



Housing and Community Affairs

RECOMMENDED FY19 BUDGET

\$50,473,870

FULL TIME EQUIVALENTS

97.45

 CLARENCE J. SNUGGS, DIRECTOR

MISSION STATEMENT

The mission of the Department of Housing and Community Affairs (DHCA) 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 FY19 Operating Budget for the Department of Housing and Community Affairs is \$50,473,870, a decrease of \$1,863,126 or 3.56 percent from the FY18 Approved Budget of \$52,336,996. Personnel Costs comprise 20.96 percent of the budget for 102 full-time position(s) and two part-time position(s), and a total of 97.45 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 79.04 percent of the FY19 budget.

DHCA expects the total signed agreements for affordable housing projects through the Payment in lieu of Taxes (PILOT) program to abate \$17.3 million in taxes in FY19.

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 FY18 estimates reflect funding based on the FY18

approved budget. The FY19 and FY20 figures are performance targets based on the FY19 recommended budget and funding for comparable service levels in FY20.

INITIATIVES

- ★ Invest \$51.6 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, \$1.01 billion has been invested in support of affordable housing, leveraging \$1.17 billion in non-County funding.
- ★ Continue the County's commitment to tenant rights by enhancing landlord-tenant outreach, tenant protections, tenant advocacy and housing code enforcement.
- ★ Continue the County's commitment to affordable senior housing by providing gap financing for the Victory senior housing project in Damascus. This proposed 72-unit, newly-constructed, mixed-income senior rental property will contain 65 units affordable to seniors at between 30 and 60 percent of the Area Median Income (AMI).
- ★ Provide a commitment of gap financing to the Housing Opportunities Commission (HOC) for 150 units of affordable senior housing to be developed as part of the Upton II development in downtown Rockville. This project will replace the senior housing at Towne Center in Rockville and provide 112 units of affordable senior housing serving residents at or below 60 percent of AMI.
- ★ Provide gap financing for the development and construction of 110 units of affordable housing for households earning between 30 and 60 percent of the AMI near the Shady Grove metro station. The project is expected to begin construction in Fall of 2018.
- ★ 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 3,000 households were assisted in FY18 and over 3,000 are projected to be assisted in FY19.
- ★ Continue to receive funding from Federal grants (i.e., 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.
- ★ Establish the Tiger Team Task Force to study and recommend legislative, regulatory, and other changes to prevent distressed common ownership communities and promote sustainability.
- ★ Expand neighborhood revitalization activities into the Montgomery Village including Center Stage, Walker's Choice, Grover's Forge, and The Hamptons. Other potential neighborhoods in Montgomery Village will be evaluated for revitalization activities.

ACCOMPLISHMENTS

- ☑ Completed the recapitalization of the Hamptons at Town Center to preserve 238 affordable units, or 30 percent of the 764-unit property.
- ☑ Secured 38 affordable units at Towne Crest Apartment and Townhomes by executing a multiyear rental assistance agreement.
- ☑ Received two National Association of Counties (NACo) awards for the development of case management systems (Multifamily Loans and Licensing and Registration).

- ✔ Launched an enhanced weatherization program aimed at reducing the energy-related expenses of limited-income residents. This program combines local and Federal funding with proceeds from the PEPCO / Exelon merger to provide deeper, more extensive weatherization improvements.
- ✔ Preserved over 80 units of Moderately Priced Dwelling Units (MPDUs) at the Morgan and Milestone Apartments through the MPDU Preservation Initiative.
- ✔ Completed Churchill Apartments II, a 133-unit independent senior living property in Germantown. The property provides 121 affordable units to seniors earning between 50 and 60 percent of AMI.
- ✔ Utilized the Right of First Refusal to secure 70 units of affordable housing at Seneca Village and to purchase a six-unit property that will support families at risk or experiencing homelessness.
- ✔ Launched the "Renters Have Rights" marketing campaign to educate renters about County services that help to ensure housing safety, mediate conflicts, and provide tenant advocacy. This campaign included a press event, radio public service announcements, local television spots, bilingual bus ads, doorhangers, social media, apartment lobby signs in six languages, and flyers distributed to elementary schools.
- ✔ Conducted over 25,000 housing code inspections, mediated nearly 650 landlord-tenant disputes, and conducted nearly 70 first-time / MPDU homebuyer classes for nearly 4,000 households interested in becoming homeowners.
- ✔ Conducted the first set of a continuing series of public common ownership community training seminars. The training subjects include community financial management, managing a reserve fund, holding elections, conducting meetings, common area maintenance issues, and compliance with Federal, State and county regulations.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ✦ Developed a native iOS app (Apple iPhone/iPad) to be used by housing code inspectors. The app integrates with the department's Code Case Management System and provides staff with an efficient tool to provide timely and accurate information while carrying out housing inspections.
- ✦ Developed a departmental data warehouse system to support business intelligence and reporting, which provides operational and analytical dashboards to support effective and timely decision making.
- ✦ Based on the data generated from the Annual Rent Survey, DHCA relaunched the *Rental Housing Guide*, a browser-based, user-friendly listing of each multifamily rental complex in the County sortable by rent range, location, and whether properties are affordable or senior.

