



OFFICE OF RACIAL EQUITY AND SOCIAL JUSTICE


Marc Elrich
County Executive

Tiffany Ward
Director and Chief Equity Officer

MEMORANDUM

March 31, 2025

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) for Supplemental Appropriation (SA) #25-63 Countywide Façade Easement

- I. **FINDING:** The Office of Racial Equity and Social Justice (ORESJ) finds that *Supplemental Appropriation #25-63 Countywide Façade Easement* is likely to advance racial equity and social justice in Montgomery County. A previous Capital Improvements Budget Equity Tool (CBET) analysis of the Façade Easement Program (No. 762102) and demographic data analysis in the proposed project areas demonstrate an understanding of and response to the major structural barriers affecting financial stability, wealth, and businesses owned by people of color and foreign-born residents in Montgomery County.
- II. **BACKGROUND:** The purpose of Supplemental Appropriation #25-63 Countywide Façade Easement Program (No. 762102) is to allocate \$500,000 in State Aid to the Department of Housing and Community Affairs for the Capital Improvements Program (CIP) Façade Easement Program (No. 762102), which will support small business and encourage private investment.

The Façade Easement program, which is part of DHCA's Neighborhood Revitalization Section, was initially funded in FY21¹. The program helps transform the exteriors of commercial properties and/or businesses that are 10 years or older to help them meet current commercial standards and create more visually inviting and safer commercial

¹ Countywide Façade Easement Program (P762102) Project Description Form.

environments across the County². The program works by reimbursing participating property and business owners up to 50% of the eligible costs for the design and construction of approved facade improvement projects and requires owners to maintain those improvements for a negotiated term via a facade easement agreement with the County³. Projects throughout the county are eligible, with priority given to projects meeting the following criteria⁴:

- are located in one of the program priority areas of Glenmont, Hillandale, Layhill, Long Branch, Montgomery Village or Wheaton; and/or
- are located in an Equity Focus Area^{*5} within the County; and/or
- are mixed-use, but not exclusively used for or converted to housing; and/or
- have significant first-floor retail.

In FY24, eight businesses benefited from the Façade Easement Program (No. 762102), and \$289,902 private dollars were leveraged⁶. It is estimated that in FY25, 60 businesses will benefit from the program and more than 1 million in private dollars will be leveraged⁷.

ORESJ conducted a Capital Improvements Program budget equity (CBET) analysis for FY24 amendments to the FY23-28 CIP. In that analysis, ORESJ reviewed information provided by DHCA in response to the following CBET questions:

1. Does this project align with the county's policy to reduce and eliminate racial disparities and inequities?
2. What racial disparities or inequities in Montgomery County does this project seek to reduce or eliminate?
3. How does this project address the racial disparities and inequities you described?
4. Does this project (including its development, construction, or implementation) have the potential to create any unintended consequences?

² <https://www.montgomerycountymd.gov/DHCA/community/neighborhood/facade.html>

³ <https://www.montgomerycountymd.gov/DHCA/community/neighborhood/facade.html>

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<https://www.montgomerycountymd.gov/DHCA/Resources/Files/community/neighborhood/publications/FINAL%20CFIP%20and%20Refresh%20Grant%20Guidelines%20111523.pdf>

⁵ DHCA referenced Montgomery County Planning Department's Equity Focus Areas. More about that designation can be found here. <https://montgomeryplanning.org/planning/equity-agenda-for-planning/the-equity-focus-areas-analysis/> ORESJ advises the use of mapping tools as a starting point for analysis and decision-making and that community engagement and other forms of data collection are important for understanding the structural nature of inequities leading to disparate outcomes.

