

# Appendix B

## **Analysis of Impediments to Fair Housing Choice**

(May 2011)

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## 1. Introduction

### Authority, Scope and Methods

This Analysis of Impediments to Fair Housing Choice examines whether all residents or potential residents of Montgomery County share equal access to housing under the federal Fair Housing Act of 1968 and the Fair Housing Amendments Act of 1988, regardless of their race, color, religion, sex, national origin, disability or familial status.

Montgomery County is an entitlement community – a local government that receives an annual allocation of federal funding through the U.S. Department of Housing and Urban Development (HUD) to create and preserve affordable housing. HUD requires that each entitlement community review public and private policies and practices to promote fair housing choice and to address any impediments to fair housing discovered through this review. Montgomery County will affirmatively further fair housing by conducting an Analysis of Impediments to fair housing choice within its jurisdiction, take appropriate actions to overcome the effects of any impediments identified through this Analysis and maintain records reflecting the Analysis and related actions.

Impediments to fair housing choice, as defined by HUD, include:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin that restrict housing choices or the availability of housing choices; and
- Any actions, omissions, or decisions that have the *effect* of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status or national origin.

The scope of this Analysis will be to identify broadly any existing impediments as defined above within Montgomery County so that the County may make efforts to address them.

The County's Department of Housing and Community Affairs (DHCA) has compiled this report with the collaboration of the County Office of Human Rights, and the members of the Interagency Fair Housing Coordinating Group (IFHCG), which is comprised of representatives from multiple public agencies, non-profit organizations and the private sector. The most up-to-date demographic information has been obtained from the U.S. Census Bureau, the Metropolitan Washington Council of Governments and the Maryland National Capital Park and Planning Commission (M-NCPPC), as well as from within DHCA.

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Montgomery County has also worked closely with the City of Gaithersburg in acknowledgment of the fact that while both the City and the County are each required to analyze impediments to affirmatively furthering fair housing as a condition of receipt of federal housing entitlement funding, both are committed to collaborating. Additionally, the County continues close collaboration with the Metropolitan Washington Council of Governments in recognition of the benefits of a regional approach to affirmatively furthering fair housing.

### Executive Summary

Montgomery County, like the rest of the nation, finds itself in 2011 with a weakened economy, increases in unemployment and a stressed housing market. In addition, budgetary shortfalls and reductions in federal, state and local funding have resulted in reduced available resources to support affordable housing activities at a time when the demand for assistance continues to rise.

The 2011 Impediments to Fair Housing in Montgomery County center largely around the growing need for affordable housing. Affordable housing, in general, is a concern locally because of the overall high cost of living in Montgomery County. People protected under fair housing law tend to be disproportionately affected by a lack of affordable housing choices, including those for persons with disabilities and/or special needs. Montgomery County's permit approval process, including public review, can also be an obstacle to the creation of new affordable housing and the expansion of affordable housing choices, like accessory apartments. A general lack of awareness concerning fair housing issues among residents and housing providers contributes to the difficulty in ensuring the laws are upheld, and additional data is needed to track possible incidents of unfair housing practices.

Unfair lending practices cited in the 2007 Analysis of Impediments have evolved to include poor lending decisions, deceptive business activities regarding home purchases and resultant foreclosures and vacancy concerns. In addition, the County has seen the growth of financial scams that frequently target vulnerable groups such as the elderly or the financially inexperienced, groups with disproportionate numbers of "protected individuals" such as minorities, women and immigrants.

Montgomery County's increasing diversity has also created new challenges to ensuring fair access to housing choices among residents with limited English proficiency, who may be less likely to complain about or even recognize discriminatory housing practices. Additional concerns continue to be raised regarding equitable treatment of, and fair housing for, people with disabilities and for families with children.

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In addition to its commitment to further federal fair housing goals, Montgomery County's Code (Chapter 27, Article 1) also makes it illegal to discriminate in the sale or rental of housing within the County based on marital status, source of income, sexual orientation, gender identity, age, presence of children, family responsibilities, genetic status or ancestry. The County will continue to make every effort to ensure compliance with these goals, to address fair housing issues that arise, and to educate residents about fair housing, so that Montgomery County remains a place where all feel welcome and are proud to call home.

Efforts to affirmatively further fair housing choice for Montgomery County residents are ongoing. This document is not intended as a detailed compilation of every impediment to fair housing choice nor is it a compilation of all recommended actions; rather, it is an effort to highlight key areas that are the focus of priority attention.

### **II. Montgomery County, MD, at a Glance – Demographics**

#### Population

During the 1970s and 1980s, Montgomery County grew from a Washington suburb into the region's second largest employment center after the District of Columbia. More than 60 percent of the County's residents work in the County: one-fifth are government workers and 57 percent work in management, professional and related occupations. Montgomery County's biotech community ranks third largest in the nation. In 2008, the majority of employed County residents (59 percent) worked in the County, and one in five (23 percent) commuted to Washington, DC.

As this is being written, new information from the 2010 Census is just becoming available, and this document is using the most recent analyses from the Montgomery County Planning Department, whether it be the 2010 Census or the 2009 American Community Survey (see Demographic Maps and Trendsheets Attachments).

Montgomery County continues to have a growing and diversifying population. According to the 2010 Census, the County's total population is nearly a million strong (971,777) and comprises almost one-fifth of the Washington, DC, metropolitan area. County population has gone up by 11.3 percent, or over 98,000 people, compared to 2000, when the County was home to 873,341 residents. These growth figures exceed those of the State of Maryland, which had a 9 percent growth rate, to a total of 5.8 million, during the same time period. Over the next 30 years, a further 21 percent increase, or 204,073 new residents, is forecast for the County.

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Growth in the minority population continues to fuel overall population growth. In the last decade, the County's minority population grew by 114,589 people (33 percent). In-migration and birth rates among the Hispanic population are higher than any other ethnic category. This trend mirrors the nation's Hispanic population growth. Hispanics are the County's largest minority group with 17 percent of the total 2010 population, followed by 16.6 percent African Americans and 13.9 percent Asians. The County is currently 50.7 percent minority, becoming a "majority minority" county for the first time. Non-Hispanic whites comprise the remaining 49.3 percent of Montgomery County population. The Washington metropolitan region as a whole is also nearly 50 percent minority.

In 2009, 30.8 percent of County residents were foreign-born, compared to 26.7 percent in 2000. Most of the foreign-born residents have come from Asia and Latin American, 36.5 percent and 36.2 percent, respectively. In addition, the number of County residents aged five and up who speak a language other than English at home reached 37 percent, up from 32 percent in 2000. In 2009, 16 percent of the population reported speaking English "less than very well." The number of people with Limited English Proficiency (LEP) has continued to grow, more than doubling between 1990 and 2009. Montgomery County has the highest concentration of LEP population in Maryland and in 2006 its rate was approximately 65 percent higher than that of the US as a whole.

