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, and others outlined 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 2012, approximately 1,800 Workforce Dwelling Units (WDU) had been committed by private developers in rezoning actions approved by the Board of Supervisors. A total of 55 rental workforce units had been constructed as of the end of FY 2012.

- 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". 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 2013 Adopted Budget Plan provided a total of $16,502,150 for continued debt service on the Crescent and Wedgewood properties, and to support the county's Bridging Affordability program, Non-Profit Blueprint project, Affordable/Workforce Housing projects, and the Community Challenge under the Housing Blueprint. The Board's Affordable Housing Preservation Initiative has preserved a total of 2,470 units of affordable housing as of the end of FY 2012.

- 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 June 2012, a total of 2,477 units (1,135 rentals and 1,342 for-sale units) have been produced under the ADU program; the FCRHA has acquired 141 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 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 2011 US Census Bureau American Community Survey, there were an estimated 76,320 households in Fairfax County earning less than $50,000 per year, or about 47 percent of the area median income for a family of four ($107,500). There were an estimated 73,794 persons living below the poverty level in 2011 – an increase of approximately 11,500 over 2010 and almost 16,000 over 2009. In Fairfax County, the National Low Income Housing Coalition *Out of Reach 2012* report found that the annual salary needed to afford a two-bedroom apartment at the HUD Fair Market Rent (FMR) of $1,506 was $60,240 – approximately 56 percent of the Area Median Income for a family of four. According to the report, a minimum wage earner would have to work four full-time jobs to afford a two-bedroom unit at the FMR in Fairfax County.

As of September 2012, 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 9,378. There are additional households on the waiting lists for shelters and Community Services Board services. The FCRP/Public Housing/Housing Choice Voucher waiting list number is down from 12,113 in September 2011, due to new households being served in the programs from the lists as well as the removal of households who did not respond to requests to update their waiting list information; the waiting lists for the Public Housing and Housing Choice Voucher programs are currently closed.

Recent Program Accomplishments

Affordable Housing Construction: As of the end of FY 2012, the site plan for the development of The Residences at North Hill Park, to include 67 units of manufactured housing in the Mount Vernon District, was on its third and final review. An unsolicited proposal for the site, submitted under the Virginia Public-Private Educational Facilities Infrastructure Act (PPEA), was received from a private developer and is under consideration as an alternative approach through the Fairfax County Department of Purchasing and Supply Management.

HCD staff briefed the Board of Supervisors' Housing Committee in June 2012 on the status of the development of six units of permanent housing at the Hanley Shelter campus in the Springfield District. The Housing Committee was informed that HCD plans to construct the facility in partnership with the Department of Public Works and Environmental Services; the full Board will be notified via a memorandum when a contract is awarded for construction.

A rezoning application and preliminary development plan were submitted and approved for The Residences at the Government Center, a 270-unit affordable/workforce housing project on the campus of the Fairfax County Government Center in the Braddock District. Final site plan was submitted to Fairfax County and was under review pending approval. The anticipated construction start date is May 2013.

Homeownership: The FCRHA facilitated home purchases for 32 low- and moderate-income Fairfax County first-time homebuyers.

Rehabilitation of FCRHA-Owned Housing: To ensure that FCRHA-owned properties are maintained to community standards, the following rehabilitation projects were completed in FY 2012:

- *Fairfax County Rental Program - Multifamily Housing:*
  - *Murraygate Village (200 units; Lee District):* Improved playground drainage, insulated attic, replaced roof, painted common areas.
  - *Wedgewood Apartments (672 units; Mason District):* Renovated rental office and first floor of the community center.
- *Senior/Specialized Housing:*
  - *Little River Glen (120 units, senior independent); Braddock District:* Replaced kitchen counter tops.
  - *Lincolnia Senior Housing (26 units, senior independent; 52 beds, assisted living); Mason District:* Plans are under review for facility renovation; prequalifying for contractors was completed; a phasing plan moving the residence between floors during construction was developed; and funding sources are being identified.
  - *Mondloch House (homeless shelter); Lee District:* Construction started to convert this facility to 20 affordable efficiency units.
  - *Lewinsville Senior Complex (22 units, senior independent); Dranesville District:* RFP/PPEA for the redevelopment of the property was released.
- *Federal Public Housing:*
  - *Ragan Oaks (51 units; Springfield District):* Replaced retaining wall.
  - *Reston Town Center (30 units, Hunter Mill District):* Replaced roof.
  - *Briarcliff II (20 units; Providence District):* Replaced pavement.
  - *West Glade (26 units; Hunter Mill District):* Repaired balconies and replaced roof.
  - *Barros Circle (43 units; Sully District):* Replaced siding, renovated kitchens and bathrooms, replaced hot water heaters.

