

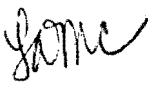
PHED COMMITTEE #2
April 20, 2012

WORKSESSION

MEMORANDUM

April 19, 2012

TO: Planning, Housing and Economic Development (PHED) Committee

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **FY13 Operating Budget: Department of Housing and Community Affairs**

Those expected for this worksession:

Richard Nelson, Director, Department of Housing and Community Affairs
Jalal Greene, Chief, DHCA Housing Division
LuAnn Korona, Chief, Community Affairs Division
Tim Goetzinger, DHCA Management and Budget
Beryl Feinberg, Office of Management and Budget
Jennifer Bryant, Office of Management and Budget

Excerpts from the County Executive's Recommended Budget are attached at ©1-9.

1. EXPENDITURE OVERVIEW

For FY13, the Executive is recommending an appropriation of \$29,062,068 for the Department of Housing and Community Affairs. This is an increase of \$3,203,158 (12.4%) from the FY12 original approved budget. DHCA's total appropriation is from three funds: (1) the General Fund, (2) the Grant Fund, and (3) the Montgomery Housing Initiative Fund (referred to as the MHI or the HIF). The following table provides an overview of the dollar changes since FY10. Prior to this, the Committee will have reviewed the HIF jointly with the HHS Committee. The increase to DHCA comes from increases to the HIF.

DHCA Expenditures by Fund	FY10 Actual	FY11 Actual	FY12 Budget	FY13 Recommend	Change FY12-13
General Fund	\$ 4,443,941	\$ 3,901,690	\$ 3,307,560	\$ 4,368,986	32.1%
Grant Fund	\$ 17,573,191	\$ 7,751,030	\$ 7,185,590	\$ 5,305,360	-26.2%
Montgomery Housing Initiative Fund	\$ 29,928,403	\$ 13,904,700	\$ 15,365,760	\$ 19,387,722	26.2%
TOTAL	\$ 51,945,535	\$ 25,557,420	\$ 25,858,910	\$ 29,062,068	12.4%

Department of Housing and Community Affairs Expenditures in (\$000s)	FY10 Original Approved	FY11 Original Approved	FY12 Approved	FY13 Rec	Change FY12-13
Multi-Family Housing Programs	30,951	13,346	14,723	18,731	27.2%
Single Family Housing Programs	655	898	863	874	1.3%
Housing Code Enforcement	1,957	1,376	1,008	1,600	58.7%
Grants Administration - Federal	7,520	7,443	6,900	5,114	-25.9%
Landlord-Tenant Mediation	1,022	837	762	1,009	32.4%
Neighborhood Revitalization	261	168	128	104	-18.8%
Licensing and Registration	381	371	349	386	10.6%
Housing Administration	105	216	308	276	-10.4%
Administration	926	903	818	968	18.3%
TOTAL	43,778	25,558	25,859	29,062	12.4%

In addition to the appropriation to DHCA, certain positions in DHCA are charged to the CIP or other departments. The following two tables summarize these charges. Charges to the CIP have declined since FY10 but are basically unchanged from FY12 to FY13. (Note: with the exception of the HIF Acquisition program, the DHCA CIP is primarily funded by CDBG or other non-county sources.)

Charges to Other Departments - Dollars	FY10 Budget	FY11 Budget	FY12 Budget	FY13 Recommend	Change FY12-13
CIP Projects	\$ 858,140	\$ 657,800	\$ 657,800	\$ 719,242	9.3%
Health and Human Services			\$ 77,200	\$ -	-100.0%
Permitting Services	\$ 118,000	\$ 121,620	\$ 121,060	\$ 121,059	0.0%
Solid Waste Disposal	\$ 683,610	\$ 695,310	\$ 705,500	\$ 705,500	0.0%
TOTAL	\$ 1,659,750	\$ 1,474,730	\$ 1,561,560	\$ 1,545,801	-1.0%

2. REVENUES

Revenues to DHCA are credited to each of the three funds. The story for FY13 is that Federal grant funds have been substantially reduced. Overall, DHCA is seeing a 32% reduction in Federal grants.

	FY12 Budget	FY13 Budget	Change
Community Development Block Grant	3,834,970	2,852,972	-25.6%
HOME	2,712,480	1,814,248	-33.1%

3. DEPARTMENT-WIDE INCREASES

The FY13 DHCA Recommended Budget includes \$429,240 in department-wide adjustments. Compensation and motorpool adjustments are reviewed respectively by the GO and T&E Committee.

General Fund:	
Lump sum payment	106,678
Group Insurance Adjustment	115,503
Retirement Adjustment	113,936
Longevity Adjustment	708
Motorpool Adjustment	12,240
MHI:	
Lump sum payment	25,337
Group Insurance Adjustment	23,166
Retirement Adjustment	31,522
Motorpool Adjustment	150
TOTAL	429,240

4. SPECIFIC CHANGES by PROGRAM AREA

Almost all the specific changes listed in the Recommended Budget book are the shifting of the source of funding for personnel from a grant source **back to** a General Fund sources, more specifically revenue from Landlord-Tenant fees. During the last two years, the Executive and Council agreed that a portion of the Landlord –Tenant fees could go to support General Fund expenditures agency wide. In part this was possible because of the increase in Federal grant funding. Staff was reassigned to administer these Federal grants and charged to the Grant Fund. Now that the grants have gone away, they have returned to prior duties and are shifted back to General Fund sources.

Rather than go through and review each part of a FTE in each program, Council staff provides the following summary of the FTEs that are being returned to funding from Landlord-Tenant revenues. These are the changes only, a total of \$2.94 million in personnel costs are covered by Landlord-Tenant fees that are expected to be \$4.9 million in FY13.

Code Inspectors	7.4FTEs	\$610,304
Landlord-Tenant Mediation	.6FTE	\$ 80,717
DHCA Director	.1FTE	\$ 22,484
Financial Management	.3FTE	\$ 31,398
Chief – Community Dev	.1FTE	\$ 18,911
Chief – Housing Div	.4FTE	\$ 73,233

In addition, \$222,342 and 1.6 FTEs are being shifted from an ARRA Weatherization Grant that is no longer available to CDBG funding. **Council staff recommends approval.**

Other Recommended Changes:

A. Multi-Family Housing Program

The Executive is recommending \$18,731,465 and 8FTEs for this program that provides loans and other financing to create and preserve affordable housing units. Funds for this program include the HIF, CDBG funds, Federal HOME funds, and State grants.

1. Silver Spring Senior Housing \$1,500,000

The Committee will have reviewed this item jointly with the HHS Committee.

2. Multi-program Adjustments \$2,408,725 and -2FTEs

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. For FY13, the County has moved from calculating Workyears (that would include lapse and overtime effort) to FTEs that sum full-time and part-time positions. This generally requires a technical adjustment to increase FTEs as lapse is no longer included. **For this program, the multi-agency adjustment includes adjustment to the operating expenses in the HIF which is why it is so large. Council staff recommends approval.**

B. Single-Family Housing Program

The Executive is recommending \$874,385 and 8FTEs for this program that oversees the Moderately Priced Dwelling Unit program, single family rehabilitation, group home rehabilitation, home replacement, weatherization, and sprinkler programs.

1. Multi-program Adjustments -\$210,879 and -1.1FTEs

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. For FY13, the County has moved from calculating Workyears (that would include lapse and overtime effort) to FTEs that sum full-time and part-time positions. This generally requires a technical adjustment to increase FTEs as lapse is no longer included. **Council staff recommends approval.**

2. Weatherization – new grants

The budget highlights note that the Department will be administering two new weatherization grants that will provide funding over two to three years. They will provide energy saving housing renovations for income-eligible residents. It is expected that total funding will be between \$1.5 and \$2

million. Funding will come from the State EmPower program and other funding will come from the Department of Energy. DHCA expects that the households served will generally have incomes between 40% and 60% of AMI.

C. Housing Code Enforcement

The Executive is recommending \$1,599,524 and 19.1FTEs for this program that enforces sections of the County Code relating to housing maintenance, solid waste, and weeds and rubbish. Most single-family home cases are the result of a complaint. There are regular inspections of multi-family units. For FY13, 5.5FTEs are charged to the Division of Solid Waste.