Between 2000 and 2009 Montgomery County saw growth in the numbers of non-white residents and decline in the white population. Hispanic or Latino residents went from 11.5 percent to 16.1 percent, African Americans from 15.1 percent to 16.2 percent and Asians from 11.3 percent to 13.4 percent of the total population. Meanwhile, non-Hispanic whites decreased from 59.5 percent to 51.7 percent of the population. In 2009, 2 percent of Montgomery County residents responded as belonging to more than one race.

Within the Montgomery County Public Schools (MCPS) system, students speak 184 different languages and represent 164 countries. Thirteen percent participate in English for Speakers of Other Languages (ESOL). This largest school system in Maryland (16<sup>th</sup> largest in the US) provides Free and Reduced-price Meals (FARMS) to 30.7 percent of its students. In spite of having almost one-third of its students certified as lower income, MCPS ranks among the top-rated in the nation for graduation rates and academic achievement scores.

Montgomery County ranks first among large counties nationwide in overall educational attainment, with 30.1 percent of residents having earned an advanced degree and another 26.2 percent having a Bachelor's degree. Median area income in the County is also comparatively high at \$94,319 in 2008, ranking fourth in the Washington, DC, metropolitan area and tenth

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nationwide. This is 32 percent higher than the \$71,551 median area income in 2000.

The Washington area's widespread affluence, due to the large number of people with six-figure incomes, disguises the dichotomy between the 46.9 percent of Montgomery County households that make over \$100,000 per year and the 25.3 percent who make less than half that amount and are struggling to make ends meet in an expensive environment. In 2006, 3.3 percent of families in Montgomery County lived below the poverty level. Just three years later in 2009, that percentage had risen to 4.8 percent (with "female head-of-household having children under 5 years old" reaching 45.6 percent, up from only 20 percent in 2006). Five percent of all County residents lived in poverty in 2006, rising to seven percent in 2009. Minorities and people with disabilities tend to be disproportionately represented in the lower income grouping.

In 2011, the official national poverty threshold for a family of four (two parents and two children) was an annual income of \$22,350. This income level is inadequate for self-sufficiency in Montgomery County due to the high cost of living in this area. Many people who would not be called "poor" by federal standards do not make enough income to live in Montgomery County, and thus, could be considered "poor" here. The 2010 poverty rate in the County is 6.8 percent of the overall population or 66,069 people. Among African Americans and Hispanics, however, the rate of poverty is 9.1 percent and 10.4 percent, respectively. This is the highest poverty level in two decades.

In 2008, there were twice as many poor people living in the suburbs of Washington than in the City itself, reversing previous trends. Of the Washington, DC, suburban counties, Montgomery County housed the highest number of poor people at 65,285, according to a 2010 report on the "Challenges Associated with the Suburbanization of Poverty" published by the Brookings Institute (see Attachment). This is the highest poverty rate in two decades. The same report describes the nationwide trend of the 'suburbanization' of poverty. The DC metro area suburbs already counted more poor residents than the 'urban' areas of DC, Alexandria and Arlington. This follows a nationwide trend over the last decade. While the demand for social services has been rising in the suburbs, the infrastructure to provide those services has been historically concentrated in urban areas. This has required places like Montgomery County to stretch their safety nets, while coping with increased budget limitations and cut backs.

The rise of Montgomery County's unemployment rate has mirrored that of the Washington metro area, Maryland and the nation, albeit at a lesser percentage. Between October 2007 and October 2009 the County's unemployment rose from 2.7 percent to 5.7 percent. By October 2010, however, that rate had fallen to 5.2 percent or 26,815 persons.

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The County's primary food charity, Manna Food Center, provided food to 103,335 individual community members in 2010. Other charity and religious groups also provide emergency food supplies. Public assistance caseloads through the County's Department of Health and Human Services have grown every month since fiscal year 2007. Temporary Cash Assistance, Food Stamps and Medicaid applications have risen dramatically by 61.2 percent, 117 percent and 36.6 percent, respectively. The Food Stamps caseload has more than doubled in five years. This troubling trend continues in the current fiscal year.

In addition, home energy assistance recipients have increased, family and single shelter beds continue to be at capacity and the patient load in the Montgomery CARES program for low-income, uninsured residents went up by 25 percent between fiscal years 2010 and 2011 and is projected to rise another 18 percent in fiscal year 2011 (8 percent higher than the budgeted amount).

Beyond providing safety net social services, efforts to alleviate poverty in Montgomery County include enforcing Section 3 requirements, providing access to financial literacy and offering tax preparation assistance. Section 3 of the Housing and Urban Development (HUD) Act of 1968 promotes employment of low-income residents, especially those in public housing, by requiring that HUD grantees (and their contractors and subcontractors) provide jobs and other economic opportunities to local residents and businesses.

Under the County's Local Small Business Reserve Program, adopted in 2009, Montgomery County's departments and agencies have committed to allocating 20 percent of their purchases of goods and services for small businesses in the community. In addition, since 2003, the County's Living Wage Law establishes that certain County service contractors, and their subcontractors, must pay a certain level of wages to employees who perform direct and measurable work on qualified County service contracts. Effective July 1, 2011 the Wage Requirements rate will be \$13.20. In 2010, the Montgomery County Council also unanimously approved a bill that creates a local-government hiring preference for people with developmental, psychiatric or severe physical disabilities.

With support from the County's Department of Health and Human Services, the Community Action Agency coordinates a Volunteer Income Tax Assistance (VITA) program that provides financial literacy help and free tax assistance, using IRS trained and certified volunteers to help low- to moderate-income (\$49,000 or less) individuals and families in filing taxes. These clients include persons with disabilities, the elderly and those with limited English language skills. For tax year 2010, more than \$8 million was returned to 2,749 residents with 72 percent receiving more than \$3 million in federal Earned Income Tax Credit (EITC).

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Census estimates from 2005 showed that 11.6 percent of Montgomery County residents were 65 or older, while in 2009 that number had risen to 12.3 percent. Countywide in 2009 7.5 percent of the population was found to have a disability, but thirty percent of those 65 and over had a disability. People with disabilities include mobility impaired individuals, persons with psychiatric and developmental disabilities, and those with visual or hearing impairments.

In 2009, 9,679 residents received mental health services through the Maryland Public Mental Health System for psychiatric conditions. Additionally, 457 adults reside in supervised/subsidized housing units in single family communities and in multi-family rental apartments.

### Housing

In 2010 banks repossessed one million homes nationwide, according to a January 2011 statement from foreclosure tracker, RealtyTrac. RealtyTrac reports that about five million homeowners were at least two months behind on their mortgage and that 2011 would be the peak year for foreclosures. The numbers would have been higher in 2010 if not for the slowdown toward the end of the year because of revelations that banks had used improper documentation in foreclosure proceedings (see Montgomery County Foreclosure Events Attachment).

According to the 2009 American Community Survey and as reported by *The Washington Post* in a November 2010 article, one in five renters and one in seven homeowners in the Washington area are spending more than half their income on housing. Typically, spending more than 30 percent of household income on housing is considered a "moderate burden" in the housing industry, but in the DC area, many residents are living with what constitutes a "severe burden" of more than 50 percent.

