

MEMORANDUM

April 27, 2023

TO: Parks, Housing, & Planning (PHP) Committee

FROM: Naeem M. Mia, Legislative Analyst
Eunice Jeong, Legislative Analyst

SUBJECT: **FY24 Recommended Operating Budget – Department of Housing and Community Affairs (DHCA) – Housing Initiative Fund (HIF)**

Discussion: Nonprofit Preservation Fund

PURPOSE: Vote on recommendations for the Council’s consideration

Expected Attendees:

- Scott Bruton, Acting Director, DHCA
- Mary Gentry, Chief of Housing, DHCA
- Pofen Salem, Chief of Finance and Administration, DHCA
- Anita Aryeety, Fiscal and Policy Analyst, Office of Management and Budget (OMB)

Council President’s FY24 Budget Guidance:

As outlined in Council President’s budget guidance memorandum, all *tax-supported* additions to the budget over the FY23 Approved level must be placed on the reconciliation list as “high priority” or “priority” *except* compensation adjustments in County Government (which are being considered separately) and changes to internal service funds (such as motor pool), which will be looked at across all budgets.

A. Summary of Staff Recommendations

1. Rental assistance programs, funded through the HIF from programs administered by DHCA, Housing Opportunities Commission (HOC), and the County’s Department of Health and Human Services (DHHS), as well as funded directly through the HHS operating budget, was reviewed separately at a joint HHS/PHP Committee worksession on April 26.

The joint Committee voted 6-0 to recommend approval of the HIF-funded rental assistance programs at an FY24 funding level of \$16,273,590, including:

- **\$3,168,515 for the Housing Opportunities Commission (HOC);**
- **\$8,086,272 for the Department of Health and Human Services (HHS); and**
- **\$4,839,803 for DHCA**

2. Staff recommends approval of the remaining components of the Executive’s recommended operating budget for the HIF. Table A-1 below contains a summary of staff recommendations.
3. Staff recommends a Committee discussion on a proposed Nonprofit Preservation Fund, originally proposed during the FY23 budget review.

Table A-1. Staff Recommendations for HIF.

#	Cost Item	Amount	Staff Recommendation
1	Enhance: Design for Life Program	300,000	Approve
2	Increase Cost: Operating Expenses to Reflect Adjustments to the General Fund Transfer to Housing Initiative Fund (HIF)	3,525,389	Approve
3	Increase Cost: Housing Opportunities Commission (HOC) Production Fund Contribution to the Housing Initiative Fund	2,131,875	Approve
4	Increase Cost: Operating Expenses to Reflect Adjusted Investment Income Estimates	590,300	Approve
5	Increase Cost: Realign Budget by Shifting Expenditures between Personnel Costs and Operating Expenses	394,524	Approve
6	Replace: Discounted Federal Funding to Continue Service Delivery for Tenant Outreach, Education, and Counseling	389,400	Approve
7	Replace: Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements (Neighborhood Revitalization)	170,825	Approve
8	Replace: Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements (Administration)	118,321	Approve
9	Replace: Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements	61,621	Approve
10	Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts	48,242	High Priority – subject to full Council decision on all non-profit contracts
11	Increase Cost: Adjustment Other Revenue Sources in the Housing Initiative Fund (HIF)	7,280	Approve
12	Decrease Cost: Operating Expenses to Reflect the Debt Service Transfer for the Housing Capital Improvements Program (CIP) and the Housing Opportunities (HOC) Production Fund	(2,644,600)	Approve
13	Decrease Cost: Rental Assistance Program Due to Decreased Recordation Tax Premium Estimates	(3,236,787)	Approve

14	Decrease Cost: Operating Expenses for Affordable Housing Projects Based on Reduced Land Sale Proceeds Contributions to the Housing Initiative Fund (HIF)	(1,500,000)	Approve
15	Increase Cost: FY24 Compensation Adjustment	84,095	High Priority – subject to GO / full Council decision
16	Increase Cost: Annualization of FY23 Compensation Increases	83,894	Approve
17	Increase Cost: Annualization of FY23 Lapsed Positions	101,042	Approve
18	Decrease Cost: Retirement Adjustment	(2,965)	Approve
19	Decrease Cost: Annualization of FY23 Personnel Costs	(184,234)	Approve
20	Add: Faith-Based Housing Development Initiative (pilot program)	384,936	Approve

B. Fiscal Summary for All Funds (General, HIF, & Grant)

HIF Only	FY23 Approved	FY24 Recommended	FY23 APP vs. FY24 REC
Housing Initiative Fund - Total	\$49,090,423	\$49,681,692	\$591,270 1.2%
Personnel Costs	\$2,496,293	\$3,081,939	\$585,647 23.5%
Operating Costs	\$46,594,130	\$46,599,753	\$5,623 0.1%

C. Operating Budget Equity Tool Rating and Justification

1. ORESJ Rating: 3 - Department-level budget demonstrates a strong commitment to advancing racial equity and social justice in Montgomery County.
2. Staff comments re: ORESJ scoring tool: The department plans to complete RESJ training for all staff by the end of FY24. Current materials and documents (including the web site) are planned to be translated into six languages in the future to increase accessibility to diverse audiences. The department is challenged by staffing shortages, lack of in-demand skills (data analysis, IT), and recruitment delays, hampering timely implementation of initiatives.

D. Overview of the Housing Initiative Fund

The Housing Initiative Fund (HIF) is a combination of operating and capital funds that:

- Supports the production and preservation of affordable housing through financing agreements;
- Assists with the provision of affordable housing for special needs populations;
- Funds certain rental assistance programs administered by the County HHS and HOC;
- Funds eviction prevention and rental agreements administered by the DHCA;
- Funds contracts with non-profit organizations
- Provides assistance to first-time homeowners meeting criteria for the State’s financing programs; and
- Funds debt service for taxable bonds issued for the Affordable Housing Acquisition and Preservation CIP, as well as the HOC-administered Housing Production Fund (HPF).

The HIF is comprised of the following components:

Beginning balance: This is the beginning balance of the fund as estimated as of July 1 (for FY24, the estimate is based on the 2nd quarter estimate for FY23). Because spending rarely matches the budget exactly, the beginning balance is not the same as the budgeted ending balance from the budgeted prior-year ending balance.

Revenues and Interfund Transfers (In/Out): The HIF is funded through several major revenue sources, including:

- Recordation Tax Premium:* Shown under “taxes” in 6-year Fiscal Plan attached on circle 12, this funding source is required by the County Code to be used for rental assistance programs (administered by HHS, HOC, and DHCA) to support low- and moderate-income households. This is the second largest source of operating revenue after the Transfer from the General Fund; for FY24, the total amount is recommended at \$16.3 million.
- Transfer from the General Fund:* This is the largest source of funding; in FY24, the transfer is recommended at \$33.3 million. However, as noted next, this is also the source of funds that is then transferred to the Debt Service Fund to pay the debt service for the "Capital Side" of the HIF.

In March 2003, the Executive and Council approved Resolution 15-110 which states that “the County Executive will recommend and the Council will approve, in future years beginning with FY04, an allocation from the General Fund to the Montgomery Housing Initiative Fund (MHI) of an amount sufficient to ensure the availability in the MHI Fund of \$16.1 million or the equivalent of 2.5 percent of the actual General Fund property taxes from two years prior to the upcoming fiscal year, whichever is greater for the purpose of maintaining and expanding the supply of affordable housing in Montgomery County.” Until recent years, the general fund transfer has not met this requirement. In years where the policy is not met, the Council includes language in the Operating Budget resolution acknowledging this.

In FY21, property tax revenues totaled \$1,330,297,592, 2.5% of which is equivalent to \$33,257,439. This amount is included in the FY24 recommended operating budget for the HIF.

- c. *Transfer to the Debt Service Fund:* In FY24, it is expected that \$19.2 million must be transferred from the HIF to the Debt Service Fund to pay for the taxable bonds that are used to fund the capital side of the HIF (\$13.4 million for FY24), as well for HOC’s \$100 million Housing Production Fund (\$5.7 million). This transfer in and out for debt is not included in the amount available for programs. The debt service changes are as follows:

Table D-1. Transfers to the Debt Service Fund – FY23 vs. FY24.

	FY23 App.	FY23 Est.	FY24 Rec.
MHI - DHCA	\$12,188,800	\$12,188,800	\$13,384,600
MHI - HOC	\$7,073,200	\$3,073,200	\$5,771,000
Total:	\$19,262,000	\$15,262,000	\$19,155,600

- d. *Land Sale Proceeds:* The County’s disposition process requires 25% of the proceeds from the sale of County-owned property to be transferred to the HIF to support affordable housing programs. Land sale proceeds are one-time funds only and vary from year-to-year; DHCA coordinates with the Department of General Services to identify potential sales. For FY24, this funding source is estimated to be \$0.

The FY23 Approved operating budget for HIF assumed \$1.5M in proceeds; actual proceeds came in higher at \$9,839,672 as follows:

Table D-2. FY23 Land Sales.

Dispositions	FY23 Proceeds	25% to HIF
14900 Broschart Road	\$3,023,326	\$755,832
9710 Great Seneca Highway	\$36,335,361	\$9,083,840
Total Sales:	\$39,358,687	\$9,839,672

- e. *Miscellaneous:* This category includes investment income (\$4.0 million), interest payments from the Housing Production Fund (HPF) revolving loan facility (\$5.0 million), loan repayment proceeds from HIF-originated affordable housing loans (\$3.3 million), revenues from MPDU resales (\$1.9 million) and other categories. For FY24, the amount from all miscellaneous sources totals \$14.9 million.

Appropriations/Expenditures: This category includes the following:

- f. *Personnel Costs:* Includes all personnel costs charged to the HIF (including the Affordable Housing Programs division, Multi-Family Housing Programs division, and certain code enforcement and housing administration positions), totaling \$3.1 million in FY24 and a total of 22.15 FTEs.

- g. *Operating Expenses*: Includes non-program operating expenditures to support personnel and other programs such as office supplies, equipment, consultant costs, etc.; for FY24, this amount totals \$443,450.
- h. *Rental Assistance Program (RAP)*: This expenditure category is, as required by law, spent on rental assistance. There are three main expenditures for these funds: (1) funds for permanent supportive housing and other housing programs administered by the Department of Health and Human Services' Services to End and Prevent Homelessness, (2) funding to the Housing Opportunities Commission for the Rent Supplement Program that assist households (non-voucher) that are significantly rent-burdened; and (3) support for production and preservation of housing that increases the affordability of rent for low-and moderate-income households (including extending soon-to-expire MPDU covenants and other rental agreements). As mentioned above, the funding level is set to the amount estimated to be received from Recordation Tax Premium, which is \$16.3 million in FY24.
- i. *HHS Housing Programs*: This category includes consolidated programs funded through the HIF and administered through HHS, such as Housing First, 100,000 Homes, and Zero:2016. This shows amounts that were appropriated by the Council to support specific homelessness initiatives (such as Veterans homelessness), these programs continue to serve homeless households served through the Continuum of Care. Unlike the RAP category, these programs are not funded with Recordation Tax revenues and are identified separately. For FY24, funding is recommended at \$9.7 million.
- j. *Neighborhoods to Call Home*: This category includes HIF funds that have been allocated for contractual services that are needed to support the overall effort to increase affordable housing and support improvements in existing neighborhoods that already have affordable housing. Services are primarily provided through non-competitive contracts with various non-profit providers. For FY24, the recommended funding level is \$1.9 million.
- k. *Homeownership Assistance*: In FY24, up to \$4 million of HIF funds may be used for homeownership assistance either in partnership with the State's Maryland Mortgage Program (which allows the household to receive both down payment assistance and lower rate mortgage) and through the Housing Opportunities Commission's Montgomery County Homeownership Assistance Fund ("McHAF"). Up to \$25,000 may be granted to a first-time buyer thus providing support for up to 160 qualified applicants.

