

Fund 81400: FCRHA Asset Management

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. In addition, to provide affordable rental housing through partnerships between the FCRHA and private investors.

Focus Fund 81400, FCRHA Asset Management is designed for oversight and to manage the property programs that remain with the FCRHA. In FY 2023, nearly all properties serving residents are third-party managed. Beginning in FY 2023, Funds 40330, Elderly Housing Programs; 81100, Fairfax County Rental Program; 81200, Housing Partnerships; and 81300, Rental Assistance Demonstration (RAD) – Project-Based Voucher are closed and consolidated into Fund 81400. These property assets exist to serve the residents of Fairfax County with affordable rental housing. It should be noted that any balances in the current funds will be shifted to Fund 81400 as part of the *FY 2022 Carryover Review*.

Fairfax County Rental Program

The Fairfax County Rental Program (FCRP) is a local rental housing program developed and managed by the Department of Housing and Community Development (HCD) for the FCRHA. The FCRP is designed to provide affordable rental housing in the County for low- and moderate-income families. FCRP includes projects developed by the FCRHA and other privately developed or rehabilitated housing units acquired by the FCRHA or Fairfax County. In FY 2022, this program will support a total of 1,501 units consisting of multi-family rental properties, senior independent units, and specialized units and beds in FCRHA-owned group homes that are primarily third-party managed.

The operation of this program is primarily supported by tenant rents, and the County's General Fund is also charged directly for payments in support of condominium fees and real estate taxes. In previous fiscal years, debt service contributions previously received by FCRP from Fund 40330, Elderly Housing Programs, provided support for the debt service payment for the Little River Glen bond. In FY 2023, these payments will now be covered by the third-party management company overseeing the property.

In FY 2023, all FCRP units are third-party managed with the exception of Coan Pond. In addition, there are 62 units of group homes that belong to FCRP but are managed by the Fairfax-Falls Church Community Services Board (CSB). The total number of units in the FCRP program is 1,501, and of this, 1,420 units will be third-party managed, with the 19 units at Coan Pond and 62 units of group being internally managed.

The following charts summarize the total number of units in the FCRP and Group Homes in FY 2023 and the projected operating costs associated with the units:

Internally Managed Projects	Units	FY 2023 Budget	District
Coan Pond (Working Singles Housing Program)	19	\$49,164	Providence
Subtotal	19	\$49,164	

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Third-Party Managed Projects	Units	FY 2023 Budget	District
Bryson at Woodland Park	4	\$0	Hunter Mill
Cedar Lakes	3	0	Sully
Charleston Square	1	0	Springfield
Chatham Town	10	0	Braddock
Colchester Towne	24	0	Lee
Crest of Alexandria	13	0	Lee
Crescent Apartments	180	0	Hunter Mill
Discovery Square	5	0	Sully
East Market	2	0	Springfield
Fair Oaks Landing	3	0	Springfield
Fairfax Ridge Condo	1	0	Springfield
Faircrest	6	0	Sully
Fox Mill	2	0	Hunter Mill
Glenwood Mews	9	0	Lee
Halstead	4	0	Providence
Holly Acres	2	0	Lee
Hopkins Glen	91	0	Providence
Island Creek	8	0	Lee
Laurel Hill	6	0	Mt. Vernon
Legato Corner Condominiums	13	0	Springfield
Little River Glen (Debt Service)	0	0	Braddock
Little River Square	45	0	Springfield
Lorton Valley	2	0	Mt. Vernon
Madison Ridge	10	0	Sully
McLean Hills	25	0	Providence
Metrowest	6	0	Providence
Mt. Vernon Gardens	34	0	Lee
Northampton	4	0	Lee
ParcReston	23	0	Hunter Mill
Penderbrook	48	0	Providence
Royal Lytham Drive – ADU	0	0	Sully
Saintsbury Plaza	6	0	Providence
Stockwell Manor	3	0	Dranesville
Stonegate at Faircrest	1	0	Springfield
Springfield Green	14	0	Lee
Wedgewood Apartments	672	0	Braddock
Westbriar	1	0	Springfield
Westcott Ridge	10	0	Springfield
Willow Oaks	7	0	Sully
Woodley Hills Estates	115	0	Mt. Vernon
Pender Oaks	2	0	Sully
Atrium at Metro West	5	0	Providence
Subtotal	1,420	\$0	

