



Housing and Community Affairs

RECOMMENDED FY26 BUDGET

\$83,803,854

FULL TIME EQUIVALENTS

126.00

 SCOTT BRUTON, DIRECTOR

MISSION STATEMENT

The Department of Housing and Community Affairs (DHCA) works to preserve and increase the supply of affordable housing; maintain existing housing in a safe and sanitary condition; preserve the safety and quality of residential and commercial areas; ensure fair and equitable relations between landlords and tenants; and support the success of common ownership communities - all with a focus on reducing racial inequities and climate change impacts.

BUDGET OVERVIEW




The total recommended FY26 Operating Budget for the Department of Housing and Community Affairs is \$83,803,854, an increase of \$5,276,573 or 6.72 percent from the FY25 Approved Budget of \$78,527,281. Personnel Costs comprise 22.67 percent of the budget for 132 full-time position(s) and no part-time position(s), and a total of 126.00 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 77.33 percent of the FY26 budget.

DHCA expects the total signed agreements for affordable housing projects through the Payment in Lieu of Taxes (PILOT) program to abate \$24 million in taxes in FY25.

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:

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

INITIATIVES

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- ★ Provide \$121.3 million in funding to produce and preserve affordable housing units in Montgomery County. This funding commitment includes allocating \$12.4 million to the Montgomery Housing Initiative (MHI) Fund, \$102.0 million to the Affordable Housing Acquisition and Preservation CIP projects, \$5.0 million to the Affordable Housing Opportunity Fund, and \$1.9 million to the Revitalization for Troubled and Distressed Common Ownership Communities CIP projects.
 - ★ Provide \$59.8 million in resources for the Montgomery Housing Initiative Fund to continue various programs and projects dedicated to creating and preserving affordable housing and related services. The funding will provide for the renovation of distressed housing, creation of housing units for special needs residents, rental assistance and rapid rehousing, homeless prevention and relocation assistance, homeowner downpayment assistance, home accessibility rehabilitation, services to the Building Neighborhoods to Call Home, and Housing First programs, and the creation of mixed-income housing.
 - ★ Increase funding by \$1.5 million for the homeownership assistance programs, which provide additional resources for first-time homebuyers with downpayment assistance and needed counseling services.
 - ★ Continue funding to support the Rental Housing Division in implementing and executing rent stabilization mandates, ensuring landlords can gain a fair return on their investment, and effectively providing needed services for tenants through the collaboration between the Rent Stabilization Program and the Office of Landlord and Tenant Affairs.
 - ★ Increase licensing fees on multifamily rental units and short-term rentals to align with the fees charged by surrounding jurisdictions and offset staffing needs. The revenue generated from the licensing fees will support programmatic operations with four additional personnel to directly enforce required mandates and improve service delivery through Licensing and Registration, Code Enforcement, Landlord-Tenant Mediation, and Short-Term Residential Rental programs.
 - ★ Increase the registration fee for Common Ownership Communities to create a designated staff member to manage and administer the newly established loan program to revitalize troubled and distressed Common Ownership Communities (COC) and provide technical assistance to distressed COCs to help improve their long-term viability. This new loan program has identified two COC communities in FY25 that serve low-income homeowners for funding to address needed capital improvements and avoid the loss or displacement of housing units.
 - ★ Continue to actively underwrite affordable housing loans to preserve and produce affordable housing. Fifteen multi-family developments have already been identified for potential funding in FY26. These developments would maintain or create 2,353 units, including 2,018 affordable units.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ★ DHCA's Multifamily Housing Development Team successfully closed 17 residential real estate loan transactions in FY24, providing more than \$84.5 million towards these developments to preserve, rehabilitate, or produce 1,133 affordable housing units at an average cost of \$74,632 per unit.
- ★ DHCA's Moderately Priced Dwelling Unit (MPDU) program continues to generate new affordable units throughout the County. During FY24, the MPDU program generated 398 new MPDUs offered for sale (70 units) or rent (328 units).
- ★ The Commission on Common Ownership Communities successfully closed 80 cases in FY24. Of those, 66 cases were closed before a hearing, representing a success rate of 82.5 percent of all cases.
- ★ The Focused Neighborhood Assistance (FNA) program continues to provide additional funding in FY24 for site improvements and new lighting throughout the neighborhood in the Montclair Manor community of Silver Spring and completing the drainage improvements, new asphalt pedestrian pathways, and landscaping projects in the Wedgewood Community of Gaithersburg.

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 FY25 estimates reflect funding based on the FY25 Approved Budget. The FY26 and FY27 figures are performance targets based on the FY26 Recommended Budget and funding for comparable service levels in FY27.

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 FY23	Actual FY24	Estimated FY25	Target FY26	Target FY27
Asset Management - Loan repayments received ¹	\$36,076,199	\$147,093,248	\$80,262,017	\$82,669,877	\$85,149,974
Number of affordable housing units managed under DHCA Rental Agreements	1,269	1,219	1,419	1,619	1,819
Department MC311 Service Requests (SR)	26,194	25,266	26,023	26,805	27,609
Percent of department MC311 Service Requests meeting service length agreement	82.8%	87.0%	86.9%	86.9%	86.9%

¹ FY24 includes two large loan repayments from the County's Right of First Refusal (ROFR) projects that closed in FY23.

FY26 Recommended Changes	Expenditures	FTEs
FY25 Approved	3,625,687	20.60
Increase Cost: Adjust Operating Expenses to Reflect Increase in the General Fund Transfer	4,249,813	0.00
Increase Cost: Rental Assistance Program Due to Increased Recordation Tax Premium Estimates	2,510,283	0.00
Increase Cost: Adjust Other Revenue Sources in the Housing Initiative Fund	977,044	0.00
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts (Montgomery Housing Initiative)	67,255	0.00
Increase Cost: Grant Funded Position to Be Partially Funded with County Resources to Meet Federal Requirements	50,227	0.30
Increase Cost: Grant Funded Position to Be Partially Funded with County Resources to Meet Federal Requirements	33,332	0.20
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts (General Fund)	16,492	0.00
Decrease Cost: Grant Funded Position to Be Partially Funded with County Resources to Meet Federal Requirements	(26,231)	(0.20)
Decrease Cost: Grant Funded Position To Be Partially Funded with County Resources To Meet Federal Requirements	(57,328)	(0.30)
Decrease Cost: Miscellaneous Operating Expenses	(69,000)	0.00
Decrease Cost: Housing Opportunities Commission (HOC) Production Fund Contributions to the Housing Initiative Fund	(158,542)	0.00
Decrease Cost: Lapse Adjustment	(174,000)	0.00

