

**WORKSESSION**

**MEMORANDUM**

April 18, 2016

TO: Planning, Housing, and Economic Development Committee

FROM: Linda McMillan, Senior Legislative Analyst *LMC*

SUBJECT: **Worksession: FY16 Recommended Operating Budget  
Department of Housing and Community Affairs (DHCA)**

***Expected for this session:***

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

The excerpt from the FY17 Recommended Budget for DHCA is attached at © 1-13.

**Overview**

For FY17, the County Executive is recommending \$44,183,222 in appropriations for the Department of Housing and Community Affairs. This is an 8.8% increase from the total FY16 budget. The main changes are a significant increase in the Housing Initiative Fund (11.8%) and the transfer of the Commission on Common Ownership Communities and the associated program. There is a 5.9% increase in General Fund appropriation and a 0.3% decrease in Grant Fund appropriation.

<b>DHCA Expenditures by Fund</b>	<b>FY13 Approved</b>	<b>FY14 Approved</b>	<b>FY15 Approved</b>	<b>FY16 Approved</b>	<b>FY17 REC</b>	<b>Change FY16-17</b>
General Fund	4,341	4,625	5,178	5,554	5,879	5.9%
Grant Fund	6,980	5,769	7,331	7,398	7,378	-0.3%
Montgomery Housing Initiative Fund	16,575	22,499	27,658	27,662	30,925	11.8%
<b>TOTAL</b>	<b>27,896</b>	<b>32,893</b>	<b>40,167</b>	<b>40,614</b>	<b>44,182</b>	<b>8.8%</b>

The following table shows the changes by program area. A program area for Common Ownership Community Program has been added.

<b>Department of Housing and Community Affairs in (\$000s)</b>	<b>FY13 Approved</b>	<b>FY14 Approved</b>	<b>FY15 Approved</b>	<b>FY16 Approved</b>	<b>FY17 REC</b>	<b>Change FY16-17</b>
Multi-Family Housing Programs	19,015	28,057	27,056	27,171	30,268	11.4%
Affordable (Single Family) Housing Programs	874	908	1,111	823	839	1.9%
Housing Code Enforcement	1,600	2,048	2,186	2,704	2,504	-7.4%
Grants Administration - Federal	5,264	5,587	6,860	5,000	5,054	1.1%
Landlord-Tenant Mediation	1,009	1,016	923	1,061	1,072	1.0%
Neighborhood Revitalization	104	186	333	1,783	1,705	-4.4%
Licensing and Registration	386	411	428	440	365	-17.0%
Housing Administration	276	263	267	344	417	21.2%
Common Ownership Community Program	na	na	na	na	552	na
Administration	967	967	1,002	1,288	1,406	9.2%
<b>TOTAL</b>	<b>29,495</b>	<b>39,443</b>	<b>40,166</b>	<b>40,614</b>	<b>44,182</b>	<b>8.8%</b>

In addition, there are \$1,065,020 charges to other departments: \$120,308 to Permitting Services, \$755,303 to the Solid Waste Fund, and \$189,409 to the CIP.

### 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.

FY17 Compensation Adjustment	71,829
Retirement Adjustment	(45,566)
Group Insurance Adjustment	24,437
Motorpool Adjustment	(10,220)
Printing and Mailing Adjustment	1,367
Telecommunications to NDA	(34,760)
Annualization of FY16 Personnel Costs	12,584
<b>TOTAL</b>	<b>19,671</b>

### CE Recommended Changes and Updates by Program Area

#### A. Multi-Family Housing

The Executive is recommending \$30,267,999 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 budget notes that this program:

- Preserves existing affordable housing units,
- Constructs and acquires affordable housing units,
- Rehabilitates existing rental stock,
- Participates in housing or mixed-use development that will include affordable housing,
- Acquires land to produce affordable housing,
- Provides low-income rental assistance.

The joint PHED and HHS Committees will have reviewed the recommendations related to rental assistance and affordable housing just prior to this PHED Committee session.

**1. Montgomery Housing Partnership (MHP) - Focused Neighborhood Assistance  
-\$120,000**

In FY16, there was sufficient appropriation from the previous year to fund MHP's focused neighborhood assistance. DHCA has provided the following regarding the FY17 proposed funding.

MHP has been added back into the "Neighborhoods to Call Home" component of the MHI in order to ensure a more stable and predictable source of funding for their numerous activities within the County's Focused Neighborhood Assistance (FNA) areas. While the organization's funding is proposed to come out of multi-family housing programs which administers the MHI, its contract and services will be administered through the Neighborhood Revitalization Section of the Community Development Division.

**Is it still expected that MHP will work in Connecticut Avenue Estates, Glenmont, Long Branch, and Montgomery Village, or have any different neighborhoods been identified for FY17 efforts?**

MHP will work in all the above areas except Glenmont, and will also work in the Grand Bel II community and the greater Wheaton North area.

A letter from the Connecticut Avenue Estates Civic Association discussing its work with MHP is attached at © 38-40.

<b>Council staff recommendation: approve as recommended.</b>
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**B. Affordable (Single Family) Housing Programs**

The Executive is recommending \$838,961 for this program that enforces the Moderately Price Dwelling Unit (MPDU) program, administers Workforce Housing agreements, creates and preserves affordable single family housing units, administers weatherization programs and rehabilitation of group homes for special needs populations.

**1. Multi-Program Adjustments**  
\$15,552

Multi-Program Adjustments include such things as compensation and benefit changes and changes due to turnover and reorganizations. This is the only budget change recommended for this program

**Council staff recommendation: approve as recommended.**

**C. Housing Code Enforcement**

The Executive is recommending \$2,504,136 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. Annualization of FY16 Savings Plan – 1 Code Enforcement Inspector**  
\$102,353 and 1 FTE

For FY16, the Executive recommended and the Council approved three (3) new Housing Code Inspectors. DHCA said that the focus for the new positions would be single family inspections; and assisting with some multifamily triennials and accessory apartment code inspections. In terms of single family home inspections the goals were improved response to complaints, incorporating interior inspection of single family rental properties in neighborhood sweeps, and perform inspections on a sample of newly registered units. The rental licensing fee was increased \$3 to offset the cost of these new positions.

As a part of the FY16 Savings Plan, the Council approved the Executive's recommendation to eliminate one of these new positions. This reduction is carried through to the FY17 Recommended Budget.

The following table provides information on the number of rental units and total inspections in FY13-FY15, and the first three quarters of FY16. Since last year, the number of rental units has increased by 3,530. During the first 3 quarters of FY15, 17,954 inspections were completed compared to 18,928 in FY16. An increase of 5.5%.

**Montgomery County Code Enforcement Stats**

Area	507 square miles
Inspectors	22 FTEs
<b>Rental Units</b>	<b>101,000</b>
Multifamily	70,000
Single Family	20,000
Other	11,000
Total Inspections FY16	18,928 Q1-Q3
Total Inspections FY15	26,166
Total Inspections FY14	25,575
Total Inspections FY13	24,232

*Inspection 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.)*

**Council staff recommendation: approve as recommended.** The PHED Committee will return to the issue of Code Inspections as a part of its worksessions on Bill 19-15, *Landlord-Tenant Relations- Licensing of Rental Housing-Landlord-Tenant Obligations*. The recommendations of the PHED Committee and action of the Council may require adjustment to Code Enforcement staffing and funding.

**2. Annualization of Contracts with Takoma Park and the Housing Opportunities Commission**  
 (\$19,544)

DHCA provides Code Enforcement services to the City of Takoma Park and the Housing Opportunities Commission. This adjusts these contracts for projected FY17 costs.

The total annual contract with Takoma Park is about \$229,000 based on 2,910 annual inspections for multi-family building and 302 biennial and 95 annual inspections of single family homes. The cost per inspection is \$69. The annual license fee charged by Takoma Park is \$104 and it is adjusted annually for inflation.

**Council staff recommendation: approve as recommended.**

**3. Multi-Program Adjustments**

\$9,230

**4. Elimination of FY16 One-Time Items**

(\$77,220)

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

The FY16 budget includes one-time expenditures primarily associated with the hiring of new Code Enforcement Inspectors. These expenses are not needed in FY17.

**Council staff recommendation: approve as recommended.**

**D. Grants Administration – Federal Programs**

The Executive is recommending funding of \$5,053,896 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**

\$54,041

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

**Council staff recommendation: approve as recommended.**

**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 FY17 is attached at © 14-19. There is little change from FY16. There is about a \$74,000 increase in HOME funds.

	FY16 Recommended	FY17 Recommended
<b>Community Development Block Grant</b>		
New Funds	4,086,879	4,087,565
Program Income	500,000	500,000
<b>TOTAL</b>	<b>4,586,879</b>	<b>4,587,565</b>
<b>Uses by County Government</b>		
Housing Acquisition and Preservation	998,594	999,332
Group Home Rehabilitation	600,000	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	20,000
Contingency	100,000	100,000
Grants to Non-Profits	540,000	539,948
<b>Subtotal</b>	<b>4,264,594</b>	<b>4,265,280</b>
City of Takoma Park:	91,000	91,000
City of Rockville	231,285	231,285
<b>Subtotal to Municipalities</b>	<b>322,285</b>	<b>322,285</b>
<b>TOTAL CDBG</b>	<b>4,586,879</b>	<b>4,587,565</b>
<b>HOME Program</b>	<b>1,829,048</b>	<b>1,903,056</b>
Uses by County Government (including housing preservation/production and administration)	1,763,048	1,833,056
Operating Support to Community Housing Development Organizations	66,000	70,000
<b>Emergency Solutions Grant (ESG)</b>	<b>367,201</b>	<b>367,901</b>
Rapid Re-Housing and Rental Assistance	281,201	231,901
Homeless Management Information System	61,000	61,000
Emergency Shelter	25,000	75,000
<b>TOTAL ACTION PLAN (FEDERAL FUNDS)</b>	<b>6,783,128</b>	<b>6,858,522</b>

**Council staff recommendation: approved as recommended.**

### **E. Landlord-Tenant Mediation**

The Executive is recommending \$1,072,496 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.

**1. Multi-Program Adjustments**

**\$11,687**

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

**Council staff recommendation: approve as recommended.**

**2. Issue - Time to Conciliate Landlord-Tenant Disputes**

Council staff asked the following question and received the following response based on the performance measures included in the budget.

Question: The budget indicates that the time it takes to conciliate landlord-tenant disputes that are not going to the Landlord-Tenant Commission has been increasing both for landlords/tenants in single family homes and multi-family buildings. What does DHCA attribute this to? Is the length of time of 50 days and 45 days acceptable? If not, what is required to reduce the time back to FY14 levels?

Response: DHCA attributes this to an increase in the total number cases and an increase in the number of cases referred to the Commission on Landlord Tenant Affairs (COLTA). In FY15, the Office of Landlord Tenant Affairs (OLTA) received 686 formal complaints, a 6.5% increase over FY14 (646). Although OLTA received slightly fewer service requests (9,121 in FY15 compared to 9,141 in FY14), OLTA had 40% more hearings in FY15 (24 compared to 17). Each complaint takes time to negotiate. This 6.5% increase impacted each staff member by increasing their caseload. Further, COLTA hearings require a lot of time to prepare documents, properly distribute them, coordinate hearings and Commissioners, writing Decisions and Orders, and following up to ensure compliance. Finally, OLTA reports that landlords and tenants have become more recalcitrant and unwilling to settle their complaints. We are looking at the way complaints are handled and working to streamline the process to have more timely results in the future. We are also hoping that our new complaint processing system will make the processing of complaints more efficient.

	FY13	FY14	FY15
Time required to conciliate disputes (single-family homes)	35.0	36.7	52.5
Time required to conciliate disputes (multi-family homes)	35.0	38.2	45.8

## **F. Neighborhood Revitalization**

The Executive is recommending \$1,705,135 for this program that provides planning and implementation for neighborhood revitalization in targeted areas.

### **1. Multi-Program Adjustments (\$77,475)**

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

<b>Council staff recommendation: approve as recommended.</b>
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### **2. Updates on Neighborhood Projects**

During its CIP worksession, the Committee received updates on revitalization projects in Burtonsville and Colesville. DHCA has provided the following updates on other neighborhood revitalization efforts. (As noted earlier the funding for MHP is in the Housing Initiative Fund/Multi-Family Housing Program.)

**FOCUSED NEIGHBORHOOD ACTIVITIES:** MHP conducted the following activities to promote and assist in the implementation of DHCA programs, undertakings and services, within McKendree I and II, Grand Bel II and Wheaton North (including Connecticut Avenue Estates). Specific activities included the following:

- “Green Clubs”, an environmental stewardship program for children living in or near FNA areas in Spring/Summer;
- Community events such as Earth Day events and National Nights Out;
- Referral of vacant or foreclosed properties to DHCA, and the purchase, rehabilitation and resale of units with funds made available from DHCA;
- Outreach and assistance for community meetings and community charrettes in the Wheaton North neighborhood, including providing bilingual staff support, identifying lead meeting facilitator(s), and assisting with meeting logistics. MHP was specifically tasked with facilitating the planning of, and implementation of, this community’s “visioning process” and report preparation;
- Managed the preparation of a Capital Assessments and Reserve Analyses for the Grand Bel II condominium community;
- Provided training and technical assistance to civic associations and condominium boards in Connecticut Avenue Estates and Grand Bel II aimed at strengthening governing boards and community managers regarding physical and financial management;
- Outreach for County programs and services in Connecticut Avenue Estates, including developing language-appropriate educational materials (such as a community handbook) for residents regarding County (and its partners’) programs and services.

- Conducted a traffic analysis survey within the Wheaton North area, identifying community concerns and needs in this area.

