

**MEMORANDUM**

April 24, 2009

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

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **Worksession: FY10 Recommended Operating Budget  
Housing First**

*Those expected for this worksession:*

Uma Ahluwalia, Director, Department of Health and Human Services  
Richard Nelson, Director, Department of Housing and Community Affairs  
Lillian Durham, Housing Opportunities Commission  
Nadim Khan, Chief, DHHS Special Needs Housing  
Corrine Stevens, DHHS Chief Operating Officer

As a part of its FY09 Operating Budget actions, the Council included the following provision in the County Government Operating Budget Resolution:

*The Department of Housing and Community Affairs must reserve \$4.5 million of the non-revolving program appropriation to the Housing Initiative Fund to implement a plan to transition County housing programs for the homeless to a Housing First model. These funds may be used to acquire properties, provide rental subsidies, fund case management provided by County staff or under contract, and pay costs associated with the transition of existing shelter services. The County Executive must send the Council a Housing First transition plan by October 15, 2008. The plan must specify the long-term goals and implementation steps needed to achieve a Housing First model and those implementation steps to be taken in FY09 and FY10. Funds may be spent to implement this plan as soon as the plan is transmitted to the Council. If the plan does not require spending \$4.5 million in FY09, the amount reserved under this*

*paragraph can be reduced to the amount required to implement the model. The allocation of these funds does not limit the amount that may be spent from the Housing Initiative Fund for homeless persons or persons at risk, and does not impose any limit on projects that may be funded by the revolving Acquisition and Preservation Program.*

On June 26, 2008, DHHS Director Ahluwalia forwarded Montgomery County's Housing First Plan – Design and Implementation which the joint Committee reviewed at their July 14<sup>th</sup> session. **The key performance measures for Housing First is to reduce in length of stay in homelessness and provide stable housing for those exiting from homeless programs.**

Housing First programs share the following critical elements:

1. A focus on helping chronically homeless and hard to serve individuals and families access and sustain permanent rental housing that is not time-limited.
2. The delivery of support services following a housing placement to promote housing stability and individual well-being. These services may be time-limited or long-term depending upon individual needs.
3. Housing is not contingent on compliance with services. Instead, participants must comply with a standard lease agreement and are provided with the services and supports necessary to help them successfully retain housing.

The Housing First effort is funded from appropriations to the Department of Health and Human Services and to the Housing Initiative Fund and funds from the recordation tax. In addition, other grants such as Community Development Block Grants, HOME, HUD Shelter Plus Care, and SuperNofa provide funds for supported housing and case management services.

## **February 2009 Update on Housing First Plan**

On February 5<sup>th</sup> the PHED and HHS Committees met jointly for an update on the implementation of the Housing First Plan. A copy of the update is provided at © 4-27.

The joint Committee was told that progress was being made but that the increase in demand for emergency housing services from the economic downturn has slowed progress and that resources have had to be spent on immediate problems rather than some of the transition items that are needed to move to a Housing First model. Some of the items mentioned at that session and at subsequent sessions on the safety net are:

- The Department has established a Housing First Leadership Workgroup with public and non-profit members. The National Alliance to End Homelessness (which has previously presented to the joint Committee) is providing technical assistance to the Workgroup and the Department.

- The number of households participating in the County’s Rental Assistance Program (shallow subsidy) has increased.
- The number of households participating in the Housing Initiative Program (HIP, formerly known as SHRAP) is increasing. It is generally taking 30 to 60 days to find housing.
- Housing locators are now on board and this is significantly helping in identifying housing.

However, it was also noted that there are generally between 50 and 60 families being housed in motels and all the family shelters are consistently operating at full capacity. Requests for emergency assistance were exceeding the budget. The Committee agreed to the proposal to shift \$500,000 from the Recordation Tax Funds allocated for the Rent Supplement Program to DHHS for emergency rental assistance.

The Department can provide the Committee with an update on the implementation of the Plan. Council staff expects that the Committee will be particularly concerned about the length of time it takes to house a family once it has been determined that they are appropriate and eligible for a program and whether some of the changes to the shelter system can occur in FY10 if the shelters continue to remain at capacity.

### **FY10 Recommended Operating Budget – DHHS and HIF**

Attached at ©1-3 is a summary of the dollars allocated for the main components of the Housing First Plan.

At the bottom of © 3 is information on funding for motel placements – the “anti-Housing First” item. What the numbers show is that FY10 budgeted amount is almost \$300,000 less than what has been spent in FY09 through March. This recommended funding can be viewed in several ways including: (1) the economy will improve substantially in FY10 and fewer households will require motel placements, (2) there are insufficient funds in the FY10 budget for the expected need, or (3) if resources are invested in the elements of Housing First then families can be maintained in their current homes or placed in stable permanent housing quickly, either avoiding the need for a motel placement or having their stay in a motel be for a very short period of time.

Council staff recommends approval of the Executive’s proposed funding from the third perspective – that any additional investment of dollars should be targeted to moving families to stable housing and not on motels. While the information shows that there is a significant waiting list for the shallow subsidy Rent Assistance Program, the Department’s assessment is that many of the families that are in motel placement will need deep subsidy assistance through the Housing Initiative Program (HIP – formerly SHRAP).

## **1. Rental Assistance Program**

The Rental Assistance Program (RAP) serves households with incomes of 50% or less of Area Median Income (AMI). Households pay between 25% and 35% if their gross income for rent depending on family size. The average subsidy is about \$200,000 per household. For FY09, budget actions increased the capacity of the program to 1,767. As a part of the original budget, it was expected that \$360,000 from the HIF would be used to help fund the rental subsidy. This actual charge to the HIF for FY09 is now expected to be \$610,000.

**For FY10, the Executive's budget assumes the capacity for RAP will be reduced by 104 households for a total of 1,663. No one will be removed from the program but there is attrition that occurs over the course of any year and this reduction will be achieved through attrition. There is currently a waitlist of 845 and there would continue to be a wait list in FY10.**

**Council staff recommends that the county not reduce capacity in this program for FY10. There is a long wait list of eligible households and a shallow subsidy can keep families from having to leave their current home. Council staff recommends that for FY10, an additional \$249,000 in RAP rental subsidies be charged to the HIF. The total charge to the HIF for RAP would be about \$610,000.**

## **2. Handicapped Rental Assistance**

This program provides assistance to people residing in licensed group homes that have a mental illness. The average subsidy is \$150 per month. The Executive's budget sustains this program at FY09 levels. There is no waiting list. **Council staff recommends approval.**

## **3. Deep Subsidy Supported Housing**

Partnership for Permanent Housing  
Housing Initiative Program (HIP)

These two programs serve similar clients. HIP (formerly SHRAP) is administered directly by DHHS and the Partnership for Permanent Housing is provided through a contract with the Montgomery County Coalition for the Homeless. The income for a household is 30% or less of AMI and there is a special needs person in the household. The rent subsidy is \$1,200 to \$1,500 per month (average \$1,250).

The Partnership for Permanent Housing is shown as continuing to serve 55 households in FY10. Costs have been adjusted due to rent increases for those served by the program. Council staff understands that the Department of Housing and Community Affairs is working with the Coalition to provide funding for additional capacity with HOME grant funds.

When the Committees reviewed Housing First last year, there were 100 households on the waiting list for HIP and 25 that had already been assessed with critical housing needs.

**For FY10, the Executive's budget includes funding for 217 slots in the HIP. This is a decrease in eight slots from the FY09 budgeted level of 225. At an estimated cost of \$15,000 per year per HIP subsidy, \$120,000 is needed to stay at a capacity of 225. Council staff is not recommending capacity above the FY09 level (but is hopeful that the HOME funding to the Coalition will help serve additional households). However, Council staff does not think the program should have a reduced capacity given the continued need. Council staff recommends that \$120,000 in additional subsidy costs for HIP be charged to the HIF in FY10.**

**Council staff's recommended total additional charges to the HIF to keep programs at current capacity is about \$369,000.**

	FY08 Budget	FY09 Budget	FY09 Adjusted	FY10 Budget	Estimated Pending Eligible as of 4/21/09
<b>Rental Assistance Program (RAP)</b>					
Authorized Capacity	1,618	1,767	1,767	1,663	845
Avg # of Household Served	1,668				
Funding DHHS Budget:					
Subsidy	\$3,885,000	\$3,885,000	\$3,632,080	\$3,632,080	
Staffing and other support	\$496,519	\$514,193	\$514,193	\$546,766	
<b>Funding HIF:</b>					
Subsidy	\$0	\$360,000	\$610,000	\$360,000	\$250,000 shifted to HIF in FY09
Staffing and other support					
Average Monthly Subsidy per Household	\$192	\$200	\$200	\$200	
<b>Handicapped Rental Assistance (H-RAP)</b>	<b>FY08 Budget</b>	<b>FY09 Budget</b>	<b>FY09 Adjusted</b>	<b>FY10 Budget</b>	
Authorized Capacity	219	219	219	219	None
Avg # of Households Served	220				
Funding DHHS Budget:					
Subsidy	\$480,460	\$480,460	\$406,013	\$420,460	FY09 Savings Plan Reduction of \$74,447
Staffing and other support					
Average Subsidy per Household	\$150	\$150	\$150	\$150	
<b>Partnership for Permanent Housing</b>	<b>FY08 Budget</b>	<b>FY09 Budget</b>	<b>FY09 Adjusted</b>	<b>FY10 Budget</b>	
Authorized Capacity	55	55	55	55	
Funding DHHS Budget:					
Contract with Coalition for Homeless	\$1,031,100	\$228,722	\$221,020	\$221,020	Rent Subsidy Costs Shifted to HIF
<b>Funding HIF:</b>					
Contract with Coalition for Homeless		\$772,000	\$743,702	\$831,921	FY10 increased Rent Costs above budgeted amount funded by HIF.
Total	\$1,031,100	\$1,000,722	\$964,722	\$1,052,941	
<b>Supportive Housing Rental Assistance and Housing Initiative Program</b>	<b>FY08 Budget</b>	<b>FY09 Budget</b>	<b>FY09 Actual Estimated</b>	<b>FY10 Budget</b>	
Authorized Capacity	75	225	217	217	
Avg # of Households Served	67				
Funding DHHS Budget:					
Subsidy	\$915,820	\$915,820	\$915,820	\$915,820	Total Subsidy Costs shifted to HIF & included in HIF Subsidy Cost
Staffing and other support	\$151,880	\$160,230	\$160,230	\$230,170	staff, service coordination + operating
<b>Funding HIF:</b>					
Subsidy	\$0	\$1,680,000	\$1,145,000	\$3,255,000	Estimated Rent Costs \$15,000 per HH per year
Staffing and other support		\$0	\$0	\$0	

