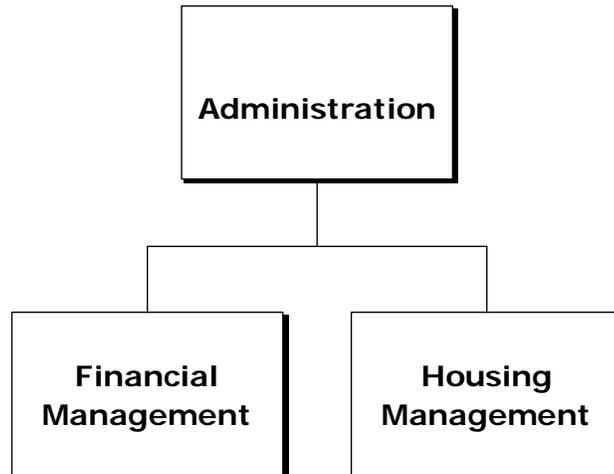


Fund 966

Housing Choice Voucher Program



Mission

To ensure that participants in the Federal Housing Choice Voucher program are provided with decent, safe and affordable private market housing.

Focus

The Housing Choice Voucher program is a Federal Housing Assistance Program for lower income families seeking housing in the private market place. The United States Department of Housing and Urban Development (HUD) provides funds to pay a portion of the family's rent. In most cases, this subsidy is the difference between 30 percent of the eligible family's income and a HUD-approved Fair Market Rent (FMR) for a housing unit, although FMRs are different for the Housing Choice Voucher (HCV) program and the project-based components of the program. The rent subsidy payments are made pursuant to a Housing Assistance Payments (HAP) Contract with the owner of the housing. Housing authorities administer the contract for these subsidy funds on behalf of HUD, which involves making the monthly subsidy payments, verifying that those benefiting from the subsidy are eligible and monitoring compliance with federal regulations. This is done pursuant to an Annual Contribution Contract between the Fairfax County Redevelopment and Housing Authority (FCRHA) and HUD. Administrative fees are established by HUD and earned from HUD by the FCRHA. The administrative fee earned is used to cover expenses associated with administering the Housing Choice Voucher program.

Under Fund 966, Housing Choice Voucher program, rental subsidies are provided by HUD to cover the difference between a market-established rent and the rent which is determined to be affordable at a given family's income level. In some cases, the subsidies are associated with a particular housing development and in other cases they are transferable with the tenant. Private developers, local housing authorities and state housing finance agencies all participate in different aspects of the HCV program. Within the Portability Program, one aspect of the HCV program, a tenant from another locality finds housing in Fairfax County and the FCRHA pays the subsidy portion of the rent on behalf of the originating housing authority. A subsequent reimbursement from the originating housing authority is received by the FCRHA as Portability Program Revenue to cover the subsidy payment as well as 80 percent of the originating Housing Authority's administrative fee to cover administrative costs.

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The FY 2013 funding level of \$50,924,700 consists of housing assistance payments of \$47,158,178 and administrative expenses of \$3,766,522 to support 3,527 Housing Choice Voucher units as part of the Federal Housing Assistance Program for lower income families. The FY 2013 request for this program is based on the Calendar Year 2011 HUD budget for July 2011 through December 2011 and projected for the full fiscal year for HAP and Administrative Fees. In FY 2010, the FCRHA was awarded 35 vouchers to serve homeless veterans and their families who are referred by the Veterans Affairs (VA) Administration to HCD. These 35 veterans are assigned a VA case manager who works with the veteran to improve the veteran's general health and mental health, and to enhance the veteran's ability to remain stable, housed, and community integrated.

The FY 2013 revenue projection of \$50,848,983, a decrease of \$533,671 from the FY 2012 Adopted Budget Plan, is the net result of a decrease in the Annual Contributions from HUD for Calendar Year 2011; an increase in Annual Contributions for an additional award of 31 Enhanced vouchers and 3 Veteran Affairs Supportive Housing vouchers; and a decrease in leasing by HCV Portability participants. In accordance with the HUD funding formula that became effective January 1, 2008, administrative fees are earned by the FCRHA for the lease-up of authorized FCRHA vouchers. The formula is based on a graduated scale for leased units rather than a fixed rate.

Appropriate revisions to the FY 2013 Fund 966 budget will be made as part of the *FY 2012 Carryover Review* or a future quarterly review, subsequent to final federal approval of Fairfax County's actual award. It should be noted that preliminary estimates from HUD indicate there likely will be reductions from the FY 2012 funding award amount for FY 2013.

