

PHED COMMITTEE #2
April 29, 2011

WORKSESSION

M E M O R A N D U M

April 28, 2011

TO: Planning, Housing and Economic Development (PHED) Committee
FROM: Linda McMillan, Senior Legislative Analyst 
SUBJECT: **FY12 Operating Budget: Department of Housing and Community Affairs**

Those expected for this worksession:

Richard Nelson, Director, Department of Housing and Community Affairs
Joe Giloley, Chief, DHCA Housing Division
LuAnn Korona, Chief, Community Affairs Division
Tim Goetzinger, DHCA Management and Budget
Beryl Feinberg, Office of Management and Budget
Jennifer Bryant, Office of Management and Budget

Excerpts from the County Executive's Recommended Budget are attached at ©1-12.

1. EXPENDITURE and WORKYEAR OVERVIEW

For FY12, the Executive is recommending an appropriation of \$26,949,960 for the Department of Housing and Community Affairs. This is an increase of \$1,392,540 (5.4%) from the FY11 original approved budget. DHCA's total appropriation is from three funds: (1) the General Fund, (2) the Grant Fund, and (3) the Montgomery Housing Initiative Fund (referred to as the MHI or the HIF). The following table provides an overview of the dollar changes since FY10.

Department of Housing and Community Affairs Expenditures in (\$000s)	FY10 Original Approved	FY11 Original Approved	FY12 Recommend	Change FY11 Budget to FY12 Rec
Multi-Family Housing Programs	30,951	13,346	14,723	10.3%
Single Family Housing Programs	655	898	863	-3.9%
Housing Code Enforcement	1,957	1,376	1,008	-26.7%
Grants Administration - Federal Programs	7,520	7,443	7,991	7.4%
Landlord-Tenant Mediation	1,022	837	762	-9.0%
Neighborhood Revitalization	261	168	128	-23.8%
Licensing and Registration	381	371	349	-5.9%
Housing Administration	105	216	308	42.6%
Administration	926	903	818	-9.4%
TOTAL	43,778	25,558	26,950	5.4%

The overall workyear reduction for workyears funded in the DHCA budget is 0.3 (-0.5%). The following table provides a summary of the workyear changes since FY10. Workyears are adjusted for restoration of furlough days which offset workyear reductions from positions being eliminated. Because many of the programs have a relatively small number of workyears, percentage changes can be quite large.

Department of Housing and Community Affairs Workyears in (\$000s)	FY10 Original Approved	FY11 Original Approved	FY12 Recommend	Change FY11 Budget to FY12 Rec
Multi-Family Housing Programs	9.0	7.5	7.0	-6.7%
Single Family Housing Programs	8.0	6.6	7.5	13.6%
Housing Code Enforcement	17.4	15.8	14.9	-5.7%
Grants Administration - Federal Programs	6.0	4.0	4.0	0.0%
Landlord-Tenant Mediation	7.5	6.5	6.5	0.0%
Neighborhood Revitalization	3.0	4.1	4.1	0.0%
Licensing and Registration	3.0	3.0	3.0	0.0%
Housing Administration	2.0	1.6	2.8	75.0%
Administration	10.8	9.6	8.6	-10.4%
TOTAL	66.7	58.7	58.4	-0.5%

The following two tables show the changes to dollars and workyears to each fund (General, Grant, and HIF) since FY10. In terms of dollars, the General Fund has been reduced for each of the two years. The HIF grew from FY09 to FY10 but was reduced significantly in FY11. There is a 10.5% increase in HIF (non-CIP) funding for FY12. The Grant Fund received a substantial infusion of ARRA funds in FY10 which are being spent out and are not renewable. There are recent reductions to CDBG and HOME funds that were approved as a part of the continuing resolution and are not reflected in the March 15 budget. General Fund workyears continue to decline, with more workyears charged to the Grant Fund and HIF (a non-tax supported fund).

DHCA Expenditures by Fund	FY10 Budget	FY11 Budget	FY12 Rec	Change FY11-12
General Fund	\$ 4,443,941	\$ 3,901,690	\$ 3,307,560	-15.2%
Grant Fund	\$ 17,573,191	\$ 7,751,030	\$ 8,276,640	6.8%
Montgomery Housing Initiative Fund	\$ 29,928,403	\$ 13,904,700	\$ 15,365,760	10.5%
TOTAL	\$ 51,945,535	\$ 25,557,420	\$ 26,949,960	5.4%

DHCA Workyears by Fund	FY10 Budget	FY11 Budget	FY12 Rec	Change FY11-12
General Fund	39.7	29.6	26.5	-10.5%
Grant Fund	15.5	17.1	18.8	9.9%
Montgomery Housing Initiative Fund	11.5	12.0	13.1	9.2%
TOTAL	66.7	58.7	58.4	-0.5%

In addition to the appropriation to DHCA, certain positions in DHCA are charged to the CIP or other departments. The following two tables summarize these charges. Charges to the CIP have declined since FY10. (Note: with the exception of the HIF Acquisition program, the DHCA CIP is primarily funded by CDBG or other non-county sources.)

Charges to Other Departments - Dollars	FY10 Budget	FY11 Budget	FY12 Rec	Change FY11-12
CIP Projects	\$ 858,140	\$ 657,800	\$ 657,800	0.0%
Health and Human Services			\$ 77,200	na
Permitting Services	\$ 118,000	\$ 121,620	\$ 121,060	-0.5%
Solid Waste Disposal	\$ 683,610	\$ 695,310	\$ 705,500	1.5%
TOTAL	\$ 1,659,750	\$ 1,474,730	\$ 1,561,560	5.9%

Charges to Other Departments - WYs	FY10 Budget	FY11 Budget	FY12 Rec	Change FY11-12
CIP Projects	7.0	5.2	5.2	0.0%
Health and Human Services	-	-	0.5	na
Permitting Services	1.0	1.0	1.0	0.0%
Solid Waste Disposal	5.6	5.6	5.9	5.4%
TOTAL	13.6	11.8	12.6	6.8%

2. REVENUES

Revenues to DHCA are credited to each of the three funds. Revenues credited to the Grant Fund are shown in the budget book to increase by 6.8%, primarily due to an increase in Community Development Block Grant funds. **However, the Department now expects that it will have a 16% reduction to the Community Development Block Grant and an 11% reduction to HOME grant funds based on actions in the continuing resolution recently approved by Congress. Director Nelson will discuss this issue with the Committee at the session. Some items in this budget may need to be amended based on this cut in Federal funds.**

In addition, ARRA grants that were received in FY10 are still being expended and funding existing programs even though there is no new appropriation in FY12.

Status of ARRA Funds

Grant Name	Award	Spent FY10	Spent FY11 (thru Q2)	Program Ends	Purpose and Status
CDBG-R Recovery	\$ 1,376,548	\$ 137,250	\$ 218,991	30-Jun-13	Homeowner rehabilitation, positive youth development, crime prevention through environmental design, and comprehensive neighborhood assistance. Positive youth development is a contract with the Collaboration Council. Grant is funding one Code Enforcement
Neighborhood Conservation*	\$ 4,214,360	\$ 3,434,877	\$ 518,469	30-Jun-13	Purchase and renovate foreclosed homes to provide affordable housing. Through the second quarter of FY11, fourteen properties have been purchased, all of which are either on-line or are projected to be online in FY11.
Neighborhood Stabilization	\$ 2,073,965	\$ 1,789,058	\$ 284,907	30-Jun-13	Purchase and renovate foreclosed homes to provide affordable housing. Through the second quarter of FY11, seven properties have been purchased, all of which are either on-line or are projected to be online in FY11.
Rapid Re-Housing (ARRA)	\$ 2,104,473	\$ 474,458	\$ 643,296	21-Jul-12	Homeless prevention and rapid rehousing into permanent homes. Includes emergency grants. Funds contractual positions and a fiscal assistant in DHHS.
Weatherization (ARRA)	\$ 5,479,944	\$ 774,883	\$ 558,173	31-Mar-12	Weatherization of homes for income eligible households. Through the second quarter of FY11, funding has been used to complete 270 homes.

* funding increased by \$1,714,360 in May 2010

3. SPECIFIC CHANGES by PROGRAM AREA

A. Multi-Family Housing Program

The Executive is recommending \$14,723,220 and 7.0 WYs for this program that provides loans and other financing to create and preserve affordable housing units. Funds for this program include the HIF, CDBG funds, Federal HOME funds, and State grants.

**1. Restore Special Needs and Nonprofit Housing (Housing Initiative Fund)
\$1,466,920**

This increase is a result of the Executive's overall allocation and funding for the HIF. If the joint PHED and HHS Committee's approve the HIF budget, then this amount would follow-through to the multi-family program.

