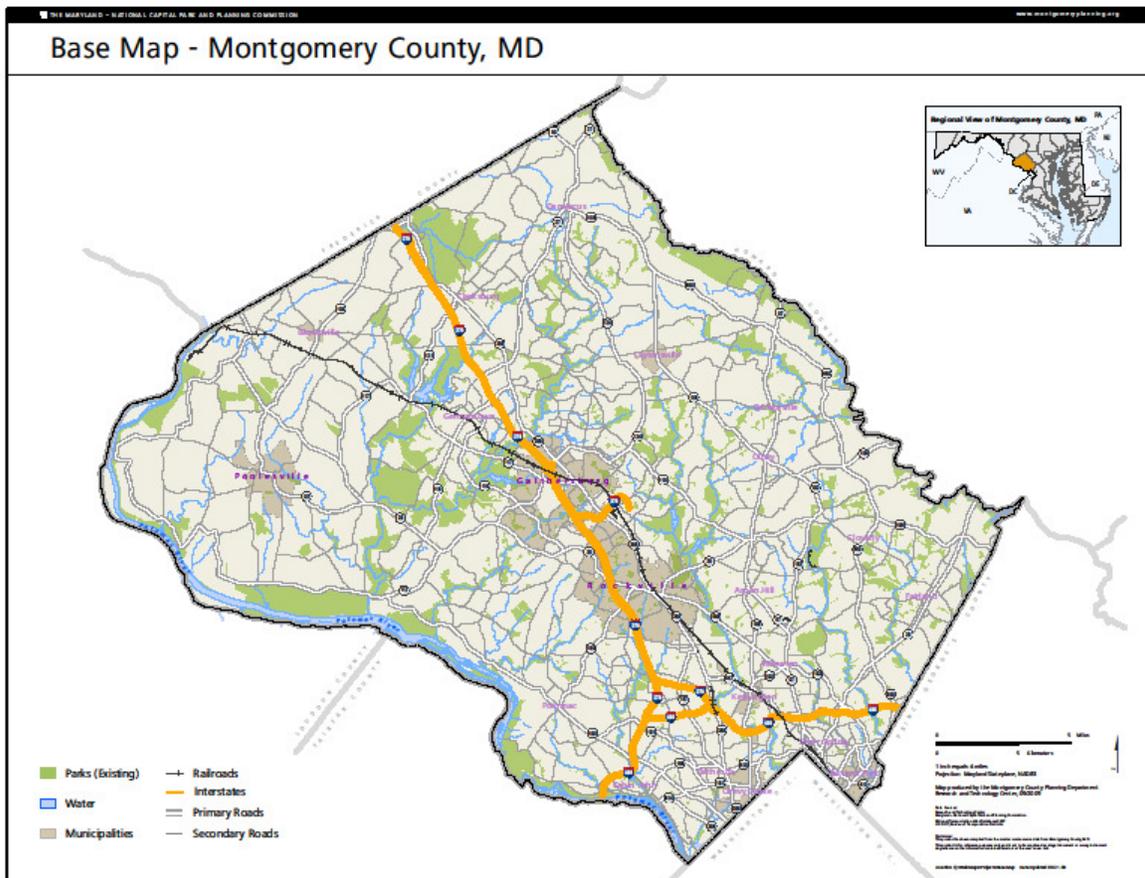


Montgomery County, Maryland

2015 Analysis of Impediments to Fair Housing Choice

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Executive Summary

Montgomery County certifies that it is affirmatively furthering fair housing as part of the federally mandated consolidated planning process that the County is required to undertake as a condition of receiving federal housing and community development funds from the U. S. Department of Housing and Urban Development (HUD). This Analysis of Impediments (AI), along with taking and documenting appropriate actions to overcome the effects of the impediments identified, is part of this planning process.

Impediments to fair housing choice include:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin that restrict housing choices or the availability of housing choices; and,
- Any actions, omissions, or decisions that have the *effect* of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status or national origin.

Montgomery County local law also makes illegal discrimination that is based on race, color, religion, ancestry, sex, age, national origin, marital status, physical or mental disability, sexual orientation, genetic status, family responsibilities, gender identity, and source of income and presence of children.

In addition to discriminatory actions, there are barriers that, while they may not constitute housing discrimination, limit housing choice. These include housing supply and location, the physical accessibility of housing, housing cost, limited English proficiency, criminal background and poor credit history.

Identification of impediments and barriers

The principle method used to identify and address housing discrimination is through complaint investigation and testing.

Montgomery County's Office of Human Rights conducts housing discrimination testing. In 2013/2014, 140 tests (with re-tests), were conducted focused on race, source of income, presence of children and disability. The test results identified direct evidence of discrimination on the basis of source of income. Housing providers were refusing to accept Housing Choice Vouchers, and the seven cases brought to the Human Rights Commission were all successfully settled. The tests also identified some incongruous responses that, while evidence of disparate treatment, were not conclusive as discriminatory. These

sites were re-tested and passed the second test. In 2015, the Office is conducting 100 matched pair tests focusing on source of income, disability and accessibility compliance.

Impediments to fair housing choice are mitigated through strategies that focus on investigating/adjudicating complaints (working through the Human Rights Commission to re-dress illegal housing discrimination), testing for discrimination of protected classes, with follow-up actions to ensure compliance with the law and education and outreach efforts to increase awareness of fair housing laws, rights and responsibilities.

Barriers identified that limit a household's choice of housing and strategies to mitigate the barriers include:

Barrier: Lack of an adequate supply of affordable housing, especially housing affordable to low-income renters and those with supportive services needs

Barrier: Lack of available, affordable and accessible housing for residents with a disability

Strategies: Rental assistance subsidies for tenants; production & preservation of affordable units using inclusionary zoning (MPDU program) and bonus density incentives, exercising the County's Right of First Refusal to Purchase, payment in lieu of taxes (PILOTs), low-cost financing from the local housing trust fund (HIF), low-income housing tax credits, education related to visitability of housing, accessibility and reasonable accommodation; enhanced collaboration among Continuum of Care partners

Barrier: Individual circumstances, like poor credit history, criminal backgrounds, past rental or eviction history that make getting a lease difficult and/or that limit housing subsidies/choice

Barrier: Limited English proficiency that can limit understanding of rental applications, leases, landlord/tenant rights and responsibilities and fair housing rights

Strategies: Housing locator services and alternative leasing/screening arrangements and work with landlords to lessen leasing restrictions; financial literacy training, including credit repair counseling; ESL classes and access to culturally sensitive, linguistically appropriate materials

Barrier: Lack of general awareness concerning fair housing issues among residents and housing providers

Strategies: On-going training, education and outreach

Barrier: Financial challenges faced by Common Ownership Communities that limit access to needed capital to maintain the community and access to affordable financing for potential purchasers

Strategies: Meet with HUD and FHA representatives to develop solutions so that properties can receive FHA-certification; provide board training and assist properties in re-capitalizing their reserves; work with private lenders to provide access to needed capital; support for the work of the Commission on Common Ownership Communities; study the issue to identify best practices and possibilities for regional collaboration

Some Montgomery County residents face challenges in taking full advantage of all the County has to offer, limited in their choice of housing by discriminatory actions or other barriers. While the County has emerged from the worst of the economic crisis, fiscal challenges remain that limit the financial resources needed to address the impediments and barriers identified herein. Even so, the County is committed to the priority of providing affordable housing in an inclusive community for its growing and diverse population.

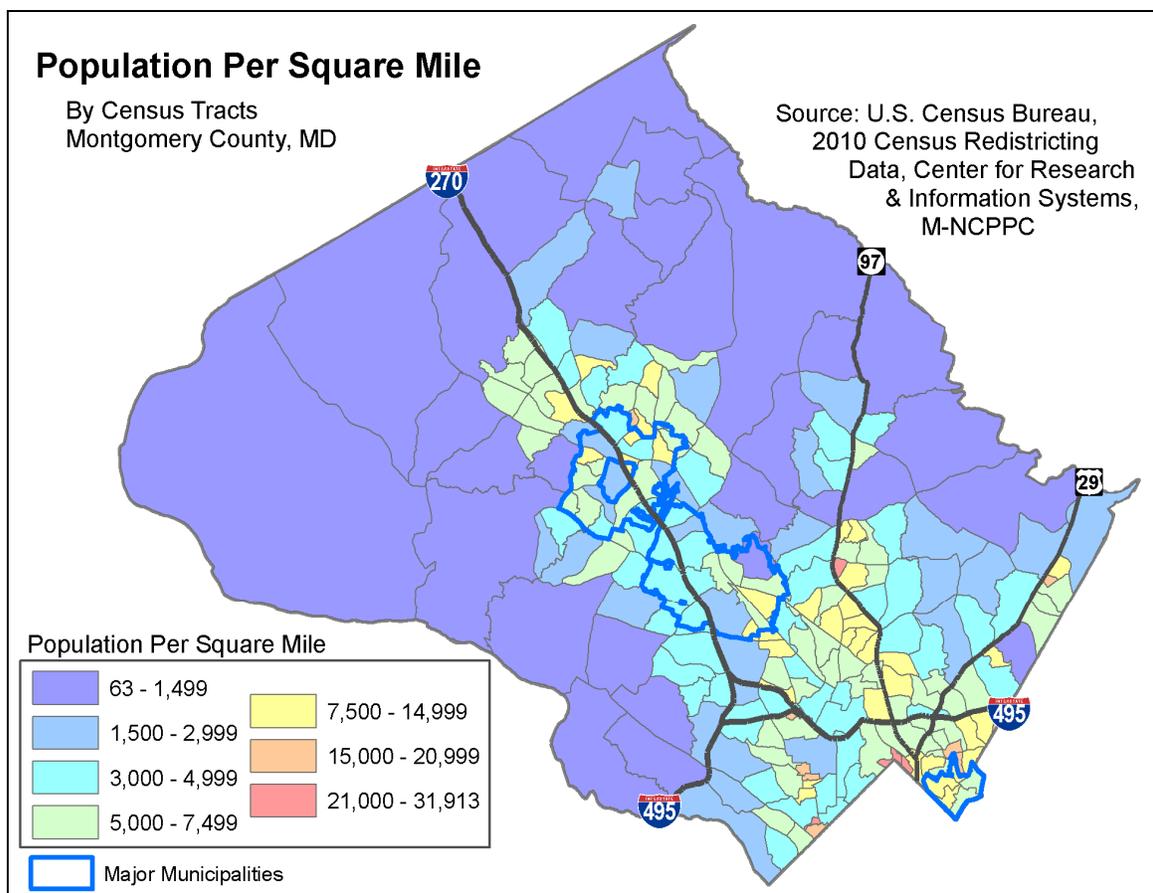
The County's Department of Housing and Community Affairs (DHCA) has compiled this report with the collaboration of the County Office of Human Rights, and the members of the Interagency Fair Housing Coordinating Group (IFHCG), which is comprised of representatives from multiple public agencies, non-profit organizations and the private sector. The most up-to-date demographic information has been obtained from the U.S. Census Bureau, the Metropolitan Washington Council of Governments and the Maryland National Capital Park and Planning Commission (M-NCPPC), as well as from within DHCA.

Montgomery County has also worked closely with the City of Gaithersburg in acknowledgment of the fact that while both the City and the County are each required to analyze impediments to affirmatively furthering fair housing as a condition of receipt of federal housing entitlement funding, both are committed to collaborating. Additionally, the County continues its close collaboration with the Metropolitan Washington Council of Governments in recognition of the benefits of a regional approach to affirmatively furthering fair housing.

