

Board of Supervisors Housing Committee Meeting

AFFORDABLE HOUSING: DEVELOPMENT, PRESERVATION, AND THE PATH FORWARD

Tom Fleetwood, Director,
Department of Housing and Community Development (HCD)

March 15, 2022

Today's Briefing

- **A Short Refresher:** Leveraging resources; means and methods
- **Works in Progress:** Projects under construction, in design and pre-design
- **Looking Forward:** Approved FY 2022 resources, proposed FY 2023 resources, and the plan to use them

A Short Refresher:

Leveraging resources; means and methods

LEVERAGING FAIRFAX COUNTY HOUSING RESOURCES

The County, the FCRHA and the Private Sector: Developing Together



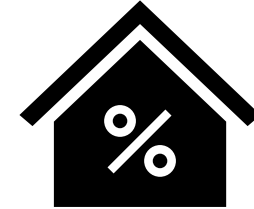
County Resources

- Blueprint Loans through the Affordable Housing Development and Investment Fund (former Penny Fund)
- Board-owned Land
- American Rescue Plan Act (ARPA)
- Community Development Block Grants (CDBG) and HOME
- Proffer \$'s



FCRHA Resources

- FCRHA Bonds
- Project Based Vouchers
- FCRHA Land
- Moving to Work Flexibility



Private Sector

- Debt Financing
- LIHTC and Other Forms of Equity
- Expertise and Creativity

Blueprint Loans

■ Benefits

- Provides “gap” financing to make development feasible
- Local subsidies create “points” to win 9% Low Income Housing Tax Credits (LIHTC)

■ Board Approved Funding for FY 2018 – FY 2021

- \$42.89 million in Blueprint loan
- 9 affordable housing development projects supported by Blueprint loans
- Total of 1760 units

FY 2018			FY 2019			FY 2020			FY 2021		
\$12,945,923			\$7,744,225			\$14,745,237			7,570,249		
Advertised Blueprint Funding			Advertised Blueprint Funding			Advertised Blueprint Funding			Advertised Blueprint Funding \$8,749,622 Tyson Proffer Funding		
Projects	Amount	Units	Projects	Amount	Units	Projects	Amount	Units	Projects	Amount	Units
Arden	\$7,400,000	126	Arrowbrook	\$7,744,225	274	Lake Anne	\$3,000,000	240	Autumn Willow	\$4,450,000	150
Parkwood	\$2,545,923	225				One University	\$6,500,000	240	Landings	\$3,000,000	76
North Hill	\$3,000,000	279				Oakwood	\$5,250,000	150			
	\$12,945,923	630		\$7,744,225	274		\$14,750,000	630		\$7,450,000	226

FCRHA Bond Capacity

■ Benefits

- Provides cost effective financing mechanism usually as short-term debt in support of tax credit projects
- Creates revenue to be reinvested for affordable housing production

■ Since 2018 through February 28, 2022

- \$170,545,000 in bond issuance
- 1,640 units supported

Project	Type	Series	Amount Issued	Term of Bond	Purpose	Total Units
Murraygate Village	Housing	2018	\$20,000,000	3	Revenue Bonds	200
Parkwood	Housing	2018	\$30,000,000	2	Revenue Bonds	221
Wedgewood Apartments	Housing	2019	\$61,795,000	20	Refunding Bonds	672
Murraygate Village	Housing	2020	\$4,000,000	1	Revenue Bonds	200
Ovation at Arrowbrook	Housing	2020	\$22,500,000	21	Revenue Bonds	148
Oakwood	Housing	2021	\$12,570,000	3	Revenue Bonds	79
One University Senior	Housing	2021	\$19,680,000	3	Revenue Bonds	120
Total			\$170,545,000			1640

Board and FCRHA Land

Benefits

- Removes land cost from development
- Maximizes the potential of the site
- Local subsidies create “points” to win 9% Low Income Housing Tax Credits (LIHTC)

Recent Projects

- **Oakwood** (Board)
- **Autumn Willow** (Board)
- **West Ox** (Board)
- **Franconia Gov. Center** (Board)
- **Government Center II** (Board)
- **North Hill** (FCRHA)
- **One University** (FCRHA)



Project Based Vouchers

Federally-funded rental subsidy that can be attached to specific rental units, provided through the FCRHA.

