

## MEMORANDUM

April 22, 2022

TO: Planning, Housing, and Economic Development (PHED) Committee

FROM: Naeem M. Mia, Legislative Analyst

SUBJECT: **FY23 Recommended Operating Budget – Department of Housing and Community Affairs (DHCA) (General/Grant Funds only)**

PURPOSE: Vote on recommendations for the Council’s consideration

### Expected Attendees:

- Aseem Nigam, Director, DHCA
- Frank Demarais, Deputy Director, DHCA
- Dan Hughes, Acting Chief, Division of Community Development, DHCA
- Rogers Stanley, Chief, Neighborhood Revitalization Section, DHCA
- Pofen Salem, Chief, Division of Finance and Administration, DHCA
- Anita Aryeetey, Lead Fiscal Policy Analyst, OMB

### A. Summary of Staff Recommendations

- 1) *Approve the Executive’s recommended FY23 Operating Budget request for DHCA (General and Grant Funds only); and*
- 2) *Discuss options for inflationary adjustments for non-profit providers.*

### B. Fiscal Summary

Housing and Community Affairs	FY22 Approved	FY23 CE Recommended	Change from FY22 Approved
<b>General Fund</b>	<b>\$8,879,029</b>	<b>\$9,494,644</b>	<b>6.9 %</b>
Personnel Costs	\$7,241,136 62.65 FTEs	\$7,753,179 65.65 FTEs	7.1% 3.0 FTEs
Operating Costs	\$1,637,893	\$1,741,465	6.3%

Grant Fund	\$9,742,923	\$9,853,496	1.1%
Personnel Costs	\$2,482,041 21.50 FTEs	\$2,439,783 20.50 FTEs	1.7% -1.0 FTEs
Operating Costs	\$7,260,882	\$7,413,713	2.1%
<b>Total Expenditures (General &amp; Grant Fund Only – Not Including HIF)</b>	<b>\$18,621,952</b> 84.15 FTEs	<b>\$19,348,140</b> 86.15 FTEs	<b>3.8%</b> 2.4%

Note: For FY23, charges to other departments/CIP totals \$981,817 for 8.20 FTEs; in FY22, charges to other departments totaled \$996,681 for 8.20 FTEs.

*Major Cost Changes (with service impact):*

- Manager III position for COC program (+ \$96,322, 1.0 FTE)
- Investigator III position for COC program (+ \$82,475, 1.0 FTE)
- Investigator III position for LTA program (+ \$82,475, 1.0 FTE)

*Major Cost Changes (with no service impact):*

- Annualization of FY22 Compensation Increases (+ \$163,925)
- Annualization of FY22 Personnel Costs (+ \$56,625)
- FY23 Compensation Adjustment (+ \$138,472)
- 6% Inflationary Adjustment for Non-Profit Providers (+ \$29,766)
- Retirement Adjustments (- \$108,521)

## C. Public Testimony

For the CIP projects, one speaker from the Executive branch spoke in support of the Preservation of Naturally Occurring Affordable Housing CIP at the April 19, 2022 public hearing. During the April 19-21 operating budget public hearings, a total five speakers (of 120) testified in favor of additional affordable housing. An additional two speakers testified in favor of rental assistance programs.

## D. Major Budget Items for FY23

### 1. CDBG/HOME/ESG Summary Action Plan (Grant Fund)

A draft summary action plan for the use of FY23 grant funds is attached to circles 17-24. Federal grant numbers are estimates only at this time; final awards will be known in summer 2022.

*Council staff recommendation: Approve the CE's request.*

## **2. Office of Landlord-Tenant Affairs (OLTA) (General Fund)**

The CE is recommending the addition of an Investigator III position (\$82,475, 1.0 FTE) to support the Landlord-Tenant Mediation program and the caseload increases experienced in the past two years, as well as anticipated increases in case in FY23 and beyond.

No increase in the rental licensing fee is anticipated at this time. The 6-year fiscal projection for OLTA program (FY23-28) is found on circle 25.

*Council staff recommendation: Approve the CE's request.*

## **3. Common Ownership Community (COC) (General Fund)**

The CE is recommending the addition of a Manager III (\$96,322, 1.0 FTE) and an Investigator III (\$82,475, 1.0 FTE) to support the COC program for FY23. The program currently lacks a managerial position and requires dedicated program leadership due to the increasing complexities and issues faced by COCs in the County. According to DHCA, the manager position will provide day-to-day management of case investigators and administrative staff, as well as additional staffing support to the citizens' Commission.

The staff of this group has never had a supervisory position, with oversight and policy guidance provided by volunteer Commission members. The additional investigator will allow DHCA to improve efficiency and timely responsiveness and closure of the cases.

The positions in the COC program are self-funded through the COC fee. To fund these new positions, an increase in the COC fee is anticipated as follows:

- a. The fee will be increased from \$5/unit to \$6.50/unit for any new units registered after January 2023.
- b. Beginning in FY23 (July 1, 2022), the COC fees for all units will be increased to \$6.50.
- c. In addition, there are 14,000 units in Gaithersburg will be joining the COC beginning July 2022.
  - a. For these units, the rate will be kept at the current rate of \$5.00/unit for three years (beginning of FY23 thru end of FY25) based on the agreement between the County and the City of Gaithersburg.
  - b. However, the new rate will be applied to those units in the beginning of FY26 (July 1, 2026).

The 6-year fiscal projection for COC program (FY23-28) is found on circle 26.

*Council staff recommendation: Approve the CE's request.*

## **4. Inflationary Adjustments for Non-Profit Providers (General Fund)**

The CE is recommending a six percent increase in the contracted amounts for inflation adjustments; the total for DHCA General Fund is \$29,766. The Council previously approved

a 3% inflationary adjustment for FY22. The list of non-profit partners receiving the 6% adjustment is on circles 27-28.

Council staff recommends that inflationary adjustments for non-profit provider and partners remain consistent across *all* departments. Staff notes that the HHS Committee, at its April 21, 2022 worksession for the Department of Health and Human Services (DHHS), recommended adding to the Reconciliation List two additional tranches to *increase* the inflationary adjustment to 8% and 10%.

