



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

## Office of Audits and Investigations

April 23, 2018

### MEMORANDUM

TO: Todd M. Turner, Chair  
Transportation, Housing and the Environment (THE) Committee

THRU: David H. Van Dyke, County Auditor *DHV*

FROM: Alicia C. Stanford, Auditor *ACS*

RE: Department of Housing and Community Development  
Fiscal Year 2019 Budget Review

#### Budget Overview

The FY 2019 Proposed Budget for the Department of Housing and Community Development (“DHCD” or the “Department”) is \$103,810,100, an increase of \$7,407,600, or 7.7%, over the FY 2018 Approved Budget. Grant funding is anticipated to increase by \$9,778,900 in FY 2019. This increase is largely due to an anticipated \$10,428,500 increase in funding for the Section 8 Housing Choice Voucher Program. This increase is offsetting a 100% loss of HOPWA grant funding (\$2,014,100) in FY 2019. The Department anticipates the need for a supplemental appropriation in FY 2018 of approximately \$400,000 related to Program income received for the (Bladensburg Commons) HOME Program.

#### Budget Comparison – All Funds

##### *Approved Fiscal Year 2018 to Proposed Fiscal Year 2019*

Fund	FY 2017 Actual	FY 2018 Approved	FY 2018 Estimated	% Change - Est vs App	FY 2019 Proposed	\$ Change	% Change
General Fund	\$ 3,781,429	\$ 5,712,800	\$ 5,276,900	-7.6%	\$ 4,320,700	\$ (1,392,100)	-24.4%
Grants	90,402,569	85,614,700	83,519,300	-2.4%	95,393,600	9,778,900	11.4%
Housing Investment Trust Fund	-	5,075,000	904,200	-82.2%	4,095,800	(979,200)	-19.3%
<b>Total</b>	<b>\$ 94,183,998</b>	<b>\$ 96,402,500</b>	<b>\$ 89,700,400</b>	<b>-7.0%</b>	<b>\$ 103,810,100</b>	<b>\$ 7,407,600</b>	<b>7.7%</b>

#### *Authorized Staffing Count – All Funds*

	FY 2018 Approved	FY 2019 Proposed	Change Amount	% Change
General Funds	27	28	1	3.7%
Grant Funds	16	20	4	25.0%
Housing Authority	58	58	0	0.0%
Housing Investment Trust Fund	7	2	-5	-71.4%
<b>Total</b>	<b>108</b>	<b>108</b>	<b>0</b>	<b>0.0%</b>

### **Budget Comparison – General Fund**

The FY 2019 Proposed General Fund Budget for the Department of Housing and Community Development is \$4,320,700, a decrease of \$1,392,100, or 24.4%, under the FY 2018 Approved Budget. The decrease is largely due to the elimination of a one-time cost associated with the Housing Rehabilitation Assistance Program (\$1,500,000) budgeted in the previous fiscal year.

### ***Approved Fiscal Year 2018 to Proposed Fiscal Year 2019 – General Fund***

Category	FY 2017 Actual	FY 2018 Approved	FY 2018 Estimated	FY 2019 Proposed	\$ Change	% Change
Compensation	\$ 2,140,422	\$ 2,517,200	\$ 2,429,800	\$ 2,637,300	\$ 120,100	4.8%
Fringe Benefits	664,886	825,600	801,700	870,300	44,700	5.4%
Operating Expenses	976,121	2,370,000	2,045,400	813,100	(1,556,900)	-65.7%
<b>Total</b>	<b>\$ 3,781,429</b>	<b>\$ 5,712,800</b>	<b>\$ 5,276,900</b>	<b>\$ 4,320,700</b>	<b>\$ (1,392,100)</b>	<b>-24.4%</b>

### ***Authorized Staffing Count – General Fund***

	FY 2018 Approved	FY 2019 Proposed	Change Amount	% Change
Full-Time	27	28	1	3.7%
Part-Time	0	0	0	0.0%
<b>Total</b>	<b>27</b>	<b>28</b>	<b>1</b>	<b>3.7%</b>

### ***Staffing Changes and Compensation***

- FY 2019 General Fund compensation is proposed at \$2,637,300, or 4.8%, over the FY 2018 Approved Budget. This increase of \$120,100, is due to proposed cost-of-living adjustments and merit increases, in addition to the absorption of a position previously supported by grants.
- Proposed FY 2019 General Funds are provided for 28 full-time positions. On March 15, 2018, the Department reported five (5) general fund vacancies. Included, is the Executive Director position for the Redevelopment Authority. All five (5) positions are funded. The Department plans to fill four (4) positions by the end of FY 2018 and the remaining Executive Director position by mid FY 2019.

