

**Department of Housing and Community and Redevelopment Authority –
Fiscal Year 2021 Budget Review Summary**

Proposed FY 2021 Operating Budget

DHDC Expenditures by Fund Type

| Fund | FY 2020 Approved | FY 2020 Estimated | FY 2021 Proposed | 4/20/2020 CEX Adjustment | FY 2021 Revised Proposed | \$ Change | % Change |
|--------------------|-----------------------|-----------------------|-----------------------|--------------------------------|--------------------------------|----------------------|--------------|
| General Fund | \$ 4,690,700 | \$ 4,280,800 | \$ 5,027,800 | \$ (219,500) | \$ 4,808,300 | \$ 117,600 | 2.5% |
| Grants | 96,827,200 | 102,899,600 | 104,613,200 | - | 104,613,200 | 7,786,000 | 8.0% |
| Special Revenue | 5,586,100 | 658,000 | 8,970,200 | - | 8,970,200 | 3,384,100 | 60.6% |
| Total | \$ 107,104,000 | \$ 107,838,400 | \$ 118,611,200 | \$ (219,500) | \$ 118,391,700 | \$ 11,287,700 | 10.5% |

RDA Expenditured by Fund Type

| Fund | FY 2020 Approved | FY 2020 Estimated | FY 2021 Proposed | 4/20/2020 CEX Adjustment | FY 2021 Revised Proposed | \$ Change | % Change |
|---------------|---------------------|----------------------|---------------------|--------------------------------|--------------------------------|-------------------|---------------|
| County Grant | \$ 333,500 | \$ 333,500 | \$ 333,500 | \$ - | \$ 333,500 | \$ - | 0.0% |
| Other Revenue | 372,600 | 168,400 | 361,300 | - | 361,300 | (11,300) | -3.0% |
| Total | \$706,100 | \$501,900 | \$694,800 | \$0 | \$694,800 | (\$11,300) | -1.60% |

Authorized Staffing - All Classifications

| Fund | FY 2020 Approved | FY 2021 Proposed | 4/20/2020 CEX Adjustment | FY 2021 Revised Proposed | Change | % Change |
|------------------------------|---------------------|---------------------|-----------------------------|--------------------------------|----------|-------------|
| General Fund | 28 | 28 | 0 | 28 | 0 | 0.0% |
| Grants | 73 | 80 | 0 | 80 | 7 | 9.6% |
| Special Revenue Authority | 7 | 7 | 0 | 7 | 0 | 0.0% |
| Total | 108 | 115 | 0 | 115 | 7 | 6.5% |

FY 2021 Proposed Budget – Key Highlights

- Increased Operating Cost: \$11,287,700 (after CEX Revision) due in large part to increase in Housing Choice Voucher Program (\$6,422,000) and increase in Special Revenue fund for Housing Investment Trust Fund (\$3,384,100)
- The Department reports 115 approved positions with 105 Full time and ten (10) Limited Term Grant Funded positions. Authorized positions increase by seven (7) full time positions to support the Rental Assistance Division .
- Vacancies (As of 3/06/20): There are currently 30 vacancies, which includes, seven (7) General Fund and 23 Grant Funded positions. Nineteen (19) of the vacant positions are in the Housing Authority. In addition, the Department reports 22 individuals eligible to retire in June 2020
- Grant Funds include: Public Housing – \$94,767,200 and Entitlement Funds – \$9,846,000 (CDBG -\$6.52 Million, HOME- \$2.89 million, and Emergency Solutions Grant (ESG) - \$ 423,200.)
- Key Programs/Initiatives: Continued collaboration with Housing Opportunities for All workgroup; Implementation of Entitlement programs, Completion of CIP projects.

County Executive’s Recommended Adjustments

- Reduction – \$219,500 decrease reflects compensation and fringe benefits costs due to the removal of funding for anticipated FY 2021 salary adjustments as well as increased attrition and reduced funding for vacant positions.
- Reduce the transfer into the Housing Investment Trust Special Revenue Fund by \$4,000,000.

| Category | FY 2020 Approved | FY 2020 Estimated | FY 2021 Proposed | 4/20/2020 CEX Adjustment | FY 2021 Revised Proposed | Change Amount | % Change |
|--------------------|---------------------|----------------------|---------------------|--------------------------------|--------------------------------|-------------------|-------------|
| Compensation | \$ 2,810,700 | \$ 2,639,300 | \$ 2,862,900 | \$ (219,500) | \$ 2,643,400 | \$ (167,300) | -6.0% |
| Fringe Benefits | 955,600 | 872,200 | 976,300 | - | 976,300 | 20,700 | 2.2% |
| Operating Expenses | 924,400 | 769,300 | 1,188,600 | - | 1,188,600 | 264,200 | 28.6% |
| Recoveries | | - | - | - | - | - | 0.0% |
| Total | \$ 4,690,700 | \$ 4,280,800 | \$ 5,027,800 | \$ (219,500) | \$ 4,808,300 | \$ 117,600 | 2.5% |

Proposed FY 2021 - FY 2026 Capital Improvement Program

| | Expended thru FY2019 | Estimated for FY2020 | Proposed FY21 Capital Budget | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Total Proposed CIP Funding |
|------------|-------------------------|-------------------------|------------------------------------|--------------|--------------|--------------|--------------|--------------|-------------------------------|
| 6 Projects | \$ 77,553,000 | \$ 31,327,000 | \$ 12,411,000 | \$ 8,603,000 | \$ 5,000,000 | \$ 2,000,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 138,894,000 |

Highlights

- Funding Sources – 97.6% land sales and County contributions and 2.4% State Funding
- Five (5) active projects in FY 2021 – Addison Road/Capital Heights Metro Corridor; County Revitalization; Glenarden Apartments Redevelopment; Suitland Manor; and Cheverly Development.



