MEMORANDUM

February 5, 2020

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

FROM: Aron Trombka, Senior Legislative Analyst A^T
Victoria (Tori) H. Hall, Legislative Analyst
Office of Legislative Oversight

SUBJECT: Follow Up to OLO Report 2019-4, *Inventory of Rent Subsidy Programs in Montgomery County*

PURPOSE: Update and Discussion

In July 2019, the Planning, Housing and Economic Development and Health and Human Services Committees met jointly to receive a presentation from the Office of Legislative Oversight (OLO) on OLO Report 2019-4, *Inventory of Rent Subsidy Programs in Montgomery County*. The report inventories rent subsidy programs administered in the County for households (individuals or families) who would be otherwise unable to obtain or retain permanent housing due to low income and/or a disabling condition. Specifically, the report describes 29 rent subsidy programs administered by either the Housing Opportunities Commission (HOC) or the County Department of Health and Human Services (DHHS). Many DHHS-administered programs are implemented through contracts with non-profit organizations.

As described in the report, OLO found that no common standards govern data management across rent subsidy programs. Different programs maintain different sets of demographic and financial data, and data are not readily available for several rent subsidy programs. OLO also found that no coordinated entry approach exists for these rent subsidy programs. The Executive Summary for Report 2019-4 is attached at © 1-4.

Following the joint PHED/HHS meeting in July 2019, Committee Chairs Riemer and Albornoz sent a memo to the County Executive and the HOC Executive Director (see © 5-7). In the memo, the Chairs called for the County Executive and HOC to convene an interagency group to develop an integrated data management system and a coordinated entry system for the collection of rent subsidy programs. **At the February 10 PHED/HHS meeting, the Committee will receive an update from the Executive Branch and HOC on progress made to date in developing an implementation plan for the rent subsidy integrated data management system and a coordinated entry system. As of the writing of this memorandum, the Executive Branch and HOC have not submitted an advanced summary of their presentation.**

<u>Summary of OLO Findings</u>: At the July 2019 PHED/HHS meeting, the Committees focused their discussion on two of the findings in OLO Report 2019-4 summarized below.

Finding: No common standards govern data management across rent subsidy programs. Different programs maintain different sets of demographic and financial data, and data are not readily available for several rent subsidy programs.

The rent subsidy programs inventoried in the report have no common data collection or management practices. Several programs report client data in the Homeless Management Information System (HMIS), but the HMIS is not designed to track fiscal assistance to clients, and data for many programs are stored outside the HMIS.

Many of the DHHS-administered rent subsidy programs collect client data in DHHS's new Enterprise Integrated Case Management (EICM) system. The EICM records client-level demographic and service information and the housing assistance payments for some programs. However, the EICM does not include housing assistance payment information for many programs run by non-profit contractors. The HMIS and the EICM are separate systems with limited ability to merge data.

Demographic and financial data for some programs administered by the County's non-profit contractors are stored solely in files and spreadsheets maintained by DHHS program managers, but this information is dispersed and difficult to consolidate.

Several permanent supportive housing programs are funded by multiple federal, State, County, and non-public sources. At present, the County's budgeting and accounting systems cannot produce reports that consolidate program data across funding sources. As such, DHHS cannot readily retrieve certain program-specific spending data for some permanent supporting housing programs.

Finding: While a coordinated entry system exists for the federally-funded homelessness programs, no similar coordinated entry approach exists for the rent subsidy programs.

The Montgomery County Continuum of Care has established a coordinated entry system (CES) for homelessness reduction and prevention programs. Some rent subsidy programs accept entry wholly or partially through the current CES, while others run outside the CES with separate paths of entry and waiting lists. For example, HOC maintains an online portal for residents to apply for their programs, but the portal does not provide access to DHHS-administered programs.

