



Housing and Community Affairs

RECOMMENDED FY21 BUDGET

\$66,297,423

FULL TIME EQUIVALENTS

101.00

 ASEEM NIGAM, DIRECTOR

MISSION STATEMENT

The mission of the Department of Housing and Community Affairs (DHCA) is to 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 FY21 Operating Budget for the Department of Housing and Community Affairs is \$66,297,423, an increase of \$7,536,514 or 12.83 percent from the FY20 Approved Budget of \$58,760,909. Personnel Costs comprise 18.47 percent of the budget for 106 full-time position(s) and one part-time position(s), and a total of 101.00 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses and Debt Service account for the remaining 81.53 percent of the FY21 budget.

DHCA expects the total signed agreements for affordable housing projects through the Payment in lieu of Taxes (PILOT) program to abate \$19.1 million in taxes in FY21.

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

COUNTY PRIORITY OUTCOMES

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

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

INITIATIVES

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- ★ Provide the highest level of affordable housing funding in County history by allocating \$84.7 million in affordable housing. This includes \$52.7 million in the Montgomery Housing Initiative (MHI) Fund, \$22 million in FY21 for the Affordable Housing Acquisition and Preservation CIP project, and \$10 million for the new Affordable Housing Opportunity Fund. 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" programs, and creation of mixed-income housing.
 - ★ Provide new resources to streamline affordable housing underwriting, Accessory Dwelling Unit (ADU) navigation and production, tenant advocacy and support, and assistance for the Distressed Community Task Force.
 - ★ Continue to protect lower-income residents living near transit corridors from rent increases by working with nonprofits to identify and preserve at-risk naturally-occurring affordable housing (NOAH) and actively engaging purchasers with rental agreements to preserve affordable rents.
 - ★ Continue to actively underwrite affordable housing loans to preserve and produce affordable housing. Four developments, including one senior and three family projects, have already been identified with another thirteen under consideration. These four developments would preserve or produce over 1,000 total and 800 affordable units.
 - ★ Create a Countywide Facade Easement Capital Improvement Program to revitalize commercial areas, with a focus on older commercial property, throughout Montgomery County to stimulate local economic growth. The objective is to provide support to small business and to encourage private investment. Improvements will include gateway signage, pedestrian lighting, connectivity, streetscape elements, plant material installation, acquisition of long-term facade and center signage easements, and other amenities. DHCA has initially identified five commercial areas, including Montgomery Village, Hillandale, Downtown Wheaton, Glenmont, and Layhill Shopping Centers. This program may also be expanded to other areas of the County.
 - ★ Collaborate with Health and Human Services (HHS) and the Housing Opportunities Commission (HOC) to provide rental assistance programs to the County's most vulnerable residents. Over 4,500 households are projected to be assisted in FY21. A renewed focus will be on eviction prevention including targeted assistance and financial literacy seminars in areas experiencing high evictions.
 - ★ Receive additional 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.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ★ Hosted a developer's forum to provide clarity on the County's housing objectives and affordable housing project review process, and to solicit recommendations from development partners. With this information, DHCA developed a point-based affordable housing loan application scoring system, created a housing advisory committee to review and make county funding recommendations, and announced the County's first Notice of Funding Availability (NoFA). This innovative approach provides structure and transparency throughout the loan review process.
- ★ DHCA's technology team continues to update its core application portfolio with additional or improved functionalities to support new and existing business needs. Specific examples include implementing full-text search of the Commission on Common Ownership Communities (CCOC) decisions and creating a new system to support electronic citation writing and management. DHCA is currently undertaking a project to address the growing housing inspection volume through route optimization and workload management improvements.
- ★ Continued efforts to co-locate housing projects with County facilities with requirements that these projects provide units for very low and low income tenants.

- ✦ Planning the deployment of a new Internet-facing affordable housing search application called "Market Place". The Market Place leverages the most recent web application development standards providing users with an intuitive and efficient interface. The application emphasizes speed, accuracy, and responsiveness.
- ✦ Implemented the Code Enforcement Handbook to provide property owners and residents with detailed, illustrated information about housing code requirements and enforcement. The Code Enforcement Handbook will be available online to provide an easy access to resources and references.

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 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 FY20 estimates reflect funding based on the FY20 Approved Budget. The FY21 and FY22 figures are performance targets based on the FY21 Recommended Budget and funding for comparable service levels in FY22.

PROGRAM DESCRIPTIONS

✦ Administration

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

Program Performance Measures	Actual FY18	Actual FY19	Estimated FY20	Target FY21	Target FY22
Asset Management - Loan repayments billed / received ¹	\$12,617,188	\$14,169,659	\$10,000,000	\$11,000,000	\$12,000,000
Department MC311 Service Requests (SR)	19,892	22,247	24,000	25,000	26,000
Department MC311 Service Request success rate	83.22%	87.30%	93.02%	94.00%	95.00%
NACo Awards earned	0	5	3	4	4

¹ FY18/19 spike in loan repayments includes several large refinancing payoffs.

