AGENDA

SPECIAL SESSION– February 29, 2024

YouTube Link: https://www.youtube.com/watch?v=C96zwcHcYzQ

HOC's offices are now open to the public. The public is invited to attend HOC's February 29, 2024 Special Session Meeting in Person. HOC's Board of Commissioners and staff will continue to participate through a hybrid model (a combination of in person online participation).

		Page #
3:30 p.m.	**SPECIAL SESSION MEETING**	
	I. **DISCUSSION ITEM – STRATEGIC PLANNING DISCUSSION CONT.** a) HOC's Five- Year Strategic Plan	3
5:00 p.m.	**ADJOURN**	

NOTES:
1. This Agenda is subject to change without notice.
2. Public participation is permitted on Agenda items in the same manner as if the Commission was holding a legislative-type Public Hearing.
3. *Times are approximate and may vary depending on length of discussion*.
4. *These items are listed "For Future Action" to give advance notice of coming Agenda topics and not for action at this meeting.

If you require any aids or services to fully participate in this meeting, please call (240) 627-9421 or email Jocelyn.Koon@Hocmc.org

Discussion Items

COMMISSION REVIEW OF THE DRAFT FIVE-YEAR STRATEGIC PLAN
2024-2029

February 29, 2024

Chelsea Andrews
President & Executive Director

Kayrine Brown
Senior Executive Vice President

Ken Silverman
Vice President of Government Affairs

Tia Blount
Vice President of Public Affairs & Communications

Consultant:

public works
making good ideas work for the better

FIVE-YEAR STRATEGIC PLAN 2024-2029

Housing Opportunities Commission OF MONTGOMERY COUNTY

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ISSUES FOR CONSIDERATION

For the Commission to review the updated draft of HOC's 2024-2029 Five-Year Strategic Plan.

TIME FRAME

If the Commission completes its review of the updated draft at its February 29, 2024 Special Meeting, staff could make directed changes and prepare a final draft and resolution for formal Commission approval at its March 6, 2024 Meeting.

STAFF RECOMMENDATION

Staff recommends that the Commission review each objective, discuss and vote on any needed amendments, and, if that review is completed, authorize staff to prepare a final draft for formal Commission adoption.

AGENDA

1. Agenda & Background

2. Vision, Mission & Core Values

3. Strategic Goals & Objectives

    I.   EXPAND Affordable Housing in Montgomery County

    II. ENHANCE the Lives We Touch Through Supportive Services & Partnerships

    III. EXCEL as a World-Class Organization

4. Summary & Action

STRATEGIC PLAN APPROACH AND PHASES

TWO-PHASE APPROACH

Phase I: Strategic Plan

- Stakeholder Engagement
  - Surveys, Town Halls, Focus Groups & Interviews
- Ecosystem, Needs & Current State Analysis
- Community Profile, Benchmarking & Best Practices
- Vision, Mission & Values
- Strategic Priorities, Goals & Objectives
- SWOT Analysis & Recommendations

Phase II: Implementation Plan

- Full approach to be finalized through Strategic Plan

- Operationalize, measure & monitor goals and objectives of the Strategic Plan

- Detailed action steps, metrics & dashboards

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**FIVE-YEAR STRATEGIC
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IMPLEMENTATION PLANNING APPROACH

1. **HOC will form cross-functional teams to address each goal and objective**
   Teams will be supported by a strategic plan consultant will assist with creating appropriate high-level metric(s) for each objective.

2. **Cross-functional teams will develop key activities, timelines, high-level metrics, draft budgets for each objective, staffing plan, etc.**

3. **The Executive team will meet to discuss outcomes from the cross-functional teams, review/revise and finalize implementation plans**

4. **Goals, objectives and metrics will be entered into Dashboard for both tracking and transparency**
   (Sample dashboard pictured right)

5. **Each division will tracking their respective goals, objectives and metrics, including producing reports based on the predetermined frequency**

CITY OF GAITHERSBURG STRATEGIC PLAN

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STAKEHOLDER ENGAGEMENT

- Stakeholder Interviews (50 People)
- Surveys for Customers, General Public and Staff (almost 2,000 people)
- Virtual & In Person Town Halls (almost 300 people)
- Focus groups (50+ participants)

RESEARCH & ANALYSIS

- Ecosystem & Current State Analysis
- Best practices
- SWOT Analysis

COMMISSION DELIBERATION

The Commission held an all-day public retreat in August 2023 to review findings from the stakeholder engagement and research conducted by Public Works & HOC staff and begin to develop the key elements of the Strategic Plan. The Commission held a Special Meeting in October 2023 to review a draft outline of the plan and finalized Vision, Mission, Core Values, and the three main Strategic Goals. In December 2023, the Commission met to review a full draft of the Strategic Plan. The Commission provided detailed direction and directed staff to produce a new draft of the Plan, which is before the Commission today.

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VISION

It is our vision that everyone in Montgomery County has access to the safe, affordable, high-quality housing, and attendant services that they need to reach their fullest potential.

MISSION

HOC exists to provide people with low and moderate incomes the opportunity to live in safe, affordable, high-quality housing in Montgomery County. We strengthen families by offering opportunities for personal and economic growth through partnerships and supportive services.

CORE VALUES

1. People-First with Dignity & Respect | Our Staff

2. People-First with Dignity & Respect | Our Customers

3. Innovative and Entrepreneurial

4. Equity in Everything we Do

5. Power of Partnerships

6. Community-Enhanced Housing

7. Stewardship

STRATEGIC GOALS

I.   **EXPAND** Affordable Housing in Montgomery County

II. **ENHANCE** the Lives we Touch through Supportive Services & Partnerships

III. **EXCEL** as a World-Class Organization

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I. EXPAND Affordable Housing in Montgomery County

A. Expand HOC's Portfolio of High-Quality Affordable Housing

B. Expand Housing Supply in Montgomery County

C. Expand and Optimize Rental Assistance

I.A. Expand HOC's Portfolio of High-Quality Affordable Housing

1. **Set Clear Priorities For HOC's Real Estate Pipeline**
   Priorities on next slide.

2. **Maximize Production of New Affordable Housing**
   HOC projects beginning construction of over 2,500 homes by 2029, 30-50% of which would be income-restricted. With more resources, HOC could pursue additional new development.

3. **Preserve At-Risk Naturally Occurring Affordable Housing**
   Through existing acquisition tools and the new Non-Profit Preservation Fund, HOC will continue to seek opportunities to acquire and preserve Naturally Occurring Affordable Housing.

4. **Grow HOC's Financial Capacity**
   HOC will structure transactions and reposition its portfolio in ways that strengthen, rather than reduce, its fiscal capacity to ensure long-term sustainability.

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I.A.1 Set Clear Priorities for HOC's Real Estate Pipeline

1. Increasing the net number of high-quality affordable housing units in Montgomery County

2. Serving a target market that aligns with community needs

3. Locating property to serve the needs of the targeted resident population

4. Improving the surrounding community

5. Furthering the county's environmental goals

6. Expanding HOC's capacity

7. Reducing racial disparities in the county

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I.B. Expand Housing Supply in Montgomery County

1. **Advocate for Adequate Resources**
    Develop annual Legislative Priorities to advocate for more resources for affordable housing at federal, state and local levels.

2. **Advocate to Remove Barriers to Housing Production**
    Support implementation of policies that will help the County reach the housing goals adopted by County leaders, such as the regional Council of Governments housing production targets and Thrive 2050.

3. **Maximize Partnerships with Private Housing Providers**
    Explore creative ways to use HOC's authorities as a Public Housing Authority and Housing Finance Agency to support the production of affordable housing by private developers.

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I.C. Expand and Optimize Rental Assistance

1. **Maximize all Available Funding for Rental Assistance**
   Seize all opportunities to increase rental assistance and provide more Vouchers to Montgomery County residents.

2. **Maintain "High-Performer" Status**
   Continue to meet or exceed HUD's highest standards for performance as a Public Housing Authority.

3. **Create a New Direct Rental Assistance Program: HOC Bridge**
   Draw on the growing body of research demonstrating the effectiveness of Guaranteed Income programs to design and implement a locally-funded Direct Rental Assistance program.

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I.C.3. Create a New Direct Rental Assistance Program: HOC Bridge

- HUD has called on PHAs to develop Direct Rental Assistance Pilots.

- Program design could provide shallower local subsidies to higher-income HCV recipients, freeing federal vouchers for waitlist recipients at or below 30% of AMI.

- Providing direct cash to recipients allows them to set their own priorities and allows HOC to reduce administrative barriers.

- NYU's Housing Solutions Lab and Cash Transfer Lab have expressed interest in a research partnership with HOC on a Direct Rental Assistance program.

huduser.gov

OFFICE OF POLICY DEVELOPMENT AND RESEARCH (PD&R)   MENU

Message From PD&R Senior Leadership
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Creating a Direct Rental Assistance Demonstration

Brian J. McCabe, Deputy Assistant Secretary for Policy Development
Aaron Shroyer, Senior Advisor, Office of Policy Development and Research

Brian J. McCabe, Deputy Assistant Secretary for Policy Development in the Office of Policy Development and Research (left) and Aaron Shroyer, Senior Advisor in the Office of Policy Development and Research (right).

The Housing Choice Voucher (HCV) program is HUD's largest assisted housing program, helping approximately 2.3 million households rent units in the private

HUD's September 5, 2023 Notice

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II. ENHANCE the Lives We Touch through Supportive Services & Partnerships

A.   Enhance HOC's Resident Services Programs

B.   Enhance Partnerships with Government and Nonprofit Partners to Provide More Services to Customers

C.   Enhance Wealth-Creation and Homeownership Programs to Further Housing Equity

D.   Enhance Opportunities for Applicants on HOC's Wait List

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II.A. Enhance HOC's Resident Services Programs

1. **Boost Awareness of Available Services**

   Customer feedback revealed that HOC's resident services were highly rated, but that many customers were not aware of some or all of the available services. HOC will work to ensure all customers have access to the services that would benefit them.

2. **Ensure Customers' Voices are Heard**

   Customers have enthusiastically provided feedback through forums like the town halls and surveys conducted for the Strategic Plan and the recent Resident Advisory Board election. HOC will continue to maximize all stakeholders' ability to participate in and inform the Commission's decisions.

3. **Extend HOC's Multilingual Resources**

   HOC will strive to ensure that its content, processes, and meetings are accessible to all.

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II.B. Enhance Partnerships with Government and Nonprofit Partners to Provide More Services to Customers

1. **Deepen Partnerships with Nonprofits that Serve our Customers**
   Deepen our partnerships with existing organizations in our community that provide these services and ensure that our customers have awareness and access to the assistance they require.

2. **Pursue Opportunities from Federal, State and Local Partners**
   We will continue to support initiatives that come from HUD, the State of Maryland, Montgomery County Government, and our other strategic partners, as they arise.

3. **Integrate HOC's Application Process with Universal Screening for Benefits**
   Partner with key agencies like Montgomery County's DHHS and DHCA to ensure that applicants for HOC services are aware of and easily able to apply for other services they may be eligible for through other agencies and vice versa.

4. **Amplify Collaboration with the Homelessness Continuum of Care**
   Montgomery County's Continuum of Care is a partnership of public and private groups working together to end homelessness in Montgomery County, led by Services to End and Prevent Homelessness (SEPH) in DHHS.

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II.C. Enhance Wealth-Creation and Homeownership Programs to Further Housing Equity

1. **Create Affordable For-Sale Properties**
    HOC will seek opportunities to create opportunities for for-sale affordable housing.

2. **Maximize HOC's Mortgage Purchase Program**
    Maintain and expand its homeownership and wealth-building programs to assist customers and low-and-moderate income families across the county purchase a home, increase their income, and build wealth.

3. **Support Fair Housing Enforcement Efforts**
    Work with the Commission on Human Rights, which enforces anti-discrimination laws in the county and similar state and federal authorities to identify and refer cases of housing discrimination.

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II.D. Enhance Opportunities for Applicants on HOC's Wait List

1. **Smooth the Application Experience**

   Develop an improved experience for applicants that is easy to use, provides more clarity about what programs and properties are available, and improves their ability to connect with other essential services.

2. **Review and Update Wait List Preferences and Policies**

   Re-examine the preferences and policies which apply to the Wait List to ensure that they are maximizing the use of scarce resources for those who need them most.

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III. EXCEL as a World-Class Organization

A. Excel as a World-Class Place to Work

B. Excel by Providing World-Class Customer Service

C. Excel through Modern Technology and Data Systems

D. Excel with Transparent and Accountable Implementation of this Plan

III.A. Excel as a World-Class Place to Work

1. **Refine the Hiring and Onboarding Process**
   Ensure that our hiring, compensation, benefits, training, and facilities lead to a place where staff are motivated, fulfilled, responsive, and well-equipped.

2. **Strengthen Employee Training and Resources**
   Provide ongoing training, professional development, and support.

3. **Foster Diversity, Equity and Inclusion**
   HOC will ensure that our policies and procedures lead to an organization that is representative of the community it serves and culturally competent in communicating with all stakeholders.

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III.B. Excel by Providing World-Class Customer Service

1. **Ensure Adequate Staffing Levels**

   Ensuring adequate staffing - which requires adequate resources - will allow staff to dedicate the time each customer deserves.

2. **Provide Additional Customer Service Training**

   Provide customer-facing staff with detailed training, including in topics like trauma-informed response, how to deescalate difficult situations, and effective management and communication techniques.

3. **Expand the Use of Trained Volunteers to Assist Customers**

   Explore creating a new, formalized Volunteer Corps that could receive training in how to serve customers, preserve privacy, and follow procedures and then provide opportunities for volunteers to assist applicants and customers with paperwork and understanding HOC's policies.

4. **Make HOC Easy to Reach**

   Make HOC's physical and digital presences easy to find, access, and use.

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III.C. Excel through Modern Technology and Data Systems

1. **Protect the Security of HOC's Systems**

   HOC will follow industry standard best practices to ensure that our systems and data are protected.

2. **Ensure that Technology is a Benefit, Not a Barrier**

   Ensure that new technology is implemented to help our staff provide more assistance to more customers, and expands assistance for applicants who do not have access to or possess proficiency in technology.

3. **Invest in Data Analysis Capabilities**

   Improve integration of data systems and grow capacity for data analysis to inform decision-making.

4. **Explore the Use of AI Tools**

   Artificial Intelligence has great promise, but introduces new potential risks. HOC should cautiously explore new tools and protect against new challenges that may arise.

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III.D. Excel with Transparent and Accountable Implementation of this Plan

1. **Develop a Detailed Implementation Plan**

   Develop an operationally-focused Implementation Plan that contains the detailed process steps, metrics, timelines, staffing needs, and budget considerations to achieve the goals and objectives outlined in this plan.

2. **Create Dashboards to Track Progress**

   Create public and internal dashboards that allow stakeholders to track the progress of the implementation of the Plan, along with key metrics that measure multiple dimensions of the affordability of housing in Montgomery County.

3. **Report and Revisit the Implementation Plan Annually**

   Report annually to the Commission and the public on the progress toward reaching these goals. This annual report will also provide an opportunity to review the timelines and action steps laid out in the Implementation Plan and adjust them as needed.

SUMMARY

This presentation provided an outline of the full updated draft Strategic Plan, which runs fifty-six pages. The full draft includes additional background and detail on each of the Goals and Objectives, along with an Appendix including background information on HOC & Montgomery County, the housing challenges we are facing, and a detailed summary of the process and findings of the stakeholder engagement and research phases of the planning process.

ACTION REQUESTED

Having reviewed the updated draft Plan and provided additional feedback and direction, staff requests the Commission's authorization to prepare final text, including any amendments, for the Commission's final approval at the March 6, 2024 Meeting.

