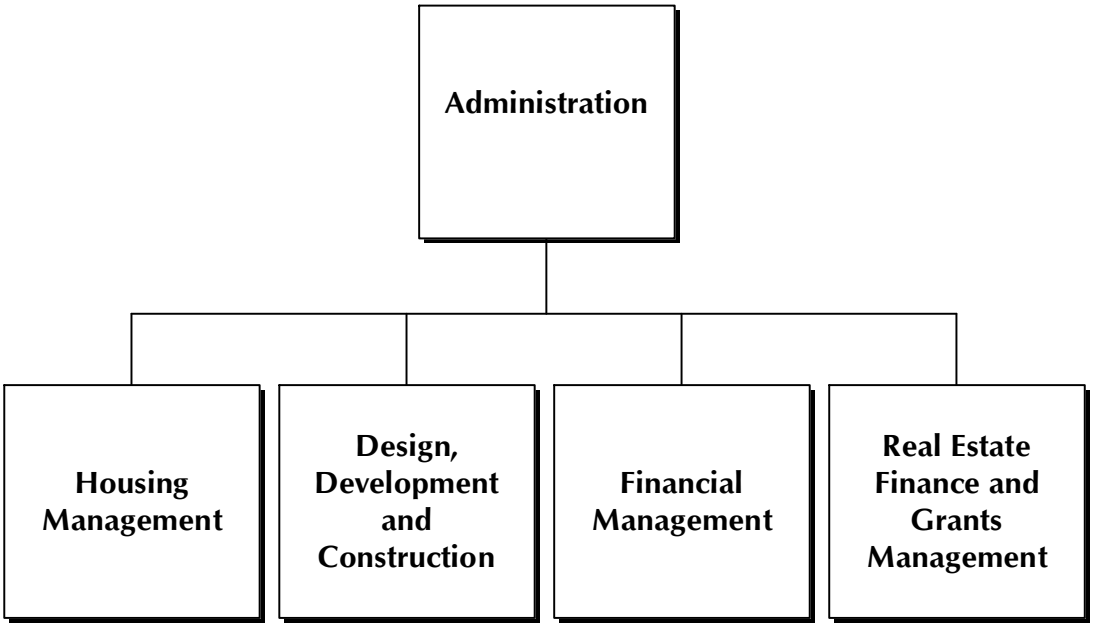
Fund 940
Fairfax County Redevelopment and Housing Authority General Operating



Mission

To preserve and increase opportunities for affordable housing in Fairfax County based on need, community priorities and the policy of the Board of Supervisors and the Fairfax County Redevelopment and Housing Authority (FCHRA). Driven by community vision, to lead efforts to revitalize older areas of Fairfax County, to spur private reinvestment, maximize existing infrastructure and public investment, reverse negative perceptions and create employment opportunities.

Focus

This fund includes all FCRHA revenues generated by financing fees earned from the issuance of bonds, monitoring and service fees charged to developers, management fees, investment income, project reimbursements, consultant fees and ground rents on land leased to developers. Revenue supports operating expenses for the administration of the private activity bonds, Home Improvement Loan Program (HILP) staff, and other administrative costs, which crosscut many or all of the housing programs.

In FY 2010, revenue projections for Fund 940, FCRHA General Operating, are $2,892,920 an increase of $360,022 or 14.2 percent over the FY 2009 Adopted Budget Plan amount. The revenue increase is primarily attributable to anticipated increases in management and monitoring fees income for the Wedgewood project. Expenditures are $2,862,266, a decrease of $378,224 or 11.7 percent from the FY 2009 Adopted Budget Plan due primarily to savings in personnel expenditures, including a significant reduction in staffing for the HILP program. Although HILP is not entirely eliminated as a program function, this reduction in staffing will limit the volume of loans HCD is capable of making. The HILP program provided loans, grants or advances totaling $456,458 to 23 low and moderate income households in FY 2008.

Staff costs in the FCRHA Home Improvement Loan Program are supported by revenues from that program. Staff costs associated with FCRHA real estate development and financing activities are supported by the financing and development fees generated by these activities. In FY 2010, Fund 340, Housing Assistance Program, will continue to provide $695,000 for revitalization activities to address current program needs for staffing and other efforts associated with countywide residential improvement and repair projects within the Department of Housing and Community Development.

