



# Housing and Community Affairs

## RECOMMENDED FY23 BUDGET

\$68,414,227

## FULL TIME EQUIVALENTS

104.20

 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 FY23 Operating Budget for the Department of Housing and Community Affairs is \$68,414,227, an increase of \$6,669,758 or 10.80 percent from the FY22 Approved Budget of \$61,744,469. Personnel Costs comprise 18.55 percent of the budget for 110 full-time position(s) and no part-time position(s), and a total of 104.20 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 81.45 percent of the FY23 budget.

DHCA expects the total signed agreements for affordable housing projects through the Payment in Lieu of Taxes (PILOT) program to abate \$20.6 million in taxes in FY23.


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

-  Provide the highest level of affordable housing funding in the County's history by investing nearly \$100 million in affordable housing. This includes \$57 million in the Montgomery Housing Initiative (MHI) Fund, \$36.7 million in the Affordable

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Housing Acquisition and Preservation CIP project, and an additional \$6 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.

- ★ Dedicate one-time funding of \$40 million to create a new capital project, Preservation of Naturally Occurring Affordable Housing Fund, to support acquisition and preservation of at-risk currently naturally occurring affordable housing (NOAH), including units along the Purple Line and other County transit corridors.
- ★ Continue to protect lower-income residents from rent increases by working with nonprofits to identify and preserve at-risk naturally-occurring affordable housing and actively engaging purchasers with Rental Agreements to preserve affordable rents.
- ★ Continue to actively underwrite affordable housing loans to preserve and produce affordable housing. Five developments, including one senior and four family projects, have already been identified for potential funding in FY23. These developments would preserve or produce a total of 815 units, including 317 affordable units.
- ★ Commit additional resources in the Rental Assistance Program to pursue extension of approximately 125 expiring Moderately Priced Dwelling Units for another five years.
- ★ Collaborate with Health and Human Services (HHS), and the Housing Opportunities Commission (HOC) to provide rental assistance programs to the residents who need it the most. A renewed focus will be on eviction prevention, including targeted assistance and financial literacy seminars in areas experiencing high eviction rates.
- ★ Continue to apply for and receive 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.
- ★ Allocate \$2 million from existing resources to explore, subject to the County's collective bargaining laws, a pilot program for down payment assistance to full-time career employees of Montgomery County and Montgomery County Public Schools to help make first time homebuying more affordable in the County.
- ★ Add an Investigator III Position for the Landlord-Tenant Mediation Program to support increasing demand for tenant services.
- ★ Add two positions in the Common Ownership Community Program to enhance staffing capacity and restructure program operations to provide more effective and efficient service delivery.

## INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

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- ★ Implemented the Affordable Housing Opportunity Fund to provide ready capital for acquisition and preservation of at-risk affordable housing. The fund launch in the first calendar quarter of 2022 provides opportunities for affordable housing developers to compete with market purchasers on cost of capital and timely execution to support preservation of affordability.
- ★ Implementing internet-facing support for resident access to information and services, including an affordable housing search application called 'Rental Marketplace' and the Moderately Priced Dwelling Units (MPDU) Portal for applicants. The Rental Marketplace leverages rental survey reporting to provide residents with an intuitive and efficient interface to identify rental properties by rent levels. The MPDU Portal provides secure registration, document submission, training, and processing of applications.
- ★ Produced the online, interactive "Housing and Building Code Enforcement Guide" to support public awareness of housing and building standards, and how to obtain support to promote healthy, safe, and thriving communities.
- ★ Responded to COVID impact by implementing the Microenterprise Stabilization Program, creating one of the few CDBG COVID funded programs for businesses implemented nationwide. The Program provided 177 small businesses with up to

\$10,000 grants to address COVID business impacts for business owners who met Community Development Block Grant household income eligibility.

## PROGRAM CONTACTS

Contact Pofen Salem of the Department of Housing and Community Affairs at 240.777.3728 or Anita Aryeetey of the Office of Management and Budget at 240.777.2784 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 FY22 estimates reflect funding based on the FY22 Approved Budget. The FY23 and FY24 figures are performance targets based on the FY23 Recommended Budget and funding for comparable service levels in FY24.

## 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 FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Asset Management - Loan repayments billed / received <sup>1</sup>	\$21,218,393	\$16,761,478	\$17,264,322	\$17,782,252	\$18,315,720
Department MC311 Service Requests (SR)	20,925	19,328	19,908	20,505	21,120
Department MC311 Service Request success rate	87.1%	91.2%	93.9%	96.8%	99.7%
NACo Awards earned	1	2	1	1	1

<sup>1</sup> FY20 spike in loan repayments includes several large refinancing payoffs.

FY23 Recommended Changes	Expenditures	FTEs
<b>FY22 Approved</b>	<b>2,379,713</b>	<b>13.70</b>
Re-align: Create an Information Technology Specialist Position for Cost Efficiency	98,760	1.00
Increase Cost: Six Percent Inflationary Increase to Non-Profit Service Provider Contracts	29,766	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.	(176,900)	(0.90)
<b>FY23 Recommended</b>	<b>2,331,339</b>	<b>13.80</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 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 FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Affordable Housing Program - Number of MC311 Service Requests	1,654	1,170	1,205	1,241	1,278
Affordable Housing Program - Percent of MC311 Service Requests meeting service length agreement	100.0%	99.3%	100.0%	100.0%	100.0%
Number of affordable housing units produced and available for occupancy (at no cost to the County)	79	264	277	291	306
Number of housing units improved/rehabilitated	248	118	125	125	125

