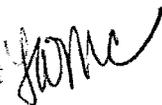


MEMORANDUM

April 24, 2013

TO: Planning, Housing, and Economic Development Committee
Health and Human Services Committee

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **FY14 Operating Budget: Housing Initiative Fund and Housing First**

1. Housing Initiative Fund (HIF)

The Council has received testimony requesting an increase to the HIF and commenting that the County Code says that not more than 20% of HIF funds should be used for needs outside of acquisition or construction of affordable housing. Testimony from Action in Montgomery is attached at ©3-4 and from Montgomery Housing Partnership at ©5-6. Section A of this memo provides some background on law, regulation, and policy about the HIF.

A. Law, Regulations, and Resolutions

Section 25B-9 of the County Code establishes the Montgomery Housing Initiative ©7. The law was enacted in 1988 and last amended in 1996.

Section 25B-9 Montgomery Housing Initiative

- (a) The county executive must establish the Montgomery Housing Initiative to promote a broad range of housing opportunities in the county.
- (b) This initiative must be included in the county capital improvements program and may use appropriated funds and receipts from any source, including any balances transferred from the condominium transfer tax fund under Section 52-21(f).

(c) Funds allocated to this initiative may be spent to:

- (1) Construct or acquire affordable housing units;
- (2) Buy and rehabilitate existing rental units that would otherwise be removed from the supply of affordable housing; and
- (3) Participate in housing or mixed-use developments that will include affordable housing.

(d) The Director of Housing and Community Affairs administers the initiative under regulations adopted by the County Executive under method (2).

The law does not specify a percentage of the HIF that is to be used for any one purpose. However, COMCOR 25B.09.01 Administration of the Montgomery Housing Initiative Program includes the following language. (regulation attached at ©8-9)

Section 2.2 Limitation on Uses of Funds:

The Uses of Funds from the Housing Initiative, as outlined in Section 2.1 of this regulation, are limited as follows:

- A. No more than 20 percent of the Housing Initiative funds appropriated in any fiscal year may be spent on activities other than the acquisition of land for new affordable housing construction or on activities which result in the construction of new affordable housing, unless specifically authorized by the Director of Housing and Community Development.
- B. Rent subsidies to low and moderate-income tenants may be provided from the Montgomery Housing Initiative Fund only to increase the affordability of newly constructed housing, unless specifically authorized by the Director of Housing and Community Development.

Each year the Executive provides a spending plan for the HIF and the Council approves an appropriation based on the expected spending plan. Each year, the Director of the Department of Housing and Community Affairs authorizes the HIF expenditures. Council staff does not see any violation of law or regulation from the spending plans in terms of the percentage of the HIF spent on acquisition and construction of affordable housing. Council staff notes that the following FY14 amounts are in categories that can fund acquisition and new construction:

Other Operating available for projects	\$ 1,590,060
Senior Housing	4,500,000
Special Needs and Non-Profit Housing	2,380,510
Revolving Account funds	10,000,000
Total (March 15th)	\$18,470,570

Using the Executive's estimation for "Total Investment in Affordable Housing" of \$36,547,550 as the denominator, the Executive is recommending that 50.5% in categories that may be spent for acquisition and construction. In addition, Council staff notes that other

funding, such as the \$440,640 in rental subsidies for the Cordell project that is a part of Housing First, supports a project that developed new affordable housing units.

Resolutions Regarding General Fund Transfer to the HIF

Concerns have also been raised that one reason there is not more funding in the HIF is because the Executive and Council are not following policy that the Transfer from the General Fund to the HIF should be an amount equivalent to 2.5% of the actual General Fund property taxes from two years prior.

In 2007, the County Council adopted Resolution 16-143 (©10-11) Sources of Funding for Annual Appropriation to the Montgomery Housing Initiative Fund. The action clause states:

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

Beginning in Fiscal Year 2008, the source of funding for the amount equivalent to \$16.1 million or 2.5 percent of the actual General Fund property taxes from two years prior, whichever is greater, that must be appropriated to the Montgomery Housing Initiative Fund must be the General Fund. All other sources, such as proceeds from MPDU resale recaptures, condominium transfer tax revenues, and mortgage repayments, must be appropriated in addition to this amount. The Fiscal Year 2007 end of year balance must be re-appropriated on July 1 and must not be considered part of the amount appropriated from the General Fund.

The Executive's budget notes that Executive Order 136-01 ©14-15 also says that the General Fund Transfer should be equal to 2.5% of the actual General fund property tax from two years prior. Resolution 15-110, Dedicated Funding for Affordable Housing, and Resolution 15-919, Condominium Transfer Tax Funds Must Not Supplant the General Fund Appropriation to the Montgomery Housing Initiative Fund, which are referenced in Resolution 16-143 are attached at ©12-13 and ©16-17 respectively.

If the policy in Resolution 16-143 were followed in FY14, a General Fund Transfer of \$26,073,123 would be approved. The Executive's FY14 Recommended Budget provides a General Fund Transfer of \$17,816,357; or \$8,256,766 less than the 2.5%.

The Council has acknowledged in the County Government Operating Budget Resolution when this policy is not met. The following is the language from the FY13 Resolution:

This resolution appropriates \$15,589,247 from the General Fund as a contribution to the Montgomery Housing Initiative Fund (HIF). The FY 2013 appropriation, combined with the re-appropriation of the FY 2012 fund balance, loan repayments, investment income, and revolving resources available in the capital improvements program, is estimated to provide more than \$33 million to acquire, rehabilitate, and preserve affordable housing, and implement the County's Housing First Plan. Resolution 15-110, Dedicated Funding for Affordable Housing, states that the County Executive will recommend and the Council will approve an allocation from the General Fund to the HIF an amount equivalent of 2.5% of actual General Fund property taxes from 2 years prior to the upcoming fiscal

year. Resolution 16-143, Source of Funding for Annual Appropriation to the HIF, states that the source of funding for the amount equivalent to 2.5% of the actual property tax from 2 years prior must be from the General Fund and may not include MPDU resale recaptures, condominium transfer tax revenues, and end-of-year fund balance. Because of the fiscal downturn, the Executive did not recommend and the Council did not appropriate in FY 2013 an amount from the General Fund that is the equivalent of 2.5% of actual FY 2011 property taxes.

Recordation Tax for Rental Assistance

In November 2007 the Council enacted Bill 11-17, Recordation Tax – Rate (©18-20). Section 3, Allocation of Revenue says:

During any fiscal year that begins on or after July 1, 2008, the net revenue attributable to the increase in the rate of the recordation tax enacted in this Act must be reserved for and allocated to:

- (a) The cost of County government capital improvements; and*
- (b) Rental assistance programs for low- and moderate-income households, which must not be used to supplant any otherwise available funds.*

Bills 14-10 and 10-11 suspended the allocation requirements for FY11 and FY12 respectively. The allocation for rental assistance was restored starting in FY13. These funds are appropriated to the Housing Initiative Fund.

Use of Housing Initiative Fund to Fund Advanced Land Acquisitions

On January 29, 2008 the Council adopted Resolution 16-433, Use of the Housing Initiative Fund to Fund Advanced Land Acquisitions (©21-22) The action clause says:

The Housing Initiative Fund (HIF) must not be used to purchase land that may be appropriately purchased through the Advanced Land Acquisition Revolving Fund for the Montgomery County Government (ALARF-MCG). The Housing Initiative Fund may be used to reimburse ALARF-MCG if land purchased with ALARF-MCG funds is eventually used for an affordable housing project.

The County Executive must notify the Council 30 days in advance of entering into an agreement to purchase unimproved land exclusively for an affordable housing project using the HIF.

B. County Executive Recommendation for the FY14 HIF Appropriation

A multi-year table of HIF funding prepared by Council staff is attached at © 1 and the FY14-19 Fiscal Plan display for the HIF included in the Executive's FY14 Operating Budget is attached at © 2.

- For FY14, the Executive’s Budget recommends \$36,547,550 as the “Total Investment in Affordable Housing.” This includes both funding appropriated to the operating and capital parts of the HIF (a non-tax supported fund).
- The total resources shown as funding this program is \$44,332,455 with the following components:

Beginning balance (FY13 rollover)	\$ 2,293,569
Transfer from the General Fund	17,816,357
Other non-CIP revenues	14,212,529
New CIP proceeds	2,720,000
<u>CIP carryover, including repayments</u>	<u>7,280,000</u>
TOTAL	\$ 44,322,455

- The reason the HIF is described as being funded at \$36,547,550 is because the amount that must be transferred-out for debt service and other indirect costs (\$7,774,905) is not included. Council staff believes it is important to understand, however, that over \$44 million is being allocated. Council staff shows this total HIF funding on line 38 of the Council staff spreadsheet.
- The major funding changes in the Executive’s FY14 Recommended HIF are the increase in the revenues from the Recordation Tax (increased by \$3,854,293) and the increase of \$3 million for Senior Housing (total of \$4.5 million).
- In the CIP Revolving Fund, the Executive is recommending appropriating a total of \$10 million with \$2.72 coming from the proceeds from taxable bonds and \$7.28 million from repayments back into the revolving account.

There are FY13 changes that are not reflected in the HIF Fiscal Plan display (©2). Council staff concludes that the display does not provide a full estimate of the funding that will be appropriated and available to the HIF for FY14. The Fiscal Plan display shows a FY14 Beginning Balance of \$2,293,569 which is quite different than the expected FY13 ending balance of \$306,794. The reasons for this higher FY14 Beginning Balance are included in the C-3 and A-4 schedules of the budget. The changes that are taken into account in the re-estimation of the FY14 Beginning Balance include:

- FY13 Recordation Tax revenues will be \$8,086,403; \$3,670,903 more than originally assumed.
- FY13 MHI Transfer Taxes will be \$800,000 instead of \$750,000; a \$50,000 increase.
- Lower than budgeted debt service requirements (\$4,409,100 instead of \$5,643,610).
- Expenditures estimated to be \$23,324,193 instead of \$19,671,748; a \$3,652,445 increase.

The Executive is not requesting a FY13 Supplemental Appropriation for the operating (non-CIP) portion of the HIF as assumed in the budget. Council staff estimates

the FY14 Beginning Balance will be \$5,946,014. This means that the HIF funding available for programs (operating and CIP) will be \$40,199,995 instead of \$36,547,550. (See column J on Council staff spreadsheet)

While the Council is expected to approve re-appropriating the FY13 ending balance (what ever amount it is) as it has in prior years, **Council staff recommends that the Council reflect the \$40,199,995 in the Budget Resolution and the Fiscal Plan.**

C. County Executive Recommended FY13 Capital Budget Supplemental Appropriation: \$3,881,000

The Council has received a recommendation to approve a FY13 Capital Budget Supplemental Appropriation of \$3,881,000 (©25-27). These funds would be appropriated to the revolving account and the source of funds is repayment from loans. In FY12 two loans were paid back earlier than expected. The Executive is recommending that these funds be appropriated in FY13 so that they are available before July 1, 2013 (FY14).

Council staff recommends approval of this supplemental as requested. Council staff notes that this will increase the FY13 HIF to about \$36.9 million.

The Executive would like the Council to provide appropriation authority that allows funds to automatically be re-appropriated in the year after the funds are received. As the repayments funding this supplemental were received in FY12, the funds be automatically available in FY13. Similarly, any repayments received in FY13 would be appropriated without further Council action in FY14.

Council staff does not object to this as this is supposed to be a revolving account. However, so that the Council may be informed, the Council should require that the Housing Initiative Fund Fiscal Plan display include information on appropriations made this way. For example, the display on ©2 would say. "FY13 Revolving Fund CIP appropriation is estimated to be \$17,231,000 as a result of repayments made during FY12."

Lastly, the amended PDF (©27) notes that funding from this project will be used to support the creation of Personal Living Quarters at Progress Place and that the current cost estimate is \$3.7 million. It is coincidental that the FY13 Capital Budget Supplemental Appropriation is for \$3.88 million and the estimated cost of Progress Place housing is \$3.7. The supplemental funds are not specifically being committed to Progress Place.

D. Senior Housing – Silver Spring Library

The County Executive has included \$4.5 million in the non-CIP portion of the HIF that is specified for the development of a Senior Housing apartment building next to the new Silver Spring Library. The project is still under development but will be an independent living facility with a significant number of units serving very low income seniors. Total investment as of FY14 will be \$11 million.

The joint Committee and Council has previously endorsed this program and approved funding. **Council staff recommends approval.**

E. Should the Council Appropriate Additional Capital Funds?

The Council has received testimony recommending that it increase the FY14 Capital Appropriation to the CIP Revolving Account by about \$7.3 million. This appropriation would be funded from the proceeds from taxable bonds that have already been authorized by the Council. One reason for this request is that there may be projects that are being delayed due to a current lack of funding.

1. Update on Potential Affordable Housing Projects

The following provides updates from the Executive branch on four potential affordable housing projects that may or may not need HIF funding.

a) Site next to NEW District 3 Police Station near White Oak

Affordable senior housing is an option that is being considered. This project is in the early planning stages, with a site plan, concept design and feasibility analysis being completed by Victory Housing. The developer will need to seek a special exception to move forward with development. In addition, the project might require approximately \$2.8 million financing (developer estimate) from the County, which is not included in DHCA's financial projections for next fiscal year. In terms of priorities, this project is preceded by Silver Spring Library Senior Housing, Glenmont Metro, and White Flint Fire Station.

b) County Fire Station in White Flint – co-location with affordable housing

Facility planning has been ongoing for much of the past year including options for co-locating affordable housing above the fire station. Therefore the housing assessment for a new CIP project is being considered and developed. The development of the fire station is not being delayed in any way by the housing component, including funding.

c) WMATA property in Glenmont

DHCA is actively pursuing acquiring the property from WMATA to develop as senior affordable housing. WMATA's counsel is developing an amendment to extend the current option to buy contract by six months, and the goal is to present the change in land use to WMATA's Board by May.

d) Current District 3 Police Station in downtown Silver Spring

No decisions have been made.

2. Fiscal Impact of Appropriating Additional \$7.3 million from Bond Proceeds

If the joint Committee recommends appropriating the remaining \$7.3 million in taxable bond capacity, there will be a fiscal impact and a fiscal policy impact.

- **If the additional appropriation is approved, then an additional \$608,000 in debt service must be allocated in the HIF.** This is the estimated annual cost of the debt service. As the appropriation will be available as of July 1 (FY14) a full year of debt service must be provided. These funds can either come from an increase in the General Fund Transfer or shifting it from another category (with the exception of the Recordation Tax).

AIM has provided a memo (©28) that discusses the budgeted debt service versus the actual debt service required. It shows that in FY13, it is estimated that actual debt service will be about \$1.2 million below the budget amount (this information is also in the Schedule A-4). The actual amount of debt service paid in a fiscal year will fluctuate depending on when and how the debt is accumulated. Short-term debt is used until DHCA commits a sufficient amount of the funds to warrant a bond issue (which then repays the short-term debt). However, since it is unknown when DHCA commitments may occur, once the appropriation is made, the full yearly amount of debt service must be budgeted.

- **The additional \$7.3 million will increase the debt service to General Fund ratio by 0.02%, or from 10.37% to 10.39% in FY14.** Council staff believes this is an inconsequential increase and not a driver in making a decision to appropriate these funds.

Council staff recommends that the joint Committee not recommend appropriating an additional \$7.3 at this time. The Executive is providing \$10 million in new appropriation for FY14 and at this time there are no acquisition or preservation projects that are ready to go but for additional appropriation. A supplemental appropriation can be considered in a timely manner when DHCA determines that the funds are needed. If the funds are needed, but not for example until the second half of the fiscal year, this would reduce the amount of funding that has to be committed to debt service in FY14.

F. Neighborhoods to Call Home

Each year, funding is allocated for contractual services that are funded by the HIF for the Building Neighborhoods to Call Home program. These contracts recognize that services are needed to support the overall effort to increase affordable housing and support improvements in existing neighborhoods that already have affordable housing. The following services are recommended for funding in FY14:

Rebuilding Together	\$200,000
Long Branch Tenant Counseling (CASA)	\$250,000
Pine Ridge Center	\$146,340
TOTAL	\$596,340

Council staff recommends approval.

