

MEMORANDUM

March 3, 2011

TO: Planning, Housing, and Economic Development Committee

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **CIP Amendments: Housing**
Facility Planning: HCD (DHCA)
Supplemental Funds for Public Housing Improvements (HOC)

The County Executive has recommended two amendments to housing projects included in the Approved FY11-16 CIP. In both cases, the amendments are reductions to the amount of current revenue provided in FY12.

1. Facility Planning: HCD
(FY12 Amendment ©1; FY11-16 Approved ©2)

This project provides funds for planning studies conducted by DHCA. The Executive is recommending a reduction \$15,000 in the current revenue originally programmed for FY12 in order to create fiscal capacity. Total FY12 proposed funding is \$160,000; with \$110,000 in current revenue and \$50,000 in Community Development Block Grant (CDBG) funding. The Executive has not proposed any changes to FY13-16. In each of these years \$125,000 in current revenue and \$50,000 in CDBG funding is programmed.

Council staff recommends approval of the Executive's proposed amendment.

2. Supplemental Funds for Public Housing Improvements
(FY12 Executive Amendment ©3; FY12 HOC Request ©4; FY11-16 Approved ©5)

This project provides funds for HOC to make improvements to public housing properties. Improvements include, but are not limited to, roof, window, and door replacements, kitchen and

bathroom renovations, and replacement of major mechanical, plumbing, and electrical systems. Federal funding is insufficient to address HOC's yearly ongoing needs.

The Executive is recommending a reduction of \$125,000 the current revenue originally programmed for FY12 in order to create fiscal capacity. Total FY12 recommended funding is \$1,125,000 in current revenue. The Executive has not proposed any changes to FY13-16. In each of these years \$1,150,000 in current revenue is programmed. Council staff understands that while HOC requested the full \$1,150,000 they are not objecting to the Executive's recommended reduction as they understand the need to free-up current revenue.

Council staff recommends approval of the Executive's proposed amendment.

FY12 CE Recommend

Facility Planning: HCD -- No. 769375

Category
Subcategory
Administering Agency
Planning Area

Community Development and Housing
Community Development
Housing & Community Affairs
Countywide

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

January 05, 2011
No
None.
On-going

Category
Subcategory
Admini-
Pia-

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY10	Rem. FY10	Total 6 Years	FY11	FY12	FY13	FY14	FY15	FY16	Beyond 6 Years
Planning, Design, and Supervision	3,795	2,738	34	1,023	163	160	175	175	175	175	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	3,795	2,738	34	1,023	163	160	175	175	175	175	*

FUNDING SCHEDULE (\$000)

Community Development Block Grant	1,072	741	31	300	50	50	50	50	50	50	0
Current Revenue: General	2,423	1,697	3	723	113	110	125	125	125	125	0
Current Revenue: Parking - Montgomery Hill	100	100	0	0	0	0	0	0	0	0	0
Federal Aid	200	200	0	0	0	0	0	0	0	0	0
Total	3,795	2,738	34	1,023	163	160	175	175	175	175	0

DESCRIPTION

This project provides funds for Department of Housing and Community Affairs (DHCA) facility planning studies for a variety of projects for possible inclusion in the CIP. In addition, facility planning serves as a transition stage for a project between the master plan or conceptual stage and its inclusion as a stand-alone project in the CIP. Prior to the establishment of a stand-alone project, DHCA will develop a Program of Requirements (POR) that outlines the general and specific features required in the project. Selected projects range in type including: land and building acquisition; conversion of surplus schools/ school sites or County-owned land into housing resources; design and construction of street improvements, sidewalks, and other infrastructure improvements in neighborhood and small commercial area revitalization including streetscaping and circulation along with Central Business District (CBD) revitalization. Facility planning is a decision-making process to determine the purpose and need of a candidate project through a rigorous investigation of the following critical project elements: community revitalization needs analysis; economic, social, environmental, and historic impact analyses; public participation; investigation of non-County sources of funding; and detailed project cost estimates. Depending upon the results of a facility planning determination of purpose and need, a project may or may not proceed to construction. For a full description of the facility planning process, see the CIP Planning Section.

COST CHANGE

Reduce project scope and current revenue by \$15,000 in FY12 for fiscal capacity.

JUSTIFICATION

There is a continuing need for development of accurate cost estimates and an exploration of alternatives for proposed projects. Facility planning costs for all projects which ultimately become stand-alone PDFs are included here. These costs will not be reflected in the resulting individual project. Future individual CIP projects, which result from facility planning, will each reflect reduced planning and design costs.

