

Housing Authority of Prince George's County – Fiscal Year 2023 Budget Review Summary

Proposed FY 2023 Operating Budget

Expenditures by Fund Type						
Fund	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	FY 2023 Proposed	\$ Change	% Change
Grant Funds	\$ 96,759,921	\$ 94,726,500	\$ 100,479,700	\$ 96,342,300	\$ 1,615,800	1.7%
Total	\$ 96,759,921	\$ 94,726,500	\$ 100,479,700	\$ 96,342,300	\$ 1,615,800	1.7%

Authorized Staffing - All Classifications

	FY 2022 Approved		FY 2023 Proposed		Change	% Change
	FT	LTGF	FT	LTGF	FT	FT
Grants	68	1	73	1	5	7.4%
Total	68	1	73	1	5	7.4%

FY 2023 Proposed Operating Budget – Key Highlights

- The Section 8 Housing Choice Voucher Program accounts for 94.7% of the Authority's total grant expenditures at \$91,296,100 for FY 2022, an anticipated increase of \$131,500, or 0.1%, over the FY 2022 approved level.
- Proposed FY 2023 compensation for the Authority is \$5,639,400 which is a \$552,900, or 10.9%, increase above the FY 2022 Approved Budget.
- FY 2023 fringe benefit expenditures are proposed at \$1,612,900, which represents a decrease \$167,400, or 9.4%, under the Approved FY 2022 budget.
- FY 2023 operating expenses are proposed at \$89,090,00, representing an increase of \$1,230,300, or 0.4%, over the Approved FY 2022 budget.
- Proposed FY 2023 Authorized Staffing reflects an increase of five (5) full-time positions.

FY 2022 Highlights

- Created a new Compliance Department to track, audit and review compliance within all agency divisions, and increased monitoring and compliance with Voluntary Compliance Deliverables.
- Gained additional capacity by filling key positions: Chief Real Estate Officer and Asset Manager positions.

Expenditures by Category

Fund	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	FY 2023 Proposed	\$ Change	% Change
Compensation	\$ 4,263,006	\$ 5,086,500	\$ 4,482,200	\$ 5,639,400	\$ 552,900	10.9%
Fringe Benefits	1,103,850	1,780,300	1,403,500	1,612,900	(167,400)	-9.4%
Operating	91,393,065	87,859,700	94,594,000	89,090,000	1,230,300	1.4%
Total	\$ 96,759,921	\$ 94,726,500	\$ 100,479,700	\$ 96,342,300	\$ 1,615,800	1.7%

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 *TMG*
Joseph R. Hamlin, Director of Budget, and Policy Analysis *JRH*

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

RE: Housing Authority of Prince George's County
Fiscal Year 2023 Budget Review *RB*

Budget Overview

The FY 2023 Proposed Budget for the Housing Authority of Prince George's County ("HAPGC" or "the Authority") is \$96,342,300, an increase of \$1,615,800, or 1.7%, over the FY 2022 Approved Budget. This increase is largely driven by a relaunch of the Bond Program. There are also increases in the Conventional Public and the Housing Choice Voucher programs. Although the Authority may have grant expenditures that go over FY 2022 approved budget levels, it does not anticipate the need to seek supplemental spending authority from the County Council.

Budget Comparison – Grant Funds

Approved Fiscal Year 2022 to Proposed Fiscal Year 2023

Fund	FY 2021 Actual	FY 2022 Approved	FY 2022 Estimated	FY 2023 Proposed	\$ Change	% Change
Compensation	\$ 4,263,006	\$ 5,086,500	\$ 4,482,200	\$ 5,639,400	\$ 552,900	10.9%
Fringe Benefits	1,103,850	1,780,300	1,403,500	1,612,900	(167,400)	-9.4%
Operating	91,393,065	87,859,700	94,594,000	89,090,000	1,230,300	1.4%
Total	\$ 96,759,921	\$ 94,726,500	\$ 100,479,700	\$ 96,342,300	\$ 1,615,800	1.7%

Authorized Staffing Count

	FY 2022 Approved	FY 2023 Proposed	Change Amount	% Change
Full-Time	68	73	5	7.4%
Limited Term	1	1	0	0.0%
Total	69	74	5	7.2%