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

May 13, 2020

MEMORANDUM

TO: Todd M. Turner, Chair
 Committee of the Whole (COW)

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

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

RE: Department of Housing and Community Development
 Fiscal Year 2021 Budget Review

Budget Overview

The FY 2021 Proposed Budget for the Department of Housing and Community Development (“DHCD” or the “Department”) is \$118,611,200, an increase of \$11,507,200, or 10.7%, over the FY 2020 Approved Budget. The Department anticipates the need for a supplemental grant appropriation for spending authority in FY 2021 of approximately \$72,500, due to additional funding received for the Home Investment Partnership (HOME) program.

Budget Comparison – All Funds

Approved Fiscal Year 2020 to Proposed Fiscal Year 2021

| Fund | FY 2019 Actual | FY 2020 Approved | FY 2020 Estimated | % Change - Est vs App | FY 2021 Proposed | \$ Change | % Change |
|--------------------------|-----------------------|-----------------------|-----------------------|--------------------------|-----------------------|----------------------|--------------|
| General Fund | \$ 3,847,729 | \$ 4,690,700 | \$ 4,280,800 | -8.7% | \$ 5,027,800 | \$ 337,100 | 7.2% |
| Grants | 98,464,174 | 96,827,200 | 102,899,600 | 6.3% | 104,613,200 | 7,786,000 | 8.0% |
| Special Revenue Funds | 1,631,535 | 5,586,100 | 658,000 | -88.2% | 8,970,200 | 3,384,100 | 60.6% |
| Total | \$ 103,943,438 | \$ 107,104,000 | \$ 107,838,400 | 0.7% | \$ 118,611,200 | \$ 11,507,200 | 10.7% |

The Agency reports FY2021 proposed Grant Funds will increase by \$7,786,000 or 8.0% above the FY 2020 Approved as a result due largely to a \$6,422,000 increase in the Housing Choice Voucher program. The proposed FY 2021 increase of \$3,384,100 or 60% above the FY 2020 Approved Budget is largely due to increase of \$2,279,400 in the Workforce Housing Gap Financing and \$1,086,600 in Down Payment & Closing Assistance Programs.

Authorized Staffing Count – All Funds

| | FY 2020 Approved | FY 2021 Proposed | Change Amount | % Change |
|---------------------------|-----------------------------|-----------------------------|--------------------------|---------------------|
| General Funds | 28 | 28 | 0 | 0.0% |
| Grant Funds | 73 | 80 | 7 | 9.6% |
| Special Revenue Authority | 7 | 7 | 0 | 0.0% |
| Total | 108 | 115 | 7 | 6.5% |

- The Department reports 115 approved positions with 105 Full time and ten (10) limited term grant funded positions.
- The Department reports that there are currently 30 vacancies, which includes seven (7) General Fund and 23 Grant Funded positions. Of the vacancies reported, 19 are in the Housing Authority.
- In addition, the Department reports 22 individuals eligible to retire in June 2020.
- One (1) of the DHCD positions is currently assigned to the County Executive’s Office working as the Special Assistant to the Deputy Chief Administrative Officer of Economic Development.

Budget Comparison – General Fund

The Department reports the FY 2021 proposed General Fund budget will increase by \$337,100 or 7.2% above the FY 2020 Approved level, largely due to an increased technology cost allocation resulting from the new methodology to support anticipated county-wide costs;

Approved Fiscal Year 2020 to Proposed Fiscal Year 2021 – General Fund

| Category | FY 2019 Actual | FY 2020 Approved | FY 2020 Estimated | FY 2021 Proposed | \$ Change | % Change |
|--------------------|---------------------------|-----------------------------|------------------------------|-----------------------------|----------------------|---------------------|
| Compensation | \$ 2,344,375 | \$ 2,810,700 | \$ 2,639,300 | \$ 2,862,900 | \$ 52,200 | 1.9% |
| Fringe Benefits | 692,162 | 955,600 | 872,200 | 976,300 | 20,700 | 2.2% |
| Operating Expenses | 811,192 | 924,400 | 769,300 | 1,188,600 | 264,200 | 28.6% |
| Total | \$ 3,847,729 | \$ 4,690,700 | \$ 4,280,800 | \$ 5,027,800 | \$ 337,100 | 7.2% |

Authorized Staffing Count – General Fund

| | FY 2020 Approved | FY 2021 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 2021 General Fund compensation is proposed at \$2,862,900, or 1.9%, over the FY 2020 Approved Budget. The increase of \$52,200 is due to proposed cost-of-living adjustments and merit increases. Fringe benefit expenditures increase 2.2% or \$20,700 over the FY 2020 Approved Budget.
- Proposed FY 2021 General Funds provide for 28 full-time positions. The Department reported that there are seven (7) vacancies, which include: Associate Director, Community Service Manager, Accountant, Community Developer 4, Administrative Aide, Community Development Assistant and Executive.

