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# Housing and Community Affairs

## MISSION STATEMENT

The mission of the Department of Housing and Community Affairs is to plan and implement activities which prevent and correct problems that contribute to the physical decline of residential and commercial areas; ensure fair and equitable relations between landlords and tenants; increase the supply of affordable housing; and maintain existing housing in a safe and sanitary condition.

## BUDGET OVERVIEW

The total recommended FY13 Operating Budget for the Department of Housing and Community Affairs is \$29,062,068, an increase of \$3,203,158 or 12.4 percent from the FY12 Approved Budget of \$25,858,910. Personnel Costs comprise 24.3 percent of the budget for 79 full-time positions and five part-time positions for 65.50 FTEs. Operating Expenses and Debt Service account for the remaining 75.7 percent of the FY13 budget.

DHCA expects the total signed agreements for affordable housing projects through the PILOT program to abate \$10.2 million in taxes in FY13.

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

## LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

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

## DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below, with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY12 estimates reflect funding based on the FY12 approved budget. The FY13 and FY14 figures are performance targets based on the FY13 recommended budget and funding for comparable service levels in FY14.

## ACCOMPLISHMENTS AND INITIATIVES

- ❖ ***Invest over \$32 million for Affordable Housing including the Montgomery Housing Initiative (MHI) fund and utilize \$13.4 million from the Affordable Housing Acquisition and Preservation CIP project. This dedicated funding 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 creation of mixed-income housing. Within this allocation is \$1.5 million for senior housing.***
- ❖ ***Continue to use resources from the MHI fund to support rental assistance programs in the Department of Housing and Community Affairs (DHCA), Health and Human Services (DHHS) and the Housing Opportunities Commission (HOC).***
- ❖ ***Continued funding from Federal Grants (Community Development Block Grant (CDBG), the HOME Investment Partnership Grant (HOME), and the Emergency Shelter Grant (ESG) ) to provide funding for affordable housing, housing rehabilitation, commercial revitalization, focused neighborhood assistance, public services and preventing homelessness.***
- ❖ ***Administer a new two to three-year state-funded Weatherization Program which will provide energy-saving housing renovations for income-eligible county residents.***
- ❖ ***Continue to provide housing code enforcement to neighborhoods for improving safety and sanitary living***

conditions.

❖ **Continue to provide landlord-tenant mediation services to an expanding rental population and provide emergency housing services for eviction prevention.**

❖ **Productivity Improvements**

- **Migrate DHCA's House Loan and Rehab Loan applications to Oracle EBS Loan Servicing system. These improvements result in an application that is easier and less expensive to maintain, as well as improved integration with the County's enterprise systems.**
- **Migrate part of DHCA Licensing application to Oracle (accounts receivable). Redesign Geographic Information Systems (GIS) online apartment directory (using new enterprise data sources). These improvements result in an application that is easier and less expensive to maintain, improved identification of unlicensed residential rental properties, and integration with the County's enterprise systems.**
- **Pilot Siebel CRM Licensing system for Housing Rental License and Registration System (HLRS). These improvements result in an application that is easier and less expensive to maintain and integrated with the County's enterprise systems.**

## PROGRAM CONTACTS

Contact Tim Goetzinger of the Department of Housing and Community Affairs at 240.777.3728 or Jennifer Bryant of the Office of Management and Budget at 240.777.2761 for more information regarding this department's operating budget.

## PROGRAM DESCRIPTIONS

### Multi-Family Housing Programs

This program creates and preserves affordable multi-family housing units. Loans are made to the Housing Opportunities Commission, nonprofit organizations, property owners, and for-profit developers. This program provides funding to:

- preserve existing affordable housing units;
- construct and acquire affordable housing units;
- rehabilitate existing rental housing stock;
- participate in housing or mixed-use developments that will include affordable housing;
- acquire land to produce affordable housing;
- 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.

<b>Program Performance Measures</b>	<b>Actual FY10</b>	<b>Actual FY11</b>	<b>Estimated FY12</b>	<b>Target FY13</b>	<b>Target FY14</b>
Affordable housing units preserved - County funded <sup>1</sup>	254	802	802	329	343
Affordable housing units preserved - no cost to County	700	404	200	210	228
Affordable housing units preserved in production (pipe line)	330	440	379	340	128
Affordable housing units produced - County funded	436	497	412	434	193
Affordable housing units produced - no cost to County	114	184	193	203	213
Affordable housing units produced in production (pipe line) <sup>2</sup>	949	311	307	73	28
Cost per unit of affordable housing units preserved <sup>3</sup>	36,820	14,611	10,258	39,469	37,949
Cost per unit of affordable housing units produced <sup>4</sup>	44,612	47,513	55,473	38,099	29,113

<sup>1</sup> The significant decrease from FY12 to FY13 is a result of the expiration of American Recovery and Reinvestment Act (ARRA) programs.

