



PRINCE GEORGE'S COUNTY GOVERNMENT
OFFICE OF MANAGEMENT AND BUDGET



Aisha N. Braveboy
County Executive

MEMORANDUM

DATE: March 20, 2026

TO: Sylvia King
Senior Legislative Budget Officer

THRU: Angela Fair Baker, Acting Director *afb*
Office of Management and Budget

FROM: Jonathan R. Butler, Director
Department of Housing and Community Development

RE: First Round FY 2027 Proposed Budget Responses

We are submitting a request for budgetary information to facilitate an efficient and effective budget review and reporting process. Please respond to the questions and complete the following tables with the appropriate information. In some cases, we have populated the tables with available known data. In instances where the tables need to be re-sized or modified to accommodate additional information, please feel free to do so.

OVERALL BUDGET

1. Does the Department expect that a supplemental budget request may be necessary for FY 2026?

The Department does not anticipate submitting a supplemental for FY 2026.

- a. If so, how much does the Department expect to request?

N/A

- b. Please identify the specific factors, conditions, and trends that may necessitate the need for a supplemental appropriation for FY 2026.

N/A

- c. Please identify if these are General or Grant Funds.

N/A

2. Identify and quantify any known or anticipated operational or fiscal impacts that the proposed Maryland State budget or other action taken or being considered by the Maryland General Assembly may have on the Department's programs and operations.

There are no known or anticipated operational or fiscal impacts due to actions proposed or considered by the Maryland State or Maryland General Assembly.

3. Identify and quantify any known or anticipated operational or fiscal impacts that the proposed federal changes or other action taken or being considered by the federal government may have on the Department's programs and operations.

There are no known or anticipated operational or fiscal impacts due to actions proposed or considered by the federal government.

4. Does the Department have any federal, State, or County legal requirements that must be funded? If so, please identify each requirement and the total dollar amount.

DHCD does not have any "legal" requirements that must be funded. However, the County's Emergency Solutions Grants (ESG), which is a federal (HUD) entitlement program, does require County matching funds. The federal FY 2026 (County FY 2027) federal allocations have not been posted. As such, DHCD relies on the final FFY 2025 (County FY 2026) allocations. The County's matching funds for ESG are estimated to be \$493,358.

5. What is the plan for maintaining continuity of funding for the most essential services, considering anticipated financial shortfalls over the next two (2) fiscal years?

Once the impacted services are identified, OMB will work closely with the agency and the Executive leadership to mitigate what we can if feasible however, we recognize additional discussion, and deliberation would be needed on a case-by-case basis as the County does not have unlimited resources to backfill other funding sources that may be at-risk or impacted.

GRANTS

6. Please provide the amount of grant funding that was returned in FY 2025. How much is in danger of being returned in FY 2026? Please include the reason(s) why these grant funds had to be returned.

In FY 2025, the Department did not return any grant funds.

The Department will return \$309,627 in Emergency Rental Assistance Program (ERAP) funds in FY 2026. DHCD deployed \$122.7 million in ERAP funding, assisting 12,475 households. At program closeout, approximately 58 applications remained under review, totaling \$457,157.68 in requested assistance. These remaining funds could not be disbursed because applicants were unresponsive and/or did not provide the required documentation to complete payment processing.

In addition, the Department was awarded CDBG-CV funding through the CARES Act in FY 2020 to respond to the coronavirus crisis and subsequently sub-awarded those funds to various nonprofit agencies for eligible activities. Several subrecipients did not have the capacity to fully expend their awards. As a result, the Department anticipates returning approximately \$392,863 in CDBG-CV funds to HUD in FY 2027.

At this time, aside from the amounts noted above, no additional grant funds are projected to be returned in FY 2026.

- To what extent is the Department able to meet its financial and programmatic grant reporting requirements in FY 2026 to date?

To date, the agency will meet its financial and programmatic grant reporting requirements determined by the U.S. Department of Housing and Urban Development (HUD).

