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Montgomery County, Maryland

Consolidated Plan for Housing and  
Community Development  
Action Plan, Fiscal Year 2015  
July 1, 2014 to June 30, 2015

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*Montgomery County is committed to foster the  
letter and spirit of Equal Housing Opportunity.*

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Montgomery County, Maryland  
Consolidated Plan for Housing and  
Community Development  
Action Plan, Fiscal Year 2015  
July 1, 2014 to June 30, 2015

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**CONSOLIDATED PLAN FOR  
MONTGOMERY COUNTY, MARYLAND  
July 1, 2014 to June 30, 2015  
FY2015 Action Plan**

## **Executive Summary**

### **Background**

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

This annual Action Plan serves as Montgomery County's application for CDBG, HOME and ESG funds for Federal Fiscal Year 2014 funds to be used during the County's Fiscal Year 2015 (July 1, 2014 – June 30, 2015). The Department of Housing and Community Affairs (DHCA) is the lead agency responsible for the submission of the Action Plan to HUD and this must be done no later than May 15 each year. The City of Gaithersburg is eligible to receive funds directly from HUD, so it prepares its own Consolidated Plan. The Cities of Rockville and Takoma Park receive funding through the County but determine locally how CDBG funds will be used in their jurisdictions.

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

### **Funding**

Montgomery County is entitled to receive \$5,915,489 in federal funding for County Fiscal Year (CFY) 2015 through CDBG, HOME and ESG formula allocations. Information on how the County proposes to use the CDBG, HOME and ESG funds in County Fiscal Year 2015 is noted later in this summary.

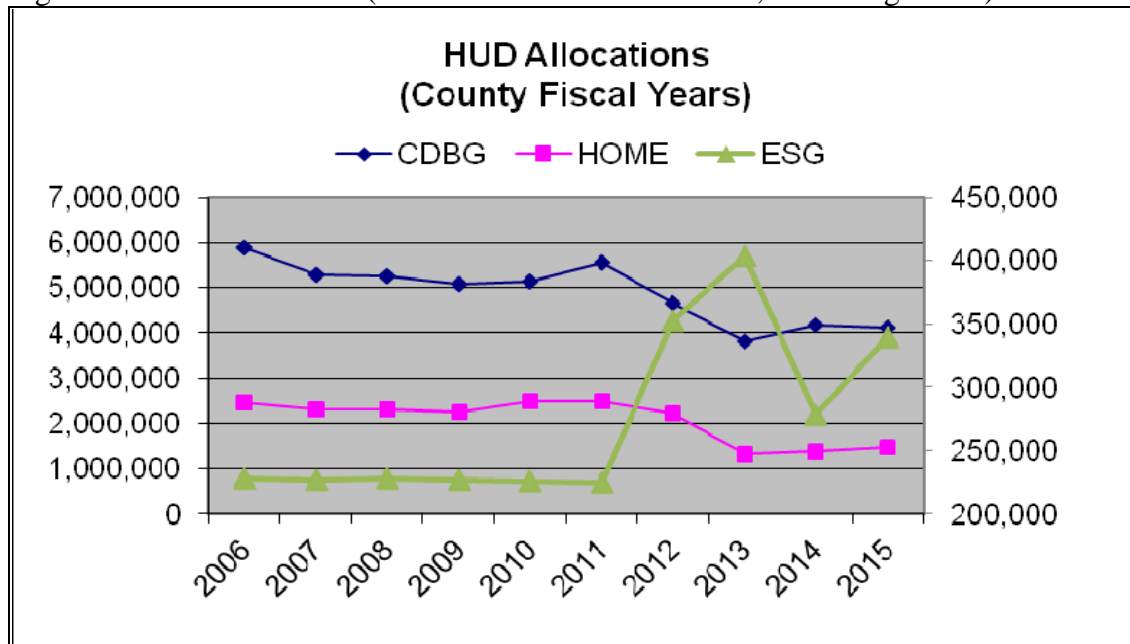
The funding levels used here are those published on the HUD website:  
[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/about/budget/budget14](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/about/budget/budget14).  
Funding levels for the CDBG and HOME programs have been falling for more than a decade, with

funding levels reaching a low in county fiscal year (CFY) 2013. Since CFY06 CDBG funding has fallen by 1.8 million dollars or 30% while HOME funding has declined by one million dollars or 41%. The good news is that for the upcoming fiscal year, which begins July 1, 2014, CDBG funding has been cut by only 1.5% over last year's level while HOME funding has actually increased for the second year in a row, this time by 6.3%. The ESG program saw sharply increased support beginning in CFY11, and while funding levels have been somewhat sporadic since, the upcoming fiscal year sees some of the prior year's cuts restored, bringing the allocation up to nearly \$340,000. The CFY15 funding amounts are shown here compared with last year's funding levels:

Table 1: HUD Allocations

Year	CDBG	HOME	ESG	Total
CFY14	4,182,362	1,370,122	278,766	5,831,250
CFY15	4,119,530	1,456,189	339,770	5,915,489
difference	-62,832	86,067	61,004	84,239
	-1.5%	6.3%	21.9%	1.4%

Figure 1: HUD Allocations (CDBG and HOME – left axis, ESG – right axis)



The CDBG program funds activities that primarily benefit low- and moderate-income (LMI) residents of the community and is used for a wide range of community development activities like housing rehabilitation loans, code enforcement, neighborhood revitalization projects and social services provided by nonprofit organizations. The HOME program funds loans for the creation and preservation of affordable housing and grants for the provision of tenant-based rental assistance. The CDBG and HOME programs are administered by DHCA.

The ESG program funds will be used for Rapid Re-Housing activities including Relocation Assistance and Rental Assistance to help stabilize households who are homeless or at imminent risk of homelessness. ESG funds will also support the Homeless Management Information System (HMIS). The Montgomery County Department of Health and Human Services (DHHS), under a Memorandum



of Understanding with the Department of Housing and Community Affairs, administers the Emergency Solutions Grant and is responsible for carrying out the proposed activities.

While DHCA is the lead agency for the preparation of the plan and administration of CDBG and HOME funds received by the County, the County's Department of Health and Human Services (DHHS) is the local "program sponsor," responsible, under contract with the AIDS Administration in the Maryland Department of Mental Health and Hygiene, for HOPWA funding. HOPWA funds are awarded on a regional basis, with the State of Maryland assuming grant responsibilities for a service area comprised of both Frederick and Montgomery counties. HOPWA funds tenant-based rental assistance for persons living with HIV/AIDS and their families.

The allocation amount for the HOPWA program for the Bethesda-Frederick-Gaithersburg, MD Metropolitan Division, which includes both Montgomery and Frederick Counties for CFY15 is \$689,934, with Montgomery County expected to receive 80% of this. For the past few years Montgomery County has been receiving, through the State of Maryland, additional HUD HOPWA funds that were left unexpended by other Maryland jurisdictions. This additional funding is expected to be reduced by approximately 18% in CFY15, 18% in CFY16, and thereafter go to zero. Montgomery County has committed to use its general funds to ensure that service levels can remain constant for the foreseeable future despite expected losses in this source of federal support. The current service level provides rental subsidies for 58 units, housing 62 persons living with HIV, and a total of 102 individuals. More information on the HOPWA program is found on page 76.

### **Community Development Block Grant (CDBG) – Substantial Amendment (CFY14 / FFY13)**

On March 6, 2014 Montgomery County published a Notice of Substantial Amendment in the Sentinel newspaper with public comments accepted through April 8, 2014. No comments were received. This is the Amendment as published:

#### **COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) – SUBSTANTIAL AMENDMENT (FY 14 / FFY13)**

#### **NOTICE OF DISPOSITION AND ACQUISITION OF CDBG-ASSISTED PROPERTIES**

In 1994, Montgomery County purchased a property currently known as 8210 Colonial Lane (also known as 8210 Dixon Ave.), Silver Spring, MD 20910 for use as a homeless services center with CDBG funds. Additional CDBG funds were subsequently used to renovate the property. Named Progress Place, it has been in use for those purposes since the completion of the renovation. The building is now outdated and in general disrepair and would require significant funds to bring into compliance with current standards.

The County has solicited competitive proposals to replace this facility. A developer has been selected who, in exchange for the current Progress Place site will, at no additional cost to the County, build a new three-story homeless services center on a County-owned site close by adjacent to Fire Station 1 at 8110 Georgia Ave. Silver Spring, MD 20910. The County may elect to, using other non-federal funds, add a fourth floor to create 21 Single Room Occupancy (SRO) units for low income residents. When this new facility has been completed, the services currently provided at Progress

Place will be transferred there and the Colonial Lane site will be transferred to the developer. The Colonial Lane site will be redeveloped with non-CDBG funds as a new multi-family residential building with the first floor for commercial uses approximately 200' in height. Construction of this new project will comply with the environmental requirements of 24 CFR Part 58.

### **Consultation and Citizen Participation**

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

The county has a "Citizen Participation Plan" (included here as Appendix A) in accordance with federal requirements. In preparation of this Consolidated Plan, DHCA worked closely with the Community Development Advisory Committee (CDAC) appointed by the County Executive. Montgomery County Continuum of Care has developed an action plan to identify a formerly homeless person to participate on their Performance and Evaluation Committee. The committee will utilize information from the Homeless Management Information System, HUD performance measures, and site visits to analyze the system, identify gaps, and recommend funding allocations. A public hearing was held in October 2013 before the Community Development Advisory Committee (CDAC) to receive input regarding needs to be addressed in the plan and to review past performance. A summary of testimony from this hearing is on file at DHCA. Additionally, five public hearings were held on the Fiscal Year 2015 Operating Budget by the Montgomery County Council over the April 8-10, 2014 period as part of the budget review process.

In an attempt to make this document available for review/comment by as many interested individuals/groups as possible, draft copies were placed in the County's five regional government service centers with the public being informed by local newspaper advertisement (copy included in this

plan) of the availability of the document and the opportunity to comment on it prior to final submission. The newspaper ad also noted that the document is available on the County's website at: <http://www.montgomerycountymd.gov/DHCA/community/grants/conplan.html>. Notice was also provided to the State of Maryland and surrounding jurisdictions.

## **Needs Assessment and Analysis**

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

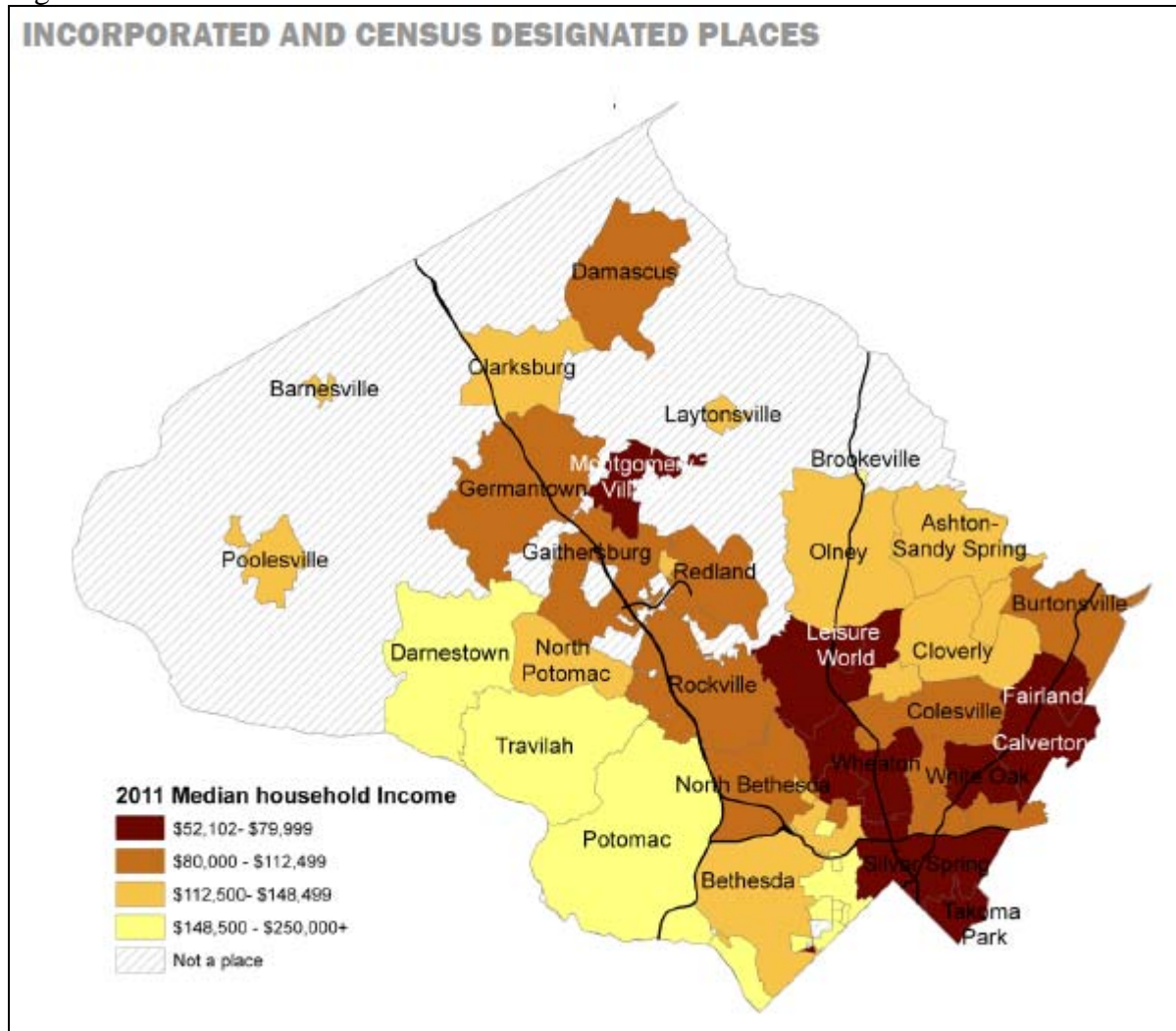
In the past decade, Montgomery County's population grew by more than one percent per year, climbing to just over one million (1,004,709) by April 2012. Contributing to the rise in population has been a high birth rate and foreign immigration. Between 2000 and 2008 the county gained 65,000 residents from a natural increase in population (i.e., births minus deaths). Over the same period, foreign immigration to Montgomery County accounted for nearly 67,000 new residents or about 86% of net migration. In 2010, Montgomery County became one of 336 "majority-minority" counties in the United States, with Non-Hispanic Whites making up 49.3 percent of the county's population, down from 59.5 percent in 2000.

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

Median household income in Montgomery County in 2011 was \$92,909. That figure represents a drop in real terms of 3.8 percent from 1999 and 6.6 percent from the peak in 2007. Households with income less than \$15,000 increased from 3.8 percent in 2007 to 5.8 percent in 2011. While Hispanic and African American households had lower incomes, they also experienced income drops over the decade. The median income of Hispanics dropped 11 percent to \$62,746; African American household median income lost 10 percent to \$62,110. By comparison, non-Hispanic White median household income increased 3 percent since 1999, reaching \$113,040.

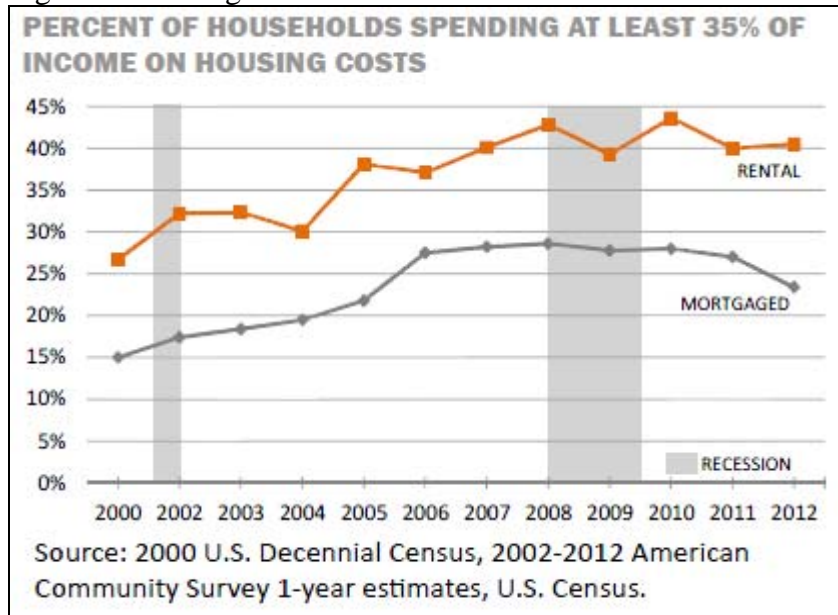
Since 2008, the percentage of Montgomery County homeowners facing burdensome mortgage costs, typically defined as when a household spends 35 percent or more of its income on a mortgage, declined as mortgage costs decreased. The median monthly mortgage in 2012 was \$2,385, decreasing 4.7 percent from the previous year, and 12.6 percent since peaking at \$2,728 in 2009. Dropping median housing values (down 9.6 percent since 2008 to \$440,600 in 2012), as well as lower mortgage interest rates, contributed to declining mortgage costs since 2008. The percentage of mortgaged households spending 35 percent or more of their income on housing decreased 13.3 percent from 27.0 percent in 2011 to 23.4 percent in 2012, after six years of persistent high rates of housing cost burden. An estimated 43,606 owner-occupied households met the guideline for being mortgage-cost burdened in 2012, about 12,700 fewer or a 22.6 percent decrease since 2008.

Figure 2: 2011 Median Household Income



Renting is typically more affordable than buying in Montgomery County; the median monthly rent (\$1,563) was about two-thirds the median mortgage in 2012. Following a 5.1 percent (\$74) median rent increase in 2009 from the previous year, it remained unchanged for three years. Between 2008 and 2012, the County gained an estimated 26,600 renter-occupied households (a 28.4 percent increase). As the number of renter-occupied households reached 120,218 in 2012, the number of renters facing burdensome housing costs increased by 23.6 percent, from 38,085 households in 2008 to 47,081 in 2012. Despite the rising numbers of cost burdened renters, Montgomery County did not see an increase in its percentage of burdened renter households during this period (the 2012 estimate is not significantly different at the 90 percent confidence interval from the previous four years). Two out of five renters in the County paid 35 percent or more of their household income on monthly rent, unchanged between 2008 and 2012.