FY23 Recommended Changes	Expenditures	FTEs
<b>FY22 Approved</b>	<b>967,439</b>	<b>10.50</b>
Re-align: Create a Program Manager II Position to Support Implementation of MPDU Requirements	75,781	1.00
Re-align: Abolish a Lapsed Office Services Coordinator Position to Create a Program Manager II Position to Implement MPDU Requirements	0	(1.00)
Re-align: Operating Expenses to Fund the Creation of a Program Manager II Position	(75,781)	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.	(41,583)	(3.00)
<b>FY23 Recommended</b>	<b>925,856</b>	<b>7.50</b>

## ☀ 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 FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
COC Program Customer Service - Number of MC311 Service Requests	757	675	695	716	738
COC Program Customer Service - Percent of MC311 Service Requests meeting service length agreement	99.6%	99.7%	100.0%	100.0%	100.0%
Percent of Commission on Common Ownership Communities (CCOC) cases resolved prior to a hearing	40.0%	42.0%	42.0%	42.0%	42.0%

FY23 Recommended Changes	Expenditures	FTEs
<b>FY22 Approved</b>	<b>712,097</b>	<b>4.15</b>
Add: MIII Position for Common Ownership Communities	96,322	1.00
Add: Investigator III Position for Common Ownership Communities	82,475	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.	14,296	0.00
<b>FY23 Recommended</b>	<b>905,190</b>	<b>6.15</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 FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Number of contracts awarded and monitored	48	25	25	26	25
Funding awarded to CDBG public service contracts	\$600,000	\$591,067	\$630,000	\$625,000	\$630,000
CDBG public service contract compliance rate	100%	100%	100%	100%	100%
CDBG public service contract non-housing beneficiaries <sup>1</sup>	\$6,382	\$8,250	\$19,612	\$10,000	\$10,300

<sup>1</sup> 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.

FY23 Recommended Changes	Expenditures	FTEs
<b>FY22 Approved</b>	<b>7,097,202</b>	<b>5.70</b>
Increase Cost: Community Development Block Grant (CDBG) Operating Expenses	102,750	0.00
Add: Bethesda Cares, Inc. - Full-time Support to Supervise Volunteers Providing Homeless Services	45,000	0.00
Add: Community Reach of Montgomery County, Inc. - Provides support for the operations of a Diabetes Center	45,000	0.00
Add: Lead4Life, Inc. - Disconnected Youth Intervention	45,000	0.00
Add: Montgomery Housing Partnership - Homework Club Afterschool Enrichment Program	45,000	0.00
Add: Montgomery County Coalition for the Homeless, Inc. - Rapid Exit Specialist	45,000	0.00
Add: Hispanic Business Foundation of Maryland, Inc. - Partnership Youth Initiative	45,000	0.00
Add: Community Reach of Montgomery County, Inc. - Reduce Financial Instability by Providing Case Management Services and Financial Assistance	43,500	0.00
Add: Interfaith Works, Inc. - Empowerment Center to Support Residents Experiencing Homelessness	41,100	0.00
Add: Cornerstone Montgomery Inc. - Provide Nursing Healthcare in Mental Health Residential Facilities	40,500	0.00
Add: EveryMind - Stabilizing Adults through Situational Support	39,131	0.00
Add: ECDC Enterprise Development Group - Small Business Loan Program for Low to Moderate Income People	35,400	0.00
Add: Horizons Greater Washington Inc. - Summer Youth Program to Improve Proficiency in Literacy and Math	35,000	0.00
Add: Community Bridges, Inc. - College Access and Success Program for Young Women from Low Income and/or Minority Backgrounds	35,000	0.00
Add: Latin American Youth Center, Inc. - Maryland Multicultural Youth Center Mental Health	34,619	0.00
Add: Arts for the Aging - Boost Wellness and Connection through the Arts.	26,685	0.00
Add: Mobile Medical Care Inc. - Diabetic Eye Health	24,065	0.00
Increase Cost: Emergency Solutions Grant Operating Expenses	11,158	0.00
Technical Adj: Takoma Park Code Enforcement Contract	1,057	0.00
Decrease Cost: Home Investment Partnership Program (HOME) Grant Operating Expenses	(4,392)	0.00
Decrease Cost: CDBG Grant Adjustments	(625,000)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	1,527,863	1.00
<b>FY23 Recommended</b>	<b>8,735,638</b>	<b>6.70</b>

## 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 FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Affordable housing units produced in the production pipeline	577	313	323	332	342
Number of affordable housing units in the preservation pipeline	58	558	368	379	390
Cost per unit of affordable housing units preserved	7,069	8,623	8,590	8,848	9,114
Cost per unit of affordable housing units produced <sup>1</sup>	\$24,801	\$56,284	\$58,966	\$60,735	\$62,557
Percent of affordable units created or preserved serving households under 50% AMI <sup>2</sup>	42.7%	30.0%	35.0%	37.5%	40.2%

<sup>1</sup> Average cost per unit fluctuates with the type of project financed.

<sup>2</sup> 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.

