

## Appendix B. Analysis of the 2012 Budgets for Community Development

Report FAC/FCA-51

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February 25, 2011

**Introduction:** The proposed Fairfax County budget was released on February 22, 2011. The purpose of the work reported herein was to evaluate the budget for the Community Development funds, with the exception of the Department of Transportation.

**Summary:** All of the proposed reductions appear reasonable, except considerably greater reductions seem possible for the Land Development Services (LDS), Fund 31<sup>1</sup>. Savings on the order of \$6.8M per year seem possible at LDS<sup>2</sup>. To provide flexibility for future increases in the LDS workload, contract personnel could be hired, rather than following what appears to be the present policy of retaining lightly loaded County personnel. Human Rights and Equity Programs (Fund 39) may have some room for reductions because it consistently over-estimates its needs, by an average of 14% in each of the last four years. As we recommended last year, performance measures are needed for the Economic Development Authority (Fund 16) and the Planning Commission (Fund 36). Better performance measures are needed for Housing and Community Development (Fund 38). Our conclusions this year are the same as our conclusions last year, with the exception that possible LDS savings this year are \$6.8M instead of last year's \$10M because some savings were realized last year.

**Discussion:** As we did last year, we examined the proposed 2012 budget in light of the budget histories and the performance-measurement histories of each of the agencies and program areas. The County's proposed budget for 2012 for the Community Development areas calls for reductions in Funds 31 (Land Development Services, LDS), 35, 38 and 39 (Exhibit 1). Except for LDS, the reductions are less than or equal to the historical over-estimate of need as used to generate a proposed budget; therefore, the reductions should be easily realized.

The Land Development Services (LDS) Program Area of the Community Development Agency had a sharp rise in expenses, starting in 2004 (Exhibit 2). In this Area, the LDS staff increased from approximately 140 prior to 2004 to 189 in 2009<sup>3</sup>; however, the accomplishments have consistently decreased in all categories by more than 50% (Exhibit 3) – the rate of decrease changing little during the recent downturn in development. A 50% reduction in staff would imply a reduction to 95 people. The budget proposal calls for 160 people for FY2012, down from the peak but far above the 95. A further reduction of 65 people (160 minus 95) seems possible. Such a reduction would save approximately \$4,000,000.

The proposed LDS budget seems inconsistent. LDS has two program areas, one in Community Development and one in Public Safety. From FY2010 to FY2011, LDS in its two branches had a total decrease of 48 positions (15%), from 331 to 283 positions, but the personnel expenditures decreased only 1.5% (\$48,700 per reduction in positions); therefore, it appears that positions were decreased but not much staff. For FY2012, the proposed number of positions decreases 2.9% and the personnel expenditures, 7.7% (\$1.4M), a surprising \$175,000 per staff member eliminated. Dividing the budget for personnel services by the number of staff positions yields an average of only \$61,000, so the \$175,000 does not seem reasonable.

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<sup>1</sup> All of the Community Development agencies are under the General Fund (001). To use the County terminology, we should say "the funds for agency 31". For brevity, we use "Fund 31" and similar terminology for funds associated with other agencies.

<sup>2</sup> Such a major saving should not be made without feedback from and consultation with LDS. See Appendix B of this report for last year's feedback.

<sup>3</sup> This increase was due in part to a reorganization that brought approximately 30 positions from Agency 25 in DPWES to Agency 31 (LDS), in keeping with the way these positions had been supporting the work of LDS.

Agency	Fund number	2012 Advertised Budget	Slots	Reduction from 2011 Revised Budget			Historical Pct Over-estimate
				Dollars	Pct budget	Slots	
COMMUNITY DEVELOPMENT (except Transportation)	TOTAL	<b>\$37,068,925</b>					
Land Development Services	31	\$12,624,026	160	\$917,512	7%	17	8%
Planning and Zoning	35	\$9,271,412	14	\$300,209	3%	0	3%
Economic Development Authority	16	\$7,045,506	34	(\$250,000)	-4%	0	0%
Housing and Community Development (operating)	38	\$5,928,757	218	\$72,003	1%	0	-1%
Human Rights and Equity Programs	39	\$1,534,570	18	\$10,000	1%	2	14%
Planning Commission	36	\$664,654	7	\$0	0%	1	7%

