

PATHWAYS TO REMOVING OBSTACLES TO AFFORDABLE HOUSING

Montgomery County PRO Housing Grant Application 2024

DRAFT for Public Comment

September 30, 2024 – October 14, 2024

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Exhibit A: Executive Summary

Montgomery County is applying to the 2024 HUD PRO Housing grant program with a total request of \$2,427,000 to address persistent barriers to housing affordability throughout the county.

Montgomery County is a suburban county in Pennsylvania, northwest of Philadelphia, home to 62 municipalities ranging from urbanized boroughs to rural townships, and just about every type of community in-between. Though these communities are very different from each other, one thing these communities have in common is a nearly constant upward creep of housing prices.

Montgomery County is a desirable place to live due to its proximity to Philadelphia and job centers like King of Prussia. It has quality schools and higher education opportunities. It also has excellent access to local highways and transit. But a reluctance to allow for more growth, among other factors, has limited the supply of new homes in the county. Complicating things further, Pennsylvania's structure as a Commonwealth leaves much power and decision-making in the hands of these 62 municipalities, including local control over land use and zoning decisions. With limited powers in its advisory capacity, the county has tried to encourage housing affordability when and where it can. The county's ongoing work at the local level, as community planning consultants, grantmakers, and conversation conveners, puts the county in a strong position to take on the challenge of furthering housing affordability.

This application aims to reduce the barriers to affordable housing using the following strategies:

1. Identify Montgomery County's critical housing needs
2. Improve municipal zoning regulations

Montgomery County posted the joint application for comment on September 30, 2024, with the public comment period lasting through October 14, 2024. The county will submit the application to the Department of Housing and Urban Development on or before October 15, 2024. Prior to submission, the county will review all public comments following the comment period and make changes based on reasonable remarks.

While writing this application and creating these strategies and projects, the county sought to fulfill its requirements to affirmatively further fair housing. The strategies outlined in this application will require deep community outreach and engagement, as well as local municipal support. The county takes these obligations seriously and looks forward to getting started on this work. If awarded, these funds will give Montgomery County the resources it needs to do a serious assessment of the county's housing infrastructure as well as implement the zoning on a local level that is needed to make progress in creating new housing opportunities.

Exhibit B: Threshold Requirements and Other Submission Requirements

Montgomery County currently meets all threshold and submission requirements for this application.

1. Resolution of Civil Rights Matters

Montgomery County does not have unresolved civil rights matters as described in the NOFO at the time of this application submission.

2. Timely Submission of Applications

The application will meet the deadline of 10/15/2024.

3. Eligible Applicant

Applicants must be an eligible applicant in accordance with Section III.A of the NOFO. Montgomery County is an eligible applicant type 01 (county government).

4. Number of Applications

Montgomery County is submitting one application in response to the 2024 Pathways to Removing Obstacles to Housing (PRO Housing) NOFO.

5. Standard Application, Assurances, Certifications and Disclosures

The following attachments are included in this application:

- a. Standard Form 424 (SF-424) Application for Federal Assistance
- b. Assurances (HUD 424-B)
- c. Applicant Disclosure Report Form 2880 (HUD 2880)
- d. Code of Conduct

This application describes how Montgomery County will carry out the proposed activities in a way that affirmatively furthers fair housing in compliance with the Fair Housing Act and its implementing regulations. All proposed activities are consistent with Montgomery County's Analysis of Impediments to Fair Housing. Further information on this is included in the Soundness of Approach section of this application.

Montgomery County is a CDBG, HOME, and ESG grantee.

6. Other Program-Specific Requirements

Montgomery County will adhere to the following application requirements:

- a. Limited English Proficiency (LEP) - This application and all associated announcements and hearings comply with the policies and procedures set forth in the Office of Housing and Community Development's Consolidated Action Plan and Annual Action Plan.
- b. Physical Accessibility – All in-person meetings associated with this application have been held in facilities that are physically accessible to people with disabilities.

- c. Environmental Review – If Montgomery County is selected as a recipient for PRO Housing grant funds, it will comply with applicable environmental requirements. This includes complying with environmental justice requirements as set forth in HUD’s regulations at 24 CFR parts 50 and 58, which implement the policies of the National Environmental Policy Act (NEPA) and other environmental requirements.
- d. Federal Assistance Assurances – To assure compliance with statutory requirements for non-construction grant programs, the required assurances are included in the submission to HUD.
- e. 424-CBW Budget Form – The budget form is included in the application package.
- f. Certification Regarding Lobbying – The required form is included in the application package.
- g. Disclosure of Lobbying Activities (SF-LLL) - The required form is included in the application package.

Exhibit C: Need

- i. Demonstrate your progress and commitment to overcoming local barriers to facilitate the increase of affordable housing production and preservation, primarily by having enacted improved laws and regulations.*

In January 2024, Montgomery County installed a new slate of county commissioners with several firsts among them. The county formally elected its first African-American female commissioner, now chair of the three-person board. The county also elected its first Asian-American commissioner, a first for the state of Pennsylvania. After their election, they embarked on a transition process that was inclusive and focused on key issues to inform their governance. One of those issues is housing, something that all three commissioners agree is a key issue for the county. While county staff have long recognized that housing prices and attainability were forcing people to look for homes and jobs elsewhere, this is the first time in many years that the county's administration has unanimously voiced their support addressing housing affordability. To that end, while Montgomery County exists in Pennsylvania's complicated landscape of local land use controls, the county has taken steps to enact change and work with its 62 municipalities when and where it can.

The Montgomery County Planning Commission (MCPC) has a long history of keeping track of housing data, including housing construction, home sales, and home prices. The county's Office of Housing and Community Development (OHCD) has focused on the oversight and administration of a variety of housing funding programs, including the Community Development Block Grant, HOME Investment Partnerships Program, and Emergency Solutions Grant (ESG). OHCD serves as the Continuum of Care lead agency for the county and administers the county's homelessness prevention initiative, Your Way Home. Staff from these and other county departments, including the Department of Commerce, Recovery Office, and other offices under the auspices of the unified Department of Health and Human Services had come to the conclusion that this wasn't enough, and for the last five years have been collaborating on a regular basis to write county guidelines and plans, support innovative work, and work toward the common goal of improving housing affordability and to provide homes for current and future county residents.

- *Improved laws, regulations, or land-use policies:* That being said, Montgomery County's ability to affect local land use regulations is largely advisory, as local land use control in Pennsylvania sits at the municipal level. The county's role is to encourage best practices and to provide the resources to municipalities to incentivize and encourage affordability. Nevertheless, the county has taken several steps over the last few years to work with local municipalities to reduce barriers to housing affordability. One of the immediate steps at the beginning of this calendar year was to plan a Homes For All forum, mentioned below,

at which the county commissioners announced that MCPC staff would be working with interested municipalities to audit local zoning codes and make recommendations for ways that these communities could address barriers to affordability. County staff are in the process of writing four audits in Narberth Borough, Lower Gwynedd Township, Plymouth Township, and Lansdale Borough.

