

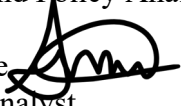


April 17, 2025

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: Housing Authority of Prince George's County
Fiscal Year 2026 Budget Review

Budget Overview

The FY 2026 Proposed Budget for the Housing Authority of Prince George's County ("HAPGC" or "the Authority") is \$111,658,500, an increase of \$12,776,000, or 12.9%, over the FY 2025 Approved Budget. This increase is primarily driven by the increase in the Section Eight Housing Choice Voucher program.

Budget Comparison – Grant Funds

Actual Fiscal Year 2024 to Proposed Fiscal Year 2026

Fund	FY 2024 Actual	FY 2025 Approved	FY 2025 Estimated	FY 2026 Proposed	\$ Change	% Change
Compensation	\$ 5,362,644	\$ 6,235,400	\$ 5,670,500	\$ 6,018,700	\$ (216,700)	-3.5%
Fringe Benefits	2,038,934	2,226,000	1,768,800	2,287,100	61,100	2.7%
Operating	103,403,287	90,421,100	104,749,300	103,352,700	12,931,600	14.3%
Total	\$ 110,804,865	\$ 98,882,500	\$ 112,188,600	\$ 111,658,500	\$ 12,776,000	12.9%

Authorized Staffing Account Fiscal Year 2025 to Proposed Fiscal Year 2026

	FY 2025 Approved	FY 2026 Proposed	Change Amount	% Change
Full-Time	77	76	-1	-1.3%
Limited Term	3	3	0	0.0%
Total	80	79	-1	-1.3%

Staffing Changes and Compensation

- The Authority's proposed FY 2026 budget reflects funding for 76 full-time and three (3) Limited Term Grant Funded positions.
- The proposed FY 2026 compensation for the Housing Authority is \$6,018,700, a \$216,700, or a -3.5% decrease from the FY 2025 Approved Budget. This is primarily due to a transfer of one position to the Office of Law and an increase in the budgeted attrition rate from 15% to 25%.
- As of March 2025, the Authority has 32 vacancies, including an attrition rate of 9.1%. The positions most affected by attrition are the Community Development and Community Developer Assistant.
- Nine (9) employees were hired in FY 2025, with the most recent position in March 2025.
- The voucher program is the program most impacted by vacancies. This leads to the challenges of pulling families from the voucher waiting list and processing annual recertifications.
- The Authority's budget includes a salary lapse of \$2,006,200; this is 25% of compensation expenditures and less than the historical vacancy rate of 36%.
- HAPGC plans to advertise a Real Estate Development Director before the end of FY 2025, which will assist in working toward repositioning the public housing portfolio.
- The Authority has made many strides in recruitment and staffing to fill vacancies, including a Human Resources Manager, Accounting Services Manager, Manager of Public Housing and Assets, Manager of the Housing Choice Voucher Program, Manager of Client Services, General Clerk to support the Public Housing Program, Facilities Manager for Public Housing and a Human Resource Specialist.
- Three (3) Property Managers for Public Housing and an Administrative Aide IV for the Executive Department are in the final stages of the recruitment process.