Fringe Benefits

- FY 2021 fringe benefits are proposed at \$976,300, an increase of \$20,700, or 2.2%, over the FY 2020 Approved Budget. The increase in fringe benefits reflects an increase in the fringe benefit rate from 34% to 34.1%, and compensation adjustments.
- A five-year trend analysis of fringe benefit expenditures is included in the table below:

| Fringe Benefits Historical Trend | | | | | |
|---|---------------------------|---------------------------|---------------------------|-----------------------------|-----------------------------|
| | FY 2017 Actual | FY 2018 Actual | FY 2019 Actual | FY 2020 Approved | FY 2021 Proposed |
| Fringe Benefit Expenditures | \$664,886 | \$879,505 | \$692,162 | \$955,600 | \$976,300 |
| As a % of Compensation | 31.1% | 39.5% | 29.5% | 34.0% | 34.1% |
| Annual % Change | 11.5% | 32.3% | -21.3% | 38.1% | 2.2% |

Operating Expenses

- In FY 2021, operating expenses are proposed at \$1,188,600, which is \$264,200 or 28.6% above the FY2020 Approved Budget and results from an increase in technology cost allocation charges based on new methodology to support anticipated county-wide costs.

Highlights

- DHCD partnered with the Housing Opportunities for All (HOFA) workgroup to implement strategies of the Comprehensive Housing Strategy. The four (4) areas discussed and began implementation were: increasing the Housing Investment Trust Fund (HITF); investigating opportunities for inclusionary zoning strategy; increasing the preservation of County’s affordable housing stock using the Right-of-First-Refusal to purchase rental properties at risk of converting to market rate housing; and the creation of a landbank to support redevelopment of abandoned properties.
- 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.

Budget Comparison – All Grant Funds

Grant funding represents 88.2% of the Department’s overall proposed budget in FY 2021. The FY 2021 Proposed Grant budget is \$104,613,200, an increase of \$7,786,000, or 8.0%, above the FY 2020 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 2019 Actual | FY 2020 Approved | FY 2020 Esimated | FY 2021 Proposed | \$ Change | % Change |
|----------------------|----------------------|----------------------|-----------------------|-----------------------|---------------------|-------------|
| Entitlement Programs | \$5,624,844 | \$9,866,000 | \$9,524,600 | \$9,846,000 | -\$20,000 | 0% |
| Housing Authority | \$92,839,330 | \$86,961,200 | \$93,375,000 | \$94,767,200 | \$7,806,000 | 8% |
| Total | \$ 98,464,174 | \$ 96,827,200 | \$ 102,899,600 | \$ 104,613,200 | \$ 7,786,000 | 8% |

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

The FY 2021 proposed grant budget is 9,846,000, a decrease of \$20,000, or 0.2%, below the FY 2020 Approved Budget. The decrease is largely driven by the elimination of the CDBG – Single Family Rehabilitation program and the decrease in Home Investment Partnership (HOME) program funds.

Actual Fiscal Year 2020 to Proposed Fiscal Year 2020 – Grants

| Category | FY 2019 Actual | FY 2020 Approved | FY 2020 Estimated | FY 2021 Proposed | \$ Change | % Change |
|--------------------|---------------------|---------------------|----------------------|---------------------|--------------------|--------------|
| Compensation | \$ 894,515 | \$ 854,900 | \$ 443,200 | \$ 1,218,200 | \$ 363,300 | 42.5% |
| Fringe Benefits | 334,314 | 276,300 | 111,400 | 345,300 | 69,000 | 25.0% |
| Operating Expenses | 4,396,015 | 8,734,800 | 8,970,000 | 8,282,500 | (452,300) | -5.2% |
| Total | \$ 5,624,844 | \$ 9,866,000 | \$ 9,524,600 | \$ 9,846,000 | \$ (20,000) | -0.2% |

Authorized Staffing Count - Grants

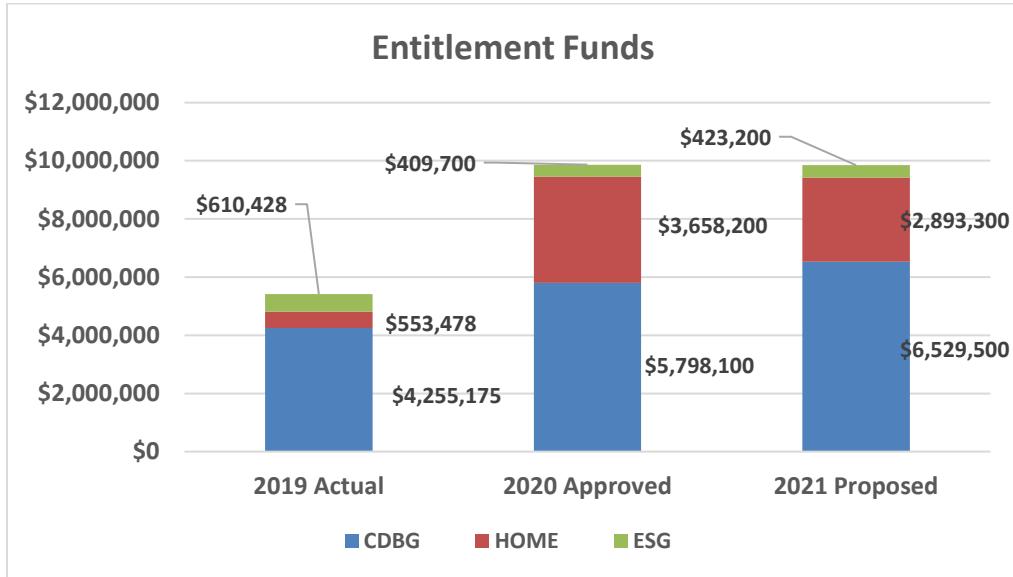
| | FY 2020 Approved | FY 2021 Proposed | Change Amount | % Change |
|--------------|---------------------|---------------------|------------------|-------------|
| Full-Time | 12 | 12 | 0 | 0.0% |
| Limited Term | 3 | 3 | 0 | 0.0% |
| Total | 15 | 15 | 0 | 0.0% |

