



County of Fairfax, Virginia

MEMORANDUM

DATE: March 30, 2020

TO: BOARD OF SUPERVISORS

FROM: Thomas E. Fleetwood, Director
Department of Housing and Community Development

SUBJECT: Update on Communitywide Housing Strategic Plan Implementation – Phase 1

Upon adoption of the Communitywide Housing Strategic Plan Phase 1 Report by the Board on June 19, 2018, the Board requested periodic updates on the implementation of the strategies identified in the report. The attached spreadsheet provides a detailed status report on all 25 Phase 1 strategies as of the end of March 2020.

Should you have any questions, please contact me at 703-246-5105 or Vincent Rogers at 703-246-5182.

cc: Commissioners, Fairfax County Redevelopment and Housing Authority
Bryan J. Hill, County Executive
Tisha M. Deeghan, Deputy County Executive
Joseph M. Mondoro, Chief Financial Officer
Rachel Flynn, Deputy County Executive
Barbara A. Byron, Director, Department of Planning and Development

Attachment

March 2020 Communitywide Housing Strategic Plan Implementation

Strategy	Projected Completion Timeframe	Status
A1: Streamline the Housing Blueprint Application Process	6 Months	<p>Completed. As part of the FY 2019 Housing Blueprint Request For Proposal (RFP), the Department of Housing and Community Development (HCD) has taken initial steps toward updating the Blueprint process. For the first time, financing may be made available during construction for new construction projects, and under certain conditions. HCD has also revised its per-unit subsidy guidelines. These are initial steps to update the Blueprint process to reduce developer costs and align with local development conditions as well as the Low Income Housing Tax Credit (LIHTC) application process, as operated by the Virginia Housing Development Authority (VHDA). HCD implemented these steps in advance of the FY 2019 RFP period, and as a result of that process, the Board approved the award of \$7.7 million to SCG Development for the construction of 274 units of affordable housing in the Dranesville District as part of the FY 2019 Blueprint RFP. On July 26, 2019, the application period closed for the FY 2020 Blueprint RFP, which made available nearly \$15 million, including an additional \$5 million allocated by the Board in the FY 2019 Third Quarter Review process. On an ongoing basis, HCD will work with the Fairfax County Redevelopment and Housing Authority (FCRHA) and its development partners to identify further improvements to the process, in coordination with the Board.</p>

Strategy	Projected Completion Timeframe	Status
A2: Maximize the Potential of FCRHA-Owned Properties	24 Months	Ongoing. The FCRHA has a pipeline of new projects on its properties through the Public-Private Education Facilities and Infrastructure Act (PPEA), including North Hill (Mount Vernon District; 279 affordable multifamily rental units, 175 market for-sale townhomes), One University (Braddock District; approximately 240 multifamily affordable units plus student housing to serve George Mason University), and Oakwood (Lee District; up to 150 affordable senior rental units). On July 16, 2019, the Board authorized the transfer of the 10-acre Autumn Willow property to the FCRHA for the development of up to 150 units of affordable senior rental housing through a public/private partnership. The FCRHA is also planning for the development of approximately 60 additional affordable senior rental units on the Glens at Little River campus in the Braddock District. As part of the FY 2020 Budget Guidance, the Board directed staff to facilitate the transfer of county properties appropriate for affordable housing.
A3: Plan for Reinvestment of Savings from Refinancing of Wedgewood and Crescent	12 Months	Completed. At its meeting on July 18, 2019, the FCRHA approved the issuance of Revenue Refunding Bonds as part of a refinancing plan for Wedgewood Apartments. Prior to this action, the Board approved the FCRHA's request to issue the bonds to achieve debt service savings at the property. With the refinancing of the property it is anticipated that the annual debt service payments for the property will be reduced by approximately \$780,000. This annual projected savings will remain in Fairfax County's Penny for Affordable Housing Fund and will be repurposed for other affordable housing projects in Fairfax County.

Strategy	Projected Completion Timeframe	Status
A4: Develop a Plan to Expand Use of FCRHA Bonds	12 Months	Ongoing. The FCRHA continues to expand and promote its bonding authority to preserve affordable housing in Fairfax County. As described in A3, the FCRHA recently issued bonds in an amount not to exceed \$75,000,000 for the refinancing of Wedgewood Apartments. In late 2018, FCRHA bonds totaling approximately \$50 million were used to support the preservation of Parkwood Apartments (Mason District; 225 multifamily rental units) and the renovation of the FCRHA's own Murraygate Village Apartments (Lee District; 200 multifamily rental units). In FY 2021, the FCRHA is anticipated to issue \$22 million in revenue bonds for development of 274 units of affordable housing at the Arrowbrook Centre Apartments (Sully District).
A5: Examine FCRHA's Deep Subsidy Programs	24 Months	In progress. HCD and the Office to End and Prevent Homelessness (OPEH) are coordinating a redesign of the admissions criteria and process for the Bridging Affordability (BA) program. It is anticipated that the redesign, which will include a partner input process, will be incorporated into a new procurement for the program in FY 2020. HCD's Deep Subsidy Programs include BA, the Housing Choice Voucher (HCV) program, and the RAD - Project Based Voucher (PBV) program, and are being reviewed through a long-range process. The BA program is the first step in HCD's housing continuum and is therefore the focus of this effort. The FCRHA's THRIVE Committee has also started to receive information from HCD on the admissions preferences for the HCV and RAD-PBV programs, in order to provide potential recommendations to the FCRHA on the admissions process for these federal housing programs. See also C5.

