



OFFICE OF RACIAL EQUITY AND SOCIAL JUSTICE

Marc Elrich
County Executive

Tiffany Ward
Director and Chief Equity Officer

MEMORANDUM

February 13, 2023

To: Jennifer Bryant, Director
Office of Management and Budget

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

Re: Racial Equity Impact Assessment (REIA) Supplemental Appropriation (SA) #23-74
Elizabeth House Demolition & #23-75 WSSC Sewer and Storm Line Improvements
at Elizabeth Square

- I. **FINDING:** The Office of Racial Equity and Social Justice (ORESJ) finds that Supplemental Appropriations #23-74 *Elizabeth House Demolition & #23-75 WSSC Sewer and Storm Line Improvements at Elizabeth Square* provide an opportunity to advance racial equity and social justice in the County by increasing the availability of affordable housing and preventing the delay of amenities coming online in downtown Silver Spring.
- II. **BACKGROUND:** The purpose of Supplemental Appropriation #23-74 - Elizabeth House Demolition is to fund the demolition of the existing Elizabeth House multifamily building, which currently sits vacant. The building is part of the mixed-use Elizabeth Square Development in downtown Silver Spring. The County is partnering with the Housing Opportunities Commission of Montgomery County (HOC) to demolish Elizabeth House before the opening of the South County Regional Recreation and Aquatic Center (SCRRAC).

Supplemental Appropriation #23-75 will fund storm and sewer line improvements to support the Elizabeth House and the SCRRAC. The Washington Suburban Sanitary Commission (WSSC) required HOC to revise the originally approved Sewer and Storm Line improvement plans and install a 15-inch sewer line as well as a 15-inch storm line. The improvements would provide capacity for the entirety of the Elizabeth Square

Racial Equity Impact Assessment (REIA) Supplemental Appropriation (SA) #23-74 Elizabeth House Demolition & #23-75 WSSC Sewer and Storm Line Improvements at Elizabeth Square

February 13, 2023

Page 2 of 4

development, as well as the future HOC headquarters. The sewer and storm line upgrades must be implemented before Elizabeth House III (The Leggett) and SCRRAC can receive a final certificate of occupancy.

While the supplemental appropriations directly fund the demolition of Elizabeth House and the installation of sewer lines, these updates will help progress the overall Elizabeth Square redevelopment project—which support affordable housing and economic development. The site will be home to the SCRRAC and will offer mixed-income and multigenerational housing, which will include: The Leggett, Elizabeth House, and Alexander House. The Leggett, opening in September, would increase the availability of affordable housing available to seniors at extremely low, low, and moderate incomes¹.

ORESJ developed a Capital Improvements Program Budget Equity Tool (CIP BET) and Guidance Manual² to help stakeholders in Montgomery County incorporate a racial equity lens into CIP project development and resource decisions. Best practices for using a racial equity tool, such as the CIP BET, suggest that the tool should be used early and often in project development and involve a diverse set of project stakeholders—including community members and intended beneficiaries of the project. The Elizabeth Square projects were received outside of ORESJ’s CIP BET review window. However, both projects can benefit from examination through a racial equity lens. Using the CIP BET as a framework, we offer several observations for consideration:

What racial disparities or inequities in Montgomery County does this project seek to reduce or eliminate?

This project seeks to reduce racial disparities by improving housing access, transit availability, and public amenity access. Increasing affordable housing could potentially reduce racial disparities in housing insecurity, such as rent burden and homelessness for Black and Latinx residents³. Appropriating funding for the demolition of Elizabeth House will increase the visibility of the SCRRAC and reduce security and safety concerns that accompany vacant buildings. Demolition of the building will also reduce disruptions for future residents and customers of The Leggett and SCRRAC, which is co-located below the residences. Since sewer line improvements are required before occupancy of the above-mentioned building, a delay would directly impede the availability of affordable housing and recreation facilities. Elizabeth Square is also within walking distance of the