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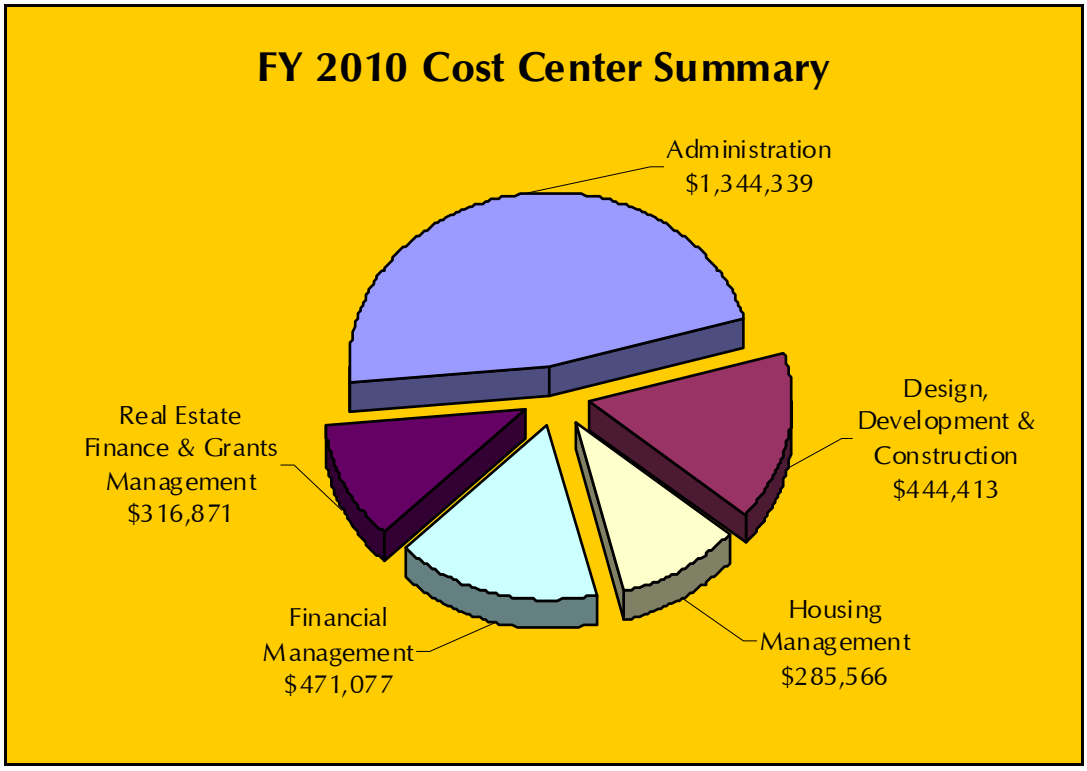
The FCRHA will continue to make tax-exempt financing available and earn related financing fees. The financing will be used for the agency's own development as well as for the construction or preservation of qualified multi-family housing owned by other developers. However, because many types of projects must compete for an allocation of tax-exempt bond authority from the limited pool of such authority available in the Commonwealth of Virginia, the number of FCRHA tax-exempt bond issues in any year is limited and will vary significantly from year to year. Under this financing mechanism, a percentage of the units in a housing development must meet lower income occupancy requirements. Since 1986, there have been two alternate standards for meeting these requirements. Either 20 percent of the units must be occupied by households with incomes at 50 percent or less of the Washington D.C./Baltimore Metropolitan Statistical Area (MSA) median income (adjusted for household size), or 40 percent of the units must be occupied by households with 60 percent or less of the MSA median income.

The FCRHA will continue to monitor existing tax-exempt financed multi-family housing projects to assure continuing developer compliance with program guidelines.

