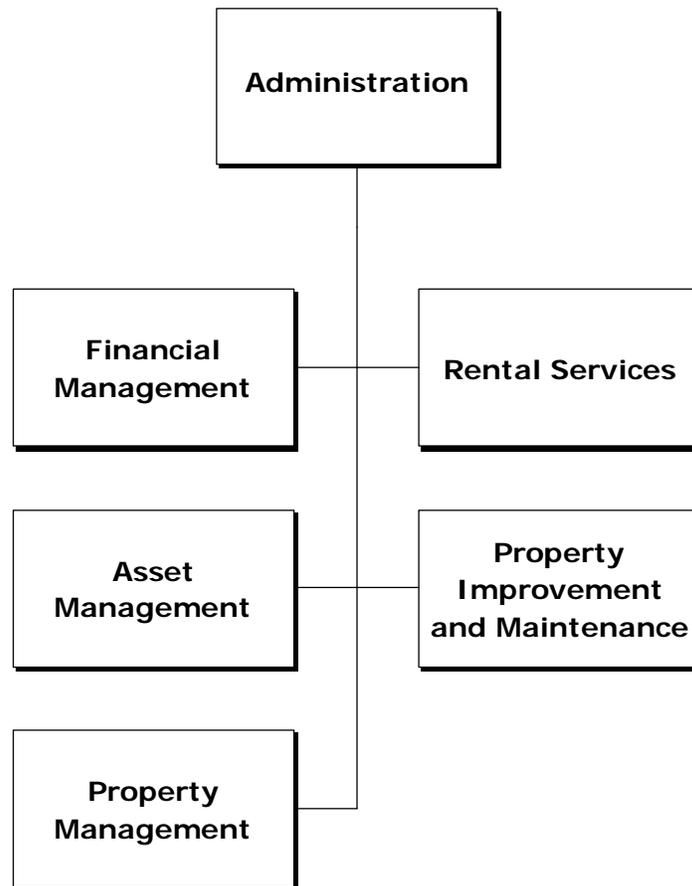


Fund 81520

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 2016 revenues of \$10,544,111 represent an increase of \$385,594 or 3.8 percent over the FY 2015 Adopted Budget Plan primarily due to increases in Dwelling Rental Income and the projected HUD Operating Subsidy. The HUD Operating Subsidy calculation is based on HUD's Final Rule

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(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.

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 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 the HUD Operating Subsidy.

In addition to the public housing support provided in this fund, FY 2016 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 |
| Briarcliff II | VA 19-31 | 20 | Providence |

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| Project Name | HUD Number | Number of Units | Supervisory District |
|--------------------------------|------------|-----------------|----------------------|
| 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 |
| Heritage Woods North | VA 19-39 | 25 | Various |
| Reston Town Center | VA 19-40 | 30 | Hunter Mill |
| Old Mill Site | VA 19-42 | 48 | Lee |
| Ragan Oaks | VA 19-45 | 51 | Sully |
| Tavener Lane ² | VA 19-51 | 12 | Lee |
| Waters Edge | VA 19-52 | 9 | Sully |
| The Green ² | VA 19-55 | 50 | Hunter Mill |
| Greenwood II | VA 19-56 | 7 | Various |
| Total Units³ | | 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 1,060 are income producing. The units are off-line and used as office space and community rooms as allowed under HUD guidelines. Tavener Lane and The Green are reported separately when reporting to HUD, since they are partnership properties and have different reporting requirements.

On November 7, 2013, HUD executed the FCRHA Moving To Work (MTW) agreement. This designation will include the majority of the HCV program and the agency's federal Public Housing program, Fund 81520. Under the MTW designation, funds between the HCV and Public Housing programs are fungible. However, there are benchmarks within each program that must be met for program compliance and performance evaluation. Therefore, a decision to use the fungible nature of this program would only be considered once each program has met its annual benchmarks. The FCRHA MTW Plan is designed to ensure that individuals and families are provided not only affordable and attractive housing, but are connected to services and support that help them succeed and become self-sufficient. The Public Housing program will serve extremely and very low-income households that need assistance in attaining an intermediate self-sufficiency skill set, provide individual job-skill development, address transportation needs, and ensure ongoing participation in health care services.

RAD provides a new subsidy platform, similar to project-based Housing Choice Vouchers, which can leverage private financing for planned capital improvements. In the FY 2015 federal budget, the U.S. Congress appropriated the expansion of the Rental Assistance Demonstration (RAD) program to include Fairfax County. In 2016, the FCRHA will explore ways to reposition the public housing assets which would entail rehabilitation and potential redevelopment of high priority assets.

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

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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 35 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.

