- #323 Affordable Housing Development, Preservation and Sustainability
- #324 Affordable Rental Housing, Property Management and Maintenance
- #325 Tenant Subsidies and Resident Services
- #326 Homeownership and Relocation Services
- #327 FCRHA/HCD Program Planning, Development and Management

Overview

The Fairfax County Department of Housing and Community Development (HCD) strives:

> To create and preserve affordable housing and caring, livable communities; serve the diverse needs of Fairfax County's residents through innovative programs, partnerships and effective stewardship; and foster a respectful supportive workplace.

Affordable housing is a basic need that is essential to individual and family stability, as well as economic development. Having a home that is affordable is the foundation for success for families regardless of their capacity; it is a place to learn and grow; to raise children; to recover from illness; and to age with dignity. Additionally, to be able to live near work enhances one's quality of life and helps to protect the environment. While Fairfax County is one of the wealthiest counties in the country, there are many who struggle each day to find an affordable home. This challenge is not limited to those with low incomes, the elderly or those with disabilities. Many working individuals and families also find themselves allocating a significant portion of their household budgets to housing. For example, more than 46 percent of all renters in Fairfax County are rent burdened, meaning they pay more than 30 percent of their household income in rent; more than two-thirds of renter households with extremely low-income (earning 30 percent of the Area Median Income and below) have severe cost burdens, meaning they pay more than 50 percent of their income for rent.

The need for affordable housing in Fairfax County is significant and growing. Like most services, the need grows as the population increases. Since FY 2008, the County's population has increased by more than 75,000 people or 7.2 percent. This growth equates to a third of Arlington County's total population. Even more striking is the near 33 percent growth in the number of people, or over 16,000, in Fairfax County living below the federal poverty level during the same period. While the County's poverty rate of 5.8 percent is low by most standards, this is an increase over the 4.8 percent poverty rate in FY 2008 and equates to nearly 67,000 people living below the federal poverty level who are struggling to make ends meet and put a roof over their head.

The significant increase in the cost of rental housing, up nearly 20 percent since FY 2008, combined with nearly flat incomes (see following table), compounds the struggle faced by many families and individuals in Fairfax County. For example, in Fairfax County, the National Low Income Housing Coalition *Out of Reach 2015* report found that the annual salary needed to afford a two-bedroom apartment at the U.S. Department of Housing and Urban Development (HUD) Fair Market Rent (FMR) of $1,458 was $58,320. According to the report, a minimum wage earner would have to work nearly four full-time jobs to afford a two-bedroom unit at the FMR in Fairfax County. Given that the 2014 U.S. Census Bureau American Community Survey indicates that there were an estimated 70,717 households in Fairfax County earning less than $50,000 per year, representing about 46 percent of the $109,200 AMI for a family of four, it is not a surprise that Fairfax County has an estimated current affordable housing gap of about 30,000 units for low- and moderate-income renters (Virginia Tech Center for Housing Research).

Selected Demographic Indicators

Metric	FY 2008	FY 2015	Change
Population	1,045,700	1,120,875	+75,175 +7.2%
Individuals living below the federal poverty level in Fairfax County	50,200	66,725 (2014)	+16,525 +32.9%
Number of Households Earning < $50,000 Per Year, Fairfax County	69,477	70,717	+1,240 +1.8%
Average Rent for Rental Housing in Fairfax County	$1,341	$1,590 (FY 2014)	+$249 +18.6%
Number of Households Whose Gross Rent as a Percentage of Household Income > 30%	43,532 45.0%	56,473 46.1% (2014)	+12,941 +29.7%
Median Family Income, Fairfax County	$126,910	$128,066 (2013)	+$1,156 +0.9%

The recent decrease in housing prices associated with the recession relieved some pressure; however, tighter credit standards, the continued relative strength in the job market and above-average housing prices compared to the rest of the country, continue to make Fairfax County a profoundly challenging housing market for low- and moderate-income working households. This is particularly true for new entrants into the housing market who are coming to pursue new jobs. Based on job growth and housing data prepared by the Center for Regional Analysis at George Mason University, it is estimated that there will be a need for as many as 49,284 net new affordable units for households earning up to $124,000 per year (slightly over 115 percent of the AMI) by 2032. This projected affordable housing gap threatens the County's future economic competitiveness as it adversely impacts employers' ability to attract and to retain workers. *The 2015 Strategic Plan to Facilitate the Economic Success of Fairfax County* highlights this linkage in Goal 2: Create Places Where People Want to Be and Goal 5: Achieve Economic Success through Education and Social Equity.

Additionally, to ensure that the significant investments made by the County's human services system and its community partners are most effective and have the best possible outcomes, an adequate affordable housing stock is essential. Given its ability to leverage complex financing tools such as federal tax credits, as well as its partnerships in the development community, the Fairfax County Redevelopment and Housing Authority (FCRHA) and Department of Housing and Community Development (HCD) have developed, preserved and rehabilitated affordable homes that serve low- to moderate-income families and individuals, including clients of the Fairfax-Falls Church Community Services Board (CSB), the Office to Prevent and End Homelessness (OPEH), and the Department of Family Services (DFS).

Given that the number of housing units in the County older than 20 years has increased 71 percent in the last decade, the need for rehabilitation has increased. Significant investments are needed to ensure that the housing stock remains sustainable going forward. This is particularly the case for housing owned and operated by the FCRHA, the average age of which is approximately 30 to 35 years.

The FCRHA is one of the finest public housing agencies in the United States, having consistently been designated as a "high performer" by HUD. As a result, the FCRHA was named in 2013 as a HUD "Moving to Work" agency.

The FCRHA is meeting its mission of providing housing for low- and moderate-income people, including some of the most vulnerable of Fairfax County's residents. The average household income served in these programs in FY 2015 was $24,190, or approximately 25 percent of the Area Median Income (AMI) for a family of three; this meets the federal definition of "extremely low income". Of the 193 formerly homeless households provided with permanent housing in FY 2015, a total of 107, or 55 percent, were housed using FCRHA or HCD resources. A total of approximately 35 percent of all households served in FCRHA-managed rental housing and tenant subsidy programs include at least one person with a disability.

Housing Blueprint

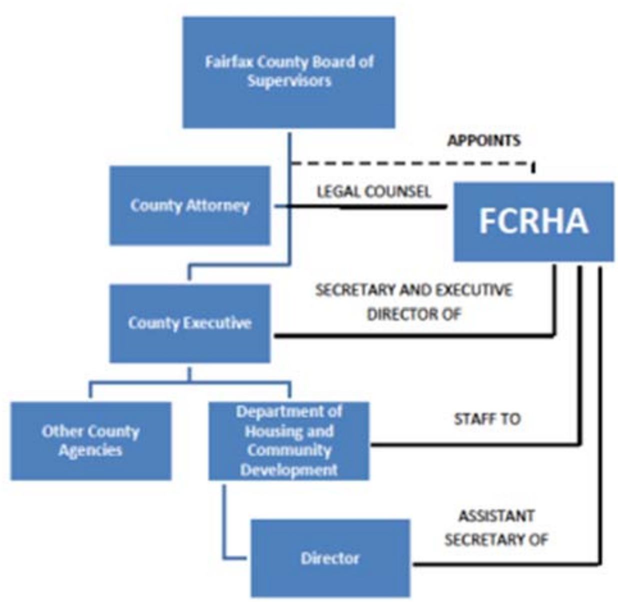
In January 2010, the Board of Supervisors endorsed a strategic affordable housing policy, known as the "Housing Blueprint", which focuses on providing housing for those with the greatest need, including homeless families and individuals, persons with disabilities, and households with extremely low-incomes. The Blueprint also emphasizes partnering with the County's non-profit community to provide creative affordable housing solutions, refocusing of existing resources, and fostering the development of workforce housing through land use policies and public/private partnerships. The Blueprint has four goals:

- To end homelessness in 10 years;
- To provide affordable housing options to those with special needs;
- To meet the affordable housing needs of low-income working families; and
- To produce workforce housing sufficient to accommodate projected job growth.

A set of specific Blueprint metrics is established each year to guide the work of the FCRHA and HCD. The commitment of resources and metrics reflect the Board-adopted 10-Year Plan to Prevent and End Homelessness and the recommendations of the Fairfax County Affordable Housing Advisory Committee, in concert with the priorities of the FCRHA, the interagency Housing Options Group, and the CSB.

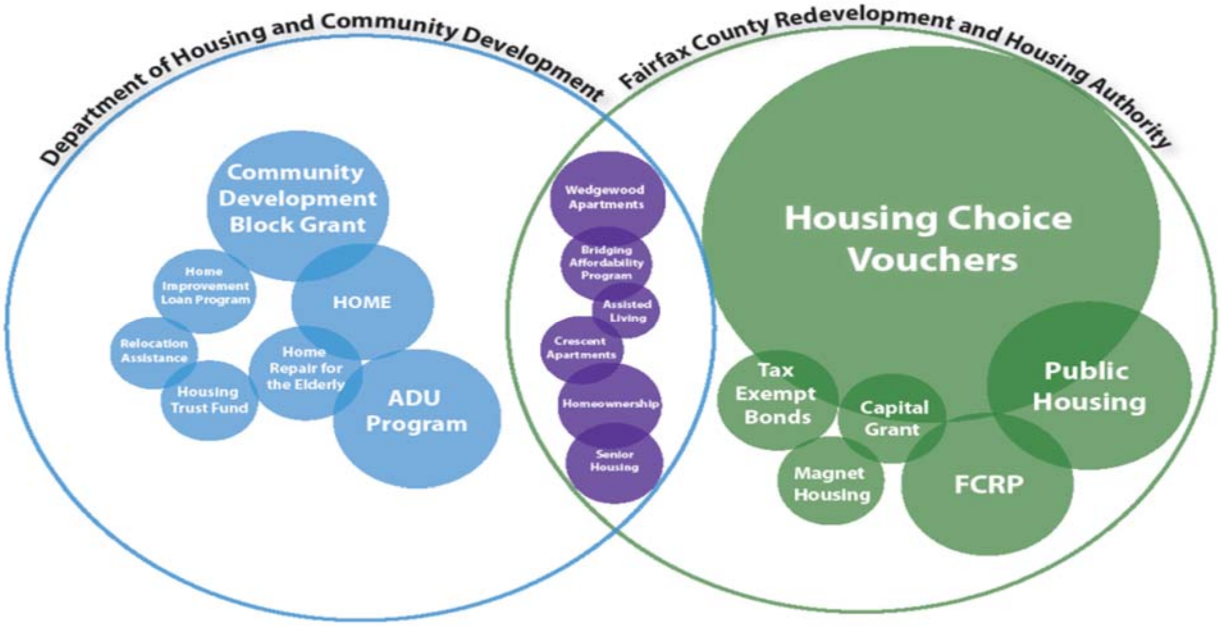
Department of Housing and Community Development and the Fairfax County Redevelopment and Housing Authority: A Unique Partnership

HCD serves as the administrative arm of the FCRHA, a separate legal entity established in 1966 pursuant to Chapter 1, Title 36 of the Code of Virginia, and, as a County agency, also undertakes programs on behalf of the Board of Supervisors. The FCRHA's roles include planning, design, production, and rehabilitation and maintenance of housing for low- and moderate-income households. Eleven Commissioners are appointed to the FCRHA for four-year terms by the Board of Supervisors. A chairman and vice-chairman are selected by a vote of the commissioners.



HCD administers the FCRHA's housing programs, including the federal Public Housing and Housing Choice Voucher programs, and the Fairfax County Rental Program. HCD also manages housing and community development programs for the Board of Supervisors, including programs funded with federal Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds, the First-Time Homebuyers Program, and the Bridging Affordability Program (see chart). Fairfax County provides not only staff to the FCRHA, but also vital professional services such as legal counsel and financial management.

This unique partnership, by which a department of the local government acts as staff to the housing authority, facilitates an unprecedented level of collaboration and integration for the County's housing and human service programs, which ultimately leads to increased program effectiveness and improved outcomes.



For example, the FCRHA, as the County's housing finance agency, is able to issue debt and make loans to facilitate affordable housing development and redevelopment generally. The FCRHA has issued more than $650 million in bonds since its inception, and continues to be the critical source of gap financing for the County's affordable housing development community. HCD staff conducts all of the underwriting and analysis of proposed projects, in partnership with the Office of the County Attorney, to provide recommendations to the FCRHA Board.

From an operational standpoint, this unique partnership is evident in communities across the County, providing added value. Fairfax County's Lincolnia Senior Residences, for example, includes a senior living community comprised of 26 affordable rental apartments and 52 beds of assisted living. The rental apartments are affordable to low- and moderate-income seniors aged 62 and over; the assisted living portion of the property serves seniors aged 62 and over and persons with disabilities aged 55 and over. The Lincolnia Senior Residences are operated by the FCRHA. The property also includes a senior center, operated by the County's Department of Neighborhood and Community Services (NCS), which offers exercise classes, table games and other social activities and cultural enrichment events. In addition, the property includes an Adult Day Health Care Program operated by the County's Health Department, which serves residents of housing and the surrounding community. In addition to operating the housing and assisted living, HCD is responsible for managing and maintaining the entire facility. The Lincolnia complex is located in a former elementary school, which was renovated by HCD for housing and senior recreation purposes.