**LONG BRANCH ACTIVITIES:** Conducted the following activities to 1) develop a broad cross-section and network of Long Branch Businesses and Business Leaders (LBBL) who can represent and advocate on behalf of the business community, 2) create a positive image that will rekindle community pride and improve consumer confidence, and 3) market the existing Enterprise Zone (EZ) benefits to the Long Branch businesses. Specific accomplishments included:

- Expanded the Long Branch Business League (LBBL) membership and activities to involve those businesses located near the intersection of Piney Branch Road and University Boulevard;
- Supported nine Long Branch Business League Meetings;
- Facilitated five technical specialist presentations on topics of interest and value to small business owners at the LBBL meetings or other approved locations;
- Produced nine business newsletters and distributed them to all local businesses;
- Updated local business database monthly, including annotation/columns for periodic visits, topics of discussion, EZ interest and follow-up needed, and conducted follow-up visits;
- Conducted individual business outreach visits with each Long Branch business in the contract year;
- Organized and implemented special events including “Flowers on Flower”, Salsa Nights, and an Earth Day clean-up effort;
- Marketed the Long Branch EZ, and assisted business/property owners to complete applications and follow-up on previous EZ applications;
- Prepared/collected hand-out materials for distribution on visits to local businesses including information on important contact numbers/websites, EZ information, police contacts, the County’s 311 system and other available resources, LBBL information and so forth;
- Update and maintain a map of Long Branch businesses for posting locally and at events and for inclusion in hand-out materials;
- Update and maintain the Long Branch Businesses League website;
- Conducted a business status survey with DHCA review/comments of all street level retail businesses in the summer;
- Assisted in the development of a Long Branch Business League handbook/internal guide;

In the upcoming program year, DHCA’s Focus Neighborhood Assistance (FNA) program will be involved in implementing projects in the following communities:

- The greater Bel Pre corridor between Layhill Road and Georgia Avenue, specifically Kimberly Place and Grand Bel II – planned activities include housing rehabilitation assistance (exterior rehabilitation and replacing condemned balconies), drainage studies

and identification of mitigation measures, and common area improvements and enhancements;

- The Wheaton North area, including Connecticut Avenue Estates – planned activities include studying options for parking/congestion mitigation; community outreach and education regarding trash and recycling; studying the feasibility of “community rain gardens” in medians to enhance community appearance while protecting the Lower Rock Creek watershed; implementing limited public improvements (such as sidewalks, paths, lighting improvements, etc.) that were identified in the Wheaton North Visioning Plan and MHP’s traffic survey;
- Montgomery Village, including McKendree I and II and Ridgeline – activities will include the completion of courtyard drainage improvements in McKendree, and the development of an exterior home rehabilitation program in Ridgeline.

### **G. Licensing and Registration**

The Executive is recommending \$365,475 for this program area that issues licenses to all rental housing. The budget notes that licensing related to housing units in common ownership communities has been shifted to the Common Ownership Community program.

#### **1. Multi-Program Adjustments (\$75,880)**

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

**Council staff recommendation: approve as recommended.**

### **H. Housing Administration**

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

#### **1. Increase Hours of Project Search Intern \$12,600**

Project Search provides educational and vocational opportunities to young adults with intellectual and developmental disabilities through a program that benefits the individual, the workplace, and the community.

**Council staff recommendation: approve as recommended.**



### **COC Program Expenditures:**

Investigator III (from OCP)*	\$166,089
OE transferred with position from OCP	\$ 24,000
Investigator II**	\$ 75,010
Office Services Coordinator**	\$ 52,500
Outreach and Education	\$ 80,000
IT Systems Development	\$ 75,000
Other charges***	\$ 79,044
<b>Total</b>	<b>\$551,643</b>

\*The budget document shows \$190,089 as the cost for the position that is being transferred from Consumer Protection. About \$24,000 of this amount is for operating expenses, not personnel costs.

\*\* The budget indicates the FY18 full-year cost for the new Investigator II is \$100,000 and for the new OSC is \$70,000.

\*\*Other charges includes the cost for licensing and collecting fees of \$73,044 in personnel costs and \$6,000 is operating expenses.

### **COCC Comments and Questions**

Mr. Fishbein, Chair of the CCOC, has submitted a series of budget and operational questions on behalf of the CCOC. Attached at © 20-29 is an April 11, 2016 recommendation memo, at © 30-34 is a budget analysis memo, and at © 35-37 is memo with questions regarding the CCOC database maintained by DHCA.

Council staff is not addressing each question, but provides the following discussion on some of the broad budget questions.

### **Budget Issues/Discussion**

#### **Expenditures**

The County Executive and DHCA are recommending the transfer of the Investigator III position and the incumbent in the position from the Office of Consumer Protection to the Department of Housing and Community Affairs. Council staff believes this continuity is important for this transition and recommends approval of this position.

The CCOC has raised questions about the cost for this any other positions. The budgeted costs included have been processed and recommended according to County budget policies and process for salary, benefits, operating, and assumes lapse in the first year. **Council staff does not recommend changing the assumed costs for positions** unless the Committee recommends a different classification or a reduction in the FTE for the position (part-time instead of full-time.)

The Executive and DHCA have recommended two new positions, an Investigator II and an Office Services Coordinator, to provide direct support to the COCC and COC program. These two positions are consistent with some of the new positions that have been requested by the CCOC. **Council staff recommends approval of these positions.**

**The Committee may wish to hear from DHCA Director Snuggs about his expectations on how this staffing will enhance the capacity of the CCOC and how he will evaluate this complement, once it has been in place and operational, and consult with the CCOC to determine if it is meeting the needs of the program.**

The Executive and DHCA are recommending \$75,000 for IT Systems Development. The Fiscal Impact Statement for Bill 50-15 estimated that \$75,000 would be needed for, "Information technology system improvement, including enhancements to the COC Licensing and Registration and a new case management system... This cost estimate is based on the cost of a senior IT developer (contractor) working 40 hours per week at \$90/hour. Enhancements to the COC Licensing and Registration is estimated to take 3 to 4 months, with development of a case management system to take approximately 1.5 to 2 months."

Cost for the Case Management System	\$26,400
Cost for Database Enhancements	\$48,600

The COCC has raised questions about the current system (©35-37) and also estimates that IT Systems Development could be completed for \$35,000.

***Requests for Updates during FY17***

Issues have been raised about budget transparency and whether the members of the CCOC have been provided/will be provided with adequate information on the expenditures associated with the COC program. Council staff expects DHCA will be clear with the CCOC regarding budgets, staffing, and expenditures, **Council staff recommends approval of the Executive's recommended expenditures, but also recommends these two updates.**

***Technology***

Council staff recommends that DHCA provide the PHED Committee with a response to the concerns raised in the CCOC memo about the current database and an outline of the tasks that will be assigned to a contractor and/or the cost of any software that is estimated to upgrade these systems. Appropriating the \$75,000 to operating expense does not mean that \$75,000 must be spent, but it does make that amount available. Director Snuggs can provide a new estimate as a part of the requested update. Council staff suggests that this update be provided no later than August 31<sup>st</sup>.

### ***Budget and Staffing***

Council staff recommends that DHCA provide the PHED Committee with a budget and staffing report no later than November 23<sup>rd</sup> that would reflect all revenues and expenses through October 31<sup>st</sup>. This report would allow the PHED Committee to know if the new positions have been hired, their actual cost, and what has actually been spent. Requiring the report by late November will allow the PHED Committee to schedule a discussion, if needed, before December recess. It will also let the Committee highlight any issues the Executive should consider in developing his FY18 budget.

### **Surplus Revenues**

The expenditures of the CCOC are paid for through fees collected from Common Ownership Communities. Prior to FY10, these revenues stayed in an account and any excess did not move to the General Fund. Because of the Great Recession, starting in FY10 the Executive recommended and the Council approved letting the “cumulative net revenues in excess of expenditures” for Landlord Tenant and the CCOC to be used for general operating purposes. The Director of Finance is to include these net revenues in the General Fund unassigned fund balance.

**Assuming FY17 revenues of \$675,000 and expenses of \$551,643, there would be a FY17 surplus of \$123,357.**

Council staff has been told by the Office of Management and Budget that the Executive’s FY17 Recommended Budget continues the current policy of moving excess revenue to the General Fund.

If the Committee wants to recommend changing this policy, it would recommend to the Council not including this authorization in the Operating Budget Resolution and then would have to account for the revenue change through the reconciliation list.



# 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 FY17 Operating Budget for the Department of Housing and Community Affairs is \$44,183,222, an increase of \$3,568,984 or 8.79 percent from the FY16 Approved Budget of \$40,614,238. Personnel Costs comprise 20.04 percent of the budget for 87 full-time position(s) and three part-time position(s), and a total of 82.95 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 79.96 percent of the FY17 budget.

DHCA expects the total signed agreements for affordable housing projects through the PILOT program to abate \$13.7 million in taxes in FY17.

## County Government Reorganization

In October 2015, the County Executive transmitted to the County Council recommended amendments to Chapter 10B, Common Ownership Communities of the Montgomery County Code which includes transfer of the Common Ownership Communities (COC) program from the Office of Consumer Protection to the Department of Housing and Community Affairs. Transfer of these responsibilities is designed to advance the core mission of the COC and will enhance adjudication of disputes, create cohesive staff and technology support, and increase overall public awareness.

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:

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

## Department Performance Measures

Performance measures for this department are included below (where applicable), with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY16 estimates reflect funding based on the FY16 approved budget. The FY17 and FY18 figures are performance targets based on the FY17 recommended budget and funding for comparable service levels in FY18.

## Initiatives

- ★ Invest \$47 million in Affordable Housing including the Montgomery Housing Initiative (MHI) fund and utilize \$16 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, \$803 million has been invested in support of affordable housing leveraging \$947 million in non-County funding.

- ★ Enhance the Common Ownership Communities (COC) program through the addition of program staff, funding for information technology improvements, and education and outreach. These resources will aid in successful implementation of Bill 50-15 and provide overall support to the COC.
- ★ Continue to use resources from the MHI fund to support rental assistance programs in DHCA, Health and Human Services (HHS), and the Housing Opportunities Commission (HOC). Over 2,000 households were assisted in FY16 and over 2,100 are projected to be assisted in FY17.
- ★ Complete 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 providers with a new and improved space while integrating 21 units of supportive, transitional housing within the facility.
- ★ 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 to develop holistic and sustainable approaches to meet the needs of County residents.
- ★ Continue the County's commitment to inclusive transit-oriented development by completing Fenwick Lane Condos, a project that consists of the acquisition, rehabilitation, and conversion of a 79,462 square foot eight-story office building into 102 market rate, for-sale condominiums located in downtown Silver Spring that will be available as affordable workforce housing.
- ★ Continue to receive funding from Federal Grants (Community Development Block Grant (CDBG), the HOME Investment Partnership Grant, and the Emergency Solutions Grant), 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 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 providing an effective network of services in a more cost-effective, culturally appropriate, and flexible way. Additionally, they are able to leverage community resources that may be unavailable to the County Government. For details, please see Community Grants: County Executive in the Non-Departmental Accounts section.

## Accomplishments

- ✓ Continued 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 are affordable to seniors earning between 30 percent and 60 percent of the Area Median Income (AMI).
- ✓ Continued the County's commitment to affordable senior housing by completing Churchill Senior Living II. This six-story, 133-unit senior rental community will be located on the west side of Father Hurley Boulevard in Germantown. One hundred twenty-one (121) of the 133 units will be reserved for seniors at or below 60 percent of the Area Medium Income (AMI) with an additional five units for seniors at or below 50 percent of the AMI.
- ✓ Complete Thayer Avenue, a newly constructed 52-unit apartment building located in Silver Spring. Forty-two (42) of the 52 units are affordable under the Low Income Housing Tax Credit (LIHTC) guidelines serving families earning between 50 percent and 60 percent of the Area Median Income (AMI).
- ✓ Completed the Long Branch Walkway and Pedestrian Bridge, a safe ADA compliant pedestrian and bicycle pathway that connects the Silver Spring's Long Branch Community Center, the Long Branch Library, and the communities on both sides of the Long Branch Creek.

## Productivity Improvements

- ★ Analyze and redesign departmental data repositories with the goal of supporting improved integration with other departments or

initiatives ([montgomerycountymd.gov/open](http://montgomerycountymd.gov/open)) and established, or upcoming, standards.

- ☀ Continue to 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](http://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; and
- 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 FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
Total affordable housing units preserved <sup>1</sup>	2,544	2,646	2,627	2,686	2,708
Total affordable housing units produced	1,180	983	773	717	500
Cost per unit of affordable housing units produced <sup>2</sup>	67,886	64,317	66,194	37,821	45,559
Cost per unit of affordable housing units preserved	7,361	3,346	7,895	9,355	12,064

<sup>1</sup> Preservation increases projected in FY14-18 due to increases in MHI rental assistance funding.

<sup>2</sup> DHCA projects a few well-leveraged housing developments to come on-line in FY17 and FY18. These projects effectively reduce the projected cost per-unit in those fiscal years. The reverse is true for FY15 and projected FY16. The average cost per-unit in this category during those fiscal years is approximately \$65,000.

FY17 Recommended Changes	Expenditures	FTEs
<b>FY16 Approved</b>	<b>27,170,941</b>	<b>9.40</b>
Enhance: Rental Assistance Program Based on Additional Estimated Recordation Tax Allocation	1,668,320	0.00
Enhance: Affordable Housing Initiatives	1,445,190	0.00
Restore: Montgomery Housing Partnership (MHP) - Focused Neighborhood Assistance	120,000	0.00
Decrease Cost: Debt Service Other	(2,200)	0.00
Decrease Cost: Miscellaneous Operating Expenses	(3,412)	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.	(130,840)	(1.00)

FY17 Recommended Changes	Expenditures	FTEs
<b>FY17 Recommended</b>	<b>30,267,999</b>	<b>8.40</b>

## Affordable 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 and rehabilitate single-family housing units, and rehabilitate group homes (GH) for the special needs population. In addition, this program is responsible for the Work Force Housing Program.

Program Performance Measures	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
Number of housing units improved/rehabilitated <sup>1</sup>	127	50	120	120	15

<sup>1</sup> Projections for FY16 and FY17 are based on the County benefiting from non-departmentally administered, State-sponsored, weatherization assistance. DHCA directly administered a State-sponsored EmPOWER Maryland grant, which expired in FY15; however, DHCA decided not to renew the program as the grant's administrative allowance was not sufficient to cover administrative costs.