Profile of Montgomery County, MD, Population and Housing

Population

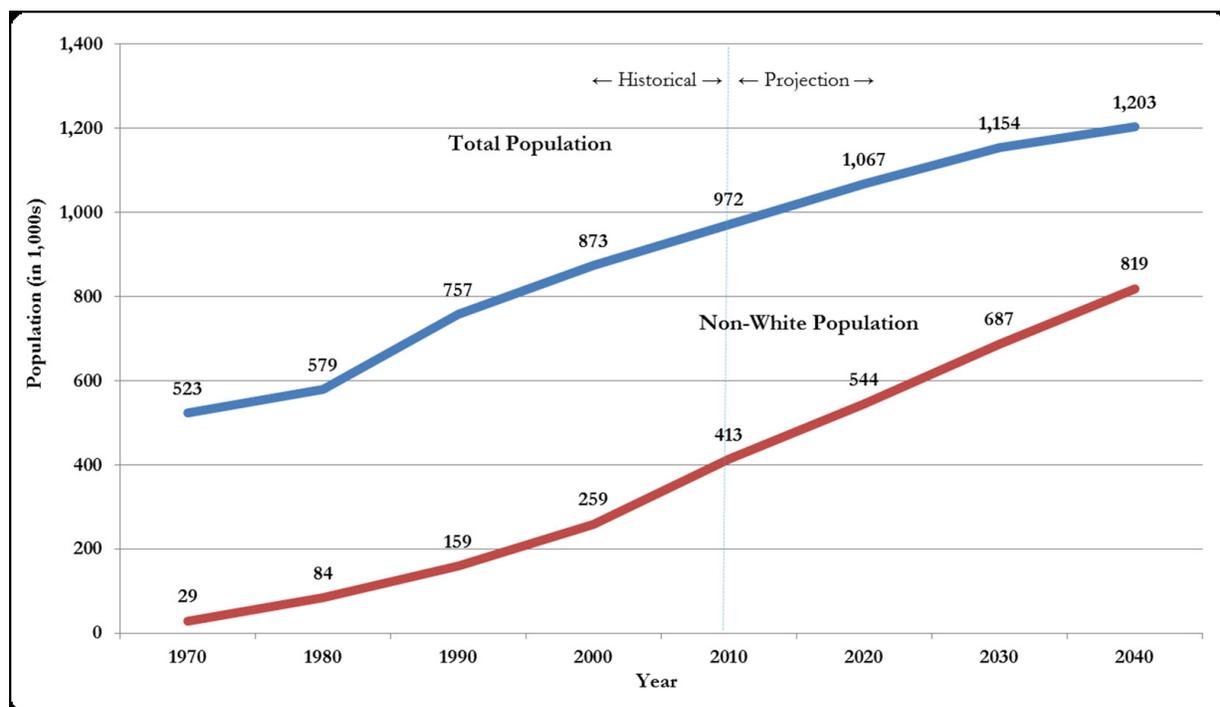
During the 1970s and 1980s, Montgomery County grew from a Washington suburb into the region's second largest employment center after the District of Columbia. More than 60 percent of the County's residents work in the County: about 20 percent are government workers and 57 percent work in management, professional and related occupations. Montgomery County's biotech community ranks as the third largest in the nation. One in five workers (23 percent) commuted to Washington, DC. Between 2013 and 2020, the whole Washington, DC, metro region is expected to add more than 700,000 new residents.



The United States Census Bureau estimates that 1,016,677 people resided in Montgomery County in 2013, a 4.6 percent increase from 2010 (971,777) and 17 percent of Maryland's total population. Montgomery County continues to have a growing and diversifying population, second in population density only to Baltimore County in Maryland and comprising almost one-fifth of the Washington, DC, metropolitan area. In 2000, the County was home to 873,341 residents, 143,336 fewer people than today. Over the next 30 years,

a further 21 percent increase, or 204,073 additional people, is forecast for Montgomery County.

Growth in the minority population continues to fuel overall population growth. In the last decade, the County’s minority population grew by 114,589 people (33 percent). In-migration and birth rates among the Hispanic population are higher than any other ethnic category. This trend mirrors the nation’s Hispanic population growth. African Americans are the County’s largest minority group with 18.6 percent of the total 2013 population, followed by 18.3 percent Hispanic Americans and 14.9 percent Asian Americans. The County is currently 53 percent minority, continuing to be a “majority minority” county. Non-Hispanic whites comprise the remaining 47 percent of Montgomery County’s 2013 population. Those who identify as belonging to two or more races has risen to 3.1 percent, up from 2 percent in 2009. The Washington metropolitan region as a whole is also nearly 50 percent minority (non-white).



Historical and Projected Total Population, Montgomery County, 1970-2040

Between 2009 and 2013, 32.2 percent of County residents were foreign-born, compared to 26.7 percent in 2000. Most of the foreign-born residents have come from Asia and Latin American, 36.5 percent and 36.2 percent, respectively. In addition, the number of County residents aged five and up who speak a language other than English at home reached 39.1 percent in 2013, up from 32 percent in 2000. According to the Census Bureau, in 2013, 8.6 percent of the population reported speaking English “less than very well.” The number of people with Limited English Proficiency (LEP) has continued to

grow, more than doubling between 1990 and 2009. Montgomery County has the highest concentration of LEP population in Maryland and in 2006 its rate was approximately 65 percent higher than that of the US as a whole.

Within the Montgomery County Public Schools (MCPS) system in the 2014-2015 school year, students speak 138 different languages and represent 157 countries. Nearly 14 percent participate in English for Speakers of Other Languages (ESOL). Special education services are extended to 11.7 percent of students. With an enrollment of 153,852 students, MCPS is the largest school system in Maryland (17th largest in the US). It provides Free and Reduced-price Meals (FARMS) to 35.2 percent of its students. In spite of having almost one-third of its students certified as lower income, MCPS ranks among the top-rated in the nation for graduation rates (88.3 percent) and academic achievement scores.

Montgomery County ranks first among large counties nationwide in overall educational attainment, with 57.1 percent of residents having earned a Bachelor's degree or higher. Median household income in the County is also comparatively high at \$98,326 in 2013.

The Washington area's widespread affluence, due to the large number of people with six-figure incomes, disguises the dichotomy of Montgomery County households that make over \$100,000 per year and the quarter of the population who make less than half that amount and are struggling to make ends meet in an expensive environment. Minorities and people with disabilities tend to be disproportionately represented in the lower income grouping.

In 2012, 6.9 percent of the residents in Montgomery County lived below the federal poverty level, an increase from 5 percent in 2006. The caseload for the Federal Temporary Cash Assistance (TCA) program increased during the recession from 634 in June 2007 to 955 in June 2014. The poverty rate for children in the County is 9.4 percent. In June 2007, Montgomery County's Food Stamps Caseload was 11,310. By June 2014, it had risen dramatically to 32,951.

According to the 2012 Self-Sufficiency Standard, it costs about \$83,000 for a four-person family with two working parents, a preschooler and a school-age child, to afford the basic necessities in Montgomery County – much higher than the national Federal Poverty Level of \$24,000 for four people. The Federal Poverty Level is the same for all 48 contiguous states. However, the Self Sufficiency Standard is based on the cost of living in a specific area.

The rise of Montgomery County's unemployment rate during the economic recession mirrored that of the Washington metro area, Maryland and the nation, albeit at a lesser percentage. Between October 2007 and October 2009

the County's unemployment rose from 2.7 percent to 5.7 percent. By October 2010, however, that rate had fallen to 5.2 percent or 26,815 persons. In 2014 Montgomery County's unemployment continued to drop to 4.5 percent, compared to a regional 4.9 percent and a national 6.1 percentage rate.

The County's primary food charity, Manna Food Center, provides food to an average of 3,760 families each month and distributed 3,616,250 pounds of food in 2012. Other charity and religious groups also provide assistance with basic necessities such as food, clothing and medicines.

Beyond providing safety net social services, efforts to alleviate poverty in Montgomery County include enforcing Section 3 requirements, providing access to financial literacy and offering tax preparation assistance. Section 3 of the Housing and Urban Development (HUD) Act of 1968 promotes employment of low-income residents, especially those in public housing, by requiring that HUD grantees (and their contractors and subcontractors) provide jobs and other economic opportunities to local residents and businesses.

Under the County's Local Small Business Reserve Program, adopted in 2009, Montgomery County's departments and agencies have committed to allocating 20 percent of their purchases of goods and services for small businesses within the community. In addition, since 2003, the County's Living Wage Law establishes that certain County service contractors, and their subcontractors, must pay a certain level of wages to employees who perform direct and measurable work on qualified County service contracts. Effective July 1, 2015 the Wage Requirements rate will be \$14.35. In 2010, the Montgomery County Council also unanimously approved a bill that creates a local-government hiring preference for people with developmental, psychiatric or severe physical disabilities. Currently under consideration is County Bill 10-15, which would establish a hiring preference for the initial appointment of a qualified veteran or a veteran with a disability for a uniformed public safety position.

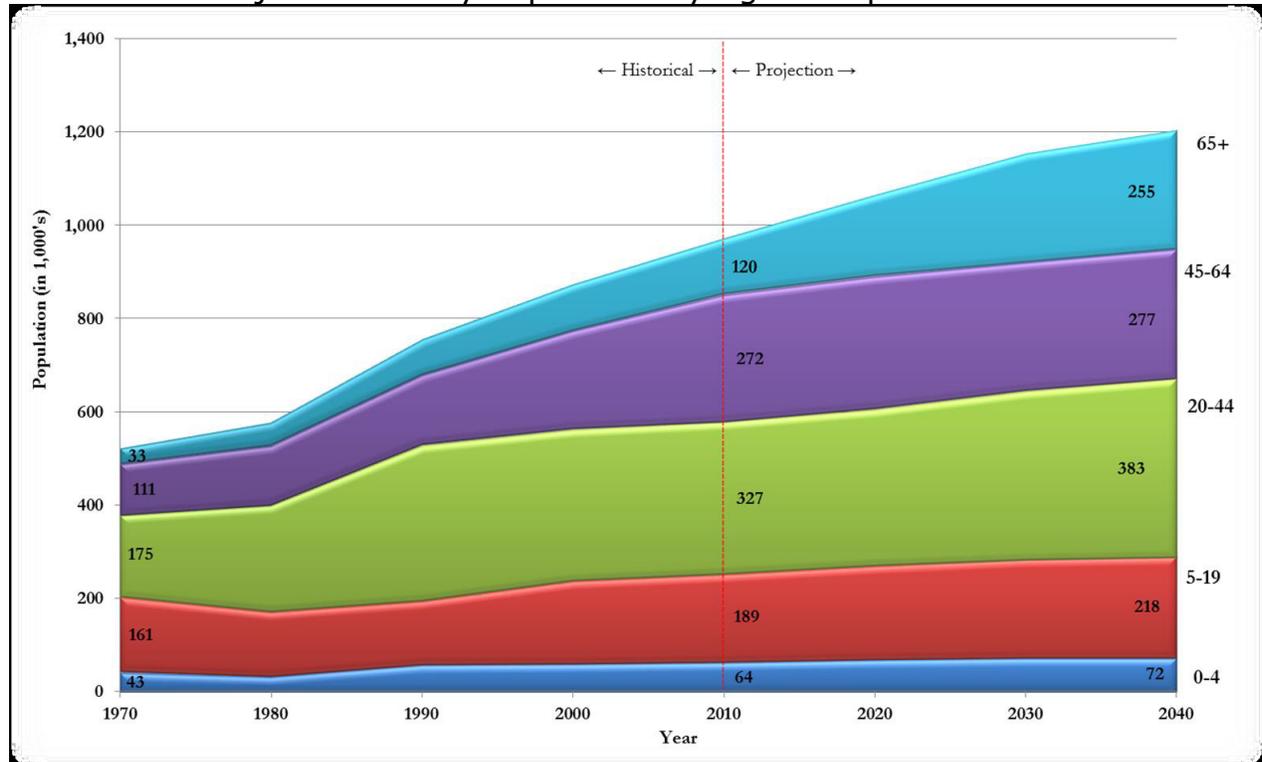
With support from the County's Department of Health and Human Services, the Community Action Agency coordinates a Volunteer Income Tax Assistance (VITA) program that provides financial literacy help and free tax assistance, using IRS trained and certified volunteers to help low- to moderate-income (\$49,000 or less) individuals and families in filing taxes. These clients include persons with disabilities, the elderly and those with limited English language skills. For tax year 2012, 53,183 County households (121,886 residents) received the federal Earned Income Tax Credit (EITC). Their median adjusted gross income was \$12,595.