2. Housing First

A. Update on Housing First and the Homeless Point-in-Time Survey

Attached at ©29-37 is an update from Director Ahluwalia on the Housing First Plan. Director Ahluwalia provides some highlights on the COG Point-in-Time Survey noting that there were 1,004 homeless people counted on January 30, 2013 (638 individual adults, 137 adults in families, and 229 children in families). This is a 2.2% increase from the 2012 count. There was a 7% decrease in the number of homeless families; however, Director Ahluwalia says that some of this decrease is from the conversion of transitional units to permanent units. The count does show a 6% increase in the number of individual adults in permanent supportive housing but less than a 1% increase in the number of families in permanent supportive housing. The following tables provide summary information. Additional information is at ©38.

COG Point in Time Surveys

	2010	2011	2012	2013	% change 12-13
Individual Homeless Adults					
Unsheltered	181	226	130	143	10.0%
Emergency Shelter	355	392	328	337	2.7%
Transitional Housing	156	140	142	158	11.3%
Total Adults	692	758	600	638	6.3%
Unaccompanied Child			1		

	2010	2011	2012	2013	% change 12-13
Homeless Families w/Children					
Unsheltered	0	0	0	0	na
Emergency Shelter	59	55	69	66	-4.55%
Transitional Housing	64	70	57	51	-10.53%
Total Families	124	125	126	117	-7.14%

	2010	2011	2012	2013	% change 12-13
Individual Adults in Permanent Supportive Housing	442	505	598	636	6.35%
Families in Permanent Supportive Housing	292	278	310	312	0.7%

	2010	2011	2012	2013	% change 12-13
Total Homeless Individuals	1,064	1,132	982	1,004	2.2%
Total People in Permanent Supportive Housing	1,399	1,442	1,640	1,695	3.4%
Total Point-in-Time Census	2,463	2,574	2,622	2,699	2.9%

In sessions with the HHS Committee, Director Ahluwalia has discussed certain “pressure points” in the homeless continuum. The following a summary of these issues from DHHS.

Homeless Families with Transition-Aged Head of Household - Available 2012 data shows that 36% of families (150 out of 415) receiving emergency shelter (including motel placements) had a head of household between the ages of 18-26 years old. Many of the families in this age range have never lived independently, lack life skills, have limited employment and education, and poor or insufficient credit, which makes it difficult to obtain or maintain housing without a supportive housing program. By the time these households enter our system, they have often exhausted not only their own resources but the financial and temporary housing resources of their families and friends. A time-limited supportive housing program (up to 4 years) that couples deep rental subsidies with supportive services would be an evidence based approach to enable parents to develop independent living and parenting skills, achieve educational goals, and attain or increase employment in order to become self-sufficient. These supportive services would include life skills, job readiness, parenting classes, and case management.

Domestic Violence - Approximately 40% of victims sheltered at the Betty Ann Krankhe (BAK) Domestic Violence Shelter have difficulty finding low cost housing, including rooms to rent. Many victims with children work are in low-wage jobs or unemployed due to limited education or a poor work history which requires a subsidy in order to obtain or retain permanent rental housing. The consequences of the lack of affordable housing is causing an increased length of stay for victims and children at the BAK Domestic Violence Shelter, which is limiting the ability of domestic violence victims to access safe shelter. When BAK Domestic Violence Shelter is full, victims fleeing violence must be placed in motels which are not considered a safe option. A transitional housing program that couples deep subsidies with case management services would assist a victim of domestic violence with a way to transition to independence and could enhance the continuum of care for domestic violence victims from crisis stabilization to independence.

2. FY14 Funding for Housing First and Rental Assistance Programs

For FY14 about \$16 million in funding will be allocated for Housing First and Rental Assistance Programs that are administered by DHHS. Funding is appropriated in both the HIF and in DHHS Special Needs Housing. Major components include:

	FY14	Clients Served	Notes
Rental Assistance Program (RAP) shallow subsidy of about \$200 per month	\$4,031,550	1,700 households	This is an increase of 125 slots. While there is a waitlist the program will continue to take applications
Housing Initiative Program (deep subsidy with case management)	\$5,105,735	220 households and 25 medically vulnerable homeless	The table at ©36 indicates that there are currently 5 available HIP slots and 5 slots available for medically vulnerable homeless

	FY14	Clients Served	Notes
Cordell Project (deep subsidy and case management for formerly chronically homeless individuals)	\$ 440,640	24 individual adults	
MCCH Partnership for Permanent Housing PPH2 and case manager for PPH1	\$1,598,227	96 subsidies	County funding increased to replace the loss of HOME funds for 38 people
NCCF 7 unit transitional housing for families	\$ 185,000	7 families	County funding to replace lost HUD funds
Transitional Shelter and Shelter Case Management	\$ 212,110		
Emergency Homeless Prevention Grants	\$2,655,570	Expected to provide grants to about 3,700 households	About \$1 million in State Emergency Assistance to Families with children money is also available but was reduced in FY13
Assessment Shelter Contracts	\$1,243,760		NCCF, The dwelling Place, and Stepping Stones
Broker and contract staffing for housing locators and intake social service staffing	\$ 548,340		

In addition, funding will continue to be provided to the Housing Opportunities Commission for the rent supplement program.

	FY14	Clients Served	Notes
Rent Supplement Program – This program provides shallow to medium rental assistance (avg about \$325 per month) to households who are in danger of becoming homeless. This subsidy is location based.	\$1,236,000	219 households in FY13	Households have incomes at of 40% of AMI or less.

Council staff recommends approval these allocations. Council staff notes that the Rental Assistance Program (RAP) by add 125 households in FY14. At this time, there are no new slots funded for the HIP deep subsidy and case management program that is used to house the medically vulnerable street homeless and may address the type of subsidy needed for the families described by Director Ahluwalia, victims of domestic violence and homeless families with a transition-aged head of household. Council staff understands that the Executive branch is

continuing to review the allocation of remaining funds to determine how many new program slots can be put in place for FY14.

In addition, Executive staff and HOC are discussing the need for some funding, most likely in FY14 and FY15, to help with the costs associated with changes that are being made to the Housing Choice Voucher program because of inadequate federal funding. For example, households that need to either find a less expensive apartment or a smaller apartment may need one-time assistance with moving or a down-payment.

B. Homeless Outreach

While many people who are homeless access services proactively, there are some street homeless people that the county must reach out to in a more determined manner to connect them to housing, medical, and other services. Homeless Outreach is funded in the DHHS budget, not the HIF, but Council staff is bringing the issue to the joint Committee because it is an important part of Housing First.

On April 11th, the HHS Committee received a presentation on the 100,000 Homes Campaign. The 100,000 Homes Campaign focuses on identifying and surveying the needs of the street homeless. The Campaign's view is that "We cannot end homelessness in America until every homeless person on our streets is known by name by someone who has carefully assessed their health and housing needs."

Briefing material from DHHS, Ms. Sinclair-Smith of the Montgomery County Coalition for the Homeless, and an article provided by Bethesda Cares on about their work with the vulnerable homeless are attached at © 39-61. Bethesda Cares is a member of the 100,000 Homes Campaign and at the session the Committee was informed that the county and the other members of the Continuum of Care have also joined the campaign and will be attending a "boot camp" to learn how undertake the intensive type of survey that is a part of the effort.

Montgomery County has several contracts for homeless outreach as well as FY13 grants that are for related services. DHHS has provided a summary that is included at ©62-64. The main provider of county-wide outreach to the homeless is People Encouraging People. The summary table notes that as of February 28, 2013 the program had provided outreach and case management to 168 individuals. Of these people, 52 have successfully moved into shelter or permanent housing, 24 accepted referrals for mental health services, 23 for substance abuse services, and 30 for Primary Adult Care (medical) services.

People Encouraging People has a schedule for providing its services county-wide. It changes depending on whether the winter overflow shelters are open. In general it is: (1) Monday – Silver Spring and Progress Place, (2) Tuesday - Rockville Area and Men's Shelter on Gude Drive, (3) Wednesday – Gaithersburg, Germantown, and Damascus areas and Women's Center (if there are referrals), (4) Thursday – Rockville area and Men's Shelter on Gude Drive, (5) Friday – General county-wide outreach, respond to clients. People Encouraging People coordinates with Bethesda Cares but Bethesda Cares provide the homeless outreach in the Bethesda area. There is also coordination with the City of Gaithersburg services.

Council staff believes there are three components that are needed in response to the county's commitment to the 100,000 Homes Campaign.

- **Additional Funding for the 100,000 Homes Survey.** Council staff understands that the cost of the more intense survey effort that is a part of 100,000 Homes is about \$10,000, some of which is used for educational material and expenses for the volunteers assisting with the survey and some for a small (\$5) gift card to encourage people to participate. **Council staff recommends placing this funding on the reconciliation list for DHHS.**
- **Additional housing for the medically vulnerable homeless** - As previously noted, Council staff is expecting that there will be an allocation from the HIF for this purpose. There should also be a continued effort to obtain additional VASH vouchers that would be targeted for the street homeless who are veterans.
- **An assessment of whether the current county funding for homeless outreach is sufficient to allow outreach workers to have regular contact with the street homeless** in order to build a relationship that results in more street homeless accessing and maintaining services, including permanent housing.

In FY10, in addition to a contract for county-wide homeless outreach services, the County had put in place a public inebriate intervention team in Silver Spring and was planning to implement one in Wheaton. There was about \$400,000 in the DHHS budget for the full year of the Silver Spring PIIT and about another \$198,000 for the Wheaton PIIT. The Wheaton PIIT was never implemented and funds were cut in the savings plan. The Silver Spring PIIT de-tox bed was eliminated and funding was shifted into homeless outreach. While the PIIT had a specific focus of addressing public drunkenness, it also had a strong outreach component to this population, a population that often intersects with homelessness.

Council staff is not recommending re-establishing the PIIT at this time, but provides this history to show that there was recognition that some more intensive outreach capacity is needed to reach out to the hard to reach homeless population. **Council staff recommends that the joint Committee place two increments of \$50,000 each on the reconciliation list for DHHS to strengthen the homeless outreach program in support of the 100,000 Homes Campaign. After attending "boot camp" DHHS will need to determine how these funds would best be used and should provide a memo to the Council describing both the use of the funds and the plans for the homeless survey.**

Homeless outreach is also a component of the county's efforts to address panhandling. While not all panhandlers are homeless, when notified, homeless outreach staff will contact panhandlers to determine if they are homeless or need additional county services.

C. Funding for Motel Placements

Motel placements are used for the homeless when other alternatives are not available. They are mainly used for families with children as the county has a policy of not letting children go without a place to stay. A high point for spending on motel placements came in FY09 when

\$1,869,420 was spent. In FY12, \$796,363 was spent. For FY13, DHHS the budget for motel placements is \$687,000. DHHS is projecting that about \$973,000 will be spent, or about \$286,000 more than is budgeted. Director Ahluwalia’s comments earlier in this memo about pressure points in the continuum of care address some of the reasons for the over expenditures. The FY14 budget for motel placement is \$687,000 for FY14. **Council staff recommends approval.**

3. Payment in Lieu of Taxes

Each year the Council must include a provision in the Operating Budget resolution specifying the monetary cap for non-HOC PILOTs. The Executive recommends the following.

The Director of Finance must maintain a record of all payment-in-lieu-of-taxes (PILOT) agreements currently in effect under the Tax-Property Article of the Maryland Code. The record must estimate (in current year dollars) the amount of property taxes abated for each agreement for each of the next 10 fiscal years. As authorized by the County Code, Section 52-18M, the Director of Finance may sign payment-in-lieu-of-taxes agreements for affordable housing that abate annual property tax revenues up to the following annual limits for all properties not owned or operated by the Housing Opportunities Commission.

FY14	\$10,696,455
FY15	\$11,231,278
FY16	\$11,792,842
FY17	\$12,382,484
FY18	\$13,001,608
FY19	\$13,651,688
FY20	\$14,334,273
FY21	\$15,050,986
FY22	\$15,803,535
FY23	\$16,577,908

The Director of Finance must not sign any payment-in-lieu-of-taxes agreement that would increase the total amount of abated property tax revenues above any of the listed annual limits without prior approval of the County Council by resolution.

The Director of Finance must calculate in the FY 2015 annual operating budget the total amount of property taxes to be abated under all PILOT agreements (including those for properties owned or operated by the Housing Opportunities Commission) that will be in effect during FY 2015.

Council staff recommends approval.

	A	B	C	D	E	F	G	H	I	J	K
1	Housing Initiative Fund	FY08	FY09	FY10	FY11	FY12	FY13		FY14	FY14	FY15
2	Original Approved Budgets	Approved	Approved	Approved	Approved	Approved	Approved		Recommend	Council Staff	Projected
3											
4	Resources (non-CIP):										
5	Beginning Balance	3,475,930	7,583,260	1,951,890	208,760	5,189,990	425,189		2,293,569	5,946,014	0
6	Transfer from the General Fund	20,760,060	9,782,490	19,919,268	10,475,420	9,573,290	15,589,247		17,816,357	17,816,357	15,701,225
7	Miscellaneous Revenues	5,518,260	14,452,370	13,316,490	5,917,070	5,426,730	9,810,276		14,212,529	14,212,529	14,542,225
8											
9	Resources Before Required Transfers	29,754,250	31,818,120	35,187,648	16,601,250	20,190,010	25,824,712		34,322,455	37,974,900	30,243,450
10											
11	Required Transfers:										
12	Transfer to Debt Service Fund (debt service on acquisition and preservation bonds)	NA	(1,850,000)	(2,180,000)	(2,500,000)	(4,619,190)	(5,643,610)		(7,510,400)	(7,510,400)	(7,508,510)
13	To General Fund for Indirect Costs	(108,300)	(159,630)	(177,150)	(182,720)	(190,720)	(186,970)		(251,900)	(251,900)	(251,900)
14	To General Fund for Tech Modernization	NA	(18,470)	(24,770)	(20,160)	(14,340)	(15,590)		(12,605)	(12,605)	(10,372)
15											
16	Non-CIP Resources Available for Programs	29,645,950	29,790,020	32,805,728	13,898,370	15,365,760	19,978,542		26,547,550	30,199,995	22,472,668
17											
18	Uses:										
19	Personnel Costs	862,240	1,239,370	1,290,230	1,436,060	1,514,880	1,540,363		1,605,462	1,605,462	1,605,462
20	Housing First	NA	4,500,000	8,900,000	7,250,000	7,172,800	7,537,655		7,537,655	7,537,655	7,537,655
21	Rental Assistance Programs (previously tied to Recordation Tax)	NA	2,615,500	3,047,000	2,000,000	2,000,000	4,415,500		8,269,793	11,940,696	8,601,589
22	Neighborhoods to Call Home	1,000,000	1,003,000	933,500	466,420	596,340	596,340		596,340	596,340	596,340
23	Other Operating (available for projects)	26,617,700	19,274,570	16,894,660	2,672,310	1,629,500	1,631,610		1,590,060	1,571,602	1,628,220
24	Other Debt Service (Non-tax Funds)	78,260	76,870	75,300	73,580	71,730	69,770		67,730	67,730	65,630
25	Special Needs and Non-Profit Housing	NA	NA	NA	NA	2,380,510	2,380,510		2,380,510	2,380,510	2,380,510
26	Senior Housing	NA	NA	NA	NA	NA	1,500,000		4,500,000	4,500,000	0
27	Labor Contracts	NA	NA	NA	NA	NA	NA		NA	NA	57,262
28	Uses of Non-CIP HIF	28,558,200	28,709,310	31,140,690	13,898,370	15,365,760	19,671,748		26,547,550	30,199,995	22,472,668
29											
30	Ending Balance	587,750	1,080,710	1,665,038	0	0	306,794		0	0	0
31											
32	New CIP Funding*	500,000	25,000,000	25,000,000	15,000,000	15,000,000	10,000,000		2,720,000	2,720,000	0
33	Loan Repayment Proceeds	-	-	-	2,200,000	6,669,085	7,231,000		7,280,000	7,280,000	2,471,000
34	CE Estimated CIP Funding	500,000	25,000,000	25,000,000	17,200,000	21,669,085	17,231,000		10,000,000	10,000,000	2,471,000
35											
36	HIF Funding available for Program Uses	29,645,950	54,790,020	57,805,728	31,098,370	37,034,845	36,902,748		36,547,550	40,199,995	24,943,668
37											
38	Total HIF Funding including amount for Required Transfers incl debt service, but excluding ending balance	29,754,250	55,737,410	58,522,610	33,801,250	41,859,095	42,748,918		44,322,455	47,974,900	32,714,450
39											
40	FY13 Approved is higher than FY13 Original Approved because of an increase in the FY13 Beginning Fund Balance and \$3.9 pending supplemental to CIP Revolving Account										
41	FY14 Council Staff (J 21) reflects \$3,670,903 in FY13 Recordation Tax not expended										

