

# Department of Housing and Community Development (DHCD) – Fiscal Year 2023 Budget Review Summary

## Proposed FY 2023 Operating Budget

Overall Budget (Including Housing Authority)	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimate	FY 2023 Proposed	\$ Change	% Change
General Fund	\$ 4,853,599	\$ 5,016,700	\$ 5,019,100	\$ 5,055,700	\$ 39,000	0.8%
Grants	123,032,820	103,815,400	238,946,400	106,334,000	\$ 2,518,600	2.4%
Special Revenue Fund	106,425	4,154,000	4,247,900	10,000,000	5,846,000	140.7%
<b>Total</b>	<b>\$ 127,992,844</b>	<b>\$ 112,986,100</b>	<b>\$ 248,213,400</b>	<b>\$ 121,389,700</b>	<b>\$ 8,403,600</b>	<b>7.4%</b>

DHCD Department (Excluding Housing Authority)	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	% Change - Est vs App	FY 2023 Proposed	\$ Change	% Change
General Fund	\$ 4,853,599	\$ 5,016,700	\$ 5,019,100	0.0%	\$ 5,055,700	\$ 39,000	0.8%
Formula Grants	26,273,898	9,088,900	138,466,700	1423.5%	9,991,700	902,800	9.9%
Special Revenue Funds	106,425	4,154,000	4,247,900	2.3%	10,000,000	5,846,000	140.7%
<b>Total</b>	<b>\$ 31,233,922</b>	<b>\$ 18,259,600</b>	<b>\$ 147,733,700</b>	<b>709.1%</b>	<b>\$ 25,047,400</b>	<b>\$ 6,787,800</b>	<b>37.2%</b>

General Fund	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	FY 2023 Proposed	Change Amount	% Change
Compensation	\$ 2,853,178	\$ 2,744,500	\$ 2,749,000	\$ 3,002,700	\$ 258,200	9.4%
Fringe Benefits	853,980	872,800	873,200	1,006,400	\$ 133,600	15.3%
Operating Expenses	1,146,441	1,399,400	1,396,900	1,046,600	\$ (352,800)	-25.2%
<b>Total</b>	<b>\$ 4,853,599</b>	<b>\$ 5,016,700</b>	<b>\$ 5,019,100</b>	<b>\$ 5,055,700</b>	<b>\$ 39,000</b>	<b>0.8%</b>

DHCD Formula Grant Funds	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	FY 2022 Proposed	Change Amount	% Change
Compensation	\$ 1,389,193	\$ 1,226,500	\$ 5,572,000	\$ 1,469,900	\$ 243,400	19.8%
Fringe Benefits	328,521	351,100	682,800	316,000	\$ (35,100)	-10.0%
Operating Expenses	24,555,184	7,511,300	132,211,900	8,205,800	\$ 694,500	9.2%
<b>Total</b>	<b>\$ 26,272,898</b>	<b>\$ 9,088,900</b>	<b>\$ 138,466,700</b>	<b>\$ 9,991,700</b>	<b>\$ 902,800</b>	<b>9.9%</b>

## Staffing

Fund	FY 2021 Budget	FY 2022 Budget	FY 2023 Proposed	Change	% Change	Vacancy Rate
General Fund	28	28	28	0	0.0%	0.0%
Grants	15	20	19	4	26.7%	-33.3%
Special Revenue Fund	7	2	3	-4	-57.1%	71.4%
<b>Total</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>0</b>	<b>0.0%</b>	<b>0.0%</b>

## FY 2023 Proposed Budget – Key Highlights

- The Department of Housing and Community Development administers federal formula grant funds. The proposed overall budget including the Housing Authority is 87.59% grant funded, 4.16% from General Fund and 8.2% from Special Revenue Fund.
- The proposed Department Budget (not including the Housing Authority) represents an increase of \$6,787,800 from FY 2022 Approved Budget.
  - Proposed General Fund includes an increase of \$39,000.
  - Proposed FY 2023 Grant funds includes \$902,800 increases of existing programs and services.
  - Proposed FY 2023 Special Revenue Fund includes \$5,846,000 in increases of existing programs and services.

