



THE PRINCE GEORGE'S COUNTY GOVERNMENT Office of Audits and Investigations

April 24, 2019

M E M O R A N D U M

TO: Dannielle M. Glaros, Chair
Planning, Housing & Economic Development (PHED) Committee

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

FROM: Warren E. Burris, Sr., Policy Specialist *WEB*

RE: Department of Housing and Community Development
Fiscal Year 2020 Budget Review

Budget Overview

The FY 2020 Proposed Budget for the Department of Housing and Community Development (“DHCD” or the “Department”) is \$106,854,000, an increase of \$907,100, or 0.9%, over the FY 2019 Approved Budget. Grant funding is anticipated to increase by \$1,796,800 in FY 2020. This is largely due to an increase in Entitlement Funds by the US Department of Housing and Community Development (HUD) and an increase in Program Income (PI). The Department anticipates the need for a supplemental grant appropriation in FY 2019 of approximately \$1,740,112, due to additional entitlement funding awarded from HUD for the Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) Programs, in addition to HOME program income received in FY 2019. The Home loan Program Income consists of FY 2018 receivables and FY 2019 1st & 2nd quarter receivables.

Budget Comparison – All Funds

Approved Fiscal Year 2019 to Proposed Fiscal Year 2020

Fund	FY 2018 Actual	FY 2019 Approved	FY 2019 Estimated	% Change - Est vs App	FY 2020 Proposed	\$ Change	% Change
General Fund	\$ 5,393,970	\$ 4,320,700	\$ 4,183,500	-3.2%	\$ 4,440,700	\$ 120,000	2.8%
Grants	99,189,960	95,030,400	93,969,100	-1.1%	96,827,200	1,796,800	1.9%
Housing Investment							
Trust Fund	240,229	6,595,800	1,673,600	-74.6%	5,586,100	(1,009,700)	-15.3%
Total	\$ 104,824,159	\$ 105,946,900	\$ 99,826,200	-5.8%	\$ 106,854,000	\$ 907,100	0.9%

Authorized Staffing Count – All Funds

	FY 2019 Approved	FY 2020 Proposed	Change Amount	% Change
General Funds	28	28	0	0.0%
Grant Funds	20	15	-5	-25.0%
Housing Authority	58	58	0	0.0%
Housing Investment Trust Fund	2	7	5	250.0%
Total	108	108	0	0.0%

- The Department reports there are currently 14 vacancies and 32 individuals eligible to retire in June 2019. The vacancies and eligible to retire breakdown are as follows:
 - Housing and Community Development – 41 approved positions, 3 vacancies, and 8 eligible to retire
 - Housing Authority – 58 approved positions, 10 vacancies, and 20 eligible to retire
 - Redevelopment Authority – 9 approved positions, 1 vacancy, and 5 eligible to retire

Budget Comparison – General Fund

The FY 2020 Proposed General Fund Budget for DHCD is \$4,440,700, an increase of \$120,000, or 2.8%, over the FY 2019 Approved Budget. The increase is primarily due to an increase in mandatory salary requirements and Fringe Benefits which are being offset by the elimination of the one-time contract for the Comprehensive Housing Strategy and a decrease in funding for the Affirmatively Furthering Fair Housing contract.

Approved Fiscal Year 2019 to Proposed Fiscal Year 2020 – General Fund

Category	FY 2018 Actual	FY 2019 Approved	FY 2019 Estimated	FY 2020 Proposed	\$ Change	% Change
Compensation	\$ 2,227,856	\$ 2,637,300	\$ 2,456,100	\$ 2,810,700	\$ 173,400	6.6%
Fringe Benefits	879,505	870,300	973,800	955,600	85,300	9.8%
Operating Expenses	2,286,609	813,100	753,600	674,400	(138,700)	-17.1%
Total	\$ 5,393,970	\$ 4,320,700	\$ 4,183,500	\$ 4,440,700	\$ 120,000	2.8%

Authorized Staffing Count – General Fund

	FY 2019 Approved	FY 2020 Proposed	Change Amount	% Change
Full-Time	28	28	0	0.0%
Part-Time	0	0	0	0.0%
Total	28	28	0	0.0%

Staffing Changes and Compensation

- FY 2020 General Fund compensation is proposed at \$2,810,700, or 6.6%, over the FY 2019 Approved Budget. This increase of \$173,400 is due to proposed cost-of-living adjustments and merit increases.
- Proposed FY 2020 General Funds provide for 28 full-time positions. The Department reported that there are three (3) vacancies which include: The Director for DHCD, the Executive Director of the Redevelopment Authority and one (1) Accountant.
- The Department seeks to restructure one of its current positions from an Accountant III, to a Policy Analyst position. The restructuring of this position will complement the Community Planning Division (CPD) Compliance Unit.