Multifamily Rental Housing and Tenant Subsidy Programs: In FY 2012, 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 $26,387, 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 18,403 individuals were housed in these programs in FY 2012.

Affordable Housing Preservation: As of the end of FY 2012, a total of 2,470 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 2012, HCD and the FCRHA used federal HOME Investment Partnerships Program (HOME) and Community Development Block Grant (CDBG) funds to preserve a total of 34 units/beds via the financing of purchases by nonprofit affordable housing providers and direct FCRHA purchases. All nonprofit units/beds preserved during FY 2012 have affordability periods of a minimum of 30 years. Highlights of the FCRHA's preservation and other affordable housing activities in FY 2012 include:

- *Good Shepherd Housing and Family Services, Inc.; scattered sites; 3 units; Lee and Mount Vernon Districts:* The FCRHA provided loan financing in the amount of $325,900 from CDBG (awarded under the Consolidated Community Funding Pool) and HOME (awarded under the Community Housing Development Organization (CHDO) set-aside) to Good Shepherd Housing for the acquisition of three units for rent to low-income households earning at or below 50 percent AMI.
- *Reston Interfaith Housing Corporation; scattered sites; 1 unit; Dranesville District;* The FCRHA provided loan financing in the amount of $219,500 from HOME (awarded under the CHDO set-aside) to Reston Interfaith Housing Corporation for the acquisition of one unit for rent to low income households earning at or below 50 percent AMI.
- *NOVACO; scattered sites; 1 unit; Sully District:* The FCRHA provided financing in the amount of $203,000 from HOME (awarded under the CHDO set-aside) to NOVACO for the purchase and rehabilitation of one unit in the Centreville area. This unit is used for affordable rental housing for a formerly homeless low-income family earning at or below 50 percent of AMI.

- *Pathway Homes, Inc.; scattered sites; 22 beds; Providence, Hunter Mill, Mason and Braddock Districts:* The FCRHA provided financing in the amount of $2,725,900 from CDBG ($2,387,000) and HOME ($338,900) for the acquisition of thirteen scattered site condominiums, townhouses, and a single family home, providing a total of 22 beds of affordable housing for low-income (earning 50 percent of AMI and below) homeless individuals with multiple disabilities. The units are located in the Fairfax, Reston and Annandale areas.

- *FCRHA/Fairfax-Falls Church Community Services Board; scattered sites; 7 beds; Mount Vernon and Mason Districts:* In FY 2012, the FCRHA initiated a collaborative effort with the Fairfax-Falls Church Community Services Board (CSB) to expand the availability of affordable housing options for persons with severe mental illness needing residential care and comprehensive services; persons with autism and other developmental disabilities; and persons with disabilities who are homeless or at-risk of homelessness. The FCRHA authorized the purchase of seven (7) scattered-site group homes under this collaborative effort; these properties will be transferred to non-profit organizations serving CSB clients through a competitive process during FY 2013. In total, it is anticipated that these properties will serve a total of approximately 28 extremely low-income persons with disabilities. The total funding provided for this effort was $2,571,183, including $836,344 from CDBG, and $1,734,839 from HOME.

  As of the end of FY 2012, a total of two units had been acquired in the Alexandria and Annandale areas of Fairfax County under this partnership. These units will provide a total of 7 new beds to serve the vulnerable population of persons with severe mental illness needing residential care and comprehensive services; persons with autism and other developmental disabilities; and persons with disabilities who are homeless or at-risk of homelessness. A total of $744,115 was approved by the FCRHA for this acquisition, including $486,833 in HOME funds and $257,282 in CDBG funds.

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): $10,460,000 (excluding relocation costs) is the Total Project Estimate 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. Funding sources available for predevelopment of this project include Elderly Housing Programs (Fund 40330), federal Community Development Block Grant (CDBG) funds (Fund 50800), and the FCRHA Revolving Development Fund (Fund 81030). 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 2013.

   b. Lewinsville Expansion (Dranesville District): Total development costs are to be determined for the redevelopment of the Lewinsville senior housing and services facility in the 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 federal Community Development Block Grant (CDBG) funds (Fund 50800) and the Housing Trust Fund (Fund 40300). 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 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. An unsolicited proposal for the site, submitted under the Virginia Public-Private Educational Facilities Infrastructure Act (PPEA), was received from a private developer and is under consideration through the Fairfax County Department of Purchasing and Supply Management. Resources available for this project include the Housing Assistance Program (Fund 30310) and federal CDBG funds (Fund 50800). 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, pending the outcome of the PPEA process.