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	2,193,362	13.20
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	31,080	0.00
FY21 Recommended	2,224,442	13.20

✦ 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 housing programs provide funding to replace and rehabilitate single-family housing units, and provide energy efficiency solutions and savings. Also, this program is responsible for the Work Force Housing Program.

Program Performance Measures	Actual FY18	Actual FY19	Estimated FY20	Target FY21	Target FY22
Affordable Housing Program - Number of MC311 Service Requests	816	889	854	875	900
Affordable Housing Program - Percent of MC311 Service Requests meeting service length agreement	94.98%	98.65%	98.76%	98.76%	100.00%
Number of affordable housing units produced and available for occupancy (at no cost to the County)	98	373	286	300	315
Number of housing units improved/rehabilitated ¹	3	212	230	230	230

¹ Program includes group home rehab, single family rehab and weatherization. In FY17 and FY18, only the group home program was operational. In FY19, DHCA began administering a new weatherization program, which will continue through FY22.

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	925,082	10.50
Re-align: Personnel FTE Adjustment	0	2.60
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	89,572	(4.60)
FY21 Recommended	1,014,654	8.50

Common Ownership Community Program

The Common Ownership Community (COC) 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 FY18	Actual FY19	Estimated FY20	Target FY21	Target FY22
COC Program Customer Service - Number of MC311 Service Requests	596	775	754	800	850
COC Program Customer Service - Percent of MC311 Service Requests meeting service length agreement	76.17%	99.10%	99.65%	99.65%	100.00%
Percent of Commission on Common Ownership Communities (CCOC) cases resolved prior to a hearing	45%	45%	46%	47%	46%

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	695,524	4.15
Add: COC Program Office Service Coordinator for Distressed Communities Initiative and Records Processing	60,818	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.	11,651	1.00
FY21 Recommended	767,993	5.15

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 FY18	Actual FY19	Estimated FY20	Target FY21	Target FY22
Number of contracts awarded and monitored	42	43	43	43	43
Funding awarded to CDBG public service contracts ¹	\$540,000	\$532,000	\$600,000	\$600,000	\$600,000
CDBG public service contract compliance rate	100%	100%	100%	100%	100%
CDBG public service contract non-housing beneficiaries ²	1,411	4,369	2,500	3,000	3,500

¹ FY19 spike includes funding for two medical providing assistance to homeless/AIDS patients and other health services.

² DHCA partners with the Community Development Advisory Committee, which provides funding recommendations for public service contracts. The beneficiaries of these contracts fluctuate annually based on the type of services provided.

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	6,332,277	5.70
Increase Cost: Federal Community Development Block Grant	538,397	0.00
Shift: Funding from Community Grants to the Department's Base Budget	245,000	0.00
Increase Cost: Federal HOME Grant	57,894	0.00
Increase Cost: Federal Emergency Solutions Grant	49,258	0.00
Add: Community Development Block Grant: A Wider Circle, Inc. - Workforce Development Program	45,000	0.00
Add: Community Development Block Grant: CASA de Maryland, Inc. - Career Focused Pre-Apprenticeship Youth Program in Wheaton	45,000	0.00
Add: Community Development Block Grant: Montgomery Housing Partnership, Inc. - Middle School Afterschool Program in Wheaton and Takoma Park	45,000	0.00
Add: Community Development Block Grant: Community Reach of Montgomery County, Inc. - Rockville Emergency Assistance Program	45,000	0.00
Add: Community Development Block Grant: The Ethiopian Community Center, Inc. - African Immigrant Workforce Development Program	45,000	0.00
Add: Community Development Block Grant: EveryMind, Inc. - Stabilizing Adults through Situational Support (SASS) Program	45,000	0.00
Add: Community Development Block Grant: Per Scholas, Inc. - National Capital Region Information Technology Job Training	45,000	0.00
Add: Community Development Block Grant: The Montgomery County Coalition for the Homeless, Inc. - Provide a Diversion Specialist at the Home Builders Care Assessment Center	45,000	0.00
Add: Community Development Block Grant: Community Reach of Montgomery County, Inc. - Expand Mansfield Kaseman Health Clinic through A New Diabetes Center	43,567	0.00
Add: Community Development Block Grant: Interfaith Works, Inc. - IW Connections Program to Provide Bilingual Outreach Coordinators	40,543	0.00
Add: Community Development Block Grant: Mobile Medical Care, Inc. - Expand Family Planning Options for Uninsured, Low-income Women	40,000	0.00
Add: Community Development Block Grant: Community Bridges, Incorporated - College and Career Planning Program and Alumnae Program	30,000	0.00
Add: Community Development Block Grant: NAMI Montgomery County, Inc. - Mental Health Promotion for the Low-income Latino Community	27,500	0.00
Add: Community Development Block Grant: Artpreneurs, Inc. - Library Lanterns Program	25,000	0.00
Add: Community Development Block Grant: The Shepherd's Table, Inc. - Food Services Program	24,457	0.00
Add: Takoma Park Contract	10,302	0.00

FY21 Recommended Changes	Expenditures	FTEs
Re-align: Personnel FTE Adjustment	0	(3.30)
Decrease Cost: Adjustment for Individual Grants	(591,067)	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.	(13,960)	1.60
FY21 Recommended	7,219,168	4.00

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.