Exhibit 1: Budget Totals

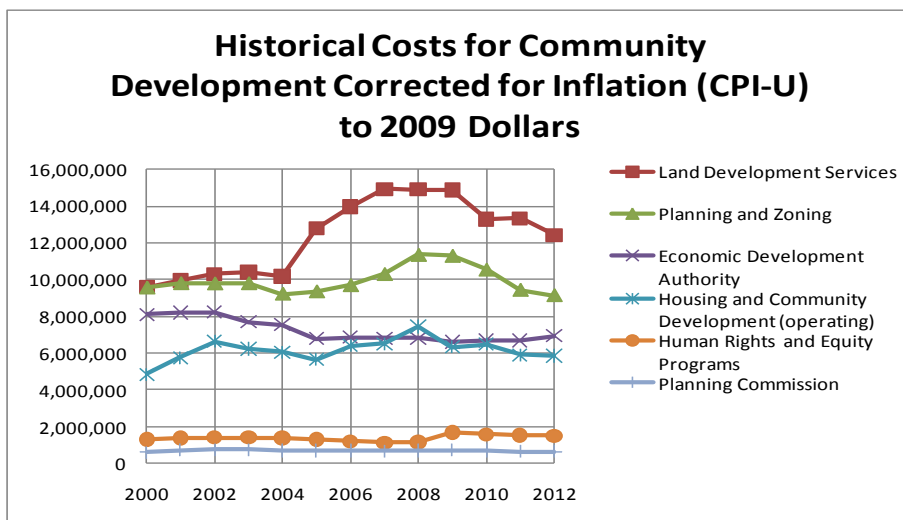


Exhibit 2: Historical Costs for Six Community Development Funds

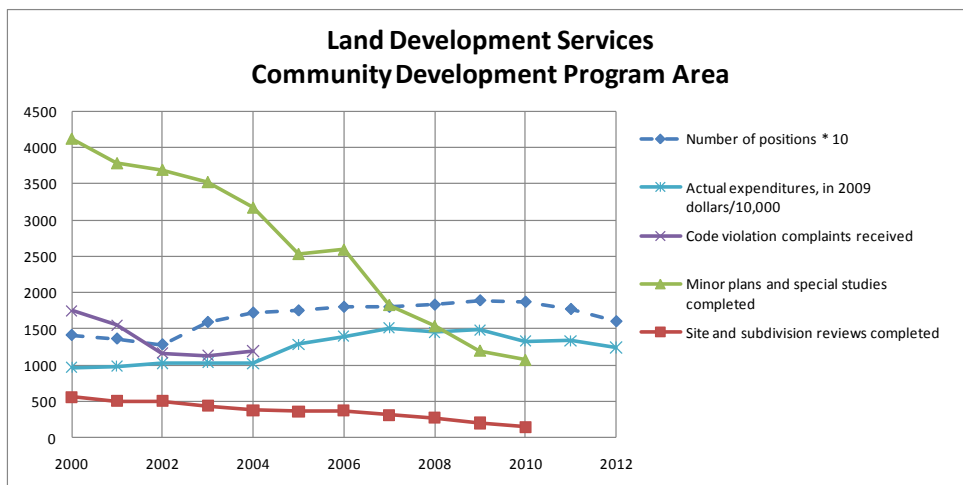


Exhibit 3: LDS Performance Measurements under Community Development

The costs and performance of the Public Safety part of LDS is shown in Exhibit 4. The budget for this part of LDS is not included in Exhibits 1, 2, and 3. The performance measures show a decrease in production of almost 50% since 2006, whereas there has been little decrease in staffing. (Performance data were not reported for FY2003 through FY2005.) Expenditures decreased 26% since 2006, including a proposed 11% decrease for FY2012. The 50% reduction in work product implies that a 50% reduction in staff might be possible, so that the staff would consist not of the proposed 115 people but as few as 75. Reducing the staff to 75 would result in an additional cost saving of approximately \$2,800,000.

