

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; maintain a marketplace which is fair to all parties (consumers and merchants, landlords and tenants, homeowners and their governing boards); increase the supply of new affordable housing; and maintain existing housing in a safe manner.

BUDGET OVERVIEW

The total approved FY06 Operating Budget for the Department of Housing and Community Affairs is \$35,560,600, an increase of \$3,011,020 or 9.3 percent from the FY05 Approved Budget of \$32,549,580. Personnel Costs comprise 25.6 percent of the budget for 103 full-time positions and five part-time positions for 90.8 workyears. Operating Expenses and Debt Service account for the remaining 74.4 percent of the FY06 budget.

Not included in the above is a total of \$1,535,390 and 14.1 workyears that are charged to: Capital Improvements Program - CIP (\$979,880, 8.7 WYs); and Solid Waste Disposal (\$555,510, 5.4 WYs). The funding and workyears for these items are included in the receiving departments' budgets.

In addition, the department expects to have signed agreements in FY06 abating \$4,414,250 in taxes for affordable housing projects through the Payment in Lieu of Taxes (PILOT) program.

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

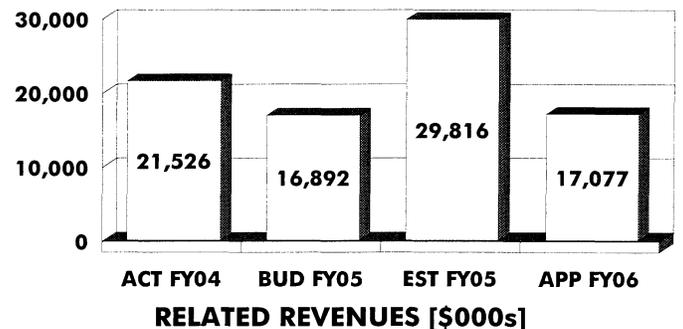
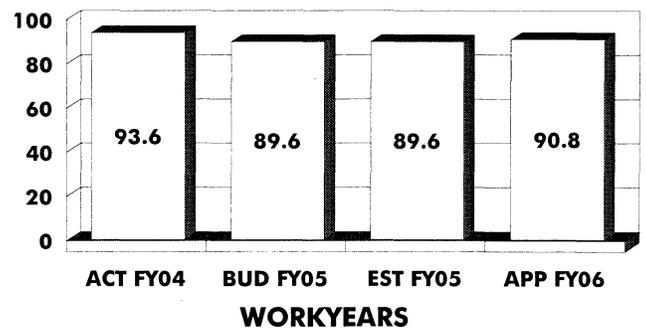
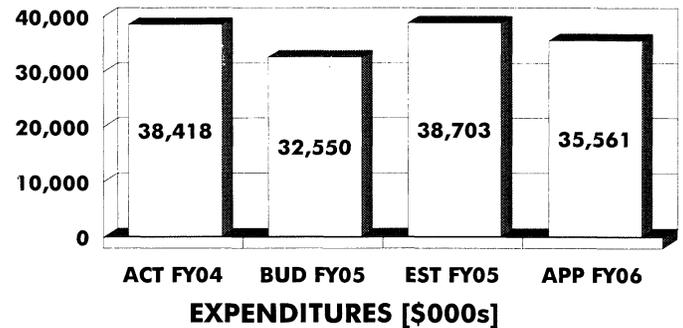
HIGHLIGHTS

- ❖ *Provide over \$19 million in total resources for the Montgomery Housing Initiative (MHI) fund for the acquisition and rehabilitation of affordable housing.*
- ❖ *Creation of a new Hispanic Investigator to assist in consumer protection complaints and Hispanic outreach program.*
- ❖ *Provide Community Development Block Grants (CDBG) of \$641,750 to thirty non-profit organizations.*
- ❖ *Provide Emergency Shelter Grants of \$83,250 to four non-profit organizations to prevent homelessness.*
- ❖ *Creation of a Loan Underwriting Specialist in the Montgomery Housing Initiative fund to review and process loan requests.*
- ❖ *Creation of a Loan Monitoring Specialist in the Montgomery Housing Initiative fund to ensure*

Program Summary

	Expenditures	WYs
Housing Development and Loan Programs	19,380,160	13.3
Moderately Priced Housing	343,250	3.7
Housing Code Enforcement	1,731,660	18.1
Federal Programs	9,122,440	7.0
Landlord-Tenant Mediation	1,006,690	9.1
Commercial Revitalization	711,150	7.0
Consumer Protection	2,146,010	19.8
Licensing and Registration	420,420	4.0
Administration	698,820	8.8
Totals	35,560,600	90.8

Trends



compliance with Regulatory Agreement requirements.

