



# Housing and Community Affairs

## RECOMMENDED FY25 BUDGET

\$79,154,027

## FULL TIME EQUIVALENTS

127.00

 SCOTT BRUTON, DIRECTOR

## MISSION STATEMENT

The Department of Housing and Community Affairs (DHCA) works to preserve and increase the supply of affordable housing; maintain existing housing in a safe and sanitary condition; preserve the safety and quality of residential and commercial areas; ensure fair and equitable relations between landlords and tenants; and support the success of common ownership communities - all with a focus on reducing racial inequities and climate change impacts.

## BUDGET OVERVIEW



The total recommended FY25 Operating Budget for the Department of Housing and Community Affairs is \$79,154,027, an increase of \$2,394,485 or 3.12 percent from the FY24 Approved Budget of \$76,759,542. Personnel Costs comprise 21.90 percent of the budget for 133 full-time position(s) and no part-time position(s), and a total of 127.00 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses and Debt Service account for the remaining 78.10 percent of the FY25 budget.

DHCA expects the total signed agreements for affordable housing projects through the Payment in Lieu of Taxes (PILOT) program to abate \$24 million in taxes in FY25.

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

## COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following are emphasized:

-  **A Greener County**
-  **An Affordable, Welcoming County for a Lifetime**
-  **Effective, Sustainable Government**

## INITIATIVES

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- ★ Provide \$160.5 million in funding to produce and preserve affordable housing units in Montgomery County. This funding commitment includes the allocation of \$13.5 million in the Montgomery Housing Initiative (MHI) Fund, \$97 million in the Affordable Housing Acquisition and Preservation CIP project, and a total of \$50 million in FY24 and FY25 in the Nonprofit Preservation Fund CIP.
  - ★ Provide \$56 million in new resources for the Montgomery Housing Initiative Fund to continue various programs and projects dedicated to creating and preserving affordable housing, and related services. The funding will provide for the renovation of distressed housing, creation of housing units for special needs residents, rental assistance and rapid rehousing, homeless prevention and relocation assistance, homeowner downpayment assistance, home accessibility rehabilitation, services to the "Building Neighborhoods to Call Home", "Housing First" programs, and the creation of mixed-income housing.
  - ★ Provide funds for the new Rent Stabilization Program to be fully operational in FY25. This program establishes maximum allowable rent increases to stabilize rents in the County while ensures landlords can earn a fair return on their investment.
  - ★ Provide annualized funding to support the implementation and enforcement of Bill 22-23 Short-term Residential Rental reassigned from the Department of Health and Human Services to the Department of Housing and Community Affairs (DHCA). The funding allows for improvement of the licensing application processes and enhancement of required housing inspections. The funding sources come from the adjusted licensing fees that allow the program to be self-supporting.
  - ★ Restructure DHCA's organizational functions by creating a new "Rental Housing" Division to support more synergy and collaboration between the Office of Landlord and Tenant Affairs (OLTA) and the Rent Stabilization Program, realigning some programs among different divisions for more effective operations, and adding needed staffing to close operational gaps and enhance service delivery.
  - ★ Create a Manager II position to manage the new Rental Housing Division to ensure rent stabilization mandates are fully implemented and integrated with other relevant services and functions across the department.
  - ★ Increase licensing fees on multifamily rental units and other housing types to align with the fees charged by surrounding jurisdictions and offset staffing needs. The revenue generated from the licensing fees will be utilized to directly support programmatic operations and improve service delivery in Licensing and Registration, Code Enforcement, Landlord-Tenant Mediation, Rent Stabilization, and the Short-term Residential Rental programs.
  - ★ Add one Program Manager II position in the Common Ownership Communities (COC) Program to manage and administer the Revitalization for Troubled and Distressed Common Ownership Communities CIP. This new loan program will help COC communities to address needed capital improvements and avoid loss or displacement of housing units, particularly for low-income homeowners.
  - ★ Add one Program Manager II position in the Asset Management unit to provide loan servicing and monitoring for the new COC loan program, as well as multifamily housing loan projects funded with additional resources in the Montgomery Housing Initiative Fund and the new Nonprofit Preservation Fund.
  - ★ Add one Manager III and a Program Specialist position in the Licensing and Regulation Program to resolve chronic service gaps, increase revenue collection, and enhance the department's capacity to ensure that all rental housing and common ownership communities comply with the County's licensing requirements.
  - ★ Add one Housing Code Inspector in the Code Enforcement unit to implement re-inspections for those troubled and at-risk properties as required in Executive Regulation 2-17.
  - ★ Add one Program Manager I position in the Office of Landlord-Tenant Affairs (OLTA) to administer and coordinate all service requests, reduce the backlog as required by County codes, and provide additional support and coordination for the new Rent Stabilization Program.
  - ★ Add one Program Manager I position in the Affordable Housing Program to review purchase applications for Moderately Priced Dwelling Units (MPDU), provide training and oversight to developers after the MPDU purchase, and collaborate with

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other agencies to support development of senior housing in the County.

- ★ Continue to actively underwrite affordable housing loans to preserve and produce affordable housing. Three developments for multi-family projects have already been identified for potential funding in FY25. These developments would preserve or produce a total of 655 units, including 357 affordable units.

## INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

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- ★ DHCA's Moderately Priced Dwelling Unit (MPDU) program continues to generate new affordable units throughout the County. During FY23, the MPDU program generated 378 new MPDUs offered either for sale (43 units) or for rent (335 units).
- ★ DHCA's Multifamily Housing Development team successfully closed thirteen residential real estate loan transactions in FY23. Montgomery County provided more than \$96 million towards these developments. These transactions preserved, rehabilitated, or produced 975 units of affordable housing at an average cost of \$98,847 per unit throughout the County.
- ★ The Focused Neighborhood Assistance (FNA) program provides financial and technical assistance to improve the quality of life, safety, and welfare of their residents. Construction was substantially completed in FY23 for the Grover's Forge, Center Stage, Walker's Choice, and The Hamptons neighborhoods of Montgomery Village. All these communities will benefit from new LED lighting and site improvements. Additionally, the FNA program advanced a drainage and landscaping improvement project in the Wedgewood neighborhood and a lighting and common area improvement plan for the Montclair neighborhood.
- ★ Historically, the Code Enforcement team completes an average of 28,000 site visits and responds to 10,000 service requests annually. In FY23, the team completed 40,970 site visits and responded to more than 9,600 service requests.
- ★ DHCA's Code Enforcement unit continues to implement a contract established in 2003 with the City of Takoma Park to inspect the City's residential rental facilities. This agreement was established to ensure the protection of the health, safety and welfare of persons residing in over 500 residential rental facilities and 3,200 rental units within the City of Takoma Park.

## PROGRAM CONTACTS

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Contact Pofen Salem of the Department of Housing and Community Affairs at 240.777.3728 or Anita Aryeetey of the Office of Management and Budget at 240.777.2784 for more information regarding this department's operating budget.

## PROGRAM PERFORMANCE MEASURES

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Performance measures for this department are included below (where applicable), with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY24 estimates reflect funding based on the FY24 Approved Budget. The FY25 and FY26 figures are performance targets based on the FY25 Recommended Budget and funding for comparable service levels in FY26.