Figure 3: Housing Cost Burden



Source: Montgomery County Planning Department's 2011Q3 Trendsheets

Poverty is on the rise across the country and in the suburbs. Montgomery County is part of that trend. The rate of poverty in Montgomery County increased from 5.1 percent in 2007 to 6.7 percent in 2011. The latest Maryland Self-Sufficiency Standard (<http://www.selfsufficiencystandard.org/docs/Maryland2012.pdf>) defines the income needed to realistically support a family, without public or private assistance. For most workers throughout Maryland, the Self-Sufficiency Standard shows that earnings well above the official Federal Poverty Level are nevertheless far below what is needed to meet families' basic needs. In Montgomery County, the amount needed to make ends meet for one adult, one preschooler, and one school-age child is \$36.90 per hour (\$77,933 annually), which is four times the federal poverty level of \$19,530 for a family of three in 2013. In the last decade, basic costs for this family increased 59%, while incomes rose by only 17%. Major cost increases facing the above family from 2001 - 2012 were: Health (66% increase); Child Care (62% increase); Housing (62% increase); and Food (47% increase).

More data and analysis demonstrating need for affordable housing in Montgomery County can be found here, on the website of the Montgomery County Planning Department's Research and Special Projects Division: <http://www.montgomeryplanning.org/research/index.shtm>.

**Housing (for persons with and without special needs)**

Even though the County has developed some of the most progressive and effective affordable housing programs in the country, programs such as the award-winning Moderately Priced Dwelling Unit (MPDU) program, and the Housing Initiative Fund (HIF), a model trust fund, current efforts do not sufficiently address the affordable housing needs. While County Executive Isiah Leggett continues his commitment to "Affordable Housing in an Inclusive Community" as a priority policy objective, the slow recovery from the 2007 - 2009 recession means that needs are still high and resources to meet needs continue to be constrained.

The County Executive's recommended budget, released on March 17, 2014, closed a \$166 million budget gap, raising the cumulative amount of budgetary shortfalls resolved in Mr. Leggett's eight proposed budgets to over \$2.9 billion. The measures adopted to balance previous budgets and enhance long-term fiscal stability, though necessary, have required sacrifice by employees and residents alike in terms of reduced pay and benefits, service cuts, and tax increases. In his proposed FY15 operating budget, the County Executive's approach was to maintain his commitment to the prudent fiscal policies mutually agreed to with the County Council, and to strategically restore critical services in public safety, education, youth programs, libraries, and services for the most vulnerable including seniors. Reserves continue to be increased, ramping up to the minimum policy level of 10 percent, and the recommended budget also funds retiree health benefits at the required level.

Highlights for DHCA in the recommended CFY15 budget include:

- Invest over \$26.9 million for Affordable Housing including the Montgomery Housing Initiative (MHI) fund and utilize \$15.9 million from the Affordable Housing Acquisition and Preservation Capital Improvements Program (CIP) project. This increases dedicated funding by more than 10% over FY14 and provides for renovation of distressed housing, the acquisition and preservation of affordable housing units, creation of housing units for special needs residents, services to the "Building Neighborhoods to Call Home" and "Housing First" and creation of mixed-income housing. This brings the total investment in affordable housing since FY08 to \$320 million.
- Use resources from the MHI fund to support rental assistance programs to the Department of Housing and Community Affairs (DHCA), Health and Human Services (HHS), and the Housing Opportunities Commission (HOC). A total of 1,925 households were assisted in FY14 and 2,069 households in FY15 – an increase of 7.5 percent.

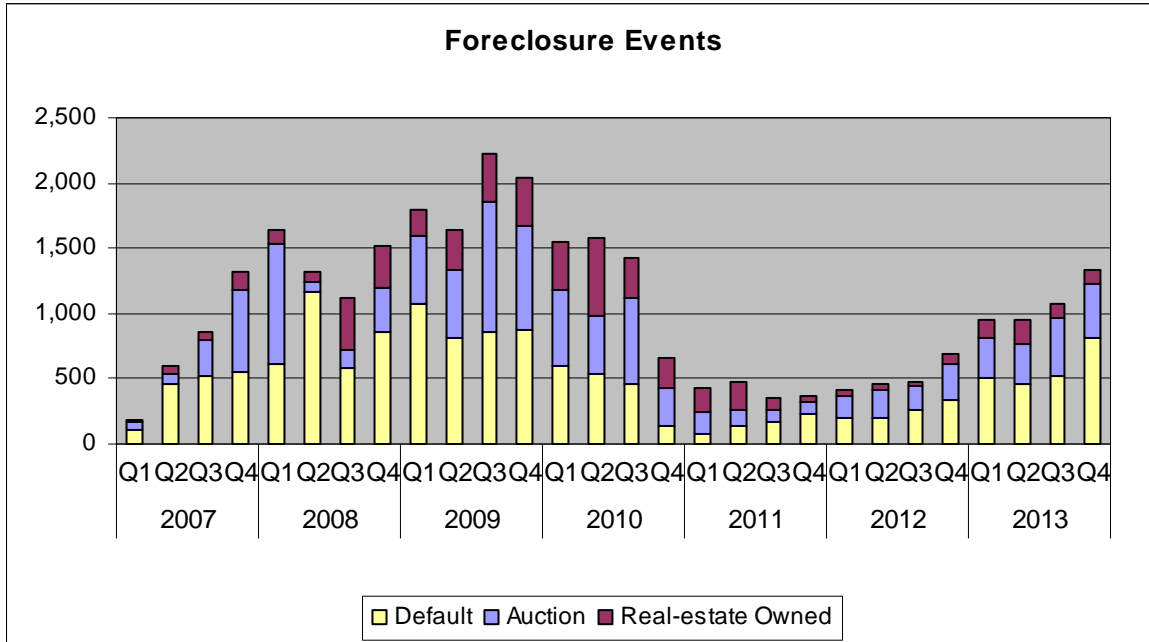
Despite the considerable commitment of resources described above, there continues to be a need for additional affordable housing units for both renters and owners. Households with low- and moderate-incomes are finding it increasingly difficult to purchase a first home in the County. Increasing the supply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

### *Residential Foreclosures*

The number of people losing homes to foreclosure during the Great Recession has been staggering and unprecedented in modern times. The causes that find borrowers unable to keep up with their mortgages are varied, from variable-rate loans that re-set payments higher, refinancing made impossible because of dropping home values, to job losses and persistently high unemployment. High levels of foreclosures beginning in 2007 have been a nationwide phenomenon and affluent places like Montgomery County have not been spared. Data collected by the Maryland Department of Housing and Community Development from the firm RealtyTrac show a dramatic rise in foreclosure filings in Montgomery County, peaking in 2009 (see Figure 4 below). Court filings include "default", when a borrower is late with payments, "auction", when the unit is scheduled to be auctioned off, and "real-estate owned", when the lender takes possession of the home. Some housing units appear in the data

below for more than one filing type. Compared to other Maryland jurisdictions, the situation in Montgomery County appears to have improved when normalizing foreclosures by the number of housing units - Montgomery County was fifth of the five largest jurisdictions in 2013, down from 2nd in 2009Q2 (see Table 2 below).

Figure 4: Foreclosures



Sources: MD DHCD, RealtyTrac

Foreclosures can have a devastating effect on those directly involved and vacant, foreclosed homes can also affect neighborhoods. While Montgomery County can't prevent the loss of homes by every defaulting borrower it has taken aggressive steps to identify those at risk of foreclosure and to provide financial counseling and mediation services between lenders and borrowers. Services have been directed to identified foreclosure "hotspots" in the Germantown, Gaithersburg, and Silver Spring areas. From 2008 through June 2013 approximately 16,000 people participated in over 400 workshops and outreach events. In the first half of 2013 more than 500 clients were served by individual foreclosure counseling sponsored by the County with services being delivered by three non-profit community organizations. More than 50% of clients counseled in 2013 reported a positive outcome in their personal situation.

Table 2: Foreclosure filings per housing unit, 2013

	Housing Units	% of total housing units in Maryland	Foreclosure Filings	Housing units per Foreclosure
Baltimore City	294,298	12.60%	6,269	46
Prince George's	321,577	13.80%	6,302	51
Anne Arundel	204,199	7.10%	3,307	61
Baltimore	328,125	14.10%	5,313	61
Montgomery	364,998	15.60%	3,575	102

Source: MD DHCD

## **Special Needs**

Montgomery County assists **vulnerable populations** County-wide – those with low incomes and in need of affordable housing with supportive services, including the elderly, the developmentally disabled, persons with physical disabilities, persons with mental illness or chronic medical conditions, such as those living with HIV/AIDS, those with addictions and victims of domestic violence all have special needs. In addition to other sources, the County uses funding from the Housing Initiative Fund (HIF) for much needed rental assistance, has worked to improve service delivery through a “no wrong door” policy for accessing services and by improving coordination of service delivery, as has been the case with the opening of the Family Justice Center, a comprehensive, “one-stop” service shop for victims of family/domestic violence and their children. The County has also, through its Commission on Aging and the Commission for Persons with Disabilities, encouraged universal design and visitability in new housing construction. Having accessible housing is especially important for older residents that want to age in place and for others with mobility impairments. The County Council recently voted to add enhanced accessibility for disabled persons as one of a number of “public benefit” incentives for developers under the County’s Commercial-Residential (CR) zone, initially created in 2009. Special Needs Housing expanded the Housing Initiative Program (HIP) by 45 households in FY14, which includes a new initiative for 25 medically vulnerable adults identified using a medical vulnerability assessment that is based on the vulnerability index utilized by the 100,000 Homes Campaign.

## **Persons with Limited English Proficiency**

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

## **Homeless**

Interagency Commission on Homelessness, Bill 34-13, was introduced on December 10, 2013 and approved unanimously by the County Council on April, 1, 2014. CoC has unanimously voted and approved that the Interagency Commission on Homelessness be constituted and function in such a manner that it may serve as the governing board of Montgomery County Continuum of Care.



Montgomery County's homeless point in time survey was conducted on January 30, 2014. A total of 891 homeless persons were counted that day. This is an 11 percent decrease since the 2013 count. The overall decrease in homelessness could be attributed to several factors including an increase in permanent supportive housing and additional units that were created via the Housing Initiative Program (HIP) Medical component and the Veterans Affairs Supportive Housing Program (VASH). Another indirect factor may have been severe winter weather. The number of unsheltered persons decreased by approximately one-third (34%) from 143 in 2013 to 95 in 2014. This enumeration indicated a 22 percent decrease in the overall number of homeless households with children from 117 households in 2013 to 91 households in 2014. This decrease can be attributed to several factors: 1) Re-design of the ESG Rapid Re-housing Program, which as of the enumeration assisted in providing 9 households to become stably housed directly from emergency shelter; 2) prevention and diversion efforts to place families in the community; and 3) increase in permanent supportive housing via our Housing Initiative Program.

Six-three (63%) percent of Montgomery County homeless households without children reported chronic substance abuse, serious mental health issues, or co-occurring disorders, which is a decrease from the previous year when 68% reported these conditions. This decrease could be attributed to increased outreach to engage persons in accessing behavioral health treatment. During this enumeration Montgomery County made an increased effort to collect information about chronic health conditions and / or physical disabilities. Forty-two percent of homeless households without children reported having these challenges.

Twenty-nine percent of the County's households without children counted during the enumeration met the criteria for chronic homelessness, which is a decrease from 2013 when thirty-five percent were reported to be chronically homeless.

Although Montgomery County has seen an increase in the number of immigrant families, only three percent reported limited English proficiency as a barrier to housing, similar to the four percent noted last year. The number of households without children reporting limited English proficiency as a barrier to housing decreased to 12 percent in 2014 from 14 percent in 2013.

The veteran population increased during this enumeration by 13 percent for households without children from 31 in 2013 to 35 in 2014. This increase could be attributed to an improved definition and the "one stop" drop-in center created for veterans to improve access and coordination of services. Overall, the percent of homeless veterans remains low at four percent.

The number of households without children reporting employment decreased to 22 percent in 2014 from 27 percent in 2013. There has been a concerted effort to connect homeless persons with vocational and employment supportive services, but it has not yielded consistent results. However, employment among adults in households with children has consistently increased over the past few years to 53 percent in 2014 from 48 percent in 2013 and 46 percent in 2012.

Among households without children including the unsheltered, the number reporting monthly income decreased to 52 percent in 2014 from 58 percent in 2013. Eighty-six percent of adults in household with children reported some form of monthly income. Unchanged from last year's

enumeration, HUD required collection of demographic information about transitional age youth (18 - 24).

Fifty-eight (58) percent of households without children reported having some type of income, including those that were unsheltered. In households with children, thirty-one percent reported some form of monthly income. .

The weak economy has resulted in increased need for emergency housing assistance to prevent homelessness, including emergency payments to prevent evictions and utility cutoffs. Preventing homelessness through early intervention, coordinated case management, and financial assistance are priorities, along with more long-term transitional and permanent housing and supportive services needed to help those already homeless.

### **Funding Priorities and Strategies**

Montgomery County Executive Isiah Leggett's recommended \$4.97 billion operating budget for fiscal year (FY) 2015, that begins July 1, 2014, represents a 3.3 percent increase over the FY14 budget and includes a tax-supported County government budget of \$1.478 billion, for an increase of 1.2 percent. The budget funds education beyond what is required by the State Maintenance of Effort Level law to meet future needs created by the skyrocketing number of Montgomery County Public Schools (MCPS) students, puts more police on the beat and reduces the County's property tax rate.

Priority policy objectives of Montgomery County continue to be:

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

Restoring fiscal prudence and restructuring government to make it more accountable and effective are important strategies to ensure that spending is sustainable and that funds, while limited, continue to be well spent. One recent initiative to enhance efficiency, effectiveness and responsiveness has been the development of the openMontgomery program, the County's umbrella Open and Digital Government initiative. openMontgomery is comprised of four separate programs: 1) dataMontgomery, providing on-line access to County datasets in consumable format; mobileMontgomery, providing mobile device access to County information, services and programs; engageMontgomery, providing an on-line forum for resident collaboration and idea-sharing; and accessMontgomery, providing on-line access to County services, reports, budgets, and contracts. DHCA is making investments in productivity in CFY15 in these ways:

- roll out new IT systems and improving existing systems,
- conduct a newly revamped annual rent survey,
- continue to add features to the mobile code enforcement application,

- improve features in the licensing and registration system allowing for credit card payments, and
- redesign and relaunch a compliance system for multifamily loans and MPDU properties.

Reaffirming the County's success in being a responsive and accountable government, Montgomery County received the following awards in 2013:

- Named the top digital county government in the United States by the Center for Digital Government, the National Association of Counties (NACo), and through the 2013 Digital Counties Survey;
- NACo Achievement awards for ASK the CIO (Chief Information Officer), the Bike Share Research Tool, and the openMontgomery program;
- National Technology Award for the County's openMontgomery Program; and
- A finalist in the 2012 Information Security Executive North America Award.

A final example of streamlining County government operations is County Executive Isiah Leggett's recently announced cross-agency effort to make meaningful changes to the development application process. An initial step consolidates construction inspections currently being done by the Department of Permitting Services and Montgomery County Fire and Rescue Services. Additionally, the Maryland-National Capital Park and Planning Commission will change its process for review of DPS-issued building permits as it pertains to forest conservation plans. A dedicated website has been created to receive comments and information on streamlining the development approval process (<http://www.montgomerycountymd.gov/permittingservices>).

An overarching strategy is the focus on "managing for results," with performance data becoming the primary basis for review and analysis of the funding requests of county operating departments. Montgomery County recently implemented a results-based budgeting system. A key driver of "managing for results" is the CountyStat Office that works with county operating departments and partner agencies to focus on performance management using four principles: require data-driven performance; promote strategic governance; increase government transparency; and foster a culture of accountability. Opportunities for cross departmental/agency coordination have been enhanced through a collective focus on key, cross-cutting issues, such as foreclosures and affordable housing, positive youth development, vital senior living and pedestrian safety. In addition, the Department of Housing and Community Affairs created a Focused Neighborhood Assistance Program currently active in two geographically-defined areas selected using CountyStat principles. More about CountyStat can be found here: <http://www.montgomerycountymd.gov/countystat>.

### **Focused Neighborhood Assistance**

Strong, well-maintained neighborhoods are a critical component of overall community well-being and quality of life for Montgomery County residents. In 2009 the Department of Housing & Community Affairs (DHCA) initiated a data-driven process to identify neighborhoods that could most benefit from public-led revitalization efforts. Staff first mapped the incidence of crime, household incomes, and single-family rental/foreclosure data for 271 geographic areas. Through discussions with other staff, including area school principals, District Police Commanders, Directors of the County's

Regional Service Centers and representatives from a number of county departments, including Transportation, Health and Human Services and Recreation, DHCA staff applied professional judgment and field research to choose the first two geographically defined Focused Neighborhood Assistance Areas: the Mid-County Focus Area in Glenmont and the Upcounty Focus Area in Germantown. The Mid-County work has been completed and included improvements to four mid-block pedestrian pathways and safety and security improvements to the Wheaton-Glenmont Outdoor Swimming Pool. Work continues in the Upcounty Focus Area and FY14 will see the implementation of improvements to a newly chosen area – the McKendree Neighborhood of Montgomery Village.

### Upcounty Focus Area - Cinnamon Woods

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

Based upon initial assessments and ongoing communication with the HOA, four projects were implemented. Project #1, The Exterior Home Improvement Project, provided exterior home improvements for 122 CDBG income-eligible homes which contributed to the visual transformation of the community. Project #2, The Public Space Lighting Improvement Project, replaced 70-watt low-functioning sodium pressure street lights with energy efficient LED luminaries and one new electrical service unit. Project #3, The "Green Club and After School," programs provided enrichment opportunities for neighborhood youth, and Project #4, The Replacement Reserve Study, provided a tool for future sustainability of the community.

The projects implemented were public/private community investments that transformed the community image, improved energy efficiency, engaged the community, and improved community safety.

### The Problem/Need for the Program

Montgomery County, Maryland, has a countywide median household income in excess of \$107,000. Even so, within a number of older homeowner communities such as Cinnamon Woods, the median household income is at or below the federal "low-income" level. Even before the economic downturn, these residents struggled financially and exterior home maintenance were often deferred.

In addition to impacting individual homeowners, the economic downturn and the housing foreclosure crisis impacted HOAs dramatically. Since 1964, HOAs have become increasingly

common and predominant in Montgomery County. An HOA is responsible for self-government, common areas, private streets, parking, recreation, exterior design and other facilities such as community pools that are supported by assessment fees. During the economic downturn more homes went into foreclosure and more homeowners experienced a decrease in income. This led to increases in delinquent assessment fees, and additional burdens on HOA budgets.