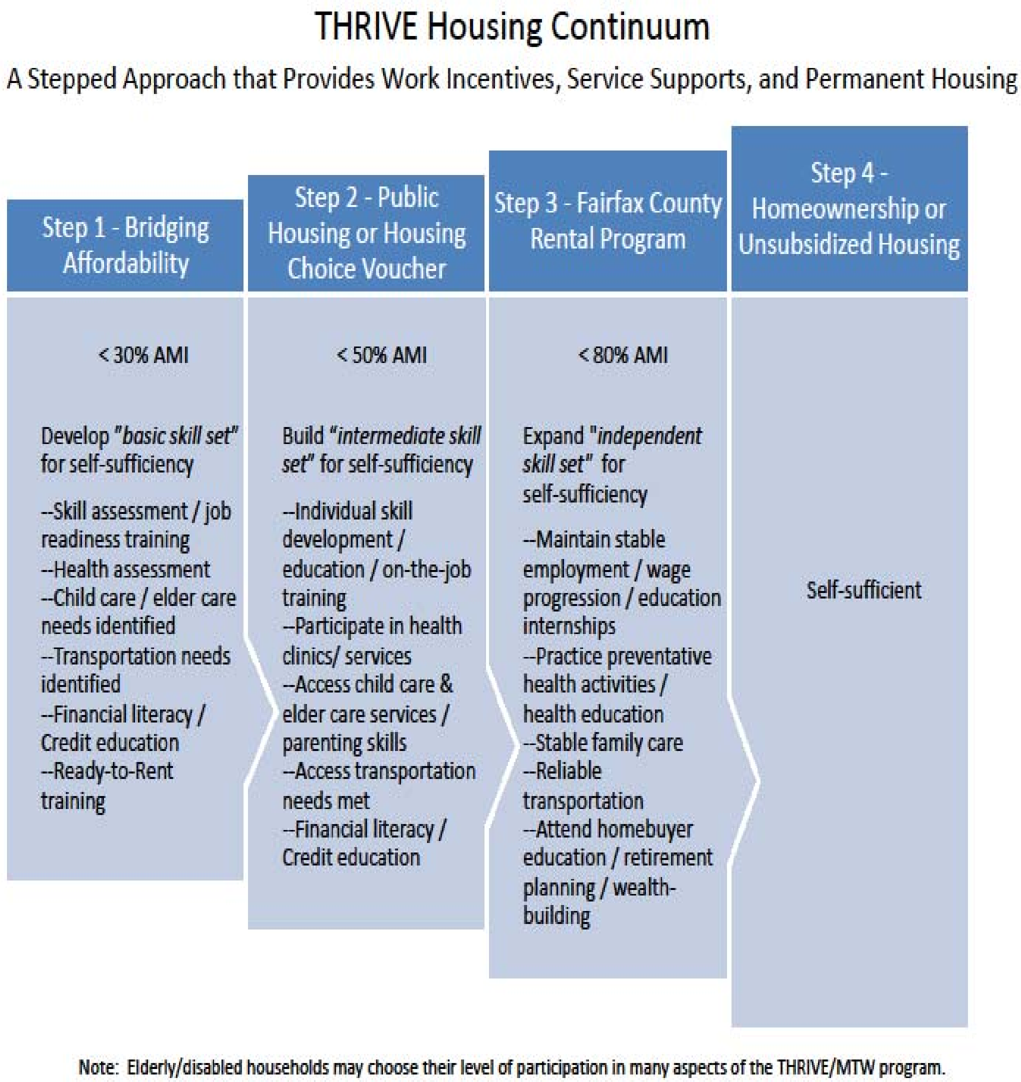
Program Highlights

On any given day, there are approximately 18,000 County residents housed by the FCRHA/HCD. As of June 30, 2015, the FCHRA/HCD owned and/or operated a total of 3,030 units of multifamily housing, and 832 units/beds of specialized housing that were leased to families and individuals with low- and moderate-incomes. The specialized housing is comprised of 504 units of independent senior housing, 112 beds of assisted living, and 39 units of other specialized housing. In addition, the FCRHA owns group homes and shelter facilities with 62 beds of supportive housing and a mobile home park with 115 pads. Rental assistance is also provided by FCRHA/HCD, with the federal Housing Choice Voucher (HCV), also known as Section 8, program being the most significant component. HUD has granted the FCRHA the authority to lease up a total of 3,868 vouchers in the HCV Program, 3,568 of which are under the federal MTW program.

While there are more details in the individual Lines of Business (LOBs), it is helpful to describe FCRHA/HCD programs and services in relation to the THRIVE housing continuum. THRIVE, or Total Housing Reinvention for Individual Success, Vital Services and Economic Empowerment, is an overall effort by the FCRHA to ensure that its customers realize their individual level of self-sufficiency, not only providing access to safe and affordable housing, but also connecting them to the robust array of services and supports offered by the County's human services system and by the community to help them succeed and become self-sufficient. The FCRHA's designation as a HUD Moving to Work agency is an integral component of THRIVE. The elite MTW designation gives housing authorities the flexibility to combine the federal resources in the Public Housing and HCV programs to create programs that work best for residents; to test innovative, locally-designed strategies to improve cost-effectiveness; and to help families achieve self-sufficiency. The federal funds are considered fungible and flexible provided certain baseline targets are met.

With these goals in mind, the FCRHA provides a continuum of affordable housing ranging from rental vouchers and Public Housing; to moderately-priced rental apartments and townhouses; all the way to affordable programs for homeownership. Each person or family fits somewhere along this continuum and it is the goal of THRIVE to help individuals find the right fit at the right time, based on a household's income, skill set, and need. THRIVE allows participating households to move through the different steps of the Housing Continuum as they become more self-sufficient.

The four steps in the Housing Continuum – Bridging Affordability, Public Housing or Housing Choice Voucher, Fairfax County Rental Program, and Homeownership or Unsubsidized Housing – provide a range of housing types and subsidy levels, each tied to the attainment of certain self-sufficiency skills.



- Step One – Bridging Affordability. The Bridging Affordability Program is a local rental subsidy program created in FY 2012 designed to serve extremely low-income households earning 30 percent of the Area Median Income (AMI) and below, including those who are homeless. In Step One, participating households will focus on building basic self-sufficiency skills such as job readiness and financial literacy; they receive "ready to rent" training, and receive services aimed at addressing basic self-sufficiency barriers, such as identifying child/elder care needs and assessing health needs. The program was developed through the collective effort of non-profit organizations, community advocates, the FCRHA, CSB, and OPEH. Bridging Affordability is operated by a collaborative of non-profit organizations funded in Fund 30300, The Penny for Affordable Housing Fund.
- Step Two – Public Housing or Housing Choice Voucher. The federal Public Housing and Housing Choice Voucher programs serve extremely- and very low-income households (earning 50 percent of AMI and below) that need assistance in attaining an intermediate self-sufficiency skill set. Participants in Step Two receive services designed to provide individual job skill development, address transportation needs, and ensure ongoing participation in health care services.

- Step Three – Fairfax County Rental Program (FCRP). The local FCRP serves low- and moderate-income households (earning 80 percent of AMI and below) working toward an independent skill set, who are able to maintain stable employment, are participating in preventative activities, and are pursuing financial education such as retirement planning and homebuyer training.
- Step Four – Homeownership or Unsubsidized Housing. At Step Four, individuals and families are considered self-sufficient. To ensure long-term success, the FCRHA engages private landlords to offer initial discounts on their market rate housing as a way to ease this transition.

Households can enter the continuum at any step, based on their skills and individual needs. Households receive an individual assessment by FCRHA staff to determine what step in the continuum is right for them. For example, a homeless family that enters Step One – Bridging Affordability can progress directly to Step Three – FCRP if their skills and income increases sufficiently to do so. Similarly, a household may enter Step Three – FCRP directly if their income and skills allow.

The development and preservation, as well as the sustainability, of affordable housing are also critical. The preservation of affordable rental housing has long been a concern of the Board of Supervisors, the FCRHA, and the community. The stock of privately-owned subsidized units and non-subsidized rental housing with modest rents in the County has been declining as owners reposition their properties in the market. The centerpiece of the initiative is Fund 30300, The Penny for Affordable Housing Fund, which is the dedication of a "half penny" of the real estate tax rate for affordable housing initiatives. Through the work of the FCRHA/HCD, a total of 2,757 units of affordable housing were preserved as of the end of FY 2015.

The FCRHA and HCD facilitate the development of Affordable Dwelling Units (ADU) and Workforce Dwelling Units (WDUs). The Affordable Dwelling Unit Ordinance requires developers of certain housing developments to set aside up to 12.5 percent of new units as affordable housing (6.25 percent for multifamily rentals) in return for additional density. The FCRHA has the right to acquire up to one-third of the ADUs offered for sale and to lease up to one-third of the rental units. The remaining units are sold or rented to moderate-income households. As of June 30, 2015, a total of 2,598 units (1,219 rentals and 1,379 for-sale units) have been produced under the ADU program; the FCRHA has acquired 143 of the for-sale units, which are maintained as permanent affordable rental housing. The WDU policy is a proffer-based incentive system adopted by the Board of Supervisors in September 2007 as a part of the Comprehensive Plan. This policy is designed to foster the construction of housing affordable to moderate-income households in high-rise, high-density projects that are otherwise exempt from the ADU requirement. A total of 5,130 WDUs have been committed by developers via approved rezoning actions; as of June 2015, 316 rental units have been constructed.

It is critical that the FCRHA/HCD maintains its important affordable housing assets and is able to identify adequate resources when major rehabilitations are necessary. Along these lines, the FCRHA has also evaluated its Public Housing portfolio for conversion under the HUD Rental Assistance Demonstration (RAD) program. RAD allows housing authorities to convert traditional Public Housing units to a new, project-based Section 8 subsidy model. Conversion to RAD has a number of advantages, including providing more mobility for residents that is not currently available under Public Housing. Additionally, the federal subsidies are "bankable," meaning they can be used to leverage private equity to make capital improvements on aging Public Housing properties.

More detail regarding the affordable housing programs and services provided by the FCRHA/HCD is provided in the individual LOBs.

In the coming year, the FCRHA will also continue to implement its Moving to Work designation from HUD, and continue the process of converting units in its Public Housing portfolio to Section 8 subsidies under the Rental Assistance Demonstration (RAD). The FCRHA/HCD will also begin the process, in partnership with the Board of Supervisors and the community, to develop a comprehensive strategic plan for housing in Fairfax County.

Given the composition of the regional economy, high housing costs are likely to prevail going forward. This will continue to present challenges for individuals with low- and moderate-incomes. Additionally, unless income growth hastens, the number of families and individuals who are cost burdened will grow, thereby placing pressure to increase the stock of and access to affordable housing.

In addition, since the provision of affordable housing requires significant capital investment, viable projects and time, coupled with rising needs from the County's human service system, particularly for individuals with disabilities and those with severe mental health or developmental disabilities, meeting future demands will be a challenge, especially in light of tight resource constraints at the federal and local levels.

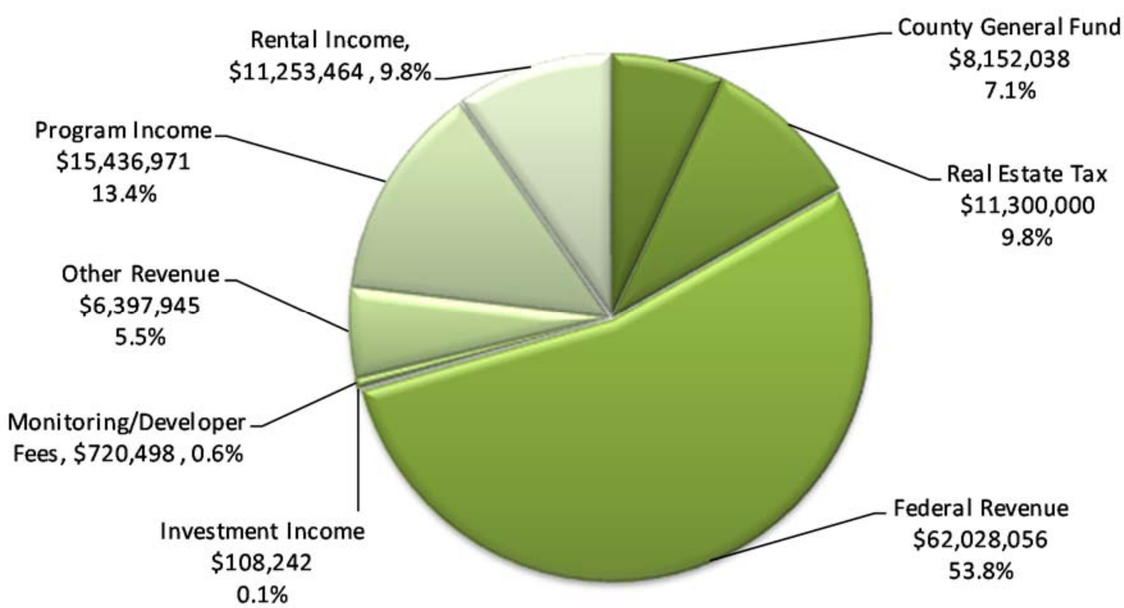
Resource Overview

The unique partnership of the FCRHA and HCD allows Fairfax County to leverage its FY 2016 investment of $19.5 million in local dollars with $95.9 million in federal and other non-locally appropriated funds – a leverage ratio greater than 5 to 1. Given the complexity of its funding sources, the FCRHA/HCD's financial structure comprises 19 funds, some of which are appropriated by the Board of Supervisors, while others are allocated by the FCRHA. These 19 funds encompass all of the operations of FCRHA/HCD with the exception of several housing developments that are operated by outside management companies under contract with the FCRHA and/or are owned by the FCHRA in partnership with private investors. Separate financial records are maintained for these developments and monitored regularly by FCRHA/HCD financial and program staff.

It is also worth describing some of the unique dynamics that impact FCRHA/HCD finances. For example, as noted in LOB #323, Affordable Housing Development, Preservation and Sustainability, there are significant capital projects that are undertaken to fulfill the mission of the agency. As is customary with capital projects, the spending occurs over several fiscal years, thereby somewhat distorting the picture one gets by focusing on any one fiscal year. In other words, the revenue for a project may be recognized in one year, whereas the associated expenditures could span several subsequent fiscal years. Comparing revenues and expenditures in any particular year, therefore, does not provide the complete picture. This must be considered when looking at the data presented in the LOBs.

Another factor to consider is that some of the capital funds, as well as some of the grant funds, are typically not budgeted during the County's annual budget process since project balances rollover from prior years during the Carryover process. Thus, since the resources and the associated spending that ultimately results can vary significantly from the Adopted Budget, it is important to considered multiple years of actual spending when evaluating any particular program or LOB in the aggregate. That being said, actuals and the baseline budget are useful reference points in talking about FCHRA/HCD resources and spending.

