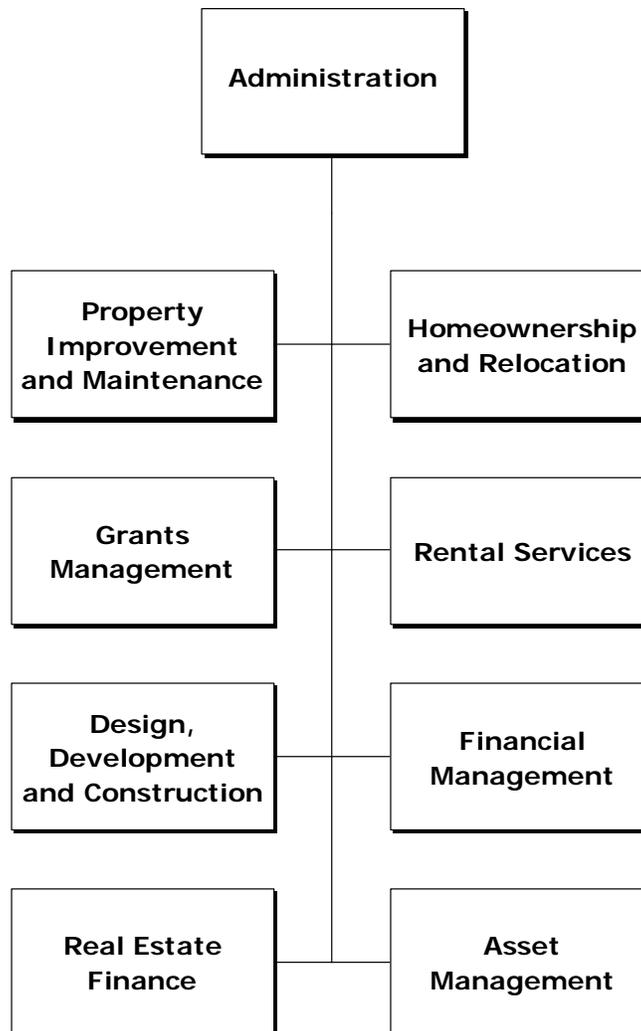


Fund 81000

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

Fund 81000, FCRHA General Operating, 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.

Fund 81000

Fairfax County Redevelopment and Housing Authority General Operating

In FY 2015, revenue projections for this fund are \$2,949,184, a decrease of \$68,377 or 2.3 percent from the FY 2014 Adopted Budget Plan amount. The decrease in revenue is primarily due to an anticipated decrease in developer fee income, partially offset by an increase in program income. Expenditures are \$2,954,375, a decrease of \$67,164 or 2.2 percent from the FY 2014 Adopted Budget Plan amount. This decrease is primarily due to savings for project-based budgeting requirements offset by market rate adjustments and salary increases.

A portion of the staff costs associated with the HILP, FCRHA Partnership for Resident Opportunities, Growth, Resources and Economic Self-Sufficiency (PROGRESS) Center, Homeownership Programs, and FCRHA real estate development and financing activities are supported by the financing and development/management fees generated by these activities.

In FY 2011, HCD established the Bridging Affordability Program. It was conceived during the development of the Housing Blueprint, and is intended to provide local rental subsidies to individuals and families experiencing homelessness and households currently on Fairfax County's affordable housing waiting lists, including those managed by the FCRHA, the Fairfax-Falls Church Community Services Board, the Office to End and Prevent Homelessness and the homeless shelters. The program makes grants available to one or more of the County's non-profit partners per the Board's direction in the Housing Blueprint, and the Bridging Affordability Program is administered by HCD and funded by the operations revenue of the County-owned Wedgewood property. While the revenue and loans made for this program are recorded in Fund 30300, The Penny for Affordable Housing, a portion of the budget is used to fund two merit positions (in Fund 81000) that support this program by providing program compliance, inspecting units and administering the contracts with non-profit partners.