1. Multi-program Adjustments \$429,834 and 2.2FTEs

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. For FY13, the County has moved from calculating Workyears (that would include lapse and overtime effort) to FTEs that sum full-time and part-time positions. This generally requires a technical adjustment to increase FTEs as lapse is no longer included. **Council staff recommends approval.**

D. Grants Administration – Federal Programs

The Executive is recommending a \$5,114,184 and 5.6FTEs in this program that manages and oversees grants from the CDBG, HOME, and Emergency Shelter programs. DHCA coordinates with the cities of Rockville and Takoma Park and non-profit organizations.

1. Multi-program Adjustments -\$84,905 and 5.3FTEs

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. For FY13, the County has moved from calculating Workyears (that would include lapse and overtime effort) to FTEs that sum full-time and part-time positions. This generally requires a technical adjustment to increase FTEs as lapse is no longer included. **Council staff recommends approval.**

This program also houses the CDBG, HOME, and ESG grant that are provided later in this packet.

E. Landlord Tenant Mediation

The Executive is recommending \$1,009,230 and 7.5FTEs for this program that assists in mediating disputes between landlords and tenants and encourages improvement maintenance of housing. Unresolved complaints are forwarded to the Commission on Landlord –Tenant Affairs.

1. Multi-program Adjustments
\$93,832 and 0FTEs

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. For FY13, the County has moved from calculating Workyears (that would include lapse and overtime effort) to FTEs that sum full-time and part-time positions. This generally requires a technical adjustment to increase FTEs as lapse is no longer included. **Council staff recommends approval.**

F. Neighborhood Revitalization

The Executive is recommending \$103,790 and 1.5FTEs for this program that provides planning and implementation for commercial revitalization in targeted areas and residential neighborhoods. Most funding for this effort comes from Federal and State funds.

1. Multi-program Adjustments
-\$24,470 and -1.8FTEs

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. For FY13, the County has moved from calculating Workyears (that would include lapse and overtime effort) to FTEs that sum full-time and part-time positions. This generally requires a technical adjustment to increase FTEs as lapse is no longer included. **Council staff recommends approval.**

G. Licensing and Registration

The Executive is recommending \$385,506 and 3FTEs for this program that is responsible for licensing all rental housing and registering all housing units that are within common ownership communities. This includes single family, townhouses, apartments, condominiums and accessory apartments.

1. Multi-program Adjustments
\$36,376 and 0FTEs

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. For FY13, the County has moved from calculating Workyears (that would include lapse and overtime effort) to FTEs that sum full-time and part-time positions. This generally requires a technical adjustment to increase FTEs as lapse is no longer included. **Council staff recommends approval.**

H. Housing Administration

The Executive is recommending \$276,348 and 3FTEs for this program that provides management, oversight, and support to the housing division.

1. Multi-program Adjustments \$84,207 and .9FTEs

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. For FY13, the County has moved from calculating Workyears (that would include lapse and overtime effort) to FTEs that sum full-time and part-time positions. This generally requires a technical adjustment to increase FTEs as lapse is no longer included. **Council staff recommends approval.**

I. Administration

The Executive is recommending \$967,636 and 9.8FTEs for this program that provides overall administration of the Department including the Director's Office, budget, and technology support.

1. Multi-program Adjustments \$106,898 and 1.1FTEs

Multi-program adjustments account for compensation changes, annualizations and other items impacting more than one program. For FY13, the County has moved from calculating Workyears (that would include lapse and overtime effort) to FTEs that sum full-time and part-time positions. This generally requires a technical adjustment to increase FTEs as lapse is no longer included. **Council staff recommends approval.**

5. CDBG, HOME, and ESG Grants

Each year the Department receives funding through the Community Development Block Grant, Federal HOME program, and Emergency Shelter Grant programs.

CDBG funds are used to (1) complete projects funded through the CIP, (2) fund projects that are directly administered by DHCA such as housing preservation, commercial area revitalization, and code enforcement, (3) grants to non-profit providers, and (4) projects administered by the City of Rockville and the City of Takoma Park.

A full listing of the uses of these funds is attached at © 10-17. The Council has received correspondence from the Greater Glenmont Civic Association and Montgomery Housing Partnership about the elimination of the funding to MHP for assistance to the Connecticut Avenue Estates and Glenmont Neighborhoods (©18-24). While the overall funding for the CDBG program has been reduced substantially, the amount allocated for Focused Neighborhood Assistance is being sustained at

\$720,000. However, last year there was also CDBG-R monies that were used for this same purpose but CDBG-R monies are no longer available. Last year, DHCA's CDBG action plan said that resources have been focused in two neighborhoods, one in the mid-county (Wheaton/Glenmont) and one in the upcounty (Germantown/Gunner's Lake); two other neighborhood will be selected in FY12. The new action plan (©10) says that resources are now being focused on Cinnamon Woods and McKendree (Montgomery Village). **Council staff understand that the Greater Glenmont Civic Association's request but does not recommend any change to DHCA's efforts to address issues in new neighborhoods.** Any restoration of the funding to Connecticut Avenue Estates would either require a redistribution of CDBG funding or the addition of General Funds to this program.

6. Neighborhoods to Call Home

Each year the HIF includes contractual services that help to support neighborhood. For FY13, the Executive is recommending to continue the three contracts in this program.

	FY11	FY12	FY13
Rebuilding Together	\$200,000	\$200,000	\$200,000
Long Branch Counseling (CASA)	\$ 89,120	\$250,000	\$250,000
Pine Ridge (CASA)	\$136,300	\$146,340	\$146,340

Council staff recommends approval.

Housing and Community Affairs

MISSION STATEMENT

The mission of the Department of Housing and Community Affairs is to plan and implement activities which prevent and correct problems that contribute to the physical decline of residential and commercial areas; ensure fair and equitable relations between landlords and tenants; increase the supply of affordable housing; and maintain existing housing in a safe and sanitary condition.

BUDGET OVERVIEW

The total recommended FY13 Operating Budget for the Department of Housing and Community Affairs is \$29,062,068, an increase of \$3,203,158 or 12.4 percent from the FY12 Approved Budget of \$25,858,910. Personnel Costs comprise 24.3 percent of the budget for 79 full-time positions and five part-time positions for 65.50 FTEs. Operating Expenses and Debt Service account for the remaining 75.7 percent of the FY13 budget.

DHCA expects the total signed agreements for affordable housing projects through the PILOT program to abate \$10.2 million in taxes in FY13.

In addition, this department's Capital Improvements Program (CIP) requires Current Revenue funding.

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

❖ **A Responsive, Accountable County Government**

❖ **Affordable Housing in an Inclusive Community**

❖ **Healthy and Sustainable Neighborhoods**

DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below, with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY12 estimates reflect funding based on the FY12 approved budget. The FY13 and FY14 figures are performance targets based on the FY13 recommended budget and funding for comparable service levels in FY14.

ACCOMPLISHMENTS AND INITIATIVES

❖ **Invest over \$32 million for Affordable Housing including the Montgomery Housing Initiative (MHI) fund and utilize \$13.4 million from the Affordable Housing Acquisition and Preservation CIP project. This dedicated funding provides for renovation of distressed housing, the acquisition and preservation of affordable housing units, creation of housing units for special needs residents, services to the "Building Neighborhoods to Call Home", and creation of mixed-income housing. Within this allocation is \$1.5 million for senior housing.**

❖ **Continue to use resources from the MHI fund to support rental assistance programs in the Department of Housing and Community Affairs (DHCA), Health and Human Services (DHHS) and the Housing Opportunities Commission (HOC).**

❖ **Continued funding from Federal Grants (Community Development Block Grant (CDBG), the HOME Investment Partnership Grant (HOME), and the Emergency Shelter Grant (ESG)) to provide funding for affordable housing, housing rehabilitation, commercial revitalization, focused neighborhood assistance, public services and preventing homelessness.**

❖ **Administer a new two to three-year state-funded Weatherization Program which will provide energy-saving housing renovations for income-eligible county residents.**

❖ **Continue to provide housing code enforcement to neighborhoods for improving safety and sanitary living**

conditions.

