



Committee: PHED
Committee Review: Completed
Staff: Linda McMillan, Senior Legislative Analyst
Purpose: To make preliminary decisions – straw vote expected
Keywords: DHCA; Façade Easement

AGENDA ITEM #5-6
 May 10, 2021
Worksession

SUBJECT

Department of Housing and Community Affairs Capital Improvements Program
 Facility Planning: HCD
 Countywide Façade Easement Program

EXPECTED ATTENDEES

Aseem Nigam, Director, Department of Housing and Community Affairs (DHCA)
 Frank Demarais, Deputy Director, DHCA
 Christopher Anderson, Chief, Community Development Division, DHCA

FY22 COUNTY EXECUTIVE RECOMMENDATION

Community Development: HCD

	TOTAL	FY21	FY22	FY23	FY24	FY25	FY26
Approved	3,980	125	125	125	125	125	125
Rec 1/15/21	3,905	125	50	125	125	125	125
Change	(75)	0	(75)	0	0	0	0

Countywide Façade Easement

	TOTAL	FY21	FY22	FY23	FY24	FY25	FY26
Approved	2,906	114	342	606	714	667	463
Rec 1/15/21	2,906	114	122	716	719	672	563
Rec 3/7/21	2,906	114	422	416	719	672	563
Change Approved to 3/7/21	0	0	80	-190	5	5	100
Change 1/15/21 to 3/7/21	0	0	300	-300	0	0	0

COMMITTEE RECOMMENDATIONS

- PHED Committee recommends approval (3-0) of the Community Development: HCD reduction of \$75,000 as recommended by the Executive.
- PHED Committee recommends approval (3-0) of the Countywide Façade Easement program as recommended by the Executive in March. The funding is accelerated from the Executive’s January recommendation because of the interest of a property owner to move forward.

SUMMARY OF KEY ISSUES

- Community Development: HCD funding provides resources to do studies to determine the scope of a project and whether it will be CDBG eligible. Current revenue is required until that determination is made.
- The Countywide Façade Easement Program is open countywide but the PDF notes that targeted areas are Glenmont and Layhill Shopping Centers, Montgomery Village, Hillandale, and the Wheaton Central Business District. DHCA clarified that the Hillandale area is not targeted to only the Opportunity Zone and that it includes the west side of New Hampshire Avenue that has older shopping areas. The PDF mentions Opportunity Zones because this may mean that other funding can be leveraged.

This report contains:

Community Planning: HCD PDF	© 1-2
Countywide Façade Easement	© 3

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Facility Planning: HCD

(P769375)

Category	Community Development and Housing	Date Last Modified	01/04/21
SubCategory	Community Development	Administering Agency	Housing & Community Affairs
Planning Area	Countywide	Status	Ongoing

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY20	Rem FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Planning, Design and Supervision	3,905	3,118	112	675	125	50	125	125	125	125	-
TOTAL EXPENDITURES	3,905	3,118	112	675	125	50	125	125	125	125	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY20	Rem FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
Community Development Block Grant	337	337	-	-	-	-	-	-	-	-	-
Current Revenue: General	3,268	2,481	112	675	125	50	125	125	125	125	-
Current Revenue: Parking - Montgomery Hill	100	100	-	-	-	-	-	-	-	-	-
Federal Aid	200	200	-	-	-	-	-	-	-	-	-
TOTAL FUNDING SOURCES	3,905	3,118	112	675	125	50	125	125	125	125	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 22 Request	(665)	Year First Appropriation	FY96
Cumulative Appropriation	4,070	Last FY's Cost Estimate	4,695
Expenditure / Encumbrances	3,220		
Unencumbered Balance	850		

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

Cost decrease due to the FY21 savings plan reductions. Technical adjustment was made to correct the actual funding appropriated to the project.

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.

FISCAL NOTE

The cumulative appropriation for the Community Development Block Grant funding was previously overstated. Technical adjustments were made in the biennial FY21-26 CIP to align expenditures with the actual funding available.

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.

Countywide Facade Easement Program (P762102)

Category	Community Development and Housing	Date Last Modified	03/07/21
SubCategory	Community Development	Administering Agency	Housing & Community Affairs
Planning Area	Countywide	Status	Planning Stage

	Total	Thru FY20	Rem FY20	Total 6 Years	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	Beyond 6 Years
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	785	-	-	785	114	122	132	138	140	139	-
Construction	2,000	-	-	2,000	-	300	250	550	500	400	-
Other	121	-	-	121	-	-	34	31	32	24	-
TOTAL EXPENDITURES	2,906	-	-	2,906	114	422	416	719	672	563	-

FUNDING SCHEDULE (\$000s)											
Current Revenue: General	2,606	-	-	2,606	114	122	416	719	672	563	-
Recordation Tax Premium (MCG)	300	-	-	300	-	300	-	-	-	-	-
TOTAL FUNDING SOURCES	2,906	-	-	2,906	114	422	416	719	672	563	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)			
Appropriation FY 22 Approp. Request	422	Year First Appropriation	FY21
Cumulative Appropriation	114	Last FY's Cost Estimate	2,906
Expenditure / Encumbrances	-		
Unencumbered Balance	114		

PROJECT DESCRIPTION

This project provides for revitalizing commercial areas throughout Montgomery County with a focus on older commercial properties. The objective is to provide support to small businesses and to encourage private investment. Improvements will include gateway signage, pedestrian lighting, connectivity, streetscape elements, plant material installation, acquisition of long term facade and center signage easements, and other amenities. The Department of Housing and Community Affairs (DHCA) will begin the project with a focus on commercial areas proximate to residential improvement projects currently underway in DHCA's Focused Neighborhood Assistance program, which will serve as a complement to existing redevelopment efforts that are already in progress. This program will provide a comprehensive approach and balance residential and commercial revitalization activities in these aging communities. This program is not limited to the initially identified commercial areas and may also be expanded to other communities in the County.

LOCATION

The project focus will initially include five commercial areas identified by DHCA, located in the Glenmont and Layhill Shopping Centers, Montgomery Village, Hillandale, and the Wheaton Central Business District. Three of the targeted areas, Wheaton, Montgomery Village and a portion of Hillandale were also selected in part due to their location in Montgomery County's Opportunity Zones. However, this program may expand to other commercial areas throughout the County for additional implementation flexibility.

ESTIMATED SCHEDULE

Schedule change to reflect accelerated implementation of a facade easement project in FY22.

PROJECT JUSTIFICATION

As older commercial areas throughout the County continue to age, it is important for the County to provide technical and financial assistance to assure those aging properties are improved to meet today's commercial standards and demands. The Countywide Facade Easement Program will require participants to maintain their properties for a negotiated term, with the intent to leverage investment provided by the public sector to encourage private property and business owners to make physical improvements to their buildings. The objective is to provide more attractive and aesthetically pleasing commercial environments that are safe shopping areas for residents and to generate a greater impact on the older commercial areas throughout the County.

OTHER

DHCA will review various M-NCPPC master and sector plans to evaluate and identify specific commercial areas to participate in the program.

FISCAL NOTE

Some areas may be eligible for the Federal Community Development Block Grant funding.

COORDINATION

Office of the County Executive, Regional Services Centers, Office of the County Attorney, Department of Permitting Services, Office of Procurement, the Maryland-National Capital Park and Planning Commission, Maryland Department of the Environment, and Montgomery County Economic Development Corporation.