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	FY08 Budget	FY09 Budget	FY09 Adjusted	FY10 Budget	Estimated Pending Eligible as of 4/21/09
<b>Housing First Components:</b>					
<b>DHHS Funded:</b>					
Service Coordination for SHRAP/HIP Households		\$363,700	\$395,000	\$756,000	In FY10 assumes 210 HH (some HH case managed by HHS staff)
General Operating Expenses, Criminal Checks		\$25,000	\$20,000	\$10,000	
Housing Locators (2 by Contract)		\$126,070	\$115,562	\$130,000	
Convert 1 Shelter to Therapeutic Transition Family Shelter		\$150,000	Eliminated		
Social Workers at Family Assessment Shelters (2 by Contract)		\$65,000	Incorporated into FY09 Shelter RFP		
Outreach Workers for Chronically Homeless (2 by Contract)		\$108,330	\$63,193	\$111,860	
Adult Shelter Case Management - Emergency Shelters (2 by Contract)		\$108,300	\$63,182	\$112,000	
Technical Assistance with Data Management (2 contracts 75k and 50K)		\$125,000	\$20,000	\$62,000	
Operating Expense for Arcola House			\$3,733	\$10,000	
Shelter+Care case management to leverage HOC Housing Placements			\$25,000	\$65,000	
Contracts for case management in family shelters, eviction prevention, and Homeless Services adm. Support			\$194,600	\$388,852	
Service Coordination for Family Self-Sufficiency Cases				\$72,000	
Case Management for Transitional Shelter (in lieu of Therapeutic Shelter)				\$65,000	
Rapid ReHousing NOFA match				\$13,500	
<b>Total DHHS Funding</b>		<b>\$1,300,122</b>	<b>\$1,121,290</b>	<b>\$2,017,232</b>	Includes Housing First, PPH2 OE,
<b>HIF Funded:</b>					
One time Shelter Start-up Costs		\$475,000	\$0	\$50,000	Carroll House
Crisis Intervention and Security Deposits emergency housing retention		\$525,000	\$300,000	\$0	
<b>Total HIF Funded</b>		<b>\$3,812,000</b>	<b>\$2,798,702</b>	<b>\$4,496,921</b>	
<b>Recordation Tax Funded:</b>					
Prevention and Housing Stabilization		\$850,000	\$1,285,000	\$785,000	HOC 500k shift in FY09 only

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<b>Emergency/Homeless Prevention Grants</b>				
<b>Grant Type:</b>	<b>FY08</b>	<b>FY09 (through March)</b>	<b>FY 10 Budget</b>	
<b>State Funded</b>				
Number of Grants	2,234	1,765	1,931	Est. based on Average FY09 Grant of \$583
Expenditure	\$1,243,959	\$1,028,344	\$1,126,218	FY10 budget assumes FY09 Funding Level
<b>County (non-recording tax) Funded</b>				
Number of Grants	3,677	1,823		
Expenditure	\$1,819,015	\$1,300,161	\$1,384,570	Includes Grant expenses + Taxi and Food Card Expenses
<b>Recording Tax Funded</b>				
Number of Grants	n/a	1,115	877	Est. based on Average FY09 Grant of \$895
Expenditure	n/a	\$998,755	785,000	
<b>Motels</b>				
Number of Households	345	313		
Expenditures	\$858,325	\$992,527	\$687,000	



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Isiah Leggett  
County Executive

Uma S. Ahluwalia  
Director

MEMORANDUM

February 2, 2009

TO: The Honorable Michael Knapp  
The Honorable George Leventhal  
Montgomery County Council

FROM: *Uma S. Ahluwalia*  
Uma S. Ahluwalia, Director

SUBJECT: Housing First Update

The Department of Health and Human Services (DHHS) and our partners within the Homeless Continuum of Care are pleased to submit a second update to the Housing First Plan implementation.

Because of the economic downturn we have made a number of revisions to the Housing First Plan. You will see the changes in the document with the original redundant items showing up as a strikethrough so you can track along. All new strategies are highlighted in bold text.

We are pleased to share with you our very significant efforts to address the needs of those in our county, who are the most vulnerable. The most significant change is the establishment of a closer collaboration between the Housing First Plan and the Neighborhood Safety Net Initiative in order to prevent households from becoming homeless. The goal of the Neighborhood Safety Net Initiative is to bring emergency assistance (food, clothing, energy assistance) and entitlement programs (food stamps, medical assistance, temporary assistance to families in need) to those neighborhoods that have been most impacted by the current recession and integrate our public-private efforts to strengthen the safety net at the community level.

The Housing First Leadership Workgroup consisting of DHHS and Homeless Continuum Partner agencies continues to meet regularly to address Housing First policy and implementation issues. Technical assistance from the National Alliance to End Homelessness (NAEH) is also continuing. To improve data collection, tracking and analysis, a contract has been developed with Bowman Systems to provide technical assistance for public and private providers in the Homeless Management Information System (HMIS).

Please find attached the revised Housing First Implementation Plan and a status report outlining our progress to date, on the major Housing First components. We look forward to our conversation on the 5<sup>th</sup> of February.

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Office of the Director

# Montgomery County Housing First Model Design and Implementation

Status Update January 30, 2009

The goal of the Housing First Plan is to assist homeless individuals and families move rapidly into stable, permanent housing. To implement the Housing First Model, existing resources are being redeployed and new resources developed in order to reduce the length of time in homelessness.

## 1. Homeless Outreach and Intake

### *Status Report:*

- The Housing Initiative Program (HIP) application is being used for other housing programs, and the review of HIP applications has been expanded to include acceptance into other supportive housing program as well as HIP.
- An assessment tool is being developed in partnership with the National Alliance to End Homelessness and Department of Health and Human Services (DHHS). This tool will be ready for pilot testing by March 1, 2009.
- The Council has approved amending the grantee list to add two assertive outreach workers. The paperwork to amend the contract to add these services has been submitted.

## 2. Homeless Prevention

### *Status Report:*

- The Department has increased its prevention efforts and is working closely with the Neighborhood Safety Net Initiative to provide services to prevent homelessness.
- In December 2008, DHHS staff trained Regional Service Center Staff to provide information and referral services and help households complete applications for energy and rental assistance.
- Emergency grants continue to be a critical tool in preventing homelessness.

Summary of Emergency/Homeless Prevention Grants made from July 1 through December 31, 2008:

GRANT TYPE (Most grants are given to prevent eviction and utility cut-offs.)	# of Grants	Expenditure
STATE Funded	1,279	\$759,597
COUNTY Funded	1,681	\$850,226
Recordation Tax	600	\$617,587

- The Rental Assistance Program (RAP)

Increased the number of households receiving RAP by 123, from 1619 (maximum number supported by FY09 budget) to 1,742 in December; 26 households have been expedited to help ensure that housing is maintained once the current crisis is resolved.

- Home Energy Programs (assistance with home heating and electricity)

As of January 23, 2009, 8,262 Office of Home Energy Assistance Program (OHEP) applications have been received. There is no shortfall of benefit funds in FY09. However, HHS is currently seeking additional operating dollars to hire additional staff to process these high volume of applications to ensure that all who need the resources are processed to get the aid.

- Recordation Tax dollars to support emergency assistance and housing supports to stabilize housing by using a Total Tenant Payment approach.

As of December 31, 2008, \$671,587 of the original allocation for Recordation Tax was spent. Housing Opportunity Commission (HOC) is willing to provide an additional one-time-only \$500,000 from their allocation of Recordation Tax dollars for emergency assistance in FY09. This proposal is currently before County Council for approval.

- Redeploy Social Work Staff to create a Prevention Assessment Team

As of December 31, 2008, 31 households have received eviction prevention case management. Case Management Staff capacity continues to be limited.

- Supportive Services Team to provide one central intake point to determine eligibility for benefits

In December, a pilot project was implemented at the Rockville Crisis Intervention Unit, which placed a Maryland Energy Assistance Program/ Electric Universal Service Program (MEAP/ESUP) staff person with Emergency Services and Income Support staff to provide assistance with applications for heating and electricity aid. This collaboration speeds up the process for customers and ensures that State OHEP funds are used first to resolve emergencies before County and State funds are accessed. Funding has been requested from the State to train additional temporary staff so that this program can be implemented at all three regional offices in FY10.

- Earlier Intervention in the Eviction Process

The Department of Housing and Community Affairs (DHCA) is collecting pending eviction writs from the Sheriff's office and initiating conversations with landlords to prevent evictions and change the rent payment schedules.

### 3. Assessment Shelter

*Status Report:*

- Revised Housing First Plan to convert all three family shelters into Assessment Shelters in order to maximize the number of beds available to families for assessment purposes.
- Contracts are in the process of being amended to add case management to the Men's Emergency Shelter at Gude Drive and the Women's Shelter at Wilkens Avenue.

### 4. Rapid Exit and Permanent Housing

*Status Report:*

- Two Housing Locators have been hired by HOC and are working with HIP applicants to locate housing and sign leases. Two staff persons from DHCA are augmenting housing location efforts. The Housing Locators are responsible for helping participants find and move into a housing unit.
- The Referral Review Team meets bi-weekly, and has expanded its mission to review and accept applicants into other supportive housing vacancies. Supportive housing providers with vacancies are invited to the Team meetings to accept referrals. This cooperation reduces the vacancy rate in existing housing programs and provides a framework for a centralized referral mechanism.
- The contract was executed for The Dwelling Place to provide service coordination for 10 additional Housing First participants. Due to service coordinator vacancies at HOC, there has been a temporary reduction in the amount of service coordination available. Special Needs Housing staff is providing the case management for families accepted into HIP until contractual service coordinators are available.
- Increase the number of affordable rental units by expanding the number of deep subsidies available for income eligible individuals and families.

The chart below shows the total number of households receiving deep subsidies through the former Supportive Housing Rental Assistance Program (SHRAP) and the Housing Initiative Program (HIP).

	Singles	Families	Total
<b>SHRAP and HIP Placements</b>	<b>42</b>	<b>45</b>	<b>87</b>
<b>Reasons for Leaving Program</b>			
Subsidy Not Renewed (Over Income)	(2)		(2)
Deceased	(1)		(1)
Received Housing Choice Voucher		(2)	(2)
Terminated (Failed to Maintain Lease)	(2)	(2)	(4)
<b>Total Closures</b>	<b>(5)</b>	<b>(4)</b>	<b>(9)</b>
<b>Housed as of January 1, 2009</b>	<b>37</b>	<b>41</b>	<b>78</b>

Twenty of the households (8 singles and 12 families) listed above are receiving HIF subsidies. Twenty-two (22) households (9 families and 13 singles) have been approved for HIF subsidies and are actively searching for housing with the help of housing locator staff.

