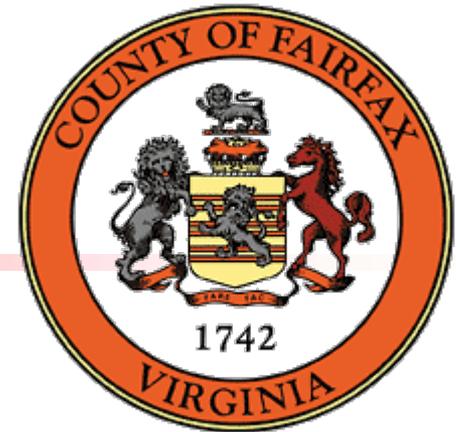


Department of Housing and Community Development

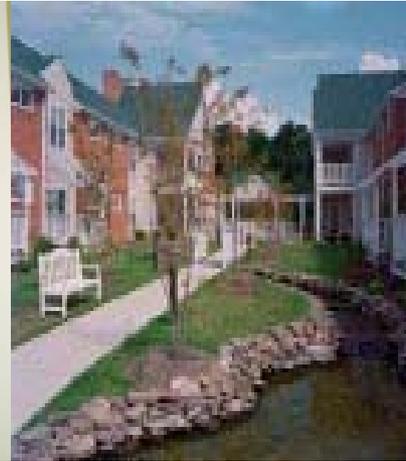


FY 2010 LOBS Presentation

November 24, 2008

Department of Housing and Community Development.....

“Helping you have a place to call home.”



Agency Mission

HCD is committed to:

- ❑ **Creating** and preserving affordable housing and caring, livable communities;
- ❑ **Serving** the diverse needs of Fairfax County's residents through innovative programs, partnerships and effective stewardship; and
- ❑ **Fostering** a respectful, supportive workplace

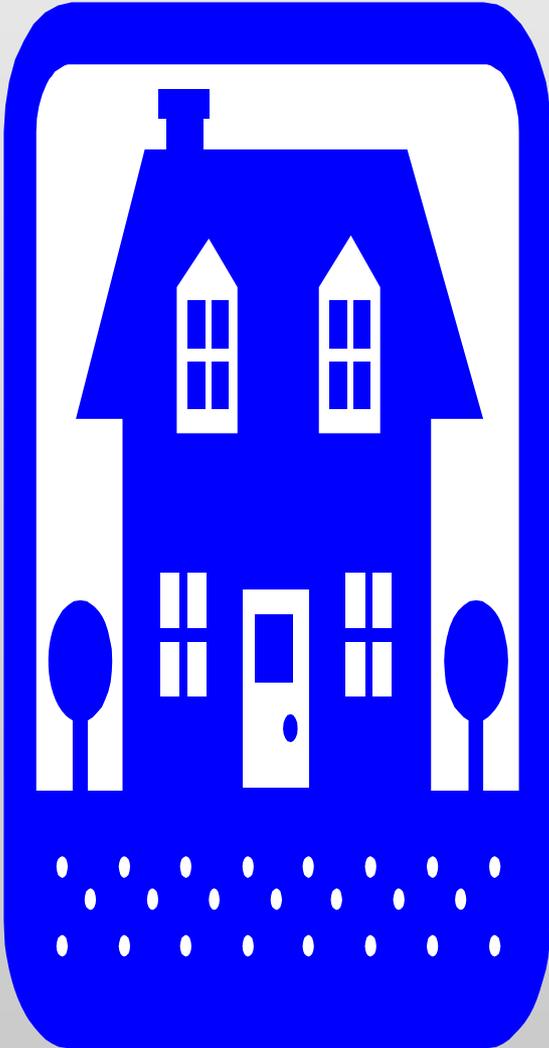


HCD accomplishes this mission by:

- ◆ Fostering a unique relationship with Fairfax County Redevelopment and Housing Authority (FCRHA)
- ◆ Owning and managing affordable housing
- ◆ Acquiring, developing and building affordable housing
- ◆ Financing affordable housing
- ◆ Providing rental subsidies
- ◆ Securing and managing federal grants/state funding
- ◆ Assisting first time purchasers to own a home
- ◆ Making loans for home improvement
- ◆ Operating assisted living facilities
- ◆ Constructing/owning/financing group homes, shelters, and community centers

HCD Funding

FEDERAL
\$58.1 million
56%



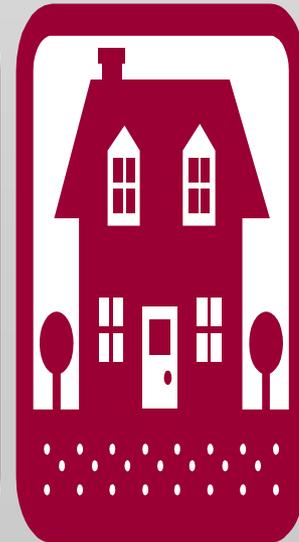
COUNTY
\$32.2 million
31%



FCRHA
**FCRHA Owned/Privatey
Managed**
\$14.2 million
13%



FCRHA
**Partnerships /
Managed By
FCRHA**
\$14.7 million
\$1.5 million



Program Highlights



Federal:

- Housing Choice Voucher Program (Section 8)
- Public Housing; Operating and Capital
- CDBG/HOME
- Neighborhood Stabilization Program



County:

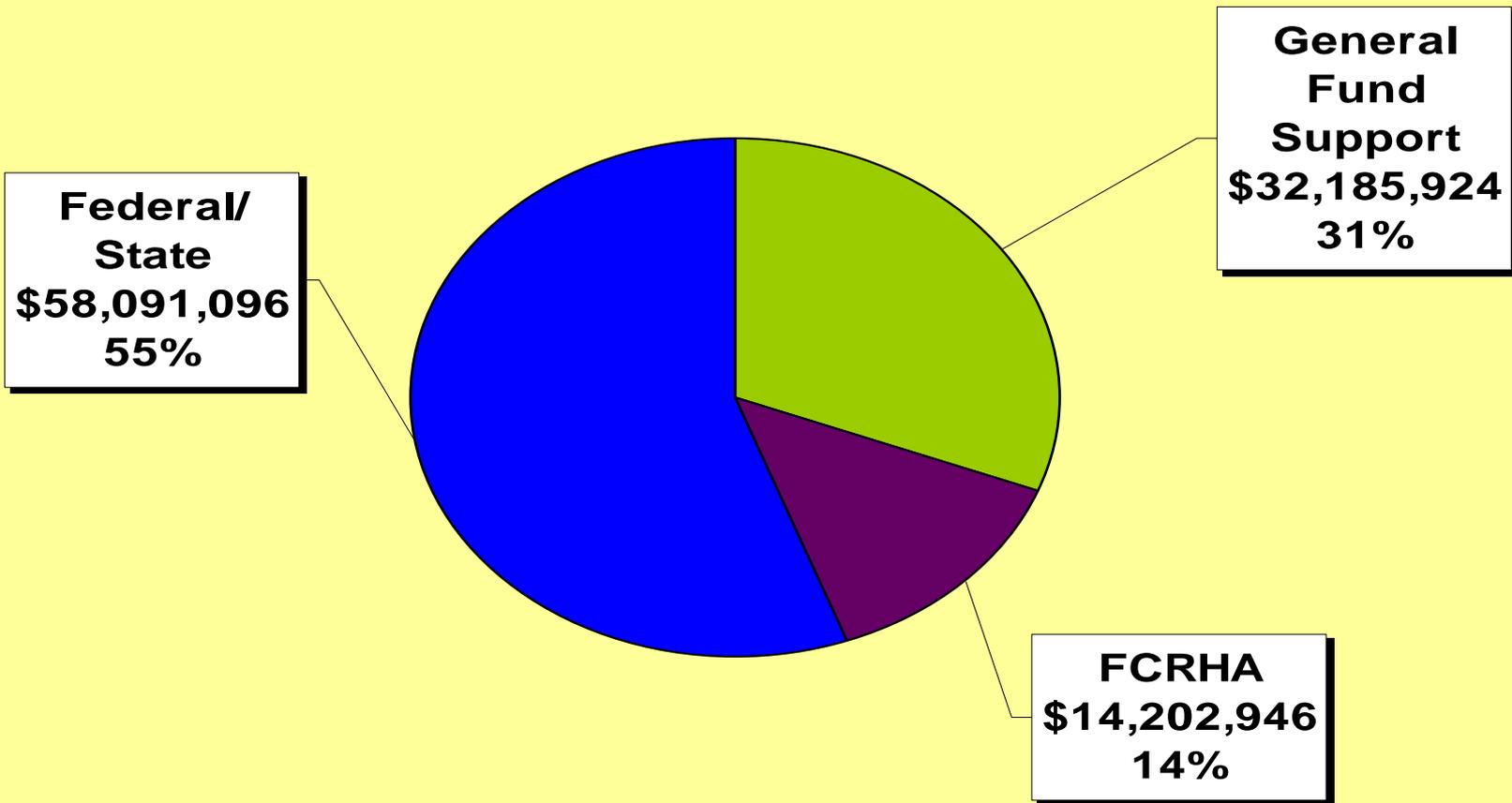
- Penny for Affordable Housing
- General Fund
 - Elderly Housing Program
 - Real Estate tax reimbursements for partnership properties
 - Condominium fees for FCRP units
 - Trash collection for Public Housing and FCRP units