<u>Joint Committee Request</u>: In response to the findings of the OLO report, the Chairs of the PHED and HHS Committees requested that the County Executive and HOC to convene an interagency group to develop a plan to implement an integrated data management system and a coordinated entry system covering all County Government and HOC rent subsidy programs. Specifically, the Councilmembers asked the County Government and HOC to submit a written implementation plan to the Council that includes:

1. A proposed interagency governance model for developing, managing, and operating the integrated data management and coordinated entry systems;

2. An outline of the types of inputs to, and outputs from, the interagency data management system including how a coordinated system that standardizes financial recordkeeping, data definitions and data collection would interact with existing agency data management systems;

3. An outline of how clients or their advocates would access information and apply for rent subsidy assistance and how a coordinated entry system would interact with existing application processes;

4. Consideration of how the integrated data management and coordinated entry systems would interact with one another and an assessment of the preferred sequencing of the implementation of these two systems;

5. An assessment of what modification to agency operating, budgeting, procurement, and information technology processes would be needed to implement the two systems;

6. Identification of resources needed to develop the two systems; and

7. A timeline for completion of each system.

OLO Report 2019-4
Inventory of Rent Subsidy Programs in Montgomery County
Executive Summary

The County Council asked the Office of Legislative Oversight (OLO) to prepare a report on the rent subsidy programs in Montgomery County and the populations served by these programs. This report inventories 29 rent subsidy programs administered in the County that provide rent subsidies (known as "housing assistance payments") on behalf of households (individuals or families) who would be otherwise unable to obtain or retain permanent housing due to low income and/or a disabling condition. The inventory excludes short-term and emergency housing assistance programs, shelters, transitional housing, group homes, residential treatment programs, and affordable housing programs that do not provide housing assistance payments.

Major Findings

OLO identified four major findings from the preparation of this report.

Finding #1: ***No fewer than 29 distinct rent subsidy programs are administered in Montgomery County, ranging from large federally-funded programs administered locally by the Housing Opportunities Commission that serve thousands of households to small programs run by local non-profit organizations under contract to the Department of Health and Human Services.***

This report presents an inventory of 29 rent subsidy programs administered in Montgomery County. Each program is administered either by the Housing Opportunities Commission (HOC) or by the County Department of Health and Human Services (DHHS). Many DHHS-administered programs are implemented through contracts with non-profit organizations. The largest programs provide subsidies to several thousand households; the smallest programs serve fewer than a dozen clients.

Rent Subsidy Programs in Montgomery County	
HOC-administered	10 programs
DHHS-administered	19 programs

Funding sources vary greatly among the programs in the inventory. Federal dollars cover all rent subsidy costs for some programs, such as the Housing Choice Voucher program, the largest rent subsidy program in the County. Other programs are funded entirely by local dollars, in many cases from the County's Housing Initiative Fund. Still other programs receive a combination of Federal and County funding with some also receiving supplemental support from the State of Maryland.

The inventory includes programs with different target populations. Some programs generally serve low-income households. Some programs target population subgroups such as veterans, persons with disabilities, seniors, and the formerly homeless. Some programs solely offer rent assistance while others combine rent subsidies with supportive services.

The amount of the rent subsidy also varies among the programs. Many programs scale the subsidy amount to household income to assure that the tenant pays no more than 30 percent of household income on rent. Other programs offer subsidies at fixed dollar amounts.

Finding #2: **Despite many entities working to reduce and prevent homelessness, these organizations have successfully coordinated services and consolidated program data, and they can serve as a model for rent subsidy programs.**

The same organizations that offer rent subsidy programs also offer programs to reduce and prevent homelessness. These organizations have developed systems to coordinate their services in the County and to consolidate and compare data across their programs. A partnership of public and private groups in the County has established a Montgomery County Continuum of Care (CoC) that coordinates programs to prevent and reduce homelessness.

The CoC manages a Homeless Management Information System (HMIS), which is a standardized data system to record and analyze client, service, and housing data for individuals and families who are homeless or at risk of homelessness. The CoC uses the HMIS to coordinate the prioritization of residents needing homeless services and to produce an unduplicated count of homeless individuals and families.

The CoC also uses a Coordinated Entry System (CES) to link homeless people with the housing services best suited to their needs. HUD requires use of the CES to standardize assessments and referrals for potential program participants. All participating organizations refer clients using the same decision-making processes, no matter how a client first accesses the system.

The CoC demonstrates that diverse service providers can successfully coordinate program entry, service delivery, and data management.

Finding #3: **No common standards govern data management across rent subsidy programs. Different programs maintain different sets of demographic and financial data, and data are not readily available for several rent subsidy programs.**

The rent subsidy programs inventoried in this report have no common data collection or management practices. Several programs report client data in the HMIS, but the HMIS is not designed to track fiscal assistance to clients, and data for many programs are stored outside the HMIS.