Fringe Benefits

- FY 2020 fringe benefits are proposed at \$955,600, an increase of \$85,300, or 9.8%, over the FY 2019 Approved Budget. The increase in fringe benefits reflects an increase in the fringe benefit rate from 33% to 34%, and compensation adjustments.
- A five-year trend analysis of fringe benefit expenditures is included in the table below:

Fringe Benefits Historical Trend					
	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Proposed
Fringe Benefit Expenditures	\$751,239	\$664,886	\$879,505	\$973,800	\$955,600
As a % of Compensation	32.3%	31.1%	39.5%	39.6%	34.0%
Annual % Change	14.0%	-11.5%	32.3%	10.7%	-1.9%

Operating Expenses

- In FY 2020, operating expenses are proposed at \$674,400, and are comprised of the following major items:
 - Grants and Contributions \$333,500
 - General and Administrative Contracts \$188,700
 - Office Automation 105,000
 - Vehicle Equipment Repair/Maintenance 14,500
 - Training 10,000
- Overall operating expenses are decreasing by \$138,700, or 17.1%, under the FY 2019 Approved Budget. The accompanying table compares the FY 2020 Proposed Budget operating expenditures with the FY 2019 Approved Budget operating expenditures.
- The most significant decrease of \$160,300, is a reduction in contracts for the Comprehensive Housing Strategy (CHS) of \$120,000 due to completion in FY2019, and a reduction of \$75,600 in the Affirmatively Furthering Fair Housing (AFH) contract. The Department is requesting the balance for the AFG to be allocated in FY 2020 for completion.
- Office Automation is anticipated to increase by \$21,000, or 25%, in FY 2020, due to the increase in charges by the Office of Information Technology

Operating Objects	FY 2018 Actual	FY 2019 Budget	FY 2020 Proposed	FY 2019 - FY 2020	
				\$ Change	% Change
Office Automation	\$66,900	\$84,000	\$105,000	\$21,000	25.0%
Office and Operating Equipment Non-Capital	\$4,129	\$6,100	\$6,700	\$600	9.8%
Telephone	\$1,786	\$2,100	\$2,100	-	0.0%
Printing	-	\$2,500	\$2,500	-	0.0%
Postage	-	\$500	\$500	-	0.0%
Training	\$2,586	\$10,000	\$10,000	-	0.0%
Advertising	\$935	-	-	-	N/A
Membership Fees	\$400	\$800	\$800	-	0.0%
Mileage reimbursement	\$2,118	\$4,800	\$4,800	-	0.0%
General Office Supplies	\$8,382	\$4,800	\$4,800	-	0.0%
Vehicle Equipment Repair/Maintenance	-	\$14,500	\$14,500	-	0.0%
Gas and Oil	\$801	\$500	\$500	-	N/A
Equipment Lease	\$409	-	-	-	N/A
Office and Building lease	\$2,000	-	-	-	N/A
Miscellaneous	\$1,500,000	-	-	-	N/A
Grants Contributions	\$317,600	\$333,500	\$333,500	-	0.0%
General & Administrative Contracts	\$378,563	\$349,000	\$188,700	(\$160,300)	-45.9%
TOTAL	\$2,286,609	\$ 813,100	\$ 674,400	\$ (138,700)	-17.1%

Highlights

- The Department reports a 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 reports that of the 900,000+ citizens in the County, less than 1% (6,000) attend DHCD outreach events. The Department reports that citizens are made aware of new and existing housing projects within the County by the Department and County websites, flyers at community events, posters, Public Service Announcements (PSA), radio cable Television & 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 buses and shelter structures.
- DHCD partners with approximately 40+ non-profits annually for service delivery under the Community Development Block Grant Program, under the categories of affordable housing, economic development, public infrastructure and facilities, planning and administration, and public services. Additionally, DHCD partners with stakeholders under the Home Investment Partnerships Program, including but not limited to the State of Maryland Department of Housing & Community Development, Community Development Administration, and various non-profit developers.
- The Department reports receiving six (6) 3-1-1- calls as of March 2019. The most common issues were the Section 8 Housing Choice Voucher concerns. On average, the Department resolves a call between 1 to 3 days depending on the type of request.
- The FY 2020 Proposed Budget does not include any changes related to the Comprehensive Housing Strategy (CHS). Although the Comprehensive Housing Strategy (CHS) has been approved by the County Council and reviewed by the County Executive's Office, the Department must await the approval of the County Executive to begin re-appropriation of any funds for the CHS. Upon approval from the County Executive's Office, DHCD will enact the appropriate programs for FY 2021 as recommended in the CHS. DHCD will modify the Consolidated/Annual Action Plan pursuant to the appropriate HUD guidelines to be consistent with the CHS.