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Group Homes	Units	FY 2023 Budget	District
Bath Street Group Home	8	\$2,564	Springfield
Dequincey Group Home	5	4,766	Braddock
First Stop Group Home	8	42,700	Springfield
Leland Group Home	8	0	Sully
Minerva Fisher Group Home	12	30,776	Providence
Mount Vernon Group Home	8	624	Mt. Vernon
Patrick Street Group Home	8	0	Providence
Rolling Road Group Home	5	1,422	Mt. Vernon
Subtotal	62	\$82,852	
Total Units/Expenditures	1,501	\$132,016	

Rental Assistance Demonstration – Project-Based Voucher Program

The Rental Assistance Demonstration (RAD) – Project-Based Voucher (PBV) Program 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 into 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.

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. These units are multi-family rental properties and scattered site units throughout the County.

In FY 2023, the RAD-PBV program supports a total of 1,065 units, including 1,060 PBV units and five offline units. All RAD units will be third-party managed beginning in FY 2022 and into FY 2023.

The following table summarizes the number of units for each property managed by third-party companies. The projected FY 2023 overhead costs for the RAD-PBV program are \$255,205.

RAD-PBV Third-Party Managed Properties	Units	FY 2023 Budget	District
The Atrium	37	\$0	Lee
Audubon ¹	46	0	Lee
Belleview	40	0	Mt. Vernon
Barkley Square	3	0	Providence
Barros Circle ¹	44	0	Sully
Briarcliff II	20	0	Providence
Colchester Town	8	0	Lee
Greenwood	138	0	Mason
Greenwood II	4	0	Lee
Heritage Woods North	12	0	Braddock
Heritage Woods South	32	0	Braddock
Kinglsey Park ¹	108	0	Providence
Newington Station	36	0	Mt. Vernon
Old Mill Gardens ¹	48	0	Mt. Vernon
Ragan Oaks	51	0	Springfield
Reston Town Center	30	0	Hunter Mill

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RAD-PBV Third-Party Managed Properties	Units	FY 2023 Budget	District
Robinson Square	46	0	Braddock
Rosedale Manor ¹	97	0	Mason
Shadowood	16	0	Hunter Mill
Sheffield Village	8	0	Mt. Vernon
Springfield Green	5	0	Lee
Tavener Lane ²	12	0	Lee
The Green	50	0	Hunter Mill
The Park	24	0	Lee
Villages at Falls Church	36	0	Mason
Waters Edge	9	0	Springfield
Westford I, II, and III	105	0	Mt. Vernon
Total Units/Expenditures	1,065	\$0	

¹ Audubon, Barros Circle, Kingsey 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 Tavener Lane are part of the federally assisted RAD program and are RAD-PBV units. However, operating expenses for all 12 units are accounted for in Housing Partnerships, due to their ownership structure.

Housing Partnerships

Housing Partnerships include partnership properties in the Federal Low Income Housing Tax Credit program (LIHTC), which promote private investment in affordable housing through partnerships between private investors and the FCRHA. Beginning in FY 2022 and into FY 2023, all partnership properties are third-party managed and include: Tavener Lane, Murraygate Village, Olley Glen, Castellani Meadows, The Green, Herndon Harbor House I & II, Stonegate Village, Cedar Ridge, Morris Glen, and Gum Springs Glen. Internally managed partnerships include Original Mount Vernon High School (OMVHS).

Partnership properties are supported by tenant rents which cover expenses to include salaries, maintenance, capital improvements, and other operating expenses. Partnership properties receive a County reimbursement for real estate taxes which are budgeted in the General Fund.

