

M E M O R A N D U M

July 13, 2020

TO: Health and Human Services Committee

FROM: Amanda Mihill, Legislative Attorney

SUBJECT: Bill 25-20, Rental Assistance - Amendments

PURPOSE: Worksession – Committee to make recommendation¹

Those expected to attend this worksession include:

- Amanda J. Harris, Chief of Services to End and Prevent Homelessness, Department of Health and Human Services

Background

Bill 25-20, Rental Assistance - Amendments, sponsored by Lead Sponsor Council President at the request of the County Executive, was introduced on June 16, 2020. A public hearing was held on July 7 at which the lone speaker, Ilana Branda testified on behalf of the County Executive (©12).

Bill 25-20 would:

- reduce the age of eligibility for the Rental Assistance Program from 62 to 55;
- clarify the definition of a person with a documented disability;
- remove the prohibition of eligibility of County residents without immigration documentation; and
- provide that the benefit amount for the Program is established by Method 3 regulation.

Issues for Committee Discussion

Council staff does not have any legal issues to raise regarding Bill 25-20. However, Council staff has requested that Executive staff provide information as to the impact of Bill 25-20. Specifically, Council staff asked the following questions:

- How many households were served in FY20 with the \$200 monthly maximum?
- What maximum does DHHS expect to recommend in the new regulations?

¹ #MoCoRentalAssistance

- If the new maximum will result in fewer households being served, how will DHHS transition to the new levels (recognizing that there is turnover in the program each year)?

Executive staff testimony attached on ©12 notes that the bill “removes the specific formula for calculating the amount of the Rental Assistance Program benefit and stipulates that the benefit amount be set in regulation annually - this change allows for easier updating of the benefit amount from year to year.” Although Council staff does not have any concerns with the Executive setting the specific annual amount of the benefit in a Method 3 regulation, we do have concerns with the policy parameters of that regulation being set by Method 3 because Method 3 does not allow for Council review. Therefore, Council staff recommends the following amendment to Bill 25-20(©4-5, lines 77-90):

- (a) [[Benefits under this Article must be paid in accordance with regulation. [The regulation must specify the amount of the benefit, considering the actual monthly rent paid by a tenant for a rental unit. The regulation may also consider a maximum allowable rent cost, based on household size and other variables. Maximum benefit amounts may be established for classes of eligible households based on age, household size, and other variables specified by regulation.
 - (1) The percentages must vary based upon the number of individuals in the household.
 - (2) The office of landlord-tenant affairs must at least annually determine the average rental costs for rental units of different sizes in Montgomery County.] By Method 3 regulation, the Department must annually set and disseminate a schedule of the benefit amount.]] Benefits under this Article must be paid in accordance with criteria set by Method 2 regulation. However, the specific minimum and maximum benefit that may be paid to an eligible household must be determined annually by Method 3 regulation.

This packet contains:	<u>Circle #</u>
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Bill No. 25-20
Concerning: Rental Assistance -
Amendments
Revised: 5/28/2020 Draft No. 2
Introduced: June 16, 2020
Expires: December 16, 2021
Enacted: [date]
Executive: [date signed]
Effective: [date takes effect]
Sunset Date: None
Ch. [#], Laws of Mont. Co. [year]

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council President at the Request of the County Executive

AN ACT to:

- (1) change the age of eligibility for the Rental Assistance Program;
- (2) clarify the definition of a person with a documented disability;
- (3) remove the prohibition of eligibility of County residents without immigration documentation;
- (4) provide that the benefit amount for the Program is established in regulations; and
- (5) generally amend County law regarding the Rental Assistance Program.

By amending

Montgomery County Code
Chapter 41A, Rental Assistance
Sections 41A-2, 41A-3, and 41A-5

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

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

Sec. 1. Sections 41A-2, 41A-3, and 41A-5 are amended as follows:

41A-2. Definitions.

In this Article, the following words have the meanings indicated:

- (a) *Applicant* means a person, commonly the head-of-household, who applies for rental assistance on behalf of a household.

* * *

- (e) [*Disabled person* means any individual who:

(1) receives disability benefits under the Social Security Act or the Railroad Retirement Act, or from a federal, state, or local government disability retirement system; or

(2) has a physical, mental, or emotional impairment that substantially limits one or more major life activities of the individual as the Department determines after the individual submits a statement of condition of disability from the individual's physician.

