

**MEMORANDUM**

April 24, 2013

TO: Planning, Housing and Economic Development (PHED) Committee  
FROM: Linda McMillan, Senior Legislative Analyst   
SUBJECT: **FY14 Operating Budget: Department of Housing and Community Affairs**

***Those expected for this worksession:***

Richard Nelson, Director, Department of Housing and Community Affairs  
Jalal Greene, Chief, DHCA Housing Division  
LuAnn Korona, Chief, Community Affairs Division  
Tim Goetzinger, DHCA Management and Budget  
Jennifer Bryant, Office of Management and Budget

A one page summary of DHCA accomplishments FY08-FY13 is attached at © 1. The DHCA excerpt from the County Executive's Recommended Budget is attached at © 2-10.

**1. EXPENDITURE OVERVIEW**

For FY14, the Executive is recommending an appropriation of \$37,170,064 for the Department of Housing and Community Affairs. This is an increase of \$7,674,689 (26%) from the FY13 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 tables provide an overview of the dollar and FTE changes since FY10. Prior to this agenda item, the Committee will have reviewed the HIF jointly with the HHS Committee. The increase to DHCA's budget primarily comes from increases in the HIF.

| <b>DHCA Expenditures by Fund (000s)</b> | <b>FY10<br/>Budget</b> | <b>FY11<br/>Budget</b> | <b>FY12<br/>Budget</b> | <b>FY13<br/>Budget</b> | <b>FY14<br/>Rec</b> | <b>Change<br/>FY13-14</b> |
|---|------------------------|------------------------|------------------------|------------------------|---------------------|---------------------------|
| General Fund                            | 4,444                  | 3,902                  | 3,308                  | 4,468                  | 4,617               | 3.3%                      |
| Grant Fund                              | 17,573                 | 7,751                  | 7,156                  | 5,355                  | 6,005               | 12.1%                     |
| Montgomery Housing Initiative Fund      | 29,928                 | 13,905                 | 15,366                 | 19,672                 | 26,548              | 35.0%                     |
| <b>TOTAL</b>                            | <b>51,945</b>          | <b>25,558</b>          | <b>25,830</b>          | <b>29,495</b>          | <b>37,170</b>       | <b>26.0%</b>              |

| <b>DHCA Workyears by Fund</b>      | <b>FY10<br/>Budget</b> | <b>FY11<br/>Budget</b> | <b>FY12<br/>Budget</b> | <b>FY13<br/>Budget</b> | <b>FY14<br/>Rec</b> | <b>Change<br/>FY13-14</b> |
|------------------------------------|------------------------|------------------------|------------------------|------------------------|---------------------|---------------------------|
| General Fund                       | 39.7                   | 29.6                   | 26.5                   | 36.9                   | 38.1                | 3.3%                      |
| Grant Fund                         | 15.5                   | 17.1                   | 18.8                   | 13.8                   | 20.6                | 49.3%                     |
| Montgomery Housing Initiative Fund | 11.5                   | 12.0                   | 13.1                   | 14.8                   | 14.7                | -0.7%                     |
| <b>TOTAL</b>                       | <b>66.7</b>            | <b>58.7</b>            | <b>58.4</b>            | <b>65.5</b>            | <b>73.4</b>         | <b>12.1%</b>              |

In addition to the appropriation to DHCA, certain positions in DHCA are charged to the CIP or other departments. The following tables summarize these charges.

| <b>Charges to Others (\$000)</b> | <b>FY10<br/>Budget</b> | <b>FY11<br/>Budget</b> | <b>FY12<br/>Budget</b> | <b>FY13<br/>Budget</b> | <b>FY14<br/>Rec</b> | <b>Change<br/>FY13-14</b> |
|----------------------------------|------------------------|------------------------|------------------------|------------------------|---------------------|---------------------------|
| CIP Projects                     | 858                    | 658                    | 658                    | 719                    | 748                 | 4.0%                      |
| Health and Human Services        |                        |                        | 77                     | -                      |                     | na                        |
| Permitting Services              | 118                    | 122                    | 121                    | 121                    | 119                 | -1.7%                     |
| Solid Waste Disposal             | 683                    | 695                    | 706                    | 706                    | 706                 | 0.0%                      |
| <b>TOTAL</b>                     | <b>1,659</b>           | <b>1,475</b>           | <b>1,562</b>           | <b>1,546</b>           | <b>1,573</b>        | <b>1.7%</b>               |

| <b>FTE Charges to Others</b> | <b>FY10<br/>Budget</b> | <b>FY11<br/>Budget</b> | <b>FY12<br/>Budget</b> | <b>FY13<br/>Budget</b> | <b>FY14<br/>Rec</b> | <b>Change<br/>FY13-14</b> |
|------------------------------|------------------------|------------------------|------------------------|------------------------|---------------------|---------------------------|
| CIP Projects                 | 7.0                    | 5.2                    | 5.2                    | 6.1                    | 6.1                 | 0.0%                      |
| Health and Human Services    | -                      | -                      | 0.5                    |                        |                     | na                        |
| Permitting Services          | 1.0                    | 1.0                    | 1.0                    | 1.0                    | 1.0                 | 0.0%                      |
| Solid Waste Disposal         | 5.6                    | 5.6                    | 5.9                    | 5.5                    | 5.5                 | 0.0%                      |
| <b>TOTAL</b>                 | <b>13.6</b>            | <b>11.8</b>            | <b>12.6</b>            | <b>12.6</b>            | <b>12.6</b>         | <b>0.0%</b>               |

## 2. DEPARTMENT-WIDE INCREASES

The FY14 DHCA Recommended Budget several department-wide adjustments. Compensation and motorpool adjustments are reviewed respectively by the GO and T&E Committees.

|                                       |           |
|---------------------------------------|-----------|
| FY14 Compensation Adjustment          | 158,459   |
| Motorpool Adjustment                  | 86,248    |
| Retirement Adjustment                 | 44,598    |
| Other labor contract costs            | 8,867     |
| Printing and Mailing Adjustment       | 3,008     |
| Group Insurance Adjustment            | 21,377    |
| Annualization of FY13 Personnel Costs | (130,986) |

### 3. SPECIFIC CHANGES by PROGRAM AREA

(items that were reviewed in joint PHED/HHS are not included)

#### A. Multi-Family Housing Program

The Executive is recommending \$25,962,621 and 8.4FTEs 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. Increase Program Manager from Part-time to Full Time \$62,250 and 0.5FTE***

This staffing enhancement will provide additional resources that will be used to support the changes to the annual rent survey and improve notification and education about the voluntary rent guidelines. **Council staff recommends approval.** The following are responses to Council staff questions regarding this issue.

1. The budget book indicates that one staff person is being increased from part-time to full-time to enhance compliance with the voluntary rent guidelines and rent survey. Is the expectation that DHCA will require a response to the annual rent survey?

Yes, the Executive recommends increasing this position to full-time in order to support policy changes to the voluntary rent guidelines which include enhanced notification requirements, rental survey information and mandatory reporting of rent increases. As the result of rent guideline changes, DHCA anticipates an increase in the workload that is now addressed by two part-time staff positions. Increasing one part-time staff member to full-time would be an efficient way to manage the increased workload.

Yes, DHCA will require a survey response and work to increase the response rate from properties located in the cities of Gaithersburg, Rockville and Takoma Park where the survey participation is voluntary.

2. Will buildings with less than 12 units be surveyed?  
No

3. Is it expected that any additional resources will be needed to implement an online response system?  
DHCA will not require additional resources for the rent survey.

**2. Multi-program Adjustments**  
**\$74,178 and -0.1FTE**

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. FTEs are the sum of full-time and part-time positions. **Council staff recommends approval.**

**B. Single-Family Housing Program**

The Executive is recommending \$908,248 and 9.5FTEs 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 – EmPower Maryland Term Employee (grant funded)**  
**\$28,063 and 1.0FTE**

Last year’s budget highlighted that the Department would be administering two new weatherization grants that will provide funding over two to three years. The grants will fund energy saving housing renovations for income-eligible residents. Funding is from the EmPower Maryland program and other funding will come from the Department of Energy. DHCA expects that the households served will generally have incomes between 40% and 60% of AMI.

DHCA says that since FY12 they have provided weatherization assistance to 699 households at ~\$3,835/unit. In FY13, DHCA entered into a grant agreement with the State to administer the EmPOWER Maryland program. Of the \$2,603,556 supplemental award, \$192,511 has been spent through the third quarter of FY13, leaving a \$2,411,045 balance to be spent by December 31, 2014.

This position assists with administration of the program.

**Council staff recommends approval.**

**2. Multi-program Adjustments**  
**\$5,800 and 0.5FTEs**

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. FTEs are the sum full-time and part-time positions. **Council staff recommends approval.**

## **C. Housing Code Enforcement**

The Executive is recommending \$1,969,038 and 21.1FTEs 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.

### ***1. Technical Adjustment to Takoma Park Code Enforcement \$150,533 and 2.0FTEs***

This is a technical adjustment to correctly reflect the funding from the agreement with Takoma Park to provide code inspections. Last year, DHCA inspected 2,924 units. The City charges a fee of \$101.00 dollars per unit per year. 2.0 FTEs are allocated to Takoma Park inspections in FY13. **Council staff recommends approval.**

### ***2. Multi-program Adjustments \$429,834 and 2.2FTEs***

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. FTEs are the sum full-time and part-time positions. **Council staff recommends approval.**

## **Other Issue: Multi-Family Inspections**

At the PHED Committee session on the recommendation of the Tenant Work Group, the Committee asked for additional information the current inspection protocols and the cost of additional inspections. The following is DHCA's response.

### **Triennial Multi-Family Inspections Process**

Triennial inspections are assigned by the manager to all inspectors on a monthly basis throughout the year. During a triennial inspection, the common areas and exteriors of all assigned properties are inspected and the number of units inspected ranges from 10% to 100%.

The percentage of units inspected is determined by the DHCA Code Enforcement manager after review of the code complaint history at the property since the last triennial inspection. Those properties with no, or minor, complaints will have 10% of the units inspected, while properties with numerous complaints will have up to 100% of the units inspected. Properties scheduled for 100% inspections are often inspected more frequently than triennially. This is the case in the Long Branch area of Silver Spring, for example. During the inspection, a

decision may also be made to increase the number of units inspected should the conditions in the units sampled indicate that a more comprehensive inspection is warranted.