The county's planning commission also works directly with nearly half of the county's 62 municipalities as planning consultants. It's these relationships, many of which have been built over decades, that allow county staff to work closely with local regulations and comprehensive plans to affect changes and address housing affordability. Of late, staff planners have tackled accessory dwelling unit regulations in several municipalities and have made zoning changes to allow for successful residential infill development projects. In a state that currently provides no legislative direction or mandate to address affordability, county planners have established gradual channels to effect incremental change where possible.

In recent years, more municipalities and their elected officials are further opening the door to implementing some policies, and our ability to be there with them has resulted in some important changes. New staff in the county's Office of External Affairs as well as Commissioners Office proper are furthering these relationships. This provides ongoing opportunities for the county to better understand what resources municipalities need to best address the need for broader affordability.

The county has also had greater success in partnering with our municipalities to increase overall housing supply and housing type diversity through the amendment of zoning codes to create additional areas zoned for multifamily housing and mixed-use districts. This begins with the county's comprehensive plan, Montco 2040: A Shared Vision, which lays out key centers and growth opportunities throughout all 62 municipalities. As each municipality follows their own comprehensive plan or plan update, they are required to remain consistent with the county plan. Approximately 50% of those municipal comprehensive plans are written by county planning commission staff under the municipal contract.

The planning commission also maintains an award-winning series of model ordinances that provide education and zoning language templates to create more (and denser) housing opportunities in town centers, village centers, accessory dwelling units, adaptive reuse, and a separate series of publications promoting attainable workforce housing. These model publications are used as references in our land development and zoning reviews that go out to every municipality.

- *Other recent actions taken to overcome barriers to facilitate the increase of affordable housing production and preservation:* In May 2021, the Montgomery County Commissioners received a housing affordability action plan entitled [Homes For All](#). This project was the result of a two-year collaborative process with staff from Montgomery County’s Planning Commission, Department of Commerce, and Office of Housing and Community Development, as well as an advisory committee that worked its way through the research and planning process. The report examined the current state of housing affordability in Montgomery County and aimed to predict future housing needs and patterns based on economic, health, and social trends. It identified policy and funding barriers to the creation of affordable housing and how to advance housing equity for underserved and marginalized populations. The *Homes for All* report was informed by interviews, surveys, and focus groups of over 200 community members – including residents, landlords, housing developers, municipal officials, nonprofit health and human service providers, corporate and local business leaders, and others.

In 2022, Montgomery County obligated \$32.4 million in American Rescue Plan Act (ARPA) State & Local Fiscal Recovery Funding (SLFRF) for housing, accounting for 325 new affordable housing units, gap financing for creation of two new emergency housing facilities, preservation of existing affordable units, and creating a foundation for countywide landbank and acquisition of property for building the affordable housing pipeline. Within this funding is a \$6 million award for the Homes For All Housing Opportunities Fund, to establish a land bank and develop a “quick start” process for strategically and equitably acquiring property for affordable housing, in partnership with the Montgomery County Redevelopment Authority. Additionally, Pennsylvania ARPA funds assisted Montgomery County in launching the Whole Home Repairs Program to provide low-income homeowners with grants up to \$50,000 to address safety concerns, improve energy or water efficiency, and make units accessible for persons with disabilities.

As part of the county’s actions to implement its Homes For All plan, a [resource website](#) was created to augment the messaging behind the goal of increasing affordability. Telling the story of why housing affordability matters was a key part of work the county did with consultants at the Message Agency, to help the county find better ways of communicating these sensitive topics.

In April 2024, the county sponsored a Homes For All forum, attended by over 150 municipal leaders, community advocates, housing professionals, and local government staff. The forum featured national guest speakers and panel discussions with local practitioners to help leaders in the county obtain best practices and inspiration toward common goals that helped the participants find allies and develop opportunities to

advance the housing affordability conversations in their communities. The event closed with a call for action from our county commissioners with the challenge to advance and approve affordable units at the local level.

- ii. *Do you have acute need for affordable housing? What are your remaining affordable housing needs and how do you know?*

This application will serve Montgomery County, Pennsylvania, a suburban county directly northwest of Philadelphia, which is considered a priority geography according to the materials provided with the PRO Housing Notice of Funding Opportunity.

Over the years, Montgomery County staff have compiled much research on the topic of affordability (or the lack of it) across the county to better understand the housing market trends over time.

- Staff complete an annual report each year on housing sales across the county, aggregated by housing type and municipality. As of last year, the median price for a new home in Montgomery County was nearly \$648,000. The median price of an existing home was \$400,000. These prices have steadily climbed each year, even when adjusting for inflation.
- Staff also complete an inventory each year of new housing construction, again by housing type and municipality. Twelve municipalities had no new housing built last year, and more than half of the county's municipalities had less than 10 units built last year.

While Montgomery County has pockets of wealth and affluence, this has only perpetuated the affordability issues impacting the many working class communities and residents who cannot afford increasing housing prices. The most recent 2023 American Community Survey 1-Year Estimates of the county population indicates that 20 percent of county households who own their home are cost burdened. 52 percent of renter households are cost burdened, and 37 percent of renter households pay more than 50 percent of their income on housing. This is unsustainable for the households who live here and are struggling to make ends meet.

For those who are most vulnerable, the county's homeless and unhoused, the lack of affordable places to live is a reminder of this acute need. In 2021, Hurricane Ida hit Montgomery County particularly hard, destroying affordable homes in riverfront communities, and previously falling numbers of homeless individuals and households jumped to a recent high of 568 individuals and 340 households. Even with a temporary reprieve in 2023, the Point-in-Time count in 2024 revealed 467 individuals and 300 households without permanent homes. Montgomery County is currently without a year-round homeless shelter and stop-gap measures of temporary shelters do not provide a permanent solution.

The supply of publicly-supported housing in the county does not meet current needs. The Montgomery County Housing Authority (MCHA) owns and manages 526 public housing units located in four high-rise towers, designed for elderly and disabled residents, and two-family communities in eight developments in three of the County's sixty-two municipalities. Currently, the waitlist to reside in a Montgomery County public housing unit has over 30,000 households on it. In addition to public housing, the Authority administers the Housing Choice Voucher Program serving approximately 2,300 families as of April 2024. June 2019 was the last time the MCHA's Housing Choice Voucher Program accepted applications. During the 7- day application window, the MCHA received over 10,500 applications. This has been narrowed down to a waitlist of 200 households, but one can assume that if the waitlist opened again that the result would just be a longer waitlist.

iii. What key barriers still exist and need to be addressed to produce and preserve more affordable housing?

The biggest barrier to producing and preserving more affordable housing is that most counties in Pennsylvania do not have the legislative authority to control zoning regulations. Montgomery County, with 62 municipalities, has 62 unique zoning codes.

Additionally, the Commonwealth's Municipalities Planning Code – which provides legislative authority to municipalities to create zoning ordinances and plan for their future – only requires that municipalities provide for housing by type (not by price) in their zoning regulations. Municipal-level requirements for housing affordability are essentially non-existent in Pennsylvania. The handful of municipalities in Montgomery County who are proactively addressing housing affordability needs are leveraging municipal-owned land, creatively enacting density bonuses and conditional use approvals, and utilizing tax incentives when feasible to slowly chip away at the local imbalance of affordability.

