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: Lewinsville, Lincolnia 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 January 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 streamline and 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 renovation of the Lincolnia Senior Facility (Mason District), construction of the Residences at North Hill Park (Mount Vernon District), 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 the end of FY 2011, approximately 1,286 Workforce Dwelling Units (WDU) had been committed by private developers in rezoning actions approved by the Board of Supervisors. A total of 14 rental workforce units had been constructed as of the end of 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 2012 Adopted Budget Plan, provided a total of $14,688,400 for continued debt service on the Crescent and Wedgewood properties, and to support the county's Bridging Affordability program under the Housing Blueprint. The Board's Affordable Housing Preservation Initiative has preserved a total of 2,436 units of affordable housing as of the end of FY 2011.

- 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 January 2012, a total of 2,448 units (1,112 rentals and 1,336 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 slow pace of the economic recovery, Fairfax County remained one of the highest cost areas for housing in the nation in 2011. 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.

According to the Virginia Tech Center for Housing Research, the total current affordable housing gap for low- and moderate-income renters in Fairfax County (those earning 80 percent of the area median income and below) is approximately 28,405 units. For low- and moderate income owners, the gap is approximately 49,120 units. 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.

Based on data from a 2011 George Mason University-Center for Regional Analysis (GMU-CRA) study, it is estimated that a total of approximately 50,000 net new units affordable to households earning up to 120 percent of the Area Median Income (AMI) will be needed by 2030 based on projected Fairfax County job growth, assuming that 65 percent of new workers are housed in Fairfax County. A previous George Mason University workforce housing study, commissioned by the FCRHA, 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 2010 US Census Bureau American Community Survey, there were an estimated 78,662 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 $103,100. There were an estimated 61,000 persons living below the poverty level in 2010 – an increase of nearly 3,000 over 2009 and larger than the entire population of Charlottesville, Virginia. In Fairfax County, the National Low Income Housing Coalition's *Out of Reach 2011* report found that the annual salary needed to afford a two-bedroom apartment at the HUD Fair Market Rent (FMR) of $1,461 was $58,440 – nearly 60 percent of the Area Median Income for a family of four. According to the report, a minimum wage earner would have to work nearly four fulltime jobs to afford a two-bedroom unit at the FMR in Fairfax County.

As of September 2011, the total unduplicated households (families and individuals) on the waiting list for the county's three principal affordable housing programs – the federal Housing Choice Voucher and Public Housing programs, and the Fairfax County Rental Program – was 12,113. There are additional households on the waiting lists for shelters and Community Services Board services.

Recent Program Accomplishments

Affordable Housing Construction: The FCRHA completed 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. The first residents moved into Olley Glen in October 2010.

Homeownership: The FCRHA facilitated home purchases for 51 low- and moderate-income Fairfax County first-time homebuyers and secured $3,070,876 in State and Federal funds to support homeownership in Fairfax County.

Rehabilitation of FCRHA-Owned Housing: To ensure that FCRHA-owned properties are maintained to community standards, the following rehabilitation projects were completed in FY 2011:

- <u>*Senior/Specialized Housing:*</u>
  - *Little River Glen (120 units, senior independent); Braddock District:* Replaced flooring in common areas.
  - *Lincolnia Senior Housing (26 units, senior independent; 52 beds, assisted living); Mason District:* Major rehabilitation design work underway as of the end of FY 2011.
  - *Mondloch House (homeless shelter); Lee District:* Renovation design work under way to convert this facility to 20 affordable efficiency units.

- <u>*Federal Public Housing:*</u>
  - *Ragan Oaks (51 units; Springfield District):* Replaced cabinets and appliances, repaved parking lot, replaced HVAC system.
  - *Rosedale (96 units; Mason District):* Replaced HVAC system in a portion of the property and central hot water heaters.
  - *Reston Town Center (30 units, Hunter Mill District):* Repaved parking lot.

Multifamily Rental Housing and Tenant Subsidy Programs: In FY 2011, 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 $25,905, or 27 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 18,056 individuals were housed in these programs in FY 2011.

