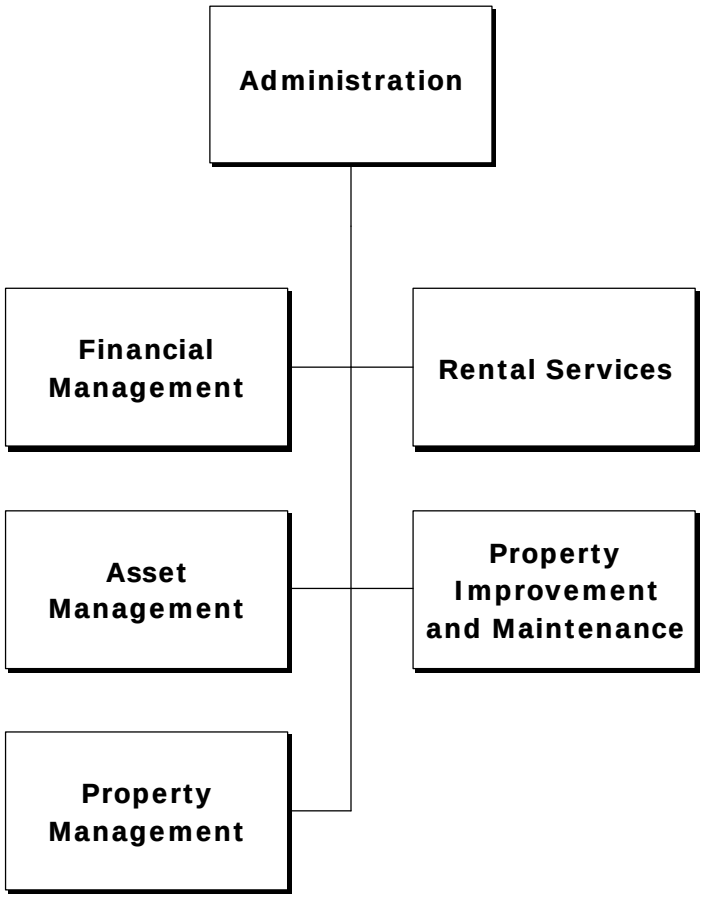
Fund 81520
Public Housing Projects Under Management



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 81520, Public Housing Projects Under Management, is for management and maintenance of public housing properties and includes an annual federal operating subsidy from HUD. Fund 81530, Public Housing Projects 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, HUD provided contributions and subsidies, payments for utilities in excess of FCRHA established standards, investment income, and maintenance charges. Projected FY 2015 revenues of $10,158,517 represent a decrease of $394,891 or 3.7 percent from the FY 2014 Adopted Budget Plan primarily due to a reduction in the projected HUD Operating Subsidy. 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. As a result of cuts to discretionary funding in Federal Fiscal Year 2013 provided for in the Budget Control Act of 2011, so called "sequestration", operating support has been reduced for the Public Housing Program.

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 are 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 for various types of expenses including indirect administrative costs, which are covered by HUD prescribed management fees. The expenses for the AMPs are 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 2015 funds are provided in the General Fund, Agency 38, Department of Housing and Community Development, in support of townhouse/condominium-association fees for a portion of these properties.

The current income limits for the program as established by HUD effective December 18, 2013 are as follows:

INCOME LIMITS		
Number of Persons	**Very Low**	**Low**
1	$37,450	$47,950
2	$42,800	$54,800
3	$48,150	$61,650
4	$53,500	$68,500
5	$57,800	$74,000
6	$62,100	$79,500
7	$66,350	$84,950
8	$70,650	$90,450

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

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Project Name	HUD Number	Number of Units	Supervisory District
Briarcliff II	VA 19-31	20	Providence
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 Units[3]		**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 81520.

[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 2015 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. In addition, the FCRHA approved a new income policy on May 1, 2008, to support the FCRHA's mission to serve low-income households. Eligible applicants for Public Housing who live or work in Fairfax County, City of Fairfax, City of Falls Church or Town of Herndon can have household income above 50 percent of the AMI and 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), or have household incomes at or below 50 percent of AMI.

Fund 81520
Public Housing Projects Under Management

Budget and Staff Resources

Category	FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2015 Advertised	FY 2015 Adopted
FUNDING					
Expenditures:					
Personnel Services	$3,537,617	$4,001,463	$3,721,463	$4,065,716	$4,065,716
Operating Expenses	6,669,799	6,518,687	6,857,789	6,030,406	6,030,406
Capital Equipment	0	0	0	0	0
Total Expenditures	$10,207,416	$10,520,150	$10,579,252	$10,096,122	$10,096,122
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Grant	48 / 48	48 / 48	48 / 48	48 / 48	48 / 48

RENTAL HOUSING PROPERTY MANAGEMENT

1	HCD Division Director	1	Financial Specialist IV	1	Trades Supervisor
1	Housing Community Developer V	1	Accountant III	2	Plumbers II
3	Housing Services Specialists V	1	Management Analyst I	4	HVACs I
3	Housing Services Specialists III	1	Administrative Assistant IV	6	General Building Maintenance Workers II
11	Housing Services Specialists II	3	Administrative Assistants III	4	General Building Maintenance Workers I
2	Housing Services Specialists I	1	Administrative Assistant II	1	Locksmith II
		1	Human Services Coordinator II		

TOTAL POSITIONS
48 Grant Positions / 48.0 Grant 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** **$0**
  It should be noted that no funding is included for a 1.29 percent market rate adjustment (MRA) for all employees or for a 1.00 percent salary increase for non-uniformed employees in FY 2015, as the fund will absorb the impact within the existing HUD award authorization.