❖ **Productivity Enhancements**

- Use of online housing loan submission to comply with Federal and other requirements.
- Use of online apartment directory to prepare for apartment directory and vacancy reports.

PROGRAM CONTACTS

Contact Fred Wilcox of the Department of Housing and Community Affairs at 240.777.3607 or Rose Glavinic of the Office of Management and Budget at 240.777.2769 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Housing Development and Loan Programs

This program creates and preserves affordable 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;
- rehabilitate and weatherize both single-family and multi-family housing units;
- replace single-family homes.

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 rehabilitation and weatherization grants. The program emphasizes the leveraging of County funds with other public and private funds in undertaking these activities.

FY06 Changes

- ❑ Provide over \$19 million in total resources for the Montgomery Housing Initiative (MHI) fund for the acquisition and rehabilitation of affordable housing.

	Expenditures	WYs
FY05 Approved	16,823,040	12.5
FY06 Approved	19,380,160	13.3

Moderately Priced Housing

This program enforces Chapter 25A of the County Code to ensure 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 low- and moderate-income households.

FY06 Changes

	Expenditures	WYs
FY05 Approved	337,340	3.9
FY06 Approved	343,250	3.7

Housing Code Enforcement

This program enforces Chapter 26 of the County Code, Housing Standards, 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, enforcing the residential weeds and rubbish code. 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.

FY06 Changes

	Expenditures	WYs
FY05 Approved	1,675,260	18.1
FY06 Approved	1,731,660	18.1

Federal Programs

This program is primarily funded by the Community Development Block Grant, the HOME Grant, and the Emergency Shelter Grant from the Federal government.

The Community Development Block Grant (CDBG) is a Federal Housing and Urban Development (HUD) grant awarded to Montgomery County. It funds both operating activities and Capital Improvements Program projects that meet HUD income and population guidelines.

The HOME Investment Partnership Program Grant, created under Title II of the National Affordable Housing Act of 1990, is intended to increase the stock of affordable housing. 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.

The Emergency Shelter Grant (ESG) is a Federal Housing and Urban Development (HUD) grant awarded to Montgomery County. It funds both operating and capital expenses related to serving the homeless and preventing homelessness.

Activities may include property acquisition, facility construction, facility rehabilitation, water and sewer improvements, road and sidewalk improvements, handicapped accessible improvements, and a variety of public services involving substance and sexual abuse counseling, job training, life survival skills, health programs, elderly and child care, tutorial programs, and homeless programs. Staff carry out the major regulatory requirements related to Federal mandates, including the development and publication of the County's Consolidated plan that identifies the needs of lower-income

residents and outlines the action plans addressing those needs.

FY06 Changes

- Provide Community Development Block Grants (CDBG) of \$641,750 to thirty non-profit organizations.
- Provide Emergency Shelter Grants of \$83,250 to four non-profit organizations to prevent homelessness.

	Expenditures	WYs
FY05 Approved	9,048,480	7.0
FY06 Approved	9,122,440	7.0

Landlord-Tenant Mediation

This program ensures fair and equitable relations between landlords and tenants 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.

FY06 Changes

	Expenditures	WYs
FY05 Approved	834,790	8.1
FY06 Approved	1,006,690	9.1

Commercial Revitalization

This program provides planning and implementation for commercial revitalization (physical and economic) in targeted local retail centers and central business districts. Primary funding for these projects is provided from the County's Capital Improvements Program, Federal Community Development Block Grant, Federal Economic Development Incentive Grants, and State Community Legacy Grants.

FY06 Changes

	Expenditures	WYs
FY05 Approved	627,590	6.2
FY06 Approved	711,150	7.0

Consumer Protection

This program ensures that a fair and competitive marketplace is maintained in Montgomery County where consumers are protected from unfair and deceptive business practices and responsible businesses are allowed to operate free from unfair competition. Activities include: resolving complaints; obtaining restitution; preventing deceptive and unfair trade practices; taking legal action against businesses that violate consumer protection laws; providing information to consumers and businesses; developing additional consumer protection regulations to address new marketplace problems; and providing mediation and arbitration services between common ownership governing bodies and their members. In addition, a child passenger safety seat program is operated to promote public awareness for child safety, train nationally certified car seat technicians and install child safety seats to prevent and reduce crash related injuries. Parents are instructed in the proper installation techniques. The program also generates grant funding to supply seats for those in need.

FY06 Changes

- Creation of a Hispanic Investigator to assist in consumer protection complaints and Hispanic outreach program.

