

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, all properties serving residents are third-party managed. In FY 2022, Funds 40330, Elderly Housing Programs; 81100, Fairfax County Rental Program; 81200, Housing Partnerships; and 81300, Rental Assistance Demonstration (RAD) – Project-Based Voucher were closed and consolidated into Fund 81400. These property assets exist to serve the residents of Fairfax County with affordable rental housing.

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 2024, this program will support a total of 1,519 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 2024, these payments will now be covered by the third-party management company overseeing the property.

In FY 2024, all FCRP units are third-party managed. 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 1,519, and of this, 1,457 units will be third-party managed, and 62 units of group homes will be internally managed.

The following charts summarize the total number of units in the FCRP, and Group Homes in FY 2024 and the projected operating costs associated with the units. In FY 2024, \$516,998 is included for FCRP and the Group Homes, which comprises \$421,998 for the Penderbrook Capital Expenditure Reserve, \$50,000 for group home overhead costs, and \$45,000 in operating expenses for the First Stop Group Home.

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Third-Party Managed Projects	Units	FY 2024 Budget	District
Atrium at Metrowest	10	\$0	Providence
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	Franconia
Coan Pond	19	0	Springfield
Commonwealth at Westfields	7	0	Sully
Crest of Alexandria	13	0	Franconia
Crescent Apartments	180	0	Hunter Mill
Discovery Square	5	0	Sully
East Market	4	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	Franconia
Halstead	4	0	Providence
Holly Acres	2	0	Franconia
Hopkins Glen	91	0	Providence
Island Creek	8	0	Franconia
Laurel Hill	6	0	Mt. Vernon
Legato Corner Condominiums	13	0	Springfield
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	Franconia
Northampton	4	0	Franconia
ParcReston	23	0	Hunter Mill
Penderbrook	48	0	Providence
Pender Oaks	6	0	Sully
Saintsbury Plaza	6	0	Providence
Stockwell Manor	3	0	Dranesville
Stonegate at Faircrest	1	0	Springfield
Springfield Green	14	0	Franconia
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
Subtotal	1,457	\$0	

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Group Homes	Units	FY 2024 Budget	District
Bath Street Group Home	8	\$0	Springfield
Dequincey Group Home	5	0	Braddock
First Stop Group Home	8	45,000	Springfield
Leland Group Home	8	0	Sully
Minerva Fisher Group Home	12	0	Providence
Mount Vernon Group Home	8	0	Mt. Vernon
Patrick Street Group Home	8	0	Providence
Rolling Road Group Home	5	0	Mt. Vernon
Subtotal	62	\$45,000	
Total Units/Expenditures	1,519	\$45,000	

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 2024, the RAD-PBV program supports a total of 1,065 units, including 1,060 PBV units and five offline units. All RAD units are third-party managed in FY 2024.

The following table summarizes the number of units for each property managed by third-party companies. The projected FY 2024 overhead costs for the RAD-PBV program are \$22,800.

RAD-PBV Third-Party Managed Properties	Units	FY 2024 Budget	District
The Atrium	37	\$0	Franconia
Audubon ¹	46	0	Franconia
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	Franconia
Greenwood	138	0	Mason
Greenwood II	4	0	Franconia
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 2024 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	Franconia
Tavener Lane ²	12	0	Franconia
The Green	50	0	Hunter Mill
The Park	24	0	Franconia
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, Kinglsey 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. 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	Franconia
Murraygate Village	200	0	Franconia
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	Franconia
Gum Springs Glen	60	0	Franconia
Total Units/Expenditures	1,090	\$0	

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Elderly Housing Programs

The Elderly Housing Program includes Lincolnia Senior Residences, Little River Glen, Gum Springs Glen, Morris Glen, Olley Glen, Herndon Harbor House I and II, and Braddock Glen. Together, these facilities provide for 588 congregate housing units including two Adult Day Health Care Centers and three senior centers affordable to low-income older adults. The table below summarizes the units managed by third-party companies:

Property Name (Supervisor District)	Ownership	Operating Funding	Programs	# of Units ¹	Funding Provided
Little River Glen (Braddock)	FCRHA	Privately Managed	Independent Living Congregate Meals Senior Recreation	120	NA
Lincolnia Senior Residences (Mason)	FCRHA	Privately Managed/Fund 10001, General Fund	Independent Living Assisted Living Adult Day Health Care Congregate Meals Senior Recreation	26 52	NA
Gum Springs Glen (Mt. Vernon)	Gums Springs LP	Privately Managed	Independent Living Head Start	60	NA
Morris Glen (Franconia)	Morris Glen LP	Privately Managed	Independent Living	60	NA
Olley Glen (Braddock)	FCRHA Olley Glen LP	Privately Managed	Independent Living	90	NA
Herndon Harbor House I & II (Dranesville)	Herndon Harbor House LP Herndon Harbor House II LP	Privately Managed	Independent Living Adult Day Health Care Congregate Meals	120	NA
Braddock Glen (Braddock)	Fairfax County	Privately Managed	Assisted Living Congregate Meals Senior Recreation	60	NA
Total				588	NA

Other costs related to the County's Elderly Housing Programs at these sites include the operating costs of senior centers, Adult Day Health Care Centers, and congregate meal programs, are reflected in the agency budgets of the Department of Neighborhood and Community Services, the Department of Family Services, and Fund 50000, Federal-State Grant. Debt service requirements are managed by Fund 20000, Consolidated County and Schools Debt Service.

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Budget and Staff Resources

Category	FY 2022 Actual	FY 2023 Adopted	FY 2023 Revised	FY 2024 Advertised
FUNDING				
Expenditures:				
Operating Expenses	\$93,963	\$727,194	\$1,117,009	\$539,798
Capital Projects	843,676	0	86,381,766	0
Total Expenditures	\$937,639	\$727,194	\$87,498,775	\$539,798

FY 2024 Funding Adjustments

The following funding adjustments from the FY 2023 Adopted Budget Plan are necessary to support the FY 2024 program:

Programmatic Adjustments **(\$187,396)**
 A decrease of \$187,396 in Operating Expenses is based on anticipated program requirements in FY 2024.

Changes to FY 2023 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2023 Revised Budget Plan since passage of the FY 2023 Adopted Budget Plan. Included are all adjustments made as part of the FY 2022 Carryover Review and all other approved changes through December 31, 2022:

Carryover Adjustments **\$86,771,581**
 As part of the FY 2022 Carryover Review, the Board of Supervisors approved funding of \$86,771,581 due to increases of \$61,000,000 to support anticipated cost increases for the Original Mount Vernon High School (OMVHS) project, \$25,390,281 due to unexpended project balances, \$350,000 for elderly housing property maintenance needs, \$186,084 to support the Lincolnia contract, and \$70,421 in encumbered carryover. These increases are partially offset by a decrease of \$225,205 in the Rental Assistance Demonstration – Project-Based Voucher (RAD-PBV) program based on anticipated program needs due to the shift to third-party management.

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FUND STATEMENT

Category	FY 2022 Actual	FY 2023 Adopted Budget Plan	FY 2023 Revised Budget Plan	FY 2024 Advertised Budget Plan
Beginning Balance^{1,2,3}	\$0	\$169,900	\$13,753,592	\$15,685,703
Revenue:				
Elderly Housing Programs	\$33,724	\$0	\$0	\$0
Fairfax County Rental Program (FCRP)	353,922	471,989	280,836	295,154
Rental Assistance Demonstration - Project-Based Voucher (RAD-PBV)	15,327	255,205	14,000	12,300
Housing Partnerships ^{4,5}	7,902	0	0	0
Original Mount Vernon High School (OMVHS)	855,806	0	82,442,294	0
Total Revenue	\$1,266,681	\$727,194	\$82,737,130	\$307,454
Transfers In:				
General Fund (10001) ⁶	\$0	\$0	\$3,500,000	\$0
Elderly Housing Programs (40330) ⁷	0	0	3,193,756	0
Total Transfers In	\$0	\$0	\$6,693,756	\$0
Total Available	\$1,266,681	\$897,094	\$103,184,478	\$15,993,157
Expenditures:				
Elderly Housing Programs	\$33,300	\$0	\$536,084	\$0
FCRP ⁴	38,240	471,989	969,337	516,998
RAD-PBV	10,398	255,205	51,060	22,800
Housing Partnerships ^{4,5}	(105)	0	0	0
OMVHS	855,806	0	85,942,294	0
Total Expenditures	\$937,639	\$727,194	\$87,498,775	\$539,798
Total Disbursements	\$937,639	\$727,194	\$87,498,775	\$539,798
Ending Balance⁸	\$329,042	\$169,900	\$15,685,703	\$15,453,359
Elderly Housing Programs Reserve	\$424	\$0	\$2,658,096	\$2,658,096
FCRP Reserve	316,307	98,783	5,798,050	5,576,206
Housing Partnerships Reserve	7,382	0	43,828	43,828
RAD-PBV Reserve ⁹	4,929	71,117	7,185,729	7,175,229
Unreserved Ending Balance	\$0	\$0	\$0	\$0