<sup>2</sup> The significant decrease from FY12 to FY13 is a result of the expiration of ARRA programs.

<sup>3</sup> The significant decrease in per-unit cost in FY11 and FY12 and the subsequent increase in FY13 is a result of operating the Department of Energy (DOE) Weatherization (ARRA) program. Almost 1000 units were weatherized during FY11 and FY12, which at a per-unit cost of \$4,000, significantly decreased per-unit costs in this category.

<sup>4</sup> Fluctuations are expected from year to year given that different projects have different funding gaps as well as different programs are more expensive to run than others.

<b>FY13 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY12 Approved</b>	<b>14,723,220</b>	<b>7.00</b>
Enhance: Senior Housing	1,500,000	0.00
Shift: Expiration of ARRA Funding - Reallocate Personnel Cost to MHI	99,520	1.20
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	2,408,725	-0.20
<b>FY13 CE Recommended</b>	<b>18,731,465</b>	<b>8.00</b>

## Single-Family Housing Programs

This program creates and preserves affordable single-family housing units. It enforces Chapter 25A of the County Code to ensure that Moderately Priced Dwelling Units (MPDUs) are provided and monitored for resale control. The Code requires that 12.5 percent to 15.0 percent of an approved development of 20 dwelling units or more be MPDUs, depending on the amount of density bonus achieved. The housing units produced are marketed at controlled prices, which makes them affordable to moderate-income households. Additional single-family (SF) housing programs provide funding to replace, rehabilitate and weatherize single-family housing units and rehabilitate group homes (GH) for the special needs population. In addition, this program is responsible for the newly created Work Force Housing Initiative.

<b>Program Performance Measures</b>	<b>Actual FY10</b>	<b>Actual FY11</b>	<b>Estimated FY12</b>	<b>Target FY13</b>	<b>Target FY14</b>
Number of Housing Units Improved/Rehabilitated <sup>1</sup>	136	578	475	27	27

<sup>1</sup> Programs include Single Family Rehab, Group Home Rehab, and Weatherization. Large increases in FY10 and FY11 are attributed to \$5.2 million in economic stimulus funds for the Weatherization Program. The projected decline in FY13 is attributed to the expiration of ARRA funds and reductions in CDBG (grant) funding.

<b>FY13 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY12 Approved</b>	<b>862,940</b>	<b>7.50</b>
Shift: Expiration of ARRA Weatherization and CDBG-R Programs - Personnel Cost Reallocation to CDBG	222,342	1.60
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	-210,897	-1.10
<b>FY13 CE Recommended</b>	<b>874,385</b>	<b>8.00</b>

## Housing Code Enforcement

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

<b>Program Performance Measures</b>	<b>Actual FY10</b>	<b>Actual FY11</b>	<b>Estimated FY12</b>	<b>Target FY13</b>	<b>Target FY14</b>
Percent of Cases that Achieve Voluntary Compliance	94	94	94	94	94
Properties with more than two cases in a two year period	105	102	102	102	102

<b>FY13 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY12 Approved</b>	<b>1,007,610</b>	<b>14.90</b>
Increase Cost: Expiration of ARRA Funding - CDBG PC Reallocation to Landlord and Tenant Affairs (LTA) Fund	461,236	4.40
Increase Cost: Expiration of ARRA Funding - HOME Previous Year Funding - Personnel Cost Reallocation to LTA Fund	98,469	1.00
Increase Cost: Expiration of ARRA CDBG-R Funding - PC Reallocation to LTA Fund	63,615	1.00
Shift: Expiration of ARRA Weatherization Program - PC Reallocation from CDBG to the LTA Fund	-461,240	-4.40
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	429,834	2.20
<b>FY13 CE Recommended</b>	<b>1,599,524</b>	<b>19.10</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 Shelter Grant programs.

## Housing and Community Affairs

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.

<b>Program Performance Measures</b>	<b>Actual FY10</b>	<b>Actual FY11</b>	<b>Estimated FY12</b>	<b>Target FY13</b>	<b>Target FY14</b>
Number of Contracts Awarded and Monitored <sup>1</sup>	62	55	53	53	53

<sup>1</sup> Contracts include CDBG, ESG, HOME, MHI, Historic, Community Grants, and Empowerment Grants.