### Description of the Program

Through data analysis and meetings with various HOAs, schools, police and other stake holders, it was determined that Cinnamon Woods was a community that could benefit significantly from the implementation of the **UpCounty Focus Neighborhood Assistance Program**. Under this program, the Cinnamon Woods Exterior Home Improvement Project built upon the HOA's existing exterior maintenance program. The HOA's program covered the cost of painting the exterior of homes. It also required homeowners to make repairs to wood fences, sheds, and wood on home exteriors, and negotiated reduced rates for homeowners to purchase new siding on a voluntary basis. The HOA was working to complete the entire community two (2) to three (3) streets at a time each spring/summer season.

The County's Exterior Home Improvement Project was designed to fit the needs of the Cinnamon Woods Community and was offered to CDBG-eligible homeowners only. Like the HOA program, it included exterior painting; however, it expanded upon the scope of the HOA program by including the cost of repairing (or replacing, if needed) existing wood fences and sheds. Also under the program, wood elements on homes were repaired if needed and new low maintenance vinyl siding and storm doors were installed.

Homeowners were granted forgivable loans equal to the cost of repairs, and were required to sign an agreement to remain in the home for at least one year. The County's housing rehabilitation specialists inspected the work of the contractors, and the contractors were paid directly from the County upon approval completion and inspection of work.

When the program commenced there were ten streets with 480 homes in need of rehabilitation. The project was separated into four phases in consideration of cash flow limitations of the HOA. The HOA implemented their paint and repair program simultaneously with the County's program, so that entire streets were completed at one time, and not just CDBG eligible homes.

Phase One – February 2010 to December 2010 (32 homes)

Phase Two – January 2011 to September 2011 (38 homes)

Phase Three – January 2012 to November 2012 (30 homes)

Phase Four – January 2013 to October 2013 (22 homes)

One hundred and twenty-two low income families, approximately 500 persons, benefited from the Exterior Home Improvement Program over the four year period and will continue to benefit for many years from the improvements to their homes.

**Department of Housing and Community Affairs (DHCA):** DHCA staff conducted the initial analysis, coordinated with other agencies, met with community members, conducted a

community charette, and in partnership with community representatives and the HOA Board of Directors, developed the program objectives/projects.

**Exterior Home Improvements:** Staff conducted outreach to prospective participants, verified applicant eligibility, assessed individual rehabilitation scope, assisted the HOA with bid specifications, drafted individual contracts between income-qualified homeowners and contractors, executed individual agreements between Montgomery County and approved income-eligible homeowners, monitored construction, and processed payments. Project Funding included CDBG-R (\$718,771) and CDBG (\$310,921) over a four year period.

**Public Space Lighting Upgrades:** Staff met with community and HOA representatives to ascertain community expectations and needs. Staff conducted lighting analysis with the assistance of a licensed engineering consultant, developed bid specifications in consultation with the HOA and consultant, reviewed bid documents for HOA, drafted/executed a forgivable construction loan, assisted HOA with state bond documents and monitored construction. Funding included CDBG (\$354,548) and a Maryland Consolidated Capital Bond Loan (\$100,000) awarded to the Cinnamon Woods Homeowners Association.

**Homeowners' Association:** The HOA was a strong and constant partner in terms of staff support and financial investment. Over the four-year period, the HOA invested \$679,842 in building renovations that complemented the Cinnamon Woods Exterior Home Improvement Project.

**Nonprofit Community:** The nonprofit community supported the effort. Germantown Cultural Arts Center, Inc. (Black Rock Center for the Arts) conducted a comprehensive after-school program that included instruction in playwriting and theatre production to improve reading, writing and public speaking proficiencies for middle school students. The program cost was \$32,765, of which \$16,800 was funded with CDBG funds. Forty-four students benefited from the program (July 1, 2011 to June 30, 2012).

**Montgomery Housing Partnership, Inc. (MHP):** MHP, a county-based nonprofit, supported the effort with two projects. In 2011, MHP managed a consultant contract which produced a FY2012 Cinnamon Woods HOA Replacement Reserve Report. MHP and the consultant presented the report to the HOA Board in December 2011. In June and July 2013, MHP conducted a four week summer program called "The Green Club Environmental Awareness Program," twelve middle school children attended. The culminating clean up (picking up trash along the stream beds, pathways in the wooded areas and the school yard) of the Cinnamon Woods neighborhood was attended by parents and other children and other volunteers. Funded as part of a larger County Council Grant, the program costs were \$1,250. Approximately 150 pounds of garbage, bulk trash, and recyclables were collected.

#### Responding to the Economic Downturn

One of the responsibilities of the HOA is to maintain the community and to protect it from physical decline. This is achieved as they identify exterior violations and enforce repairs. Often HOAs notify homeowners of violations and after a pre-determined deadline will hire a contractor, pay for needed repairs, and later bill the homeowners. The economic downturn however created a downward spiral. HOA budgets were already impacted by increases in delinquent assessments; their

ability to pay for repairs on behalf of impacted homeowners became a serious burden. At the same time, the pool of homeowners who were unable to either make repairs or to later repay the HOA for repairs was increasing. Thus, the potential for extensive physical decline of homes and neighborhoods was apparent.

The Focused Neighborhood Assistance Program (FNA) was designed in response to the economic downturn and the proliferation of home foreclosures. DHCA responded in numerous ways to address home foreclosures and the resulting impacts. The FNA Program collects and analyzes data to determine conditions, and works with stakeholders and available resources to develop a response.

The UpCounty FNA Program identified a neighborhood that was seriously impacted and was headed into a downward spiral as the HOA and homeowner resources were diminishing. The implementation of the Program created a visual renewal and helped restore the image of the community.

### Use of Technology

GIS Mapping and Databases were an invaluable tool in analyzing the demographic, economic, crime statistics, and physical conditions in the neighborhood, as well as to produce maps for public presentations and for presentations to decision-makers. Photometric Studies were also used to analyze and document existing conditions, physical barriers, and relationships to other nearby communities. Digital Cameras were used extensively to document existing conditions, and to document improvements as they were completed. Programs such as MS Excel were used to track participants, program income eligibility, tracking work write-ups and payments, and overall project budget management.

### The Cost of the Program

The UpCounty Focused Neighborhood Assistance projects are specific to each neighborhood served. Cinnamon Woods is located in Montgomery County, Maryland, which is a high-coast area. The operating and capital costs incurred in development and implementation of the program is reflective of the Washington Metropolitan Area.

The operating and capital costs over the four year period were \$2,192,132 plus staff salaries. Over 3,000 low income persons benefited from the Cinnamon Woods Focused Neighborhood Assistance projects. The Exterior Home Improvement Program transformed not only the appearance of the community but also improved community pride in the neighborhood. The siding and storm door installations will reduce energy consumption and costs for participating homeowners. The Public Space Lighting Upgrades improved community perception of safety and the energy efficiency of the new fixtures reduce energy costs to the HOA. The Black Rock Center for the Arts “after-school program” provided creative activities that capture the attention of middle school youth and strengthened reading, writing and public speaking skills. The Replacement Reserve Report is a tool for the HOA to develop a plan for their sustainable future. “The Green Club Environmental Awareness Program” engaged neighborhood children in their community, increased their sense of neighborhood responsibility, provided a positive summer activity, and involved their parents.

The funds invested in the Exterior Home Improvement Program were leveraged by a nearly \$680,000 investment from the HOA. The Public Space Lighting Upgrades included funding secured by the HOA from the Maryland Consolidated Capital Bond in the amount of \$100,000. The HOA provided considerable staff support. This “in-kind” contribution is not included in the cost calculation, but the project would not have been possible without the HOA staff support. In addition, the two nonprofits (MHP and Black Rock Center for the Arts) provided significant staff support which leveraged the available funds.

The funding sources over the four year period were as follows:

CDBG-R	\$718,771
CDBG	\$682,269
MD Consolidated Capital Bond	\$100,000
Housing Initiative Funding	\$10,000
County Council Grant	\$1,250
Homeowner Association	\$679,842

#### The Results/Success of the Program

The entire Cinnamon Woods community of 684 families (3,000 residents), benefitted from the UpCounty Focused Neighborhood Program. The Exterior Home Improvement Project completed home improvements for 122 low-income families (roughly 500 people) who were unable to afford needed maintenance and improvements. It created a significant visual improvement to the community and reduced a considerable burden on the HOA budget.

The Public Space Lighting Upgrades project removed underperforming 70 watt high-pressure sodium streetlights located in parking lots and other common areas, and replaced them with new energy efficient LED beta fixtures. In addition, a new electrical service unit was installed on Ginger Court. This provided a community-wide benefit of increased sense of safety to 100% of the families and residents in this low-income area.

Concern had been expressed by stakeholders during initial assessments about middle school age children who may have been “at-risk” due to lack of afterschool activities and who would benefit from enrichment activities. Support from the nonprofit community consisted of a comprehensive after-school program conducted by Germantown Cultural Arts Center, Inc. (Black Rock Center for the Art). Forty-four middle school students participated and gained instruction in playwriting and theatre production to improve reading, writing and public speaking proficiencies.

In addition, Montgomery Housing Partnership conducted a summer program “The Green Club Environmental Awareness Program”, in which twelve middle school children learned about environmental issues and participated along with their parents, other children and volunteers in cleaning up the creeks and parkland which is intertwined throughout the community. Approximately 150 pounds of garbage, bulk trash, and recyclables was collected.



Montgomery Housing Partnership, Inc. also produced a FY2012 Cinnamon Woods HOA Replacement Reserve Report, which provides an analysis of the community assets and recommendations for future sustainability.

### McKendree Focus Area

In 2011, the McKendree neighborhood was selected as the third Focused Neighborhood Assistance Area (FNA). The FNA includes two streets, Brookridge Court and Forest View Place, located within Montgomery Village on the outskirts of the City of Gaithersburg. Montgomery Village is a planned community created in the early 1960's. The developer Kettler Brothers worked with local government officials, civic activists, professional planners and engineers to develop a community that could meet the needs of major businesses relocating from Washington, DC, and the federal government employment presence growing in the outer suburbs. A variety of housing types were built in distinctive neighborhoods that were close to schools and activity centers. McKendree was constructed in 1976 and 1977 as the first Moderately Priced Dwelling Units (MPDU) in the County. The MPDU program is a landmark affordable housing program established by local legislation in 1974. It required that 15 percent of the total number of dwellings in every subdivision containing 50 or more units be affordable to moderate-income households with an affordability control period of five years. In subsequent years, the control period was extended. The current control period for new MPDU units is 30 years. McKendree is composed of 212 back-to-back, side-by-side town homes. Nearly half of the homes are rental properties. The control period expired decades ago but the neighborhood remains an island of affordable housing in an ocean of higher priced homes.

During 2012 DHCA staff conducted a block-by-block visual survey of McKendree and held meetings with County agencies and other organizations to gather input on the assets, issues and needs of the area. These activities informed the development of the current work program, which will be funded with a combination of CDBG funds and other resources:

#### 1. Common Areas

- Examine opportunity to address courtyard drainage issues and improved landscaping.
  1. Obtain services of consultant to conduct assessment of drainage issue and recommendation for improvement.
  2. Obtain services of consultant to develop landscape plan with the advice of stakeholders.
  3. Construct improvements
- Access interest in community activities.
  1. Conduct community outreach
  2. Possible activities could include Earth Day Clean-Up, Community Picnic, National Night-Out, etc.

#### 2. Pedestrian Pathway from McKendree to Apple Ridge

- Examine opportunity to provide CEPTED Pedestrian Lighting along path
  1. Obtain services of consultant to conduct assessment and recommendation for improvement.
  2. Construct improvement.

### 3. Individual homes

- Offer Exterior Home Improvement and Energy Efficiency Grant in conformance with the Montgomery Village Architectural Guidelines and Policies opportunity to income eligible homeowners.
- Offer Exterior Home Improvement and Energy Efficiency Forgivable Loan with affordability control period to rental properties whose tenants are income eligible in conformance with the Montgomery Village Architectural Guideline and Policies.
- Work with non-profit community to acquire, rehab, and re-sale of vacant, bank owned properties to first time homebuyers.
- Connect appropriate homeowners to foreclosure counseling

### 4. Access to Communities

- Examine opportunity to construct pedestrian sidewalk along entry to McKendree from Shadow Oak Drive and other improvements.
  1. Obtain services of consultant to develop a baseline lighting survey for all pedestrian sidewalks, pathways, courtyards and parking lots.
  2. Analyze findings and share with stakeholders
  3. Obtain services of consultant to design pedestrian improvements as feasible.
  4. Construct improvements.

Links to reports on the Focused Neighborhood Assistance Program can be found here:

<http://www.montgomerycountymd.gov/DHCA/community/neighborhood/>

## **Affordable Housing**

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

The County uses local funds, as well as federal and state resources, to create and preserve affordable housing by partnering with housing providers to provide flexible financing designed to leverage other sources of funds and to be responsive to unique project requirements. Montgomery County has used a number of strategies to address affordable housing priorities, developing a range of tools and incentives, including a locally funded housing trust fund and an award winning inclusionary zoning program.

County Executive Leggett has appointed a number of task forces and work groups to bring together informed individuals from all sectors to examine and make recommendations on a wide variety of issues. Past groups related to housing include the Affordable Housing Task Force, the Code Enforcement Work Group, and the Tenants Work Group. Other boards, committees and commissions work on a variety of issues like poverty (Community Action Board) and the needs of special populations (Commission on Aging; Commission on Persons with Disabilities) that inform the housing discussion and that, along with other groups and initiatives, like the Interagency Fair Housing

Coordinating Group and the Senior Sub-cabinet for Vital Aging, make recommendations and serve as strong advocates for affordable housing. Relying on the talent and dedication of those who volunteer is an important strategy in bringing the “best thinking” from all view points to address concerns.

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

Preservation of existing affordable housing, especially public housing, is a growing concern as federal funding for maintenance decreases below what is needed and the existing housing stock ages. The County continues to use all funding sources available to enhance affordability for lower-income households through the provision of weatherization assistance and other energy improvements, while addressing lead hazards and correcting housing code violations. In particular, scores of low-income households are being assisted with the weatherization of their homes through the EmPower Maryland Program, a three-year project funded through the Maryland State Department of Housing and Community Development (DHCD). This 2.6 million dollar program is providing energy-saving housing renovations which will save households money due to decreasing households’ electrical power usage. One of the program’s goals is to weatherize much of the County’s public housing stock. The program will wrap up by April 2015.

Since 1974, Montgomery County has had an inclusionary zoning law. In fact, the Moderately Priced Dwelling Unit Program (MPDU) is believed to be the country's first mandatory inclusionary zoning law that specified a density bonus allowance to builders for providing affordable housing. The law presently requires that between 12.5 and 15 percent of the total number of units in every subdivision or high-rise building of 20 or more units be moderately priced. From 1976 through 2013 more than 14,000 affordable units were produced, averaging 268 units annually over the past ten years.

The MPDU law allows the County's public housing authority the right to purchase one-third of the moderate priced units produced in each subdivision to assist low-income tenants. To expand and retain an inventory of low-income housing in the County the law permits the public housing authority, the Housing Opportunities Commission, (HOC) and recognized nonprofit housing sponsors to purchase up to 40% of the affordable units (HOC is limited to one-third). The County imposes certain resale and occupancy restrictions on the MPDUs when the completed units are sold. Because of changes in the law over time, this control period varies according to when the unit was initially sold. For this reason, the control period can be either 10, 15, or 30 years. The price for which the unit can be resold is controlled during this period, and the unit must be resold through the MPDU program to another MPDU certificate holder. The County has the right of first refusal to purchase any MPDU put up for sale, and almost all units that are sold during the control period are purchased by the County or HOC. There are currently more than 2,600 private units (not including those owned and controlled by HOC and non-public sector affordable housing providers) under the auspices of the MPDU program.

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

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

Montgomery County's Revolving Loan Program for Downpayment & Closing Cost Assistance began in 2005. The program is managed by the County's Department of Housing and Community Affairs and is funded annually by the County's Housing Initiative Fund (HIF) based on budget availability. Administration of the program is provided by the Housing Opportunities Commission (HOC). First-time homebuyers who work in Montgomery County and are purchasing their first home in the County may apply for the program. Homebuyers who meet the income and eligibility guidelines can receive a loan up to \$10,000 (or up to 5% of the purchase price) towards their down payment and closing costs. The loan is fully repayable over a 10-year period at an interest rate of 5%. Below is a summary of loan activity FY 2005 through Q3 FY 2014.

Table 3: Revolving Loan Program

Downpayment/Closing Cost Assistance Loans Made To Eligible First-Time Homebuyers in Montgomery County		
Period	# of First-Time Homebuyers	Amount of Loans
Q1-Q3 FY 2014	22	\$158,847
FY 2013	48	\$348,421
FY 2012	52	\$407,751
FY 2011	104	\$851,012
FY 2010	152	\$1,252,051
FY 2009	73	\$617,022
FY 2005 - 2008	45	\$355,132
<b>Total</b>	<b>496</b>	<b>\$3,990,236</b>

During 2013 Montgomery County CoC launched its 100,000 Homes Campaign with several members attending the “Boot Camp” in California and Virginia. Registry week was held November 4 – 6, 2013 and resulted in the completion of 369 surveys. Utilizing the CoC’s approved vulnerability definition, 159 (43%) of those surveyed were considered vulnerable. Following registry week, the CoC held its third “Homeless Resource Day” and continued its efforts to utilize innovative ways to reach out to, and provide assistance to, persons experiencing homelessness. More than 319 households attended this highly successful event. Participants were connected to a wide range of community resources and supports including vision and health screenings, mainstream benefits, legal assistance, employment guidance, haircuts and more.

As part of its commitment to ending homelessness for the most vulnerable and chronically homeless, Montgomery County approved a special appropriation to provide permanent supportive housing to a minimum of 15 of the most vulnerable homeless adults and has begun development of a 21-bed Personal Living Quarter facility slated to open in 2016. In addition, CoC housing providers have agreed to prioritize vacancies in their existing programs for those experiencing chronic homelessness. Furthermore, the local housing authority, Housing Opportunities Commission is exploring prioritizing homeless persons identified as vulnerable homeless for housing choice vacancies.