FY23 Recommended Changes	Expenditures	FTEs
<b>FY22 Approved</b>	<b>469,121</b>	<b>3.95</b>
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(69,892)	0.00
<b>FY23 Recommended</b>	<b>399,229</b>	<b>3.95</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; 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 FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Number of Housing Code Enforcement inspections	28,253	27,031	30,000	30,900	31,827
Housing Code Enforcement Program Customer Service - Number of MC311 Service Requests <sup>1</sup>	6,888	6,428	6,621	6,819	7,024
Housing Code Enforcement Program Customer Service - Percent of MC311 Service Requests meeting service length agreement	61.5%	74.3%	76.5%	78.8%	81.2%
Code Enforcement - Number of violations per unit	1.64	1.67	1.67	1.67	1.67
Code Enforcement - Average severity of violations per unit	1.27	1.5	1.5	1.5	2

<sup>1</sup>

FY23 Recommended Changes	Expenditures	FTEs
<b>FY22 Approved</b>	<b>4,595,390</b>	<b>38.50</b>
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	172,858	0.00
<b>FY23 Recommended</b>	<b>4,768,248</b>	<b>38.50</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 FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Number of Landlord Tenant meditations	686	610	684	684	684
Landlord Tenant Affairs Program - Number of MC311 Service Requests	7,053	7,049	7,260	7,478	7,703
Landlord Tenant Affairs Program - Percent of MC311 Service Requests meeting service length agreement	99.6%	99.7%	100.0%	100.0%	100.0%
Percent of landlord/tenant cases mediated successfully (not referred to the Commission)	97.0%	97.2%	97.2%	97.2%	97.2%
Number of evictions prevented due to Landlord & Tenant Affairs' intervention	402	450	450	450	450

FY23 Recommended Changes	Expenditures	FTEs
<b>FY22 Approved</b>	<b>1,412,014</b>	<b>8.00</b>
Add: Investigator III Position for the Landlord-Tenant Mediation Program	82,475	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.	(10,939)	0.00
<b>FY23 Recommended</b>	<b>1,483,550</b>	<b>9.00</b>

## ☼ 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 FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Licensing and Registration Program - Number of MC311 Service Requests	4,564	3,426	3,529	3,635	3,744
Licensing and Registration Program - Percent of MC311 Service Requests meeting service length agreement	100.0%	99.9%	100.0%	100.0%	100.0%
Number of rental licenses issued	114,365	107,626	107,600	107,600	107,600

FY23 Recommended Changes	Expenditures	FTEs
<b>FY22 Approved</b>	<b>456,256</b>	<b>3.20</b>
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	14,597	0.00
<b>FY23 Recommended</b>	<b>470,853</b>	<b>3.20</b>

## ☼ 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 FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Number of affordable housing units preserved and available for occupancy (County funded)	5,946	6,197	6,381	6,572	6,769
Number of affordable housing units produced and available for occupancy (County funded) <sup>1</sup>	546	650	668	688	929
Ratio of non-County dollars leveraged to County dollars in affordable housing projects	4.25	4.38	4.51	4.64	4.78
Total affordable housing units produced	1,202	1,640	1,306	1,345	1,999
Total affordable housing units preserved <sup>2</sup>	6,004	7,129	7,142	7,357	7,577

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

<sup>2</sup> Preservation increases projected in FY18-20 due to increases in MHI rental assistance funding.

FY23 Recommended Changes	Expenditures	FTEs
<b>FY22 Approved</b>	<b>41,798,198</b>	<b>6.90</b>
Enhance: Operating Expenses to Reflect Adjusted General Fund Transfer to MHI	4,842,120	0.00
Enhance: Rental Assistance Program Due to Increased Revenue Estimates	4,757,190	0.00
Enhance: Operating Expenses to Reflect Adjusted Investment Income Estimates	2,453,820	0.00
Increase Cost: Operating Expenses to Reflect Adjusted Debt Service for Housing CIP	1,534,800	0.00
Increase Cost: HOC Production Fund Contribution to MHI	729,167	0.00
Enhance: Reflect Adjusted Loan Payment Estimates	200,000	0.00
Increase Cost: Six Percent Inflationary Increase to Non-Profit Service Provider Contracts	73,007	0.00
Decrease Cost: Reflect Adjusted Other Financing Sources	(2,420)	0.00
Reduce: Designated Expenditures due to Adjustment of Reserve for Affordable Housing	(3,400,000)	0.00
Reduce: Affordable Housing Projects Based on Land Sale Proceeds Contributed to the MHI	(5,297,750)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(1,170,758)	1.00
<b>FY23 Recommended</b>	<b>46,517,374</b>	<b>7.90</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.

Program Performance Measures	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Focused Neighborhood Assistance Activity (expenditures) <sup>1</sup>	\$903,822	\$335,287	\$727,000	\$1,380,000	\$600,000
Facade Program - Private dollars leveraged	\$0	\$0	\$0	\$300,000	\$309,000
Focused Neighborhood Assistance Active projects	5	3	3	3	2
Focused Neighborhood Assistance beneficiaries <sup>2</sup>	191	1,400	1,400	2,200	2,200
Facade Program - Number of businesses benefited	0	0	7	8	10

<sup>1</sup> 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 is only for Kimberly Place Balconies.

<sup>2</sup> 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 is only for Kimberly Place Balconies.

