County did not participate in a Lump Sum Agreement

Rental Housing

The Department of Housing and Community Affairs (DHCA), Licensing and Registration Unit, annually conducts a survey of all multifamily rental facilities in Montgomery County with twelve or more rental units. The survey requests information about the number of vacant units on the first of April each year and turnover rental rates, which are rents offered to prospective tenants for vacant units. A vacant unit is defined as a unit offered for rent, but not leased as of April 1, 2011. The source for the below information is the DHCA 2011 Rental Facility Report.

Highlights – Market and Subsidized Units

- The Countywide vacancy rate for all surveyed units remained unchanged at 3.7 percent in 2011.
- The City of Gaithersburg experienced a 0.4 percentage point decrease with the vacancy rate in 2011 falling to 3.1 percent. The City of Rockville had a small increase in its vacancy rate, rising to 3.3 percent from 3.1 percent. The City of Takoma Park saw a 0.3 percentage point decrease with the vacancy rate falling to 3.7 percent.
- Vacancy rates by bedroom size ranged from a low of 1.6 percent for 4 bedroom plus units to a high of 3.9 percent for efficiency units and two bedroom units. One bedroom units had a vacancy rate of 3.6 percent; three bedroom units had a vacancy rate of 3.5 percent.

- The Bethesda-Chevy Chase and Rockville market areas had the tightest markets of the major market areas, with a vacancy rate of 3.1 percent, 0.6 percentage points below the countywide average. The highest vacancy rate of the major market areas was found in Germantown-Gaithersburg at 4.3 percent, 0.6 percentage points above the countywide average.
- Vacancy rates by structure type ranged from a low of 3.0 percent for mid-rise units to 4.5 percent for high-rise units.

Highlights – Market Rate Units

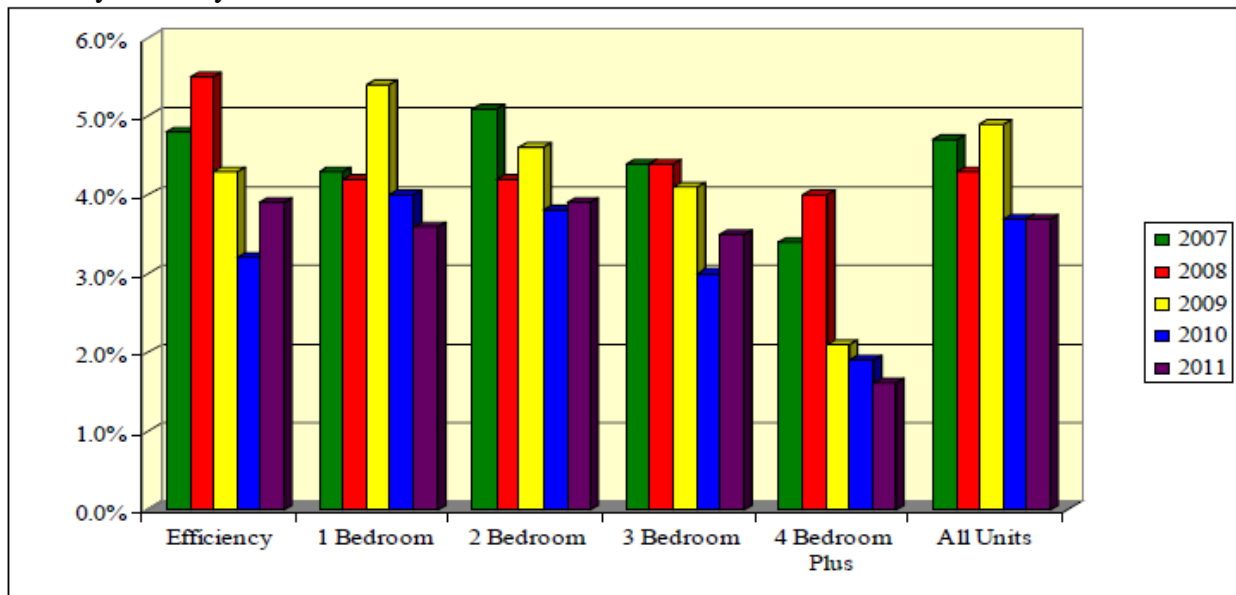
- The countywide vacancy rate for market rate units was 3.8 percent in 2011, a decrease of 0.3 percentage points from the 4.1 percent vacancy rate in 2010.
- The Bethesda-Chevy Chase market area was the tightest major market area with a vacancy rate of 2.6 percent. Colesville-White Oak had the softest market of the major market areas with a vacancy rate of 4.3 percent.
- High-rise units had the highest vacancy rate at 4.6 percent. Mid-rise apartments had the lowest vacancy rate at 2.4 percent.
- Vacancy rates by turnover rent ranged from a low of 2.7 percent in units with rents between \$1,000-1,099 to a high of 4.6 percent in units with rents between \$1,400-1,499.