In addition, Montgomery County in consultation with the CoC has developed a Rapid Re-housing program operated by Special Needs Housing to serve 20 family and single households. Participants receive a shallow rental subsidy (\$400 for singles, \$600 for families) coupled with case management for up to twelve months. This funding comes to the County via the Emergency Solutions Grant.

### *Housing Policy*

The Department of Housing and Community Affairs led the development of a new draft housing policy for the County in 2012 -- *A Housing Policy for Montgomery County, Maryland*. This effort draws from the earlier 2001 housing policy, the 2008 Affordable Housing Task Force report, and from the 2011 Housing Element of the General Plan. Specifically, the draft Housing Policy adopts the goals and objectives of the Housing Element and is crafted to provide guidance on implementation.

The draft Housing Policy establishes the following vision that Montgomery County is a place where:

- Everyone has a place to call home — no one is homeless.
- Neighborhoods are safe and sound, with community services and well-maintained facilities.
- All housing is in sound condition and meets all building maintenance codes.
- Each housing unit has adequate living space for its occupants.
- Affordable housing exists for all who live or work in the County, regardless of age or income.
- People receive appropriate housing and services for each stage of life and can remain in the community as they grow older.
- There is no discrimination in choosing a place to live, regardless of race, color, religious creed, ancestry, national origin, sex, sexual orientation, marital status, presence of children, age, physical or mental disability, or source of income.
- Housing opportunities and supportive services are available for those who have mobility or sensory impairment, developmental or emotional disabilities, or mental illness.

The overall goals of the draft Housing Policy are that Montgomery will:

- Preserve the existing regulated affordable housing stock, striving for no net loss of income-restricted affordable housing.
- Increase the number of affordable housing units.

- Conserve and care for Montgomery County’s residential neighborhoods, and develop and invest in quality communities.
- Strive to prevent homelessness and find homes for the homeless.
- Support the development of new housing, especially in transit-oriented areas.

The planning process involved numerous public meetings, information dissemination through email lists and web site postings, extensive coordination among County agencies, as well as public deliberations by the County Council’s Planning, Housing, and Economic Development Committee. It is expected that the full Council will postpone consideration of this draft policy until sometime after November 2014. The draft can be accessed here:

<http://montgomerycountymd.gov/dhca/director/housingpolicy.html>

### *Planning*

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

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

The Council’s approval in March 2014 of the text for the Zoning Rewrite is a major accomplishment that will be key in all future planning and development in the County. The new zoning code results from a multi-year process involving significant outreach and collaboration with county residents, land owners, and other key stakeholders. It is far simpler than the old code, which had grown over 40 years to include 123 zones, over 400 described land uses, and was more than 1,200 pages in length. The new code will be easier to use, encourages better development, enhances compatibility, promotes sustainability, and supports county master plans. A new zoning map will be developed in 2014 and it is anticipated that the new zoning code will become effective no later than October 30, 2014 after the new zoning map has been adopted.

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

## **Non-housing Community Development**

Montgomery County Executive Isiah Leggett announced his recommended \$4.97 billion operating budget for fiscal year (FY) 2015 on March 17, 2014. Highlights include the following:

- \$2.164 billion for the Montgomery County Public Schools (MCPS), an increase of \$79.8 million – or 3.8 percent.
- \$237.3 million for Montgomery College, an \$8.9 million increase of 3.9 percent.
- Increases English adult literacy programs by 10 percent.
- \$11 million increase for the Police Department that will add 23 sworn officers and two forensic scientists and double the number of School Resource Officers assigned to County high schools.
- A 3.4 percent increase of \$224.3 million for the Fire & Rescue Service (MCFRS), including strengthening outreach to seniors who are most at risk for fire deaths.
- Funding to repurpose the William Hanna Innovation Center to become the National Cybersecurity Center of Excellence.
- Opening of the new Silver Spring Library and a 6.7 percent increase in overall library funding from FY14.
- Expanding the Positive Youth Development Initiative in the Watkins Mill Cluster and adding South Lake Elementary School to the Linkages to Learning program and expanding the program to the Watkins Mill Cluster.
- Restoring operating hours at three County senior centers.
- Increases the general fund contribution to the Housing Initiative Fund by 10 percent over last year's level.
- Significant additional resources are provided in the FY15 recommended budget for a variety of public health, behavioral health and other critical safety net services.
  - Increase in community grants of \$975,000, for a total of \$5.9 million, which includes \$1.6 million for Council community grants

The Department of Health and Human Services is continuing the “no wrong door/customer service initiative” to improve access to services and coordination of care, including access to quality health care (physical, oral and behavioral health), food and clothing for low-income and underserved populations. Additional family support services, including childcare subsidies and youth development programs as well programs that enhance the well-being of other special needs groups like pregnant

women, the frail elderly, victims of domestic violence and persons with developmental disabilities or chronic medical conditions are on-going needs.

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

### **Economic Development Activities and Anti-Poverty Strategies**

The Montgomery County Department of Economic Development (DED) is charged with implementing the County's economic development vision of being a globally-competitive, highly-diversified and knowledge-based economy that provides for the retention and growth of existing companies, stimulates new job creation and enhances entrepreneurial opportunities for all businesses. The Development offers strategic financial programs to support the creation and attraction of targeted businesses and jobs within the County, tailored workforce training and assistance for employers, and targeted services to support the growth of the County's small and minority business community, including our Small Business Revolving Loan Fund, Local Small Business Reserve Program, and business mentorship program, among many other initiatives. An example is the Montgomery County Business Innovation Network, which has five strategically located facilities throughout the County. The Network provides over 150K square feet of incubator office and lab space currently housing some 160 companies. Since 2000, the Network has graduated nearly 100 companies who occupy some 700K square feet of office space and have created over 2,000 jobs.

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

In CFY14 the County partnered with the State of Maryland and the National Institute of Standards and Technology (NIST) to become the new home to the National Cybersecurity Center of Excellence, positioning the County to be the epicenter of this emerging and fast growing industry. The County's job retention, attraction, and creation efforts led to 47 out of 54 interested companies to start up, expand, or relocate to the County. The 47 companies are projected to retain and create 2,254 jobs, lease 232,000 square feet of office space, and generate \$56 million in capital investment over the next 3-5 years. And another example of the County's efforts toward economic development reached into the agricultural sector last year with the New Farmer Pilot Project to encourage agricultural entrepreneurs



to choose Montgomery County as a home for their start up businesses, resulting in four new farm enterprises in Montgomery County.

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

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

Effective July, 2003, the county enacted a law requiring the payment of a living wage (\$13.95 per hour for County FY14 – July 1, 2013 through June 30, 2014) by for-profit contractors with 10 or more employees who have contracts totaling \$50,000 or more with the County in a year. Effective July, 2009, the prevailing wage law applies to contractors and subcontractors with county construction projects valued at more than \$500,000 that are awarded or financed by county government. Additionally, effective April 1, 2010, the exemption to the Wage Requirements Law for having fewer than 10 employees was repealed. The county sets prevailing wage rates by using the rates established by the State Commissioner of Labor and Industry, and this law also prohibits the misclassification of workers into lower paying job categories, giving the county the ability to withhold contractor payments, if a violation of the law is found. Montgomery County also supports workforce development through MontgomeryWorks, a “one-stop” career system, that provides an array of vocational assessment, job readiness and job training and job placement services to dislocated workers, low-income adults, older workers, disadvantaged workers and youth.

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

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

The Community Action Board (CAB), the County's federally-designated anti-poverty group, provides a voice for low-income people in the county, advocating for policies and services on their behalf and sharing the challenges facing low-income residents. It has oversight for the County's Head Start federal grant, and its \$438,115 federal Community Services Block Grant (CSBG), which supports direct services at Community Action's Wheaton and "TESS" sites, as well as funding to manage contracts of county-funded anti-poverty grants.

CAB's historic support of 'safety-net' services is clearly an anti-poverty strategy, one that seeks to preserve the services needed by the most vulnerable, including supports working parents need, including transportation, healthcare, housing and child care. The CAB has become a strong supporter of the Community Action Agency's Voluntary Income Tax Assistance (VITA) program, a primary source of Earned Income Tax Credit (EITC) outreach and the provision of free tax help.

Together, the Earned Income Tax Credit (EITC) and the Child Tax Credit kept 10.1 million people — including 5.3 million children — out of poverty in 2012. The agency continued its study of the extent of EITC under-utilization and the reliance of the County's poor in using paid tax preparers, working with the Brookings Institution to produce a map of the County showing EITC utilization and producing an EITC profile.

As poverty has moved nationally from the cities to the suburbs, Montgomery's EITC filers have increased-- to 52,568 in TY2010, from 44,186 three years before.

Using 2010 IRS and Census ACS microdata, Brookings estimated that in 2010, 121,886 residents in the County were in EITC eligible households, including 49,403 children. Their median AGI was just \$12,600 per year.

The IRS data estimates about one in five families don't file; analyzing IRS data, the Maryland CASH Coalition, a Community Action VITA partner found 14,000 Montgomery residents are leaving \$31 million behind in unclaimed federal EITC alone.

CFED's Assets & Opportunities Network notes these lower income families, largely minority, are six times more likely to be asset poor, or lack the economic resources to provide for their family's basic needs for a period of three months in the absence of income.

Access to early childhood education and food continue as CAB advocacy priorities, along with increasing free tax help (VITA -- Volunteer Income Tax Assistance), to assure access to tax refunds and the federal, state and local EITC and Child Tax Credits that narrow the self-sufficiency gap.

According to the Census, SNAP kept 4.7 million Americans, including 2.1 million children, out of poverty in 2011. Since the recession, caseloads in Montgomery increased over 150%, yet DHHS staffing has not kept pace with that growth[s1] [s1] . The evidence is overwhelming that SNAP not only reduces poverty, but has a significant impact on health and educational outcomes, and contributes to long term economic prosperity. CAB has worked with our legislators to increase funding for SNAP, or the Food Stamp Supplement program, which has grown by more than 150% since the recession.

In FY13 and FY14, CAB urged the Community Action Agency to expand VITA's free, year-round partnership to families to the full extent. In tax year 2012 (FY13), without additional staffing, Montgomery County Community Action Agency's VITA partnership served 2,359 customers during the tax season, as well as throughout the year -- the only suburban VITA location in DC's Maryland's suburbs to provide this free service. In the past three years,

In total, CAA's VITA taxpayers received \$4,598,175 in refunds and credits, including \$1,242,341 million in EITC (combined federal, state and local) and \$434,174 in Child Tax Credit. This compares to 1,868 taxpayers served the previous year. VITA outcomes include assisting taxpayers in returning \$1,284,094 of tax dollars owed to the State and federal government each year, and saving taxpayers an estimated \$500,000+ annually in filing fees to for-profit and often predatory providers. Sixty-eight volunteers contributed approximately 5,000 hours to support the VITA program, distributing 50,000 flyers, with staff and volunteers participating in over 25 events to raise awareness.

CAB has supported restoring the County's EITC, known as the Working Families Income Supplement, and increasing free tax help to assure residents can access their tax refunds and respective credits; establishing a higher minimum wage; utilizing the "Self-Sufficiency Standard" as a strategy to understand the higher cost of living in the County; and promoting Universal PreKindergarten and child nutrition programs to improve the well being of young children and their families.

Thanks to the concerted efforts of Montgomery County's 200-member Census Complete Count Committee and countless volunteers and community leaders 80 percent of the households in Montgomery County filled out and returned their 2010 Census questionnaires. This participation rate was two percentage points higher than in 2000 and six points above the national average. This outstanding result will ensure that Montgomery County receives its fair share of federal and state spending that is allocated based on Census data for years to come. The newest data on population by race has already become available in order to redraw legislative boundaries. The funding based on this data is critical to providing many of the services and supports needed as part of an anti-poverty strategy and to address other housing and non-housing community development needs.

The Family Self-Sufficiency (FSS) Program at HOC (<http://www.hocmc.org/Resident-Services/Family-Self002DSufficiency-Program.aspx>) helps families residing in HOC-assisted Housing Choice Voucher (HCV) or Public Housing (PH) housing programs to achieve self-sufficiency over a five- to seven- year period and to end dependency on welfare cash assistance. There are currently 441 families voluntarily participating in the program, primarily composed of single female heads of household with one or two children. Since its inception in 1993 through the fall of 2013 when the program celebrate its 20<sup>th</sup> anniversary, a total of 806 FSS families have successfully graduated from the program by achieving their FSS career goals and by maintaining employment at living wages. This five-year program continues to serve 441 families. About one third of graduates have advanced from

unemployment/welfare assistance to living wage employment/self-sufficiency. About 18% of the graduates have purchased homes. Participants have benefited from CDBG sponsored activities that have allowed for employment to replace welfare.

### **Lead-based Paint Hazards**

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

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

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

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

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

### **Barriers to Affordable Housing**

While barriers exist to the creation and preservation of affordable housing, the county continues to work to address these. The County Executive has received wide-ranging support and enlisted

countless volunteer hours from those willing to serve and offer their expertise on the many task forces, work groups, boards, committees and commissions convened to address concerns and make recommendations. Throughout this summary, there have been numerous examples of actions being taken. Although the availability of financing continues to be a barrier, the county is using bond funding to provide short-term acquisition financing to augment other funding. Changes in legislation recommended by the Code Enforcement Work Group have been adopted and result in more timely and effective housing code enforcement. The recent approval of a new Commercial/Residential (CR) Zone will allow future redevelopment areas designated in master plans to become more dense mixed-use communities that will increase the supply of housing. And the new Housing Element of the General Plan, adopted in 2011, recommends a number of policy objectives, regulatory reforms, and land use strategies that will further affordable housing objectives. The goals embodied in the Housing Element are being incorporated into a new implementation document, the County's Housing Policy, anticipated to be adopted as official County policy sometime after the fall of 2014.

### **Institutional Structure/Coordination/Public Housing**

Montgomery County is fortunate to partner with many for-profit and not-for-profit agencies and public institutions in carrying out its housing and community development objectives. The service delivery system, while strong overall, is being strained by increases in demand and reductions in funding resulting from the recent recession and continued weak economy. For example, the total number of clients assisted by the Montgomery County Department of Health and Human Services grew 36% from fiscal year 2007 to fiscal year 2011, from 20,728 to 28,208. This increased service level was not matched by a similar increase in staffing. The County continues to work closely with the Housing Opportunities Commission, as a public housing entity, in meeting the housing needs of our low-income residents. HOC is not only a public housing agency but also a redevelopment authority. Commission members are appointed by the County Executive and approved by the County Council.

Montgomery County government works closely with public and assisted housing providers and private and governmental health, mental health and service agencies to ensure a coordinated response in meeting the need for affordable housing, including housing both with, and without, supportive services. Through a "cross agency initiative" under the auspices of CountyStat, the department directors of DHCA, DHHS and the Executive Director of HOC conduct CountyStat presentations on affordable housing before the County Executive/Chief Administrative Officer together in keeping with a coordinated approach.

The HOC works closely with its residents to become more involved in management through participation in the Resident Advisory Board. It also encourages participation in its Family Self-Sufficiency and Employment Initiative programs to obtain skills and experiences necessary for successful employment and becoming financially prepared to purchase a home or to meet other life goals. HOC offers closing cost assistance, first mortgage loans through participating lenders, homeownership counseling and other supports for those who participate in a HOC program, like the Housing Choice Voucher program. In its continued efforts to improve the quality of the affordable housing stock, HOC is participating in HUD's Rental Assistance Demonstration (RAD) Program pursuant to which it plans to implement a variety of strategies to allow it to convert the subsidy associated with its multifamily Public Housing portfolio to Project Based Voucher subsidy, enabling the leveraging of these assets to raise capital rehabilitate or redevelop these properties. This is in

addition to its Section 18 approval in 2012 to dispose its scattered site Public Housing units, allowing it to raise capital to renovate and improve the existing scattered site portfolio (669 units). Any program would preserve, improve, and expand affordable housing opportunities for households with limited income. The federal budget environment offers real challenges to HOC core programs for very low-income families. Some budget and appropriations proposals would reduce funding for the Housing Choice Voucher program as well as both the operating and capital subsidies for public housing.

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

### **Action Plan**

The Department of Housing and Community Affairs (DHCA) is the lead agency responsible for the submission of the Consolidated Plan to United States Department of Housing and Urban Development (HUD). This year's Plan must be delivered to HUD by May 15, 2014. The Action Plan specifies how the County proposes to spend the federal CDBG, HOME and ESG funds it expects to receive for County FY2015.

A public hearing was held in October 2013 before the Community Development Advisory Committee (CDAC) to receive input regarding needs to be addressed in the Plan and to review past performance. A summary of testimony from this hearing is on file at DHCA. Other hearings were held in early April 2014 as part of the County Council's budget approval process.

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

*Projected Use of Funds – CDBG/HOME/ESG*

**Community Development Block Grant (CDBG)  
July 1, 2014 - June 30, 2015**

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) \$4,619,530**

The county expects to receive \$4,119,530 in CDBG funds for County Fiscal Year 2015, and with anticipated program income of \$500,000, an estimated total of \$4,619,530 in CDBG funds will be available for the following activities.

**PROJECTS ADMINISTERED BY COUNTY GOVERNMENT**

**Department of Housing and Community Affairs (DHCA) \$4,222,915**

**Housing Acquisition and Preservation \$1,016,915**

Funds will be used for affordable housing activities. Eligible activities include loans to assist in the purchase of existing properties for use as housing affordable to low- and moderate-income residents and funds for housing rehabilitation to enable low and moderate income owners of single-family homes and owners of multi-family properties occupied by low- and moderate-income tenants to eliminate code violations and make other necessary improvements, including accessibility and energy conservation improvements. Assistance may be provided for public housing modernization and for group home acquisition. An estimated 40 units will be created, preserved, or improved.

**Group Home Rehabilitation \$500,000**

Funds will be used to assist nonprofit providers in rehabilitating group homes occupied by lower-income, special needs persons to eliminate code violations and make other necessary improvements, including accessibility and energy conservation improvements. An estimated 12 homes will be improved.

**Focused Neighborhood Assistance \$945,000**

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 Montgomery Village and DHCA is identifying new eligible neighborhoods.

**Code Enforcement \$225,000**

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.

**Facility Planning \$50,000**

The funds will be used for preliminary planning and design for a variety of projects in eligible areas for possible inclusion in a future budget.

**Administration (capped)** \$786,000

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

**Contingency (Capital)** \$200,000

The fund will be used to cover unanticipated costs for other eligible activities.