In FY23, DHCA launched a pilot program (Montgomery Employee Down Payment Assistance Loan Program, or MEDPAL) offering \$1.0 million of assistance to County employees; the department is reporting the program is on track for a May 1 launch date. Information will be available on the DHCA, Montgomery County Human Resources, and Montgomery County Public Schools Human Resources websites prior to the time of launch.

1. *Affordable Housing Loans*: used to provide various types of loans for preservation and acquisition activities (including exercising Rights of First Refusal opportunities, or ROFR; for FY24, this amount is recommended at \$13.9 million. This program supplements loan programs in the CIP, including DHCA’s traditional Affordable Housing Acquisition and Preservation CIP, Affordable Housing Opportunity Fund (AHOF) CIP, and the Preservation of Naturally Occurring Affordable Housing CIP (NOAH Fund).

Other Claims on Fund Balance: This category includes planned expenditures using the fund balance, including affordable housing loans that have resulted in a signed commitment letter but for which funds have not been disbursed/encumbered/expended (and thus would not appear as an expenditure). FY24 claims include:

- m. *Affordable Housing Loans - Committed & Planned*: This includes funding for HIF-originated loans currently in various stages of discussion that have not yet closed or encumbered. The FY24 estimate is \$7,552,351; this amount is a point-in-time snapshot and is subject to change.
- n. *Faith-Based Housing Development Initiative (pilot program)*: The department is recommending the use of \$384,936 of one-time funding from the fund balance to fund this pilot program. More details on the program are discussed further below and found on circles 14-19.

Ending Balance: Includes the net of the beginning balance, revenues, interfund transfers, appropriations/expenditures, and other claims on fund balance. For FY24, the ending fund balance is estimated at \$2,910,300.

E. Discussion of Major FY24 Cost Changes in the HIF

1. *Enhance: Design for Life Program (+ \$300,000)*

On March 28, 2023, the County Council introduced a special appropriation of \$1.5 million in unallocated American Rescue Plan Act (APRA) funds for the Design for Life program that provides accessibility upgrades for low-income seniors and individuals with differing abilities. Two non-competitive contracts, each worth \$750,000, will be awarded to Habitat for Humanity Metro Maryland and Rebuilding Together Montgomery County to administer the program. Council action is expected before the end of May 2023; the bulk, if not all, of the funds will likely be expended through FY24.

For FY24, the recommended budget for the HIF includes \$300,000 for this program. Altogether, \$1.8 million is available for this program in FY23 and FY24.

Council Staff Recommendation: Approve.

2. Revenue and Interfund Transfer Adjustments

- a. Increased General Fund Transfer (+ \$3,525,389)
- b. Reduced Recordation Tax Premium (- \$3,236,787)
- c. Increased Investment Income (+ \$590,300)
- d. Decreased Land Sale Proceeds (- \$1,500,000)
- e. Adjustment: Other Revenue Sources (+ \$7,280)
- f. Increased Debt Service for MHI (+ \$1,195,800)
- g. Realign Budget by Shifting Expenditures between Personnel Costs and Operating Expenses (+ \$394,524)

These cost changes reflect changes in revenues and transfers, including the Executive's recommended transfer from the General Fund to the HIF, revised recordation tax premium estimates reflecting changes in the housing sales market, and other sources.

Council Staff Recommendation: Approve.

3. Housing Production Fund (HPF) Adjustments

- a. Increased Contribution from Loan Interest Payments (+ \$2,131,875)
- b. Decreased Debt Service for HPF (- \$1,302,000)

DHCA and HOC are expecting an increase in HPF contributions to the HIF (in the form of interest payments from outstanding HPF loans) in FY24, increase by \$2.1 million to \$4.9 million in total payments. Projected debt service on taxable HPF bonds issued by the County is decreasing by \$1.3 million to a total of \$5.7 million in debt service. The **net cost** to the County from the HPF in FY24 is \$792,250.

Council Staff Recommendation: Approve.

4. Shift of Positions from Grant Fund to HIF (+ \$504,104, 4.10 FTEs)

- a. Shift within Affordable Housing Program (+ \$170,825, 1.5 FTEs)
- b. Shift within Neighborhood Revitalization (+ 153,337, 1.30 FTEs)
- c. Shift within Administration (+ \$118,321, 0.90 FTEs)
- d. Shift within Housing Administration (+ \$61,621, 0.40 FTEs)

At its April 20, 2023, work session, the Committee voted 2-1 to approve the shift of a total of 5.7 FTEs from DHCA's Grant Fund to the General Fund (1.6 FTEs) and the HIF (4.10 FTEs). The FY24 cost to the HIF is \$504,104.

Council Staff Recommendation: Approve.

5. Increase Costs for Neighborhoods to Call Home and Non-Profit Contracts

- a. Replace: Discounted Federal Funding to Continue Service Delivery for Tenant Outreach, Education, and Counseling (+ \$389,400)
- b. Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts (+ \$48,242)

The department reports that its tenant services contracts, including education, outreach, service support, and legal assistance, were partly funded with federal resources over the past two years. When the federal funding was discontinued, the recommended budget includes County funding those service contracts so that the services can be provided to tenants in need for FY24.

Council Staff Recommendations: Approve the increased funding of \$389,400 for tenant outreach, education, and counseling.

Staff also recommends that the Committee, consistent with other increases for inflationary adjustments, defer to the full Council to consider and make a determination on the level, if any, of the increase.

6. Add: Faith-based Initiative for Development (+ \$384,936, one-time)

The recommended budget includes utilizing one-time funds from the fund balance in the to support a proposed Faith-Based Development Initiative (FBDI) over a 24-month period starting in FY24. The department would contract with Enterprise Community Partners to market and outreach to faith-based institutions explore affordable housing development on their land. The initiative expects to engage 21 institutions and hopes to develop 750 units of affordable housing during the course of the initiative; activities would include:

- Conduct training for faith leaders and strategic team members on real estate concepts and planning;
- Provide grant funds for market and feasibility studies to explore development potential;
- Provide pre-development grants that Enterprise Community Partners will administer;
- Engaging institutions to outside experts and consultants; and
- Provide one-on-one technical assistance.

The project's total costs would be shared between the County (\$384,936) and Enterprise (\$290,325). The County's costs would include \$70,000 in grants to FBIs for market and feasibility studies, \$75,516 in salary costs, \$108,000 in outside consultant costs, and \$131,420 for oversight and administration.

Council Staff Recommendation: Approve. The program offers an innovative approach to housing development by identifying and utilizing new housing partners.

Not funding this program would result in an increase to the year-end fund balance of \$384,936, bringing the balance to \$3,295,236 and be available for other uses in the HIF.

This packet contains:

1. Page from FY24 Recommended Operating Budget Book – DHCA
2. OBET Scoring for DHCA
3. 6-Year Fund Display
4. RAP Program Detail Expenditures
5. Proposal on Faith-Based Initiative for Housing Developers
6. Faith-Based Initiative - Presentation

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Housing and Community Affairs

RECOMMENDED FY24 BUDGET

\$69,398,865

FULL TIME EQUIVALENTS

108.20

✧ SCOTT BRUTON, ACTING DIRECTOR

MISSION STATEMENT

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

BUDGET OVERVIEW

The total recommended FY24 Operating Budget for the Department of Housing and Community Affairs is \$69,398,865, an increase of \$950,380 or 1.39 percent from the FY23 Approved Budget of \$68,448,485. Personnel Costs comprise 20.61 percent of the budget for 114 full-time position(s) and no part-time position(s), and a total of 108.20 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 79.39 percent of the FY24 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:

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

INITIATIVES

- ✦ Provide \$89.6 million for affordable housing, including \$57.6 million in the Montgomery Housing Initiative (MHI) Fund and \$32 million in the Affordable Housing Acquisition and Preservation CIP project. This dedicated funding provides for the renovation of distressed housing, the acquisition and preservation of affordable housing units, creation of housing units for special needs residents, homeowner downpayment assistance, services to the "Building Neighborhoods to Call Home", "Design for Life", and "Housing First" programs, and the creation of mixed-income housing.

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- ★ Add four positions in various programs to enhance DHCA's operations and service delivery related to rental licensing, housing code enforcement, and landlord-tenant mediation to support increasing demand and provide more effective services.
 - ★ Allocate \$30.2 million from loan repayments to the Preservation of Naturally Occurring Affordable Housing Fund to continue housing preservation efforts in areas at risk of rent escalation to higher market rents, including the Purple Line Corridor and other County transit corridors.
 - ★ Continue to actively underwrite affordable housing loans to preserve and produce affordable housing. Three developments for multi-family projects have already been identified for potential funding in FY24. These developments would preserve or produce a total of 590 units, including 412 affordable units.
 - ★ Collaborate with the Department of Health and Human Services (HHS), and the Housing Opportunities Commission (HOC) to provide rental assistance programs to the County's most vulnerable residents. Funding supports lower-income residents by offsetting rent increases and preserving affordable rents.
 - ★ Continue funding the "Design for Life" Program to provide for accessibility upgrades in single-family residences.
 - ★ Provide additional resources to offset discontinued Federal funds for tenants to access legal assistance, counseling, and education services.
 - ★ Provide funding to develop a "Faith-Based Housing Development Initiative" pilot project by working with mission-aligned houses of worship to increase the supply of affordable housing for low- and moderate-income households and advance racial equity in the County.
 - ★ Continue funding support in the Homeowner Assistance Program for downpayment assistance to first-time homebuyers, including full-time career employees of Montgomery County and Montgomery County Public Schools, to help make homebuying more affordable in the County.
 - ★ Continue to apply for and receive Federal grants, including the 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

- ★ DHCA's Moderately Priced Housing Unit (MPDU) program is the first mandatory inclusionary zoning law program in the United States. As of FY22, there are approximately 4,000 units under control in the MPDU program, split between rental and individually owned homeownership MPDUs. During FY22, the MPDU program oversaw the construction of 249 new MPDUs built and offered either for sale (122 units) or for rent (127 units) in Montgomery County.
- ★ DHCA's Multifamily Housing Development Team successfully closed eight residential real estate transactions in FY22. Montgomery County provided more than \$22 million towards these developments. Across Montgomery County, these real estate projects preserved, rehabilitated and/or produced 516 units of affordable rental housing, at an average cost of \$42,800 per unit.
- ★ The Code Enforcement team completes an average of 28,000 site visits and 10,000 service requests annually. Due to departmental COVID-19 protocols and other complications associated with the pandemic, site visits and service requests declined in FY21. During FY22, when nearly all COVID-19 protocols were lifted, the Division returned to its pre-pandemic productivity where 28,185 site visits and 10,221 service requests were completed.
- ★ Historically, DHCA has maintained a contract with the City of Takoma Park to inspect the City's residential rental facilities and units. This agreement, which began in 2003, was put in place to ensure the protection of the health, welfare and safety of persons residing in over six hundred rental facilities and 3,700 rental units within the City of Takoma Park. A new contract was ratified in early FY23.
- ★ The Focused Neighborhood Assistance (FNA) program provides financial and technical assistance to select neighborhoods to improve the quality of life, safety and welfare of their residents. Construction is currently underway for the Grover's Forge, Center Stage, Walker's Choice and The Hamptons neighborhoods of Montgomery Village. Construction activities are also underway for the Montclair Manor community of Silver Spring and the Wedgewood drainage and site improvement project. All of these communities will benefit from site improvements and new lighting throughout their neighborhoods.