Vacancies, FY 2025 YTD										
#	Position Title	Position Number	Grade	Salary Budget	Expended (Est.)	Lapse (Est.)	Date Vacated or Created	Organizational Assignment	Status of Recruitment Efforts	Funding Source
1	Accountant 4A	30000898	A27	\$111,400	\$111,400	\$0	12/24/2018	Fin & Admin	Not in ePRB yet	F
2	Community Developer 4A	30001115	A27	\$111,400	\$111,400	\$0	02/03/2022	Special Office	Not in ePRB yet	F
3	Administrative Aide 4A	30001780	A19	\$75,700	\$75,700	\$0	08/06/2024	Executive	Posting is closed; pending interviews	F
4	Deputy Director-G	30002112	G35	\$171,700	\$171,700	\$0	04/18/2024	Executive	Active recruitment	F
5	Community Development Assistant 3A	30002240	A17	\$68,800	\$68,800	\$0	09/01/2024	Rental Assistance	Not in ePRB yet	F
6	Administrative Specialist 1G	30002660	G29	\$128,100	\$128,100	\$0	09/01/2024	Development	Not in ePRB yet	F
7	Community Developer 4A	30002700	A27	\$111,400	\$111,400	\$0	01/11/2021	Client Services	Not in ePRB yet	F
8	Community Developer 4A	30002864	A27	\$111,400	\$111,400	\$0	01/05/2025	Housing Assistance	Not in ePRB yet	F
9	General Clerk 4A	30004268	A12	\$54,200	\$54,200	\$0	07/15/2024	Housing Assistance	Salary analysis, pending offer	F
10	Human Resources Manager-G	30004844	G31	\$141,300	\$141,300	\$0	09/18/2024	Executive	Internal promotion	F
11	Community Development Assistant 3A	30004968	A17	\$68,800	\$68,800	\$0	03/03/2022	Rental Assistance	Not in ePRB yet	F
12	Community Developer 3A	30005007	A24	\$96,400	\$96,400	\$0	09/01/2024	Development	Not in ePRB yet	F
13	Administrative Specialist 4G	30005162	G35	\$171,700	\$171,700	\$0	10/23/2021	Executive	Plan to reallocate - see PRB	F
14	Community Developer 3A	30006658	A24	\$96,400	\$96,400	\$0	07/22/2020	Housing Assistance	Not in ePRB yet	F
15	Community Development Assistant 3A (LTGF)	30051492	A17	\$68,800	\$68,800	\$0	09/08/2023	Rental Assistance	Not in ePRB yet	F
16	Community Development Assistant 3A (LTGF)	30051493	A17	\$68,800	\$68,800	\$0	09/08/2023	Rental Assistance	Not in ePRB yet	F
17	Community Developer 4A	30055160	A27	\$111,400	\$111,400	\$0	01/05/2025	Housing Assistance	Not in ePRB yet	F
18	Community Development Assistant 3A	30057519	A17	\$68,800	\$68,800	\$0	08/17/2020	Housing Assistance	Not in ePRB yet	F
19	General Clerk 4A	30057835	A12	\$54,200	\$54,200	\$0	06/21/2022	Rental Assistance	Plan to reallocate - see PRB	F
20	Community Developer 4G	30058002	G27	\$116,200	\$116,200	\$0	07/01/2021	Executive	Not in ePRB yet	F
21	Compliance Specialist 4G	30058003	G27	\$116,200	\$116,200	\$0	07/01/2021	Special Office	Potential internal promotion	F
22	Community Developer 3A	30058205	A24	\$96,300	\$96,300	\$0	10/25/2021	Client Services	Not in ePRB yet	F
23	Community Developer 4A	30059067	A27	\$111,400	\$111,400	\$0	01/05/2025	Rental Assistance	Not in ePRB yet	F
24	Community Developer 4A	30059069	A27	\$111,400	\$111,400	\$0	09/08/2023	Rental Assistance	Plan to reallocate - see PRB	F
25	Procurement Officer 1G	30059706	G18	\$74,900	\$74,900	\$0	05/23/2024	Special Office	Reviewing candidates; potential internal promotion	F
26	Human Resources Analyst 3G	30059708	G21	\$100,400	\$100,400	\$0	06/04/2024	Executive	Plan to reallocate - see PRB	F
27	Administrative Specialist 4G	30059902	G35	\$171,700	\$171,700	\$0	01/01/2025	Executive	Plan to reallocate - see PRB	F
28	Community Developer 1G	30059909	G18	\$74,900	\$74,900	\$0	01/01/2025	Call Center	Plan to reallocate - see PRB	F
29	Community Developer 1G	30059910	G18	\$74,900	\$74,900	\$0	01/01/2025	Call Center	Plan to reallocate - see PRB	F
30	Community Services Manager-G	30059913	G31	\$141,600	\$141,600	\$0	01/01/2025	Fin & Admin	Plan to reallocate - see PRB	F
31	Accountant 5G	30059914	G29	\$128,100	\$128,100	\$0	01/01/2025	Call Center	Plan to reallocate - see PRB	F
32	Community Developer 3G (LTGF)	TBD	G24	\$100,400	\$100,400	\$0	01/01/2025	Development	Not in ePRB yet	F
YTD as of: 3/17/2025										

Budget Comparison - Housing Authority Fiscal Year 2026 Budget

The Authority's Rental Assistance division increase is primarily due to the proposed 12.5% or \$11,933,300 increase in the Section Eight Housing Choice Vouch (HCV) Program.

Grant Revenue	FY 2024 Actual	FY 2025 Budget	FY 2025 Estimated	FY 2026 Proposed	\$ Change
<u>Housing Assistance Division</u>					
Conventional Public Housing	\$3,666,292	\$2,379,000	\$3,666,300	\$2,918,800	\$539,800
Family Self-Sufficiency Program	112,456	-	110,900	103,800	103,800
Coral Gardens	105,870	147,000	105,600	106,000	(41,000)
Homeownership - Marcy Avenue	13,020	13,000	11,100	11,000	(2,000)
Public Housing Modernization/Capital Fund	12,500	247,200	247,200	257,100	9,900
Resident Opportunities Self-Sufficiency Program	98,821	72,000	-	-	(72,000)
<i>Subtotal</i>	<i>\$4,008,959</i>	<i>\$2,858,200</i>	<i>\$4,141,100</i>	<i>\$3,396,700</i>	<i>\$538,500</i>
<u>Rental Assistance Division</u>					
Bond Program	278,286	350,000	1,269,900	758,000	408,000
Family Self-Sufficiency		207,600	260,000	103,800	(103,800)
Housing Choice Voucher	106,517,620	95,466,700	106,517,600	107,400,000	11,933,300
<i>Subtotal</i>	<i>\$106,795,906</i>	<i>\$96,024,300</i>	<i>\$108,047,500</i>	<i>\$108,261,800</i>	<i>\$12,237,500</i>
Total	110,804,865	98,882,500	112,188,600	111,658,500	12,776,000

Fringe Benefits

- The Proposed FY 2026 fringe benefits for the Housing Authority are \$2,287,100, \$61,100, or a 2.7% increase over the FY 2025 Approved Budget.