### ***Fringe Benefits***

- FY 2019 fringe benefits are proposed at \$870,300, an increase of \$44,700, or 5.4%, over the FY 2018 Approved Budget. This increase in fringe benefits is a reflection of the anticipated changes in benefit costs.
- A five-year trend analysis of fringe benefit expenditures is included in the table below:

<b>Fringe Benefits Historical Trend</b>					
	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Proposed
Fringe Benefit Expenditures	\$659,178	\$751,239	\$664,886	\$801,700	\$870,300
As a % of Compensation	29.8%	32.3%	31.1%	33.0%	33.0%
Annual % Change	15.2%	14.0%	-11.5%	20.6%	8.6%

### *Operating Expenses*

- In FY 2019, operating expenses are proposed at \$813,100, and are comprised of the following major items:
  - General and Administrative Contracts \$349,000
  - Grants and Contributions 333,500
  - Office Automation 84,000
  - Vehicle Equipment Repair/Maintenance 14,500
  - Training 10,000
- Overall operating expenses are decreasing by \$1,556,900, or 65.7%, under the FY 2018 Approved Budget. The accompanying table compares the FY 2019 Proposed Budget operating expenditures with the FY 2018 Approved Budget operating expenditures.

Operating Objects	FY 2018 Budget	FY 2019 Proposed	FY 2018 - FY 2019	
			\$ Change	% Change
Miscellaneous	\$ 1,500,000	\$ -	\$ (1,500,000)	-100.0%
General & Administrative Contracts	459,300	349,000	(110,300)	-24.0%
Telephone	2,100	2,100	-	0.0%
Postage	500	500	-	0.0%
Mileage Reimbursement	4,800	4,800	-	0.0%
Gas and Oil	500	500	-	0.0%
Printing	2,500	2,500	-	0.0%
Membership Fees	800	800	-	0.0%
General Office Supplies	4,800	4,800	-	0.0%
Office and Operating Equipment Non-Capital	5,000	6,100	1,100	22.0%
Training	5,200	10,000	4,800	92.3%
Vehicle Equipment Repair/Maintenance	-	14,500	14,500	N/A
Grants/Contributions	317,600	333,500	15,900	5.0%
Office Automation	66,900	84,000	17,100	25.6%
<b>TOTAL</b>	<b>\$ 2,370,000</b>	<b>\$ 813,100</b>	<b>\$ (1,556,900)</b>	<b>-65.7%</b>

- The most significant decrease between the FY 2019 Proposed Budget and the FY 2018 Approved Budget occurs within the Miscellaneous category. The Department anticipates a decrease of \$1,500,000 due to the elimination of a one-time cost associated with the Housing Rehabilitation Assistance Program (\$1,500,000) budgeted in the previous fiscal year.
- In FY 2019, General and Administrative Contracts is anticipated to decrease by \$110,300 largely due to a reduction in operating support for the Comprehensive Housing Strategy.
- Office Automation is anticipated to increase by \$17,100 in FY 2019, to reflect new cost methodology based on funded positions.

- In FY 2019, Grants/Contributions will increase by \$15,900 to reflect an increase in grants to the Redevelopment Authority.

### **Highlights**

- The Department ensures that citizens are made aware of new and existing housing projects within the County by the Department and County's websites, flyers at community events, posters, PSA announcements, radio cable TV & PSA interviews, speaking engagements by the Department's Director and senior staff, workshops & training sessions and social media. In addition, advertisements are posted on Washington Metropolitan Area Transit Authority (WMATA) and the County's 'The Bus' buses and shelter structures.
- Lack of funding is the biggest challenge faced in the Department's attempt to alert more citizens of the Programs within the County. The Department tracks its efforts of reaching County residents using monthly reports generated from the County's website indicating pages most visited; radio stations Nielson ratings that track demographics and the number of listeners to determine which station best suits the Department's needs based on topics; WMATA and Signal Outdoor (bus shelters) provides weekly impression reports; the number of people/cars that view the Department's signage on both the Metro buses and bus shelters; and lastly the Department tracks the number of flyers and/or other information distributed at community events.
- The Department reported that it has received 22 calls in FY 2018 via the County's 3-1-1 system, and that most of the calls are related to the Section 8 Housing Choice Voucher Program. On average, it takes the Department 24-48 hours to resolve a call once it has been received.

### **Budget Comparison – Grant Funds - DHCD**

The FY 2019 Proposed Grant Budget is \$8,196,000, a decrease of \$887,000, or 9.8%, under the FY 2018 Approved Budget. The decrease is largely driven by the elimination of the Housing Opportunities for Persons with AIDS (HOPWA) Program anticipated in FY 2019.

### ***Approved Fiscal Year 2018 to Proposed Fiscal Year 2019 – Grants***

<b>Category</b>	<b>FY 2017 Actual</b>	<b>FY 2018 Approved</b>	<b>FY 2018 Estimated</b>	<b>FY 2019 Proposed</b>	<b>\$ Change</b>	<b>% Change</b>
Compensation	\$ 878,691	\$ 876,200	\$ 640,900	\$ 842,800	\$ (33,400)	-3.8%
Fringe Benefits	212,632	259,600	285,400	245,400	(14,200)	-5.5%
Operating Expenses	5,769,731	7,947,200	6,661,900	7,107,800	(839,400)	-10.6%
<b>Total</b>	<b>\$ 6,861,054</b>	<b>\$ 9,083,000</b>	<b>\$ 7,588,200</b>	<b>\$8,196,000</b>	<b>\$ (887,000)</b>	<b>-9.8%</b>

