



Affordable Housing

COUNTY PRIORITY OUTCOMES

- A More Affordable and Welcoming County for a Lifetime

PROGRAM CONTACTS

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OVERVIEWFY27 RECOMMENDED BUDGET

The FY27 Recommended Budget includes approximately \$306.7 million in resources identified to support affordable housing and other housing-related services, including funds for community organizations that augment County services.

Department of Housing and Community Affairs

The Department of Housing and Community Affairs (DHCA), in collaboration with County agencies, nonprofit partners, and developers, works to improve housing affordability, livability, and compliance across the full housing continuum in Montgomery County. DHCA delivers a range of programs and services, including the Multi-Family Housing Program, which creates, preserves, and rehabilitates affordable housing units and provides rental assistance for low-income households; and the Affordable Housing Program, which supports first-time homebuyers, preserves affordable single-family homes, and ensures Moderately Priced Dwelling Units (MPDUs) are provided and monitored for rental and resale control. The department also administers the Landlord-Tenant Mediation Program to adjudicate compliance with landlord-tenant laws and assist landlords and tenants through mediation and arbitration, and the Common Ownership Community Program to support homeowner and condominium associations by mediating disputes, providing technical assistance, and ensuring compliance with regulations. Additional programs include Licensing and Registration to issue rental housing licenses and register housing units within common ownership communities; Housing Code Enforcement to respond to complaints and conduct inspections to ensure safety and sanitary standards; and Neighborhood Revitalization to plan and implement housing and commercial revitalization in targeted areas to support small businesses and encourage private investment.

DHCA also manages federal grants such as the Community Development Block Grant, HOME Investment Partnerships Grant (HOME), and Emergency Solutions Grant to support housing acquisition and preservation; assist nonprofits in rehabilitating group homes for low-income and special-needs residents, provide financial and technical assistance to improve affordable neighborhoods' quality of life and safety, support fair housing activities, and fund community grants for housing-related services. In partnership with the Department of Health and Human Services (HHS), DHCA provides housing stabilization and relocation services to prevent eviction and homelessness.

Affordable Housing Program

- Administer the Moderately Priced Dwelling Unit (MPDU) program to develop, maintain, and offer for-sale and rental

units to households at less than 70 percent Area Median Income (AMI) in compliance with Chapter 25A of the Montgomery County Code.

- Manage the Workforce Housing Unit program to provide for-sale and rental units for households between 70-120 percent AMI, per Chapter 25B of the County Code.
- Implement the Home Accessibility Rehabilitation Program (HARP) by partnering with Rebuilding Together and Habitat for Humanity to install accessibility improvements for seniors and disabled homeowners.
- Partner with the Maryland State Department of Housing and Community Development and the Housing Opportunities Commission to deliver down payment assistance to Montgomery County first-time homebuyers.
- Collaborate with the Maryland State Department of Housing and Community Development to provide down payment assistance to full-time County employees and MCPS union members who are first-time homebuyers.
- Coordinate with rental developments nearing MPDU control period expiration to extend MPDU rent rates by supplementing market rents with County funds.
- Advance energy efficiency upgrades by partnering with Habitat for Humanity and Efficient Homes to replace outdated appliances for low-income households, prioritizing senior homeowners.

Multi-family Housing

- Provide gap financing through the Montgomery Housing Initiative Fund (HIF) and Affordable Housing Opportunity Fund (AHOF) by leveraging private capital and federal/state resources to create new rent-regulated units and preserve existing affordable housing.
- Allocate capital funding to acquire and preserve naturally occurring affordable housing (NOAH), focusing on areas at risk of rent escalation such as the Purple Line Corridor and other transit corridors.
- Exercise the County's Right of First Refusal (ROFR) by partnering with nonprofit providers to purchase rental properties with four or more units when offered for sale to maintain affordability.
- Fund affordable housing developers for construction of new rent-restricted units, including projects on County-owned land, using HIF resources.
- Partner with the Housing Opportunities Commission (HOC) to implement the Nonprofit Preservation Fund for acquisition and preservation of existing affordable housing units.
- Protect lower-income residents by working with property owners through County-supported rental agreements to maintain affordable rents.
- Provide acquisition and renovation financing to organizations serving special-needs populations to deliver housing and supportive services.