FCRHA:

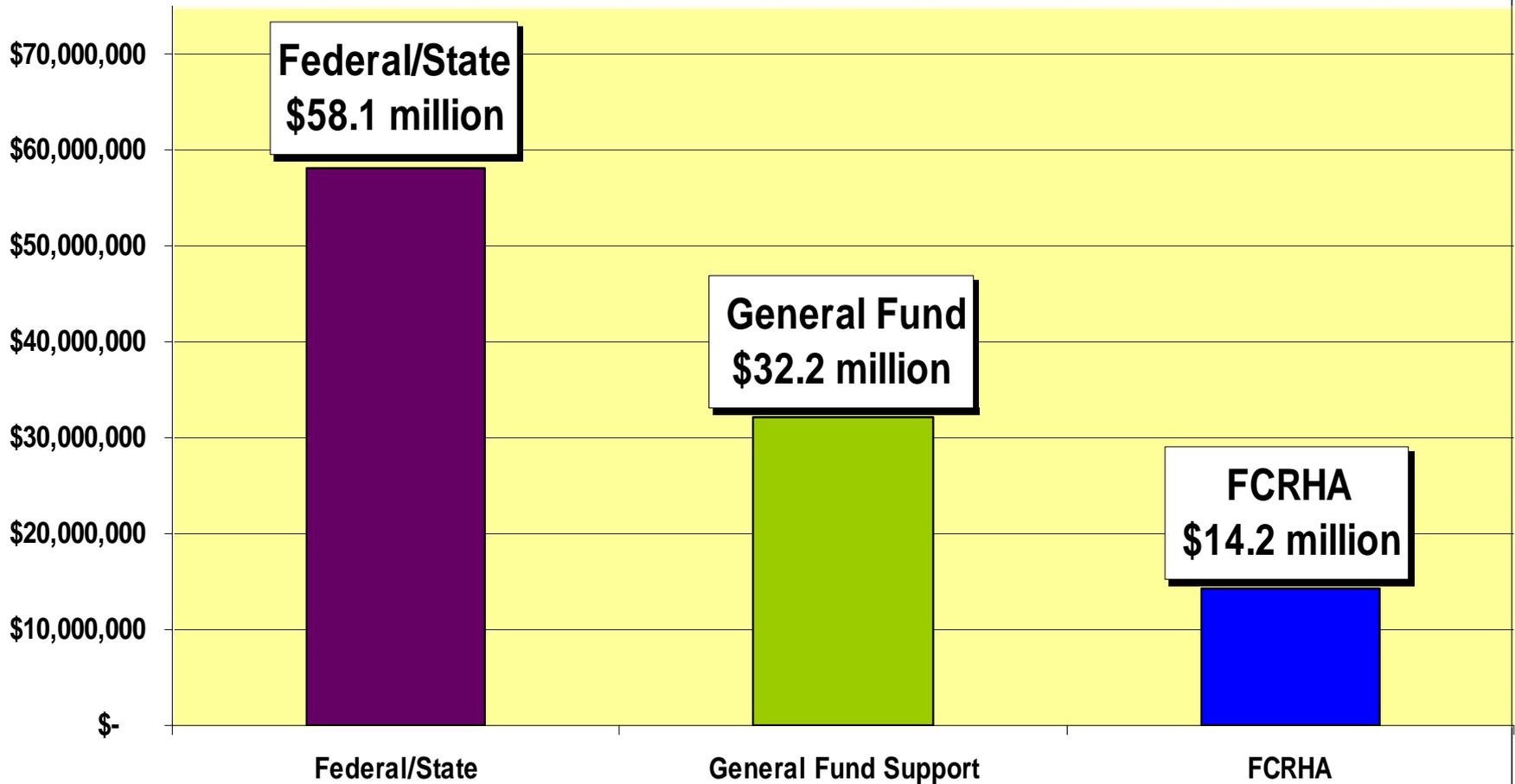
- FCRHA Operating Fund
- Fairfax County Rental Program (FCRP)
- Rehabilitation Loan Program
- Revolving Development
- Housing Partnerships
- Finance Affordable Housing
- Public/Private Partnerships