- Key FY 2022 Achievements:
  - Preserved 515 Naturally Occurring Affordable Housing Units.
  - Created ROFR Preservation Fund with funds allocated from HOME's American Rescue Plan Act funding.
  - Provided funding and Payment in Lieu of Taxes (PILOT) for four new affordable multi-family developments.

COVID Funding	
Coronavirus Relief Fund ERAP	\$27,180,300
CARES Emergency Solutions Grant	6,458,800
Maryland Emergency Rental Assistance 1	47,034,400
Coronal Virus Relief Fund 2	30,596,100
CDBG Cares CV1	3,037,000
CDBG ERAP CV 2	2,672,700
CDBG Cares CV 3	4,086,200
<b>Total</b>	<b>\$ 121,065,500</b>



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

## Office of Audits and Investigations

April 21, 2022

### MEMORANDUM

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

THRU: Turkessa M. Green, County Auditor *JMG*  
Joseph R. Hamlin, Director of Budget and Policy Analysis *JRH*

FROM: Warren E. Burris, Senior Legislative Budget and Policy Analyst *WLB*

RE: Department of Housing and Community Development  
Fiscal Year 2023 Budget Review

#### **Budget Overview – DHCD (Including Housing Authority)**

The FY 2023 Proposed Budget for the Department of Housing and Community Development (“DHCD” or the “Department”) is \$121,389,700, an increase of \$8,403,600, or 7.4%, over the FY 2022 Approved Budget. The Department anticipates the need for a supplemental grant appropriation for spending authority in FY 2022 of approximately \$20,405,237 due to the CDBG Entitlement Award being higher than expected and an additional \$20,000,000 in State Emergency Rental Assistant Program (ERAP) funds from HOMES’s American Rescue Plan funding and \$1,111,280 from the Department of Treasury.

DHCD does not anticipate requesting a general fund supplemental in FY 2022. As of December 2022, the \$2,400 requests was to cover In addition, the Department expects to submit a supplemental request for the General Fund Budget in FY 2022 in the amount of \$2,400 for merit increases.

#### **Budget Comparison – All Funds**

##### ***Approved Fiscal Year 2022 to Proposed Fiscal Year 2023***

Fund	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	% Change - Est vs App	FY 2023 Proposed	\$ Change	% Change
General Fund	\$ 4,853,599	\$ 5,016,700	\$ 5,019,100	0.0%	\$ 5,055,700	\$ 39,000	0.8%
Grants	123,032,820	103,815,400	238,946,400	130.2%	106,334,000	2,518,600	2.4%
Special Revenue Funds	106,425	4,154,000	4,247,900	2.3%	10,000,000	5,846,000	140.7%
<b>Total</b>	<b>\$ 127,992,844</b>	<b>\$ 112,986,100</b>	<b>\$ 248,213,400</b>	<b>119.7%</b>	<b>\$ 121,389,700</b>	<b>\$ 8,403,600</b>	<b>7.4%</b>

The Department reports FY 2023 proposed General Funds will be \$5,055,700, which is a \$39,000, or 0.8%, increase over FY 2022. Grant Funds are proposed at \$106,334,000, an increase of 2.4% over the FY 2022 Approved Budget due largely to enhancements to programs in the Housing Authority. The proposed Special

Revenue Fund is \$10,000,000 which is a \$5,846,000 increase, or 140.7%, over the FY 2022 Approved level, due in large part to the new legislation earmarking funds from the Recordation Taxes<sup>1</sup>.

***Authorized Staffing Count – All Funds<sup>2</sup>***

	FY 2022 Approved	FY 2023 Proposed	Change Amount	% Change
General Funds	28	28	0	0.0%
Grant Funds	89	93	4	4.5%
Special Revenue Authority	2	3	1	50.0%
<b>Total</b>	<b>119</b>	<b>124</b>	<b>5</b>	<b>4.2%</b>

- The Department proposes a total of 124 positions – 114 full-time and ten (10) limited term grant funded positions.
- The Department anticipates 25 vacancies in FY 2023, which includes six (6) General Fund, four (4) Grant funded, and two (2) LTGF positions, as well as thirteen (13) vacancies in the Housing Authority.
- The Department reports one (1) employee is assigned to the County Executive's Office in FY 2022. This assignment is expected to continue in FY 2023.