Vacancy Rates by Jurisdiction 2007-2011



| | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|----------------------|-------------|-------------|-------------|-------------|-------------|
| Unincorporated Areas | 4.7% | 4.4% | 5.0% | 3.8% | 3.8% |
| City of Gaithersburg | 5.7% | 4.5% | 5.7% | 3.5% | 3.1% |
| City of Rockville | 4.5% | 3.1% | 3.1% | 3.1% | 3.3% |
| City of Takoma Park | 2.1% | 5.0% | 3.2% | 4.0% | 3.7% |
| All Areas | 4.7% | 4.3% | 4.9% | 3.7% | 3.7% |

Vacancy Rates by Unit Size 2007-2011



| | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|------------------|-------------|-------------|-------------|-------------|-------------|
| Efficiency | 4.8% | 5.5% | 4.3% | 3.2% | 3.9% |
| 1 Bedroom | 4.3% | 4.2% | 5.4% | 4.0% | 3.6% |
| 2 Bedroom | 5.1% | 4.2% | 4.6% | 3.8% | 3.9% |
| 3 Bedroom | 4.4% | 4.4% | 4.1% | 3.0% | 3.5% |
| 4 Bedroom Plus | 3.4% | 4.0% | 2.1% | 1.9% | 1.6% |
| All Units | 4.7% | 4.3% | 4.9% | 3.7% | 3.7% |

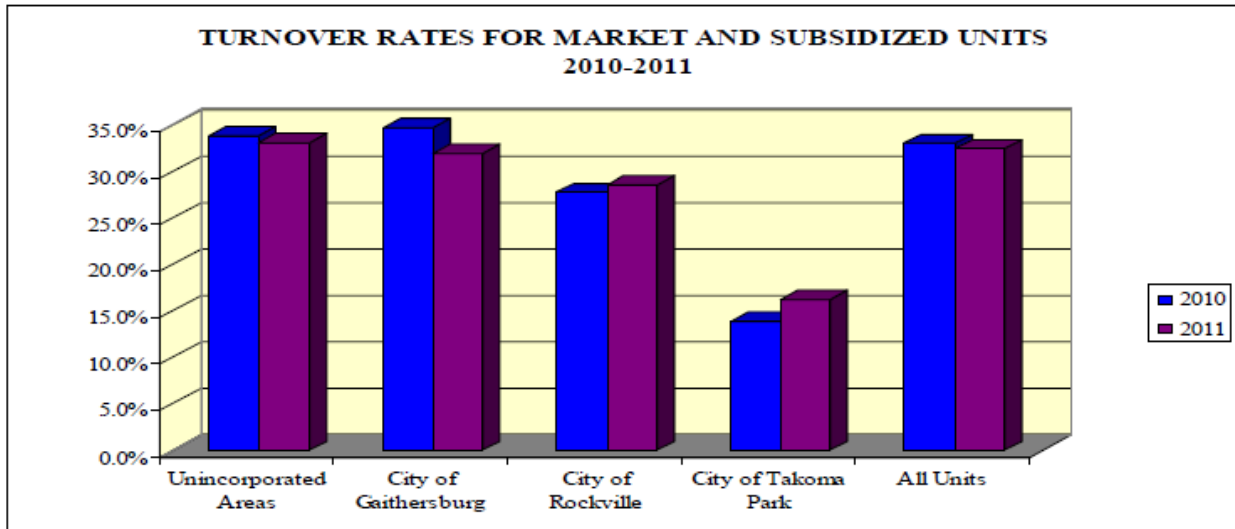
Turnover Rates

The “Turnover Rate” represents the percentage of rental units that changed tenants from April 1, 2010 through March 31, 2011. Information regarding turnover rates was obtained for 71,848 units, which represents 95.7 percent of the 75,060 total units responding to the survey.

The 2011 countywide turnover rate was 32.5 percent, 0.6 percentage points lower than the 2010 turnover rate of 33.1 percent. The City of Takoma Park had the lowest turnover rate of the jurisdictions and major market areas at 16.2 percent, well below the countywide average. The Wheaton market area had lowest average turnover rate of the major market areas at 27.7 percent. The highest turnover rate for the major market areas was found in the Rockville market area, with a 39.0 percent turnover rate. Of all the structure types, the garden apartments had the highest turnover rates at 33.3 percent and the townhouse/piggyback units had the lowest turnover rates at 24.5 percent.