COLLABORATION AND PARTNERSHIPS

- ✦ Rental Assistance
 - Utilize resources from the MHI fund to support rental assistance programs in DHCA, HHS, and the HOC. Over 3,000 households are projected to be assisted in FY19.
 - Partners
 - Department of Health and Human Services, Housing Opportunities Commission
- ✦ Office of the County Attorney
 - DHCA works with OCA in order to assure the legal suitability of housing development project documents and other housing service programs.
 - Partners

Office of the County Attorney

* Regional Service Centers

Provide educational materials for landlords and tenants to the service centers.

* For-profit and non-profit developers

Continue to provide funding to a variety of for-profit and non-profit developers to produce and preserve affordable housing units, and to provide housing-related services and programs

Partners

Housing Opportunities Commission, Non-Profits

* State & Federal Agencies

DHCA works closely with the Maryland Department of Housing and Community Development, the Maryland Department of Labor Licensing and Regulation, the U. S. Department of Housing and Urban Development, and other regulatory agencies regarding a variety of housing-related issues.

* Letter Agreement Between DEP (Solid Waste) and DHCA (Housing Code Enforcement)

This agreement states that DHCA is responsible for the enforcement of laws, rules, and regulations governing storage of solid waste and recyclable materials located on residential property in Montgomery County, other than that which has been placed at the curb for collections. It is estimated that 150 tons of trash was removed as a result of the clean and lien program and the Alternative Community Service (ACS) concentrated neighborhood efforts of litter removal from bi-weekly collection of street debris in targeted neighborhoods and streets.

Partners

Department of Environmental Protection

* Delegation of Enforcement Authority and MOU between DPS and DHCA

Through this agreement, inspectors from either department can cite violations of either Chapter 26 or Chapter 59, eliminating the need for duplicative and unnecessary inspections. This is a more efficient use of staff resources and enhances customer service by minimizing the confusion inherent in requiring the involvement of both departments to resolve a single complaint.

Partners

Department of Permitting Services

* Code Enforcement Task Force Initiative

Participate in an informal Code Enforcement Task Force initiative established by the County Police, Community Policing Division to address severe violations requiring a joint effort to gain compliance.

Partners

Department of Police

PROGRAM CONTACTS

Contact Tim Goetzinger of the Department of Housing and Community Affairs at 240.777.3728 or Pofen Salem of the Office of Management and Budget at 240.777.2773 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 HOC, 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 FY16	Actual FY17	Estimated FY18	Target FY19	Target FY20
Total affordable housing units preserved ¹	3,644	2,951	3,571	3,579	3,698
Total affordable housing units produced	1,271	1,724	1,000	1,322	1,192
Cost per unit of affordable housing units produced	27,202	24,127	18,007	22,707	30,266
Cost per unit of affordable housing units preserved	3,558	4,255	8,484	7,544	8,657

¹ Preservation increases projected in FY18-20 due to increases in MHI rental assistance funding.

FY19 Recommended Changes	Expenditures	FTEs
FY18 Approved	35,675,613	6.90
Re-align: Affordable Housing Loans to Reflect Estimated Debt Service Costs and Revenue Estimates	(376,064)	0.00
Re-align: Rental Assistance Program (Estimated Decrease in Recordation Tax Premium Revenue)	(615,196)	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.	(96,339)	0.00
FY19 Recommended	34,588,014	6.90

☀ 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 FY16	Actual FY17	Estimated FY18	Target FY19	Target FY20
Number of housing units improved/rehabilitated ¹	86	7	120	120	120

¹ Projections for FY18 were based on the County benefiting from non-departmentally administered, State-sponsored, weatherization assistance. The program was delayed in FY17 and is slated to begin in FY18 Q2.