Housing Opportunities Commission
OF MONTGOMERY COUNTY

FIVE-YEAR
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HOC's VISION

It is our vision that everyone in Montgomery County has access to the safe, affordable, high-quality housing and attendant services that they need to reach their fullest potential.

HOC's MISSION

HOC exists to provide people with low and moderate incomes the opportunity to live in safe, affordable, high-quality housing in Montgomery County. We strengthen families by offering opportunities for personal and economic growth through partnerships and supportive services.

HOC's CORE VALUES

The Commission makes explicit for the first time in this Strategic Plan the values that will guide its, and HOC staff's, pursuit of these goals. The Commission has specified seven Core Values that have shaped the strategies and policies it will implement over the next five years. These are:

People-First with Dignity & Respect | Our Staff: We believe our staff is our most valuable asset in fulfilling our vision and mission. We provide our teams with the resources and support needed to excel in their performance and roles while making HOC a competitive, great place to work and thrive.

People-First with Dignity & Respect | Our Customers: We believe our customers are front and center in everything we do as we create and foster opportunities for them to secure safe, affordable, and high-quality housing. We aspire to provide outstanding customer service through caring, listening, communicating, partnering, and timely responding to our customers' needs, concerns, and insights**.**

Innovative and Entrepreneurial: We believe that addressing the severe shortage of affordable housing will require agility, innovative partnerships, adoption of state-of-the-art technologies, and nationally acclaimed financial tools that create a robust portfolio of housing opportunities that incentivize resident economic mobility.

Equity in Everything We Do: We believe that equitable access to safe, affordable and high-quality housing enables people to live with the security and comforts of home, experience community, and generate intergenerational wealth. We recognize that systemic and institutional inequities pose substantial barriers and hardships for communities of color. We commit to addressing these barriers as they impact our customers while embracing diversity, equity, and inclusion in our organization's culture.

Power of Partnerships: We believe in collaborating with community-based, public and private sector organizations to provide resources and services that empower our residents to reach their full potential, secure and maintain housing, and achieve economic independence.

Community-Enhanced Housing: We believe that when we develop, construct, and renovate properties, we are also building community and supporting sustainable neighborhoods. We cultivate social interaction among neighbors through mixed-income development, rather than isolate vulnerable households within pockets of concentrated poverty. This philosophy runs deep in everything that we do.

Stewardship: We believe we have been entrusted to wisely manage and deploy valuable resources to create and maintain environmentally sustainable affordable housing throughout Montgomery County. We respect the public's trust by being results-driven, accountable, and transparent in our efforts and operations while employing strategies to assure the financial solvency of HOC.

SUMMARY OF HOC'S GOALS & OBJECTIVES FOR 2024-2029

I. **EXPAND** Affordable Housing in Montgomery County

   A. Expand HOC's Portfolio of High-Quality Affordable Housing
   1. Set Clear Priorities For HOC's Real Estate Pipeline
   2. Maximize Production of New Affordable Housing
   3. Preserve At-Risk Naturally Occurring Affordable Housing
   4. Grow HOC's Financial Capacity

   B. Expand Housing Supply in Montgomery County
   1. Advocate for Adequate Resources
   2. Advocate to Remove Barriers to Housing Production
   3. Maximize Partnerships with Private Housing Providers

   C. Expand and Optimize Rental Assistance
   1. Maximize All Available Funding for Rental Assistance
   2. Maintain "High-Performer" Status
   3. Create a New Direct Rental Assistance Program: HOC Bridge

II. **ENHANCE** the Lives We Touch Through Supportive Services & Partnerships

   A. Enhance HOC's Resident Services Programs
   1. Boost Awareness of Available Services
   2. Ensure Customers' Voices are Heard
   3. Extend HOC's Multilingual Resources

   B. Enhance Partnerships with Government and Non-Profit Partners to Provide More Services
   1. Deepen Partnerships with Nonprofits that Serve our Customers
   2. Pursue Opportunities from Federal, State and Local Partners
   3. Integrate HOC's Application Process with Universal Screening for Benefits
   4. Amplify Collaboration with the Homelessness Continuum of Care

   C. Enhance Wealth-Creation and Homeownership Programs to Further Housing Equity
   1. Create Affordable For-Sale Properties
   2. Maximize HOC's Mortgage Purchase Program
   3. Support Fair Housing Enforcement Efforts

   D. Enhance Opportunities for Applicants on HOC's Wait List
   1. Smooth the Application Experience
   2. Review Wait List Preferences and Policies

III. **EXCEL** as a World-Class Organization

   A. Excel as a World-Class Place to Work
   1. Refine the Hiring and Onboarding Process
   2. Strengthen Employee Training and Resources
   3. Foster Diversity, Equity and Inclusion

   B. Excel by Providing World-Class Customer Service
   1. Ensure Adequate Staffing Levels
   2. Provide Additional Customer-Service Training
   3. Expand the Use of Trained Volunteers to Assist Customers
   4. Make HOC Easy to Reach

   C. Excel through Modern Technology and Data Systems
   1. Protect the Security of HOC's Systems
   2. Ensure that Technology is a Benefit, Not a Barrier
   3. Invest in Data Analysis Capabilities
   4. Explore the Use of AI Tools

   D. Excel with Transparent and Accountable Implementation of this Plan
   1. Develop a Detailed Implementation Plan
   2. Create Live Dashboards to Track Progress
   3. Report and Revisit the Implementation Plan Annually

WHAT'S NEW AND EXCITING FOR THE NEXT FIVE YEARS

HOC has identified a number of innovative and exciting initiatives that will help advance the aforementioned goals and objectives. They encompass both what we do and how we do it:

- **Create a Non-Profit Production Fund (NPPF)**, to support the acquisition and preservation of naturally occurring affordable housing

- **Establish a Direct Rental Assistance** program, in which the housing subsidy would be paid directly to recipients rather than through a contract with a landlord

- **Integrate HOC Applications Into a Universal Benefit Screening** to ensure applicants can identify all benefits for which they might be eligible from other county agencies

- **Expand the HOC Volunteer Corps** to provide greater customer service and deepen community engagement

- **Employ artificial intelligence** to improve operational efficiency and enhance customer service

- **Invest in advanced data analysis** capabilities to better inform decision making

HOC's GOALS AND OBJECTIVES FOR 2024-2029

Goal I.   EXPAND Affordable Housing in Montgomery County

Housing, in absolute numbers, is already in short supply in Montgomery County – and the gap between availability and need will only grow in the next five years.

Housing in Montgomery County is decreasing in affordability across the board, but is doing so even more and even faster for people at lower income levels. The most cost-burdened populations are growing the most in Montgomery County, both in absolute numbers and as a percentage of the total population.

HOC will maximize the amount of affordable housing available in the county by expanding HOC's own portfolio of high-quality affordable housing and ensuring that its real estate decisions reflect its evolving priorities, by encouraging expansion of the countywide housing supply, and by expanding and optimizing rental assistance for low-and-moderate income families.

A. Expand HOC's Portfolio of High-Quality Affordable Housing

Values: Innovative and Entrepreneurial | Community-Enhanced Housing | Stewardship

A diversifying and aging population is creating new and different housing needs for the county. HOC must balance a broad range of factors – some of which overlap, some contradict, and some that are synergistic – in deciding how best to deploy its resources to meet the foregoing challenges. These factors include:

- Internal staff and financial capacity
- Long-term financial sustainability
- Economic and customer impact
- Opportunities for or constraints on federal and state support
- The choice between HOC- or privately-owned properties
- The tradeoff between preservation/renovation or new construction
- Construction of subsidized or market-rate units
- Meeting the needs of specific populations
- Expansion in already-served geographic areas versus those currently hosting fewer affordable units
- Concentration versus scattered-site development
- Accessibility of non-housing amenities

- Promotion of broader public policy goals such as economic and/or environmental sustainability
- Opportunities for home ownership as opposed to renting

1. Set Clear Priorities for HOC's Real Estate Pipeline

The Commission will consider the development, renovation, purchase, or sale of property when it achieves the following priorities:

1. **Increasing the net number of high-quality affordable housing units in Montgomery County**

Above all, HOC's real estate efforts should increase the amount of affordable housing available in the county, prevent the loss of existing affordable housing (whether through preservation efforts or maintenance and renovation that ensures that existing housing remains high-quality), or position HOC to expand or maintain affordable housing in the future.

2. **Serving a target market that aligns with community needs**

Real estate projects should serve a documented need in the community. Staff should provide analysis to the Commission that supports recommendations to make units age-restricted or not, the proposed mix of unit types and sizes, the proposed affordability mix, whether to include permanent supportive housing, how accessibility is integrated into design, and other relevant factors.

3. **Locating property to serve the needs of the targeted resident population**

HOC's residents should have ready access to transportation, jobs, education, food, healthcare, parks, retail, and other amenities. New HOC development should either create affordable housing in areas of opportunity that have short supply of affordable housing, or bring new investment and high-quality housing to areas of the County that have suffered from underinvestment.

4. **Improving the surrounding community**

HOC investments in our community create significant economic and community development benefits in addition to affordable housing. HOC will always seek to be a good neighbor, and will explore opportunities to provide neighborhood benefits such as additional market-rate housing, parks or open space, retail, co-located government facilities, and transportation improvements. HOC often is a first mover in underinvested parts of the

county and our activities can serve as a catalyst in those areas for additional private investment.

5.   Furthering the county's environmental goals

HOC has been and will remain a leader by example in delivering on the goals and best practices outlined in the county's Climate Action Plan. Such measures include improving stormwater management, creating resiliency hubs, total building electrification, integrating renewables, promoting and increasing access to electric vehicles, and attaining Passive House and Zero Net Energy certifications whenever feasible.

6.   Expanding HOC's capacity

HOC's real estate activities are generally revenue-positive, which ensures adequate operating margin and reserves to account for unexpected events, as well as providing a source of capital for future investments. Analysis of a project should consider HOC's bonding capacity, access to capital, staff capacity for initial development phases, the ability to provide needed resident services and to maintain the property over the long run with reasonable debt load, as well as the potential for operational efficiencies (or drags) in the context of HOC's broader portfolio.

7.   Reducing racial disparities in the county

HOC seeks to reduce racial disparities in the county by creating opportunities in segregated areas, offering pathways for wealth building, and bringing investment into neglected communities like the county's Equity Focus Areas. HOC's activities should focus both on increasing access to areas of opportunity and increasing investment in undercapitalized parts of the county.

2. Maximize Production of New Affordable Housing

HOC has a robust development pipeline, primarily financed by the Housing Production Fund (HPF). In addition to the Laureate, which was recently opened, HOC has identified 6 additional projects it intends to begin over the next five years, totalling 2,416 units.

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HPF Pipeline

			2021	2022	2023	2024	2025	2026	2027	2028	2029
The Laureate	268 Units	$14 million	HPF Loan issued	Under construction	Building opens		HPF Loan repaid				
Hillandale Gateway	463 Units	$35 million	Planning								
Laureate Phase 2	415 Units	$40 million									
Wheaton Gateway	435 Units	$25 million									
Avondale	375 Units										
Forest Glen	413 Units										
Elizabeth House IV	315 Units										
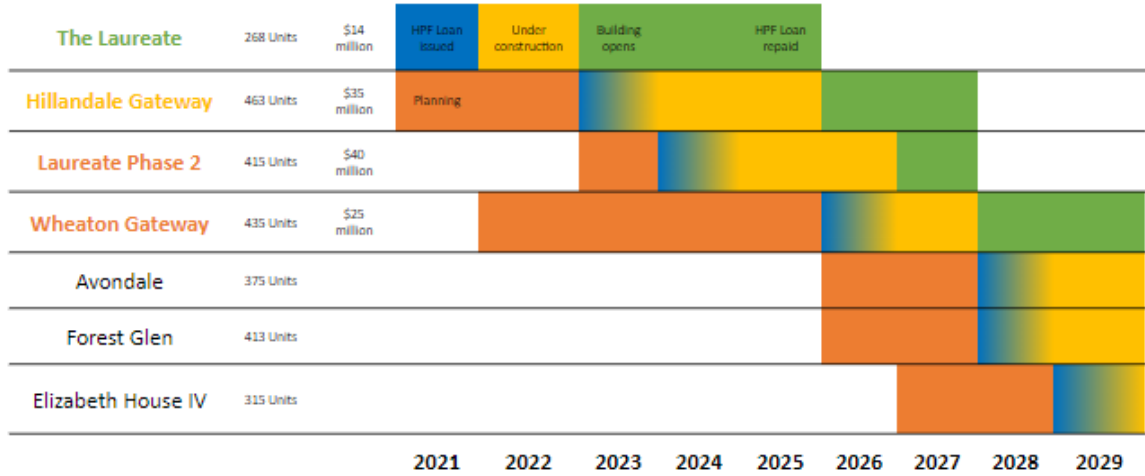
In addition to HPF projects, HOC has three additional new production projects in development:

Garnkirk Farms: HOC has applied for 9% Low Income Housing Tax Credits to finance this proposed 184-unit apartment building in Clarksburg.

Heritage Emory Grove (HEG): This redevelopment project is a partnership among Montgomery County, HOC and Emory Grove United Methodist Church. The focus of HEG is on recreating the interconnectedness of the original Emory Grove, with the interstation of Emory Grove Road and Washington Grove Lane, with Emory Grove United Methodist Church as its reaffirmed heart.

The bulk of the property will be redeveloped with a heavy focus on mixed-income homeownership. As proposed, HOC would act as a steward of the county property. Street grids, pedestrian connectivity, an updated community center, and Johnson's Local Park, along with historical programming, cultural amenities, and community gardening, are all intended to help re-establish the once-familiar sense of camaraderie of the original community.

Emory Grove was originally founded by freed African Americans in 1864. At its greatest extent, Emory Grove touted some 500 residents living on 300 acres of land and is widely known for hosting Methodist 'camp meetings.' The Emory Grove United Methodist Church is one of the few remaining historical structures of the historic community. Johnson's Local Park and the Upper County Community Center also sit on the site of the perennial worship camp. For more than 100 years, Emory Grove was a vibrant and tight-knit community. Urban Renewal in the 1960s and 1970s brought undelivered promises to Historic Emory Grove and, along with it, the demise of endearing community culture.

Sandy Spring Missing Middle: A proposed addition to HOC's existing Sandy Spring Meadow property would add six duplex units, 12 triplex units, and four carriage houses, along with a 900 square-foot central community space on a 3.27 acre site. Ten of the proposed units would be MPDUs, and all of the units would incorporate green building principles and "low impact design techniques" like cisterns to harvest rainwater.

This pipeline is limited by available resources. With additional resources, HOC could take on additional new production projects within the five-year timeframe of this plan and seek to accelerate existing planned projects. In particular, the higher interest rate and higher-cost environment of 2023-2024 has caused a number of excellent private development projects in Montgomery County to stall for lack of financing. Some of these are fully entitled and ready to build, and some are positioned to proceed very quickly through the planning process. With additional resources, HOC could seek to purchase or partner into those projects that best meet the priorities outlined in Objective I.A.1.

3. Preserve At-Risk Naturally Occurring Affordable Housing

Montgomery County has a large number of "Naturally Occurring Affordable Housing" units, which are not income-restricted, but affordable at lower incomes due to their age, location or condition. Other properties may have income-restrictions which are set to expire. HOC will seek to acquire and preserve those units which are most at-risk for significant rent increases and provide a pathway to long-term self-sustainability, whether through existing conditions, renovation, or no-net-loss redevelopment.