FY26 Recommended Changes	Expenditures	FTEs
Decrease Cost: Operating Expenses to Reflect the Debt Service Transfer for the Housing Capital Improvements Program and the Housing Opportunities Commission Production Fund	(6,043,270)	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.	(974,998)	0.20
FY26 Recommended	4,026,764	20.80

Affordable Housing Programs

This program oversees the creation, selection, and oversight of inclusionary affordable housing units. It primarily enforces Chapter 25A of the County Code to ensure that both rental and sale Moderately Priced Dwelling Units (MPDUs) are provided. The housing units produced are marketed at controlled prices, which makes them affordable to moderate-income households.

Additional single-family housing programs are also overseen by this program to provide energy efficiency solutions and savings, and home accessibility rehabilitation.

Program Performance Measures	Actual FY23	Actual FY24	Estimated FY25	Target FY26	Target FY27
Number of moderately priced dwelling units agreed upon to be constructed for future occupancy	783	273	300	300	300
Number of moderately priced dwelling units produced and available for occupancy	327	285	300	300	300
Affordable Housing Program - Number of MC311 Service Requests	1,462	1,480	1,500	1,500	1,500
Affordable Housing Program - Percent of MC311 Service Requests meeting service length agreement	96.0%	91.0%	95.0%	95.0%	95.0%

FY26 Recommended Changes	Expenditures	FTEs
FY25 Approved	1,188,876	6.00
Add: Homebuyer Assistance Program	1,509,000	0.00
Increase Cost: Grant Funded Position to Be Funded with County Resources to Meet Federal Requirements	90,829	0.50
Increase Cost: Grant Funded Position to Be Funded with County Resources to Meet Federal Requirements	90,829	0.50
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(808,001)	0.00
FY26 Recommended	2,071,533	7.00

Common Ownership Community Program

The Office of Common Ownership Communities (OCOC) is committed to providing owners, tenants, residents, boards of directors, and management companies of self-governing residential communities with information, assistance, and impartial dispute resolution programs that improve the quality of life in the community, strengthen the self-governing community structure, and enhance the value of residential property in community associations." The OCOC enforces Chapter 10B, Common Ownership Communities of the Montgomery County Code.

The OCOC 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

Program Performance Measures	Actual FY23	Actual FY24	Estimated FY25	Target FY26	Target FY27
COC Program Customer Service - Number of MC311 Service Requests	886	716	801	801	801
COC Program Customer Service - Percent of MC311 Service Requests meeting service length agreement	93.5%	96.0%	96.0%	96.0%	96.0%
Percent of Commission on Common Ownership Communities (CCOC) cases resolved prior to a hearing	55.0%	77.2%	63.4%	63.4%	63.4%

FY26 Recommended Changes	Expenditures	FTEs
FY25 Approved	1,100,905	6.15
Add: Program Manager II Position to Manage the New CIP Revolving Loan Application, Provide Technical Assistance to Distressed COCs, and Enhance Community Outreach. (Offset by COC Revenue)	110,985	1.00
Decrease Cost: Miscellaneous Operating Expenses	(11,000)	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.	12,204	0.00
FY26 Recommended	1,213,094	7.15

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 persons with low incomes.

Program Performance Measures	Actual FY23	Actual FY24	Estimated FY25	Target FY26	Target FY27
Number of contracts awarded and monitored	21	17	19	18	18
Funding awarded to CDBG public service contracts	\$625,000	\$630,000	\$660,000	\$660,000	\$660,000
CDBG public service contract compliance rate	100%	100%	100%	100%	100%
CDBG public service contract non-housing beneficiaries ¹	6,277	10,527	14,680	10,000	10,000

¹ 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.

FY26 Recommended Changes	Expenditures	FTEs
FY25 Approved	8,119,739	5.00
Re-align: Operating Expenses with Grant Revenues	215,880	0.00
Add: Boys & Girls Clubs of Greater Washington, Inc.	45,000	0.00
Add: Collegiate Directions, Inc. - Career Mentoring Initiative	45,000	0.00
Add: Community Bridges, Inc. - Community Bridges Alumnae Program	45,000	0.00
Add: Arts for the Aging, Inc. - Sustaining Health Equity Through the Participatory Arts	40,000	0.00
Add: Liberty's Promise, Inc. - Helping the Immigrant Youth of Montgomery County Succeed	40,000	0.00
Add: Montgomery Housing Partnership, Inc. - MHP Workforce Development Program	40,000	0.00
Add: Latin American Youth Center, Inc.	39,250	0.00
Add: Montgomery County Coalition for the Homeless, Inc.	37,250	0.00

FY26 Recommended Changes	Expenditures	FTEs
Add: Homes Not Borders, Inc. - Home Set Ups and Moving Up Fund for Refugees and Migrants	33,334	0.00
Add: Korean Community Service Center of Greater Washington, Inc. - Strengthening Asian Families through Empowerment and Service (SAFES)	33,333	0.00
Add: African Communities Together, Inc	33,333	0.00
Add: Afrithrive, Inc	33,200	0.00
Add: Community Reach of Montgomery County, Inc. - Rockville Emergency Assistance Program (REAP)	32,000	0.00
Add: Comunibuild Foundation, Inc.	30,000	0.00
Add: CASA, Inc.	28,500	0.00
Add: Horizons Greater Washington, Inc. - HGW School Year Saturday Academy	28,000	0.00
Add: Germantown Cultural Arts Center, Inc. - Beyond BlackRock: Positive Youth Development Arts Outreach Programming	26,800	0.00
Add: Mobile Medical Care, Inc. - Keeping Focused on Diabetic Eye Health	25,000	0.00
Add: Community FarmShare LLC - Farm to Family Nutrition Access	25,000	0.00
Increase Cost: Takoma Park Code Enforcement Contract	15,075	0.00
Decrease Cost: Grant Funded Position to Be Partially Funded with County Resources to Meet Federal Requirements	(181,657)	(1.00)
Decrease Cost: Community Development Block Grant (CDBG) Adjustments	(660,000)	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.	475,789	0.00
FY26 Recommended	8,644,826	4.00

