

**S00A**  
**Department of Housing and Community Development**

***Executive Summary***

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The mission of the Department of Housing and Community Development (DHCD) is to work with partners to finance housing opportunities and revitalize great places for Maryland citizens to live, work, and prosper. The department’s programs are administered through three operating divisions: the Division of Development Finance, which includes the Community Development Administration (CDA); the Division of Neighborhood Revitalization; and the Division of Credit Assurance, which includes the Maryland Housing Fund’s mortgage insurance activities. CDA issues nonbudgeted tax-exempt and taxable bonds and mortgage-backed securities that are a major source of DHCD revenues.

***Operating Budget Summary***

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**Fiscal 2023 Budget Decreases \$534.0 Million, or 54.8%, to \$440.2 Million  
(\$ in Millions)**



Note: COVID-19 relief funding includes federal funds from the Coronavirus Aid, Relief, and Economic Security Act; the Coronavirus Response and Relief Supplemental Appropriations Act; and the American Rescue Plan Act. In fiscal 2021, COVID-19 relief funding also includes special funds from the Rainy Day Fund. The fiscal 2022 working appropriation includes deficiencies. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management.

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- Excluding COVID-19 relief funding, the fiscal 2023 allowance increases by \$2.2 million, or 0.5%. General funds decrease by \$4.8 million, or 19.5%, primarily due to a fiscal 2022 deficiency appropriation of \$10 million for Neighborhood Safety Grants, offset by a \$5 million increase in funding for the Homelessness Solutions Program (HSP).
- Significant COVID-19 relief funding available from the American Rescue Plan Act (ARPA) is not recognized in either the fiscal 2022 appropriation or the fiscal 2023 allowance, totaling more than \$250 million. While some of these funds may be expended over longer time horizons, much of the funding is expected to be used in fiscal 2022 or 2023 and may be added by supplemental budget. Funding from the Infrastructure Investment and Jobs Act (IIJA) is also not reflected in the fiscal 2023 allowance.

## ***Key Observations***

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- ***COVID-19 Relief for Renters and Homeowners Exceeds \$700 Million:*** DHCD is administering \$462.3 million in federal funds from the Emergency Rental Assistance Program (ERAP) and has recently allocated funding for the second round of the program. DHCD also launched the Homeowner Assistance Fund (HAF) in December 2021, which will use \$248.6 million in ARPA funds to provide grants and loans as well as energy assistance to keep homeowners in their homes. The fiscal 2023 allowance does not contain funding for either program, despite nearly 30% of the funding for these programs having not yet been appropriated.
- ***Broadband Programs Expand Significantly in Both Size and Scope:*** Chapter 74 of 2021 expanded DHCD’s responsibilities with respect to broadband to include the development of a statewide broadband plan, collecting and publishing data on broadband availability and speed, and furthering digital inclusion efforts. Funding for broadband programs has also increased dramatically through federal legislation, including approximately \$400 million from the ARPA and more than \$100 million anticipated from the IIJA. Between DHCD’s operating and capital budgets and the Dedicated Purpose Account (DPA), broadband funding totals \$199.0 million in fiscal 2022 and \$171.8 million in fiscal 2023.

## **Operating Budget Recommended Actions**

1. Add language to make the funding for Project Restore contingent on legislation.

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***Operating Budget Analysis***

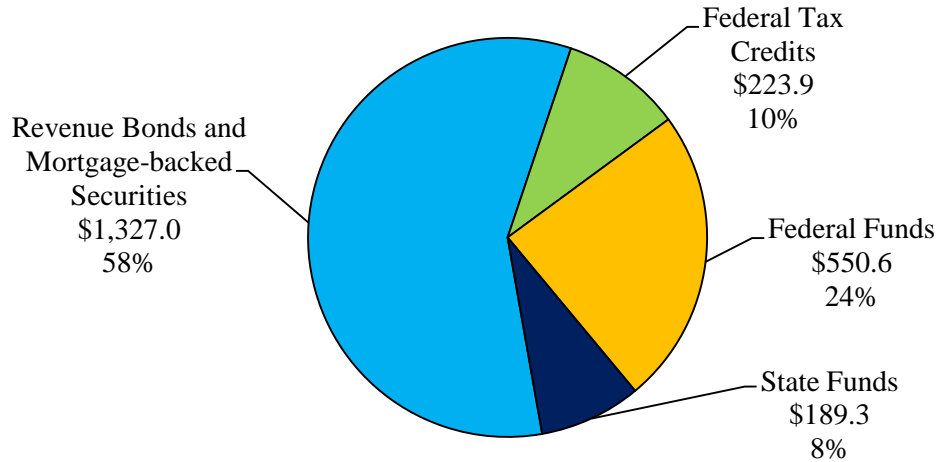
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**Program Description**

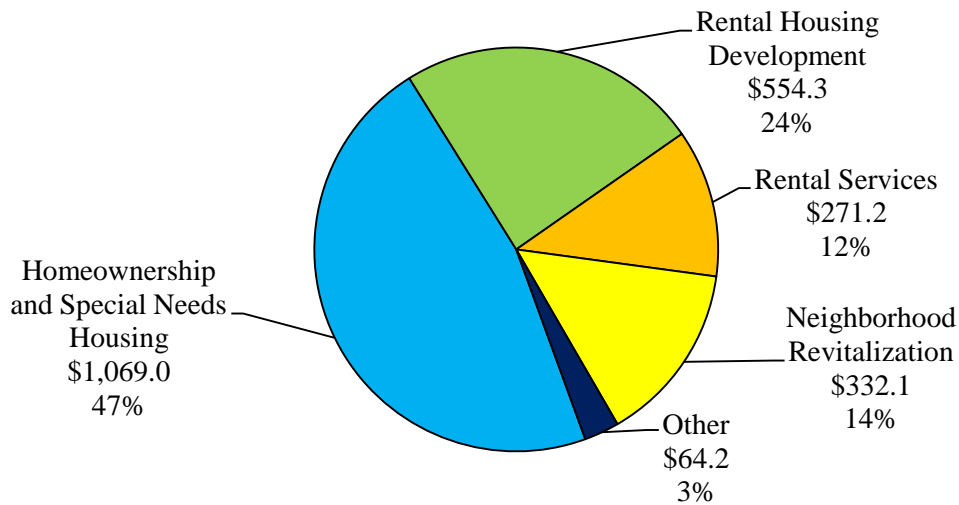
DHCD uses both budgeted and nonbudgeted funds to address Maryland's housing needs. **Exhibit 1** shows the sources and uses of DHCD's funding in fiscal 2021. Nearly 70% of DHCD's funding in fiscal 2021 came from nonbudgeted revenue bonds, securities, or tax credits. Federal funds made up a larger percentage (24%) of DHCD's funding in fiscal 2021 compared to prior years due to COVID-19 relief. DHCD's funding from all sources totaled nearly \$2.3 billion in fiscal 2021, which is mostly level with fiscal 2020 due to increased federal funds offset by a decrease in tax credits. Homeownership programs account for 47% of DHCD spending in fiscal 2021, while expenditures in DHCD's Neighborhood Revitalization programs (14% of spending) nearly quadrupled due to federal relief programs.

**Exhibit 1**  
**Sources and Uses of DHCD’s Operating and Capital Budgets**  
**Budgeted and Nonbudgeted Funds**  
**Fiscal 2021**  
**(\$ in Millions)**

**Sources of Funding**



**Uses of Funding**



**Total: \$2,290.8 Million**

DHCD: Department of Housing and Community Development

Note: Other includes Housing Energy Efficiency, Local Government Finance, and Business Lending.

Source: Department of Housing and Community Development

## **Fiscal 2021 COVID-19 Relief Funding**

DHCD administered nearly \$675 million in COVID-19 relief funding in fiscal 2021, including \$252.8 million in Local Fiscal Recovery Funds from the ARPA that pass through DHCD’s budget to local jurisdictions that did not receive these funds directly and \$214.6 million as part of the first round of emergency rental assistance (discussed further in Issue 1 of this analysis). Funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act totaled \$105.9 million and provided both housing relief and support for businesses and nonprofits, while \$35 million in Rainy Day Funds provided supplemental business relief. Finally, Chapter 39 of 2021 (the RELIEF Act) provided \$15 million for emergency housing; \$32 million to supplement prior funding for nonprofits, entertainment venues, and Main Street communities; and \$2 million for broadband infrastructure grants. These RELIEF Act allocations were ultimately funded with State Fiscal Recovery Funds from the ARPA.

## **Fiscal 2022**

### **Proposed Deficiencies**

The fiscal 2023 allowance includes several proposed deficiency appropriations for DHCD programs in fiscal 2022, as follows:

- \$10.0 million in general funds for Neighborhood Safety Grants as part of the Governor’s ReFund the Police Initiative. Fiscal 2022 is the first of three years of funding announced, with the remaining installments of \$10.0 million each expected in fiscal 2024 and 2025. DHCD is operating this program under the name Community Safety Works, providing grants for business district improvements to Main Street communities or other community development nonprofits and for facility improvements to nonprofit organizations, including places of worship. Grants can be used for surveillance tools such as lighting and cameras; pedestrian and vehicle traffic management tools such as landscaping, fencing, or expanding restaurant space to sidewalks and roadways; and other improvements such as removing signals of blight and renovation of public spaces to draw regular visitors. Applications opened on January 7, 2022, and DHCD expects to make an initial round of awards in April 2022;
- \$2.8 million in general funds for Maryland Housing Counseling Fund grants and Office of Administrative Hearing fees in order to backfill lost revenues from foreclosure and mediation fees that declined during the pandemic due to a moratorium on foreclosures;
- \$750,000 in reimbursable funds from the University of Maryland, Baltimore Campus for DHCD to develop the Packing House Community Engagement Center in Cambridge, which will provide educational opportunities, employment support, and healthy lifestyle programming;
- \$333,000 in general funds for housing accommodations to wrongfully convicted individuals, as required by Chapter 77 of 2021 (the Walter Lomax Act). DHCD estimated the amount required based on the pipeline of cases and an estimated \$83,000 per case to cover five years of housing costs. The fiscal 2023 allowance also includes \$333,000 in general funds for this purpose; and

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- A negative deficiency of \$71.2 million in the DPA for broadband programs consisting of federal funding that is shifted to fiscal 2023. Broadband funding is discussed further in Issue 3 of this analysis.

