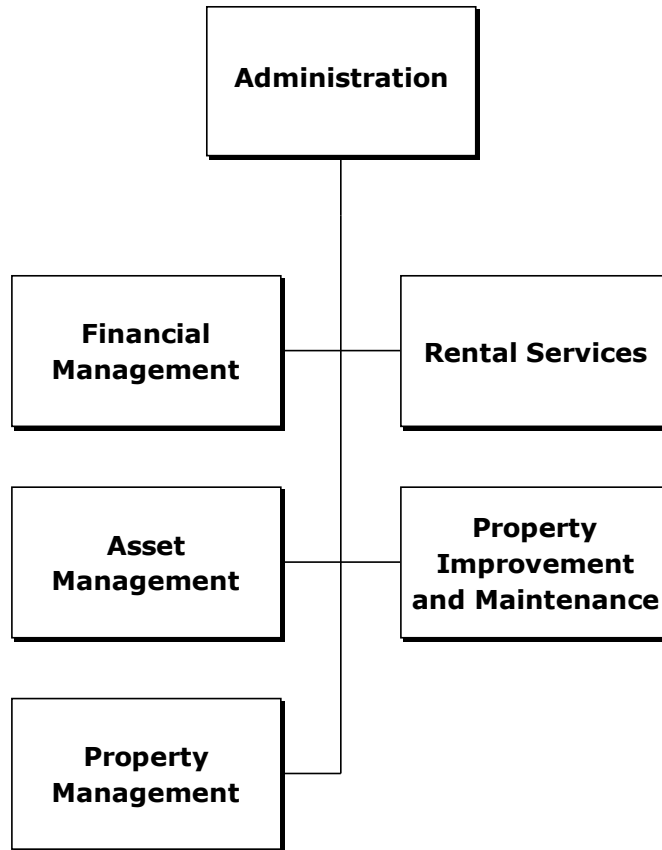


Fund 81520

Public Housing Projects Under Management



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

Due to the conversion of public housing units to Rental Assistance Demonstration (RAD), Fund 81520, Public Housing Projects Under Management, is being consolidated into Fund 81300, Rental Assistance Demonstration - Fairfax County Rental Program (RAD-FCRP) in FY 2019. RAD provides a new subsidy platform using project-based vouchers (PBV) issued as part of 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-FCRP unit, they can be issued a tenant-based voucher, provided they meet the HCV criteria and vouchers are available.

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In FY 2017, Phase I of the conversion to RAD included 299 units, and in FY 2018, the remaining 766 units successfully converted. One unit in Phase I and four units in Phase II are used for office or community room space per U.S. Department of Housing and Urban Development (HUD) guidelines, and are not considered rentable. While these units are counted in the total converted number of 1,065, there is no voucher attached to these five units. Fund 81520 is being closed in FY 2019 as all public housing units are now RAD units and have been moved to Fund 81300.

Phase I Conversion to RAD			
Project Name	HUD Number	Number of Units	Supervisory District
Audubon Apartments ¹	VA 19-01	46	Lee
Newington Station	VA 19-04	36	Mt. Vernon
The Park	VA 19-06	24	Lee
Shadowood	VA 19-11	16	Hunter Mill
Villages of Falls Church	VA 19-25	37	Mason
Heritage Woods I	VA 19-26	19	Braddock
Heritage Woods South	VA 19-28	12	Braddock
Sheffield Village	VA 19-29	8	Mt. Vernon
Briarcliff II	VA 19-31	20	Providence
Belle View	VA 19-36	40	Mt. Vernon
Heritage Woods North	VA 19-39	25	Various
Waters Edge	VA 19-52	9	Sully
Greenwood II	VA 19-56	7	Various
Total		299	

¹ The project at Audubon Apartments includes one unit that is used as office space or as a community room as allowed under HUD guidelines.