Montgomery County's population is steadily aging. Census estimates from 2005 showed that 11.6 percent of County residents were 65 or older; in 2009 that number had risen to 12.3 percent and by 2013, 13.3 percent. By 2040,

residents over 65 are projected to make up a fifth (20.2 percent) of Montgomery County’s overall population. According to the 2013 American Community Survey, approximately one in eight of the population, or 81,309 people, had some form of disability. Of the population 65 years and over, 28.6% had a disability.

People with disabilities include mobility impaired individuals, persons with psychiatric and developmental disabilities, and those with visual or hearing impairments.

Historical & Projected County Population by Age Group 1970 – 2040



Housing

The median value of owner-occupied units was \$446,300. Housing units in multi-unit structures accounted for 33.2 percent of housing stock. At the same time, according to the 2013 American Community Survey, the median household income in the County reached \$98,326 in 2013 (up from \$94,980 in 2010), and 6.7 percent of residents lived below the poverty line.

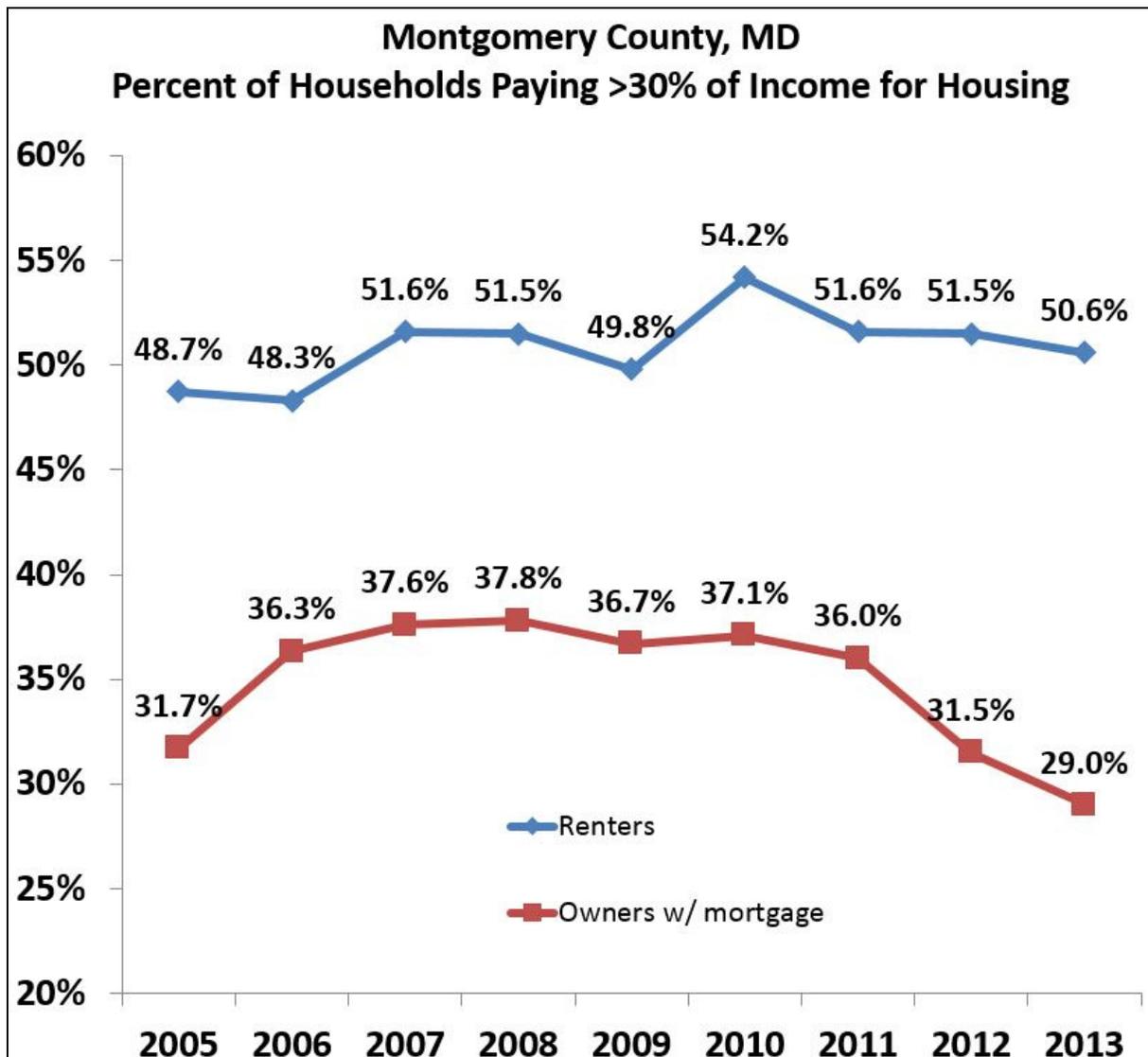
The County’s rental housing stock is falling short of demand, especially with regard to low-cost dwellings. Many such dwellings are in need of rehabilitation or replacement. The Washington metropolitan region is expected to add over 850,000 jobs over the next 20 years, with the trend towards lower-paying service sector jobs away from higher wage government and professional ones, leading to an even stronger demand for affordable rental housing.

Approximately, 44 percent of demand for new housing in the region over the

next 20 years will be for rental, while only 36 percent of the existing housing stock is currently rental, according to a recent study by the George Mason University Center for Regional Analysis.

To address this situation, the Maryland-National Capital Park and Planning Commission and the Montgomery County Department of Housing and Community Affairs (DHCA) are conducting a study of rental housing in the County. An outside consultant, working closely with an interdepartmental team during 2015 and 2016, will identify housing needs and offer holistic and sustainable approaches to meeting them.

The percentage of homeowners who spent more than 35 percent of their income on housing costs, or were "cost-burdened," decreased from 27 percent in 2011 to 23.4 percent in 2012, compared to 33 percent in 2008. This drop is most likely due to falling housing values in the wake of the housing crisis, which began in 2008.



However, at 40.5 percent, Montgomery County is one of four local jurisdictions where the percentage of rent-burdened households topped 40 percent.

This means that two out of every five renters paid at least 35 percent of their household income on rent, which is unchanged from 2008 to 2012. Of rental households headed by someone 65 or older, 62 percent were cost-burdened, as were the majority (57 percent) of young renters (aged 15-24).

Over the past few years, the housing market has become more competitive for renters, who are disproportionately minorities and people with special needs. The County had a 5.8 percent vacancy rate in 2006, 4.9 percent in April 2009 and 3.7 percent in April 2010.

According to DHCA's 2012 Rental Apartment Vacancy Report, the 2012 rental vacancy rate in Montgomery County showed a tight housing market countywide with an overall vacancy rate of 3.5 percent. The rate declined 0.2 percentage points from the 2011 rate of 3.7 percent. The vacancy rate for market rate units only was 3.7 percent, down 0.1 percentage point from the 2011 rate of 3.8 percent. The vacancy rate for properties with income restricted units only was 2.8 percent, up 1.0 percentage point from the 2011 rate of 1.8 percent.

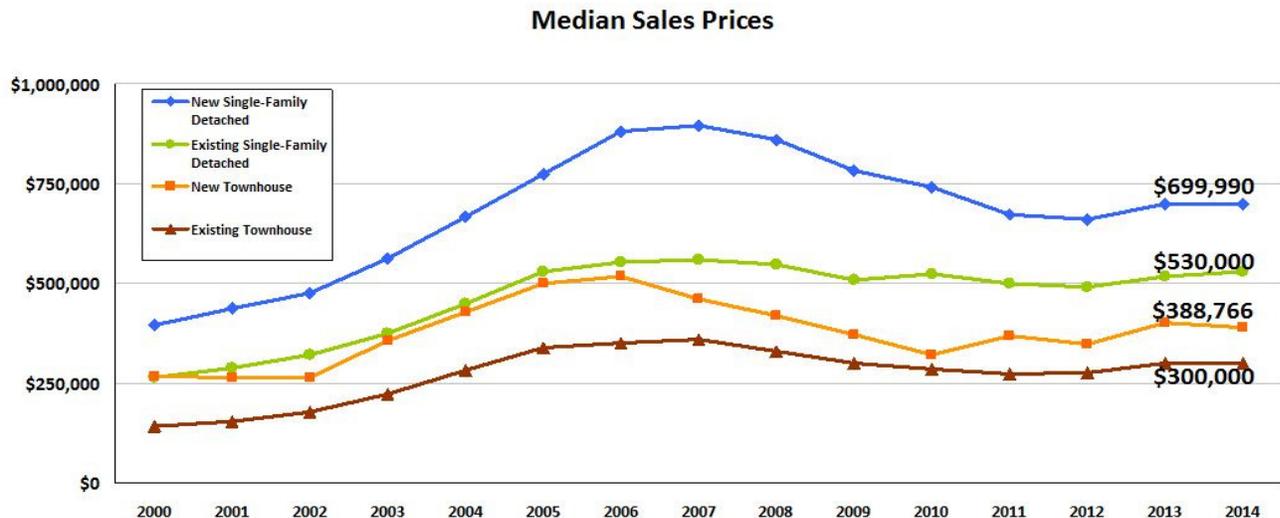
Additionally, according to the March 2010 Montgomery County Tenants Work Group Report, some renters have concern over the possibility of high rent increases and insecurity over the permanence of their rental agreements.

Montgomery County showed higher than median gross rent in 2012 at \$1,563 than in 2009 (\$1,429). The median rent for the entire Washington metro region in 2012 was \$1,424, well above the national average of \$884.

In May 2014, 294 County households received emergency help to prevent eviction or homelessness, and 1,693 low income households participated in a Rental Assistance Program (RAP) to receive a rent subsidy. Rental programs assist individuals whose households meet program eligibility criteria, such as age, income, disability, special need or other requirements. The Handicapped Rental Assistance program helps low income disabled individuals with support towards rental expenses in licensed care facilities.