In 2023, HOC worked with the County Council, DHCA, and nonprofit housing providers to design a new Non-Profit Preservation Fund (NPPF). The NPPF will be a revolving fund offering 7-10 year low-interest loans to support the acquisition and preservation of naturally occurring affordable housing that is at risk of losing affordability, with a priority on transit-oriented properties. HOC is able to access up to 25% of the fund for its own acquisitions, with the remaining 75% reserved for non-profits. HOC will also provide underwriting and administrative support for the fund, while DHCA will manage the fund, loan approvals, and administer the loans.

4. Grow HOC's Financial Capacity

In general, real estate and mortgage finance activities can and should be structured to be revenue-neutral or revenue-positive for HOC over the long term. This will ensure that HOC as an organization has a diversified revenue base that allows the organization to weather ups and downs in federal, state, and local subsidy streams and ensures that HOC will have the resources

to maintain its growing portfolio so that its housing remains high-quality and continues to meet the needs of the county's residents.

In real estate activities, this primarily means continuing to pursue mixed-income properties with enough market-rate units to produce adequate cash flow to sustain the property over time. It also means continuously evaluating, renovating and maintaining our portfolio so that high-quality assets are available to serve our customers for decades to come.

B. Expand Housing Supply in Montgomery County

Value: Power of Partnerships

While the above objectives provide a pathway for HOC to maximize its own contribution to making Montgomery County a more affordable place to live, the reality is that the vast majority of county residents will continue to live in private, unsubsidized housing. As long as the county's supply of housing falls far short of demand, families at all but the very highest income levels will struggle to find housing that meets their needs and prices will continue to rise. HOC and the county's efforts to provide subsidized and income-restricted housing help to reduce the impact of these market forces on low-income families, but they cannot overcome them. HOC does not generally have a direct role in the policies that could incentivize increased private housing production, but the agency can provide advice, information, and informed advocacy to assist other policymakers in making Montgomery County a more affordable place to live.

The county is an essential partner to HOC, and local elected leaders have recognized the urgency to address the housing affordability shortage. As a result, they have undertaken various measures to address the need for more affordable housing. They include establishing new plans, the most recent, Thrive 2050 (the county's General Plan) and the 2021 Climate Action Plan, lifting the ban on residential housing construction in communities facing school overcrowding, encouraging transit-oriented development, reforming zoning laws and permitting, and increasing funding for developing and preserving affordable housing through various mechanisms. In addition, the Council recently approved raising the recordation tax for homes valued at $600,000 and above to better fund the Housing Initiative Fund, and there are more initiatives likely on the horizon, including the implementation of permanent rent stabilization.

In Maryland, a renewed commitment to affordable housing from the Governor and the legislature may create new opportunities for progress. Currently, the state has 30 affordable and

available housing units for every 100 extremely low-income rental households, ranking Maryland 10th worst nationally for its affordable housing gap.[1]

While state funding accounts for a smaller share of HOC's overall budget, increasing state resources will become more critical as needs grow. Continuing to advocate for HOC at the state level should be a priority, particularly in demonstrating the Commission's commitment to housing equity — a cornerstone of the governor's agenda.[2]

The creation of the Housing Production Fund (HPF) led to the legislative attempt supported by HOC to create a similar state fund, the Housing Innovation Fund (House Bill 60/Senate Bill 315), to increase HPF's capitalization, at least on a pilot basis.

HOC also engaged at the state level on a wide range of additional legislation potentially affecting the Commission's tools and resources, particularly HB826/SB848, which establishes a statewide Rental Assistance Voucher program to provide vouchers and housing assistance payments for low-income families on the Wait List under the federal Housing Choice Voucher (HCV) program. HOC worked with the sponsor and other housing authorities in Maryland to amend the bill to ensure it will be easy to implement. It passed with an initial funding level of $10 million statewide and HOC is now working with DHCD to implement and grow the program in future years.

At the federal level, President Biden has also shown his commitment to lowering housing costs and expanding access to affordable rent and homeownership and has increased funding to support these efforts.[3] Continued increases in federal funding for housing programs is largely determined by Congress.

1. Advocate for Adequate Resources

HOC will develop annual Legislative Priorities to guide our work with local, state, federal and regional partners.

This includes pushing for expanded funds for affordable housing production and rental assistance programs at the county, state and federal levels, including advocating for more state vouchers and advocating for federal housing vouchers to be funded as an entitlement.

2. Advocate to Remove Barriers to Housing Production

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[1] "The Gap 2023: A Shortage of Affordable Homes," National Housing Coalition, Mar 16, 2023
[2] "Maryland Awards $3M To 'Undercapitalized' Developers for Affordable Housing Projects," BisNow, Apr 14, 2023, and "Governor Moore announces $13.4 million to support affordable housing," CBS News Baltimore, Mar 1, 2023
[3] Fact Sheet: President Biden's Budget Lowers Housing Costs and Expands Access to Affordable Rent and Homeownership, Mar 9, 2023

HOC will support policy changes that would help us meet our housing goals, provide more funding for affordable housing, and support established policies like the Metropolitan Washington Council of Government's regional housing goals, and the county's Thrive 2050 General Plan Update.

HOC will advocate for the county to ensure zoning and development review are not barriers to adequate housing in the county.

3. **Maximize Partnerships with Private Housing Providers**

HOC will seek creative opportunities to use its authorities as the county's Public Housing Authority and Housing Finance Agency (HFA) to support the development of affordable housing by the private sector. HOC will explore ways to provide more support to private housing developers in the county to maximize new affordable units. Potential initiatives include:

- Expanding the availability for private developers to use HOC's Faircloth capacity under HUD's Faircloth-to-RAD program to subsidize units for extremely-low-income households.
- Continuing to serve as a receiving entity for Alternative Placement agreements when DHCA allows private developers to pay a fee in lieu of developing required MPDUs - usually when condominium or specialized service fees make it impractical to provide affordable units onsite.
- Using HOC's HFA status to issue Private Activity Bonds on behalf of private developers.

C. Expand and Optimize Rental Assistance

Values: **People-First with Dignity & Respect | Our Customers**

 Equity in Everything We Do

The Housing Choice Voucher (HCV) program is the federal government's principal rental assistance program available to extremely low and very low-income families, the elderly and the disabled. HCV operations include:

- Maintaining a Wait List of interested families
- Determining family eligibility
- Calculating subsidy levels (family's rent share and the Housing Assistance Payment)
- Reviewing the reasonableness of rents, and
- Re-evaluating the family's income on an annual basis

HOC also administers four smaller programs funded by the county with recordation tax revenue:

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Rent Supplement Program (RSP) is a rental assistance program serving up to 300 Montgomery County residents in obtaining and retaining their housing. Participants may receive a subsidy of up to $600 monthly for one year with renewal options. Preferences are applied for individuals meeting one or more of the following criteria:

    Elderly head of households (individuals over the age of 62)
    Individuals/families fleeing domestic violence;
    Individuals/families exiting homelessness;
    Individuals/families at imminent risk of homelessness;
    Individuals/families with a documented disability.

Move Up Initiative (MUI) a partnership between the Montgomery County Department of Health and Human Services (DHHS) and HOC. The program serves up to five (5) Montgomery County residents who are currently participants in permanent supportive housing programs within the County's Homeless Continuum of Care (CoC) that no longer need the intensive support services but continue to need long term housing subsidies.

Community Choice Homes (CCH) assists up to 45 individuals exiting nursing homes and non-elderly persons with disabilities secure housing that meets their disability needs. The program addresses barriers including insufficient income and a lack of accessible units in the County. Through the CCH, HOC will set-aside housing units within its inventory, make necessary modifications to meet disability needs and provide subsidies to address the aforementioned barriers. The CCH is a partnership between HOC, the Maryland Department of Housing and Community Development, the Maryland Department of Disabilities and the Maryland Department of Health and Mental Hygiene.

Youth Bridge Initiative (YBI) is a partnership between Montgomery County, through its Department of Health and Human Services (DHHS), and HOC. The purpose of the YBI is to provide up to five (5) housing subsidies to youth aging out of foster care as a bridge to move them towards independence. The YBI provides up to 24 months of housing subsidies while youth work towards independence through education, training, and employment. The 24-month subsidy period serves as a bridge to transition youth from the foster care system to independent living. HOC provides the housing subsidies and DHHS and partner organizations provide the support services to ensure successful transition to independence.These include the Rent Supplement Program (offering shallower subsidies for up to 300 households), the Move Up Initiative (supporting residents who are transitioning out of permanent supportive housing), the Community Choice Homes Initiative (supporting residents who are transitioning out of nursing homes), and the Youth Bridge Initiative (supporting residents who are aging out of foster care).

We are also anticipating the availability of additional vouchers funded by the State of Maryland through a new Statewide Rental Assistance Voucher Program.

HOC is currently classified as a "High Performer" based on HUD's evaluation of HCV program management and rental assistance is close to full maximization, with HCV utilization consistently above 95%, and often closer to 98% of vouchers in use.

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During the stakeholder engagement portion of this strategic planning process, all groups involved, from residents and other HOC customers to staff and the general public, felt that additional rental assistance was needed – even if it wasn't the full amount of most vouchers. Community members cited the need for assistance on an "as-needed basis" to make their full rental payment. Any amount of support – expressed by those on the Wait List – would be greatly appreciated and could allow them to continue living in their current rentals.

Finally, a large number of pilot Guaranteed Income programs and research focused on cash assistance begs the question of whether more direct cash assistance, rather than restricted forms of assistance such as housing vouchers or SNAP, produces better outcomes. Cash programs are easier and cheaper to administer, easier for recipients to use, and more flexible - allowing recipients to make their own choices and set their own goals and priorities for their lives. HUD has encouraged PHAs to experiment with Direct Rental Assistance programs, though has not made federal funds available to do so.

1. Maximize all Available Funding for Rental Assistance

Rental assistance has the ability to make Montgomery County affordable to a low-income family overnight. HOC will continue to maximize program utilization across all existing programs and seize every opportunity to obtain more vouchers. HOC will advocate for more rental assistance funding from every available source.

HOC will also explore all opportunities to extend rental assistance through policy changes, operational improvements, and innovative funding partnerships.

HOC will work with its governmental partners to make housing vouchers an entitlement for all who need them, advocating for and obtaining more vouchers as they become available.

2. Maintain "High-Performer" Status

Through the hard work and dedication of its Housing Resources and Compliance teams, HOC is proud to have attained "High-Performer" status from HUD for its administration of federal Voucher programs. HOC will continue to pursue excellence in administration and customer service for Voucher holders, which ensures maximum consideration for any new Vouchers that may become available from HUD.

3. Create a New Direct Rental Assistance Program: HOC Bridge

HOC will explore launching a new Direct Rental Assistance program. This program would initially be funded with interest generated by investing cash holdings in HOC's Opportunity Housing Reserve Fund, but could also attract state or county funds. While it is certainly not HOC's mission to generate profit, the need for prudent operating reserves and the natural appreciation of

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HOC's real estate holdings result in HOC holding significant cash reserves. As discussed above in section A.4, this Strategic Plan calls for HOC to accelerate real estate activities for the direct affordability benefits they create. But, if successful, HOC Bridge could serve as a channel to funnel the benefits of this accrued public equity directly into the populations that need housing assistance the most. This allows HOC to become more self-sufficient and reduce our dependence on government subsidies generated through taxation over time.

Without the constraints of federal regulations, this local program can be designed to maximize administrative efficiency, ease of use, and benefits to recipients. Accordingly, HOC will explore creating a Direct Rental Assistance program, meaning that the housing subsidy would be paid directly to recipients, rather than through a contract with a landlord. Unlike other direct cash benefit programs such as Guaranteed Income programs, the amount of the subsidy would be calculated based on what is needed to make housing affordable, in much the same way as the current HCV program.

HOC Bridge could be further leveraged by targeting local subsidy funds at households who are currently receiving a Housing Choice voucher, but who are towards the top end of the income spectrum for HCV recipients. One natural cohort is graduates of HOC's Family Self Sufficiency Program. These households have already increased their income, have received years of training and education such as financial education, credit counseling, workforce development, and secondary educational opportunities. With higher incomes, they also require a lower monthly subsidy payment. If they voluntarily agree to move to a new HOC Bridge program, that would allow a federal voucher to be issued to a household from the Wait List, generally at 30% AMI or below and requiring a deeper subsidy. In this way, HOC Bridge would allow HOC to put more federal resources in the community as well.

To ensure that the program is maximally fair and attractive to Voucher holders, a new HCV preference could allow HOC Bridge customers to quickly re-enter the HCV program if needed.

Because this is a new concept, HOC will explore opportunities to work with a respected academic partner to assist with program design, data collection and outcome measurement and evaluation.

Goal II.   ENHANCE the Lives We Touch through Supportive Services & Partnerships

A. Enhance HOC's Resident Services Programs

Values: **People-First with Dignity & Respect | Our Customers**

Equity in Everything We Do

HOC's Resident Services Department strives to enhance the lives of HOC customers by coordinating and implementing a vast array of high-quality programs, services, and resources. Through collaborative partnerships with Montgomery County, the federal government, and various community-based organizations, Resident Services is able to offer comprehensive service coordination, impactful resident programs, and robust supportive housing services to individuals and families who reside in HOC owned-managed properties or receive HOC housing subsidies, as well as applicants on HOC's waitlist. The services provided by Resident Services help individuals and families to achieve goals in seven pivotal areas including (1) housing stability, (2) food security, (3) education, (4) career, (5) economic mobility and financial empowerment, (6) health and wellness, and (7) social connection.

Below is a summary of programs, services, and resources currently offered by Resident Services:

Comprehensive Service Coordination: Resident Counselors provide services to HOC customers onsite at HOC owned-managed properties and at HOC's Customer Service Centers located in Derwood (Up County) and Silver Spring (Down County). Services are tailored to various populations including Youth/Young Adults, Seniors/Older Adults, and Individuals with Intellectual or Physical Disabilities.

Eviction Intervention: for HOC customers with active formal termination or eviction action. The goal of these services is to successfully address the violation(s) in order to prevent program termination or eviction.

EvictionPrevention: for HOC customers at-risk of termination or eviction action. The goal of these services is to successfully address the violation(s) and avoid the need for formal action.

General Counseling: for HOC customers who have challenges and/or barriers that negatively impact their health, well being, and overall quality of life. The goal of these services is to successfully provide, and/or connect customers to services that will assist in eliminating these challenges and/or barriers.

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Information & Referrals: for HOC customers in need of resources available through HOC as well as government and local organizations such as food, clothing, furniture, medical, transportation, mental health, and much more.

Food Distribution & Senior Nutrition: for HOC customers in need of food resources; offerings include a communal meal in a congregate setting at select senior properties through the county-funded Senior Nutrition program as well as brown bag groceries, and meal drop offs.

Housing Stabilization: for HOC customers in need of financial assistance for rent arrearages, security deposits, moving expenses, and storage.

Financial Counseling: for HOC customers seeking support to manage their finances, improve their credit scores, attain checking and savings accounts, save money, and reduce debt. Services are provided via group workshops and one-on-one coaching.

Community Engagement: a range of activities available at HOC owned-managed properties in collaboration with residents and partners including Bingo, game nights, movie nights, holiday events, exercise classes, piano classes, musical theater performances, day/evening trips offsite and much more.

Impactful Resident Programs: HOC has developed signature programming for youth/young adults, adults, and fathers through the Housing Opportunities Commission Academy (HOC Academy or HOCA) . HOCA offers a robust set of offerings centered around education, career, business development, health and wellness, financial literacy, and parenting.

