



OFFICE OF RACIAL EQUITY AND SOCIAL JUSTICE

Marc Elrich
County Executive


Tiffany Ward
Director and Chief Equity Officer

MEMORANDUM

March 2, 2022

To: Jennifer Bryant, Director
Office of Management and Budget

cc: Gabe Albornoz, President
Montgomery County Council

From: Tiffany Ward, Director
Office of Racial Equity and Social Justice 

Re: Racial Equity Impact Assessment (REIA) for Special Appropriation: #22-65 Housing Opportunities Commission

- I. **FINDING:** The Office of Racial Equity and Social Justice (ORESJ) finds that Special Appropriation #22-65 Housing Opportunities Commission is likely to advance racial equity and social justice in Montgomery County by providing the Housing Opportunities Commission (HOC) with resources to continue serving clients, including with programming that clears rental arrearages created by the Covid-19 pandemic. Further racial equity and social justice impacts could be generated with resources that promote long-term housing stability in the County, such as future rent payments for those most at risk of housing instability and homelessness during the pandemic recovery.
- II. **BACKGROUND:** The purpose of Special Appropriation #22-65 is to provide funding to backfill the shortfall in the HOC budgeted rental income to allow the Commission to continue to assist households to remain stably housed as they continue to recover from the impacts of the COVID-19 pandemic. These revenue shortfalls exist because the pandemic has disrupted employment (either job losses or reduced hours) and household incomes resulting in large delinquent rental balances. This appropriation will enable HOC to work with many families who are delinquent and facing eviction to remain stably housed, clear significant of past due rent, and put them on a path to start over.

ORESJ has conducted several Racial Equity Impact Assessments of the County's rental assistance program and related efforts to mitigate the economic impacts of the pandemic. Each of the following REIAs describes the racial inequities that shape the disproportionate risk of housing insecurity and homelessness for Black and other communities of color in the County. They also highlight the racial disparities in wealth, household income¹, housing cost-burden², unemployment³ and other predictors of financial security that preceded the pandemic.

- REIA of Supplemental Appropriation #21-527 Department of Health and Human Services Rental Assistance Program:
<https://www.montgomerycountymd.gov/ore/Resources/Files/21-527.pdf>
- REIA of Special Appropriation #22-10 Assistance in Community Integration Services:
<https://www.montgomerycountymd.gov/ore/Resources/Files/22-10.pdf>
- REIA of Supplemental Appropriation #22-31 Nebel Street Shelter:
<https://www.montgomerycountymd.gov/ore/Resources/Files/22-31.pdf>

While eviction moratoria and rental assistance programs have been critical in reducing instances of housing instability and homelessness, they haven't prevented tenants from accumulating significant debts or facing the fear of future eviction. The National Equity Atlas' Rent Debt in America dashboard estimates that there are 16,010 households—owing a total of \$66,100,000, affecting 14,200 children—in Montgomery County⁴. This means that any imminent expiration of eviction moratoria could have a sizable impact on the County's lowest income and otherwise housing insecure individuals and families. The role of the HOC is therefore critical to preventing growth in homelessness and housing insecurity. Shoring up HOC's revenues with this special appropriation allows the organization to continue its work, which itself prevents existing racial disparities affecting low-income and below-market rate tenants from widening. As important, however, is the way this supplemental appropriation clears the debts of below-market tenants who are not reached by federal rental assistance programs. To leverage resources, this and future efforts should center long-term housing stability which may include payment for future rent. Such steps would help economically distressed tenants from facing re-application processes or the fear of eviction in the near future⁵, as guidance from the National Housing Law Project suggests that payment of arrears is often insufficient⁶.

¹ See data analysis section.

² See data analysis section.

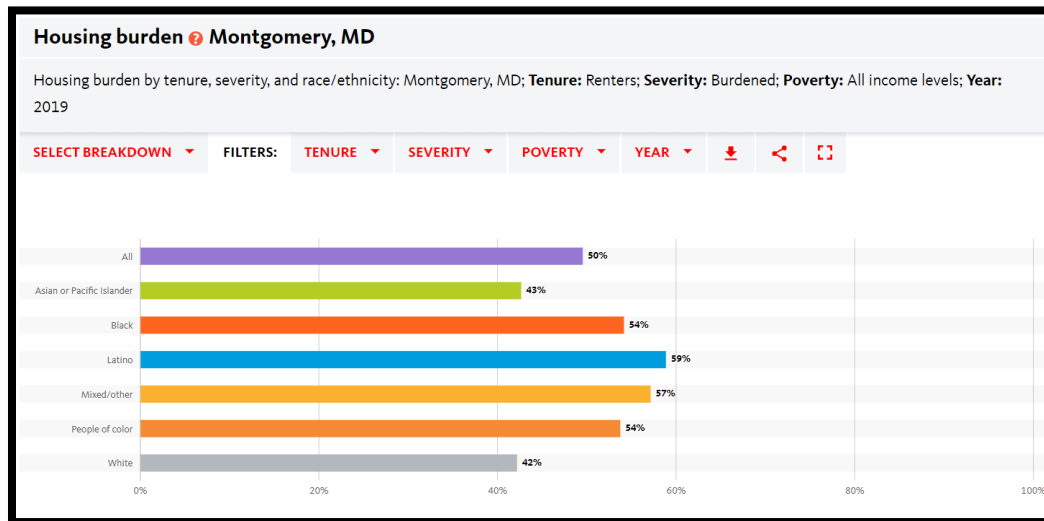
³ See data analysis section.