	Expenditures	WYs
FY05 Approved	2,212,840	22.0
FY06 Approved	2,146,010	19.8

Licensing and Registration

This program issues licenses to all rental housing (apartments, condominiums, single family) and registers all housing units within common ownership communities. It also licenses radio and TV repair shops, automobile repair shops, new home builders, and second hand personal property dealers.

FY06 Changes

	Expenditures	WYs
FY05 Approved	390,190	4.0
FY06 Approved	420,420	4.0

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).

FY06 Changes

	Expenditures	WYs
FY05 Approved	600,050	7.8
FY06 Approved	698,820	8.8

BUDGET SUMMARY

	Actual FY04	Budget FY05	Estimated FY05	Approved FY06	% Chg Bud/App
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	4,477,709	4,597,040	4,557,360	4,772,050	3.8%
Employee Benefits	1,423,819	1,573,260	1,560,720	1,820,830	15.7%
County General Fund Personnel Costs	5,901,528	6,170,300	6,118,080	6,592,880	6.8%
Operating Expenses	670,065	936,520	944,140	901,850	-3.7%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	6,571,593	7,106,820	7,062,220	7,494,730	5.5%
PERSONNEL					
Full-Time	104	101	101	103	2.0%
Part-Time	5	5	5	5	—
Workyears	70.5	67.2	67.2	66.4	-1.2%
REVENUES					
Consumer Affairs Business Licenses	63,112	64,600	60,300	63,430	-1.8%
New Home Builder License	137,530	182,000	175,000	151,900	-16.5%
Miscellaneous - Common Ownership Communities	0	3,000	3,000	3,000	—
Common Ownership Communities Fees	254,535	254,250	255,040	260,370	2.4%
Miscellaneous	-7,410	12,000	12,000	12,000	—
Landlord Apartment Rental License	2,287,045	2,370,370	2,380,700	2,360,560	-0.4%
Miscellaneous - Landlord-Tenant	4,460	20,000	20,000	20,000	—
Civil Citations - Landlord-Tenant	42,875	20,000	30,000	30,000	50.0%
Landlord Single Family Rental License	1,136,288	1,127,000	1,117,200	1,146,600	1.7%
Landlord Condominium Rental License	302,251	288,750	291,200	294,000	1.8%
County General Fund Revenues	4,220,686	4,341,970	4,344,440	4,341,860	0.0%
GRANT FUND MCG					
EXPENDITURES					
Salaries and Wages	1,341,245	1,348,160	1,348,160	1,370,230	1.6%
Employee Benefits	447,081	463,120	463,120	516,410	11.5%
Grant Fund MCG Personnel Costs	1,788,326	1,811,280	1,811,280	1,886,640	4.2%
Operating Expenses	8,997,339	7,095,300	10,568,360	7,051,320	-0.6%
Capital Outlay	0	0	0	0	—
Grant Fund MCG Expenditures	10,785,665	8,906,580	12,379,640	8,937,960	0.4%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	19.1	17.9	17.9	17.3	-3.4%
REVENUES					
Community Development Block Grant	7,669,312	4,335,000	4,335,000	4,386,240	1.2%
Community Development Block Grant: Program Income	0	900,000	1,500,000	1,100,000	22.2%
Long Branch Community Center	223,537	0	0	0	—
EDI Special Projects	158,590	0	2,038,470	0	—
Safety Seat Programs	8,012	0	1,800	0	—
Emergency Shelter: Group Homes	242,869	231,300	231,300	227,530	-1.6%
HOME Investment Partnership Grant	1,621,244	2,775,600	2,775,600	2,559,510	-7.8%
HOME Grant: Program Income	0	500,000	500,000	500,000	—
Takoma Park Code Enforcement	74,614	0	169,380	0	—
Weatherization	167,457	164,680	178,090	164,680	—
Wheaton Technology Center	234,495	0	0	0	—
Safe Kids Van	700	0	0	0	—
Stewartown Digital Divide	67,601	0	0	0	—
Community Legacy	300,000	0	650,000	0	—
Safe Kids - Child Safety Seat Inspection	9,100	0	0	0	—
Weatherization - Washington Gas	8,134	0	0	0	—
Grant Fund MCG Revenues	10,785,665	8,906,580	12,379,640	8,937,960	0.4%
MONTGOMERY HOUSING INITIATIVE					
EXPENDITURES					
Salaries and Wages	225,345	288,500	293,110	453,490	57.2%
Employee Benefits	76,318	101,460	95,590	175,190	72.7%
Montgomery Housing Initiative Personnel Costs	301,663	389,960	388,700	628,680	61.2%

