

Worksession

MEMORANDUM

TO: Planning, Housing, and Economic Development Committee

FROM: Linda McMillan, Senior Legislative Analyst *LM*

SUBJECT: **Worksession:** FY16 Recommended Operating Budget
Department of Housing and Community Affairs (DHCA)
(Does not include Housing Initiative Fund)

Expected for this session:

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

The excerpt from the FY16 Recommended Budget for DHCA is attached at © 1-10.

Overview

For FY16, the County Executive is recommending \$39,891,738 in appropriations for the Department of Housing and Community Affairs. This is a 0.7% decrease from the total FY15 budget. However, this includes the operating budget appropriation for the Housing Initiative Fund. There is a 6.6% increase in General Fund appropriation and a 0.9% increase in Grant Fund appropriation.

DHCA Expenditures by Fund	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Budget	FY16 Rec	Change FY15-16
General Fund	3,354	4,341	4,625	5,178	5,519	6.6%
Grant Fund	14,098	6,980	5,769	7,331	7,398	0.9%
Montgomery Housing Initiative Fund	14,028	16,575	22,499	27,658	26,975	-2.5%
TOTAL	31,480	27,896	32,893	40,167	39,892	-0.7%

The following table shows the changes by program area. Community Development Block Grant funding that is being used for Neighborhood Revitalization is now budgeted in that program rather than in Federal Program Grants Administration. This is the reason behind the large decrease in Grants Administration and large increase in Neighborhood Revitalization.

Department of Housing and Community Affairs in (\$000s)	FY12 Approved	FY13 Approved	FY14 Approved	FY15 Approved	FY16 Rec	Change FY15-16
Multi-Family Housing Programs	14,723	19,015	28,057	27,056	26,483	-2.1%
Single Family Housing Programs	863	874	908	1,111	823	-25.9%
Housing Code Enforcement	1,008	1,600	2,048	2,186	2,704	23.7%
Grants Administration - Federal	6,900	5,264	5,587	6,860	4,999	-27.1%
Landlord-Tenant Mediation	762	1,009	1,016	923	1,026	11.2%
Neighborhood Revitalization	128	104	186	333	1,783	435.4%
Licensing and Registration	349	386	411	428	440	2.8%
Housing Administration	308	276	263	267	344	28.8%
Administration	818	967	967	1,002	1,288	28.5%
TOTAL	25,859	29,495	39,443	40,166	39,890	-0.7%

Department-wide Adjustments

The following table shows the department-wide adjustments. In general, these adjustments are included in the Multi-program Adjustments for each program.

FY16 Compensation Adjustment	176,059
Retirement Adjustment	66,475
Group Insurance Adjustment	15,073
Motorpool Adjustment	(30,151)
Printing and Mailing Adjustment	(8,138)
Annualization of FY15 Personnel Costs	(22,079)
TOTAL	197,239

CE Recommended Changes and Updates by Program Area

A. Multi-Family Housing

The Executive is recommending \$26,483,441 in funding for this program that creates and preserves affordable housing. Major funding is from the Housing Initiative Fund, the Federal HOME grant, Community Development Block Grant, and State grants.

The recommended changes noted in the budget for Rental Assistance (+\$353,369), Debt Service (-\$2,150), and funding available for loans (-\$1,075,021) will be part of the joint PHED/HHS worksession on Housing First and the HIF on Friday, April 24th.

The PHED Committee has previously discussed improvements to the Annual Rent Survey that included requiring a response for all applicable buildings and reporting data on a unit basis to allow improved analysis. The Executive's budget highlights DHCA's ongoing efforts to improve the Rent Survey in its discussion of productivity improvements.

On April 21st, the Council introduced Bill 19-15, *Landlord-Tenant Relations- Licensing of Rental Housing-Landlord-Tenant Obligations*. The bill would, among other things, require that the Director of DHCA publish a table listing all rental housing consisting of two or more units and the average rent increase for each unit by certain categories. The PHED Committee will need to have a complete update on the work-to-date by DHCA on the rent survey when a worksession on Bill 19-15 is scheduled.

B. Single Family Housing Programs

The Executive is recommending \$823,409 for this program that enforces the Moderately Price Dwelling Unit (MPDU) program, administers Workforce Housing agreements, creates and preserves affordable single family housing units, assistance with weatherization programs, and rehabilitation of group homes for special needs populations.

1. Lapse Vacant Manager II Position

-\$19,056 in the General Fund and -\$76,226 in the Grant Fund

DHCA has provided the following in response to a Council staff question about the impact of lapsing this position.

DHCA is recommending to lapse one Program Manager II position in the FY16 operating budget. The position is in the Single Family Housing Section and appears twice in the budget to reflect split-funding. It was funded in the General Fund (0.2 FTE's, \$19,056) and Grant Fund (0.8 FTE's, \$76,226). The position has been vacant since December 2013.

The position primarily provides rehab and quality control assurance inspections for single family projects funded with grant funds (EmPOWER Program and CDBG Programs). DHCA considered filling the position in late FY14/ early FY15; however, since the EmPOWER Program was ending, and CDBG grant funding has been on the decline, coupled with general fund reductions, the Executive is recommending to lapse the position in FY16. DHCA will use existing staff to continue project monitoring of CDBG-funded single family rehabilitation projects.

Council staff recommendation: Approve as recommended by the Executive.

2. EmPowerMaryland Program (expired in 2014)
-\$190,996 (Grant Fund)

DHCA has provided the following description of the EmPower Program that has expired as well as the two current programs: MEAP (\$50,000) and Department of Energy Weatherization Assistance Program:

The EmPOWER Low Income Energy Efficiency Program (EmPOWER Program) expired in December 2014. DHCA anticipates that \$300,000 will be available from the State of Maryland for weatherization assistance. The two most commonly funded programs are the DOE Weatherization Assistance Program (DOE-WAP) and the Maryland Energy Assistance Program (MEAP). A description of the EmPOWER Program, DOE-WAP and MEAP programs follow.

The EmPOWER Program provides funds to help low income households with the installation of energy conservation materials in their homes at no charge. These improvements reduce a household's energy use and lower their monthly utility bills. The program may also improve overall air quality improving the health and comfort of the family. Funding for EmPOWER was provided by Maryland utility company partners. Referrals were provided through MEAP.

MEAP is a State-funded weatherization program administered by the Maryland Department of Human Resources that provides assistance grants to households to help with home heating bills. Payments are made to the household's fuel supplier and utility company on the household's behalf. MEAP also provides funding for some energy-efficient renovation activities. Funding for this program is generally \$50,000 per year.

DOE-WAP is a Federal program administered by Maryland's Department of Housing and Community Development, which enables low-income families to permanently reduce their energy bills by making their homes more energy efficient. Funds are used to improve the energy performance of dwellings of program eligible families using the most advanced technologies and testing protocols available in the housing industry. Funding for this program fluctuates from year to year but is anticipated to be \$250,000 for FY16.

The budget book indicates that in FY14, 127 housing units were improved or rehabilitated and that an estimated 220 will be in FY15.

Council staff recommendation: Approve as recommended by the Executive.

3. Multi-Program Adjustments
-\$915

Multi-Program Adjustments include such things as compensation and benefit changes and changes due to turnover and reorganizations.

Council staff recommendation: Approve as recommended by the Executive.

C. Housing Code Enforcement

The Executive is recommending \$2,704,241 for this program which enforces Chapter 26 of the County Code by inspecting rental and condominium multi-family housing and single family housing. Housing Code Enforcement responds to complaints (about 80% of workload), undertakes concentrated code enforcement, and completes triennial inspections of multi-family buildings.

1. Code Enforcement Inspections – Single Family Rental Properties

\$307,060 and 3.0 new FTE (General Fund)

The Executive is recommending three new Housing Code Inspectors for FY16. DHCA has provided the following about this proposal:

The focus will be single family inspections; however, these inspectors will also assist with some multifamily triennials and accessory apartment code inspections. The average code inspector performs approximately 1,280 inspections per year (on 740 unique units), so having three additional code inspectors will allow DHCA to provide 3,840 additional inspections.

In terms of single family inspections, these inspectors will help DHCA to:

- Improve responses to customer complaints and service requests,
- Incorporate interior inspections of single family rental properties in neighborhood sweeps (with greater collaboration with CountyStat to determine sweep needs, frequency and location), and
- Perform inspections on a sample of newly registered units.

Last year, the PHED Committee discussed Code Enforcement including how the County might be more proactive regarding code enforcement, both by improving response to complaints but also working with neighborhoods before complaints occur. The Committee also discussed the implications of providing at least one inspection for all single family rentals (possibly when the unit is first licensed) and more frequent inspections of multi-family units.

The Executive's recommendation is responsive to improved service when complaints occur and improved and increased neighborhood sweeps. Random inspections would be performed on some newly registered units, but not every registered unit. The enhancement is focused on single-family home communities, not multi-family.