Many of the DHHS-administered rent subsidy programs collect client data in DHHS's new Enterprise Integrated Case Management (EICM) system. The EICM records client-level demographic and service information and the housing assistance payments for some programs. However, the EICM does not include housing assistance payment information for many programs run by non-profit contractors. The HMIS and the EICM are separate systems with limited ability to merge data.

Demographic and financial data for some programs administered by the County's non-profit contractors are stored solely in files and spreadsheets maintained by DHHS program managers, but this information is dispersed and difficult to consolidate.

Several permanent supportive housing programs are funded by multiple federal, State, County, and non-public sources. At present, the County's budgeting and accounting systems cannot produce reports that consolidate program data across funding sources. As such, DHHS cannot readily retrieve certain program-specific spending data for some permanent supporting housing programs.

Finding #4: *While a coordinated entry system exists for the federally-funded homelessness programs, no similar coordinated entry approach exists for the rent subsidy programs.*

The County's CoC has established a coordinated entry system (CES) for homelessness reduction and prevention programs. Some rent subsidy programs accept entry wholly or partially through the current CES, while others run outside the CES with separate paths of entry and waiting lists. For example, HOC maintains an online portal for residents to apply for their programs, but the portal does not provide access to DHHS-administered programs.

OLO Recommendations

Based on the findings of this report, OLO presents three recommendations to the County Council.

Recommendation #1: *OLO recommends that Council review the inventory of rent subsidy programs in this report to better understand the array of rent subsidies available to County residents and to inform Council policy and budget decision-making.*

The OLO inventory of rent subsidy programs is intended to help Councilmembers and the community better understand the array of rent subsidy programs administered in the County. These programs are run by different organizations, target different populations, offer different subsidy amounts, and receive funding from multiple sources. Outside this report, no current compendium of rent subsidy programs in the County is available.

This report consolidates information about 29 distinct programs, enabling the Council to review each program's provisions including: eligibility criteria, income limits, subsidy amounts, and funding sources. The program inventory in this report will allow the Council to compare elements across programs and identify potential gaps in assistance. Information of this sort can be useful when the Council considers affordable housing policies and allocates resources through the budget process.

However, a comprehensive review of the rent subsidy programs-- and whether these programs leave gaps in service -- requires complete demographic and financial data for each program. Basic demographic and financial data are not readily available for several rent subsidy programs.

Recommendation #2: *The Council should ask the County Executive to convene an interagency group to plan for an integrated data management system for all rent subsidy programs.*

Rent subsidy program data are kept in multiple data management systems. No common data collection practices exist across all programs. As a result, data from these programs cannot be readily collected, compared or evaluated. The absence of a consolidated data repository hinders assessment of how the programs collectively address the changing needs of the County population. Furthermore, the lack of consistent data across all programs hampers the Council's capacity to compare program performance and to make informed decisions on how to allocate limited County resources.

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OLO recommends that the Council ask the County Executive to convene an interagency group to plan for an integrated rent subsidy program data management system. Consistent data would better inform all stakeholders about how County funds are spent and where there may be service gaps.

OLO suggests that the first step be planning to identify the necessary changes to business practices, accounting and budgeting guidelines, procurement rules, and information technology needed for an integrated data management system. Such planning should establish guidelines for data collection including common definitions and methods for sorting comparable data across programs.

OLO recommends that the Council ask the County Executive to convene an interagency group to develop a plan and to identify the resources needed to implement it. OLO suggests that the interagency group report back to the Council by December 31, 2019, on its plans to establish an integrated data management system for all rent subsidy (and possible other related) programs.

Recommendation #3:** **The Council should ask the County Executive to convene an interagency group to develop a coordinated entry system for all rent subsidy programs.

OLO recommends that the Council ask the County Executive to convene an interagency group to develop a coordinated entry system for all rent subsidy programs in the County. Logically, the rent subsidy entry system would share data with the Coordinated Entry System for homelessness programs as well as with HOC's Housing Path online portal. Alternatively, HOC could expand its portal to allow entry into DHHS-administered rent subsidy programs.

Planning a coordinated entry system for rent subsidy programs would require interagency cooperation. OLO suggests that the ICH, in coordination with the County Department of Technology Services, would be a reasonable group to do this. OLO recommends that the interagency group chosen by the County Executive report by December 31, 2019, on the steps needed to coordinate entry across all rent subsidy programs including identification of needed resources and an implementation timeline.