In almost every jurisdiction in the region, hundreds of thousands of lower- and middle-income residents spend a much higher percentage of their income on housing than people do nationwide. For example, in Montgomery County, 76 percent of renters making between \$35,000 and \$49,999 are paying 30 percent or more for housing, compared to only 33 percent of such renters in the United States as a whole. In virtually every county in the region, almost 90 percent of renters making between \$25,000 and \$34,999 are at least moderately burdened.

Additionally, according to the March 2010 Montgomery County Tenants Work Group Report, some renters have concern over the possibility of high rent increases or insecurity over the permanence of their rental agreements. At

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times, renters also feel reluctant or unable to voice their concerns or complaints effectively.

Median monthly housing costs for homeowners in Montgomery County have increased from \$1,634 in 2000 to \$2,546 in 2009 and for renters, from \$914 to \$1,429. The percentage of homeowners who spent more than 30 percent of their income on housing costs, or were "cost-burdened," increased from 22 percent in 2000 to 33 percent in 2008. For renters, the share of cost-burdened households rose from 35 percent in 2000 to a high of 51 percent in 2008. By 2009, however, 44 percent of renters were considered burdened by housing costs. In addition, the rental vacancy rate in the County has dropped from 5.8 percent in 2006 to 4.9 percent in April 2009 and 3.7 percent in April 2010, making the housing market more competitive for renters, who are disproportionately minorities and people with special needs.

Compared to ten regional counties, Montgomery County showed higher than median gross rent in 2009 at \$1,429 (median local rent was \$1,322). Nationally, gross median rent was \$1,250 in 2009 in a comparison of 35 counties.

Montgomery County's median sales price for single and multifamily, new and used homes, was \$355,000 in October 2010, the same level as in 2004. The County's median sales price peaked in 2006 at \$439,000. Montgomery County's median sales prices have typically remained higher than most of the region and the nation since 1999. In the Metro DC region, the October 2010 median sales price was \$344,175, compared to \$318,781 in 2004 and \$401,155 at the top of the curve in 2006. Nationally, first quarter 2010 median sales price reached \$183,700, still lower than the 2004 price of \$195,200 after peaking in 2006 at \$221,900.

The number of foreclosure events (default, auction or real-estate owned) in Montgomery County peaked in 2009 at 7,997 homes, more than two and a half times the total for 2007 (2,956 homes). Foreclosure events in 2010 fell after peaking in the second half of 2009, but only to 5,224 homes. In addition, there is still a significant amount of housing stock somewhere in the process that could result in future foreclosure action. Foreclosure events tended to be located in areas of the County housing higher proportions of minorities. The State of Maryland had identified ten "hot spots" for foreclosures in the County at the end of 2009. By the end of 2010, that number had fallen to five.

Housing development activity has correspondingly slowed with new residential building permits dropping 29 percent between 2008 (787 permits) and 2009 (562 permits). In 2006, 71 percent of housing units were owner-occupied; that percentage decreased to 69 percent in 2009.

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Montgomery County's population aged 65 and older is growing steadily, according to the 2000 Census and the Metropolitan Washington Council of Governments Round 7.0 Forecasts. Between 2010 and 2020 the number of residents 65 and older is forecast to increase by another 34 percent—to 152,648, an increase of more than 54,000 persons. By 2030 the population aged 75 years and older is likely to increase by nearly 38 percent.

By 2030 the population aged 75 years and older is likely to increase by nearly 38 percent. The first boomers will not turn 65 until 2011, and their overall impact will not be felt immediately. According to the *55+ Housing Preference Survey* (M-NCPPC, 2005), 58 percent of County seniors plan to live in their own home as long as possible. Approximately 42 percent (about 71,000 persons) aged 55 and older plan to move from their current residence at some time after retirement. About half of those, regardless of age, plan to move from their current residence within five years. Five percent of the County's housing units are age-restricted, with Leisure World accounting for the majority of market-rate senior units.

The diversity of the growing senior market makes it necessary to develop more than one solution to senior housing. There is a need for moderate but steady growth in the number of senior housing units in the County. Growth has been primarily in the realm of independent living and continuing care retirement communities. However, the fact that more seniors indicate that they plan to stay in their own homes as long as possible means that seniors are likely to need some degree of assisted living when they do leave their own homes. It is important to ensure that Montgomery County maintains a continuum of housing choices to meet the changing and varied needs of its senior population.

The County has 13,133 moderately priced dwelling units (MPDUs) built since 1976, with 4,076 units remaining under resale price or rental controls, either owned by HOC (36 percent) or monitored by the County's DHCA (64 percent).

Despite the economic downturn and high rate of foreclosures, Montgomery County continues to produce and preserve affordable housing. The County has aggressively attacked foreclosures by counseling over 4,000 clients, helping them reach positive outcomes in many of the cases, by acquiring and rehabilitating over 40 foreclosed and vacant homes, and by helping to stabilize neighborhoods by focusing foreclosure assistance in two high impact areas of the County. The County's affordable housing efforts have produced and/or preserved over 5,300 housing units for low and moderate income families over the past three years.

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### **III. Impediments to Fair Housing Choice and Recommendations to Further Fair Housing**

Much progress has been made in Montgomery County since the 2007 Analysis of Impediments, especially in the areas of affordable and accessible housing, as detailed above. New efforts and money have been expended over the last four years to develop and acquire affordable housing stock using the County's Housing Initiative Fund and through the FY09 authorization of a \$25 million bond issuance to create a short-term revolving fund to finance acquisition of existing housing units. This was followed in FY10 with another authorization for a \$25 million bond and in FY11 with an additional \$15 million dollar bond. The voluntary Design for Life Montgomery program has also been implemented to encourage more accessible housing.

There still remain, however, some resistant obstacles to fair housing, chief among them a persistent need for additional affordable housing units as the County grows and the economic recession lingers. In spite of progress, the need for enough suitable housing for persons with a disability or special needs also continues as County residents age.

To promote awareness of fair housing regulations and practices, the County will need to continue providing up-to-date study information on the fair housing environment and to continue conducting adequate outreach efforts to residents and housing providers regarding fair housing rights. These must be ongoing efforts as new residents enter the County and as children grow up to look for their own housing.

Finally, and most urgently in 2011, the housing crisis has created impediments to fair housing by disproportionately affecting minorities, newcomers to this country and the elderly. The housing crisis includes more than foreclosure events, of which there are many. It has been preceded by unfair lending practices, including inadvisable subprime loans, and it has been followed by financial scams offering debt relief that often prey on the victims of earlier schemes. These schemes have tended to target people in the federally protected groups based on considerations such as race, ethnicity and age (the latter, a Montgomery County protected status). The County, in collaboration with other entities, has moved quickly to address evolving housing foreclosures and related financial scams, particularly those that target residents with limited English proficiency, through counseling and other assistance. In addition, DHCA has focused on select 'high risk' neighborhoods in order to strengthen the existing physical environment and to address vacancies and related problems, such as trash, unmowed lawns and vandalism.