OTHER

The proposals studied under this program will involve the Office of Management and Budget staff, consultants, community groups, and related program area staff, to ensure that completed studies show full costs, program requirements, and have community support.

OTHER DISCLOSURES

- * Expenditures will continue indefinitely.

APPROPRIATION AND EXPENDITURE DATA

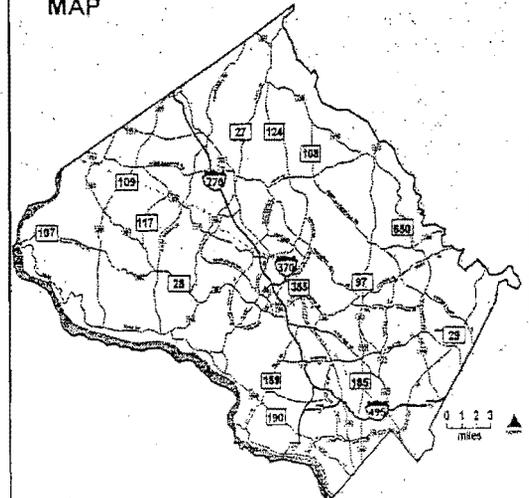
Date First Appropriation	FY96	(\$000)
First Cost Estimate		
Current Scope	FY11	3,810
Last FY's Cost Estimate		3,810
Appropriation Request	FY12	110
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		2,935
Expenditures / Encumbrances		2,741
Unencumbered Balance		194
Partial Closeout Thru	FY09	0
New Partial Closeout	FY10	0
Total Partial Closeout		0

COORDINATION

Planning Implementation Section, Office of the County Executive
Office of Management and Budget
M-NCPPC
Department of Transportation
Department of General Services
Regional Services Centers
Montgomery Hills Parking Lot District

FY11 - CDBG Appropriation: \$50,000
FY12 - CDBG Appropriation: \$50,000

MAP



1

FY11-16 Approved

Facility Planning: HCD -- No. 769375

Category
Subcategory
Administering Agency
Planning Area

Community Development and Housing
Community Development
Housing & Community Affairs
Countywide

Date Last Modified
Required Adequate Public Facility
Relocation Impact
Status

January 10, 2010
No
None.
On-going

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY09	Est. FY10	Total 6 Years	FY11	FY12	FY13	FY14	FY15	FY16	Beyond 6 Years
Planning, Design, and Supervision	3,810	2,527	245	1,038	163	175	175	175	175	175	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	3,810	2,527	245	1,038	163	175	175	175	175	175	*

FUNDING SCHEDULE (\$000)

Community Development Block Grant	1,072	642	130	300	50	50	50	50	50	50	0
Current Revenue: General	2,438	1,585	115	738	113	125	125	125	125	125	0
Current Revenue: Parking - Montgomery Hill	100	100	0	0	0	0	0	0	0	0	0
Federal Aid	200	200	0	0	0	0	0	0	0	0	0
Total	3,810	2,527	245	1,038	163	175	175	175	175	175	0

DESCRIPTION

This project provides funds for Department of Housing and Community Affairs (DHCA) facility planning studies for a variety of projects for possible inclusion in the CIP. In addition, facility planning serves as a transition stage for a project between the master plan or conceptual stage and its inclusion as a stand-alone project in the CIP. Prior to the establishment of a stand-alone project, DHCA will develop a Program of Requirements (POR) that outlines the general and specific features required in the project. Selected projects range in type including: land and building acquisition; conversion of surplus schools/ school sites or County-owned land into housing resources; design and construction of street improvements, sidewalks, and other infrastructure improvements in neighborhood and small commercial area revitalization including streetscaping and circulation along with Central Business District (CBD) revitalization. Facility planning is a decision-making process to determine the purpose and need of a candidate project through a rigorous investigation of the following critical project elements: community revitalization needs analysis; economic, social, environmental, and historic impact analyses; public participation; investigation of non-County sources of funding; and detailed project cost estimates. Depending upon the results of a facility planning determination of purpose and need, a project may or may not proceed to construction. For a full description of the facility planning process, see the CIP Planning Section.

COST CHANGE

Increase due to the addition of FY15 and FY16 to this ongoing project offset by adjustments for fiscal capacity.

JUSTIFICATION

There is a continuing need for development of accurate cost estimates and an exploration of alternatives for proposed projects. Facility planning costs for all projects which ultimately become stand-alone PDFs are included here. These costs will not be reflected in the resulting individual project. Future individual CIP projects, which result from facility planning, will each reflect reduced planning and design costs.