FY23 Recommended Changes	Expenditures	FTEs
<b>FY22 Approved</b>	<b>1,857,039</b>	<b>6.60</b>
Re-align: Abolish a Vacant Planning Specialist III Position in the Neighborhood Revitalization Program to Support Creation of a New IT Specialist Position in the Management Services Program	(98,760)	(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.	118,671	1.90
<b>FY23 Recommended</b>	<b>1,876,950</b>	<b>7.50</b>

## BUDGET SUMMARY

	Actual FY21	Budget FY22	Estimate FY22	Recommended FY23	%Chg Bud/Rec
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	5,651,608	5,567,030	5,648,523	6,072,291	9.1 %
Employee Benefits	1,731,608	1,674,106	1,666,856	1,680,888	0.4 %
<b>County General Fund Personnel Costs</b>	<b>7,383,216</b>	<b>7,241,136</b>	<b>7,315,379</b>	<b>7,753,179</b>	<b>7.1 %</b>
Operating Expenses	1,519,675	1,637,893	1,493,880	1,741,465	6.3 %
<b>County General Fund Expenditures</b>	<b>8,902,891</b>	<b>8,879,029</b>	<b>8,809,259</b>	<b>9,494,644</b>	<b>6.9 %</b>
<b>PERSONNEL</b>					
Full-Time	106	107	107	110	2.8 %
Part-Time	1	0	0	0	—
FTEs	62.65	62.65	62.65	65.65	4.8 %
<b>REVENUES</b>					
Board of Appeals Fees	(2,250)	8,000	8,000	8,000	—
Common Ownership Community Fees	666,861	722,500	722,500	792,500	9.7 %
Fire Code Enforcement Permits	0	0	0	60,000	—
Landlord-Tenant Fees	5,669,814	7,119,750	7,119,750	7,592,500	6.6 %
Miscellaneous Revenues	(13,790)	6,500	6,500	6,500	—
Other Charges/Fees	(10,780)	74,350	74,350	74,350	—
Other Fines/Forfeitures	23,632	40,000	40,000	40,000	—
Other Licenses/Permits	0	492,000	492,000	492,000	—
<b>County General Fund Revenues</b>	<b>6,333,487</b>	<b>8,463,100</b>	<b>8,463,100</b>	<b>9,065,850</b>	<b>7.1 %</b>
<b>MONTGOMERY HOUSING INITIATIVE</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	1,347,183	1,849,048	1,258,710	1,989,224	7.6 %
Employee Benefits	375,074	517,828	347,813	507,069	-2.1 %
<b>Montgomery Housing Initiative Personnel Costs</b>	<b>1,722,257</b>	<b>2,366,876</b>	<b>1,606,523</b>	<b>2,496,293</b>	<b>5.5 %</b>
Operating Expenses	37,749,395	40,755,641	44,610,813	46,569,794	14.3 %
<b>Montgomery Housing Initiative Expenditures</b>	<b>39,471,652</b>	<b>43,122,517</b>	<b>46,217,336</b>	<b>49,066,087</b>	<b>13.8 %</b>

## BUDGET SUMMARY

	Actual FY21	Budget FY22	Estimate FY22	Recommended FY23	%Chg Bud/Rec
<b>PERSONNEL</b>					
Full-Time	0	0	0	1	—
Part-Time	0	0	0	0	—
FTEs	17.05	17.05	17.05	18.05	5.9 %
<b>REVENUES</b>					
Asset Management Fee	77,540	70,200	70,200	70,200	—
Commitment Fee	0	200,000	200,000	200,000	—
HOC Contributions	0	1,770,833	1,770,833	2,500,000	41.2 %
Investment Income	1,461,522	1,000,000	578,620	3,453,280	245.3 %
Land Sale Proceeds	0	6,797,750	6,797,750	1,500,000	-77.9 %
Loan Payments	12,840,059	3,100,000	3,300,000	3,300,000	6.5 %
MHI Transfer Tax	0	100,000	100,000	100,000	—
Miscellaneous Revenues	3,473,978	75,006	75,006	75,006	—
MPDU Alternative Payments	0	360,000	360,000	360,000	—
MPDU Revenues	2,492,079	1,970,000	1,970,000	1,970,000	—
Other Financing Sources	9,034	49,650	49,650	47,230	-4.9 %
Recordation Tax	16,313,395	14,753,187	19,825,844	19,510,377	32.2 %
<b>Montgomery Housing Initiative Revenues</b>	<b>36,667,607</b>	<b>30,246,626</b>	<b>35,097,903</b>	<b>33,086,093</b>	<b>9.4 %</b>

### GRANT FUND - MCG

<b>EXPENDITURES</b>					
Salaries and Wages	1,500,319	1,930,057	1,930,057	1,932,732	0.1 %
Employee Benefits	338,283	551,984	551,984	507,051	-8.1 %
<b>Grant Fund - MCG Personnel Costs</b>	<b>1,838,602</b>	<b>2,482,041</b>	<b>2,482,041</b>	<b>2,439,783</b>	<b>-1.7 %</b>
Operating Expenses	11,119,945	7,260,882	7,260,882	7,413,713	2.1 %
<b>Grant Fund - MCG Expenditures</b>	<b>12,958,547</b>	<b>9,742,923</b>	<b>9,742,923</b>	<b>9,853,496</b>	<b>1.1 %</b>

<b>PERSONNEL</b>					
Full-Time	0	0	0	(1)	—
Part-Time	0	0	0	0	—
FTEs	21.00	21.50	21.50	20.50	-4.7 %
<b>REVENUES</b>					
Federal Grants	4,649,706	7,462,246	7,462,246	7,571,762	1.5 %
Investment Income	139,808	0	0	0	—
Loan Payments	3,551,168	2,000,000	2,000,000	2,000,000	—
Other Intergovernmental	21	280,677	280,677	281,734	0.4 %
State Grants	70,335	0	0	0	—
<b>Grant Fund - MCG Revenues</b>	<b>8,411,038</b>	<b>9,742,923</b>	<b>9,742,923</b>	<b>9,853,496</b>	<b>1.1 %</b>