Program Performance Measures	Actual FY18	Actual FY19	Estimated FY20	Target FY21	Target FY22
Affordable housing units produced in the production pipeline	959	847	469	117	80
Number of affordable housing units in the preservation pipeline	703	58	497	541	368
Cost per unit of affordable housing units preserved	5,035	10,810	7,190	7,118	4,018
Cost per unit of affordable housing units produced	33,603	60,546	31,097	59,211	30,106
Percent of affordable units created or preserved serving households under 50% AMI ¹	62.0%	13.0%	30.0%	32.5%	35.0%

¹ DHCA's underwriting criteria was recently updated to reflect a goal of providing a certain attainable and consistent level of affordable housing for very low income households.

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	496,725	3.95
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(18,739)	0.00
FY21 Recommended	477,986	3.95

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 FY18	Actual FY19	Estimated FY20	Target FY21	Target FY22
Number of Housing Code Enforcement inspections ¹	30,217	38,789	42,750	44,000	44,000
Housing Code Enforcement Program Customer Service - Number of MC311 Service Requests	7,870	8,997	9,000	9,250	9,500
Housing Code Enforcement Program Customer Service - Percent of MC311 Service Requests meeting service length agreement	73.24%	69.63%	78.52%	82.00%	85.00%
Code Enforcement - Number of violations per unit	1.21	1.16	1.30	1.15	1.14
Code Enforcement - Average severity of violations per unit	1.43	1.58	1.68	1.60	1.56

¹ Per the requirements of Bill 19-15, beginning FY18 DHCA will undertake an intensive two-year housing code enforcement initiative.

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	4,340,479	38.50
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	197,950	0.00
FY21 Recommended	4,538,429	38.50

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 FY18	Actual FY19	Estimated FY20	Target FY21	Target FY22
Number of Landlord Tenant meditations	714	724	728	730	730
Landlord Tenant Affairs Program - Number of MC311 Service Requests	6,133	6,927	7,895	8,000	8,500
Landlord Tenant Affairs Program - Percent of MC311 Service Requests meeting service length agreement	99.20%	99.05%	99.05%	99.00%	100.00%
Percent of landlord/tenant cases mediated successfully (not referred to the Commission)	99%	98%	98%	98%	98%
Number of evictions prevented due to Landlord & Tenant Affairs' intervention	433	469	500	700	800

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	1,426,357	8.00
Add: Office Services Coordinator for Improving Landlord Tenant Relations	60,818	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.	(6,599)	1.00
FY21 Recommended	1,480,576	9.00

Licensing and Registration

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

Program Performance Measures	Actual FY18	Actual FY19	Estimated FY20	Target FY21	Target FY22
Licensing and Registration Program - Number of MC311 Service Requests	4,460	4,645	5,110	5,000	5,250
Licensing and Registration Program - Percent of MC311 Service Requests meeting service length agreement	77.71%	99.89%	99.9%	99.9%	100.00%
Number of rental licenses issued	103,831	107,283	110,210	113,516	116,921

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	455,826	3.20
Add: Program Manager for Accessory Dwelling Unit Navigation and Compliance	79,534	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.	(35,533)	1.00
FY21 Recommended	499,827	4.20

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 FY18	Actual FY19	Estimated FY20	Target FY21	Target FY22
Number of affordable housing units preserved and available for occupancy (County funded)	3,644	6,019	5,264	5,290	4,952
Number of affordable housing units produced and available for occupancy (County funded) ¹	468	403	621	585	150
Ratio of non-County dollars leveraged to County dollars in affordable housing projects	1.07	4.54	9.49	4.85	5.00
Total affordable housing units produced	1,525	1,623	1,376	1,002	544
Total affordable housing units preserved ²	4,390	6,077	6,118	6,205	5,713

¹ Out year projections may fluctuate based on current pipeline activity and certain assumptions on preservation / production strategies.

² Preservation increases projected in FY18-20 due to increases in MHI rental assistance funding.