**Department Of Housing and Community Development
FY 2008 Total Expenditures = \$104,479,966**

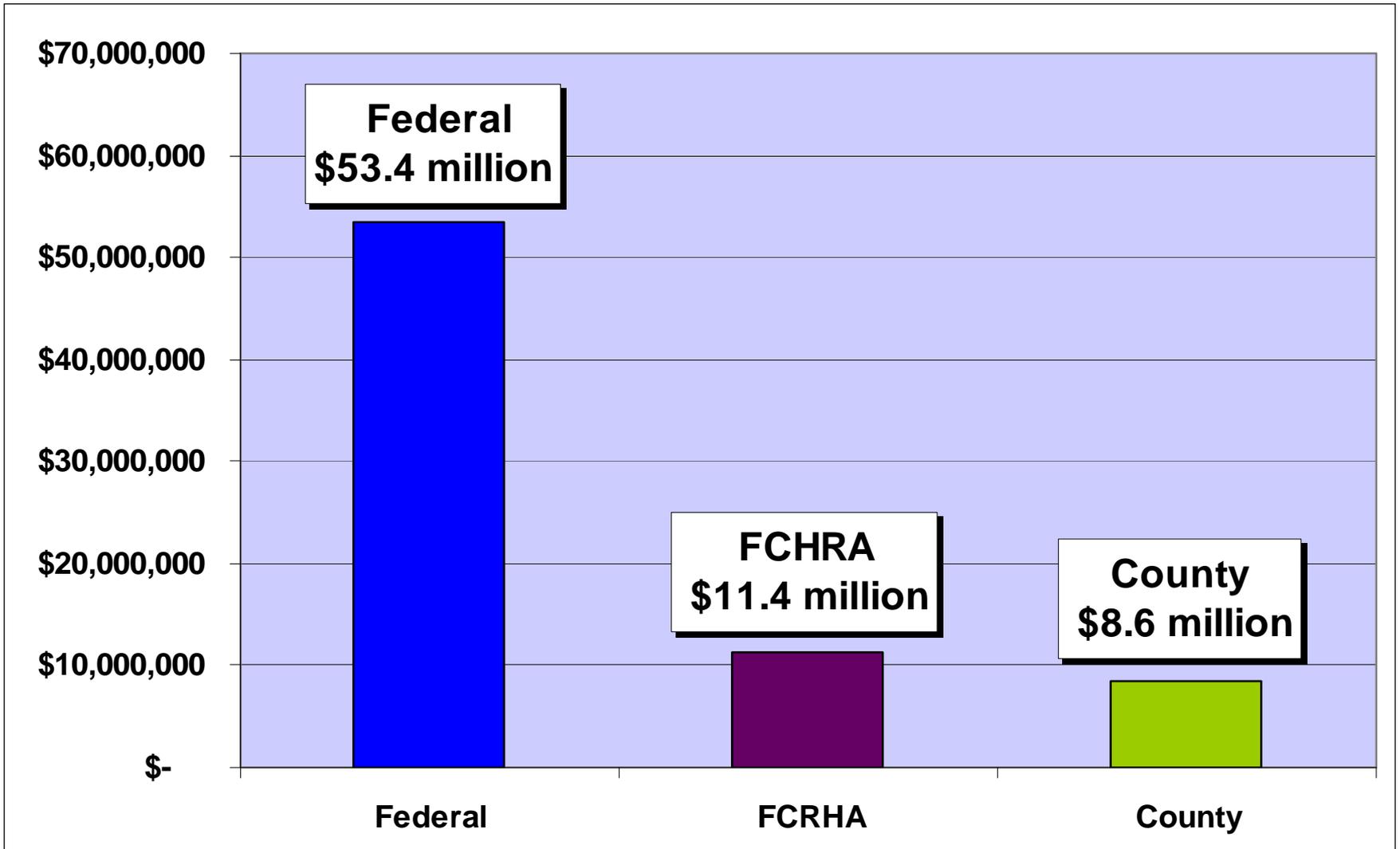


Operating & Capital Expenditures

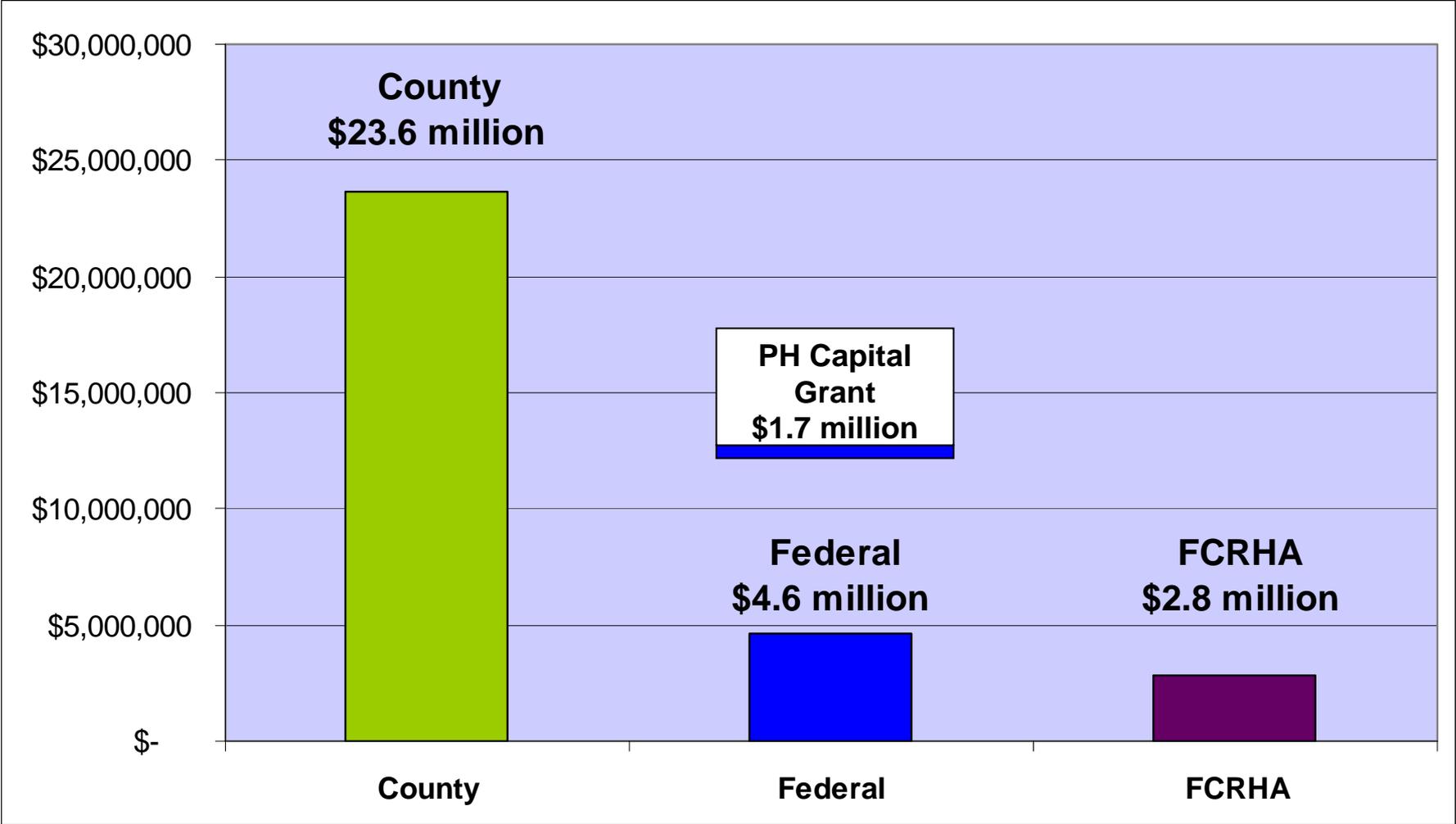
Department Of Housing and Community Development FY 2008 Total Expenditures = \$104,479,966



FY 2008 Operating Budget = \$73,354,724



FY 2008 Capital Budget = \$31,125,242



Agency General Fund Growth Since FY 2001



Growth in Expenditures

□ ***AGENCY 38, DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT***

- FY 2009: \$6.56 million - FY 2001: \$4.78 million
 - an increase of \$1.78 million
 - an average annual increase of 4%

□ ***FUND 141, ELDERLY HOUSING***

- FY 2009: \$1.53 million - FY 2001: \$1.36 million
 - an increase of \$170,000
 - an average annual increase of 1%

Agency General Fund Growth Since FY 2001



Growth in Expenditures

□ **FUND 319, THE PENNY FOR AFFORDABLE HOUSING FUND**

- FY 2009: \$22.8 million in dedicated funding, equivalent to the value of one penny on the real estate rate, FY 2001: \$0
 - 2,235 units preserved as of October, 2008
 - 100% utilization of allocated County funds

Note: Dedicated funding for affordable housing equivalent to the value of one penny on the real estate rate was not established until FY 2006

□ **FUND 340, HOUSING ASSISTANCE PROGRAM**

- FY 2009: \$520,000 - FY 2001: \$2.05 million
 - decrease primarily due to transfer of revitalization activities to new agency

Agency General Fund Growth Since FY 2001



Growth in Positions/Staff Year Equivalency (SYE):

□ ***AGENCY 38, DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT***

- FY 2009: 52/52.0 - FY 2001: 54/54.0
- decrease of 2/2.0 positions

□ ***FUND 141, ELDERLY HOUSING***

- FY 2009: 16/16.0 - FY 2001: 15/15.0
- increase of 1/1.0 position

Agency General Fund Growth Since FY 2001



- ❑ **Which areas have seen the most growth?**
 - ❑ **Board of Supervisor's Affordable Housing Preservation initiative**
 - ❑ 2,235 units to date
 - ❑ 957 FCRHA owned
 - ❑ 635 Non-profit owned
 - ❑ 643 For-profit owned
 - ❑ **Senior housing**
 - ❑ 180 new units
 - ❑ 60-bed assisted living at Braddock Glen
 - ❑ 60 units at Gums Springs Glen
 - ❑ 60 units at Herndon Harbor House II

Agency General Fund Growth Since FY 2001



❑ Which areas have seen the most growth?

❑ Affordable Housing Financing

- ❑ \$73,575,000 in tax-exempt bonds
- ❑ One Penny/County funds leveraged 4:1
- ❑ Tax-credit equity investment of \$28,276,413 from 2005-2008

❑ Community Facilities Financing

- ❑ \$29,585,000

❑ Magnet Housing

- ❑ 48 units
- ❑ Partnerships with Schools, Fire and Rescue, Police, Sheriff, and Inova

Agency General Fund Growth Since FY 2001



❑ What factors are driving the growth?

❑ Real Estate Market

- ❑ Loss of affordable housing during “hot” market period drove efforts to preserve remaining stock – Penny for Housing
- ❑ Steep increase in condominium/HOA fees- 51% increase from FY 2001 – 2008
- ❑ Increased pace of residential development – Providing opportunities to acquire/preserve Affordable Dwelling Units as long-term affordable housing

❑ The Economy and the Foreclosure crisis

- ❑ In 2008: 3,518 foreclosures in 1st Quarter; 3,881 in 2nd Quarter; 2,117 net foreclosures as of August 31st

New Programs Since FY 2001



What new programs has the agency added since FY 2001?

