

PRINCE GEORGE'S COUNTY COUNCIL

COMMITTEE REPORT

2020 Legislative Session

Reference No.: CR-046-2020

Draft No.: 2

Committee: COMMITTEE OF THE WHOLE

Date: 07/14/2020

Action: FAV (A)

REPORT:

Committee Vote: Favorable as amended, 11-0 (In favor: Council Members Turner, Anderson-Walker, Davis, Dernoga, Franklin, Glaros, Harrison, Hawkins, Ivey, Streeter and Taveras)

The Committee of the Whole met on July 14 to discuss CR-46-2020, the FY2021 Annual Action Plan for the Department of Housing and Community Development. A public hearing was held on CR-46-2020 on July 7, 2020. Staff explained the purpose of CR-46-2020 indicating that the Annual Action Plan reflects the County's most critical housing and community development needs, as identified in the FY2021-2025 Consolidated Plan. Additionally, the Annual Action Plan serves as the grant application for the following federal entitlement program funds: Community Development Block Grant ("CDBG") Program, HOME Investment Partnerships ("HOME") Program, and the Emergency Solutions Grants ("ESG") Program. CR-46-2020 was discussed in conjunction with CR-47-2020, a Resolution for the purpose of approving and adopting the Prince George's County Fiscal Year 2021-2025 Consolidated Plan for Housing and Community Development (the "Consolidated Plan").

On or about March 13, 2020, the County Executive transmitted Draft-1 of the County Fiscal Year ("FY") 2021 Annual Action Plan for Housing and Community Development to the County Council. At that time, the United States Department of Housing and Urban Development ("HUD") had not completed the appropriations process for its Federal Fiscal Year ("FFY") 2020 appropriations. As such, the County's FY2021 grant application estimates were based on HUD's final FFY2019 (County FY2020) funding allocations.

Since the submission of the County Resolution, the final federal formula allocations have been released and the County's FY2021 Annual Action Plan for Housing and Community Development has been modified to reflect the final allocations. The County's estimated amounts for its CDBG, HOME and ESG Programs were lower than the actual Federal FY2020 (County FY2021) allocations. Consequently, the County adjusted the funding allocations in the AAP to be consistent with the final Federal allocations and submitted a Proposed Draft-2 to the County Council on June 30, 2020 to reflect the adjustments as follows:

Federal Programs	County FY 2020 Estimated Funding Allocations	County FY 2021 Final Funding Allocations	Difference	Percent Change
CDBG	\$5,029,514	\$5,162,548	\$133,034	2.65%
HOME	\$1,443,440	\$1,610,233	\$166,793	11.56%
ESG	\$423,194	\$441,932	\$18,738	4.43%

Additionally, the following table breaks down the County’s FY 2021 grant application estimates based on HUD’s final FFY 2020 (County FY 2021) funding allocations:

Federal Grant Programs	Federal FY 2020 (County FY 2021) Entitlement Allocations	HOME Voluntary Grant Reduction (VGR) Plan	HOME Entitlement Award Less VGR Plan Reduction	Program Income	Matching Funds	Total
CDBG	\$5,162,548.00			\$344,311.00	\$0.00	\$5,506,859.00
HOME	\$2,133,152.00	(\$522,919.00)	\$1,610,233.00	\$1,245,478.00	\$0.00	\$2,855,711.00
ESG	\$441,932.00			\$0.00	\$441,932.00	\$883,864.00
Total	\$7,737,632.00	(\$522,919.00)	\$7,214,713.00	\$1,589,789.00	\$441,932.00	\$9,246,434.00

Ms. Estella Alexander, Director of the Department of Housing and Community Development (DHCD) provided a PowerPoint presentation summarizing the “Five-Year Consolidated Plan and First-Year Action Plan.”

The Office of Law reviewed CR-46-2020 and finds it to be in proper legislative form and legally sufficient with no legal impediments. The Office of Audits and Investigations submitted a Policy Analysis and Fiscal Impact Statement dated July 13, 2020 which indicated that direct fiscal impact of adopting CR-46-2020 will be negative 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. The County government revenues and expenditures increase to the extent that eligible community entities receive and use grants under the program. Adoption of CR-46-2020 may promote positive indirect impact through the 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.

The Committee of the Whole reviewed the Annual Action Plan, focusing on each of the above-mentioned categories and discussed amendments highlighted by the DHCD Director during presentation of the Proposed Draft-2 (DR-2). With the funding increase from HUD, allocations are restored for the provision of several public services provided by non-profits. The Committee accepted the amendments as reflected in CR-46-2020 (Draft-2) Attachment A.