While much has been accomplished, affirmatively furthering fair housing choice is an ongoing activity. Broadly defined impediments are unlikely to be

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eliminated over time, as is clear from the impediments identified in this analysis. However, over time, the issues requiring priority attention will change. The current focus on housing foreclosures will become less critical as the economy improves and foreclosures continue to decrease, but, inevitably, other issues will require attention.

In updating our AI report and identifying impediments to affirmatively furthering fair housing choice, Montgomery County remains committed to focusing limited resources effectively and efficiently to address concerns.

Impediments to Fair Housing Choice in Montgomery County, Maryland, have been identified as the following:

1. Lack of an adequate supply of affordable housing
2. Lack of available, affordable and accessible housing for residents with a disability
3. Difficulty siting affordable housing, particularly special needs and group housing
4. Confusing zoning and regulatory requirements
5. Lack of general awareness concerning fair housing issues among residents and housing providers
6. Limited available data needed to inform decision-making, including study information and comprehensive testing on the fair housing environment
7. Unfair and deceptive business practices, poor lending practices, foreclosure concerns and financial scams

### **1. Lack of currently available affordable housing**

The demand for affordable housing still outstrips the supply in Montgomery County in spite of extensive and innovative measures already undertaken to help address the pressing need. Economic hardship, due to the recession, has pushed more residents into the lower end of the financial scale through unemployment and underemployment. There are more than 12,000 households on the waiting list for Public Housing and more than 15,000 households on the waiting list for Housing Choice Vouchers. Both lists open periodically for new applicants as units turnover or become otherwise available.

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Locally, the County, through the Department of Health and Human Services, also provides a number of economic and resource supports including rental and energy assistance to help residents in securing and maintaining housing.

There are a limited number of suitable vacant parcels of land for new housing, and the shortage of affordable rental units is especially high for those needing 3+ bedrooms to accommodate larger families.

### **Recommendations/Goals**

- Continue efforts to increase the supply of affordable housing units to meet residential needs through financing the construction of new units and the preservation of existing units
- Work closely with the Housing Opportunities Commission, for-profit and not-for-profit developers to leverage limited County resources, identify alternative sources of financing to maximize the number of affordable units that can be created and/or preserved
- Continue to provide eviction prevention services
- Continue to provide rental assistance
- Assist households to increase earned income by
  - providing job training and addressing unemployment
  - increasing educational opportunities
  - increasing financial literacy skills
- Promote usage of and ensure compliance with Section 3 of the Housing and Urban Development (HUD) Act of 1968 that requires all grantees of HUD public housing and community development programs (and their contractors and subcontractors) to provide jobs and other economic opportunities to low-income persons, especially those in public housing, using their HUD grant funds; make contractors and fund recipients aware of these opportunities
- Promote higher density residential zoning, especially in Transit Oriented Development areas, when revitalization occurs
- Reduce the development review processing time
- Implement strategies for preserving and increasing affordable housing in accordance with the County's annual growth policy

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- Increase incentives and requirements for developers regarding inclusion of affordable residential units
- Actively monitor and coordinate fair housing legislation and policy initiatives to sustain progress already made and to address new fair housing issues as identified, especially regarding affordable housing

### **2. Lack of available, affordable and accessible housing for residents with a disability**

Whether the disability is a physical impairment, a cognitive impairment, a mental illness or any other condition that limits an individual's ability to live independently in the community, providing housing for persons with disabilities is an ongoing need.

Almost one-third of Montgomery County residents over the age of 65, more than 30,000 people, were identified by 2009 census estimates as having a disability of some kind. In addition, among the overall population in 2009, 7.5 percent was found to have a disability. Census estimates for 2005 showed 11.6 percent of residents were 65 or older, while in 2009 that estimate had risen to 12.3 percent. There is an on-going demand for barrier-free, accessible and adaptable housing. The problem is particularly acute for those living on fixed incomes and without the resources to pay for necessary adaptations to their housing units.

Montgomery County and the Maryland-National Capital Building Industry Association have developed a Voluntary Certification program, *Design for Life Montgomery*, to promote visit-ability and live-ability in single-family attached and detached homes, both new and existing (see Design for Life Montgomery Brochure Attachment).

### **Recommendations/Goals**

- Raise awareness of existing accessible housing options in the community among those with disabilities or those in need of accessible housing amenities through outreach by industry and advocacy groups in collaboration with public and private sector housing providers
- Promote awareness among the general public of the benefits for all of housing design features that enhance accessibility as is being done through the *Design for Life Montgomery* program

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- Promote professional and public awareness of the legal requirements of the Americans with Disabilities Act as related to housing through training and outreach provided by both public and private entities
- Encourage job training and supportive employment for persons with disabilities to boost income levels
- Continue to advocate for Medicaid waivers that support appropriate (including accessible) housing and support services for individuals with physical, developmental or mental disabilities

### **3. Difficulty siting affordable housing, particularly special needs and group housing**

Community members often oppose the siting of affordable housing in their neighborhoods, raising concerns about the adequacy of public facilities to accommodate associated increased social needs and density. When the housing being proposed is for formerly homeless persons or others with special needs, community members raise additional concerns about public safety, property management and the provision of supportive services to those proposed to be housed.

Providing affordable housing and supportive services for persons with special needs, such as those who are homeless or have mental or physical disabilities, remains a particular challenge for the County.

### **Recommendations/Goals**

- Support interagency collaboration to ensure that persons with special needs (including those living in shelters for the homeless) receive both the housing and the supportive services necessary
- Educate the public about the economic and social value of a wide range of housing choices for the community; provide factual information to increase public awareness of and understanding about special needs populations

### **4. Confusing zoning and regulatory requirements**

As noted by Montgomery County's Planning Department, the current zoning code "...is viewed as antiquated and hard to use, its standards are not in keeping with modern development practices, and the code is not administered consistently." The zoning code has not been rewritten since 1977, with much of the confusion due to the growth in the number of zones and in how information is presented. This also results in differing interpretations of

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regulatory requirements that contribute to uncertainty, delay and legal challenges in the context of the development review process for housing.

## Recommendations/Goals

- Support efforts by Maryland-National Capital Park and Planning Commission to reorganize, revise and simplify the County Zoning Ordinance
- Adopt regulatory reform, in the context of the zoning code, to simplify and ensure the predictability of the development review process related to housing
- Allow higher densities for housing, including affordable housing, particularly in areas served by transit

### 5. **Lack of general awareness concerning fair housing issues among residents and housing providers**

Lack of general awareness concerning Fair Housing issues among residents and housing-related professionals in Montgomery County will always be noted as an “impediment” in acknowledgement of the fact that education concerning fair housing issues is an on-going activity. We are a county with a growing and increasingly diverse population, and, as such, education must be continuous, presented in a context that is relevant to current community concerns and presented in a manner that is linguistically appropriate and culturally sensitive.

With the current economy, characterized by increased unemployment and under-employment, and with the rise in the number of housing foreclosures and distressed housing sales, outreach and education about fair housing law is particularly important as investors acquiring distressed or foreclosed properties may be inexperienced landlords, and because owners who have experienced foreclosure may now be seeking affordable rentals.