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# Montgomery County

## Housing First Plan

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Presented by

Special Needs Housing Services

Montgomery County Department of Health and Human Services

Revised

January 30, 2009

**Narrative Summary of Revisions to the  
Montgomery County Housing First Plan  
(January 30, 2009)**

**Background**

The Housing First Plan was approved on June 25, 2008. Since that time, there have been a number of changes which require adjustments to the original plan. The economic downturn has greatly increased the demand for eviction prevention services. The tightening of the rental housing market coupled with increasing unemployment has resulted in an increase in the number of families and individuals who are losing their housing and becoming homeless. The three family shelters consistently operate at full capacity of serving 28 families. During the months of November and December 2008, there were 50-60 families sheltered each day in motels, an increase of approximately 80% over this period in 2007. The challenge of locating housing for households with poor credit, criminal backgrounds, and the undocumented continues to be difficult.

In the six months since the Housing First Plan was adopted, the Housing First Leadership Workgroup has met many times to discuss Housing First strategies and issues. As a result of these exchanges among our public agency and community partners, all parties have developed more expertise, built trust and strengthened our partnerships to more effectively implement our Housing First program.

The revised Housing First Plan includes changes that reflect the changed economic situation, shared decisions, and policy changes that impact our original Housing First Implementation Plan and changes that enhance or fine tune components of the original plan.

**Revised Housing First Plan**

**1. Prevention Services**

The economic downturn has resulted in a tightened housing market increased demand for shelter beds and an unprecedented demand for emergency services to prevent evictions and utility cutoffs. The revised plan places greater emphasis and resources on providing the services needed to prevent individuals and families from becoming homeless.

- The revised Housing First Plan calls for close collaboration between the Housing First Plan and the Neighborhood Safety Net Initiative. The goal of the Neighborhood Safety Net Initiative is to bring emergency assistance (food, clothing, energy assistance) and entitlement programs (food stamps, medical assistance, temporary assistance to families in need) to those neighborhoods that have been most impacted by the current recession.

Components of the Neighborhood Safety Net Initiative, which are included in the Revised Housing First Plan, are:

- Development of mobile teams called Safety Net Teams in zip code areas at greatest risk of needing social services to provide a streamlined application process to ensure that households utilize available resources for emergency assistance before becoming homeless. The mobile team will include Department of Health and Human Services (DHHS) staff from Emergency Services and Income Supports, housing counseling staff from the Department of Housing and Community Affairs (DHCA), and representatives from PEPCO and Washington Gas.
- The Emergency Assistance Coalition and other volunteer networks will provide volunteer recruitment, training and placement. The volunteers will provide outreach, information and support to households that are at risk of losing housing and lead a customer service team consisting of community and work experience volunteers to provide information about available resources, help households' complete applications and secure documentation needed to process applications. Initially, we plan to open sites in zip codes 20906, 20903 (Silver Spring) and 20877 (Gaithersburg) in February 2009. If successful, the Safety Net Team will be expanded later in FY09 to zip codes 20904, 20874 and 20850.

Other enhancements to prevention services:

- In December 2008, DHHS staff trained Regional Service Center Staff to provide information and referral services and help households complete applications for energy and rental assistance.
- The Housing Opportunities Commission (HOC) will provide an additional one-time-only \$500,000 from their allocation of Recordation Tax dollars in FY09 for emergency assistance. (County Council approval is pending).
- Flex funds will also be provided for homeless families remaining in the community who are receiving case management services from DHHS. These funds can be used for the express purposes of stabilizing current housing and preventing evictions. If at risk families or individuals are staying with friends or extended families, these flexible dollars may be used to stabilize these situations as well.
- The DHCA is collecting pending eviction writs from the Sheriff's office and initiating conversations with landlords to prevent evictions and change the rent payment schedules.

## 2. Assessment Services

- Retain the current configuration of three family emergency assessment shelters in lieu of converting one family shelter to a therapeutic diagnostic shelter. Given the increased need for emergency shelter beds, it is not possible to reduce the number of shelter beds. All beds are needed for emergency assessment services to support families and individuals who are at risk/vulnerable, not quite ready to live on their own.

## 3. Rapid Exit to Housing

- The Referral Review Team, comprised of select public and private Housing First Partners, reviews applications for the Housing Initiative Program (HIP). The role of this team has been expanded to review referrals for additional supportive housing programs in the continuum.
- In addition to two HOC Housing Locators, DHCA has assigned two staff to work on housing location functions. This is an additional effort to help HIP participants find housing and move rapidly from motels and shelters into permanent housing. The Housing Locators will engage in dialogue with landlords to negotiate arrangements and terms for homeless households.
- Increase the capacity among providers to offer service coordination to Housing First participants by exploring more attractive options to reimburse our partners who provide this service.
- Regional Service Center Staff will convene landlords willing to rent to homeless individuals and families to discuss the most effective ways of supporting at risk families and individuals to improve the likelihood of successful placements. These goals will be accomplished in partnership with Impact Silver Spring.
- Transitional Housing Providers will focus on serving households with acute service needs, such as mental illness or substance abuse issues. Transitional Housing Programs may refer households to the HIP program if they are within four months of the program length of stay limits and the family/individual is appropriate to move to Permanent Supportive Housing (PSH).
- Provide a case manager to the Family Stabilization Program operated by the National Center for Children and Families and the Dwelling Place with the provision that funding for the Dwelling Place will continue. This program is funded by the Department of Housing and Urban Development (HUD).
- Leverage an increase of 20 beds in the HUD funded Shelter Plus Care Program for homeless singles who are mentally ill by providing funding for a case manager for this program.

## Revised Montgomery County Housing First Plan

### Background

Housing First is an approach that centers on providing homeless people with housing quickly and then providing support services as needed to help maintain housing stability. What differentiates a Housing First approach from traditional emergency shelter or transitional housing approaches is that it is “housing-based,” with an immediate and primary focus on helping individuals and families quickly access and sustain permanent housing. This approach has the benefit of being consistent with what most people experiencing homelessness want and seek help to achieve. Housing First programs share the following critical elements.

- A focus on helping chronically homeless and hard-to-serve individuals and families access and sustain permanent rental housing that is not time-limited.
- The delivery of support services following a housing placement to promote housing stability and individual well-being. These services may be time-limited or long-term depending upon individual need.
- Housing is not contingent on compliance with services. Instead, participants must comply with a standard lease agreement and are provided with the services and supports necessary to help them successfully retain housing.

While all Housing First programs share these critical elements, program models vary significantly depending upon the population served. For people who have experienced chronic homelessness, there is an expectation that intensive (and often specialized) services will be needed indefinitely. The vast majority of homeless individuals and families do not experience chronic homelessness. Most often, they have experienced a housing or personal crisis that led them to seek help from the homeless shelter system.

For many years, the Montgomery County DHHS has provided grants to prevent evictions, as well as rental and energy assistance and has funded shelter operations to assist individuals and families who become homeless. These programs have helped thousands of individuals and families to either avoid homelessness or to regain economic stability. This chart with information from **FY07 [FY08]** shows the services provided by the Special Needs Housing (SNH) Service Area.

<b>FY 07/Services</b>	<b>Number of grants (or persons served)</b>
Homeless Prevention	6137 (Average Grant Amount \$473)
Home Energy Assistance	6,402 households served through home energy programs.
Rental Assistance	1,715 Shallow rental subsidy of up to \$200 a month 55 Deep Rental Subsidies
Emergency Shelter Services	579 families; 1,299 individuals
Transitional Shelter	345 single adults
Permanent Supportive Housing	193 family units; 352 singles units: Total 545 units
Supportive Housing Rental Assistance (FY08)	New in FY08: Provided deep rental subsidies to 67 special needs households.

<b>Services</b>	<b>Number of Grants or Persons Served</b>	<b>Number of Grants (or persons served) FY 2009 Year-to-Date through December 31, 2011</b>
<b>Crisis Intervention</b>	<b>5,911 grants</b>	<b>3,560 (includes Recordation Tax Grants)</b>
<b>Average Grant Amount</b>	<b>\$504</b>	<b>\$626 (includes Recordation Tax Grants)</b>
<b>Home Energy Assistance</b>	<b>9,043 applications received 5,236 households served</b>	<b>8,262 applications received</b>
<b>Rental Assistance</b>	<b>1,668 households (monthly average)</b>	<b>1,696 (monthly average)</b>
<b>Emergency Shelter Services</b>	<b>1,329 single adults; 183 families in family shelters, 317 in motel overflow</b>	<b>895 single adults, 91 families in emergency shelter, 488 in motel overflow</b>
<b>Transitional Shelter</b>	<b>365 single adults</b>	<b>285 single adults</b>
<b>Permanent Supportive Housing throughout the County</b>	<b>155 Families; 366 Singles Total 521 Households Served</b>	<b>190 families, 301 single adults</b>
<b>Housing Initiative Program</b>		<b>20 Households</b>
<b>Supportive Housing Rental Assistance Program (SHRAP)</b>	<b>67 Households</b>	<b>67 Households</b>

In spite of these efforts Montgomery County's annual Point-In-Time Survey of homelessness shows an annualized unmet housing need for 1,232 individuals and families. To meet this need, the County needs to increase the number of affordable rental units, provide funding for rental subsidies to enable very low income households to access rental housing and provide case management to support housing stability for the special needs population.

To address these unmet housing needs through the Housing First Initiative, the Montgomery County Council has approved \$4.5 million from the Housing Initiative Fund. An additional estimated ~~\$850,000~~ **[\$785,000]** from Recordation Tax Revenues has also been approved to augment the current prevention efforts.

The Montgomery County's Housing First Model focuses on:

- serving the special needs population, including homeless families with children and chronically homeless single individuals with disabilities, such as serious mental illness and chronic substance abuse;

- employing the use of assertive outreach to engage and offer housing to homeless individuals who are reluctant to enter shelters or engage in services;
- using a low-demand approach to accommodate individual behaviors so that “relapse” will not result in loss of housing, but will identify other ways to seek compliance;
- identifying best practices to engage and motivate families to comply with rules to avoid eviction or a return to homelessness;
- providing continuous on-going periodic assessment as part of service coordination;
- ensuring that any family with an assessment through the Assessment Shelter is eligible for placement in a housing unit, regardless of where they are currently staying;
- providing case management and holding housing for residents, even if they leave their supportive housing program for short periods; and
- using a scattered site approach to provide housing in all neighborhoods throughout the County which includes a mix of county and privately owned independent homes and apartments secured through a network of landlords, brokers, and managing agents.