FY19 Recommended Changes	Expenditures	FTEs
FY18 Approved	868,435	8.50
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(16,200)	0.00
FY19 Recommended	852,235	8.50

☀ Housing Code Enforcement

This program enforces Chapter 26 of the County Code, "Housing Maintenance", by inspecting rental condominiums, multi-family apartments, and single-family housing to ensure safe and sanitary conditions; 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 FY16	Actual FY17	Estimated FY18	Target FY19	Target FY20
Percent of cases that achieve voluntary compliance in code enforcement cases before a citation is written	96	96	96	96	96
Number of housing code enforcement repeat offenses: More than 2 cases in a 2 year period	70	109	100	90	80

FY19 Recommended Changes	Expenditures	FTEs
FY18 Approved	3,685,053	35.50
Increase Cost: Takoma Park / HOC Code Enforcement	29,642	0.00
Decrease Cost: Overtime Charges	(35,000)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(68)	0.00
FY19 Recommended	3,679,627	35.50

☀ 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 FY16	Actual FY17	Estimated FY18	Target FY19	Target FY20
Number of contracts awarded and monitored	37	40	40	40	40

FY19 Recommended Changes	Expenditures	FTEs
FY18 Approved	4,998,132	5.70
Add: Community Development Block Grant: A Wider Circle, Inc. - Workforce Development Program	45,000	0.00
Add: Community Development Block Grant: Community Ministries of Rockville, Inc. - CMR's Mansfield Kaseman Health Clinic: Removing Barriers to Healthcare	45,000	0.00
Add: Community Development Block Grant: Montgomery County Coalition for the Homeless, Inc. - Home Builders Care Employment Specialist	45,000	0.00
Add: Community Development Block Grant: The Arc Montgomery County, Inc. - Competitive Integrated Employment Benefits Counseling	45,000	0.00
Add: Community Development Block Grant: Latin American Youth Center, Inc. - Workforce and Post-Secondary Connections for Re-Entry Youth	44,463	0.00
Add: Community Development Block Grant: Boys & Girls Clubs of Greater Washington, Inc. - STEAM Program for Montgomery County Youth	44,240	0.00
Add: Community Development Block Grant: CASA de Maryland, Inc. - Bilingual Volunteer Income Tax Assistance Program	43,762	0.00
Add: Community Development Block Grant: Urban Alliance Foundation, Inc. - Montgomery County High School Internship Program	38,297	0.00
Add: Community Development Block Grant: Asian Pacific American Legal Resource Center, Inc. - Immigration Legal Services for Naturalization	38,280	0.00
Add: Community Development Block Grant: Montgomery Housing Partnership, Inc. - Greenwood Terrace Middle School Afterschool Program	38,000	0.00
Add: Community Development Block Grant: Baby's Bounty MC, Inc. - Health, Safety & Wellness Newborn Bundles	37,000	0.00
Add: Community Development Block Grant: Home Care Partners - Light Care Program	35,000	0.00
Add: Community Development Block Grant: Bethesda Cares, Inc. - Hunger Relief	18,000	0.00
Add: Community Development Block Grant: Horizons Greater Washington - Year Round Academic Program	15,000	0.00
Decrease Cost: Adjustment for Individual Grants	(532,042)	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.	(265,096)	0.00
FY19 Recommended	4,733,036	5.70

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 FY16	Actual FY17	Estimated FY18	Target FY19	Target FY20
Percent of landlord/tenant cases mediated successfully (not referred to the Commission)	97	98	98	98	98
Average length of time required to conciliate landlord/tenant disputes that do not go to the Landlord Tenant Commission: Single-family disputes (workdays)	38	50	45	40	40
Average length of time required to conciliate landlord/tenant disputes that do not go to the Landlord Tenant Commission: Multi-family disputes (workdays)	48	42	45	45	45

FY19 Recommended Changes	Expenditures	FTEs
FY18 Approved	1,047,764	7.50
Shift: Funding for Landlord Tenant Investigation to Eviction Prevention Services Transferred from General Fund to the MHI	86,555	0.50
Enhance: Convert Part-time Investigator III Position to Full-time	44,906	0.50
Shift: Funding for Landlord Tenant Investigation to Eviction Prevention Services Transferred from General Fund to the MHI	(86,555)	(0.50)
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(29,129)	0.00
FY19 Recommended	1,063,541	8.00

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.

FY19 Recommended Changes	Expenditures	FTEs
FY18 Approved	2,629,649	8.60
Enhance: MHP Contract to Increase a Staff Position from Part-time to Full-time	25,000	0.00
Re-align: Remove One-time CDBG Transfer Completed in FY18	(850,000)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	38,132	0.00
FY19 Recommended	1,842,781	8.60

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 FY16	Actual FY17	Estimated FY18	Target FY19	Target FY20
Number of rental licenses issued	100379	101,810	103,500	105,100	106,700

FY19 Recommended Changes	Expenditures	FTEs
FY18 Approved	413,804	3.40

FY19 Recommended Changes	Expenditures	FTEs
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	28,961	(0.20)
FY19 Recommended	442,765	3.20

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.

