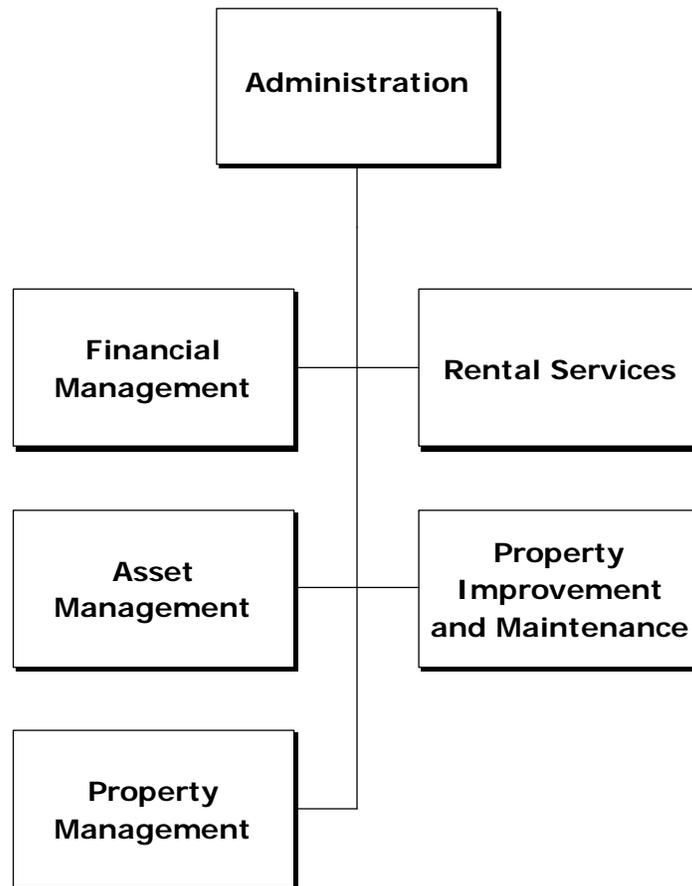


Fund 81520

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 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 2017 revenues of \$10,362,811 represent a decrease of \$181,300 or 1.7 percent from the [FY 2016 Adopted Budget Plan](#) primarily due to a decrease in Dwelling Rental Income, partially offset by an increase in the projected HUD Operating Subsidy. The HUD Operating Subsidy calculation is based on HUD's Final Rule (Revisions to Public Housing Operating Fund) published on September 19, 2005,

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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 2017 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 March 28, 2016 and currently in effect, are shown below:

INCOME LIMITS ¹		
Household Size	Very Low Income	Low Income
1	\$38,050	\$49,150
2	\$43,450	\$56,150
3	\$48,900	\$63,150
4	\$54,300	\$70,150
5	\$58,650	\$75,800
6	\$63,000	\$81,400
7	\$67,350	\$87,000
8	\$71,700	\$92,600

¹Based on area median income of \$108,600.

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 ¹	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 ²	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 ¹	VA 19-38	108	Providence
Heritage Woods North ³	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
Tavanner Lane ⁴	VA 19-51	12	Lee
Waters Edge	VA 19-52	9	Sully
The Green ^{4, 5}	VA 19-55	50	Hunter Mill
Greenwood II	VA 19-56	7	Various
Total Units⁶		1,065	

¹ This HUD project includes one unit used as an office.

² This HUD project includes one unit at Heritage Woods South in Braddock District.

³ This HUD project includes eight units at Colchester and five units at Springfield Green.

⁴ Properties are owned by limited partnerships of which the FCRHA is the managing general partner of Tavanner Lane and the managing and limited partner for The Green. Therefore, rental revenue and other expenses for these properties are not reported in Fund 81520.

⁵ This HUD project includes three units at Barclay Square.