Strategy	Projected Completion Timeframe	Status
A6: Incorporate the One Fairfax Policy into FCRHA's Policymaking Process	6 Months	Ongoing. At its meeting on March 7, 2019, the FCRHA formally adopted the One Fairfax resolution to better ensure that equity impacts are considered in all policies. The FCRHA has incorporated equity as one of the values in its Strategic Plan and HCD will work closely with the County's Chief Equity Officer to develop the most effective and appropriate manner in which to intentionally incorporate equity considerations into the FCRHA policymaking process. In addition, two HCD employees have been designated as equity leads and are ensuring that equity is being considered across the Department's policymaking. HCD is currently in the process of developing its Agency Equity Impact Action Plan, in partnership with consultants from the Government Alliance for Racial Equity (GARE) and the Chief Equity Officer.
B1: Update the Affordable Dwelling Unit (ADU) and Workforce Dwelling Unit (WDU) Programs	Land use/separate track	In progress. Per the Board's directive, a task force, coordinated by the Department of Housing and Community Development (HCD) in partnership with the Department of Planning and Development (DPD), is developing recommendations, with an initial focus on the WDU program. The task force expects to provide recommendations to the Board in mid-2020. The Embark Housing Advisory Group also recommended flexibility for the delivery of new affordable homes in the Embark area. Although not prescriptive, the Embark Group advised exploring reducing the current 12 percent affordable benchmark, if the housing is targeted to the lowest earners, or redistributing the percentages to make more units affordable to the lowest income tiers. Consideration of next steps regarding potential changes to the ADU program is a secondary priority, as that is primarily a legacy program with not many developments falling within its parameters.
B2: Create Guidelines for Adaptive Reuse of Commercial Space for Affordable Housing	Land use/separate track	In progress. HCD staff has begun evaluating guidelines for the use of affordable housing resources in a re-use environment. HCD will coordinate with DPD, as the lead agency on the building repurposing effort, prior to presenting guidelines to the Board.

Strategy	Projected Completion Timeframe	Status
B3: Develop a Preservation Strategy	12 Months	Completed, with ongoing next steps. In February 2019, HCD and DPD concluded their work with the Embark Housing Advisory Group to develop recommendations for affordable housing development and preservation along the Route 1 corridor. The Advisory Group's work was presented to the Board. Additionally, the Advisory Group's recommendations were incorporated into the recommendations of the Affordable Housing Resources Panel (AHRP) which were adopted by the Board. HCD worked with Virginia Tech to develop an inventory of committed- and market-affordable housing units in Fairfax County. This data helped support the development of a countywide preservation strategy as recommended by the AHRP. Both groups recommended that the Board adopt a principle of no net loss of "market affordable" rental housing, to the extent feasible. Next step is to set up a joint HCD/DPD preservation task force, in coordination with the Affordable Housing Advisory Committee.
B4: Streamline the Process for Public-Private Partnerships Using Publicly-Owned Land	24 Months	Ongoing. The FCRHA will continue to identify opportunities to improve the process for the use of its land for affordable housing development. Many lessons learned in recent years are being reinvested in new public-private partnership opportunities, including the most recent unsolicited proposal received for the Oakwood property in the Lee District, which was recently conveyed to the FCRHA. As part of the FY 2020 Budget Guidance, the Board directed staff to facilitate the transfer of county properties appropriate for affordable housing. The Board has subsequently acted to transfer the Autumn Willow (Springfield District) and West Ox (Sully) sites to the FCRHA for development.
B5: Incorporate Guidelines for Public Land into the Capital Improvement Program (CIP)	24 Months	Ongoing. As part of the Adopted FY 2020 Budget, the Board provided resources for an additional position within the Department of Housing and Community Development (HCD), which will serve as the agency's Affordable Housing Development Coordinator. Among the duties of this position will be to facilitate opportunities to co-located affordable housing with county facilities via the CIP process. This position has been hired and CIP coordination work is underway.