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 FY23	Actual FY24	Estimated FY25	Target FY26	Target FY27
Number of Housing Code Enforcement inspections ¹	41,142	106,287	107,000	108,000	109,000
Housing Code Enforcement Program Customer Service - Number of MC311 Service Requests	7,234	7,179	7,500	7,700	8,000
Housing Code Enforcement Program Customer Service - Percent of MC311 Service Requests meeting service length agreement	76.3%	96.0%	95.0%	95.0%	95.0%
Code Enforcement - Number of violations per unit	2.2	2.6	2.3	2.3	2.3
Code Enforcement - Average severity of violations per unit	2.1	2.2	2.3	2.3	2.3

¹ In FY24, the methodology for this measure was revised to include all inspections (both initial and follow-up) to more accurately reflect the workload of the Code Enforcement program.

FY26 Recommended Changes	Expenditures	FTEs
FY25 Approved	6,176,710	41.50
Add: Program Manager II to Support Increased Workload and Service Demands for Multifamily Inspections Resulting from Recently Implemented Legislation and Regulatory Changes. (Offset by Licensing Revenue)	110,985	1.00

FY26 Recommended Changes	Expenditures	FTEs
Increase Cost: Grant Funded Position to Be Funded with County Resources to Meet Federal Requirements	39,153	0.20
Re-align: Operating Expenses to Support Transcript Services for OLTA	(10,000)	0.00
Decrease Cost: Grant Funded Position To Be Partially Funded with County Resources To Meet Federal Requirements	(39,153)	(0.20)
Decrease Cost: Miscellaneous Operating Expenses	(47,500)	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.	411,568	0.00
FY26 Recommended	6,641,763	42.50

Housing Development

This program provides management and oversight to support activities within the housing division including single- and multifamily housing programs. In addition to oversight of the affordable housing and multifamily housing programs, Housing Administration also oversees downpayment assistance programs, the creation of new affordable housing initiatives, and tax abatement PILOTs.

Program Performance Measures	Actual FY23	Actual FY24	Estimated FY25	Target FY26	Target FY27
Affordable housing units produced in the production pipeline	406	283	580	850	900
Number of affordable housing units in the preservation pipeline	719	850	1,023	700	725
Cost per unit of affordable housing units preserved ¹	\$177,218	\$69,320	\$70,000	\$72,000	\$74,000
Cost per unit of affordable housing units produced ²	\$142,377	\$90,586	\$95,000	\$100,000	\$105,000

¹ The significant cost increase per affordable unit being preserved in FY23 reflects the overall economic changes associated with inflationary adjustments, higher construction costs, and local tax policy changes.

² Average cost per unit fluctuates with the type of project financed. The significant cost increase per unit being produced for FY23 reflects the overall economic changes associated with inflationary adjustments, higher construction costs, and local tax policy changes.

FY26 Recommended Changes	Expenditures	FTEs
FY25 Approved	266,054	1.95
Re-align: Operating Expenses to Support Mailing Activities	3,500	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.	129,146	0.00
FY26 Recommended	398,700	1.95

Landlord-Tenant Mediation

The Office of Landlord-Tenant Affairs (OLTA) is charged with informing the public of the general rights and responsibilities of tenants and landlords and helping resolve disputes amicably, free of charge, without having to go through the District Court process. Landlord-Tenant enforces Chapter 29, Landlord-Tenant Relations of the Montgomery County Code, along with parts of Title 8, Landlord-Tenant of the Real Property Article, Annotated Code of Maryland, the State of Maryland Landlord-Tenant law.

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 FY23	Actual FY24	Estimated FY25	Target FY26	Target FY27
Number of complaints filed with OLTA	937	1,148	1,377	1,721	2,065
Landlord Tenant Affairs Program - Number of MC311 Service Requests	12,938	8,962	9,858	10,844	11,928
Landlord Tenant Affairs Program - Percent of MC311 Service Requests meeting service length agreement	99.3%	99.6%	99.0%	99.0%	99.0%
Percent of Landlord/Tenant cases that result in consent agreements	96.1%	97.5%	97.0%	97.0%	97.0%
Number of evictions prevented due to Landlord & Tenant Affairs' intervention	287	224	246	246	246

FY26 Recommended Changes	Expenditures	FTEs
FY25 Approved	2,509,150	10.00
Add: Program Manager I to Provide Program Management support to implement the Office of Landlord and Tenant Affairs Complaint Process and Cases. (Offset by Licensing Revenue)	103,215	1.00
Re-align: Operating Expenses to Support Transcript Services for OLTA	10,000	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.	(370,695)	0.00
FY26 Recommended	2,251,670	11.00

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 FY23	Actual FY24	Estimated FY25	Target FY26	Target FY27
Licensing and Registration Program - Number of MC311 Service Requests	6,786	6,893	7,099	7,311	7,311
Licensing and Registration Program - Percent of MC311 Service Requests meeting service length agreement	64.8%	59.2%	60.0%	65.0%	70.0%
Number of rental licenses issued	109,266	110,523	110,523	112,180	113,863

FY26 Recommended Changes	Expenditures	FTEs
FY25 Approved	811,936	5.20
Add: MIII to Administer and Oversee the Licensing Process and the Annual Rental Survey. (Offset by Licensing Revenue)	134,415	1.00
Add: Program Specialist II to Enhance Staffing Capacity, and Generate Additional Revenue to Support Legislative Mandates. (Offset by Licensing Revenue)	96,280	1.00
Decrease Cost: Miscellaneous Operating Expenses	(3,000)	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.	39,482	0.00
FY26 Recommended	1,079,113	7.20

Multi-Family Housing Programs

This program creates, preserves, and rehabilitates affordable multi-family housing units. This section provides funding to supplement rents through rental agreements, negotiates Payments In Lieu of Taxes (PILOTS), reviews and approves rental building sales through the Right of First Refusal (ROFR) program, and negotiates and completes loans to create or preserve affordable units. Loans are made to the Housing Opportunities Commission (HOC), nonprofit organizations, property owners, and for-profit developers.

