





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-Whye 
 Budget and Policy Analyst

RE: Housing Authority of Prince George's County
 Fiscal Year 2024 Budget Review

Budget Overview

The FY 2024 Proposed Budget for the Housing Authority of Prince George's County ("HAPGC" or "the Authority") is \$98,416,800, an increase of \$2,075,500, or 2.2%, over the FY 2023 Approved Budget. This increase is largely driven by the increase of the Section Eight Housing Choice Voucher program in the transition from the dependency on Public Housing and an increase in the Family Self Sufficiency Program.

Budget Comparison – Grant Funds

Actual Fiscal Year 2022 to Proposed Fiscal Year 2024

Fund	FY 2022 Actual	FY 2023 Approved	FY 2023 Estimated	FY 2024 Proposed	\$ Change	% Change
Compensation	\$ 4,449,067	\$ 5,639,400	\$ 5,838,900	\$ 5,767,200	\$ 127,800	2.3%
Fringe Benefits	1,455,206	1,612,900	1,780,900	2,018,500	405,600	25.1%
Operating	90,315,697	89,090,000	90,189,500	90,631,100	1,541,100	1.7%
Total	\$ 96,219,970	\$ 96,342,300	\$ 97,809,300	\$ 98,416,800	\$ 2,074,500	2.2%

Authorized Staffing Account Fiscal Year 2023 to Proposed Fiscal Year 2024

	FY 2023 Approved	FY 2024 Proposed	Change Amount	% Change
Full-Time	73	75	2	2.7%
Limited Term	1	1	0	0.0%
Total	74	76	2	2.7%

Staffing Changes and Compensation

- The Authority’s proposed FY 2024 budget reflects funding for 75 full-time and one (1) Limited Term Grant Funded position. The new positions from FY 2023 to FY 2024 include a Human Resources Analyst and a Procurement Office for the Administration Division to serve all grant programs.
- Proposed FY 2023 compensation for the Housing Authority is \$5,767,200 which is a \$127,800 or a 2.3% increase.
- As of March 13, 2023, the Authority has 15 vacancies. These vacancies include one (1) Info Technology Manager, one (1) Community Developer, one (1) General Clerk, one (1) Administrative Aide, and 11 Community Development Assistant vacancies. Seven (7) of these vacancies are being filled for the remainder of FY 2023, and most of the vacancies will be filled in the first quarter of FY 2024.
- The Authority’s budget includes a salary lapse of \$650,700.

Budget Comparison - Housing Authority Fiscal Year 2024 Budget

Decreases in the Housing Assistance division of the Authority are primarily due to the \$258,200 or 9.7% decrease in the Conventional Public Housing program. The Rental Assistance Division decrease in the Bond Program is due to a change in revenue on interest earned in bonds sold by the Authority.

<u>Housing Assistance Division</u>							
Conventional Public Housing	\$2,853,167	\$2,659,500	\$2,947,100	\$2,401,300	(\$258,200)	-9.7%	
Coral Gardens	120,643	129,400	176,200	129,400	-	0.0%	
Homeownership - Marcy Avenue	13,255	13,500	13,300	13,300	(200)	-1.5%	
Public Housing Modernization/Capital Fund	390,949	158,400	162,000	158,400	-	0.0%	
Subtotal	\$3,378,014	\$2,960,800	\$3,298,600	\$2,702,400	(\$258,400)	-8.7%	
<u>Rental Assistance Division</u>							
Bond Program	883,210	1,947,400	2,314,800	775,000	(1,172,400)	-60.2%	
Family Self-Sufficiency	120,557	138,000	-	197,700	59,700	43.3%	
Housing Choice Voucher	90,417,552	91,296,100	91,935,000	94,659,800	3,363,700	3.7%	
Emergency Housing Voucher	1,420,637	-	179,000	-	-	N/A	
Resident Opportunities Self-Sufficiency Program	-	-	81,900	81,900	81,900		
Subtotal	\$92,841,956	\$93,381,500	\$94,510,700	\$95,714,400	\$2,332,900	2.5%	
Total	96,219,970	96,342,300	97,809,300	98,416,800	2,074,500	2.2%	

Fringe Benefits

- Proposed FY 2024 fringe benefits for the Housing Authority are \$2,018,500, which is \$405,600 or a 25.1% increase.

Operating Expenses

- Proposed FY 2024 operating for the Housing Authority are \$90,631,100, which is \$1,541,100 or 1.7% over the FY 2023 budget.