The following table summarizes the total 1,090 units for each property managed by third-party companies:

Third-Party Managed Properties	Units	FY 2023 Budget	District
Tavener Lane	24	\$0	Lee
Murraygate Village	200	0	Lee
Olley Glen	90	0	Braddock
Herndon Harbor I & II	120	0	Dranesville
Stonegate Village	240	0	Hunter Mill
Castellani Meadows	24	0	Sully
The Green	74	0	Providence, Hunter Mill, and Sully
Cedar Ridge	198	0	Hunter Mill
Morris Glen	60	0	Lee
Gum Springs Glen	60	0	Lee
Total Units/Expenditures	1,090	\$0	

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Budget and Staff Resources

Category	FY 2021 Actual	FY 2022 Adopted	FY 2022 Revised	FY 2023 Advertised	FY 2023 Adopted
FUNDING					
Expenditures:					
Operating Expenses	\$0	\$0	\$845,369	\$727,194	\$727,194
Capital Projects	0	0	26,246,088	0	0
Total Expenditures	\$0	\$0	\$27,091,457	\$727,194	\$727,194
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0

FY 2023 Funding Adjustments

The following funding adjustments from the *FY 2022 Adopted Budget Plan* are necessary to support the FY 2023 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 May 10, 2022.

Establishment of the FCRHA Asset Management Fund **\$727,194**

An increase of \$727,194 is associated with the establishment of Fund 81400, FCRHA Asset Management in FY 2023. This funding is included to support the consolidated oversight and management of the County's rental programs.

Changes to FY 2022 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the *FY 2022 Revised Budget Plan* since passage of the *FY 2022 Adopted Budget Plan*. Included are all adjustments made as part of the *FY 2021 Carryover Review*, *FY 2022 Mid-Year Review*, *FY 2022 Third Quarter Review*, and all other approved changes through April 30, 2022.

Third Quarter Adjustments **\$27,091,457**

As part of the *FY 2022 Third Quarter Review*, the Board of Supervisors approved funding of \$27,091,457 due to the establishment of Fund 81400, FCRHA Asset Management following the Department of Housing and Community Development shifting their property management functions to third-party management in FY 2022.

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FUND STATEMENT

Category	FY 2021 Actual	FY 2022 Adopted Budget Plan	FY 2022 Revised Budget Plan	FY 2023 Advertised Budget Plan	FY 2023 Adopted Budget Plan
Beginning Balance	\$0	\$0	\$0	\$0	\$169,900
Revenue:					
Fairfax County Rental Program (FCRP)	\$0	\$0	\$1,267,773	\$471,989	\$471,989
Rental Assistance Demonstration - Project-Based Voucher (RAD-PBV)	0	0	195,484	255,205	255,205
Original Mount Vernon High School (OMVHS)	0	0	25,798,100	0	0
Total Revenue	\$0	\$0	\$27,261,357	\$727,194	\$727,194
Total Available	\$0	\$0	\$27,261,357	\$727,194	\$897,094
Expenditures:					
FCRP	\$0	\$0	\$1,168,990	\$471,989	\$471,989
RAD-PBV	0	0	124,367	255,205	255,205
OMVHS	0	0	25,798,100	0	0
Total Expenditures	\$0	\$0	\$27,091,457	\$727,194	\$727,194
Total Disbursements	\$0	\$0	\$27,091,457	\$727,194	\$727,194
Ending Balance	\$0	\$0	\$169,900	\$0	\$169,900
FCRP Reserve	\$0	\$0	\$98,783	\$0	\$98,783
RAD-PBV Reserve	0	0	71,117	0	71,117
Unreserved Ending Balance	\$0	\$0	\$0	\$0	\$0

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FY 2023 SUMMARY OF CAPITAL PROJECTS

Project	Total Project Estimate	FY 2021 Actual Expenditures	FY 2022 Revised Budget	FY 2023 Advertised Budget Plan	FY 2023 Adopted Budget Plan
Asset Management - OMOVHS LLC Project (HF-000178)	\$25,798,100	\$0.00	\$25,798,100.32	\$0	\$0
Asset Management - Penderbrook Capital (HF-000176)	421,998	0.00	421,998.00	0	0
Total	\$26,220,098	\$0.00	\$26,220,098.32	\$0	\$0