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 FY23 estimates reflect funding based on the FY23 Approved Budget. The FY24 and FY25 figures are performance targets based on the FY24 Recommended Budget and funding for comparable service levels in FY25.

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 FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Asset Management - Loan repayments billed / received	\$16,761,478	\$47,141,999	\$48,556,259	\$50,012,947	\$51,513,335
Department MC311 Service Requests (SR)	19,328	22,909	23,596	24,304	25,033
Department MC311 Service Request success rate	91.2%	89.8%	92.5%	95.3%	98.2%
NACo Awards earned	2	1	1	1	1

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	2,331,339	13.80
Replace: Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements	118,321	0.90
Technical Adj: Realign Budget by Shifting Expenditures between Personnel Costs and Operating Expenses	115,155	0.00
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts	48,242	0.00
Add: Ayuda - Domestic Violence & Family Law Survivors Program	45,000	0.00
Add: Community Clinic, Inc. - Increasing Breastfeeding Access for Low-Income Women	45,000	0.00
Add: Collegiate Directions - Career Mentoring Initiative	45,000	0.00
Add: Community Bridges - College Access and Success Program for Girls	45,000	0.00
Add: EveryMind - Friendly Visitor and Rep Payee Case Management Services	45,000	0.00
Add: Foods and Friends - Improving the Lives and Health of the Most Vulnerable by Improving Food Delivery and Reducing Food Insecurity	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 - Rockville Emergency Assistance Program (REAP)	44,963	0.00
Add: Community Clinic, Inc. - Food as Medicine: CCI's Teaching Kitchen	40,928	0.00
Add: Community FarmShare - Expanding Culturally Valued Fresh Produce Access to at Risk Residents	37,000	0.00
Add: Horizon Greater Washington Inc. Summer Program	35,000	0.00
Add: Digital Bridge USA - Technology Training Community	34,109	0.00
Add: Arts for the Aging - Health Equity Through the Participatory Arts	30,000	0.00
Add: Ethiopian Community Center - Education and Youth Development	25,572	0.00
Add: Mobile Medical Care - Keeping Focused on Diabetic Eye Health	24,065	0.00
Add: Germantown Cultural Arts Center, Inc. - Beyond BlackRock: Positive Youth Development Arts Outreach Programming	22,428	0.00
Add: Community Reach of Montgomery County - Cancer Prevention and Screening and Hypertension Management in the Mansfield Kaseman Health Clinic	20,935	0.00
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts	16,981	0.00

FY24 Recommended Changes	Expenditures	FTEs
Replace: Shift Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements	0	(0.90)
Decrease Cost: Miscellaneous Operating Expenses	(14,941)	0.00
Decrease Cost: Community Development Block Grant (CDBG) 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.	(63,928)	(0.10)
FY24 Recommended	2,551,169	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 FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Affordable Housing Program - Number of MC311 Service Requests	1,170	1,780	1,500	1,200	1,236
Affordable Housing Program - Percent of MC311 Service Requests meeting service length agreement	99.3%	97.0%	100.0%	100.0%	100.0%
Number of affordable housing units produced and available for occupancy (at no cost to the County)	264	249	300	300	300
Number of housing units improved/rehabilitated ¹	118	24	28	0	0

¹ The single-family housing units improved or rehabilitated are implemented through the Weatherization Program, funded by the Merger Funds which is limited and expected to be exhausted by the end of FY23. DHCA does not expect any funding to be remaining in FY24.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	925,856	7.50
Enhance: Design for Life Program	300,000	0.00
Replace: Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements	170,825	1.50
Replace: Shift Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements	0	(1.50)
Decrease Cost: Miscellaneous Operating Expenses	(1,000)	0.00
Re-align: Shift a Sr. Planning Specialist Position from the Affordable Housing Program to the Multi-family Program to Support Operational Needs	(110,155)	(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.	(147,507)	0.00
FY24 Recommended	1,138,019	6.50

☼ 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 FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
COC Program Customer Service - Number of MC311 Service Requests	675	802	745	750	773
COC Program Customer Service - Percent of MC311 Service Requests meeting service length agreement	99.7%	99.5%	99.0%	99.0%	100.0%
Percent of Commission on Common Ownership Communities (CCOC) cases resolved prior to a hearing	42.0%	58.0%	40.0%	45.0%	46.4%

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	905,190	6.15
Decrease Cost: Miscellaneous Operating Expenses and Professional Education/Training	(23,500)	0.00

FY24 Recommended Changes	Expenditures	FTEs
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	129,642	0.00
FY24 Recommended	1,011,332	6.15

☼ 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 FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Number of contracts awarded and monitored	25	22	23	24	25
Funding awarded to CDBG public service contracts	\$591,067	\$630,000	\$625,000	\$630,000	\$648,900
CDBG public service contract compliance rate	100%	100%	100%	100%	100%
CDBG public service contract non-housing beneficiaries ¹	\$8,250	\$23,220	\$6,277	\$6,000	\$6,180

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

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	8,741,200	6.70
Technical Adj: Realign budget allocation between PC and OE to Meet the Estimated Grant Amount	178,282	0.00
Increase Cost: Emergency Solutions Grant Operating Expenses	4,119	0.00
Increase Cost: Takoma Park Code Enforcement Contract	3,569	0.00
Decrease Cost: Miscellaneous Operating Expenses	(1,000)	0.00
Decrease Cost: Home Investment Partnership Program (HOME) Grant Operating Expenses	(282,255)	0.00
Decrease Cost: Community Development Block Grant (CDBG) Operating Expenses	(732,797)	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.	1,435,859	0.00
FY24 Recommended	9,346,977	6.70

☼ 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 FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Affordable housing units produced in the production pipeline	313	961	793	817	841
Number of affordable housing units in the preservation pipeline	558	521	849	903	930
Cost per unit of affordable housing units preserved	\$8,623	\$10,050	\$13,516	\$9,194	\$9,470
Cost per unit of affordable housing units produced ¹	\$56,284	\$45,744	\$87,804	\$89,522	\$92,208
Percent of affordable units created or preserved serving households under 50% AMI ²	30.0%	33.0%	25.0%	25.0%	25.0%

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.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	399,229	3.95
Replace: Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements	61,621	0.40
Replace: Shift Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements	0	(0.40)

FY24 Recommended Changes	Expenditures	FTEs
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(17,359)	0.00
FY24 Recommended	443,491	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 FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Number of Housing Code Enforcement inspections	27,031	28,185	29,000	30,000	30,900
Housing Code Enforcement Program Customer Service - Number of MC311 Service Requests	6,428	10,220	10,000	10,000	10,300
Housing Code Enforcement Program Customer Service - Percent of MC311 Service Requests meeting service length agreement	74.3%	76.4%	77.0%	78.0%	79.31%
Code Enforcement - Number of violations per unit	1.67	2.12	2.12	2.12	2.18
Code Enforcement - Average severity of violations per unit	1.5	2.6	2.6	2.6	2.7

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	4,768,248	38.50
Add: One Housing Code Inspector III Position to Meet County Mandates	143,756	1.00
Replace: Shift Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements	99,058	1.00
Replace: Shift Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements	0	(1.00)
Decrease Cost: Miscellaneous Operating Expenses	(9,500)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	503,626	0.00
FY24 Recommended	5,505,188	39.50

☼ 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 FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Number of Landlord Tenant mediations	610	845	900	925	953
Landlord Tenant Affairs Program - Number of MC311 Service Requests	7,049	7,783	7,800	8,000	8,240
Landlord Tenant Affairs Program - Percent of MC311 Service Requests meeting service length agreement	99.7%	99.7%	99.7%	99.7%	99.7%
Percent of landlord/tenant cases mediated successfully (not referred to the Commission)	97.2%	97.0%	97.0%	97.0%	97.0%
Number of evictions prevented due to Landlord & Tenant Affairs' intervention	450	153	250	290	299

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	1,487,910	9.00
Replace: Discounted Federal Funding to Continue Service Delivery for Tenant Outreach, Education, and Counseling	389,400	0.00
Add: One Investigator III Position and One Administrative Specialist III Position to Comply with County Mandates	178,150	2.00
Increase Cost: Implement Bill 26-22 for Radon Testing and Mitigation	58,940	0.00
Decrease Cost: Miscellaneous Operating Expenses	(1,500)	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(8,159)	0.00
FY24 Recommended	2,104,741	11.00

☼ Licensing and Registration

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

Program Performance Measures	Actual FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Licensing and Registration Program - Number of MC311 Service Requests	3,426	4,211	4,337	4,467	4,601
Licensing and Registration Program - Percent of MC311 Service Requests meeting service length agreement	99.9%	99.9%	99.0%	100.0%	100.0%
Number of rental licenses issued	107,626	110,421	113,733	117,145	120,659

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	470,853	3.20
Add: One Program Specialist II Position (Licensing and Registration) to Increase Outreach and Revenue Collections	80,280	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.	20,053	0.00
FY24 Recommended	571,186	4.20

☼ 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 FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Number of affordable housing units preserved and available for occupancy (County funded)	6,197	6,454	6,003	6,256	6,444
Number of affordable housing units produced and available for occupancy (County funded) ¹	650	379	299	327	955
Ratio of non-County dollars leveraged to County dollars in affordable housing projects	4.38	7.05	5.18	5.18	5.34
Total affordable housing units produced	1,640	1,654	1,405	1,249	1,286
Total affordable housing units preserved	7,129	6,755	6,852	7,159	7,374

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

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	46,541,710	7.90
Increase Cost: Operating Expenses to Reflect Adjustments to the General Fund Transfer to Housing Initiative Fund (HIF)	3,525,389	0.00
Increase Cost: Housing Opportunities Commission (HOC) Production Fund Contribution to the Housing Initiative Fund (HIF)	2,131,875	0.00
Increase Cost: Operating Expenses to Reflect Adjusted Investment Income Estimates	590,300	0.00
Increase Cost: Realign Budget by Shifting Expenditures between Personnel Costs and Operating Expenses	394,524	0.00
Re-align: Add a Sr. Planning Specialist Position to Support Multifamily Housing Program Operations	110,155	1.00
Increase Cost: Adjustment Other Revenue Sources in the Housing Initiative Fund (HIF)	7,280	0.00
Decrease Cost: Miscellaneous Operating Expenses	(1,000)	0.00

FY24 Recommended Changes	Expenditures	FTEs
Decrease Cost: Operating Expenses for Affordable Housing Projects Based on Reduced Land Sale Proceeds Contributions to the Housing Initiative Fund (HIF)	(1,500,000)	0.00
Decrease Cost: Operating Expenses to Reflect the Debt Service Transfer for the Housing Capital Improvements Program (CIP) and the Housing Opportunities (HOC) Production Fund	(2,644,600)	0.00
Decrease Cost: Rental Assistance Program Due to Decreased Recordation Tax Premium Estimates	(3,236,787)	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.	(591,010)	0.00
FY24 Recommended	45,327,836	8.90

☼ 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 FY21	Actual FY22	Estimated FY23	Target FY24	Target FY25
Focused Neighborhood Assistance Activity (expenditures) ¹	\$335,287	\$198,276	\$962,039	\$100,000	\$800,000
Facade Program - Private dollars leveraged	\$0	\$0	\$150,000	\$719,000	\$792,000
Focused Neighborhood Assistance Active projects	3	3	1	3	4
Focused Neighborhood Assistance beneficiaries ²	1,400	1,565	1,500	11,892	11,892
Facade Program - Number of businesses benefited	0	0	6	12	12

¹ FY23 activities include three active projects (Montclair Manor, Montgomery Village, and Wedgewood Projects). FY24-25 assumes construction activity for the two phased Long Branch Streetscape and Pedestrian Linkages Projects.