The current income limits for most components of the HCV Program as established by HUD, effective as of May 31, 2011, are shown below:

Household Size	Very Low Income	Lower Income
1	\$37,150	\$47,350
2	\$42,450	\$54,100
3	\$47,750	\$60,850
4	\$53,050	\$67,600
5	\$57,300	\$73,050
6	\$61,550	\$78,450
7	\$65,800	\$83,850
8+	\$70,050	\$89,250

FY 2013 SUMMARY OF PROJECTS	
PROJECTS	NUMBER OF UNITS
Consolidated Vouchers ¹	3,527
Total Contract P-2509 Fund 966	3,527

¹ Actual number of vouchers issued may be lower than HUD-approved count due to local market conditions.

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Fund 966 covers the following components in FY 2013:

- ◆ **Housing Choice Vouchers – 3,527 issued through the FCRHA**
Under this component of the Housing Choice Voucher housing program, local or state housing authorities contract with HUD for housing assistance payment subsidy funds and issue vouchers to eligible households who may lease any appropriately sized, standard quality rental unit from a participating landlord.
- ◆ The housing authority maintains a waiting list of those seeking a Housing Choice Voucher, verifies applicant income eligibility before issuing a voucher, inspects the unit the family selects to ensure compliance with HCV Housing Quality Standards, computes the portion of rent the family must pay or the maximum subsidy, contracts with the landlord to pay the subsidy, recertifies eligibility annually, and maintains required financial records and reports. The owner of the housing (landlord), not the housing authority, selects the families to whom the landlord will rent, and renews or terminates the family's lease in accordance with the terms of the lease.

Budget and Staff Resources

Agency Summary					
Category	FY 2011 Actual	FY 2012 Adopted Budget Plan	FY 2012 Revised Budget Plan	FY 2013 Advertised Budget Plan	FY 2013 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	35 / 35	35 / 35	0 / 0	0 / 0	0 / 0
Grant	4 / 4	4 / 4	39 / 39	39 / 39	39 / 39
Expenditures:					
Personnel Services	\$2,553,174	\$2,944,864	\$2,978,610	\$3,142,734	\$3,178,735
Operating Expenses	46,616,577	47,967,123	47,173,014	47,745,965	47,745,965
Total Expenditures	\$49,169,751	\$50,911,987	\$50,151,624	\$50,888,699	\$50,924,700

Position Summary					
ADMINISTRATION		HOUSING MANAGEMENT		2	Admin. Assistants III
1	Network/Telecom Analyst III	3	Housing Svcs. Specialists V	1	Admin. Assistant II
		5	Housing Svcs. Specialists III		
	FINANCIAL MANAGEMENT	24	Housing Svcs. Specialists II		
1	Accountant II	1	Human Services Assistant		
1	Admin. Assistant IV				
TOTAL POSITIONS					
39 Grant Positions / 39.0 Grant Staff Years					

FY 2013 Funding Adjustments

The following funding adjustments from the FY 2012 Adopted Budget Plan are necessary to support the FY 2013 program. Included are all adjustments recommended by the County Executive that were approved by the Board of Supervisors, as well as any additional Board of Supervisors' actions, as approved in the adoption of the budget on May 1, 2012.

- ◆ **Employee Compensation** \$85,557
An increase of \$85,557 in Personnel Services reflects \$49,556 for a 2.18 percent market rate adjustment (MRA) in FY 2013, effective July 2012, and \$36,001 for a 2.50 percent performance-based scale and salary increase for non-uniformed merit employees, effective January 2013.

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- ◆ **Full Year Impact of FY 2012 Market Rate Adjustment** **\$44,219**
As part of the *FY 2011 Carryover Review*, the Board of Supervisors approved an increase of \$44,219 in Personnel Services for a 2.0 percent market rate adjustment (MRA), effective September 24, 2011.

- ◆ **Other Post-Employment Benefits** **\$6,885**
An increase of \$6,885 in Personnel Services reflects required adjustments associated with providing Other Post-Employment Benefits (OPEBs) to retirees, including the Retiree Health Benefits Subsidy. Before FY 2011, costs related to these benefits were paid solely by the General Fund; however, these costs are now spread across funds in order to more appropriately reflect benefit-related expenses for the employees within each fund. For more information on Other Post-Employment Benefits, please refer to Fund 603, OPEB Trust Fund, in Volume 2 of the FY 2013 Adopted Budget Plan.

- ◆ **Housing Assistance Program** **(\$219,888)**
A decrease of \$219,888 in Housing Assistance Payments (HAP) is based primarily on the net result of the reduction in Annual Contributions to support HAP expenses and decrease in the anticipated Portability In program lease rate.

- ◆ **Ongoing Administrative Expenses** **\$95,940**
An increase of \$95,940 in Ongoing Administrative Expenses is primarily due to the net impact of a Personnel Services increase of \$97,210 associated with fringe benefits based on the market rate adjustment for Personnel Services and project-based budgeting adjustments, offset by a decrease in anticipated Operating Expenses of \$1,270.

Changes to FY 2012 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2012 Revised Budget Plan since passage of the FY 2012 Adopted Budget Plan. Included are all adjustments made as part of the FY 2011 Carryover Review, FY 2012 Third Quarter Review, and all other approved changes through April 24, 2012.

