

M E M O R A N D U M

April 9, 2021

TO: Health and Human Services Committee
Planning, Housing, and Economic Development Committee

FROM: Linda McMillan, Senior Legislative Analyst

SUBJECT: FY22 Operating Budget: Homeless Services, Rental Assistance, and Housing Initiative Fund

PURPOSE: Review and make recommendation on the FY22 Operating Budget

Expected to attend this session:

Amanda Harris, Chief, Services to End and Prevent Homelessness, Department of Health and Human Services (DHHS)
Aseem Nigam, Director, Department of Housing and Community Affairs (DHCA)
Frank Demarais, Deputy Director, DHCA
Ilana Branda, Deputy Chief, Services to End and Prevent Homelessness, DHHS
Deborah Lambert, Office of Management and Budget
Pofen Salem, Office of Management and Budget

At this session, the Joint Committee will review items in the FY22 Recommended Budget that fund programs supporting the homeless and formerly homeless population and tenant supports and eviction assistance. The PHED Committee will have additional review of the Housing Initiative Fund regarding housing preservation and production and homeownership programs. The HHS Committee will review some other components of the DHHS budget for the homeless system, such as healthcare for the homeless.

1. Point-in-Time

DHHS will begin the session by providing an overview of the results of the 2021 Point-in-Time Survey. The full report has not yet been released by the Council of Governments.

2. Increase Operating Expenses for Homeless Shelter System and Change to Year-Round Shelter Policy: \$3,081,279

Just prior to this discussion, the Joint Committee will have reviewed the recommendation for the new emergency homeless shelter which is needed as the County is required to leave the temporary men’s shelter on Taft Court and the recreation centers that have provided the space critical to preventing the spread of COVID-19.

The Executive is recommending an additional \$3.081 million for the operating costs of the homeless shelter system. These funds will both address the new shelter costs once it is open and will continue the current policy that provides emergency shelter 365 days per year. This is a change from the pre-COVID system that reduced the number of available shelter beds in warm months and opened a system of winter overflow beds during the colder months.

The exception to this is that Rainbow Place will continue to operate as a women’s winter overflow shelter.

The current FY20-FY21 baseline for emergency shelter contracts is:

| | |
|-------------------------|-------------|
| Women’s Shelter | \$1,034,148 |
| Women’s Overflow | 154,601 |
| Men’s Shelter | 1,009,608 |
| Progress Place Overflow | 103,999 |
| TOTAL | \$2,673,222 |
| | |
| Additional Funding | \$3,081,000 |
| NEW TOTAL | \$5,754,222 |

This is the pre-COVID baseline. These costs do not reflect the additional costs that have been incurred during the public health emergency.

The Department of Health and Human Services has established a new baseline for shelter costs that will be executed in new contracts. DHHS says, *“Using the budgets submitted by our nonprofit partners, we determined the average cost per bed night for both large and small facilities. The average annual cost per client for a small facility is approximately \$20,000 and \$13,000 for a large facility. Additional costs of hotels and services were included to ensure the continuum has “surge capacity” for an additional 100 beds.”*

Council staff recommendation: Approve the \$3.081 million as recommended by the Executive. Request additional information on the final determination on the number of beds and use of each facility when the new emergency shelter becomes part of the ongoing post-COVID system. Council staff notes that there are some additional components to the operation of the shelters, such as security, that have been separate contracts and the additional information should show the full costs projected for each shelter.

3. Housing Initiative Fund Overview of FY22 recommendation and allocations for rental assistance and permanent supportive housing.

The County Executive is recommending operating and capital resources which, after transfers out for debt service and indirect costs, will provide over \$89 million for affordable housing production, preservation, support for rental assistance and homeownership programs, and community-based services. The 6-Year Fiscal Plan for the HIF is at (1). This is a \$20.5 million increase from the amount appropriated and held in designated reserve for FY22. While some of this is due to a larger than expected beginning balance:

The Executive has recommended increasing the transfer from the General Fund by \$5.528 million to \$25.340 million.

The Executive has included \$6.8 million in proceeds from land sales based on the 25% required transfer to the HIF. The funding is from:

- Land Sale (\$131,000) to Davis Airport from Laytonsville Airport LLC - \$32,750 to the MHI
- WSSC Site II Land Sale (\$10.076M) from Global LifeSci Development Corporation as part of the White Oak Redevelopment - \$2.515M
- M-NCPPC Headquarters in Silver Spring (\$17M, part of the Wheaton Redevelopment CIP agreement) - \$4.25M

However, the Recordation Tax Premium that is for rental assistance and appropriated in the HIF has decreased. This is a critical funding source for the rental assistance system for DHHS and for the Housing Opportunities Commission (HOC).

| | FY20 | FY21 Budget | FY21Est | FY22 | |
|-----------------|--------------|--------------|--------------|--------------|--------|
| Recordation Tax | \$57,692,541 | \$59,185,261 | \$50,196,366 | \$52,665,092 | -11.0% |
| To HIF | \$18,388,868 | \$17,717,608 | \$14,068,216 | \$14,753,187 | -16.7% |

Because the Recordation Tax Premium can fluctuate, DHCA has kept a portion of revenues in contingency so that it can draw on them for ongoing costs associated with rental assistance. For FY22, there are \$14.753 million needed to fund the ongoing rental assistance obligations. But, as can be seen, the FY21 estimate is below that amount. Because of contingency funds, FY22 should not be a problem.

The HIF allocates monies to continue funding for the “HHS Housing Program” category that includes permanent supportive housing that was approved under the initial Housing First effort (\$8,369,080); the 100,000 Homes initiative (\$437,120) and the Zero 2016 veterans’ initiative (\$900,000).

As shown in the HIF Fiscal Plan, costs to the HIF for debt will increase. There are two main costs associated with debt. The first is the debt service for the bonds that fund the affordable housing acquisition and preservation CIP project. The cost is projected to increase from \$9.6 million in FY21 to \$18.4 million in FY27. The projection is based on the approval of the CIP project that assumes the additional bonds needed each year to provide a total of \$22 million in annual new expenditure authority. The second, is the cost associated with the HOC Housing Production Fund which is \$3.4 million each year starting in FY22 (there are also additional revenues to the HIF that will come from HOC). In FY22 the Executive recommends using \$3.4 million from the current designated reserve to cover this cost.

Council staff recommendation: For this Joint Committee session, **Council staff recommends concurrence with the allocations that the Executive has made for rental assistance and support for permanent supportive housing programs.** The PHED Committee will also review the HIF and discuss the use of the designated reserve for affordable housing and a recommendation from Council staff to reallocate some funds to the homeownership program.

4. DHHS Budget “the Rental Assistance Program (RAP)”’: increase of \$1,000,000

The Rental Assistance Program is a long-standing shallow subsidy program and is not related to the rental assistance programs that are in response to COVID. The Council approved changes through Bill 25-20 to update the program based on the recommendations of the Interagency Commission on Homelessness and the gap analysis. The main changes are:

- Reduce age of eligibility for RAP from 62 to 55;
- Clarified definition of a person with a documented disability;
- Removed the prohibition of eligibility for County residents without certain immigration documentation; and
- Provided that the specific benefit amount is established in regulation rather than law. The \$200 maximum was set in law and so was not changed for many years.

On Thursday, April 8, the HHS Committee recommended approval of the Executive Regulation that will implement these changes. RAP will be targeted to households that are in the homeless system or in danger of entering the homeless system. The maximum subsidy will be based on 25% of the average rent for a two-bedroom apartment. This will raise the current maximum from \$200 to over \$400 per month. The ability to provide a higher subsidy is needed for the eligible households to maintain their housing. A slide presentation to the HHS Committee is attached at © 2-7.

Currently, RAP is funded at about \$4 million per year. The higher maximum will reduce the total number of households that can be served – but will better serve those in the program. In anticipation of this change, as households leave the program through normal attrition, DHHS has reduced the number served. In FY20, RAP served 1,354 households compared to 1,961 in FY18. The average size of a household is just over two and the average household income is about \$23,400 per year.

The Executive is recommending a \$1 million increase in the DHHS budget for RAP to account for a portion of the impact of the program and policy changes. At an average \$400 a month subsidy, RAP would be able to serve about 1,040 households.

The Executive has identified Recovery Act funding as the source for this additional \$1 million. Housing support is an appropriate use of the federal funds, but these are ongoing subsidies and so a new source of funds will have to be identified when these funds end.

Council staff recommendation: Approve the Executive’s recommendation for an additional \$1 million for RAP. Concur with the use of Recovery Act funds for this purpose for FY22.

5. Increase Rapid Rehousing: \$490,000

The Executive recommends adding \$490,000 to the DHHS budget to increase Rapid Rehousing. Rapid Rehousing is time-limited assistance provided to households that are expected to be able to be financially sustainable once this specific subsidy ends. Depending on the program, Rapid Rehousing usually lasts from 12 to 24 months.

DHHS has provided the following information on the additional funds and on funds that were received through the Emergency Solutions Grant – CoronaVirus (ESG-CV).

The expansion of Rapid Rehousing will serve 30 households, 5 of which are reserved for survivors of domestic violence (DV). The program design itself remains as is: program participants can remain in the program for a maximum of 24 months, with an average length of stay of 9 months for most and 18 months for DV households. There is no maximum benefit amount, although rent must be within Fair Market Rent (FMR).

Services to End and Prevent Homelessness received one-time ESG-CV funding in FY21. An additional 200 units of Rapid Rehousing added to the continuum with these funds. This expansion of the program is different from our core Rapid Rehousing program in that participants can only receive 12 months of assistance, and that assistance cannot be renewed.

The Executive has identified Recovery Act funding as the source of funds for this additional \$490,000. As with RAP it is an appropriate use of federal funds, and as Rapid Rehousing is not a long-term subsidy, it is a good use of one-time funds.

Council staff recommendation: Approved the Executive’s recommendation for an additional \$490,000 for Rapid Rehousing and concur with the use of Recovery Act funds.

6. Update on COVID Rental Relief Program (CRRP) – Round 3 (to be launched)

DHHS is preparing for the launch of the third round of COVID Rental Assistance. Funding for this program is from the Department of Treasury and has been appropriated by the Council. Some of the parameters of the program include:

- The maximum benefit amount for households between 30% and 50% AMI is \$12,000. For a household of two, 50% of AMI monthly is \$4,200 and \$5,250 for a household of four.
- For households below 30% AMI, there is no maximum benefit amount but assistance for both arrears and prospective rent cannot exceed 15 months.
- For applicants who received funding in the previous round or rental assistance from another state or local program, the maximum benefit amount from all sources cannot exceed \$12,000, unless the household is below 30% AMI. CRRP cannot pay for rent for months covered by another rental assistance program.
- Households must have experienced a COVID-19 related loss of income. The gross income requirement of 50% or below AMI is from the previous 30-day period.
- Applicants must have been a Montgomery County resident since at least August 2020. Evidence of legal status is not required, and a social security number is not required. Some type of photo identification is needed and there must be proof that the applicant lives at the address.