**2. Restore Personnel Costs – Furloughs +\$23,970 and 0.5WYs
Annualization of FY11 Operating Costs (\$15,710) and 0.0WYs
Miscellaneous Adjustments (\$98,320) and (1.0)WY**

The DHCA budget has broken out as two separate items the restoration of furlough costs and workyears and an adjustment to operating expenses based on annualizing expenses (in this case an overall savings) from FY11. In addition, there is a miscellaneous adjustment category that accounts for adjustment to group benefits and other relatively minor changes. **Council staff recommends approval.**

B. Single-Family Housing Program

The Executive is recommending \$862,940 and 7.5 workyears for this program that oversees the Moderately Priced Dwelling Unit program, single family rehabilitation, group home rehabilitation, home replacement, weatherization, and sprinkler programs.

1. Weatherization Program (\$22,760) and 0.0WYs

This is the net change to the expected revenues from DHCA's regular sources of weatherization funding (State, MEAP, Washington Gas, Universal Service). It is not related to weatherization funds that were received through ARRA or the Department of Energy. **Council staff recommends approval.**

2. *Miscellaneous Adjustments (\$12,680) and (0.9)WY*

Miscellaneous adjustments account for restoration of furloughs, adjustment to group benefits and other relatively minor changes. **Council staff recommends approval.**

C. Housing Code Enforcement

The Executive is recommending \$1,007,610 and 14.9 workyears for this program that enforces sections of the County Code relating to housing maintenance, solid waste, and weeds and rubbish. Most single-family home cases are the result of a complaint. There are regular inspections of multi-family units. As noted in the overview 5.9 workyears are charged to the Division of Solid Waste. In FY11 and FY12, 1.4 workyears from Housing Code Enforcement are being charged to ARRA funding.

1. *Lapse a Program Manager II (1.0WY) and shift 0.3 workyears of a Code Inspector to Solid Waste (Landlord Tenant) (\$153,740) and (1.3)WYs*

DHCA shares that in November 2008, one of then three code enforcement field supervisors (Program Manager II) was selected to work at 311. DHCA backfilled the position with a temporary promotion, but in November 2010 decided to reduce supervisory staff to two. The primary impact of the management reduction is an increased demand on both staff and management. DHCA will continue to monitor this impact, but feels present management staff has the ability to mitigate and manage these impacts successfully.

In addition, DHCA proposed shifting a portion of the funding for a Code Enforcement Inspector to the Solid Waste Fund.

Council staff recommends approval.

2. *Shift funding for Code Enforcement position from General Fund to MHI and Home (\$102,000) and (1.0)WY*

3. *Shift 0.5 WYs of two positions from the General Fund to HOME funding (\$100,000) and (1.0) workyear*

DHCA is shifting the full cost of another Code Enforcement Inspector and partial costs of two additional positions from the General Fund to the HIF (or MHI) and to HOME grants. **Council staff recommends approval recognizing that the HOME grant may need to be adjusted.**

- 4. Restore Personnel Costs – Furloughs +67,140 and 1.2WY**
- Technical Adjustment – reallocation of personel costs (\$520) and 0.0WY**
- Reduce Consulting Services for IT (\$8,100) and 0.0WYs**
- Miscellaneous Adjustments (\$70,670) and 1.2WY**

For this program, DHCA has broken out several adjustment are often included in the miscellaneous adjustments category. The IT consulting services were used for a project and are not needed in FY12. Miscellaneous adjustments account for adjustment to group benefits and other relatively minor changes. **Council staff recommends approval.**

The following table provides an update on Code Enforcement efforts in FY10 and FY11 (through the 2nd Quarter).

HCA Code Enforcement Stats

Code Enforcement Topic	FY10	FY11 (thru Q2)
Total DHCA Code Enforcement Cases Processed	7283	3698
Alleged Overcrowding Complaints	523	274
Unfounded Overcrowding Complaints	468	248
Cases with Overcrowding Violations Issued	55	26
Overcrowding Cases with Violations Voluntarily Corrected	49	24
Overcrowding Cases with Citations Issued	6	2

Council staff recommends approval as recommended by the County Executive.

D. Grants Administration – Federal Programs

The Executive is recommending a \$7,990,810 and 4.0 workyears in this program that management and oversight of grants from the CDBG, HOMES, and Emergency Shelter programs. DHCA coordinates with the cities of Rockville and Takoma Park and non-profit organizations.

Each of the changes listed is a minor change to align with grants or to annualize costs.

Annualization of FY12 Operating Costs	\$14,960
Annualization of Personnel Costs	(\$14,960)
Reallocation of CDBG Personnel Costs	\$0 and 0.3 WYs
Reallocation of Personnel within Grants	\$0 and 1.3WYs
Change in ESG Grant	(\$800)
Change in HOME Grant	(\$12,830)
Miscellaneous Adjustments	(\$670) and (1.6)WYs

Council staff tentatively recommends approval with the caveat that some expenditures in this program may have to change based on the recent Federal reduction.

This program also houses the CDBG, HOME, and ESG grant that are provided later in this packet.

E. Landlord Tenant Mediation

The Executive is recommending \$762,350 and 6.5 workyears for this program that assists in mediating disputes between landlords and tenants and encourages improvement maintenance of housing. Unresolved complaints are forwarded to the Commission on Landlord –Tenant Affairs.

1. Shift in Housing Locater

The budget book shows three items of \$77,200 which are all required in order to shift Housing Locator Services from a contract with HOC to an existing position in DHCA. The DHCA position is moving from the General Fund (a savings of \$77,200 to the General Fund) to the HIF and then being allocated to the Housing First program which is considered a chargeback to the DHHS. As previously stated, the net result is that an existing DHCA position will no provide Housing Locater services to the Housing First effort. **Council staff recommends approval.**

2. Miscellaneous Adjustments \$2,880 and 0.0WY

Miscellaneous adjustments account for restoration of furloughs, adjustment to group benefits and other relatively minor changes. **Council staff recommends approval.**

F. Neighborhood Revitalization

The Executive is recommending \$128,260 and 4.1 workyears for this program that provides planning and implementation for commercial revitalization in targeted areas and residential neighborhoods. Most funding for this effort comes from Federal and State funds.

1. Shift 0.1WY for two positions from General Fund to CDBG (\$20,450) and (0.2)WY savings to the General Fund

Council staff tentatively recommends approval with the caveat that some expenditures in this program may have to change based on the recent Federal reduction.

2. Miscellaneous Adjustments (\$19,060) and 0.2WY

Miscellaneous adjustments account for restoration of furloughs, adjustment to group benefits and other relatively minor changes. **Council staff recommends approval.**

G. Licensing and Registration

The Executive is recommending \$349,130 and 3.0 workyears for this program that is responsible for licensing all rental housing and registering all housing units that are within common ownership communities. This includes single family, townhouses, apartments, condominiums and accessory apartments.

The only recommended changes are miscellaneous adjustment of (\$21,700) and 0.0WYs. **Council staff recommends approval.**

H. Housing Administration

The Executive is recommending \$307,860 and 2.8 workyears for this program that provides management, oversight, and support to the housing division.

The only recommended changes are miscellaneous adjustment of \$91,630 and 1.2WYs. **Council staff recommends approval.**

I. Administration

The Executive is recommending \$817,780 and 8.6 workyears for this program that provides overall administration of the Department including the Director's Office, budget, and technology support.

1. Restore Funds from FY11 Lapse of Vacant MIII \$31,500 and 0.3WYs

This position was lapsed during FY11 after retirement of the incumbent who serves as the administrative and budget services manager for the DHCA. The Department has recently hired for this position. **Council staff recommends approval.**

2. Savings on Retired Personnel (\$30,980) and (0.2)WYs
Shift Personnel Costs to CDBG and HOME Grant (\$32,000) and (0.2)WY
Miscellaneous Adjustments (\$53,310) and (0.9)WY

Within this program, there is a shifting of personnel costs from the General Fund to CDBG and HOME grants as well as savings from turnover from a retirement. In addition, there are miscellaneous adjustments to account for furlough restoration, adjustment to group benefits and other relatively minor changes. **Council staff recommends approval with the caveat that changes may have to be made on charges to the CDBG and HOME grants.**

4. CDBG, HOME, and ESG Grants

Each year the Department receives funding through the Community Development Block Grant, Federal HOME program, and Emergency Shelter Grant programs.

CDBG funds are used to (1) complete projects funded through the CIP, (2) fund projects that are directly administered by DHCA such as housing preservation, commercial area revitalization, and code enforcement, (3) grants to non-profit providers, and (4) projects administered by the City of Rockville and the City of Takoma Park.

A full description of CDBG, HOME, and ESG grants is attached at © 13-19. Again, Council tentatively recommends approval with the caveat that there may be changes because of the reduction in the Federal FY11 CDBG and HOME allocations.