Turnover Rates, Market Rate and Subsidized Units, by Jurisdiction 2010-2011

| Jurisdiction | Units Reported | Units Turned Over | Turnover Rate 2010 | Turnover Rate 2011 |
|----------------------|----------------|-------------------|--------------------|--------------------|
| Unincorporated Areas | 60,163 | 19,962 | 33.9% | 33.2% |
| City of Gaithersburg | 5,922 | 1,895 | 34.8% | 32.0% |
| City of Rockville | 4,224 | 1,210 | 27.8% | 28.7% |
| City of Takoma Park | 1,539 | 249 | 13.9% | 16.2% |
| All Units | 71,848 | 23,316 | 33.1% | 32.5% |



Turnover Rates, Market Rate and Subsidized Units, by Unit Size – 2011

| Unit Size | Units Reported | Units Turned Over | Turnover Rate |
|------------|----------------|-------------------|---------------|
| Efficiency | 3,957 | 1,600 | 40.4% |
| 1 Bedroom | 28,187 | 9,312 | 33.0% |
| 2 Bedroom | 32,783 | 10,470 | 31.9% |
| 3 Bedroom | 6,605 | 1,806 | 27.3% |
| 4 Bedroom | 316 | 128 | 40.5% |
| All Units | 71,848 | 23,316 | 32.5% |

Turnover Rates, Market Rate and Subsidized Units, by Market Area – 2010-11

| Market Area | Units Reported | Units Turned Over | Turnover Rate |
|---------------------------|----------------|-------------------|---------------|
| Bethesda-Chevy Chase | 7,958 | 2,468 | 31.0% |
| Colesville-White Oak | 8,855 | 2,964 | 33.5% |
| Darnestown-Potomac | 454 | 39 | 8.6% |
| Germantown-Gaithersburg | 16,124 | 5,992 | 37.2% |
| Olney | 551 | 104 | 18.9% |
| Rockville | 10,630 | 4,150 | 39.0% |
| Silver Spring-Takoma Park | 16,357 | 4,571 | 28.0% |
| Upper Montgomery County | 207 | 57 | 27.5% |
| Wheaton | 10,712 | 2,971 | 27.7% |
| All Units | 71,848 | 23,316 | 32.5% |

Turnover Rates, Market Rate Units, by Jurisdiction – 2010-11

| Jurisdiction | Units Reported | Units Turned Over | Turnover Rate 2010 | Turnover Rate 2011 |
|----------------------|----------------|-------------------|--------------------|--------------------|
| Unincorporated Areas | 47,107 | 17,433 | 37.5% | 37.0% |
| City of Gaithersburg | 5,166 | 1,773 | 35.9% | 34.3% |
| City of Rockville | 2,472 | 837 | 31.6% | 33.9% |
| City of Takoma Park | 1,032 | 152 | 14.5% | 14.7% |
| All Units | 55,777 | 20,195 | 36.6% | 36.2% |

Turnover Rates, Market Rate Units, by Unit Size – 2011

| Unit Size | Units Reported | Units Turned Over | Turnover Rate |
|------------|----------------|-------------------|---------------|
| Efficiency | 2,725 | 1,310 | 48.1% |
| 1 Bedroom | 21,246 | 7,941 | 37.4% |
| 2 Bedroom | 26,830 | 9,325 | 34.8% |
| 3 Bedroom | 4,859 | 1,512 | 31.1% |
| 4 Bedroom | 117 | 107 | 91.5% |
| All Units | 55,777 | 20,195 | 36.2% |

Turnover Rates, Market Rate Units, by Market Area – 2011

| Market Area | Units Reported | Units Turned Over | Turnover Rate |
|---------------------------|----------------|-------------------|---------------|
| Bethesda-Chevy Chase | 6,173 | 2,101 | 34.0% |
| Colesville-White Oak | 7,968 | 2,819 | 35.4% |
| Darnestown-Potomac | N/A | N/A | N/A |
| Germantown-Gaithersburg | 13,080 | 5,302 | 40.5% |
| Olney | 132 | 47 | 35.6% |
| Rockville | 7,899 | 3,607 | 45.7% |
| Silver Spring-Takoma Park | 13,676 | 4,026 | 29.4% |
| Upper Montgomery County | 79 | 40 | 50.6% |
| Wheaton | 6,770 | 2,253 | 33.3% |
| All Units | 55,777 | 20,195 | 36.2% |

Turnover Rents

A “Turnover Rent” is defined as the rental rate offered to a prospective tenant for a vacant unit as of April 1, 2011. Turnover rents are often referred to as “street rents” and do not necessarily reflect rents paid by current tenants. All turnover rent information is based upon market rate units only.