- ❖ **Continue to provide landlord-tenant mediation services to an expanding rental population and provide emergency housing services for eviction prevention.**

- ❖ **Productivity Improvements**

- **Migrate DHCA's House Loan and Rehab Loan applications to Oracle EBS Loan Servicing system. These improvements result in an application that is easier and less expensive to maintain, as well as improved integration with the County's enterprise systems.**
- **Migrate part of DHCA Licensing application to Oracle (accounts receivable). Redesign Geographic Information Systems (GIS) online apartment directory (using new enterprise data sources). These improvements result in an application that is easier and less expensive to maintain, improved identification of unlicensed residential rental properties, and integration with the County's enterprise systems.**
- **Pilot Siebel CRM Licensing system for Housing Rental License and Registration System (HLRS). These improvements result in an application that is easier and less expensive to maintain and integrated with the County's enterprise systems.**

PROGRAM CONTACTS

Contact Tim Goetzinger of the Department of Housing and Community Affairs at 240.777.3728 or Jennifer Bryant of the Office of Management and Budget at 240.777.2761 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Multi-Family Housing Programs

This program creates and preserves affordable multi-family housing units. Loans are made to the Housing Opportunities Commission, 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;
- 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 FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Affordable housing units preserved - County funded ¹	254	802	802	329	343
Affordable housing units preserved - no cost to County	700	404	200	210	228
Affordable housing units preserved in production (pipe line)	330	440	379	340	128
Affordable housing units produced - County funded	436	497	412	434	193
Affordable housing units produced - no cost to County	114	184	193	203	213
Affordable housing units produced in production (pipe line) ²	949	311	307	73	28
Cost per unit of affordable housing units preserved ³	36,820	14,611	10,258	39,469	37,949
Cost per unit of affordable housing units produced ⁴	44,612	47,513	55,473	38,099	29,113

¹ The significant decrease from FY12 to FY13 is a result of the expiration of American Recovery and Reinvestment Act (ARRA) programs.

² The significant decrease from FY12 to FY13 is a result of the expiration of ARRA programs.

³ The significant decrease in per-unit cost in FY11 and FY12 and the subsequent increase in FY13 is a result of operating the Department of Energy (DOE) Weatherization (ARRA) program. Almost 1000 units were weatherized during FY11 and FY12, which at a per-unit cost of \$4,000, significantly decreased per-unit costs in this category.

⁴ Fluctuations are expected from year to year given that different projects have different funding gaps as well as different programs are more expensive to run than others.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	14,723,220	7.00
Enhance: Senior Housing	1,500,000	0.00
Shift: Expiration of ARRA Funding - Reallocate Personnel Cost to MHI	99,520	1.20
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	2,408,725	-0.20
FY13 CE Recommended	18,731,465	8.00

Single-Family 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 (SF) housing programs provide funding to replace, rehabilitate and weatherize single-family housing units and rehabilitate group homes (GH) for the special needs population. In addition, this program is responsible for the newly created Work Force Housing Initiative.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Number of Housing Units Improved/Rehabilitated ¹	136	578	475	27	27

¹ Programs include Single Family Rehab, Group Home Rehab, and Weatherization. Large increases in FY10 and FY11 are attributed to \$5.2 million in economic stimulus funds for the Weatherization Program. The projected decline in FY13 is attributed to the expiration of ARRA funds and reductions in CDBG (grant) funding.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	862,940	7.50
Shift: Expiration of ARRA Weatherization and CDBG-R Programs - Personnel Cost Reallocation to CDBG	222,342	1.60
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	-210,897	-1.10
FY13 CE Recommended	874,385	8.00

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; and 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.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Percent of Cases that Achieve Voluntary Compliance	94	94	94	94	94
Properties with more than two cases in a two year period	105	102	102	102	102

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	1,007,610	14.90
Increase Cost: Expiration of ARRA Funding - CDBG PC Reallocation to Landlord and Tenant Affairs (LTA) Fund	461,236	4.40
Increase Cost: Expiration of ARRA Funding - HOME Previous Year Funding - Personnel Cost Reallocation to LTA Fund	98,469	1.00
Increase Cost: Expiration of ARRA CDBG-R Funding - PC Reallocation to LTA Fund	63,615	1.00
Shift: Expiration of ARRA Weatherization Program - PC Reallocation from CDBG to the LTA Fund	-461,240	-4.40
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	429,834	2.20
FY13 CE Recommended	1,599,524	19.10

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 Shelter 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.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Number of Contracts Awarded and Monitored ¹	62	55	53	53	53

¹ Contracts include CDBG, ESG, HOME, MHI, Historic, Community Grants, and Empowerment Grants.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	6,899,760	3.50
Increase Cost: Expiration of ARRA Weatherization and CDBG-R Funding - PC Reallocation to General Fund	71,254	0.40
Add: Community Development Block Grant: Catholic Charities of the Archdiocese of Washington, Inc. (legal services for low-income immigrants)	45,000	0.00
Add: Community Development Block Grant: Mental Health Association of Montgomery County, Inc. (youth development and family support program for youth with emotional / behavioral problems)	45,000	0.00
Add: Community Development Block Grant: The National Center for Children and Families, Inc. (supportive services for residents of Betty's House, a transitional housing program for survivor's of domestic	45,000	0.00
Add: Community Development Block Grant: African Women's Cancer Awareness Association, Inc. (outreach to increase breast cancer screening among African immigrant women)	44,928	0.00
Add: Community Development Block Grant: Community Bridges, Inc. (out-of-school-time services for 4th and 5th grade girls)	43,194	0.00
Add: Community Development Block Grant: Ministries United Silver Spring Takoma Park, Inc. (eviction prevention housing and utility assistance)	42,986	0.00
Add: Community Development Block Grant: IMPACT Silver Spring, Inc. (Family Asset Building Network (FABNET) economic empowerment program)	40,000	0.00
Add: Community Development Block Grant: Community Ministries of Rockville (naturalization/citizenship preparation for foreign-born residents)	38,500	0.00
Add: Community Development Block Grant: Germantown Cultural Arts Center, Inc. d.b.a. BlackRock Center for the Arts (afterschool program for middle schoolers)	33,533	0.00
Add: Community Development Block Grant: Rockville Presbyterian Church (staffing support for homeless shelter)	32,361	0.00
Add: Community Development Block Grant: Sudanese American Community Development Organization, Inc. (weekend school to bridge the cultural and generation gap between immigrant parents and their children)	24,835	0.00
Add: Community Development Block Grant: Eastern Montgomery Emergency Assistance Network, Inc. (emergency prescription assistance)	22,000	0.00
Reduce: Charge Eligible Staff Identified from General Fund to a Prior Year's HOME Program Allocation	-130,593	-0.80
Reduce: Increase Amount Available to CDBG-CIP by Shifting Funds from Operating to Capital	-142,000	0.00
Decrease Cost: Adjust for Individual Grants	-457,337	0.00
Reduce: CDBG Program Grant Amount	-601,207	-2.20
Reduce: HOME Program Grant Amount	-898,125	-0.60
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	-84,905	5.30
FY13 CE Recommended	5,114,184	5.60

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.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Average days required to conciliate Landlord/Tenant disputes that do not go to the Commission	46	33	33	30	30
Percent of Landlord/Tenant cases mediated successfully (not referred to the Commission)	97	97	97	97	97

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	762,350	6.50
Increase Cost: Expiration of ARRA Funding - MHI Personnel Cost Reallocation to LTA Fund	153,048	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. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	93,832	0.00
FY13 CE Recommended	1,009,230	7.50

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.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Gains achieved in neighborhoods receiving DHCA neighborhood revitalization funding/services ¹	2	2	2	2	2

¹ Under development - data currently reflects number of neighborhoods

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	128,260	3.30
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	-24,470	-1.80
FY13 CE Recommended	103,790	1.50

Licensing and Registration

This program issues licenses to all rental housing (apartments, condominiums, single-family) and registers all housing units within common ownership communities.

Program Performance Measures	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Number of Rental Licenses Issued ¹	84,648	87,720	90,491	91,570	92,669

¹ Programs include Accessory Apartments, Condominiums, Single Family, and Apartments.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	349,130	3.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	36,376	0.00
FY13 CE Recommended	385,506	3.00

Housing Administration

This program provides management and oversight to support activities within the housing division including single and multi-family housing programs, code enforcement, and landlord tenant mediation.

This program was formerly included as part of Housing Development and Loan Programs.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	307,860	2.80
Decrease Cost: Miscellaneous Shifts in the General Fund to and from Grants and MHI	-42,486	-0.30
Shift: Housing Chief back to LTA Fund / General Fund	-73,233	-0.40
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	84,207	0.90
FY13 CE Recommended	276,348	3.00

Administration

This program provides overall direction, administration, and managerial support to the Department. Activities include budgeting, financial management, personnel management and administration, program oversight, training, automated systems management, and policy/program development and implementation (legislation, regulations, procedures).