### **Federal Stimulus Funds**

In addition to ERAP and the HAF, which are discussed further in Issues 1 and 2 of this analysis respectively, the ARPA included funding for several smaller housing relief programs, including the following:

- ***HOME Investment Partnerships Program (HOME-ARP):*** DHCD’s award for this program totals \$24.0 million, although only \$70,000 in administrative funding has been added to DHCD’s budget so far in fiscal 2022. DHCD is still in the planning phase for its HOME-ARP funds, but uses of the funding may include a combination of the creation of multifamily rental housing, shelter or transitional housing, funding for Community Housing Development Organizations, and other neighborhood revitalization projects;
- ***Housing Stability Counseling Fund:*** DHCD received \$1.1 million for this program through a competitive award from NeighborWorks America. DHCD will pass this funding through to 13 nonprofits to assist both homeowners and renters experiencing housing instability with at least 40% of program funding targeted to low-income and minority populations;
- ***Emergency Housing Vouchers (EHV):*** Maryland housing authorities were awarded 808 EHVs to issue to households who are homeless or at risk of homelessness, with DHCD administering 196 of these EHVs. Across Maryland, 15% of EHVs have been leased as of January 2022 according to the U.S. Department of Housing and Urban Development (HUD), although none are from DHCD’s award. DHCD is in the process of executing agreements with local organizations to issue its EHVs. Funding for the EHV program has not been added to DHCD’s budget.

DHCD is also administering two programs using State Fiscal Recovery Funds from the ARPA: Project Restore; and Homeownership Works (HOW). The Governor announced \$10.0 million for the HOW program in October 2021 to provide targeted investment to promote homeownership in the Johnston Square neighborhood of Baltimore City and the Pine Street Historic District in Cambridge. The funding is expected to be added to DHCD’s capital budget by budget amendment.

### **Project Restore**

Project Restore is a new grant program to support businesses opening or expanding in vacant space that was initiated in fiscal 2022 using \$25.0 million in federal funds available from the ARPA. Although the Governor announced the program in June 2021, and the first round of awards were made in December 2021, no budget amendment has been processed to add the funding to the fiscal 2022 appropriation. The allowance includes \$25.0 million in federal funds from the ARPA to level fund the program in fiscal 2023 with the planned but unappropriated fiscal 2022 level, and Administration bills

HB 414 and SB 393 would establish the program in statute. **The Department of Legislative Services (DLS) recommends adding language to make this funding contingent on the enactment of legislation codifying the program.**

Project Restore offers two types of grants: a property assistance grant of up to \$30,000 (\$2,500 per month for one year) to support a business’ rent, mortgage, or property taxes; and a business operations grant of up to \$250,000 to support staffing, capital improvements, inventory, and other operating costs. Recipients of the property assistance grant must have 50 or fewer employees, and business operations grant recipients must be businesses that generate sales and use tax. **Exhibit 2** shows that recipients were primarily retail businesses in the first round of awards, which were announced in December 2021 and totaled \$11.4 million to 144 businesses. DHCD expects to announce the remaining awards out of the \$25 million available for fiscal 2022 in early February 2022.

**Exhibit 2**  
**Project Restore Awards**  
**December 2021**  
**(\$ in Thousands)**

<u>Business Type</u>	<u>Business Operations Grants</u>	<u>Property Assistance Grants</u>	<u>Total</u>
Retail	\$5,993	\$1,979	\$7,973
Manufacturing or Industrial	684	450	1,134
Office Space	291	778	1,069
Restaurants	677	180	857
Other	187	190	377
<b>Total</b>	<b>\$7,832</b>	<b>\$3,577</b>	<b>\$11,410</b>

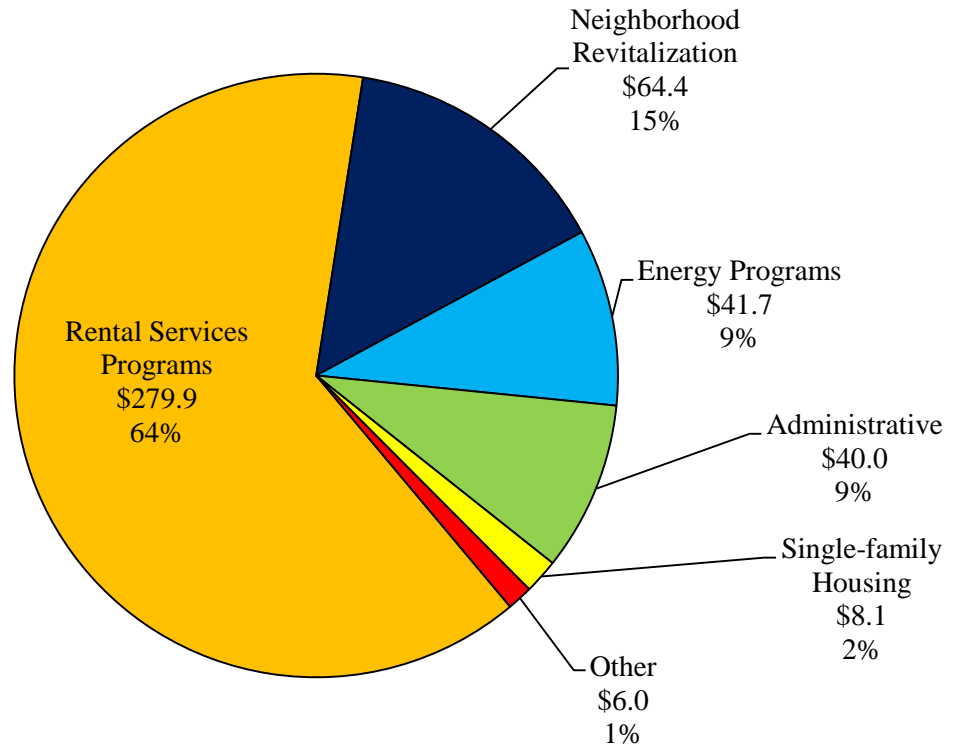
Note: Some projects are for mixed use space and may fit into multiple categories. Restaurants includes breweries and tasting rooms.

Source: Department of Housing and Community Development

**Fiscal 2023 Overview of Agency Spending**

As shown in **Exhibit 3**, the fiscal 2023 allowance is dominated by the Rental Services Program, which accounts for 64% of the \$440.2 million allowance. The primary purpose of the program is to administer project-based rental assistance and monitor low-income housing across the State for compliance with Section 8 requirements under a contract with HUD. This contract includes \$250 million in rental subsidies in fiscal 2023. Aside from rental services, DHCD’s largest programs are Neighborhood Revitalization (15% of the allowance), which includes Project Restore as well as the State’s homelessness programs, and Energy Programs (9% of the allowance). ARPA funds for Project Restore are the only significant COVID-19 relief funds included in the allowance.

**Exhibit 3**  
**Overview of Agency Spending**  
**Fiscal 2023 Allowance**  
**(\$ in Millions)**



Note: The fiscal 2023 allowance does not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management.

Source: Governor’s Fiscal 2023 Budget Books

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### Proposed Budget Change

As shown in **Exhibit 4**, the fiscal 2023 allowance decreases by \$534.0 million compared to the fiscal 2022 working appropriation after accounting for deficiency appropriations. This is due to COVID-19 relief funding budgeted in fiscal 2022 not continuing in the fiscal 2023 allowance, including \$252.8 million of Local Fiscal Recovery Funds from the ARPA that pass through DHCD’s budget to local jurisdictions. However, as noted above, in both fiscal 2022 and 2023, the DHCD budget does not reflect significant additional federal funding that is already available to the State.



