MEMORANDUM

December 3, 2024

To: Jennifer Bryant, Director
           Office of Management and Budget

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

Re: Racial Equity Impact Assessment (REIA) Supplemental Appropriation (SA) #25-42
           Services to End and Prevent Homelessness (SEPH),
           The Short-term Housing and Resolution Program SHARP, Shelter Services
           Expansion, Rental Assistance Program (RAP), and Housing Stabilization Services
           (HSS) Eviction Prevention Program

I.   **FINDING:** The Office of Racial Equity and Social Justice (ORESJ) finds that Supplemental Appropriation #25-42 is likely to advance racial equity and social justice in Montgomery County. The four programs funded by this supplemental appropriation help to fill gaps created by systemic economic inequities that result in racial disparities in rent burden and homelessness.

II.   **BACKGROUND:** The purpose of Supplemental Appropriation #25-42 The Short-term Housing and Resolution Program SHARP, Shelter Services Expansion, Rental Assistance Program (RAP), and Housing Stabilization Services (HSS) Eviction Prevention Program is to allocate $3,640,819 in general funds to four Department of Health and Human Services (DHHS) programs that provide critical services for individuals experiencing homelessness or at risk of homelessness. A November 2024 memo from County Executive Elrich to County Council President Andrew Friedson describes each of the four programs in detail. Below is a summary of key program details, each funding request, and request rationale:

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#25-42 Services to End and Prevent Homelessness (SEPH),
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Program
Page 2 of 4

Program	Key program details	Funding request	Rationale
The Short-term Housing and Resolution Program (SHARP)	The Short-term Housing and Resolution Program (SHARP) provides up to 12 months of rental assistance and navigation services to those experiencing homelessness.	$1,617,353	Move families currently staying in motels used for overflow shelter and those staying in family emergency shelters to permanent housing. In addition, SEPH's diversion staff will work to reduce inflow into motels by offering SHARP to families at imminent risk of homelessness.
Shelter Services Expansion Motel Rooms for Families	Motels are used as overflow shelter when the three family shelters are full.	$550,000	To serve families currently in motel overflow shelters. Because it's been harder for families to secure housing, there is more demand on this system and families' stays in the overflow shelter are longer.
Housing Stabilization Services (HSS) Eviction Prevention	Aims to prevent housing instability by offering $3,000 in financial assistance and short-term case management to connect them to needed resources, which may include landlord-tenant affairs, legal services, financial literacy, vocational support, and behavioral healthcare.	$1,105,882	Funding will enable the program to raise eligibility criteria for eviction prevention from 30% AMI to 60% AMI, which will expand the group of residents that the program can serve.
The Rental Assistance Program (RAP)	Provides a monthly shallow rental subsidy of up to $503.00 to support residents who have disabilities or who	$367,584	Funding for RAP would allow the program to enroll about 139 households who are at risk of homelessness

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Program
Page 3 of 4

	are older adults and are rent burdened to pay their monthly rent. The program supports households exiting short-term housing interventions like Rapid Rehousing (RRH) and SHARP who cannot independently pay for the total rental amount.		and are on the waiting list. It would also help to reduce the risk of returning to homelessness for households exiting programs like RRH and SHARP.

Underlying increased demand for these programs is an increase in homelessness in Montgomery County compared to in 2023. DHHS reports:

 "*The 2024 Point-in-Time Count conducted in January indicated a total of 1,144 people experiencing homelessness in Montgomery County on the night of the count, which was a 28% increase (250 people) from the 2023 count. This number includes 153 unsheltered individuals, an increase of 23% in unsheltered homelessness. There was also a 47% increase in the number of families experiencing homelessness—87% of those in families identified as people of color. There was also an increase in household size, with the average growing from three people per household in 2023 to four people per household this year. This count is consistent with the observation that larger households have struggled to afford rent for larger housing units.*"[1]

III.   **ANALYSIS:** DHHS explains that the experience of homelessness disproportionately impacts people of color due to systemic racism and historical injustice. The department also identifies systemic barriers to housing stability such as housing discrimination, marginalization from the labor force, lack of access to health care, and multigenerational poverty. DHHS' explanation of these factors is echoed in a number of ORESJ REIAs that detail the root causes, systemic inequities, and racial disparities that disproportionately harm communities of color, low-income groups and others with intersecting identities. Below is summary of relevant REIAs:

Racial Equity Impact Assessment (REIA) for Supplemental Appropriation (SA) #24-72 Amendment to the FY24 Operating Budget and Amendment to Fiscal Year 2024 Operating Budget Resolution 20-184 Section G, FY24 Designation of Entities for Non-

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[1] According to the Racial Equity and Social Justice tool submitted to ORESJ.

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Program
Page 4 of 4

Competitive Contract Award Status: The Montgomery County Government, Department of Health and Human Services, Services to End and Prevent Homelessness, Shelter Services, Overflow and Security expansion. (Source of Funds: General Funds)
https://www.montgomerycountymd.gov/ore/Resources/Files/24-72.pdf

Racial Equity Impact Assessment (REIA) Supplemental Appropriation (SA) #24-14 Implementation of the Rent Stabilization Bill
https://www.montgomerycountymd.gov/ore/Resources/Files/24-14.pdf

Racial Equity Impact Assessment (REIA) Supplemental Appropriation (SA) #23-102 Emergency Rental Assistance Program 2
https://www.montgomerycountymd.gov/ore/Resources/Files/23-102.pdf

Racial Equity Impact Assessment (REIA) for Supplemental Appropriation (SA) #22-85 Maryland Department of Housing and Community Development Grant: Emergency Rental Assistance Program and (SA) #22-86 Additional MD Emergency Rental Assistance Program 1
https://www.montgomerycountymd.gov/ore/Resources/Files/22-85and22-86.pdf

Special Appropriation: #22-34 Emergency Rental Assistance Program 2 (Update to and, in support of #21-527 Racial Equity Impact Assessment of Special Appropriation)
https://www.montgomerycountymd.gov/ore/Resources/Files/22-34.pdf

Supplemental Appropriation: #22-31 Nebel Street Shelter
https://www.montgomerycountymd.gov/ore/Resources/Files/22-31.pdf

Supplemental Appropriation: Special Appropriation REIA HHS Rental Assistance
https://www.montgomerycountymd.gov/ore/Resources/Files/21-527.pdf

These REIAs all emphasize the structural nature of the inequities that create racial disparities in housing, financial security, and economic opportunities. The REIAs highlight the importance of programs, like those identified in this REIA, which are designed to fill gaps created by inequities. At the same time, the REIAs also encourage the application of a racial equity lens to the underlying root causes of these inequities to help eliminate and redress the root cause factors that create racially disparate economic opportunities, outcomes, and housing and homelessness disparities.

cc: Dr. James C. Bridgers, Jr., Director, Department of Health and Human Services
        Tricia Swanson, Director, Strategic Partnerships, Office of the County Executive