Montgomery County's strategic location within the Philadelphia region, convenient to transportation and employment options, makes it a desirable place to live. Much of the county is already developed, limiting the areas that can be newly developed or redeveloped. Additional barriers to affordability include:

- Regulatory obstacles, including zoning limitations:
 - A shortage of land zoned for higher density housing and/or a mix of housing types;
 - Land zoned for office uses that doesn't allow for a mix of uses, including higher density residential;
 - Minimum lot sizes that may be too large; and
 - Where there is enough land zoned for residential uses and public sewer service is available, high tap-in fees may increase the cost of the home beyond affordability.
- Financial obstacles, including a lack of savings for down payment and closing costs or a security deposit and high household debt. In addition, wages that have not kept pace with rapidly rising housing costs only add to this dilemma. High land costs (and rising

costs of construction materials) add to developer prices, which are passed on to new homebuyers.

- Social obstacles, including the perception that affordable housing is not necessary or desirable in some communities. NIMBYism (not in my back yard) has occasionally surfaced as an impediment to the production of new housing units, particularly multifamily units and especially affordable units. The ability of the county to address these barriers is limited, as local governments ultimately have the authority to develop and enforce their land use and housing development regulations.
- Lack of municipal capacity, in that many municipalities get by with a small administrative staff. While some have consultants on-board to assist with planning and zoning needs, municipal work on regulatory changes tends to be reactionary and not proactive. Perhaps a slowdown in development creates capacity to revisit ordinance language, but zoning revisions may not be a priority for local staff that are stretched too thin.
- Aging infrastructure, especially in the county's built-out communities. Many municipalities are hampered by aging sewer and water infrastructure and don't have the capacity to grow, even if there is available land for construction.

Exhibit D: Soundness of Approach

i. *What is your vision?*

Given Montgomery County’s unique role with respect to local zoning ordinances, it is Montgomery County’s vision to use the HUD Pathways to Removing Obstacles (PRO) Program to work collaboratively with our sixty-two (62) individual municipalities towards the development of a county-wide strategy, while also creating and supporting individualized recommendations for at least fifteen (15) local municipalities to enact changes that reduce or eliminate barriers to the preservation or production of local affordable housing.

Specifically, this program will provide for an analysis of current issues, trends, and opportunities throughout the county. A grant program would then be established to provide funding for individualized analyses for municipalities, tailoring the recommendations developed through the county study to the unique situation and current zoning ordinances present in each. Financial incentives will also be provided to the participating municipalities to encourage the enactment and implementation of the recommendations to reduce local barriers.

While Montgomery County would like to see all 62 municipalities take advantage of this program, the availability of funds and the likelihood of each agreeing to take part necessitates a smaller pilot program that simultaneously makes impactful changes in the municipalities where it is most needed and illustrates the efficacy of this program to those who are less willing to participate at first. If demand from the municipalities exceeds available funding, additional federal, state, and/or county sources would be leveraged to include additional municipalities and increase the impact of this program.

This program not only expands on the county’s work to-date through various offices, but represents a true inter-governmental effort, combining the roles of the Montgomery County Planning Commission, the Office of Housing and Community Development, and the Recovery Office.

Falling under the category of “planning and policy activities supporting affordable housing,” these proposed activities will happen on both a county level and a municipal level and are listed in the table below.

Strategy	Project	Activity
Identify Montgomery County’s Critical Housing Needs	Montgomery County Housing Needs Assessment	Conduct an analysis of current rents and home prices, demographics of the county, housing opportunities for the unhoused/disabled/other special needs populations, current housing supply as well as provide recommendations for changes to county policies going forward

		Conduct a county-wide public information campaign to promote the recommendations and best practices developed above, as well as participation in the grant program described below
Improve Municipal Zoning Regulations	Municipal Housing Affordability Assessments, Zoning Audits, and Enactment Grants	Establish grant application guidelines for municipal sub-awards
		Award funds to up to fifteen (15) municipalities to contract with consultants to do detailed local housing assessments to promote housing affordability and stability
		Award funds to up to fifteen (15) municipalities to incentivize the implementation of zoning code and other regulatory recommendations

The strategies are outlined in more detail below:

Strategy 1: Identify Montgomery County’s Critical Housing Needs

Barriers addressed:

- Regulatory obstacles outlined above, including the shortage of appropriately zoned land, outdated dimensional standards, among others

For this strategy, Montgomery County will work with a consultant to create a housing needs assessment for the county. This will meet HUD’s national objective to benefit low and moderate income persons and is an eligible activity not just for removing barriers to affordability, but for developing a specific housing policy plan. Housing plans are specifically mentioned as an eligible planning and policy activity. Montgomery County has never undertaken an in-depth housing needs analysis.

We believe a housing needs analysis will help the county and its staff address key regulatory barriers. We are confident that a needs analysis will be crucial to providing the information that both the county and its municipalities need to address key zoning needs.

This will greatly improve upon similar (though prior) efforts. To date, the county has relied on rough calculations in its comprehensive planning work to estimate how many housing units would be needed overall. But this math frequently results in pushback from municipalities, who question why their particular municipality needs to be on the receiving of any new housing units, let alone affordable housing units. While our comprehensive plan implementation work to-date has been very successful, in that Montgomery County has seen progress on the plan’s current goals at the county and local level, our efforts to change local housing policies have stalled.

This proposed housing needs analysis complements two ongoing planning efforts. First, the county's [new comprehensive plan](#) will be adopted in early 2026, and this housing plan process will be a launchpad for implementing the housing recommendations that are created because of this plan. Housing and the need for greater housing affordability have been a key focus of the public comments received to date, as well as the plan's advisory committee discussions. Additionally, as the county continues to implement Homes For All, and participates in the coalition of individuals and groups who support new housing construction in the county, we endeavor to provide the county's allies with facts and tools that can be used to direct these very local conversations in positive directions.

This work will also complement the goals contained in the county's [Hazard Mitigation Plan](#) as well as its ongoing climate action work, with a [draft climate action plan](#) (written in conjunction with the county's Consortium of Communities) underway.

Strategy 2: Improve Municipal Zoning Regulations

This project will address a key barrier to housing affordability at the county level:

- Municipal land use and zoning decisions take place entirely at the local level, as mentioned above. Working directly with municipalities will allow the county to reach housing affordability goals.

To address this strategy, Montgomery County will create a Municipal Housing Affordability Assessments, Zoning Audits, and Enactment grant program for an initial group of up to fifteen (15) municipalities to attain funds for local housing assessments and related zoning recommendations to further local housing affordability. A supplementary grant program will be developed to provide funding to those municipalities which implement the recommendations of their individualized assessment. This project will meet HUD's national objective to benefit low and moderate income persons and is an eligible activity in a variety of ways. We believe these funds can and will be used toward revising zoning standards for lot sizes and parking minimums, establishing density bonuses, rezoning underutilized areas with new zoning designations, and revisiting permitted uses. In short, we hope to proactively address zoning needs by helping municipalities modernize their codes while addressing affordability needs.

We have many similar efforts underway. First, with regards to localized assessments, county staff are working with a handful of municipalities to review existing ordinances and writing memos with suggestions on how these municipalities could make changes to increase affordability. But this work stops short of revising the zoning codes and other regulations, because the funding and staff capacity this work would require are not in place. Grant funds from the PRO Housing program will help increase capacity through providing resources for consultants to get this necessary work done.