DHHS (SEPH) will continue to operate the Exit Bonus program for persons in shelter as funding allows. To date, 33 individuals have participated in the program with only one returning to shelter.

7. Tenant Support including Legal Aid for Evictions

The Joint Committee and Council have had updates regarding DHCA's provision of funding to support tenants who are facing eviction, need to understand their rights, need resources for financial counseling and rent assistance. This is being done through partnerships with Legal Aid and non-profit organizations. Most recently, the Council acted to authorize a non-competitive award to the Homeless Persons Representation Project (HPRP) to provide legal representation to residents that cannot be represented by Legal Aid.

The Courts are open and eviction cases are now being heard. DHCA will provide the Joint Committee with an update and has provided the following:

DHCA has established an integrated eviction prevention tenant support strategy to provide services to tenants including one on one counseling; tenant education on rights; understanding and support in applying for rental assistance; understanding and preparing for court including actions needed for CDC and Governor's Executive Order eviction protections.

Funding of tenant support organizations and legal representation organizations uses funds available from DHCA FY21 \$218,000 budgeted for tenant support and DHHS Appropriated Federal \$500,000 allocated to Housing Stabilization services.

Legal Aid and HPRP are on site at the District Court. Non-profit partners are also assisting on site to help people with connecting to rent assistance services. Renters Alliance has been holding regular webinars as a part of their outreach to provide information on tenant rights, emphasize that people need to go to court when they receive a notice (this is how they connect with Legal Aid), and updates on rental assistance. Webinars have also included updates from DHHS on COVID and vaccination rollout.

| | TOTAL | FY21 DHCA | DHHS Federal |
|---|------------------|------------------|------------------|
| Housing Initiative Partnership | \$220,000 | \$60,000 | \$160,000 |
| Latino Economic Development Corp. | \$160,000 | \$60,000 | \$100,000 |
| Renters Alliance | \$208,000 | \$98,000 | \$110,000 |
| Maryland Legal Aid | \$50,000 | \$0 | \$50,000 |
| Homeless Persons Representation Project | \$80,000 | \$0 | \$80,000 |
| TOTAL | \$718,000 | \$218,000 | \$500,000 |

Neighborhoods to Call Home:

Each year, funds are allocated from the Housing Initiative Fund for certain contracts that support communities (tenants and homeowners) and the maintenance of affordable housing. For FY22, the Executive is allocating \$1,251,340 for the following:

- Rebuilding Together \$300,000
- Long Branch Tenant Counseling - CASA \$250,000
- Pine Ridge - CASA \$146,340
- Montgomery Housing Partnership - Focused Neighborhood Assistance \$120,000
- A Wider Circle \$225,000
- Montgomery Housing Partnership - Apartment Assistance Program \$140,000
- Potential for Additional Contract \$70,000

There is some unallocated funding. If it is awarded non-competitively, the request for authorization would come to the Council. If it is not awarded it will fall to the HIF balance.

Council staff recommendation: Approve as recommended.

| | |
|--|-------|
| Attached | © |
| Housing Initiative Fund Fiscal Plan | 1 |
| RAP Presentation to HHS Comm April 8 | 2-7 |
| FY22 Budget: DHHS Services to End and Prevent Homelessness | 8-15 |
| FY22 Budget: Department of Housing and Community Affairs | 16-31 |

| FY22-27 PUBLIC SERVICES PROGRAM: FISCAL PLAN | | Montgomery Housing Initiative | | | | | |
|--|---------------------|-------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| FISCAL PROJECTIONS | FY21 ESTIMATE | FY22 REC | FY23 PROJECTION | FY24 PROJECTION | FY25 PROJECTION | FY26 PROJECTION | FY27 PROJECTION |
| ASSUMPTIONS | | | | | | | |
| Indirect Cost Rate | 18.64% | 19.18% | 19.18% | 19.18% | 19.18% | 19.18% | 19.18% |
| CPI (Fiscal Year) | 1.3% | 1.6% | 2.0% | 2.4% | 2.4% | 2.4% | 2.4% |
| Investment Income Yield | 0.2% | 0.1% | 0.4% | 0.4% | 0.4% | 0.4% | 0.4% |
| BEGINNING FUND BALANCE | 29,438,536 | 20,635,425 | 1,330,000 | 410,000 | 0 | 0 | 0 |
| REVENUES | | | | | | | |
| Taxes | 14,168,216 | 14,853,187 | 15,687,110 | 16,857,444 | 17,605,446 | 20,040,563 | 21,583,480 |
| Charges For Services | 70,200 | 70,200 | 71,597 | 73,330 | 75,119 | 76,952 | 78,830 |
| Miscellaneous | 6,552,056 | 15,323,239 | 9,252,236 | 9,259,516 | 9,205,006 | 9,205,006 | 9,205,006 |
| Subtotal Revenues | 20,795,472 | 30,246,626 | 25,010,943 | 26,190,290 | 26,885,571 | 29,322,521 | 30,867,316 |
| INTERFUND TRANSFERS (Net Non-CIP) | | | | | | | |
| Transfers To Debt Service Fund | (10,121,700) | (16,718,400) | (17,918,500) | (19,172,900) | (20,516,800) | (21,824,200) | (21,820,900) |
| MHI - Property Acquisition Fund | (9,621,700) | (13,318,400) | (14,518,500) | (15,772,900) | (17,116,800) | (18,424,200) | (18,420,900) |
| MHI - HOC Housing Production Fund | | (3,400,000) | (3,400,000) | (3,400,000) | (3,400,000) | (3,400,000) | (3,400,000) |
| Transfers To The General Fund | (462,465) | (453,967) | (453,967) | (453,967) | (453,967) | (453,967) | (453,967) |
| Indirect Costs | (462,465) | (453,967) | (453,967) | (453,967) | (453,967) | (453,967) | (453,967) |
| Transfers From The General Fund | 20,312,045 | 28,740,829 | 25,340,829 | 25,340,829 | 25,340,829 | 25,340,829 | 25,340,829 |
| From General Fund | 19,812,045 | 25,340,829 | 25,340,829 | 25,340,829 | 25,340,829 | 25,340,829 | 25,340,829 |
| From Designated General Fund Reserve for Affordable Housing | 500,000 | 3,400,000 | 0 | 0 | 0 | 0 | 0 |
| TOTAL RESOURCES | 59,961,888 | 62,450,513 | 33,309,305 | 32,314,252 | 31,255,633 | 32,385,183 | 33,933,278 |
| PSP OPER. BUDGET APPROP/ EXP'S. | | | | | | | |
| Operating Budget | (5,878,951) | (2,769,776) | (2,769,776) | (2,769,776) | (2,769,776) | (2,769,776) | (2,769,776) |
| Debt Service: Other (Non-Tax Funds only) | (52,050) | (49,650) | (47,230) | (54,510) | 0 | 0 | 0 |
| Labor Agreement | n/a | 0 | (102,458) | (221,188) | (345,571) | (475,270) | (610,521) |
| Rental Assistance Program (RAP) | (14,068,216) | (14,753,187) | (15,687,110) | (16,857,444) | (17,605,446) | (20,040,563) | (21,583,480) |
| Affordable Housing Loans | (1,205,743) | (12,551,814) | (687,071) | 691,606 | 2,422,700 | 3,857,966 | 3,988,039 |
| HHS Housing Programs | (9,706,200) | (9,706,200) | (9,701,380) | (9,708,660) | (9,706,200) | (9,706,200) | (9,706,200) |
| Neighborhoods to Call Home | (1,251,340) | (1,251,340) | (1,251,340) | (1,251,340) | (1,251,340) | (1,251,340) | (1,251,340) |
| Homeownership Assistance Program | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) |
| Subtotal PSP Oper Budget Approp / Exp's | (34,162,500) | (43,081,967) | (32,246,365) | (32,171,312) | (31,255,633) | (32,385,183) | (33,933,278) |
| OTHER CLAIMS ON FUND BALANCE | (5,163,963) | (18,038,546) | (652,940) | (142,940) | 0 | 0 | 0 |
| TOTAL USE OF RESOURCES | (39,326,463) | (61,120,513) | (32,899,305) | (32,314,252) | (31,255,633) | (32,385,183) | (33,933,278) |
| YEAR END FUND BALANCE | | | | | | | |
| Affordable Housing and Acquisition and Preservation CIP Project #P760100 | (22,000,000) | (22,000,000) | (22,000,000) | (22,000,000) | (22,000,000) | (22,000,000) | (22,000,000) |
| Affordable Housing Opportunity Fund CIP Project #P762101 | (8,000,000) | (6,000,000) | | | | | |
| TOTAL ALLOCATION IN AFFORDABLE HOUSING (MHI Fund + CIP Projects) | (69,326,463) | (89,120,513) | (54,899,305) | (54,314,252) | (53,255,633) | (54,385,183) | (55,933,278) |
| END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES | 34.4% | 2.1% | 1.2% | 0.0% | 0.0% | 0.0% | 0.0% |

Assumptions:

1. A total of \$89.1 million will be allocated in affordable housing, including expenditures of \$61.1 million reflected in this fund, \$22 million for the Affordable Housing Acquisition and Preservation CIP Project #760100, and \$6 million for Affordable Housing Opportunity Fund CIP Project #762101. The CIP fund assumes the issuance of \$13.25 million of debt, \$8.75 million in estimated loan repayments, and \$6 million funded with Recordation Tax Premium in FY22. The funding provided a continued high level of support for renovation of distressed housing, the acquisition and preservation of affordable housing units, creation of housing units for special needs residents and mixed-income housing and a variety of services for permanent supportive housing and community development.
2. A supplemental request for the new Affordable Housing Opportunity Fund CIP was submitted to the Council in December 2020 for approval. The funding will be used to address the urgent challenge of preservation and development of affordable housing in areas at risk of rent escalation to higher market rents, including County transit corridors.
3. Montgomery County Council Resolution #15-110 provides for an allocation from the General Fund to the Montgomery Housing Initiative fund (MHI) of the equivalent to 2.5% of actual General Fund property taxes from two years prior to the upcoming fiscal year for the purpose of maintaining and expanding the supply of affordable housing. However, the actual transfer from the General Fund will be determined each year based on the availability of resources.

Notes:

1. These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates.
2. The Executive recommends an additional \$5.5 million to be transferred from the General Fund to the MHI fund, compared to \$19.8 million approved for FY21. A combination totaling \$25.3 million transferred from the General Fund, the additional \$6.8 million collected from land sale proceeds, and the projected \$1.77 million contributed by the interest payments generated from HOC Housing Production Fund will reach beyond the 2.5% policy goal.
3. Operating budget includes personnel costs, contracts for homeownership education, and miscellaneous expenses for consultants, technology upgrades and monitoring.