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B6: Modify the Accessory Dwelling Unit Policy	Land use/separate track	Research ongoing. The 2018 Zoning Ordinance Work Program, as part of the item on Older Adult Accommodations and services, anticipates considering opportunities for expansion of the use of accessory dwelling units for older adults. There is also an Item on the 2018 Priority 2 Work Program (not yet prioritized by the Board) under Item #23 Other Housing Priorities – “Review Board of Supervisors accessory dwelling unit policy in Appendix 5 to determine whether updates are necessary.” Research is ongoing, as part of the 50 + effort, related to Accessory Dwelling Units.
B7: Explore Zoning Districts that Allow for "Missing Middle" Housing	Land use/separate track	Ongoing. Benchmarking will be conducted on an ongoing basis in coordination with DPZ to identify best practices that might be considered in addressing the housing needs of moderate income working households. This issue is also referenced in the Zoning Work Program in Tier Two.
B8: Integration with the Zoning Ordinance Modernization Project	Land use/separate track	Ongoing. HCD and DPD will coordinate on how affordable housing issues are addressed in future phases of zMOD.
C1: Preserve Existing Affordable Housing Resources	12 Months	Ongoing. As part of the FY 2020 Budget Guidance, the Board approved the AHRP recommendation to maintain the existing half-penny for affordable housing, focused on preservation.
C2: Create Guidelines for Tysons Housing Fund	12 Months	In progress. HCD, through DPD, has been regularly meeting with the Tysons Partnership on this issue.

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C3: Assess a Commercial Contribution Policy	12 Months	In progress. The AHRP report recommended that staff explore a commercial linkage policy on a countywide basis, and that such policy consider and account for the unique investment needs of the county's revitalization areas. This issue was addressed by the Board previously; at that time, the Board determined that it would be a disincentive to development in areas of the county outside of Reston and Tysons and therefore action was deferred until such time as sufficient development occurred in Tysons to determine how much money was being contributed to the Affordable Housing Fund. To date, since the adoption of the Tysons Plan in 2010, \$5.2 million has been contributed and in Reston, \$475,000. It is anticipated that a first step on this issue will be exploring potential moderate geographic flexibility in the use of the Tysons Fund.
C4: Explore Using Existing Tax Incremental Financing (TIF) Policies to Promote Housing Affordability	24 Months	In planning. Both the Embark Housing Advisory Group and the Affordable Housing Resources Panel endorsed exploring the use of TIF for the development of affordable housing.
C5: Expand the Scope of Local Rental Housing Subsidy	6 Months	In progress. HCD and OPEH presented this concept to the Board of Supervisors' Health, Housing, and Human Services (HHHS) Committee. HCD and OPEH are working together on a partner input process begun in early 2019 to determine what improvements need to be made to the program in order for it to continue to help households achieve self-sufficiency, while also serving a higher-risk population. A new Bridging Affordability RFP will be released in 2020.
C6: Provide Downpayment and Closing Cost Assistance	24 Months	Ongoing. HCD has begun the process of developing a new downpayment and closing cost pilot program. The FCRHA has received a \$4 million VHDA grant for downpayment assistance and in January 2019, the FCRHA approved a Community Development Block Grant (CDBG) Down Payment Assistance (DPA) Program for households with up to 80 percent of the Area Median Income. Up to \$10,000 will be available for eligible households as a forgivable loan to reduce the costs associated with buying a home. Other options to provide expanded down payment and closing cost assistance are now being considered by the FCRHA.

Strategy	Projected Completion Timeframe	Status
C7: Review Options for Restructuring Housing Trust Fund	12 Months	In progress.
D1: Expand Access to Housing for Persons with Special Needs	12 Months	In progress. On January 24 and 25, 2019, County staff held a hack-a-thon dedicated to housing, bringing outside entrepreneurs in to address several housing challenges to older residents and those with disabilities. One challenge dealt with how to connect persons with disabilities with housing units that have been modified to provide accessibility, and another challenge dealt with how to match older households who are interested in aging-in-place with other households who can cohabitate and pay rent, or offer in-kind support (assistance with household chores, etc.) in place of rent. Four teams of hackers produced innovative solutions to these challenges, and County staff are in the process of reviewing them for applicability and possible implementation. It should also be noted that the Board, on December 5, 2018, adopted an amendment to the Comprehensive Plan which provided for a \$3.00 per square foot contribution to the Housing Trust Fund by Continuing Care Facilities, to be used to develop new affordable housing with a priority for seniors and people with disabilities. The Board also endorsed the Planning Commission's recommendation to convene a task force to investigate developing continuing care facilities to accommodate low to moderate-income older adults and people with disabilities.
D2: Support Aging in Place	12 Months	In progress. See D1.
D3: Facilitate Opportunities for Faith Communities to Develop Affordable Housing	24 Months	In progress. In September 2019, HCD made a presentation to the Fairfax County Interfaith Clergy and Leadership Council as a first step in providing information about affordable housing development, as well as opportunities for more collaboration.
D4: Continue to Address the Efficiency of Fairfax County's Existing Homeless and Housing Support Networks	24 Months	In progress. HCD and OPEH are working together on improving the Housing Collaborative process for housing location and landlord outreach, and preparing for the proposed merger of the two agencies.