The following table provides information on the number of rental units and total inspections in FY13, FY14, and the first three quarters of FY15. As noted above, with the additional staffing there would be another 3,840 inspections.

Montgomery County Code Enforcement Stats		
Area	507	square miles
Inspectors	18	FTEs (20 total)
Rental Units	97,470	
Multifamily	67,250	
Single Family	19,500	
Other	10,720	
Total Inspections FY15*	17,954	Q1-Q3
Total Inspections FY14*	25,575	
Total Inspections FY13*	24,232	
<i>Data includes Takoma Park inspections and Montgomery County, which include triennial inspections, compliant inspections, re-inspections, court inspections, and other miscellaneous cases (FDA, HQS, RA, Solid Waste, etc.)</i>		

On April 21st, the Council introduced Bill 19-15, *Landlord-Tenant Relations- Licensing of Rental Housing-Landlord-Tenant Obligations*. The bill would require inspection of all rental housing consisting of two or more units, unless the Director finds the landlord has a history of compliance in which case it can be inspected every three years.

Council staff recommendation: Approve Executive’s recommendation for three new inspectors. The PHED Committee will need to return to the issue of inspections for rental housing when a worksession on Bill 19-15 is scheduled.

2. Annualization of Contracts with Takoma Park and the Housing Opportunities Commission
\$15,714

DHCA provides Code Enforcement services to the City of Takoma Park and the Housing Opportunities Commission. This adjusts these contracts for projected FY16 costs.

Council staff recommendation: Approve as recommended by the Executive.

3. Multi-Program Adjustments

\$195,066

Multi-program Adjustments include such things as compensation and benefit changes and changes due to turnover and reorganizations.

Council staff recommendation: **Approve as recommended by the Executive.**

D. Grants Administration – Federal Programs

The Executive is recommending funding of \$4,999,857 in this program area that provides management, oversight, and compliance with requirements for Community Development Block Grants (CDBG), the HOME Investment Partnership Grant (HOME), and the Emergency Solutions Grant (ESG). Staff administers contracts with Rockville, Takoma Park, and non-profit organizations that are awarded funding.

1. Multi-Program Adjustments

-\$2,178,266

In this program, the Multi-program Adjustments, while including such things as compensation and benefit changes for the staff, are driven by the amount of Federal funding that is expected. In addition, starting in FY16, the funds for cost associated with Focused Neighborhood Assistance (\$1,145,000) are now budgeted with the Neighborhood Revitalization Program, where the work is occurring.

Council staff recommendation: **Approve as recommended by the Executive.**

2. Action Plan for Projected Use of CDBG, HOME, and ESG

The Executive's plan for how CDBG, HOME, and ESG funds will be spent in FY16 is attached at © 11-16. The following is a summary of spending by project area.

	FY15 Recommended	FY16 Recommended
Community Development Block Grant		
New Funds	4,119,530	4,086,879
Program Income	500,000	500,000
TOTAL	4,619,530	4,586,879
Uses by County Government		
Housing Acquisition and Preservation	1,016,915	998,594
Group Home Rehabilitation	500,000	600,000
Focused Neighborhood Assistance	945,000	945,000
Code Enforcement	225,000	225,000
Facility Planning	50,000	50,000
Administration	786,000	786,000
Fair Housing (HOME funding in FY15)	-	20,000
Contingency	200,000	100,000
Grants to Non-Profits	540,330	540,000
Subtotal	4,263,245	4,264,594
City of Takoma Park	125,000	91,000
City of Rockville	231,285	231,285
Subtotal to Municipalities	356,285	322,285
TOTAL CDBG	4,619,530	4,586,879
HOME Program	1,956,189	1,829,048
Uses by County Government (including administration)	1,874,189	1,763,048
Operating Support to Community Housing Development Organizations	82,000	66,000
Emergency Solutions Grant (ESG)	339,770	367,201
Rapid Re-Housing and Rental Assistance	259,770	281,201
Homeless Management Information System	55,000	61,000
Emergency Shelter	25,000	25,000
TOTAL ACTION PLAN (FEDERAL FUNDS)	6,915,489	6,783,128

Council staff recommendation: **Approve as recommended by the Executive.**

E. Landlord-Tenant Mediation

The Executive is recommending \$1,025,809 for this program that mediates and arbitrates disputes, provides information and technical assistance to all parties, takes legal action as necessary and refers unresolved complaints to the Commission on Landlord-Tenant Affairs. The budget says that in FY14:

- For disputes in multi-family housing, it takes an average of 38.2 days to conciliate disputes that do not go to the Commission.
- For disputes in single-family housing, it takes an average of 36.7 days to conciliate disputes that do not go to the Commission.
- 97% of cases are successfully mediated without having to be referred to the Landlord-Tenant Commission.

1. Tenant Advocacy Support and Services

\$35,000

The Executive is recommending \$35,000 in the DHCA budget to issue a Request for Proposals for Tenant Advocacy Support and Services. The DHCA contract would begin in January 2016 and the funding is for six-months. (The initial version of the budget book indicated these funds would go to the Renters Alliance. The corrected version is attached.) In addition, the County Executive is recommending a \$35,000 Community Grant for the Montgomery County Renters Alliance which Council staff understands is intended to fund these types of services for the first six-months of FY16.

The 2010 Tenants Work Group convened by the County Executive recommended, among other items, that the “County should provide leadership in forming a Tenant Advocacy (TA) structure funded by a landlord-tenant fee and it should exist independently from County Government.” The Renters Alliance formed as a 501c(3) and the County has provided \$40,000 in FY12, \$40,000 in FY13, \$75,000 in FY14, and \$70,000 in FY15 in non-competitive grant funding to the organization.

The contract that is in place calls for the following tasks: (1) hosting and maintaining a website including links to resources such as technical assistance, reports and information about establishing tenant organizations, Montgomery County government resources, public information relevant to tenants, and links to contact information for services and landlord and management companies (however, the website is to have a disclaimer that not a County Government website); (2) distribute information at targeted events, information tables, electronic distribution; (3) conduct formal and informal meetings to share and present information; and (4) host renter information public events.

The PHED Committee has previously asked about other resources in DHCA or funded by grants that assist people who are renters. In DHCA there is a contract with CASA de Maryland that in brief is described as tenant counseling. However, it has a different focus than the work described above. The tasks focus on supporting low-income families and require language appropriate programming provided in Wheaton/Glemont, Long Branch, Germantown, Aspen Hill, and the unincorporated area of Gaithersburg. Some of the tasks include (1) providing and staffing a legal counseling program for issues such as housing codes, breach of contract, and security deposits; (2) providing 24 weekly clinics; provide at least four trainings on specific issues of interest; (3) community door-to-door outreach; and (4) discuss and address issues of public safety.

Council staff recommendation: Council staff agrees that there is a need to provide information and resources to renters of all incomes and all areas of the County and that a non-government organization can facilitate dialogue that might not occur if such services are provided by government staff. **However, Council staff recommends that instead of the Executive's two-phased approach for FY16, the \$35,000 in the DHCA budget and the \$35,000 in the Community Grants NDA be combined and a solicitation for \$70,000 be issued for FY16 tenant support services. In response to a question from Council staff, DHCA has said that they expect the procurement process to take about three months. If the solicitation could be issued in May, there might be a brief break, but services should be in place in August.** Council staff believes that it is important to have clarity regarding the scope of services and expected outcomes for County funding, and that it is preferable to move away from Community Grants as a source of funding and acknowledge that funding is needed in the base DHCA budget. This staff recommendation requires the PHED Committee to recommend reducing the Community Grants NDA by \$35,000 and increasing the DHCA budget by \$35,000.

2. Multi-Program Adjustments

\$67,675

Multi-Program adjustments include such things as compensation and benefit changes and changes due to turnover and reorganizations.

Council staff recommendation: Approve as recommended by the Executive.

F. Neighborhood Revitalization

The Executive is recommending \$1,782,606 for this program that provides planning and implementation for neighborhood revitalization in targeted areas.

1. Use FY15 funds for FY16 Contract with Montgomery Housing Partnership for Focused Neighborhood Assistance

-\$120,000

Montgomery Housing Partnership works with DHCA in Neighborhood Revitalization efforts in Glenmont, Long Branch, Montgomery Village, and other neighborhoods as needed. Last year, the PHED Committee discussed this Focused Neighborhood Assistance work and added funds to continue current work and begin work in the Connecticut Avenue Estates area. DHCA has determined that there are sufficient funds encumbered to complete work needed in FY16 without additional appropriation. Council staff has confirmed with Montgomery Housing Partnership that they have discussed this with DHCA and are assured that funding is in place for their work to continue.

Council staff recommendation: Approve as recommended by the Executive.