Rental Assistance Program- Permanent Shallow Subsidy

Montgomery County Council

Health and Human Services Committee

April 8, 2021



Background

- Recommended Changes from the 2017 Gap Analysis
 - Innovative local tool for ending homelessness
 - Addresses the needs of families and individuals on a fixed income
 - Need to target resources to those most in need

Scope of Need



- 27% of all renters are severely cost burdened, paying more than 50% of income toward housing
- Nearly 20% of people experiencing homelessness are on a fixed income, although this is probably an underrepresentation
- Despite the increase in funding for Rapid Rehousing and COVID Rent Relief, many households have a need for a permanent housing subsidy

Ongoing Need

Homeless Continuum serves
over 2,000 households a year

Serves as move-on strategy for
Rapid Rehousing participants

Bridge for use with rapid
resolution/exit as prevention

Federal funds – use by 2022

Summary of Changes

Increase subsidy amount to better align with current housing costs

Referrals from Coordinated Entry or Housing Stabilization Services

Eligibility Criteria

- 55 or older or Disabled AND
- Homeless or at Imminent Risk of Homelessness
- **Immigration status is no longer an eligibility criteria**

Implementation Plan

Minimal new enrollments over the last year

Funding available to increase subsidy amount for current RAP participants

Any participant who no longer meets the eligibility criteria will have a minimum 7 months of notice to transition out of the program

New referrals through Coordinated Entry will begin in July



Services to End and Prevent Homelessness

RECOMMENDED FY22 BUDGET

\$31,068,566

FULL TIME EQUIVALENTS

83.50

RAYMOND L. CROWEL PSY.D., DIRECTOR

FUNCTION

The vision of the staff of Services to End and Prevent Homelessness (SEPH) is a community where all persons have access to safe, affordable housing, and the opportunity to achieve a higher quality of life. The mission of SEPH is to make homelessness a rare, brief, and non-recurring event by operating from a Housing First philosophy. Housing First recognizes that people are most successful when they have choice in housing and seeks to eliminate barriers such as sobriety requirements or treatment compliance. SEPH provides a full continuum of services including housing stabilization, homeless diversion, and permanent housing; and employs evidence-based and promising practices. The mission cannot be achieved without collaborating with public and private partners through the Interagency Commission on Homelessness. Special needs populations include veterans, both individuals and families, persons with behavioral health challenges, individuals with developmental disabilities, transitioning youth, and seniors with disabilities experiencing or at risk of homelessness.

PROGRAM CONTACTS

Contact Amanda Harris of the HHS - Services to End and Prevent Homelessness at 240.777.1179 or Deborah Lambert of the Office of Management and Budget at 240.777.2794 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Admin - Services to End and Prevent Homelessness

This program provides leadership and direction for the administration of Services to End and Prevent Homelessness and advises the Interagency Commission on Homelessness (ICH) and Montgomery County Continuum of Care (CoC).

| FY22 Recommended Changes | Expenditures | FTEs |
|---|----------------|-------------|
| FY21 Approved | 389,183 | 3.00 |
| Add: Create a Community-Based Homeless Court Program in Accordance with the Interagency Commission on Homelessness Recommendations to Decriminalize Homelessness | 100,000 | 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. | 26,860 | 0.00 |
| FY22 Recommended | 516,043 | 3.00 |

☀ Coordinated Entry

Coordinated entry is a process developed to ensure that all people experiencing a housing crisis have fair and equal access and are quickly identified, assessed for, referred, and connected to housing and assistance based on their strengths and needs. Within a Coordinated Entry System, persons are prioritized for housing based on vulnerability using a data-driven, real-time process. Montgomery County's Coordinated Entry System embraces Housing First principles of low barrier access, consumer choice, community integration, and housing orientation.

| Program Performance Measures | Actual FY19 | Actual FY20 | Estimated FY21 | Target FY22 | Target FY23 |
|---|----------------|----------------|-------------------|----------------|----------------|
| Number of homeless individuals with a completed vulnerability assessment (Using the VI-SPDAT) to determine housing placement ¹ | 355 | 659 | 365 | 370 | 375 |
| Coordinated Entry - Days from housing program assignment to housed | 52 | 68 | 70 | 68 | 66 |
| Percent of homeless individuals with a completed vulnerability assessment (using the VI-SPDAT) to determine housing placement | 88% | 96% | 90% | 91% | 95% |

¹ The FY20 increase is due to added funding to the Continuum of Care and additional Rapid Rehousing vacancies, which led SEPH to encourage providers to complete VI-SPDATs for their clients. Since conditions this year are unusual due to COVID-19, future year projections are based on pre-FY20 trends.

| FY22 Recommended Changes | Expenditures | FTEs |
|---|------------------|-------------|
| FY21 Approved | 1,501,540 | 6.90 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | (130,066) | 0.00 |
| FY22 Recommended | 1,371,474 | 6.90 |

☀ Healthcare for the Homeless

Healthcare for the Homeless provides medical and dental services to individuals experiencing homelessness in emergency shelters, street outreach, and transitional housing. Medical services are also provided to individuals and families served in permanent supportive housing programs. Healthcare for the Homeless is committed to reducing the health disparities for people experiencing homelessness by providing low barrier access to services and reducing re-admissions to hospitals.

| Program Performance Measures | Actual FY19 | Actual FY20 | Estimated FY21 | Target FY22 | Target FY23 |
|---|----------------|----------------|-------------------|----------------|----------------|
| Number of individuals receiving primary care services through Healthcare 4 the Homeless (Mobile Med) ¹ | 72 | 112 | 100 | 110 | 115 |
| Number of hospital transfers from year-round shelters (based on 911 emergency calls) ² | 372 | N/A | 360 | 355 | 350 |

¹ This measure tracks new patients served.

² Shelter locations have increased and shifted, in part due to COVID-19, requiring a re-baselining of this measure. This measure will resume reporting in FY21.

| FY22 Recommended Changes | Expenditures | FTEs |
|---|------------------|-------------|
| FY21 Approved | 1,119,580 | 4.00 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 12,651 | 0.00 |
| FY22 Recommended | 1,132,231 | 4.00 |

☀ Homeless Services for Families

Homeless Services for Families provides emergency shelter and transitional housing to families with children. Services include

intake and assessment, case management, and housing location to link families experiencing homelessness to housing, behavioral health, financial, and legal programs. All services are housing focused with a goal of connecting families with permanent housing as quickly as possible and removing systemic barriers to accessing housing and services.

| Program Performance Measures | Actual FY19 | Actual FY20 | Estimated FY21 | Target FY22 | Target FY23 |
|---|-------------|-------------|----------------|-------------|-------------|
| Number of individuals as part of a family unit experiencing homelessness for the first time | 586 | 451 | 450 | 425 | 400 |
| Average length of stay in days by homeless families in emergency shelter | 55 | 54 | 30 | 30 | 30 |
| Percent of households returning to homelessness | 5% | 11% | 5% | 5% | 5% |

| FY22 Recommended Changes | Expenditures | FTEs |
|---|------------------|-------------|
| FY21 Approved | 2,822,885 | 3.00 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 391,550 | 0.00 |
| FY22 Recommended | 3,214,435 | 3.00 |

☀ Homeless Services for Single Adults

Homeless Services for Single Adults provides emergency shelter, street outreach, and transitional housing to adults experiencing homelessness. All services are housing focused with a goal of connecting adults with permanent housing as quickly as possible by removing barriers such as poor credit, criminal history, limited or no access to behavioral and somatic healthcare, and low or no income. Homeless services include centralized shelter intake and diversion, comprehensive case management, assertive engagement, housing location, employment training and job development, legal services, and assistance with entitlements like Food Stamps and Medicaid.

| Program Performance Measures | Actual FY19 | Actual FY20 | Estimated FY21 | Target FY22 | Target FY23 |
|---|-------------|-------------|----------------|-------------|-------------|
| Number of homeless single adults counted during Annual Point in Time Count | 441 | 485 | 420 | 410 | 400 |
| Length of time homeless in days for adults in emergency shelter, outreach, or transitional housing | 115 | 66 | 109 | 106 | 103 |
| Percent of positive exits to permanent housing from street outreach, emergency shelter, or transitional shelter | 36% | 36% | 39% | 39% | 39% |

| FY22 Recommended Changes | Expenditures | FTEs |
|---|------------------|-------------|
| FY21 Approved | 5,008,735 | 2.00 |
| Add: New Shelter Operating Budget Impact and Policy Shift to Year-Round Sheltering | 3,081,279 | 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. | 401,585 | 0.00 |
| FY22 Recommended | 8,491,599 | 2.00 |

☀ Housing Initiative Program

The Housing Initiative Program is a Housing First permanent supportive housing program serving individuals and families with disabilities. Program participants are quickly connected to permanent scattered site units without any preconditions and offered intensive wraparound support services. The rental assistance is provided by the Department of Health and Human Services staff and services are offered via contracts with non-profit partners. This program also acts as the lead entity for the 1115 Medicaid Waiver Assistance in Community Integration Services through the state Department of Health.

| Program Performance Measures | Actual FY19 | Actual FY20 | Estimated FY21 | Target FY22 | Target FY23 |
|------------------------------|-------------|-------------|----------------|-------------|-------------|
|------------------------------|-------------|-------------|----------------|-------------|-------------|

| Program Performance Measures | Actual FY19 | Actual FY20 | Estimated FY21 | Target FY22 | Target FY23 |
|--|----------------|----------------|-------------------|----------------|----------------|
| Housing Initiative Program: Number of clients served | 823 | 912 | 900 | 910 | 920 |
| Housing Initiative Program -Days from housing program assignment (to accepted) to housed | 63 | 70 | 55 | 50 | 50 |
| Percent of households who retain permanent housing after 12 months | 99% | 100% | 99% | 99% | 99% |
| Decrease in acuity score, measuring the severity of presenting issues impacting housing stability ¹ | 60 | N/A | 68 | 72 | 74 |

¹ Transition to new reporting system (Qlik) impacts FY20 reporting. This measure will resume in FY21.

| FY22 Recommended Changes | Expenditures | FTEs |
|---|----------------|-------------|
| FY21 Approved | 316,914 | 2.00 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 191 | 0.00 |
| FY22 Recommended | 317,105 | 2.00 |

Interagency Commission on Homelessness

The Montgomery County Continuum of Care (CoC) coordinates the community's policies, strategies, and implementation of a housing and services system to prevent and end homelessness through a collaboration of public and private sector groups. Responsibilities include promoting a community-wide commitment to ending homelessness, providing funding for efforts to promote community-wide planning and strategic use of resources to address homelessness, improving coordination and integration with mainstream resources and other programs targeted to people experiencing homelessness. The Interagency Commission on Homelessness is a group of appointed leaders of the CoC who have authority to make decisions on behalf of the CoC.

