



**Committee:** PHP  
**Committee Review:** Completed  
**Staff:** Naeem M. Mia, Legislative Analyst;  
 Eunice Jeong, Legislative Analyst  
**Purpose:** To make preliminary decisions – straw vote expected  
**Keywords:** #rentalassistance #DHCA

AGENDA ITEM #6  
 May 12, 2023  
**Worksession**

**SUBJECT**

Department of Housing & Community Affairs (DHCA) (General, Grant, and Housing Initiative Fund) – FY24 Operating Budget

**EXPECTED ATTENDEES**

- Scott Bruton, Acting Director, DHCA
- Nicolle Katrivanos, Manager, Office of Landlord-Tenant Affairs (OLTA), DHCA
- Nathan Bovelleville, Chief of Community Services, DHCA
- Tamala Robinson, Manager, Code Enforcement, DHCA
- Tiffany Johnson, Program Manager, License and Registration, DHCA

**FY24 COUNTY EXECUTIVE RECOMMENDATION**

All Funds	FY23 Approved	FY24 CE Recommended	FY23 APP vs. FY24 CE REC
<b>General Fund - Total</b>	<b>\$9,504,566</b>	<b>\$10,871,041</b>	<b>\$1,366,475 14.4%</b>
Personnel Costs	\$7,753,179	\$8,961,338	\$1,208,159 15.6 %
Operating Costs	\$1,751,387	\$1,909,703	\$158,316 9.0 %
<b>Housing Initiative Fund - Total</b>	<b>\$49,090,423</b>	<b>\$49,681,692</b>	<b>\$591,270 1.2%</b>
Personnel Costs	\$2,496,293	\$3,081,939	\$585,647 23.5%
Operating Costs	\$46,594,130	\$46,599,753	<b>\$5,623 0.1%</b>
<b>Grant Fund - Total</b>	<b>\$9,853,496</b>	<b>\$8,846,132</b>	<b>(\$1,007,364) -10.2%</b>
Personnel Costs	\$2,439,783	\$2,261,501	<b>(\$178,282) -7.3%</b>
Operating Costs	\$7,413,713	\$6,584,631	<b>(\$829,082) -11.2%</b>
<b>Total Expenditures (All Funds)</b>	<b>\$68,448,485</b>	<b>\$69,398,865</b>	<b>\$950,380 1.4%</b>

## COMMITTEE RECOMMENDATIONS

- The Committee voted for the following recommendations for each of the three funds for DHCA:

### a. General Fund (see Table A-1 for specific items)

- i. Support an FY24 funding level of \$10,277,779, not including the following Reconciliation List items:
  1. Three (3) items added to the Reconciliation List as “High Priority” totaling \$338,418.
  2. Three (3) items added to the Reconciliation List as “Priority” totaling \$195,904.
  3. One (1) item reduced for \$58,940 for expenses related to implementation of Bill 26-22. The Committee requested the department return to Council with a funding request if actual workloads increase during FY24 as a result of the bill.
- ii. Approve increase of the Rental Licensing Fee as summarized under Table A-2.

### b. Grant Fund

- i. Support an FY24 funding level of \$8,846,132, in line with the Executive’s recommendation. No items were added to the Reconciliation List or reduced.

### c. Housing Initiative Fund (HIF)

- i. Support an FY24 funding level of \$49,681,692, in line with the Executive’s recommendation. No items were added to the Reconciliation List or reduced.
- ii. The Committee received details on a new “Faith-Based Development Initiative to engage the County’s religious institutions and identify opportunities to develop affordable housing on institutions’ properties.
- iii. The Committee briefly discussed efforts by DHCA, HOC, and Council staff to create a Nonprofit Preservation Fund in the CIP; staff work and development is ongoing. A proposal will be presented to the Council once development is complete.
- iv. At its April 26 review of the FY24 operating budget for the Housing Initiative Fund’s rental assistance program, the joint HHS/PHP Committee recommended a total funding level of \$16,273,590, an overall decrease of \$3,237,058 from the FY23 Approved level of \$19,510,648, in line with the Executive’s recommended budget. The full Council will discuss the additional recordation tax revenues for rental assistance generated by Bill 17-23 in Item #5 at its May 12 budget worksession.

**Table A-1. Committee Recommendations for General Fund.**

#	Cost Item	Amount	Committee Recommendation
1a	Add: One Investigator III Position (OLTA)	114,382 (1.0 FTE)	High Priority
1b	Add: One Administrative Specialist III Position to Comply with County Mandates (OLTA)	63,768 (1.0 FTE)	Priority
2	Add: One Program Specialist II Position to Increase Outreach and Revenue Collections (Licensing and Registration)	80,280 (1.0 FTE)	High Priority
3	Add: One Housing Code Inspector III Position to Meet County Mandates (Code Enforcement)	143,756 (1.0 FTE)	High Priority
4	Technical Adj: Realign Budget by Shifting Expenditures between Personnel Costs and Operating Expenses	115,155	Priority
5	Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts	16,981	Priority
6	Increase Cost: Implement Bill 26-22 for Radon Testing and Mitigation	58,940	Do Not Include
<b>A</b>	<b>Committee-Approved Funding Level:</b>	<b>10,277,779</b>	
<b>B</b>	<b>Items added to the Reconciliation List:</b>	<b>534,322</b>	
<b>C</b>	<b>Total Change (Approved + Reconciliation List):</b>	<b>10,812,101</b>	

**Table A-2. Committee Recommendations for Rental Licensing Fee.**

LICENSE TYPE	FY23 FEE PER UNIT	TOTAL FY23 REVENUE	FY24 PROPOSED FEE PER UNIT	TOTAL FY24 REVENUE	Revenue Change
Accessory Apartment Class 1	\$ 47	\$7,332	\$ 52	\$ 8,400	\$ 1,068
ADU Class 3	\$ 111	\$35,520	\$ 122	\$ 39,700	\$ 4,180
ADU Class 3 Signed Deposit	\$ 220	\$29,040	\$ 230	\$ 31,050	\$ 2,010
ADU Class 3 Transfers	\$ 250	-	\$ 260	\$ -	\$ -
ADU Filing Fees	\$ 250	\$33,000	\$ 260	\$ 35,100	\$ 2,100
Condominium	\$ 64	\$605,952	\$ 70	\$ 672,700	\$ 66,748
Multi-family	\$ 47	\$3,969,573	\$ 52	\$ 4,457,700	\$ 488,127
Single Family	\$ 114	\$2,014,608	\$ 125	\$ 2,242,500	\$ 227,892
<b>TOTAL:</b>		<b>\$6,695,025</b>		<b>\$ 7,487,150</b>	<b>\$ 792,125</b>

**SUMMARY OF KEY ISSUES AND DISCUSSION ITEMS**

- The Council may wish to receive more details on the four new positions requested by DHCA. In response to the Committee’s questions, DHCA has provided an organization chart (see Attachment 3 on circles 85-88) with current administrative support positions.
- Attachment 4 on circle 89 contains a list of individual program funding levels for FY23 and FY24 within DHCA’s General and Grant Fund, as well as direct rental assistance programs and nonprofit service contracts.
- Attachment 5 on circles 90-96 includes DHCA’s follow-up responses to questions asked by the PHP Committee at its March 13 and March 14 sessions on the PILOT program and troubled

properties/code enforcement. Council staff will schedule a follow-up Committee worksession this summer to review the department's data and responses.

**This report contains:**

- |  |             |
|--|-------------|
| 1. April 20, 2023 PHP Staff Report – DHCA General and Grant Fund | Pages 1-41  |
| 2. May 1, 2023 PHP Staff Report – HIF                            | Pages 42-82 |
| 3. DHCA Organization Chart – FY24                                | Pages 83-86 |
| 4. List of Housing Programs and Funding Levels                   | Page 87     |
| 5. DHCA Response to PHP Committee March 13 and 14 Sessions       | Pages 88-94 |

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## MEMORANDUM

April 19, 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) – General Fund and Grant 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
- Nicolle Katrivanos, Office of Landlord-Tenant Affairs (OLTA) Manager, DHCA
- Tamala Robinson, Code Enforcement Manager, 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.

This staff report contains the following sections:

- A. Summary of Staff Recommendations and Tables A-1 through A-3 summarizing changes to the FY24 Recommended operating budget vs. FY23 Approved operating budget;
- B. Fiscal Summary of Total Costs for All Funds (General, HIF, and Grant);
- C. Vacancy/Staffing Trend Analysis, based on vacancy reports provided by OMB;
- D. Operating Budget Equity Tool Rating and Justification;
- E. Discussion and detailed review of FY24 changes to DHCA’s General Fund; and
- F. Discussion and detailed review of FY24 changes to DHCA’s Grant Fund

## A. Summary of Staff Recommendations

1. For the Housing Initiative Fund (HIF) budget, Council staff will review further in detail and make recommendations at the Committee’s May 1 worksession (along with discussion of a proposed Non-Profit Preservation Fund). Table A-3 below includes the list of cost changes in the FY24 HIF operating budget as reference.
2. 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, will be reviewed separately at a joint HHS/PHP Committee worksession on April 26.
3. For DHCA’s General Fund and Grant Fund, Council staff recommends the below programmatic items identified on Table A-1 and Table A-2, respectively, to be either “approved” or placed on the FY24 reconciliation list as either “high priority” or “priority.”

**Table A-1. Staff Recommendations for General Fund.**

<u>#</u>	<u>Cost Item</u>	<u>Amount</u>	<u>Staff Recommendation</u>
1a	Add: One Investigator III Position (1.0 FTE)	114,382	High Priority
1b	Add: One Administrative Specialist III Position to Comply with County Mandates (1.0 FTE)	63,768	Priority
2	Add: One Program Specialist II Position (Licensing and Registration) to Increase Outreach and Revenue Collections (1.0 FTE)	80,280	High Priority
3	Add: One Housing Code Inspector III Position to Meet County Mandates (1.0 FTE)	143,756	Priority
4	Technical Adj: Realign Budget by Shifting Expenditures between Personnel Costs and Operating Expenses	115,155	Priority
5	Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts	16,981	Priority
6	Replace: Shift Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements (Code Enforcement) (1.0 FTE)	99,058	Priority
7	Replace: Shift Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements (Neighborhood Revitalization) (0.6 FTE)	92,431	Priority
9	Increase Cost: Implement Bill 26-22 for Radon Testing and Mitigation	58,940	Do Not Include
10a	Re-align: Add a Sr. Planning Specialist Position to Support Multifamily Housing Program Operations (Multi-Family Housing Programs)	110,155	Approve (10a + 10b)
10b	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)	Approve (10a + 10b)

11a	Decrease Cost: Miscellaneous Operating Expenses and Professional Education/Training (Common Ownership Community Program)	(23,500)	Approve
11b	Decrease Cost: Miscellaneous Operating Expenses (Administration)	(14,941)	Approve
11c	Decrease Cost: Miscellaneous Operating Expenses (Code Enforcement)	(9,500)	Approve
11d	Cost: Miscellaneous Operating Expenses (Landlord-Tenant Mediation)	(1,500)	Approve
11e	Decrease Cost: Miscellaneous Operating Expenses (Grants Admin)	(1,000)	Approve
11f	Decrease Cost: Miscellaneous Operating Expenses (Aff. Hsg. Programs)	(1,000)	Approve
11g	Decrease Cost: Miscellaneous Operating Expenses (Multi-Fam Housing Programs)	(1,000)	Approve
12	Increase Cost: FY24 Compensation Adjustment	335,391	To be evaluated separately
13	Increase Cost: Printing and Mail	4,064	To be evaluated separately
14	Increase Cost: Annualization of FY23 Compensation Increases	319,817	Approve
15	Increase Cost: Annualization of FY23 Lapsed Positions	219,337	Approve
16	Decrease Cost: Annualization of FY23 Personnel Costs	(174,095)	Approve
17	Decrease Cost: Motor Pool Adjustment	(62,909)	Approve
18	Decrease Cost: Retirement Adjustment	(7,440)	Approve
<b>A</b>	<b>Total Change with Approvals:</b>	<b>581,724</b>	
<b>B</b>	<b>Items added to the Reconciliation List:</b>	<b>784,751</b>	
<b>C</b>	<b>Total Change (Approvals + Reconciliation List Items):</b>	<b>1,366,475</b>	

**Table A-2. Staff Recommendations for Grant Fund (Federal/State Programs).**

<u>#</u>	<u>Cost Item</u>	<u>Amount</u>	<u>Staff Recommendation</u>
1	Add: Community Clinic, Inc. - Increasing Breastfeeding Access for Low-Income Women	45,000	Approve
2	Add: Collegiate Directions - Career Mentoring Initiative	45,000	Approve
3	Add: Community Bridges - College Access and Success Program for Girls	45,000	Approve
4	Add: Ayuda - Domestic Violence & Family Law Survivors Program	45,000	Approve
5	Add: Montgomery County Coalition for the Homeless, Inc. - Rapid Exit Specialist	45,000	Approve
6	Add: EveryMind - Friendly Visitor and Rep Payee Case Management Services	45,000	Approve
7	Add: Foods and Friends - Improving the Lives and Health of the Most Vulnerable by Improving Food Delivery and Reducing Food Insecurity	45,000	Approve

8	Add: Community Reach of Montgomery County - Rockville Emergency Assistance Program (REAP)	44,963	Approve
9	Add: Community Clinic, Inc. - Food as Medicine: CCI's Teaching Kitchen	40,928	Approve
10	Add: Community FarmShare - Expanding Culturally Valued Fresh Produce Access to at Risk Residents	37,000	Approve
11	Add: Horizon Greater Washington Inc. Summer Program	35,000	Approve
12	Add: Digital Bridge USA - Technology Training Community	34,109	Approve
13	Add: Arts for the Aging - Health Equity Through the Participatory Arts	30,000	Approve
14	Add: Ethiopian Community Center - Education and Youth Development	25,572	Approve
15	Add: Mobile Medical Care - Keeping Focused on Diabetic Eye Health	24,065	Approve
16	Add: Germantown Cultural Arts Center, Inc. - Beyond BlackRock: Positive Youth Development Arts Outreach Programming	22,428	Approve
17	Add: Community Reach of Montgomery County - Cancer Prevention and Screening and Hypertension Management	20,935	Approve
18	Technical Adj: Realign budget allocation between PC and OE to Meet the Estimated Grant Amount	178,282	Approve
19	Increase Cost: Emergency Solutions Grant Operating Expenses	4,119	Approve
20	Increase Cost: Takoma Park Code Enforcement Contract	3,569	Approve
21	Replace: Shift Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements	0	Approve
22	Decrease Cost: Annualization of FY23 Personnel Costs	(178,282)	Approve
23	Decrease Cost: Home Investment Partnership Program (HOME) Grant Operating Expenses	(282,255)	Approve
24	Decrease Cost: Community Development Block Grant (CDBG)	(630,000)	Approve
25	Decrease Cost: Community Development Block Grant (CDBG) Operating Expenses	(732,797)	Approve
<b>A</b>	<b>Total Change with Approvals:</b>	<b>(1,007,364)</b>	
<b>B</b>	<b>Items added to the Reconciliation List:</b>	<b>0</b>	
<b>C</b>	<b>Total Change (Approvals + Reconciliation List Items):</b>	<b>(1,007,364)</b>	