**Exhibit 4**  
**Proposed Budget**  
**Department of Housing and Community Development**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b>General Fund</b>	<b>Special Fund</b>	<b>Federal Fund</b>	<b>Reimb. Fund</b>	<b>Total</b>
Fiscal 2021 Actual	\$15,801	\$94,494	\$918,339	\$22,352	\$1,050,987
Fiscal 2022 Working Appropriation	24,537	74,962	863,145	11,536	974,180
Fiscal 2023 Allowance	<u>19,754</u>	<u>77,989</u>	<u>327,136</u>	<u>15,308</u>	<u>440,188</u>
Fiscal 2022-2023 Amount Change	-\$4,783	\$3,027	-\$536,009	\$3,772	-\$533,992
Fiscal 2022-2023 Percent Change	-19.5%	4.0%	-62.1%	32.7%	-54.8%
<b>Where It Goes:</b>					<b><u>Change</u></b>
<b>Personnel Expenses</b>					
Salaries and wages.....					\$527
Employee and retiree health insurance.....					336
Turnover rate decreased from 6% to 5% .....					318
Employee retirement .....					159
Other fringe benefit adjustments .....					56
Federal funding for administration of COVID-19 relief programs .....					-1,717
<b>COVID-19 Relief</b>					
Project Restore grants are level funded but unrecognized in fiscal 2022 appropriation .....					24,841
Fiscal 2022 relief funding for Housing Choice Voucher Program.....					-985
Housing Counseling Stability Program .....					-1,088
Administrative funding for the CARES Act programs .....					-1,861
Homeowner Assistance Fund.....					-31,020
Emergency Rental Assistance Program 1.0.....					-40,991
Broadband: one-time funding for subsidies and technological devices in fiscal 2022.....					-75,000
Emergency Rental Assistance Program 2.0.....					-154,000
Local Fiscal Recovery Funds for nonentitlement jurisdictions in fiscal 2022 .....					-252,810
<b>Energy Programs</b>					
Reimbursable funds for Maryland Energy Assistance Program .....					7,121
Software and performance evaluation for other weatherization programs.....					386
EmPOWER Program.....					-1,000

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<b>Where It Goes:</b>	<b><u>Change</u></b>
<b>Other Changes</b>	
Homelessness Solutions Program.....	5,000
Additional net 32 contractual positions.....	1,670
Contract services for the Office of Asset Management.....	632
Main Street Program .....	600
Other changes.....	343
Community Services Block Grant.....	334
Contract services for the Office of Information Technology .....	319
Fiscal 2022 one-time grant to Huntington City Community Development Corporation .....	-150
Fiscal 2022 deficiency for project at University of Maryland, Baltimore Campus.....	-750
Reimbursable funds for rental assistance for crime victims replaced with GF and FF .....	-2,500
Fiscal 2022 deficiency for Maryland Housing Counseling Fund and OAH fees .....	-2,761
Neighborhood Safety Grants .....	-10,000
<b>Total</b>	<b>-\$533,992</b>

CARES: Coronavirus Aid, Relief, and Economic Security

GF: general funds

FF: federal funds

OAH: Office of Administrative Hearings

Note: Numbers may not sum to total due to rounding. The fiscal 2022 working appropriation includes deficiencies. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management.

## **Homelessness Solutions Program**

The fiscal 2023 allowance includes \$15.7 million for DHCD’s homelessness programs, which is an increase of \$5.0 million, or 32%, over the fiscal 2022 working appropriation, excluding federal COVID-19 Emergency Solutions Grant (ESG) funding. The CARES Act provided \$50.4 million in supplemental funding for the ESG homelessness program in Maryland beginning in fiscal 2020, and the expenditure deadline for these funds is September 2022. The additional \$5.0 million in general funds for DHCD’s HSP will allow DHCD to continue to provide enhanced support to combat housing instability as these federal funds expire.

DHCD awards HSP funding to local Continuums of Care (CoC), which use the funds to provide services such as shelter operations, street outreach, rapid rehousing, and homelessness prevention. Maryland now has 11 CoCs; as of 2020, 5 CoCs (Allegany, Cecil, Garrett, and Washington counties and Southern Maryland) merged into one Balance of State CoC, led by DHCD to better coordinate federal funding applications and manage the coordinated entry and centralized information systems. The number of homeless individuals identified in Maryland during the annual point-in-time count has declined by nearly 25% from 2015 to 2020. As the 2020 count took place in January, this decline does not reflect the impact of COVID-19. January 2021 point-in-time count data is not yet available.

## Energy Programs

Funding for DHCD’s energy assistance programs increases by \$6.9 million, or 20%, to a total of \$41.7 million in the fiscal 2023 allowance. This increase is primarily due to reimbursable funds from the Department of Human Services (DHS) for the Maryland Energy Assistance Program (MEAP), which DHCD uses to repair and replace heating, cooling, and water heating systems for low-income households. MEAP is funded with federal funds from the Low Income Home Energy Assistance Program (LIHEAP), which received enhanced funding through the ARPA. Both the ARPA and regular funding increases have led to significant growth in DHCD’s MEAP funds, from \$3.5 million in fiscal 2021 to \$16.0 million in fiscal 2022 (DHCD’s share of a \$73.5 million fiscal 2022 deficiency in DHS for LIHEAP funds from the ARPA, which is not yet accounted for in DHCD’s appropriation). DHCD anticipates \$13.0 million from DHS in each of federal fiscal 2023 and 2024. DHCD is using the increased funding to add a regular weatherization subprogram beginning in federal fiscal 2022 on top of the crisis program MEAP funds have been used for in prior years. Weatherization program funding is level across federal fiscal 2022 to 2024 at \$5.0 million, while funding for the crisis program increases from \$5.0 million in federal fiscal 2021 to \$11.0 million in federal fiscal 2022 due to the ARPA enhancement and \$8.0 million in each of federal fiscal 2023 and 2024. DHCD notes that the department will be able to serve an additional 600 households through the crisis program, while the weatherization program will be able to provide more comprehensive services for the households DHCD serves through its other energy programs.

## Personnel Data

	<u>FY 21 Actual</u>	<u>FY 22 Working</u>	<u>FY 23 Allowance</u>	<u>FY 22-23 Change</u>
Regular Positions	331.00	333.00	333.00	0.00
Contractual FTEs	<u>60.16</u>	<u>93.00</u>	<u>125.00</u>	<u>32.00</u>
<b>Total Personnel</b>	<b>391.16</b>	<b>426.00</b>	<b>458.00</b>	<b>32.00</b>

### *Vacancy Data: Regular Positions*

Turnover and Necessary Vacancies, Excluding New Positions	16.65	5.00%
Positions and Percentage Vacant as of 12/31/21	20.10	6.04%
Vacancies Above Turnover	3.45	

- Contractual personnel increase by 32 full-time equivalents in the fiscal 2023 allowance:
  - 16 support the administration of ERAP (discussed further in Issue 1 of this analysis);

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- 9 are needed for the Division of Finance and CDA to manage the increased workload due to funding increases in both the operating and capital budgets;
- 3 support ongoing administration of CARES Act funds;
- 3 will perform outreach and community engagement; and
- 1 will serve as a legal assistant for oversight of new programs as well as legislative engagement.

## ***Issues***

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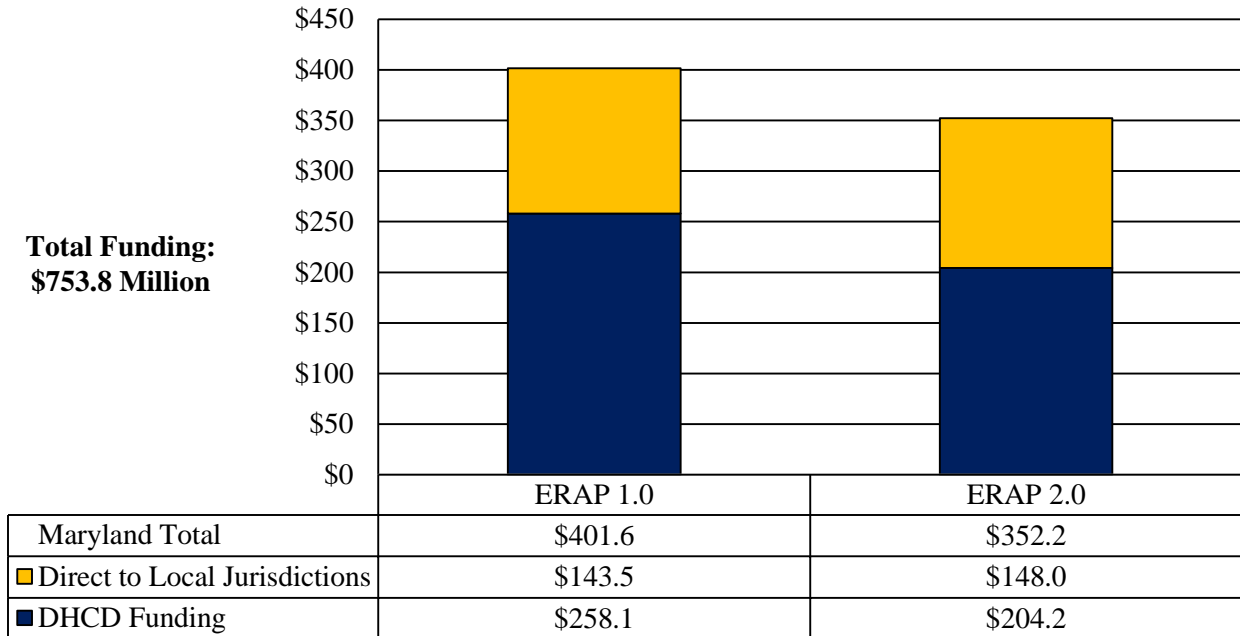
### **1. ERAP Enters Second Round**

The COVID-19 pandemic has exacerbated housing insecurity in the nation due to high levels and extended periods of unemployment, and many renters fell behind on rent payments. In response, the U.S. Congress created ERAP 1.0 in December 2020 through the Consolidated Appropriations Act and added a second round of funding (ERAP 2.0) through the ARPA in March 2021. ERAP funds can be used to provide rental or utility arrearage assistance of up to 12 months, as well as 3 months of prospective assistance, to renters who have experienced financial hardship due to COVID-19 and who have household incomes at or below 80% of the area median income (AMI). ERAP 2.0 provides additional funding for, and extends the maximum duration of, such assistance; however, total assistance between both programs may not exceed 18 months. As of November 2021, DHCD had expended 45% of its ERAP 1.0 funding, and in January 2022, the department finalized an allocation plan for its ERAP 2.0 funds.