Code Enforcement

- Inspect and enforce compliance with Chapter 26 of the County Code (Housing and Building Maintenance Standards) by conducting technical inspections of condominiums, multifamily apartments, single-family homes, and Accessory Dwelling Units (ADUs) to ensure safe and sanitary conditions.
- Conduct targeted inspections in areas requiring concentrated code enforcement, including annual inspections for troubled properties, more frequent inspections for at-risk properties, and triennial inspections for compliant properties.
- Administer enforcement of Chapter 48 (Solid Waste) and Chapter 58 (Residential Weeds and Rubbish) of the County Code through inspections and compliance actions.
- Perform court-ordered inspections and inspections for adoption and foster care homes as required.
- Investigate complaints of potential code violations in residential and commercial properties and enforce compliance with housing, solid waste, and weeds/rubbish standards.

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- Educate residents and property owners on their rights and responsibilities regarding property maintenance under Montgomery County Code.

Licensing and Regulation

- Issue annual rental licenses for condominiums, single-family homes, multi-family units, accessory dwelling units (ADUs), and short-term residential rentals to ensure compliance with County regulations.
- Conduct annual rental housing surveys for single-family and multi-family properties to collect data on rents, vacancies, turnover, utilities, and amenities, informing County housing policy and market analysis.
- Register common ownership communities throughout Montgomery County to maintain accurate records and support compliance efforts.

Landlord-Tenant Mediation

- Promote fair landlord-tenant relations by communicating legal rights and responsibilities through educational resources, enforcing County codes, investigating complaints, and mediating disputes.
- Facilitate a complaint resolution process that allows landlords and tenants to file complaints, access mediation services, and present cases to the Commission on Landlord-Tenant Affairs (COLTA) as an alternative to District Court.
- Enforce the County's new eviction notification requirements and coordinate with HHS and other partners to prevent evictions.
- Oversee operations of COLTA, a quasi-judicial body that adjudicates landlord-tenant disputes when mediation fails, issue citations and pursue enforcement through District Court to ensure compliance with consent agreements, COLTA decisions, and County Code.
- Calculate and publish annual voluntary rent guidelines to help agencies and the real estate industry align rent increases with inflationary trends in the Washington, D.C. metropolitan region.

Common Ownership Communities (COC)

- Develop and deliver training programs for common ownership community (COC) board members and residents to promote knowledgeable and responsible governance, as required by Montgomery County Bill 45-14.
- Increase public awareness of legal rights and obligations for COC board members and owners under County Code and related regulations.
- Facilitate a complaint resolution process that allows owners and board members to file complaints, access mediation services, and present cases to the Commission on Common Ownership Communities (CCOC) as an alternative to District Court.
- Advise County leadership by working with the CCOC to provide recommendations to the County Executive and Council on issues affecting COCs and propose legislative solutions.
- Provide technical assistance and guidance on community governance to improve quality of life, strengthen self-governing structures, and enhance property values.
- Establish and manage a revolving loan fund to assist troubled and distressed COCs, requiring completion of a capital needs assessment and providing financial support for critical repairs and emergency situations to prevent evacuation or condemnation.

Rental Assistance Program - HPRA (Homeless Prevention and Relocations Assistance)

- Provide financial assistance and supportive service referrals to eligible individuals and families at imminent risk of homelessness who have exhausted benefits from DHHS, HOC, and other community partners.

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- Support disaster recovery efforts, including relocation assistance and participation in recovery teams.
 - Collaborate with the Department of Health and Human Services, the Housing Opportunities Commission (HOC), and community partners to deliver intervention-focused housing services that prevent evictions and secure affordable housing for displaced individuals and families.
 - Maintain working relationships with the Sheriff's Department and HOC to address tenant-related issues.
 - Coordinate with Code Enforcement on cases involving property condemnation to facilitate temporary relocation of affected families.
 - Ensure compliance with Montgomery County Code when multifamily buildings convert to condominiums.
 - Facilitate certification for tenant associations seeking to exercise their Right of First Refusal upon notification of property sale.
 - Protect tenant rights and tenant association rights during property demolitions, major rehabilitations, or actions displacing one third or more tenants in a rental property.