Affordable Housing Preservation: As of the end of FY 2011, a total of 2,436 units have been preserved since the inception of the Board's Affordable Housing Preservation Initiative in April 2004. 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.

In FY 2011, a total of 33 affordable units/beds were preserved by non-profit organizations via FCRHA financing:

- *Reston Interfaith; scattered sites: 4 units; Dranesville, Hunter Mill and Sully Districts:* The FCRHA provided loans totaling $877,672 to Reston Interfaith Housing Corporation for the purchase and rehabilitation of four townhouses in the Reston, Herndon and Centreville areas. These units are rented to very low-income households earning 50 percent of the Area Median Income (AMI) and below. Financing included: $434,500 in CDBG funds (awarded under the CCFP); $323,690 in federal NSP funds; and $119,482 in local funds provided under Fairfax County's Home Improvement Loan Program (HILP) for rehabilitation.
- *Good Shepherd Housing; scattered sites; 5 units; Lee and Mount Vernon Districts:* The FCRHA provided financing in the amount of $666,108 from CDBG (awarded under the CCFP) and HOME (awarded under the CHDO set-aside) to Good Shepherd Housing for the acquisition of 5 units for rent to low-income households earning 50 percent of AMI and below.
- *New Hope Housing; scattered sites; 1 unit; Lee District:* The FCRHA provided financing in the amount of $134,408 from federal NSP funds to New Hope Housing for the purchase of one foreclosed townhouse in the Alexandria area. This unit is used to provide long-term supportive rental housing for a homeless family in which a parent has a significant mental illness or cognitive disability.
- *Brain Foundation; "Laura's House"; 4 beds; Hunter Mill District:* The FCRHA provided financing in the amount of $300,000 from CDBG (awarded under the CCFP) for the acquisition of a townhouse to be used as a group home for four extremely low-income individuals with brain disease or brain injury.
- *Christian Relief Services; scattered sites; 5 beds; Providence and Sully Districts:* The FCRHA provided financing in the amount of $256,966 to Christian Relief Services for the acquisition and rehabilitation of foreclosed condominiums in the Annandale and Chantilly areas. The units will be used to provide permanent affordable rental housing for a total of five adults with disabilities. Financing included $183,784 in federal NSP funding for acquisition, and $73,182 in local funds under Fairfax County's Home Improvement Loan Program.
- *Homestretch; scattered sites; 1 units; Mason District:* FCRHA provided financing in the amount of $130,000 to Homestretch for the acquisition and rehabilitation of one foreclosed condominium unit in the Annandale area. The unit is used as service-enhanced transitional housing for homeless families. Financing included $130,000 in federal NSP funding.
- *Pathways; scattered sites; 13 beds; Sully, Mason and Mount Vernon Districts:* The FCRHA provided financing in the amount of $1,002,371 from federal NSP funds for the acquisition of one townhouse and two single family houses in the Chantilly, Falls Church and Alexandria areas. All units were in foreclosure at the time of acquisition. These units are used to provide service-enhanced permanent affordable housing for persons with serious mental illness and/or substance abuse.

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. Lincolnia Renovation (Mason District): $9,000,000 is the estimated cost to renovate the building complex which provides space for 26 units of "Independent Living" for the elderly, 52 beds of assisted living, common area for the housing units, a Senior Center operated by the Department of Neighborhood and Community Services, an Adult Day Care Center managed by the Health Department and a commercial kitchen which supports all on-site activities. The renovation will include replacement of the HVAC system, the generator, lighting and fire alarm system throughout the entire building complex. There will be interior improvements to portions of the housing facility, Senior Center and Adult Day Care Center and the parking lot will be repaved. Resources available for predevelopment of this project include approximately $554,000 in Elderly Housing Programs (Fund 141), $307,000 in federal Community Development Block Grant (CDBG) funds (Fund 142), and $600,000 in FCRHA Revolving Development Fund (Fund 946). 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 is expected to review and approve the final scope and financing plan for this project in FY 2012.