The PHED Committee may wish to recommend a similar increase for DHCA (General Fund) or may wish to defer any adjustments until further consideration in mid-FY23. The table below provides the estimated additional impact to the FY23 General Fund when compared to the base FY22 Approved budget.

<b>Non-Profit Partners (General Fund)</b>					
	<u>FY22</u> <u>Approved</u>	<u>CE</u> <u>Recommended</u>	<u>Option A</u>	<u>Option B</u>	<u>Option C</u>
% Increase:		6.00%	3.00%	8.00%	10.00%
Total Cost:	\$ 496,100	\$ 525,866	\$ 510,983	\$ 535,788	\$ 545,710
Additional vs. FY22:		\$ 29,766	\$ 14,883	\$ 39,688	\$ 49,610

***Council staff recommendation: Discuss options.***

This packet contains:

	<u>Circle Page #</u>
1. FY23 Recommended Publication and Fiscal Plan – DHCA	1-16
2. CDBG/HOME/ESG Summary Action Plan (Draft)	17-23
3. 6-Year Revenues and Expenditures – OLTA	24
4. 6-Year Revenues and Expenditures – COC	25
5. List of DHCA Non-Profit Partners for FY23	26-27



# Housing and Community Affairs

## RECOMMENDED FY23 BUDGET

\$68,414,227

## FULL TIME EQUIVALENTS

104.20

 ASEEM NIGAM, DIRECTOR

## MISSION STATEMENT

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

## BUDGET OVERVIEW

The total recommended FY23 Operating Budget for the Department of Housing and Community Affairs is \$68,414,227, an increase of \$6,669,758 or 10.80 percent from the FY22 Approved Budget of \$61,744,469. Personnel Costs comprise 18.55 percent of the budget for 110 full-time position(s) and no part-time position(s), and a total of 104.20 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses and Debt Service account for the remaining 81.45 percent of the FY23 budget.

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

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

## COUNTY PRIORITY OUTCOMES

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

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

## INITIATIVES

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

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Housing Acquisition and Preservation CIP project, and an additional \$6 million for the new Affordable Housing Opportunity Fund. This increases dedicated funding and provides for renovation of distressed housing, the acquisition and preservation of affordable housing units, creation of housing units for special needs residents, services to the "Building Neighborhoods to Call Home" and "Housing First" programs, and creation of mixed-income housing.

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

## INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

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

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

## PROGRAM CONTACTS

Contact Pofen Salem of the Department of Housing and Community Affairs at 240.777.3728 or Anita Aryeetey of the Office of Management and Budget at 240.777.2784 for more information regarding this department's operating budget.

## PROGRAM PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable), with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY22 estimates reflect funding based on the FY22 Approved Budget. The FY23 and FY24 figures are performance targets based on the FY23 Recommended Budget and funding for comparable service levels in FY24.

## PROGRAM DESCRIPTIONS

### Administration

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

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

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

FY23 Recommended Changes	Expenditures	FTEs
<b>FY22 Approved</b>	<b>2,379,713</b>	<b>13.70</b>
Re-align: Create an Information Technology Specialist Position for Cost Efficiency	98,760	1.00
Increase Cost: Six Percent Inflationary Increase to Non-Profit Service Provider Contracts	29,766	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(176,900)	(0.90)
<b>FY23 Recommended</b>	<b>2,331,339</b>	<b>13.80</b>

### Affordable Housing Programs

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

units, and provide energy efficiency solutions and savings. Also, this program is responsible for the Work Force Housing Program.

Program Performance Measures	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Affordable Housing Program - Number of MC311 Service Requests	1,654	1,170	1,205	1,241	1,278
Affordable Housing Program - Percent of MC311 Service Requests meeting service length agreement	100.0%	99.3%	100.0%	100.0%	100.0%
Number of affordable housing units produced and available for occupancy (at no cost to the County)	79	264	277	291	306
Number of housing units improved/rehabilitated	248	118	125	125	125

  

FY23 Recommended Changes	Expenditures	FTEs
<b>FY22 Approved</b>	<b>967,439</b>	<b>10.50</b>
Re-align: Create a Program Manager II Position to Support Implementation of MPDU Requirements	75,781	1.00
Re-align: Abolish a Lapsed Office Services Coordinator Position to Create a Program Manager II Position to Implement MPDU Requirements	0	(1.00)
Re-align: Operating Expenses to Fund the Creation of a Program Manager II Position	(75,781)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(41,583)	(3.00)
<b>FY23 Recommended</b>	<b>925,856</b>	<b>7.50</b>

## ☀ Common Ownership Community Program

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

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

  

FY23 Recommended Changes	Expenditures	FTEs
<b>FY22 Approved</b>	<b>712,097</b>	<b>4.15</b>
Add: MIII Position for Common Ownership Communities	96,322	1.00
Add: Investigator III Position for Common Ownership Communities	82,475	1.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	14,296	0.00
<b>FY23 Recommended</b>	<b>905,190</b>	<b>6.15</b>

## ☀ Grants Administration - Federal Programs

Staff provides management and oversight to ensure compliance with all regulatory requirements for Federal funding awarded to Montgomery County by the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant, the HOME Investment Partnership Grant, and the Emergency Solutions Grant programs. Funds from these



programs support both operating activities and capital projects. Activities funded may include property acquisition, new construction, housing rehabilitation, commercial area revitalization, and handicapped accessibility improvements. Staff administers contracts with the cities of Rockville and Takoma Park, as well as nonprofit organizations awarded funding to provide a variety of public services involving assistance to low-income persons.

Program Performance Measures	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Number of contracts awarded and monitored	48	25	25	26	25
Funding awarded to CDBG public service contracts	\$600,000	\$591,067	\$630,000	\$625,000	\$630,000
CDBG public service contract compliance rate	100%	100%	100%	100%	100%
CDBG public service contract non-housing beneficiaries <sup>1</sup>	\$6,382	\$8,250	\$19,612	\$10,000	\$10,300

<sup>1</sup> DHCA partners with the Community Development Advisory Committee, which provides funding recommendations for public service contracts. The beneficiaries of these contracts fluctuate annually based on the type of services provided.