**Table A-3. Staff Recommendations for HIF.**

<u>#</u>	<u>Cost Item</u>	<u>Amount</u>	<u>Staff Recommendation</u>
1	Enhance: Design for Life Program	300,000	Pending
2	Increase Cost: Operating Expenses to Reflect Adjustments to the General Fund Transfer to Housing Initiative Fund (HIF)	3,525,389	Pending
3	Increase Cost: Housing Opportunities Commission (HOC) Production Fund Contribution to the Housing Initiative Fund	2,131,875	Pending
4	Increase Cost: Operating Expenses to Reflect Adjusted Investment Income Estimates	590,300	Pending



5	Increase Cost: Realign Budget by Shifting Expenditures between Personnel Costs and Operating Expenses	394,524	Pending
6	Replace: Discounted Federal Funding to Continue Service Delivery for Tenant Outreach, Education, and Counseling	389,400	Pending
7	Replace: Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements (Neighborhood Revitalization)	170,825	Pending
8	Replace: Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements (Administration)	118,321	Pending
9	Replace: Grant Funded Positions to Be Funded with County Resources to Meet Federal Requirements	61,621	Pending
10	Increase Cost: Three Percent Inflationary Adjustment to Non-Profit Service Provider Contracts	48,242	Pending
11	Increase Cost: Adjustment Other Revenue Sources in the Housing Initiative Fund (HIF)	7,280	Pending
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)	Pending
13	Decrease Cost: Rental Assistance Program Due to Decreased Recordation Tax Premium Estimates	(3,236,787)	Pending
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)	Pending
15	Increase Cost: FY24 Compensation Adjustment	84,095	To be evaluated separately
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
<b>A</b>	<b>Total Change with Approvals:</b>	<b>Pending</b>	
<b>B</b>	<b>Items added to the Reconciliation List:</b>	<b>Pending</b>	
<b>C</b>	<b>Total Change (Approvals + Reconciliation List Items):</b>	<b>Pending</b>	

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

All Funds	FY23 Approved	FY24 Recommended	FY23 APP vs. FY24 REC
<b>General Fund - Total</b>	<b>\$9,504,566</b>	<b>\$10,871,041</b>	<b>\$1,366,475 14.4%</b>
Personnel Costs	\$7,753,179	\$8,961,338	\$1,208,159 15.6 %
Operating Costs	\$1,751,387	\$1,909,703	\$158,316 9.0 %
<b>Housing Initiative Fund - Total</b>	<b>\$49,090,423</b>	<b>\$49,681,692</b>	<b>\$591,270 1.2%</b>
Personnel Costs	\$2,496,293	\$3,081,939	\$585,647 23.5%

Operating Costs	\$46,594,130	\$46,599,753	<b>\$5,623</b> <b>0.1%</b>
<b>Grant Fund - Total</b>	<b>\$9,853,496</b>	<b>\$8,846,132</b>	<b>(\$1,007,364)</b> <b>-10.2%</b>
Personnel Costs	\$2,439,783	\$2,261,501	<b>(\$178,282)</b> <b>-7.3%</b>
Operating Costs	\$7,413,713	\$6,584,631	<b>(\$829,082)</b> <b>-11.2%</b>
<b>Total Expenditures (All Funds)</b>	<b>\$68,448,485</b>	<b>\$69,398,865</b>	<b>\$950,380</b> <b>1.4%</b>

### C. Vacancy/Staffing Trend Analysis

As of March 3, 2023, OMB reported the following tax-supported positions as vacant for more than 1 year:

**Table C-1. Positions Vacant for More Than 1 Year.**

<u>#</u>	<u>Division</u>	<u>Position</u>	<u>Years Vacant</u>	<u>Total FY24 PC</u>
1	Neighborhood Revitalization	Planning Specialist III	12.62	\$0
2	Grants Management	Senior Planning Specialist	10.53	\$0
3	Affordable Housing Programs	Office Services Coordinator	8.19	\$0
4	Director Administration	Manager I	3.93	\$0
5	Grants Management	Senior Planning Specialist	3.87	\$0
6	Neighborhood Revitalization	Office Services Coordinator	3.45	<b>\$51,911</b>
7	Management Services	Senior Information Technology Specialist	2.02	<b>\$35,617</b>
8	Neighborhood Revitalization	Senior Planning Specialist	1.99	<b>\$11,872</b>
9	Housing Administration	Office Clerk	1.57	\$0

Of the nine (9) long-term vacant positions, only three (3) are funded through the General Fund in FY24 at a total of \$99,400 while six (6) positions are unfunded (i.e., positions have already lapsed and savings have been realized). Dollars listed above appear lower than the total position cost since the positions may be split-funded (across General Fund, HIF, or Grant Fund).

DHCA and OMB staff are available to discuss the vacant positions, any recruitment efforts currently or planned to be underway, and the impact of deleting the positions from the budget.

## D. 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.

## E. Discussion of Major FY24 Cost Changes in the General Fund

### 1. Revenue and Fee Changes

DHCA’s General Fund collects revenues from various sources to fund most (but not all) of its expenditures; Table E-1 below summarizes the macro changes and the difference (which is covered by resources from the overall County General Fund that funds other parts of the operating budget):

**Table E-1. FY23 vs. FY24 Expenditures and Revenues.**

<u>General Fund</u>	<u>FY23 Approved</u>	<u>FY23 Estimated</u>	<u>FY24 Recommended</u>	<u>Change – FY23 App. vs. FY24 Rec</u>
Expenditures	\$9,504,566	\$9,217,260	\$10,871,041	\$1,366,475
Revenues	\$9,065,850	\$8,233,250	\$8,572,055	(\$493,795)
<b>Delta:</b>	<b>(\$438,716)</b>	<b>(\$933,910)</b>	<b>(\$2,298,986)</b>	<b>\$1,860,270</b>

The FY24 delta between expenditures and revenues has increased by \$1.8M, primarily driven by the following factors:

- Overall staff compensation in the general fund has increased by \$1.2M or 15.4%; and
- Revenues assumed in the FY23 Approved have not materialized:
  - Overall revenues estimated for FY23 are approximately \$8.2M (vs. \$9.0M in the approved); FY24 assumed revenues have been revised downwards to \$8.5M to meet closer to the estimated FY23 collections.
  - The department deferred collections of rental license fees, which is the single largest revenue source in the DHCA General Fund, during the pandemic and has only recently restarted efforts to increase the collection rate.
  - Rental license revenues also assumed a certain a number of new rental units entering the market in FY23; DHCA reports that the number of new units has been less than assumed, resulting in reduced revenues.

*Proposed 10% Increase in Rental Licensing Fee Rate*

As noted above, the rental license fee is the single largest revenue source collected by DHCA, estimated at \$7.4M for FY24 (estimated collections for FY23 are approximately \$6.7M). As the rental license fee provides 100% of the expenditures for the Office of Landlord-Tenant Affairs (OLTA), Licensing & Registration, and Code Enforcement programs, personnel compensation increases and the need for an additional four staff (discussed below) to meet workload demands resulted in an increase in the rates for FY24.

Table E-2 below provides a history of rate changes; Table E-3 shows the percent change by each rental unit type when the rates increased over the prior fiscal year; Table E-4 provides more detail on the rate and revenues changes for FY24.

**Table E-2. Rental License Fee Rates since FY00.**

<b>Fiscal Year</b>	<b>MFLS &amp; ADU 1</b>	<b>Condo</b>	<b>Single Family</b>	<b>ADU 3</b>
FY 2000	\$30.00	\$30.00	\$55.00	-
FY 2001	\$30.00	\$30.00	\$55.00	-
FY 2002	\$35.00	\$35.00	\$60.00	-
FY 2003	\$38.00	\$55.00	\$95.00	-
FY 2004	\$38.00	\$55.00	\$95.00	-
FY 2005	\$38.00	\$56.00	<b>\$98.00</b>	-
FY 2006	\$38.00	\$56.00	\$98.00	-
FY 2007	\$38.00	\$56.00	\$98.00	-
FY 2008	\$38.00	\$56.00	\$98.00	-
FY 2009	\$38.00	\$56.00	\$98.00	-
FY 2010	\$38.00	\$56.00	\$98.00	-
FY 2011	\$38.00	\$56.00	\$98.00	-
FY 2012	\$38.00	\$56.00	\$98.00	-
FY 2013	\$38.00	\$56.00	\$98.00	-
FY 2014	\$38.00	\$56.00	\$98.00	\$98.00
FY 2015	\$38.00	\$56.00	\$98.00	\$98.00
FY 2016	<b>\$41.00</b>	<b>\$59.00</b>	<b>\$101.00</b>	<b>\$101.00</b>
FY 2017	\$41.00	\$59.00	\$101.00	\$101.00
FY 2018	<b>\$44.00</b>	\$59.00	\$101.00	\$101.00
FY 2019	\$44.00	\$59.00	\$101.00	\$101.00
FY 2020	<b>\$47.00</b>	<b>\$64.00</b>	<b>\$114.00</b>	<b>\$111.00</b>
FY 2021	\$47.00	\$64.00	\$114.00	\$111.00
FY 2022	\$47.00	\$64.00	\$114.00	\$111.00
FY 2023	\$47.00	\$64.00	\$114.00	\$111.00
FY 2024	<b>\$52.00</b>	<b>\$70.00</b>	<b>\$125.40</b>	<b>\$122.10</b>

**Table E-3. Percent Change vs. Prior Fiscal Year when Rates Increased.**

Change vs. Prior FY	MFLS & ADU 1	Condo	Single Family	ADU 3
FY16 vs. FY15	7.89%	5.36%	3.06%	3.06%
FY18 vs. FY17	7.32%	-	-	-
FY20 vs. FY19	6.82%	8.47%	12.87%	9.90%
FY24 vs. FY23	10.64%	9.38%	10.00%	10.00%

**Table E-4. Change in Revenues and Assumptions for FY24.**

LICENSE TYPE	FY23 TOTAL UNITS	FY23 FEE PER UNIT	TOTAL FY23 REVENUE	FY24 TOTAL UNITS	FY24 PROPOSED FEE PER UNIT	TOTAL FY24 REVENUE	Revenue Change
Accessory Apartment Class 1	156	\$ 47	\$7,332	160	\$ 52	\$ 8,400	\$ 1,068
ADU Class 3	320	\$ 111	\$35,520	325	\$ 122	\$ 39,700	\$ 4,180
ADU Class 3 Signed Deposit	132	\$ 220	\$29,040	135	\$ 230	\$ 31,050	\$ 2,010
ADU Class 3 Transfers		\$ 250	-		\$ 260	\$ -	\$ -
ADU Filing Fees	132	\$ 250	\$33,000	135	\$ 260	\$ 35,100	\$ 2,100
Condominium	9,468	\$ 64	\$605,952	9,610	\$ 70	\$ 672,700	\$ 66,748
Multi-family	84,459	\$ 47	\$3,969,573	85,725	\$ 52	\$ 4,457,700	\$ 488,127
Single Family	17,672	\$ 114	\$2,014,608	17,940	\$ 125	\$ 2,242,500	\$ 227,892
<b>TOTAL</b>	<b>112,339</b>		<b>6,695,025</b>	<b>114,030</b>		<b>\$ 7,487,150</b>	<b>\$ 792,125</b>

**Council Staff Recommendation:** Add the rental license rate increase to the reconciliation list as “High Priority.”

**2. New Positions – 4.0 FTEs; \$402,186 in FY24**

The department is requesting four new full-time positions for FY24, including:

- One (1) Investigator III position for OLTA (\$114,382)
- One (1) Administrative Specialist III for OLTA (\$63,768)
- One (1) Code Inspector III for Code Enforcement (\$143,756)
- One (1) Program Specialist for Licensing and Registration (L&R) (\$80,280)

According to DHCA, OLTA staff has experienced significant delays on County-required assignments, including responding timely to housing complaints and conducting investigations, and generating a current backlog of “more than 271” complaints. OLTA currently has eight (8) full-time investigator positions and no administrative support positions. One new investigator position was added to the FY23 Approved budget.

Code Enforcement is requesting one new code inspector to add to its current complement of 36 full-time inspectors. The new position will allow the Code Enforcement Team to begin the process of inspecting single family and condo rental properties prior to licensing them. Currently, there is no inspection performed for these rental properties when they apply for and receive a rental license.

The L&R program currently has only two program specialist positions (plus one manager and an office services coordinator) assigned to outreach and revenue collection. Per DHCA, the benefit of creating a new program specialist would be to efficiently spread the workload amongst staff, to ensure that the demands of the department can be met, and the L&R database has accurate information.

A more detailed justification provided by OLTA is found on the attachment on circles 12-15. Table E-5 below provides a comparison of current and proposed staffing levels for each of the three program areas.

**Table E-5. Current/Recommended Staffing Levels for select DHCA Program Areas.**

<b>DHCA Program</b>	<b><u>FY22 Approved</u></b>	<b><u>FY23 Approved</u></b>	<b><u>FY24 Recommended</u></b>
OLTA	8.0	9.00	11.00
Code Enforcement	38.50	38.50	39.50
Licensing & Regulation	3.20	3.20	4.20
Common Ownership Community	4.15	6.15	6.15

**Council Staff Recommendation:** If staff’s recommendation to increase the rental license fee rate by 10% is accepted, then add the Investigator III for OLTA and Program Specialist for L&R (totaling \$194,662 and 2.0 FTEs) to the reconciliation list as “High Priority. “Also add the new position requests for Code Enforcement and the Administrative Specialist III for OLTA to the reconciliation list as “Priority.”

The proposed rental licensing fee rate increase of 10% is estimated to generate an additional \$792,125, sufficient to cover the FY24 cost of the four new positions; however, the overall cost of compensation for all personnel in the DHCA general fund will continue to significantly outpace the increase in rental license fees (see Table E-1 above).