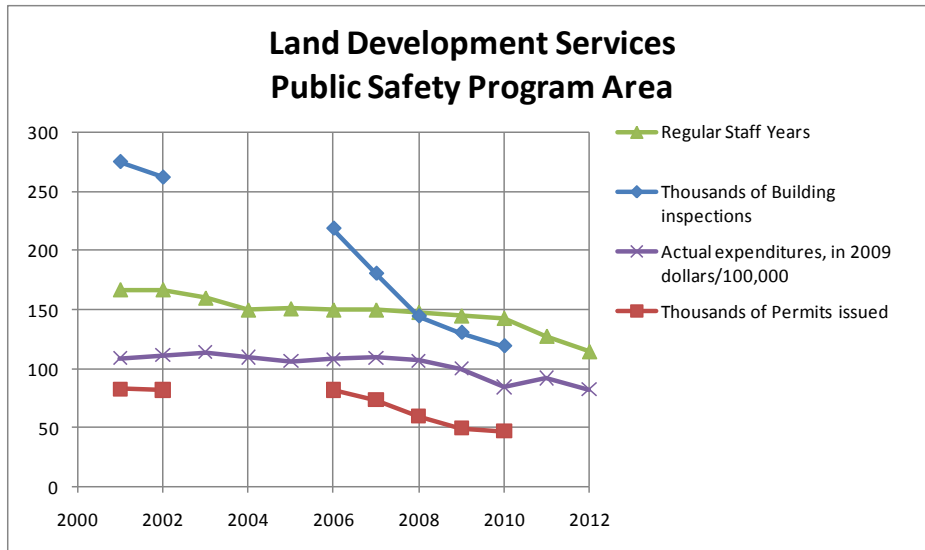


Exhibit 4: LDS Performance Measurements under the Public Safety Program

The workload of the Department of Planning and Zoning (Fund 35) has decreased in some parts, but increased in others (Exhibit 5). The APR's associated with the redevelopments such as at Tysons Corner and Reston may offset the decrease in permits processed and applications reviewed for submission compliance.

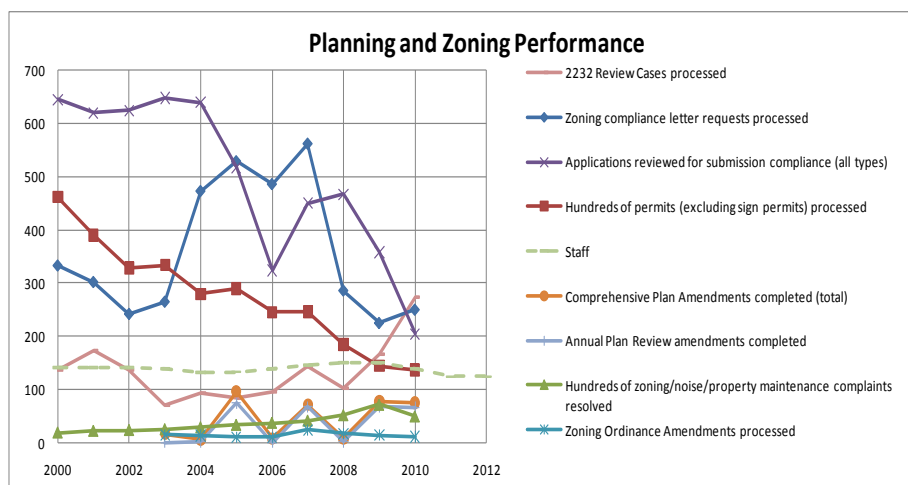


Exhibit 5: Performance of the Department of Planning and Zoning

The workload associated with Fund 39 (Human Rights and Equity Programs, HREP) has been gradually decreasing (Exhibit 6); however, the Equity Programs, which were transferred from the County Executive's office in 2009, has partially offset this decrease. HREP has consistently over-

estimated its personnel need (14% average in each of years 2007-2010); therefore, it appears that another 10% decrease for FY2012 would be reasonable.

