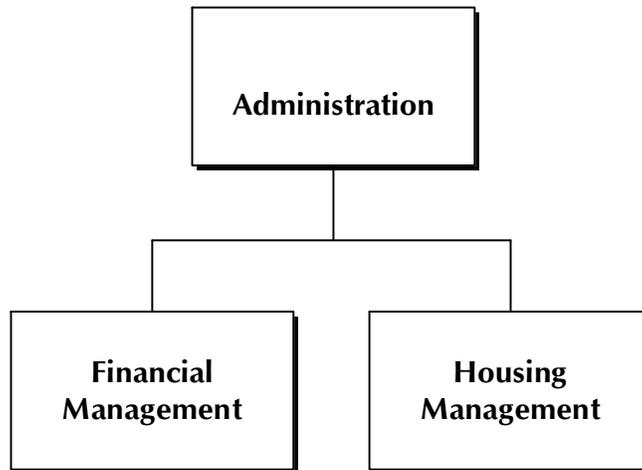


Fund 967

Public Housing Projects Under Management



Mission

To ensure that all tenants of Fairfax County Redevelopment and Housing Authority's (FCRHA) owned and operated public housing units are provided with decent, safe and adequate housing; maintenance and management; social services referrals; and housing counseling.

Focus

The Federal Public Housing Program is administered by the U.S. Department of Housing and Urban Development (HUD) to provide funds for rental housing serving low income households owned and operated by local housing authorities such as the Fairfax County Redevelopment and Housing Authority (FCRHA). There are two components of this program with each having separate funding for operations and capital improvements. Fund 967, Public Housing Program Projects Under Management, is for management and maintenance of public housing properties and includes an annual federal operating subsidy from HUD. Fund 969, Public Housing Under Modernization, provides funds for capital improvements and repairs of existing public housing through an annual Capital Fund Grant (formerly the Comprehensive Grant).

Revenues are derived from dwelling rents, payments for utilities in excess of FCRHA established standards, investment income, maintenance charges, late fees and HUD provided contributions and subsidies. Projected FY 2009 revenues of \$7,319,170 represent an increase of \$1,264,028 or 20.9 percent over the FY 2008 Adopted Budget Plan primarily due to an increase in the projected HUD Operating Subsidy and Dwelling Rental Income. Effective January 1, 2007, the HUD Operating Subsidy calculation is based on HUD's Final Rule (Revisions to Public Housing Operating Fund) published on September 19, 2005, using a formula developed by HUD to provide a mechanism to align expenditures and revenues for Public Housing Authorities. The HUD Annual Contribution represents what HUD will pay on Federal Financing Bank (FFB) loan obligations for projects owned and operated by the FCRHA. This revenue offsets interest and principal expenses related to FFB Loans budgeted in the Other Expenses cost center.



Beginning in FY 2008, the FCRHA is required by HUD to be in compliance with Project Based Accounting and Budgeting, which requires separate reporting for the County's Public Housing properties. The 26 Public Housing properties were grouped into 11 Asset Management Projects (AMPs) for HUD Reporting purposes. In addition to the project reporting requirement, Public Housing Authorities are also required to track and report activities of the Central Office, which resulted in the creation of three new cost centers for tracking various types of Central Office expenses such as indirect administrative costs, which are covered by HUD

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prescribed management fees. The expenses for the AMPs will be covered by program revenues, which are mainly Dwelling Rental Income and HUD Operating Subsidy.

In addition to the public housing support provided in this fund, FY 2009 funds totaling \$959,658 are provided in the General Fund, Agency 38, Department of Housing and Community Development, in support of refuse-collection costs, painting expenses and townhouse/condominium-association fees for these properties.

The current income limits for the program as established by HUD as of March 20, 2007 are as follows:

INCOME LIMITS		
Number of Persons	Very Low	Low
1	\$33,100	\$42,000
2	\$37,800	\$48,000
3	\$42,550	\$54,000
4	\$47,250	\$60,000
5	\$51,050	\$64,800
6	\$54,800	\$69,600
7	\$58,600	\$74,400
8	\$62,350	\$79,200

The Public Housing projects, as reflected in the following chart, are located throughout the County.