<b>FY13 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY12 Approved</b>	<b>6,899,760</b>	<b>3.50</b>
Increase Cost: Expiration of ARRA Weatherization and CDBG-R Funding - PC Reallocation to General Fund	71,254	0.40
Add: Community Development Block Grant: Catholic Charities of the Archdiocese of Washington, Inc. (legal services for low-income immigrants)	45,000	0.00
Add: Community Development Block Grant: Mental Health Association of Montgomery County, Inc. (youth development and family support program for youth with emotional / behavioral problems)	45,000	0.00
Add: Community Development Block Grant: The National Center for Children and Families, Inc. (supportive services for residents of Betty's House, a transitional housing program for survivor's of domestic	45,000	0.00
Add: Community Development Block Grant: African Women's Cancer Awareness Association, Inc. (outreach to increase breast cancer screening among African immigrant women)	44,928	0.00
Add: Community Development Block Grant: Community Bridges, Inc. (out-of-school-time services for 4th and 5th grade girls)	43,194	0.00
Add: Community Development Block Grant: Ministries United Silver Spring Takoma Park, Inc. (eviction prevention housing and utility assistance)	42,986	0.00
Add: Community Development Block Grant: IMPACT Silver Spring, Inc. (Family Asset Building Network (FABNET) economic empowerment program)	40,000	0.00
Add: Community Development Block Grant: Community Ministries of Rockville (naturalization/citizenship preparation for foreign-born residents)	38,500	0.00
Add: Community Development Block Grant: Germantown Cultural Arts Center, Inc. d.b.a. BlackRock Center for the Arts (afterschool program for middle schoolers)	33,533	0.00
Add: Community Development Block Grant: Rockville Presbyterian Church (staffing support for homeless shelter)	32,361	0.00
Add: Community Development Block Grant: Sudanese American Community Development Organization, Inc. (weekend school to bridge the cultural and generation gap between immigrant parents and their children)	24,835	0.00
Add: Community Development Block Grant: Eastern Montgomery Emergency Assistance Network, Inc. (emergency prescription assistance)	22,000	0.00
Reduce: Charge Eligible Staff Identified from General Fund to a Prior Year's HOME Program Allocation	-130,593	-0.80
Reduce: Increase Amount Available to CDBG-CIP by Shifting Funds from Operating to Capital	-142,000	0.00
Decrease Cost: Adjust for Individual Grants	-457,337	0.00
Reduce: CDBG Program Grant Amount	-601,207	-2.20
Reduce: HOME Program Grant Amount	-898,125	-0.60
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	-84,905	5.30
<b>FY13 CE Recommended</b>	<b>5,114,184</b>	<b>5.60</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.

<b>Program Performance Measures</b>	<b>Actual FY10</b>	<b>Actual FY11</b>	<b>Estimated FY12</b>	<b>Target FY13</b>	<b>Target FY14</b>
Average days required to conciliate Landlord/Tenant disputes that do not go to the Commission	46	33	33	30	30
Percent of Landlord/Tenant cases mediated successfully (not referred to the Commission)	97	97	97	97	97

<b>FY13 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY12 Approved</b>	<b>762,350</b>	<b>6.50</b>
Increase Cost: Expiration of ARRA Funding - MHI Personnel Cost Reallocation to LTA Fund	153,048	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. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	93,832	0.00
<b>FY13 CE Recommended</b>	<b>1,009,230</b>	<b>7.50</b>

## Neighborhood Revitalization

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

<b>Program Performance Measures</b>	<b>Actual FY10</b>	<b>Actual FY11</b>	<b>Estimated FY12</b>	<b>Target FY13</b>	<b>Target FY14</b>
Gains achieved in neighborhoods receiving DHCA neighborhood revitalization funding/services <sup>1</sup>	2	2	2	2	2

<sup>1</sup> Under development - data currently reflects number of neighborhoods

<b>FY13 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY12 Approved</b>	<b>128,260</b>	<b>3.30</b>
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	-24,470	-1.80
<b>FY13 CE Recommended</b>	<b>103,790</b>	<b>1.50</b>

## Licensing and Registration

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

<b>Program Performance Measures</b>	<b>Actual FY10</b>	<b>Actual FY11</b>	<b>Estimated FY12</b>	<b>Target FY13</b>	<b>Target FY14</b>
Number of Rental Licenses Issued <sup>1</sup>	84,648	87,720	90,491	91,570	92,669

<sup>1</sup> Programs include Accessory Apartments, Condominiums, Single Family, and Apartments.