Budget and Staff Resources

Agency Summary					
Category	FY 2008 Actual	FY 2009 Adopted Budget Plan	FY 2009 Revised Budget Plan	FY 2010 Advertised Budget Plan	FY 2010 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	33/ 33	33/ 33	30/ 30	27/ 27	27/ 27
Expenditures					
Personnel Services	$2,114,819	$2,450,374	$2,471,987	$2,014,825	$2,014,825
Operating Expenses	818,442	790,116	932,272	847,441	847,441
Capital Equipment	0	0	0	0	0
Total Expenditures	**$2,933,261**	**$3,240,490**	**$3,404,259**	**$2,862,266**	**$2,862,266**



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Position Summary

	ADMINISTRATION		DESIGN, DEVELOPMENT AND CONSTRUCTION		REAL ESTATE FINANCE AND GRANTS MANAGEMENT
1	Information Officer III	1	Division Director	2	Housing/Community Developers V
1	Information Officer II	1	Housing/Community Developer V	1	Housing/Community Developer IV
1	Engineer Technician II	0	Housing/Community Developers IV (-1)	1	Management Analyst III
3	Administrative Assistants IV	3	Housing/Community Developers III		
1	Administrative Assistant III	0	Housing/Community Developers II (-2)		
1	Administrative Assistant II				
	FINANCIAL MANAGEMENT		**HOUSING MANAGEMENT**		
1	Fiscal Administrator	1	Housing/Community Developer V		
2	Accountants III	1	Housing Services Specialist IV		
1	Accountant II	1	Housing Services Specialist II		
1	Administrative Assistant IV	1	Assistant Supervisor Facilities Support		
1	Administrative Assistant II				

TOTAL POSITIONS
27 Positions (-3) / 27.0 Staff Years (-3.0) **(-) Denotes Abolished Positions**

FY 2010 Funding Adjustments

The following funding adjustments reflect all changes from the FY 2009 Adopted Budget Plan, as approved by the Board of Supervisors on April 27, 2009.

- **Employee Compensation** **($50,750)**
  A net decrease of $50,750 in Personnel Services reflects the full-year impact of salary increases awarded during FY 2009, offset by the elimination of partial support for some positions due to project based accounting for salaries. It should be noted that no funding is included for pay for performance or merit awards in FY 2010.

- **Operating Expenses** **$66,325**
  An increase of $66,325 in Operating Expenses is based on prior years' actual costs.

- **Operating Expenses** **($9,000)**
  Per FCRHA approval, a decrease of $9,000 in Operating Expenses is comprised of $5,000 for subscriptions, professional publications and memberships; $2,000 for meals served at FCRHA meetings; and $2,000 in staff training.

- **Real Estate Finance and Grants Management** **($32,310)**
  Per FCRHA approval, a decrease of $32,310 in Personnel Services is associated with a reduction in limited term funding in the Real Estate Finance and Grants Management Division. This funding allowed for additional administrative support to this division, and those duties will be absorbed by current staff as appropriate.

- **Huntington Flood Insurance Program** **($38,099)**
  Per FCRHA approval, a decrease of $38,099 in Personnel Services is associated with the elimination of 1/1.0 SYE Housing/Community Developer II position in the Huntington Flood Insurance Program. The program was established in FY 2007 to support the reimbursement of flood insurance premiums for qualified residential properties in the Huntington community that were severely impacted by torrential rains in June 2006. Participation in the Huntington Flood Insurance Program has been limited and oversight of the remaining loan funds will be absorbed within the Real Estate Finance and Grants Management Division.

- **Homeownership Program** **($154,882)**
  Per FCRHA approval, a decrease of $154,882 in Personnel Services is associated with the transfer of funding source for two positions working on homeownership programs, 1/1.0 SYE Housing Services Specialist II and 1/1.0 SYE Housing Community Developer III, from Fund 940 to Fund 142, Community and Development Block Grant. The funding source within Fund 142 will be the new Neighborhood Stabilization Program funds that are anticipated to be received in FY 2009.

- **Home Improvement Loan Program (HILP)** **($159,508)**
  Per FCRHA approval, a decrease of $159,508 in Personnel Services is associated with the elimination of 2/2.0 SYE Housing/Community Developer II positions in the Home Improvement Loan Program. The HILP program provides loans to low- and moderate-income individuals to make improvements to their homes (e.g., address any health and housing code issues, improve energy efficiency, make general improvements to enhance the overall appearance or livability of the house). The program is designed to be self-supporting through loan origination and interest payment reimbursements, and the volume of loans being processed has decreased significantly over the past five years.