Project Name	HUD Number	Number of Units	Supervisory District
Audubon Apartments	VA 19-01	46	Lee
Rosedale Manor	VA 19-03	97	Mason
Newington Station	VA 19-04	36	Mt. Vernon
The Park	VA 19-06	24	Lee
Shadowood	VA 19-11	16	Hunter Mill
Atrium Apartments	VA 19-13	37	Lee
Villages of Falls Church ¹	VA 19-25	37	Mason
Heritage Woods I	VA 19-26	19	Braddock
Robinson Square	VA 19-27	46	Braddock
Heritage Woods South	VA 19-28	12	Braddock
Sheffield Village	VA 19-29	8	Mt. Vernon
Greenwood	VA 19-30	138	Mason
Briarcliff II	VA 19-31	20	Providence

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Project Name	HUD Number	Number of Units	Supervisory District
West Ford II	VA 19-32	22	Mt. Vernon
West Ford I	VA 19-33	24	Mt. Vernon
West Ford III	VA 19-34	59	Mt. Vernon
Barros Circle	VA 19-35	44	Sully
Belle View	VA 19-36	40	Mt. Vernon
Kingsley Park	VA 19-38	108	Providence
Scattered Sites	VA 19-39	25	Various
Reston Town Center	VA 19-40	30	Hunter Mill
Old Mill	VA 19-42	48	Lee
Ragan Oaks	VA 19-45	51	Sully
Tavenner Lane ²	VA 19-51	12	Lee
Waters Edge	VA 19-52	9	Sully
West Glade ²	VA 19-55	50	Hunter Mill
Scattered ADU Sites	VA 19-56	7	Various
Total Units³		1,065	

¹ This HUD project includes one unit at Heritage Woods South in Braddock District.

² Properties are owned by limited partnerships of which the FCRHA is the managing general partner. Therefore, rental revenue and other expenses for these properties are not reported in Fund 967.

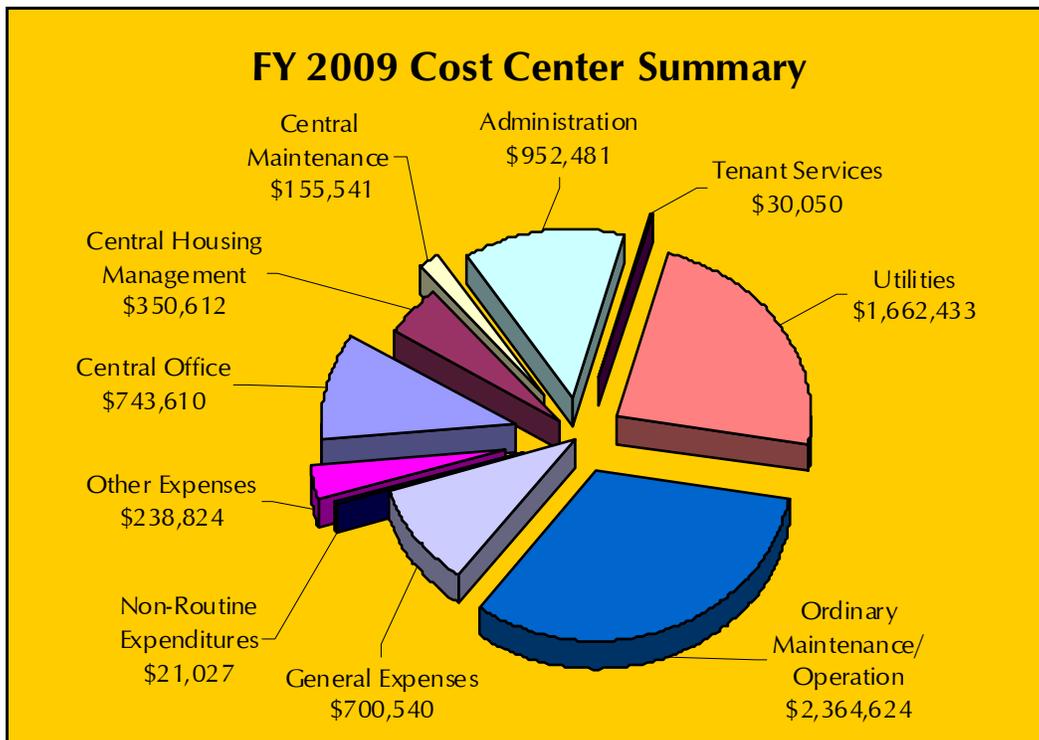
³ There are projected to be 1,065 units of Public Housing; however, only 1,063 are income producing. There are two units off-line, one of which is used as an office and the other as a community room. Per HUD guidelines, the community room is not reported to HUD when requesting the HUD Operating Subsidy. Tavenner Lane and West Glade are reported separately when reporting to HUD, since they are partnership properties and have different reporting requirements. The FY 2009 vacancy rate is projected to be approximately 2 percent for public housing properties, primarily due to normal turnover.