Moreover, through the American Rescue Plan Act's (ARPA) State and Local Fiscal Recovery Funds (SLFRF), county staff have initiated multiple grant programs assisting municipalities, school districts, local small businesses, and nonprofit emergency responders with the enactment of policy changes at the local level intended to promote county-wide and regional best practices. These programs each had unique populations and relied on the establishment of an equitable distribution plan accounting for the various factors present in each community.

This will be a needed companion piece for many of the county's existing planning and policy initiatives. As mentioned elsewhere in this application, the county is a planning consultant to about half of the 62 municipalities here, working to update comprehensive plans and local codes, reviewing proposed developments and making suggestions to create better development outcomes, and writing a county comprehensive plan that Montgomery County will eventually get to call its own. Local zoning ordinances put county and local visions into action. The work to revise local zoning codes will ultimately make the county's planning and housing work stronger and is the perfect complement to the work that's been done so far.

In addition, this program expands upon its "Homes for All" housing initiative, by encouraging local municipalities to enact changes that make the production and preservation of affordable housing more attainable. By having more municipalities enact changes to their zoning ordinances, more options will exist for the county to promote, produce, and preserve affordable housing in locations where that would have formerly not been possible.

Montgomery County faces significant environmental risks and community resilience is important. As severe weather events affect the county more often, flooding is perhaps the county's largest risk. And with several major waterways running through the county, including the Schuylkill River, low-lying communities are often in harm's way. The county lost a number of housing units in affordable communities (including an entire apartment complex) as a result of Hurricane Ida in 2021. These units have not been replaced, nor are there plans to replace these units. Any housing needs assessment that we produce will need to take climate change and resilience into account as we determine what housing affordability strategies make the most sense to pursue, and which municipalities are a good fit for these tools and techniques. Other environmental risks we experience in the county are poor air quality and urban heat island effects. The county does have a significant number of older homes – of the more than 352,000 housing units in the county (as of the 2023 American Community Survey 1-year estimate), 61 percent were built before 1980. Older homes can be wonderful places to live, but many of these units may lack air conditioning to provide a cooler environment in the summer and newer insulation or windows that keep cold air out in the winter.

We do not anticipate any roadblocks to creating and implementing a countywide housing needs assessment report. Montgomery County's three county commissioners are united in their desire to support increased local housing affordability and are taking the right steps at the county level to further this work.

The roadblock that might impede implementation of the municipal assessments and zoning review is the constant churn of local elected officials. While county staff have some degree of longevity, elected officials are in a position of wanting to stay elected and being accountable to constituents. It is not uncommon for municipal officials to take a “NIMBY” stance on housing affordability, especially if that’s what their constituents demand. Working with elected officials at the local level takes patience and time, and sometimes requires starting over when it comes to making progress. The other roadblock that is anticipated to slow down this effort is just the sheer amount of time it takes to work on new zoning language and have these changes adopted. It will be some time before these changes can go into effect, and longer still before any new construction is built to revised standards.

ii. *What is your geographic scope?*

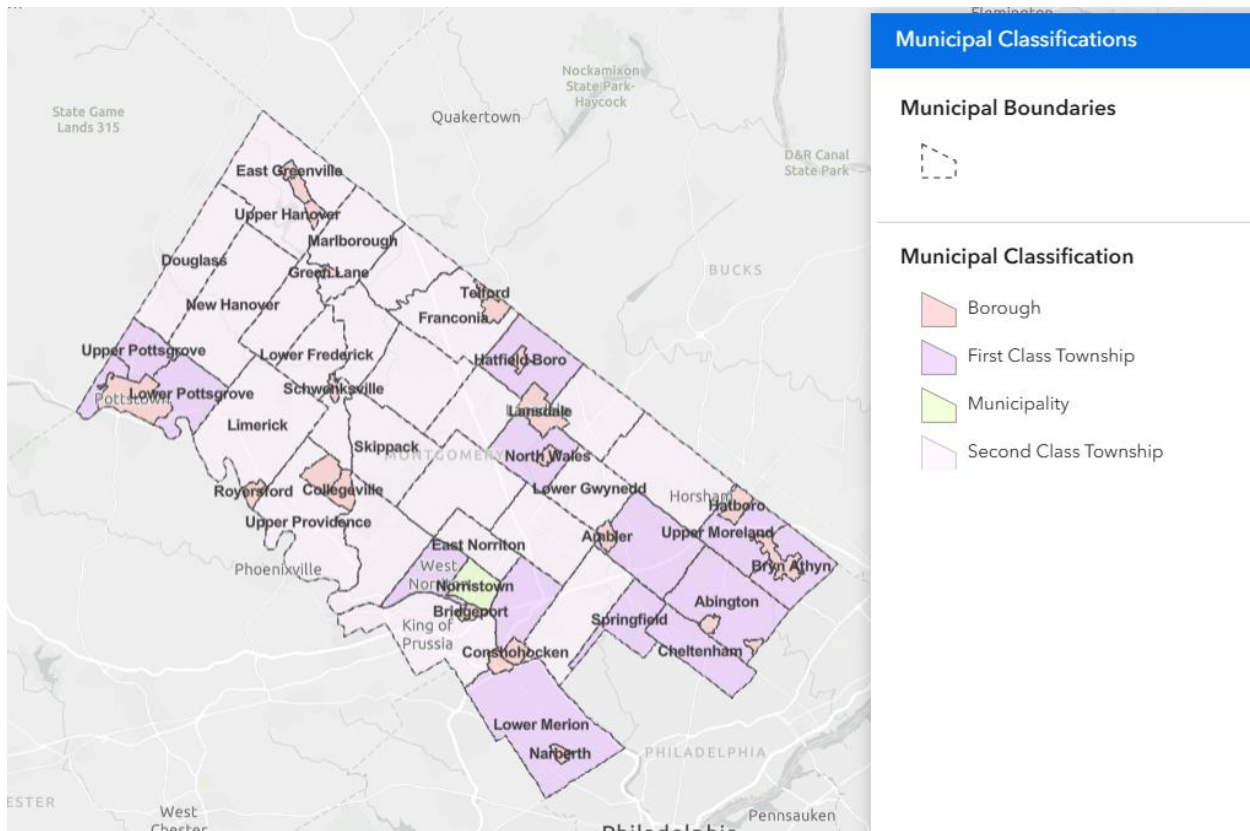
Montgomery County, Pennsylvania, is located in the southeastern part of the state, bordered by the Schuylkill River to the southwest and the Delaware River to the east. It covers approximately 491 square miles and is part of the Greater Philadelphia metropolitan area.

Montgomery County is characterized by a mix of urban, suburban, and rural areas. It includes several major townships and boroughs, with the county seat being Norristown. Other notable municipalities include Abington, Upper Merion, Pottstown, and Lansdale. The county has a diverse landscape featuring parks, residential neighborhoods, commercial areas, and historical sites.

Montgomery County is divided into various municipalities, which include:

- **Boroughs:** Smaller urban centers with their own local governments. Examples include Pottstown and Lansdale.
- **Townships:** Larger areas that can encompass both rural and suburban communities. For example, Upper Dublin and Lower Merion are townships with a mix of residential and commercial developments.