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

## Housing Administration

This program provides management and oversight to support activities within the housing division including single and multi-

family housing programs, and landlord tenant mediation. This program was formerly included as part of Housing Development and Loan Programs.

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

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

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

FY23 Recommended Changes	Expenditures	FTEs
<b>FY22 Approved</b>	<b>469,121</b>	<b>3.95</b>
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(69,892)	0.00
<b>FY23 Recommended</b>	<b>399,229</b>	<b>3.95</b>

## Housing Code Enforcement

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

Program Performance Measures	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Number of Housing Code Enforcement inspections	28,253	27,031	30,000	30,900	31,827
Housing Code Enforcement Program Customer Service - Number of MC311 Service Requests <sup>1</sup>	6,888	6,428	6,621	6,819	7,024
Housing Code Enforcement Program Customer Service - Percent of MC311 Service Requests meeting service length agreement	61.5%	74.3%	76.5%	78.8%	81.2%
Code Enforcement - Number of violations per unit	1.64	1.67	1.67	1.67	1.67
Code Enforcement - Average severity of violations per unit	1.27	1.5	1.5	1.5	2

<sup>1</sup>

FY23 Recommended Changes	Expenditures	FTEs
<b>FY22 Approved</b>	<b>4,595,390</b>	<b>38.50</b>
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	172,858	0.00
<b>FY23 Recommended</b>	<b>4,768,248</b>	<b>38.50</b>

## Landlord-Tenant Mediation

This program ensures fair and equitable relations between landlords and tenants and encourages the maintenance and improvement of housing. Activities including mediating and arbitrating disputes; providing information and technical assistance to all parties; and

taking legal action as necessary, including referring unresolved complaints to the Montgomery County Commission on Landlord-Tenant Affairs.

Program Performance Measures	Actual FY20	Actual FY21	Estimated FY22	Target FY23	Target FY24
Number of Landlord Tenant meditations	686	610	684	684	684
Landlord Tenant Affairs Program - Number of MC311 Service Requests	7,053	7,049	7,260	7,478	7,703
Landlord Tenant Affairs Program - Percent of MC311 Service Requests meeting service length agreement	99.6%	99.7%	100.0%	100.0%	100.0%
Percent of landlord/tenant cases mediated successfully (not referred to the Commission)	97.0%	97.2%	97.2%	97.2%	97.2%
Number of evictions prevented due to Landlord & Tenant Affairs' intervention	402	450	450	450	450

FY23 Recommended Changes	Expenditures	FTEs
<b>FY22 Approved</b>	<b>1,412,014</b>	<b>8.00</b>
Add: Investigator III Position for the Landlord-Tenant Mediation Program	82,475	1.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(10,939)	0.00
<b>FY23 Recommended</b>	<b>1,483,550</b>	<b>9.00</b>

## ☀️ Licensing and Registration

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

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

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

## ☀️ Multi-Family Housing Programs

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

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

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

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

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

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

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

## Neighborhood Revitalization

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

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

<sup>1</sup> FY20 activity includes four active projects (Kimberly Place Balconies and Drainage, Montclair Manor and Montgomery Village). FY21 assumes

activity at Kimberly Place Balconies and Wedgewood. FY22 assumes activity is only for Kimberly Place Balconies.

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

FY23 Recommended Changes	Expenditures	FTEs
<b>FY22 Approved</b>	<b>1,857,039</b>	<b>6.60</b>
Re-align: Abolish a Vacant Planning Specialist III Position in the Neighborhood Revitalization Program to Support Creation of a New IT Specialist Position in the Management Services Program	(98,760)	(1.00)
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	118,671	1.90
<b>FY23 Recommended</b>	<b>1,876,950</b>	<b>7.50</b>

## BUDGET SUMMARY

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

## BUDGET SUMMARY

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

### GRANT FUND - MCG

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

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

### DEPARTMENT TOTALS

## BUDGET SUMMARY

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

## FY23 RECOMMENDED CHANGES

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

## FY23 RECOMMENDED CHANGES

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

### GRANT FUND - MCG

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



## FY23 RECOMMENDED CHANGES

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

## PROGRAM SUMMARY

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

## CHARGES TO OTHER DEPARTMENTS

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

## FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY23	FY24	FY25	FY26	FY27	FY28
<b>COUNTY GENERAL FUND</b>						
<b>EXPENDITURES</b>						
<b>FY23 Recommended</b>	<b>9,495</b>	<b>9,495</b>	<b>9,495</b>	<b>9,495</b>	<b>9,495</b>	<b>9,495</b>
No inflation or compensation change is included in outyear projections.						
<b>Annualization of Positions Recommended in FY23</b>	<b>0</b>	<b>219</b>	<b>219</b>	<b>219</b>	<b>219</b>	<b>219</b>
New positions in the FY23 budget are generally assumed to be filled at least two months after the fiscal year begins. Therefore, the above amounts reflect annualization of these positions in the outyears.						
<b>Labor Contracts</b>	<b>0</b>	<b>317</b>	<b>317</b>	<b>317</b>	<b>317</b>	<b>317</b>
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
<b>Subtotal Expenditures</b>	<b>9,495</b>	<b>10,031</b>	<b>10,031</b>	<b>10,031</b>	<b>10,031</b>	<b>10,031</b>
<b>MONTGOMERY HOUSING INITIATIVE</b>						
<b>EXPENDITURES</b>						
<b>FY23 Recommended</b>	<b>49,066</b>	<b>49,066</b>	<b>49,066</b>	<b>49,066</b>	<b>49,066</b>	<b>49,066</b>
No inflation or compensation change is included in outyear projections.						
<b>Annualization of Positions Recommended in FY23</b>	<b>0</b>	<b>101</b>	<b>101</b>	<b>101</b>	<b>101</b>	<b>101</b>
New positions in the FY23 budget are generally assumed to be filled at least two months after the fiscal year begins. Therefore, the above amounts reflect annualization of these positions in the outyears.						
<b>Labor Contracts</b>	<b>0</b>	<b>82</b>	<b>82</b>	<b>82</b>	<b>82</b>	<b>82</b>
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
<b>Subtotal Expenditures</b>	<b>49,066</b>	<b>49,249</b>	<b>49,249</b>	<b>49,249</b>	<b>49,249</b>	<b>49,249</b>

