M E M O R A N D U M

April 24, 2023

TO: Health and Human Services Committee and Planning, Housing, & Parks
Committee

FROM: Tara Clemons Johnson, Legislative Analyst
Essie McGuire, Senior Legislative Analyst

SUBJECT: FY24 Operating Budget, Department of Health and Human Services

PURPOSE: Worksession, recommendations and votes expected

Expected Attendees:

Dr. James Bridgers, Acting Director, Department of Health and Human Services (DHHS)
Ilana Branda, Acting Chief, Services to End and Prevent Homelessness, DHHS
Jason Rundell, Acting Chief Operating Officer, DHHS
Deborah Lambert, Office of Management and Budget

SERVICES TO END AND PREVENT HOMELESSNESS (SEPH):
HOUSING AND PREVENTION PROGRAMS

	FY23 Approved	**FY24 Rec**	**Difference**
SEPH	$45,308,810	$66,314,688	$21,005,878
FTE	87	137	50

The Executive is recommending an additional **$17,736,270** for the FY24 housing and prevention
programs. The recommendation includes $14 million in ARPA funding which is planned to be
expended in FY24. The Executive's FY24 recommendation includes the following
- one-time ARPA grant funding of $14,016,832 for the Emergency Rental Assistance
program (ERAP),
- Eviction Prevention Previously Funded by ARPA with General Funds, $1,719,438
- $1,700,000 - Rent subsidy to keep up with rent increases for the Housing Initiative
program,

▪ $300,000 - Rent subsidy to keep up with rent increases for Permanent Supportive Housing,

CE Recommended Changes: Housing and Prevention Programs

Item	Recommended Increase (Decrease)	FTE	One-time only?	Notes
TIER I: HIGH PRIORITY				
Eviction Prevention	$1,719,438		N	Replacing ARPA funding
Housing Initiative Program	$1,700,000		N	Rent Increases
Permanent Supp. Housing	$300,000		N	Rent Increases
Net Total	**$3,719,438**			
TIER II: PRIORITY				
Net total				

A. <u>SEPH Vacancies and FY24 Rec FTEs</u>

As of March 2023, Services to End and Prevent Homelessness has 11 vacancies totaling $1.2 million. The details are included in the following bullets:
▪ 1 of the 11 positions has been vacant for more than one year, a Community Health Nurse II. The other 10 positions are vacant less than a year.
▪ The position types include 5 social workers, 3 program managers, 2 nurses and 1 community service aid.

FY24 Recommended FTE Changes
The FY24 budget recommends an increase of **49.9 FTEs**, the breakdown of the additions is below:
▪ 28 FTEs for the Emergency Rental Assistance program (term positions)
▪ 3 FTEs in Coordinated Entry services (multi-program adjustments)
▪ 1 FTE in Homeless Services for Single Adults (multi-program adjustments)
▪ 3 FTEs in the Housing Initiative Program (multi-program adjustments)
▪ 6.9 FTEs in Prevention (multi-program adjustments)
▪ 6 FTEs in Rapid Re-housing (multi-program adjustments)
▪ 2 FTEs in the Rental Assistance program (multi-program adjustments)

Council staff recommendation
▪ The committee can request an update from SEPH on the current status of the positions and if there are plans to lapse positions within SEPH for FY24.
▪ There is a significant number of FTEs added to all the housing programs. The Committee may want to request for DHHS to detail the need for increased staffing

- The committee may want to request how hiring will be managed for the ERAP given DHHS estimates 6 months lapse for new positions and the grant funds are expected to be exhausted by FY24.

B. **Emergency Rental Program,**
   - A total of $14,016,832 and 28 FTEs is recommended in the Executive's FY24 operating budget in Emergency Rental Assistance using ARPA Funds. These funds have been used to support the County's COVID Rental Relief Program (CRRP)
   - The projected emergency rental assistance contingency for FY24 is increased significantly, from $3.3m to $14m.

DHHS shared that specific to ERA/CRRP given the outreach and availability expansion in each round DHHS has continued to see more families coming in. Additionally, as over 50% of renters in the County were cost-burdened before COVID, the perceived availability of funds has pushed more households to seek rental assistance in order to make their monthly household budget balance. DHHS does anticipate exhausting the remaining funds available in FY24 if they continue with the type of grants they are currently providing (e.g. larger amounts, total of arrears versus judgement amount).

There are 28 term positions that were approved by OMB last year. The ARPA grant is not renewable, and DHHS expects to reach the maximum administrative dollar set aside at the end of FY24. Therefore, without alternative funds these positions will term-out at the end of FY24.

In total, the CRRP has approved $98.1 million in payments for 12,397 households. The County closed round 4 of the programs in January 2023. Applications are still being reviewed but so far, 64% are ineligible and 27% have been approved. To be eligible for the CRRP Round 4, households must meet the minimum criteria:
   - have experienced COVID-19-related financial hardship,
   - have a gross household income from either your 2020 or 2021 tax return or the previous 30 days that is at or below 50% of AMI,
   - have resided in Montgomery County since at least August 2021,
   - have an obligation to pay rent, formally or informally, and be behind on their rental obligation by at least two months, as of June 30, 2022.

Council staff recommendation:
   - **Support the recommended increase of $14,016,832** in ARPA grant funding for Emergency Rental Assistance Program.

C. **Rental Assistance Program**
   - A total of $8.6 million is recommended in the Executive's FY24 operating budget to support the DHHS Rental Assistance Program (RAP).
   - Of this amount, $4.6 million is County general funding, the remaining amount is allocated from the Housing Initiative Fund (HIF).
   - The budget reflects a reduction of ($3,438,875) in FY23 ARPA funds. These are not recommended to be replaced by County funds.

- The Executive's FY24 recommendation would take the program funding back closer to FY22 levels.

FY23 Budget for RAP	Annual spending by funding source	# estimated HH served	Avg anticipated assistance
$4,553,003	General Fund	1750 (GF and HIF Combined)	$2,200
$3,800,000	HIF		

In addition to the money referenced above, there was $3.4m in ERAP funding available for assistance.

Estimated FY24	Annual spending by funding source	# estimated HH served	Avg anticipated assistance
$4,604,464	General Fund	1,711 (GF and HIF Combined)	$3,500
$3,800,000	HIF		

The Rental Assistance Program is a long-standing shallow subsidy program and is not related to the rental assistance programs that are in response to COVID. The Council approved changes through Bill 25-20 to update the program based on the recommendations of the Interagency Commission on Homelessness and the gap analysis. The main changes were:
- Reduced age of eligibility for RAP from 62 to 55;
- Clarified definition of a person with a documented disability;
- Removed the prohibition of eligibility for County residents without certain immigration documentation; and
- Provided that the specific benefit amount is established in regulation rather than law.

Rental Assistance Program Summary:
- The level of Federal funding for the ERAP/Emergency rental assistance is decreasing as the ARPA and CARES funding winds down. DHHS notes that since May 2020, the program has received and substantially distributed over $105 million in ERAP funds and $22 million in CARES funds. This level of funding will not continue; the $14 million for FY24 is one time only and we anticipate that will conclude Federal funding.
- The County Rental Assistance Program (RAP) is level funded in terms of County funds and is also losing the ARPA allocation from FY23.
- The RAP program is established in County Code and regulation and focuses on a vulnerable population; the ERAP program supports a broader population and had parameters established during an emergency.
- The Council may need to clarify its intent as to what form of rental assistance program County funds should support as the Federal funds end in FY24.

D. Eviction Prevention Program
- The FY24 Recommended budget amount is $1,719,438, shifting from ARPA funding to County general funds
- More than 12,000 evictions have been prevented (see ©9)

The Eviction Prevention services includes assessment of need, emergency financial assistance, and case management to help households keep their current housing, obtain new housing, prevent utility shut-off, restore disconnected utility services, and moving/storage assistance. The Eviction Prevention coordinated approached is available at ©8

Eviction prevention grants are available to households that meet income guidelines, have received a court judgement for an eviction and have not received an eviction prevention grant in the prior 12 months.

Council staff recommendation:
- **Support the recommended increase of $1,719,438** for the Housing Initiative Program and Permanent Supportive Housing.

E. **Increase in Rental Rates**
- The FY24 Executive budget recommends an increase of **$1,700,000** to keep up with rental increases in the Housing Initiative Program
- The FY24 Executive budget recommends an increase of **$300,000** to keep up with rental increases in the Permanent Supportive Housing program

As rental costs are increasing, the Housing programs are challenged to work within fixed a budget to continue to serve the same number of people (at minimum) and provide housing that meets individuals and family's needs.

Housing Initiative Program - Average rents are increasing and DHHS is projecting average assistance per year per household to increase by approximately $2,500. In order to continue to serve **500 households, $1.7M in additional funding** is needed. Without this increase, fewer households would be served.

Permanent Supportive Housing – Average rents are increasing so the department is projecting average assistance per year per household to increase by approximately $1,900. In order to continue to serve **160 households, an additional $300k in funding** is needed. Without this increase, fewer households would be served.

Council staff recommendation:
- **Support the recommended increase of $2,000,000** for the Housing Initiative Program and Permanent Supportive Housing.

This report contains:

Services to End and Prevent Homelessness

RECOMMENDED FY24 BUDGET	FULL TIME EQUIVALENTS
$66,314,688	137.40

✳ JAMES BRIDGERS PH.D., MBA, ACTING DIRECTOR

FUNCTION

The programs of Services to End and Prevent Homelessness (SEPH) have a common vision: access by all people to safe, affordable housing, and opportunities to improve quality of life. The mission of SEPH is to make homelessness a rare, brief, and non-recurring event by operating from a Housing First philosophy. Housing First recognizes that people are most successful when they have a choice in housing and seeks to eliminate barriers such as sobriety requirements or treatment compliance. SEPH provides a full continuum of services including housing stabilization, homeless diversion, and permanent housing; and employs evidence-based and promising practices. SEPH programs collaborate with public and private partners through the Interagency Commission on Homelessness. Special needs populations include: veterans; both individuals and families; persons with behavioral health challenges; individuals with developmental disabilities; transitioning youth; and seniors with disabilities experiencing or at risk of homelessness.

PROGRAM CONTACTS

Contact Ilana Branda of the HHS - Services to End and Prevent Homelessness at 240.777.4594 or Deborah Lambert of the Office of Management and Budget at 240.777.2794 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

✳ Admin - Services to End and Prevent Homelessness

This program provides leadership and direction for the administration of Services to End and Prevent Homelessness and advises the Interagency Commission on Homelessness (ICH) and Montgomery County Continuum of Care (CoC).