### **3. Shift Grant-Funded Positions to General Fund (\$191,489)**

The department is proposing to shift personnel costs totaling \$191,489 in the Grant Fund to the General Fund to accommodate increases in personnel costs and remain under the cap on the amount of personnel expenses that can be charged to the CDBG and HOME grants. According to DHCA’s response to Council staff’s questions:

“The funding shift is needed to meet federal requirements. Many DHCA positions are split-funded with County resources and federal grants. The approved wage adjustments for County employees have steadily increased over the past few years while the Federal Entitlement Grants used to support those positions experienced a funding decrease. Given that Federal grants require the administrative costs to be capped at 20% of total grant awards, the increased wage adjustments for those grant-funded positions have resulted in exceeding the cap and must be backfilled with County resources.”

For FY24, the total amount of personnel costs allowable for CDBG grants are capped at \$1,350,000; with FY24 compensation increases, the estimated personnel cost is calculated at \$2,031,492, yielding an “excess” of \$681,492 of personnel costs that must be shifted to other funding sources. To achieve this result, DHCA recommends the following shifts:

**Table E-6. Recommended Funding Shift from Grant Fund to General Fund and HIF.**

	FTE	Amount
CDBG	5.70	695,592
<b>Funding Shift</b>		
GF	1.60	191,489
HIF	4.10	504,103
<b><u>TOTAL</u></b>	<b><u>5.70</u></b>	<b><u>695,592</u></b>

**Council Staff Recommendation:** Approve the shift of 1.6 FTEs and \$191,189 to the General Fund.

**4. Increased Operating Expenses (\$58,940) associated with Bill 26-22 (Radon Testing)**

The department is requesting \$58,940 for additional operating expenses associated with the implementation of Bill 26-22, including staff responding to *potentially* increased complaints to OLTA. The cost was previously estimated in the Fiscal Impact Statement (FIS) for Bill 26-22 (see attachment in circles 16-18), which identified the need for an additional 0.25 FTEs for an investigator position to support OLTA.

**Council Staff Recommendation:** Do not include in the reconciliation list.

**5. Re-alignment of Senior Planning Specialist Position (\$0)**

DHCA is also requesting an increase of \$110,155 in personnel costs to recognize a mid-FY23 personnel adjustment creating a Senior Planning Specialist to support increased needs in the Multi-Family Housing program. The cost of this adjustment is fully offset by an abolishment of an existing position in the Affordable Housing Programs.

**Council Staff Recommendation:** Approve.

**6. Technical Adj: Realign Budget by Shifting Expenditures between Personnel Costs and Operating Expenses (\$115,155; offset by reductions of \$52,441; net cost increase of \$62,714)**

DHCA is recommending reductions in operating expenses for across seven (7) programs totaling \$52,441 and re-allocating them for personnel expenses totaling \$115,155, creating a net increase of \$62,714 in personnel costs. The largest single reduction is \$23,500 in operating expenses (training/professional education) for the Common Ownership Community program.

**Council Staff Recommendation:** Approve reductions of \$52,441; add increase of \$115,155 in personnel costs to the reconciliation list as “Priority.”

**7. Inflationary Adjustments for Non-Profit Contracts (\$16,981)**

The recommended budget includes a 3% inflationary adjustment for DHCA’s non-profit partners. For the FY23 Approved budget, non-profit providers and contractors received an 8% inflationary adjustment.

**Council Staff Recommendation:** Add this increase to the reconciliation list “Priority.”

**F. Discussion of FY24 Cost Changes in the Grant Fund (non-tax-supported)**

DHCA receives federal and state grants in the form of the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) grant, which are then appropriated in its Grant Fund and expended as personnel and operating costs or transferred as pass-through grants to local municipalities and non-profit providers. Grant awards are typically estimated for each budget year; actual awards are not known until closer to mid-fiscal year.

Table F-1 below lists the change in grant awards between FY23 approved, FY23 estimated (based on actual awards received), and FY24 recommended:

**Table F-1. Change in Grant Awards since FY23 Approved.**

<u>All Grants</u>	<u>FY23 Approved</u>	<u>FY23 Actual</u>	<u>FY24 Recommended</u>	<u>\$ Change (App. Vs. Rec.)</u>
CDBG	\$ 6,126,150	\$ 4,921,272	\$ 5,393,353	\$ (732,797)
HOME	\$ 3,017,203	\$ 2,255,070	\$ 2,734,948	\$ (282,255)
ESG	\$ 428,409	\$ 430,906	\$ 432,528	\$ 4,119
Takoma Park Grant	\$ 281,734	\$ 274,330	\$ 285,303	\$ 3,569
<b>Total:</b>	<b>\$ 9,853,496</b>	<b>\$ 7,881,578</b>	<b>\$ 8,846,132</b>	<b>\$ (1,007,364)</b>

**1. Decrease Cost: CDBG (- \$732,797) and HOME Grant Awards (- \$282,255)**

Federal grant awards for both grants are estimated to be lower than the FY23 approved level and are revised lower based on actual grant awards received in FY23.

**Council Staff Recommendation:** Approve. FY24 revenue awards are estimates only based on actuals received in FY23.



## 2. New Addition to the DHCA Grant Fund: Awards to Non-Profits (\$630,000)

The recommended budget includes a total of \$630,000 of new CDBG awards for 18 non-profit organizations using federal and state grants. DHCA is now the contract administrator for these awards (due to their use of CDBG grants which DHCA typically administers).

**Council Staff Recommendation:** Approve. These expenditures use restricted federal and/or state grants and do not compete with General Fund items.

## 3. Increases in Emergency Solutions Grants (ESG) (\$4,119) and Takoma Park Grant (\$3,569)

Awards for the ESG and Takoma Park grant are expected to come in \$4,119 and \$3,569 higher than the FY23 Approved budget.

**Council Staff Recommendation:** Approve. These expenditures use restricted federal and/or state grants and do not compete with General Fund items.

## 4. Re-align between Personnel Charges and Operating Expenses (\$0)

As noted above in Table E-6 above, DHCA is recommending a shift of 5.7 FTEs to the General Fund (1.6 FTEs and \$191,489) and the HIF (4.6 FTEs, \$504,103) in order to meet the maximum cap on personnel charges allowed under the CDBG grant. This results in a cost-neutral shift of \$178,282 between the personnel costs (PC) and operating expenses (OE) to align with the total estimated grant award.

The shift of 5.7 FTEs represents a reduction of FTEs by almost 27% (20.5 to 14.8) from the FY23 approved budget to the FY24 recommended budget. If the position costs are *not* shifted to the General Fund (or the HIF), DHCA will need to identify lower-cost positions to charge to the Grant Fund in order to meet the cap.

**Council Staff Recommendation:** Approve.

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### This packet contains:

	<u>Circle Page #</u>
1. Page from FY24 Recommended Operating Budget Book – DHCA	1-16
2. OBET Scoring for DHCA	17-19
3. OLTA Staffing Justification Memo to Council Staff dated April 12, 2023	20-23
4. L&R Staffing Justification Memo to Council Staff dated	24-25
5. FIS for Bill 26-12	26-28



# 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

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- ★ 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
<b>FY23 Approved</b>	<b>2,331,339</b>	<b>13.80</b>
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

<b>FY24 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
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)
<b>FY24 Recommended</b>	<b>2,551,169</b>	<b>13.70</b>

### ☼ 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.

<b>Program Performance Measures</b>	<b>Actual FY21</b>	<b>Actual FY22</b>	<b>Estimated FY23</b>	<b>Target FY24</b>	<b>Target FY25</b>
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 <sup>1</sup>	118	24	28	0	0

<sup>1</sup> 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.

<b>FY24 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY23 Approved</b>	<b>925,856</b>	<b>7.50</b>
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
<b>FY24 Recommended</b>	<b>1,138,019</b>	<b>6.50</b>

### ☼ 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.

<b>Program Performance Measures</b>	<b>Actual FY21</b>	<b>Actual FY22</b>	<b>Estimated FY23</b>	<b>Target FY24</b>	<b>Target FY25</b>
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%

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

<b>FY24 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
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
<b>FY24 Recommended</b>	<b>1,011,332</b>	<b>6.15</b>

### ☼ 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.

<b>Program Performance Measures</b>	<b>Actual FY21</b>	<b>Actual FY22</b>	<b>Estimated FY23</b>	<b>Target FY24</b>	<b>Target FY25</b>
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 <sup>1</sup>	\$8,250	\$23,220	\$6,277	\$6,000	\$6,180

<sup>1</sup> 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.

<b>FY24 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY23 Approved</b>	<b>8,741,200</b>	<b>6.70</b>
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
<b>FY24 Recommended</b>	<b>9,346,977</b>	<b>6.70</b>

### ☼ 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.

<b>Program Performance Measures</b>	<b>Actual FY21</b>	<b>Actual FY22</b>	<b>Estimated FY23</b>	<b>Target FY24</b>	<b>Target FY25</b>
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 <sup>1</sup>	\$56,284	\$45,744	\$87,804	\$89,522	\$92,208
Percent of affordable units created or preserved serving households under 50% AMI <sup>2</sup>	30.0%	33.0%	25.0%	25.0%	25.0%

<sup>1</sup> Average cost per unit fluctuates with the type of project financed.

<sup>2</sup> 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.

<b>FY24 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY23 Approved</b>	<b>399,229</b>	<b>3.95</b>
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)

<b>FY24 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
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
<b>FY24 Recommended</b>	<b>443,491</b>	<b>3.95</b>

### ☼ 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.

<b>Program Performance Measures</b>	<b>Actual FY21</b>	<b>Actual FY22</b>	<b>Estimated FY23</b>	<b>Target FY24</b>	<b>Target FY25</b>
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

<b>FY24 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY23 Approved</b>	<b>4,768,248</b>	<b>38.50</b>
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
<b>FY24 Recommended</b>	<b>5,505,188</b>	<b>39.50</b>

### ☼ 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.

<b>Program Performance Measures</b>	<b>Actual FY21</b>	<b>Actual FY22</b>	<b>Estimated FY23</b>	<b>Target FY24</b>	<b>Target FY25</b>
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

<b>FY24 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY23 Approved</b>	<b>1,487,910</b>	<b>9.00</b>
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
<b>FY24 Recommended</b>	<b>2,104,741</b>	<b>11.00</b>

## ☼ 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
<b>FY23 Approved</b>	<b>470,853</b>	<b>3.20</b>
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
<b>FY24 Recommended</b>	<b>571,186</b>	<b>4.20</b>

## ☼ 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) <sup>1</sup>	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

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

FY24 Recommended Changes	Expenditures	FTEs
<b>FY23 Approved</b>	<b>46,541,710</b>	<b>7.90</b>
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



<b>FY24 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
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
<b>FY24 Recommended</b>	<b>45,327,836</b>	<b>8.90</b>

### ☼ 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.

<b>Program Performance Measures</b>	<b>Actual FY21</b>	<b>Actual FY22</b>	<b>Estimated FY23</b>	<b>Target FY24</b>	<b>Target FY25</b>
Focused Neighborhood Assistance Activity (expenditures) <sup>1</sup>	\$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 <sup>2</sup>	1,400	1,565	1,500	11,892	11,892
Facade Program - Number of businesses benefited	0	0	6	12	12

<sup>1</sup> 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.

<sup>2</sup> 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.

<b>FY24 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY23 Approved</b>	<b>1,876,950</b>	<b>7.50</b>
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
<b>FY24 Recommended</b>	<b>1,398,926</b>	<b>7.60</b>

## BUDGET SUMMARY

	<b>Actual FY22</b>	<b>Budget FY23</b>	<b>Estimate FY23</b>	<b>Recommended FY24</b>	<b>%Chg Bud/Rec</b>
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
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 %
<b>County General Fund Personnel Costs</b>	<b>7,362,132</b>	<b>7,753,179</b>	<b>7,482,555</b>	<b>8,961,338</b>	<b>15.6 %</b>
Operating Expenses	1,999,377	1,751,387	1,734,705	1,909,703	9.0 %
<b>County General Fund Expenditures</b>	<b>9,361,509</b>	<b>9,504,566</b>	<b>9,217,260</b>	<b>10,871,041</b>	<b>14.4 %</b>
<b>PERSONNEL</b>					
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 %
<b>REVENUES</b>					
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 %
<b>County General Fund Revenues</b>	<b>8,088,646</b>	<b>9,065,850</b>	<b>8,223,350</b>	<b>8,572,055</b>	<b>-5.4 %</b>

### 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 %
<b>Montgomery Housing Initiative Personnel Costs</b>	<b>1,687,944</b>	<b>2,496,293</b>	<b>1,786,817</b>	<b>3,081,939</b>	<b>23.5 %</b>
Operating Expenses	40,195,853	46,594,130	45,270,354	46,599,753	---
<b>Montgomery Housing Initiative Expenditures</b>	<b>41,883,797</b>	<b>49,090,423</b>	<b>47,057,171</b>	<b>49,681,692</b>	<b>1.2 %</b>

#### 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 %
<b>Montgomery Housing Initiative Revenues</b>	<b>37,043,128</b>	<b>33,432,968</b>	<b>36,659,734</b>	<b>31,480,146</b>	<b>-5.8 %</b>

### 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 %
<b>Grant Fund - MCG Personnel Costs</b>	<b>1,450,886</b>	<b>2,439,783</b>	<b>2,439,783</b>	<b>2,261,501</b>	<b>-7.3 %</b>
Operating Expenses	15,127,964	7,413,713	7,413,713	6,584,631	-11.2 %
Capital Outlay	5,544,089	0	0	0	---
<b>Grant Fund - MCG Expenditures</b>	<b>22,122,939</b>	<b>9,853,496</b>	<b>9,853,496</b>	<b>8,846,132</b>	<b>-10.2 %</b>

#### 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
<b>Grant Fund - MCG Revenues</b>	<b>19,701,156</b>	<b>9,853,496</b>	<b>9,853,496</b>	<b>8,846,132</b>	<b>-10.2 %</b>
<b>DEPARTMENT TOTALS</b>					
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
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**COUNTY GENERAL FUND**

**FY23 ORIGINAL APPROPRIATION** **9,504,566 65.65**

**Changes (with service impacts)**

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

**Other Adjustments (with no service impacts)**

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**

**Changes (with service impacts)**

Enhance: Design for Life Program [Affordable Housing Programs]	300,000	0.00
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**Other Adjustments (with no service impacts)**

## 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
<b>FY24 RECOMMENDED</b>	<b>8,846,132</b>	<b>14.80</b>

## 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
<b>Total</b>	<b>68,448,485</b>	<b>104.20</b>	<b>69,398,865</b>	<b>108.20</b>

## CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY23 Total\$	FY23 FTEs	FY24 Total\$	FY24 FTEs
<b>COUNTY GENERAL FUND</b>					
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
<b>Total</b>		<b>981,817</b>	<b>8.20</b>	<b>1,074,864</b>	<b>8.20</b>

## FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY24	FY25	FY26	FY27	FY28	FY29
<b>COUNTY GENERAL FUND</b>						
<b>EXPENDITURES</b>						
<b>FY24 Recommended</b>	<b>10,871</b>	<b>10,871</b>	<b>10,871</b>	<b>10,871</b>	<b>10,871</b>	<b>10,871</b>
No inflation or compensation change is included in outyear projections.						
<b>Annualization of Positions Recommended in FY24</b>	<b>0</b>	<b>183</b>	<b>183</b>	<b>183</b>	<b>183</b>	<b>183</b>
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.						
<b>Elimination of One-Time Items Recommended in FY24</b>	<b>0</b>	<b>(108)</b>	<b>(108)</b>	<b>(108)</b>	<b>(108)</b>	<b>(108)</b>
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
<b>Labor Contracts</b>	<b>0</b>	<b>312</b>	<b>312</b>	<b>312</b>	<b>312</b>	<b>312</b>
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
<b>Subtotal Expenditures</b>	<b>10,871</b>	<b>11,258</b>	<b>11,258</b>	<b>11,258</b>	<b>11,258</b>	<b>11,258</b>

### MONTGOMERY HOUSING INITIATIVE

#### EXPENDITURES

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

### 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
<b>Total</b>	<b>323,660</b>	<b>4.00</b>	<b>506,615</b>	<b>4.00</b>

**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
<b>ASSUMPTIONS</b>								
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%
<b>BEGINNING FUND BALANCE</b>	<b>12,747,400</b>	<b>47,422,860</b>	<b>15,555,321</b>	<b>2,910,300</b>	<b>2,134,299</b>	<b>1,334,898</b>	<b>511,297</b>	<b>164,696</b>
<b>REVENUES</b>								
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
<b>Subtotal Revenues</b>	<b>33,432,968</b>	<b>36,612,504</b>	<b>31,425,636</b>	<b>30,845,131</b>	<b>30,946,000</b>	<b>31,844,968</b>	<b>32,300,010</b>	<b>33,537,929</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>								
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
<b>TOTAL RESOURCES</b>	<b>56,643,247</b>	<b>98,498,243</b>	<b>60,529,280</b>	<b>43,968,634</b>	<b>39,090,632</b>	<b>36,141,389</b>	<b>35,773,730</b>	<b>36,663,148</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>								
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)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(49,090,423)</b>	<b>(47,057,171)</b>	<b>(49,681,693)</b>	<b>(41,834,335)</b>	<b>(37,755,734)</b>	<b>(35,630,092)</b>	<b>(35,609,034)</b>	<b>(36,579,553)</b>
<b>OTHER CLAIMS ON FUND BALANCE</b>	<b>(4,276,224)</b>	<b>(35,885,751)</b>	<b>(7,937,287)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(53,366,647)</b>	<b>(82,942,922)</b>	<b>(57,618,980)</b>	<b>(41,834,335)</b>	<b>(37,755,734)</b>	<b>(35,630,092)</b>	<b>(35,609,034)</b>	<b>(36,579,553)</b>
<b>YEAR END FUND BALANCE</b>	<b>3,276,600</b>	<b>15,555,321</b>	<b>2,910,300</b>	<b>2,134,299</b>	<b>1,334,898</b>	<b>511,297</b>	<b>164,696</b>	<b>83,595</b>
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	<b>5.8%</b>	<b>15.8%</b>	<b>4.8%</b>	<b>4.9%</b>	<b>3.4%</b>	<b>1.4%</b>	<b>0.5%</b>	<b>0.2%</b>

**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
<b>Operating Budget Expenditures</b>										
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		
<b>Total Operating Budget</b>	<b>59,285,447</b>	<b>65,370,127</b>	<b>59,166,657</b>	<b>71,429,235</b>	<b>730,686,740</b>	<b>48,712,449</b>	<b>92,473,268</b>	<b>111,811,879</b>		
<b>Affordable Housing Acquisition and Preservation Project (CIP)</b>										
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	-	-	-	-	-	-	-	-		
<b>DHCA - Affordable Housing Acquisition and Preservation Project (CIP) - Total</b>	<b>26,771,000</b>	<b>22,000,000</b>	<b>22,004,540</b>	<b>22,000,000</b>	<b>269,800,047</b>	<b>18,268,233</b>	<b>36,750,000</b>	<b>32,000,000</b>		
<b>Affordable Housing Opportunity Fund (CIP)</b>										
Preservation of Naturally Occurring Affordable Housing (NOAH) Fund	-	-	-	-	14,000,000	14,000,000	6,000,000	-	8,408	Includes MHI and CIP (Including \$30.2 million FY23 supplemental for NOAH fund). In support of operating costs for Non-profits and Senior housing Units captured in DHCA
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	600	
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	157	
DGS - Discounted Land Value	11,540,000	1,000,000	-	6,797,750	49,493,163	8,041,559	1,500,000	-		
<b>Total Affordable Housing Support</b>	<b>125,205,446</b>	<b>116,365,990</b>	<b>109,812,049</b>	<b>137,447,223</b>	<b>144,244,973</b>	<b>110,816,345</b>	<b>206,441,615</b>	<b>175,559,909</b>	<b>11,865</b>	



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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



## **OLTA Staffing Issues – 4/12/2023**

This memo is in response to Council staff’s request for additional information regarding the staffing needs of the Office of Landlord Tenant and Affairs (OLTA) to eliminate its backlog, address the exponential increase in service requests and complaints, and meet the mandates outlined in Chapter 29 of the Montgomery County Code, the OLTA’s Standard Operating Procedures (SOP) and the Maryland Open Meetings Act. OLTA is currently staffed with eight full time investigators (seven dedicated to general complaints and one dedicated to emergency relief complaints), two part-time volunteers and one manager.

### OLTA’s current Non- Compliance with Chapter 29 of the Montgomery County Code, OLTA’s SOP, and Open Meetings Act mandates.

Chapter 29 of the County Code establishes specific criteria regarding the conciliation of complaints filed with OLTA. Section 29-41(b) of the County Code states: “The initial conciliation conference must occur within 30 days after the complaint is filed unless the Director finds good cause for delaying it.” According to data from the past five years, it currently takes 90 days - three times longer than the mandated time for conciliation conferences to be scheduled. The SOP established by OLTA requires that within one week of receiving the case, the investigator must send a first contact letter requesting information and scheduling a conciliation conference OR providing a 10-day window to submit documentation, examine it, and then within another 10 days schedule a conciliation conference. While data is not available for this requirement, the 90-day conciliation timeline indicates that those letters and conciliation conferences are not occurring in a timely manner. To comply with Chapter 29 and OLTA's SOP, an investigator should have an average of no more than 30 cases at a given time. Currently the investigators are averaging 78 cases each – more than *double* the number of cases an investigator should handle to meet mandated and internal requirements. This backlog creates inefficient handling of cases and creates frustration for those who file complaints.

Currently OLTA has a backlog of approximately two hundred and seventy-one (271) complaints. If OLTA’s request is granted, and an additional investigator and one administrative specialist position is added for Fiscal Year 2024, the backlog should be cleared within twelve and half months<sup>1</sup>. It should be noted that these additional positions are not solely being requested to address the backlog. These positions will better equip the OLTA with the staffing to address the current average of complaints filed.

In addition, the OLTA is not in compliance with the Maryland Open Meetings Act and County Administrative procedure 6.1. due to lack of adequate staffing. The Maryland Open Meetings Act requires all the Commission of Landlord Tenant and Affairs’ (COLTA) minutes and agendas be published within five business days after the date has been determined and at least two calendar days before the meeting. Similarly, all COLTA Decisions and Orders must be published

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<sup>1</sup> So long as the volume of complaints stay relatively consistent and so long as OLTA can retain the continued support of Ms. Rosie McCray Moodie via the SPS contract (which is expected to continue).

on the DHCA website. These requirements are not being met, due to lack of time and staffing. While efforts are underway to meet these goals, lack of staffing is making meeting these requirements extremely difficult.

#### OLTA's Reliance on Substantial yet Unpredictable Volunteer Services

It should be noted that the numbers stated above hold true, despite OLTA having two part-time volunteers that have provided 311 service request (SR) and walk-in services during the past 5 years. They provide 8 hours of service every week each, totaling to 16 hours a week. The volunteers are responding to an average of 2,615 SRs per fiscal year (approximately 1,307.50 SRs per volunteer/per year). These volunteers also handle approximately 20% of our daily walk-ins, averaging approximately 1,100 per year. Our volunteers are outliers in the volunteer community, as they are exceptionally well versed on OLTA matters and have a sincere calling to assist the OLTA. That said, it is important to note that both volunteers are over the age of 80, and it is reasonable to foresee that they may opt to prioritize their time elsewhere in the coming months and years. This will leave us with a further gap in our services and detrimentally impact our productivity levels. Efforts have been made by management to search for more volunteers, however they have not yet been fruitful. To pursue this avenue, management needs to be alleviated of some of its administrative responsibilities.

#### Documented Increase in Demand of OLTA Services and Projected Increase

Internal data reflects a 38% increase in complaints filed with OLTA and a 34% increase in MC311 service requests, between fiscal year 2021 and fiscal year 2022<sup>2</sup>. The demand for OLTA services is projected to increase in the upcoming months and years. Eviction data reflects that in the first quarter of 2022 an average of 59 evictions were scheduled per month. The number of evictions scheduled within the year has increased exponentially, with an average of 310 scheduled in February 2023 and 510 scheduled in March 2023. This equates to over a 500% increase of evictions scheduled. Similarly, Pulse Reports have also reflected a significant increase in eviction related SRs. Lastly, the above data coupled with Montgomery County's lack of rent stabilization and minimal affordable housing, will only increase the demand for OLTA's services. As such, additional staffing and support is required.

#### Plan of Action: Changing Internal OLTA Processes and Distributing Case Work Between New Investigator and New Administrative Specialist.

The addition of an investigator will appropriately distribute the caseload<sup>3</sup> and equip the OLTA for situations such as: increase in projected service demand, prolonged emergency absences by

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<sup>2</sup> This does not include the email inquiries investigators respond to daily, averaging to 40 a day.

<sup>3</sup> OLTA projects an approximate 15% increase in cases filed in FY 2024, which would result in an average of 972 complaints a year. If the proposed investigator position is approved, OLTA would have a total of 8 general investigators, equating to approximately 10 cases per investigator/per month. This is a manageable amount given that investigators only work three days a week on their complaints, as two days of the week are blocked off for service request inquiries and conciliations. Please note, the emergency investigator is omitted from the equation because due to the nature of her work and the lack of staffing, her complaints have not been accurately accounted for and are not reflected in the data.

investigators resulting in an increase in case load distribution, and the pending reduction of volunteer services.

The creation of an Administrative Specialist III (ASIII) position is critical to implement these procedural changes, and to alleviate the administrative tasks of the investigators. The ASIII will provide direct support to all investigators on matters such as:

- conduct service to parties by certified mail or private process;
- draft and send request for information letters and non-jurisdiction letters as identified by management;
- handle physical and electronic file requests after cases have been closed;
- receive, scan and upload all mail pertaining to complaints;
- receive, scan and mail out all checks pertaining to conciliation agreements;
- take minutes at monthly COLTA meetings and draft for the manager's review, send monthly COLTA minutes to IT for publication on the new COLTA website, schedule COLTA interviews when there are vacancies;
- assist investigators in preparing for COLTA hearings (print labels, mail summonses, send hearing brochures, etc.);
- schedule and provide technical zoom support at COLTA hearings;
- compile COLTA Decision and Order packets, scan and send to IT for publication; and
- provide administrative assistance to OLTA staff and manager as needed.

The collaborative support of an ASIII will ensure that investigators are not working in a vacuum, will result in more accountability, and will allow investigators to focus their time on the increased demand of services and complaints.

Procedural changes are being proposed so that the OLTA runs as a collaborative mechanism. First, to address the current backlog of cases, management is meeting with all investigators to review cases and expedite all unresolved cases filed over a year ago. This is a lengthy process that requires a significant amount of time and follow-up. Second, a new protocol will be put into place for all investigators with over 45 cases at any given time. These investigators will have conciliation conferences automatically scheduled on their calendars by the ASIII when sending out the original assignment letter. This will ensure that all conciliations occur during the Chapter 29 mandated time and will ensure that cases are worked on in a timely manner. Third, close working relationships will be established between all investigators and the new ASIII on open cases and those being referred to the COLTA.

An ASIII position will also alleviate management's administrative responsibilities, allowing time to focus on quality control and managerial functions. Currently, no mechanism of quality control has been established or implemented. It is the manager's responsibility to audit the work of the investigators, to ensure that investigators are providing consistent and correct information and following internal procedures. The alleviation of administrative tasks will enable management to audit staff, a critical component to ensure the effectiveness of the OLTA. In addition, with less administrative tasks management will be able to focus on administrative cases; establish relationships and collaborative initiatives with community partners; recruit and train volunteers; respond to the requests of Councilmember Offices and the County Executive Office in a timelier

fashion; joint initiatives with other Montgomery County agencies such as the Office of Human Rights, Department of Health and Human Services, Department of Consumer Protection and the Department of Environmental Protection; and meet the overall needs and initiatives of the Department of Housing and Community Affairs.

In conclusion, the above data and circumstances reflect the urgent necessity for additional OLTA staffing, specifically an investigator position and an ASIII position, so that the OLTA may comply with Montgomery County Code, SOL, and the Open Meetings Act mandates while creating a collaborative working environment with increased accountability and management support.



There are currently only 2 FTE that are responsible for the mandates below. County mandates are as follows and stated in Chapter 29

- 29-16 Requires owners of dwelling units to obtain a rental license before operating the dwelling as rental housing.
- 29-18 Penalty for failure to license or comply with Commission orders or summons.
- 29-19 Licensing procedures.
  - 29-19(b) accessory dwelling units rental license and
  - 29-19(e) Common Ownership Community
- 29-20 Collection of fees
- 29-22 Assist with the managing of corrective action plans for trouble properties (data uploaded into L&R database)
- 29-23 Annual Renewal of licenses and registration
- 29-25 Denial, revocation, or suspension of licenses
- 29-51 Rental housing data collection- facilitation of the annual rental survey

Please describe the anticipated benefit of creating a new program specialist position, including how many existing staff are assigned to outreach and revenue collections for the L&R program

Currently there are only 2 -Program Specialists that are assigned to outreach and revenue collection for the L&R program. Benefit of creating a new program specialist position would be to efficiently spread the workload amongst staff, to ensure that demands of the department can be met, and the Licensing and Registration (L&R) database has accurate information. The program specialists are responsible for facilitating the licensing of single family, condos, ADUs and multi-family properties which is over 100,000 rental units. The program specialists must maintain the L&R database which requires extensive follow-up for lead compliance (over 10,000 rentals built before 1978), owner's information, license fee collection, the issuance of notices of violation and citations. The program specialists are also responsible for the registration of approx. 1180 common ownership communities (COC). In which the program specialist will have to verify information to ensure there is an updated list of board of directors, rental list for the communities, collection of registration fees and viable contact information. Also, follow through with actions against COCs to gain compliance by issuing notices of violation and citations. In addition, L&R send out the mandatory annual rental survey as part of data collection. If a property fails to complete the survey, the program specialists will send out follow up notices, notices of violation and citation for non-compliance. L&R would benefit from the new program specialist position because it will make the outreach process more obtainable. With limited staff and the workload, outreach continues to be a struggle for L&R as we are only able to address potentials rentals that are submitted by Office of Landlord and Tenant, Code Enforcement and 311 calls.

