



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

## Office of Audits and Investigations

April 17, 2018

### MEMORANDUM

TO: Robert J. Williams, Jr.  
Council Administrator

William M. Hunt  
Deputy Council Administrator

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

FROM: Inez N. Claggett *INC*  
Senior Legislative Auditor

RE: Fiscal Impact Statement  
CR-019-2018 Housing and Community Development Annual Action Plan: FY 2019

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#### *Legislative Summary*

CR-019-2018 approves and adopts the Prince George's County Fiscal Year 2019 Annual Action Plan for Housing and Community Development.

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#### *Background*

Under certain terms and conditions as set forth in Federal legislation Prince George's County qualifies as an urban county eligible to receive certain federal entitlement grant funds. CR-019-2018 approves and adopts the Prince George's County Fiscal Year 2019 Annual Action Plan for Housing and Community Development. The Annual Action Plan serves as the grant application for certain federal entitlements and implements housing and community development strategies set forth in the County's FY 2016-2020 Consolidated Plan adopted within CR-008-2015. The U.S. Department of Housing and Urban Development (HUD) requires jurisdictions receiving assistance under certain community planning and development programs to submit a five-year consolidated plan and an annual action plan to the Secretary of HUD outlining ways to develop viable communities.

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#### *Assumptions and Methodology*

Attachment A to CR-019-2018 provides specific funding recommendations for the Community Development Block Grant (CDBG), the Home Investment Partnerships Grant (HOME) and the Hearth Act Emergency Solutions Grant (ESG).

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The County is qualified to receive the funding estimates shown below, based upon the United States Department of Housing and Urban Development Federal FY 2017 formula funding allocations.

<b>FEDERAL FUNDING RECOMMENDATION SUMMARY</b>					
<b>Grant Program</b>	<b>Federal Entitlement</b>	<b>Program Income</b>	<b>Matching Funds</b>	<b>Voluntary Grant Reduction</b>	<b>Total</b>
CDBG	\$ 4,550,612	\$ 404,784	\$ -	\$ -	\$ 4,955,396
HOME	1,546,986	2,099,352	-	(522,919)	3,123,419
ESG	401,650	-	401,650	-	803,300
<b>Total</b>	<b>\$ 6,499,248</b>	<b>\$ 2,504,136</b>	<b>\$ 401,650</b>		<b>\$ 8,882,115</b>

In settlement of the findings from the FY 2012 United States Housing and Urban Development Office of Inspector General Report (2012-PH-1001), the County's Department of Housing and Community Development proposed a voluntary 33% reduction in HOME funds which was accepted by HUD, and began in FY 2017. The voluntary reduction of funds will occur for five fiscal years. As a result, for FY 2019 HOME Investment Partnership Grant entitlement funds will be reduced by \$522,919.

***Fiscal Impact***

- Direct Impact

Adoption of CR-019-2018 will overall provide unmeasurable positive economic impact for the County as a result of providing grant funding for housing and community development activities that may not otherwise occur should the funding not be provided. However, the legislation will have a negative fiscal impact in the amount of \$924,569 resulting from the requirement to provide \$401,650 in County match funds for the ESG, and the \$522,919 reduction of HOME funds required under the voluntary grant reduction.

- Indirect Impact

Adoption of CR-019-2018 may promote growth and economic development within the County which may thereby have a positive fiscal impact upon various sources of County revenue.

***Appropriated in the Current Fiscal Year Budget***

CR-019-2018 is applicable to Fiscal Year 2019 which currently does not have an approved budget.

***Effective Date***

Date of adoption of the Resolution.

If you require additional information, or have questions about this fiscal impact statement, please call me.