Housing and Community Affairs

MISSION STATEMENT

The mission of the Department of Housing and Community Affairs is to plan and implement activities which prevent and correct problems that contribute to the physical decline of residential and commercial areas; ensure fair and equitable relations between landlords and tenants; increase the supply of affordable housing; and maintain existing housing in a safe and sanitary condition.

Reorganization

The County Executive recommends beginning the process of consolidating the non-federally supported function of the Housing Opportunities Commission (HOC) with corresponding or related functions of DHCA. This restructuring of the County's housing programs should produce more effective coordination and an enhanced impact on the County's efforts to provide and preserve affordable housing for the residents of the County and realize mid- to long-range savings and operational efficiencies. It is anticipated that the resulting organizational structure will be designed in a fashion to: 1) maintain within the corporate organization of HOC, administration of the federal programs (public housing and voucher program); 2) retain, without modification, the existing bond and other indebtedness of HOC; and 3) retain local housing finance agency functions.

BUDGET OVERVIEW

The total recommended FY12 Operating Budget for the Department of Housing and Community Affairs is \$26,949,960, an increase of \$1,392,540 or 5.4 percent from the FY11 Approved Budget of \$25,557,420. Personnel Costs comprise 24.4 percent of the budget for 79 full-time positions and five part-time positions for 58.4 workyears. Operating Expenses and Debt Service account for the remaining 75.6 percent of the FY12 budget.

DHCA expects the total signed agreements for affordable housing projects through the PILOT program to abate \$9.7 million in taxes in FY12.

In addition, this department's Capital Improvements Program (CIP) requires Current Revenue funding.

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ ***A Responsive, Accountable County Government***
- ❖ ***Affordable Housing in an Inclusive Community***
- ❖ ***Healthy and Sustainable Neighborhoods***

DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below, with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY11 estimates incorporate the effect of the FY11 savings plan. FY12 and FY13 targets assume the recommended FY12 budget and FY13 funding for comparable service levels.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ ***Invest over \$47 million for Affordable Housing including the Montgomery Housing Initiative (MHI) fund and utilize \$31.7 million from the Affordable Housing Acquisition and Preservation CIP project. This dedicated funding provides for renovation of distressed housing, the acquisition and preservation of affordable housing units, creation of housing units for special needs residents, services to the "Building Neighborhoods to Call home", and the creation of mixed-income housing.***
- ❖ ***Continue to use resources from the MHI fund to support rental assistance programs in the Departments of Housing and Community Affairs (DHCA), Health and Human Services (DHHS), and the Housing Opportunities Commission (HOC).***

- ❖ Invest in the creation and preservation of Special Needs housing.
- ❖ Continued funding from Federal Grants (CDBG, HOME, & ESG) to provide funding for affordable housing, housing rehabilitation, commercial revitalization, public services and preventing homelessness.
- ❖ Continue to administer the Weatherization Program which is funded by Maryland State Department of Housing Community Development via a federal pass through provided by the Department of Energy. The program provides energy-saving housing renovations for income-eligible county residents.
- ❖ Continue to provide housing code enforcement to neighborhoods for improving safety and sanitary living conditions.
- ❖ Continue to provide landlord-tenant mediation services to an expanding immigrant population and provide emergency housing services for eviction prevention.
- ❖ Productivity Improvements
 - MPDU Improvements - Update MPDU database design to facilitate compliance monitoring of renters at MPDU rental properties. This will enable DHCA to efficiently track and audit this information on an annual basis.
 - Code Enforcement Database Improvements - Design of pilot Siebel CRM Case Management system for housing code enforcement, including: Case assignment system to better balance case load among code enforcement inspectors; Integrated digital photos with code violations; Integrated Zylmage images for correspondence and other documents; Automated GIS map routing to scheduled daily inspections; Feature to append contact information from HLRS licensing system (for DHCA and other agencies); Centralized eCitation feature; Improved eProperty and eProperty Maps that use new enterprise data sources, additional data sources from other agencies, and improved map viewer; Improved integration of Takoma Park housing contact information; and Workflow processes and Task User Interfaces.
 - Workforce Housing - Integrate King Farm Workforce Housing program into existing MPDU application (including address, offering, and development structures; online participant status, sale, and resale systems; random selection drawing system; and administration of covenants). This will streamline the process of administering the small number of King Farm Workforce Housing units.
 - DHCA Website Improvements - Redesign DHCA's website to make it more visually appealing and to present information and information organized by audience, programs, activities, and most frequent inquiries. This will result in improved dissemination of information and improve customer experience.

PROGRAM CONTACTS

Contact Tim Goetzinger of the Department of Housing and Community Affairs at 240.777.3728 or Jennifer Bryant of the Office of Management and Budget at 240.777.2761 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Multi-Family Housing Programs

This program creates and preserves affordable multi-family housing units. Loans are made to the Housing Opportunities Commission, nonprofit organizations, property owners, and for-profit developers. This program provides funding to:

- preserve existing affordable housing units;
- construct and acquire affordable housing units;
- rehabilitate existing rental housing stock;
- participate in housing or mixed-use developments that will include affordable housing;
- acquire land to produce affordable housing;
- provide low income rental housing assistance.

Major funding for these projects is provided from the Montgomery Housing Initiative Fund, the Federal HOME Grant, the Federal Community Development Block Grant, and State grants. The program emphasizes the leveraging of County funds with other public and private funds in undertaking these activities.

Program Performance Measures	Actual FY09	Actual FY10	Estimated FY11	Target FY12	Target FY13
Affordable housing units preserved - County funded	423	254	543	335	403

	Actual FY09	Actual FY10	Estimated FY11	Target FY12	Target FY13
Affordable housing units preserved - no cost to County	0	700	737	774	813
Affordable housing units preserved in production (pipe line)	190	330	243	462	357
Affordable housing units produced - County funded ¹	534	436	819	1040	181
Affordable housing units produced - no cost to County	242	114	182	191	201
Affordable housing units produced in production (pipe line) ²	218	949	511	188	97
Cost per unit of affordable housing units preserved	43,827	36,820	35,425	35,084	39,142
Cost per unit of affordable housing units produced	57,076	44,612	46,858	34,253	57,480

¹ HCA projects a reduction in produced units from FY12 to FY13. The projected decline is primarily attributed to the expiration of ARRA funds (Department of Energy (DOE) Weatherization, Neighborhood Stabilization Program (NSP), Neighborhood Conservation Initiative (NCI) Program, CDBG-R Program).

² HCA projects a reduction in units in the production pipeline from FY12 to FY13. The projected decline is primarily attributed to the expiration of ARRA funds (DOE Weatherization, NSP Program, NCI Program, CDBG-R Program) along with a greater focus on preserving the County's affordable housing inventory.

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	13,346,360	7.5
Restore: Special Needs and Nonprofit Housing	1,466,920	0.0
Increase Cost: Restore Personnel Costs - Furloughs	23,970	0.5
Increase Cost: Annualization of FY11 Operating Expenses	-15,710	0.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-98,320	-1.0
FY12 CE Recommended	14,723,220	7.0

Single-Family Housing Programs

This program creates and preserves affordable single-family housing units. It enforces Chapter 25A of the County Code to ensure that Moderately Priced Dwelling Units (MPDUs) are provided and monitored for resale control. The Code requires that 12.5 percent to 15.0 percent of an approved development of 20 dwelling units or more be MPDUs, depending on the amount of density bonus achieved. The housing units produced are marketed at controlled prices, which makes them affordable to moderate-income households. Additional single-family (SF) housing programs provide funding to replace, rehabilitate and weatherize single-family housing units and rehabilitate group homes (GH) for the special needs population. In addition, this program is responsible for the newly created Work Force Housing Initiative.

Program Performance Measures	Actual FY09	Actual FY10	Estimated FY11	Target FY12	Target FY13
Number of Housing Units Improved/Rehabilitated ¹	77	136	520	230	70

¹ Programs include SF Rehab, GH Rehab, Home Replacement, Weatherization, and Sprinklers. Large increases in FY10 and FY11 are attributed to \$5.2 million in economic stimulus funds for the Weatherization Program. The projected decline in FY13 is attributed to the expiration of ARRA funds.

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	898,380	6.6
Decrease Cost: Change in Weatherization Grant Amount	-22,760	0.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-12,680	0.9
FY12 CE Recommended	862,940	7.5

Housing Code Enforcement

This program enforces Chapter 26 of the County Code, Housing Maintenance, by inspecting rental condominiums, multi-family apartments, and single-family housing to ensure safe and sanitary conditions; and Chapter 48, Solid Wastes; and Chapter 58, Weeds, the County's residential weeds and rubbish codes. Approximately 80 percent of the single-family inspections result from tenant and/or neighbor complaints; other inspections are the result of concentrated code enforcement efforts in specific areas. The multi-family inspections are based on a requirement for triennial inspections and in response to tenant and/or neighbor complaints. This program is supported by the collection of single-family and apartment/condominium licensing fees.