¹ Housing Opportunities Commission - Housing Production Fund Update. Available at:

https://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2023/20230206/20230206_PH2.pdf

² Office of Racial Equity & Social Justice. Guidance Manual, FY24 Capital Improvements Program Budget Equity Tool. Available at: https://www.montgomerycountymd.gov/ORE/Resources/Files/CIP_EquityTool_101322_PS2.pdf

³ Peña, J., *Racial Equity and Social Justice (RESJ) Impact Statement, Office of Legislative Oversight*, Bill 33-22: Capital Improvements Program – Affordable Housing Feasibility Study – Required. Available at:

<https://www.montgomerycountymd.gov/OLO/Resources/Files/resjis/2022/Bill33-22.pdf>

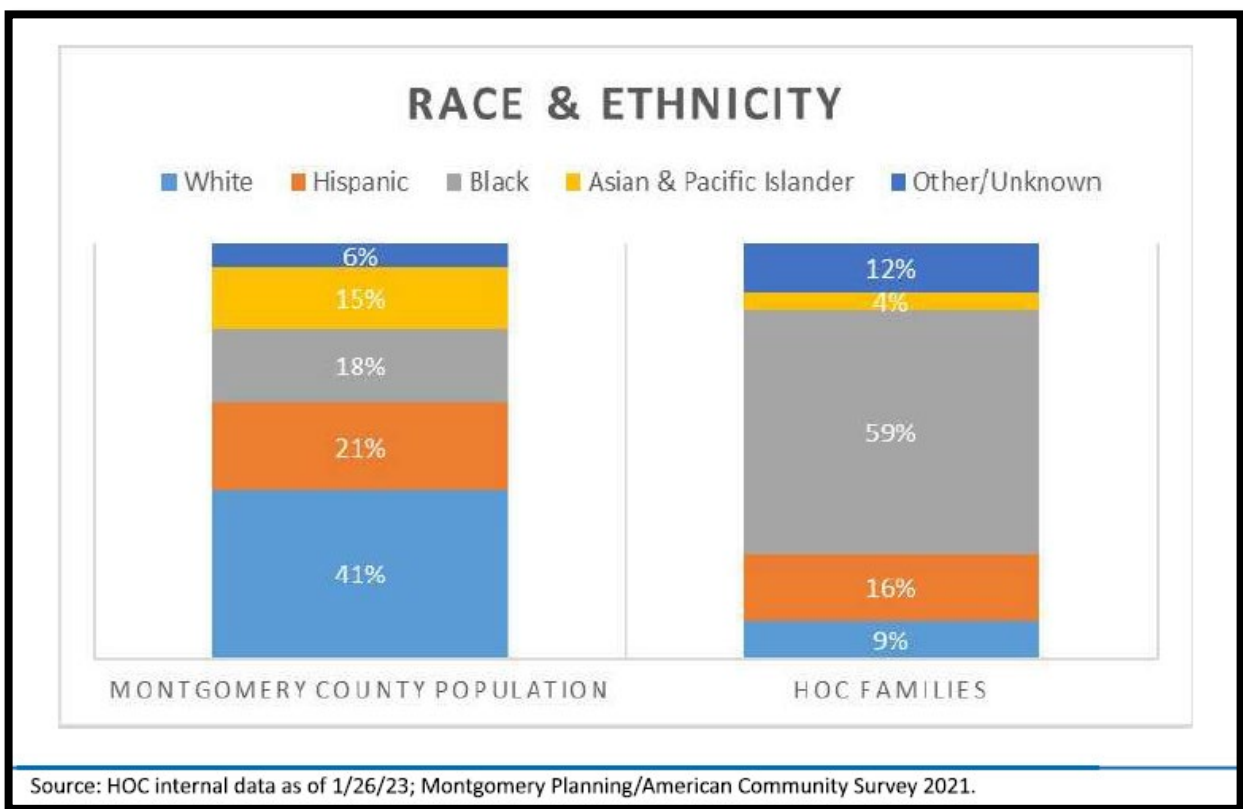
February 13, 2023

Page 3 of 4

Silver Spring Transit Center, which provides access to several modes of public and private transportation.

