



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

July 13, 2020

MEMORANDUM

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: Josh Hamlin 
Senior Legislative Budget and Policy Analyst

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

RE: Policy Analysis and Fiscal Impact Statement
CR-46-2020 2021 Annual Action Plan (DR-1)

CR-46-2020 (sponsored by: Council Chair Turner by Request of the County Executive)

Assigned to Committee of the Whole (COW)

A RESOLUTION CONCERNING FISCAL YEAR 2021 ANNUAL ACTION PLAN FOR THE PURPOSE of approving and adopting the Prince George's County Fiscal Year 2021 Annual Action Plan for Housing and Community Development.

Fiscal Summary

Direct Impact:

Expenditures: Positive

Revenues: Potentially positive

Indirect Impact:

Potentially positive

Legislative Summary

CR-46-2020, sponsored by Council Chair Turner by request of the County Executive, and sponsored by Councilmembers Anderson-Walker, Davis, Dernoga, Franklin, Harrison, Hawkins, Ivey, Streeter and Taveras, was presented to the County Council on June 2, 2020 and referred to the Committee of the Whole. CR-46-2020 provides a plan for the County Council approval to articulate the strategic distribution of federal funds in accordance with federal regulatory statutes and consistent with the County’s Five (5) Year Consolidated Plan. The federal funds outlined in the CR-46-2020 are for the purposes of providing affordable housing, promoting Neighborhood Revitalization, and providing community development activities and services.

If adopted, CR-46-2020 would authorize the Department of Housing and Community Development to expend the following federal grant funds that corresponds to the corresponding legislation:

- The Housing and Community Development Act of 1974, as amended, qualifies the County to receive its forty-sixth (46th) year of its entitlement of the Community Development Block Grant of \$5,162,540 and \$344,311 of CDBG program Income;
- The Cranston-Gonzales National Affordable Housing Act, of 1990, as amended, qualifies the County to its twenty-ninth (29th) year of Entitlement of HOME Investment Partnership (HOME) funds of \$2,133,152 and \$1,245,478 in HOME Program Income Funds.
- The McKinney-Vento Homelessness Assistance Act of 1987, as amended, qualifies the County to receive its thirty-third (33rd) year of entitlement of Emergency Shelter Grants funds of \$441,932, which must be accompanied with 1:1 matching funds of \$441,932.

The County is qualified to receive estimates shown below based on the US Department of Housing and Urban Development’s (HUD) Formula Funding Allocation.

Federal Funding Recommendations Summary					
Grant Program	Federal Entitlement	Program Income	Matching Funds	Voluntary Grant Reduction	Program Totals
CDBG	\$5,162,540	\$344,311			\$5,506,851
HOME	\$2,133,152	\$1,245,478		(\$522,919)	\$2,855,711
ESG	\$441,932		\$441,932		\$ 883,864
Total	\$7,737,624	\$1,589,789	\$441,932	(\$522,919)	\$ 9,246,426

In a settlement of findings for FY 2012, the US Department of Housing and Urban Development’s Office of the Inspector General’s report (2012-PH-1001), the Prince George’s County Department of Housing and Community Development proposed a Voluntary 33% reduction of the Home Investment Partnership funding. Upon acceptance by HUD, in 2017, the Voluntary Grant Reduction took effect and would be implemented over the next five fiscal years. Therefore, the HOME funds are reduced by \$522,919.

Background/Current Law:

Division 1 of Subtitle 15A of the County Code currently outlines the policy guidelines, administration, management and application process of utilization of the five (5) year consolidated plan and annual action plans as required by the Department of Housing and Urban Development (HUD) consistent with 24 Code of Federal Regulations Part 91 that outlines viable strategies and community development activities by

providing decent and affordable housing, suitable living environment and expanded economic development opportunities to low- and moderate-income persons.

Policy Analysis

- *Potential benefits of adopting CR-46-2020*

Adoption of CR-46-2020, provides the Department of Housing and Community Development spending authorization to develop programs and activities to promote decent and affordable housing and expanded community economic development opportunities to revitalize neighborhoods and provide services to qualified residents of the county.

- *Potential costs of adopting CR-46-2020*

Adoption of CR-46-2020 should not cause any negative impact to the County as General Funds are not used to support the provision of the Community Development and Housing programs.

Fiscal Impact:

Direct Impact

Enactment of CR-46-2020 would provide spending authority for the Department of Housing And Community Development to allocate federal funds and resources for community economic development programs and activities. There will be a negative impact as the County has to provide matching dollars that are used in the provision of programs and services of the Emergency Shelter Grant program. Grant fund expenditures increase by \$9,246,426 million as discussed above. The County government revenues and expenditures increase to the extent that eligible community entities receive and use grants under the program.

Indirect Impact

Adoption of CR-46-2020 may promote positive indirect impact through the and economic development of the County by enhancing various neighborhoods, which may encourage individuals to maintain or establish residency thereby sustaining and possibly increasing indirect sources of County revenue. Adoption of CR-46-2020 should leverage additional resources and opportunities to promote community development revitalization through the gap financing for affordable housing and economic development.

Appropriated in the Current Fiscal Year Budget

No.

Resource Personnel

DHCD Staff
Council Administration

Items for Committee Consideration:

- ✓ Review to ensure procurement process of grant funds are consistent with County and federal procurement processes