#### **Funding Overview**

The U.S. Treasury allocated both rounds of funding based on population to DHCD as well as directly to the eight largest local jurisdictions in Maryland. For ERAP 2.0 only, the U.S. Treasury provided additional funding to high-need jurisdictions, including Baltimore City and Baltimore, Montgomery, and Prince George’s counties. As shown in **Exhibit 5**, Maryland’s ERAP funding totals \$753.8 million, including \$401.6 million from ERAP 1.0 and \$352.2 million from ERAP 2.0. DHCD and the local jurisdictions have until September 30, 2022, to expend ERAP 1.0 funds and until September 30, 2025, to expend ERAP 2.0 funds. For ERAP 1.0, most of DHCD’s funding (\$214.6 million) was encumbered or expended in fiscal 2021, with \$42.1 million in the fiscal 2022 working appropriation and less than \$1 million for continued administration in the fiscal 2023 allowance. For ERAP 2.0, the fiscal 2022 working appropriation includes \$154.0 million of DHCD’s funding, while the remaining \$50.2 million of funds is unrecognized in either fiscal 2022 or 2023.

**Exhibit 5  
Emergency Rental Assistance Program Funding  
(\$ in Millions)**



DHCD: Department of Housing and Community Development  
ERAP: Emergency Rental Assistance Program

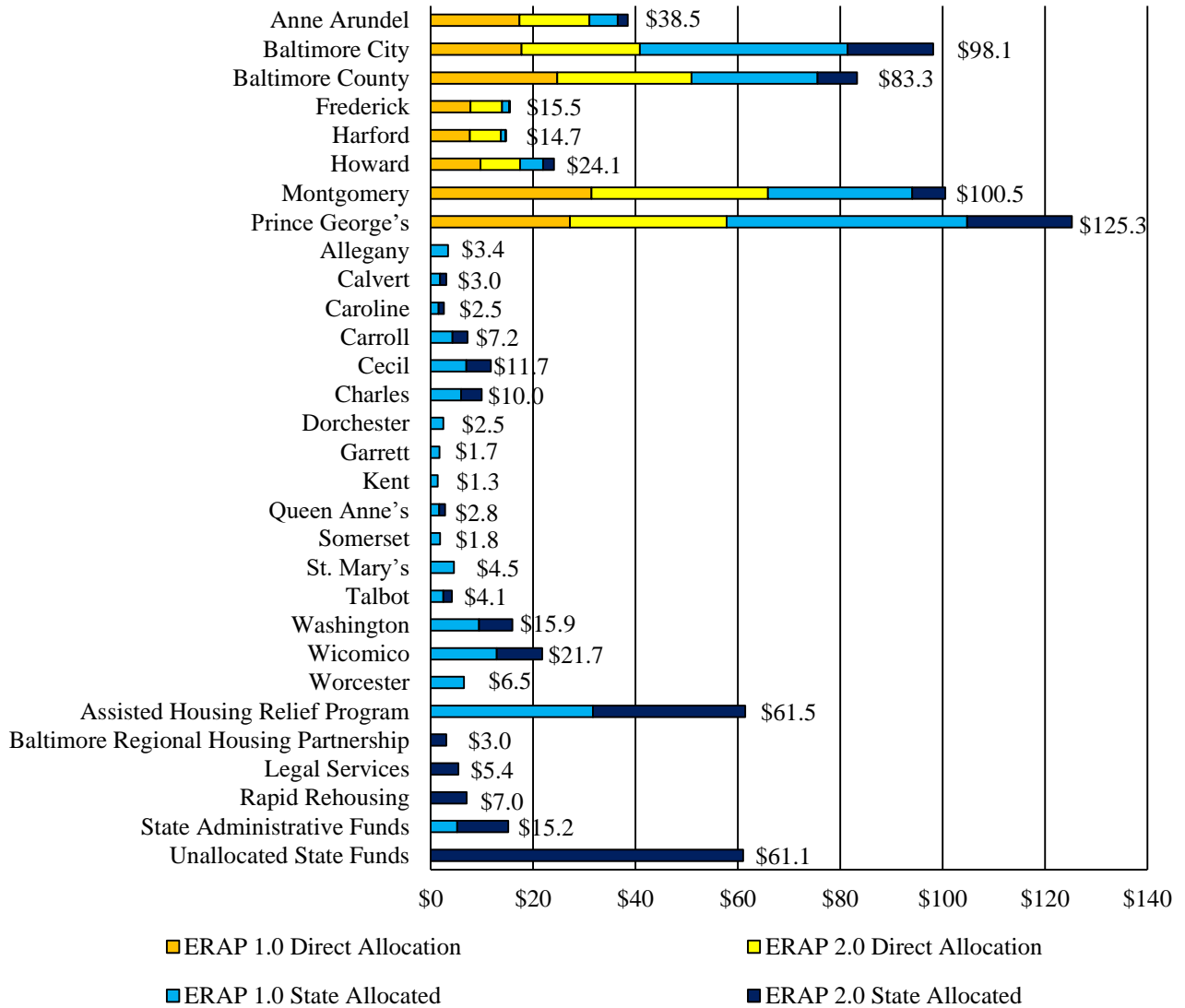
Source: U.S. Treasury

DHCD elected to distribute the majority of ERAP 1.0 State-allocated funds to local jurisdictions, using a formula based on the number of renters at risk of eviction. DHCD retained \$5.2 million for program administration and outreach activities and \$40.0 million for the Assisted Housing Relief Program. Under this program, DHCD provides rental assistance to tenants in multifamily properties that have previously received DHCD financing. DHCD also initially retained \$20.0 million as a reserve to allocate to high-spending jurisdictions as needed, and the department awarded these funds in December 2021 to Cecil, Prince George’s, and Wicomico counties based on those jurisdictions’ rate of expenditure and application volume. The supplemental funding requests of these 3 counties exceeded the \$20.0 million reserve, so DHCD also reallocated \$8.3 million from the Assisted Housing Relief Program to fully fund their requests; funding for the Assisted Housing Relief Program will be backfilled with ERAP 2.0 funds. DHCD considered other counties’ requests for additional funds in making ERAP 2.0 allocation decisions.

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DHCD finalized its initial allocation plan for ERAP 2.0 funds in January 2022, including \$5.4 million for legal services (discussed further under the Evictions and Access to Counsel heading); \$7.0 million for rapid rehousing; \$3.0 million for the Baltimore Regional Housing Partnership to assist Housing Choice Voucher tenants with rental arrears and utility assistance; \$10.0 million for program administration; \$10.0 million as a reserve to award later to jurisdictions that have been slow to spend ERAP 1.0 funds; and \$51.1 million, or 25% of DHCD’s ERAP 2.0 award, as a reserve to be allocated at a later date. **Exhibit 6** shows all ERAP funding by jurisdiction for both rounds, including State-allocated funds and funds received directly from the U.S. Treasury. Some jurisdictions (Baltimore City and Baltimore, Harford, and Howard counties) allotted some or all of their State-directed ERAP 1.0 allocations to the United Way of Central Maryland’s Strategic Targeted Eviction Prevention (STEP) Program, totaling \$32.6 million. The STEP Program works with landlords in those jurisdictions to collectively provide assistance for multiple tenants. It is unknown how much ERAP 2.0 funding local jurisdictions will allocate to STEP.

**Exhibit 6**  
**Emergency Rental Assistance Program Funding by Jurisdiction**  
**(\$ in Millions)**



ERAP: Emergency Rental Assistance Program

Note: Unallocated State Funds include both \$10 million specifically reserved for counties that have been slow to spend ERAP 1.0 funds, as well as \$51.1 million reserved for unspecified future allocation. The slower-spending counties include Allegany, Dorchester, Garrett, Kent, Somerset, St. Mary's, and Worcester. The Baltimore Regional Housing Partnership serves tenants in Baltimore City and Anne Arundel, Baltimore, Carroll, Harford, and Howard counties.

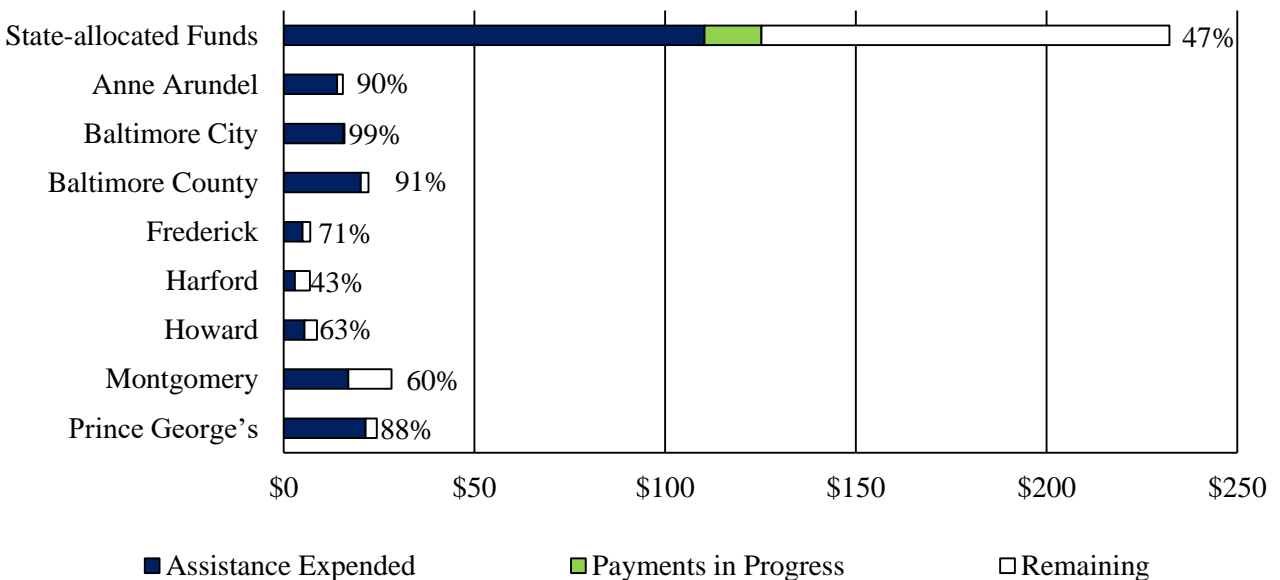
Source: Department of Housing and Community Development



## ERAP Expenditures

As of November 30, 2021, ERAP 1.0 has provided \$212.2 million in assistance to over 33,000 households in Maryland. **Exhibit 7** shows the amount of ERAP 1.0 funds expended, payments in progress, and funds remaining as of November 30, 2021. The amounts shown are for both the State-allocated funds, which primarily have been distributed to counties through DHCD as well as each of the direct allocation jurisdictions. The exhibit also shows each grantee’s expenditure ratio, which is calculated as the percentage of the funds that were directly allocated from the U.S. Treasury to the jurisdiction that have been expended, not including funds retained for administrative purposes. (Each grantee can use up to 10% of their total ERAP 1.0 grant amount for administrative expenses.) The U.S Treasury uses this expenditure ratio periodically in determining whether grantees have excess funds that can be reallocated, with the target ratio increasing by 5% each month. The target for the end of November was 40% of ERAP 1.0 funds expended, and DHCD and all local grantees exceeded that threshold.