The countywide average turnover rent for market rate units was \$1,442 in 2011, an increase of \$53 (3.8 percent) from 2010 average rent of \$1,389. Increases in turnover rents were found in most categories tracked by the survey.

Highlights – Market Rate Survey Units

- Units within the City of Takoma Park reported the lowest rents, averaging \$920. These rents are \$522 below the countywide average. The highest rents were reported in the City of Rockville, averaging \$1,601.
- All bedroom sizes experienced rent increases in the past year. The increases ranged from 0.9 percent for the efficiency units to a high of 4.6 percent for the four bedroom plus units.
- Garden apartments had the lowest average rent at \$1,298, \$144 below the countywide average. Townhouse/piggyback buildings had the highest average rent at \$1,736, \$294 above the countywide average.
- The highest rents among the major market areas were reported in Bethesda-Chevy Chase, averaging \$1,914, \$472 above the countywide average. The lowest rent reported in a major market area was in the Germantown-Gaithersburg market area, averaging \$1,246, \$196 below the countywide average of \$1,442.
- The Rockville market area had the highest average increase of the major market areas at 8.5 percent. The Silver Spring-Takoma Park market area had the lowest increase at 0.9 percent.
- The average rent for units with all utilities included was \$1,533, while the average rent for units with no utilities included was lower at \$1,469.
- Average rents for units that include only water or only water and one or more, but not all, utilities, ranged from a low of \$1,310 for units with some utilities included to a high of \$1,320 for units with only water included.

TABLES/REPORTS

The following tables and reports are provided to document the activities undertaken by the County during the reporting period (federal fiscal year / program year 2011; July 1, 2011 to June 30, 2012):

Tables (see Pages 44-45)

Reports (see IDIS Reports - TAB 7)

Narratives and Performance Measurement Objective

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 spending 30 percent or less of household income on housing costs. The 2006-2010 American Community Survey 5-Year Estimates show that there were 353,177 households in Montgomery County in 2010. Of the 196,255 households with a mortgage, 38% paid more than 30% of their income on housing. The Survey shows that about 53,000 Montgomery County renter households, or 50.8% of all renter households, were paying 30% or more of their income in gross rent.

For those 32% of Montgomery County households that rent, a report released in March, 2010, by the Montgomery County Tenants Work Group, indicated that tenants, especially those with limited incomes, were seeing rents increase faster than the cost of living and their incomes. The federal Fair Market Rent for a two-bedroom unit in the county as of Federal Fiscal Year 2012 (October 1, 2011 – September 30, 2012) was \$1,506. The table below shows an additional measure of the number of households that are “cost burdened” by housing.

| Tenure Status | Cost Burdened Households | | | Total as a Percent of All | |
|---|--------------------------|--------|---------|---------------------------|----------------|
| | Moderate | Severe | Total | Households | All Households |
| Owner | 43,875 | 25,460 | 69,335 | 28.8% | 240,480 |
| Renter | 25,265 | 20,630 | 45,895 | 44.9% | 102,140 |
| Total | 69,140 | 46,090 | 115,230 | 33.6% | 342,620 |
| Total as a Percent of All Households | 20.2% | 13.5% | | | |
| Moderate cost burden = housing cost greater than 30%, less than or equal to 50% of income | | | | | |
| Severe cost burden = housing cost greater than 50% of income | | | | | |

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

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. The Report and Recommendations of the Affordable Housing Task Force (March 2008) referenced earlier in this document calls for prioritizing the housing needs of Montgomery County residents, with the “neediest” being those who are homeless and those with special needs. The draft Housing Policy being developed presently reflects this prioritization.

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. The County's Department of Economic Development has been successful in attracting/retaining business in a very competitive environment.

Assessment of Five Year Goals and Objectives

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.

Some of the activities identified in the Capital Improvement and Public Services programs of the Consolidated Plan were undertaken with federal funds provided 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 the Fiscal Year July 1, 2011 through June 30, 2012 included herein notes the activities that were funded with CDBG, HOME and ESG dollars and provides specific information about each.

Annual Affordable Housing Production Goals

Need for Affordable Housing

Montgomery County meets its affordable housing needs through a number of programs. The County and the Housing Opportunities Commission are using federal, state, and local programs and funding for the provision of affordable housing. In order to address the production needs identified in the Housing Policy, the County has established annual goals for affordable housing production and preservation.