Budget Comparison – All Grant Funds

Grant funding represents 90.6% of the Department's overall budget in FY 2020. The FY 2020 Proposed Grant budget is \$96,827,200, an increase of \$1,796,800, or 1.9%, above the FY 2019 Approved Budget. This total reflects the grants managed by the Department of Housing and Community Development (DHCD) and the Housing Authority of Prince George's County, including the Community Development Block Grant (CDBG), Home Investment Partnership (HOME), and the Emergency Solutions Grant (ESG).

Category	FY 2018 Actual	FY 2019 Approved	FY 2019 Estimated	FY 2020 Proposed	\$ Change	% Change
Entitlement Programs	\$ 6,379,398	\$ 7,832,800	\$ 9,887,800	\$ 9,866,000	\$ 2,033,200	\$0
Housing Authority	92,810,562	87,197,600	84,073,300	86,961,200	-236,400	\$0
Total	\$ 99,189,960	\$ 95,030,400	\$ 93,961,100	\$ 96,827,200	\$ 1,796,800	1.9%

Budget Comparison – Grant Funds – Entitlement Programs (CDBG, HOME & ESG)

The FY 2020 Proposed DHCD grant budget is \$9,866,000, an increase of \$2,033,200, or 26.0%, over the FY 2019 Approved Budget. The increase is largely driven by program income generated from prior year grant programs. The Department anticipates an increase in available HOME funding resulting from program income.

Actual Fiscal Year 2019 to Proposed Fiscal Year 2020 – Grants

Category	FY 2018 Actual	FY 2019 Approved	FY 2019 Estimated	FY 2020 Proposed	\$ Change	% Change
Compensation	\$ 691,722	\$ 842,800	\$ 966,900	\$ 854,900	\$ 12,100	1.4%
Fringe Benefits	157,866	245,400	252,500	276,300	30,900	12.6%
Operating Expenses	5,529,810	6,744,600	8,668,400	8,734,800	1,990,200	29.5%
Total	\$ 6,379,398	\$ 7,832,800	\$ 9,887,800	\$ 9,866,000	\$ 2,033,200	26.0%

Authorized Staffing Count - Grants

	FY 2019 Approved	FY 2020 Proposed	Change Amount	% Change
Full-Time	12	12	0	0.0%
Limited Term	8	3	-5	-62.5%
Total	20	15	-5	-25.0%

Staffing Changes and Compensation

- The proposed budget for grant funds provides for fifteen (15) funded positions in FY 2020, of which 12 are full-time and three (3) are limited-term grant funded (LTGF). LTGF positions are decreasing by five (5) positions in FY 2020, due to the reallocation of Redevelopment Division staff to the Housing Investment Trust Fund from the CDBG Program.

Fringe Benefits

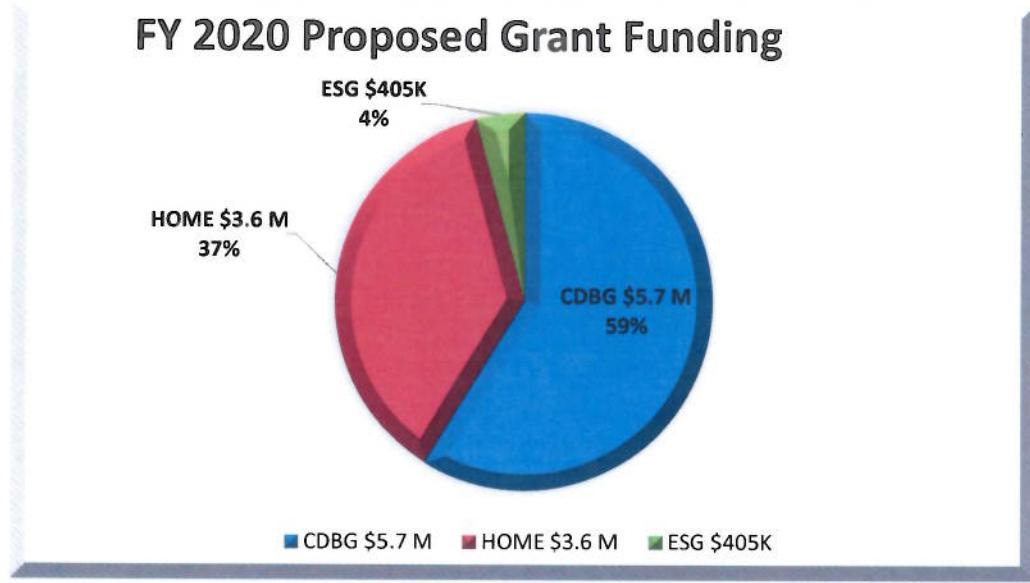
- FY 2020 grant funded fringe benefit expenditures are proposed at \$276,300, an increase of \$30,900, due to increases in benefits.