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	40,024,810	6.90
Increase Cost: Affordable Housing Initiative	6,915,992	0.00
Increase Cost: Operating Expenses to Reflect Adjusted Revenue Estimates	605,499	0.00
Add: Capital Improvement Manager for the Right of First Refusal and Preservation Housing Projects	93,530	1.00
Decrease Cost: Operating Expenses to Offset Personnel Cost Increase	(93,530)	0.00
Decrease Cost: Operating Expenses to Reflect Adjusted Debt Service Transfer	(1,303,400)	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.	(26,618)	0.00
FY21 Recommended	46,216,283	7.90

Neighborhood Revitalization

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

Program Performance Measures	Actual FY18	Actual FY19	Estimated FY20	Target FY21	Target FY22
Focused Neighborhood Assistance Activity (expenditures) ¹	\$399,778	\$398,421	\$3,087,943	\$646,756	\$242,675
Facade Program - Private dollars leveraged	\$421,600	\$0	\$0	\$100,000	\$200,000
Focused Neighborhood Assistance Active projects	3	4	5	2	1
Focused Neighborhood Assistance beneficiaries ²	107	179	730	96	15
Facade Program - Number of businesses benefited	2	0	0	1	2

¹ FY20 activity includes four active projects (Kimberly Place Balconies and Drainage, Montclair Manor and Montgomery Village). FY21 assumes activity at Kimberly Place Balconies and Wedgewood. FY22 assumes activity only Kimberly Place Balconies.

² FY20 activity includes four active projects (Kimberly Place Balconies and Drainage, Montclair Manor and Montgomery Village). FY21 assumes activity at Kimberly Place Balconies and Wedgewood. FY22 assumes activity only Kimberly Place Balconies.

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	1,870,467	6.60
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(12,402)	0.00
FY21 Recommended	1,858,065	6.60

BUDGET SUMMARY

	Actual FY19	Budget FY20	Estimate FY20	Recommended FY21	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	4,634,720	5,118,117	5,145,925	5,658,201	10.6 %
Employee Benefits	1,623,448	1,885,472	1,793,521	1,788,369	-5.2 %
County General Fund Personnel Costs	6,258,168	7,003,589	6,939,446	7,446,570	6.3 %
Operating Expenses	1,155,336	1,399,519	1,471,952	1,570,864	12.2 %
County General Fund Expenditures	7,413,504	8,403,108	8,411,398	9,017,434	7.3 %
PERSONNEL					
Full-Time	102	106	106	106	—
Part-Time	2	1	1	1	—
FTEs	59.25	62.65	62.65	65.25	4.2 %
REVENUES					
Board of Appeals Fees	4,125	6,000	6,000	8,624	43.7 %
Common Ownership Community Fees	725,641	715,000	715,000	717,500	0.3 %
Landlord-Tenant Fees	6,103,845	6,278,180	6,599,600	6,998,040	11.5 %
Miscellaneous Revenues	(12,351)	6,500	6,500	6,500	—
Other Charges/Fees	3,418	75,600	75,600	74,250	-1.8 %
Other Fines/Forfeitures	36,881	40,000	40,000	40,000	—
Other Licenses/Permits	0	813,420	492,000	492,000	-39.5 %
County General Fund Revenues	6,861,559	7,934,700	7,934,700	8,336,914	5.1 %

MONTGOMERY HOUSING INITIATIVE

EXPENDITURES

BUDGET SUMMARY

	Actual FY19	Budget FY20	Estimate FY20	Recommended FY21	%Chg Bud/Rec
Salaries and Wages	1,356,906	1,700,781	1,791,347	1,917,444	12.7 %
Employee Benefits	460,102	616,499	525,933	563,591	-8.6 %
Montgomery Housing Initiative Personnel Costs	1,817,008	2,317,280	2,317,280	2,481,035	7.1 %
Operating Expenses	46,557,314	38,966,297	38,961,979	45,068,879	15.7 %
Montgomery Housing Initiative Expenditures	48,374,322	41,283,577	41,279,259	47,549,914	15.2 %

PERSONNEL

Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	15.20	17.05	17.05	18.05	5.9 %

REVENUES

Asset Management Fee	10,680	70,200	70,200	70,200	—
Commitment Fee	0	200,000	200,000	200,000	—
Investment Income	3,677,262	2,765,250	2,562,870	1,939,470	-29.9 %
Loan Payments	5,891,105	2,700,000	2,700,000	2,900,000	7.4 %
MHI Transfer Tax	67,140	100,000	100,000	100,000	—
Miscellaneous Revenues	88,850	75,006	75,006	75,006	—
MPDU Alternative Payments	0	360,000	360,000	360,000	—
MPDU Revenues	1,813,744	1,250,000	1,250,000	1,610,000	28.8 %
Other Financing Sources	13,727	56,750	54,400	52,050	-8.3 %
Recordation Tax	16,024,635	16,367,562	16,365,594	17,717,608	8.2 %
Montgomery Housing Initiative Revenues	27,587,143	23,944,768	23,738,070	25,024,334	4.5 %