Figure 1: Montgomery County’s Municipalities



Montgomery County is unique in that each municipality has its own governing body, typically a council or board of supervisors, which manages local services such as zoning, public safety, and infrastructure. Municipalities operate under Pennsylvania law, which allows them to enact ordinances and regulations specific to their needs, fostering a degree of local autonomy.

Overall, the county's municipalities work together on regional issues, often collaborating on services and planning initiatives, while still maintaining their unique identities and governance structures.

Initiative 1 (the county’s housing needs assessment) will have a countywide scope. Initiative 2 (the municipal assessments) will be tailored to the needs of the municipalities that undertake this work with us, with an initial target of at least seven municipalities. This will be a mix of urban and rural communities, both boroughs and townships.

iii. Who are your key stakeholders? How are you engaging them?

Our key stakeholders for the PRO Housing grant are the county’s 62 municipalities. With nearly all of them facing housing development and affordability pressures, we hope to work with a variety of local stakeholders to affect change in local regulations. In our day-to-day work, the staff involved in this project work with other employees and county departments, realtors, developers, housing non-profits, economic development advocates, major employers, architects, and other design professionals. The county has engaged in extensive outreach in a variety of project settings:

- In the ongoing work for *Montco 2050: A Comprehensive Plan for a Changing World*, we are working alongside an advisory of 40+ individuals, including municipal managers, developers, realtors, school district personnel, planners, and business owners. MCPC staff have attended public pop-up events, made presentations to the public, compiled results from an online survey with nearly 1,000 responses, and have been doing consistent outreach through the online [Engage Montco](#) platform. Housing needs and housing affordability consistently come up as a major concern.
- Similarly, the creation of the county's Homes For All plan was done with the assistance of a 20-member advisory board consisting of county staff, municipal staff, area housing professionals, developers, faith-based leaders, and business owners. The board met five times over the course of two years while compiling the research for the report. This was paired with 20 interviews with a variety of individuals including developers, housing agencies, housing advocates, and people with lived experience.
- The county has convened several task forces around homelessness, with urgency since the county remains without a permanent year-round shelter. A larger task force met throughout most of 2023, consisting of county staff and outside professionals. A newer, internal workgroup has picked up where the task force left off. County staff also met with the staff and volunteers of the Code Blue shelters during the 2023-24 season to present data on shelter utilization and get feedback on how the operations for the upcoming season could be improved.
- Presently, staff from the Office of Housing and Community Development meet on a quarterly basis with the county's affordable housing developers, many of whom have projects underway but express difficulties in finding land that is available to develop.
- Staff also regularly participate in housing conversations that are convened by our partners in the county. We regularly coordinate with the county's Housing Authority, local funders and foundations, peer counties, as well as the state's chapter of the American Planning Association. Staff have given presentations to local business groups, municipalities, developers, and others who are interested in the county's housing work.

In addition to the prior stakeholder outreach and engagement, Montgomery County completed the following stakeholder engagement specific to this application for PRO Housing funds:

- This application was developed collaboratively with several county departments and offices. This includes the Montgomery County Planning Commission, Office of Housing and Community Development, Recovery Office, as well as several staff who work directly for the county's commissioners.
- A draft of the application for funding was made available for public comment and review beginning September 30, 2024. The county accepted comment and feedback from the public from September 30, 2024 through October 14, 2024.
- Notice of the availability of the draft application was advertised on the county's website as well as the county's online engagement platform, Engage Montco.

- Members of the public were invited to attend the county’s public hearing on this topic, scheduled for October 8, 2024.

If selected for funding, the county will continue to solicit feedback from stakeholders through the process of working with municipalities on the local assessment as well as the public process surrounding the countywide assessment.

iv. *How does your proposal align with requirements to affirmatively further fair housing?*

Describe your plans to remove barriers to the development of affordable housing in well-resourced areas of opportunity. How will your proposal increase access for underserved groups to these areas? What is the racial composition of the persons or households who are expected to benefit from your proposed grant activities?

Montgomery County proposes to partner with municipalities in well-resourced areas of opportunity, asking them to evaluate their zoning codes to create more opportunities for affordable housing. We would focus our efforts on municipalities and block groups that fall outside of the racial-minority-concentrated and/or low-moderate-income-concentrated block groups identified in the latest Analysis of Impediments.

According to Montgomery County’s latest [Analysis of Impediments to Fair Housing Choice](#), the county is becoming more culturally and ethnically diverse. Racial and ethnic minorities accounted for 19.01% of the county’s population. These percentages have increased since 2000, when minorities were 13.03 % of the county’s residents. Since 2000, the county experienced population losses of White non-Hispanic residents, but population increases in all other races/ethnicities as well as an increase in its foreign-born population. Looking at the entire county, the population increased by 6.6% from 2000 to 2010 and increased another 2.3% from 2010 to 2017.

When looking at the county by Census block group as of the 2020 Census, there are 33 block groups with a population that is more than 50% minority. Many of them are in Cheltenham, Norristown, and Pottstown. Only six of the county’s block groups have a population that is greater than 50% Hispanic. Additionally, Montgomery County recently published [a map of census block areas that qualify as meeting the low- and moderate-income area benefit for Community Development Block Grant \(CDBG\) activities](#).

The two proposed initiatives will ultimately increase access to underserved groups. Both initiatives will work to diversify the areas where affordable housing units can be built, expanding house choice into more of the suburban and rural municipalities that may currently be off limits to those with fewer resources. Montgomery County's initiatives work to further fair housing in additional ways:

- The municipal assessments will require that all sub-grant recipients must follow Fair Housing requirements. Outreach to participating municipalities will also include information and presentations on Fair Housing requirements.
- The county-wide assessment will include research and information on Fair Housing requirements. This will help identify municipalities across the county, regardless of their participation in the local assessment, that may not be meeting Fair Share requirements and could be a source of future education and outreach.

Describe your plans to remove barriers impeding the development of affordable housing that would promote desegregation. What policies or practices perpetuate segregation and how will your proposal address them?

Through this grant opportunity, Montgomery County will partner with municipalities to make zoning amendments that would promote desegregation and promote opportunity and justice for all. Montgomery County's Homes For All mission is to ensure that everyone who lives, works, learns, and invests in Montgomery County has equal opportunity to live in an affordable home and a thriving community. Many local communities and municipalities are not yet aware of how their local history, and current zoning, may be contributing to ongoing segregation. This grant opportunity will allow local communities to study their historic and current barriers, and how to remove them.