FY19 Recommended Changes	Expenditures	FTEs
FY18 Approved	637,218	3.75
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(9,600)	(0.20)
FY19 Recommended	627,618	3.55

Administration

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

FY19 Recommended Changes	Expenditures	FTEs
FY18 Approved	1,752,645	13.50
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	236,731	(0.15)
FY19 Recommended	1,989,376	13.35

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 FY16	Actual FY17	Estimated FY18	Target FY19	Target FY20
Percent of Commission on Common Ownership Communities (CCOC) cases resolved prior to a hearing ¹	79	77	79	81	83

¹ CCOC moved from the Office of Consumer Protection to the Department of Housing and Community Affairs in FY17.

FY19 Recommended Changes	Expenditures	FTEs
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FY19 Recommended Changes	Expenditures	FTEs
FY18 Approved	628,683	3.60
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	26,194	0.55
FY19 Recommended	654,877	4.15

Notes: In FY19, DHCA charges staff oversight (\$85,185, 0.55 FTE) to the Common Ownership Community Program.

BUDGET SUMMARY

	Actual FY17	Budget FY18	Estimate FY18	Recommended FY19	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	3,615,666	4,642,062	4,512,663	4,593,905	-1.0 %
Employee Benefits	1,351,221	1,689,958	1,644,735	1,665,449	-1.5 %
County General Fund Personnel Costs	4,966,887	6,332,020	6,157,398	6,259,354	-1.1 %
Operating Expenses	1,010,930	1,206,598	1,205,843	1,202,756	-0.3 %
County General Fund Expenditures	5,977,817	7,538,618	7,363,241	7,462,110	-1.0 %
PERSONNEL					
Full-Time	88	101	101	102	1.0 %
Part-Time	3	3	3	2	-33.3 %
FTEs	45.25	59.25	59.25	59.25	—
REVENUES					
Board of Appeals Fees	6,290	8,750	8,750	9,000	2.9 %
Common Ownership Community Fees	703,300	685,125	685,125	685,125	—
Landlord-Tenant Fees	5,663,644	6,404,595	6,404,595	6,418,250	0.2 %
Miscellaneous Revenues	(4,745)	20,000	20,000	20,000	—
Other Charges/Fees	6,221	103,802	103,802	104,300	0.5 %
Other Fines/Forfeitures	27,216	40,000	40,000	40,000	—
County General Fund Revenues	6,401,926	7,262,272	7,262,272	7,276,675	0.2 %

MONTGOMERY HOUSING INITIATIVE

EXPENDITURES					
Salaries and Wages	1,401,990	1,415,646	1,422,564	1,513,163	6.9 %
Employee Benefits	461,423	481,124	458,819	522,722	8.6 %
Montgomery Housing Initiative Personnel Costs	1,863,413	1,896,770	1,881,383	2,035,885	7.3 %
Operating Expenses	26,525,097	34,659,280	33,590,169	33,497,155	-3.4 %
Debt Service Other	61,280	0	0	56,750	—
Montgomery Housing Initiative Expenditures	28,449,790	36,556,050	35,471,552	35,589,790	-2.6 %
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—