Operating Expenses

- Grant funded operating expenses for FY 2020 are proposed at \$8,734,800, which represents an increase of \$1,990,200 (29.5%) due to an increase in Entitlement Program funds (CDBG & HOME) and increases in Program Income.

Highlights

- The FY 2020 Proposed Grant funding is comprised of the following: Community Development activities including CDBG (\$5.79 million or 59%), Housing Development including HOME Activities (\$3.65 million or 37%), and Emergency Solutions Grant (ESG) (\$409,000 or 4%). *See chart on the following page.*



A table summarizing grant funding by Division is shown below.

Fiscal Year 2020 Department of Housing and Community Development Grants by Division						
GRANTS	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimated	FY 2020 Proposed	\$ Change	% Change
Community Planning & Development Division						
Community Development Block Grant (CDBG)	\$ 3,865,144	\$ 4,273,700	\$ 4,987,400	\$ 4,987,500	\$ 713,800	16.7%
CDBG: Single Family Rehabilitation Loan Program	392,655	300,000	404,800	404,800	104,800	34.9%
Emergency Solutions Grant (ESG)	379,384	450,000	401,700	409,700	(40,300)	-9.0%
Neighborhood Stabilization Program (NSP)				137,400	137,400	0.0%
Maryland National Mortgage Settlement Program (MNMSP)				168,800	168,800	0.0%
Neighborhood Conservative Program (NCI)	-	-	-	99,600	99,600	0.0%
Subtotal	\$ 4,637,183	\$ 5,023,700	\$ 5,793,900	\$ 6,207,800	\$ 1,184,100	23.6%
Housing Development Division						
Home Investment Partnership (HOME)	\$ 1,402,722	\$ 666,400	\$ 1,272,500	\$ 1,200,000	\$ 533,600	80.1%
My HOME Homebuyer Activities	133,730	358,800	358,800	358,800	-	0.0%
HOME Program Home Program Income	-	1,420,700	2,099,400	2,099,400	678,700	47.8%
Subtotal	\$ 1,536,452	\$ 2,445,900	\$ 3,730,700	\$ 3,658,200	\$ 1,212,300	49.6%
Redevelopment Division						
CDBG: Pathway to Purchase (P2P)	\$ 205,763	\$ 363,200	\$ 363,200	\$ -	(363,200)	N/A
Subtotal	\$ 205,763	\$ 363,200	\$ 363,200	\$ -	\$ (363,200)	N/A
DHCD Total Grants- Outside Sources	\$ 6,379,398	\$ 7,832,800	\$ 9,887,800	\$ 9,866,000	\$ 2,033,200	26.0%
Transfer from General Fund - County Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%

Source: FY 2020 Proposed Operating Budget Book page 507

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

Community Development Block Grant (CDBG Activities) - \$5.79 million (59%) (Proposed FY 2020)

- 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.
- Redevelopment funding is proposed to decrease by \$363,200, as it anticipates the five (5) Redevelopment Division staff funded by the CDBG grant in FY 2019 will be funded by the Housing Investment Trust Fund in FY 2020.
- The FY 2020 proposed budget includes \$810,600 of Program Income (PI) in CDBG related activities. These activities include: The Neighborhood Stabilization Program (\$137,400), the Neighborhood Conservative Program (\$99,600), and Maryland National Mortgage Settlement Program (\$168,800).

Home Investment Partnership (HOME Activities) - \$3.65 million (37%) (Proposed FY 2020)

- 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 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.
- Funds for HOME related activities are anticipated to increase by \$1,212,300 in FY 2020, primarily due to an increase in HOME Funds from the US Department of Housing and Community Development (\$533,600) and HOME Program Income (\$678,700).
- 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. Housing Initiative Partnership, Inc. is the only organization currently certified as a CHDO in the County. United Communities Against Poverty, Inc. and Sowing Empowerment and Economic Development, Inc., reached out to the Department to discuss specific projects and the possibility of being certified as a CHDO within the context of those specific projects; however, as of this date, these organizations have not presented DHCD with viable proposals.
- The Department anticipates hiring a consultant to work with qualified non-profits to help build the organization's capacity as a developer by:
 - Providing funding to qualified non-profits to seek out training to build its capacity; and
 - Requiring affordable housing developers, developing projects of scale, to partner with a non-profit for gaining knowledge as to how to navigate through the development process.