Admissions and Occupancy policies for this program are governed by the Quality Housing and Work Responsibility Act of 1998 (which amended the United States Housing Act of 1937) and are consistent with the objectives of Title VI of the Civil Rights Act of 1964. Eligibility for admission and occupancy to Low-Income Housing requires the applicants to fulfill the following general criteria: (1) qualify as a family, (2) have annual income which does not exceed the income limits for admission to a designated development, and (3) qualify under the Local Preference if head or spouse is employed, attending school or participating in a job training program, a combination thereof at least 30 hours per week; or is 62 or older; or is a primary caretaker of a disabled dependent; or meets HUD's definition of being disabled. Also, applicants must be from households that pay more than 30 percent of gross income for rent and utilities for the past 90 days (excluding telephone and cable costs) and who live or work in Fairfax County, City of Fairfax, City of Falls Church or Town of Herndon.

Fund 967 Public Housing Projects Under Management

Budget and Staff Resources

Agency Summary					
Category	FY 2007 Actual	FY 2008 Adopted Budget Plan	FY 2008 Revised Budget Plan	FY 2009 Advertised Budget Plan	FY 2009 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	44/ 44	44/ 44	44/ 44	44/ 44	43/ 43
Grant	0/ 0	0/ 0	0/ 0	2/ 2	2/ 2
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Expenditures					
Personnel Services	\$2,094,154	\$2,473,865	\$2,986,741	\$3,206,262	\$3,239,223
Operating Expenses	4,149,754	3,532,775	4,069,642	4,013,480	3,980,519
Capital Equipment	0	0	0	0	0
Total Expenditures	\$6,243,908	\$6,006,640	\$7,056,383	\$7,219,742	\$7,219,742



Fund 967

Public Housing Projects Under Management

Position Summary			
<u>FINANCIAL MANAGEMENT</u>			
1	Chief Accounting Fiscal Officer	1	Housing/Community Developer II
1	Fiscal Administrator	1	Housing Services Specialist IV
1	Accountant II	11	Housing Services Specialists III
		2	Housing Services Specialists II
		2	Housing Services Specialists I
<u>HOUSING MANAGEMENT</u>			
1	HCD Division Property Management Supervisor	2	Human Services Assistants
1	Housing Community Developer V	1	Trades Supervisor
		4	Air Conditioning Equipment Repairers
		2	Carpenters II
		2	Carpenters I
3	General Building Maintenance Workers II	2	General Building Maintenance Workers I
		2	Management Analysts I 1G
		1	Locksmith II
		1	Administrative Assistant III
		1	Administrative Assistant II G
		1	Painter I
		2	Plumbers II
TOTAL POSITIONS			
45 Positions / 45.0 Staff Years			G Denotes Grant Positions