Benefits:

- Allows projects to serve lower incomes, especially for those earning 30 percent of the Area Median Income and below
- Makes projects more competitive for 9% Low Income Housing Tax Credits (LIHTC)
- A “bankable” source of revenue, which allows developers to get more debt financing

Recent Projects

- Nearly every one of our new constructing projects includes project based vouchers, including North Hill, One University, and Oakwood

Other Financing Options

- **American Rescue Plan Act (ARPA)**
 - Can be used for property acquisition, but not debt financing
 - Recent Project: \$10,970,000 - Dominion Square West
- **Moving to Work Authority (MTW)**
 - The FCRHA is one of the 139 MTW agencies nationwide. MTW status provides financing and programmatic flexibilities
 - Recent Projects: \$10,000,000 - Dominion Square West
- **Community Development Block Grants (CDBG)**
 - Funding can be used for a wide variety of projects, including affordable housing development
 - Recent Projects: \$14 million - North Hill
- **Proffer Funding – Tysons Housing Trust Fund**
 - Zoning Ordinance requires \$3 per SF of commercial development into Tysons Housing Trust Fund
 - Recent Project: \$8,749,622 - Dominion Square West

Non County Financial Support

- **Historic Tax Credits**

- Planned for use on Original Mount Vernon High School
- Potential use on future affordable housing projects

- **Virginia Housing's REACH Program Amazon Impact Funds**

- \$7,800,000 awarded to AHC for the Landings I Preservation project of 216 units
- \$7,500,000 awarded to FCRHA for homeownership program

- **Tax Credit Equity**

- Private equity invested through the sale of Low Income Housing Tax Credits; present in nearly every project

Works in Progress:

Projects under construction, in design and pre-design

Projects in Construction

Development of Properties through PPEA Process

- North Hill (279 units - 216 multifamily, 63 senior)
- One University (240 units – 120 multifamily, 120 senior)
- Oakwood (150 senior units)



North Hill



One University



Oakwood

Projects in Construction

- **Development of Properties through financial support**
 - **Arden** (*126 multifamily*)
 - **Arrowbrook** (*274 multifamily*)



Arden



Arrowbrook

Projects in Design

Development of Properties through PPEA Process and by HCD

- **West Ox** (34 units supportive housing)
- **Stonegate** (234 units renov. multifamily)
- **Little River Glen I and IV** (120 renov. & 60 new senior units)



West Ox



Stonegate



Little River Glen

Projects in Pre-Design

- **Development of Properties through PPEA Process**
 - Residences at the Government Center II (*275 units – multifamily*)
 - Franconia Governmental Center (*120 multifamily units*)
- **Development of Properties through Development Agreements**
 - Dominion Square West (*at least 175 multifamily units*)
 - SOMOS (*~450 multifamily units*)



Dominion Square



SOMOS

Looking Forward:

Approved FY 2022 resources, proposed FY 2023 resources, and the plan to use them

Looking Forward

- All Board-approved FY 2022 resources for Blueprint Loans will be committed by July 1, pending Board authorization
 - Includes approximately \$20 million in local dollars
 - Nearly \$9 million in proffer dollars
 - \$15 million in the first tranche of ARPA funds
- FCRHA approved contributing \$17 million toward two major projects
- Nearly all funding proposed for FY 2023 is anticipated to be used on projects in the pipeline
- Currently, all immediate needs are fully funded
- Board strategy of utilizing a combination of ARPA and carryover/mid-year/third quarter one-time funding to further support housing development remains viable in FY 2023

Looking Forward

■ Projected Use for Board Approved Funding for FY 2022 and 2023

Projects	Funding Needed	Blueprint/AHDI Funding	Tysons Proffer Housing Trust	Moving to Work	ARPA	TOTAL
FY 2022 FUNDING		\$19,995,598	\$8,749,622	\$17,000,000	\$30,000,000	\$75,745,220
Little River Glen	\$7,000,000			\$7,000,000		\$7,000,000
Dominion Square West - Phase I: \$43,051,534 \$22,100,000 Vertical Development \$20,970,000 Land	\$43,051,534	\$13,331,912	\$8,749,622	\$10,000,000	* \$10,970,000	\$43,051,534
Planned Property Acquisition	\$18,000,000	\$5,000,000			\$13,000,000	\$18,000,000
Balance in FY 2022 Funds		\$1,663,686	\$0	\$0	\$6,030,000	\$7,693,686
FY 2023 FUNDING		\$17,974,547				\$17,974,547
Beginning Balance for FY 2023		\$19,638,233	\$0	\$0	\$6,030,000	\$25,668,233
SOMOS: \$24,750,000 \$4,050,000 Vertical \$20,700,000 Land	\$24,750,000	\$18,720,000			\$6,030,000	\$24,750,000
Balance in FY 2023 Funds		\$918,233	\$0	\$0	\$0	\$918,233
TOTAL	\$92,801,534					\$93,719,767

*Although the project has been approved, we do not anticipate the expense will be paid in FY 2022 and instead will come out of the 2nd tranche of ARPA funds in FY 2023

Questions/Comments