

Fund 81000: FCRHA General Operating

Mission To preserve and increase opportunities for affordable housing in Fairfax County based on need, community priorities and the policy of the Fairfax County Redevelopment and Housing Authority (FCRHA) and the Board of Supervisors. Driven by community vision, to lead efforts to revitalize 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 all housing programs.

In FY 2022, revenue projections for this fund are \$3,626,199, an increase of \$40,161 or 1.1 percent over the FY 2021 Adopted Budget Plan amount. The increase in revenue is primarily attributable to higher program income and monitoring and developer fees, offset by decreases in investment and other income in FY 2022. Expenditures total \$6,173,706, an increase of \$2,923,517 or 89.9 percent over the FY 2021 Adopted Budget Plan amount. This increase is primarily the result of upcoming debt payments and the Department of Housing and Community Development (HCD) shifting its property management functions to third-party management in FY 2022.

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 this fund.

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 different 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.

In FY 2020, Fund 81050, FCRHA Private Financing, was closed as part of an effort to consolidate Housing and Community Development funds as well as combine project financing functions and more effectively leverage resources for financing housing and development projects. Fund 81050 was consolidated into Fund 81000. All assets, liabilities, and equity associated with Fund 81050, including fund balances, were transferred to Fund 81000.

In October of 2020, the County Executive approved the transition of Fairfax County Redevelopment and Housing Authority properties under the direct management of the Department of Housing and Community Development to private third-party management. This action necessitated the ongoing reassignment of merit positions. The position tables do not reflect the impacted positions and will be updated; the transition will be effective July 1, 2021.

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Budget and Staff Resources

Category	FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2022 Advertised
FUNDING				
Expenditures:				
Personnel Services	\$2,774,989	\$3,054,491	\$3,054,491	\$3,836,719
Operating Expenses	1,645,870	260,349	3,374,226	2,692,242
Capital Equipment	601,673	210,349	4,080,423	200,000
Subtotal	\$5,022,532	\$3,525,189	\$10,509,140	\$6,728,961
Less:				
Recovered Costs	(\$282,646)	(\$275,000)	(\$275,000)	(\$555,255)
Total Expenditures	\$4,739,886	\$3,250,189	\$10,234,140	\$6,173,706
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	26 / 26	26 / 26	26 / 26	26 / 26

FY 2022 Funding Adjustments

The following funding adjustments from the FY 2021 Adopted Budget Plan are necessary to support the FY 2022 program:

Other Operating Adjustments **\$3,210,012**
 An increase of \$3,210,012 comprises \$778,119 in Personnel Services and \$2,431,893 in Operating Expenses due to HCD shifting its property management functions to third-party management in FY 2022 and to support upcoming debt payments.

Other Post-Employment Benefits **\$4,109**
 An increase of \$4,109 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 2022 Advertised Budget Plan.

Capital Projects **(\$10,349)**
 A decrease of \$10,349 in Capital Equipment is included to align the FY 2022 Advertised Budget Plan with necessary capital renovation projects in FY 2022.

Implement Work Performed for Others (WPFO) for Development Staff **(\$280,255)**
 An increase of \$280,255 in WPFO reflects additional development staff salaries being charged to FCRHA and Housing and Community Development projects.

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, and all other approved changes through December 31, 2020:

Carryover Adjustments **\$3,190,853**
 As part of the FY 2020 Carryover Review, the Board of Supervisors approved encumbered carryover of \$2,844,570 and an appropriation of \$346,283 to support renovations at the former Mount Vernon Athletic Club and Pender Drive.

Out-Of-Cycle Adjustments **\$3,488,008**
 An increase of \$3,488,008 was included to support FCRHA and Housing and Community Development capital projects.

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Out-Of-Cycle Adjustments

\$40

An increase of \$40 was included as an adjustment to support the full amount of the Down Payment Assistance Program as required by an audit by the U.S. Department of Housing and Urban Development (HUD).

Mid-Year Adjustments

\$305,050

As part of the *FY 2021 Mid-Year Review*, the Board of Supervisors approved funding of \$305,050 due to an appropriation required for the prepayment of a bond sold for Castellani Meadows.

Position Detail

The *FY 2022 Advertised Budget Plan* includes the following positions:

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY GENERAL OPERATING - 26 Positions*			
Organizational Management & Development			
2	Financial Specialists IV	1	Information Officer II
1	Housing/Community Developer IV	1	Housing/Community Developer II
1	Accountant III	1	Planning Tech II
1	Management Analyst III	1	Administrative Assistant IV
2	Accountants II	1	Administrative Assistant II
Rental Housing Property Management			
1	HCD Division Director	1	Administrative Assistant III
2	Housing/Community Developers III	1	Administrative Assistant II
1	Housing Services Specialist IV		
Affordable Housing Finance			
1	Housing/Community Developer IV		
Grants Management			
1	Housing/Community Developer III		
Homeownership Program			
2	Housing/Community Developers III		
Community/Neighborhood Improvement			
1	HCD Division Director	2	Housing/Community Developers IV
1	Housing/Community Developer V		

*As a result of HCD shifting its property management functions to third-party management in FY 2022, the organizational structure of the agency will be modified, and additional position adjustments will be required.

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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
Beginning Balance¹	\$25,521,728	\$28,377,504	\$28,238,689	\$21,590,587
Revenue:				
Investment Income	\$347,102	\$480,899	\$480,899	\$348,924
Monitoring/Developer Fees	418,593	405,191	405,191	453,425
Rental Income	82,651	0	0	0
Program Income ²	3,026,838	2,395,921	2,395,921	2,662,020
Other Income	93,655	304,027	304,027	161,830
Total Revenue	\$3,968,839	\$3,586,038	\$3,586,038	\$3,626,199
Total Available	\$29,490,567	\$31,963,542	\$31,824,727	\$25,216,786
Expenditures:				
Personnel Services	\$2,774,989	\$3,054,491	\$3,054,491	\$3,836,719
Operating Expenses	1,645,870	260,349	3,374,226	2,692,242
Capital Equipment	601,673	210,349	4,080,423	200,000
Recovered Cost	(282,646)	(275,000)	(275,000)	(555,255)
Total Expenditures	\$4,739,886	\$3,250,189	\$10,234,140	\$6,173,706
Total Disbursements	\$4,739,886	\$3,250,189	\$10,234,140	\$6,173,706
Ending Balance	\$24,750,681	\$28,713,353	\$21,590,587	\$19,043,080
Debt Service Reserve	\$5,307,178	\$5,307,178	\$5,002,128	\$4,664,133
FCRHA Restricted Reserves	8,600,755	13,944,434	8,600,755	9,609,417
FCRHA Operating Reserves	7,069,069	3,324,122	2,614,025	995,851
FCRHA Private Financing Reserve	0	6,137,619	0	0
FCRHA Project Reserve	3,773,679	0	5,373,679	3,773,679
Unreserved Ending Balance	\$0	\$0	\$0	\$0

¹ Fund 81050, FCRHA Private Financing, was consolidated into Fund 81000, FCRHA General Operating, in FY 2020. All assets, liabilities and equity associated with Fund 81050 were transferred to Fund 81000. The FY 2021 Revised Beginning Balance includes the \$3,488,008 balance that was transferred from Fund 81050.

² In order to account for revenues and expenditures in the proper fiscal year, audit adjustments have been reflected as a decrease of \$26,110.00 to FY 2020 revenues to accurately record revenue accruals. This audit adjustment was included in the FY 2020 Comprehensive Annual Financial Report (CAFR). Details of the audit adjustments were included in the FY 2021 Mid-Year Package.