The creation of a triennial inspection consists of office staff pulling the ownership and licensing information for the case file and creating notification letters to be mailed to property owners and management providing the inspector name/contact information and generating a list for all units to receive postcard notifications of the upcoming inspection. Postcards are sent to all tenants of the complex to inform them of the pending property inspection, with specific information provided about how, through MC311, to request that their unit be one of the ones inspected. Inspection staff and the property owner/manager set a date for the upcoming inspection. The property manager is responsible for notifying tenants of the upcoming inspection at least 24 hours before the scheduled date and typically posts the notification in common areas and elevators. Inspection staff confirms that notification has been given; if notification is not provided the inspection is rescheduled.

A team of inspectors is assembled depending on the number of units to be inspected, and the number of staff made available by management. Inspectors do not handle unit keys and are always accompanied by owner/management for these inspections. For properties where fewer than 100% of the units are being inspected, DHCA inspectors select the units based on calls received from the postcards or by knocking on doors randomly. For large properties with multiple buildings and floors, inspectors select units from different buildings and on different floors.

### **Cost**

There are approximately 62,760 multi-family units to be inspected by DHCA on a triennial schedule; 20,920 initial inspections each year. The license fee collected to support this and other licensing and landlord/tenant-related services is \$38 per unit annually. Based on current case loads, 4 full-time equivalent (FTE) positions are required to inspect multi-family properties on a triennial schedule to a 10% standard.

Were the number of units inspected on a triennially to be increased from 10% to 25%, an increase in initial inspections from 2,092 to 5,229, DHCA estimates that 7 additional FTEs would be needed. This is estimated to require additional funding of approximately \$752,000. If 100% of the units were inspected once every 3 years, 43 additional FTEs would be needed at a cost estimated at almost \$4.5 million.

If all multi-family units were inspected biennially, staff would need to increase by an estimated 67 positions, at an additional cost of nearly \$7 million. If 100% of multi-family units were inspected annually, DHCA estimates that 138 additional FTEs would be needed at a cost of \$14.4 million.

In her April 8 memo, Council President Navarro asked if there a need for additional code enforcement inspectors and what the cost is for each additional inspector. DHCA has provided the following response:

Currently there are 2 vacant, unfilled positions in code enforcement - one code inspector and one field supervisor. The estimated cost of an additional inspector, on average, is approximately \$94,500. This figure includes salary, benefits, and approximately \$9,000 in operating expenses to cover the use of a county vehicle, cell phone, computer, etc. necessary to perform duties of the position.

**In addition to this issue of enhancing the triennial inspection of multi-family buildings, the lack of an initial inspection when a rental license is issued has also been raised. Council staff does not think it is unreasonable for people to think that when a license is issued (particularly the first time) that there has been some level of inspection. The Committee may want to discuss this issue with Director Nelson and ask for a cost estimate and how much a license fee would need to increase to cover the cost.**

### **Clean and Lien**

The Council has received testimony and correspondence about vacant houses that are in disrepair. Some of these homes are being called “zombie foreclosures” as they are in process between owners (who sometime don’t think they are still the owner) and the bank or they are being held by the bank rather than going through the complete foreclosure and resale process so that the house again will be occupied. Council staff has asked the following questions and received the following responses regarding the Clean and Lien Program.

1. What is the FY13 approved amount and FY14 recommended amount for this effort?

DHCA budgeted \$50k for FY13 and FY14.

2. Are these funds and this program only used in response to a complaint or can DHCA proactively target an area that has homes with un-maintained exteriors/yards?

No distinction is made in use of these funds based on source of complaint. DHCA is proactive, responding both to resident complaints and to non-complaint initiated, in-field observations by code enforcement inspectors.

3. What flexibility does DHCA have in the types of repairs made? For example, if a house is not secure is the only option to board up the house or could a broken door or window be repaired so that it is not obvious that the home is vacant.

The Clean and Lien program is used solely to address severe conditions requiring immediate action in order to protect public health and safety as authorized in Sec. 26-15 of the code. This is not a home repair or rehabilitation program. Entry onto a vacant property is limited to the minimum extent possible; inspectors and contractors avoid entering the interior of a house.

## **D. Grants Administration – Federal Programs**

The Executive is recommending a \$5,587,334 and 6.7FTEs in this program that manages and oversees grants from the CDBG, HOME, and Emergency Shelter programs. DHCA coordinates with the cities of Rockville and Takoma Park and non-profit organizations.

### ***1. Multi-program Adjustments -\$42,517 and 1.1FTEs***

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. FTEs are the sum of full-time and part-time positions. **Council staff recommends approval.**

## **E. Landlord Tenant Mediation**

The Executive is recommending \$1,016,014 and 8.5FTEs 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. Increase Landlord Tenant Investigator from part-time to full-time \$44,859 and 0.5FTEs***

This is one of two positions that the Department has increased to full-time after the retirement of a part-time employee (the other is in Administration). While the budget system shows a positive budget impact, the Department notes that because the cost is lower for a new employee, there is an overall savings. **Council staff recommends approval.**

### ***2. Multi-program Adjustments -\$38,080 and 0.5FTEs***

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. FTEs are the sum of full-time and part-time positions. **Council staff recommends approval.**

## **F. Neighborhood Revitalization**

The Executive is recommending \$85,563 and 3.2FTEs 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. Multi-program Adjustments***  
***-\$18,227 and 1.7FTEs***

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. FTEs are the sum of full-time and part-time positions. **Council staff recommends approval.**

**Other Issue: Montgomery Housing Partnership**

Councilmember Navarro has asked the PHED Committee to consider adding \$100,000 to the DHCA budget to continue the contract with Montgomery Housing Partnership to continue its work with DHCA's Focused Neighborhood Assistance Program. (© 18-24).

The FY13 contract with MHP is not funded in FY14. DHCA notes that its FY13 contract with MHP is for work in the communities of Cinnamon Woods, McKendree (Montgomery Village), and Long Branch. Glenmont is not a part of the current contract with DHCA. That said, the \$100,000 contract with DHCA does not represent MHP's full Neighborhood Revitalization Program. MHP has applied for a Council grant for \$100,000 to fund about 47% of their total program which they notes in their Council Grant application includes work in Glenmont, Glenville Road, Long Branch, and Cinnamon Woods.

**The Committee can recommend that the Council add \$100,000 to the reconciliation list for DHCA to fund MHP's FY14 Neighborhood Revitalization Work. The other option to let the Council Grant process move forward for this request. Council staff will coordinate the two processes to make sure that it does not move forward both ways.**

**G. Licensing and Registration**

The Executive is recommending \$411,016 and 3.0FTEs 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.

***1. Licensing and Registration Contract to Research Unlicensed Properties***  
***\$29,000 and 0FTEs***

The Executive is recommending this funding to provide contractual staff to research unlicensed properties including single family homes rented out as apartments, condominium units that are rented, and multi-family apartments. **Council staff recommends approval.**

**2. Multi-program Adjustments**  
**- \$3,490 and 0 FTEs**

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. FTEs are the sum of full-time and part-time positions. **Council staff recommends approval.**

**H. Housing Administration**

The Executive is recommending \$262,922 and 3 FTEs for this program that provides management, oversight, and support to the housing division.

**1. Multi-program Adjustments**  
**- \$13,426 and 0 FTEs**

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. FTEs are the sum of full-time and part-time positions. This generally requires a technical adjustment to increase FTEs as lapse is no longer included. **Council staff recommends approval.**

**I. Administration**

The Executive is recommending \$967,636 and 9.8 FTEs for this program that provides overall administration of the Department including the Director's Office, budget, and technology support.

**1. Increase Management Services Administrative Specialist from part-time to full-time**  
**\$16,532 and 0.2 FTEs**

This is one of two positions that the Department has increased to full-time after the retirement of a part-time employee (the other is in Landlord Tenant). While the budget system shows a positive budget impact, the Department notes that because the cost is lower for a new employee, there is an overall savings. **Council staff recommends approval.**

**2. Multi-program Adjustments**  
**- 16,140 and 0 FTE**

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. FTEs are the sum of full-time and part-time positions. **Council staff recommends approval.**

## 5. 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. Because the CDBG recommended awards to non-profit organizations are decided through a review board process, they are considered non-competitive awards or included in Section G of the Operating Budget Resolution.

The recommended grant awards are attached at © 11-17. **Council staff recommends approval.**

**DHCA ACCOMPLISHMENTS  
FY08-FY13**

**Housing Policy**

Recommended a revised and updated Housing Policy to the County Council emphasizing;

1. Preserve existing housing stock
2. Support development of new housing transit oriented areas
3. Increase the number of affordable housing units
4. Conservation of County's residential neighborhoods
5. Strive to prevent homelessness and find homes for homeless

**Affordable Housing Preservation**

Utilized HIF funding to assist in the acquisition of two unsubsidized multi-family developments totaling 1,022 units. The goal was to preserve affordability in these two communities which are centrally located in Germantown and Rockville.

Without these purchases, the communities would have been purchased by private entities and subject to significantly increased rents.

**Senior Housing**

As part of the County's senior initiative, DHCA has been actively pursuing the development of four multi-family developments designed to serve senior populations. These developments will be centrally located in areas close to transit and commercial activity.

**Focused Neighborhood Assistance Areas**

Continuation of a successful program, utilizing Community Development Block Grant funds, to address the needs of older neighborhoods in the County. One has been completed in Glenmont, another is nearing completion in Germantown (Cinnamon Woods) and a new program is beginning in Montgomery Village (McKendree.)

**Weatherization**

Successfully completed weatherization of over 1300 housing units occupied by low income residents thereby reducing their expenses and consumption of energy.