Budget Comparison - Housing Authority Fiscal Year 2023 Budget

Grant Revenue	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimated	FY 2023 Proposed	\$ Change	% Change
<u>Housing Assistance Division</u>						
Conventional Public Housing	\$2,993,009	\$2,481,700	\$2,916,700	\$2,659,500	\$177,800	7.2%
Coral Gardens	144,880	90,200	134,500	129,400	39,200	43.5%
Homeownership - Marcy Avenue	13,158	12,500	13,500	13,500	1,000	8.0%
Public Housing Modernization/Capital Fund	154,808	153,500	158,400	158,400	4,900	3.2%
<i>Subtotal</i>	<i>\$3,305,855</i>	<i>\$2,737,900</i>	<i>\$3,223,100</i>	<i>\$2,960,800</i>	<i>\$222,900</i>	<i>8.1%</i>
<u>Rental Assistance Division</u>						
Bond Program	223,650	686,000	784,700	1,947,400	1,261,400	183.9%
Family Self-Sufficiency	127,849	138,000	138,000	138,000	-	0.0%
Housing Choice Voucher	91,116,381	91,164,600	93,479,800	91,296,100	131,500	0.1%
Emergency Housing Voucher	-	-	2,854,100	-	-	N/A
Section Eight Housing Moderate Rehabilitation	1,986,187	-	-	-	-	N/A
<i>Subtotal</i>	<i>\$93,454,067</i>	<i>\$91,988,600</i>	<i>\$97,256,600</i>	<i>\$93,381,500</i>	<i>\$1,392,900</i>	<i>1.5%</i>
Total	96,759,922	94,726,500	100,479,700	96,342,300	1,615,800	1.7%

Expenditures	FY 2021 Actual	FY 2022 Budget	FY 2023 Proposed	\$ Change	% Change
Administrative Salaries	\$4,263,006	\$5,086,500	\$5,639,400	\$552,900	10.9%
Fringe Benefits	1,103,850	1,780,300	1,612,900	(167,400)	-9.4%
<i>Subtotal</i>	<i>\$5,366,856</i>	<i>\$6,866,800</i>	<i>\$7,252,300</i>	<i>385,500</i>	<i>5.6%</i>
<u>Operating Expenses</u>					
Other Salary/Benefits	\$256,979	\$62,354	\$63,000	\$646	1.0%
OPEB and Unfunded	288,952	150,395	150,400	5	0.0%
Legal	64,671	519,857	520,000	143	0.0%
Admin Expense Covid-19	1,442,695	1,457,305	-	(1,457,305)	-100.0%
Other Admin	1,527,345	1,959,332	1,960,000	668	0.0%
Tenant Services	11,185	14,797	14,800	3	0.0%
Utilities	849,543	805,323	805,350	27	0.0%
Garbage/Trash Removal	109,399	91,021	91,100	79	0.1%
Maintenance Materials	249,793	207,226	207,250	24	0.0%
Maintenance Contract Costs	789,958	1,075,885	1,080,000	4,115	0.4%
General Expenses	218,140	173,064	180,000	6,936	4.0%
Extraordinary Maintenance	1,778	-	-	-	N/A
Housing Assistance Payments	85,265,690	81,343,141	84,018,100	2,674,959	3.3%
Transfer	209,977	-	-	-	N/A
Other	106,961	-	-	-	N/A
<i>Subtotal</i>	<i>\$91,393,066</i>	<i>\$87,859,700</i>	<i>\$89,090,000</i>	<i>\$1,230,300</i>	<i>1.4%</i>
TOTAL	\$96,759,922	\$94,726,500	\$96,342,300	\$1,615,800	1.7%

Staffing Changes and Compensation

- The Authority's proposed FY 2023 budget reflects funding for 73 full-time and one (1) Limited Term Grant Funded (LTGF) position, an increase of five (5) full-time positions over FY 2022. The five new positions are Rental Intake Specialists supporting the Housing Choice Voucher program.