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	**860,872**	**6.00**
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	101,466	0.00
FY24 Recommended	**962,338**	**6.00**

✳ Coordinated Entry

Coordinated entry is a process developed to ensure that all people experiencing a housing crisis have fair and equal access to

remedies and are quickly identified, assessed for, referred, and connected to housing and assistance based on their strengths and needs. Within a Coordinated Entry System, each person is prioritized for housing based on vulnerability using a data-driven, real-time process. Montgomery County's Coordinated Entry System embraces Housing First principles of low barrier access, consumer choice, community integration, and housing orientation.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Number of homeless individuals with a completed vulnerability assessment (Using the VI-SPDAT) to determine housing placement [1]	1,061	1,222	1,300	1,300	1,300
Coordinated Entry - Days from housing program assignment to housed [2]	33	116	90	75	60
Percent of homeless individuals with a completed vulnerability assessment (using the VI-SPDAT) to determine housing placement	89%	86%	91%	93%	95%

[1] *Projected goals for FY23 onward are impacted by previous years' actual values, so projected values are based on pre-FY20 values. In FY20-FY21, the COVID pandemic limited contact between case managers and clients resulting in an abnormally low number of clients with a completed VI-SPDAT.*

[2] *Changes in housing inventory have caused longer than average wait times to move clients into housing.*

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	**1,268,743**	**6.90**
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	365,410	3.00
FY24 Recommended	**1,634,153**	**9.90**

✳ Healthcare for the Homeless

Healthcare for the Homeless provides medical and dental services to individuals experiencing homelessness in emergency shelters, street outreach, and transitional housing. Medical services are also provided to individuals and families served in permanent supportive housing programs. Healthcare for the Homeless is committed to reducing the health disparities for people experiencing homelessness by providing low barrier access to services and reducing re-admissions to hospitals.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Number of individuals receiving primary care services through Healthcare 4 the Homeless (Mobile Med) [1]	180	202	220	240	260
Number of hospital transfers from year-round shelters (based on 911 emergency calls) [2]	427	395	350	300	250

[1] *This measure tracks new patients served.*

[2] *FY21-FY22 actual numbers show a decrease in the number of hospital transfers. With the implementation of medical respite and improvements in service coordination, SEPH anticipates hospital transfers to continue to decrease.*

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	**1,983,566**	**5.00**
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	75,510	0.00
FY24 Recommended	**2,059,076**	**5.00**

✳ Homeless Services for Families

Homeless Services for Families provides emergency shelter and transitional housing to families with children. Services include intake and assessment, case management, and housing location to link families experiencing homelessness to housing, behavioral health, financial, and legal programs. All services are housing focused with a goal of connecting families with permanent housing as

quickly as possible and removing systemic barriers to accessing housing and services.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Number of individuals as part of a family unit experiencing homelessness for the first time	426	304	300	300	300
Average length of stay in days by homeless families in emergency shelter [1]	54	75	60	50	40
Percent of households returning to homelessness	10%	5%	5%	5%	5%

[1] *During FY21 and through FY22, the Continuum of Care (CoC) saw an increase in the number of Households with minor children as well as an increase in household size. This created difficulties in getting families housed and out of shelter, resulting in an increase in length-of-time (LOT) in shelter for families.*

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	**3,341,888**	**3.00**
Enhance: Overflow Sheltering in Hotels	3,023,211	0.00
Add: COVID Sheltering in Hotels for Isolation of COVID Positive or Exposed People who are Experiencing Homelessness (one time)	1,001,675	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	130,213	0.00
FY24 Recommended	**7,496,987**	**3.00**

✳ Homeless Services for Single Adults

Homeless Services for Single Adults provides emergency shelter, street outreach, and transitional housing to adults experiencing homelessness. All services are housing focused with a goal of connecting adults with permanent housing as quickly as possible by removing barriers such as poor credit, criminal history, limited or no access to behavioral and somatic healthcare, and low or no income. Homeless services include centralized shelter intake and diversion, comprehensive case management, assertive engagement, housing location, employment training and job development, legal services, and assistance with entitlements like Food Stamps and Medicaid.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Number of homeless single adults counted during Annual Point in Time Count	480	478	470	465	460
Length of time homeless in days for adults in emergency shelter, outreach, or transitional housing [1]	119	84	75	60	45
Percent of positive exits to permanent housing from street outreach, emergency shelter, or transitional shelter	41%	38%	40%	40%	40%

[1] *In FY22, length-of-time (LOT) in shelter, outreach, or transitional housing has returned to pre-FY21 levels and, with more widespread implementation of diversion and rapid exit programs, SEPH expects the trend to continue towards our Built for Zero goal of 45 days.*

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	**12,549,040**	**2.00**
Enhance: Security Funding for Interfaith Works Emergency Shelters	388,702	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	500,939	1.00
FY24 Recommended	**13,438,681**	**3.00**

✳ Housing Initiative Program

The Housing Initiative Program is a Housing First permanent supportive housing program serving individuals and families with disabilities. Program participants are quickly connected to permanent scattered site units without any preconditions and offered

intensive wraparound support services. The rental assistance is provided by the Department of Health and Human Services staff and services are offered via contracts with non-profit partners. This program also acts as the lead entity for the 1115 Medicaid Waiver Assistance in Community Integration Services through the State Department of Health.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Housing Initiative Program: Number of clients served	902	927	1,000	1,100	1,200
Housing Initiative Program: Days from housing program assignment (to accepted) to housed [1]	192	406	365	180	90
Percent of households who retain permanent housing after 12 months	95%	99%	99%	99%	99%
Percent decrease in acuity score, measuring the severity of presenting issues impacting housing stability	36%	36%	45%	55%	60%

[1] *Projected values are based on desired improvements using a baseline of 406 from FY22. The goal is to bring the number of days from assigned to housed closer to 45, but previous years' values will impact future projections.*

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	**297,441**	**2.00**
Increase Cost: Rent Subsidy Funding to Keep Up with Rent Increases for Housing Initiative Program	1,700,000	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	210,518	3.00
FY24 Recommended	**2,207,959**	**5.00**

✳ Interagency Commission on Homelessness

The Montgomery County Continuum of Care (CoC) coordinates the community's policies, strategies, and implementation of a housing and services system to prevent and end homelessness through a collaboration of public and private sector groups. Responsibilities include promoting a community-wide commitment to ending homelessness, providing funding for efforts to promote community-wide planning and strategic use of resources to address homelessness, and improving coordination and integration with mainstream resources and other programs targeted to people experiencing homelessness. The Interagency Commission on Homelessness is a group of appointed leaders of the CoC who have authority to make decisions on behalf of the CoC.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Dollars brought into the continuum from non-County funds [1]	$106,316,327	$8,747,358	$6,321,446	$2,882,571	$2,882,571
Number of individuals with lived experience participating as ICH Commissioner or on committees	15	8	15	16	17
Number of total homeless individuals counted during the Annual Point in Time Count	577	581	525	473	425

[1] *The increase in grants in FY21 is due to COVID-19, with $105,501,792.90 being specifically for COVID-19. These grants have been extended and cover multiple fiscal years to spend down. Funding received during COVID was not renewable, resulting in a decrease in non-county funds brought into the county. Projected values reflect renewable funding with one-time funding amounts (i.e., COVID grants) omitted.*

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	**4,000**	**0.00**
FY24 Recommended	**4,000**	**0.00**

✳ Permanent Supportive Housing

Permanent Supportive Housing is an evidence-based practice that provides immediate access to a permanent housing subsidy and

long-term, wraparound support services to households with disabilities. All programs use a Housing First approach that offers housing without preconditions such as sobriety, treatment compliance, or participation in services.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Permanent Supportive Housing: Number of clients served [1]	2,153	2,177	2,200	2,250	2,300
Permanent Supportive Housing: Days from housing program assignment (to accepted) to housed [2]	154	266	200	150	100
Percent of households who retain permanent housing after 12 months	92%	99%	99%	99%	99%
Percent of clients retaining permanent housing	97%	98%	99%	99%	99%
Percent of people that graduate from the program	7%	13%	15%	17%	19%

[1] *Many permanent supportive housing options were available to clients beginning in FY21 due to the increase in COVID funding and other related legislation changes. Additionally, SEPH aims to increase the number of individuals served in Permanent Supportive Housing (PSH) each year by utilizing state-funded programs such as the Housing Initiative Program's Assistance in Community Integration Services Pilot (HIP ACIS) and filling additional PSH slots made available as a result of move-ups via the Emergency Housing Voucher Program (EHV).*

[2] *Lack of affordable and available housing units within the County and the court process for landlords have slowed down unit availability (COVID-related from FY21 to FY22). Additionally, many of our providers and the County have experienced staff turnover, which has impacted services and resulted in an increase in days from housing assignment to housed from FY21 to FY22. Using FY22 as the new baseline, FY23-FY25 projections reflect continued challenges in housing clients. SEPH will work to reduce the backlog and decrease the length of time from assigned to housed through FY23-FY25.*

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	**5,426,912**	**2.00**
Increase Cost: Rent Subsidy Funding to Keep Up with Rent Increases for Permanent Supportive Housing Program	300,000	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(6,943)	0.00
FY24 Recommended	**5,719,969**	**2.00**

✳ Prevention

Prevention provides conflict resolution, mediation, financial assistance, housing location, and case management to County residents at risk of or experiencing homelessness. The program's focus is to partner with families and individuals to resolve their housing emergency through creative problem-solving. State and County grants are provided to prevent evictions and utility cut offs or secure new housing. Short-term case management services are provided to help at-risk households develop and implement plans to prevent a future housing crisis.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Households receiving emergency grants to prevent eviction/homelessness (County and State funds) [1]	5,127	10,247	11,000	11,000	11,000
Percent of households who received prevention assistance and within 12 months enter the homeless continuum [2]	5%	2%	5%	5%	5%

[1] *The increase from FY21 to FY22 was due to COVID funding, on which SEPH received an extension, so prevention clients are still being served from funds issued in FY21. SEPH can spend down these grants over multiple fiscal years and, thus, projections for FY23-FY25 are higher than the FY21 actual.*

[2] *This measure, by definition, has a one-year lag. FY22 is therefore based on cases initiated in FY21.*

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	**8,441,630**	**55.10**
Replace: Eviction Prevention Previously Funded by ARPA Continued with General Funds	1,719,438	0.00

FY24 Recommended Changes	Expenditures	FTEs
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	927,091	6.90
FY24 Recommended	**11,088,159**	**62.00**

✸ Rapid Rehousing

Rapid Rehousing (RRH) is an intervention program designed to help individuals and families to quickly exit homelessness, return to housing in the community, and not become homeless again in the near term. The core components of a rapid rehousing program are housing identification, move-in and rent assistance, and rapid rehousing case management and services. The goal of the program is to help people quickly obtain housing, increase income, and support self-sufficiency to stay housed. Rapid re-housing is offered without any preconditions, such as employment, income, absence of criminal record, or sobriety.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Rapid Rehousing - Number of clients served [1]	812	964	1,000	1,100	1,200
Cost per positive exit [2]	$8,680	$18,480	$15,000	$13,000	$11,000
Percent of households with increased income since entering rapid rehousing [3]	32%	24%	30%	35%	40%
Percent of exits to permanent housing	78%	83%	85%	85%	90%

[1] *COVID-related funds increased the number served.*

[2] *Increase in cost per positive exit from FY21 to FY22 can be attributed to property owners increasingly requiring double security deposits to lease to higher risk Rapid Rehousing (RRH) clients as well as a shortage of housing options making it take longer to house clients, which has resulted in a lower rate of housing in RRH.*

[3] *Households have experienced challenges in increasing their income due to changes in the work environment, including not returning to work due to lack of telework options because of the nature of their jobs and the inability to obtain increased compensation in existing employment.*

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	**3,142,840**	**0.00**
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(60,770)	6.00
FY24 Recommended	**3,082,070**	**6.00**

✸ Rental Assistance Program

The Rental Assistance Program (RAP) provides a shallow subsidy to individuals and families at risk of or currently experiencing homelessness. The target populations for this program are seniors, people with disabilities, and others on a fixed income.