### ANNUALIZATION OF FULL PERSONNEL COSTS

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

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

**Montgomery Housing Initiative**

FISCAL PROJECTIONS	FY22 APPROVED	FY22 ESTIMATE	FY23 REC	FY24 PROJECTION	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION
<b>ASSUMPTIONS</b>								
Indirect Cost Rate	19.18%	19.18%	18.35%	18.35%	18.35%	18.35%	18.35%	18.35%
CPI (Fiscal Year)	1.6%	5.4%	3.0%	2.3%	2.4%	2.4%	2.3%	2.2%
Investment Income Yield	0.1%	0.2%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%
<b>BEGINNING FUND BALANCE</b>	<b>20,635,425</b>	<b>47,597,551</b>	<b>12,747,400</b>	<b>3,276,600</b>	<b>823,600</b>	<b>582,700</b>	<b>334,500</b>	<b>394,600</b>
<b>REVENUES</b>								
Taxes	14,853,187	19,925,844	19,610,377	20,248,308	21,011,408	21,780,993	22,589,703	23,409,166
Charges For Services	70,200	70,200	70,200	71,787	73,488	75,230	76,945	78,007
Miscellaneous	15,323,239	15,101,859	13,405,516	12,980,236	13,097,956	13,276,758	13,462,356	13,655,026
<b>Subtotal Revenues</b>	<b>30,246,626</b>	<b>35,097,903</b>	<b>33,086,093</b>	<b>33,300,331</b>	<b>34,182,852</b>	<b>35,132,979</b>	<b>36,129,004</b>	<b>37,142,799</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>								
Transfers To Debt Service Fund	(16,718,400)	(11,566,600)	(15,262,000)	(17,906,600)	(17,798,020)	(22,123,890)	(22,122,599)	(26,421,400)
MHI HOC Housing Opportunity Fund	(3,400,000)	(3,071,100)	(3,073,200)	(3,071,000)	(3,069,500)	(3,072,100)	(3,070,300)	(3,068,800)
MHI Property Acquisition	(13,318,400)	(8,495,500)	(12,188,800)	(14,835,600)	(14,728,520)	(19,051,790)	(19,052,299)	(22,352,600)
Transfers To The General Fund	(453,967)	(453,967)	(458,070)	(477,584)	(498,454)	(520,236)	(542,502)	(565,070)
Indirect Costs	(453,967)	(453,967)	(458,070)	(477,584)	(498,454)	(520,236)	(542,502)	(565,070)
Transfers From The General Fund	28,740,829	28,740,829	30,182,949	30,182,949	30,182,949	30,182,949	30,182,949	30,182,949
General Fund	25,340,829	25,340,829	30,182,949	30,182,949	30,182,949	30,182,949	30,182,949	30,182,949
Designated Reserve for Affordable Housing	3,400,000	3,400,000	0	0	0	0	0	0
<b>TOTAL RESOURCES</b>	<b>62,450,513</b>	<b>99,415,716</b>	<b>60,296,372</b>	<b>48,375,696</b>	<b>46,892,928</b>	<b>43,254,501</b>	<b>43,981,352</b>	<b>41,733,878</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>								
Operating Budget	(43,072,867)	(30,397,146)	(2,939,743)	(2,939,743)	(2,939,743)	(2,939,743)	(2,939,743)	(2,939,743)
CPI-Fiscal Year for OE (= OE w/o FC x CPI)	n/a	n/a	0	(10,020)	(20,770)	(31,770)	(42,610)	(53,110)
Compensation Adjustment	n/a	n/a	0	(106,342)	(220,077)	(338,782)	(460,123)	(583,110)
Debt Service: Other (Non-Tax Funds only)	(49,650)	(49,650)	(47,230)	(54,510)	0	0	0	0
Annualizations and One-Time	n/a	n/a	0	(101,042)	(101,042)	(101,042)	(101,042)	(101,042)
Rental Assistance Program (RAP)	n/a	(9,770,540)	(19,510,377)	(20,248,308)	(21,011,408)	(21,780,993)	(22,589,703)	(23,409,166)
Affordable Housing Loans	n/a	(4,000,000)	(13,572,750)	(11,096,144)	(9,021,201)	(4,731,684)	(4,457,544)	(1,570,620)
HHS Housing Programs	n/a	n/a	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)
Neighborhoods to Call Home	n/a	0	(1,289,787)	(1,289,787)	(1,289,787)	(1,289,787)	(1,289,787)	(1,289,787)
Homeownership Assistance Program	n/a	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(43,122,517)</b>	<b>(46,217,336)</b>	<b>(49,066,087)</b>	<b>(47,552,096)</b>	<b>(46,310,228)</b>	<b>(42,920,001)</b>	<b>(43,586,752)</b>	<b>(41,652,778)</b>
<b>OTHER CLAIMS ON FUND BALANCE</b>	<b>(17,997,996)</b>	<b>(40,450,980)</b>	<b>(7,953,685)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(61,120,513)</b>	<b>(86,668,316)</b>	<b>(57,019,772)</b>	<b>(47,552,096)</b>	<b>(46,310,228)</b>	<b>(42,920,001)</b>	<b>(43,586,752)</b>	<b>(41,652,778)</b>
<b>YEAR END FUND BALANCE</b>	<b>1,330,000</b>	<b>12,747,400</b>	<b>3,276,600</b>	<b>823,600</b>	<b>582,700</b>	<b>334,500</b>	<b>394,600</b>	<b>81,100</b>
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>								
	<b>2.1%</b>	<b>12.8%</b>	<b>5.4%</b>	<b>1.7%</b>	<b>1.2%</b>	<b>0.8%</b>	<b>0.9%</b>	<b>0.2%</b>

