



## REIA #26-39      Affordable Living Quarters (No. 602201)

Requesting Agency/Department(s)	Dollar Amount
Health and Human Services	\$7,221,940
Funding Source	County Match Amount
Federal Aid	N/A

### Finding

The Office of Racial Equity and Social Justice (ORESJ) finds that Supplemental Appropriation #26-39 Affordable Living Quarters (No. 602201) is likely to advance racial equity and social justice in Montgomery County as it will result in the production of affordable housing units. While specific details regarding site selection and the depth and duration of affordability are unavailable, it is likely that these units will be eligible to very low-income people who are at risk of entering homelessness. Given structural economic inequities and resultant racial disparities in household income, poverty, rent burden, and rates of homelessness, additional production of deeply affordable housing is a step towards advancing racial equity.

### Background

#### Purpose

The purpose of Supplemental Appropriation #26-39 Affordable Living Quarters (No. 602201) is to allocate the remainder of the American Rescue Plan Act grant awarded to the Department of Housing and Community Development for the planning and construction of up to 18, 1-or 2-person household rental units at 600 E Gude Dr, Rockville, MD 20850 (a County-owned building). These rental units will serve as a permanent supportive housing program and help to address the rising number of households experiencing homelessness<sup>1</sup> and the increasing demand for affordable housing in the County.

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#### Additional Background Information

The American Rescue Plan (ARP) Act appropriated \$5 billion for the U.S. Department of Housing and Urban Development's (HUD) HOME Investment Partnerships Program (HOME). The funds were made available to assist individuals or households who are homeless, at risk of homelessness, and other vulnerable populations, by providing housing, rental assistance, supportive services, and non-congregate shelter, to reduce homelessness and increase housing stability across the country<sup>2</sup>. The Department of Housing and Community Affairs (DHCA) applied for grant funds and was allocated \$7,310,978.

In FY22, the Affordable Living Quarters (No. 602201) project was created, and \$100,000 of the American Rescue Plan Act grant was allocated for initial planning and site selection. The remaining funds are now being allocated to design and construct the facility. The facility will include individual, furnished units with private bathrooms and limited kitchen facilities. Specific income-eligibility criteria were not available at the time of this analysis. Though the aim is for the program to create deeply affordable rental units, with initial proposals focused on targeting service for residents with household incomes between 15-30% of the Area Median Income<sup>3</sup>. The CIP project description states that, “the units would be rented at an extremely affordable rate so that individuals can end their experience with homelessness and have access to supportive services”<sup>4</sup>.

#### Relevant REIAs and Other Assessments

ORESJ has conducted REIAs since 2021. The below REIA(s) are relevant to supplemental appropriation #26-39 Affordable Living Quarters. These REIAs all emphasize the structural nature of the inequities that create racial disparities in housing, financial security, and economic opportunities. Findings from these REIAs highlight the importance of public investment to overcome market forces that can stymie the creation of and access to affordable housing.

- Racial Equity Impact Assessment (REIA) for Supplemental Appropriation #22-60 Affordable Living Quarters (No. 602201)  
<https://www.montgomerycountymd.gov/ore/Resources/Files/22-60.pdf>
- Racial Equity Impact Assessment (REIA) for Supplemental Appropriation (SA) #24-72 Amendment to the FY24 Operating Budget and Amendment to Fiscal Year 2024 Operating Budget Resolution 20-184 Section G, FY24 Designation of Entities for Non-

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Competitive Contract Award Status: The Montgomery County Government, Department of Health and Human Services, Services to End and Prevent Homelessness, Shelter Services, Overflow and Security expansion.