New General Fund Programs

- ❑ **Penny for Affordable Housing**
 - ❑ Funding used to preserve 2,235 affordable housing units in Fairfax County as of October, 2008

- ❑ **Huntington Flood Insurance Program**
 - ❑ Insurance Premium reimbursement to residents in flood-plain area
 - ❑ 56 households assisted

- ❑ **Magnet Housing**
 - ❑ 48 units of affordable rental housing for county/schools employees; priority for first responders; and, nurses

New Programs Since FY 2001

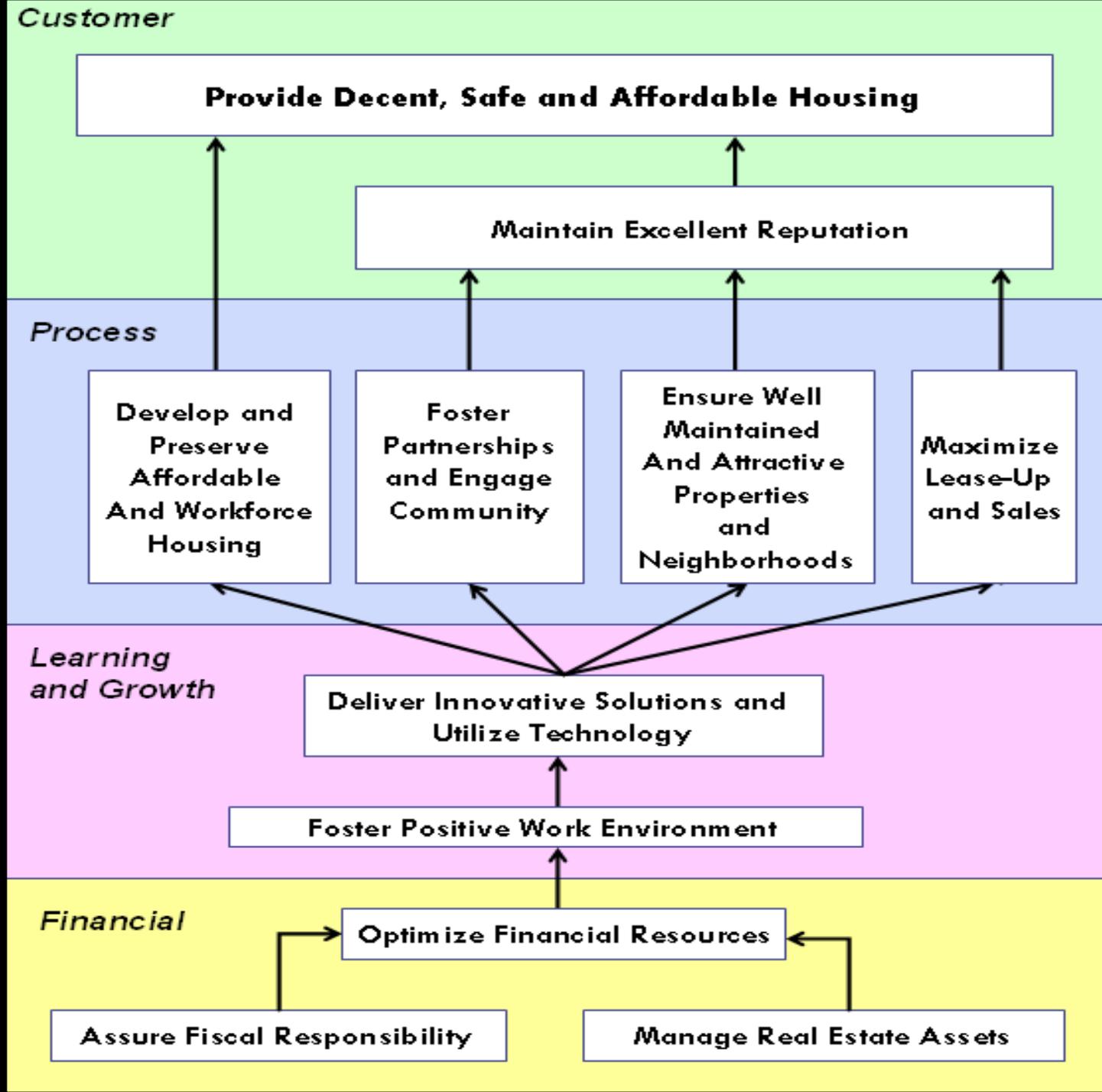


What new programs has the agency added since FY 2001?

New FCRHA Programs

- ❑ Affordable Housing Partnership Program
- ❑ Silver Lining Initiative
- ❑ Homeownership Storefront
 - ❑ Clients served average 6,160 per year from 2005-2008
- ❑ Project-based Housing Choice Voucher
- ❑ Partnership for Permanent Housing (PPH) and homelessness initiatives
 - ❑ \$328,000

HCD
Balanced
Scorecard
Strategy
Map





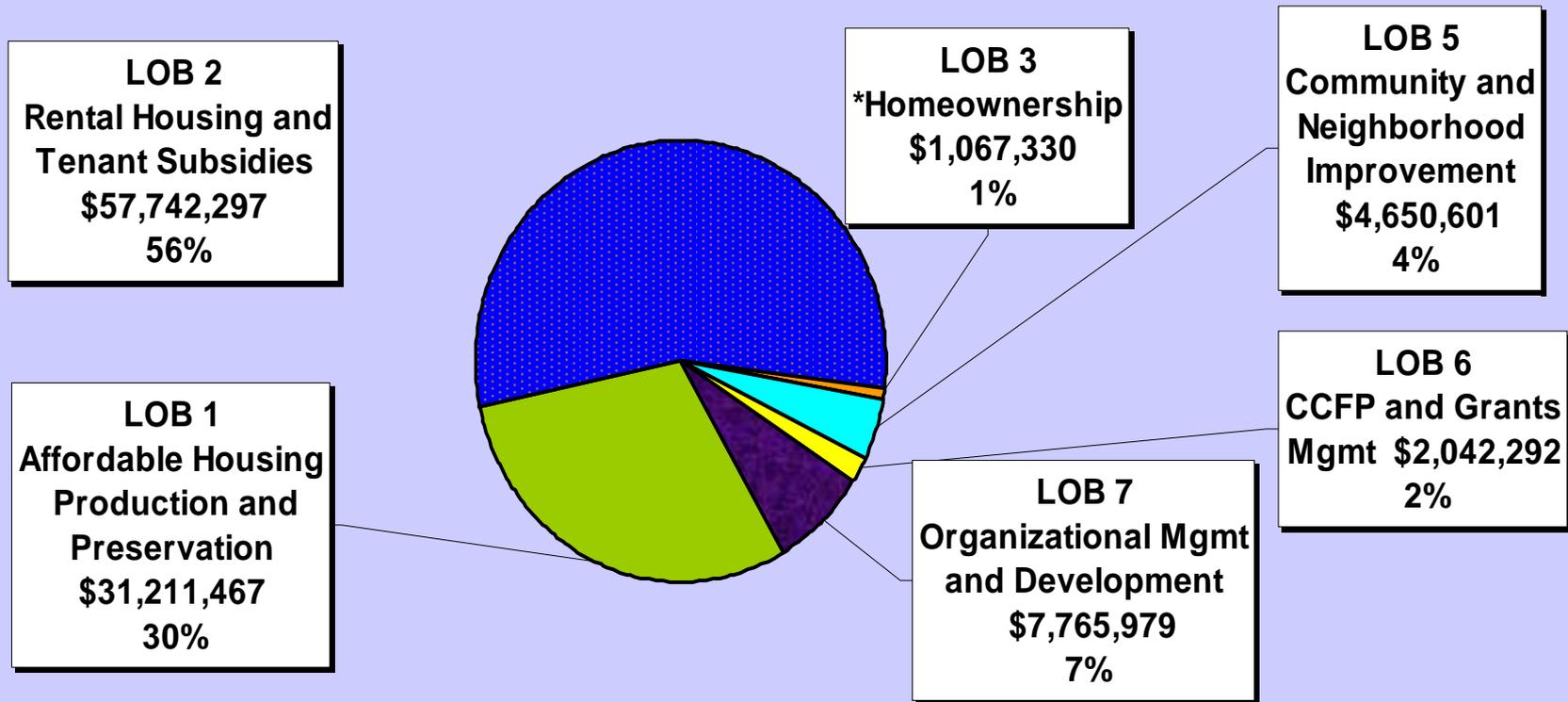
LOBS Summary Table: FY 2008 Adopted Budget Plan Data