Changes to FY 2009 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2009 Revised Budget Plan since passage of the FY 2009 Adopted Budget Plan. Included are all adjustments made as part of the FY 2008 Carryover Review, FY 2009 Third Quarter Review, and all other approved changes through April 20, 2009.

- **Carryover Adjustments** **$48,392**
  As part of the *FY 2008 Carryover Review*, the Board of Supervisors approved an increase of $48,392 in Operating Expenses due to encumbered carryover primarily for consultant costs and various program expenses.

- **Position Adjustments** **$0**
  As a 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, 3/3.0 SYE positions were transferred from Fund 940 to Fund 967, Public Housing Projects Under Management, to better align the positions to the developments they support.

- **Third Quarter Adjustments** **$115,377**
  As part of the *FY 2009 Third Quarter Review*, the Board of Supervisors approved an increase of $115,377, comprised of an increase of $21,613 in Personnel Services primarily due to less than anticipated position vacancy loss, and an increase of $93,764 in Operating Expenses to cover anticipated increases in the occupancy costs for the Pender and University buildings.

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FUND STATEMENT

Fund Type H94, FCRHA General Revenue **Fund 940, FCRHA General Operating**

	FY 2008 Actual	FY 2009 Adopted Budget Plan	FY 2009 Revised Budget Plan	FY 2010 Advertised Budget Plan	FY 2010 Adopted Budget Plan
Beginning Balance	**$10,964,671**	**$10,417,024**	**$11,417,222**	**$11,238,524**	**$11,417,222**
Revenue:					
Investment Income[1]	$411,799	$440,374	$246,716	$246,716	$246,716
Monitoring/Developer Fees	819,388	548,365	1,319,084	740,744	740,744
Rental Income	66,174	63,912	63,912	68,528	68,528
Program Income[2]	1,436,511	1,080,381	1,374,681	1,440,544	1,440,544
Other Income	651,940	399,866	399,866	396,388	396,388
Total Revenue	$3,385,812	$2,532,898	$3,404,259	$2,892,920	$2,892,920
Total Available	**$14,350,483**	**$12,949,922**	**$14,821,481**	**$14,131,444**	**$14,310,142**
Expenditures:					
Personnel Services[3, 4]	$2,114,819	$2,450,374	$2,471,987	$2,014,825	$2,014,825
Operating Expenses[4]	818,442	790,116	932,272	847,441	847,441
Total Expenditures	$2,933,261	$3,240,490	$3,404,259	$2,862,266	$2,862,266
Total Disbursements	**$2,933,261**	**$3,240,490**	**$3,404,259**	**$2,862,266**	**$2,862,266**
Ending Balance	**$11,417,222**	**$9,709,432**	**$11,417,222**	**$11,269,178**	**$11,447,876**
Debt Service Reserve on One University Plaza[5]	$278,106	$278,106	$278,106	$2,402,086	$2,402,086
Cash with Fiscal Agent[6]	6,250,405	6,250,405	6,250,405	6,710,193	6,710,193
Unreserved Ending Balance	**$4,888,711**	**$3,180,921**	**$4,888,711**	**$2,156,899**	**$2,335,597**

[1] The FY 2010 decrease is due to anticipated declines in interest income.

[2] The FY 2010 increase is due to anticipated increases in management fee income from the Fairfax County Rental Program.

[3] The FY 2010 decrease is due to savings in personnel expenditures.

[4] In order to account for revenues and expenditures in the proper fiscal year, audit adjustments in the amount of $248,886 have been reflected as an increase to FY 2008 expenditures to record accrued leave, adjustments to payroll accruals, and accrued audit fees. These audit adjustments have been included in the FY 2008 Comprehensive Annual Financial Report (CAFR). Details of the FY 2008 audit adjustments were included in the FY 2009 Third Quarter Package.

[5] The FY 2010 increase is to reflect the outstanding balances of bond and loan payables in the Operating Fund. This increase is primarily due to the reallocation of the debt service for the FCRHA Office Building from the unreserved ending fund balance to the reserved ending fund balance.