<https://www.montgomerycountymd.gov/ore/Resources/Files/24-72.pdf>

- Racial Equity Impact Assessment (REIA) Supplemental Appropriation (SA) #24-14 Implementation of the Rent Stabilization Bill  
<https://www.montgomerycountymd.gov/ore/Resources/Files/24-14.pdf>
- Racial Equity Impact Assessment (REIA) Supplemental Appropriation (SA) #23-102 Emergency Rental Assistance Program 2  
<https://www.montgomerycountymd.gov/ore/Resources/Files/23-102.pdf>
- Racial Equity Impact Assessment (REIA) for Supplemental Appropriation (SA) #22-85, Maryland Department of Housing and Community Development Grant: Emergency Rental Assistance Program and (SA) #22-86 Additional MD Emergency Rental Assistance Program 1  
<https://www.montgomerycountymd.gov/ore/Resources/Files/22-85and22-86.pdf>
- Special Appropriation: #22-34 Emergency Rental Assistance Program 2 (Update to and, in support of #21-527 Racial Equity Impact Assessment of Special Appropriation)  
<https://www.montgomerycountymd.gov/ore/Resources/Files/22-34.pdf>
- Supplemental Appropriation: #22-31 Nebel Street Shelter  
<https://www.montgomerycountymd.gov/ore/Resources/Files/22-31.pdf>
- Supplemental Appropriation: Special Appropriation REIA HHS Rental Assistance  
<https://www.montgomerycountymd.gov/ore/Resources/Files/21-527.pdf>

## Analysis

### Demographic Profile

The department's response to the RESJ REIA template questions echoes previous trends about the disproportionate impact of homelessness on communities of color. The response states, "the experience of homelessness continues to disproportionately impact people of color due to

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systemic racism and historical injustices”<sup>5</sup>. The 2025 Point-in-Time survey showed that the number of adults and children experiencing homelessness increased by 32% from 2024, accounting for an increase of 356 individuals<sup>6</sup>.

According to disaggregated data in the Point-in-Time survey, “56% of individual adults counted identified as Black, African American, or African, despite only 18% of the County’s population identifying as such at the time of the 2020 census. Overall, 84% of individual adults counted identified as people of color”<sup>7</sup>. Given that this project expects to create 1–2-person household rental units, it’s worth noting several statistics about adult-only households that could inform the types of services available onsite or nearby to address targeted needs.

Over half (52%) of all adult-only households were 45 years or older, 30% were 55 years or older, and 11% were 65 years or older<sup>8</sup>. Homelessness accelerates the pace of aging among older adults, creating vulnerabilities that lead to geriatric medical conditions such as cognitive decline and decreased mobility at rates that are on par with those among their housed counterparts who are 20 years older<sup>9</sup>.

While there was a 50% decrease in reports of current homelessness due to domestic violence, there was an 8% increase in the percentage of reports of a history of domestic violence and a 3% increase in reports of a history of foster care<sup>10</sup>.

60% of adult-only households reported having no income during the PIT count<sup>11</sup>.

Further, ORESJ offers the following county-level data on unemployment, household income, rent burden, and poverty disaggregated by race and ethnicity.

Race/Ethnic Group	% Unemployed	Median Household Income	Gross Rent More Than 30% of Household Income	% in Poverty
Asian	2.5%	\$121,004	33.0%	5.9%
Black	5.8%	\$72,617	59.8%	13.6%
Latino	4.0%	\$75,547	66.4%	11.5%
Other	3.9	\$66,870	73.4%	13.8%
White	2.2%	\$131,635	43.4%	4.1%

**Source:** Racial Equity Profile Update. Montgomery County, Maryland. Jupiter Independent Research Group. April 2023. Pg. 13, Pg. 16, Pg. 24, and Pg. 26 Available at: <https://www.montgomerycountymd.gov/ORE/Resources/Files/JUPITERRACIALEQUITYPROFILE.pdf>

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These data demonstrate the presence of economic inequities in the County and illustrate who is most burdened by risks to housing security.

### ORESJ Research & Analysis

The previously noted REIAs and disaggregated data affirm the need for public investment in the creation and preservation of affordable housing units as well as homelessness prevention services. Additional considerations that could strengthen or weaken the project's impact on racial equity include the depth of community engagement and site-specific details that impact accessibility and quality of life.

The County's Racial Equity Work Group of the Interagency Commission on Homelessness (ICH) emphasizes the importance of feedback from People with Lived Experiences (PWLE) as a key input for reducing racial disparities across the system. As part of its strategic planning effort, the workgroup explains its desire for feedback from PWLE: "the workgroup aims to achieve several outcomes demonstrating improved service delivery, such as feedback from PWLE that reflects positive, equitable, and culturally responsive support across the continuum and improved equitable access to services and outcomes for people experiencing homelessness"<sup>12</sup>.