FY 2016 Revenues by Major Category



As shown in the preceding chart:

- It is important to note that FCRHA/HCD programs and services are primarily supported by non-County resources. In fact, FY 2015 actuals reflect a ratio of non-County to County funding of 5.3-to-1.
- The majority of FCRHA/HCD operations are supported by federal revenue (53.8 percent, or $62.0 million in FY 2016). HCV accounts for the majority, with $50.9 million in FY 2016, followed by CDBG with $4.8 million, Public Housing's Operating Subsidy with $3.0 million, and HOME with $1.5 million.
- The second biggest category of revenue is Program Income (13.4 percent, or $15.4 million in FY 2016) which is primarily comprised of revenue generated from clients from other jurisdictions that "port in" to Fairfax County in the HCV Program, generating $6.8 million in FY 2016, followed by management fees paid to the FCRHA by the properties it manages with $3.4 million, resale of units in the Moderate Income Direct Sales Program with $2.3 million, and FCRHA reimbursements from partnership properties with $2.2 million.
- Rental Income paid by clients housed in FCRHA/HCD properties supports a notable portion of operations (9.8 percent, or $11.3 million in FY 2016) and demonstrates a shared responsibility between the FCRHA/HCD and the clients.
- Real Estate Tax Support from the half penny on the County's real estate tax contributes primarily to the preservation and development of affordable housing (9.8 percent, or $11.3 million in FY 2016).
- While the County General Fund support is relatively small compared to the other revenue sources (7.1 percent, or $8.2 million in FY 2016), it provides more flexible funding that is integral to the FCRHA/HCD being able to adapt quickly to changing circumstances, address Board of Supervisors priorities and fill gaps where other resources are insufficient to completely cover program needs.

In terms of spending:

- Most of the FCRHA/HCD spending is on program operations (82.9 percent, or $95.6 million in FY 2016).
- Compensation supporting the FCRHA/HCD staff represents the remainder of the spending. It should be noted that of the 232 merit positions, 118 positions, or just over half, are grant positions fully supported by federal grant funding. Of the remaining 114 merit regular positions, 58 are supported by FCRHA funding, leaving approximately half funded by the County's General Fund.

It should be noted that this consolidated presentation (including the Resource table that follows) includes Agency 38, Department of Housing and Community Development, in the General Fund, as well as Fund 30300, The Penny for Affordable Housing Fund; Fund 30310, Housing Assistance Program; Fund 40300, Housing Trust; Fund 40330, Elderly Housing Programs; Fund 40360, Homeowner and Business Loan Programs; Fund 50800, Community Development Block Grant; Fund 50810, HOME Investment Partnerships Program; Fund 81000, FCRHA General Operating; Fund 81020, FCRHA Non-County Appropriated Rehabilitation Loan Program; Fund 81030, FCRHA Revolving Development; Fund 81050, FCRHA Private Financing; Fund 81060, FCRHA Internal Service Fund; Fund 81100, Fairfax County Rental Program; Fund 81200, Housing Partnerships; Fund 81500, Housing Grants; Fund 81510, Housing Choice Voucher Program; Fund 81520, Public Housing Projects Under Management; Fund 81530, Public Housing Projects Under Modernization; and, some funding from Fund 50000, Federal/State Grants.

Resources

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
FUNDING			
Expenditures:			
Compensation	$13,912,255	$13,496,371	$15,625,353
Benefits	4,293,023	3,840,696	4,579,018
Operating Expenses	91,544,316	89,950,803	94,005,180
Work Performed for Others	(249,375)	(273,250)	(512,500)
Capital Projects	2,514,945	3,614,405	0
Grant Expenditures	1,763,512	1,574,679	1,589,314
Total Expenditures	$113,778,676	$112,203,704	$115,286,365
General Fund Expenditures	$5,561,417	$5,799,580	$6,255,389
Revenues:			
Federal/State Revenue	$61,888,234	$64,307,758	$62,028,056
General Fund Contributions	5,561,417	5,799,580	6,255,389
Program Income	19,338,353	14,334,359	15,436,971
Investment Income	75,170	95,543	108,242
Monitoring/Developer Fees	1,537,640	1,673,881	720,498
Rental Income	10,278,229	10,751,166	11,253,464
Real Estate Tax Revenue	10,330,000	10,930,000	11,300,000
Other Revenue	7,027,241	6,647,869	6,397,945
Total Revenue	$116,036,284	$114,540,156	$113,500,565
Transfers In:			
Transfer In from General Fund	$1,864,271	$1,869,683	$1,896,649
Total Transfers In	$1,864,271	$1,869,683	$1,896,649
POSITIONS Authorized Positions/Full-Time Equivalents (FTEs)			
Positions:			
Regular	115 / 115	115 / 115	114 / 114
Grant	118 / 118	118 / 118	118 / 118
Total Positions	233 / 233	233 / 233	232 / 232

(1) Please note that Fund 81060, FCRHA Internal Service Fund, has been excluded from the analysis since its role is to allow the accumulation of central charges which are later allocated to the other funds. To include it in the analysis would result in duplicated appropriations and revenues.

Lines of Business Summary

		FY 2016 Adopted	
LOB #	LOB Title	Disbursements	Positions
323	Affordable Housing Development, Preservation and Sustainability	$25,179,915	28
324	Affordable Rental Housing, Property Management and Maintenance	23,361,030	105
325	Tenant Subsidies and Resident Services	61,170,244	51
326	Homeownership and Relocation Services	793,396	8
327	FCRHA/HCD Program Planning, Development and Management	4,781,780	40
Total		$115,286,365	232

Lines of Business

LOB #323:

AFFORDABLE HOUSING DEVELOPMENT, PRESERVATION AND SUSTAINABILITY

Purpose

Given the significant gap in affordable housing, and the potential threats it poses to the County's desire to be a caring community, the investments made by the County's human services system and future economic competitiveness, HCD's mission, under the leadership of the Board of Supervisors and the FCRHA, is to create and preserve affordable housing. Additionally, it is essential that the housing stock is rehabilitated to ensure that it is safe and sustainable going forward. These activities require significant capital resources, as well as technical development, engineering and real estate finance expertise. Thus, LOB #323 is primarily focused on development activities and capital formation. This is accomplished through the development of strategic partnerships with private investors, non-profits and other public agencies and development activities.

Description

Given the aforementioned purpose, the majority of this LOB's major activities/programs, as well as relevant funds, are summarized below:

	Activity/ Program	Description/ Associated Fund	FY 2016 Funding[1]
Debt Service & Development Support	Affordable Housing Debt Service	Debt service for Wedgewood and Crescent. Fund 30300, The Penny for Affordable Housing Fund	$9.1m
	Development Support	Fund 81030, FCRHA Revolving Development, is a source of funding for predevelopment and development activities. Temporary advances are provided for architectural and engineering plans, studies, or fees for which federal, state, County, or private funds will reimburse the FCRHA at a later date. Fund 81050, FCRHA Private Financing, is used to budget and report costs for capital projects which are supported in full or in part by funds borrowed by the FCRHA through the issuance of notes and/or bonds, or through the use of equity financing received through federal low-income housing tax credits. This fund makes it possible to account for the receipt and disbursement of private funds within the County's financial system. Once permanent financing is secured, the fund is reimbursed and resources are available for new projects designated and approved by the FCRHA. *As a capital fund, the majority of the resources are not reflected in the FY 2016 Adopted Budget Plan, but unspent balances from the prior year are carried over once the fiscal year begins.	$0*

	Activity/ Program	Description/ Associated Fund	FY 2016 Funding[1]
Affordable Housing Development & Preservation	Housing Blueprint	Provides funding for development and preservation projects via a competitive process which leverages resources in the non-profit sector, as well as the private market. Fund 30300, The Penny for Affordable Housing Fund	$6.6m
	Moderate Income Direct Sales (MIDS) Program	Reflects the capital side of the acquisition and subsequent resale of units originally in the MIDS Program. The actual program and activity are monitored by the Homeownership Division, see LOB #326, Homeownership and Relocation Services, for more information. Fund 40360, Homeowner and Business Loan Program	$2.3m
	Consolidated Community Funding Pool (CCFP) - Affordable Housing	Funding is allocated to community nonprofits via the CCFP to support the provision, development and preservation of affordable housing in accordance with CDBG eligibility criteria and the priorities developed through an extensive community engagement process and adopted by the Board of Supervisors. Fund 50800, CDBG	$1.1m
	HOME Investment Projects- Development Costs	Provides affordable housing through acquisition, rehabilitation, and new construction. Allocated to projects as outlined in the Consolidated Plan: One Year Action Plan for FY 2016. Fund 50810, HOME Investment Partnerships Program	$0.6m
	Housing Trust Fund	Supports the development, acquisition, and redevelopment of affordable housing. Fund 40300, Housing Trust Fund	$0.6m
	Community Housing Development Organization (CHDO) Set Aside	As required by the grant, a minimum set aside of 15 percent is allocated to assist CHODOs to develop and preserve affordable housing. Fund 50810, HOME	$0.2m
Homeowner Rehabilitation & Repair Assistance	Home Repair for the Elderly Program (HREP)	Provides labor and up to $500 in materials to eligible older adults and adults with disabilities for minor home repairs. Fund 50800, CDBG	$0.3m
	Home Improvement Loan Program (HILP)	Provides financial and technical assistance to qualified low- and moderate-income homeowners for rehabilitation or repair of their property. Priority is given to the cases involving health and safety code violations. Fund 40360, Homeowner and Business Loan Program	$32,200
Community Improvements	Section 108 Loan Repayments	Funds public improvements in targeted communities. Improvements include road, storm drainage, and sanitary sewer improvements, sidewalk installation, and renovation and expansion of community centers. Fund 50800, CDBG Fund 81050, FCRHA Private Financing	$1.2m

	Activity/ Program	Description/ Associated Fund	FY 2016 Funding[1]
	Housing Assistance Program	Provides a source of funds for the development of low- and moderate-income housing, as well as public improvements, in low- and moderate-income neighborhoods. *As a capital fund, the majority of the resources are not reflected in the FY 2016 Adopted Budget Plan, but unspent balances from the prior year are carried over once the fiscal year begins. Fund 30310, Housing Assistance Program	$0*
Subtotal			**$22.0m**

[1] Please note that amounts reflect the FY 2016 Adopted Budget Plan and not unspent balances that will carry forward from previous years.

Looking Ahead

Even as success is achieved in helping to bolster the self-sufficiency of individuals and families with low- and moderate-incomes, the high cost of housing will continue to be an issue for the community. More affordable housing will be needed to preserve the social and economic diversity that is essential to the County's continued economic success. At the same time, the sustainability of current affordable housing assets must be addressed in terms of resources needed for rehabilitation and modernization. This is with the backdrop of constrained local and federal resources and increased need to support the County's human services system, as well as FCRHA and Board of Supervisors priorities. Staff will continue to maximize available funding and explore other opportunities to minimize the demands on local resources.

On the immediate horizon are a number of critical affordable housing projects being led by HCD; examples include:

- **The Residences at the Government Center** (Braddock District). Private funding will be leveraged for an innovative, high quality, mixed income, 270-unit apartment complex on its Government Center campus. In 2008 Fairfax County, through the solicited Public Private Educational Facilities Infrastructure Act (PPEA) process, selected Dallas based JPI to build and operate the project. The County, using no money of its own, leveraged a $57 million investment by JPI's assignee, Jefferson Apartment Group, through a long-term ground lease of the eight acre County-owned site. The FCRHA issued bonds for a portion of the project. The first apartments will be available for lease in October 2016 with project completion anticipated by December 2016.
- **Lincolnia Residences Renovation** (Mason District): Renovation of a complex which provides space for three separate operations: Senior Housing and Assisted Living managed by HCD on behalf of the FCRHA; a Senior Center operated by the Department of Neighborhood and Community Services (NCS); and an Adult Day Health Care Center managed by the Health Department. The FCRHA/HCD portion is comprised of 26 units of affordable apartments for seniors, 52 beds of licensed Assisted Living, common areas for residents, and a commercial kitchen which supports all on-site activities. The renovations are underway and will be completed in FY 2016.
- **Lewinsville Expansion** (Dranesville District): Redevelopment of the Lewinsville senior housing and services facility through a solicited PPEA competition. The planned project includes the demolition of the current facility and construction of two buildings, which will provide: 1) 82 units of Independent Living housing for the elderly; 2) space for the Health Department's Adult Day Health Care facility; 3) two private child day care centers; and 4) expansion of services of the existing senior center programs operated by NCS. In March 2015, the Board approved a Comprehensive Agreement with Wesley Hamel, which received approval for a Special Exception Amendment for the property. Wesley Hamel received an award of Low-Income Housing Tax Credits for the residential portion of the development in June 2015. Site work is planning to commence in April 2016, with construction of the residential and day care/senior center building planned to start in December 2016.

- **Murraygate Renovation** (Lee District): Includes extensive renovations on the 200-unit Murraygate Village apartment complex. Anticipated rehabilitation needs include mechanical replacement, site improvement, accessibility, modernization, and landscaping.

Of the 28 positions in this LOB, the majority are in either Design, Development, and Construction (DD&C) or Real Estate Finance and Grants Management. In DD&C, there are 12 merit positions responsible for real estate and land development, which includes the development, evaluation, and management of potential and actual Public Private Partnership for Educational Facilities and Infrastructure Act (PPEA) projects; capital project development and management; management, implementation and co-ordination of ADUs and WDUs; and management and operation of the Home Repair for the Elderly Program. Staff inspects properties to determine rehabilitation needs; preparation of rehabilitation drawings, specifications and cost estimates; bidding for contracting services; and construction monitoring. Staff prepares site and building schematics, participates in negotiations with developers, makes public presentations, and acts as liaison to County officials and other County agencies providing architectural and urban design assistance.

Half of these positions are supported by grant funding. More specifically, staff explores and pursues viable real estate and land opportunities that satisfy FCRHA and Board of Supervisors priorities, and manage large residential construction and renovation projects. These deals are extremely complex and require specific technical development, as well as real estate and engineering expertise. For example, staff participates in the development of feasibility studies and needs assessments, total project cost estimates, procuring and managing architect and engineer contracts, and oversight of construction contracts. Projects also require the management of specialized consultants, development of project needs assessments, as well as technical design and construction documents.