GRANT FUND - MCG

EXPENDITURES

Salaries and Wages	1,545,282	1,778,599	1,778,599	1,788,640	0.6 %
Employee Benefits	530,636	603,863	603,863	531,848	-11.9 %
Grant Fund - MCG Personnel Costs	2,075,918	2,382,462	2,382,462	2,320,488	-2.6 %
Operating Expenses	7,751,419	6,691,762	6,691,762	7,409,587	10.7 %
Grant Fund - MCG Expenditures	9,827,337	9,074,224	9,074,224	9,730,075	7.2 %

PERSONNEL

Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	23.00	21.00	21.00	17.70	-15.7 %

REVENUES

Federal Grants	7,726,183	6,816,697	6,816,697	7,462,246	9.5 %
Investment Income	617,563	0	0	0	—
Loan Payments	2,399,235	2,000,000	2,000,000	2,000,000	—
Miscellaneous Revenues	76,585	0	0	0	—
Other Intergovernmental	305,423	257,527	257,527	267,829	4.0 %

BUDGET SUMMARY

	Actual FY19	Budget FY20	Estimate FY20	Recommended FY21	%Chg Bud/Rec
State Grants	(35,957)	0	0	0	—
Grant Fund - MCG Revenues	11,089,032	9,074,224	9,074,224	9,730,075	7.2 %

DEPARTMENT TOTALS

Total Expenditures	65,615,163	58,760,909	58,764,881	66,297,423	12.8 %
Total Full-Time Positions	102	106	106	106	—
Total Part-Time Positions	2	1	1	1	—
Total FTEs	97.45	100.70	100.70	101.00	0.3 %
Total Revenues	45,537,734	40,953,692	40,746,994	43,091,323	5.2 %

FY21 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY20 ORIGINAL APPROPRIATION	8,403,108	62.65
<u>Changes (with service impacts)</u>		
Add: Program Manager for Accessory Dwelling Unit Navigation and Compliance [Licensing and Registration]	79,534	0.00
Add: Office Services Coordinator for Improving Landlord Tenant Relations [Landlord-Tenant Mediation]	60,818	0.00
Add: COC Program Office Service Coordinator for Distressed Communities Initiative and Records Processing [Common Ownership Community Program]	60,818	0.00
<u>Other Adjustments (with no service impacts)</u>		
Shift: Funding from Community Grants to the Department's Base Budget [Grants Administration - Federal Programs]	245,000	0.00
Increase Cost: FY21 Compensation Adjustment	162,623	0.00
Increase Cost: Annualization of FY20 Lapsed Positions	147,640	0.00
Increase Cost: Annualization of FY20 Compensation Increases	73,045	0.00
Increase Cost: Print and Mail Adjustment	4,136	0.00
Re-align: Personnel FTE Adjustment [Affordable Housing Programs]	0	2.60
Decrease Cost: Elimination of One-Time Items Approved in FY20	(13,760)	0.00
Decrease Cost: Motor Pool Adjustment	(70,331)	0.00
Decrease Cost: Retirement Adjustment	(135,197)	0.00
FY21 RECOMMENDED	9,017,434	65.25

MONTGOMERY HOUSING INITIATIVE

FY20 ORIGINAL APPROPRIATION	41,283,577	17.05
<u>Changes (with service impacts)</u>		
Add: Capital Improvement Manager for the Right of First Refusal and Preservation Housing Projects [Multi-Family Housing Programs]	93,530	1.00

FY21 RECOMMENDED CHANGES

	Expenditures	FTEs
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Affordable Housing Initiative [Multi-Family Housing Programs]	6,915,992	0.00
Increase Cost: Operating Expenses to Reflect Adjusted Revenue Estimates [Multi-Family Housing Programs]	605,499	0.00
Increase Cost: Annualization of FY20 Lapsed Positions	66,349	0.00
Increase Cost: FY21 Compensation Adjustment	42,355	0.00
Increase Cost: Annualization of FY20 Compensation Increases	11,968	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY20	(24,079)	0.00
Decrease Cost: Retirement Adjustment	(48,347)	0.00
Decrease Cost: Operating Expenses to Offset Personnel Cost Increase [Multi-Family Housing Programs]	(93,530)	0.00
Decrease Cost: Operating Expenses to Reflect Adjusted Debt Service Transfer [Multi-Family Housing Programs]	(1,303,400)	0.00
FY21 RECOMMENDED	47,549,914	18.05