OTHER

The proposals studied under this program will involve the Office of Management and Budget staff, consultants, community groups, and related program area staff, to ensure that completed studies show full costs, program requirements, and have community support.

OTHER DISCLOSURES

- * Expenditures will continue indefinitely.

APPROPRIATION AND EXPENDITURE DATA

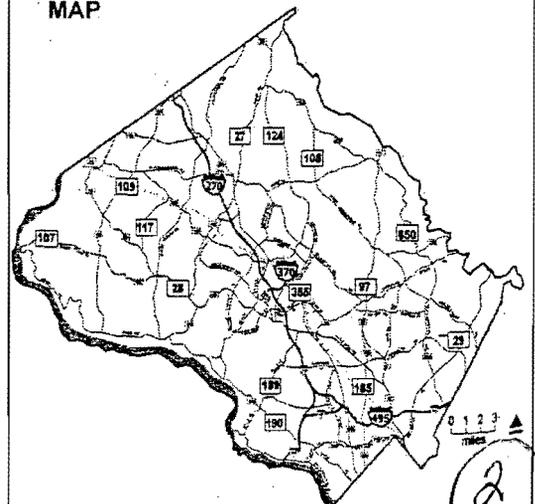
Date First Appropriation	FY96	(\$000)
First Cost Estimate	FY11	3,810
Current Scope		
Last FY's Cost Estimate		3,371
Appropriation Request	FY11	113
Appropriation Request Est.	FY12	125
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		2,772
Expenditures / Encumbrances		2,526
Unencumbered Balance		246
Partial Closeout Thru	FY08	0
New Partial Closeout	FY09	0
Total Partial Closeout		0

COORDINATION

Planning Implementation Section, Office of the County Executive
Office of Management and Budget
M-NCPPC
Department of Transportation
Department of General Services
Regional Services Centers
Montgomery Hills Parking Lot District

FY11 - CDBG Appropriation: \$50,000
FY12 - CDBG Appropriation: \$50,000

MAP



EXECUTIVE RECOMMENDATION

Supplemental Funds for Public Housing Improvements - No. 017601

Category: Housing Opportunities Commission Date Last Modified: January 6, 2011
 Agency: Housing Opportunities Commission Required Adequate Public Facility: No
 Planning Area: Countywide
 Relocation Impact: None

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru 6 Year			Beyond						
		FY10	Rem. FY10	Total FY10	FY11	FY12	FY13	FY14	FY15	FY16	6 Years
Planning, Design and Supervision	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	12,341	5,428	163	6,750	625	1,125	1,250	1,250	1,250	1,250	0
Total	12,341	5,428	163	6,750	625	1,125	1,250	1,250	1,250	1,250	0

FUNDING SCHEDULE (\$000)

G.O. Bonds	0	0	0	0	0	0	0	0	0	0	0
Current Revenue: General	12,341	5,428	163	6,750	625	1,125	1,250	1,250	1,250	1,250	0
State Aid	0	0	0	0	0	0	0	0	0	0	0

COMPARISON (\$000)

	Total	Thru 6 Year			Beyond						Approp. Request	
		FY10	Rem. FY10	Total FY10	FY11	FY12	FY13	FY14	FY15	FY16		6 Years
Current Approved	12,466	4,466	1,125	6,875	625	1,250	1,250	1,250	1,250	1,250	0	0
Agency Request	12,466	5,528	63	6,875	625	1,250	1,250	1,250	1,250	1,250	0	1,250
Recommended	12,341	5,428	163	6,750	625	1,125	1,250	1,250	1,250	1,250	0	1,125

CHANGE	TOTAL	%	6-YEAR	%	APPROP.	
Agency Request vs Approved	0	0.0%	0	0.0%	1,250	0.0%
Recommended vs Approved	(125)	(1.0%)	(125)	(1.8%)	1,125	0.0%
Recommended vs Request	(125)	(1.0%)	(125)	(1.8%)	(125)	(10.0%)

Recommendation
 APPROVE WITH MODIFICATIONS

Comments
 Reduce current revenue by \$125,000 in FY12 for fiscal capacity.