***Authorized Staffing Count - Grants***

	<b>FY 2018 Approved</b>	<b>FY 2019 Proposed</b>	<b>Change Amount</b>	<b>% Change</b>
Full-Time	13	12	-1	-7.7%
Limited Term	3	8	5	166.7%
<b>Total</b>	<b>16</b>	<b>20</b>	<b>4</b>	<b>25.0%</b>

***Staffing Changes and Compensation***

- The proposed budget for grant funds provides for 20 grant funded positions in FY 2019, of which 12 are full-time and eight (8) are limited-term grant funded (LTGF). LTGF positions are increasing by five (5) in FY 2019, due to the reallocation of Redevelopment Division staff from the Housing Investment Trust Fund to the CDBG Program. Full-time staff are decreasing by one (1) position due to the elimination of HOPWA grant funding.
- On March 15, 2018, the Department reports eight (8) grant funded vacancies. Four (4) of these positions will be unfunded in FY 2019; an Administrative Assistant IV, Community Developer I, Community Developer IV, and Community Development Assistant III. Funding is included in the FY 2019 budget for the remaining four (4) positions.

***Fringe Benefits***

- FY 2019 grant funded fringe benefit expenditures are proposed at \$245,400, a decrease of \$14,200, or 5.5%, due to not filling anticipated vacancies in FY 2018.

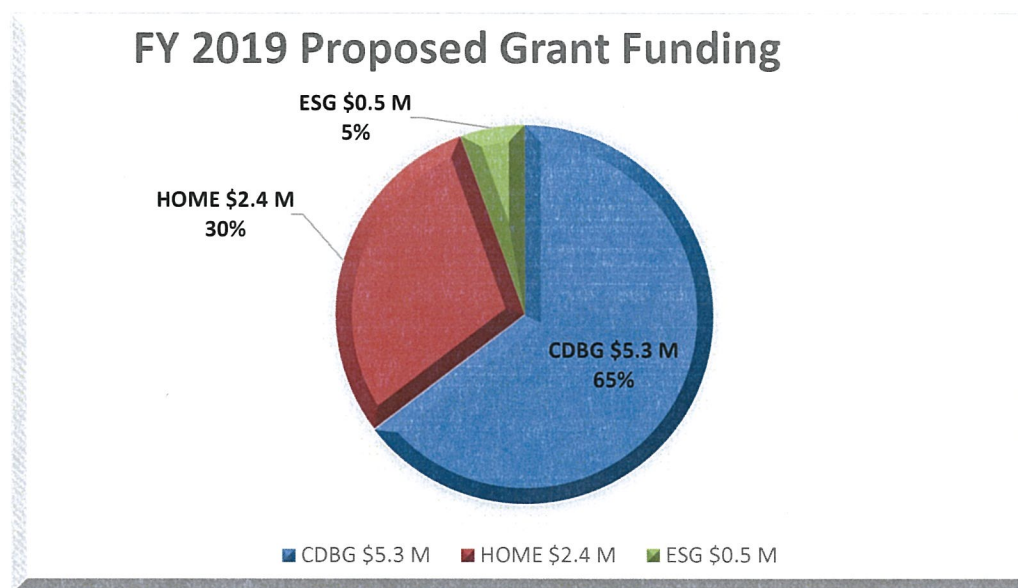
***Operating Expenses***

- Grant funded operating expenses for FY 2019 are proposed at \$7,107,800 which represents a decrease of \$839,400, or 10.6%, under the FY 2018 Approved Budget. This decrease is primarily due to the loss of HOPWA funding in FY 2019 of (\$2,014,100) that offsets a \$432,600 increase in Homeowner Rehabilitation Loan Program (HOME) and a \$633,700 increase in CDBG grant funds.

**Highlights**

- The FY 2019 Proposed Grant funding is comprised of the following: Community Development Block Grant (CDBG) \$5.3M (65%), Home Investment Partnership (HOME) \$2.4M (30%), and Emergency Solutions Grant (ESG) \$0.5M (5%). *See chart below.*





Source: FY 2019 Proposed Operating Budget Book page 488

A table summarizing grant funding by division is shown below.