Montgomery County's median sales price for single and multifamily, new and used homes, was \$375,000 in March 2014, the same level as in 2013. The County's median sales price peaked in 2006 at \$439,000. Montgomery County's median sales prices have typically remained higher than most of the region and the nation since 1999. In the Metro DC region, the March 2014 median sales price was \$389,900, compared to \$344,175 in 2010 and

\$401,155 at the top of the curve in 2006. Nationally, in March 2014 the median sales price reached \$186,941, only slightly higher than the 2010 price of \$183,700, but still lower than the 2004 price of \$195,200, and the peak in 2006 at \$221,900. There has also been a drop in the average number of days a house stays on the market in the County, from 58 days in March 2013 to 54 days in March of 2014, a situation that favors the seller.



Montgomery County’s population aged 65 and older is growing steadily, according to the 2000 Census and the Metropolitan Washington Council of Governments *Round 7.0 Forecasts*. Between 2010 and 2020 the number of residents 65 and older is forecast to increase by 34 percent—to 152,648, an increase of more than 54,000 persons. By 2030 the population aged 75 years and older is likely to increase by nearly 38 percent.

The first “baby boomers” turned 65 in 2011, and their overall impact will not be felt immediately. According to the *55+ Housing Preference Survey* (M-NCPPC, 2005), 58 percent of County seniors plan to live in their own home as long as possible. Approximately 42 percent (about 71,000 persons) aged 55 and older plan to move from their current residence at some time after retirement. About half of those, regardless of age, plan to move from their current residence within five years. Five percent of the County’s housing units are age-restricted, with Leisure World accounting for the majority of market-rate senior units. The median household income at Leisure World in 2011 was \$52,102.

The diversity of the growing senior market makes it necessary to develop more than one solution to senior housing. There is a need for moderate but steady growth in the number of senior housing units in the County. Growth has been primarily in the realm of independent living and continuing care retirement communities. However, the fact that more seniors plan to stay in their own homes as long as possible means that seniors are likely to need some degree

of accommodations for accessibility and perhaps also assisted living when they do leave their own homes. It is important to ensure that Montgomery County maintains a continuum of housing choices to meet the changing and varied needs of its senior population.

Montgomery County Activities to Support Fair and Affordable Housing

Interagency Fair Housing Coordinating Group (IFHCG)

The IFHCG was established in 1987 by Chapter 27, Section 27-26B of the Montgomery County Code in order to facilitate and promote the County's efforts to prevent discrimination in housing. The Group continues to hold monthly meetings to further the County's commitment to the principles and practices of fair housing and equal opportunity for protected classes in Montgomery County. Its membership (as mandated by code) is comprised of representatives from local public agencies and commissions as well as from the private sector. These meetings are also open to the public for those with an interest in fair housing issues.

Convened and supported by the Fair Housing Program at the County's Office of Human Rights (OHR), the Group provides an opportunity for exchange of information and concerns, and it acts as a sounding board for new ideas to ensure fair housing. Each April during Fair Housing Month, the group organizes events to increase awareness of Fair Housing issues. It also works to identify impediments to fair housing and to promote appropriate solutions to them.

In an effort to address the educational needs of County residents, the IFHCG, in collaboration with the Montgomery County DHCA and OHR, has sponsored workshops on the subject of mortgage assistance. These workshops provided attendees with invaluable information on housing counseling programs funded by the County government that were designed to prevent home foreclosures. The IFHCG continues to address the needs of equal access to housing for disabled County residents. Members of the IFHCG routinely consult with staff members of the OHR and the County's Department of Health and Human Services (DHHS) in response to questions and/or concerns regarding accessibility. The IFHCG also meets with members of the County's Department of Permitting Services (DPS) to address technical interpretations of current building codes and Section 504 compliance issues relative to existing housing units.

Montgomery County Office of Human Rights (MCOHR)

The Montgomery County Office of Human Rights (MCOHR) enforces the anti-discrimination laws in Montgomery County in four areas: housing, employment, public accommodations and intimidations. It handles intakes, mediations and investigations. It also reaches determinations regarding violations and interacts with the Human Rights Commission to handle appeals. MCOHR provided data on housing complaints filed in the county from January 2009 through December 2014. During this period, 144 total claims were filed alleging violations of the housing anti-discrimination laws.

These complaints, broken out by basis, are shown in the chart below.

Cases filed Jan 2009 through Dec 2014 showing basis:

Basis	Number of Claims Filed	Percentage of claims
Age	2	1.4
Ancestry	6	4.2
Children/Family	12	8.3
Color	4	2.8
Disability – Physical	20	13.9
Disability – Mental	5	3.5
Marital Status	5	3.5
National Origin	9	6.2
Race	20	13.9
Religion	3	2.1
Retaliation	7	4.8
Sex/Gender	3	2.1
Source of Income	48	33.3
Total Claims Filed	144	100

According to the data, the highest number of claims (33%) alleged that discrimination was based on their source of income - typically because the claimant was the recipient of a subsidized housing voucher. Many claims reflect the changing demographics in Montgomery County. Race and physical disability each represented about 14% of housing discrimination claims. Physical disability claimants often experienced decreasing mobility due to age and are thus requesting accommodations or modifications from housing providers. The County also is experiencing increased numbers of foreign-born residents. This is reflected in the combined bases of National Origin, Color and Ancestry, which showed a combined total of 13% of claims. Family circumstances – combined claims for marital status, family status or presence of children – made up about 12% of claims. All other bases combined to about 28% of total claims.

Of the total 144 claims received, only 11 are currently being handled in the active case load. All other have been resolved.

Montgomery County has made progress in improving awareness and monitoring fair housing issues through the MCOHR. The MCOHR, established 50 years ago, works in conjunction with a volunteer-based Human Rights Commission which is a diverse body of 15 community members appointed by the County Executive. In addition, Montgomery County's Interagency Fair Housing Coordinating Group (IAFHG) is organized under the MCOHR. The group consists of representatives from various County and local City government agencies and real estate professionals. Monthly meetings are held in which fair housing information is exchanged and issues are discussed.

Within the MCOHR, the Fair Housing Division conducts outreach, education and testing. Their primary focus is to provide information that helps people identify situations of possible discrimination and to develop strategies to avoid or remedy these situations.

The MCOHR has developed a comprehensive program of testing for discrimination in the rental or sale of housing, home mortgage financing and compliance with architectural guidelines. Enforcement actions are taken as warranted by the Office of Human Rights' Compliance Section.

The Compliance Division reviews complaints of possible discrimination, including those related to real estate discrimination based on the federally protected categories of race, color, religion, sex, national origin, disability or familial status as well as based on the Montgomery County additionally protected categories of marital status, source of income, sexual orientation, age, presence of children or ancestry. This includes cases involving both rental and for-sale housing. The Compliance Division works with approximately 35 volunteer mediators who are an integral part of the complaint resolution program. If the initial attempt at mediation does not address the complaint, the case proceeds to a formal investigation.

Fair housing testing is a controlled method for measuring and documenting variations in the quality, quantity and content of information and services offered or given to various home seekers by housing providers. When testing takes place, the MCOHR uses a paired testing approach in which two testers representing different socioeconomic groups seek housing from the same provider. A fair housing test involves sending a matched pair of testers to the same apartment complex on the same day, usually two to three hours apart. The testers are matched by the date housing is needed, type of unit requested, income, gender, marital status and employment history. Upon completing their visit to the apartment complex, each tester provides a detailed and objective account of the testing experience. Comparing the accounts of these test visits

often makes it possible to identify and document disparities in the treatment, information, and service that are provided to each of the testers.

The MCOHR then compares the responses given to each tester to determine whether discriminatory practices based on race, income, ethnicity or other protected basis is identified.

In 2013, 142 tests were completed. Eleven (11%) percent of the testers experienced some form of discriminatory behavior. In some instances, testers found problems that warranted further investigation and re-testing was undertaken and/or further referrals were made to the MCOHR for review.

2013 testing Results

Protected Class	Tests Conducted	Tests with Direct Evidence	Tests with Evidence of Disparate Effects
Race	31	0	3
Presence of Children	20	0	3
Source of Income	40	0	6
Disability	20	0	0
Erroneous Reports	20	0	0
Retesting Sites	9	0	0
Sites Without Fair Housing Signs	52	0	0
Total	192	0	12

In 2014, 105 matched pair tests were conducted. The results indicated six sites where “source of income” discrimination was identified, and 52 sites were found to be out of compliance regarding signage requirements.

Testing for FY15 is scheduled to commence during spring 2015. It was determined that testers required additional training with regard to Housing Choice Vouchers. In the past, apartment managers were able to discover that some testers were not true housing seekers. Additional training has recently been completed and testers will be more prepared for questions about the Housing Choice Voucher program and process. One hundred (100) matched pair testings will be conducted before the end of the fiscal year. The focus will be on Source of Income Compliance, as recent testing results demonstrate this is a problem area.

The MCOHR provides activities, information and presentations to community members and organizations regarding fair housing issues throughout the year. Special activities are planned during the month of April as a part of Fair Housing Month.

This year the “One Stop Fair Housing Workshop” will be held on April 21, 2015. The focus will be on disability, reasonable accommodation, use of service

animals and common ownership communities. Continuing education credits are provided for realtors. Other real estate professionals, rental housing managers and landlords are invited to attend.

The MCOHR has undertaken an on-going fair housing ad campaign that includes a series of awareness ads shown on movie screens in advance of feature films in two, large multi-plex movie theaters in the County. The theater lobbies also contain MCOHR displays and handout information. A potential 2,220,000 movie goers will see the ads per year.

The MCOHR has also developed an ongoing Fair Housing Youth Poster Contest which is part of the Human Rights Youth Diversity Camp for 5th Graders. The winning student's poster will be made into a display that will be advertised as a part of the MCOHR's Fair Housing Month Activities. The County Executive will present a replica of the winning poster to the student at their school and the poster will be displayed for 45 days on the exterior of Ride-On Buses throughout Montgomery County.

Montgomery County is committed to ensuring that information and services are culturally aware and are provided in alternative formats to meet the needs of persons with disabilities and in different languages for those with limited English proficiency. This effort is in compliance with federal and County requirements to provide meaningful access to persons with Limited English Proficiency but goes beyond these requirements to embrace the County's growing diversity.

Maryland Commission on Human Relations

In addition to County compliance and outreach efforts, the Maryland Commission on Human Relations works to ensure equal opportunity through the enforcement of State laws against discrimination in employment, housing, and public accommodations. It provides educational and outreach services related to the relevant federal and State laws and pursues legal action where appropriate.

Affordable Housing Production and Financing

DHCA works to preserve existing affordable housing through aggressive code enforcement and effective utilization of funding sources. The department promotes mixed-use development on County-owned parcels while also focusing on the preservation of affordable multi-family rental buildings. Affordable housing is spread throughout the County and mixed with market rate housing with the goal of preventing heavy concentrations of low income housing in any one area.

The County's Montgomery Housing Initiative Fund (MHI) receives an annual appropriation generally between \$25 and \$30 million. This is funded with a percent of real property tax receipts, recordation tax premiums, loan repayments and miscellaneous local revenue sources. MHI funds can be used for rental assistance, special needs and non-profit housing loans, the Housing First program for the homeless, homeownership and foreclosure programs and other affordable housing-related activities.

The County's Housing Acquisition and Preservation Fund is a capital fund that provides affordable housing loans to for- and non-profit developers and is funded in excess of \$145 million with a mix of bonds, local sources, and loan repayment proceeds. This program has funded the creation or preservation of 3,296 total units (2,168 affordable) at an average cost of \$53,850 per affordable unit. County funding is leveraged by other non-local sources at approximately 4:1.

In addition, the County receives funding from State and federal programs, such as HOME, CDBG, and ESG as well as funding for rental subsidies, energy-assistance and permanent supportive housing.