**NONPROFIT PROVIDERS** **\$540,330**

Funds will be used to provide a variety of CDBG-eligible public services to low- and moderate-income county residents eligible for CDBG-funded assistance:

**Asian American LEAD Leadership, Empowerment and Development for Youth and Family** \$45,000

**“Asian American LEAD MD High School Program”**

Provide culturally appropriate enrichment activities, college preparatory assistance, service learning projects and opportunities for leadership development for low-income high school students in Wheaton and Silver Spring. An estimated 50 students will benefit.

**The Boys and Girls Clubs of Greater Washington, Inc.** \$39,410

**“Power Hour”**

Provide homework assistance, tutoring and reading time for elementary students at the Germantown Boys and Girls club. An estimated 50 students will benefit.

**Catholic Charities of the Archdiocese of Washington, Inc.** \$36,820

**“Immigration Legal Services”**

Continue to provide free immigration legal services to low income residents. (Second year CDBG funding). An estimated 100 people will benefit.

**Ethiopian Community Center in Maryland, Inc.** \$45,000

**“ECCM Heath Care Project”**

Provide counseling services on health related issues, including hypertension, diabetes, obesity, and HIV/AIDS. An estimated 700 people will benefit.

**Home Care Partners, Inc.** \$20,000

**“Montgomery Light Care”**

Provide Weekly home care aid services for 2 hours a week to frail elderly or disabled clients living in subsidized housing. An estimated 25 people will benefit.

**Interfaith Works, Inc.** \$45,000

**“Volunteer Coordinator - Meals for the Homeless”**

Continue to provide partial salary for Volunteer Coordinator and Assistant Volunteer Coordinator to organize and manage volunteers for food preparation and distribution and other services to serve shelter residents and other low-income residents (Second year CDBG funding). An estimated 400 people will benefit.



<b>Jewish Foundation for Group Homes, Inc.</b>	\$40,500
<b>“Living Independently with Autism”</b>	
Provide partial funding for three part time specialists in Autism Spectrum Disorders to assist low-income residents of their homes with that condition. An estimated 200 people will benefit.	
<b>Jewish Social Service Agency</b>	\$12,640
<b>“JSSA Refugee Integration Project”</b>	
Provide community integration support to refugees and recent immigrants including assessment, referrals, employment assistance, citizenship preparation and ESOL assistance. An estimated 40 people will benefit.	
<b>The Montgomery County Coalition for the Homeless, Inc.</b>	\$45,000
<b>“Housing Locator at the Home Builders Assessment Center”</b>	
Fund a full time Housing Locator position at the County's main men's housing shelter to assist clients that are enrolled in case management services to identify and obtain affordable long term housing The program will benefit an estimated 225 people.	
<b>Mobile Medical Care, Inc.</b>	\$42,960
<b>“Anticoagulation Clinic for the Low-Income, Uninsured”</b>	
Continue to provide free testing, assessment, dosing adjustments and patient education to low-income residents at risk for heart related conditions or disease. (Second year CDBG funding). An estimated 50 people will benefit.	
<b>Montgomery Housing Partnership, Inc.</b>	\$45,000
<b>“MHP Play and Learn Program”</b>	
Continue to provide on-site preschool activities for low-income children at 5 affordable rental properties. (Second year CDBG funding). The program will benefit an estimated 96 children.	
<b>The National Center for Children and Families, Inc.</b>	\$45,000
<b>“Future Bound Transitional Housing Program”</b>	
Provide housing, counseling, life skills, etc. support for young adults who have aged out of the care of public systems and are homeless or living in unstable conditions. The program will benefit an estimated eight people.	
<b>The National Center for Children and Families, Inc.</b>	\$45,000
<b>“Betty’s House”</b>	
Continue to provide support for immigrant women and their American children who are the survivors of domestic violence. (Third year CDBG funding). The program will benefit an estimated 17 people.	
<b>Sunflower Bakery, Inc.</b>	\$33,000
<b>“Next Steps Employment Service Program”</b>	
Continue to provide wraparound employment services to students with developmental or other cognitive disabilities after they complete the Bakery Arts Program. (Second year CDBG funding). The program will benefit an estimated 16 people.	

**PROJECTS ADMINISTERED BY MUNICIPALITIES** **\$356,285**

**CITY OF TAKOMA PARK** **\$125,000**

**African Immigrant and Refugee Foundation** **\$5,000**  
**“Catching Up Program”**

Provide homework assistance and individualized mentoring and tutoring assistance, including interpretation and translation assistance as needed, to residents of Essex House Apartments. An estimated 20 youth will benefit.

**Crossroad Community Food Network, Inc.** **\$6,480**  
**“Microenterprise Development in the Local Food Network”**

Provide culturally and linguistically appropriate job training, mentoring and skills development and linkage of micro-entrepreneurs with existing resources and local food mentors. An estimated 80 people will benefit.

**Flower Avenue Green Street Project** **\$106,250**  
**“Street Light Upgrades”**

Provide street lighting enhancements, including up to 47 LED luminaires, to improve safety conditions and improve efficiency and sustainability. An estimated 2,303 people will benefit.

**Young Men's Christian Association of Metropolitan Washington** **\$7,270**  
**“Smart Choices with Emotions”**

Provide weekly therapeutic group meetings for at-risk middle school students. An estimated 30 children will benefit.

**CITY OF ROCKVILLE** **\$231,285**

**Cornerstone Rehabilitation** **\$30,000**  
**“Project F.I.N.D. / Therapeutic Beautification Project”**

Rehabilitation of at least two residences for individuals living with severe mental illness. An estimated 8 people will benefit.

**Rockville Housing Enterprises** **\$15,000**  
**“Public Housing Capital Improvements”**

Rehabilitation of at least one scattered site public housing unit. An estimated one household will benefit.

**Single-Family Rehabilitation Program** **\$186,285**

Provide for home improvement forgiveness loans to homeowners for lead paint abatement, emergency repairs, and to address code deficiencies. An estimated eight households will benefit.

SUMMARY OF EXPECTED BENEFIT FROM CDBG PROJECTS

Persons	4,418
Households	61

## HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)

### HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)

**\$1,956,189**

The HOME grant is designed to increase housing choices for low-income households through rental and home ownership programs, in cooperation with public, private and nonprofit organizations. During the coming year, it is anticipated that the County will receive \$1,456,189 in funding for HOME projects, and together with anticipated program income of \$500,000, an estimated total of \$1,956,189 in HOME funds will be available. Funds will generally be made available in the form of low-interest loans and other subsidies, and units assisted may be both rental and owner-occupied.

### **PROJECTS ADMINISTERED BY COUNTY GOVERNMENT**

#### **Department of Housing and Community Affairs (DHCA)**

##### **Housing Production and Preservation**

**\$1,534,189**

Funds will be used for the construction, acquisition, and / or rehabilitation of housing (both multi- and single-family units). DHCA may work with the private sector, non-profits and / or the Montgomery County Housing Opportunities Commission (HOC) in implementing this program. This is estimated to produce or preserve 30 units.

##### **Community Housing Development Organizations (CHDOs)**

**\$220,000**

##### **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 (\$22,000) may be used for project-specific technical assistance, site control, and seed money loans. It is anticipated that one to three organizations will use these funds for acquisition, construction, or renovation of rental housing for persons with low-incomes. This is estimated to produce or preserve 10 units.

### **PROJECTS ADMINISTERED BY NONPROFITS AND OTHER PUBLIC AGENCIES**

##### **CHDO Operating Assistance**

**\$62,000**

Funds will be used to partially cover the administrative costs of qualified CHDOs: Montgomery Housing Partnership (MHP) and Housing Unlimited, Inc. (HUI). MHP will receive \$45,000 and HUI will receive \$17,000. 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.

##### **Fair Housing Activities**

**\$20,000**

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

**ADMINISTRATION**

\$120,000

The fund will be used to cover the county’s expenses associated with operating the HOME Program. Combined Fair Housing and administrative expenses cannot exceed 10% of the entitlement amount. (Note: last year’s Action Plan for County FY14 mistakenly listed administration expenses at \$137,030. That figure represented combined Administration and Fair Housing Activities amounts, which were set at just below the 10% cap. The actual Administration budget was set at, and should have read as, \$118,466.)

SUMMARY OF EXPECTED BENEFIT FROM HOME PROJECTS

Persons	30
Households	0
Units	40
CHDO’s	2

## **EMERGENCY SOLUTIONS GRANT (ESG)**

### **EMERGENCY SOLUTIONS GRANT (ESG)**

**\$339,770**

The ESG Program enables the county to assist persons who are homeless. For County FY2015, it is anticipated that the County will receive \$339,770 in ESG funding. Funds are used in conjunction with the Continuum of Care homeless assistance system and will be administered by the county's Department of Health and Human Services.

### **Rapid Re-Housing - Housing Stabilization and Relocation Services**

**\$111,770**

Funds will be used to assist homeless households locate, obtain and retain housing. Funds will be used for case management services, and security deposits to assist approximately 20 homeless households move into permanent housing. Eligible singles and families include those living in temporary shelter, in a place not meant for human habitation or other places described in Category I of the newly revised homeless definition issued by HUD. Approximately 20 households will be assisted with the two Rapid Re-Housing programs.

### **Rapid Re-Housing - Rental Assistance**

**\$148,000**

Funds will be used to provide up to 12 months of medium term rental assistance to help homeless households obtain and retain permanent housing. Assistance will be provided to households that meet the criteria for Category I of the homeless definition recently issued by HUD. Approximately 20 households will be assisted with the two Rapid Re-Housing programs.

### **Homeless Management Information System (HMIS)**

**\$55,000**

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

### **Emergency Shelter**

**\$25,000**

Funds will be used for Shelter operations including motel vouchers, maintenance, furnishings, and supplies necessary for operation of emergency shelter. An estimated 150 people will benefit.

### **SUMMARY OF EXPECTED BENEFIT FROM ESG PROJECTS**

Persons	150
Households	20

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## **Section 1**

### **Housing and Market Analysis**

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

The recent recession has certainly brought changes to the Montgomery housing market. Most housing measures peaked around 2006-2007 at the height of the housing bubble - prices were high, time-on-market low, vacancies low, units in the production pipeline high, and so on. All of these indicators reversed course around 2007. For example, median sales prices for existing single-family detached houses dropped by 46% from 2007 to 2010. In the period from 2003-2005, it took less than 40 days on average to sell an existing home and by 2007 it took around 100 days. It fell back to 66 days in late 2010. The Metro DC market pipeline of new housing units had jumped from 18,000 in 2005 to a high of nearly 37,000 in December of 2007. The pipeline has since cooled and had returned to its 2005 levels by the fall of 2009. While home prices have fallen since the peak they have seen rises of late. The 2013 median sales price of \$400,000 for all types of housing units (single-family detached, attached, and condominiums) was \$32,875 higher than in 2012. Moreover, rents have increased and rental vacancy rates have dropped, putting the squeeze on renters.

Between 2010 and 2030, Montgomery County is forecast to gain 163,008 new jobs, a 34% increase, and the County will need between 70,000 and 100,000 new housing units to house these workers. The GMU Center for Regional Analysis states that, "To ensure that new workers are able to live in the region, housing must be available at the right prices and rents." They estimate that about 39% of the new housing units will need to be in the multi-family rental category to meet the needs of workers.

Montgomery County's unemployment rate in January 2013 was 5.2%. While the rate was fairly steady over the prior year it still represents a big increase from 3.2% in 2008. This persistent high level of unemployment is straining household budgets and programs serving these households. And while Montgomery County can still be characterized as affluent, the estimated percentage of people in poverty increased from 5.1% in 2007 to 6.7% in 2011. The most vulnerable among us have long represented the highest priority for housing assistance and the ranks of the vulnerable remain full.

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

## ***Public and Assisted Housing***

There are two independent public housing authorities in Montgomery County where this Consolidated Plan is in effect – the Housing Opportunities Commission (HOC) and Rockville Housing Enterprises (RHE). Together they own and operate 1,659 public housing units, with HOC having 1,554 and RHE 105. HOC controls 6,608 Housing Choice Vouchers while RHE administers 414 units in its Housing Choice Voucher program. HOC directly operates 328 Low Income Housing Tax Credit (LIHTC) units, while RHE owns and operates 59 LIHTC units. More information on HOC and RHE can be found here: HOC - <http://www.hocmc.org/> and RHE - <http://www.rockvillehe.org/index.html>.

Wait lists are an indication of housing need for low-income residents:

Public Housing Authority	List	Date List Closed	Number of Applicants
HOC	Housing Choice Voucher	2008	15,600
HOC	Public Housing	2008	14,000
HOC	Elderly Public Housing	2012	2,951
RHE	Housing Choice Voucher	November 2012	4,524
RHE	Public Housing	November 2012	4,279

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

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

In early 2012, HUD approved HOC’s application to sell 669 scattered-site public housing units to an HOC- affiliated entity in order to convert the subsidies to project-based vouchers. Once HUD provides the additional vouchers, this effort will enhance HOC’s ability to improve and maintain the units, as well as allow HOC to expand its affordable housing portfolio, while serving the same population. Conversion is ongoing and the comprehensive renovation work has begun, with expected completion in early 2014 to 2015.

Implement measures to de-concentrate poverty by bringing higher income public housing households into lower income developments. The aforementioned RAD conversion program offers the flexibility to replace a portion of the Public Housing units with market rate units. HOC’s implementation strategy contemplates replacing approximately 10% of these units (vacant units) with market rate residents at rents that are appropriate for the respective markets in which the properties are located.

Implement public housing security improvements.



Identify developments or buildings that are suitable for particular resident groups (elderly, persons with disabilities) and to the extent possible, designate units that meet the needs of specialized groups.

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

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

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

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

With regard to assisted units, both Public Housing and other, these efforts will not decrease the total number of assisted units in HOC's inventory. In fact, the RAD program allows the opportunity for redevelopment of multifamily sites which when completed will expand the number of affordable housing units in HOC and the County's inventory.

### ***Areas of Ethnic Concentration***

As revealed in the last 2010 decennial census, as well as the Montgomery County Census Update Survey (CUS) 2008, blacks and Hispanics (all races) have significantly lower median household incomes than do non-Hispanic whites, Asians, or the County population overall. According to the CUS 2008, 38% of Hispanic homeowners and 41% of Hispanic renters spent more than 30 percent of their income on housing. That compares with 27% and 39%, respectively, for blacks. At the same time, 34% of all renter households countywide spent more than 30 percent of their income on housing costs. Data from the Maryland Behavioral Risk Factor Surveillance System also show that minority populations have more members with low incomes, compared to Whites. (American Indian data could not be reported due to small numbers.)

Figure 5: Income by Race and Age – source: [http://www.dhmm.state.md.us/hd/conf/conf09/Selected\\_Data\\_Charts\\_Economics.pdf](http://www.dhmm.state.md.us/hd/conf/conf09/Selected_Data_Charts_Economics.pdf), accessed March 24, 2011

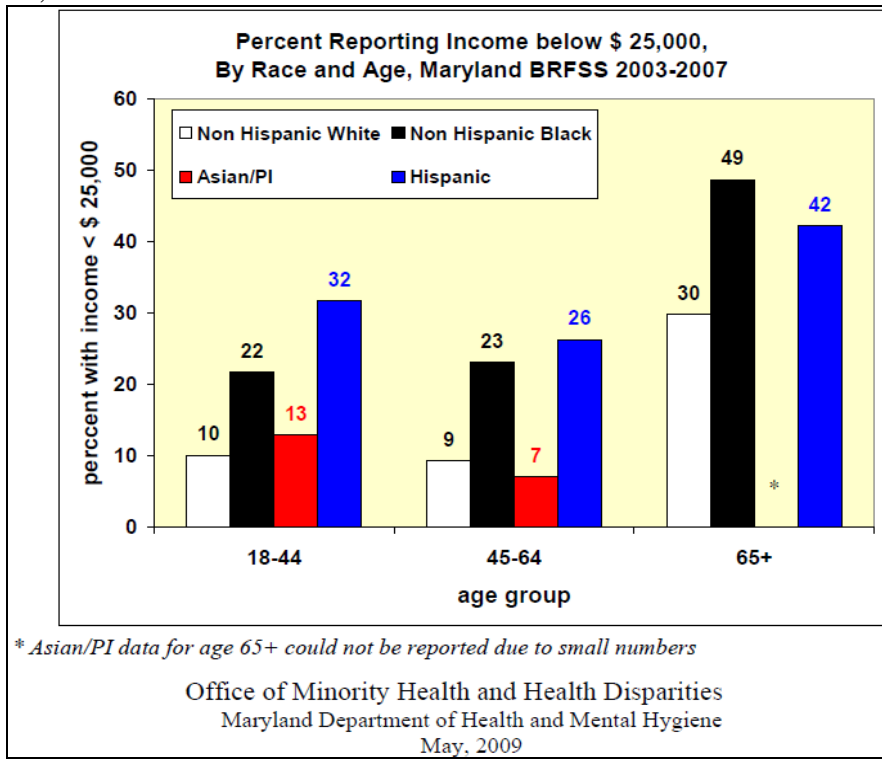
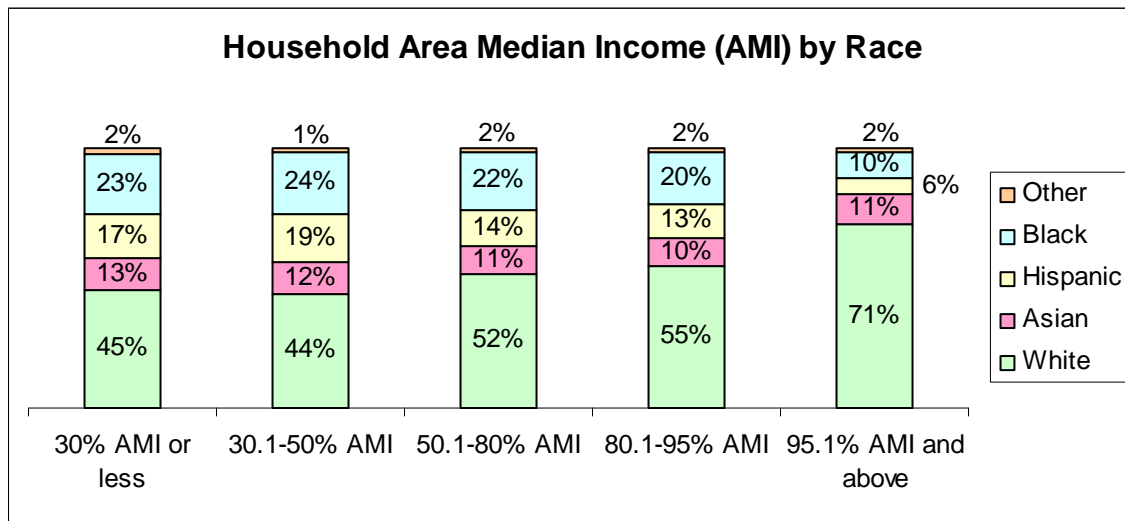


Figure 6



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

Table 4: Cost Burden for Households by Race and Tenure

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

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

Table 5: Montgomery County Population by Race & Hispanic Origin

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

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

## Housing Demand & Supply

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

Population data (based on decennial Census data for 2000 and 2010) shows that the non-white population grew at a faster rate than the white population over the past decade (see Table 6). In fact, when defining "minority" as everyone other than non-Hispanic white alone, Montgomery County has become "majority minority" for the first time with the minority share of the population increasing from 40.5% in 2000 to 50.7% in 2010. The trend toward increased diversity is expected to continue and is resulting in an increased need for outreach and services to minority populations, many of which do not have English as their native language. The maps below show the distribution of population by race and Hispanic origin as well as population density for 2010.

