

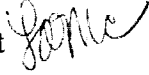
AGENDA ITEM #8
March 6, 2018

CIP WORKSESSION

MEMORANDUM

March 2, 2018

TO: County Council

FROM: Linda McMillan, Senior Legislative Analyst 

SUBJECT: **Worksession – FY19-24 Recommended Capital Improvements Program
Department of Housing and Community Affairs**

PURPOSE: Review and act on PHED Committee recommendations

Expected Attendees:

Clarence Snuggs, Director, Department of Housing and Community Affairs (DHCA)
Chris Anderson, Chief, Division of Community Development
Jalal “Jay” Greene, Chief, Division of Housing
Tim Goetzinger, DHCA Management and Budget
Pofen Salem, Office of Management and Budget

Summary of PHED Committee Recommendations:

The PHED Committee recommends approval of the County Executive’s recommendations for the Facility Planning:HCD, Colesville/New Hampshire Avenue Community Revitalization, and Burtonsville Community Revitalization project. (2-0; Councilmember Leventhal absent)

Discussed DHCA’s efforts to assist some of the older, affordable condominium communities that are still trying to rebuild reserves after impacts of the recession and need help with large maintenance items for things like balconies, drainage, and common areas.

Discussed DHCA’s ability to assist with streetscaping and signage in Burtonsville without a need to wait for all improvements and changes planned by the State Highway Administration.

Agreed to return and review the Affordable Housing Acquisition and Preservation project with the operating recommendations for the Housing Initiative Fund.

FY19-24 CIP – Department of Housing and Community Affairs

1. Facility Planning:HCD

(FY19-24 Recommended PDF ©1-2)

	TOTAL	Thru FY18	6 Years	FY19	FY20	FY21	FY22	FY23	FY24
Recommended	4,545	3,795	750	125	125	125	125	125	125

Source of Funds: Current Revenue

This project provides funding for facility planning studies that are not eligible for CDBG funding. It is included in the CIP because the efforts generally take more than one year. As a part of the FY18 Savings Plan, the Council approved a \$125,000 reduction in the FY18 funds. As there is an unencumbered balance, DHCA explained that the reduction was not likely to significantly impact any planned studies. The following are studies that DHCA has identified for funding through this project:

1. Kimberly Place- Balcony Replacement and Drainage Improvements/ Focused Neighborhood Revitalization Project
 - i. Balconies: This project will assist income-qualified homeowners to cover the cost of balcony replacement for their units. Balcony replacements will be permitted and constructed by the contractor. Construction is expected to begin in Summer of 2018.
 - ii. Drainage Project: The common are Drainage Study has been completed. DHCA's Engineering Consultants have completed 95% design documents for surface and below grade drainage improvements. The project will be presented to the community for review and comments. DHCA awaits waiver amendment regulation from MNCPPC for Forest Stand Delineation requirements. The waiver amendment is expected to be passed by February 26, 2018.
2. Montclair Manor - (Wheaton) Planning underway for Lighting and other physical improvements
3. Montgomery Village - (Center Stage, Grover Forge, The Hamptons) Planning underway for Lighting and other physical improvements
4. Montgomery Village - (Walker's Choice, Thomas Voice West) Planning underway for Lighting and other physical improvements
5. Grand Bel II - Porches/Entries Replacement & Signage Study (Silver Spring)
6. Hermitage Woods - Stabilization Study (Silver Spring)
7. Ridgeline/Montgomery Village - Rehabilitation Analysis (Ridgeline / Clubhouse) (Montgomery Village)
8. Dalewood Drive playground - Improvements (North Wheaton)

The PHED Committee recommends approval as recommended by the Council Executive.

2. Colesville/New Hampshire Avenue Community Revitalization
(FY19-24 Recommended PDF ©3-4)

	TOTAL	Thru FY18	6 Years	FY19	FY20	FY21	FY22	FY23	FY24
Recommended	3,250	720	2,530	980	800	750	0	0	0

Source of Funds: Current Revenue

Update on Colesville/New Hampshire

This is a commercial façade and retail center signage program. DHCA has provided the following update.

13401 New Hampshire Ave. (7/11 building). Construction complete, passed inspection, finances approved, easement recorded and check disbursed on April 6, 2017.

