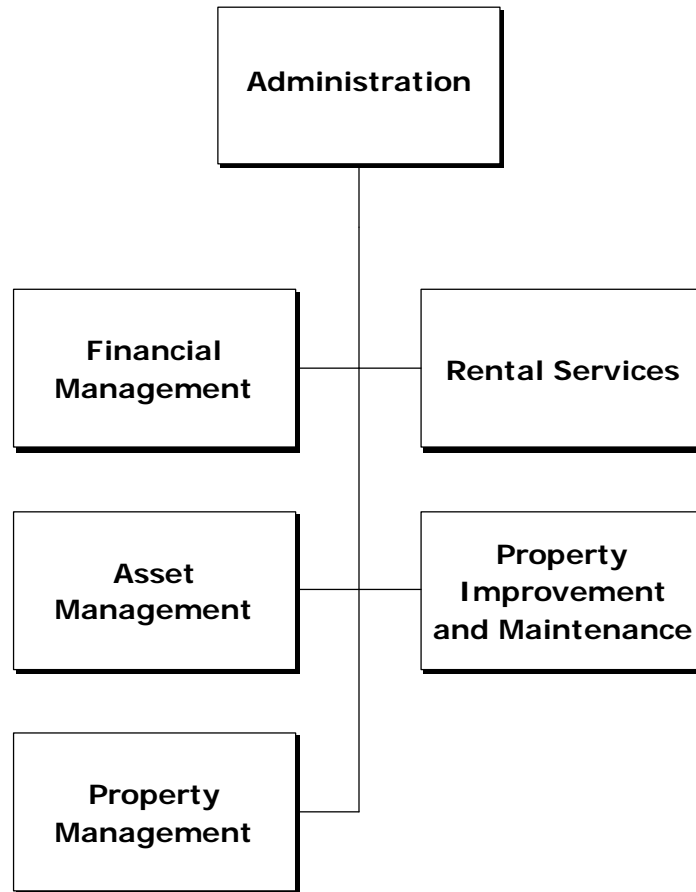


# Fund 81520

## Public Housing Projects Under Management

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### Mission

To ensure that all tenants of Fairfax County Redevelopment and Housing Authority's (FCRHA) owned and operated public housing units are provided with decent, safe and adequate housing; maintenance and management; social services referrals; and housing counseling.

### Focus

The Federal Public Housing Program is administered by the U.S. Department of Housing and Urban Development (HUD) to provide funds for rental housing serving low-income households owned and operated by local housing authorities such as the FCRHA. There are two components of this program with each having separate funding for operations and capital improvements. Fund 81520, Public Housing Projects Under Management, is for management and maintenance of public housing properties and includes an annual federal operating subsidy from HUD. Fund 81530, Public Housing Projects Under Modernization, provides funds for capital improvements and repairs of existing public housing through an annual Capital Fund Grant (formerly the Comprehensive Grant).

Revenues are derived from dwelling rents, HUD provided contributions and subsidies, payments for utilities in excess of FCRHA established standards, investment income, and maintenance charges. Projected FY 2018 revenues of \$7,780,518 represent a decrease of \$2,582,293, or 25 percent, from the [FY 2017 Adopted Budget Plan](#) primarily due to the conversion of 299 units to the Rental Assistance Demonstration (RAD) subsidy platform (see Fund 81300, FCRP-RAD). In addition there is a slight decrease in the projected HUD Operating Subsidy. The HUD Operating Subsidy calculation is based on HUD's Final Rule (Revisions

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to Public Housing Operating Fund) published on September 19, 2005, using a formula developed by HUD to provide a mechanism to align expenditures and revenues for Public Housing Authorities.

The FCRHA is required by HUD to be in compliance with Project Based Accounting and Budgeting, which requires separate reporting for the County's Public Housing properties. The Public Housing properties are grouped into 11 Asset Management Projects (AMPs) for HUD Reporting purposes. In addition to the project reporting requirement, Public Housing Authorities are also required to track and report activities of the Central Office for various types of expenses including indirect administrative costs, which are covered by HUD prescribed management fees. The expenses for the AMPs are covered by program revenues, which are mainly Dwelling Rental Income and the HUD Operating Subsidy.

In addition to the public housing support provided in this fund, FY 2018 funds are provided in the General Fund, Agency 38, Department of Housing and Community Development, in support of townhouse/condominium-association fees for a portion of these properties.

