





April 15, 2024

**MEMORANDUM**

TO: Thomas E. Dernoga, Chair  
 Planning, Housing and Economic Development (PHED) Committee

THRU: Joseph R. 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 2025 Budget Review

**Budget Overview**

The FY 2025 Proposed Budget for the Housing Authority of Prince George's County ("HAPGC" or "the Authority") is \$98,882,500, an increase of \$465,700, or 0.5%, over the FY 2024 Approved Budget. This increase is largely driven by the increase of the Section Eight Housing Choice Voucher program.

**Budget Comparison – Grant Funds**

*Actual Fiscal Year 2023 to Proposed Fiscal Year 2025*

Fund	FY 2023 Actual	FY 2024 Approved	FY 2024 Estimated	FY 2025 Proposed	\$ Change	% Change
Compensation	\$ 5,572,580	\$ 5,767,200	\$ 5,498,000	\$ 5,678,700	\$ (88,500)	-1.5%
Fringe Benefits	1,988,873	2,018,500	1,851,900	2,027,300	8,800	0.4%
Operating	88,658,517	90,631,100	1,002,158,700	91,176,500	545,400	0.6%
<b>Total</b>	<b>\$ 96,219,970</b>	<b>\$ 98,416,800</b>	<b>\$ 1,009,508,600</b>	<b>\$ 98,882,500</b>	<b>\$ 465,700</b>	<b>0.5%</b>

***Authorized Staffing Account Fiscal Year 2024 to Proposed Fiscal Year 2025***

	<b>FY 2024 Approved</b>	<b>FY 2025 Proposed</b>	<b>Change Amount</b>	<b>% Change</b>
Full-Time	75	75	0	0.0%
Limited Term	1	1	0	0.0%
<b>Total</b>	<b>76</b>	<b>76</b>	<b>0</b>	<b>0.0%</b>

***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 proposed FY 2025 compensation for the Housing Authority is \$5,678,700, which is a \$88,500, or a -1.5% decrease from FY 2024.
- As of March 15, 2024, the Authority has 18 vacancies. These vacancies include one (1) Info Technology Manager, seven (7) Community Developer Assistant vacancies, three (3) Community Developer vacancies, one (1) General Clerk, two (2) Administrative Aide vacancies, one (1) Procurement Office vacancy, one (1) Human Resources Analyst, one (1) Accountant and one (1) Accounting Services Manager. Six (6) positions are expected to be recruited in March/April. Five positions were filled from a single announcement on December 4, 2023; job announcements may be limited but multiple positions may be filled at once.
- The program most impacted by vacancies is the voucher program. It leads to the challenges of pulling families from the voucher waiting list and processing annual recertifications.
- The Authority’s budget includes a salary lapse of \$1,243,800, which is 18% of the compensation expenditures and less than the historical vacancy rate of 23%.

**Budget Comparison - Housing Authority Fiscal Year 2025 Budget**

The Authority's Rental Assistance division decrease is primarily due to the \$425,000, or -54.8%, decrease in the Bond Program due to the delay of the repositioning of Cottage City.

<b>Grant Revenue</b>	<b>FY 2023 Actual</b>	<b>FY 2024 Budget</b>	<b>FY 2024 Estimated</b>	<b>FY 2025 Proposed</b>	<b>\$ Change</b>
<b><u>Housing Assistance Division</u></b>					
Conventional Public Housing	\$3,450,430	\$2,401,300	\$3,640,600	\$2,379,000	(\$22,300)
Resident Opportunities Self-Sufficiency Program	72,427	81,900	72,000	72,000	(9,900)
Coral Gardens	121,858	129,400	107,800	147,000	17,600
Homeownership - Marcy Avenue	13,038	13,300	13,000	13,000	(300)
Public Housing Modernization/Capital Fund	373,078	158,400	247,200	247,200	88,800
<i>Subtotal</i>	<i>\$4,030,831</i>	<i>\$2,784,300</i>	<i>\$4,080,600</i>	<i>\$2,858,200</i>	<i>\$73,900</i>
<b><u>Rental Assistance Division</u></b>					
Bond Program	282,986	775,000	730,100	350,000	(425,000)
Family Self-Sufficiency		197,700	197,600	207,600	9,900
Housing Choice Voucher	95,466,659	94,659,800	104,500,300	95,466,700	806,900
<i>Subtotal</i>	<i>\$95,749,645</i>	<i>\$95,632,500</i>	<i>\$105,428,000</i>	<i>\$96,024,300</i>	<i>\$391,800</i>
<b>Total</b>	<b>99,780,476</b>	<b>98,416,800</b>	<b>109,508,600</b>	<b>98,882,500</b>	<b>465,700</b>

**Fringe Benefits**

- The Proposed FY 2025 fringe benefits for the Housing Authority are \$2,027,300, which is \$8,800 or a 0.4% increase over the FY 2024 Approved Budget.