Major funding for these projects is provided from the Montgomery Housing Initiative Fund and other County Funds, 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 FY23	Actual FY24	Estimated FY25	Target FY26	Target FY27
Number of affordable housing units produced	406	392	579	600	600
Ratio of non-County dollars leveraged to County dollars in affordable housing projects	4.4	5.9	5.6	5.5	5.5
FY26 Recommended Changes			Expenditures	FTEs	
FY25 Approved				51,904,585	8.90
Decrease Cost: Miscellaneous Operating Expenses				(1,000)	0.00
Re-align: Operating Expenses to Support Mailing Activities in Housing Development				(3,500)	0.00
Re-align: Expenditures with Montgomery Housing Initiative Revenues				(145,174)	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.				1,858,555	(0.20)
FY26 Recommended				53,613,466	8.70

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 FY23	Actual FY24	Estimated FY25	Target FY26	Target FY27
Focused Neighborhood Assistance Activity (expenditures) ¹	\$317,080	\$274,328	\$125,000	\$500,000	\$500,000
Focused Neighborhood Assistance Active projects ²	3	3	2	2	2
Focused Neighborhood Assistance beneficiaries ³	1,583	1,565	380	380	380
Facade Program - Private dollars leveraged	\$0	\$289,902	\$1,602,012	\$2,098,100	\$1,664,189
Facade Program - Number of businesses benefited ⁴	0	8	60	26	43

¹ The Neighborhood Revitalization Section anticipates starting facility planning/design on two additional Focused Neighborhood Assistance projects in FY25 and completing construction for these projects in FY26 and FY27. Solicitations for new projects will be sent in FY25 via email and placed on the department's website.

² The Neighborhood Revitalization Section anticipates starting facility planning/design on two additional Focused Neighborhood Assistance projects in FY25 and completing construction for these projects in FY26 and FY27.

³ The Neighborhood Revitalization Section anticipates starting facility planning/design on two additional Focused Neighborhood Assistance projects in FY25. Each project will consist of 152 units that typically have an average occupancy rate of 2.5 residents per unit which is why FY25-FY27 projections account for 280 beneficiaries.

⁴ FY25-FY26 figures are based on actual tenant counts per property. The FY27 projection figure is the average of FY25 and FY26 figures.

FY26 Recommended Changes	Expenditures	FTEs
FY25 Approved	1,899,409	6.70
Increase Cost: Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements	37,372	0.20
Increase Cost: Grant Funded Position to Be Partially Funded with County Resources to Meet Federal Requirements	23,074	0.10

FY26 Recommended Changes	Expenditures	FTEs
Decrease Cost: Grant Funded Position To Be Partially Funded with County Resources To Meet Federal Requirements	(23,074)	(0.10)
Decrease Cost: Grant Funded Position To Be Partially Funded with County Resources To Meet Federal Requirements	(37,372)	(0.20)
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(309,309)	0.00
FY26 Recommended	1,590,100	6.70

Rent Stabilization

This program implements Bill 15-23 Landlord-Tenant Relations- Rent Stabilization which was enacted by the Montgomery County Council on July 18, 2023, and signed into law by the Montgomery County Executive on July 24, 2023. The program will ensure the implementation and compliance of all aspects of the rent stabilization law and regulations, including but not limited to: determining annual rent increase limits for rent stabilized properties and enforcing compliance with these limits; enforcing landlord compliance with limits on fees charged to tenants; managing the application processes for and implementation of fair return, capital improvement, and substantial rehabilitation petitions for rent increases above annual limits; overseeing exemptions for rental properties from rent stabilization requirements; conducting community outreach to educate landlords and tenants about the rent stabilization law and regulations; responding to service inquiries and troubleshooting service problems related to the compliance with the rent stabilization law and regulations; investigating and enforcing remedies for noncompliance with the rent stabilization law and regulations; and enforcing landlord reporting requirements under the rent stabilization law and regulations.

FY26 Recommended Changes	Expenditures	FTEs
FY25 Approved	924,230	9.00
Decrease Cost: Miscellaneous Operating Expenses	(2,500)	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.	1,351,095	0.00
FY26 Recommended	2,272,825	9.00

BUDGET SUMMARY

	Actual FY24	Budget FY25	Estimate FY25	Recommended FY26	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	6,550,316	8,819,543	8,769,411	10,205,680	15.7 %
Employee Benefits	1,823,354	2,448,703	2,476,701	2,972,385	21.4 %
County General Fund Personnel Costs	8,373,670	11,268,246	11,246,112	13,178,065	16.9 %
Operating Expenses	1,876,863	2,199,927	1,975,927	2,072,888	-5.8 %
County General Fund Expenditures	10,250,533	13,468,173	13,222,039	15,250,953	13.2 %
PERSONNEL					
Full-Time	112	127	127	132	3.9 %
Part-Time	0	0	0	0	—
FTEs	69.25	84.45	84.45	90.05	6.6 %

BUDGET SUMMARY

	Actual FY24	Budget FY25	Estimate FY25	Recommended FY26	%Chg Bud/Rec
REVENUES					
Landlord-Tenant Fees	7,382,002	9,092,318	9,319,818	9,319,818	2.5 %
Common Ownership Community Fees	956,399	998,378	998,378	998,378	—
Other Charges/Fees	(5,585)	76,155	15,755	15,755	-79.3 %
Other Fines/Forfeitures	103,189	96,000	96,000	96,000	—
Miscellaneous Revenues	25,272	4,000	4,000	4,000	—
Board of Appeals Fees	(1,935)	35,620	35,620	35,620	—
Other Licenses/Permits	0	657,500	430,000	430,000	-34.6 %
County General Fund Revenues	8,459,342	10,959,971	10,899,571	10,899,571	-0.6 %

MONTGOMERY HOUSING INITIATIVE

EXPENDITURES

Salaries and Wages	2,130,843	2,664,181	2,665,097	3,150,169	18.2 %
Employee Benefits	568,402	713,155	720,450	887,087	24.4 %
Montgomery Housing Initiative Personnel Costs	2,699,245	3,377,336	3,385,547	4,037,256	19.5 %
Operating Expenses	77,221,374	52,818,763	59,540,373	55,785,172	5.6 %
Montgomery Housing Initiative Expenditures	79,920,619	56,196,099	62,925,920	59,822,428	6.5 %