Emergency Solutions Grants (ESG) - \$409 K (4%) (Proposed FY 2020)

- 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 2020 is anticipated to decrease by \$40,300, or 9%, from the FY 2019 Approved Budget.
- DHCD subcontracted with the Department of Social Services (DSS) to carry out the County Fiscal Year 2019 ESG Program. The grant amount awarded to DSS was approximately \$908,000. To date, DSS has expended \$306,240 of its ESG funds and plans to expend the remaining balance by the October 30, 2019 deadline. The proposed FY 2020 budget anticipates funding of \$409,000.

ESG Program Components	Amount Committed	Amount Expended to Date
Street Outreach	\$170,000	\$4,443
Shelter	\$170,320	\$112,276
Homeless Prevention	\$217,500	\$122,881
Rapid Re-housing	\$217,500	\$66,012
Data Collection (HMIS)	\$65,000	\$627
DSS Administration	\$68,133	\$0
Total	\$908,453	\$306,239

1st Round Response p. 25, Question #40

- On February 13, 2019, HUD issued a Notice CPD-19-01(Guidance on Submitting Consolidated Plans and Annual Action Plans for Federal FY 2019 (County FY 2020)). According to Notice CPD 19-01, Congress has not passed the Federal FY 2019 (County FY 2020) appropriations and recommends the participating jurisdictions use its current fiscal year appropriations as estimated amounts, but include "contingency provision" language in its annual action plan which explains how it will adjust its proposed plan to match its actual allocation amount, once actual amounts become available. Therefore, the Department's proposed FY 2020 ESG budget of \$409,700 is based on HUD's final Federal Fiscal Year 2018 (County FY 2019) allocations. The estimated ESG budget will be proportionally adjusted to match the final funding allocation amount upon notification from HUD.

Note: According to DHCD's 2016-2020 Consolidated Plan, it was projected the County would receive approximately \$389,196 annually in ESG funds. The expected amount was based on a three-year average of prior federal allocations. However, since 2017, the County's ESG allocations have increased.

CFY	Emergency Solutions Grant
2016	\$389,196
2017	\$387,732
*2018	\$908,453
2019	\$409,657

*Note: Includes "one-time" Supplemental ESG funds allocated by Congress in the amount of \$506,803.

Budget Comparison – Grant Funds - Housing Authority

The FY 2020 Proposed Budget for the Housing Authority is \$86,961,200, a decrease of \$236,400, or 0.3%, under the Approved FY 2019 budget. This decrease is largely driven by the \$230,000 reduction in the Bond Program and \$70,000 reduction in the Section 8 Moderate Rehabilitation program, offset by increases in Conventional Public Housing (\$62,000) and Section 8 Housing Choice Voucher (HCV of \$2,800).

Approved Fiscal Year 2019 to Proposed Fiscal Year 2020 – Housing Authority

Category	FY 2018 Actual	FY 2019 Approved	FY 2019 Estimated	FY 2020 Proposed	\$ Change	% Change
Compensation	\$ 3,453,712	\$ 4,365,900	\$ 3,521,100	\$ 4,492,100	\$ 126,200	2.9%
Fringe Benefits	1,118,708	1,317,500	1,124,200	1,527,300	209,800	15.9%
Operating Expenses	88,238,142	81,514,200	79,436,000	80,941,800	(572,400)	-0.7%
Total	\$ 92,810,562	\$ 87,197,600	\$ 84,081,300	\$ 86,961,200	\$ (236,400)	-0.3%

Authorized Staffing Count

	FY 2019 Approved	FY 2020 Proposed	Change Amount	% Change
Full-Time	58	58	0	0.0%
Limited Term	0	0	0	0.0%
Total	58	58	0	0.0%

Staffing Changes and Compensation

- Proposed FY 2020 Compensation for the Housing Authority is \$4,492,100, which is a \$126,200, or 2.9%, increase above the FY 2019 Approved Budget. This budget increase reflects mandatory merit increases and cost-of-living adjustments.
- The Proposed FY 2020 Housing Authority staffing levels remain unchanged from the FY 2019 approved level of 58 full-time positions.
- As of March 15, 2019, the Housing Authority reported ten (10) funded vacancies. The vacancies include: one (1) Accountant, one (1) Administrative Aide, three (3) Community Developers, one (1) Community Development Aide, and four (4) Community Development Assistants, with two (2) of the positions expected to be filled in FY 2019.

Fringe Benefits

- FY 2020 fringe benefits expenditures are proposed at \$1,527,300, an increase of \$209,800, or 15.9%, over the Approved FY 2019 budget. This increase in fringe benefits reflects the anticipated changes in benefit costs.

Operating Expenses

- FY 2020 operating expenses are proposed at \$80,941,800, representing a decrease of \$572,400, or 0.7%, from the Approved FY 2019 budget. The two significant budget reductions include a \$230,000 reduction in the Bond Program and \$70,000 in Section 8 Housing Moderate Rehabilitation.