## Recommendations/Goals

- Coordinate distribution of fair housing materials and sharing of information between public agencies and the private sector
- Disseminate, regularly and repeatedly, outreach and education materials on fair housing to County residents, focusing on minority and protected groups in multiple languages, as necessary, and through various media – print, radio, TV and through community events and social service agencies

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- Mandate or encourage lending institutions, real estate agencies and apartment managers to distribute fair housing materials (e.g. the OHR Guide to Fair Housing brochures)
  - Continue to provide training and general awareness-raising measures in collaboration with industry groups targeted to property managers, real estate agents, mortgage lenders, appraisers, builders, maintenance workers, insurance providers and others in the industry on Fair Housing laws, racial disparities and lending patterns, focusing on how to provide equal housing opportunities and what constitutes discrimination
  - Work toward the continuation and expansion of Montgomery County Public School curriculum to promote awareness of fair housing
  - Continue periodic special events to bolster the public's awareness of fair housing laws
6. **Limited available data needed to inform decision-making, including study information and comprehensive testing on the fair housing environment**

While the County continues to conduct regular fair housing testing in the rental market and has commissioned studies on fair lending, there is an ongoing need for accurate data regarding the for sale market, including appraisals, insurance and advertising. Additionally, there is the need to ensure that all protected groups are represented in the testing performed.

### **Recommendations/Goals**

- Continue to conduct paired testing of the various protected groups regularly to identify both rental and for sale discrimination
- Continue to collect and make public detailed information on fair housing practices
- Study potential disparate treatment for protected groups related to home mortgage lending, foreclosures and related financial scams
- Take appropriate action to enforce fair housing laws and to address the findings identified through relevant studies and testing

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### **7. Unfair and deceptive business practices, poor lending practices, foreclosure concerns and financial scams**

Past studies have shown that African American and Hispanic applicants for home mortgages in Montgomery County were disproportionately refused loans or more often encouraged to use more expensive financing than white applicants with similar income levels, employment and credit history.

In addition, general predatory lending practices disproportionately affect minorities. Minority groups are also more likely to have factors leading towards a lower credit rating and are more likely to not understand credit or how to correct errors and improve their scores.

In the recent home purchasing 'bubble,' which peaked in 2005-2006, it has been strongly suggested that some mortgage lenders may have purposely targeted minority borrowers for sub-prime loans, which carried such qualities as higher costs, adjustable rate mortgages, balloon payment schemes and the often false promise of refinancing, or with balloon payment schemes. Such loans correlate with higher foreclosure rates among racial and ethnic minority groups in Montgomery County.

New changes in home mortgage lending will also have a strong and long-lasting impact on future home-seekers and for current homeowners. For example, because some loans were approved on the basis of weak documentation in the past, it is now difficult for those homeowners to take advantage of programs for loan modification.

The large number of foreclosures, whether due to the economic downturn or to lending practices, has not only negatively affected the housing market and individuals, but also whole neighborhoods and communities.

Reverse redlining occurs when a lender or insurer particularly targets minority consumers, not to deny them loans or insurance, but rather to charge them more than would be charged to a similarly situated majority consumer, specifically marketing the most expensive and onerous loan products. These communities had largely been ignored by most lenders just a couple decades earlier. However, these same financial institutions in the 2000s saw African American and other minority communities as fertile ground for subprime mortgages.

Financial scams promising debt relief have risen as a result of the housing crisis, where loan payments are missed and defaults occur. Local, state and federal offices are joining their efforts to help counsel consumers who are struggling.

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## Recommendations/Goals

- Provide homeownership counseling
- Provide thorough financial literacy training and education to the public in an appropriate language
- Identify or develop educational tools to use for financial learning (e.g. workshop materials or instructional dvds for use at home)
- Identify legitimate financial assistance already available in the County and work to satisfy any unmet counseling needs in the community
- Provide regular testing and periodic studies to determine the extent and severity of discriminatory lending and insurance practices to individual protected groups and generally to racially diverse areas of the County
- Increase and continue outreach and education about predatory lending and related financial scams specifically geared to members of the protected groups, including how to avoid becoming a victim and what to do if it happens, ensuring that outreach materials and meetings meet multilingual needs of the diverse population served
- Provide on-going training both for, and in conjunction with, industry professionals regarding fair lending standards, working cooperatively with industry professionals to encourage conventional lending and expanded alternatives to FHA loans for minority applicants
- Continue to enforce existing laws that protect against unfair lending practices
- Continue to monitor the County financial institution to ensure that it meets a satisfactory or better rating with the Federal Community Reinvestment Act

## **IV. Fair Housing Related Activities**

### Interagency Fair Housing Coordinating Group (IFHCG)

The IFHCG was established in 1987 by Chapter 27, Section 27-26B of the Montgomery County Code in order to facilitate and promote the County's efforts to prevent discrimination in housing. The Group continues to hold monthly meetings to further the County's commitment to the principles and practices of fair housing and equal opportunity for protected classes in

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Montgomery County. Its membership is comprised of representatives mandated by the Code from local public agencies and commissions as well as from the private sector. These meetings are also open to the public for those with an interest in fair housing issues (see IFHCG Membership Attachment).

Convened and supported by the Fair Housing Program at the County's Office of Human Rights (OHR), the Group provides an opportunity for exchange of information and concerns, and it acts as a sounding board for new ideas to ensure fair housing. Each April during Fair Housing Month the group organizes events to increase awareness. It also works to identify impediments to fair housing and to promote appropriate solutions to them.

In an effort to address the educational needs of County residents, the IFHCG in collaboration with the Montgomery County DHCA and OHR, has sponsored workshops on the subject of mortgage assistance. These workshops provided attendees with invaluable information on housing counseling programs funded by the County government that were designed to prevent home foreclosures. The IFHCG has continued to address the needs of equal access to housing for disabled County residents. Members of the IFHCG routinely consult with staff members of the OHR and the County's Department of Health and Human Services (DHHS) in response to questions and/or concerns regarding accessibility. The IFHCG also meets with members of the County's Department of Permitting Services (DPS) to address technical interpretations of current building codes and Section 504 compliance issues relative to existing housing units.

### Office of Human Rights

Montgomery County has made progress in improving general awareness of fair housing issues through its Office of Human Rights (OHR), which also has expanded a testing program to analyze the fair housing environment in the County.

The Montgomery County Office of Human Rights (OHR), established 50 years ago, works in conjunction with the volunteer-based Human Rights Commission, a diverse body of 15 community members appointed by the County Executive. Together, they promote, among other duties, fair housing in the County. OHR's Fair Housing Division provides matched pair testing, education and outreach to the community. The Compliance Division handles investigation of discrimination complaints in the areas of employment, public accommodation and housing.

The focus of OHR's Fair Housing Division is to disseminate information that helps people to identify situations of possible discrimination and to develop strategies to avoid or remedy these situations. Staff members make

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presentations to community organizations regarding their rights as well as their responsibilities. OHR also provides regular “One Stop Fair Housing Shop” training to real estate owners, managers and their employees to inform them of the federal, state, and county laws that address housing issues. There are always special activities planned for April as part of Fair Housing Month, and during the fall of 2009, OHR undertook a fair housing ad campaign that entailed a series of awareness ads shown on movie screens in advance of feature films in two, large multi-plex movie theaters in the County. The theater lobbies had an OHR display with handouts and information (see Fair Housing Event Flyers Attachments).