## PROGRAM DESCRIPTIONS

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### ★ Administration

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

Program Performance Measures	Actual FY22	Actual FY23	Estimated FY24	Target FY25	Target FY26
Asset Management - Loan repayments billed / received	\$47,141,999	\$36,076,199	\$76,852,485	\$6,234,060	\$6,421,081
Number of affordable housing units managed under DHCA Rental Agreements	961	1,269	1,800	1,800	1,800
Department MC311 Service Requests (SR)	22,909	23,681	24,391	23,660	22,950
Department MC311 Service Request success rate	89.8%	83.8%	86.3%	88.9%	91.6%
NACo Awards earned	1	0	1	1	1

FY25 Recommended Changes	Expenditures	FTEs
<b>FY24 Approved</b>	<b>2,535,552</b>	<b>13.70</b>
Increase Cost: Operating Expenses to Reflect the Debt Service Transfer for the Housing Capital Improvements Program and the Housing Opportunities Commission Production Fund	861,080	0.00
Increase Cost: Adjust Operating Expenses to Reflect Delta Between the FY24 and FY25 General Fund Transfer	417,029	0.00
Add: Two Information Technology Positions for the Implementation of Bill 15-23 - Rent Stabilization and Bill 22-23 - Short-Term Residential Rental Programs	287,442	2.00
Shift: Manager II Transferred from the Office of Human Resources to Support Strategic Initiatives and New Programming	229,205	1.00
Add: One Program Manager II Position to Support Operational and Increased Loan Servicing Needs	98,693	1.00
Enhance: On-going Information Technology Operating Expense for Software Licenses and Maintenance Needs for the Short-Term Residential Rental Portal.	95,172	0.00
Enhance: On-going Information Technology Expense to Maintain and Monitor the Case Management System and Rental Portal	81,957	0.00
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts	65,931	0.00
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts	16,168	0.00
Decrease Cost: Miscellaneous Operating Expenses	(15,682)	0.00
Shift: Tax-Supported Charge Backs to the Office of County Attorney	(114,438)	(0.50)
Decrease Cost: Adjust Other Revenue Sources in the Housing Initiative Fund	(515,649)	0.00
Decrease Cost: Rental Assistance Program Due to Decreased Recordation Tax Premium Estimates	(992,764)	0.00
Decrease Cost: Housing Opportunities Commission (HOC) Production Fund Contributions to the Housing Initiative Fund	(1,228,750)	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.	1,804,741	3.40
<b>FY25 Recommended</b>	<b>3,625,687</b>	<b>20.60</b>

## Affordable Housing Programs

This program oversees the creation, selection, and oversight of inclusionary affordable housing units. It primarily enforces Chapter 25A of the County Code to ensure that both rental and sale Moderately Priced Dwelling Units (MPDUs) are provided. The housing units produced are marketed at controlled prices, which makes them affordable to moderate-income households.

Additional single-family housing programs are also overseen by this program to provide energy efficiency solutions and savings, and home accessibility rehabilitation.

Program Performance Measures	Actual FY22	Actual FY23	Estimated FY24	Target FY25	Target FY26
Number of moderately priced dwelling units agreed upon to be constructed for future occupancy	288	783	300	300	300
Affordable Housing Program - Number of MC311 Service Requests	1,780	1,462	1,500	1,545	1,591
Affordable Housing Program - Percent of MC311 Service Requests meeting service length agreement	97.0%	96.0%	97.0%	99.9%	100.0%

Program Performance Measures	Actual FY22	Actual FY23	Estimated FY24	Target FY25	Target FY26
Number of moderately priced dwelling units produced and available for occupancy	249	327	300	309	318
Number of housing units improved/rehabilitated	24	25	50	52	53
<b>FY25 Recommended Changes</b>			<b>Expenditures</b>	<b>FTEs</b>	
<b>FY24 Approved</b>			<b>1,138,019</b>	<b>6.50</b>	
Enhance: One Program Manager I Position to Provide Support for Increased Demand in the Moderately Priced Dwelling Units (MPDUs) Program			92,073	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.			50,998	(0.50)	
<b>FY25 Recommended</b>			<b>1,281,090</b>	<b>7.00</b>	

## Common Ownership Community Program

The Office of Common Ownership Communities (OCOC) is committed to providing owners, tenants, residents, boards of directors, and management companies of self-governing residential communities with information, assistance, and impartial dispute resolution programs that improve the quality of life in the community, strengthen the self-governing community structure, and enhance the value of residential property in community associations." The OCOC enforces Chapter 10B, Common Ownership Communities of the Montgomery County Code.

The OCOC program ensures fair and equitable relations between the governing bodies of homeowner associations, condominium associations, and cooperatives, and the individuals living within these common ownership communities, and encourages the maintenance and improvement of housing. Activities include 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 Common Ownership Communities.

Program Performance Measures	Actual FY22	Actual FY23	Estimated FY24	Target FY25	Target FY26
COC Program Customer Service - Number of MC311 Service Requests	802	886	760	760	760
COC Program Customer Service - Percent of MC311 Service Requests meeting service length agreement	99.5%	93.5%	99.0%	99.0%	99.0%
Percent of Commission on Common Ownership Communities (CCOC) cases resolved prior to a hearing	58.0%	55.0%	46.0%	46.0%	46.0%
<b>FY25 Recommended Changes</b>			<b>Expenditures</b>	<b>FTEs</b>	
<b>FY24 Approved</b>			<b>1,011,332</b>	<b>6.15</b>	
Enhance: One Investigator III Position to Comply with County Mandates and Meet Increased Service Demand			92,560	1.00	
Decrease Cost: Miscellaneous Operating Expenses			(4,000)	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.			94,103	0.00	
<b>FY25 Recommended</b>			<b>1,193,995</b>	<b>7.15</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 persons with low incomes.

Program Performance Measures	Actual FY22	Actual FY23	Estimated FY24	Target FY25	Target FY26
Number of contracts awarded and monitored	22	21	23	22	22
Funding awarded to CDBG public service contracts	\$630,000	\$625,000	\$630,000	\$660,000	\$660,000
CDBG public service contract compliance rate	100%	100%	100%	100%	100%
CDBG public service contract non-housing beneficiaries <sup>1</sup>	\$23,220	\$6,277	\$1,022	\$1,000	\$1,000

<sup>1</sup> DHCA partners with the Community Development Advisory Committee, which provides funding recommendations for public service contracts. The beneficiaries of these contracts fluctuate annually based on the type of services provided.

