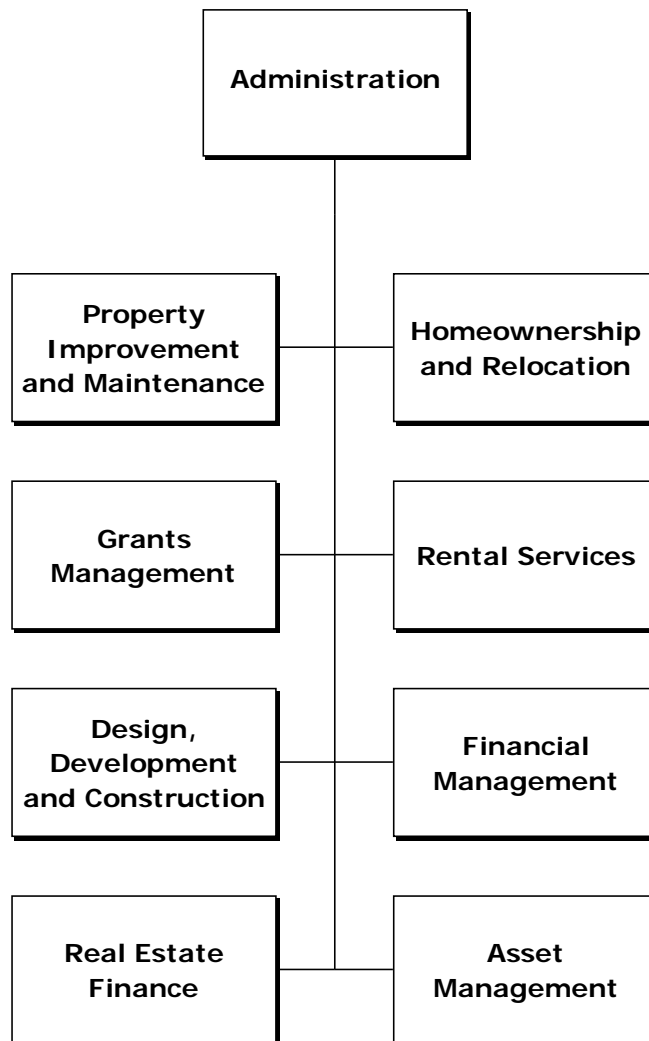


Fund 81000

Fairfax County Redevelopment and Housing Authority General Operating



Mission

To preserve and increase opportunities for affordable housing in Fairfax County based on need, community priorities and the policy of the Board of Supervisors and the Fairfax County Redevelopment and Housing Authority (FCHRA). Driven by community vision, to lead efforts to revitalize older areas of Fairfax County, to spur private reinvestment, maximize existing infrastructure and public investment, and create employment opportunities.

Focus

Fund 81000, FCRHA General Operating, includes all FCRHA revenues generated by financing fees earned from the issuance of bonds, monitoring and service fees charged to developers, management fees, investment income, project reimbursements, consultant fees and ground rents on land leased to developers. Revenue supports operating expenses for the administration of the private activity bonds, homeownership programs, and other administrative costs, which crosscut many or all of the housing programs.

Fund 81000

Fairfax County Redevelopment and Housing Authority General Operating

In FY 2019, revenue projections for this fund are \$2,835,380, a decrease of \$49,286 or 1.7 percent from the FY 2018 Adopted Budget Plan amount. The decrease in revenue is primarily attributable to lower monitoring and developer fees and the discontinuation of reimbursement from the Facilities Management Department (FMD) for the Pender building due to the payoff of its mortgage, partially offset by increases in program and investment income. Expenditures total \$3,493,831, an increase of \$251,889 or 7.8 percent higher than the FY 2018 Adopted Budget Plan amount. This increase is primarily due to higher costs for contractual-based services, as well as overhead charges billed from Fund 81060, FCRHA Internal Service Fund.

It should also be noted that due to limited activity in Fund 81020, FCRHA Non-County Appropriated Rehabilitation Loan Program, the fund will be closed in FY 2019 and consolidated into Fund 81000. Following the significant downsizing of the Home Improvement Loan Program, which was supported in Fund 81020, the management of outstanding loans can be accommodated in Fund 81000. All assets, liabilities and equity associated with Fund 81020, including fund balances, will be transferred to Fund 81000.