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Number of unique households with an active rental subsidy during the year [1]	882	900	950	1000	1050
Percent of clients who utilized housing stabilization services (HSS) within a year after receiving rental assistance (RAP) [2]	18%	35%	25%	20%	15%

[1] *Despite increased funding from the Recordation Tax Premium (RTP) of approximately $1,000,000, Rental Assistance Program (RAP) enrollment has slowed due to clients no longer being able to self-refer and the narrowed pool of eligible clients due to the updated eligibility criteria at the beginning of FY22.*
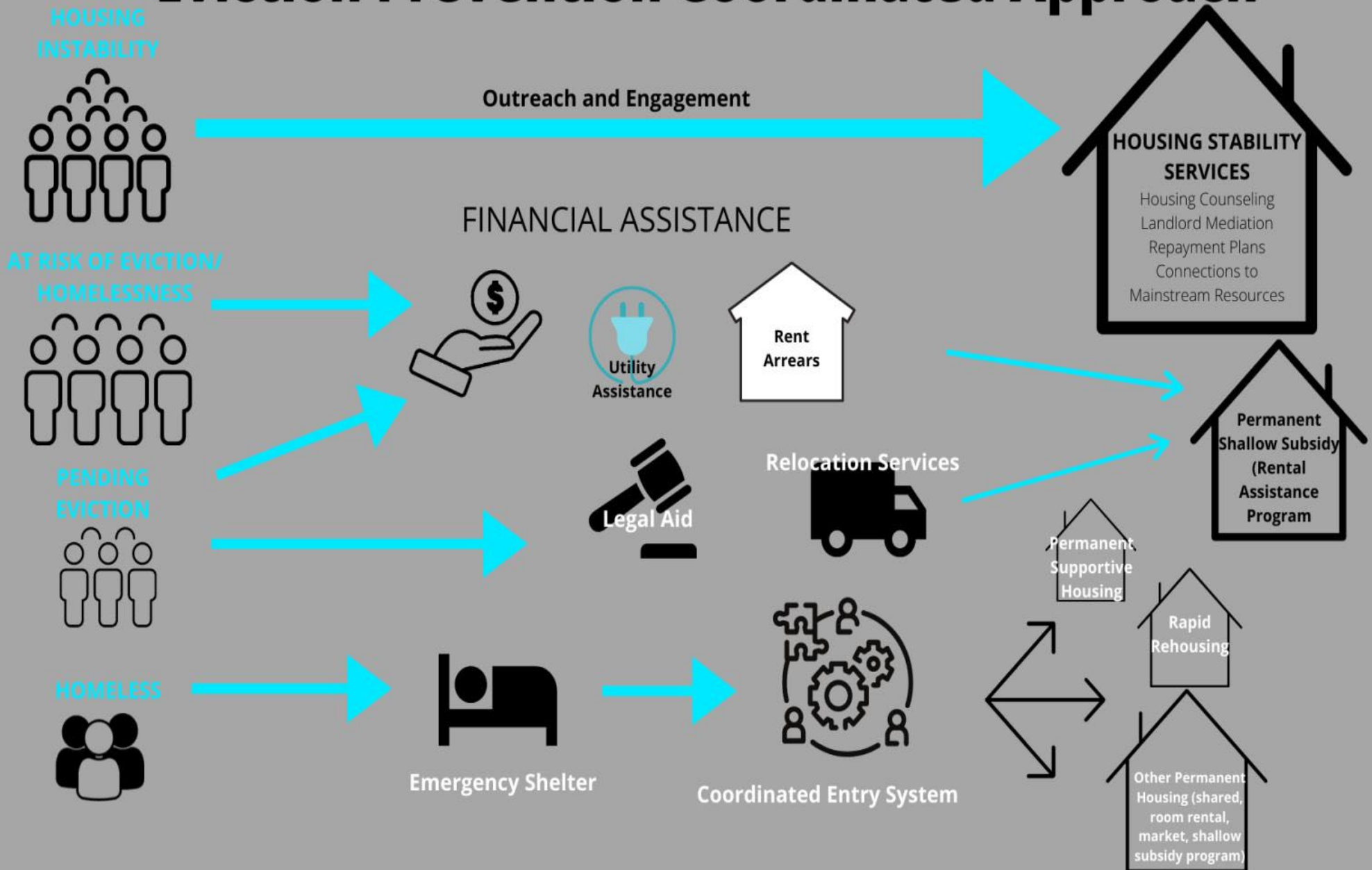
[2] *This measure, by definition, has a one year lag. FY22 is therefore based on cases initiated in FY21. RAP was expanded to allow residents exiting from the Sustainable Housing Rental Assistance Program (SHARP), Exit Bonus, or RRH qualify for the benefit. Many of these clients exited with minimal or no supportive services with the aforementioned programs, which lasted 12 months at most. This likely impacted the percent of clients who needed support after one year in the FY22 reporting period.*

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	**7,991,878**	**5.50**
Enhance: Emergency Rental Assistance Grant	14,016,832	28.00
Replace: Funding for Rental Assistance Program from ARPA to DHHS General Fund	(3,438,875)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	51,461	2.00
FY24 Recommended	**18,621,296**	**35.50**

PROGRAM SUMMARY

Program Name	FY23 APPR Expenditures	FY23 APPR FTEs	FY24 REC Expenditures	FY24 REC FTEs
Admin - Services to End and Prevent Homelessness	860,872	6.00	962,338	6.00
Coordinated Entry	1,268,743	6.90	1,634,153	9.90
Healthcare for the Homeless	1,983,566	5.00	2,059,076	5.00
Homeless Services for Families	3,341,888	3.00	7,496,987	3.00
Homeless Services for Single Adults	12,549,040	2.00	13,438,681	3.00
Housing Initiative Program	297,441	2.00	2,207,959	5.00
Interagency Commission on Homelessness	4,000	0.00	4,000	0.00
Permanent Supportive Housing	5,426,912	2.00	5,719,969	2.00
Prevention	8,441,630	55.10	11,088,159	62.00
Rapid Rehousing	3,142,840	0.00	3,082,070	6.00
Rental Assistance Program	7,991,878	5.50	18,621,296	35.50
Total	**45,308,810**	**87.50**	**66,314,688**	**137.40**

Eviction Prevention Coordinated Approach

HOUSING INSTABILITY

Outreach and Engagement

AT RISK OF EVICTION/ HOMELESSNESS

PENDING EVICTION

HOMELESS

FINANCIAL ASSISTANCE

Utility Assistance

Rent Arrears

Legal Aid

Relocation Services

Emergency Shelter

Coordinated Entry System

HOUSING STABILITY SERVICES
Housing Counseling
Landlord Mediation
Repayment Plans
Connections to Mainstream Resources

Permanent Shallow Subsidy (Rental Assistance Program)

Permanent Supportive Housing

Rapid Rehousing

Other Permanent Housing (shared, room rental, market, shallow subsidy program)

(8)

Housing for All
A Stronger Montgomery

State of Homelessness in Montgomery County

The WHY

Like you, I know people who drink, people who do drugs, and bosses who have tantrums and treat their subordinates like dirt. They all have good jobs. Were they to become homeless, some of them would surely also become 'alcoholics,' 'addicts,' or 'mentally ill. – Elliot Liebow

Housing First Principles

- Provide immediate access to permanent housing without any preconditions
- Choice and self-determination
- Recovery Orientation
- Individualized and person-driven supports
- Social and Community Integration

Homeless CoC Core Values
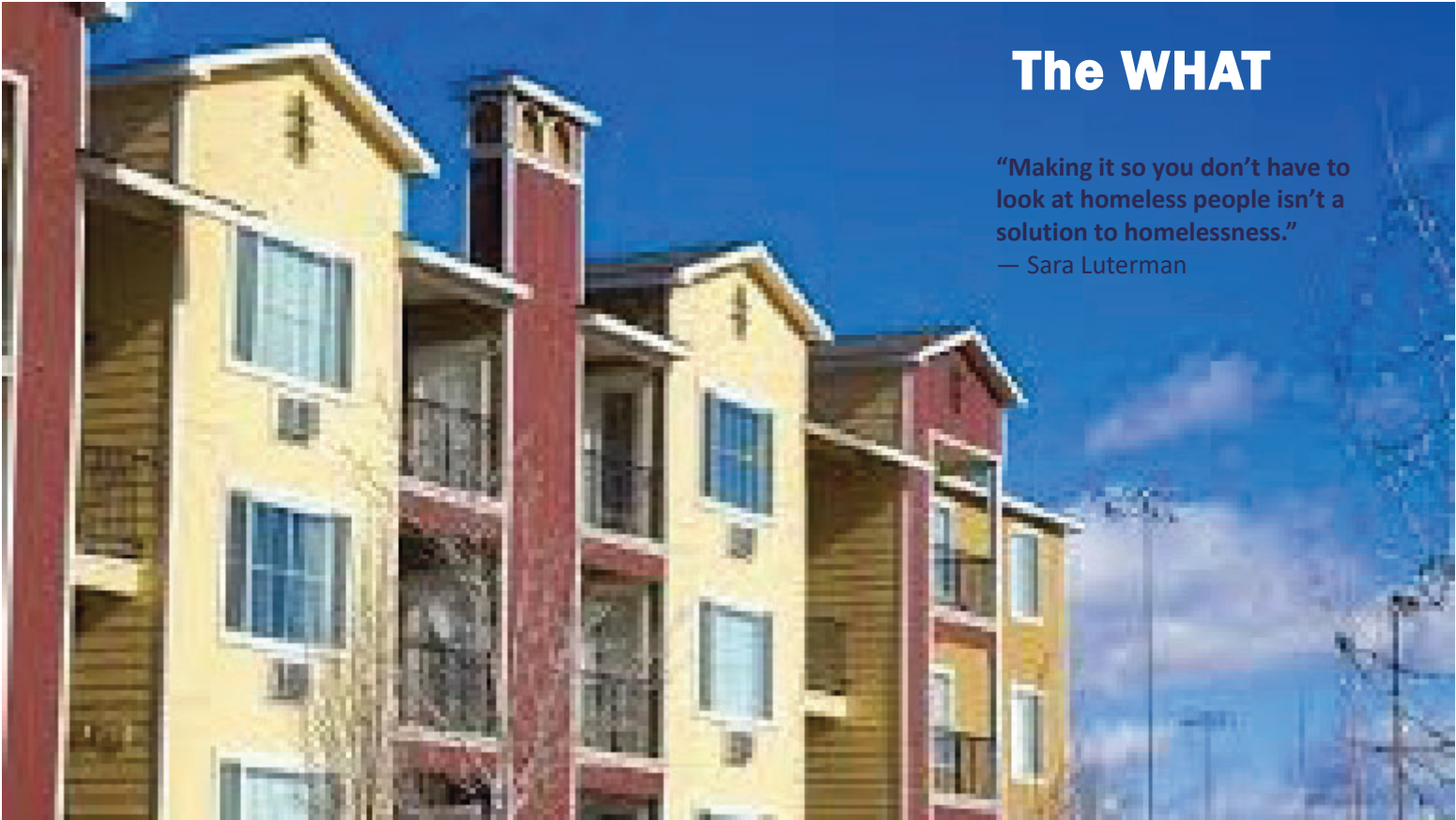
Housing First and Person-driven supports