OHR has also developed a fair housing curriculum, which the Montgomery County Public Schools incorporated into each of the 10<sup>th</sup> grade social studies classrooms in the County’s 23 high schools. Additionally, informational brochures cover fair housing topics such as fair housing law, lending procedures and practices, housing for persons with disabilities and source of income. These brochures explain individual rights regarding fair housing, how to recognize discriminatory practices and how to file a complaint. (see OHR Education Materials and OHR Fair Housing Brochures Attachments).

Last year, OHR coordinated a Fair Housing Conference and Discussion Panel, closed 200 cases, including 20 real estate/housing discrimination cases, closed 10 public accommodation cases, and printed a new housing brochure in Spanish.

Montgomery County is committed to ensuring that information and services are culturally aware and are provided in alternative formats to meet the needs of persons with disabilities and in different languages for those with limited English proficiency. This effort is in compliance with federal and County requirements to provide meaningful access to persons with Limited English Proficiency but goes beyond these requirements to embrace the County’s growing diversity and to value the contributions of all residents.

Fair housing testing is a controlled method for measuring and documenting variations in the quality, quantity and content of information and services offered or given to various home seekers by housing providers. A fair housing test involves sending a matched pair of testers to the same apartment complex on the same day, usually two to three hours apart. The testers are matched by the date housing is needed, type of unit requested, income, gender, marital status and employment history. Upon completing their visit to the apartment complex, each tester provides a detailed and objective account of the testing experience. Comparing the accounts of these test visits often makes it possible to identify and document disparities in the treatment, information, and service that are provided to each of the testers.

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OHR's in-house fair housing testing program, established in 1999, conducted 211 tests for Fiscal Year 2009. Tests were designed to identify disparate treatment under County and/or Federal Fair Housing laws and were designed to test on the basis of race, national origin, familial status and source of income.

Testing in response to complaints for FY09 showed evidence of housing discrimination under Montgomery County Code, Chapter 27, based on 'source of income' on four accounts. In these cases, the housing providers refused to accept Housing Choice Vouchers. Formal charges have been lodged in three of these cases. (see OHR Testing Results Attachment). OHR notes that, unfortunately, victims of discrimination typically are not even aware they have been treated unfairly, especially if they are new to this country or do not speak English well.

OHR's Compliance Division reviews complaints of possible discrimination, including those related to real estate discrimination based on the federally protected categories of race, color, religion, sex, national origin, disability or familial status as well as based on the Montgomery County additionally protected categories of marital status, source of income, sexual orientation, age, presence of children or ancestry. This includes cases involving both rental and for-sale housing. OHR works with approximately 35 volunteer mediators who are an integral part of the complaint resolution program. If the initial attempt at mediation does not address the complaint, OHR proceeds to a formal investigation.

### Maryland Commission on Human Relations

In addition to County compliance and outreach efforts, the State Commission on Human Relations works to ensure equal opportunity through the enforcement of State laws against discrimination in employment, housing, and public accommodations. It provides educational and outreach services related to the relevant federal and State laws and pursues legal action where appropriate.

### Montgomery County Efforts to Support Fair and Affordable Housing

Of particular note during 2010 were the County's ongoing outreach efforts regarding the 2010 Census. Working to ensure a complete count of County residents during the decennial census on April 1, 2010, was an important way that Montgomery County could ensure that the County receives a fair allocation of federal and state funding. This funding is critical to affirmatively further fair housing and address identified impediments. Federal and state resources are key in developing new affordable housing, preserving existing housing as affordable and accessible and in providing the income and service supports

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that are critically needed to enable our lower-income residents, particularly those with disabilities, a full range of housing choices.

Outreach was conducted in multiple languages, with education specifically directed to those immigrant groups who, because of national origin or limited English proficiency, may be unfamiliar with, or apprehensive about, participating in the census. Efforts were also made to ensure that information is available in alternative formats and that persons with other special needs are counted.

Persons with disabilities experience a greater degree of unemployment or underemployment than is experienced by those without disabilities and are almost three times more likely to be below the federal poverty level. In recognition of this fact, on February 2, 2010, the Montgomery County Council unanimously approved Bill 46-09, which creates a local-government hiring preference for people with developmental, psychiatric or severe physical disabilities.

In addition, providing affordable housing that is appropriate for those with a disability or special needs remains especially difficult, given necessary physical adaptations and zoning, as well as community concerns. The County's Division of Aging and Disability Services at DHHS continues to work toward accessible standards for visit-ability and live-ability in the community.

On December 1, 2010 the State of Maryland Department on Aging launched the Maryland Access Point (MAP) website for seniors, persons with disabilities and caregivers. MAP is part of the national Aging and Disability Resource Center (ADRC) initiative from the U.S. Administration on Aging and the Centers for Medicare and Medicaid. MAP state partners include the Maryland Departments of Aging, Disabilities, Health and Mental Hygiene, and Human Resources, as well as the Regional Centers for Independent Living. The purpose is to provide streamlined access to information and services for long-term supports and assistance.

Montgomery County Planners have recently undertaken a comprehensive rewrite of the County's Zoning Ordinance. Planners aim to simplify a complex code and to reinforce the County's high quality of life. The Zoning Code was last comprehensively rewritten in 1977.

The Montgomery County Council unanimously approved Zoning Text Amendment 09-08 on March 2, 2010 creating a new family of Commercial/Residential (CR) Zones that will allow some areas designated in master plans to become denser, mixed-use communities that will encourage residents and businesses to be less dependent on automobiles and more reliant on increased public transit.

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Among the provisions of CR Zones is allowance for increased density if properties are developed near public transit and provide other public benefits. CR Zones also allow increased density for projects that include affordable housing alternatives and residential projects that include units that are fully wheel chair accessible.

Unfair lending practices evolved into an extensive foreclosure problem countywide, but especially in areas of the County populated by racial and ethnic minorities. Montgomery County chose to match State funds for housing counseling efforts by providing assistance to four non-profit counseling organizations in areas of the County hardest hit by foreclosure and fraudulent lending activities.

Together, the non-profit agencies, Homefree-USA of Gaithersburg, Latino Economic Development Corporation (LEDC) of Wheaton, Housing Initiative Partnership (HIP) in Germantown and Asian-American Homeownership Counseling in Silver Spring, have given free counseling to over 4,000 clients and have held 145 free workshops (reaching over 7,000 people) through end of 2010. The majority of issues faced are foreclosure prevention, mortgage modification and negotiating with the lender. In many cases, counseling has resulted in successful modification of loan terms. Based on initial feedback, Hispanics and African Americans make up the highest number of clients who have participated in foreclosure prevention and financial counseling sessions.