| Program Performance Measures | Actual FY19 | Actual FY20 | Estimated FY21 | Target FY22 | Target FY23 |
|--|----------------|----------------|-------------------|----------------|----------------|
| Dollars brought into the continuum from non-County funds | \$21,575,760 | \$30,505,207 | \$25,000,000 | \$25,000,000 | \$25,000,000 |
| Number of individuals with lived experience participating as ICH Commissioner or on committees | 6 | 15 | 17 | 20 | 20 |
| Number of total homeless individuals counted during the Annual Point in Time Count | 647 | 670 | 640 | 620 | 600 |

| FY22 Recommended Changes | Expenditures | FTEs |
|---|----------------|-------------|
| FY21 Approved | 141,752 | 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. | (30,686) | 0.00 |
| FY22 Recommended | 111,066 | 1.00 |

Permanent Supportive Housing

Permanent Supportive Housing is an evidence-based practice that provides immediate access to a permanent housing subsidy and long-term, wraparound support services to households with disabilities. All programs use a Housing First approach that offers housing without preconditions such as sobriety, treatment compliance, or participation in services.

| Program Performance Measures | Actual FY19 | Actual FY20 | Estimated FY21 | Target FY22 | Target FY23 |
|--|----------------|----------------|-------------------|----------------|----------------|
| Permanent Supportive Housing: Number of clients served | 1,489 | 1,464 | 1,521 | 1,536 | 1,540 |

| Program Performance Measures | Actual FY19 | Actual FY20 | Estimated FY21 | Target FY22 | Target FY23 |
|---|----------------|----------------|-------------------|----------------|----------------|
| Permanent Supportive Housing - Days from housing program assignment (to accepted) to housed | 76 | 58 | 66 | 60 | 58 |
| Percent of households who retain permanent housing after 12 months | 98% | 98% | 99% | 99% | 99% |
| Percent of clients retaining permanent housing | 99% | 98% | 95% | 90% | 90% |
| Percent of people that graduate from the program | 7% | 5% | 11% | 12% | 13% |

| FY22 Recommended Changes | Expenditures | FTEs |
|---|------------------|-------------|
| FY21 Approved | 4,914,396 | 2.00 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 196,619 | 0.00 |
| FY22 Recommended | 5,111,015 | 2.00 |

Prevention

Prevention provides conflict resolution, mediation, financial assistance, housing location, and case management to County residents at risk of or experiencing homelessness. The program's focus is to partner with families and individuals to resolve their housing emergency through creative problem-solving. State and County grants are provided to prevent evictions and utility cut offs or secure new housing. Short-term case management services are provided to help at-risk households develop and implement plans to prevent a future housing crisis.

| Program Performance Measures | Actual FY19 | Actual FY20 | Estimated FY21 | Target FY22 | Target FY23 |
|---|----------------|----------------|-------------------|----------------|----------------|
| Households receiving emergency grants to prevent eviction/homelessness (County and State funds) ¹ | 9,044 | 11,053 | 10,000 | 10,000 | 10,000 |
| Percent of households who received prevention assistance and within 12 months enter the homeless continuum ² | 9% | 9% | 8% | 8% | 8% |

¹ This measure includes County and State funds.

² This measure, by definition, has a one year lag. FY19 is therefore based on cases initiated in FY18.

| FY22 Recommended Changes | Expenditures | FTEs |
|---|------------------|--------------|
| FY21 Approved | 7,658,504 | 49.10 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 478,131 | 5.00 |
| FY22 Recommended | 8,136,635 | 54.10 |

Rapid Rehousing

Rapid Rehousing (RRH) is an intervention designed to help individuals and families to quickly exit homelessness, return to housing in the community, and not become homeless again in the near term. The core components of a rapid rehousing program are housing identification, move-in and rent assistance, and rapid rehousing case management and services. The goal of the program is to help people quickly obtain housing, increase income, and support self-sufficiency to stay housed. Rapid re-housing is offered without any preconditions, such as employment, income, absence of criminal record, or sobriety.

| Program Performance Measures | Actual FY19 | Actual FY20 | Estimated FY21 | Target FY22 | Target FY23 |
|--|----------------|----------------|-------------------|----------------|----------------|
| Rapid Rehousing - Number of clients served | 544 | 690 | 550 | 550 | 550 |
| Cost per positive exit | \$18,956 | \$11,495 | \$11,500 | \$11,500 | \$11,500 |
| Percent of households with Increased income since entering rapid rehousing | 25.9% | 22.0% | 32.0% | 35.0% | 37.0% |

| Program Performance Measures | Actual FY19 | Actual FY20 | Estimated FY21 | Target FY22 | Target FY23 |
|---|----------------|----------------|-------------------|------------------|----------------|
| Percent of exits to permanent housing | 73.0% | 67.0% | 75.0% | 76.0% | 77.0% |
| FY22 Recommended Changes | | | Expenditures | FTEs | |
| FY21 Approved | | | | 582,889 | 0.00 |
| Enhance: Rapid Rehousing Program Expansion | | | | 490,000 | 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. | | | | 14,290 | 0.00 |
| FY22 Recommended | | | | 1,087,179 | 0.00 |

Rental Assistance Program

The Rental Assistance Program (RAP) provides a shallow subsidy to individuals and families at risk of or currently experiencing homelessness. The target population for this program are seniors, people with disabilities, and others on a fixed income.

| Program Performance Measures | Actual FY19 | Actual FY20 | Estimated FY21 | Target FY22 | Target FY23 |
|---|----------------|----------------|-------------------|----------------|----------------|
| Number of unique households with an active rental subsidy during the year | 1,771 | 1,354 | 1,700 | 1,700 | 1,700 |
| Percent of clients who utilized housing stabilization services (HSS) within a year after receiving rental assistance (RAP) ¹ | 19.6% | 10.0% | 15.0% | 12.0% | 10.0% |
| Median percent reduction in rent burden as a share of income ² | 13.0% | N/A | 15.0% | 16.0% | 17.0% |

¹ This measure, by definition, has a one year lag. FY20 is therefore based on cases initiated in FY19.

² A change in databases prevents the calculation for FY20. This measure will resume in FY21.

| FY22 Recommended Changes | Expenditures | FTEs |
|---|------------------|-------------|
| FY21 Approved | 570,694 | 4.50 |
| Enhance: Increase Subsidy for Rental Assistance Program | 1,000,000 | 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. | 9,090 | 1.00 |
| FY22 Recommended | 1,579,784 | 5.50 |

PROGRAM SUMMARY

| Program Name | FY21 APPR Expenditures | FY21 APPR FTEs | FY22 REC Expenditures | FY22 REC FTEs |
|--|---------------------------|-------------------|--------------------------|------------------|
| Admin - Services to End and Prevent Homelessness | 389,183 | 3.00 | 516,043 | 3.00 |
| Coordinated Entry | 1,501,540 | 6.90 | 1,371,474 | 6.90 |
| Healthcare for the Homeless | 1,119,580 | 4.00 | 1,132,231 | 4.00 |
| Homeless Services for Families | 2,822,885 | 3.00 | 3,214,435 | 3.00 |
| Homeless Services for Single Adults | 5,008,735 | 2.00 | 8,491,599 | 2.00 |
| Housing Initiative Program | 316,914 | 2.00 | 317,105 | 2.00 |
| Interagency Commission on Homelessness | 141,752 | 1.00 | 111,066 | 1.00 |
| Permanent Supportive Housing | 4,914,396 | 2.00 | 5,111,015 | 2.00 |
| Prevention | 7,658,504 | 49.10 | 8,136,635 | 54.10 |
| Rapid Rehousing | 582,889 | 0.00 | 1,087,179 | 0.00 |
| Rental Assistance Program | 570,694 | 4.50 | 1,579,784 | 5.50 |

PROGRAM SUMMARY

| Program Name | FY21 APPR Expenditures | FY21 APPR FTEs | FY22 REC Expenditures | FY22 REC FTEs |
|--------------|---------------------------|-------------------|--------------------------|------------------|
| Total | 25,027,072 | 77.50 | 31,068,566 | 83.50 |

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Housing and Community Affairs

RECOMMENDED FY22 BUDGET

\$61,695,819

FULL TIME EQUIVALENTS

101.20

 ASEEM NIGAM, DIRECTOR

MISSION STATEMENT

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

BUDGET OVERVIEW

The total recommended FY22 Operating Budget for the Department of Housing and Community Affairs is \$61,695,819, an increase of \$8,645,646 or 16.30 percent from the FY21 Approved Budget of \$53,050,173. Personnel Costs comprise 19.60 percent of the budget for 107 full-time position(s) and no part-time position(s), and a total of 101.20 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses and Debt Service account for the remaining 80.40 percent of the FY22 budget.

DHCA expects the total signed agreements for affordable housing projects through the Payment in lieu of Taxes (PILOT) program to abate \$20.0 million in taxes in FY22.


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

-  Provide the highest level of affordable housing funding in the County's history by investing \$89.1 million in affordable housing. This includes \$61.1 million in the Montgomery Housing Initiative (MHI) Fund, \$22 million in the Affordable Housing

Acquisition and Preservation CIP project, and \$6 million for the new Affordable Housing Opportunity Fund. This increases dedicated funding and provides for renovation of distressed housing, the acquisition and preservation of affordable housing units, creation of housing units for special needs residents, services to the "Building Neighborhoods to Call Home" and "Housing First" programs, and creation of mixed-income housing. Since FY08, \$1.14 billion has been invested in support of affordable housing, leveraging \$2.21 billion in non-County funding.

- ★ Continue to protect lower-income residents of the Route 29/Castle Boulevard and Purple Line corridors from rent increases by working with nonprofits to identify and preserve at-risk naturally-occurring affordable housing (NOAH) and actively engaging purchasers with Rental Agreements to preserve affordable rents.
- ★ Continue to actively underwrite affordable housing loans to preserve and produce affordable housing. Twelve developments, including three senior and eight family projects, have already been identified with another project up for consideration. These developments would preserve or produce over 1,150 total and 899 affordable units.
- ★ Boost economic growth by funding the Countywide Facade Improvement Program which will revitalize commercial areas throughout Montgomery County with a focus on older commercial property. The objective is to provide support to small business and encourage private investment. Improvements will include gateway signage, pedestrian lighting, connectivity, streetscape elements, plant material installation, acquisition of long term facade and center signage easements, and other amenities. DHCA will initially focus on five targeted commercial areas including Montgomery Village, Hillandale, Downtown Wheaton, the Glenmont, and Layhill Shopping Centers. This program may also be expanded to other areas of the County.
- ★ Collaborate with Health and Human Services (HHS), and the Housing Opportunities Commission (HOC) to provide rental assistance programs to the residents who need it the most. Over 5,550 households are projected to be assisted in FY22. A renewed focus will be on eviction prevention, including targeted assistance and financial literacy seminars in areas experiencing high evictions.
- ★ Continue to receive funding from Federal grants (i.e., Community Development Block Grant - CDBG, the HOME Investment Partnership Grant, and the Emergency Solutions Grant), which provide funding for affordable housing, housing rehabilitation, commercial revitalization, focused neighborhood assistance, public services, and preventing homelessness.