COMPENSATION

Staffing

- Please complete the following table on FY 2026 and actual staffing levels:

FY 2026 Authorized and Actual Staffing Levels									
	Full-Time			Part-Time			Limited Term		
	Authorized	Filled Positions	Vacancies	Authorized	Filled Positions	Vacancies	Authorized	Filled Positions	Vacancies
General Fund									
	19	19	0	0	0	0	0	0	0
Grant Fund									
	8	8	0	0	0	0	3	0	3
Other Fund									
	5	5	0	0	0	0	0	0	0
Total	32	32	0	0	0	0	3	0	3
YTD as of: March 19, 2026									

9. For each currently vacant position, please complete the following table by identifying the position title, position number, grade, salary information, date the vacancy or creation of position occurred, organizational assignment, the status of recruitment efforts, and funding source (General Fund (GF), Internal Service Fund (IS), Enterprise Fund (EF), or Grants) for FY 2026.

Vacancies, FY 2026 YTD										
#	Position Title	Position Number	Grade	Salary			Date Vacated or Created	Organizational Assignment	Status of Recruitment Efforts	Funding Source
				Budgeted	Expended (Est.)	Lapse (Est.)				
1	Community Developer 1G (LTGF)	30006794	G18	\$ -	\$ -	\$ -	9/26/2024	Grants	Unfunded	Grants
2	Community Developer 1G (LTGF)	30054205	G18	\$ -	\$ -	\$ -	7/1/2024	Grants	Unfunded	Grants
3	Community Developer 3G (LTGF)	30006800	G24	\$ -	\$ -	\$ -	4/19/2025	Grants	Unfunded	Grants
4										

YTD as of: March 19, 2026

10. Please discuss the Department’s FY 2026 attrition rate and provide the following information:

- a. To date, how many people have resigned from the Department in FY 2026?

To date, no one has resigned from the Department.

- b. To date, what is the attrition rate in FY 2026?

In FY 2026, the Department will not have an attrition rate as the department will be fully staffed.

- c. Identify the key factors that contribute to the current attrition levels.

There are no key factors that contribute to the current attrition levels.

- d. What positions and/or position classification and grades are the most affected by attrition?

N/A.

- e. What program operations are most impacted by attrition?

N/A.

11. How has the hiring freeze impacted overall operations in the Department, if at all? If it is impacting operations, which programs are most affected, and how?

The Department will be fully staffed in FY 2026. The Department had one vacant position that will be filled on March 9, 2026

12. How many of the Department’s employees have been or are expected to be assigned to another County agency or another organization in FY 2026? Please identify each position by completing and updating the table below.

Department Employee Assignments to Other Agencies							
Name	Title	Grade	Salary	Function	Assigned Agency	Date Assigned	Assignment likely to continue in FY 2027 (Y/N)
N/A							

13. Please identify staff members currently assigned to the Department from other County agencies. Complete the table below for each position.

Assignments From Other Agencies to the Department							
Name	Title	Grade	Salary	Function	Agency Employee is Assigned From	Date Assigned	Assignment likely to continue in FY 2027 (Y/N)
N/A							

14. How much salary lapse did the Department accumulate in FY 2025? How were these funds used?

In FY 2025, the Department accumulated \$90,324 in General Fund salary lapse. The Department utilized salary lapse to engage consultants as part of the Preservation of Naturally Occurring Affordable Housing study, training, and staff development.

15. What is FY 2026 YTD salary lapse amount?

In FY 2026, the Department anticipates a salary lapse of approximately \$50,100.

16. What is the impact of vacancies on the Department's operations? Which Division(s), program(s), and types of positions are most impacted by high vacancy rates?

The Department had one vacant position which is scheduled to be filled on March 9, 2026. During the period of vacancy, the workload has been redistributed among existing staff where appropriate.

Currently, the impact on operations has been manageable. The most affected areas are those within the division where the vacancy exists, primarily in terms of workload capacity and the timeliness of task completion. However, critical functions and core program operations have continued without disruption due to staff flexibility and prioritization efforts.

17. Are all positions in the FY 2027 Proposed Budget fully funded? If not, please explain.

Yes, all positions are fully funded in the FY 2027 Proposed Budget.

OPERATING EXPENSES

18. Please complete the following chart regarding the FY 2026 approved/ estimated and FY 2027 proposed operating budgets. Please add operating categories, as needed, to ensure the total operating budget is presented.