Montgomery County sits on the original lands of the Lenni Lenape Native American Nation. It was incorporated as a county on September 10, 1784. In its early days, the County was the center of the Quaker abolitionist movement led by Lucretia Mott and Hiram Corson, advancing the voice of the anti-slave movement through speaking events held at the Norristown and Plymouth Friends Meeting Halls. The County also hosted several stops along the Underground Railroad, including Pawling Farm where Quaker and abolitionist Elijah Pennypack helped enslaved families cross over from Chester County in pursuit of freedom from the horrors of the institution of slavery. Montgomery County is also home to Camp William Penn, the Commonwealth's only Civil War training camp for African American soldiers. Despite this rich history of support for Black freedom and liberation in the 19th Century, tensions around racial differences intensified during the 20th Century laying the foundation for structural inequities found in many sectors today including housing, employment, and access to healthcare. Montgomery County became the epicenter for new public policies and real estate practices used to enforce racial segregation. In 1926 for instance, the Supreme Court ruling in *Euclid v Ambler* allowed Lower Merion

Township to become the first municipality in the country to create a zoning ordinance that limited land ownership opportunities by privileging single-family homes, reducing density, increasing land prices, and pushing minority populations toward the boundary of Delaware County. Other practices included restrictive covenants on property deeds, redlining, block-busting, and unfair appraisals for properties owned by Blacks or those being sought by Black buyers.

The legacy of these practices can be seen in income disparities between Lower Merion Township today and Cheltenham Township, a more historically diverse community in the county. In 2014, Cheltenham Township's Black population was 30% compared to Lower Merion Township whose Black population was less than 10%, the county's median percent of Black people countywide. Consequently, Cheltenham's area median housing price was \$79,969 compared to \$115,657 in Lower Merion Township; and Cheltenham had a higher poverty rate of 8.40% compared to 4.90% in Lower Merion. A study of the data across townships found that communities which had a Black population of 10% or less, tended to have higher household median income and lower poverty rates compared to communities that had Black populations of 10% or higher. More research would have to be conducted to find the causation, however based on past practices an inquiry into access to land ownership and supporting practices may yield significant findings.

How will you ensure that your proposal will not cause affordable housing to be further concentrated in low-opportunity areas or in areas that already have ample affordable housing? How will your proposal increase housing choice by expanding the neighborhoods in which residents who need affordable housing can live?

With experience in managing the HUD HOME program, Community Development Block Grant Program, and conducting 5-year Consolidated Plans and Analysis of Impediments to Fair Housing, Montgomery County is well suited to Affirmatively Further Fair Housing through this project. We will use the latest census data and mapping technology to target looking at zoning codes in high-opportunity communities and municipalities in Montgomery County. This will ensure that affordable housing will not be concentrated in low-opportunity areas or in areas that already have ample affordable housing. Through our proposal, we will work with high-opportunity municipalities to evaluate and modify their zoning to increase housing choice, thus expanding the neighborhoods in Montgomery County in which residents who need affordable housing can live.

How does your approach address the unique housing needs of members of protected class groups, including persons with disabilities, families with children, and underserved communities of color?

Montgomery County is proposing to partner with various high-opportunity municipalities to offer them grants to evaluate and make modifications to their zoning codes to increase housing affordability in their neighborhoods. These individualized assessments will include a Fair Housing assessment, and recommendations of how the municipalities can uniquely help affirmatively further fair housing for historically marginalized and underserved communities of color. Through this process, local communities will be better equipped to promote fair housing choices for all persons, including classes protected under the Fair Housing Act, and provide opportunities for racially and ethnically inclusive patterns of housing occupancy, identify structural and systemic barriers to fair housing choice, and promote housing that is physically accessible and usable by persons with disabilities.

Does your plan address issues identified in your jurisdiction's most recent fair housing plan or plans?

This proposal will help take the findings and recommendations of the latest Analysis of Impediments to the next level (meaning, the local level). Since zoning and land use is entirely within a municipality's control, and not the county's control, this grant funding will support local communities put into effect the recommendations outlined in Montgomery County's most recent fair housing plan, including:

- Provide one-on-one technical land use planning assistance to local units of government aimed at identifying and overcoming procedural and regulatory barriers to fair housing and affordable housing. Local elected officials, planning commission members and zoning hearing board members will receive training.
- The County will continue to promote the use and adoption of model ordinances, especially as they relate to the removal of barriers to affordable housing and accommodating group homes for persons with disabilities.

Have you considered the risk of displacement associated with your proposal? How will you ensure that your planned activities do not lead to the displacement of vulnerable residents in communities of color? Describe any anti-displacement measures included in your proposal (e.g., replacement of affordable units for new construction, or right of first refusal for tenants)?

Because Montgomery County is not requesting any capital funds or site-based construction in this proposal, we do not anticipate any displacement. However, Montgomery County will always follow all laws and regulations as defined by the Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs.

How will your proposal address the housing needs of people with disabilities and increase their access to accessible and affordable housing? How will it support independent living with access

to supportive services and transportation in the community? Please also describe your plan to ensure compliance with the Americans with Disabilities Act (ADA) and accessibility requirements under the Fair Housing Act.

Montgomery County proposes to utilize this grant to partner with local municipalities and communities who can then review their local zoning codes and ordinances in order to increase affordable housing locally. By modifying local zoning codes to increase affordable housing, people with disabilities will have greater opportunity to find accessible and affordable housing. Currently, Montgomery County does not have any site-based Permanent Supportive Housing, and we have limited Group Homes for persons with disabilities. This lack of site-based, affordable and supportive housing sites has worsened the homeless crisis and eviction crisis in Montgomery County. By amending local zoning codes to allow for more affordable housing, we hope to increase the pipeline of site-based supportive housing and group homes for persons with disabilities, thus supporting independent living with access to supportive services and transportation in the community. Since no site-based project is included in this proposal, we do not foresee any compliance issues related with the Americans with Disabilities Act (ADA) and accessibility requirements under the Fair Housing Act.

Describe any equity-related educational resources, tools, or public input that have informed your proposal.

Montgomery has been undergoing a planning process to create a Racial Equity Action Plan, and many departments are creating equity related plans of goals of their own. Several rounds of internal training have helped staff identify and correct biases that affect their work as well as learn of the long history that inequity has had in the way that cities and suburbs have developed. MCPC has a draft equity policy document that helps staff in how it works with the public and is in the process of creating an equity lens for its work going forward. OHCD, the Office of Housing and Community Development, has long included equity in the work of Your Way Home and related projects. Some of these resources are linked below.

- [The Homes For All strategic plan](#) included an analysis of racially and ethnically concentrated census tracts, and was informed by various other additional equity resources.
- [Racial Equity and Homelessness in Montgomery County, Pennsylvania: Initial Findings 2019](#)
- [Your Way Home Just Strategies Organizational Equity Assessment Report 2021](#)
- [Your Way Home Racial Equity Assessment Report 2024](#)

Do you plan to engage and support minority-, women-, and veteran-owned businesses during your proposed housing production process? Do you have a diversity and equity plan in place or plan to create one?

Not applicable, as there is no housing production process included in Montgomery County's proposal. However, Montgomery County does have a dedicated Office of Diversity, Equity, and Inclusion that is responsible for policies and equity initiatives for the county. This office will remain involved in the project going forward.

Other equity considerations informed by your local circumstances.

Increasing housing affordability in Montgomery County is a social justice and racial justice issue. [Montgomery County consistently sees a racial disparity in persons being systemically pushed into homelessness, reflecting national trends.](#) For instance, while Black and African American individuals constitute 9% of the general population and 19% of the population in poverty in Montgomery County, they make up 40% of the homeless population according to the 2022 Point-in-Time Count. Montgomery County has also seen an increase in households with children experiencing homelessness for the first time, with two-thirds of children experiencing homelessness being Black or African American.