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ★ Continued a paperless Energy Efficiency program with streamlined, efficient guidelines and requirements that provides energy-efficient home improvements to income-eligible homeowners.
- ★ Continued efforts to improve data quality by leveraging external services (e.g. for street address validation) as well as other County data repositories. Work is also being carried out to consolidate data repositories across DHCA's core systems to minimize data maintenance work, improve integration, and support drilling across data models.
- ★ Developed data models and dashboards to support the department's on-going Business Intelligence initiative.
- ★ Committed to using cloud-based services in accordance to the County's own vision. The department is already leveraging the County's Azure file storage instance. DHCA's IT team is also exploring Amazon Web Services (AWS) Elastic Cloud to support its application development's activities.
- ★ Planning the deployment of a new Internet-facing affordable housing search application called 'Rental Guide'. The Rental Guide leverages the most recent web application development standards providing users with an intuitive and efficient interface. The application emphasizes speed, accuracy, and responsiveness.

PROGRAM CONTACTS

Contact Tim Goetzinger of the Department of Housing and Community Affairs at 240.777.3728 or Pofen Salem of the Office of

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 FY21 estimates reflect funding based on the FY21 Approved Budget. The FY22 and FY23 figures are performance targets based on the FY22 Recommended Budget and funding for comparable service levels in FY23.

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 FY19 | Actual FY20 | Estimated FY21 | Target FY22 | Target FY23 |
|---|--------------|--------------|----------------|--------------|--------------|
| Asset Management - Loan repayments billed / received ¹ | \$14,169,659 | \$21,218,393 | \$15,000,000 | \$15,450,000 | \$15,913,500 |
| Department MC311 Service Requests (SR) | 22,247 | 20,925 | 21,553 | 22,199 | 22,865 |
| Department MC311 Service Request success rate | 87.3% | 87.1% | 89.7% | 92.4% | 95.2% |
| NACo Awards earned | 5 | 1 | 2 | 2 | 3 |

¹ FY20 spike in loan repayments includes several large refinancing payoffs.

| FY22 Recommended Changes | Expenditures | FTEs |
|---|------------------|--------------|
| FY21 Approved | 2,002,830 | 13.20 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 376,883 | 0.50 |
| FY22 Recommended | 2,379,713 | 13.70 |

Affordable Housing Programs

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

| Program Performance Measures | Actual FY19 | Actual FY20 | Estimated FY21 | Target FY22 | Target FY23 |
|--|-------------|-------------|----------------|-------------|-------------|
| Affordable Housing Program - Number of MC311 Service Requests | 889 | 1,654 | 1,704 | 1,755 | 1,807 |
| Affordable Housing Program - Percent of MC311 Service Requests meeting service length agreement | 98.7% | 100.0% | 100.0% | 100.0% | 100.0% |
| Number of affordable housing units produced and available for occupancy (at no cost to the County) | 373 | 79 | 300 | 315 | 324 |
| Number of housing units improved/rehabilitated | 212 | 248 | 235 | 240 | 247 |

| FY22 Recommended Changes | Expenditures | FTEs |
|---|------------------|--------------|
| FY21 Approved | 1,014,654 | 10.50 |
| Decrease Cost: Partial Lapse of Vacant Positions | (94,369) | 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. | 47,154 | 0.00 |
| FY22 Recommended | 967,439 | 10.50 |

☀ Common Ownership Community Program

The Common Ownership Community (COC) program ensures fair and equitable relations between the governing bodies of homeowner associations, condominium associations, and cooperatives, and the individuals living within these common ownership communities, and encourages the maintenance and improvement of housing. Activities include mediating and arbitrating disputes; providing information and technical assistance to all parties; and taking legal action as necessary, including referring unresolved complaints to the Montgomery County Commission on Common Ownership Communities.

| Program Performance Measures | Actual FY19 | Actual FY20 | Estimated FY21 | Target FY22 | Target FY23 |
|---|-------------|-------------|----------------|-------------|-------------|
| COC Program Customer Service - Number of MC311 Service Requests | 775 | 757 | 780 | 803 | 827 |
| COC Program Customer Service - Percent of MC311 Service Requests meeting service length agreement | 99.1% | 99.5% | 100.0% | 100.0% | 100.0% |
| Percent of Commission on Common Ownership Communities (CCOC) cases resolved prior to a hearing | 45.0% | 40.0% | 45.0% | 45.0% | 45.0% |

| FY22 Recommended Changes | Expenditures | FTEs |
|---|----------------|-------------|
| FY21 Approved | 707,176 | 4.15 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 4,921 | 0.00 |
| FY22 Recommended | 712,097 | 4.15 |

☀ Grants Administration - Federal Programs

Staff provides management and oversight to ensure compliance with all regulatory requirements for Federal funding awarded to Montgomery County by the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant, the HOME Investment Partnership Grant, and the Emergency Solutions Grant programs. Funds from these programs support both operating activities and capital projects. Activities funded may include property acquisition, new construction, housing rehabilitation, commercial area revitalization, and handicapped accessibility improvements. Staff administers contracts with the cities of Rockville and Takoma Park, as well as nonprofit organizations awarded funding to provide a variety of public services involving assistance to low-income persons.

| Program Performance Measures | Actual FY19 | Actual FY20 | Estimated FY21 | Target FY22 | Target FY23 |
|---|-------------|-------------|----------------|-------------|-------------|
| Number of contracts awarded and monitored | 43 | 48 | 47 | 43 | 43 |
| Funding awarded to CDBG public service contracts ¹ | \$532,000 | \$600,000 | \$618,000 | \$636,540 | \$655,636 |
| CDBG public service contract compliance rate | 100% | 100% | 100% | 100% | 100% |
| CDBG public service contract non-housing beneficiaries ² | 4,369 | 6,382 | 4,176 | 4,301 | 4,430 |

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

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

| FY22 Recommended Changes | Expenditures | FTEs |
|---|------------------|-------------|
| FY21 Approved | 7,219,168 | 5.70 |
| Add: Community Development Block Grant: Boys & Girls Clubs of Greater Washington, Inc. - Social Emotional Learning | 45,000 | 0.00 |
| Add: Community Development Block Grant: Community Reach of Montgomery County, Inc. - Mansfield Kaseman Health Clinic | 45,000 | 0.00 |
| Add: Community Development Block Grant: EveryMind, Inc. - Stabilizing Adults through Situational Support | 45,000 | 0.00 |
| Add: Community Development Block Grant: The Shepherd's Table, Inc. - Beyond the Table | 45,000 | 0.00 |
| Add: Community Development Block Grant: The Shepherd's Table, Inc. - Eye Clinic | 45,000 | 0.00 |
| Add: Community Development Block Grant: Montgomery County Coalition for the Homeless, Inc. - Home Builders Care Assessment Center Rapid Exit Specialist | 45,000 | 0.00 |
| Add: Community Development Block Grant: Montgomery Housing Partnership, Inc. - Play and Learn | 45,000 | 0.00 |
| Add: Community Development Block Grant: Per Scholas, Inc. - IT Job Training | 45,000 | 0.00 |
| Add: Community Development Block Grant: Mobile Medical Care, Inc. - Expanding Family Planning Options for Uninsured, Low-Income Women | 43,500 | 0.00 |
| Add: Community Development Block Grant: Latin American Youth Center, Inc. - Mental Health Assistance | 42,500 | 0.00 |
| Add: Community Development Block Grant: Montgomery Housing Partnership, Inc. - Homework Club | 42,500 | 0.00 |
| Add: Community Development Block Grant: Vietnamese Literary and Artistic Club of the Washington Metropolitan Area - Healthcare Program | 40,000 | 0.00 |
| Add: Community Development Block Grant: Korean Community Service Center of Greater Washington, Inc. - Strengthening Asian Families through Empowerment and Services | 40,000 | 0.00 |
| Add: Community Development Block Grant: NAMI Montgomery County (MD), Inc. - Mental Health Promotion for Low-Income Latinx Residents | 31,500 | 0.00 |
| Add: Community Development Block Grant: ECDC Enterprise Development Group, Inc. - Small Business Loan Program | 30,000 | 0.00 |
| Increase Cost: Takoma Park Code Enforcement Contract | 12,848 | 0.00 |
| Re-align: Convert Asset Manager Position from Part-time to Full-time | 0 | 0.50 |
| Decrease Cost: CDBG Grant Adjustments | (630,000) | 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. | (142,914) | (0.50) |
| FY22 Recommended | 7,089,102 | 5.70 |

Housing Administration

This program provides management and oversight to support activities within the housing division including single and multi-family housing programs, and landlord tenant mediation. This program was formerly included as part of Housing Development and Loan Programs.

| Program Performance Measures | Actual FY19 | Actual FY20 | Estimated FY21 | Target FY22 | Target FY23 |
|--|-------------|-------------|----------------|-------------|-------------|
| Affordable housing units produced in the production pipeline | 847 | 577 | 313 | 323 | 332 |
| Number of affordable housing units in the preservation pipeline | 58 | 58 | 558 | 368 | 379 |
| Cost per unit of affordable housing units preserved | 10,810 | 7,069 | 7,356 | 7,359 | 7,359 |
| Cost per unit of affordable housing units produced ¹ | 60,546 | 24,801 | 58,839 | 58,824 | 58,824 |
| Percent of affordable units created or preserved serving households under 50% AMI ² | 13.0% | 42.7% | 30.0% | 35.0% | 37.5% |

¹ Average cost per unit fluctuates with the type of project financed.