Adult Education and Workforce Development Program (AEWD): AEWD connects adults to career counseling, job readiness, small business development, employment, internships, High School Equivalency, vocational training, technology skills development. Services are offered one-to-one or through group information sessions, workshops, and courses. AEWD provides scholarships and tuition assistance to support residents in pursuing a range of educational opportunities at colleges as well as licensing and certification entities.

Youth Enrichment Services (YES): YES connects youth and young adults to afterschool and summer programs through partnerships with reputable organizations. YES also offers innovative Science Technology Engineering Arts and Math (STEAM) programming throughout the year. Past STEAM opportunities have included hands-on field experiences with iFLY, NASA, Top Golf, Tesla, UMD Chemistry, and Minecraft Microsoft as well as camps including Sphero Engineering, Drone Soccer, and Audio Engineering, and Mad Science.

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The Fatherhood Initiative Program (FIP): FIP is a federal-funded national initiative established in 2015 to serve fathers who receive HOC housing or are on HOC's Housing Path Wait List. FIP encompasses a multi-week cohort series featuring workshop topics such as: 24/7 dad workshops, financial literacy, and men's health. HOC Academy's Fatherhood Initiative has served more than 1,200 fathers since its inception. HOC is the first and only public housing authority to receive the Fatherhood Initiative grant from the U.S. Department of Health and Human Services Administration for Children and Families.

Robust Supportive Housing Services: Resident Services administers five specialized housing programs through funding from HUD's Continuum of Care (CoC) and County Recordation tax revenue. Administration of these programs includes application processing, eligibility review, housing locator services, move-in support, intensive case management in coordination with county partners, annual inspections, and recertifications.

McKinney Permanent Supportive Housing Programs are HOC-operated Housing First programs for Montgomery County residents who are homeless and at least one household member has a long term disability. Referrals come from the office of Services to End and Prevent Homelessness, Department of Health and Human Services (DHHS) in Montgomery County. Each household receives an individualized needs assessment and linkages to services and treatment. Additionally the program provides assistance with furniture, transportation, medication assistance, child care and a variety of other resources. The Program partners with a variety of community service providers in order to provide a holistic approach to housing stability.

1. Boost Awareness of Available Services

HOC's resident services programs received high marks from those that took advantage of them – nearly 80% of HOC customers who participated in the customer survey and who used the services HOC offers have a "very positive," "positive," or a "somewhat positive" experience. Unfortunately, many customers were unaware the programs were available.

HOC will work to expand communication and outreach so that customers, including those on the Wait List, are aware and able to take full advantage of the range of resident services HOC provides.

2. Ensure Customers' Voices are Heard

HOC recently held an election for its Resident Advisory Board (RAB), a nine-member board with seats for individuals representing the range of programs HOC provides. The Board advises the Commission and staff on a wide variety of matters, including the HOC operating budget and HOC practices and procedures such as rent collection procedures, resident grievances, eviction procedures, HUD policies, property management, and maintenance.

The recent election drew nearly 100 candidates and saw robust participation and the newly seated RAB has begun an active schedule of meetings, briefings, and participation. As it has done with this plan, HOC will continue to maximize all stakeholders' ability to participate in and inform the key decisions that the Commission makes.

3. Extend HOC's Multilingual Resources

HOC has recently updated its Language Access Plan and will undertake to improve the resources available to serve multilingual customers by ensuring access to appropriate translation at meetings, for written documents, and through its digital content. HOC will also strive to ensure that its content, processes, and meetings are accessible to all.

B. Enhance Partnerships with Government and Nonprofit Partners to Provide More Services to Customers

Values: **Power of Partnerships**

People-First with Dignity & Respect | Our Customers

Montgomery County has a robust nonprofit sector and a number of highly capable government agencies that serve low- and moderate income families. HOC already has many partnerships to bring these organizations into our communities:

- HOCA partners with organizations like Montgomery College, ACES A Wider Circle, Per Scholas, WorkSource Montgomery.

- Our AEWD program launched a Small Business Development program in FY2022 for 200 customers in partnership with ALSTNEC LLC that provides business training.

- HOC's Fatherhood Initiative partners with the Montgomery County DHHS, Montgomery College, African American Health Program and PNC Bank.

1. Deepen Partnerships with Nonprofits that Serve our Customers

While HOC's primary mission is to provide housing, the families we serve may also require assistance with medical care, mental health care, food security, education and job training, transportation, and many other overlapping areas. HOC's Resident Services team will deepen our partnerships with existing organizations in our community that provide these services and ensure that our customers have awareness and access to the assistance they require.

2. **Pursue Opportunities from Federal, State and Local Partners**

    We will continue to support initiatives that come from HUD, the State of Maryland, Montgomery County Government, and our other strategic partners, as they arise.

3. **Integrate HOC's Application Process with Universal Screening for Benefits**

    HOC will work to develop new data-sharing agreements and partnerships with key agencies like Montgomery County's DHHS and DHCA to ensure that applicants for HOC services are aware of and easily able to apply for other services they may be eligible for through other agencies and vice versa.

    HOC has also extended our service provision to those on our Wait List, and we will continue to find opportunities to make relevant services available to applicants.

4. **Amplify Collaboration with the Homelessness Continuum of Care**

    Montgomery County's Continuum of Care is a partnership of public and private groups working together to end homelessness in Montgomery County, led by Services to End and Prevent Homelessness (SEPH) in the county's Department of Health and Human Services. HOC administers important resources, often through referral from SEPH, such as Emergency Housing Vouchers and Permanent Supportive Housing. The Interagency Commission on Homelessness has set a goal to functionally eliminate homelessness by 2023, and HOC will continue to deepen this partnership over the next five years to ensure that we are able to contribute to the achievement of this goal in Montgomery County.

C. Enhance Wealth-Creation and Homeownership Programs to Further Housing Equity

Value: Equity in Everything We Do

The housing market has become increasingly expensive due to chronic undersupply. The average home in Montgomery County is now $582,406.[4] Although home values have continued to increase, compared with other jurisdictions in the region, the rate of increase for homes in the county has been slower, as the chart shows.

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[4] Montgomery County Home Values, Zillow, Jun 5, 2023

Change in Zillow Home Value, Index 2012-2022

County	Change
Prince George's	93%
Prince William	74%
Loudoun	65%
Frederick	52%
DC	50%
Fairfax	50%
Montgomery County	44%
Arlington	35%
Alexandria	34%
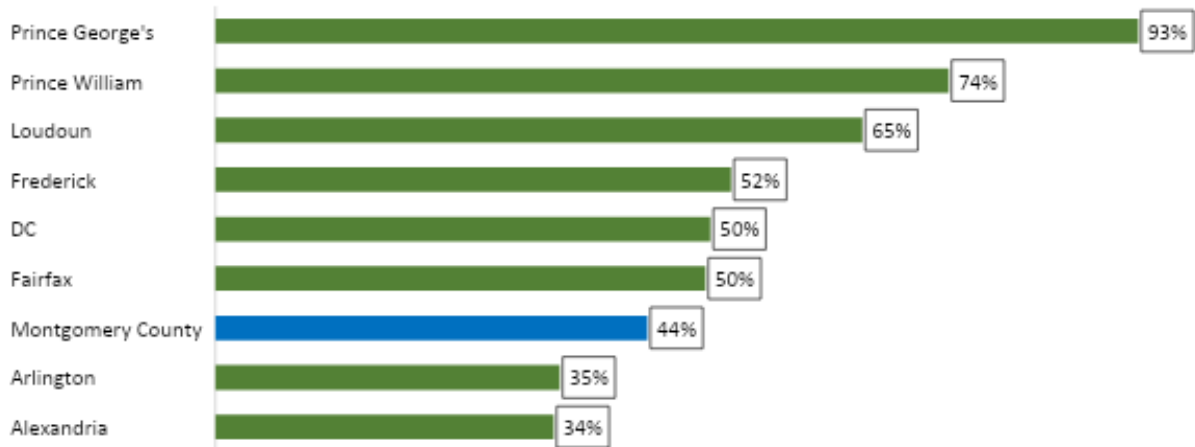
Source: Zillow Home Values

The low supply of houses in the county will likely keep prices high even as mortgage rates remain elevated. While housing experts predict the housing market will slow down, home prices will continue to rise over the next five years, albeit more incrementally.

Understanding the pathway to homeownership in the county helps determine the Commission's strategic direction when increasing homeownership is a goal. First, Montgomery County has 250,746 owner-occupied housing units and 132,562 rent-occupied housing units.[5] Only the county of Fairfax has comparable housing stock, with 280,077 owner-occupied housing units and 128,596 units.[6] Unsurprisingly, D.C. has the greatest number of rent-occupied housing units in the region. Of those who rent, 66% are older than 35, and 37% of households have three or more persons.[7]

In 2021, the county's homeownership rate eclipsed the national homeownership rate, but more state residents owned homes than county residents that year.[8] In 2016, 68.8% of residents owned their homes, compared to 65.4% in 2021.[9] White homeowners comprise the county's most significant percentage (74.5%), followed closely by Asians.[10] All other racial groups have lower ownership rates, with Black homeowners representing the lowest percentage (42.2%).[11]

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[5] Montgomery County, Maryland Housing Data (TownCharts)
[6] Ibid.
[7] Montgomery County, Rental Housing Study, 2014 County Assessments
[8] U.S. Census Bureau (Local Housing Solutions, Policy Map, Montgomery County, MD)
[9] Ibid.
[10] Ibid.
[11] Ibid.

Older residents over 45 are the most likely to own homes in the county, and more senior homeowners are more likely to own their homes than rent.[12]

Still, of those with a home, 72% have a mortgage, 59% have a second mortgage or home equity line of credit, and 12% have multiple mortgages. Montgomery County has the largest percentage of homes in the region with more than one mortgage.[13] Yet regionally, it ranked first for the most significant share of homes without a mortgage at 28%.

Due to higher home prices and mortgage rates, county homeowners pay $3,260 per month now compared to $2,137 a year earlier—a difference of $1,123 more.[14] Consequently, the risk of market forces requiring more homeowners to obtain a second or third mortgage could increase. As prices rise, it will become ever more difficult for those seeking ownership to secure a loan and purchase a home.

1. **Create Affordable For-Sale Properties**

HOC will seek opportunities to create opportunities for for-sale affordable housing. Two ongoing examples are the planned development of new, for-sale product in HOC's Heritage Emory Grove development project and the disposition of ten scattered site townhomes to Habitat for Humanity to be renovated and sold to low-income households.

2. **Maximize HOC's Mortgage Purchase Program**

HOC administers several homeownership programs, chief of which is the Mortgage Purchase Program, which offerslower cost mortgages to low- and moderate-income families, a suite of down payment and closing cost assistance programs, and programs designed to assist HOC customers with transitioning to homeownership.

Over the next five years, HOC will maintain and expand its homeownership and wealth-building programs to assist customers and low-and-moderate income families across the county purchase a home, increase their income, and build wealth.

3. **Support Fair Housing Enforcement Efforts**

Working with the County's Commission on Human Rights, which enforces anti-discrimination laws in the county and similar state and federal authorities, HOC will work to identify and refer cases of housing discrimination, as well as participating in Affirmatively Furthering Fair Housing by proactively seeking to identify and rectify barriers to housing equity.

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[12] Ibid.
[13] Ibid.
[14] County Median Home Prices and Monthly Mortgage Payment, National Association of Realtors, County Median Home Prices Q3 2022

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D. Enhance Opportunities for Applicants on HOC's Wait List

Value: People-First with Dignity & Respect | Our Customers

HOC's innovative Housing Path application was among the first in the nation to provide a 24/7, single application for all housing programs. In the next five years, HOC must build on that foundation to improve the application and Wait List experience for its customers.

HOC launched the Housing Path Wait List in 2016 to "extend greater access to people in need of housing." Contrary to previous lists that addressed single programs, the Housing Path Wait List allows people to fill out one application and be considered for every HOC program for which they may be eligible. The Housing Path Wait List includes more than 20 programs and HOC properties.

The electronic list ensures data accuracy by keeping it perpetually open and giving applicants the ability to update their information. Applicants must recertify their interest and eligibility on an annual basis in order to remain on the Wait List. In 2018, HOC established Call Centers for all inquiries, replacing the wait list phone line. In FY 2019, HOC added a property listing page on the Housing Path website enabling customers to check property details and availability outside of the Wait List.[15]

The Housing Resources Division maintains program waiting lists and determines family eligibility.

Small Share of Eligible Households Receive Vouchers and Typically After Long Wait

Share of eligible households receiving rental assistance and agency's average wait time for voucher recipients
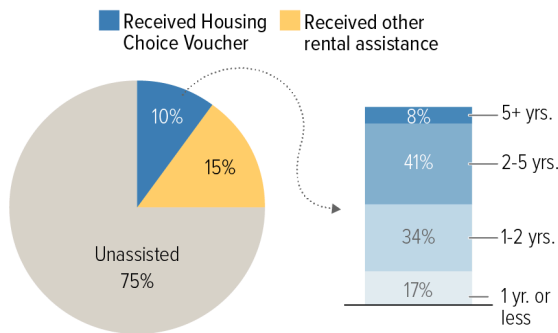
Source: HUD custom tabulations of the 2019 American Housing Survey; 2018 HUD administrative data; FY2020 McKinney-Vento Permanent Supportive Housing bed counts; 2019-2020 Housing Opportunities for Persons with AIDS grantee performance profiles; and the USDA FY2020 Multi-Family Fair Housing Occupancy Report; HUD 2020 Picture of Subsidized Households

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

The division uses the 14 performance indicators of HUD's Section Eight Management Assessment Program (SEMAP) to measure performance of the HCV program. HOC selects about 200 applicants per month to receive vouchers, housing or other program services – in the 3rd Quarter of FY 2023, HOC selected 675 applicants from the Housing Path Wait List[16] – achieving the maximum score on the "selection from the Wait List" performance measure in FY 2021 and 2022.

The Housing Path Wait List contained over 33,000 members as of August 2023 – and had already grown by several thousand this year alone. In the

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[15] *HOC Annual Comprehensive Financial Report*, June 30, 2022, Page viii
[16] Housing Resources, 3rd Quarter FY 2023

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stakeholder surveys and Town Hall meetings, the pleas from individuals on the Wait List to be given a roof over their heads were truly heartrending.

The Wait List would be shorter if there were more money to subsidize affordable housing; the Wait List is as large as it is – both in Montgomery County and across the Country – because the federal government in recent decades has stepped away from affordable housing as a national priority and defunded assistance to and moderate-income Americans in finding and securing a roof over their heads: According to HUD, only 10% of eligible households receive vouchers. These vouchers are associated with a wait time that can exceed five years, as shown in the accompanying diagram. Extended wait time on a waiting list, according to a HUD study, prolongs hardships and exposes families – both adults and children – to lasting harm.[17]

Reducing the Wait List is a serious challenge.

- Some are already in housing and are waiting for housing of a kind or in a location that would better serve their needs. HOC's Wait List is not limited to vouchers, but is also the source used to offer affordable units in HOC's properties. As a result, some *turn down* the housing they are offered when their turn comes up on the Wait List because they prefer either their current housing or a different housing option from the one offered.

- Others actually do not qualify when they reach the top of the list and are contacted – either because their circumstances have changed or, in a large number of cases, their incomes were always above qualifying levels but they are not screened out at the application stage, only when they reach the top of the list. (For example, the August 2023 Housing Path Wait List database includes 150 applicants with an annual income between $120,00 and $199,999 and 839 applicants with annual income of $200,000 or more.)