Fiscal Year 2019 Department of Housing and Community Development Grants by Division						
GRANTS	FY 2017 Actual	FY 2018 Budget	FY 2018 Estimated	FY 2019 Proposed	\$ Change	% Change
<b>Community Planning &amp; Development Division</b>						
Community Development Block Grant ( CDBG)	\$ 3,865,144	\$ 4,461,500	\$ 4,461,500	\$ 4,636,900	\$ 175,400	3.9%
CDBG: Single Family Rehabilitation Loan Program	392,655	204,900	204,900	300,000	95,100	46.4%
Emergency Solutions Grant (ESG)	379,384	389,200	908,500	450,000	60,800	15.6%
Housing Opportunities for Persons with AIDS (HOPWA)	-	2,014,100	-	-	(2,014,100)	-100.0%
National Mortgage Settlement	481,656	-	-	-	-	0.0%
<b>Subtotal</b>	<b>\$ 5,118,839</b>	<b>\$ 7,069,700</b>	<b>\$ 5,574,900</b>	<b>\$ 5,386,900</b>	<b>\$ (1,682,800)</b>	<b>-23.8%</b>
<b>Housing Development Division</b>						
Home Investment Partnership (HOME)	\$ 1,402,722	\$ 666,400	\$ 666,400	\$ 666,400	\$ -	0.0%
My HOME Homebuyer Activities	133,730	358,800	358,800	358,800	-	0.0%
HOME: Homeowner Rehabilitation Loan Program	-	988,100	988,100	1,420,700	432,600	43.8%
<b>Subtotal</b>	<b>\$ 1,536,452</b>	<b>\$ 2,013,300</b>	<b>\$ 2,013,300</b>	<b>\$ 2,445,900</b>	<b>\$ 432,600</b>	<b>21.5%</b>
<b>Redevelopment Division</b>						
CDBG: Pathway to Purchase (P2P)	\$ 205,763	\$ -	\$ -	\$ 363,200	363,200	N/A
<b>Subtotal</b>	<b>\$ 205,763</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 363,200</b>	<b>\$ 363,200</b>	<b>N/A</b>
<b>DHCD Total Grants- Outside Sources</b>	<b>\$ 6,861,054</b>	<b>\$ 9,083,000</b>	<b>\$ 7,588,200</b>	<b>\$ 8,196,000</b>	<b>\$ (887,000)</b>	<b>-9.8%</b>
<b>Transfer from General Fund - County Contribution</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Total Grant Expenditures</b>	<b>\$ 6,861,054</b>	<b>\$ 9,083,000</b>	<b>\$ 7,588,200</b>	<b>\$ 8,196,000</b>	<b>\$ (887,000)</b>	<b>-9.8%</b>

Source: FY 2019 Proposed Operating Budget Book page 488

Legend: Blue=CDBG; Purple=HOPWA; PINK=HOME; Green=ESG

*Community Development Block Grant (CDBG) - \$5.3 million (65%) (Proposed FY 2019)*

- The U. S. Department of Housing and Urban Development (HUD) provides CDBG funding to support a broad range of physical improvements for those areas of the County designated for redevelopment and revitalization. Major Programs support infrastructure improvements, public housing renovations and modernization, handicapped accessibility improvements, employment and educational training, job creation and retention for low and moderate income people and businesses, health care, and general assistance to immigrants, the elderly, and homeless.
- The Department anticipates receiving \$363,200 in grant funding for the Pathway to Purchase (P2P) Program in FY 2019. This Program will maintain the level of support for enhancing opportunities for low and moderate income County residents to become homeowners, actively work to lessen the impact of foreclosure and maintain the percentage of positive housing market outcomes through foreclosure housing counseling and financial literacy services.

*Home Investment Partnership (HOME) - \$2.4 million (30%) (Proposed FY 2019)*

- HUD provides HOME funds to assist first-time homebuyers in purchasing homes, and aids non-profit organizations in their efforts to acquire and improve group homes for special populations. HOME funds also support Community Housing Development Organizations (CHDOs), to create and support housing opportunities for households of limited income. The My HOME Program and My HOME homebuyer activities Program, provide funding to support down payment and closing costs assistance to eligible homebuyers to purchase for sale, foreclosed, or owner occupied short-sale residential properties in Prince George's County.
- HOME funds are anticipated to increase by \$432,600 in FY 2019, primarily due to an increase in the Homeowner Rehabilitation Loan Program.
- The Department reported that HUD performed an audit of the HOME Program which resulted in four (4) audit findings where activities were ineligible for funding. As a result, a Voluntary Grant Reduction Plan was established where HUD will subtract \$522,919 per Program year for five (5) years (a total of \$2,614,595) beginning in FY 2016, from total HOME Program funding, in order to recoup funding related to the ineligible activities. The Department reported that it is in year 3 of the 5 year Voluntary Grant Reduction Plan and is on target to complete the plan by FY 2020.
- The County currently has one (1) approved Community Housing Development Organization (CHDO) - Housing Initiative Partnership, Inc. (HIP). The County is mandated to set aside a minimum of 15% of HOME allocation for CHDO housing development activity. In FY 2019, the Department anticipates \$204,813 in total CHDO funding, which consist of \$153,610 in CHDO Set-Aside Activities, and \$51,203 in CHDO Operating Assistance, that will be utilized to administer its HIP HOME Program which provides for the acquisition, rehabilitation and resale of abandoned and/or dilapidated housing to low income first time homebuyers.