² DHCA's underwriting criteria was recently updated to reflect a goal of providing a certain attainable and consistent level of affordable housing for very low income households.

| FY22 Recommended Changes | Expenditures | FTEs |
|---|----------------|-------------|
| FY21 Approved | 477,986 | 3.95 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | (8,865) | 0.00 |
| FY22 Recommended | 469,121 | 3.95 |

Housing Code Enforcement

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

| Program Performance Measures | Actual FY19 | Actual FY20 | Estimated FY21 | Target FY22 | Target FY23 |
|--|----------------|----------------|-------------------|----------------|----------------|
| Number of Housing Code Enforcement inspections ¹ | 38,789 | 28,253 | 29,101 | 40,000 | 41,200 |
| Housing Code Enforcement Program Customer Service - Number of MC311 Service Requests ² | 8,997 | 6,888 | 7,095 | 7,307 | 7,527 |
| Housing Code Enforcement Program Customer Service - Percent of MC311 Service Requests meeting service length agreement | 69.6% | 61.5% | 63.4% | 65.3% | 67.2% |
| Code Enforcement - Number of violations per unit | 1.16 | 1.64 | 1.69 | 1.50 | 1.35 |
| Code Enforcement - Average severity of violations per unit | 1.58 | 1.27 | 1.25 | 1.24 | 1.23 |

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

² 7,527

| FY22 Recommended Changes | Expenditures | FTEs |
|---|------------------|--------------|
| FY21 Approved | 4,538,429 | 38.50 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 56,961 | 0.00 |
| FY22 Recommended | 4,595,390 | 38.50 |

Landlord-Tenant Mediation

This program ensures fair and equitable relations between landlords and tenants and encourages the maintenance and improvement of housing. Activities including mediating and arbitrating disputes; providing information and technical assistance to all parties; and taking legal action as necessary, including referring unresolved complaints to the Montgomery County Commission on Landlord-Tenant Affairs.

| Program Performance Measures | Actual FY19 | Actual FY20 | Estimated FY21 | Target FY22 | Target FY23 |
|--|----------------|----------------|-------------------|----------------|----------------|
| Number of Landlord Tenant meditations | 724 | 686 | 700 | 725 | 750 |
| Landlord Tenant Affairs Program - Number of MC311 Service Requests | 6,927 | 7,053 | 7,265 | 7,483 | 7,707 |
| Landlord Tenant Affairs Program - Percent of MC311 Service Requests meeting service length agreement | 99.1% | 99.6% | 100.0% | 100.0% | 100.0% |
| Percent of landlord/tenant cases mediated successfully (not referred to the Commission) | 98.0% | 97.0% | 98.0% | 98.5% | 99.0% |
| Number of evictions prevented due to Landlord & Tenant Affairs' intervention | 469 | 402 | 500 | 515 | 530 |

| FY22 Recommended Changes | Expenditures | FTEs |
|---|------------------|-------------|
| FY21 Approved | 1,416,964 | 8.00 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | (4,950) | 0.00 |
| FY22 Recommended | 1,412,014 | 8.00 |

☀️ 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 FY19 | Actual FY20 | Estimated FY21 | Target FY22 | Target FY23 |
|---|-------------|-------------|----------------|-------------|-------------|
| Licensing and Registration Program - Number of MC311 Service Requests | 4,645 | 4,564 | 4,701 | 4,842 | 4,987 |
| Licensing and Registration Program - Percent of MC311 Service Requests meeting service length agreement | 99.9% | 100.0% | 100.0% | 100.0% | 100.0% |
| Number of rental licenses issued | 107,283 | 114,365 | 117,796 | 121,330 | 124,970 |

| FY22 Recommended Changes | Expenditures | FTEs |
|---|----------------|-------------|
| FY21 Approved | 423,086 | 3.20 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | 33,170 | 0.00 |
| FY22 Recommended | 456,256 | 3.20 |

☀️ Multi-Family Housing Programs

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

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

Major funding for these projects is provided from the Montgomery Housing Initiative Fund, the Federal HOME Grant, the Federal Community Development Block Grant, and State grants. The program emphasizes the leveraging of County funds with other public and private funds in undertaking these activities.

| Program Performance Measures | Actual FY19 | Actual FY20 | Estimated FY21 | Target FY22 | Target FY23 |
|--|-------------|-------------|----------------|-------------|-------------|
| Number of affordable housing units preserved and available for occupancy (County funded) | 6,019 | 5,946 | 6,197 | 6,381 | 6,572 |
| Number of affordable housing units produced and available for occupancy (County funded) ¹ | 403 | 546 | 650 | 668 | 688 |
| Ratio of non-County dollars leveraged to County dollars in affordable housing projects | 4.54 | 4.25 | 4.38 | 4.51 | 4.64 |

| Program Performance Measures | Actual FY19 | Actual FY20 | Estimated FY21 | Target FY22 | Target FY23 |
|---|----------------|----------------|-------------------|----------------|----------------|
| Total affordable housing units produced | 1,623 | 1,202 | 1,263 | 1,306 | 1,345 |
| Total affordable housing units preserved ² | 6,077 | 6,004 | 7,129 | 7,142 | 7,357 |

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

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

| FY22 Recommended Changes | Expenditures | FTEs |
|---|-------------------|-------------|
| FY21 Approved | 33,391,815 | 6.90 |
| Enhance: Affordable Housing Projects Based on Land Sale Proceeds Contributed to the HIF | 6,797,750 | 0.00 |
| Enhance: Affordable Housing Initiative | 5,528,784 | 0.00 |
| Enhance: Pay Debt Service for HOC Housing Production Fund Using the FY21 Desingated General Fund Reserve for Affordable Housing | 3,400,000 | 0.00 |
| Enhance: Estimated Contributions from HOC Housing Production Fund to Support Additional Projects | 1,770,833 | 0.00 |
| Reduce: Operating Expenses to Reflect Adjusted Revenue Estimates | (362,396) | 0.00 |
| Reduce: Operating Expenses to Reflect Adjusted Debt Service Transfer for Housing CIP | (2,391,300) | 0.00 |
| Reduce: Rental Assistance Program Due to Revenue Shortfall | (2,964,421) | 0.00 |
| Decrease Cost: Committed County Payment Transfer to Debt Service Fund for HOC Housing Production Fund | (3,400,000) | 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. | (13,417) | 0.00 |
| FY22 Recommended | 41,757,648 | 6.90 |

Neighborhood Revitalization

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

| Program Performance Measures | Actual FY19 | Actual FY20 | Estimated FY21 | Target FY22 | Target FY23 |
|--|----------------|----------------|-------------------|----------------|----------------|
| Focused Neighborhood Assistance Activity (expenditures) ¹ | \$398,421 | \$903,822 | \$930,937 | \$958,865 | \$987,631 |
| Facade Program - Private dollars leveraged | \$0 | \$0 | \$395,000 | \$200,000 | \$206,000 |
| Focused Neighborhood Assistance Active projects | 4 | 5 | 4 | 3 | 3 |
| Focused Neighborhood Assistance beneficiaries ² | 179 | 191 | 642 | 81 | 81 |
| Facade Program - Number of businesses benefited | 0 | 0 | 1 | 2 | 2 |

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

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

| FY22 Recommended Changes | Expenditures | FTEs |
|---|------------------|-------------|
| FY21 Approved | 1,858,065 | 6.60 |
| Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. | (1,026) | 0.00 |
| FY22 Recommended | 1,857,039 | 6.60 |

BUDGET SUMMARY

| | Actual FY20 | Budget FY21 | Estimate FY21 | Recommended FY22 | %Chg Bud/Rec |
|--|-------------------|-------------------|-------------------|---------------------|-----------------|
| COUNTY GENERAL FUND | | | | | |
| EXPENDITURES | | | | | |
| Salaries and Wages | 4,898,200 | 5,349,182 | 4,839,859 | 5,567,030 | 4.1 % |
| Employee Benefits | 1,763,137 | 1,726,475 | 1,706,530 | 1,674,106 | -3.0 % |
| County General Fund Personnel Costs | 6,661,337 | 7,075,657 | 6,546,389 | 7,241,136 | 2.3 % |
| Operating Expenses | 1,375,728 | 1,564,564 | 1,511,805 | 1,629,793 | 4.2 % |
| County General Fund Expenditures | 8,037,065 | 8,640,221 | 8,058,194 | 8,870,929 | 2.7 % |
| PERSONNEL | | | | | |
| Full-Time | 106 | 106 | 106 | 107 | 0.9 % |
| Part-Time | 1 | 1 | 1 | 0 | -100.0 % |
| FTEs | 62.65 | 62.65 | 62.65 | 62.65 | — |
| REVENUES | | | | | |
| Board of Appeals Fees | (250) | 8,624 | 8,624 | 8,000 | -7.2 % |
| Common Ownership Community Fees | 698,354 | 717,500 | 717,500 | 722,500 | 0.7 % |
| Fire Code Enforcement Permits | (64) | 0 | 0 | 0 | — |
| Landlord-Tenant Fees | 6,526,974 | 6,998,040 | 6,998,040 | 7,119,750 | 1.7 % |
| Miscellaneous Revenues | (11,405) | 6,500 | 6,500 | 6,500 | — |
| Other Charges/Fees | (1,868) | 74,250 | 74,250 | 74,350 | 0.1 % |
| Other Fines/Forfeitures | 48,283 | 40,000 | 40,000 | 40,000 | — |
| Other Licenses/Permits | 0 | 492,000 | 492,000 | 492,000 | — |
| County General Fund Revenues | 7,260,024 | 8,336,914 | 8,336,914 | 8,463,100 | 1.5 % |
| MONTGOMERY HOUSING INITIATIVE | | | | | |
| EXPENDITURES | | | | | |
| Salaries and Wages | 1,465,123 | 1,803,173 | 1,870,206 | 1,849,048 | 2.5 % |
| Employee Benefits | 523,375 | 540,863 | 370,116 | 517,828 | -4.3 % |
| Montgomery Housing Initiative Personnel Costs | 1,988,498 | 2,344,036 | 2,240,322 | 2,366,876 | 1.0 % |
| Operating Expenses | 31,607,929 | 32,335,841 | 31,922,178 | 40,715,091 | 25.9 % |
| Montgomery Housing Initiative Expenditures | 33,596,427 | 34,679,877 | 34,162,500 | 43,081,967 | 24.2 % |
| PERSONNEL | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | — |
| Part-Time | 0 | 0 | 0 | 0 | — |
| FTEs | 17.05 | 17.05 | 17.05 | 17.05 | — |
| REVENUES | | | | | |
| Asset Management Fee | 82,802 | 70,200 | 70,200 | 70,200 | — |
| Commitment Fee | 0 | 200,000 | 200,000 | 200,000 | — |
| HOC Contributions | 0 | 0 | 0 | 1,770,833 | — |
| Investment Income | 4,451,950 | 1,939,470 | 1,000,000 | 1,000,000 | -48.4 % |

BUDGET SUMMARY

| | Actual FY20 | Budget FY21 | Estimate FY21 | Recommended FY22 | %Chg Bud/Rec |
|---|-------------------|-------------------|-------------------|---------------------|-----------------|
| Land Sale Proceeds | 0 | 0 | 0 | 6,797,750 | — |
| Loan Payments | 5,144,402 | 2,900,000 | 2,900,000 | 3,100,000 | 6.9 % |
| MHI Transfer Tax | 17,600 | 100,000 | 100,000 | 100,000 | — |
| Miscellaneous Revenues | (43,112) | 75,006 | 75,006 | 75,006 | — |
| MPDU Alternative Payments | 0 | 360,000 | 360,000 | 360,000 | — |
| MPDU Revenues | 2,271,423 | 1,610,000 | 1,970,000 | 1,970,000 | 22.4 % |
| Other Financing Sources | 11,396 | 52,050 | 52,050 | 49,650 | -4.6 % |
| Recordation Tax | 18,388,868 | 17,717,608 | 14,068,216 | 14,753,187 | -16.7 % |
| Montgomery Housing Initiative Revenues | 30,325,329 | 25,024,334 | 20,795,472 | 30,246,626 | 20.9 % |