	Actual FY04	Budget FY05	Estimated FY05	Approved FY06	% Chg Bud/App
Operating Expenses	20,000,237	16,146,220	18,872,930	18,418,930	14.1%
Debt Service Other	0	0	0	80,300	—
Capital Outlay	758,884	0	0	0	—
Montgomery Housing Initiative Expenditures	21,060,784	16,536,180	19,261,630	19,127,910	15.7%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	4.0	4.5	4.5	7.1	57.8%
REVENUES					
Developer Approval Payments	-103,931	0	0	0	—
MPDU Alternative Payments	0	1,265,000	2,470,170	1,107,170	-12.5%
MPDU Resale Recapture	2,272,228	1,550,000	3,639,000	1,750,000	12.9%
Seneca Heights Loan	0	198,790	1,146,620	0	—
Mortgage Repayments	387,872	600,000	600,000	800,000	33.3%
Miscellaneous	3,820,586	0	875,000	0	—
Other Interest Income	64,160	0	0	0	—
Sale of Property	21,899	0	2,390,720	0	—
Condo Transfer Tax	0	0	1,859,000	0	—
Investment Income: Pooled	38,673	30,000	30,000	60,000	100.0%
HOC Loan Repayment	18,463	0	80,940	80,300	—
Montgomery Housing Initiative Revenues	6,519,950	3,643,790	13,091,450	3,797,470	4.2%
DEPARTMENT TOTALS					
Total Expenditures	38,418,042	32,549,580	38,703,490	35,560,600	9.3%
Total Full-Time Positions	104	101	101	103	2.0%
Total Part-Time Positions	5	5	5	5	—
Total Workyears	93.6	89.6	89.6	90.8	1.3%
Total Revenues	21,526,301	16,892,340	29,815,530	17,077,290	1.1%

FY06 APPROVED CHANGES CROSSWALK

	Expenditures	WYs
COUNTY GENERAL FUND		
FY05 ORIGINAL APPROPRIATION	7,106,820	67.2
Changes (with service impacts)		
Add: Business Development Specialist III - Long Branch [Commercial Revitalization]	106,000	1.0
Enhance: Hispanic Investigator I [Consumer Protection]	59,120	0.8
Reduce: Operating Expenses (printing and mail)	-16,860	0.0
Eliminate: Child Passenger Seat Position - Program Specialist I [Consumer Protection]	-73,770	-1.0
Eliminate: Planning Specialist III and operating expenses [Commercial Revitalization]	-100,000	-1.0
Other Adjustments (with no service impacts)		
Increase Cost: Annualization of FY05 Personnel Costs	321,430	0.0
Increase Cost: FY06 Retirement Rate Adjustments	118,890	0.0
Increase Cost: FY06 Group Insurance Rate Adjustments	24,020	0.0
Increase Cost: Records Management [Administration]	10,900	0.0
Shift: Child Passenger Seat Position - Program Manager and operating expenses. Transfer position and expenses to Department of Fire and Rescue Services (DFS)	-101,490	-1.0
Federal Programs		
Replace: Funding for Federal Programs Staff	39,670	0.4
FY06 APPROVED:	7,494,730	66.4
GRANT FUND MCG		
FY05 ORIGINAL APPROPRIATION	8,906,580	17.9
Changes (with service impacts)		
Reduce: HOME Entitlement	-216,090	0.0
Reduce: CDBG Entitlement	-329,760	0.0

