

Housing Development

PROGRAM DESCRIPTION

The primary mission of the Department of Housing and Community Development (HCD) is to act as the development and administrative agency for the Fairfax County Redevelopment and Housing Authority (FCRHA) and the Board of Supervisors in meeting the housing, community development and neighborhood revitalization needs of the County's low and moderate income residents. HCD functions as staff to the eleven-member FCRHA board.

LINK TO THE COMPREHENSIVE PLAN

Fairfax County's Comprehensive Plan has established a number of objectives and policies in order to:

- ✓ Encourage the provision and promote the availability of affordable housing in all parts of the County.
- ✓ Support the Fairfax County Redevelopment and Housing Authority in its mission to plan, acquire, develop and maintain affordable housing using federal, state and County programs, including the following projects: Olley Glen (formerly Little River Glen III), Lewinsville, and Mondloch House.
- ✓ Increase the supply of affordable housing units each year to serve the full range of incomes of households and special populations, including the physically and mentally disabled, the homeless, and the low-income elderly, needing affordable housing.
- ✓ Ensure workforce housing is provided in the county's mixed-use centers, including Tysons Corner Urban Center, suburban centers, community business centers and transit stations areas.
- ✓ Promote the development of multi-family housing in both mixed-use Centers and existing residential use areas, and develop adequate transitional housing for homeless families.
- ✓ Retain existing below market rental housing through acquisition, rehabilitation assistance and other subsidies.

Source: 2007 Edition of the Fairfax County Comprehensive Plan, Policy Plan Element, Housing, Economic Development, and Human Services Sections, as amended

CURRENT PROGRAM INITIATIVES

In 2010, the Board of Supervisors endorsed a new affordable housing policy, known as the "Housing Blueprint". The Blueprint represents a shift in emphasis for the county's affordable housing policies in response to the ongoing recession. Per the Board's direction, the Blueprint focuses on providing housing for those with the greatest need, including homeless families and individuals, persons with disabilities, and people with extremely low-incomes. The Blueprint also emphasizes partnering with the county's non-profit community to provide creative affordable housing solutions, the refocusing of existing resources, and fostering the development of workforce housing through land use policies and public/private partnerships. The Blueprint has four goals:

- To end homelessness in 10 years;
- To provide affordable housing options to those with special needs;
- To reduce the waiting lists for affordable housing by half in 10 years; and
- To produce Workforce Housing sufficient to accommodate projected job growth.

Key to achieving the metrics set forth in the Blueprint is completing the FCRHA's pipeline of affordable housing development projects, which includes the completion of Olley Glen (Braddock District), and the renovation and conversion of Mondloch House shelter (Lee District) to residential studio units, among others (see "Current Project Descriptions" below).

Also critical to the success of the Housing Blueprint are the following current program initiatives:

- Workforce Housing Policy: Created by the Board of Supervisors in 2007, Fairfax County's Workforce Housing policy is a proffer-based incentive system designed to encourage the voluntary development of new housing affordable to a range of moderate-income workers in Fairfax County's high-rise/high-density areas. The Comprehensive Plan provides for a density bonus of up to one unit for every workforce unit provided by a developer, with the expectation that at least 12 percent of units in new developments be affordable or workforce housing. The Workforce Housing policy also provides for the administrative tools for the long-term administration of proffered workforce units, and addresses issues such as unit specifications, price and financing controls, covenants and occupancy. As of September 2009, a total of 1,070 Workforce Dwelling Units (WDU) had been committed by private developers in rezoning actions approved by the Board of Supervisors; it is anticipated that the first of these units will be delivered in FY 2011. Fairfax County's Workforce Housing Program was selected as winner of the Virginia Housing Award for the Best Housing Program in 2008.
- Affordable Housing Preservation: Preservation of affordable rental housing has long been a concern of the Board of Supervisors and the FCRHA. The stock of privately-owned subsidized units and non-subsidized rental housing with modest rents in the County has been declining as owners repositioned their properties in the market, prepaid their federally subsidized mortgages, opted not to renew their Section 8 project-based contracts or terminated their participation at the end of the control period for their FCRHA bond-financed properties. The centerpiece of the Board's Preservation Initiative was the creation of the "Penny for Affordable Housing Fund" (Fund 319). From FY 2006 through FY 2009, the Penny Fund produced \$85.3 million for the preservation and production of affordable housing in Fairfax County. The FY 2010 Adopted Budget includes \$10.2 million for the Penny Fund, a 50 percent reduction from previous years; nearly all of the FY 2010 allocation will be used for debt service on the Fairfax County-owned Crescent and Wedgewood rental properties. The Board's Affordable Housing Preservation Initiative has preserved a total to 2,376 units of affordable housing as of January 2010.
- Affordable Dwelling Unit Program: In addition to the Workforce Housing policy described above, the county also has an Affordable Dwelling Unit (ADU) program, adopted in 1990 as part of the Zoning Ordinance. The ADU program requires developers of certain housing developments to set aside up to 12.5 percent of the units as affordable housing (6.25 percent for multifamily rentals) in return for additional density granted at the time the development is built. The FCRHA has the right to acquire one-third of the ADUs for sale and to lease up to one-third of the rental units. The remaining units are sold or rented to moderate income households. As of September 2009, a total of 2,329 units (1,024 rentals and 1,305 for-sale condominiums) have been produced under the ADU program; the FCRHA has acquired 147 of the for-sale units, which are maintained as permanent affordable rental housing.

About the need for affordable housing in Fairfax County: In spite of the ongoing recession and the associated drop in sales prices, Fairfax County remained one of the highest cost areas for housing in the nation in 2009. Over the last decade, Fairfax County has experienced unprecedented increases in the cost of for-sale housing and a significant loss of affordable rental housing. The more recent decrease in housing prices may have relieved some of the pressure in the sales market; however, tighter credit standards, a continued reasonably healthy job market and above average housing prices compared to the rest of the country continue to make Fairfax County a profoundly challenging housing market for low- and moderate-income working households. This is particularly true for new entrants into the housing market who are coming to pursue new jobs in Fairfax County.

This gap in housing affordability can affect the ability of employers, including the county, to attract employees crucial to the health and safety of the community, as well as to the area's growth and continued economic prosperity. A 2008 George Mason University-Center for Regional Analysis (GMU-CRA) study commissioned by the FCRHA concluded that a total of 63,660 net new units affordable to

households earning up to 120 percent of the Area Median Income (AMI) will be needed by 2025 based on projected Fairfax County job growth, assuming that 65 percent of new workers are housed in Fairfax County. The George Mason study found that that Fairfax County's economic vitality is "inextricably tied" to its response to the need for affordable workforce housing, and that the county's continued growth is "highly dependent" on the availability of housing that is "affordable to workers from the full spectrum of the economy". The report concluded that "failing to plan for a balanced supply of housing in the future will reduce the County's opportunities for economic growth", resulting in the out-migration of businesses, reduced availability of personal and business services, and a decline in livability.

According to the 2008 US Census Bureau's American Community Survey, there were an estimated 70,717 households in Fairfax County earning less than \$50,000 per year, or about 48 percent of the area median income for a family of four of \$102,700. More than one third (26,361) of these households were earning less than \$25,000 per year. There were an estimated 48,734 persons living below the poverty level in 2008 – more than the entire population of Charlottesville, Virginia. In addition, 12,945 Fairfax County renter households have what is described as "worst case housing problems." This population consists of renters below 50 percent of the Area Median Income who have a severe cost burden (meaning over 50 percent of their income is used for housing costs), have incomplete plumbing facilities or have severe overcrowding (over 1.51 persons per room). Fairfax County has the largest number of renters with worst case housing needs in Virginia.