In Real Estate Finance and Grants Management, there are 10 merit positions, seven of which are supported by grant funding. These positions seek and obtain funding for the loan programs, provide community outreach on the programs, and technical support for non-profit organizations, community organizations, and other County agencies. Thorough knowledge of complex financing tools, such as federal tax credits and real estate deal structuring, is integral to the creation and review of development and rehabilitation project financing plans.

Benefits

Having homes that are affordable to a range of incomes is essential to the continued economic success of Fairfax County. In a very real sense, affordable housing development is economic development. Not only do new communities that provide affordable homes – such as the Residences at the Government Center – increase the County's tax base, they also give the County's low- and moderate-income workers the chance to live near their work. The rehabilitation of affordable communities, such as the planned work at Murraygate Village, ensures that these resources will be sustainable homes their residents can be proud of for many years to come.

Ensuring that its housing infrastructure provides a diverse range of options will help ensure that Fairfax County will continue to be competitive in attracting new businesses. This is critically important considering the significant vacancies in commercial and industrial buildings in the County. Notably, of the 116.2 million square feet of office space available in Fairfax County at year end 2014, 82.3 percent was occupied, and of the industrial/flex space available of 38.9 million square feet, 87.1 percent was occupied.

This LOB has increased the stock of affordable housing in Fairfax County, resulting in safe stable homes for many families and individuals struggling to make ends meet. Without the work done by this LOB, these individuals may be homeless or in unstable living arrangements. Having a safe place to call home enables these individuals to work on increasing their economic self-sufficiency, as well as other issues that may be presenting them with challenges such as mental health and other disabilities. Children are better positioned to perform better in school, make friends, and feel safer when they have a roof over their head. Older adults are able to remain in the community where they raised their families.

In addition to helping residents, affordable housing benefits the community in significant ways. Typical benefits include:

- Retaining/attracting employers who require affordable housing for their lower level employees. The high cost of housing is one of business' most frequently cited impediments to recruiting and maintaining employees;
- Revitalizing distressed areas;
- Reducing traffic congestion and improving air quality;
- Directing economic benefits to the local community, such as increased jobs and sales taxes; and,
- Promoting economic and social integration while building community.

Community Partners/Resources Leveraged
Funds awarded through the CCFP were used to support nonprofit housing providers in acquiring and preserving 50 affordable housing units in FY 2015. Additionally, using the Community Housing Development Organization (CHDO) Set-Aside, a portion of Fairfax County's HOME funds were set aside to assist in developing/acquiring/preserving 26 units/beds of affordable housing in FY 2015.

As of the end of FY 2015, a total of 2,757 affordable units have been preserved under the Board of Supervisors' Affordable Housing Preservation initiative utilizing a variety of funding sources. In FY 2015, the FCRHA/HCD used CDBG and HOME and CDBG funds to preserve a total of 56 units/beds via the financing of purchases by non-profit affordable housing providers. All non-profit units/beds preserved during FY 2015 have affordability periods of a minimum of 30 years.

Additionally, construction was recently completed on Kate's Place, which provides six units of County-owned permanent supportive housing for chronically homeless families. The project was financed with funds from the County's Housing Trust Fund and the federal HOME Program. Residents moved into the units in February 2015. At the end of 2015, through the rezoning process, 3,562 ADUs have been committed, of which 2,638 have been constructed. Through FY 2015, 5,130 WDUs have been committed with 316 rental WDUs having been delivered.

HREP
A total of 144 cases which served 111 households were completed by the **Home Repair for the Elderly Program** during FY 2015. The average household income served in FY 2015 was $22,249, or approximately 20 percent of the Area Median Income (AMI) for a one-person household; this meets the HUD definition of "extremely low -income".

Mandates

While this LOB is not mandated, where federal funding is used, there are "compliance" requirements. In other words, as a condition associated with the receipt of the federal funding, there are associated compliance mandates that include:

- Client eligibility determination;
- Spending requirements and restrictions such as those associated with the Davis-Bacon Act of 1931 and related requirements;
- Financial and program reporting; and,
- Organizational monitoring.

Trends and Challenges

Fairfax County's ability to sustain and grow the work of this LOB is challenged in a number of ways, including by the scope of the need and the dramatic increases in rents. There is a gap of 30,000 affordable rental homes for people who are currently in living in the County – this means people are paying more than they can afford for the housing they have. Based on projected job growth, the County may need as many as 50,000 new affordable units and workforce units by 2032.

The rental housing market has become increasingly difficult for low- and moderate-income families, with the average monthly rent in the County increasing from $1,168 in 2003 to $1,640 in 2014 – an increase of over 40 percent. It is important to note that between 2002 and 2010, approximately 8,051 rental housing units affordable at 70 percent of the Area Median Income (AMI) and below have been lost to rising rents, redevelopment, and condominium conversions. Without the Board's Affordable Housing Preservation Initiative, the loss would have been closer to 10,500 units – a direct result of the work performed under this LOB.

Beyond the scope of the need and the rapidly rising cost of rents, the greatest challenge to continued success under this LOB is the availability of resources. Federal funding levels for the development of affordable homes continues to be stagnant at best, and local budget constraints prevent the County from revisiting past investment levels. Notably, 9 percent Low Income Housing Tax Credits – one of the most impactful resources available to attract private investment in affordable housing development – have become increasingly competitive.

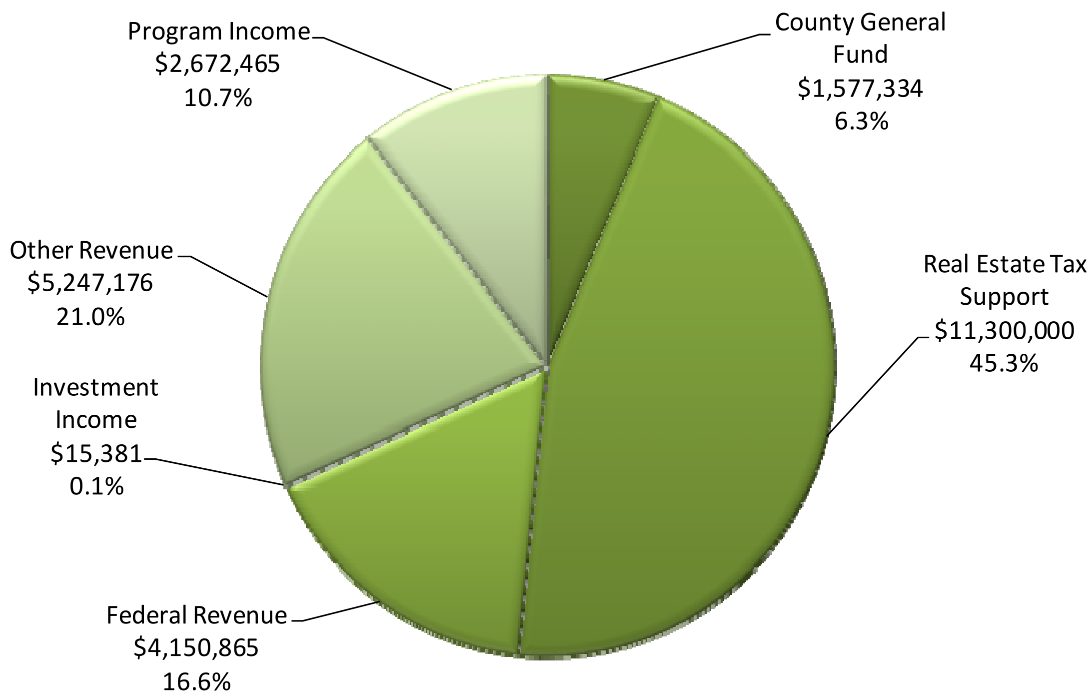
Finally, increases in land and construction costs place additional pressures on the ability of the development community, including the FCRHA and other mission-driven housing developers, to increase the stock of affordable housing.

In addition to the existing affordable housing gap and the projected need for new homes to meet the needs of the coming new workforce, the challenge of the "Silver Tsunami" is a major consideration. The FCRHA currently owns and operates 504 units of rental housing for active seniors, and 112 beds of assisted living, serving people with very low incomes; the need is anticipated to be much larger. The number of seniors aged 65 and up is expected to increase from 135,976 in 2015 to 192,314 in 2030 – an increase of 41 percent. Based on the forums conducted as part of the "50+" planning process, seniors reported that they want affordable, walkable housing that is connected to the larger community. They also want to be able to remain in their own homes, and to understand how their homes can "evolve" to meet their needs as they age. They also want to see universal and accessible design incorporated into the new communities being built in the County, to increase the amount of housing that is appropriate for future generations of seniors.

As mentioned in the Overview, the need for more affordable housing is evident and growing. It is a challenge to the County's future economic competitiveness, as well as the significant investments made by the County's human services system and community partners. Resource constraints will continue to be the main obstacle as increasing the County's stock of affordable housing requires significant investments. The high cost of land and construction will continue to constrain the future development of housing that is affordable in Fairfax County. Additionally, given that the current stock is aging, significant resources will be needed for increased maintenance and major rehabilitation projects.

Resources

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
LOB #323: Affordable Housing Development, Preservation and Sustainability			
FUNDING			
Expenditures:			
Compensation	$1,848,102	$1,591,375	$2,162,808
Benefits	429,955	419,156	485,998
Operating Expenses	19,353,435	18,763,995	22,531,109
Capital Projects	1,361,285	2,015,101	0
Total Expenditures	$22,992,777	$22,789,627	$25,179,915
General Fund Expenditures	$971,343	$802,295	$1,077,334
Total Revenue	$26,567,169	$22,733,724	$24,963,221
POSITIONS Authorized Positions/Full-Time Equivalents (FTEs)			
Positions:			
Regular	11 / 11	11 / 11	11 / 11
Grant	17 / 17	17 / 17	17 / 17
Total Positions	28 / 28	28 / 28	28 / 28



As shown in the preceding chart, based on the FY 2016 Adopted Budget Plan, the half penny on the County's Real Estate Tax is the most significant funding source for this LOB, contributing $11.3 million or 45.3 percent of total revenue. Other Revenue, which is primarily comprised of cash flow from Wedgewood, is the next largest contributor at $5.2 million and 21.0 percent, followed by Federal Revenue, largely CDBG funding, at nearly $4.2 million and 16.6 percent. Program Income of $2.7 million is principally from the Homeowner and Business Loan Program and reflects the revenue received when Moderate Income Direct Sales (MIDS) and Affordable Dwelling Units (ADU) are purchased and resold through the work of the Homeownership and Relocation Services Division. Since these are capital expenses, the expenditure and subsequent resale revenues are reflected in this LOB. For more details on the MIDS and ADU programs, please see LOB #326, Homeownership and Relocation Services. General Fund support of this LOB is $1.6 million, or 6.3 percent of the total revenues, and largely supports staff. HCD will continue its mission to preserve affordable housing through a mixed funding use approach.

Given this LOB's focus, 89.4 percent of the spending is in Operating Expenses, such as debt service and acquisition costs. Compensation and Benefits appropriations of $2.6 million support 28 positions. Of these positions, 17 are fully supported with federal funding, eight are supported by the General Fund and three by FCRHA funding.

The staff supporting this LOB primarily work in the Design, Development and Construction and Real Estate Finance and Grants Management Divisions whose work was described earlier.

Metrics

Metric Indicator	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Cumulative Number of Affordable Housing Units Preserved	2,638	2,701	2,757	2,857	2,957
Number of New Affordable Dwelling Units and Workforce Dwelling Units Produced by Inclusionary Zoning Policies	28	259	95	200	200
Households Served by the Home Repair for the Elderly Program	82	104	111	100	126

Affordable Housing Preservation and Development

As of the end of FY 2015, a total of 2,757 units have been preserved under the Board of Supervisors' Affordable Housing Preservation initiative utilizing a variety of funding sources. In FY 2015, HCD and the FCRHA used HOME and CDBG funds to preserve a total of 56 units/beds via the financing of purchases by non-profit affordable housing providers. All non-profit units/beds preserved during FY 2015 have affordability periods of a minimum of 30 years. Additionally, construction was recently completed on Kate's Place, which provides six units of County-owned permanent supportive housing for chronically homeless families.

Additionally, funds awarded through the CCFP were used to support nonprofit housing providers in acquiring and preserving 50 affordable housing units in FY 2015. Additionally, using the Community Housing Development Organization (CHDO) Set-Aside, a portion of Fairfax County's HOME funds were set aside to assist in developing/acquiring/preserving 26 units/beds of affordable housing in FY 2015. Finally, the development of the Residences at the Government Center will provide 270 new units of affordable workforce housing for individual with incomes ranging from 50 to 60 percent of the AMI.

Industrial Zoning/Affordable and Workforce Dwelling Unit Production

Leveraging the County's inclusionary zoning policies, a total of 5,130 Workforce Dwelling Units (WDUs) have been committed by developers and 316 rental WDUs have been constructed through FY 2015, including 95 in FY 2015. In addition, 3,562 ADUs have been committed, of which 2,638 have been constructed. The majority of these units are in the major employment centers of Fairfax County such as Tysons Corner, Reston and Merrifield. With the delivery of these units, there are new opportunities for households of all income tiers to live and work in the same community.

It is anticipated that another 200 WDUs and ADUs will be constructed during FY 2016 as a result of the County's inclusionary zoning. There are approximately another 1,200 units in the rezoning process not yet approved.

Home Repair for the Elderly Program

A total of 144 cases serving 111 households were completed by the Home Repair for the Elderly Program during FY 2015, thus providing safer housing for these individuals. This is an increase of 7 households over FY 2014. The FY 2016 estimate is lower than FY 2015, and represents a one-year deviation from the trend, due to a retirement. FY 2017 is expected to return to historical levels with the addition of a federally-funded position.

LOB #324:

AFFORDABLE RENTAL HOUSING, PROPERTY MANAGEMENT AND MAINTENANCE

Purpose

Given the Board of Supervisors' Affordable Housing Goal:

> "Opportunities should be available to all who live or work in Fairfax County to purchase or rent safe, decent, affordable housing within their means."

HCD, in conjunction with the FCRHA, manages and maintains quality affordable rental housing and administers rental housing programs in accordance with federal regulations and local policies.

