

Analysis of the 2011 Budgets for Community Development

Report FAC/FCA-20
Revision B

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Introduction: The proposed Fairfax County budget was released on February 23, 2010, with reductions in many of the Funds. 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, especially in terms of the reasonableness and suitability of the reductions. A parameter of this analysis was to keep the budget ceiling used in the proposed County budget: any restoration of cuts had to be balanced by other cuts.

Revision A added Footnote 5. Revision B modified Footnote 2 and adds Appendix B.

Summary: All of the proposed reductions appear reasonable, except considerably greater reductions seem possible for the Land Development Services (LDS) part of Fund 31¹. Savings on the order of \$10M per year seem possible at LDS². To provide flexibility for future increases in the LDS workload, contract personnel could be hired, rather than retaining lightly loaded County personnel. Human Rights and Equity Programs (Fund 39) may have some room for additional reductions because it consistently over-estimates its needs, by 18% in each of the last three years. 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).

Discussion: The proposed budget for 2011 for the Community Development areas calls for reductions in Funds 31 (Land Development Services, LDS), 35, 36 and 39 (Exhibit 1). Except for LDS, the reductions are less than or equal to the excess of the adopted budgets over the actual expenditures (last column); therefore, the proposed reductions are reasonable.

Because the LDS reduction is greater than the historical over-estimate, we examined the historical budget for LDS (Exhibit 2). LDS had a sharp rise in expenses, starting in 2004. The LDS staff has increased from approximately 140 prior to 2004 to 180 after 2004³; however, the accomplishments have decreased in all categories by on the order of 50% (Exhibit 3)⁴. In addition, the average time to review a major plan has steadily increased from 54 in 2000 to 60 in 2009. There is no obvious explanation for the budget increase that started in 2004 and that has persisted to the present.

¹ 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.

² Such a major saving, over 50% of the current budget, should not be made without feedback from and consultation with LDS. See Appendix B of this report for some initial feedback. The budget documents suggest that LDS staff should remain as is in case a large workload should come in; however, LDS' own performance measurement results indicate that the workload has decreased steadily over the last ten years. If a large workload does come in, contractors can be hired.

³ This increase was due 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.

⁴ Agency 31 personnel work in Public Safety as well as Community Development. Joseph Mondoro in DMB has informed us that, when Community Development is lightly loaded, more LDS personnel work on the Public Safety section of LDS; however, our analysis of the Public Safety section shows the same decrease in workload but no decrease in staff (Rept -23).

Exhibit 1: Proposed Budget and Budget Reductions

	Fund number	2011 Budget	Slots	Currently open slots	Proposed Reductions			2007-2009 Pct Over-estimate
					Budget	Pct budget	Slots	
COMMUNITY DEVELOPMENT (except Transportation)	TOTAL	\$40,182,147						
Land Development Services	31	\$14,922,619	177	0	\$1,063,139	7%	10	5%
Planning and Zoning	35	\$10,326,041	14	0	\$304,188	3%	0	3%
Economic Development Authority	16	\$6,795,506	34	0	\$0	0%	0	1%
Housing and Community Development (operating)	38	\$5,928,757	218	0	\$0	0%	0	3%
Human Rights and Equity Programs	39	\$1,544,570	18	0	\$149,464	10%	2	18%
Planning Commission	36	\$664,654	7	0	\$47,197	7%	1	10%