According to the latest household forecast (Round 8.1), over 3,000 new households are likely to be formed in the county each year for the next five years, which represents a rate of just under one percent annual growth in households. At-place employment increases also add to the demand for housing in the county. Annual production of market rate housing appears to meet most of this demand, although not all households will be able to afford market prices.

The 2006-2010 American Community Survey 5-Year Estimates show that there were 353,177 households in Montgomery County in 2010. Of the 196,255 households with a mortgage, 38% paid more than 30% of their income on housing. The Survey shows that about 53,000 Montgomery County renter households, or 50.8% of all renter households, were paying 30% or more of their income in gross rent. Because of continued high costs of for-sale housing units and increasing rents, we foresee near- and long-term shortfalls of affordable housing units.

To continue to serve lower income households, the follow production and preservation goals have been established:

| Goal Type | Affordable Housing Goals (units) | | | |
|--------------|----------------------------------|--------|--------|--------|
| | FY2011 | FY2012 | FY2013 | FY2014 |
| Preservation | 1,001 | 996 | 539 | 571 |
| Production | 1,280 | 597 | 1,405 | 406 |
| Total | 2,281 | 1,593 | 1,944 | 977 |

Achievements on meeting affordable housing goals funded from all sources:

| Goal Type | Affordable Housing Units completed | | | |
|--------------|------------------------------------|--------|--------|---------------------|
| | FY2009 | FY2010 | FY2011 | FY2012 (through Q3) |
| Preservation | 423 | 1,036 | 1,206 | 782 |
| Production | 778 | 499 | 681 | 425 |
| Total | 1,201 | 1,535 | 1,887 | 1,207 |

Evaluation of Performance

Housing

The inflating of the housing “bubble” through 2007 put dramatic upward pressure on housing costs. Despite some easing in home prices, average rents for market rate units have increased 13% from 2007 to 2011. Overall, Montgomery County still suffers from a serious affordability gap. From July 1, 2011 through June 30, 2012, \$4,816,258 of CDBG funds were disbursed by the County for underway activities. Of this, \$2,436,358, or 51% of the total, was used to preserve and expand affordable housing.

The Housing Initiative Fund (HIF)

A locally funded housing trust fund that receives revenue from a variety of sources including loan repayments and a dedicated payment of 2.5 percent of the County's Property Tax revenue. Since its inception in 1988, the HIF has been administered by the County's Department of Housing and Community Affairs (DHCA). In the federal fiscal year/program year 2011 the County budgeted more than \$15,000,000 in HIF funding. A complete description of the HIF program can be found on the County's website here:

http://www.montgomerycountymd.gov/dhctmpl.asp?url=/content/DHCA/housing/housing_P/housing_p.asp.

Single Family Rehabilitation

CDBG funds were used in Program Year 2011 – County FY12 for 2.5 homes that completed a project to acquire and rehabilitate a total of 23 foreclosed homes. The project also used NSP funds awarded directly from the federal government and NSP funds awarded on a competitive basis by the state of Maryland through its Neighborhood Conservation Initiative (NCI) program. This has been accomplished in partnership with the Housing Opportunities Commission (HOC), the County's Public Housing Authority (PHA). These homes will remain as long-term affordable rental units for low-income larger families, of which there is a pronounced shortage in the local rental market. All 23 units are currently occupied by tenants below 50% of area median income.

Original Project Funding for Completed SF Rehabs

| Source | Funding amount | Homes acquired and rehabbed |
|---------------------------|----------------|-----------------------------|
| NCI (NSP-1 through state) | 4,214,360 | 14 |
| NSP-1 entitlement | 2,073,965 | 7 |
| CDBG | 815,000 | 2 |
| TOTALS | 7,103,325 | 23 |

Actions Taken to Address the Needs of the Homeless

In order to deal with the problem of homelessness, the County has set up objectives and a work program to facilitate a continuum of care approach that addresses gaps in service and assists the homeless in achieving the greatest degree of self-sufficiency possible within the limitations presented. A “continuum of care” is a phrase used to describe a strategy which calls for the coordination of shelter and services as a way of resolving the problems which cause families and individuals to become homeless. It addresses both the housing and other personal rehabilitative needs of homeless individuals and families.

These programs operate under the auspices of several nonprofit and government agencies. The Continuum of Care report provided in the latest Consolidated Plan lists the total of emergency shelter beds, transitional housing beds, and permanent supportive housing beds serving families and individuals.

