Affordable Housing Partnership Program
One-Stop Application for Financing Affordable Housing

GUIDELINES

I. Before Submitting an Application

Before filling out an application, please read the following guidelines and call the Real Estate Finance Branch at 703-246-5170 or TTY 711 or e-mail REFinance@fairfaxcounty.gov to schedule a pre-application meeting. At the meeting, be prepared to describe your proposed project. The AHPP requirements, process and forms will be explained as it relates to your project description and organization.

II. Application Instructions

Download the application from http://www.fairfaxcounty.gov/rha/ahpp.htm. The application is a PDF-fillable form that can be filled out and printed. If you have Adobe Acrobat Professional or Standard you will be able to fill out the application and save it on your computer, if you do not have this software, you will have to rely on printing. Once printed, mail two copies of the application along with the appropriate attachments.

PRINT AND MAIL TWO COPIES OF THE APPLICATION TO:

Real Estate Finance Branch
Fairfax County Department of Housing and Community Development
3700 Pender Drive, Suite 300
Fairfax, Virginia 22030-6039

If you have questions, please contact the Real Estate Finance Branch at 703-246-5170 or TTY 711.

III. Eligible Applicants

Nonprofits and other organizations actively involved in the development (acquisition/new construction) of affordable housing are eligible and are encouraged to apply.

IV. Funding Levels

There are three levels of funding in the AHPP.

A. Tier One Predevelopment funding is limited to $1,000 per unit with a $50,000 maximum per project. These funds are available to determine project feasibility. Tier One funds are structured as interest-free loans to be repaid from permanent project financing. However, they may be forgiven if the project does not go forward.

B. Tier Two Predevelopment funding is limited to $1,000 per unit with a $50,000 maximum per project. Funding is available for projects where feasibility has been clearly established. This funding is considered an interest-free loan for which the applicant is at risk.

Applicants may apply for Tier One Predevelopment funding at the same time as Tier Two Predevelopment funds. Applicants may apply for Tier Two funds without applying for Tier One if appropriate.

C. Tier Three Affordable Housing Partnership Fund. Loan amounts and loan terms will be determined on a case-by-case basis. Applicants are encouraged to request funding that does not exceed 33% of the total development cost of the proposed project. Higher limits will be considered under special circumstances such as serving a special-needs population or targeting individuals with income levels significantly lower than the minimum program income requirements.

V. Eligible Activities

A. Tier One Predevelopment. These funds may be used for predevelopment costs to include: architectural and engineering studies, attorney fees, appraisal, title reports, environmental studies, market studies, feasibility analyses, archeological studies and other predevelopment costs. Project-specific consulting fees and site control loans will be considered on a case-by-case basis. The loan is expected to be repaid from construction or permanent financing but will be forgiven if the project does not go forward. Projects must meet the minimum program requirements for Tier One Predevelopment.

B. Tier Two Predevelopment. After feasibility has been established, these funds may be used for further architectural and engineering services related to site plan preparation, building plan preparation, surveys, utility easement plat preparation, review fees, detailed cost estimates and other services typically required. Tier Two funds are intended to enhance the applicant's commitment to move the project forward. *Therefore, the loan is structured with a repayment requirement*. Projects must meet the minimum program requirements for Tier Two Predevelopment.

C. Tier Three Affordable Housing Partnership Fund. Tier Three AHPP may be used for construction, bridge, gap or permanent financing, equity, or to purchase or provide credit enhancements. Interest rates, loan terms and minimum returns (if any) will be determined on a case-by-case basis. Projects must meet minimum requirements for Tier Three AHPP loans and meet the threshold score of at least 75 points.

VI. Ineligible Activities

- Tenant rental assistance is not an eligible cost under the Affordable Housing Partnership Program
- Predevelopment funds may not be used for construction costs
- Operating costs are not eligible

VII. Occupancy Requirements

Occupancy of units financed under any part of the Affordable Housing Partnership Program is restricted to qualified low-income individuals and families. Occupancy requirements remain in effect for a minimum of 15 years or the term of the loan, whichever is longer.

Points A and B below describe the requirements for rental and for sale projects.

A. Rental Projects

Applicants for Tier Three Affordable Housing Partnership Funds for rental projects must select one of the following minimum occupancy options at the time of application:

1. 20% of the units serve households at or below 50% of the Metropolitan Statistical Area Median Income adjusted for household size, or

2. 40% of the units serve households at or below 60% of the Metropolitan Statistical Area (MSA) median income adjusted for household size.

B. For Sale Projects

The property must be purchased by an eligible low-income homebuyer with total household income not exceeding 120% of the area median income, adjusted for family size. Units must be owner-occupied for the term of the loan.

Depending on the funding source, the occupancy limits for both rental and for sale housing may be lower.

