

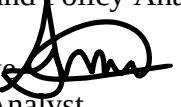


April 20, 2023

MEMORANDUM

TO: Jolene Ivey, Chair
Planning, Housing and Economic Development (PHED) Committee

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: Shalene Miller-Whyte 
Budget and Policy Analyst

RE: Redevelopment Authority
Fiscal Year 2024 Budget Review

Budget Overview

The FY 2024 Proposed Budget for the Redevelopment Authority (“RDA” or “the Authority”) is \$534,500, a decrease of \$126,800 or -19.2%. This is primarily due to the decrease of two Community Development Block Grant (CDBG)/Housing Investment Trust Fund (HITF) positions.

Budget Comparison – All Funds

Actual Fiscal Year 2022 to Proposed Fiscal Year 2024

	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimated	FY 2024 Proposed	\$ Change	% Change
County Grant	\$312,200	\$300,000	\$300,000	\$310,600	\$10,600	3.5%
CDBG/HITF Grant Staff Support		\$361,300	\$361,300	\$223,900	-\$137,400	-38.0%
Miscellaneous Revenue	\$34,605					
Interest Income	\$644					
Federal Grants	\$472,196					
Intergovernmental Grants	\$1,093,932					
Total Revenues	\$1,913,577	\$661,300	\$661,300	\$534,500	(\$126,800)	-19.2%

Authorized Staffing Count – All Funds¹

	FY 2023 Approved	FY 2024 Proposed	Change Amount	% Change
Full-Time	9	9	0	0.0%
Limited Term	5	3	-2	0.0%
Total	14	12	-2	-14.3%

Staffing Changes

- Community Development Block Grant (CDBG)/Two Housing Investment Trust Fund (HITF) staff support decreased from five (5) to three (3) positions; these two positions directly support the homeownership programming.

Expenditures

Category	FY 2022 Actual	FY 2023 Approved	FY 2023 Estimated	FY 2024 Proposed	\$ Change	% Change
Board Member Stipend	\$24,100	\$23,000	\$25,000	\$26,400	\$3,400	14.78%
Board Member Expenses		\$4,000		\$4,000	\$0	0.00%
Telephone	\$3,925	\$3,000	\$4,500	\$4,500	\$1,500	50.00%
Printing	\$20	\$200	\$200	\$200	\$0	N/A
Courier Service	\$106	\$300	\$200	\$300	\$0	N/A
Staff Training	\$707		\$1,500	\$1,500		
Advertising	\$698	\$1,000	\$1,000	\$1,000	\$0	N/A
Consultant & Studies	\$33,200	\$3,000	\$10,000	\$3,000	\$0	0.00%
Catering		\$1,000	\$500	\$1,000	\$0	N/A
Equipment Leasing		\$7,000	\$12,000	\$7,000	\$0	0.00%
Other Operating Expenses	\$44,166	\$3,100		\$3,100	\$0	N/A
General Office Supplies	\$0	\$10,000	\$8,000	\$10,000	\$0	0.00%
Miscellaneous Service		\$1,500	\$0	\$1,500	\$0	N/A
Memberships	\$450		\$500	\$500		
Awards and Presentations	\$119	\$100	\$1,000	\$100	\$0	N/A
Professional Legal Services	\$37,283	\$90,000	\$50,000	\$120,900	\$30,900	34.33%
Commercial Insurance	\$4,291	25,000	\$12,000	\$15,000	(\$10,000)	-40.00%
Temporary Clerical		\$27,800				
Office and Finance Fees	\$74,600	\$80,000	\$80,000	\$90,600	\$10,600	13.25%
Professional Auditing Fees	\$6,000	\$20,000	\$20,000	\$20,000		0.00%
CDBG/HITF Grant Staff Support	\$1,093,932	\$361,300	\$361,300	\$223,900	(\$137,400)	-38.03%
HRAP HIP Project Delivery Costs	\$44,180	\$0	\$0	\$0	\$0	N/A
Grants to Individuals	\$285,335	\$0	\$0	\$0	\$0	N/A
Landscape/Beautification	\$1,390					
Debt Service	\$5,547	\$0	\$0	\$0	\$0	N/A
Total Expenditures	\$1,660,049	\$661,300	\$587,700	\$534,500	(\$126,800)	-19.17%

¹ Staffing for the RDA is assigned and allocated from DHCD. See pages 598 and 601 of the FY 2023 Proposed Budget Book.