- (f) [*Eligible Household* means a household that [:

(1)] meets the standards of eligibility adopted in regulations, and includes one or more of the following:

(1) a person with a documented disability and any others who live with the person under the same rental agreement;

(2) a person 55 years of age or older, and any others who live with the person under the same rental agreement; or

(3) a person who is a participant designated by the Director as eligible for participation.

[(2) resides in an eligible rental unit.]

- (f) [(g)] [*Eligible rental unit* means a rental unit in the County:

(1) that conforms to the standards adopted in regulations;

(2) for which the household has a rental agreement; and

- (3) that maintains all licenses and permits as required by Chapter 29.
- ~~(g)~~ [(h)] (1) *Gross income* means the total household income from all sources, whether or not reported on a federal or state income tax return.
- (2) *Gross income* does not include losses from business, rental, or capital transactions and certain third-party, educational, and restitution payments specified in regulations.
- [(i)] *Household* means:
- (1) two or more persons, whether or not related, who live together in an eligible rental unit;
- (2) a disabled person; or
- (3) a person 62 years of age or older.
- All persons living in an eligible rental unit must be treated as one household for the purposes of determining eligibility.]
- [(h)] *Person with a documented disability* means a person who:
- (1) receives disability benefits under the Social Security Act or the Railroad Retirement Act, or from a federal, state, or local government disability retirement system; or
- (2) has a physical, mental, or emotional impairment that substantially limits one or more major life activities of the individual as the Department determines after the individual submits a statement of condition of disability from the individual's physician.
- [(i)] [(j)] *Recipient* means a person who is receiving benefits on behalf of a household under this Article. A recipient includes a person who reapplies for benefits before the end of that person's eligibility period. Each recipient must be at least 18 years old, a resident of the County, reside at the application rental unit, and be a member of the household.

(j) [(k)] *Rental unit* means a unit occupied by not more than one household, which includes:

- (1) a detached or attached single family home or townhouse;
- (2) an apartment in a multi-family facility;
- (3) a condominium or cooperative unit in a multi-family [multifamily] facility;
- (4) a rental mobile home in a licensed mobile home park, or a rented mobile home pad on which the applicant has placed a mobile home in a licensed mobile home park; or
- (5) a room or group of rooms in an attached or detached single family home or townhouse, apartment, condominium or cooperative.

41A-3. Eligibility for Rental Assistance Program benefits.

- (a) A household is eligible to receive Rental Assistance Program benefits if the household meets the standards established in regulations. The standards of eligibility must consider, but are not limited to, the following elements:

* * *

- [(c) A household is not eligible for benefits under this Article if the applicant is an undocumented resident. An undocumented resident applicant may receive benefits if a child for whom the applicant receives Temporary Cash Assistance benefits resides in the household.]

41A-5. Rental assistance benefits.

* * *

- (a) Benefits under this Article must be paid in accordance with regulation. [The regulation must specify the amount of the benefit, considering the actual monthly rent paid by a tenant for a rental unit. The regulation may also consider a maximum allowable rent cost, based on household size

and other variables. Maximum benefit amounts may be established for classes of eligible households based on age, household size, and other variables specified by regulation.

(1) The percentages must vary based upon the number of individuals in the household.

(2) The office of landlord-tenant affairs must at least annually determine the average rental costs for rental units of different sizes in Montgomery County.] By Method 3 regulation, the Department must annually set and disseminate a schedule of the benefit amount.

* * *

Approved:

Sidney Katz, President, County Council

Date

Approved:

Marc Elrich, County Executive

Date

This is a correct copy of Council action.

Selena Mendy Singleton, Clerk of the Council

Date

LEGISLATIVE REQUEST REPORT

Bill 25-20

Rental Assistance - Amendments

DESCRIPTION: Consistent with Executive Order 135-19, this Bill removes a limitation on the availability of rental assistance benefits to a household if the applicant is an “undocumented resident.” This Bill makes two other unrelated programmatic changes: (1) it lowers the age of eligibility for rental assistance benefits from 62 to 55 and (2) it removes the specific formula for calculating the amount of the rental assistance benefits and provides that the benefit amount be set by regulation.

PROBLEM: Rental assistance benefits are conditioned upon the immigration status of the applicant.

GOALS AND OBJECTIVES: Delete the conditioning of rental assistance benefits based upon immigration status.