Diversity, Equity, and Inclusion

Collaboration Across the Continuum of Care

Data and Results Based Decisions

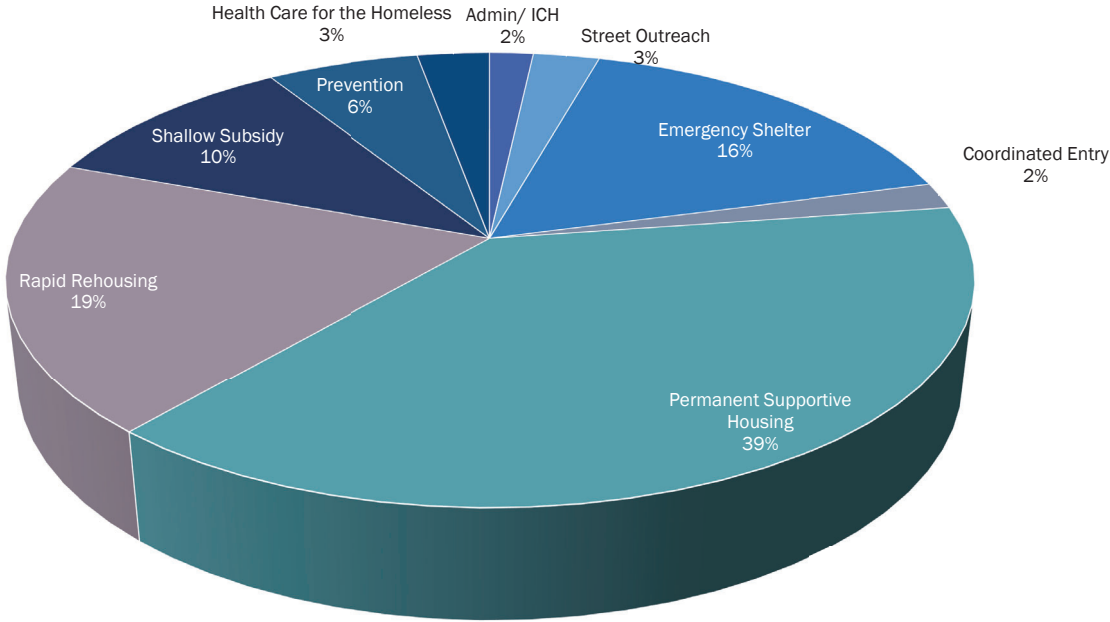**Continuous Change and Improvement**

The WHAT

"Making it so you don't have to look at homeless people isn't a solution to homelessness."
— Sara Luterman

FY23 Budget for Homeless Services (excludes $113M of federal funding for eviction prevention)
Total = $81M

Health Care for the Homeless 3%
Admin/ ICH 2%
Street Outreach 3%
Prevention 6%
Shallow Subsidy 10%
Emergency Shelter 16%
Rapid Rehousing 19%
Coordinated Entry 2%
Permanent Supportive Housing 39%

7

(11)

Making Homelessness Rare, Brief, and One-time Only

Preventing Homelessness by providing:

- Emergency financial assistance
- Short-term prevention case management
- Energy assistance
- Homeless diversion
- *COVID Rent Relief Program*

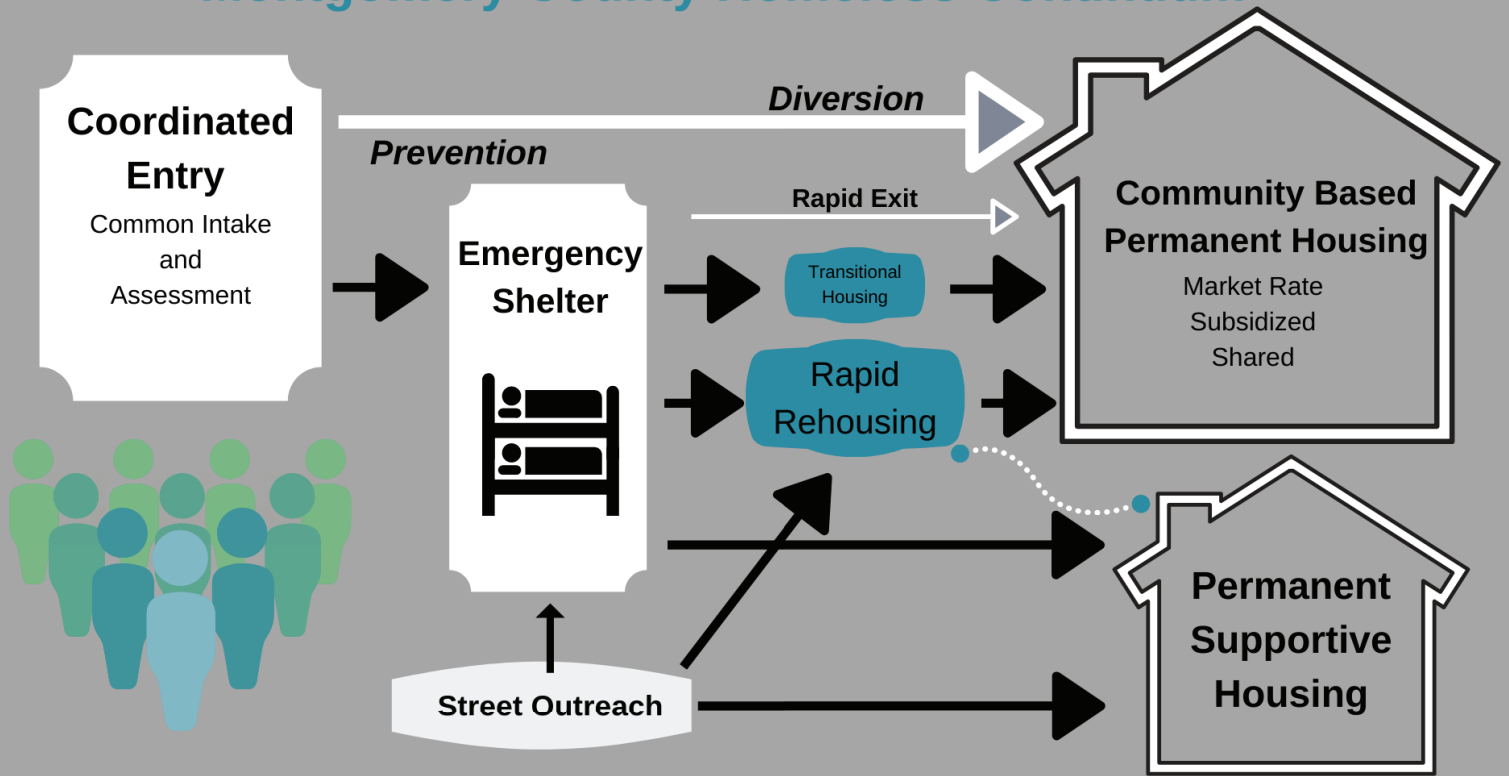**Rapidly connecting households to permanent housing by providing:**

- Housing location services
- Short-term housing subsidy and intensive case management (RRH)
- Housing focused emergency shelter and street outreach
- *Exit Bonus Program*
- *Rapid Resolution*

Ensuring households get the right intervention

- Coordinated entry
- Housing First permanent supportive housing
- Permanent shallow rental subsidy
- Healthcare of the Homeless
- Connections to mainstream services (entitlements, behavioral health, childcare subsidies, workforce development)

8

Montgomery County Homeless Continuum

Coordinated Entry
Common Intake and Assessment

Prevention

Diversion

Emergency Shelter

Rapid Exit

Transitional Housing

Rapid Rehousing

Community Based Permanent Housing
Market Rate
Subsidized
Shared

Street Outreach

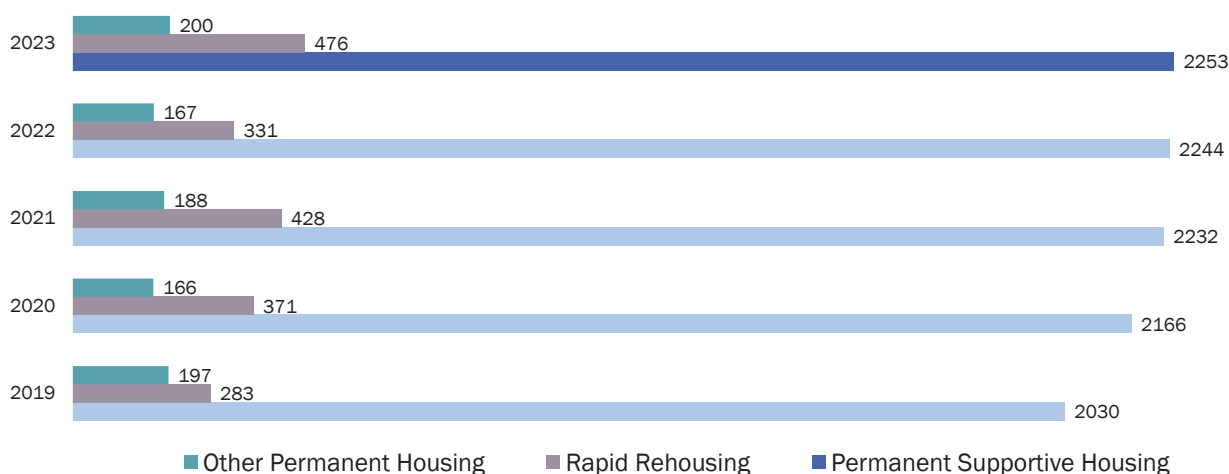**Permanent Supportive Housing**

(12)

Emergency Shelter Beds

	Beds for Households W/O Children	Beds for Households W Children	Units for Households w/Children	Total Year-Round Beds as of 02/23	Season Beds as of 02/23	Total Beds
COVID and Overflow Hotels	295	142	42	437	0	437
Emergency Shelter Beds	358	127	32	431	54	485
Transitional/Safe Haven Beds	46	0	0	46	0	46
TOTALS	**699**	**269**	**74**	**914**	**54**	**968**

10

Housing Inventory Count 2018 – 2023*

Year	Other Permanent Housing	Rapid Rehousing	Permanent Supportive Housing
2023	200	476	2253
2022	167	331	2244
2021	188	428	2232
2020	166	371	2166
2019	197	283	2030

■ Other Permanent Housing ■ Rapid Rehousing ■ Permanent Supportive Housing
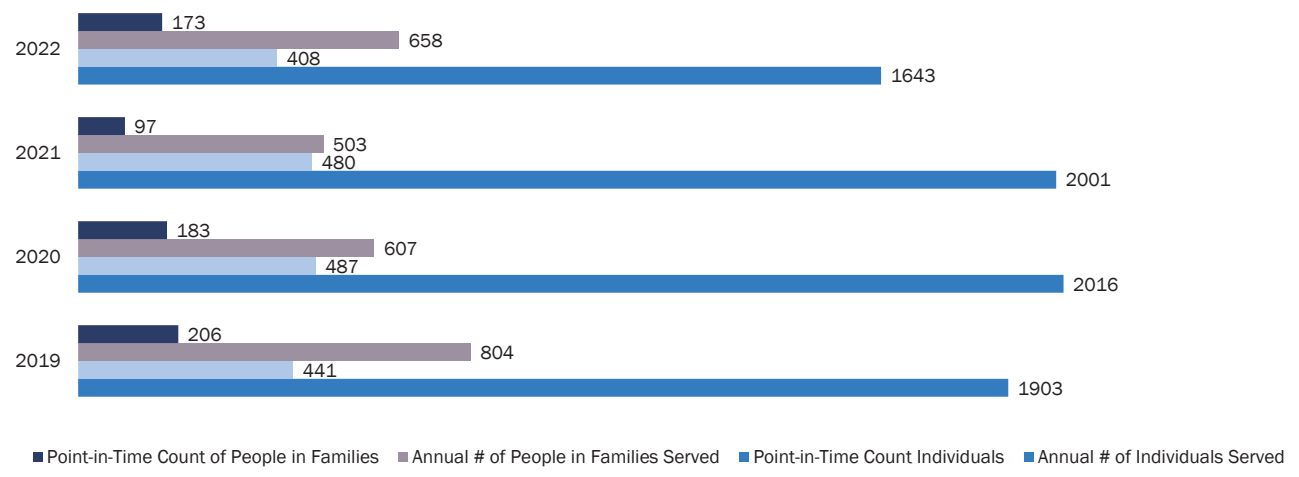
11

