

Fund 81300: RAD - Project-Based Voucher

Mission To manage affordable rental housing acquired by the Fairfax County Redevelopment and Housing Authority (FCRHA) and to maintain and preserve the units for long-term rental availability.

Focus Fund 81300, Rental Assistance Demonstration (RAD) – Project-Based Voucher (PBV) is a local rental housing program that has been initiated by the Department of Housing and Urban Development (HUD). Under RAD, housing authorities convert traditional public housing units to a new subsidy platform using Section 8 PBVs issued through the Housing Choice Voucher (HCV) Program. For more information about the HCV Program, see Fund 81510, HCV Program.

One of the advantages of converting public housing units to RAD is that the FCRHA can leverage private equity for critical capital improvements. Under the traditional public housing model this was not possible, and the funding made available through Fund 81530, Public Housing Projects Under Modernization, was insufficient to address all of the FCRHA's critical capital needs for public housing units. Since the units are no longer considered public housing under RAD, the FCRHA can secure capital for property improvements. Additionally, residents are provided increased mobility under RAD. If they choose to move from a RAD-PBV unit, they can be issued a tenant-based voucher, provided they meet the HCV criteria and vouchers are available.

Under the PBV subsidy model, the tenant is responsible for a portion of the monthly rent with the remainder being disbursed from the HCV program as a Housing Assistance Payment (HAP) to the property.

In FY 2021, Fund 81300 will support a total of 1,065 units, including 1,060 PBV units and five offline units. These units are multi-family rental properties and scattered site units throughout the County. While program operations are primarily supported by tenant rents and HAP subsidy from the HCV program, the County's General Fund will continue to support condominium fees for selected RAD properties.

A total of 748 units are internally managed across 14 properties and 317 units across 13 properties are under private third-party management. There are no anticipated unit transitions to third-party management in FY 2021.

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RAD-PBV Properties and FY 2021 Operating Costs			
Project Name	Units	FY 2021 Budget	Supervisory District
The Atrium	37	\$351,015	Lee
Audubon ¹	46	389,306	Lee
Belleview	40	413,098	Mt. Vernon
Barkley Square	3	48,674	Providence
Colchester Town	8	68,431	Lee
Greenwood	138	1,501,727	Mason
Kingsley Park ¹	108	1,248,294	Providence
Old Mill Gardens ¹	48	633,564	Mt. Vernon
Tavenner Lane ²	12	N/A	Lee
Ragan Oaks	51	738,162	Springfield
Robinson Square	46	703,215	Braddock
Rosedale Manor ¹	97	1,136,894	Mason
Waters Edge	9	103,769	Springfield
Westford I, II and III	105	1,566,162	Mt. Vernon
Total³	748	\$8,960,601	

RAD-PBV Third-Party Managed Properties and FY 2021 Operating Costs			
Project Name	Units	FY 2021 Budget	Supervisory District
Barros Circle ¹	44	\$0	Sully
Briarcliff II	20	0	Providence
Greenwood II	4	0	Lee
Heritage Woods North	12	0	Braddock
Heritage Woods South	32	0	Braddock
Newington Station	36	0	Mt. Vernon
Reston Town Center	30	0	Hunter Mill
Shadowood	16	0	Hunter Mill
Sheffield Village	8	0	Mt. Vernon
Springfield Green	5	0	Lee
The Green	50	0	Hunter Mill
The Park	24	0	Lee
Villages at Falls Church	36	0	Mason
Total	317	\$0	

¹ Audubon, Barros Circle, Kingsley Park, Old Mill Gardens and Rosedale Manor include one unit each being used as office space or community rooms as allowed under HUD guidelines.

² The 12 units of Tavenner Lane are part of the federally-assisted RAD program and are reflected in Fund 81300, RAD – Project-Based Voucher. However, operating expenses for all 12 units are budgeted for and included in Fund 81200, Housing Partnerships, due to their ownership structure.

³ Total FY 2021 funding includes \$58,290 in the RAD-PBV Operating Fund for general program oversight.