Program Performance Measures	Actual FY09	Actual FY10	Estimated FY11	Target FY12	Target FY13
Percent of Cases that Achieve Voluntary Compliance	92	94	94	94	94
Properties with more than two cases in a two year period	198	105	160	160	160

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	1,375,500	15.8
Increase Cost: Restore Personnel Costs - Furloughs	67,140	1.2
Reduce: Re-allocation of personnel	-520	0.0
Decrease Cost: Consulting Services for IT	-8,100	0.0
Shift: .5 wvs of each Position (two) from General Fund (OLTA) to HOME Funding	-100,000	-1.0
Shift: Personnel funding from General fund to MHI and HOME (Code Enf.)	-102,000	-1.0
Reduce: Lapse Landlord Tenant Affairs Code Enforcement (Code Inspector III and Prog Mgr II)	-153,740	-1.3
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-70,670	1.2
FY12 CE Recommended	1,007,610	14.9

Grants Administration - Federal Programs

Staff provides management and oversight to ensure compliance with all regulatory requirements for Federal funding awarded to Montgomery County by the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant, the HOME Investment Partnership Grant, and the Emergency Shelter Grant programs.

Funds from these programs support both operating activities and capital projects. Activities funded may include property acquisition, new construction, housing rehabilitation, commercial area revitalization and handicapped accessibility improvements.

Staff administers contracts with the cities of Rockville and Takoma Park, as well as nonprofit organizations awarded funding to provide a variety of public services involving assistance to low-income persons.

Program Performance Measures	Actual FY09	Actual FY10	Estimated FY11	Target FY12	Target FY13
Number of Contracts Awarded and Monitored ¹	50	62	55	53	53

¹ Contracts include CDBG, ESG, HOME, MHI, Historic, Community Grants, and Empowerment Grants.

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	7,443,110	4.0
Increase Cost: Change in CDBG CIP Amount	562,000	0.0
Add: Community Development Block Grant: Asian American LEAD: Leadership, Education and Development for Youth & Family (academic enrichment for lower-income middle school students in Wheaton/Silver Spring)	45,000	0.0
Add: Community Development Block Grant: Caribbean Help Center, Inc. (information and referral services for low-income immigrants)	45,000	0.0
Add: Community Development Block Grant: CollegeTracks, Inc. (assistance to lower income high school students in attaining higher education)	45,000	0.0
Add: Community Development Block Grant: Community Ministries of Rockville, Inc. (medical care for low-income, uninsured residents at Mansfield Kaseman Health Clinic)	45,000	0.0
Add: Community Development Block Grant: Liberty's Promise, Inc. (afterschool program and internships for lower income Wheaton High School students)	45,000	0.0
Add: Community Development Block Grant: Mobile Medical Care, Inc. (specialty care coordination for the uninsured)	45,000	0.0
Add: Community Development Block Grant: Montgomery County Coalition for the Homeless, Inc. (case management services for permanent supportive housing program)	45,000	0.0
Add: Community Development Block Grant: Montgomery County MD Delta Alumnae Foundation, Inc. (Science, Technology, Engineering and Mathematics Saturday Academy)	45,000	0.0
Add: Community Development Block Grant: Prison Outreach Ministry, Inc. (Welcome Home Reentry Program linking persons returning to the community after incarceration with services)	45,000	0.0
Add: Community Development Block Grant: Ministries United Silver Spring/Takoma Park, Inc. (eviction prevention assistance focusing in zip codes 20901, 20910 and 20912)	43,560	0.0
Add: Community Development Block Grant: Manna Food Center, Inc. (Farm to Food Bank - fresh produce for low income families)	43,000	0.0
Add: Community Development Block Grant: Latino Economic Development Corporation of Washington, DC (loan officer to expand Small Business Development and Micro-loan Program)	38,000	0.0
Add: Community Development Block Grant: Washington Youth Foundation, Inc. (youth volunteer work and internship program)	37,000	0.0
Add: Community Development Block Grant: Interfaith Works, Inc. (Project LEAD - vocational services for low-wage earners)	35,000	0.0
Add: Emergency Shelter Grant: Rockville Presbyterian Church (increased case management and winter staff hours at Rainbow Place shelter for homeless women)	30,500	0.0
Add: Community Development Block Grant: A Wider Circle, Inc. (Neighbor-to-Neighbor Program - furniture, home goods and classes for low-income residents)	30,000	0.0
Add: Community Development Block Grant: Catholic Charities of the Archdiocese of Washington, Inc. (eviction prevention assistance)	20,940	0.0

	Expenditures	WYs
Add: Community Development Block Grant: Germantown Cultural Arts Center, Inc. dba Black Rock Center for the Arts (academic enrichment for lower-income middle school students in the Germantown area)	20,000	0.0
Add: Community Development Block Grant: Sunflower Bakery, Inc. (on-the-job training for persons with developmental or cognitive disabilities)	15,820	0.0
Decrease Cost: Annualization of FY12 Operating Costs	14,960	0.0
Technical Adj: Personnel Re-Allocation Within Grants	0	1.3
Technical Adj: Re-allocation of CDBG Personnel Cost	0	0.3
Decrease Cost: Change in ESG Grant Amount	-800	0.0
Decrease Cost: Change in HOME Grant Amount	-12,830	0.0
Increase Cost: Annualization of FY12 Personnel Costs	-14,960	0.0
Decrease Cost: Adjust for Individual Grants	-718,820	0.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-670	-1.6
FY12 CE Recommended	7,990,810	4.0

Landlord-Tenant Mediation

This program ensures fair and equitable relations between landlords and tenants and encourages the maintenance and improvement of housing. Activities including mediating and arbitrating disputes; providing information and technical assistance to all parties; and taking legal action as necessary, including referring unresolved complaints to the Montgomery County Commission on Landlord-Tenant Affairs.

Program Performance Measures	Actual FY09	Actual FY10	Estimated FY11	Target FY12	Target FY13
Average days required to conciliate Landlord/Tenant disputes that do not go to the Commission	42	46	41	36	30
Percent of Landlord/Tenant cases mediated successfully (not referred to the Commission)	97	97	97	97	97

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	836,670	6.5
Shift: Housing Placement for Special Needs Customers from GF to MHI via HHS Housing First Allocation	77,200	0.6
Shift: Housing Placement for Special Needs Customers from GF to MHI via HHS Housing First Allocation	-77,200	-0.6
Shift: Housing Placement for Special Needs Customers from HHS Housing First Allocation to DHCA Personnel	-77,200	0.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	2,880	0.0
FY12 CE Recommended	762,350	6.5

Neighborhood Revitalization

This program provides planning and implementation for neighborhood revitalization in targeted areas. Activities include commercial revitalization (physical and economic) in both local retail centers and central business districts as well as assistance to address other community concerns, including issues related to housing and public services. Primary funding for these activities is provided from the County's Capital Improvements Program and from other Federal and State funds, including Community Development Block Grants and State Community Legacy Grants.

Program Performance Measures	Actual FY09	Actual FY10	Estimated FY11	Target FY12	Target FY13
Gains achieved in neighborhoods receiving DHCA neighborhood revitalization funding/services ¹	2	2	2	2	2

¹ Under development - data currently reflects number of neighborhoods

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	167,770	4.1
Shift: Personnel Costs of two positions (.1 wy each) from General Fund to CDBG (Neigh. Revit.)	-20,450	-0.2
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-19,060	0.2
FY12 CE Recommended	128,260	4.1

Licensing and Registration

This program issues licenses to all rental housing (apartments, condominiums, single-family) and registers all housing units within common ownership communities.

Program Performance Measures	Actual FY09	Actual FY10	Estimated FY11	Target FY12	Target FY13
Number of Rental Licenses Issued ¹	84,734	84,648	87,720	88,470	88,470

¹ Programs include Accessory Apartments, Condominiums, Single Family, and Apartments.

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	370,830	3.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-21,700	0.0
FY12 CE Recommended	349,130	3.0

Housing Administration

This program provides management and oversight to support activities within the housing division including single and multi-family housing programs, code enforcement, and landlord tenant mediation.

This program was formerly included as part of Housing Development and Loan Programs.

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	216,230	1.6
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	91,630	1.2
FY12 CE Recommended	307,860	2.8

Notes: Miscellaneous adjustments include the shift of 1.0 workyear from Administration and .2 workyears from Grants Administration-Federal Programs.

Administration

This program provides overall direction, administration, and managerial support to the Department. Activities include budgeting, financial management, personnel management and administration, program oversight, training, automated systems management, and policy/program development and implementation (legislation, regulations, procedures).