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FY14-19 PUBLIC SERVICES PROGRAM: FISCAL PLAN

Montgomery Housing Initiative

FISCAL PROJECTIONS	FY13 APPROVED	FY14 RECOMMENDED	FY15 PROJECTION	FY16 PROJECTION	FY17 PROJECTION	FY18 PROJECTION	FY19 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	12.13%	15.69%	15.69%	15.69%	15.69%	15.69%	15.69%
CPI (Fiscal Year)	2.7%	2.3%	2.4%	2.7%	3.2%	3.5%	3.7%
Investment Income Yield	0.0025	0.19%	0.36%	0.75%	1.35%	1.80%	2.15%
BEGINNING FUND BALANCE	425,189	2,293,569	0	0	0	0	0
REVENUES							
Miscellaneous	9,810,276	14,212,529	14,542,225	14,967,493	15,550,021	16,281,496	16,930,760
Subtotal Revenues	9,810,276	14,212,529	14,542,225	14,967,493	15,550,021	16,281,496	16,930,760
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To Debt Service Fund	(5,643,610)	(7,510,400)	(7,508,510)	(7,512,510)	(7,513,810)	(7,515,910)	(7,511,110)
Debt Service Other/MHI Property Acquisition	(5,643,610)	(7,510,400)	(7,508,510)	(7,512,510)	(7,513,810)	(7,515,910)	(7,511,110)
Transfers To The General Fund	(202,560)	(264,505)	(262,272)	(251,900)	(251,900)	(251,900)	(251,900)
Indirect Costs	(186,970)	(251,900)	(251,900)	(251,900)	(251,900)	(251,900)	(251,900)
Technology Modernization	(15,590)	(12,605)	(10,372)	0	0	0	0
Transfers From The General Fund	15,589,247	17,816,357	15,701,225	15,750,787	15,804,777	15,866,397	15,928,177
TOTAL RESOURCES	19,978,542	26,547,550	22,472,668	22,953,870	23,589,088	24,380,083	25,095,927
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(3,171,973)	(3,195,522)	(3,233,682)	(3,278,132)	(3,330,822)	(3,390,342)	(3,456,922)
Debt Service: Other (Non-Tax Funds only)	(69,770)	(67,730)	(65,630)	(63,500)	(61,280)	(59,030)	(56,730)
Rental Assistance	(4,415,500)	(8,269,793)	(8,601,589)	(9,028,987)	(9,613,735)	(10,347,460)	(10,999,024)
Housing First	(7,537,655)	(7,537,655)	(7,537,655)	(7,537,655)	(7,537,655)	(7,537,655)	(7,537,655)
Neighborhoods to Call Home	(596,340)	(596,340)	(596,340)	(596,340)	(596,340)	(596,340)	(596,340)
Special Needs and Nonprofit Housing	(2,380,510)	(2,380,510)	(2,380,510)	(2,380,510)	(2,380,510)	(2,380,510)	(2,380,510)
Senior Housing	(1,500,000)	(4,500,000)	0	0	0	0	0
Labor Contracts	n/a	n/a	(57,262)	(71,236)	(71,236)	(71,236)	(71,236)
Labor Contracts (Other)	n/a	n/a	0	2,490	2,490	2,490	2,490
Subtotal PSP Oper Budget Approp / Exp's	(19,671,748)	(26,547,550)	(22,472,668)	(22,953,870)	(23,589,088)	(24,380,083)	(25,095,927)
TOTAL USE OF RESOURCES	(19,671,748)	(26,547,550)	(22,472,668)	(22,953,870)	(23,589,088)	(24,380,083)	(25,095,927)
YEAR END FUND BALANCE	306,794	0	0	0	0	0	0
TOTAL INVESTMENT							
TOTAL USE OF RESOURCES	(19,671,748)	(26,547,550)	(22,472,668)	(22,953,870)	(23,589,088)	(24,380,083)	(25,095,927)
Affordable Housing Acquisition and Preservation CIP Project # 760100	(13,350,000)	(10,000,000)	(2,471,000)	(2,196,000)	(6,304,000)	(1,304,000)	(7,851,000)
TOTAL INVESTMENT IN AFFORDABLE HOUSING (MHI Fund + CIP Project)	(33,021,748)	(36,547,550)	(24,943,668)	(25,149,870)	(29,893,088)	(25,684,083)	(32,946,927)

Assumptions:

1. Maintains the County Executive's commitment to affordable housing. In addition to expenditures reflected in this fund, the Affordable Housing Acquisition and Preservation CIP Project #760100 includes the issuance of \$2.7 million of debt in FY14 in addition to \$7.3 million in estimated loan repayments in FY14 to provide continued high level of support for the Housing Initiative Fund Property Acquisition Revolving Program created in FY09.
2. FY13 Estimated CIP resources includes the unencumbered balance from prior years.
3. Montgomery County Executive Order 136-01 provides for an allocation from the General Fund to the Montgomery Housing Initiative fund (MHI) equivalent to 2.5 percent of actual General Fund property taxes from two years prior to the upcoming fiscal year. The actual transfer from the General Fund will be determined each year based on the availability of resources.

Notes:

1. These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.

ACTION IN MONTGOMERY
Testimony to Montgomery County Council
Housing Initiative Fund - DHCA FY 2014 Operating Budget

April 10, 2013

Introduction

I'm Dick Pavlin, Chair of the Senior Issues Team of Action in Montgomery. On this same date in 2008, I urged the Council to approve the County Executive's proposed Housing Initiative Fund (HIF) of \$54 million for 2009. So it's understandable that AIM, the Commission on Aging, and others want to restore funding for affordable housing. The County Executive's proposed \$36.5 million for HIF for 2014 is not nearly enough.

The \$54 million for the HIF in 2009 Council approved and the \$36.5 million proposed for 2014 is a tale of two cities – one city increasing funding for affordable housing, the other decreasing funding. It's a tale of what budget deficits produce, but a tale also of placing other budget priorities ahead of affordable housing. D.C. City Council is committing \$100 million for affordable housing while we consider \$36.5 million.

Discussion

The Executive's budget proposes not only less than 2009 but less than 2013. Look at the CIP funded portion of HIF. Last year, we had \$13.5 million in the CIP portion – this year it's \$10 million.

	<u>FY 13 Approved</u>	<u>FY 14 Proposed</u>
New CIP Funding (Bonds)	\$ 10.0 Million	\$ 2.7 Million
Revolving Fund	\$ 3.3 Million	\$ 7.3 Million
Total	\$ 13.3 Million	\$ 10.0 Million

That's \$3.5 million less. The CIP funded portion of HIF funds the acquisition and preservation of affordable housing. Last year we approved \$10 million in bonds as part of the CIP portion of HIF. This year, we're leaving \$7.3 million of available bonds on the table and only using \$2.7 million of them.

Sure, in the General Fund portion of HIF there's more for rental subsidy - \$3.85 million more due to the recovery of recordation taxes which nearly doubled – and \$ 3million more for the senior housing project near the Silver Spring library. AIM applauds both of these increases. But decreasing the CIP funded portion of HIF to acquire and preserve affordable housing shouldn't be the trade off.

Why is less being proposed for the CIP funded portion of HIF?

AIM is told the Executive is concerned about the debt service ceiling in FY 2014. After committing \$90 million in bonds for 5 years from an approved \$100 million bond issue, hasn't the train already left the station on concern about debt service?

How much is debt service for these housing bonds – and how does it compare in relative impact to the bonds issued for school replacement or recreation centers like North Potomac ?

Action in Montgomery page 2

Debt Service HIF	<u>FY 13 Approved</u>	<u>FY 14 Proposed</u>
	\$5,643,610	\$7,510,400
GO Bonds -School Replacement	<u>FY 13 Approved</u>	<u>FY 14 Proposed</u>
	\$94,315,000	\$97,768,000
GO Bonds N. Potomac Community Cntr	<u>FY 13 Approved</u>	<u>FY 14 Proposed</u>
	\$4,595,000	\$13,804,000

Comparing the above, just two CIP bond funded projects from all the CIP projects have much more impact on debt service than the last \$7.3 million of HIF bonds will have. Further, HIF pays the debt service on these bonds.

Conclusion

AIM urges the Council to use the \$7.3 million in available bonds to increase the CIP portion of HIF by \$7.3 million.

A planning dept. study in 2008 showed a shortage 43,000 units of affordable rental housing. Councilmember Elrich has cited the loss of 18,000 affordable units more than once. Council member Elrich, AIM is glad you cite that statistic because we need to be a county where everyone can afford to live, not just the wealthy.

By not adequately investing in the production of affordable housing, we are robbing tens of thousands of our seniors, youth, and everyday working people of the dignity of having a home they can be proud of, that they can afford.

Thank You – I'd be happy to answer any questions.

WJC



12200 Tech Road, Suite 250, Silver Spring, MD 20904 • Phone: 301-622-2400 • Fax: 301-622-2800 • www.MHPartners.org

April 11, 2013

Council President Nancy Navarro
Montgomery County Council
100 Maryland Avenue
Rockville, MD 20850

Council President Navarro and Members of the Council:

My name is Robert Goldman and I am President of Montgomery Housing Partnership. Thank you for allowing me this opportunity to address the Council regarding Executive Leggett's proposed FY14 Operating Budget and CIP Amendments.

Montgomery Housing Partnership's mission is to preserve and expand quality affordable housing in Montgomery County. Our success over the years has been a result of taking a comprehensive approach to developing affordable housing that integrates three things: Housing people; Empowering families; and Strengthening Neighborhoods.

Through these three strategies MHP has developed almost 1,400 quality affordable homes. We are providing pre-school programs, after-school programs, teen activities as well as classes for adults in computers, financial literacy and ESOL. We are working in Long Branch, Takoma Park and Germantown on neighborhood improvements; including developing the Long Branch Business League, providing technical assistance to two civic associations in Glenmont and much more.

I am here to ask the County Council to dedicate more funding for the development and preservation of affordable housing throughout the County from the capital and the operating side. According to Census data, from 2000 to 2010, Montgomery County lost over 15% of its units that were affordable to households making 60% or below of the area median income, representing a loss of 18,000 units. The money dedicated to affordable housing acquisition and preservation is our first line of defense to combat the loss of affordability in the County.

The current CIP budget calls for only issuing \$2.7 million in bonds for the acquisition and preservation of affordable housing. However, there is an additional \$7.3 million in bonds available to issue, dedicated for affordable housing. Why aren't we making these additional funds available? The County has had to turn down opportunities to support the preservation of affordable housing because of lack of capital. With these additional funds the County will be poised to preserve additional units at this critical economic time. While we understand that the decision to issue bonds should not be taken lightly, we'd like to point out that the principal on an additional \$7.3 million in bonds reflects only 4/100th of an increase in the debt to assessed value ratio, keeping the County well within the charter limits.

We'd also like to address the use of the limited Housing Initiative Fund (HIF) money. According to the County code (section 25B) the primary purpose of the HIF fund is to "construct new affordable units." Specifically, the code notes that not more than 20% of funds should be used for other needs outside of acquisition or construction. The FY14 operating budget calls for only \$6.8 million to be spent on acquisition or construction of affordable housing. Out of the total allocation, this represents just 26% of the HIF money – a far stretch from the 80% allocation mandated by the code. We urge the Council to put more money into the HIF fund to ensure there is adequate money available for long-term support of the development of new affordable units. We need to increase the level of funding for HIF to align with the county code for FY14 and beyond.

Another area of concern is the proposed cut of MHP's contract to the Focused Neighborhood Assistance program. MHP has worked with the County in Connecticut Avenue Estates, Glenmont, Long Branch, and Germantown. By supporting neighborhood revitalization efforts, the County is able to address a wide variety of issues, including vacant and distressed property, small business development, crime and safety, health and well-being and environmental stewardship. MHP's work has brought about meaningful impact to the homes and businesses of Montgomery County neighborhoods, including reduced crime and enhanced community engagement. Much of the work, particularly in Long Branch, needs funding to continue to sustain its impact, see long-term results, and sustain initial outcomes. For example, this month we unveiled a mural at Piney Branch and Flower Ave as part of an ongoing effort to bring public art to the neighborhood. **We urge you to renew MHP's Focused Neighborhoods Assistance contract at the FY13 levels or above.** The work is not easy, but in this critical time of economic downturn, funding for efforts that improve neighborhoods where affordable housing is located is critical.

Lastly, we thank the Council for their demonstrated support of affordable housing this past year with the passage of legislation requiring an affordable housing assessment before disposition of County land and amending the accessory dwelling unit licensing process. We are also encouraged by the PHED committee's continued conversations with DHCA to ensure that the County has a housing policy that will continue to take us in the right direction.

Thank you for taking the time to hear these thoughts and for always keeping the housing needs of Montgomery County citizens at the forefront of your mind. We look forward to the opportunities to continue to work with the County ensuring all our residents have quality, affordable housing to call their own.

I welcome the opportunity to discuss this issue with you further. Please feel free to reach me at rgoldman@mhpartners.org or 301-622-2400, ext. 14.

Sincerely,



Robert A. Goldman, ESQ.
President

secs. 25B-7, 25B-8. Reserved.

Article II. Montgomery Housing Initiative.

Sec. 25B-9. Montgomery Housing Initiative.

- (a) The county executive must establish the Montgomery Housing Initiative to promote a broad range of housing opportunities in the county.
- (b) This initiative must be included in the county capital improvements program and may use appropriated funds and receipts from any source, including any balances transferred from the condominium transfer tax fund under Section 52-21 f).
- (c) Funds allocated to this initiative may be spent to:
- (1) Construct or acquire affordable housing units;
 - (2) Buy and rehabilitate existing rental units that would otherwise be removed from the supply of affordable housing; and
 - (3) Participate in housing or mixed-use developments that will include affordable housing.
- (d) The Director of Housing and Community Affairs administers the initiative under regulations adopted by the County Executive under method (2). (1988 L.M.C., ch. 42, § 1; 1996 L.M.C., ch. 13, § 1.)

1

ARTICLE II. MONTGOMERY HOUSING INITIATIVE, SEC. 25B-9 MONTGOMERY HOUSING INITIATIVE — REGULATIONS

COMCOR 25B.09.01 Administration of the Montgomery Housing Initiative Program

25B.09.01.01 Background Information

2.1 In May, 1988, the County Council enacted Chapter 25B-9 to the Montgomery County Code establishing the Montgomery Housing Initiative program which is to be administered by the Department of Housing and Community Development. The program was created to promote a broad range of housing opportunities in the County in order to assist in alleviating the difficulties of many low- and moderate-income households to obtain and maintain housing at costs that they can afford.

2.2 The May, 1988 enactment of the Montgomery Housing Initiative amended Section 52-21(f)(3) of the Montgomery County Code to transfer the balance of funds in the Condominium Transfer Tax Fund to the Montgomery Housing Initiative Program, and to expand the kinds of expenditures permitted by the funds to include affordable for sale, as well as rental, housing.