Four other targeted properties: Colesville Mall, Ethios Corner, Meadowood Center and the Hollywood Avenue Center. DHCA is planning to continue outreach this spring/summer. DHCA's staff has met and discussed revitalization opportunities with the owners of the two largest shopping centers (Meadowood, and the strip mall known as the "Colesville Mall" next to the recently renovated 7-11 building). Both property owners have sent letters of interest to participate in the Façade Easement program.

Colesville CIP Estimates

Property	Estimated Perimeter Linear Footage	DHCA Portion of Estimated Cost Per Linear Foot	DHCA Portion of Estimated Façade Cost	DHCA Portion of Cost for Center Signage/Lighting	Estimated Property Owner Investment Total
**Meadowood Center	500 feet	\$525/linear foot	\$262,500	\$50,000	\$312,500
Hollywood Ave. Center	230 feet	\$525/linear foot	\$120,750	\$35,000	\$155,750
Ethios Corner	117 feet	\$525/linear foot	\$61,425	\$35,000	\$96,425
**Colesville Mall	450 feet	\$525/linear foot	\$236,250	\$50,000	\$286,250
TOTAL	1,297 feet	\$525/linear foot	\$680,925	\$170,000	\$850,925

There are additional opportunities for revitalization in the Colesville area. DHCA has completed a planning and design study that provides concept streetscape enhancements

at the perimeter of the properties listed above and in the right-of-way of their bordering streets. Streetscape improvement may include street trees, lighting, gateway signs, entrance enhancement, parking lot restriping, and plant material for screening and enhancement.

DHCA will provide technical and design assistance to property owners who lack visual insight of how their properties can be improved. This will include renderings of design concept options that can be used to begin the design process.

The PHED Committee recommends approval as recommended by the Council Executive.

3. Burtonsville Community Revitalization

(FY19-24 Recommended PDF ©5-6)

	TOTAL	Thru FY18	6 Years	FY19	FY20	FY21	FY22	FY23	FY24
Recommended	4,040	4,040	0	0	0	0	0	0	0

Source of Funds: GO Bonds and Current Revenue

There is no new funding recommended for this project. Total funding is \$4.040 million. The PDF indicates that there is an unencumbered balance of \$2.114 million. The project is ongoing but does not require additional appropriation. DHCA has provided the following update:

OCP I, II, III and IV, MC Associates (Site Realty Building): Construction is complete, passed inspection, finances approved, easements recorded, and checks disbursed for all properties listed and shown in chart's status column below.

Seibel's: Construction is complete and has passed inspection. Finances are in approval process. An easement will be recorded, and a check disbursed for \$240,000 upon approval of document receipts.

	Burtonsville Project	Property Owner's Name	Property Owner's Contribution	DHCA contribution	Length of Easement	Status
1	15498 Old Columbia Pike Façade	OCP I (Katz)	\$235,237	\$200,000	15 years	Completed
2	15530 Old Columbia Pike Façade	OCP II (Katz)	\$111,949	\$100,000	15 years	Completed
3	15420 Old Columbia Pike Façade	MC Associates (Site Realty)	\$248,650	\$200,000	15 years	Completed

4	15440 Old Columbia Pike Façade	OCP IV (Katz)	\$202,460	\$202,460	15 years	Completed
5	15540 Old Columbia Pike Façade	Seibel's (Lynn Martins)	\$249,126	\$240,000	15 years	awaiting invoices
6	15520 Old Columbia Pike Façade	OCP III (Katz)	\$223,086	\$180,000	15 years	Completed
1	15440 Old Columbia Pike Signage	OCP IV (Katz)	\$37,141	\$25,000	5 years	Completed
2	15530 Old Columbia Pike Signage	OCP II (Katz)	\$56,404	\$55,000	10 years	Completed
3	15498 Old Columbia Pike Signage	OCP I (Katz)	\$69,253	\$65,000	10 years	Completed
4	15420 Old Columbia Pike Signage	MC Associates (Site Realty)	\$46,904	\$40,000	5 years	Completed
County Money Disbursed				\$1,067,460		
County Money Under Agreement				\$240,000		
Private Money Leverage (est.)			\$1,480,210			
Montgomery County Total				\$1,307,460		

DHCA will continue to solicit owners to participate in the Façade Easement program with a focus on the south side of Route 198, west of Route 29.

The PHED Committee recommends approval as recommended by the Council Executive.