The following strategies are the result of collaborative discussions between DHHS, HOC and DHCA staff and Family and Single Adult Shelter providers. This group reviewed the current homeless services systems and determined what is needed to implement a Housing First Model that is aligned to the current homeless Continuum of Care (CoC). These strategies require the redeployment of existing resources and adding new resources to reduce the length of stay in homelessness for individuals and families. The primary focus is the rapid exit of individuals and families from homelessness and the achievement of permanent stable housing.

#### **1. Homeless Outreach and Intake**

- Develop and implement an assertive outreach program to engage and offer housing to homeless individuals who are reluctant to enter shelters or engage in services.

Assertive outreach teams engage homeless persons living in campsites, public areas and other places not meant for human habitation. Outreach to the chronically homeless who frequently have serious mental health and chronic substance issues is key to their successful placement into PSH. Homeless individuals seek services through multiple channels, which include the Crisis Center, outreach and day programs, Aging and Disability Services and other DHHS intake points. Families seek services primarily through the three regional Housing Stabilization Services offices. Referrals for assessment and

appropriate shelter will continue to be made for individuals and families through these central intake points.

- Maintain current programs that assess individuals and families who present as homeless.

## 2. Homeless Prevention

- **As a result of the economic downturn, the Housing First Plan is placing greater emphasis and resources on preventive services and on closer collaboration with the Neighborhood Safety Net Initiative. This is in order to bring emergency assistance (food, clothing, energy assistance) and entitlement programs (food stamps, medical assistance, temporary assistance to families in need) to those neighborhoods most impacted by the current economic downturn. The revised Housing First Plan incorporates several components of the Neighborhood Safety Net Initiative and will:**
- **Develop mobile teams called Safety Net Teams in zip code areas at greatest risk to provide a streamlined application process to ensure that households utilize available resources for emergency assistance before becoming homeless. The mobile team includes DHHS staff from Emergency Services and Income Supports, housing counseling staff from the DHCA, and representatives from PEPCO and Washington Gas.**
- **Provide volunteer recruitment, training and placement and lead a Customer Service Team consisting of community and work experience volunteers to provide information about available resources. These volunteers from The Emergency Assistance Coalition and other volunteer networks will help at risk households' complete applications and secure documentation needed to process applications. Initially, sites will operate in zip codes 20906, (Silver Spring), 20912 (Silver Spring at the TESS Center), and 20877 (Gaithersburg) beginning February 2009. If successful, the Safety Net Team will expand to serve zip codes 20904, 20874 and 20850.**
- **Train Regional Service Center Staff to provide information and referral services and help households complete applications for energy and rental assistance. (Training provided by DHHS staff.)**
- **Increase the amount of funding available for short-term subsidies to maintain and stabilize homeless families and single adults at risk of homelessness. The HOC is willing to provide an additional one-time-only \$500,000 from their allocation of Recordation Tax dollars in FY09 for emergency assistance. (Proposal is before County Council pending approval).**

- **Provide flex funds for homeless families remaining in the community who are receiving case management services from DHHS. Use these funds for the express purposes of stabilizing current housing and diverting these families from the shelter/motel system. If at risk families or individuals are staying with friends or extended families, flexible dollars may be used to stabilize these situations as well.**
- **Collect pending eviction writs from the Sheriff's office and initiate conversations with landlords to prevent evictions and change the rent payment schedules. DHCA will take the lead in discussions with the landlords.**
- **Maintain current Housing Stabilization programs that provide emergency assistance and housing supports to stabilize housing. These programs prevent thousands of households each year from falling into homelessness and include:**
  - **Emergency grants to prevent eviction and utility cutoffs**
  - **County Rental Assistance (shallow subsidies)**
  - **Home Energy Programs (assistance with home heating and electricity)**
- **Add Recordation Tax dollars to support emergency assistance and housing supports to stabilize housing by using a Total Tenant Payment approach.**
- **Redeploy three current social work staff to create a Prevention Assessment Team (PAT). The team will:**
  - **determine what resources are needed to keep individuals and families in stable housing;**
  - **make referrals to appropriate support services for mental health, substance abuse, employment and income supports; and**
  - **provide 90 days of case management to families who are in imminent danger of losing housing.**
- **Establish a Supportive Services Team to provide one central intake point to determine eligibility for Emergency Assistance to Families with Children (EAFC), Temporary Disability Assistance to Persons (TDAP), Maryland Energy Assistance Program (MEAP), Electric Universal Services Program (EUSP), food stamps and other financial supports.**

### **3. Assessment Shelter**

- ~~**Convert two of the three current family shelters and all emergency shelters for individuals to Assessment Shelters.**~~
- **Convert the three current family shelters and all emergency shelters for individuals to Assessment Shelters. The goal is to assess individuals and**

**families and place them in the community in permanent housing within 30 days.**

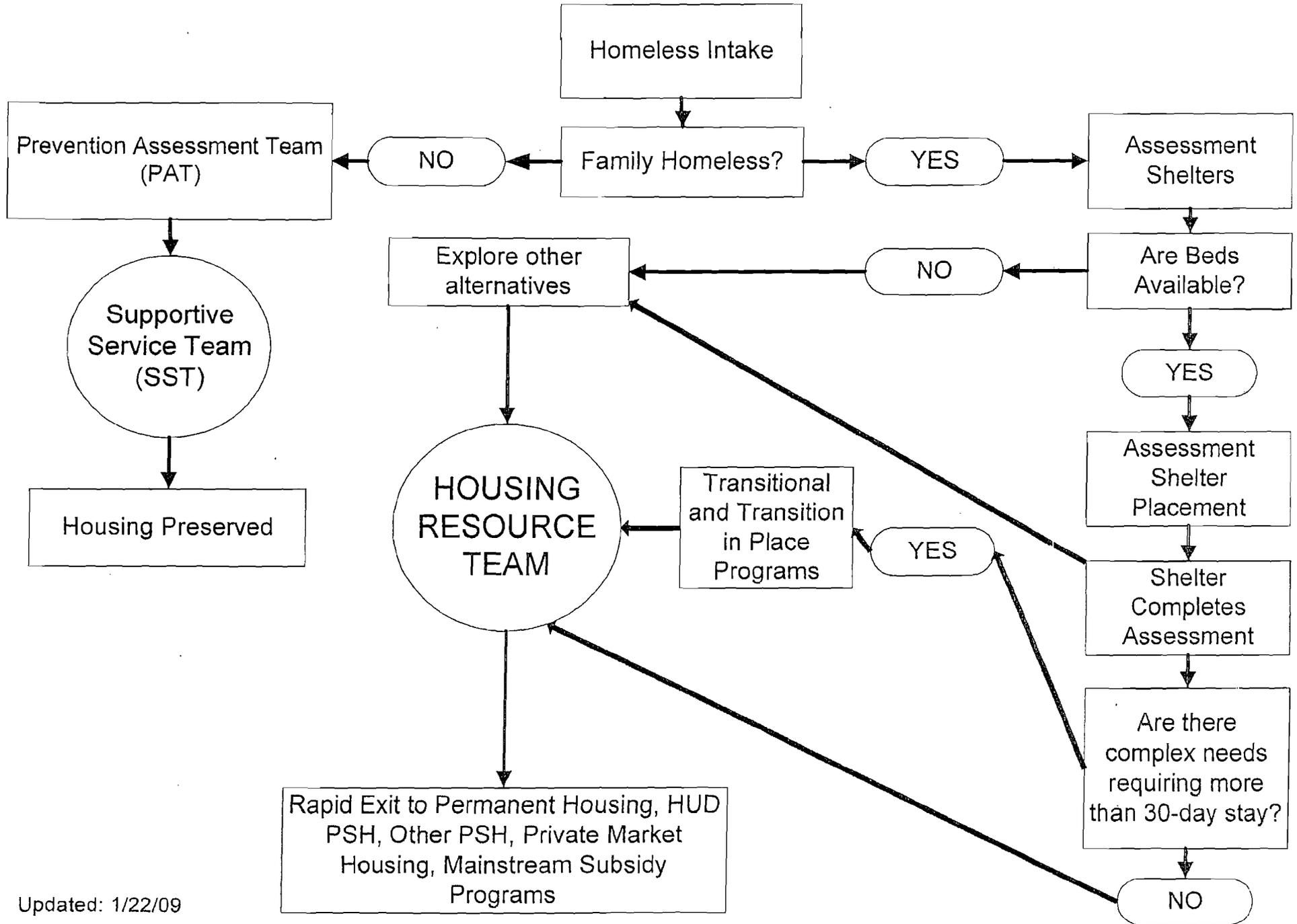
- If family shelters are full, alternative community placement will be sought including any “family or friend” resources that the homeless household may identify. If all else fails, a motel placement will be made to ensure that no family is on the street.
- Individuals or families with complex needs such as substance abuse treatment and severe mental health symptoms may be placed in a transitional shelter for up to 24 months. The target population for transitional programs will shift to those households with more acute needs that prevent their immediate placement into permanent supportive housing.
- ~~Convert one of the three family shelters to a Therapeutic Diagnostic Shelter to house families for up to 9 months with complex issues that prevent their rapid exit to permanent housing.~~

#### **4. Rapid Exit and Permanent Housing**

- Create a Housing Resource Team (HRT) to locate housing, facilitate leasing processes and manage referrals. This team will assist individuals and families with rapid exit regardless of where they are within the homeless continuum. The team will consist of case management staff and staff with expertise in locating housing resources. On-going assessment will continue as part of service coordination once the family is housed.
- **Expand the Referral Review Team reviewing applications for the Housing Initiative Program (HIP) program to include referrals to all other available housing programs.**
- **Enhance the efforts of the two HOC Housing Locators, by assigning two DHCA staff to housing location functions to assist HIP participants find housing, move from motels and shelters into permanent housing. The Housing Locators will engage in dialogue with landlords to negotiate arrangements and terms for homeless households.**
- **Convene landlords willing to rent to homeless individuals and families and help them develop strategies leading to successful placements of at risk households. This function will be performed by the Regional Service Centers.**
- **Allow Transitional Housing Programs to refer households to the HIP program if they are within four months of the program length of stay limits and the family/individual is appropriate to move to PSH.**