2. Multi-Program Adjustments

\$1,569,294

Multi-program Adjustments include such things as compensation and benefit changes and changes due to turnover and reorganizations. As noted earlier, Federal funds that are used for Neighborhood Revitalization that were previously budgeted in Grants Administration are now in this program which accounts for the very large amount.

Council staff recommendation: Approve as recommended by the Executive.

3. Updates on Neighborhood Projects

DHCA has provided the following updates.

McKendree Focused Neighborhood Assistance Program

McKendree II – DHCA has completed exterior rehabilitation work on 17 homes. The work in this phase included upgrading existing heat pumps to energy efficient units, replacing single paned windows and patio doors with Low-e energy efficient double pane, argon filled windows, replacement of rotting fences, replacing rotting soffits and fascia framing at windows and dormers and the installation of siding.

McKendree I – DHCA has completed exterior rehabilitation work on 6 homes with work scheduled for an additional 2 homes. The work in this phase proved to be more extensive due to the deteriorating condition of the homes qualified to participate in the program. Like the work in McKendree II, the heat pumps were upgraded to energy efficient units, supply and return vents were installed on the 3rd level of units, single paned windows and patio doors were replaced with Low-e energy efficient double pane, argon filled windows, replacement of rotting wood fascia boards and soffits and installation of new siding on some units where rotting wood battens were installed.

McKendree Courtyard Project - Design Development Plans are 95 percent complete. Comsource Management, who manages the grounds and the lighting of the community is in the process of selecting the lighting fixtures. The plans are scheduled to be submitted to the Department of Permitting Services (DPS) for review of the Sediment Control Plans in mid-April 2015. DHCA should receive a waiver for this permit due to the fact that the total amount of disturbed land will not exceed 5,000 square feet.

Once the plans are 100 percent complete, they will be submitted to the Office of Procurement for review which will require an estimated 4 to 6 weeks. Once that review is complete, the plans will go out for bids (30 days). DHCA anticipates a mid-summer construction start time.

Wheaton North/Connecticut Avenue Estates

DHCA is planning for a late spring community-wide Planning/Visioning workshop. During the second week of April, the consultant hired by MHP held individual meetings with stakeholders in order to help plan and design the process and workshop. The County's internal planning group, which includes Ilana Branda (MHP), Jayne Park (IMPACT), Ana Van Balen Lopez (Wheaton Regional Center), and Chris Anderson (DHCA), is currently reviewing the results of those sessions to finalize the details and logistics of the community-wide workshop(s).

Colesville/New Hampshire Community Revitalization project.

DHCA has reached out to all property owners in the targeted area, and to date, has had three property owners express interest in participating. The owners of the building at 13401 New Hampshire the Seven-Eleven and Karate Studio building have met with the Architectural Review Committee (ARC), and they submitted final design drawings this month which have been distributed to the ARC members for their final approval. Staff expects to take a recommendation to the DHCA Director in late-Spring/early-Summer. The other two property owners are still in the discussion stages (one of these is the Meadowood Center, which is a very prominent property on the southern end of the target area).

It is difficult to establish a multi-year timeline for a project of this nature because it is dependent on the participation of interested property owners in the area. In the past, DHCA has found that after one or two buildings are completed, it generates increased interest among other property owners, and activity picks up. Our goal would be to secure commitments with a minimum of two property owners per year.

Burtonsville Revitalization project.

Four building façades have been completed representing an investment of approximately \$700,000 in County funds, and \$800,000 in private funds. One additional building (the "Lift" building) is in the final stages of permitting and construction should begin in spring 2015. Additionally, Seibel's Restaurant is currently in the design review stage with the Architectural Review Committee (ARC). Three old signs have been replaced by new signage, one sign is under construction, and the Seibel's sign is also in the design review process.

In total, approximately \$1,070,000 in County funds have been spent or committed to date, while the private owners have contributed or committed approximately \$1,200,000 to this effort.

G. Licensing and Registration

The Executive is recommending \$439,989 for this program area that issues licenses to all rental housing and registers all housing units in common ownership communities.

1. Multi-Program Adjustments \$12,124

Multi-program Adjustments include such things as compensation and benefit changes and changes due to turnover and reorganizations.

Council staff recommendation: **Approve as recommended by the Executive.**

2. Increase in Rental License Fees

The Executive's budget estimates a 9% increase in Landlord-Tenant Fees. Proposed Executive Regulation 10-15 has been advertised in the April Register and proposes a \$3 increase to each category of rental license fee. It is attached at © 17-22.

Revenue from Landlord-Tenant Fees

FY12 Actual	4,518,793
FY13 Actual	4,801,435
FY14 Actual	5,041,465
FY15 Budget	4,988,040
FY16 Recommend	5,436,018

Current and Proposed License Fees

	Current	Proposed	% increase
CLASS 1 – per unit in apartment complex, accessory apartment by Special Exception, Personal Living Quarters	38	41	7.9%
CLASS 1 – Other including individually owned condominium and piggy-back unit	56	59	5.4%
CLASS 2 – single family house, townhouse, duplex, back-to-back townhouse, quadrplex	98	101	3.0%
CLASS 3 - Accessory Apt (no Special Exception)	98	101	3.0%

The proposed regulation has not been transmitted to Council. It is a Method 2 regulation and will require Council action unless the Council allows it to automatically go into effect after 60 days. Council staff notes that because the same dollar increase has been proposed, the percentage increase is different. For example, if a 7.9% increase were applied to CLASS 2 then

the new fee would be \$105. The last increase (for all but the new Class 3 Accessory Apt.) was in 2004.

As previously discussed the Executive has recommended \$307,060 for three Code Inspectors to focus on single-family homes. DHCA has told Council staff there are about 19,500 single family rental units in the County. If the total increase for this initiative was to be covered with increased revenues from single-family license fees would have to be raised about \$16 from the current \$98.

H. Housing Administration

The Executive is recommending \$343,960 for this program area that provides management to the Housing Division.

1. Multi-Program Adjustments \$76,702

Multi-program Adjustments include such things as compensation and benefit changes and changes due to turnover and reorganizations.

Council staff recommendation: **Approve as recommended by the Executive.**

I. Administration

The Executive is recommending \$1,288,426 for this program area that provides administration and managerial support to the Department.

1. Multi-Program Adjustments \$285,964

Multi-program Adjustments include such things as compensation and benefit changes and changes due to turnover and reorganizations.

Council staff recommendation: **Approve as recommended by the Executive.**

Housing and Community Affairs

MISSION STATEMENT

The mission of the Department of Housing and Community Affairs is to plan and implement activities which prevent and correct problems that contribute to the physical decline of residential and commercial areas; ensure fair and equitable relations between landlords and tenants; increase the supply of affordable housing; and maintain existing housing in a safe and sanitary condition.

BUDGET OVERVIEW

The total recommended FY16 Operating Budget for the Department of Housing and Community Affairs is \$39,891,738, a decrease of \$274,741 or 0.7 percent from the FY15 Approved Budget of \$40,166,479. Personnel Costs comprise 21.6 percent of the budget for 85 full-time positions and three part-time positions, and a total of 80.30 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 78.4 percent of the FY16 budget.

DHCA expects the total signed agreements for affordable housing projects through the PILOT program to abate \$12.8 million in taxes in FY16.

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

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ ***A Responsive, Accountable County Government***
- ❖ ***Affordable Housing in an Inclusive Community***
- ❖ ***Healthy and Sustainable Neighborhoods***

DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below, with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY15 estimates reflect funding based on the FY15 approved budget. The FY16 and FY17 figures are performance targets based on the FY16 recommended budget and funding for comparable service levels in FY17.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ ***Invest over \$43.9 million for Affordable Housing including the Montgomery Housing Initiative (MHI) fund and utilize \$17.0 million from the Affordable Housing Acquisition and Preservation CIP project. This increases dedicated funding and provides for renovation of distressed housing, the acquisition and preservation of affordable housing units, creation of housing units for special needs residents, services to the "Building Neighborhoods to Call Home" and "Housing First" and creation of mixed-income housing. Since FY08, \$657.9 million has been invested in support of affordable housing leveraging \$924.5 million in non-county funding.***
- ❖ ***Continue to use resources from the MHI fund to support rental assistance programs to the Department of Housing and Community Affairs (DHCA), Health and Human Services (DHHS), and the Housing Opportunities Commission (HOC). A total of 1,800 households were assisted in FY15 and over 1,800 are projected in FY16.***
- ❖ ***Enhance code enforcement efforts to provide increased attention to single family rental properties to ensure safe and sanitary living conditions.***
- ❖ ***Continue the County's commitment to inclusive transit-oriented development by completing The Bonifant, a new, mixed-income senior project located in downtown Silver Spring next to the new Silver Spring Library. Of the 149 units, 139 will be affordable to seniors earning between 30 percent and 60 percent of the area median income.***