The FY12 appropriation recommendation is \$1,125,000

FY12 HOC Request

Supplemental Funds for Public Housing Improvements -- No. 017601

Category Housing Opportunities Commission
 Subcategory Housing
 Administering Agency Housing Opportunities Commission
 Planning Area Countywide

Date Last Modified September 15, 2010
 Required Adequate Public Facility No
 Relocation Impact None.
 Status On-going

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY10	Rem. FY10	Total 6 Years	FY11	FY12	FY13	FY14	FY15	FY16	Beyond 6 Years
Planning, Design, and Supervision	0	0	0	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	12,466	5,528	63	6,875	625	1,250	1,250	1,250	1,250	1,250	0
Total	12,466	5,528	63	6,875	625	1,250	1,250	1,250	1,250	1,250	0

FUNDING SCHEDULE (\$000)

Current Revenue: General	12,466	5,528	63	6,875	625	1,250	1,250	1,250	1,250	1,250	0
State Aid	0	0	0	0	0	0	0	0	0	0	0
Total	12,466	5,528	63	6,875	625	1,250	1,250	1,250	1,250	1,250	0

DESCRIPTION

Due to projected Federal funding cuts, there is insufficient funding available to address the basic ongoing capital improvements needed each year. Typical improvements include, but are not limited to, replacement of roofs, windows and doors; improvements to unit interiors such as kitchen and bathroom modernization; replacement of major mechanical, electrical, plumbing systems and equipment; appliance replacement; life-safety improvements; site improvements such as fencing, site lighting, landscaping, and sidewalk and parking lot replacement. Housing Opportunities Commission (HOC) will also continue to use its Capital Fund Program (CFP) funds to convert selected dwelling units to mobility handicapped units.

County funds are used to supplement/cover the shortfall of Federal funds in the public housing units. These funds will be allocated across HOC's Public Housing elderly, multi-family and scattered sites properties over the next six (6) years.

CAPACITY

1,555 units for low and very low-income Public Housing residents.

COST CHANGE

Increase due to addition for FY15 and FY16, and reduce \$625,000 in FY11 for fiscal capacity.

JUSTIFICATION

Current and projected Federal Capital Fund Program (CFP) funds are not adequate for maintaining HOC public housing units at community norms throughout Montgomery County. Federal funding for public housing will be cut. At the same time the public housing stock in the County is aging and will need additional repairs. Montgomery County has a higher property standard than the Federal government. In addition, neighbors in the communities with the public housing units expect the properties to be well maintained. Almost half of the public housing units (700+ units) are MPDUs scattered throughout the County in many communities governed by Home Owner Associations (HOAs), and some have higher standards than the County code. As Federal funding levels for public housing are declining, additional funding is necessary if HOC units are to be maintained at levels consistent with community norms and standards.

In an effort to stay true to its mandate to provide decent, safe and sanitary housing to low and moderate income residents in Montgomery County and to ensure that its properties and communities are maintained at a level consistent with community norms, HOC will use a combination of CFP and County funds to make capital improvements to its public housing stock.

Relevant studies include: Comprehensive Grant Program 5-year Action Plan from U.S. Department of Housing and Urban Development (HUD) 52834; HOC Resident Surveys; HOC Engineering Studies.

FISCAL NOTE

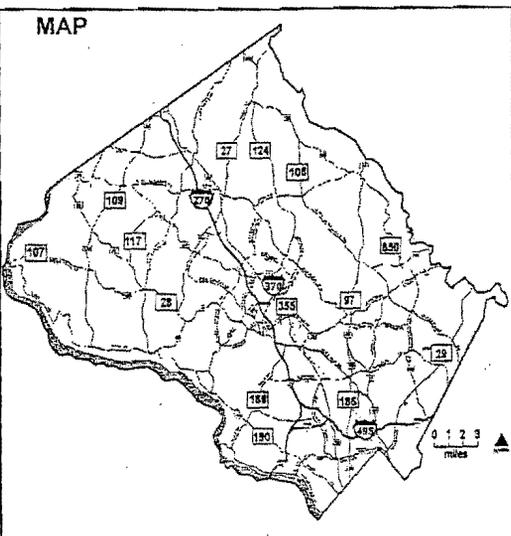
Federal funding for public housing capital improvements is based on an annual multi-year plan. County Funds are used concurrently with non-County funds as deemed appropriate to complete work. Also, County funds should be allocated across all HOC properties first to code compliance and second to renovations that extend the useful life of the facility.

OTHER DISCLOSURES

- A pedestrian impact analysis will be performed during design or is in progress.