Assumptions:

- Approximately \$100 million will be allocated in affordable housing, including expenditures of \$57.0 million reflected in this fund, \$22 million for the Affordable Housing Acquisition and Preservation CIP Project #760100, and \$6 million for Affordable Housing Opportunity Fund CIP Project #762101. The CIP fund assumes the issuance of \$14.89 million of debt, \$7.1 million in estimated loan repayments, and \$6 million funded with Recordation Tax Premium in FY23. The funding provides a continued high level of support for renovation of distressed housing, the acquisition and preservation of affordable housing units, creation of housing units for special needs residents and mixed-income housing and a variety of services for permanent supportive housing and community development.
- A supplemental request totaling \$14.75 million in Loan Repayments for the Acquisition and Preservation of Affordable Housing CIP Project #760100 was submitted to the Council in January 2022 for approval. The funding will be used to address the urgent challenge of preservation and development of affordable housing in areas at risk of rent escalation to higher market rents, including County transit corridors.
- \$40 million in cash is dedicated to a new CIP project, Preservation of Naturally Occurring Affordable Housing Fund, P762201, to preserve those NOAH properties in areas at risk of rent escalation to higher market rents, including the Purple Line Corridor and other County transit corridors
- The six-year CIP includes \$25 million in Recordation Tax Premium for the Affordable Housing Acquisition and Preservation (760100) for additional housing acquisition and/or preservation activities in FY24 through FY26.
- Montgomery County Council Resolution #15-110 provides for an allocation from the General Fund to the Montgomery Housing Initiative fund (MHI) of the equivalent to 2.5% of actual General Fund property taxes from two years prior to the upcoming fiscal year for the purpose of maintaining and expanding the supply of affordable housing. However, the actual transfer from the General Fund will be determined each year based on the availability of resources.

Notes:

- These projections are based on the Executive's Recommended budget and include the revenue and resource assumptions of that budget. The projected future expenditures, revenues, and fund balances may vary based on changes not assumed here to fee or tax rates.
- The Executive recommends an additional \$4.8 million to be transferred from the General Fund to the MHI fund, compared to \$25.3 million approved for FY22. A combination totaling \$30.2 million transferred from the General Fund, the additional \$1.5 million collected from land sale proceeds, and the projected \$2.5 million contributed by the interest payments generated from HOC Housing Production Fund will reach beyond the 2.5% policy goal.
- Operating budget includes personnel costs, contracts for homeownership education, and miscellaneous expenses for consultants, technology upgrades and monitoring.

**AFFORDABLE HOUSING SUPPORT SUMMARY**

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

**ACTION PLAN**  
**Projected use of Funds for CDBG, HOME and ESG**  
**July 1, 2022 – June 30, 2023**  
**FFY2022 CFY2023**

**Community Development Block Grant (CDBG)**

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)** **\$6,126,150**

The county expects to receive \$5,126,150 in CDBG funds for County Fiscal Year 2020, and with anticipated program income of \$1,000,000, an estimated total of \$6,126,150 in CDBG funds will be available for the following activities.

**PROJECTS ADMINISTERED BY COUNTY GOVERNMENT**

**Department of Housing and Community Affairs (DHCA)** **\$5,772,150**

**Housing Acquisition and Preservation (subject to update)** **\$2,177,150**

Funds will be used for affordable housing activities. Eligible activities include loans to assist in the purchase of existing properties for use as housing affordable to low- and moderate-income residents and funds for housing rehabilitation to enable low and moderate income owners of single-family homes and owners of multi-family properties occupied by low- and moderate-income tenants to eliminate code violations and make other necessary improvements, including accessibility and energy conservation improvements. Assistance may also be provided for group home acquisition. An estimated 85 units will be created, preserved, or improved.

**Group Home Rehabilitation** **\$600,000**

Funds will be used to assist nonprofit providers in rehabilitating group homes occupied by lower-income, special needs persons to eliminate code violations and make other necessary improvements, including accessibility and energy conservation improvements. An estimated 15 homes will be improved, serving approximately 100 clients.

**Focused Neighborhood Assistance** **\$945,000**

The Focused Neighborhood Assistance (FNA) program provides financial and technical assistance to select affordable neighborhoods to improve the quality of life, safety and welfare of residents. Construction services are currently underway for the Grover's Forge, Center Stage, Walker's Choice and The Hamptons neighborhoods of Montgomery Village during FY21 and are expected to be completed in FY22. Additional construction activities are underway in FY21 for the Montclair Manor community in Silver Spring and are also expected to be completed in FY22. All of these communities will benefit from site improvements and new lighting throughout their neighborhoods. Site improvements in the Wedgewood community are expected to begin in FY22. Approximately 627 households will benefit from these common area improvements.

**Code Enforcement** **\$300,000**

Funds will be used to partially cover costs incurred for code enforcement efforts in low-and moderate income areas. Approximately 740 cases / households will be processed.

**Facility Planning** \$50,000  
The funds will be used for preliminary planning and design for a variety of projects in eligible areas for possible inclusion in a future budget.

**Administration (capped)** \$950,000  
This will fund DHCA’s staff in planning, administration and monitoring of the CDBG program, including preparation of the Consolidated Plan, staff support for a citizens’ advisory committee, environmental reviews, preparation of contracts, payment processing and auditing, federal reporting and loan servicing.

**Fair Housing Activities** \$20,000  
Funds will be used for activities that serve to affirmatively further fair housing choice. Activities may include sales, rental and lending testing, education/outreach, training and research. Activities will be administered by the Office of Human Rights. An estimated 140 people will benefit.

**Contingency** \$100,000  
The fund will be used to cover unanticipated costs for other eligible activities.

**NONPROFIT PROVIDERS (UPDATE COMPLETE)** \$625,000  
Funds will be used to provide a variety of CDBG-eligible public services to low- and moderate-income county residents eligible for CDBG-funded assistance:

**Arts for the Aging** \$26,685  
**“Reconnecting Via the Arts”**  
Combat loneliness, isolation, and boost wellness and connection through the arts. Provide improved community services that are inclusive, accessible, multisensory, and based on participants’ needs and desires. Estimated to benefit 100 seniors.