**Exhibit 7**  
**ERAP 1.0 Expenditures by Grantee as of November 30, 2021**  
 (\$ in Millions)



ERAP: Emergency Rental Assistance Program

Note: Does not include funding available for program administration (10% of total grant amount). The U.S. Treasury bases decisions on the reallocation of funds on the percentage of nonadministrative funds expended. Data for the eight local jurisdictions only includes the direct allocation from the U.S. Treasury and does not include any State-allocated funds.

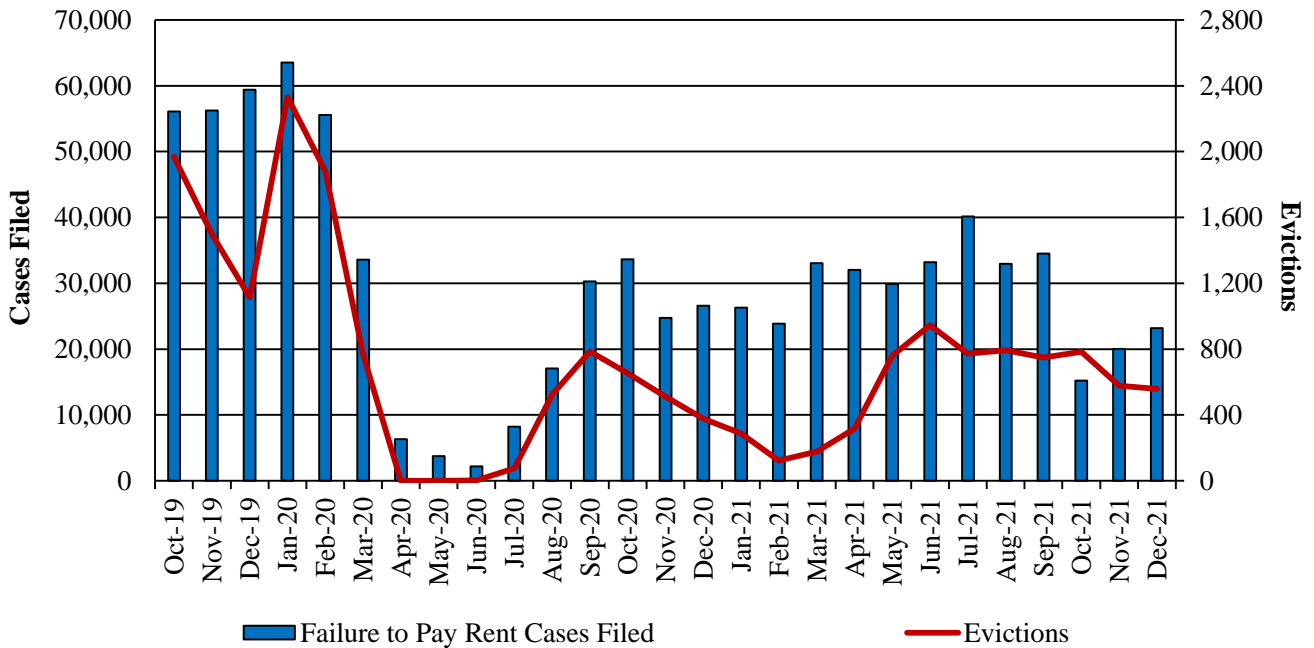
Source: Department of Housing and Community Development

Five of the eight local jurisdictions with direct allocations have also started to expend funds from ERAP 2.0, totaling \$5.5 million as of November 2021. Montgomery and Prince George’s counties closed their application portals in December 2021. Prince George’s County has received applications in excess of all available funds from both rounds. Montgomery County is reviewing existing requests with the goal of reopening applications in early 2022 with more targeted eligibility requirements to reach tenants most in need.

### Evictions and Access to Counsel

Despite high levels of rent delinquency, eviction filings and evictions have declined during the pandemic, first due to federal and State eviction prevention measures and court closures, and later also due to the growing availability of rental assistance. **Exhibit 8** shows the number of failure to pay rent cases filed and the evictions that took place across the State from October 2019 to December 2021. Although still below prepandemic eviction levels, nearly 7,000 households were evicted in calendar 2021.

**Exhibit 8**  
**Failure to Pay Rent Cases and Evictions**  
**October 2019 to December 2021**



Note: Maryland courts restricted operations during the pandemic beginning on March 16, 2020. Warrants of restitution associated with failure to pay rent actions resumed in July 2020, and failure to pay rent cases resumed at the end of August 2020. In November 2020, courts returned to restricted operations until March 2021. Due to the Omicron surge, the District Court will not hear failure to pay rent cases from December 29, 2021, through March 6, 2022.

Source: District Court of Maryland

## *S00A – Department of Housing and Community Development*

As noted by the Access to Counsel in Evictions Task Force created through Chapter 746 of 2021, most tenants do not have legal representation in eviction cases, and increasing representation is effective in preventing or delaying evictions, giving tenants more time to secure new housing or connect with rental assistance programs. The task force identified a need of \$11.8 million for the first year of implementing the Access to Counsel Program established by Chapter 746 and approximately \$30 million annually once the program is fully implemented.

As noted previously, DHCD has allocated \$5.4 million of its ERAP funding for legal services, which will be directed to the Maryland Legal Services Corporation (MLSC) to implement the Access to Counsel Program. Many local jurisdictions have also used federal relief to provide legal services for tenants, totaling more than \$2.5 million from various sources, including ERAP and CARES Act funding. Although DHCD and local grantees may use up to 10% of their ERAP awards for legal services, this 10% set-aside is also needed for other supportive services such as conducting intake and providing assistance with applications, landlord-tenant mediation, and case management. In addition to the \$5.4 million provided by DHCD, MLSC intends to use \$2.3 million from the Office of the Attorney General for administrative start-up costs for the Access to Counsel program.

## **2. DHCD Launches HAF**

The ARPA created the HAF to provide relief to homeowners at risk of displacement through foreclosure or loss of utilities or home energy services. The U.S. Treasury allocated funding based on states' share of unemployed individuals and the number of borrowers with mortgages in foreclosure or more than 30 days delinquent. Maryland received \$248.6 million for the program, all administered by DHCD. **Exhibit 9** details how DHCD is planning to use the funding, with \$190.3 million allocated for grants and loans to prevent foreclosure, \$10 million for WholeHome weatherization grants, \$11 million for housing counseling and legal services, and \$37.3 million for program administration and outreach. DHCD added \$98.5 million for the HAF by budget amendment in fiscal 2022, including \$67.0 million in capital pay-as-you-go (PAYGO) funds. The fiscal 2023 allowance does not include any funding for the HAF, although funding may be added by supplemental budget. DHCD has until September 2025 to expend HAF funds. **DHCD should comment on the timeline for when the department expects to use the remaining \$150.1 million of unappropriated funds.**

**Exhibit 9**  
**Homeowner Assistance Fund Allocation Plan**  
**(\$ in Millions)**

	<u>Amount</u>	<u>Percent</u>
<b>Administrative</b>		
DHCD staff and administrative expenses	\$8.5	3%
Contract for IT, call center, and application and payment system	14.8	6%
Outreach and marketing	4.0	2%
Case Management and Administrative Reserve	10.0	4%
<b>Subtotal</b>	<b>\$37.3</b>	<b>15%</b>
<b>Services</b>		
Housing Counseling	\$6.6	3%
Legal Services	4.4	2%
<b>Subtotal</b>	<b>\$11.0</b>	<b>4%</b>
<b>Program Expenses</b>		
Grant Program	\$34.0	14%
Loan Program	156.3	63%
WholeHome Weatherization Program	10.0	4%
<b>Subtotal</b>	<b>\$200.3</b>	<b>81%</b>
<b>Total</b>	<b>\$248.6</b>	

DHCD: Department of Housing and Community Development  
IT: information technology

Note: DHCD may use up to 15% of the total award for program administration. Numbers may not sum due to rounding.

