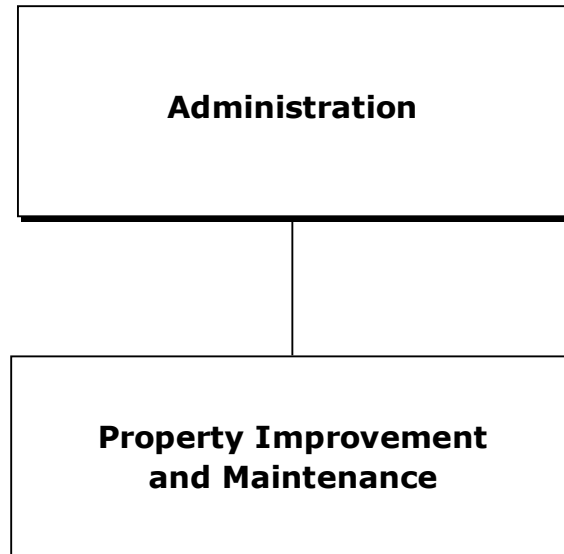


Fund 81530

Public Housing Projects Under Modernization



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 well maintained housing.

Focus

Due to the conversion of all public housing units to Rental Assistance Demonstration (RAD), Fund 81530, Public Housing Projects Under Modernization, 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 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.

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 rentable. While these units are counted in the total converted number of 1,065, there is no voucher attached to these five units. Fund 81530 is being closed in FY 2019 as all public housing units are now RAD units and have been moved to Fund 81300.

Although Fund 81530 will be closed in FY 2019, the following narrative describes the program. Fund 81530 received an annual federal grant, determined by formula, to be used for major physical improvements to public housing properties owned by the FCRHA. The Federal Public Housing Program is administered by

Fund 81530

Public Housing Projects Under Modernization

HUD and provides 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 capital portion of the program, local public housing authorities submitted a five-year comprehensive capital and management improvement plan to the U.S. Department of Housing and Urban Development (HUD). FCRHA submitted its Five-Year Plan, which was updated each year as part of an Annual Plan. HUD reviewed the plan and released the annual capital grant amount that supported administrative and planning expenses, as well as improvements to selected projects. As a result of the conversion to RAD, capital expenses are now the responsibility of the public housing authority.

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** \$0
 Due to the conversion of all public housing units to RAD, Fund 81530, Public Housing Projects Under Modernization, will be closed and all assets, liabilities and equity associated with Fund 81530, including fund balance of \$2,173,573, 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** \$905,798
 As part of the FY 2017 Carryover Review, an increase of \$905,798 was included due to the carryover of unexpended project balances from FY 2017 to be used to complete comprehensive repairs for the Public Housing units converting to RAD in FY 2018.
- ◆ **RAD Conversion** (\$905,798)
 A reallocation of \$905,798, comprised of \$122,899 in Personnel Services and \$782,899 in Capital Outlay, from Fund 81530, Public Housing Projects Under Modernization to Fund 81300, RAD-FCRP is associated with the full conversion of public housing units to RAD in FY 2018. Additionally, 1/1.0 FTE Housing Community Developer III was transferred to Fund 81300 as part of the conversion.

A Fund Statement and a Summary of Grant Funding are provided on the following pages.

Fund 81530

Public Housing Projects Under Modernization

FUND STATEMENT

Fund 81530, Public Housing Projects Under Modernization

	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	\$2,173,573	\$1,214,923	\$2,173,573	\$0	\$0
Revenue:					
HUD Authorizations ²	\$1,736,453	\$0	\$0	\$0	\$0
Total Revenue	\$1,736,453	\$0	\$0	\$0	\$0
Total Available	\$3,910,026	\$1,214,923	\$2,173,573	\$0	\$0
Expenditures:					
Administration ²	\$283,390	\$0	\$0	\$0	\$0
Capital/Related Improvements	1,453,063	0	0	0	0
Total Expenditures	\$1,736,453	\$0	\$0	\$0	\$0
Total Disbursements	\$1,736,453	\$0	\$0	\$0	\$0
Balance Transfers due to Fund Consolidation:					
To 81300	\$0	\$0	(\$2,173,573)	\$0	\$0
Total Balance Transfers	\$0	\$0	(\$2,173,573)	\$0	\$0
Ending Balance	\$2,173,573	\$1,214,923	\$0	\$0	\$0

¹ Fund 81530, Public Housing Projects Under Modernization, 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 81530 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 \$400,051.55 in FY 2017 revenues and a decrease of \$0.04 in FY 2017 expenditures to reclassify revenue and expenditure accruals. This impacts the amount carried forward, resulting in a decrease of \$400,051.55 in revenues and \$0.04 in expenditures. 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.

Fund 81530

Public Housing Projects Under Modernization

FY 2019 Summary of Grant Funding

Fund 81530, Public Housing Projects Under Modernization

Grant #	Description	FY 2017 Actual Expenditures	FY 2018 Revised Budget	FY 2019 Advertised Budget Plan	FY 2019 Adopted Budget Plan
3380037	Kingsley Park	\$1,632,948.62	\$0.00	\$0	\$0
3380044	Ragan Oaks	3,699.32	0.00	0	0
3380058	Reston Towne Center	99,805.00	0.00	0	0
Total		\$1,736,452.94	\$0.00	\$0	\$0