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	902,570	9.6
Decrease Cost: Savings on hiring replacement for vacant MIII	31,500	0.3
Decrease Cost: Savings on Retired Personnel	-30,980	-0.2
Shift: Personnel Costs to CDBG and HOME Grants (Mgmt Services)	-32,000	-0.2
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-53,310	-0.9
FY12 CE Recommended	817,780	8.6

BUDGET SUMMARY

	Actual FY10	Budget FY11	Estimated FY11	Recommended FY12	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	3,003,962	2,271,370	2,404,240	2,044,410	-10.0%
Employee Benefits	1,024,919	1,038,570	895,450	782,060	-24.7%
County General Fund Personnel Costs	4,028,881	3,309,940	3,299,690	2,826,470	-14.6%
Operating Expenses	415,060	591,750	550,690	481,090	-18.7%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	4,443,941	3,901,690	3,850,380	3,307,560	-15.2%
PERSONNEL					
Full-Time	80	79	79	79	—
Part-Time	5	5	5	5	—
Workyears	39.7	29.6	29.6	26.5	-10.5%
REVENUES					
Miscellaneous - LTA Registry	17,875	0	0	0	—
Common Ownership Commission Fees	0	5,000	5,000	0	—
Common Ownership Communities Fees	376,876	392,100	397,500	0	—
Miscellaneous - LTA	21,646	20,000	20,000	20,000	—
Landlord Apartment Rental License	2,373,076	2,413,760	2,421,360	2,430,860	0.7%
Miscellaneous - Landlord-Tenant	140	0	0	0	—
Civil Citations - Landlord-Tenant	45,640	50,000	50,000	50,000	—
Landlord Single Family Rental License	1,559,090	1,450,000	1,519,000	1,543,500	6.4%
Landlord Condominium Rental License	451,232	410,000	476,000	490,000	19.5%
County General Fund Revenues	4,845,575	4,740,860	4,888,860	4,534,360	-4.4%
GRANT FUND MCG					
EXPENDITURES					
Salaries and Wages	1,628,453	1,455,990	1,455,990	1,699,440	16.7%
Employee Benefits	551,967	601,310	601,310	545,090	-9.3%
Grant Fund MCG Personnel Costs	2,180,420	2,057,300	2,057,300	2,244,530	9.1%
Operating Expenses	15,392,771	5,693,730	5,657,340	6,032,110	5.9%
Capital Outlay	0	0	0	0	—
Grant Fund MCG Expenditures	17,573,191	7,751,030	7,714,640	8,276,640	6.8%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	15.5	17.1	17.1	18.8	9.9%
REVENUES					
Furnace Replacement	10,770	0	0	0	—
CDBG Recovery/ARRA	173,935	0	0	0	—
Rapid Rehousing/ARRA	564,422	0	0	0	—
Neighborhood Conservation	3,434,877	0	0	0	—
Neighborhood Stabilization	1,789,058	0	0	0	—
Weatherization - RGGI	50,000	0	0	0	—
Community Development Block Grant	6,498,571	3,672,910	3,672,910	4,234,910	15.3%
Community Development Block Grant: Program Income	0	500,000	500,000	500,000	—
Emergency Shelter: Group Homes	191,979	225,640	224,840	224,840	-0.4%
HOME Investment Partnership Grant	1,383,736	2,504,720	2,491,890	2,491,890	-0.5%
HOME Grant: Program Income	0	500,000	500,000	500,000	—
Takoma Park Code Enforcement	223,627	0	0	0	—
Weatherization	108,570	205,720	200,000	200,000	-2.8%
Weatherization: DOE Supplement	2,633,203	0	0	0	—
Weatherization/MEAP	0	52,900	75,000	75,000	41.8%
Community Legacy	439,375	0	0	0	—
Weatherization - Washington Gas	23,143	50,000	50,000	50,000	—
Weatherization Universal Svc	47,925	39,140	0	0	—
Grant Fund MCG Revenues	17,573,191	7,751,030	7,714,640	8,276,640	6.8%
MONTGOMERY HOUSING INITIATIVE					
EXPENDITURES					
Salaries and Wages	995,390	1,019,620	1,149,410	1,125,060	10.3%
Employee Benefits	341,378	416,440	380,260	389,820	-6.4%
Montgomery Housing Initiative Personnel Costs	1,336,768	1,436,060	1,529,670	1,514,880	5.5%
Operating Expenses	28,516,349	12,395,060	14,215,180	13,779,150	11.2%

1

	Actual FY10	Budget FY11	Estimated FY11	Recommended FY12	% Chg Bud/Rec
Debt Service Other	75,286	73,580	73,580	71,730	-2.5%
Capital Outlay	0	0	0	0	—
Montgomery Housing Initiative Expenditures	29,928,403	13,904,700	15,818,430	15,365,760	10.5%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	11.5	12.0	12.0	13.1	9.2%
REVENUES					
Recordation Tax Revenue for Rental Assistance Prog	3,047,000	0	0	0	—
MPDU Contributions	953,000	953,500	670,000	450,000	-52.8%
MPDU Foreclosures	66,318	0	0	0	—
MPDU Resale Recapture	1,596,976	2,000,000	2,000,000	2,000,000	—
Mortgage Repayments	3,204,965	1,750,000	5,750,000	1,750,000	—
Miscellaneous	606,958	17,120	25,000	25,000	46.0%
Other Interest Income	867,055	0	120,000	360,000	—
Condo Transfer Tax	1,856,426	1,000,000	1,000,000	750,000	-25.0%
Investment Income: Pooled	45,155	140,000	10,000	20,000	-85.7%
HOC Loan Repayment	75,286	73,570	73,570	71,730	-2.5%
Prior Year Adjustment	183	0	0	0	—
Montgomery Housing Initiative Revenues	12,319,322	5,934,190	9,648,570	5,426,730	-8.6%
DEPARTMENT TOTALS					
Total Expenditures	51,945,535	25,557,420	27,383,450	26,949,960	5.4%
Total Full-Time Positions	80	79	79	79	—
Total Part-Time Positions	5	5	5	5	—
Total Workyears	66.7	58.7	58.7	58.4	-0.5%
Total Revenues	34,738,088	18,426,080	22,252,070	18,237,730	-1.0%

FY12 RECOMMENDED CHANGES

	Expenditures	WYs
COUNTY GENERAL FUND		
FY11 ORIGINAL APPROPRIATION	3,901,690	29.6
Changes (with service impacts)		
Reduce: Lapse Landlord Tenant Affairs Code Enforcement (Code Inspector III and Prog Mgr II) [Housing Code Enforcement]	-153,740	-1.3
Other Adjustments (with no service impacts)		
Increase Cost: Restore Personnel Costs - Furloughs [Housing Code Enforcement]	67,140	1.2
Increase Cost: Annualization of FY11 Personnel Costs	20,620	0.0
Increase Cost: Motor Pool Rate Adjustment	12,440	0.0
Increase Cost: Printing and Mail Adjustment	6,940	0.0
Increase Cost: Help Desk - Desk Side Support	510	0.0
Decrease Cost: Training	-1,130	0.0
Decrease Cost: Local Travel	-5,300	0.0
Decrease Cost: Consulting Services for IT [Housing Code Enforcement]	-8,100	0.0
Shift: Personnel Costs of two positions (.1 wy each) from General Fund to CDBG (Neigh. Revit.) [Neighborhood Revitalization]	-20,450	-0.2
Decrease Cost: Retirement Adjustment	-20,840	0.0
Shift: Personnel Costs to CDBG and HOME Grants (Mgmt Services) [Administration]	-32,000	-0.2
Decrease Cost: Group Insurance Adjustment	-65,000	0.0
Shift: Housing Placement for Special Needs Customers from GF to MHI via HHS Housing First Allocation [Landlord-Tenant Mediation]	-77,200	-0.6
Shift: .5 wys of each Position (two) from General Fund (OLTA) to HOME Funding [Housing Code Enforcement]	-100,000	-1.0
Shift: Personnel funding from General fund to MHI and HOME (Code Enf.) [Housing Code Enforcement]	-102,000	-1.0
Decrease Cost: Operating Expenses	-116,020	0.0
FY12 RECOMMENDED:	3,307,560	26.5

GRANT FUND MCG**FY11 ORIGINAL APPROPRIATION****7,751,030****17.1****Changes (with service impacts)**

Reduce: Re-allocation of personnel [Housing Code Enforcement]

-520

0.0

Other Adjustments (with no service impacts)

Decrease Cost: Savings on hiring replacement for vacant Mill [Administration]

31,500

0.3

Decrease Cost: Change in Weatherization Grant Amount [Single-Family Housing Programs]

-22,760

0.0

Decrease Cost: Savings on Retired Personnel [Administration]

-30,980

-0.2

Federal Programs

Add: Community Development Block Grant: A Wider Circle, Inc. (Neighbor-to-Neighbor Program - furniture, home goods and classes for low-income residents)

