

AGENDA ITEM #11
June 23, 2009

Public Hearing/Action

MEMORANDUM

June 19, 2009

TO: County Council

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **Public Hearing/Action: Supplemental Appropriation to the FY09 Operating Budget of the Montgomery County Government; Department of Housing and Community Affairs; Community Development Block Grant Recovery Program**
\$1,376,548 (Source of Funds: Federal Grant)

In order to expedite the appropriation of these Federal funds, the Chair of the PHED Committee agreed to forward this item directly to the Council for action. Therefore, there is no Committee recommendation.

This supplemental appropriation was introduced on June 9, 2009.

Background

The Department of Housing and Urban Development has awarded Montgomery County \$1,376,548 in Community Development Block Grant Recovery Program funds via the Maryland Department of Housing and Community Development. As this is a part of the Community Development Block Grant program it is targeted to certain communities and may be used only for CDBG approved purposes.

A spreadsheet showing the allocation of funding for five program areas, (1) Homeowner Rehabilitation, (2) Positive Youth Development, (3) Crime Prevention through Environmental Design, (4) Comprehensive Neighborhood Assistance, and (5) Planning and Administration, is attached at © 8. Letters of support from the Mid-County Advisory Board and the UpCounty Citizens Advisory Board are attached at © 9-11.

Attached to this memo

Circle

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INTRODUCTION

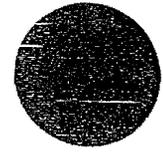
OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

June 4, 2009

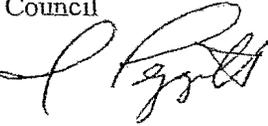
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2009 JUN -4 PM 9:00

MONTGOMERY COUNTY
COMMUNICATIONS

TO: Phil Andrews, President, County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Supplemental Appropriation #09-271 to the FY09 Operating Budget
Montgomery County Government
Department of Housing and Community Affairs
Community Development Block Grant - Recovery

I am recommending a supplemental appropriation to the FY09 Operating Budget of the Department of Housing and Community Affairs in the amount of \$1,376,548 for the Community Development Block Grant - Recovery Program.

This increase is needed because funding has been made available to the County by the Federal government through the Department of Housing and Urban Development for infrastructure, housing, and other eligible activities that support broad neighborhood improvement strategies such as rehabilitation and weatherization of low-income owner occupied homes and intensive targeted housing code enforcement. The neighborhood improvement strategies also include crime prevention by providing safety related improvements to public area lighting and working with other County departments and community partners to provide positive youth development activities with priority given to youths residing in focused neighborhood assistance areas.

I recommend that the County Council approve this supplemental appropriation in the amount of \$1,376,548 and specify the source of funds as Federal funds.

I appreciate your prompt consideration of this action.

IL:jrb

Attachment: Supplemental Appropriation #09-271-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
- Gabriel Albornoz, Director, Department of Recreations
- J. Thomas Manger, Chief, Department of Police
- David Chikvashvili, Department of Housing and Community Affairs
- Jennifer Bryant, Office of Management and Budget

Resolution No: _____

Introduced: _____

Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #09-271 to the FY09 Operating Budget
Montgomery County Government
Department of Housing and Community Affairs
Community Development Block Grant – Recovery \$1,376,548

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 increases 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>
\$137,000	\$1,239,548	-0-	\$1,376,548	Federal Grant

3. This increase is needed because funding has been made available to the County by the Federal government through the Department of Housing and Urban Development for infrastructure, housing and other eligible activities that support broad neighborhood improvement strategies such as rehabilitation and weatherization of low-income owner occupied homes and intensive targeted housing code enforcement. The neighborhood improvement strategies also include crime prevention by providing safety related improvements to public area lighting and working with other County departments and community partners to provide positive youth development activities with priority given to youths residing in focused neighborhood assistance areas.
4. The County Executive recommends a supplemental appropriation to the FY09 Operating Budget in the amount of \$1,376,548 for the Community Development Block Grant - Recovery Program and specifies that the source of funds will be federal.
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</u> <u>Services</u>	<u>Operating</u> <u>Expenses</u>	<u>Capital</u> <u>Outlay</u>	<u>Total</u>	<u>Source</u> <u>of Funds</u>
\$137,000	\$1,239,548	-0-	\$1,376,548	Federal 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)	Federal 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
Federal (HUD)	\$1,376,548
Total request	\$1,376,548

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 HUD. This appropriation will fund infrastructure, housing and other eligible activities that support broad neighborhood improvement strategies.