General Fund					
Operating Objects	FY 2026 Approved	FY 2026 Estimated	FY 2027 Proposed	\$ Change	Explain reason for budgetary change for each object
Telephone	\$4,200	\$3,800	\$4,500	\$700	To accommodate the increase cellphone cost
Utilities	\$0	\$0	\$0	\$0	
Printing	\$100	\$0	\$100	\$100	To align with historical expenses
Postage	\$100	\$100	\$100	\$0	
Periodicals	\$400	\$400	\$600	\$200	Engagement in Housing Initiatives
Data-Voice	\$0	\$0	\$0	\$0	
Office Automation	\$66,000	\$66,000	\$68,000	\$2,000	OIT's Charge
Training	\$5,000	\$1,300	\$10,000	\$8,700	To align w/ historical requests
Advertising	\$4,000	\$2,500	\$3,000	\$500	To align with the Housing Initiatives
Travel: Non-Training	\$0	\$8,000	\$5,000	-\$3,000	Leadership Housing Engagement
Membership Fees	\$6,100	\$3,500	\$11,500	\$8,000	Engagement in Housing Initiatives
Mileage Reimbursement	\$0	\$0	\$0	\$0	
Pool Car Rental	\$0	\$3,000	\$4,500	\$1,500	DHCD has 4 vehicles
Professional Service Audit	\$30,000	\$30,000	\$33,000	\$3,000	County's Audit Requirement
General & Administrative Contracts	\$0	\$0	\$0	\$0	
Operating Contracts	\$50,000	\$50,000	\$75,500	\$25,500	
General Office Supplies	\$5,000	\$1,500	\$6,000	\$4,500	To align with historical expenses
Software Non-Capital	\$24,200	\$24,200	\$24,800	\$600	Price Adjustments
Office and Operating Equipment Non-Capital	\$0	\$0	\$0	\$0	
Other Operating Equipment Repair/Maintenance	\$0	\$0	\$0	\$0	
Vehicle Equipment Repair/Maintenance	\$11,800	\$4,000	\$12,800	\$8,800	DHCD has 4 vehicles, including the Director's
Gas and Oil	\$1,000	\$900	\$3,000	\$2,100	To align with County increases
Equipment Lease	\$0	\$0	\$0	\$0	
TOTAL	\$ 207,900	\$ 199,200	\$ 262,400	\$ 63,200	

19. Please identify, quantify, and explain expected or possible instances where categories of expenditures are expected to exceed and or expected to be significantly lower than authorized FY 2026 expenditure levels. What conditions, factors, and trends are driving these higher and/or lower than expected levels of expenditures for FY 2026?

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TOTAL	\$ 207,900	\$ 199,200	\$ 262,400	\$ 63,200	

INFORMATION TECHNOLOGY

21. Please complete the chart below and identify the Department’s key IT initiatives, including the project name, summary for the purposes and benefits associated with each project, initiation year, estimated completion date, total project cost, amount of funding spent to date, and proposed FY 2027 funding amount.

IT Initiative							
	Project Name	Summary of Project Purpose and Benefits	Year Initiated	Estimated Completion Date	Total Project Cost	Amt of funding spent to date	Proposed FY 2027 Funding Amount
1	N/A						
2							
3							
4							

FACILITIES

22. Has the Department acquired new facilities, relocated facilities in FY 2026, or plans to in FY 2027? If so, please identify the reason for the changes and provide details on all contractual and operating costs related to the change.

The Department did not acquire or relocate facilities in FY 2026. There are no plans to acquire or relocate facilities in FY 2027.

WORKLOAD AND PROGRAM IMPACT

23. Pursuant to 24 Code of Federal Registrations (CFR) 570.902, please provide an understanding of the amount of grant funds available but undisbursed and is this number more than 1.5 times of your grant amount for the current program year? Please provide a copy of the report from the Integrated Disbursement and Information System (IDIS) to demonstrate/verify response.

Based on the attached HUD IDIS PR56 Report, the current undisbursed grant balance is \$1,631,227, representing a 1.78 expenditure ratio. This exceeds the HUD-mandated threshold of 1.5 times the current program year allocation.

However, our internal CDBG expenditure tracking reflects a remaining balance of \$0, meeting HUD’s timeliness test (1.50 ratio) as of March 2, 2026. The Office of Finance has \$1,649,453 available to draw from treasury. To ensure formal compliance, the Office of Finance must complete the drawdown of all disbursed funds prior to the deadline of May 2, 2026.

Please see Attachment A for a copy of the PR-56 IDIS Report.

24. How much program income is expected/forecasted for FY 2026 & FY 2027, and how does the Department plan to utilize the program income? Please provide a list of current contingency projects.

