

#TogetherTKPK



Recommended FY 2021 Budget

Budgeting in Uncertain Times
Work Session – City Services Supporting the Community

Presented by:
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April 13, 2020



Budget Schedule

April 6: Presentation of Recommended FY21 Budget

April 13: Budget Work Session

April 15: Public Hearing on the Budget

April 20: Budget Work Session

April 27: Budget Work Session

April 29: Public Hearing

- FY 2021 Tax Rate (Constant Yield Tax Rate)
- FY 2021 Budget

May 4: Budget Work Session – Reconciliation

May 13: First Reading Ordinances Adopting the Budget and Tax Rates

May 20: Second Reading Ordinances Adopting the Budget and Tax Rates

FY21 Budget Work Session

City Services Supporting the Community

- The proposed FY21 Budget, which was mostly prepared before the COVID-19 emergency was declared, is a “maintenance of effort” budget, with no major new initiatives or services.
- Nevertheless, for many years, the City has been committed to assisting residents including through rent stabilization, the supplement to the Homeowners Property Tax Credit, scholarships for youth and senior programs, and support for community organizations that also serve residents in need.
- Because of commitments made in the last two years, the City has expanded programs and staff to help residents and businesses. These programs are being used during this pandemic.



- **The proposed budget is crafted to advance Council's Priorities, which were adopted in March 2019**

- A Livable Community for All
- Fiscally Sustainable Government
- Environmentally Sustainable Community
- Engaged, Responsive and Service-oriented Government
- Community Development for an Improved and Equitable Quality of Life



The graphic features the City of Takoma Park logo on the left and the text "2020 - CITY COUNCIL PRIORITIES" on the right. Below the text is a horizontal strip of five images: an electric vehicle charging station, a person pushing a stroller, a modern building, a woman holding a plate of food, and a green landscape with a recycling bin.

1. A Livable Community For All

- Ensure we have a range of safe, quality, and stable housing options that are affordable for residents of varying incomes and all races and ethnicities.
- Identify programming needs in the community and develop approaches to meet those needs, emphasizing youth, families, seniors, and our more vulnerable residents, such as those with lower incomes, immigrants, and people with developmental disabilities.
- Defend status as a Sanctuary City and continue to be a welcoming and inclusive community for all residents.
- Improve transportation planning and outreach to create a safer and more racially equitable community for all residents, including pedestrians, bicyclists, and vehicle occupants.
- Further efforts related to racial equity.

2. Fiscally Sustainable Government

- Increase funding from County and State to address tax duplication and other City needs.
- Minimize adverse impacts of changes to the federal tax system.
- Adopt sustainable investment and banking policy and practices.

3. Environmentally Sustainable Community

- Prioritize actions, policies, innovations, and new opportunities that mitigate and adapt to the causes and effects of climate change.
- Protect, plan for, and improve Takoma Park's natural resources including urban forest health and water quality, and continue to be a leader in community sustainability programs and policies.

4. Engaged, Responsive, Service-oriented Government

- Improve policies and processes related to the tree ordinance; traffic calming; sidewalk requests, repair and maintenance; and residential/commercial boundary conflicts.
- Improve and formalize systems for Council-appointed committees and external committees on which Councilmembers serve (e.g. MWCOG).
- Identify policing priorities and explore options for enhanced police/community relations.
- Explore alternative approaches to enhance public engagement and two-way communication.

5. Community Development for an Improved & Equitable Quality of Life

- Plan and prepare for development in the City and region while maintaining the special character and diversity of Takoma Park.
- Redevelopment of Takoma Park Recreation Center.



The icons include a group of people, a calculator, a plant growing from soil, puzzle pieces, and a storefront.

TakomaParkMD.gov



Budgeting During Challenging Times

- **Over the next four weeks, the Council will be holding Work Sessions to consider the FY21 Budget**
- **Given the pandemic and resulting economic problems and uncertainty, several steps have been taken immediately:**
 - Union negotiations paused; July 1 staff wage increases also put on hold
 - Capital projects totaling about \$1.7 million were postponed until FY22
 - Public arts projects were postponed; funds may be shifted into assistance programs
 - Some funds that would not be used due to the pandemic were shifted into the Mini-Grants program
- **Some budget numbers and impacts are not yet known**
- **City has a well-deserved reputation for fiscal responsibility; we will continue to be fiscally responsible and follow best practices for uncertain and difficult times**



Assisting Residents and Businesses to Create a Livable Community for All

- Rent Stabilization, PILOTs, Assistance to Common Ownership Communities
- Homeowner Property Tax Credit Supplement and Similar Assistance
- Emergency Assistance Fund
- Grants to and Partnerships with Community Organizations
- Workforce Development Services
- Assistance to Businesses and Business Associations
- Recreation Scholarship Program
- Funds to Help Pay for Tree Removal
- Grants & Rebates to Help Pay for Energy/Sustainability Improvements
- Homestretch Down Payment Assistance
- Community Events and Festival Support



