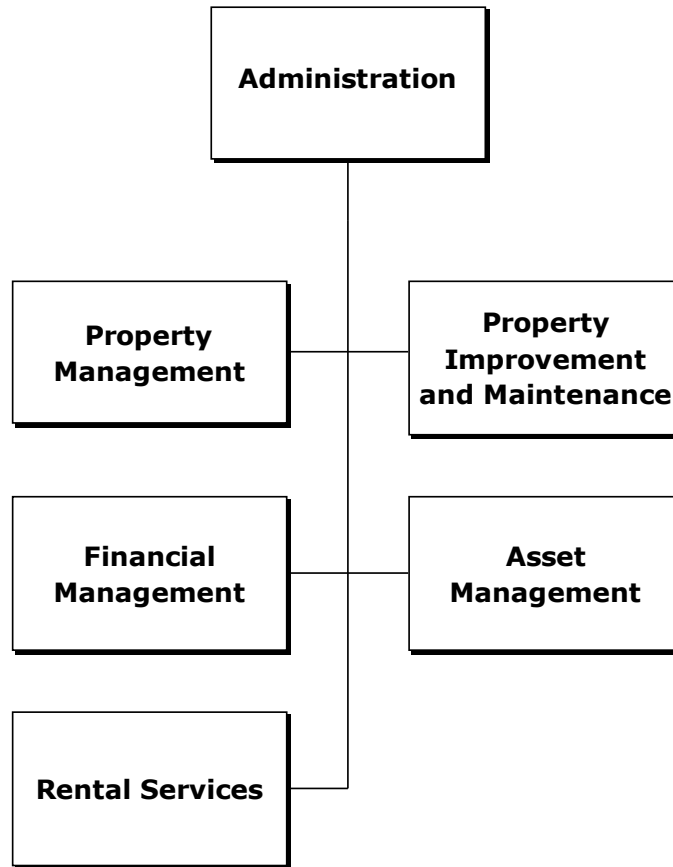


Fund 81300

RAD - Project-Based Voucher



Mission

To manage affordable rental housing acquired by the Fairfax County Redevelopment and Housing Authority (FCRHA) and to maintain and preserve the units for long-term rental availability.

Focus

Fund 81300, Rental Assistance Demonstration (RAD) – Project-Based Voucher (PBV) is a local rental housing program that has been initiated by the Department of Housing and Urban Development (HUD). Under RAD, housing authorities convert traditional public housing units to a new subsidy platform using PBVs issued through 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-PBV unit, they can be issued a tenant-based voucher, provided they meet the HCV criteria and vouchers are available.

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In 2017, Phase I of the conversion to RAD included 299 units, and in FY 2018, the remaining 766 units successfully converted as part of Phase II. One unit in Phase I and four units in Phase II are used for office or community room space and, per HUD guidelines, 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.

Under the PBV subsidy model, the tenant is responsible for a portion of the monthly rent with the remainder being disbursed from the HCV program as a Housing Assistance Payment (HAP) to the property.

In FY 2020, Fund 81300 will support a total of 1,065 units, including 1,060 PBV units and five offline units. These units are multi-family rental properties and scattered site units throughout the County. While program operations are primarily supported by tenant rents and HAP subsidy from the HCV program, the County's General Fund will continue to support condominium fees for selected RAD properties.

RAD-PBV Properties and FY 2020 Operating Costs			
Project Name	Units	FY 2020 Budget	Supervisory District
The Atrium	37	\$403,069	Lee
Audubon ¹	46	479,591	Lee
Barros Circle ¹	44	589,400	Sully
Bellevue	40	461,675	Mt. Vernon
Barkley Square	3	57,544	Providence
Colchester Town	8	103,682	Lee
Greenwood	138	1,695,135	Mason
Kingsley Park ¹	108	1,286,029	Providence
Newington Station	36	442,150	Mt. Vernon
Old Mill Gardens ¹	48	615,477	Mt. Vernon
Tavenner Lane ²	12	N/A	Lee
The Green ²	50	N/A	Hunter Mill
The Park	24	253,910	Lee
Ragan Oaks	51	1,026,757	Springfield
Robinson Square	46	756,241	Braddock
Rosedale Manor ¹	97	1,071,106	Mason
Shadowood	16	174,375	Hunter Mill
Villages at Falls Church	36	493,432	Mason
Waters Edge	9	193,928	Springfield
Westford I, II and III	105	1,537,945	Mt. Vernon
Total³	954	\$11,919,428	

¹ Audubon, Barros Circle, Kingsley Park, Old Mill Gardens and Rosedale Manor include one unit each being used as office space or community rooms as allowed under HUD guidelines.