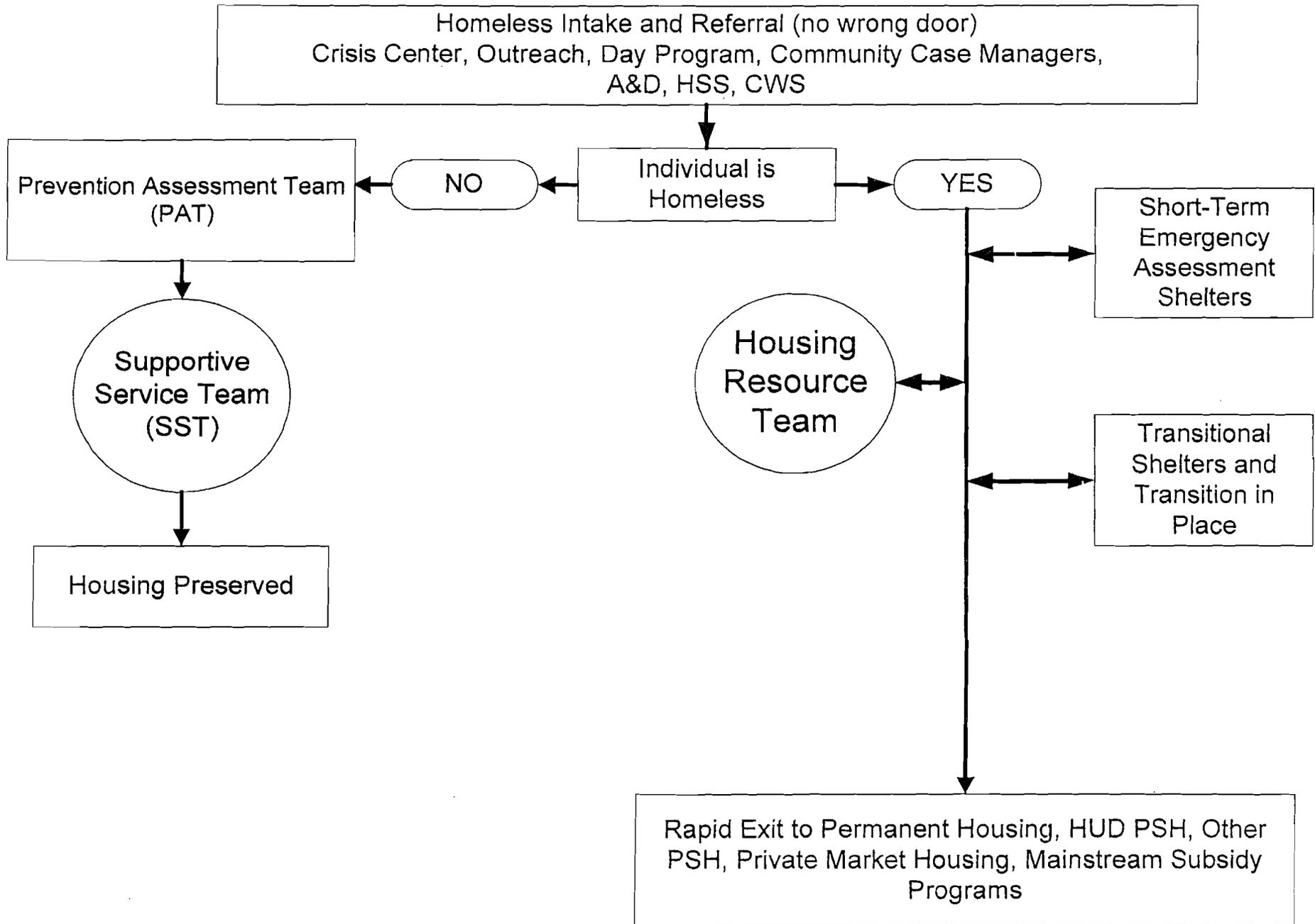
- **Provide a case manager for the Family Stabilization Program operated by the National Center for Children and Families and the Dwelling Place with the provision that funding for Dwelling Place will continue. HUD funds this program.**
- **Focus Transitional Housing Providers resources on serving households with acute service needs, such as mental illness or substance abuse issues.**
- **Leverage an increase of 20 beds in the HUD funded Shelter Plus Care Program for homeless singles who are mentally ill by providing funding for a case manager for this program.**
- Provide for wrap around supports to include, mental health services, substance abuse, domestic violence prevention, co-occurring disorders and any other service need. These resources may be identified from systems other than the homeless continuum.
- Increase the number of affordable rental units by expanding the number of deep subsidies available for income eligible individuals and families.
- Develop more housing units owned by non-profits, the County and the HOC to increase the number of units available for those with special needs and those who do not qualify for federal, state, or county regulated programs and subsidies.

# Family Shelter Services Flow Chart



Updated: 1/22/09

# Single Individual Shelter Services Flow Chart



Updated: 6/11/08

## Explanation of Montgomery County Family Housing Services Flow Chart:

### Homeless Intake

Family presents as homeless at Housing Stabilization/Emergency Services locations

- ◆ Social worker assesses shelter needs of family.
- ◆ If family has alternative housing options (i.e. staying with friends or other family), referral made to **Prevention Assessment Team (PAT)**.
- ◆ If family has no alternative housing options, referred to the assessment shelter.

*Staffing Required:*

- *Maintain current staff of three Social Workers III's*

### Homeless Prevention

#### ◆ **Prevention Assessment Team (PAT)**

Continue the current Housing Stabilization programs to prevent eviction and utility cut offs, County Rental Assistance providing shallow subsidies, Office of Home Energy Programs (OHEP) providing assistance with home heating and electricity for income eligible households. These programs prevent thousands of households each year from falling into homelessness. Provide 90 days of case management to families who are in eminent danger of losing housing.

- Determines resources required to keep family stabilized and housed, such as:
  - Emergency Services (ES) grants to prevent eviction.
  - Short-term rental assistance subsidies
  - Referrals to support services for mental health, substance abuse, employment, child care, and income supports.
- Provides 90-day case management to families whose crisis may result in eminent homelessness. If family cannot be stabilized within 90 days, alternative case management plan must be developed.

*Staffing Required:*

- *Reassign three Social Workers from Housing Stabilization/Emergency Services to the PAT.*

- ◆ **Supportive Services Team** will determine eligibility for Emergency Assistance for Families with Children, (EAFC), Energy Assistance Programs, the Temporary Cash Assistance Program (TCA), food stamps, childcare subsidies and other income supports.
  - Team members will include Income Support Specialist staff from SNH and Children, Youth and Family Services (CY&F)
  - Team will facilitate a central and expedited response to emergency needs and ongoing financial supports.

*Staffing Required:*

- *Using existing staff from SNH and CY&F to develop a team that will provide clients with a central place to access the multiple financial supports they need to stabilize their housing and prevent homelessness.*

**Homeless Assessment Shelter**

- If the family is homeless at intake, the family will be referred to an Emergency Assessment Shelter. The focus of all Emergency Assessment Shelters will be on comprehensive assessments and rapid exit to permanent housing. Case management efforts will focus on quickly transitioning clients to stable housing using all available resources, including subsidies and one-time grants.
- ◆ Convert ~~two of the~~ three current family shelters to Assessment Shelters.
- ◆ Families will be placed at the Assessment Shelter for up to 30 days if beds are available.
- ◆ Families will be placed in the community if no Assessment Shelter beds are available. Families that complete a 30-day assessment and are awaiting a housing placement may also be placed at a motel to free assessment beds for incoming families.
- ◆ **~~Families with complex needs requiring more than a 30-day stay will be placed in a Therapeutic Diagnostic Shelter for up to 9 months before being referred to permanent housing.~~**
- ◆ Case Management for homeless families at the Assessment Shelters will be provided by the Shelter Staff.
- ◆ Case management to homeless families placed in the community will be provided by two social workers from Housing Stabilization/Emergency Services

*Staffing Required:*

- *Shelter provider contracts will need additional financial resources to provide assessments and case management for families while in shelter.*
- *Existing social work staff in Housing Stabilization/Emergency Services will provide motel case management.*

**Therapeutic Diagnostic Shelter**

- ~~In the Family Homeless Services system, a family shelter will be converted from an emergency shelter to a family therapeutic/diagnostic shelter. This facility will be used to house families with complex issues that prevent their rapid exit to permanent housing. A minimum of two additional case managers will be required to enable this facility to function as a therapeutic/diagnostic shelter with an estimated length of stay up to 9 months.~~

*Staffing Required:*

- ~~Additional financial resources will be required to convert an emergency shelter into a therapeutic/diagnostic facility. (Contracted Services)~~

**Rapid Exit to Housing**

Create a **Housing Resource Team (HRT)** to locate housing, facilitate the leasing process and manage housing referrals.

- ◆ The HRT will consist of DHHS case management staff, a Clinical Resource Coordinator, two Housing Locators and a shelter case manager.
- ◆ The HRT will assist families with rapid exit regardless of where the family is within the homeless family continuum – motel or assessment shelter ~~or Diagnostic Therapeutic Shelter.~~ On-going assessment will be provided once the family is housed.

*Staffing Required:*

- *Additional financial resources will be required to contract for housing locator services.*

## Explanation of Montgomery County Single Individual's Housing Services Flow Chart:

### Homeless Outreach and Intake

Homeless individuals seek services through multiple channels, the Crisis Center, outreach and day programs, other DHHS services such as Housing Stabilization Services, Aging and Disability Services, and other service providers in the community. There is a "no wrong door" philosophy. Assessments are first performed at the referral level. Outreach programs will be enhanced to target homeless individuals who are reluctant to enter shelters or engage in services.

The individual, based on needs and program requirements, may be referred directly to an emergency assessment shelter, transitional shelter, or directly to permanent supportive housing. The goal for emergency assessment shelters and transitional housing is to enable the individual to rapidly exit to permanent housing.

If the individuals have housing that can be preserved, they will be referred to the PAT.

#### *Staffing Required:*

- *Two (2) Outreach workers (Contracted Services)*

### Homeless Prevention

#### ◆ **Prevention Assessment Team (PAT)**

- Determines resources required to keep individual stabilized and housed, such as:
  - Emergency Services (ES) grants to prevent eviction.
  - Short-term rental assistance subsidies
  - Referrals to support services for mental health, substance abuse, employment, and income supports.
- Provides 90 day case management to individuals whose crisis may result in eminent homelessness. If individual cannot be stabilized within 90 days, alternative case management plan must be developed.

- ◆ **Supportive Services Team** will determine eligibility for, and make referrals to, other income support programs, including Emergency Assistance to Families with Children (EAFIC), Temporary Disability Assistance Program (TDAP), Prescription Assistance Program, Supplemental Social Security Income (SSDI), Home Energy Programs and food stamps.

### **Homeless Assessment Shelter**

- ◆ Convert current Emergency Shelters to Assessment Shelters.
- ◆ Individuals will be placed at the Assessment Shelter for up to 30 days if beds are available.
- ◆ Individuals with complex needs such as substance abuse treatment and severe mental health symptoms may be placed in a transitional shelter for up to 24 months.
- ◆ Transitional shelters provide safe, temporary housing for the hardest to place homeless families and individuals, especially those with special needs, such as substance abuse and mental illness, or those who do not qualify for federal or state subsidies.

