

Department of Housing and Community Development

LOB #327:

FCRHA/HCD PROGRAM PLANNING, DEVELOPMENT AND MANAGEMENT

Purpose

The main purpose of this LOB is to ensure the fulfillment of the FCRHA/HCD mission through serving as the administrative arm of the FCRHA, setting priorities and a strategic vision for the agency and with the community, and managing the day-to-day operations of the FCRHA/HCD.

Description

This activity encompasses a number of critical functions that are key to effective operations of both the HCD and the FCRHA including:

- Preparation of the County's Five-Year Consolidated Plan;
- Development and implementation of Annual Consolidated Plan: One-Year Action Plans;
- Staff support to the Consolidated Community Funding Advisory Committee (CCFAC);
- Development of Consolidated Community Funding Pool (CCFP) priorities;
- Strategic program planning, implementation and communications;
- Administrative and policy support of the FCRHA, a political subdivision of the Commonwealth of Virginia;
- Agency leadership; and
- Agency operations, (e.g., human resources administration, financial management, and information technology support.)

Five-Year Consolidated and Annual Consolidated Plans; Support to the Consolidated Community Funding Advisory Committee (CCFAC)

Fairfax County is entitled to receive more than \$6 million in federal grant funds for local housing and community development activities through the Community Planning and Development programs of the U.S. Department of Housing and Urban Development (HUD). This funding, however, requires that the County prepare a Five-Year Consolidated Plan and an Annual Consolidated Plan One-Year Action Plan for submission to HUD. These Plans are the formal application for three entitlement programs (CDBG, HOME, and the Emergency Solutions Grant (ESG)) through HUD. These funds are a primary source of funding to support the County's affordable housing, and community development activities. HCD leads the development and implementation of the County's annual Consolidated Plan in conjunction with the Consolidated Community Funding Advisory Committee (CCFAC), a resident committee. HCD acts as the primary staff support to the CCFAC, in partnership with the Departments of Administration for Human Services (DAHS) and Neighborhood and Community Services (NCS). The CCFAC meets on a monthly basis to provide input and advice on the use of HOME, CDBG and other funding resources, and plays an essential role in recommending Consolidated Community Funding Pool (CCFP) priorities (described in greater detail below) and the development of the annual and five-year Consolidated Plans.

Department of Housing and Community Development

Consolidated Community Funding Pool (CCFP)

In FY 2000, CDBG funding for community-based organizations was incorporated with County General Funds to form the CCFP. The CCFP reflects strengthened relations and partnerships between the County and community nonprofit and faith-based organizations. The CCFP is funded from:

- Federal CDBG funds for Targeted Public Services and Affordable Housing;
- Federal Community Services Block Grant (CSBG) funds; and
- Local County General Funds.

FY 2016 is the second year of a two-year funding cycle. The Consolidated Community Funding Advisory Committee (CCFAC) has organized the FY 2015/FY 2016 funding priorities according to four areas, and adopted corresponding outcome statements. The CCFAC also recommended target percentage ranges for each priority area, which are intended to be used as guidelines for applicants and for the Selection Advisory Committee. The Board of Supervisors approved these funding priorities on July 9, 2013.

Priority Area	Outcome Statement	Target
Prevention	Families and individuals get help to remain independent and have the tools and resources to prevent future dependence. Communities increase their ability to support their members in preventing dependence.	10 – 20%
Crisis Intervention	Individuals, families, or communities in crisis overcome short-term problems (generally not more than three months) and quickly move back to independence.	15 – 25%
Self-Sufficiency	Families, individuals, neighborhoods, and communities attain self-sufficiency over a period of three months to three years.	45 – 55%
Long-Term Supportive Services	Individuals who have continuing long-term needs and who therefore may not become self-sufficient, achieve and/or maintain healthy, safe and independent lives to the maximum extent possible.	10 – 20%

HCD works collaboratively with several County agencies to administer the CCFP process. These partnerships are summarized in the following table:

HCD Partnerships in CCFP Process

Function	HCD Partners
Planning, implementing and oversight of CCFP process	DFS, OPEH
General administrative oversight	NCS, DAHS
Program monitoring and contract compliance	DAHS

Department of Housing and Community Development

Administrative and Policy Support of the FCRHA

HCD serves as the administrative arm of the FCRHA, a separate legal entity established in 1966 following a voter referendum and pursuant to Chapter 1, Title 36 of the Code of Virginia. HCD provides staff support to the 11 FCRHA commissioners appointed for four-year terms by the Board of Supervisors. A chairman and vice-chairman are selected by a vote of the commissioners. HCD staff acts as a clerk to the FCRHA and maintains the FCRHA's records, coordinates the preparation of meeting agenda packages, prepares meeting minutes and provides administrative support for FCRHA meetings. Staff researches issues and provides information to enable the FCRHA to make decisions regarding policy and operational issues.