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

Fund 81000

Fairfax County Redevelopment and Housing Authority General Operating

Budget and Staff Resources

Category	FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2015 Advertised	FY 2015 Adopted
FUNDING					
Expenditures:					
Personnel Services	\$1,778,050	\$2,308,118	\$2,331,909	\$2,166,766	\$2,185,918
Operating Expenses	722,346	713,421	1,351,218	768,457	768,457
Total Expenditures	\$2,500,396	\$3,021,539	\$3,683,127	\$2,935,223	\$2,954,375
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	25 / 25	26 / 26	26 / 26	26 / 26	26 / 26
<u>ORGANIZATIONAL MANAGEMENT & DEVELOPMENT</u>		<u>RENTAL HOUSING PROPERTY MANAGEMENT</u>		<u>GRANTS MANAGEMENT</u>	
1 HCD Division Director		2 Housing Services Specialists IV		1 Housing/Community Developer IV	
1 Housing/Community Developer IV		1 Housing/Community Developer III			
2 Financial Specialists IV		<u>HOMEOWNERSHIP PROGRAM</u>			
1 Accountant III		1 HCD Division Director			
1 Accountant II		1 Housing/Community Developer V			
1 Information Officer II		2 Housing/Community Developers III			
1 GIS Analyst II		1 Housing/Community Developer II			
1 Administrative Assistant V		<u>AFFORDABLE HOUSING FINANCE</u>			
2 Administrative Assistants IV		1 Housing/Community Developer IV			
2 Administrative Assistants III		1 Housing Services Specialist IV			
2 Administrative Assistants II					
<u>TOTAL POSITIONS</u>					
26 Positions / 26.0 FTE					

FY 2015 Funding Adjustments

The following funding adjustments from the FY 2014 Adopted Budget Plan are necessary to support the FY 2015 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 April 29, 2014.

- ◆ **Employee Compensation** **\$43,857**
 An increase of \$43,857 in Personnel Services includes \$24,705 for a 1.29 percent market rate adjustment (MRA) for all employees and \$19,152 for a 1.00 percent salary increase for non-uniformed employees, both effective July 2014.
- ◆ **Other Post-Employment Benefits** **(\$13,961)**
 A decrease of \$13,961 in Personnel Services reflects required adjustments associated with providing Other Post-Employment Benefits (OPEBs) to retirees, including the Retiree Health Benefits Subsidy. For more information on Other Post-Employment Benefits, please refer to Fund 73030, OPEB Trust Fund, in Volume 2 of the FY 2015 Adopted Budget Plan.

Fund 81000

Fairfax County Redevelopment and Housing Authority General Operating

- ◆ **Project-Based Budgeting Adjustments and Operating Requirements** **(\$97,060)**

A decrease of \$97,060 is associated with a reduction of \$152,096 in Personnel Services primarily due to salary and fringe benefit adjustments due to project-based budgeting requirements based on U.S. Department of Housing and Urban Development (HUD) policy guidelines and County accounting systems, offset by an increase in Operating Expenses of \$55,036 based on prior year's actual costs adjusted for one-time expenses.

Changes to FY 2014 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2014 Revised Budget Plan since passage of the FY 2014 Adopted Budget Plan. Included are all adjustments made as part of the FY 2013 Carryover Review, FY 2014 Third Quarter Review, and all other approved changes through April 30, 2014.

- ◆ **Out-of-Cycle Adjustments** **\$573,286**

Subsequent to the *FY 2014 Third Quarter Review*, an allocation provided \$573,286 for a feasibility study at the Birmingham Green facility and the rehabilitation of the FCHRA Office Building. Revenues also increased \$573,286 primarily associated with additional program income anticipated from various projects.
- ◆ **Carryover Adjustments** **\$88,302**

As part of the *FY 2013 Carryover Review*, the Board of Supervisors approved funding of \$88,302, including \$23,791 in Personnel Services for a one-time compensation adjustment of \$850 for merit employees paid in November 2013, and encumbered carryover funding of \$64,511 which is primarily associated with computer equipment, computer services and contractual requirements.
- ◆ **Position Adjustments** **\$0**

As a result of aligning program duties and responsibilities with the appropriate fund based on HUD policy guidelines and County accounting systems, 3/3.0 FTE positions were transferred to Fund 81000 including 1/1.0 FTE Housing Community Developer IV from Fund 50800, Community Development Block Grant (CDBG), 1/1.0 FTE Housing Services Specialist IV from Fund 81100, Fairfax County Rental Program and 1/1.0 FTE Administrative Assistant III from Fund 81510, Housing Choice Voucher Program, and 3/3.0 FTE positions were transferred from Fund 81000 to other funds including 1/1.0 FTE Housing Community Developer V to Fund 50800, 1/1.0 FTE Housing Services Specialist III to Fund 81510 and 1/1.0 FTE Assistant Facilities Support Supervisor to Fund 81100. Funding adjustments, if necessary, will be included in a future quarterly review.