⁴ <https://nationalequityatlas.org/rent-debt>

⁵ The Aspen Institute Financial Security Program and the Covid-19 Eviction Defense Fund. "Emerging best practices for COVID-19 emergency rental assistance". December 2020. Available at: <https://www.aspeninstitute.org/wp-content/uploads/2020/12/Aspen-CEDP-Rental-Assistance-Presentation.pdf>

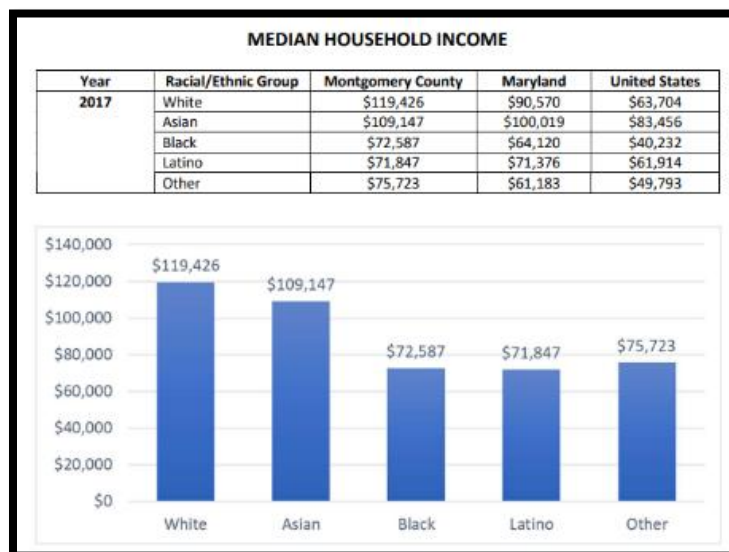
⁶ National Housing Law Project. Emergency Rental Assistance Principle and Recommendations. June 9, 2020. Available at: <https://www.nhlp.org/wp-content/uploads/Emergency-Rental-Assistance-Recommendations.pdf>

- III. **DATA ANALYSIS:** The chart below illustrates rent-housing cost burden by race/ethnicity in Montgomery County in 2019. It shows that rental housing cost burden is highest among Latino residents at 59% and that the percentage of residents of color experiencing rental housing cost burden is 4 percentage points higher than in the County overall, and 14 percentage points higher than the percent of white residents who are rental housing cost burdened.



Source: Policy Link. National Equity Atlas. Housing burden by tenure, severity, and race/ethnicity: Montgomery, MD; **Tenure:** Renters; **Severity:** Burdened; **Poverty:** All income levels; **Year:** 2019. Available at: https://nationalequityatlas.org/indicators/Housing_burden#/?geo=04000000000024031

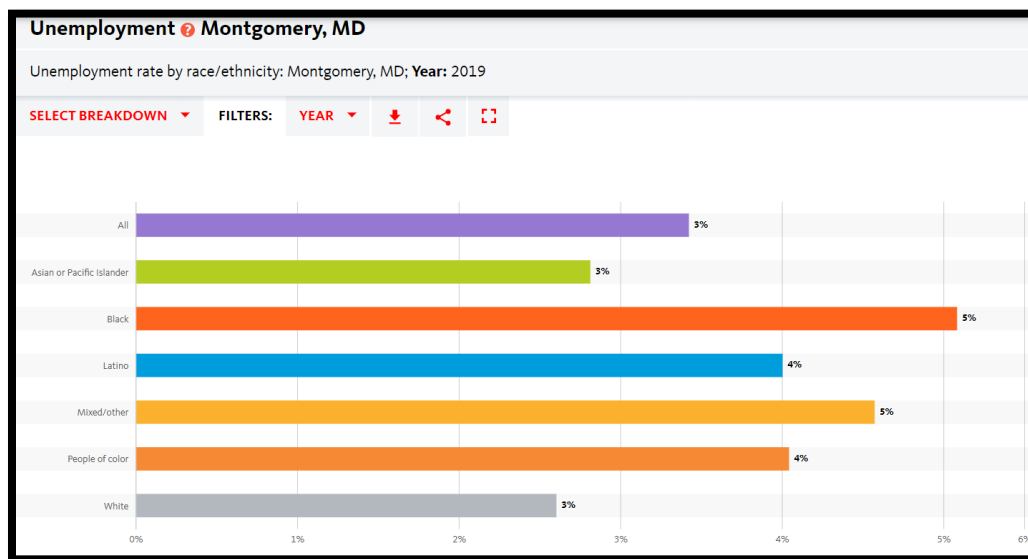
The chart below shows racial disparities in median household income in Montgomery County in 2017. Median household income for Black and Latino residents was about 60% of the median household income for white residents.



Source: Montgomery County, Maryland Office of Legislative Oversight Montgomery County Racial Equity Profile. Available here:

<https://www.montgomerycountymd.gov/OLO/Resources/Files/2019%20Reports/RevisedOLO2019-7.pdf>

The chart below shows racial disparities in unemployment in Montgomery County in 2019. While the overall unemployment rate was 3% in 2019, it was 5% among Black residents and 4% among Latino residents.



Source: Policy Link. National Equity Atlas. Unemployment: Montgomery, MD; 2019. Available at: <https://nationalequityatlas.org/indicators/Unemployment#/?geo=04000000000024031>

cc: Ken Hartman, Director, Office of Strategic Partnership, Office of the County Executive