<i>Number</i>	<i>LOB Title</i>	<i>Net LOB Cost</i>	<i>LOB Number of Positions</i>	<i>LOB SYE</i>
38-01	Affordable Housing Production and Preservation	\$0	16	16.00
38-02	Rental Housing and Tenant Subsidies	(\$664,467)	148	148.00
38-03	Homeownership	\$0	3	3.00
*38-04	Commercial Revitalization	\$0		
38-05	Community and Neighborhood Improvement	(\$4,499)	32	32.00
38-06	Consolidated Community Funding Pool and Grants Management	\$0	0	0.00
38-07	Organizational Management and Development	\$0	31	31.00
TOTAL	Net Cost to County and FCRHA	(\$668,966)	230	230.0

*LOB 38-04, Commercial Revitalization combined with LOB 38-05, Community and Neighborhood Improvement since LOB 38-04 included both commercial and neighborhood initiatives and the County's Commercial Revitalization activities are currently performed by the Office of Community Revitalization and Reinvestment. The remaining activities in LOB 38-04, which are related to neighborhood improvement initiatives, have been reported with LOB 38-05, Community and Neighborhood Improvement.

Department of Housing and Community Development

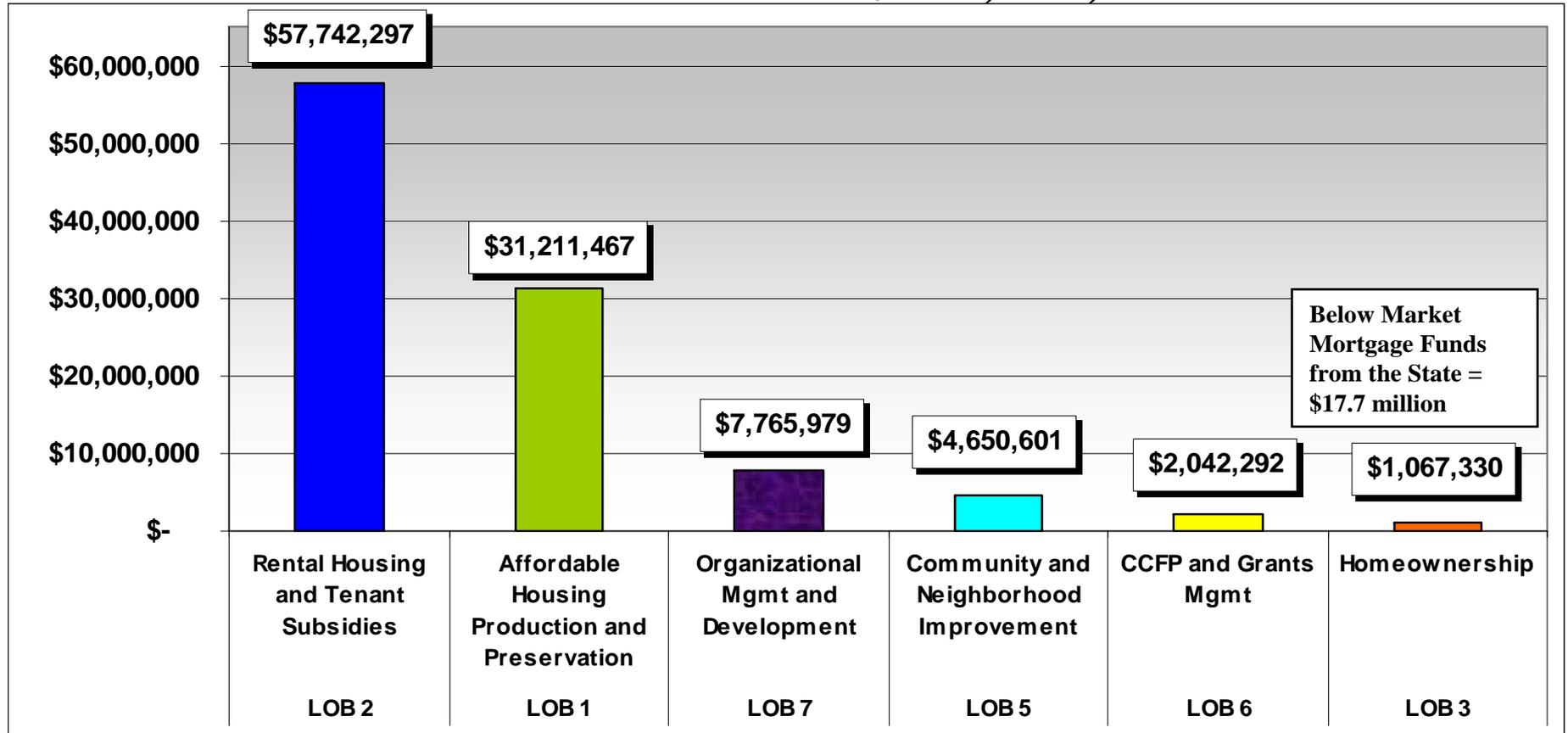
FY 2008 LOBs = \$104,479,966



*Homeownership activities reflect 1% of the agency's LOBs, however, this program area provides staff support for the state's SPARC program. This program provides state funding for homeownership opportunities through local lenders. Virginia Housing Development Authority (VHDA) issues bonds that are set aside for this program. Fairfax County competes for a percentage of these funds, which are then set aside for our residents. The client must qualify through an application process and then they are matched up with a local lender who will be reimbursed directly by VHDA. Our Homeownership staff manages the application process for qualified Fairfax County residents. FY 2008 total loans provided for Fairfax County residents totaled \$17,759,406.

Department of Housing and Community Development

FY 2008 LOBs = \$104,479,966



*Homeownership activities reflect 1% of the agency's LOBs, however, this program area provides staff support for the state's SPARC program. This program provides state funding for homeownership opportunities through local lenders. Virginia Housing Development Authority (VHDA) issues bonds that are set aside for this program. Fairfax County competes for a percentage of these funds, which are then set aside for our residents. The client must qualify through an application process and then they are matched up with a local lender who will be reimbursed directly by VHDA. Our Homeownership staff manages the application process for qualified Fairfax County residents. FY 2008 total loans provided for Fairfax County residents totaled \$17,759,406.

LOBS Highlights:



LOB #: 38-01 – Affordable Housing Production and Preservation

What We Do:

- Implement programs and strategies that address the lack of affordable housing
- Preserve affordable housing stock with the support of local, federal, and private investment
- Preserve affordable housing
- Develop affordable housing
- Finance affordable housing
- Partner

Who We Serve:

- Renters and first-time homebuyers
- First-responders, teachers, and nurses through workforce housing programs
- Seniors, disabled, families and individuals
- Non-profits and public/private partnerships
- Low and moderate income households

Why We Do It:

- Affordable housing remains a critical issue
- Affordable housing production has not kept pace with the job growth
- Insufficient workforce housing
- Supports the county's efforts to prevent and end homelessness
- Addresses foreclosure crisis

Benefits and Value of LOB:

- HCD leverages County funds (3:1) by attracting federal funds and private investment
- Preserved 2,235 units of affordable housing as of October, 2008

LOBS Highlights:



LOB #: 38-02 – Rental Housing and Tenant Subsidies

What We Do:

- Provide a continuum of affordable housing programs ranging from those for lowest income up to moderate income workforce housing
- Support income-eligible residents using a mix of local, federal and private investment
- Housing Choice Voucher/Public Housing/Fairfax County Rental Program/Partnerships/Magnet Housing/Senior Housing

Who We Serve:

- Those who live or work in Fairfax County
- Diverse population of clients
- Low and moderate income households
- Elderly residents
- Persons with disabilities

Why We Do It:

- Affordable housing designated a high priority of the Board of Supervisors
- Loss of affordable rental units; lack of workforce housing
- Average rent increased 26% between 2001 and 2007
- Over 12,500 applicants on the agency's combined program's waiting lists

Benefits and Value of LOB:

- Addresses the Board's priority of ensuring safe and affordable housing by serving over 16,083 households and over 520 elderly citizens

LOBS Highlights:



LOB #: 38-03 – Homeownership

What We Do:

- Provide homeownership opportunities and homebuyer financial assistance programs
- Utilize a mix of state, federal and program generated funding sources
- Provide counseling

Who We Serve:

- First-time homebuyers
- Low- to moderate- income families
- Those facing foreclosure

Why We Do It:

- Commitment to helping individuals and families realize the American Dream – owning a home of their own
- Homeownership has a stabilizing influence on neighborhoods

Benefits and Value of LOB:

- Homeownership helps stabilize neighborhoods
- Homeownership builds a sense of community
- Homeownership provides a foundation for personal financial independence
 - Currently over 500 families or individuals on the waiting list

LOBS Highlights:



LOB #: 38-04 – Commercial Revitalization

What We Do:

- See LOB #38-05

LOBS Highlights:



LOB #: 38-05 – Community and Neighborhood Improvement

What We Do:

- Initiate preservation and neighborhood revitalization programs utilizing local, federal, FCRHA and program funding
- Develop community facilities such as community centers, shelters, and neighborhood infrastructure
- Historic preservation
- Home improvement loans
- Technical assistance for homeowners
- Abatement of blighted properties
- Capital improvements in target neighborhoods
- Repairs for elderly homeowners
- Flood insurance reimbursement

Who We Serve:

- Low and moderate income homeowners
- Elderly homeowners
- Conservation and Rehabilitation Districts

Why We Do It:

- Preserves and stabilizes neighborhoods
- Sustains homeownership
- Helps seniors stay in home
- Leverages private financing

Benefits and Value of LOB:

- Improvements may include road, storm drainage, and sanitary sewer improvements, sidewalk installation, and renovation and expansion of community centers
- Connect with County resident's at their roots – home, neighborhood and community

LOBS Highlights:



LOB #: 38-06 – Consolidated Community Funding Pool and Grants Management

What We Do:

- Support the County's affordable housing, neighborhood improvement and revitalization activities with federal Community Development Block Grant funding and HOME funding
- Administer funds in accordance with all federal requirements
- Fund housing portion of Community Funding Pool

Who We Serve:

- Low and moderate income households and neighborhoods
- Non-Profit Organizations

Why We Do It:

- Lead agency responsible for obligations through the development and implementation of the County's Five-Year and Annual Consolidated Plans
- Assists throughout the planning and implementation of the CCFP
- Manages CCFP contracts funded through both CDBG and County General Fund appropriations
- Brings significant federal funding to the County

Benefits and Value of LOB:

- Leverages county funds
- Involves communities in the development of needs assessment and funding priorities
- Provides funding to eligible non-profit corporations or CDBG participating jurisdictions
- Vital part of the County's ability to support and improve our local communities

LOBS Highlights:



LOB #: 38-07 – Organizational Management and Development

❑ **What We Do:**

- ❑ Manage FCRHA funds and programs
- ❑ Staff to the FCRHA
- ❑ Manage County housing funds and programs
- ❑ Strategic planning, data collection and analysis, Information Technology Systems, Public information, Human resources administration (personnel, payroll, etc.), Financial management
- ❑ Compliance with federal regulations

❑ **Who We Serve:**

- ❑ Services connect our business areas to our employees, clients, boards, County agencies, investors, regulatory agencies and community

❑ **Why We Do It:**

- ❑ Stewardship of public funds
- ❑ Compliance with federal regulations
- ❑ HCD programs are complex
- ❑ Ensures strategic direction, administrative and policy guidance and coordination for all HCD programs and activities
- ❑ Allows for fiscal responsibility and accountability of the agency's 20 individual operating and capital funds
- ❑ Provides a mechanism to manage both external and internal communications
- ❑ Specialized software management for FCRHA that must be coordinated with County systems

❑ **Benefits and Value of LOB:**

- ❑ Work ensures that all regulatory requirements are met in a timely, accurate and efficient manner.
- ❑ Programs are considered state of the art or "models" to be replicated by other housing authorities
- ❑ Audit and financial management performance has consistently garnered high marks
- ❑ Consistently rated a high-performer by HUD, ensuring continued federal funding

Agency Reduction Priorities

Reduction Philosophy



Reduction Philosophy:

- ❑ Minimize the impact to existing and planned services while ensuring our ability to continue supporting the agency's mission and the County's core vision elements

Overriding Reduction Principles:

- ❑ Focus on areas that offer efficiencies or cost savings
- ❑ Reduce programs that are not sustainable in the long-term
- ❑ Minimize impact on the delivery of services

Agency Reduction Priorities

Reduction Philosophy



Efficiency or Cost Savings:

- ❑ Target services that can be eliminated, reduced or refocused without significant negative impact to our residents, program participants or the community.
- ❑ Review current operational systems and staffing, and identify savings/efficiencies.
- ❑ Re-align funding, if possible

Elimination of Program(s):

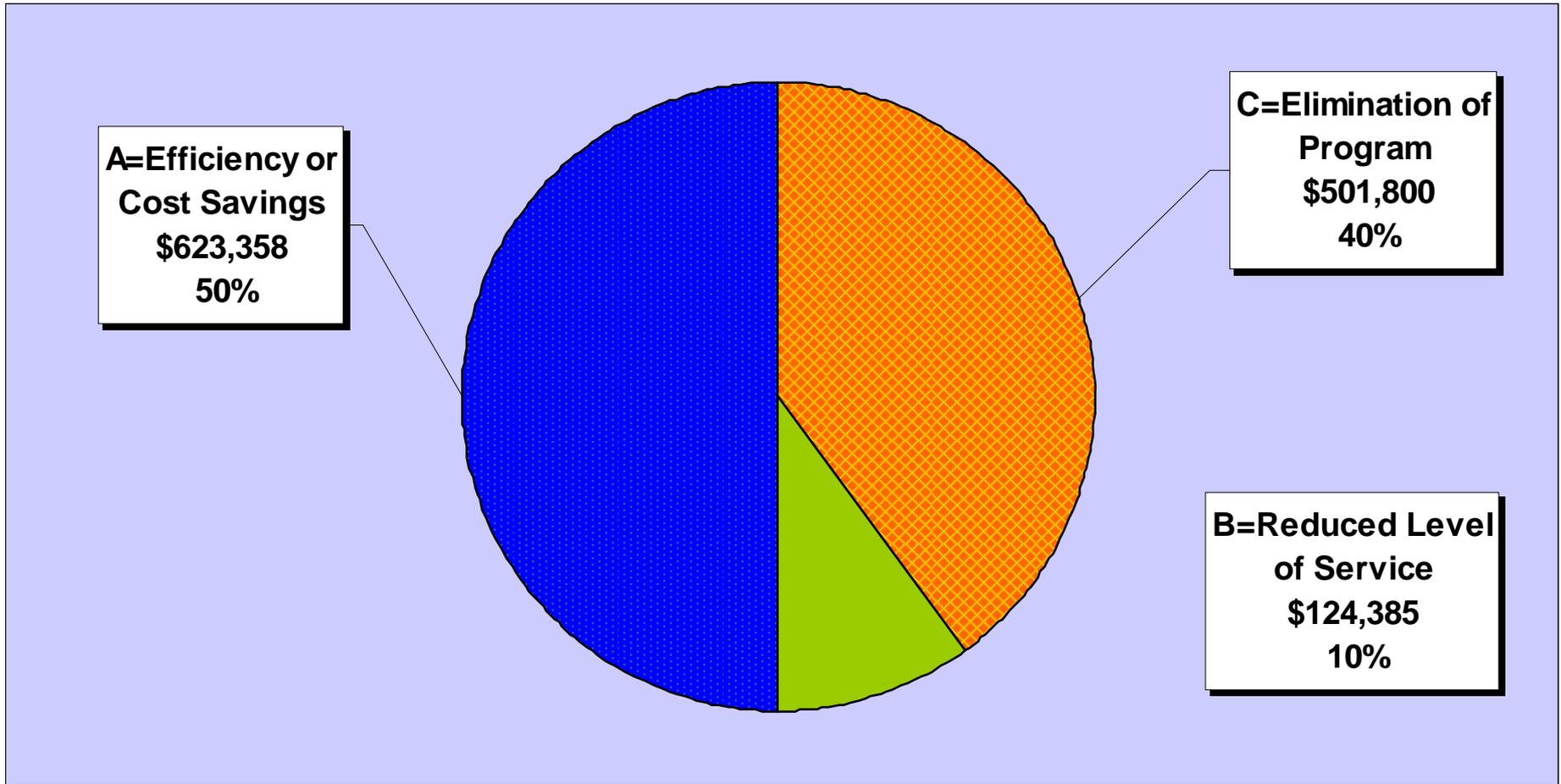
- ❑ Eliminate programs that are not sustainable over the long-term