- ❖ **Continue to receive funding from Federal Grants (Community Development Block Grant (CDBG), the HOME Investment Partnership Grant (HOME), and the Emergency Solutions Grant (ESG) which provide funding for affordable housing, housing rehabilitation, commercial revitalization, focused neighborhood assistance, public services and preventing homelessness.**
- ❖ **Continue to participate in the administration of the State and Federally-funded Weatherization Programs which provide energy-saving housing renovations for income-eligible county residents.**
- ❖ **In collaboration with the Maryland-National Capital Park and Planning Commission, launch a rental housing study to identify the County's rental housing needs and offer holistic and sustainable approaches to meet them.**
- ❖ **Continue the comprehensive, data-driven Focused Neighborhood Assistance (FNA) Program, which has received national recognition for its previous efforts in Cinnamon Woods. This year, the FNA program will continue its efforts related to struggling condominium communities and HOAs through intensive community outreach, board training, and common area improvements in one selected community. The FNA Program will also continue community and housing improvements in the McKendree neighborhood of Montgomery Village, as well as undertake a community planning and visioning process in the Wheaton North neighborhood.**
- ❖ **Undertake renovations at Progress Place (a DGS, HHS, and DHCA collaboration), which includes the relocation of several Montgomery County supportive housing service providers to a new, consolidated location in Silver Spring. The relocation will furnish the providers with a new and improved space while integrating 21 units of supportive, transitional housing within the location.**
- ❖ **In addition to the funding for this Department, the recommended budget includes grants to our community partners. Community organizations augment and supplement government programs by providing services such as rental assistance, renovation assistance, foreclosure/eviction prevention services, and tenant counseling. These community organizations are critical to an effective network of services and are often able to provide these services in a more cost-effective, culturally appropriate, and flexible way than County Government. They also are able to leverage community resources that may be unavailable to County Government. For details, please see Community Grants: County Executive in the Non-Departmental Accounts section.**
- ❖ **Productivity Improvements**
 - **Design and implement IT modernization plan and maintain efforts to continuously improve existing systems. This includes redesigning the existing application infrastructure with emphasis on efficiency, maintainability, and integration. DHCA-IT will deploy and enrich a series of web services to provide all departmental applications with a variety of centrally managed and maintained functions such as geocoding, Office 365 integration, and Siebel/MC311 integration.**
 - **Analyze and redesign departmental data repositories with the goal of supporting improved integration with other departments or initiatives (montgomerycountymd.gov/open) and established or upcoming standards.**
 - **Continue adding features to mobile web application used by code inspectors on mobile devices (for example, cases in proximity to inspectors location; routing to properties scheduled for inspection that day, etc.). This will improve efficiencies by enabling inspectors to conduct inspections that are located in the same geographic area and avoiding unnecessary travel saving inspector time.**
 - **Introduce and refine the Annual Rent Survey, which aims to increase adherence to the voluntary rent guideline and introduce rental market transparency by capturing countywide rent data on a per-unit basis and allows for rent analysis. This information is planned to be published on montgomerycountymd.gov/open.**

PROGRAM CONTACTS

Contact Tim Goetzinger of the Department of Housing and Community Affairs at 240.777.3728 or Jennifer Bryant of the Office of Management and Budget at 240.777.2761 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Multi-Family Housing Programs

This program creates and preserves affordable multi-family housing units. Loans are made to the Housing Opportunities Commission, nonprofit organizations, property owners, and for-profit developers. This program provides funding to:

- preserve existing affordable housing units;
- construct and acquire affordable housing units;
- rehabilitate existing rental housing stock;

- participate in housing or mixed-use developments that will include affordable housing;
- acquire land to produce affordable housing;
- provide low income rental housing assistance.

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

Program Performance Measures	Actual FY13	Actual FY14	Estimated FY15	Target FY16	Target FY17
Cost per unit of affordable housing units preserved	8,129	7,361	6,844	6,800	6,129
Cost per unit of affordable housing units produced ¹	34,090	67,886	88,989	55,732	34,611
Total affordable housing units preserved ²	1,663	2,544	2,594	2,710	2,428
Total affordable housing units produced	1,627	1,180	892	762	627

¹ DHCA projects a few well-leveraged housing developments to come on-line in FY17. These projects effectively reduce the projected cost per-unit in FY17. The reverse is true for projected FY15. The average cost per-unit in this category is approximately \$60,000.

² Preservation increases projected in FY14-17 due to increases in MHI rental assistance funding.

FY16 Recommended Changes	Expenditures	FTEs
FY15 Approved	27,055,648	8.40
Enhance: Rental Assistance (Additional Estimated Recordation Tax Allocation)	353,369	0.00
Decrease Cost: Debt Service: GO Bonds (Non-Tax Funds)	-2,150	0.00
Decrease Cost: Loans	-1,075,021	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.	151,595	1.00
FY16 CE Recommended	26,483,441	9.40

Single-Family Housing Programs

This program creates and preserves affordable single-family housing units. It enforces Chapter 25A of the County Code to ensure that Moderately Priced Dwelling Units (MPDUs) are provided and monitored for resale control. The Code requires that 12.5 percent to 15.0 percent of an approved development of 20 dwelling units or more be MPDUs, depending on the amount of density bonus achieved. The housing units produced are marketed at controlled prices, which makes them affordable to moderate-income households. Additional single-family (SF) housing programs provide funding to replace, rehabilitate and weatherize single-family housing units, and rehabilitate group homes (GH) for the special needs population. In addition, this program is responsible for the newly created Work Force Housing Initiative.

Program Performance Measures	Actual FY13	Actual FY14	Estimated FY15	Target FY16	Target FY17
Number of Housing Units Improved/Rehabilitated ¹	64	127	220	362	220

¹ Projections for FY16 and FY17 are based on DHCA receiving a potential second EmPOWER Maryland Weatherization state grant. The first EmPOWER grant expires in FY15.

FY16 Recommended Changes	Expenditures	FTEs
FY15 Approved	1,110,602	10.00
Decrease Cost: Lapse Vacant Program Manager II Position	-19,056	0.00
Decrease Cost: Lapse Vacant Program Manager II Position	-76,226	0.00
Decrease Cost: EmPower Maryland Program, Expired in December 2014	-190,996	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.	-915	-0.50
FY16 CE Recommended	823,409	9.50

Housing Code Enforcement

This program enforces Chapter 26 of the County Code, Housing Maintenance, by inspecting rental condominiums, multi-family apartments, and single-family housing to ensure safe and sanitary conditions; and Chapter 48, Solid Wastes; and Chapter 58, Weeds, the County's residential weeds and rubbish codes. Approximately 80 percent of the single-family inspections result from tenant and/or neighbor complaints; other inspections are the result of concentrated code enforcement efforts in specific areas. The multi-family inspections are based on a requirement for triennial inspections and in response to tenant and/or neighbor complaints. This program is supported by the collection of single-family and apartment/condominium licensing fees.

Program Performance Measures	Actual FY13	Actual FY14	Estimated FY15	Target FY16	Target FY17
Number of housing Code Enforcement repeat offenses: More than 2 cases in a 2 year period	109	73	73	73	73
Percent of cases that achieve voluntary compliance in Code Enforcement cases before a citation is written	95%	93%	93%	93%	93%

FY16 Recommended Changes	Expenditures	FTEs
FY15 Approved	2,186,401	22.60
Enhance: Code Enforcement Inspection - Single Family Rental Properties	307,060	3.00
Increase Cost: Takoma Park / HOC Code Enforcement Contract Annualization	15,714	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.	195,066	-1.50
FY16 CE Recommended	2,704,241	24.10

Grants Administration - Federal Programs

Staff provides management and oversight to ensure compliance with all regulatory requirements for Federal funding awarded to Montgomery County by the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant, the HOME Investment Partnership Grant, and the Emergency Solutions Grant programs.

Funds from these programs support both operating activities and capital projects. Activities funded may include property acquisition, new construction, housing rehabilitation, commercial area revitalization and handicapped accessibility improvements.

Staff administers contracts with the cities of Rockville and Takoma Park, as well as nonprofit organizations awarded funding to provide a variety of public services involving assistance to low-income persons.