4. Affordable Housing Acquisition and Preservation (FY19-24 Recommended PDF ©7-8)

For FY19-24, the County Executive is recommending a total of \$210.025 million in expenditures for this project, which is a revolving account that must be used for acquisition and/or renovation of properties for the purpose of preserving or increasing the county's stock of affordable housing. **This is the capital portion** of the Housing Initiative Funds and is combined with funding included in the operating budget.

Affordable Housing Acquisition and Preservation – EXPENDITURE SCHEDULE

	Total	Thru FY18	6 Years	FY19	FY20	FY21	FY22	FY23	FY24
Recommend	210,025	177,025	33,000	16,000	17,000	0	0	0	0

Affordable Housing Acquisition and Preservation – FUNDING SOURCES for FY17-22 Recommended

	Total	Thru FY18	6 Years	FY19	FY20	FY21	FY22	FY23	FY24
GO Bonds	9,725	9,725	0	0	0				
HIF Revolving Program	140,765	121,252	19,513	4,154	15,359	0	0	0	0
Loan Repayments	50,220	36,733	13,487	11,846	1,641	0	0	0	0
HIF – Current Revenue	4,775	4,775	0	0	0	0	0	0	0
Recordation Tax Premium	4,540	4,540	0	0	0	0	0	0	0
TOTAL	210,025	177,025	33,000	16,000	17,000	0	0	0	0

The PHED Committee agreed to review this CIP project when it reviews the Executive's recommended operating budget for the Housing Initiative Fund.



Facility Planning: HCD (P769375)

Category	Community Development and Housing	Date Last Modified	12/19/17
SubCategory	Community Development	Administering Agency	Housing & Community Affairs
Planning Area	Countywide	Status	Ongoing

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
Planning, Design and Supervision	4,545	3,552	243	750	125	125	125	125	125	125	-
TOTAL EXPENDITURES	4,545	3,552	243	750	125	125	125	125	125	125	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
Federal Aid	200	200	-	-	-	-	-	-	-	-	-
Community Development Block Grant	893	889	4	-	-	-	-	-	-	-	-
Current Revenue: General	3,352	2,363	239	750	125	125	125	125	125	125	-
Current Revenue: Parking - Montgomery Hill	100	100	-	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	4,545	3,552	243	750	125	125	125	125	125	125	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 19 Request	-	Year First Appropriation	FY96
Appropriation FY 20 Request	125	Last FY's Cost Estimate	4,420
Cumulative Appropriation	3,920		
Expenditure / Encumbrances	2,837		
Unencumbered Balance	1,083		

Project Description

This project provides funds for Department of Housing and Community Affairs (DHCA) facility planning studies for a variety of projects for possible inclusion in the Capital Improvement Program (CIP). In addition, facility planning serves as a transition stage for a project between the master plan or conceptual stage and its inclusion as a stand-alone project in the CIP. Prior to the establishment of a stand-alone project, DHCA will develop a Program of Requirements (POR) that outlines the general and specific features required in the project. Selected projects range in type from: land and building acquisition; conversion of surplus schools/ school sites or County-owned land into housing resources; design and construction of street improvements, sidewalks, and other infrastructure improvements in neighborhoods; and small commercial area revitalization that include streetscaping and circulation along with Central Business District (CBD) revitalization. Facility planning is a decision-making process to determine the purpose and need of a candidate project through a rigorous investigation of the following critical project elements: community

revitalization needs; economic, social, environmental, and historic impacts; public participation; non-County funding sources; and detailed project cost estimates. Depending upon the results of a facility planning analysis of purpose and need, a project may or may not proceed to construction. For a full description of the facility planning process, see the CIP Planning Section.

Cost Change

Increase due to the addition of FY23 and FY24, partially offset by FY18 reductions related to an FY18 savings plan.

Project Justification

There is a continuing need for development of accurate cost estimates and an exploration of alternatives for proposed projects. Facility planning costs for all projects which ultimately become stand-alone Project Description Forms (PDFs) are included here. These costs will not be reflected in the resulting individual project. Future individual CIP projects, which result from facility planning, will each reflect reduced planning and design costs.

Other

The proposals studied under this program will involve the Office of Management and Budget staff, consultants, community groups, and related program area staff, to ensure that completed studies show full costs, program requirements, and have community support.

Disclosures

Expenditures will continue indefinitely.

Coordination

Office of Management and Budget, Maryland-National Capital Park and Planning Commission, Department of Transportation, Department of General Services, and Regional Services Centers.