Assisting Residents and Businesses to Create a Livable Community for All

- **Rent Stabilization, PILOTs, Assistance to Common Ownership Communities**
 - Rent stabilization limits the rate of rent increases for residents, keeps Takoma Park rents the lowest in Montgomery County; City forgoes significant real property tax revenue as property income is limited; many owners are small business people
 - City provides Payment in Lieu of Taxes agreements for certain nonprofits who have buildings with affordable units (pursuant to County agreements); these have been in support of significant upgrading of multifamily buildings; many PILOTs are set to expire at the end of this fiscal year
 - City staff provide assistance to all landlords and tenants, and also provide support to Common Ownership Communities, including technical assistance



Assisting Residents and Businesses to Create a Livable Community for All

- **Homeowner Property Tax Credit Supplement and Similar Programs**
 - The City supplements the property tax credits provided by the State of Maryland and Montgomery County for the Homeowner Property Tax Credit and Renter Tax Credit; \$160,000 is expected to be spent in FY21; approx. 140 homeowners were assisted in FY20
 - The City also informs residents of other property tax credits they may be eligible for, mostly offered by Montgomery County
 - Additional funds of \$22,500 were set aside in FY20 for additional assistance, once a program was developed; that program was not developed so these funds remain in the FY20 budget



Assisting Residents and Businesses to Create a Livable Community for All

- **Emergency Assistance Fund**

- The City's Emergency Assistance Fund provides assistance to eligible households who need help in resolving eviction, foreclosure, outstanding utility bills, prescription assistance, food insecurity or other housing related matters
- Residents are evaluated for eligibility by Ministries United Silver Spring Takoma Park (MUSST) and the City works with other partners as well to identify and assist residents in need
- In FY20, \$30,000 was allocated for this program; nearly all funding was exhausted by February, so we are supplementing this fund through resident donations and other identified funds
- For FY21, we are proposing an allocation of \$40,000 to meet resident needs; given the pandemic, however, that number will likely need to be increased



Assisting Residents and Businesses to Create a Livable Community for All

- **Grants to Community Organizations**
 - The City's Community 'Quality of Life' Grants Program provides financial support for programs, projects and events that improve the quality of life for City residents by providing greater access and opportunities for participation in the arts and sciences
 - ✓ Primary beneficiaries are of low and moderate incomes who live in the City; at least 51% of participants must meet the income requirements and at least 75% must be residents of Takoma Park
 - ✓ Community Grants range from \$5,000 - \$10,000; for every dollar of grant funds, grantees must demonstrate a matched dollar of support of funding or volunteer time
 - In FY20 the Council appropriated \$80,000 that was split among 11 nonprofits
 - Over the past year, extensive outreach resulted in a more diverse applicant pool
 - For FY21, we are encouraging programming that also promotes job-readiness, in support of the Housing and Economic Development Strategic Plan initiatives



Assisting Residents and Businesses to Create a Livable Community for All

- **Partnerships with Community Organizations**

- The Community Partnership Program (CP2) is a competitive proposal program that serves the needs of low and moderate income residents through a partnerships with nonprofit organizations that advance City Council priorities; such partnerships are usually for a multi-year period
- In FY20 the programs included \$75,000 through the Recreation Dept for:
 - ✓ Summer Enrichment Program \$45,000
 - ✓ Community Play Events \$10,000
 - ✓ Teen Mentoring Program \$20,000
- In FY20 the programs included \$60,000 through HCD for:
 - ✓ Food Insecurity Programs
- The FY21 request is for \$135,000 for the next round of competitive partnerships; HCD wishes to diversify its programming and create more integration with other services



Assisting Residents and Businesses to Create a Livable Community for All

- **Economic Development Partners**
 - Latino Economic Development Center
 - WorkSource Montgomery (County)
 - Ethiopian Community Center
 - Code Partners
 - Institute for Transportation Engineers
 - Habitat for Humanity



Assisting Residents and Businesses to Create a Livable Community for All

- **Workforce Development Programs**

- The City continues a successful partnership with WorkSource Montgomery. Over the last 6 months we have offered one-on-one employment coaching and assistance through the monthly H.I.R.E. pop-up.
- During this time of social distancing, we have moved our one-on-one assistance to virtual group coaching sessions. The first was held April 7th.
- Employment webinars are also being hosted by our partners and promoted by the City. A calendar of webinars is available on the WorkSource Montgomery website. The City will be hosting a webinar with our WorkSource Montgomery partner, titled *When Work Goes Remote*, at the end of the month.
- The City has partnered with the Ethiopian Community Center to offer 8 weeks of workforce development classes with two tracks: 1. Job Seekers and 2. Skill Builders. This partnership is serving 42 participants in the Ethiopian community.
- The FY21 Budget includes \$5,000 for continued workforce development assistance.