Staffing Changes and Compensation

- The proposed budget for grant funds provides for fifteen (15) funded positions in FY 2021, of which twelve (12) are full-time and three (3) are limited-term grant funded (LTGF). The staffing complement remains consistent with the approved FY 2020 budget.

Highlights

- The FY 2021 Proposed Grant funding is comprised of the following: Community Development activities including CDBG \$6.52 Million; Housing Development including HOME Activities \$2.89 Million; and Emergency Solutions Grant (ESG) \$423,200.



Source: FY 2021 Proposed Operating Budget Book page 567

A table summarizing grant funding by Division is shown below.

| Fiscal Year 2021 Department of Housing and Community Development Grants by Division | | | | | | |
|---|---------------------|---------------------|----------------------|---------------------|---------------------|---------------|
| GRANTS | FY 2019 Actual | FY 2020 Budget | FY 2020 Estimated | FY 2021 Proposed | \$ Change | % Change |
| Community Planning & Development Division | | | | | | |
| Community Development Block Grant (CDBG) | \$ 4,255,175 | \$ 4,987,500 | \$ 4,987,400 | \$ 5,373,800 | \$ 386,300 | 7.7% |
| CDBG: Single Family Rehabilitation Loan Program | - | 404,800 | 404,800 | - | (404,800) | -100.0% |
| Emergency Solutions Grant (ESG) | 610,428 | 409,700 | 401,700 | 423,200 | 13,500 | 3.3% |
| Neighborhood Stabilization Program (NSP) | - | 137,400 | - | 64,900 | (72,500) | 0.0% |
| Maryland National Mortgage Settlement Program (MNMSP) | - | 168,800 | - | 180,400 | 11,600 | 0.0% |
| State Housing Rehabilitation Assistance Grant | - | - | - | 750,000 | 750,000 | 0.0% |
| Suitland Façade | - | - | - | 150,000 | 150,000 | 0.0% |
| Neighborhood Conservative Program (NCI) | - | 99,600 | - | 10,400 | (89,200) | 0.0% |
| Subtotal | \$ 4,865,603 | \$ 6,207,800 | \$ 5,793,900 | \$ 6,952,700 | \$ 744,900 | 12.0% |
| Housing Development Division | | | | | | |
| Home Investment Partnership (HOME) | \$ 467,978 | \$ 1,200,000 | \$ 1,272,500 | \$ 1,272,500 | \$ 72,500 | 6.0% |
| Home Activities | - | - | - | - | - | 0.0% |
| Pathway to Purchase | 85,500 | 358,800 | 358,800 | 358,800 | - | 0.0% |
| HOME Progr: Home Program Income | - | 2,099,400 | 2,099,400 | 1,262,000 | (837,400) | -39.9% |
| Subtotal | \$ 553,478 | \$ 3,658,200 | \$ 3,730,700 | \$ 2,893,300 | \$ (764,900) | -20.9% |
| Redevelopment Division | | | | | | |
| CDBG: Pathway to Purchase (P2P) | \$ 205,763 | \$ - | \$ - | \$ - | - | N/A |
| Subtotal | \$ 205,763 | \$ - | \$ - | \$ - | \$ - | N/A |

Source: FY 2021 Proposed Operating Budget Book page 567

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

Community Development Block Grant (CDBG Activities) - \$6.5 million (Proposed FY 2021)

- 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 FY2020 DHCD met the timeliness test for CDBG funds for the 5th consecutive year.

Home Investment Partnership (HOME Activities) - \$2.89 Million (Proposed FY 2021)

- 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
- The Department reports the County is in its final year of repayment in FY2021, upon which the findings will be complete and resolved As background, DHCD entered into an agreement with the Department Housing Urban Development requesting the County be permitted to enter into a Voluntary Grant Reduction (VGR) Agreement in lieu of using local/general County funds to repay the amounts of ineligible HOME Program activities. In order to proceed with the VGR, the County proposed a grant reduction totaling \$2,614,594 or approximately \$522,919 reduction of its annual Home Program allocation over a five-year period, which began FY 2017 (CY 2017).
- Status of the \$ 2,868,490 HOME Fund projects approved in FY2020 include:
 - The Woodlands at Reid Temple – Construction began in August 2019 and completion is expected in April 2021.
 - Suitland Senior Manor – Construction expected to begin in June 2020 with completion expected in late winter 2022.
 - Glenarden Apartments – Phase II – Construction began January 2020 and completion is expected in December 2020.
- The County presently 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. submitted an application for \$125,000 of HOME fund in August 2019 with its application to become a CHDO. Sowing Empowerment and Economic Development, Inc., has not submitted its application to date.