COORDINATION: Department of Health and Human Services

FISCAL IMPACT: Office of Management and Budget.

ECONOMIC IMPACT: Department of Finance.

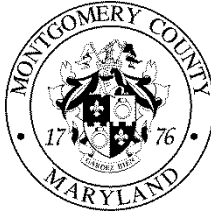
EVALUATION: To be requested

EXPERIENCE ELSEWHERE: To be researched

SOURCES OF INFORMATION: Raymond L. Crowel, Director, HHS

APPLICATION WITHIN MUNICIPALITIES: To be researched

PENALTIES: N/A




OFFICE OF THE COUNTY EXECUTIVE
Rockville, Maryland 20850

Marc Elrich
County Executive

MEMORANDUM

May 8, 2020

TO: Sidney Katz, County Council President

FROM: Marc Elrich, County Executive 

RE: Changes to County Code to remove reference to undocumented immigration status

1. PURPOSE: As a result of County Executive Order 135-19, which stated “no agent or department may condition the provision of County benefits, opportunities, or services on matters related to citizenship or immigration status unless required to do so by state or federal law, or court order,” the Department of Health and Human Services (DHHS) is requesting legislation to remove one reference to “undocumented resident” in a section of County Code related to DHHS-provided services. The other two proposed changes in the attached draft bill language are not related to Executive Order 135-19 and are minor adjustments that are programmatic in nature.

2. BACKGROUND: The Rental Assistance Program is a County-funded program in DHHS to assist eligible persons or households to pay the rent on dwelling units that are appropriate to their needs.

3. ANALYSIS: Removing Section 41A-3(c) removes the condition of immigration status for the Rental Assistance Program. The change to Section 41A-2 lowers the age of eligibility for Rental Assistance Programs from 62 to 55 years. The change to Section 41A-5 removes the specific formula for calculating the amount of the Rental Assistance Program benefit and stipulates that the benefit amount be set in regulation annually; this change allows for easier updating of the benefit amount from year to year.

4. RECOMMENDATION: I request a bill to implement these changes.

5. ATTACHMENTS: Attached is draft language of each change that would need to be made in the Code in order to implement these recommendations. The Office of the County Attorney has reviewed this legislation and approved it.

Fiscal Impact Statement
Bill XX-20 Rental Assistance Benefits - Amendments

1. Legislative Summary.

Consistent with Executive Order 135-19, this Bill removes a limitation on the availability of rental assistance benefits to a household if the applicant is an “undocumented resident.” This Bill makes two other unrelated programmatic changes: (1) it lowers the age of eligibility for rental assistance benefits from 62 to 55, and (2) it removes the specific formula for calculating the amount of the rental assistance benefits and provides that the benefit amount be set by regulation.

2. An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.

No changes in County expenditures or revenues are anticipated due to the Bill’s provisions.

3. Revenue and expenditure estimates covering at least the next 6 fiscal years.

No changes in County expenditures or revenues are anticipated over the next six fiscal years due to the Bill.

4. An actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs.

Not applicable.

5. An estimate of expenditures related to the County's information technology (IT) systems, including Enterprise Resource Planning (ERP) systems.

Not applicable.

6. Later actions that may affect future revenue and expenditures if the bill authorizes future spending.

Bill XX-20 does not authorize future spending.

7. An estimate of the staff time needed to implement the bill.

There is no additional staff time needed to implement the bill.

8. An explanation of how the addition of new staff responsibilities would affect other duties.

There is no impact on current staff responsibilities.

9. An estimate of costs when an additional appropriation is needed.

No additional appropriation is needed to implement Bill XX-20.

10. A description of any variable that could affect revenue and cost estimates.

Not applicable.

11. Ranges of revenue or expenditures that are uncertain or difficult to project.

Not applicable.

12. If a bill is likely to have no fiscal impact, why that is the case.

The Bill changes the eligibility criteria for, and makes certain administrative changes to, the Rental Assistance Program. Funding for the program is appropriated annually and the Department of Health and Human Services must stay within the limits of the funds appropriated.

13. Other fiscal impacts or comments.

None.

14. The following contributed to and concurred with this analysis:

Amanda Harris, Department of Health and Human Services

Deborah Lambert, Office of Management and Budget.



Richard S. Madaleno, Director
Office of Management and Budget

-
05/07/20

Date

Bill 25-20

Rental Assistance – Amendments

SUMMARY

The Office of Legislative Oversight (OLO) expects Bill 25-20 to have a minimal impact on the Montgomery County economy.