In Maryland, applicants on a wait list for housing choice vouchers wait on average for 43 months. Wait times ranged from 16 months (Housing Authority of Prince George's County) to 69 months (Arlington County Department of Human Services). HOC's average wait time to receive a voucher is 28 months. According to 2020 HUD data, the number of households that received a voucher ranges from 588 to 14,980 for the eight comparison housing authorities. HOC is one of the few housing authorities that keeps its wait list open continuously.

1. **Smooth the Application Experience**

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[17]

https://www.cbpp.org/research/housing/families-wait-years-for-housing-vouchers-due-to-inadequate-funding

HOC will develop an improved experience for applicants that is easy to use, provides more clarity about what programs and properties are available, and improves their ability to connect with other essential services.

HOC will conduct an analysis of all processes and procedures of its wait list management to determine its efficiency and effectiveness and identify areas where improvements can be made.

HOC will increase the use of technology to instantly update the waitlist, minimize the number of applicants who are removed for failure to respond, and provide tools which make it easier for applicants to understand the process and their status on the list.

2. Review and Update Wait List Preferences and Policies

HOC will re-examine the preferences and policies which apply to the Wait List to ensure that they are maximizing the use of scarce resources for those who need them most.

Goal III.   EXCEL as a World-Class Organization.

Addressing the majority of the challenges with the Wait List, as well as such "life-enhancing" recommendations as increasing participation in HOC's existing "Resident Services" programs, involve improving staffing, operations, and customer communications within HOC.

As these challenges have grown over the last decade, HOC's resources have not necessarily grown to meet them. Both HOC and the Montgomery County government have developed innovative solutions to creating additional financial resources for housing in the county. But, meanwhile, federal funding remains constrained and faces political threats in Congress, and the staffing needed to administer the new opportunities HOC and the county have created not only hasn't grown concomitantly, it has shrunk dramatically overall and faces changing labor-market constraints in the wake of the COVID-19 pandemic.

HOC will achieve world-class status as a housing and customer service organization and a great place to work for employees – just as it has in the finance and development field.

A. Excel as a World-Class Place to Work

Value: People-First with Dignity & Respect | Our Staff

Equity in Everything We Do

HOC's staff is the lifeblood of the agency and attracting and retaining high-quality staff is a top priority.

The majority of HOC personnel have been with the agency for more than five years – and over a quarter for 16 years or more. But especially since COVID-19, HOC – like many employers – faces staff burnout, difficulty in competing for staff in a tighter labor market with rising wages and salaries, and changing expectations as to working conditions. A focus group of HOC leadership staff described the organization's workforce as "committed" and "innovative," but the workplace overall as "understaffed," "under-resourced," and "siloed." Rank-and-file employees at HOC largely agree: In the survey, HOC staff ranked the top internal priorities as assessing and addressing resource needs (59% very high priority, 29% high priority) and staff morale (59% very high priority, 25% high priority); improving the hiring and recruitment process and customer support came in a hair behind IT systems as the internal processes most in need of improvement (with improving hiring and recruitment ranking as a "very high priority" for 55% of staff – more than any other choice).

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1. **Refine the Hiring and Onboarding Process**

    Over the next five years, HOC will work to ensure that our hiring, compensation, benefits, training, and facilities lead to a place where staff are motivated, fulfilled, responsive, and well-equipped to provide the high level of service that our customers deserve.

    We will explore new work arrangements and compensation structures to attract workers in a new, post-COVID labor-market environment.

2. **Strengthen Employee Training and Resources**

    HOC will provide ongoing training, professional development, and support to retain staff, avoid burnout, and increase productivity.

3. **Foster Diversity, Equity and Inclusion**

    Many HOC customers are people of color (approximately 90%, two-thirds of whom are Black), almost two-thirds in female-headed households, and significantly young, with nearly half our customers under 30 and one-third under 18. This population is projected to get even more diverse in coming years, with a growing population of Hispanic families, immigrants, and seniors.

    Over the next five years, HOC will ensure that our policies and procedures lead to an organization that is representative of the community it serves and culturally competent in communicating with all stakeholders. HOC will pursue hiring to ensure that HOC staff reflects and can respond best to HOC's customers.

B. Excel by Providing World-Class Customer Service

Value: People-First with Dignity & Respect | Our Customers

HOC is, in large part, a customer-service organization. These customers consist of residents of HOC properties, recipients of HOC vouchers for housing services in the community, and those on the Wait List to receive such services. Stakeholder feedback made clear that, while many complimented the dedication of HOC's employees, there is room for improvement HOC's ability to provide excellent service to applicants, customers, partners and the general public.

1. **Ensure Adequate Staffing Levels**

    HOC staff cannot provide the highest level of customer service if they are overburdened and stretched too thin. Ensuring adequate staffing - which requires adequate resources - will allow staff to dedicate the time each customer deserves.

2. **Provide Additional Customer Service Training**

   HOC will undertake to provide customer-facing staff with detailed training, including in topics like trauma-informed response, how to deescalate difficult situations, and effective management and communication techniques.

3. **Expand the Use of Trained Volunteers to Assist Customers**

   HOC has a cohort of dedicated volunteers, particularly those who serve with our affiliated nonprofit Housing Opportunities Communities Partners (HOCP). HOC will explore creating a new, formalized Volunteer Corps that could receive training in how to serve customers, preserve privacy, and follow procedures and then provide opportunities for volunteers to assist applicants and customers with paperwork and understanding HOC's policies.

4. **Make HOC Easy to Reach**

   HOC has offices in Gaithersburg and Kensington and Customer Service Centers in Silver Spring and in the Greater Rockville area. HOC recently moved its Upcounty Service Center to a new location about a block from the Shady Grove Metro, and plans to move its Headquarters from Kensington to Downtown Silver Spring, where it will be easily accessible by the Metro, bus, MARC and the future Purple Line. In addition to ensuring its physical locations are transit-accessible and easy to reach from every part of the county, HOC is undertaking a redesign of its website and digital presence to be more user-friendly, and has implemented a call-center where trained employees are available to take customers' inquiries.

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C.   Excel through Modern Technology and Data Systems

Value: Innovative and Entrepreneurial

In the survey of HOC staff conducted as part of this strategic planning process, HOC employees ranked improving and modernizing IT systems and processes among the most needed systems improvement.

How would you rate the opportunity to improve, modernize, and/or streamline the following internal systems and processes within HOC?
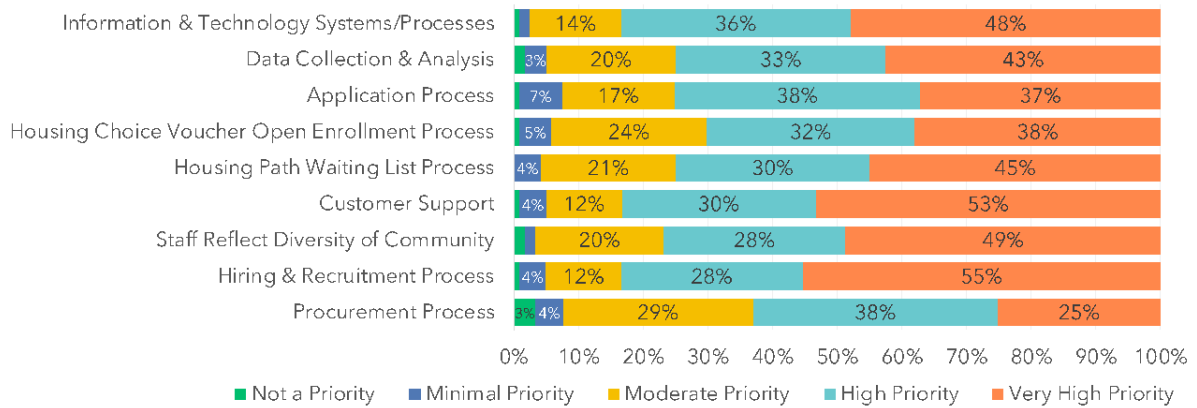
A wide range of new technologies have become widely available since adoption of HOC's last strategic plan. In addition to basic technologies such as email alerts, SMS/texts, online public portals, HOC can update its technology and software that would allow better on-going communication with customers and be more inclusive of those with disabilities, especially among the deaf, as expressed by a member of the deaf community who attended and spoke at the public engagement sessions as part of this strategic planning process. And in the coming years, Artificial Intelligence and Machine Learning will open entirely new vistas in agency capabilities.

1. **Protect the Security of HOC's Systems**

The security of our systems ensures privacy for our customers, employees, and applicants. HOC will follow industry standard best practices to ensure that our systems and data are protected.

2. **Ensure that Technology is a Benefit, Not a Barrier**

Ensure that new technology is implemented to help our staff provide more assistance to more customers, and expands assistance for applicants who do not have access to or possess proficiency in technology.

3. Invest in Data Analysis Capabilities

HOC will strive to improve its use of data to inform decision-making and ensure programmatic decisions and undertakings match actual HOC staff and financial capacity. HOC uses a wide variety of systems and tools for data collection, storage and management, and in the next five years will seek to integrate these systems and improve our capability for data analysis to better inform decision-makers and the public.

Improved data capabilities will enable HOC to better determine housing needs across the county, and better understand geographic and demographic factors, population shifts, and changes in housing supply and demand. They will also help us better collaborate with and inform community partners to foster improved outcomes for families living in HOC housing, evaluate programmatic effectiveness, and determine what objectives to pursue in future plans.

4. Explore the Use of AI Tools

Explore use of innovative artificial intelligence, such as Virtual Assistants, to make operations more efficient and improve the experience for customers, applicants and staff.

D.   Excel with Transparent and Accountable Implementation of this Plan

Value: Innovative and Entrepreneurial

HOC will develop an Implementation Plan with detailed metrics and action steps, and create dashboards and reports to track HOC's progress in achieving the goals and objectives laid out in this Strategic Plan.

Implementation planning will include careful consideration of HOC's budget and financial position to ensure the organization maintains optimal financial health.

1. Develop a Detailed Implementation Plan

HOC will develop an operationally-focused Implementation Plan that contains the detailed process steps, metrics, timelines, staffing needs, and budget considerations to achieve the goals and objectives outlined in this plan.

2. **Create Dashboards to Track Progress**

    As part of the Implementation Plan process, HOC will create both public and internal dashboards that allow stakeholders to track the progress of the implementation of the Plan, along with key metrics that measure multiple dimensions of the affordability of housing in Montgomery County.

3. **Report and Revisit the Implementation Plan Annually**

    HOC will report annually to the Commission and the public on the progress toward reaching these goals. This annual report will also provide an opportunity to review the timelines and action steps laid out in the Implementation Plan and adjust them as needed.

APPENDIX

ABOUT HOC

The Housing Opportunities Commission of Montgomery County (HOC) is the county's largest provider of high-quality, amenity-rich, affordable housing for low- and moderate-income households. As the county's designated Public Housing Authority and Housing Finance Agency, HOC serves more than 20,000 families through a variety of housing programs. HOC owns more than 9,000 apartment, townhome and single-family home rental properties. It provides rental assistance to more than 8,000 low-income households through the Housing Choice Voucher (HCV) program and an additional 1,600 households through other types of subsidized housing programs. HOC also has financed more than 3,400 units in privately-owned multi-family buildings and helped more than 2,000 households purchase a home through the homeownership and mortgage programs -- all with the goal of making housing more affordable in Montgomery County. HOC currently has a pipeline of 13 new construction and renovation projects in various stages of the development process from design to construction.

HOC's Resident Services Department strives to enhance the lives of HOC customers by coordinating and implementing a vast array of high-quality programs, services, and resources. Through collaborative partnerships with Montgomery County, the federal government, and various community-based organizations, Resident Services is able to offer comprehensive service coordination, impactful resident programs, and robust supportive housing services to individuals and families who reside in HOC owned-managed properties or receive HOC housing subsidies, as well as applicants on HOC's waitlist. Resident Services helps individuals and families to achieve goals in seven pivotal areas including (1) housing stability, (2) food security, (3) education, (4) career, (5) economic mobility and financial empowerment, (6) health and wellness, and (7) social connection.

HOC originated as the Housing Authority of Montgomery County (HAMC) when it was separated from the county government in 1968.[18] Six years later, when state and local law was amended to expand the county's housing mission,[19] it was restructured into the Housing Opportunity Commission. HOC became a public corporation authorized to acquire, own, lease, and operate housing; construct and renovate housing; finance affordable rental and homeownership housing; and arrange for social services.[20] It later established its current mission to "provide affordable housing and supportive services that enhance the

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[18] Housing Opportunities Commission website, History
[19] A Profile of the Housing Opportunities Commission, OLO Report No. 94-1, Nov 30, 1993
[20] Ibid and FY204 Recommended Budget Book

lives of low- and moderate-income families and individuals throughout Montgomery County," with the purpose of getting and keeping people housed and helping customers reach their fullest potential.[21]

HOC fulfills a critical role in addressing the county's current and future housing needs.[22] Current projections are that an additional 200,000 county residents will need housing by 2045. Only 15% of Montgomery County's land area is still available to build. Within that context the affordability challenge will only get more daunting.

Over the years and amid almost seismic demographic shifts in Montgomery County, HOC has continually adapted and reimagined its community service role. It has capitalized on opportunities to innovate and model best-practices. It has successfully developed creative financing vehicles and been recognized with national awards for its groundbreaking work to build high-quality affordable housing and serve more families. As a result, Montgomery County is widely considered to be among the most innovative counties in the United States.

In 1976, the county pioneered the use of inclusionary zoning through its Moderately Priced Dwelling Unit (MPDU) program, an initiative that still yields valuable affordable housing opportunities today. HOC was among the first agencies to employ a mixed-income strategy for housing developments, in which market-rate units help subsidize affordable units in the same development.

HOC was also an early adopter for the U.S. Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration program (RAD), which allows public housing authorities to convert Section 9 public housing units to Section 8 units receiving Project-Based Rental Assistance (PBRA). HOC has done this conversion without privatizing any of its former public housing units or displacing residents. The RAD conversions allow these units to be repositioned as part of a mixed-income portfolio and combined with other subsidy sources, such as Low Income Housing Tax Credits (LIHTC). This ensures that properties are not wholly reliant on the Public Housing Capital and Operating subsidies for maintenance and renovation, as these funds have been chronically underfunded for decades. HOC has converted all of its public housing through RAD, ensuring that it has the ability to finance needed improvements throughout its portfolio.

More recently, HOC developed a housing financing mechanism that is self-supporting and not reliant on limited pools of federal funding, such as Low Income Housing Tax Credits (LIHTC) or volume capped Private Activity Bonds. HOC's Housing Production Fund (HPF) was created in 2021 in partnership with Montgomery County leadership and seeded by a $50 million bond issuance. A second $50 million bond issuance was authorized in 2022. Debt payments for the HPF are made by the county and HOC uses the $100 million to provide short-term construction financing for new mixed-income housing developments.

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[21] Ibid.
[22] Montgomery County Planning Board

After completion and lease-up of a property, the construction loan is converted into longer-term debt. The proceeds from this transaction are returned to the HPF to fund additional developments. HOC then owns the resulting building to ensure permanent affordability, leading the New York Times to call it "[p]ublic housing… just not the way most people think of it."[23]

The HPF is a national model for the creation of locally-financed, mixed-income housing and its success confirmed HOC's status as an innovator in the field of affordable housing. It also enhanced its credibility as it goes about developing new creative financing structures. In 2023, HOC worked with the County Executive, County Council and the Department of Housing and Community Affairs (DHCA) to design a new Nonprofit Preservation Fund, which was approved by the Council and programmed with $20 million, with an additional $30 million proposed for FY25. This revolving fund will provide 7-10 year loans for nonprofit and public housing providers to purchase and preserve naturally occurring affordable housing that is at risk of becoming less affordable, with a focus on transit-oriented properties.