Note: As the result of a transition by the U.S. Department of Housing and Urban Development to a project based budgeting model for the maintenance of public housing facilities, a number of positions are being moved within the Fairfax County Department of Housing and Community Development to better align the positions to the developments they support. This realignment is driven by the movement of maintenance positions but also impacts financial and management positions to maintain the level of County support and the number of County positions while complying with the federal requirements. In FY 2009, 11/11.0 SYE positions were exchanged between Fund 967 and Agency 38, Housing General Fund; 3/3.0 SYE positions were exchanged between Fund 967 and Fund 940, Fairfax County Redevelopment and Housing Authority General Operating; 2/2.0 SYE Grant positions were redirected to Fund 967 from Fund 969, Public Housing Projects Under Management and 1/1.0 SYE position was redirected to Fund 941, Fairfax County Rental Program.

FY 2009 Funding Adjustments

The following funding adjustments from the FY 2008 Revised Budget Plan are necessary to support the FY 2009 program:

- \$732,397**

◆ **Employee Compensation**
 An increase of \$732,397 in Personnel Services is necessary to support the County's compensation program, as well as adjustments to compensation requirements associated with the implementation of project based accounting and providing full support for positions that are no longer split funded with other Housing funds. As a result of budget constraints, compensation adjustments for County employees have been reduced. For FY 2009, employee increases as part of the pay for performance system have been discounted by 50 percent and the impact of the lower pay for performance funding is reflected above.
- \$87,565**

◆ **Operating Requirements**
 An increase of \$87,565 in Operating Expenses is primarily attributable to an increase in Operating Maintenance and Operating that is based on prior year actual expenditures.
- (\$102,067)**

◆ **Carryover Adjustments**
 A decrease of \$102,067 in Operating Expenses is due to the one-time adjustments as part of the FY 2007 Carryover Review.

Fund 967

Public Housing Projects Under Management

Board of Supervisors' Adjustments

The following funding adjustments reflect all changes to the FY 2009 Advertised Budget Plan, as approved by the Board of Supervisors on April 28, 2008:

- ◆ **Pay for Performance** **\$0**

A net increase of \$0 as a result of an increase of \$32,961 in Personnel Services is associated with the decision by the Board of Supervisors to eliminate the 50 percent reduction to employee increases as part of the pay for performance system offset by a corresponding reduction in operating expenses to maintain funding at the level supported by projected revenues. A reduction to pay for performance increases had been proposed in the FY 2009 Advertised Budget Plan due to budget constraints. However, as a result of the Board's decision, employees will be eligible for the full compensation increase for which they qualify based on performance.

Changes to FY 2008 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2008 Revised Budget Plan since passage of the FY 2008 Adopted Budget Plan. Included are all adjustments made as part of the FY 2007 Carryover Review and all other approved changes through December 31, 2007:

- ◆ **Carryover Adjustments** **\$462,246**

As part of the FY 2007 Carryover Review, the Board of Supervisors approved an increase of \$462,246 in Operating Expenses due to a \$360,179 increase in the fund's adjusting factors project based on FY 2007 actual administrative expenses; a \$67,067 increase to support further implementation of the project based budgeting initiative; and, a \$35,000 increase to support a full-time, live-in staff person to provide services to residents of Audubon.

The following funding adjustments reflect all approved changes to the FY 2008 Revised Budget Plan from January 1, 2008 through April 21, 2008. Included are all adjustments made as part of the FY 2008 Third Quarter Review:

- ◆ **Third Quarter Adjustments** **\$587,497**

As part of the FY 2008 Third Quarter Review, the Board of Supervisors approved an increase of \$587,497 due to an increase of \$512,876 in Personnel Services costs associated with salary expenses of positions that will now be funded entirely out of Fund 967, Public Housing Projects Under Management. The costs of these positions were previously funded by multiple FCRHA funds. In addition, Operating Expenses were increased \$74,621 due to rising costs associated with water and sewer utilities.