FY17 Recommended Changes	Expenditures	FTEs
<b>FY16 Approved</b>	<b>823,409</b>	<b>9.50</b>
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	15,552	0.00
<b>FY17 Recommended</b>	<b>838,961</b>	<b>9.50</b>

## Housing Code Enforcement

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

Program Performance Measures	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
Percent of cases that achieve voluntary compliance in code enforcement cases before a citation is written	93	93	93	93	93
Number of housing code enforcement repeat offenses: More than 2 cases in a 2 year period	73	69	69	69	69

FY17 Recommended Changes	Expenditures	FTEs
<b>FY16 Approved</b>	<b>2,704,243</b>	<b>24.10</b>
Decrease Cost: Motor Pool Adjustment	(10,220)	0.00
Decrease Cost: Takoma Park / HOC Code Enforcement	(19,544)	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY16	(77,220)	0.00
Decrease Cost: Annualization of FY16 Savings Plan Reduction - Code Enforcement	(102,353)	(1.00)
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	9,230	0.40
<b>FY17 Recommended</b>	<b>2,504,136</b>	<b>23.50</b>

## Grants Administration - Federal Programs

Staff provides management and oversight to ensure compliance with all regulatory requirements for Federal funding awarded to Montgomery County by the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant, the HOME Investment Partnership Grant, and the Emergency Solutions Grant programs. Funds from these programs support both operating activities and capital projects. Activities funded may include property acquisition, new construction, housing rehabilitation, commercial area revitalization and handicapped accessibility improvements. Staff administers contracts with the cities of Rockville and Takoma Park, as well as nonprofit organizations awarded funding to provide a variety of public services involving assistance to low-income persons.

Program Performance Measures	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
Number of contracts awarded and monitored	37	34	40	40	40

FY17 Recommended Changes	Expenditures	FTEs
<b>FY16 Approved</b>	<b>4,999,855</b>	<b>5.70</b>
Add: Community Development Block Grant: Asian Pacific American Legal Resource Center, Inc. - Legal Services for Asian Immigrants	45,000	0.00
Add: Community Development Block Grant: Ethiopian Community Center in Maryland, Inc. - Breast Cancer Awareness	45,000	0.00
Add: Community Development Block Grant: Interfaith Works, Inc. - Job Developer for Low-Income Residents	45,000	0.00
Add: Community Development Block Grant: Montgomery County Coalition for the Homeless, Inc. - Home Builders Care Assessment Center (HBCAC) Housing Locator	45,000	0.00
Add: Community Development Block Grant: Rockville Economic Development, Inc. - Maryland Women's Business Center	45,000	0.00
Add: Community Development Block Grant: The ARC of Montgomery County, Inc. - Transitioning Youth Retail Project	45,000	0.00
Add: Community Development Block Grant: The National Center for Children and Families, Inc. - FutureBound Transitional Housing Program	45,000	0.00
Add: Community Development Block Grant: Diaspora Resources of Ethiopians in the America's Metropolises, Dream North American Corp. - Elderly Service Plus Center Project	44,997	0.00
Add: Community Development Block Grant: Diaspora Resources of Ethiopians in the America's Metropolises, Dream North American Corp. - Elderly Service Plus Center Project	44,951	0.00
Add: Community Development Block Grant: Baby's Bounty MC, Inc. - Health, Safety, & Wellness Newborn Bundles	39,519	0.00
Add: Community Development Block Grant: Greater Washington Boys & Girls Clubs, Inc. - Power Hour	38,655	0.00
Add: Community Development Block Grant: The Armand Center for Conflict Resolution, Inc. - Supervised Visitation	36,826	0.00
Add: Community Development Block Grant: Housing Opportunities Community Partners, Inc. - Kid's STEM Program	20,000	0.00
Decrease Cost: Adjustment for Individual Grants	(539,948)	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.	54,041	0.00
<b>FY17 Recommended</b>	<b>5,053,896</b>	<b>5.70</b>

## Landlord-Tenant Mediation

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

Program Performance Measures	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
Percent of landlord/tenant cases mediated successfully (not referred to the Commission)	97	97	97	97	97
Average length of time required to conciliate landlord/tenant disputes that do not go to the Landlord Tenant Commission: Single-family disputes (workdays)	36.7	52.5	50.0	50.0	50.0
Average length of time required to conciliate landlord/tenant disputes that do not go to the Landlord Tenant Commission: Multi-family disputes (workdays)	38.2	45.8	45.0	45.0	45.0

FY17 Recommended Changes	Expenditures	FTEs
<b>FY16 Approved</b>	<b>1,060,809</b>	<b>7.50</b>
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	11,687	0.00

FY17 Recommended Changes	Expenditures	FTEs
<b>FY17 Recommended</b>	<b>1,072,496</b>	<b>7.50</b>

### Neighborhood Revitalization

This program provides planning and implementation for neighborhood revitalization in targeted areas. Activities include commercial revitalization (physical and economic) in both local retail centers and central business districts as well as assistance to address other community concerns, including issues related to housing and public services. Primary funding for these activities is provided from the County's Capital Improvements Program and from other Federal and State funds, including Community Development Block Grants and State Community Legacy Grants.

FY17 Recommended Changes	Expenditures	FTEs
<b>FY16 Approved</b>	<b>1,782,610</b>	<b>7.60</b>
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(77,475)	0.00
<b>FY17 Recommended</b>	<b>1,705,135</b>	<b>7.60</b>

### Licensing and Registration

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

Program Performance Measures	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
Number of rental licenses issued	96,185	99,003	100,900	102,900	104,000

FY17 Recommended Changes	Expenditures	FTEs
<b>FY16 Approved</b>	<b>439,988</b>	<b>3.00</b>
Increase Cost: Printing and Mail	1,367	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.	(75,880)	(0.60)
<b>FY17 Recommended</b>	<b>365,475</b>	<b>2.40</b>

Notes: Expenses in the Licensing and Registration program related to Common Ownership Communities (COC) activities have been shifted to the COC program.

### Housing Administration

This program provides management and oversight to support activities within the housing division including single and multi-family housing programs, and landlord tenant mediation. This program was formerly included as part of Housing Development and Loan Programs.

FY17 Recommended Changes	Expenditures	FTEs
<b>FY16 Approved</b>	<b>343,961</b>	<b>3.50</b>
Increase Cost: Increase Hours of Project Search Intern	12,600	0.25
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	60,456	0.00
<b>FY17 Recommended</b>	<b>417,017</b>	<b>3.75</b>

### Administration

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

development and implementation (legislation, regulations, procedures).

FY17 Recommended Changes	Expenditures	FTEs
<b>FY16 Approved</b>	<b>1,288,422</b>	<b>10.00</b>
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	118,042	1.00
<b>FY17 Recommended</b>	<b>1,406,464</b>	<b>11.00</b>

## Common Ownership Community Program

This program ensures fair and equitable relations between the governing bodies of homeowner associations, condominium associations, and cooperatives, and the individuals living within these common ownership communities and encourages the maintenance and improvement of housing. Activities include mediating and arbitrating disputes; providing information and technical assistance to all parties; and taking legal action as necessary, including referring unresolved complaints to the Montgomery County Commission on Common Ownership Communities.

Program Performance Measures	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
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Percent of Commission on Common Ownership Communities (CCOC) cases resolved prior to a hearing <sup>1</sup>	68%	60%	60%	70%	80%
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<sup>1</sup> CCOC is moving from the Office of Consumer Protection to the Department of Housing and Community Affairs beginning in FY17.

FY17 Recommended Changes	Expenditures	FTEs
<b>FY16 Approved</b>	<b>0</b>	<b>0.00</b>
Shift: Common Ownership Communities Investigator III From the Office of Consumer Protection	190,089	1.00
Enhance: Common Ownership Communities - Outreach and Education	80,000	0.00
Enhance: Common Ownership Communities - Investigator III	75,010	1.00
Enhance: Common Ownership Communities - Information Technology Systems Development	75,000	0.00
Enhance: Common Ownership Communities - Office Services Coordinator	52,500	1.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	79,044	0.60
<b>FY17 Recommended</b>	<b>551,643</b>	<b>3.60</b>

Notes: Expenses in the Licensing and Registration program related to Common Ownership Communities (COC) activities have been shifted to the COC program.

## Budget Summary

	Actual FY15	Budget FY16	Estimate FY16	REC FY17	%Chg Bud/Rec
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	3,097,571	3,325,239	3,307,445	3,556,163	6.9 %
Employee Benefits	1,203,982	1,295,661	1,255,159	1,358,287	4.8 %
<b>County General Fund Personnel Costs</b>	<b>4,301,553</b>	<b>4,620,900</b>	<b>4,562,604</b>	<b>4,914,450</b>	<b>6.4 %</b>
Operating Expenses	728,033	933,207	890,340	964,954	3.4 %
<b>County General Fund Expenditures</b>	<b>5,029,586</b>	<b>5,554,107</b>	<b>5,452,944</b>	<b>5,879,404</b>	<b>5.9 %</b>
<b>PERSONNEL</b>					
Full-Time	82	85	85	87	2.4 %
Part-Time	3	3	3	3	—
FTEs	38.60	41.60	41.60	44.25	6.4 %
<b>REVENUES</b>					
Board of Appeals Fees	7,750	0	8,750	8,750	—
Common Ownership Community Fees	0	0	0	675,000	—
Health Inspection: Restaurants	(193)	0	0	0	—
Landlord-Tenant Fees	5,013,344	5,436,018	5,436,018	5,635,073	3.7 %

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	Actual FY15	Budget FY16	Estimate FY16	REC FY17	%Chg Bud/Rec
Miscellaneous Revenues	7,673	20,000	20,000	20,000	—
Other Charges/Fees	10,601	16,450	7,700	24,379	48.2 %
Other Fines/Forfeitures	18,632	50,000	50,000	40,000	-20.0
<b>County General Fund Revenues</b>	<b>5,057,807</b>	<b>5,522,468</b>	<b>5,522,468</b>	<b>6,403,202</b>	<b>15.9 %</b>

## MONTGOMERY HOUSING INITIATIVE

### EXPENDITURES

Salaries and Wages	1,274,890	1,335,209	1,372,700	1,376,685	3.1 %
Employee Benefits	472,276	475,865	476,941	469,722	-1.3 %
<b>Montgomery Housing Initiative Personnel Costs</b>	<b>1,747,166</b>	<b>1,811,074</b>	<b>1,849,641</b>	<b>1,846,407</b>	<b>2.0 %</b>
Operating Expenses	27,661,802	25,787,697	28,663,691	29,079,075	12.8 %
Debt Service Other	65,630	63,480	63,480	0	-100.0 %
<b>Montgomery Housing Initiative Expenditures</b>	<b>29,474,598</b>	<b>27,662,251</b>	<b>30,576,812</b>	<b>30,925,482</b>	<b>11.8 %</b>

### 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	32,188	32,188	50,000	55.3 %
Commitment Fee	0	150,000	150,000	200,000	33.3 %
Investment Income	2,039,820	1,468,200	2,125,040	2,125,040	44.7 %
Land Sale Proceeds	0	0	2,451,020	0	—
Loan Payments	4,584,067	1,825,000	1,825,000	1,975,000	8.2 %
MHI Transfer Tax	56,217	800,000	800,000	225,000	-71.9 %
Miscellaneous Revenues	146,848	75,006	75,006	75,006	—
MPDU Revenues	1,623,181	1,400,000	1,400,000	1,250,000	-10.7 %
Other Financing Sources	65,630	63,480	63,480	61,280	-3.5 %
Recordation Tax	8,573,787	8,382,680	10,010,000	10,051,000	19.9 %
<b>Montgomery Housing Initiative Revenues</b>	<b>17,089,550</b>	<b>14,196,554</b>	<b>18,931,734</b>	<b>16,012,326</b>	<b>12.8 %</b>

## GRANT FUND - MCG

### EXPENDITURES

Salaries and Wages	1,541,809	1,593,154	1,593,154	1,564,832	-1.8 %
Employee Benefits	557,809	579,711	579,711	530,176	-8.5 %
<b>Grant Fund - MCG Personnel Costs</b>	<b>2,099,618</b>	<b>2,172,865</b>	<b>2,172,865</b>	<b>2,095,008</b>	<b>-3.6 %</b>
Operating Expenses	5,144,153	5,225,015	5,225,015	5,283,328	1.1 %
<b>Grant Fund - MCG Expenditures</b>	<b>7,243,771</b>	<b>7,397,880</b>	<b>7,397,880</b>	<b>7,378,336</b>	<b>-0.3 %</b>

### PERSONNEL

Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	24.00	24.00	24.00	24.00	—

### REVENUES

Federal Grants	5,478,311	5,541,028	5,783,128	5,783,128	4.4 %
Investment Income	196,060	0	0	0	—
Loan Payments	750,507	1,000,000	1,000,000	1,000,000	—
Other Charges/Fees	390	314,752	314,752	295,208	-6.2 %
Other Intergovernmental	383,101	0	0	0	—
State Grants	407,257	542,100	300,000	300,000	-44.7 %
<b>Grant Fund - MCG Revenues</b>	<b>7,215,626</b>	<b>7,397,880</b>	<b>7,397,880</b>	<b>7,378,336</b>	<b>-0.3 %</b>

## DEPARTMENT TOTALS

<b>Total Expenditures</b>	<b>41,747,955</b>	<b>40,614,238</b>	<b>43,427,636</b>	<b>44,183,222</b>	<b>8.8 %</b>
<b>Total Full-Time Positions</b>	<b>82</b>	<b>85</b>	<b>85</b>	<b>87</b>	<b>2.4 %</b>
<b>Total Part-Time Positions</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>-</b>
<b>Total FTEs</b>	<b>77.30</b>	<b>80.30</b>	<b>80.30</b>	<b>82.95</b>	<b>3.3 %</b>
<b>Total Revenues</b>	<b>29,362,983</b>	<b>27,116,902</b>	<b>31,852,082</b>	<b>29,793,864</b>	<b>9.9 %</b>