*2023 data is preliminary and may change before submission to HUD

WHO we serve

"None of us are home until all of us are home."
— Project HOME

Number Served Year over Year Compared to Point-in-Time Count

2022
- 173
- 658
- 408
- 1643

2021
- 97
- 503
- 480
- 2001

2020
- 183
- 607
- 487
- 2016

2019
- 206
- 804
- 441
- 1903

■ Point-in-Time Count of People in Families   ■ Annual # of People in Families Served   ■ Point-in-Time Count Individuals   ■ Annual # of Individuals Served

(14)

Annual Homeless Point-in-Time Count: 10 Year Review
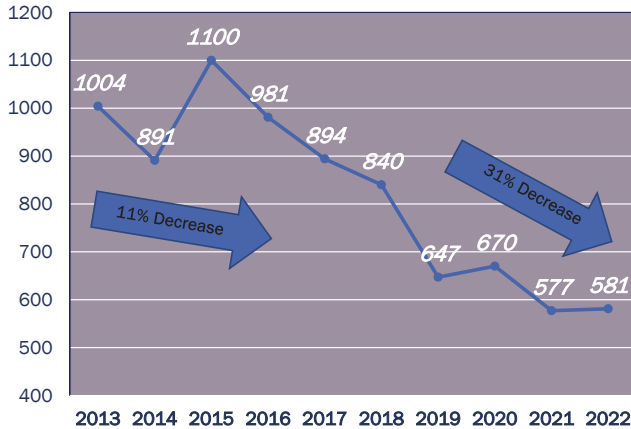
41% Decrease in Homelessness since 2013
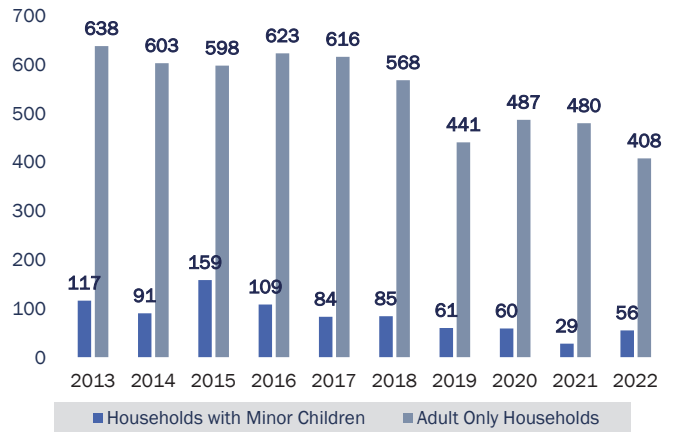
36% Reduction in the # of Adult-Only Households
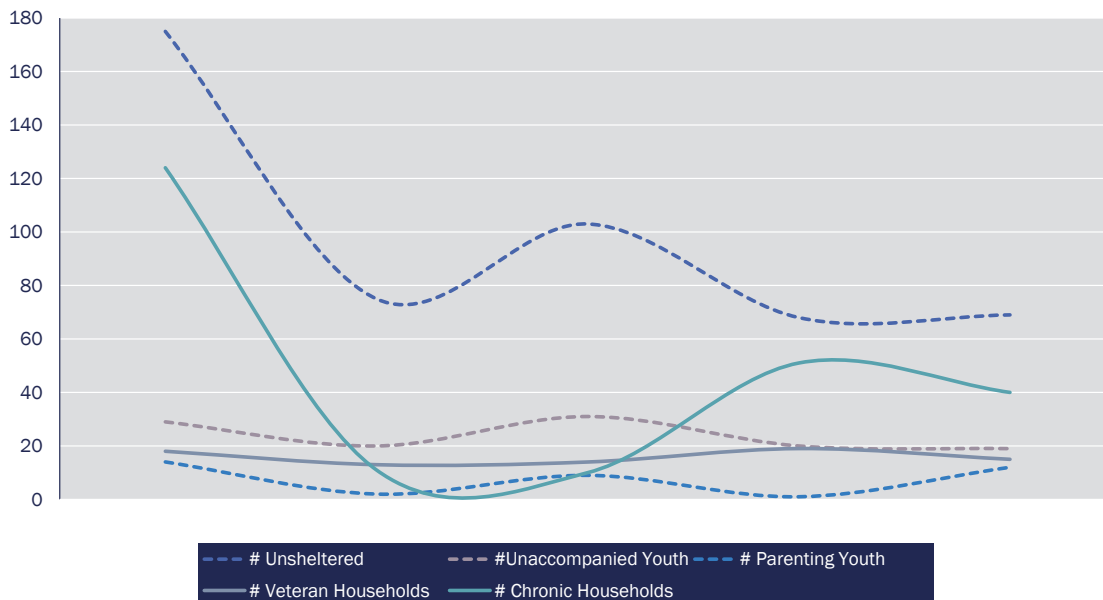
50% Reduction in the # of Households with Children

Total People Literally Homeless by Year

- 1004
- 891
- 1100
- 981
- 894
- 840
- 647
- 670
- 577
- 581

11% Decrease

31% Decrease

2013 2014 2015 2016 2017 2018 2019 2020 2021 2022

Homeless Households by Year and Type

Year	Households with Minor Children	Adult Only Households
2013	117	638
2014	91	603
2015	159	598
2016	109	623
2017	84	616
2018	85	568
2019	61	441
2020	60	487
2021	29	480
2022	56	408

■ Households with Minor Children   ■ Adult Only Households

Homelessness by Subpopulation: 5 Year Review

48% **Decrease** in Unsheltered

34% **Decrease** in Unaccompanied Youth

68% **Decrease** in Chronic
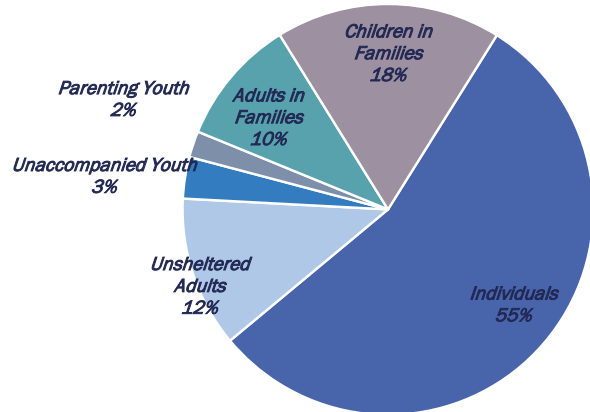
- - - # Unsheltered   - - - #Unaccompanied Youth   - - - # Parenting Youth
— # Veteran Households   — # Chronic Households

(15)

Point-in- Time Count by Population Type

2018 Annual Point-in-Time Count

- Children in Families 21%
- Adults in Families 9%
- Parenting Youth 2%
- Unaccompanied Youth 4%
- Unsheltered Adults 16%
- Individuals 48%

2022 Annual Point-in-Time Count

- Children in Families 18%
- Parenting Youth 2%
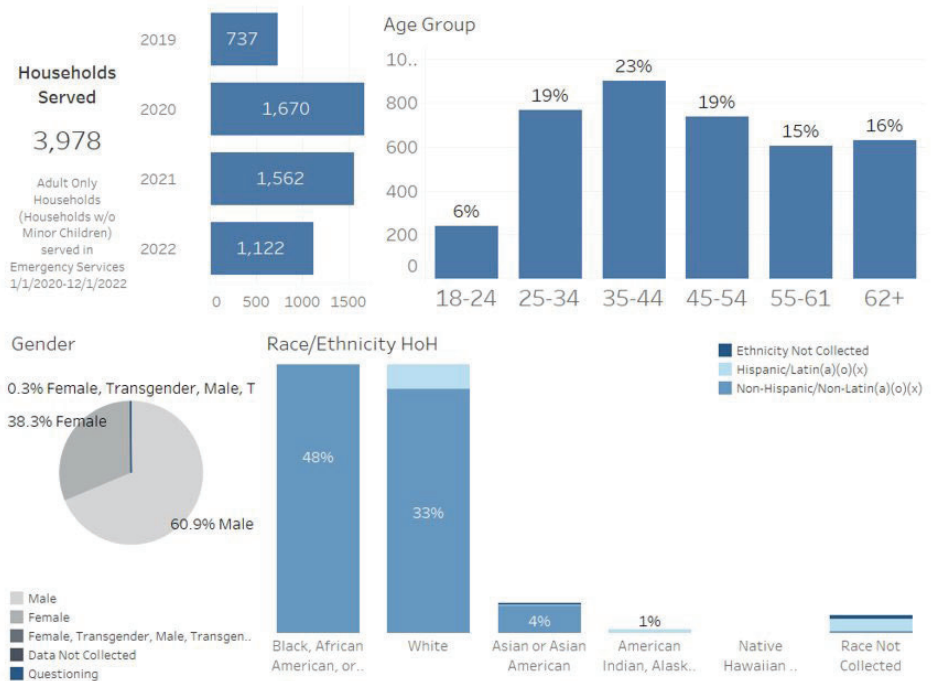- Adults in Families 10%
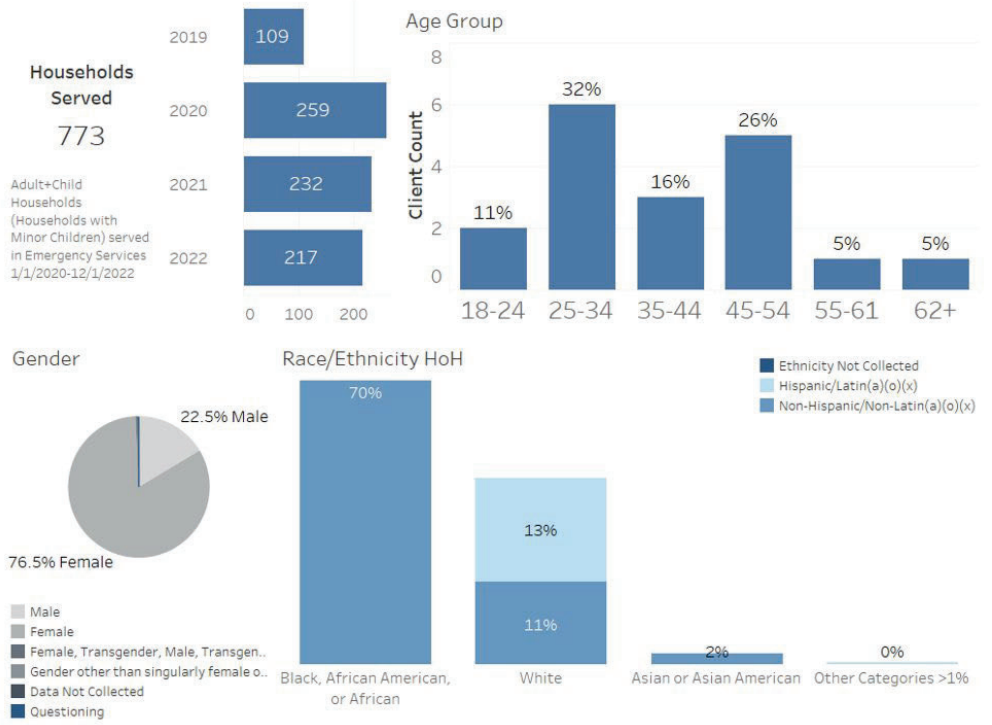- Unaccompanied Youth 3%
- Unsheltered Adults 12%
- Individuals 55%
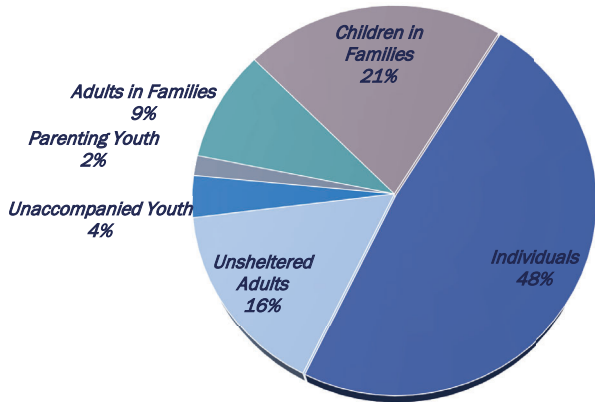
Adult Only Households