Assisting Residents and Businesses to Create a Livable Community for All

- **Assistance to Businesses and Business Associations**
 - To address the immediate small business needs from impacts of closures due to the COVID-19 health emergency, the City has instituted a Citywide Small Business Mini-Grant Program; small business emergency assistance mini-grants are up to \$3,000 each
 - Grantees were contacted Friday, April 10th; the initial funding has been expended but a fundraising campaign is underway to provide additional funds to businesses that have been waitlisted for the mini-grant
 - The FY21 budget includes a line item of \$20,000 to establish a permanent small business grant fund; there is an additional \$10,000 for business engagement and outreach as highlighted in the Housing and Economic Development Strategic Plan



Assisting Residents and Businesses to Create a Livable Community for All

- **Assistance to Businesses and Business Associations**
 - The City has been successful in winning significant grant funds for façade improvements, particularly for businesses along New Hampshire Avenue
 - The Old Takoma Business Association and Takoma Langley Crossroads Development Authority have been instrumental in keeping the City connected to its small businesses; both organizations have contracts in the FY21 budget at the same funding as in FY20
 - The City has partnered with the Latino Economic Development Center to provide technical assistance and training to our small businesses; LEDC has focused on our businesses impacted by the Purple Line and has supported our State advocacy A budget of \$5,000 is included in FY21 for Small Business Technical Assistance.



Assisting Residents and Businesses to Create a Livable Community for All

- **Recreation Scholarship Program**

- Scholarship awards are given to residents (from tots through seniors) for classes, camps, before and afterschool care, and sports programs
- Most awards are income based and awards for sports programs are given to families that receive Free and Reduced Meals (FARMS) through MCPS; once a family receives an award, they receive the award for the calendar year
- For FY20, the value of financial assistance for Takoma Park residents totaled \$19,605; financial assistance is realized by a reduction in revenue for the particular program
- There were 64 scholarships awarded to 37 individuals or families:
 - ✓ 20% reduction – 7 awards
 - ✓ 50% reduction – 13 awards
 - ✓ 70% reduction – 44 awards



Assisting Residents and Businesses to Create a Livable Community for All

- **Funds to Help Pay for Tree Removal**

- The City assists residents who meet income requirements with costs related to removal of trees; questions have been raised about possibly helping with other tree maintenance costs
- In FY20, we have assisted 5 property owners with tree removal of 6 dead or hazardous trees and there is another such tree removal pending. The expenditure to date has been \$19,775 of the \$25,000 budget. We expect to meet or exceed that amount by June 30
- In FY19 we had one request (\$975) and there were no requests in FY18

- The Tree Fund currently has a balance of \$115,656; the source of the money is payment in lieu of planting by permit applicants and fines (but not permit fees); the funds must be used to plant trees; the trees may be planted on either public or private property



Assisting Residents and Businesses to Create a Livable Community for All

- **Grants and Rebates to Help Pay for Energy/Sustainability Improvements**
 - City has a program of no cost energy efficiency retrofits, with appliances, for low to moderate income home owners
 - Between grant programs, and during this crisis when energy auditors are not working, the City can assist with emergency HVAC and appliance replacements; new application and advertising will be uploaded later this week
 - Small business and multifamily grants for energy-efficient improvements and renewable energy; new application and advertising also uploaded later this week
 - Earth Day contactless LED bulb giveaway for residents

Helping homeowners and businesses reduce energy use right now can help them reduce operating costs while keeping the City moving towards its climate goals



Assisting Residents and Businesses to Create a Livable Community for All

- **Homestretch Down Payment Assistance**

- The City's down payment assistance program, called Home Stretch, provides financial assistance to eligible individuals and families seeking to buy a home; \$10,000 is available for down payment assistance; \$50,000 is allocated to serve up to five households per year
- The assistance is a 5-year, forgivable loan with deferred payments; beginning on the first anniversary, the principal will be reduced 20% each year
- The program is available to first-time homebuyers whose annual household income falls under 80% of the area median; staff review the applicants' debt-to-income ration and applicants must complete an 80-hour homebuyer pre-purchase class
- During FY20 we have assisted two families, including one that purchased a single-family homes; past recipients have purchased condominiums



Assisting Residents and Businesses to Create a Livable Community for All

- **Community Events and Festival Support**

- Each year the City supports numerous community events and festivals with financial support and/or Police and Public Works staff time; in FY21, \$48,000 in funds is allocated for these events
- The first event of FY21 would be on Independence Day. The FY21 budget includes \$20,000 towards the evening entertainment costs as well as many hours in Police overtime, and some hours of Public Works overtime. It is not clear if that event will be able to take place, given the pandemic.
- The Folk Festival is scheduled to take place in September and also has a proposed City contribution of \$20,000 in the budget. Police and Public Works staff overtime costs are budgeted for this event as well.



Next Steps

- Budget Work Session on April 13: Assisting residents and businesses to create a Livable Community for All
- Budget Work Session on April 20: Capital Improvement Program
- Budget Work Session on April 27: Departmental and Non-departmental budgets
- Reconciliation

Questions?

Thank you

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