Description

More than 3,500 FCRHA owned or operated residential units are leased to low- and moderate-income families and individuals housing nearly 9,000 people, including those with physical disabilities and mental health challenges, leveraging a mix of federal and local funds. The individuals served by these programs are typically in households earning about 30 percent of the County's AMI and include older adults, persons with disabilities, and individuals with significant mental health challenges. This includes Public Housing units, as well as those developed by the FCRHA and managed directly through third party vendor relationships.

Federal Public Housing Program

The federal Public Housing Program is administered by the U.S. Department of Housing and Urban Development (HUD) to provide funds for rental housing owned and operated by the FCRHA serving households with low incomes.

Property	Number of Units	Supervisory District
Audubon Apartments	46	Lee
Rosedale Manor[1]	97	Mason
Newington Station	36	Mt. Vernon
The Park	24	Lee
Shadowood	16	Hunter Mill
Atrium Apartments	37	Lee
Villages of Falls Church[2]	37	Mason
Heritage Woods I	19	Braddock
Robinson Square	46	Braddock
Heritage Woods South	12	Braddock
Sheffield Village	8	Mt. Vernon
Greenwood	138	Mason
Briarcliff II	20	Providence
West Ford II	22	Mt. Vernon
West Ford I	24	Mt. Vernon
West Ford III	59	Mt. Vernon
Barros Circle	44	Sully
Belle View	40	Mt. Vernon
Kingsley Park[1]	108	Providence
Heritage Woods North	25	Various
Reston Town Center	30	Hunter Mill
Old Mill Site	48	Lee
Ragan Oaks	51	Sully
Tavenner Lane[3]	12	Lee

Property	Number of Units	Supervisory District
Waters Edge	9	Springfield
The Green[3]	50	Various
Greenwood II	7	Various
Total Units[4]	**1,065**	

1 This HUD project includes one unit used as an office.
2 This HUD project includes one unit at Heritage Woods South in Braddock District.
3 Multiple properties are owned by limited partnerships controlled by the FCRHA. The Authority is the managing general partner of Tavenner and the managing and limited partner for The Green. Therefore, rental revenue and other expenses for these properties are not reported in Fund 81520.
4 There are projected to be 1,065 units of Public Housing; however, only 1,060 are rentable and income producing. There are five units off-line and used as office space and community rooms as allowed under HUD guidelines. Tavenner Lane and The Green are reported separately when reporting to HUD, since they are partnership properties and have different reporting requirements.

Admissions and Occupancy policies for this program are governed by the Quality Housing and Work Responsibility Act of 1998 (which amended the United States Housing Act of 1937) and are consistent with the objectives of Title VI of the Civil Rights Act of 1964. Eligibility for admission and occupancy requires the applicants to fulfill the following general criteria:

- qualify as a family;
- have an annual income which does not exceed the income limits for admission to a designated property; and
- qualify under the Local Preference if head of household or spouse is employed, attending school or participating in a job training program, a combination thereof at least 30 hours per week; or is aged 62 or older; or is a primary caretaker of a disabled dependent; or meets HUD's definition of being disabled.

While the program allows new lease-ups for households earning up to 80 percent of the AMI, the FCRHA's policy is to serve mainly households earning 30 percent of the AMI and below, which meets the federal definition of "extremely low-income." Tenants generally pay 35 percent of their income for rent. The average income served in the FCRHA's Public Housing portfolio in FY 2015 was $21,363, or 22 percent of the AMI for a family of three. A total of 43 percent of all households currently served in the FCRHA's Public Housing properties include at least one person with a disability.

Public Housing Resource Overview

	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget
Revenues:			
Federal Revenue	$2,614,958	$2,648,821	$3,037,849
Rental Income	$5,107,527	$5,472,844	$5,917,291
Program Income	$1,396,694	$1,301,092	$1,441,036
Investment Income	$10,481	$300	$17,468
Other Revenue	$130,467	$93,601	$130,467
Total Revenue	**$9,260,128**	**$9,516,657**	**$10,544,111**
Expenditures:			
Compensation	$3,703,033	$2,756,270	$3,954,465
Operating	$6,180,320	$6,403,067	$6,589,646
Total Expenditures	**$9,883,353**	**$9,159,337**	**$10,544,111**

Nearly $6 million in revenues are derived from Rental Income paid by clients. Rental Income represents more than 56 percent of the total revenues supporting the program, nearly double the Federal Revenue of $3 million from HUD. The HUD Operating Subsidy calculation is based on a formula last updated in 2005. Program Income (payments for utilities in excess of FCRHA established standards, management fees, and asset management fees) constitutes $1.4 million or nearly 14 percent of total revenues.

Fairfax County Rental Program (FCRP)
FCRP includes 2,797 housing units and beds in specialized housing developed and managed by HCD for the FCRHA. This includes:

- 1,965 multifamily units;
- 504 senior independent units;
- 112 beds of assisted living (in two properties);
- 62 beds of supportive housing in group homes and shelter facilities; and
- 154 beds/units of other specialized housing, including 115 mobile home pads.

Fairfax County Rental Program Units

Property Type	Property	Sup District	Units
Multifamily	Bryson at Woodland Park	Hunter Mill	4
	Castellani Meadows	Sully	24
	Cedar Lakes	Sully	3
	Cedar Ridge	Hunter Mill	195
	Charleston Square	Springfield	1
	Chatham Town	Braddock	10
	Colchester Towne	Lee	24
	Crescent Apartments	Hunter Mill	180
	East Market	Springfield	4
	Fair Oaks Landing	Springfield	3
	Faircrest	Sully	6
	Fairfax Ridge Condo	Springfield	1
	Glenwood Mews	Lee	9
	Halstead	Providence	4
	Holly Acres	Lee	2
	Hopkins Glen	Providence	91
	Island Creek	Lee	8
	Laurel Hill	Mt. Vernon	6
	Legato Corner Condominium	Springfield	13
	Little River Square	Springfield	45
	Lorton Valley	Mt. Vernon	2
	Madison Ridge	Sully	10
	McLean Hills	Providence	25
	Mount Vernon Gardens	Lee	36
	Murraygate Village	Lee	200
	Northampton	Lee	4
	ParcReston	Hunter Mill	23

Property Type	Property	Sup District	Units
	Penderbrook	Providence	48
	Springfield Green	Lee	14
	Stockwell Manor	Dranesville	3
	Stonegate at Faircrest	Springfield	1
	Stonegate Village	Hunter Mill	240
	Tavenner Lane[1]	Lee	12
	West Glade (The Green)[2]	Hunter Mill	24
	Wedgewood Apartments	Braddock	672
	Westbriar	Providence	1
	Westcott Ridge	Springfield	10
	Willow Oaks	Sully	7
Multifamily Total			**1,965**
Independent Living	Gum Springs	Mt. Vernon	60
	Herndon Harbor I & II	Dranesville	120
	Lewinsville Senior Residences	Dranesville	22
	Lincolnia Senior Residences	Mason	26
	Little River Glen	Braddock	120
	Morris Glen	Lee	60
	Olley Glen	Braddock	90
	Saintsbury Plaza	Providence	6
Independent Living Total			**504**
Assisted Living	Braddock Glen	Braddock	60
	Lincolnia Senior Residences	Mason	52
Assisted Living Total			**112**
Supportive Housing	Dequincey	Braddock	5
	Sojourn House	Springfield	8
	Leland	Sully	8
	Minerva Fisher	Providence	12
	Mount Vernon	Mt. Vernon	8
	Patrick Street	Providence	8
	Rolling Road	Mt. Vernon	5
	Mondloch Shelter	Lee	8
Supportive Housing Total			**62**

Property Type	Property	Sup District	Units
Other Specialized Housing	Woodley Hills	Mount Vernon	115
	Coan Pond	Providence	19
	Mondloch Place	Lee	20
Other Specialized Housing Total			**154**
Grand Total			**2,797**

[1] There are a total of 24 units in the Tavenner limited partnership; 12 units at Tavenner Lane are part of the federally-assisted Public Housing program and are reflected in Fund 81520, Public Housing Projects Under Management. The remaining 12 units are operated under the Fairfax County Rental Program. However, operating expenses for all 24 units are included in Fund 81200 since they are all owned by a limited partnership.

[2] There are a total of 74 units in The Green Limited partnership; 50 units counted as part of The Green Partnership property are part of the federally-assisted Public Housing program and are reflected in Fund 81520, Public Housing Projects Under Management. The balance of 24 units in The Green Limited Partnership are operated under the Fairfax County Rental Program. However, operating expenses for all 74 units are included in Fund 81200 since they are part of Partnership-Blended Component Units.

These rental units provide affordable rental housing for low- and moderate-income families and include projects developed by the FCRHA and other privately developed or rehabilitated housing units acquired by the FCRHA or the County leveraging financing tools such as the federal Low-Income Housing Tax Credits and collaborations with the Virginia Housing and Development Authority (VHDA).

FCRP generally serves working households with incomes slightly higher than those households living in Public Housing and or participating in the Housing Choice Voucher program. Rental housing includes multifamily housing, magnet workforce housing for police, firefighters, Fairfax County Public Schools (FCPS) teachers and bus drivers, housing for families, single individuals, older adults, and supportive housing for special populations. Average household income served in FY 2015 in FCRP non-senior properties was $36,801, or 37 percent of AMI for a family of three. Approximately 10 percent of the household sin FCRP non-senior properties under FCRHA management include at least one person with a disability.

More than $5 million, in revenues is generated from Rental Income paid by clients. Rental Income represents nearly 52 percent of the total revenues supporting the program. Program Income of $2.3 million, or nearly 23 percent of total revenues, primarily reflects the reimbursements paid to the FCRHA by the Partnership Properties. The nearly $1.9 million, or just over 18 percent, in funding for the local rental program from the County General Fund is the County transfer to support Fund 40330, Elderly Housing Programs.

FCRP Resource Overview

	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget
Revenues:			
Federal Revenue	$0	$508,819	$0
Rental Income	$5,091,502	$5,198,886	$5,252,633
Program Income	$2,227,883	$1,888,663	$2,331,866
Investment Income	$30,202	$46,156	$30,202
Other Revenue	$706,797	$296,296	$687,330
County General Fund	$1,852,376	$1,869,683	$1,869,683
Total Revenue	**$9,908,759**	**$9,808,502**	**$10,171,714**
Expenditures:			
Compensation	$3,653,726	$3,305,777	$4,051,825
Operating	$5,830,981	$6,105,661	$6,286,214
Total Expenditures	**$9,484,707**	**$9,411,438**	**$10,338,039**

Please note that the following four divisions – the Rental Services Division, Asset Management Division, Property Management Division, and Property Maintenance and Improvement Division – provide services across multiple LOBs. As a result, staff in each division provide additional support to activities/programs in other LOBs.

Rental Services Division
HCD's Rental Services Division manages all aspects of the client intake process including management of waiting lists, unit inspections and program compliance. More specifically, staff determines client eligibility, verifies client income, recertifies tenants in compliance with all federal and local program requirements and regulations; enforce lease provisions, and provide assistance to participating landlords. There are 19 positions supporting the work of LOB #324 in this Division, of which 14 are federally funded, three are funded by the FCRHA, and two are supported by the General Fund.

Asset Management Division
While helping to monitor and maintain the overall financial health of the agency, the Asset Management Division looks for opportunities to reposition the FCHRA/HCD portfolio financially; address changes in funding or regulations; and oversee the third-party management contracts covering nearly 1,700 multi-family residential units to ensure financial health, physical condition and sustainability of the FCRHA/HCD portfolio. There are four positions in the Division fully supported by FCRHA funding. Additionally, the Asset Management Division works to ensure compliance with federal and local rules, regulations and requirements, including complex reporting requirements associated with the Low-Income Housing Tax Credit and individual partnership agreements.

Third Party Managed Properties

Property Type	Property	Total
Multifamily	Cedar Ridge	195
	Crescent Apartments	180
	Hopkins Glen	91
	Little River Square	45
	Mount Vernon Gardens	36
	Stonegate Village	240
	Wedgewood Apartments	672
Multifamily Total		**1,459**
Independent Living	Gum Springs	60
	Herndon Harbor I & II	120
	Morris Glen	60
Independent Living Total		**240**
Grand Total		**1,699**

Property Management Division

The Property Management Division provides day-to-day housing management services for more than 2,000 units, marketing and on-site leasing services. This work is accomplished by 25 positions, 11 of which are fully supported by federal funds, eight by the General Fund and six by the FCHRA. The types of properties managed ranges from residential, multifamily communities for families and individuals with low- and moderate-incomes; housing for older adults, including two assisted living facilities and two adult day health care centers; and scattered site group homes that provide services for special needs adult and youth groups through the Fairfax-Falls Church Community Services Board and other County agencies and non-profits. Staff interfaces daily with residents on issues ranging from maintenance to property aesthetics. These staff are also responsible for soliciting input from residents on issues impacting the properties and addressing any concerns they may have. Recently, for example, a significant effort was made to draft a non-smoking policy and determine the most appropriate steps in piloting the new policy. Property Management staff also supports the Resident Advisory Council which is comprised of residents from FCRHA/HCD properties that convenes six to eight times a year to advise the FCRHA about its operations, plans, and procedures and to make recommendations in the decision-making process for the new 5-year plan requirements and for other policy issues.

Property Maintenance and Improvement Division

Ongoing interior, exterior and grounds maintenance of the nearly 2,200 directly managed/operated residential units mentioned above, as well as two office buildings owned by the FCRHA, is the responsibility of the Property Maintenance and Improvement Division (PIMD). Emergency maintenance services are provided 24 hours per day, seven days per week by 46 positions, 20 of which are supported with federal grant funds. PIMD, in collaboration with the Asset Management and Property Management Divisions, also administers federal funds awarded annually for asset protection and modernization of the FCRHA's public housing. This involves physical needs assessments of buildings and related systems, development of a 5-year action plan and construction contract oversight. A similar 5-year plan is also developed and implemented for the FCRHA's non-federally assisted housing stock.

Benefits

The work performed under this LOB provides two critical benefits. First, it ensures that the residents of FCRHA owned or operated properties have a safe and well-managed place to call home. This LOB is also essential to the continued success of affordable housing in the community, because the FCRHA's properties are maintained with such care and look like much of the other housing in the County.