- The Department reported that it did not certify any new CHDO's in FY 2017 or 2018. However, during FY 2018, two (2) organizations, United Communities Against Poverty, Inc. and Sowing Empowerment and Economic Development, Inc. approached the Department to discuss specific projects and the possibility of becoming CHDO certified. The Department further reported that it is a possibility that one or both organizations could be ready for CHDO certification during FY 2019.
- The Department has provided an update on the five (5) construction affordable housing projects below:

<u>Developer</u>	<u># of Units</u>	<u>Project Type</u>	<u>Estimated Cost</u>	<u>Target Completion Date</u>
Palmer Park Meadows	9	Multi-family	\$ 3,083,162	10/31/19
Glenarden Phase I	87	Affordable Units	\$33,662,695	12/31/18
Parkview Manor	53	Affordable Units	\$10,583,589	03/30/19
Townes at Peerless	43	Affordable Units	\$25,793,794	06/30/20
Woodlands at Reid Temple	252	Affordable Units	\$58,500,000	05/31/21

*Emergency Solutions Grants (ESG) - \$0.5 million (5%) (Proposed FY 2019)*

- HUD provides ESG funding via DHCD to the Department of Social Services (DSS) to support the provision of emergency, transitional and supportive shelter assistance to the homeless and other temporarily displaced County residents.
- ESG funding for FY 2019 is anticipated to increase by \$60,800, or 15.6%, from the FY 2018 approved level to \$450,000. The increase for FY 2019 is based on an average of the last three (3) HUD funding allocations.

*Housing Opportunities for Persons with AIDS (HOPWA)*

- The Department reported that it will not be awarded HOPWA grant funding in FY 2019. Despite not receiving funding in FY 2019, services under this Program were not interrupted as the District of Columbia continued to administer the Program services directly.

**Budget Comparison – Housing Investment Trust Fund - DHCD**

*Approved Fiscal Year 2018 to Proposed Fiscal Year 2019 – Housing Investment Trust Fund*

<b>Category</b>	<b>FY 2017 Actual</b>	<b>FY 2018 Approved</b>	<b>FY 2018 Estimated</b>	<b>FY 2019 Proposed</b>	<b>\$ Change</b>	<b>% Change</b>
Compensation	\$ -	\$ 427,500	\$ 258,600	\$ 128,700	\$ (298,800)	-69.9%
Fringe Benefits	-	64,100	38,900	20,000	(44,100)	-68.8%
Operating Expenses	-	4,583,400	606,700	3,947,100	(636,300)	-13.9%
<b>Total</b>	<b>\$ -</b>	<b>\$ 5,075,000</b>	<b>\$ 904,200</b>	<b>\$4,095,800</b>	<b>\$ (979,200)</b>	<b>-19.3%</b>



***Authorized Staffing Count***

	<b>FY 2018 Approved</b>	<b>FY 2019 Proposed</b>	<b>Change Amount</b>	<b>% Change</b>
Full-Time	0	0	0	0.0%
Limited Term	7	2	-5	-71.4%
<b>Total</b>	<b>7</b>	<b>2</b>	<b>-5</b>	<b>-71.4%</b>

- In FY 2018, the Department established the new Housing Investment Trust Fund. The Housing Investment Trust Fund supports the Workforce Housing Gap Financing and the Down Payment and Closing Cost Assistance Programs.
- The Workforce Housing Gap Financing Program enables the County to develop viable, mixed income communities of choice. This is achieved by providing gap financing for the development of decent and quality workforce housing for income eligible households. In FY 2018, the Department developed the policies and procedures for the Program and examined rent and income limits for eligible projects, subsidy layering, and underwriting criteria. The Department plans to issue a Notice of Funding Availability (NOFA) for this Program in April 2018.
- The Down Payment and Closing Cost Assistance Program provide assistance to eligible first time homebuyers to purchase owner occupied or vacant residential properties anywhere in Prince George's County.
- FY 2019 proposed compensation is \$128,700, or 69.9%, under the FY 2018 Approved Budget. This \$298,800 decrease is due to a change in the funding source for the five (5) staff assigned to the Down Payment and Closing Cost Assistance Program. In FY 2019 these positions will be funded by CDBG grant funds. Funding is provided for two (2) LTGF positions in FY 2019, a reduction of five (5) positions from the approved FY 2018 budget.
- On March 15, 2018, the Department reported two (2) limited-term grant funded vacancies for the Housing Investment Trust Fund. The Community Developer III position is expected to be filled by the end of FY 2018. The Administrative Aide I position is anticipated to be filled in FY 2019.
- Fringe Benefits for FY 2019 are proposed at \$20,000, a reduction of \$44,100, or 68.8%, under the FY 2018 Approved Budget due to compensation adjustments.

- Proposed Operating Expenses anticipated in FY 2019 total \$3,947,100. The Program breakout is as follows:
  - \$2,409,000 – Workforce Housing Gap Financing Program
  - \$1,538,100 – Down Payment and Closing Cost Assistance Program

### **Budget Comparison – Housing Authority**

The FY 2019 Proposed Budget for the Housing Authority is \$87,197,600, an increase of \$10,665,900, or 13.9%, over the FY 2018 Approved Budget. This increase is largely driven by the increase in the Section 8 Housing Voucher Program.

