

**M E M O R A N D U M**

November 25, 2020

TO: Planning, Housing, and Economic Development Committee

FROM: Linda McMillan, Senior Legislative Analyst

SUBJECT: Special Appropriation to the Fiscal Year 2021 Operating Budget; Montgomery County Government; Department of Housing and Community Affairs (DHCA); COVID-19 Response: Maryland State CDBG-CV HUD CPD Funding; \$3,473,228 (Source of Funds: Grant Funds)

PURPOSE: Worksession; vote/recommendation expected

Expected for this session:

Aseem Nigam, Director, Department of Housing and Community Affairs (DHCA)  
Frank Demarais, Deputy Director, DHCA  
Pofen Salem, Office of Management and Budget

*Note: This special appropriation was introduced at the November 17, 2020 Council session. It is scheduled for a public hearing and action on December 1, 2020. While the PHED Committee is being asked to vote on a recommendation at this session, it can reconvene if any information is raised at the public hearing that requires reconsideration.*

The COVID-19 public health crisis has resulted in the total or partial loss of income for many households. In September, Montgomery County applied for a competitive grant of up to \$15 million from the Maryland Department of Housing and Community Development. Montgomery County was awarded \$3,473,228 as a part of this grant program.

This rental assistance will be available to households with incomes at or below 60% of area median income that are in danger of losing housing. It can provide up to 6 months of rent for the current month and any arrearages (not including utilities or late fees). It is not available to households that receive federal rental assistance or have received other rental assistance funded by the CDBG or CARES Act. Landlords accepting this assistance must be current on their property taxes and must agree not to initiate eviction proceedings against a tenant for a time

period equal to the number of months for which the tenant was provided assistance. The tenant must still pay rent during this period.

While the appropriation is being made to the Department of Housing and Community Affairs, the program will be administered by the Department of Health and Human Services. This funding does not have the December 30, 2020 deadline that applies to CARES Act funding.

Council staff recommends approval.

Attached: CE Memo and Special Appropriation Resolution

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**OFFICE OF THE COUNTY EXECUTIVE**

Marc Elrich  
*County Executive*

**MEMORANDUM**

November 12, 2020

TO: Sidney Katz, President, County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Special Appropriation #21-499 to the FY21 Operating Budget  
Montgomery County Government  
Department of Housing and Community Affairs  
COVID-19 Response: CDBG-CV Maryland State Funding, \$3,473,228

Recently, the Department of Housing and Community Affairs applied for and was awarded competitive Federal funding from the State of Maryland. Through the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, the State made available approximately \$15 million in Community Development Block Grant COVID-19 (CDBG-CV) funds. Montgomery County was awarded \$3,473,228. The State (and the Federal Department of Housing and Urban Development (HUD)) requires that this funding be utilized to reduce the negative impact of COVID-19.

This funding will be utilized to provide support for County residents facing housing hardships resulting from the COVID-19 crisis. Specifically, the State requires that funds be used to provide rental assistance to low-income county residents.

I recommend that the County Council approve this special appropriation in the amount of \$3,473,228 and specify the source of funds as Grant Funds. This special appropriation does not impact General Fund Reserves.

I appreciate your prompt consideration of this action.

ME:an

Attachment: Special Appropriation #21-499

c: Richard S. Madaleno, Chief Administrative Office, County Executive Office  
Lisa Mandel-Trupp, Chief of Staff to the Council President  
Aseem K. Nigam, Director, Department of Housing and Community Affairs

Resolution No.: \_\_\_\_\_  
Introduced: \_\_\_\_\_  
Adopted: \_\_\_\_\_

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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Lead sponsor: Council President at the request of the County Executive

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**SUBJECT:** Special Appropriation #21-499 to the Fiscal Year 2021 Operating Budget  
Montgomery County Government  
Department of Housing and Community Affairs (DHCA)  
COVID-19 Response: Maryland State CDBG-CV HUD CPD Funding  
\$3,473,228 (Source of Funds: Grant Funds)

**Background**

1. Section 308 of the County Charter provides that a special appropriation is an appropriation which states that it is necessary to meet an unforeseen disaster or other emergency, or to act without delay in the public interest. Each special appropriation shall be approved by not less than six Councilmembers. The Council may approve a special appropriation at any time after public notice by news release. Each special appropriation shall specify the source of funds to finance it.
2. A new coronavirus disease, named COVID-19, appeared in China in December 2019 and spread extremely quickly. On March 11, 2020 the World Health Organization declared the disease a pandemic. The March 20, 2020 situation report from the World Health Organization stated that the number of confirmed cases worldwide has exceeded 200,000. It took over three months to reach the first 100,000 confirmed cases, and only 12 days to reach the next 100,000. As of November 10, 2020, there were over 10.2 million confirmed cases in the United States, including 156,000 confirmed cases in Maryland, of which 27,587 were in Montgomery County.
3. To slow the spread of the disease, Governor Hogan declared a State of Emergency and has issued several Executive Orders with actions that include, but are not limited to, closing schools, closing senior centers and adult medical day care programs, closing all non-essential businesses and limiting the number of people that can gather.
4. This public health crisis has resulted in the immediate loss of income for many households as businesses have been required to close and people have been told to stay home. This creates a financial crisis for many County residents and businesses.

5. The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress with overwhelming, bipartisan support and signed into law by President Trump on March 27, 2020. This over \$2 trillion economic relief package delivers on the Trump Administration’s commitment to protecting the American people from the public health and economic impacts of COVID-19.
6. The Department of Housing and Community Affairs applied for and was awarded competitive federal funding from the State of Maryland. Through the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, the State made available approximately \$15 million in Community Development Block Grant COVID-19 (CDBG-CV) funds. Montgomery County was awarded \$3,473,228. The State (and the federal Department of Housing and Urban Development (HUD)) requires that this funding be utilized to reduce the negative impact of COVID-19. Funds will be used to provide financial support for County residents currently facing hardships resulting from the COVID-19 crisis.
7. Public notice of the special appropriation was provided and a public hearing was held.

**Action**

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

A special appropriation to the FY21 Operating Budget of the Montgomery County Government, in the amount of \$3,473,228 is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>TOTAL</u>	<u>Sources of Funds</u>
\$102,000	\$3,371,228	\$3,473,228	State Grants

The funds will be administered by the Department of Health and Human Services to implement eviction and homeless prevention program addressing tenants up to 60% of AMI at risk of eviction or homelessness due to COVID-19 impacts.

This special appropriation must be used for financial assistance to County residents facing financial hardship because of the COVID-19 health crisis.

This appropriation is needed to in response to a public health emergency and to act without delay in the public interest.

Special Appropriation #21-499  
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This is a correct copy of Council action.

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Selena Mendy Singleton, Esq.  
Clerk of the Council