Grant Management

- Allocate Community Development Block Grant (CDBG) funds from HUD to support acquisition, preservation, and rehabilitation of affordable housing for low- and moderate-income residents.
- Assist nonprofit providers in rehabilitating group homes for lower-income, special-needs individuals by eliminating code violations and making accessibility and energy-efficiency improvements using CDBG funds.
- Provide CDBG funding to community public service partners to deliver health care, education, employment, and emergency relief services for low-income populations.
- Advocate for fair housing through public outreach and education campaigns, including ads in movie theaters and on buses.
- Implement affordable housing and community development projects in Rockville and Takoma Park using federal pass-through funds.
- Provide HOME funds and operating support to Community Housing Development Organizations (CHDOs), such as Montgomery Housing Partnership and Housing Unlimited, for acquisition, construction, or renovation of rental housing for low-income residents.
- Distribute Emergency Solutions Grant (ESG) funds to HHS to support programs that prevent and end homelessness through housing stabilization, relocation services, rental assistance, and shelter services.
- Preserve housing in Takoma Park by inspecting regulated units and enforcing safety and habitability standards, including proactive inspections and complaint-based enforcement.

Neighborhood Revitalization and Community Development

- Provide financial and technical assistance through the Focused Neighborhood Assistance Program (FNA) to support the creation of safe, secure, and appealing neighborhoods.
- Address physical decline in racially diverse, low- to moderate-income neighborhoods by preventing blight, slum conditions, and threats to health and safety.
- Offer financial and technical assistance through the Facade Easement Program to property and business owners seeking to modernize older commercial buildings, including improvements to facades, sites, signage, lighting, streetscapes, landscaping, and easement-controlled enhancements.
- Rehabilitate group homes for older adults and individuals with disabilities earning up to 30 percent AMI using Federal CDBG funds, addressing inspection requirements, ADA accessibility, health and safety upgrades, and energy-efficient replacements for appliances, HVAC systems, and water heaters.

Rent Stabilization

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- Set and enforce annual rent increase limits for rent-stabilized properties to ensure compliance with County regulations.
 - Monitor and enforce landlord compliance with restrictions on tenant fees.
 - Manage application processes for fair return, capital improvement, and substantial rehabilitation petitions for rent increases above annual limits.
 - Oversee exemptions for rental properties from rent stabilization requirements.
 - Conduct community outreach to educate landlords and tenants about rent stabilization laws and regulations.
 - Respond to inquiries and resolve service issues related to rent stabilization compliance.
 - Investigate violations and enforce remedies for noncompliance with rent stabilization laws and regulations.
 - Ensure landlord reporting compliance under rent stabilization requirements.

Department of Health and Human Services

The Department of Health and Human Services' (HHS) Services to End and Prevent Homelessness (SEPH), in collaboration with the Interagency Commission on Homelessness (ICH), provides a full continuum of housing services including housing stabilization, rental assistance, energy assistance, homeless diversion, emergency shelter and street outreach, rapid rehousing, and permanent supportive housing, and employs evidence-based and promising practices. HHS provides housing-related services through the following programs:

Administration - Services to End and Prevent Homelessness

- Provides leadership and direction for the administration of Services to End and Prevent Homelessness.
- Advises the Interagency Commission on Homelessness (ICH) and the Montgomery County Continuum of Care (CoC).

Coordinated Entry

- Ensures fair and equitable access to housing for all households experiencing homelessness through the Coordinated Entry process.
- Quickly identifies and assesses households.
- Refers and connects households to housing and assistance based on need and vulnerability.

Homeless Services

- Provides emergency shelter, street outreach, diversion services, and transitional housing to households experiencing homelessness.
- Focuses on connecting households to permanent housing as quickly as possible.
- Addresses barriers such as access to affordable housing, behavioral and somatic healthcare, employment, and income.
- Services include diversion, case management, persistent engagement, housing location, employment training, legal services, and assistance with entitlements (such as the Supplemental Nutrition Assistance Program and health insurance).

Housing Initiative Program

- A Housing First permanent supportive housing program for individuals and families with disabilities.
- Quickly connects participants to permanent scattered-site units without preconditions.
- Offers intensive wraparound support services.
- Rental assistance is provided by HHS staff, and services are delivered through nonprofit partners.
- Serves as the lead entity for the 1115 Medicaid Waiver Assistance in Community Integration Services through the State Department of Health.