BUDGET SUMMARY

	Actual FY17	Budget FY18	Estimate FY18	Recommended FY19	%Chg Bud/Rec
FTEs	14.70	14.70	14.70	15.20	3.4 %
REVENUES					
Asset Management Fee	0	70,200	70,200	70,200	—
Commitment Fee	0	200,000	200,000	200,000	—
Investment Income	5,153,166	1,851,460	2,124,840	3,010,190	62.6 %
Loan Payments	884,277	2,175,000	2,175,000	2,375,000	9.2 %
MHI Transfer Tax	0	225,000	225,000	225,000	—
Miscellaneous Revenues	816,444	75,006	75,006	75,006	—
MPDU Revenues	2,435,431	1,250,000	1,250,000	1,250,000	—
Other Charges and Fees	390	0	0	0	—
Other Financing Sources	18,275	59,020	59,020	56,750	-3.8 %
Recordation Tax	15,418,027	14,861,338	13,792,227	14,246,142	-4.1 %
Montgomery Housing Initiative Revenues	24,726,010	20,767,024	19,971,293	21,508,288	3.6 %
GRANT FUND - MCG					
EXPENDITURES					
Salaries and Wages	1,413,953	1,632,189	1,632,189	1,722,307	5.5 %
Employee Benefits	495,018	550,268	550,268	561,218	2.0 %
Grant Fund - MCG Personnel Costs	1,908,971	2,182,457	2,182,457	2,283,525	4.6 %
Operating Expenses	7,686,604	6,059,871	6,059,871	5,138,445	-15.2 %
Grant Fund - MCG Expenditures	9,595,575	8,242,328	8,242,328	7,421,970	-10.0 %
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	24.00	23.00	23.00	23.00	—
REVENUES					
Federal Grants	6,698,426	6,633,128	6,633,128	5,783,128	-12.8 %
Investment Income	781,152	0	0	0	—
Loan Payments	1,655,100	1,000,000	1,000,000	1,000,000	—
Miscellaneous Revenues	62,937	0	0	0	—
Other Charges/Fees	1,080	0	0	0	—
Other Intergovernmental	456,272	309,200	309,200	338,842	9.6 %
State Grants	(5,400)	300,000	300,000	300,000	—
Grant Fund - MCG Revenues	9,649,567	8,242,328	8,242,328	7,421,970	-10.0 %
DEPARTMENT TOTALS					
Total Expenditures	44,023,182	52,336,996	51,077,121	50,473,870	-3.6 %
Total Full-Time Positions	88	101	101	102	1.0 %
Total Part-Time Positions	3	3	3	2	-33.3 %

BUDGET SUMMARY

	Actual FY17	Budget FY18	Estimate FY18	Recommended FY19	%Chg Bud/Rec
Total FTEs	83.95	96.95	96.95	97.45	0.5 %
Total Revenues	40,777,503	36,271,624	35,475,893	36,206,933	-0.2 %

FY19 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY18 ORIGINAL APPROPRIATION	7,538,618	59.25
<u>Changes (with service impacts)</u>		
Enhance: Convert Part-time Investigator III Position to Full-time [Landlord-Tenant Mediation]	44,906	0.50
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: FY19 Compensation Adjustment	171,487	0.00
Increase Cost: Annualization of FY18 Personnel Costs	47,843	0.00
Increase Cost: Motor Pool Adjustment	38,433	0.00
Increase Cost: Printing and Mail	714	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY18	(9,240)	0.00
Decrease Cost: Operating Expenses	(33,749)	0.00
Decrease Cost: Overtime Charges [Housing Code Enforcement]	(35,000)	0.00
Decrease Cost: Retirement Adjustment	(41,517)	0.00
Shift: Funding for Landlord Tenant Investigation to Eviction Prevention Services Transferred from General Fund to the MHI [Landlord-Tenant Mediation]	(86,555)	(0.50)
Decrease Cost: Turnover Savings	(173,830)	0.00
FY19 RECOMMENDED	7,462,110	59.25
MONTGOMERY HOUSING INITIATIVE		
FY18 ORIGINAL APPROPRIATION	36,556,050	14.70
<u>Changes (with service impacts)</u>		
Enhance: MHP Contract to Increase a Staff Position from Part-time to Full-time [Neighborhood Revitalization]	25,000	0.00
<u>Other Adjustments (with no service impacts)</u>		
Shift: Funding for Landlord Tenant Investigation to Eviction Prevention Services Transferred from General Fund to the MHI [Landlord-Tenant Mediation]	86,555	0.50
Increase Cost: FY19 Compensation Adjustment	48,293	0.00
Increase Cost: Annualization of FY18 Personnel Costs	12,176	0.00
Decrease Cost: Retirement Adjustment	(7,909)	0.00
Decrease Cost: Miscellaneous Operating Expenses	(139,115)	0.00
Re-align: Affordable Housing Loans to Reflect Estimated Debt Service Costs and Revenue Estimates [Multi-Family Housing Programs]	(376,064)	0.00