As of January 2010, there were approximately 12,500 households on the waiting lists for the FCRHA's affordable housing and tenant subsidy programs; 1,200 people were on the waiting list for supportive housing offered through the Fairfax-Falls Church Community Services Board (CSB), and about 100 people were on the waiting list for the county's homeless shelters.

Recent Program Accomplishments

Affordable Housing Construction: The FCRHA closed on the financing for and began construction of Olley Glen, a new 90-unit active senior development on the FCRHA's Glens at Little River senior housing campus in the Braddock District.

Homeownership: The FCRHA facilitated home purchases for 120 low- and moderate-income Fairfax County first-time homebuyers and secured \$15,446,426 in State and Federal funds to support homeownership in Fairfax County.

Rehabilitation of FCRHA-Owned Group Home and Federal Public Housing Properties: To ensure that FCRHA-owned properties are maintained to community standards, the following rehabilitation projects were completed in FY 2009:

- **Group Homes:** *Minerva Fisher Hall (12 beds; Providence District):* Rehabilitation of this group home facility included new mechanical systems, replacement of the roof, new countertops and appliances, landscaping and sealing of the parking lot.
- **Federal Public Housing:**
 - *The Park (24 units; Lee District), and West Glade (26 units; Hunter Mill District):* Renovation of parking lot and dumpster enclosures.
 - *Shadowood (16 units; Hunter Mill District):* Kitchen renovations, and new washers and dryers.
 - *Audubon (46 units; Lee District):* Renovation of community center, new roofing, replaced windows and new laundry facility. Also installed new security measures, including fencing and cameras.
 - *Robinson Square (46 units; Braddock District):* Renovation of kitchens and flooring.

Multifamily Rental Housing and Tenant Subsidy Programs: In FY 2009, the average income of households served in the FCRHA's major multifamily affordable rental housing and tenant subsidy programs, namely, federal Public Housing, the federal Housing Choice Voucher (HCV) program, and the Fairfax County Rental Program (FCRP), was approximately \$26,477, or 29 percent of AMI for a family of three (the average household size in these programs). This meets the U.S. Department of Housing and Urban Development's (HUD) definition of "extremely low income". A total of 17,273 individuals were housed in these programs in FY 2009.

Affordable Housing Preservation: Since the inception of the Board's Affordable Housing Preservation Initiative in April 2004, 2,376 units have been preserved as of January 2010. The units have been preserved via a combination of direct acquisitions of properties by the FCRHA, FCRHA financing of affordable housing preservation projects by both for- and non-profit developers and negotiated agreements with property owners. A total of 60 percent of the 2,376 preserved affordable units were acquired and retained as affordable by the FCRHA's private sector partners.

In FY 2009, a total of 152 affordable units/beds were preserved via FCRHA acquisitions and financing:

- *Strawbridge Square (128 units, Mason District):* The FCRHA provided \$5,040,000 in federal Community Development Block Grant (CDBG) funds to Wesley Strawbridge, L.P. for the acquisition and rehabilitation of the project. The Virginia Housing Development Authority (VHDA) provided \$10.5 million in debt financing for the project and \$9.39 million in low income housing tax credits. Units at Strawbridge Square will be affordable to households with incomes up to 50 percent and 60 percent of the AMI. When completed, the property will feature upgrades in kitchens, bathrooms, HVAC systems, energy efficient appliances and other interior and exterior improvements, including the incorporation of "Universal Design" and the upgrading of existing accessible units.
- *Samaritan House (8 beds, Mount Vernon District):* The FCRHA provided financing in the amount of \$446,242 to New Hope Housing for the purchase of a house to be operated as permanent supportive housing for eight chronically homeless persons.
- *Northampton (4 units, Lee District):* The FCRHA purchased four Affordable Dwelling Units (ADU) at Northampton for a total of \$581,566, including \$214,000 from the Penny for Affordable Housing Fund. These units are rented under the Fairfax County Rental Program (FCRP), and are affordable to households earning up to 50 percent of the AMI.
- *Charleston Square (3 units, Springfield District):* There were two separate preservation actions involving ADUs at the Charleston Square development in the Springfield District: 1) Catholics for Housing purchased two units for use as affordable rental housing; and 2) the FCRHA purchased one unit for its Magnet Housing program.
- *New Hope Housing (4 units; Mount Vernon and Lee Districts):* The FCRHA provided loans totaling \$325,404 from the Consolidated Community Funding Pool (CCFP) to New Hope Housing for the purchase of three condominiums and one townhouse in FY 2009. These units are being used to provide long-term supportive housing for homeless individuals and families with disabilities.
- *Reston Interfaith (2 units, Dranesville and Hunter Mill Districts):* The FCRHA provided financing in two transactions to Reston Interfaith: 1) a loan of \$144,358 in federal HOME Community Housing Development Organization (CHDO) funds for the purchase of a townhouse in the Herndon area. This unit is rented to households participating in Reston Interfaith's Housing Opportunities Strengthen Everyone (HOUSE) Transitional Housing Program; and 2) a loan of \$156,000 in federal CDBG funds from the CCFP to purchase a townhouse to be rental by very low-income households (earning 50 percent of AMI and below).
- *Good Shepherd Housing (3 units, Mount Vernon and Lee Districts):* The FCRHA provided loans to Good Shepherd totaling \$366,245 in federal CDBG funds from the CCFP for the purchase of three units to be rented to low-income households earning 60 percent of AMI and below.

It should also be noted that the FCRHA and Fairfax County successfully completed the permanent financing of Wedgewood Apartments (Braddock District) in 2009. The financing will result in \$4 million being returned annually to the county to be used for affordable housing or other purposes. The FCRHA authorized the issuance and competitive sale of \$94 million of Government Bonds to provide the permanent financing, and authorized the reallocation of \$1,900,000 from Housing Trust Fund and \$9,842,000 from the Penny Fund to pay down the interim financing of \$104,105,000, which matured October 1, 2009. Another \$2,500,000 was also provided from Wedgewood net operating income.