The Department estimates receiving \$808,060 of program income from the CDBG Program and the Housing Rehabilitation Assistance Revolving Loan Program (HRAP). The program income generated from HRAP is returned to the revolving loan program to continue aiding county residents with home repairs. CDBG program income will be utilized to fund future CDBG eligible activities.

In addition, the Department estimates receiving \$996,197.00 of program income from HOME Investment Partnership Program. HOME program income will be utilized to fund future HOME eligible projects.

25. What is the expected amount of funds that will need to be reprogrammed in FY 2026? Please explain the details of their reprogramming.

To date, the Department has an estimated amount of \$926,555 CDBG Program funds available to be reprogrammed. The goal is to reallocate these funds to the Single-Family Homeownership Rehabilitation Program. These funds will be used to fund loans to low- and moderate-income people for the rehabilitation of residential properties and the elimination of unsafe housing conditions.

26. Please discuss any audits conducted by the U.S. Department of Housing & Urban Development (HUD) or the State in the past two (2) fiscal years that have yielded findings that have impacted or will impact the Department's funding. Please provide copies (if available).

HUD conducted an audit on the HOME Investment Partnerships (HOME) Program affordable housing development, The Lewis, on or about May 2024. There were no findings during this audit.

See Attachment B for the audit letter from HUD.

27. Please discuss any ongoing delays in the execution of grant agreements through federal and State programs.

DHCD has received the executed HUD grant agreements for FFY 2025 (County FY 2026). However, the execution of the federal grant agreements was greatly impacted by the previous federal shutdown. At this time, we cannot determine whether there will be any delays for the upcoming FFY 2026 (County 2027) allocations and grant agreements.

HOUSING INVESTMENT TRUST FUND

28. What is the current state of the Housing Investment Trust Fund and its ability to attract developers and additional affordable housing units?

The Housing Investment Trust Fund (HITF) is at a critical state by which it is functioning and respected but undercapitalized relative to demand. HITF's ability to produce additional units is limited primarily by funding scale, not developer interest. Considering our pipeline of development projects, the Trust Fund remains stable through FY 2027, projections show a rapid depletion beginning in FY 2028 as projects begin to draw down loan funds and program expenses increase. Even with the \$10 million annual allocation, higher staffing, operations, program expenses, and the launch of the new homebuyer initiatives will deplete the available revenues. By FY 2029, it is projected that expenditures will exceed available resources, resulting in a projected HITF deficit.

29. How has the backlog from Maryland DHCD impacted the Department's ability to reach its affordable housing goals?

Maryland DHCD has worked through their backlog as a result in FY 2025 to present, five (5) new development projects have closed on their financing and are currently under construction including:

- **The Cassidy**
- **Park Place at Addison Road Metro**
- **Hamlet Woods**
- **The Highlands**
- **New Carrollton Phase I – Affordable Senior**

From FY 2026 into FY 2027, it is expected there will be five (5) additional closings which include:

- **Addison Park**
- **New Carrollton Phase II**
- **New Carrollton Phase III**
- **New Carrollton Phase IV**
- **Flats at Glenridge**

- a. Will Maryland DHCD's budget impact its ability to provide funding to developers?

The County has not been notified that MD DHCD's budget is going to impact its ability to provide funding to developers.

- b. How long do we anticipate this backlog?

See response to Question 29, there is no longer a backlog.

30. How does the current budgeted amount help the Department achieve its housing goals? If this amount is reduced, will the anticipated goals in FY 2027 still be achieved?

See response above to Question 28.

31. Based on new Council legislation (CB-099-2025, CB-101-2025) through the HITF, how does the Department anticipate fulfilling these legislative requirements?

DHCD anticipates implementing both programs using allocations from the existing HITF, which serves as the County’s primary flexible local funding source for affordable housing initiatives. HITF currently supports several critical activities, including multifamily rental development gap financing, homeowner rehabilitation and preservation programs, and other housing stabilization efforts. To comply with the requirements of CB-099-2025 and CB-101-2025, DHCD will incorporate the new programmatic activities into the HITF funding framework, including developing program guidelines, eligibility criteria, underwriting standards, and compliance monitoring processes consistent with the legislation.