PERSONNEL

Full-Time	1	2	2	2	—
Part-Time	0	0	0	0	—
FTEs	22.15	23.15	23.15	24.35	5.2 %

REVENUES

Commitment Fee	0	200,000	200,000	520,000	160.0 %
Asset Management Fee	0	70,200	70,200	71,758	2.2 %
MHI Transfer Tax	9,200	100,000	0	10,000	-90.0 %
Recordation Tax	20,855,947	22,886,826	23,057,932	25,397,109	11.0 %
Loan Payments	20,505,983	3,300,000	3,300,000	3,300,000	—
Miscellaneous Revenues	838,344	75,006	75,006	171,600	128.8 %
MPDU Revenues	1,997,208	1,970,000	1,970,000	1,700,000	-13.7 %
Investment Income	10,589,467	4,043,580	5,239,820	4,412,480	9.1 %
Other Charges and Fees	77,120	0	0	0	—
HOC Contributions	0	4,783,542	3,468,750	4,625,000	-3.3 %
Montgomery Housing Initiative Revenues	54,873,269	37,429,154	37,381,708	40,207,947	7.4 %

GRANT FUND - MCG

EXPENDITURES

Salaries and Wages	1,413,458	1,731,263	1,731,263	1,394,166	-19.5 %
Employee Benefits	364,060	419,246	419,246	392,852	-6.3 %
Grant Fund - MCG Personnel Costs	1,777,518	2,150,509	2,150,509	1,787,018	-16.9 %

BUDGET SUMMARY

	Actual FY24	Budget FY25	Estimate FY25	Recommended FY26	%Chg Bud/Rec
Operating Expenses	12,304,290	6,712,500	6,712,500	6,943,455	3.4 %
Grant Fund - MCG Expenditures	14,081,808	8,863,009	8,863,009	8,730,473	-1.5 %
PERSONNEL					
Full-Time	(1)	(2)	(2)	(2)	—
Part-Time	0	0	0	0	—
FTEs	14.80	13.40	13.40	11.60	-13.4 %
REVENUES					
Miscellaneous Revenues	104,614	0	0	0	—
Federal Grants	9,904,650	6,900,829	6,900,829	6,753,218	-2.1 %
Other Intergovernmental	452,914	302,180	302,180	317,255	5.0 %
State Grants	(1,400,824)	660,000	660,000	660,000	—
Loan Payments	2,380,038	1,000,000	1,000,000	1,000,000	—
Investment Income	457,087	0	0	0	—
Grant Fund - MCG Revenues	11,898,479	8,863,009	8,863,009	8,730,473	-1.5 %
DEPARTMENT TOTALS					
Total Expenditures	104,252,960	78,527,281	85,010,968	83,803,854	6.7 %
Total Full-Time Positions	112	127	127	132	3.9 %
Total Part-Time Positions	0	0	0	0	—
Total FTEs	106.20	121.00	121.00	126.00	4.1 %
Total Revenues	75,231,090	57,252,134	57,144,288	59,837,991	4.5 %

FY26 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
	FY25 ORIGINAL APPROPRIATION	13,468,173 84.45
<u>Changes (with service impacts)</u>		
Add: MIll to Administer and Oversee the Licensing Process and the Annual Rental Survey. (Offset by Licensing Revenue) [Licensing and Registration]	134,415	1.00
Add: Program Manager II to Support Increased Workload and Service Demands for Multifamily Inspections Resulting from Recently Implemented Legislation and Regulatory Changes. (Offset by Licensing Revenue) [Housing Code Enforcement]	110,985	1.00
Add: Program Manager II Position to Manage the New CIP Revolving Loan Application, Provide Technical Assistance to Distressed COCs, and Enhance Community Outreach. (Offset by COC Revenue) [Common Ownership Community Program]	110,985	1.00
Add: Program Manager I to Provide Program Management support to implement the Office of Landlord and Tenant Affairs Complaint Process and Cases. (Offset by Licensing Revenue) [Landlord-Tenant Mediation]	103,215	1.00
Add: Program Specialist II to Enhance Staffing Capacity, and Generate Additional Revenue to Support Legislative Mandates. (Offset by Licensing Revenue) [Licensing and Registration]	96,280	1.00
<u>Other Adjustments (with no service impacts)</u>		

FY26 RECOMMENDED CHANGES

	Expenditures	FTEs
Increase Cost: Annualization of FY25 Personnel Costs	639,715	0.00
Increase Cost: FY26 Compensation Adjustment	529,718	0.00
Increase Cost: Annualization of FY25 Compensation Increases	227,135	0.00
Increase Cost: Motor Pool Adjustment	126,644	0.00
Increase Cost: Grant Funded Position to Be Funded with County Resources to Meet Federal Requirements [Affordable Housing Programs]	90,829	0.50
Increase Cost: Retirement Adjustment	40,846	0.00
Increase Cost: Grant Funded Position to Be Funded with County Resources to Meet Federal Requirements [Housing Code Enforcement]	39,153	0.20
Increase Cost: Grant Funded Position to Be Partially Funded with County Resources to Meet Federal Requirements [Neighborhood Revitalization]	23,074	0.10
Increase Cost: Printing and Mail Adjustment	18,958	0.00
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts (General Fund) [Administration]	16,492	0.00
Re-align: Operating Expenses to Support Transcript Services for OLTA [Landlord-Tenant Mediation]	10,000	0.00
Re-align: Operating Expenses to Support Mailing Activities [Housing Development]	3,500	0.00
Decrease Cost: Miscellaneous Operating Expenses [Multi-Family Housing Programs]	(1,000)	0.00
Decrease Cost: Miscellaneous Operating Expenses [Rent Stabilization]	(2,500)	0.00
Decrease Cost: Miscellaneous Operating Expenses [Licensing and Registration]	(3,000)	0.00
Re-align: Operating Expenses to Support Mailing Activities in Housing Development [Multi-Family Housing Programs]	(3,500)	0.00
Re-align: Operating Expenses to Support Transcript Services for OLTA [Housing Code Enforcement]	(10,000)	0.00
Decrease Cost: Miscellaneous Operating Expenses [Common Ownership Community Program]	(11,000)	0.00
Decrease Cost: Grant Funded Position to Be Partially Funded with County Resources to Meet Federal Requirements [Administration]	(26,231)	(0.20)
Decrease Cost: Miscellaneous Operating Expenses [Housing Code Enforcement]	(47,500)	0.00
Decrease Cost: Miscellaneous Operating Expenses [Administration]	(69,000)	0.00
Decrease Cost: Lapse Adjustment [Administration]	(174,000)	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY25	(191,433)	0.00
FY26 RECOMMENDED	15,250,953	90.05