Phase II Conversion to RAD			
Project Name	HUD Number	Number of Units	Supervisory District
Rosedale Manor ¹	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
Westford II	VA 19-32	22	Mt. Vernon
Westford I	VA 19-33	24	Mt. Vernon
Westford III	VA 19-34	59	Mt. Vernon
Barros Circle ¹	VA 19-35	44	Sully
Kingsley Park ¹	VA 19-38	108	Providence
Reston Town Center	VA 19-40	30	Hunter Mill
Old Mill Site ¹	VA 19-42	48	Lee
Ragan Oaks	VA 19-45	51	Sully
Tavenner Lane	VA 19-51	12	Lee
The Green	VA 19-55	50	Hunter Mill
Total		766	

¹ Rosedale Manor, Barros Circle, Kingsley Park, and Old Mill Site include one unit each that is used as office space or as a community room as allowed under HUD guidelines.

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Although Fund 81520 will be closed in FY 2019, the following narrative describes the program. The Federal Public Housing Program is administered by HUD to provide funds for rental housing serving low-income households owned and operated by local housing authorities such as the FCRHA. The program has two components:

Program Component/Fund	Description
Fund 81520, Public Housing Projects Under Management	<p>Provided for the management, operating and routine maintenance of public housing properties.</p> <p>HUD provided annual operating subsidy.</p>
Fund 81530, Public Housing Projects Under Modernization	Provided funds for capital improvements and repairs of existing public housing through an annual grant award.

For the rental portion of the program, revenues are derived from dwelling rents, HUD contributions and subsidies and payments for utilities exceeding FCRHA-established standards, investment income, and maintenance charges. HUD required the FCRHA to comply with project-based accounting and budgeting standards which required separate reporting for the County's public housing properties. The public housing properties were 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.

Admissions and Occupancy policies for public housing 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:

- qualify as a family,
- earn income within the income limits for admission to a designated development, and
- 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 supporting its mission to serve households with low incomes. Income eligibility was set at below 50 percent of the Area Median Income (AMI); however, eligible applicants for public housing who lived or worked in Fairfax County, City of Fairfax, City of Falls Church or Town of Herndon could have household income above 50 percent AMI if they paid more than 35 percent of gross income for rent and utilities for the past 90 days (excluding telephone and cable costs).

Fund 81520

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HUD Income Limits ¹		
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

¹Based on area median income of \$108,600.

In FY 2014, the FCRHA was designated by HUD as a Moving to Work (MTW) agency. This designation included most of the Housing Choice Voucher (HCV) program and the public housing program. Under the MTW designation, funds between the programs were fungible. However, there were benchmarks within each program that had to have been met for program compliance and performance evaluation. Therefore, a decision to use the fungible nature of this program was only to be considered once each program had met its annual benchmarks. The FCRHA MTW Plan was designed to ensure that individuals and families were provided not only affordable and attractive housing, but were connected to services and support that helped them succeed and become self-sufficient. The public housing program served extremely and very low-income households that needed assistance in attaining an intermediate self-sufficiency skill set, provided individual job-skill development, addressed transportation needs, and ensured ongoing participation in health care services.

Budget and Staff Resources

Category	FY 2017 Actual	FY 2018 Adopted	FY 2018 Revised	FY 2019 Advertised	FY 2019 Adopted
FUNDING					
Expenditures:					
Personnel Services	\$3,521,254	\$3,350,220	\$0	\$0	\$0
Operating Expenses	6,343,834	4,368,298	0	0	0
Total Expenditures	\$9,865,088	\$7,718,518	\$0	\$0	\$0
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Grant	45 / 45	45 / 45	0 / 0	0 / 0	0 / 0

Fund 81520

Public Housing Projects Under Management

FY 2019 Funding Adjustments

The following funding adjustments from the FY 2018 Adopted Budget Plan are necessary to support the FY 2019 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 1, 2018.

- ◆ **Fund Consolidation** **(\$7,718,518)**
A decrease of \$7,718,518 is associated with the full conversion to RAD and the consolidation of all activity in Fund 81520, Public Housing Projects Under Management, into Fund 81300, RAD-FCRP. Fund 81520 will be closed and all assets, liabilities, and equity, including a fund balance of \$2,195,960, are transferred to Fund 81300. See Fund 81300, RAD-FCRP, for more information.