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	817,780	8.40
Increase Cost: Expiration of ARRA Weatherization Funding - Personnel Cost Reallocation to LTA Fund	42,958	0.30
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	106,898	1.10
FY13 CE Recommended	967,636	9.80

BUDGET SUMMARY

	Actual FY11	Budget FY12	Estimated FY12	Recommended FY13	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	2,425,301	2,033,350	2,032,979	2,719,980	33.8%
Employee Benefits	897,506	793,120	859,252	1,160,816	46.4%
County General Fund Personnel Costs	3,322,807	2,826,470	2,892,231	3,880,796	37.3%
Operating Expenses	537,414	481,090	480,751	488,190	1.5%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	3,860,221	3,307,560	3,372,982	4,368,986	32.1%
PERSONNEL					
Full-Time	79	79	79	79	—
Part-Time	5	5	5	5	—
FTEs	29.60	26.50	26.50	36.90	39.2%
REVENUES					
Common Ownership Community Fees	411,359	0	0	0	—
Landlord-Tenant Fees	4,660,728	4,464,360	4,730,000	4,830,000	8.2%
Miscellaneous Revenues	24,378	20,000	20,000	20,000	—
Other Charges/Fees	5,896	0	0	0	—
Other Fines/Forfeitures	46,344	50,000	50,000	50,000	—
County General Fund Revenues	5,148,705	4,534,360	4,800,000	4,900,000	8.1%
GRANT FUND MCG					
EXPENDITURES					
Salaries and Wages	1,968,865	1,536,920	1,536,920	1,196,210	-22.2%
Employee Benefits	723,008	489,140	489,140	451,529	-7.7%
Grant Fund MCG Personnel Costs	2,691,873	2,026,060	2,026,060	1,647,739	-18.7%
Operating Expenses	7,110,581	5,159,530	5,159,530	3,657,621	-29.1%
Capital Outlay	0	0	0	0	—
Grant Fund MCG Expenditures	9,802,454	7,185,590	7,185,590	5,305,360	-26.2%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	17.10	17.30	17.30	13.80	-20.2%
REVENUES					
Federal Grants	8,606,755	5,860,590	5,860,590	3,980,360	-32.1%
Loan Payments	227,950	1,000,000	1,000,000	1,000,000	—
State Grants	830,430	325,000	325,000	325,000	—
Other Intergovernmental	137,319	0	0	0	—
Grant Fund MCG Revenues	9,802,454	7,185,590	7,185,590	5,305,360	-26.2%
MONTGOMERY HOUSING INITIATIVE					
EXPENDITURES					
Salaries and Wages	1,014,660	1,125,060	1,125,059	1,140,912	1.4%
Employee Benefits	338,734	389,820	406,053	400,465	2.7%
Montgomery Housing Initiative Personnel Costs	1,353,394	1,514,880	1,531,112	1,541,377	1.7%
Operating Expenses	14,349,092	13,779,150	13,762,658	17,776,575	29.0%

	Actual FY11	Budget FY12	Estimated FY12	Recommended FY13	% Chg Bud/Rec
Debt Service Other	0	71,730	71,730	69,770	-2.7%
Capital Outlay	0	0	0	0	—
Montgomery Housing Initiative Expenditures	15,702,486	15,365,760	15,365,500	19,387,722	26.2%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	12.00	13.10	13.10	14.80	13.0%
REVENUES					
Investment Income	600,547	380,000	600,000	500,000	31.6%
Loan Payments	8,182,556	1,750,000	1,750,000	2,500,000	42.9%
MHI Transfer Tax	1,157,171	750,000	750,000	750,000	—
Miscellaneous Revenues	568,487	25,000	25,000	75,006	200.0%
MPDU Revenues	1,543,575	2,450,000	2,450,000	1,500,000	-38.8%
Recordation Tax	3,361	0	0	4,415,500	—
Other Financing Sources	0	71,730	71,730	69,770	-2.7%
Montgomery Housing Initiative Revenues	12,055,697	5,426,730	5,646,730	9,810,276	80.8%
DEPARTMENT TOTALS					
Total Expenditures	29,365,161	25,858,910	25,924,072	29,062,068	12.4%
Total Full-Time Positions	79	79	79	79	—
Total Part-Time Positions	5	5	5	5	—
Total FTEs	58.70	56.90	56.90	65.50	15.1%
Total Revenues	27,006,856	17,146,680	17,632,320	20,015,636	16.7%

FY13 RECOMMENDED CHANGES

	Expenditures	FTEs
COUNTY GENERAL FUND		
FY12 ORIGINAL APPROPRIATION	3,307,560	26.50
Other Adjustments (with no service impacts)		
Increase Cost: Expiration of ARRA Funding - CDBG PC Reallocation to Landlord and Tenant Affairs (LTA) Fund [Housing Code Enforcement]	461,236	4.40
Increase Cost: Expiration of ARRA Funding - MHI Personnel Cost Reallocation to LTA Fund [Landlord-Tenant Mediation]	153,048	1.00
Increase Cost: Group Insurance Adjustment	115,503	0.00
Increase Cost: Retirement Adjustment	113,936	0.00
Increase Cost: Lump Sum Wage Adjustment	106,678	0.00
Increase Cost: Expiration of ARRA Funding - HOME Previous Year Funding - Personnel Cost Reallocation to LTA Fund [Housing Code Enforcement]	98,469	1.00
Increase Cost: Expiration of ARRA CDBG-R Funding - PC Reallocation to LTA Fund [Housing Code Enforcement]	63,615	1.00
Increase Cost: Expiration of ARRA Weatherization Funding - Personnel Cost Reallocation to LTA Fund [Administration]	42,958	0.30
Increase Cost: Motor Pool Rate Adjustment	12,240	0.00
Increase Cost: Longevity Adjustment	708	0.00
Technical Adj: Conversion of WYs to FTEs in the New Hyperion Budgeting System; FTEs are No Longer Measured for Overtime and Lapse	0	3.40
Shift: Help Desk - Desk Side Support to the Desktop Computer Modernization NDA	-510	0.00
Decrease Cost: Printing and Mail Adjustment	-4,630	0.00
Decrease Cost: Miscellaneous Shifts in the General Fund to and from Grants and MHI [Housing Administration]	-42,486	-0.30
Federal Programs		
Increase Cost: Expiration of ARRA Weatherization and CDBG-R Funding - PC Reallocation to General Fund	71,254	0.40
Reduce: Charge Eligible Staff Identified from General Fund to a Prior Year's HOME Program Allocation	-130,593	-0.80
FY13 RECOMMENDED:	4,368,986	36.90
GRANT FUND MCG		
FY12 ORIGINAL APPROPRIATION	7,185,590	17.30
Other Adjustments (with no service impacts)		
Shift: Expiration of ARRA Weatherization and CDBG-R Programs - Personnel Cost Reallocation to CDBG [Single-Family Housing Programs]	222,342	1.60