There are many diverse sources of funding supporting Montgomery County's homeless service continuum. In addition to the support received from HUD, 7.7 million dollars request for FY13, the continuum is supported with other state, and local government funds including the Department of Health and Mental Hygiene, the Department of Housing and Consumer Affairs, County Council and Executive grants, to name only a few. In addition, our non-profit partners and volunteer network also contribute in-kind services in excess of \$2 million in donations.

Members of the Montgomery County Coalition for the Homeless, in collaboration with the Homeless Policy Development Committee, implemented a multi-pronged approach to refine the County's continuum of care strategy. It included designing data collection instruments and strategies after review and modification of previous efforts, distributing surveys to consumers, provider agencies and other primary stakeholders to facilitate needs assessments, updating Montgomery County's inventory of homeless shelters, supportive housing and services and convening meetings to discuss how to best enhance the continuum. The top needs identified were as follows:

1. Affordable housing which includes "deep" and "low" rental subsidies
2. Access to affordable dental care
3. Assistance with employment location
4. Job training
5. Employment and skill enhancement
6. Assistance with transportation
7. Eye examination or new glasses
8. Prescription assistance for undocumented

The established tradition of public-private partnership in Montgomery County continues to serve as the foundation for addressing the multifaceted problems of homelessness. The three levels of the homeless system were established to meet the needs of the homeless and have continued to evolve as the needs have changed.

The system functions as follows. Individuals are outreached and encouraged to enter the Emergency Shelter for women currently operated by Interfaith Works called the Wilkins Avenue Women's Assessment Center. The shelter is open 24 hours and serves 65 women. The Emergency Shelter for men is operated by Montgomery County Coalition for the Homeless (MCCH) and serves 60 – 65 men year round, but increases capacity during the winter to serve 135 men. Case management is provided at all shelters and consumers are assessed for the appropriate level of housing, which could be transitional shelter (level 2) while they address any housing barriers, or behavioral health issues, or permanent supportive housing (level 3). The case manager refers consumers to physical health, mental health, addiction, or other treatment services. The second level, transitional shelter, serves specific subpopulations of homeless persons and is operated by non-profit organizations under contract with the County. Homeless families enter the system through the local regional offices via Emergency Services in Department of Health and Human Services. Families meet with a Homeless Intake Worker for a complete assessment and shelter options are explored. Families are referred to a similar system,

family shelter for complete assessment and then to transitional, permanent supportive, or permanent with temporary subsidy if necessary.

Progress in Meeting Affordable Housing Objectives

The MPDU Program continues to be a national model for inclusion of affordable units throughout the County. A total of 174 units were created as MPDUs during the year at no cost to the County, including 128 for sale units and 46 rental units. Additionally, 12 of the for-sale units were acquired by HOC and non-profits to remain as affordable housing. Through the life of the program, Housing Unlimited has purchased 29 MPDUs, while Montgomery Housing Partnership has acquired 114 homes through non-profit MPDU acquisition set aside.

Ongoing rehabilitation, weatherization and home replacement programs stabilize and slow down the aging process of existing affordable housing units. CDBG Program funds have created units for special populations, like group homes for the developmentally disabled, through new construction. Through the third quarter of last year 1,207 units of affordable housing were financed using a combination of HUD money, the County's Housing Initiative Fund, and other funds. Additionally, the Housing Opportunities Commission (HOC) has acquired over one thousand five hundred MPDU's that are made available to income eligible home seekers. In each of these projects the County has worked with "partners" to make them feasible.

Relationship of the Use of CDBG Funds to Priorities and Objectives

As documented in this report the County has established an overall goal of community improvement. Through programs that coordinate code enforcement and housing rehabilitation programs our efforts have become increasingly focused on specific neighborhoods and more comprehensive in addressing community needs and stated goals.

Program Objectives and Experience to Date

There have been no basic changes in our program. Modifications have only been made in order to improve the delivery of services. Experience has taught us that establishing goals and sticking with them can be a difficult task, but unless you are willing to persevere through the difficult stages no progress will be made as you will constantly be restarting the engine to attempt to get going in another direction.

Assessment of Affirmative Marketing and Outreach Efforts in the Home Program

All developers and property managers of HOME-assisted housing are required to adopt the County's plan, or a substantially equivalent plan of their own. The County conducts ongoing reviews of each housing development's compliance with its plan throughout the year. As part of this review, the County reviews the development's marketing materials to ensure that the appropriate FHEO logos and statements appear. The County also reviews the content and placement of marketing advertisements to ensure that the development is marketed to those minority groups least likely to apply for residence in the development.