MONTGOMERY HOUSING INITIATIVE

FY25 ORIGINAL APPROPRIATION	56,196,099	23.15
<u>Changes (with service impacts)</u>		
Add: Homebuyer Assistance Program [Affordable Housing Programs]	1,509,000	0.00
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Adjust Operating Expenses to Reflect Increase in the General Fund Transfer [Administration]	4,249,813	0.00
Increase Cost: Rental Assistance Program Due to Increased Recordation Tax Premium Estimates [Administration]	2,510,283	0.00
Increase Cost: Adjust Other Revenue Sources in the Housing Initiative Fund [Administration]	977,044	0.00
Increase Cost: Annualization of FY25 Personnel Costs	188,365	0.00

FY26 RECOMMENDED CHANGES

	Expenditures	FTEs
Increase Cost: FY26 Compensation Adjustment	154,773	0.00
Increase Cost: Grant Funded Position to Be Funded with County Resources to Meet Federal Requirements [Affordable Housing Programs]	90,829	0.50
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts (Montgomery Housing Initiative) [Administration]	67,255	0.00
Increase Cost: Annualization of FY25 Compensation Increases	64,696	0.00
Increase Cost: Grant Funded Position to Be Partially Funded with County Resources to Meet Federal Requirements [Administration]	50,227	0.30
Increase Cost: Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements [Neighborhood Revitalization]	37,372	0.20
Increase Cost: Grant Funded Position to Be Partially Funded with County Resources to Meet Federal Requirements [Administration]	33,332	0.20
Increase Cost: Annualization of FY25 Lapsed Positions	30,850	0.00
Increase Cost: Retirement Adjustment	9,476	0.00
Re-align: Expenditures with Montgomery Housing Initiative Revenues [Multi-Family Housing Programs]	(145,174)	0.00
Decrease Cost: Housing Opportunities Commission (HOC) Production Fund Contributions to the Housing Initiative Fund [Administration]	(158,542)	0.00
Decrease Cost: Operating Expenses to Reflect the Debt Service Transfer for the Housing Capital Improvements Program and the Housing Opportunities Commission Production Fund [Administration]	(6,043,270)	0.00
FY26 RECOMMENDED	59,822,428	24.35

GRANT FUND - MCG

	FY25 ORIGINAL APPROPRIATION	8,863,009	13.40
<u>Federal/State Programs</u>			
Add: Boys & Girls Clubs of Greater Washington, Inc.	45,000	0.00	
Add: Collegiate Directions, Inc. - Career Mentoring Initiative	45,000	0.00	
Add: Community Bridges, Inc. - Community Bridges Alumnae Program	45,000	0.00	
Add: Arts for the Aging, Inc. - Sustaining Health Equity Through the Participatory Arts	40,000	0.00	
Add: Liberty's Promise, Inc. - Helping the Immigrant Youth of Montgomery County Succeed	40,000	0.00	
Add: Montgomery Housing Partnership, Inc. - MHP Workforce Development Program	40,000	0.00	
Add: Latin American Youth Center, Inc.	39,250	0.00	
Add: Montgomery County Coalition for the Homeless, Inc.	37,250	0.00	
Add: Homes Not Borders, Inc. - Home Set Ups and Moving Up Fund for Refugees and Migrants	33,334	0.00	
Add: Korean Community Service Center of Greater Washington, Inc. - Strengthening Asian Families through Empowerment and Service (SAFES)	33,333	0.00	
Add: African Communities Together, Inc	33,333	0.00	
Add: Afrithrive, Inc	33,200	0.00	
Add: Community Reach of Montgomery County, Inc. - Rockville Emergency Assistance Program (REAP)	32,000	0.00	
Add: Comunibuild Foundation, Inc.	30,000	0.00	
Add: CASA, Inc.	28,500	0.00	
Add: Horizons Greater Washington, Inc. - HGW School Year Saturday Academy	28,000	0.00	

FY26 RECOMMENDED CHANGES

	Expenditures	FTEs
Add: Germantown Cultural Arts Center, Inc. - Beyond BlackRock: Positive Youth Development Arts Outreach Programming	26,800	0.00
Add: Mobile Medical Care, Inc. - Keeping Focused on Diabetic Eye Health	25,000	0.00
Add: Community FarmShare LLC - Farm to Family Nutrition Access	25,000	0.00
Other Adjustments (with no service impacts)		
Re-align: Operating Expenses with Grant Revenues [Grants Administration - Federal Programs]	215,880	0.00
Increase Cost: Takoma Park Code Enforcement Contract [Grants Administration - Federal Programs]	15,075	0.00
Decrease Cost: Grant Funded Position To Be Partially Funded with County Resources To Meet Federal Requirements [Neighborhood Revitalization]	(23,074)	(0.10)
Decrease Cost: Annualization of FY25 Personnel Costs	(24,907)	0.00
Decrease Cost: Grant Funded Position To Be Partially Funded with County Resources To Meet Federal Requirements [Neighborhood Revitalization]	(37,372)	(0.20)
Decrease Cost: Grant Funded Position To Be Partially Funded with County Resources To Meet Federal Requirements [Housing Code Enforcement]	(39,153)	(0.20)
Decrease Cost: Grant Funded Position To Be Partially Funded with County Resources To Meet Federal Requirements [Administration]	(57,328)	(0.30)
Decrease Cost: Grant Funded Position to Be Partially Funded with County Resources to Meet Federal Requirements [Grants Administration - Federal Programs]	(181,657)	(1.00)
Decrease Cost: Community Development Block Grant (CDBG) Adjustments [Grants Administration - Federal Programs]	(660,000)	0.00
FY26 RECOMMENDED		8,730,473 11.60