⁶ There are projected to be 1,065 units of Public Housing; however, only 1,060 are income producing. Five units are off-line and used as office space and community rooms as allowed under HUD guidelines. Tavanner 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 includes the majority of the Housing Choice Voucher (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.

Rental Assistance Demonstration (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 RAD program to include Fairfax County. In 2016, the FCRHA explored ways to reposition the public housing assets which would entail rehabilitation and potential redevelopment of the properties. The FCRHA selected 336 units for

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“phase one” of the conversion, which is anticipated to convert the units’ funding sources from public housing programs to project-based vouchers in FY 2017, and an additional 729 units for “phase two”, which is anticipated for late FY 2017 or early FY 2018.

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 of household 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 2015 Actual	FY 2016 Adopted	FY 2016 Revised	FY 2017 Advertised	FY 2017 Adopted
FUNDING					
Expenditures:					
Personnel Services	\$3,057,279	\$3,954,465	\$3,980,465	\$3,882,881	\$3,882,881
Operating Expenses	6,563,234	6,589,646	7,067,268	6,479,461	6,479,461
Capital Equipment	0	0	0	0	0
Total Expenditures	\$9,620,513	\$10,544,111	\$11,047,733	\$10,362,342	\$10,362,342

AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)

Grant	48 / 48	48 / 48	48 / 48	46 / 46	48 / 48
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RENTAL HOUSING PROPERTY MANAGEMENT

1	Housing/Community Developer V	1	Financial Specialist IV	1	Chief Building Maintenance Section
3	Housing Services Specialists V	1	Financial Specialist III	2	Plumbers II
1	Housing Services Specialist IV	1	Management Analyst I	4	HVACs I
5	Housing Services Specialists III	1	Human Services Coordinator II	6	General Building Maintenance Workers II
11	Housing Services Specialists II	2	Administrative Assistants IV	4	General Building Maintenance Workers I
2	Housing Services Specialists I	1	Administrative Assistant III	1	Locksmith II

TOTAL POSITIONS

48 Grant Positions / 48.0 Grant FTE

Note: As a result of a comprehensive review to properly align duties and responsibilities with the appropriate fund, a number of positions are being moved within the Fairfax County Department of Housing and Community Development (HCD). In the FY 2016 Revised Budget Plan, 2/2.0 FTE positions were redirected to Agency 38, HCD, 1/1.0 FTE position was redirected to Fund 81000, FCRHA General Operating, 2/2.0 FTE positions were redirected to Fund 81510, Housing Choice Voucher Program, 1/1.0 FTE position was transferred from Fund 81000, 1/1.0 FTE position was transferred from Fund 81500, Housing Grants, 2/2.0 FTE positions

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were transferred from Fund 81510, and 1/1.0 FTE position was transferred from Fund 81530, Public Housing Projects Under Modernization. Funding adjustments, if necessary, will be included in a future quarterly review.

FY 2017 Funding Adjustments

The following funding adjustments from the FY 2016 Adopted Budget Plan are necessary to support the FY 2017 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 26, 2016.

- ◆ **Employee Compensation** **\$0**
It should be noted that no funding is included for a 1.33 percent market rate adjustment (MRA) for all employees or for performance-based and longevity increases for non-uniformed merit employees in FY 2017, as the fund will absorb the impact within the existing HUD award authorization.

- ◆ **Other Post-Employment Benefits** **(\$65,469)**
A decrease of \$65,469 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 2017 Adopted Budget Plan.

- ◆ **Project-Based Budgeting Adjustments and Operating Requirements** **(\$116,300)**
A net decrease of \$116,300 is associated with a decrease of \$6,115 in Personnel Services to account for project-based budgeting efforts based on HUD policy guidelines and County accounting systems, as well as a decrease of \$110,185 in Operating Expenses primarily due to a decrease in projected utilities and repair and maintenance services.

Changes to FY 2016 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2016 Revised Budget Plan since passage of the FY 2016 Adopted Budget Plan. Included are all adjustments made as part of the FY 2015 Carryover Review, FY 2016 Third Quarter Review, and all other approved changes through April 30, 2016.

