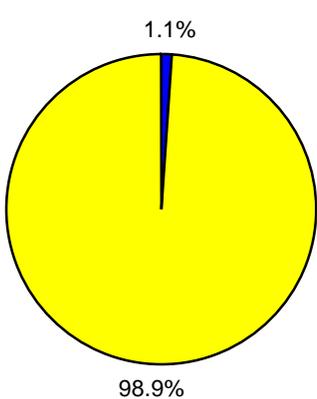


Housing and Community Development

38-03-Homeownership

Agency 38 - All Funds	TOTAL CAPS	Department of Housing and Community Development
Personnel Services	\$99,953	<p>CAPS Percentage of Agency Total</p>  <p>1.1%</p> <p>98.9%</p> <p>■ Homeownership ■ All Other Agency CAPS</p>
Operating Expenses	\$565,628	
Recovered Costs	\$0	
Capital Equipment	\$0	
Other	\$0	
Total CAPS Cost:	\$665,581	
Federal Revenue	\$108,790	
State Revenue	\$0	
User Fee Revenue	\$0	
Other Revenue	\$556,791	
Total Revenue:	\$665,581	
Net CAPS Cost:	\$0	
Positions/SYE involved in the delivery of this CAPS	2/2	

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The following table identifies the expenditure, revenue and position information from the various Department of Housing and Community Development Funds which comprise this CAPS.

Agency 38 - All Funds	Fund 142	Fund 143
Personnel Services	\$99,953	\$0
Operating Expenses	\$8,837	\$556,791
Recovered Costs	\$0	\$0
Capital Equipment	\$0	\$0
Other	\$0	\$0
Total CAPS Cost:	\$108,790	\$556,791
Federal Revenue	\$108,790	\$0
State Revenue	\$0	\$0
User Fee Revenue	\$0	\$0
Other Revenue	\$0	\$556,791
Total Revenue:	\$108,790	\$556,791
Net CAPS Cost:	\$0	\$0
Positions/SYE involved in the delivery of this CAPS	2/2	0/0

► CAPS Summary

Homeownership is a hallmark of Fairfax County. Owning a home helps stabilize neighborhoods, builds a sense of community, and is the foundation of personal financial independence. The Fairfax County Redevelopment and Housing Authority (FCRHA) has made homeownership one of its top priorities in its recently adopted strategic plan. The FCRHA provides assistance in the form of second trust financing, loans and grants, as well as facilitates homebuyer preparation through workshops and classes, and post-purchase counseling. This service component includes administration of the First-time Homebuyers Program through the Affordable Dwelling Unit Ordinance and the Moderate Income Direct Sales Program, and facilitating the Founders Ridge homeownership project. In addition, this area undertook two new activities in FY 2001: contract administration of the Operation Match home-sharing program and the newly funded Downpayment Assistance Program.

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A recent key accomplishment was the Kingstowne homeownership opportunities program at Founders Ridge. Founders Ridge is a unique public/private effort to provide a model of high quality, affordable housing to moderate income families who otherwise would not be able to purchase homes in Fairfax County. Founders Ridge is the 2001 winner of the National Association of Counties (NACo) "Best in Category" award (Community and Economic Development category).

Founders Ridge was conceived seven years ago through a partnership between Fairfax County and the Northern Virginia Building Industry Association (NVBIA). This partnership focused on use of a 4-½ acre parcel owned by the FCRHA and a mission to provide homeownership opportunities to persons who have incomes at or below 50 percent of the median income. Design of the townhouses was accomplished with the help of architects, engineers, subcontractors and suppliers, each of whom was a member of NVBIA. Their services were provided at or below cost. The FCRHA provided the site, initial funding for design and engineering, and construction financing for the site development. One of the area's premier builders was selected to build the housing at below market cost. The Founders Ridge development consists of 80 affordable housing units: 3 level townhouses with three bedrooms, 2 1/2 baths, and a garage. The sales price ranged from \$107,000 to \$120,000. The homes were built in the Kingstowne community, an 1,100-acre mixed-use development.

During FY 2002, this service area will begin a pilot Section 8 Homeownership Assistance Program to help 25 families (who are presently receiving Section 8 rental assistance) purchase a home. Priority will be given to families who are participating in the Family Self-Sufficiency Program (FSS) and those that may have already obtained a written agreement to purchase a home and have pre-approval for a loan. This population generally has a household income below 50 percent of the area's median income. The families are largely minority and headed by women. Many FSS families have the ultimate goal of homeownership.