Progress in Obtaining Other Resources to Leverage Public Funds

The county signed grants and loans to nonprofit developers, for-profit developers, property owners, and HOC to support efforts to build and renovate affordable housing. For

every dollar of local funding spent, the Housing Initiative Fund (HIF) was able to leverage approximately five dollars in resources from private, federal, and state sources. As noted earlier, while federal funds have been declining in recent years so have County, State, and private funds such as the leverage has remained fairly stable over the past few years.

Assessment of Efforts in Carrying Out Planned Actions

The County pursued all resources (including state and private) that it stated it would. All requests for certifications of consistency for HUD programs were provided in a fair and impartial manner. No action, or willful inaction, by the County hindered the implementation of the Consolidated Plan.

Progress In Meeting Affordable Housing Objectives

A County-funded Rehabilitation Program for Small Rental Properties continues to operate. This money is used to correct housing code violations, make necessary safety repairs, extend the useful life of the property, enhance the appearance of neighborhoods, and preserve publicly-owned affordable housing. The goal of this effort is to prevent and correct the deterioration of the County's aging rental stock.

In addition to the Housing Opportunities Commission (HOC), which has acquired MPDU's and provided rental assistance, many nonprofit groups are busy in the County.

Housing Unlimited, Inc. has acquired group homes using a combination of County funds, HUD funds, private financing and its own resources. This Community Housing Development Organization (CHDO), as of June 2012, operates 50 group homes in the County serving 145 residents.

The Montgomery Housing Partnership (MHP) continues to acquire MPDUs in single family neighborhoods and rents these units to lower income families. Through a partnership with the Montgomery County Department of Housing and Community Affairs (DHCA), MHP and its affiliates acquire and manage more than 100 homes—mostly 3 bedroom townhouses—in over 30 subdivisions.

County Executive Leggett, through the establishment of the Affordable Housing Task Force in 2008 and through the creation of a new draft Housing Policy in the fall of 2012, has made affordable housing one of his highest priorities, especially housing serving disadvantaged persons and the elderly.

DHCA's Office of Landlord/Tenant Affairs requires licenses for all rental units and provides dispute mediation. It has published a Landlord/Tenant Handbook which spells out the rights and responsibilities of both landlords and tenants. The Office of Landlord-Tenant Affairs works closely with the Housing Code Enforcement to ensure tenants have housing that is in compliance with all applicable County laws. This is a comprehensive effort which is necessary to preserve our affordable housing supply.

Performance Measurement

Under the leadership of the County Executive, Isiah Leggett, elected in November 2006, the County initiated a new program called CountyStat. This program insures:

- Improved performance through greater accountability
- Better transparency into County challenges and successes
- Apply data to policy, operations, and management decisions
- Ensures decisions are implemented through relentless follow- up

CountyStat Quarterly Update Reports

These reports are a series of regular quarterly reports published by the Montgomery County Executive’s CountyStat Initiative. These reports focus on the major themes of CountyStat and provide a high-level review of activities and progress made during this period. The following is a link to the reports –

<http://www.montgomerycountymd.gov/mcgtmpl.asp?url=/content/exec/stat/index.asp>

**CONSOLIDATED ACTION PLAN
PERFORMANCE MEASUREMENT OBJECTIVES**

I. Suitable Living Environment

A. Outcome: Availability/Accessibility

Outcome Statements:

- *965 youth/children will have access to services that may include tutoring, mentoring and enrichment activities.
- *50 senior citizens and frail elderly residents of the City of Rockville will be provided administrative expense support associated with providing case management services.
- *8 additional people with development or cognitive disabilities will receive inclusive on-the-job training in Sunflower Bakery’s program.
- *21,287 people will benefit from neighborhood-level assistance projects aimed at neighborhood preservation and enhancement and including pedestrian connectivity improvements.
- *3,000 uninsured residents will have access to health care services for the purpose of providing a suitable living environment.
- *3,415 people will have access to fresh and locally grown foods.
- *5,465 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.
- *406 persons will have access to shelter and other support services for the homeless for the purpose of providing a suitable living environment.

*estimates will be revised based on negotiated scope of service

B. Outcome: Affordability

- 25 primarily low-income households will benefit from home ownership opportunities, new rental housing, or the rehabilitation of existing housing (both rental and single-family).