**Operating Expenses**

- The Proposed FY 2025 operating budget for the Housing Authority is \$91,176,500 which is \$545,400 or 0.6% over the FY 2024 Approved Budget.

<b>Expenditures</b>	<b>FY 2023 Actual</b>	<b>FY 2024 Budget</b>	<b>FY 2025 Proposed</b>	<b>\$ Change</b>	<b>% Change</b>
Administrative Salaries	\$5,572,580	\$5,767,200	\$5,678,700	(\$88,500)	-1.5%
Fringe Benefits	1,988,873	2,018,500	2,027,300	8,800	0.4%
<i>Subtotal</i>	<i>\$7,561,453</i>	<i>\$7,785,700</i>	<i>\$7,706,000</i>	<i>(79,700)</i>	<i>-1.0%</i>
<b>Operating Expenses</b>					
Other Salary/Benefits	\$0	\$0	\$0	\$0	-
OPEB and Unfunded	150,420	151,000	150,000	(1,000)	-0.7%
Legal	320,306	317,839	250,000	(67,839)	-21.3%
Other Admin	560,000	454,671	383,000	(71,671)	-15.8%
Misc Admin Expense	1,212,269	628,440	1,137,000	508,560	80.9%
Tenant Services	37,260	37,315	37,900	585	1.6%
Utilities	1,199,867	1,203,097	1,155,000	(48,097)	-4.0%
Garbage/Trash Removal	89,000	88,869	87,500	(1,369)	-1.5%
Maintenance Materials	159,000	152,056	160,000	7,944	5.2%
Maintenance Contract Costs	1,040,000	1,066,644	1,063,000	(3,644)	-0.3%
General Expenses	426,000	316,008	461,000	144,992	45.9%
Housing Assistance Payments	87,024,901	86,215,161	86,292,100	76,939	0.1%
<i>Subtotal</i>	<i>\$92,219,023</i>	<i>\$90,631,100</i>	<i>\$91,176,500</i>	<i>\$545,400</i>	<i>0.6%</i>
<b>TOTAL</b>	<b>\$99,780,476</b>	<b>\$98,416,800</b>	<b>\$98,882,500</b>	<b>\$465,700</b>	<b>0.5%</b>

- The most significant reductions in operating expenses include Legal expenses, with a decrease of \$67,839 or -21.3%.
- Significant increases in operating expenses include an increase of \$508,560 or 80.9% in Misc. Admin Expenses: this is due to the County IT support cost of \$407,000; this projected expense was not in the FY 2024 approved budget. As well as a significant increase in general expenses at \$144,992 or 45.9% due to insurance and projected bad debt write-off, expenses were under-projected in FY 2024, causing this significant increase.

**Housing Choice Vouchers Allocations**

- The Authority currently has a total of 5986 vouchers being used; the current utilization rate is 93.5%, a .5% increase from FY 2024. To improve the utilization rate, the Authority mentioned filling vacancies covering the Housing Choice Voucher program.

<b>Voucher Types</b>	<b>Available</b>
Project Based Vouchers	196
Tenant Based Vouchers	5790

### **FY 2024 Highlights**

- Increased landlord recruitment and recruited 93 landlords in FY 2023 and FY 2024 combined, the HAPGC hosts quarterly landlord advisory meetings.
- Actively engaged landlords and property owners in the Landlord Advisory Committee to help improve landlord relationships to increase voucher utilization.
- The Housing Choice Voucher Program maintained a High Performer rating under the HUD's Section Eight Management Assessment Program.

### **Updates:**

- Implemented strategies to reduce the number of applicants on the waitlist by periodically purging and having qualified staff dedicated to pulling families from the waitlist. This led to the removal of 459 unresponsive applicants, bringing the total number of applicants on the waitlist to 775.
- The waitlist is currently 3.1 years long, in comparison to the 6 year length waiting list reported ahead of FY 2024.
- Plans to implement a new Customer Service Center dedicated to answering calls and responding to email inquiries. The HAPGC also plans to implement a new telephone software system to track incoming calls and provide voicemail-to-email functionality, increasing responsiveness to applicants.
- The HAPGC is working on an 8-10-year plan to reposition all public housing developments.

### **Challenges / Concerns for FY 2025:**

- Unexpected staff turnover and the inability to quickly fill vacant positions due to the lack of staff to implement the HR processes to fill positions.
- The reorganization will require a return to the office full-time. Although this may increase staff turnover, the Housing Authority plans to onboard new staff promptly.