The current income limits for the program as established by HUD effective March 28, 2016 and currently in effect, are shown below:

INCOME LIMITS <sup>1</sup>		
Household Size	Very Low Income	Low Income
1	\$38,050	\$49,150
2	\$43,450	\$56,150
3	\$48,900	\$63,150
4	\$54,300	\$70,150
5	\$58,650	\$75,800
6	\$63,000	\$81,400
7	\$67,350	\$87,000
8	\$71,700	\$92,600

<sup>1</sup>Based on area median income of \$108,600.

The Public Housing projects, as reflected in the following chart, are located throughout the County.

Project Name	HUD Number	Number of Units	Supervisory District
Rosedale Manor <sup>1</sup>	VA 19-03	97	Mason
Atrium Apartments	VA 19-13	37	Lee
Robinson Square	VA 19-27	46	Braddock
Greenwood	VA 19-30	138	Mason
West Ford II	VA 19-32	22	Mt. Vernon
West Ford I	VA 19-33	24	Mt. Vernon
West Ford III	VA 19-34	59	Mt. Vernon
Barros Circle	VA 19-35	44	Sully
Kingsley Park <sup>1</sup>	VA 19-38	108	Providence
Reston Town Center	VA 19-40	30	Hunter Mill
Old Mill Site	VA 19-42	48	Lee
Ragan Oaks	VA 19-45	51	Sully
Tavenner Lane <sup>2</sup>	VA 19-51	12	Lee

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Project Name	HUD Number	Number of Units	Supervisory District
The Green <sup>2, 3</sup>	VA 19-55	50	Hunter Mill
<b>Total Units<sup>4,5</sup></b>		<b>766</b>	

<sup>1</sup> This HUD project includes one unit used as an office.

<sup>2</sup> Properties are owned by limited partnerships of which the FCRHA is the managing general partner of Tavenner Lane and the managing and limited partner for The Green. Therefore, rental revenue and other expenses for these properties are not reported in Fund 81520.

<sup>3</sup> This project includes six units at VA Station, four units at Copper Mill, six units at Walney Oaks, five units at Woodlawn Glen, three units at Monroe Chase and twenty-six units at Westglade.

<sup>4</sup> There are projected to be 766 units of Public Housing; however, only 764 are income producing. Two units are off-line and used as office space and community rooms as allowed under HUD guidelines. Tavenner Lane and The Green are reported separately when reporting to HUD, since they are partnership properties and have different reporting requirements.

<sup>5</sup> There were 1,065 units of Public Housing units; however, 299 have been converted to the Rental Assistance Demonstration Program.

On November 7, 2013, HUD executed the FCRHA Moving to Work (MTW) agreement. This designation includes the majority of the Housing Choice Voucher (HCV) program and the agency's federal Public Housing program. Under the MTW designation, funds between the HCV and Public Housing programs are fungible. However, there are benchmarks within each program that must be met for program compliance and performance evaluation. Therefore, a decision to use the fungible nature of this program would only be considered once each program has met its annual benchmarks. The FCRHA MTW Plan is designed to ensure that individuals and families are provided not only affordable and attractive housing, but are connected to services and support that help them succeed and become self-sufficient. The Public Housing program will serve extremely and very low-income households that need assistance in attaining an intermediate self-sufficiency skill set, provide individual job-skill development, address transportation needs, and ensure ongoing participation in health care services.

Rental Assistance Demonstration (RAD), beginning in FY 2017, provides a new subsidy platform, similar to project-based Housing Choice Vouchers, which can leverage private financing for planned capital improvements. In the FY 2015 federal budget, the U.S. Congress appropriated the expansion of the RAD program to include Fairfax County. In 2016, the FCRHA explored ways to reposition the public housing assets which would entail rehabilitation and potential redevelopment of the properties. The FCRHA selected 299 units for "phase one" of the conversion, which converted the units' funding sources from public housing programs to project-based vouchers in FY 2017, and is currently working with HUD to convert its remaining Public Housing stock of 766 units under the RAD program.

Admissions and Occupancy policies for this program are governed by the Quality Housing and Work Responsibility Act of 1998 (which amended the United States Housing Act of 1937) and are consistent with the objectives of Title VI of the Civil Rights Act of 1964. Eligibility for admission and occupancy to Low-Income Housing requires the applicants to fulfill the following general criteria: (1) qualify as a family, (2) have annual income which does not exceed the income limits for admission to a designated development, and (3) qualify under the Local Preference if head of household or spouse is employed, attending school or participating in a job training program, a combination thereof at least 30 hours per week; or is 62 or older; or is a primary caretaker of a disabled dependent; or meets HUD's definition of being disabled. In addition, the FCRHA approved a new income policy on May 1, 2008, to support the FCRHA's mission to serve low-income households. Eligible applicants for Public Housing who live or work in Fairfax County, City of Fairfax, City of Falls Church or Town of Herndon can have household income above 50 percent of the AMI

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## Public Housing Projects Under Management

and must be from households that pay more than 35 percent of gross income for rent and utilities for the past 90 days (excluding telephone and cable costs), or have household incomes at or below 50 percent of AMI.