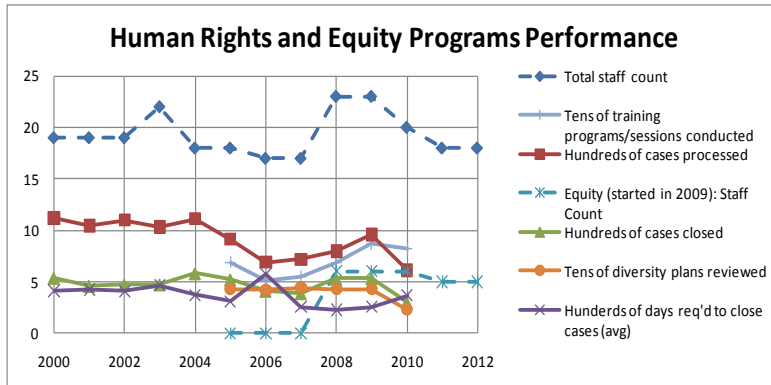


Exhibit 6: Performance of Human Rights and Equity Programs

The performance of Fund 16 (Economic Development Authority, EDA) is difficult to measure (Exhibit 7). EDA takes credit for the increase in County jobs and companies, but the increment due to the EDA is unknown. The EDA seems to be important to the County, but, as we stated last year, better means of measuring performance are needed<sup>4</sup>. For example, the EDA might log how many referrals are obtained from the VEDP, how many database entries the VEDP has obtained from the EDA, and how many businesses and jobs came to Fairfax as a result of referrals and other contacts. Jobs and businesses lost should also be reported, if only so the effect of County governance can be tracked. Measures are also needed to justify the existence of the foreign offices maintained by the EDA.

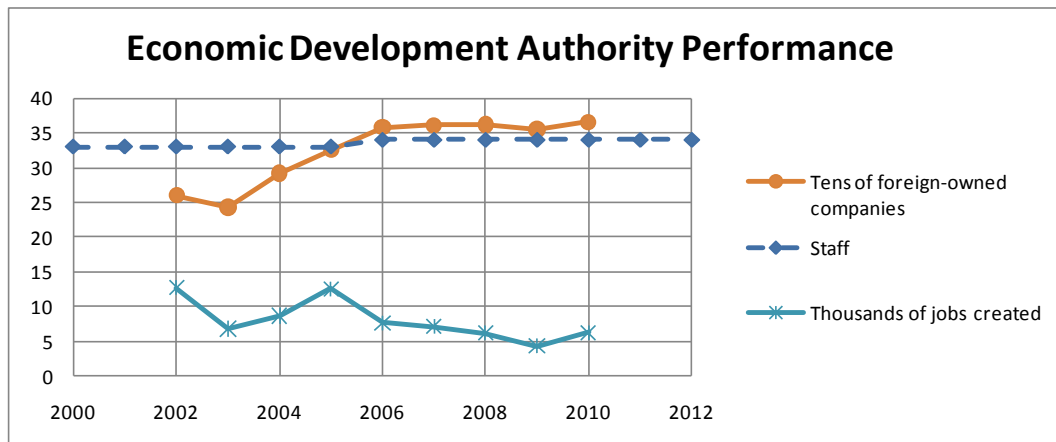


Exhibit 7: Performance of the Economic Development Authority

<sup>4</sup> The legal counsel for the Virginia Economic Development Partnership (VEDP), which is the official State authority (not agency) for dealing with economic development, said that there is no mandate for locality EDA's. A statement about the Fairfax County Economic Development Agency (FCEDA) that it is mandated by a 1964 Act may have been true, but it is not true today. Section 15 of the present Code of Virginia, which addresses locality EDA's, has nothing about being mandated. Richmond and Norfolk have EDA's, but many counties do not. When a company is looking to come to Virginia, the VEDP helps them with the research, including directing them to Fairfax County as appropriate. FCEDA is the point of contact for the VEDP, both in sending people to Fairfax and in obtaining data from Fairfax concerning opportunities (e.g., available office buildings).

Fund 38 (Housing and Community Development, HCD) again has no measures of performance reported in the budget plan. Because HCD has many countable dwelling units under its jurisdiction, measures of performance could be easily established – and should be. The measures should be based on the purposes of the HCD programs and what requires the time of the HCD staff.