**Budget Comparison – All Funds - DHCD Departmental Budget<sup>3</sup>**

***Approved Fiscal Year 2022 to Proposed Fiscal Year 2023***

Fund	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	% Change - Est vs App	FY 2023 Proposed	\$ Change	% Change
General Fund	\$ 4,853,599	\$ 5,016,700	\$ 5,019,100	0.0%	\$ 5,055,700	\$ 39,000	0.8%
Formula Grants	26,273,898	9,088,900	138,466,700	1423.5%	9,991,700	902,800	9.9%
Special Revenue Funds	106,425	4,154,000	4,247,900	2.3%	10,000,000	5,846,000	140.7%
<b>Total</b>	<b>\$ 31,233,922</b>	<b>\$ 18,259,600</b>	<b>\$ 147,733,700</b>	<b>709.1%</b>	<b>\$ 25,047,400</b>	<b>\$ 6,787,800</b>	<b>37.2%</b>

**Budget Comparison – General Fund**

The Department's proposed FY 2023 General Fund budget is \$5,055,700, an increase of \$39,000, or 0.8%, above the FY 2022 approved level.

***Approved Fiscal Year 2022 to Proposed Fiscal Year 2023 – General Fund***

Category	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	FY 2023 Proposed	\$ Change	% Change
Compensation	\$ 2,853,178	\$ 2,744,500	\$ 2,749,000	\$ 3,002,700	\$ 258,200	9.4%
Fringe Benefits	853,980	872,800	873,200	1,006,400	133,600	15.3%
Operating Expenses	1,146,441	1,399,400	1,396,900	1,046,600	(352,800)	-25.2%
<b>Total</b>	<b>\$ 4,853,599</b>	<b>\$ 5,016,700</b>	<b>\$ 5,019,100</b>	<b>\$ 5,055,700</b>	<b>\$ 39,000</b>	<b>0.8%</b>

<sup>1</sup> CB-004-2021

<sup>2</sup> The DHCD staffing complement includes nine (9) Full-time and five (5) LTGF staff assigned to the Redevelopment Authority.

<sup>3</sup> Departmental Budget does not include the Housing Authority.

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

	<b>FY 2022 Approved</b>	<b>FY 2023 Proposed</b>	<b>Change Amount</b>	<b>% Change</b>
Full-Time	28	28	0	0.0%
Part-Time	0	0	0	0.0%
<b>Total</b>	<b>28</b>	<b>28</b>	<b>0</b>	<b>0.0%</b>

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

- FY 2023 General Fund compensation is proposed at \$3,002,700, which is \$258,200, or 9.4%, over the FY 2022 Approved Budget. The increase is due largely to the annualization of merit increases and funding for vacant positions.
- Proposed FY 2023 General Funds provide for 28 full-time positions. The Department reported that there are currently six (6) vacancies, which include: (2) Community Developer 4A positions, (2) Accountants, (1) Administrative Specialist, and (1) Community Development Assistant.

### ***Fringe Benefits***

- FY 2023 proposed fringe benefit expenditures increase 15.3%, or \$133,600, over the FY 2022 approved level due to a change in fringe benefit rates from 31.8% to 33.5% to align with projected healthcare and pension costs. A five-year trend analysis of fringe benefit expenditures is included in the table below:

<b>Fringe Benefits Historical Trend</b>					
	<b>FY 2019 Actual</b>	<b>FY 2020 Actual</b>	<b>FY 2021 Actual</b>	<b>FY 2022 Approved</b>	<b>FY 2023 Proposed</b>
Compensation	\$2,344,375	\$2,338,917	\$2,853,178	\$2,744,500	\$3,002,700
Fringe Benefit Expenditures	\$692,162	\$744,810	\$853,980	\$872,800	\$1,006,400
As a % of Compensation	29.5%	31.8%	29.9%	31.8%	33.5%

### ***Operating Expenses***

- In FY 2023, operating expenses are proposed at \$1,046,600, which is \$352,800, or 25.2%, under the FY 2022 Approved Budget. This decrease is largely the result of the reallocation of the Housing Authority's office automation charge. Contracts were also replaced with new consulting contracts to support implementation of the Comprehensive Housing Strategy (CHS) affordable housing plan, an affordable housing public awareness campaign and monitoring dashboard.