## FY17 Recommended Changes

Expenditures FTEs

### COUNTY GENERAL FUND

**FY16 ORIGINAL APPROPRIATION 5,554,107 41.60**

#### Changes (with service impacts)

Enhance: Common Ownership Communities - Outreach and Education [Common Ownership Community Program]	80,000	0.00
Enhance: Common Ownership Communities - Investigator III [Common Ownership Community Program]	75,010	1.00
Enhance: Common Ownership Communities - Information Technology Systems Development [Common Ownership Community Program]	75,000	0.00
Enhance: Common Ownership Communities - Office Services Coordinator [Common Ownership Community Program]	52,500	1.00

#### Other Adjustments (with no service impacts)

Shift: Common Ownership Communities Investigator III From the Office of Consumer Protection [Common Ownership Community Program]	190,089	1.00
Increase Cost: FY17 Compensation Adjustment	71,829	0.00
Increase Cost: Group Insurance Adjustment	24,437	0.00
Increase Cost: Increase Hours of Project Search Intern [Housing Administration]	12,600	0.25
Increase Cost: Annualization of FY16 Personnel Costs	12,584	0.40
Increase Cost: Printing and Mail [Licensing and Registration]	1,367	0.00
Decrease Cost: Motor Pool Adjustment [Housing Code Enforcement]	(10,220)	0.00
Shift: Telecommunications to the Telecommunications Non-Departmental Account	(34,760)	0.00
Decrease Cost: Retirement Adjustment	(45,566)	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY16 [Housing Code Enforcement]	(77,220)	0.00
Decrease Cost: Annualization of FY16 Savings Plan Reduction - Code Enforcement [Housing Code Enforcement]	(102,353)	(1.00)

**FY17 RECOMMENDED 5,879,404 44.25**

### MONTGOMERY HOUSING INITIATIVE

**FY16 ORIGINAL APPROPRIATION 27,662,251 14.70**

#### Changes (with service impacts)

Enhance: Rental Assistance Program Based on Additional Estimated Recordation Tax Allocation [Multi-Family Housing Programs]	1,668,320	0.00
Enhance: Affordable Housing Initiatives [Multi-Family Housing Programs]	1,445,190	0.00

#### Other Adjustments (with no service impacts)

Restore: Montgomery Housing Partnership (MHP) - Focused Neighborhood Assistance [Multi-Family Housing Programs]	120,000	0.00
Increase Cost: FY17 Compensation Adjustment	29,103	0.00
Increase Cost: Group Insurance Adjustment	9,063	0.00
Increase Cost: Annualization of FY16 Personnel Costs	7,200	0.00
Decrease Cost: Debt Service Other [Multi-Family Housing Programs]	(2,200)	0.00
Decrease Cost: Miscellaneous Operating Expenses [Multi-Family Housing Programs]	(3,412)	0.00
Decrease Cost: Retirement Adjustment	(10,033)	0.00

**FY17 RECOMMENDED 30,925,482 14.70**

### GRANT FUND - MCG

**FY16 ORIGINAL APPROPRIATION 7,397,880 24.00**

#### Federal Programs

Add: Community Development Block Grant: Asian Pacific American Legal Resource Center, Inc. - Legal Services for Asian Immigrants	45,000	0.00
Add: Community Development Block Grant: Interfaith Works, Inc. - Job Developer for Low-Income Residents	45,000	0.00
Add: Community Development Block Grant: Montgomery County Coalition for the Homeless, Inc. - Home Builders Care Assessment Center (HBCAC) Housing Locator	45,000	0.00
Add: Community Development Block Grant: Rockville Economic Development, Inc. - Maryland Women's Business Center	45,000	0.00
Add: Community Development Block Grant: The ARC of Montgomery County, Inc. - Transitioning Youth Retail Project	45,000	0.00
Add: Community Development Block Grant: Ethiopian Community Center in Maryland, Inc. - Breast Cancer Awareness	45,000	0.00

	Expenditures	FTEs
Add: Community Development Block Grant: The National Center for Children and Families, Inc. - FutureBound Transitional Housing Program	45,000	0.00
Add: Community Development Block Grant: Diaspora Resources of Ethiopians in the America's Metropolises, Dream North American Corp. - Elderly Service Plus Center Project	44,997	0.00
Add: Community Development Block Grant: Diaspora Resources of Ethiopians in the America's Metropolises, Dream North American Corp. - Elderly Service Plus Center Project	44,951	0.00
Add: Community Development Block Grant: Baby's Bounty MC, Inc. - Health, Safety, & Wellness Newborn Bundles	39,519	0.00
Add: Community Development Block Grant: Greater Washington Boys & Girls Clubs, Inc. - Power Hour	38,655	0.00
Add: Community Development Block Grant: The Armand Center for Conflict Resolution, Inc. - Supervised Visitation	36,826	0.00
Add: Community Development Block Grant: Housing Opportunities Community Partners, Inc. - Kid's STEM Program	20,000	0.00
<b>Other Adjustments (with no service impacts)</b>		
Decrease Cost: Takoma Park / HOC Code Enforcement [Housing Code Enforcement]	(19,544)	0.00
Decrease Cost: Adjustment for Individual Grants [Grants Administration - Federal Programs]	(539,948)	0.00
<b>FY17 RECOMMENDED</b>	<b>7,378,336</b>	<b>24.00</b>

## Program Summary

Program Name	FY16 APPR		FY17 REC	
	Expenditures	FTEs	Expenditures	FTEs
Multi-Family Housing Programs	27,170,941	9.40	30,267,999	8.40
Affordable Housing Programs	823,409	9.50	838,961	9.50
Housing Code Enforcement	2,704,243	24.10	2,504,136	23.50
Grants Administration - Federal Programs	4,999,855	5.70	5,053,896	5.70
Landlord-Tenant Mediation	1,060,809	7.50	1,072,496	7.50
Neighborhood Revitalization	1,782,610	7.60	1,705,135	7.60
Licensing and Registration	439,988	3.00	365,475	2.40
Housing Administration	343,961	3.50	417,017	3.75
Administration	1,288,422	10.00	1,406,464	11.00
Common Ownership Community Program	0	0.00	551,643	3.60
<b>Total</b>	<b>40,614,238</b>	<b>80.30</b>	<b>44,183,222</b>	<b>82.95</b>

## Charges to Other Departments

Charged Department	Charged Fund	FY16		FY17	
		Total\$	FTEs	Total\$	FTEs
<b>COUNTY GENERAL FUND</b>					
Permitting Services	Permitting Services	120,076	1.00	120,308	1.00
Solid Waste Services	Solid Waste Disposal	740,234	5.50	755,303	5.50
CIP	Capital Fund	189,280	1.70	189,409	1.70
<b>Total</b>		<b>1,049,590</b>	<b>8.20</b>	<b>1,065,020</b>	<b>8.20</b>

## Future Fiscal Impacts

Title	CE RECOMMENDED (\$000s)					
	FY17	FY18	FY19	FY20	FY21	FY22
<b>COUNTY GENERAL FUND</b>						
<b>EXPENDITURES</b>						
<b>FY17 Recommended</b>	<b>5,879</b>	<b>5,879</b>	<b>5,879</b>	<b>5,879</b>	<b>5,879</b>	<b>5,879</b>
No inflation or compensation change is included in outyear projections.						
<b>Annualization of Positions Recommended in FY17</b>	<b>0</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>42</b>	<b>42</b>

Title	CE RECOMMENDED (\$000s)					
	FY17	FY18	FY19	FY20	FY21	FY22
New positions in the FY17 budget are generally assumed to be filled at least two months after the fiscal year begins. Therefore, the above amounts reflect annualization of these positions in the outyears.						
<b>Elimination of One-Time Items Recommended in FY17</b>	0	(70)	(70)	(70)	(70)	(70)
Items recommended for one-time funding in FY17, including information technology development cost for CCOC, will be eliminated from the base in the outyears.						
<b>Labor Contracts</b>	0	31	31	31	31	31
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
<b>Subtotal Expenditures</b>	<b>5,879</b>	<b>5,883</b>	<b>5,883</b>	<b>5,883</b>	<b>5,883</b>	<b>5,883</b>

## MONTGOMERY HOUSING INITIATIVE

### EXPENDITURES

<b>FY17 Recommended</b>	<b>30,925</b>	<b>30,925</b>	<b>30,925</b>	<b>30,925</b>	<b>30,925</b>	<b>30,925</b>
No inflation or compensation change is included in outyear projections.						
<b>Labor Contracts</b>	0	15	15	15	15	15
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
<b>Subtotal Expenditures</b>	<b>30,925</b>	<b>30,940</b>	<b>30,940</b>	<b>30,940</b>	<b>30,940</b>	<b>30,940</b>

## Annualization of Personnel Costs and FTEs

	FY17 Recommended		FY18 Annualized	
	Expenditures	FTEs	Expenditures	FTEs
Common Ownership Communities - Office Services Coordinator	52,500	1.00	70,000	1.00
Common Ownership Communities - Investigator III	75,010	1.00	100,000	1.00
<b>Total</b>	<b>127,510</b>	<b>2.00</b>	<b>170,000</b>	<b>2.00</b>

FY17-22 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Montgomery Housing Initiative					
FISCAL PROJECTIONS	FY16 APPROVED	FY17 REC	FY18 PROJECTION	FY19 PROJECTION	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION
<b>ASSUMPTIONS</b>							
Inclined Cost Rate	15.98%	16.43%	16.45%	16.45%	16.45%	16.45%	16.45%
CPI (Fiscal Year)	2.0%	1.8%	2.3%	2.5%	2.7%	2.7%	2.7%
Investment Income Yield	0.65%	0.50%	1.00%	1.50%	2.50%	2.50%	3.00%
<b>BEGINNING FUND BALANCE</b>	<b>7,241,980</b>	<b>4,786,860</b>	<b>3,387,600</b>	<b>2,198,840</b>	<b>1,442,600</b>	<b>1,290,810</b>	<b>1,182,610</b>
<b>REVENUES</b>							
Taxes	9,182,680	10,276,000	10,628,000	11,165,000	11,447,000	12,329,000	13,168,500
Charges For Services	32,188	50,000	70,200	90,000	109,400	128,412	147,052
Miscellaneous	4,981,686	5,686,326	5,684,066	5,681,766	5,679,446	5,677,096	5,674,686
<b>Subtotal Revenues</b>	<b>14,196,554</b>	<b>16,012,326</b>	<b>16,382,266</b>	<b>16,936,766</b>	<b>17,235,846</b>	<b>18,134,508</b>	<b>18,990,238</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>							
Transfers To Debt Service Fund	(7,196,110)	(7,950,310)	(8,708,010)	(9,451,510)	(9,455,600)	(9,450,460)	(9,446,660)
MHI Property Acquisition	(7,196,110)	(7,950,310)	(8,708,010)	(9,451,510)	(9,455,600)	(9,450,460)	(9,446,660)
Transfers To The General Fund	(289,410)	(303,734)	(305,874)	(305,874)	(305,874)	(305,874)	(305,874)
Indirect Costs	(289,410)	(303,734)	(305,874)	(305,874)	(305,874)	(305,874)	(305,874)
Transfers From The General Fund	19,259,777	21,767,940	21,767,940	21,767,940	21,767,940	21,767,940	21,767,940
<b>TOTAL RESOURCES</b>	<b>33,212,791</b>	<b>34,313,082</b>	<b>32,523,922</b>	<b>31,146,162</b>	<b>30,684,912</b>	<b>31,436,924</b>	<b>32,188,254</b>
<b>CIP CURRENT REVENUE APPROP.</b>							
PSP OPER. BUDGET APPROP/ EXPS.	(2,275,000)	0	0	0	0	0	0
<b>Operating Budget</b>							
Debt Service: Other (Non-Tax Funds only)	(63,480)	(61,280)	(59,020)	(56,750)	(54,400)	(52,050)	(49,640)
Compensation Adjustment	n/a	0	(55,390)	(78,090)	(96,680)	(96,680)	(105,980)
Labor Agreement	n/a	0	(13,011)	(13,011)	(13,011)	(13,011)	(13,011)
Labor Contracts - Other	n/a	0	(1,802)	(1,802)	(1,802)	(1,802)	(1,802)
Rental Assistance Program (RAP)	(9,605,920)	(11,274,240)	(11,626,240)	(11,769,060)	(11,489,060)	(12,371,060)	(13,210,560)
Housing First	(8,043,955)	(8,043,955)	(8,043,955)	(8,043,955)	(8,043,955)	(8,043,955)	(8,043,955)
Neighborhoods to Call Home	(596,340)	(716,340)	(716,340)	(716,340)	(716,340)	(716,340)	(716,340)
Special Needs and Nonprofit Housing	(2,380,510)	(2,380,510)	(2,380,510)	(2,380,510)	(2,380,510)	(2,380,510)	(2,380,510)
100,000 Homes	(437,120)	(437,120)	(437,120)	(437,120)	(437,120)	(437,120)	(437,120)
Zero-2016	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Affordable Housing Initiative	(2,721,145)	(4,166,335)	(3,145,992)	(2,361,222)	(2,315,522)	(2,296,084)	(2,264,454)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(27,662,251)</b>	<b>(30,925,482)</b>	<b>(30,325,082)</b>	<b>(29,703,562)</b>	<b>(29,394,102)</b>	<b>(30,254,314)</b>	<b>(31,069,074)</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(29,937,251)</b>	<b>(30,925,482)</b>	<b>(30,325,082)</b>	<b>(29,703,562)</b>	<b>(29,394,102)</b>	<b>(30,254,314)</b>	<b>(31,069,074)</b>
<b>YEAR END FUND BALANCE</b>	<b>3,275,540</b>	<b>3,387,600</b>	<b>2,164,360</b>	<b>1,335,300</b>	<b>1,068,240</b>	<b>801,180</b>	<b>534,120</b>
<b>Total Use of Resources</b>	<b>(29,937,251)</b>	<b>(30,925,482)</b>	<b>(30,325,082)</b>	<b>(29,703,562)</b>	<b>(29,394,102)</b>	<b>(30,254,314)</b>	<b>(31,069,074)</b>
<b>Affordable Housing and Acquisition and Preservation CIP Project #P760100</b>	<b>(14,725,000)</b>	<b>(16,000,000)</b>	<b>(17,000,000)</b>	<b>(3,464,400)</b>	<b>(5,014,400)</b>	<b>(4,625,900)</b>	<b>(1,628,418)</b>
<b>TOTAL INVESTMENT IN AFFORDABLE HOUSING (MHI Fund + CIP Project)</b>	<b>(44,662,251)</b>	<b>(46,925,482)</b>	<b>(47,325,082)</b>	<b>(33,167,962)</b>	<b>(34,408,502)</b>	<b>(34,880,214)</b>	<b>(32,697,492)</b>

**Assumptions:**

- Maintains the County Executive's commitment to affordable housing. In addition to expenditures reflected in this fund, the Affordable Housing Acquisition and Preservation CIP Project #P760100 includes the issuance of \$13.4 million of debt in FY17 in addition to \$2.6 million in estimated loan repayments in FY17 to provide continued high level of support for the Housing Initiative Fund Property Acquisition Revolving Program created in FY09.
- The amount shown in the Fiscal Plan for the Affordable Housing Acquisition and Preservation CIP project in FY16 is different from the PDF by \$2,275,000. This is because that amount is already included in the Total Use of Resources in the MHI fund.
- Montgomery County Council Resolution #15-110 provides for an allocation from the General Fund to the Montgomery Housing Initiative fund (MHI) of \$16.1 million or the equivalent to 2.5 percent of actual General Fund property taxes from two years prior to the upcoming fiscal year, whichever is greater, for the purpose of maintaining and expanding the supply of affordable housing. The actual transfer from the General Fund will be determined each year based on the availability of resources.