### ***Approved Fiscal Year 2018 to Proposed Fiscal Year 2019 – Housing Authority***

Category	FY 2017 Actual	FY 2018 Approved	FY 2018 Estimated	FY 2019 Proposed	\$ Change	% Change
Compensation	\$ 4,052,155	\$ 4,185,200	\$ 4,089,200	\$ 4,365,900	\$ 180,700	4.3%
Fringe Benefits	1,305,225	1,329,900	1,308,600	1,317,500	(12,400)	-0.9%
Operating Expenses	78,184,135	71,016,600	70,533,300	81,514,200	10,497,600	14.8%
<b>Total</b>	<b>\$ 83,541,515</b>	<b>\$ 76,531,700</b>	<b>\$ 75,931,100</b>	<b>\$ 87,197,600</b>	<b>\$ 10,665,900</b>	<b>13.9%</b>

### ***Authorized Staffing Count***

	FY 2018 Approved	FY 2019 Proposed	Change Amount	% Change
Full-Time	58	58	0	0.0%
Limited Term	0	0	0	0.0%
<b>Total</b>	<b>58</b>	<b>58</b>	<b>0</b>	<b>0.0%</b>

### ***Staffing Changes and Compensation***

- In FY 2019, the Housing Authority staffing level remains unchanged from the FY 2018 approved level at a total of 58 positions.
- As of March 15, 2018, the Housing Authority had ten (10) funded vacancies. Eight (8) of these positions are expected to be filled by the end of FY 2018. The remaining two (2) are to be filled in FY 2019.

### ***Fringe Benefits***

- FY 2019 fringe benefits expenditures are proposed at \$1,317,500, a decrease of \$12,400, or 0.9%, under the FY 2018 due to a rate adjustment decrease from 33% to 30.8% for HUD grant funded full-time employees.

### ***Operating Expenses***

- FY 2019 operating expenses are proposed at \$81,514,200, representing an increase of \$10,497,600, or 14.8%, over the approved FY 2018 level, as a result of an increase in activity in the Section 8 Housing Choice Voucher Program.

<b>Fiscal Year 2019 Housing Authority Grants by Division</b>						
<b>GRANTS</b>	<b>FY 2017 Actual</b>	<b>FY 2018 Budget</b>	<b>FY 2018 Estimated</b>	<b>FY 2019 Proposed</b>	<b>\$ Change</b>	<b>% Change</b>
<b><u>Housing Assistance Division</u></b>						
Conventional Public Housing	\$ 2,737,359	\$ 2,967,900	\$ 2,937,800	\$ 2,826,000	\$ (141,900)	-4.8%
Coral Gardens	105,632	94,500	96,400	112,600	18,100	19.2%
Homeownership - Marcy Avenue	13,321	13,400	13,400	13,300	(100)	-0.7%
Public Housing Modernization/Capital Fund	77,000	70,600	77,000	88,500	17,900	25.4%
<b>Subtotal</b>	<b>\$ 2,933,312</b>	<b>\$ 3,146,400</b>	<b>\$ 3,124,600</b>	<b>\$ 3,040,400</b>	<b>\$ (106,000)</b>	<b>-3.4%</b>
<b><u>Rental Assistance Division</u></b>						
Bond Program	\$ 479,975	\$ 342,800	\$ 301,300	\$ 480,000	\$ 137,200	40.0%
Section 8 Housing Choice Voucher (HCV)	78,076,987	71,118,700	70,578,700	81,547,200	10,428,500	14.7%
Section 8 Moderate Rehabilitation	2,051,241	1,923,800	1,926,500	2,130,000	206,200	10.7%
<b>Subtotal</b>	<b>\$ 80,608,203</b>	<b>\$ 73,385,300</b>	<b>\$ 72,806,500</b>	<b>\$ 84,157,200</b>	<b>\$ 10,771,900</b>	<b>14.7%</b>
<b>HA Total Grants - Outside Sources</b>	<b>\$ 83,541,515</b>	<b>\$ 76,531,700</b>	<b>\$ 75,931,100</b>	<b>\$ 87,197,600</b>	<b>\$ 10,665,900</b>	<b>13.9%</b>
<b>Transfer from General Fund - County Contribution</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Total Grant Expenditures</b>	<b>\$ 83,541,515</b>	<b>\$ 76,531,700</b>	<b>\$ 75,931,100</b>	<b>\$ 87,197,600</b>	<b>\$ 10,665,900</b>	<b>13.9%</b>

### **Highlights**

- The Housing Authority is a semi-autonomous governmental agency charged with the provision of housing assistance services via the Section 8 Housing Choice Voucher Program, Section 8 Moderate Rehabilitation Program, Rental Assistance Program and Housing Authority-owned public housing.
- The Housing Authority has the capacity to issue bonds to support the construction and rehabilitation of housing for low and moderate income individuals.
- The Section 8 Housing Choice Voucher Program accounts for 93.5% of the Housing Authority's total grant expenditures at \$81,547,200 for FY 2019, an anticipated increase of \$10,428,500, or 14.7%, over the FY 2018 approved level. The increase is affected by the number of units being leased, renters ability to locate Section 8 applicable units, landlord's ability to timely prepare units to meet housing quality standards, and the number of people who were terminated from the Program because of non-compliance with regulations.
- In FY 2017, the Housing Authority reported that it successfully opened the Housing Choice Voucher waiting list for the first time in approximately eight (8) years, and received approximately 40,000 online pre-applications, also contributing to the increase. The Authority increased the number of units leased in 2018 resulting in 14% Program growth, which equates to approximately \$10 million in funding allocation.