FY25 Recommended Changes	Expenditures	FTEs
<b>FY24 Approved</b>	<b>9,346,977</b>	<b>6.70</b>
Technical Adj: Realign Budget Allocation Between PC and OE to Meet the Estimated Grant Amount	113,914	0.00
Add: Community Bridges, Inc. - Community Bridges Alumnae Program	45,000	0.00
Add: Community Reach of Montgomery County, Inc. - Mansfield Kaseman Health Clinic	45,000	0.00
Add: Homes Not Borders, Inc. - Home Set Ups and Moving Up Fund for Refugees and Migrants	40,000	0.00
Add: Collegiate Directions, Inc. - Career Mentoring Initiative	40,000	0.00
Add: Montgomery Housing Partnership, Inc. - MHP's Workforce Development Program	40,000	0.00
Add: United Way of the National Capital Area - Community Schools Model	40,000	0.00
Add: Mobile Medical Care, Inc. - Keeping Focused on Diabetic Eye Health	36,734	0.00
Add: Arts for the Aging, Inc. - Sustaining Health Equity Through the Participatory Arts	35,733	0.00
Add: Ayuda, Inc. - Domestic Violence & Family Law Survivors Program	35,000	0.00
Add: EveryMind, Inc. - Case Manager: Rep Payee and Friendly Visitor	35,000	0.00
Add: Latino Economic Development Corporation - LEDC Tenant Services and Eviction Prevention	34,920	0.00
Add: Horizons Greater Washington, Inc. - HGW School Year Saturday Academy - Montgomery County	34,108	0.00
Add: Community Reach of Montgomery County, Inc. - Rockville Emergency Assistance Program (REAP)	33,000	0.00
Add: Korean Community Service Center of Greater Washington, Inc. - Strengthening Asian Families through Empowerment and Service (SAFES)	32,533	0.00
Add: Food and Friends, Inc. - Improving the Lives and Health of the Most Vulnerable	32,115	0.00
Add: Community FarmShare LLC - Farm to Family Nutrition Access	29,965	0.00
Add: Germantown Cultural Arts Center, Inc. - Beyond BlackRock: Positive Youth Development Arts Outreach Programming	25,000	0.00
Add: Liberty's Promise, Inc. - Helping the Immigrant Youth of Montgomery County Succeed	25,000	0.00
Add: Bethesda African Cemetery Coalition, Inc. - The Bridge That Carried Us Over: Education for the 21st Century	20,892	0.00
Increase Cost: Takoma Park Code Enforcement Contract	16,877	0.00
Eliminate: One Vacant Lapsed Position to Better Align the Division Personnel Complement	0	(0.30)
Decrease Cost: Abolish Two Vacant Lapsed Positions to Better Realign Personnel Complement	0	(1.40)
Decrease Cost: Community Development Block Grant (CDBG) Adjustments	(660,000)	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.	(1,358,029)	0.00
<b>FY25 Recommended</b>	<b>8,119,739</b>	<b>5.00</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; Chapter 48, *Solid Wastes*; and Chapter 58, *Weeds*, the County's residential weeds and rubbish codes. Approximately 80 percent of the single-family inspections result from tenant and/or neighbor complaints; other inspections are the result of concentrated code enforcement efforts in specific areas. The multi-family inspections are based on a requirement for triennial inspections and in response to tenant and/or neighbor complaints. This program is supported by the collection of single-family and apartment/condominium licensing fees.

Program Performance Measures	Actual FY22	Actual FY23	Estimated FY24	Target FY25	Target FY26
Number of Housing Code Enforcement inspections	28,185	41,142	42,376	43,648	44,957
Housing Code Enforcement Program Customer Service - Number of MC311 Service Requests	10,220	6,107	6,290	6,479	6,673
Housing Code Enforcement Program Customer Service - Percent of MC311 Service Requests meeting service length agreement	76.4%	76.3%	78.6%	80.9%	83.3%
Code Enforcement - Number of violations per unit	2.12	2.24	2.31	2.38	2.45
Code Enforcement - Average severity of violations per unit	2.6	2.1	2.2	2.2	2.3

FY25 Recommended Changes	Expenditures	FTEs
<b>FY24 Approved</b>	<b>5,454,198</b>	<b>39.50</b>
Add: Two Housing Code Inspectors and Associated Operating Expenses for Implementation of the Short-Term Residential Rental Program (Bill 22-23)	365,109	2.00
Enhance: One Housing Code Inspector III Position to Meet County Mandates for the Re-inspection Program	150,354	1.00
Decrease Cost: Miscellaneous Operating Expenses	(16,180)	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.	371,596	0.00
<b>FY25 Recommended</b>	<b>6,325,077</b>	<b>42.50</b>

## Housing Development

This program provides management and oversight to support activities within the housing division including single- and multifamily housing programs. In addition to oversight of the affordable housing and multifamily housing programs, Housing Administration also oversees downpayment assistance programs, the creation of new affordable housing initiatives, and tax abatement PILOTs.

Program Performance Measures	Actual FY22	Actual FY23	Estimated FY24	Target FY25	Target FY26
Affordable housing units produced in the production pipeline	961	406	718	740	762
Number of affordable housing units in the preservation pipeline	521	719	1,612	1,660	1,710
Cost per unit of affordable housing units preserved <sup>1</sup>	\$ 40,874	\$177,218	\$230,383	\$299,498	\$389,348
Cost per unit of affordable housing units produced <sup>2</sup>	\$45,744	\$142,377	\$146,648	\$151,048	\$155,579
Percent of affordable units created or preserved serving households under 50% AMI <sup>3</sup>	33.0%	30.0%	30.0%	30.9%	31.8%

<sup>1</sup> The significant cost increase per affordable unit being preserved in FY23 reflects the overall economic changes associated with inflationary adjustments, higher construction costs, and local tax policy changes.

<sup>2</sup> Average cost per unit fluctuates with the type of project financed. The significant cost increase per unit being produced for FY23 reflects the overall economic changes associated with inflationary adjustments, higher construction costs, and local tax policy changes.

<sup>3</sup> DHCA's underwriting criteria was recently updated to reflect a goal of providing a certain attainable and consistent level of affordable housing for very low income households.

FY25 Recommended Changes	Expenditures	FTEs
<b>FY24 Approved</b>	<b>443,491</b>	<b>3.95</b>
Decrease Cost: Miscellaneous Operating Expenses	(1,000)	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.	(176,437)	(2.00)
<b>FY25 Recommended</b>	<b>266,054</b>	<b>1.95</b>

## Landlord-Tenant Mediation

The Office of Landlord-Tenant Affairs (OLTA) is charged with informing the public of the general rights and responsibilities of tenants and landlords and helping resolve disputes amicably, free of charge, without having to go through the District Court process. Landlord-Tenant enforces Chapter 29, Landlord-Tenant Relations of the Montgomery County Code, along with parts of Title 8, Landlord-Tenant of the Real Property Article, Annotated Code of Maryland, the State of Maryland Landlord-Tenant law.