Figure 7

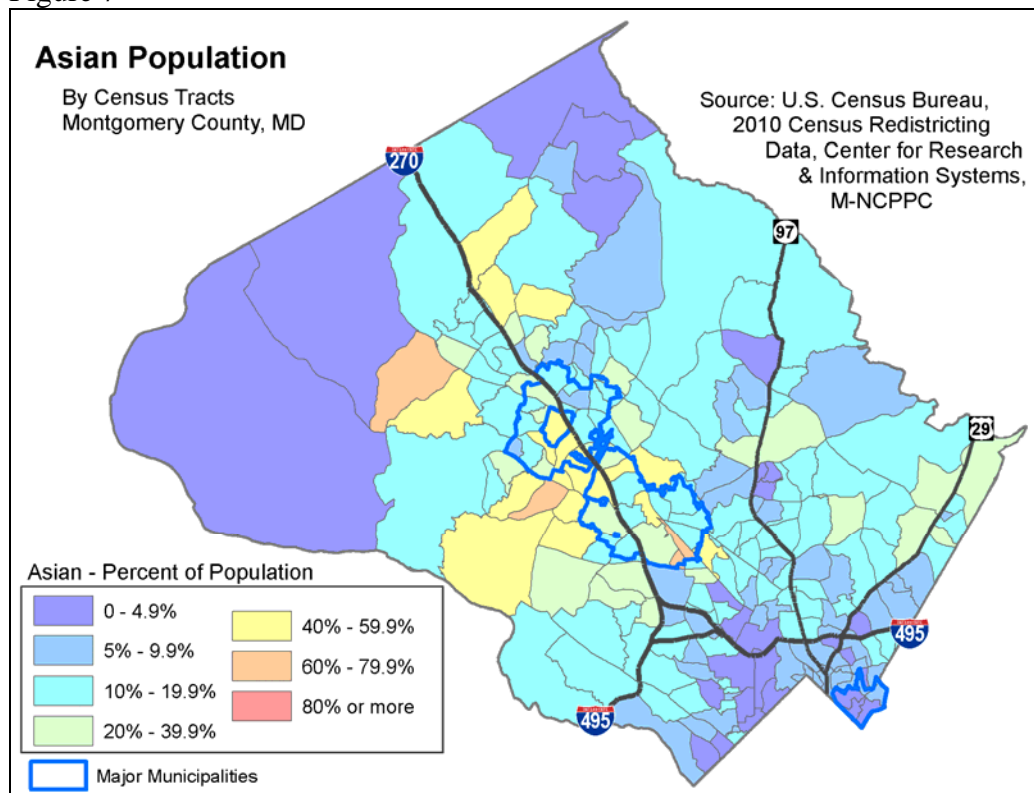


Figure 8

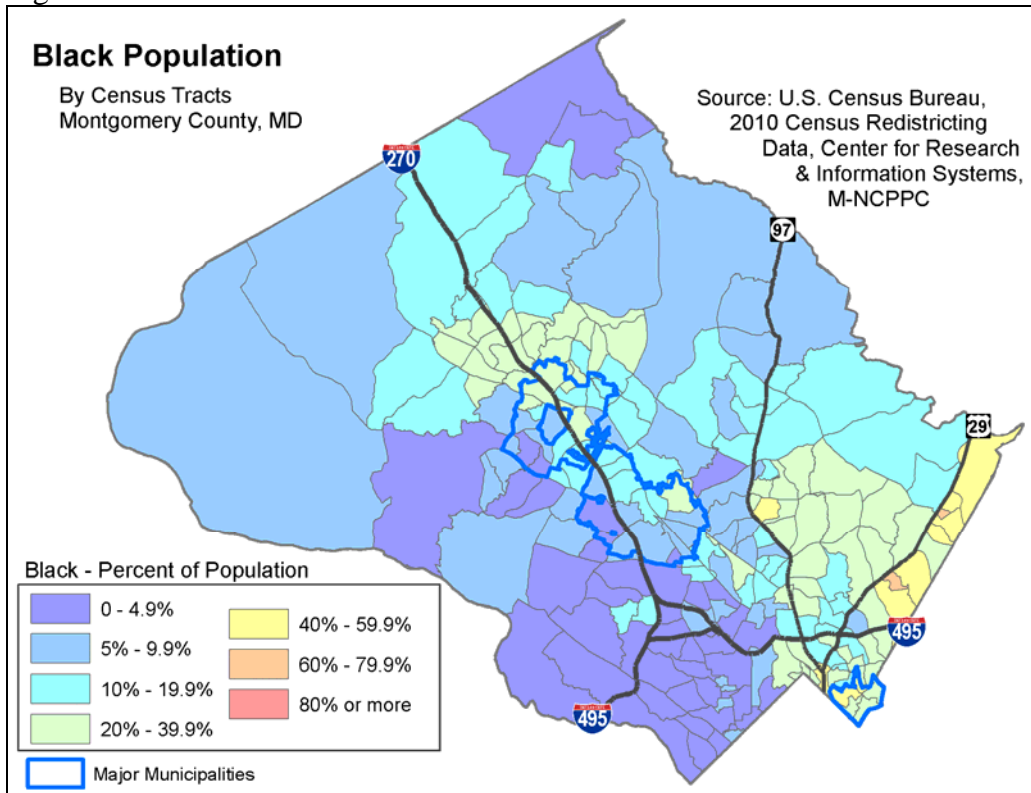


Figure 8

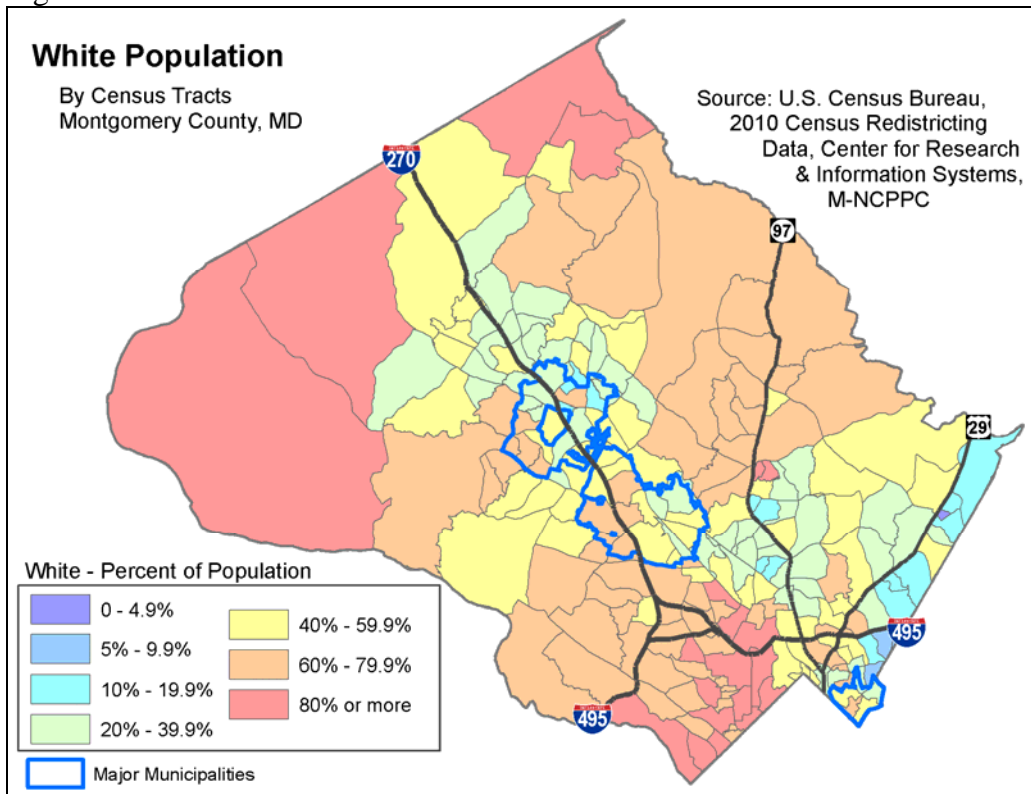


Figure 10

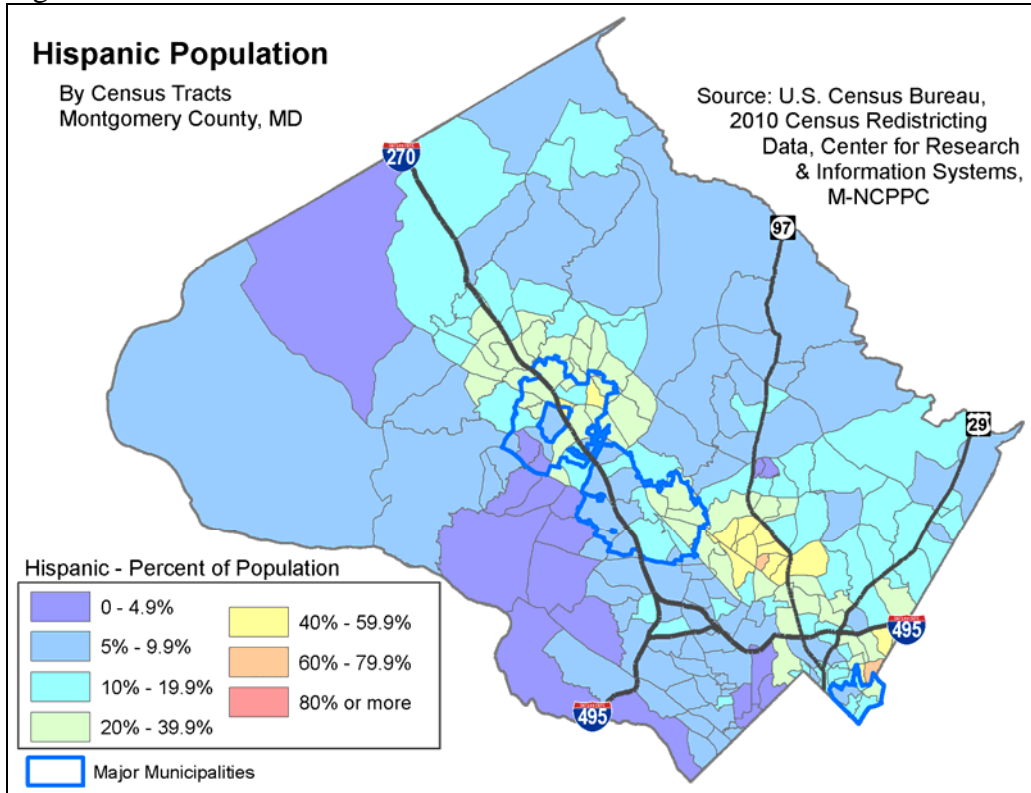
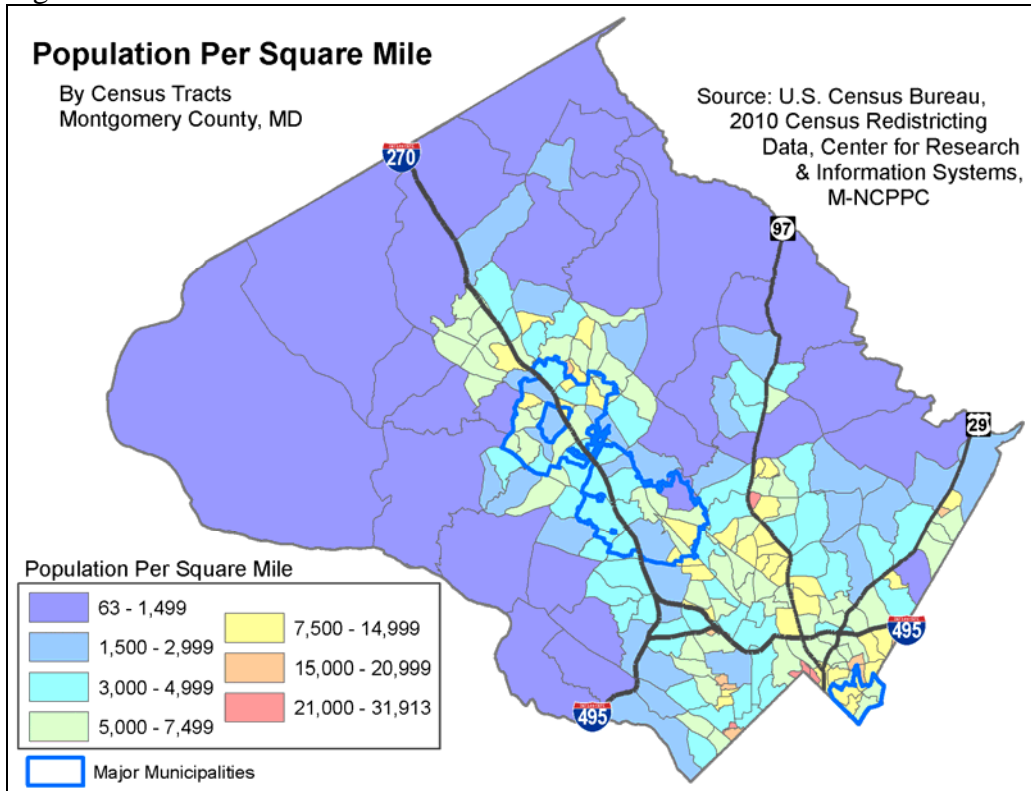
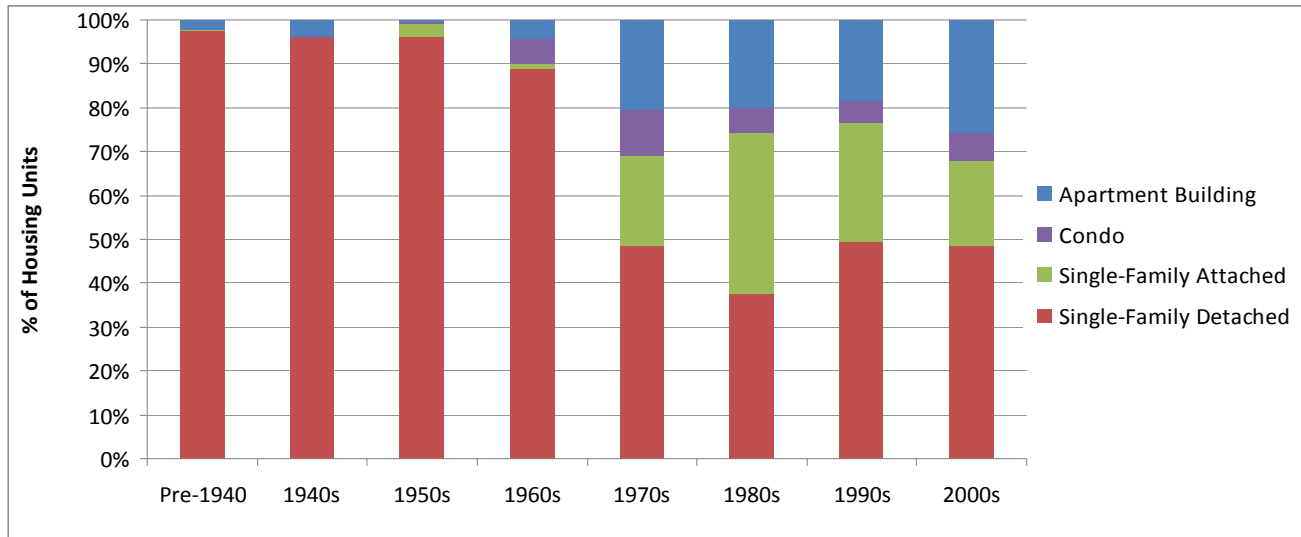


Figure 10



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

Figure 12 – Type of Housing by Decade Built



Source: Maryland Department of Assessments and Taxation

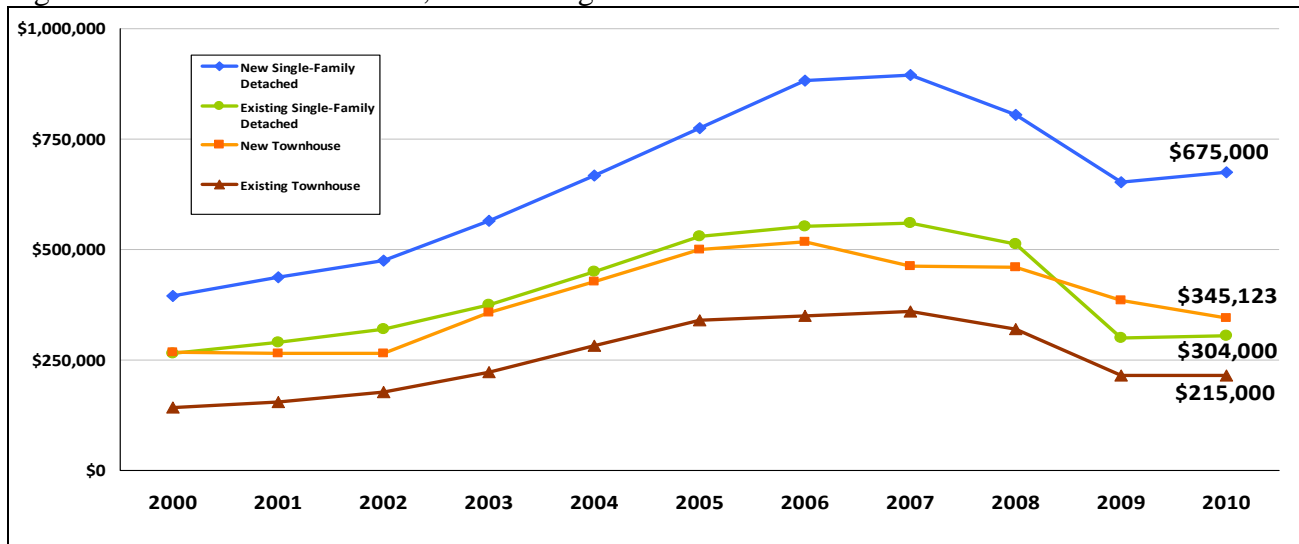
Median for-sale home prices have generally increased over time faster than general inflation and faster than real incomes, causing affordability challenges for households with a wide range of incomes. From 2000 to 2010 the median sales price for single-family home types increased between 16 and 73 percent while median household income increased by 22 percent. Low interest rates and easy credit availability fed the dramatic increase in prices through 2006. Prices have weakened considerably but are still expensive to many, especially those with poor credit who access financing at low rates. Montgomery County’s median sales price for single and multifamily, new and used homes was \$355,000 in October 2010, the same level as 2004. Montgomery County’s median sales prices typically have remained higher than most of the region and the nation since 1999. In first quarter 2010, the county’s median was 1.9 times the nation’s median sales price. The continued affordability problem can be seen in the Comprehensive Housing Affordability Strategy (CHAS) (based on 2005-07 American Community Survey data), showing that just over one third of households were either severely or moderately “cost burdened” (see Table 1, page 7).