Strategic Program Planning, Implementation and Communication

HCD staff designs, develops and implements FCRHA programs and policies, and develops the FCRHA's strategic plan and Fairfax County's Housing Blueprint. Public Information staff manages both external and internal communications needs of the FCRHA as a commission and in support of its various roles as a landlord, local housing finance agency and developer. HCD's information staff responds to media and resident information requests and provide information through a variety of media including annual reports, public presentations, cable television programs and program/marketing brochures. Staff also designs and prints hundreds of forms, applications, fact sheets, flyers, and maps used by staff in the administration of FCRHA/HCD programs and coordinate the design and production of multiple newsletters for a variety of constituents such as FCRHA tenants, HCV landlords, and the CCFAC among others. They also provide content for the e-ffordable.org web site, the FCRHA/HCD web page and the internal HCD web-based newsletter.

Agency Leadership

The agency Director and Deputy Directors provide strategic direction, administrative and policy guidance and coordination for all HCD programs and activities. Under their direction, strategic policies are developed, resources are allocated based on agency priorities and key operational activities are performed.

Agency Operations

Financial Management

As a residential property manager, real estate developer and housing finance, as well as a governmental entity, the FCRHA and HCD have very complex financial management and reporting responsibilities utilizing both governmental and enterprise accounting. The Financial Management Division is responsible for financial planning, budgeting, accounting and reporting for all programs, projects and activities of the FCRHA and HCD. This requires 19 funds (operating, capital and grant) in the County financial system, as well as a separate housing management system used to maintain accounts and tenant information for all residential units including households in partnership properties, and over 3,200 households receiving HCV housing subsidies. The revised annual budget for all funds on the County's financial system typically exceeds \$170 million. In addition, staff supervises the work of an independent management company that maintains the financial records for the privately-managed properties.

There are also multiple corporations, limited liability companies and limited partnerships for which staff has responsibility, either directly maintaining their records or supervising and reviewing the work of outside firms. They require separate accounting, and individual budgets, financial reports, audits and tax returns. The division must also meet multiple financial reporting requirements in addition to those of the County, including the U.S. Department of Housing and Urban Development, the Virginia Housing Development Authority, several private lenders and multiple investor partners.

As a real estate developer, the FCRHA or its affiliated partnerships are obligated in debt secured by its properties that requires monthly tracking and processing of principal, interest, escrow and reserve payments. As the County's local housing finance agency, the FCRHA has a portfolio of loans made to various for-profit and non-profit affordable housing developers for the acquisition, development and rehabilitation of properties throughout the County. The FCRHA has a portfolio of loans to assist with home improvements or home purchases that must be serviced as well as conduit debt issued to fund loans to other parties that must be monitored.

Department of Housing and Community Development

Human Resources Administration

Three staff provide general human resources support including position resource monitoring, personnel action processing, recruitment and selection, organizational development and training, workforce planning time and payroll reporting, performance evaluations coordination, employee relations, and guidance to staff on human resources procedures and requirements. It should be noted that given federal requirements, the time reporting process is very complex and considerable time is devoted to training and assisting staff.

Information Technology Support

The Information Systems and Services Division (ISS) provides support for HCD computer systems, Yardi the agency's property management system, and coordinates with the County Department of Information Technology to provide access to County systems. ISS staff maintains and upgrades a 275 PC network with eight servers and 300 users stationed at 10 different locations. They provide user support and coordinate training for both commercial software packages and specialized HCD systems. In addition, ISS assesses business needs and procures or designs, then tests and implements new systems to serve these needs.

This LOB represents just over 4 percent of the FCRHA/HCD's total budget and most of the support, \$2.2 million or 45.3 percent, comes from Program Income generated from management fees and recovered costs in Fund 81000, FCRHA General Operating. The County General Fund is the second largest contributor with \$1.4 million, or 28.4 percent of total revenue. Compensation spending of \$4.1 million supports 40 positions, 24 of which are supported by the County General Fund, 13 by the FCHRA and three by federal funding. It should be noted that the agency Director and two Deputy Directors represent the agency's senior leadership by providing strategic direction, administrative and policy guidance and coordination for all HCD programs and activities. Under their direction, other positions perform key support activities.