HOC's Portfolio of Rental Housing

HOC has accumulated a large portfolio of rental housing in the county, consisting of 9,130 units in 50 multifamily properties and 1,769 scattered sites which are townhouses, apartments, and single family homes. Sixteen % of the units are age restricted (62+) and 67% are income restricted and subsidized. Of the income-restricted units, 6% are affordable at 40% of Area Median Income (AMI) or below, 30% at 50% AMI or below, 47% at 60% AMI or below, 13% at 80% AMI or below, and 3% at 120% AMI or below.

Property (*=age restricted to 62+)	Address	Units	Affordable
Alexander House	8560 Second Avenue, Silver Spring, MD 20910	305	40%
Arcola Towers*	1135 University Boulevard Silver Spring, MD 20902	141	100%
Barclay Apartments	4716 Bradley Boulevard, Chevy Chase, MD 20815	157	52%
Battery Lane	4857 Battery Ln, Bethesda, MD 20814	212	20%
Bauer Park Apartments*	14635 Bauer Drive, Rockville, MD 20853	142	100%
Bradley Crossing	4800 Wellington Dr, Chevy Chase, MD 20815	402	50%
Camp Hill Square	17825 Washington Grove Ln, Gaithersburg, MD 20877	50	20%
Cider Mill Apartments	18205 Lost Knife Cir, Gaithersburg, MD 20886	861	40%
Dale Drive	527 Dale Dr, Silver Spring, MD 20910	10	100%
Diamond Square	80-B Bureau Drive, Gaithersburg, MD 20878	124	65%

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[23] Dougherty, Conor. "This is Public Housing Housing. Just Don't Call it That," New York Times, Aug. 25, 2023 at https://www.nytimes.com/2023/08/25/business/affordable-housing-montgomery-county.html.

Property (*=age restricted to 62+)	Address	Units	Affordable
Fairfax Court	4716 Bradley Boulevard, Chevy Chase, MD 20815	18	44%
Fenton Silver Spring	8240 Fenton St, Silver Spring, MD 20910	124	100%
Forest Oak Towers*	101 Odendhal Avenue, Gaithersburg, MD 20877	175	100%
Georgian Court	3600 Bel Pre Road, Silver Spring, MD 20906	147	100%
The Glen	2399 Jones Lane, Wheaton, MD 20902	90	50%
Glenmont Crossing	2309 Shorefield Rd, Wheaton, MD 20902	97	52%
Glenmont Westerly	2309 Shorefield Rd, Wheaton, MD 20902	102	50%
Greenhill Apartments & Town Homes	10572 Tralee Terrace, Damascus, MD 20872	77	71%
Ken Gar	Shaftsbury Street, Kensington, MD 20895	19	89%
Lasko Manor	4913 Hampden Ln, Bethesda, MD 20814	12	100%
The Laureate	8005 Gramercy Blvd, Derwood, MD 20855	268	30%
The Leggett*	1315 Apple Ave, Silver Spring, MD 20910	267	89%
The Lindley	3719 Chevy Chase Lake Dr, Chevy Chase, MD 20815	200	20%
Magruder's Discovery	10508 Westlake Drive, Bethesda, MD 20817	134	100%
Manchester Manor	8401 Manchester Road, Silver Spring, MD 20902	53	91%
MetroPointe	11175 Georgia Ave., Wheaton, MD 20902	173	31%
Metropolitan	7620 Old Georgetown Rd, Bethesda, MD 20814	308	30%
Montgomery Arms	8627 Fenton Street, Silver Spring, MD 20910	129	56%
Oaks @ Four Corners*	321 University Boulevard, Silver Spring, MD 20901	120	40%
Paddington Square	8800 Lanier Drive, Silver Spring, MD 20910	165	41%
Parkway Woods	12933 Twinbrook Parkway, Rockville, MD 20851	24	92%
Pooks Hill Tower	Three Pooks Hill Road, Bethesda, MD 20814	189	67%
Pooks Hill Court	5610 Pooks Hill Road, Bethesda, MD 20814	50	20%
Residences on the Lane*	2 Helen Heneghan Wy, Rockville, MD 20850	150	90%
Sandy Spring Meadow	1 Branchwood Court, Sandy Spring, MD 20860	55	87%
Seneca Ridge	19568 Scenery Drive, Germantown, MD 20876	71	77%
Shady Grove Apartments	16125 Crabbs Branch Way, Derwood, MD 20855	144	100%
Southbridge	7423 Aspen Ct, Takoma Park, MD 20912	39	51%

Property (*=age restricted to 62+)	Address	Units	Affordable
Spring Gardens	8007-A Eastern Avenue, Silver Spring, MD 20910	82	74%
Stewartown Homes	9310 Merust Lane, Gaithersburg, MD 20879	94	100%
Strathmore Court	5440 Marinelli Road, North Bethesda, MD 20852	202	25%
Tanglewood and Sligo Hills	8902 Manchester Road, Silver Spring, MD 20901	132	100%
Timberlawn Crescent	5707 Luxemburg St, Bethesda, MD 20852	107	50%
Towne Centre Place	3502 Morningwood Drive, Olney, MD 20832	49	96%
Washington Square	8343 Fairhaven Drive, Gaithersburg, MD 20877	50	40%
Waverly House*	4521 East-West Highway, Bethesda, MD 20814	157	100%
Westwood Tower	5401 Westbard Ave, Bethesda, MD 20816	212	27%
Willow Manor at Cloppers Mill*	18003 Mateny Rd, Germantown, MD 20874	102	100%
Willow Manor at Colesville*	601 E Randolph Rd, Silver Spring, MD 20904	83	100%
Willow Manor at Fair Hill Farm*	18301 Georgia Ave, Olney, MD 20832	101	100%
Willows of Gaithersburg	429 W Diamond Avenue, Gaithersburg, MD 20877	195	100%
Scattered Sites	Townhomes, apartments, and single family homes spread throughout the county	1,769	87%
TOTAL		**9,139**	**68%**

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MONTGOMERY COUNTY'S AFFORDABLE HOUSING CHALLENGE

Montgomery County attracts people because of its diversity, strong labor market, excellent schools, and recreational amenities. Many of its neighborhoods and communities are featured as "best places to live" by local, state, and national publications. It's no surprise that housing demand in Montgomery County is among the strongest in Maryland. The chart below shows the county's pace of population growth over time.

Population Growth, 1970-2020
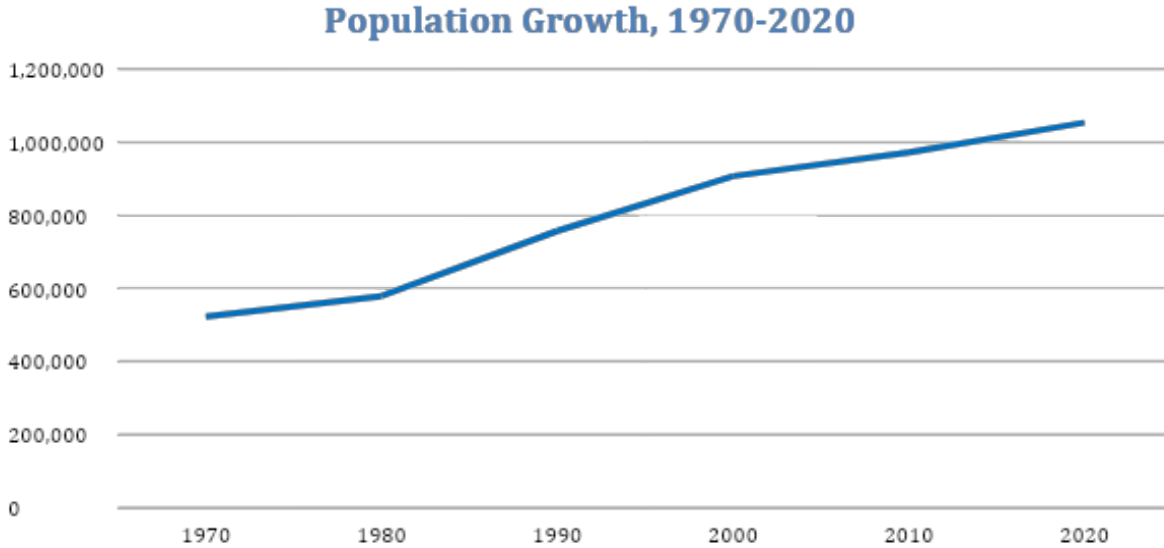
Source: U.S. Census Bureau

Overall demand for housing continues to grow. Montgomery County's population roughly doubled from 1970 to 2020, with the most significant increase occurring in the 1980s, and the demand for housing grew accordingly. Estimates are that the county will add 60,000 new households between 2020 and 2040.[24] Historically the county has struggled to build enough homes to accommodate such a population explosion, widening the gap between supply and demand and exerting severe pricing pressure over time.[25]

The need for more varied affordable housing stock will grow. Household composition has evolved as the county's population has grown and diversified. Before 1990, the largest segment of the population was married couples without children.[26] After 1990, married couples without children and nonfamily households (of one person) comprised the most significant household share. After 2000, nonfamily

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[24] Montgomery County Planning Board, Current demographic, economic, and housing market conditions, Jul 13, 2022
[25] U.S. Census Bureau
[26] 2016-2020 American Community Survey, 5-year estimate, U.S. Census Bureau

households alone represented the largest segment.[27] Significantly, household growth has been concentrated in the lowest and highest income brackets – less than $25,000 and $125,000 or more, with the lowest income bracket adding the most households.

The diversifying population will increase the need for more multigenerational housing. Asian, Black, and Hispanic households are more likely than White households to live in multigenerational households, with Latino households representing the largest demographic group among this population.[28] Montgomery County has a larger percentage of the Hispanic population than the region, with El Salvador being the most prominent country of origin. The same also is true for the region.[29] Of the county's diverse racial and ethnic groups, the Hispanic and Black populations tend to be younger, and the non-Hispanic White population is older.[30]

Extremely and very low-income, non-White resident populations will increase, creating a growing demand for housing assistance. Not only is the population getting older, but it is diversifying. Sixty-six % of the population aged 55 and over will be non-White by 2040, whereas this group represented just 34 % of residents in 2010.[31] Non-White residents are more likely to have lower household incomes, especially seniors.[32] Moreover, the county is capturing a more significant share of low-income households (earning less than $50,000 annually) in the region.[33]

The aging population will change the need for and composition of housing stock. The population's median age increased from 33.9 in 1990 to 39.7 in 2021 and is increasingly getting older. The senior population aged 65 and over will increase by 50 % from 2020 to 2040.[34] As it does, the number of prime wage earners aged 45-64 that now make up the most significant share of residents will decrease by 2%. The percentage of younger, working-age adults will also decline by 2% by 2040.[35] These two trends combined will make it more difficult for the county to support the nonworking population. In addition, the county is now home to the second-largest population of people with disabilities in the region, many of whom rely on the Housing Choice Voucher (HCV) program and other housing subsidy programs.[36] HOC maintains designated housing for low-income seniors and people with disabilities and an active Wait List

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[27] Ibid.
[28] Insights from the SHHR, Multigenerational Living Among Latinos, NAHREP, Mar 22, 2023, and Demographics of multigenerational households, Pew Research Center, Mar 24, 2022
[29] Metropolitan Washington Fair Housing Plan, Montgomery County, Jan 2023
[30] 2021 Population Estimates Program, U.S. Census Bureau
[31] U.S. Census Bureau
[32] Older Adults in Montgomery County Data Snapshot, (Current Population Survey, 2021)
[33] Montgomery County Planning Board, Current demographic, economic, and housing market conditions, Jul 13, 2022
[34] Maryland Department of Planning, 2020
[35] U.S. Census Bureau
[36] Metropolitan Washington Fair Housing Plan, Montgomery County, Jan 2023

poised to grow. Moreover, these changes will necessitate a greater need for more intergenerational housing.[37]

More residents will need housing and support due to rising inequalities. While Montgomery County is one of the wealthiest counties in the U.S., that distinction masks a vast income inequality between top earners and those at the bottom. The chart below shows that the income inequality ratio in the county has increased over time, reaching a record high in 2021. While the median household income is $132,196 – a year-over-year increase of 2.1 % for 2021, the number of people below the poverty level, now 74,542, has also increased yearly by 8.4 %.[38] Income inequality is intertwined with housing inequality and hinges on the performance of the economy.

Income Inequality Over Time
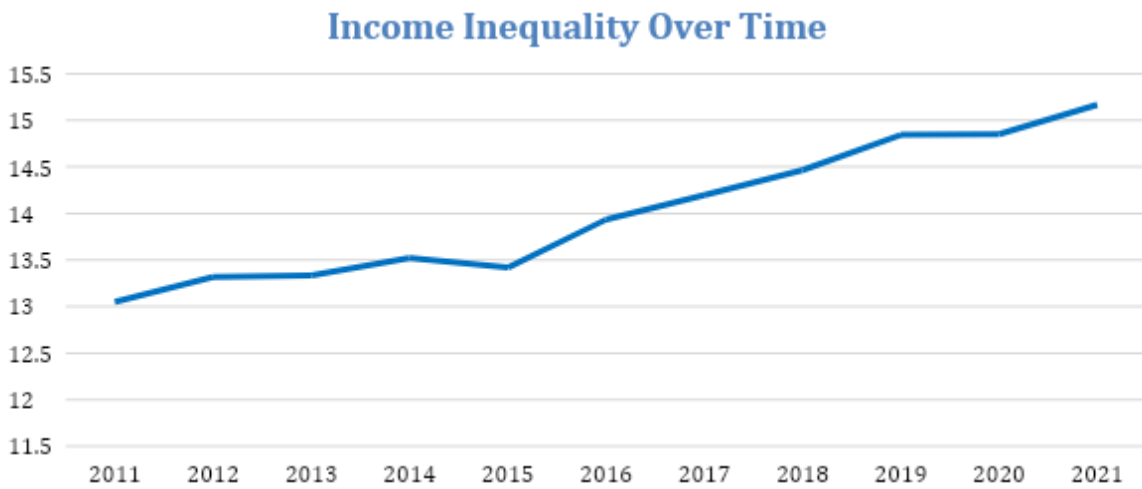
Source: U.S. Census Bureau (not seasonally adjusted)

Source: American Community Survey, 2021

Individuals and families qualifying for housing assistance will change and grow as the median income decreases. For a family of four, the area median income (AMI) is $142,300 as of June 15, 2022.[39] And while there was a slight uptick in the AMI in 2022 (not reflected in the chart), the increase in housing values overshadows this gain. So, getting people to the end of the housing life cycle and successfully transitioning into homeownership will be more challenging, especially for low-income and very low-income customers.

Rent is rising faster than home values and income, and will continue to be less affordable. The charts below show that while home values have increased by 8% and income has increased by 22% over the past 10 years, rent has grown by a wider margin of 25%.