- Proposed FY 2023 compensation for the Authority is \$5,639,400 which is a \$552,900, or 10.9%, increase above the FY 2022 Approved Budget, due to the addition of five (5) new positions.
- As of March 15, 2022, the Housing Authority reported thirteen (13) funded vacancies. The vacancies include: one (1) Deputy Director, seven (7) Community Development Assistants, three (3) Community Developers, one (1) Human Resources Analyst, and one (1) Accountant.

Fringe Benefits

- FY 2023 fringe benefit expenditures are proposed at \$1,612,900, which represents a decrease of \$167,400, or 9.4%, under the FY 2022 Approved Budget.

Operating Expenses

- FY 2023 operating expenses are proposed at \$89,090,000, representing an increase of \$1,230,300, or 0.4%, over the FY 2022 Approved Budget driven by an increase in the Bond Program.
- The proposed FY 2023 budget includes an administrative fee for the Authority to support the Housing Choice Voucher program. The amount projected for FY 2022 & FY 2023 is \$7,473,395.

Expenditures with Administrative Fee

Administrative Salaries	\$ 4,618,779
Auditing Fees	\$ 83,327
Employee Benefit Contribution	\$ 1,561,360
Temporary Services	\$ 194,778
Office Expense	\$ 295,320
Staff Training	\$ 5,004
Legal Expenses	\$ 133,332
Other Administrative Expenses	\$ 280,000
Ordinary Maintenance	\$ 249,994
General Operating Expenses	\$ 51,504
Total	\$ 7,473,398

Administrative Fee to Support Housing Choice Voucher Program

Housing Choice Vouchers Allocations

	Available	Leased
Project Based Vouchers	178	178
Tenant Based Vouchers	5,704	5,367
Total	5,882	5545

FY 2022 Highlights

- The 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 Section 8 Housing Choice Voucher Program accounts for 94.7% of the Authority's total grant expenditures at \$91,296,100 for FY 2023, an anticipated increase of \$131,500 or 0.1%, over the FY 2022 approved level.
- Creation of a Compliance Department to track, audit and review compliance within all agency divisions, Increase monitoring and compliance with the Voluntary Compliance Deliverables.
- The Housing Authority is repositioning its program to allow the agency to access private and public resources (tax credits, one-time grants, and bond financing).
- Additional allocation of 139 Emergency Housing Vouchers and 10 Veteran Affairs Supportive Housing (VASH) Vouchers.
- Gained additional capacity by filling key positions: Chief Real Estate Officer and Asset Manager positions.
- The Housing Authority is partnering with the Continuum of Care, Department of Social Services, and the State of Maryland Office of Disability in support of the Resident Self-Sufficiency Grant.
- The Housing Authority received over \$3 million in CARES Act funding that has enabled it to offset certain operating costs for technology improvements need to conduct business virtually.

Update – HAPGC and HUD's Voluntary Compliance Agreement – Ripley Agreement

HAPGC has made great strides toward complying with and completing the Voluntary Compliance Agreement (VCA). Out of sixty-five (65) provisions, HAPGC has completed/provided deliverables for fifty-two (52) of the provisions. There are thirteen (13) open/pending provisions, which include repositioning aging Public Housing inventory, occupying Uniform Federal Accessibility Standards (UFAS) units with tenants who need the features and administering, and administering the compensation fund.

Challenges / Concerns for FY 2023

- The Housing Authority must continue to implement strategies and activities as indicated in the five (5) year agreement between plaintiffs Ripley, et al and the Housing Authority in 2016. Agreement stems from alleged discrimination against the disabled population by the Housing Authority.¹ The Authority has one (1) year remaining on the Ripley's Agreement.
- Funding levels for the Housing Choice Voucher program have decreased due to underutilization. There is a small but substantial effect on the current year budget. HAPGC is working to ensure increased utilization within its voucher and Project Based Voucher (PBV) program(s), and it is necessary to streamline and re-organize the department to handle the additional capacity.
- The Reorganization of the Housing Choice Voucher (HCV) program is based upon the need to provide additional capacity in the Admissions, Waitlist, Project-Based Voucher (PBV), and the quality control monitoring of compliance of the program rules within the department.

¹ Case 8:16-cv-02699-TDC Ripley vs HAPGC.

<https://www.courtlistener.com/recap/gov.uscourts.mdd.359149/gov.uscourts.mdd.359149.1.0.pdf>