Describe how you will evaluate the effect of your proposal on promoting desegregation, expanding equitable access to well-resourced areas of opportunity, and furthering the de-concentration of affordable housing.

By partnering with high-opportunity and well-resourced municipalities in Montgomery County to reform their zoning code to allow for more affordable housing, we hope to build the pipeline of site-based affordable housing options throughout Montgomery County and deconcentrate poverty, while also promoting desegregation. The effects of zoning reform can take a long time to evaluate from this lens; However, Montgomery County is committed to evaluating these effects by continuing our work in Analysis of Impediments.

How will you track your progress and evaluate the effectiveness of your efforts to advance racial equity in your grant activities?

Montgomery County will continue to evaluate progress and the effectiveness of local zoning reform on racial equity by continuing to:

- conduct a racial equity analysis in the homeless crisis response system every two years
- evaluate advances in equity during the Analysis of Impediments every 5 years

- incorporate measures of racial and gender equity into the housing analysis work being done across departments, to allow staff to adjust the zoning audit recommendations and zoning language as needed

If the applicant proposes to use PRO Housing funds to fund housing units, the applicant must discuss how those benefits will be affirmatively marketed broadly throughout the local area and nearby areas to any demographic groups that would be unlikely or least likely to apply absent such efforts.

This is not applicable for Montgomery County’s application.

Note that any actions taken in furtherance of this section must be consistent with federal nondiscrimination requirements. If proposing to act as a pass-through entity by operating a subgrant program, you must confirm that you will evaluate subapplicants’ proposals for alignment with the requirements to affirmatively further fair housing.

Montgomery County proposes to administer a subgrant program with high-opportunity municipalities in the county and offer them grants to evaluate and amend their local zoning in order to increase affordable housing in their communities. We confirm that, during this subgrantee process, Montgomery County will remain a committed partner and will require that a part of that local analysis will include an alignment with the requirements to affirmatively further fair housing.

v. *What are your budget and timeline proposals?*

If awarded, Montgomery County will expend PRO Housing funds within the grant period. The expected start date is January 1, 2025 and the projected end date is September 30, 2030.

Project schedules and milestones are listed in the chart below. The budgets for these projects were set through discussions with county department management as well as consideration from stakeholders from other ongoing planning activities as described throughout this application. We are requesting \$2,427,700 in this application, mindful that there are fewer funds available in this second round of funding.

Schedule for Implementation

Milestone	Start	Complete	PRO Housing Budget
Strategy 1: Identify Montgomery County’s Critical Housing Needs			
Project: Montgomery County Housing Needs Assessment			\$236,000
Issue RFP for Housing Needs Assessment report/Select consultant	Q1 2025	Q3 2025	

Complete draft Housing Needs Assessment report	Q3 2025	Q2 2026	
Solicit feedback and comments on report recommendations	Q3 2026	Q4 2026	
Publish final report	Q4 2026	Q4 2026	
Conduct public education campaign	Q1 2027	Q2 2027	
Strategy 2: Improve Municipal Zoning Regulations			
Project: Municipal Housing Affordability Assessments, Zoning Audits, and Enactment Grants			\$1,971,000.00
Create guidelines for participation in assessment/audit program	Q1 2026	Q3 2026	
Conduct promotional campaign	Q3 2026	Q4 2026	
Open applications for program and select municipal partners	Q1 2027	Q4 2027	
Solicit and select consultants for municipal applicants	Q1 2028	Q2 2028	
Author assessments and zoning language recommendations	Q3 2028	Q3 2029	
Promote the enactment of zoning changes	Q4 2028	Q4 2029	
Enact zoning changes and provide enactment grants	Q1 2030	Q3 2030	
Total Direct Costs			\$2,207,000
Indirect Admin Costs (10%)			\$220,700
Total Budget			\$2,427,000

If HUD awards a lower dollar amount than has been requested in this application, Montgomery County would be able to scale down a portion of this program. The housing needs assessment is a crucial piece of research for the county to have, in that it will help us assess the county's housing stock but also identify areas that need improvement. A smaller award amount would reduce the number of municipalities to which we are able to offer sub-awards to do local zoning work. If a reduced amount is received, we would seek funding from elsewhere to fully meet the demand for this work, as well as funds for the accompanying outreach and education that this effort would need.

The budget in this draft application is subject to change after additional analysis and public feedback, prior to the submission of the final application to HUD.

Exhibit E: Capacity

i. What capacity do you and your Partner(s) have? What is your staffing plan?

Montgomery County has been working to educate its stakeholders on housing needs and escalating costs for decades, with workgroups, plans, and policy statements dating back to the 1980s. As housing prices continue to escalate, and we find more and more people unable to afford to live in the county, the county has responded by increasing its efforts to work toward solutions.

This grant proposal will not include any new staff positions at the county. Two existing staff members within the Montgomery County Planning Commission (MCPC) will oversee the selection of a consultant who will write the housing needs analysis for the county. A team of existing staff members from the Office of Housing and Community Development (OHCD, 3 staff total), Recovery Office (4-5 staff total), and Planning Commission (the two aforementioned staff members) will create the guidelines and application process for municipalities interested in seeking funds to amend their zoning codes to further housing affordability. MCPC and the Recovery Office will manage this team of county staff to implement the activities proposed in this application. MCPC has the staff capacity and experience with municipalities and zoning codes to oversee the work and the consultants working on these projects. The Recovery Office has the experience managing the county's ARPA SLFRF grant funds and the various ongoing projects these funds are underwriting, including projects the county is itself implementing. OHCD has experience managing and reporting HUD grants and progress in their implementation. Collectively, these staff members, and their respective departments, have project management experience and can quickly launch these two projects. As time passes, other agencies or organizations may become implementation partners in a supporting capacity.

MCPC is one of the co-leads on this project. Key staff include the Executive Director of the Planning Commission, as well as the Manager of the County Planning section. With subsections including Transportation, Community Planning, Design and GIS, Trails and Open Space, County Planning, and Environmental Planning, this department is well qualified to be planning for the future of Montgomery County's residents. The department already manages a range of programs and initiatives that ultimately aim to protect safe and affordable housing options, support downtowns, job centers, and community destinations, and create sustainable transportation options for all county residents. MCPC is actively working on the creation of a new county comprehensive plan, which will be adopted in early 2026. This comprehensive plan, *Montco 2050: A Comprehensive Plan for a Changing World*, will guide the growth and development of the county and its municipalities. MCPC provides technical assistance to residents, municipal officials, and developers on a variety of topics; staff conducts advisory reviews of applications for all development proposals and zoning and subdivision and land development code revisions. As such, MCPC staff are well versed in the zoning techniques that could help municipalities further affordability and have a vested interest in seeing this work succeed.

Montgomery County's Recovery Office is the other co-lead on this project. Key staff from this office include the Process Manager of this office. Following the COVID-19 pandemic, Montgomery County established the Recovery Office to serve as an intergovernmental task force capable of designing, implementing, and reporting on projects that cover multiple issue areas. Working with their partners in other County departments, the Recovery Office has implemented numerous community programs and facilitated multi-million dollar grant programs for school districts, municipalities, small businesses, nonprofits, and emergency responders. With a team of 10, including six subject matter expert analysts, the Recovery Office has the existing capacity to take on this project and lead its implementation. Their work will be supplemented by existing staff in Communications, External Affairs, Policy, Planning, and the Office of Housing and Community Development to ensure that all areas are covered and properly managed.

