

AGENDA ITEM #10  
June 23, 2009

**Public Hearing/Action**

**MEMORANDUM**

June 19, 2009

TO: County Council

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **Public Hearing/Action: Supplemental Appropriation to the FY09 Operating Budget of the Montgomery County Government; Department of Housing and Community Affairs; Neighborhood Conservation Initiative Program \$2,500,000 (Source of Funds: State Grant)**

*In order to expedite the appropriation of these State funds, the Chair of the PHED Committee agreed to forward this item directly to the Council for action. Therefore, there is no Committee recommendation. On April 28<sup>th</sup>, when the Council approved \$2 million in funding for the Neighborhood Stabilization Program, DHCA Director Nelson informed the Council that the county was expecting this award.*

This supplemental appropriation was introduced on June 9, 2009.

**Background**

The Maryland Department of Housing and Community Development has awarded Montgomery County \$2,500,000 to purchase and renovate vacant, foreclosed homes that will then be preserved as rental for low income households. This effort will be a partnership with the Housing Opportunities Commission. Information provided to the State in support of this award describes the county's overall neighborhood conservation strategy, which includes:

- Foreclosure prevention, with an emphasis on community education, including outreach, foreclosure counseling, and early intervention.
- Heightened code enforcement to ensure that housing in impacted neighborhoods is maintained, that vacant properties are secure, and neighborhoods remain safe.
- Assistance to families facing homelessness.
- Assistance to families victimized by predatory lending practices.
- Initiatives to support the acquisition/rehabilitation and occupancy of vacant, foreclosed upon homes, providing both homeownership and rental opportunities.

The application notes that the county is using local funds to partner with Habitat for Humanity to acquire foreclosed home that will increase home ownership opportunities.

Homes purchased by the county will be subject to an energy efficiency evaluation as a part of the renovation process. Some of the actions taken may include:

- Conducting a blower door infiltration test of the structure.
- Reducing air infiltration by sealing openings in doors, windows, etc.
- Installing weather striping and door sweeps on exterior doors. Replacing storm doors or windows as indicated.
- Evaluating water heaters and replacing as needed.
- Insulating water heaters.
- Evaluating attic ventilation and modifying as indicated.
- Evaluating the sizing and efficiency of HVAC equipment and repairing or replacing as indicated.
- Evaluating appliances and replacing with Energy Star certified appliances as indicated.

**Attached to this memo**

**Circle**

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INTRODUCTION

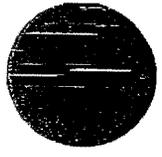
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OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850

Isiah Leggett  
County Executive

MEMORANDUM

049429



June 1, 2009

TO: Phii Andrews, President, County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Supplemental Appropriation #09-269 to the FY09 Operating Budget Supplemental  
Montgomery County Government  
Department of Housing and Community Affairs  
Neighborhood Conservation Initiative

I am recommending a supplemental appropriation to the FY09 Operating Budget of the Department of Housing and Community Affairs in the amount of \$2,500,000 for the Neighborhood Conservation Initiative.

This increase is needed because funding has been made available to the County by the State of Maryland for acquisition and rehabilitation of foreclosed properties to be rented to very low income persons at risk of becoming homeless.

I recommend that the County Council approve this supplemental appropriation in the amount of \$2,500,000 and specify the source of funds as state funds. This supplemental appropriation will not reduce County General Government Fund Reserves.

I appreciate your prompt consideration of this action.

IL:dc/jb

Attachment: Supplemental Appropriation #269-FY09

- c: Kathleen Boucher, Assistant Chief Administrative Officer
- Thomas Street, Assistant Chief Administrative Officer
- Joseph F. Beach, Director, Office of Management and Budget
- Rick Nelson, Director, Department of Housing and Community Affairs
- Uma S. Ahluwalia, Director, Department of Health and Human Services
- David Chikvashvili, Department of Housing and Community Affairs
- Jennifer Bryant, Office of Management and Budget

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REC'D COUNTY CLERK

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Resolution No: \_\_\_\_\_  
Introduced: \_\_\_\_\_  
Adopted: \_\_\_\_\_

COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #09-269 to the FY09 Operating Budget  
Supplemental  
Montgomery County Government  
Department of Housing and Community Affairs  
Neighborhood Conservation Initiative \$2,500,000