Table 6: Median Home Sales Price

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

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

Figure 13 – Median Sales Prices, 2000 through 2010



Source: Montgomery County Department of Planning

The Department of Housing and Community Affairs, Licensing and Registration Unit, annually conducts a survey of all multifamily rental facilities in Montgomery County with twelve or more rental units. However, DHCA did not conduct the annual rental survey in 2013. The Department is developing a new online survey which will be more comprehensive. Property owners/managers will be required to provide information on a unit by unit basis. This more detailed survey will provide a



more complete picture of the County's housing stock and improve statistics on average rents, rent increases, vacancy rates, and turnover rates. The new survey will be conducted in the spring of 2014.

The April 1, 2012 data represent 74,728 units as reported by 436 rental facilities located within Montgomery County's unincorporated areas as well as within the municipalities of Rockville, Gaithersburg and Takoma Park. The data represents 94.7 percent of the approximately 79,500 total units in multifamily rental properties of twelve or more units. The results show:

- The Countywide vacancy rate for all surveyed units was 3.5 percent in 2012, a drop of 0.2 percentage points from the 2011 rate of 3.7 percent;
- The City of Gaithersburg and the City of Rockville experienced a 0.4 percentage point increase with the vacancy rate in 2012 rising to 3.5 and 3.7 percent respectively. The City of Takoma Park saw a 1.3 percentage point decrease with the vacancy rate falling to 2.4 percent. The unincorporated areas saw a 0.3 percentage point decline with the vacancy rate dropping to 3.5 percent;
- Vacancy rates by bedroom size ranged from a low of 1.0 percent for 4 bedroom plus units to a high of 3.9 percent for efficiency units. One bedroom units had a vacancy rate of 3.3 percent. The two and three bedroom units had vacancy rates of 3.6 percent;
- The Silver Spring-Takoma Park market areas had the tightest markets of the major market areas, with a vacancy rate of 3.2 percent, 0.3 percentage points below the countywide average. The highest vacancy rate of the major market areas was found in Colesville-White Oak at 3.9 percent, 0.4 percentage points above the countywide average;
- Vacancy rates by structure type ranged from a low of 3.2 percent for midrise units to 3.8 percent for highrise units.

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

### ***Housing Tenure and Type***

The 2010 Census showed that homeownership rates in Montgomery County dropped slightly between 2000 and 2010, and that a higher percentage of new homes were rented compared to the 1990s. The biggest decline in homeownership rates occurred in the households under the age of 45, where less than half owned a house. This was a drop of 5.5% since 2000. Of the new households formed between 2000 and 2010, 57% were owner-occupied, a decline from 1990 when 74% of new households were owners. In 2000, 68.7% of County residents owned their own homes, which declined to 67.6% in 2010.

Table 7: Forecasts

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

**Household Size**

The Montgomery County Planning Department reports that after decades of declining average household size from 3.65 in 1960 to 2.62 in 1987, the trend bottomed out in the 1990s. Between 2000 and 2010, average household size increased from 2.66 persons per household to 2.70 persons per household. However, average household size is expected to revert to the national trend and decline to 2.57 by 2040.

**New Housing Production**

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

Table 8: Housing Completions and Approvals

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

Source: Montgomery County Department of Planning

## ***Housing - Preservation/Rehabilitation***

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

## ***Special Needs Facilities and Services***

It is the policy of the Continuum of Care (CoC) to expand permanent supportive housing rather than year-round emergency and transitional shelter. However, during the winter season, the number of emergency shelter beds is increased to meet the demand to keep people safe. Section 3A, Strategic Planning Objectives, of the Continuum of Care application (beginning on page 29 – Section 3 of this report is the CoC Application in its entirety) details the strategies and approaches to identifying and serving people in need of supportive housing.

## **Strategic Plan**

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

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

- Assisting vulnerable populations County-wide – those with low incomes and in need of supportive services, including the elderly, youth, the homeless, persons with disabilities, medical or other special needs and persons with limited English proficiency.
- Increasing and preserving the supply of affordable housing throughout the County, including housing for persons with special needs.
- Revitalizing older commercial areas and expanding economic opportunities

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

### **Vulnerable Populations**

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

## Housing

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

## Commercial areas and economic opportunities

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

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

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

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

The County's Capital Improvement and Public Services programs, as presented in conjunction with the FY15 Capital and Operating budgets for the County, identify specific activities that will be undertaken to meet priority needs. These activities relate to goals, strategies and outcomes and reflect the vision and guiding principles of the County.

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

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

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

### **Other Information / Plan Requirements**

#### ***Administration***

The Department of Housing and Community Affairs (DHCA) is the lead County agency responsible for submission of the Consolidated Plan and Annual Action Plan to HUD for receipt of CDBG, ESG, and HOME funds and has been responsible for administration of the funds as well. In conjunction with the implementation of the Consolidated Plan, the Human Rights Commission (HRC) is the lead County agency responsible for directing activities to further fair housing. In 2012, the Montgomery County Department of Health and Human Services (DHHS) and the Department of Human Resources entered into a Memorandum of Understanding that has DHHS administering Emergency Solutions Grant funding. The funds will be able to support DHHS' efforts to rapidly re-house homeless persons, and support the Homeless Management Information System (HMIS).

The Housing Opportunities for Persons with Aids (HOPWA) program is administered regionally. Montgomery County is a part of the Bethesda-Frederick-Gaithersburg, MD Metropolitan Division (part of the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area), which consists of Frederick and Montgomery Counties. HUD designated the City of Frederick the HOPWA formula grantee for the Division. The City has reassigned the award to the State of Maryland. The Housing Authority of the City of Frederick and the Department of Health and Human Services in Montgomery County remain the program sponsors for Frederick and Montgomery County, respectively.

## ***Eligible Activities***

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

## ***Development Process***

The Department of Housing and Community Affairs (DHCA) is the lead agency responsible for the submission of the Consolidated Plan to HUD. The Plan is to be delivered to HUD by May 15, 2014. Montgomery County residents are afforded many opportunities to express their views and opinions, identify priority needs and discuss gaps in service delivery. Volunteer boards and commissions provide community input in all aspects of public policy and administration. DHCA facilitates an annual public hearing to solicit comments from residents concerning community development needs, with residents provided further opportunity for comment at public hearings held by the County Council in conjunction with annual approval of the budget. While DHCA provides residents with an opportunity to comment on the draft Consolidated Plan, staff also incorporates public input provided through issue-orientated forums and town meetings not directly related to the development of the Consolidated Plan. For example, the County Executive holds town hall meetings and budget forums in various locations around the county to listen to resident concerns. Other county departments hold community forums or conduct studies to obtain input in specific policy or program areas, such as services for special populations like the homeless and persons with disabilities or initiatives in the areas of recreation, economic development or commercial revitalization. For example, persons representing some thirty organizations worked on the development of a Continuum of Care for assistance to the homeless. Contact is made with the Housing Opportunities Commission (HOC) of Montgomery County to discuss the concerns of the agency and the residents it serves. Finally, to ensure a regional perspective regarding a variety of issues including transportation, affordable housing, fair housing and the homeless, the county actively participates in the Metropolitan Washington Council of Governments (COG) as a means of furthering inter-jurisdictional cooperation.

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

<http://www.montgomerycountymd.gov/dhca/>

## ***Managing the Process***

DHCA is responsible for the submission of the Action Plan to HUD. A one-year Action Plan

must be submitted to HUD no later than May 15, 2014. In preparation of this plan, DHCA worked closely with the Community Development Advisory Committee (CDAC) appointed by the County Executive. Additional information regarding citizen participation is found in Appendix A.

A public hearing was held in October 2013 before the Community Development Advisory Committee (CDAC) to receive citizen input regarding needs to be addressed in the Plan and to review past performance. A summary of testimony from this hearing is on file at DHCA. Montgomery County Executive Isiah Leggett sponsored five budget forums during the month of January 2014 to seek input from residents about fiscal year 2015 operating budget priorities. Additionally, the County Council, after the release of the draft FY15 capital and operating budgets, held a series of formal hearings on the budget in early April 2014, prior to finalizing the Action Plan for submission to HUD. DHCA staff consulted with and collected data from numerous sources in preparing the annual Action Plan including staff in surrounding jurisdictions and at local and State levels.

Montgomery County residents are afforded many opportunities to express their views and opinions, identify priority needs and discuss gaps in service delivery. Volunteer boards and commissions provide community input in all aspects of public policy and administration. DHCA facilitates an annual public hearing to solicit comments from residents concerning community development needs, with residents provided further opportunity for comment at public hearings held by the County Council in conjunction with annual approval of the budget. While DHCA provides residents with an opportunity to comment on the draft Consolidated Plan, staff also incorporates public input provided through issue-orientated forums and town meetings not directly related to the development of the Consolidated Plan. For example, the County Executive and County Council hold public meetings in various locations around the County to listen to resident concerns. Other County departments hold community forums or conduct studies to obtain input in specific policy or program areas, such as services for special populations like the homeless and persons with disabilities or initiatives in the areas of recreation, economic development or commercial revitalization. For example, persons representing some thirty organizations work on the development of the Continuum of Care plan for assistance to the homeless. Additionally, the Montgomery County Continuum of Care has developed an action plan to identify a formerly homeless person to participate on their Performance and Evaluation Committee. The committee will utilize information from the Homeless Management Information System, HUD performance measures, and site visits to analyze the system, identify gaps, and recommend funding allocations. Finally, to ensure a regional perspective regarding a variety of issues including transportation, affordable housing, fair housing and the homeless, the County actively participates in the Council of Governments (COG) as a means of furthering inter-jurisdictional cooperation.

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

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

### ***Monitoring***

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

CDBG and ESG activities are monitored according to program requirements. Subrecipients and contractors are required to submit periodic progress and financial reports and submit quarterly benefit data reports. DHCA staff maintains regular telephone contact with subrecipients and contractors. Staff from DHHS continually monitor expenditures and review source documentation annually for ESG services provided by contractors. Occasionally, staff will monitor projects as a joint effort with staff from other County Departments.

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

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

The County has an internal tracking system for HOME projects to follow the timing of required cyclical inspections automatically generating requests for information, receipt of audits and benefit data reports. Additionally, beginning in county fiscal year 2014, DHCA instituted new procedures for setting up inspection case files and for clearly identifying the units requiring inspection (most of our projects have floating HOME units). DHCA also filled a new staff position to focus on asset management. This employee will ensure that code staff receive timely notification of the units requiring inspection and will monitor inspection cycle requirements.

DHCA staff conduct contract monitoring meetings with all grantees during the contract period. These visits supplement other contacts (phone/email). A monitoring report is placed in the file of grantees.

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

### ***Institutional Structure***

The Executive Branch implements and enforces Montgomery County's laws and provides executive direction to the government. Its chief executive officer is the County Executive. There are



over 30 executive branch departments and agencies that help to deliver services to county residents. Listed below are the Departments directly involved in the services that are part of the Consolidated Plan package of services.

## Department of Housing and Community Affairs

### Housing Programs

- For Low and Moderate Income
  - Moderately Priced Dwelling Unit Program (MPDU)
  - Weatherization Program - helps you weatherize your home to save money on fuel bills.
  - Single Family Home Improvement Loan Program
  - Directory of Funding Sources For Affordable Housing
  - Productivity Housing Program
- For Public Agencies, Non-Profits & Developers
  - Multi-Family Housing Production Program
  - Group Home Rehabilitation Loan Program
  - Rehabilitation Program for Small Rental Properties
- Landlord-Tenant Resources
- Housing Code Enforcement
- Housing Initiative Fund
- Committees, Commissions, and Boards
- Real Property System - State of Maryland, Department of Assessments & Taxation
- Complaint Resolution

### Other Resources:

- Housing Opportunities Commission
  - Public Housing
  - Section 8
  - Section 236
  - Rental Assistance

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

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

These agencies reach out to the business community to secure its participation and contribution to the projects and programs funded in the County. The Continuum of Care planning process for homeless services and programs also involves many of these same organizations in a collaborative planning process in which the County is a partner in the process. Non-profits involved in affordable housing are an integral part of the process of providing and/or preserving affordable housing.

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

Another strength is the County's MPDU Ordinance, which has created more than 14,000 affordable housing units since its inception in 1976 and is a model for the nation.

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

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

## **Program Specific Requirements**

### **CDBG Program**

The total amount allocated for projects (\$4,619,530) is equal to the amount of the CFY15 HUD grant plus program income.

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

### **HOME Program**

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

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

HOME funds are not used for homeownership activities.

Owners/property managers interested in participating in the HOME program must adhere to the County's affirmative marketing policies and procedures. They are parties to the "Regulatory and Loan

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

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

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

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

## ***Resources***

### **Matching Funds for the HOME and ESG Programs**

For County fiscal year 2015 (July 1 2014 – June 30, 2015), the County Executive's recommended budget invests over 26.9 million dollars in the Montgomery Housing Initiative (MHI) fund. This dedicated funding provides for renovation of distressed housing, the acquisition and preservation of affordable housing units, creation of housing units for special needs residents, services to the "Building Neighborhoods to Call Home" and "Housing First" and creation of mixed-income housing. The MHI will be the source of the HOME fund match. The MHI has the following goals:

1. Renovation of distressed properties that can be used to create affordable housing opportunities.
2. Preserving affordable housing that could be lost from the housing stock.
3. Building and creating new, affordable housing including those for special needs populations.
4. Promoting and creating mixed-income communities with housing opportunities for all Montgomery County residents.
5. Building neighborhoods and not just housing units by linking supportive services and programs for communities and residents.

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

### **Additional Funding Information**

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

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

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

Montgomery County Executive Isiah Leggett presented his recommended \$4.97 billion operating budget for fiscal year (FY) 2015 that begins July 1 and includes a tax-supported County government budget of \$1.478 billion. The budget funds education beyond what is required by the State Maintenance of Effort Level law to meet future needs created by the skyrocketing number of Montgomery County Public Schools (MCPS) students, puts more police on the beat and reduces the County's property tax rate.

Below are budget highlights:

#### **Education**

The budget increases County spending for Leggett's priorities, with education at the top of the list. To meet the challenge of skyrocketing school enrollments, Leggett's FY15 recommended operating budget includes a record-high of \$2.164 billion for the Montgomery County Public Schools (MCPS), an increase of \$79.8 million – or 3.8 percent. The unprecedented County contribution is \$1.502 billion, \$26 million over the Maintenance of Effort requirement of the State of Maryland and 99.3 percent of the Board of Education request – a 3.8 percent increase.

The recommendation for Montgomery College totals \$237.3 million, an \$8.9 million increase of 3.9 percent. The County contribution is \$110.6 million, which is \$11 million over Maintenance of Effort and an 11 percent increase over last year.

The budget also increases English adult literacy programs by 10 percent.

## Public Safety

Leggett's approach to public safety continues to show results, with a nine percent decrease in total crime from 2012 to 2013, part of a seven-year trend that reduced serious crime by 33 percent and all crimes by 26 percent. For the Police Department, Leggett proposed a five percent, \$11 million increase that will add 23 sworn officers and two forensic scientists, and double the number of School Resource Officers assigned to County high schools. This expansion is part of Leggett's multi-year plan to add 120 new officers and 23 Police civilian employees -- for a total of 143. The recommended budget adds a Wheaton patrol unit and a Germantown Central Business District unit.

The Montgomery County Fire & Rescue Service (MCFRS), career and volunteer, continue to make substantial improvements in protecting the lives and property of County residents, significantly reducing, in the last seven years, both ambulance and fire response times in all parts of the County. Civilian fire deaths have fallen from 13 in 2009 to two in 2012 and three in 2013. Because most of those fatalities were older residents, Leggett's budget strengthens ongoing outreach to seniors who are most at risk for fire deaths. In total, he is recommending \$224.3 million for the Fire and Rescue Services, an increase of 3.4 percent.

## Economic Development

Leggett has made creating Montgomery County's jobs of the future one of his top priorities and over the past two years of economic recovery, Montgomery County jobs are up three percent. His FY15 recommended operating budget includes funding to repurpose the William Hanna Innovation Center to become the National Cybersecurity Center of Excellence. It increases Life Sciences and Incubator support by \$400,000 and increases by \$500,000 County funding for BioHealth Innovation, the public-private partnership to enhance the commercialization of critical research conducted in the County. This budget also increases County support for the successful Local Small Business Reserve Program and for the American Film Institute.

Under Leggett's administration, Montgomery County was the first local jurisdiction in the nation to establish a Biotech Tax Credit that provides incentives for investment in biotech firms. This year the program provided \$500,000 to eligible companies. A new local Cybersecurity Tax Credit is designed to similarly stimulate investments in County-based firms, and Leggett's budget proposal includes \$500,000 for incentives in FY15.