**Notes:** 1. These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.

Affordable Housing Support Summary (000's)														
Actual Operating Budget Expenditures: FY2008-2014, FY15 Approved Budget, and FY16 Rec.	2008	2009	2010	2011	2012	2013	2014	2015	2016 Approved	2017 Recommended	Total Funding	Non-County Dollars Leveraged	Creation/ Preservation/ of Affordable Housing Unit 2008-2016	Projected FY17 Creation/ Preservation of Affordable Housing Units
MHI Fund														
Operating Budget	33,715	23,083	27,266	16,450	13,890	21,021	24,312	27,659	27,662	30,925	245,984			
Debt Service (int. only)				1,572	2,183	2,454	2,930	3,646	3,566 *	3,740	20,091			
<b>Total MHI Operating Budget</b>	<b>33,715</b>	<b>23,083</b>	<b>27,266</b>	<b>18,023</b>	<b>16,073</b>	<b>23,475</b>	<b>27,242</b>	<b>31,304</b>	<b>31,228</b>	<b>34,666</b>	<b>266,075</b>			
<b>Other General Fund Affordable Housing Support</b>														
HHS Housing Programs (General Fund)			9,588	10,442	9,642	9,549	10,169	11,823	11,612	11,393	84,218	19,454	13	2
HOC NDA	5,731	6,141	6,136	5,804	5,514	5,583	6,093	6,376	6,401	6,513	60,294			
<b>Total Other General Fund Support</b>	<b>5,731</b>	<b>6,141</b>	<b>15,724</b>	<b>16,246</b>	<b>15,156</b>	<b>15,132</b>	<b>16,263</b>	<b>18,199</b>	<b>18,013</b>	<b>17,906</b>	<b>144,511</b>			
<b>Total Operating Budget</b>	<b>39,446</b>	<b>29,224</b>	<b>42,990</b>	<b>34,269</b>	<b>31,229</b>	<b>38,607</b>	<b>43,505</b>	<b>49,503</b>	<b>49,242</b>	<b>52,572</b>	<b>410,586</b>	<b>19,454</b>	<b>13</b>	<b>2</b>
<b>Funding Sources: Programed Funding Thru FY13, FY14, FY15 and FY16 Rec.</b>														
Affordable Housing Acquisition and Preservation Project (CIP)														
MHI						2,500			2,275		4,775			
HHP Revolving Loan Program						78,310	19,410	7,280		13,409	113,409			
Loan Repayment Proceeds						9,701	7,280	6,670	2,460	2,591	28,702			
G.O. Bonds								2,000	7,725		9,725			
Recordation Tax Premium									4,540		4,540			
<b>Total CIP</b>						<b>85,511</b>	<b>26,690</b>	<b>15,950</b>	<b>17,000</b>	<b>16,000</b>	<b>177,151</b>	<b>927,182</b>	<b>25</b>	<b>3</b>
<b>Other Affordable Housing Support</b>														
PILOTS (Payments in lieu of Taxes Non-HOC)	6,252	6,581	7,944	7,986	8,022	8,514	9,677	10,305 *	12,804 **	13,700	91,784		7	8
Sub Total Affordable Housing											679,521			
HOC (PILOTS)	7,205	8,095	8,625	8,213	8,266	8,496	9,312	9,345	9,015 **	9,500	86,073		7	7
DGS - Discounted Land Value									29,542	8,282	37,823			
<b>Total Affordable Housing Support</b>											<b>803,417</b>	<b>946,636</b>	<b>40</b>	<b>18</b>
* Estimated Debt Service interest for FY17														
** Estimated PILOT value for FY16 and FY17														
PILOT Cap														

Clients Served

In support of operating cost for Non-profits and Senior housing

Captured in DHCA

**ACTION PLAN**  
**Projected use of Funds for CDBG, HOME and ESG**  
**July 1, 2016 – June 30, 2017**

**Community Development Block Grant (CDBG)**

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)** **\$4,587,565**

The county expects to receive \$4,087,565 in CDBG funds for County Fiscal Year 2017, and with anticipated program income of \$500,000, an estimated total of \$4,587,565 in CDBG funds will be available for the following activities.

**PROJECTS ADMINISTERED BY COUNTY GOVERNMENT**

**Department of Housing and Community Affairs (DHCA)** **\$4,265,280**

**Housing Acquisition and Preservation** **\$999,332**

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, the Kimberly Place Condominiums. DHCA is identifying new eligible neighborhoods. An estimated 51 households will benefit from home improvements and 373 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.

<b>Administration (capped)</b>	\$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.	
<b>Fair Housing Activities</b>	\$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.	
<b>Contingency</b>	\$100,000
The fund will be used to cover unanticipated costs for other eligible activities.	
<b>NONPROFIT PROVIDERS</b>	<b>\$539,948</b>
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:	
<b>Asian Pacific American Legal Resource Center, Inc.</b>	\$45,000
<b>"Legal Services for Asian Immigrants"</b>	
Provide free legal services to low-income immigrants on a wide range of legal issues including family law, immigration, consumer, employment law, etc. Estimated to benefit 180 clients.	
<b>Baby's Bounty MC, Inc.</b>	\$39,519
<b>"Health, Safety &amp; Wellness Newborn Bundles"</b>	
Provide safety, health, and wellness "Baby Bundles" for at-risk infants born into poverty, homelessness, and other disadvantaged situations. Bundles include: a portable crib, car seat front carrier, diaper bag filled with diapers, other hygiene items, bottles, bibs, clothing, blankets, and towels. Estimated to benefit 480 clients.	
<b>Diaspora Resources of Ethiopians in the America's Metropolises, Dream North American Corp.</b>	\$44,951
<b>"Elderly Service Plus Center Project"</b>	
Provide low-income immigrant seniors with in-center, and field trip activities through culturally sensitive programs. Estimated to benefit 400 clients.	
<b>Ethiopian Community Center in Maryland, Inc.</b>	\$45,000
<b>"Breast Cancer Awareness"</b>	
Provide breast cancer awareness training, screening, counseling and treatment referral services for at-risk immigrant women. Estimated to benefit 480 clients.	
<b>Greater Washington Boys &amp; Girls Clubs, Inc.</b>	\$38,655
<b>"Power Hour"</b>	
Provide homework assistance, tutoring, and reading assistance to raise the academic proficiency for at-risk students. Estimated to benefit 50 students.	

<p><b>Housing Opportunities Community Partners, Inc.</b>  <b>“Kids’ STEM Program”</b>  Provide an after-school Science Technology Engineering and Math (STEM) program at two subsidized housing sites for low-income families. Estimated to benefit 30 students.</p>	<p>\$20,000</p>
<p><b>Interfaith Works, Inc.</b>  <b>“Job Developer for Low-Income Residents”</b>  Provide a Job Developer to build relationships with corporate partners to assist unemployed at-risk Montgomery County residents seeking employment to become more self-sufficient. Estimated to benefit 400 clients.</p>	<p>\$45,000</p>
<p><b>Mental Health Association of Montgomery County (MHA)</b>  <b>“Mental Health Association of Montgomery County Medical Therapist”</b>  Provide low-income individuals receiving Medicaid with access to mental health services for clients that have experienced trauma and have symptom anxiety, and post-traumatic stress disorder (PTSD), including suicidal ideation. Estimated to benefit 75 clients.</p>	<p>\$44,997</p>
<p><b>Rockville Economic Development, Inc.</b>  <b>“Maryland Women’s Business Center”</b>  Provide one-on-one counseling and business plan development training for start-up low- to moderate-income women entrepreneurs. Estimated to benefit 150 clients.</p>	<p>\$45,000</p>
<p><b>The Arc Montgomery County, Inc.</b>  <b>“Transitioning Youth Employment Project (TYEP)”</b>  Provide classroom, experiential and paid internship learning for youth with intellectual and developmental disabilities to assist with skills and attitudes that lead to lifelong employability. Estimated to benefit 36 clients.</p>	<p>\$45,000</p>
<p><b>The Armand Center for Conflict Resolution, Inc.</b>  <b>“Supervised Visitation”</b>  Provide visitation monitoring for at-risk children to have regular contact with their parents. Estimated to benefit 832 families.</p>	<p>\$36,826</p>
<p><b>The Montgomery County Coalition for the Homeless, Inc.</b>  <b>“Home Builders Care Assessment Center (HBCAC) Housing Locator”</b>  Provide funding for the Housing Locator position at Montgomery County’s year-round men’s emergency homeless shelter, to ensure the accuracy of all assessments and referrals to the County’s housing programs, develop relationships with private landlords to house clients who cannot access subsidized housing and further implement of the national best practice model of rapid re-housing. Estimated to benefit 150 clients.</p>	<p>\$45,000</p>
<p><b>The National Center for Children and Families, Inc.</b>  <b>“Future Bound Transitional Housing Program”</b>  Provide transitional housing support, case management, and workforce development for eight young adults, annually, who have aged out of the care of public systems and are homeless or living in unstable situations. Estimated to benefit 8 clients.</p>	<p>\$45,000</p>

**PROJECTS ADMINISTERED BY MUNICIPALITIES** **\$322,285**

**CITY OF TAKOMA PARK** **\$91,000**

**EduCare Support Services, Inc.** **\$3,550**

Funds will be used to purchase and distribute fresh food to an estimated 120 low-income elderly and/or disabled Takoma Park residents.

**Community Health and Empowerment through Education and Research, Inc. (CHEER)** **\$5,240**

Funds will be used to provide personal peer-to-peer support, training and access to resources to enable an estimated 100 low-income Takoma Park renters to access available resources.

**Village of Takoma Park, Inc.** **\$4,860**

Funds will be used to fund a pilot program to assist 4 low-income developmentally disabled Takoma Park adults improve their physical, emotional and mental health.

**The City of Takoma Park** **\$77,350**

Funds will be used to make safety and accessibility improvements to the CDBG eligible portion of Flower Avenue. This project will serve an estimated 5,310 people.

**CITY OF ROCKVILLE** **\$231,285**

**Rockville Single Family Rehabilitation Program** **\$164,385**

Provide rehabilitation of at least six units at an estimated expense per home of \$25,000. An estimated six households are expected to benefit.

**Community Ministries of Rockville (CMR)** **\$16,900**

Provide renovations to two bathrooms in Jefferson House, a permanent supportive housing program serving eight at-risk male Rockville residents.

**Rockville Housing Enterprises (RHE)** **\$50,000**

Installation of hardwired smoke detectors and carbon monoxide detectors in public housing units. An estimated 105 households are expected to benefit.

SUMMARY OF EXPECTED BENEFIT FROM CDBG PROJECTS

Persons	8,953
Households	1,330

## HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)

### HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) \$1,903,056

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 \$1,403,056 in funding for HOME projects, and together with anticipated program income of \$500,000, an estimated total of \$1,903,056 in HOME funds will be available. Funds will generally be made available in the form of low-interest loans and other subsidies, and units assisted may be both rental and owner-occupied.

### PROJECTS ADMINISTERED BY COUNTY GOVERNMENT

#### Department of Housing and Community Affairs (DHCA)

#### **Housing Production and Preservation** \$1,481,756

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)** \$211,000

##### **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** \$70,000

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 \$51,000 and HUI will receive \$19,000. 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** \$140,300

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)**

**\$367,901**

The ESG Program enables the county to assist persons who are homeless. For County FY2017, it is anticipated that the County will receive \$367,901 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**

**\$231,901**

Housing Stabilization and Relocation Services – \$101,700 - 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 22 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 - \$130,201 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 22 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**

**\$75,000**

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	22



## Commission on Common Ownership Communities

Rm. 330, 100 Maryland Avenue, Rockville, Maryland 20850

To: Hon. Nancy Floreen, President  
Montgomery County Council

Hon. Marc Elrich, Chair  
Public Safety Committee, County Council

From: Rand H. Fishbein, Ph.D., Chair  
Commission on Common Ownership Communities

Date: April 11, 2016

Re: **CCOC FY2017 BUDGET RECOMMENDATION**

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The Commission on Common Ownership Communities (CCOC) respectfully submits for your consideration its FY 2017 budget recommendations.<sup>1</sup> CCOC Commissioners voted to approve the contents of this memorandum on April 11, 2016.