- ◆ **Carryover Adjustments** **\$503,622**
As part of the FY 2015 Carryover Review, the Board of Supervisors approved funding of \$503,622 in Operating Expenses associated with encumbered carryover primarily for contractual services, utilities, and repair and maintenance services.

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FUND STATEMENT

Fund 81520, Projects Under Management

	FY 2015 Actual	FY 2016 Adopted Budget Plan	FY 2016 Revised Budget Plan	FY 2017 Advertised Budget Plan	FY 2017 Adopted Budget Plan
Beginning Balance	\$1,465,537	\$1,614,915	\$1,785,358	\$1,042,423	\$1,281,736
Revenue:					
Dwelling Rental Income ¹	\$5,467,447	\$5,917,291	\$5,917,291	\$5,783,994	\$5,783,994
Excess Utilities	216,246	231,075	231,075	221,718	221,718
Interest on Investments	300	17,468	17,468	8,859	8,859
Other Operating Receipts ¹	125,749	168,929	168,929	139,294	139,294
Management Fee - Capital Fund ²	1,181,771	1,171,499	1,171,499	1,162,041	1,162,041
HUD Operating Subsidy ³	2,648,821	3,037,849	3,037,849	3,046,905	3,046,905
Total Revenue	\$9,640,334	\$10,544,111	\$10,544,111	\$10,362,811	\$10,362,811
Transfers In:					
Housing Choice Voucher Program (81510) ¹	\$300,000	\$0	\$0	\$0	\$0
Total Transfers In	\$300,000	\$0	\$0	\$0	\$0
Total Available	\$11,405,871	\$12,159,026	\$12,329,469	\$11,405,234	\$11,644,547
Expenditures: ⁴					
Administration ¹	\$1,759,098	\$2,530,026	\$3,161,566	\$2,495,973	\$2,495,973
Central Office ¹	1,138,519	1,492,960	1,439,095	1,535,119	1,535,119
Tenant Services	40,343	46,613	59,863	48,803	48,803
Utilities	2,446,563	2,489,848	2,689,042	2,527,255	2,527,255
Ordinary Maintenance and Operation ¹	4,043,034	3,923,813	3,624,815	3,705,033	3,705,033
General Expenses	192,956	42,203	54,703	33,569	33,569
Non-Routine Expenditures	0	18,648	18,649	16,590	16,590
Total Expenditures	\$9,620,513	\$10,544,111	\$11,047,733	\$10,362,342	\$10,362,342
Total Disbursements	\$9,620,513	\$10,544,111	\$11,047,733	\$10,362,342	\$10,362,342
Ending Balance⁵	\$1,785,358	\$1,614,915	\$1,281,736	\$1,042,892	\$1,282,205

¹ Audit adjustments have been reflected as an increase of \$423,676.35 in FY 2015 revenues and transfers in to record asset management fees in the proper fiscal period for accounting purposes and an increase of \$184,363.26 in FY 2015 expenditures to record accrued leave, adjustments to payroll accruals, to reclassify expenditures for reporting purposes, and adjust operating expense accruals to report expenditures in the proper fiscal period. These audit adjustments have been included in the FY 2015 Comprehensive Annual Financial Report (CAFR). Details on the audit adjustments were included in the FY 2016 Third Quarter Package.

² 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.

³ HUD Operating Subsidy is based on revenue and expenditures criteria developed by HUD under the Final Rule that was effective January 1, 2007. The FY 2017 HUD Operating Subsidy is based on the HUD-approved *CY 2015 Operating Subsidy Final Eligibility Report* for Fairfax County Redevelopment and Housing Authority.

⁴ 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.

⁵ The Ending Balance fluctuates due primarily to revenue adjustments for Dwelling Rental Income, as well as expenditure adjustments related to the oversight