	Expenditures	FTEs
Technical Adj: Conversion of WYs to FTEs in the New Hyperion Budgeting System; FTEs are No Longer Measured for Overtime and Lapse	0	2.10
Shift: Expiration of ARRA Weatherization Program - PC Reallocation from CDBG to the LTA Fund [Housing Code Enforcement]	-461,240	-4.40
Federal Programs		
Add: Community Development Block Grant: African Women's Cancer Awareness Association, Inc. (outreach to increase breast cancer screening among African immigrant women)	44,928	0.00
Add: Community Development Block Grant: Catholic Charities of the Archdiocese of Washington, Inc. (legal services for low-income immigrants)	45,000	0.00
Add: Community Development Block Grant: Community Bridges, Inc. (out-of-school-time services for 4th and 5th grade girls)	43,194	0.00
Add: Community Development Block Grant: Community Ministries of Rockville (naturalization/citizenship preparation for foreign-born residents)	38,500	0.00
Add: Community Development Block Grant: Eastern Montgomery Emergency Assistance Network, Inc. (emergency prescription assistance)	22,000	0.00
Add: Community Development Block Grant: Germantown Cultural Arts Center, Inc. d.b.a. BlackRock Center for the Arts (afterschool program for middle schoolers)	33,533	0.00
Add: Community Development Block Grant: IMPACT Silver Spring, Inc. (Family Asset Building Network (FABNET) economic empowerment program)	40,000	0.00
Add: Community Development Block Grant: Mental Health Association of Montgomery County, Inc. (youth development and family support program for youth with emotional / behavioral problems)	45,000	0.00
Add: Community Development Block Grant: Ministries United Silver Spring Takoma Park, Inc. (eviction prevention housing and utility assistance)	42,986	0.00
Add: Community Development Block Grant: Rockville Presbyterian Church (staffing support for homeless shelter)	32,361	0.00
Add: Community Development Block Grant: Sudanese American Community Development Organization, Inc. (weekend school to bridge the cultural and generation gap between immigrant parents and their children)	24,835	0.00
Add: Community Development Block Grant: The National Center for Children and Families, Inc. (supportive services for residents of Betty's House, a transitional housing program for survivor's of domestic	45,000	0.00
Decrease Cost: Adjust for Individual Grants	-457,337	0.00
Reduce: CDBG Program Grant Amount	-601,207	-2.20
Reduce: HOME Program Grant Amount	-898,125	-0.60
Reduce: Increase Amount Available to CDBG-CIP by Shifting Funds from Operating to Capital	-142,000	0.00
FY13 RECOMMENDED:	5,305,360	13.80

MONTGOMERY HOUSING INITIATIVE

FY12 ORIGINAL APPROPRIATION	15,365,760	13.10
Changes (with service impacts)		
Enhance: Add Rental Assistance Funds	2,415,500	0.00
Enhance: Senior Housing [Multi-Family Housing Programs]	1,500,000	0.00
Other Adjustments (with no service impacts)		
Shift: Expiration of ARRA Funding - Reallocate Personnel Cost to MHI [Multi-Family Housing Programs]	99,520	1.20
Increase Cost: Retirement Adjustment	31,522	0.00
Increase Cost: Lump Sum Wage Adjustment	25,337	0.00
Increase Cost: Group Insurance Adjustment	23,166	0.00
Increase Cost: Motor Pool Rate Adjustment	150	0.00
Technical Adj: Conversion of WYs to FTEs in the New Hyperion Budgeting System; FTEs are No Longer Measured for Overtime and Lapse	0	1.50
Technical Adj: Shift Housing Placement for Special Needs Customers Back to the General Fund and from DHCA Personnel in MHI to Housing First Allocation Operating Expenses	0	-0.60
Shift: Housing Chief back to LTA Fund / General Fund [Housing Administration]	-73,233	-0.40
FY13 RECOMMENDED:	19,387,722	14.80

PROGRAM SUMMARY

Program Name	FY12 Approved		FY13 Recommended	
	Expenditures	FTEs	Expenditures	FTEs
Multi-Family Housing Programs	14,723,220	7.00	18,731,465	8.00
Single-Family Housing Programs	862,940	7.50	874,385	8.00
Housing Code Enforcement	1,007,610	14.90	1,599,524	19.10
Grants Administration - Federal Programs	6,899,760	3.50	5,114,184	5.60
Landlord-Tenant Mediation	762,350	6.50	1,009,230	7.50
Neighborhood Revitalization	128,260	3.30	103,790	1.50
Licensing and Registration	349,130	3.00	385,506	3.00
Housing Administration	307,860	2.80	276,348	3.00
Administration	817,780	8.40	967,636	9.80
Total	25,858,910	56.90	29,062,068	65.50

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY12		FY13	
		Total\$	FTEs	Total\$	FTEs
COUNTY GENERAL FUND					
CIP	CIP	657,800	5.20	719,242	6.10
Health and Human Services	Grant Fund MCG	77,200	0.50	0	0.00
Permitting Services	Permitting Services	121,059	1.00	121,059	1.00
Solid Waste Services	Solid Waste Disposal	705,500	5.90	705,500	5.50
Total		1,561,559	12.60	1,545,801	12.60

FUTURE FISCAL IMPACTS

Title	CE REC. FY13	FY14	FY15	(FY16)	FY17	FY18
This table is intended to present significant future fiscal impacts of the department's programs.						
COUNTY GENERAL FUND						
Expenditures						
FY13 Recommended	4,369	4,369	4,369	4,369	4,369	4,369
No inflation or compensation change is included in outyear projections.						
Elimination of One-Time Lump Sum Wage Adjustment	0	-107	-107	-107	-107	-107
This represents the elimination of the one-time lump sum wage increases paid in FY13.						
Subtotal Expenditures	4,369	4,262	4,262	4,262	4,262	4,262
MONTGOMERY HOUSING INITIATIVE						
Expenditures						
FY13 Recommended	19,388	19,388	19,388	19,388	19,388	19,388
No inflation or compensation change is included in outyear projections.						
Elimination of One-Time Lump Sum Wage Adjustment	0	-25	-25	-25	-25	-25
This represents the elimination of the one-time lump sum wage increases paid in FY13.						
Subtotal Expenditures	19,388	19,362	19,362	19,362	19,362	19,362

ACTION PLAN
Projected use of Funds for CDBG, HOME and ESG
July 1, 2012 – June 30, 2013

Community Development Block Grant (CDBG)
July 1, 2012 - June 30, 2013

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) **\$4,321,180**

The county expects to receive \$3,821,180 in CDBG funds for Fiscal Year 2013, and with anticipated program income of \$500,000, an estimated total of \$4,321,180 in CDBG funds will be available for the following activities.

CAPITAL IMPROVEMENTS PROJECTS **\$1,420,000**

Fenton Street Village Pedestrian Linkages **\$600,000**

This project provides pedestrian links in the commercial area located along the eastern edge of the Silver Spring Central Business District and is an extension of the streetscape program that is being implemented in the area.

Focused Neighborhood Assistance **\$720,000**

This project provides for focused neighborhood assistance in selected neighborhoods with a primary focus on residential areas. Project elements will comprehensively address community needs for neighborhood preservation and enhancement. Resources are currently focused in two neighborhoods – Cinnamon Woods in the Germantown area and the McKendree neighborhood of Montgomery Village.

Contingency (Capital) **\$100,000**

The fund will be used to cover an unanticipated design and construction related cost.

PROJECTS ADMINISTERED BY COUNTY GOVERNMENT

Department of Housing and Community Affairs (DHCA) **\$1,337,079**

Housing Acquisition and Preservation **\$1,070,406**

Funds will be used for affordable housing activities. Eligible activities include loans to assist in the purchase of existing properties for use as housing affordable to low- and moderate-income residents and funds for housing rehabilitation to enable low and moderate income owners of single-family homes and owners of multi-family properties occupied by low- and moderate-income tenants to eliminate code violations and make other necessary improvements, including accessibility and energy conservation improvements. Assistance may be provided for public housing modernization and for group home acquisition and/or rehabilitation. An estimated 30 units will be created, preserved, or improved.

Code Enforcement \$216,673
Funds will be used to partially cover costs incurred for code enforcement efforts in low-and moderate income areas in conjunction with other public or private improvements and services.

Facility Planning \$50,000
The fund will be used to conduct preliminary planning and design studies for a variety of projects dispersed throughout the County for possible inclusion in a future capital budget.

Administration (capped) \$780,450
This will fund DHCA's staff in planning, administration and monitoring of the CDBG program, including preparation of the Consolidated Plan, staff support for a citizens' advisory committee, environmental reviews, preparation of contracts, payment processing and auditing, federal reporting and loan servicing.

NONPROFIT PROVIDERS \$457,337
Funds will be used to provide a variety of CDBG-eligible public services to low- and moderate-income county residents eligible for CDBG-funded assistance:

African Women's Cancer Awareness Association (AWCAA) \$44,928
"Health Women 2012"
Support outreach efforts designed to increase breast cancer screening among African immigrant women. An estimated 300 people will benefit.

Catholic Charities of the Archdiocese of Washington \$45,000
"Immigration Legal Services"
Provide legal services to enable Montgomery County residents to resolve immigration issues in such areas as naturalization/citizenship, employment- and family-based permanent residency and consular processing. The Countywide program will benefit an estimated 125 people.

Community Bridges, Inc. \$43,194
"Jump Start Girls! Adelante Ninas Elementary School Program"
Support multi-cultural out-of-school-time activities for elementary school youth (4th & 5th graders) An estimated 48 students will benefit.