⁶ <https://apps.montgomerycountymd.gov/BASISOPERATING/Common/Program.aspx?ID=76D&PROGID=P76P06>

⁷ <https://apps.montgomerycountymd.gov/BASISOPERATING/Common/Program.aspx?ID=76D&PROGID=P76P06>

5. Who and what resources did you consult in the preparation of this Budget Equity Tool response?

The conclusion of our analysis of DHCA’s responses was that the project “aligns with Montgomery County’s policy to reduce and eliminate racial disparities and other inequities”⁸ Below is an excerpt from ORESJ’s analysis:

“The CBET response reflects a robust understanding of major structural barriers affecting the financial stability, wealth, and businesses owned by people of color. The project design appears to consider and respond well to these inequities by providing targeted assistance in neighborhoods with larger numbers of businesses owned by people of color.”

- III. **ANALYSIS:** Supplemental Appropriation #25-63 does not substantively alter the approaches or goals of the Countywide Façade Easement Program CIP. Based on available information, additional funding to the project will be focused on completing projects at Centers in Hillandale, Wheaton and Downtown Silver Spring. The department reported that “these areas have a large concentration of residents from diverse racial and ethnic backgrounds and these Centers may otherwise forego making improvements without the funding support of the CFIP/this State grant”⁹.

ORESJ compiled the following demographic data about Hillandale, Wheaton, and Downtown Silver Spring compared to Montgomery County as a whole.

Race	Hillandale (Hillandale Census Designated Place) ¹⁰	Wheaton (Wheaton Census Designated Place) ¹¹	Downtown Silver Spring (Silver Spring Census Designated Place) ¹²	Montgomery County, Maryland
Asian	8.0%	10.4%	8.2%	16.1%
Black	21.6%	20.1%	28.4%	20.9%
Race	Hillandale (Hillandale Census	Wheaton (Wheaton Census	Downtown Silver Spring (Silver Spring	Montgomery County, Maryland

⁸ Guidance Manual for FY24 Capital Improvements Program Budget Equity Tool. Available at: https://www.montgomerycountymd.gov/ORE/Resources/Files/CIP_EquityTool_101322_PS2.pdf

⁹ Information provided by DHCA to racial equity impact assessment template questions.

¹⁰ US Census Bureau Data Quick Facts. Available: <https://www.census.gov/quickfacts/fact/table/hillandalecdpmaryland/BPS030223>

¹¹ US Census Bureau Data Quick Facts. Available: <https://www.census.gov/quickfacts/fact/table/wheatoncdpmaryland#>

¹² US Census Bureau Data Quick Facts. Available: <https://www.census.gov/quickfacts/fact/table/silverspringcdpmaryland/INC110223>

	Designated Place) ¹³	Designated Place) ¹⁴	Census Designated Place) ¹⁵	
Hispanic/Latino	32.5%	43.4%	25.0%	21.1%
White	31.4%	22.6%	33.6%	40.6%
Two or More Races	13.2%	8.4%	9.1%	3.7%
American Indian and Alaska Native	1.8%	0.7%	0.7%	.9%
Native Hawaiian or Other Pacific Islander	0.0%	0.0%	0.1%	0.1%
Foreign-born (2019-2023)	32.6%	43.4%	33.5%	33.4%

These demographics confirm the department’s characterization of these areas as racially and ethnically diverse. Given this and ORESJ’s previous analysis of the program, it is likely that this supplemental appropriation funding will contribute to reducing economic inequities that disproportionately burden businesses owned by people of color, immigrants, and other structurally disadvantaged groups.

cc: Scott Bruton, Director, Department of Housing and Community Affairs
Tricia Swanson, Director, Strategic Partnerships, Office of the County Executive

¹³ US Census Bureau Data Quick Facts. Available:
<https://www.census.gov/quickfacts/fact/table/hillandalecdpmaryland/BPS030223>

¹⁴ US Census Bureau Data Quick Facts. Available:
<https://www.census.gov/quickfacts/fact/table/wheatoncdpmaryland#>

¹⁵ US Census Bureau Data Quick Facts. Available:
<https://www.census.gov/quickfacts/fact/table/silverspringcdpmaryland/INC110223>