Source: Department of Housing and Community Development

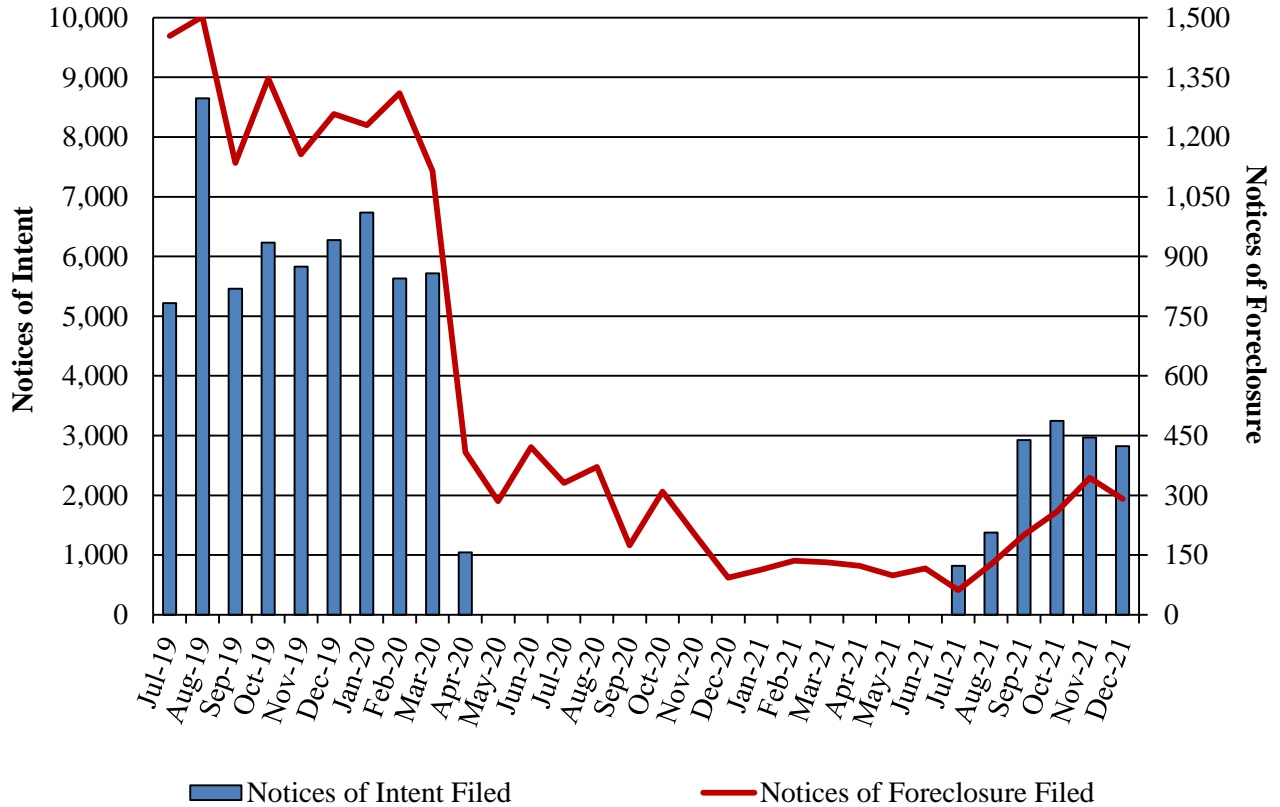
The majority of DHCD’s HAF funds (77%) are for grant and loan programs. Grants of up to \$10,000 will target homeowners at imminent risk of displacement, with eligibility limited to households not exceeding 100% of the AMI. No-interest loans of up to \$30,000 will be available to homeowners with income up to 150% of AMI with the goal of reducing a homeowner’s monthly mortgage payments going forward to less than 40% of the household’s income. Repayment of the loan will be due at the end of the mortgage, although DHCD may allow full or partial forgiveness. Applicants for both the grant and loan programs must self-attest to having experienced financial hardship due to COVID-19. Applications for the grant and loan programs opened on December 20, 2021, and as of mid-January 2022, DHCD had received approximately 2,000 applications that are under review pending the receipt of required documentation. Overall, DHCD expects to serve approximately 10,000 homeowners through these programs.

DHCD is also setting aside \$10.0 million of its HAF funding for the WholeHome enhanced weatherization program to address energy and health and safety issues that could lead to homeowner displacement. The program will provide grants of up to \$10,000 for emergency repairs that homeowners have been unable to address due to the financial impact of COVID-19 such as mold remediation, asbestos and lead paint removal, electrical or plumbing repairs, and lack of heat or air conditioning. Applications for this program opened on January 6, 2022, and DHCD received 78 applications in the first few weeks.

### **Status of Foreclosure Proceedings**

Federal and State actions during the pandemic provided mortgage forbearance and limited the processing of foreclosures. The CARES Act offered forbearance of up to one year and placed a moratorium on foreclosures for homeowners with federally backed mortgages. President Joseph R. Biden, Jr. later extended forbearance for an additional six months and extended the foreclosure moratorium through June 30, 2021. In Maryland, per executive order, the Office of the Commissioner of Financial Regulation (OCFR) did not accept Notices of Intent to Foreclose (NOI) from April 3, 2020, through June 30, 2021. **Exhibit 10** shows the number of NOIs and Notices of Foreclosure (NOF) filed in Maryland with OCFR. While still far below prepandemic levels, NOIs have increased since OCFR reopened its filing system in July 2021, and as many borrowers have started to exit forbearance in the last few months of calendar 2021. More than 2,800 NOIs and nearly 300 NOFs were filed in December 2021. According to the Black Knight Mortgage Monitor, Maryland had the seventh highest rate in the nation of noncurrent mortgages as of October 2021, with 5.2% of loans delinquent or in foreclosure compared to the national average of 4.0%.

**Exhibit 10  
Foreclosure Measures  
July 2019 to December 2021**



Note: A Notice of Intent to Foreclose (NOI) is a written notice sent by a lender to a borrower to initiate the foreclosure process once the borrower is delinquent or otherwise in contractual default. Foreclosure can occur as early as 45 days after an NOI. A Notice of Foreclosure (NOF) is submitted to the Office of the Commissioner of Financial Regulation (OCFR) within 7 days of the initial court filing and starts the legal foreclosure process. Not all NOF filings result in actual foreclosures, as a case can be dismissed if, for example, the borrower reaches an agreement with the lender. Per executive order, OCFR did not accept NOIs from April 3, 2020, through June 30, 2021.

Source: Maryland Department of Labor

### **3. Broadband Programs Expand Significantly in Both Size and Scope**

Chapter 74 renamed the Office of Rural Broadband in DHCD to the Office of Statewide Broadband (OSB) and expanded its responsibilities to include the development of a statewide broadband plan, collecting and publishing data on broadband availability and speed, and furthering digital inclusion efforts. Funding for broadband programs has also increased dramatically through federal legislation, including approximately \$400 million that the State designated to be used for this purpose from the ARPA and more than \$100 million anticipated from the IJA. Other than this federal funding, from fiscal 2019 to 2021, DHCD has administered \$9.7 million in general obligation (GO) bonds and \$5.3 million in general fund grants for the expansion of broadband infrastructure. The fiscal 2023 allowance includes \$171.2 million in PAYGO federal funds in the DPA for broadband initiatives from the ARPA Capital Projects Fund, including \$5 million for program administration, while DHCD’s operating allowance has \$1.2 million in general funds for regular and contractual personnel as well as operating grants. A negative deficiency of \$71.2 million in the DPA leaves \$108.1 million still available for broadband from the fiscal 2022 DPA appropriation. The fiscal 2023 capital budget deauthorizes \$9.18 million in GO bonds for fiscal 2021 as these funds were replaced with federal funds from the ARPA during the fiscal 2022 budget process.

#### **Program And Funding Overview**

**Exhibit 11** shows the broadband programs administered by DHCD as well as the fund sources for these programs. The vast majority of funds are from the ARPA, which requires that funds be encumbered by December 2023 and expended by December 2026. Applications recently closed for the fiscal 2022 funding round for Connect Maryland, the largest infrastructure program. Requests totaled more than \$250 million, which far exceeds available funding across fiscal 2022 and 2023, although DHCD has not yet reviewed these applications for eligibility. DHCD expects to announce the awards in April 2022 and, depending on the amount awarded, DHCD may elect not to open a separate round of applications in fiscal 2023.

**Exhibit 11**  
**DHCD Broadband Programs and Funding Sources**  
**Fiscal 2019-2023**  
**(\$ in Millions)**

<u>Program</u>	<u>Prior Years Actual</u>	<u>2022 Approp.</u>	<u>2023 Allowance</u>	<u>Description</u>
<b>Infrastructure Build Out</b>				
Connect Maryland (formerly Broadband Infrastructure Grants)	\$30.3	\$26.4	\$171.2	Construction of new networks to unserved areas of 500 to 1,500 households.
Neighborhood Connect (formerly Broadband Pilot Extension Grants)	8.8	15.2		Extension of existing networks to unserved pockets of households.
Connecting Public Housing		45.0		Funding for local jurisdictions to expand service into public housing, including wiring, extension of service from the street to the building, and other needs to ensure access for residents. Application period expected to start in February or March 2022.
Rural and Digital Connectedness		23.7		Block grants to local jurisdictions based on proposals to reach difficult-to-connect households. Applications expected to open by spring or summer 2022.
Education Assistance	24.0			Grants to local school districts and libraries to provide access to students for remote learning, in addition to a \$15 million program under development to address students' long-term connectivity needs.
RELIEF Act Grants	2.0			Supplementary grants similar to Connect Maryland and Neighborhood Connect programs.
Other	3.2			Feasibility studies, technical assistance, and other operating grants.
<b>Affordability and Adoption</b>				
Maryland Emergency Broadband Benefit		45.0		\$15 per month subsidy for low-income households, supplementing federal benefit. Currently serving 30,947 households.
Maryland Device Subsidy Program		30.0		Grant program through local jurisdictions to distribute computing devices to low-income households. Under development, with procurement for devices anticipated in February 2022.