25B.09.01.01 Procedures

2.1 Use of Funds:

The principal use of the Montgomery Housing Initiative is to construct new housing units. Funds appropriated or allocated to or otherwise contributed or dedicated to the Housing Initiative may be expended or committed by the Director of the Department of Housing and Community Development for any of the following purposes:

- A. Construct new affordable housing units;
- B. Acquire land upon which affordable housing may be constructed;
- C. Buy and rehabilitate existing rental units that might otherwise be removed from the supply of affordable housing;
- D. Participate with non-profit and for-profit sponsors of projects containing affordable housing in mixed-income developments;
- E. Make loans for the development or rehabilitation of housing that will enhance the affordability of some or all of the units;
- F. Provide rent subsidies to low- and moderate-income tenants.

2.2 Limitations on Uses of Funds:

The Uses of Funds from the Housing Initiative, as outlined in Section 2.1 of this regulation, are limited as follows:

A. No more than 20 percent of the Housing Initiative funds appropriated in any fiscal year may be spent on activities other than the acquisition of land for new affordable housing construction or on activities which result in the construction of new affordable housing, unless specifically authorized by the Director of Housing and Community Development.

B. Rent subsidies to low- and moderate-income tenants may be provided from the Montgomery Housing

initiative Fund only to increase the affordability of newly constructed housing, unless specifically authorized by the Director of Housing and Community Development.

2.3 Submission of Proposals:

Proposals for the use of funds from the Montgomery Housing Initiative Program may be submitted in writing in such form as may be required and sent to:

The Director

Department of Housing and Community Development

51 Monroe Street, 10th Floor

Rockville, MD 20850

2.4 Evaluation of Proposals:

The Director of Housing and Community Development, in reviewing proposals for the use of funds from the Montgomery Housing Initiative Program, must take into consideration the following:

1. Existing commitments for the use of these funds;
2. The existence and expectation of funds projected to be available in the program;
3. The priority of need for serving the proposed population group and the characteristics of the proposed program;
4. The limitations on the use of Housing Initiative funds listed in Section 2.2 above;
5. The degree to which the proposed use will further the housing policy goals of Montgomery County;
6. Suitability of the location and site for the facility;
7. The degree to which the use of program funds will be leveraged by contributions from other public, private, or non-profit sources;
8. The financial responsibility and reputability of the sponsor; and
9. Other factors as determined by the Director of Housing and Community Development.

2.5 Approval of Proposals:

The Director of Housing and Community Development may approve the use of funds under this program, disapprove the use of funds, or authorize further negotiation with persons proposing to use funds. When the use of funds is approved, the Director will determine the terms and conditions of the use of the funds and enter into contracts with approved sponsors.

(Administrative History: Reg. No. 51-93AM (Method 2); Orig. Dept.: Housing and Community Affairs; Supersedes: Reg. No. 38-89E)

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Resolution No.: 16-143
Introduced: February 27, 2007
Adopted: May 17, 2007

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Planning, Housing, and Economic Development Committee

SUBJECT: Sources of Funding for Annual Appropriation to the Montgomery Housing Initiative Fund (HIF)

Background

1. In Montgomery County, increasing demands for housing, diminishing land supply, and increasing construction costs are causing an acute shortage of housing for low and moderate income families who live or work in the County and for those with special needs. The maintenance of a housing stock that is affordable to all income levels is critical to the health of Montgomery County's economy. Helping families live near their work can help reduce traffic congestion and its environmental impacts.
2. The Montgomery County Housing Initiative Fund (HIF) is the foremost funding mechanism for County participation in the financing of affordable housing and has leveraged significant other public and private funds. Between Fiscal Year 2003 and Fiscal Year 2006, the HIF financed 63 projects containing over 4,500 units affordable to lower income families.
3. On March 25, 2003, the County Council adopted and the County Executive signed Resolution 15-110, *Dedicated Funding for Affordable Housing*. The action clause stated: "The County Executive will recommend and the Council will approve, in future fiscal years beginning with FY04, an allocation from the General Fund to the Montgomery Housing Initiative Fund (MHI) of an amount sufficient to ensure the availability in the MHI Fund of \$16.1 million or the equivalent of 2.5 percent of actual General Fund property taxes from two years prior to the upcoming fiscal year, whichever is greater, for the purpose of maintaining and expanding the supply of affordable housing in Montgomery County."
4. On March 8, 2005, the Council adopted Resolution 15-919, *Condominium Transfer Tax Funds Must Not Supplant the General Fund Appropriation to the Montgomery Housing Initiative Fund*. The action clause stated: "The condominium transfer tax revenues received in Fiscal Year 06 transferred into the Montgomery County Housing Initiative Fund must not supplant the appropriation of \$16.1 million or the equivalent of 2.5% of property taxes, as approved in Council Resolution 15-110 – *Dedicated Funding for Affordable Housing*. The Council will review this policy for the transfer tax revenues that will be received in Fiscal year 2007 and beyond."

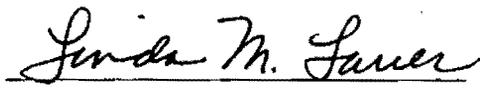
5. For Fiscal Year 2007, the amount equivalent to 2.5 percent of the actual General Fund property taxes from Fiscal Year 2005 was \$19,803,740. The funding sources recommended by the County Executive and approved by the County to reach this level of funding were: Use of Beginning Balance (\$4.8 million), Moderately Priced Dwelling Unit (MPDU) Resale Recapture (\$2 million), Mortgage Repayments (\$800,000), Other Interest Income (\$140,000), Housing Opportunities Commission Loan Replacement (\$79,420), Pooled Investment Income (\$240,000), Condominium Transfer Tax (\$4 million) and Net Transfer from General Fund (\$7.7 million). The Council specified that any revenues received from the Condominium Transfer Tax in excess of the \$4 million assumed in the budget must not supplant any of the other identified sources of funding and must be appropriated as an addition to the HIF. MPDU Alternative Agreement Payments of \$143,900 must also be an addition to the \$19.8 million requirement.
6. The Planning, Housing, and Economic Development Committee held a worksession on the HIF on February 15, 2007. The Committee agreed that, beginning in Fiscal Year 2008, the requirement for an amount equivalent to 2.5 percent of the actual General Fund property taxes should be funded through the net transfer from the General Fund and that all the other sources identified as a part of the FY 2007 appropriation to the HIF should be additions to this amount and not supplant the net transfer from the General Fund. The ending balance in the HIF should be re-appropriated in the next fiscal year rather than used as a source of funds to meet the 2.5 percent requirement. The Committee noted that this would have resulted in an additional \$12 million being allocated to the HIF in Fiscal Year 2007.

Action

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

Beginning in Fiscal Year 2008, the source of funding for the amount equivalent to \$16.1 million or 2.5 percent of the actual General Fund property taxes from two years prior, whichever is greater, that must be appropriated to the Montgomery Housing Initiative Fund must be the General Fund. All other sources, such as proceeds from MPDU resale recaptures, condominium transfer tax revenues, and mortgage repayments, must be appropriated in addition to this amount. The Fiscal Year 2007 end of year balance must be re-appropriated on July 1 and must not be considered part of the amount appropriated from the General Fund.

This is a correct copy of Council action.


Linda M. Lauer, Clerk of the Council

Resolution No.: 15-110
Introduced: March 11, 2003
Adopted: March 25, 2003

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Council Vice-President Steven Silverman at the Request of the County Executive and Councilmembers Denis, Floreen, Knapp, Leventhal, Perez

SUBJECT: Dedicated Funding for Affordable Housing

Background

1. In Montgomery County, increasing demands for rental housing, low vacancy rates, diminishing land supply, and increasing housing costs are causing an acute shortage of housing for low and moderate income Montgomery families, workers, and persons with special needs.
2. The diverse characteristics of individuals and families in need of affordable housing in Montgomery County necessitate the preservation and construction of affordable housing meeting the specific needs of seniors, persons with disabilities, low-wage workers, and those who have been homeless.
3. The Housing Policy for Montgomery County calls for the availability of housing opportunities for all income levels in all areas of the County.
4. The availability of adequate housing opportunities is a basic component of the quality of life in a community. The lack of housing, especially affordable housing, contributes to:
 - (i) an increase in traffic congestion as non-residents commute to jobs in the County;
 - (ii) a lack of diversity in our neighborhoods and schools;
 - (iii) limitation on the availability of a resident work force to support continued economic growth in the County; and
 - (iv) a general decrease in the quality of life for Montgomery County residents.
5. The maintenance of a housing stock that is affordable to all income levels, from senior management and professional positions to entry level and service industry employees, is critical to the continued health of Montgomery County's economy.
6. Neither private financial institutions nor Federal and State government financing programs for multifamily housing are currently sufficient to meet the funding needs for the production of affordable rental housing in Montgomery County.

7. The Montgomery Housing Initiative is the foremost funding mechanism for County participation in the financing of needed affordable housing, and has leveraged other public and private financing at a ratio of seven dollars for every Housing Initiative dollar spent.
8. The Montgomery Housing Initiative is used to assist in the creation of new affordable and market rate housing, preservation of the County's threatened affordable housing resources, and renovation and rehabilitation of deteriorated rental housing facilities.
9. Funding for the Montgomery Housing Initiative is of countywide significance, and is used to promote the County's goals in all areas of Montgomery County.
10. Dedicated funding for the Montgomery Housing Initiative will provide a dependable and on-going source of fiscal resources to preserve and expand affordable housing opportunities in Montgomery County, and will foster the implementation of the goals of the County's Housing Policy and the continued economic and social well-being of Montgomery County.

Action

The County Executive and the County Council for Montgomery County, Maryland approve the following resolution:

The County Executive will recommend and the Council will approve, in future fiscal years beginning with FY04, an allocation from the General Fund to the Montgomery Housing Initiative Fund (MHI) of an amount sufficient to ensure the availability in the MHI Fund of \$16.1 million or the equivalent of 2.5 percent of actual General Fund property taxes from two years prior to the upcoming fiscal year, whichever is greater, for the purpose of maintaining and expanding the supply of affordable housing in Montgomery County.

/s/

Michael L. Subin, President
Montgomery County Council

/s/

Douglas M. Duncan
County Executive

This is a correct copy of Council action.

/s/

Mary A. Edgar, CMC
Clerk of the Council



MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Dedicated Funding for Affordable Housing	Executive Order No. 136-01	Subject Suffix
Originating Department Department of Housing and Community Affairs	Department Number	Effective Date 5/14/01

BACKGROUND

1. In Montgomery County, increasing demands for rental housing and low levels of construction of multifamily housing are causing rental vacancy rates to fall to historically low levels and turnover rent increases to approach historic highs.
2. The diverse nature of individuals and families in need of affordable housing in Montgomery County necessitates the preservation and construction of affordable housing meeting the specific needs of seniors, persons with disabilities, low-wage workers, and those who have been homeless.
3. The Housing Policy for Montgomery County calls for the availability of housing opportunities for all income levels in all areas of the County.
4. The availability of adequate housing opportunities is a basic component of the quality of life in a community. A lack of housing availability, especially affordable housing resources, may contribute to:
 - (i) an increase in traffic congestion as non-residents commute to jobs in the County;
 - (ii) a lack of diversity in our neighborhoods and schools;
 - (iii) limitation on the availability of a resident work force to support continued economic growth in the County;
 - (iv) a general decrease in the quality of life for Montgomery County residents; and
 - (v) displacement and homelessness of our most vulnerable citizens, including children and seniors.
5. The maintenance of a housing stock that is affordable to all income levels, from senior management and professional positions to entry level and service industry employees, is critical to the continued health and growth of Montgomery County's economy.
6. Neither private financial institutions nor Federal and State government financing programs for multifamily housing are currently sufficient to meet the funding needs for the production of affordable rental housing in Montgomery County.



MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject	Executive Order No. 136-01	Subject Suffix
Originating Department	Department Number	Effective Date 5/14/01

7. The Montgomery Housing Initiative is the foremost funding mechanism for County participation in the financing of needed affordable housing, and Housing Initiative funds have leveraged other public and private financing at a ratio of 6 dollars for every Housing Initiative dollar spent.
8. The Montgomery Housing Initiative is used to assist in the creation of new affordable and market rate housing, preservation of the County's threatened affordable housing resources, and renovation and rehabilitation of deteriorated rental housing facilities.
9. Funding for the Montgomery Housing Initiative is of County-wide significance, and is used to promote the County's goals in all areas of Montgomery County.
10. A dedicated source of funding for the Montgomery Housing Initiative will provide a dependable and on-going source of fiscal resources to preserve and expand affordable housing opportunities in Montgomery County, and will foster the implementation of the goals of the County's Housing Policy and the continued economic and social well-being of Montgomery County.

ACTION

The Director, Office of Management and Budget must, after consultation with the Director, Department of Housing and Community Affairs, include in the County Executive's Recommended Operating Budget in future fiscal years beginning with FY03, an allocation from the General Fund to the Montgomery Housing Initiative Fund (MHI) of an amount sufficient to ensure the availability in the MHI Fund of \$15 million or the equivalent of 2.5 percent of actual General Fund property taxes from two years prior to the upcoming fiscal year, whichever is greater, for the purpose of maintaining and expanding the supply of affordable housing in Montgomery County.

Douglas M. Duncan
County Executive

Approved as to Form and Legality

Marcus Hansen 5/14/01
County Attorney Date

Resolution No.: 15-919
Introduced: February 15, 2005
Adopted: March 8, 2005

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Councilmember Nancy Floreen and Council President Tom Perez

SUBJECT: Condominium Transfer Tax Funds Must Not Supplant the General Fund
Appropriation to the Montgomery Housing Initiative Fund

Background

1. State law empowers the County Council to levy by resolution a transfer tax of 4% on the transfer of a residential rental unit when it becomes a condominium.
2. Sec. 52-21(f)(3) of the County Code requires that balances from the condominium transfer tax must be transferred into the Montgomery Housing Initiative Fund.
3. These funds may be spent to construct or acquire affordable housing units, buy and rehabilitate existing rental units that would otherwise be removed from the supply of affordable housing, and participate in housing or mixed-use developments that will include affordable housing.
4. On March 25, 2003, the County Council adopted Resolution 15-110 – Dedicated Funding for Affordable Housing, which recommended that beginning with FY04, an allocation from the General Fund to the Montgomery Housing Initiative Fund of an amount sufficient to ensure the availability of \$16.1 million or the equivalent of 2.5% of actual General Fund property taxes from two years prior to the upcoming fiscal year, whichever is greater, for the purpose of maintaining and expanding the supply of affordable housing in Montgomery County.
5. Market forces are encouraging owners of multi-family rental residential buildings to sell or transfer the buildings and become condominium enterprises. Housing authorities expect a number of rental buildings to change status in the next several years resulting in an unexpected increase in condominium transfer taxes.
6. The sudden switch of buildings from rental to condominium will increase the price of housing and displace a large number of families currently residing in affordable rental units. This will increase the demand for even more affordable rental housing than had been previously anticipated. Housing authorities indicate it could reach crisis proportions. Because of this critical situation, it is imperative that to ensure additional resources be available to preserve and increase Montgomery County's stock of affordable

housing. The expected increase in condominium transfer taxes can assist in achieving this goal. Accordingly, it is critical that this increase in transfer taxes not be used to supplant the County's annual appropriation to the Montgomery Housing Initiative Fund.

Action

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

The condominium transfer tax revenues received in Fiscal Year 06 transferred into the Montgomery Housing Initiative Fund must not supplant the appropriation of \$16.1 million or the equivalent of 2.5% of property taxes, as approved in Council Resolution 15-110 – Dedicated Funding for Affordable Housing. The Council will review this policy for transfer tax revenues that will be received in Fiscal Year 2007 and beyond.

This is a correct copy of Council action.



Elda M. Dodson CMC
Acting Clerk of the Council

Bill No. 11-07
Concerning: Recordation Tax - Rate
Revised: 11-9-07 Draft No. 4
Introduced: May 24, 2007
Enacted: November 13, 2007
Executive: November 21, 2007
Effective: March 1, 2008
Sunset Date: None
Ch. 17, Laws of Mont. Co. 2007

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Council President at the request of the Planning Board

AN ACT to:

- (1) revise the rates of the recordation tax;
- (2) specify the use of certain revenue from the recordation tax; and
- ~~[[2]]~~ (3) generally amend the law governing the recordation tax.