**Affordable Housing Funding**

Increased County investment in affordable housing by providing \$205 million to the Housing Initiative Fund over the past six years enabling County partnerships, with both for profit and non profit entities, to increase availability of affordable housing and preserve existing housing.

|   |                |
|---|----------------|
| 1. New production/rehabilitation - added to inventory | 3532 units     |
| 2. Preservation of existing affordable units          | 1743 units     |
| 3. MPDUs/no cost rental agreements                    | 1845 units     |
| 4. Weatherization                                     | 1305 units     |
| 5. Rental Assistance/Eviction Prevention              | 5980 fam       |
| 6. Homeownership Assistance                           | <u>412 fam</u> |
| <b>TOTAL</b>  | <b>14,817</b>  |

01/03/13

# 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.

## BUDGET OVERVIEW

The total recommended FY14 Operating Budget for the Department of Housing and Community Affairs is \$37,170,064, an increase of \$7,674,689 or 26.0 percent from the FY13 Approved Budget of \$29,495,375. Personnel Costs comprise 19.7 percent of the budget for 83 full-time positions and two part-time positions. A total of 73.40 FTEs includes these positions as well as any seasonal, temporary, and positions charged to or from other departments or funds. Operating Expenses and Debt Service account for the remaining 80.3 percent of the FY14 budget.

DHCA expects the total signed agreements for affordable housing projects through the PILOT program to abate \$10.7 million in taxes in FY14.

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 FY13 estimates reflect funding based on the FY13 approved budget. The FY14 and FY15 figures are performance targets based on the FY14 recommended budget and funding for comparable service levels in FY15.

## ACCOMPLISHMENTS AND INITIATIVES

- ❖ **Invest over \$36.5 million for Affordable Housing including the Montgomery Housing Initiative (MHI) fund and utilize \$10 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 "Housing First" and creation of mixed-income housing. Within this allocation is \$4.5 million for senior housing. This brings the total investment in affordable housing since FY08 to \$272 million.**
- ❖ **Continue to use resources from the MHI fund to support rental assistance programs to the Department of Housing and Community Affairs (DHCA), Health and Human Services (DHHS) and the Housing Opportunities Commission (HOC).**
- ❖ **Continued funding from Federal Grants (Community Development Block Grant (CDBG), the HOME Investment Partnership Grant (HOME), and the Emergency Solutions Grant (ESG)) to provide funding for affordable housing, housing rehabilitation, commercial revitalization, focused neighborhood assistance, public services and preventing homelessness.**
- ❖ **Provide enhancements to the Licensing and Registration section by funding contractual staff to research unlicensed properties. This will include single family residences rented out as apartments, condo units rented, and multifamily**

apartments.

- ❖ **Enhance staffing to support changes to the voluntary rent guidelines which includes enhanced notification requirements, rental survey information and mandatory reporting of rent increases.**
- ❖ **Continue to provide housing code enforcement to neighborhoods for improving safety and sanitary living conditions.**
- ❖ **The Department of Housing and Community Affairs and the Department of Permitting Services are finalizing code references such that single visits by the departments can efficiently address multiple cross-department violations eliminating the need for duplicative and unnecessary inspections.**
- ❖ **Continue to administer the State-funded Weatherization Program which provides energy-saving housing renovations for income-eligible county residents.**
- ❖ **Productivity Improvements**
  - **Launch the "codeCASE" web application. Code Enforcement Inspectors access the web application using mobile devices (iPads) in the field. This enables violations to be sent directly to Code Enforcement's SQL database, in which an automated report can be e-mailed to the property contact. The "codeCASE" web application allows Code Enforcement Inspectors to spend more time in the field conducting inspections.**
  - **Increase data sources to eProperty and expand proximity features to the eProperty Maps systems. This enhancement will allow Code Enforcement staff to research and view additional property-related data sources, and create opportunities for efficiencies since inspectors will have the tools to schedule inspections in proximity to their other cases.**
  - **Complete Phase 1 of the Housing Licensing and Registration System dashboard design to facilitate automated online rental license applications. This enhancement will enable landlords to submit online applications for rental licenses and automate data entry of those applications.**

## 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.

| <b>Program Performance Measures</b>                                      | <b>Actual FY11</b> | <b>Actual FY12</b> | <b>Estimated FY13</b> | <b>Target FY14</b> | <b>Target FY15</b> |
|--|--------------------|--------------------|-----------------------|--------------------|--------------------|
| Affordable housing units preserved - County funded                       | 802                | 766                | 849                   | 898                | 610                |
| Affordable housing units preserved - no cost to County <sup>1</sup>      | 404                | 0                  | 100                   | 105                | 110                |
| Affordable housing units preserved in production (pipe line)             | 440                | 281                | 340                   | 180                | 184                |
| Affordable housing units produced - County funded <sup>2</sup>           | 497                | 278                | 1,222                 | 101                | 77                 |
| Affordable housing units produced - no cost to County                    | 184                | 201                | 203                   | 213                | 2                  |
| Affordable housing units produced in production (pipe line) <sup>3</sup> | 311                | 1,093              | 73                    | 39                 | 40                 |
| Cost per unit of affordable housing units preserved <sup>4</sup>         | 14,611             | 4,761              | 17,454                | 15,555             | 14,674             |
| Cost per unit of affordable housing units produced <sup>5</sup>          | 47,513             | 52,063             | 33,240                | 40,974             | 42,547             |

<sup>1</sup> These figures represent no-cost rental agreements and are subject to heavy market fluctuations.

<sup>2</sup> HCA projects few large affordable multifamily projects coming on-line in FY13.

<sup>3</sup> The significant decrease from FY12 to FY13 is a result of the expiration of ARRA programs as well as a few large multifamily projects coming on-line in FY13.

<sup>4</sup> Fluctuations are expected from year to year given that different projects have different funding gaps as well as different programs are more expensive to run than others.

<sup>5</sup> Fluctuations are expected from year to year given that different projects have different funding gaps as well as different programs are more expensive to run than others.

| <b>FY14 Recommended Changes</b>   | <b>Expenditures</b> | <b>FTEs</b> |
|---|---------------------|-------------|
| <b>FY13 Approved</b>  | <b>19,015,490</b>   | <b>8.00</b> |
| Enhance: Rental Assistance Program (RAP)  | 3,854,293           | 0.00        |
| Enhance: Senior Housing   | 3,000,000           | 0.00        |
| Enhance: Multifamily Housing Program Manager II - Increase from part-time to full-time  | 62,250              | 0.50        |
| Decrease Cost: Section 108 Loan Repayment   | -2,040              | 0.00        |
| Decrease Cost: Operating Expenses   | -41,550             | 0.00        |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 74,178              | -0.10       |
| <b>FY14 CE Recommended</b>  | <b>25,962,621</b>   | <b>8.40</b> |

### 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.

| <b>Program Performance Measures</b>                         | <b>Actual FY11</b> | <b>Actual FY12</b> | <b>Estimated FY13</b> | <b>Target FY14</b> | <b>Target FY15</b> |
|---|--------------------|--------------------|-----------------------|--------------------|--------------------|
| Number of Housing Units Improved/Rehabilitated <sup>1</sup> | 578                | 690                | 155                   | 359                | 220                |

<sup>1</sup> Programs include Single Family Rehab, Group Home Rehab, and Weatherization. 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 and reductions in CDBG (grant) funding.

| <b>FY14 Recommended Changes</b>   | <b>Expenditures</b> | <b>FTEs</b> |
|---|---------------------|-------------|
| <b>FY13 Approved</b>  | <b>874,385</b>      | <b>8.00</b> |
| Add: EmPOWER Maryland Grant Term Employee to administer the Weatherization Program  | 28,063              | 1.00        |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 5,800               | 0.50        |
| <b>FY14 CE Recommended</b>  | <b>908,248</b>      | <b>9.50</b> |

### 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.

| <b>Program Performance Measures</b>                      | <b>Actual FY11</b> | <b>Actual FY12</b> | <b>Estimated FY13</b> | <b>Target FY14</b> | <b>Target FY15</b> |
|--|--------------------|--------------------|-----------------------|--------------------|--------------------|
| Percent of Cases that Achieve Voluntary Compliance       | 94                 | 94                 | 94                    | 94                 | 94                 |
| Properties with more than two cases in a two year period | 102                | 153                | 153                   | 153                | 153                |

| <b>FY14 Recommended Changes</b>   | <b>Expenditures</b> | <b>FTEs</b>  |
|---|---------------------|--------------|
| <b>FY13 Approved</b>  | <b>1,599,524</b>    | <b>19.10</b> |
| Technical Adj: Takoma Park Grant - Code Enforcement   | 150,533             | 2.00         |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 218,981             | 0.00         |
| <b>FY14 CE Recommended</b>  | <b>1,969,038</b>    | <b>21.10</b> |

## 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 Solutions 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 FY11 | Actual FY12 | Estimated FY13 | Target FY14 | Target FY15 |
|--|-------------|-------------|----------------|-------------|-------------|
| Number of Contracts Awarded and Monitored <sup>1</sup> | 55          | 25          | 25             | 25          | 25          |

<sup>1</sup> Due to federal, state and local budget reductions, the number of CDBG, ESG, HOME, MHI, Historic, Community Grants, and Empowerment Grants contracts have been reduced.