Community Ministries of Rockville, Inc. \$38,500
"Latino Outreach Program (LOP)"
Support the Naturalization Program which is designed to provide assistance to foreign-born residents preparing for citizenship. An estimated 334 people will benefit.

Eastern Montgomery Emergency Assistance Network, Inc (EMEAN) \$22,000
"Networking RX Assistance in Eastern Montgomery County"
Provide uninsured and under-insured Montgomery County residents with assistance in obtaining needed medical prescriptions. An estimated 65 people will benefit.

Germantown Cultural Arts Center, Inc. (dba, Black Rock Center for the Arts)	\$33,533
"Arts and Language"	
Support a comprehensive after-school program that utilizes instruction in playwriting and theatre production to improve reading, writing, and public speaking proficiencies in middle school students in Germantown. An estimated 60 students will benefit.	
IMPACT Silver Spring	\$40,000
"Family Asset Building Network (FABNET)"	
Support the development of FABNET, an asset-based approach to economic empowerment, to provide in-depth support to households over a 12-month period, including the provision of supportive skills in the areas of technology, home-based business creation, ESOL and general workforce development and the convening of support "circles" to assist participants in meeting their economic goals. The Countywide program will benefit an estimated 120 people.	
Mental Health Association of Montgomery County, Inc.	\$45,000
"Kensington Wheaton Youth Services"	
Provide a 12-month youth development and family support program for youth with emotional and behavioral problems. The program will benefit an estimated 60 people.	
Ministries United Silver Spring/Takoma Park, Inc.	\$42,986
"Housing and Utilities in Lower Silver Spring/Takoma Park is a MUST"	
Provide utility and housing assistance to eligible clients. An estimated 40 households will benefit.	
National Center for Children and Families	\$45,000
"Betty's House"	
Provide program support for immigrant women and their American-born children who are survivors of domestic violence residing in Betty's House, a transitional housing program. The program will benefit an estimated 18 people.	
Rockville Presbyterian Church	\$32,361
"Rainbow Place"	
Support staff needed to operate Rainbow Place Shelter, a facility serving homeless women. The program will benefit an estimated 80 women.	
Sudanese American Community Development Organization (SACDO)	\$24,835
"SACDO/SACCMD School Development Plan"	
Provide partial operating support for a "weekend school" for youth between the ages of 4 and 16 that emphasizes Arabic instruction and cultural awareness to support positive family relationships and to help bridge the cultural and generation gap between immigrant parents and their children. The program will benefit an estimated 90 people.	

PROJECTS ADMINISTERED BY MUNICIPALITIES **\$326,314**

CITY OF TAKOMA PARK **\$115,002**

City of Takoma Park **\$62,752**

“Commercial Façade Easement Program”

Funds will be used for the City’s commercial façade easement program. Matching funds up to \$10,000 would be available for storefront improvements in all CDBG-eligible areas of Takoma Park. A total of 8 commercial properties are expected to benefit.

District of Columbia Baptist Convention **\$35,000**

Mission Church – Housing Rehabilitation

“MissionServe Takoma Park 2012”

Provide repairs and/or accessibility improvements to homes in the City of Takoma Park which have been identified by the City as having deficiencies that threaten the health, safety, and environment of their moderate- to low-income occupants. An estimated 2 families will benefit.

Takoma Park Presbyterian Church **\$2,760**

“Community Kitchen Food Safety Classes”

Provide Food Safety classes to low-income residents to assist them in making healthy and economical food choices and developing self sufficiency skills. An estimated 5 people will benefit.

MHP Takoma Park **\$5,520**

“Community Life Services”

Provide supportive services for low- to moderate-income residents in MHP’s properties. Services include pre-school training and socialization (ages 3-5), homework clubs (ages 6-12), and summer enrichment (ages 3-5 and 6-12). An estimated 55 children will benefit.

Community Bridges, Inc. **\$4,140**

“Jump Start Girls Program”

Support multi-cultural out-of-school-time activities for girls in 6th through 8th grade. An estimated 12 girls will benefit.

YMCA – Youth & Family Services **\$4,830**

“Smart Choices with Emotions Program”

Provide three therapeutic group sessions at Takoma Park Middle School on a weekly basis to students in 6th through 8th grade. An estimated 60 students will benefit.

CITY OF ROCKVILLE**\$211,312****Asian Pacific American Legal Resource Center****\$8,400****“Legal Services”**

Provide legal services to Asian immigrants with limited English proficiency, particularly Vietnamese Americans, Japanese Americans, Korean Americans, and the general Asian elderly population. An estimated 30 people will benefit.

Korean Community Service Center**\$7,600****“Outreach and Services”**

Provide self-sufficiency services to Asian families with limited English proficiency, including case management, referrals, and citizenship preparation. An estimated 33 people will benefit.

Manna Food Center, Inc.**\$3,000****“Smart Sacks Student Nutrition Education”**

Provide brochures and other nutrition education elements to students via the existing Smart Sacks program, which provides a backpack full of kid-friendly, nutritious food each Friday. An estimated 194 elementary school students at five schools will benefit.

Rockville Housing Enterprises**\$78,464****“Public Housing Capital Improvements”**

Renovate kitchens and baths in 10 housing units, including installation of new energy-efficient appliances and water-saving plumbing fixtures. Ten households will benefit.

Single-Family Rehabilitation**\$101,158**

Provide home-improvement loans to income-eligible homeowners to correct code violations, make accessibility modifications and improve energy efficiency. An estimated 7 households will benefit.

Stepping Stones Shelter**\$12,690****“Evening Case Management Services”**

Support a portion of the salary of a full-time case manager. An estimated 30 households will benefit.

SUMMARY OF EXPECTED BENEFIT FROM CDBG PROJECTS

Persons	1,689
Households	89

HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)

July 1, 2012 - June 30, 2013

HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)

\$1,826,417

The HOME grant is designed to increase housing choices for low-income households through rental and home ownership programs, in cooperation with public, private and nonprofit organizations. During the coming year, it is anticipated that the County will receive \$1,326,417 in funding for HOME projects, and together with anticipated program income of \$500,000, an estimated total of \$1,826,417 in HOME funds will be available. Funds will generally be made available in the form of low-interest loans and other subsidies, and units assisted may be both rental and owner-occupied.

PROJECTS ADMINISTERED BY COUNTY GOVERNMENT

Department of Housing and Community Affairs (DHCA)

Housing Production and Preservation

\$1,369,735

Funds will be used for the construction, acquisition, and / or rehabilitation of housing (both multi- and single-family units). This housing will principally serve low-income households. DHCA may work with the private sector, non-profits and / or the Montgomery County Housing Opportunities Commission (HOC) in implementing this program. This is estimated to produce or preserve 40 units.

Community Housing Development Organizations (CHDOs)

\$198,963

Housing Production

The project will fund the housing development activities of CHDOs. This represents the federally mandated fifteen percent of the HOME allocation. Up to 10 percent of this total (\$19,715) may be used for project-specific technical assistance, site control, and seed money loans. It is anticipated that one to three organizations will use these funds for acquisition, construction, or renovation of rental housing for persons with low-incomes. This is estimated to produce or preserve 10 units.

PROJECTS ADMINISTERED BY NONPROFITS AND OTHER PUBLIC AGENCIES

CHDO Operating Assistance

\$59,200

Funds will be used to partially cover the administrative costs of qualified CHDOs: Montgomery Housing Partnership (MHP) and Housing Unlimited. MHP will receive \$44,400 and Housing Unlimited will receive \$14,800. By regulation, only CHDOs using HOME funds to own, sponsor, or develop affordable housing are eligible for operating support. This operating support cannot exceed 50 percent of a CHDO's operating budget in any fiscal year or \$50,000 annually, whichever is greater.

Rental Assistance – Housing Opportunities Commission

\$67,088

Up to a total of \$67,088 will fund rental assistance in partnership with the Housing Opportunities Commission (HOC). HOC administers the State of Maryland's Rental Allowance Program in the county, and HOME funds will leverage this state funding source to assist households who are homeless or at-risk of becoming homeless. HOC will administer these funds. The program will benefit an estimated 30 people.

Fair Housing Activities**\$19,562**

Funds will be used for activities that serve to affirmatively further fair housing choice. Activities may include sales, rental and lending testing, education/outreach, training and research. Activities will be administered by the Office of Human Rights.