By amending

Montgomery County Code
Chapter 52, Taxation
Section 52-16B, Recordation Tax

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

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

1 **Sec. 1. Section 52-16B is amended as follows:**

2 **52-16B. Recordation Tax.**

3 (a) ~~[[Rate]]~~ Rates. The ~~[[rate]]~~ rates of the recordation tax, levied under
4 state law, ~~[[is]]~~ are:

5 (1) ~~[\$3.45]~~ ~~[[\$5.60]]~~ ~~[[\$4.25]]~~ \$3.45 for each \$500 or fraction of
6 \$500 of consideration payable or of the principal amount of the
7 debt secured for an instrument of writing, including the amount
8 of any mortgage or deed of trust assumed by a grantee; and

9 (2) if the consideration payable or principal amount of debt secured
10 exceeds ~~[[\$600,000]]~~ \$500,000, an additional ~~[[\$.75]]~~ \$1.55 for
11 each \$500 or fraction of \$500 of the amount over ~~[[\$600,000]]~~
12 \$500,000.

13 (b) *Exemption.* The first \$50,000 of the consideration payable on the
14 conveyance of any owner-occupied residential property is exempt from
15 the recordation tax if the buyer of that property intends to use the
16 property as the buyer's principal residence by actually occupying the
17 residence for at least 7 months of the 12-month period immediately after
18 the property is conveyed.

19 **Sec. 2. Effective Date.** This Act takes effect on March 1, 2008, and applies to
20 any transaction which occurs on or after that date.

21 **Sec. 3. Allocation of Revenue.** During any fiscal year that begins on or after
22 July 1, 2008, the net revenue attributable to the increase in the rate of the recordation
23 tax enacted in this Act must be reserved for and allocated equally to:

24 (a) the cost of County government capital improvements; and

25 (b) rental assistance programs for low- and moderate-income households,
26 which must not be used to supplant any otherwise available funds.

27 *Approved:*

28 Michael J. Knapp 11/16/07
Michael J. Knapp, Vice President, County Council Date

29 *Approved:*

30 Isiah Leggett Nov 21, 2007
Isiah Leggett, County Executive Date

31 *This is a correct copy of Council action.*

32 Linda M. Lauer 11/27/07
Linda M. Lauer, Clerk of the Council Date

Resolution No.: 16-433
Introduced: January 22, 2008
Adopted: January 29, 2008

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Planning, Housing, and Economic Development Committee,
Councilmember Leventhal and Council President Knapp

SUBJECT: Use of the Housing Initiative Fund to Fund Advanced Land Acquisitions

Background

1. Chapter 25B-9 of the Montgomery County Code establishes the Montgomery Housing Initiative in order to promote a broad range of housing opportunities in the county. Executive regulations promulgated to administer the Housing Initiative Fund (HIF) specify that funds may be used to (A) construct new affordable housing units, (B) acquire land upon which affordable housing may be constructed, (C) buy and rehabilitate existing rental units that might otherwise be removed from the supply of affordable housing, (D) participate with non-profit and for profit sponsors of projects containing affordable housing in mixed-use developments, (E) make loans for the development or rehabilitation of housing that will enhance the affordability of some or all of the units, and (F) provide rent subsidies to low and moderate income tenants.
2. The County's Capital Improvements Program authorizes expenditures and the Capital Budget appropriates monies to the Advanced Land Acquisition Revolving Fund for the Montgomery County Government (ALARF-MCG). ALARF-MCG was established to support capital projects by permitting the County to buy land in advance of actual construction to save money and secure suitable locations for capital construction projects. ALARF-MCG is reimbursed through appropriation to the specific CIP project or program.
3. On January 17, 2008 the Council's Planning, Housing, and Economic Development (PHED) Committee was provided with an update on approved and planned uses of FY08 HIF funds. Included is \$3,630,000 to buy an un-defined portion of a 9 acre parcel near Route 29 and New Hampshire Avenue for future affordable housing. The rest of the parcel is scheduled to be acquired through ALARF-MCG for a new District 3 police station, as described in Project No. 470302 of the Recommended FY09-14 Capital Improvements Program.

4. PHED Committee members agreed that as the parcel is being purchased because a new police station is needed and because there has been no discussion by the Council about whether the remainder of the parcel should be used for other county facilities, programs, or affordable housing, the parcel should be purchased using ALARF-MCG. If part of the parcel is eventually used for another county facility, ALARF would be reimbursed by that project. If a portion of the parcel is eventually used for affordable housing, ALARF would be reimbursed by the HIF in that future fiscal year.

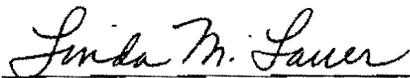
Action

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

The Housing Initiative Fund (HIF) must not be used to purchase land that may be appropriately purchased through the Advanced Land Acquisition Revolving Fund for the Montgomery County Government (ALARF-MCG). The Housing Initiative Fund may be used to reimburse ALARF-MCG if land purchased with ALARF-MCG funds is eventually used for an affordable housing project.

The County Executive must notify the Council 30 days in advance of entering into an agreement to purchase unimproved land exclusively for an affordable housing project using the HIF.

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council

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OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

March 15, 2013

TO: Nancy Navarro, President, County Council

FROM: Isiah Leggett, County Executive

RECEIVED
MONTGOMERY COUNTY

2013 MAR 15 AM 11:24

SUBJECT: Amendment to the FY13-18 Capital Improvements Program and Supplemental Appropriation #26-S13-CMCG-15 to the FY13 Capital Budget Montgomery County Government Department of Housing and Community Affairs Affordable Housing Acquisition and Preservation (No. P760100), \$3,881,000

I am recommending a supplemental appropriation to the FY13 Capital Budget and amendment to the FY13-18 Capital Improvements Program in the amount of \$3,881,000 for Affordable Housing Acquisition and Preservation (No. P760100). Appropriation for this project will fund additional investments in County affordable housing projects.

This increase is needed to appropriate the remaining loan repayment proceeds received in FY12. These additional revenues will provide funding for additional housing acquisition and preservation activities.

I am also recommending that Council and Executive Branch staff work together to modify the capital budget appropriation resolution to allow for the streamlined appropriation of loan repayments since it has been the intent of the Council and the Executive branch to appropriate loan repayment proceeds to the project. An expedited method for doing so will allow the funds to be available sooner for their intended purpose.

I recommend that the County Council approve this supplemental appropriation and amendment to the FY13-18 Capital Improvements Program in the amount of \$3,881,000 and specify the source of funds as Loan Repayment Proceeds based on FY12 actual receipts.

I appreciate your prompt consideration of this action.



23

Nancy Navarro
Page 2
March 15, 2013

IL: mcb

Attachment: Amendment to the FY13-18 Capital Improvements Program and Supplemental
Appropriation #26-S13-CMCG-15
Project Description Form

cc: Richard Nelson, Department of Housing and Community Affairs
Joseph Beach, Department of Finance
Marc Hansen, Office of the County Attorney
Jennifer Hughes, Office of Management and Budget
Jennifer Bryant, Office of Management and Budget

Resolution: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Amendment to the FY13-18 Capital Improvements Program and
Supplemental Appropriation #26-S13-CMCG-15 to the FY13 Capital Budget
Montgomery County Government
Department of Housing and Community Affairs
Affordable Housing Acquisition and Preservation (No. P760100), \$3,881,000

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. Section 302 of the Montgomery County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of no fewer than six members of the Council.
3. The County Executive recommends the following capital project appropriation increases:

Project Name	Project Number	Cost Element	Amount	Source of Funds
Affordable Housing Acquisition and Preservation	P7601010	Land	<u>\$3,881,000</u>	Loan Repayment Proceeds
TOTAL			\$3,881,000	

4. This increase is needed to appropriate the remaining loan repayment proceeds received in FY12. These additional revenues will provide funding for additional housing acquisition and preservation activities.
5. The County Executive recommends an amendment to the FY13-18 Capital Improvements Program and a supplemental appropriation in the amount of \$3,881,000 for Affordable Housing Acquisition and Preservation (No. P760100), and specifies that the source of funds will be Loan Repayment Proceeds.
6. Notice of public hearing was given and a public hearing was held.

Action

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

The FY13-18 Capital Improvements Program of the Montgomery County Government is amended as reflected on the attached project description form and a supplemental appropriation is approved as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Affordable Housing Acquisition and Preservation	P7601010	Land	<u>\$3,881,000</u>	Loan Repayment Proceeds
TOTAL			\$3,881,000	

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

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Affordable Housing Acquisition and Preservation (P760100)

Category	Community Development and Housing	Date Last Modified	3/13/13
Sub Category	Housing	Required Adequate Public Facility	No
Administering Agency	Housing & Community Affairs (AAGE11)	Relocation Impact	None
Planning Area	Countywide	Status	Ongoing

	Total	Thru FY12	Rem FY12	Total 6 Years	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	0	0	0	0	0	0	0	0	0	0	0
Land	112,201	50,654	34,316	27,231	17,231	10,000	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	112,201	50,654	34,316	27,231	17,231	10,000	0	0	0	0	0

	Total	Thru FY12	Rem FY12	Total 6 Years	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	Beyond 6 Yrs
FUNDING SCHEDULE (\$000s)											
HIF Revolving Program	92,720	48,154	31,846	12,720	10,000	2,720	0	0	0	0	0
Loan Repayment Proceeds	16,981	0	2,470	14,511	7,231	7,280	0	0	0	0	0
Montgomery Housing Initiative Fund	2,500	2,500	0	0	0	0	0	0	0	0	0
Total	112,201	50,654	34,316	27,231	17,231	10,000	0	0	0	0	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 14	10,000
Supplemental Appropriation Request		3,881
Transfer		0
Cumulative Appropriation		98,320
Expenditure / Encumbrances		50,654
Unencumbered Balance		47,666

Date First Appropriation	FY 01
First Cost Estimate	
Current Scope	FY 13
Last FY's Cost Estimate	108,320

Description

This project provides funding for acquisition and/or renovation of properties for the purpose of preserving or increasing the county's affordable housing inventory. The county may purchase properties or assist not-for-profit, tenant, or for-profit entities, or the Housing Opportunities Commission (HOC) with bridge financing to purchase and renovate properties. The monies may be used to purchase properties that are offered to the county under the Right of First Refusal law or otherwise available for purchase. A portion of the units in these properties must serve households with incomes that are at or below incomes eligible for Moderately Priced Dwelling Unit (MPDU) program. A priority should be given to rental housing.

Cost Change

The cost increase is due to the programming of additional revolving loan repayments received in FY12.

Justification

This project implements Section 25B, Housing Policy, and Section 53A, Tenant Displacement (Right of First Refusal), of the Montgomery County Code. Opportunities to purchase property utilizing the County's Right of First Refusal arise without advance notice and cannot be planned in advance. Properties may be acquired by the County, non-profit developers, HOC or other entities that agree to develop or redevelop property for affordable housing.

Other

Resale or control period restriction to ensure long term affordability should be a part of projects funded with these monies.

Fiscal Note

Debt service will be financed by the Montgomery Housing Initiative Fund. In addition to the appropriation shown above, this PDF assumes that any actual revolving loan repayments received will be appropriated in the subsequent year as displayed above. Future loan repayments are expected and will be used to finance future housing activities in this project.

Funding from this project will be used to support the creation of Personal Living Quarters (PLQs) associated with the Progress Place Relocation and Personal Living Quarters project #P601401. Preliminary construction cost estimates are in the range of \$3.7 million, but non-county funding will also be sought to support PLQ construction and operating costs. Rental assistance from the Montgomery Housing Initiative fund will be used to support operating costs not funded by outside contributions.

Coordination

Housing Opportunities Commission (HOC), Nonprofit housing providers, Private sector developers

27

ACTION IN MONTGOMERY
MHI Property Acquisition Fund Debt Service

- 1) As a percentage of total County Debt Service, the Montgomery Housing Initiative (MHI) Property Acquisition Fund is .014% of total estimated County Debt Service for FY 13, the current fiscal year.

<u>Estimated FY 13 Total County Debt Service</u>	<u>Estimated FY 13 MHI Prop Acq Debt Service</u>
\$300,229, 030	\$4,409,100

- 2) Because the issuance of bonds in the MHI Property Acquisition Fund is offset – or paid for – by transfers from the MHI fund, bonds in this fund are non-tax supported, i.e., they don't impact the tax rate as do GO bonds.

- 3) Actual debt service in the MHI Property Acq. Fund is typically less than what is budgeted. The estimated FY 13 debt service in the fund is \$4.4 million - \$1.2 million less than what was budgeted for FY 13 – a savings.

<u>Budget FY 13 MHI Prop Acq. Debt Service</u>	<u>Estimated FY 13 MHI Prop Acq. Debt Service</u>	<u>Estimated FY 13 Difference</u>
\$5,643,610	\$4,409,210	\$1,234,400

- 4) Actual debt service in the MHI Property Acq. Fund isn't increasing like the other debt service attributed to GO bonds. Estimated FY 13 debt service in the Fund is just \$321,000 more - .078% - than Actual FY 12 debt service in the Fund.

<u>Actual FY 12 MHI Prop Acq. Debt Service</u>	<u>Estimated FY 13 MHI Prop. Acq. Debt Service</u>	<u>Estimated FY 12-13 Difference</u>
\$4,088,162	\$ 4,409,210	\$321,048 +.078%

- 5) FY 14 Budgeted debt service in the MHI Property Acq. Fund is \$3.1 million more than Estimated FY 13 debt service, yet the Executive proposes only \$2.7 million more in bonds be issued. A cushion may exist between FY 14 budgeted MHI debt service and FY 14 actual debt service, given that FY 13 Estimated debt service is \$1.2 million less than FY 13 Budgeted debt service.

<u>Budget FY 14 MHI Prop Acq. Debt Service</u>	<u>Estimated FY 13 MHI Prop Acq. Debt Service</u>	<u>Budget FY 14/Est. FY 13 Difference</u>
\$7,510,400	\$4,409,210	\$3,101,190



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Isiah Leggett
County Executive

Uma S. Ahluwalia
Director

INFORMATION MEMORANDUM

April 18, 2013

TO: The Honorable George L. Leventhal, Chair
Health and Human Services Committee

FROM: Uma S. Ahluwalia, Director *UMA*

SUBJECT: Housing First Plan Update

The Montgomery County Department of Health and Human Services (DHHS) and our partnering public and private agencies continue to align the County's Homeless Continuum of Care (CoC) to a Housing First approach for which the core mission is to provide a rapid exit from homelessness for families and individuals. Through the implementation of a results-oriented approach, our key performance measures continue to be the reduction in length of stay in homelessness and the achievement of stable housing for those exiting homeless programs. Using outreach, prevention and rapid rehousing strategies, the CoC continues to focus on both preventing homelessness and reducing the length of stay for households in homelessness.

Montgomery County's homeless point-in-time (PIT) survey was conducted on January 30, 2013. There were 1,004 homeless persons counted that day. This is a 2.24 percent increase over 2012. Despite this slight increase in the overall number of homeless persons, the County has seen a downward trend in homeless persons since the highest peak of homelessness during the 2009 PIT Count (1,194). The slight increase this year can be attributed to the lack of affordable housing, the continued challenges with the economy and employment, and bad credit including landlord debt. Households with children enumeration indicated a 7.1 decrease in the overall total number of households with children. However, this number is not an accurate reflection of the true picture for homeless families in the County. The conversion of transitional units to permanent supportive units increased permanent housing, but reduced movement in the CoC increasing the length of stay in emergency shelters.

Total persons in Permanent Supported Housing (PSH) Program enumeration indicated a 3.35% increase from 1,640 persons in PSH in 2012 to 1,695 persons in PSH in 2013.

Office of the Director

401 Hungerford Drive • Rockville, Maryland 20850 • 240-777-1275 • FAX 240-777-1494 • MD Relay 711
www.montgomerycountymd.gov/hhs

As part of our Housing First Eviction Prevention Program, 3,086 Eviction Prevention/Housing Stabilization Grants totaling over \$2,364,407 were issued in FY13 from July through March utilizing county general funds, state funds, and recordation tax funds.