### **Highlights**

- Successfully utilized the Right of First Refusal (ROFR) program to preserve 36 units of Naturally Occurring Affordable Housing (NOAH) at the Woodhaven Apartments in Capitol Heights and 184 Units of NOAH at the Hamilton Manor Apartments in Hyattsville. The Department also successfully created a public private partnership to preserve 295 units of NOAH at the Villas at Langley, a property located in Langley Park within one (1) mile of the Purple Line Corridor.
- Launched a new ROFR Preservation Fund, \$15,000,000 over a 3-year period through an allocation of grant funding from the American Rescue Plan Act.

- In partnership with Habitat for Humanity Metro Maryland, launched a new homeowner improvement program, Homeownership Preservation Program (HOPP) resulting from a \$1,000,000 allocation over a 2-year period from the American Rescue Plan Act.

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

The DHCD FY 2023 proposed formula allocated grant budget is \$9,991,700, an increase of \$904,800, or 9.9%, above the FY 2022 Approved Budget. The increase is largely driven by the unexpected increase of the Community Development Block Grant and the Home Investment Partnership Program.

***Approved Fiscal Year 2022 to Proposed Fiscal Year 2023 – Grants***

Category	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	FY 2023 Proposed	\$ Change	% Change
Compensation	\$ 1,389,193	\$ 1,226,500	\$ 5,572,000	\$ 1,469,900	\$ 243,400	19.8%
Fringe Benefits	328,521	351,100	682,800	316,000	(35,100)	-10.0%
Operating Expenses	24,555,184	7,511,300	132,211,900	8,205,800	694,500	9.2%
<b>Total</b>	<b>\$ 26,272,898</b>	<b>\$ 9,088,900</b>	<b>\$ 138,466,700</b>	<b>\$ 9,991,700</b>	<b>\$ 902,800</b>	<b>9.9%</b>

***Authorized Staffing Count - Grants***

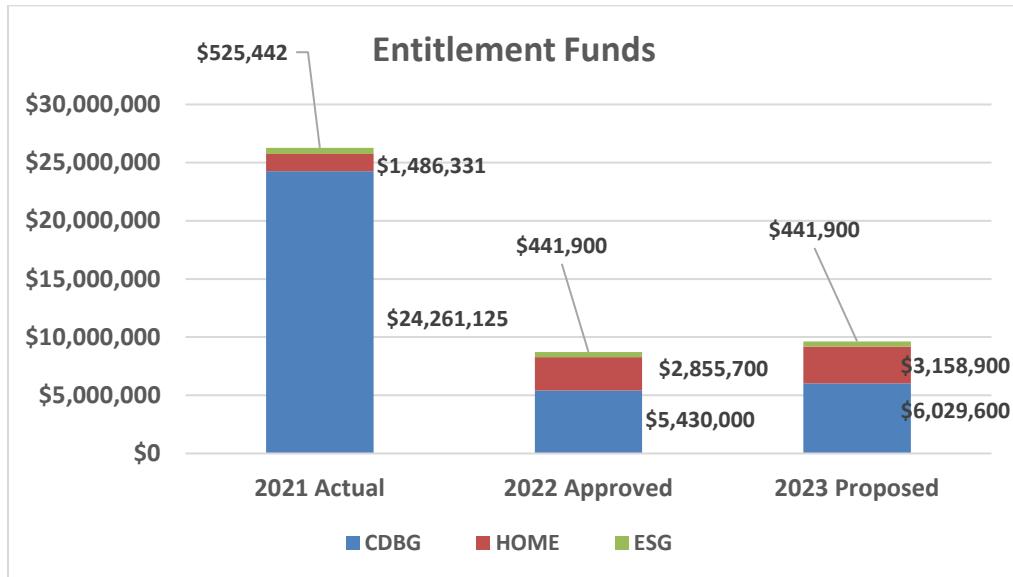
	FY 2022 Approved	FY 2023 Proposed	Change Amount	% Change
Full-Time	12	11	-1	-8.3%
Limited Term	8	8	0	0.0%
<b>Total</b>	<b>20</b>	<b>19</b>	<b>-1</b>	<b>-5.0%</b>