ADMINISTRATION**\$111,869**

The fund will be used to cover the county's expenses associated with operating the HOME Program. Combined Fair Housing and administrative expenses represent 10% of the entitlement amount.

SUMMARY OF EXPECTED BENEFIT FROM HOME PROJECTS

Persons	30
Households	0
Units	50
CHDO's	2

EMERGENCY SOLUTIONS GRANT (ESG)**July 1, 2012 - June 30, 2013****EMERGENCY SOLUTIONS GRANT (ESG)****\$403,810**

The ESG Program enables the county to assist persons who are homeless or at risk of homelessness. For County FY2013, it is anticipated that the County will receive \$403,810 in ESG funding. Funds are used in conjunction with the Continuum of Care homeless assistance system and will be administered by the county's Department of Health and Human Services.

PROJECTS ADMINISTERED BY COUNTY GOVERNMENT**Department of Health and Human Services (DHHS)****Rapid Re-Housing - Housing Stabilization and Relocation Services****\$186,638**

Funds will be used to assist homeless households locate, obtain and retain housing. Eligible singles and families include those living in temporary shelter, in a place not meant for human habitation or other places described in Category I of the newly revised homeless definition issued by HUD. A total of \$63,531 will be used for case management services and \$123,107 will be available for security deposits. Approximately 30 households will be assisted with the two Rapid Re-Housing programs.

Rapid Re-Housing - Rental Assistance**\$66,289**

Funds will be used to help homeless households obtain and retain permanent housing. Assistance will be provided to households eligible for these serves must meet the criteria for Category I of the homeless definition recently issued by HUD. Approximately 30 households will be assisted with the two Rapid Re-Housing programs.

Homeless Management Information System (HMIS) \$15,000

Funds will be used for licensing fees, data quality activities, training and other costs necessary to support the Montgomery County Continuum of Care's Homeless Management Information System. This CoC-wide database is used to track client services and provides valuable data to support planning activities.

Homelessness Prevention - Housing Stabilization and Relocation Services \$55,883

Funds will be used to assist households at risk of homelessness to preserve housing or to locate and obtain affordable housing. Funds will be used for case management services and deposits. Priority will be given to those households most at risk of becoming homeless including those whose current living situation can not be preserved. ESG assistance will be used to stabilize these households and prevent the need for emergency shelter. A total of \$15,883 will be used for case management services and 40,000 will be available for deposits. Approximately 12 households will be served with the two Homeless Prevention programs.

Homelessness Prevention - Rental Assistance \$20,000

Funds will help stabilize households at risk of homelessness to help them obtain and retain permanent housing. Assistance will be provided in the form of first months rent. Approximately 12 households will be served with the two Homeless Prevention programs.

Emergency Shelter \$50,000

Funds will be used for Shelter operations including maintenance, furnishings, and supplies necessary for operation of emergency shelter. An estimated 150 people will benefit.

ADMINISTRATION \$10,000

The funds will be used to partially cover the county's expenses associated with operating the ESG Program. Administrative expenses represent 2.5% of the entitlement amount

SUMMARY OF EXPECTED BENEFIT FROM ESG PROJECTS

Persons	100
Households	42

**Connecticut Avenue Estates
Civic Association**
12004 Valleywood Drive
Silver Spring, MD 20902

**Glenmont Forest Neighbors
Civic Association**
2515 Mason Street
Silver Spring, MD 20902

**Greater Glenmont
Civic Association**
P.O. Box 9821
Silver Spring, MD 20916

April 16, 2012

Dear Councilmember Navarro:

As citizens of Glenmont and Wheaton and board members of the Greater Glenmont Civic Association (GGCA), the Glenmont Forest Neighbors Civic Association (GFNCA), and the Connecticut Avenue Estates Civic Association (CAECA), we were distressed to hear about the proposed cuts to the Montgomery Housing Partnership's (MHP) budget. Despite the overwhelming need for assistance in this time of economic hardship, the county may cut community-development block grant (CDBG) funding for MHP—a move that would be very detrimental to underserved neighborhoods such as ours.

Over the years, MHP has worked to address problems in the Connecticut Avenues Estates (CAE) and Glenmont neighborhoods. In the late 1990s, CAE was rife with vacant and foreclosed properties, severe drug and crime issues, and neighborhood apathy. MHP helped build capacity through CAECA and implemented revitalization strategies such as home-ownership promotion, resident education, and acquisition of vacant and deteriorated houses. By the early 2000s, these efforts led to the rehabilitation of 19 homes; improvements in the appearance of the neighborhood (including attractive new neighborhood gateways signs); homeownership promotion; and a revitalized civic association. The rental rate declined from 26% to 10%, and the number of landlords that owned more than one unit declined from 52 to 4. Additionally, out of 31 previously vacant units, only two remained. Property values also rose, and community pride and ownership surged.

In Glenmont, MHP worked on behalf of the county to address foreclosures, health, environmental, crime, and community organizing issues. MHP helped coach the development of the highly successful GGCA, which now represents 2,300 households. MHP organized events and services that provided over 30 homeowners assistance in navigating their pending foreclosure situation, educated over 1,000 households on how to avoid foreclosure loan scams, worked with the county to provide 40 rain barrels and over 100 programmable thermostats, in addition to organizing an energy efficiency expo to improve the environment and lower residents' utility bills.

MHP also assisted our civic associations in connecting to Neighborhood Watch and policing programs. Crime statistics show these watches have been effective; in the GGCA territory, for example, crime dropped by 40% since the Watch was implemented.

Most recently, MHP has continued to help our civic associations grow, champion our causes, and empower our residents. MHP sponsored several community-building events in CAE, including a 15th anniversary celebration of the CAECA that helped raise its profile and boost its membership. In the last few years, MHP has helped all three of our associations raise \$2,000 for a community-based project. The funding made it possible for six of our board members to attend a NeighborWorks training on community development. Working with MHP, we then used the skills gained at the training to organize a summer festival, which allowed us to inform over 200 of our neighbors about important county services, to form new partnerships with local businesses, and to raise money for future community-building projects. (One such project, currently underway, is to spruce up public spaces in our neighborhoods—removing invasive plants and “greening” the landscape.)

**Connecticut Avenue Estates
Civic Association**
12004 Valleywood Drive
Silver Spring, MD 20902

**Glenmont Forest Neighbors
Civic Association**
2515 Mason Street
Silver Spring, MD 20902

**Greater Glenmont
Civic Association**
P.O. Box 9821
Silver Spring, MD 20916

MHP has also helped advocate for neighborhood improvements like the State Highway Administration's new signal at Veirs Mill and Claridge, a project that the neighborhood has sought for many years. MHP also designed and published a comprehensive neighborhood services guide for residents for CAE.

MHP continues to work closely with local civic associations on other critical projects. For example, the Partnership has been instrumental in helping the GGCA obtain five gateway signs, to be installed at the borders of Glenmont. These signs—which represent a \$10,000 investment in the community—will be vital to fostering a sense of community and forging a distinct identity for Glenmont, goals that our residents have repeatedly cited as important.

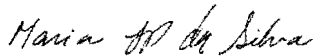
Given MHP's strong record of successful community revitalization, we strongly encourage the Council to leave MHP's CDBG funding intact, especially when the need for assistance is so high and the funds go such a long way toward restoring our communities.

Thank you for your consideration.

Sincerely,



Amanda Bernhardt
President
Greater Glenmont Civic Association



Maria da Silva
Vice President
Glenmont Forest Neighbors Civic Association



Carolyn Gupta
President
Connecticut Avenue Estates Civic Association



12200 Tech Road, Suite 250, Silver Spring, MD 20904 • Phone: 301-622-2400 • Fax: 301-622-2800 • www.MHPartners.org

April 18, 2012

The Honorable Nancy Floreen, Councilmember
Chair, Planning, Housing and Economic Development Committee
Montgomery County Council
100 Maryland Avenue
Rockville, MD 20850

Dear Councilmember Floreen:

On behalf of Montgomery Housing Partnership (MHP), I would like to raise an issue for consideration during your PHED Committee budget meetings.

We were recently informed that given the proposed budget cuts to the Focused Neighborhood Assistance program, MHP will be losing \$100,000 in funding to continue our role in the County's neighborhood revitalization efforts. As we had anticipated this funding to continue next year, we have lost the opportunity to submit a proposal for the County Council's non-profit grant funding and other opportunities.