² The 12 units of Tavenner Lane and the 50 units of The Green are part of the federally-assisted RAD program and are reflected in Fund 81300, RAD – Project-Based Voucher. However, operating expenses for all 62 units are budgeted for and included in Fund 81200, Housing Partnerships, due to their ownership structure.

³ Total FY 2020 funding includes \$94,982 in the RAD-PBV Operating Fund for general program oversight and \$183,000 in the RAD-PBV Capital Fund to support critical capital needs.

Fund 81300 RAD - Project-Based Voucher

RAD-PBV Third-Party Managed Properties and FY 2020 Operating Costs			
Project Name	Units	FY 2020 Budget	Supervisory District
Briarcliff II	20	\$0	Providence
Greenwood II	4	0	Lee
Heritage Woods North	12	0	Braddock
Heritage Woods South	32	0	Braddock
Reston Town Center	30	0	Hunter Mill
Sheffield Village	8	0	Mt. Vernon
Springfield Green	5	0	Lee
Total	111	\$0	

Budget and Staff Resources

Category	FY 2018 Actual	FY 2019 Adopted	FY 2019 Revised	FY 2020 Advertised	FY 2020 Adopted
FUNDING					
Expenditures:					
Personnel Services	\$4,205,201	\$4,024,374	\$3,549,374	\$3,940,215	\$3,980,321
Operating Expenses	6,912,753	6,735,625	7,145,098	6,689,107	6,689,107
Capital Projects	1,074,632	0	994,183	1,250,000	1,250,000
Total Expenditures	\$12,192,586	\$10,759,999	\$11,688,655	\$11,879,322	\$11,919,428
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	52 / 52	52 / 52	49 / 49	49 / 49	49 / 49
2 Housing Services Specialists V	1 Financial Specialist III		1 Locksmith II		
1 Housing Community Developer III	1 Management Analyst I		7 General Building Maintenance Workers II		
1 Housing Services Specialist IV	1 Chief Building Maintenance Section		4 General Building Maintenance Workers I		
5 Housing Services Specialists III	1 Preventative Maintenance Specialist		1 Human Services Coordinator II		
11 Housing Services Specialists II	1 Plumber II		2 Administrative Assistants IV		
2 Housing Services Specialists I	4 HVACs I		3 Administrative Assistants III		
TOTAL POSITIONS					
49 Positions / 49.0 FTE					

FY 2020 Funding Adjustments

The following funding adjustments from the FY 2019 Adopted Budget Plan are necessary to support the FY 2020 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 7, 2019.

- ◆ **Employee Compensation** **\$137,342**
An increase of \$137,342 in Personnel Services includes \$76,563 for a 2.10 percent market rate adjustment (MRA) for all employees and \$60,779 for performance-based and longevity increases for non-uniformed merit employees, both effective July 2019.

Fund 81300

RAD - Project-Based Voucher

- ◆ **Other Post-Employment Benefits** **\$25,232**

An increase of \$25,232 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 2020 Adopted Budget Plan.

- ◆ **Programmatic Adjustments** **(\$253,145)**

A decrease of \$253,145 is primarily due to a decrease of \$206,627 Personnel Services based on an alignment of actual spending trends, and \$46,518 in Operating Expenses resulting from the shift in 111 units to third-party management in FY 2019.

- ◆ **RAD-PBV Capital Projects** **\$1,250,000**

An increase of \$1,250,000 in capital funding has been included to support critical capital needs and improvements as identified by HUD in the 20-year Capital Needs Assessment.

Changes to FY 2019 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2019 Revised Budget Plan since passage of the FY 2019 Adopted Budget Plan. Included are all adjustments made as part of the FY 2018 Carryover Review, FY 2019 Third Quarter Review, and all other approved changes through April 30, 2019.