## Libraries

To restore some of the deepest cuts made during the recession, Leggett began rebuilding the Department of Public Libraries budget over the last two years by restoring some hours, materials and staffing. Two renovated libraries in Gaithersburg and Olney were reopened and, this fall, the new Silver Spring Library will open.

The FY15 recommended budget includes \$37.2 million, a 6.7 percent increase from FY14 and a 30 percent increase since FY12. The budget increases hours by five percent at the following 11 branches: Davis, Marilyn J. Praisner, Potomac, Aspen Hill, Chevy Chase, Damascus, White Oak, Kensington Park, Little Falls, Long Branch and Twinbrook.

## Positive Youth Development

From 2007 to 2012, Leggett's Positive Youth Development Initiative has helped reduce gang-related crimes by almost 50 percent by providing positive after-school opportunities for at-risk youth, intervention to keep young people out of gangs and resources to prevent and stop gang activity. Leggett's budget proposes adding to the Watkins Mill Cluster an 'Excel Beyond the Bell' middle school and a High School Sports Academy. For the successful Linkages to Learning program that addresses the comprehensive needs of at-risk students and their families, the budget adds a site at South Lake Elementary School in the Kennedy Cluster and expands the program to the Watkins Mill Cluster.

### Senior Initiatives

In addition to more resources dedicated to senior fire safety, Leggett's budget further expands his commitment to make Montgomery County a "community for a lifetime" by restoring operating hours reduced during the economic crisis at three County senior centers. Also included are increases for adult protective services, adult foster and day care, a senior ombudsman and caregiving services. Modifications to the Call 'N' Ride program income eligibility guidelines will expand the program to an additional 900 residents. Funding for Ride On's Kids and Seniors Ride Free programs are also recommended to increase.

### Affordable Housing

Leggett's recommended budget brings the County's total investment in affordable housing during the last eight years to more than \$320 million, creating, acquiring or preserving more than 9,000 units of affordable housing in the County and leveraging a \$1 billion investment in housing development and rehabilitation.

This year's proposal increases the general fund contribution to the Housing Initiative Fund by 10 percent over last year's level. Resources were also provided for direct rental assistance to 1,925 households in FY14 and 2,069 in FY15, an increase of 7.5 percent. Funding in this budget continues workshops and individual counseling efforts to reduce foreclosures.

### Health and Human Services

Leggett believes that the level of care for a community's most vulnerable residents is the best indicator of the quality of that community. Significant additional resources are provided in the FY15 recommended budget for a variety of public health, behavioral health and other critical safety net services. These include replacing federal shortfalls in the community services block and emergency solutions grants; greater funding for the developmental disability supplement and nurse monitoring services for more than 2,000 senior and disabled clients; raising the adult foster care reimbursement rate; adding funds for adult protective services, adult day care, caregiver support, the long-term care ombudsman program, abused persons program and behavioral health programs; and greater funding to increase collaboration to close the academic achievement gap, serve at-risk students and enhance welcome centers.

### Community Grants

To meet the challenges of a growing and more diverse population, Leggett believes that a County government partnership with community organizations is vital in leveraging resources and strengthening outreach. In the FY15 budget, Leggett is recommending an increase in community grants of \$975,000, for a total of \$5.9 million, which includes \$1.6 million for Council community grants.

## ***Outcomes***

### **Performance Measurement**

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

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

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

## **CONSOLIDATED ACTION PLAN PERFORMANCE MEASUREMENT OBJECTIVES**

(these are estimates and will be revised based on negotiated scope of service)

### **I. Suitable Living Environment**

#### **A. Outcome: Availability/Accessibility**

##### **Outcome Statements:**

- 700 people will receive training and counseling on health related issues such as hypertension, diabetes, obesity, and HIV/AIDS.
- 8 young adults who have aged out of the care of public systems and are homeless or living in unstable conditions will receive housing, counseling, and life skills support.



- 17 immigrant women and their American children who are the survivors of domestic violence will receive housing and counseling support at Betty’s House.
- 50 low-income residents at risk for heart related conditions or disease will receive free testing, assessment, dosing adjustments and patient education.
- 200 low-income residents with some form of Autism Spectrum Disorder will receive specialized in-home care.
- 50 elementary students will receive homework assistance, tutoring and reading time at the Germantown Boys and Girls club.
- 100 low-income residents will receive free immigration legal services.
- 25 frail elderly or disabled clients living in subsidized housing will receive weekly home care aid services for 2 hours a week.
- 50 low-income high school students in Wheaton and Silver Spring will receive culturally appropriate enrichment activities, college prep assistance, and opportunities for leadership development.
- 20 low-income residents of Essex House Apartments will receive homework assistance and individualized mentoring and tutoring assistance, including interpretation and translation assistance as needed.
- Two residences for individuals living with severe mental illness will be rehabilitated.

**B. Outcome: Affordability**

**Outcome Statements:**

- 70 housing units will be made affordable through production or preservation activities which may include the construction, acquisition, and / or rehabilitation of housing.
- 10 housing units will be made affordable through production or preservation activities by CHDOs which may include the acquisition, construction, or renovation of rental housing.

**C. Outcome: Sustainability**

**Outcome Statements:**

- 2303 people will benefit from the Flower Avenue Green Street Project, which will provide street lighting enhancements, including up to 47 LED luminaires, to improve safety conditions and improve efficiency and sustainability.

**II. Decent Housing**

**A. Outcome: Availability/Accessibility**

**Outcome Statements:**

- 100 people will benefit from activities to affirmatively further fair housing choice. Activities may include sales, rental and lending testing, education/outreach, training and research.
- 1 scattered site public housing units will be rehabilitated

## **B. Outcome: Affordability**

### **Outcome Statements:**

- 225 clients of County's main men's housing shelter who are enrolled in case management services will receive assistance in identifying and obtaining affordable long term housing.

## **III. Economic Opportunity**

### **A. Outcome: Availability/Accessibility**

#### **Outcome Statements:**

- 80 at-risk middle school children will receive culturally and linguistically appropriate job training, mentoring and skills development and linkage of micro-entrepreneurs with existing resources and local food mentors.

### **C. Sustainability**

- 2303 people will benefit from the Flower Avenue Green Street Project, which will provide street lighting enhancements, including up to 47 LED luminaires, to improve safety conditions and improve efficiency and sustainability.

### Needs Assessment

As part of the Consolidated Plan, all jurisdictions are required to identify priority community needs. Montgomery County has a long history of community involvement in government and currently has a number of active boards, committees and commissions appointed to advise the County Executive and members of the Council in a variety of areas. Additionally, the County Executive and members of the County Council frequently hold community forums to hear from residents on topics of community concern and interest. In October, 2013, Montgomery County held a public hearing before the Community Development Advisory Committee to take testimony on community development needs specific to developing the Consolidated Plan. This hearing is just one of many opportunities provided for public input throughout the year.

In Montgomery County, priority needs are addressed through both the Capital and the Operating budgets. For Fiscal Year 2015, the capital budget identifies priority projects in the areas of education, transportation, economic development, infrastructure renovation/maintenance and public safety. The County has maintained its sustained commitment to affordable housing over the years. The Executive's recommended FY15 Budget includes nearly \$27 million for affordable housing, providing for the renovation of distressed housing, the acquisition and preservation of affordable housing units, the creation of housing units for special needs residents, and creation of mixed-income housing.

The recommended FY15 Capital Budget, the recommended amended FY14-19 Capital Improvements Program (CIP), the recommended FY15 Operating Budget, and the recommended

FY15-20 Public Service Program are incorporated herein by reference as a comprehensive presentation of needs and the County's priorities in addressing these needs. These documents can be found on the Office of Management and Budget website: <http://www.montgomerycountymd.gov/omb>

***Affordable Housing Without Supportive Services***

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

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

The rate of poverty in Montgomery County increased from 5.1 percent in 2007 to 6.7 percent in 2011, down from 2010's two-decade peak rate of 7.5%. Between 2009 and 2010, the number of residents in poverty increased by 11.8 percent, adding over 7,600 people. The increase of Montgomery County residents in poverty since the recession accounts for 24.1 percent of the state's increase.

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

Table 9: Net Change in Median Income

<b>NET CHANGE IN MEDIAN HOUSEHOLD INCOME BY TENURE, RACE, AND ETHNICITY (in 2010 dollars)</b>				
Montgomery County, MD	2010	1999 <sup>1</sup>	Net Change	% change
All households	\$89,155	\$93,627	-\$4,472	-4.8%
Non-Family	\$54,477	\$61,979	-\$7,502	-12.1%
Black <sup>2</sup>	\$60,063	\$66,953	-\$6,890	-10.3%
Renter-occupied	\$53,369	\$58,867	-\$5,498	-9.3%
Hispanic	\$65,314	\$68,099	-\$2,785	-4.1%
Family	\$108,828	\$109,963	-\$1,135	-1.0%
Owner-occupied	\$115,709	\$114,694	\$1,015	0.9%
Non-Hispanic White	\$109,694	\$106,674	\$3,020	2.8%
Asian <sup>2</sup>	\$98,325	\$91,255	\$7,070	7.7%

<sup>1</sup> 1999 income reported in 2010 constant dollars adjusting for inflation.

<sup>2</sup> Category includes those of Hispanic origin who may be of any race.

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

### ***Other Special Needs***

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

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

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

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

### ***Affordable Housing With Supportive Services***

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

### ***Shelter and Services for the Homeless***

For the homeless or those pending possible eviction and facing homelessness, housing choices are not only limited by affordability considerations but also by the need for supportive services. A point-in-time survey was conducted in January 2013 showing a homeless population count of 1007. This is a 2.5% increase from the 2012 count of 982, but an 11% decrease from the 2011 count which was 1,113. The slight increase can be attributed to the continued lack of affordable housing, challenges with the economy and employment, and for many of the county homeless multiple barriers such as poor credit, landlord debt, criminal justice involvement, and untreated behavioral health disorders. There was a decrease in the number of homeless persons in families 369 in 2013 from 381 in 2012. This enumeration indicated a 7.1 decrease in the overall total number of households with children.

However, this number is not an accurate reflection of the true picture for homeless families in the County. The conversion of transitional units to permanent supportive units increased permanent housing, but reduced the movement in the CoC increasing the length of stay in emergency shelters. In addition, the continuum has noted an increase in youth family households, where the head of household is between the ages of 18 – 26 that not only are affected by the same factors listed, but also present with limited education and employment skills

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

Montgomery County has adopted a “Housing First” approach, which includes three main outcomes: prevention of homelessness, reduction in the length of time of homelessness, and decreased recidivism. The Partnership for Permanent Housing (PPH) (<http://www.mcch.net/programs/pph.html>) is an implementation tool for the Housing First approach. It reduces the amount of time families and individuals spend in homelessness by combining the case management component of transitional housing programs with quicker access to permanent housing. You can find more information on Housing First from the Montgomery County Department of Health and Human Services - <http://www.montgomerycountymd.gov/hhs>. The need for year-round shelter and safe havens for those single homeless persons who are unwilling or are unable to assume the responsibilities inherent in participation in the county’s system of social services continues to be a priority.

Table 10: Homeless Subpopulations (2013)

Subpopulation Type	Individual Adults	Adults in Families	Children in Families	TOTAL
Chronic Substance Abuser (CSA)	140	6	N/A	146
Severe Mental Illness (SMI)	166	8	N/A	174
Dually Diagnosed (CSA & SMI)	130	4	N/A	134
Chronic Health Problem	169	15	N/A	184
Living With HIV/AIDS	2	0	N/A	2
Physical Disability	90	8	N/A	98
Domestic Violence Victim	26	29	45	100*
Limited English (new)	91	13	N/A	104
U.S. Veterans	30	1	N/A	31

\*Current episode of homelessness as a result of DV

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

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

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

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

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

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

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

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

## Housing Opportunities Commission Programs

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

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

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

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

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

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

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

Montgomery County Department of Health & Human Services	Telephone
Families during normal work hours should call:	(240) 777-4550, Rockville  (240) 777-3075, Silver Spring  (240) 777-4448, Germantown
Families outside of normal work hours (24 hour service) should call:	(240) 777-4000, Rockville Crisis Center  (240) 777-4815, TTY
Single persons should call (24 hour service):	(240) 777-4000, Rockville Crisis Center  (240) 777-4815, TTY
For help resolving a dispute with your landlord. Department of Housing and Community Affairs	(240) 777-3609 or 311

***Affirmatively Furthering Fair Housing***

Actions to affirmatively further housing choices for all County residents are coordinated through the County’s Human Rights Commission (HRC) and spearheaded by the Interagency Fair Housing Coordinating Group’s (IFHCG) Fair Housing Advocacy Committee (FHAC), an entity with both public and private sector representation. The FY2012 Update to the County’s Analysis of Impediments to Fair Housing Choice (AI) can be found in Appendix B of this document. Additional information on Fair Housing can be found at the following County website:  
[http://www.montgomerycountymd.gov/DHCA/community/fair\\_housing.html](http://www.montgomerycountymd.gov/DHCA/community/fair_housing.html)

Montgomery County, acting primarily through the Fair Housing Program of the Office of Human Rights, will continue to work to address impediments to fair housing with 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 10th grade fair housing curriculum has been

developed and incorporated into all 10th grade social studies classrooms in each of the 23 Montgomery County high schools. A similar set of lessons is being developed for the elementary school curriculum. Each spring, a fair housing Poster Contest is conducted in selected elementary school classrooms throughout the County.

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 studies. Studies include, for example, an evaluation of the practices of mortgage lenders in the County, and the frequency and patterns of FHA foreclosures. The elimination of discrimination and the promotion of fair housing practices remain significant goals in Montgomery County.

In an effort to greatly expand knowledge about housing discrimination, DHCA, for the first time, will include in its spring 2014 comprehensive countywide rental housing survey, specific questions regarding fair housing practices.

### ***Fostering and Maintaining Affordable Housing***

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

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

### ***Affordable Rents***

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

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



As noted on its website and printed material HOC rents townhouses, condominiums and single family homes at reduced rates to people with low and moderate incomes. Locations are dispersed across the county.

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

**In-House Section 8**

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

**Section 236**

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

**Privately-Owned Developments**

Below market rents for households with modest income.

**Section 8/Mod Rehab**

Provides units for very-low income households, but also moderate market rate units.

**Opportunity Housing**

Rents are moderately priced; some below market rates.

**Affordable Scattered Site Units**

HOC owns units throughout the County which are rented at below market rates.

**For the Elderly/Disabled**

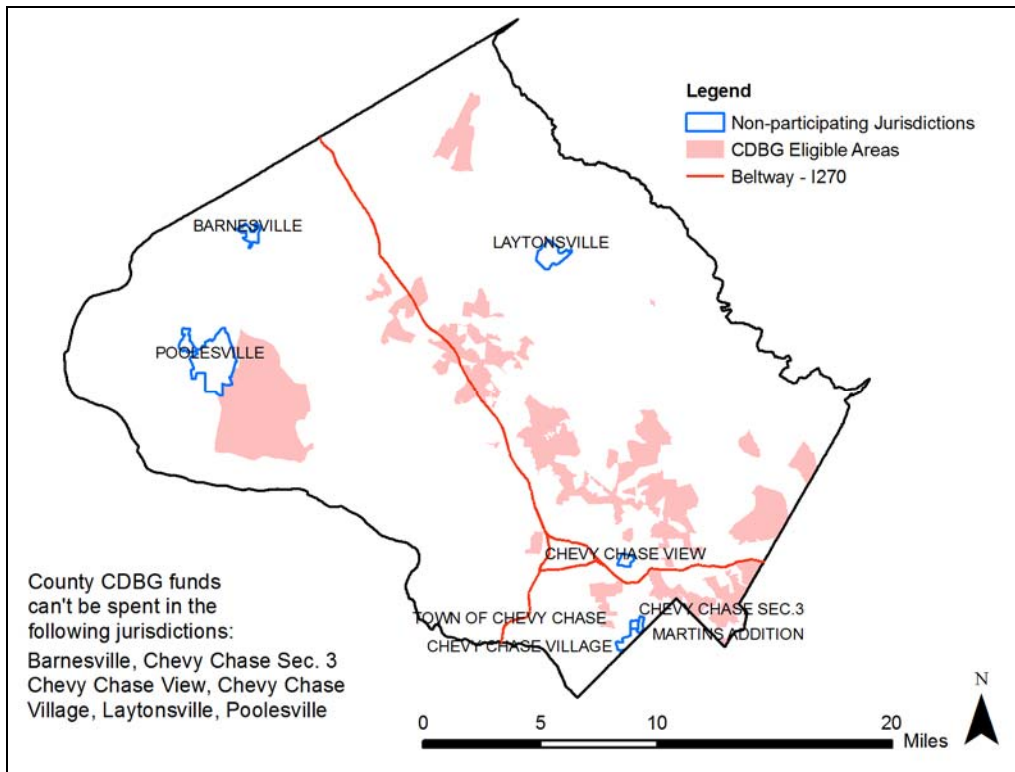
Specialized housing programs for the elderly or people with disabilities.

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

***Geographic Distribution***

Figure 13 below shows the current participating and non-participating jurisdictions. County CDBG funds can not be spent in the non-participating jurisdictions of Town of Barnesville, Village of Chevy Chase (Sec. 3), Chevy Chase View, Chevy Chase Village, Town of Laytonsville, Town of Poolesville, and the Village of Martin's Additions. Cooperation agreements are executed with participating jurisdictions every three years and were last renewed for County fiscal years 2012-14, covering the period July 1, 2011 through June 30, 2014. A separate section of this report (Housing and Market Analysis) details areas of minority concentration. Residents throughout the County are eligible based on need. There are no target areas in the County.

Figure 14: CDBG Eligible Areas and Participating Jurisdictions



***Housing Opportunities for Persons with AIDS (HOPWA)***

“Annual funding from the Department of Housing and Urban Development's Housing Opportunities for Persons with AIDS (HOPWA) is provided to the State of Maryland for the service area to include Caroline, Dorchester, Kent, Somerset, Talbot, Wicomico and Worcester counties on the Eastern Shore; Allegany, Garrett, and Washington counties in Western Maryland; Montgomery and Frederick counties in Central Maryland, and Charles County in Southern Maryland. The project funds tenant-based rental assistance for person living with HIV/AIDS whose income is at or below 80% of the mean income in their county of residence. The services include a housing care plan to assist individuals in obtaining permanent stable housing.” This section is taken from the report of the Department of Mental Health and Hygiene, accessed on this page on March 26, 2014:

<http://grants.maryland.gov/Pages/AnnualReport.aspx>.

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

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