### **Rapid Exit to Housing**

- ◆ The **Housing Resource Team (HRT)** will work to locate housing, facilitate leasing process and manage referrals throughout the continuum.

## **Housing First Program Measures**

### Prevention

- Percent of households receiving emergency services grants and 90 days of case management that remain housed for 6 months from grant receipt.
- Percent of households receiving emergency services grants and 90 days of case management that remain housed for 12 months from grant receipt.

### Length of Stay

- Percent of decrease in length of stay by homeless households in shelter.
- Percent of homeless households entering shelter who were placed in permanent housing.

### Stability in Permanent Housing

- Percent of households re-entering the homeless system within one year.

### Quality Services Review (QSR)

- Did wrap around services contribute to the stability of the households participating in the Housing First Program?

PHED/HHS COMM #1  
April 27, 2009

**ADDENDUM**

**M E M O R A N D U M**

April 27, 2009

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

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **Worksession: FY10 Recommended Operating Budget – Housing First - Use of Recordation Tax that is dedicated to rental assistance for low and moderate income households – HOC Rent Supplement Program and DHHS Emergency Grants – funded through Housing Initiative Fund**

**Background**

As a part of the joint Council's actions on the FY09 budget, it was decided that the portion of the Recordation Tax that must be used for rental assistance for low and moderate income households would be used for a rent supplement program at the Housing Opportunities Commission and for emergency rental assistance provided through the Department of Health and Human Services. The amount of Recordation Tax appropriated to the Housing Initiative Fund (HIF) for FY09 was \$2.615 million. The original FY09 appropriation resolution for the County Government included the following language:

*This resolution appropriates one half of the net revenue attributable to the increase in the rate of the recordation tax enacted in Bill 11-07, Recordation Tax – Rate, to the Housing Initiative Fund. Seventy percent of these funds must be used to create a local housing voucher program and 30% must be used for short-term emergency rental assistance.*

The Committee held a session in July on HOC's use of the monies for the Rent Supplement Program (RSP). The Rent Supplement Program is a project based subsidy.

- Eligible households earn between 20% and 40% of area median income (this would be between about \$20,000 and \$40,000 for a family of four).

- Households have substantial rent burdens and are at risk of eviction or homelessness. The goal of the subsidy is to reduce a household's rent burden to about 30%. Households currently in the program had rent burdens of between 40% and 60%. The average rent burden for participants is currently 38%.
- The monthly subsidy can be up to \$600 per month but the average subsidy is \$350 per month.
- There is an annual recertification process.

In February, the Committee heard from DHHS about how the economic downturn had significantly increased the need and demand for emergency services. DHHS Director Ahluwalia informed the joint Committee that emergency funds could be depleted by March or April. As there was start up time required for HOC to implement the new Rent Supplement Program, HOC recognized that it would not expend all the Recordation Tax revenues that were to be made available for the Rent Supplement Program in FY09. There was agreement that \$500,000 in FY09 Recordation Tax revenues should be shifted from the HOC Rent Supplement Program to DHHS emergency services.

On February 24, 2009 the Council adopted the following amendment to the operating budget resolution.

*This resolution appropriates one half of the net revenue attributable to the increase in the rate of the recordation tax enacted in Bill 11-07, Recordation Tax – Rate, to the Housing Initiative Fund. For FY09, this amount is projected to be \$2,615,000. Of this amount, \$1,330,000 will be transferred to the Housing Opportunities Commission to support the Rent Supplement Program and \$1,285,000 may be used by the Department of Health and Human Services for emergency rental assistance.*

### **Update on Rent Supplement Program**

HOC has provided an update on the Rent Supplement Plan which is attached at © 1-9. The information indicates that as of April, 199 households are participating in the program (© 1). A majority of households are in one bedroom apartments (© 4). Just under one-half the adult participants are aged 50 or older and just under one-half are under age 50 (© 3). The distribution of the level of subsidy is at © 9.

Previous information indicated that HOC expected to serve 375 households in this program and this would include any of the 147 households currently in the Rent Supplement Incentive Program that are eligible under the guidelines for the new RSP. The new information indicates that HOC expects to be able to serve up to 456 households in the program. Council staff suggests the Committee discuss with HOC why they expect to serve so many more households than originally estimated. Council staff is concerned that monies not be overcommitted in the long term, given the likelihood that rents will rise during the five year period.

The Rent Supplement Plan is a homelessness/eviction prevention program. While this main purpose should remain in place, Council staff also suggests the Committee discuss whether any of the families that are either in motels for family shelters might eventually be housed through this program. While the RSP is not a not a deep subsidy with case management supports, it may be appropriate for some of the families who have become homeless through a substantial loss in income but not complete job loss. Council staff is not clear whether landlords are being asked to commit any currently vacant units to the program that could house currently homeless families.

### **FY10 Budget Actions – Committee Recommendations Required**

The County Executive is recommending \$3.047 million from Recordation Tax revenues be appropriated to the Housing Initiative Fund for FY10. This is an increase of \$432,000. This portion of the Recordation Tax has remained strong even in the face of the downturn in the real estate market and therefore an increase is expected. In addition, the amount to be collected in FY09 will exceed the \$2.615 appropriate to the HIF for FY09.

Council staff recommends approval of the \$3.047 million as recommended by the Executive. **The question facing the joint Committee is how the funds should be allocated.** HOC's fiscal plan provided last July (© 10) assumes that \$1.890 million will be available from Recordation Tax in FY10.

- The Committee could recommend language that would allocate \$1.890 million in FY10 to HOC for the RSP and designate the remaining \$1.157 million for emergency rental assistance. It is highly likely that the need for emergency assistance will remain high in FY10.
- The Committee could retain its initial goal that 70% be used for rental subsidies. This would be \$2.133 million for FY10. All these funds could be used by HOC or the \$243,000 that is above the \$1.890 million expected for the RSP program could be allocated to another subsidy program such as the Housing Initiative Program or the Partnership for Permanent Housing. This would increase the long-term commitment being made for rent subsidies from the HIF. Under this option, \$914,000, or 30% of the \$3.047 million, would be available for emergency assistance.

4/24/2009



## RENT SUPPLEMENT PROGRAM

### Objectives

The Rent Supplement Program (RSP) utilizes Recordation Tax Funds to provide a rent subsidy to households with incomes between 20-40% of the Area Median Income (AMI) as a means to prevent homelessness and sustain housing for vulnerable individuals and families. Up to \$600 per month (average \$350 per month per household) is the maximum subsidy level provided to households residing in multi-family developments throughout the County. The subsidy level ensures that the rent burden will be sustained at approximately 30% of Gross Household Income (GHI). Payments are made directly to landlords on behalf of qualified households residing in their properties. The program requires a contract between property owners and HOC. RSP cannot be combined with Federal subsidies such as Housing Choice Vouchers.

### RSP Goals

- prevents homelessness of very economically vulnerable individuals and families
- stabilizes families in affordable housing
- increases the number of affordable housing units in the County
- reduces the level of County resources allocated for services to the homeless

### Process

- HOC enters into contractual arrangements with local landlords to serve no more than 20% of their resident population.
- Landlords identify their residents who appear to have excessive rent burdens and are in jeopardy of losing their housing.
- HOC staff mail, email or hand-deliver a complete package outlining the RSP eligibility criteria, determination and approval process.
- HOC screens completed applications and checks income to determine eligibility for RSP. The appropriate subsidy level is determined.
- An annual recertification is required to continue with the program.

### Effectiveness

The program currently serves 199 individuals and families in 21 properties as of April 20, 2009. HOC estimates five additional multi-family properties will join RSP by fiscal year's end. HOC will ensure that the budgeted level will not be exceeded in serving as many as 456 households (the projected number by end of FY09). **(See Chart A)**

### Demographics

The attached charts provide information related to age, bedroom size, average rent burden, race and ethnicity, source of income. To date, participating households with the subsidy pay on average 38% in rent burden. Prior to the program, rent burdens ranged from 40% - 60%. Utility costs increased the rent burden even higher.

# CHART A

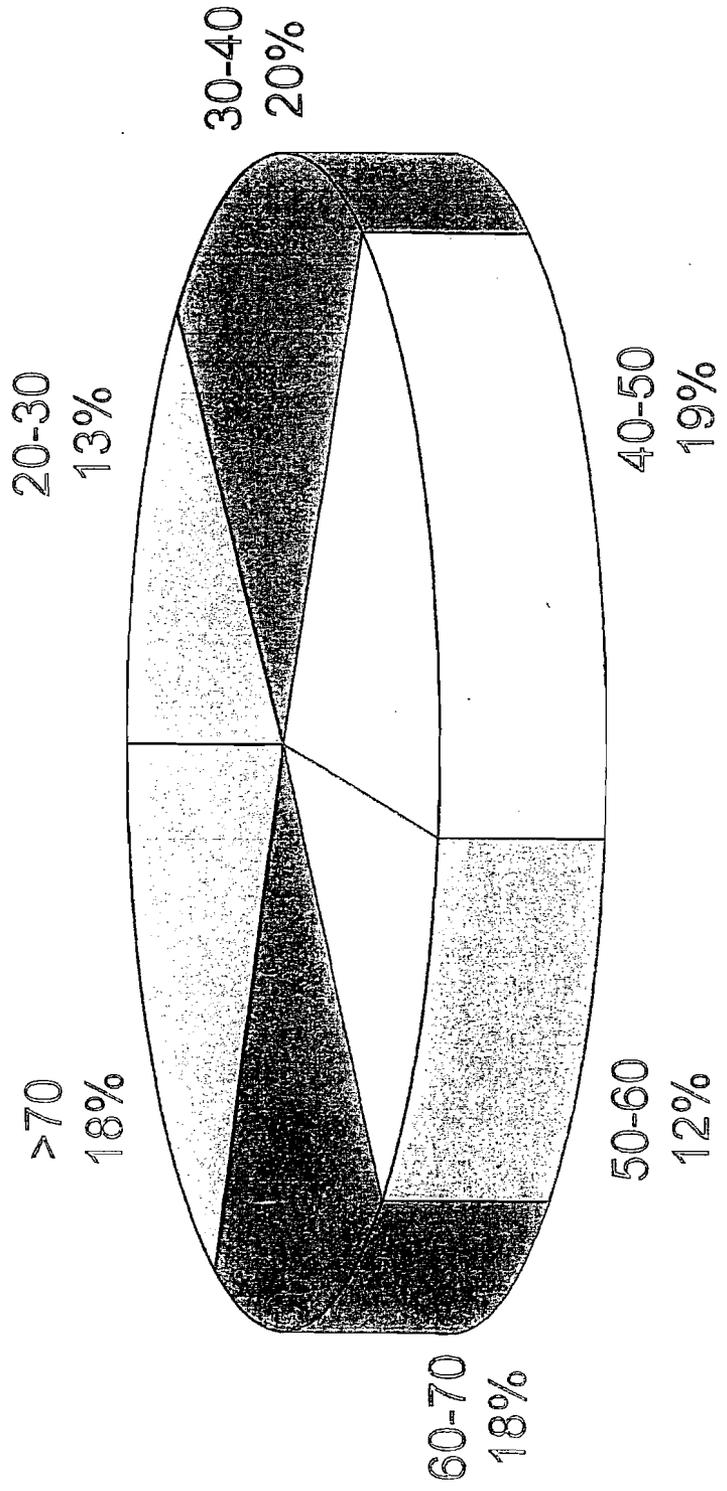
## Participants and Expense Analysis & Projections November 2008 - June 2009

