

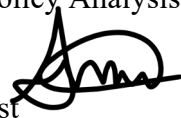


April 7, 2025

MEMORANDUM

TO: Thomas E. Dernoga, Chair
Planning, Housing, and Economic Development (PHED) Committee

THRU: Joseph R. Hamlin 
Director of Budget and Policy Analysis

FROM: Shalene Miller-Whye 
Budget and Policy Analyst

RE: Redevelopment Authority
Fiscal Year 2026 Budget Review

Budget Overview

The FY 2026 proposed operating budget for the Redevelopment Authority (“RDA” or “the Authority”) is \$2,017,300, an increase of \$1,243,300 above the FY 2025 Approved Budget. The organization’s grant from the County totals \$2,017,300, an increase of \$1,717,300. This is because the RDA’s budgetary functions are entirely separated from those of the Department of Housing and Community Development (DHCD), and ten (10) positions are fully transferred.

The Property Management Special Revenue Fund is being moved back to the Office of Central Services for FY 2026. The Authority will have access to the fund, but since it is a County fund, it must be appropriated under a County agency.

Budget Comparison – General Fund

Actual Fiscal Year 2024 to Proposed Fiscal Year 2026

Revenues by Category

	2024 Actual	FY 2025 Budget	FY 2025 Estimated	FY 2026 Proposed	\$ Change	% Change
County Grant	\$310,600	\$300,000	\$300,000	\$2,017,300	\$1,717,300	572.4%
CBDG/HTIF Grant Staff Support	-	\$223,900	-	-	-\$223,900	-100.0%
State Grant	-	\$250,000	-	-	-\$250,000	-100.0%
Miscellaneous Revenue	\$176,372	-	-	-	-	
Interest Income	\$9	-	-	-	-	-
HRAP Revenue	\$1,480,920	-	-	-	-	-
Intergovernmental Grants	\$1,544,520	-	-	-	-	-
Total Revenues	\$3,512,421	\$773,900	\$300,000	\$2,017,300	\$1,243,400	160.7%

Expenditures by Category

Category	FY 2025 Approved	FY 2025 Estimated	FY 2026 Proposed	\$	% Change
				Change	
Telephone	\$5,000	\$4,500	\$4,500	-\$500	-10.0%
Printing	\$200	\$0	\$200	\$0	0.0%
Postage	\$300	\$200	\$200	-\$100	-33.3%
Office Automation	\$0	\$0	\$85,200	\$85,200	100.0%
Training	\$500	\$0	\$8,000	\$7,500	1500.0%
Advertising	\$1,000	\$1,500	\$1,500	\$500	50.0%
Membership Fees	\$400	\$1,500	\$400	\$0	0.0%
Allowances	\$30,000	\$27,100	\$30,000	\$0	0.0%
Insurance Premiums	\$40,000	\$73,200	\$40,000	\$0	0.0%
Operating Contracts	\$124,000	\$143,400	\$144,900	\$20,900	16.9%
Office Supplies	\$1,500	\$6,500	\$1,700	\$200	13.3%
Vehicle Maintenance	\$0	\$0	\$5,800	\$5,800	100.0%
Miscellaneous	\$474,400	\$200	\$0	-\$474,400	-100.0%
Interagency Changes	\$96,600	\$96,600	\$108,500	\$11,900	12.3%
Interest Payments	\$0	\$0	\$200	\$200	100.0%
Total Expenditures	\$773,900	\$354,700	\$431,100	-\$342,800	-44.3%

- Office Automation was reallocated from the Department of Housing and Community Development (DHCD), including the RDA's fleet.
- Miscellaneous includes the removal of the Gateway Development Authority, \$250,000. Since the Gateway Development Authority grant cannot be used for its own operating expenditures, the appropriation will go unspent for FY 2025.

- Miscellaneous also includes the removal of \$223,900, which is the CDBG/HITF DHCD operating grant. This grant was unspent in FY 2025 since prior appropriations were not spent for the same functions.
- Interagency charges include the Office of Finance fee.

Authorized Staffing Count – General Fund

	FY 2025	Approved	FY 2026 Proposed	Change Amount	% Change
Full-Time	10		10	0	0.0%
Limited Term	0		0	0	0.0%
Total	10		10	0	0.0%

Staffing Changes and Compensation

- Compensation is proposed at \$1,388,600 in the FY 2026 Proposed Budget, \$170,766 more than in the FY 2024 Actual Budget.¹ The Redevelopment Authority has one vacancy, Senior Community Services Manager; however, this position does not affect overall operations.
- During FY 2025, three (3) positions underwent desk audits and had their classifications changed: Administrative Aide 4A (A19) to Executive Administrative Aide (G21), Community Development 3A (A24) to Community Development 4A (A27), and Community Developer 4A (A27) to Community Developer 5 (G29).

Fringe Benefits

- In the FY 2026 Proposed Budget, fringe benefit expenditures total \$416,600, an increase of \$89,414, above the FY 2024 Actual Budget.

