



Committee: PHED
Committee Review: Completed
Staff: Linda McMillan, Senior Legislative Analyst
Purpose: To make preliminary decisions – straw vote expected

AGENDA ITEM #8
March 3, 2020
Worksession

SUBJECT

FY21-26 Capital Improvements Program: Department of Housing and Community Affairs (DHCA): Facility Planning/Community Development Only – Affordable Housing projects deferred to operating budget

EXPECTED ATTENDEES

Aseem Nigam, Director, DHCA
 Frank Demarais, Deputy Director, DHCA
 Chris Anderson, Chief, Division of Community Development, DHCA
 Pofen Salem, Office of Management and Budget

FISCAL SUMMARY (FACILITY PLANNING:HCD PROJECT ONLY)

FY21-26 versus Amended FY19-24 Expenditures (in 000's)

	Six-Year Total	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	Beyond 6-Years
FY19-24 Amended	750	125	125	125	125	125	125			
FY21-26 CE Rec	750			125	125	125	125	125	125	
change from amended (\$,%)	- 0.0%			-	-	-	-			-
Committee Rec	750			125	125	125	125	125	125	
change from amended (\$,%)	- 0.0%			-	-	-	-			-
change from CE Rec (\$,%)	- 0.0%			-	-	-	-	-	-	-

- This table reflects the Community Development:HCD project only. As has been the practice of the PHED Committee, recommendations regarding the Affordable Housing Acquisition and Preservation CIP project are deferred until the County Executive's CIP recommendation can be considered with the operating budget for the Housing Initiative Fund. Recommendations on the new Affordable Housing Opportunity Fund have also been deferred so the new proposal can be considered with the operating budget.

COMMITTEE RECOMMENDATIONS (BY PROJECT)

- The PHED Committee recommends approval of the Facility Planning:HCD project as recommended by the County Executive. This will provide \$125,000 per year (source of fund: current revenue) to study candidate projects to determine if they are eligible for Focused Neighborhood Assistance and Community Development Block Grant (CDBG) funding. FY21 appropriation is \$125,000.

OTHER ISSUES

- The Committee received an update on DHCA's efforts to work with the property owners of the Glenmont Shopping Center to gain interest on making façade or other improvements. Property owners have indicated that their priority at this time is improved road access and the parking lot.
- The Committee discussed the criteria for selecting projects and determining if they are eligible for (CDBG) funds. As CDBG funds have been reduced, DHCA has allocated resources to the Focused Neighborhood Assistance program and moved away from commercial and business assistance.
- The Committee asked DHCA to coordinate with the Department of Transportation and Park and Planning as DHCA studies improvements to areas around Purple Line stops.

This report contains:

Staff Report – if applicable

Pages 1-6

Overview from Recommended CIP

© 1

Facility Planning: HCD

© 2

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MEMORANDUM

February 27, 2020

TO: County Council

FROM: Linda McMillan, Senior Legislative Analyst

SUBJECT: FY21-26 Capital Improvements Program
Department of Housing and Community Affairs (DHCA)
Facility Planning: HCD only (Affordable Housing projects deferred to operating budget)

PURPOSE: Worksession; straw vote expected

Facility Planning: HCD
(PDF attached © 2)

Expenditures (in \$000s)

	TOTAL	Thru FY20	6 Years	FY21	FY22	FY23	FY24	FY25	FY26
FY19 Approved	4,445	3,945	750	125	125	125	125	NA	NA
CE Recommend	4,695	3,945	750	125	125	125	125	125	125

Source of Funds: Current Revenue

FY21 Appropriation: \$125,000

This project provides funding for facility planning studies to determine if they are eligible for Community Development Block Grant (CDBG) funding and meet the criteria for Focused Neighborhood Assistance (FNA). It is included in the CIP because the efforts generally take more than one year. The Executive recommends \$125,000 in each of the six years.

Council staff recommends approval of funding as recommended by the Executive.

DHCA has provided the following updates on projects that are a part of Facility Planning. DHCA has included a status for each project of ONGOING, NEW, COMPLETED, or INELIGIBLE.

1. Kimberly Place - (Aspen Hill) Balcony Replacement and Drainage Improvements/Focused Neighborhood Revitalization Project; balconies and drainage projects.

