

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), 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 October 2013, approximately 4,000 Workforce Dwelling Units (WDU) had been committed by private developers in rezoning actions approved by the Board of Supervisors. A total of 105 rental workforce units had been constructed as of October 2013.
- 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". For fiscal years 2006 through 2009, the Board dedicated revenue commensurate with the value of one cent from the Real Estate tax rate to affordable housing preservation. In FY 2010, the Board reduced The Penny for Affordable Housing Fund by 50 percent. The Board's Affordable Housing Preservation Initiative has preserved a total of 2,638 units of affordable housing as of the end of FY 2013.
- 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 October 2013, a total of 2,499 units (1,139 rentals and 1,360 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 2013. 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 Virginia Tech Center for Housing Research data prepared for the Fairfax County Five-Year Consolidated Plan for FY 2011-2015, the total current affordable housing gap for low- and moderate-income renters in the 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 US Census Bureau American Community Survey 2010-2012 three-year estimates, there are an estimated 73,916 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 (\$107,300). Also according to Census data, there are an estimated 67,293 persons living below the poverty level in the county. In Fairfax County, the National Low Income Housing Coalition *Out of Reach 2013* report found that the annual salary needed to afford a two-bedroom apartment at the HUD Fair Market Rent (FMR) of \$1,412 was \$56,480 – approximately 53 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 full-time jobs to afford a two-bedroom unit at the FMR in Fairfax County.

As of November 2013, 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 8,947. There are additional households on the waiting lists for shelters and Community Services Board services. Due to federal budget "sequestration", all new leasing in the Housing Choice Voucher program – the largest of the county's housing programs – was frozen in April 2013; the freeze on new leasing will remaining in effect through FY 2015 and it is unknown when the program will again be able to serve new households from the waiting list.

Recent Program Accomplishments

Affordable Housing Construction: As of the end of FY 2013, 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 substantively approved. An unsolicited proposal for the site, submitted under the Virginia Public-Private Educational Facilities Infrastructure Act (PPEA), was received in FY 2012 from a private developer and is under consideration as an alternative approach through the Fairfax County Department of Purchasing and Supply Management. The unsolicited proposal was subsequently accepted and competing proposals were submitted in FY 2013; it is anticipated that a decision on the project will take place in FY 2014.

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 Katherine K. Hanley Family Shelter campus in the Springfield District. The facility – to be known as "Kate's Place" – will be constructed in partnership with the Department of Public Works and Environmental Services. The construction contract has been awarded and the project is scheduled to be completed in the summer of 2014.

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 is under review pending approval. The anticipated construction start date is summer 2014.

In September 2013, the FCRHA opened its newest affordable housing community, Mondloch Place, featuring 19 studio units of permanent supportive housing for formerly homeless singles. Mondloch Place was developed by the Fairfax County Department of Housing and Community Development with the

assistance of the Department of Public Works and Environmental Services, and constructed in the footprint of the former Mondloch House homeless shelter. The construction of the project was completed in 2013.

Homeownership: The FCRHA facilitated home purchases for 42 low- and moderate-income Fairfax County first-time homebuyers in FY 2013.

Rehabilitation of FCRHA-Owned Housing: To ensure that FCRHA-owned properties are maintained to community standards, the following rehabilitation projects were completed in FY 2013:

- Fairfax County Rental Program - Multifamily Housing:
 - *Wedgewood Apartments (672 units); Mason District - 2nd floor community center renovations; pool renovations*
- Senior/Specialized Housing:
 - *Little River Glen (120 units, senior independent); Braddock District - HVAC replacement*
 - *Morris Glen (60 units, senior independent housing); Lee District - HVAC replacement*
- Federal Public Housing:
 - *Belle View (40 units) Mount Vernon District - Bathroom exhaust fans*
 - *Reston Town Center (30 units) Hunter Mill District - Roof and roof valleys replacement*
 - *Greenwood Apartments (138 units) Mason District - Replacement of two roofs*

In addition, seven Physical Needs Assessment studies (PNAs) were completed for the following FCRHA properties:

- *McLean Hills (25 units); Providence District*
- *Little River Square (45 units); Mason District*
- *Morris Glen (60 units, senior independent housing); Lee District*
- *Stonegate Village (240 units); Hunter Mill District*
- *Little River Glen (120 units, senior independent); Braddock District*
- *Murraygate Village (200 units); Lee District*
- *Pender Drive (headquarters); Providence District*

Multifamily Rental Housing and Tenant Subsidy Programs: In FY 2013, 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 \$24,426, or 25 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 18,147 individuals were housed in these programs in FY 2013.