Reduction in Levels of Service:

- ❑ Maintain critical services, particularly those funded with federal dollars, to the maximum extent possible.
- ❑ Maintain FCRHA properties to community standards.
- ❑ Maximize use of existing staff to fill gaps and avoid a major interruption of services.

Agency Reduction Priorities

Reductions by Classification = \$1,249,543



Agency Reduction Priorities

Reduction Summary

Priority Ranking	Reduction Description	Positions	SYE	Net Reduction
1	Eliminate one (1) vacant Division Director Position	1	1.0	\$96,607
2	Transfer the funding source for an Administrative Assistant III (accounts receivable clerk) position from the General Fund to an FCRHA-supported program (Fund 967, Public Housing)	1	1.0	\$38,507
3	Eliminate three (3) program analyst positions and one (1) IT Tech II position	4	4.0	\$253,079
4	Transfer two (2) General Fund-supported positions to an FCRHA-supported fund (Fund 941, Fairfax County Rental Program); will eliminate one (1) vacant position in Fund 941	2	2.0	\$84,375
5	Eliminate general fund support for refuse collection services at FCRHA housing properties; transfer expense to Fund 967, Public Housing	0	0.0	\$129,985

Agency Reduction Priorities

Reduction Summary

Priority Ranking	Reduction Description	Positions	SYE	Net Reduction
6	Eliminate General Fund support for custodial services at West Glade; transfer expense to Fund 950, Housing Partnerships	0	0.0	\$20,805
7	Eliminate funding support for one (1) Limited Term Housing Community Developer II position	1	1.0	\$50,660
8	Reduce contract funding for language translation services	0	0.0	\$73,725
9	Eliminate contract funding for training	0	0.0	\$160,000
10	Close Lincolnia Assisted Living facility; transfer position to FCRHA fund (941, FCRP)	1	1.0	\$341,800
TOTAL REDUCTION		10	10.0	\$1,249,543

LOBS Reduction Impact



Reduction 1: Eliminate one (1) vacant Division Director position

LOB #: 38-05 – Community and Neighborhood Improvement

- ❑ Reduction: \$96,607 (1/1.0 SYEs)**
- ❑ Eliminate one vacant merit position, Division Director
- ❑ Reduction in development activities

LOBS Reduction Impact



Reduction 2: Transfer one (1) services support position from General Fund to FCRHA fund

LOB #: 38-07 – Organizational Management and Development

- ❑ **Reduction: \$38,507 (1/1.0 SYEs)**
- ❑ Transfer the funding source for an Administrative Assistant III (accounts receivable clerk) position from the General Fund to an FCRHA-supported program
 - ❑ By eliminating a vacant position in an FCRHA fund, the financial impact of this transfer to an FCRHA program will be negligible.
- ❑ Accounts receivable function will continue to be performed

LOBS Reduction Impact



Reduction 3: Eliminate three (3) programmer/analyst positions and one (1) IT Tech position

LOB #: 38-07 – Organizational Management and Development

- ❑ **Reduction: \$253,079 (4/4.0 SYEs)**
- ❑ Eliminate three (3) program analyst positions and one (1) IT Tech II position within the agency's Information Systems Services division.
- ❑ Two program analyst positions no longer needed due to new software system
- ❑ One position supports the agency web site
- ❑ Remaining position provides agency help-desk support
- ❑ Duties associated with these positions will be reassigned and absorbed within the ISS Division or other appropriate areas of the agency
 - ❑ ISS work order response time will increase
 - ❑ Other staff will have to absorb the web-based functions
 - ❑ Agency web-site maintenance will no longer be a communication tool priority
- ❑ Remaining IT positions required to assist with unique agency software that supports various federal programs
 - ❑ Reporting and data analysis mandates must be met in order to maintain federal funding

LOBS Reduction Impact



Reduction 4: Transfer two (2) General Fund-supported positions to an FCRHA-supported fund

LOB #: 38-02 – Rental Housing and Tenant Subsidies

- ❑ **Reduction: \$84,375 (2/2.0 SYEs)**
- ❑ Transfer one (1) position from the General Fund's Housing Management cost center to an FCRHA funded program
 - ❑ By eliminating a vacant position in an FCRHA fund, the financial impact of this transfer to an FCRHA program will be negligible
- ❑ Transfer the funding source for one (1) Administrative Assistant III (maintenance work order call-taker) position from the General Fund to an FCRHA-supported program
 - ❑ Work order call support will remain consistent with current level of service since the position is not being eliminated

LOBS Reduction Impact



Reduction 5: Eliminate General Fund support for refuse collection at FCRHA housing properties

LOB #: 38-02– Rental Housing and Tenant Subsidies

- ❑ **Reduction: \$129,985 (0/0.0 SYEs)**
- ❑ Eliminate General Fund support for refuse collection services at FCRHA Public Housing properties
 - ❑ Expense will be absorbed by the individual program and properties will attempt to minimize the impact to the current level of service; may seek better priced collection services (currently use County Solid Waste Collection)

LOBS Reduction Impact



Reduction 6: Eliminate General Fund support for custodial services at West Glade

LOB #: 38-02 – Rental Housing and Tenant Subsidies

- ❑ **Reduction: \$20,805 (0/0.0 SYEs)**
- ❑ Eliminate General Fund support for contract custodial services at its West Glade property
- ❑ Cost of service will be absorbed by the property; minimal impact to current level of service

LOBS Reduction Impact



Reduction 7: Eliminate funding for one (1) Limited Term Housing Community Developer II position

LOB #: 38-05 – Community and Neighborhood Improvement

- ❑ **Reduction: \$50,660 (1/1.0 SYEs)**
- ❑ Eliminate one Limited Term Housing Community Developer II position that is currently filled and providing support to the County's Blight Abatement program
- ❑ Elimination of this position reduces the number of County staff personnel addressing the Strike Force initiative
 - ❑ Duties performed by this position will be absorbed by the County's Strike Force team.