| FY14 Recommended Changes  | Expenditures     | FTEs        |
|---|------------------|-------------|
| <b>FY13 Approved</b>  | <b>5,264,181</b> | <b>5.60</b> |
| Enhance: CDBG Operating Grant   | 275,000          | 0.00        |
| Enhance: ESG Operating Grant  | 90,670           | 0.00        |
| Add: Community Block Grant: National Center for Children and Families, Inc. (supportive services for residents of Betty's House, a transitional housing program for survivor's of domestic violence)        | 45,000           | 0.00        |
| Add: Community Development Block Grant: Interfaith Works, Inc. (staff support to coordinate volunteers and meals)   | 45,000           | 0.00        |
| Add: Community Development Block Grant: Montgomery County, MD Delta Alumnae Foundation, Inc. (Seven week Saturday Academy for African-American eighth grade students in STEM)                               | 45,000           | 0.00        |
| Add: Community Development Block Grant: Young Men's Christian Association of Metropolitan Washington, Inc. (staff/operating support for YMCA Youth and Family Services (YFS)-YFS Nob Hill Community Center) | 44,958           | 0.00        |
| Add: Community Development Block Grant: Mobile Medical Care, Inc. (Anticoagulation Clinic for high-risk, low-income, uninsured individuals)   | 44,940           | 0.00        |
| Add: Community Block Grant: St. Luke's House and Threshold Services United, Inc. (staff support for mental health and wellness services)  | 42,447           | 0.00        |
| Add: Community Development Block Grant: Community Ministries of Rockville (staffing support for quality assurance program)  | 40,655           | 0.00        |
| Add: Community Development Block Grant: Asian Pacific American Legal Resource Center, Inc. (legal services to low-income immigrants)  | 40,000           | 0.00        |
| Add: Community Development Block Grant: IMPACT Silver Spring, Inc. (Family Asset Building Network economic empowerment programs)  | 35,000           | 0.00        |
| Add: Community Block Grant: Montgomery Housing Partnership, Inc. (Play and Learn programs for ages 3-5 at five MHP apartment properties)  | 30,364           | 0.00        |
| Add: Community Block Grant: Sunflower Bakery, Inc. (employment services program)  | 28,392           | 0.00        |
| Add: Community Development Block Grant: Bethesda Cares, Inc. (eviction prevention housing and utility assistance)   | 24,229           | 0.00        |
| Add: Community Development Block Grant: Rockville Presbyterian Church of Montgomery County (staffing support for homeless shelter)  | 5,015            | 0.00        |
| Add: Community Block Grant: Stepping Stones Shelter, Inc. (financial literacy series for residents in transitional housing programs)  | -516,000         | 0.00        |
| Decrease Cost: Adjust for Individual Grants   | -42,517          | 1.10        |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.       |                  |             |
| <b>FY14 CE Recommended</b>  | <b>5,587,334</b> | <b>6.70</b> |

## 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 FY11 | Actual FY12 | Estimated FY13 | Target FY14 | Target FY15 |
|---|-------------|-------------|----------------|-------------|-------------|
| Average days required to conciliate Landlord/Tenant disputes that do not go to the Commission | 33          | 33          | 30             | 30          |             |
| Percent of Landlord/Tenant cases mediated successfully (not referred to the Commission)       | 97          | 97          | 97             | 97          | 97          |

| <b>FY14 Recommended Changes</b>   | <b>Expenditures</b> | <b>FTEs</b> |
|---|---------------------|-------------|
| <b>FY13 Approved</b>  | <b>1,009,235</b>    | <b>7.50</b> |
| Enhance: Landlord-Tenant Affairs Investigator III - Increase from part-time to full-time  | 44,859              | 0.50        |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | -38,080             | 0.50        |
| <b>FY14 CE Recommended</b>  | <b>1,016,014</b>    | <b>8.50</b> |

### **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.

| <b>Program Performance Measures</b>  | <b>Actual FY11</b> | <b>Actual FY12</b> | <b>Estimated FY13</b> | <b>Target FY14</b> | <b>Target FY15</b> |
|--|--------------------|--------------------|-----------------------|--------------------|--------------------|
| Gains achieved in neighborhoods receiving DHCA neighborhood revitalization funding/services <sup>1</sup> | 2                  | 2                  | 2                     | 2                  | 2                  |

<sup>1</sup> Under development - data currently reflects number of neighborhoods

| <b>FY14 Recommended Changes</b>   | <b>Expenditures</b> | <b>FTEs</b> |
|---|---------------------|-------------|
| <b>FY13 Approved</b>  | <b>103,790</b>      | <b>1.50</b> |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | -18,227             | 1.70        |
| <b>FY14 CE Recommended</b>  | <b>85,563</b>       | <b>3.20</b> |

### **Licensing and Registration**

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

| <b>Program Performance Measures</b>           | <b>Actual FY11</b> | <b>Actual FY12</b> | <b>Estimated FY13</b> | <b>Target FY14</b> | <b>Target FY15</b> |
|---|--------------------|--------------------|-----------------------|--------------------|--------------------|
| Number of Rental Licenses Issued <sup>1</sup> | 87,720             | 91,555             | 92,527                | 93,182             | 93,697             |

<sup>1</sup> Programs include Accessory Apartments, Condominiums, Single Family, and Apartments.

| <b>FY14 Recommended Changes</b>   | <b>Expenditures</b> | <b>FTEs</b> |
|---|---------------------|-------------|
| <b>FY13 Approved</b>  | <b>385,506</b>      | <b>3.00</b> |
| Enhance: Licensing and Registration Contract to Research Unlicensed Properties  | 29,000              | 0.00        |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | -3,490              | 0.00        |
| <b>FY14 CE Recommended</b>  | <b>411,016</b>      | <b>3.00</b> |

### **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.

| <b>FY14 Recommended Changes</b>   | <b>Expenditures</b> | <b>FTEs</b> |
|---|---------------------|-------------|
| <b>FY13 Approved</b>  | <b>276,348</b>      | <b>3.00</b> |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | -13,426             | 0.00        |
| <b>FY14 CE Recommended</b>  | <b>262,922</b>      | <b>3.00</b> |

### **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).

| <b>FY14 Recommended Changes</b>   | <b>Expenditures</b> | <b>FTEs</b>  |
|---|---------------------|--------------|
| <b>FY13 Approved</b>  | <b>966,916</b>      | <b>9.80</b>  |
| Enhance: Management Services Administrative Specialist III - Increase from part-time to full-time   | 16,532              | 0.20         |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | -16,140             | 0.00         |
| <b>FY14 CE Recommended</b>  | <b>967,308</b>      | <b>10.00</b> |

## BUDGET SUMMARY

|  | <b>Actual<br/>FY12</b> | <b>Budget<br/>FY13</b> | <b>Estimated<br/>FY13</b> | <b>Recommended<br/>FY14</b> | <b>% Chg<br/>Bud/Rec</b> |
|--|------------------------|------------------------|---------------------------|-----------------------------|--------------------------|
| <b>COUNTY GENERAL FUND</b>                           |                        |                        |                           |                             |                          |
| <b>EXPENDITURES</b>                                  |                        |                        |                           |                             |                          |
| Salaries and Wages                                   | 2,062,145              | 2,719,260              | 2,913,089                 | 2,839,953                   | 4.4%                     |
| Employee Benefits                                    | 751,604                | 1,160,817              | 1,076,016                 | 1,071,293                   | -7.7%                    |
| <b>County General Fund Personnel Costs</b>           | <b>2,813,749</b>       | <b>3,880,077</b>       | <b>3,989,105</b>          | <b>3,911,246</b>            | <b>0.8%</b>              |
| Operating Expenses                                   | 540,043                | 588,190                | 475,810                   | 706,446                     | 20.1%                    |
| Capital Outlay                                       | 0                      | 0                      | 0                         | 0                           | —                        |
| <b>County General Fund Expenditures</b>              | <b>3,353,792</b>       | <b>4,468,267</b>       | <b>4,464,915</b>          | <b>4,617,692</b>            | <b>3.3%</b>              |
| <b>PERSONNEL</b>                                     |                        |                        |                           |                             |                          |
| Full-Time  | 79                     | 79                     | 79                        | 83                          | 5.1%                     |
| Part-Time  | 5                      | 5                      | 5                         | 2                           | -60.0%                   |
| FTEs   | 26.50                  | 36.90                  | 36.90                     | 38.10                       | 3.3%                     |
| <b>REVENUES</b>                                      |                        |                        |                           |                             |                          |
| Common Ownership Community Fees                      | 407,284                | 0                      | 0                         | 0                           | —                        |
| Landlord-Tenant Fees                                 | 4,518,793              | 4,830,000              | 4,830,000                 | 4,830,000                   | —                        |
| Miscellaneous Revenues                               | -5,299                 | 20,000                 | 20,000                    | 20,000                      | —                        |
| Other Charges/Fees                                   | 5,437                  | 0                      | 0                         | 0                           | —                        |
| Other Fines/Forfeitures                              | 29,118                 | 50,000                 | 50,000                    | 50,000                      | —                        |
| <b>County General Fund Revenues</b>                  | <b>4,955,333</b>       | <b>4,900,000</b>       | <b>4,900,000</b>          | <b>4,900,000</b>            | <b>—</b>                 |
| <b>GRANT FUND MCG</b>                                |                        |                        |                           |                             |                          |
| <b>EXPENDITURES</b>                                  |                        |                        |                           |                             |                          |
| Salaries and Wages                                   | 2,298,221              | 1,246,243              | 1,246,243                 | 1,307,849                   | 4.9%                     |
| Employee Benefits                                    | 742,215                | 451,496                | 451,496                   | 484,496                     | 7.3%                     |
| <b>Grant Fund MCG Personnel Costs</b>                | <b>3,040,436</b>       | <b>1,697,739</b>       | <b>1,697,739</b>          | <b>1,792,345</b>            | <b>5.6%</b>              |
| Operating Expenses                                   | 11,057,276             | 3,657,621              | 3,657,621                 | 4,212,477                   | 15.2%                    |
| Capital Outlay                                       | 0                      | 0                      | 0                         | 0                           | —                        |
| <b>Grant Fund MCG Expenditures</b>                   | <b>14,097,712</b>      | <b>5,355,360</b>       | <b>5,355,360</b>          | <b>6,004,822</b>            | <b>12.1%</b>             |
| <b>PERSONNEL</b>                                     |                        |                        |                           |                             |                          |
| Full-Time  | 0                      | 0                      | 0                         | 0                           | —                        |
| Part-Time  | 0                      | 0                      | 0                         | 0                           | —                        |
| FTEs   | 17.30                  | 13.80                  | 13.80                     | 20.60                       | 49.3%                    |
| <b>REVENUES</b>                                      |                        |                        |                           |                             |                          |
| Federal Grants                                       | 13,500,141             | 4,030,360              | 4,030,360                 | 4,396,028                   | 9.1%                     |
| Loan Payments  | 430,627                | 1,000,000              | 1,000,000                 | 1,000,000                   | —                        |
| Other Charges/Fees                                   | 0                      | 0                      | 0                         | 150,535                     | —                        |
| State Grants   | 34,580                 | 325,000                | 325,000                   | 458,259                     | 41.0%                    |
| Other Intergovernmental                              | 132,364                | 0                      | 0                         | 0                           | —                        |
| <b>Grant Fund MCG Revenues</b>                       | <b>14,097,712</b>      | <b>5,355,360</b>       | <b>5,355,360</b>          | <b>6,004,822</b>            | <b>12.1%</b>             |
| <b>MONTGOMERY HOUSING INITIATIVE</b>                 |                        |                        |                           |                             |                          |
| <b>EXPENDITURES</b>                                  |                        |                        |                           |                             |                          |
| Salaries and Wages                                   | 1,042,700              | 1,139,899              | 1,176,919                 | 1,175,606                   | 3.1%                     |
| Employee Benefits                                    | 340,630                | 400,464                | 395,666                   | 429,856                     | 7.3%                     |
| <b>Montgomery Housing Initiative Personnel Costs</b> | <b>1,383,330</b>       | <b>1,540,363</b>       | <b>1,572,585</b>          | <b>1,605,462</b>            | <b>4.2%</b>              |
| Operating Expenses                                   | 12,572,453             | 18,061,615             | 21,681,838                | 24,874,358                  | 37.7%                    |
| Debt Service Other                                   | 71,726                 | 69,770                 | 69,770                    | 67,730                      | -2.9%                    |
| Capital Outlay                                       | 0                      | 0                      | 0                         | 0                           | —                        |
| <b>Montgomery Housing Initiative Expenditures</b>    | <b>14,027,509</b>      | <b>19,671,748</b>      | <b>23,324,193</b>         | <b>26,547,550</b>           | <b>35.0%</b>             |
| <b>PERSONNEL</b>                                     |                        |                        |                           |                             |                          |
| Full-Time  | 0                      | 0                      | 0                         | 0                           | —                        |
| Part-Time  | 0                      | 0                      | 0                         | 0                           | —                        |

