



Committee: Directly to Council
Committee Review: N/A
Staff: Linda McMillan, Senior Legislative Analyst
Purpose: To introduce agenda item – no vote expected
Keywords: COVID-19; renters

AGENDA ITEM #2F
April 21, 2020
Introduction

SUBJECT

Special Appropriation to the Fiscal Year 2020 Operating Budget; Montgomery County Government; COVID-19 Human Services Response and Community Assistance Non-Departmental Account (NDA); \$2,000,000; (Source of Funds: General Fund Reserves); Emergency Eviction Prevention and Rental Assistance; Lead Sponsor: County Council

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- Introduction. Public hearing and action are scheduled for April 28, 2020.

DESCRIPTION/ISSUE

The COVID-19 public health crisis has closed non-essential businesses leaving many county residents with no or significantly reduced income. Many residents are having difficulty paying all or a portion of rent. The Department of Health and Human Services (DHHS) reports that they are having increased requests for housing assistance, particularly from people who have never asked for assistance before. While renters with leases are currently protected from eviction, people in informal housing agreements, such as renting a room, are not. The County will leverage any federal and state housing and rental assistance, such as funding expected through the Community Development Block Grant, for which a County resident is eligible. DHHS will assist residents in applying for unemployment, utility assistance, and other available benefits. The County will seek federal and state reimbursement for expenditures made in response to the COVID-19 public health emergency.

SUMMARY OF KEY DISCUSSION POINTS

- Renter households are more likely to be low or moderate – income, housing cost burdened, and have little or no savings. The COVID-19 public health emergency has left many people without a job and no or very little income and unable to pay their housing costs. DHHS has seen an increase in request for housing assistance.
- Council has sent a letter (© 4-6) to the County Executive requesting: administrative changes to current program requirements in response to the emergency, support for this \$2 million special appropriation, leveraging of private sector investments and partnerships with landlords, and establishment of a multilingual hotline within the housing stabilization program.

Attached:

Special Appropriation Resolution

Letter from Council to County Executive April 20, 2020

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4-6

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Resolution No.: _____
Introduced: _____
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead sponsor: County Council

SUBJECT: Special Appropriation to the Fiscal Year 2020 Operating Budget
Montgomery County Government
COVID-19 Human Services Response and Community Assistance
Non-Departmental Account (NDA)
\$2,000,000 (Source of Funds: General Fund Reserves)
Emergency Eviction Prevention and Rental Assistance

Background

1. Section 308 of the County Charter provides that a special appropriation is an appropriation which states that it is necessary to meet an unforeseen disaster or other emergency, or to act without delay in the public interest. Each special appropriation shall be approved by not less than six Councilmembers. The Council may approve a special appropriation at any time after public notice by news release. Each special appropriation shall specify the source of funds to finance it.
2. Montgomery County has programs to help low and moderate-income county residents meet their monthly costs for rental housing, prevent eviction, and move people out of homelessness. These county-funded efforts are a part of the county's continuum that also includes programs supported by the state and federal government.
3. A new coronavirus disease, named COVID-19, appeared in December 2019 and spread quickly, with extremely serious impacts in the United States. As of April 20, 2020, there were over 740,000 confirmed cases and over 40,000 deaths in the United States. As of April 20, the State of Maryland reported 13,684 confirmed cases and 516 deaths statewide with 2,647 of the confirmed cases and 89 of the confirmed deaths in Montgomery County.
4. To slow the spread of the disease, Governor Hogan declared a State of Emergency and has issued several Executive Orders with actions that include, but are not limited to, closing all non-essential businesses which has left many county residents either unemployed or with significantly reduced work and income. Many residents are not able to pay all or a portion of their rent.

5. Additional funds are needed to help people who may lose their housing because they are in informal arrangements and do not have eviction protections mandated by the courts and the Governor, for households that were working their way out of homelessness through rapid rehousing but are not able to find employment, people who are able to move out of homelessness with aid for security deposits, households that are not eligible for other assistance, and households that now find themselves needing assistance. Assistance now will prevent evictions once the emergency is lifted.
6. Before the pandemic crisis, about half of Montgomery County renters were cost burdened. A recent Urban Institute brief on why supporting renters during the COVID-19 crisis is critical to a stable housing market noted that renters are less financially stable than homeowners; in 2018 one-fifth of renters didn't have \$400 for unexpected costs; and, the CARES Act includes funding targeted to households that were receiving federal aid prior to the pandemic but not specifically for low-income renter households who are eligible but don't receive federal aid.
7. Notice of a public hearing was given and a public hearing was held.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

A special appropriation to the FY20 Operating Budget of the Montgomery County Government, in the amount of \$2,000,000 is approved as follows:

	<u>Personnel Expense</u>	<u>Operating Expense</u>	<u>TOTAL</u>
COVID-19 Human Services Response and Community Assistance NDA	\$0	\$2,000,000	\$2,000,000

These funds must be used by the Department of Health and Human Services to support programs administered by Services to End and Prevent Homelessness. This may include emergency eviction prevention, housing stabilization, and rapid re-housing strategies. The Executive must report to the Council by May 8, 2020 how the parameters for programs have been temporarily modified to respond to the COVID-19 crisis.