However, it is important to note that the addition of these two new initiatives will place significant additional demand on an already undercapitalized Trust Fund. The current annual allocation of approximately \$10 million must now be stretched across multiple competing priorities:

- **Multifamily affordable housing production and preservation gap financing**
- **Homeowner rehabilitation and stabilization programs**
- **Existing housing assistance commitments**
- **Implementation of the new programs authorized under CB-099-2025 and CB-101-2025**

Demand for HITF resources continues to exceed available funding, particularly given the strong development pipeline and increasing construction costs. Without additional capitalization, the Trust Fund will be required to support a broader set of policy objectives using the same limited funding base. Over time, this dynamic will constrain the County’s ability to fully meet production goals across all program areas and may lead to the depletion of available resources relative to demand.

HOUSING OPPORTUNITY FOR ALL (HOFA)

32. Based on the results of the COG study, what is the Department’s next level of execution based on findings?

The results of the COG Study, “TOD Inclusionary Zoning Feasibility Study of Prince George’s County”, reveals the infeasibility of certain housing types near transit locations. Specifically, the study suggests, based on financial modeling or pro forma analysis in accordance with current local market conditions, that the construction of popular multifamily dwelling with affordable units will not largely attract developers near metro stations due to potential higher construction and financing costs negatively impacting required returns, thus making the project financially

RENT STABILIZATION

36. What updates are available related to the execution of rent stabilization legislative requirements?

To date, the rent stabilization program is in its initial year of implementation. Over the past year, DHCD collaborated with DPIE and the Office of Law on the planning and policy creation for the program. DHCD will serve as thought partner to DPIE and will primarily assist with constituent-facing functions over the next year including fielding complaints and making determinations for exempt units.

Attachment A



U.S. Department of Housing and Urban Development
 Office of Community Planning and Development
 Integrated Disbursement and Information System

DATE: 02-27-26
 TIME: 8:38
 PAGE: 1

Current CDBG Timeliness Report
 Grantee : PRINCE GEORGE'S COUNTY, MD

PGM YEAR	PGM START DATE	TIMELINESS TEST DATE	CDBG GRANT AMT	--- LETTER OF CREDIT BALANCE ---		DRAW RATIO		MINIMUM DISBURSEMENT TO MEET TEST	
				UNADJUSTED	ADJUSTED FOR PI	UNADJ	ADJ	UNADJUSTED	ADJUSTED
2024	07-01-24	05-02-25	5,613,506.00	7,989,227.11	8,062,109.79	1.42	1.44		
2025	07-01-25	05-02-26	5,806,716.00	10,178,509.62	10,341,300.71	1.75	1.78	1,468,436	1,631,227

NOTE: If ***** appears in place of ratio, then ratio cannot be calculated because either the grantee's current year grant has not been obligated in LOCCS or the current program year start and end dates have not been entered in IDIS.



U.S. Department of Housing and Urban Development
Office of Community Planning and Development
District of Columbia Field Office
820 First Street, NE
Washington, DC 20002-4205

SEP 23 2024

Ms. Aspasia Xypolia
Director
Department of Housing and Community
Development
9200 Basil Court
Largo, MD 20774

SUBJECT: Fiscal Year 2024 HUD Monitoring Review
HOME Investment Partnerships Program (HOME) Program
Grant Number: M23UC240505

Dear Ms. Xypolia:

From May 13 – 27, 2024, the U.S. Department of Housing and Urban Development conducted a monitoring review to assess your organization's performance and compliance with applicable Federal program requirements related to HUD's HOME program. Program performance was assessed through a review of operations, file documentation and interviews. HUD's review of program performance areas may result in the identification of Findings and/or Concerns.

A Finding is a deficiency in program performance based on a violation of a statutory or regulatory requirement. A Concern is a deficiency in program performance that is not based on a statutory or regulatory requirement but is brought to the grantee's attention. Mandatory Corrective Actions are provided by HUD to adequately address all Findings of non-compliance with regulatory or statutory requirements.

This letter transmits the results of HUD's monitoring review. The review resulted in no findings or concerns. I would like to thank you and your staff for your professionalism and cooperation during HUD's review. If you have any questions relating to the report, you may contact Deborah Davis, Senior Financial Analyst at *Deborah.L.Davis@HUD.Gov*.

Sincerely,

A handwritten signature in black ink that reads "Michael D. Rose". The signature is written in a cursive style with a large initial "M" and a stylized "D" and "R".

Michael D. Rose
Director
Office of Community Planning and Development
HUD Washington, DC Field Office

Enclosure