Supportive Housing

- Includes a continuum of programs that help individuals and families obtain and maintain stable housing through subsidies, case management, and essential support services.
- Permanent Supportive Housing provides long-term housing subsidies and wraparound services for households with disabilities using a Housing First approach.
- The Short-Term Housing and Rental Assistance Program (SHARP) supports households moving from shelter or street into permanent housing with security deposits, first month's rent, and time-limited rental assistance.
- The Office of Home Energy Programs (OHEP) supports housing stability by providing low-income households with financial assistance for heating and electric bills, arrearage payments, and crisis support to prevent loss of essential utilities.
- Together, these programs strengthen housing retention and reduce the risk of homelessness countywide.

Housing Stabilization Services

- Prevents loss of housing through conflict resolution, mediation, financial assistance, housing location, and case management for County residents at risk of homelessness.
- Focuses on partnering with households to resolve housing emergencies using creative problem-solving.
- Provides State and County grants to prevent evictions or utility shutoffs, or to secure new housing.
- Offers short-term case management services to help at-risk households develop and implement plans to prevent future housing crises.

Rapid Rehousing (RRH)

- Helps individuals and families quickly exit homelessness, return to community housing, and achieve stability.
- Core components include housing identification, up to 24 months of rental assistance, case management, and employment services.
- The program aims to help people obtain housing, increase income, and achieve self-sufficiency to remain housed.
- Has no preconditions such as employment or sobriety.

Rental Monthly Allowance Program (RMAP)

- Formerly the Rental Assistance Program (RAP), provides a shallow rental subsidy to individuals and families at risk of or experiencing homelessness.
- Target populations include seniors and people with disabilities.

Healthcare for the Homeless

- Provides medical, behavioral health, and dental services to individuals experiencing homelessness in emergency shelters, street outreach, and transitional housing.
- Also provides medical services to individuals and families served in permanent supportive housing programs.
- Coordinates hospital discharge planning for people experiencing homelessness.
- Committed to reducing health disparities by offering low-barrier access to services and reducing hospital readmissions.

Housing Opportunities Commission (HOC)

Rental Assistance Program (HOC)

Provides financial assistance to eligible individuals and families who are at imminent risk of homelessness.

Housing Production Fund (HPF)

The HPF is used alongside HOC investment, private capital, and conventional construction debt to finance the construction and lease-up phases of new-construction developments. HPF-supported projects follow a "30/70" mixed-income model, with at least 30 percent of units designated as affordable and no more than 70 percent as market-rate. Affordable units include 10 percent priced at MPDU rents affordable to a family of four earning about \$85,000 or less and 20 percent at 50 percent of Area Median Income (AMI).

The HPF aims to produce 2,500-3,000 newly constructed units over 20 years, leveraging \$100 million to support two or more projects at a time. Each transaction is expected to deliver 150-180 affordable units and roughly 500-600 total units. HPF financing is repaid within five years at permanent loan conversion, replenishing the fund for future development.

County-supported Capital Improvements Program

HOC has four active projects in the Recommended FY27-32 CIP including the following:

- **County Guaranteed Bond Project:** Uses County-guaranteed HOC bonds for housing construction and permanent mortgage financing.
- **MPDU/Property Acquisition Fund:** Provides up to \$12.5M for MPDU acquisition, finishing, and site improvements for affordable housing.
- **Opportunity Housing Development Fund:** Offers up to \$4.5M for planning, site improvements, construction financing, and related costs.
- **Supplemental Funds for Affordable Units:** Funds capital improvements for deeply subsidized and affordable HOC-owned units.

Payment in Lieu of Taxes (PILOT) program

- The County provides a Payment in Lieu of Taxes (PILOT) to HOC-owned and controlled properties to advance HOC's mission of preserving and expanding affordable housing. PILOT enables permanent affordability in newly acquired and constructed communities, creating a key source of new affordable units each year.
- The PILOT program ensures HOC properties receive adequate reinvestment to address deferred maintenance and supports sufficient operating budgets for proper community upkeep and long-term sustainability.