Colesville/New Hampshire Avenue Community Revitalization

(P761501)

Category	Community Development and Housing	Date Last Modified	12/19/17
SubCategory	Community Development	Administering Agency	Housing & Community Affairs
Planning Area	Colesville-White Oak and Vicinity	Status	Ongoing

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
Planning, Design and Supervision	900	-	150	750	300	300	150	-	-	-	-
Construction	2,350	150	420	1,780	680	500	600	-	-	-	-
TOTAL EXPENDITURES	3,250	150	570	2,530	980	800	750	-	-	-	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
Current Revenue: General	3,250	150	570	2,530	980	800	750	-	-	-	-
TOTAL FUNDING SOURCES	3,250	150	570	2,530	980	800	750	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 19 Request	-	Year First Appropriation	FY15
Appropriation FY 20 Request	750	Last FY's Cost Estimate	3,250
Cumulative Appropriation	1,750		
Expenditure / Encumbrances	150		
Unencumbered Balance	1,600		

Project Description

This project provides for commercial revitalization in the Colesville community focused on the four commercial intersections along New Hampshire Avenue (MD Route 650). The objectives are to support the existing small businesses, create new opportunities for private investment, and improve the visual appearance of the area. Project elements include gateway signage, pedestrian lighting, connectivity, streetscape elements, landscaping/screening, acquisition of long-term facade and commercial center signage easements, and other amenities.

Location

The focus areas are: the four quadrants at the intersection of New Hampshire Avenue and Randolph Road; the commercial area at New Hampshire Avenue and Vital Way; the commercial area between Thomas Drive and Eldrid Drive on the west side of New Hampshire Avenue; and the commercial node east of New Hampshire Avenue at Hollywood Avenue.

Estimated Schedule

Expenditure schedule has been adjusted to reflect actual implementation.

Project Justification

The Colesville commercial area is primarily older local, neighborhood retail centers with some office space. The White Oak Master Plan (1997) recommended providing a more unified "Main Street" form of development, integrating the commercial development with neighboring residential communities while providing buffers between the adjacent residential neighborhoods. The Colesville community is interested in enhancing the viability of commercial centers along New Hampshire Avenue.

Other

Plans and Studies: Maryland-National Capital Park and Planning Commission's White Oak Master Plan (1997), Colesville Commercial Area and Design Study (2013).

Fiscal Note

This area is not eligible for CDBG funding.

Disclosures

A pedestrian impact analysis will be performed during design or is in progress.

Coordination

Department of Transportation, Maryland State Highway Administration, Maryland-National Capital Park and Planning Commission, Maryland Department of the Environment, and Department of Permitting Services.



Burtonsville Community Revitalization (P760900)

Category	Community Development and Housing	Date Last Modified	12/21/17
SubCategory	Community Development	Administering Agency	Housing & Community Affairs
Planning Area	Fairland-Beltsville and Vicinity	Status	Ongoing

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
Planning, Design and Supervision	1,327	1,234	93	-	-	-	-	-	-	-	-
Site Improvements and Utilities	1,358	349	1,009	-	-	-	-	-	-	-	-
Construction	1,255	340	915	-	-	-	-	-	-	-	-
Other	100	3	97	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	4,040	1,926	2,114	-	-	-	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
G.O. Bonds	2,114	-	2,114	-	-	-	-	-	-	-	-
Current Revenue: General	460	460	-	-	-	-	-	-	-	-	-
PAYGO	1,466	1,466	-	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	4,040	1,926	2,114	-	-	-	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 19 Request	-	Year First Appropriation	FY09
Appropriation FY 20 Request	-	Last FY's Cost Estimate	4,040
Cumulative Appropriation	4,040		
Expenditure / Encumbrances	1,926		
Unencumbered Balance	2,114		

Project Description

This project provides for community revitalization in the Burtonsville area with primary focus on the commercial core. Project elements will mitigate the impact of transportation improvement projects to businesses in the Burtonsville commercial area. The objectives are to support the existing small businesses, create new opportunities for private investment, and create a "village center" by improving the visual appearance of the area. Project elements include gateway signage, pedestrian lighting, streetscape elements, acquisition of long-term facade and commercial center signage easements.

Location

The project area is located near the intersection of MD Route 198 and the US Route 29 in eastern Montgomery County.