	Expenditures	WYs
Other Adjustments (with no service impacts)		
Increase Cost: Shift grant funds to operating budget from CIP	381,000	0.0
Increase Cost: Program Income for Grant	200,000	0.0
Increase Cost: Annualization of FY05 Personnel Costs	133,980	0.0
Decrease Cost: ESG Entitlement	-3,770	0.0
Shift: Staff assignments to CIP	-18,950	-0.2
Shift: Staff assignment to General Fund for Federal Program staff	-39,670	-0.4
Decrease Cost: Annualization of FY05 Operating Expenses	-75,360	0.0
Decrease Cost: Adjust to display individual Federal programs listed below	-725,000	0.0
Federal Programs		
Add: CDBG: Asian Pacific American Legal Resource Center (Legal Assistance for Asian Workers)	29,000	0.0
Add: CDBG: Boat People SOS (Road to Independence through Savings and Education)	5,000	0.0
Add: CDBG: Carribean Help Center (Education - Employment and Public Services)	29,000	0.0
Add: CDBG: CASA of Maryland (Direct Services Program- Social Services)	10,000	0.0
Add: CDBG: Community Bridges, Inc. (Jump Start Girls/Adelante Ninas Summer Outdoor Adventure Camp)	23,000	0.0
Add: CDBG: Community Ministry of Montgomery County (Community Ministry Micro-Enterprise)	20,000	0.0
Add: CDBG: Community Ministry of Montgomery County (Interfaith Furniture Initiative)	15,000	0.0
Add: CDBG: DHHS/Public Health Services (Addressing Cancer Health Disparities)	37,400	0.0
Add: CDBG: Easter Seal Society (Easter Seals Family Friend Program)	35,000	0.0
Add: CDBG: Family Learning Solutions, Inc. (Kids in Biz)	20,000	0.0
Add: CDBG: Family Services Agency, Inc. (Connect for Success)	20,000	0.0
Add: CDBG: Family Services Agency, Inc. (Healthy Families Montgomery County Creative Outreach)	20,000	0.0
Add: CDBG: Food & Friends (Helping LMI Persons with Life Challenging Illnesses)	25,000	0.0
Add: CDBG: GapBuster Learning Center, Inc. (Gapbuster Learning Center Enrichment Program)	22,500	0.0
Add: CDBG: Housing & Community Initiatives, Inc. (Bilingual Housing Counseling/Housing Education)	15,000	0.0
Add: CDBG: Housing Opportunities Community Partners (Vehicles for Change)	20,000	0.0
Add: CDBG: Korean Community Service Center (Life Skills for Economic Independence)	15,000	0.0
Add: CDBG: Long Branch Athletic Association (Long Branch Athletic Association)	23,000	0.0
Add: CDBG: Luther Rice Neighborhood Center (After-School Program)	14,500	0.0
Add: CDBG: Ministries United Silver Spring Takoma Park - MUSST (Community Health)	26,600	0.0
Add: CDBG: Montgomery Avenue Women's Shelter, Inc. (Montgomery Avenue Women's Shelter)	9,200	0.0
Add: CDBG: Montgomery Volunteer Dental Clinic (Upcounty Dental Clinic)	25,000	0.0
Add: CDBG: Passion for Learning, Inc. (Passion for Learning)	45,000	0.0
Add: CDBG: Senior Connection of Montgomery County, Inc. (Satellite Offices of the Senior Connection)	22,500	0.0
Add: CDBG: Shepherd's Table (Counseling for Spanish-Speaking Homeless)	9,550	0.0
Add: CDBG: Silver Spring Interfaith Housing Coalition (SSIHC-Montgomery Housing Partnership Program)	20,000	0.0
Add: CDBG: Spanish Catholic Center (Pre-Apprenticeship Training Program)	38,000	0.0
Add: CDBG: Stanford American Education Foundation (Ford Education & Training Adult Empowerment Project)	15,000	0.0
Add: CDBG: Top Banana Home Delivered Groceries (Home Delivered Groceries for Elderly, Disabled & Low-Income Residents)	10,000	0.0
Add: CDBG: Washington Youth Foundation (Youth Initiative Project)	22,500	0.0
Add: ESG: Catholic Charities - Montgomery County Family Center (Family Support/Emergency Assistance)	15,000	0.0
Add: ESG: Community Ministry of Montgomery County (Community Vision Winter Extended Hours Casework)	30,000	0.0
Add: ESG: Montgomery County Coalition for the Homeless (Latino Case Management)	25,000	0.0
Add: ESG: Shepherd's Table (Counseling for Spanish-Speaking Homeless)	13,250	0.0
FY06 APPROVED:	8,937,960	17.3
MONTGOMERY HOUSING INITIATIVE		
FY05 ORIGINAL APPROPRIATION	16,536,180	4.5
Other Adjustments (with no service impacts)		
Increase Cost: Annualization of FY05 Operating Expenses [Housing Development and Loan Programs]	2,348,170	0.0
Increase Cost: Create Program Manager II - Loan Underwriting [Housing Development and Loan Programs]	70,910	0.8
Increase Cost: Create Program Specialist II - Loan Monitoring [Housing Development and Loan Programs]	61,120	0.8
Increase Cost: Annualization of FY05 Personnel Costs [Housing Development and Loan Programs]	46,930	0.0
Increase Cost: Create Principle Administrative Aide - Moderately Priced Housing Unit (MPDU) [Moderately Priced Housing]	38,800	0.8
Increase Cost: County Attorney Charges [Housing Development and Loan Programs]	25,800	0.2
FY06 APPROVED:	19,127,910	7.1