FY19 RECOMMENDED CHANGES

	Expenditures	FTEs
Re-align: Rental Assistance Program (Estimated Decrease in Recordation Tax Premium Revenue) [Multi-Family Housing Programs]	(615,196)	0.00
FY19 RECOMMENDED	35,589,790	15.20
GRANT FUND - MCG		
FY18 ORIGINAL APPROPRIATION	8,242,328	23.00
<u>Federal/State Programs</u>		
Add: Community Development Block Grant: The Arc Montgomery County, Inc. - Competitive Integrated Employment Benefits Counseling	45,000	0.00
Add: Community Development Block Grant: Montgomery County Coalition for the Homeless, Inc. - Home Builders Care Employment Specialist	45,000	0.00
Add: Community Development Block Grant: Community Ministries of Rockville, Inc. - CMR's Mansfield Kaseman Health Clinic: Removing Barriers to Healthcare	45,000	0.00
Add: Community Development Block Grant: A Wider Circle, Inc. - Workforce Development Program	45,000	0.00
Add: Community Development Block Grant: Latin American Youth Center, Inc. - Workforce and Post-Secondary Connections for Re-Entry Youth	44,463	0.00
Add: Community Development Block Grant: Boys & Girls Clubs of Greater Washington, Inc. - STEAM Program for Montgomery County Youth	44,240	0.00
Add: Community Development Block Grant: CASA de Maryland, Inc. - Bilingual Volunteer Income Tax Assistance Program	43,762	0.00
Add: Community Development Block Grant: Urban Alliance Foundation, Inc. - Montgomery County High School Internship Program	38,297	0.00
Add: Community Development Block Grant: Asian Pacific American Legal Resource Center, Inc. - Immigration Legal Services for Naturalization	38,280	0.00
Add: Community Development Block Grant: Montgomery Housing Partnership, Inc. - Greenwood Terrace Middle School Afterschool Program	38,000	0.00
Add: Community Development Block Grant: Baby's Bounty MC, Inc. - Health, Safety & Wellness Newborn Bundles	37,000	0.00
Add: Community Development Block Grant: Home Care Partners - Light Care Program	35,000	0.00
Add: Community Development Block Grant: Bethesda Cares, Inc. - Hunger Relief	18,000	0.00
Add: Community Development Block Grant: Horizons Greater Washington - Year Round Academic Program	15,000	0.00
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Takoma Park / HOC Code Enforcement [Housing Code Enforcement]	29,642	0.00
Decrease Cost: Adjustment for Individual Grants [Grants Administration - Federal Programs]	(532,042)	0.00
Re-align: Remove One-time CDBG Transfer Completed in FY18 [Neighborhood Revitalization]	(850,000)	0.00
FY19 RECOMMENDED	7,421,970	23.00

PROGRAM SUMMARY

Program Name	FY18 APPR Expenditures	FY18 APPR FTEs	FY19 REC Expenditures	FY19 REC FTEs
Multi-Family Housing Programs	35,675,613	6.90	34,588,014	6.90

PROGRAM SUMMARY

Program Name	FY18 APPR Expenditures	FY18 APPR FTEs	FY19 REC Expenditures	FY19 REC FTEs
Affordable Housing Programs	868,435	8.50	852,235	8.50
Housing Code Enforcement	3,685,053	35.50	3,679,627	35.50
Grants Administration - Federal Programs	4,998,132	5.70	4,733,036	5.70
Landlord-Tenant Mediation	1,047,764	7.50	1,063,541	8.00
Neighborhood Revitalization	2,629,649	8.60	1,842,781	8.60
Licensing and Registration	413,804	3.40	442,765	3.20
Housing Administration	637,218	3.75	627,618	3.55
Administration	1,752,645	13.50	1,989,376	13.35
Common Ownership Community Program	628,683	3.60	654,877	4.15
Total	52,336,996	96.95	50,473,870	97.45

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY18 Total\$	FY18 FTEs	FY19 Total\$	FY19 FTEs
COUNTY GENERAL FUND					
Permitting Services	Permitting Services	121,796	1.00	123,982	1.00
Solid Waste Services	Solid Waste Disposal	798,196	5.50	811,530	5.50
CIP	Capital Fund	196,479	1.70	187,834	1.70
Total		1,116,471	8.20	1,123,346	8.20

FUTURE FISCAL IMPACTS

CE RECOMMENDED (\$000S)

Title	FY19	FY20	FY21	FY22	FY23	FY24
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COUNTY GENERAL FUND

EXPENDITURES

FY19 Recommended	7,462	7,462	7,462	7,462	7,462	7,462
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No inflation or compensation change is included in outyear projections.

Labor Contracts	0	84	84	84	84	84
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These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.

Subtotal Expenditures	7,462	7,546	7,546	7,546	7,546	7,546
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MONTGOMERY HOUSING INITIATIVE

EXPENDITURES

FY19 Recommended	35,590	35,590	35,590	35,590	35,590	35,590
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No inflation or compensation change is included in outyear projections.

