

Response to Questions on the FY 2010 County's Line of Business & Schools Program Review Processes Fall 2008

Request By: Supervisor Herrity

Question: What rate increases has the Park Authority instituted on its rental houses? Please provide by house and the rate last year and the current rate.

Response: The Park Authority has rented houses on property acquired as parkland for over 25 years. Park Authority Policy 405 - Rental Properties on Parklands, provides guidance on managing structures acquired incidentally along with parkland. Houses, facilities or living accommodations which should be occupied for purposes of operations or protection of Park Authority-owned properties may be rented to a Park Authority employee, a County employee or the general public provided the tenant has the skills, training and experience to carry out the required facility management functions.

The Park Authority has recently completed an extensive overhaul of its residential Rental Property Program. Recommendations which have been implemented include:

- Evaluated all properties to identify opportunities to consolidate park staff at some locations to allow the expansion of rental areas at others, thereby increasing the rental income. For example, Park Operations moved one of its shops out of the McDannald House to a location in Mason District Park. With minor renovations to the McDannald House completed, the livable space in this house has increased. A market appraisal to establish the new rental rate is underway.
- Conducted rental market value evaluations on properties to better reflect current market rental rates and park duties (allowances are made for each property, where applicable, for tenant responsibilities unique to Park Authority rental properties).
- Completed a cost-benefit analysis of each property to retain those properties in the program that provide a positive benefit to the Park Authority.
- Revised utility billings to tenants to better recover some of the expenses of the program. Actual utility costs are monitored and averaged over the year so that a flat utility cost is charged to each of the tenants along with the rent. This cost is adjusted every six months as needed.
- Modified Policy 405 to utilize household income as the limiting factor for inclusion in the program. Properties under Policy 405 were restricted to Park Authority employees by grade level, not household income. The Park Authority Board approved utilizing household income to provide a more equitable criterion to make these properties available to those at lower income levels.

Of the 22 residential properties in the program at the end of 2007, 5 of the properties are being considered for removal from the program's inventory (Ash Grove, Burke Lake House, Frey House, Marie B. Leven Preserve House and the Mason District apartment) due to the extensive renovations needed at these properties (in excess of \$60,000 each) or due to changes in park operations. This would leave 17 properties in the program. A rental rate increase has been implemented at a majority of the properties. Two properties (McDannald House and Minnick House) remain to be evaluated. The FY 2007, FY 2008, and current FY 2009 rental rates are shown in the attached document.

**Fiscal Year 2009
Residential Rental Rates (Updated 9/24/08)**

Rental Property	FY 2007 Monthly Rental Rate	FY 2008 Monthly Rental Rate	FY2009 Monthly Rental Rate	Adjustment	% Change	Comments
Ash Grove	\$485.00	\$506.00				
Burke Lake House	\$810.00	\$845.00				
Clark House	\$735.00	\$767.00	\$835.00	\$68.00	8.87%	
Ellanor C. Lawrence Apt.	\$320.00	\$334.00	\$400.00	\$66.00	19.76%	
Elmore Farm House	\$600.00	\$626.00	\$665.00	\$39.00	6.23%	
Frey House	\$2,100.00	\$2,190.00				
Gabrialson House	\$1,055.00	\$1,100.00	\$1,515.00	\$415.00	37.73%	
Hunter House	\$500.00	\$521.00	\$542.00	\$21.00	4.03%	
Huntley Mansion Tenant House	\$620.00	\$647.00	\$700.00	\$53.00	8.19%	
Huntley Meadows Tenant House	\$379.00	\$395.00	\$470.00	\$75.00	18.99%	
Lahey Lost Valley House	\$635.00	\$662.00	\$890.00	\$228.00	34.44%	
Lamond House	\$750.00	\$782.00	\$560.00	-\$222.00	-28.39%	House was originally rented as a two-bedroom, now reduced to garage apartment to protect the integrity of the renovations in the rest of the house
Lewinsville House Apt.	\$705.00	\$735.00	\$735.00	\$0.00	0.00%	
Marie B. Leven Preserve House	\$1,100.00	\$1,147.00				
Mason District Apt.	\$600.00	\$626.00				
McDannald House	\$680.00	\$709.00	\$709.00			Living space increased by 600-700 sq.ft., renovations completed, appraisal underway
Minnick House		\$1,050.00	\$1,050.00			Acquired in 2007, Historic Structures Report underway
Mount Gilead House	\$524.00	\$547.00	\$619.00	\$72.00	13.16%	
Riverbend Key House	\$1,400.00	\$1,460.00	\$1,510.00	\$50.00	3.42%	
Riverbend Potomac House	\$960.00	\$1,001.00	\$1,010.00	\$9.00	0.90%	
Stoneybrooke Apt.	\$750.00	\$782.00	\$785.00	\$3.00	0.38%	
Tolson House		\$1,265.00	\$1,265.00			Acquired in 2007, appraised and added to program
Monthly Total for Properties	\$15,708.00	\$18,697.00	\$14,260.00	\$877.00	4.69%	