II. Decent Housing

A. Outcome: Availability/Accessibility

Outcome Statements:

- 200 people will benefit from activities that serve to affirmatively further fair housing choice.
- 20 low- and moderate-income households will benefit from loans to assist in the purchase of existing properties or from funds for housing rehabilitation to enable low and moderate income owners of single-family homes and owners of multi-family properties occupied by low- and moderate-income tenants to eliminate code violations and make other necessary improvements, including accessibility and energy conservation improvements.
- 20 housing units will be made available through loans to nonprofit organizations for the purchase and/or rehabilitation of properties for use as group homes.

B. Outcome: Affordability

Outcome Statements:

- 100 households (the majority of whom are homeless or at-risk of becoming homeless) will receive rental assistance for the purpose of creating decent affordable housing.
- 200 households will benefit from improvements to public housing properties and through operating assistance to qualified CHDOs.

C. Outcome: Sustainability

Outcome Statements:

- 200 households will benefit from enhanced code enforcement efforts in low-and moderate income areas in conjunction with other public or private improvements and services.
- 10 income eligible homeowners will receive low-interest loans and grants to income eligible homeowners who need financial assistance in eliminating major code violations.

III. Economic Opportunity

A. Outcome: Availability/Accessibility

Outcome Statements:

- 40 income-eligible clients will benefit from utility and housing assistance in the zip codes of 20901, 20910 and 20912.

- 187 people will receive vocational services in community sites that serve low-income residents of the County, including Interfaith Works' Interfaith Clothing Center.

B. Sustainability

- 16 households will benefit from improvements to commercial building facades through loans to owners of older commercial properties in areas targeted for revitalization for the purpose of creating economic opportunity

Transition Table 1C/2C/3A
Summary of Specific Housing/Community Development Objectives

| Obj # | Specific Objectives | Sources of Funds | Performance Indicators | Expected Number |
|------------------------------|--|-------------------------|-------------------------------|------------------------|
| Rental Housing | | | | |
| DH-1/DH-2/SL-1/SL-2 | Acquisition, construction, or renovation of rental housing for persons with low-incomes; rental assistance; | Home | Housing units | 110 |
| SL-1 | Homeless prevention assistance, including payments for rent and utility arrearages necessary to prevent eviction | ESG | People | 65 |
| Owner Housing | | | | |
| DH-1/DH-2/SL-1/SL-2 | Create home ownership opportunities or rehabilitate existing housing (both rental and single-family homes) | HOME | Housing Units | 25 |
| DH-1/DH-2 | Provide low-interest loans and grants to income eligible homeowners who need financial assistance in eliminating major code violations | CDBG | Housing Units | 10 |
| DH-1/DH-2 | Provide loans to assist in purchase of housing affordable to low- and moderate-income residents, funds for housing rehab to low and moderate income owners of single-family homes and owners of multi-family properties occupied by low- and moderate-income tenants | CDBG | Housing Units | 20 |
| Community Development | | | | |
| EO-1/EO-3 | Improve commercial building facades through loans to owners of older commercial properties in areas targeted for revitalization. | CDBG | Housing Units | 16 |
| Infrastructure | | | | |
| SL-1/SL-3 | conduct preliminary planning and design studies for a variety of projects dispersed throughout the County for possible inclusion in a future capital budget | CDBG | People | NA |
| SL-1 | provide pedestrian links in the commercial area located along the eastern edge of the Silver Spring Central Business District | CDBG | People | 2,375 |
| Public Facilities | | | | |
| | Public Services | | | |
| SL-1/EO-1 | Academic enrichment activities, information and referral services, emergency eviction prevention assistance, medical care to uninsured, access to fresh and locally grown foods, homeless case management services, after-school program, vocational services, small business micro-loan program, civic education and professional internship programs, post-incarceration services, provision of household goods. | | | 8,645 |
| | | | | |

| | | | | |
|-----------|--|------|--------|--------|
| | | | | |
| | Economic Development | | | |
| SL-1/EO-1 | Train eight individuals with development or cognitive disabilities in Sunflower Bakery's inclusive on-the-job training program | CDBG | People | 8 |
| | Neighborhood Revitalization/Other | | | |
| SL-1/SL-3 | Focused neighborhood assistance to comprehensively address community needs for neighborhood preservation and enhancement. | CDBG | People | 10,795 |
| | | | | |

***Outcome/Objective Codes**

| | Availability/Accessibility | Affordability | Sustainability |
|------------------------------------|-----------------------------------|----------------------|-----------------------|
| Decent Housing | DH-1 | DH-2 | DH-3 |
| Suitable Living Environment | SL-1 | SL-2 | SL-3 |
| Economic Opportunity | EO-1 | EO-2 | EO-3 |