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[37] Ibid. and Montgomery County Planning Board, Current demographic, economic, and housing market conditions, Jul 13, 2022
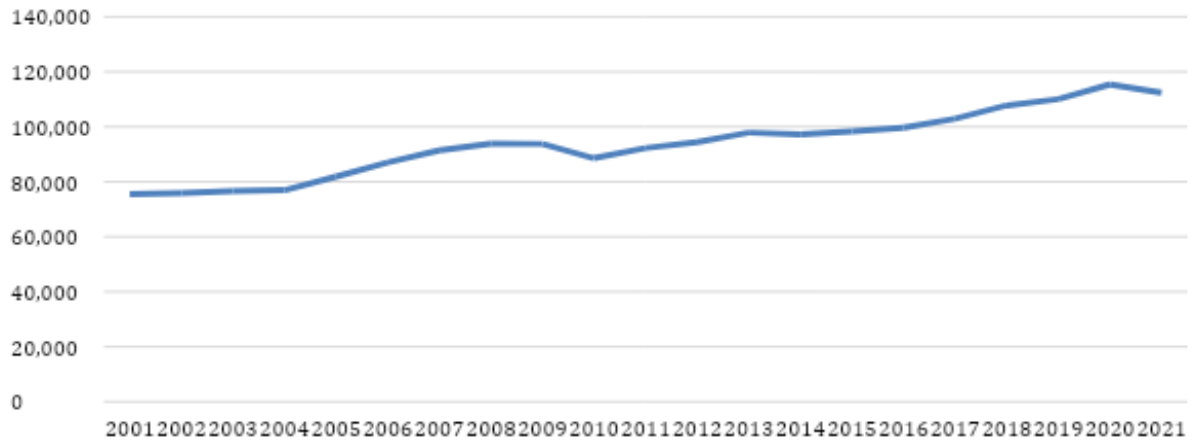[38] U.S. Federal Reserve
[39] DHCA, Rent and Income Limits

10-Year Comparison of Trends in Home Values and Incomes, Indexed
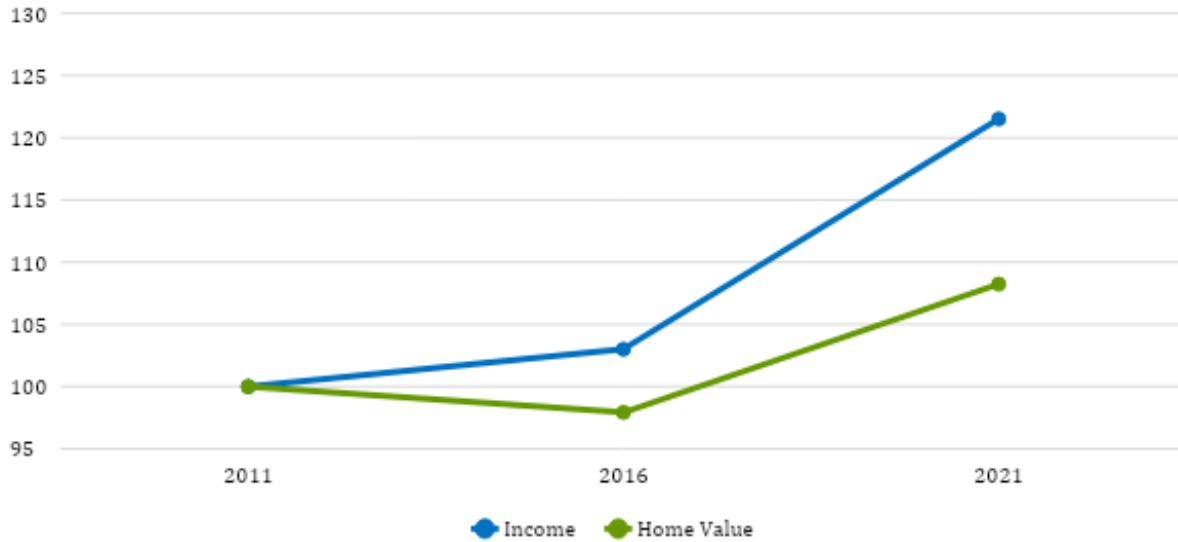
Source: U.S. Census Bureau

Estimate of Median Household Income, 2001-2021


Source: U.S. Census Bureau

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10-Year Comparison of Trends in Rents and Incomes, Indexed

Source: U.S. Census Bureau

Household size of rental units is increasing. The size of renter households across all races has grown from 2.39 to 2.59, reinforcing the need for additional multifamily units.[40]

More households will be cost-burdened, especially Black households. Today 50% of all renters are cost-burdened, including 80% of households making 50 % of AMI.[41] Compared to renters in the region, Montgomery County's renters were more likely to spend more of their income on rent.[42] While all racial groups will feel this burden, Black residents are at the most significant risk. More Black renters in Montgomery County have a greater chance of being severely cost burdened than Black renters throughout Maryland as a whole. Households with incomes between $20,000 and $35,000 are the most vulnerable to being cost burdened. Not only has income not kept pace with rising rents, but the county has lost monthly rental units that rent for $500 or less and $1,000 or less from 2016 to 2021. There was a 17.2% reduction in units renting for $500 or less and a 25.5% reduction of units renting for $1,000 or less – i.e., affordable to residents up to 30% AMI – over five years.[43]

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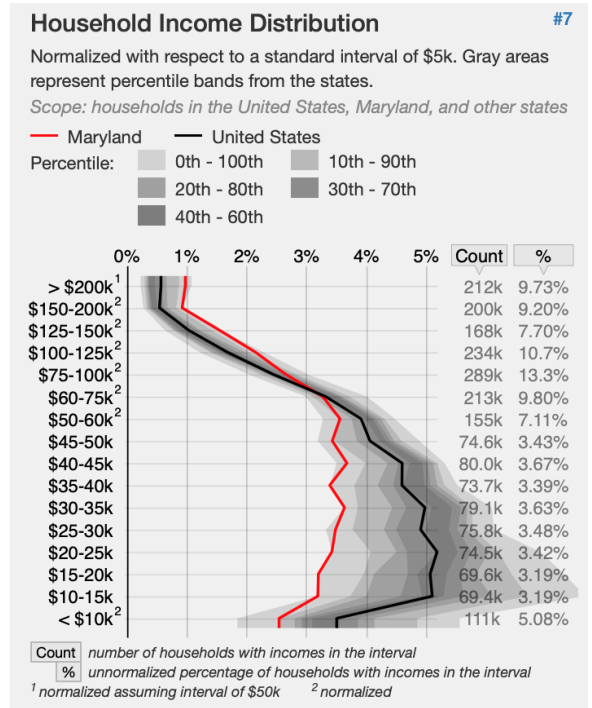
[40] Ibid.
[41] Montgomery County Rental Housing Study
[42] Ibid.
[43] Ibid.

About 28 % of all households (103,200) have income at or below 80 % of the HUD area median family income (HAMFI) adjusted for household size.[44]

Government-fueled racial disparities will continue to plague Montgomery County housing unless such policies are reversed. Before we can look to the future, it is essential to understand where we've been because racial inequities have long been part of Montgomery County's history.

Prior to the Civil War, Maryland was a slaveholding state and Montgomery County was largely agrarian. At the time, 18% of the county's population was Black and 80% of Black residents were held in slavery. In the 1860 election just 2% of Montgomery County's voters supported abolitionist Abraham Lincoln for president. The narrowly-enacted 1864 amendment to the state constitution that eliminated slavery was opposed in Montgomery County by a 3-to-1 margin. During Reconstruction, new forms of racial apartheid emerged as public schools were made available only to White children. Freed slaves mostly were relegated to live in isolated communities and continued to work on the plantations where they previously were held in bondage. In the 1920s and 1930s, racially-exclusionary covenants began to emerge in the land titles of communities such as Chevy Chase.

Fueled by a post-World War II housing boom, people migrated from the District of Columbia to Montgomery County in search of inexpensive land on which to construct housing near where they worked. The county's population swelled during that period: from 164,401 in 1950 to 1,052,521 in 2022.[45] The county also served as a place of temporary housing for veterans returning from the war, however, care and accommodation were provided to White and Black veterans separately in different locations in the county. That was the genesis of historical racial discrimination in the form of systemic housing segregation policies and practices.[46]

A new era arrived with the United States Supreme Court decision in *Brown vs. Board of Education*, which declared segregation in public education to be unconstitutional. Unfortunately, housing segregation persisted in new forms. Although Montgomery County did not adopt the deep-South policy of "massive resistance" to the Supreme Court's desegregation decisions like other communities below the Mason-Dixon Line, it did permit resistance to integration to continue. It took a 1955 federal court order to desegregate the county's public parks. The county's school board balked at integration on the grounds that state law mandated racially-segregated schools. As late as 1967, one of the county's leading housing

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[44] Montgomery County Planning Board, Equity Focus Area Analysis
[45] Montgomery County History, The Suburban Boom, How Montgomery County Grew in the 1950s, https://sites.google.com/view/suburbanization/home (statistics from U.S. Census Bureau data)
[46] Ibid.

developers publicly opposed integrated residential communities and – in language still recognizable today – declared that "open housing statutes are Anti-White laws."[47]

The shortage of housing that initially drove people from D.C. to Montgomery County led governments at every level to enact policies to produce and preserve housing primarily for White middle class families, not just in Montgomery County but throughout Maryland and the United States.
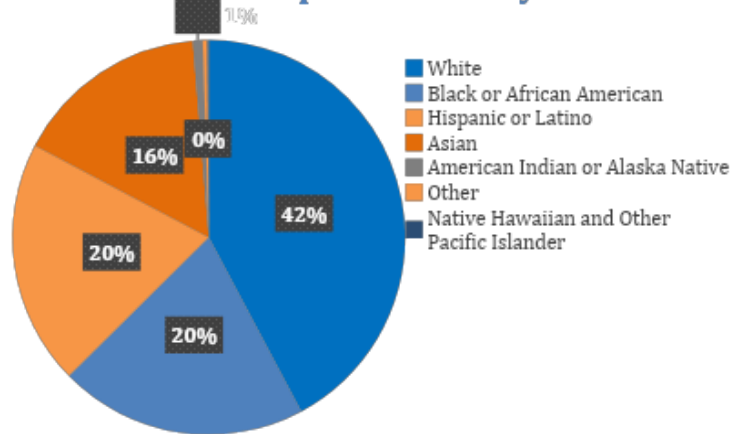
This created housing inequities for residents of color, even as the chart shows that the county's racial composition changed over time to include more and more such residents. These policies led not only to racial segregation but also to income disparities.

Montgomery County Racial Composition, 1950-2020
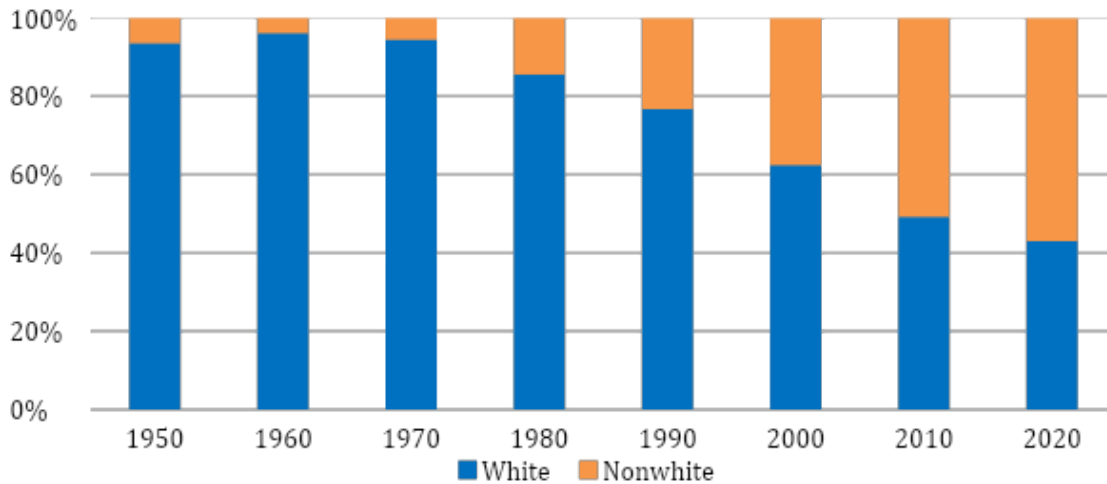
Source: U.S. Census Bureau

Racial Composition Today

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[47] See generally, "A Shameful Past: Montgomery County is one of the most progressive and diverse counties in the country—but it also has a long history of racism," https://moco360.media/2021/03/29/a-shameful-past/

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That's because, despite rising population diversity, federal loan requirements discouraged builders from acquiring government-guaranteed loans to build in communities with Black residents, and banks refused to lend money to Black homeowners for improvements.[48] In addition, because of lender-imposed covenants in property deeds, real estate agents couldn't show homes for sale or rent in White neighborhoods to non-White buyers or renters. For much of the 20th century, discriminatory policies dictated where non-White county residents lived, with redlining and exclusive zoning favoring affluent and predominantly White residents, forcing Black residents into subsidized housing.[49] As a result, housing discrimination limited housing opportunities and housing values for Black residents over time, with values rising at a slower rate for Black homeowners.[50]

These discriminatory policies have affected the county's long-term housing market, reduced opportunities for residents living in segregated areas, and produced lower home equity and family wealth overall for people of color. HOC customer families' demographics thus differ from the overall demographic characteristics of Montgomery County residents, as shown in the table below. Nearly 60% of HOC families are Black, compared with 18% of the county's population, while 9% are White compared with 41% for the county as a whole. A smaller percentage of HOC families – 16% – are Hispanic, compared to the 21% they comprise of the full county's population. HOC families also differ from the county in gender and age distribution, as shown in the chart below.

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[48] Ibid.
[49] "A 'Forgotten History' Of How the U.S. Government Segregated America," NPR, May 7, 2017
[50] Ibid.

47

Demographics of Montgomery County and HOC Families

Demographics[51]	Montgomery County Population[52]	HOC Families[53]
Race/Ethnicity:		
White	41%	9%
Hispanic	21%	16%
Black	18%	59%
Asian/Pacific Islander	15%	4%
Other/Unknown	6%	12%
Gender:		
Male	49%	38%
Female	51%	61%
Age:		
Under 18	23%	32%
18-29	14%	16%
30-44	20%	16%
45-54	27%	19%
65+	17%	16%

Since 1990 segregation has increased across the region and throughout Montgomery County.[54] This is true not just for Black residents but also for all minority groups in the county. As a 2021 report observed:

"Maryland's Montgomery County, just north of Washington, provides a good example of the dichotomy the state is facing.

"The county has the highest Diversity Index percentage in Maryland, and the No. 16-ranked score in the entire U.S. But, like other counties, its strong diversity does not equal great opportunity for communities of color.

"Several 2019 reports from the County Council's Office of Legislative Oversight found large gaps between Montgomery County's white population and people of color in areas such as health and housing, according to Jayne Park, executive director of Impact Silver

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[51] HOC Internal Data.
[52] Montgomery Planning/American Community Survey, 2021.
[53] HOC Internal Data.
[54] Metropolitan Washington Fair Housing Plan, Montgomery County, Jan 2023

Spring, an organization that tackles the root causes of racial and economic disparities in the county. In fact, the office's _Racial Equity Profile from July 2019_ found that across the policy areas studied, the county's "white residents experienced the best outcomes for the vast majority of measures considered."[55]

Montgomery County now, however, is in a transformational period and attempting to defy its heritage of structural and institutional racism. Thanks to the 2019 Racial Equity and Social Justice Act,[56] county officials have embarked on a mission to reduce and eliminate racial inequities and disparities in government, requiring that racial equity and social justice play a role in planning. As a result, the Planning Department has determined a methodology for analyzing and designating Equity Focus Areas (EFAs). It includes a classification for vulnerable populations in the county using three identities – low-income households, race and Hispanic origin, and the ability to speak English – identities that also apply to HOC's customers. About 28% of all households (103,200) have income at or below 80% of the HUD area median family income (HAMFI) adjusted for household size.[57] In a county where one-third of residents are foreign-born, 41% speak a language other than English, and 14% lack English proficiency, there is a need for county leaders to view race and ethnicity as among many underrepresented identities, in order to advance diversity and inclusion.[58] When the Planning Department applied these indicators across the county's geography, it found that 56 of 215 census tracts where 275,875 residents live were in EFAs.[59]

EFAs are predominantly in Mid and Up County (Aspen Hill and Wheaton and along I-270 close to Germantown and Gaithersburg) and East County near White Oak and part of Silver Spring, with a higher concentration of younger residents aged 18-34 and Hispanic or Latino residents.[60] They also tend to be less educated than residents outside EFA areas, with high school graduates and those with some college or an associate's degree comprising the highest percentage of educational attainment.[61] While employed in various occupations, many residents work in the service industry, and most drive to work alone for jobs within the county. Only about 17.8% of households in these areas had a mortgage, with an average monthly mortgage cost of $2,136.[62] The average housing value for owner-occupied housing was $344,664, well below the $628,725 average housing value of residents outside EFAs.[63] Forty percent of

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[55] E. Davis, "Maryland Sees Growth in Racial Diversity, but Challenges Persist," U.S. News & World Report (Nov. 8, 2021), https://www.usnews.com/news/best-states/articles/2021-11-08/census-maryland-grows-in-diversity-but-inequality-persists.