¹ There is not a FY 2025 Approved number due to the Redevelopment Authority operating under the Department of Housing and Community Development until FY 2026.

Fund Summary for the Property Management Fund

Category	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimated	FY 2026 Proposed	FY 2025-2026	
					Change \$	Change %
BEGINNING FUND BALANCE	\$1,090,072	\$567,072	\$679,225	\$225,725	\$(341,347)	-60.2%
REVENUES						
Sale of Property	\$—	\$—	\$2,400	\$733,000	\$733,000	0.0%
Miscellaneous Collections	—	—	—	—	—	0.0%
Appropriated Fund Balance	—	567,000	—	—	733,000	129.3%
Transfers	—	—	—	—	—	0.0%
Total Revenues	\$—	\$567,000	\$2,400	\$733,000	\$166,000	29.3%
EXPENDITURES						
Compensation	\$—	\$—	\$—	\$—	\$—	0.0%
Fringe Benefits	—	—	—	—	—	0.0%
Operating	410,847	567,000	455,900	733,000	166,000	29.3%
Total Expenditures	\$410,847	\$567,000	\$455,900	\$733,000	\$166,000	29.3%
EXCESS OF REVENUES OVER EXPENDITURES	(410,847)	—	(453,500)	—	—	0.0%
OTHER ADJUSTMENTS	—	(567,000)	—	—	567,000	-100.0%
ENDING FUND BALANCE	\$679,225	\$72	\$225,725	\$225,725	\$225,653	313,406.9%

- As previously stated, this fund is returning to the Office of Central Services (OCS). It did not complete any sales, which will be completed in FY 2026.
- The RDA will have 1.3 full-time equivalent (FTE). One position's sole responsibility is the surplus management program; its salary is one-third of its supervisor's. This is considered a recovery of -219,000 in the operating budget.
- The RDA will invoice the County for 95% reimbursement of all expenditures, except a portion of the landscaping budget, including building and lot maintenance for OCS. As a breakdown, the operating expenses for the property management fund consist of the following:

Property Management Fund (2900)				
Commitment Item	FY 2024 Actuals	FY 2025 Budget	FY 2026 Proposed	\$ Change FY 2025-26
Advertising	\$2,728	\$10,000	\$12,000	\$2,000
Audit fee	\$440	\$0	\$0	\$0
Building/ lot maintenance - OCS	\$0	\$0	\$26,000	\$26,000
Insurance Premiums	\$0	\$15,000	\$50,000	\$35,000
Landscaping	\$3,500	\$25,000	\$60,000	\$35,000
Legal Services	\$0	\$15,000	\$100,000	\$85,000
Office Supplies	\$588	\$0	\$0	\$0
Personnel Charge-backs	\$375,414	\$340,900	\$219,000	(\$121,900)
Real Estate Services	\$22,606	\$120,000	\$120,000	\$0
Reserves for Fund Balance	\$0	\$0	\$96,000	\$96,000
Security Services	\$0	\$30,000	\$30,000	\$0
Software Non-Capital	\$0	\$11,100	\$20,000	\$8,900
Training	\$5,571	\$0	\$0	\$0
Total	\$410,847	\$567,000	\$733,000	\$166,000

Redevelopment Authority Programs and FY 2025 Impact

Down Payment and Closing Cost Assistance

FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Projected
18	13	20	15

- In FY 2025, Pathways to Purchase distributed \$225,000 as of February 2025. Since its inception, \$862,514.04 has been distributed. DHCD will manage this program from now on.

HRAP

- The program currently supports 116 applicants with \$1M from the Housing Investment Trust Fund (HITF). It provides loans up to \$60,000 for critical home repairs. The program has a waitlist of 400. Based on the current appropriation, 20-25 applicants will be removed from the waitlist in FY 2026.

Increase the number of housing units developed

FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated	FY 2026 Projected
0	159	164	97

FY 2025 Key Accomplishments, Successes and Updates

- By the end of FY 2025, construction will be complete for the remaining units across phases III and IV of the Glenarden Hill project, totaling 187 residential units. The purchase and sales agreement (PSA) with an affordable homebuilder (H2) is being processed.
- 210 Maryland Park Drive, Addison Park Senior Apartments, is in predevelopment activities.
- 6700 Riverdale Road: The developer's settlement date is July 2025, and the RDA is evaluating alternative sites for relocating the cell tower and shelter box.
- The Cheverly Hospital Redevelopment structural demolition is complete. The project awaits permits and preliminary stormwater and erosion/sediment control plans. Permitting is in process to begin the slab and foundation removal and reuse of aggregate on site.
- The Hyattsville Justice Center Garage is actively planning efforts and coordinating with the Revenue Authority. The RDA will likely commence a feasibility study; however, the timeline is unknown due to funding gaps.
- Aviation Landing includes 249 multi-family residential units; 24% of housing units are planned to be 60% or below AMI.
- Provided \$1M in available funding for the Community Property Improvement Program (CPIP). So far two grants awarded where RDA has contributed \$250K.
- In FY 2025, 23 parcels are adopted for dispositions, including:
 - Five (5) parcels totaling 65,120 sq ft will go to DHCD for housing initiatives
 - Two (2) parcels totaling 665,044 sq ft are set for economic development projects.
 - 16 parcels totaling 110,409 sq ft will be available for public bid.
- Awarded \$200,000 in seven (7) Community Impact Grants (CIG). \$250,000 CIG funding will be available to County non-profit organizations, with the notice of funding availability to be released soon.

