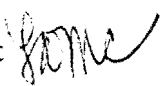


MEMORANDUM

April 24, 2013

TO: Planning, Housing, and Economic Development Committee

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **Worksession: FY14 Operating Budget: Housing Opportunities Commission**

Those expected to attend this worksession:

Stacy Spann, Executive Director, Housing Opportunities Commission (HOC)
Gail Willison, Chief Financial Officer, HOC
Terri Fowler, Budget Officer, HOC
Jennifer Bryant, Office of Management and Budget

Overview

For FY14, the County Executive recommends that \$6,093,310 in county tax-supported funding be provided to the Housing Opportunities Commission in support of HOC activities. This is an increase of \$510,080 from the FY13 approved amount of \$5,583,230. These funds are appropriated to the HOC Non-Departmental Account (NDA) and then transferred to HOC by the Director of Finance.

Program Summary	Expenditures
FY14 Recommended	\$6,093,310
FY13 Approved	\$5,583,230
FY12 Approved	\$5,531,850
FY11 Approved (original)	\$5,804,040
FY10 Approved	\$6,136,340
FY09 Approved	\$6,140,640
FY08 Approved	\$5,731,290
Percentage change FY13-14	9.1%

The Executive's recommended additions total \$510,080. They consist of:

OPEB Contribution	\$259,780
Compensation Adjustment	\$167,090
Annualization of FY13 Personnel Costs	\$ 54,950
Increased cost for health and retirement benefits	\$ 28,260
Total	\$510,080

In addition to these funds, HOC also receives County funding through the Capital Improvements Program, the Housing Initiative Fund, the Department of Health and Human Services and an abatement of taxes through the Payment In Lieu of Taxes (PILOT) program.

The following table shows the uses of the County funds appropriated through this non-departmental account for FY13 and recommended for FY14.

	FY13 Approved	FY14 Recommended
Resident Services	\$3,786,149	\$4,296,229
Customer Services Centers – Client Services	659,161	659,161
Homeowners Association Fees	157,640	157,640
Holy Cross Center at Elizabeth House	10,000	10,000
Rental License Fees	340,280	340,280
Public/Affordable Housing Electricity	530,000	530,000
Customer Service Centers - Rent	100,000	100,000
Total	\$5,583,230	\$6,093,310

Council staff recommends approval of the NDA appropriation as recommended by the Executive.

The HOC FY13 Approved Budget shows that revenues and expenses over all funds is \$223,406,780. The FY13 HOC Budget discusses the importance of the funding that is received from the County.

Excerpt - County Budget

Montgomery County remains an important partner in the work of the Commission. The County provides both ongoing operating and capital support to the Commission. Most of the County's operating funds support social services and programs to clients and residents. Not only does the funding create the fundamental infrastructure of that work, it is also the foundation for HOC to apply for grants to expand the reach of its supportive services. HOC Resident Services Division leverages the County's operating support at a 3:1 ratio. The County's appropriation also supports HOC's properties, Housing Resource Service and Customer Service Centers.