<b>FY13 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY12 Approved</b>	<b>349,130</b>	<b>3.00</b>
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	36,376	0.00
<b>FY13 CE Recommended</b>	<b>385,506</b>	<b>3.00</b>

## Housing Administration

This program provides management and oversight to support activities within the housing division including single and multi-family housing programs, code enforcement, and landlord tenant mediation.

This program was formerly included as part of Housing Development and Loan Programs.

<b>FY13 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY12 Approved</b>	<b>307,860</b>	<b>2.80</b>
Decrease Cost: Miscellaneous Shifts in the General Fund to and from Grants and MHI	-42,486	-0.30
Shift: Housing Chief back to LTA Fund / General Fund	-73,233	-0.40
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	84,207	0.90
<b>FY13 CE Recommended</b>	<b>276,348</b>	<b>3.00</b>

## Administration

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

<b>FY13 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY12 Approved</b>	<b>817,780</b>	<b>8.40</b>
Increase Cost: Expiration of ARRA Weatherization Funding - Personnel Cost Reallocation to LTA Fund	42,958	0.30
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	106,898	1.10
<b>FY13 CE Recommended</b>	<b>967,636</b>	<b>9.80</b>

## BUDGET SUMMARY

	<b>Actual FY11</b>	<b>Budget FY12</b>	<b>Estimated FY12</b>	<b>Recommended FY13</b>	<b>% Chg Bud/Rec</b>
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	2,425,301	2,033,350	2,032,979	2,719,980	33.8%
Employee Benefits	897,506	793,120	859,252	1,160,816	46.4%
<b>County General Fund Personnel Costs</b>	<b>3,322,807</b>	<b>2,826,470</b>	<b>2,892,231</b>	<b>3,880,796</b>	<b>37.3%</b>
Operating Expenses	537,414	481,090	480,751	488,190	1.5%
Capital Outlay	0	0	0	0	—
<b>County General Fund Expenditures</b>	<b>3,860,221</b>	<b>3,307,560</b>	<b>3,372,982</b>	<b>4,368,986</b>	<b>32.1%</b>
<b>PERSONNEL</b>					
Full-Time	79	79	79	79	—
Part-Time	5	5	5	5	—
FTEs	29.60	26.50	26.50	36.90	39.2%
<b>REVENUES</b>					
Common Ownership Community Fees	411,359	0	0	0	—
Landlord-Tenant Fees	4,660,728	4,464,360	4,730,000	4,830,000	8.2%
Miscellaneous Revenues	24,378	20,000	20,000	20,000	—
Other Charges/Fees	5,896	0	0	0	—
Other Fines/Forfeitures	46,344	50,000	50,000	50,000	—
<b>County General Fund Revenues</b>	<b>5,148,705</b>	<b>4,534,360</b>	<b>4,800,000</b>	<b>4,900,000</b>	<b>8.1%</b>
<b>GRANT FUND MCG</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	1,968,865	1,536,920	1,536,920	1,196,210	-22.2%
Employee Benefits	723,008	489,140	489,140	451,529	-7.7%
<b>Grant Fund MCG Personnel Costs</b>	<b>2,691,873</b>	<b>2,026,060</b>	<b>2,026,060</b>	<b>1,647,739</b>	<b>-18.7%</b>
Operating Expenses	7,110,581	5,159,530	5,159,530	3,657,621	-29.1%
Capital Outlay	0	0	0	0	—
<b>Grant Fund MCG Expenditures</b>	<b>9,802,454</b>	<b>7,185,590</b>	<b>7,185,590</b>	<b>5,305,360</b>	<b>-26.2%</b>
<b>PERSONNEL</b>					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	17.10	17.30	17.30	13.80	-20.2%
<b>REVENUES</b>					
Federal Grants	8,606,755	5,860,590	5,860,590	3,980,360	-32.1%
Loan Payments	227,950	1,000,000	1,000,000	1,000,000	—
State Grants	830,430	325,000	325,000	325,000	—
Other Intergovernmental	137,319	0	0	0	—
<b>Grant Fund MCG Revenues</b>	<b>9,802,454</b>	<b>7,185,590</b>	<b>7,185,590</b>	<b>5,305,360</b>	<b>-26.2%</b>
<b>MONTGOMERY HOUSING INITIATIVE</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	1,014,660	1,125,060	1,125,059	1,140,912	1.4%
Employee Benefits	338,734	389,820	406,053	400,465	2.7%
<b>Montgomery Housing Initiative Personnel Costs</b>	<b>1,353,394</b>	<b>1,514,880</b>	<b>1,531,112</b>	<b>1,541,377</b>	<b>1.7%</b>
Operating Expenses	14,349,092	13,779,150	13,762,658	17,776,575	29.0%
Debt Service Other	0	71,730	71,730	69,770	-2.7%