Changes to FY 2018 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2018 Revised Budget Plan since passage of the FY 2018 Adopted Budget Plan. Included are all adjustments made as part of the FY 2017 Carryover Review, FY 2018 Third Quarter Review, and all other approved changes through April 30, 2018.

- ◆ **Carryover Adjustments** **\$573,773**
As part of the FY 2017 Carryover Review, an increase of \$573,773, due to encumbered carryover of \$478,773 and \$95,000 due to higher than anticipated program expenses, was included.
- ◆ **RAD Conversion** **(\$8,292,291)**
A reallocation of \$8,292,291, comprised of \$3,350,220 in Personnel Services and \$4,942,071 in Operating Expenses, from Fund 81520, Public Housing Projects Under Management to Fund 81300, RAD-FCRP is associated with the full conversion of public housing units to RAD in FY 2018. Additionally, 45/45.0 FTE positions were transferred to Fund 81300 as part of the conversion.

Fund 81520

Public Housing Projects Under Management

FUND STATEMENT

Fund 81520, Public Housing Projects Under Management

	FY 2017 Actual	FY 2018 Adopted Budget Plan	FY 2018 Revised Budget Plan ¹	FY 2019 Advertised Budget Plan ¹	FY 2019 Adopted Budget Plan
Beginning Balance	\$2,433,914	\$2,179,002	\$2,195,960	\$0	\$0
Revenue:					
Dwelling Rental Income ²	\$5,634,581	\$4,106,600	\$0	\$0	\$0
Excess Utilities	163,588	137,900	0	0	0
Interest on Investments ²	5,190	1,530	0	0	0
Other Operating Receipts ²	49,669	127,033	0	0	0
Management Fee - Capital Fund ^{2,3}	1,106,550	1,153,663	0	0	0
HUD Operating Subsidy ⁴	2,667,556	2,253,792	0	0	0
Total Revenue	\$9,627,134	\$7,780,518	\$0	\$0	\$0
Total Available	\$12,061,048	\$9,959,520	\$2,195,960	\$0	\$0
Expenditures: ⁵					
Administration ²	\$2,216,563	\$2,028,427	\$0	\$0	\$0
Central Office ²	1,907,352	1,546,208	0	0	0
Tenant Services	31,888	24,400	0	0	0
Utilities	2,212,000	1,378,900	0	0	0
Ordinary Maintenance and Operation ²	3,431,342	2,716,883	0	0	0
General Expenses	65,943	17,700	0	0	0
Non-Routine Expenditures	0	6,000	0	0	0
Total Expenditures	\$9,865,088	\$7,718,518	\$0	\$0	\$0
Total Disbursements	\$9,865,088	\$7,718,518	\$0	\$0	\$0
Balance Transfers due to Fund Consolidation:					
To 81300	\$0	\$0	(\$2,195,960)	\$0	\$0
Total Balance Transfers	\$0	\$0	(\$2,195,960)	\$0	\$0
Ending Balance⁶	\$2,195,960	\$2,241,002	\$0	\$0	\$0

¹ Fund 81520, Public Housing Projects Under Management, was consolidated into Fund 81300, Rental Assistance Demonstration-Fairfax County Rental Program (RAD-FCRP) as a result of the remaining 766 public housing units converting to RAD in FY 2018. This consolidation was planned for FY 2019. However, subsequent to the *FY 2018 Third Quarter Review*, it was determined that the consolidation needed to occur in FY 2018 in order to meet HUD reporting requirements. As a result, Fund 81520 was closed in FY 2018, and all assets, liabilities and equity were moved to Fund 81300.

² In order to account for revenues and expenditures in the proper fiscal year, audit adjustments have been reflected as an increase of \$23,577.55 in FY 2017 revenues and a decrease of \$37,368.20 in FY 2017 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 2017 Comprehensive Annual Financial Report (CAFR). Details of the audit adjustments were included in the FY 2018 Third Quarter Package.

³ 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.

⁴ 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.

⁵ Expenditure categories reflect HUD-required cost groupings.

⁶ The Ending Balance fluctuates due primarily to the consolidation of the fund balance into Fund 81300, RAD-FCRP.