Currently there is a backlog of information that needs to be addressed which are missed opportunities to collect citations.

- 413 condo citation that have not been issued for delinquent payment (215 have been delinquent for multiple years)
- 1496 single family citation have not been issued for delinquent payment (746 have been delinquent for multiple years)

- 580 Potential Rentals that have been added to the database but not addressed due to lack of time to follow up. Missed opportunity to collect on license fees.
- Unknown number of properties that are licensed but missing the lead requirement information due to lack of staff to properly address (This has become a priority- due to safety)
- 525 Properties that are listed in the L&R database as PENDING (meaning the landlord was missing information during application/renewal process) potential operating as rental properties but not compliant however follow up is not conducted due to lack of staff. Missed opportunity to collect citations.
- 677 Single family properties in the unlicensed status for reasons not related to payment but citations not issued or follow up action missing.
- In addition to the rental properties there are 178 Common Ownership Communities that are unregistered and need to be addressed; which could result in citations being issued.

This is roughly 3691 rental properties in the L&R database that are not being properly addressed. If we are able to at least get to 1/4<sup>th</sup> of these it could result in \$461,375 in citation money; if they are still operating as rental properties. Most importantly we need to have good data to be able to report on the rental housing market in Montgomery County, which can only be done with adequate staffing.

**Problems that may arise with lack of staff.**

- Being able to address the single unit survey landlords that are non-compliant, will either cause the numbers above to become progressively larger or lack of follow through on the enforcement action associated with not completing the survey - \$1,000 fine.

**Fiscal Impact Statement**  
**Expedited Bill 26-22, Landlord-Tenant Relations Radon Testing and Mitigation**

**1. Legislative Summary.**

Bill 26-22 requires a landlord of a single-family home or a multi-family dwelling unit to conduct a radon test before leasing the unit to a prospective tenant. The Bill also requires the landlord to disclose test results, provide educational materials, and mitigate radon hazards above a certain action level as recommended by the U.S. Environmental Protection Agency (EPA) or the Montgomery County Department of Environmental Protection (DEP) at the time of lease signing. It allows a tenant to have the option of terminating a lease agreement if the landlord fails to provide the required mitigation.

**2. An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.**

The Bill is not expected to impact County revenues.

Bill 26-22 is projected to impact expenditures of the DHCA Office of Landlord-Tenant Affairs (OLTA). OLTA would need to update and republish the existing Landlord-Tenant Handbook and address the anticipated increase on inquiries received through MC311 service inquiries and complaints. DHCA estimates the total impact on expenditures would be approximately \$58,940 in the first year of implementation to implement the legislative requirements, including \$25,410 for annualized personnel costs (0.25 FTEs) and \$33,530 for associated one-time operating expenses. Detailed analysis is described below:

*The Office of Landlord-Tenant Affairs:*

- Update and Republish the Landlord Tenant Handbook: All landlords are required to provide either a hard copy or electronic copy of the Landlord-Tenant Handbook upon signing a new lease. This handbook has become a widely used resource in Montgomery County and is the go-to manual used by landlords and tenants to inform themselves of their rights and obligations. As such, the passing of Bill 26-22 will require OLTA to update and republish the handbook. The one-time cost of printing updated handbooks is estimated at \$19,750, assuming an average cost of \$3.95 per book and a total of 5,000 handbooks will be needed.
- Due to the severe health impact that unmitigated radon exposures can have on tenants, OLTA will implement an informative campaign with flyers and ads on Montgomery County buses to inform the public of the new rights and obligations of tenants and landlords. OLTA expects that this would cost approximately \$8,500 to print 70,000 flyers. This would be a one-time expense. The Montgomery County bus ads will cost approximately \$2,100 (\$3.84 x 540 buses), also a one-time expense.
- To implement Bill 26-22, OLTA would need to hire a contractor to update the digital and print versions of the Landlord-Tenant Handbook and all relevant online articles and knowledge base articles for MC311 on DHCA's website. The one-time need of a contractor will also assist in the creation and dissemination of the flyers. The cost for a contractor is estimated to be \$3,180 (= \$26.50/hr. \*120 hours).
- Increase in OLTA Service Request Inquires and Complaints: Bill 26-22 allows tenants to test radon levels on their own initiative. If the radon level test results are above a

specified amount, the tenant can notify the landlord. The landlord then has 90 days to remediate. If the landlord does not do so, the tenant has the right to breach their lease and end their tenancy. This change in landlord obligations and tenant rights will result in increased information service requests to the OLTA and an increase in complaints filed by tenants.

- Once the Bill is implemented, DHCA estimates it will take approximately 30 hours of IT staff time (one time) to update the Office of Landlord-Tenant Affairs current database and ensure reports run correctly. DHCA expects to absorb this cost with the current appropriation.
- Once the Bill is implemented, DHCA estimates a part-time ongoing Investigator II (G23, 0.25 FTE) will be needed to address the increased workload, including, but not limited to: respond to all service request inquires via phone and email pertaining to Bill 26-22; meet with tenant community partners, homeowners, and property managers to inform them of their rights and obligations under Bill 26-22; and investigate, mediate, issue determination letters, and potentially refer/present complaints pertaining to Bill 26 -22 to the Commission on Landlord-Tenant and Affairs. The estimated PC for a 0.25 FTE Investigator II is \$25,410.

**3. Revenue and expenditure estimates covering at least the next 6 fiscal years.**

Based on the analysis in Question 2, the Bill would impact County expenditures over the next six fiscal years as follows:

Cost Estimates	FY23	FY24	FY25	FY26	FY27	FY28 Total	
Personnel Costs	25,410	26,681	28,015	29,415	30,886	32,430	172,837
Operating Expenses	33,530	-	-	-	-	-	33,530
Total	58,940	26,681	28,015	29,415	30,886	32,430	206,367

*Note: Assuming an annual 5% rate increase for personnel costs.*

**4. An actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs.**

The Bill is not expected to impact retiree pension or group insurance costs.

**5. An estimate of expenditures related to County’s information technology (IT) systems, including Enterprise Resource Planning (ERP) systems.**

The Bill is not expected to impact the County’s IT or ERP systems.

**6. Later actions that may affect future revenue and expenditures if the bill authorizes future spending.**

The Bill does not authorize future spending.

**7. An estimate of the staff time needed to implement the bill.**

The staff time needed for the Office of Landlord-Tenant and Affairs to implement Bill 26-22 is estimated at approximately 520 hours per year, plus one-time 30 hours of IT staff time, to address the increased workload. Additional duties include responding to all service request inquires via phone and email pertaining to Bill 26-22; meeting with tenant community partners, homeowners, and property managers to inform them of their rights and obligations under Bill 26-22; and investigating, mediating, issuing determination letters, and potentially referring and presenting complaints pertaining to Bill 26 -22 to the Commission on Landlord-Tenant Affairs.

**8. An explanation of how the addition of new staff responsibilities would affect other duties.**

In addition to the responsibilities and staff requirements as described above, departmental staff will need to be trained on the requirements of Bill 26-22, how it impacts each office's programs, and how it impacts landlords' and tenants' rights and obligations.

**9. An estimate of costs when an additional appropriation is needed.**

DHCA would require a total of \$58,940 for the on-going staffing costs and associated one-time operating expenditures listed above in FY23 when the Bill is enacted for implementation.

**10. A description of any variable that could affect revenue and cost estimates.**

The fiscal impact statement assumes that properties impacted by the Bill will have to be inspected every three years. However, the total cost estimate will vary based on the units required to be inspected every three years, the unknown number of new units coming online as rental properties, and the unknown number of tenants who auto test for radon and whose test results are above the indicated amount.

**11. Ranges of revenue or expenditures that are uncertain or difficult to project.**

Not applicable.

**12. If a bill is likely to have no fiscal impact, why that is the case?**

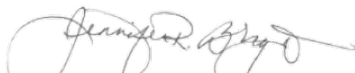
Not applicable.

**13. Other fiscal impacts or comments.**

Not applicable.

**14. The following contributed to and concurred with this analysis:**

Nicolle Katrivanos, DHCA, the Office of Landlord-Tenant Affairs  
Pofen Salem, DHCA, Division of Finance and Administration  
Anita Aryeetey, Office of Management and Budget

  
\_\_\_\_\_  
Jennifer R. Bryant, Director  
Office of Management and Budget

10/31/22  
\_\_\_\_\_  
Date

## 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.**

<b>#</b>	<b>Cost Item</b>	<b>Amount</b>	<b>Staff Recommendation</b>
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
<b>Housing Initiative Fund - Total</b>	<b>\$49,090,423</b>	<b>\$49,681,692</b>	<b>\$591,270 1.2%</b>
Personnel Costs	\$2,496,293	\$3,081,939	\$585,647 23.5%
Operating Costs	\$46,594,130	\$46,599,753	\$5,623 <b>0.1%</b>

## 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 2<sup>nd</sup> 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.**

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

- 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.**

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

- 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.

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## 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.

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## **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.

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## **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.

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## **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.

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**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.

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**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

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- ★ 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
<b>FY23 Approved</b>	<b>2,331,339</b>	<b>13.80</b>
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

<b>FY24 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
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)
<b>FY24 Recommended</b>	<b>2,551,169</b>	<b>13.70</b>

### ☼ 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.

<b>Program Performance Measures</b>	<b>Actual FY21</b>	<b>Actual FY22</b>	<b>Estimated FY23</b>	<b>Target FY24</b>	<b>Target FY25</b>
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 <sup>1</sup>	118	24	28	0	0

<sup>1</sup> 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.

<b>FY24 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY23 Approved</b>	<b>925,856</b>	<b>7.50</b>
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
<b>FY24 Recommended</b>	<b>1,138,019</b>	<b>6.50</b>

### ☼ 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.

<b>Program Performance Measures</b>	<b>Actual FY21</b>	<b>Actual FY22</b>	<b>Estimated FY23</b>	<b>Target FY24</b>	<b>Target FY25</b>
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%

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

<b>FY24 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
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
<b>FY24 Recommended</b>	<b>1,011,332</b>	<b>6.15</b>

### ☼ 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.

<b>Program Performance Measures</b>	<b>Actual FY21</b>	<b>Actual FY22</b>	<b>Estimated FY23</b>	<b>Target FY24</b>	<b>Target FY25</b>
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 <sup>1</sup>	\$8,250	\$23,220	\$6,277	\$6,000	\$6,180

<sup>1</sup> 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.

<b>FY24 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY23 Approved</b>	<b>8,741,200</b>	<b>6.70</b>
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
<b>FY24 Recommended</b>	<b>9,346,977</b>	<b>6.70</b>

### ☼ 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.

<b>Program Performance Measures</b>	<b>Actual FY21</b>	<b>Actual FY22</b>	<b>Estimated FY23</b>	<b>Target FY24</b>	<b>Target FY25</b>
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 <sup>1</sup>	\$56,284	\$45,744	\$87,804	\$89,522	\$92,208
Percent of affordable units created or preserved serving households under 50% AMI <sup>2</sup>	30.0%	33.0%	25.0%	25.0%	25.0%

<sup>1</sup> Average cost per unit fluctuates with the type of project financed.

<sup>2</sup> 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.

<b>FY24 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY23 Approved</b>	<b>399,229</b>	<b>3.95</b>
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)

<b>FY24 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
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
<b>FY24 Recommended</b>	<b>443,491</b>	<b>3.95</b>

### ☼ 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.

<b>Program Performance Measures</b>	<b>Actual FY21</b>	<b>Actual FY22</b>	<b>Estimated FY23</b>	<b>Target FY24</b>	<b>Target FY25</b>
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

<b>FY24 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY23 Approved</b>	<b>4,768,248</b>	<b>38.50</b>
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
<b>FY24 Recommended</b>	<b>5,505,188</b>	<b>39.50</b>

### ☼ 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.

<b>Program Performance Measures</b>	<b>Actual FY21</b>	<b>Actual FY22</b>	<b>Estimated FY23</b>	<b>Target FY24</b>	<b>Target FY25</b>
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

<b>FY24 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY23 Approved</b>	<b>1,487,910</b>	<b>9.00</b>
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
<b>FY24 Recommended</b>	<b>2,104,741</b>	<b>11.00</b>

## ☼ 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
<b>FY23 Approved</b>	<b>470,853</b>	<b>3.20</b>
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
<b>FY24 Recommended</b>	<b>571,186</b>	<b>4.20</b>

## ☼ 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) <sup>1</sup>	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

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

FY24 Recommended Changes	Expenditures	FTEs
<b>FY23 Approved</b>	<b>46,541,710</b>	<b>7.90</b>
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

<b>FY24 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
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
<b>FY24 Recommended</b>	<b>45,327,836</b>	<b>8.90</b>

### ☼ 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.

<b>Program Performance Measures</b>	<b>Actual FY21</b>	<b>Actual FY22</b>	<b>Estimated FY23</b>	<b>Target FY24</b>	<b>Target FY25</b>
Focused Neighborhood Assistance Activity (expenditures) <sup>1</sup>	\$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 <sup>2</sup>	1,400	1,565	1,500	11,892	11,892
Facade Program - Number of businesses benefited	0	0	6	12	12

<sup>1</sup> 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.

<sup>2</sup> 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.