Program Demographic Profile - Adult Only Households (Households w/o Minor Children)

Households Served

3,978

Adult Only Households (Households w/o Minor Children) served in Emergency Services 1/1/2020-12/1/2022

- 2019: 737
- 2020: 1,670
- 2021: 1,562
- 2022: 1,122

Age Group
- 18-24: 6%
- 25-34: 19%
- 35-44: 23%
- 45-54: 19%
- 55-61: 15%
- 62+: 16%

Gender

0.3% Female, Transgender, Male, T

38.3% Female

60.9% Male

- Male
- Female
- Female, Transgender, Male, Transgen..
- Data Not Collected
- Questioning

Race/Ethnicity HoH
- Black, African American, or..: 48%
- White: 33%
- Asian or Asian American: 4%
- American Indian, Alask..: 1%
- Native Hawaiian ..
- Race Not Collected

- Ethnicity Not Collected
- Hispanic/Latin(a)(o)(x)
- Non-Hispanic/Non-Latin(a)(o)(x)

17

(16)

Program Demographic Profile - Adult+Child Households (Households with Minor Children)

Households Served

773

Adult+Child Households (Households with Minor Children) served in Emergency Services 1/1/2020-12/1/2022

Year	Households
2019	109
2020	259
2021	232
2022	217

Age Group

- 18-24: 11%
- 25-34: 32%
- 35-44: 16%
- 45-54: 26%
- 55-61: 5%
- 62+: 5%

Gender
- 22.5% Male
- 76.5% Female

Legend:
- Male
- Female
- Female, Transgender, Male, Transgen..
- Gender other than singularly female o..
- Data Not Collected
- Questioning

Race/Ethnicity HoH
- Black, African American, or African: 70%
- White: 13%, 11%
- Asian or Asian American: 2%
- Other Categories >1%: 0%

Ethnicity legend:
- Ethnicity Not Collected
- Hispanic/Latin(a)(o)(x)
- Non-Hispanic/Non-Latin(a)(o)(x)

Households with Children

18

What an End to Homelessness in Montgomery County Look Like

# of People Entering Homelessness (INFLOW)

Total # People Currently Experiencing Homelessness

# of People Exiting Homelessness (Outflow)

(17)
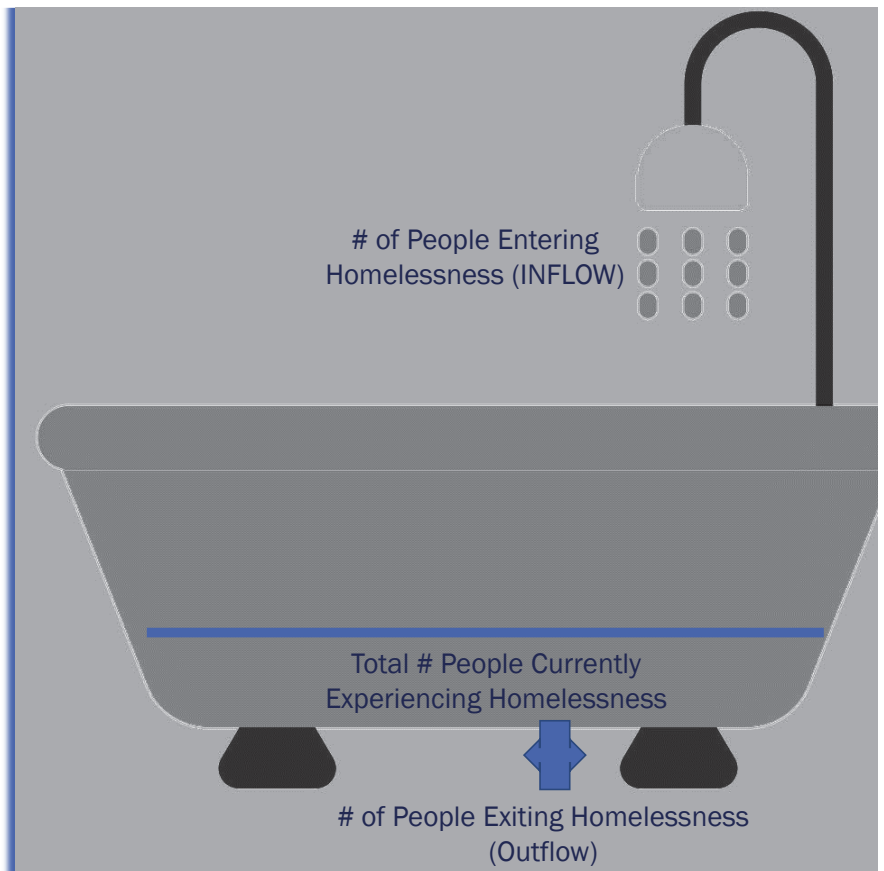
Monthly Inflow/Outflow Adult-Only Households

Montgomery County - CoC
Singles Inflow and Outflow

■ Inflow   ■ Housed   — Net
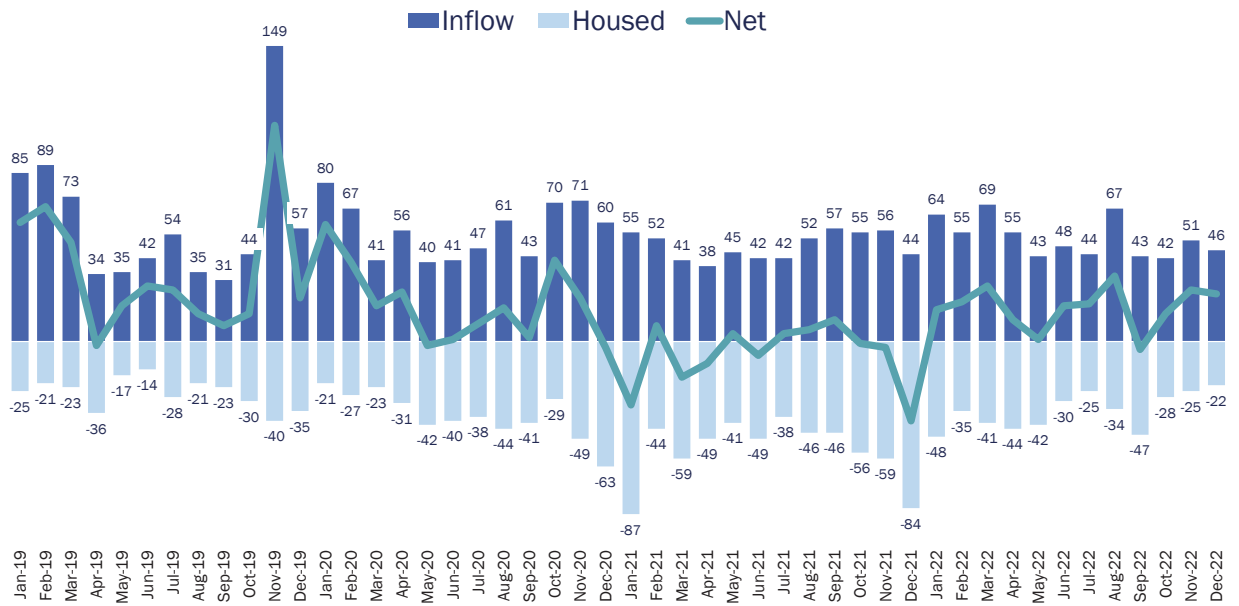
20

Prior Living Situation - Adult Only Households

- All Housed Living Situation
- Hospital or Instituition
- Place not meant for habitation
- Shelter/Hotel Transitional
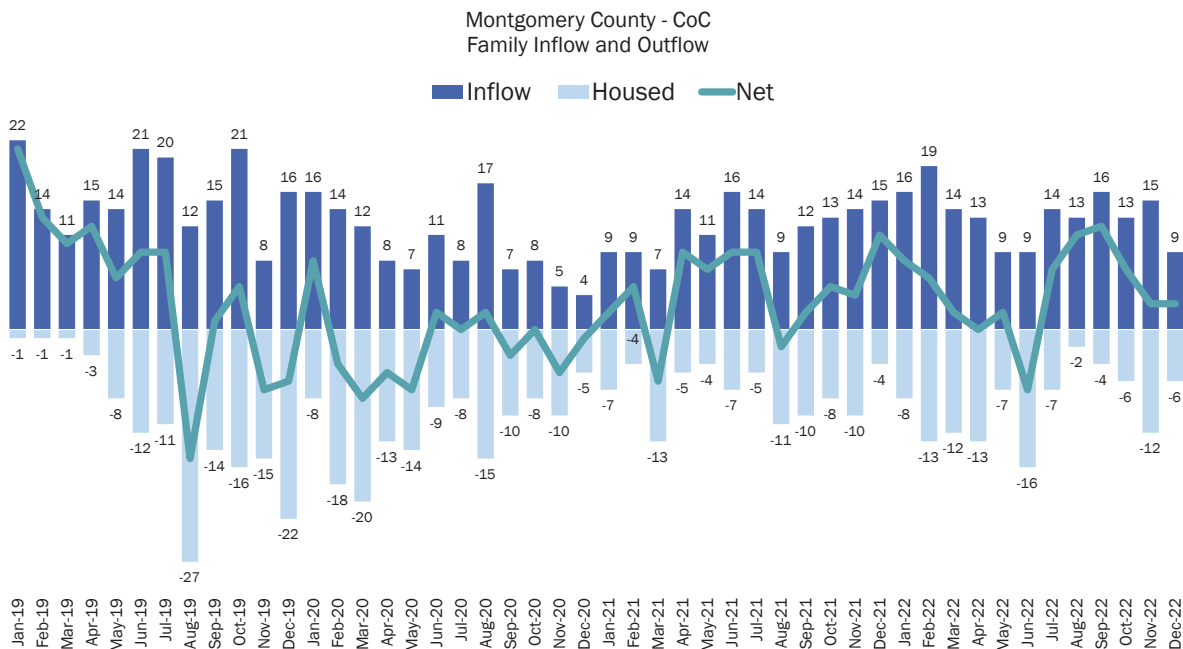- Data Not Collected