² FY23 activities include three active projects (Montclair Manor, Montgomery Village, and Wedgewood Projects). FY24-25 assumes construction activity for the two phased Long Branch Streetscape and Pedestrian Linkages Projects.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	1,876,950	7.50
Replace: Shift Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements	153,337	1.30
Replace: Shift Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements	92,431	0.60
Replace: Shift Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements	0	(1.90)
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(723,792)	0.10
FY24 Recommended	1,398,926	7.60

BUDGET SUMMARY

	Actual FY22	Budget FY23	Estimate FY23	Recommended FY24	%Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	5,673,863	6,072,291	5,853,978	6,988,420	15.1 %
Employee Benefits	1,688,269	1,680,888	1,628,577	1,972,918	17.4 %
County General Fund Personnel Costs	7,362,132	7,753,179	7,482,555	8,961,338	15.6 %
Operating Expenses	1,999,377	1,751,387	1,734,705	1,909,703	9.0 %
County General Fund Expenditures	9,361,509	9,504,566	9,217,260	10,871,041	14.4 %
PERSONNEL					
Full-Time	107	110	110	114	3.6 %
Part-Time	0	0	0	0	---
FTEs	62.65	65.65	65.65	71.25	8.5 %
REVENUES					
Landlord-Tenant Fees	7,328,326	7,592,500	7,240,000	7,487,350	-1.4 %

BUDGET SUMMARY

	Actual FY22	Budget FY23	Estimate FY23	Recommended FY24	%Chg Bud/Rec
Common Ownership Community Fees	717,625	792,500	802,850	1,024,705	29.3 %
Other Charges/Fees	(12,265)	74,350	64,000	41,500	-44.2 %
Other Fines/Forfeitures	78,376	40,000	40,000	9,000	-77.5 %
Miscellaneous Revenues	(19,872)	6,500	6,500	6,500	---
Board of Appeals Fees	(3,544)	8,000	8,000	0	-100.0 %
Other Licenses/Permits	0	492,000	2,000	3,000	-99.4 %
Fire Code Enforcement Permits	0	60,000	60,000	0	-100.0 %
County General Fund Revenues	8,088,646	9,065,850	8,223,350	8,572,055	-5.4 %

MONTGOMERY HOUSING INITIATIVE

EXPENDITURES

Salaries and Wages	1,318,473	1,988,499	1,435,377	2,455,037	23.5 %
Employee Benefits	369,471	507,794	351,440	626,902	23.5 %
Montgomery Housing Initiative Personnel Costs	1,687,944	2,496,293	1,786,817	3,081,939	23.5 %
Operating Expenses	40,195,853	46,594,130	45,270,354	46,599,753	---
Montgomery Housing Initiative Expenditures	41,883,797	49,090,423	47,057,171	49,681,692	1.2 %

PERSONNEL

Full-Time	0	1	1	1	---
Part-Time	0	0	0	0	---
FTEs	17.05	18.05	18.05	22.15	22.7 %

REVENUES

Land Sale Proceeds	0	1,500,000	9,839,671	0	-100.0 %
Commitment Fee	0	200,000	200,000	200,000	---
Asset Management Fee	0	70,200	70,200	70,200	---
MHI Transfer Tax	0	100,000	120,689	100,000	---
Recordation Tax	27,898,441	19,510,377	18,014,231	16,273,590	-16.6 %
Loan Payments	574,252	3,300,000	2,784,476	3,300,000	---
Miscellaneous Revenues	661,242	75,006	94,708	75,006	---
MPDU Revenues	2,797,573	1,970,000	1,000,000	1,970,000	---
Other Financing Sources	6,643	47,230	47,230	54,510	15.4 %
Investment Income	5,009,877	3,453,280	1,227,134	4,043,580	17.1 %
Other Appropriated Financing Sources	0	0	47,230	54,510	---
Other Charges and Fees	95,100	0	7,290	0	---
MPDU Alternative Payments	0	360,000	360,000	360,000	---
HOC Contributions	0	2,846,875	2,846,875	4,978,750	74.9 %
Montgomery Housing Initiative Revenues	37,043,128	33,432,968	36,659,734	31,480,146	-5.8 %

GRANT FUND - MCG

EXPENDITURES

Salaries and Wages	1,262,949	1,932,732	1,932,732	1,869,393	-3.3 %
Employee Benefits	187,937	507,051	507,051	392,108	-22.7 %
Grant Fund - MCG Personnel Costs	1,450,886	2,439,783	2,439,783	2,261,501	-7.3 %
Operating Expenses	15,127,964	7,413,713	7,413,713	6,584,631	-11.2 %
Capital Outlay	5,544,089	0	0	0	---
Grant Fund - MCG Expenditures	22,122,939	9,853,496	9,853,496	8,846,132	-10.2 %

PERSONNEL

Full-Time	0	(1)	(1)	(1)	---
Part-Time	0	0	0	0	---
FTEs	21.50	20.50	20.50	14.80	-27.8 %

REVENUES

Miscellaneous Revenues	172,954	0	0	0	---
Federal Grants	19,449,342	7,571,762	7,571,762	6,930,829	-8.5 %
Other Intergovernmental	58,755	281,734	281,734	285,303	1.3 %
State Grants	471	0	0	630,000	---
Loan Payments	0	2,000,000	2,000,000	1,000,000	-50.0 %
Investment Income	19,634	0	0	0	---

BUDGET SUMMARY

	Actual FY22	Budget FY23	Estimate FY23	Recommended FY24	%Chg Bud/Rec
Grant Fund - MCG Revenues	19,701,156	9,853,496	9,853,496	8,846,132	-10.2 %
DEPARTMENT TOTALS					
Total Expenditures	73,368,245	68,448,485	66,127,927	69,398,865	1.4 %
Total Full-Time Positions	107	110	110	114	3.6 %
Total Part-Time Positions	0	0	0	0	—
Total FTEs	101.20	104.20	104.20	108.20	3.8 %
Total Revenues	64,832,930	52,352,314	54,736,580	48,898,333	-6.6 %

FY24 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY23 ORIGINAL APPROPRIATION	9,504,566	65.65
<u>Changes (with service impacts)</u>		
Add: One Investigator III Position and One Administrative Specialist III Position to Comply with County Mandates [Landlord-Tenant Mediation]	178,150	2.00
Add: One Housing Code Inspector III Position to Meet County Mandates [Housing Code Enforcement]	143,756	1.00
Add: One Program Specialist II Position (Licensing and Registration) to Increase Outreach and Revenue Collections [Licensing and Registration]	80,280	1.00
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: FY24 Compensation Adjustment	335,391	0.00
Increase Cost: Annualization of FY23 Compensation Increases	319,817	0.00
Increase Cost: Annualization of FY23 Lapsed Positions	219,337	0.00
Technical Adj: Realign Budget by Shifting Expenditures between Personnel Costs and Operating Expenses [Administration]	115,155	0.00
Re-align: Add a Sr. Planning Specialist Position to Support Multifamily Housing Program Operations [Multi-Family Housing Programs]	110,155	1.00
Replace: Shift Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements [Housing Code Enforcement]	99,058	1.00
Replace: Shift Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements [Neighborhood Revitalization]	92,431	0.60
Increase Cost: Implement Bill 26-22 for Radon Testing and Mitigation [Landlord-Tenant Mediation]	58,940	0.00
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts [Administration]	16,981	0.00
Increase Cost: Printing and Mail	4,064	0.00
Decrease Cost: Miscellaneous Operating Expenses [Grants Administration - Federal Programs]	(1,000)	0.00
Decrease Cost: Miscellaneous Operating Expenses [Affordable Housing Programs]	(1,000)	0.00
Decrease Cost: Miscellaneous Operating Expenses [Multi-Family Housing Programs]	(1,000)	0.00
Decrease Cost: Miscellaneous Operating Expenses [Landlord-Tenant Mediation]	(1,500)	0.00
Decrease Cost: Retirement Adjustment	(7,440)	0.00
Decrease Cost: Miscellaneous Operating Expenses [Housing Code Enforcement]	(9,500)	0.00
Decrease Cost: Miscellaneous Operating Expenses [Administration]	(14,941)	0.00
Decrease Cost: Miscellaneous Operating Expenses and Professional Education/Training [Common Ownership Community Program]	(23,500)	0.00
Decrease Cost: Motor Pool Adjustment	(62,909)	0.00
Re-align: Shift a Sr. Planning Specialist Position from the Affordable Housing Program to the Multi-family Program to Support Operational Needs [Affordable Housing Programs]	(110,155)	(1.00)
Decrease Cost: Annualization of FY23 Personnel Costs	(174,095)	0.00
FY24 RECOMMENDED	10,871,041	71.25
MONTGOMERY HOUSING INITIATIVE		
FY23 ORIGINAL APPROPRIATION	49,090,423	18.05
<u>Changes (with service impacts)</u>		
Enhance: Design for Life Program [Affordable Housing Programs]	300,000	0.00
<u>Other Adjustments (with no service impacts)</u>		

FY24 RECOMMENDED CHANGES

	Expenditures	FTEs
Increase Cost: Operating Expenses to Reflect Adjustments to the General Fund Transfer to Housing Initiative Fund (HIF) [Multi-Family Housing Programs]	3,525,389	0.00
Increase Cost: Housing Opportunities Commission (HOC) Production Fund Contribution to the Housing Initiative Fund (HIF) [Multi-Family Housing Programs]	2,131,875	0.00
Increase Cost: Operating Expenses to Reflect Adjusted Investment Income Estimates [Multi-Family Housing Programs]	590,300	0.00
Increase Cost: Realign Budget by Shifting Expenditures between Personnel Costs and Operating Expenses [Multi-Family Housing Programs]	394,524	0.00
Replace: Discounted Federal Funding to Continue Service Delivery for Tenant Outreach, Education, and Counseling [Landlord-Tenant Mediation]	389,400	0.00
Replace: Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements [Affordable Housing Programs]	170,825	1.50
Replace: Shift Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements [Neighborhood Revitalization]	153,337	1.30
Replace: Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements [Administration]	118,321	0.90
Increase Cost: Annualization of FY23 Lapsed Positions	101,042	0.00
Increase Cost: FY24 Compensation Adjustment	84,095	0.00
Increase Cost: Annualization of FY23 Compensation Increases	83,894	0.00
Replace: Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements [Housing Administration]	61,621	0.40
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts [Administration]	48,242	0.00
Increase Cost: Adjustment Other Revenue Sources in the Housing Initiative Fund (HIF) [Multi-Family Housing Programs]	7,280	0.00
Decrease Cost: Retirement Adjustment	(2,965)	0.00
Decrease Cost: Annualization of FY23 Personnel Costs	(184,524)	0.00
Decrease Cost: Operating Expenses for Affordable Housing Projects Based on Reduced Land Sale Proceeds Contributions to the Housing Initiative Fund (HIF) [Multi-Family Housing Programs]	(1,500,000)	0.00
Decrease Cost: Operating Expenses to Reflect the Debt Service Transfer for the Housing Capital Improvements Program (CIP) and the Housing Opportunities (HOC) Production Fund [Multi-Family Housing Programs]	(2,644,600)	0.00
Decrease Cost: Rental Assistance Program Due to Decreased Recordation Tax Premium Estimates [Multi-Family Housing Programs]	(3,236,787)	0.00