As a result of initial planning studies, Kimberly Place was determined to be eligible for CDBG funding. The drainage improvement construction project will cost approximately \$960,000, of which \$841,000 is CDBG funds and \$119,000 is being funded through the condo association. In addition, CDBG funding in the amount of \$536,000 (to date) and \$100,000 in State Community Legacy funding is being used to demolish and replace condemned home balconies. The project is expected to be completed by Summer 2020.

ONGOING

2. Montclair Manor - (Wheaton)

This project was determined to be eligible for CDBG funding. Facility planning activities for safety lighting and other physical improvements at Montclair Manor are complete. Construction is scheduled to begin in Spring 2020. DHCA will use \$240,000 in CDBG funds for construction of this project. The HOA will partner by contributing 20% or approximately \$48,000. The project is expected to be completed by Autumn 2020.

ONGOING

3. Montgomery Village/South Village - (Center Stage, Grover's Forge, The Hamptons, Walker's Choice)

Facility planning activities for 4 neighborhoods in Montgomery Village/South Village (Center Stage, Grover's Forge, The Hamptons, Walker's Choice) for lighting, drainage and other physical improvements are complete. These four areas have been determined to be CDBG eligible. Construction is scheduled to begin in Spring 2020. Approximately, \$1.6 million in CDBG funds will be utilized for construction of this project. The HOA will contribute 20% of the amount. The project is expected to be completed by Spring 2021.

ONGOING

4. Montgomery Village - (Thomas Choice West)

The Montgomery Village/Thomas Choice West Community did not meet FNA criteria for physical improvements.

INELIGIBLE

5. Grand Bel II - (Aspen Hill) Porches/Entries Replacement & Signage Study

Upon evaluation, Grand Bel II was evaluated and did not meet FNA criteria for physical improvements. However, it was referred to the Housing Division of DHCA for analysis as a housing preservation project.

INELIGIBLE

6. Hermitage Woods - (Aspen Hill) Stabilization Study

Hermitage Woods was evaluated and did not meet FNA criteria for physical improvements. However, it was referred to the Housing Division of DHCA for analysis as a housing preservation project.

INELIGIBLE

7. Montgomery Village/Ridgeline - Rehabilitation Analysis (Ridgeline/Clubhouse)

Upon evaluation, the Montgomery Village/Ridgeline Community did not meet FNA criteria for physical improvements, and did not meet CDBG eligibility criteria

INELIGIBLE

8. Dalewood Drive playground - (North Wheaton) Improvements

DHCA coordinated with non-profit MHP to conduct neighborhood clean-up using volunteers. No other further work is anticipated at this time due to site constrictions related to MCDOT drainage easements and underground infrastructure.

COMPLETED

9. Wedgewood II - (unincorporated Gaithersburg)

Facility planning funds will be used for design services to alleviate surface drainage issues and evaluate other site improvements. DHCA's preliminary estimated construction cost is \$325,000.

NEW

10. Purple Line Facility Planning

DHCA's Neighborhood Revitalization Section will evaluate older residential and commercial neighborhoods in proximity to the Purple Line corridor for physical

needs that meet FNA criteria. For example, safe pedestrian access links to connect neighborhoods and transit stations will be analyzed. Commercial building facades and residential improvements will also be considered. DHCA has budgeted \$120,000 for this study.

NEW

11. Tralee Court/Damascus and Avonshire/Silver Spring – Upon evaluation these two communities did not meet FNA criteria for physical improvements.

INELIGIBLE

Process for Candidate Projects and CDBG Eligibility

Last spring, the PHED Committee members asked for additional information on how DHCA selects candidate projects. DHCA has provided the following overview. This is followed by information on how DHCA determines if a project is eligible for CDBG or other non-county funding.

Neighborhood Selection

Projects are selected through a combination of two primary methods: (1) annual analysis of prevailing neighborhood data and indicators; and, (2) through interaction with the community and numerous community partners. A copy of the FNA selection criteria and process are included as ATTACHMENT 1 (© 6-8).

The selection of a neighborhood, or Focus Area, is made as the result of a data-driven analysis focused on single-family homes in primarily, if not exclusively, residential neighborhoods. Data on crime, income (primarily HUD LMI data and Free and Reduced Meals) and single-family rentals, as well as foreclosure and home sale activity are reviewed. These criteria are ones that have been commonly used by others to measure conditions at the neighborhood level, and this analysis identifies areas that appear to be experiencing challenges greater than those experienced by the county overall.

Staff then further refines the neighborhood selection process by looking at an area's shared features that would facilitate community connection, for example, school boundaries and major roadways. Further data gathering specific to the area, through meeting with residents, County representatives, and others is used to confirm that a partnership is welcome and that the area can benefit from the program.