4. **Preservation/Rehabilitation of Existing FCRHA-owned Housing** (Countywide): Resources available to support the recurring maintenance and rehabilitation needs of FCRHA-owned properties include the County Housing Trust Fund (Fund 40300), the federal Community Development Block Grant (CDBG; Fund 50800), and the federal HOME Investment Partnerships Program grant (Fund 50810). Units to be rehabilitated will be identified in FY 2014.

5. **"Housing First" (formerly Transitional Housing) at the Katherine K. Hanley Family Shelter Campus** (Springfield District): $2,200,000 to construct six units of "housing first" transitional housing; may serve medically fragile population. The new housing units will be located at the Hanley Shelter in western Fairfax County, and are part of the countywide effort to end homelessness. Resources available include federal HOME funds (Fund 50810) and the County Housing Trust Fund (Fund 40300). Additional sources of funding must be identified for the unfunded balance; HCD plans to construct this project in partnership with the Department of Public Works and Environmental Services.

6. **Redevelopment of Crescent Apartments** (Hunter Mill District): Redevelopment is being planned for the Crescent Apartments, a 180-unit apartment complex acquired by the County in FY 2006 and located adjacent to Lake Anne in Reston, near the new Metro Silver Line and the Reston Town Center. This development is being closely coordinated with Lake Anne revitalization efforts. Full cost is still to be determined for the redevelopment of the Crescent. The property is managed by the FCRHA on behalf of the Board of Supervisors. A solicited PPEA (a request for proposals to redevelop the project under the Public-Private Educational Facilities Infrastructures Act – PPEA) was issued by the County. The County is looking for a partner to replace the existing affordable housing units at the site, to result in additional affordable and workforce housing units and assist in generating Lake Anne revitalization efforts through property consolidation and large scale redevelopment. Under the Comprehensive Plan, up to 935 units are allowed at this site. Resources currently available to support predevelopment activities include the FCRHA Revolving Development Fund (Fund 81030) and the Penny for Affordable Housing Fund (Fund 30300).

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.

PROJECT COST SUMMARIES
HOUSING DEVELOPMENT
($000's)

	Project Title/ Project Number	Source of Funds	Budgeted or Expended Through FY 2013	FY2014	FY2015	FY2016	FY2017	FY2018	Total FY2014-FY2018	Total FY2019-FY2023	Total Project Estimate
1	Affordable Housing Preservation and Production / 2H38-149-000	HTF	***1,600***	293	250	250	250	250	1,293		2,893
2a	Lincolnia Residences Renovation / 2H38-119-000	X	***1,154***								
		F	***156***								
		U		6,000	3,150				9,150		10,460
2b	Lewinsville Expansion / 2H38-064-000	HTF	***1,730***	***1,200***							
		F	***153***						1,200		3,083
3	The Residences at North Hill Park / 014249	G	***1,300***	***1,820***							
		U		2,000	4,976						
		F	***304***						8,796		10,400
4	Preservation/Rehabilitation of Existing FCRHA-Owned Properties / 2H38-068-000	HTF	***884***								
		F	***1,204***	***1,342***							
		U		200	1,000	1,000	1,000	1,000	5,542		7,630
5	"Housing First" Transitional Housing at the Katherine K. Hanley Shelter Campus / 2H38-067-000	HTF		***1,000***							
		F	***407***								
		U		793					1,793		2,200
6	Crescent Redevelopment / 2H38-075-000	X		***300***							
		R	***404***						300		704
7	Accessibility Modifications of FCRHA Properties	F	***103***	300	300	300	300	300	1,500		1,603
	TOTAL		$9,399	$15,248	$9,676	$1,550	$1,550	$1,550	$29,574	$0	$38,973

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** Lincolnia Residences Renovation
- **2b** Lewinsville Expansion
- **3** The Residences at North Hill Park
- **5** Transitional Housing at Hanley Family Shelter
- **6** Crescent Redevelopment

Distance in Miles
0 1 2 3 4

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.