- ◆ **Carryover Adjustments** **\$1,428,656**

As part of the *FY 2018 Carryover Review*, the Board of Supervisors approved funding of \$1,428,656, including \$109,473 in encumbered funding in Operating Expenses and \$1,319,183 due to unexpended project balances.

- ◆ **Position Realignment** **\$0**

As part of an ongoing effort to realign positions within the Department of Housing and Community Development based on real-time tracking, posting of time and attendance and programmatic operations, 1/1.0 FTE Housing Services Specialist II was transferred from Fund 81300, RAD – Project-Based Voucher to Fund 81100, Fairfax County Rental Program and 2/2.0 FTE Housing Community Developer V and Housing Services Specialist V were transferred from Fund 81300, RAD – Project-Based Voucher to Fund 81510, Housing Choice Voucher.

- ◆ **Out-of-Cycle Adjustments** **(\$500,000)**

Subsequent to the *FY 2019 Third Quarter Review*, a net decrease of \$500,000 was included, comprised of decreases of \$475,000 in Personnel Services and \$325,000 in Capital Projects, partially offset by an increase of \$300,000 in Operating Expenses, based on an alignment of actual spending trends in FY 2019.

Fund 81300

RAD - Project-Based Voucher

FUND STATEMENT

Fund 81300, RAD – Project-Based Voucher ¹

	FY 2018 Actual	FY 2019 Adopted Budget Plan	FY 2019 Revised Budget Plan	FY 2020 Advertised Budget Plan	FY 2020 Adopted Budget Plan
Beginning Balance	\$308,196	\$3,617,639	\$8,062,697	\$6,634,041	\$6,634,041
Revenue: ²					
Rental Income	\$9,079,147	\$6,227,564	\$6,227,564	\$4,272,141	\$4,272,141
Annual Contributions	3,727,568	4,392,109	3,892,109	5,015,121	5,015,121
Investment Income	3,365	305	305	0	0
Other Income	2,767,474	140,021	140,021	85,000	85,000
Total Revenue	\$15,577,554	\$10,759,999	\$10,259,999	\$9,372,262	\$9,372,262
Total Available	\$15,885,750	\$14,377,638	\$18,322,696	\$16,006,303	\$16,006,303
Expenditures:					
Personnel Services	\$4,205,201	\$4,024,374	\$3,549,374	\$3,940,215	\$3,980,321
Operating Expenses	6,912,753	6,735,625	7,145,098	6,689,107	6,689,107
Capital Outlay	1,074,632	0	994,183	1,250,000	1,250,000
Total Expenditures	\$12,192,586	\$10,759,999	\$11,688,655	\$11,879,322	\$11,919,428
Total Disbursements	\$12,192,586	\$10,759,999	\$11,688,655	\$11,879,322	\$11,919,428
Balance Transfers due to Fund Consolidation:					
From 81520, Public Housing Projects Under Management	\$2,195,960	\$0	\$0	\$0	\$0
From 81530, Public Housing Projects Under Modernization	2,173,573	0	0	0	0
Total Balance Transfers	\$4,369,533	\$0	\$0	\$0	\$0
Ending Balance	\$8,062,697	\$3,617,639	\$6,634,041	\$4,126,981	\$4,086,875
Operational Reserve	\$2,329,214	\$0	\$2,219,741	\$962,681	\$922,194
Restricted HUD Capital Needs Reserve	5,733,483	0	4,414,300	3,164,300	3,164,681
Unreserved Ending Balance	\$0	\$3,617,639	\$0	\$0	\$0

¹ Due to the conversion of public housing units to Rental Assistance Demonstration (RAD), Fund 81520, Public Housing Projects Under Management, and Fund 81530, Public Housing Projects Under Modernization, were consolidated into Fund 81300, RAD – Project-Based Voucher. 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, Funds 81520 and 81530 were closed in FY 2018, and all assets, liabilities and equity were moved to Fund 81300.

² Revenue is based on projected rental income from tenants plus Housing Assistance Payments (HAP) on behalf of the project-based voucher holders residing in RAD units.