### DEPARTMENT TOTALS

## BUDGET SUMMARY

	Actual FY21	Budget FY22	Estimate FY22	Recommended FY23	%Chg Bud/Rec
<b>Total Expenditures</b>	<b>61,333,090</b>	<b>61,744,469</b>	<b>64,769,518</b>	<b>68,414,227</b>	<b>10.8 %</b>
<b>Total Full-Time Positions</b>	<b>106</b>	<b>107</b>	<b>107</b>	<b>110</b>	<b>2.8 %</b>
<b>Total Part-Time Positions</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>
<b>Total FTEs</b>	<b>100.70</b>	<b>101.20</b>	<b>101.20</b>	<b>104.20</b>	<b>3.0 %</b>
<b>Total Revenues</b>	<b>51,412,132</b>	<b>48,452,649</b>	<b>53,303,926</b>	<b>52,005,439</b>	<b>7.3 %</b>

## FY23 RECOMMENDED CHANGES

	Expenditures	FTEs
<b>COUNTY GENERAL FUND</b>		
<b>FY22 ORIGINAL APPROPRIATION</b>	<b>8,879,029</b>	<b>62.65</b>
<b><u>Changes (with service impacts)</u></b>		
Add: MIII Position for Common Ownership Communities [Common Ownership Community Program]	96,322	1.00
Add: Investigator III Position for Common Ownership Communities [Common Ownership Community Program]	82,475	1.00
Add: Investigator III Position for the Landlord-Tenant Mediation Program [Landlord-Tenant Mediation]	82,475	1.00
<b><u>Other Adjustments (with no service impacts)</u></b>		
Increase Cost: Annualization of FY22 Compensation Increases	163,925	0.00
Increase Cost: FY23 Compensation Adjustment	138,742	0.00
Increase Cost: Motor Pool Adjustment	71,271	0.00
Increase Cost: Annualization of FY22 Personnel Costs	56,625	0.00
Increase Cost: Six Percent Inflationary Increase to Non-Profit Service Provider Contracts [Administration]	29,766	0.00
Increase Cost: Printing and Mail Adjustment	2,535	0.00
Decrease Cost: Retirement Adjustment	(108,521)	0.00
<b>FY23 RECOMMENDED</b>	<b>9,494,644</b>	<b>65.65</b>
<b>MONTGOMERY HOUSING INITIATIVE</b>		
<b>FY22 ORIGINAL APPROPRIATION</b>	<b>43,122,517</b>	<b>17.05</b>
<b><u>Changes (with service impacts)</u></b>		
Enhance: Operating Expenses to Reflect Adjusted General Fund Transfer to MHI [Multi-Family Housing Programs]	4,842,120	0.00
Enhance: Rental Assistance Program Due to Increased Revenue Estimates [Multi-Family Housing Programs]	4,757,190	0.00
Enhance: Operating Expenses to Reflect Adjusted Investment Income Estimates [Multi-Family Housing Programs]	2,453,820	0.00
Enhance: Reflect Adjusted Loan Payment Estimates [Multi-Family Housing Programs]	200,000	0.00
Reduce: Designated Expenditures due to Adjustment of Reserve for Affordable Housing [Multi-Family Housing Programs]	(3,400,000)	0.00
Reduce: Affordable Housing Projects Based on Land Sale Proceeds Contributed to the MHI [Multi-Family Housing Programs]	(5,297,750)	0.00
<b><u>Other Adjustments (with no service impacts)</u></b>		

## FY23 RECOMMENDED CHANGES

	Expenditures	FTEs
Increase Cost: Operating Expenses to Reflect Adjusted Debt Service for Housing CIP [Multi-Family Housing Programs]	1,534,800	0.00
Increase Cost: HOC Production Fund Contribution to MHI [Multi-Family Housing Programs]	729,167	0.00
Re-align: Create an Information Technology Specialist Position for Cost Efficiency [Administration]	98,760	1.00
Re-align: Create a Program Manager II Position to Support Implementation of MPDU Requirements [Affordable Housing Programs]	75,781	1.00
Increase Cost: Six Percent Inflationary Increase to Non-Profit Service Provider Contracts [Multi-Family Housing Programs]	73,007	0.00
Increase Cost: Annualization of FY22 Compensation Increases	40,222	0.00
Increase Cost: FY23 Compensation Adjustment	30,545	0.00
Decrease Cost: Reflect Adjusted Other Financing Sources [Multi-Family Housing Programs]	(2,420)	0.00
Decrease Cost: Retirement Adjustment	(17,131)	0.00
Re-align: Operating Expenses to Fund the Creation of a Program Manager II Position [Affordable Housing Programs]	(75,781)	0.00
Re-align: Abolish a Vacant Planning Specialist III Position in the Neighborhood Revitalization Program to Support Creation of a New IT Specialist Position in the Management Services Program [Neighborhood Revitalization]	(98,760)	(1.00)
<b>FY23 RECOMMENDED</b>	<b>49,066,087</b>	<b>18.05</b>