A portion of the staff costs associated with the FCRHA Partnership for Resident Opportunities, Growth, Resources and Economic Self-Sufficiency (PROGRESS) Center, Homeownership Programs, and FCRHA real estate development and financing activities are supported by the financing and development/management fees generated by these activities.

The FCRHA will continue to make tax-exempt financing available and earn related financing fees. The financing will be used for the agency's own development as well as for the construction or preservation of qualified multi-family housing owned by other developers. However, because many types of projects must compete for an allocation of tax-exempt bond authority from the limited pool of such authority available in the Commonwealth of Virginia, the number of FCRHA tax-exempt bond issues in any year is limited and will vary significantly from year to year. Under this financing mechanism, a percentage of the units in a housing development must meet lower income occupancy requirements. Since 1986, there have been two alternate standards for meeting these requirements. Either 20 percent of the units must be occupied by households with incomes at 50 percent or less of the Washington D.C./Baltimore Metropolitan Statistical Area (MSA) median income (adjusted for household size), or 40 percent of the units must be occupied by households with 60 percent or less of the MSA median income. In addition, the FCRHA will continue to monitor existing tax-exempt financed multi-family housing projects to assure continuing developer compliance with program guidelines.

Fund 81000

Fairfax County Redevelopment and Housing Authority General Operating

Budget and Staff Resources

| Category | FY 2017 Actual | FY 2018 Adopted | FY 2018 Revised | FY 2019 Advertised |
|--|--------------------|--------------------|--------------------|-----------------------|
| FUNDING | | | | |
| Expenditures: | | | | |
| Personnel Services | \$2,517,088 | \$2,830,761 | \$2,830,761 | \$3,017,478 |
| Operating Expenses | 1,267,704 | 566,289 | 600,342 | 751,353 |
| Capital Equipment | 222,929 | 0 | 639,552 | 0 |
| Subtotal | \$4,007,721 | \$3,397,050 | \$4,070,655 | \$3,768,831 |
| Less: | | | | |
| Recovered Costs | \$0 | (\$155,108) | (\$155,108) | (\$275,000) |
| Total Expenditures | \$4,007,721 | \$3,241,942 | \$3,915,547 | \$3,493,831 |
| AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE) | | | | |
| Regular | 27 / 27 | 27 / 27 | 27 / 27 | 27 / 27 |

| | | |
|---|--|---|
| <u>ORGANIZATIONAL MANAGEMENT & DEVELOPMENT</u> 1 HCD Division Director 1 Housing/Community Developer IV 2 Financial Specialists IV 1 Financial Specialist III 1 Accountant III 2 Accountants II 1 Information Officer II 1 Planning Tech II 1 Administrative Assistant V 1 Administrative Assistant II | <u>RENTAL HOUSING PROPERTY MANAGEMENT</u> 1 Housing Services Specialist IV 1 Housing/Community Developer III 1 Administrative Assistant III 1 Administrative Assistant II <u>AFFORDABLE HOUSING FINANCE</u> 1 Housing/Community Developer IV | <u>GRANTS MANAGEMENT</u> 1 Housing/Community Developer IV 1 Housing/Community Developer III <u>HOMEOWNERSHIP PROGRAM</u> 1 HCD Division Director 2 Housing/Community Developers III <u>COMMUNITY/NEIGHBORHOOD IMPROVEMENT</u> 1 HCD Division Director 1 Housing/Community Developer V 3 Housing/Community Developers IV |
|---|--|---|

TOTAL POSITIONS
27 Positions / 27.0 FTE

FY 2019 Funding Adjustments

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

- ◆ **Employee Compensation** **\$99,588**
 An increase of \$99,588 in Personnel Services includes \$58,362 for a 2.25 percent market rate adjustment (MRA) for all employees and \$41,226 for performance-based and longevity increases for non-uniformed merit employees.
- ◆ **Other Operating Adjustments** **\$185,064**
 An increase of \$185,064 in Operating Expenses is required to support an increase in audit, accounting and contractual services, as well as increased vehicle charges and other operating costs.