Fiscal Year 2020 Housing Authority Grants by Division						
GRANTS	FY 2018 Actual	FY 2019 Budget	FY 2019 Estimated	FY 2020 Proposed	\$ Change	% Change
Housing Assistance Division						
Conventional Public Housing	\$ 2,887,978	\$ 2,826,000	\$ 2,888,000	\$ 2,888,000	\$ 62,000	2.2%
Coral Gardens	113,152	112,600	113,150	113,200	600	0.5%
Homeownership - Marcy Avenue	11,427	13,300	11,500	11,500	(1,800)	-13.5%
Public Housing Modernization/Capital Fund	98,182	88,500	88,483	88,500	-	0.0%
Subtotal	\$ 3,110,739	\$ 3,040,400	\$ 3,101,133	\$ 3,101,200	\$ 60,800	2.0%
Rental Assistance Division						
Bond Program	\$ 343,515	\$ 480,000	\$ 250,000	\$ 250,000	\$ (230,000)	-47.9%
Section 8 Housing Choice Voucher (HCV)	87,302,974	81,547,200	81,550,000	81,550,000	2,800	0.0%
Section 8 Moderate Rehabilitation	2,053,334	2,130,000	2,026,000	2,060,000	(70,000)	-3.3%
Subtotal	\$ 89,699,823	\$ 84,157,200	\$ 83,826,000	\$ 83,860,000	\$ (297,200)	-0.4%
HA Total Grants - Outside Sources	\$ 92,810,562	\$ 87,197,600	\$ 86,927,133	\$ 86,961,200	\$ (236,400)	-0.3%
Transfer from General Fund - County Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Total Grant Expenditures	\$ 92,810,562	\$ 87,197,600	\$ 86,927,133	\$ 86,961,200	\$ (236,400)	-0.3%

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 proposed FY 2020 budget amount decreased by \$230,000 compared to the FY 2019 approved amount as a result of a misstatement. In FY 2019 the Housing Authority expected a developer fee from a project in which they were the co-developer. However, the fee was received in FY 2018.
- The Section 8 Housing Choice Voucher Program accounts for 93.8% of the Housing Authority's total grant expenditures at \$81,550,000 for FY 2020, an anticipated increase of \$2,800, or 0.1%, over the FY 2019 approved level.
- As reported by the Department, the Housing Choice Voucher Program achieved High Performer Status under the Section 8 Management Assessment Program (SEMAP) with a score of 100. The Public Housing Program received Standard Performer status under the Public Housing Assessment System (PHAS).
- The Housing Authority Rental Assistance Division conducts landlord outreach through their Landlord Seminars. During these seminars, landlords receive detailed information regarding the Housing Choice Voucher Program regulations and operations with an emphasis on landlord responsibilities to the family. The Housing Authority held seminars including 240 landlords.
- The Housing Authority achieved a composite score of 95% on the physical inspection results for public housing properties under the HUD's Real Estate Assessment Center (REAC).
- The Housing Authority partnered with a local developer and continues to move forward with the redevelopment of 1313 Southern Avenue (formerly known as McGuire House).

Budget Comparison – General Funds - Housing Investment Trust Fund

The Housing Investment Trust Fund was created by legislation through Council Bill-21-2012 and amended with CB-57-2017 to hone in on specific activities to assist with the County's affordable housing challenge. As amended, the Housing Investment Trust Fund supports the Workforce Housing Gap Financing and the Down Payment and Closing Cost Assistance Programs.

Approved Fiscal Year 2019 to Proposed Fiscal Year 2020 – Housing Investment Trust Fund

Fund	FY 2018 Actual	FY 2019 Approved	FY 2019 Estimated	FY 2020 Proposed	\$ Change	% Change
Compensation	\$ 202,667	\$ 128,700	\$ 117,300	\$ 412,300	\$ 283,600	220.4%
Fringe Benefits	33,661	20,000	18,200	61,900	41,900	209.5%
Operating Expenses	3,901	-	-	33,900	33,900	N/A
Down payment Closing Costs	-	-	-	-	-	N/A
Workforce Housing Gap Financing	-	6,447,100	1,538,100	5,111,900	(1,335,200)	-20.7%
Total	\$ 236,328	\$ 6,595,800	\$ 1,673,600	\$ 5,586,100	\$ (1,009,700)	-15.3%

Authorized Staffing Count

	FY 2019 Approved	FY 2020 Proposed	Change Amount	% Change
Full-Time	0	0	0	0.0%
Limited Term	2	7	5	250.0%
Total	2	7	5	250.0%

- The Proposed FY 2020, Compensation increases by \$283,600 or 220.4%, over the FY 2019 Approved Budget driven by changes in the funding source (re-allocation) for the five (5) staff assigned to the Down Payment Closing Assistance Program. The five (5) LTGF positions were re-allocated from the Redevelopment Authority.
- Proposed FY 2020 General Funds are provided for seven (7) Limited Term positions.
- Proposed FY 2020 Fringe benefits are \$61,900, an increase of \$41,900, or 209.5%, over the FY 2019 Approved Budget, due to compensation adjustments.
- 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 faced an unforeseen obstacle of awarding GAP Workforce Financing funds. This was primarily due to three (3) applicants not obtaining the 9% tax credit from Maryland Department of Housing and Community Development (MD DHCD).