Strategic Focus and Initiatives in FY 2026

- Redeveloping the former Prince George's County hospital site in Cheverly.
- Developing the College Park Metro Aviation Landing site.
- Building the hotel, parking, and first multi-family building with retail space at the Towne Square at Suitland Federal Center project.
- Redeveloping the Blue Line Corridor from Capitol Heights Metro station to the Addison Road Metro station.
- Implementing the various neighborhood planned revitalization projects.

- FY 2026 surplus legislation to include 47 parcels, totaling \$9,554,80 and a combined acreage of 106.115 or 4,622,400 square feet.

Challenges/Concerns for FY 2026

- Issues with the entitlement process for the Suitland project, which has led to ongoing litigations, causing the RDA to pay a settlement of \$12,500.
- There is a monopole relocation at Beacon Heights, but the RDA is working with development partners on alternative sites to relocate the monopole.
- There are floodplain mitigation issues at the aviation landing; however, the Authority is working with development partners and seeking grant funding for a feasibility study on the floodplain.

Budget Comparison – Redevelopment Authority – Capital Improvement Projects

Capital Improvement Program (CIP)

The Redevelopment Authority provides the County with residential, industrial, and commercial development. This includes projects containing construction, revitalization, land assembly, and relocation for the betterment of the County infrastructure and residents. For FY 2026, 94.1% of the Authority’s funding is from land sales, County contributions, and moral obligation bonds. 5.9% is from developer funding. The Authority holds six projects totaling a budget of \$2,336,000 for FY 2026. The total project costs included in the CIP Budget are \$207,038,000.

Projects	Expended to Date	Estimated for FY 2025	Proposed FY 2026 Capital Budget	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total Proposed CIP Funding
Addison Rd/Capitol Heights Metro Corridor	\$5,647,000	\$4,354,000	\$0	\$0	\$0	\$0	\$0	\$0	\$10,001,000
Cheverly	\$2,635,000	\$16,040,000	\$0	\$0	\$0	\$760,000	\$3,550,000	\$58,000	\$23,043,000
County Revitalization	\$7,306,000	\$6,268,000	\$0	\$1,250,000	\$1,500,000	\$343,000	\$0	\$0	\$16,667,000
Gateway Development Authority	\$0	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000
Glenarden	\$20,681,000	\$4,162,000	\$0	\$0	\$0	\$0	\$0	\$0	\$24,843,000
Old Fairmont Heights HS	\$0	\$5,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000,000
Suitland	\$105,141,000	\$5,957,000	\$2,336,000	\$2,250,000	\$2,250,000	\$2,250,000	\$2,250,000	\$2,050,000	\$124,484,000
Town of Upper Marlboro	\$0	\$250,000	\$0	\$0	\$0	\$500,000	\$1,000,000	\$750,000	\$2,500,000

- The RDA’s FY 2026 projects include:
 - **Addison Road/Capitol Heights Metro Corridor**—The Addison Road/Capitol Heights Metro Corridor project focuses on Transit-Oriented Development (TOD). Funds for this

project are used for predevelopment work and small community-led improvement projects. This project is delayed.

- **Cheverly Development** – The Cheverly Development project focuses on the demolition and redevelopment of a hotel and restaurant. This project is dedicated to sourcing commercial and residential growth. This project is delayed.
- **County Revitalization** – County Revitalization is the ongoing County’s efforts through various programs to encourage economic development in underserved and underutilized areas.
- **Glenarden Apartments Redevelopment**—The Glenarden Apartment Redevelopment project involves demolishing and replacing the blighted apartment complex. This project is being accelerated.
- **Suitland Manor**—The Suitland Manor redevelopment project consists of 33 acres of commercial and residential properties that will be demolished, cleared, acquired, and relocated. The goal is to revitalize and improve infrastructure with new housing stock and retail development. This project is delayed.
- **Town of Upper Marlboro**—The Town of Upper Marlboro project involves infrastructure and redevelopment. It is currently delayed.
- **Gateway Development Authority (New)** – The Maryland Senate Bill established the Gateway Development Authority to support and develop neighborhood revitalization in coordination with residents. This targets Mount Rainer, Brentwood, Cottage City, Bladensburg Colmar Manor, and North Brentwood. Cumulative funding will support staff support.
- **Old Fairmont Heights HS Redevelopment (New)** – This redevelopment aligns with several projects along the Blue Line Corridor, including a civic plaza, fieldhouse, market hall, and cultural arts and library. Cumulative funding will support the development of a film studio and soundstage renovation project.