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 FY22	Actual FY23	Estimated FY24	Target FY25	Target FY26
Number of Landlord Tenant mediations	845	937	1,014	1,044	1,076
Landlord Tenant Affairs Program - Number of MC311 Service Requests	7,783	12,938	12,958	12,978	12,998
Landlord Tenant Affairs Program - Percent of MC311 Service Requests meeting service length agreement	99.7%	99.3%	99.0%	99.0%	99.0%
Percent of landlord/tenant cases mediated successfully (not referred to the Commission)	97.0%	96.1%	95.0%	95.0%	95.0%
Number of evictions prevented due to Landlord & Tenant Affairs' intervention	153	287	315	315	315

FY25 Recommended Changes	Expenditures	FTEs
<b>FY24 Approved</b>	<b>2,010,286</b>	<b>10.00</b>
Enhance: One Program Manager I Position to Support Increased Service Demand in the Office of Landlord-Tenant Mediation Division	92,073	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.	499,004	0.00
<b>FY25 Recommended</b>	<b>2,601,363</b>	<b>11.00</b>

## Licensing and Registration

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

Program Performance Measures	Actual FY22	Actual FY23	Estimated FY24	Target FY25	Target FY26
Licensing and Registration Program - Number of MC311 Service Requests	4,211	6,786	6,990	7,199	7,415
Licensing and Registration Program - Percent of MC311 Service Requests meeting service length agreement	99.9%	64.8%	80.0%	90.0%	100.0%
Number of rental licenses issued	110,421	109,266	112,544	115,920	119,398



FY25 Recommended Changes	Expenditures	FTEs
<b>FY24 Approved</b>	<b>486,925</b>	<b>3.20</b>
Add: Two Program Specialists for the Implementation of the Short-Term Residential Rental Program (Bill 22-23)	232,428	2.00
Add: One Manager III Position to Close Operational Gaps in the Licensing and Registration Unit and Increase Revenue Generation	113,633	1.00
Enhance: One Program Specialist II Position to Close Operational Gaps within Licensing and Registration and Increase Revenue Collection	86,053	1.00
Enhance: Enforcement of the Single-Family Survey and Licensing Registration	79,160	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.	14,599	0.00
<b>FY25 Recommended</b>	<b>1,012,798</b>	<b>7.20</b>

## Multi-Family Housing Programs

This program creates, preserves, and rehabilitates affordable multi-family housing units. This section provides funding to supplement rents through rental agreements, negotiates Payments In Lieu of Taxes (PILOTS), reviews and approves rental building sales through the Right of First Refusal (ROFR) program, and negotiates and completes loans to create or preserve affordable units. Loans are made to the Housing Opportunities Commission (HOC), nonprofit organizations, property owners, and for-profit developers.

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

Program Performance Measures	Actual FY22	Actual FY23	Estimated FY24	Target FY25	Target FY26
Number of affordable housing units produced	250	406	418	431	444
Number of affordable housing units preserved	700	604	620	641	660
Ratio of non-County dollars leveraged to County dollars in affordable housing projects	7.05	4.40	5.00	5.15	5.30

FY25 Recommended Changes	Expenditures	FTEs
<b>FY24 Approved</b>	<b>52,933,836</b>	<b>8.90</b>
Decrease Cost: Miscellaneous Operating Expenses	(1,000)	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.	(1,028,251)	0.00
<b>FY25 Recommended</b>	<b>51,904,585</b>	<b>8.90</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.

Program Performance Measures	Actual FY22	Actual FY23	Estimated FY24	Target FY25	Target FY26
Focused Neighborhood Assistance Activity (expenditures) <sup>1</sup>	\$198,276	\$317,080	\$828,355	\$600,000	\$600,000
Facade Program - Private dollars leveraged	\$0	\$0	\$630,000	\$1,235,000	\$1,000,000
Focused Neighborhood Assistance Active projects	3	3	3	3	3
Focused Neighborhood Assistance beneficiaries	1,565	1,583	1,583	850	700
Facade Program - Number of businesses benefited	0	0	9	80	12

<sup>1</sup> FY23 activities include three active projects (Montclair Manor, Montgomery Village, and Wedgewood Projects). FY24-25 assumes construction activity for the two phased Long Branch Streetscape and Pedestrian Linkages Projects.

FY25 Recommended Changes	Expenditures	FTEs
<b>FY24 Approved</b>	<b>1,398,926</b>	<b>7.60</b>
Decrease Cost: Miscellaneous Operating Expenses	(1,500)	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.	501,983	(0.90)
<b>FY25 Recommended</b>	<b>1,899,409</b>	<b>6.70</b>

## Rent Stabilization

This program implements Bill 15-23 Landlord-Tenant Relations- Rent Stabilization which was enacted by the Montgomery County Council on July 18, 2023, and signed into law by the Montgomery County Executive on July 24, 2023. The program will ensure the implementation and compliance of all aspects of the rent stabilization law and regulations, including but not limited to: determining annual rent increase limits for rent stabilized properties and enforcing compliance with these limits; enforcing landlord compliance with limits on fees charged to tenants; managing the application processes for and implementation of fair return, capital improvement, and substantial rehabilitation petitions for rent increases above annual limits; overseeing exemptions for rental properties from rent stabilization requirements; conducting community outreach to educate landlords and tenants about the rent stabilization law and regulations; responding to service inquiries and troubleshooting service problems related to the compliance with the rent stabilization law and regulations; investigating and enforcing remedies for noncompliance with the rent stabilization law and regulations; and enforcing landlord reporting requirements under the rent stabilization law and regulations.

FY25 Recommended Changes	Expenditures	FTEs
<b>FY24 Approved</b>	<b>0</b>	<b>0.00</b>
Add: Eight Positions and Associated Operating Expenses to Fully Implement the Rent Stabilization Program (Bill 15-23)	1,008,534	8.00
Add: One Manager II Position (Division Chief) for Overall Managerial Responsibilities for the New Rent Stabilization Unit	122,940	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.	(207,244)	0.00
<b>FY25 Recommended</b>	<b>924,230</b>	<b>9.00</b>

## BUDGET SUMMARY

	Actual FY23	Budget FY24	Estimate FY24	Recommended FY25	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					

## BUDGET SUMMARY

	Actual FY23	Budget FY24	Estimate FY24	Recommended FY25	%Chg Bud/Rec
Salaries and Wages	5,878,659	6,858,762	6,847,290	9,232,997	34.6 %
Employee Benefits	1,621,525	1,935,550	1,808,276	2,572,799	32.9 %
<b>County General Fund Personnel Costs</b>	<b>7,500,184</b>	<b>8,794,312</b>	<b>8,655,566</b>	<b>11,805,796</b>	<b>34.2 %</b>
Operating Expenses	1,880,054	1,831,406	2,391,616	2,289,123	25.0 %
Capital Outlay	229	0	0	0	—
<b>County General Fund Expenditures</b>	<b>9,380,467</b>	<b>10,625,718</b>	<b>11,047,182</b>	<b>14,094,919</b>	<b>32.6 %</b>

### PERSONNEL

Full-Time	110	112	112	133	18.8 %
Part-Time	0	0	0	0	—
FTEs	65.65	69.25	69.25	90.45	30.6 %

### REVENUES

Landlord-Tenant Fees	6,586,131	7,487,350	7,487,350	11,263,722	50.4 %
Common Ownership Community Fees	753,447	1,024,705	1,024,705	998,378	-2.6 %
Other Charges/Fees	(7,370)	41,500	41,500	76,155	83.5 %
Other Fines/Forfeitures	46,802	9,000	9,000	96,000	966.7 %
Miscellaneous Revenues	(1,144)	6,500	6,500	4,000	-38.5 %
Board of Appeals Fees	0	0	0	35,620	—
Other Licenses/Permits	0	3,000	3,000	657,500	—
<b>County General Fund Revenues</b>	<b>7,377,866</b>	<b>8,572,055</b>	<b>8,572,055</b>	<b>13,131,375</b>	<b>53.2 %</b>