GRANT FUND - MCG

FY20 ORIGINAL APPROPRIATION	9,074,224	21.00
<u>Federal/State Programs</u>		
Add: Community Development Block Grant: A Wider Circle, Inc. - Workforce Development Program	45,000	0.00
Add: Community Development Block Grant: Community Reach of Montgomery County, Inc. - Rockville Emergency Assistance Program	45,000	0.00
Add: Community Development Block Grant: The Ethiopian Community Center, Inc. - African Immigrant Workforce Development Program	45,000	0.00
Add: Community Development Block Grant: EveryMind, Inc. - Stabilizing Adults through Situational Support (SASS) Program	45,000	0.00
Add: Community Development Block Grant: CASA de Maryland, Inc. - Career Focused Pre-Apprenticeship Youth Program in Wheaton	45,000	0.00
Add: Community Development Block Grant: The Montgomery County Coalition for the Homeless, Inc. - Provide a Diversion Specialist at the Home Builders Care Assessment Center	45,000	0.00
Add: Community Development Block Grant: Montgomery Housing Partnership, Inc. - Middle School Afterschool Program in Wheaton and Takoma Park	45,000	0.00
Add: Community Development Block Grant: Per Scholas, Inc. - National Capital Region Information Technology Job Training	45,000	0.00
Add: Community Development Block Grant: Community Reach of Montgomery County, Inc. - Expand Mansfield Kaseman Health Clinic through A New Diabetes Center	43,567	0.00
Add: Community Development Block Grant: Interfaith Works, Inc. - IW Connections Program to Provide Bilingual Outreach Coordinators	40,543	0.00
Add: Community Development Block Grant: Mobile Medical Care, Inc. - Expand Family Planning Options for Uninsured, Low-income Women	40,000	0.00
Add: Community Development Block Grant: Community Bridges, Incorporated - College and Career Planning Program and Alumnae Program	30,000	0.00
Add: Community Development Block Grant: NAMI Montgomery County, Inc. - Mental Health Promotion for the Low-income Latino Community	27,500	0.00
Add: Community Development Block Grant: Artpreneurs, Inc. - Library Lanterns Program	25,000	0.00
Add: Community Development Block Grant: The Shepherd's Table, Inc. - Food Services Program	24,457	0.00

FY21 RECOMMENDED CHANGES

	Expenditures	FTEs
Add: Takoma Park Contract	10,302	0.00
Other Adjustments (with no service impacts)		
Increase Cost: Federal Community Development Block Grant [Grants Administration - Federal Programs]	538,397	0.00
Increase Cost: Federal HOME Grant [Grants Administration - Federal Programs]	57,894	0.00
Increase Cost: Federal Emergency Solutions Grant [Grants Administration - Federal Programs]	49,258	0.00
Re-align: Personnel FTE Adjustment [Grants Administration - Federal Programs]	0	(3.30)
Decrease Cost: Adjustment for Individual Grants [Grants Administration - Federal Programs]	(591,067)	0.00
FY21 RECOMMENDED	9,730,075	17.70

PROGRAM SUMMARY

Program Name	FY20 APPR Expenditures	FY20 APPR FTEs	FY21 REC Expenditures	FY21 REC FTEs
Administration	2,193,362	13.20	2,224,442	13.20
Affordable Housing Programs	925,082	10.50	1,014,654	8.50
Common Ownership Community Program	695,524	4.15	767,993	5.15
Grants Administration - Federal Programs	6,332,277	5.70	7,219,168	4.00
Housing Administration	496,725	3.95	477,986	3.95
Housing Code Enforcement	4,340,479	38.50	4,538,429	38.50
Landlord-Tenant Mediation	1,426,357	8.00	1,480,576	9.00
Licensing and Registration	455,826	3.20	499,827	4.20
Multi-Family Housing Programs	40,024,810	6.90	46,216,283	7.90
Neighborhood Revitalization	1,870,467	6.60	1,858,065	6.60
Total	58,760,909	100.70	66,297,423	101.00

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY20 Total\$	FY20 FTEs	FY21 Total\$	FY21 FTEs
COUNTY GENERAL FUND					
Permitting Services	Permitting Services	128,103	1.00	129,922	1.00
Recycling and Resource Management	Solid Waste Disposal	831,165	5.50	664,094	5.50
CIP	Capital Fund	193,668	1.70	192,592	1.40
Total		1,152,936	8.20	986,608	7.90

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY21	FY22	FY23	FY24	FY25	FY26
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FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY21	FY22	FY23	FY24	FY25	FY26
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COUNTY GENERAL FUND

EXPENDITURES

FY21 Recommended	9,017	9,017	9,017	9,017	9,017	9,017
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No inflation or compensation change is included in outyear projections.

Annualization of Positions Recommended in FY21	0	77	77	77	77	77
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New positions in the FY21 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.

Elimination of One-Time Items Recommended in FY21	0	(2)	(2)	(2)	(2)	(2)
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Items recommended for one-time funding in FY21, including (fill in major item names based on your Competition List), will be eliminated from the base in the outyears.

Labor Contracts	0	51	51	51	51	51
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These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.

Subtotal Expenditures	9,017	9,143	9,143	9,143	9,143	9,143
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MONTGOMERY HOUSING INITIATIVE

EXPENDITURES

FY21 Recommended	47,550	47,550	47,550	47,550	47,550	47,550
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No inflation or compensation change is included in outyear projections.