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. The County Executive has requested the following FY09 Operating Budget appropriation increase for the Department of the Housing and Community Affairs:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
-0-	\$2,500,000	-0-	\$2,500,000	State Grant

3. This increase is needed because funding has been made available to the County by the State of Maryland for acquisition and rehabilitation of foreclosed properties to be rented to very low income persons at risk of becoming homeless.
4. The County Executive recommends a supplemental appropriation to the FY09 Operating Budget in the amount of \$2,500,000 for the Neighborhood Conservation Initiative and specifies that the source of funds will be the state.
5. Notice of public hearing was given, and a public hearing was held.

Action

The County Council for Montgomery County, Maryland, approves the following action:

A supplemental appropriation to the FY09 Operating Budget of the Department of Housing and Community Affairs is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
-0-	\$2,500,000	-0-	\$2,500,000	State Grant

This is a correct copy of Council action.

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Linda M. Lauer, Clerk of the Council

**OPERATING BUDGET**

**SUPPLEMENTAL OR SPECIAL APPROPRIATION REQUEST SUMMARY**

1. Please fill in the following table:

Agency	
Department	Department of Housing and Community Affairs
Fund (County Government only)	State funds
Fiscal year	09
Supplemental or Special	Supplemental
Operating or Capital budget	Operating

2. What is the amount and source of funding?

Source of funding (Please list sources)	Amount
State	\$2,500,000
Total request	\$2,500,000

3. Is the request one-time or continuing? If continuing and funded by a grant, what will you do when the grant ends?

One time

4. Please provide a brief description, justification, expected outcomes, and how the outcomes will be measured.

Funding has been made available through the state. This appropriation will fund the acquisition and rehabilitation of foreclosed properties to be rented to very low income persons at risk of becoming homeless.

Outcomes will be measured by the number of persons/households assisted.

5. Please explain why you did not request this during the annual budget process.

Funding has just been made available through state.

6. For your agency, what is the current fiscal year budget for the relevant fund and what is the latest estimate? (do not fill out if the appropriation is funded entirely by a non-County grant)

Budget for current fiscal year for the relevant fund	
+ Supplemental/special appropriations already approved	
= Revised budget for current fiscal year	
Latest estimate of spending for current year	

7. County Government only: For your department or fund, whichever is applicable, what is the current fiscal year budget and what is the latest estimate? (do not fill out if the appropriation is funded entirely by a non-County grant)

Budget for current fiscal year for the department:	
+ Supplemental/special appropriations already approved	
= Revised budget for current fiscal year	
Latest estimate of spending for current year	



Maryland Department of Housing  
and Community Development

April 17, 2009

The Honorable Isiah Leggett  
County Executive  
Montgomery County  
101 Monroe Street  
Rockville, MD 20850

Dear Mr. Leggett:

On behalf of Governor Martin O'Malley and Lt. Governor Anthony G. Brown, it is my pleasure to inform you that your request for funding from the Neighborhood Conservation Initiative (NCI) has been approved in the amount of \$2,500,000. These funds are a valuable resource for communities and will assist Montgomery County and the Housing Opportunities Commission to acquire new rental properties.

This funding is conditioned upon execution of grant agreements between the Maryland Department of Housing and Community Development (DHCD) and the County. The NCI program is administered by DHCD through the Division of Neighborhood Revitalization. Staff is preparing agreements that will be mailed to the County by the end of the month.

Again, congratulations on your award. If I may be of further assistance on this or any other matter, please do not hesitate to contact me or Ms. Cindy Stone, Director of Office of Community Programs, at 410-514-7256.

Sincerely,

Raymond A. Skinner  
Secretary

cc: Ms. Luann Korona, Chief, Community Development, Montgomery County  
Ms. Cindy Stone, Director, Office of Community Programs, DHCD

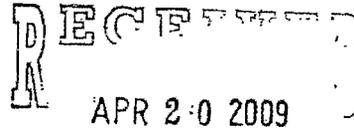
RAS/CS

Martin O' Malley  
GOVERNOR

Anthony G. Brown  
LT. GOVERNOR

Raymond A. Skinner  
SECRETARY

Clairence J. Snuggs  
DEPUTY SECRETARY



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