Outcomes will be measured by infrastructure improvements, the number of affordable units created and the number of persons assisted..

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

Funding has just been made available through HUD.

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	

Community Development Block Grants (Formula)

Program Description

The Community Development Block Grant (CDBG) program enables local governments to undertake a wide range of activities intended to create suitable living environments, provide decent affordable housing and create economic opportunities, primarily for persons of low and moderate income. Under the Recovery Act, recipients shall give priority to projects that can award contracts based on bids within 120 days of the grant agreement.

Process for Making Awards

Grantees will prepare an action plan amendment. HUD will process the plans in an expedited manner, execute grant agreements, and make the funds available in each grantee's line of credit.

Eligible Applicants

Eligible applicants include States, units of general local government that received CDBG Entitlement funding in FY 2008, non-entitlement jurisdictions in Hawaii, and Insular Areas.

Funding Amounts

Total Funding: \$1,000,000,000*+
Total Funds Allocated: \$980,000,000
Total Funds Obligated: \$0
Total Funds Expended: \$0

*Up to 1.0 percent of each amount appropriated in this legislation may be used for the expenses of management and oversight of the programs, grants, and activities funded by such appropriation.

+\$10,000,000 will be competitively awarded via the Indian Community Development Block Grant Program

[See allocations by state](#)



[Information by State](#)



[Esta página en español](#)



[Print version](#)

Announcements

Secretary Donovan announces \$1 billion in Recovery Act funding to support state and local Community Development
On May 5, 2009 Secretary Donovan signed a letter to all CDBG-R grantees addressing the responsible use of CDBG-R funds. This letter is an extension of President Obama's March 20, 2009, memorandum on the responsible use of all Recovery Act funds. Both documents have been forwarded grantees along with the Notice governing the use of CDBG-R funds and may be read here.

[CDBG-R Notice](#) | [CDBG-R Letter](#) | [Responsible Spending Memo](#)

A	B	C	D	E	F	G	H	I	J	K	L	M
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American Recovery and Reinvestment Act of 2009:

1 CDBG Formula Allocations

2	3	State	Grantee Name	Allocation Amounts
549	MA	WEYMOUTH	\$217,175	
550	MA	WORCESTER	\$1,245,014	
551	MA	YARMOUTH	\$37,747	
552	MD	MD NONENTITLEMENT	\$2,152,100	
553	MD	ANNAPOLIS	\$92,218	
554	MD	ANNE ARUNDEL COUNTY	\$565,815	
555	MD	BALTIMORE	\$5,226,574	
556	MD	BALTIMORE COUNTY	\$1,125,516	
557	MD	BOWIE CITY	\$44,372	
558	MD	CUMBERLAND	\$267,654	
559	MD	FREDERICK	\$104,495	
560	MD	GAITHERSBURG	\$120,862	
561	MD	HAGERSTOWN	\$249,458	
562	MD	HARFORD COUNTY	\$285,179	
563	MD	HOWARD COUNTY	\$314,520	
564	MD	MONTGOMERY COUNTY	\$1,375,548	
565	MD	PRINCE GEORGES COUNTY	\$1,543,054	
566	MD	SALISBURY	\$81,098	
567	ME	ME NONENTITLEMENT	\$3,443,007	
568	ME	AUBURN	\$189,548	
569	ME	BANGOR	\$278,574	
570	ME	BIDDEFORD	\$127,479	
571	ME	CUMBERLAND COUNTY	\$395,941	
572	ME	LEWISTON	\$275,909	
573	ME	PORTLAND	\$572,570	

Jurisdiction/Grantee Name: Montgomery County, Maryland		CDBG-R Formula Grant Amount: \$1,376,548				Date: 5/20/09	
Activity Name	Activity Description	Eligibility (Regulatory or HUDA Citation)	National Objective Citation	Original Project Budget (\$)	Additional Recovery Funds (\$)	Other Leveraged Funding (\$)	Total Activity Budget
(1) Homeowner Rehabilitation	rehabilitation and weatherization of low-income owner occupied homes	24CFR570.202(a)	24CFR570.208(a)(2)	496,000	*	**	496,000
(2) Positive Youth Development	education, life skills and gang involvement prevention activities	24CFR570.201(e)	24CFR570.208(a)(1)	\$110,000	**	**	110,000
(3) Crime Prevention Through Environmental Design	public area lighting and landscape design safety related improvements	24CFR570.201(c)	24CFR570.208(a)(1)	\$300,000	**	**	300,000
(4) Comprehensive Neighborhood Assistance	Comprehensive code enforcement and neighborhood-targeted activities	24CFR570.202(c)	24CFR570.208(a)(1)	\$333,548	**	**	333,548
(5) Planning and Administration	Program planning and administration	24CFR570.205 & 24CFR570.206	24CFR570.208	\$137,000	**	**	137,000
	* - Additional ARRA Weatherization funds are anticipated to be used in conjunction with this activity but the amount has not yet been determined.						
	** - Not yet determined						