Benefits

This LOB ensures smooth, effective agency operations and fulfillment of the agency mission, meets the unique communication and strategic planning needs of the FCRHA, and provides sound stewardship of a significant amount of both local and non-local funding.

This LOB, in effect, ensures that the many obligations of the FCRHA – from its Moving to Work designation, to the implementation of the Rental Assistance Demonstration (RAD) program, to the Housing Blueprint among others – are conducted successfully, and that the FCRHA's programs and activities are transparent and responsive to the needs of the community.

Careful stewardship and innovative planning resulting from this LOB garnered a consistent "high performer" rating from HUD for years. This rating from HUD made the FCRHA eligible to apply for designation as a Moving to Work (MTW) agency in 2012.

In December 2013, the FCRHA received its signed MTW agreement from HUD. The agreement makes official the FCRHA's prestigious status as an MTW agency, and enables the FCRHA to: create a housing continuum that seamlessly joins together the County's housing programs – including Public Housing and Housing Choice Vouchers - and establishes goals to help residents move toward self-sufficiency; expand its already strong community partnerships with non-profit organizations to provide self-sufficiency services ranging from "ready-to-rent" training, to job readiness, through homebuyer education and beyond; and reduce the burden both on staff and residents related to such things as re-certifications and inspections, which will allow staff to focus more on people – not paperwork.

Mandates

There are compliance requirements associated with the receipt of federal funds as part of this LOB. It should be noted that given the relatively small portion of federal funds in the LOB, the associated compliance requirements are minimal.

Department of Housing and Community Development

Trends and Challenges

As compensation costs (i.e., fringe benefits) increase and resources grow minimally if at all, staff vacancies must be held to achieve budget neutrality. The result is increased workloads for staff and less critical activities being deferred.

Coupled with the funding constraints and increased workloads is the fact the HCD is facing a loss of institutional knowledge due to retirements in the coming years. Approximately one third of existing staff – 63 employees – are eligible for retirement between now and 2019. This includes 17 employees who are already enrolled in the Deferred Retirement Option Program, with a set retirement date within the next three years.

Looking ahead, the Affordable Housing Advisory Committee, which is staffed by HCD, will begin working to address critical issues through a series of working groups. These groups will focus on issues such as capital formation, land use, the connection between affordable housing the County's economic competitiveness, and promoting affordable homeownership opportunities.

Resources

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
LOB #327: FCRHA/HCD Program Planning, Development and Management			
FUNDING			
<u>Expenditures:</u>			
Compensation	\$2,642,464	\$3,434,914	\$3,694,712
Benefits	325,849	329,469	368,115
Operating Expenses	1,209,566	1,225,151	1,231,453
Work Performed for Others	(249,375)	(273,250)	(512,500)
Total Expenditures	\$3,928,504	\$4,716,284	\$4,781,780
General Fund Expenditures	\$1,902,753	\$2,559,796	\$2,641,270
Total Revenue	\$4,929,085	\$5,216,703	\$4,796,228
<u>Transfers In:</u>			
Transfer In from General Fund	\$11,895	\$0	\$26,966
Total Transfers In	\$11,895	\$0	\$26,966
POSITIONS			
Authorized Positions/Full-Time Equivalents (FTEs)			
<u>Positions:</u>			
Regular	39 / 39	39 / 39	38 / 38
Grant	2 / 2	2 / 2	2 / 2
Total Positions	41 / 41	41 / 41	40 / 40

Department of Housing and Community Development

Metrics

Metric Indicator	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Clients Housed by FCRHA/HCD	18,751	18,535	18,286	18,613	18,595
Non-Local Resources Leveraged for every \$1 of Local Resources	\$5.64	\$5.26	\$4.93	\$5.30	\$5.30

The leadership and work of the FCRHA/HCD translates into safe, stable housing for more than 18,000 individuals in Fairfax County. These are families and individuals who are then able to:

- Feel secure, as many of them are most in need in the community;
- Go to or look for gainful employment;
- Contribute to the local economy and community;
- Focus on challenges they may be experiencing such as mental illness, family instability and economic self-sufficiency; and/or
- Succeed in school.

This is accomplished through the leveraging of many different resources. The local contributions in terms of County General Fund support and the half penny on the County's Real Estate Tax rate, for example, leverage nearly \$5 for every \$1 in non-local resources. While the leverage ratio dipped below \$5 in FY 2015, it is anticipated to be in excess of \$5 in FY 2016 and FY 2017. This ratio fluctuates given the unique dynamics mentioned in the Agency Overview associated with the timing incongruity between capital and project revenues and expenditures.