Affordable Housing Preservation: As of the end of FY 2013, a total of 2,638 units have been preserved under the Board of Supervisors' Affordable Housing Preservation initiative. In FY 2013, the Fairfax County Department of Housing and Community Development (HCD) and the Fairfax County Redevelopment and Housing Authority (FCRHA) used HOME and CDBG to preserve a total of 168 units/beds via the financing of purchases by non-profit and private-sector affordable housing providers, the transfer of properties to non-profits, and direct FCRHA purchases. All non-profit units/beds preserved during FY 2013 have affordability periods of a minimum of 30 years. Highlights of the FCRHA's preservation and other affordable housing activities in FY 2013 include:

- *MVH Partners, LP; 130 apartment units; Mount Vernon District:* In December 2012, the FCRHA provided a \$3.9 million loan to MVH Partners, LP, for the acquisition, preservation and rehabilitation of Mount Vernon House, a 130 unit affordable senior apartment community in the Mount Vernon District. Mount Vernon House will receive interior, exterior and security upgrades, will include eight fully accessible units with Universal Design features.
- *The Brain Foundation; 3 beds; Springfield District:* The FCRHA provided loan financing in the amount of \$402,191 from CDBG (awarded under the CCFP) and HOME (awarded under the CHDO set-aside) to The Brain Foundation for the acquisition of one house providing 3 group home beds for extremely low income individuals with disabilities.

- *Reston Interfaith Housing Corporation; scattered sites; 4 units; Dranesville and Sully Districts:* The FCRHA provided loan financing in the amount of \$858,395 from HOME (awarded under the CHDO set-aside) and CDBG (awarded under the CCFP) to Reston Interfaith Housing Corporation for the acquisition of 4 units, 2 of which serve low income families earning at or below 50 percent AMI and 2 of which serve extremely low income families earning at or below 30 percent AMI.
- *Good Shepherd Housing and Family Services; scattered sites; 1 unit; Mt. Vernon District:* The FCRHA provided financing in the amount of \$222,000 from CDBG (awarded under the CCFP) to Good Shepherd Housing for the purchase and rehabilitation of one unit. This unit is used as affordable rental housing for a family earning at or below 50 percent of AMI.
- *Pathway Homes, Inc.; scattered sites; 6 beds; Mason District:* The FCRHA provided financing in the amount of \$455,309 from CDBG for the acquisition of two scattered site units, providing a total of 6 group home beds of affordable housing for low income (earning 50 percent of AMI and below) homeless individuals with multiple disabilities.
- *Fairfax-Falls Church Community Services Board-FCRHA Group Homes Partnership; scattered sites:* In FY 2013, 23 group home beds in 6 units were transferred to nonprofits and one additional unit was transferred serving one low income family: 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, which will provide a total of 23 beds for individuals with disabilities, and one family unit. During FY 2012 two (2) of these properties were purchased by the FCRHA and during FY 2013 the remaining five (5) were purchased.

CURRENT PROJECT DESCRIPTIONS

The Department of Housing and Community Development (HCD) and the FCRHA produce affordable housing via three principal means: 1) direct acquisition of affordable housing; 2) financing of acquisitions by qualified nonprofit or for-profit developers; and 3) capital construction. Financing 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. Affordable units developed, acquired or financed by HCD/the FCRHA may serve a variety of residents, including very low income single individuals, as well as persons with disabilities, families and senior citizens. The following is a description of Fairfax County's current affordable housing capital construction projects:

1. **Lincolnia Residences Renovation** (Mason District): \$12,122,380 to renovate the building complex which provides space for three separate operations: Senior Housing and Assisted Living managed by the Department of Housing and Community Development, a Senior Center operated by the Department of Neighborhood and Community Services, and an Adult Day Health Care Center managed by the Health Department. The Housing portion is comprised of 26 units of affordable apartments for seniors, 52 beds of licensed Assisted Living, common areas for the Housing residents, and a commercial kitchen which supports all on-site activities. The renovation will include replacement of the HVAC system and the emergency generator, extensive interior renovations and upgrades of lighting and the fire alarm system, elevator modernization, roof and fire pump replacement, numerous modifications to improve accessibility, and various site enhancements, including drainage improvements. Funding sources available for this project include Elderly Housing Programs (Fund 40332), and proceeds from bond sales, as specified in the financing plan approved by the Board of Supervisors in FY 2014. The construction contract was awarded in December 2013 and renovations will be completed in FY 2016.