Analysis:

Once a specific neighborhood has been identified, the specific factors further analyzed by staff include:

- Demographics

- Housing (type and condition)
- Land Use and Zoning
- Transportation
- Public Safety
- Environmental Issues
- Eligibility for federal (CDBG) funding

Information Gathering/Community Outreach

Once this overall data analysis is complete, staff conducts a block-by-block visual survey to assess the physical condition of the neighborhood, in addition to the housing. DHCA also meets with County agencies and other organizations to gather input and perspectives on the assets, issues and needs of the possible focus area and to identify any opportunities for possible collaboration. These meetings provide information from County staff and civic leaders based on their experiences, observations and familiarity with the area and further assist staff in narrowing down the choice of possible neighborhoods.

For example, prior to selecting the McKendree FNA in Montgomery Village (a previous FNA area), DHCA consulted with representatives from:

- Up-County Regional Services Center
- Montgomery County Police Department, District 6
- Maryland - National Capital Park and Planning Commission (M-NCPPC)
- School administrators from Watkins Mill High School, Neelsville Middle School, and Stedwick Elementary School
- Montgomery County Division of Solid Waste
- DHCA Code Enforcement
- Montgomery County Department of Transportation
- Montgomery County Fire and Rescue Service
- Montgomery County Department of Health and Human Services
- Montgomery County Department of Recreation
- Northgate Homes Corporation
- Montgomery Village Association
- McKendree residents

To gather input from residents, DHCA staff holds a neighborhood charrette. The charrette provides an opportunity for the residents to outline their neighborhood's assets, issues and to make recommendations for needed actions. This information becomes the basis for the final selection decision and the ultimate work program.

CDBG Determination

Montgomery County receives approximately \$4.6 million in Community Development Block Grant (CDBG) funds annually as an entitlement jurisdiction. This grant is used to fund a wide variety of programs and activities within DHCA, of which the Focused

Neighborhood Assistance program is one. The CDBG program comes with well-established national objectives that must be met, and eligible activities that may be funded.

The primary CDBG national objective that DHCA seeks to meet is “benefit to low- and moderate-income (LMI) persons and neighborhoods”. Therefore, these areas are the ones within the county that are the primary focus of the FNA program. To target these areas, DHCA uses census-data and maps of eligible LMI census tracts areas provided by HUD. Neighborhoods that are not designated as CDBG-eligible census tracts can be qualified by conducting income surveys (as prescribed by HUD). For individual home improvements, income documentation for the household is evaluated to establish eligibility.

When using county CDBG funds in a community association, DHCA requires the community to provide a match up to 20% of the project cost in community funds (reserve or loan funds). The primary state grant program available to assist with FNA activities is the Community Legacy Program. This is a highly competitive grant program which awards funds annually to projects throughout the state. DHCA was awarded \$100,000 in FY19 under this program. The department’s most recent application for funds was not selected for an award.

Glenmont Shopping Center

In FY19, The Council approved \$32,300 for DHCA to work on potential designs for improvements to the Glenmont Shopping Center (see memo from Councilmember Navarro at © 9). While this is not a CIP project, Council staff asked DHCA for an update on this effort and whether it has also informed DHCA with regard to potential improvement to other aging shopping areas in the county. DHCA has provided the following response.

Glenmont Shopping Center – DHCA, in conjunction with Councilmember Nancy Navarro and the County Executive’s office, is utilizing approximately \$32,000 for concept design services toward improving the facades and parking lot of the shopping center. Design work has been completed, and a meeting with the property owners and other stakeholders is being coordinated for a date in Spring 2020. The Glenmont Shopping Center was not typical due to the complexities of working with 12 individual owners with varying goals.

ONGOING



Community Development

PROGRAM DESCRIPTION AND OBJECTIVES

The mission of the Department of Housing and Community Affairs (DHCA) is:

- to plan and implement activities which prevent and correct problems that contribute to the physical decline of residential and commercial areas;
- ensure fair and equitable relations between landlords and tenants;
- increase the supply of new affordable housing;
- maintain existing housing stock in safe condition; and
- support community programs that benefit our residents.