Expenditures	FY 2022 Actual	FY 2023 Budget	FY 2024 Proposed	\$ Change	% Change
Administrative Salaries	\$4,449,067	\$5,639,400	\$5,767,200	\$127,800	2.3%
Fringe Benefits	1,550,063	1,612,900	2,169,500	556,600	34.5%
<i>Subtotal</i>	<i>\$5,999,130</i>	<i>\$7,252,300</i>	<i>\$7,936,700</i>	<i>684,400</i>	<i>9.4%</i>
Operating Expenses					
Other Salary/Benefits					
OPEB and Unfunded	-	150,400	-	(150,400)	-100.0%
Legal	250,803	562,400	317,839	(244,561)	-43.5%
Admin Expense Covid-19	1,443,099	-	-	-	
Other Admin	1,952,184	1,594,100	1,083,111	(510,989)	-32.1%
Tenant Services	47,547	9,000	37,315	28,315	314.6%
Utilities	1,042,327	1,037,300	1,203,097	165,797	16.0%
Garbage/Trash Removal	79,979	71,100	88,869	17,769	25.0%
Maintenance Materials	309,339	201,500	152,056	(49,444)	-24.5%
Maintenance Contract Costs	1,810,335	1,162,300	1,066,644	(95,656)	-8.2%
General Expenses	509,311	186,600	316,008	129,408	69.4%
Extraordinary Maintenance		-	-	-	N/A
Housing Assistance Payments	82,771,635	84,115,300	86,215,161	2,099,861	2.5%
Financing Expenses	4,281				
Transfer	-	-	-	-	
Other	-	-	-	-	
<i>Subtotal</i>	<i>\$90,220,840</i>	<i>\$89,090,000</i>	<i>\$90,480,100</i>	<i>\$1,390,100</i>	<i>1.6%</i>

- The most significant reductions in operating expenses include a \$510,989, or 32.1% decrease in the Other Admin category; a \$244, 561, or 43.5% decrease in the Legal category; and a \$150,400, or 100.0% decrease in the OPEB and Unfunded category.
- Significant increases in operating expenses include a \$2,099,861, or 2.5% increase in the Housing Assistance Payments category; a \$165,797, or 16.0% increase in the Utilities category; and a \$129,408, or 69.4% increase in the General Expenses category.

Housing Choice Vouchers Allocations

- The Authority currently has a total of 5951 vouchers being used, the current utilization rate is 93%. The Authority is moving toward more project-based vouchers to help improve the utilization rate.

<u>Voucher Types</u>	<u>Available</u>
Project Based Vouchers	178
Tenant Based Vouchers	5773

FY 2023 Highlights

- Increased landlord recruitment and retention efforts through leasing events, higher payment standards and other leasing incentives.
- Completed a Voucher Management System (VMS) audit review with zero findings.
- Centralized waitlist management and portability into one group to increase the efficiency of serving County households.
- Decrease of \$258,200 or 9.7% in Conventional Public Housing by the Authority aligns with the repositioning from Public Housing to the Housing Choice Voucher program demonstrated in the program's increase of \$3,363,700 or 3.7%. Through the repositioning of Public Housing to the HCV Program, this will increase the Authority's revenue, while improving the lived experiences of County residents.
- Enhanced internal compliance training and external training for staff, including opportunities for certifications.
- Executed a contract to redesign the website, which will be user-friendly and provide information for applicants and residents. Information is relevant to what the county has to offer with services. This will help to improve the waitlist, with the ability to change application preferences and check application status. This will also include a landlord portal to improve communication between landlords and the Authority.

Updates:

- Fully implemented the Compliance division to track, audit and review compliance amongst all divisions. In FY23, the Compliance division focused on efficiency of meeting contract requirements including Section 3/Davis Bacon.
- Made updates to the agency's policies and the procedural review for the procurement process.
- Increased monitoring and compliance for Voluntary Compliance Agreement (VCA) deliverables.
- Leased all allocated (139) Emergency Housing Vouchers.
- The current length of the waitlist is six (6) years.

Challenges / Concerns for FY 2024:

- The Authority has been without a permanent Director since November 3, 2022.

- The Authority expressed that they have no challenges or concerns going into FY 2024. Based on information provided in the budget book, staff review and responses the agency outlook in 2024 includes:
 - Implementing the Compliance division to further meet efficiency goals and requirements through tracking, auditing, and reviewing all Authority’s divisions.
 - Repositioning of the Public Housing program to the Housing Choice Voucher program, with challenges of landlord retention and recruitment.
 - Encouraging the use of project-based vouchers to improve the voucher utilization rate.
 - Implementing strategies to encourage more access to Authority programs to current several thousand County Residents on the waitlist and dramatically shortening the 6 year wait time.