

BUD, FIN &
ECON DEV

AGENDA ITEM #2F
June 9, 2009



INTRODUCTION

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OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

049429



June 1, 2009

TO: Phil Andrews, President, County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Supplemental Appropriation #09-269 to the FY09 Operating Budget Supplemental
Montgomery County Government
Department of Housing and Community Affairs
Neighborhood Conservation Initiative

I am recommending a supplemental appropriation to the FY09 Operating Budget of the Department of Housing and Community Affairs in the amount of \$2,500,000 for the Neighborhood Conservation Initiative.

This increase is needed because funding has been made available to the County by the State of Maryland for acquisition and rehabilitation of foreclosed properties to be rented to very low income persons at risk of becoming homeless.

I recommend that the County Council approve this supplemental appropriation in the amount of \$2,500,000 and specify the source of funds as state funds. This supplemental appropriation will not reduce County General Government Fund Reserves.

I appreciate your prompt consideration of this action.

IL:dc/jb

Attachment: Supplemental Appropriation #269-FY09

c: Kathleen Boucher, Assistant Chief Administrative Officer
Thomas Street, Assistant Chief Administrative Officer
Joseph F. Beach, Director, Office of Management and Budget
Rick Nelson, Director, Department of Housing and Community Affairs
Uma S. Ahluwalia, Director, Department of Health and Human Services
David Chikvashvili, Department of Housing and Community Affairs
Jennifer Bryant, Office of Management and Budget

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MONTGOMERY COUNTY
COMMUNITY DEVELOPMENT

not include \$79.5 in debt service for MCPS school construction that will be appropriated to the MCPS budget.

The approved total operating budget for FY10, without the MCPS-related debt service, is \$4.394 billion, an increase of 1.2 percent from FY09. The total operating budget includes self-supported enterprise funds and specific grants from the Federal and State governments.

In March, County Executive Isiah Leggett submitted his recommended budget to the Council. In reviewing the budget over the past two months, the Council reduced funding in several areas—including technology, cable funds, utilities and leases—and redirected it to reflect the Council's priorities in health and human services and public safety.

The Council adopted resolutions for the FY 2009-14 Capital Improvements Program that will keep all school construction projects on their current timetables, move ahead with funding for a new Silver Spring Library and continue plans for a North County Bus Maintenance Depot.

The Council also approved a down payment of \$12.9 million for purchase of the GE Tech Building on Route 28. That property is a key element in the Executive's Property Use/Smart Growth Initiative that would move numerous County operations from scattered locations, and some from rented space, into County-owned consolidated facilities. The new complex, whose overall cost is approximately \$107 million, would include the Montgomery County Police Department's headquarters, the 1st District Police Station, the Fire and Rescue Service, the Office of Emergency Management and various County offices. A new public safety memorial also would be located on the site.

Under the approved budget, property tax revenue will stay within the County's Charter limit. The County exceeded the Charter limit—which requires that revenue from taxes on existing property not exceed the rate of inflation for the previous year—only four times since voters approved the provision in November 1990. In November 2008, County voters amended the Charter to require support of all nine Councilmembers to exceed the limit.

In addition, the County "circuit breaker" tax credit will provide more targeted property tax relief for households with incomes of \$64,000 or less. And under a law the Council passed three years ago, eligible homeowners who are at least 70 years old will benefit from an added 25 percent circuit breaker credit.

The County entered the budget season facing a gap estimated at nearly \$587 million. The budget adopted by the Council restored core services including police and fire and rescue services, addressed the health needs of the poor and disadvantaged and maintained facilities and programs that continue the quality of life expected by residents.

The budget emphasizes the Council's priority focus on education, public safety and health and transportation programs that help the less fortunate during these difficult economic times.

The Council did not approve the Emergency Medical Services Transport (EMST) fee—generally known as an ambulance fee—recommended by the Executive. The fee would produce an estimated net of \$12.5 million in revenue, which the Executive asserts would be paid primarily by insurance companies.