Redevelopment Authority Programs and FY23 Impact

Down Payment and Closing Cost Assistance

FY 21 Actual	FY 2022 Actual	FY 2023 Estimated	FY 2024 Projected
35	6	18	33

- The numbers for the down payment and closing cost assistance funding are attributed to: finding qualified participants, and limited marketing and advertising for the program.
- The Authority is planning to expand the program by connecting its homeownership programs to construction projects with homeownership opportunities.

Community Impact Grants (CIP)

FY 21 Actual	FY 22 Actual	FY 23 Estimated	FY 24 Projected
\$0	\$200,000	\$250,000	\$200,000

- In FY 2022, six (6) CIP awards were given with an average award amount of \$33,416.

Commercial Property Improvement Program

- In FY 2022, five (5) awards were made ranging from \$50,000 to \$350,000.

Housing Rehabilitation Assistance Program (HRAP)

- In FY 2023, an estimated 20 homes were revitalized under this program.
- The goal for FY 2024 is 20 homes.

FY 2023 Key Accomplishments and Successes

- Construction of Phases 3 and 4 of Glenarden Hills.
- Construction of Phase 3 of the Towne Square at Suitland Federal Center and Proceeding with Phase 4 entitlements.

Strategic Focus and Initiatives in FY 2024

- Potentially proceeding with a Pepco partnership on a demonstration energy project, also known as a connected community.
- Increasing marketing and advertising surrounding the down payment assistance and closing costs programming.

- Close 3-4 projects in the master development agreement phase.

Challenges/Concerns for FY 2024

- Resuming the Town of Upper Marlboro project, currently on hold.
- Increasing marketing and advertising for the down payment and closing costs assistance programming to meet the projected number of 33 qualified homeowners assisted.

Budget Comparison – Redevelopment Authority – Capital Improvement Projects

Capital Improvement Program (CIP)

The Redevelopment Authority provides the County with residential, industrial, and commercial development. This includes projects containing construction, revitalization, land assembly, and relocation for the betterment of the County infrastructure and residents. For FY 2024, 90.4% of the Authority's funding source is from land sales, County contributions, and moral obligation bonds. 9.6% is from state funding. The Authority holds six projects totaling a budget of \$4,686,000 for FY 2024.

Projects	Expended to Date	Estimated for FY 2023	Proposed FY 2024 Capital Budget	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Total Proposed CIP Funding
Addison Rd/Capitol Heights Metro Corridor	\$4,738,000	\$4,316,000	\$847,000	\$0	\$0	\$0	\$0	\$0	\$9,901,000
Cheverly	\$232,000	\$2,789,000	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$4,021,000
County Revitalization	\$5,907,000	\$6,579,000	\$658,000	\$1,250,000	\$1,100,000	\$0	\$0	\$0	\$15,674,000
Glenarden	\$12,739,000	\$12,104,000	\$0	\$0	\$0	\$0	\$0	\$0	\$24,843,000
Suitland	\$96,999,000	\$11,918,000	\$2,181,000	\$0	\$0	\$0	\$0	\$0	\$111,098,000
Town of Upper Marlboro	\$0	\$0	\$0	\$0	\$0	\$500,000	\$1,000,000	\$1,000,000	\$2,500,000

- The RDA's FY 2024 projects include:
 - **Addison Road/Capitol Heights Metro Corridor** – The Addison Road/Capitol Heights Metro Corridor project focuses on Transit Oriented Development (TOD). Funds for this project are used for predevelopment work and small community-led projects for improvement. For FY 2024, funds will support land acquisitions and lot finishing for Lydon Hill.
 - **Cheverly Development** – The Cheverly Development project focuses on the demolition and redevelopment of a hotel and restaurant. This project is dedicated to sourcing commercial and residential growth. For FY 2024, funding will support site demolition of the former Prince George's Hospital Center.

- **County Revitalization** – County Revitalization is the ongoing County’s efforts through various programs to encourage economic development in underserved and underutilized areas. For FY 2024, funding will support the Community Impact Grants (CIG) program, the redevelopment of the Hyattsville Justice Center, and the renovation of the garage plaza and County Services building.
- **Glenarden Apartments Redevelopment** – The Glenarden Apartment Redevelopment project is within phase 4 of the demolition and replacement of the blighted apartment complex. For FY 2024, funding will support phases 4 and 5 of construction.
- **Suitland Manor** – The Suitland Manor redevelopment project consists of 33 acres of commercial and residential properties for the demolition, clearance, acquisition, and relocation. This is to revitalize and improve infrastructure with new housing stock and retail development. For FY 2024, funding will support infrastructure construction.
- **Town of Upper Marlboro** – The Town of Upper Marlboro project consists of infrastructure and redevelopment efforts. This project is currently delayed.