### GRANT FUND - MCG

	FY22 ORIGINAL APPROPRIATION	9,742,923	21.50
<b><u>Federal/State Programs</u></b>			
Add: Lead4Life, Inc. - Disconnected Youth Intervention		45,000	0.00
Add: Hispanic Business Foundation of Maryland, Inc. - Partnership Youth Initiative		45,000	0.00
Add: Bethesda Cares, Inc. - Full-time Support to Supervise Volunteers Providing Homeless Services		45,000	0.00
Add: Montgomery County Coalition for the Homeless, Inc. - Rapid Exit Specialist		45,000	0.00
Add: Community Reach of Montgomery County, Inc. - Provides support for the operations of a Diabetes Center		45,000	0.00
Add: Montgomery Housing Partnership - Homework Club Afterschool Enrichment Program		45,000	0.00
Add: Community Reach of Montgomery County, Inc. - Reduce Financial Instability by Providing Case Management Services and Financial Assistance		43,500	0.00
Add: Interfaith Works, Inc. - Empowerment Center to Support Residents Experiencing Homelessness		41,100	0.00
Add: Cornerstone Montgomery Inc. - Provide Nursing Healthcare in Mental Health Residential Facilities		40,500	0.00
Add: EveryMind - Stabilizing Adults through Situational Support		39,131	0.00
Add: ECDC Enterprise Development Group - Small Business Loan Program for Low to Moderate Income People		35,400	0.00
Add: Community Bridges, Inc. - College Access and Success Program for Young Women from Low Income and/or Minority Backgrounds		35,000	0.00
Add: Horizons Greater Washington Inc. - Summer Youth Program to Improve Proficiency in Literacy and Math		35,000	0.00
Add: Latin American Youth Center, Inc. - Maryland Multicultural Youth Center Mental Health		34,619	0.00
Add: Arts for the Aging - Boost Wellness and Connection through the Arts.		26,685	0.00
Add: Mobile Medical Care Inc. - Diabetic Eye Health		24,065	0.00
<b><u>Other Adjustments (with no service impacts)</u></b>			

## FY23 RECOMMENDED CHANGES

	Expenditures	FTEs
Increase Cost: Community Development Block Grant (CDBG) Operating Expenses [Grants Administration - Federal Programs]	102,750	0.00
Increase Cost: Emergency Solutions Grant Operating Expenses [Grants Administration - Federal Programs]	11,158	0.00
Technical Adj: Takoma Park Code Enforcement Contract [Grants Administration - Federal Programs]	1,057	0.00
Re-align: Abolish a Lapsed Office Services Coordinator Position to Create a Program Manager II Position to Implement MPDU Requirements [Affordable Housing Programs]	0	(1.00)
Decrease Cost: Home Investment Partnership Program (HOME) Grant Operating Expenses [Grants Administration - Federal Programs]	(4,392)	0.00
Decrease Cost: CDBG Grant Adjustments [Grants Administration - Federal Programs]	(625,000)	0.00
<b>FY23 RECOMMENDED</b>	<b>9,853,496</b>	<b>20.50</b>

## PROGRAM SUMMARY

Program Name	FY22 APPR Expenditures	FY22 APPR FTEs	FY23 REC Expenditures	FY23 REC FTEs
Administration	2,379,713	13.70	2,331,339	13.80
Affordable Housing Programs	967,439	10.50	925,856	7.50
Common Ownership Community Program	712,097	4.15	905,190	6.15
Grants Administration - Federal Programs	7,097,202	5.70	8,735,638	6.70
Housing Administration	469,121	3.95	399,229	3.95
Housing Code Enforcement	4,595,390	38.50	4,768,248	38.50
Landlord-Tenant Mediation	1,412,014	8.00	1,483,550	9.00
Licensing and Registration	456,256	3.20	470,853	3.20
Multi-Family Housing Programs	41,798,198	6.90	46,517,374	7.90
Neighborhood Revitalization	1,857,039	6.60	1,876,950	7.50
<b>Total</b>	<b>61,744,469</b>	<b>101.20</b>	<b>68,414,227</b>	<b>104.20</b>

## CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY22 Total\$	FY22 FTEs	FY23 Total\$	FY23 FTEs
<b>COUNTY GENERAL FUND</b>					
Permitting Services	Permitting Services	101,627	1.00	108,638	1.00
Recycling and Resource Management	Solid Waste Disposal	691,391	5.50	707,264	5.50
CIP	Capital Fund	203,663	1.70	165,915	1.70
<b>Total</b>		<b>996,681</b>	<b>8.20</b>	<b>981,817</b>	<b>8.20</b>

## FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY23	FY24	FY25	FY26	FY27	FY28
<b>COUNTY GENERAL FUND</b>						
<b>EXPENDITURES</b>						
<b>FY23 Recommended</b>	<b>9,495</b>	<b>9,495</b>	<b>9,495</b>	<b>9,495</b>	<b>9,495</b>	<b>9,495</b>
No inflation or compensation change is included in outyear projections.						
<b>Annualization of Positions Recommended in FY23</b>	<b>0</b>	<b>219</b>	<b>219</b>	<b>219</b>	<b>219</b>	<b>219</b>
New positions in the FY23 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>Labor Contracts</b>	<b>0</b>	<b>317</b>	<b>317</b>	<b>317</b>	<b>317</b>	<b>317</b>
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
<b>Subtotal Expenditures</b>	<b>9,495</b>	<b>10,031</b>	<b>10,031</b>	<b>10,031</b>	<b>10,031</b>	<b>10,031</b>
<b>MONTGOMERY HOUSING INITIATIVE</b>						
<b>EXPENDITURES</b>						
<b>FY23 Recommended</b>	<b>49,066</b>	<b>49,066</b>	<b>49,066</b>	<b>49,066</b>	<b>49,066</b>	<b>49,066</b>
No inflation or compensation change is included in outyear projections.						
<b>Annualization of Positions Recommended in FY23</b>	<b>0</b>	<b>101</b>	<b>101</b>	<b>101</b>	<b>101</b>	<b>101</b>
New positions in the FY23 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>Labor Contracts</b>	<b>0</b>	<b>82</b>	<b>82</b>	<b>82</b>	<b>82</b>	<b>82</b>
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
<b>Subtotal Expenditures</b>	<b>49,066</b>	<b>49,249</b>	<b>49,249</b>	<b>49,249</b>	<b>49,249</b>	<b>49,249</b>