- The Maryland Department of Housing and Community Development (MD-DHCD) established a Conciliation and Voluntary Compliance agreement with HUD to resolve a discrimination complaint brought by fair housing advocates challenging the fairness of the State's Low-Income Housing Tax Credit (LIHTC) Program. Specifically, the agreement required MD-DHCD to increase the number of affordable housing units in the Baltimore region by as many as 1,500, with more than 1,000 of those units being new construction. Because of this Agreement, MD-DHCD awarded higher points to projects located in the state region when scoring proposals to receive an allocation of 9% LIHTC. Due to this change in scoring, the proposals in Prince George's County did not score high enough to be awarded the tax credits. MD-DHCD has met the unit requirement as mentioned. DHCD will receive applications once again for projects that did not get awarded tax credits.
- The FY 2020 Proposed Budget does not include any new appropriations. Unused funds were encumbered from FY 2019 and rolled over to FY 2020. The FY 2020 beginning fund balance for the Housing Investment Trust Fund is \$5,586,100. The proposed FY 2020 allocation is funded by prior year fund balance. The fund balance as of June 30, 2020 is proposed at \$71.

Budget Comparison – Capita Improvement Plan - Redevelopment Authority (RDA)

The Redevelopment Authority was established pursuant to Council Bill -85-1997. RDA's Charter was approved pursuant to Council Resolution -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.

Category	FY 2018 Actual	FY 2019 Approved	FY 2019 Estimated	FY 2020 Proposed	\$ Change	% Change
Board Expenses	\$20,972	\$30,500	\$22,000	\$29,000	(\$1,500)	-4.92%
Administrative Expenses	129,068	156,000	156,000	166,600	10,600	6.79%
Professional Expenses	71,168	147,000	130,000	137,900	-9,100	-6.19%
Project Expenses	1,767,239	363,200	363,200	372,600	9,400	2.59%
Total	\$1,988,447	\$696,700	\$671,200	\$706,100	\$9,400	1.35%

The FY 2020 Proposed Budget for the Redevelopment Authority (RDA) is \$706,100, an increase of \$9,400, or 1.3%, over the FY 2019 Approved Budget.

Highlights

- Key accomplishments in FY 2019 for the Redevelopment Authority include:
 - Completed:
 - Northern Gateway District
 - 3807 Rhode Island Avenue
 - 3300 block of Rhode Island Ave
 - Phase I of the Glenarden Apartments
 - Commenced construction on:
 - Phase I of the Towne Square 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 2020 - FY 2025 Proposed Capital Improvement Program (CIP) for a funding amount of \$17,269,000. One (1) existing project: Town of Upper Marlboro Redevelopment has been deferred to 2021 with no required funding for FY 2020. The four (4) active projects with proposed fund balance from County sources are as follows:

❖ Addison Rd/Capitol Hts. Metro Corridor – Fund Balance (\$746,000)

- 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.
- Sub-projects include the Blueline Facade, which is set to be completed in FY 2020. Net Zero Homes (Fairmont Homes) a total of 9 homes, are set to be completed in FY 2020. Other funding in FY 2019 is \$1,000,000 in PAYGO, \$100,000 in State Legacy Grant (Blue Line), and \$245,000 in State Reimbursement (Net Zero Homes).
- No PAYGO requested in FY 2020.

❖ County Revitalization – Fund Balance (\$5,453,000)

- This project consists of land assembly, relocation and demolition. Community Impact Grants (CIG) in the amount of \$500,000 to implement small community-led projects and an additional \$500,000 for the Commercial Property Improvement Program (CPIP) to rehabilitate unattractive shopping centers. Countywide efforts include the CIG Program, Transit Oriented Development (TOD) Place Marking Programs, Commercial Revitalization Programs, and the Northern Gateway Revitalization.
- For CIG, the grants provide matching funds to county-based non-profits to implement small community led projects. For the Commercial Revitalization Programs, the grants will be a match to funding that owners of the shopping centers have dedicated to rehabilitating unattractive shopping centers. According to the County's recent Retail Market Analysis study, there are nearly 250 shopping centers in the County.