### SUMMARY

#### Request for CCOC Funding in FY2017

The Commission on Common Ownership Communities makes the following recommendations:

- The County should provide the residents of common ownership communities with a full, transparent and independent accounting audit of how the current CCOC budget of approximately \$408,000<sup>2</sup> is expended, to include, but not limited to CCOC administration, programs and allocated costs.
- Only, then, after it is clear that: 1) all of the existing revenue is being used appropriately for the benefit of the CCOC, and 2) that the fee of \$3.00 per unit is insufficient to cover

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<sup>1</sup> Commissioners: Aimee Winegar, CMCA, LSM, PCAM (Vice-Chair), Richard S. Brandes, CMCA, AMS; Jim Coyle, Mayor, Rockville (Ret.); Marietta Ethier, Esq.; Mark Fine; Bruce Fonoroff; Don Weinstein; Ken Zajic. Staff: Peter Drymalski, Esq.

<sup>2</sup> This is the fee-generated revenue collected on behalf of the CCOC in FY 2014 as documented by the Office of Legislative Oversight (OLO) in its 2015 report on CCOC operations.

the increasing responsibilities of the CCOC under Chapter 10B, should the County consider raising the CCOC fee by \$2.00, to a total of \$5.00 per unit. The Commission believes strongly that the directed revenue stream established in statute for the CCOC should be reserved for the exclusive use of the CCOC, as determined by the CCOC, in keeping with the intent of the original enabling legislation.

- Upon meeting these conditions, the Commission would **support fully** the Executive's request for a "top line" budget for the CCOC of not less than **\$675,000** in FY 2017.

### **Request for Statutory Clarification – Amendments to Chapter 10B**

The Commission respectfully requests that the Council and the Executive agree to direct in statute that the Commission be:

1. Authorized to operate as a separate "hosted" division within DHCA reporting directly to the Director, headed by a Division Chief with skills and experience in common ownership law, and with full oversight of, and obligation authority over, its annual budget,
2. Commission Funds to be Used Only for Direct Benefit of Commission,
3. Authorized to develop and submit an annual budget presentation to the Executive and the Council,
4. Authorized to "carry-over" unexpended funds from one fiscal year to the next,
5. Authorized to seek qualified candidates for its staff positions from any source inside or outside of County Government. The Director shall not require that the Commission make use of "seconded" or "detailed" personnel from DHCA or any other County administrative entity for which a "chargeback" using CCOC funds would be made to DHCA.
6. Exempted from having to pay "allocated" or "distributed" costs to DHCA except when there is a direct and demonstrated benefit provided to the Commission and jointly agreed upon by the Commission and the Director of DHCA,
7. Permitted to operate in accordance with the authorities set forth in Chapter 10B of the County Code. In instances where there arises a statutory conflict between DHCA and CCOC governing authorities, Chapter 10B authorities shall take precedence,
8. Provided specific enumerated assistance by the Director on a timely basis,
9. Assured of its judicial independence, and
10. Delegated authority over training standards and certification.

### CCOC Proposed FY2017 Budget

The following recommendation is built upon a zero baseline and reflects the Commission's best estimate of its FY2017 operational needs. The budget falls within the top-line funding level for the CCOC contained in the Executive's FY2017 budget proposal of \$675,000.<sup>3</sup>

Staff Position	FTE	Duties	Class Code	Grade	Budgeted Amt. <sup>4</sup>
Program Manager II (Education Specialist)  (See Exhibit A)	1.0	Management of group; primary interface with CCOC. Implement online training. Develop range of educational programs, forms, assignment of investigators to conflicts.	000832	25	\$100,326
Investigator III  (See Exhibit B)	1.0	Primary interface with parties in formal complaint process; provides analysis of issues; primary support for complaints; resource for Panel Chairs; specialist on COC legal requirements, procedures.	000643	25	\$131,250
Investigator II  (See Exhibit C)	1.0	Asst. to Investigator II, addresses complicated COC inquiries, supports mediation efforts.	000644	23	\$93,149
Investigator I  (See Exhibit D)	1.0	Develops/implements informal dispute resolution program as first step in ADR process.	000645	20	\$80,930
Office Services Coordinator  (See Exhibit E)	1.0	Responds to inquiries for information. Coordinates answers to more complicated inquiries. Coordinate mediation requests. <sup>5</sup>	009273	16	\$50,914
Administrative Aide  (See Exhibit F)	0.5	Provides entry level office support	009275	12	\$43,220
Program Specialist II (Legislative analyst, Dept. Interface & Support Specialist)  (See Exhibit G)	1.0	Advises county Executive and Council on legislation affecting COCs, Investigates & develops innovative programs to assist COCs.	000182	21	\$42,403
Registration & Fee Collection		Data & fee collection <sup>6</sup>			\$67,000
Operating Expenses		See attached list marked Exhibit H <sup>7</sup>			\$30,000
It Systems Develop.		Note. <sup>8</sup>			\$35,000
<b>TOTAL</b>					<b>\$674,192</b>

<sup>3</sup> The Commission wishes to acknowledge the extensive research and analysis undertaken by Commissioner Ethier in the development of the budget estimates contained in this proposal.

<sup>4</sup> The mid-point salary on the Mont. County Government General Salary Schedule for FY2016 (effective July 2, 2015), was used for this analysis plus 25% for benefits, except for the positions of Office Services Coordinator and Administrative Aide where the minimum used more appropriately reflects the entry level type of services needed.

<sup>5</sup> CCOC received 826 inquiries for information/advice through October of last year.

<sup>6</sup> Services currently provided by DHCA staff. The current cost is \$67,000. The CCOC believes the process can be simplified and streamlined. DHCA has expressed a willingness to upgrade and modernize procedures.

<sup>7</sup> These statistics are from a DHCA submission to the Montgomery County Council.

<sup>8</sup> CCOC believes that with the completion of the online training program most of its needs can be met with off-the-shelf software packages. Also, there are many systems being used in other departments of Montgomery County that could be adapted to accommodate CCOC needs. Nothing the CCOC does is complicated or unique. It is reasonable that the DHCA's three dedicated IT professionals can accommodate these needs with the sum shown.

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### **Special Considerations**

- Data collected by the Commission from the Montgomery-National Capital Parks and Planning Commission (MNCPPC), strongly suggests that upwards of 160 common ownership communities in the County are not in the DHCA database and are not being invoiced annually for fees due to the CCOC.
- The \$50.00 filing fee collected from each Complainant to the Commission is not reflected in the CCOC's budget and should be credited to the CCOC's budget.
- If the county wishes to increase the fees charged to associations this calendar year, then it needs to include **statutory language** authorizing associations to collect the additional funds over and above their regular budget assessment. This is necessary because many associations are prohibited under their governing documents from raising fees without the approval of the members of the association and/or more that once in a fiscal year. They also are legally required to publish budgets and assessments far in advance of their acceptance. The fee increase cannot be treated as a "special assessment" in the strict reading of the definition. The Council should be aware that associations operating on a calendar fiscal cycle locked in their FY2016 budgets months ago, and many are preparing their FY 2017 budgets already.

### **CCOC Requests New Amendments to Bill 50-15** **(Draft Bill Language)**

#### 1. Hosted Administrative Body; Separate DHCA Division

10B- ( ) The Commission must operate only as an independent hosted administrative body within the Department, reporting directly to the Director. The Commission must be organized as a separate Division, comprised of sub-divisions and headed by a Division Chief approved jointly by the director and the Commission. The Commission shall exercise full oversight of its budget, develop programs and set policies commensurate with its responsibilities under Chapter 10B.

#### 2. All Commission Funding to Benefit Commission

10B-7(b)(4) All funds appropriated to the Commission, including fees prescribed under this Act, shall be obligated and expended only on behalf of the Commission and only in support of its statutory mandates, and only after consultation with, and the approval of, the Commission.

3. Authority Over Budget and Annual Budget Preparation

10B-7(c) Only after consultation with, and the approval of, the Commission, the Director shall prepare and submit to the Executive and Council on behalf of the Commission an annual budget, and an annual budget justification document, to include a summary of the Commission's accomplishments during the prior year. The Commission may appear before the appropriate Council budget committee(s) to comment on the budget submitted on its behalf.

4. Carryover Authority

10B-3(l) Notwithstanding any other provision of law, any funds appropriated or otherwise made available to the Commission in a given fiscal year and not expended in that fiscal year shall be designated "no year funds" and remain available to the Commission until expended.

5. May Seek Staff Outside of DHCA

10B- ( ) The Commission may seek qualified candidates for its staff positions from any source inside or outside of County Government. The Director shall not require that the Commission make use of "seconded" or "detailed" personnel from DHCA or any other County administrative entity for which a "chargeback" using CCOC funds would be made to DHCA.

6. Exemption from Paying Allocated Costs

10B- ( ) The Commission shall be exempted from having to pay "allocated" or "distributed" costs to the Department except when there is a direct and demonstrated benefit provided to the Commission and jointly agreed upon by the Commission and the Director of DHCA.

7. Resolving Conflicts in Operating Authority

10B- ( ) In instances where there arises a statutory conflict between the Department's operating authorities and those of the Commission, those of the Commission as set forth in Chapter 10B of the County Code shall take precedence.

8. Assistance Provided By the Director

10B-5(k) The Director must:

(A) Provide the Commission, not later than the fifteenth day of each month, with a detailed report on the Commission's budget, to include, but not limited to, the status of its annual revenue collection, current revenue balance, and both an accounting and descriptive summary of all fiscal year obligations and expenditures to date,

(B) Provide the Commission with fully integrated office support and maintenance services to include, among other management tools, a modern digital database platform capable of supporting a case management system, budget tracking, education initiatives, compliance monitoring and enforcement, surveys, outreach communications, scheduling, archiving, performance metrics and other functionality as may be identified by the Commission as necessary to support its mission.

(C) Provide support, as requested by the Commission, in the preparation of its annual budget proposal to the Executive, and

(D) Serve as an advocate before the Executive and Council for the specific needs of common ownership communities and the Commission.

9. CCOC Judicial Independence

10B- ( ) The Director is prohibited from exercising any authority or influence over the Commission's legal proceedings to include, but not limited to, negotiations, arbitrations, mediations, quasi-judicial hearings and any other activities relating to the management of cases over which the Commission has accepted jurisdiction. Only staff assigned to the Commission and handling cases at the direction of the Commission shall be authorized to address issues arising from said cases, in accordance with policies and procedures established by the Commission.

10. Training Standards and Certification

*10B-6(f) Duties of the Commission on Common Ownership Communities.*

*The Commission must:*

*(f) establish and enforce common standards and certification requirements for the provision of training for board members of governing bodies. The Commission may, at its sole discretion, authorize (1) training through any public or private provider and by any means it deems appropriate, and (2) fees to be charged by a third party provider only to cover the reasonable costs of delivering the course(s).*

## **EXHIBIT A - PROGRAM MANAGER II**

The responsibilities of a CCOC Program Manager II would include:

1. Serve as manager of the CCOC staff which includes hiring, firing, making assignments, reviewing performance, etc.,
2. Primary interface with Commission,
3. Majority of time would be spent on developing and implementing educational tools for community associations including, but not limited to:
  - Implementation of online training program for directors of association boards,
  - Development of similar training offering to online program for personal delivery to various groups as supplement to online program,
  - Develop training program for alternate providers identified by the CCOC,
  - Work with County Attorney's Office to develop program for Commissioners,
  - Develop more targeted programs on Reserves and Reserve studies; Delinquent Accounts; How to Recruit Board Members; Conducting a Successful Election; Architectural Review Committees, etc.,
  - Work with video and other experts to make some programs available online,
  - Develop webinars on variety of topics and conduct same,
  - Recruit cadre of volunteer consultants to write/review programs,
  - Recruit speakers for programs,
  - Develop evening programs for board members to gather to discuss specific topics of concern led by attorneys or other knowledgeable person, and
  - Develop extensive marketing of programs - Take charge of CCOC newsletter.

## **EXHIBIT B – INVESTIGATOR III**

The responsibilities of a CCOC Investigator III would include:

1. Serves as the CCOC specialist on policies and procedures on the filing, handling and resolution of formal complaints,
2. Serves as the primary interface and resource for the parties involved in a formal complaint,
3. Functions as "clerk of court" with respect to discovery, motions, stays, etc.,
4. Functions as a resource for Panel Chairs advising them on procedures; identification of issues; guidance in drafting Decision and Order, etc.,
5. Is the primary support for the CCOC on complaints
6. guides the Commission through the consideration stage in deciding jurisdictional issues, and
7. Develop program for training of panel chairs.

(26)

### **EXHIBIT C – INVESTIGATOR II**

The responsibilities of a CCOC Investigator II would include:

1. Serves as assistant to Investigator III. Handles complaints and in that capacity interfaces with the parties; handles motions, stays, discovery, etc.,
2. Primary resource for more complex inquiries from COCs, unit owners,
3. Works closely with Investigator I and mediators to resolve disputes before they reach the complaint stage,
4. Oversees the drafting of agreements memorializing agreement of the parties,
5. Drafts basic forms, resolutions and other documentation for use by COCs,
6. Develops website identifying county resources available to COCs,
7. Develops and maintains online resource describing and explaining state and county laws affecting COCs,
8. Explores and develops proposals to address unique issues of small COCs,
9. Develop program for “audit” of associations including governance, financial viability, maintenance of books and records, etc.; creation of checklist for use by persons performing audits; recruiting volunteers to conduct audits including attorneys and other professionals,
10. Work with University of Maryland Francis King Carey School of Law to recruit law students to assist unit owners involved in formal disputes.

### **EXHIBIT D – INVESTIGATOR I**

The responsibilities of a CCOC Investigator I would include:

1. Develop programs whereby owners and associations can informally resolve disputes,
2. Develop procedures for informal handling of issues not related to governance
3. Develop cadre of experts and government officials who can assist in resolution of disputes,
4. Make on-site visits with parties to get a greater understanding of issues and to facilitate resolution of disputes,
5. Draft document to memorialize agreement between parties,
6. If no agreement is reached write report for Mediator or CCOC Panel as appropriate,
7. Develop resources owners and associations on specific reoccurring issues,
8. Work with Center for Dispute Resolution Located at the University of Maryland Francis King Carey School of Law to develop program using facilitators from the Center to assist in resolving disputes between associations and unit owners, and
9. Develop program to identify attorneys who are willing to represent associations at reduced rates.