Fund 81000

Fairfax County Redevelopment and Housing Authority General Operating

FUND STATEMENT

Fund 81000, FCRHA General Operating

	FY 2013 Actual	FY 2014 Adopted Budget Plan	FY 2014 Revised Budget Plan	FY 2015 Advertised Budget Plan	FY 2015 Adopted Budget Plan
Beginning Balance	\$13,493,842	\$13,369,314	\$14,155,287	\$14,085,443	\$14,086,798
Revenue:					
Investment Income	\$44,061	\$31,566	\$20,000	\$37,272	\$37,272
Monitoring/Developer Fees ¹	575,825	577,635	446,350	453,685	453,685
Rental Income	83,122	79,198	79,198	79,198	79,198
Program Income ^{2,3}	2,133,425	2,017,133	2,766,487	2,094,990	2,094,990
Other Income ⁴	325,408	312,029	302,603	284,039	284,039
Total Revenue	\$3,161,841	\$3,017,561	\$3,614,638	\$2,949,184	\$2,949,184
Total Available	\$16,655,683	\$16,386,875	\$17,769,925	\$17,034,627	\$17,035,982
Expenditures:					
Personnel Services ^{5,6}	\$1,778,050	\$2,308,118	\$2,331,909	\$2,166,766	\$2,185,918
Operating Expenses ^{7,8}	722,346	713,421	1,351,218	768,457	768,457
Total Expenditures	\$2,500,396	\$3,021,539	\$3,683,127	\$2,935,223	\$2,954,375
Total Disbursements	\$2,500,396	\$3,021,539	\$3,683,127	\$2,935,223	\$2,954,375
Ending Balance⁹	\$14,155,287	\$13,365,336	\$14,086,798	\$14,099,404	\$14,081,607
Debt Service Reserve on One University Plaza	\$1,754,520	\$1,524,135	\$1,524,135	\$1,272,890	\$1,272,890
Cash with Fiscal Agent	7,290,154	7,506,315	7,506,315	7,565,810	7,565,810
Unreserved Ending Balance	\$5,110,613	\$4,334,886	\$5,056,348	\$5,260,704	\$5,242,907

¹ The FY 2015 decrease from the FY 2014 Adopted Budget Plan is primarily due to an anticipated decline in developer fees income associated with economic and financial conditions.

² The FY 2015 increase over the FY 2014 Adopted Budget Plan is primarily associated with additional management fees earned from various properties including Crescent Apartments, Wedgewood Apartments, Stonegate Apartments and Fairfax County Rental Program properties.

³ Subsequent to the *FY 2014 Third Quarter Review*, an allocation provided \$573,286 primarily associated with additional program income anticipated from various projects.

⁴ The FY 2015 decrease from the FY 2014 Adopted Budget Plan is primarily due to the reduction in debt service reimbursement anticipated for the FCRHA Office Building.

⁵ The FY 2015 decrease from the FY 2014 Adopted Budget Plan is based on adjustments associated with agencywide restructuring and realignment.

⁶ In order to account for expenditures in the proper fiscal year, audit adjustments in the amount of \$1,354.78 have been reflected as a decrease to FY 2013 expenditures to record accrual adjustments. These audit adjustments have been included in the FY 2013 Comprehensive Annual Financial Report (CAFR). Details of the audit adjustments were included in the FY 2014 Third Quarter package.

⁷ Subsequent to the *FY 2014 Third Quarter Review*, an allocation provided \$573,286 for a feasibility study at the Birmingham Green facility and the rehabilitation of the FCHRA Office Building.

⁸ The FY 2015 increase over the FY 2014 Adopted Budget Plan is primarily based on prior year's actual costs for maintenance and repair expenses and to reimburse the Housing Internal Service Fund for spread costs.

⁹ Ending balances fluctuate due to adjustments in revenues and expenditures, as well as the carryover of balances each year.