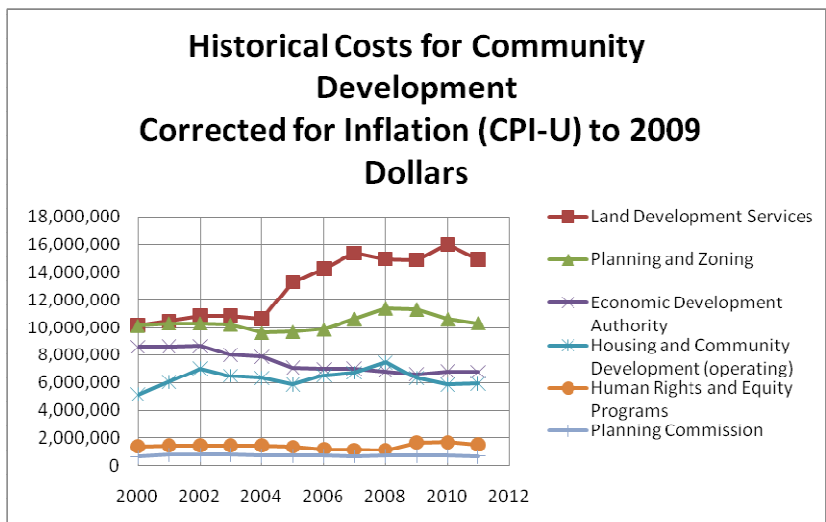


Exhibit 2: Historical Costs for Six Community Development Funds

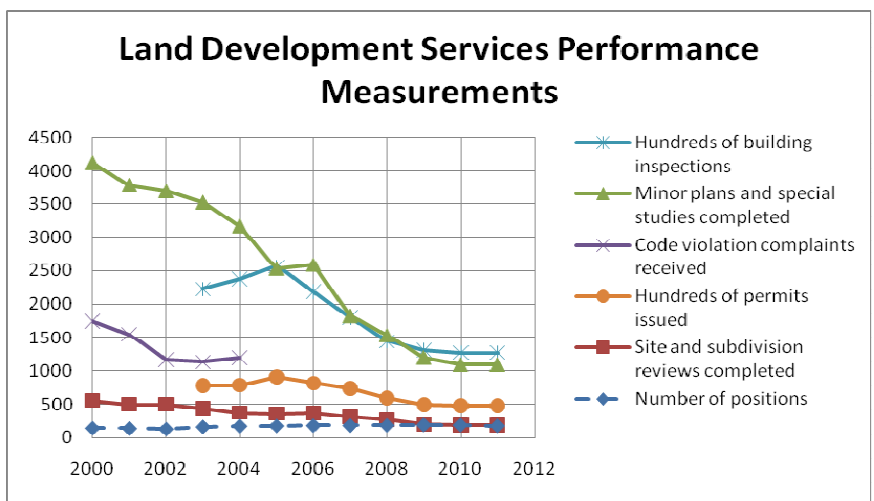


Exhibit 3: LDS Performance Measurements

The workload of the Department of Planning and Zoning (Fund 35) has also decreased, but not as dramatically as at LDS (Exhibit 4). Additional reductions may be possible at DPZ, but, as the budget documents state, the decrease in compliance reviews will be offset by the increase in APR's which must be reviewed in redevelopments such as at Tysons Corner and Reston.

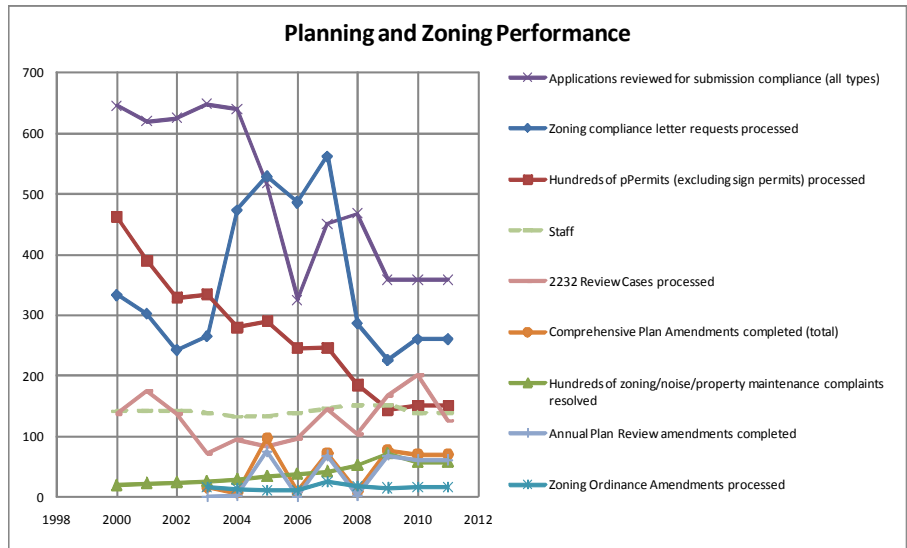


Exhibit 4: Performance of the Department of Planning and Zoning

The workload associated with Fund 39 (Human Rights and Equity Programs, HREP) has been gradually decreasing (Exhibit 5); 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 needs (18% average in each of years 2007-2009); therefore, its proposed decrease of 10% is reasonable. In fact, an additional decrease of 5% would bring the over-estimate more in line with those of the other departments.