<b>FY24 Recommended Changes</b>	<b>Expenditures</b>	<b>FTEs</b>
<b>FY23 Approved</b>	<b>1,876,950</b>	<b>7.50</b>
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
<b>FY24 Recommended</b>	<b>1,398,926</b>	<b>7.60</b>

## BUDGET SUMMARY

	<b>Actual FY22</b>	<b>Budget FY23</b>	<b>Estimate FY23</b>	<b>Recommended FY24</b>	<b>%Chg Bud/Rec</b>
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
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 %
<b>County General Fund Personnel Costs</b>	<b>7,362,132</b>	<b>7,753,179</b>	<b>7,482,555</b>	<b>8,961,338</b>	<b>15.6 %</b>
Operating Expenses	1,999,377	1,751,387	1,734,705	1,909,703	9.0 %
<b>County General Fund Expenditures</b>	<b>9,361,509</b>	<b>9,504,566</b>	<b>9,217,260</b>	<b>10,871,041</b>	<b>14.4 %</b>
<b>PERSONNEL</b>					
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 %
<b>REVENUES</b>					
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 %
<b>County General Fund Revenues</b>	<b>8,088,646</b>	<b>9,065,850</b>	<b>8,223,350</b>	<b>8,572,055</b>	<b>-5.4 %</b>

### 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 %
<b>Montgomery Housing Initiative Personnel Costs</b>	<b>1,687,944</b>	<b>2,496,293</b>	<b>1,786,817</b>	<b>3,081,939</b>	<b>23.5 %</b>
Operating Expenses	40,195,853	46,594,130	45,270,354	46,599,753	---
<b>Montgomery Housing Initiative Expenditures</b>	<b>41,883,797</b>	<b>49,090,423</b>	<b>47,057,171</b>	<b>49,681,692</b>	<b>1.2 %</b>

#### 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 %
<b>Montgomery Housing Initiative Revenues</b>	<b>37,043,128</b>	<b>33,432,968</b>	<b>36,659,734</b>	<b>31,480,146</b>	<b>-5.8 %</b>

### 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 %
<b>Grant Fund - MCG Personnel Costs</b>	<b>1,450,886</b>	<b>2,439,783</b>	<b>2,439,783</b>	<b>2,261,501</b>	<b>-7.3 %</b>
Operating Expenses	15,127,964	7,413,713	7,413,713	6,584,631	-11.2 %
Capital Outlay	5,544,089	0	0	0	---
<b>Grant Fund - MCG Expenditures</b>	<b>22,122,939</b>	<b>9,853,496</b>	<b>9,853,496</b>	<b>8,846,132</b>	<b>-10.2 %</b>

#### 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
<b>Grant Fund - MCG Revenues</b>	<b>19,701,156</b>	<b>9,853,496</b>	<b>9,853,496</b>	<b>8,846,132</b>	<b>-10.2 %</b>
<b>DEPARTMENT TOTALS</b>					
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
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**COUNTY GENERAL FUND**

**FY23 ORIGINAL APPROPRIATION** **9,504,566 65.65**

**Changes (with service impacts)**

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

**Other Adjustments (with no service impacts)**

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**

**Changes (with service impacts)**

Enhance: Design for Life Program [Affordable Housing Programs]	300,000	0.00
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**Other Adjustments (with no service impacts)**

## 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
<b>FY24 RECOMMENDED</b>	<b>8,846,132</b>	<b>14.80</b>

## 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
<b>Total</b>	<b>68,448,485</b>	<b>104.20</b>	<b>69,398,865</b>	<b>108.20</b>

## CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY23 Total\$	FY23 FTEs	FY24 Total\$	FY24 FTEs
<b>COUNTY GENERAL FUND</b>					
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
<b>Total</b>		<b>981,817</b>	<b>8.20</b>	<b>1,074,864</b>	<b>8.20</b>

## FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

Title	FY24	FY25	FY26	FY27	FY28	FY29
<b>COUNTY GENERAL FUND</b>						
<b>EXPENDITURES</b>						
<b>FY24 Recommended</b>	<b>10,871</b>	<b>10,871</b>	<b>10,871</b>	<b>10,871</b>	<b>10,871</b>	<b>10,871</b>
No inflation or compensation change is included in outyear projections.						
<b>Annualization of Positions Recommended in FY24</b>	<b>0</b>	<b>183</b>	<b>183</b>	<b>183</b>	<b>183</b>	<b>183</b>
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.						
<b>Elimination of One-Time Items Recommended in FY24</b>	<b>0</b>	<b>(108)</b>	<b>(108)</b>	<b>(108)</b>	<b>(108)</b>	<b>(108)</b>
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)

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

**MONTGOMERY HOUSING INITIATIVE**

**EXPENDITURES**

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

**ANNUALIZATION OF FULL PERSONNEL COSTS**

	<b>FY24 Recommended</b>		<b>FY25 Annualized</b>	
	<b>Expenditures</b>	<b>FTEs</b>	<b>Expenditures</b>	<b>FTEs</b>
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
<b>Total</b>	<b>323,660</b>	<b>4.00</b>	<b>506,615</b>	<b>4.00</b>

**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
<b>ASSUMPTIONS</b>								
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%
<b>BEGINNING FUND BALANCE</b>	<b>12,747,400</b>	<b>47,422,860</b>	<b>15,555,321</b>	<b>2,910,300</b>	<b>2,134,299</b>	<b>1,334,898</b>	<b>511,297</b>	<b>164,696</b>
<b>REVENUES</b>								
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
<b>Subtotal Revenues</b>	<b>33,432,968</b>	<b>36,612,504</b>	<b>31,425,636</b>	<b>30,845,131</b>	<b>30,946,000</b>	<b>31,844,968</b>	<b>32,300,010</b>	<b>33,537,929</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>								
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
<b>TOTAL RESOURCES</b>	<b>56,643,247</b>	<b>98,498,243</b>	<b>60,529,280</b>	<b>43,968,634</b>	<b>39,090,632</b>	<b>36,141,389</b>	<b>35,773,730</b>	<b>36,663,148</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>								
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)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(49,090,423)</b>	<b>(47,057,171)</b>	<b>(49,681,693)</b>	<b>(41,834,335)</b>	<b>(37,755,734)</b>	<b>(35,630,092)</b>	<b>(35,609,034)</b>	<b>(36,579,553)</b>
<b>OTHER CLAIMS ON FUND BALANCE</b>	<b>(4,276,224)</b>	<b>(35,885,751)</b>	<b>(7,937,287)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(53,366,647)</b>	<b>(82,942,922)</b>	<b>(57,618,980)</b>	<b>(41,834,335)</b>	<b>(37,755,734)</b>	<b>(35,630,092)</b>	<b>(35,609,034)</b>	<b>(36,579,553)</b>
<b>YEAR END FUND BALANCE</b>	<b>3,276,600</b>	<b>15,555,321</b>	<b>2,910,300</b>	<b>2,134,299</b>	<b>1,334,898</b>	<b>511,297</b>	<b>164,696</b>	<b>83,595</b>
<b>END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES</b>	<b>5.8%</b>	<b>15.8%</b>	<b>4.8%</b>	<b>4.9%</b>	<b>3.4%</b>	<b>1.4%</b>	<b>0.5%</b>	<b>0.2%</b>

**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
<b>Operating Budget Expenditures</b>										
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		
<b>Total Operating Budget</b>	<b>59,285,447</b>	<b>65,370,127</b>	<b>59,166,657</b>	<b>71,429,235</b>	<b>730,686,740</b>	<b>48,712,449</b>	<b>92,473,268</b>	<b>111,811,879</b>		
<b>Affordable Housing Acquisition and Preservation Project (CIP)</b>										
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	-	-	-	-	-	-	-	-		
<b>DHCA - Affordable Housing Acquisition and Preservation Project (CIP) - Total</b>	<b>26,771,000</b>	<b>22,000,000</b>	<b>22,004,540</b>	<b>22,000,000</b>	<b>269,800,047</b>	<b>18,268,233</b>	<b>36,750,000</b>	<b>32,000,000</b>		
<b>Affordable Housing Opportunity Fund (CIP)</b>										
Preservation of Naturally Occurring Affordable Housing (NOAH) Fund	-	-	-	-	14,000,000	14,000,000	6,000,000	-	8,408	Includes MHI and CIP (Including \$30.2 million FY23 supplemental for NOAH fund). In support of operating costs for Non-profits and Senior housing Units captured in DHCA
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	600	
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	157	
DGS - Discounted Land Value	11,540,000	1,000,000	-	6,797,750	49,493,163	8,041,559	1,500,000	-		
<b>Total Affordable Housing Support</b>	<b>125,205,446</b>	<b>116,365,990</b>	<b>109,812,049</b>	<b>137,447,223</b>	<b>144,244,973</b>	<b>110,816,345</b>	<b>206,441,615</b>	<b>175,559,909</b>	<b>11,865</b>	

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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
<b>ASSUMPTIONS</b>								
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%
<b>BEGINNING FUND BALANCE</b>	<b>12,747,400</b>	<b>47,422,860</b>	<b>15,555,321</b>	<b>2,910,300</b>	<b>2,134,299</b>	<b>1,334,898</b>	<b>511,297</b>	<b>164,696</b>
<b>REVENUES</b>								
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
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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
<b>TOTAL RESOURCES</b>	<b>56,643,247</b>	<b>98,498,243</b>	<b>60,529,280</b>	<b>43,968,634</b>	<b>39,090,632</b>	<b>36,141,389</b>	<b>35,773,730</b>	<b>36,663,148</b>
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Debt Service: Other (Non-Tax Funds only)	(47,230)	(47,230)	(54,510)	0	0	0	0	0
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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)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(49,090,423)</b>	<b>(47,057,171)</b>	<b>(49,681,693)</b>	<b>(41,834,335)</b>	<b>(37,755,734)</b>	<b>(35,630,092)</b>	<b>(35,609,034)</b>	<b>(36,579,553)</b>
<b>OTHER CLAIMS ON FUND BALANCE</b>	<b>(4,276,224)</b>	<b>(35,885,751)</b>	<b>(7,937,287)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(53,366,647)</b>	<b>(82,942,922)</b>	<b>(57,618,980)</b>	<b>(41,834,335)</b>	<b>(37,755,734)</b>	<b>(35,630,092)</b>	<b>(35,609,034)</b>	<b>(36,579,553)</b>
<b>YEAR END FUND BALANCE</b>	<b>3,276,600</b>	<b>15,555,321</b>	<b>2,910,300</b>	<b>2,134,299</b>	<b>1,334,898</b>	<b>511,297</b>	<b>164,696</b>	<b>83,595</b>
<b>END-OF-YEAR RESERVES AS A</b>								
<b>PERCENT OF RESOURCES</b>	<b>5.8%</b>	<b>15.8%</b>	<b>4.8%</b>	<b>4.9%</b>	<b>3.4%</b>	<b>1.4%</b>	<b>0.5%</b>	<b>0.2%</b>

**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.
<b>Department of Housing and Community Affairs (DHCA)</b>					
<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
<b>A</b>	<b>Total DHCA Affordable Housing Programs (HIF-funded)</b>	<b>\$6,705,777</b>	<b>\$4,424,992</b>	<b>\$4,839,803</b>	<b>-27.83%</b>
<b>Department of Health and Human Services (HHS)</b>					
<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>B</b>	<b>Total DHHS Affordable Housing Programs (HIF-funded)</b>	<b>\$8,086,272</b>	<b>\$8,086,272</b>	<b>\$8,086,272</b>	<b>0.00%</b>
<b>Housing Opportunities Commission (HOC)</b>					
<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%
<b>C</b>	<b>Total HOC Affordable Housing Programs (HIF-funded)</b>	<b>\$3,168,526</b>	<b>\$3,168,515</b>	<b>\$3,168,515</b>	<b>0.00%</b>
<b>D</b>	<b>Emergency Rental Assistance Contingency (in HIF)</b>	<b>\$1,550,073</b>	<b>-\$168,009</b>	<b>\$179,000</b>	<b>-88.45%</b>
<b>Services to End and Prevent Homelessness (SEPH)</b>					
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%
<b>E</b>	<b>Total SEPH Affordable Housing Programs (HHS General Fund and Federal Funds)</b>	<b>\$45,308,810</b>	<b>\$0</b>	<b>\$66,314,688</b>	
<b>Non-Competitive Contracts</b>					
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%
<b>F</b>	<b>Total Non-Competitive Contracts (DHCA General Fund and/or HIF)</b>	<b>\$2,079,911</b>	<b>\$2,079,911</b>	<b>\$3,094,396</b>	<b>48.78%</b>



## 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.

<b>Enterprise Community Partners, Inc.</b>			
Presented to: Montgomery County FBDI Submitted March 2022			
<b>Description</b>	<b>Montgomery County</b>	<b>Enterprise</b>	<b>Total Budget</b>
<b>Expenses</b>			
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
<b>Total Expenses</b>	<b>\$ 384,936</b>	<b>\$ 290,325</b>	<b>\$ 629,936</b>



# 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

Development Initiative  
efforts. FBDI works with  
developed/underutilized  
land. Each FBDI participating  
house of worship will receive the following:

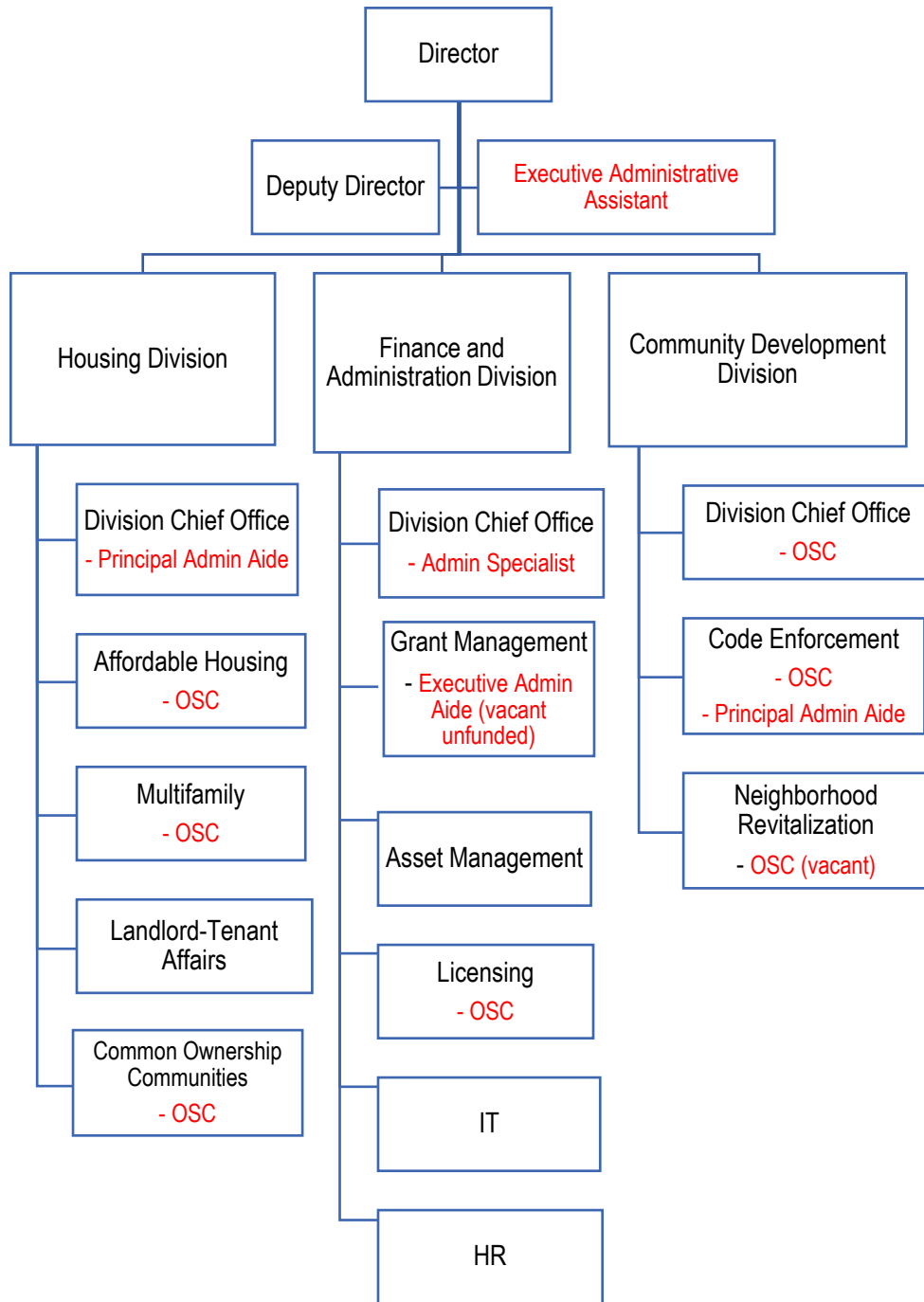
Enterprise |

# 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.**

## DHCA Organizational Chart



**Notes:**

- The administrative positions are highlighted in RED.
- Effective July 1, 2024, the Neighborhood Revitalization Program will be shifted from the Division of Community Development to the Housing Division, whereas the Office of Landlord-Tenant Affairs and the Common Ownership Communities Program will be shifted from the Housing Division to the Community Development Division. The reorganization is needed to create synergy among those programs providing customer-facing services.