For FY16, the County Executive's proposed budget allows for \$43.9 million for the creation and preservation of affordable housing (a total of \$657.9 million from all County sources since 2007, leveraged with \$924.5 million in non-County resources). The locally-funded housing trust fund is used to increase and preserve the County's supply of affordable housing, including housing for residents with special needs. The County primarily uses its MHI funds to provide gap financing to non-profit and for-profit developers of affordable housing. These funds are used to leverage other sources of affordable housing funds, including Federal HOME funds, state and local bond financing, and equity funding generated through the use of the Federal Low Income Housing Tax Credit program.

Housing Opportunities Commission (HOC)

The Housing Opportunities Commission of Montgomery County (HOC) operates as a public housing agency, a housing finance agency and a housing developer.

HOC is currently embarking on an exciting new program for those residents currently living in multifamily public housing. The agency is participating in the U.S. Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) Program in order to access private funding for rehabilitating the units. To date, nine HOC properties have been approved by HUD for the RAD program.

In addition, Montgomery County, in partnership with HOC, provided federal stimulus funds to enable HOC to acquire and rehabilitate vacant, foreclosed properties, preserving these properties as long-term affordable rental housing. As of early 2011, 23 homes had been acquired. Additionally, the County is using local funds and coordinating with non-profit housing providers, like Habitat for Humanity and AHC Inc., to enable these organizations to acquire and rehabilitate vacant, foreclosed properties for sale to lower-income homebuyers.

HOC residents of Public and Opportunity Housing have the right to request an informal grievance hearing where complaints regarding alleged arbitrary, unfair, or illegal practices can be aired and resolved. Participants of the Housing Choice Voucher program may request an informal grievance hearing only in matters pertaining to the termination of their assistance or reasonable accommodation.

As the public housing agency, HOC administers a variety of housing programs in order to provide subsidized housing to low and moderate income individuals and families. The two largest programs are public housing and Housing Choice Voucher (formerly called "Section 8"). In FY15, HOC manages 1,603 public housing units and administers 6,384 federal Housing Choice Vouchers, which allow eligible individuals to rent in the private market by using the voucher subsidy. Still, HOC's public housing waiting list holds 34,107 people, and 15,550 people are waiting for vouchers. HOC also provides subsidized housing for the elderly and for people with disabilities and special needs. In addition, HOC offers homeownership programs that include mortgage financing and closing cost assistance.

Rental Assistance Programs

Through legislation, 50% of special recordation tax revenue for commercial or residential units sold at or above \$500,000 is used to provide rental assistance programs for income-eligible residents. Funding has increased from \$2 million in FY12 to \$8 million in FY14. Over 1,800 residents received assistance in FY14 through a variety of programs at DHCA, HOC and the County's Department of Health and Human Services (DHHS). Some of these programs are aimed at very low income (below 30% area median income), rapid rehousing and medically vulnerable populations.

Aging and Disability

Persons with disabilities experience a greater degree of unemployment or underemployment than is experienced by those without disabilities and are almost three times more likely to live below the federal poverty level. In recognition of this fact, on February 2, 2010, the Montgomery County Council

unanimously approved Bill 46-09, which creates a local-government hiring preference for people with developmental, psychiatric or severe physical disabilities.

In 2014, Montgomery County established a property tax credit for the installation of an accessibility feature on an existing residence or for reaching a Level I or Level II accessibility standard on a new single family residence. The County also provides an impact tax credit for meeting a Level I accessibility standard on a new home.

Providing affordable housing that is appropriate for those with a disability or special needs remains especially difficult, given necessary physical adaptations and zoning, as well as community concerns. The County's Division of Aging and Disability Services at DHHS continues to work toward accessible standards for visit-ability and live-ability in the community.

The Commission on Aging (COA) serves as an advocate for the health, safety and well-being of the County's older residents. The Commission supports both safety net services for the frail elderly and programs to meet the interests and needs of older adults who want to age in their communities. The COA identifies significant issues where its voice on the needs of seniors can make a difference.

On December 1, 2010 the State of Maryland Department on Aging launched the Maryland Access Point (MAP) website for seniors, persons with disabilities and caregivers. MAP is part of the national Aging and Disability Resource Center (ADRC) initiative from the U.S. Administration on Aging and the Centers for Medicare and Medicaid. MAP state partners include the Maryland Departments of Aging, Disabilities, Health and Mental Hygiene, and Human Resources, as well as the Regional Centers for Independent Living. The purpose is to provide streamlined access to information and services for long-term supports and assistance.

Montgomery County Executive Isiah Leggett has established mixed-income affordable senior housing as a priority. Under this initiative, DHCA has assisted in the financing of six projects totaling 579 units that will be affordable to senior households earning between 30 and 60 percent of area median income, representing a County investment of \$29,696,370. New projects including 536 additional units are underway.

In FY14 and FY15, the County's operating budgets enhanced services such as those for senior transportation options, fire safety, adult protective services, caregiving, adult foster and day care, and they provided for a senior ombudsman. The income eligibility guidelines for the County's Call 'N' Ride

program were raised and funding was increased for the Seniors Ride Free program.

Montgomery County's Department of Permitting Services (DPS) has introduced a voluntary certification program, Design for Life Montgomery, which is the first certification effort in Maryland to encourage visit-ability and live-ability for single-family attached and detached homes. It targets both new construction and home renovations. This program follows the National Association of Homebuilder's guidelines and targets both new units and renovation of existing homes. Supported by the Maryland National Capital Building Industry and many local agencies, the visit-ability certification addresses the needs of people with mobility disabilities by having a no-step entrance, door widths of at least 32-inch clearance and an accessible bathroom.

Live-ability goes further in requiring the previous three amenities plus a bedroom, full bath, kitchen and circulation path that are all accessible. Homes enhanced with these features will meet the needs of residents and visitors for a lifetime, especially persons with a temporary or permanent disability. Such design also helps Montgomery County's senior population to 'age-in-place.' As of March 2011, 45 building permits had been issued under this program.

In addition, the Montgomery County Commission on People with Disabilities indicates that there is a strong correlation between people with disabilities and unemployment or underemployment, resulting in a further need for affordable housing. In Montgomery County, of the 40,000 individuals with disabilities, 43.3 percent are unemployed, according to the 2006 American Community Survey from the U.S. Census Bureau. The Commission advocates further for fair housing for those with a disability by encouraging visit-ability requirements in new housing and supporting financial assistance, where qualified, for renovations to existing single-family and multi-family homes.

Montgomery County maintains a Hiring Registration for Employment Database (HIRED) program to recruit qualified people with disabilities, including veterans with disabilities, who are motivated and productive. This program serves those having a permanent, severe physical, psychiatric or mental impairment that substantially limits one or more major life activity and are certified by the Maryland Department of Education Division of Rehabilitation Services (or an equivalent out of state agency).

Montgomery County's proposed FY16 operating budget continues efforts to make the County a "community for a lifetime." It recommends adding \$7 million to support senior housing developments, adding approximately 175 new senior units. Further, the proposed budget includes support for the State's Attorney's newly created Crimes Against Seniors and Vulnerable Adults Unit.

Planning and Zoning

DHCA comments on all master and sector plans, advocating that affordable housing be addressed in the plans and that the Maryland - National Capital Park and Planning Commission (M-NCPPC) establish an "affordable housing goal" in each plan area. DHCA also supports zoning text amendments that create a more attractive planning and economic environment for the development of affordable housing, including increases in allowable heights, densities and Floor Area Ratios (FARs) in order to provide added flexibility to facilitate affordable housing development.

The Montgomery County Planning Board reviews project, preliminary and site plans as part of the development review process. Each review has different specifications and requires input from several County agencies. Delays can occur at any point in the process, including from the applicant. In the last two years, planners have improved review times for preliminary and site plans by 43 percent to an average of 64 days in FY10.

The Planning Department's Environmental Division reviews every development application for the presence of natural resources, including forests. Review of forest conservation exemptions has improved 45 percent since FY08.

The Montgomery County Council unanimously approved Zoning Text Amendment 09-08 on March 2, 2010 creating a new family of Commercial/Residential (CR) Zones that will allow some areas designated in master plans to become denser, mixed-use communities that will encourage residents and businesses to be less dependent on automobiles and more reliant on increased public transit.

Among the provisions of CR Zones is allowance for increased density if properties are developed near public transit and provide other public benefits. CR Zones also allow increased density for projects that include affordable housing alternatives and residential projects that include units that are fully wheelchair accessible.

Becoming effective on October 30, 2014, Zoning Text Amendment 14-09 updates, clarifies and corrects errors in the earlier zoning code. It allows for future development that includes higher density, mixed-use and transit-orientation in keeping with smart growth objectives as the County population increases. The necessary shift from greenfield development to infill and mixed-use will enable the County to manage current and future needs. Density and height bonuses are still available in certain situations relating to Moderately Priced Dwelling Units (MPDUs) or Workforce Housing.

Montgomery County Planners recently undertook a comprehensive rewrite of the County's Zoning Ordinance. Planners aimed to simplify a complex code and to reinforce the County's high quality of life. The Zoning Code was last comprehensively rewritten in 1977.

The new County Zoning Ordinance took effect on October 30, 2014, and not only makes it easier to build mixed-use communities, but also streamlines development review to make it less costly and time-consuming. This comprehensive rewrite culminates years of collaborative effort among the Montgomery County Planning Department and Board, the real estate industry and the civic community. The Planning Department is now focusing on a revision of the provisions of the County Code governing the subdivision of land, the most comprehensive reform in 50 years, and like the new zoning code, it will modernize and streamline the development review process. These changes will help to address the economic challenges facing the need for more affordable housing.

Licensing and Tenants

Montgomery County also licenses all rental housing, and provides help and information regarding relevant laws to both landlords and tenants through its Office of Landlord-Tenant Affairs (OLTA). DHCA provides extensive information on how to recognize and prevent discriminatory housing practices, including lending procedures and practices, fair housing requirements and additional information concerning occupancy standards and issues specifically related to fair housing for persons with disabilities. DHCA provides sample leases, a Landlord-Tenant Handbook (in English and Spanish) and free seminars for both landlords and tenants.

OLTA has specialists who work with landlords and tenants to resolve disputes and successfully mediated 97% of cases in FY14, during which 645 cases were opened. DHCA issued 95,100 rental licenses in FY14, including for accessory apartments.

MPDUs

Montgomery County was among the first jurisdictions in the country to adopt inclusionary zoning. Created in 1974, the nationally recognized Moderately Priced Dwelling Unit (MPDU) program has produced almost 14,029 units of affordable for sale and rental housing throughout the County. Under the MPDU program, every new development in the County with 20 or more units is required to set aside between 12.5 percent and 15 percent of its units as affordable (meaning they are affordable to households earning 65 percent to 70 percent of the AMI). Furthermore, up to one-third of the units produced each year are available to the Housing Opportunities Commission (HOC) for

use as lower-income rental housing, thereby reaching households with income as low as 30 percent of median.

After six years of decline, there has been a dramatic increase in MPDUs since 2012, correlating with a general increase in new development. The respective control periods on a large portion of the MPDU stock produced over the last 40 years has expired; however, there are still 4,672 for sale MPDUs under resale price controls, with an additional 1,400 rental MPDUs under control. In the long-term, available raw land in the County for development will become scarcer, and new housing will increasingly be located in high-rise buildings in high density development zones located in downtowns near Metro stations. This will present new challenges for the program as high-rise construction is more expensive, making MPDUs more expensive for developers to provide, and for program participants to afford.