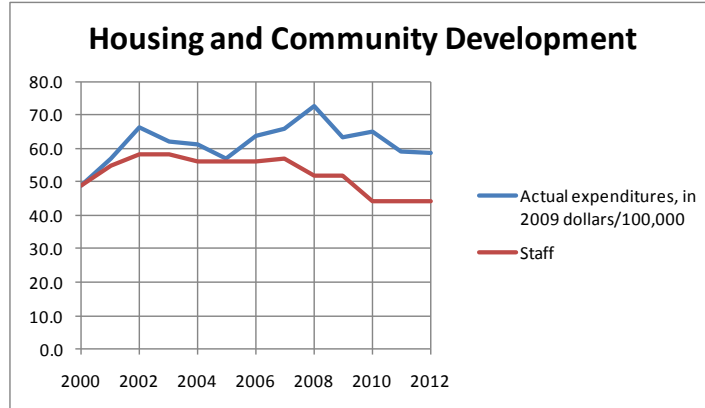


Exhibit 8: Performance of Housing and Community Development

The performance measures associated with Fund 36 (Planning Commission, PC) are in terms of the number of meetings and pages generated, rather than the something like the number of cases. The number of cases itself would be insufficient because the amount of effort by the PC staff depends on the complexities of the cases, so some ranking of the complexity would be needed. The number of APR Notifications that were verified, one measure of performance, ranged from 23 to 143 for the years 2000 through 2010, with 65 being verified in 2010. Other performance measures remained within the multiyear average, although the PC staff will be reduced from 8 to 7 people while the workload seems to be increasing. PC personnel support the County Planning Commission, so the accomplishments of the two are intertwined.

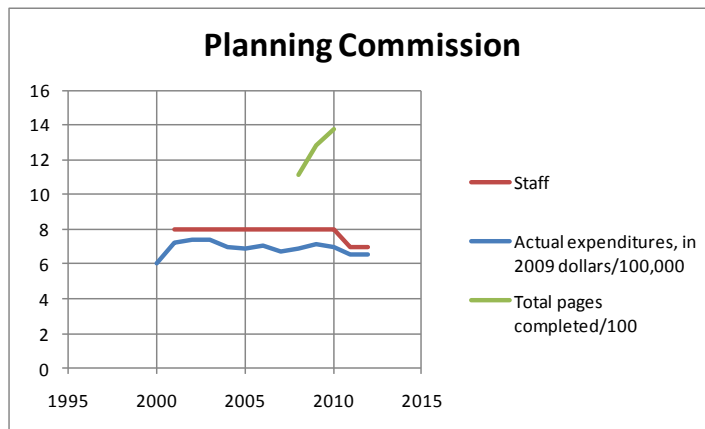


Exhibit 9: Performance of the Planning Commission

## **Appendix A: Proposed Resolutions**

### **Resolution 1: Improving the Performance Measurements (Low priority)**

WHEREAS the accomplishments of most departments and agencies are well reported in the County's proposed budget under the heading of Performance Measurement Results, and

WHEREAS some County offices report activities, such as attending meetings, rather than accomplishments,

Therefore

BE IT RESOLVED that the Federation requests that all Performance Measurement Results be formulated in terms of accomplishments and not activities.

### **Resolution 2: Reducing the budget for Land Development Services (High priority)**

WHEREAS the Performance Measurement Results for the Land Development Services unit show that the workload of that unit has decreased consistently and substantially since FY2000,

WHEREAS the Land Development Services is to be congratulated for proposing a \$3M reduction in its budget,

WHEREAS another reduction of \$6.8M seems possible in the Land Development Services budget to match the decrease in workload,

WHEREAS the County wants to decrease expenditures to meet budget limitations, and

WHEREAS the workload of Land Development Services is and can more so be supported by outsourcing under emergency conditions,

Therefore

BE IT RESOLVED that the Federation agrees with the proposed decrease in the Land Development Services personnel to 275 and suggests that a reduction to 170 can be made without injury to the performance of the unit.

## **Appendix B: Factors Influencing the Workload of Land Development Services**

In 2010, the County's Joe Mondoro, Deputy Director of the Department of Management and Budget, discussed the body of this report with the Land Development Services (LDS) agency to determine if there were reasons that the staffing requirements remained constant while the Performance Measurement Results indicated a decrease in workload.