LOBS Reduction Impact



Reduction 8: Reduce contract funding for language translation services

LOB #38-07: Organizational Management and Development

- ❑ Reduction: \$73,725 (0/0.0 SYEs)**
- ❑ Reduce operating budget for contractor-provided translation services.
- ❑ Anticipated impact includes reduced capability to meet the language translation needs of the agency's diverse clientele
- ❑ Delay web-based translation plan

LOBS Reduction Impact



Reduction 9: Eliminate contract funding for training

LOB #: 38-05 – Community and Neighborhood Improvement

- ❑ **Reduction: \$160,000 (0/0.0 SYEs)**

- ❑ Eliminate funding for non-profit training program
 - ❑ Alternate funding sources will be sought through grants or other sources

LOBS Reduction Impact



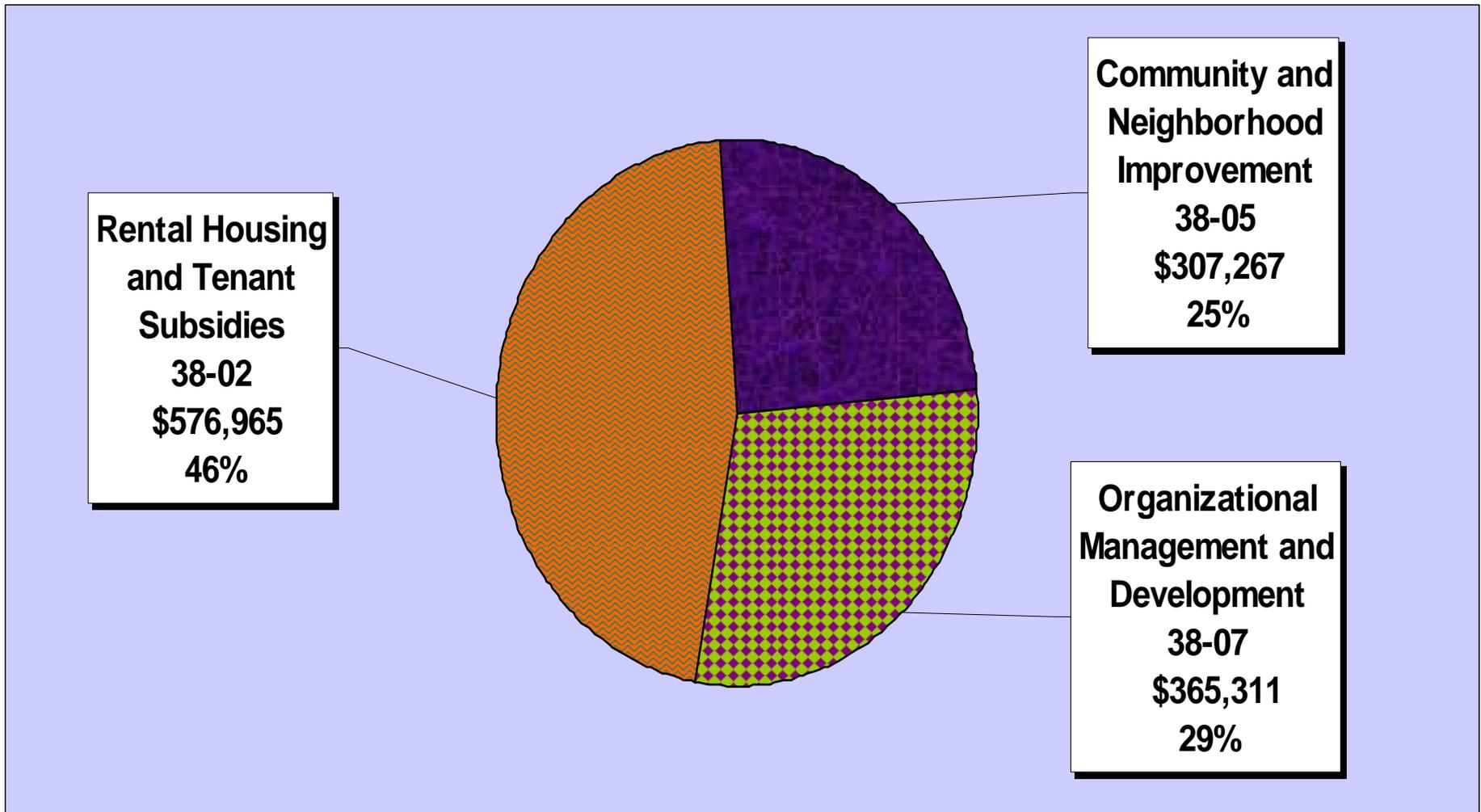
Reduction 10: Close Assisted Living Facility at Lincolnia

LOB #: 38-02 – Rental Housing and Tenant Subsidies

- ❑ **Reduction: \$341,800 Reduction, 1/1.0 SYEs**
- ❑ Closing the Lincolnia Assisted Living facility (part of the agency's Elderly Housing Program), a net savings of \$341,800 will be achieved in FY 2010; residents may be eligible for placement at the assisted care facility at Birmingham Green
- ❑ One merit position will be transferred to an FCRHA fund
- ❑ Approximately \$4.9 million required to keep the facility open; immediate improvement needs include: major renovation work on the roof and replacement of the HVAC system
- ❑ Contract costs for the healthcare management company currently operating facility are expected to increase \$200,000 annually

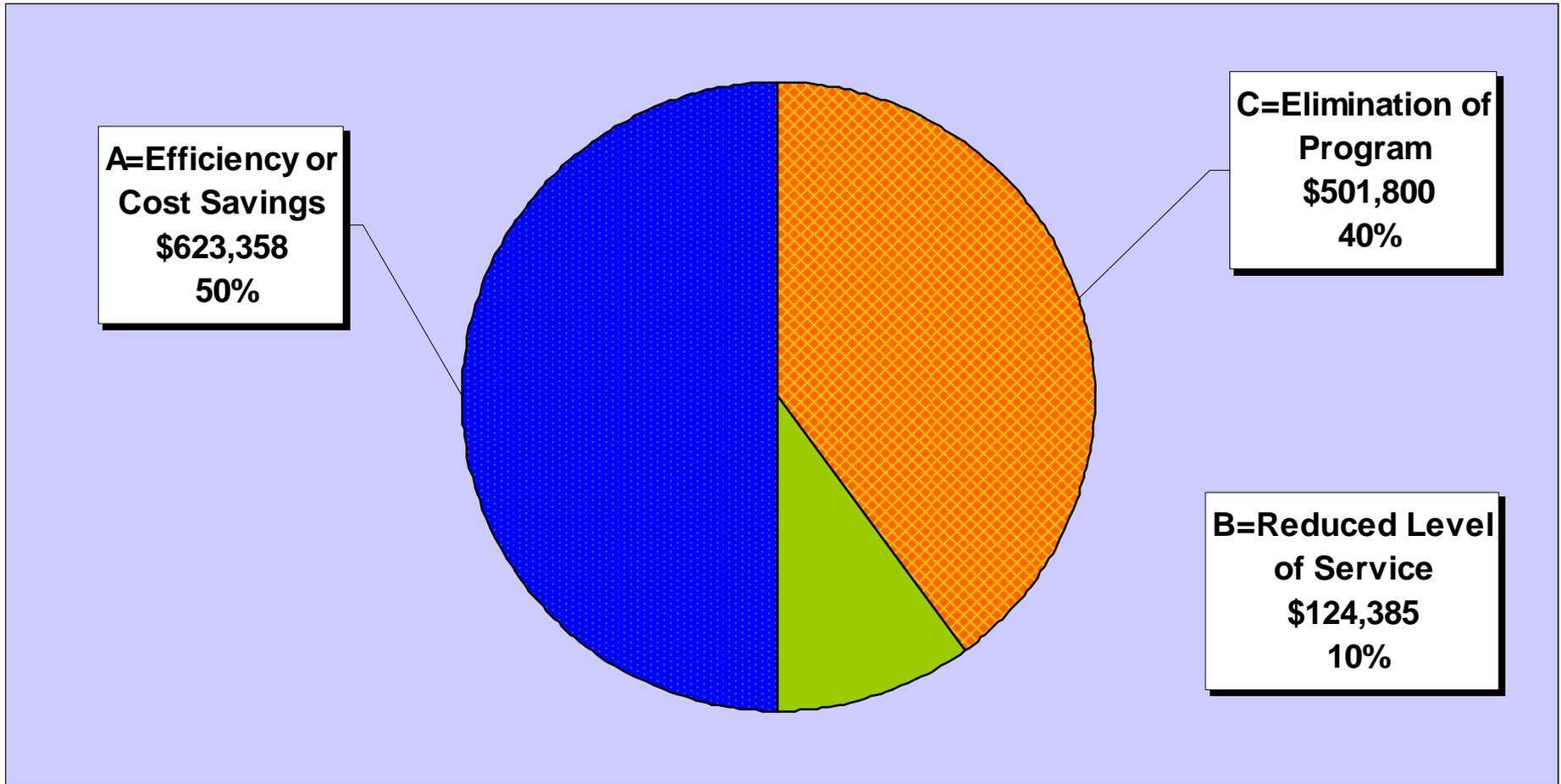
Agency Reduction Priorities

Reductions by LOB = \$1,249,543



Agency Reduction Priorities

Reductions by Classification = \$1,249,543



Questions and Answers