Each night, some 9,000 people are sleeping in FCRHA owned or operated homes. Given the income ranges served, as well as the expense of rental housing in the County, these individuals do not have other housing options and could end up homeless. They are older adults living on low, fixed incomes; they are adults with disabilities; they are adults living in group homes operated by the CSB; and they are families trying to make ends meet. FCRHA operated housing is a critical resource for affordable homes for low-income seniors and persons with disabilities.

In addition to housing clients, other significant benefits associated with this LOB include:

- Improved family functioning;
- Better job retention;
- Increased academic performance;
- Enhanced ability to focus on resolving other issues obstructing improved self-sufficiency;
- Boosted economic activity; and
- Greater sense of community and civic engagement.

Mandates

As a federal program, Public Housing has significant compliance requirements. For example, there are standards governing client eligibility and recertification, rent calculation, property condition, unit inspection, and reporting. Additionally, since federal Low Income Housing Tax Credits (LIHTC) are a tool that has been leveraged to finance several properties in FCRP, there are complex reporting requirements to satisfy federal tax rules and investor interests.

Trends and Challenges

In addition to the trends and challenges presented in the Agency Overview, this LOB is constrained by limited resources as the rents paid by tenants are growing at a slower rate than expenses and it is not likely that additional federal resources will be made available. This restricts what can be done in terms of operations and property maintenance amidst rising utility, contract and personnel costs.

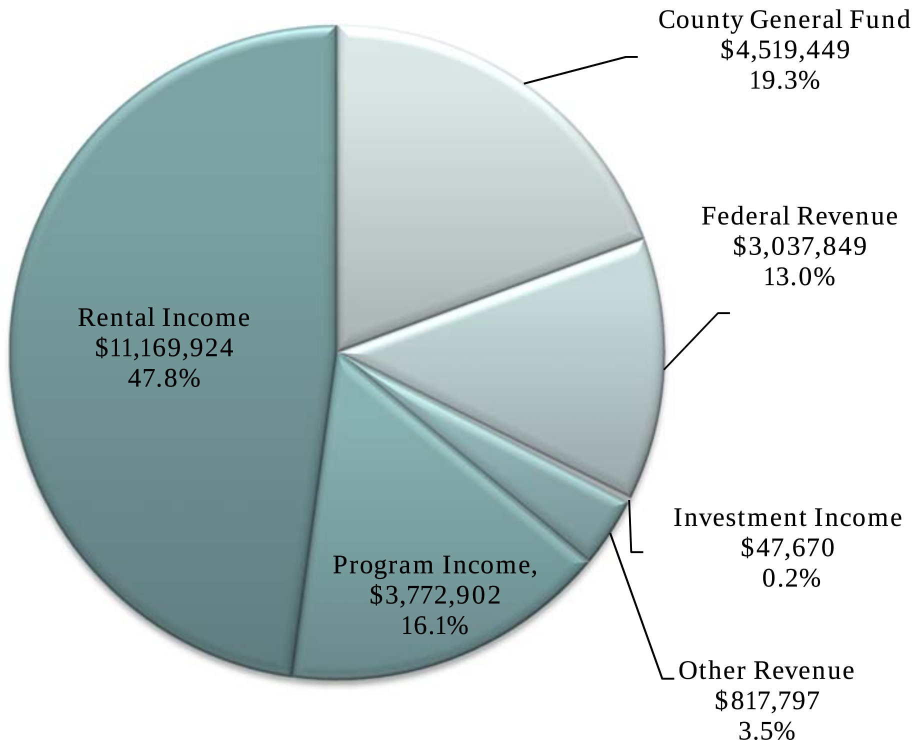
Additionally, the challenges listed in LOB #323 impact this LOB as the stock of affordable rental housing is not likely to expand much. As a result, demand will continue to outstrip the FCRHA/HCD's supply of affordable rental housing. In fact, given the projected affordable housing gap discussed in the Agency Overview, this gap between supply and demand will widen over time.

The average age of properties owned/operated by the FCRHA is 30 to 35 years, and many of these communities have significant maintenance needs.

For properties in the Public Housing program, the HUD Rental Assistance Demonstration (RAD) presents a critical opportunity to convert to a more stable Section 8 subsidy and give the FCRHA the opportunity to attract private capital and consider strategic redevelopment of its assets.

Resources

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
LOB #324: Affordable Rental Housing, Property Management and Maintenance			
FUNDING			
Expenditures:			
Compensation	$5,934,421	$5,301,549	$6,335,750
Benefits	2,365,471	1,973,264	2,504,721
Operating Expenses	13,933,503	14,002,826	14,520,559
Capital Projects	1,153,660	1,599,304	0
Total Expenditures	$23,387,055	$22,876,943	$23,361,030
General Fund Expenditures	$2,159,058	$2,033,270	$2,099,766
Total Revenue	$21,533,512	$21,403,456	$21,495,908
Transfers In:			
Transfer In from General Fund	$1,852,376	$1,869,683	$1,869,683
Total Transfers In	$1,852,376	$1,869,683	$1,869,683
POSITIONS Authorized Positions/Full-Time Equivalents (FTEs)			
Positions:			
Regular	55 / 55	55 / 55	55 / 55
Grant	50 / 50	50 / 50	50 / 50
Total Positions	105 / 105	105 / 105	105 / 105



Based on the FY 2016 Adopted Budget Plan, $11.2 million or 47.8 percent of the revenue generated by this LOB is from Rental Income. This is a significant fact given the economic situation in which many of the clients are. The County General Fund is next most significant revenue source, contributing $4.5 million or 19.3 percent, followed by Program Income at $3.8 million, or 16.1 percent, and Federal Revenue of $3.0 million or 13.0 percent. As described earlier, the Federal Revenue reflects the HUD Operating Subsidy supporting Public Housing. The General Fund supports staff costs, as well as limited partnership real estate taxes and condominium fees for some FCRHA-owned units.

Just over 62 percent, or $14.5 million, of the spending in this LOB is on Operating Expenses, with the remaining $8.8 million supporting the 105 merit positions. Of the 105 merit positions, 50 are fully supported with federal funding, 36 are funded by the FCRHA and 19 are supported by the County's General Fund.

Metrics

Metric Indicator	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Public Housing Clients Housed	2,789	2,701	2,637	2,780	2,780
Average Income of Public Housing Clients Housed as % of Area Median Income	23%	23%	22%	30%	30%
FCRP Clients Housed	5,722	5,702	5,725	5,725	5,725
Average Income of FCRP Clients Housed as % of Area Median Income	38%	42%	37%	40%	40%
Elderly Housing Clients Served, Assisted Living	102	102	99	106	110
Elderly Housing Customer Satisfaction, Assisted Living	100%	99%	94%	95%	96%
Elderly Housing Clients Served, Independent Living	502	500	498	502	480
Elderly Housing Customer Satisfaction, Independent Living	96%	98%	100%	92%	98%

Federal Public Housing Program

The FCRHA operates 1,065 federal Public Housing units, (1,060 rentable) which are managed and maintained by HCD. FCRHA policy is to serve mainly households earning 30 percent AMI and below, but the average income served as percentage of AMI is typically much lower. In FY 2015, for example, the average income served as percentage of AMI was 22 percent, or $21,363 per year. Public Housing housed a total of 2,637 persons in FY 2015. This is a slight decline from the 2,701 served in FY 2014 and reflects shifts in household sizes among existing and new clients as well as the turnover time it takes to lease new families in the program when units are vacated. A total of 43 percent of all households currently served in the FCRHA's federal Public Housing Program include a person with a disability.

FCRHA/HCD Rental Programs

FCRP units include rental property owned by the FCRHA and developed with funds other than Public Housing funds. In FY 2015, 6,322 individuals were housed in FCRP units, including 5,725 individuals in multifamily units, with an average income of 37 percent of AMI; and 99 and 498 clients in Assisted Living and Independent Living units, respectively. The slight declines in number of clients served by the Elderly Housing Program are due to the renovations at Lincolnia during FY 2015. These numbers are anticipated to return to normal levels mid-FY 2016, but will be impacted again in FY 2017 when Lewinsville undergoes a redevelopment. While the facility will not be coming totally offline and work will be done with tenant in place, higher vacancies do occur while these projects are underway.

LOB #325:

TENANT SUBSIDIES AND RESIDENT SERVICES

Purpose

Given the Board of Supervisors' Affordable Housing Goal:

> "Opportunities should be available to all who live or work in Fairfax County to purchase or rent safe, decent, affordable housing within their means."

HCD and the FCRHA operate rental subsidy programs to assist low- and moderate-income families and individuals in renting quality affordable rental housing and facilitating services and compliance to ensure participants attain success in all of the FCRHA's programs.

Description

FCHRA/HCD serves individuals and families with low- and moderate-incomes, including those with physical disabilities and mental health issues, through a mix of federally and locally supported tenant subsidy programs (see table).

Tenant Subsidy & Resident Services Programs

Program	Description	FY 2016 Funding
Housing Choice Voucher	Federal funding is provided to families with low incomes seeking housing in the private rental market with participating landlords. HUD provides funds to pay a portion of the family's rent. In most cases, this subsidy is the difference between 35 percent of the eligible family's income and a market-rate rent that has been deemed reasonable by HCD staff. The approved rent amount must also be within the allowable range of a HUD-approved Fair Market Rent for a housing unit. The rent subsidy payments are made through a Housing Assistance Payments Contract with the owner of the housing. Housing Authorities administer the contract for these subsidy funds on behalf of HUD. In Fairfax County, the FCRHA is responsible for making the monthly subsidy payments, verifying that those benefiting from the subsidy are eligible and monitoring compliance with federal regulations. This is done by means of an Annual Contribution Contract between the FCRHA and HUD. The FCRHA/HCD maintains a waiting list of those seeking a voucher; verifies applicant income eligibility; inspects the unit selected to ensure compliance with Housing Quality Standards; and computes the portion of the rent the family must pay, as well as the maximum subsidy. The FCRHA then contracts with the landlord to pay the subsidy, recertifies eligibility annually, and maintains required financial records and reports. The landlord is responsible for enforcing, renewing, or terminating the family's lease in accordance with the terms of the lease. In FY 2015, 9,327 individuals were housed. They had an average income equal to 20 percent of AMI. A total of 38 percent of the households served in the HCV program included at least one person with a disability.	$57.8m

Program	Description	FY 2016 Funding
SNAP/Shelter Plus Grant	Funding provided by HUD supports rental assistance for permanent housing for homeless persons with serious mental illness. Required in-kind support services match is provided by an existing program of Pathway Homes and the Fairfax-Falls Church Community Services Board. In FY 2015, 114 homeless persons with serious mental illness were housed in 97 permanent housing units.	$1.6m
Consolidated Community Funding Pool (CCFP) - Targeted Public Services	Funding provides grants to organizations through the biennial CCFP process addressing community priority areas.	$0.8m
Tenant Based Rental Assistance (TBRA)	TBRA utilizes federal HOME-funded vouchers to serve homeless populations and persons with special needs. In FY 2015, 49 families were housed consisting of 129 people; 41 had incomes ranging from 0-30% AMI and 8 had incomes ranging from 30% to 60% AMI.	$0.7m
Bridging Affordability	The Bridging Affordability Program provides local rental subsidies to individuals and families experiencing homelessness and households currently on Fairfax County's affordable housing waiting lists, including persons with special needs and those with disabilities. Consistent with the Board's direction in the Housing Blueprint, the Bridging Affordability Program is administered by HCD with specific grants made to one or more of the County's non-profit partners. HCD provides program direction, monitors compliance, inspects units and administers the contracts with the non-profit partners. Through March 2015, 426 households were served, 140 of which have progressed to permanent housing. These individuals had an average income of $21,220 or 22 percent of AMI. *Additional funding not allocated in FY 2016 due to adequacy of available balances.	$0*
Partnerships for Resident Opportunities, Growth, Resources and Economic Self-Sufficiency (PROGRESS) Center	The PROGRESS Center provides a second chance to residents facing eviction. Staff connects clients with agencies and non-profits throughout the County's robust human service system to resolve issues and help progression towards greater self-sufficiency. *FY 2016 Adopted Budget Plan reflects no budget as a budget is loaded once a final award amount is determined.	$0*
Subtotal		**$60.9 m**

Benefits

This LOB provides rental subsidies to low-income households to help them afford a home in Fairfax County, and facilitates the supportive services necessary to help people successfully participate in housing programs and move toward self-sufficiency.

Because rental subsidies are portable, participants may use them anywhere in the County they can find a landlord willing to accept a subsidy for a unit with a reasonable rent. This has the benefit of helping to avoid concentrations of poverty and promote housing choice. A total of 38 percent of the households currently served in the HCV program – 1,526 families – include at least one person with a disability.

From an economic standpoint, the Housing Choice Voucher and Bridging Affordability programs provide subsidies which pay approximately $50 million each year in rent to landlords across the County. These subsidies, in turn, provide homes for some 3,500 low- and moderate-income families and workers.

Mandates

Given the prevalence of federal support, this LOB is considered to have "compliance" mandates. In other words, as a condition associated with the receipt of the federal funding, there are associated compliance requirements, including the FCRHA's obligations under its Moving to Work Agreement with HUD. Compliance mandates include issues such as incomes served, housing quality, and other metrics.

Trends and Challenges

In addition to the trends and challenges outlined in the Agency Overview, this LOB is significantly impacted by changes in federal program, policy and funding, as well as, local rental market dynamics.

Federal Program, Policy and Funding
Federal funding plays a critical role in relieving the burden of high housing costs faced by some of Fairfax County's families and individuals with low incomes. Given the dependence on federal funding, even small shifts in funding levels or priorities have significant impacts. During federal sequestration, for example, the issuance of new vouchers was halted, which meant that many families remained on the waiting list. While sequestration is no longer an immediate threat, the continued uncertainty regarding federal funding and continued layering of federal program requirements will continue to challenge the provision of these subsidies. For example, there is concern that while recent proposals to all but eliminate HOME funding were not approved, the future of this important funding source remains in doubt. This would greatly impact the TBRA program which provides housing subsidies to 50 families. To be prepared, the FCRHA has added TBRA clients under its Moving to Work authority as a priority population in the HCV program, so they could receive a voucher if HOME funding is indeed eliminated. The net effect, though, would still be a reduced number of families served between the two programs.