2. **Lewinsville Expansion** (Dranesville District): Total development costs are anticipated to be up to \$17,000,000 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, which will provide: 1) 82 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) 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) that was issued by the County. It will consist of two separate and independent facilities; an affordable senior housing building that will be constructed and operated at no cost to the County using Low Income Housing Tax Credits under a long term ground lease and a community support building whose construction costs and operation will be paid for by the County. 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. The unsolicited proposal was reviewed through the Fairfax County Department of Purchasing and Supply Management in conjunction with other County agencies and was accepted for further consideration. 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 be asked to review and approve the final scope and financing plan for this project in FY 2014, 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. **Hanley Family Housing (aka "Kate's Place") (formerly "Housing First" Transitional Housing) at the Katherine K. Hanley Family Shelter Campus** (Springfield District): \$1,935,000 is the total development cost to construct six units of permanent supportive housing to serve families with medically fragile members. The proposed six single family residential units will be part of the countywide effort to end homelessness and will be built in two separate three-unit buildings designed to resemble large single family houses similar to those of the adjacent properties. The units will share the site with the existing Hanley Shelter in western Fairfax County. Resources include federal HOME Investment Partnership Grant (Fund 50810) and the County Housing Trust Fund (Fund 40300). HCD is constructing this project in partnership with the Department of Public Works and Environmental Services and will complete it in FY 2015.
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 has entered into an interim agreement with 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. **Murraygate Renovation** (Lee District): \$12,435,000 is the current estimated development cost to conduct extensive renovations on the 200-unit Murraygate Village apartment complex, in the Lee District. Anticipated rehabilitation needs include mechanical replacement, site improvement, accessibility, modernization, and routine repairs and maintenance. The Financing Plan approved by the FCRHA in March 2013 will address a portion of these needs, including new heating and cooling systems, electrical upgrades and renovated kitchen and baths. Resources available include \$4,443,655 in Housing Blueprint funds within the Penny for Affordable Housing Fund (Fund 30300); additional resources are to be identified but are anticipated to include Low-Income Housing Tax Credits.

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

	Project Title/ Project Number	Source of Funds	Budgeted or Expended Through FY 2014	FY2015	FY2016	FY2017	FY2018	FY2019	Total FY2015-FY2019	Total FY2020-FY2024	Total Project Estimate
1	Lincolnia Residences Renovation / 2H38-119-000	X	522						8,282		12,122
		B	3,318	5,580	2,672	30					
2	Lewinsville Expansion / 2H38-064-000	HTF	2,000						15,000		17,000
		B		500	8,700	5,000	800				
3	The Residences at North Hill Park / 1380077	G	1,300						8,652		10,400
		B	144	200	150						
		F	304								
		U				8,302					
4	Preservation/Rehabilitation of Existing FCRHA-Owned Properties / 2H38-068-000	HTF	1,078						2,500		5,481
		F	1,903	1,500							
		U		200	200	200	200	200			
5	Hanley Family Housing / 2H38-067-000	F	207						693		1,935
		HTF	1,035	681	12						
6	Crescent Redevelopment / 2H38-075-000	X	575	350					350		1,329
		R	404								
7	Murraygate Renovation	X	349	500	6,000	5,586			12,086		12,435
TOTAL			\$13,139	\$9,511	\$17,734	\$19,118	\$1,000	\$200	\$47,563	\$0	\$60,702

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



- 1** Lincolnian Residences Renovation
- 2** Lewinsville Expansion
- 3** The Residences at North Hill Park
- 5** Hanley Family Housing
- 6** Crescent Redevelopment
- 7** Murraygate Renovation

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.