How does this project address the racial disparities and inequities you described?

Due to structural economic inequalities in wealth building, employment, and entrepreneurship opportunities, households of color face disproportionate rates of housing insecurity. In Montgomery County, households of color make up 91% of the customers HOC serves. The following chart, provided by HOC, breaks out and compares their portfolio of customers to that of the County population.



Upon completion, over 900 units of HOC-owned and controlled housing will exist between all three buildings in the Elizabeth Square development, nearly doubling the number of housing units. Additionally, the SCRAC will provide access to recreational facilities, including swimming, which previously did not exist in this area. By locating Elizabeth Square in a transit-dense, highly diverse location, there will be more affordable housing as well as recreational and educational opportunities available for households with lower median incomes, which in the County—due to structural economic

Racial Equity Impact Assessment (REIA) Supplemental Appropriation (SA) #23-74 Elizabeth House Demolition & #23-75 WSSC Sewer and Storm Line Improvements at Elizabeth Square

February 13, 2023

Page 4 of 4

inequities—are disproportionately households of color⁴. Additionally, co-locating senior housing with an aquatic and recreation center and offering senior programming with Holy Cross Hospital can help older adults live independently longer⁵. The supplemental appropriation to install the sewer line will reduce HOC's cost share, thereby allowing HOC to direct those dollars towards increasing the available stock of affordable housing.

Does this project (including its development, construction, or implementation) have the potential to create any unintended consequences?

The redevelopment can potentially create unintended consequences for certain populations, namely seniors and disabled residents. During planning, it was proposed that residents of Elizabeth House move from Elizabeth House to The Leggett to avoid multiple moves and stay in the same community⁶. However, the building currently sits vacant, and residents were relocated. The residents were able to move to newly constructed or renovated housing of their choice and received a subsidy sufficient to maintain their level of public housing assistance. However, the stress of moving, namely relocation stress syndrome⁷, coupled with additional stressors should those residents return to Elizabeth Square can be compounding and disruptive. It is a best practice to, whenever possible, fully construct new buildings before relocating seniors and provide comprehensive support services before, during, and after relocation⁸.

cc: David Dise, Director, Department of General Services
Aseem Nigam, Director, Department of Housing and Community Affairs
Ken Hartman, Director, Strategic Partnership, Office of the County Executive

⁴ Montgomery County Housing Opportunities Commission & 2022 FFIEC Geocode Census Report, 1400 Fenwick Ln, Silver Spring, MD 20910. Available at <https://geomap.ffiec.gov/ffiecgeomap/>

⁵ Joint Center for Housing Studies of Harvard University. *Housing America's Older Adults 2019*. Available at: https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Housing_Americas_Older_Adults_2019.pdf

⁶ Montgomery Planning. *Elizabeth Square, Brief Description of Plans*. Available at: <https://eplans.montgomeryplanning.org/UFS/23102/71306/920150010%20Application%20Package.pdf/920150010%20Application%20Package.pdf>

⁷ Relocation stress syndrome, sometimes called "transfer trauma" is a set of symptoms that occur when an individual moves from one environment to another. These symptoms can influence behavior, mood, and physiological well-being. Anyone at any age can experience these symptoms, whether it be a child moving to a new school or a young adult going off to college. Among older adults, Relocation Stress Syndrome can lead to decline in physical and psychological well-being that can result in significant health complications and pre-mature death. Available at: <https://extension.sdstate.edu/relocation-stress-syndrome>

⁸ O'Brien, M. & Popkin, S.J. *Our Aging Public Housing Puts Older Americans At Risk*. Available at: <https://www.urban.org/urban-wire/our-aging-public-housing-puts-older-americans-risk>