- ◆ **Position Adjustments** **\$0**
Subsequent to the *FY 2011 Carryover Review*, 35/35.0 SYE Merit Regular positions were converted to 35/35.0 SYE Merit Grant positions as a result of the change in the definition of HCV funding in the new financial reporting system. There is no fiscal impact as a result of the conversion.

- ◆ **Carryover Adjustments** **(\$760,363)**
As part of the *FY 2011 Carryover Review*, the Board of Supervisors approved a decrease \$760,363 due to a reduction of \$799,498 for Housing Choice Voucher (HCV) housing assistance payment funding based on the U. S. Department of Housing and Urban Development (HUD) Housing Choice Voucher (HCV) Annual Contributions funding renewal notice received in June 2011, offset by encumbrances of \$5,389 for professional contracts, and an increase of \$33,746 in Personnel Services to support a 2 percent market rate adjustment.

Fund 966

Housing Choice Voucher Program

FUND STATEMENT

Fund Type H96, Annual Contribution Contract

Fund 966, Housing Choice Voucher Program

	FY 2011 Actual	FY 2012 Adopted Budget Plan	FY 2012 Revised Budget Plan	FY 2013 Advertised Budget Plan	FY 2013 Adopted Budget Plan
Beginning Balance	\$6,430,593	\$5,991,194	\$6,643,321	\$5,197,549	\$4,844,240
Revenue:					
Annual Contributions ^{1,2}	\$46,791,485	\$46,922,352	\$44,741,048	\$46,457,972	\$46,457,972
Investment Income	21,074	16,354	16,354	16,354	16,354
Portability Program ³	2,533,637	4,398,815	3,550,008	4,329,524	4,329,524
Miscellaneous Revenue	36,283	45,133	45,133	45,133	45,133
Total Revenue	\$49,382,479	\$51,382,654	\$48,352,543	\$50,848,983	\$50,848,983
Total Available	\$55,813,072	\$57,373,848	\$54,995,864	\$56,046,532	\$55,693,223
Expenditures:					
Housing Assistance Payments ^{1,4}	\$46,064,852	\$47,378,066	\$46,578,568	\$47,158,178	\$47,158,178
Ongoing Admin. Expenses ^{1,5}	3,104,899	3,533,921	3,573,056	3,730,521	3,766,522
Total Expenditures	\$49,169,751	\$50,911,987	\$50,151,624	\$50,888,699	\$50,924,700
Total Disbursements	\$49,169,751	\$50,911,987	\$50,151,624	\$50,888,699	\$50,924,700
Ending Balance⁶	\$6,643,321	\$6,461,861	\$4,844,240	\$5,157,833	\$4,768,523
HAP Reserve	\$4,550,661	\$4,272,886	\$2,488,618	\$3,043,796	\$2,488,618
Operating Reserve	2,092,660	2,188,975	2,355,622	2,114,037	2,279,905
Unreserved Ending Balance	\$0	\$0	\$0	\$0	\$0

¹ In order to account for revenues and expenditures in the proper fiscal year, audit adjustments totaling a net decrease of \$353,309.67 have been reflected as a decrease of \$39,691.99 in FY 2011 revenues to record damage claims and debt set off in the proper fiscal period, and an increase of \$313,617.68 in FY 2011 expenditures to reclassify expenditures for accounting purposes and record accruals and personnel services in the appropriate fiscal year. These audit adjustments have been included in the FY 2011 Comprehensive Annual Financial Report (CAFR). Details of the audit adjustments were included in the FY 2012 Third Quarter package.

² The FY 2013 Adopted Budget Plan is based on the calendar year 2011 HUD budget for July 2011 through December 2011 and projected for the full fiscal year. Adjustments to projected Annual Contributions, if necessary, will be made at a future quarterly review.

³ Portability In tenants are being billed to the local originating housing authorities. The decrease from the FY 2012 Adopted Budget Plan in Recovered Costs and Servicing Fees is due to a decrease in the anticipated lease rate based on actual Portability In monthly leasing activity. Revenue for FY 2013 is based on Recovered Costs of 100 percent for Portability Housing Assistance Payment (HAP) and Utility Allowance Payment (UAP) expenses. A servicing fee will also be earned equal to 80 percent of the originating housing authority's administrative fees.

⁴ The FY 2013 decrease from the FY 2012 Adopted Budget Plan is primarily the net result of the reduction in Annual Contributions to support Housing Assistance Payment expense and the decrease in the anticipated Portability In lease rate.

⁵ The FY 2013 increase over the FY 2012 Adopted Budget Plan is primarily the net result of market rate and salary adjustments for Personnel Services and fringe benefits associated with the market rate and salary adjustments.

⁶ The fluctuations in the Ending Balance are primarily a result of projected adjustments in leasing trends and corresponding administrative expenses.