The MPDU program has resulted in economically and racially diverse communities throughout the County, expanded housing choice, and resulted in other desirable public outcomes. For example, a report issued in 2010 by The Century Foundation and authored by Heather Schwartz, an Associate Policy Researcher at the RAND Corporation, found that lower-income students in the County who were able to attend more affluent schools, primarily due to the economic integration of households resulting from the MPDU program in Montgomery County, performed better in academic achievement.

Workforce Housing Program

The County's Workforce Housing Program promotes the construction of housing that will be affordable to households with incomes at or below 120% of area median income. Approved in 2005, the voluntary program is intended to increase the availability of local housing choices for workers who otherwise may have to live outside the County due to its high cost of housing. Approximately 100 WFH units have been produced under this program, with more in the development stage.

PILOTS

The Payment in Lieu of Taxes (PILOT) program is another tool to encourage affordable housing by providing real property tax abatements for a 10-year period. In FY14, \$9.6 million in taxes were abated, supporting 14,214 affordable units in the County.

Right of First Refusal Purchases

Chapter 53A of the Montgomery County Code provides DHCA, HOC and tenant groups with a unique tool to preserve affordable housing by allowing these

groups to match any signed contract for the sale of multifamily properties containing four or more units. Eight properties containing 1,244 units have been purchased by DHCA and HOC under this law. The County's average contribution of \$27,588 per unit has been leveraged with an additional \$73,899 per unit in financing from other sources.

Special Needs Housing

The County continues to work in partnership with other organizations to site affordable housing for special populations. DHCA worked with the Montgomery County Coalition for the Homeless (MCCH) to adaptively reuse and rehabilitate a five-story commercial building in Bethesda into 32 personal living quarters for homeless adults.

In 2004, Montgomery County acquired a vacant Econo-Lodge motel in Gaithersburg Maryland and converted the units into Seneca Heights, permanent housing for singles and transitional housing for families. Due to the drastic shortage of affordable permanent housing for low-income families, HUD approved the transition of the transitional family component into a permanent supported housing model for at-risk families. This provided a more long term housing solution, but rendered the existing kitchens impractical for the increased level of usage.

Montgomery County has partnered with the City of Gaithersburg to fund comprehensive upgrades to the kitchens and electrical systems. A total of \$176,000 CDBG funding (Montgomery County \$93,500 and Gaithersburg \$82,500) will upgrade 17 units to provide comfortable and efficient supported permanent housing for very low income families

The Special Needs Housing Division at DHHS focuses on basic housing stabilization services as well as on longer term supportive, transitional and permanent housing options for persons with special needs, such as those who are homeless or have mental or physical disabilities or a police record.

In 2014 Special Needs Housing received more than 6,200 requests for emergency assistance and provided more than 3,700 emergency assistance grants totaling \$2.9 million to resolve housing and utility emergencies (from DHHS budget overview for FY16).

The Housing First program is a County model and joint effort of DHCA and HHS to reduce the length of stay in homelessness and provide stable housing for families and individuals. The program also gives support to help the placed families maintain their permanent residences. The Continuum of Care is focused on a Zero 2016 campaign to end veteran homelessness. In FY15, 4

transitional beds are set aside for homeless veterans, and 139 permanent beds in supportive housing residences are maintained for them.

The Housing Element of the General Plan

The Housing Element of the General Plan was first approved in 1969 and later approved as a part of the 1993 General Plan refinement. The most recent version of the Housing Element, prepared by the M-NCPPC, was approved by the County Council on March 29, 2011. The Housing Element makes note of the chronic shortage of housing that is affordable for much of the County's moderate and lower income households, and it recommends a series of public policy actions that should be taken to reduce the housing affordability gap in Montgomery County. Its goals are 1.) to conserve and stabilize neighborhoods and the existing housing stock, 2.) to concentrate new housing in mixed-use, transit-oriented areas and 3.) to encourage and maintain a wide choice of housing types and neighborhoods for people of all incomes, ages, lifestyles, and physical capabilities at appropriate locations and densities.

Focused Neighborhood Assistance

In 2009, DHCA established a Focused Neighborhood Assistance (FNA) Program, choosing several neighborhoods heavily impacted by foreclosures, crime, and lower incomes to receive County assistance for stabilization. DHCA has received national recognition from NAHRO and NACO for the program, which provides such services as targeted code enforcement, below market rate loans or grants for exterior rehabilitation to income-qualified households, public improvements, and other assistance through collaboration with public and private partners.

The program grew from a belief in the importance of strong, well-maintained neighborhoods as a critical component of overall community well-being. A common concern expressed by residents and HOA representatives in both single-family and multi-family focus areas was the growing number of foreclosed or vacant properties and the impact this had on code enforcement complaints, property values, and HOA assessments.

Other Local Housing Efforts

DHCA's Code Enforcement Division enforces County Code standards for multifamily rental properties, as well as in single family neighborhoods to ensure that safe and sanitary conditions are met. In FY14, the Department fielded 10,258 services requests, performed 25,575 total inspections and closed 6,998 cases.

Metropolitan Washington Council of Governments' (COG) Housing Programs cover a broad array of issues important to area local governments and their housing partners. These include data on the region's housing stock, homelessness, housing affordability, concentration of affordable housing, fair housing, and neighborhood redevelopment. COG works to provide current, accessible information that will help inform regional and local policies. Current COG Housing Program efforts include implementation of the Metropolitan Washington Regional Affordable Housing Policy, which calls for the creation of new affordable housing, the preservation of existing affordable housing and the distribution of affordable housing opportunities around the metropolitan area.

Office of Consumer Protection (OCP)

The Montgomery County Office of Consumer Protection (OCP) and the Maryland Attorney General's Office, Consumer Protection Division, are responsible for ensuring a fair marketplace for consumers and businesses, and they enforce consumer protection laws that prohibit unfair and deceptive business acts. As part of this, it investigates complaints related to mortgage loan modification scams and offers advice on how to identify a potential scam. It also provides information on foreclosure counseling services law, the compliant mediation process and how to file a complaint.

The Justice Department, under the direction of Assistant Attorney General Tom Perez (a Montgomery County resident and former Montgomery County councilmember), has created a new Fair Lending unit that focuses exclusively on unfair lending practices, including both the unfair denial of minority access to home loans as well as any discriminatory efforts to target minorities for subprime loans. The increased efforts at the federal level will help ensure that unfair lending practices are addressed.

The OCP provides advice and information on predatory lending in general and on discriminatory predatory lending in particular because the primary targets of predatory lending are African Americans, Hispanics and elderly women.

The topic of predatory lending has become commonplace in newspaper headlines and in housing discussions. Discriminatory predatory lending targets borrowers for loans with exorbitant or abusive terms based on race, national origin, sex, age, or other protected categories. Some abusive home-lending practices occur in the so-called "sub-prime market" and many address home loan opportunities for people with limited credit histories.

Barriers to Fair Housing Choice and Strategies for the Future

Montgomery County continues to make strides in removing impediments and barriers to Fair Housing Choice through enforcement, education and outreach, allocation of resources to produce and preserve affordable housing, making legal and regulatory changes, and through administrative efficiencies and technological enhancements that improve service delivery and data analysis/transparency.

A time-consuming development review can increase cost and serve as a barrier to affordable housing/residential investment. Montgomery County consolidated construction inspections currently being done by the Department of Permitting Services (DPS) and Montgomery County Fire and Rescue Services (MCFRS), and the Montgomery County Planning Board (MCPB) has streamlined the way in which it reviews DPS issued building permits. All three agencies, along with others, have committed to collaborate to make their customer service more business-friendly, and make it easier to navigate the development process and obtain building permits. In addition, DPS is expanding online services. Site users have fast access to permit processes accessible through ePermits and ePlans including the ability to schedule or cancel inspections, apply for permits and submit plans.

In the future, the Wheaton Redevelopment Program includes plans for the co-location of both a new headquarters for the Maryland National Park and Planning Commission (MNCPPC) and the Montgomery County Department of Permitting Services which will facilitate this effort.

To promote awareness of fair housing regulations and practices, the County will need to continue providing up-to-date study information on the fair housing environment and to continue conducting adequate outreach efforts to residents and housing providers regarding fair housing rights. These must be ongoing efforts as new residents enter the County and as children grow up to look for their own housing.

While much has been accomplished, affirmatively furthering fair housing choice is an ongoing activity. Over time, the issues requiring priority attention will change. Difficulty finding affordable housing is likely to remain a barrier to fair housing choice, and issues such as high foreclosure rates and concerns over the solvency of the many Common Ownership Communities in this County will increase.

In updating our AI report and identifying barriers to affirmatively furthering fair housing choice, Montgomery County remains committed to focusing limited resources effectively and efficiently to address concerns.

The following are concerns that the County is currently focusing on:

- Lack of an adequate supply of affordable housing
- Lack of available, affordable and accessible housing for residents with a disability or special needs
- Individual circumstances such as a criminal record, poor credit history or past eviction that are barriers to obtaining housing
- Limited English proficiency and understanding of the housing process
- Lack of general awareness concerning fair housing issues among residents and housing providers
- Financial challenges faced by Common Ownership Communities

Lack of an adequate supply of affordable housing

The demand for affordable housing still outstrips the supply in Montgomery County in spite of extensive and innovative measures undertaken to help address the pressing need.

The lack of land available for development can serve as a barrier to the creation of affordable housing. In addition, the shortage of housing is especially acute for those needing 3+ bedrooms to accommodate larger families. With only about 4% of land in Montgomery County available for development, Montgomery County is successfully identifying county-owned sites that can be redeveloped. These developments will include housing along with other public facilities and will promote transit-oriented, infill redevelopment, in conjunction with private developers in White Flint and Wheaton along the Metro Red Line.

Any requirement imposed by the State on developers to obtain resolutions of project support from local elected bodies as a condition of receiving State funding could serve as a barrier to affordable housing should those local bodies decline to be supportive.

Strategies

- Continue efforts to increase the supply of affordable housing units to meet residential needs through financing the construction of new units

and the preservation of existing units through low-cost financing from the Montgomery Housing Initiative (MHI) fund and through use of Low-Income Housing Tax Credits

- Increase incentives and requirements for developers of affordable residential units under the County's inclusionary zoning (MPDU) program through the use of bonus density incentives and flexible development standards
- Continue to work closely with the Housing Opportunities Commission, for-profit and not-for-profit developers to leverage County resources, and to identify alternative sources of financing to maximize the number of affordable units that can be created and/or preserved
- Continue to exercise the County's Right of First Refusal to purchase units
- Continue to offer Payment in Lieu of Taxes (PILOT) incentives
- Continue to provide eviction prevention services
- Continue to provide rental assistance
- Assist households to increase earned income by
 - providing job training and addressing unemployment
 - increasing educational opportunities
 - increasing financial literacy skills
- Promote usage of and ensure compliance with Section 3 of the Housing and Urban Development (HUD) Act of 1968 that requires all grantees of HUD public housing and community development programs (and their contractors and subcontractors) to provide jobs and other economic opportunities to low-income persons, especially those in public housing, using their HUD grant funds; make contractors and fund recipients aware of these opportunities
- Implement strategies for preserving and increasing affordable housing in accordance with the County's General Plan, including co-location of affordable housing with County facilities
- Actively monitor and coordinate fair housing legislation and policy initiatives to sustain progress already made and to address new fair housing issues as identified, especially regarding affordable housing

Lack of available, affordable and accessible housing for residents with a disability or special needs

Whether the disability is a physical impairment, a cognitive impairment, a mental illness or any other condition that limits an individual's ability to live independently in the community, providing housing for persons with disabilities is an ongoing need.