	Actual FY11	Budget FY12	Estimated FY12	Recommended FY13	% Chg Bud/Rec
Capital Outlay	0	0	0	0	—
<b>Montgomery Housing Initiative Expenditures</b>	<b>15,702,486</b>	<b>15,365,760</b>	<b>15,365,500</b>	<b>19,387,722</b>	<b>26.2%</b>
<b>PERSONNEL</b>					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	12.00	13.10	13.10	14.80	13.0%
<b>REVENUES</b>					
Investment Income	600,547	380,000	600,000	500,000	31.6%
Loan Payments	8,182,556	1,750,000	1,750,000	2,500,000	42.9%
MHI Transfer Tax	1,157,171	750,000	750,000	750,000	—
Miscellaneous Revenues	568,487	25,000	25,000	75,006	200.0%
MPDU Revenues	1,543,575	2,450,000	2,450,000	1,500,000	-38.8%
Recordation Tax	3,361	0	0	4,415,500	—
Other Financing Sources	0	71,730	71,730	69,770	-2.7%
<b>Montgomery Housing Initiative Revenues</b>	<b>12,055,697</b>	<b>5,426,730</b>	<b>5,646,730</b>	<b>9,810,276</b>	<b>80.8%</b>
<b>DEPARTMENT TOTALS</b>					
<b>Total Expenditures</b>	<b>29,365,161</b>	<b>25,858,910</b>	<b>25,924,072</b>	<b>29,062,068</b>	<b>12.4%</b>
<b>Total Full-Time Positions</b>	<b>79</b>	<b>79</b>	<b>79</b>	<b>79</b>	<b>—</b>
<b>Total Part-Time Positions</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>—</b>
<b>Total FTEs</b>	<b>58.70</b>	<b>56.90</b>	<b>56.90</b>	<b>65.50</b>	<b>15.1%</b>
<b>Total Revenues</b>	<b>27,006,856</b>	<b>17,146,680</b>	<b>17,632,320</b>	<b>20,015,636</b>	<b>16.7%</b>

## FY13 RECOMMENDED CHANGES

	Expenditures	FTEs
<b>COUNTY GENERAL FUND</b>		
<b>FY12 ORIGINAL APPROPRIATION</b>	<b>3,307,560</b>	<b>26.50</b>
<b><u>Other Adjustments (with no service impacts)</u></b>		
Increase Cost: Expiration of ARRA Funding - CDBG PC Reallocation to Landlord and Tenant Affairs (LTA) Fund [Housing Code Enforcement]	461,236	4.40
Increase Cost: Expiration of ARRA Funding - MHI Personnel Cost Reallocation to LTA Fund [Landlord-Tenant Mediation]	153,048	1.00
Increase Cost: Group Insurance Adjustment	115,503	0.00
Increase Cost: Retirement Adjustment	113,936	0.00
Increase Cost: Lump Sum Wage Adjustment	106,678	0.00
Increase Cost: Expiration of ARRA Funding - HOME Previous Year Funding - Personnel Cost Reallocation to LTA Fund [Housing Code Enforcement]	98,469	1.00
Increase Cost: Expiration of ARRA CDBG-R Funding - PC Reallocation to LTA Fund [Housing Code Enforcement]	63,615	1.00
Increase Cost: Expiration of ARRA Weatherization Funding - Personnel Cost Reallocation to LTA Fund [Administration]	42,958	0.30
Increase Cost: Motor Pool Rate Adjustment	12,240	0.00
Increase Cost: Longevity Adjustment	708	0.00
Technical Adj: Conversion of WYs to FTEs in the New Hyperion Budgeting System; FTEs are No Longer Measured for Overtime and Lapse	0	3.40
Shift: Help Desk - Desk Side Support to the Desktop Computer Modernization NDA	-510	0.00
Decrease Cost: Printing and Mail Adjustment	-4,630	0.00
Decrease Cost: Miscellaneous Shifts in the General Fund to and from Grants and MHI [Housing Administration]	-42,486	-0.30
<b><u>Federal Programs</u></b>		
Increase Cost: Expiration of ARRA Weatherization and CDBG-R Funding - PC Reallocation to General Fund	71,254	0.40
Reduce: Charge Eligible Staff Identified from General Fund to a Prior Year's HOME Program Allocation	-130,593	-0.80
<b>FY13 RECOMMENDED:</b>	<b>4,368,986</b>	<b>36.90</b>
<b>GRANT FUND MCG</b>		
<b>FY12 ORIGINAL APPROPRIATION</b>	<b>7,185,590</b>	<b>17.30</b>
<b><u>Other Adjustments (with no service impacts)</u></b>		
Shift: Expiration of ARRA Weatherization and CDBG-R Programs - Personnel Cost Reallocation to CDBG [Single-Family Housing Programs]	222,342	1.60
Technical Adj: Conversion of WYs to FTEs in the New Hyperion Budgeting System; FTEs are No Longer Measured for Overtime and Lapse	0	2.10