|   | Actual<br>FY12   | Budget<br>FY13   | Estimated<br>FY13 | Recommended<br>FY14 | % Chg<br>Bud/Rec |
|---|------------------|------------------|-------------------|---------------------|------------------|
| FTEs  | 13.10            | 14.80            | 14.80             | 14.70               | -0.7%            |
| <b>REVENUES</b>                               |                  |                  |                   |                     |                  |
| Investment Income                             | 1,060,091        | 500,000          | 1,000,000         | 1,000,000           | 100.0%           |
| Loan Payments                                 | -1,340,981       | 2,500,000        | 2,500,000         | 2,500,000           | —                |
| MHI Transfer Tax                              | 1,088,744        | 750,000          | 800,000           | 800,000             | 6.7%             |
| Miscellaneous Revenues                        | 18,959           | 75,006           | 75,006            | 75,006              | —                |
| MPDU Revenues                                 | 1,355,770        | 1,500,000        | 1,500,000         | 1,500,000           | —                |
| Recordation Tax                               | 0                | 4,415,500        | 8,086,403         | 8,269,793           | 87.3%            |
| Other Financing Sources                       | 71,726           | 69,770           | 69,770            | 67,730              | -2.9%            |
| <b>Montgomery Housing Initiative Revenues</b> | <b>2,254,309</b> | <b>9,810,276</b> | <b>14,031,179</b> | <b>14,212,529</b>   | <b>44.9%</b>     |
| <b>DEPARTMENT TOTALS</b>                      |                  |                  |                   |                     |                  |
| Total Expenditures                            | 31,479,013       | 29,495,375       | 33,144,468        | 37,170,064          | 26.0%            |
| Total Full-Time Positions                     | 79               | 79               | 79                | 83                  | 5.1%             |
| Total Part-Time Positions                     | 5                | 5                | 5                 | 2                   | -60.0%           |
| Total FTEs                                    | 56.90            | 65.50            | 65.50             | 73.40               | 12.1%            |
| Total Revenues                                | 21,307,354       | 20,065,636       | 24,286,539        | 25,117,351          | 25.2%            |

## FY14 RECOMMENDED CHANGES

|  | Expenditures     | FTEs         |
|--|------------------|--------------|
| <b>COUNTY GENERAL FUND</b>   |                  |              |
| <b>FY13 ORIGINAL APPROPRIATION</b>   | <b>4,468,267</b> | <b>36.90</b> |
| <b>Changes (with service impacts)</b>  |                  |              |
| Enhance: Multifamily Housing Program Manager II - Increase from part-time to full-time [Multi-Family Housing Programs]   | 62,250           | 0.50         |
| Enhance: Landlord-Tenant Affairs Investigator III - Increase from part-time to full-time [Landlord-Tenant Mediation]   | 44,859           | 0.50         |
| Enhance: Licensing and Registration Contract to Research Unlicensed Properties [Licensing and Registration]  | 29,000           | 0.00         |
| Enhance: Management Services Administrative Specialist III - Increase from part-time to full-time [Administration]   | 16,532           | 0.20         |
| <b>Other Adjustments (with no service impacts)</b>   |                  |              |
| Increase Cost: FY14 Compensation Adjustment  | 115,711          | 0.00         |
| Increase Cost: Motor Pool Adjustment   | 86,248           | 0.00         |
| Increase Cost: Retirement Adjustment   | 30,666           | 0.00         |
| Increase Cost: Other Labor Contract Costs  | 6,377            | 0.00         |
| Increase Cost: Printing and Mail Adjustment  | 3,008            | 0.00         |
| Decrease Cost: Group Insurance Adjustment  | -8,281           | 0.00         |
| Decrease Cost: Elimination of FY13 \$2,000 Lump Sum  | -105,959         | 0.00         |
| Decrease Cost: Annualization of FY13 Personnel Costs   | -130,986         | 0.00         |
| <b>FY14 RECOMMENDED:</b>   | <b>4,617,692</b> | <b>38.10</b> |
| <b>GRANT FUND MCG</b>  |                  |              |
| <b>FY13 ORIGINAL APPROPRIATION</b>   | <b>5,355,360</b> | <b>13.80</b> |
| <b>Changes (with service impacts)</b>  |                  |              |
| Add: EmPOWER Maryland Grant Term Employee to administer the Weatherization Program [Single-Family Housing Programs]  | 28,063           | 1.00         |
| <b>Other Adjustments (with no service impacts)</b>   |                  |              |
| Technical Adj: Takoma Park Grant - Code Enforcement [Housing Code Enforcement]   | 150,533          | 2.00         |
| Technical Adj: HOME Program - Administrative Charges to Prior Grant Award  | 105,196          | 0.80         |
| Technical Adj: FTE Adjustment  | 0                | 3.00         |
| <b>Federal Programs</b>  |                  |              |
| Add: Community Block Grant: Montgomery Housing Partnership, Inc. (Play and Learn programs for ages 3-5 at five MHP apartment properties)   | 35,000           | 0.00         |
| Add: Community Block Grant: National Center for Children and Families, Inc. (supportive services for residents of Betty's House, a transitional housing program for survivor's of domestic violence) | 45,000           | 0.00         |
| Add: Community Block Grant: St. Luke's House and Threshold Services United, Inc. (staff support for mental health and wellness services)   | 44,940           | 0.00         |

|   | Expenditures     | FTEs         |
|---|------------------|--------------|
| Add: Community Block Grant: Stepping Stones Shelter, Inc. (financial literacy series for residents in transitional housing programs)  | 5,015            | 0.00         |
| Add: Community Block Grant: Sunflower Bakery, Inc. (employment services program)  | 30,364           | 0.00         |
| Add: Community Development Block Grant: Asian Pacific American Legal Resource Center, Inc. (legal services to low-income immigrants)  | 40,655           | 0.00         |
| Add: Community Development Block Grant: Bethesda Cares, Inc. (eviction prevention housing and utility assistance)   | 28,392           | 0.00         |
| Add: Community Development Block Grant: Community Ministries of Rockville (staffing support for quality assurance program)  | 42,447           | 0.00         |
| Add: Community Development Block Grant: IMPACT Silver Spring, Inc. (Family Asset Building Network economic empowerment programs)  | 40,000           | 0.00         |
| Add: Community Development Block Grant: Interfaith Works, Inc. (staff support to coordinate volunteers and meals)   | 45,000           | 0.00         |
| Add: Community Development Block Grant: Mobile Medical Care, Inc. (Anticoagulation Clinic for high-risk, low-income, uninsured individuals)   | 44,958           | 0.00         |
| Add: Community Development Block Grant: Montgomery County, MD Delta Alumnae Foundation, Inc. (Seven week Saturday Academy for African-American eighth grade students in STEM)                               | 45,000           | 0.00         |
| Add: Community Development Block Grant: Rockville Presbyterian Church of Montgomery County (staffing support for homeless shelter)  | 24,229           | 0.00         |
| Add: Community Development Block Grant: Young Men's Christian Association of Metropolitan Washington, Inc. (staff/operating support for YMCA Youth and Family Services (YFS)-YFS Nob Hill Community Center) | 45,000           | 0.00         |
| Decrease Cost: Adjust for Individual Grants   | -516,000         | 0.00         |
| Enhance: CDBG Operating Grant   | 275,000          | 0.00         |
| Enhance: ESG Operating Grant  | 90,670           | 0.00         |
| <b>FY14 RECOMMENDED:</b>  | <b>6,004,822</b> | <b>20.60</b> |

## MONTGOMERY HOUSING INITIATIVE

|   |                   |              |
|---|-------------------|--------------|
| <b>FY13 ORIGINAL APPROPRIATION</b>  | <b>19,671,748</b> | <b>14.80</b> |
| <b>Changes (with service impacts)</b>                                     |                   |              |
| Enhance: Rental Assistance Program (RAP) [Multi-Family Housing Programs]  | 3,854,293         | 0.00         |
| Enhance: Senior Housing [Multi-Family Housing Programs]                   | 3,000,000         | 0.00         |
| <b>Other Adjustments (with no service impacts)</b>                        |                   |              |
| Increase Cost: FY14 Compensation Adjustment                               | 43,342            | 0.00         |
| Increase Cost: Group Insurance Adjustment                                 | 29,658            | 0.00         |
| Increase Cost: Retirement Adjustment                                      | 13,932            | 0.00         |
| Increase Cost: Other Labor Contract Costs                                 | 2,490             | 0.00         |
| Technical Adj: Adjust FTEs due to rounding                                | 0                 | -0.10        |
| Decrease Cost: Section 108 Loan Repayment [Multi-Family Housing Programs] | -2,040            | 0.00         |
| Decrease Cost: Elimination of FY13 \$2,000 Lump Sum                       | -24,323           | 0.00         |
| Decrease Cost: Operating Expenses [Multi-Family Housing Programs]         | -41,550           | 0.00         |
| <b>FY14 RECOMMENDED:</b>  | <b>26,547,550</b> | <b>14.70</b> |