Resolution No: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #09-269 to the FY09 Operating Budget
Supplemental
Montgomery County Government
Department of Housing and Community Affairs
Neighborhood Conservation Initiative \$2,500,000

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. The County Executive has requested the following FY09 Operating Budget appropriation increase for the Department of the Housing and Community Affairs:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
-0-	\$2,500,000	-0-	\$2,500,000	State Grant

3. This increase is needed because funding has been made available to the County by the State of Maryland for acquisition and rehabilitation of foreclosed properties to be rented to very low income persons at risk of becoming homeless.
4. The County Executive recommends a supplemental appropriation to the FY09 Operating Budget in the amount of \$2,500,000 for the Neighborhood Conservation Initiative and specifies that the source of funds will be the state.
5. Notice of public hearing was given, and a public hearing was held.

Action

The County Council for Montgomery County, Maryland, approves the following action:

A supplemental appropriation to the FY09 Operating Budget of the Department of Housing and Community Affairs is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>	<u>Source of Funds</u>
-0-	\$2,500,000	-0-	\$2,500,000	State Grant

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

OPERATING BUDGET

SUPPLEMENTAL OR SPECIAL APPROPRIATION REQUEST SUMMARY

1. Please fill in the following table:

Agency	
Department	Department of Housing and Community Affairs
Fund (County Government only)	State funds
Fiscal year	09
Supplemental or Special	Supplemental
Operating or Capital budget	Operating

2. What is the amount and source of funding?

Source of funding (Please list sources)	Amount
State	\$2,500,000
Total request	\$2,500,000

3. Is the request one-time or continuing? If continuing and funded by a grant, what will you do when the grant ends?

One time

4. Please provide a brief description, justification, expected outcomes, and how the outcomes will be measured.

Funding has been made available through the state. This appropriation will fund the acquisition and rehabilitation of foreclosed properties to be rented to very low income persons at risk of becoming homeless.

Outcomes will be measured by the number of persons/households assisted.

5. Please explain why you did not request this during the annual budget process.

Funding has just been made available through state.

6. For your agency, what is the current fiscal year budget for the relevant fund and what is the latest estimate? (do not fill out if the appropriation is funded entirely by a non-County grant)

Budget for current fiscal year for the relevant fund	
+ Supplemental/special appropriations already approved	
= Revised budget for current fiscal year	
Latest estimate of spending for current year	

7. County Government only: For your department or fund, whichever is applicable, what is the current fiscal year budget and what is the latest estimate? (do not fill out if the appropriation is funded entirely by a non-County grant)

Budget for current fiscal year for the department:	
+ Supplemental/special appropriations already approved	
= Revised budget for current fiscal year	
Latest estimate of spending for current year	



Maryland Department of Housing
and Community Development

April 17, 2009

The Honorable Isiah Leggett
County Executive
Montgomery County
101 Monroe Street
Rockville, MD 20850

Dear Mr. Leggett:

On behalf of Governor Martin O'Malley and Lt. Governor Anthony G. Brown, it is my pleasure to inform you that your request for funding from the Neighborhood Conservation Initiative (NCI) has been approved in the amount of \$2,500,000. These funds are a valuable resource for communities and will assist Montgomery County and the Housing Opportunities Commission to acquire new rental properties.

This funding is conditioned upon execution of grant agreements between the Maryland Department of Housing and Community Development (DHCD) and the County. The NCI program is administered by DHCD through the Division of Neighborhood Revitalization. Staff is preparing agreements that will be mailed to the County by the end of the month.

Again, congratulations on your award. If I may be of further assistance on this or any other matter, please do not hesitate to contact me or Ms. Cindy Stone, Director of Office of Community Programs, at 410-514-7256.

Sincerely,

Raymond A. Skinner
Secretary

cc: Ms. Luann Korona, Chief, Community Development, Montgomery County
Ms. Cindy Stone, Director, Office of Community Programs, DHCD

RAS/CS

Martin O' Malley
GOVERNOR

Anthony G. Brown
LT. GOVERNOR

Raymond A. Skinner
SECRETARY

Clairence J. Snuggs
DEPUTY SECRETARY