As of March 31, 2013, the department has served 335 households with children in motel overflow shelter, which is an increase from the 308 served during the same timeframe in FY12.

During FY13 (July through March), in our efforts to Rapidly Re-House homeless households, the department has successfully housed 23 new households utilizing the Housing Initiative Funds and an additional 20 households have been enrolled in the program and are actively searching for housing. Currently, 235 households are being served in the Housing Initiative Program (HIP), 20 households have been identified as medically vulnerable. An additional 24 households are being served at Cordell Permanent Living Quarters (PLQ). Since the inception of the HIP, the program has housed 272 households, of which 98 percent remained housed for at least 12 months.

In addition to implementing the original Housing First Plan, the following strategies have been employed to address the current need for services:

- Second Annual “Homeless Resource Day” was held on Thursday November 15, 2012. More than 300 households attended this highly successful event and were able to receive health screenings, registration for mainstream benefits, legal assistance, employment, haircuts and more.
- Montgomery County CoC joined the National 100,000 Homes Campaign. Montgomery County will be partnering with Montgomery County Coalition for the Homeless to lead this effort, which will focus on identifying the most vulnerable homeless adults in the County and prioritize them for housing.
- DHHS, Department of Housing and Community Affairs, and the Housing Opportunities Commission collaborated in the development of a plan for the use of new recordation tax funds that include expansion of DHHS Housing First activities including:
 - Medically Vulnerable Homeless Adults: \$486,000 for rental assistance subsidies and supportive services to house 25 homeless adults identified as being medically vulnerable in the HIP;
 - Housing Initiative Program (HIP): \$413,380 for rental assistance subsidies supportive services to house an additional 10 singles adults and 10 families in the HIP;
 - Client Needs: \$124,495 for security deposits and moving expenses for participants of the HIP;

The Honorable George L. Leventhal
April 18, 2013
Page 2

- County Rental Assistance Program (RAP): \$351,000 for subsidies to serve 150 additional households per month in the County RAP.
- Montgomery County began planning for the relocation of the Interfaith Works Community Visions Program and Shepherds Table from Progress Place in downtown Silver Spring to a new location. The site also includes plans for a new single-room occupancy program of up to 42 units.
- Continued service integration efforts via regularly scheduled meetings with supervisors of other DHHS service areas to determine the most pressing housing needs and developed strategies for creating affordable housing for all special needs populations such as seniors with mental illness.
- Continued collaboration between the Housing First Plan and the Neighborhood Opportunity Network to bring emergency assistance and entitlement programs to neighborhoods most impacted by the recession
- Montgomery County CoC began planning process to review and update the Montgomery County Ten-Year Plan to End Homelessness.

Attached please find the Housing First Implementation Plan Status Report, which outlines our progress to date on the major Housing First components.

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Attachment: Montgomery County Housing First Plan Implementation – Update 2013

**Montgomery County Housing First Plan Implementation
Status Update April 15, 2013**

The key performance measure in Montgomery County’s Housing First plan is to continue to reduce the length of stay in homelessness and provide stable housing for those exiting homelessness. Efforts focus on both assisting households at imminent risk of homelessness to remain housed and assisting homeless households to rapidly exit homelessness to permanent housing. Outlined below are the accomplishments and ongoing activities for the past year.

1. Annual Point-in-Time Count

Montgomery County’s homeless point-in-time (PIT) survey was conducted on January 30, 2013. There were 1,004 homeless persons counted that day. This is a 2.2 percent increase over 2012. Despite this slight increase in the overall number of homeless persons, the County has seen a downward trend in homeless persons since the highest peak of homelessness during the 2009 PIT (1,194). This slight increase can be attributed to the lack of affordable housing, the continued challenges with the economy and employment, and bad credit including landlord debt.

Households without children (formerly referred to as homeless single adults) experienced a 6.3 percent increase from 600 in 2012 to 638 in 2013. Unsheltered persons increased by 10 percent in 2013. However, no increase in homelessness should be considered positive; there was an increase in homeless persons accepting shelter placements into Safe Havens, transitional housing, and emergency shelter. Case managers are then able to assist with obtaining financial entitlements, health benefits, and stabilize behavioral health issues.

Households with children enumeration indicated a 7.1 decrease in the overall total number of households with children. However, this number is not an accurate reflection of the true picture for homeless families in the County. The conversion of transitional units to permanent supportive units increased permanent housing, but reduced movement in the Continuum of Care (CoC) increases the length of stay in emergency shelters. In FY12, 304 households were placed emergency shelters through Jan. 31, 2012; in comparison, in FY13 316 household were placed in emergency shelter through Jan. 31, 2013. This increase can be attributed to several factors: 1) Lack of housing that is affordable to low-wage working families; 2) an increase in head of household age 18 – 24 with limited education and work experience; and 3) the exhaustion of family and or friends that could provide any financial resources or temporary housing.

Total persons in Permanent Supported Housing (PSH) Program enumeration indicated a 3.35% increase from 1,640 persons in PSH in 2012 to 1,695 persons in PSH in 2013.

2. Homelessness Prevention

The Department of Health and Human Services (DHHS) provides an array of strategies including financial assistance, case management and linkages to community resources to resolve housing emergencies and stabilize the living situation of vulnerable households including the following:

- Emergency Assistance Grants to resolve housing emergencies – In FY12 over \$3.5 million in County and State funds was expended for 5,329 crisis intervention grants to stabilize at-risk households.

Crisis Intervention Emergency Grants Issued in FY12 by Funding Source

GRANT TYPE (Most grants are given to prevent eviction and utility cut-offs.)	# of Grants	Expenditure	Average
STATE Funded	1,883	\$1,036,756	\$551
COUNTY Funded*	2,562	1,460,674	570
Recordation Tax	884	1,044,802	1,182
Total	5,329	\$3,542,232	\$665

GRANT EXPENDITURE UPDATE

Emergency Grants	# County Funded Grants	Expenditures (County)	# State Grants	Expenditures (State)	# of Recordation Tax Grants	Expenditures Recordation Tax
July–March FY13	1,421	\$724,613	909	\$545,594	756	\$1,094,200
July–March FY12	2,033	1,178,742	1,622	\$894,836	660	\$779,698

- Effective March 2012, the State made significant changes to the Emergency Assistance to Families with Children program narrowing eligibility for the program, which contributed to a 64% decrease in State expenditures during FY13 (July through March)
- During FY13 (July through March) expenditures from all County sources including Recordation Tax funds decreased 7% from FY12.
- Homeless Prevention and Rapid Re-housing Program (HPRP) – In FY09 Montgomery County was awarded a three-year grant for \$2.1 million dollars funded by the federal American Recovery and Reinvestment Act, which ended July 2012. The prevention component of this grant provided financial assistance and case management services to individuals and families who are currently housed but are at risk of becoming homeless. A total of 240 households have received assistance through HPRP over the course of the three year grant which ended in July 2012. A total of \$1,045,278 was provided in financial assistance to 274 households for an average of approximately \$3,815 per household.
- Rental Assistance Program (RAP) – An average of 1,554 households have received County RAP each month in FY13 through March 2013. The RAP program opened its waiting list for three weeks in June 2012 during which 2,175 applications were received. Households referred by Emergency Services that need County RAP as an ongoing resource to prevent

eviction once their immediate crisis is resolved are given priority to help ensure that housing is maintained. Due to increased funding in FY13 and a recommended increase in funding in FY14, the program is planning to accept applications on an ongoing basis starting in FY14.

- Energy Assistance – Applications for the Office of Home Energy Programs (OHEP) decreased to 11,692 in FY12 from 12,356 in FY11, reflecting a statewide trend. Approximately \$9.86 million was issued to help with home heating, electricity costs and past due bills. After experiencing significant cuts in FY12, the OHEP program experienced an increase in the amount of home heating benefits, the reinstatement of the locally funded energy tax rebate, as well as an increase in the availability of funds for arrearages. As of March 31, 2013, 9,525 applications have been received compared to 10,662 for the same time last year.
- Prevention Case Management to at-risk households – Provided 90-day eviction prevention case management for families who have had multiple evictions in order to stabilize their housing and prevent homelessness. In FY12, 82 households received prevention case management services and in FY12, 54 have received assistance through March 31, 2012.
- Neighborhood Opportunity Network – Continued to collaborate with the Neighborhood Opportunity Network to bring emergency assistance and entitlement programs to neighborhoods most impacted by the recession. Emergency Services intake staff members are deployed to the Gaithersburg and Wheaton one day each week to assess the needs of families applying for emergency assistance to prevent eviction. Since the start of this initiative in March 2009, 307 households received assistance from Emergency Services intake staff through March 2013.

3. Rapid Exit from Homelessness:

DHHS, in collaboration with community partners, provides a range of services to homeless households including temporary shelter, case management and permanent supportive housing designed to limit the time spent in homelessness and improves housing outcomes.

- Outreach – Four providers conduct outreach services in Montgomery County: People Encouraging People (PEP) via an outreach contract with the County, Community Visions, Bethesda Cares, and City of Gaithersburg. As of March 31, 2013, PEP has connected with 168 homeless persons on the streets, in emergency shelters, and soup kitchens. Activities include linkages to public benefit programs, referral to health and behavioral health services and access to shelter. Of the 168 served by PEP, 52 have moved into emergency, transitional shelter, or permanent supportive housing.
- Family Assessment Shelters – Family shelters continue to focus on minimizing length of stay and moving households to permanent housing situations as soon as possible. To address the needs of families with significant housing barriers, the DHHS implemented a Service Integration Team model to work collaboratively with shelter staff to help families address their behavioral health, credit and criminal justice issues. In FY12, the average length of stay for families discharged from shelters was 101.7 days. As of March 31, 2013, the average length of stay for discharged families has increased to 107.6 days. Factors contributing to

this increase include lack of housing affordable for low-wage working families, a shortage of permanent housing with supports, and increasing rental costs. Additionally, 36 percent of families (150 out of 415) receiving emergency shelter (including motel placements) in FY12 had a head of household between the ages of 18 and 26 years old. Many of the families in this age range have never lived independently, lack life skills, and have limited work experience and/or education as well as poor credit. Having exhausted family and/or friends who can provide financial or temporary housing, these households are unable to obtain and/or retain permanent housing without significant supports.

- Motel Overflow Shelter – DHHS has continued implementation of policies to decrease the use of motel as overflow emergency shelter for families while continuing to ensure that families remain safe. In FY12, 377 households were provided overflow shelter in motel compared to 304 in FY11. The average length of stay of those exiting from motel placement was 38.6 days in FY12 a decrease over FY11. As of March 31, 2013, 335 households were provided motel overflow shelter with an average length of stay of those exiting from motel placement of 39.3 days. This increase in length of stay can be attributed to the same barriers impacting households in the family assessment shelters as noted above. In addition, an increase in domestic violence over the past three years has also contributed to an increase in the need for overflow emergency shelter as families fleeing violence are placed in motel when the domestic violence shelter is at capacity.
- Emergency shelter for single adults – In FY12, 1,280 homeless singles were provided emergency shelter compared to 1,329 in FY11. The average length of stay of those exiting shelter was 60.2 days. As of March 31, 2013, 1,205 homeless adults have been provided emergency shelter and for those exiting shelter the average length of stay is 87.2 days. All seasonal and overflow shelters were encouraged to refer unsheltered homeless adults to PEP Homeless Outreach for continued case management services.
- Housing Initiative Program (HIP) – Provides permanent supportive housing including deep rental subsidies and service coordination services to vulnerable low-income homeless households. There have been 271 households placed in permanent housing to date, of which 202 are still housed. In FY13, The HIP received funding to restore the HIP program to its original size of 200 slots, expand the program by an additional 20 households, and create 25 slots for medically vulnerable adults. Sixty-nine households have been closed to the HIP and 26 households lost housing due to lack of program compliance. The attached chart provides additional program detail.
- Medically Vulnerable Initiative – In FY13, 25 new HIP slots were designated for medically vulnerable homeless adult. In addition to service coordination, Special Needs Housing has partnered with Public Health Services to provide nursing support to these clients to triage medical issues, coordinate medical care, link to medical services and provide health education. Working with the CoC, a definition of medical vulnerability was developed based on the Boston Health Care for the Homeless Vulnerability Index to identify those most in need of housing. The HIP has incorporated this definition into its Criticality Assessment Tool, which is used to prioritize program applicants for placement into housing, in order to assure that medically vulnerable adults receive priority for placement.

ATTACHMENT

The Housing Initiative Program (HIP) AS OF 4/12/13:

	Singles	Families	Total
Housing Initiative Program (HIP) Placements			
4/1/2007 – 6/30/2008 (FY08)	35	32	67
7/1/2008 – 6/30/09(FY09)	31	41	72
7/1/2009 – 6/30/10 (FY10)	26	57	83
7/1/2010 – 6/30/11 (FY 11)	1	8	9
7/1/2011 – 6/29/12 (FY 12)	4	14	18
7/1/2012 – 4/12/13 (FY 13)	5	17	22
Total HIP Placements to Date	102	169	271
Single/Family Reconfiguration	7	-7	0
Total HIP Housed	109	162	271
Closures			
<i>Deceased</i>	-9		-9
<i>Received HCV – Other Subsidy</i>	-7	-11	-18
<i>Closed – Terminated Failed to Comply</i>	-13	-13	-26
<i>Closed – Client Request</i>	-2	-4	-6
<i>Moved</i>	-4	-2	-6
<i>Over Income</i>	-2	-2	-4
TOTAL Closures	-37	-32	-69
TOTAL HIP SUBSIDIES BUDGETED	82	138	220
HIP Subsidies Committed	80	135	215
HIP Subsidies Available	2	3	5
TOTAL HIP – MEDICALLY VULNERABLE BUDGETED	25	0	25
Medically Vulnerable Subsidies Committed	20	0	20
Medically Vulnerable Subsidies Available	5	0	5
Cordell Place	24	0	24
TOTAL HIP SUBSIDIES BUDGETED	131	138	269

- Cordell Avenue Permanent Living Quarters (PLQ) – Twenty-four rental subsidies from the HIP are being used to support the Cordell Avenue PLQ, which opened in November 2010. The program serves 32 formerly homeless single adults and is operated by the Montgomery County Coalition for the Homeless. All subsidies are committed at this time.
- Homeless Prevention and Rapid Re-housing Program (HPRP) – The rapid re-housing component of the federal American Recovery and Reinvestment Act provided a time-limited subsidy and case management for up to 18 months to individuals and families who are homeless and need assistance in order to obtain and retain stable affordable housing. Over the course of the grant, 79 households were served in the Rapid Re-Housing program. Rapid Re-housing efforts have been continued by the County with funding from the federal Emergency Solutions Grant but, due to significantly lower funding levels, financial assistance is limited to security deposits and first months rent to help participants exit homelessness and 90 days of case management to help stabilize participants in their new community.
- Housing Locator Services – Housing Locator services continue to be a critical resource to help households quickly locate housing and exit homelessness. Housing locators both provided assistance to HIP participants, HPRP households, as well as households in motel or family shelters with significant housing barriers.
- Veterans Housing – Montgomery County continues to collaborate with Veterans Affairs around 65 vouchers that were either awarded to the HUD-Veterans Affairs Supportive Housing (VASH) program. In FY13, an additional 15 vouchers have been requested.

4. Special Projects

- During 2012, Montgomery County held its second annual “Homeless Resource Day” as a way to reach out to residents experiencing homelessness and connect them with needed community resources and supports. More than 300 households attended this highly successful event and were able to receive health screenings, registration for mainstream benefits, legal assistance, employment, haircuts and more.
- Montgomery County is currently planning for the relocation of the Interfaith Works Community Visions Program and Shepherds Table from Progress Place in downtown Silver Spring to a new location. The site also includes plans for a new single room occupancy program of up to 42 units.