30,000

0.0

Add: Community Development Block Grant: Asian American LEAD: Leadership, Education and Development for Youth & Family (academic enrichment for lower-income middle school students in Wheaton/Silver Spring)

45,000

0.0

Add: Community Development Block Grant: Caribbean Help Center, Inc. (information and referral services for low-income immigrants)

45,000

0.0

Add: Community Development Block Grant: Catholic Charities of the Archdiocese of Washington, Inc. (eviction prevention assistance)

20,940

0.0

Add: Community Development Block Grant: CollegeTracks, Inc. (assistance to lower income high school students in attaining higher education)

45,000

0.0

Add: Community Development Block Grant: Community Ministries of Rockville, Inc. (medical care for low-income, uninsured residents at Mansfield Kaseman Health Clinic)

45,000

0.0

Add: Community Development Block Grant: Germantown Cultural Arts Center, Inc. dba Black Rock Center for the Arts (academic enrichment for lower-income middle school students in the Germantown area)

20,000

0.0

Add: Community Development Block Grant: Interfaith Works, Inc. (Project LEAD - vocational services for low-wage earners)

35,000

0.0

Add: Community Development Block Grant: Latino Economic Development Corporation of Washington, DC (loan officer to expand Small Business Development and Micro-loan Program)

38,000

0.0

Add: Community Development Block Grant: Liberty's Promise, Inc. (afterschool program and internships for lower income Wheaton High School students)

45,000

0.0

Add: Community Development Block Grant: Manna Food Center, Inc. (Farm to Food Bank - fresh produce for low income families)

43,000

0.0

Add: Community Development Block Grant: Ministries United Silver Spring/Takoma Park, Inc. (eviction prevention assistance focusing in zip codes 20901, 20910 and 20912)

43,560

0.0

Add: Community Development Block Grant: Mobile Medical Care, Inc. (specialty care coordination for the uninsured)

45,000

0.0

Add: Community Development Block Grant: Montgomery County Coalition for the Homeless, Inc. (case management services for permanent supportive housing program)

45,000

0.0

Add: Community Development Block Grant: Montgomery County MD Delta Alumnae Foundation, Inc. (Science, Technology, Engineering and Mathematics Saturday Academy)

45,000

0.0

Add: Community Development Block Grant: Prison Outreach Ministry, Inc. (Welcome Home Reentry Program linking persons returning to the community after incarceration with services)

45,000

0.0

Add: Community Development Block Grant: Sunflower Bakery, Inc. (on-the-job training for persons with developmental or cognitive disabilities)

15,820

0.0

Add: Community Development Block Grant: Washington Youth Foundation, Inc. (youth volunteer work and internship program)

37,000

0.0

Add: Emergency Shelter Grant: Rockville Presbyterian Church (increased case management and winter staff hours at Rainbow Place shelter for homeless women)

30,500

0.0

Decrease Cost: Adjust for Individual Grants

-718,820

0.0

Decrease Cost: Annualization of FY12 Operating Costs

14,960

0.0

Decrease Cost: Change in ESG Grant Amount

-800

0.0

Decrease Cost: Change in HOME Grant Amount

-12,830

0.0

Increase Cost: Annualization of FY12 Personnel Costs

-14,960

0.0

Increase Cost: Change in CDBG CIP Amount

562,000

0.0

Technical Adj: Personnel Re-Allocation Within Grants

0

1.3

Technical Adj: Re-allocation of CDBG Personnel Cost

0

0.3

FY12 RECOMMENDED:**8,276,640****18.8**

FY12-17 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Montgomery Housing Initiative					
FISCAL PROJECTIONS	FY11 ESTIMATE	FY12 RECOMMENDED	FY13 PROJECTION	FY14 PROJECTION	FY15 PROJECTION	FY16 PROJECTION	FY17 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	12.59%	12.59%	12.59%	12.59%	12.59%	12.59%	12.59%
CPI (Fiscal Year)	2.0%	2.4%	2.7%	3.0%	3.2%	3.4%	3.6%
Investment Income Yield	0.0014	0.004	0.009	0.02	0.0275	0.035	0.04
BEGINNING FUND BALANCE	3,588,060	5,189,990	0	500,000	664,080	618,880	638,050
REVENUES							
Miscellaneous	9,648,570	5,426,730	5,936,730	7,106,730	7,996,730	8,956,730	9,696,730
Subtotal Revenues	9,648,570	5,426,730	5,936,730	7,106,730	7,996,730	8,956,730	9,696,730
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To Debt Service Fund	(2,502,130)	(4,619,190)	(6,784,770)	(7,892,730)	(7,894,110)	(7,989,740)	(7,895,410)
Transfers To The General Fund	(201,500)	(205,060)	(190,720)	(190,720)	(190,720)	(190,720)	(190,720)
Indirect Costs	(181,340)	(190,720)	(190,720)	(190,720)	(190,720)	(190,720)	(190,720)
Technology Modernization	(20,160)	(14,340)	0	0	0	0	0
Transfers From The General Fund	10,475,420	9,573,290	26,140,122	28,240,122	28,240,122	28,240,122	28,240,122
TOTAL RESOURCES	21,008,420	15,365,760	25,101,362	27,763,402	28,816,102	29,635,272	30,488,772
CIP CURRENT REVENUE APPROP.							
PSP OPER. BUDGET APPROP/ EXPS.	0	0	0	0	0	0	0
Operating Budget	(6,028,430)	(3,144,380)	(12,381,940)	(14,881,940)	(15,981,940)	(16,781,940)	(17,481,940)
Debt Service: GO Bonds	0	0	0	0	0	0	0
Debt Service: Other (Non-Tax Funds only)	(73,580)	(71,730)	(69,770)	(67,730)	(65,630)	(65,630)	(65,630)
Labor Agreement	n/a	0	0	0	0	0	0
Annualizations and One-Time	n/a	n/a	0	0	0	0	0
Rental Assistance Programs	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Housing First	(7,250,000)	(7,172,800)	(7,172,800)	(7,172,800)	(7,172,800)	(7,172,800)	(7,172,800)
Neighborhoods to Call Home	(466,420)	(596,340)	(596,340)	(596,340)	(596,340)	(596,340)	(596,340)
Special Needs and Nonprofit Housing	0	(2,380,510)	(2,380,510)	(2,380,510)	(2,380,510)	(2,380,510)	(2,380,510)
Subtotal PSP Oper Budget Approp / Exp's	(15,818,430)	(15,365,760)	(24,601,360)	(27,099,320)	(28,197,220)	(28,997,220)	(29,697,220)
OTHER CLAIMS ON FUND BALANCE	0	0	0	0	0	0	0
TOTAL USE OF RESOURCES	(15,818,430)	(15,365,760)	(24,601,360)	(27,099,320)	(28,197,220)	(28,997,220)	(29,697,220)
YEAR END FUND BALANCE	5,189,990	0	500,000	664,080	618,880	638,050	791,550
TOTAL INVESTMENT							
TOTAL USE OF RESOURCES	(15,818,430)	(15,365,760)	(24,601,360)	(27,099,320)	(28,197,220)	(28,997,220)	(29,697,220)
Affordable Housing Acquisition and Preservation CIP Project # 760100	(17,800,000)	(31,669,085)	(2,872,399)	(1,072,399)	(7,160,000)	(300,000)	(300,000)
TOTAL INVESTMENT IN AFFORDABLE HOUSING (MHI Fund + CIP Project)	(33,618,430)	(47,034,845)	(27,473,759)	(28,171,719)	(35,357,220)	(29,297,220)	(29,997,220)

Assumptions:

- Maintains the County Executive's commitment to affordable housing. In addition to expenditures reflected in this fund, the Affordable Housing Acquisition and Preservation CIP Project #760100 includes the issuance of \$25 million of debt in FY12 in addition to \$6.7 million in estimated loan repayments in FY12 to provide continued high level of support for the Housing Initiative Fund Property Acquisition Revolving Program created in FY09.
- Montgomery County Executive Order 136-01 provides for an allocation from the General Fund to the Montgomery Housing Initiative fund (MHI) equivalent to 2.5 percent of actual General Fund property taxes from two years prior to the upcoming fiscal year. The actual transfer from the General Fund will be determined each year based on the availability of resources.

Notes:

- These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.