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MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

MEMORANDUM

July 30, 2019

TO: Marc Elrich, Montgomery County Executive

           Stacy Spann, Executive Director
           Housing Opportunities Commission of Montgomery County

FROM: Hans Riemer, Chair, Planning, Housing and Economic Development Committee
           Gabe Albornoz, Chair, Health and Human Services Committee
           Montgomery County Council

SUBJECT: Coordinated Data Management and Client Entry for Rent Subsidy Programs

On July 18, 2019, the Council's Planning, Housing and Economic Development Committee and Health and Human Services Committee held a joint session to consider the findings and recommendations of Office of Legislative Oversight (OLO) Report 2019-4, *Inventory of Rent Subsidy Programs in Montgomery County*. The OLO report found that:

- No fewer than 29 distinct rent subsidy programs are administered by either the Housing Opportunities Commission or the County Department of Health and Human Services. The various subsidy programs have multiple funding sources, target different populations, and offer varying levels of assistance.

- No common standards govern data management across all rent subsidy programs. Different programs maintain different sets of demographic and financial data. Demographic and financial data are not readily available for several rent subsidy programs.

- No coordinated entry system exists for all rent subsidy programs.

The absence of coordinated data collection standards hinders assessment of how the current array of programs collectively address the changing needs of the County population. The lack of consistent data across all programs precludes a meaningful comparison of program performance and cost effectiveness. Moreover, the diverse paths of entry for these programs renders access to rent subsidies more difficult for residents who need assistance and makes it harder to determine how limited rent subsidies are being prioritized among potential clients.

To address these problems, the Council's Planning, Housing and Economic Development Committee and Health and Human Services Committee ask you to convene an interagency group to plan for integrated data management and coordinated entry for all County Government and HOC rent subsidy programs.

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<u>Data Management System</u>: An integrated rent subsidy program data management system should establish consistent data fields for each program. The system should be able to produce information that would support program review and oversight such as the:

- Average per month expenditures for rent subsidies by program and by housing unit size;

- Expenditures for rent subsidy payments specifically, as distinct from additional supportive services, utilities, and other categories of expenditure.

- Total annual expenditures for rent subsidy payments by funding source;

- Total number of households receiving rent subsidies across all programs, disaggregated by income range;

- Average duration of rent subsidy payments per household by program; and

- Total number of households receiving rent subsidies disaggregated by population subgroups (e.g., veterans, persons with disabilities, seniors).

<u>Coordinated Entry System</u>: A coordinated entry system should provide clients with benefit and application information about all rent subsidy programs independent of which program they first seek to access. This system could be modelled after the existing coordinated system managed by the County's Continuum of Care for homelessness programs. The system should be designed to:

- Allow for decentralized access to all rent subsidy programs; ·

- Standardize the assessment and referral processes for potential program participants;

- Facilitate prioritization of assistance based on clients' needs and the availability of resources to assist the client; and

- Collect information about service needs and gaps.

Developing integrated data management and coordinated entry systems will require cooperation between County Government and HOC policy makers and program managers, as well as input from non-profit and municipal service providers. In addition, budget, procurement, and information technology staff from both the County Government and HOC must be involved in the development of these systems.

We request that the County Government and HOC submit a written implementation plan to the Council by the end of Calendar Year 2019. The plan should include:

1. **A proposed interagency governance model for developing, managing, and operating the integrated data management and coordinated entry systems;**

2. **An outline of the types of inputs to, and outputs from, the interagency data management system including how a coordinated system that standardizes financial recordkeeping, data definitions and data collection would interact with existing agency data management systems;**

3. An outline of how clients or their advocates would access information and apply for rent subsidy assistance and how a coordinated entry system would interact with existing application processes;

4. Consideration of how the integrated data management and coordinated entry systems would interact with one another and an assessment of the preferred sequencing of the implementation of these two systems;

5. An assessment of what modification to agency operating, budgeting, procurement, and information technology processes would be needed to implement the two systems;

6. Identification of resources needed to develop the two systems; and

7. A timeline for completion of each system.

We look forward to working with the County Government and HOC to move forward on these initiatives to improve housing stability for County residents.