**EXHIBIT G – PROGRAM SPECIALIST II**

The responsibilities of a CCOC Program Specialist II would include:

**Legislative Aspects of Position**

- Review the 3 volume report of the Homeowners' Association Task Force and the Issues raised at the October, 2014 Town Hall Meeting to identify unresolved issues worthy of consideration by the CCOC,
- Investigate the legislative needs of COCs including meeting with representative groups to discuss necessary reforms; look at how other states have handled similar issues,
- After approval by CCOC work with County Executive Office and County Council to develop legislation at both county and state level to address needs of COCs, and
- Serve as resource for Executive and County Council researching pros and cons of proposed new legislation,

**Support Aspects of Position**

- Work with more affluent COCs to identify programs which can be replicate in less affluent communities,
- Work with other Montgomery County agencies to negotiate agreements with companies to assist associations in reducing operating costs (e.g. replacement of light bulbs which can result in substantial savings),
- Identify grants and other sources of funding to assist associations in implementing programs, and
- Explore funding available to COCs to address major projects when reserves are inadequate.

**EXHIBIT H – TAKEN FROM DHCA DOCUMENT**

<b>Code</b>	<b>Expenses</b>	<b>Cost \$\$</b>
60530	Other Professional Services	5,000
62010	General Office Supplies	1,500
62016	Computer Supplies	1,000
62018	Computer Equip – non capitalized	2,500
62022	Paper & Supplies for copiers	150
63022	Paper & Supplies for copiers	3,500
63200	Central Dup – Postage - Bulk	4,500
64120	Training (Staff)	500
64010	Travel	250
64208	Other Dues	400
69038	Transcripts <sup>9</sup>	5,000
69999	Other Misc. Operating Expenses	5,700
<b>TOTAL</b>		<b>\$30,000</b>

<sup>9</sup> The CCOC does not order transcripts unless one of the parties to a dispute appeals a hearing panel decision, which is rare.



## Commission on Common Ownership Communities

Rm. 330, 100 Maryland Avenue, Rockville, Maryland 20850

To: Hon. Nancy Floreen, President  
Montgomery County Council

Hon. Marc Elrich, Chair  
Public Safety Committee, County Council

From: Rand H. Fishbein, Ph.D., Chair  
Commission on Common Ownership Communities

Date: April 11, 2016

Re: **Executive's FY2017 Budget Request for the CCOC – The Commission's Analysis**

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The Commission on Common Ownership Communities (CCOC) respectfully submits for your consideration its analysis of the Executive's FY2017 Budget as it relates to the CCOC.<sup>1</sup> CCOC Commissioners voted to approve the contents of this memorandum on April 11, 2016.

### Summary

- The Commission on Common Ownership Communities is grateful to the Executive for recommending additional resources to support the work of the CCOC in FY2017.
- It is essential that all of the funding collected through CCOC registration fees be obligated and expended only on staff, administrative support activities and mission programs that directly benefit the Commission. The Commission believes that this has not always been the case in the past, with allocated funds being spent on programs providing little or no value to the County's common ownership communities, yet consuming a significant portion of the Commission's annual budget.
- The FY2017 budget proposal appears to overstate the level of funding and staff resources actually available to the CCOC for both its administrative and program support.
- The Commission urges County officials to consider providing the Commission with greater oversight and control over its annual budget to ensure greater transparency and accountability over how CCOC funds are spent and greater value for the taxpayer.

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<sup>1</sup> Commissioners: Aimee Winegar, CMCA, LSM, PCAM (Vice-Chair), Richard S. Brandes, CMCA, AMS; Jim Coyle, Mayor, Rockville (Ret.); Marietta Ethier, Esq.; Mark Fine; Bruce Fonoroff; Don Weinstein; Ken Zajic. Staff: Peter Drymalski, Esq.

- The CCOC urgently needs to be placed on a sustainable resource footing if it is to keep pace with the annual growth in the number of common ownership communities in the County and the Commission's mandate to serve the expanding training and alternative dispute resolution needs of association residents and boards.

## Executive's FY2017 Budget Request: Commission on Common Ownership Communities (CCOC)<sup>2</sup>

Program Performance Measures	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
Percent of Commission on Common Ownership Communities (CCOC) cases resolved prior to a hearing <sup>1</sup>	68%	60%	60%	70%	80%

<sup>1</sup> CCOC is moving from the Office of Consumer Protection to the Department of Housing and Community Affairs beginning in FY17.

FY17 Recommended Changes	Expenditures	FTEs
<b>FY16 Approved</b>	<b>0</b>	<b>0.00</b>
Shift: Common Ownership Communities Investigator III From the Office of Consumer Protection	190,089	1.00
Enhance: Common Ownership Communities - Outreach and Education	80,000	0.00
Enhance: Common Ownership Communities - Investigator III	75,010	1.00
Enhance: Common Ownership Communities - Information Technology Systems Development	75,000	0.00
Enhance: Common Ownership Communities - Office Services Coordinator	52,500	1.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	79,044	0.60
<b>FY17 Recommended</b>	<b>551,643</b>	<b>3.60</b>

Notes: Expenses in the Licensing and Registration program related to Common Ownership Communities (COC) activities have been shifted to the COC program.

### Analysis

1. The Executive recommends a total CCOC budget in FY2017 of \$551,000. Yet, in memoranda accompanying his proposal to reform the CCOC (Bill 50-15), he has informed the Council of his plan to propose an increase in the annual association fee from its current \$3.00 per unit to \$5.00 per unit. A \$551,000 total divided by \$5 per unit comes to 110,000 units but we know there are at least **134,000 units in the County**.

Executive's Proposed Fee Increase in FY2017	Association Units	Projected Revenue to CCOC
@\$5.00 per unit	110,000	\$551,000
@\$5.00 per unit	134,000	\$670,000

**Request:** The Commission requests that all funds collected on behalf of the CCOC be made available for use by the CCOC and as directed by the CCOC. This is the expectation of those in associations who are paying the fees.

<sup>2</sup> <http://www.montgomerycountymd.gov/OMB/Resources/Files/omb/pdfs/FY17/psprec/62-HCA.pdf>

2. The Executive's budget presentation for DHCA anticipates CCOC revenue collection from fees at \$675,000. However, the budget proposes to spend only \$551,000 directly for the benefit of the CCOC. Where does the difference of \$124,000 go? There's no line item for it. (See: FY2017 Budget Presentation, figures p.62-7). Without an allocation to a specific CCOC function, this means that \$124,000 will remain in the General Fund.

**Request: That all of the fees collected on behalf of the CCOC be obligated and expended ONLY on programs and staff that directly benefit the Commission. The Commission should have full oversight of all fees collected on its behalf. No CCOC funds should be obligated or expended without the majority concurrence of the Commission.**

3. The Executive's budget presentation states that the sole staff member for the CCOC (an Investigator III position) earns: \$190,000. **This is false.** His actual salary is \$105,000 plus benefits for a fully loaded total of roughly **\$120,000**. However, even that figure overstates the expenses for that Investigator, because there is a separate line item in the proposed budget of \$80,000 for benefits and other compensation for the "3.5" staff. This means that roughly \$85,000 in funds will not actually be spent but will remain in the General Fund.

**Request: That the Council use a more realistic figure in calculating the cost of to the CCOC of its single staff member. If the Executive is estimating the "load" cost of this employee, it would be helpful to know the formula used in making this calculation and whether the added charges to the Commission were for services or supplies actually used by the Commission.**

4. The Executive's FY2016 budget for OCP and DHCA showed that OCP was to dedicate 1.9 FTEs to CCOC activities and DHCA was to dedicate 0.6 FTEs to CCOC activities. By this reckoning, then, there should be 2.5 FTEs in the CCOC budget now. Indeed, the OLO confirmed the number of 2.5 FTE's in its 2015 report on the CCOC.

However, the Executive's FY2017 proposed budget allocates \$190,000 entirely to one position, the CCOC's single staffer, Peter Drymalski. **The 0.9 FTE has simply disappeared.** In summary, according to this proposal, 1 staff position and \$214,000 in revenue, disappear from the CCOC's budget and remain in the General Fund to be used as the Executive sees fit.

5. The Commission and the Council have long been told repeatedly, and past budgets clearly state,<sup>3</sup> that the CCOC has 2.5 FTE assigned to it: 1.9 from OCP and 0.6 from DHCA's licensing office.

**Request: That the Council consider requesting that the Executive reconcile the contradictions that appear in its budget presentation of available CCOC staff resources. From the vantage point of the Commission, the CCOC is served by only a single FTE. With few exceptions, no additional clerical or professional staff is evident in day-to-day operations. Yet, the Commission appears to be charged allocated costs for "phantom" staff support.**

<sup>3</sup> FY16 Operating Budget and Public Services Program FY16-21, Consumer Protection, Public Safety 40-3 (Included in: Susan J. Farag, Legislative Analyst, to County Council, Work Session Packet, FY 16 Operating Budget: Office of Consumer Protection (OCP), Agenda Item #69, May 5, 2015).

<i>FY16 Recommended Changes</i>	Expenditures	FTEs
<b>FY15 Approved</b>	<b>312,738</b>	<b>1.90</b>
<b>Add: Contradual services for Common Ownership Communities</b>	<b>41,000</b>	<b>0.00</b>
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	1,202	0.00
<b>FY16 CE Recommended</b>	<b>354,940</b>	<b>1.90</b>

The Executive's FY2017 budget appears to assign the DHCA employee responsible for licensing to the CCOC budget. At the same time, the proposed budget states: a) the CCOC staff will be increased by two people (a second investigator and an "office coordinator", and 2) the CCOC's total staff will be 3.6.

**Request:** The Council may wish to ask the Executive to reconcile these personnel estimates with the facts as understood by the CCOC. Why do these figures conflict? 2 plus 2.5 should give 4.5 not 3.5. At 4.5 FTE's, the Commission would receive 2 investigators plus 1 coordinator and 0.5 licensing/registration aide.

- The Executive's budget is silent on providing any clerical support to the CCOC. Currently, the Commission has no dedicated full-time clerical support and no modern digital data management system. All administrative and clerical tasks are performed by a single professional County staff member. This personnel deficit has resulted in many inefficiencies requiring that the professional be taken off priority tasks relating to the resolution of cases to perform secretarial duties such as scheduling, document filing, travel reimbursement, process serving, among others.

**Request:** After two years of analysis of its personnel needs, the Commission wishes to propose that the County consider providing the staff levels it is recommending in its FY 2017 draft budget.

- Taken together**, the total amount of money that will be collected from association residents, but not actually spent on the CCOC, will be \$90,000 + \$124,000, for a total of \$214,000. **Almost a quarter of a million dollars will be collected from common ownership communities but not used for the benefits of the CCOC.**

### **Commission Budget Support Request for FY2017**

The Commission on Common Ownership Communities (CCOC) will require additional resources in FY2017 to carry out its responsibilities under Chapter 10B. These resources include, but are not limited to, staffing, office IT modernization, IT consulting on the web site and updates to the training community, outreach, education and training, consumables such as manuals and brochures for public distribution, and support funding for the relocation to DHCA.

The Commission on Common Ownership Communities is required under Chapter 10B-6 of the County Code to: "advise the citizens of the County, the County Council, and the County Executive, and County, state, and federal agencies on matters involving common ownership communities, and recommend such programs, procedures, or legislation as it finds necessary."

Consistent with this requirement the Commission is submitting, under separate cover memorandum to the Council, its recommendations for the funding and support of the CCOC in FY2017.



## Commission on Common Ownership Communities

Rm. 330, 100 Maryland Avenue, Rockville, Maryland 20850

To: Clarence Snuggs, Director  
Department of Housing and Community Development (DHCA)

Eric Friedman, Director  
Office of Consumer Protection (OCP)

From: Rand H. Fishbein, Ph.D., Chair  
Commission on Common Ownership Communities

Date: April 15, 2016

Re: Critical Issues with CCOC-DHCA Common Ownership Communities' Database

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The purpose of this memorandum is to bring to your attention a number of significant problems that we believe are affecting the integrity of the CCOC-DHCA Common Ownership Communities' Database. These problems were uncovered during the course of an ongoing review of the database by a team of Commissioners<sup>1</sup> and briefed to the full Commission.<sup>2</sup> The three primary areas of concern include:

- Incomplete and/or inaccurate data capture methodology,
- Lax fee collection, billing follow-up and compliance enforcement,
- Sub-optimal database software.

### **Request:**

The CCOC team reviewing the integrity of the Communities' Database requests an opportunity to meet with your database team and you to discuss its findings and begin the process of mapping out possible solutions as soon as possible.

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<sup>1</sup> Commissioners involved in reviewing the CCOC database include: Commissioners Mark Fine, team Leader; Aimee Winegar, Ken Zajic, Jim Coyle and Rand H. Fishbein.

<sup>2</sup> Commissioners: Aimee Winegar, CMCA, LSM, PCAM (Vice-Chair), Richard S. Brandes, CMCA, AMS; Jim Coyle, Mayor, Rockville (Ret.); Marietta Ethier, Esq.; Mark Fine; Bruce Fonoroff; Don Weinstein; Ken Zajic. Staff: Peter Drymalski, Esq.

**Questions:**

The Commission would be grateful if your office could help us better understand the data collection and quality assurance procedures that govern how the database is managed. We have developed the following questions to aid in this effort.

1. Why were 40 associations removed from the 2<sup>nd</sup> (latest) list of associations prepared by DHCA?
2. How does the DHCA handle associations that do not pay the mandated annual fee?
3. Why are there civic associations and non-CCOC associations on the list of CCOC "members"? What, if any, process does DHCA have in place to distinguish between the two types of entities for purposes of billing and general communication?
4. Why does the database not make a clear distinction between Master and Sub-Associations?
5. How does DHCA validate the number of units within a common ownership community to ensure the annual fee collected from the association is correct? What, if any, validation process does DHCA use?
6. Does DHCA manually input the data collected through the annual CCOC survey or is the data automatically downloaded from survey monkey?
7. How is the data cross-referenced to ensure that all common ownership properties are captured? NOTE: *The Orion* community was not on the list for several years, it was only discovered when the association brought a suit against a homeowner.
8. When DHCA discovers that an association has not been billed for one or more years or is in default, how far back in time is an association expected to remit payment? What steps are followed in the collection process to ensure association compliance?
9. How many non-paying, or under-paying associations have been subject to enforcement action in each of the last ten years?
10. Is OCP cross-referencing the Board of Directors (BOD) training registration list against the association billing list to validate the association is a CCOC property? Does DHCA cross-reference with any other County or State agency lists? If so, what are the agencies? If not, why not?