### **Budget Comparison - Redevelopment Authority (RDA)**

The Redevelopment Authority was established pursuant to (Council Bill) CB-85-1997. RDA's Charter was approved pursuant to (Council Resolution) CR-60-1998. The purpose of the Authority is to provide for residential, commercial or industrial development in Prince George's County. Funding sources for the Capital Improvement Program under the Authority come from proposed land sales closed during the fiscal year and County contributions.

The Redevelopment Authority is to operate with a specific focus on infill development and the preservation of workforce/affordable housing near transit centers, mixed-income and mixed-use, and mixed-tenure projects in targeted communities.

The FY 2019 Proposed Budget for the Redevelopment Authority (RDA) is \$696,700, an increase of \$11,100, or 1.6%, over the FY 2018 Approved Budget. This increase is primarily due to the increases in professional services (feasibility analysis services) and staffing expenses for the CDBG My Home and Suitland Façade Program. *See the Operating Revenues and Expenses for the Redevelopment Authority for FY 2017 - FY 2019 table in **Appendix A** of this report.*

### **Highlights**

- Key accomplishments in FY 2018 for the Redevelopment Authority include:
  - Completed:
    - 3807 Rhode Island Ave
    - 3300 block of Rhode Island Ave
    - Phase I of the Glenarden Apartments
  - Commenced construction on:
    - Phase I of the Towne Center at Suitland Federal Center
    - Phase II of the Glenarden Apartments
    - 210 Maryland Park Drive

### **Capital Improvement Program (CIP)**

- The major Programs of the Redevelopment Authority are capital projects, economic development, neighborhood reinvestment, and special projects. The Redevelopment Authority has included four (4) active capital projects in the FY 2019 - FY 2024 Proposed Capital Improvement Program (CIP) for a proposed FY 2019 funding amount of \$16.7 million. One (1) existing project: Town of Upper Marlboro Redevelopment has no required funding for FY 2019. The four (4) active projects with proposed funding for FY 2019 from County sources are as follows:

#### **❖ Addison Rd/Capitol Hts. Metro Corridor – Proposed FY 2019 (\$1,000,000)**

- This Project consists of land assembly, relocation, and demolition to facilitate Transit Oriented Development (TOD) near two (2) Metro stations. The Redevelopment Authority owns property near the Capitol Heights Metro Station and is developing projects on Addison Road immediately

across from the Addison Road Metro Station. The State of Maryland provided funding in FY 2017 in support of the Net Zero Energy District, Fairmont Heights Project.

❖ **County Revitalization – Proposed FY 2019 (\$1,000,000)**

- The Redevelopment Authority reports that part of the proposed FY 2019 funding will be used for a new commercial revitalization Program that will provide matching grants to shopping center owners, to revitalize the exterior of older shopping centers. Potential shopping centers or main street retail are Andrews Manor Shopping Center, Iverson Mall and Mount Rainier main properties.

❖ **Glenarden Apartments Redevelopment – Proposed FY 2019 (\$10,713,000)**

- This four (4) phased project includes demolition and replacement of a 578 blighted apartment complex on 27 acres in Glenarden. Redevelopment and new housing will consist of 429 new multi-family apartments and homeownership townhomes for seniors and families; related infrastructure; a community center, pool and over three (3) acres of green space in a pedestrian friendly environment.
- In FY 2019, funding will be used on erosion and sediment control, rubble removal and disposition, mass grading and installation of infrastructure including utilities, stormwater management, roads sidewalks, lighting, landscaping and greenspace. Construction is now underway for Glenarden Phase I, including 114 senior and family rental units and the community club house, with completion anticipated in the fall of 2019. The closing on financing for Glenarden Phase II, including 123 senior and family units, is also anticipated in FY 2019.

❖ **Suitland Manor – Proposed FY 2019 (\$4,000,000)**

- The Redevelopment Authority is the master developer for the Towne Square at Suitland Federal Center project.
- NVR, Inc. was selected as a builder of the town houses for the project. A development team which is being led by Mission First, has been selected to build and manage the mixed income senior apartment building.
- Funding anticipated for FY 2019 will be used to continue the construction of the project infrastructure for phases 1A, 1B, 1C and 2. The Phase 1A infrastructure construction started in FY 2018. Infrastructure includes utilities, stormwater management, road sidewalks, lighting, landscaping and the parks. Other activities occurring in FY 2019 will be the construction and sale of the townhouses and the beginning of construction of the senior building.

***Community Impact Grants***

- The Community Impact Grant (CIG) Program provides small, capital grants to community-based organizations to implement innovative projects within priority areas identified by the Redevelopment Authority, using the County's CIP funds. The project must help strengthen the community, while building organizational capacity. Applications are accepted from any incorporated 501(c) 3

civic/neighborhood association, located within Prince George's County, which is in good standing with the State of Maryland.

- In FY 2018, the Redevelopment Authority announced it awarded \$500,000 in Community Impact Grants to County based non-profit organization.