¹ Fund 81100, Fairfax County Rental Program, was consolidated into Fund 81400, FCRHA Asset Management, beginning in FY 2023. All assets, liabilities and equity associated with Fund 81100 were transferred to Fund 81400. FY 2023 Revised Beginning Balance includes balance of \$6,170,244 transferred from Fund 81100.

² Fund 81200, Housing Partnerships, was consolidated into Fund 81400, FCRHA Asset Management, beginning in FY 2023. All assets, liabilities and equity associated with Fund 81200 were transferred to Fund 81400. FY 2023 Revised Beginning Balance includes balance of \$36,446 transferred from Fund 81200.

³ Fund 81300, Rental Assistance Demonstration – Project-Based Voucher, was consolidated into Fund 81400, FCRHA Asset Management, beginning in FY 2023. All assets, liabilities and equity associated with Fund 81300 were transferred to Fund 81400. FY 2023 Revised Beginning Balance includes balance of \$7,217,860 transferred from Fund 81300.

⁴ In order to account for revenues and expenditures in the proper fiscal year, audit adjustments have been reflected as increases of \$7,901.53 to FY 2022 revenues and \$520.14 to FY 2022 expenditures to accurately record revenue and expenditure accrual adjustments. The Annual Comprehensive Financial Report (ACFR) reflects all audit adjustments in FY 2022. Details of the audit adjustments will be included in the FY 2023 Third Quarter Package.

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⁵ As a result of the fund consolidation and clean-up effort to create Fund 81400, FCRHA Asset Management, and close existing Housing and Community Development Funds, prior year balances were carried over from Fund 81200, Housing Partnerships that resulted in a negative expenditure in FY 2022.

⁶ A Transfer In from the General Fund of \$3,500,000 was included in FY 2023 to support an expanded Childcare Center at the site of the Original Mount Vernon High School (OMVHS) redevelopment project.

⁷ Fund 40330, Elderly Housing Programs, was consolidated into Funds 10001, General Fund and 81400, FCRHA Asset Management, beginning in FY 2023. All assets, liabilities and equity associated with Fund 40330 were transferred to Fund 81400. A Transfer In from Fund 40330 was included in FY 2023 to move the remaining fund balance to Fund 81400.

⁸ Ending balance in Fund 81400 is restricted by program.

⁹ Included in the RAD-PBV Reserve is the Restricted HUD Capital Needs Reserve which was required by HUD to support critical capital needs and improvements 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 \$1,035,096 not shown on this fund statement.

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FY 2024 SUMMARY OF CAPITAL PROJECTS

Project	Total Project Estimate	FY 2022 Actual Expenditures	FY 2023 Revised Budget	FY 2024 Advertised Budget Plan
Asset Management - Minerva Fisher Capital (HF-000177)	\$25,989	\$0.00	\$25,989.00	\$0
Asset Management - OMOVHS LLC Project (HF-000178)	86,798,100	855,806.12	85,942,294.20	0
Asset Management - Penderbrook Capital (HF-000176)	421,998	0.00	421,998.00	0
Total	\$87,246,087	\$855,806.12	\$86,390,281.20	\$0