**Bethesda Cares, Inc.** \$45,000  
**“Volunteer Coordinator Position”**  
Provides support for a fulltime volunteer coordinator to manage 150 volunteers serving individuals and families experiencing homelessness. Volunteers support operate the meal program, organize donations, conduct street outreach with staff, and maintain other administrative functions. Estimated to benefit 650 people.

**Community Bridges, Inc.** \$35,000  
**“College Access and Success Program”**  
Increase scholarship, internship, job, and shadowing opportunities for young women from low-income and/or minority backgrounds. Estimated to benefit 335 young women.

**Community Reach of Montgomery County, Inc.** \$43,500  
**“Rockville Emergency Assistance Program”**  
Help avoid financial instability by providing case management services and financial assistance. Estimated to benefit 120 people.

**Community Reach of Montgomery County, Inc.** \$45,000  
**“Kaseman Health Clinic Diabetes Center”**

Provides support for the operations of a Diabetes Center, including podiatry services, ophthalmology services, and general care provided by a medical assistant. Estimated to benefit 300 clients.

**Cornerstone Montgomery Inc.** \$40,500

**“Providing Nursing Healthcare in Mental Health Residential Facilities”**

Promote health equity by reducing health disparities for persons with serious mental illness. Enhance integration of care for individuals with severe mental illness who are also experiencing complex and chronic medical conditions. Estimated to benefit 50 individuals.

**ECDC Enterprise Development Group** \$35,400

**“Small Business Loan Program for Low to Moderate Income People”**

Increased access to capital, assistance, technical training, mentoring, and coaching to new and existing businesses. Estimated to benefit 95 clients.

**EveryMind** \$39,131

**“Stabilizing Adults through Situational Support”**

Prevent or mitigate the impact of crises that lead to evictions, homelessness, exacerbation of mental or physical health conditions, increased reliance on social services, and social marginalization. Estimated to benefit 140 clients.

**Hispanic Business Foundation of Maryland, Inc.** \$45,000

**“Partnership Youth Initiative”**

Create job opportunities for the youth and decrease dropout rates among low-income high school students through job readiness training, paid internships, and mentorship. Estimated to benefit 35 youth.

**Horizons Greater Washington Inc.** \$35,000

**“Summer Program”**

Help students maintain or improve their proficiency in literacy, math, and increase their attendance rates. Estimated to benefit 141 students.

**Interfaith Works, Inc.** \$41,100

**“Empowerment Center”**

Deliver a safe space for residents experiencing homelessness to receive clinical case management and essentials as well as connections to external resources to result in permanent housing placement. Estimated to benefit 260 people.

**Latin American Youth Center, Inc.** \$34,619

**“Maryland Multicultural Youth Center Mental Health”**

Provide individual and family counseling, psychoeducational group sessions, and referrals through the Maryland Multicultural Youth Centers. Estimated to benefit 30 youth.

**Lead4Life, Inc.** \$45,000

**“Disconnected Youth Intervention”**

Reengage disconnected youth to community-based services and increase access to community services for families. Estimated to benefit 120 youth.

**Montgomery Housing Partnership** \$45,000  
**“Homework Club Afterschool Enrichment Program”**  
 Improve academic readiness and overall well-being for low-income K-5 children living in MHP's affordable housing properties across Silver Spring and Takoma Park MD through an afterschool academic enrichment program. Estimated to benefit 108 children.

**Mobile Medical Care Inc.** \$24,065  
**“Diabetic Eye Health”**  
 Provide specialized retinal eye exams for low-income patients for routine monitoring and early detection diabetic retinopathy. Estimated to benefit 660 people.

**Montgomery County Coalition for the Homeless, Inc.** \$45,000  
**“Rapid Exit Specialist”**  
 Provides for the Rapid Exit Specialist position to quickly identify and access safe and appropriate alternatives to emergency shelter for men experiencing a housing crisis. Estimated to benefit 120 men.

**PROJECTS ADMINISTERED BY MUNICIPALITIES** **\$354,000**

**CITY OF TAKOMA PARK (subject to update)** **\$91,000**

**Neighborhood Improvement Initiative**  
 Funds will be used for planned ADA streetscape improvements in CDBG eligible areas. Specific projects sites, to be identified in partnership with the Public Works Department, will be approved by Montgomery County to ensure compliance with federal requirements. This project will serve an estimated 2,619 people.

**CITY OF ROCKVILLE** **\$263,000**

**Christian Church Facilities for the Aging Incorporated** \$97,925  
 Christian Church Facilities for the Aging Inc. will replace the carpeting at Bethany House Senior Apartments. The replacement of the carpet will eliminate trip hazardous conditions related to aged carpeting at the property.

**City of Rockville Single Family Rehab** \$100,000  
 Rockville will provide home improvement forgivable loans to low-income residents, over half of whom are elderly, for remediation of critical code deficiencies, and repairs to/replacement of such items as furnaces, roofs, broken or inefficient appliances and plumbing fixtures, and dangerous tree removal.

**Housing Unlimited, Inc.** \$17,800  
 Housing Unlimited will undertake a repair and maintenance of one of its affordable homes for residents in mental health recovery at 108 Garcia Lane, Rockville, MD, 20851. Specific proposed scope includes two-bathroom renovations, kitchen renovation, and painting work.

**Rockville Housing Enterprises (RHE)** \$47,275



RHE will add submeters to 68 townhome units at its public housing sites of the David Scull Courts community. The installation of individual meters will enable RHE to closely monitor water usage and enhance its water conservation efforts.

