

Fund 40300: Housing Trust

Focus Fund 40300, Housing Trust, was created in FY 1990 to reflect the expenditures and revenues of funds earmarked to encourage and support the acquisition, preservation, development and redevelopment of affordable housing by the Fairfax County Redevelopment and Housing Authority (FCRHA), nonprofit sponsors and private developers. The fund is intended to promote endeavors that will furnish housing to individuals in Fairfax County with low- and moderate-incomes by providing low-cost debt and equity capital in the form of loans, grants and equity contributions.

Under the criteria approved by the FCRHA and the Board of Supervisors, the highest priority is assigned to projects which enhance existing County and FCRHA programs; acquire, construct or preserve housing which will be maintained for occupants with lower incomes over the long-term; promote affordable housing; and leverage private funds. In FY 1996, the Board of Supervisors authorized the FCRHA to implement a pre-development project.

On behalf of the County, the FCRHA administers Fund 40300, and on an ongoing basis, accepts and reviews applications from nonprofit corporations and private developers for contributions from this source. The FCRHA forwards its recommendations of projects to be funded to the Board of Supervisors. The FCRHA may also submit proposals to the Board of Supervisors at any time for approval.

In FY 2021, Fund 40360, Homeowner and Business Loan Programs, is closed, and two of the existing programs are consolidated into Fund 40300. These programs include the Moderate Income Direct Sales (MIDS) Resale Program and the Fairfax County Rehabilitation Loan Program. The Rehabilitation Loan Program, which has been significantly downsized, provides loans, grants and materials to individuals with low and moderate incomes for the purpose of home improvements. New loans are now limited to only emergency situations. Existing loans, when repaid generate revenue to the fund. However, most of these loans are deferred and only repaid when the homeowner decides to sell their home. The MIDS Resale Program is intended to provide resources necessary to acquire properties that are offered for sale and, if necessary, rehabilitate them prior to reselling them in the First-Time Homebuyers Program (FTHB). Units not purchased for resale but that have reached their extended control period are sold at market-value, but an equity share is earned by the FCRHA and is used as an additional funding source for this resale program.

Also, in FY 2021, Fund 30310, Housing Assistance Program, is closed and four of the existing projects are consolidated into Fund 40300. This consolidation is an effort to more efficiently manage capital resources for financing housing and redevelopment projects. These projects include the Emergency Housing Project, the Predevelopment Studies Project, the North Hill (Commerce) Project and the North Hill (Woodley) Project. This consolidation will be reflected in the *FY 2021 Revised Budget Plan*. No appropriation is requested as part of the FY 2021 Adopted Budget Plan for these projects.

In FY 2021, revenues are estimated to be \$3,661,782, an increase of \$2,863,517, or 358.7 percent, over the FY 2020 Adopted Budget Plan. The increase in revenue is primarily due to the MIDS Resale Program operating in Fund 40300 in FY 2021. FY 2021 expenditure appropriation of \$3,661,782 will be allocated to the MIDS Resale Program, ADU Acquisition, Land/Unit Acquisition, Rehabilitation of FCRHA Properties and Undesignated Housing Trust Fund for reallocation to specific projects when identified and approved.

**Changes to
FY 2020
Adopted
Budget Plan**

The following funding adjustments reflect all approved changes in the FY 2020 Revised Budget Plan since passage of the FY 2020 Adopted Budget Plan. Included are all adjustments made as part of the FY 2019 Carryover Review, FY 2020 Third Quarter Review, and all other approved changes through April 30, 2020.

Carryover Adjustments **\$12,229,028**

As part of the *FY 2019 Carryover Review*, the Board of Supervisors approved funding of \$12,229,028 due to the carryover of \$8,654,457 in unexpended project balances and the appropriation of \$3,574,571 in additional program income received in FY 2019.

Third Quarter Adjustments **\$500,000**

As part of the *FY 2020 Third Quarter Review*, the Board of Supervisors approved funding of \$500,000 to support anticipated rehabilitation and maintenance costs at FCRHA properties, as well as to support the repair and maintenance of units purchased for resale.

A Fund Statement and a Summary of Capital Projects are provided on the following pages. The Summary of Capital Projects may include some projects without a Total Project Estimate amount. These projects are considered "continuing" projects or projects for which funding is necessary on an ongoing basis (e.g., a contingency or planning project).