Program Performance Measures	Actual FY13	Actual FY14	Estimated FY15	Target FY16	Target FY17
Number of Contracts Awarded and Monitored	25	37	31	32	32

FY16 Recommended Changes	Expenditures	FTEs
FY15 Approved	6,859,797	6.70
Enhance: Community Development Block Grant (CDBG)	340,136	0.00
Add: Community Block Grant: Asian Pacific Amer Legal Resource Center - Legal Services for Asian Immigrants	45,000	0.00
Add: Community Block Grant: Eastern Montgomery Emergency Assistance Network - Eviction and Utility Disconnection Prevention	45,000	0.00
Add: Community Block Grant: National Center for Children and Families - Future Bound Transitional Housing	45,000	0.00
Add: Community Block Grant: Mental Health Association of Montgomery County - Medical Therapist	44,938	0.00
Add: Community Block Grant: The Arc of Montgomery County, Inc. - Training Youth Employment Project	44,835	0.00
Add: Community Block Grant: Mobile Medical Care, Inc. - Anticoagulation Clinic for the Low Income Uninsured	40,072	0.00
Add: Community Block Grant: Boys & Girls Clubs of Greater Washington, Inc. - Power Hour	38,655	0.00
Add: Community Block Grant: Jewish Foundation for Group Homes, Inc. - Living Independently with Austim	38,500	0.00
Add: Community Block Grant: Montgomery Housing Partnership - 21st Century Gator Program	38,000	0.00
Add: Community Block Grant: Montgomery County Collaboration Council for Children Youth and Families - Strengthening Families Program	29,510	0.00
Add: Community Block Grant: Interfaith Works - Volunteer Services	29,186	0.00
Add: Community Block Grant: Jobs Unlimited, Inc. - Peer Recovery Support	25,200	0.00
Add: Community Block Grant: Stepping Stones Shelter - Community Engagement Manager	24,756	0.00
Add: Community Block Grant: Bethesda Cares, Inc. - Outreach to Chronically Homeless	21,944	0.00
Add: Community Block Grant: Aspire Counseling - Healthy Mothers Healthy Babies	15,614	0.00
Increase Cost: HOME Investment Partnerships Program (HOME)	14,799	0.00
Add: Community Block Grant: The Shepherd's Table, Inc. - Shepherd's Table Food Service Program	13,790	0.00
Decrease Cost: Emergency Shelter Grant (ESG)	-36,609	0.00
Decrease Cost: Adjustment for Individual Grants	-540,000	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.	-2,178,266	-1.00
FY16 CE Recommended	4,999,857	5.70

Notes: Shift Focused Neighborhood Assistance (-\$1,145,000) from Grants Administration - Federal Programs to Neighborhood Revitalization.

Landlord-Tenant Mediation

This program ensures fair and equitable relations between landlords and tenants and encourages the maintenance and improvement of housing. Activities including mediating and arbitrating disputes; providing information and technical assistance to all parties; and taking legal action as necessary, including referring unresolved complaints to the Montgomery County Commission on

Landlord-Tenant Affairs.

<i>Program Performance Measures</i>	<i>Actual FY13</i>	<i>Actual FY14</i>	<i>Estimated FY15</i>	<i>Target FY16</i>	<i>Target FY17</i>
Average length of time required to conciliate landlord/tenant disputes that do not go to the Landlord Tenant Commission: Multi-family disputes (workdays)	35.0	38.2	36.0	36.0	36.0
Average length of time required to conciliate landlord/tenant disputes that do not go to the Landlord Tenant Commission: Single-family disputes (workdays)	35	36.7	35	35	35
Percent of Landlord/Tenant cases mediated successfully (not referred to the Commission)	97%	97%	97%	97%	97%

<i>FY16 Recommended Changes</i>	<i>Expenditures</i>	<i>FTEs</i>
FY15 Approved	923,134	8.00
Increase Cost: Request for Proposal for Tenants Advocacy Support and Services for Six Months to Begin January 2016 (\$35,000)	35,000	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.	67,675	-0.50
FY16 CE Recommended	1,025,809	7.50

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.

<i>Program Performance Measures</i>	<i>Actual FY13</i>	<i>Actual FY14</i>	<i>Estimated FY15</i>	<i>Target FY16</i>	<i>Target FY17</i>
Gains achieved in neighborhoods receiving DHCA neighborhood revitalization funding/services	2	n/a	n/a	n/a	n/a

<i>FY16 Recommended Changes</i>	<i>Expenditures</i>	<i>FTEs</i>
FY15 Approved	333,312	5.10
Decrease Cost: Montgomery Housing Partnership for the Focused Neighborhood Assistance Program: Delay in Contract Implementation, Funds in FY15 will be Sufficient for the Contract Through FY16	-120,000	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.	1,569,294	2.50
FY16 CE Recommended	1,782,606	7.60

Notes: Shift Focused Neighborhood Assistance (\$1,145,000) from Grants Administration - Federal Programs to Neighborhood Revitalization.

Licensing and Registration

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

<i>Program Performance Measures</i>	<i>Actual FY13</i>	<i>Actual FY14</i>	<i>Estimated FY15</i>	<i>Target FY16</i>	<i>Target FY17</i>
Number of Rental Licenses Issued	93,522	96,185	97,500	98,500	99,500

<i>FY16 Recommended Changes</i>	<i>Expenditures</i>	<i>FTEs</i>
FY15 Approved	427,865	3.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	12,124	0.00
FY16 CE Recommended	439,989	3.00

Housing Administration

This program provides management and oversight to support activities within the housing division including single and multi-family housing programs, code enforcement, and landlord tenant mediation.

This program was formerly included as part of Housing Development and Loan Programs.

FY16 Recommended Changes	Expenditures	FTEs
FY15 Approved	267,258	3.50
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	76,702	0.00
FY16 CE Recommended	343,960	3.50

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).

FY16 Recommended Changes	Expenditures	FTEs
FY15 Approved	1,002,462	10.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	285,964	0.00
FY16 CE Recommended	1,288,426	10.00

BUDGET SUMMARY

	Actual FY14	Budget FY15	Estimated FY15	Recommended FY16	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	2,832,199	3,062,271	3,025,753	3,325,239	8.6%
Employee Benefits	1,164,664	1,177,659	1,195,645	1,295,661	10.0%
County General Fund Personnel Costs	3,996,863	4,239,930	4,221,398	4,620,900	9.0%
Operating Expenses	628,272	937,826	902,131	898,207	-4.2%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	4,625,135	5,177,756	5,123,529	5,519,107	6.6%
PERSONNEL					
Full-Time	83	82	82	85	3.7%
Part-Time	2	3	3	3	—
FTEs	38.10	38.60	38.60	41.60	7.8%
REVENUES					
Board of Appeals Fees	12,375	0	0	0	—
Health Inspection: Restaurants	-19	0	0	0	—
Landlord-Tenant Fees	5,041,465	4,988,040	4,988,040	5,436,018	9.0%
Miscellaneous Revenues	9,798	20,000	20,000	20,000	—
Other Charges/Fees	11,265	7,700	7,700	16,450	113.6%
Other Fines/Forfeitures	37,553	50,000	50,000	50,000	—
County General Fund Revenues	5,112,437	5,065,740	5,065,740	5,522,468	9.0%
GRANT FUND MCG					
EXPENDITURES					
Salaries and Wages	1,368,545	1,708,044	1,708,044	1,593,154	-6.7%
Employee Benefits	482,114	589,766	589,766	579,711	-1.7%
Grant Fund MCG Personnel Costs	1,850,659	2,297,810	2,297,810	2,172,865	-5.4%
Operating Expenses	3,918,822	5,033,252	5,033,252	5,225,015	3.8%
Capital Outlay	0	0	0	0	—
Grant Fund MCG Expenditures	5,769,481	7,331,062	7,331,062	7,397,880	0.9%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	20.60	24.00	24.00	24.00	—
REVENUES					
Federal Grants	3,137,510	5,550,444	5,541,028	5,541,028	-0.2%
Investment Income	731,636	0	0	0	—
Loan Payments	873,694	1,000,000	1,000,000	1,000,000	—
Miscellaneous Revenues	11,045	0	0	0	—
Other Charges/Fees	0	299,038	299,038	314,752	5.3%
State Grants	462,411	481,580	490,996	542,100	12.6%
Other Intergovernmental	257,528	0	0	0	—
Grant Fund MCG Revenues	5,473,824	7,331,062	7,331,062	7,397,880	0.9%
MONTGOMERY HOUSING INITIATIVE					
EXPENDITURES					
Salaries and Wages	1,212,262	1,298,495	1,266,100	1,335,209	2.8%
Employee Benefits	447,690	471,687	471,702	475,865	0.9%
Montgomery Housing Initiative Personnel Costs	1,659,952	1,770,182	1,737,802	1,811,074	2.3%
Operating Expenses	20,771,386	25,821,849	27,187,205	25,100,197	-2.8%
Debt Service Other	67,729	65,630	65,630	63,480	-3.3%
Capital Outlay	0	0	0	0	—
Montgomery Housing Initiative Expenditures	22,499,067	27,657,661	28,990,637	26,974,751	-2.5%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	14.70	14.70	14.70	14.70	—
REVENUES					
Asset Management Fee	0	0	12,770	32,188	—
Commitment Fee	0	0	75,000	150,000	—
Investment Income	2,048,496	1,000,000	1,468,200	1,468,200	46.8%
Land Sale Proceeds	0	0	2,275,000	0	—
Loan Payments	-1,156,646	2,500,000	2,500,000	1,825,000	-27.0%
MHI Transfer Tax	724,671	800,000	800,000	800,000	—