	Expenditures	FTEs
Shift: Expiration of ARRA Weatherization Program - PC Reallocation from CDBG to the LTA Fund [Housing Code Enforcement]	-461,240	-4.40
<b>Federal Programs</b>		
Add: Community Development Block Grant: African Women's Cancer Awareness Association, Inc. (outreach to increase breast cancer screening among African immigrant women)	44,928	0.00
Add: Community Development Block Grant: Catholic Charities of the Archdiocese of Washington, Inc. (legal services for low-income immigrants)	45,000	0.00
Add: Community Development Block Grant: Community Bridges, Inc. (out-of-school-time services for 4th and 5th grade girls)	43,194	0.00
Add: Community Development Block Grant: Community Ministries of Rockville (naturalization/citizenship preparation for foreign-born residents)	38,500	0.00
Add: Community Development Block Grant: Eastern Montgomery Emergency Assistance Network, Inc. (emergency prescription assistance)	22,000	0.00
Add: Community Development Block Grant: Germantown Cultural Arts Center, Inc. d.b.a. BlackRock Center for the Arts (afterschool program for middle schoolers)	33,533	0.00
Add: Community Development Block Grant: IMPACT Silver Spring, Inc. (Family Asset Building Network (FABNET) economic empowerment program)	40,000	0.00
Add: Community Development Block Grant: Mental Health Association of Montgomery County, Inc. (youth development and family support program for youth with emotional / behavioral problems)	45,000	0.00
Add: Community Development Block Grant: Ministries United Silver Spring Takoma Park, Inc. (eviction prevention housing and utility assistance)	42,986	0.00
Add: Community Development Block Grant: Rockville Presbyterian Church (staffing support for homeless shelter)	32,361	0.00
Add: Community Development Block Grant: Sudanese American Community Development Organization, Inc. (weekend school to bridge the cultural and generation gap between immigrant parents and their children)	24,835	0.00
Add: Community Development Block Grant: The National Center for Children and Families, Inc. (supportive services for residents of Betty's House, a transitional housing program for survivor's of domestic violence)	45,000	0.00
Decrease Cost: Adjust for Individual Grants	-457,337	0.00
Reduce: CDBG Program Grant Amount	-601,207	-2.20
Reduce: HOME Program Grant Amount	-898,125	-0.60
Reduce: Increase Amount Available to CDBG-CIP by Shifting Funds from Operating to Capital	-142,000	0.00
<b>FY13 RECOMMENDED:</b>	<b>5,305,360</b>	<b>13.80</b>
<b>MONTGOMERY HOUSING INITIATIVE</b>		
<b>FY12 ORIGINAL APPROPRIATION</b>	<b>15,365,760</b>	<b>13.10</b>
<b>Changes (with service impacts)</b>		
Enhance: Add Rental Assistance Funds	2,415,500	0.00
Enhance: Senior Housing [Multi-Family Housing Programs]	1,500,000	0.00
<b>Other Adjustments (with no service impacts)</b>		
Shift: Expiration of ARRA Funding - Reallocate Personnel Cost to MHI [Multi-Family Housing Programs]	99,520	1.20
Increase Cost: Retirement Adjustment	31,522	0.00
Increase Cost: Lump Sum Wage Adjustment	25,337	0.00
Increase Cost: Group Insurance Adjustment	23,166	0.00
Increase Cost: Motor Pool Rate Adjustment	150	0.00
Technical Adj: Conversion of WYs to FTEs in the New Hyperion Budgeting System; FTEs are No Longer Measured for Overtime and Lapse	0	1.50
Technical Adj: Shift Housing Placement for Special Needs Customers Back to the General Fund and from DHCA Personnel in MHI to Housing First Allocation Operating Expenses	0	-0.60
Shift: Housing Chief back to LTA Fund / General Fund [Housing Administration]	-73,233	-0.40
<b>FY13 RECOMMENDED:</b>	<b>19,387,722</b>	<b>14.80</b>