- **Other Post-Employment Benefits** **($30,783)**
  A decrease of $30,783 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.

- **Project-Based Budgeting Adjustments and Operating Requirements** **($393,245)**
  A net decrease of $393,245 is associated with a decrease of $488,281 in Operating Expenses due to a reduction in the projected HUD Operating Subsidy, partially offset by an increase of $95,036 in Personnel Services to support project-based budgeting efforts based on HUD policy guidelines and County accounting systems.

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.

- **Employee Compensation** **$0**
  It should be noted that no additional funding is included for the impact of the one-time compensation adjustment of $850 for merit employees paid in November 2013, as the fund will absorb the impact within the existing HUD award authorization.

- **Carryover Adjustments** **$16,803**
  As part of the *FY 2013 Carryover Review*, the Board of Supervisors approved funding of $16,803 associated with encumbered carryover primarily for contractual, repair and maintenance expenses, partially offset by decreases associated with potential sequestration adjustments.

- **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 81520 including 1/1.0 FTE Housing Services Specialist V from Fund 40330, Elderly Housing Programs and 2/2.0 FTE Housing Services Specialists III from Fund 81510, Housing Choice Voucher Program, and 3/3.0 FTE positions were transferred from Fund 81520 including 1/1.0 FTE Housing Services Specialist I to Fund 40330, Elderly Housing Programs, and 1/1.0 FTE Housing Services Specialist II and 1/1.0 FTE Housing Services Specialist III to Fund 81510. Funding adjustments, if necessary, will be included in a future quarterly review.

Fund 81520
Public Housing Projects Under Management

FUND STATEMENT

Fund 81520, Projects Under Management

	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	$3,415,996	$2,637,075	$2,088,762	$2,070,832	$2,062,918
Revenue:					
Dwelling Rental Income	$5,248,624	$5,464,053	$5,464,053	$5,464,053	$5,464,053
Excess Utilities	217,833	315,171	315,171	315,171	315,171
Interest on Investments[1]	7,881	30,169	30,169	30,169	30,169
Other Operating Receipts[2]	156,500	123,637	123,637	187,800	187,800
Management Fee - Capital Fund[3, 4]	1,187,741	1,283,738	1,283,738	1,425,279	1,425,279
HUD Operating Subsidy[5]	2,061,603	3,336,640	3,336,640	2,736,045	2,736,045
Total Revenue	$8,880,182	$10,553,408	$10,553,408	$10,158,517	$10,158,517
Total Available	$12,296,178	$13,190,483	$12,642,170	$12,229,349	$12,221,435
Expenditures:[6]					
Administration[1, 7]	$1,767,254	$1,487,799	$1,541,896	$1,708,431	$1,708,431
Central Office[1, 8]	1,287,904	1,802,406	1,837,871	1,228,704	1,228,704
Tenant Services	44,878	55,918	55,918	55,918	55,918
Utilities	2,193,724	2,319,962	2,322,962	2,322,962	2,322,962
Ordinary Maintenance and Operation[1]	4,825,927	4,746,770	4,713,309	4,672,812	4,672,812
General Expenses	36,275	66,715	66,715	66,715	66,715
Non-Routine Expenditures	51,454	40,580	40,581	40,580	40,580
Total Expenditures	$10,207,416	$10,520,150	$10,579,252	$10,096,122	$10,096,122
Total Disbursements	$10,207,416	$10,520,150	$10,579,252	$10,096,122	$10,096,122
Ending Balance[9]	$2,088,762	$2,670,333	$2,062,918	$2,133,227	$2,125,313

[1] In order to account for revenues and expenditures in the proper fiscal year, audit adjustments totaling a decrease of $34,385.02 have been reflected as a decrease of $7,913.89 in FY 2013 revenues and a decrease of $42,298.91 in FY 2013 expenditures to record a reclassification from Fund 81520, Public Housing Under Management, to Fund 81530, Public Housing Under Modernization and other necessary adjustments. These audit adjustments have been included in the FY 2013 Comprehensive Annual Financial Report. Details on the audit adjustments were included in the FY 2014 Third Quarter Package.

[2] Other Operating Receipts are based on FY 2013 Actuals and inflated by 20 percent due to the adoption of the County's recent changes in account charges, including late fees, bad check fees and interest on delinquent balances.

[3] Management Fee - Capital Fund is based on the *FY 2014 Revised Budget Plan* and is increased by $141,541 in administrative fees generated from the new capital grant award in PY 42.

[4] Revenue is associated with fees received for the oversight and management of the Central Office. Management Fee revenues that are based on U.S. Department of Housing and Urban Development (HUD) prescribed fees consist of property management, bookkeeping and asset management fees. Fees from Fund 81530, Public Housing Projects Under Modernization, are also included.

[5] HUD Operating Subsidy is based on revenue and expenditures criteria developed by HUD under the Final Rule that was effective January 1, 2007. FY 2015 HUD Operating Subsidy is calculated at 82 percent of the *FY 2014 Revised Budget Plan* based on the estimated HUD funding.

[6] Expenditure categories reflect HUD required cost groupings. Decrease in expenditures is primarily associated with costs for the oversight and management of the fund, repair and maintenance expenses and increased utility expenses.

[7] Administration is based on the *FY 2014 Revised Budget Plan*, increased by 11 percent to be more consistent with FY 2013 Actuals.

[8] Central Office is based on FY 2013 Actuals, reflecting a reduction in operating expenses.

[9] The Ending Balance fluctuates due primarily to revenue adjustments for HUD Operating Subsidy and Management Fee Income, as well as expenditure adjustments related to the oversight and management of the fund.