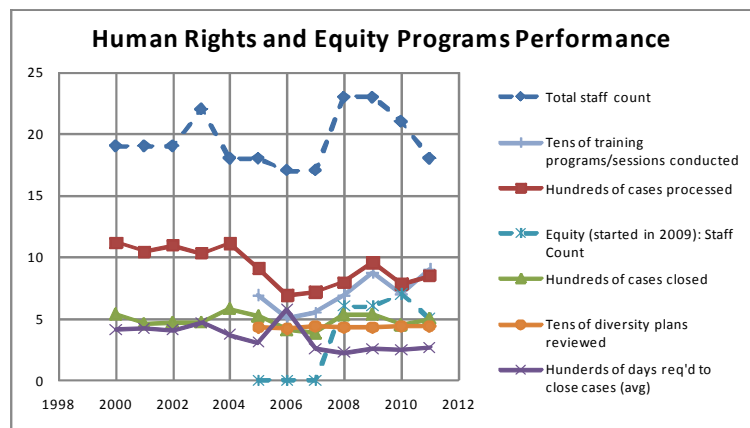


Exhibit 5: Performance of Human Rights and Equity

The performance of Fund 16 (Economic Development Authority, EDA) is difficult to measure (Exhibit 6). EDA takes credit for the increase in County jobs and companies, but the increment due to the EDA is unknown. Earlier, the EDA used different measures: the number of contacts coming from the Visitor Center and meetings. Better means of measuring performance would be helpful⁵.

⁵ 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.

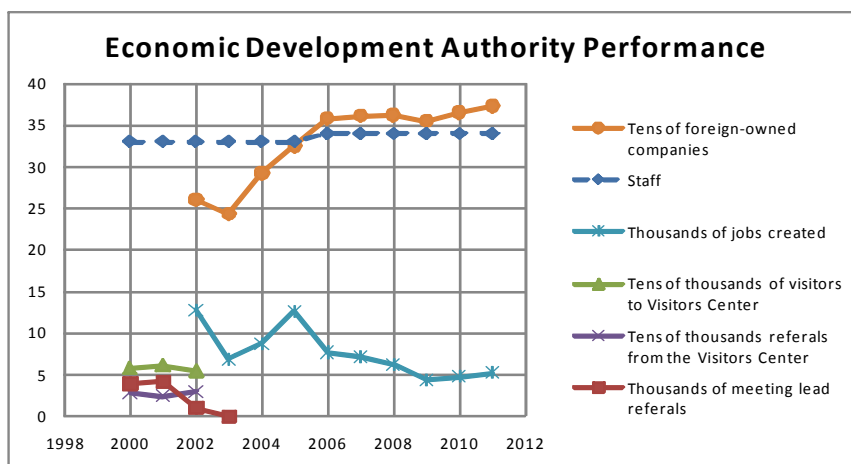


Exhibit 6: Performance of the Economic Development Authority

Fund 38 (Housing and Community Development, HCD) has no measures of performance reported in the budget plan. Because HCD has much countable dwelling units under its jurisdiction, measures of performance could be easily established.

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. PC personnel support the County Planning Commission, so the accomplishments of the two are intertwined.

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 Performance Measurement Results show that turn-around times for reviews have increased since FY2000, even with the lighter workload,

WHEREAS the Land Development Services unit has not decreased the number of employees or funding since FY2000,

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,

Therefore

BE IT RESOLVED that the Federation agrees with the proposed decrease in the Land Development Services personnel by a count of 10 (Budget Reduction Item #20) and suggests that additional reductions can be made without injury to the performance of the unit.

Appendix B: Factors Influencing the Workload of Land Development Services

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 affectively address overcrowding, blight, graffiti, grass complaints, unpermitted construction, and other property maintenance issues.