## PROGRAM SUMMARY

Program Name	FY12 Approved		FY13 Recommended	
	Expenditures	FTEs	Expenditures	FTEs
Multi-Family Housing Programs	14,723,220	7.00	18,731,465	8.00
Single-Family Housing Programs	862,940	7.50	874,385	8.00
Housing Code Enforcement	1,007,610	14.90	1,599,524	19.10
Grants Administration - Federal Programs	6,899,760	3.50	5,114,184	5.60
Landlord-Tenant Mediation	762,350	6.50	1,009,230	7.50
Neighborhood Revitalization	128,260	3.30	103,790	1.50
Licensing and Registration	349,130	3.00	385,506	3.00
Housing Administration	307,860	2.80	276,348	3.00
Administration	817,780	8.40	967,636	9.80
<b>Total</b>	<b>25,858,910</b>	<b>56.90</b>	<b>29,062,068</b>	<b>65.50</b>

## CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY12		FY13	
		Total\$	FTEs	Total\$	FTEs
<b>COUNTY GENERAL FUND</b>					
CIP	CIP	657,800	5.20	719,242	6.10
Health and Human Services	Grant Fund MCG	77,200	0.50	0	0.00
Permitting Services	Permitting Services	121,059	1.00	121,059	1.00
Solid Waste Services	Solid Waste Disposal	705,500	5.90	705,500	5.50
<b>Total</b>		<b>1,561,559</b>	<b>12.60</b>	<b>1,545,801</b>	<b>12.60</b>

## FUTURE FISCAL IMPACTS

Title	CE REC.			(\$000's)		
	FY13	FY14	FY15	FY16	FY17	FY18
<b>This table is intended to present significant future fiscal impacts of the department's programs.</b>						
<b>COUNTY GENERAL FUND</b>						
<b>Expenditures</b>						
<b>FY13 Recommended</b>	<b>4,369</b>	<b>4,369</b>	<b>4,369</b>	<b>4,369</b>	<b>4,369</b>	<b>4,369</b>
No inflation or compensation change is included in outyear projections.						
<b>Elimination of One-Time Lump Sum Wage Adjustment</b>	<b>0</b>	<b>-107</b>	<b>-107</b>	<b>-107</b>	<b>-107</b>	<b>-107</b>
This represents the elimination of the one-time lump sum wage increases paid in FY13.						
<b>Subtotal Expenditures</b>	<b>4,369</b>	<b>4,262</b>	<b>4,262</b>	<b>4,262</b>	<b>4,262</b>	<b>4,262</b>
<b>MONTGOMERY HOUSING INITIATIVE</b>						
<b>Expenditures</b>						
<b>FY13 Recommended</b>	<b>19,388</b>	<b>19,388</b>	<b>19,388</b>	<b>19,388</b>	<b>19,388</b>	<b>19,388</b>
No inflation or compensation change is included in outyear projections.						
<b>Elimination of One-Time Lump Sum Wage Adjustment</b>	<b>0</b>	<b>-25</b>	<b>-25</b>	<b>-25</b>	<b>-25</b>	<b>-25</b>
This represents the elimination of the one-time lump sum wage increases paid in FY13.						
<b>Subtotal Expenditures</b>	<b>19,388</b>	<b>19,362</b>	<b>19,362</b>	<b>19,362</b>	<b>19,362</b>	<b>19,362</b>