Fund 81000

Fairfax County Redevelopment and Housing Authority General Operating

- ◆ **Fringe Benefit Support** **\$75,000**
An increase of \$75,000 in Personnel Services is required to support increased fringe benefit costs in FY 2019 on projected health insurance premiums and employer contributions to the retirement system.

- ◆ **Other Post-Employment Benefits** **\$12,129**
An increase of \$12,129 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, in Volume 2 of the FY 2019 Advertised Budget Plan.

- ◆ **Implement Work Performed for Others (WPFO) for Development Staff** **(\$119,892)**
An increase of \$119,892 in WPFO reflects additional development staff salaries being charged to FCRHA and Housing and Community Development projects.

- ◆ **Fund Consolidation** **\$0**
As a result of Fund 81020, Non-County Appropriated Rehabilitation Loan Program, being consolidated into Fund 81000, FCRHA General Operating, all assets, liabilities and equity associated with Fund 81020, including a fund balance of \$238,109, are transferred to Fund 81000.

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, and all other approved changes through December 31, 2017.

- ◆ **Carryover Adjustments** **\$673,605**
As part of FY 2017 Carryover Review, the Board of Supervisors approved an increase \$673,605 due to encumbered carryover.

Fund 81000

Fairfax County Redevelopment and Housing Authority General Operating

FUND STATEMENT

Fund 81000, FCRHA General Operating

| | FY 2017 Actual | FY 2018 Adopted Budget Plan | FY 2018 Revised Budget Plan | FY 2019 Advertised Budget Plan ¹ |
|--------------------------------------|---------------------|-----------------------------------|-----------------------------------|---|
| Beginning Balance² | \$14,220,063 | \$12,728,560 | \$13,355,360 | \$12,562,588 |
| Revenue: | | | | |
| Investment Income ³ | \$77,653 | \$30,615 | \$30,615 | \$70,000 |
| Monitoring/Developer Fees | 513,792 | 461,671 | 461,671 | 404,289 |
| Rental Income | 77,906 | 95,850 | 95,850 | 90,554 |
| Program Income ³ | 1,919,620 | 2,016,070 | 2,016,070 | 2,156,558 |
| Other Income | 554,047 | 280,460 | 280,460 | 113,979 |
| Total Revenue | \$3,143,018 | \$2,884,666 | \$2,884,666 | \$2,835,380 |
| Total Available | \$17,363,081 | \$15,613,226 | \$16,240,026 | \$15,397,968 |
| Expenditures: | | | | |
| Personnel Services | \$2,517,088 | \$2,830,761 | \$2,830,761 | \$3,017,478 |
| Operating Expenses ³ | 1,267,704 | 566,289 | 600,342 | 751,353 |
| Capital Outlay | 222,929 | 0 | 639,552 | 0 |
| Recovered Cost | 0 | (155,108) | (155,108) | (275,000) |
| Total Expenditures | \$4,007,721 | \$3,241,942 | \$3,915,547 | \$3,493,831 |
| Total Disbursements | \$4,007,721 | \$3,241,942 | \$3,915,547 | \$3,493,831 |
| Ending Balance | \$13,355,360 | \$12,371,284 | \$12,324,479 | \$11,904,137 |
| Debt Service Reserve | \$260,000 | \$0 | \$0 | \$0 |
| Cash with Fiscal Agent | 7,951,108 | 7,676,108 | 8,211,108 | 7,894,728 |
| Unreserved Ending Balance | \$5,144,252 | \$4,695,176 | \$4,113,371 | \$4,009,409 |

¹ As part of the FY 2019 Advertised Budget Plan, Fund 81020, Non-County Appropriated Rehabilitation Loan Program, is being merged into Fund 81000, FCRHA General Operating. All assets, liabilities and equity associated with Fund 81020 will be transferred to Fund 81000.

² The FY 2019 Advertised Beginning Balance includes a fund balance of \$238,109 from Fund 81020, Non-County Appropriated Rehabilitation Loan Program.

³ In order to account for revenues and expenditures in the proper fiscal year, audit adjustments have been reflected as an increase of \$1,968.72 in FY 2017 revenues and an increase of \$34,855.96 in FY 2017 expenditures to record interest income and expenditure accrual adjustments. These audit adjustments were included in the FY 2017 Comprehensive Annual Financial Report (CAFR). Details of the audit adjustments will be included in the FY 2018 Third Quarter Package.