<u>Program</u>	<u>Prior Years Actual</u>	<u>2022 Approp.</u>	<u>2023 Allowance</u>	<u>Description</u>
<b>Affordability and Adoption</b>				
Digital Inclusion Program		2.0		Grants to nonprofits or local jurisdictions to improve digital adoption. Applications expected to open in February 2022.
Gap Networks		5.0		Grants to nonprofits or local jurisdictions to provide free broadband service to low-income households unable to afford other options. Applications expected to open in February 2022.
UM Extension Programs		6.0		Digital literacy training and navigators.
<b>Total</b>	<b>\$68.1</b>	<b>\$198.3</b>	<b>\$171.2</b>	
<b>Fund Source</b>				
GO Bonds	9.7			
CARES Act	23.7			
ARPA: Added to DHCD Budget	32.0	90.2		
ARPA: Dedicated Purpose Account		108.1	171.2	
General Funds	5.3	0.7	0.5	Does not include regular or contractual personnel costs.
<b>Total</b>	<b>\$70.7</b>	<b>\$199.0</b>	<b>\$171.8</b>	
<b>Available Funding Not Yet Allocated to Specific Programs</b>	<b>\$2.6</b>	<b>\$0.7</b>	<b>\$0.5</b>	

ARPA: American Rescue Plan Act  
 CARES: Coronavirus, Aid, Relief, and Economic Security  
 DHCD: Department of Housing and Community Development

GO: general obligation  
 UM: University of Maryland

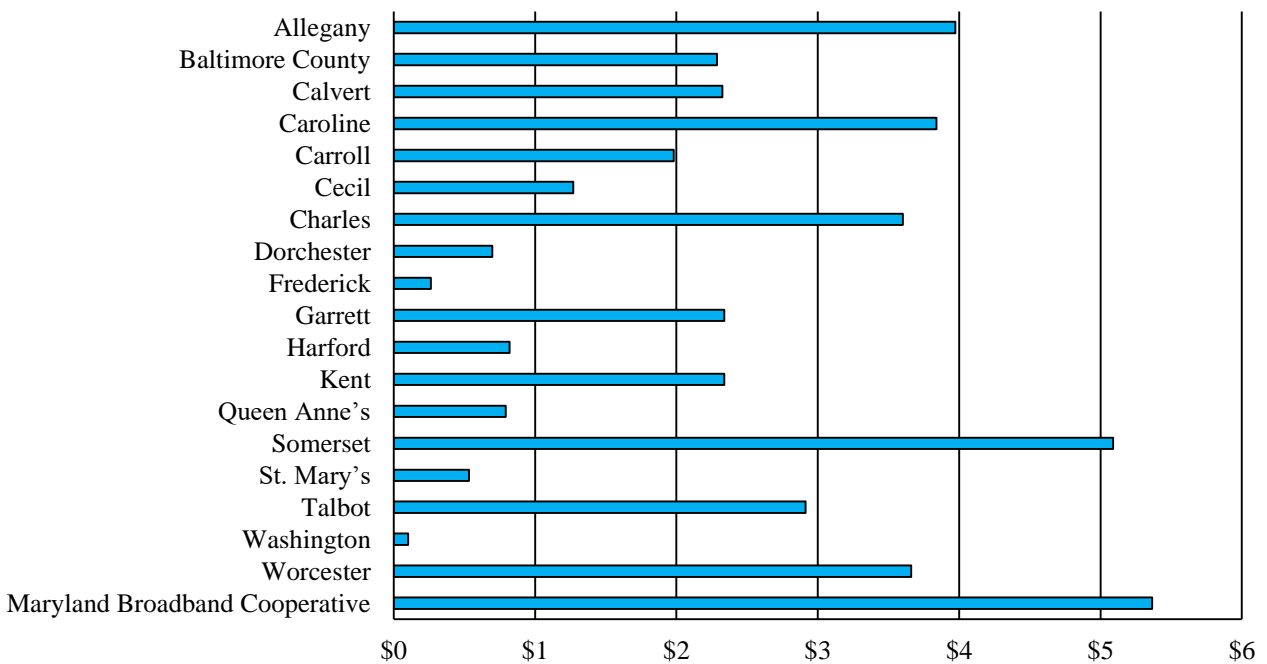
Note: Numbers may not sum to total due to rounding. Prior years' funding accounts for the proposed deauthorization of \$9.2 million in GO bonds in fiscal 2021. The fiscal 2022 appropriation includes a negative deficiency in the Dedicated Purpose Account. The funding for University of Maryland Extension programs will be transferred by budget amendment to the University of Maryland, College Park.

Source: Department of Housing and Community Development; Governor's Fiscal 2023 Budget Books

## Program Awards

**Exhibit 12** shows all broadband infrastructure awards, other than education assistance, made by DHCD from fiscal 2019 to 2021 by jurisdiction, totaling \$44.2 million. These projects are estimated to serve more than 26,000 households and nearly 600 businesses. Local jurisdictions and Internet service providers also provide matching funds, typically at least 50% of the total project costs, totaling \$43.9 million. Some projects meet the matching requirement through extending last-mile coverage. Typically, the larger projects, involving building new networks, are expected to take approximately three years to expend awarded funds, while extension projects are expected to take 18 months. In addition to State investments, federal funds awarded directly to broadband projects in Maryland during this time period totaled \$14.5 million, primarily consisting of \$13.1 million awarded to Talbot County. DHCD provided assistance to Talbot County for the application for federal funds.

**Exhibit 12**  
**Broadband Awards by Jurisdiction**  
**Fiscal 2019-2021**  
**(\$ in Millions)**



Note: Awards include only State funding and do not reflect additional awards made for education purposes. Awards for Somerset County include one grant made to the City of Crisfield, and awards for Carroll County include a \$1.3 million loan made to the City of Westminster. Maryland Broadband Cooperative funding is for middle-mile infrastructure projects spanning multiple jurisdictions, including Allegany, Charles, Dorchester, Garrett, and Wicomico counties. Two project awards totaling \$7.2 million, reflected in Caroline and Somerset counties, also cover parts of Queen Anne's County.

Source: Department of Housing and Community Development

## IIJA

The IIJA was signed by President Biden in November 2021 and includes more than \$60 billion in funding nationally for broadband programs. The largest program is the Broadband Equity, Access, and Deployment Program (BEAD), which provides \$42.5 billion for grants to states allocated by formula, with a \$100 million state minimum. The formula is based on the proportion of unserved locations in each state as well as unserved locations in high-cost areas, both of which will be determined using maps currently under development by the Federal Communications Commission (FCC). These maps are not expected to be complete until late calendar 2022 at the earliest, with BEAD funding anticipated to reach states no sooner than early calendar 2023. **Exhibit 13** summarizes the broadband programs that will be funded through the IIJA and the nationwide funding available through each program. Although the timeline and funding allocations are still uncertain, DHCD estimates that Maryland may receive approximately \$434 million for broadband projects from the IIJA.

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### Exhibit 13 Infrastructure Investment and Jobs Act Broadband Programs and National Funding Levels (\$ in Billions)

<u>Program</u>	<u>Funding</u>	<u>Allocation Method</u>	<u>Description</u>
Broadband Equity, Access, and Deployment	\$42.5	Formula; State Minimum: \$100 million	Infrastructure projects in unserved or underserved areas. Requires 25% matching, which can include federal COVID-19 relief funding.
State Digital Equity Capacity Grant	1.5	Formula; State Minimum: \$1.5 million annually	Funding for states to develop plans to ensure disadvantaged and vulnerable communities have access to affordable Internet.
Digital Equity Competitive Grant	1.3	Competitive	Eligible grantees include nonprofits, libraries, and community institutions. Funding can be used for digital inclusion activities, training and workforce development, provision of devices or equipment, or upgrading public access computing centers.
Middle-Mile Infrastructure Grant	1.0	Competitive	Funding to build out middle-mile infrastructure that does not connect directly to the end user. Eligible applicants include state and local governments, nonprofits, and technology and telecommunications companies.
Rural e-Connectivity Program	2.0	Competitive	Additional funding for existing broadband infrastructure grant program for rural areas.
Affordable Connectivity Benefit	14.2	Subsidy	Subsidizes broadband costs for low-income households. Makes permanent the Emergency Broadband Benefit created through the Consolidated Appropriations Act of 2020 and reduces the monthly benefit amount from \$50 to \$30.
<b>Total</b>	<b>\$62.4</b>		

Source: Infrastructure Investment and Jobs Act

## Estimated Broadband Needs

Chapter 74 charged OSB with developing a statewide plan by July 1, 2022, to ensure that all households in Maryland have access to affordable and reliable broadband service by the end of calendar 2026. OSB is working with Salisbury University and the Eastern Shore Regional GIS Cooperative to develop the broadband plan and complete the mapping required to understand Maryland’s broadband needs. OSB anticipates maps developed through this effort may be available by the second quarter of calendar 2022. The development of new maps is needed, as previous FCC mapping is known to substantially underestimate need. Estimates of need must also take into account both lack of infrastructure as well as affordability and other access issues. DHCD estimated a minimum of 60,000 unserved households based on using the FCC data as a lower bound as well as more than 300,000 metropolitan households lacking the digital tools required for broadband access, based on data from the Abell Foundation. **Exhibit 14** shows estimates of the percent of households with no Internet access based on the American Community Survey.