Prior Living Situtation

Shelter/Hotel Transitional
27%

Data Not Collected
4%

All Housed Living Situation
27%

Hospital or Instituition
11%

Place not meant for habitation
32%

(18)
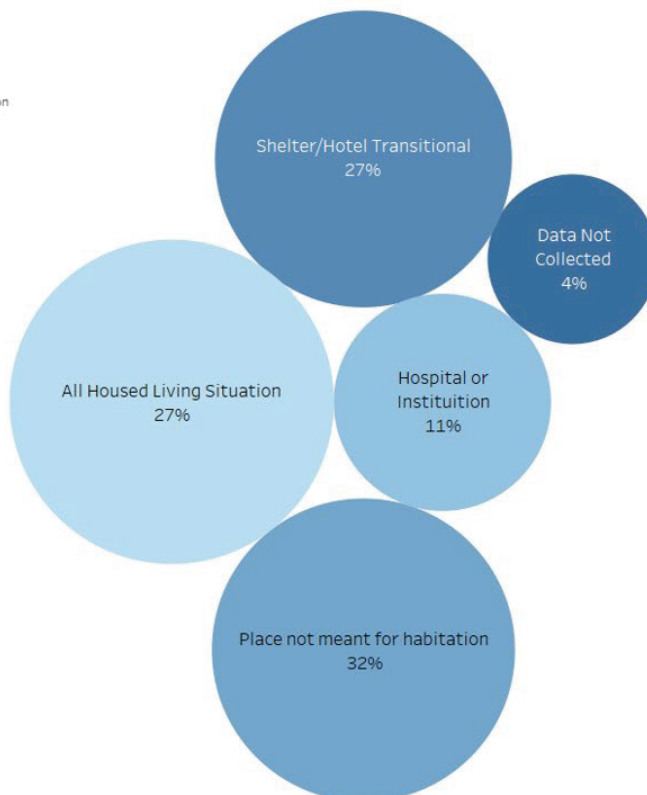
Monthly Averages for Adult-Only Households

	Average Monthly Inflow	Average Monthly Outflow	Average Net
2019	61	26	+35
2020	56	37	+20
2021	48	55	-7
2022	52	35	+17

22

Monthly Inflow/ Outflow Families

Montgomery County - CoC
Family Inflow and Outflow

23

(19)

Prior Living Situation - Adult+Child Households

Prior Living Situation

Legend:
- All Housed Living Situation
- Hospital or Instituition
- Place not meant for habitation
- Shelter/Hotel Transitional
- Data Not Collected
- Domestic Violence Situation

Shelter/Hotel Transitional 34%

All Housed Living Situation 52%

Hospital or Instituition

Data Not Collected 4%

Place not meant for habitation 7%
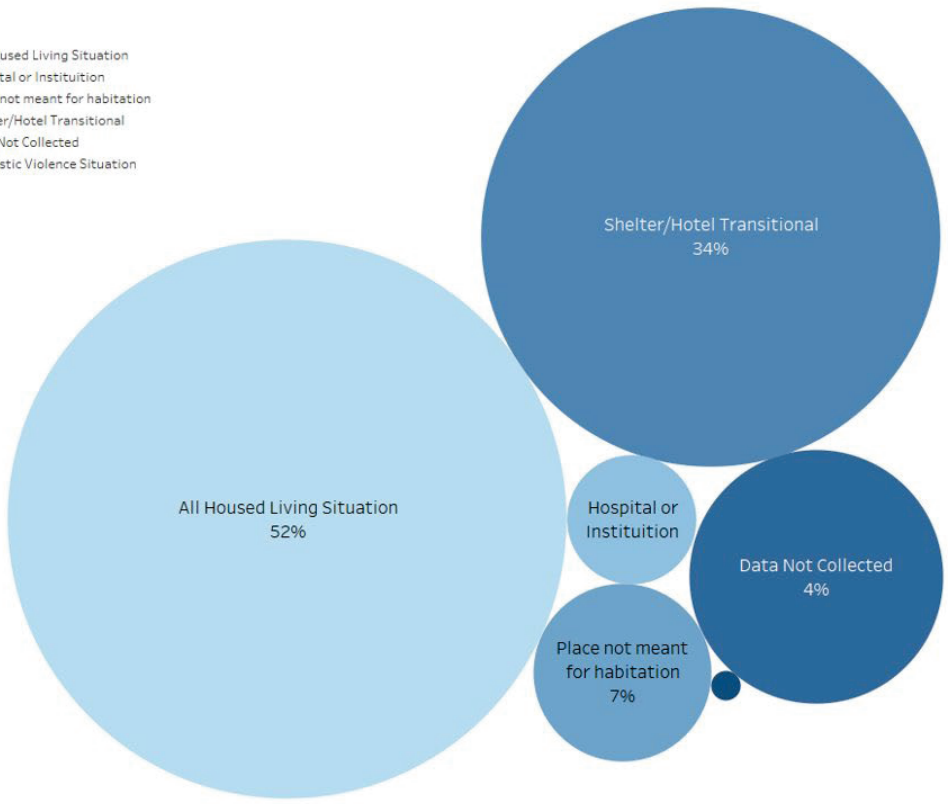
Monthly Averages for Households with Children

	Average Monthly Inflow	Average Monthly Outflow	Average Net
2019	16	11	+5
2020	10	12	-2
2021	12	7	+5
2022	13	9	+4

Utilization Rates

Permanent Supportive Housing

Bed Capacity	Currently Housed	Utilization Rate
2453	1817	74%

Rapid Rehousing

Bed Capacity	Currently Housed	Utilization Rate
740	476	64%
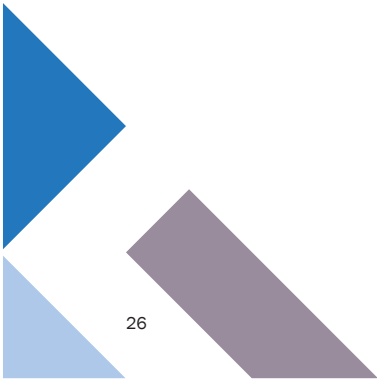
Numbers of Days to Housing

Adult- Only Households

Length of Time Homeless Adult Only Households
Assigned to Accepted vs Assigned to Housed
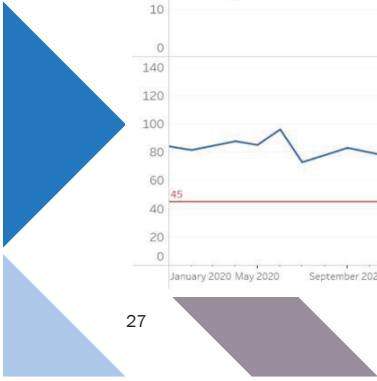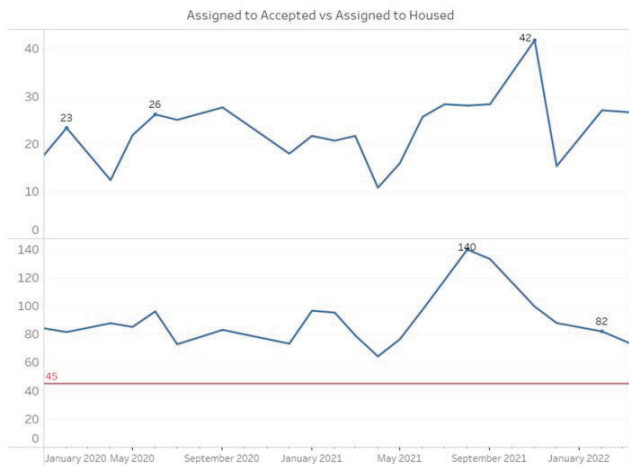
Households with Children

Length of Time Homeless Households with Minor Children (Families)
Assigned to Accepted vs Assigned to Housed

Making Homelessness RARE

# of People Entering Homelessness for the First Time
5-Year Trend: 25% Decrease

FY18	FY19	FY20	FY21	FY22
1516	1671	1362	1258	1136

Annual Homeless Point-in-Time Count
5-Year Trend: 31% Decrease

FY18	FY19	FY20	FY21	FY22
840	647	670	577	581
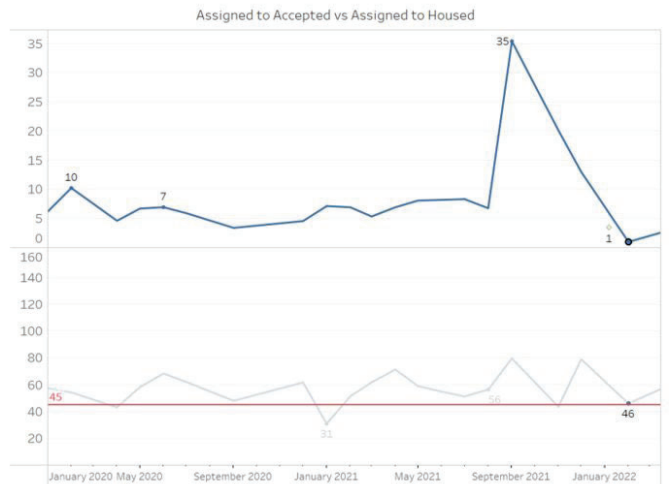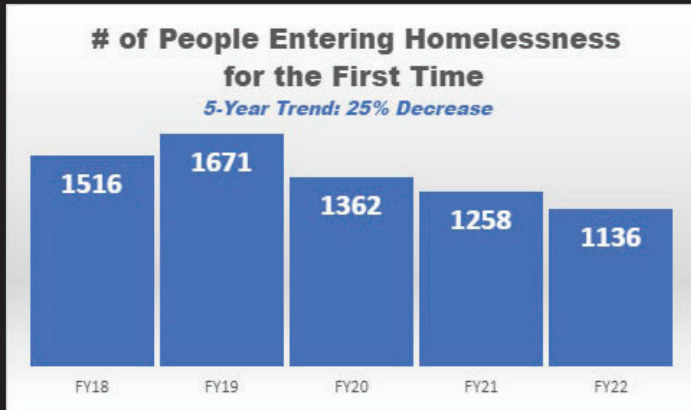
28