FY13-18 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Montgomery Housing Initiative					
FISCAL PROJECTIONS	FY12 ESTIMATE	FY13 RECOMMENDED	FY14 PROJECTION	FY15 PROJECTION	FY16 PROJECTION	FY17 PROJECTION	FY18 PROJECTION
<b>ASSUMPTIONS</b>							
Indirect Cost Rate	12.59%	12.13%	12.13%	12.13%	12.13%	12.13%	12.13%
CPI (Fiscal Year)	3.1%	2.7%	2.9%	2.9%	2.7%	2.7%	2.7%
Investment Income Yield	0.15%	0.25%	0.35%	0.85%	1.60%	2.35%	2.85%
<b>BEGINNING FUND BALANCE</b>	<b>6,965,100</b>	<b>119,410</b>	<b>0</b>	<b>122,850</b>	<b>371,970</b>	<b>745,680</b>	<b>1,248,860</b>
<b>REVENUES</b>							
Miscellaneous	5,646,730	9,810,276	10,202,736	10,570,636	11,009,986	10,183,286	10,334,036
<b>Subtotal Revenues</b>	<b>5,646,730</b>	<b>9,810,276</b>	<b>10,202,736</b>	<b>10,570,636</b>	<b>11,009,986</b>	<b>10,183,286</b>	<b>10,334,036</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>							
Transfers To Debt Service Fund	(4,090,190)	(5,643,610)	(7,509,320)	(7,508,500)	(7,512,500)	(7,512,410)	(7,514,040)
Transfers To The General Fund	(205,060)	(202,560)	(198,360)	(196,350)	(186,970)	(186,970)	(186,970)
Indirect Costs	(190,720)	(186,970)	(186,970)	(186,970)	(186,970)	(186,970)	(186,970)
Technology Modernization	(14,340)	(15,590)	(11,390)	(9,380)	0	0	0
Transfers From The General Fund	9,573,290	15,304,210	20,505,490	16,255,200	16,499,000	16,757,850	17,032,260
<b>TOTAL RESOURCES</b>	<b>17,889,870</b>	<b>19,387,726</b>	<b>23,000,546</b>	<b>19,243,836</b>	<b>20,181,486</b>	<b>19,987,436</b>	<b>20,914,146</b>
Operating Budget	(3,144,120)	(3,172,987)	(3,295,837)	(3,422,107)	(3,546,697)	(3,676,167)	(3,812,557)
Debt Service: Other (Non-Tax Funds only)	(71,730)	(69,770)	(67,730)	(65,630)	(63,480)	(61,280)	(59,030)
Annualizations and One-Time	n/a	n/a	25,337	25,337	25,337	25,337	25,337
Rental Assistance Program	(2,000,000)	(4,415,500)	(4,810,000)	(5,180,000)	(5,621,500)	(4,797,000)	(4,950,000)
Housing First	(7,172,800)	(7,252,615)	(7,252,615)	(7,252,615)	(7,252,615)	(7,252,615)	(7,252,615)
Neighborhoods to Call Home	(596,340)	(596,340)	(596,340)	(596,340)	(596,340)	(596,340)	(596,340)
Special Needs and Nonprofit Housing	(2,380,510)	(2,380,510)	(2,380,510)	(2,380,510)	(2,380,510)	(2,380,510)	(2,380,510)
Senior Housing	n/a	(1,500,000)	(4,500,000)	0	0	0	0
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(15,365,500)</b>	<b>(19,387,722)</b>	<b>(22,877,695)</b>	<b>(18,871,865)</b>	<b>(19,435,805)</b>	<b>(18,738,575)</b>	<b>(19,025,715)</b>
<b>OTHER CLAIMS ON FUND BALANCE</b>	<b>(2,404,957)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(17,770,457)</b>	<b>(19,387,722)</b>	<b>(22,877,695)</b>	<b>(18,871,865)</b>	<b>(19,435,805)</b>	<b>(18,738,575)</b>	<b>(19,025,715)</b>
<b>YEAR END FUND BALANCE</b>	<b>119,410</b>	<b>0</b>	<b>122,850</b>	<b>371,970</b>	<b>745,680</b>	<b>1,248,860</b>	<b>1,888,430</b>
<b>TOTAL INVESTMENT</b>							
<b>TOTAL USE OF RESOURCES</b>	<b>(17,770,457)</b>	<b>(19,387,722)</b>	<b>(22,877,695)</b>	<b>(18,871,865)</b>	<b>(19,435,805)</b>	<b>(18,738,575)</b>	<b>(19,025,715)</b>
<b>Affordable Housing Acquisition and Preservation CIP Project # 760100</b>	<b>(44,219,000)</b>	<b>(13,350,000)</b>	<b>(10,000,000)</b>	<b>(2,150,900)</b>	<b>(7,531,000)</b>	<b>(761,000)</b>	<b>(1,166,000)</b>
<b>TOTAL INVESTMENT IN AFFORDABLE HOUSING (MHI Fund + CIP Project)</b>	<b>(61,989,457)</b>	<b>(32,737,722)</b>	<b>(32,877,695)</b>	<b>(21,022,765)</b>	<b>(26,966,805)</b>	<b>(19,499,575)</b>	<b>(20,191,715)</b>

**Assumptions:**

- Maintains the County Executive's commitment to affordable housing. In addition to expenditures reflected in this fund, the Affordable Housing Acquisition and Preservation CIP Project #760100 includes the issuance of \$10 million of debt in FY13 in addition to \$3.4 million in estimated loan repayments in FY13 to provide continued high level of support for the Housing Initiative Fund Property Acquisition Revolving Program created in FY09.
- FY12 Estimated CIP resources includes the unencumbered balance from prior years.
- Montgomery County Executive Order 136-01 provides for an allocation from the General Fund to the Montgomery Housing Initiative fund (MHI) equivalent to 2.5 percent of actual General Fund property taxes from two years prior to the upcoming fiscal year. 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, usage, inflation, future labor agreements, and other factors not assumed here.