LDS stated that there are three compelling points that the Performance Measurement data does not make clear. (1) Since 2001 the nature of the County's regulatory work has changed, directly affecting the level of effort and resources required to maintain an effective program. For example, the County's environmental stewardship role has expanded in response to a number of influences including the Board of Supervisors' 2004 Environmental Vision, the expectations of the Fairfax community to mitigate any impacts of development to the county's natural resources, and the influence of a higher level of regulations at the state and federal level. (2) As the County has become more developed and urbanized the level of complexity has increased. For example, high density urban development require a high level of review to ensure the proffer requirements are met and the public infrastructure is designed and built correctly. Also, the level of public involvement and coordination greatly increases. (3) The County has stressed a county-wide coordinated code enforcement effort to effectively address overcrowding, blight, graffiti, grass complaints, unpermitted construction, and other property maintenance issues.

## Appendix C: The Economic Development Agency

While the 1968 **General Assembly** was presented with a number of ..... 15.1-1373 to -1390 (Supp. 1968). 36 **Va. Acts of Assembly 1964**, ch. 643. ...  
[www.jstor.org/stable/1071742](http://www.jstor.org/stable/1071742)

Here is a page that implies that there is mandate:

[http://www.fairfaxcounty.gov/dmb/lobs/2008/fy07\\_mandates.pdf](http://www.fairfaxcounty.gov/dmb/lobs/2008/fy07_mandates.pdf)

However, this is a County report.

<http://codecommission.dls.virginia.gov/codcomm1.htm> is a complete re-write of Va. Code 15.1, made in 1996, which, under Subtitle IV, Item 49 (i.e., Section 15.1-49xx) has nothing about a mandate. It seems to me that the mandate was abolished in 1996, if not before.

<http://codecommission.dls.virginia.gov/codcomm1.htm> is a complete re-write of Va. Code 15.1, made in 1996, which, under Subtitle IV, Item 49 (i.e., Section 15.1-49xx) has nothing about a mandate. It seems to me that the mandate was abolished in 1996, if not before. Section 15 has a section on economic development (e.g., Section 15.2-4903.

[http://codecommission.dls.virginia.gov/Title15\\_1\\_\\_1997.htm](http://codecommission.dls.virginia.gov/Title15_1__1997.htm)

There was an article in the Virginia Law Review 1968 that may have dealt with the repeal of the 1964 section on mandates. Getting the article costs money.

<https://leg1.state.va.us/cgi-bin/legp504.exe?031+ful+CHAP0882+pdf> has:

**Be it enacted by the General Assembly of Virginia:**

**1. That § 3 of Chapter 643 of the Acts of Assembly of 1964, as amended by Chapter 210 of the Acts of Assembly of 1981, and § 4 of Chapter 643 of the Acts of Assembly of 1964, are amended and reenacted as follows:**

§ 3. The Authority shall be governed by a commission composed of seven commissioners, appointed by the governing body of the city. *However, in the City of Virginia Beach, the commission may be composed of 11 commissioners.* The commissioners of the Halifax-South Boston Development Authority shall be selected by the joint vote of the board of supervisors of the county of Halifax and the council of the city of South Boston. The commissioners of the Greensville-Emporia Development Authority and the Smyth-Marion Development Authority shall be selected by the joint vote of the governing bodies of the county and town. All powers and duties of the Authority shall be exercised and performed by the commission.

Notwithstanding any other provision of law, the governing body which appoints such commissioners may appoint one of its own members a commissioner.

§ 4. The seven commissioners share appointed initially for terms of one, two, three and four years; two being appointed for one year terms; two for two year terms; two for three year terms and one for four year terms; subsequent appointments shall be for terms of four years, except appointments to fill vacancies which shall be for the unexpired terms. *In Virginia Beach, the four additional commission members shall be appointed initially for terms of one, two, three and four years with subsequent appointments for terms of four years.* Each commissioner shall before entering on his duties take and subscribe the oath prescribed by Section 49-1 of the Code of Virginia.