Montgomery County and the Maryland-National Capital Building Industry Association have developed a Voluntary Certification program, *Design for Life Montgomery*, to promote visit-ability and live-ability in single-family attached and detached homes, both new and existing.

Strategies

- Promote awareness related to visitability and accessibility of housing and reasonable accommodation
- Raise awareness of existing accessible housing options in the community among those with disabilities or those in need of accessible housing amenities through outreach by industry and advocacy groups in collaboration with public and private sector housing providers
- Promote awareness among the general public of the benefits for all of housing design features that enhance accessibility as is being done through the *Design for Life Montgomery* program
- Promote professional and public awareness of the legal requirements of the Americans with Disabilities Act (ADA) as related to housing through training and outreach provided by both public and private entities
- Encourage job training and supportive employment for persons with disabilities in order to raise income levels
- Continue to advocate for Medicaid waivers and other supports that result in appropriate, affordable housing in the community being made available;
- Continue to provide and augment supportive services for individuals with physical, developmental or mental disabilities using a coordinated, teaming approach to enhance service delivery and choice
- Enhance collaboration among Continuum of Care partners to support interagency efforts so that persons experiencing, or at risk of,

homelessness receive both the housing and the supportive services necessary to secure and remain in stable housing

- Educate the public about the economic and social value of a wide range of housing choices for the community
- Provide factual information to increase public awareness of and understanding about special needs populations

Individual circumstances such as a criminal record, poor credit history or past eviction that are barriers to obtaining housing; Limited English proficiency and understanding of the housing process

Strategies

- Promote housing locator services and alternative leasing/screening arrangements
- Work with landlords to encourage lessening of leasing restrictions
- Encourage/promote financial literacy training, including credit repair counseling
- Support classes in English for Speakers of Other Languages (ESOL)
- Promote awareness of housing rights and responsibilities in a culturally and linguistically appropriate manner

Lack of general awareness concerning fair housing issues among residents and housing providers

Lack of general awareness concerning Fair Housing issues among residents and housing-related professionals in Montgomery County will require that education concerning fair housing issues is an on-going activity. We are a county with a growing and increasingly diverse population, and as such, education must be continuous, presented in a context that is relevant to current community concerns and presented in a manner that is linguistically appropriate and culturally sensitive.

With the current economy, characterized by increased unemployment and under-employment, and with the rise in the number of housing foreclosures and distressed housing sales, outreach and education about fair housing law is particularly important as investors acquiring distressed or foreclosed properties

may be inexperienced landlords, and because owners who have experienced foreclosure may now be seeking affordable rentals. Nationally, predatory and deceptive lending practices have also disproportionately affected protected groups of residents.

Strategies

- Provide on-going training, outreach and education to County residents
- Coordinate distribution of fair housing materials and sharing of information between public agencies and the private sector
- Disseminate, regularly and repeatedly, outreach and education materials on fair housing to County residents, focusing on minority and protected groups in multiple languages, as necessary, and through various media – print, radio, TV and through community events and social service agencies
- Mandate or encourage lending institutions, real estate agencies and apartment managers to distribute fair housing materials (e.g. the OHR Guide to Fair Housing brochures)
- Continue to provide training and general awareness-raising measures in collaboration with industry groups targeted to property managers, real estate agents, mortgage lenders, appraisers, builders, maintenance workers, insurance providers and others in the industry on fair housing laws, racial disparities and lending patterns, focusing on how to provide equal housing opportunities and what constitutes discrimination
- Work toward the continuation and expansion of Montgomery County Public School curriculum to promote awareness of fair housing
- Continue periodic special events to bolster the public’s awareness of fair housing laws
- Educate consumers regarding potentially deceptive business practices by lenders

Financial challenges faced by Common Ownership Communities

A common ownership community (COC) as an organization consisting of property owners within a residential development with shared common property. The governing associations for these communities adopt and enforce rules, own and maintain common property, and assess dues for the maintenance and operation of the community. There are three types of

communities in Montgomery County: condominium associations (COAs), homeowner associations (HOAs), and cooperative housing corporations. According to the County's Office of Legislative Oversight (OLO), Montgomery County has experienced a significant growth in common ownership communities since the 1990's, with approximately 40% of its residents (340,000) residing in one of the 1,000 plus communities in the County.

Partly due to the recent economic recession with its many foreclosures, many COCs are facing financial shortages because of delinquent HOA fee payments, sometimes in the tens of thousands of dollars per unit. Some COCs provide utilities out of this collection and others pay mostly for common area up-keep. HOA boards have little leverage to collect from delinquent owners, who may or may not actually live in the units.

COCs need to retain a capital reserve account for major capital expenses that occur from time to time over the life of the COC. In many cases, HOA boards have had to dip into these reserves in order to pay for on-going maintenance, leaving them with little fallback in case of emergencies.

An FHA insured (home purchase) loan is a private loan backed by mortgage insurance provided by an agency of the United States government; it is a form of a loan guarantee that private lenders can rely upon in the case a mortgage borrower defaults. Traditionally, most borrowers who make a down payment of less than 20% of a home's purchase price are required to obtain private mortgage insurance (PMI) which also serves a form of loan guarantee to the lender. During the recent housing crisis, the availability of PMI became severely restricted due to previous lending irregularities, and PMI was difficult to obtain for borrowers who lacked sufficient funds for a down payment. Because of this, the demand for FHA insured loans has increased significantly from previous levels.

In order for a lender to make an FHA loan in a condominium association, the condominium must be pre-approved ("certified") by FHA as meeting certain guidelines related to budgets, reserves, percentage of renters, insurance coverage, percentage of delinquent condo fee payments, among other factors. These guidelines are intended to examine the management practices and financial soundness of the condominium and provide maximum protection for the public funds used for FHA's loan guarantee.

Some of the primary guidelines issued by FHA are:

- No more than 15% of units can be delinquent for more than 60 days;
- A minimum of 50% of the units in the condominium must be owner-occupied;

- At least 10% of the Association's budget must go toward reserve funding;
- The Association's cash reserves must equal one year's worth of Association fees;
- FHA loans cannot account for more than 50% of the loans in the condominium; and
- The Association must maintain adequate insurance coverage, as defined by FHA

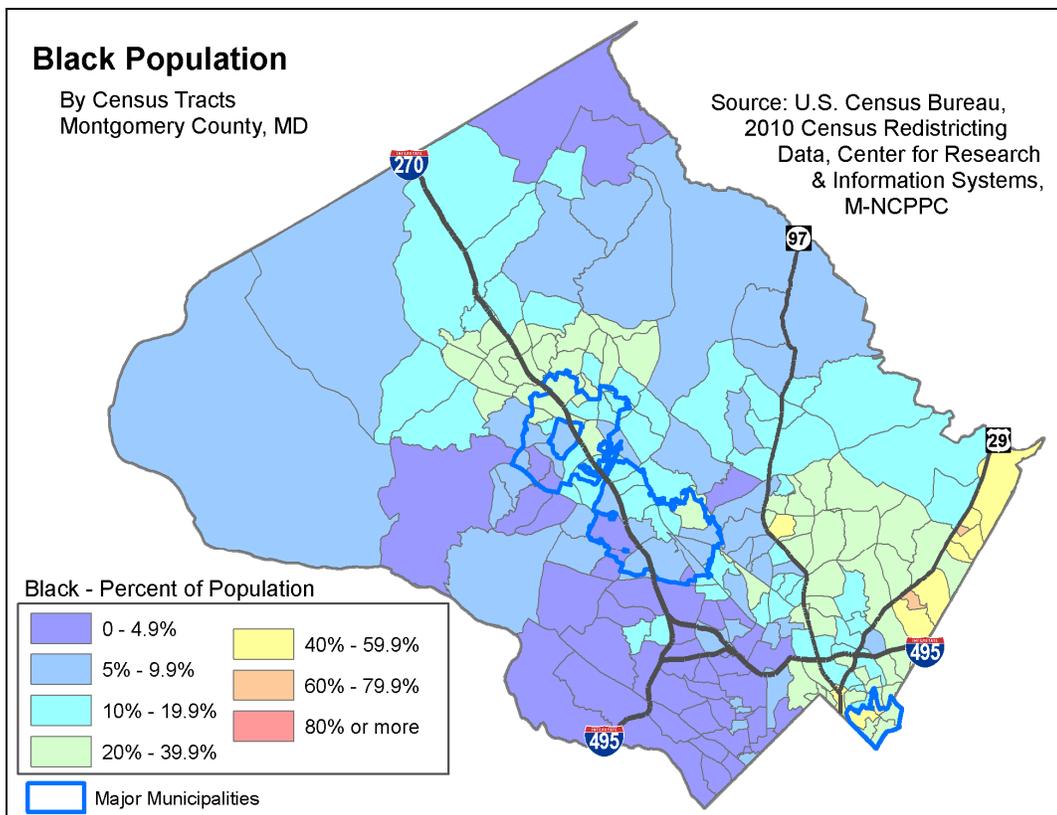
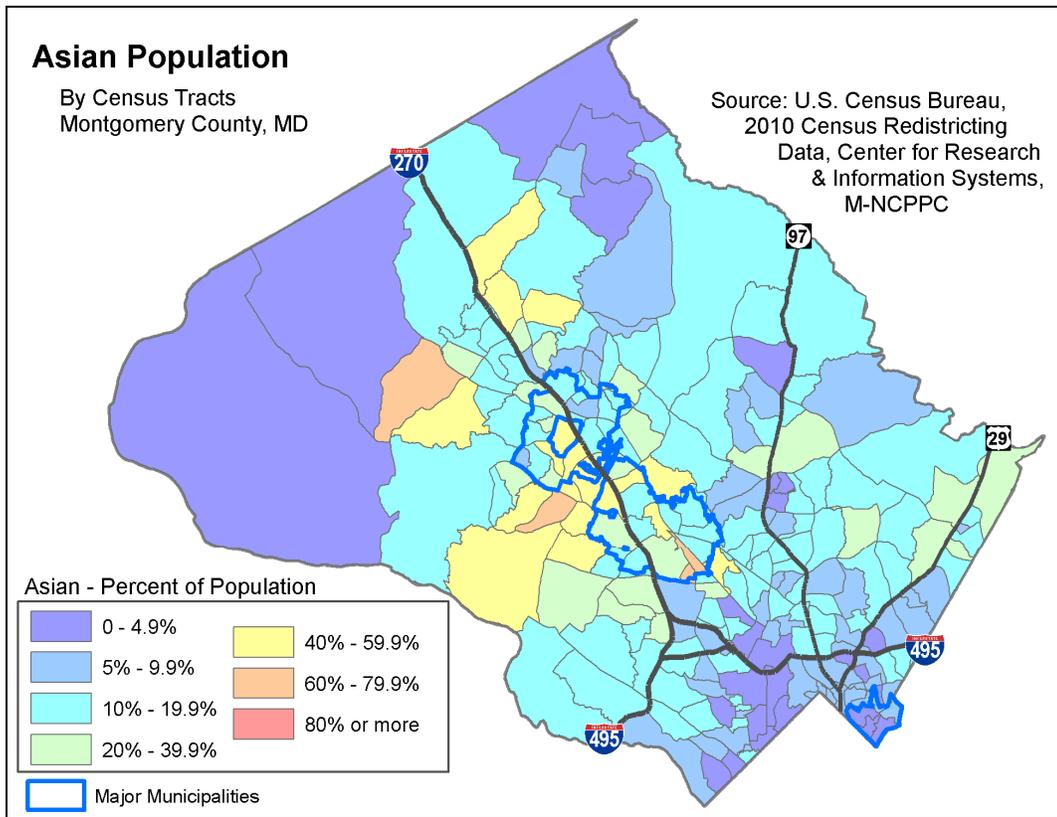
The lack of FHA certification results in a reduced market of potential purchasers, which can result in lower sales prices and property values. In COCs with lower- or moderately-priced units for sale, the lack of FHA approval increases the chances that a unit might be purchased by someone with a readily available 10 or 20% down payment – specifically, an investor owner. While there is nothing inherently wrong with investor owners purchasing units in a community, a significant percentage of investor-owned units can lead to more transient residents who are not as invested in the appearance or well-being of the community.