	Actual FY14	Budget FY15	Estimated FY15	Recommended FY16	% Chg Bud/Rec
Miscellaneous Revenues	1,500	75,006	75,006	75,006	—
MPDU Revenues	2,964,612	1,500,000	1,500,000	1,400,000	-6.7%
Recordation Tax	7,996,905	8,858,371	7,699,250	8,382,680	-5.4%
Other Financing Sources	67,729	65,630	65,630	63,480	-3.3%
Montgomery Housing Initiative Revenues	12,647,267	14,799,007	16,470,856	14,196,554	-4.1%
DEPARTMENT TOTALS					
Total Expenditures	32,893,683	40,166,479	41,445,228	39,891,738	-0.7%
Total Full-Time Positions	83	82	82	85	3.7%
Total Part-Time Positions	2	3	3	3	—
Total FTEs	73.40	77.30	77.30	80.30	3.9%
Total Revenues	23,233,528	27,195,809	28,867,658	27,116,902	-0.3%

FY16 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY15 ORIGINAL APPROPRIATION	5,177,756	38.60
Changes (with service impacts)		
Enhance: Code Enforcement Inspection - Single Family Rental Properties [Housing Code Enforcement]	307,060	3.00
Other Adjustments (with no service impacts)		
Increase Cost: FY16 Compensation Adjustment	127,342	0.00
Increase Cost: Retirement Adjustment	47,304	0.00
Increase Cost: Request for Proposal for Tenants Advocacy Support and Services for Six Months to Begin January 2016 (\$35,000) [Landlord-Tenant Mediation]	35,000	0.00
Increase Cost: Group Insurance Adjustment	10,854	0.00
Increase Cost: Annualization of FY15 Personnel Costs	9,136	0.00
Decrease Cost: Printing and Mail	-8,138	0.00
Decrease Cost: Office Supplies	-18,000	0.00
Decrease Cost: Lapse Vacant Program Manager II Position [Single-Family Housing Programs]	-19,056	0.00
Decrease Cost: Motor Pool Rate Adjustment	-30,151	0.00
Decrease Cost: Montgomery Housing Partnership for the Focused Neighborhood Assistance Program: Delay in Contract Implementation, Funds in FY15 will be Sufficient for the Contract Through FY16 [Neighborhood Revitalization]	-120,000	0.00
FY16 RECOMMENDED:	5,519,107	41.60
GRANT FUND MCG		
FY15 ORIGINAL APPROPRIATION	7,331,062	24.00
Other Adjustments (with no service impacts)		
Increase Cost: Takoma Park / HOC Code Enforcement Contract Annualization [Housing Code Enforcement]	15,714	0.00
Decrease Cost: Lapse Vacant Program Manager II Position [Single-Family Housing Programs]	-76,226	0.00
Decrease Cost: EmPower Maryland Program, Expired in December 2014 [Single-Family Housing Programs]	-190,996	0.00
Federal Programs		
Add: Community Block Grant: Asian Pacific Amer Legal Resource Center - Legal Services for Asian Immigrants	45,000	0.00
Add: Community Block Grant: Aspire Counseling - Healthy Mothers Healthy Babies	15,614	0.00
Add: Community Block Grant: Bethesda Cares, Inc. - Outreach to Chronically Homeless	21,944	0.00
Add: Community Block Grant: Boys & Girls Clubs of Greater Washington, Inc. - Power Hour	38,655	0.00
Add: Community Block Grant: Eastern Montgomery Emergency Assistance Network - Eviction and Utility Disconnection Prevention	45,000	0.00
Add: Community Block Grant: Interfaith Works - Volunteer Services	29,186	0.00
Add: Community Block Grant: Jewish Foundation for Group Homes, Inc. - Living Independently with Autism	38,500	0.00
Add: Community Block Grant: Jobs Unlimited, Inc. - Peer Recovery Support	25,200	0.00
Add: Community Block Grant: Mental Health Association of Montgomery County - Medical Therapist	44,938	0.00
Add: Community Block Grant: Mobile Medical Care, Inc. - Anticoagulation Clinic for the Low Income Uninsured	40,072	0.00
Add: Community Block Grant: Montgomery County Collaboration Council for Children Youth and Families - Strengthening Families Program	29,510	0.00

	Expenditures	FTEs
Add: Community Block Grant: Montgomery Housing Partnership - 21st Century Gator Program	38,000	0.00
Add: Community Block Grant: National Center for Children and Families - Future Bound Transitional Housing	45,000	0.00
Add: Community Block Grant: Stepping Stones Shelter - Community Engagement Manager	24,756	0.00
Add: Community Block Grant: The Arc of Montgomery County, Inc. - Training Youth Employment Project	44,835	0.00
Add: Community Block Grant: The Shepherd's Table, Inc. - Shepherd's Table Food Service Program	13,790	0.00
Decrease Cost: Adjustment for Individual Grants	-540,000	0.00
Decrease Cost: Emergency Shelter Grant (ESG)	-36,609	0.00
Enhance: Community Development Block Grant (CDBG)	340,136	0.00
Increase Cost: HOME Investment Partnerships Program (HOME)	14,799	0.00
FY16 RECOMMENDED:	7,397,880	24.00
MONTGOMERY HOUSING INITIATIVE		
FY15 ORIGINAL APPROPRIATION	27,657,661	14.70
Changes (with service impacts)		
Enhance: Rental Assistance (Additional Estimated Recordation Tax Allocation) [Multi-Family Housing Programs]	353,369	0.00
Other Adjustments (with no service impacts)		
Increase Cost: FY16 Compensation Adjustment	48,717	0.00
Increase Cost: Retirement Adjustment	19,171	0.00
Increase Cost: Group Insurance Adjustment	4,219	0.00
Decrease Cost: Debt Service: GO Bonds (Non-Tax Funds) [Multi-Family Housing Programs]	-2,150	0.00
Decrease Cost: Annualization of FY15 Personnel Costs	-31,215	0.00
Decrease Cost: Loans [Multi-Family Housing Programs]	-1,075,021	0.00
FY16 RECOMMENDED:	26,974,751	14.70

PROGRAM SUMMARY

Program Name	FY15 Approved		FY16 Recommended	
	Expenditures	FTEs	Expenditures	FTEs
Multi-Family Housing Programs	27,055,648	8.40	26,483,441	9.40
Single-Family Housing Programs	1,110,602	10.00	823,409	9.50
Housing Code Enforcement	2,186,401	22.60	2,704,241	24.10
Grants Administration - Federal Programs	6,859,797	6.70	4,999,857	5.70
Landlord-Tenant Mediation	923,134	8.00	1,025,809	7.50
Neighborhood Revitalization	333,312	5.10	1,782,606	7.60
Licensing and Registration	427,865	3.00	439,989	3.00
Housing Administration	267,258	3.50	343,960	3.50
Administration	1,002,462	10.00	1,288,426	10.00
Total	40,166,479	77.30	39,891,738	80.30

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY15		FY16	
		Total\$	FTEs	Total\$	FTEs
COUNTY GENERAL FUND					
CIP	CIP	181,610	1.70	189,280	1.70
Permitting Services	Permitting Services	119,460	1.00	120,076	1.00
Solid Waste Services	Solid Waste Disposal	728,911	5.50	740,234	5.50
Total		1,029,981	8.20	1,049,590	8.20

FUTURE FISCAL IMPACTS

Title	CE REC.					
	FY16	FY17	FY18	FY19	FY20	FY21
(\$000's)						
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY16 Recommended	5,519	5,519	5,519	5,519	5,519	5,519
No inflation or compensation change is included in outyear projections.						
Elimination of One-Time Items Recommended in FY16	0	-77	-77	-77	-77	-77
Items approved for one-time funding in FY16, including vehicles for new code enforcement staff and associated operating expenses, will be eliminated from the base in the outyears.						
Labor Contracts	0	15	15	15	15	15
These figures represent the estimated annualized cost of general wage adjustments, service increments, and associated benefits.						
Subtotal Expenditures	5,519	5,457	5,457	5,457	5,457	5,457
MONTGOMERY HOUSING INITIATIVE						
Expenditures						
FY16 Recommended	26,975	26,975	26,975	26,975	26,975	26,975
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	6	6	6	6	6
These figures represent the estimated annualized cost of general wage adjustments, service increments, and associated benefits.						
Subtotal Expenditures	26,975	26,981	26,981	26,981	26,981	26,981

ACTION PLAN
Projected use of Funds for CDBG, HOME and ESG
July 1, 2015 – June 30, 2016

Community Development Block Grant (CDBG)

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) **\$4,586,879**

The County expects to receive \$4,086,879 in CDBG funds for Fiscal Year 2016, and anticipated program income of \$500,000; an estimated total of \$4,586,879 in CDBG funds will be available for the following activities.