### Budget and Staff Resources

Category	FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2018 Advertised	FY 2018 Adopted
<b>FUNDING</b>					
Expenditures:					
Personnel Services	\$3,680,581	\$3,882,881	\$3,724,021	\$3,350,220	\$3,350,220
Operating Expenses	5,796,443	6,479,461	6,429,290	4,368,298	4,368,298
Capital Equipment	0	0	0	0	0
<b>Total Expenditures</b>	<b>\$9,477,024</b>	<b>\$10,362,342</b>	<b>\$10,153,311</b>	<b>\$7,718,518</b>	<b>\$7,718,518</b>
<b>AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)</b>					
Grant	48 / 48	48 / 48	45 / 45	45 / 45	45 / 45
<b>RENTAL HOUSING PROPERTY MANAGEMENT</b>					
1 Housing/Community Developer V	1 Financial Specialist IV	1 Chief Building Maintenance Section			
3 Housing Services Specialists V	1 Financial Specialist III	1 Plumber II			
1 Housing Services Specialist IV	1 Management Analyst I	1 Preventative Maintenance Specialist			
5 Housing Services Specialists III	1 Human Services Coordinator II	4 HVACs I			
9 Housing Services Specialists II	2 Administrative Assistants IV	5 General Building Maintenance Workers II			
2 Housing Services Specialists I	1 Administrative Assistant III	4 General Building Maintenance Workers I			
		1 Locksmith II			
<b>TOTAL POSITIONS</b>					
45 Grant Positions / 45.0 Grant FTE					

Note: As a result of the FCRHA establishing Fund 81300, FCRP-RAD, positions are being transferred to Fund 81300, FCRP-RAD to support the RAD Program. 4/4.0 FTE were transferred to Fund 81300 FCRP-RAD, with 3/3.0 FTE from Fund 81520, Public Housing Projects Under Management and 1/1.0 FTE from Fund 81200, Housing Partnerships.

### FY 2018 Funding Adjustments

The following funding adjustments from the FY 2017 Adopted Budget Plan are necessary to support the FY 2018 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 2, 2017.

- ◆ **Employee Compensation** \$0  
It should be noted that no funding is included for performance-based and longevity increases for non-uniformed merit employees in FY 2018, as the fund will absorb the impact within the existing HUD award authorization.
  
- ◆ **Other Post-Employment Benefits** \$3,550  
An increase of \$3,550 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 Fund, in Volume 2 of the FY 2018 Adopted Budget Plan.

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### Public Housing Projects Under Management

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- ◆ **Conversion of Public Housing units to RAD** **(\$2,526,026)**  
A decrease of \$2,526,026 in both personnel and operating expenses is attributed to both a reallocation of \$1,393,237 to Fund 81300, Fairfax County Rental Program - Rental Assistance Demonstration (FCRP-RAD) as part of the *FY 2016 Carryover Review*, as well as a reallocation of \$1,132,789 to Fund 81300 as a continuation of the conversion of Public Housing units to the RAD program for FY 2018.
  
- ◆ **Project-Based Budgeting Adjustments and Operating Requirements** **(\$121,348)**  
A decrease of \$121,348 in Personnel Services reflects an adjustment based on project-based budgeting efforts which conform to HUD policy guidelines.

### **Changes to FY 2017 Adopted Budget Plan**

*The following funding adjustments reflect all approved changes in the FY 2017 Revised Budget Plan since passage of the FY 2017 Adopted Budget Plan. Included are all adjustments made as part of the FY 2016 Carryover Review, FY 2017 Third Quarter Review, and all other approved changes through April 30, 2017.*

- ◆ **Carryover Adjustments** **(\$1,137,856)**  
As part of the *FY 2016 Carryover Review*, the Board of Supervisors approved a decrease of \$1,137,856 due to a reallocation of \$1,393,237 to Fund 81300, Rental Assistance Demonstration (RAD) as a result of the conversion of 253 Public Housing units to the new RAD program, with a corresponding decrease to revenues, partially offset by an increase of \$255,381 due to encumbrances primarily associated with contractual services.
  