VIII. Rent Requirements

Rents will follow the same formula used in the Low Income Housing Tax Credit Program (Contact the Virginia Housing Development Authority for more information or go to its web page: http://www.vhda.com/BusinessPartners/PropertyOwnersManagers/Income-Rent-Limits/Pages/Income-Rent-Limits.aspx)

IX. Construction Requirements: Accessibility/Universal Design

1. New structures must include universal design components in all units;
2. Projects must meet the accessibility guidelines of Section 504 of the Rehabilitation Act Transition Plan (1988) (accessibility guidelines) for new construction and, wherever feasible, for substantial rehabilitation;
3. Developer must provide certifications from a licensed professional that (1) the accessibility guidelines are met in the plans and (2) that the accessibility guidelines have been carried out after construction is complete;
4. Rehabilitation projects should include universal design and accessible components wherever financially feasible;
5. Points will be awarded in the Threshold Analysis to applicants who provide accessibility using the concept of universal design principles exceeding those that are required in the accessibility guidelines;

X. Minimum Requirements

These relate to attachments that are listed on page two of the application.

A. Tier One Predevelopment

- Notification to Area Supervisor
- Site Control

B. Tier Two Predevelopment

- Notification to Area Supervisor
- Site Control
- Required Zoning (When provided with application)

C. Tier Three Affordable Housing Partnership Funds

- Notification to Area Supervisor
- Site Control
- Required Zoning
- Architectural and Site Plans
- Engineering Reports and Evidence of Adequate Utilities
- Certificate from licensed professional that universal design guidelines are being met
- Appraisal
- Environmental Study
- Market Feasibility Analysis
- Rent and Operating Cost Assumptions (For Rental Projects)

XI. Relationship to County Priorities

Proposed projects must address needs identified in the County's Consolidated Plan. Refer to the FCRHA Web page for more information:
http://www.co.fairfax.va.us/rha/consolidatedplanshomepage.htm

In the Project Purpose section of the application, Tier Two and Tier Three AHPP applicants should address how the proposed project addresses the following household categories.

A. High Priority

- Homeless persons, both families and individuals (with or without special needs)
- Small (2 to 4 person) related renter households
- Large (5 or more person) related renter households
- Non-homeless persons with special needs

B. Middle Priority

- Elderly renter households (based on continuation of existing programs)
- Existing homeowners (preservation of existing affordable owner-occupied housing)
- Metropolitan Statistical Area low/moderate income first-time homebuyers (with or without children)

C. Low Priority

- All other non-elderly renter households without special needs (primarily singles)
- Very low income first-time homebuyers (due to excessive cost burden or subsidy cost)

XII. Threshold Criteria for Tier Three Affordable Housing Partnership Fund

See Threshold Analysis Sheet. A minimum of 75 points is required to be considered for an award.

XIII. Award of Funds

All applications will first be subject to preliminary screening by the Department of Housing and Community Development for completeness. Applications deemed complete will be reviewed and underwritten by HCD. Applications that meet the minimum requirements and the minimum threshold score (for Tier Three AHPP funds) and are deemed feasible based on HCD underwriting will be recommended to the Fairfax County Redevelopment and Housing Authority and the Board of Supervisors for consideration and approval. All applications are subject to availability of funds. In certain cases, applicants may be responsible for FCRHA legal and recording fees.

Depending upon the availability of funds, HCD shall prepare a merit list and the funds shall be awarded in that order.

XIV. Tenant Displacement

Preference in scoring is awarded to projects that do not propose permanent displacement. However, projects which cause permanent tenant displacement may be considered under certain circumstances. A relocation plan and relocation budget must be submitted if permanent or temporary relocation will be necessary in order to carry out the project. Applicants who are awarded either Tier One or Tier Two Predevelopment funds or Tier Three Affordable Housing Partnership funds must agree to provide relocation assistance consistent with the Fairfax County Relocation Guidelines unless such projects are subject to the Uniform Relocation and Real Property Assistance Policies Act. Copies of the Fairfax County Guidelines and information on the Federal Uniform Relocation Act are available by calling 703-246-5086.

XV. Monitoring and Review

Projects will be monitored to ensure that units are occupied by income eligible households. Occupancy requirements remain in effect for a minimum of 15 years or the term of the Tier Three AHPP loan, whichever is longer.

For rental projects, in order to promote excellence of property management in developments funded under the program, a property management plan is one of the areas evaluated in the selection of projects. In the event poor management results in a risk to the FCRHA investment or negatively impacts the development or neighborhood, the FCRHA may require a change in project management.

Fairfax County is committed to nondiscrimination on the basis of disability in all County programs, services and activities. Special accommodations will be provided upon request. For information call 703-246-5101 or TTY 711.