SPECIAL NEEDS HOUSING - COG Homeless Enumeration Data

Homeless Count 2010 - 2013

2010				2011				2012				2013				% Change from 2012 to 2013		
Total Homeless Persons				2.24%														
Individual Adults				Individual Adults				Individual Adults				Individual Adults						
Unsheltered	181			Unsheltered	226			Unsheltered	130			Unsheltered	143			10.00%		
Emergency Shelter	355			Emergency Shelter	392			Emergency Shelter	328			Emergency Shelter	337			2.74%		
Transitional Housing	156			Transitional Housing	140			Transitional Housing	142			Transitional Housing	158			11.27%		
	692				758				600				638			6.33%		
								Unaccompanied Child	1			Unaccompanied Child	0					
Families w/Children	# of Families	Adults	Children	Families w/Children	# of Families	Adults	Children	Families w/Children	# of Families	Adults	Children	Families w/Children	# of Families	Adults	Children	# of Families	Adults	Children
Unsheltered	0	0	0		n/a													
Emergency Shelter	59	66	115	Emergency Shelter	55	61	93	Emergency Shelter	69	81	117	Emergency Shelter	66	78	131	-4.55%	-3.85%	11.97%
Transitional Housing	65	72	119	Transitional Housing	70	82	138	Transitional Housing	57	71	112	Transitional Housing	51	59	98	-10.53%	-16.90%	-12.50%
	124	138	234		125	143	231		126	152	229		117	137	229	-7.14%	-9.87%	0.00%
Total Persons in PSH Programs	1399			Total Persons in PSH Programs	1442			Total Persons in PSH Programs	1640			Total Persons in PSH Programs	1695			3.35%		
Individual Adults	442			Individual Adults	505			Individual Adults	598			Individual Adults	636			6.35%		
Families w/Children	# of Families	Adults	Children	Families w/Children	# of Families	Adults	Children	Families w/Children	# of Families	Adults	Children	Families w/Children	# of Families	Adults	Children	# of Families	Adults	Children
	292	374	583		278	358	579		310	401	641		312	432	627	0.65%	7.73%	-2.18%
Total Point-in-Time Census	2,463			Total Point-in-Time Census	2,574			Total Point-in-Time Census	2,622			Total Point-in-Time Census	2,699			2.94%		
Homeless Persons	1,064			Homeless Persons	1,132			Homeless Persons	982			Homeless Persons	1,004			2.24%		
Supportive Housing Persons	1,399			Supportive Housing Persons	1,442			Supportive Housing Persons	1,640			Supportive Housing Persons	1,695			3.35%		





Department of Health and Human Services

Continuum of Care (CoC)

100,000 Homes Campaign

Presentation to Montgomery County Council
Health and Human Services Committee
Thursday, April 11, 2013
Uma S. Ahluwalia, Director
Nadim A. Khan, Chief, Special Needs Housing

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Montgomery County Continuum of Care

- US Department of Housing and Urban Development (HUD) has been encouraging communities to address the problems of housing and homelessness in a coordinated, comprehensive and strategic fashion.
 - HUD introduced the Continuum of Care (CoC) concept to support communities in this effort.
 - This concept is designed to help communities develop the capacity to envision, organize and plan solutions to addressing the problems of homelessness in their community.
- Montgomery County CoC is comprised of more than 20 public and private agencies/providers.
 - This group meets monthly on a regular basis. The CoC annually receives approximately \$7 million in HUD funding.
- Montgomery County CoC has unanimously approved and signed up for the National 100,000 Homes Campaign.
- The County is co-leading the Campaign effort with Montgomery County Coalition for the Homeless (MCCH)

Montgomery County 100,000 Homes Campaign

- **The Campaign Goal**

End homelessness through community engagement and placement of the chronically homeless population in permanent supportive housing.

- **Continue to implement Housing First approach**

Provide permanent housing and support services to our most vulnerable and chronic homeless

○ Services include:

1. Outreach
2. Prevention
3. Assessment
4. Rapid Re-housing.

Housing Initiative Program Report

Line		Singles	Families	Total
1	Housing Initiative Program (HIP) Placements to Date (4/1/2007 - 4/5/2013)	102	168	270
2	Closures – Households Exited Program (4/1/2007 – 4/5/2013)	-37	-32	-69
3	HIP Subsidies Budget	82	138	220
4	HIP CURRENTLY HOUSED	72	130	202
5	Assigned to Housing Locator-Search for Housing	8	5	13
6	HIP SUBSIDIES COMMITTED	80	135	215
7	HIP Subsidies Available	2	3	5
8	HIP - Medically Vulnerable Subsidies Budgeted	25	0	25
9	Medically Vulnerable Assigned to Housing Locator	12	0	12
10	Medically Vulnerable Housed (FY13)	8	0	8
11	HIP Subsidies Available - Medically Vulnerable	5	0	5
12	Cordell Place - Housed	24	0	24
13	TOTAL HIP SUBSIDIES BUDGETED	131	138	269

Shelter | Housing Intake Process

- Hypothermia winter season – Every One is Accommodated
- Remainder of the year – Intake is done through
 - The Crisis Center
 - Community Vision
 - Outreach Programs utilizing the Assessment tool for need determination
- Determination for Permanent Supportive Housing (PSH) is done based on program eligibility criteria and need determination from the Homeless Assessment tool

Shelter | Housing Intake Process

Medically Vulnerable Homeless Adults

- In FY13 County Council funded 25 subsidies for medically vulnerable homeless adults.
- Montgomery County CoC is currently working with definition using the Vulnerability Index developed by Jim O'Connell from Boston's Healthcare for the Homeless Program.
- The index was developed to assess the risk of mortality of homeless individuals living on the street
- Montgomery County has developed a PSH program with the following eligibility criteria

PSH Program Eligibility Criteria

- Unaccompanied Adults identified by the Montgomery County Vulnerability Index at increased risk of mortality due factors such as age, length of homelessness and health status.
- Health conditions include but are not limited to:
 - More than 3 hospitalizations, due to medical conditions, in a year
 - Hepatitis C
 - Serious Brain/Head Injury
 - Cardiovascular Diseases
 - Insulin dependent Diabetes
 - History of frostbite/hypothermia or heatstroke/hyperthermia
 - HIV/AIDS
 - Co-occurring psychiatric and substance abuse
 - Physical disabilities that limit mobility
 - Cancer
 - Pulmonary Diseases
 - Age 60 or older
- Able to complete activities of daily living necessary to live independently in the community with supports.
- Does not meet the admission criteria for assisted living or nursing home care.
- Not able to serve undocumented persons.

Upcoming Activities

- The Montgomery County 100,000 K Campaign Group will organize the Event called the “Registry Week” in October 2013
 - to identify homeless neighbors by name,
 - identify the most vulnerable or at risk homeless residents, and
 - prioritize them for permanent supportive housing
- The Campaign Group will Track and Measure progress on housing placements on monthly basis and make calculated adjustments to improve performance
- The Montgomery County CoC will Build efficient local systems that target resources to the most vulnerable individuals and families quickly and predictably.

Next Steps

- Form diverse, local 100,000 Homes Montgomery County Campaign Leadership Committee.
- Develop Campaign Messaging and Implementation Plan
- Send Campaign representatives to Registry Boot Camp Training in June 2013.

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**Montgomery County Coalition for the
Homeless, Inc. (MCCH)**

Montgomery County

100,000 Homes Campaign

Presentation to Montgomery County Council
Health and Human Services Committee
Thursday, April 11, 2013
Susie Sinclair-Smith, MCCH Executive Director

**100,000
HOMES**
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Montgomery County 100,000 Homes

- As part of the 100,000 Homes Campaign, communities across the country are identifying and quickly finding homes for their most vulnerable and chronically homeless neighbors.
- Montgomery County is building on the City of Bethesda's campaign to expand the implementation of the strategy to a county-wide undertaking led by a cross-sector Leadership Team of county government and non-profit agencies, and others.

1. Montgomery County 100,000 Homes Campaign Leadership Team

The Montgomery County Department of Health and Human Services (HHS) and the Montgomery County Coalition for the Homeless, Inc. (MCCH) will jointly staff the implementation of the county-wide Campaign through a public-private partnership. This dual sector partnership will enhance the Campaign's collaboration and network opportunities, access to resources and overall impact.

HHS and MCCH are recruiting a Campaign Leadership Team that will conduct together the *Community Self-Assessment Tool* to ensure we have a stable beginning foundation.

Montgomery County Local Leadership Team (Signed up to date):

MC Department of Health and Human Services
MC Department of Housing and Community Affairs
MC Housing Opportunity Commission
MC Department of Correction and Rehabilitation
City of Gaithersburg
Montgomery County Coalition for the Homeless
Bethesda Cares
People Encouraging People
Interfaith Works
Shepherds Table



2. Leadership Team Members Will Attend Campaign Boot-Camp – June 10 & 11

Montgomery County 100,000 Homes representatives will meet leaders from other counties and develop local goals to implement the Campaign.

The team will learn how to create a by-name registry of homeless people in our community, line up the supply of housing and services resources needed to house them, and build a strong local team.

The BOOT CAMP will focus on using a local REGISTRY WEEK to set a trajectory to end homelessness, and provide resources for our community to get on this trajectory including strategies, videos and sample documents.

HHS and MCCH will convene a BOOT CAMP debrief, and facilitate the Leadership Team's work to form implementation phase committees and expand membership.

3. Planning and Implementation Phases Prior to Registry Week

The Montgomery County cross-sector Leadership Team will guide the implementation phase. (San Diego had more than 40 people on this team.)

Sub-Committees will be formed to focus on the following tasks:

- Adapt Vulnerability Index (VI) for use by Montgomery County to define demand.
- Prepare Homeless Management Information System to accommodate VI data and link with the VI Quickbase system.
- Line-up housing supply and services using “Housing Abundance Index” and focusing on service integration efficiencies.
- Identify and address “Housing Move-In Barriers”.

4. Registry Week and Beyond

- Plan for and hold a county-wide REGISTRY WEEK before the winter season and Homeless Resource Day including recruiting and training volunteers to conduct the vulnerability survey and collect data.
- Collect and in-put vulnerability data from interviews with homeless single adults into HMIS and Quickbase.
- Hold Community Forum – Report on data and REGISTRY WEEK outcomes, and thank volunteers.
- Create efficiencies, target resources, and place people into housing according to the Montgomery County 100,000 Homes Campaign committees' recommendations.



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The Way Home

Bethesda Cares takes the most vulnerable street people and gives them a place of their own. It's a surprisingly successful approach to ending chronic homelessness. A U.S. Army vet named Chris Page would demonstrate just how critical that help can be.

BY AMY REININK



When **John Mendez** first saw him on that summer day in 2011, **Chris Page** was sleeping between some bushes near Wisconsin and Cordell avenues in Bethesda, less than a half mile from the trendy shops and restaurants of Bethesda Row.

As was his habit upon encountering homeless people, Mendez asked the 33-year-old if he wanted some clean socks or food. He was going to suggest that Page come to Bethesda Cares, the nonprofit homeless advocacy organization where Mendez served as an outreach worker. But before he could do so, Page took off, walking down Wisconsin Avenue.

Mendez tried again a week later, and several times more in the weeks that followed, first bringing water and snacks, then coffee and hand warmers as the weather grew colder. Slowly, Page began to accept the offerings. And six months after

their first encounter, he started coming into the tiny Bethesda Cares office in a parking garage off Woodmont Avenue to use the restroom or get a cup of coffee.

During one of those visits, Page went into Mendez's office for some canned food and started talking about his life.

Originally from the West Coast, he was a U.S. Army veteran who'd been stationed at Fort Meade. Married at one point, he'd suffered from mental illness and substance abuse for years. He had been homeless for about seven years, and living on Bethesda streets for about two.

"He was very sweet, and very easygoing," Mendez says. "Some people get combative—that wasn't him. He was a cool operator."

Page's story about his military service checked out, meaning he was eligible for a federal voucher that helps provide permanent housing for chronically homeless vets. Mendez put through the paperwork, and the housing voucher arrived less than 30 days later.

In mid-May 2012, another Bethesda Cares outreach worker accompanied Page to check out the new apartment they'd found for him in Wheaton. He finally seemed like he was getting back on his feet.

It was in 1992 that a psychologist named **Sam Tsemberis** came up with the unusual approach to ending chronic homelessness that Mendez and Bethesda Cares would embrace roughly two decades later. Tsemberis had spent years as a member of a psychiatric outreach team working with homeless people in New York City, and had grown frustrated as he watched countless clients with mental-health or substance-abuse issues get rejected by traditional housing programs.

He proposed a simple idea: Give people an apartment first, then provide services to address underlying issues such as mental illness or substance abuse once they're living in a stable environment. It turned the traditional model of homeless outreach on its head. Rather than issuing housing vouchers to the most stable individuals, they would help the most vulnerable—those dealing with long-term mental-health or substance-abuse issues; those suffering from diabetes or liver disease or chronic frostbite from years of sleeping on the street. In other words, the hardest cases.

Though they represented only 16 percent of all homeless people in 2012, according to the U.S. Department of Housing and Urban Development (HUD), the chronically homeless account for more than 50 percent of the services provided to the homeless, including shelter stays, hospitalizations, emergency room visits and jail time. They're also the most likely to die at an early age. Studies show that homeless people on the street live an average of 25 years less than people with homes.

Since its inception in 1992, Tsemberis' organization, Pathways to Housing, says it has placed more than 600 people in apartments, with an 85 percent retention rate after six months. The nonprofit, which has since expanded to other cities, including Washington, D.C., estimates that permanent supportive housing costs \$57 per night, compared with \$73 per night in a shelter, \$164 per night in jail, \$519 per night in an emergency room and \$1,185 per night in a psychiatric hospital.

The housing-first philosophy has found similar success in other cities. In Colorado, the Denver Housing First Collaborative, founded in 2003, figured it was costing \$15,773 a year in health care, criminal justice and shelter costs for each chronically homeless person. With the permanent supportive housing initiative, that cost was \$13,400 a year, according to the Colorado Coalition for the Homeless, the lead agency of the collaborative.

Many of the cities that have adopted the housing-first philosophy have seen significant reductions in their homeless populations, including Norfolk, Va., where there was a 25 percent reduction between 2006 and 2008, according to the National Alliance to End Homelessness.

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HUD, which now designates at least 30 percent of its homeless-assistance funding to permanent supportive housing, credits the practice with reducing the number of chronically homeless people from 175,914 to 107,148 nationwide since 2005.

Mendez first encountered the housing-first model at a nonprofit homeless advocacy organization in West Virginia, where he worked before coming to Bethesda Cares in 2009. Initially, he was “adamantly opposed to it,” Mendez says. “I thought the long-term, chronically homeless would take those apartments and burn them down, or that people wanted to be homeless. None of that is true.”

Bethesda Cares, which was founded in 1988 through a public-private partnership, previously had reached out to the chronically homeless through programs that offered free lunches and medical care, among other services. But when Mendez arrived in 2009, he brought a desire to provide the chronically homeless with permanent supportive housing.

In 2011, Bethesda Cares undertook its first medical-vulnerability survey as part of the 100,000 Homes Campaign, a nationwide effort to house 100,000 chronically homeless people by July 2014, with an emphasis on surveying and tracking the candidates in order to determine who should be placed in housing first.

Bethesda Cares says it has an annual budget of roughly \$400,000. Its office space and utilities are donated by the county. It operates with the help of 450 volunteers who perform a wide range of services, including hitting the streets before dawn to reach out to and survey the community's chronically homeless.

Bethesda Cares has helped to place roughly 30 chronically homeless people in permanent housing over the past two years, with a retention rate of 96 percent over 12 months, Mendez says. Roughly a third were homeless veterans, several of them previously stationed at the area's many military installations, such as Andrews Air Force Base or Fort Meade.

As it happened, Bethesda Cares' efforts coincided with a major policy shift in Montgomery County, where an annual one-day survey found 982 homeless people in 2012. County Councilmember **George Leventhal** led the push toward permanent supportive housing after hearing about the idea from the Montgomery County Coalition for the Homeless, another nonprofit that has championed the housing-first philosophy. The county started developing its housing-first philosophy in June 2008, and has been shifting its services to that model ever since.

Montgomery County, along with nearly two dozen nonprofit partners, offers about 1,750 permanent supportive housing beds (families may have more than one bed in a unit), according to **Sara Black**, acting chief of the county's Special Needs Housing division. Some are in dedicated facilities such as Lasko Manor and Cordell Place, both in Bethesda; others are scattered throughout the area. The county's 245-household Housing Initiative Program, one of several programs in the county offering permanent supportive housing to formerly homeless people, has seen a retention rate of 98 percent over 12 months, Black says.