## PROGRAM SUMMARY

| Program Name                             | FY13 Approved     |              | FY14 Recommended  |              |
|--|-------------------|--------------|-------------------|--------------|
|  | Expenditures      | FTEs         | Expenditures      | FTEs         |
| Multi-Family Housing Programs            | 19,015,490        | 8.00         | 25,962,621        | 8.40         |
| Single-Family Housing Programs           | 874,385           | 8.00         | 908,248           | 9.50         |
| Housing Code Enforcement                 | 1,599,524         | 19.10        | 1,969,038         | 21.10        |
| Grants Administration - Federal Programs | 5,264,181         | 5.60         | 5,587,334         | 6.70         |
| Landlord-Tenant Mediation                | 1,009,235         | 7.50         | 1,016,014         | 8.50         |
| Neighborhood Revitalization              | 103,790           | 1.50         | 85,563            | 3.20         |
| Licensing and Registration               | 385,506           | 3.00         | 411,016           | 3.00         |
| Housing Administration                   | 276,348           | 3.00         | 262,922           | 3.00         |
| Administration                           | 966,916           | 9.80         | 967,308           | 10.00        |
| <b>Total</b>                             | <b>29,495,375</b> | <b>65.50</b> | <b>37,170,064</b> | <b>73.40</b> |

## CHARGES TO OTHER DEPARTMENTS

| Charged Department         | Charged Fund         | FY13             |              | FY14             |              |
|----------------------------|----------------------|------------------|--------------|------------------|--------------|
|                            |                      | Total\$          | FTEs         | Total\$          | FTEs         |
| <b>COUNTY GENERAL FUND</b> |                      |                  |              |                  |              |
| CIP                        | CIP                  | 719,242          | 6.10         | 747,933          | 6.10         |
| Permitting Services        | Permitting Services  | 121,059          | 1.00         | 119,268          | 1.00         |
| Solid Waste Services       | Solid Waste Disposal | 705,500          | 5.50         | 705,500          | 5.50         |
| <b>Total</b>               |                      | <b>1,545,801</b> | <b>12.60</b> | <b>1,572,701</b> | <b>12.60</b> |

## FUTURE FISCAL IMPACTS

| Title  | CE REC.       |               | (5000's)      |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
|  | FY14          | FY15          | FY16          | FY17          | FY18          | FY19          |
| This table is intended to present significant future fiscal impacts of the department's programs.                        |               |               |               |               |               |               |
| <b>COUNTY GENERAL FUND</b>   |               |               |               |               |               |               |
| <b>Expenditures</b>  |               |               |               |               |               |               |
| <b>FY14 Recommended</b>  | <b>4,618</b>  | <b>4,618</b>  | <b>4,618</b>  | <b>4,618</b>  | <b>4,618</b>  | <b>4,618</b>  |
| No inflation or compensation change is included in outyear projections.  |               |               |               |               |               |               |
| <b>Labor Contracts</b>   | <b>0</b>      | <b>156</b>    | <b>196</b>    | <b>196</b>    | <b>196</b>    | <b>196</b>    |
| These figures represent the estimated cost of general wage adjustments, new service increments, and associated benefits. |               |               |               |               |               |               |
| <b>Labor Contracts - Other</b>   | <b>0</b>      | <b>0</b>      | <b>-6</b>     | <b>-6</b>     | <b>-6</b>     | <b>-6</b>     |
| These figures represent other negotiated items included in the labor agreements.   |               |               |               |               |               |               |
| <b>Subtotal Expenditures</b>   | <b>4,618</b>  | <b>4,774</b>  | <b>4,808</b>  | <b>4,808</b>  | <b>4,808</b>  | <b>4,808</b>  |
| <b>MONTGOMERY HOUSING INITIATIVE</b>   |               |               |               |               |               |               |
| <b>Expenditures</b>  |               |               |               |               |               |               |
| <b>FY14 Recommended</b>  | <b>26,548</b> | <b>26,548</b> | <b>26,548</b> | <b>26,548</b> | <b>26,548</b> | <b>26,548</b> |
| No inflation or compensation change is included in outyear projections.  |               |               |               |               |               |               |
| <b>Labor Contracts</b>   | <b>0</b>      | <b>57</b>     | <b>71</b>     | <b>71</b>     | <b>71</b>     | <b>71</b>     |
| These figures represent the estimated cost of general wage adjustments, new service increments, and associated benefits. |               |               |               |               |               |               |
| <b>Labor Contracts - Other</b>   | <b>0</b>      | <b>0</b>      | <b>-2</b>     | <b>-2</b>     | <b>-2</b>     | <b>-2</b>     |
| These figures represent other negotiated items included in the labor agreements.   |               |               |               |               |               |               |
| <b>Senior Housing (Silver Spring)</b>  | <b>0</b>      | <b>-4,500</b> | <b>-4,500</b> | <b>-4,500</b> | <b>-4,500</b> | <b>-4,500</b> |
| <b>Subtotal Expenditures</b>   | <b>26,548</b> | <b>22,105</b> | <b>22,116</b> | <b>22,116</b> | <b>22,116</b> | <b>22,116</b> |

**ACTION PLAN**  
**Projected use of Funds for CDBG, HOME and ESG**  
**July 1, 2013 – June 30, 2014**

**Community Development Block Grant (CDBG)**  
**July 1, 2013 - June 30, 2014**

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)** **\$4,126,300**

The county expects to receive \$3,626,300 in CDBG funds for Fiscal Year 2014, and with anticipated program income of \$500,000, an estimated total of \$4,126,300 in CDBG funds will be available for the following activities.

**CAPITAL IMPROVEMENTS PROJECTS** **\$1,145,000**

**Focused Neighborhood Assistance** **\$945,000**

This project provides for focused neighborhood assistance in selected neighborhoods with a primary focus on residential areas. Project elements will comprehensively address community needs for neighborhood preservation and enhancement. Resources are currently focused in the McKendree neighborhood of Montgomery Village (212 housing units).

**Contingency (Capital)** **\$200,000**

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)** **\$979,630**

**Housing Acquisition and Preservation** **\$929,630**

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. Assistance may be provided for public housing modernization and for group home acquisition and/or rehabilitation. An estimated 93 units will be created, preserved, or improved.

**Facility Planning** **\$50,000**

The funds will be used for preliminary planning and design for a variety of projects in eligible areas for possible inclusion in a future capital budget.

**Administration (capped)** \$676,000  
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** \$516,000  
Funds will be used to provide a variety of CDBG-eligible public services to low- and moderate-income county residents eligible for CDBG-funded assistance:

**Asian Pacific American Legal Resource Center, Inc.** \$40,655  
**"Immigration Legal Assistance"**  
Provide immigration legal assistance to low-income Asian immigrants. The Countywide program will benefit an estimated 50 people.

**Bethesda Cares, Inc.** \$28,392  
**"Eviction Prevention Program"**  
Provide small grants to rental agents or utility companies on behalf of identified families in Montgomery County who are seriously behind in their payments and eviction/utility shut-off is about to occur. The Countywide program will benefit an estimated 700 people.

**Board of Trustees for the Rockville Presbyterian Church of Montgomery County** \$24,229  
**"Rainbow Place"**  
Provide salary support for critical positions for Rainbow Place, an emergency shelter for homeless women. An estimated 86 women will benefit.

**Community Ministries of Rockville, Inc.** \$42,447  
**"Manfield Kaseman Health Clinic"**  
Provide for a part time (20 hours per week) nurse who will be responsible for managing the Quality Improvement and Quality Assurance Program of the Kaseman Health Clinic and help the Clinic prepare for health care reform. An estimated 2,500 people will benefit.

**IMPACT Silver Spring, Inc.** \$40,000  
**"Family Asset Building Network (FABNET)"**  
Continue to grow the Family Asset Building Network, which consist of "circles" of residents who come together to practice mutual support, exchange, and accountability in the pursuit of achieving self-identified life improvement goals; support program recruiting efforts via the Long Branch Athletic Association. An estimated 140 people will benefit.

**Interfaith Works, Inc.** \$45,000  
**"Volunteer Coordinator - Meals for the Homeless"**  
Supports a new position that coordinates volunteers providing meals to homeless individuals. An estimated 1,125 homeless individuals will benefit.

|  |                 |
|--|-----------------|
| <b>Mobile Medical Care, Inc.</b>   | <b>\$44,958</b> |
| <b>“Anticoagulation Clinic”</b>  |                 |
| Provide an Anticoagulation Clinic for 50+ high-risk, low-income, uninsured individuals who have atrial fibrillation, venous thromboembolism, hereditary disease or other illnesses that require close monitoring. The countywide program will benefit an estimated 50 people.        |                 |
| <b>Montgomery County, MD. Delta Alumnae Foundation, Inc.</b>   | <b>\$45,000</b> |
| <b>“Saturday Academy”</b>  |                 |
| Conduct a seven week learning experience for African-American middle-school students in Science, Technology, Engineering and Mathematics (STEM) areas. The program will benefit an estimated 50 students.  |                 |
| <b>Montgomery Housing Partnership, Inc.</b>  | <b>\$35,000</b> |
| <b>“Play and Learn Program”</b>  |                 |
| Supports the Play and Learn program, which provides an opportunity for preschool children to explore, socialize and acquire necessary skills for kindergarten, in a safe and nurturing learning environment. An estimated 110 children will benefit.                                 |                 |
| <b>National Center for Children and Families</b>   | <b>\$45,000</b> |
| <b>“Betty’s House”</b>   |                 |
| Provide continued program support for immigrant women and their American-born children who are survivors of domestic violence residing in Betty’s House, a transitional housing program. The program will benefit an estimated 18 people.  |                 |
| <b>St. Luke’s House and Threshold Services United, Inc.</b>  | <b>\$44,940</b> |
| <b>“Wellness Care Case Manager”</b>  |                 |
| Supports a case manager position dedicated to reducing in-patient psychiatric hospitalization rates and improving the physical health/wellness of individuals identified as high-utilizers of psychiatric hospitalization services. The program will benefit an estimated 50 people. |                 |
| <b>Stepping Stones Shelter, Inc.</b>   | <b>\$5,015</b>  |
| <b>“Financial Literacy Classes”</b>  |                 |
| Provides for a financial literacy series for shelter residents, both adults and children. The program will benefit an estimated 70 people.   |                 |
| <b>Sunflower Bakery, Inc.</b>  | <b>\$30,364</b> |
| <b>“Employment Service Program”</b>  |                 |
| Provides for the expansion of wraparound employment services for Sunflower students to secure employment upon completion of the Pastry Arts Training Program. The program will benefit an estimated 10 people.   |                 |
| <b>Young Men's Christian Association of Metropolitan Washington</b>  | <b>\$45,000</b> |
| <b>“YFS Nob Hill Community Center”</b>   |                 |
| Provides partial salary support for staff at the YFS Nob Hill Community Center in Silver Spring as well as various specified operating expenses of the Center. The program will benefit an estimated 120 people.   |                 |