BACKGROUND

Per Executive Order 135-19, Montgomery County Government is committed to providing County benefits and services to all residents “regardless of country of birth or immigration status.”¹ In line with this commitment, Bill 25-20 would make several changes to the Rental Assistance Program. These changes include the following: (i) lowering the age of eligibility to 55; (ii) clarifying the definition of a person with a documented disability; (iii) removing the prohibition of eligibility of residents who do not have immigration documentation; and (iv) providing that “the benefit amount for the Program is established in regulations.”²

INFORMATION, ASSUMPTIONS and METHODOLOGIES

No methodologies were used in this statement. The assumptions underlying the claims made in the subsequent sections are based on the judgment of OLO staff.

VARIABLES

The primary variable that could affect the economic impacts of Bill 25-20 in the County are the number of residents who would now qualify for the Rental Assistance Program and need rental support.

IMPACTS

Businesses, Non-Profits, Other Private Organizations

Workforce, operating costs, property values, capital investment, taxation policy, economic development, competitiveness, etc.

OLO believes that Bill 25-20 would have a minimal impact on private organizations in the County. OLO sees no direct connection between the bill and the Council’s priority indicators, namely workforce, operating costs, property values, capital investment, taxation policy, economic development, and competitiveness.

¹ Marc Elrich, Executive Order 135-19 Promoting Community Trust, Office of the County Executive, Effective on July 22, 2019, Montgomery County, Maryland, 2, https://www.montgomerycountymd.gov/OPI/Resources/Files/2019/MC-executive_order_135-19.pdf?source=post_page-----.

² Montgomery County Council, Bill No. 25-20 Rental Assistance – Amendments, Montgomery County, Maryland.

Residents

Employment, property values, taxes paid, etc.

OLO believes that Bill 25-20 would have a minimal impact on County residents. The primary beneficiaries of the bill would be residents who would both now qualify for the Rental Assistance Program (i.e. residents without immigrant documentation and fall between the old and new age criteria) and need help keeping up with rent payments. It is possible that receiving the rental assistance would prevent employment disruptions associated with failing to meet rent obligations. OLO sees no direction between the bill and property values and taxes paid.

WORKS CITED

Montgomery County Council. Bill No. 25-20 Rental Assistance – Amendments. Montgomery County, Maryland.

CAVEATS

Two caveats to the economic analysis performed here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. Second, the analysis performed here is intended to *inform* the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

CONTRIBUTIONS

This economic impact statement was drafted by Stephen Roblin (OLO).

TESTIMONY ON BEHALF OF COUNTY EXECUTIVE MARC ELRICH ON BILL 25-20, RENTAL ASSISTANCE - AMENDMENTS

JULY 7, 2020

Good afternoon, Council President and Council Members,

I'm Amanda Harris, Chief, Services to End and Prevent Homelessness in the Department of Health and Human Services, here to testify on behalf of County Executive Elrich in support of Bill 25-20.

The County Executive requested Bill 25-20 in order to make a change to the County Code to conform to County Executive Order 135-19, which stated "no agent or department may condition the provision of County benefits, opportunities, or services on matters related to citizenship or immigration status unless required to do so by state or federal law, or court order." Bill 25-20 removes one reference to "undocumented resident" in a section of County Code related to DHHS' Rental Assistance Program. The other two proposed changes in the bill are not related to Executive Order 135-19 and are minor adjustments that are programmatic in nature.

The change to Section 41A-2 lowers the age of eligibility for the Rental Assistance Program from 62 to 55 years. The Rental Assistance Program has been identified as a key strategy to help the Continuum of Care end homelessness. In a 2017 gap analysis, a recommendation was made to expand the Rental Assistance Program to better serve individuals experiencing homelessness and at imminent risk of homelessness. The decision to lower the program eligibility age to 55 is based off the research that people experiencing homelessness have significant health issues and a life expectancy 30 years below that of the average American.

The change to Section 41A-5 removes the specific formula for calculating the amount of the Rental Assistance Program benefit and stipulates that the benefit amount be set in regulation annually- this change allows for easier updating of the benefit amount from year to year. In all, the changes to the eligibility criteria and moving the benefit amount to regulation leads to a more effective and efficient Rental Assistance Program. We ask for your favorable vote on Bill 25-20. Thank you.