MID-COUNTY CITIZENS ADVISORY BOARD

May 22, 2009

Mr. David Chikvashvili
Department of Housing and Community Affairs
Montgomery County Government
100 Maryland Avenue
Rockville, Maryland 20850

Dear Mr. Chikvashvili:

On behalf of the Mid-County Citizens Advisory Board (MCCAB), I would like to share the Board's support to provide priority funding for the Mid-County Focused Neighborhood Assistance area with funds Montgomery County is eligible to receive in Community Development Block Grant-Recovery (CDBG-R) funding from the United States Department of Housing and Urban Development (HUD) through the American Recovery and Reinvestment Act (ARRA) of 2009. It is our understanding that these funds will be used on infrastructure improvements, housing and other eligible activities that support broad neighborhood improvement strategies and priority will be given to eligible activities implemented in the Mid-County and Upcounty Focused Neighborhood Assistance Areas or within CDBG-eligible, currently-approved Capital Improvement Project areas in Silver Spring.

We see this funding as an outstanding opportunity to assist the Mid-County Focused Neighborhood Assistance area with some much needed improvements.

Sincerely,

A handwritten signature in cursive script that reads "Sheldon Fishman".

Sheldon Fishman
Chair

cc: Luann Korona, Chief
Community Development Division, DHCA

Mid-County Regional Services Center

2424 Reade Drive • Wheaton, Maryland 20902 • 240-777-8100 • 240-777-8112 TTY • 240-777-8111 FAX

www.montgomerycountymd.gov/midcounty

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UPCOUNTY CITIZENS ADVISORY BOARD

May 26, 2009

Mr. Richard Nelson, Director
Montgomery County Department of Housing
& Community Affairs
100 Maryland Avenue, 4th Floor
Rockville, Maryland 20850

RE: Community Development Block Grant – Recovery Program

Dear Mr. Nelson:

This letter is to express the Upcounty Citizens Advisory Board's support for your CDBG-R program. This funding, if approved, would greatly enhance the County's broad-based community development strategy and provide a balanced approach to addressing a multitude of problems in our communities for persons of low and moderate incomes.

As you are aware, the Upcounty Citizens Advisory Board is appointed by the County Executive and confirmed by the County Council, and represents over 300,000 residents in the upcounty area. The Board works with the Upcounty Regional Services Center to provide the County Executive and County Council with a balanced assessment of area problems, issues and their potential solutions, and makes policy recommendations. A few of our upcounty communities are among those most impacted by the housing crisis in Montgomery County with very high foreclosure rates. In collaboration with your department, other county agencies, and various housing and community based organizations, we are working very hard together to create and maintain sustainable and livable neighborhoods, and to create economic opportunities, decent affordable housing assistance, and to promote positive youth development. The CDBG-R funding for your programs will provide the needed support and added stimulus toward a more comprehensive community development approach in the upcounty area. The funding will provide us with opportunities for:

- concentrated home ownership rehabilitation and weatherization assistance;
- added support to our community based collaboration for positive youth development, community service, gang prevention activities, and out of school programs for low and moderate income youth;

Mr. Richard Nelson
Community Development Block Grant – Recovery Program
May 26, 2009
Page 2

- public safety initiatives, including pedestrian safety improvements and effective neighborhood environmental design features; and
- code enforcement initiatives at the neighborhood level that will facilitate preservation efforts, neighborhood beautification projects, and referrals for human services while promoting economic recovery, specifically for low and moderate income residents.

We commend your department for your efforts and leadership in collaborating with us and many other community groups to ensure the successful planning and administration of housing and community development initiatives in the upcounty area. We strongly recommend HUD's favorable consideration of your application. Thank you.

Sincerely,



Andres Aviles
Chairman

cc: Isiah Leggett, County Executive
Philip Andrews, President, County Council
Timothy Firestine, Chief Administrative Officer
Fariba Kassiri, Assistant Chief Administrative Officer
Catherine Matthews, Director, Upcounty Regional Services Center