### ANNUALIZATION OF FULL PERSONNEL COSTS

	FY23 Recommended		FY24 Annualized	
	Expenditures	FTEs	Expenditures	FTEs
Create a Program Manager II Position to Support Implementation of MPDU Requirements	75,781	1.00	176,823	1.00
Investigator III Position for Common Ownership Communities	82,475	1.00	191,845	1.00
Investigator III Position for the Landlord-Tenant Mediation Program	82,475	1.00	192,442	1.00
<b>Total</b>	<b>240,731</b>	<b>3.00</b>	<b>561,110</b>	<b>3.00</b>



**FY23-28 PUBLIC SERVICES PROGRAM: FISCAL PLAN**

**Montgomery Housing Initiative**

FISCAL PROJECTIONS	FY22 APPROVED	FY22 ESTIMATE	FY23 REC	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
<b>ASSUMPTIONS</b>								
Indirect Cost Rate	19.18%	19.18%	18.35%	18.35%	18.35%	18.35%	18.35%	18.35%
CPI (Fiscal Year)	1.6%	5.4%	3.0%	2.3%	2.4%	2.4%	2.3%	2.2%
Investment Income Yield	0.1%	0.2%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%
<b>BEGINNING FUND BALANCE</b>	<b>20,635,425</b>	<b>47,597,551</b>	<b>12,747,400</b>	<b>3,276,600</b>	<b>823,600</b>	<b>582,700</b>	<b>334,500</b>	<b>394,600</b>
<b>REVENUES</b>								
Taxes	14,853,187	19,925,844	19,610,377	20,248,308	21,011,408	21,780,993	22,589,703	23,409,166
Charges For Services	70,200	70,200	70,200	71,787	73,488	75,230	76,945	78,607
Miscellaneous	15,323,239	15,101,859	13,405,516	12,980,236	13,097,956	13,276,758	13,462,356	13,655,026
<b>Subtotal Revenues</b>	<b>30,246,626</b>	<b>35,097,903</b>	<b>33,086,093</b>	<b>33,300,331</b>	<b>34,182,852</b>	<b>35,132,979</b>	<b>36,129,004</b>	<b>37,142,799</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>								
Transfers To Debt Service Fund	(16,718,400)	(11,566,600)	(15,262,000)	(17,906,600)	(17,798,020)	(22,123,890)	(22,122,599)	(26,421,400)
MHI HOC Housing Opportunity Fund	(3,400,000)	(3,071,100)	(3,073,200)	(3,071,000)	(3,069,500)	(3,072,100)	(3,070,300)	(3,068,800)
MHI Property Acquisition	(13,318,400)	(8,495,500)	(12,188,800)	(14,835,600)	(14,728,520)	(19,051,790)	(19,052,299)	(22,352,600)
Transfers To The General Fund	(453,967)	(453,967)	(458,070)	(477,584)	(498,454)	(520,236)	(542,502)	(565,070)
Indirect Costs	(453,967)	(453,967)	(458,070)	(477,584)	(498,454)	(520,236)	(542,502)	(565,070)
Transfers From The General Fund	28,740,829	28,740,829	30,182,949	30,182,949	30,182,949	30,182,949	30,182,949	30,182,949
General Fund	25,340,829	25,340,829	30,182,949	30,182,949	30,182,949	30,182,949	30,182,949	30,182,949
Designated Reserve for Affordable Housing	3,400,000	3,400,000	0	0	0	0	0	0
<b>TOTAL RESOURCES</b>	<b>62,450,513</b>	<b>99,415,716</b>	<b>60,296,372</b>	<b>48,375,696</b>	<b>46,892,928</b>	<b>43,254,501</b>	<b>43,981,352</b>	<b>41,733,878</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>								
Operating Budget	(43,072,667)	(30,397,146)	(2,939,743)	(2,939,743)	(2,939,743)	(2,939,743)	(2,939,743)	(2,939,743)
CPI-Fiscal Year for OE (= OE w/o FC x CPI)	n/a	n/a	0	(10,020)	(20,770)	(31,770)	(42,610)	(53,110)
Compensation Adjustment	n/a	n/a	0	(106,342)	(220,077)	(338,782)	(460,123)	(583,110)
Debt Service: Other (Non-Tax Funds only)	(49,650)	(49,650)	(47,230)	(54,510)	0	0	0	0
Annualizations and One-Time	n/a	n/a	0	(101,042)	(101,042)	(101,042)	(101,042)	(101,042)
Rental Assistance Program (RAP)	n/a	(9,770,540)	(19,510,377)	(20,248,308)	(21,011,408)	(21,780,993)	(22,589,703)	(23,409,166)
Affordable Housing Loans	n/a	(4,000,000)	(13,572,750)	(11,096,144)	(9,021,201)	(4,731,684)	(4,457,544)	(1,570,620)
HHS Housing Programs	n/a	n/a	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)
Neighborhoods to Call Home	n/a	0	(1,289,787)	(1,289,787)	(1,289,787)	(1,289,787)	(1,289,787)	(1,289,787)
Homeownership Assistance Program	n/a	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(43,122,517)</b>	<b>(46,217,336)</b>	<b>(49,066,087)</b>	<b>(47,552,096)</b>	<b>(46,310,228)</b>	<b>(42,920,001)</b>	<b>(43,586,752)</b>	<b>(41,652,778)</b>
<b>OTHER CLAIMS ON FUND BALANCE</b>	<b>(17,997,996)</b>	<b>(40,450,980)</b>	<b>(7,953,685)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(61,120,513)</b>	<b>(86,668,316)</b>	<b>(57,019,772)</b>	<b>(47,552,096)</b>	<b>(46,310,228)</b>	<b>(42,920,001)</b>	<b>(43,586,752)</b>	<b>(41,652,778)</b>
<b>YEAR END FUND BALANCE</b>	<b>1,330,000</b>	<b>12,747,400</b>	<b>3,276,600</b>	<b>823,600</b>	<b>582,700</b>	<b>334,500</b>	<b>394,600</b>	<b>81,100</b>
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>								
	2.1%	12.8%	5.4%	1.7%	1.2%	0.8%	0.9%	0.2%