SUMMARY OF EXPECTED BENEFIT FROM CDBG PROJECTS

Persons	23,220
Households	737

## HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)

### **HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)** **\$3,017,203**

The HOME grant is designed to increase housing choices for low-income households through rental and home ownership programs, in cooperation with public, private and nonprofit organizations. During the coming year, it is anticipated that the County will receive \$2,017,203 in funding for HOME projects, and together with anticipated program income of \$1,000,000, an estimated total of \$3,017,203 in HOME funds will be available. Funds will generally be made available in the form of low-interest loans and other subsidies, and units assisted may be both rental and owner-occupied.

### **PROJECTS ADMINISTERED BY COUNTY GOVERNMENT**

#### **Department of Housing and Community Affairs (DHCA)**

#### **Housing Production and Preservation (subject to update)** **\$2,412,203**

Funds will be used for the construction, acquisition, and / or rehabilitation of housing (both multi- and single-family units). DHCA may work with the private sector, non-profits and / or the Montgomery County Housing Opportunities Commission (HOC) in implementing this program. This is estimated to produce or preserve 48 units.

#### **Community Housing Development Organizations (CHDOs)** **\$305,000**

##### **Housing Production**

The project will fund the housing development activities of CHDOs. This represents the federally mandated fifteen percent of the HOME allocation. Up to 10 percent of this total (\$20,000) may be used for project-specific technical assistance, site control, and seed money loans. It is anticipated that one to three organizations will use these funds for acquisition, construction, or renovation of rental housing for persons with low incomes. This is estimated to produce or preserve 6 units.

### **PROJECTS ADMINISTERED BY NONPROFITS AND OTHER PUBLIC AGENCIES**

#### **CHDO Operating Assistance** **\$100,000**

Funds will be used to partially cover the administrative costs of qualified CHDOs: Montgomery Housing Partnership (MHP) and Housing Unlimited, Inc. (HUI). MHP will receive \$60,000 and HUI will receive \$40,000. By regulation, only CHDOs using HOME funds to own, sponsor, or develop affordable housing are eligible for operating support. This operating support cannot exceed 50 percent of a CHDO's operating budget in any fiscal year or \$50,000 annually, whichever is greater.

#### **ADMINISTRATION** **\$200,000**

The fund will be used to cover the county's expenses associated with operating the HOME Program. Administrative expenses cannot exceed 10% of the entitlement amount.

### **SUMMARY OF EXPECTED BENEFIT FROM HOME PROJECTS**

Units	54
CHDOs	2

## EMERGENCY SOLUTIONS GRANT (ESG)

### EMERGENCY SOLUTIONS GRANT (ESG) (subject to update)

\$428,409

The ESG Program enables the county to assist persons who are homeless. For County FY2021, it is anticipated that the County will receive \$428,409 in ESG funding. Funds are used in conjunction with the Continuum of Care homeless assistance system and will be administered by the county's Department of Health and Human Services.

#### **Rapid Re-Housing**

\$428,409

Housing Stabilization and Relocation Services – \$130,909 - will be available to assist households experiencing homelessness locate, obtain and retain housing. Funds will be used for support services including linkages to mainstream services and employment, rent application fees, and security deposits to assist approximately 35 households move into permanent housing. Eligible singles and families include those living in temporary shelter, in a place not meant for human habitation or other places described in Category I of the homeless definition issued by HUD.

Rental Assistance - \$297,500 will be used to provide up to an average of 9 months but up to 24 months of rental assistance to help households rapidly exit homelessness and retain permanent housing. Assistance will be provided to households that meet the criteria for Category I of the homeless definition issued by HUD upon program admission. Approximately 35 households will be served.

### SUMMARY OF EXPECTED BENEFIT FROM ESG PROJECTS

Households      35

Montgomery County Department of Housing and Community Affairs

Landlord Tenant Administration Program



Public Service Program Budget

	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
	Actual	Actual	Approved	Rec	Projection	Projection	Projection	Projection	Projection
Beginning Fund Balance	127,210	365,334	(819,607)	(272,883)	389,005	889,944	1,220,820	1,372,118	1,333,905
Revenue	6,561,669	6,333,486	7,740,600	7,856,709	7,974,560	8,094,178	8,215,591	8,338,825	8,463,907
<i>Total</i>	6,688,879	6,698,820	6,920,993	7,583,826	8,363,565	8,984,122	9,436,411	9,710,942	9,797,811
Personnel Costs	4,731,575	5,209,286	5,303,521	5,319,381	5,532,156	5,753,442	5,983,580	6,222,923	6,471,840
Operating Costs	624,363	1,243,842	873,140	899,334	926,314	954,104	982,727	1,012,209	1,042,575
Indirect Costs	967,607	1,065,299	1,017,215	976,106	1,015,151	1,055,757	1,097,987	1,141,906	1,187,583
<i>Total</i>	6,323,545	7,518,427	7,193,876	7,194,821	7,473,621	7,763,302	8,064,293	8,377,038	8,701,997
<b>Ending Fund Balance</b>	<b>365,334</b>	<b>(819,607)</b>	<b>(272,883)</b>	<b>389,005</b>	<b>889,944</b>	<b>1,220,820</b>	<b>1,372,118</b>	<b>1,333,905</b>	<b>1,095,814</b>

Assumptions

Revenue increases @ 1.5%

PC increases @ 4.0%; OE expense @3% incremental increase annually

Indirect cost rate = 20.45% (FY19-FY21); 19.18% (FY22); FY23: 18.35% thereafter

Montgomery County Department of Housing and Community Affairs  
 Common Ownership Community Program