    b. Lewinsville Expansion (Dranesville District): Total development cost to be determined for the redevelopment of the Lewinsville senior housing and services facility (Dranesville District). The planned project includes the demolition of the current facility and construction of two buildings of approximately 94,000 square feet, which will provide: 1) 73 units or more of "Independent Living" housing for the elderly; 2) space for the Health Department's Adult Day care facility; 3) two child day care centers; and 4) allow for the expansion of services of the existing Senior Center programs operated by the Department of Neighborhood and Community Services. It is anticipated that the project will be developed through a solicited Public Private Educational Facilities Infrastructure Act (PPEA) procurement and will consist of two phases; one being the affordable housing component, using low income housing tax credits and the second being for the community support building. Resources available for predevelopment of this project include $153,000 in federal Community Development Block Grant (CDBG) funds (Fund 142), and approximately $2.9 million from the Housing Trust Fund (Fund 144). 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 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 2012. A total of $3,120,000 is available from Fund 340, Housing Assistance Program, and approximately $304,000 from the federal CDBG (Fund 142) is available for this project. 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 in FY 2013.

4. **Preservation/Rehabilitation of Existing FCRHA-owned Housing** (Countywide): Approximately $1,988,000 is available in FY 2012 to support the recurring maintenance and rehabilitation needs of FCRHA-owned properties. Funds available include $784,000 from the county Housing Trust Fund (Fund 144), approximately $375,000 from the federal Community Development Block Grant (CDBG; Fund 142), and $829,000 from the federal HOME Investment Partnership grant (Fund 145). Units to be rehabilitated will be identified in FY 2013.

5. **"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; may serve medically fragile population. 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. 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.

6. **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 approximately $404,000 from the Penny for Affordable Housing Fund (Fund 319) is available for pre-development activities. Redevelopment activities to be coordinated with the revitalization of Lake Anne. It is anticipated that the project will be developed through a solicited Public Private Educational Facilities Infrastructure Act (PPEA) procurement.

7. **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 approximately $300,000 in federal is expected to be available in FY 2013.

PROJECT COST SUMMARIES
HOUSING DEVELOPMENT
($000's)