Fund 967

Public Housing Projects Under Management

FUND STATEMENT

Fund Type H96, Annual Contribution Contract Fund 967, Projects Under Management

	FY 2007 Actual	FY 2008 Adopted Budget Plan	FY 2008 Revised Budget Plan	FY 2009 Advertised Budget Plan	FY 2009 Adopted Budget Plan
Beginning Balance	\$1,719,397	\$1,814,079	\$2,203,751	\$2,542,591	\$2,259,703
Revenue: ¹					
Dwelling Rental Income	\$4,700,678	\$4,534,434	\$4,534,434	\$4,700,163	\$4,700,163
Excess Utilities	113,018	114,081	114,081	114,081	114,081
Interest on Investments ²	234,221	161,788	161,788	232,913	232,913
Other Operating Receipts ²	143,659	172,529	172,529	172,529	172,529
HUD Annual Contribution	239,205	237,075	237,075	238,824	238,824
HUD Operating Subsidy ³	1,297,481	835,235	1,892,428	1,860,660	1,860,660
Total Revenue	\$6,728,262	\$6,055,142	\$7,112,335	\$7,319,170	\$7,319,170
Total Available	\$8,447,659	\$7,869,221	\$9,316,086	\$9,861,761	\$9,578,873
Expenditures: ⁴					
Administration ²	\$1,745,886	\$1,833,687	\$667,860	\$940,636	\$952,481
Central Office	0	0	883,495	757,604	743,610
Central Housing Management	0	0	548,826	350,613	350,612
Central Maintenance	0	0	395,296	153,390	155,541
Tenant Services	16,637	30,050	30,050	30,050	30,050
Utilities	1,622,165	1,662,433	1,737,054	1,662,433	1,662,433
Ordinary Maintenance and Operation ²	2,114,240	1,652,269	1,923,425	2,364,625	2,364,624
General Expenses	482,585	570,099	612,275	700,540	700,540
Non Routine Expenditures	28,208	21,027	21,027	21,027	21,027
Other Expenses ²	234,187	237,075	237,075	238,824	238,824
Total Expenditures	\$6,243,908	\$6,006,640	\$7,056,383	\$7,219,742	\$7,219,742
Total Disbursements	\$6,243,908	\$6,006,640	\$7,056,383	\$7,219,742	\$7,219,742
Ending Balance⁵	\$2,203,751	\$1,862,581	\$2,259,703	\$2,642,019	\$2,359,131

¹ Increase in revenues is primarily due to the increase in Dwelling Rental Income projected at FY 2007 actual levels and the increase in Operating Subsidy projected at current levels utilizing HUD's Final Rule criteria.

² Audit adjustments totaling a net decrease of \$290,337.96 have been reflected as an increase of \$2,616.12 in FY 2007 revenues due to interest earned and revenue reclassification and an increase in FY 2007 expenditures of \$292,954.08 due to accrued leave, adjustment to allowances to reflect the appropriate level and the reclassification of expenditures. The audit adjustments have been included in the FY 2007 Comprehensive Annual Financial Report (CAFR).

³ Category represents a U.S. Department of Housing and Urban Development (HUD) Operating Subsidy based on revenue and expenditure criteria developed by HUD under the Final Rule that was effective January 1, 2007.

⁴ Expenditure categories reflect HUD required cost groupings. Due to Project Based Accounting and Budgeting, three new cost centers were created to track various Central Office expenses for Fund 967. Increase in expenditures is primarily due to the elimination of split positions which resulted in higher salary expenses for assigned positions that are now 100 percent funded out of Fund 967, as well as projections based on prior year actuals.

⁵ The Ending Balance fluctuates due to adjustments for expenditures based on Pay for Performance criteria, salary cost adjustments, and revenue changes primarily due to HUD criteria for determining dwelling rental income.