

Fund 30300: Affordable Housing Development and Investment

Focus Fund 30300, Affordable Housing Development and Investment, is designed to serve as a local funding source with the flexibility to preserve and promote the development of affordable housing. For fiscal years 2006 through 2009, the Board of Supervisors (BOS) dedicated revenue commensurate with the value of one cent from the Real Estate tax to the preservation of affordable housing. In FY 2010, the BOS reduced this dedicated funding to a half-cent from the Real Estate tax in order to balance the budget. As part of the FY 2023 Adopted Budget Plan, revenue commensurate with the value of one cent from the Real Estate tax was restored to Fund 30300, to support affordable housing initiatives.

From FY 2006 through FY 2024, the fund has provided a total of \$315.9 million for affordable housing in Fairfax County. A total of \$38.1 million is provided in FY 2025 with \$32.3 million from Real Estate tax revenue and \$5.8 million from property cash flow and housing loan repayments.

Fund 30300 represents a major financial commitment by the County to preserving and creating affordable housing opportunities by dedicating a portion of its revenue specifically for affordable housing to those households at or below 80 percent of area median income (AMI). In FY 2022, the BOS doubled its housing production goal from 5,000 to 10,000 units serving households at or below 60 percent of AMI supported in part by Fund 30300.

Fund 30300 is critical in the mission of preservation, as represented with the renovation at Murraygate Village Apartments in Alexandria (Franconia District) which provides 200 additional affordable housing units. Affordable Housing Development and Investment (AHD) funding was instrumental in supporting the rehabilitation of the Fairfax County Redevelopment and Housing Authority's (FCRHA's) Murraygate Village Apartments project through a combination of predevelopment funds and long-term gap financing. Other planned renovations include the Little River Glen project, which will include 120 units for renovation and preservation as well as 60 newly constructed affordable senior independent living units; thus, increasing affordable housing inventory. The AHD fund will loan funding to the Little River Glen project as part of the financing structure.

The BOS has affirmed the County's commitment to affordable housing and identified the following as priorities for housing policy: 1) providing housing for those in greatest need; 2) partnering with non-profits; 3) refocusing existing resources; 4) bridging the affordability gap; 5) completing projects in the pipeline; and 6) promoting workforce housing through land use policy and private sector partnerships. In March of 2015, the BOS adopted the *Economic Success Strategic Plan* which defines economic success through six goals. Fund 30300, Affordable Housing Development and Investment, and programs like the Rental Subsidy and Services Program, formerly known as Bridging Affordability, play a crucial role in Goals 2 and 5, "Create Places Where People Want to Be" and "Achieve Economic Success through Education and Social Equity." The fund has helped to "expand the creation of livable, walkable communities that are aligned with transportation infrastructure, including a mix of housing types to accommodate a range of ages, household sizes, incomes and uses for long term appeal, integration and sustainability" (Economic Success Strategic Plan Goal 2 section 2.2). In addition, through the Board's commitment to set aside funding from Real Estate taxes, it has "identified a recurring, sustainable funding source which can be reinvested into projects which preserve housing affordability and produce new affordable housing units" (Economic Success Strategic Plan Goal 5 section 5.7).

Fund 30300 supports the Rental Subsidy and Services Program (RSSP), which provides local rental subsidies to individuals and families experiencing homelessness, survivors of domestic violence, individuals with disabilities, and other vulnerable households. The Department of Housing and Community Development (HCD) administers the contract with a non-profit organization to ensure the program's outcomes are achieved. As part of the Communitywide Housing Strategic Plan, HCD and

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other County partners will work collaboratively to ensure RSSP is serving those with the greatest need.

Fund 30300 also provides a partial source of financing, on a competitive basis, for FCRHA and County developers towards the purchase and/or rehabilitation of low-income housing through Blueprint funding. As a condition of utilizing these funds, developments must meet the goals of the County's housing strategy, which includes a plan to direct affordable housing policies and resources on serving those with the greatest need, by 1) serving residents at or below 60 percent AMI; 2) focusing on having a high percentage of committed affordable units; 3) being committed to leasing to senior and special needs populations; and 4) having a mix of low- to moderate-income units located near transit or employment centers and new construction.

In the FY 2024 Adopted Budget Plan, \$26.8 million in new Blueprint funding was included to be awarded to community organizations through a competitive process. Blueprint project funding continues to be a strong mechanism for partnering with private builders to build and develop affordable housing throughout Fairfax County. In addition to Blueprint funds, Fund 30300 supports initiatives with the utilization of American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (Fiscal Recovery Fund) that are earmarked for the purpose of increasing supply of affordable housing. HCD has been allocated \$55.0 million of the County's total ARPA Fiscal Recovery Fund allocation.

