



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

April 24, 2019

MEMORANDUM

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: David H. Van Dyke
County Auditor

FROM: Inez N. Claggett
Senior Legislative Auditor

RE: Fiscal Impact Statement
CR-024-2019 Housing and Community Development Annual Action Plan: FY 2020

Legislative Summary

CR-024-2019 approves and adopts the Prince George's County Fiscal Year 2020 Annual Action Plan for Housing and Community Development.

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-024-2019 approves and adopts the Prince George's County Fiscal Year 2020 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.

Assumptions and Methodology

Attachment A to CR-024-2019 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 2018 formula funding allocations.

Grant Program	Federal Entitlement	Program Income	Matching Funds	Voluntary Grant Reduction	Total
CDBG	\$ 4,987,427	\$ 344,311	\$ -	\$ -	\$ 5,331,738
HOME	2,154,220	2,937,037	-	(522,919)	4,568,338
ESG	409,657	-	409,657	-	819,314
Total	\$ 7,551,304	\$ 3,281,348	\$ 409,657	\$ (522,919)	\$ 10,719,390

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 2020 HOME Investment Partnership Grant entitlement funds will be reduced by \$522,919.

Fiscal Impact

- **Direct Impact**

Adoption of CR-024-2019 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 \$932,576 resulting from the requirement to provide \$409,657 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-024-2019 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-024-2019 is applicable to Fiscal Year 2020 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.