Annualization of Positions Recommended in FY21	0	36	36	36	36	36
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New positions in the FY21 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.

Elimination of One-Time Items Recommended in FY21	0	(1)	(1)	(1)	(1)	(1)
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Items recommended for one-time funding in FY21, including (fill in major item names based on your Competition List), will be eliminated from the base in the outyears.

Labor Contracts	0	8	8	8	8	8
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These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.

Subtotal Expenditures	47,550	47,593	47,593	47,593	47,593	47,593
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ANNUALIZATION OF FULL PERSONNEL COSTS

	FY21 Recommended		FY22 Annualized	
	Expenditures	FTEs	Expenditures	FTEs
Program Manager for Accessory Dwelling Unit Navigation and Compliance	77,434	0.00	107,892	0.00
Office Services Coordinator for Improving Landlord Tenant Relations	58,718	0.00	81,814	0.00
Capital Improvement Manager for the Right of First Refusal and Preservation Housing Projects	91,430	1.00	127,390	1.00
COC Program Office Service Coordinator for Distressed Communities Initiative and Records Processing	58,718	0.00	81,814	0.00

ANNUALIZATION OF FULL PERSONNEL COSTS

	FY21 Recommended		FY22 Annualized	
	Expenditures	FTEs	Expenditures	FTEs
Total	286,300	1.00	398,910	1.00

FY21-26 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Montgomery Housing Initiative					
FISCAL PROJECTIONS	FY20 ESTIMATE	FY21 REC	FY22 PROJECTION	FY23 PROJECTION	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION
ASSUMPTIONS							
Indirect Cost Rate	20.45%	18.64%	18.64%	18.64%	18.64%	18.64%	18.64%
CPI (Fiscal Year)	1.4%	1.6%	1.6%	1.6%	1.6%	1.6%	1.5%
Investment Income Yield	1.9%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
BEGINNING FUND BALANCE	17,227,281	9,570,240	2,250,000	1,330,000	410,000	0	0
REVENUES							
Taxes	16,485,594	17,817,608	18,731,167	19,789,157	20,870,075	22,067,750	23,397,201
Charges For Services	70,200	70,200	71,330	72,471	73,616	74,764	75,915
Miscellaneous	7,202,278	7,136,526	7,064,856	7,062,436	7,069,716	7,015,208	7,015,208
Subtotal Revenues	23,738,070	25,024,334	25,867,353	26,924,064	28,013,407	29,157,720	30,488,322
INTERFUND TRANSFERS (Net Non-CIP)	15,242,985	20,369,303	19,375,217	17,875,117	16,270,717	14,676,817	13,069,417
Transfers To Debt Service Fund	(9,623,700)	(10,827,100)	(11,918,400)	(13,418,500)	(15,022,900)	(16,616,800)	(18,224,200)
MHI Property Acquisition	(9,623,700)	(10,927,100)	(11,918,400)	(13,418,500)	(15,022,900)	(16,616,800)	(18,224,200)
Transfers To The General Fund	(476,191)	(482,465)	(485,251)	(485,251)	(485,251)	(485,251)	(485,251)
Indirect Costs	(476,191)	(482,465)	(485,251)	(485,251)	(485,251)	(485,251)	(485,251)
Transfers From The General Fund	25,342,876	31,758,868	31,758,868	31,758,868	31,758,868	31,758,868	31,758,868
From General Fund	25,342,876	31,758,868	31,758,868	31,758,868	31,758,868	31,758,868	31,758,868
TOTAL RESOURCES	56,208,336	54,963,877	47,492,570	46,129,181	44,694,124	43,834,537	43,557,739
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(3,222,280)	(3,386,035)	(3,386,035)	(3,386,035)	(3,386,035)	(3,386,035)	(3,386,035)
Debt Service: Other (Non-Tax Funds only)	(54,400)	(52,050)	(49,650)	(47,230)	(54,510)	0	0
Labor Agreements	n/a	0	(7,545)	(7,545)	(7,545)	(7,545)	(7,545)
Rental Assistance Program (RAP)	(16,365,594)	(17,217,608)	(18,131,167)	(19,189,157)	(20,270,075)	(21,467,750)	(22,797,201)
Affordable Housing Loans	(8,679,445)	(13,936,681)	(10,977,693)	(9,478,734)	(7,875,479)	(6,015,667)	(4,409,418)
HHS Housing Programs	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)
Neighborhoods to Call Home	(1,251,340)	(1,251,340)	(1,251,340)	(1,251,340)	(1,251,340)	(1,251,340)	(1,251,340)
Homeownership Assistance Program	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Subtotal PSP Oper Budget Approp / Exp's	(41,279,259)	(47,549,914)	(45,509,630)	(45,066,241)	(44,551,184)	(43,834,537)	(43,557,739)
OTHER CLAIMS ON FUND BALANCE	(5,358,837)	(5,163,963)	(652,940)	(652,940)	(142,940)	0	0
TOTAL USE OF RESOURCES	(46,638,096)	(52,713,877)	(46,162,570)	(45,719,181)	(44,694,124)	(43,834,537)	(43,557,739)
YEAR END FUND BALANCE	9,570,240	2,250,000	1,330,000	410,000	0	0	0
Affordable Housing and Acquisition and Preservation CIP Project #P760100	(22,440,000)	(22,000,000)	(22,000,000)	(22,000,000)	(22,000,000)	(22,000,000)	(22,000,000)
Affordable Housing Opportunity Fund CIP Project #P762101		(10,000,000)	(10,000,000)				
TOTAL ALLOCATION IN AFFORDABLE HOUSING (MHI Fund + CIP Projects)	(69,078,096)	(84,713,877)	(78,162,570)	(67,719,181)	(66,694,124)	(65,834,537)	(65,557,739)
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	17.0%	4.1%	2.8%	0.9%	0.0%	0.0%	0.0%