DHCA also spearheaded the 10<sup>th</sup> Annual Montgomery County Housing Fair & Financial Fitness Day in October 2010. It was attended by 1,200 residents and conducted in collaboration with over 90 exhibitors, including government agencies, non-profit organizations and businesses. The Fair addressed foreclosure prevention, financial scams, managing money, renter's rights and affordable housing. Although the mortgage crisis has abated in recent months, the demand for this type of counseling by Montgomery County residents continues.

In addition, DHCA has established a Focused Neighborhood Assistance Program, choosing two neighborhoods heavily impacted by foreclosures to receive County assistance for stabilization. Montgomery County also licenses all rental housing, and provides help and information regarding relevant laws to both landlords and tenants. DHCA provides extensive information on how to recognize and prevent discriminatory housing practices, including lending procedures and practices, fair housing requirements and additional information concerning occupancy standards and issues specifically related to fair housing for persons with disabilities. DHCA provides sample leases, a Landlord-Tenant Handbook (in English and Spanish), and an on-line apartment rental guide. The

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Department has specialists who work with landlords and tenants to resolve disputes.

In spite of decreasing budget allocations, the County has continued to show a strong commitment to providing affordable housing and for “safety net” services for the most vulnerable. The total number of affordable housing units produced, preserved and in the pipeline for FY11 is 2,120, to date. FY10 secured another 2,783 units, with FY09 showing 1,589 and FY08 1,674.

In addition, Montgomery County, in partnership with the Housing Opportunities Commission (HOC), is providing federal stimulus funds to enable HOC to acquire and rehabilitate vacant, foreclosed properties, preserving these properties as affordable rental housing for the long-term. As of early 2011, 23 homes had been acquired. Additionally, the County is funding, with local funds, and coordinating with non-profit housing providers, like Habitat for Humanity and AHC Inc., to enable these organizations to acquire and rehabilitate vacant, foreclosed properties for sale to lower-income homebuyers.

For FY10, the County Council approved \$57.8 million for the Housing Initiative Fund (\$32.8 million from the general fund and \$25 million in Bond funding). FY11 saw an additional allotment of \$29 million (\$14 million in general funds and \$15 million in Bond funding). This locally-funded housing trust fund is used to increase and preserve the County's supply of affordable housing, including housing for residents with special needs. For FY10, \$8.9 million of the HIF was reserved for continued implementation of Montgomery County's Housing First Plan, a plan to assist homeless individuals and families move rapidly into stable, permanent housing, including rental assistance subsidy payments. During FY11, another \$7.2 million was set aside for this purpose. Also, tenant-based rental assistance in the amount of \$750,000 was provided both in FY10 and FY11 through the HOME Investment Partnership Program to the Montgomery County Coalition for the Homeless to provide needed subsidies for residents of permanent supportive housing.

The County primarily uses its HIF funds to provide gap financing to non-profit and for-profit developers of affordable housing. These funds are used to leverage other sources of affordable housing funds, including Federal HOME funds, state and local bond financing, and equity funding generated through the use of the Federal Low Income Housing Tax Credit program.

In addition, Montgomery County was among the first jurisdictions in the country to adopt inclusionary zoning. Created in 1974, the nationally recognized Moderately Priced Dwelling Unit (MPDU) program has produced almost 13,000 units of affordable for sale and rental housing throughout the County. Under the MPDU program every new development in the County with 20 or more units is required to set aside between 12.5 percent and 15 percent

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of its units as affordable (meaning they are affordable to households earning 65 percent to 70 percent of the AMI). Furthermore, up to one-third of the units produced each year are available to the Housing Opportunities Commission (HOC) for use as lower-income rental housing, thereby reaching households with income as low as 30 percent of median.

The MPDU program has resulted in economically and racially diverse communities throughout the County, expanded housing choice, and resulted in other desirable public outcomes. For example, a recent report issued by The Century Foundation and authored by Heather Schwartz, an Associate Policy Researcher at the RAND Corporation, found that lower-income students in the County who were able to attend more affluent schools, primarily due to the economic integration of households resulting from the MPDU program in Montgomery County, performed better in academic achievement.

The County continues to work in partnership with other organizations to site affordable housing for special populations. Currently, DHCA worked with the Montgomery County Coalition for the Homeless on a project to adaptively reuse and rehabilitate a five-story commercial building in Bethesda into 32 personal living quarters for homeless adults.

The Housing Element of the General Plan was first approved in 1969 and later approved as a part of the 1993 General Plan refinement. The newest version of the Housing Element, prepared by the Maryland-National Capital Park and Planning Commission (M-NCPPC), was approved, with amendments, by the County Council on March 29, 2011 (see Housing Element of the General Plan, Draft July 2009, Attachment). The Housing Element makes note of the chronic shortage of housing that is affordable for much of the County's moderate and lower income households, and it recommends a series of public policy actions that should be taken to reduce the housing affordability gap in Montgomery County. Its goals are 1.) to conserve and stabilize neighborhoods and the existing housing stock, 2.) to concentrate new housing in mixed-use, transit-oriented areas and 3.) to 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.

DHCA comments on all master and sector plans, advocating that affordable housing be addressed in the plans and that the Maryland - National Capital Park and Planning Commission establish an "affordable housing goal" in each plan area. DHCA also supports zoning text amendments that create a more attractive planning and economic environment for the development of affordable housing, including increases to allowable heights, densities and Floor Area Ratios in order to provide added flexibility to facilitate affordable housing development.

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The Montgomery County Planning Board reviews project, preliminary and site plans as part of the development review process. Each review has different specifications and requires input from several County agencies. Delays can occur at any point in the process, including from the applicant. In the last two years, planners have improved review times for preliminary and site plans by 43 percent to an average of 64 days in FY10.

The Planning Department's Environmental Division reviews every development application for the presence of natural resources, including forests. Review of forest conservation exemptions has improved 45 percent since FY08.

In 2009 DHCA implemented a pilot initiative to comprehensively address community needs in two geographically defined Focus Areas of Mid-County (Wheaton) and Up-County (Germantown). The County's efforts focused on single-family homes in primarily, if not exclusively, residential neighborhoods and grew from a belief in the importance of strong, well-maintained neighborhoods as a critical component of overall community well-being. A common concern expressed by residents and HOA representatives in both focus areas was the growing number of foreclosed or vacant properties and the impact this had on code enforcement complaints, property values and HOA assessments.

As the public housing agency, the Housing Opportunities Commission of Montgomery County (HOC) administers a variety of housing programs in order to provide subsidized housing to low and moderate income individuals and families. The two largest programs are Public Housing and Housing Choice Voucher (formerly called "Section 8"). HOC manages 1,500 Public Housing units and administers 6,028 federal Housing Choice Vouchers, which allow eligible individuals to rent in the private market by using the voucher subsidy. HOC also provides housing for the elderly and for people with disabilities and special needs. In addition, HOC offers homeownership programs that include mortgage financing and closing cost assistance. As of August 2010, HOC owned, managed, administered or financed a total of 22,559 units of housing in Montgomery County.

Affordable housing is spread throughout the County and mixed with market rate housing with the goal of preventing heavy concentrations of low income housing in any one area.