Through its work managing the monies awarded to the county from the federally funded ARPA SLFRF program, the Recovery Office has developed the necessary expertise to manage all aspects of the project, including quality assurance, financial monitoring, accounting, procurement, and internal controls. Working with the County Controller's Office, the Recovery Office has developed a set of accounting policies and procedures to quickly and easily track and report on project spending. From the \$161 million in ARPA SLFRF funding, the county has funded 135 separate projects, working with other county departments, local municipalities, school districts, chambers of commerce, and individual community-focused nonprofit organizations. In each of these grants, a unique set of criteria was developed to ensure that the program was in line with both the scope of the intended project and the allowable costs under the ARPA SLFRF program. These criteria were supplemented by an equity formula that accounted for unique elements of each grant, enabling a fair and equitable distribution of funding to the intended grantees.

Figure 2: Organizational Chart of Key Staff

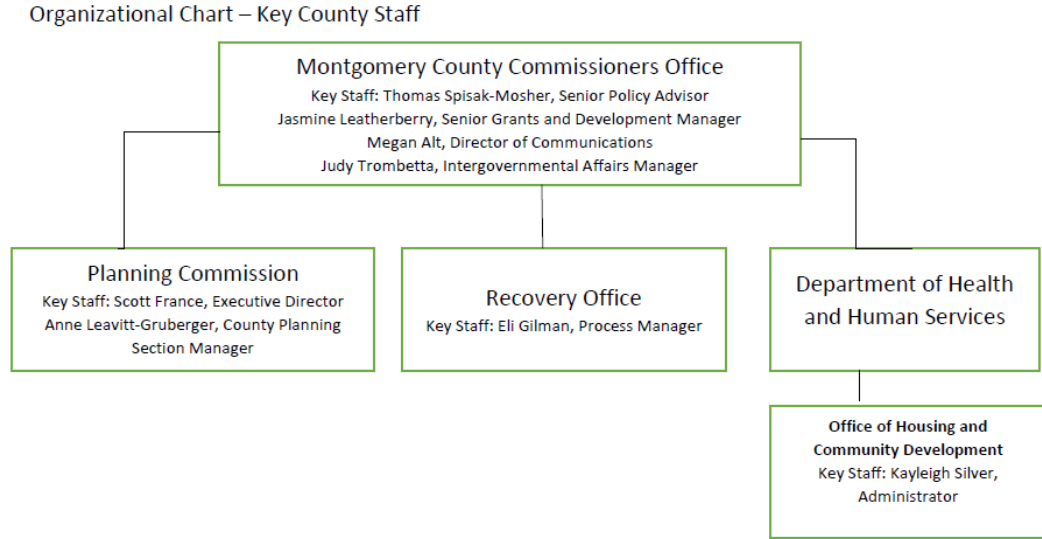


Figure 3: Organizational Chart of the Montgomery County Planning Commission

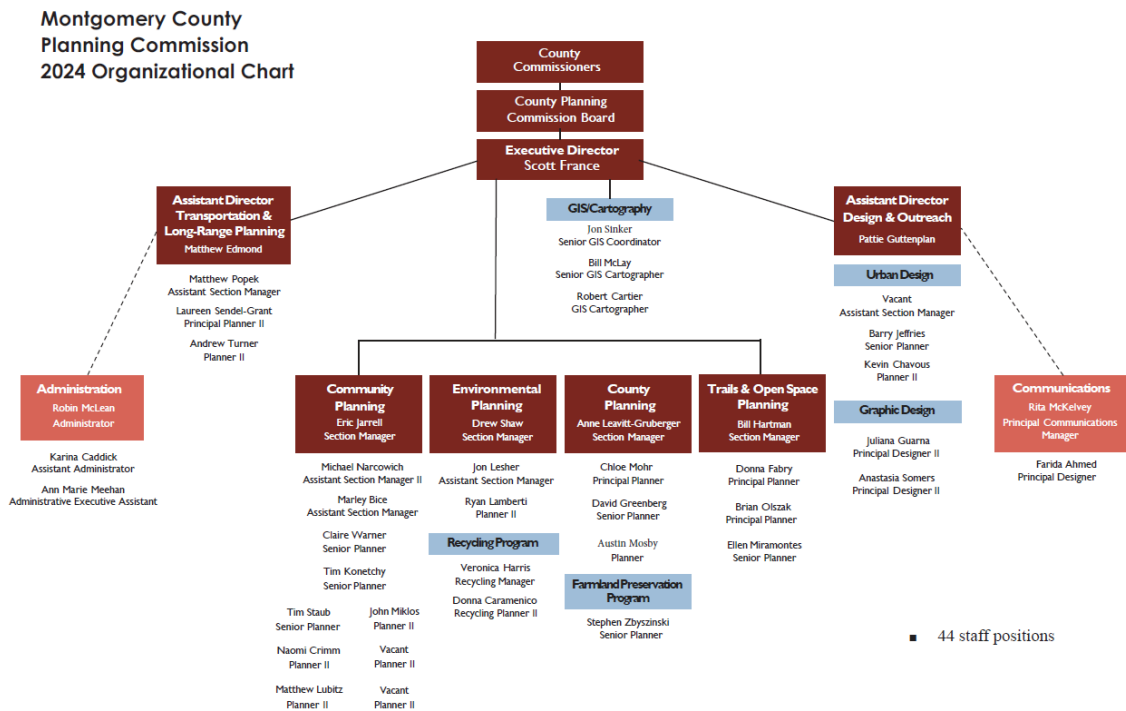


Exhibit F: Leverage

i. Are you leveraging other funding or non-financial contributions?

The county hopes to leverage other existing funding sources, including current funds set aside from the county's ARPA SLFRF allocation for housing projects (\$6 million). The county would also consider expanding this program if it receives other funding to match what is received here. We actively work with other federal and state partners, as well as a variety of foundations in the county to seek out grants that support the reduction of barriers to affordable housing.

Exhibit G: Long-term Effect

i. What permanent, long-term effects will your proposal have? What outcomes do you expect?

This proposal will have a significant impact on housing supply and affordability in Montgomery County. We strongly believe that the county's municipalities will benefit from the technical assistance these funds will provide and the zoning changes that will result. A long-lasting commitment to long-term housing affordability will bolster the argument that the county will flourish with more housing options and denser development, and that the county can be a place that welcomes all newcomers and provides places for people to call home.

Additionally, the county as a whole will benefit from having a new housing needs assessment. The data and findings from this report will be incorporated into the county's new comprehensive plan and will bolster the assertion that there are municipal housing needs that are not being met. This proposal for a housing needs assessment will also help with the ongoing implementation of the Homes For All plan, and the coalition work that is beginning to form around the realization that housing and smart development need vocal supporters.

These two projects represent key steps in working toward sustaining a better housing market for the whole county. We will mark and measure our success through zoning amendments adopted by the county's municipalities and the number of municipalities who work with the county on zoning reform and expand housing uses throughout their boundaries.