Budget and Staff Resources

| Category | FY 2014 Actual | FY 2015 Adopted | FY 2015 Revised | FY 2016 Advertised |
|--|--------------------|---------------------------------|---------------------|---|
| FUNDING | | | | |
| Expenditures: | | | | |
| Personnel Services | \$3,688,572 | \$4,065,716 | \$4,065,716 | \$3,954,465 |
| Operating Expenses | 6,175,917 | 6,030,406 | 6,396,661 | 6,589,646 |
| Capital Equipment | 0 | 0 | 0 | 0 |
| Total Expenditures | \$9,864,489 | \$10,096,122 | \$10,462,377 | \$10,544,111 |
| AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE) | | | | |
| Grant | 48 / 48 | 48 / 48 | 48 / 48 | 48 / 48 |
| RENTAL HOUSING PROPERTY MANAGEMENT | | | | |
| 1 HCD Division Director | 1 | 1 Financial Specialist IV | 1 | 1 Chief Building Maintenance Section |
| 1 Housing/Community Developer V | 1 | 1 Accountant III | 2 | 2 Plumbers II |
| 3 Housing Services Specialists V | 1 | 1 Management Analyst I | 4 | 4 HVACs I |
| 3 Housing Services Specialists III | 1 | 1 Human Services Coordinator II | 6 | 6 General Building Maintenance Workers II |
| 11 Housing Services Specialists II | 3 | 1 Administrative Assistant IV | 4 | 4 General Building Maintenance Workers I |
| 2 Housing Services Specialists I | 1 | 3 Administrative Assistants III | 1 | 1 Locksmith II |
| | 1 | 1 Administrative Assistant II | | |
| TOTAL POSITIONS | | | | |
| 48 Grant Positions / 48.0 Grant FTE | | | | |

FY 2016 Funding Adjustments

The following funding adjustments from the FY 2015 Adopted Budget Plan are necessary to support the FY 2016 program.

- ◆ **Employee Compensation** \$0
It should be noted that no funding is included for a 0.84 percent market rate adjustment (MRA) for all employees or for performance-based and longevity increases for non-uniformed merit employees in FY 2016, as the fund will absorb the impact within the existing HUD award authorization.

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- ◆ **Other Post-Employment Benefits** **\$1,385**
An increase of \$1,385 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 2016 Advertised Budget Plan.

- ◆ **Project-Based Budgeting Adjustments and Operating Requirements** **\$446,604**
A net increase of \$446,604 is associated with an increase of \$559,240 in Operating Expenses due to an increase in the projected HUD Operating Subsidy, partially offset by a decrease of \$112,636 in Personnel Services to account for project-based budgeting efforts based on HUD policy guidelines and County accounting systems.

Changes to FY 2015 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2015 Revised Budget Plan since passage of the FY 2015 Adopted Budget Plan. Included are all adjustments made as part of the FY 2014 Carryover Review, and all other approved changes through December 31, 2014.

- ◆ **Carryover Adjustments** **\$366,255**
As part of the FY 2014 Carryover Review, the Board of Supervisors approved funding of \$366,255 in Operating Expenses associated with encumbered carryover primarily for contractual services and repair and maintenance services.

Fund 81520

Public Housing Projects Under Management

FUND STATEMENT

Fund 81520, Projects Under Management

| | FY 2014 Actual | FY 2015 Adopted Budget Plan | FY 2015 Revised Budget Plan | FY 2016 Advertised Budget Plan |
|--|---------------------|-----------------------------------|-----------------------------------|--------------------------------------|
| Beginning Balance | \$2,088,762 | \$2,062,918 | \$1,465,538 | \$1,614,916 |
| Revenue: | | | | |
| Dwelling Rental Income | \$5,104,327 | \$5,464,053 | \$5,917,291 | \$5,917,291 |
| Excess Utilities | 231,075 | 315,171 | 315,171 | 231,075 |
| Interest on Investments | 10,481 | 30,169 | 30,169 | 17,468 |
| Other Operating Receipts | 153,265 | 187,800 | 187,800 | 168,929 |
| Management Fee - Capital Fund ¹ | 1,127,159 | 1,425,279 | 1,425,279 | 1,171,499 |
| HUD Operating Subsidy ² | 2,614,958 | 2,736,045 | 2,736,045 | 3,037,849 |
| Total Revenue | \$9,241,265 | \$10,158,517 | \$10,611,755 | \$10,544,111 |
| Total Available | \$11,330,027 | \$12,221,435 | \$12,077,293 | \$12,159,027 |
| Expenditures: ³ | | | | |
| Administration | \$2,215,362 | \$1,708,431 | \$2,713,595 | \$2,530,026 |
| Central Office | 1,525,171 | 1,228,704 | 1,251,609 | 1,492,960 |
| Tenant Services | 36,247 | 55,918 | 56,868 | 46,613 |
| Utilities | 2,340,464 | 2,322,962 | 2,366,957 | 2,489,848 |
| Ordinary Maintenance and Operation | 3,690,797 | 4,672,812 | 3,966,052 | 3,923,813 |
| General Expenses | 37,800 | 66,715 | 66,715 | 42,203 |
| Non-Routine Expenditures | 18,648 | 40,580 | 40,581 | 18,648 |
| Total Expenditures | \$9,864,489 | \$10,096,122 | \$10,462,377 | \$10,544,111 |
| Total Disbursements | \$9,864,489 | \$10,096,122 | \$10,462,377 | \$10,544,111 |
| Ending Balance⁴ | \$1,465,538 | \$2,125,313 | \$1,614,916 | \$1,614,916 |

¹ 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.

² HUD Operating Subsidy is based on revenue and expenditures criteria developed by HUD under the Final Rule that was effective January 1, 2007. FY 2016 HUD Operating Subsidy is based on HUD-approved *CY 2014 Operating Subsidy Final Eligibility Report* for FCRHA.

³ 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.

⁴ 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.