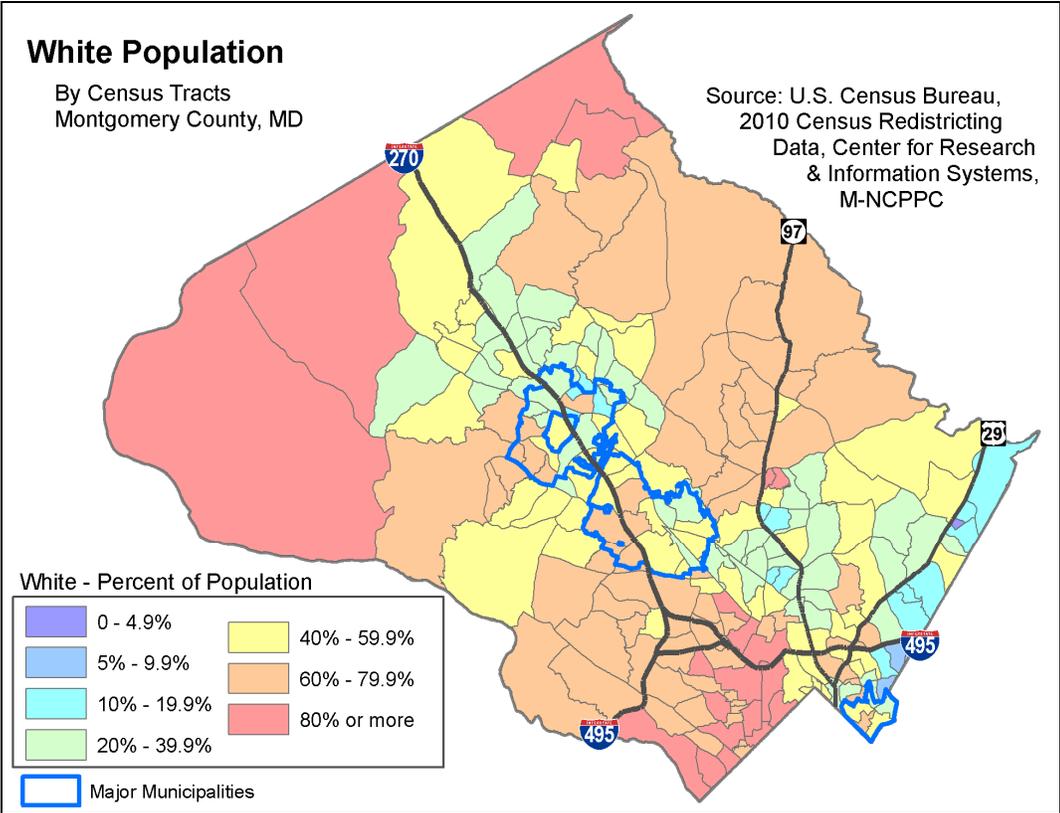
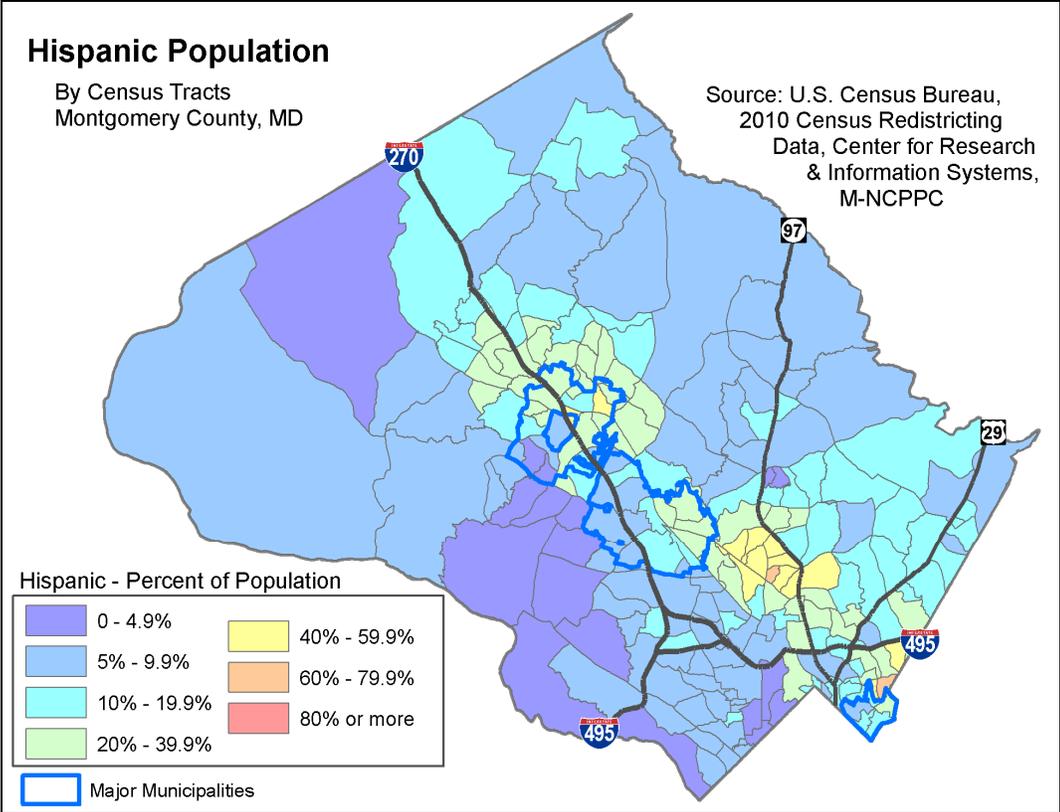
Since FHA certification allows for FHA financing for purchase with a down payment option perhaps as low as 3.5%, affordability of homeownership and "fair housing choice" are directly affected. Many first-time buyers have the funds needed to pay the mortgage but not funds saved for a larger down payment. Lack of the FHA financing option is a barrier to ownership of affordable homes, and tends to affect the fair housing protected groups disproportionately.

Strategies

- Meet with HUD and FHA representatives to develop solutions so that properties can receive FHA-certification
- Provide HOA board training and materials to assist property owners in re-capitalizing their reserves
- Work with private lenders to provide access to needed capital
- Support the work of the Commission on Common Ownership Communities
- Study the issue to identify best practices and possibilities for regional collaboration

Appendix A: 2010 Population by Race, 2000-2010 population Change





Montgomery County Population by Race and Hispanic Origin						
Race	2010 Number	Percent of Total	2000 Number	Percent of Total	Change	Percent Change
Total Population	971,777	100.0%	873,341	100.0%	98,436	10.1%
White	558,358	57.5%	565,719	64.8%	-7,361	-1.3%
Black or African American	167,315	17.2%	132,256	15.1%	35,059	21.0%
American Indian and Alaska Native	3,639	0.4%	2,544	0.3%	1,095	30.1%
Asian	135,451	13.9%	98,651	11.3%	36,800	27.2%
Native Hawaiian/Other Pacific Islander	522	0.1%	412	0.0%	110	21.1%
Some Other Race	67,847	7.0%	43,642	5.0%	24,205	35.7%
Two or More Races	38,645	4.0%	30,117	3.4%	8,528	22.1%
Non-Hispanic Total	806,379	83.0%	772,737	88.5%	33,642	4.2%
White	478,765	49.3%	519,318	67.2%	-40,553	-8.5%
Black or African American	161,689	16.6%	129,371	16.7%	32,318	20.0%
American Indian and Alaska Native	1,580	0.2%	1,756	0.2%	-176	-11.1%
Asian	134,677	13.9%	98,281	12.7%	36,396	27.0%
Native Hawaiian/Other Pacific Islander	427	0.0%	351	0.0%	76	17.8%
Some Other Race	3,617	0.4%	2,630	0.3%	987	27.3%
Two or More Races	25,624	2.6%	21,030	2.7%	4,594	17.9%
Hispanic Total	165,398	17.0%	100,604	11.5%	64,794	39.2%
White	79,593	8.2%	46,401	46.1%	33,192	41.7%
Black or African American	5,626	0.6%	2,885	2.9%	2,741	48.7%
American Indian and Alaska Native	2,059	0.2%	788	0.8%	1,271	61.7%
Asian	774	0.1%	370	0.4%	404	52.2%
Native Hawaiian/Other Pacific Islander	95	0.0%	61	0.1%	34	35.8%
Some Other Race	64,230	6.6%	41,012	40.8%	23,218	36.1%
Two or More Races	13,021	1.3%	9,087	9.0%	3,934	30.2%

Appendix B

Montgomery County Interagency Fair Housing Coordinating Group Members

Kauffmann, Louise. Chair, Gaithersburg City Government

Simon, Jackie. Vice Chair

Armstrong, Cuvator. Member

Bell, Gregory. Member, Mont. County Public School

Floyd, Jeremiah. Member, Human Rights Commission

Khan, Nadim. Member, DHHS

Luecking, Betsy. Member

Torricono, Myriam. Member, DHCA

Janice Freeman. Member, NAACP

Shoenberg, Sue. Member

Cheatham, Patrice. Member, DHCA

Aurand, Andrew. Montgomery County Park and Planning

Ethan Cohen. HOC

Wilson, Erin. City of Rockville

Wilds, Moses A. City of Takoma Park

Staff:

Stowe, James. Director

Garcia, Loretta. Compliance Manager

Ahmad, Anis. Liaison

Appendix C



Commission on Human Rights

The Commission has 15 members. The members are appointed by the County Executive and confirmed by the County Council. The members are men and women who are broadly representative of the diverse population of the County. Each member serves a 3-year term. The Executive designates a member of the Commission to be chair. The Commission may elect other officers, as it deems necessary. Three members of the Commission serve on the Case Review Board which handles appeals and hearings for discrimination complaints.

The Commission's duties mandate that it work to eliminate discrimination, prejudice, intolerance, and bigotry in housing, recreation, education, health, employment, public accommodations, and justice, regardless of race, color, religious creed, ancestry, national origin, sex, age, marital status, disability, sexual orientation, genetic status, presence of children, or source of income, and promote goodwill, cooperation, understanding and human relations among all residents.

HUMAN RIGHTS COMMISSIONERS

Russell Campbell Sr., Chair
Alejandro Becerra
Dr. Sajjad Durrani
Hon. William L. England, Jr., Vice Chair
Dr. Jermiah Floyd
Dr. Suresh Gupta
Dr. Rahul M. Jindal
Dr. Sahar Khamis
Stephanie Mason
Barron Oakcrum
Stacey T. Ormsby, Esq.
Tina Patterson
Selena Singleton
Terry Vann, Esq.