Montgomery County Executive Isiah Leggett convened an Affordable Housing Task Force in March 2007 to address the need to provide sufficient and appropriate affordable housing to the County's increasingly diverse population (see Affordable Housing Task Force Report Attachment). The Task Force was comprised of more than 30 participants from the public and private sectors, representing financiers, builders, advocates and professionals. They met over

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the course of several months and produced a Report in March 2008 that addressed six main goals: preservation of affordable housing, creation of affordable housing, adoption of regulatory reform, community acceptance of affordable housing, assessment of affordable housing goals and home purchase assistance for public employees.

In 2008 the County Executive convened the Tenant Work Group to review primary issues that impact renters in the community, focused specifically on: security; code updates, enforcement and complaints; landlord-tenant communication and tenant advocacy; and particular needs of seniors and special needs populations (see Tenants Work Group Report Attachment). The County is in the process of following up on a number of recommendations.

Montgomery County's Department of Permitting Services (DPS) has introduced a voluntary certification program, Design for Life Montgomery, the first certification effort in Maryland to encourage visit-ability and live-ability for single-family attached and detached homes. It targets both new construction and home renovations. This program follows the National Association of Homebuilder's guidelines and targets both new units and renovation of existing homes. Supported by the Maryland National Capital Building Industry and many local agencies, the visit-ability certification addresses the needs of people with mobility disabilities by having a no-step entrance, door widths of at least 32-inch clearance and a usable bathroom.

Live-ability goes further in requiring the previous three amenities plus a bedroom, full bath, kitchen and circulation path that are all accessible. Homes enhanced with these features will meet the needs of residents and visitors for a lifetime, especially persons with a temporary or permanent disability. Such design also helps Montgomery County's senior population to 'age-in-place.' As of March 2011, 45 building permits have been issued for this program.

In addition, the Montgomery County Commission on People with Disabilities indicates that there is a strong correlation between people with disabilities and unemployment or underemployment, resulting in a further need for affordable housing. In Montgomery County, of the 40,000 individuals with disabilities, 43.3 percent are unemployed, according to the 2006 American Community Survey from the U.S. Census Bureau. The Commission advocates further for fair housing for those with a disability by encouraging visit-ability requirements in new housing and supporting financial assistance, where qualified, for renovations to existing single-family and multi-family homes.

The Special Needs Housing Division at DHHS focuses on basic housing stabilization services as well as on longer term supportive, transitional and permanent housing options for persons with special needs, such as those who are homeless or have mental or physical disabilities or a police record.

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Metropolitan Washington Council of Governments' (COG) Housing Programs cover a broad array of issues important to area local governments and their housing partners. These include data on the region's housing stock, homelessness, housing affordability, concentration of affordable housing, fair housing, and neighborhood redevelopment. COG works to provide current, accessible information that will help inform regional and local policies. Current COG Housing Program efforts include implementation of the Metropolitan Washington Regional Affordable Housing Policy, which calls for the creation of new affordable housing, the preservation of existing affordable housing and the distribution of affordable housing opportunities around the metropolitan area.

Montgomery County, in partnership with the State and other advocacy groups, has worked hard to ensure that accurate and timely information is available so that residents do not unwittingly become victims of a scam and know where to turn for help if they are victimized. The County's web site has a section devoted to foreclosure prevention that provides information on how to avoid scams and fraud.

The County has also collected and mapped foreclosure data, making the data available on line, and using it to identify any trends. Staff is also working closely with banks that have foreclosed to mitigate the impact on neighborhoods by reducing the length of time properties are vacant and in 'bank inventories' and to ensure that vacant properties are maintained.

The Justice Department, under the direction of Assistant Attorney General Tom Perez (a Montgomery County resident and former Montgomery County councilmember), has created a new Fair Lending unit that focuses exclusively on unfair lending practices, including both the unfair denial of minority access to home loans as well as any discriminatory efforts to target minorities for subprime loans. The increased efforts at the federal level will help ensure that unfair lending practices are addressed.

The Montgomery County Office of Consumer Protection (OCP) and the Maryland Attorney General's Office, Consumer Protection Division, are responsible for ensuring a fair marketplace for consumers and businesses, and they enforce consumer protection laws that prohibit unfair and deceptive business acts. As part of this, they investigate complaints related to mortgage loan modification scams and offer advice on how to identify if you have been approached by a potential scammer as well as information on foreclosure counseling services law, the compliant mediation process and how to file a complaint.

The County's Office of Consumer Protection provides advice and information on predatory lending in general and on discriminatory predatory lending in

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particular because the primary targets of predatory lending are African Americans, Hispanics and elderly women.

The topic of predatory lending has become commonplace in newspaper headlines and in housing discussions. Discriminatory predatory lending targets borrowers for loans with exorbitant or abusive terms based on race, national origin, sex, age, or other protected categories. Some abusive home-lending practices occur in the so-called "sub-prime market" and many address home loan opportunities for people with limited credit histories.

### **V. Summary**

Montgomery County's 2011 Analysis of Impediments to Fair Housing Choice provides an overview of fair housing circumstances in the County and enumerates efforts made by many agencies and parties in the County to effectively and affirmatively further fair housing. It does not claim to be an exhaustive guide to every instance or effort regarding fair housing.

Even with substantial concerted efforts, impediments still remain that are ongoing and difficult to eliminate, including the general lack of affordable and accessible housing, especially for persons with a disability or special needs. A recurring need also continues for outreach and education concerning fair housing to both residents and housing providers, especially as the County grows and diversifies.

Montgomery County's permit approval process, including public review, can also be an obstacle or delay in the development of new, especially affordable, housing. Also, limited availability of accurate data and information about the fair housing environment may hamper appropriate decision-making.

Finally, unfair business and lending practices have contributed to high levels of foreclosure events that, ultimately, can also provide fertile ground for financial scams. Such schemes often target people who are minorities, immigrants or seniors and are protected under the federal Fair Housing Act of 1968 and the Fair Housing Amendments Act of 1988.

Montgomery County takes seriously the affirmative furthering of fair housing and works continuously to provide comprehensive responses to cited impediments, both in-house and through cooperative efforts with other jurisdictions, agencies and relevant participants.

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## VI. Attachments

- Demographic Maps – for racial breakdown and other maps click [here](#); for additional demographic maps, click [here](#)
- [Trendsheets](#), Montgomery County Planning Dept., 2010 and 2011
- [“Challenges Associated with the Suburbanization of Poverty,”](#) Greater Washington Research at Brookings, 2010
- [Montgomery County Foreclosure Events](#), 2007-2010
- [Design for Life Montgomery Brochure](#), 2010
- [Interagency Fair Housing Coordinating Group Membership](#), 2011
- [Fair housing event flyers](#)
- [OHR Educational Materials – 10<sup>th</sup> Grade Curriculum](#)
- [OHR Fair Housing Brochures](#)
- [OHR Testing Results](#), 2009
- [Housing Element of the General Plan](#), Draft July 2009
- [Affordable Housing Task Force Report and Recommendations](#), 2008
- [Tenants Work Group Report](#), 2010