Accessibility and quality of life for prospective tenants will be influenced by the physical location and its accessibility to services and resources. Best practices regarding the use of publicly owned property for affordable housing encourage the use of clear criteria to determine suitability. These criteria might include consideration of "proximity to high-performing schools, jobs, public transit, and other services and amenities – as well as characteristics that might make development for this purpose especially undesirable or difficult"<sup>13</sup>. While site selection has already taken place, it's important to note that details involved with that process could influence quality of life outcomes for those who reside at this site.

### Caveats

This REIA has been conducted with the best available information at the time of writing, including department responses to the Racial Equity and Social Justice template and research conducted by ORESJ Policy Team Analysts. While the assessment examines specific racial equity and social justice impacts of the funding request, it cannot fully address all systemic inequities that affect the communities in question, nor do we seek to examine impacts outside the scope of the funding request. We recommend using this assessment as a starting point for

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discussions about the impact of the program on advancing racial equity and social justice in Montgomery County.

## References

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<sup>1</sup> Memo from County Executive Marc Elrich to County Council President Kate Stewart. November 1, 2025. Subject: Amendment to the FY25-30 Capital Improvements Program and Supplemental Appropriation #26-39 to the FY26 Capital Budget Montgomery County Government Department of Health and Human Services Affordable Living Quarters (No. 602201), \$7,221,940.

<sup>2</sup> Memo from Office of Management and Budget Director Jennifer Bryant to County Executive Marc Elrich. November 1, 2025. Subject: Amendment to the FY25-30 Capital Improvements Program and Supplemental Appropriation #26-39 to the FY26 Capital Budget Montgomery County Government Department of Health and Human Services Affordable Living Quarters (No. 602201), \$7,221,940.

<sup>3</sup> Memo from Office of Management and Budget Director Jennifer Bryant to County Executive Marc Elrich.

<sup>4</sup> Affordable Living Quarters (P602201). Capital Improvements Program (CIP) Project Description.

<sup>5</sup> Department responses to the RESJ REIA Template Questions.

<sup>6</sup> 2025 Point in Time Survey Shows Increase in Number of Montgomery County Residents Experiencing Homelessness. May 15, 2025.

[https://www2.montgomerycountymd.gov/mcgportalapps/Press\\_Detail.aspx?Item\\_ID=47070](https://www2.montgomerycountymd.gov/mcgportalapps/Press_Detail.aspx?Item_ID=47070)

<sup>7</sup> Homelessness in Metropolitan Washington: Results and Analysis from the Annual Point-in-Time (PIT) Count of Persons Experiencing Homelessness. May 14, 2025.

<https://www.mwcog.org/file.aspx?D=vjf72MkqST%2bf%2ffE2XHkS8WiJYQuAbSp82q5HHGeJXg%3d&A=wn8ZholuGGWykn%2b6%2bJiZJGX4xVGdqHZ4up325VIMJik%3d>

<sup>8</sup> 2025 Point-In-Time Count. Jurisdictional Narrative Report. Montgomery County, MD.

<sup>9</sup> Dennis Culhane, PhD, Dan Treglia, PhD, Thomas Byrne, PhD, Stephen Metraux, PhD, Randall Kuhn, PhD, Kelly Doran, MD MHS, Eileen Johns, MPA, Maryanne Schretzman, DSW. The Emerging Crisis of Aged Homelessness: Could Housing Solutions Be Funded by Avoidance of Excess Shelter, Hospital, and Nursing Home Costs? November 2020. <https://endhomelessness.org/wp-content/uploads/2024/10/Emerging-Crisis-of-Aged-Homelessness-1.pdf>

<sup>10</sup> 2025 Point-In-Time Count. Jurisdictional Narrative Report. Montgomery County, MD.

<sup>11</sup> 2025 Point-In-Time Count. Jurisdictional Narrative Report. Montgomery County, MD.

<sup>12</sup> Homelessness in Metropolitan Washington. Results and Analysis from the Annual Point-in-Time (PIT) Count of Persons Experiencing Homelessness. May 2025. 2025 Point-In-Time Count. Jurisdictional Narrative Report.

Montgomery County, MD. <https://www.mwcog.org/documents/2025/05/14/homelessness-in-metropolitan-washington-results-and-analysis-from-the-annual-point-in-time-pit-count-of-persons-experiencing-homelessness-featured-publications-homelessness/>

<sup>13</sup> Housing Solutions Lab. <https://www.localhousingsolutions.org/housing-policy-library/use-of-publicly-owned-property-for-affordable-housing/>