- Each one of the shopping centers could potentially apply for these funds. In FY 2019, other funding includes \$1,000,000 in PAYGO funds.
- No PAYGO requested in FY 2020.
- Projected FY 2020 expenditures of \$1 million (\$500,000 for CIG and \$500,000 for CPIP) will be funded from existing fund balance.

❖ **Glenarden Apartments Redevelopment – Fund Balance (\$5,616,000)**

- 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.
- FY 2019 funds were used for Phase 1A buildings that are nearly completed, and infrastructure is under construction.
- In FY 2020, infrastructure construction will continue and the expected start of construction of Phase 2. In FY 2019, the total includes \$4.5 million of PAYGO. In FY 2020 other revenue includes land sale proceeds.

❖ **Suitland Manor – Proposed FY 2020 (\$5,454,000)**

- This project consists of acquisition, relocation, demolition and clearance of approximately 25 acres of commercial and residential properties. The major work item for FY 2018 will be the completion of the first phase of infrastructure design and construction. FY 2019 funding is \$22M from Certificates of Participation bonds and the rest from land sales. FY 2020 other funding includes \$2,000,000 in PAYGO funds.

Operating Revenues and Expenses - Redevelopment Authority
FY 2018 - FY 2020

Category	FY 2018 Actual	FY 2019 Approved	FY 2019 Estimated	FY 2020 Proposed	\$ Change	% Change
Beginning Fund Balance	\$ 38,265	\$ 38,265	\$ 1,272,942	\$ 1,322,775	\$ 1,284,510	3356.9%
REVENUES:						
County Grant	\$ 317,600	\$ 333,500	\$ 333,500	\$ 333,500	\$ -	0.0%
CDBG/HITF Grant - Staff Support	-	363,200	363,200	372,600	9,400	2.6%
Technical Assistance Revenues-HRAP	1,500,000	-	-	-	-	0.0%
CDBG - Suitland façade Program	178,208		21,333			
Miscellaneous Revenues	2,871		3,000			
DHCD Staff Support	1,188,629	-	-	-	-	0.0%
Buyout of Old Lease	12,297	-	-	-	-	0.0%
Align to RDA Annual Financial Report	23,519	-	-	-	-	0.0%
Total Revenues	\$ 3,223,124	\$ 696,700	\$ 721,033	\$ 706,100	\$ 9,400	1.3%
EXPENSES:						
Board Expenses						
Board Member Stipend	\$ 19,600	\$ 28,500	\$ 20,000	\$ 27,000	\$ (1,500)	-5.3%
Board Member Expenses	1,372	2,000	2,000	2,000	-	0.0%
Board Member Development	-	-	-	-	-	0.0%
Total Board Expenses	\$ 20,972	\$ 30,500	\$ 22,000	\$ 29,000	\$ (1,500)	-4.9%
Operating Expenses:						
Supplies	20,639	20,000	20,000	24,600	4,600	23.0%
Copier	-	6,000	6,000	7,000	1,000	16.7%
Receptionist	40,929	45,000	45,000	45,000	-	0.0%
Staff Training	-	5,000	5,000	10,000	5,000	100.0%
Office of Finance Fees	60,000	60,000	60,000	60,000	-	0.0%
Audit Fees	7,500	20,000	20,000	20,000	-	0.0%
Total Administrative expenses:	129,068	156,000	156,000	166,600	10,600	6.8%
Professional Service Expenses:						
General Counsel	67,605	90,000	75,000	82,900	\$ (7,100)	-7.9%
Insurance	3,563	27,000	25,000	25,000	\$ (2,000)	-7.4%
Feasibility Analysis Services	-	30,000	30,000	30,000	-	0.0%
Total Professional Expenses:	71,168	147,000	130,000	137,900	\$ (9,100)	-6.2%
Project Expenses:						
HITF - Staff Support - CPAP	-	363,200	363,200	372,600	9,400	2.6%
DHCD- Staff Support - My Home	1,188,629	-	-	-	-	N/A
Other Operating Expenses to Align w RDA						
Annual Financial report	578,610	-	-	-	-	0.0%
Total Project Expenses:	1,767,239	363,200	363,200	372,600	9,400	2.6%
Total Operating Expenses	\$ 1,967,475	\$ 666,200	\$ 649,200	\$ 677,100	\$ 10,900	1.6%
Total Expenses:	\$ 1,988,447	\$ 696,700	\$ 671,200	\$ 706,100	\$ 9,400	1.3%
Excess of Revenue over Expenditures	\$ 1,234,677	\$ -	\$ 49,833	\$ -	-	0.0%
Other Adjustments	\$ -	\$ -	\$ -	\$ -	-	0.0%
Ending Fund Balance	\$ 1,272,942	\$ 38,265	\$ 1,322,775	\$ 1,322,775	\$ 1,284,510	3356.9%