Making Homelessness BRIEF

Average Length of Time Homeless in Days
5-Year Trend: 21% Increase

FY18	FY19	FY20	FY21	FY22
107	97	111	108	130

% of Exits to Permanent Housing
5-Year Trend: 32% Increase

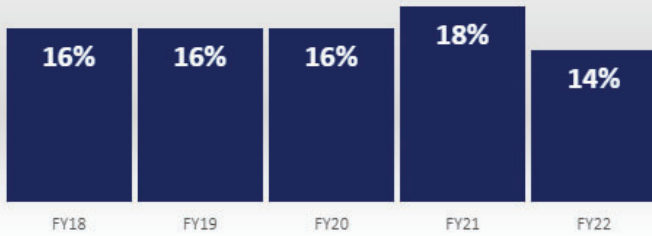| FY18	FY19	FY20	FY21	FY22
41%	35%	35%	45%	54%
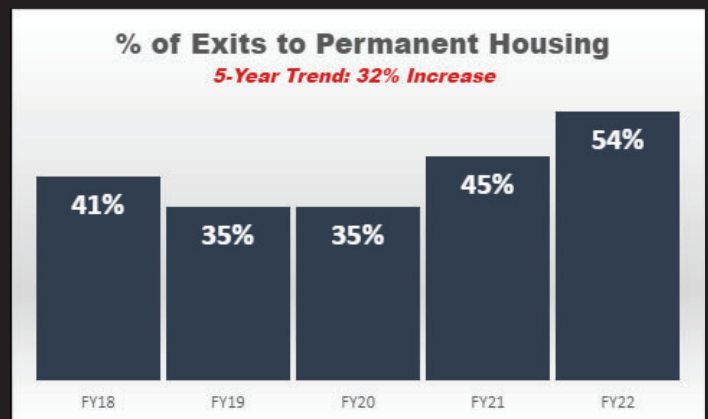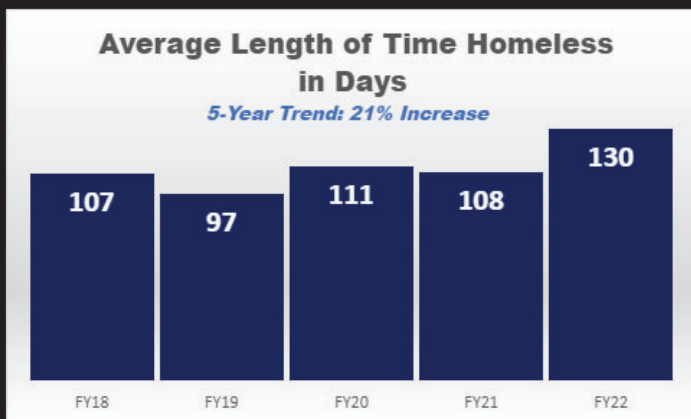
29

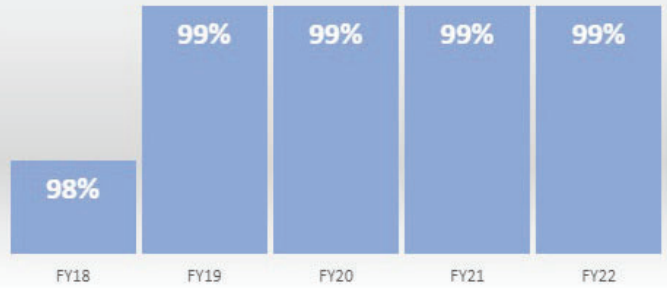# Making Homelessness One-Time Only

% of Households Who Exited to PH and Returned to Homelessness After 24 Months
5-Year Trend: 13% Decrease
FY18 16% | FY19 16% | FY20 16% | FY21 18% | FY22 14%

% of Households with Successful Exits or Retention of PH
FY18 98% | FY19 99% | FY20 99% | FY21 99% | FY22 99%

30

Functional Zero

A Shared Aim: Functional Zero

\# Actively Homeless ≤ 6-Mth Avg. Housing Placement Rate

- The number of households actively experiencing homelessness must be **less than or equal to the monthly rate at which households achieve stable housing** (based on 6 month avg.)
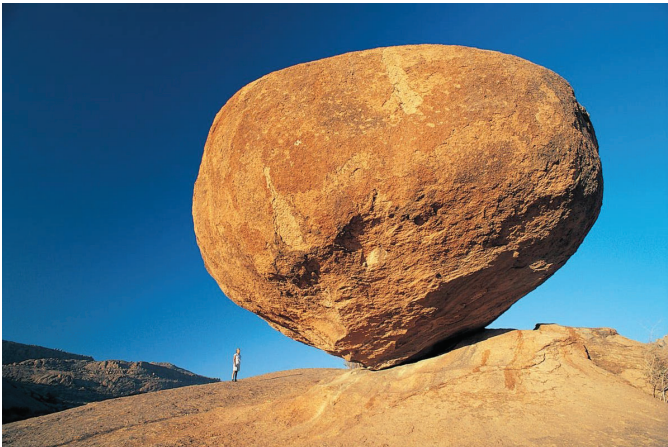
All Populations

610 → → → → → → 89

Single Adults: 425

Families: 68

Veterans: 16

Youth: 23

Vulnerable Adults: 134
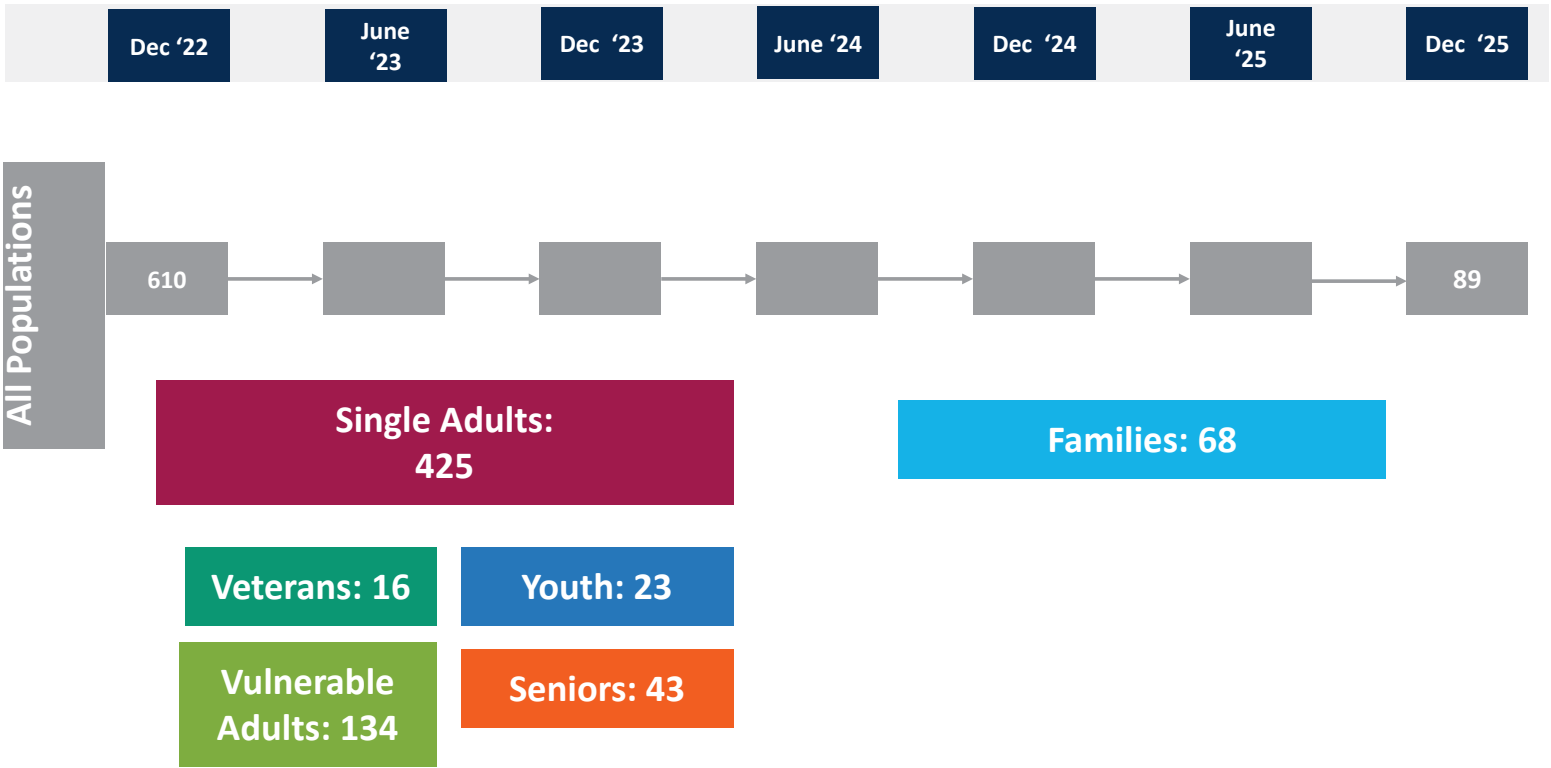
Seniors: 43

6-Month Milestones

Working Group	By June 2023, we will have…
Youth	A fully operational Coordinated Entry System for Youth
Families	An average length of time from ID to Move-in of 45 days
Seniors	Decreased the number of seniors entering homelessness each month by 50% (from 6 to 3)
Vulnerable Adults	An average length of time from Assigned to Housed of 45 days
Veterans	No more than 7 Veterans experiencing homelessness (down from 10)
Other Adult-Only Households	Housed 350 individuals

(24)

Rocks and Levers

A **big rock** can be any obstacle stopping you from reaching your goal or any opportunity to reach your target

A **lever** is something you can use to get the big rock out of the way

Community Identified Rocks and Levers

Population	ROCK	LEVER
Youth	Siloed providers	Standing youth committee meeting with updates
Veteran	Lack of communication with/from VA	Read-only access to DC HMIS
Families	Barriers and delays in accessing HOC housing, childcare subsidies and TCA	Assigned liaisons to increase efficiency
Seniors	Inconsistent Values and Service Philosophy amongst systems of care	Improved coordination between agencies; state and local advocacy and education to increase care quality
Vulnerable Adults	Provider capacity to service complex trauma/language/culture needs and behavioral health to help stay in housing	Hire Spanish + Amharic and other staff at front door shelter to best identify needs Incentivize bi-lingual staff Cultural competency training
Other Adult Only Households	Unemployment and Under employment	Subsidized employment Targeted workforce development Retention supports
Universal	Lack of Access to Affordable Housing and Not Enough of it	Tracking and reporting housing discrimination; building more units; dedicated units for people exiting homelessness

(25)

Do More of What Works

Housing First Permanent Supportive Housing

Housing First PSH keeps people housed 98% of the time.

Rapid Rehousing without preconditions

Nearly 80% of people leaving RRH exit to permanent housing, even those with disabilities and without income

Short-term Housing Resolution Program and Exit Bonus

Providing time-limited cash assistance or a rental subsidy has ended homelessness for 536 households. Nearly 80% have remained housed for at least 12 months.

Targeted yet Flexible Eviction Prevention

More than 12,000 evictions have been prevented and the number of people entering homelessness for the first time has been reduced by 30%.

Centralized Intake and Homeless Diversion

Homelessness is a traumatic experience and should be avoided whenever possible. Flexible funding allows staff to partner with people to resolve their housing crisis.

Meaningful Participation of People with Lived Experience.

If the person sleeping in the tent or the family in shelter do not see a path out of homelessness, we are not doing our job.

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The Obstacles in the Way

Barriers to Accessing to Housing and Programs

Eligibility criteria and required documentation often screen people out of housing that best meets their needs

Failures of other Systems of Care

Shelter is not a discharge plan and people need access to mainstream services to sustain housing.

Staffing Capacity of Nonprofit and Government

This work is hard, and salaries are too low making staff recruitment and retention difficult.

Not Enough Housing

More than 30,000 households in Montgomery County pay more than half of their income for rent.

Systemic and Institutional Racism

Black, Indigenous and other People of Color become homeless because of racist systems and racist systems keep them there.

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