- ◆ **Out-of-Cycle Adjustments** **\$928,825**  
Subsequent to the *FY 2017 Third Quarter Review*, an amount of \$928,825 was reallocated from Fund 81300, RAD back to Fund 81520, Public Housing Under Management, due to the delay in closing for Phase I of the conversion to RAD to May 1<sup>st</sup>, 2017.

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## Public Housing Projects Under Management

### FUND STATEMENT

#### Fund 81520, Projects Under Management

	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan
<b>Beginning Balance</b>	\$1,785,358	\$1,281,736	\$2,433,914	\$2,179,924	\$2,179,002
Revenue:					
Dwelling Rental Income <sup>1</sup>	\$5,939,438	\$5,783,994	\$4,719,845	\$4,106,600	\$4,106,600
Excess Utilities	178,133	221,718	195,792	137,900	137,900
Interest on Investments	1,527	8,859	122,183	1,530	1,530
Other Operating Receipts	159,991	139,294	493,774	127,033	127,033
Management Fee - Capital Fund <sup>2</sup>	1,143,102	1,162,041	1,503,040	1,153,663	1,153,663
HUD Operating Subsidy <sup>3</sup>	2,703,389	3,046,905	2,863,765	2,253,792	2,253,792
<b>Total Revenue</b>	<b>\$10,125,580</b>	<b>\$10,362,811</b>	<b>\$9,898,399</b>	<b>\$7,780,518</b>	<b>\$7,780,518</b>
<b>Total Available</b>	<b>\$11,910,938</b>	<b>\$11,644,547</b>	<b>\$12,332,313</b>	<b>\$9,960,442</b>	<b>\$9,959,520</b>
Expenditures: <sup>4</sup>					
Administration <sup>1</sup>	\$2,165,430	\$2,495,973	\$2,853,104	\$2,028,427	\$2,028,427
Central Office <sup>1</sup>	1,348,198	1,535,119	1,601,013	1,546,208	1,546,208
Tenant Services	59,354	48,803	48,803	24,400	24,400
Utilities	2,229,909	2,527,255	2,114,819	1,378,900	1,378,900
Ordinary Maintenance and Operation	3,668,153	3,705,033	3,434,224	2,716,883	2,716,883
General Expenses	66	33,569	85,206	17,700	17,700
Non-Routine Expenditures	5,914	16,590	16,142	6,000	6,000
<b>Total Expenditures</b>	<b>\$9,477,024</b>	<b>\$10,362,342</b>	<b>\$10,153,311</b>	<b>\$7,718,518</b>	<b>\$7,718,518</b>
<b>Total Disbursements</b>	<b>\$9,477,024</b>	<b>\$10,362,342</b>	<b>\$10,153,311</b>	<b>\$7,718,518</b>	<b>\$7,718,518</b>
<b>Ending Balance<sup>5</sup></b>	<b>\$2,433,914</b>	<b>\$1,282,205</b>	<b>\$2,179,002</b>	<b>\$2,241,924</b>	<b>\$2,241,002</b>

<sup>1</sup> In order to account for revenues and expenditures in the proper fiscal year, audit adjustments have been reflected as a decrease of \$55,547.02 in FY 2016 revenues and a decrease of \$54,625.09 in FY 2016 expenditures to reclassify and properly record revenues, to record accrued leave, to record adjustments to payroll accruals, to reclassify expenditures for reporting purposes and adjust operating expense accruals to report expenditures in the proper fiscal period. These audit adjustments were included in the FY 2016 Comprehensive Annual Financial Report (CAFR). Details of the audit adjustments were included in the FY 2017 Third Quarter Package.

<sup>2</sup> Revenue is associated with fees received for the oversight and management of the Central Office. Management Fee revenues that are based on U.S. Department of Housing and Urban Development (HUD) prescribed fees consist of property management, bookkeeping and asset management fees. Fees from Fund 81530, Public Housing Projects Under Modernization, are also included.

<sup>3</sup> HUD Operating Subsidy is based on revenue and expenditures criteria developed by HUD under the Final Rule that was effective January 1, 2007. The FY 2017 HUD Operating Subsidy is based on the HUD-approved *CY 2015 Operating Subsidy Final Eligibility Report* for Fairfax County Redevelopment and Housing Authority.

<sup>4</sup> Expenditure categories reflect HUD required cost groupings. Decrease in expenditures is primarily associated with costs for the oversight and management of the fund, repair and maintenance expenses and increased utility expenses.

<sup>5</sup> The Ending Balance fluctuates due primarily to revenue adjustments for Dwelling Rental Income, as well as expenditure adjustments related to the oversight and management of the fund.