

Fund 81200: Housing Partnerships

Mission To provide affordable rental housing through partnerships between the Fairfax County Redevelopment and Housing Authority (FCRHA) and private investors.

Focus Fund 81200, Housing Partnerships, was created in FY 2002 to allow the FCRHA to efficiently track partnership properties in the Federal Low Income Housing Tax Credit program (LIHTC), which promotes private investment in affordable housing through partnerships between private investors and the FCRHA. Beginning in FY 2022, the FCRHA will be converting its three remaining internally managed partnership properties to third-party management oversight: Tavenner Lane, Murraygate Village, and Olley Glen. Other partnership properties already third-party managed include Castellani Meadows, The Green, Herndon Harbor House I & II, Stonegate Village, Cedar Ridge, Morris Glen, and Gum Springs Glen. In FY 2022, all partnership properties will be third-party managed.

Partnership properties are supported by tenant rents to cover expenses to include salaries, maintenance, capital improvements, and other operating expenses. Partnership properties receive a County reimbursement for real estate taxes which are budgeted in the General Fund.

In October of 2020, the County Executive approved the reassignment of merit positions to effectuate the transition from County management of residential properties to private third-party management. This action necessitated the ongoing reassignment of merit positions and the transition will be effective July 1, 2021.

The following table summarizes the number of units for each property managed by third-party companies, and the projected FY 2022 operating costs.

Third-Party Managed Properties ¹	Units	FY 2022 Cost	District
Tavenner Lane	24	\$0	Lee
Murraygate Village	200	0	Lee
Olley Glen	90	0	Braddock
Herndon Harbor I & II	120	0	Dranesville
Stonegate Village	240	0	Hunter Mill
Castellani Meadows	24	0	Sully
The Green	74	0	Providence, Hunter Mill, and Sully
Cedar Ridge	198	0	Hunter Mill
Morris Glen	60	0	Lee
Gum Springs Glen	60	0	Mt. Vernon
Total Third-Party Managed	1,090	\$0	

¹ The properties are managed and maintained by a third-party management company. All funding for these units will be budgeted and reported by the property management firm and reported to HCD on a regular basis.

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Budget and Staff Resources

Category	FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2022 Advertised	FY 2022 Adopted
FUNDING					
Expenditures:					
Personnel Services	\$659,559	\$549,258	\$861,170	\$0	\$0
Operating Expenses	6,001,531	1,086,035	5,235,265	0	0
Capital Equipment	8,930,253	0	19,552,195	0	0
Total Expenditures	\$15,591,343	\$1,635,293	\$25,648,630	\$0	\$0
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	9 / 9	9 / 9	9 / 9	9 / 9	0 / 0

FY 2022 Funding Adjustments

The following funding adjustments from the FY 2021 Adopted Budget Plan are necessary to support the FY 2022 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 4, 2021.

Third-Party Management (\$1,635,293)

A decrease of \$1,635,293 and 9/9.0 FTE positions comprises \$549,258 in Personnel Services and \$1,086,035 in Operating Expenses as a result of the Department of Housing and Community Development (HCD) shifting its property management functions to third-party management in FY 2022.

Changes to FY 2021 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2021 Revised Budget Plan since passage of the FY 2021 Adopted Budget Plan. Included are all adjustments made as part of the FY 2020 Carryover Review, FY 2021 Mid-Year Review, FY 2021 Third Quarter Review, and all other approved changes through April 30, 2021.

Carryover Adjustments \$15,514,783

As part of the FY 2020 Carryover Review, the Board of Supervisors approved funding of \$15,514,783 due to encumbered carryover of \$5,323,415 and an appropriation of \$10,191,368 to support the ongoing renovation of Murraygate Village Apartments.

Third Quarter Adjustments \$8,498,554

As part of the FY 2021 Third Quarter Review, the Board of Supervisors approved funding of \$8,498,553, including \$4,307 in Personnel Services for a one-time compensation adjustment of \$1,000 for merit employees and \$500 for non-merit employees paid in May 2021. The remaining amount of \$8,494,247 is due to the reallocation of funds from Fund 30010, General Construction and Contributions, to the OMVHS Development LLC project in Fund 81200, Housing Partnerships, in order to become eligible for tax credits. Under state law, tax credit investors may receive a tax credit of 25 percent of the qualified rehabilitation expenditures for investments in historic properties. It is expected that the FCRHA will issue these bonds or other obligations, which will generate substantial revenue in issuer and other fees over the life of the debt that the FCRHA can use to further its mission to create affordable housing.

Position Detail

The FY 2022 Adopted Budget Plan includes the following positions:

HOUSING PARTNERSHIPS - 0 Positions			
Rental Housing Property Management			
0	HCD Division Directors [-1]	0	HVACs II [-1]
0	Housing Services Specialists IV [-1]	0	General Building Maintenance Workers II [-1]
0	Housing Services Specialists II [-3]	0	Plumbers I [-1]
0	Housing Services Specialists I [-1]		
-	Denotes Abolished Position(s) due to shift to Third-Party Management		

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FUND STATEMENT

Category	FY 2020 Actual	FY 2021 Adopted Budget Plan	FY 2021 Revised Budget Plan	FY 2022 Advertised Budget Plan	FY 2022 Adopted Budget Plan
Beginning Balance	\$36,446	\$36,446	\$36,446	\$36,446	\$36,446
Revenue:					
FCRHA Reimbursements	\$15,591,343	\$1,635,293	\$25,648,630	\$0	\$0
Total Revenue	\$15,591,343	\$1,635,293	\$25,648,630	\$0	\$0
Total Available	\$15,627,789	\$1,671,739	\$25,685,076	\$36,446	\$36,446
Expenditures:					
Personnel Services	\$659,559	\$549,258	\$861,170	\$0	\$0
Operating Expenses	6,001,531	1,086,035	5,235,265	0	0
Capital Equipment	8,930,253	0	19,552,195	0	0
Total Expenditures	\$15,591,343	\$1,635,293	\$25,648,630	\$0	\$0
Total Disbursements	\$15,591,343	\$1,635,293	\$25,648,630	\$0	\$0
Ending Balance¹	\$36,446	\$36,446	\$36,446	\$36,446	\$36,446
Replacement Reserve	\$36,446	\$36,446	\$36,446	\$36,446	\$36,446

¹ An adequate fund balance is maintained to address potential operating and maintenance requirements. These costs change annually, therefore, funding is carried forward each fiscal year, and ending balances fluctuate, reflecting the carryover of these funds.