PROJECTS ADMINISTERED BY COUNTY GOVERNMENT

Department of Housing and Community Affairs (DHCA) **\$4,264,594**

Housing Acquisition and Preservation **\$998,594**

Funds will be used for affordable housing activities. Eligible activities include loans to assist in the purchase of existing properties for use as housing affordable to low- and moderate-income residents and funds for housing rehabilitation to enable low and moderate income owners of single-family homes and owners of multi-family properties occupied by low- and moderate-income tenants to eliminate code violations and make other necessary improvements, including accessibility and energy conservation improvements. Assistance may be provided for public housing modernization and for group home acquisition. An estimated 40 units will be created, preserved, or improved.

Group Home Rehabilitation **\$600,000**

Funds will be used to assist nonprofit providers in rehabilitating group homes occupied by lower-income, special needs persons to eliminate code violations and make other necessary improvements, including accessibility and energy conservation improvements. An estimated 15 homes will be improved.

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

This project provides for focused neighborhood assistance in selected neighborhoods with a primary focus on residential areas. Project elements will comprehensively address community needs for neighborhood preservation and enhancement. Resources are currently focused in Montgomery Village and DHCA is identifying new eligible neighborhoods. An estimated 25 households will benefit from home improvements and 200 households will benefit from neighborhood improvements.

Code Enforcement **\$225,000**

Funds will be used to partially cover costs incurred for code enforcement efforts in low-and moderate income areas. Approximately 740 cases / households will be processed.

Facility Planning **\$50,000**

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

Administration (capped)	\$786,000
This will fund DHCA's staff in planning, administration and monitoring of the CDBG program, including preparation of the Consolidated Plan, staff support for a citizens' advisory committee, environmental reviews, preparation of contracts, payment processing and auditing, federal reporting and loan servicing.	
Fair Housing Activities	\$20,000
Funds will be used for activities that serve to affirmatively further fair housing choice. Activities may include sales, rental and lending testing, education/outreach, training and research. Activities will be administered by the Office of Human Rights. An estimated 140 people will benefit.	
Contingency	\$100,000
The fund will be used to cover unanticipated costs for other eligible activities.	
NONPROFIT PROVIDERS	\$540,000
Funds will be used to provide a variety of CDBG-eligible public services to low- and moderate-income county residents eligible for CDBG-funded assistance:	
Asian Pacific American Legal Resource Center	\$45,000
"Legal Services for Asian Immigrants"	
Provide linguistically accessible and culturally appropriate legal services to low-income Asian immigrants to assist them in accessing the legal system and to protect and enforce their rights. An estimated 180 people will benefit.	
Child Center and Adult Services, Inc. dba Aspire Counseling	\$15,614
"Healthy Mothers, Healthy Babies"	
Provide free home-based mental health therapy to low income uninsured pregnant women and new mothers suffering from post-partum depression. An estimated 110 people will benefit.	
Bethesda Cares, Inc.	\$21,944
"Outreach to Chronically Homeless"	
Funding for "Critical Time Intervention" assistance to support persons transitioning out of homelessness into independent living. An estimated 40 people will benefit.	
Boys & Girls Clubs of Greater Washington, Inc.	\$38,655
"ECCM Heath Care Project"	
Continue Power Hour program of homework and reading assistance and tutoring after school and summer program to increase academic proficiency of low-income Germantown youth. An estimated 50 people will benefit.	
Eastern Montgomery Emergency Assistance Network	\$45,000
"Eviction Prevention and Utility Disconnection Prevention"	
Provide emergency eviction and utility assistance. An estimated 220 people will benefit.	

Interfaith Works, Inc.	\$29,186
“Volunteer Coordinator - Meals for the Homeless”	
Continue to fund a volunteer coordinator position for the third year to assist in providing 73,000 free meals each year. An estimated 14,273 people will benefit.	
Jewish Foundation for Group Homes, Inc.	\$38,500
“Living Independently with Autism”	
Continue to provide an Autism Spectrum Disorders (ASD) specialist for support to low-income residents with ASD. An estimated 200 people will benefit.	
Jobs Unlimited, Inc.	\$25,200
“Peer Recovery Support”	
Provide training for a peer support specialist and then provide that resource referral services to staff and customers. An estimated 50 people will benefit.	
Mental Health Association of Montgomery County (MHA)	\$44,938
“Mental Health Association of Montgomery County Medical Therapist”	
Provide a therapist for low-income County residents receiving Medicaid to accommodate increase in demand resulting from the Affordable Care Act. The program will benefit an estimated 100 people.	
Mobile Medical Care, Inc.	\$40,072
“Anticoagulation Clinic for the Low-Income, Uninsured”	
Continue to provide free testing, assessment, dosing adjustments and patient education to low-income uninsured residents at risk for heart related conditions or disease. (Third year CDBG funding). An estimated 50 people will benefit.	
Montgomery County Collaboration Council for Children Youth & Families	\$29,510
“Strengthening Families Program”	
Provide parenting skills training workshops to targeted low income families. The program will benefit an estimated 72 people.	
Montgomery Housing Partnership, Inc.	\$38,000
“21st Century GATOR Program”	
Provide after School programs for students grades K-5 at Arcola Elementary School. The program will benefit an estimated 360 people.	
Stepping Stones Shelter	\$24,756
“Community Engagement Manager”	
Fund a portion of the Community Engagement Manager's salary to recruit, train and supervise volunteers to manage meal and in-kind donations. The program will benefit an estimated 82 people.	
The National Center for Children and Families, Inc.	\$45,000
“Future Bound Transitional Housing Program”	
Provide housing, counseling, life skills, etc. support for young adults who have aged out of the care of public systems and are homeless or living in unstable conditions. The program will benefit an estimated eight people.	

The Arc Montgomery County, Inc. \$44,835
“Transitioning Youth Employment Project (TYEP)”
 Provide life skills for disabled youths ages 18-24. The program will benefit an estimated 36 people.

The Shepherd's Table, Inc. \$13,790
“Shepherd's Table Food Service Program”
 Provide salary support to assist in providing 55,000 free meals per year to at risk Montgomery County residents. The program will benefit an estimated 2,400 people.

PROJECTS ADMINISTERED BY MUNICIPALITIES \$322,285

CITY OF TAKOMA PARK \$91,000

“Commercial Façade Easement Program” \$79,375
 Funds will be used for the City’s commercial façade easement program. Matching funds up to \$15,000 would be available for storefront improvements in all CDBG-eligible areas of Takoma Park. A total of 5 commercial properties are expected to benefit.

“Takoma Park Youth Summer Employment Program” \$11,625
 Funds will be used to partner with local businesses to provide 6 weeks of summer employment for 4 low-income Takoma Park youth.

CITY OF ROCKVILLE \$231,285

“Rockville Single Family Rehabilitation Program” \$192,885
 Provide rehabilitation, handicap adaptability and energy efficiency improvement home repairs for low-income Rockville homeowners. An estimated 8 households are expected to benefit.

“Community Ministries of Rockville” \$19,400
 Provide roof and basement repairs to Jefferson House, a permanent supportive housing program serving 8 at-risk Rockville residents.

“Cornerstone Montgomery” \$19,000
 Provide repairs and rehabilitation to a group home for 3 low-income Rockville residents with mental illness.

SUMMARY OF EXPECTED BENEFIT FROM CDBG PROJECTS

Persons	18,386
Households	1,028
Businesses Assisted	5

HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)

HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)

\$1,829,048

The HOME grant is designed to increase housing choices for low-income households through rental and home ownership programs, in cooperation with public, private and nonprofit organizations. During the coming year, it is anticipated that the County will receive \$1,329,048 in funding for HOME projects, and together with anticipated program income of \$500,000, an estimated total of \$1,829,048 in HOME funds will be available. Funds will generally be made available in the form of low-interest loans and other subsidies, and assisted units may be both rental and owner-occupied.

PROJECTS ADMINISTERED BY COUNTY GOVERNMENT

Department of Housing and Community Affairs (DHCA)

Housing Production and Preservation

\$1,431,048

Funds will be used for the construction, acquisition, and / or rehabilitation of housing (both multi- and single-family units). DHCA may work with the private sector, non-profits and / or the Montgomery County Housing Opportunities Commission (HOC) in implementing this program. This is estimated to produce or preserve 29 units.

Community Housing Development Organizations (CHDOs)

\$200,000

Housing Production

The project will fund the housing development activities of CHDOs. This represents the federally mandated fifteen percent of the HOME allocation. Up to 10 percent of this total (\$20,000) may be used for project-specific technical assistance, site control, and seed money loans. It is anticipated that one to three organizations will use these funds for acquisition, construction, or renovation of rental housing for persons with low-incomes. This is estimated to produce or preserve 10 units.