FUTURE FISCAL IMPACTS

CE RECOMMENDED (\$000S)

Title	FY19	FY20	FY21	FY22	FY23	FY24
Labor Contracts	0	20	20	20	20	20
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	35,590	35,610	35,610	35,610	35,610	35,610

FY19-24 PUBLIC SERVICES PROGRAM: FISCAL PLAN

Montgomery Housing Initiative

FISCAL PROJECTIONS	FY18 APPROVED	FY19 REC	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION	FY23 PROJECTION	FY24 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	17.39%	18.23%	18.23%	18.23%	18.23%	18.23%	18.23%
CPI (Fiscal Year)	2.3%	2.0%	2.1%	2.2%	2.3%	2.4%	2.4%
Investment Income Yield	0.012	0.017	0.022	0.027	0.032	0.032	0.032
BEGINNING FUND BALANCE	9,023,651	11,633,504	4,090,000	3,287,981	2,613,039	2,073,730	1,678,368
REVENUES							
Taxes	15,086,338	14,471,142	14,957,554	15,422,341	16,047,179	16,258,649	16,810,579
Charges For Services	70,200	70,200	71,653	73,230	74,914	76,697	78,560
Miscellaneous	5,610,486	6,966,946	7,849,946	8,732,946	9,615,896	9,613,476	9,620,756
Subtotal Revenues	20,767,024	21,508,288	22,879,153	24,228,517	25,737,989	25,948,822	26,509,895
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To Debt Service Fund	(7,808,010)	(9,501,510)	(9,505,600)	(11,100,460)	(11,096,660)	(11,098,100)	(11,104,030)
MHI Property Acquisition	(7,808,010)	(9,501,510)	(9,505,600)	(11,100,460)	(11,096,660)	(11,098,100)	(11,104,030)
Transfers To The General Fund	(329,848)	(371,142)	(374,795)	(374,795)	(374,795)	(374,795)	(374,795)
Indirect Costs	(329,848)	(371,142)	(374,795)	(374,795)	(374,795)	(374,795)	(374,795)
Transfers From The General Fund	22,703,644	22,703,644	22,703,644	22,703,644	22,703,644	22,703,644	22,703,644
TOTAL RESOURCES	44,356,461	45,972,784	39,792,402	38,744,887	39,583,216	39,253,301	39,413,083
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(3,668,192)	(3,732,307)	(3,732,307)	(3,732,307)	(3,732,307)	(3,732,307)	(3,732,307)
Debt Service: GO Bonds	0	0	0	0	0	0	0
Debt Service: Other (Non-Tax Funds only)	(59,020)	(56,750)	(54,400)	(52,050)	(49,650)	(47,230)	(54,510)
Labor Agreement	n/a	0	(20,039)	(20,039)	(20,039)	(20,039)	(20,039)
Annualizations and One-Time	n/a	n/a	0	0	0	0	0
Rental Assistance Program (RAP)	(16,084,578)	(15,075,202)	(14,999,614)	(15,464,401)	(16,089,239)	(16,300,709)	(16,852,639)
Housing First	(8,294,080)	(8,369,080)	(8,369,080)	(8,369,080)	(8,369,080)	(8,369,080)	(8,369,080)
Neighborhoods to Call Home	(816,340)	(956,340)	(956,340)	(956,340)	(956,340)	(956,340)	(956,340)
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	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)	(900,000)
Affordable Housing Initiative	(3,916,210)	(3,682,481)	(4,002,071)	(3,167,061)	(3,922,261)	(3,778,658)	(3,623,076)
Subtotal PSP Oper Budget Approp / Exp's	(36,556,050)	(35,589,790)	(35,851,481)	(35,478,908)	(36,856,546)	(36,921,993)	(37,325,621)
OTHER CLAIMS ON FUND BALANCE							
Neighborhoods to Call Home (One-time for A Wider Circle)	(200,000)	0	0	0	0	0	0
Reallocated Funds to Housing First	(75,000)	0	0	0	0	0	0
Special Needs and Nonprofit Housing	(636,051)	0	0	0	0	0	0
Affordable Housing Initiative	(725,000)	0	0	0	0	0	0
Senior Affordable Housing	(4,000,000)	(4,562,054)	0	0	0	0	0
HHS Medically Vulnerable 5 yr	0	(510,000)	(510,000)	(510,000)	(510,000)	(510,000)	0
Adjusted One-time Cost Increase for Burnt Mills	0	(142,940)	(142,940)	(142,940)	(142,940)	(142,940)	(142,940)
Adjusted One-time Cost Increase for Farkland Chase	0	(78,000)	0	0	0	0	0
Homeownership Assistance Program	0	(1,000,000)	0	0	0	0	0
TOTAL USE OF RESOURCES	(42,192,101)	(41,882,784)	(36,504,421)	(36,131,848)	(37,509,486)	(37,574,933)	(37,468,561)
YEAR END FUND BALANCE	2,164,360	4,090,000	3,287,981	2,613,039	2,073,730	1,678,368	1,944,522
Affordable Housing and Acquisition and Preservation CIP Project #P760100	(17,000,000)	(16,000,000)	(17,000,000)	(7,847,400)	(1,488,900)	(8,129,400)	(1,506,650)
TOTAL INVESTMENT IN AFFORDABLE HOUSING (MHI Fund + CIP Project)	(59,192,101)	(57,882,784)	(53,504,421)	(43,979,248)	(38,998,386)	(45,704,333)	(38,975,211)