CURRENT PROJECT DESCRIPTIONS

1. **Affordable Housing Production and Preservation (Countywide):** Funding for the acquisition or development of affordable units or apartment/condominium complexes by the FCRHA or qualified nonprofit or for-profit developers is derived from a variety of sources including the Affordable Housing Partnership Program (AHPP), the FCRHA Tax-Exempt Bond Program, Low Income Housing Tax Credits and other, local, state and federal funds. The affordable units may serve a variety of residents, including very low income single individuals, as well as persons with disabilities, families and senior citizens.
2. **Senior Housing (Countywide):** Development of housing and facilities exclusively for the County's rapidly increasing population of seniors. Current projects include:
 - a. Olley Glen (formerly Little River Glen Phase III) (Braddock District): Approximately \$19,000,000 is the estimated Total Development Cost to construct 90 units of "Independent Living" housing for the elderly, within three two-story apartment buildings. The Board of Supervisors approved the financing plan for the construction of Olley Glen in FY 2008. The primary financing for this project is provided by tax-exempt bonds and low income Housing Tax Credits. In addition, Housing Trust Fund, federal Community Development Block Grants (CDBG), Penny for Affordable Housing Fund, and federal HOME Investment Partnership Program (HOME) grant funds are available. The project is under construction in FY 2010 and is expected to be completed in early FY 2011.
 - b. Lewinsville Expansion (Dranesville District): \$23,000,000 is the estimated total development cost to demolish the existing facility and construct a 94,000 square foot facility, which will provide: 73 units or more of "Independent Living" housing for the elderly; space for the Health Department's Adult Day Care Center; two child day care centers; and allow for the expansion of the existing Senior Center programs operated by the Department of Community and Recreation Services. In addition, site improvements will be provided, including additional parking, landscaping, exterior lighting, road frontage improvements along Great Falls Street and replacement of the existing playground and tot lot. Resources available for predevelopment of this project include \$153,000 in federal Community Development Block Grant (CDBG) funds, and approximately \$2.9 million from the Housing Trust Fund (Fund 144). It should be noted that the project could be developed as two separate phases, one being the affordable housing component and the second for the community support services, with each phase costing approximately \$11.5 million. During their deliberations on the FY 2011 CIP, the Board of Supervisors approved long term financing for capital project work at Lewinsville as discussed in the context of the Blueprint for Affordable Housing. The Board will review and approve the final scope and financing plan for this project.
 - c. Lincolnia Residences Renovation (Mason District): \$5,800,000 is estimated for the renovation of this FCRHA-owned senior facility. The renovation will include replacement of the HVAC system and interior improvements to the existing 50,000 square foot housing facility and a 1,000 square foot expansion of the lobby area. During their deliberations on the FY 2011 CIP, the Board of Supervisors approved long term financing for capital project work at Lincolnia as discussed in the context of the Blueprint for Affordable Housing. The Board will review and approve the final scope and financing plan for this project.
3. **The Residences at North Hill Park (Mount Vernon District):** \$10,400,000 is the estimated total development cost for development of 67 units of manufactured housing on a portion of the 33 acres known as "North Hill," owned by the FCRHA. A major portion of the remaining land will be developed by the Fairfax County Park Authority as a passive community park directly north of the new community. Predevelopment activities are anticipated to be completed in FY 2011. A total of \$3,120,000 is available from Fund 340, Housing Assistance Program. During their deliberations on the FY 2011 CIP, the Board of Supervisors approved long term financing for capital project work at North Hill as discussed in the context of the Blueprint for Affordable Housing. The Board will review and approve the final scope and financing plan for this project.

4. **Preservation/Rehabilitation of Existing FCRHA-owned Housing (Countywide):** Approximately \$1,696,703 is available in FY 2010 to support the recurring maintenance and rehabilitation needs of FCRHA-owned properties. Funds available in FY 2010 include \$247,584 from the county Housing Trust Fund (Fund 144), \$934,464 from the federal Community Development Block Grant (CDBG; Fund 142), and \$514,655 from the federal HOME Investment Partnership grant (Fund 145). Units to be rehabilitated will be identified in FY 2010. An amount of \$5,000,000 remains unfunded.
5. **Magnet Housing/Route 50 and West Ox Road (Sully District):** \$11,200,000 is the estimated Total Development Cost to construct 30 units of Magnet Housing, one level of below grade parking and a training facility. The Magnet Housing Rental Program provides affordable housing for individuals and families who participate in workforce development. The project is in the design phase. Approximately \$907,000 from the Housing Trust Fund and \$348,000 from a federal EDI Special Project Grant are available for this project. Permanent financing for the training center may take the form of FCRHA Lease Revenue bonds in the amount of \$1,500,000. Other sources, including grants and low interest loans, will be sought for the unfunded balance of approximately \$9,945,000.
6. **“Housing First” (formerly Transitional Housing) at the Katherine K. Hanley Family Shelter Campus (Springfield District):** \$2,000,000 is the estimated Total Development Cost to construct six units of “housing first” transitional housing which will be occupied by families referred by the shelter. The new housing units will be located adjacent to the Hanley Shelter in western Fairfax County, and are part of the countywide effort to end homelessness. A total of \$407,000 in federal HOME funds and \$1,000,000 from the Housing Trust Fund are available for this project through FY 2010. Additional sources of funding must be identified for the unfunded balance of \$593,000; HCD is also exploring potential public/private partnerships for the construction of this project.
7. **Redevelopment of Crescent Apartments (Hunter Mill District):** Full cost to be determined for the redevelopment of the Crescent Apartments, a 180-unit affordable rental complex located on 16.5 acres in the Lake Anne area of Reston, managed by the FCRHA on behalf of the Board of Supervisors. A total of \$300,000 from the FCRHA Revolving Development Fund (Fund 946) and \$418,000 from the Penny for Affordable Housing Fund (Fund 319) is expected to be expended for pre-development activities through FY 2011. Redevelopment activities to be coordinated with the revitalization of Lake Anne.
8. **Accessibility Modifications of FCRHA Properties (Countywide):** This is an on-going project to renovate FCRHA-owned housing at sites scattered throughout the County in order to make them wheelchair accessible. An amount of \$500,000 in federal funds will be used in FY 2010.
9. **Renovation of Mondloch House (Lee District):** \$3,353,204 is estimated for the substantial renovation of existing homeless shelter facility and conversion to residential studio units for “Housing First”. A total of \$294,000 from a federal Economic Development Initiative (EDI) grant, \$332,953 from the Housing Trust Fund, \$79,000 in federal stimulus funds from the Community Development Block Grant (CDBG-R) program, \$1,200,522 in non-stimulus CDBG funding and \$1,446,729 in federal HOME grant funds are available for this project.