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Budget and Staff Resources

Category	FY 2019 Actual	FY 2020 Adopted	FY 2020 Revised	FY 2021 Advertised
FUNDING				
Expenditures:				
Personnel Services	\$3,518,481	\$3,980,321	\$3,161,916	\$3,342,523
Operating Expenses	6,211,637	6,689,107	6,846,290	5,618,078
Capital Projects	402,566	1,250,000	2,750,195	1,408,451
Subtotal	\$10,132,684	\$11,919,428	\$12,758,401	\$10,369,052
Less:				
Recovered Costs	\$0	\$0	(\$2,750,195)	(\$1,408,451)
Total Expenditures	\$10,132,684	\$11,919,428	\$10,008,206	\$8,960,601
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	49 / 49	49 / 49	39 / 39	39 / 39

FY 2021 Funding Adjustments

The following funding adjustments from the FY 2020 Adopted Budget Plan are necessary to support the FY 2021 program:

Employee Compensation **\$122,317**

An increase of \$122,317 in Personnel Services includes \$69,528 for a 2.06 percent market rate adjustment (MRA) for all employees and \$52,789 for performance-based and longevity increases for non-uniformed merit employees, both effective July 2020.

Other Post-Employment Benefits **(\$36,692)**

A decrease of \$36,692 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, in Volume 2 of the FY 2021 Advertised Budget Plan.

Programmatic Adjustments **(\$3,202,903)**

A decrease of \$3,202,903 comprises decreases of \$723,423 in Personnel Services based on an alignment of actual spending trends and an ongoing effort to realign positions within the Department of Housing and Community Development, \$1,071,029 in Operating Expenses resulting from the shift of units to third-party management in FY 2020 and \$1,408,451 as Capital Needs Assessment (CNA) Reimbursement funding to recover the cost of capital expenses in the 20-year Capital Needs Assessment.

RAD-PBV Capital Projects **\$158,451**

An increase of \$158,451 is included for total capital funding of \$1,408,451 to support critical capital needs and improvements as identified by HUD in the 20-year Capital Needs Assessment. However, the net cost is \$0 due to the individual RAD-PBV properties paying into an Annual Deposit to Replacement Reserve (ADRR) which recovers the cost of capital expenses in the 20-year Capital Needs Assessment.

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Changes to FY 2020 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2020 Revised Budget Plan since passage of the FY 2020 Adopted Budget Plan. Included are all adjustments made as part of the FY 2019 Carryover Review, and all other approved changes through December 31, 2019.

Carryover Adjustments (\$331,027)

As part of the FY 2019 Carryover Review, the Board of Supervisors approved a net decrease of \$331,027 which comprises a decrease of \$617,918 to align the FY 2020 Revised Budget Plan to support HUD's 20-year Capital Needs Assessment Plan projects in FY 2020, partially offset by an increase of \$286,891 due to encumbered carryover.

Out-of-Cycle Adjustments (\$1,580,195)

A net decrease of \$1,580,195 comprises decreases of \$818,405 in Personnel Services based on an alignment of actual and spending trends and an ongoing effort to realign positions within the Department of Housing and Community Development, \$353,796 in Operating Expenses resulting from the shift of units to third-party management in FY 2020 and \$2,750,195 in Recovered Costs, partially offset by an increase of \$2,342,201 in Capital Projects in order to account for projects required by the 20-year Capital Needs Assessment.

Position Realignment \$0

As part of an ongoing effort to realign positions within the Department of Housing and Community Development based on real-time tracking, posting of time and attendance, and programmatic operations, 1/1.0 FTE Housing Services Specialist III was transferred to Fund 40330, Elderly Housing Programs, 1/1.0 FTE Housing Services Specialist III, 2/2.0 FTE Housing Services Specialists II and 1/1.0 FTE Housing Services Specialist I were transferred to Fund 81100, Fairfax County Rental Program, 1/1.0 FTE Housing Services Specialist II was transferred to Fund 81200, Housing Partnerships, and 1/1.0 FTE Housing Services Specialist III, 1/1.0 FTE Housing Services Specialist II, 1/1.0 FTE Housing Services Specialist I and 1/1.0 FTE Administrative Assistant III were transferred to Fund 81510, Housing Choice Voucher.