[56] Creating a Racial Equity and Social Justice Policy

[57] Montgomery County Planning Board, Equity Focus Area Analysis

[58] Equity Focus Areas, Montgomery County Planning Department

[59] Montgomery County Planning Board, Equity Focus Area Analysis

[60] Ibid.

[61] Ibid.

[62] Ibid.

[63] Ibid.

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EFA residents paid an average monthly rent of $1,591, and 44% spent more than 35% of their income on rent.[64]

The EFA analysis serves as a framework for project planning to achieve equitable outcomes and deserves consideration in the Commission's strategic planning effort.

Today's entrenched societal perception that public housing is predominantly for poor Black and Brown residents will take many future generations to undo. While the county and Commission have made notable strides to overcome long-standing housing inequities, the deeply-rooted perspective of what public housing is and who it serves has become an obstacle to HOC's work even today.

The gap between rent and assistance will widen. Today's rents exceed the voucher payment standards by $193 for 19% of renters, and even though HUD approved an increase to the Voucher Payment Standard to 112% of published Fair Market Rents, this isn't enough to cover the financial need.[65] As home values continue to rise faster than income, a more significant share of renters will likely be cost-burdened and unable to afford a rent increase.

The county's newly adopted General Plan Update forecasts that most new housing in the coming years will need to be built by increasing density in existing residential areas. Montgomery County was one of the first in the country to adopt inclusionary zoning.[66] Bethesda and Rockville have substantial inclusionary development that has resulted in more affordable units.[67] Yet, the County is producing fewer than 2,600 housing units per year, resulting in an estimated gap of 8,000 units.[68]

While the MPDU program has expanded housing choice, land scarcity means that going forward, these units will mostly be built in high-rise buildings in the county's high-density zones.[69] This has already made development more costly for investors, and will continue to be an issue in the near term. As the development costs increase, housing costs also will increase and become less affordable for residents.

Another way to think about this is to compare these two maps:

[64]
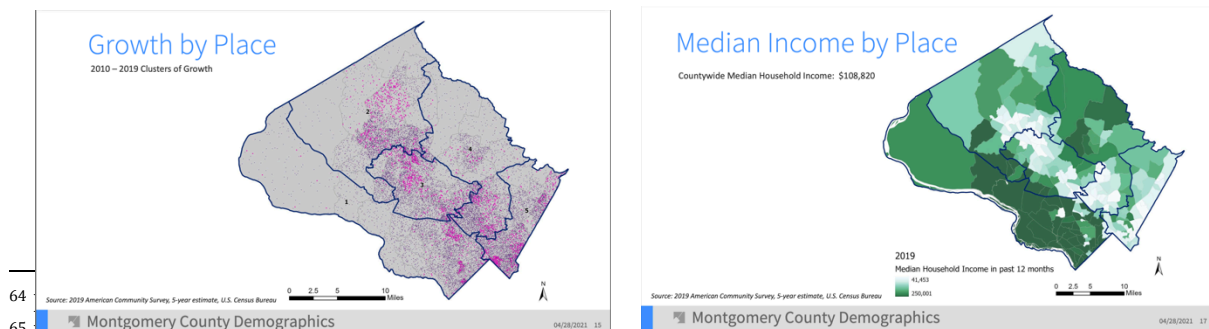
[65] HOC Internal Data.

[66] Montgomery County, Maryland, 2015 Analysis of Impediments to Fair Housing Choice

[67] Metropolitan Washington Fair Housing Plan, Montgomery County, Jan 2023

[68] Thrive 2050

[69] Montgomery County, Maryland, 2015 Analysis of Impediments to Fair Housing Choice

As can be seen by a cursory comparison, the areas of high projected growth in the county (purple, on the left-hand map) essentially overlap with median income of approximately $41,000, i.e., high concentrations of 30% AMI households (white, on the right-hand map). In sum, the county faces a clear choice between concentrating more affordable housing in areas of already high-density, high-growth and low-income, or spreading new affordable housing around to "underserved" areas with low density and very high incomes that are likely to remain that way without policy change.

The total housing shortfall in Montgomery County. As noted at the outset the county will add 60,000 new households within the next two decades,[70] and, as discussed throughout this section, these largely will be lower-income, older, more diverse, and larger households.

The diversifying population will increase the need for more multigenerational housing. Asian, Black, and Hispanic households are more likely than White households to live in multigenerational households, with Latino households representing the largest demographic group.[71]

The aging population will change the need for housing stock to accommodate more older and disabled residents and further increase housing assistance program waitlists. The population's median age increased from 33.9 in 1990 to 39.7 in 2021 and is increasingly getting older. The senior population aged 65 and over will increase by 50% from 2020 to 2040.[72] As it does, the number of prime wage earners aged 45-64 that now make up the most significant share of residents will decrease by 2%. The percentage of younger, working-age adults will also decline by 2% by 2040.[73] These two trends combined will make it more difficult for the county to support the nonworking population. In addition, the county is now home to the second-largest disabled population in the region, many of whom rely on the HCV program and other housing subsidy programs.[74] HOC maintains designated housing for low-income seniors and disabled households and an active Wait List is poised to grow. Moreover, these changes will necessitate a greater need for more intergenerational housing.[75]

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[70] Montgomery County Planning Board, Current demographic, economic, and housing market conditions, Jul 13, 2022
[71] Insights from the SHHR, Multigenerational Living Among Latinos, NAHREP, Mar 22, 2023, and Demographics of multigenerational households, Pew Research Center, Mar 24, 2022
[72] Maryland Department of Planning, 2020
[73] U.S. Census Bureau
[74] Metropolitan Washington Fair Housing Plan, Montgomery County, Jan 2023
[75] Ibid. and Montgomery County Planning Board, Current demographic, economic, and housing market conditions, Jul 13, 2022

The household size for those in rental units is increasing. Renter households have increased across all races, and the renter household size has grown from 2.39 to 2.59, again underscoring the need for intergenerational units.[76]

Because 80% of the county's multifamily stock is unrestricted and subject to market forces, it could jeopardize affordability as subsidies are set to expire in the 2020s and 2030s.[77]

The bottom line is that Montgomery County is projected, according to the most recent (July 2020) County Housing Needs Assessment, to need to accommodate 63,031 new households between 2020 and 2040. Slightly more than half this growth is expected to occur this decade, with the biggest surge – nearly 18,000 new households – coming in the next five years, 2025-2030. How well prepared is Montgomery County to accommodate this growing population? Not very: These numbers mean we will need to add an average of 3,596 net new housing units each of the next five years, while during the most recent historical comparison period (2015-19) the County was producing only 2,577 new units annually – meaning the housing shortfall is likely to widen by as many as 1,000 homes per year.[78] And that doesn't account for the fact that, by 2030, the county also will *lose* anywhere from 7,000 to 11,000 of the 26,000 *existing* naturally occurring affordable housing (NOAH) units.[79] Without additional efforts, housing will become even more unaffordable – for those fortunate to secure housing at all.

Clearly there is a demonstrable gap between the current and developing need for affordable housing and what HOC currently is positioned to provide. The Commission therefore set out to develop this new Strategic Plan to guide HOC's work over the next five years to close that gap and better meet the needs of Montgomery County residents, for safe, high-quality affordable housing.

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[76] Ibid.
[77] Montgomery County Preservation Study, Nov 25, 2020 (memorandum to the Planning, Housing and Economic Development Committee)
[78] Montgomery County Planning Department, Montgomery County Housing Needs Assessment (July 2020), https://montgomeryplanning.org/wp-content/uploads/2020/07/MoCo-HNA-July-2020.pdf.
[79] HOC Internal Data.

THE COMMISSION'S STRATEGIC PLANNING PROCESS

This Strategic Plan is the outward-facing document laying out the Commission's vision, mission, goals, initiatives, opportunities, challenges, needs, and priorities for the next five years. It will be used by the Commission to guide its planning and deliberations going forward, and by the public to understand HOC's vision and its plans for achieving it.

This is the first of two planning phases. An Implementation Plan will be developed as Phase II of this effort. **The Implementation Plan will operationalize the Strategic Plan.** It will contain detailed recommendations, process steps, timelines, staffing needs, organizational change and management specifications. It will also include metrics for measuring and dashboards for tracking all the foregoing to realize the vision, mission, goals, and initiatives, seize the opportunities, meet the challenges, and fill the needs spelled out in the Strategic Plan.

STRATEGIC PLANNING

Strategic planning is a comprehensive approach to making decisions about an organization's purpose: what it is, what it does, and why it does it. After considering and specifying these necessary predicates to planning, it then addresses the entity's policies, programs, projects, and organizational processes, identifying the inputs, outputs, and desired outcomes and how its resources will be deployed to realize them. Thus, a comprehensive strategic planning process includes gathering, analyzing, and making decisions about the entity's current and future state, identifying its challenges and opportunities, and articulating a plan to transform the entity from its current to desired future state.

- Externally, the process includes evaluating the "tailwind" opportunities and "headwind" challenges it confronts. These are forces outside of the organization's operations and direct control.

- The internal assessment considers the strengths and weaknesses of its organization, policies, and processes. They are operating dynamics within the organization's direct control.

THE HOC FIVE-YEAR STRATEGIC PLAN

HOC has divided the five-year strategic plan into two phases – plan development and plan implementation – by

1. determining the current state, envisioning the future state as a strategic direction for the next five years, and documenting and adopting the plan
2. developing an operating plan for implementing and evaluating the strategy.

The first phase of this process involved:

1. Project Launch
2. Stakeholder Engagement
3. Research, Discovery, Review, and Analysis
   - Ecosystem Analysis
   - Operations Analysis
   - Needs Assessment
   - Best Practices and Benchmarking
   - Policy Analysis and Development

In particular, the bulk of the strategic planning process involved a large-scale stakeholder engagement process. The Stakeholder and Community Engagement process began with conducting 30 Key Informant Interviews among thought leaders, policy makers, county officials and practitioners in housing-related matters. Insights gathered from these interviews helped frame the development of five Focus Groups (Seniors and Persons with Disabilities, Persons from the Immigrant Community, Persons from the Hispanic Community, Persons from the Black or African American Community, Persons on the Housing Path Wait List), two Town Halls (one live, one virtual) and Surveys among the General Public (350 respondents), HOC Customers (1,725 respondents), and HOC staff (130 respondents). The Town Halls, held in July 2023, attracted several hundred participants and provided a means of communicating information about the strategic planning process and soliciting input, feedback, and validation from community participants and clients. Spanish-language access was provided for the Focus Groups, Town Halls and Surveys. A Strategic Planning website was developed and hosted by HOC during the stakeholder engagement process to encourage people to attend the town halls and complete the surveys.

All told, nearly 2,400 community voices were heard and considered.

Community Input

The following sections summarize themes that resonated among all stakeholder groups taking part in our community engagement process.

Affordable Housing and Property Management

- **Create More Affordable Housing.** Stakeholders in the field of housing development suggested HOC consider opportunities to expand construction of more affordable units through bond financing and exercising the right of first refusal to buy properties whenever possible. Other opportunities include lending and home ownership programs. External stakeholders also look to HOC to communicate and coordinate a plan that involves the community.

- **Alternative Forms of Housing.** Community members encouraged HOC to explore more ways of increasing affordable housing and not wait for constructing major developments to fix the shortage. They felt a major goal of a strategic plan should be to ensure stable and safe housing. As one person put it, which received wide applause, *"Please help us keep a roof over our head. It's that simple."*

- **Create Senior Housing.** The need for senior housing was brought up in all segments of community engagement. The focus group on seniors and the disabled identified how deep the need is and that many rental properties are not usable by many persons with disabilities. Nor are they in accessible neighborhoods, which matters to both groups because of their need for – and lack of – public transportation.

- **Create More Vouchers and Forms of Rental Assistance.** Other than developing, purchasing and maintaining more properties, all groups felt that HOC would do well to find other ways to provide rental assistance – even if it wasn't the full amount of most vouchers. Community members cited the need for assistance on an "as-need basis" to make their full rental payment. Any amount of support to those on the Wait List would help them to continue living in their current rentals.

- **Property Management.** Many customers stated that it's difficult to file a complaint or a work request to have something fixed, and the wait time can be too long.

Customer Service and Communications

- **Customer Service.** Many customers felt it was too difficult to get in touch with the correct HOC staff members to address their issues.

- **Communications and the Housing Path Wait List**. Wait List customers expressed frustration with knowing their status throughout the year. Some also felt that the Wait List gives people a false sense of hope. Receiving notices via email was fraught with risk of falling through the cracks, especially among non-English speakers and the elderly. Some felt they were given too little time to get the proper paperwork together and submitted to HOC once accepted for a voucher.

- **Housing Specialists and Caseworkers.** Participants felt that two-way communication between HOC Housing Specialists and Caseworkers and HOC Customers could be enhanced by providing more follow-up on the status of processing applications and re-certifications. This includes providing assistance with navigating the complex world of finding and/or applying for affordable housing. They expressed a need for more community outreach to build greater awareness of services available to residents.

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- **Process of Applications and Eligibility**: Some voiced the need to have a streamlined and easier process to apply and determine eligibility. Many found the processes and rules confusing, and some believed that since COVID there appears to be significantly fewer staff, larger caseloads, and less timely responses.

Resident and Supportive Services

- **Lack of Awareness of HOC Supportive Services**: Many HOC customers were unaware of the full range of supportive programs and services HOC provides. Those who had participated in such programs, however, found them to be very helpful.

- **Building Supportive Services Partnerships.:** Participants shared ideas on how HOC could develop more partnerships with community-based organizations, non-profits and faith-based groups, so that these agencies could coordinate their services with HOC customers as a single point of entry. Non-profit organizations expressed a desire for renewed efforts to work together on grants and programs. Many felt that HOC could better help connect wait list applicants to other services in the community, such as SNAP benefits.

- **Integrate the Eligibility Process with Universal Screening for Benefits:.** A resounding theme throughout all of the stakeholder engagements was the need for better coordination among the myriad of agencies that those searching for affordable housing must interact with to secure services to meet their multiple needs. The maze is overwhelming for most, especially among those who are non-English speaking, older and/or disabled. Creating a universal screening tool received high marks from all respondents to the surveys, and attendees at the focus groups and Town Halls.

Commission Deliberation

An all-day workshop was held with HOC senior staff to review all these materials and to synthesize from them suggested Vision, Mission and Values statements to be presented to the Commission. Commissioners held an all-day public brainstorming session in August 2023 that was followed by live-streamed public sessions in October and December 2023 to finalize the Vision, Mission, Values and Goals statements, as well as a detailed outline of the full Strategic Plan.

Adjourn