Emergency Solutions Grants (ESG) - \$423,200 (Proposed FY 2021)

- 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. During this term of performance, DSS exceeded its goal by providing essential services to 1,394 individuals, rapidly re-housed 90 households, and prevented 87 households from becoming homeless.

| ESG Activity | Goal | Actual | % Complete |
|---------------------|-------------------|-------------------|------------|
| Emergency Shelter | 1,000 Individuals | 1,394 Individuals | 139% |
| Rapid Re-Housing | 75 Households | 90 Households | 120% |
| Homeless Prevention | 75 Household | 87 households | 116% |
| Street Outreach | 25 Individual | 34 Individuals | 136% |

- ESG funding for FY 2021 is anticipated to increase by \$13,500 or 3.3% above the FY 2020 Approved Budget.

FY 2021

| ESG Program Components | Amount Committed | Amount to be Expended |
|---------------------------|--------------------|-----------------------|
| Street Outreach | \$118,646 | \$33,000 |
| Shelter | \$563,920 | \$297,237 |
| Homeless Prevention | \$478,361 | \$340,335 |
| Rapid Re-housing | \$366,887 | \$259,602 |
| Data Collection (HMIS) | \$107,169 | \$49,999 |
| ESG Program Administrator | \$106,321 | \$43,858 |
| Total | \$1,741,304 | \$1,024,031 |

Funds from HUD PY 30, 31 & 32

| FY | Emergency Shelter Grant (ESG) |
|-------|-------------------------------|
| 2016 | \$389,196.00 |
| 2017 | \$387,732.00 |
| *2018 | \$908,453.00 |
| 2019 | \$409,657.00 |
| 2020 | \$423,200.00 |

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

Budget Comparison – Grant Funds - Housing Authority

The FY 2021 Proposed Budget for the Housing Authority is \$94,767,200, an increase of \$7,806,000, or 9.0%, above the Approved FY 2020 budget. This increase is largely driven by the additional funding anticipated for the Section 8 Housing Choice Voucher program.

Approved Fiscal Year 2020 to Proposed Fiscal Year 2021 – Housing Authority

| Category | FY 2019 Actual | FY 2020 Approved | FY 2020 Estimated | FY 2021 Proposed | \$ Change | % Change |
|--------------------|----------------------|----------------------|----------------------|----------------------|---------------------|-------------|
| Compensation | \$ 3,453,712 | \$ 4,492,100 | \$ 3,376,300 | \$ 4,871,100 | \$ 379,000 | 8.4% |
| Fringe Benefits | 1,118,708 | 1,527,300 | 1,175,300 | 1,651,200 | 123,900 | 8.1% |
| Operating Expenses | 88,266,910 | 80,941,800 | 88,823,400 | 88,244,900 | 7,303,100 | 9.0% |
| Total | \$ 92,839,330 | \$ 86,961,200 | \$ 93,375,000 | \$ 94,767,200 | \$ 7,806,000 | 9.0% |

Authorized Staffing Count

| | FY 2020 Approved | FY 2021 Proposed | Change Amount | % Change |
|--------------|---------------------|---------------------|------------------|--------------|
| Full-Time | 58 | 65 | 7 | 12.1% |
| Limited Term | 0 | 0 | 0 | 0.0% |
| Total | 58 | 65 | 7 | 12.1% |

Staffing Changes and Compensation

- Proposed FY 2021 compensation for the Housing Authority is \$4,871,100, which is a \$379,000 or 8.4%, increase above the FY 2020 Approved Budget. This budget increase reflects funding for proposed additional staffing
- Proposed FY 2021 Housing Authority funding is provided for 65 full-time positions. This is an increase of seven (7) positions over the approved FY 2020 budget in order to support the Rental Assistance Division.
- The Housing Authority reports nineteen (19) funded vacancies. The vacancies include: one (1) Community Development Aide, three (3) Community Development Assistants, one (1) Community Services Manager, one (1) Deputy Director, one (1) General Clerk, (1) Accountant, two (2) Administrative Aide, (1) Accounting Services Manager, and eight (8) Community Developers. The Housing Authority vacancies are expected to be filled in FY 2021.

Fringe Benefits

- FY 2021 fringe benefits expenditures are proposed at \$1,651,200 an increase of \$123,9000, or 8.1%, over the Approved FY 2020 budget. This increase in fringe benefits reflects the anticipated changes in benefit costs.