The table below represents the current affordable housing projects supported by Fund 30300:

Development	District	Units
Murraygate	Franconia	200
Housing at Rt. 50 & West Ox	Sully	34
Oakwood Senior Housing	Franconia	150
Crescent Apartments	Hunter Mill	180
Little River Glen I & IV	Braddock	180
Residences at the Government Center II	Braddock	279
Franconia Governmental Site	Franconia	120
Penn Daw	Mt. Vernon	50
Residences at North Hill	Mt. Vernon	279
The Arden	Mt. Vernon	126
Landings	Mt. Vernon	76
New Lake Anne	Hunter Mill	240
Colvin Woods	Hunter Mill	259
Dominion Square West	Hunter Mill	516
SOMOS	Providence	450
Ovation at Arrowbrook	Dranesville	274
One University Redevelopment	Braddock	240
Braddock Senior Housing	Braddock	80
The Lodge at Autumn Willow	Springfield	150
Total		3,883

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In FY 2025, revenue totals \$38,118,750 and is comprised of \$32,318,750 in Real Estate Tax Revenue, \$5,200,000 in operating revenue from Wedgewood and Crescent Apartments, and \$600,000 from miscellaneous sources. FY 2025 funding is allocated as follows: \$4,885,250 for Wedgewood for the annual debt service, \$500,000 for Little River Glen, \$28,219,506 for the Housing Blueprint project, \$913,994 for Affordable/Workforce Housing, \$500,000 for WDU Acquisitions, \$100,000 for the Penn Daw affordable housing project, and \$3,000,000 for RSSP.

Changes to FY 2024 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2024 Revised Budget Plan since passage of the FY 2024 Adopted Budget Plan. Included are all adjustments made as part of the FY 2023 Carryover Review, FY 2024 Third Quarter Review, and all other approved changes through April 30, 2024.

Carryover Adjustments \$90,637,853

As part of the *FY 2023 Carryover Review*, the Board of Supervisors approved funding of \$90,637,853 due to the carryover of unexpended project balances in the amount of \$81,081,324, a General Fund Transfer of \$8,500,000 to support affordable housing projects and pre-development and construction costs for permanent supportive housing, and an appropriation of excess revenues received in FY 2023 in the amount of \$1,056,529.

Third Quarter Adjustments \$4,500,000

As part of the *FY 2024 Third Quarter Review*, the Board of Supervisors approved funding of \$4,500,000 including a General Fund Transfer of \$4,000,000 to support affordable housing projects. The remaining \$500,000 was due to a transfer of funds associated with the Little River Glen reserve from third-party management.

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FUND STATEMENT

Category	FY 2023 Actual	FY 2024 Adopted Budget Plan	FY 2024 Revised Budget Plan	FY 2025 Advertised Budget Plan	FY 2025 Adopted Budget Plan
Beginning Balance	\$71,571,797	\$0	\$82,137,853	\$0	\$0
Revenue:					
Real Estate Tax Revenue	\$29,686,000	\$31,362,736	\$31,362,736	\$32,318,750	\$32,318,750
Miscellaneous	6,818,100	5,700,000	6,200,000	5,800,000	5,800,000
Total Revenue	\$36,504,100	\$37,062,736	\$37,562,736	\$38,118,750	\$38,118,750
Transfers In:					
General Fund (10001)	\$18,000,000	\$0	\$12,500,000	\$0	\$0
Total Transfers In	\$18,000,000	\$0	\$12,500,000	\$0	\$0
Total Available	\$126,075,897	\$37,062,736	\$132,200,589	\$38,118,750	\$38,118,750
Total Expenditures	\$43,938,044	\$37,062,736	\$132,200,589	\$38,118,750	\$38,118,750
Total Disbursements	\$43,938,044	\$37,062,736	\$132,200,589	\$38,118,750	\$38,118,750
Ending Balance¹	\$82,137,853	\$0	\$0	\$0	\$0

¹ Capital projects are budgeted based on the total project costs. Many projects span multiple years and funding for those projects is carried forward each fiscal year. The ending balance fluctuates, reflecting the carryover of these funds.

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SUMMARY OF CAPITAL PROJECTS

Project	Total Project Estimate	FY 2023 Actual Expenditures	FY 2024 Revised Budget	FY 2025 Advertised Budget Plan	FY 2025 Adopted Budget Plan
Affordable/Workforce Housing (2H38-072-000)		\$789,788.66	\$1,784,163.00	\$913,994	\$913,994
Crescent Apartments Debt Service (2H38-075-000)		1,191,156.25	111,283.26	0	0
Crescent Rehabilitation (HF-000097)	425,000	1,852.12	373,470.10	0	0
Development of Housing at Rt. 50 & West Ox (HF-000055)	300,000	27,121.67	241,682.89	0	0
Franconia Governmental Center (HF-000174)	756,302	62,764.18	638,118.01	0	0
Government Center Site (HF-000171)	643,222	26,786.94	575,470.87	0	0
Housing Blueprint Project (2H38-180-000)		32,638,088.31	105,580,092.30	28,219,506	28,219,506
Little River Glen IV (HF-000116)	7,082,023	995,001.72	4,012,413.31	500,000	500,000
Penn Daw Affordable Housing (HF-000181)	1,412,500	59,436.98	1,253,063.02	100,000	100,000
Planning and Needs Assessment (2H38-226-000)	1,832,640	69,920.00	1,398,972.36	0	0
Rental Subsidy and Services Program (2H38-084-000)		3,161,947.48	5,266,519.41	3,000,000	3,000,000
SOMOS (HF-000180)	5,165,000	295.00	5,164,705.00	0	0
WDU Acquisitions (2H38-228-000)		24,385.00	771,034.00	500,000	500,000
Wedgewood Debt Service (2H38-081-000)		4,889,500.00	5,029,601.44	4,885,250	4,885,250
Total	\$17,616,687	\$43,938,044.31	\$132,200,588.97	\$38,118,750	\$38,118,750