Assumptions:

1. A total of \$84.7 million will be allocated in affordable housing, including expenditures of \$52.7 million reflected in this fund, \$22 million for the Affordable Housing Acquisition and Preservation CIP Project #760100, and \$10 million for Affordable Housing Opportunity Fund CIP Project # 762101. The CIP fund assumes the issuance of \$13.29 million of debt, \$8.71 million in estimated loan repayments, and \$10 million funded with Recordation Tax Premium in FY21. The funding provides a continued high level of support for renovation of distressed housing, the acquisition and preservation of affordable housing units, creation of housing units for special needs residents and mixed-income housing, and a variety of services for permanent supportive housing and community development.
2. The new Affordable Housing Opportunity Fund CIP is to address the urgent challenge of preservation and development of affordable housing in areas at risk of rent escalation to higher market rents, including County transit corridors.
3. 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:

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.
2. The Executive recommends an additional \$6.42 million to be transferred from the General Fund to the MHI fund, compared to the FY20 amount. A combination totaling \$31.76 million transferred from the General Fund and the additional Recordation Tax Premium collected from property sales of \$3 million and above will reach the 2.5% policy goal.
3. Operating budget includes personnel costs, contracts for homeownership education, and miscellaneous expenses for consultants, technology

AFFORDABLE HOUSING SUPPORT SUMMARY

Funding Sources	Total County Resources (FY08 - FY19)	10-Yr Avg (FY10- FY19)	FY20 CC Approved Budget	FY21 CE Recommended Budget	Projected Creation / Preservation of Affordable Housing (FY21)	Notes
Operating Budget Expenditures						
DHCA - MHI Operating Budget	322,548,663	26,575,044	41,293,021	47,549,914		
DHCA - MHI Debt Service (interest only)	27,883,864	2,788,386	4,173,700	4,546,700		
HHS - General Fund - Housing Programs	110,777,417	11,077,742	14,570,278	17,682,411	2,000	Clients Served
HOC - Non-Departmental Account	73,510,777	6,163,885	6,788,019	6,962,075		
Total Operating Budget	534,720,721	46,605,057	66,825,018	76,741,100		
Affordable Housing Acquisition and Preservation Project (CIP)						
MHI	4,775,000					
HIF Revolving Loan Program	140,931,000	11,593,100	20,559,000	13,293,000		
Loan Repayment Proceeds (actual)	53,549,507	5,354,951	1,881,000	8,707,000		
G.O. Bonds	0					
Recordation Tax Premium						
DHCA - Affordable Housing Acquisition and Preservation Project (CIP) - Total	203,795,507	17,629,551	22,440,000	22,000,000		
Affordable Housing Opportunity Fund (CIP)						
DHCA - Payment in Lieu of Taxes (Non-HOC PILOTs)	134,223,825	11,982,383	18,162,389	19,070,508	6,749	Incl. MHI & CIPS In support of operating cost for Non-profits and Senior housing
DHCA - Payment in Lieu of Taxes (HOC PILOTs)	106,033,032	9,073,362	9,833,474	10,079,311	300	
DGS - Discounted Land Value	37,823,483	9,455,871	-	-	50	
Total Affordable Housing Support	1,016,596,568	94,746,223	117,260,881	137,890,919	9,099	Units Captured in DHCA

Note: 1). As transmitted in the FY21-26 Full CIP, the Executive's budget recommendations include reallocating \$0.44 million loan repayments in FY20 for the Affordable Housing Acquisition and Preservation CIP Project (P760100).

2). HHS-General Funded housing programs do not include related personnel costs. If personnel costs were included to provide permanent housing supportive services to County residents in need, the total HHS-General Funded amount would be \$21,868,640 for FY20 and \$25,350,458 for FY21.

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