The Moving to Work designation from HUD has a significant positive impact in that funds between the HCV and Public Housing programs are fungible, provided certain targets are met for program compliance and performance evaluation. This feature provides the FCRHA with considerable flexibility to explore alternative approaches to service delivery that are consistent with THRIVE and hoped to be more effective at helping to move clients through the housing continuum onto greater economic self-sufficiency.

Rental Assistance Demonstration (RAD), another HUD program, provides a new subsidy platform, similar to project-based Housing Choice Vouchers, which can leverage private financing for planned capital improvements. In the federal FY 2015 budget, the U.S. Congress appropriated the expansion of the RAD program to include Fairfax County. In 2016, the FCRHA will explore ways to reposition the public housing assets which would entail rehabilitation and potential redevelopment of high priority assets. The FCRHA selected 336 properties for "phase one" of the conversion.

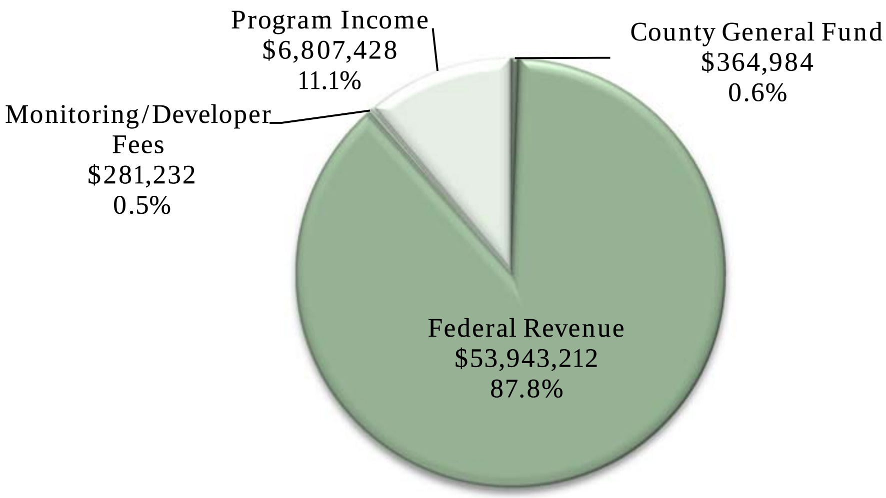
Local Rental Market Dynamics
Given the strength of the local rental market, clients often find it difficult to find private landlords willing to participate in the various subsidy programs. It is even more challenging to find affordable units that are convenient to public transportation and employment centers, due to the generally higher rents in such properties. There is little indication that this situation will be easing any time soon.

Another major challenge is that the target population of low- and extremely low-income families often face barriers such as poor credit and the lack of affordable child care that limits the opportunities for suitable and affordable housing. HCD staff works cooperatively with other County and non-profit service providers to help families overcome these barriers through service coordination and information sharing.

Depth of Subsidy Required
Because of the high cost of rental housing in Fairfax County and the extremely low-incomes served in the Housing Choice Voucher and Bridging Affordability programs, a significant subsidy is needed to fill the gap between the rent and what family can pay. The average monthly subsidy in these programs is approximately $1,100 per month, per household – or $13,200 per year.

Resources

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
LOB #325: Tenant Subsidies and Resident Services			
FUNDING			
Expenditures:			
Compensation	$2,864,536	$2,570,912	$2,837,077
Benefits	998,945	938,917	1,051,956
Operating Expenses	57,011,577	55,931,029	55,691,897
Grant Expenditures	1,763,512	1,574,679	1,589,314
Total Expenditures	$62,638,570	$61,015,537	$61,170,244
General Fund Expenditures	$458,783	$339,549	$364,984
Total Revenue	$62,189,370	$64,416,383	$61,452,053
POSITIONS Authorized Positions/Full-Time Equivalents (FTEs)			
Positions:			
Regular	8 / 8	8 / 8	8 / 8
Grant	43 / 43	43 / 43	43 / 43
Total Positions	51 / 51	51 / 51	51 / 51



Based on the FY 2016 Adopted Budget Plan, Federal Revenue constitutes $53.9 million, or 87.8 percent, of the revenue for this LOB. This reflects the relative size of the HCV Program and the dominance of the Federal Government in providing rental subsidies in Fairfax County. Federal Revenue also includes $1.6 million for HUD's SNAP/Shelter Plus Grant (formerly known as the Pathways Grant), which supports permanent housing rental assistance for homeless persons with serious mental illness. Program Income of $6.8 million is also generated by the HCV Program as payments are made to the FCRHA when a tenant from another locality finds housing in Fairfax County and "ports in". The FCRHA pays the subsidy portion of the rent on behalf of the originating housing authority to the landlord and a subsequent reimbursement from the originating housing authority is received by the FCRHA to cover the subsidy payment, as well as 80 percent of the originating Housing Authority's administrative fee to cover the FCRHA/HCD's administrative costs. General Fund support of this LOB is $0.4 million, or less than 1 percent of the total revenues, and supports staff costs.

That nearly 95 percent of spending in this LOB is on Operating Expenses such as debt service and acquisition assistance reflects the scale of housing assistance payments to landlords in the HCV Program. Compensation appropriations of $3.9 million, support 51 positions, 43 of which are fully supported with federal funding. Of the remaining eight positions, four are supported by the General Fund and four are supported by FCRHA funds.

Metrics

Metric Indicator	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
HCV Clients Housed	9,636	9,530	9,327	9,500	9,500
Average Income of HCV Clients Housed as % of Area Median Income	19%	19%	18%	30%	30%
Cumulative Number of Families Housed in the Bridging Affordability Program	NA	280	355	438	494
Clients Served by the PROGRESS Center	NA	150	75	100	100

Housing Choice Voucher Program

A total of 3,868 vouchers were authorized by HUD and a total of 9,327 persons were housed in FY 2015. This is a decline from the 9,530 served in FY 2014 and reflects the residual impact of federal sequestration; once voucher issuance recommenced, it took time to qualify families for the program and for them to find housing. It is anticipated that the number of individuals served will begin returning to historical levels in FY 2016. A total of 1,526 families currently served in the HCD program – about 35 percent of all families in the program – include at least one person with a disability.

It should be noted that HCD also received an allotment of 17 additional Veterans Affairs Supported Housing (VASH) vouchers, bringing the total allotment of VASH vouchers to 80 during FY 2015. These specialized vouchers are an important tool in ending homelessness among veterans in Fairfax County.

Bridging Affordability Program (BA)

A total of 443 households have been served (e.g., were interviewed, found eligible, received a BA housing certificate, and received housing location or case management services) since leasing began in FY 2012; of that total, 355 households leased units through FY 2015.

HCD PROGRESS Center

The Partnership for Resident Opportunities, Growth, Resources and Economic Self-Sufficiency (PROGRESS) Center provided service coordination for 75 housing clients in FY 2015. Additionally, the PROGRESS Center also plays a significant role in promoting economic growth and self-sufficiency among FCRHA program participants. For example, a community-based pre-apprenticeship program that offers classes that teach basic skills in reading, writing and math to prepare participants for occupation in the trades was implemented in FY 2015 and FCRHA contractors hired 20 low- and moderate-income workers from Section 3 outreach.

LOB #326:

HOMEOWNERSHIP AND RELOCATION SERVICES

Purpose

To increase affordable homeownership opportunities for Fairfax County residents with low- and moderate-incomes; and to provide relocation assistance and monitoring to ensure compliance with the federally-mandated Uniform Relocation Act for projects involving federal funds, as well as the Fairfax County Voluntary Relocation Assistance Guidelines.

Description

Homeownership Services

To increase affordable homeownership opportunities, HCD:

- Provides affordable units for purchase through the First-Time Homebuyers Program (FTHB), based on provisions of Fairfax County's inclusionary zoning policies, including the Affordable Dwelling Unit (ADU) Ordinance;
- Engages in resale activity associated with the Moderate Income Direct Sales (MIDS) Program and other FTHB properties; and
- Educates and counsels first-time homebuyers through the Homeownership Resource Center and Homebuyer Education programs in partnership with the Virginia Housing and Development Authority (VHDA), and outreach opportunities such as the annual Northern Virginia Housing Expo.

Compliance with the ADU Ordinance and monitoring are also important activities associated with this LOB.

First-Time Homebuyer (FTHB) Program

FTHB has been providing homeownership opportunities to eligible moderate-income households since 1993 and utilizes new units made available under the ADU Ordinance, through restrictive renewable 30-year covenants. The units (condominiums or townhomes) are offered at below-market price and are sold directly by the developer as new, or through resale by the FCRHA when the current owner is ready to sell. The homes in this program are located throughout Fairfax County and offer the same amenities typical of new developments in the community. Prospective purchasers complete a FTHB application, complete a homebuyer education course, and submit lender pre-approval financial information. If qualified, they will be issued a FTHB certificate of eligibility good for one year to purchase a home offered through the program. Qualifying information must be recertified each year in order to obtain a new FTHB certificate of eligibility. Each time a unit becomes available, qualified purchasers are given an opportunity to attend an open house. If interested in the unit, certificate holders enter a lottery system drawing for the unit and are notified if selected as qualified buyers. FTHB also administers the Moderate Income Direct Sales (MIDS) Program, which pre-dated the ADU program and was designed to provide affordable homeownership opportunities for low-to moderate-income families. The Program is self-supporting with the funds from the repayment of loans supporting operations.

Compliance

HCD staff also supports the administrative responsibilities delegated to the County Executive and the FCRHA under the ADU Ordinance including reviewing and recommending changes in unit prototypes, sales prices, and income limits; as well as monitoring compliance with sales prices, eligibility of purchasers, verification of occupancy, and resale and refinancing requirements. HCD staff also tracks, verifies and processes applications; maintains and updates a participant interest list; conducts annual occupancy certifications; and counsels applicants and FTHB homeowners.

HCD monitors ADU unit refinancing, as well as develops and implements procedures concerning the actions to take when some restrictions on ADU units expire and when units sold for the first time during the extended control period. Administration of MIDS unit re-sales to first-time homebuyers and qualified non-profits, and on-going MIDS program compliance, are also the responsibility of HCD.

Homeownership Resource Center and Homebuyer Education
The Homeownership Resource Center serves hundreds of people each month, providing information on homeownership, homeownership education, one-on-one and group counseling sessions, opportunities to meet with lenders, applicant briefings, and coordination of resources for current and prospective first-time homebuyers.

Through a partnership with the Virginia Housing and Development Authority (VHDA), local lenders, and housing professionals, six-hour homeownership education classes are provided to potential Fairfax County homebuyers. Completion of the class is one step in the process that qualifies graduates to participate in the FTHB Program and the ability to access below-market financing, down payment and closing cost assistance. Classes are offered in English, Spanish, Vietnamese, Korean, and American Sign Language.

Relocation Services and Monitoring
HCD provides technical assistance and monitoring associated with affordable housing preservation initiatives. In projects involving federal funds, relocation services are mandated as part of the Uniform Relocation Act. Services are also provided under the Fairfax County Relocation Guidelines for projects where there is substantial rehabilitation and condominium conversion. Services are provided to tenants, landlords and developers and include proper and timely notification of relocation activities, identification of comparable housing, financial assistance, technical and advisory relocation assistance and compliance monitoring.

Homeownership and relocation services are supported by County's General Fund and federal funding in CDBG. Please note that the funds used to acquire and resell ADU and MIDS units are reflected in LOB #323, Affordable Housing Development, Preservation and Sustainability.

Benefits

Research has consistently shown the benefits of homeownership on the economy and the long-term social and financial benefits to homeowners. Homeownership and stable housing are interrelated. Homeowners move less than renters, and therefore are invested in the same community for a longer period. They are more likely to be engaged in their community socially and politically. The social benefits of homeownership are far-ranging and including positive social outcomes in educational attainment, wealth, civic participation, and crime, among others. Because of these social benefits, policies support sustainable homeownership.

Additionally, homeownership has a positive impact on childhood success in school. The decision to stay in school by teenage students is higher for those raised by home-owning parents compared to those in renter households. A study by Harkness and Newman explored whether children from lower-income and higher-income families benefit equally from homeownership. The benefit to children in families with incomes less than 150 percent of the federal poverty level was improved educational attainment, earnings, and welfare independence in young adulthood more than for children in families with incomes greater than 150 percent of the poverty line.

Homeowners are more invested in their communities since they have more to lose financially than renters. Property crimes and violent, non-property crimes can impact the victims financially and decrease neighborhood property values. Therefore, homeowners have more incentive to deter crime by forming and implementing voluntary crime prevention programs. Research on crime and homeownership shows that homeowners are far less likely to become crime victims.

Homeowners take on a greater responsibility such as home maintenance and acquiring the financial skills to manage household budgets. These skills are modeled for and transferred to their children.

Mandates

Relocation Services are mandated in projects where federal funds, such as CDBG and HOME, are involved under the Uniform Relocation Act. Relocation services provided in other projects are guided by the County's Voluntary Relocation Assistance Guidelines. Homeownership services are not mandated.

Trends and Challenges

Some lenders, including the Virginia Housing and Development Administration (VHDA), are reluctant to provide financing for FTHB purchasers due to the differences between foreclosure protections in the FCRHA program restrictions and eligibility standards for Federal Housing Authority-backed mortgage insurance. The inability to secure low-cost financing is a major challenge for many FTHB purchasers. While some progress has been made, more willing lenders are needed.

While the supply of ADUs has always varied with the pace of real estate development and the economy, current development patterns in the County are moving more toward construction types, including multifamily construction exceeding four stories, which are not subject to the ADU ordinance. As a result there are fewer new ADUs to offer to qualified homebuyers. In fact, most of the ADUs offered through the homeownership program recently are resale ADUs.