	Expenditures	WYs
MONTGOMERY HOUSING INITIATIVE		
FY11 ORIGINAL APPROPRIATION	13,904,700	12.0
Other Adjustments (with no service impacts)		
Restore: Special Needs and Nonprofit Housing [Multi-Family Housing Programs]	1,466,920	0.0
Shift: Housing Placement for Special Needs Customers from GF to MHI via HHS Housing First Allocation [Landlord-Tenant Mediation]	77,200	0.6
Increase Cost: Restore Personnel Costs - Furloughs [Multi-Family Housing Programs]	23,970	0.5
Increase Cost: Annualization of FY11 Personnel Costs	15,710	0.0
Decrease Cost: Retirement Adjustment	-7,310	0.0
Increase Cost: Annualization of FY11 Operating Expenses [Multi-Family Housing Programs]	-15,710	0.0
Decrease Cost: Group Insurance Adjustment	-22,520	0.0
Shift: Housing Placement for Special Needs Customers from HHS Housing First Allocation to DHCA Personnel [Landlord-Tenant Mediation]	-77,200	0.0
FY12 RECOMMENDED:	15,365,760	13.1

PROGRAM SUMMARY

Program Name	FY11 Approved		FY12 Recommended	
	Expenditures	WYs	Expenditures	WYs
Multi-Family Housing Programs	13,346,360	7.5	14,723,220	7.0
Single-Family Housing Programs	898,380	6.6	862,940	7.5
Housing Code Enforcement	1,375,500	15.8	1,007,610	14.9
Grants Administration - Federal Programs	7,443,110	4.0	7,990,810	4.0
Landlord-Tenant Mediation	836,670	6.5	762,350	6.5
Neighborhood Revitalization	167,770	4.1	128,260	4.1
Licensing and Registration	370,830	3.0	349,130	3.0
Housing Administration	216,230	1.6	307,860	2.8
Administration	902,570	9.6	817,780	8.6
Total	25,557,420	58.7	26,949,960	58.4

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY11		FY12	
		Totals	WYs	Totals	WYs
COUNTY GENERAL FUND					
CIP	CIP	657,800	5.2	657,800	5.2
Health and Human Services	Grant Fund MCG	0	0.0	77,200	0.5
Permitting Services	Permitting Services	121,620	1.0	121,060	1.0
Solid Waste Services	Solid Waste Disposal	695,310	5.6	705,500	5.9
Total		1,474,730	11.8	1,561,560	12.6

FUTURE FISCAL IMPACTS

Title	CE REC.					
	FY12	FY13	FY14	FY15	FY16	FY17
(\$000's)						
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY12 Recommended	3,308	3,308	3,308	3,308	3,308	3,308
No inflation or compensation change is included in outyear projections.						
Motor Pool Rate Adjustment	0	52	52	52	52	52
Subtotal Expenditures	3,308	3,359	3,359	3,359	3,359	3,359

Title	CE REC.					
	FY12	FY13	FY14	(\$000's)		
	FY15	FY16	FY17			
MONTGOMERY HOUSING INITIATIVE						
Expenditures						
FY12 Recommended	15,366	15,366	15,366	15,366	15,366	15,366
No inflation or compensation change is included in outyear projections.						
Subtotal Expenditures	15,366	15,366	15,366	15,366	15,366	15,366

**ACTION PLAN
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COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) **\$6,062,912**

The county expects to receive \$5,562,912 in CDBG funds for Fiscal Year 2012, and with anticipated program income of \$500,000, an estimated total of \$6,062,912 in CDBG funds will be available for the following activities.

CAPITAL IMPROVEMENTS PROJECTS **\$1,328,000**

Fenton Street Village Pedestrian Linkages **\$458,000**

This project provides pedestrian links in the commercial area located along the eastern edge of the Silver Spring Central Business District and is an extension of the streetscape program that is being implemented in the area.

Focused Neighborhood Assistance **\$720,000**

This project provides for focused neighborhood assistance in selected neighborhoods; project elements address community needs for neighborhood preservation and enhancement. Resources have been focused in two neighborhoods, one in mid-county (Wheaton/Glenmont) and one in Upcounty (Germantown/Gunner's Lake); two other neighborhoods will be selected in FY12.

Facility Planning **\$50,000**

Funds will be used to conduct preliminary planning and design studies for a variety of projects dispersed throughout the County for possible inclusion in a future capital budget.

Contingency (Capital) **\$100,000**

The fund will be used to cover an unanticipated design and construction related cost.

PROJECTS ADMINISTERED BY COUNTY GOVERNMENT

Department of Housing and Community Affairs (DHCA) **\$2,357,951**

Project Analysis and Engineering **\$125,000**

Funds will be used for project analysis and engineering costs associated with projects in revitalization areas.

Group Home Acquisition and Rehabilitation **\$300,000**

Funds will be used to provide loans to nonprofit organizations for the purchase and/or rehabilitation of properties for use as group homes.

Housing Production and Preservation **\$1,078,951**

Funds will be used for affordable housing activities. Eligible activities include loans to assist in the purchase of existing properties for use as housing affordable to low- and moderate-income residents and funds for housing rehabilitation to enable low and moderate income owners of single-family homes and owners of multi-family properties occupied by low- and moderate-income tenants to eliminate code violations and make other necessary improvements, including accessibility and energy conservation improvements.

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Façade, Sign and Canopy Program	\$25,000
Funds will be used to improve commercial building facades through loans to owners of older commercial properties in areas targeted for revitalization.	
Code Enforcement	\$554,000
Funds will be used to partially cover costs incurred for code enforcement efforts in low-and moderate income areas in conjunction with other public or private improvements and services.	
Comprehensive Neighborhood Assistance	\$75,000
Funds will be used to address community needs in neighborhoods not receiving focused neighborhood assistance and may also be used for eligible services in focused neighborhoods to complement capital improvement efforts.	
Public Housing Modernization	\$200,000
Funds will be loaned to the Housing Opportunities Commission (HOC) to make improvements to public housing properties.	
Contingency (Operating)	\$100,000
The fund will be available for operating expenditures to allow for emergency community development needs and funding non-public service out-of-cycle requests.	
Administration (capped)	\$1,132,641
This will fund DHCA's staff in planning, administration and monitoring of the CDBG program, including preparation of the Consolidated Plan, staff support for a citizens' advisory committee, environmental reviews, preparation of contracts, payment processing and auditing, federal reporting and loan servicing.	
NONPROFIT PROVIDERS	\$688,320
A Wider Circle, Inc. "Neighbor-to-Neighbor"	\$30,000
A Wider Circle is requesting support to expand their Neighbor-to-Neighbor Program to provide urgently-needed, beds, dressers, cribs, and more to children and adults in Montgomery County. In addition to furnishing the homes of our most vulnerable neighbors, they also invite every adult who comes in for an appointment to attend their evening Life-Skills and Professional Development Series. The Countywide program will benefit an estimated 5,000 people.	
Asian American LEAD: Leadership, Education and Development for Youth & Family "Middle School Program"	\$45,000
Fund the position of a middle school program coordinator to provided academic enrichment activities, and tutoring to low-income Asian American youth in the Wheaton/Silver Spring areas of Montgomery County. The Kennedy, Wheaton and Einstein school clusters program will benefit an estimated 100 students.	

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- Caribbean Help Center, Inc.** \$45,000
“Caribbean Help Center Information and Referral Services”
Expand their information and referral services to assist low income immigrants with limited English proficiency, primarily those who speak French or Creole. The Countywide program will benefit an estimated 800 people.
- Catholic Charities of the Archdiocese of Washington** \$20,940
“Montgomery County Family Center”
Continue to provide emergency assistance to prevent residents from being evicted or to prevent utility cutoffs. The Countywide program will benefit an estimated 12 households.
- College Tracks, Inc.** \$45,000
“College Tracks Program at Wheaton High School”
Continue the CollegeTracks program at Wheaton High School, where they serve students at risk of not attending or succeeding in college because they are not knowledgeable about the higher education system. This is a contract extension because this was a qualifying project within a Focused Neighborhood Assistance area. An estimated 450 households will benefit.
- Community Ministries of Rockville, Inc.** \$45,000
“Mansfield Kaseman Health Clinic”
Provide medical care to uninsured residents of Montgomery County at the Mansfield Kaseman Health Clinic. pay for a portion of the medical director/physician, the clinic director, medical assistant and laboratory costs.. An estimated 2,000 people will benefit.
- Germantown Cultural Arts Center, Inc. dba, Black Rock Center for the Arts** \$20,000
“Arts and Language”
Support a comprehensive after-school program that utilizes instruction in playwriting and theatre production to improve reading, writing, and public speaking proficiencies in middle school students in Germantown. An estimated 44 students will benefit.
- Interfaith Works. Inc.** \$35,000
“Project LEAD”
Continue to provide vocational services to low-wage earners in community sites that serve low-income residents of the County, including Interfaith Works’ Interfaith Clothing Center. The Countywide program will benefit an estimated 187 people.
- Latino Economic Development Corporation of Washington, DC** \$38,000
“Small Business Development and Micro-loan Program”
Expand their small business micro-loan program with an additional loan officer. This will allow LEDC to increase the number of small business loans. The Countywide program will benefit an estimated 35 people.
- Liberty’s Promise, Inc.** \$45,000
“Enriching the Lives of Immigrant Youth”
Continue an after-school program of civic engagement and a professional internship program in partnership with Wheaton High School. This is a contract extension because this was a qualifying project within a Focused Neighborhood Assistance area. The program will benefit an estimated 50 students.