***Staffing Changes and Compensation***

- The FY 2023 proposed funding is provided for 11 full-time and 14 Limited Term Grant Funded (LTGF) positions. There is a decrease of one (1) position in the Community Planning Division that was reallocated to the Housing Investment Trust Fund as a HUD Compliance Monitor.

**Highlights**

- The FY 2023 proposed Grant funding is comprised of the following: Community Development activities including CDBG, \$6.03 Million; Housing Development including HOME Activities, \$3.16 Million; and Emergency Solutions Grant (ESG), \$441,900.



*Source: FY 2023 Proposed Operating Budget Book page 602*

<b>Fiscal Year 2023</b> <b>Department of Housing and Community Development</b> <b>Grants by Division</b>						
GRANTS	FY 2021 Actual	FY 2022 Budgeted	FY 2022 Estimated	FY 2023 Proposed	\$ Change	% Change
<b><u>Community Planning &amp; Development Division</u></b>						
Community Development Block Grant ( CDBG)	\$ 5,859,122	\$ 4,801,300	\$ 4,845,200	\$ 5,227,000	\$ 425,700	8.9%
CDBG: Single Family Rehabilitation Loan Program	-	344,300	344,300	470,000	125,700	36.5%
Emergency Solutions Grant (ESG)	525,442	441,900	440,300	441,900	-	0.0%
National Capital Economic Development - Central Avenue	49,400	-	750,000	-	-	0.0%
National Capital Economic Development - Suitland Façade	124,339	-	25,700	-	-	0.0%
Lincoln Institute -Healthy Communities	-	-	65,600	-	-	0.0%
COVID Relief Fund - 1	16,912,839		27,180,300		-	0.0%
CARES Emergency Solutions	1,040,289		6,468,800		-	0.0%
Maryland Emergency Rental Assistance 1	9,973		47,034,400		-	0.0%
COVID Relief Fund 2	-		30,596,100		-	0.0%
CDBG CARES CV 1			3,037,000		-	0.0%
CDBG Emergency Rental Assistance CV2			2,672,700		-	0.0%
CDBC CARES CV3	265,163		4,086,200		-	0.0%
Maryland National Mortgage Settlement Program (MN MSP)	-	205,000	205,000	242,400	37,400	18.2%
Neighborhood Conservative Program (NCI)	-	10,400	10,400	25,600	-	0.0%
Neighborhood Stabilization Program Income	-	69,000	69,000	64,600	(4,400)	-6.4%
<b>Subtotal</b>	<b>\$24,786,567</b>	<b>\$ 5,871,900</b>	<b>\$ 127,831,000</b>	<b>\$ 6,471,500</b>	<b>\$ 599,600</b>	<b>10.2%</b>
<b><u>Housing Development Division</u></b>						
Home Investment Partnership (HOME)	\$ 1,486,331	\$ 1,610,200	\$ 1,610,200	\$ 2,094,800	\$ 484,600	30.1%
Home Program Income	-	1,245,500	1,072,100	1,064,100	(181,400)	-14.6%
HOME Investment Partnership- American Rescue Plan	-	-	7,592,100	-	-	0.0%
<b>Subtotal</b>	<b>\$ 1,486,331</b>	<b>\$ 2,855,700</b>	<b>\$ 10,274,400</b>	<b>\$ 3,158,900</b>	<b>\$ 303,200</b>	<b>10.6%</b>
<b><u>Redevelopment Division</u></b>						
CDBG: Pathway to Purchase (P2P)	\$ -	\$ 361,300	\$ 361,300	\$ 361,300	-	0.0%
<b>Subtotal</b>	<b>\$ -</b>	<b>\$ 361,300</b>	<b>\$ 361,300</b>	<b>\$ 361,300</b>	<b>\$ -</b>	<b>0.0%</b>
<b>DHCD Total Grants- Outside Sources</b>	<b>\$26,272,898</b>	<b>\$ 9,088,900</b>	<b>\$ 138,466,700</b>	<b>\$ 9,991,700</b>	<b>\$ 902,800</b>	<b>9.9%</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>\$26,272,898</b>	<b>\$ 9,088,900</b>	<b>\$ 138,466,700</b>	<b>\$ 9,991,700</b>	<b>\$ 902,800</b>	<b>9.9%</b>