Operating Expenses

- FY 2021 operating expenses are proposed at \$88,244,900, representing an increase of \$7,303,100, or 9.0%, from the Approved FY 2020 budget. This budget increase reflects an increase in costs due to enhancements in the Housing Choice Voucher program.

| Fiscal Year 2020 Housing Authority Grants by Division | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|---------------------|-------------|
| GRANTS | FY 2019 Actual | FY 2020 Budget | FY 2020 Estimated | FY 2021 Proposed | \$ Change | % Change |
| <u>Housing Assistance Division</u> | | | | | | |
| Conventional Public Housing | \$ 2,939,414 | \$ 2,888,000 | \$ 2,975,300 | \$ 2,995,800 | \$ 107,800 | 3.7% |
| Coral Gardens | 110,880 | 113,200 | 113,100 | 113,800 | 600 | 0.5% |
| Homeownership - Marcy Avenue | 8,736 | 11,500 | 15,400 | 13,300 | 1,800 | 15.7% |
| Public Housing Modernization/Capital Fund | 80,477 | 88,500 | 140,800 | 143,500 | 55,000 | 62.1% |
| Subtotal | \$ 3,139,507 | \$ 3,101,200 | \$ 3,244,600 | \$ 3,266,400 | \$ 165,200 | 5.3% |
| <u>Rental Assistance Division</u> | | | | | | |
| Bond Program | \$ 343,515 | \$ 250,000 | \$ 301,200 | \$ 678,700 | \$ 428,700 | 171.5% |
| Family Self Sufficiency | \$ - | \$ - | \$ 138,000 | \$ 138,000 | \$ 138,000 | |
| Section 8 Housing Choice Voucher (HCV) | 87,302,974 | 81,550,000 | 87,110,000 | 87,972,000 | 6,422,000 | 7.9% |
| Section 8 Moderate Rehabilitation | 2,053,334 | 2,060,000 | 2,581,200 | 2,712,100 | 652,100 | 31.7% |
| Subtotal | \$ 89,699,823 | \$ 83,860,000 | \$ 90,130,400 | \$ 91,500,800 | \$ 7,640,800 | 9.1% |
| HA -Total | \$ 92,839,330 | \$ 86,961,200 | \$ 93,375,000 | \$ 94,767,200 | \$ 7,806,000 | 9.0% |

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 was awarded 35 new vouchers for veterans in Fiscal Year 2020
- The Section 8 Housing Choice Voucher Program accounts for 92.8% of the Housing Authority's total grant expenditures at \$87,972,000 for FY 2021, an anticipated increase of \$6,422,000, or 7.9%, over the FY 2020 approved level.
- The Housing Authority received High Performer status with a score of 97 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 partnered with Homes for America and is moving forward with the redevelopment of 1313 Southern Avenue. The proposed new development is a senior housing complex with 160 units (128 affordable units and 32 market rates units). The estimated cost for the project is \$36.5 million.

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 home 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 2020 to Proposed Fiscal Year 2021 – Housing Investment Trust Fund

| Category | FY 2019 Actual | FY 2020 Approved | FY 2020 Estimated | FY 2021 Proposed | \$ Change | % Change |
|--------------------|---------------------------|-----------------------------|------------------------------|-----------------------------|----------------------|---------------------|
| Compensation | \$103,477 | \$412,300 | \$262,600 | \$428,000 | \$15,700 | 3.8% |
| Fringe Benefits | \$9,186 | \$61,900 | \$34,900 | \$64,300 | \$2,400 | 3.9% |
| Operating expenses | \$1,518,873 | \$5,111,900 | \$360,500 | \$8,477,900 | \$3,366,000 | 65.8% |
| Total | \$1,631,536 | \$5,586,100 | \$658,000 | \$8,970,200 | \$3,384,100 | 60.6% |

Authorized Staffing Count

| | FY 2020 Approved | FY 2021 Proposed | Change Amount | % Change |
|--------------|-----------------------------|-----------------------------|--------------------------|---------------------|
| Full-Time | 0 | 0 | 0 | 0.0% |
| Limited Term | 7 | 7 | 0 | 0.0% |
| Total | 7 | 7 | 0 | 0.0% |

- The Proposed FY 2021 Housing Investment Trust Fund budget is \$8,970,200, an increase of \$3,366,000, or 65.8%, under the FY2020 Approved Budget. The budget increase is a result of increase in Down Payment and Closing Cost Assistance (\$1,438,600 increase), and Workforce Housing Gap Financing (\$7,019,900 increase) programs and the proposed FY2021 allocation is funded by prior year fund balance of \$4,970,237. The end-of-year FY 2021 fund balance is proposed at \$37.
- Proposed FY 2021 compensation increases by \$15,700, or 3.8%, over the FY 2020 Approved Budget. The increase is driven by anticipated salary adjustments.
- Proposed FY 2021 General Funds are provided for seven (7) limited term grant funded (LTGF) positions.
- Proposed FY 2021 Fringe benefits are \$64,300, an increase of \$2,400, or 3.9%, over the FY 2020 Approved Budget, due to compensation adjustments.