## MONTGOMERY HOUSING INITIATIVE

### EXPENDITURES

Salaries and Wages	1,504,470	2,455,037	2,062,961	2,664,181	8.5 %
Employee Benefits	369,241	626,902	563,695	713,155	13.8 %
<b>Montgomery Housing Initiative Personnel Costs</b>	<b>1,873,711</b>	<b>3,081,939</b>	<b>2,626,656</b>	<b>3,377,336</b>	<b>9.6 %</b>
Operating Expenses	105,126,699	54,205,753	58,429,555	52,818,763	-2.6 %
<b>Montgomery Housing Initiative Expenditures</b>	<b>107,000,410</b>	<b>57,287,692</b>	<b>61,056,211</b>	<b>56,196,099</b>	<b>-1.9 %</b>

### PERSONNEL

Full-Time	1	1	1	2	100.0 %
Part-Time	0	0	0	0	—
FTEs	18.05	22.15	22.15	23.15	4.5 %

### REVENUES

Land Sale Proceeds	2,261,429	0	0	0	—
Commitment Fee	0	200,000	502,086	200,000	—
Asset Management Fee	0	70,200	70,200	70,200	—
MHI Transfer Tax	105,630	100,000	0	100,000	—
Recordation Tax	16,855,617	23,879,590	20,330,037	22,886,826	-4.2 %
Loan Payments	6,479,251	3,300,000	20,017,003	3,300,000	—
Miscellaneous Revenues	151,808	75,006	75,006	75,006	—

## BUDGET SUMMARY

	Actual FY23	Budget FY24	Estimate FY24	Recommended FY25	%Chg Bud/Rec
MPDU Revenues	1,064,998	1,970,000	1,970,000	1,970,000	—
Other Financing Sources	71,480	54,510	0	0	-100.0 %
Investment Income	5,162,141	4,043,580	4,043,580	4,043,580	—
MPDU Alternative Payments	0	360,000	360,000	0	-100.0 %
HOC Contributions	5,736	4,978,750	3,808,542	3,750,000	-24.7 %
<b>Montgomery Housing Initiative Revenues</b>	<b>32,158,090</b>	<b>39,031,636</b>	<b>51,176,454</b>	<b>36,395,612</b>	<b>-6.8 %</b>

### GRANT FUND - MCG

#### EXPENDITURES

Salaries and Wages	1,680,781	1,869,393	1,869,393	1,731,263	-7.4 %
Employee Benefits	423,249	392,108	392,108	419,246	6.9 %
<b>Grant Fund - MCG Personnel Costs</b>	<b>2,104,030</b>	<b>2,261,501</b>	<b>2,261,501</b>	<b>2,150,509</b>	<b>-4.9 %</b>
Operating Expenses	16,986,431	6,584,631	6,584,631	6,712,500	1.9 %
Capital Outlay	55,984	0	0	0	—
<b>Grant Fund - MCG Expenditures</b>	<b>19,146,445</b>	<b>8,846,132</b>	<b>8,846,132</b>	<b>8,863,009</b>	<b>0.2 %</b>

#### PERSONNEL

Full-Time	(1)	(1)	(1)	(2)	100.0 %
Part-Time	0	0	0	0	—
FTEs	20.50	14.80	14.80	13.40	-9.5 %

#### REVENUES

Federal Grants	10,925,770	6,930,829	6,930,829	6,900,829	-0.4 %
Other Intergovernmental	422,630	285,303	285,303	302,180	5.9 %
State Grants	1,115,424	630,000	630,000	660,000	4.8 %
Loan Payments	3,631,536	1,000,000	1,000,000	1,000,000	—
Investment Income	1,353,280	0	0	0	—
<b>Grant Fund - MCG Revenues</b>	<b>17,448,640</b>	<b>8,846,132</b>	<b>8,846,132</b>	<b>8,863,009</b>	<b>0.2 %</b>

### DEPARTMENT TOTALS

<b>Total Expenditures</b>	<b>135,527,322</b>	<b>76,759,542</b>	<b>80,949,525</b>	<b>79,154,027</b>	<b>3.1 %</b>
<b>Total Full-Time Positions</b>	<b>110</b>	<b>112</b>	<b>112</b>	<b>133</b>	<b>18.8 %</b>
<b>Total Part-Time Positions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>
<b>Total FTEs</b>	<b>104.20</b>	<b>106.20</b>	<b>106.20</b>	<b>127.00</b>	<b>19.6 %</b>
<b>Total Revenues</b>	<b>56,984,596</b>	<b>56,449,823</b>	<b>68,594,641</b>	<b>58,389,996</b>	<b>3.4 %</b>

## FY25 RECOMMENDED CHANGES

	Expenditures	FTEs
<b>COUNTY GENERAL FUND</b>		
	<b>FY24 ORIGINAL APPROPRIATION</b>	<b>10,625,718 69.25</b>

## FY25 RECOMMENDED CHANGES

	Expenditures	FTEs
<b><u>Changes (with service impacts)</u></b>		
Add: Eight Positions and Associated Operating Expenses to Fully Implement the Rent Stabilization Program (Bill 15-23) [Rent Stabilization]	1,008,534	8.00
Add: Two Housing Code Inspectors and Associated Operating Expenses for Implementation of the Short-Term Residential Rental Program (Bill 22-23) [Housing Code Enforcement]	365,109	2.00
Add: Two Information Technology Positions for the Implementation of Bill 15-23 - Rent Stabilization and Bill 22-23 - Short-Term Residential Rental Programs [Administration]	287,442	2.00
Add: Two Program Specialists for the Implementation of the Short-Term Residential Rental Program (Bill 22-23) [Licensing and Registration]	232,428	2.00
Enhance: One Housing Code Inspector III Position to Meet County Mandates for the Re-inspection Program [Housing Code Enforcement]	150,354	1.00
Add: One Manager II Position (Division Chief) for Overall Managerial Responsibilities for the New Rent Stabilization Unit [Rent Stabilization]	122,940	1.00
Add: One Manager III Position to Close Operational Gaps in the Licensing and Registration Unit and Increase Revenue Generation [Licensing and Registration]	113,633	1.00
Enhance: On-going Information Technology Operating Expense for Software Licenses and Maintenance Needs for the Short-Term Residential Rental Portal. [Administration]	95,172	0.00
Enhance: One Investigator III Position to Comply with County Mandates and Meet Increased Service Demand [Common Ownership Community Program]	92,560	1.00
Enhance: One Program Manager I Position to Support Increased Service Demand in the Office of Landlord-Tenant Mediation Division [Landlord-Tenant Mediation]	92,073	1.00
Enhance: One Program Manager I Position to Provide Support for Increased Demand in the Moderately Priced Dwelling Units (MPDUs) Program [Affordable Housing Programs]	92,073	1.00
Enhance: One Program Specialist II Position to Close Operational Gaps within Licensing and Registration and Increase Revenue Collection [Licensing and Registration]	86,053	1.00
Enhance: On-going Information Technology Expense to Maintain and Monitor the Case Management System and Rental Portal [Administration]	81,957	0.00
Enhance: Enforcement of the Single-Family Survey and Licensing Registration [Licensing and Registration]	79,160	0.00
Eliminate: One Vacant Lapsed Position to Better Align the Division Personnel Complement [Grants Administration - Federal Programs]	0	(0.30)
<b><u>Other Adjustments (with no service impacts)</u></b>		
Increase Cost: FY25 Compensation Adjustment	445,143	0.00
Increase Cost: Annualization of FY24 Compensation Increases	369,631	0.00
Shift: Manager II Transferred from the Office of Human Resources to Support Strategic Initiatives and New Programming [Administration]	229,205	1.00
Increase Cost: Annualization of FY24 Lapsed Positions	211,950	0.00
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts [Administration]	16,168	0.00
Increase Cost: Printing and Mail	2,603	0.00
Decrease Cost: Miscellaneous Operating Expenses [Housing Development]	(1,000)	0.00
Decrease Cost: Miscellaneous Operating Expenses [Multi-Family Housing Programs]	(1,000)	0.00
Decrease Cost: Miscellaneous Operating Expenses [Neighborhood Revitalization]	(1,500)	0.00
Decrease Cost: Miscellaneous Operating Expenses [Common Ownership Community Program]	(4,000)	0.00
Decrease Cost: Retirement Adjustment	(8,178)	0.00
Decrease Cost: Miscellaneous Operating Expenses [Administration]	(15,682)	0.00