FUND STATEMENT

Category	FY 2019 Actual	FY 2020 Adopted Budget Plan	FY 2020 Revised Budget Plan	FY 2021 Advertised Budget Plan ¹	FY 2021 Adopted Budget Plan ¹
Beginning Balance²	\$10,855,999	\$229,060	\$12,458,088	\$2,979,030	\$2,979,030
Revenue:					
Proffered Contributions	\$2,836,045	\$0	\$0	\$0	\$0
Investment Income	185,849	105,000	105,000	150,000	150,000
Miscellaneous Revenue	1,242,631	693,265	1,193,265	3,511,782	3,511,782
Total Revenue	\$4,264,525	\$798,265	\$1,298,265	\$3,661,782	\$3,661,782
Total Available	\$15,120,524	\$1,027,325	\$13,756,353	\$6,640,812	\$6,640,812
Expenditures:					
Capital Projects ³	\$2,662,436	\$798,265	\$13,527,293	\$3,661,782	\$3,661,782
Total Expenditures	\$2,662,436	\$798,265	\$13,527,293	\$3,661,782	\$3,661,782
Total Disbursements	\$2,662,436	\$798,265	\$13,527,293	\$3,661,782	\$3,661,782
Ending Balance³	\$12,458,088	\$229,060	\$229,060	\$2,979,030	\$2,979,030
Reserved Fund Balance ⁴	\$229,060	\$229,060	\$229,060	\$229,060	\$229,060
Unreserved Ending Balance	\$12,229,028	\$0	\$0	\$2,749,970	\$2,749,970

¹ Fund 40360, Homeowner and Business Loan Programs, is consolidated into Fund 40300, Housing Trust. All assets, liabilities, and equity associated with Fund 40360 are transferred into Fund 40300.

² FY 2021 Adopted Beginning Balance includes a fund balance of \$2,749,970 as a result of Fund 40360, Homeowner and Business Loan Programs, being consolidated into Fund 40300.

³ Capital projects are budgeted based on the total project costs. Most projects span multiple years, from design to construction completion. Therefore, funding for capital projects is carried forward each fiscal year and ending balances fluctuate, reflecting the carryover of these funds.

⁴ The Reserved Fund Balance reflects revenue receivable to the Housing Trust Fund for interest owed by Cornerstones Housing Corporation (formerly Reston Interfaith) on an equity lien held by the FCRHA.

SUMMARY OF CAPITAL PROJECTS

Project	Total Project Estimate	FY 2019 Actual Expenditures	FY 2020 Revised Budget	FY 2021 Advertised Budget Plan	FY 2021 Adopted Budget Plan
ADA Compliance - HCD Pender (HF-000115)	\$400,000	\$300,000.00	\$100,000.00	\$0	\$0
ADU Acquisitions (HF-000093)	3,532,716	749,527.76	1,700,000.00	300,000	300,000
Affordable Housing Investment (2H38-215-000)	1,487,381	681,381.00	806,000.00	0	0
Autumn Willow (HF-000157)	500,000	0.00	500,000.00	0	0
Feasibility and Site Work Studies (2H38-210-000)	433,544	45,709.28	190,825.37	0	0
HP-Housing Proffer Contributions-General (HF-000082)	311,758	0.00	311,757.79	0	0
HP-Housing Proffer Contributions-Tyson (HF-000081)	5,222,283	0.00	5,222,283.30	0	0
Land/Unit Acquisition (2H38-066-000)		739,082.25	822,254.57	211,782	211,782
Lewinsville Redevelopment (2H38-064-000)	2,529,382	0.00	83,672.06	0	0
Little River Glen IV (HF-000158)	282,772	0.00	282,771.60	0	0
MIDS Resale (2H38-220-000)	2,500,000	0.00	0.00	2,500,000	2,500,000
Murraygate Renovation-Construction Loan (2H38-222-000)	1,551,152	0.00	1,551,151.50	0	0
One University (HF-000100)	600,000	22,650.00	577,350.00	0	0
Rehabilitation of FCRHA Properties (2H38-068-000)		0.00	300,000.00	500,000	500,000
Reservation/Emergencies & Opportunities (2H38-065-000)		7,128.24	285,005.76	0	0
Senior/Disabled Housing/Homeless (2H38-192-000)	1,614,254	116,957.73	577,964.20	0	0
Undesignated Housing Trust Fund (2H38-060-000)		0.00	216,256.73	150,000	150,000
Total	\$20,965,241	\$2,662,436.26	\$13,527,292.88	\$3,661,782	\$3,661,782