PROGRAM SUMMARY

Program Name	FY25 APPR Expenditures	FY25 APPR FTEs	FY26 REC Expenditures	FY26 REC FTEs
Administration	3,625,687	20.60	4,026,764	20.80
Affordable Housing Programs	1,188,876	6.00	2,071,533	7.00
Common Ownership Community Program	1,100,905	6.15	1,213,094	7.15
Grants Administration - Federal Programs	8,119,739	5.00	8,644,826	4.00
Housing Code Enforcement	6,176,710	41.50	6,641,763	42.50
Housing Development	266,054	1.95	398,700	1.95
Landlord-Tenant Mediation	2,509,150	10.00	2,251,670	11.00
Licensing and Registration	811,936	5.20	1,079,113	7.20
Multi-Family Housing Programs	51,904,585	8.90	53,613,466	8.70
Neighborhood Revitalization	1,899,409	6.70	1,590,100	6.70
Rent Stabilization	924,230	9.00	2,272,825	9.00
Total	78,527,281	121.00	83,803,854	126.00

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY25 Total\$	FY25 FTEs	FY26 Total\$	FY26 FTEs
COUNTY GENERAL FUND					
Permitting Services	Permitting Services	124,587	1.00	135,869	1.00
Recycling and Resource Management	Solid Waste Disposal	849,898	5.50	906,855	5.50
CIP	Capital Fund	200,300	1.40	221,102	1.40
Total		1,174,785	7.90	1,263,826	7.90

FUNDING PARAMETER ITEMS
CE RECOMMENDED (\$000S)

Title	FY26	FY27	FY28	FY29	FY30	FY31
COUNTY GENERAL FUND						
EXPENDITURES						
FY26 Recommended	15,251	15,251	15,251	15,251	15,251	15,251
No inflation or compensation change is included in outyear projections.						
Annualization of Positions Recommended in FY26	0	157	157	157	157	157
New positions in the FY26 budget are generally assumed to be filled at least three 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 FY26	0	(29)	(29)	(29)	(29)	(29)
Items recommended for one-time funding in FY26, including office supplies, and computer equipment will be eliminated from the base in the outyears.						
Labor Contracts	0	83	83	83	83	83
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	15,251	15,462	15,462	15,462	15,462	15,462

MONTGOMERY HOUSING INITIATIVE

EXPENDITURES						
FY26 Recommended	59,822	59,822	59,822	59,822	59,822	59,822
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	27	27	27	27	27
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	59,822	59,849	59,849	59,849	59,849	59,849

ANNUALIZATION OF FULL PERSONNEL COSTS

	FY26 Recommended		FY27 Annualized	
	Expenditures	FTEs	Expenditures	FTEs
Program Manager II to Support Increased Workload and Service Demands for Multifamily Inspections Resulting from Recently Implemented Legislation and Regulatory Changes. (Offset by Licensing Revenue)	103,725	1.00	134,986	1.00

ANNUALIZATION OF FULL PERSONNEL COSTS

	FY26 Recommended		FY27 Annualized	
	Expenditures	FTEs	Expenditures	FTEs
Program Manager I to Provide Program Management support to implement the Office of Landlord and Tenant Affairs Complaint Process and Cases. (Offset by Licensing Revenue)	95,955	1.00	124,771	1.00
MIII to Administer and Oversee the Licensing Process and the Annual Rental Survey. (Offset by Licensing Revenue)	127,155	1.00	166,057	1.00
Program Specialist II to Enhance Staffing Capacity, and Generate Additional Revenue to Support Legislative Mandates. (Offset by Licensing Revenue)	89,020	1.00	115,491	1.00
Program Manager II Position to Manage the New CIP Revolving Loan Application, Provide Technical Assistance to Distressed COCs, and Enhance Community Outreach. (Offset by COC Revenue)	103,725	1.00	134,986	1.00
Total	519,580	5.00	676,291	5.00

