

Resolution No.: 20-1052
 Introduced: January 27, 2026
 Adopted: March 3, 2026

**COUNTY COUNCIL
 FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #26-39 to the FY26 Capital Budget and Amendment to the FY25-30 Capital Improvements Program, Montgomery County Government, Department of Health and Human Services, Affordable Living Quarters (No. 602201), \$7,221,940

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week’s notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of six Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of seven Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.

2. Section 302 of the Montgomery County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of no fewer than six members of the Council.

3. The County Executive recommends the following capital project appropriation increases:

| <u>Project Name</u> | <u>Project Number</u> | <u>Cost Element</u> | <u>Amount</u> | <u>Source of Funds</u> |
|----------------------------|-----------------------|----------------------------------|------------------|------------------------|
| Affordable Living Quarters | 602201 | Planning, Design and Supervision | \$1,859,000 | |
| | | Construction | \$4,582,940 | |
| | | <u>Other</u> | <u>\$780,000</u> | |
| | | Total | \$7,221,940 | Federal Aid |

4. The increase is needed to support the design and construction of Affordable Living Quarters (ALQ) at 600 East Gude Dr, Rockville, MD 20850. This initiative is essential due to the ongoing rise in the number of households experiencing homelessness in Montgomery County. Once constructed, the ALQs will serve as permanent supportive housing program, helping to address the community’s growing housing needs. The recommended amendment is consistent with the criteria for amending the CIP because the cost of the project has increased relatively by at least 10 percent and absolutely by at least \$1,000,000 from the last adopted CIP.
5. The County Executive recommends an amendment to the FY25-30 Capital Improvements Program and a supplemental appropriation in the amount of \$7,221,940 for the Affordable Living Quarters (No. 602201) and specifies that the source of funds will be Federal Aid.
6. Notice of public hearing was given, and a public hearing was held.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

The FY25-30 Capital Improvements Program of Montgomery County Government is amended as reflected on the attached project description form and a supplemental appropriation to the FY26 Capital Budget is approved as follows:

| <u>Project Name</u> | <u>Project Number</u> | <u>Cost Element</u> | <u>Amount</u> | <u>Source of Funds</u> |
|----------------------------|-----------------------|----------------------------------|------------------|------------------------|
| Affordable Living Quarters | 602201 | Planning, Design and Supervision | \$1,859,000 | |
| | | Construction | \$4,582,940 | |
| | | <u>Other</u> | <u>\$780,000</u> | |
| | | Total | \$7,221,940 | Federal Aid |

This is a correct copy of Council action.



 Sara R. Tenenbaum
 Clerk of the Council



Affordable Living Quarters (P602201)

| | | | |
|---------------|---------------------------|----------------------|------------------|
| Category | Health and Human Services | Date Last Modified | 11/04/24 |
| SubCategory | Health and Human Services | Administering Agency | General Services |
| Planning Area | Rockville | Status | Planning Stage |

| Total | Thru FY24 | Rem FY24 | Total 6 Years | FY 25 | FY 26 | FY 27 | FY 28 | FY 29 | FY 30 | Beyond 6 Years |
|-------|-----------|----------|---------------|-------|-------|-------|-------|-------|-------|----------------|
|-------|-----------|----------|---------------|-------|-------|-------|-------|-------|-------|----------------|

EXPENDITURE SCHEDULE (\$000s)

| | Total | Thru FY24 | Rem FY24 | Total 6 Years | FY 25 | FY 26 | FY 27 | FY 28 | FY 29 | FY 30 | Beyond 6 Years |
|----------------------------------|--------------|-----------|-----------|---------------|----------|------------|--------------|--------------|------------|----------|----------------|
| Planning, Design and Supervision | 1,959 | 5 | 95 | 1,859 | - | 312 | 794 | 566 | 187 | - | - |
| Construction | 4,583 | - | - | 4,583 | - | - | 2,292 | 2,291 | - | - | - |
| Other | 780 | - | - | 780 | - | - | 390 | 390 | - | - | - |
| TOTAL EXPENDITURES | 7,322 | 5 | 95 | 7,222 | - | 312 | 3,476 | 3,247 | 187 | - | - |

FUNDING SCHEDULE (\$000s)

| | Total | Thru FY24 | Rem FY24 | Total 6 Years | FY 25 | FY 26 | FY 27 | FY 28 | FY 29 | FY 30 | Beyond 6 Years |
|------------------------------|--------------|-----------|-----------|---------------|----------|------------|--------------|--------------|------------|----------|----------------|
| Federal Aid | 7,322 | 5 | 95 | 7,222 | - | 312 | 3,476 | 3,247 | 187 | - | - |
| TOTAL FUNDING SOURCES | 7,322 | 5 | 95 | 7,222 | - | 312 | 3,476 | 3,247 | 187 | - | - |

APPROPRIATION AND EXPENDITURE DATA (\$000s)

| | | | |
|------------------------------------|-------|--------------------------|------|
| Appropriation FY 26 Request | - | Year First Appropriation | FY22 |
| Supplemental Appropriation Request | 7,222 | Last FY's Cost Estimate | 100 |
| Cumulative Appropriation | 100 | | |
| Expenditure / Encumbrances | 5 | | |
| Unencumbered Balance | 95 | | |

PROJECT DESCRIPTION

This project will provide deeply affordable living quarters. The facility will include individual, furnished units with private bathrooms and limited kitchen facilities. The units would be rented at an extremely affordable rate so that individuals can end their experience with homelessness and have access to supportive services.

LOCATION

600 East Gude Drive, Rockville, Maryland 20850

CAPACITY

18 units for 1- or 2-person households

ESTIMATED SCHEDULE

Initial research and evaluation occurred between FY22-FY24. Further planning and site selection was temporarily on hold pending improved market affordability. Site selection finalized in FY26. Design expected to complete in FY27. Construction expected to complete in FY29.

COST CHANGE

After site selection, remaining Federal Aid is appropriated to fully fund planning and construction.

PROJECT JUSTIFICATION

A major obstacle to ending homelessness is the lack of affordable housing. Many individuals that are experiencing homelessness are able to maintain permanent housing when it is affordable and equipped with supportive services. This project will renovate an existing facility to include individual, furnished units with private bathrooms and limited kitchen facilities.

FISCAL NOTE

FY22 supplemental in Federal Aid for the amount of \$100,000 for planning. FY26 supplemental in Federal Aid for the amount of \$7,221,940.

COORDINATION

Department of Health and Human Services, Department of Housing and Community Affairs, and Department of General Services.