GRANT FUND - MCG

EXPENDITURES

| | | | | | |
|---|------------------|------------------|------------------|------------------|--------------|
| Salaries and Wages | 1,412,298 | 1,788,640 | 1,788,640 | 1,930,057 | 7.9 % |
| Employee Benefits | 481,675 | 531,848 | 531,848 | 551,984 | 3.8 % |
| Grant Fund - MCG Personnel Costs | 1,893,973 | 2,320,488 | 2,320,488 | 2,482,041 | 7.0 % |
| Operating Expenses | 7,362,083 | 7,409,587 | 7,409,587 | 7,260,882 | -2.0 % |
| Grant Fund - MCG Expenditures | 9,256,056 | 9,730,075 | 9,730,075 | 9,742,923 | 0.1 % |

PERSONNEL

| | | | | | |
|-----------|-------|-------|-------|-------|-------|
| Full-Time | 0 | 0 | 0 | 0 | — |
| Part-Time | 0 | 0 | 0 | 0 | — |
| FTEs | 21.00 | 21.00 | 21.00 | 21.50 | 2.4 % |

REVENUES

| | | | | | |
|----------------------------------|------------------|------------------|------------------|------------------|--------------|
| Federal Grants | 6,767,897 | 7,462,246 | 7,462,246 | 7,462,246 | — |
| Investment Income | 229,719 | 0 | 0 | 0 | — |
| Loan Payments | 500,259 | 2,000,000 | 2,000,000 | 2,000,000 | — |
| Other Intergovernmental | 322,506 | 267,829 | 267,829 | 280,677 | 4.8 % |
| State Grants | 69,594 | 0 | 0 | 0 | — |
| Grant Fund - MCG Revenues | 7,889,975 | 9,730,075 | 9,730,075 | 9,742,923 | 0.1 % |

DEPARTMENT TOTALS

| | | | | | |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-----------------|
| Total Expenditures | 50,889,548 | 53,050,173 | 51,950,769 | 61,695,819 | 16.3 % |
| Total Full-Time Positions | 106 | 106 | 106 | 107 | 0.9 % |
| Total Part-Time Positions | 1 | 1 | 1 | 0 | -100.0 % |
| Total FTEs | 100.70 | 100.70 | 100.70 | 101.20 | 0.5 % |
| Total Revenues | 45,475,328 | 43,091,323 | 38,862,461 | 48,452,649 | 12.4 % |

FY22 RECOMMENDED CHANGES

| | Expenditures | FTEs |
|----------------------------|--------------|------|
| COUNTY GENERAL FUND | | |

FY22 RECOMMENDED CHANGES

| | Expenditures | FTEs |
|--|------------------|--------------|
| FY21 ORIGINAL APPROPRIATION | 8,640,221 | 62.65 |
| <u>Other Adjustments (with no service impacts)</u> | | |
| Increase Cost: FY21 Compensation Adjustment | 202,289 | 0.00 |
| Increase Cost: FY22 Compensation Adjustment | 108,769 | 0.00 |
| Increase Cost: Motor Pool Adjustment | 65,302 | 0.00 |
| Decrease Cost: Print and Mail Adjustment | (73) | 0.00 |
| Decrease Cost: Annualization of FY21 Personnel Costs | (4,597) | 0.00 |
| Decrease Cost: Retirement Adjustment | (46,613) | 0.00 |
| Decrease Cost: Partial Lapse of Vacant Positions [Affordable Housing Programs] | (94,369) | 0.00 |
| FY22 RECOMMENDED | 8,870,929 | 62.65 |

MONTGOMERY HOUSING INITIATIVE

| | | |
|---|-------------------|--------------|
| FY21 ORIGINAL APPROPRIATION | 34,679,877 | 17.05 |
| <u>Changes (with service impacts)</u> | | |
| Enhance: Affordable Housing Projects Based on Land Sale Proceeds Contributed to the HIF [Multi-Family Housing Programs] | 6,797,750 | 0.00 |
| Enhance: Affordable Housing Initiative [Multi-Family Housing Programs] | 5,528,784 | 0.00 |
| Enhance: Pay Debt Service for HOC Housing Production Fund Using the FY21 Desingated General Fund Reserve for Affordable Housing [Multi-Family Housing Programs] | 3,400,000 | 0.00 |
| Enhance: Estimated Contributions from HOC Housing Production Fund to Support Additional Projects [Multi-Family Housing Programs] | 1,770,833 | 0.00 |
| Reduce: Operating Expenses to Reflect Adjusted Revenue Estimates [Multi-Family Housing Programs] | (362,396) | 0.00 |
| Reduce: Operating Expenses to Reflect Adjusted Debt Service Transfer for Housing CIP [Multi-Family Housing Programs] | (2,391,300) | 0.00 |
| Reduce: Rental Assistance Program Due to Revenue Shortfall [Multi-Family Housing Programs] | (2,964,421) | 0.00 |
| <u>Other Adjustments (with no service impacts)</u> | | |
| Increase Cost: FY21 Compensation Adjustment | 41,248 | 0.00 |
| Increase Cost: FY22 Compensation Adjustment | 22,079 | 0.00 |
| Decrease Cost: Retirement Adjustment | (18,617) | 0.00 |
| Decrease Cost: Annualization of FY21 Personnel Costs | (21,870) | 0.00 |
| Decrease Cost: Committed County Payment Transfer to Debt Service Fund for HOC Housing Production Fund [Multi-Family Housing Programs] | (3,400,000) | 0.00 |
| FY22 RECOMMENDED | 43,081,967 | 17.05 |

GRANT FUND - MCG

| | | |
|---|------------------|--------------|
| FY21 ORIGINAL APPROPRIATION | 9,730,075 | 21.00 |
| <u>Federal/State Programs</u> | | |
| Add: Community Development Block Grant: The Shepherd's Table, Inc. - Beyond the Table | 45,000 | 0.00 |

FY22 RECOMMENDED CHANGES

| | Expenditures | FTEs |
|---|------------------|--------------|
| Add: Community Development Block Grant: The Shepherd's Table, Inc. - Eye Clinic | 45,000 | 0.00 |
| Add: Community Development Block Grant: Montgomery County Coalition for the Homeless, Inc. - Home Builders Care Assessment Center Rapid Exit Specialist | 45,000 | 0.00 |
| Add: Community Development Block Grant: EveryMind, Inc. - Stabilizing Adults through Situational Support | 45,000 | 0.00 |
| Add: Community Development Block Grant: Per Scholas, Inc. - IT Job Training | 45,000 | 0.00 |
| Add: Community Development Block Grant: Boys & Girls Clubs of Greater Washington, Inc. - Social Emotional Learning | 45,000 | 0.00 |
| Add: Community Development Block Grant: Community Reach of Montgomery County, Inc. - Mansfield Kaseman Health Clinic | 45,000 | 0.00 |
| Add: Community Development Block Grant: Montgomery Housing Partnership, Inc. - Play and Learn | 45,000 | 0.00 |
| Add: Community Development Block Grant: Mobile Medical Care, Inc. - Expanding Family Planning Options for Uninsured, Low-Income Women | 43,500 | 0.00 |
| Add: Community Development Block Grant: Latin American Youth Center, Inc. - Mental Health Assistance | 42,500 | 0.00 |
| Add: Community Development Block Grant: Montgomery Housing Partnership, Inc. - Homework Club | 42,500 | 0.00 |
| Add: Community Development Block Grant: Vietnamese Literary and Artistic Club of the Washington Metropolitan Area - Healthcare Program | 40,000 | 0.00 |
| Add: Community Development Block Grant: Korean Community Service Center of Greater Washington, Inc. - Strengthening Asian Families through Empowerment and Services | 40,000 | 0.00 |
| Add: Community Development Block Grant: NAMI Montgomery County (MD), Inc. - Mental Health Promotion for Low-Income Latinx Residents | 31,500 | 0.00 |
| Add: Community Development Block Grant: ECDC Enterprise Development Group, Inc. - Small Business Loan Program | 30,000 | 0.00 |
| Other Adjustments (with no service impacts) | | |
| Increase Cost: Takoma Park Code Enforcement Contract [Grants Administration - Federal Programs] | 12,848 | 0.00 |
| Re-align: Convert Asset Manager Position from Part-time to Full-time [Grants Administration - Federal Programs] | 0 | 0.50 |
| Decrease Cost: CDBG Grant Adjustments [Grants Administration - Federal Programs] | (630,000) | 0.00 |
| FY22 RECOMMENDED | 9,742,923 | 21.50 |

PROGRAM SUMMARY

| Program Name | FY21 APPR Expenditures | FY21 APPR FTEs | FY22 REC Expenditures | FY22 REC FTEs |
|--|------------------------|----------------|-----------------------|---------------|
| Administration | 2,002,830 | 13.20 | 2,379,713 | 13.70 |
| Affordable Housing Programs | 1,014,654 | 10.50 | 967,439 | 10.50 |
| Common Ownership Community Program | 707,176 | 4.15 | 712,097 | 4.15 |
| Grants Administration - Federal Programs | 7,219,168 | 5.70 | 7,089,102 | 5.70 |
| Housing Administration | 477,986 | 3.95 | 469,121 | 3.95 |
| Housing Code Enforcement | 4,538,429 | 38.50 | 4,595,390 | 38.50 |
| Landlord-Tenant Mediation | 1,416,964 | 8.00 | 1,412,014 | 8.00 |
| Licensing and Registration | 423,086 | 3.20 | 456,256 | 3.20 |
| Multi-Family Housing Programs | 33,391,815 | 6.90 | 41,757,648 | 6.90 |
| Neighborhood Revitalization | 1,858,065 | 6.60 | 1,857,039 | 6.60 |

PROGRAM SUMMARY

| Program Name | FY21 APPR Expenditures | FY21 APPR FTEs | FY22 REC Expenditures | FY22 REC FTEs |
|--------------|---------------------------|-------------------|--------------------------|------------------|
| Total | 53,050,173 | 100.70 | 61,695,819 | 101.20 |

CHARGES TO OTHER DEPARTMENTS

| Charged Department | Charged Fund | FY21 Total\$ | FY21 FTEs | FY22 Total\$ | FY22 FTEs |
|-----------------------------------|----------------------|-----------------|--------------|-----------------|--------------|
| COUNTY GENERAL FUND | | | | | |
| Permitting Services | Permitting Services | 129,922 | 1.00 | 101,627 | 1.00 |
| Recycling and Resource Management | Solid Waste Disposal | 664,094 | 5.50 | 691,391 | 5.50 |
| CIP | Capital Fund | 192,592 | 1.70 | 203,663 | 1.70 |
| Total | | 986,608 | 8.20 | 996,681 | 8.20 |

