

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.

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. Additionally, funds are contributed to Fund 40300 from the equity share upon the sale of homeownership Affordable Dwelling Units in the extended control period. The FCRHA forwards its recommendations of projects to be funded from these latter contributions to the Board of Supervisors. The FCRHA may also submit proposals to the Board of Supervisors at any time for approval.

The Housing Trust Fund includes funds for the purchase and resale of First-Time Homebuyer (FTHB) units and Workforce Dwelling Units (WDU), commonly referred to as the MIDS Resale Program. The MIDS Resale Program is intended to provide resources necessary to acquire homeownership properties that are offered for resale and, if necessary, rehabilitate them prior to reselling them in the FTHB or WDU programs. Units not purchased for resale but have reached their extended control period are sold at market-value, and an equity share is earned by the FCRHA as a funding source for other projects.

The Rehabilitation Loan Program is no longer operational. Existing loans, when repaid, generate revenue to the fund. However, most of these loans are deferred and are only repaid when the homeowner decides to sell their home. In FY 2021, the FCRHA used Fund 30300, Affordable Housing Development and Investment, to provide gap financing for the preservation and rehabilitation of 200 units at Murraygate Village Apartments (Franconia District). The rehabilitation on this FCRHA-owned property was successfully completed, preserving a large stock of affordable rental housing.

In FY 2024, revenues are estimated to be \$3,593,342, resulting in a decrease of \$73,849 from the FY 2023 Adopted Budget Plan. The FY 2024 expenditure appropriation of \$3,593,342 will be allocated to the MIDS Resale Program, ADU Acquisitions, and Undesignated Housing Trust Fund for reallocation to specific projects when identified and approved.

**Changes to
FY 2023
Adopted
Budget Plan**

The following funding adjustments reflect all approved changes in the FY 2023 Revised Budget Plan since passage of the FY 2023 Adopted Budget Plan. Included are all adjustments made as part of the FY 2022 Carryover Review and all other approved changes through December 31, 2022:

Carryover Adjustments **\$18,922,317**
As part of the *FY 2022 Carryover Review*, the Board of Supervisors approved funding of \$18,922,317 due to the carryover of \$15,804,413 in unexpended project balances, \$962,596 to support the Lincolnia Rehabilitation project, and an appropriation of \$2,215,308 due to excess revenues received in FY 2022, partially offset by a decrease of \$60,000 to align the budget based on revenue projections in FY 2023.

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 2022 Actual | FY 2023 Adopted Budget Plan | FY 2023 Revised Budget Plan | FY 2024 Advertised Budget Plan |
|------------------------------------|---------------------|-----------------------------------|-----------------------------------|--------------------------------------|
| Beginning Balance | \$23,742,626 | \$4,388,627 | \$22,417,282 | \$4,388,627 |
| Revenue: | | | | |
| Proffered Contributions | \$1,679,068 | \$0 | \$0 | \$0 |
| Investment Income | 18,406 | 77,251 | 17,251 | 3,402 |
| Miscellaneous Revenue | 4,185,025 | 3,589,940 | 4,552,536 | 3,589,940 |
| Total Revenue | \$5,882,499 | \$3,667,191 | \$4,569,787 | \$3,593,342 |
| Total Available | \$29,625,125 | \$8,055,818 | \$26,987,069 | \$7,981,969 |
| Expenditures: | | | | |
| Capital Projects ¹ | \$7,207,843 | \$3,667,191 | \$22,598,442 | \$3,593,342 |
| Total Expenditures | \$7,207,843 | \$3,667,191 | \$22,598,442 | \$3,593,342 |
| Total Disbursements | \$7,207,843 | \$3,667,191 | \$22,598,442 | \$3,593,342 |
| Ending Balance² | \$22,417,282 | \$4,388,627 | \$4,388,627 | \$4,388,627 |
| Reserved Fund Balance ³ | \$229,060 | \$229,060 | \$229,060 | \$229,060 |
| Unreserved Ending Balance | \$22,188,222 | \$4,159,567 | \$4,159,567 | \$4,159,567 |

¹ In order to account for revenues and expenditures in the proper fiscal year, audit adjustments have been reflected as a decrease of \$8,934.22 to FY 2022 expenditures to record accrued expenses for contracts and building maintenance in the proper fiscal year. This impacts the amount carried forward resulting in an increase of \$8,934.22 to the *FY 2023 Revised Budget Plan*. The project affected by this adjustment is 2H38-220-000, MIDS Resale. The Annual Comprehensive Financial Report (ACFR) reflects all audit adjustments in FY 2022. Details of the audit adjustments will be included in the FY 2023 Third Quarter Package.

² 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.

³ 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 2022 Actual Expenditures | FY 2023 Revised Budget | FY 2024 Advertised Budget Plan |
|--|-------------------------------|------------------------------------|-------------------------------|---------------------------------------|
| ADU Acquisitions (HF-000093) | \$9,000,999 | \$2,161,087.07 | \$1,490,330.18 | \$1,000,000 |
| Affordable Housing Investment (2H38-215-000) | 1,487,381 | 0.00 | 806,000.00 | 0 |
| Autumn Willow (HF-000157) | 500,000 | 17,167.39 | 410,469.43 | 0 |
| Dominion Square West (HF-000175) | 8,879,622 | 0.00 | 8,879,622.30 | 0 |
| Feasibility and Site Work Studies (2H38-210-000) | 1,380,876 | 173,457.42 | 418,206.29 | 0 |
| HP-Housing Proffer Contributions-General (HF-000082) | 441,455 | 0.00 | 441,455.00 | 0 |
| HP-Housing Proffer Contributions-Tyson's (HF-000081) | 1,237,613 | 0.00 | 1,237,613.00 | 0 |
| Land/Unit Acquisition (2H38-066-000) | | 22,257.13 | 1,010,352.44 | 0 |
| Little River Glen IV (HF-000158) | 282,772 | 41,067.14 | 236,754.46 | 0 |
| MIDS Resale (2H38-220-000) | 10,271,346 | 3,501,580.02 | 3,044,622.93 | 2,500,000 |
| North Hill/Commerce Street Redevelopment (HF-000160) | 460,948 | 355,146.91 | 71,531.93 | 0 |
| North Hill/Woodley Hills Estate (HF-000159) | 1,517,929 | 238,214.71 | 522,540.63 | 0 |
| One University (HF-000100) | 450,000 | 61,330.36 | 255,887.33 | 0 |
| Rehabilitation of FCRHA Properties (2H38-068-000) | | 141,360.73 | 315,906.37 | 0 |
| Reservation/Emergencies and Opportunities (2H38-065-000) | | 0.00 | 376,549.76 | 0 |
| Senior/Disabled Housing/Homeless (2H38-192-000) | 2,576,850 | 0.00 | 1,495,230.16 | 0 |
| Stonegate Village Renovations (HF-000170) | 2,000,000 | 495,173.77 | 1,416,720.99 | 0 |
| Undesignated Housing Trust Fund (2H38-060-000) | | 0.00 | 168,648.77 | 93,342 |
| Total | \$40,487,791 | \$7,207,842.65 | \$22,598,441.97 | \$3,593,342 |