**Affordable Housing Services
FY27 Recommended Operating Budget
Tax-Supported**

Department	Project/Program	FY27 CE Recommended
Housing and Community Affairs		
	Housing Code Enforcement	6,068,531
	Affordable Housing - MPDU	476,531
	Multifamily Housing Program	425,183
	Housing Development Division	190,268
	Tenant and Landlord Mediation	1,623,435
	Licensing and Regulations	1,262,577
	Common Ownership Communities	1,308,520
	Neighborhood Revitalization	158,206
	Rent Stabilization	1,131,059
	Grant Management	447,989
	Community Development Division	261,269
	Rental Housing Division	481,838
	Administration	2,570,496
	Multi-family Housing Program - Housing Production & Preservation	1,620,000
	Affordable Housing - Homeowner Downpayment Assistance	5,000,000
	Affordable Housing - Home Accessibility Rehabilitation Program (HARP)	326,332
	Housing First (HHS)	9,706,200
	<i>HHS Housing Initiative Program - Rental Subsidies, Client Costs, and Administration - \$9,706,200</i>	
	Rental Assistance Program (RAP)	28,357,376
	<i>DHCA RAP - \$12,523,480</i>	
	<i>DHCA Homeless Prevention and Relocation Assistance (HPRA) - \$486,291</i>	
	<i>HHS RAP - \$12,472,318</i>	
	<i>HHS Permanent Supportive Housing - \$5,349,740</i>	
	<i>HHS Rapid Rehousing - \$1,966,951</i>	
	<i>HHS Rental Subsidy - \$3,853,409</i>	
	<i>HHS Prevention - \$1,302,218</i>	
	<i>HOC RAP - \$3,361,477</i>	
	Neighborhood Revitalization - Neighborhood to Call Home	2,036,033
	Affordable Housing Acquisition and Preservation CIP	86,000,000
	Affordable Housing Opportunity Fund CIP	2,000,000
	Nonprofit Preservation Fund CIP	128,000
	Revitalization for Troubled and Distressed Common Ownership Communities	2,223,000
Sub-total, Housing and Community Affairs		153,802,843
Health and Human Services		
	Admin - Services to End and Prevent Homelessness	1,230,330
	Coordinated Entry	318,459
	Healthcare for the Homeless	2,685,584
	Homeless Services	24,399,709
	Housing Initiative Program	3,714,477
	Housing Stability Services	11,267,689
	Rapid Rehousing	4,046,705
	Rental Assistance Program	1,819,569
	Supportive Housing	14,546,527
	Rapid Rehousing	
Sub-total, Health and Human Services		64,029,049
Housing Opportunities Commission		
	Supplemental Funds for Deeply Subsidized HOC Owned Units Improvements CIP Project	1,250,000
	Cider Mill Apartments Capital Improvements CIP Project	950,000
	NDA - Housing Opportunities Commission	9,537,539
Sub-total, Housing Opportunities Commission		11,737,539
Total Tax-Supported		229,569,431
Total Non-Tax Supported		13,085,038
GRAND TOTAL		306,683,518

**Affordable Housing Services
FY27 Recommended Operating Budget
Non-Tax-Supported**

Department	Project/Program	FY27 Recommended
Housing and Community Affairs		
	CDBG - Housing Acquisition and Preservation	1,631,896
	CDBG - Community Public Services with Nonprofit Organizations	649,500
	CDBG - Group Home Rehabilitation	1,000,000
	CDBG - Facility Planning/Administration	1,138,800
	CDBG - Focused Neighborhood Assistance	600,000
	CDBG - Code Enforcement	250,000
	CDBG - Fair Housing Activities	20,000
	CDBG - Municipality Housing Projects	354,000
	HOME - Housing Production and Preservation	2,005,039
	HOME - Community Housing Development Organizations Program	444,950
	ESG - Rapid-Rehousing (HHS)	446,265
	<i>HHS Rapid Rehousing - \$242,633</i>	
	<i>HHS Housing Stabilization and Relocation - \$202,632</i>	
	Takoma Park Grant - Code Enforcement	334,704
<i>Sub-total, Housing and Community Affairs</i>		8,875,154
Health and Human Services		
	Admin - Services to End and Prevent Homelessness	-
	Homeless Services	548,024
	Housing Stability Services	2,424,234
	Rapid Rehousing	661,844
	Rental Assistance Program	82,732
	Supportive Housing	493,050
<i>Sub-total, Health and Human Services</i>		4,209,884
TOTAL		13,085,038

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