## **Housing Division**

DHCA's Housing Division has three Office Service Coordinators (OSCs) and one Principal Administrative Aide from the Project Search program. All four administrative staff members provide assistance across each section of the Housing Division including: Affordable Housing, Multifamily, Office of Landlord and Tenant Affairs (OLTA) and Common Ownership Communities (COC).

The OSCs are responsible for a wide range of administrative activities, including those listed below.

- Receiving and preparing mailings, copying, scanning, and filing documents. Distributing mail to the staff and mailboxes.
- Providing translation assistance (Spanish/English) for walk-in clients and investigators, telephone inquiries.
- Processing invoices and payments in Seibel, creating purchase orders and ordering office supplies.
- Creating, organizing, and maintaining financial Excel spreadsheets for payments and invoices.
- Monitoring and managing 311 calls and service requests on Seibel and directing the inquiries to the correct staff for a response.
- Assisting at front desk, greeting residents/visitors and assisting with the completion of forms and/or directing residents to conference rooms.
- Assisting with the copiers, refilling copier paper and cartridges and tidying up the copy rooms as needed.
- Coordinating and scheduling meetings and communications for team with clients, key stakeholders and others.
- Digitizing historic documents of the department.

## **Finance and Administration Division:**

The Finance and Administration Division has two administrative staff, including one Administrative Specialist III position in the Chief Office who provides the department-wide administrative support related to financial transactions and one OSC in the Licensing and Regulation Program who handles licensing payments and correspondence. Their respective job duties and workload include:

### *Administrative Specialist III in the Division Chief Office-*

- Reviewing and approving department-wide invoices and payments submitted to the County's Financial System Oracle when all the required backup documents are provided.
- Tracking and documenting financial transactions funded with County resources and federal grants to identify any data variance and work with the Division Chief to develop reconciliation to address those financial issues before the year-end.
- Creating the approved budget/appropriation in Oracle by different funding sources and project activities.
- Establishing the project activities in HUD's IDIS system to track and report grant-funded activities on a regular basis, including the program income leveraged from the use of federal grants.
- Coordinating with the County Department of Finance to reconcile financial variances associated with federal grants to keep the financial data consistent with HUD's IDIS system.
- Submitting required quarterly financial reports and documentation to the Department of Finance for all the expenses.
- Providing technical assistance to OSCs in DHCA related to any invoice and payment processing in Oracle.

### *OSC in the Licensing and Regulation Program-*

- Processing new rental licensing applications and following up on any missing documents and required information.



- Providing instructions/information on licensing procedures, use of the L&R website, and assistance to customers for gaining online access, completing applications, updating landlord/customer account information in the database, and making on-line payments.
- Researching unlicensed properties to determine a property's status and locate homeowners.
- Mail potential letters to customers who request a specific property information or sending the Notice of Violations (NOV) for non-compliance of the licensing regulations to landlords from referrals (i.e., Code Enforcement, OLTA, and the public).
- Tracking L&R's responses by dates for any pending potential and the NOV's correspondence.
- Responding to 311 service requests or emails/faxes from L&R's intake and correspondences.
- Tracking, researching, and processing all L&R's financial transactions, including lock-box deposits, ACH/Credit Card payments, on-site deposits, missing payments, and other financial related issues. Reconciling monthly PNC debits to Finance.
- Processing all requisitions, POs/DPOs, payments, refunds associated with L&R activities and conducting research on any financial disputes.
- Maintaining file documents, records, documents, and archived files at L&R's SharePoint.
- Checking and repairing broken links, as well as updating information and uploading forms onto the L&R webpage.
- Serve as DHA's front desk coverage or back-up when needed.

### **Community Development Division:**

The Community Development Division has three OSCs and one Principal Administrative Aide (PAA) position to provide critical functions to support the Division and provide assistance to other Divisions within DHCA. This additional assistance is necessary due to OSC shortages in other programs. Many of their duties overlap due to the volume of work and critical nature of the tasks performed. One OSC position is currently vacant and will be under recruitment soon. Their job duties and workload include:

- Monitoring usage and orders for general office supplies.
- Creating requisitions, Purchase Orders, or Direct Purchase Orders, as well as processing invoices or payments for both their respective offices and for other programs within DHCA. There are numerous critical invoices that need to be created daily and weekly to support operational needs.
- Daily monitoring the Code mailbox and the Outlook inbox to create service requests (SR) based on 311 calls through the Siebel.
- Creating housing code cases associated with Multifamily Triannual inspections to generate notices to Code Management.
- Mailing postcards to tenants of multi-family buildings to notify them of upcoming scheduled inspections.
- Generating HOME inspections, FDA inspections, court ordered inspections and other administrative cases.
- Processing all citations by downloading and printing out all documents and other correspondence associated with the cases several times daily.
- Providing alternate coverage and bilingual support at DHCA's lobby front desk to assist customers.
- Providing Spanish translation for the Division and other programs within DHCA.

### **Request one Administrative Specialist III Position for OLTA in FY24:**

Below is a list of the administrative tasks that eight OLTA investigators are currently conducting. Per our assessment, investigators are allocating between 25-30% of their time to these tasks.

- Conduct service to parties by certified mail or private process.
- Draft and send request for information letters and non-jurisdiction letters as identified by OLTA management.
- MPIA Requests - handle physical and electronic file requests after cases have been closed and archive retrieval requests.
- Receive, scan, and upload all mail pertaining to complaints and all checks pertaining to conciliation agreements.
- Prepare for COLTA hearings (print labels, mail summonses, send hearing brochures, etc..) and mail evidence packages for hearings.
- Schedule and provide technical zoom support at COLTA hearings, including maintenance of OLTA calendar.
- Compile COLTA Decision and Order packets, scan and send to IT for publication; and prepare documents for appeals.
- Time searching for unknown addresses of respondents or rental licenses and proper ownership for complaints.
- File OLTA documents, tracking and documenting transmittals to court/attorney's office. Secure signatures on agreements.
- Monitor supplies, equipment needs, and thresholds for printed brochures/handbooks.
- Monitor PlanetDepos Invoices, and order annual updates of the real property articles.
- Review needed updates to the webpage and social media accounts.

In addition, they would provide much needed support to OLTA's Homeless Prevention Relocation Assistance (HPRA) Investigator. This Investigator's primary duty is handling most of the HPRA cases that come to this Office, totaling between 350-400 cases each year. This Investigator acts as the lead Landlord-Tenant Investigator and Department liaison for all relocation efforts. The HPRA investigator is assigned Landlord-Tenant complaints that require some form of emergency assistance and often works with other Investigators who have tenants with multiple issues, such as a need for emergency financial assistance to avoid eviction. Since this person is working with tenants in emergency or crisis situations, the job is very labor intensive and often requires the HPRA Investigator to meet with clients who are unable to get to the Office during normal business hours. Currently, the HPRA investigator is unable to document all her cases, as she does not have the administrative capacity to input all her cases in the OLTA database. Furthermore, she needs additional support when dealing with disaster relief emergencies that result in large scale condemnations. When these events occur (we have had 4 emergencies in 2023 thus far), she routinely works 55-60-hour weeks, as she does not have the support needed to contact all impacted tenants and conduct the necessary follow-up. Please note, the HPRA investigator previously had a part-time assistant to assist with these matters.

If OLTA could have a designated Administrative Specialist position, that person would also help to prepare the meeting packets, including the agenda, case status records, case summaries, and minutes for COLTA's monthly meetings and ensures the publications on the OLTA website. This task is currently being conducted by the OLTA manager which usually takes up to an entire day to compile the materials. When the Commission of OLTA has vacancies, without an admin staff, the OLTA Manager would not have the needed administrative support to contact applicants, schedule, and coordinate interviews with applicants, ensure training requirements, etc.

#	Program	FY23 Approved	FY24 CE Recommended	% Change FY23 App. to FY24 Rec.
<b>Department of Housing and Community Affairs (DHCA)</b>				
	Administration	\$2,331,339	\$2,551,169	9.43%
	Affordable Housing Programs	\$925,856	\$1,138,019	22.92%
	Common Ownership Community Program	\$905,190	\$1,011,332	11.73%
	Grants Administration - Federal Programs	\$8,741,200	\$9,346,977	6.93%
	Housing Administration	\$399,229	\$443,491	11.09%
	Multi-Family Housing Programs	\$46,541,710	\$45,327,836	-2.61%
	Code Enforcement	\$4,768,248	\$5,505,188	15.46%
	Landlord-Tenant Mediation	\$1,487,910	\$2,104,741	41.46%
	Licensing and Registration	\$470,853	\$571,186	21.31%
	Neighborhood Revitalization	\$1,876,950	\$1,398,926	-25.47%
	<b>Total DHCA Affordable Housing Programs (General and Grant Funded)</b>	<b>\$68,448,485</b>	<b>\$69,398,865</b>	
<i>Rental Assistance</i>				
1	Eviction Prevention (HPRA- Homeless Prevention and Relocation Assistance)	\$432,062	\$445,025	3.00%
2	Rental Assistance (based on Existing Rental Agreements)	\$2,446,907	\$2,691,318	9.99%
3	Capitalized Rental Assistance (to Reduce Rents on New HCA-financed Projects)	\$428,171	\$391,400	-8.59%
4	Hampshire Towers Rental Assistance (10-Years)	\$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
<b>A</b>	<b>Total DHCA Affordable Housing Programs (HIF-funded)</b>	<b>\$6,705,777</b>	<b>\$4,839,803</b>	<b>-27.83%</b>
<b>Department of Health and Human Services (HHS)</b>				
<i>Rental Assistance</i>				
7	Rental Assistance	\$4,097,726	\$4,097,726	0.00%
8	Rental Assistance Program - State Match	\$142,011	\$142,011	0.00%
9	Exp. Hsg 1st - DHHS HIP Rental Subsidies (10 Singles / 10 Families)	\$419,828	\$419,828	0.00%
10	Exp. Hsg 1st - DHHS HIP Service Coordination	\$88,580	\$88,580	0.00%
11	Exp. Hsg 1st - Client Needs	\$153,882	\$153,882	0.00%
12	Exp. Hsg 1st - County RAP (150 Subsidies)	\$431,673	\$431,673	0.00%
13	Med Vulnerable Adults - Rental Subsidies (25 singles)	\$478,641	\$478,641	0.00%
14	Med Vulnerable Adults - Supportive Services (25 singles)	\$322,081	\$322,081	0.00%
15	Rental Assistance Program - Case Manager - IAPS (Broker Position)	\$62,727	\$62,727	0.00%
16	MCCH - PPH (previously HOME)	\$656,728	\$656,728	0.00%
17	Rapid Rehousing Program	\$220,935	\$220,935	0.00%
18	Progress Place PLQ's	\$336,810	\$336,810	0.00%
19	MCCH - PPH	\$175,436	\$175,436	0.00%
20	HHS Rental Assistance Gap	\$499,214	\$499,214	0.00%
<b>B</b>	<b>Total DHHS Affordable Housing Programs (HIF-funded)</b>	<b>\$8,086,272</b>	<b>\$8,086,272</b>	<b>0.00%</b>
<b>Housing Opportunities Commission (HOC)</b>				
<i>Opportunity Housing</i>				
<i>Rental Assistance</i>				
21	Rent Supplement Program	\$2,181,798	\$2,038,996	-6.55%
22	Move Up Initiative	\$177,369	\$320,160	80.51%
23	Community Choice Homes Initiative / McKinney Supporting Hsg Prog	\$720,677	\$720,677	0.00%
24	Youth Bridge Initiative	\$88,682	\$88,682	0.00%
	Mortgage Purchase Program	\$3,000,000	IP*	IP*
	Montgomery Homeownership Program	\$3,000,000	IP*	IP*
<b>C</b>	<b>Total HOC Affordable Housing Programs (HIF-funded)</b>	<b>\$3,168,526</b>	<b>\$3,168,515</b>	<b>0.00%</b>
<b>D</b>	<b>Emergency Rental Assistance Contingency (in HIF)</b>	<b>\$1,550,073</b>	<b>\$179,000</b>	<b>-88.45%</b>
<b>E</b>	<b>Total HIF for Rental Assistance</b>	<b>\$19,510,648</b>	<b>\$16,273,590</b>	<b>-16.59%</b>
<b>Non-Competitive Contracts</b>				
39	A Wider Circle	\$350,290	\$360,800	3.00%
40	CASA	\$457,575	\$471,300	3.00%
41	Community Reach	\$22,248	\$22,915	3.00%
42	Eastern Montgomery Emergency Assistance Network	\$27,810	\$28,640	2.98%
43	Enterprise Community Partners	-	\$384,936	N/A
44	Habitat for Humanity Metro Maryland	\$44,496	\$195,830	340.11%
45	Housing Initiative Partnership	\$116,640	\$224,210	92.22%
46	Housing Unlimited	\$88,992	\$91,660	3.00%
47	Latino Economic Development Corporation of Washington, D.C.	\$60,000	\$119,310	98.85%
48	Legal Aid Bureau	\$118,800	\$55,770	-53.06%
49	Montgomery County Renters Alliance	\$70,000	\$244,290	248.99%
50	Montgomery Housing Partnership	\$317,034	\$326,530	3.00%
51	Rebuilding Together Montgomery County	\$406,026	\$568,205	39.94%
<b>F</b>	<b>Total Non-Competitive Contracts (DHCA General Fund and/or HIF)</b>	<b>\$2,079,911</b>	<b>\$3,094,396</b>	<b>48.78%</b>

## Council Staff Requests DHCA to Provide Responses by 4/15

### 3/13 PHP: PILOT Issues

- Council staff and Executive staff (DHCA, OMB, FIN, and OCA) to develop proposal to shift funding for capital lending out of HIF and into CIP (Affordable Housing Preservation and Acquisition project)
  - Target completion date: during FY24 budget work sessions
  - Next steps: Council staff to set up meeting with Executive departments to discuss proposal
  
- Q: Identify what DHCA needs to accelerate PILOT review/determination/loan closing from 30-60 days to 7 days, including whether finance office still needs to be involved since they require 2 weeks to review
 

**A: DHCA does not provide approvals for PILOTs and can only recommend PILOTs to the Department of Finance. The Department of Finance approves all PILOTs.**

  - All PILOTs receive regulatory and legal review.
  - DHCA will strive to complete its regulatory review within the requested seven (7) days.
  