But only 200 of the 1,750 beds are set aside for the chronically homeless. Mendez says that number is far too low and the stakes too high, and that the county needs to do more to fast-track chronically homeless people toward permanent supportive housing.

“We're seeing a lot of permanent supportive housing being created, but we're seeing that the clientele recommended to be placed there still” aren't being placed there, Mendez says. “Medically vulnerable people who are struggling with mental-health issues often don't have the wherewithal to apply for housing. If we're not doing effective outreach that identifies these people and places them in the housing created for them, we're not helping our community.”

Leventhal acknowledges that “there is still a tendency somewhat for social service providers to rack up favorable statistics by placing people who are easier to place—people who have already qualified for services, and the ones that have a more friendly and welcoming attitude toward landlords.”

He believes there's a moral imperative to take care of those who are least able to care for themselves. But not everyone sees it that way.

Malcolm Gladwell addressed the dilemma in his 2006 *New Yorker* piece, "Million Dollar Murray," writing: "From an economic perspective the approach makes perfect sense. But from a moral perspective it doesn't seem fair. Thousands of people in the Denver area no doubt live day to day, work two or three jobs, and are eminently deserving of a helping hand—and no one offers them the key to a new apartment. Yet that's just what the guy screaming obscenities and swigging Dr. Tich gets."

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A few times a month, Mendez heads out as early as 4 a.m. to find that guy screaming obscenities and other chronically homeless individuals, knowing that by 6 they'll have blended in with the commuter traffic or moved to warm public spaces. A few times a year he brings community volunteers with him, including Uniformed Services University of the Health Sciences (USUHS) students who will ask about emergency room visits in the past year, long-term illnesses and whether they've been attacked recently.

On one such morning this past November, Mendez and two second-year USUHS students, **Robert Lystrup** and **Mark Prats**, troll the streets in the predawn darkness with a few reusable grocery bags full of hot water, hot chocolate, ramen noodles, instant coffee, socks and gloves.

They start in the Bethesda Metro station, where they find a man sleeping on a bench, his hood pulled over his face.

"Good morning!" Prats says. "How's it going? Would you like a hot cup of coffee? Would you like some breakfast?"

No response.

"We're second-year med students," Prats says. "We're not the police. We're here to help."

Still nothing.

"That's OK," Mendez says quietly, and they move on.

They walk to the back of the station, past the sprinkler room, to a nook that smells like urine. There's a man huddled against the wall, knees to his chest.

"Hello! Would you like a cup of coffee or some food?" Prats says. "Some socks?"

No response.

Mendez peeks between the newspaper bins—no one there today. "This is where Calvin was sleeping," Mendez says, referring to **Calvin Walker**, a 72-year-old veteran who had been homeless since the 1980s before Bethesda Cares placed him in an apartment last October.

They move on to talk to **Chris Armstrong**, who is wearing a ratty black jacket and oversize cargo jeans. Prats and Lystrup jot notes on a clipboard as they go through their questions. They ask how long he has been homeless, then wait patiently while Armstrong thinks about it. In a barely audible voice, he says he has been on the street for more than 12 years. Mendez is concerned about Armstrong, a diabetic he has worked with before.

"A year ago he was much more responsive," Mendez says. "His thinking was clearer. He's lost a lot of weight. We've really seen his health go downhill fast."

Lystrup asks about other medical issues. Armstrong touches his eyes.

"Eye issues?" Lystrup says. Armstrong nods.

Armstrong says he plays music on the street for money.

"What kind of music?" Prats asks kindly. Armstrong doesn't answer.

"Even diabetics who have houses can barely take care of themselves," Prats says. "The chance of someone who's homeless taking the proper medication and following a good diet and getting proper rest is almost nil."

The trio moves on to the Bethesda Library, where they find a man sleeping on a bench out front, and someone else in the shadows behind the building.

They also find a man sleeping in a bus shelter in front of the library. **Willie Robbins**, 59, a stocky guy with a gray beard, is slumped down into a huge, hooded camouflage coat. He's wearing worn, black leather boots, with a large brace and elastic bandage on his right leg.

Prats gives him some hand warmers, then mixes hot cocoa, pouring the mix and some hot water from cup to cup as if it's a cocktail. Robbins tells Lystrup he's waiting to have his leg amputated below the knee.

"The blood isn't flowing right in that leg," he says. "They say I may be at the hospital the whole winter."

"Then you might have a real chance at healing up," Prats says. "Sleep deprivation breaks the body down so badly. You won't heal up if you're out there. You need to be in a bed where you can get some rest."

Robbins, who also has hepatitis C and has suffered from hypothermia, tells the men he started drinking when he was 13, and using IV drugs by his early 20s. He once was hospitalized at St. Elizabeths, a psychiatric hospital in Washington, D.C.

After leaving Robbins, the men walk past the gas station, where a guy wearing running shoes, athletic shorts and a long-sleeve shirt is filling up his BMW with gas. Mendez orders breakfast from a local diner on his cellphone. It's 6 a.m.

Back at the Bethesda Cares office, the volunteers enter what they've learned about age, medical vulnerability, time on the street and other factors into a database.

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Between November 2011 and October 2012, volunteers encountered 125 homeless people sleeping on the streets, in the woods, at Metro stations and in other spots in and around Bethesda, according to Bethesda Cares. The 88 people who agreed to participate in the survey had been on the street for an average of seven and a half years, and 76 percent of them were chronically homeless. More than half reported a history of mental illness and a medical vulnerability; nearly 70 percent reported a history of substance abuse. They collectively reported 89 emergency-room visits over the previous three months, and 65 inpatient hospital visits over the past year. Nine of them have since been placed in permanent supportive housing.

Using Quickbase, a computer program that removes subjectivity from the equation, Bethesda Cares is able to determine who's most in need of being removed from the street—in other words, who's at the greatest risk of dying.

Alex Enyi, 62, had been homeless since the mid-1980s before connecting with Bethesda Cares. He has lived in an apartment in Lasko Manor, a permanent supportive housing facility for the formerly homeless, since November 2011.

Enyi came to the U.S. from Nigeria in 1972 and says he nearly finished a degree at the University of Minnesota before getting involved with drugs and alcohol. He first moved to Washington, D.C., when his brother was attending Howard University. He eventually left, and then made his way back to the area several years ago. He wandered into Bethesda Cares about three years ago, and Mendez worked for nearly two years to connect Enyi with housing.

His story illustrates the contrast between living on the street and living in a small studio apartment with a bed, a medicine cabinet for prescriptions, and a door that locks.

Before November 2011, Enyi spent his days riding the bus, sitting in Barnes & Noble, and volunteering at Bethesda Cares' lunch program. He used to sleep in shelters, but often woke to find the backpack containing all his belongings, including ID, stolen. So toward the end of his homelessness, he usually slept on a bench at the Bethesda Metro station. His sleep was fitful at best, as he was always primed for attacks by drunks who were headed home from the bars or other homeless people.

"Naturally, as a human being, you are afraid sleeping outside," Enyi says. "And without sleep, you are not functioning; you are just existing."

He found it nearly impossible to tend to his hepatitis C, arthritis and depression, and ended up in the emergency room regularly. Enyi had long struggled with drug and alcohol addiction, and though he tried to sober up in county treatment programs, he ended up using again when he returned to the street.

When he first moved into his apartment, he slept most of the time, waking only for appointments or his volunteer work with Bethesda Cares. Once the fatigue passed, he went through a county substance abuse program in April 2012—a choice he made on his own—and has been sober since, with the help of Alcoholics Anonymous meetings. He has also reconnected to his sister and other relatives in Nigeria and elsewhere in the U.S.

"When you are homeless, all of your problems are interwoven," Enyi says. "When you get your own place, you can work to solve your problems. Now, the self I knew before is coming back, and that makes me very proud."

Similarly, Calvin Walker, the formerly homeless veteran, has found redemption in an apartment in Washington, D.C.

Then there's the man who showed up in the Bethesda Cares office one day in 2010, out of breath and sweaty from running to the office from Wheaton. The man said he had been a competitive runner in his early 20s, before mental illness halted his running career. Some background research showed that he had, indeed, won a local marathon years back, finishing with a time of 2:44, Mendez says.

"He would run to my office from places like Wheaton or Cabin John—wherever he'd slept the night before," Mendez says.

The man moved into an apartment in Montgomery County in March 2012.

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But outreach efforts aren't always successful. In November 2011, a group of volunteers conducting an early-morning survey discovered a woman sleeping in her Cadillac in the parking lot of a McDonald's on Rockville Pike in Rockville. Mendez went back the next day, and again a few weeks later, eventually learning that she had recently lost her home in Potomac.

"We tried to coax her into coming down to the office," Mendez says. But she never did.

Mendez is quick to concede that not everyone will succeed in permanent supportive housing. In 2012, he encountered a veteran in his mid-60s who was suffering from severe mental illness, and referred him to Veterans Affairs. The man ended up in a VA assisted-living center rather than in his own apartment.

"Some individuals do need a higher level of care," Mendez says.

In mid-May, Chris Page visited his new apartment, and told Mendez that he thought it looked "really cool." He planned to meet Mendez at the Bethesda Cares office later that month, so that Mendez could accompany Page to sign his lease and receive the key.

In preparation, Mendez bought a new pair of slacks and a T-shirt so Page didn't have to start his new life wearing old clothes from the street.

A week went by with no word from Page. The lease-signing day came and went. Mendez searched for Page around the bushes where he used to sleep, and asked local business owners if they'd seen him.

Then came the call from Montgomery County police: Page had been found dead on Wisconsin Avenue on May 27. A medical examiner determined that he had died of ethanol and methadone intoxication.

After the call, Mendez stared at the stack of neatly folded clothes on his spare office chair.

"I just sat there looking at the clothes, thinking about that life, that sweet guy, dying on the streets in the shadow of the [National Institutes of Health]," Mendez says.

In June, Mendez received an email from Page's family. They had been estranged from Page for years, but he had contacted them recently to say they didn't have to worry anymore, he was moving into his own apartment soon. But they hadn't heard from him since. Mendez had to tell them he was dead.

"You don't think about someone dying so young—he was only 34," Mendez says, "especially when you get them so close to being stable."

Mendez can't help but wonder if things would have been different had Page gotten housing sooner. At least, Mendez says, "he would have had a shot."

Amy Reinink's work has appeared in The Washington Post, Runner's World and Women's Running. She lives in Silver Spring.



SPECIAL NEEDS HOUSING - HOMELESS OUTREACH BUDGET

ENTITY	PROGRAM	FY12	FY13	FY14 CE REC	COMMENTS
Bethesda Cares, Inc.	Homeless Outreach - ETHS	\$ 9,900	\$ 7,722	\$ 7,722	State Emergency Transitional Housing (ETHS) funds that assist with homeless individual with transportation tokens, pharmacy assist, and other basic needs.
Bethesda Cares, Inc.	Homeless Outreach	\$ 88,665	\$ 90,437	\$ 90,437	Lunch program and Homeless Outreach Worker. Providing coordinated lunch programs throughout Bethesda and provide street homeless case management services to address their housing barriers, refer to treatment, and obtain necessary entitlements with on-going workshops to assist in improving their outcomes of achieving permanent housing and self sufficiency.
City of Gaithersburg	Homeless Outreach	\$ -	\$ 14,191	\$ 14,191	Contract helps provide funding for a Homeless Outreach Worker to conduct outreach in the City of Gaithersburg and Germantown area when requested. Assisting street homeless individuals in referrals to shelters, soup kitchens, drug and alcohol rehabilitation facilities.
Interfaith Works, Inc.	Homeless Outreach Day Program	\$ 490,119	\$ 576,512	\$ 576,512	Contract provides day program for homeless individuals, outreach to homeless individuals in the Silver Spring area, case management with referral to shelters, permanent housing, behavioral health treatment, and employment services. Funding is also included for the vendor to provide hyperthermia or hypothermia services at the County's requests due to storm and weather emergencies.
People Encouraging People Inc.	Homeless Outreach - Community Mental Health Grant	\$ 362,480	\$ 366,980	\$ 366,980	This contract includes state funding to provide street outreach to homeless individuals throughout the County. The contract includes Services to Homeless Persons throughout the County. This contract requires that outreach is provided to clients during hypothermia at our overflow and seasonal shelters, provide transitional psychiatric services until linked to the public mental health system, and refer to all eligible entitlements. As of Feb. 28, 2013 the program has provided outreach and case management to 168 individuals, 52 clients successfully moved into shelter and/or permanent housing, 24 clients accepted referrals for mental health, 23 referrals to substance abuse treatment, 30 referrals to Primary Adult Care, and 36 clients were referred to Food Stamps, 3 clients were referred to SSI, 3 clients have applied for TDAP.
TOTAL HOMELESS OUTREACH		\$ 951,164	\$ 1,055,842	\$ 1,055,842	In addition, FY13 there are fourteen NDA grants designated to homeless outreach totaling \$369,050

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SPECIAL NEEDS HOUSING - HOMELESS OUTREACH BUDGET

ENTITY	PROGRAM	SHORT DESCRIPTION OF SERVICE PROVIDED	FY13 CT AMOUNT
Bethesda Cares, Inc.	Homeless Outreach FY13 Community Grant	Eviction Prevention & Utility Assistance grants - Homeless Outreach	\$28,500
Bethesda Cares, Inc.	Homeless Outreach FY13 Community Grant	PT Homeless Outreach Worker - Homeless Outreach	\$30,000
Bethesda Help, Inc.	Homeless Outreach FY13 Community Grant Non-Competitive	FY 13 CSG Grant provides nutritionally well balanced foods, delivered by volunteers to needy	\$2,000
Bethesda Help, Inc.	Homeless Outreach FY13 Community Grant Non-Competitive	FY 13 CSG Grant provides for emergency support for rent, utilities, and medical needs	\$6,000
Community Ministries of Rockville	Homeless Outreach FY13 Community Grant Non-Competitive	Rockville Emergency Assistance Program	\$50,000
Eastern Montgomery Emergency Assistance	Homeless Outreach FY13 Community Grant Non-Competitive	Provide emergency assistance to low income households who are in crises due to the threat of eviction and utility disconnection.	\$40,000
Interfaith Works, Inc.	Homeless Outreach FY13 Community Grant	Staff Services at Emergency Support Program - Homeless Outreach	\$15,000
Interfaith Works, Inc.	Homeless Outreach FY13 Community Grant	Staff for Services at Interfaith Clothing Center - Homeless Outreach	\$30,000
Jewish Federation of Greater Washington, Inc.	Homeless Outreach FY 13 Community Grant	Create a community wide motor pool for the Federation's 14 partner agencies. Blanket P.O. Homeless Outreach	\$25,000
Ministries United Silver Spring Takoma Park, Inc.	Homeless Outreach FY13 Community Grant	Provide Emergency Prescription Assistance to low income households not to exceed \$500 per year.	\$37,550
Mover Moms Inc.	Homeless Outreach FY13 Community Grant - Non-Competitive	Provide outreach and mentoring efforts to homeless shelters, US overseas troops, NIH Children's Inn and other MC locations. Homeless Outreach	\$30,000
St. Camillus Church	Homeless Outreach FY 13 Community Grant	Assistance to low-income individuals, families, and children with basic living needs	\$10,000



SPECIAL NEEDS HOUSING - HOMELESS OUTREACH BUDGET

ENTITY	PROGRAM	SHORT DESCRIPTION OF SERVICE PROVIDED	FY13 CT AMOUNT
Upper Montgomery Assistance Network	Homeless Outreach FY13 Community Grant - Non Competitive	Provides eviction prevention/utility assistance	\$50,000
WUMCO HELP, Inc.	Homeless Outreach FY13 Community Grant - Non Competitive	Assistance to clients with threat of evictions, utility disconnection or the inability to pay for prescription medications.	\$15,000
TOTAL HOMELESS OUTREACH NDA CONTRACTS			\$369,050

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