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

| Title | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| COUNTY GENERAL FUND | | | | | | |
| EXPENDITURES | | | | | | |
| FY22 Recommended | 8,871 | 8,871 | 8,871 | 8,871 | 8,871 | 8,871 |
| No inflation or compensation change is included in outyear projections. | | | | | | |
| Labor Contracts | 0 | 164 | 164 | 164 | 164 | 164 |
| These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items. | | | | | | |
| Subtotal Expenditures | 8,871 | 9,034 | 9,034 | 9,034 | 9,034 | 9,034 |
| MONTGOMERY HOUSING INITIATIVE | | | | | | |
| EXPENDITURES | | | | | | |
| FY22 Recommended | 43,082 | 43,082 | 43,082 | 43,082 | 43,082 | 43,082 |
| No inflation or compensation change is included in outyear projections. | | | | | | |
| Labor Contracts | 0 | 40 | 40 | 40 | 40 | 40 |
| These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items. | | | | | | |
| Subtotal Expenditures | 43,082 | 43,122 | 43,122 | 43,122 | 43,122 | 43,122 |

FY22-27 PUBLIC SERVICES PROGRAM: FISCAL PLAN **Montgomery Housing Initiative**

| FISCAL PROJECTIONS | FY21 ESTIMATE | FY22 REC | FY23 PROJECTION | FY24 PROJECTION | FY25 PROJECTION | FY26 PROJECTION | FY27 PROJECTION |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| ASSUMPTIONS | | | | | | | |
| Indirect Cost Rate | 18.64% | 19.18% | 19.18% | 19.18% | 19.18% | 19.18% | 19.18% |
| CPI (Fiscal Year) | 1.3% | 1.6% | 2.0% | 2.4% | 2.4% | 2.4% | 2.4% |
| Investment Income Yield | 0.2% | 0.1% | 0.4% | 0.4% | 0.4% | 0.4% | 0.4% |
| BEGINNING FUND BALANCE | 29,438,536 | 20,635,425 | 1,330,000 | 410,000 | 0 | 0 | 0 |
| REVENUES | | | | | | | |
| Taxes | 14,168,216 | 14,853,187 | 15,687,110 | 16,857,444 | 17,605,446 | 20,040,563 | 21,583,480 |
| Charges For Services | 70,200 | 70,200 | 71,597 | 73,330 | 75,119 | 76,952 | 78,830 |
| Miscellaneous | 6,557,056 | 15,323,239 | 9,252,236 | 9,259,516 | 9,205,006 | 9,205,006 | 9,205,006 |
| Subtotal Revenues | 20,795,472 | 30,246,626 | 25,010,943 | 26,190,290 | 26,885,571 | 29,322,521 | 30,867,316 |
| INTERFUND TRANSFERS (Net Non-CIP) | | | | | | | |
| Transfers To Debt Service Fund | (10,121,700) | (16,718,400) | (17,918,500) | (19,172,900) | (20,516,800) | (21,824,200) | (21,820,900) |
| MHI - Property Acquisition Fund | (9,621,700) | (13,318,400) | (14,518,500) | (15,772,900) | (17,116,800) | (18,424,200) | (18,420,900) |
| MHI - HOC Housing Production Fund | | (3,400,000) | (3,400,000) | (3,400,000) | (3,400,000) | (3,400,000) | (3,400,000) |
| Transfers To The General Fund | (462,465) | (453,967) | (453,967) | (453,967) | (453,967) | (453,967) | (453,967) |
| Indirect Costs | (462,465) | (453,967) | (453,967) | (453,967) | (453,967) | (453,967) | (453,967) |
| Transfers From The General Fund | 20,312,045 | 28,740,829 | 25,340,829 | 25,340,829 | 25,340,829 | 25,340,829 | 25,340,829 |
| From General Fund | 19,612,045 | 25,340,829 | 25,340,829 | 25,340,829 | 25,340,829 | 25,340,829 | 25,340,829 |
| From Designated General Fund Reserve for Affordable Housing | 500,000 | 3,400,000 | 0 | 0 | 0 | 0 | 0 |
| TOTAL RESOURCES | 59,961,888 | 62,450,513 | 33,309,305 | 32,314,252 | 31,255,633 | 32,385,183 | 33,933,278 |
| PSP OPER. BUDGET APPROP/ EXP'S. | | | | | | | |
| Operating Budget | (5,878,951) | (2,769,776) | (2,769,776) | (2,769,776) | (2,769,776) | (2,769,776) | (2,769,776) |
| Debt Service: Other (Non-Tax Funds only) | (52,050) | (49,650) | (47,230) | (54,510) | 0 | 0 | 0 |
| Labor Agreement | n/a | 0 | (102,458) | (221,188) | (345,571) | (475,270) | (610,521) |
| Rental Assistance Program (RAP) | (14,068,216) | (14,753,187) | (15,687,110) | (16,857,444) | (17,605,446) | (20,040,563) | (21,583,480) |
| Affordable Housing Loans | (1,205,743) | (12,551,814) | (667,071) | 691,606 | 2,422,700 | 3,857,966 | 3,988,039 |
| HHS Housing Programs | (9,706,200) | (9,706,200) | (9,701,380) | (9,708,660) | (9,706,200) | (9,706,200) | (9,706,200) |
| Neighborhoods to Call Home | (1,251,340) | (1,251,340) | (1,251,340) | (1,251,340) | (1,251,340) | (1,251,340) | (1,251,340) |
| Homeownership Assistance Program | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) | (2,000,000) |
| Subtotal PSP Oper Budget Approp / Exp's | (34,162,500) | (43,081,967) | (32,246,365) | (32,171,312) | (31,255,633) | (32,385,183) | (33,933,278) |
| OTHER CLAIMS ON FUND BALANCE | (5,163,963) | (18,038,546) | (652,340) | (142,340) | 0 | 0 | 0 |
| TOTAL USE OF RESOURCES | (39,326,463) | (61,120,513) | (32,899,305) | (32,314,252) | (31,255,633) | (32,385,183) | (33,933,278) |
| YEAR END FUND BALANCE | | | | | | | |
| Affordable Housing and Acquisition and Preservation CIP Project #P760100 | (22,000,000) | (22,000,000) | (22,000,000) | (22,000,000) | (22,000,000) | (22,000,000) | (22,000,000) |
| Affordable Housing Opportunity Fund CIP Project #P762101 | (8,000,000) | (6,000,000) | | | | | |
| TOTAL ALLOCATION IN AFFORDABLE HOUSING (MHI Fund + CIP Projects) | (69,326,463) | (89,120,513) | (54,899,305) | (54,314,252) | (53,255,633) | (54,385,183) | (55,933,278) |
| END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES | | | | | | | |
| | 34.4% | 2.1% | 1.2% | 0.0% | 0.0% | 0.0% | 0.0% |

Assumptions:

- A total of \$89.1 million will be allocated in affordable housing, including expenditures of \$61.1 million reflected in this fund, \$22 million for the Affordable Housing Acquisition and Preservation CIP Project #760100, and \$6 million for Affordable Housing Opportunity Fund CIP Project #762101. The CIP fund assumes the issuance of \$13.25 million of debt, \$8.75 million in estimated loan repayments, and \$6 million funded with Recordation Tax Premium in FY22. The funding provided a continued high level of support for renovation of distressed housing, the acquisition and preservation of affordable housing units, creation of housing units for special needs residents and mixed-income housing and a variety of services for permanent supportive housing and community development.
- A supplemental request for the new Affordable Housing Opportunity Fund CIP was submitted to the Council in December 2020 for approval. The funding will be used to address the urgent challenge of preservation and development of affordable housing in areas at risk of rent escalation to higher market rents, including County transit corridors.
- Montgomery County Council Resolution #15-110 provides for an allocation from the General Fund to the Montgomery Housing Initiative fund (MHI) of the equivalent to 2.5% of actual General Fund property taxes from two years prior to the upcoming fiscal year for the purpose of maintaining and expanding the supply of affordable housing. However, the actual transfer from the General Fund will be determined each year based on the availability of resources.

Notes:

- These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates.
- The Executive recommends an additional \$5.5 million to be transferred from the General Fund to the MHI fund, compared to \$19.8 million approved for FY21. A combination totaling \$25.3 million transferred from the General Fund, the additional \$6.8 million collected from land sale proceeds, and the projected \$1.77 million contributed by the interest payments generated from HOC Housing Production Fund will reach beyond the 2.5% policy goal.
- Operating budget includes personnel costs, contracts for homeownership education, and miscellaneous expenses for consultants, technology upgrades and monitoring.

AFFORDABLE HOUSING SUPPORT SUMMARY

| Funding Sources | Total County Resources (FY08 - FY20) | Avg Resources FY08-FY20 | FY21 CC Approved | FY22 CE Recommended Budget | Projected Creation / Preservation of Affordable Housing (FY22) | Notes |
|---|--------------------------------------|-------------------------|--------------------|----------------------------|--|--|
| Operating Budget Expenditures | | | | | | |
| DHCA - MHI Operating Budget | 363,841,684 | 27,987,822 | 34,679,877 | 43,081,967 | | |
| DHCA - MHI Debt Service (interest only) | 32,057,564 | 2,465,966 | 4,546,700 | 5,544,445 | | |
| HHS - General Fund - Housing Programs | 123,892,804 | 9,530,216 | 13,115,387 | 13,115,387 | 2,000 | Clients Served |
| HOC - Non-Departmental Account | 80,298,796 | 6,176,830 | 6,824,693 | 6,895,693 | | |
| Total Operating Budget | 600,090,848 | 46,160,834 | 59,166,657 | 68,637,492 | | |
| Affordable Housing Acquisition and Preservation Project (CIP) | | | | | | |
| MHI | 4,775,000 | 397,917 | | | | |
| HIF Revolving Loan Program | 161,490,000 | 12,422,308 | 13,293,000 | 8,751,000 | | |
| Loan Repayment Proceeds (actual) | 54,990,507 | 4,230,039 | 8,707,000 | 13,249,000 | | |
| G.O. Bonds | - | - | | | | |
| Recordation Tax Premium | 4,540,000 | 648,571 | | | | |
| DHCA - Affordable Housing Acquisition and Preservation Project (CIP) - Total | 225,795,507 | 17,698,835 | 22,000,000 | 22,000,000 | | |
| Affordable Housing Opportunity Fund (CIP) | | | | | | |
| DHCA - Payment in Lieu of Taxes (Non-HOC PILOTS) | 152,386,214 | 11,722,016 | 19,070,508 | 20,024,034 | 7,758 | Incl. MHI & CIPS. Pending Council's action on a supplemental request of \$8M in FY21 and \$6M in FY22. |
| DHCA - Payment in Lieu of Taxes (HOC PILOTS) | 115,866,506 | 8,912,808 | 9,570,344 | 10,000,000 | 300 | In support of operating cost for Non-profits and Senior housing |
| DGS - Discounted Land Value | 49,493,163 | 9,898,633 | - | 6,797,750 | 50 | |
| Total Affordable Housing Support | 1,143,632,238 | 94,393,127 | 109,807,509 | 126,661,526 | 10,108 | Units Captured in DHCA |

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