FY26-31 PUBLIC SERVICES PROGRAM: FISCAL PLAN
Montgomery Housing Initiative

FISCAL PROJECTIONS	FY25 APPROVED	FY25 ESTIMATE	FY26 RECOMMENDED	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION	FY30 PROJECTION	FY31 PROJECTION
ASSUMPTIONS								
Indirect Cost Rate	19.96%	19.96%	19.98%	19.98%	19.98%	19.98%	19.98%	19.98%
CPI (Fiscal Year)	2.2%	2.8%	2.5%	2.4%	2.3%	2.3%	2.3%	2.3%
Investment Income Yield	4.3%	4.8%	4.0%	3.8%	3.3%	3.0%	3.0%	3.0%
BEGINNING FUND BALANCE	5,146,068	16,885,434	8,497,054	1,098,700	453,700	307,000	155,800	0
REVENUES								
Taxes	22,986,826	23,057,932	25,407,109	27,711,024	29,026,217	30,280,944	31,393,785	32,081,470
Charges For Services	4,853,742	3,538,950	4,696,758	4,698,459	4,700,163	4,701,892	4,703,645	4,705,422
Miscellaneous	9,588,586	10,784,826	10,104,080	9,626,510	9,101,850	8,839,530	8,839,530	8,839,530
Subtotal Revenues	37,429,154	37,381,708	40,207,947	42,035,993	42,828,230	43,822,366	44,936,960	45,626,422
INTERFUND TRANSFERS (Net Non-CIP)								
Transfers To Debt Service Fund	(18,294,520)	(15,844,520)	(24,337,790)	(30,800,400)	(31,868,300)	(33,532,000)	(34,732,300)	(34,138,900)
MHI HOC Housing Production Fund			(7,072,100)	(7,070,300)	(7,068,800)	(7,072,900)	(7,072,300)	(7,068,900)
MHI Property Acquisition	(5,119,500)	(3,769,500)	(14,865,690)	(17,530,100)	(18,599,500)	(20,259,100)	(21,460,000)	(20,870,000)
MHI Property Acquisition - New FY26 Debt for CIP Project 760100	0	0	(2,400,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)	(6,200,000)
Transfers To The General Fund	(674,116)	(674,116)	(806,644)	(806,644)	(806,644)	(806,644)	(806,644)	(806,644)
Indirect Costs	(674,116)	(674,116)	(806,644)	(806,644)	(806,644)	(806,644)	(806,644)	(806,644)
Transfers From The General Fund	33,674,468	33,674,468	37,924,281	37,924,281	37,924,281	37,924,281	37,924,281	37,924,281
General Fund	33,674,468	33,674,468	37,924,281	37,924,281	37,924,281	37,924,281	37,924,281	37,924,281
TOTAL RESOURCES	57,281,054	71,422,974	61,484,848	49,451,930	48,531,267	47,715,003	47,478,097	48,605,159
PSP OPER. BUDGET APPROP/ EXP'S.								
Operating Budget	(56,196,099)	(62,925,920)	(4,500,326)	(4,500,326)	(4,500,326)	(4,500,326)	(4,500,326)	(4,500,326)
CPI-Fiscal Year for OE (= OE w/o FC x CPI)			0	(10,970)	(21,970)	(33,130)	(44,440)	(55,910)
Compensation Adjustment			0	(176,428)	(358,459)	(547,475)	(743,701)	(947,370)
Rental Assistance Program (RAP)			(25,397,109)	(27,701,024)	(29,016,217)	(30,270,944)	(31,383,785)	(32,071,470)
Affordable Housing Loans			(12,400,707)	914,804	3,196,992	5,316,958	6,718,442	6,494,203
HHS Housing Programs			(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)
Neighborhoods to Call Home			(1,990,713)	(1,990,713)	(1,990,713)	(1,990,713)	(1,990,713)	(1,990,713)
HARP (Design for Life)			(318,373)	(318,373)	(318,373)	(318,373)	(318,373)	(318,373)
Homeownership Assistance Program			(5,509,000)	(5,509,000)	(5,509,000)	(5,509,000)	(5,509,000)	(5,509,000)
Subtotal PSP Oper Budget Approp / Exp's	(56,196,099)	(62,925,920)	(59,822,428)	(48,998,230)	(48,224,266)	(47,559,203)	(47,478,096)	(48,605,159)
TOTAL USE OF RESOURCES	(56,196,099)	(62,925,920)	(60,386,148)	(48,998,230)	(48,224,266)	(47,559,203)	(47,478,096)	(48,605,159)
YEAR END FUND BALANCE	1,084,955	8,497,054	1,098,700	453,700	307,000	155,800	0	(0)
END-OF-YEAR RESERVES AS A								
PERCENT OF RESOURCES	1.9%	11.9%	1.8%	0.9%	0.6%	0.3%	0.0%	0.0%

Assumptions:

- Approximately \$61.5 million, including \$59.8 million in new funding, will be allocated in this fund to support the acquisition and preservation of affordable housing units, renovation of distressed housing, creation of housing units for special needs residents and mixed-income housing, first-time homeowner downpayment assistance, rental assistance, and a variety of services for permanent supportive housing and community development.
- A total of \$108.9 million will be funded through the FY26 CIP Budget in support of affordable housing, including \$102 million for the Affordable Housing Acquisition and Preservation CIP Project# 760100, \$5 million for the Affordable Housing Opportunity Fund CIP Project# 762101, and \$1.85 million to continue funding the Revitalization of Troubled and Distressed Common Ownership Communities CIP Project# 762504.
- Montgomery County Council Resolution #15-110 provides for an allocation from the General Fund to the Montgomery Housing Initiative fund (MHI) equivalent to 2.5% of actual General Fund property taxes from two years prior to the upcoming fiscal year to maintain and expand 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 County Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
- The operating budget includes personnel costs, contracts for homeownership education, consultants' miscellaneous expenses, relevant technology upgrades, and loan asset monitoring.

AFFORDABLE HOUSING SUPPORT SUMMARY							
Funding Sources	FY23 Approved Budget	Total County Resources (FY08 - FY23)	Avg Resources FY08-FY23	FY24 Approved Budget	FY25 Recommended Budget	FY26 Recommended Budget	Notes
Operating Budget Expenditures							
DHCA - MHI Operating Budget	49,090,423	490,734,501	29,442,939	49,681,692	56,196,099	59,822,428	MHI Debt Service Interest in FY25 includes Taxable Housing Certificates issued for HOC Production Fund 7,344 Clients Served
DHCA - MHI Debt Service (interest only)	4,787,383	45,954,897	2,744,501	7,225,931	5,771,000	4,412,480	
HHS - General Fund - Housing Programs	30,962,294	184,818,260	10,257,064	46,931,755	30,587,717	41,614,681	
HOC - Non-Departmental Account	7,633,168	101,652,350	6,267,945	7,972,501	8,295,315	9,054,132	
Total Operating Budget	92,473,268	823,160,008	48,712,449	111,811,879	100,850,131	114,903,721	
Affordable Housing Acquisition and Preservation Project (CIP)		-					
Current Revenue		4,775,000	397,917		65,000,000	-	
HIF Revolving Loan Program	14,896,000	198,430,000	12,235,600	19,277,000	17,355,000	91,311,000	
Loan Repayment Proceeds (actual)	21,854,000	98,800,507	5,129,767	2,723,000	4,645,000	5,669,000	
G.O. Bonds		-	-				
Recordation Tax Premium	-	4,544,540	504,949	10,000,000	10,000,000	5,000,000	
DHCA - Affordable Housing Acquisition and Preservation Project (CIP) - Total	36,750,000	306,550,047	18,268,233	32,000,000	97,000,000	102,000,000	
Nonprofit Preservation Fund					50,000,000	-	
Affordable Housing Opportunity Fund (CIP)	6,000,000	20,000,000	20,000,000	-	-	5,000,000	
Preservation of Naturally Occurring Affordable Housing (NOAH) Fund	40,000,000	40,000,000	-	-	-	-	
DHCA - Payment in Lieu of Taxes (Non-HOC PILOTS)	20,624,755	212,105,511	12,765,384	20,624,755	24,037,676	TBD	Pending results of analysis of regulation change Pending results of analysis of regulation change
DHCA - Payment in Lieu of Taxes (HOC PILOTS)	10,593,592	146,024,396	9,028,720	11,123,275	10,829,436	TBD	
DGS - Discounted Land Value	1,500,000	57,790,913	8,041,559	-			
Total Affordable Housing Support	206,441,615	1,605,630,876	116,816,345	175,559,909	282,717,243	221,903,721	

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