Operating Expenses

- The Proposed FY 2026 operating budget for the Housing Authority is \$103,352,700 which is \$12,931,600 or 14.3% over the FY 2025 Approved Budget.

Expenditures	FY 2024 Actual	FY 2025 Budget	FY 2026 Proposed	\$ Change	%
Administrative Salaries	\$5,362,644	\$6,235,400	\$6,018,700	(\$216,700)	-3.5%
Fringe Benefits	2,038,934	2,226,000	2,287,100	61,100	2.7%
<i>Subtotal</i>	<i>\$7,401,578</i>	<i>\$8,461,400</i>	<i>\$8,305,800</i>	<i>(155,600)</i>	<i>-1.8%</i>
<i>Operating Expenses</i>					
OPEB and Unfunded	165,809	150,000	151,400	1,400	0.9%
Legal	716,971	250,000	291,495	41,495	16.6%
Other Admin	941,946	383,000	746,385	363,385	94.9%
Misc Admin Expense	801,084	850,000	815,313	(34,687)	-4.1%
Tenant Services	27,083	37,900	8,548	(29,352)	-77.4%
Utilities	1,174,979	1,155,000	961,391	(193,609)	-16.8%
Garbage/Trash Removal	133,111	87,500	84,821	(2,679)	-3.1%
Maintenance Materials	202,253	160,000	198,193	38,193	23.9%
Maintenance Contract Costs	1,261,723	863,000	1,139,128	276,128	32.0%
General Expenses	305,596	192,600	290,526	97,926	50.8%
Housing Assistance Payments	97,277,142	86,292,100	98,665,500	12,373,400	14.3%
Transfer Out	480,237	-	-	-	-
Other Gain from Sale Real Prop.	(84,647)				
<i>Subtotal</i>	<i>\$103,403,287</i>	<i>\$90,421,100</i>	<i>\$103,352,700</i>	<i>\$12,931,600</i>	<i>14.3%</i>

- The most significant reductions in operating expenses include tenant services, which is a decrease of \$34,687 or 77.4%; this covers the costs of temporary relocation of public housing residents due to major repairs on units; this decrease is based on actual expenses to date.
- Notable increases in operating expenses include an increase of “Other Admin” at 94.9% or \$363,685, and housing assistance payments at 14.3%, at \$12,373,400. This is a result of the increase in public housing applicant screenings and Voucher HAP expenses that have been reallocated to a different budget line item.

Housing Choice Vouchers Allocations

- The Authority currently has 5986 vouchers; the current utilization rate is 96%, a 2.5% increase from FY 2024. Due to the program's uncertainty, the Authority will not issue new vouchers

from the tenant-based voucher waiting list in FY 2025 and FY 2026. This voucher utilization rate is also affected by the voucher budget utilization rate, which is 97% for the current fiscal year to mitigate any program funding disruptions. Therefore, the Authority will provide a budget cushion for any minor decreases in funding by not issuing any new vouchers.

<u>Voucher Types</u>	<u>Issued</u>
Project Based Vouchers	212
Tenant Based Vouchers	5774

FY 2025 Highlights

- Secured grant funding for the Family Self-Sufficiency Program
- A High Performer under the Section Eight Management Assessment Program (SEMAP) for FY 2024 and projected to receive the designation again in FY 2025.

Updates:

- The total number of applicants on the waitlist is 775, and there have been no changes or removals from the waiting list in FY 2025.
- The waitlist is currently 3.1 years long compared to the 6-year waiting list reported ahead of FY 2024.
- In FY 2024, there were 30 voluntary program departures and 286 involuntary program departures.
- In FY 2025, there were 24 voluntary program departures and 234 involuntary program departures in FY 2025.
- The HAPGC is working on an 8-10-year plan to reposition all public housing developments.
- The Authority has started the repositioning effort at Cottage City. The project anticipates a third-quarter financial closing and a construction start.
- Implemented software to track calls and improve customer service, as well as implemented a new HCV waitlist management software.
- HAPGC has increased its bond program's activity and issued one bond in FY 2025, with plans to issue at least one bond for the Cottage City project in FY 2026. The Authority will prioritize supporting the operations of the current public housing program and support pre-development costs associated with the redevelopment of the public housing program's assets through repositioning activities.

Challenges / Concerns for FY 2026:

- There are no known obstacles and challenges for FY 2026. However, HAPGC is concerned about the unknown changes to federal funding priorities.