***Community Development Block Grant (CDBG Activities) - \$6.03 million (Proposed FY 2023)<sup>4</sup>***

- 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 the homeless.
- During FY2022, DHCD reported that it is having challenges meeting the timeliness test as required by 24 CFR 570.902. As reported in Q 20 of the First Round Responses, the ratio was 2.19 and the required ratio is 1.5.
- In partnership with CTV, DHCD created a new CDBG video to provide viewers with the foundation of the CDBG program requirements.

***Home Investment Partnership (HOME Activities) - \$3.16 Million (Proposed FY 2023)<sup>5</sup>***

- HUD provides funding for the construction and/ rehabilitation of affordable housing units for low- and moderate-income persons. 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 activities 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.
- The Five-Year Voluntary Grant Reduction (VGR) ended in FY 2021.
- In FY 2023 HOME funds will finance, in part, three (3) affordable housing developments, which include:
  - Hill House at Beechfield – A new Construction of 150 Senior rental units
  - Birchwood at Upper Marlboro - New Construction of 90 Senior units (pending Council Approval)
  - Glenarden Hills Phase 3 – New Construction of 114 family rental units of which 94 will be restricted affordable.
- Currently, the County has certified two (2) Community Housing Development Organizations (CHDOs)- Housing Initiative Partnership (HIP) and United Communities Against Poverty (UCAP). The Department has also received two additional inquiries from HOPE, Inc. and Sowing Empowerment for Economic Development (SEED), Inc. The Department is working with SEED to certify the organization as a CHDO.

***Emergency Solutions Grants (ESG) - \$441,900 (Proposed FY 2023)***

- 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.
- To date, DHCD as the administering agency of ESG, has expended its remaining balance (\$159,988) of its PY 32 (FY 2020) funds and \$253,905 of its PY33 (FY 2021) funds. DHCD plans to expend its remaining balance of (\$188,027) of its PY 33 (FY 2021) funds by the HUD deadline of August 17, 2022.

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<sup>4</sup> Total for CDBG Activities including formula allocation (\$5,227,000) and program income (\$802,600).

<sup>5</sup> Total for all HOME activities including Formula Allocation (\$2,094,800) and Program Income (\$1,064,100)

**Budget Comparison – General Funds - Housing Investment Trust Fund**

The Housing Investment Trust Fund was created by legislation through Council Bill 21-2012 and amended by Council Bill 57-2017 to assist with specific activities of addressing 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 2022 to Fiscal Year 2023 Proposed – Housing Investment Trust Fund***

Category	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	FY 2023 Proposed	\$ Change	% Change
Compensation	\$95,900	\$130,900	\$ 70,100	\$226,600	\$95,700	73.1%
Fringe Benefits	10,525	19,600	15,200	56,600	37,00	188.8%
Operating expenses	0	4,003,500	4,162,600	9,716,800	5,716,300	142.7%
<b>Total</b>	<b>\$106,425</b>	<b>\$4,154,000</b>	<b>\$4,247,900</b>	<b>\$10,000,000</b>	<b>\$5,846,000</b>	<b>140.7%</b>