FY24 RECOMMENDED

49,681,692 22.15

GRANT FUND - MCG

FY23 ORIGINAL APPROPRIATION

9,853,496 20.50

Federal/State Programs

Add: Community Clinic, Inc. - Increasing Breastfeeding Access for Low-Income Women	45,000	0.00
Add: Collegiate Directions - Career Mentoring Initiative	45,000	0.00
Add: Community Bridges - College Access and Success Program for Girls	45,000	0.00
Add: Ayuda - Domestic Violence & Family Law Survivors Program	45,000	0.00
Add: Montgomery County Coalition for the Homeless, Inc. - Rapid Exit Specialist	45,000	0.00
Add: EveryMind - Friendly Visitor and Rep Payee Case Management Services	45,000	0.00
Add: Foods and Friends - Improving the Lives and Health of the Most Vulnerable by Improving Food Delivery and Reducing Food Insecurity	45,000	0.00
Add: Community Reach of Montgomery County - Rockville Emergency Assistance Program (REAP)	44,963	0.00
Add: Community Clinic, Inc. - Food as Medicine: CCI's Teaching Kitchen	40,928	0.00
Add: Community FarmShare - Expanding Culturally Valued Fresh Produce Access to at Risk Residents	37,000	0.00
Add: Horizon Greater Washington Inc. Summer Program	35,000	0.00
Add: Digital Bridge USA - Technology Training Community	34,109	0.00
Add: Arts for the Aging - Health Equity Through the Participatory Arts	30,000	0.00
Add: Ethiopian Community Center - Education and Youth Development	25,572	0.00
Add: Mobile Medical Care - Keeping Focused on Diabetic Eye Health	24,065	0.00
Add: Germantown Cultural Arts Center, Inc. - Beyond BlackRock: Positive Youth Development Arts Outreach Programming	22,428	0.00
Add: Community Reach of Montgomery County - Cancer Prevention and Screening and Hypertension Management in the Mansfield Kaseman Health Clinic	20,935	0.00

Other Adjustments (with no service impacts)

Technical Adj: Realign budget allocation between PC and OE to Meet the Estimated Grant Amount [Grants Administration - Federal Programs]	178,282	0.00
Increase Cost: Emergency Solutions Grant Operating Expenses [Grants Administration - Federal Programs]	4,119	0.00
Increase Cost: Takoma Park Code Enforcement Contract [Grants Administration - Federal Programs]	3,569	0.00

FY24 RECOMMENDED CHANGES

	Expenditures	FTEs
Replace: Shift Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements [Affordable Housing Programs]	0	(1.50)
Replace: Shift Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements [Housing Code Enforcement]	0	(1.00)
Replace: Shift Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements [Neighborhood Revitalization]	0	(1.90)
Replace: Shift Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements [Housing Administration]	0	(0.40)
Replace: Shift Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements [Administration]	0	(0.90)
Decrease Cost: Annualization of FY23 Personnel Costs	(178,282)	0.00
Decrease Cost: Home Investment Partnership Program (HOME) Grant Operating Expenses [Grants Administration - Federal Programs]	(282,255)	0.00
Decrease Cost: Community Development Block Grant (CDBG) Adjustments [Administration]	(630,000)	0.00
Decrease Cost: Community Development Block Grant (CDBG) Operating Expenses [Grants Administration - Federal Programs]	(732,797)	0.00
FY24 RECOMMENDED	8,846,132	14.80

PROGRAM SUMMARY

Program Name	FY23 APPR Expenditures	FY23 APPR FTEs	FY24 REC Expenditures	FY24 REC FTEs
Administration	2,331,339	13.80	2,551,169	13.70
Affordable Housing Programs	925,856	7.50	1,138,019	6.50
Common Ownership Community Program	905,190	6.15	1,011,332	6.15
Grants Administration - Federal Programs	8,741,200	6.70	9,346,977	6.70
Housing Administration	399,229	3.95	443,491	3.95
Housing Code Enforcement	4,768,248	38.50	5,505,188	39.50
Landlord-Tenant Mediation	1,487,910	9.00	2,104,741	11.00
Licensing and Registration	470,853	3.20	571,186	4.20
Multi-Family Housing Programs	46,541,710	7.90	45,327,836	8.90
Neighborhood Revitalization	1,876,950	7.50	1,398,926	7.60
Total	68,448,485	104.20	69,398,865	108.20

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY23 Total\$	FY23 FTEs	FY24 Total\$	FY24 FTEs
COUNTY GENERAL FUND					
Permitting Services	Permitting Services	108,638	1.00	118,842	1.00
Recycling and Resource Management	Solid Waste Disposal	707,264	5.50	776,562	5.50
CIP	Capital Fund	165,915	1.70	179,460	1.70
Total		981,817	8.20	1,074,864	8.20

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY24	FY25	FY26	FY27	FY28	FY29
COUNTY GENERAL FUND						
EXPENDITURES						
FY24 Recommended	10,871	10,871	10,871	10,871	10,871	10,871
No inflation or compensation change is included in outyear projections.						
Annualization of Positions Recommended in FY24	0	183	183	183	183	183
New positions in the FY24 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.						
Elimination of One-Time Items Recommended in FY24	0	(108)	(108)	(108)	(108)	(108)
Items recommended for one-time funding in FY24, including (operating budget expenses associated with new hires, including office equipment and vehicles), will be eliminated from the base in the outyears.						

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY24	FY25	FY26	FY27	FY28	FY29
Labor Contracts	0	312	312	312	312	312
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	10,871	11,258	11,258	11,258	11,258	11,258

MONTGOMERY HOUSING INITIATIVE

EXPENDITURES

FY24 Recommended	49,682	49,682	49,682	49,682	49,682	49,682
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	86	86	86	86	86
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	49,682	49,768	49,768	49,768	49,768	49,768

ANNUALIZATION OF FULL PERSONNEL COSTS

	FY24 Recommended		FY25 Annualized	
	Expenditures	FTEs	Expenditures	FTEs
One Investigator III Position and One Administrative Specialist III Position to Comply with County Mandates	167,790	2.00	223,702	2.00
One Program Specialist II Position (Licensing and Registration) to Increase Outreach and Revenue Collections	75,100	1.00	175,226	1.00
One Housing Code Inspector III Position to Meet County Mandates	80,770	1.00	107,687	1.00
Total	323,660	4.00	506,615	4.00

FY24-29 PUBLIC SERVICES PROGRAM: FISCAL PLAN

Montgomery Housing Initiative

FISCAL PROJECTIONS	FY23 APPROVED	FY23 ESTIMATE	FY24 RECOMMENDED	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION
ASSUMPTIONS								
Indirect Cost Rate	18.35%	18.35%	17.96%	17.96%	17.96%	17.96%	17.96%	17.96%
CPI (Fiscal Year)	3.0%	6.8%	2.1%	1.8%	2.2%	2.3%	2.4%	2.5%
Investment Income Yield	1.2%	3.0%	4.3%	3.0%	3.0%	3.0%	2.5%	2.5%
BEGINNING FUND BALANCE	12,747,400	47,422,860	15,555,321	2,910,300	2,134,299	1,334,898	511,297	164,696
REVENUES								
Taxes	19,610,377	18,134,920	16,373,590	17,035,642	17,134,946	18,032,213	18,945,292	20,165,327
Charges For Services	70,200	77,490	70,200	71,443	73,008	74,709	76,472	78,346
Miscellaneous	13,752,391	18,400,094	14,981,846	13,738,046	13,738,046	13,738,046	13,278,246	13,294,256
Subtotal Revenues	33,432,968	36,612,504	31,425,636	30,845,131	30,946,000	31,844,968	32,300,010	33,537,929
INTERFUND TRANSFERS (Net Non-CIP)								
Transfers To Debt Service Fund	(19,262,000)	(15,262,000)	(19,155,600)	(22,490,720)	(26,693,590)	(29,742,400)	(29,741,500)	(29,743,400)
MHI HOC Housing Opportunity Fund	(7,073,200)	(3,073,200)	(5,771,000)	(7,069,500)	(7,072,100)	(7,070,300)	(7,068,800)	(7,072,900)
MHI Property Acquisition	(12,188,800)	(12,188,800)	(13,384,600)	(15,421,220)	(19,621,490)	(22,672,100)	(22,672,700)	(22,670,500)
Transfers To The General Fund	(458,070)	(458,070)	(553,516)	(553,516)	(553,516)	(553,516)	(553,516)	(553,516)
Indirect Costs	(458,070)	(458,070)	(553,516)	(553,516)	(553,516)	(553,516)	(553,516)	(553,516)
Transfers From The General Fund	30,182,949	30,182,949	33,257,439	33,257,439	33,257,439	33,257,439	33,257,439	33,257,439
General Fund	30,182,949	30,182,949	33,257,439	33,257,439	33,257,439	33,257,439	33,257,439	33,257,439
TOTAL RESOURCES	56,643,247	98,498,243	60,529,280	43,968,634	39,090,632	36,141,389	35,773,730	36,663,148
PSP OPER. BUDGET APPROP/ EXP'S.								
Operating Budget	(2,939,743)	(34,389,941)	(3,525,390)	(3,649,429)	(3,793,311)	(3,948,342)	(4,111,054)	(4,284,339)
Debt Service: Other (Non-Tax Funds only)	(47,230)	(47,230)	(54,510)	0	0	0	0	0
Rental Assistance Program (RAP)	(19,510,377)	0	(16,273,590)	(17,035,642)	(17,134,946)	(18,032,213)	(18,945,292)	(20,165,327)
Affordable Housing Loans	(12,472,750)	(12,620,000)	(13,946,104)	(5,567,165)	(1,245,378)	1,932,562	3,029,411	3,452,212
HHS Housing Programs	(9,706,200)	0	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)
Neighborhoods to Call Home	(1,414,123)	0	(1,875,899)	(1,875,899)	(1,875,899)	(1,875,899)	(1,875,899)	(1,875,899)
Design for Life	n/a	0	(300,000)	0	0	0	0	0
Homeownership Assistance Program	(3,000,000)	0	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Subtotal PSP Oper Budget Approp / Exp's	(49,090,423)	(47,057,171)	(49,681,693)	(41,834,335)	(37,755,734)	(35,630,092)	(35,609,034)	(36,579,553)
OTHER CLAIMS ON FUND BALANCE	(4,276,224)	(35,885,751)	(7,937,287)	0	0	0	0	0
TOTAL USE OF RESOURCES	(53,366,647)	(82,942,922)	(57,618,980)	(41,834,335)	(37,755,734)	(35,630,092)	(35,609,034)	(36,579,553)
YEAR END FUND BALANCE	3,276,600	15,555,321	2,910,300	2,134,299	1,334,898	511,297	164,696	83,595
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES								
	5.8%	15.8%	4.8%	4.9%	3.4%	1.4%	0.5%	0.2%

Assumptions:

- Approximately \$89.6 million will be allocated in affordable housing, including expenditures of \$57.6 million reflected in this fund and \$32 million for the Affordable Housing Acquisition and Preservation CIP Project #760100. The CIP fund assumes the issuance of \$19.28 million of debt, \$2.72 million in estimated loan repayments, and \$10 million funded with Recordation Tax Premium in FY24. 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 \$30.2 million in Loan Repayments for the Preservation of Naturally Occurring Affordable Housing Fund CIP Project #762201 was submitted to the Council in January 2023 for approval. The funding will be used to preserve current naturally occurring affordable housing in areas at risk of rent escalation to higher market rents, including the Purple Line Corridor and other 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 \$3.07 million to be transferred from the General Fund to the MHI fund, compared to \$30.18 million approved for FY23. A combination of the \$33.26 million transferred from the General Fund and the projected \$4.98 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	2019	2020	FY21 CC Approved	FY22 CC Approved Budget	Total County Resources (FY08 - FY22)	Avg Resources FY08-FY22	FY23 Approved Budget	FY24 Recommended Budget	Projected Creation / Preservation of Affordable Housing (FY24)	Notes
Operating Budget Expenditures										
DHCA - MHI Operating Budget	35,589,790	41,293,021	34,679,877	43,122,517	441,644,078	29,442,939	49,090,423	49,681,692		MHI Debt Service Interest in FY24 includes the Taxable Housing Certificates issued for HOC Production Fund. Clients Served
DHCA - MHI Debt Service (interest only)	3,900,000	4,173,700	4,546,700	4,563,250	41,167,514	2,744,501	4,787,383	7,225,931		
HHS - General Fund - Housing Programs	13,115,387	13,115,387	13,115,387	16,847,775	133,855,966	10,257,064	30,962,294	46,931,755	2,700	
HOC - Non-Departmental Account	6,680,270	6,788,019	6,824,693	6,895,693	94,019,182	6,267,945	7,633,168	7,972,501		
Total Operating Budget	59,285,447	65,370,127	59,166,657	71,429,235	730,686,740	48,712,449	92,473,268	111,811,879		
Affordable Housing Acquisition and Preservation Project (CIP)										
MHI	-	-	-	-	4,775,000	397,917	-	-		
HIF Revolving Loan Program	19,679,000	20,559,000	13,293,000	8,751,000	183,534,000	12,235,600	14,896,000	19,277,000		
Loan Repayment Proceeds (actual)	16,817,000	1,441,000	8,707,000	13,249,000	76,946,507	5,129,767	21,854,000	2,723,000		
G.O. Bonds	(9,725,000)	-	4,540	-	4,544,540	504,949	-	10,000,000		
Recordation Tax Premium	-	-	-	-	-	-	-	-		
DHCA - Affordable Housing Acquisition and Preservation Project (CIP) - Total	26,771,000	22,000,000	22,004,540	22,000,000	269,800,047	18,268,233	36,750,000	32,000,000		
Affordable Housing Opportunity Fund (CIP)										
	-	-	-	14,000,000	14,000,000	14,000,000	6,000,000	-		
Preservation of Naturally Occurring Affordable Housing (NOAH) Fund										
DHCA - Payment in Lieu of Taxes (Non-HOC PILOTs)	17,297,513	18,162,389	19,070,508	20,024,034	171,456,722	12,765,384	20,624,755	20,624,755	8,408	
DHCA - Payment in Lieu of Taxes (HOC PILOTs)	10,311,486	9,833,474	9,570,344	9,993,954	125,436,849	9,028,720	10,593,592	11,123,275	600	
DGS - Discounted Land Value	11,540,000	1,000,000	-	6,797,750	49,493,163	8,041,559	1,500,000	-	157	
Total Affordable Housing Support	125,205,446	116,365,990	109,812,049	137,447,223	144,244,973	110,816,345	206,441,615	175,559,909	11,865	

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No Data

Operationalize - Put theory into action by implementing new tools for decision-making, measurement, and accountability like a Racial Equity Tool and developing a Racial Equity Action Plan.

No Data

2. How does your department's budget allocate funds towards ensuring that public documents (including websites and related apps), policies, plans, meetings, and hearings are readily accessible to the public? Please use the checkboxes below to indicate which activities your department budget will enable. Then, in the text box that follows, please describe how your budget targets resources towards these activities.

No Data

3. What persistent gaps or limitations could inhibit your department's ability to advance racial equity and social justice?

No Data

ORESJ Rating

No Data

ORESJ Justification

No Data

Housing and Community Affairs



1. How will your overall budget support the department's commitment to advancing racial equity and social justice? To aid you in the formulation of your response, we've offered a list of activities, using the GARE framework, that demonstrate department-level commitments to racial equity and social justice. More information about the GARE framework is below and here.

Normalize - Establish racial equity as a key value by developing a shared understanding of key concepts across the department and create a sense of urgency to make changes

- ★ Allocate or support the use of staff time for CORE team activities.
- ★ Develop a racial equity vision statement (and/or racial equity and social justice mission, values, or guiding principles).



The Core Team Leads will need approximately 10-15% of their work time each month and the Core Team will also meet initially bi-weekly for 90 minutes in order to develop DHCA's racial equity vision statement and their RESJ plan for the Department. It will allow for the Team to determine how it will best function and communicate the RESJ goals and progress to the Department/County. These times are approximate and may need to be adjusted based on staffing needs/schedules and RESJ training requirements.

Organize - Build staff and organizational capacity, skills, and competencies through training while also building infrastructure to support the work, like internal organizational change teams and external partnerships with other institutions and community.

- ★ Implement a plan or policy requiring all staff and leadership to complete "Advancing Racial Equity: the Role of Government" and "the Racial Equity Institute's Groundwater Approach: building practical understanding of structural racism" trainings.
- ★ Designate permanent and sustainable staff resources, with an FTE or similar investment, to organize and lead the department's commitment to racial equity and social justice.
- ★ Designate resources for staff participation in GARE conferences and other department-specific racial equity and social justice professional development.
- ★ Develop a strategy to engage communities in planning, design, or other decision-making processes.

We will develop a policy requiring all DHCA staff to complete both of the trainings ORESJ offers by the end of FY24. This will be to ensure participation and build the capacity of DHCA staff to use a racial equity lens in all facets of the services we provide to the communities we serve and amongst each other. We would require DHCA to provide adequate funding for the representation of the Core Team in the annual GARE conference, including, but not limited to registration fees, lodging, transportation, etc. Funding would also be required for training materials, ie: books, publications, and other resources in order to further the Department's RESJ vision statement and goals.

Operationalize - Put theory into action by implementing new tools for decision-making, measurement, and accountability like a Racial Equity Tool and developing a Racial Equity Action Plan.

- ★ Field a staff survey and or conduct focus groups to identify areas of strength and opportunity in recruiting, retaining, and advancement of a diverse and representative workforce.
- ★ Conduct an organizational assessment to identify areas of strength and opportunity for advancing racial equity in policies, programs, and practices.
- ★ Track program access and service outcomes by race, ethnicity, and other relevant demographic or socioeconomic characteristics.
- ★ Using or creating department-specific racial equity tools or maps to support analysis (of policy, program, practice, procedure) or resource decisions.

To help us bring a racial equity analysis into our planning and evaluation of DHCA's RESJ Core Team, we will be allocating resources and space within DHCA's offices for an intern(s)/volunteer(s) to assist the Core Team with the development of the programs and tools to establish and track the services provided and their respective outcomes with a racial equity lens. This tool will help our department consider racial equity in current and future service or program offerings as well as community outreach.

2. How does your department's budget allocate funds towards ensuring that public documents (including



websites and related apps), policies, plans, meetings, and hearings are readily accessible to the public? Please use the checkboxes below to indicate which activities your department budget will enable. Then, in the text box that follows, please describe how your budget targets resources towards these activities.

- ★ Translating documents and marketing material to relevant languages based on the project impact area. Completed in partnership or at the advisement of the Office of Community Partnerships.

We translate a number of materials with our budget. To expand capacity, staff developed 1,000+ English language glossary of words/terms that Office of Community Partnership (OCP) is translating into six languages. When complete, OCP will load those translations into the CAT tool, to improve their ability to translate DHCA materials. Regarding the DHCA website, we are reorganizing our web content by audience, with more use of plain language and other improvements: Our TEBS partners tell us that this work is moving us in the right direction re: Section 508, for example.

3. What persistent gaps or limitations could inhibit your department's ability to advance racial equity and social justice?

The Department is currently experiencing an incredible influx in workload compounded by a mass exodus of seasoned and knowledgeable employees well versed in their areas of expertise. This mass exodus directly impacts the Core Team's ability to develop programming related to racial equity. Although we now have a fairly diverse staff in our Department, we know that maintaining a diverse and knowledgeable work force at all levels, including in senior leadership, will strengthen our ability to plan, deliver, and evaluate programs with a racial equity lens. Unfortunately, challenges across County government have caused extreme delays in recruitment, hiring, and retention. We have currently hired mid-level managers (grade 25) and senior level managers (grade M3 and above) that more closely represent the communities we serve. Retaining this segment of our workforce is particularly important for our ability to apply a racial equity lens to our programs and community outreach. We know that many of the challenges DHCA faces is a direct result of the non-existent morale, a lack of career pathways/opportunities, and transparency within the department and across County government as a whole. Exit interviews are not being conducted, therefore County and Departmental officials fail to understand the issues causing dissatisfaction amongst staff and managers. Furthermore, their continued inability to trust the subject matter experts with decades of experience has caused a break in communication and active participation in the goals and mission of DHCA. Both of these issues have resulted in all levels of staff leaving in record numbers and those who remain wholly disappointed and frustrated. It is incredibly difficult, if not impossible, to have staff buy-in for anything more than the minimum requirements of their position in such a toxic workplace environment. If there were ways to strengthen morale and encourage top levels of County and departmental leadership to trust their staff as the subject matter experts in their respective fields of knowledge across DHCA and create opportunities for career advancement and training, we believe staff across the board would be more inclined to stay and continue the critical and impactful work of DHCA and racial equity.

ORESJ Rating

3-Department-level budget demonstrates a strong commitment to advancing racial equity and social justice in Montgomery County