## FY25 RECOMMENDED CHANGES

	Expenditures	FTEs
Decrease Cost: Miscellaneous Operating Expenses [Housing Code Enforcement]	(16,180)	0.00
Decrease Cost: Motor Pool Adjustment	(36,394)	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY24	(42,590)	0.00
Shift: Tax-Supported Charge Backs to the Office of County Attorney [Administration]	(114,438)	(0.50)
Decrease Cost: Annualization of FY24 Personnel Costs	(464,025)	0.00
<b>FY25 RECOMMENDED</b>	<b>14,094,919</b>	<b>90.45</b>

### MONTGOMERY HOUSING INITIATIVE

<b>FY24 ORIGINAL APPROPRIATION</b>	<b>57,287,692</b>	<b>22.15</b>
<b><u>Changes (with service impacts)</u></b>		
Add: One Program Manager II Position to Support Operational and Increased Loan Servicing Needs [Administration]	98,693	1.00
<b><u>Other Adjustments (with no service impacts)</u></b>		
Increase Cost: Operating Expenses to Reflect the Debt Service Transfer for the Housing Capital Improvements Program and the Housing Opportunities Commission Production Fund [Administration]	861,080	0.00
Increase Cost: Adjust Operating Expenses to Reflect Delta Between the FY24 and FY25 General Fund Transfer [Administration]	417,029	0.00
Increase Cost: FY25 Compensation Adjustment	120,272	0.00
Increase Cost: Annualization of FY24 Compensation Increases	90,870	0.00
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts [Administration]	65,931	0.00
Decrease Cost: Retirement Adjustment	(2,186)	0.00
Decrease Cost: Annualization of FY24 Personnel Costs	(6,119)	0.00
Decrease Cost: Adjust Other Revenue Sources in the Housing Initiative Fund [Administration]	(515,649)	0.00
Decrease Cost: Rental Assistance Program Due to Decreased Recordation Tax Premium Estimates [Administration]	(992,764)	0.00
Decrease Cost: Housing Opportunities Commission (HOC) Production Fund Contributions to the Housing Initiative Fund [Administration]	(1,228,750)	0.00
<b>FY25 RECOMMENDED</b>	<b>56,196,099</b>	<b>23.15</b>

### GRANT FUND - MCG

<b>FY24 ORIGINAL APPROPRIATION</b>	<b>8,846,132</b>	<b>14.80</b>
<b><u>Federal/State Programs</u></b>		
Add: Community Bridges, Inc. - Community Bridges Alumnae Program	45,000	0.00
Add: Community Reach of Montgomery County, Inc. - Mansfield Kaseman Health Clinic	45,000	0.00
Add: Homes Not Borders, Inc. - Home Set Ups and Moving Up Fund for Refugees and Migrants	40,000	0.00
Add: Montgomery Housing Partnership, Inc. - MHP's Workforce Development Program	40,000	0.00
Add: United Way of the National Capital Area - Community Schools Model	40,000	0.00
Add: Collegiate Directions, Inc. - Career Mentoring Initiative	40,000	0.00
Add: Mobile Medical Care, Inc. - Keeping Focused on Diabetic Eye Health	36,734	0.00



## FY25 RECOMMENDED CHANGES

	Expenditures	FTEs
Add: Arts for the Aging, Inc. - Sustaining Health Equity Through the Participatory Arts	35,733	0.00
Add: Ayuda, Inc. - Domestic Violence & Family Law Survivors Program	35,000	0.00
Add: EveryMind, Inc. - Case Manager: Rep Payee and Friendly Visitor	35,000	0.00
Add: Latino Economic Development Corporation - LEDC Tenant Services and Eviction Prevention	34,920	0.00
Add: Horizons Greater Washington, Inc. - HGW School Year Saturday Academy - Montgomery County	34,108	0.00
Add: Community Reach of Montgomery County, Inc. - Rockville Emergency Assistance Program (REAP)	33,000	0.00
Add: Korean Community Service Center of Greater Washington, Inc. - Strengthening Asian Families through Empowerment and Service (SAFES)	32,533	0.00
Add: Food and Friends, Inc. - Improving the Lives and Health of the Most Vulnerable	32,115	0.00
Add: Community FarmShare LLC - Farm to Family Nutrition Access	29,965	0.00
Add: Germantown Cultural Arts Center, Inc. - Beyond BlackRock: Positive Youth Development Arts Outreach Programming	25,000	0.00
Add: Liberty's Promise, Inc. - Helping the Immigrant Youth of Montgomery County Succeed	25,000	0.00
Add: Bethesda African Cemetery Coalition, Inc. - The Bridge That Carried Us Over: Education for the 21st Century	20,892	0.00
<b>Other Adjustments (with no service impacts)</b>		
Technical Adj: Realign Budget Allocation Between PC and OE to Meet the Estimated Grant Amount [Grants Administration - Federal Programs]	113,914	0.00
Increase Cost: Takoma Park Code Enforcement Contract [Grants Administration - Federal Programs]	16,877	0.00
Decrease Cost: Abolish Two Vacant Lapsed Positions to Better Realign Personnel Complement [Grants Administration - Federal Programs]	0	(1.40)
Decrease Cost: Annualization of FY24 Personnel Costs	(113,914)	0.00
Decrease Cost: Community Development Block Grant (CDBG) Adjustments [Grants Administration - Federal Programs]	(660,000)	0.00
<b>FY25 RECOMMENDED</b>		<b>8,863,009 13.40</b>

## PROGRAM SUMMARY

Program Name	FY24 APPR Expenditures	FY24 APPR FTEs	FY25 REC Expenditures	FY25 REC FTEs
Administration	2,535,552	13.70	3,625,687	20.60
Affordable Housing Programs	1,138,019	6.50	1,281,090	7.00
Common Ownership Community Program	1,011,332	6.15	1,193,995	7.15
Grants Administration - Federal Programs	9,346,977	6.70	8,119,739	5.00
Housing Code Enforcement	5,454,198	39.50	6,325,077	42.50
Housing Development	443,491	3.95	266,054	1.95
Landlord-Tenant Mediation	2,010,286	10.00	2,601,363	11.00
Licensing and Registration	486,925	3.20	1,012,798	7.20
Multi-Family Housing Programs	52,933,836	8.90	51,904,585	8.90
Neighborhood Revitalization	1,398,926	7.60	1,899,409	6.70
Rent Stabilization	0	0.00	924,230	9.00