At least one million dollars of these funds must be used to provide a short-term rental subsidy program to low and moderate-income households in response to the emergency. The Executive must provide the parameters of this program, including eligibility, application

process, and maximum benefit to the Council prior to issuing any application. It is the Council's intent that this support will be time limited. Acceptance of this assistance does not prevent any resident from being accepted into a permanent subsidy program for which they are eligible; however, County departments and agencies should first leverage any federal or state assistance for which the person is eligible.

The County will seek federal and State reimbursement for program costs associated with response to the COVID-19 pandemic.

This appropriation is needed to respond to a public health emergency and to act without delay in the public interest.

This is a correct copy of Council action.

Selena Mendy Singleton, Esq.
Clerk of the Council



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

April 20, 2020

County Executive Marc Elrich
101 Monroe Street
Rockville, MD 20850

Dear County Executive Elrich:

Thank you for your ongoing efforts during this time of crisis. As we hear from constituents about their growing concerns, being able to stay in their homes is among the top of their list.

Prior to the COVID-19 pandemic, the Council stated that housing security was a central goal for all of our residents. Housing insecurity is especially acute for Montgomery County renters, who make on average 70% of the area median income and half of whom are cost burdened, notwithstanding the current economic climate. While the statewide eviction moratorium is temporarily helpful for some renters, we must also increase direct housing assistance and expand the qualifications for existing County housing programs so that more Montgomery County residents are able to recover from this economic crisis and its lasting effects.

As you know, thousands of Montgomery County families do not qualify for federal or state financial assistance and these households are disproportionately renters. Once the current eviction moratorium is lifted, households that have been unable to pay rent will still be vulnerable to displacement.

To mitigate the current crisis and prepare for the reality that is ahead, we are recommending a four-part solution:

1. Put in place temporary administrative changes to expand eligibility standards for rental assistance programs, such as the Housing Stabilization Fund and Emergency Eviction Assistance Program. Accessing housing assistance programs should be simplified and

streamlined during this crisis. This includes waiving requirements, such as eviction and court orders, and expanding the qualifications to be more inclusive of those financially impacted by COVID-19.

2. Support an initial \$2 million supplemental to cover the expected demand from expanding qualifications for eviction prevention, housing stabilization and rapid rehousing; in addition to providing temporary rental assistance to additional households by modifying the income requirements, and allowing assistance grants more than once in a 12 month period.
3. Leverage private sector investment and partnerships with landlords to ensure that renters have a six month transition after the emergency evictions are lifted.
4. Establish a multilingual hotline within the Housing Stabilization Unit. As you know, this unit has three regional offices, with three different points of entry, and the cultural and linguistic proficient services offered at each of these three offices is not always consistent. We have received feedback from nonprofit organizations and County Council staff who have had a difficult time accessing services on behalf of non-English dominant constituents. Therefore, establishing a multilingual hotline with Spanish as the main language, and other languages as needed, will ensure that language is not a barrier for constituents who need information and access to the vital services that this Unit provides.


As the next rent due date of May 1 is right around the corner, we ask that you move swiftly in ensuring that these expanded guidelines and rental assistance are immediately available to renters impacted by COVID-19 financial losses.

Renter households now make up close to 40% of county residents and in many parts of the county are a majority of the population. This year the County Council unanimously committed to the Council of Governments' affordable housing goals and we have committed to reducing the waitlists for our housing programs by increasing funding to the Housing Initiative Fund. While we recognize the need for residents to apply for unemployment, this targeted approach helps the county efficiently leverage resources fulfilling our affordable housing obligations has never been more important. We look forward to working with you on this issue.

Sincerely,



Evan Glass
Councilmember, At-Large



Sidney Katz
President



Tom Hucker
Vice President



Gabe Albornoz
Councilmember, At-Large



Craig Rice
Councilmember, District 2



Nancy Navarro
Councilmember, District 4



Will Jawando
Councilmember, At-Large



Hans Riemer
Councilmember, At-Large



Andrew Friedson
Councilmember, District 1

cc: Rosie McCray-Moody, DHCA
Dr. Raymond Crowell, DHHS
Aseem Nigab, DHCA
Stacy Spann, Housing Opportunities Commission