Property	Actual Participants per Month						Projections			Total Projections	Total Actual &
	Nov.	Dec.	Jan.	Feb.	March	April 1-15	April 16-30	May	June		
1 Aspen Hill	0	0	0	2	3	7	5	0	5	10	17
2 Charter House	0	0	0	0	26	26	4	0	0	4	30
3 Crestwood	0	0	0	0	12	12	5	5	0	10	22
4 Deer Park	0	0	0	0	2	2	2	2	2	6	8
5 Diamond Square	0	0	8	8	8	8	1	1	0	2	10
6 Executive Gardens	0	0	0	0	0	6	5	3	0	8	14
7 Fox Run	5	10	10	12	12	13	0	3	3	6	19
8 Greenhill Apartments	0	0	0	0	0	0	4	4	3	11	11
9 Mapleview Apartments	0	0	0	0	1	4	8	8	0	16	20
10 Montgomery Paint Branch II (Projected)	0	0	0	0	0	0	0	15	10	25	25
11 Montgomery Paint Branch III (Projected)	0	0	0	0	0	0	0	10	10	20	20
12 The Oaks @ 4 Corners	0	7	22	22	22	22	2	0	0	2	24
13 Paddington	0	2	2	4	5	6	5	5	5	15	21
14 Parkview Towers	0	0	0	7	7	13	7	5	0	12	25
15 Scotland Community	0	0	0	0	0	3	0	0	0	0	3
16 Summit Crest	0	0	0	0	0	18	10	10	0	20	38
17 Tanglewood	0	6	8	9	9	12	3	3	3	9	21
18 Whetstone	0	0	0	0	0	4	5	7	0	12	16
19 White Oak Gardens	0	0	0	0	9	11	5	6	5	16	27
20 Windsor Court & Towers	0	0	0	11	11	12	3	3	6	12	24
21 Woodleaf	0	11	11	13	16	20	5	2	5	12	32
<b>Cumulative Total Served</b>	<b>5</b>	<b>36</b>	<b>61</b>	<b>88</b>	<b>143</b>	<b>199</b>	<b>79</b>	<b>92</b>	<b>57</b>	<b>228</b>	<b>427</b>

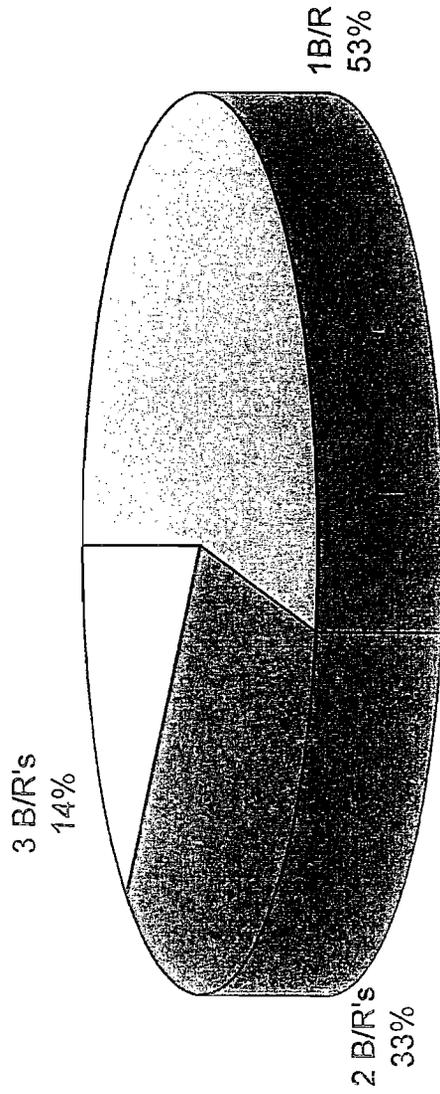
Subsidies	Actual Expenses						Total To Date	Projections			Total Projections	Total Actual & Projections
	Nov.	Dec.	Jan.	Feb.	March	April 1-15		April 16-30	May	June		
	747.00	9,230.00	15,028.00	34,900.00	59,000.00	65,536.00	184,441.00	59,536.00	154,288.00	180,881.00	394,705.00	579,146.00
Administrative	8,197.00	8,587.00	10,929.00	10,929.00	10,929.00	10,929.00	60,500.00	0.00	10,929.00	10,929.00	21,858.00	82,358.00
<b>Total Operating Expense</b>	<b>8,944.00</b>	<b>17,817.00</b>	<b>25,957.00</b>	<b>45,829.00</b>	<b>69,929.00</b>	<b>76,465.00</b>	<b>98,547.00</b>	<b>59,536.00</b>	<b>165,217.00</b>	<b>191,810.00</b>	<b>416,563.00</b>	<b>661,504.00</b>

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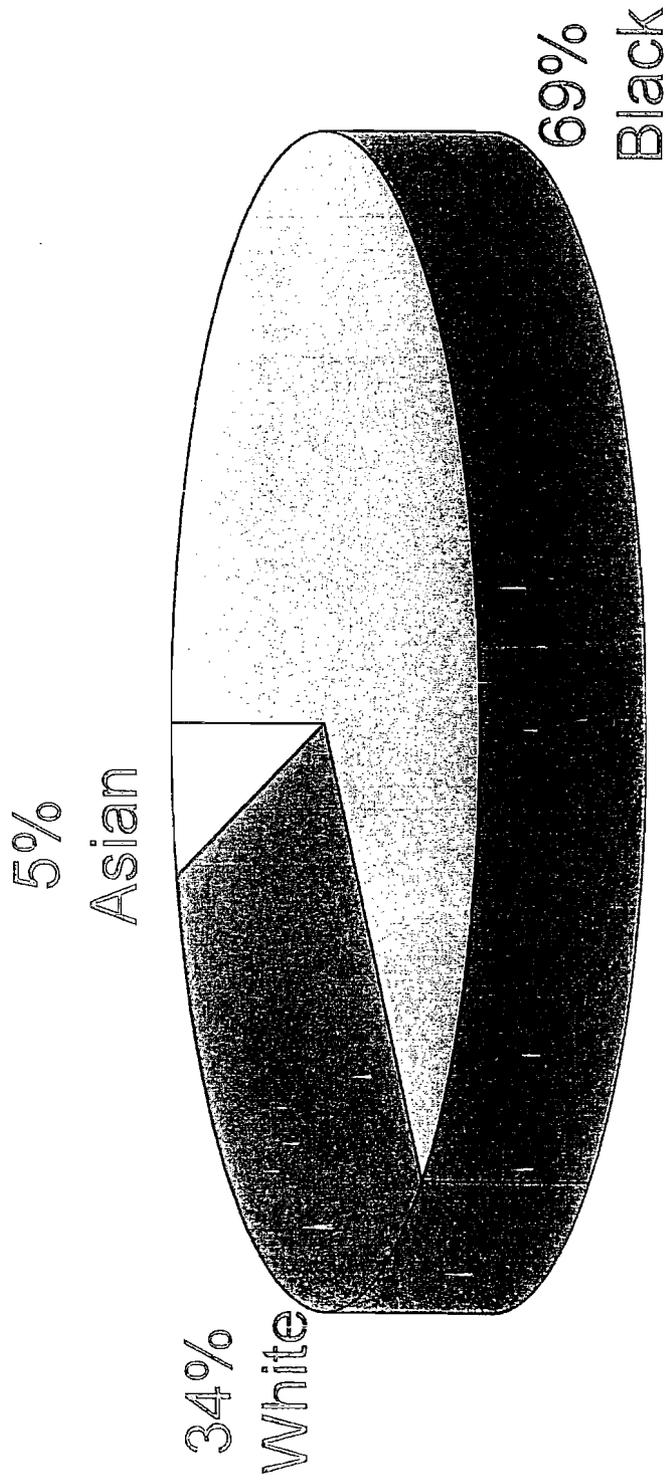
# Age Classification