**PROJECTS ADMINISTERED BY MUNICIPALITIES** **\$309,670**

**CITY OF TAKOMA PARK** **\$109,135**

**Crossroads Community Food Network, Inc.** **\$7,734**

**“Microenterprise Development in the Local Food Network”**

Provide culturally and linguistically appropriate job training (food production) and linkage of micro-entrepreneurs with existing resources and local food mentors. An estimated 80 underemployed and unemployed residents will benefit.

**Montgomery Housing Partnership (MHP)** **\$3,891**

**“Community Life Programs for MHP Residents at 7510 Maple Avenue”**

Provide academic enrichment programs and skills development activities for pre-school aged children and students enrolled in kindergarten to sixth grade. An estimated 28 children will benefit.

**Rebuilding Together Montgomery County** **\$92,765**

**“Critical Needs Home Repair”**

Provide home repairs, energy efficiency measures, and ADA improvements. An estimated 30 home-owner households will benefit.

**Young Men's Christian Association of Metropolitan Washington** **\$4,745**

**“Smart Choices for Emotions”**

Provide weekly therapeutic group meetings for at-risk middle school students. An estimated 30 children will benefit.

**CITY OF ROCKVILLE** **\$200,535**

**Interfaith Works, Inc.** **\$25,424**

**“Single-family Rehabilitation”**

Rehabilitation of three permanent supportive housing units for formerly homeless families. An estimated three households will benefit.

**Rockville Housing Enterprises** **\$31,516**

**“Public Housing Capital Improvements”**

Rehabilitation of at least two scattered site public housing units. An estimated two households will benefit.

**Single-Family Rehabilitation Program** **\$143,595**

Provide for staffing support necessary for the rehabilitation of at least six housing units. An estimated six households will benefit.

**SUMMARY OF EXPECTED BENEFIT FROM CDBG PROJECTS**

|            |       |
|------------|-------|
| Persons    | 5,217 |
| Households | 346   |

## HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)

July 1, 2013 - June 30, 2014

### **HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)** **\$1,758,770**

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 \$1,258,770 in funding for HOME projects, and together with anticipated program income of \$500,000, an estimated total of \$1,758,770 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** **\$1,389,045**

Funds will be used for the construction, acquisition, and / or rehabilitation of housing (both multi- and single-family units). DHCA may work with the private sector, non-profits and / or the Montgomery County Housing Opportunities Commission (HOC) in implementing this program. This is estimated to produce or preserve 139 units.

#### **Community Housing Development Organizations (CHDOs)** **\$188,816**

##### **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 (\$18,881) 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. This is estimated to produce or preserve 10 units.

### **PROJECTS ADMINISTERED BY NONPROFITS AND OTHER PUBLIC AGENCIES**

#### **CHDO Operating Assistance** **\$56,181**

Funds will be used to partially cover the administrative costs of qualified CHDOs: Montgomery Housing Partnership (MHP) and Housing Unlimited, Inc. (HUI). MHP will receive \$42,136 and HUI will receive \$14,045. 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.

#### **Fair Housing Activities** **\$18,564**

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. Activities will be administered by the Office of Human Rights.

**ADMINISTRATION**

\$106,164

The fund will be used to cover the county’s expenses associated with operating the HOME Program. Combined Fair Housing and administrative expenses cannot exceed 10% of the entitlement amount.

SUMMARY OF EXPECTED BENEFIT FROM HOME PROJECTS

|            |     |
|------------|-----|
| Persons    | 30  |
| Households | 0   |
| Units      | 149 |
| CHDO’s     | 2   |

**EMERGENCY SOLUTIONS GRANT (ESG)**

**July 1, 2013 - June 30, 2014**

EMERGENCY SOLUTIONS GRANT (ESG)

**\$383,215**

The ESG Program enables the county to assist persons who are homeless or at risk of homelessness. For County FY2014, it is anticipated that the County will receive \$383,215 in ESG funding. Funds are used in conjunction with the Continuum of Care homeless assistance system and will be administered by the county’s Department of Health and Human Services.

**PROJECTS ADMINISTERED BY COUNTY GOVERNMENT**

**Department of Health and Human Services (DHHS)**

**Rapid Re-Housing - Housing Stabilization and Relocation Services**

**\$183,948**

Funds will be used to assist homeless households locate, obtain and retain housing. Eligible singles and families include those living in temporary shelter, in a place not meant for human habitation or other places described in Category I of the newly revised homeless definition issued by HUD. Funds will be used for case management services and security deposits. Approximately 30 households will be assisted with the two Rapid Re-Housing programs.

**Rapid Re-Housing - Rental Assistance**

**\$65,884**

Funds will be used to help homeless households obtain and retain permanent housing. Assistance will be provided to households eligible for these services (meeting the criteria for Category I of the homeless definition recently issued by HUD). Approximately 30 households will be assisted with the two Rapid Re-Housing programs.

**Homeless Management Information System (HMIS)**

**\$7,500**

Funds will be used for licensing fees, data quality activities, training and other costs necessary to support the Montgomery County Continuum of Care's Homeless Management Information System. This CoC-wide database is used to track client services and provides valuable data to support planning activities.

**Homelessness Prevention - Housing Stabilization and Relocation Services** \$50,883  
Funds will be used to assist households at risk of homelessness to preserve housing or to locate and obtain affordable housing. Priority will be given to those households most at risk of becoming homeless including those whose current living situation can not be preserved. ESG assistance will be used to stabilize these households and prevent the need for emergency shelter. Funds will be used for case management services and deposits. Approximately 12 households will be served by the two Homeless Prevention programs.

**Homelessness Prevention - Rental Assistance** \$20,000  
Funds will help stabilize households at risk of homelessness to help them obtain and retain permanent housing. Assistance will be provided in the form of first months rent. Approximately 12 households will be served by the two Homeless Prevention programs.

**Emergency Shelter** \$50,000  
Funds will be used for Shelter operations including motel vouchers, maintenance, furnishings, and supplies necessary for operation of emergency shelter. By regulation the amount used for emergency shelter services may not exceed \$51,000 (based on federal fiscal year 2010 / county fiscal year 2011 ESG spending as a baseline). An estimated 150 people will benefit.

**ADMINISTRATION** \$5,000

Funds will be used to support administrative activities related to implementing the Emergency Solutions grant.

SUMMARY OF EXPECTED BENEFIT FROM ESG PROJECTS

|            |     |
|------------|-----|
| Persons    | 150 |
| Households | 42  |

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**MONTGOMERY COUNTY COUNCIL**  
**ROCKVILLE, MARYLAND**

**OFFICE OF THE COUNCIL PRESIDENT**

**MEMORANDUM**

April 23, 2013

**TO:** Councilmember Floreen, Chair  
Councilmember Elrich  
Councilmember Leventhal  
Planning, Housing, and Economic Development Committee

**FROM:** Nancy Navarro *HN*  
Council President  
Chair, Government Operations and Fiscal Policy Committee

**SUBJECT:** Montgomery Housing Partners Contract with Department of Housing and Community Affairs' Focused Neighborhood Assistance Program

As the PHED Committee considers the Department of Housing and Community Affairs' FY14 Budget, I want to express my strong support for Montgomery Housing Partners' request to continue their contract with the Focused Neighborhood Assistance Program at the FY13 level of \$100,000. The County Executive has not included this contract in his recommended FY14 Budget.

I have seen first hand the impact of MHP's work in my district, and I believe they have had a similar impact in other parts of the County. In particular, MHP has been instrumental in making Glenmont a more cohesive community with stronger neighborhood ties. Among their many efforts, they helped get funding and approval for the installation of gateway signs, creating a greater sense of place, and helped form two civic associations, which are now thriving. We will consider the Glenmont Sector Plan later this year and our Department of Economic Development has applied to have Glenmont designated as an Enterprise Zone. Both of these efforts will be greatly strengthened by the increased neighborhood participation and strengthened social ties MHP's outreach and education programs have generated.

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For more information, see Rob Goldman's April 18 letter to Chair Floreen, which documents MHP's impressive achievements in Glenmont, Connecticut Avenue Estates, Long Branch, and Germantown. Please join me in continuing to support their work across the County.

Cc: Councilmembers  
Marlene Michaelson, Legislative Analyst  
Rick Nelson, Director, Department of Housing and Community Affairs  
Rob Goldman, President, Montgomery Housing Partners



12200 Tech Road, Suite 250, Silver Spring, MD 20904 • Phone: 301-622-2400 • Fax: 301-622-2800 • www.MHPartners.org

April 18, 2013

The Honorable Nancy Floreen  
Councilmember  
Chair, Planning, Housing and Economic Development Committee  
Montgomery County Council  
100 Maryland Avenue, 6<sup>th</sup> Floor  
Rockville, MD 20850

Dear Councilmember Floreen:

Last year, you were kind enough, along with your colleagues on the PHED Committee and the Council, to restore funding for MHP's contract with the Department of Housing and Community Affairs Focused Neighborhood Assistance program. We would kindly request that you again provide funding for this contract when it is reviewed by the PHED Committee this year.