Position Detail

The FY 2021 Advertised Budget Plan includes the following positions:

RAD - PROJECT-BASED VOUCHER - 39 Positions			
2	Housing Services Specialists V	1	Plumber II
1	Housing Community Developer III	4	HVACs I
1	Housing Services Specialist IV	1	Locksmith II
2	Housing Services Specialists III	7	General Building Maintenance Workers II
7	Housing Services Specialists II	4	General Building Maintenance Workers I
1	Financial Specialist III	1	Human Services Coordinator II
1	Management Analyst I	2	Administrative Assistants IV
1	Chief Building Maintenance Section	2	Administrative Assistants III
1	Preventative Maintenance Specialist		

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FUND STATEMENT

Category	FY 2019 Actual	FY 2020 Adopted Budget Plan	FY 2020 Revised Budget Plan	FY 2021 Advertised Budget Plan
Beginning Balance	\$8,062,697	\$6,634,041	\$7,359,362	\$6,723,418
Revenue: ¹				
Rental Income	\$9,343,575	\$4,272,141	\$5,515,121	\$4,589,301
Annual Contributions	0	5,015,121	0	0
Housing Assistance Payment Income	0	0	3,772,141	3,059,534
Investment Income ²	33,169	0	0	34,807
Other Income ²	52,605	85,000	85,000	55,490
Total Revenue	\$9,429,349	\$9,372,262	\$9,372,262	\$7,739,132
Total Available	\$17,492,046	\$16,006,303	\$16,731,624	\$14,462,550
Expenditures:				
Personnel Services	\$3,518,481	\$3,980,321	\$3,161,916	\$3,342,523
Operating Expenses ^{2,3}	5,493,196	6,689,107	5,632,437	4,373,880
ADRR ³	1,344,135	0	1,213,853	1,244,198
Capital Outlay	402,566	1,250,000	2,750,195	1,408,451
CNA Reimbursement ³	(625,694)	0	(2,750,195)	(1,408,451)
Total Expenditures	\$10,132,684	\$11,919,428	\$10,008,206	\$8,960,601
Total Disbursements	\$10,132,684	\$11,919,428	\$10,008,206	\$8,960,601
Ending Balance	\$7,359,362	\$4,086,875	\$6,723,418	\$5,501,949
Operational Reserve	\$1,994,314	\$922,194	\$1,358,370	\$136,901
Restricted HUD Capital Needs Reserve ⁴	5,365,048	3,164,681	5,365,048	5,365,048
Unreserved Ending Balance	\$0	\$0	\$0	\$0

¹ Revenue is based on projected rental income from tenants plus Housing Assistance Payments (HAP) on behalf of the project-based voucher holders residing in RAD units.

² In order to account for revenues and expenditures in the proper fiscal year, audit adjustments have been reflected as a decrease of \$61,802.32 to FY 2019 revenues and a decrease of \$125,404 to FY 2019 expenditures to record revenue and expenditure accrual adjustments. These audit adjustments were included in the FY 2019 Comprehensive Annual Financial Report (CAFR). Details of the audit adjustments will be included in the FY 2020 Third Quarter Package.

³ FY 2019 Actuals have been restated to more transparently show the CNA Reimbursement process. The CNA Reimbursement process reflects the individual RAD properties paying into the Annual Deposit to Replacement Reserve (ADRR), which is then used to reimburse the fund to recover the cost of both operating and capital expenses related to the 20-year Capital Needs Assessment as required by HUD.

⁴ The Restricted HUD Capital Needs Reserve was required by HUD to support critical capital needs and improvements as identified in the 20-year Capital Needs Assessment as part of the conversion to RAD. This reserve is held in a separate bank account and includes additional funding of \$1,340,924 not shown on this fund statement.