Generally, the area is comprised of the commercial areas in each of the four quadrants near the intersection of Route 198 and Old Columbia Pike, and the additional four quadrants located at the intersection of Route 198 and the realignment of US Route 29. Specifically, the areas are identified as the combined Commercial Core Study Area and the Community Legacy Plan Study area contained in the 2008 Burtonsville Community Legacy Plan.

Project Justification

This project is initiated in response to proposals contained in the Burtonsville Community Legacy Plan. Burtonsville is a gateway into the County from the east and US Interstate 95. The Burtonsville Commercial Core is comprised of many older, local neighborhood retail centers with some office space. Many of the small strip shopping centers along Route 198 are in visibly poor condition. Some of the larger, older commercial and office space is vacant and underutilized. The project is intended to respond to both the visual condition of the commercial core, and to address possible business disruption that may result from a proposed realignment of Route 198 by the State. This area has also been designated as the location of a stop on the County's planned Bus Rapid Transit (BRT) system.

Other

Burtonsville Crossroads Neighborhood Plan, Maryland-National Capital Park and Planning Commission, 2012; Burtonsville Community Legacy Plan, Department of Housing and Community Affairs, 2008; Burtonsville Market Study and Consumer Shopping Survey, Department of Housing and Community Affairs, 2007.

Disclosures

A pedestrian impact analysis will be performed during design or is in progress.

Coordination

Department of Transportation, Maryland State Highway Administration, Maryland-National Capital Park and Planning Commission, Maryland Department of the Environment, and Department of Permitting Services.



Affordable Housing Acquisition and Preservation (P760100)

Category	Community Development and Housing	Date Last Modified	12/19/17
SubCategory	Housing (MCG)	Administering Agency	Housing & Community Affairs
Planning Area	Countywide	Status	Ongoing

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
Land	210,025	118,991	58,034	33,000	16,000	17,000	-	-	-	-	-
TOTAL EXPENDITURES	210,025	118,991	58,034	33,000	16,000	17,000	-	-	-	-	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
Current Revenue: Montgomery Housing Initiative	4,775	2,500	2,275	-	-	-	-	-	-	-	-
G.O. Bonds	9,725	-	9,725	-	-	-	-	-	-	-	-
HIF Revolving Program	140,765	105,165	16,087	19,513	4,154	15,359	-	-	-	-	-
Loan Repayment Proceeds	50,220	11,326	25,407	13,487	11,846	1,641	-	-	-	-	-
Recordation Tax Premium (MCG)	4,540	-	4,540	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	210,025	118,991	58,034	33,000	16,000	17,000	-	-	-	-	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 19 Request	16,000	Year First Appropriation	FY01
Appropriation FY 20 Request	17,000	Last FY's Cost Estimate	177,025
Cumulative Appropriation	177,025		
Expenditure / Encumbrances	119,259		
Unencumbered Balance	57,766		

Project Description

This project provides funding for acquisition and/or renovation of properties for the purpose of preserving or increasing the County's affordable housing inventory. The County may purchase properties or assist not-for-profit, tenant, or for-profit entities, or Housing Opportunities Commission with bridge financing to purchase and renovate properties. The monies may be used to purchase properties that are offered to the County under the Right of First Refusal law or otherwise available for purchase. A portion of the units in these properties must serve households with incomes that are at or below incomes eligible for the Moderately Priced Dwelling Unit (MPDU) program. A priority should be given to rental housing.

Cost Change

Increase funding in FY19 and FY20 to provide continued support for this project.

Project Justification

To implement Section 25B, Housing Policy, and Section 53A, Tenant Displacement (Right of First Refusal), of the Montgomery County Code. Opportunities to purchase property utilizing the County's Right of First Refusal arise without advance notice and cannot be planned in advance. Properties may be acquired by the County, non-profit developers, HOC or other entities that agree to develop or redevelop property for affordable housing.

Other

Resale or control period restrictions to ensure long term affordability should be a part of projects funded with these monies.

Fiscal Note

Debt service will be financed by the Montgomery Housing Initiative Fund. In addition to the appropriation shown above, this PDF assumes that any actual revolving loan repayments received will be appropriated in the subsequent year as displayed above. Future loan repayments are expected and will be used to finance future housing activities in this project. General Obligation bonds will be used for Housing Opportunities Commission and other projects that bond counsel determines are eligible for tax-exempt bond funding.

Disclosures

Expenditures will continue indefinitely.

Coordination

Housing Opportunities Commission, non-profit housing providers, and private sector developers.