### ***Old Glendale Hospital***

- The Redevelopment Authority has been engaged by the site owner, Maryland National Capital Park and Planning Commission (M-NCPPC) to provide estate development advisory services for the potential adaptive reuse as a Continuing Care Retirement Community (CCRC). A market study has been completed by the RDA to assess the demand for a CCRC and the selection and supervision of a development team to conduct a CCRC feasibility study. The development team, the Alexander Company, has completed and submitted a draft CCRC for review. The findings of this study will be presented at the May 2018 public hearing by M-NCPPC.



**Operating Revenues and Expenses - Redevelopment Authority**  
**FY 2017 - FY 2019**

Category	FY 2017 Actual	FY 2018 Approved	FY 2018 Estimated	FY 2019 Proposed	\$ Change	% Change
<b><u>Beginning Fund Balance</u></b>	\$ 92,647	\$ 24,347	\$ 38,265	\$ 38,265	\$ 13,918	57.2%
<b><u>REVENUES:</u></b>						
Intergovernmental Salary Contributions	\$ 986,918	\$ -	\$ -	\$ -	\$ -	0.0%
County Grant	233,700	317,600	317,600	333,500	15,900	5.0%
HITF - Staff Support - CPAP	313,700	352,600	352,600	-	(352,600)	-100.0%
CDBG - Staff Support - My Home	-	-	-	363,200	363,200	0.0%
Appropriated Fund Balance	-	15,400	-	-	(15,400)	-100.0%
CDBG Suitland Façade Program	42,517	-	118,100	-	-	0.0%
<b>Total Revenues</b>	<b>\$ 1,576,835</b>	<b>\$ 685,600</b>	<b>\$ 788,300</b>	<b>\$ 696,700</b>	<b>\$ 11,100</b>	<b>1.6%</b>
<b><u>EXPENSES:</u></b>						
<b><u>Board Expenses</u></b>						
Board Member Stipend	\$ 18,997	\$ 30,000	\$ 30,000	\$ 28,500	(1,500)	-5.0%
Board Member Expenses	1,880	2,000	2,000	2,000	-	0.0%
Board Member Development	-	-	-	-	-	0.0%
<b>Total Board Expenses</b>	<b>\$ 20,877</b>	<b>\$ 32,000</b>	<b>\$ 32,000</b>	<b>\$ 30,500</b>	<b>\$ (1,500)</b>	<b>-4.7%</b>
<b><u>Operating Expenses:</u></b>						
Administrative Expenses:	\$ 39,877	\$ -	\$ 8,600	\$ -	\$ -	0.0%
Supplies	17,369	30,000	30,000	20,000	(10,000)	-33.3%
Copier	4,956	30,000	6,000	6,000	(24,000)	-80.0%
Receptionist	35,999	45,000	45,000	45,000	-	0.0%
Staff Training	3,000	6,000	6,000	5,000	(1,000)	-16.7%
Office of Finance Fees	60,000	60,000	60,000	60,000	-	0.0%
Audit Fees	16,000	16,000	16,000	20,000	4,000	25.0%
Redevelopment Division Staff & Fringe	986,918	-	-	-	-	0.0%
<b>Total Administrative expenses:</b>	<b>1,164,119</b>	<b>187,000</b>	<b>171,600</b>	<b>156,000</b>	<b>(31,000)</b>	<b>-16.6%</b>
Professional Service Expenses:						
General Counsel	66,635	90,000	90,000	90,000	-	0.0%
Insurance	23,097	24,000	24,000	27,000	3,000	12.5%
Feasibility Analysis Services	-	-	-	30,000	30,000	0.0%
<b>Total Professional Expenses:</b>	<b>89,732</b>	<b>114,000</b>	<b>114,000</b>	<b>147,000</b>	<b>33,000</b>	<b>28.9%</b>
Project Expenses:						
HITF - Staff Support - CPAP	313,700	352,600	352,600	-	(352,600)	-100.0%
CDBG - Staff Support - My Home	-	-	-	363,200	363,200	N/A
CDBG -Suitland Façade Program	42,790	-	118,100	-	-	0.0%
<b>Total Project Expenses:</b>	<b>356,490</b>	<b>352,600</b>	<b>470,700</b>	<b>363,200</b>	<b>10,600</b>	<b>3.0%</b>
<b>Total Operating Expenses</b>	<b>\$ 1,610,341</b>	<b>\$ 653,600</b>	<b>\$ 756,300</b>	<b>\$ 666,200</b>	<b>\$ (62,000)</b>	<b>-9.5%</b>
<b>Total Expenses:</b>	<b>\$ 1,631,218</b>	<b>\$ 685,600</b>	<b>\$ 788,300</b>	<b>\$ 696,700</b>	<b>\$ 11,100</b>	<b>1.6%</b>
Excess of Revenue over Expenditures	\$ (54,383)	\$ -	\$ -	\$ -	-	0.0%
Other Adjustments	\$ -	\$ (15,400)	\$ -	\$ -	15,400	-100.0%
<b>Ending Fund Balance</b>	<b>\$ 38,264</b>	<b>\$ 8,947</b>	<b>\$ 38,265</b>	<b>\$ 38,265</b>	<b>\$ 29,318</b>	<b>327.7%</b>

Source: FY 2019 Proposed Operating Budget Appendix page xxii