	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
	Actual	Actual	Budget	Projection	Projection	Projection	Projection	Projection	Projection
Beginning Fund Balance	854,465	1,031,048	1,106,234	995,060	757,720	638,102	489,247	310,742	101,082
Revenue	700,132	671,170	722,500	794,500	1,024,704	1,039,024	1,054,610	1,070,429	1,086,485
<b>Total Revenue</b>	<b>1,554,597</b>	<b>1,702,217</b>	<b>1,828,734</b>	<b>1,789,560</b>	<b>1,782,424</b>	<b>1,677,127</b>	<b>1,543,857</b>	<b>1,381,171</b>	<b>1,187,567</b>
Personnel Costs	347,409	389,836	497,097	690,190	779,782	810,973	843,412	877,148	912,234
Operating Costs	105,096	126,427	241,233	215,000	221,450	228,094	234,936	241,984	249,244
Indirect Costs	71,045	79,721	95,343	126,650	143,090	148,814	154,766	160,957	167,395
<b>Total Expenditure</b>	<b>523,549</b>	<b>595,984</b>	<b>833,673</b>	<b>1,031,840</b>	<b>1,144,322</b>	<b>1,187,880</b>	<b>1,233,114</b>	<b>1,280,089</b>	<b>1,328,873</b>
<b>Ending Fund Balance</b>	<b>1,031,048</b>	<b>1,106,234</b>	<b>995,060</b>	<b>757,720</b>	<b>638,102</b>	<b>489,247</b>	<b>310,742</b>	<b>101,082</b>	<b>(141,306)</b>

**Assumptions:**

1. The rate is assumed to be increased from \$5.0/unit to \$6.50/unit for those NEW units registered after January 1, 2023. The new rate of \$6.50/unit will be applied to all units effective July 1, 2023 (beginning of FY24).
2. The CE recommended to create two new staff - MIII and an investigator -- in FY23, totaling 6.15 FTE.
3. PC increases @ 4.0%; OE increases @3% incremental per year
4. Indirect cost rate = 20.45% (FY19-FY21); 19.18% (FY22); FY23: 18.35% thereafter
5. Per the agreement with the City of Gaithersburg, the existing rate of \$5.0/unit will be kept for three years (from FY23 thru FY25) for those 14,000 units that will join the CCOC in July 2022. Beginning FY26, the new rate will be applied to those units too.

<b>Housing and Community Affairs-administered Non-Profit Contracts</b>						
<u>Entity</u>	<u>Purpose</u>	<u>FY22 Approved Amount (with a 3% inflationary adjustment)</u>	<u>FY23 CE Recommended (6% inflationary adjustment)</u>	<u>Change (FY22 vs. FY23)</u>	<u>1st Year on list</u>	<u>Funding Source</u>
A Wider Circle, Inc.	Provides support for the Neighborhoods to Call Home program within the HIF	\$ 231,750	\$ 245,655	\$ 13,905	FY18	HIF
CASA, Inc.	Provide tenant outreach and education, legal services, and community-building activities to improve housing conditions, landlord-tenant relations and public safety.	\$ 15,450	\$ 16,377	\$ 927	FY21	GF
CASA, Inc.	Provides for Housing Initiative Funds (HIF) for tenant counseling and housing initiatives	\$ 257,500	\$ 272,950	\$ 15,450	FY04	HIF
CASA, Inc.	Provides for Housing Initiative Funds (HIF) for the Pine Ridge Community Center	\$ 150,730	\$ 159,774	\$ 9,044	FY06	HIF
Community Reach of Montgomery County, Inc.	Provide financial assistance to residents facing eviction/utility termination, prescription cost assistance, and referrals for dental/vision services, clothing, and food.	\$ 20,600	\$ 21,836	\$ 1,236	FY21	GF
Eastern Montgomery Emergency Assistance Network	Provide emergency housing, utility or prescription assistance to referred customers in Eastern Montgomery County.	\$ 25,750	\$ 27,295	\$ 1,545	FY21	GF
Habitat for Humanity Metro Maryland, Inc.	Provide improvements and critical repairs of residences of low-income, non-senior households.	\$ 41,200	\$ 43,672	\$ 2,472	FY21	GF
Housing Unlimited, Inc.	Provide funding to expand the organization's permanent affordable housing for persons who are homeless and have psychiatric disabilities.	\$ 82,400	\$ 87,344	\$ 4,944	FY21	GF
Montgomery County Historical Society, Inc.	Provides for education and outreach programs	\$ 150,000	\$ 159,000	\$ 9,000	FY02 or before	Historical Activities NDA
Montgomery Housing Partnership, Inc.	Provide funding for the Great Achievers Toward Outstanding Results (GATOR) program for children in grades K-5.	\$ 25,750	\$ 27,295	\$ 1,545	FY19	GF
Montgomery Housing Partnership, Inc.	Provides for the Focused Neighborhood Revitalization Program	\$ 123,600	\$ 131,016	\$ 7,416	FY06	HIF
Montgomery Housing Partnership, Inc.	Provides supportive services for owners and managers of multifamily rental properties with 50 or fewer units in Montgomery County.	\$ 144,200	\$ 152,852	\$ 8,652	FY05	HIF
Rebuilding Together Montgomery County, Inc.	Provide critical home repairs and accessibility modifications to low-income qualified homeowners throughout Montgomery County	\$ 66,950	\$ 70,967	\$ 4,017	FY21	GF
Rebuilding Together Montgomery County, Inc.	Provides for assistance to low-income homeowners including home repairs, accessibility modifications, and referrals to other community resources	\$ 309,000	\$ 327,540	\$ 18,540	FY02 or before	HIF

Homeless Persons Representation Project, Inc.	Provide tenant legal support services, including on-site legal assistance at the District Court of Maryland	\$ -	\$ 29,680	\$ 1,680	FY20	GF
Housing Initiative Partnership, Inc.	Provide tenant education services and educates tenants on their rights under current laws and regulations and available avenues of assistance	\$ 108,000	\$ 42,400	\$ 2,400	FY20	GF
Latino Economic Development Corporation	Provide tenant education services and educates tenants on their rights under current laws and regulations and available avenues of assistance	\$ -	\$ 63,600	\$ 3,600	FY20	GF
Legal Aid Bureau, Inc.	Provide tenant legal support services, including on-site legal assistance at the District Court of Maryland	\$ 110,000	\$ 21,200	\$ 1,200	FY20	GF
Montgomery County Renters Alliance, Inc.	Provide tenant education services and educates tenants on their rights under current laws and regulations and available avenues of assistance	\$ -	\$ 74,200	\$ 4,200	FY20	GF
<b>Totals:</b>		<b>\$ 1,712,880</b>	<b>\$ 1,815,653</b>	<b>\$ 102,773</b>		