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 #760100 includes the issuance of \$4.15 million of debt in FY19 in addition to \$11.85 million in estimated loan repayments in FY19 to provide a continued high level of support for the Housing Initiative Fund Property Acquisition Revolving Program created in FY09.
- Montgomery County Council Resolution #15-110 provides for an allocation from the General Fund to the Montgomery Housing Initiative fund (MHI) of the equivalent to 2.5 percent of actual General Fund property taxes from two years prior to the upcoming fiscal year for the purpose of maintaining and expanding the supply of affordable housing. However, the actual transfer from the General Fund will be determined each year based on the availability of resources.

Notes: 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.

Affordable Housing Support Summary (000's)																	
Actual Operating Budget Expenditures: FY2008 - 2018 Approved Budget, FY19 Rec.	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 CE Rec	Total Funding	Non-County Dollars Leveraged	Creation / Preservation of Affordable Housing (2008-2018)	Projected Creation / Preservation of Affordable Hsg (2019)	Notes
MHI Fund Operating Budget	33,715	23,083	27,266	16,450	13,890	21,021	24,312	27,658	27,662	35,344	36,556	35,590	322,549				
Debt Service (interest only)	-	-	-	1,572	2,183	2,454	2,930	3,646	3,566	3,740	3,893	3,900	27,884				
Total MHI Operating Budget	33,715	23,083	27,266	18,023	16,073	23,475	27,242	31,304	31,228	39,085	40,449	39,490	350,433				
Other General Fund Affordable Housing Support																	
HHS Housing Programs (General Fund)	-	-	9,588	10,442	9,642	9,549	10,169	11,823	11,612	11,722	13,115	13,115	110,777	21,832	16.8	2.0	
HOC NDA	5,731	6,141	6,136	5,804	5,514	5,583	6,093	6,376	6,401	6,513	6,537	6,680	73,511				
Total Other General Fund Support	5,731	6,141	15,724	16,246	15,156	15,132	16,263	18,199	18,013	18,235	19,652	19,796	184,288				
Total Operating Budget	39,446	29,224	42,990	34,269	31,229	38,607	43,505	49,503	49,242	57,320	60,101	59,285	534,721	21,832	16.8	2.0	Clients Served
Funding Sources: Programed Funding Thru FY18, FY19 Rec.																	
Affordable Housing Acquisition and Preservation Project (CIP)	2,500	-	-	-	-	-	-	-	2,275	-	-	-	4,775				
HIF Revolving Loan Program	-	25,000	25,000	15,000	15,000	10,000	2,720	7,280	-	13,409	7,843	4,154	125,406				
Loan Repayment Proceeds (actual)	-	-	-	-	2,471	7,249	7,656	2,266	5,104	2,830	9,157	11,846	48,579				
G.O. Bonds	-	-	-	-	-	-	-	2,000	7,725	-	-	-	9,725				
Recordation Tax Premium	-	-	-	-	-	-	-	-	4,540	-	-	-	4,540				
Total CIP	2,500	25,000	25,000	15,000	17,471	17,249	10,376	11,546	19,644	16,239	17,000	16,000	193,025	1,151,524	38.0	4.2	Incl. MHI & CIP
Other Affordable Housing Support																	
PILOTS (Payments in lieu of Taxes Non-HOC)	6,600	7,800	8,800	9,240	9,702	10,187	10,696	11,231	12,804	13,700	16,166	17,298	134,224		8.1	0.3	In support of operating cost for Non-profits and Senior housing
Sub Total Affordable Housing	-	-	-	-	-	-	-	-	-	-	-	-	861,969				
HOC (PILOTS)	7,205	8,095	8,625	8,213	8,266	8,496	9,312	9,345	9,015	9,573	9,600	9,700	105,445		6.9	0.2	Units Captured in DHCA
DGS - Discounted Land Value	-	-	-	-	-	-	-	-	29,542	8,282	-	-	37,823				
Total Affordable Housing Support													1,005,238	1,173,356	69.8	6.6	
* Estimated Debt Service interest for FY19																	
***Estimated PILOT value for FY18 and FY19																	
PILOT Cap																	

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