MHP has participated in a number of projects, including efforts in Connecticut Avenue Estates, Glenmont, Germantown and Long Branch. By supporting neighborhood revitalization efforts, the County is able to address a wide variety of issues, including vacant and distressed property, small business development, crime and safety, health and well-being and environmental stewardship.

Attached to this letter are four profiles of communities that we've worked with demonstrating the impact of neighborhood revitalization work. This is just a small sample of the meaningful work and impact that MHP's work has brought about to the homes and businesses of Montgomery County neighborhoods. Much of the work, particularly in Long Branch, needs funding to continue to sustain its impact, see longer term results, and sustain initial outcomes. We are at a critical point in Long Branch, with many projects still on the table for completion within the next five years. We are scheduled to work with the business league to continue their development through building a web presence, providing ongoing technical assistance and serve as a liaison as they navigate the proposed changes to the community that the Purple Line will bring. Additionally, we continue to work with the community to address vehicular and pedestrian safety issues and opportunities to engage the local arts community in the neighborhood's revitalization.

We urge you to continue funding for the Focused Neighborhood Assistance program at the FY12 levels or above. Currently, the County has relied solely on Federal

CDBG funds to support this program. With the anticipated shortfall in CDBG funding, we urge the Council to identify other sources of funding to continue to support the Focused Neighborhood Assistance program at its funding level. The work is not easy, but in this critical time of economic downturn, funding for efforts that improve neighborhoods where affordable housing is located is critical.

I welcome the opportunity to discuss this issue with you further. Please feel free to reach me at rgoldman@mhparkers.org or 301-622-2400, ext. 14.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Goldman", with a stylized, flowing script.

Robert A. Goldman, ESQ.

President

cc: Councilmember Elrich, Councilmember Leventhal

Focused Neighborhood Assistance Program Summaries

MHP worked with DHCA to address problems in the **Connecticut Avenues Estates** (CAE) neighborhood in Wheaton. In the late 1990's, this neighborhood was rife with vacant and foreclosed properties, severe drug and crime issues, and neighborhood apathy. MHP helped build capacity through a local civic association and implemented revitalization strategies such as home ownership promotion, neighborhood and new resident marketing materials, resident education, and acquisition of vacant and deteriorated houses.

By the early 2000's these efforts resulted in the rehabilitation of 20 homes; improvements in the appearance of the neighborhood including attractive new neighborhood gateway signs and neighborhood marketing campaigns and materials; homeownership promotion; and a revitalized civic association. The rental rate declined from 26% to 10%, and the number of landlords that owned more than one unit declined from 52 to 4. Additionally, out of 31 previously vacant units, none remained. Property values also rose, and community pride and ownership experienced a resurgence.

Most recently, MHP has continued to help the civic association grow, champion their causes, and empower their residents. MHP sponsored several community building events in CAE, including a 15th anniversary celebration of the Civic association that helped raise their profile and boost their membership. In the last few years, MHP has helped the community raise several thousand dollars in funds for small community based projects, including the Glenmont Festival – a community building event in 2011 that over 150 people attended. We have also worked with the community to send three neighborhood leaders to resident leadership training, educated over 200 residents on County rules, regulations and services, and helped advocate for neighborhood improvements like the State Highway Administration's new signalized intersection at Veirs Mill & Claridge – a project that will become active this summer that the neighborhood sought for many years.

Just north of CAE, MHP also helped to improve the quality of life in the **Glenmont** neighborhood, in the last few years in partnership with the County. In Glenmont, MHP addressed foreclosures, health, environmental, crime, and community apathy issues. MHP helped build up two solid and highly successful neighborhood civic associations that represent over 1,100 households; of which one of the civic leaders was recently recognized for a national civic leadership award. MHP organized events and services that provided over 30 homeowners assistance in navigating their pending foreclosure situation, educated over 1,000 households on how to avoid foreclosure loan scams, and worked with the County to provide 40 rain barrels and over 100 programmable thermostats to improve the environment and lower residents utility bills.

MHP also assisted in the formation of numerous neighborhood watch programs in the area. Within two years of the inception of these watches specific crimes dropped by 40% in the district. MHP also partnered with providers to bring health services to Latinos in the community, allowing over 100 residents to access information and real time health services. Currently MHP is also managing a neighborhood gateway sign project that will help to "brand" and promote the neighborhood to the community, something that the current master planning process deems important, and represents a more than \$10,000 investment in the community.

Similarly, in the **Glenville Rd. neighborhood in Long Branch** MHP has partnered with the County to bring about substantive change. In the past, the community faced fractured and irresponsible apartment ownership, lack of resident cohesion, numerous code compliance and pest issues, illegal bulk trash dumping, and criminal activity. To date, MHP has organized property owners to facilitate concentrated code compliance enforcement and property improvements, as well as acquiring and rehabbing four derelict buildings totaling 23 units. Together with the property owners and other County stakeholders, MHP increased police involvement and patrols, built a fence around the perimeter of the neighborhood to reduce cut-thru traffic by vagrants and criminals, installed attractive lighting on the facades of the buildings to increase safety, renovated the main shared surface parking lot, facilitated a trash and recycling cooperative, and implemented a comprehensive rodent extermination process.

MHP has also focused on residents and their ability to address neighborhood concerns by helping to form the Glenville Rd. Neighborhood Improvement Group, composed of a group of key neighborhood leaders. Realizing that many of the leaders needed to improve their English skills to be more effective, MHP created an ESOL class this year. Five students from the neighborhood have graduated from the ESOL class, of which four scored 90% or higher on their final exam.

Additionally, to combat issues of littering, lack of recycling, and illegal bulk trash dumping, MHP formed a youth-led Green Club. The Club has stopped illegal dumping on one of the main public medians in the neighborhood through a tree planting project. MHP also built two neighborhood gardens for use by the Green Club at the adjacent Long Branch Community Center. Due to its initial success, the demand for parents enrolling their students in the Green Club already exceeds capacity.

In 2010, MHP began an annual survey of the neighborhood. Last year's result shows that recycling rates are now 96%, the highest ever, and the number of residents sighting rodents was cut in half. Additionally, the number of residents wishing to leave the neighborhood within one year dropped by a quarter. The number of residents citing community and fellow residents as what they like most about their neighborhood went up over 30%.

Additionally, in **Long Branch**, MHP assisted the County with revitalizing the commercial corridor along Piney Branch and Flower Ave. Long Branch is a key County neighborhood with a strong affordable housing stock and a strong small business presence that is part of the neighborhood's strength. Supporting and sustaining the small business community is key to improving the overall neighborhood.

In just a little more than a year, MHP has managed to revive and put new energy into what was previously an inoperative and dispirited business league. Where previously 2-3 businesses participated, meetings now have 8-10 businesses represented, plus an equal number of vested community members. MHP now publishes quarterly business league newsletters that are widely distributed and that have raised the profile of the local businesses. The League has also voted in a new and energetic leadership, and MHP is helping them to develop web sites, raise funds, and access technical assistance such as how to form business plans, or access capital.

MHP has also assisted the community in addressing many vehicular and pedestrian safety issues. MHP developed a public safety plan for the community and implemented many of the recommendations, including additional parking direction signs, no parking zones were sitelines where previously obstructed and repairs to previously non-working street lights. MHP also coordinated a review by the State's Department of Transportation on the feasibility of installing a left turn signal at Flower and Piney Branch.

MHP has also helped to market and promote a new street market in the area that attracts on average 550 people per day on weekends. MHP is also co-developing a very promising vision for Long Branch as a place that incubates and nurtures the arts through the proposed strategic placement of public art.

In Germantown MHP's work took a slightly different slant. The focus was on home owner associations (HOA) dealing with high rates of foreclosures and the inability to collect dues and assessments. MHP worked closely with Cinnamon Run, a 600 plus unit association on conducting a capital reserve study and providing technical assistance and support to establish a financial planning strategy for the future. With 25 other HOAs in the area, MHP conducted a best practices report and worked with the associations and County to ensure both sides understand their maintenance responsibilities. MHP also worked with the HOAs to establish a single-family rehab loan program, which is now up and running. As townhouse developments begin to age in the Gaithersburg and Germantown area, the need for this HOA work is growing.