***Authorized Staffing Count***

	FY 2022 Approved	FY 2023 Proposed	Change Amount	% Change
Full-Time	0	2	2	0.0%
Limited Term	2	1	-1	0.0%
<b>Total</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>50.0%</b>

- The Proposed FY 2023 Housing Investment Trust Fund budget is \$10,000,000, an increase of \$5,716,300, or 142.7%, over the FY 2022 Approved Budget. The budget increase is due to an increase in Workforce Housing Gap Financing and allocating funds to reserves.
- Proposed FY 2023 compensation increases by \$95,700, or 73.1%, over the FY 2022 Approved Budget due to the addition of a full-time HUD Compliance Monitor and converting long term Grant position to full-time.
- Proposed FY 2023 Fringe benefits increase \$37,000, or 188.8%, over the FY 2022 Approved Budget, due to anticipated costs.
- The Operating Expenses are proposed to increase \$5,716,300, or 142.7%, over the FY 2022 Approved Budget due to an additional \$5,000,000 in Workforce Housing Gap Financing.

***Proposed FY 2023 Expenditures for the Housing Investment Trust Fund***

Fiscal Year 2021 Fund Balance	\$4,946,426
FY 2022 General Fund/New Allocation	\$500,000
FY 2023 General Fund/New Allocation	\$10,000,000
DHCD Admin Costs / FY 2022	(\$86,300)
DHCD Admin Costs / FY 2023	(\$284,200)
Townes at Peerless	(\$1,500,000)
Villas at Langley	(\$1,286,560)
Hamilton Manor	(\$1,000,000)
Willows at Upper Marlboro	(\$2,000,000)
Glenarden Phase 3	(\$3,000,000)
Other	(\$375,040)
<b>Balance</b>	<b>\$5,914,326</b>

*First Round Responses #39, P21*

**DHCD – FY 2023 Strategic Focus and Initiatives**

- Support the County's affordable housing production goals by supporting new affordable multi-family projects through the issuance of a Notice of Funds Availability for the HOME Program, HOME American Rescue Plan program, Housing Investment Trust Fund, and PILOTS
- Provide remaining Federal and State awarded funds toward rental arrearages to ensure low-income renters impacted by the COVID-19 pandemic remain safely housed.
- Preserve Naturally Occurring Affordable Housing (NOAH) through covenants' by expanding the implementation of the Rights of First Refusal (ROFR) program, through the new ROFR Preservation Fund and through an expanded ROFR developer roster.
- Continue support of affordable homeownership through the down payment closing cost assistance and rehabilitation program and by launching the conversion of vacant and abandoned properties to affordable home ownership.
- Strengthen the impact of the CDBG program and advance the implementation of the US Department of Housing and Urban Development (HUD) Section 108 loan program to pursue physical and economic revitalization projects.
- Prince George's County will be receiving \$20,467,846 of Maryland ERAP 2 funds, of which \$18,421,062 is budgeted for direct rent and utility payments and the remaining balances budgeted for administration.

**Budget Concerns/Challenges**

- As of April 12, 2022, the Department must expend \$2,235,306 to meet the timeliness test. The Department anticipates additional reimbursement from subrecipients. However, the Department foresees a shortfall of approximately \$881,000 in meeting the timeliness test on May 2, 2022. Pursuant to 24 Code of Federal Regulations (CFR) 570.902, undispersed grant funds should be no more than 1.5 times the grant amount. With the expected shortfall of meeting the timeliness test, the Department could be at risk of having funds recaptured.
- The Department reported that it must ensure adequate monitoring of the Subrecipients and develop a sufficient plan for an adequate pipeline of projects should subrecipients have trouble expending their funds to ensure the Department meets its required timeliness test. Moving forward the Department will take the following steps to remedy the projected short fall:
  - Host bi-weekly meetings with the subrecipients who could not finish their projects prior to May 2<sup>nd</sup>.
  - Re-program funds of projects that were completed below budget.
  - Provide notice to organizations, that despite ongoing technical assistance, have uncompleted projects.