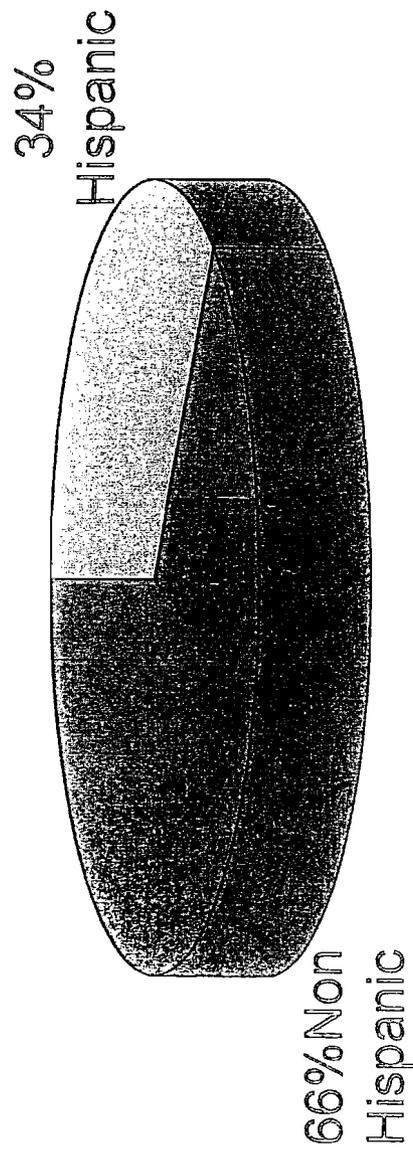
# Average Bedroom Size



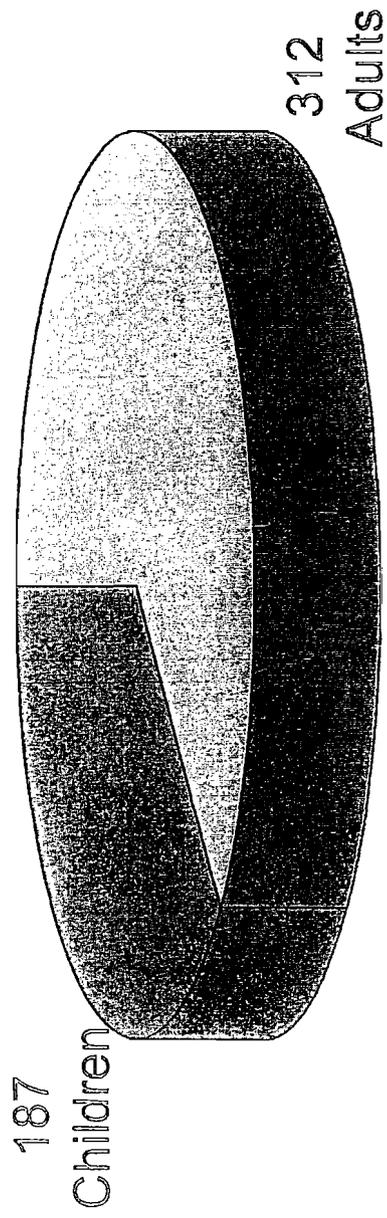
# Race Percentages



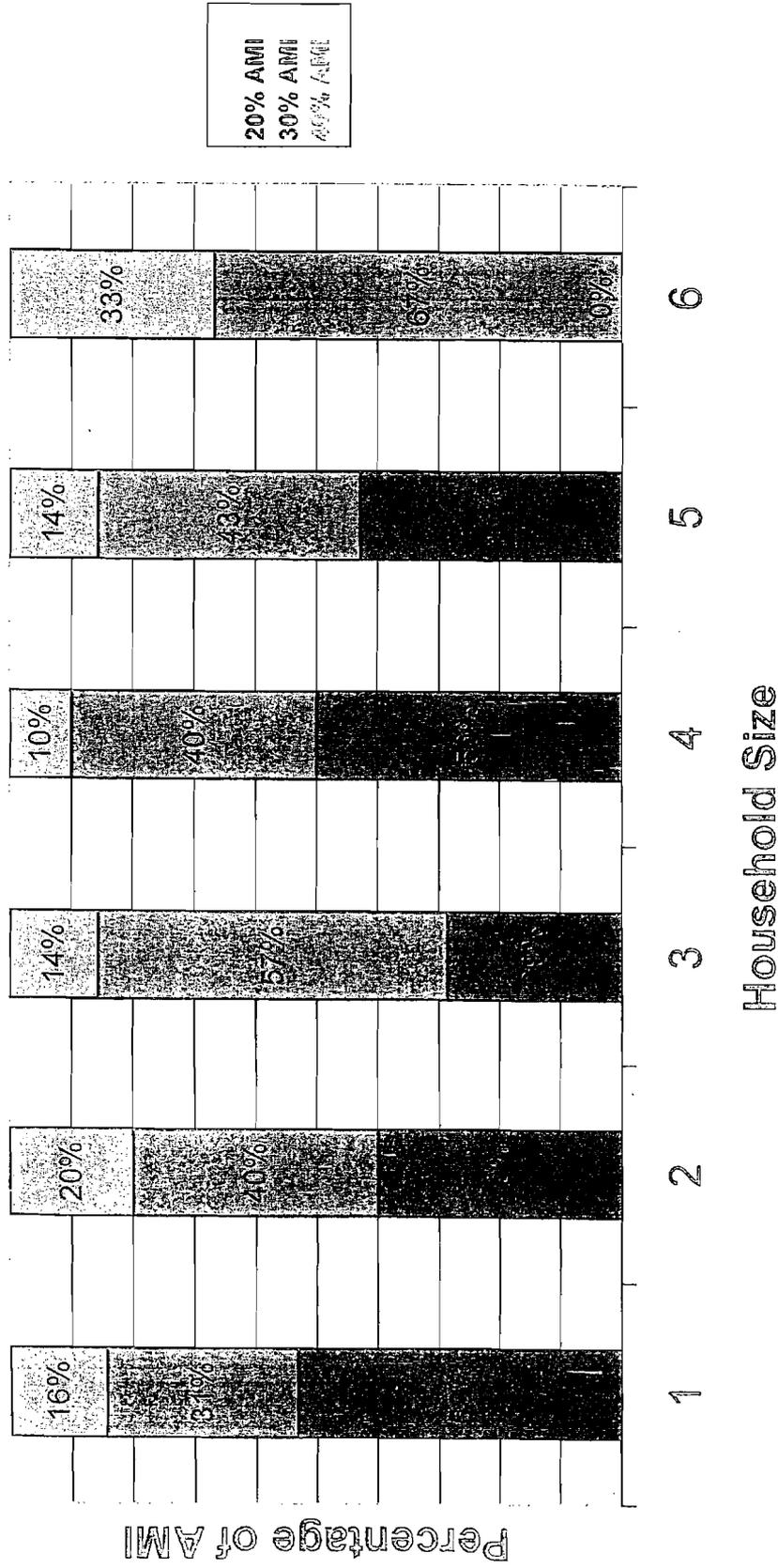
# Ethnicity



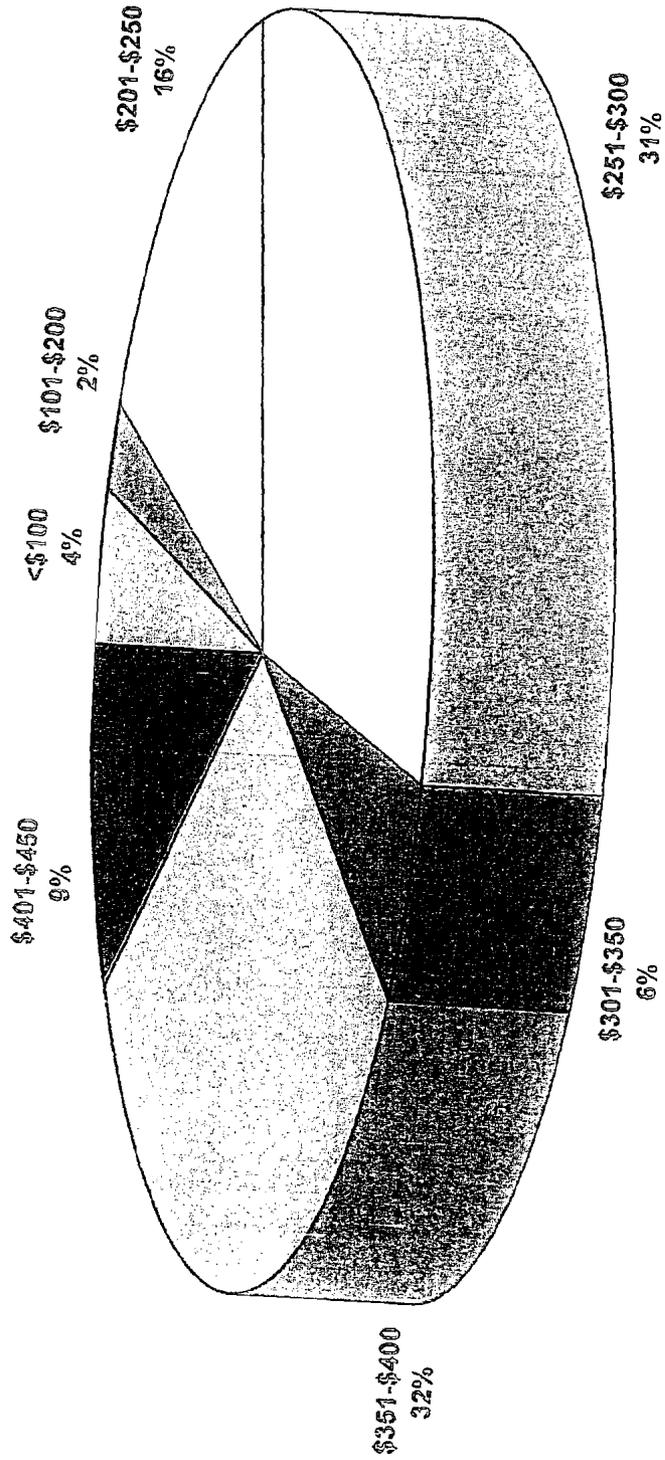
Household Make-up



# Income Analysis



# Rent Subsidy Analysis



# MONTGOMERY COUNTY RENTAL SUPPLEMENT PROGRAM

## Sources and Uses of Funds for Current RSP and new local rental assistance programs

Assumption: 1.8M in Recordation revenue

Fiscal Year	REVENUE							EXPENSES								Total Expenses	FY Ending Balance
	Beginning Fund Balance	McHome Interest	DHCA Program Commitment	Recordation Revenue	Bank Interest Received	HOC-Admin Fee	Total Revenue	RSIP Charge-Off	HOC-Admin Fee	New Costs RSP (Staff and overhead)	Montg. Paint Branch II	Montg. Paint Branch III	Woodleaf	Fox Run	FY08 - New Units Proposed (See Notes)		
2008	496,460	42,717	0	0	1,000	0	540,177	9,323	26,640	0	85,000	114,365	158,180	92,500	0	486,008	54,169
2009	54,169	42,717	432,968	1,800,000	1,000	26,640	2,357,494	0	26,640	103,796	121,042	155,861	223,013	203,517	1,259,700	2,093,569	263,926
2010	263,926	42,717	262,779	1,890,000	1,000	26,640	2,487,062	0	26,640	108,986	142,500	182,400	262,200	250,800	1,259,700	2,233,226	253,836
2011	253,836	42,717	21,045	1,984,500	1,000	26,640	2,329,738	0	26,640	114,435	142,500	182,400	262,200	250,800	1,259,700	2,238,675	91,063
2012	91,063	42,717	0	2,083,725	1,000	26,640	2,245,145	0	26,640	120,157	142,500	182,400	262,200	250,800	1,259,700	2,244,397	748

Note: \$475/month subsidy begins October 1, 2009.

Note: 1. \$475/month subsidy begins when current contracts expire.

2. FY08 - New Units Proposed

- FY09 Units = 221

- FY11 Units = 221

- FY10 Units = 221

- FY12 Units = 221

Current Termination of Payments

25 MPBII Expires 07/03/2009

32 MPBIII Expires 10/30/2010

46 Woodleaf Expires 11/04/2009

44 Fox-Run Expires 06/30/2010

### Staff and Overhead Costs

1 Program Specialist (Grade 20)	\$60,318
Other Personnel & Program Support	43,478
	<b>\$103,796</b>

Assumption: 5% salary increase annually