Budget Comparison – - Redevelopment Authority (RDA) Fiscal Year 2021 Budget

| Category | FY 2019 Actual | FY 2020 Approved | FY 2020 Estimated | FY 2021 Proposed | \$ Change | % Change | |
|---|--------------------|--------------------|--------------------|--------------------|-------------------|--------------|--|
| Beginning Fund Balance | \$1,272,942 | \$1,322,775 | \$2,088,448 | \$2,088,448 | \$765,673 | 57.9% | |
| Revenues | | | | | | | |
| County Grant | \$333,500 | \$333,500 | \$333,500 | \$333,500 | \$0 | 0.0% | |
| CDBG/HITF Grant-Staff Support | \$895,764 | \$372,600 | \$168,400 | \$361,300 | -\$11,300 | -3.0% | |
| Technical Assistance Revenues -HRAP | \$1,656,174 | \$0 | \$0 | \$0 | \$0 | 0.0% | |
| HRAP Interest Income | \$2,520 | \$0 | \$0 | \$0 | \$0 | 0.0% | |
| Miscellaneous Revenues | \$46,028 | \$0 | \$0 | \$0 | \$0 | 0.0% | |
| Align to RDA Annual Financial Report | \$627,372 | \$0 | \$0 | \$0 | \$0 | 0.0% | |
| Appropriated Fund Balance | \$0 | \$0 | \$0 | \$0 | \$0 | 0.0% | |
| Total Revenues | \$3,561,358 | \$706,100 | \$501,900 | \$694,800 | (\$11,300) | -1.6% | |
| Category | FY 2019 Actual | FY 2020 Approved | FY 2020 Estimated | FY 2021 Proposed | \$ Change | % Change | |
| Board Member Stipend | \$20,400 | \$27,000 | \$23,100 | \$25,000 | (\$2,000) | -7.4% | |
| Board Member Expenses | \$1,592 | \$2,000 | \$2,000 | \$4,000 | \$2,000 | 100.0% | |
| Board Member Development | \$0 | \$0 | \$0 | \$3,000 | \$3,000 | #DIV/0! | |
| Office Supplies & Expenses | \$17,897 | \$24,600 | \$58,500 | \$46,500 | \$21,900 | 89.0% | |
| Staff Training & Development | \$4,235 | \$10,000 | \$5,000 | \$5,000 | (\$5,000) | -50.0% | |
| Copier | \$6,032 | \$7,000 | \$7,000 | \$7,000 | \$0 | 0.0% | |
| Staffing Services - Administrative | \$38,253 | \$45,000 | \$45,000 | \$45,000 | \$0 | 0.0% | |
| Commercial Insurance | \$3,505 | \$25,000 | \$27,000 | \$25,000 | \$0 | 0.0% | |
| General Counsel | \$20,310 | \$82,900 | \$82,900 | \$90,000 | \$7,100 | 8.6% | |
| Consultants & Feasibility Studies | \$3,000 | \$30,000 | \$3,000 | \$3,000 | (\$27,000) | -90.0% | |
| Office of Finance Fees | \$60,000 | \$60,000 | \$60,000 | \$60,000 | \$0 | 0.0% | |
| Auditing Fees | \$7,500 | \$20,000 | \$20,000 | \$20,000 | \$0 | 0.0% | |
| CDBG/HITF Grant - Staff Support | \$895,765 | \$372,600 | \$168,400 | \$361,300 | (\$11,300) | -3.0% | |
| Other Interest Payments - Debt Service | \$64,579 | \$0 | \$0 | \$0 | \$0 | 0.0% | |
| RDA Grants - Includes Grant Payments to Contractors | \$1,662,047 | \$0 | \$0 | \$0 | \$0 | 0.0% | |
| RDA Projects - Loss on Disposable Capital Equipment | \$210,864 | \$0 | \$0 | \$0 | \$0 | 0.0% | |
| Alignment to Annual Financial Report | (\$270,127) | \$0 | \$0 | \$0 | \$0 | 0.0% | |
| Total Expenditures | \$2,745,852 | \$706,100 | \$501,900 | \$694,800 | (\$11,300) | -1.6% | |
| Category | FY 2019 | | | | | \$ | |

| | Actual | FY 2020 Approved | FY 2020 Estimated | FY 2021 Proposed | Change | % Change |
|--------------------------------------|--------------------|---------------------|----------------------|---------------------|------------------|--------------|
| Excess of Revenues over Expenditures | \$815,506 | \$0 | \$0 | \$0 | \$0 | 0.0% |
| Other Adjustments | \$0 | \$0 | \$0 | \$0 | \$0 | 0.0% |
| Ending Fund Balance | \$2,088,448 | \$1,322,775 | \$2,088,448 | \$2,088,448 | \$765,673 | 57.9% |

The Redevelopment Authority (“RDA” or the “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

The FY 2021 Proposed Budget for the Redevelopment Authority is \$694,800, a decrease of \$11,300, or 1.6%, below the FY 2020 Approved Budget.

The RDA’s FY 2021 grant from the County totals \$333,500 and remains unchanged from the FY2020 budget level.

RDA Highlights

- RDA applied for and received a letter of intent from the National Capital Strategic Economic Development Fund (NED)for FY 2020 to assist with the rubble removal at the Glenarden Hills capital project. RDA received funds from the Community Development Block Grant PY 45R with rubble removal.
- In FY 2020, Stephen Paul was appointed to the Executive Director position on October 28, 2019. His previous position of Associate Director was reclassified to Community Service Manager.
- Forestville/Pepco Property Development – RDA and the County are working in partnership with Pepco to develop 32 acres of property in Forestville with a state of the art sustainable town house development.