DHCA oversees Community Development and Housing Programs to achieve its goals. The County's Community Development Program involves the design and implementation of intergovernmental strategies that address problems contributing to the physical decline of residential and commercial areas, and that support improvements to the quantity and quality of housing for low and moderate income families. The activities carried out within the Community Development Program of DHCA include: design and construction of street improvements, sidewalks, and other infrastructure improvements; public facilities and amenities to assure the compatibility of assisted housing and small retail centers with surrounding areas; and Central Business District (CBD) revitalization.

The Department's commercial revitalization activities are designed to encourage renewal of older shopping areas to meet contemporary commercial demands as well as revitalization of smaller commercial centers as focal points for the local community.

HIGHLIGHTS

- Complete commercial revitalization in the Colesville/New Hampshire Avenue corridor and the Burtonsville community in Fall 2020 to support existing small businesses and create new opportunities for private investment.
- Add funds to conduct community development facility planning studies.

PROGRAM CONTACTS

Contact Tim Goetzinger of DHCA at 240.777.3728 or Pofen Salem of the Office of Management and Budget at 240.777.2773 for more information regarding this department's capital budget.

CAPITAL PROGRAM REVIEW

One ongoing project comprises the recommended FY21-26 Capital Improvements Program for DHCA, for a total six-year cost of \$0.75 million, which is a \$1.92 million, or an 72 percent decrease from the Amended FY19-24 total six-year cost of \$2.67 million. The decrease in direct expenditures in this program are attributed to the completion of the Colesville/New Hampshire Avenue and Burtonsville Community Revitalization projects in FY20, resulting in project expenditures moving out of the six-year period.



Facility Planning: HCD (P769375)

Category Community Development and Housing
SubCategory Community Development
Planning Area Countywide

Date Last Modified 01/02/20
Administering Agency Housing & Community Affairs
Status Ongoing

Total	Thru FY19	Est FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
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EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	4,695	3,007	938	750	125	125	125	125	125	125	-
TOTAL EXPENDITURES	4,695	3,007	938	750	125	125	125	125	125	125	-

FUNDING SCHEDULE (\$000s)

Community Development Block Grant	893	337	556	-	-	-	-	-	-	-	-
Current Revenue: General	3,502	2,370	382	750	125	125	125	125	125	125	-
Current Revenue: Parking - Montgomery Hill	100	100	-	-	-	-	-	-	-	-	-
Federal Aid	200	200	-	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	4,695	3,007	938	750	125	125	125	125	125	125	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 21 Request	125	Year First Appropriation	FY96
Appropriation FY 22 Request	125	Last FY's Cost Estimate	4,445
Cumulative Appropriation	3,945		
Expenditure / Encumbrances	3,007		
Unencumbered Balance	938		

PROJECT DESCRIPTION

This project provides funds for Department of Housing and Community Affairs (DHCA) facility planning studies for a variety of projects for possible inclusion in the Capital Improvement Program (CIP). In addition, facility planning serves as a transition stage for a project between the master plan or conceptual stage and its inclusion as a stand-alone project in the CIP. Prior to the establishment of a stand-alone project, DHCA will develop a Program of Requirements (POR) that outlines the general and specific features required in the project. Selected projects range in type from: land and building acquisition; conversion of surplus schools/school sites or County-owned land into housing resources; design and construction of street improvements, sidewalks, and other infrastructure improvements in neighborhoods; and small commercial area revitalization that include streetscaping and circulation along with Central Business District (CBD) revitalization. Facility planning is a decision-making process to determine the purpose and need of a candidate project through a rigorous investigation of the following critical project elements: community revitalization needs; economic, social, environmental, and historic impacts; public participation; non-County funding sources; and detailed project cost estimates. Depending upon the results of a facility planning analysis of purpose and need, a project may or may not proceed to construction. For a full description of the facility planning process, see the CIP Planning Section.

COST CHANGE

Add funds in FY25 and FY26 to continue community development facility planning studies.

PROJECT JUSTIFICATION

There is a continuing need for development of accurate cost estimates and an exploration of alternatives for proposed projects. Facility planning costs for all projects which ultimately become stand-alone Project Description Forms (PDFs) are included here. These costs will not be reflected in the resulting individual project. Future individual CIP projects, which result from facility planning, will each reflect reduced planning and design costs.

OTHER

The proposals studied under this program will involve the Office of Management and Budget staff, consultants, community groups, and related program area staff, to ensure that completed studies show full costs, program requirements, and have community support.

DISCLOSURES

Expenditures will continue indefinitely.

COORDINATION

Office of Management and Budget, Maryland-National Capital Park and Planning Commission, Department of Transportation, Department of General Services, and Regional Services Centers.