11. What written instructions/manual has DHCA developed to direct staff how the CCOC database is to be managed, maintained and upgraded as well as the mechanism for the compliance enforcement of non-paying common ownership communities? The Commission would like to request a copy of these instructions.
12. What, if any, plans are being developed by DHCA to upgrade the Communities' database software to provide more information fields as well as greater flexibility and accuracy?
13. Does the Communities Database, maintained for the CCOC, contain any information on County rental properties? If so, what is the nature and extent of this information?
14. What plans does DHCA have to increase connectivity between the Communities' database and CCOC users? It is our understanding that, at present, there is no direct, real-time data link that permits CCOC staff to have on-demand 24-7 access to the database without first going through DHCA staff.

Connecticut Avenue Estates Civic Association  
(CAECA)



"United in Community Involvement"  
(active since 1994)

12004 Valleywood Drive  
Silver Spring, MD 20902  
Monday, 14 March 2016

Montgomery County Council  
100 Maryland Avenue, 6<sup>th</sup> floor  
Rockville, MD 20850

Attention: The Honorable Councilmember Nancy Navarro - District 4  
240 777-7968  
e-mail: [Councilmember.Navarro@montgomerycountymd.gov](mailto:Councilmember.Navarro@montgomerycountymd.gov)

Re: Budget public hearings

Ms. Navarro:

On behalf of the Connecticut Avenue Estates Civic Association, I want to thank you for having your Chief-of-Staff Adam Fogel attend the CAECA meeting last Wednesday, March 9<sup>th</sup>.

One of the items he mentioned was the upcoming budget public hearings on April 5<sup>th</sup>, 6<sup>th</sup>, & 7<sup>th</sup>.

I am writing this letter to urge you to reinstate fundings for the Montgomery Housing Partnership (MHP), IMPACT Silver Spring, the Department of Environmental Protection (D.E.P.), and the M.C. Police Department (M.C.P.D.) through the Focused Neighborhood Assistance Program.

As your office knows, I am president of the Connecticut Avenue Estates Civic Association (CAECA). We are composed of over 800 households in the area bounded by Veirs Mill Road (MD586), Connecticut Avenue (MD185), Randolph Road, & Claridge Road.

The non-profit organization MHP has been a supporter of the civic association since CAECA's inception over 20 years ago. In the late 1900s, MHP helped the community address foreclosure, crime, & parking. MHP renovated 19 homes and coordinate the installation of gateway signs.

In 2014, MHP made it possible for CAECA Vice President & me to attend a NeighborWorks America training on community development in Cincinnati, Ohio. We used these added training skills to organize the CAE Block Party held in June 2015. CAE invited officials, such as from your office, a representative from Congressman Chris van Hollen's office, District 18 state representatives, the M.C.P.D., trash & recycle department, MHP, IMPACT Silver Spring, the Bluhill Opportunity Circle (B.O.C.), the African-American Health Program, as well as having food, games, & music.

In a few weeks MHP will be providing a CAE handbook, in English & in Spanish, that provides information, such as info on M.C.311, list of area schools, Ride On bus & Metro Service, and code enforcement & inspection tips.

The non-profit organization IMPACT Silver Spring is new to the neighborhood. Back in 2014, IMPACT Silver Spring assisted in setting up CAE's Bluhill Opportunity Circle (B.O.C.). IMPACT has provided interpretation & child care for CAE's diverse neighborhood.

IMPACT Silver Spring has been going door-to-door in CAE to observe, record & listen to residents of the needs & concerns of the neighborhood. Last year in October, IMPACT participated in the 1<sup>st</sup> Valleywood Drive Halloween Night in which, besides distributing treats, the neighborhood had 2 D.J.s to play music & CAE volunteers distributed the County's pedestrian safety flyers, zipper pulls, flyers, & glow lights. The focus was on the County's Pedestrian-Safety program. In December of last year the organization assisted in CAECA's annual Christmas caroling in which IMPACT supplied English & Spanish Christmas sheet songs.

Both IMPACT & MHP collaborate with each other, as well as collaborate with CAECA. Both organizations participated in CAE's successful Block Party in June 2015, and participated & assisted in CAECA's annual clean-up in October.

Also both organizations assist CAECA in dealing with neighborhood apathy by implementing revitalization strategies, such as resident education and outreach.

The M.C.P.D. reaches out to CAE by coming to CAECA meetings, and by participating in CAE's Block Party in June & the Valleywood Drive Halloween Night in October of last year. I feel showing their presence in the neighborhood & being out of their patrol cars help to make residents feel more at ease with the officers and that neighbors can express their concerns with them. Neighbors would like to have a police bike patrol, occasionally like, once a month, especially for areas like the Dalewood Playground or the Joseph Branch Creek on Valleywood Drive where a vehicle would not be useful in those areas.

Then there is the Department of Environmental Protection. As mentioned above, CAE has the Joseph Branch Creek on Valleywood Drive, which flows to Rock Creek then to the Potomac River, and then to Maryland's famous Chesapeake Bay. A few years ago, CAECA worked with the D.E.P. to plant several new trees along the JBC. This was after D.E.P. had to remove several trees along the JBC & rebuild the levee due to some floodings that the Montclair Manor townhouses at Claridge Court were getting from the creek.

Then for health reasons, beautification, & for the good of the environment, last year CAECA enrolled in the "Adopt-A-Spot" program in which CAECA adopted some of the sapling trees that were planted by the JBC. This is added to the annual October County's-Community Service Day that CAECA volunteers to do.

As you can see, both these organizations & County departments have resources, and CAE has neighbors with various gifts to utilize these resources for the community, but the County needs to re-instate their fundings for all 4 organizations.

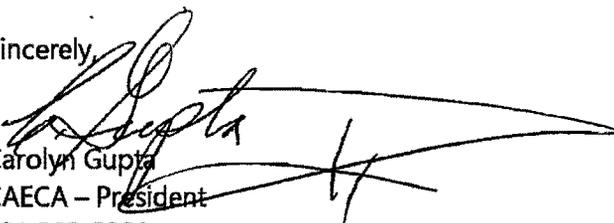
There is still more work to be done. Our community continues to struggle with illegal trash dumping (Transits & homeowners using the County's right-of-way fields as a dumping ground for dog's feces, mattresses, backyard trimmings, & construction debris.), beautification needs, and parking issues – to name a few.

This is why it is critical to continue funding MHP's & IMPACT Silver Spring's contract with the Department of Housing & Community Affairs (DHCA). So CAECA strongly urge you to reinstate them in the next fiscal year budget so that our community can continue to receive this critical support.

CAECA also respectfully requests to provide the needed fundings for the County's police department & the DEP.

These funds will go a long way in improving our neighborhood.

Sincerely,

  
Carolyn Gupta  
CAECA – President  
301 962-8320

P.S. - Your office has an open invitation to CAECA's meetings which are conducted every odd month on the 2<sup>nd</sup> Wednesday at 7:30pm at Highland E.S. at 3100 Medway Street. Just let me or CAECA V.P. Lynette Allen know ahead of time. Thank you.

PHED COMMITTEE #2&3  
April 20, 2016

**ADDENDUM**

**MEMORANDUM**

April 19, 2016

TO: Planning, Housing, and Economic Development Committee

FROM: Linda McMillan, Senior Legislative Analyst *LMM*

SUBJECT: **Worksession – FY17-22 Recommended Capital Improvements Program  
Department of Housing and Community Affairs  
Housing Opportunities Commission  
(Follow-up)**

The Affordable Housing Acquisition and Preservation PDF is attached at ©1.

At its February 19 session, the PHED Committee discussed the County Executive's recommendation for the capital funding for the Housing Initiative Fund (HIF), and deferred its recommendation until it could consider the Executive's recommendation for the Operating Budget for the HIF.

Council staff had raised two issues which are discussed below. **Council staff is recommending approving the CIP project as recommended by the County Executive.**

**Issuance of Debt**

The Executive is recommending that \$13.4 million of the FY17 funding and \$7.8 million of the FY18 funding is from the issuance of non-G.O. Bond debt. As noted, this will add to the future debt service requirements for the HIF. Debt service is projected to go from \$7.95 million in FY17 to \$9.45 million in FY19 and beyond.

**Additional Funding for the Pipeline of Projects**

DHCA has a pipeline of projects that are under consideration for financing assistance. It is not certain what or what amount of funding will be provided, but DHCA estimates the need may be between \$40 to \$50 million. Funding would come from the current uncommitted balance and the

proposed new funding. Projects include: Rockville Fire Station, Grand Bel II, Housing at Bethesda Conference Center, Mt. Jezereel, Scotland Community (rental), Artist Live/Work, Glenville Road, Kimberly Place, East County Reginal Service Center Senior Housing, UpCounty Reginal Service Center Housing, and Cornerstone. The projects as currently planned would produce over 800 affordable units.

In addition to these items, the PHED Committee discussed with HOC the plans for the Elizabeth Square project which is proposed to need financing assistance from the County.

Council staff preliminarily recommended adding \$4 million in G.O. Bond funding in FY17 and \$3 million FY18 that would identified not for a specific project but for senior housing because it is likely that there are more projects than there is funding.

Council staff is no longer making this recommendation. If the Council approves the proposed increase in the Recordation Tax then additional funding will be available to the HIF that could help address some of these projects. Whether the rate increase is approved or not, the Committee should encourage the Executive to forward a supplemental appropriation when funds are needed.

The following tables summarize the recommended expenditures and revenues.

***Affordable Housing Acquisition and Preservation – EXPENDITURE SCHEDULE***

	Total	Thru FY16	6 Years	FY17	FY18	FY19	FY20	FY21	FY22
Recommend	176,786	143,786	33,000	16,000	17,000	0	0	0	0

***Affordable Housing Acquisition and Preservation – FUNDING SOURCES for FY17-22 Recommended***

	Total	Thru FY16	6 Years	FY17	FY18	FY19	FY20	FY21	FY22
GO Bonds	9,725	9,725	0	0	0				
HIF Revolving Program	121,252	100,000	21,252	13,409	7,843	0	0	0	0
Loan Repayments	36,494	24,746	11,748	2,591	9,157	0	0	0	0
HIF – Current Revenue	4,775	2,500	0	0	0	0	0	0	0
Recordation Tax Premium	4,540	4,540		0					
<b>TOTAL</b>	<b>176,786</b>	<b>143,786</b>	<b>33,000</b>	<b>16,000</b>	<b>17,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Affordable Housing Acquisition and Preservation (P760100)

Category: Community Development and Housing  
 Sub Category: Housing  
 Administering Agency: Housing & Community Affairs (AAGE11)  
 Planning Area: Countywide

Date Last Modified: 11/17/14  
 Required Adequate Public Facility: No  
 Relocation Impact: None  
 Status: Ongoing

	Total	Thru FY15	Est FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
<b>EXPENDITURE SCHEDULE (\$000s)</b>											
Planning, Design and Supervision	0	0	0	0	0	0	0	0	0	0	0
Land	176,786	103,635	40,151	33,000	16,000	17,000	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>176,786</b>	<b>103,635</b>	<b>40,151</b>	<b>33,000</b>	<b>16,000</b>	<b>17,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>FUNDING SCHEDULE (\$000s)</b>											
G.O. Bonds	9,725	0	9,725	0	0	0	0	0	0	0	0
HIF Revolving Program	121,252	89,809	10,191	21,252	13,409	7,843	0	0	0	0	0
Loan Repayment Proceeds	36,494	11,326	13,420	11,748	2,591	9,157	0	0	0	0	0
Montgomery Housing Initiative Fund	4,775	2,500	2,275	0	0	0	0	0	0	0	0
Recordation Tax Premium	4,540	0	4,540	0	0	0	0	0	0	0	0
<b>Total</b>	<b>176,786</b>	<b>103,635</b>	<b>40,151</b>	<b>33,000</b>	<b>16,000</b>	<b>17,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 17	14,635
Appropriation Request Est.	FY 18	17,000
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		145,151
Expenditure / Encumbrances		103,635
Unencumbered Balance		41,516

Date First Appropriation	FY 01	
First Cost Estimate		
Current Scope	FY 17	176,786
Last FY's Cost Estimate		145,151

#### Description

This project provides funding for acquisition and/or renovation of properties for the purpose of preserving or increasing the County's affordable housing inventory. The County may purchase properties or assist not-for-profit, tenant, or for-profit entities, or HOC with bridge financing to purchase and renovate properties. The monies may be used to purchase properties that are offered to the County under the Right of First Refusal law or otherwise available for purchase. A portion of the units in these properties must serve households with incomes that are at or below incomes eligible for the Moderately Priced Dwelling Unit (MPDU) program. A priority should be given to rental housing.

#### Cost Change

Increase funding in FY17 and FY18 to include the issuance of \$21.3 million of taxable debt along with the use of loan repayments to provide continued support for this project.

#### Justification

To implement Section 25B, Housing Policy, and Section 53A, Tenant Displacement (Right of First Refusal), of the Montgomery County Code. Opportunities to purchase property utilizing the County's Right of First Refusal arise without advance notice and cannot be planned in advance. Properties may be acquired by the County, non-profit developers, HOC or other entities that agree to develop or redevelop property for affordable housing.

#### Other

Resale or control period restrictions to ensure long term affordability should be a part of projects funded with these monies.

#### Fiscal Note

Debt service will be financed by the Montgomery Housing Initiative Fund. In addition to the appropriation shown above this PDF assumes that any actual revolving loan repayments received will be appropriated in the subsequent year as displayed above. Future loan repayments are expected and will be used to finance future housing activities in this project. General Obligation bonds will be used for Housing Opportunities Commission and other projects that bond counsel determines are eligible for tax-exempt bond funding.

#### Coordination

Housing Opportunities Commission (HOC) Nonprofit housing providers Private sector developers