- Develop better information online about HIF balance, PILOT, etc.
  - Next steps: Council and DHCA staff to review current format for quarterly reports
  
- Q: DHCA to develop outreach efforts with faith-based institutions for PILOT and other housing programs.

**A: DHCA is working with Kate Chance, Community Outreach Manager for Montgomery County’s Office of Community Outreach to engage with several houses of worship that have expressed interest in developing unused land and/or repurposing existing buildings for affordable housing.**

**Community Outreach and DHCA have scheduled interviews with candidates this month for a summer internship to research and evaluate development strategies and potential obstacles for the interested houses of worship.**

- Q: DHCA to update/improve website to advertise PILOT
 

**A: DHCA is testing and reviewing for improved website advertisement to include PILOT materials. We expect the PILOT page to be uploaded by the end of April or sooner.**
  
- Q: DHCA to look at identifying dollar value of PILOT’s granted since 2010 (coordinate with Finance)
 

**A: See the Attached Spreadsheet “County PILOT Value FY10-FY23 to date”.**
  
- Q: Coordinate with NHT to identify how much each AHOF project attracted in non-County money -

Project	AHOF Funds	Total Project Cost	Leverage Factor	Project Status
ECD Parkside	5,000,000	20,000,000	4	Closed 12/16/22
Leeland Tenant Association	281,250	2,500,445	9	Closed 2/24/23

MHP Rollingwood	2,000,000	73,163,542	36	Committed – closing scheduled 4/30/23
Victory Hampshire Village (AHOF only)	5,000,000	20,000,000	4	Committed – closing anticipated 4/15/23
Total	12,281,250	115,663,987		

- Q: For the deals done by AHOF, do the funds leveraged include DHCA loans? If so, how much and can they recalculate leverage amount w/o those loans?

Project	AHOF	Total Project Cost	Leverage Factor	Project Status
Victory Hampshire Village (AHOF + HOME)	10,000,000	20,000,000	2	Committed – closing anticipated 4/15/23

- Q: Post quarterly reports on capital spending on website; improve format.  
A: **DHCA will be working with Council staff to finalize and approve the reporting format before the quarterly reports can be uploaded onto DHCA’s website.**
- Q: Add information on quarterly reports on how much time each project took from application/contact to closing.

**A: DHCA is not the sole funding source in many of the projects that receive DHCA investment. As the subordinate lender, DHCA does not determine the closing schedule. All projects are subject to the ability of the developer to obtain all the elements and resources to close the deal. Where DHCA/Montgomery County is the sole financial resource, closings may occur faster. Recent examples include following:**

**Forest Glen:** which received its initial letter of Montgomery County financial support in 2019 and did not close until December 2022. During this period the developer, Montgomery Housing Partnership, had to secure site entitlements along with senior debt and equity investment, and in the interim, the Montgomery County investment in the project doubled. This was a site redevelopment which included the demolition of existing property and the re-zoning and re-design of the property for the current project.

**Parkside Terrace:** another AHOF project, submitted its initial AHOF application in June of 2022 and closed in December 2022. This was an acquisition.

**Lee Avenue:** a resident acquisition through a Right of First Refusal in Takoma Park. Lee Avenue is an AHOF funded project, was initially presented to DHCA in March of 2022 and received its letter of financial support in July of 2022. This project was initially received as a Right of First Refusal in July 2021.

### **3/14 PHP on Fire**

- Earl said he will look at members of community that may hesitate to call 911 – Council staff will get responses from the ACAO directly.
- Q: Jawando wanted a plan in writing or plan of action on how they work with those with mobility challenges, also how DPS prioritizes the buildings that are grandfathered.

A: DHCA does not enforce how one works with mobility challenges. The Maryland Accessibility Code requires all multifamily landlords and developers with four or more units in a building to make accessibility modifications when they build or substantially renovate their properties. Upon substantially renovating a property, owners of multifamily units can make one accessible unit for every 25 units (or 4%) fully accessible or alter all ground floor units to make more limited modifications for persons using wheelchairs. Normal maintenance, reroofing, and changes to mechanical or electrical systems do not trigger compliance with accessibility modifications. For more information on home modifications, visit [Maryland Department of Disabilities website](#).

Landlords can apply for a waiver if the accessibility renovations would be unreasonably expensive or structurally infeasible. Note that the Maryland Department of Housing and Community Development does not have authority to waive accessibility requirements imposed by federal law.

### **3/14 PHP – Trouble Properties & Code Enforcement**

- Single-family troubled properties  
**There is no terminology or a list of Single -family troubled properties. DHCA is complaint driven as it pertains to single-family/Condo rental properties.**

- Q: How many single-family rentals are in the dataset in total? (we don't use that terminology here so could we just how many tend to come to our attention for code violations and do we know how many are repeat issues?)

A: There are currently 24,604 single-family/condos licensed properties in our database. Although there may be repeat offenders, this information is documented in our system under a note status and not a field in which data is collected or can be pulled to analyze. In the event of a new complaint case at the same address, the inspectors will look at related cases to determine how to proceed if the infraction is repeated.

- Q: Who owns rental licenses for SF rentals? Are there common landlords for multiple properties?

A: Single-family rental properties that are licensed are labeled by owner types to include, but not limited to names, corporations, nonprofits, etc. There are no unique identifiers to associate ownership to different properties. The charts below are an example of how single-family properties are labeled.

Condo License Owner Types	Count of Owner Types	Single Family License Owner Types	Count of Owner Types
Common Ownership Community	0	Common Ownership Community	0
Corporation	170	Corporation	268
Housing Opportunity Commission	328	Housing Opportunity Commission	1,249
LLC – Limited Liability Company	452	LLC – Limited Liability Company	351
Partnership	44	Partnership	99

Sole ownership/Proprietor	7,359	Sole ownership/Proprietor	13,710
Trust	213	Trust	358
Non-Profit Organization	1	Non-Profit Organization	2
<b>Total</b>	<b>8,567</b>	<b>Total</b>	<b>16,037</b>

- Q: What is breakdown of enforcement actions for MF vs. SF?

A: The chart below shows a breakdown of our case count for inspection and enforcement from 01/1/2019 to present.

Case Type	Count of Cases
Administrative-MF	1,665
Complaint-MF	6,515
Administrative-SF	2,396
Complaint-SF	14,830

- Q: How many complaints for SF received by neighbors vs. tenants?

A: DHCA does not keep collecting this data to ensure confidentiality. The Maryland Public Information Act does not require disclosure of the identity of the complainant if the agency assured the complainant of confidentiality. (Bowen v. Davison, 135 Md. App. 152, 761 A.2d 1013 (2000), citing §2-27 and Chapter 26, Housing and Building Maintenance Standards.)

- Q: What is breakdown by type of complaint?

A: Cases are not created based on the types of complaints reported. Therefore, we cannot provide a breakdown of the types of complaints. We can provide data on the violation typed once inspected.

- Q: How often do SF rentals change landlords?

A: DHCA cannot determine how often single-family rentals changed landlord as this data is not kept. Single-family landlords typically are changed as the properties are sold or become owner/relative occupied. There is no guarantee that after properties are sold that the property will come back online as a rental unit.

- Q: Jawando asked if DHCA could come up with recommendations on what a proactive approach for single family units could look like.

A proactive approach would be to start inspecting all single-family/condos when new applications are received by licensing prior to landlords receiving a rental license and prior to the landlord allowing a tenant to occupy the property. Currently single-family/condo units are not Inspected prior to receiving a license and are only inspected

on a complaint basis. Given the appropriate number of staff, DHCA could perform a surge of inspection for all existing single-family rental properties to develop a baseline based on violations found, severity of violations to rate the units to determine how frequently these rentals are inspected, similar to Bill 19-15 with multi-family rental properties.

- MF troubled properties (Council staff can assist with analyzing data)

- Q: How many license holders relative to number of MF properties?

A: Licensing and Registration does not track the number of licenses belonging to one license holder. We can attempt to analyze the dataset to come up with how many license holders are responsible for the multifamily properties. This would require research on the department's behalf as the owner's information may not be the same. Most multifamily properties owners have different owner names for each property that corresponds with LLC created.

- Q: How much are rents being charged for troubled/at-risk? Current rents vs. over time?

A: Licensing and Registration section request rents from landlords once a year during the Annual Rental Survey. The survey responses are not due back until April 30<sup>th</sup>. L&R would be prepared to respond to this question in the next 30 to 60 days.

- Q: Look at change in troubled/at-risk status over time since bill enacted. How many properties have stayed on the troubled list for more than a year, analyzing from the inception of the program?

A: When a property is designated as troubled, the property is inspected on a yearly basis and depending on the ratings, if a property is no longer deemed troubled then that property is removed off the list. DHCA is unable to provide a list currently to determine which properties have stayed on the list for more than a year.

- Q: What fines are charged per additional inspection?

A: The troubled property executive regulation calls for fees to be charged for additional inspections. However, we have not imposed the fees because DHCA is in the process of recruiting an IT developer staff.

- Follow-up on creating hotline for complaints and portal for submitting complaints with video/photos.

Currently the MC311 serves as the hotline to handle all complaints and allows residents to upload photos or videos to its current portal.

- When can DHCA publish better-formatted report on DHCA website?

DHCA IT Team is working with Code Enforcement to identify the existing formatting issues and develop something that would be useful and effective for publishing on the website.



- Can DHCA highlight via press release top troubled/at-risk properties?

DHCA would need to consult with the County Attorney's office and other Executive staff to determine how best to communicate or release the top troubled/at-risk properties via the press release.

- Can County require landlords to disclose recent complaints with property and/or individual units?

If a tenant were to file a complaint with OLTA, or if OLTA were to open an administrative case against the landlord, and if the disclosure of complaints would facilitate the investigation process, then yes. Under Section 29-5(c) of the Montgomery County Code, "The Department has jurisdiction...in connection with this authority, each landlord must make available to the Director for inspection at reasonable times all rental housing and records necessary to enforce this Chapter or investigate any complaints filed under this Chapter."

- Can County require renter's insurance?

The County cannot require renter's insurance, as there is no State or County law mandating renter's insurance. This would require legislative reform. Currently, only a landlord can require a tenant to obtain renters' insurance via lease requirements.

- What is remedy if source of problem is another tenant in adjacent unit (vs. landlord)?

OLTA does not resolve tenant vs. tenant disputes as it does not fall into our jurisdiction. The tenants can opt for voluntary mediation with an entity such as the Conflict Resolution Center of Montgomery County or they can file a lawsuit in District Court. If the dispute with the tenant is resulting in a material breach of lease by the landlord, the complaining tenant can file a complaint with OLTA to mediate a release of the lease.

- Provide information on # of inspectors for code enforcement over last five fiscal years (FY23 through FY19)

Data was available for the last 3 fiscal years. The number of active inspectors in FY21, FY22, and FY23 were 30, 28, and 31 respectively.

- Q: Budgeted vs. actual? What is rate of turnover for CE inspectors?

A: Housing Code Inspector III position can be underfilled at Levels 2, 1, or PAA (public administrative associate) but they're all budgeted at a level 3. An employee at a lower level can be promoted through non-competitive promotion once they reach the years of experience required for the next level. Someone who was a Level 1 Inspector in 2019 will not be in the same position by 2022. There are at least 2 non-competitive promotions each year.

FY21, FY22, and FY23 YTD inspector turnover rate was 7.02%, 3.39%, and 6.25% respectively. The hiring freeze went into effect in March 2020 and was lifted in July 2022. During the first portion of COVID, inspectors were placed on admin leave until

inspections resumed when there was limited work to be performed remotely. Full inspections resumed after COVID.

- Can DHCA create a standardized check-list for CE inspectors? Has this been explored before?

Yes. The Code Enforcement section is working on training development for all inspectors and a checklist of training requirements will be forthcoming once an SOP is finalized.

- Enforcement actions:

- Provide fee schedule:

- How many fines for violations for troubled properties have been levied over past three years?

Through collaboration with DHCA, the County Attorney's Office currently has a database containing all violations issued for citation. However, that database does not have the needed features or functionalities to determine specific source of violation. Due to personnel transitions in the DHCA IT team over the past three years, the existing database was not able to be updated to generate the needed fee schedule for violations as planned or desired. While DHCA is in the process of filling the IT positions, we are planning to seek assistance from the TEBS staff to begin identifying critical elements so we can develop the fee schedules for those troubled properties once our full IT complement is in place.

- What is most common source of violation where fines levied?

As stated above, this information is currently unavailable.

- What is average amount of time between violation and court action initiation?

6 months.

- How many court actions have been initiated over last three years?

Executive regulations call for fees to be charged for additional inspections. There are no mechanisms for the handling of these fees in the DHCA Code database. Since we have had unfilled IT positions, we have not had the IT Staff to add these features to the database. Once we are back to our full IT complement, we plan on adding this ability. We will then be able to impose the fee for additional inspections.