## PROGRAM SUMMARY

Program Name	FY24 APPR Expenditures	FY24 APPR FTEs	FY25 REC Expenditures	FY25 REC FTEs
<b>Total</b>	<b>76,759,542</b>	<b>106.20</b>	<b>79,154,027</b>	<b>127.00</b>

## CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY24 Total\$	FY24 FTEs	FY25 Total\$	FY25 FTEs
<b>COUNTY GENERAL FUND</b>					
Permitting Services	Permitting Services	118,842	1.00	124,587	1.00
Recycling and Resource Management	Solid Waste Disposal	776,562	5.50	849,898	5.50
CIP	Capital Fund	179,460	1.70	200,300	1.40
<b>Total</b>		<b>1,074,864</b>	<b>8.20</b>	<b>1,174,785</b>	<b>7.90</b>

## FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY25	FY26	FY27	FY28	FY29	FY30
<b>COUNTY GENERAL FUND</b>						
<b>EXPENDITURES</b>						
<b>FY25 Recommended</b>	<b>14,095</b>	<b>14,095</b>	<b>14,095</b>	<b>14,095</b>	<b>14,095</b>	<b>14,095</b>
No inflation or compensation change is included in outyear projections.						
<b>Annualization of Positions Recommended in FY25</b>	<b>0</b>	<b>2,124</b>	<b>2,124</b>	<b>2,124</b>	<b>2,124</b>	<b>2,124</b>
New positions in the FY25 budget are generally assumed to be filled at least two months after the fiscal year begins. Therefore, the above amounts reflect annualization of these positions in the outyears.						
<b>Elimination of One-Time Items Recommended in FY25</b>	<b>0</b>	<b>(273)</b>	<b>(273)</b>	<b>(273)</b>	<b>(273)</b>	<b>(273)</b>
Items recommended for one-time funding in FY25, including one-time operating expenses for new positions, will be eliminated from the base in the outyears.						
<b>Labor Contracts</b>	<b>0</b>	<b>208</b>	<b>208</b>	<b>208</b>	<b>208</b>	<b>208</b>
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
<b>Subtotal Expenditures</b>	<b>14,095</b>	<b>16,154</b>	<b>16,154</b>	<b>16,154</b>	<b>16,154</b>	<b>16,154</b>
<b>MONTGOMERY HOUSING INITIATIVE</b>						
<b>EXPENDITURES</b>						
<b>FY25 Recommended</b>	<b>56,196</b>	<b>56,196</b>	<b>56,196</b>	<b>56,196</b>	<b>56,196</b>	<b>56,196</b>
No inflation or compensation change is included in outyear projections.						
<b>Annualization of Positions Recommended in FY25</b>	<b>0</b>	<b>123</b>	<b>123</b>	<b>123</b>	<b>123</b>	<b>123</b>
New positions in the FY25 budget are generally assumed to be filled at least two months after the fiscal year begins. Therefore, the above amounts reflect annualization of these positions in the outyears.						
<b>Elimination of One-Time Items Recommended in FY25</b>	<b>0</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>

## FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY25	FY26	FY27	FY28	FY29	FY30
Items recommended for one-time funding in FY25, including one-time operating expenses for new positions, will be eliminated from the base in the outyears.						
<b>Labor Contracts</b>	<b>0</b>	<b>61</b>	<b>61</b>	<b>61</b>	<b>61</b>	<b>61</b>
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
<b>Subtotal Expenditures</b>	<b>56,196</b>	<b>56,375</b>	<b>56,375</b>	<b>56,375</b>	<b>56,375</b>	<b>56,375</b>

## ANNUALIZATION OF FULL PERSONNEL COSTS

	FY25 Recommended		FY26 Annualized	
	Expenditures	FTEs	Expenditures	FTEs
One Program Manager I Position to Provide Support for Increased Demand in the Moderately Priced Dwelling Units (MPDUs) Program	85,940	1.00	114,576	1.00
One Housing Code Inspector III Position to Meet County Mandates for the Re-inspection Program	85,940	1.00	114,576	1.00
One Program Manager I Position to Support Increased Service Demand in the Office of Landlord-Tenant Mediation Division	85,940	1.00	114,576	1.00
One Manager III Position to Close Operational Gaps in the Licensing and Registration Unit and Increase Revenue Generation	107,250	1.00	142,996	1.00
One Program Specialist II Position to Close Operational Gaps within Licensing and Registration and Increase Revenue Collection	79,920	1.00	106,554	1.00
One Investigator III Position to Comply with County Mandates and Meet Increased Service Demand	92,560	1.00	123,410	1.00
One Program Manager II Position to Support Operational and Increased Loan Servicing Needs	92,560	1.00	123,410	1.00
<b>Total</b>	<b>630,110</b>	<b>7.00</b>	<b>840,098</b>	<b>7.00</b>