FY24-29 PUBLIC SERVICES PROGRAM: FISCAL PLAN			Montgomery Housing Initiative					
FISCAL PROJECTIONS	FY23 APPROVED	FY23 ESTIMATE	FY24 RECOMMENDED	FY25 PROJECTION	FY26 PROJECTION	FY27 PROJECTION	FY28 PROJECTION	FY29 PROJECTION
ASSUMPTIONS								
Indirect Cost Rate	18.35%	18.35%	17.96%	17.96%	17.96%	17.96%	17.96%	17.96%
CPI (Fiscal Year)	3.0%	6.8%	2.1%	1.8%	2.2%	2.3%	2.4%	2.5%
Investment Income Yield	1.2%	3.0%	4.3%	3.0%	3.0%	3.0%	2.5%	2.5%
BEGINNING FUND BALANCE	12,747,400	47,422,860	15,555,321	2,910,300	2,134,299	1,334,898	511,297	164,696
REVENUES								
Taxes	19,610,377	18,134,920	16,373,590	17,035,642	17,134,946	18,032,213	18,945,292	20,165,327
Charges For Services	70,200	77,490	70,200	71,443	73,008	74,709	76,472	78,346
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INTERFUND TRANSFERS (Net Non-CIP)								
Transfers To Debt Service Fund	(19,262,000)	(15,262,000)	(19,155,600)	(22,490,720)	(26,693,590)	(29,742,400)	(29,741,500)	(29,743,400)
MHI HOC Housing Opportunity Fund	(7,073,200)	(3,073,200)	(5,771,000)	(7,069,500)	(7,072,100)	(7,070,300)	(7,068,800)	(7,072,900)
MHI Property Acquisition	(12,188,800)	(12,188,800)	(13,384,600)	(15,421,220)	(19,621,490)	(22,672,100)	(22,672,700)	(22,670,500)
Transfers To The General Fund	(458,070)	(458,070)	(553,516)	(553,516)	(553,516)	(553,516)	(553,516)	(553,516)
Indirect Costs	(458,070)	(458,070)	(553,516)	(553,516)	(553,516)	(553,516)	(553,516)	(553,516)
Transfers From The General Fund	30,182,949	30,182,949	33,257,439	33,257,439	33,257,439	33,257,439	33,257,439	33,257,439
General Fund	30,182,949	30,182,949	33,257,439	33,257,439	33,257,439	33,257,439	33,257,439	33,257,439
TOTAL RESOURCES	56,643,247	98,498,243	60,529,280	43,968,634	39,090,632	36,141,389	35,773,730	36,663,148
PSP OPER. BUDGET APPROP/ EXP'S.								
Operating Budget	(2,939,743)	(34,389,941)	(3,525,390)	(3,649,429)	(3,793,311)	(3,948,342)	(4,111,054)	(4,284,339)
Debt Service: Other (Non-Tax Funds only)	(47,230)	(47,230)	(54,510)	0	0	0	0	0
Rental Assistance Program (RAP)	(19,510,377)	0	(16,273,590)	(17,035,642)	(17,134,946)	(18,032,213)	(18,945,292)	(20,165,327)
Affordable Housing Loans	(12,472,750)	(12,620,000)	(13,946,104)	(5,567,165)	(1,245,378)	1,932,562	3,029,411	3,452,212
HHS Housing Programs	(9,706,200)	0	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)	(9,706,200)
Neighborhoods to Call Home	(1,414,123)	0	(1,875,899)	(1,875,899)	(1,875,899)	(1,875,899)	(1,875,899)	(1,875,899)
Design for Life	n/a	0	(300,000)	0	0	0	0	0
Homeownership Assistance Program	(3,000,000)	0	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Subtotal PSP Oper Budget Approp / Exp's	(49,090,423)	(47,057,171)	(49,681,693)	(41,834,335)	(37,755,734)	(35,630,092)	(35,609,034)	(36,579,553)
OTHER CLAIMS ON FUND BALANCE	(4,276,224)	(35,885,751)	(7,937,287)	0	0	0	0	0
TOTAL USE OF RESOURCES	(53,366,647)	(82,942,922)	(57,618,980)	(41,834,335)	(37,755,734)	(35,630,092)	(35,609,034)	(36,579,553)
YEAR END FUND BALANCE	3,276,600	15,555,321	2,910,300	2,134,299	1,334,898	511,297	164,696	83,595
END-OF-YEAR RESERVES AS A								
PERCENT OF RESOURCES	5.8%	15.8%	4.8%	4.9%	3.4%	1.4%	0.5%	0.2%

Assumptions:

- Approximately \$89.6 million will be allocated in affordable housing, including expenditures of \$57.6 million reflected in this fund and \$32 million for the Affordable Housing Acquisition and Preservation CIP Project #760100. The CIP fund assumes the issuance of \$19.28 million of debt, \$2.72 million in estimated loan repayments, and \$10 million funded with Recordation Tax Premium in FY24. 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 \$30.2 million in Loan Repayments for the Preservation of Naturally Occurring Affordable Housing Fund CIP Project #762201 was submitted to the Council in January 2023 for approval. The funding will be used to preserve current naturally occurring affordable housing in areas at risk of rent escalation to higher market rents, including the Purple Line Corridor and other 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 \$3.07 million to be transferred from the General Fund to the MHI fund, compared to \$30.18 million approved for FY23. A combination of the \$33.26 million transferred from the General Fund and the projected \$4.98 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.

#	Program	FY23 Approved	FY23 Estimated	FY24 CE Recommended	% Change FY23 App. to FY24 Rec.
Department of Housing and Community Affairs (DHCA)					
<i>Rental Assistance</i>					
1	Eviction Prevention (HPRA- Homeless Prevention and Relocation Assistance)	\$432,062	\$432,062	\$445,025	3.00%
2	Rental Assistance (based on Existing Rental Agreements)	\$2,446,907	\$2,612,930	\$2,691,318	9.99%
3	Capitalized Rental Assistance (to Reduce Rents on New HCA-financed Projects)	\$428,171	\$380,000	\$391,400	-8.59%
4	Hampshire Towers Rental Assistance (10-Years)	\$1,000,000	\$1,000,000	\$1,000,000	0.00%
5	Grosvenor Tower - Capitalized Rental Assistance	-	-	\$312,060	N/A
6	MPDU Extensions	\$2,398,637	-	-	N/A
A	Total DHCA Affordable Housing Programs (HIF-funded)	\$6,705,777	\$4,424,992	\$4,839,803	-27.83%
Department of Health and Human Services (HHS)					
<i>Rental Assistance</i>					
7	Rental Assistance	\$4,097,726	\$4,097,726	\$4,097,726	0.00%
8	Rental Assistance Program - State Match	\$142,011	\$142,011	\$142,011	0.00%
9	Exp. Hsg 1st - DHHS HIP Rental Subsidies (10 Singles / 10 Families)	\$419,828	\$419,828	\$419,828	0.00%
10	Exp. Hsg 1st - DHHS HIP Service Coordination	\$88,580	\$88,580	\$88,580	0.00%
11	Exp. Hsg 1st - Client Needs	\$153,882	\$153,882	\$153,882	0.00%
12	Exp. Hsg 1st - County RAP (150 Subsidies)	\$431,673	\$431,673	\$431,673	0.00%
13	Med Vulnerable Adults - Rental Subsidies (25 singles)	\$478,641	\$478,641	\$478,641	0.00%
14	Med Vulnerable Adults - Supportive Services (25 singles)	\$322,081	\$322,081	\$322,081	0.00%
15	Rental Assistance Program - Case Manager - IAPS (Broker Position)	\$62,727	\$62,727	\$62,727	0.00%
16	MCCH - PPH (previously HOME)	\$656,728	\$656,728	\$656,728	0.00%
17	Rapid Rehousing Program	\$220,935	\$220,935	\$220,935	0.00%
18	Progress Place PLQ's	\$336,810	\$336,810	\$336,810	0.00%
19	MCCH - PPH	\$175,436	\$175,436	\$175,436	0.00%
20	HHS Rental Assistance Gap	\$499,214	\$499,214	\$499,214	0.00%
B	Total DHHS Affordable Housing Programs (HIF-funded)	\$8,086,272	\$8,086,272	\$8,086,272	0.00%
Housing Opportunities Commission (HOC)					
<i>Rental Assistance</i>					
21	Rent Supplement Program	\$2,181,798	\$2,038,996	\$2,038,996	-6.55%
22	Move Up Initiative	\$177,369	\$320,160	\$320,160	80.51%
23	Community Choice Homes Initiative / McKinney Supporting Hsg Prog	\$720,677	\$720,677	\$720,677	0.00%
24	Youth Bridge Initiative	\$88,682	\$88,682	\$88,682	0.00%
C	Total HOC Affordable Housing Programs (HIF-funded)	\$3,168,526	\$3,168,515	\$3,168,515	0.00%
D	Emergency Rental Assistance Contingency (in HIF)	\$1,550,073	-\$168,009	\$179,000	-88.45%
Services to End and Prevent Homelessness (SEPH)					
25	Administration	\$860,872	IP*	\$962,338	11.79%
26	Continuum of Care				
27	Permanent Supportive Housing				
28	Coordinated Entry	\$1,268,743	IP*	\$1,634,153	28.80%
29	Healthcare for the Homeless	\$1,983,566	IP*	\$2,059,076	3.81%
30	Homeless Services for Families	\$3,341,888	IP*	\$7,496,987	124.33%
31	Homeless Services for Single Adults	\$12,549,040	IP*	\$13,438,681	7.09%
32	Housing Initiative Program	\$297,441	IP*	\$2,207,959	642.32%
33	Interagency Commission on Homelessness	\$4,000	IP*	\$4,000	0.00%
34	Permanent Supportive Housing	\$5,426,912	IP*	\$5,719,969	5.40%
35	Prevention	\$8,441,630	IP*	\$11,088,159	31.35%
36	Rapid Rehousing	\$3,142,840	IP*	\$3,082,070	-1.93%
37	Rental Assistance Program	\$4,553,003	IP*	\$4,604,464	1.13%
38	Emergency RAP (one-time ARPA funding)	\$3,438,875	IP*	\$14,016,832	307.60%
E	Total SEPH Affordable Housing Programs (HHS General Fund and Federal Funds)	\$45,308,810	\$0	\$66,314,688	
Non-Competitive Contracts					
39	A Wider Circle	\$350,290	\$350,290	\$360,800	3.00%
40	CASA	\$457,575	\$457,575	\$471,300	3.00%
41	Community Reach	\$22,248	\$22,248	\$22,915	3.00%
42	Eastern Montgomery Emergency Assistance Network	\$27,810	\$27,810	\$28,640	2.98%
43	Enterprise Community Partners	-	-	\$384,936	N/A
44	Habitat for Humanity Metro Maryland	\$44,496	\$44,496	\$195,830	340.11%
45	Housing Initiative Partnership	\$116,640	\$116,640	\$224,210	92.22%
46	Housing Unlimited	\$88,992	\$88,992	\$91,660	3.00%
47	Latino Economic Development Corporation of Washington, D.C.	\$60,000	\$60,000	\$119,310	98.85%
48	Legal Aid Bureau	\$118,800	\$118,800	\$55,770	-53.06%
49	Montgomery County Renters Alliance	\$70,000	\$70,000	\$244,290	248.99%
50	Montgomery Housing Partnership	\$317,034	\$317,034	\$326,530	3.00%
51	Rebuilding Together Montgomery County	\$406,026	\$406,026	\$568,205	39.94%
F	Total Non-Competitive Contracts (DHCA General Fund and/or HIF)	\$2,079,911	\$2,079,911	\$3,094,396	48.78%



Faith-Based Development in Montgomery County

Enterprise Community Partners' Faith-Based Development Initiative (FBDI) is a key strategy for increasing the supply of affordable housing and advancing racial equity in our region. Since 2006, FBDI has supported the development of over 1,500 units of housing, providing homes to more than 3,700 people in the Baltimore-Washington region. This experience partnering with houses of worship to support faith-based development has allowed us to identify best practices, establish credibility and refine our approach to best meet community need. We are ready to expand the impact of this proven model locally and around the country.

Working with mission-aligned houses of worship is a key strategy for adding to the stock of housing for low- and moderate-income households. But, to help these houses of worship complete development projects, Enterprise needs to deepen our support by offering a cohort of houses of worship support navigating the development process in Montgomery County. Enterprise is requesting Montgomery County consider a commitment of \$384,936 in support of FBDI implementation in the County. The support provided under this request would be leveraged by \$290,325 in Enterprise resources and allow us to contribute to the development of an estimated 750 units of committed affordable housing.

Montgomery County FBDI Program Plan

Through FBDI, Enterprise provides real estate development assistance, legal resources, capital and training that helps organizations develop underutilized real estate assets into affordable homes and other community facilities. Enterprise's vision is that this underutilized land will be developed to meet their communities' needs so that more people across the country have access to affordable homes and community amenities.

Building on the lessons learned from our previous experience in the region, Enterprise is targeting the creation of a Montgomery County cohort of seven houses of worship that have a project vision that could be supported through grants, training and technical assistance to advance their development projects.