APPROPRIATION AND EXPENDITURE DATA		
Date First Appropriation	FY01	(\$000)
First Cost Estimate	FY11	12,466
Current Scope		
Last FY's Cost Estimate		12,466
Appropriation Request	FY12	1,250
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		6,216
Expenditures / Encumbrances		4,466
Unencumbered Balance		1,750
Partial Closeout Thru	FY09	0
New Partial Closeout	FY10	0
Total Partial Closeout		0

COORDINATION
 U.S. Department of Housing and Urban Development
 Maryland Department of Housing and Community Development
 Department of Housing and Community Affairs



Supplemental Funds for Public Housing Improvements -- No. 017601

FY11-16 Approved

Category	Housing Opportunities Commission	Date Last Modified	May 24, 2010
Subcategory	Housing	Required Adequate Public Facility	No
Administering Agency	Housing Opportunities Commission	Relocation Impact	None.
Planning Area	Countywide	Status	On-going

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY09	Est. FY10	Total 6 Years	FY11	FY12	FY13	FY14	FY15	FY16	Beyond 6 Years
Planning, Design, and Supervision	0	0	0	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	12,466	4,466	1,125	6,875	625	1,250	1,250	1,250	1,250	1,250	0
Total	12,466	4,466	1,125	6,875	625	1,250	1,250	1,250	1,250	1,250	0

FUNDING SCHEDULE (\$000)

Current Revenue: General	12,466	4,466	1,125	6,875	625	1,250	1,250	1,250	1,250	1,250	0
Total	12,466	4,466	1,125	6,875	625	1,250	1,250	1,250	1,250	1,250	0

DESCRIPTION

Due to projected Federal funding cuts, there is insufficient funding available to address the basic ongoing capital improvements needed each year. Typical improvements include, but are not limited to, replacement of roofs, windows and doors; improvements to unit interiors such as kitchen and bathroom modernization; replacement of major mechanical, electrical, plumbing systems and equipment; appliance replacement; life-safety improvements; site improvements such as fencing, site lighting, landscaping, and sidewalk and parking lot replacement. Housing Opportunities Commission (HOC) will also continue to use its Capital Fund Program (CFP) funds to convert selected dwelling units to mobility handicapped units.

County funds are used to supplement/cover the shortfall of Federal funds in the public housing units. These funds will be allocated across HOC's Public Housing elderly, multi-family and scattered sites properties over the next six (6) years.

CAPACITY

1,555 units for low and very low-income Public Housing residents.

COST CHANGE

Increase due to addition for FY15 and FY16, and reduce \$625,000 in FY11 for fiscal capacity.

JUSTIFICATION

Current and projected Federal Capital Fund Program (CFP) funds are not adequate for maintaining HOC public housing units at community norms throughout Montgomery County. Federal funding for public housing will be cut. At the same time the public housing stock in the County is aging and will need additional repairs. Montgomery County has a higher property standard than the Federal government. In addition, neighbors in the communities with the public housing units expect the properties to be well maintained. Almost half of the public housing units (700+ units) are MPDUs scattered throughout the County in many communities governed by Home Owner Associations (HOAs), and some have higher standards than the County code. As Federal funding levels for public housing are declining, additional funding is necessary if HOC units are to be maintained at levels consistent with community norms and standards.

In an effort to stay true to its mandate to provide decent, safe and sanitary housing to low and moderate income residents in Montgomery County and to ensure that its properties and communities are maintained at a level consistent with community norms, HOC will use a combination of CFP and County funds to make capital improvements to its public housing stock.

Relevant studies include: Comprehensive Grant Program 5-year Action Plan from U.S. Department of Housing and Urban Development (HUD) 52834; HOC Resident Surveys; HOC Engineering Studies.

FISCAL NOTE

Federal funding for public housing capital improvements is based on an annual multi-year plan. County Funds are used concurrently with non-County funds as deemed appropriate to complete work. Also, County funds should be allocated across all HOC properties first to code compliance and second to renovations that extend the useful life of the facility.

OTHER DISCLOSURES

- A pedestrian impact analysis will be performed during design or is in progress.

APPROPRIATION AND EXPENDITURE DATA

Date First Appropriation	FY01	(\$000)
First Cost Estimate		
Current Scope	FY11	12,466
Last FY's Cost Estimate		10,591
Appropriation Request	FY11	625
Appropriation Request Est.	FY12	1,250
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		5,591
Expenditures / Encumbrances		4,466
Unencumbered Balance		1,125
Partial Closeout Thru	FY08	0
New Partial Closeout	FY09	0
Total Partial Closeout		0

COORDINATION

U.S. Department of Housing and Urban Development
 Maryland Department of Housing and Community Development
 Department of Housing and Community Affairs

MAP