PROJECT COST SUMMARIES HOUSING DEVELOPMENT (\$000's)

Project Title/ Project Number	Source of Funds	Anticipated to be Expended Thru FY 2010						Total FY2011- FY2015	Total FY2016- FY2020	Total Project Estimate
			FY2011	FY2012	FY2013	FY2014	FY2015			
1 Affordable Housing Preservation and Production	HTF	1,250	840	840	840	840	840	4,200		5,450
2a Olley Glen (formerly Little River Glen III) / 014046	HTF B X R F	704 4,500 7,230 2,628 3,438	500					500		19,000
2b Lewinsville Expansion / 014140	HTF F U	1,349 153	1,581	4,517	7,000	8,400		21,498		23,000
2c Lincolnian Residences Renovation / 003978	U	0	2,000	3,800				5,800		5,800
3 The Residences at North Hill Park / 014249	G U	450	2,670	7,280				9,950		10,400
4 Preservation/Rehabilitation of Existing FCRHA-Owned Properties / 014191	HTF F U	247 1,449	1,000	1,000	1,000	1,000	1,000	5,000		6,696
5 Magnet Housing/Route 50 & West Ox Road / 014199	HTF F U	907 348	7,000	2,945				9,945		11,200
6 "Housing First" Transitional Housing at the Katherine K. Hanley Shelter Campus / 014166	HTF F U	407	1,000 593					1,593		2,000
7 Crescent Redevelopment / 014239	X R	418	300					300		718
8 Accessibility Modifications of FCRHA Properties	F	500	250	250	250	250	250	1,250		1,750
9 Renovation of Monloch House	F HTF	0	1055 167	1055 167	910			3,354		3,354
TOTAL		\$25,978	\$18,956	\$21,854	\$10,000	\$10,490	\$2,090	\$63,390	\$0	\$89,368

Key: Stage of Development	
	Feasibility Study or Design
	Land/Unit Acquisition
	Construction

Notes:
Numbers in bold italics represent funded amounts.

Key: Source of Funds	
B	Bonds
G	General Fund
R	Real Estate Tax Revenue
F	Federal
X	Other
U	Undetermined
HTF	Housing Trust Fund
LRB	Lease Revenue Bonds

Housing Development Project Locations



- 2a Olley Glen
- 2b Lewinsville Expansion
- 2c Lincolnian Residences
- 3 Residences at North Hill Park
- 5 Magnet Housing / Route 50 - West Ox Road
- 6 Transitional Housing at Katherine K. Hanley Family shelter
- 7 Crescent Redevelopment
- 9 Renovation of Mondloch House

Note: Map numbers correspond to project descriptions in the text and cost summary tables. Only CIP projects with selected, fixed sites are shown on the map.