MHP has been contracted to provide neighborhood revitalization services to the County for many years. We feel that we have, and continue to provide these critical services to the County, which support local neighborhood revitalization in many key neighborhoods. We urge the County to reinstate this contract in the FY14 budget and support the continued, direct service, work in our neighborhoods.

With our FY13 contract, we have already celebrated many milestones. These include:

- Unveiling of the gateway signs in the Glenmont neighborhood that MHP was instrumental in getting designed, permitted and installed;
- Activation of the traffic signal at Veirs Mill Road and Claridge Road to support enhanced pedestrian and vehicular safety;
- A charette with the Long Branch Business League and community members to support community engagement in the development process; and
- Submitted, on behalf of the County, a renewal application for continued designation of Long Branch/Takoma Park as an Enterprise Zone.

We hope that we can continue these neighborhood revitalization efforts in Glenmont, Long Branch, Germantown, and other neighborhoods throughout the County. As raised during the presentation to the Council of the 2012 Draft Housing Policy on November 13<sup>th</sup>, the development of the Focused Neighborhood Assistance program was in part to combat deteriorating neighborhoods. MHP has, and continues to be, a major player in that initiative.

Montgomery Housing Partnership addresses neighborhood assistance with a three pronged approach: building community leadership, physical improvements to neighborhoods and helping residents address neighborhood specific issues/concerns. We have supported the County's initiative in a number of these projects, including efforts in Connecticut Avenue Estates, Glenmont and Long Branch. By supporting neighborhood revitalization efforts, the County is able to address a wide variety of issues, including vacant and distressed property, small business development, crime and safety, health and well-being and environmental stewardship. These are all issues the County has highlighted in the 2012 Housing Policy. These accomplishments include:

- Rehabilitation of 19 homes in Connecticut Avenue Estates;
- Acquiring and rehabbing four derelict buildings, representing 23 units in Long Branch;
- Establishment of two neighborhood civic associations representing over 1,000 households in Glenmont; and
- Completion of a best practices report with 25 HOAs in Germantown.

Attached to this letter are profiles of communities that we've worked with demonstrating the impact of neighborhood revitalization work. This is just a small sample of the meaningful work and impact that MHP's work has brought about in the homes and businesses of Montgomery County neighborhoods. Additionally, our work this current fiscal year builds upon our previous accomplishments. We are scheduled during the remainder of Fiscal Year 2013 to:

- Develop two afterschool programs, specific for environmental literacy for Germantown HOA communities;
- Design and implement inaugural Earth Day events in HOA communities in Germantown;
- Lead the process to rename/rebrand and market the Cinnamon Woods HOA;
- Analyze and report on recommendations regarding youth program needs for children aged 9-13 in two HOAs of Germantown: McKendree and Cinnamon Woods;
- Monitor and refer vacant properties in Germantown HOAs; and
- Assist DHCA in designing and implementing capital improvement charrettes within Germantown HOAs.

**We urge you to continue funding Montgomery Housing Partnership's contract with the Focused Neighborhood Assistance program at the FY13 levels of \$100,000.**

Thank you for taking the time to consider these thoughts and for always keeping the needs of Montgomery County citizens at the forefront of your mind. We look forward to continuing to work with the County ensuring all our residents live in quality communities.

I welcome the opportunity to discuss this issue with you further. Please feel free to reach me at [rgoldman@mhppartners.org](mailto:rgoldman@mhppartners.org) or 301-622-2400, ext. 14.

Sincerely,



Robert A. Goldman, ESQ.  
President

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## **Focused Neighborhood Assistance Program Summaries**

MHP worked with DHCA to address problems in the **Connecticut Avenues Estates** (CAE) neighborhood in Wheaton. In the late 1990's, this neighborhood was rife with vacant and foreclosed properties, severe drug and crime issues, and neighborhood apathy. MHP helped build capacity through a local civic association and implemented revitalization strategies such as home ownership promotion, neighborhood and new resident marketing materials, resident education, and acquisition of vacant and deteriorated houses.

By the early 2000's these efforts resulted in the rehabilitation of 19 homes; improvements in the appearance of the neighborhood including attractive new neighborhood gateway signs and neighborhood marketing campaigns and materials; homeownership promotion; and a revitalized civic association. The rental rate declined from 26% to 10%, and the number of landlords that owned more than one unit declined from 52 to 4. Additionally, out of 31 previously vacant units, only two remained. Property values also rose, and community pride and ownership experienced a resurgence.

Most recently, MHP has continued to help the civic association grow, champion their causes, and empower their residents. MHP sponsored several community building events in CAE, including a 15<sup>th</sup> anniversary celebration of the Civic association that helped raise their profile and boost their membership. In the last few years, MHP has helped the community raise several thousand dollars in funds for small community based projects, sent three neighborhood leaders to resident leadership training, educated over 200 residents on County rules, regulations and services, and helped lobby and advocate for neighborhood improvements like the State Highway Administration's new signalized intersection at Veirs Mill & Claridge. Most recently MHP also helped CAE start a summer movie night, which has now become an annual event managed by the civic association and geared toward dissolving tensions amongst new neighbors and building positive new community relations.

Just north of CAE, MHP also helped to improve the quality of life in the **Glenmont** neighborhood by working on behalf of the County. In Glenmont, MHP addressed foreclosures, health, environmental, crime, and community pride issues. MHP helped build up two solid and highly successful neighborhood civic associations that represent over 1,100 households. MHP organized events and services that provided over 30 homeowners assistance in navigating their pending foreclosure situation, educated over 1,000 households on how to avoid foreclosure loan scams, and worked with the County to provide 40 rain barrels and over 100 programmable thermostats to improve the environment and lower residents utility bills. MHP helped to build neighborhood leadership by sponsoring leadership training for 4 residents, one of which was subsequently awarded a very competitive national recognition by NeighborWorks America.

MHP also assisted in the formation of numerous neighborhood watch programs in the area. Within two years of the inception of these watches specific crimes dropped by 40% in the district. MHP also partnered with providers to bring health services to Latinos in the community, allowing over 100 residents to access information and real time health services.

Recently, through MHP's leadership and technical assistance, Glenmont was able to raise their profile to the broader community by designing and erecting 5 gateway signs around their neighborhood. The signs were long desired by the community and were identified as a goal in County's Master Plan for Glenmont. Most recently, MHP recently helped residents beautify the neighborhood while building community through

conversion of a long time unsightly vacant lot in the middle of their neighborhood into a conservation garden.

Similarly, in the **Glenville Rd. neighborhood in Long Branch**, MHP has partnered with the County to bring about substantive change. In the past, the community faced fractured and irresponsible apartment ownership, lack of resident cohesion, numerous code compliance and pest issues, illegal bulk trash dumping, and criminal activity. To date, MHP has worked on behalf of the County by organizing property owners to facilitate concentrated code compliance enforcement and property improvements, as well as acquiring and rehabbing four derelict buildings totaling 23 units. Together with the property owners and other County stakeholders, MHP increased police involvement and patrols, built a fence around the perimeter of the neighborhood to reduce cut-thru traffic by vagrants and criminals, installed attractive lighting on the facades of the buildings to increase safety, renovated the main shared surface parking lot, facilitated a trash and recycling cooperative, and implemented a comprehensive rodent extermination process.

MHP has also focused on residents and their ability to address neighborhood concerns by helping to form the Glenville Rd. Neighborhood Improvement Group, composed of a group of key neighborhood leaders. Realizing that many of the leaders needed to improve their English skills to be more effective, MHP created an ESOL class this year. Five students from the neighborhood have graduated from the ESOL class, of which four scored 90% or higher on their final exam.

Additionally, to combat issues of littering, lack of recycling, and illegal bulk trash dumping, MHP formed a youth-based Green Club. The Club has stopped illegal dumping on one of the main public medians in the neighborhood through a tree planting project. MHP also built four neighborhood garden plots for use by the Green Club at the adjacent Long Branch Community Center. Due to its initial success, the demand for parents enrolling their students in the Green Club already exceeds capacity, and recently MHP was able to bring several thousand dollars in additional philanthropic and grant resources to the neighborhood to expand this program and deepen its impact. Most recently, MHP has also partnered with the Maryland National Capital Park & Planning Commission to begin construction of 20 new community garden plots for use by area adults, with at least 50% set aside for low-income residents of Glenville Rd.

Additionally, in **Long Branch**, MHP assisted the County with revitalizing the commercial corridor along Piney Branch and Flower Ave. Long Branch is a key County neighborhood with a strong affordable housing stock and a strong small business presence that is part of the neighborhood's strength. Supporting and sustaining the small business community is key to improving the overall neighborhood.

In less than two years, MHP has managed to revive and put new energy into what was previously an inoperative and dispirited business league. MHP now publishes quarterly business league newsletters that are widely distributed and have raised the profile of the local businesses. The League has also voted in a new and energetic leadership, and MHP has helped them to: develop a web site, raise funds, create a logo for themselves and gain new members. MHP has also organized and sponsored access to technical assistance such as how to form business plans, access loans, design the inside of their stores, and market their services to the community. MHP has also helped to market and promote a street market in the area that averaged 550 people per day on weekends. MHP also co-developed a very promising vision for Long Branch as a place that incubates and nurtures the arts through the proposed strategic placement of public art. There is now a special committee of artists engaged in helping implement this vision, and have received preliminary written approval to implement murals on two major properties in the community. They



have also coordinated with the City of Takoma Park's Council approval of a gateway sculpture along the business that will be installed later this year.

In **Germantown** MHP's work took a slightly different slant. The focus was on home owner associations (HOA) dealing with high rates of foreclosures and the inability to collect dues and assessments. MHP worked closely with Cinnamon Run, a 600 plus unit association on conducting a capital reserve study and providing technical assistance and support to establish a financial planning strategy for the future. With 25 other HOAs in the area, MHP conducted a best practices report and worked with the associations and County to ensure both sides understand their maintenance responsibilities. MHP also worked with the HOAs to establish a single-family rehab loan program, which is now up and running. We reached out to over 1,000 households to make sure they are aware of this program and help them understand how it works. As townhouse developments begin to age in the Gaithersburg and Germantown area, the need for this HOA work is growing.