**Exhibit 14**  
**Percent of Households with No Internet Access by Jurisdiction**

19.7%	21.0%	18.6%	8.6%	10.6%	10.4%	9.4%	12.6%	
Garrett	Allegany	Washington	Frederick	Carroll	Baltimore	Harford	Cecil	
			5.8%	4.4%	20.4%		21.8%	
			Montgomery	Howard	Baltimore City		Kent	
				10.0%	7.1%		9.9%	
				Prince George’s	Anne Arundel		Queen Anne’s	
				11.0%	7.8%		12.1%	17.0%
				Charles	Calvert		Talbot	Caroline
					12.5%		20.0%	15.9%
					St. Mary’s		Dorchester	Wicomico
							22.2%	14.1%
							Somerset	Worcester

Source: American Community Survey, 2015-2019

## ***Operating Budget Recommended Actions***

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1. Add the following language to the federal fund appropriation:

. provided that \$25,000,000 of this appropriation made for the purpose of Project Restore grants and program administration is contingent on the enactment of HB 414 or SB 393.

**Explanation:** This language makes funding for the Project Restore program in fiscal 2023 contingent on legislation establishing the program in statute.

**Appendix 1**  
**2021 Joint Chairmen’s Report Responses from DHCD**

The 2021 *Joint Chairmen’s Report* (JCR) requested that DHCD prepare four reports, although DHCD has only submitted three to date. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Educational Broadband Network:*** The budget committees requested two reports on the development of a broadband network to serve Maryland’s students using funding from the CARES Act, with the first report outlining the project schedule and estimated construction and operational costs, and the second report providing an update on the status of the project in December 2021. DHCD submitted the initial report in October 2021, detailing the findings of a feasibility study for the proposed network. The report presented three tiers of construction options, which ranged from serving 54% of unserved students at a cost of \$10.1 million to serving 96% of unserved students at a cost of \$81.9 million. Although DHCD has not completed the requested follow-up report, the department later indicated that the feasibility study revealed that the \$15 million allocated for educational broadband would not serve nearly as many students as previously anticipated. For this reason, and because of the influx of other federal funds to expand broadband infrastructure throughout the State, DHCD is planning to redirect the \$15 million to local jurisdictions to address student connectivity needs in other ways. Planning for how these funds might be used is still ongoing. Further discussion of DHCD’s broadband programs can be found in Issue 3 of this analysis.
- ***Resident Feedback in Low Income Housing Tax Credit (LIHTC) Compliance Monitoring:*** The budget committees requested that DHCD prepare a report on how the department solicits and responds to feedback from residents in LIHTC properties. DHCD submitted the requested report in January 2022, detailing the department’s monitoring obligations for LIHTC properties. DHCD is required to conduct on-site inspections once every three years and review income documentation for at least 20% of a project’s low-income units, and the owner of the project must certify annually that all buildings are suitable for occupancy. The Division of Credit Assurance conducts random resident interviews during inspections. If DHCD receives resident complaints through its customer service team or through residents contacting any part of the department, DHCD’s portfolio manager for the project will mediate between the resident and the property manager. In some cases, resident complaints can lead to off-cycle inspections.
- ***Broadband Data and Mapping:*** The budget committees requested that DHCD submit a report mapping unserved or underserved locations across Maryland and identifying the needed investment in each jurisdiction to serve those locations. DHCD submitted the requested report in January 2022, which indicated that the department plans to engage a consultant to undertake this mapping effort. DHCD expects this mapping will take eight months to a year to complete. Further discussion of DHCD’s broadband programs, including efforts to map unserved areas, can be found in Issue 3 of this analysis.

**Appendix 2**  
**Energy Efficiency Program Management System**  
**Major Information Technology Project**  
**Department of Housing and Community Development**

<b>New/Ongoing:</b> New								
<b>Start Date:</b> July 2020					<b>Est. Completion Date:</b> May 2023			
<b>Implementation Strategy:</b> Agile								
<b>(\$ in Thousands)</b>	<b>Prior Year</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>Remainder</b>	<b>Total</b>
SF	\$250.000	\$850.000	\$466.666	\$850.000	\$550.000	\$0.000	\$0.000	\$2,966.666
<b>Total</b>	<b>\$250.000</b>	<b>\$850.000</b>	<b>\$466.666</b>	<b>\$850.000</b>	<b>\$550.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$2,966.666</b>

- **Project Summary:** The project aims to procure and implement a commercial off-the-shelf system for the management of DHCD’s Housing and Building Energy programs. The new system will provide a comprehensive platform for case management, application information, audits, contractor information, and payment processing and tracking.
- **Need:** The current web-based system is no longer sufficient to handle the increasing complexity and volume of DHCD energy assistance. The current system also lacks flexibility and requires extensive vendor intervention for even minor modifications.
- **Observations and Milestones:** The request for proposals was issued in August 2021 with an anticipated award date of May 2022.
- **Concerns:** Overall, identified risks for the project are low. Some potential risks include the vendor not fully understanding DHCD’s programs or how the underlying database is supposed to work.

**Appendix 3**  
**Object/Fund Difference Report**  
**Department of Housing and Community Development**

<u>Object/Fund</u>	<u>FY 21</u> <u>Actual</u>	<u>FY 22</u> <u>Working</u> <u>Appropriation</u>	<u>FY 23</u> <u>Allowance</u>	<u>FY 22 - FY 23</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
<b>Positions</b>					
01 Regular	331.00	333.00	333.00	0.00	0%
02 Contractual	60.16	93.00	125.00	32.00	34.4%
<b>Total Positions</b>	<b>391.16</b>	<b>426.00</b>	<b>458.00</b>	<b>32.00</b>	<b>7.5%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 38,912,988	\$ 41,770,995	\$ 41,448,940	-\$ 322,055	-0.8%
02 Technical and Special Fees	4,076,648	5,802,410	7,472,262	1,669,852	28.8%
03 Communication	279,455	150,290	158,950	8,660	5.8%
04 Travel	42,242	263,180	361,992	98,812	37.5%
06 Fuel and Utilities	167,186	205,000	230,000	25,000	12.2%
07 Motor Vehicles	42,838	180,386	227,477	47,091	26.1%
08 Contractual Services	22,418,403	37,370,386	35,728,442	-1,641,944	-4.4%
09 Supplies and Materials	84,239	211,802	215,021	3,219	1.5%
10 Equipment – Replacement	127,353	376,500	718,000	341,500	90.7%
11 Equipment – Additional	12,020	131,000	200,500	69,500	53.1%
12 Grants, Subsidies, and Contributions	979,792,273	868,874,454	348,310,374	-520,564,080	-59.9%
13 Fixed Charges	4,699,238	5,000,389	5,116,016	115,627	2.3%
14 Land and Structures	331,860	0	0	0	0.0%
<b>Total Objects</b>	<b>\$ 1,050,986,743</b>	<b>\$ 960,336,792</b>	<b>\$ 440,187,974</b>	<b>-\$ 520,148,818</b>	<b>-54.2%</b>
<b>Funds</b>					
01 General Fund	\$ 15,800,704	\$ 11,443,384	\$ 19,754,408	\$ 8,311,024	72.6%
03 Special Fund	94,494,269	74,962,168	77,989,133	3,026,965	4.0%
05 Federal Fund	918,339,444	863,145,362	327,136,063	-536,009,299	-62.1%
09 Reimbursable Fund	22,352,326	10,785,878	15,308,370	4,522,492	41.9%
<b>Total Funds</b>	<b>\$ 1,050,986,743</b>	<b>\$ 960,336,792</b>	<b>\$ 440,187,974</b>	<b>-\$ 520,148,818</b>	<b>-54.2%</b>

Note: The fiscal 2022 working appropriation does not include deficiencies. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management.



**Appendix 4  
Fiscal Summary  
Department of Housing and Community Development**

<u>Program/Unit</u>	<u>FY 21 Actual</u>	<u>FY 22 Wrk Approp</u>	<u>FY 23 Allowance</u>	<u>Change</u>	<u>FY 22 - FY 23 % Change</u>
20 Office of the Secretary	\$ 42,551,804	\$ 93,178,718	\$ 17,840,870	-\$ 75,337,848	-80.9%
22 Division of Credit Assurance	5,554,323	6,073,996	6,910,406	836,410	13.8%
24 Division of Neighborhood Revitalization	641,515,518	433,613,342	64,441,535	-369,171,807	-85.1%
25 Division of Development Finance	352,880,304	418,077,640	340,457,692	-77,619,948	-18.6%
26 Division of Information Technology	2,863,227	3,153,065	3,725,258	572,193	18.1%
27 Division of Finance and Administration	5,621,567	6,240,031	6,812,213	572,182	9.2%
<b>Total Expenditures</b>	<b>\$ 1,050,986,743</b>	<b>\$ 960,336,792</b>	<b>\$ 440,187,974</b>	<b>-\$ 520,148,818</b>	<b>-54.2%</b>
General Fund	\$ 15,800,704	\$ 11,443,384	\$ 19,754,408	\$ 8,311,024	72.6%
Special Fund	94,494,269	74,962,168	77,989,133	3,026,965	4.0%
Federal Fund	918,339,444	863,145,362	327,136,063	-536,009,299	-62.1%
<b>Total Appropriations</b>	<b>\$ 1,028,634,417</b>	<b>\$ 949,550,914</b>	<b>\$ 424,879,604</b>	<b>-\$ 524,671,310</b>	<b>-55.3%</b>
Reimbursable Fund	\$ 22,352,326	\$ 10,785,878	\$ 15,308,370	\$ 4,522,492	41.9%
<b>Total Funds</b>	<b>\$ 1,050,986,743</b>	<b>\$ 960,336,792</b>	<b>\$ 440,187,974</b>	<b>-\$ 520,148,818</b>	<b>-54.2%</b>

Note: The fiscal 2022 working appropriation does not include deficiencies. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management.