This service area also will continue to oversee the County's contract with Northern Virginia Family Service to administer Operation Match, a home-sharing service. HCD operated this program from 1982 until 1996 when it was discontinued for budgetary reasons. The Board of Supervisors reinstated the program in FY 2001 to help increase affordable housing opportunities.

The Moderate Income Direct Sales (MIDS) Program was designed to provide affordable homeownership opportunities for low- to moderate- income families who otherwise could not afford to purchase a home. Established in 1978, this Program funds second trust loans up to \$15,000. These loans are repaid when the home is resold. The second trust allows the sales price to be affordable to families who would not normally qualify for homeownership.

As initially established, MIDS units acquired or constructed by the FCRHA were sold to moderate income families, and the purchase was made possible by the provision of the second trust loans. The resale price of the unit is controlled through a formula tied to the Consumer Price Index, and the FCRHA has the first right of refusal when the home is resold. Since the MIDS Program was replaced by the ADU First-Time Homebuyers Program, MIDS activity is confined to resales. The Program is self-supporting. Funds from the repayment of loans support operations.

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Affordable homeownership opportunities are now provided through the First-time Homebuyers Program, which has as its source of new housing, units available under the Affordable Dwelling Unit Ordinance (ADU). The First-time Homebuyers Program has been providing homeownership opportunities to eligible moderate-income households since 1993 and has been enthusiastically embraced by families seeking affordable homeownership opportunities. The current interest list contains 1,286 families and individuals wishing to participate in the program. The units (condominiums or townhomes) are offered at a price well below those of other homes in a development and are sold directly by the developer or a current owner. The homes in this program are located throughout Fairfax County and most offer amenities typical of new developments in the community. Prospective purchasers must complete an application with financial information and, if qualified, they will be issued a certificate of eligibility good for one year to purchase a home offered through the program. Each time a unit becomes available, qualified purchasers are notified and a lottery system is used to select qualified buyers through this program.

The Downpayment Assistance Program addresses the needs of many potential homebuyers who have good credit and sufficient monthly income to purchase a home, but lack sufficient funds for the downpayment and closing costs. Funds are available in conjunction with first trust financing provided by B. F. Saul Mortgage Company, which has made a commitment to work with first-time homebuyers being served by HCD. The total amount of funds provided by HCD to assist the purchaser with downpayment and closing costs cannot exceed \$5,000. This assistance is funded through the County's Community Development Block Grant Program.

HCD staff also support the administrative responsibilities delegated to the County Executive and the FCRHA under the ADU Ordinance including reviewing and recommending changes in unit prototypes, sales prices, and income limits; and monitoring compliance with sales prices, eligibility of purchasers, verification of occupancy, and resale requirements.

Funding for the Homeownership Program is budgeted in two funds in the HCD budget:

Fund 142: Community Development Block Grant

Fund 142 provides \$108,790 in funding for the Homeownership Assistance Program to support the First-Time Homebuyers and the Moderate Income Direct Sales Programs. The support activities include tracking and verification of applications, including all data entry, maintaining and updating a participant interest list (currently 1,286 names), application processing, conducting lotteries, conducting annual occupancy certifications, and counseling applicants. Two positions are funded for this purpose in the Relocation Services Branch of HCD. Prior year CDBG funds are available for second trust loans to provide downpayment and closing cost assistance through the Downpayment Assistance Program.

Fund 143: Homeowner and Business Loan Programs

An amount of \$556,791 is included in FY 2002 for the Moderate Income Direct Sales Program (MIDS). This funding is derived from loan repayments and will allow for retention of housing units in the program as turnover occurs during the year. No new MIDS units are funded in FY 2002. The FY 2002 funding level represents an increase of \$212,841 over the FY 2001 Adopted Budget Plan based on projected repayment receipts.

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► Method of Service Provision

A variety of methods are used to provide services, which may include County employees, volunteers, interns, and private contractors.

Hours of service include: 24-hour information through the FCRHA's Website (applications may be downloaded from this site). Services are typically available during normal County office hours (8:00 a.m. to 4:30 p.m.) via telephone, fax, e-mail or office appointments. Extended office hours are provided for program orientations and meetings with new participants. Home ownership workshops are frequently conducted on weekends. In special circumstances where a client is unable to travel due to disability, poor health or age, staff will make a home visit.

► Performance/Workload Related Data

Title	FY 1998 Actual	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate	FY 2002 Estimate
First time home buyers	84	153	114	117	117
Cost per participant	\$707	\$388	\$521	\$545	\$586
Percent Satisfied	NA	NA	NA	75%	81%