

MEMORANDUM

June 4, 2020

TO: Planning, Housing, and Economic Development Committee

FROM: Linda McMillan, Senior Legislative Analyst

SUBJECT: **Housing Recovery Framework**

PURPOSE: Discussion

**Expected to Attend:**

Aseem Nigam, Director, Department of Housing and Community Development

**Overview**

The County Government has adopted a framework for recovery as government, businesses, and the community begin to re-open and return to more regular activities. Recovery includes short-term, medium-term, and long-term strategies.

The organizational chart is attached and shows the structure for the Executive Committee and the different issue areas and their subcommittees/teams.

The stated vision for recovery is to become a more resilient government and community. The county's recovery effort, in the midst of a global pandemic, will include a community-wide approach for all individuals to thrive and will serve as a national model. The model includes:

**Racial Equity:** Provide the appropriate level of support to individuals so that there is fair access to quality services and resources.

**Inclusion:** Focus on initiatives that make Montgomery County a place where all people can recover and rebuild regardless of race, ethnicity, age, or economic circumstances.

**Innovation:** Harness advancements that sustain a continuation of all County and related services and resources to our community.

**Sustainability:** Use this opportunity to modernize County services and deploy resources efficiently and responsively.

## **Housing Framework**

The Housing recovery effort is led by DHCA Director Nigam. The recovery objectives are: (1) Interim and long-term solutions for housing relief and sustainability; (2) Keeping people housed, ensuring health and safety in multi-family housing, and expanding housing opportunities; (3) Working with tenants, landlords and lenders to prevent evictions and foreclosures; (4) Increasing affordable housing options; and (5) Assisting common ownership communities hurt by economic disruption.

Three teams have been formed:

- Eviction and Homelessness (shared responsibility with the Department of Health and Human Services).
- Multi-family Default Prevention.
- Common Ownership Community Distress

## **Eviction and Homelessness**

This team is being led by Frank Demarais, DHCA Deputy Director. It had not had its initial meeting at the time of this memo but will have met prior to the PHED Committee session.

The team will review data and information about the current status of tenant payments and outlook for future payments and will identify mitigation strategies and options.

The team will be discussing the implications of the recent Court Administrative Orders lifting the suspension of hearing eviction cases and actions in phases and the implications once the Governor's Executive Order is lifted. The team is being asked to look at the projections for 3-month, 6-month, and 12-month periods and to identify actions and policy options to mitigate evictions and events of homelessness.

## **Multi-Family Default Prevention**

This group is being led by Stephanie Killian, Chief, DHCA Housing Services. It had not had its initial meeting at the time of this memo but will have met prior to the PHED Committee session.

It is expected that this team will be looking at the issues that could lead to the default of multifamily rental properties, identify indicators that the County should consider monitoring, and develop ideas and recommendations for actions that Montgomery County might consider taking to prevent multifamily defaults, and any other issues identified by its members. The draft mission statement for this team is: To work in cooperation with property owners, lenders, regulatory authorities, and interest groups to establish indicators that can identify properties facing financial because of problems related to the COVID-19 emergency, and to recommend actions that Montgomery County can take to reduce and, if possible, prevent defaults and foreclosures of multifamily rental properties in the county.

DHCA notes that historically, multifamily rental properties in Montgomery County have not encountered the types of financial or management problems that would lead to a default or some other action that would jeopardize the viability of the housing. However, the current situation is different and properties that have never struggled before may be faced with unprecedented increases in operating expenses, and in rental delinquencies and other income losses.

### **Common Ownership Community (COC) Distress**

This team is being led by Frank Demarais, DHCA Deputy Director, and will have met twice prior to the PHED Committee session.

The team's mission is to identify Common Ownership Communities experiencing financial distress due to the COVID-19 emergency and identify the impact of the emergency on the COC's ability to operate. The team will assess and recommend options for supporting COCs with short, intermediate and longer-term actions and policy changes related to master-meter community issues, ability to recover delinquent association fees, and support for the financial capacity of homeowners.

At its first meeting, the team identified three key ways it will approach its work: **Education** for associations and homeowners; **Financial** issues impacting associations and homeowners, and **Legislative** changes needed to strengthen COCs. The team will determine what can be accomplished through local legislation and what requires advocating for legislative change by the General Assembly.

## COVID-19 Recovery Information Coordination Flow Chart