PROJECTS ADMINISTERED BY NONPROFITS AND OTHER PUBLIC AGENCIES

CHDO Operating Assistance

\$66,000

Funds will be used to partially cover the administrative costs of qualified CHDOs: Montgomery Housing Partnership (MHP) and Housing Unlimited, Inc. (HUI). MHP will receive \$48,000 and HUI will receive \$18,000. By regulation, only CHDOs using HOME funds to own, sponsor, or develop affordable housing are eligible for operating support. This operating support cannot exceed 50 percent of a CHDO's operating budget in any fiscal year or \$50,000 annually, whichever is greater.

ADMINISTRATION

\$132,000

The fund will be used to cover the county's expenses associated with operating the HOME Program. Administrative expenses cannot exceed 10% of the entitlement amount.

SUMMARY OF EXPECTED BENEFIT FROM HOME PROJECTS

Units	39
CHDOs	2

EMERGENCY SOLUTIONS GRANT (ESG)

EMERGENCY SOLUTIONS GRANT (ESG)

\$367,201

The ESG Program enables the County to assist persons who are homeless. For FY2016, it is anticipated that the County will receive \$367,201 in ESG funding. Funds are used in conjunction with the Continuum of Care homeless assistance system and will be administered by the County's Department of Health and Human Services.

Rapid Re-Housing

\$281,201

Housing Stabilization and Relocation Services – \$105,000 - will be available to assist homeless households locate, obtain and retain housing. Funds will be used for case management services, and security deposits to assist approximately 20 homeless households move into permanent housing. Eligible singles and families include those living in temporary shelter, in a place not meant for human habitation or other places described in Category I of the homeless definition issued by HUD.

Rental Assistance - \$176,201 will be used to provide up to 12 months of medium term rental assistance to help homeless households obtain and retain permanent housing. Assistance will be provided to households that meet the criteria for Category I of the homeless definition issued by HUD upon program admission. Approximately 20 households will be served.

Homeless Management Information System (HMIS)

\$61,000

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

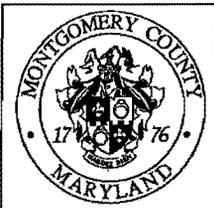
Emergency Shelter

\$25,000

Funds will be used for Shelter operations including motel vouchers, maintenance, furnishings, and supplies necessary for operation of emergency shelter. An estimated 150 people will benefit.

SUMMARY OF EXPECTED BENEFIT FROM ESG PROJECTS

Persons	150
Households	20



MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Accessory Apartment License – Class 1, Class 2 and Class 3	Number 10-15
Originating Department Department of Housing and Community Affairs	Effective Date July 1, 2015

Montgomery County Regulation on:

ESTABLISHMENT OF ANNUAL RENTAL FACILITY LICENSE FEES FOR PROCESSING CLASS 1, CLASS 2 AND CLASS 3 APARTMENT LICENSES

Issued By: County Executive
Regulation No. 10-15
COMCOR NO. 29-20

Authority: Code Sections 29-20
Supersedes: Executive Regulation 4-13
Method (2) Code Section 2A-15
Register: Vol. 32, Issue 4
Comment Deadline: May 1, 2015

Effective Date: July 1, 2015

SUMMARY: The proposed regulation revises the annual license fee charged per dwelling unit for Class 1, Class 2 and Class 3 rental housing licenses.

ADDRESSES: Additional information and copies of the regulation are available from Tim Goetzinger, Budget and Finance Manager, Department of Housing and Community Affairs, 100 Maryland Avenue, 4th Floor, Rockville, Maryland 20850 (240-777-3728).



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COMCOR 29.20.01 Section 1. Definitions.

The following words or phrases are defined as follows for use in this regulation:

Class 3 accessory apartment license means a license issued by the Department for an accessory apartment that does not have a special exception approved before May 20, 2013.

Department means the Department of Housing and Community Affairs.

Director means the Director of the Department of Housing and Community Affairs or the Director's designee.

Owner means any person who holds legal title to a one-family detached dwelling unit.

Primary Residence means a one-family detached dwelling unit where the owner regularly resides and is the location designated by the owner for legal purposes of obtaining a driver's license and filing tax returns.

COMCOR 29.20.02 Section 2. Fees.

- (a) The annual license fees for rental dwelling units are hereby established as follows:
 - (1) For a Class 1 multi-family rental facility license [~~\$38.00~~] \$41.00 per dwelling unit in an apartment complex or an accessory apartment approved by special exception and [~~\$56.00~~] \$59.00 per dwelling unit for all others.
 - (2) For a Class 2 single-family rental facility license [~~\$98.00~~] \$101.00 per dwelling unit.
 - (3) For a Class 3 accessory apartment license [~~\$98.00~~] \$101.00 per unit.
- (b) The annual license fee shall not be prorated and must be made payable to Montgomery County Maryland.
- (c) Failure to obtain a rental facility license is a Class A violation under Section 1-19 of the Montgomery County Code.



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(d) In addition to the annual license fee, the following fees for a Class 3 accessory apartment license are hereby established as follows:

- (1) The application filing fee is \$250.00 of which \$125.00 is refundable if the Director finds the proposed accessory apartment does not meet the zoning requirements in Section 59-A-6.20 prior to the Department’s inspection of the proposed accessory apartment to ascertain whether it complies with Chapter 26 of the Montgomery County Code.
- (2) The sign fee is \$220.00 of which \$110.00 is refundable if the sign is returned to the Department within 15 days of the end of the posting period.
 - (A) The sign fee is not refundable if the sign is not returned or is returned but damaged.
 - (B) If the sign is lost during the posting period, the original sign fee of \$220.00 will not be refunded and a new sign fee of \$220.00 will be charged.
- (3) The fee for the transfer of an accessory apartment license is \$250.00.

COMCOR 29.20.01.03 Section 3. Procedure for a Processing a Class 3 Accessory Apartment License.

- (a) An owner must file a completed license application on a form provided by the Department which will require at least the following supporting documents to be submitted with the application form:
 - (1) Evidence of primary residence as specified in Section 29-19(b)(1)(B).
 - (2) A drawing of the dimensions of the single family dwelling, including the dimensions and location of the proposed accessory apartment.
 - (3) A drawing or photograph with the dimensions and locations of the proposed parking spaces.



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- (4) An affidavit from the owner attesting that the owner will continue to use the property as the owner's primary residence after obtaining an accessory apartment license.
 - (5) An affidavit from the owner attesting that the total number of occupants residing in the accessory apartment who are 18 years or older will be limited to 2.
 - (6) The filing fee, license application fee, and sign fee established by this Regulation.
- (b) The Director will review the application for completeness and will send a notification by regular mail or electronic mail about whether the application was accepted by the Department or whether the application will be returned to the applicant. Returned applications will contain all filing fees and an explanation about why the application is being returned.
 - (c) The Director will inspect the property and the proposed accessory apartment for compliance with the provisions of Chapter 26 and in Section 59-A-6.20 of the Montgomery County Code.
 - (d) When the Department has determined the application is complete, the owner must erect a sign furnished by the Department. A determination by the Director that an application is complete is not a determination about whether the proposed accessory apartment satisfies the zoning requirements in Section 59-A-6.20 or the requirements of Chapter 26.
 - (1) Unless otherwise provided by the Department, the sign must be erected on the property in a place visible from each public road which abuts the property, as determined by the Department.
 - (2) Unless otherwise provided by the Department, the sign must be erected so that the bottom of the sign is at least 2 ½ feet from the ground. The sign will be of such material and color or colors as the Department specifies, with the height and width of not less than 2 and 3 feet, respectively, and must contain in conspicuous lettering not less than 2 ½ inches in height the following:



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- (A) Inform the public of a pending accessory apartment application with the application’s reference number.
- (B) Provide the Department’s website address for information about the application and information on filing an objection to the application.
- (C) Provide a telephone number to contact the Department regarding the status of the application.
- (3) The sign must be posted within 5 days of the acceptance of the application by the Department and remain posted for at least 30 days after the issuance of the Director’s report with the Director’s findings concerning the application.
- (4) Before a Class 3 accessory apartment license is issued, the owner must provide a signed affidavit attesting that the sign was posted in compliance with this Regulation.
- (5) The sign must be returned to the Department within 15 days after the end of the posting period for a partial refund of the sign fee.
- (6) Failure to post the sign in accordance with this Regulation will result in the return of the application and filing fees and the Director denying the proposed accessory apartment.
- (e) The Director will issue a report on all findings required by this Regulation concerning the proposed accessory apartment within 30 days of the Department’s acceptance of the application. A copy of the report will be sent to the owner by regular mail or electronic mail and posted on the Department’s website. The owner or any aggrieved party may file objections to the Director’s report with the Office of Zoning and Administrative Hearings within 30 days under the provisions of Chapter 29-26(b)(3).
- (f) The Director will issue or deny a new license 30 days after the issuance of the Director’s report.
 - (1) If any repairs or improvements are required before the license may be approved, they must be completed within 30 days of the Director’s report or