Enterprise will seek to identify houses of worship in all areas of the County for this program. Enterprise will also host a virtual countywide "Clarion Call" informational session to help recruit applicants and introduce potential participants for FBDI. Participants will be provided information on the affordable housing needs in the county and overview of the FBDI Cohort offerings. We anticipate that the houses of worship we are currently working with will be interested in applying. Interested faith-based organizations will be invited to submit an online application, and Enterprise will select seven organizations to participate in this cohort.

Enterprise's proposed work plan includes the following elements to support these seven houses of worship over a 24-month period:

- **GRANTS AND CAPITAL:** Funding will help a total of seven houses of worship in our "Successful Seven" Montgomery County FBDI Cohort advance their projects along the development continuum from vision towards completion, providing critical housing for low- to moderate- income people.

- **Market Study & Feasibility Analysis Grants:** \$70,000 in grants. Each faith-based organization will be allotted \$10,000 for market study/feasibility analysis studies so that they can make an informed “go/no-go” decision regarding their development vision. These funds will provide the house of worship a sense of market demand for what they envision and feasibility of acquiring zoning approvals and financing. Enterprise will negotiate with a group of market study providers to attempt to secure pricing that will allow the grants to cover the costs.
- **Recoverable Early Pre-Development Grants:** \$245,000 in recoverable grants. Each faith-based organization will be allotted a \$35,000 recoverable grant with an 18-month term, for early pre-development costs to help advance projects as they work to secure financing and advance the project along the pre-development to the construction phase of development. If the project secures financing and moves forward, funds would be repaid into the grant pool and redeployed by Enterprise to support additional affordable housing development projects. These grants will be funded by Enterprise capital, and Enterprise will seek to raise additional private sector capital to help increase the size of these grants.
- **Access to Enterprise Capital Products:** Faith-based organizations participating in FBDI would have access to Enterprise’s capital products as they shop for their capital providers. This includes Enterprise predevelopment, acquisition and permanent debt capital as well as Low-Income Housing Tax Credit and New Market Tax Credit equity. In addition, flexible capital through Enterprise’s Equitable Path Forward initiative is available for development partners led by people of color.
- **TRAINING:** Training will help houses of worship understand and navigate the development process to advance their development projects. Enterprise will provide participating houses of worship with approximately 20 hours of “classroom” instruction covering various aspects of the development process (training may be virtual or in-person, depending on Covid-19 public health conditions). Instruction will be provided by subject matter experts and assist participants in becoming comfortably conversant with key terms, concepts, timelines and stakeholders in the real estate development process. Cohort participants will be expected to have the senior clergy member and one to two lay leaders committed to attend the sessions. At the end of the classroom instruction period, participating houses of worship will present an initial development project concept plan to a “shark tank” panel of three to four people, with invited representatives from Montgomery County DHCD, one or two financiers and a developer to receive feedback on their plan. One of the important goals of this training is to use the information presented to prepare its participants to learn and seek more about the development process.

Expected session topics include but are not limited to:

- Internal discernment/buy-in and organizational assessment for the house of worship
- Real estate development “101” – including process, timelines and terminology
- Site Studies: ordering Phase I Environment Study, gathering market data, having a feasibility study prepared, having a market/demographic study prepared, having a traffic impact study prepared

- Project mission (site development process, zoning, valuation, acquisitions, project program, and planning process)
 - Selecting a development team
 - Development concept design
 - Pre-development budgeting
 - Sustainable green building design concepts
 - Selecting a construction team to evaluate project costs
 - Putting together project economic (proforma development)
 - Formatting project pricing for lender review
 - Assessing strengths and weaknesses of project
 - Collecting data for potential sponsors/lenders
 - Post project opening responsibilities
- **DEVELOPMENT CONSULTANT AND TECHNICAL ASSISTANCE:** Participating houses of worship will have access to technical assistance to help them connect to resources, address project-specific challenges and navigate the development process.
 - **Development Consultant:** Participating housing of worship will have access to 70 hours of a development consultant that will be assigned to them at the beginning of the cohort. This consultant will assist the house of worship in developing their development concept plan and assemble their development team that will ultimately seek public and private financing for the projects.
 - **Technical Assistance:** Enterprise will also provide additional one-on-one technical assistance to houses of worship to help advance their projects through the development process. This support will be tailored to meet the needs of each organization and their development vision.
- **INVENTORY OF EXPERTS:** Enterprise maintains a “Bullpen” of vetted development industry professionals to assist FBDI partners. Cohort members will have access to this vetted list of key development partners to help houses of worship build the connections they need to create affordable homes. These referrals to local development industry partners allow houses of worship to interview vetted partners to find the right fit for their project. Referrals include the following professions: Architects and Designers, Real estate/land-use Lawyers and Real Estate Developers/Development Consultants. Houses of worship are trained on the types of questions and processes that can be used to help identify and select development team partners during the training portion of the program.
- **PEER-TO-PEER LEARNING:** Beyond the sharing that will take place during the classroom instruction, organized peer learning will support faith leaders engaged in community development to advance projects and expand the number of homes developed. Enterprise will offer two “Iron Sharpens Iron” peer-sharing sessions targeted to clergy leaders to share lessons learned as they go through the process. In these sessions, Enterprise will facilitate a learning community where houses of worship share with each other updates on their development projects. Conversation will focus on progress, barriers, resources and lessons so that participants can learn from each other and share resources/ideas. We



have found these peer exchanges to be very valuable in providing tangible tips to participants and encouragement from peers. In addition, participating houses of worship will have access to other peer learning sessions and Enterprise’s annual Faith-Based Development Initiative Summit.

Throughout the two-year period, Enterprise will support houses of worship in identifying and problem-solving barriers to continuation of their projects. At the onset of the technical assistance, Enterprise will conduct an organizational assessment that serves as a road map for a community development project. This nine-page assessment serves as a strategic outline for the house of worship as they progress through the development process. Following the completion of the cohort trainings, Enterprise will provide monthly one-on-one technical assistance check-ins with all seven houses of worship to help them address their unique needs depending on the stage of their project including: connecting the houses of worship to any needed vetted partners in our bullpens, sharing resources and guidance, helping the organization navigate County processes and programs.

Two-Year Project Timeline with Milestones

Year 1:

Months 1-3

- Refine and launch a cohort application for houses of worship interested in the program.
- Conduct outreach to potential houses of worship interested in the program.
- Host a countywide “Clarion Call” informational session to help recruit applicants.
- Reviews applications and select seven participants.
- Provide selected houses of worship an organizational assessment.
- Anticipated results for months 1-3:
 - Outreach leads to at least 21 houses of worship at the Clarion Call.
 - Seven houses of worship are selected for cohort.
 - Seven houses of worship complete organizational assessment.

Months 4-6

- Begin Cohort Class Training sessions (approximately 20 hours of instruction over six months).
- Award Market Study/Feasibility Analysis grants to help advance their development projects. Each of the seven Cohort participants will be granted \$10,000 for a market study/ feasibility analysis.
- Award Predevelopment Recoverable Grants: These grants will support additional predevelopment expenses for houses of worship as their project begins to move forward. Each of the seven Cohort participants will be awarded \$35,000 in recoverable predevelopment grant funds.
- Assign development consultants. Houses of worship will have access to 70 hours during the remaining program period.
- Anticipated Results Months 4-6:
 - Training sessions begin (number will depend on whether classes are virtual (shorter sessions twice a month) or in-person (longer sessions once a month)).
 - All seven Cohort Class participants are awarded their \$10,000 market study grants and their \$35,000 recoverable predevelopment grant.

Months 7-9

- Offer additional Cohort Class Training sessions.
- Houses of worship receive Development Consultant support.
- Anticipated results for months 7-9:
 - Training sessions held and concluded.
 - All seven houses of worship complete the training program and successfully present their development project concept plan.

Months 10-12

- Development Consultant technical assistance continues.
- Provide monthly one-on-one technical assistance check-ins with all seven houses of worship.
- Hold first “Iron Sharpens Iron” peer learning exchange session for participating houses of worship.
- Anticipated results for months 10-12:
 - All 7 houses of worship advance their projects from visioning to predevelopment.
 - Houses of worship participate in peer learning.

Year 2:

Months 13-21

- Development Consultant and Enterprise technical assistance continues.
- Anticipated results for months 13-21:
 - Seven houses of worship have selected development partner and produced funding packages to take to public and private sector for funding.

Months 22-24

- Hold second “Iron Sharpens Iron” Peer exchange sessions for houses of worship.
- Development Consultant and Enterprise technical assistance continues.
- Evaluate program impact and conduct final evaluation survey with houses of worship to assess progress, collect feedback and understand additional needs.
- Anticipated results for months 22-24:
 - At least four projects have applied for County funding, with another three in the queue to apply in the following year.

Program Impact

Enterprise will carefully monitor progress and track results over the course of the 24-month program. We anticipate this project will build the capacity of seven houses of worship to work with development partners to create a pipeline of **750 units of affordable housing**. To achieve this impact, we anticipate engaging 21 houses of worship through outreach and selecting seven houses of worship to participate based on their project readiness.

Metrics Enterprise will track to ensure we meet our goals and are addressing community needs are:

- # of hours of TA provided (via staff and consultants)
- # of training sessions delivered
- # of houses of worship that complete organizational assessments



- # of units created (including information on type, AMI, population targets)
- # of units in the pipeline (including information on type, AMI, population targets)
- \$ projected total development costs
- \$ value of land (if contributed by houses of worship)

Additionally, we will collect and analyze qualitative feedback from participating houses of worship at the end of the classroom session and at the end of the two-year program period. Enterprise has the organizational capacity to maintain this program data and lessons learned.

Program Budget

The following is our proposed program budget for the 24-month implementation period.

Enterprise Community Partners, Inc.			
Presented to: Montgomery County FBDI Submitted March 2022			
Description	Montgomery County	Enterprise	Total Budget
Expenses			
Salaries (including benefits)	\$ 75,516		\$ 75,516
Grants	\$ 70,000	\$ 245,000	\$ 315,000
Recoverable Grants	\$ -	\$ 245,000	\$ 245,000
Market/Feasibility Study Grants	\$ 70,000		\$ 70,000
Consultants	\$ 108,000		\$ 108,000
Instructor	\$ 10,000		\$ 10,000
Development Consultants	\$ 98,000		\$ 98,000
Occupancy and program oversight	\$ 33,076		\$ 33,076
General and administrative	\$ 98,344	\$ 45,325	\$ 98,344
Total Expenses	\$ 384,936	\$ 290,325	\$ 629,936



Faith-Based Development Initiative: Montgomery County Pilot Program

***CREATING IMPACT THROUGH
COMMUNITY DEVELOPMENT***



The Collaboration

Enterprise Community Partners seeks to establish a Faith-Based Development Initiative (FBDI) pilot program to support the County's affordable housing efforts. FBDI works with houses of worship to develop affordable housing on their undeveloped/underutilized land. Each FBDI participating house of worship will receive the following:

- Six-Month Training Course for Faith Leader and Internal Team
- \$45,000 In Grant Funding
- Referrals to Industry Professionals
- Up To 70 Hours of Development Consultant/Owner's Representative
- On-Going Technical Assistance from Enterprise
- Project Concept Presentation to an Industry "Shark Tank" Panel

Commitment From Houses of Worship

- Full Participation in the FBDI Cohort Pilot Program
- Submit Monthly Reports (Template Provided)
- Attend and Participate in Six-Month Training Program
- Complete Organizational Assessment and Pre/Post Survey Instruments
- Schedule Regular Technical Assistance/Site Visits with Enterprise
- Utilize Grant Funding According to Established Agreements

**We are here for impact.
We are here for change.
Join us.**