



Committee: T&E
Committee Review: Completed
Staff: Glenn Orlin, Senior Analyst
Purpose: To make preliminary decisions – straw vote expected
Keywords: #HOA Road Maintenance Reimbursement

AGENDA ITEM #26
 May 10, 2023
Worksession

SUBJECT

FY24 Operating Budget: Homeowners’ Association Road Maintenance Reimbursement
 Nondepartmental Account

EXPECTED ATTENDEES

None

FY24 COUNTY EXECUTIVE RECOMMENDATION

HOA Road Maintenance Reimbursement NDA	FY23 Approved	FY24 CE Recommended	Change from FY23 Approved
General Fund	\$62,089	\$62,089	0.0%
Personnel Costs	\$0 0.0 FTEs	\$0 0.0 FTEs	0.0% --
Operating Costs	\$62,089	\$62,089	0.0%

COMMITTEE RECOMMENDATIONS

- Concur with the Executive’s recommendation.

SUMMARY OF KEY ISSUES

- The Executive recommends no change to the budget for this NDA, which reimburses homeowners associations for the maintenance of certain eligible HOA roads. This NDA consists of two reimbursement programs. The “State” program reimburses HOAs for roads eligible to be counted for State Highway User Revenue; the funds associated with these roads are sent to the County and then passed through to the HOAs. The recommended funding in this (and prior year) NDAs are entirely for the State program.
- The “County” program was intended to reimburse HOAs for eligible roads at roughly the cost that the County spends to maintain its own roads, subject to the availability of appropriations. However, from FY90 to FY09 the Council limited the reimbursement to around \$1,000 per eligible mile, a fraction of the cost of maintaining a County road. For the FY10 budget, the Council reduced the appropriation to only about \$250 per eligible mile, and for FY11 through FY23 the Council suspended funding for this program altogether. The Executive recommends extending this suspension through FY24, the 14th successive year this program will not have been funded. Council staff urges the Council to once again consider a bill that would eliminate this program,

since neither the Executive nor the Council has elected to fund it either in flush or challenging budget years.

This report contains:

Executive's recommended budget

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FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	2,563,502	1.00
Enhance: Guaranteed Income Pilot Expenses	734,843	0.00
FY24 Recommended	3,298,345	1.00

☀ **Historical Activities**

This NDA provides funding for the Historical Society to support the Society's Education Program staff, educational and outreach programs for County residents, and to maintain the Historical Society's research library and museums.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	162,000	0.00
Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts	4,860	0.00
FY24 Recommended	166,860	0.00

☀ **Homeowners' Association Road Maintenance Reimburse**

This NDA provides a partial reimbursement to homeowners' associations (HOAs) for their maintenance of certain privately-owned roadways. The payment is currently restricted to through roadways, accessible to the public, which are one-quarter mile or longer and which provide vehicular access to more than four dwelling units. In FY97, an Executive Regulation was enacted allowing homeowners' associations to request that their roadways be deemed "private maintenance roads." This designation qualifies the HOAs for State reimbursement of their roadway maintenance costs. The County annually submits to the State its estimate of reimbursable miles, including those accepted as private maintenance roads. The State then reimburses the County and, subsequently, the County forwards the funds to HOAs.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	62,089	0.00
FY24 Recommended	62,089	0.00

☀ **Housing Opportunities Commission**

The Housing Opportunities Commission of Montgomery County (HOC) is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, commonly known as the Housing Authorities Law. The Commission acts as a builder, developer, financier, owner, and manager of housing for people of low- and moderate- (eligible) income. The Commission also provides eligible families and individuals with affordable housing and supportive services.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	7,633,168	0.00
Increase Cost: Incremental FY24 Compensation	282,566	0.00
Increase Cost: FY24 Rental License Fee Increase (\$5 per unit) plus additional 112 Units at Battery Lane	56,767	0.00
FY24 Recommended	7,972,501	0.00

☀ **Inauguration and Transition**