Assumptions:

- Approximately \$100 million will be allocated in affordable housing, including expenditures of \$57.0 million reflected in this fund, \$22 million for the Affordable Housing Acquisition and Preservation CIP Project #760100, and \$6 million for Affordable Housing Opportunity Fund CIP Project #762101. The CIP fund assumes the issuance of \$14.89 million of debt, \$7.1 million in estimated loan repayments, and \$6 million funded with Recordation Tax Premium in FY23. 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.
- A supplemental request totaling \$14.75 million in Loan Repayments for the Acquisition and Preservation of Affordable Housing CIP Project #760100 was submitted to the Council in January 2022 for approval. The funding will be used 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.
- \$40 million in cash is dedicated to a new CIP project, Preservation of Naturally Occurring Affordable Housing Fund, P762201, to preserve those NOAH properties in areas at risk of rent escalation to higher market rents, including the Purple Line Corridor and other County transit corridors
- The six-year CIP includes \$25 million in Recordation Tax Premium for the Affordable Housing Acquisition and Preservation (760100) for additional housing acquisition and/or preservation activities in FY24 through FY26.
- 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% 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.
- The Executive recommends an additional \$4.8 million to be transferred from the General Fund to the MHI fund, compared to \$25.3 million approved for FY22. A combination totaling \$30.2 million transferred from the General Fund, the additional \$1.5 million collected from land sale proceeds, and the projected \$2.5 million contributed by the interest payments generated from HOC Housing Production Fund will reach beyond the 2.5% policy goal.
- Operating budget includes personnel costs, contracts for homeownership education, and miscellaneous expenses for consultants, technology upgrades and monitoring.

**AFFORDABLE HOUSING SUPPORT SUMMARY**

Funding Sources	Total County Resources (FY08 - FY21)	Avg Resources FY08-FY21	FY22 CC Approved Budget	FY23 Recommended Budget	Projected Creation / Preservation of Affordable Housing (FY23)	Notes
<b>Operating Budget Expenditures</b>						
DHCA - MHI Operating Budget	398,521,561	28,465,826	43,122,517	49,066,087		
DHCA - MHI Debt Service (interest only)	36,604,264	2,614,590	4,563,250	4,787,383		
HHS - General Fund - Housing Programs	137,008,191	9,786,299	16,847,775	23,968,821	2,500	Clients Served
HOC - Non-Departmental Account	87,123,489	6,223,106	6,895,693	7,633,168		
<b>Total Operating Budget</b>	<b>659,257,505</b>	<b>47,089,822</b>	<b>71,429,235</b>	<b>85,455,459</b>		
<b>Affordable Housing Acquisition and Preservation Project (CIP)</b>						
MHI	4,775,000	397,917				
HIF Revolving Loan Program	174,783,000	12,484,500	8,751,000	14,896,000		
Loan Repayment Proceeds (actual)	63,697,507	4,549,822	13,249,000	21,854,000		An FY22 supplemental request of \$14.75M is pending Council's action.
G.O. Bonds	-	-	-	-		
Recordation Tax Premium	4,544,540	568,068	-	-		
<b>DHCA - Affordable Housing Acquisition and Preservation Project (CIP) - Total</b>	<b>247,800,047</b>	<b>18,000,306</b>	<b>22,000,000</b>	<b>36,750,000</b>		
<b>Affordable Housing Opportunity Fund (CIP)</b>						
Preservation of Naturally Occurring Affordable Housing (NOAH) Fund	-	-	14,000,000	6,000,000	8,653	Includes Montgomery Housing Initiative Fund and Capital Improvements Program.
DHCA - Payment in Lieu of Taxes (Non-HOC PILOTs)	171,456,722	12,246,909	20,024,034	20,624,755	600	In support of operating costs for Non-profits and Senior housing
DHCA - Payment in Lieu of Taxes (HOC PILOTs)	125,436,849	8,959,775	9,993,954	10,593,592	150	
DGS - Discounted Land Value	49,493,163	8,248,861	6,797,750	1,500,000		Units captured in DHCA
<b>Total Affordable Housing Support</b>	<b>1,253,444,287</b>	<b>94,545,672</b>	<b>137,447,223</b>	<b>199,423,806</b>	<b>11,903</b>	