Budget Comparison – - Redevelopment Authority (RDA) – Capital Improvement Projects

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 six (6) active capital projects in the FY 2021 - FY 2026 Proposed Capital Improvement Program (CIP) for a funding amount of \$138,894,000. One (1) existing project: Town of Upper Marlboro Redevelopment has been deferred to FY 2022 with no required funding for FY 2021. The five (5) active projects with proposed fund balance from County for FY 2021 sources are as follows:

| | Expended tho Date | Estimated for FY2020 | Proposed FY21 Capital Budget | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | Total Proposed CIP Funding |
|------------------------------|----------------------|-------------------------|------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------------------|
| Addison Rd | \$2,646,000 | \$728,000 | \$1,000,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$4,374,000 |
| Cheverly | \$120,000 | \$8,000 | \$408,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$536,000 |
| County Revitalization | \$1,491,000 | \$3,252,000 | \$1,025,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$10,768,000 |
| Glenarden | \$6,680,000 | \$8,339,000 | \$9,478,000 | \$3,103,000 | \$0 | \$0 | \$0 | \$0 | \$27,600,000 |
| Suitland | \$66,616,000 | \$19,000,000 | \$500,000 | \$4,000,000 | \$3,000,000 | \$0 | \$0 | \$0 | \$93,116,000 |
| Town of Upper Marlboro | \$0 | \$0 | \$0 | \$500,000 | \$1,000,000 | \$1,000,000 | \$0 | \$0 | \$2,500,000 |
| Total | \$77,553,000 | \$31,327,000 | \$12,411,000 | \$8,603,000 | \$5,000,000 | \$2,000,000 | \$1,000,000 | \$1,000,000 | \$138,894,000 |

- Funding Sources – 97.6% Land Sales and County Contributions and 2.4% State Funding
- The RDA’s FY 2021 projects include:
 - Towne Square at Suitland Federal Center – Redevelopment of the old Suitland Manor subdivision into a new Transit Oriented Development (TOD) neighborhoods with 1,200 residential units, 10,000 square feet of new retail, an affordable senior building, performing arts center, and two (2) large urban parks. The FY2021 funding will support the continued clearance and demolition of 25 acres of commercial and residential properties.
 - Glenarden Hills – Redevelopment of Glenarden Apartments with 430 residence with a mx of senior, affordable, and market rate units. Glenarden Apartments Redevelopment will continue Phase II of construction. The FY2021 funding supports infrastructure and construction. Total funding includes: \$689,000 of PAYGO from the County, \$140,000 in Developer Fees, and a projected \$3.961 million in land and proceeds.
 - Addison Road/Capital Heights Metro – 210 Park – TOD Project at the Capital Heights Metro with 156 multi-family units, 13 for sale town homes, and a small amount of ground floor retail. Metro Corridor funding increase \$540,000 for the single-family home BlueLine Façade program. The funding includes \$500,000 of PAYGO from the County.
 - Cheverly Hotel – 120 room extended stay hotel with a restaurant pad site. This project is in the plan approval process with M-NCPPC. The Cheverly Development project construction and renovation is scheduled for the first Leadership in Energy and Environmental Design (LEED) certified Extended Stay hotel and restaurant in the County.
 - The County Revitalization project consists of land assembly, relocation, demolition, and various programs. Countywide efforts include the: (1) Community Impact Grants, (2) Transit Oriented Development (TOD) Place Marketing Programs, (3) Commercial Revitalization Program, and (4) Northern Gateway Revitalization Program. In FY 2021, Other funding includes: \$25,000 of PAYGO to support the PEPCO Forestville Project. The project is slated to create a new energy neutral sustainable neighborhood.

- Upper Marlboro – Project delayed another fiscal year.

DHCD – FY 2021 Strategic Focus and Initiatives

- Increase the number of rental housing placements of senior citizens, families and individuals with low to moderate income.
- Increase the number of County citizens and residents with low to moderate income becoming homeowners.
- Increase the percentage of positive housing market outcomes from the foreclosure outreach, counseling, and mortgage assistance.
- Maintain community development services and opportunities for County residents in order to improve the quality of life for County Residents.

Redevelopment Authority - FY 2021 Priorities

- Continue the redevelopment of three large scale mixed income, mixed use and mixed finance infill sites- Glenarden Hills, 210 Maryland Park Drive (Addison Road/Capital Heights Metro), and the Town Center at Suitland Federal Center.
- Increase homeownership opportunities for first-time homebuyers through the Pathways to Purchase and the Prince George's County Purchase Assistance Program.
- Advance and promote green building and sustainable development practices.
- Promote community revitalization by providing grants that support small scale community-led capital projects and the revitalization.

Challenges / Concerns for FY 2021

- As of March 12, 2020, DHCD held more than 1.5 times their entitlement amount in their account. Pursuant to 24 Code of Federal Regulations (CFR) 570902, undispersed grant funds could be no more than 1.5 times your grant amount. DHCD's undispersed ratio was 1.80 – 1.87 and the Department must expend \$1,474,038.76 to meet the timeliness test for May 2, 2020.
- The Housing Authority is finalizing a Voluntary Compliance Agreement (VCA) with the Department of Housing and Urban Development. This is an agreement to ensure that the housing needs and housing related services for the disabled population are enforced. The agreement is under final review . The Housing authority has designated \$200,000 for the Compensation Fund as indicated by the terms of the VCA.
- The Housing Authority must reconfigure the Resident Services Division and has engaged in partnership with Brinshore Development LLC and the Northern Real Estate Urban Ventures in February 2020. The plan is to configure and redevelop each of the Authority's public housing sites throughout the County. This goal of renovation is consistent with the one of the recommendations of the Comprehensive Housing Strategy.
- The Housing Authority must implement strategies and activities as indicated in the five (5) year agreement between Ripley and the Housing Authority. Agreement stems from alleged discrimination against the disabled population by the Housing Authority. ¹

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>