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- Manna Food Center, Inc.** \$43,000
“Farm to Food Bank”
Purchase locally grown fruits and vegetables from area farms, orchards and farmers’ markets at wholesale prices to provide low income families with fresh produce. The program will benefit an estimated 3,000 people.
- Ministries United Silver Spring/Takoma Park, Inc.** \$43,560
“Housing and Utilities in Lower Silver Spring/Takoma Park is a MUST”
Provide utility and housing assistance to eligible clients in the zip codes of 20901, 20910 and 20912. An estimated 40 households will benefit.
- Mobile Medical Care, Inc.** \$45,000
“Specialty Care Coordination for the Uninsured”
Support a part-time Specialty Care Coordinator to schedule appointments for the uninsured, low-income and homeless Montgomery County residents. The program will benefit an estimated 1,000 people.
- Montgomery County Coalition for the Homeless** \$45,000
“Creative Housing Initiative Pilot Project (CHIPP)”
Continue supporting a case manager position for the CHIPP permanent supportive housing program. The case manager provides supportive services to all CHIPP participants and assists them in maintaining housing stability, life skills, obtaining benefits and accessing health services. The Countywide program will benefit an estimated 16 people.
- Montgomery County MD Delta Alumnae Foundation, Inc.** \$45,000
“Science, Technology, Engineering and Mathematics Saturday Academy”
Provide alternative paths to learning that will interest and encourage students to gain more knowledge about science, technology, engineering and mathematics. The program will benefit an estimated 50 households.
- Prison Outreach Ministry, Inc.** \$45,000
“Welcome Home Reentry Program”
support a staff position to link persons returning to the community after incarceration, with services necessary to reentry. The program will benefit an estimated 100 people.
- Sunflower Bakery** \$15,820
“Expansion of Sunflower Bakery Program”
Training eight additional individuals with development or cognitive disabilities in Sunflower Bakery’s inclusive on-the-job training program in 2012 over a 12-month period. The funding will partially support training personnel (including professional chefs and bakery assistants), ingredients, supplies, curriculum updates, and operations. The program will benefit an estimated 14 people.

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Washington Youth Foundation	\$37,000
“Professional Youth Initiative Project”	
Continue a volunteer training and work program and a parent training program to educate parents with the skills and knowledge to support their children’s volunteer work and internship program. The Countywide program will benefit an estimated 271 people.	
<u>PROJECTS ADMINISTERED BY MUNICIPALITIES</u>	\$456,000
CITY OF TAKOMA PARK	\$167,000
Crossroads Farmers Market	\$25,000
“Fresh Check Program”	
Bi-lingual marketing and educational initiative designed to improve access to fresh and locally grown foods, increase awareness of the nutritional benefits of fresh food, and to promote use of WIC and food stamps. An estimated total of 415 low and moderate income persons will benefit by the project.	
City of Takoma Park	\$142,000
“Commercial Façade Easement Program”	
Funds will be used for City’s commercial façade easement program. Matching funds up to \$10,000 would be available for storefront improvements in all CDBG eligible areas of Takoma Park. A total of 14 commercial properties are expected to benefit.	
CITY OF ROCKVILLE	\$289,000
Community Ministries of Rockville	\$15,600
“Elderly Ministries Program”	
Funds will provide funds to support administrative expenses associated with providing case management to senior citizens and frail elderly residents of the City of Rockville. This service will assist approximately 50 individuals.	
Rockville Housing Enterprises	\$111,202
Funds will be used by Rockville Housing Enterprises for improvements to 13 single family units located in David Scull Courts. These improvements will benefit 13 families.	
Single-Family Rehabilitation	\$147,198
The project will be used to provide low-interest loans and grants to income eligible homeowners who need financial assistance in eliminating major code violations. An estimated 10 households will benefit.	
Stepping Stones Shelter	\$15,000
“Case Management Services”	
The funds will be used to support a portion of the salary of a full time case manager to work the evening shift This shelter facility will assist approximately 100 households.	

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HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) \$2,991,884

The HOME grant is designed to increase housing choices for low-income households through rental and home ownership programs, in cooperation with public, private and nonprofit organizations. During the coming year, it is anticipated that the County will receive \$2,491,884 in funding for HOME projects, and together with anticipated program income of \$500,000, an estimated total of \$2,991,884 in HOME funds will be available. Funds will generally be made available in the form of low-interest loans and other subsidies, and units assisted may be both rental and owner-occupied.

PROJECTS ADMINISTERED BY COUNTY GOVERNMENT

Department of Housing and Community Affairs (DHCA)

Housing Production and Preservation \$1,394,913

Funds will be used to create home ownership opportunities, new rental housing, or to rehabilitate existing housing (both rental and single-family homes). This housing will principally serve low-income households.

DHCA will work with the private sector, non-profits and the Montgomery County Housing Opportunities Commission (HOC) in implementing this program. Additionally, if the opportunity is available, HOME funds will be used for group homes to serve special populations and for specialized housing programs.

Community Housing Development Organizations (CHDOs) \$373,783

Housing Production

The project will fund the housing development activities of CHDOs. This represents the federally mandated fifteen percent of the HOME allocation. Up to 10 percent of this total (\$37,378) may be used for project-specific technical assistance, site control, and seed money loans. It is anticipated that one to three organizations will use these funds for acquisition, construction, or renovation of rental housing for persons with low-incomes.

PROJECTS ADMINISTERED BY NONPROFITS AND OTHER PUBLIC AGENCIES

CHDO Operating Assistance \$112,000

Funds will be used to partially cover the administrative costs of qualified CHDOs: Montgomery Housing Partnership (MHP) and Housing Unlimited. Up to five (5) percent of the HOME allocation may be used to provide operating assistance. MHP will receive \$84,000 and Housing Unlimited will receive \$28,000. By regulation, only CHDOs using HOME funds to own, sponsor, or develop affordable housing are eligible for operating support. This operating support cannot exceed 50 percent of a CHDO's operating budget in any fiscal year or \$50,000 annually, whichever is greater.

Rental Assistance – Housing Opportunities Commission \$112,000

Up to a total of \$112,000 will fund rental assistance in partnership with the Housing Opportunities Commission (HOC). HOC administers the State of Maryland's Rental Allowance Program, and HOME funds will leverage this state funding source to assist households who are homeless or at-risk of becoming homeless. HOC will administer these funds.

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Rental Assistance – Montgomery County Coalition for the Homeless \$750,000
Up to a total of \$750,000 will fund rental assistance in partnership with the Montgomery County Coalition for the Homeless, (MCCH), in support of the county’s “Housing First Program.” MCCH will administer these funds.

Fair Housing Activities \$37,000
Funds will be used for activities that serve to affirmatively further fair housing choice. Activities may include sales, rental and lending testing, education/outreach, training and research.

ADMINISTRATION \$212,188
The fund will be used to cover the county’s expenses associated with operating the HOME Program. Combined expenses for administration and fair housing activities represent 10% of the entitlement amount.

EMERGENCY SHELTER GRANT (ESG) **\$224,839**

The ESG Program enables the county to provide housing and other services to persons who are homeless or in danger of becoming homeless. Although smaller than the CDBG or HOME programs, the ESG program serves an essential role in providing services to some of our most needy. The County expects to receive \$224,839 in the coming year for ESG projects. The Homeless Emergency and Rapid Transition to Housing Act (HEARTH) of 2009 transitions the Emergency Shelter Grant program into the Emergency Solutions Grant program. Once federal regulations are finalized, there will be changes in how funds are used in conjunction with the Continuum of Care homeless assistance system.

NONPROFIT PROVIDERS

Rockville Presbyterian Church \$30,500
“Rainbow Place”
Funds will be used to provide case management services and increased staff hours at the emergency shelter for homeless women. A total of 75 people will benefit.

PROJECTS ADMINISTERED BY DHCA

Shelter Renovation/Maintenance/Operations \$115,645
Funds will be used to renovate, maintain or operate shelters serving the homeless in Montgomery County. An estimated 150 people will benefit.

Homeless Prevention Assistance \$67,452
Funds will be used to provide homeless prevention assistance, including payments for rent and utility arrearages necessary to prevent eviction, as well as security deposits or first month’s rent to enable persons who are homeless or at-risk of homelessness to secure housing. An estimated 65 people will benefit.

ADMINISTRATION \$11,242
The fund will be used to partially cover the county’s expenses associated with operating the ESG Program. Administrative expenses represent 5.0% of the entitlement amount.