FY25-30 PUBLIC SERVICES PROGRAM: FISCAL PLAN				Montgomery Housing Initiative				
FISCAL PROJECTIONS	FY24 APPROVED	FY24 ESTIMATE	FY25 REC	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION
<b>ASSUMPTIONS</b>								
Indirect Cost Rate	17.96%	17.96%	19.96%	19.96%	19.96%	19.96%	19.96%	19.96%
CPI (Fiscal Year)	2.1%	2.9%	2.1%	2.2%	2.2%	2.2%	2.3%	2.3%
Investment Income Yield	5.0%	5.3%	4.8%	4.0%	4.0%	4.0%	3.5%	3.3%
<b>BEGINNING FUND BALANCE</b>	<b>15,555,321</b>	<b>10,965,827</b>	<b>14,249,457</b>	<b>2,359,800</b>	<b>1,373,700</b>	<b>357,900</b>	<b>30,900</b>	<b>31,900</b>
<b>REVENUES</b>								
Taxes	23,979,590	20,330,037	22,986,826	25,090,587	26,213,429	27,154,193	28,990,239	30,330,879
Charges For Services	5,048,950	3,876,742	3,820,200	5,071,758	5,073,301	5,074,884	5,076,576	5,078,330
Miscellaneous	10,003,096	26,967,675	9,588,586	9,588,586	9,588,586	9,588,586	9,588,586	9,588,586
<b>Subtotal Revenues</b>	<b>39,031,636</b>	<b>51,176,454</b>	<b>36,395,612</b>	<b>39,750,931</b>	<b>40,875,316</b>	<b>41,817,663</b>	<b>43,655,401</b>	<b>44,997,795</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>								
Transfers To Debt Service Fund	(19,155,600)	(19,155,600)	(18,294,520)	(24,289,790)	(26,891,400)	(28,717,300)	(29,722,000)	(31,727,300)
MHI HOC Housing Production Fund	(5,771,000)	(5,771,000)	(5,119,500)	(7,172,100)	(7,170,300)	(7,168,800)	(7,172,900)	(7,172,300)
MHI Property Acquisition	(13,384,600)	(13,384,600)	(13,175,020)	(17,117,690)	(19,721,100)	(21,548,500)	(22,549,100)	(24,555,000)
Transfers To The General Fund	(553,516)	(553,516)	(674,116)	(674,116)	(674,116)	(674,116)	(674,116)	(674,116)
Indirect Costs	(553,516)	(553,516)	(674,116)	(674,116)	(674,116)	(674,116)	(674,116)	(674,116)
Transfers From The General Fund	33,257,439	33,257,439	33,674,468	33,674,468	33,674,468	33,674,468	33,674,468	33,674,468
From General Fund	33,257,439	33,257,439	33,674,468	33,674,468	33,674,468	33,674,468	33,674,468	33,674,468
<b>TOTAL RESOURCES</b>	<b>68,135,280</b>	<b>75,690,604</b>	<b>65,350,901</b>	<b>50,821,293</b>	<b>48,357,968</b>	<b>46,458,615</b>	<b>46,964,653</b>	<b>46,302,747</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>								
Operating Budget	(3,525,390)	(37,609,211)	(3,826,919)	(3,826,919)	(3,826,919)	(3,826,919)	(3,826,919)	(3,826,919)
Debt Service: Other (Non-Tax Funds only)	(54,510)	(54,510)	0	0	0	0	0	0
Rental Assistance Program (RAP)	(23,879,590)		(22,886,826)	(25,090,587)	(26,213,429)	(27,154,193)	(28,990,239)	(30,330,879)
Affordable Housing Loans	(13,946,104)	(23,392,490)	(13,534,323)	(4,429,552)	(1,703,231)	972,529	2,477,042	4,662,607
HHS Housing Programs	(9,706,200)		(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)
Neighborhoods to Call Home	(1,875,899)		(1,932,731)	(1,932,731)	(1,932,731)	(1,932,731)	(1,932,731)	(1,932,731)
HARP (Design for Life)	(300,000)		(309,100)	(309,100)	(309,100)	(309,100)	(309,100)	(309,100)
Homeownership Assistance Program	(4,000,000)	n/a	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(57,287,693)</b>	<b>(61,056,211)</b>	<b>(56,196,099)</b>	<b>(49,447,593)</b>	<b>(48,000,068)</b>	<b>(46,427,715)</b>	<b>(46,932,753)</b>	<b>(46,269,847)</b>
<b>OTHER CLAIMS ON FUND BALANCE</b>	<b>(7,937,288)</b>	<b>(384,936)</b>	<b>(6,795,002)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(65,224,981)</b>	<b>(61,441,147)</b>	<b>(62,991,101)</b>	<b>(49,447,593)</b>	<b>(48,000,068)</b>	<b>(46,427,715)</b>	<b>(46,932,753)</b>	<b>(46,269,847)</b>
<b>YEAR END FUND BALANCE</b>	<b>2,910,299</b>	<b>14,249,457</b>	<b>2,359,800</b>	<b>1,373,700</b>	<b>357,900</b>	<b>30,900</b>	<b>31,900</b>	<b>32,900</b>
<b>END-OF-YEAR RESERVES AS A</b>								
<b>PERCENT OF RESOURCES</b>	<b>4.3%</b>	<b>18.8%</b>	<b>3.6%</b>	<b>2.7%</b>	<b>0.7%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>

**Assumptions:**

1. Approximately \$63 million, including \$56.2 million in new funding, will be allocated in this fund to support the acquisition and preservation of affordable housing units, renovation of distressed housing, creation of housing units for special needs residents and mixed-income housing, first-time homeowner downpayment assistance, rental assistance, and a variety of services for permanent supportive housing and community development.
2. A total of \$113.2 million will be funded through the FY25-30 CIP Budget in support of affordable housing, including \$97 million for the Affordable Housing Acquisition and Preservation CIP Project# 760100, \$1.5 million for the Nonprofit Preservation Fund CIP Project# 762301, and \$1.23 million to create a new revolving loan program for the Revitalization of Troubled and Distressed Common Ownership Communities CIP Project# 762504.
3. A supplemental Request totaling \$19.999 million in loan repayments for the Nonprofit Preservation Fund CIP Project#762301 was introduced by the Council on February 27, 2024.
4. Montgomery County Council Resolution #15-110 provides for an allocation from the General Fund to the Montgomery Housing Initiative fund (MHI) of the equivalent to 2.5% of actual General Fund property taxes from two years prior to the upcoming fiscal year for the purpose of maintaining and expanding the supply of affordable housing. However, the actual transfer from the General Fund will be determined each year based on the availability of resources.

**Notes:**

1. These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
2. Operating budget includes personnel costs, contracts for homeownership education, and miscellaneous expenses for consultants, technology upgrades and loan asset monitoring.

AFFORDABLE HOUSING SUPPORT SUMMARY						
Funding Sources	FY23 Approved Budget	Total County Resources (FY08 - FY23)	Avg Resources FY08-FY23	FY24 Approved Budget	FY25 Recommended Budget	Notes
<b>Operating Budget Expenditures</b>						
DHCA - MHI Operating Budget	49,090,423	490,734,501	29,442,939	49,681,692	56,196,099	MHI Debt Service Interest in FY25 includes the Taxable Housing Certificates issued for HOC Production Fund. Clients Served
DHCA - MHI Debt Service (interest only)	4,787,383	45,954,897	2,744,501	7,225,931	5,771,000	
HHS - General Fund - Housing Programs	30,962,294	184,818,260	10,257,064	46,931,755	30,587,717	
HOC - Non-Departmental Account	7,633,168	101,652,350	6,267,945	7,972,501	8,295,315	
<b>Total Operating Budget</b>	<b>92,473,268</b>	<b>823,160,008</b>	<b>48,712,449</b>	<b>111,811,879</b>	<b>100,850,131</b>	
<b>Affordable Housing Acquisition and Preservation Project (CIP)</b>						
MHI		4,775,000	397,917		65,000,000	Include \$35 million FY24 supplemental pending Council approval
HIF Revolving Loan Program	14,896,000	198,430,000	12,235,600	19,277,000	17,355,000	
Loan Repayment Proceeds (actual)	21,854,000	98,800,507	5,129,767	2,723,000	4,645,000	
G.O. Bonds		-	-			
Recordation Tax Premium	-	4,544,540	504,949	10,000,000	10,000,000	
<b>DHCA - Affordable Housing Acquisition and Preservation Project (CIP) - Total</b>	<b>36,750,000</b>	<b>306,550,047</b>	<b>18,268,233</b>	<b>32,000,000</b>	<b>97,000,000</b>	
<b>Nonprofit Preservation Fund</b>					50,000,000	
<b>Affordable Housing Opportunity Fund (CIP)</b>	<b>6,000,000</b>	<b>20,000,000</b>	<b>20,000,000</b>	-	-	
<b>Preservation of Naturally Occurring Affordable Housing (NOAH) Fund</b>	<b>40,000,000</b>	<b>40,000,000</b>	-	-	-	
DHCA - Payment in Lieu of Taxes (Non-HOC PILOTS)	20,624,755	212,105,511	12,765,384	20,624,755	24,037,676	
DHCA - Payment in Lieu of Taxes (HOC PILOTS)	10,593,592	146,024,396	9,028,720	11,123,275	10,829,436	
DGS - Discounted Land Value	1,500,000	57,790,913	8,041,559	-	-	
<b>Total Affordable Housing Support</b>	<b>206,441,615</b>	<b>1,605,630,876</b>	<b>116,816,345</b>	<b>175,559,909</b>	<b>282,717,243</b>	

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