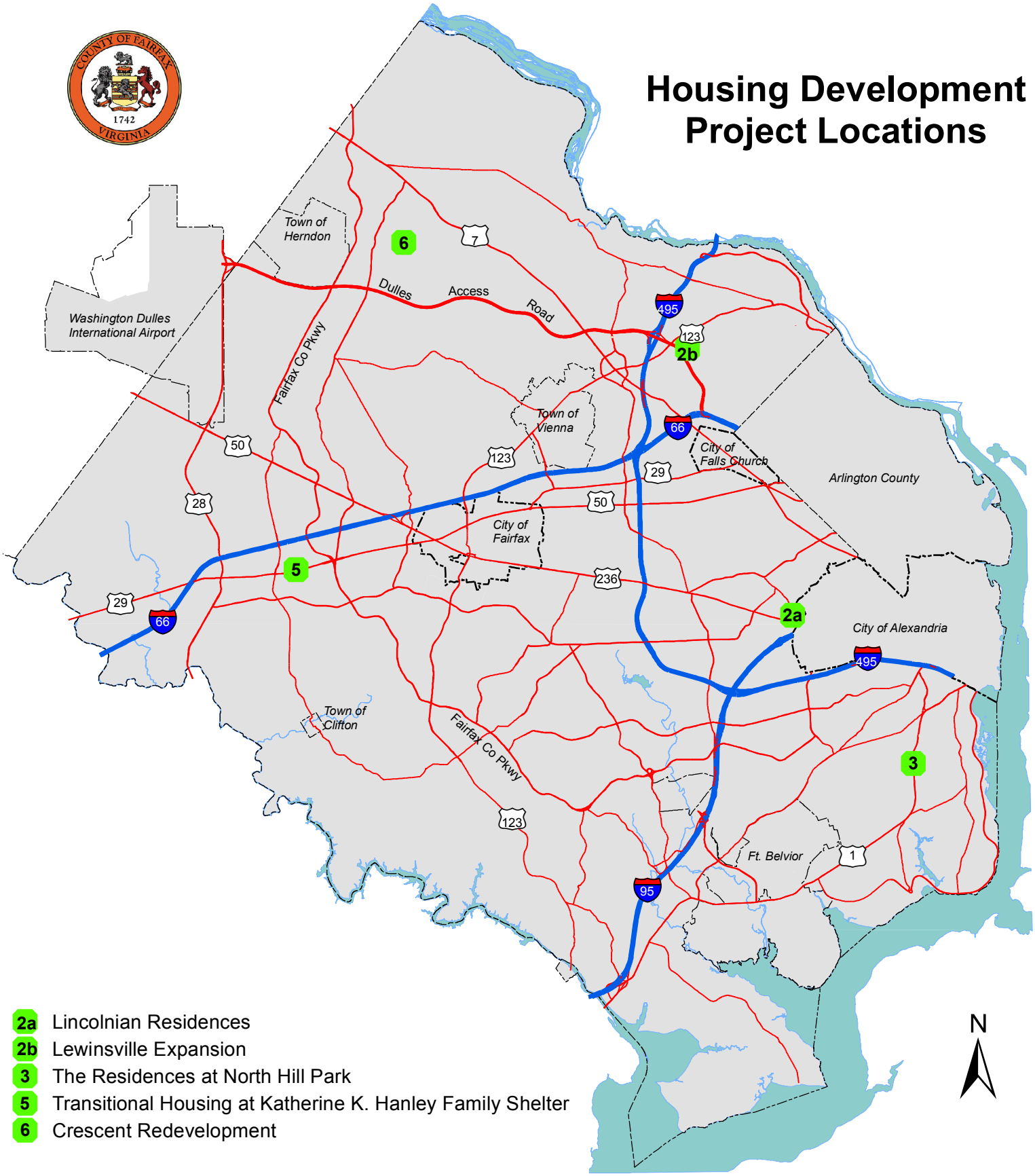
	Project Title/ Project Number	Source of Funds	Budgeted or Expended Through FY 2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total FY2013-FY2017	Total FY2018-FY2022	Total Project Estimate
1	Affordable Housing Preservation and Production	HTF	***141***	225	225	225	225	225	1,125		1,266
2a	Lincolnia Residences Renovation / 003978	X	***1,154***								
		F	***307***								
		U		2,039	5,500				7,539		9,000
2b	Lewinsville Expansion / 014140	HTF	***1,349***	***1,581***							
		F	***153***						1,581		3,083
3	The Residences at North Hill Park / 014249	G	***1,000***	***2,120***							
		U			6,976						
		F	***304***						9,096		10,400
4	Preservation/Rehabilitation of Existing FCRHA-Owned Properties / 014191	HTF	***784***								
		F	***1,204***	***801***							
		U		199	1,000	1,000	1,000	1,000	5,000		6,988
5	"Housing First" Transitional Housing at the Katherine K. Hanley Shelter Campus / 014166	HTF		***1,000***							
		F	***407***								
		U		593					1,593		2,000
6	Crescent Redevelopment / 014239	X		***300***							
		R	***404***						300		704
7	Accessibility Modifications of FCRHA Properties	F	***103***	300	300	300	300	300	1,500		1,603
	TOTAL		$7,310	$9,158	$14,001	$1,525	$1,525	$1,525	$27,734	$0	$35,044

Notes: Numbers in ***bold italics*** represent funded amounts. A "C" in the 'Budgeted or Expended' column denotes a continuing project.

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

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** Lincolnian Residences
- **2b** Lewinsville Expansion
- **3** The Residences at North Hill Park
- **5** Transitional Housing at Katherine K. Hanley Family Shelter
- **6** Crescent Redevelopment

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.