Beyond the ADU ordinance, Fairfax County has also adopted a second, critical inclusionary zoning policy – the Workforce Dwelling Unit program. Since its adoption in 2007, 5,130 WDUs have been committed by developers through Board-approved re-zoning actions. The WDU program, a proffer-based incentive system established within the Comprehensive Plan, serves a range of moderate-incomes from 60 percent of AMI up to 120 percent of AMI. As of the end of FY 2015, only approximately 316 rental WDUs have been delivered in the marketplace. However, over time, it is anticipated that a significant number of homeownership units will be delivered under the policy, and that the FTHB program will have a critical role to play in facilitating the sale of these units, and monitoring continued compliance.

Other trends to consider include:

- In October 2015, the average sales price of all homes sold during the month was $529,888, a 2.7 percent increase over the October 2014 average sales price of $515,725. The average sales price for detached homes sold in October 2015 was $720,907, a 7.2 percent increase over the October 2014 average sales price of $672,182. The average sales price for attached homes in October 2015 was $362,219, a 2.3 percent decrease from the October 2014 average sales price of $370,802.
- According to the Virginia Center for Housing Research at Virginia Tech, the total affordable housing gap in Fairfax County for low- and moderate-income owners is approximately 27,900 units.
- The homeownership rate in Fairfax County is 67.3 percent; down from a high of 74 percent in 2005. (U.S. Census Bureau, 2014 American Community Survey 1-Year Estimates)

Resources

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
LOB #326: Homeownership and Relocation Services			
FUNDING			
Expenditures:			
Compensation	$622,732	$597,621	$595,006
Benefits	172,803	179,890	168,228
Operating Expenses	36,235	27,802	30,162
Total Expenditures	$831,770	$805,313	$793,396
General Fund Expenditures	$69,480	$64,670	$72,035
Total Revenue	$817,148	$769,890	$793,155
POSITIONS Authorized Positions/Full-Time Equivalents (FTEs)			
Positions:			
Regular	2 / 2	2 / 2	2 / 2
Grant	6 / 6	6 / 6	6 / 6
Total Positions	8 / 8	8 / 8	8 / 8

Metrics

Metric Indicator	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
New First-Time Homebuyers	42	27	16	30	30
FTHB Program Participants (households)	NA	1,265	1,176	1,170	1,170
Number of Families served through marketing and counseling efforts	NA	8,043	7,563	6,500	6,500
Participant Satisfaction Survey Scores	95%	97%	100%	95%	95%
Number of Affordable Dwelling Units and MIDS Units Monitored for Compliance	1,375	1,284	1,251	1,201	1,151
Number of Households with Access to Relocation Services due to Acquisition or Rehabilitation	156	14	169	50	200

First-Time Homebuyers Program (FTHB)

The number of new and resale units varies from year to year, due to a variety of external factors such as real estate market conditions and the economy. The pace of real estate development in the County determines the timing of the production of ADUs within new residential developments. Recently, the number of new ADUs produced in the market has been declining, thereby dampening the number of new units available to the program. In FY 2015, the FTHB facilitated the purchase of 16 homes by qualified purchasers and there were 1,176 participants in the program. This is down from previous years and reflects the market conditions highlighted in the Trends and Challenges section. Participant satisfaction remained high at 100 percent in FY 2015 and extensive education and outreach continued with 7,563 individuals served.

Compliance Monitoring

Monitoring activities to ensure continued compliance with ADU covenants, particularly with respect to refinancing, included the distribution and review of annual owner occupancy certifications from all 1,169 FTHB owners and 82 MIDs unit owners in FY 2015. There were no foreclosures during FY 2015 as a result of over financing that occurred after the procedures changed.

Relocation Services

In FY 2015, 43 reviews of rehabilitation projects for compliance with federal, state, and local relocation requirements were completed and 169 households with 198 persons had access to relocation services due to acquisition or rehabilitation.

LOB #327:

FCRHA/HCD PROGRAM PLANNING, DEVELOPMENT AND MANAGEMENT

Purpose

The main purpose of this LOB is to ensure the fulfillment of the FCRHA/HCD mission through serving as the administrative arm of the FCRHA, setting priorities and a strategic vision for the agency and with the community, and managing the day-to-day operations of the FCRHA/HCD.

Description

This activity encompasses a number of critical functions that are key to effective operations of both the HCD and the FCRHA including:

- Preparation of the County's Five-Year Consolidated Plan;
- Development and implementation of Annual Consolidated Plan: One-Year Action Plans;
- Staff support to the Consolidated Community Funding Advisory Committee (CCFAC);
- Development of Consolidated Community Funding Pool (CCFP) priorities;
- Strategic program planning, implementation and communications;
- Administrative and policy support of the FCRHA, a political subdivision of the Commonwealth of Virginia;
- Agency leadership; and
- Agency operations, (e.g., human resources administration, financial management, and information technology support.)

Five-Year Consolidated and Annual Consolidated Plans; Support to the Consolidated Community Funding Advisory Committee (CCFAC)

Fairfax County is entitled to receive more than $6 million in federal grant funds for local housing and community development activities through the Community Planning and Development programs of the U.S. Department of Housing and Urban Development (HUD). This funding, however, requires that the County prepare a Five-Year Consolidated Plan and an Annual Consolidated Plan One-Year Action Plan for submission to HUD. These Plans are the formal application for three entitlement programs (CDBG, HOME, and the Emergency Solutions Grant (ESG)) through HUD. These funds are a primary source of funding to support the County's affordable housing, and community development activities. HCD leads the development and implementation of the County's annual Consolidated Plan in conjunction with the Consolidated Community Funding Advisory Committee (CCFAC), a resident committee. HCD acts as the primary staff support to the CCFAC, in partnership with the Departments of Administration for Human Services (DAHS) and Neighborhood and Community Services (NCS). The CCFAC meets on a monthly basis to provide input and advice on the use of HOME, CDBG and other funding resources, and plays an essential role in recommending Consolidated Community Funding Pool (CCFP) priorities (described in greater detail below) and the development of the annual and five-year Consolidated Plans.

Consolidated Community Funding Pool (CCFP)
In FY 2000, CDBG funding for community-based organizations was incorporated with County General Funds to form the CCFP. The CCFP reflects strengthened relations and partnerships between the County and community nonprofit and faith-based organizations The CCFP is funded from:

- Federal CDBG funds for Targeted Public Services and Affordable Housing;
- Federal Community Services Block Grant (CSBG) funds; and
- Local County General Funds.

FY 2016 is the second year of a two-year funding cycle. The Consolidated Community Funding Advisory Committee (CCFAC) has organized the FY 2015/FY 2016 funding priorities according to four areas, and adopted corresponding outcome statements. The CCFAC also recommended target percentage ranges for each priority area, which are intended to be used as guidelines for applicants and for the Selection Advisory Committee. The Board of Supervisors approved these funding priorities on July 9, 2013.

Priority Area	Outcome Statement	Target
Prevention	Families and individuals get help to remain independent and have the tools and resources to prevent future dependence. Communities increase their ability to support their members in preventing dependence.	10 – 20%
Crisis Intervention	Individuals, families, or communities in crisis overcome short-term problems (generally not more than three months) and quickly move back to independence.	15 – 25%
Self-Sufficiency	Families, individuals, neighborhoods, and communities attain self-sufficiency over a period of three months to three years.	45 – 55%
Long-Term Supportive Services	Individuals who have continuing long-term needs and who therefore may not become self-sufficient, achieve and/or maintain healthy, safe and independent lives to the maximum extent possible.	10 – 20%

HCD works collaboratively with several County agencies to administer the CCFP process. These partnerships are summarized in the following table:

HCD Partnerships in CCFP Process

Function	HCD Partners
Planning, implementing and oversight of CCFP process	DFS, OPEH
General administrative oversight	NCS, DAHS
Program monitoring and contract compliance	DAHS

Administrative and Policy Support of the FCRHA
HCD serves as the administrative arm of the FCRHA, a separate legal entity established in 1966 following a voter referendum and pursuant to Chapter 1, Title 36 of the Code of Virginia. HCD provides staff support to the 11 FCRHA commissioners appointed for four-year terms by the Board of Supervisors. A chairman and vice-chairman are selected by a vote of the commissioners. HCD staff acts as a clerk to the FCRHA and maintains the FCRHA's records, coordinates the preparation of meeting agenda packages, prepares meeting minutes and provides administrative support for FCRHA meetings. Staff researches issues and provides information to enable the FCRHA to make decisions regarding policy and operational issues.

Strategic Program Planning, Implementation and Communication
HCD staff designs, develops and implements FCRHA programs and policies, and develops the FCRHA's strategic plan and Fairfax County's Housing Blueprint. Public Information staff manages both external and internal communications needs of the FCRHA as a commission and in support of its various roles as a landlord, local housing finance agency and developer. HCD's information staff responds to media and resident information requests and provide information through a variety of media including annual reports, public presentations, cable television programs and program/marketing brochures. Staff also designs and prints hundreds of forms, applications, fact sheets, flyers, and maps used by staff in the administration of FCRHA/HCD programs and coordinate the design and production of multiple newsletters for a variety of constituents such as FCRHA tenants, HCV landlords, and the CCFAC among others. They also provide content for the e-ffordable.org web site, the FCRHA/HCD web page and the internal HCD web-based newsletter.

Agency Leadership
The agency Director and Deputy Directors provide strategic direction, administrative and policy guidance and coordination for all HCD programs and activities. Under their direction, strategic policies are developed, resources are allocated based on agency priorities and key operational activities are performed.

Agency Operations

Financial Management
As a residential property manager, real estate developer and housing finance, as well as a governmental entity, the FCRHA and HCD have very complex financial management and reporting responsibilities utilizing both governmental and enterprise accounting. The Financial Management Division is responsible for financial planning, budgeting, accounting and reporting for all programs, projects and activities of the FCRHA and HCD. This requires 19 funds (operating, capital and grant) in the County financial system, as well as a separate housing management system used to maintain accounts and tenant information for all residential units including households in partnership properties, and over 3,200 households receiving HCV housing subsidies. The revised annual budget for all funds on the County's financial system typically exceeds $170 million. In addition, staff supervises the work of an independent management company that maintains the financial records for the privately-managed properties.

There are also multiple corporations, limited liability companies and limited partnerships for which staff has responsibility, either directly maintaining their records or supervising and reviewing the work of outside firms. They require separate accounting, and individual budgets, financial reports, audits and tax returns. The division must also meet multiple financial reporting requirements in addition to those of the County, including the U.S. Department of Housing and Urban Development, the Virginia Housing Development Authority, several private lenders and multiple investor partners.

As a real estate developer, the FCRHA or its affiliated partnerships are obligated in debt secured by its properties that requires monthly tracking and processing of principal, interest, escrow and reserve payments. As the County's local housing finance agency, the FCRHA has a portfolio of loans made to various for-profit and non-profit affordable housing developers for the acquisition, development and rehabilitation of properties throughout the County. The FCRHA has a portfolio of loans to assist with home improvements or home purchases that must be serviced as well as conduit debt issued to fund loans to other parties that must be monitored.

Human Resources Administration

Three staff provide general human resources support including position resource monitoring, personnel action processing, recruitment and selection, organizational development and training, workforce planning time and payroll reporting, performance evaluations coordination, employee relations, and guidance to staff on human resources procedures and requirements. It should be noted that given federal requirements, the time reporting process is very complex and considerable time is devoted to training and assisting staff.

Information Technology Support

The Information Systems and Services Division (ISS) provides support for HCD computer systems, Yardi the agency's property management system, and coordinates with the County Department of Information Technology to provide access to County systems. ISS staff maintains and upgrades a 275 PC network with eight servers and 300 users stationed at 10 different locations. They provide user support and coordinate training for both commercial software packages and specialized HCD systems. In addition, ISS assesses business needs and procures or designs, then tests and implements new systems to serve these needs.

This LOB represents just over 4 percent of the FCRHA/HCD's total budget and most of the support, $2.2 million or 45.3 percent, comes from Program Income generated from management fees and recovered costs in Fund 81000, FCRHA General Operating. The County General Fund is the second largest contributor with $1.4 million, or 28.4 percent of total revenue. Compensation spending of $4.1 million supports 40 positions, 24 of which are supported by the County General Fund, 13 by the FCHRA and three by federal funding. It should be noted that the agency Director and two Deputy Directors represent the agency's senior leadership by providing strategic direction, administrative and policy guidance and coordination for all HCD programs and activities. Under their direction, other positions perform key support activities.

Benefits

This LOB ensures smooth, effective agency operations and fulfillment of the agency mission, meets the unique communication and strategic planning needs of the FCRHA, and provides sound stewardship of a significant amount of both local and non-local funding.

This LOB, in effect, ensures that the many obligations of the FCRHA – from its Moving to Work designation, to the implementation of the Rental Assistance Demonstration (RAD) program, to the Housing Blueprint among others – are conducted successfully, and that the FCRHA's programs and activities are transparent and responsive to the needs of the community.

Careful stewardship and innovative planning resulting from this LOB garnered a consistent "high performer" rating from HUD for years. This rating from HUD made the FCRHA eligible to apply for designation as a Moving to Work (MTW) agency in 2012.

In December 2013, the FCRHA received its signed MTW agreement from HUD. The agreement makes official the FCRHA's prestigious status as an MTW agency, and enables the FCRHA to: create a housing continuum that seamlessly joins together the County's housing programs – including Public Housing and Housing Choice Vouchers - and establishes goals to help residents move toward self-sufficiency; expand its already strong community partnerships with non-profit organizations to provide self-sufficiency services ranging from "ready-to-rent" training, to job readiness, through homebuyer education and beyond; and reduce the burden both on staff and residents related to such things as re-certifications and inspections, which will allow staff to focus more on people – not paperwork.

Mandates

There are compliance requirements associated with the receipt of federal funds as part of this LOB. It should be noted that given the relatively small portion of federal funds in the LOB, the associated compliance requirements are minimal.

Trends and Challenges

As compensation costs (i.e., fringe benefits) increase and resources grow minimally if at all, staff vacancies must be held to achieve budget neutrality. The result is increased workloads for staff and less critical activities being deferred.

Coupled with the funding constraints and increased workloads is the fact the HCD is facing a loss of institutional knowledge due to retirements in the coming years. Approximately one third of existing staff – 63 employees – are eligible for retirement between now and 2019. This includes 17 employees who are already enrolled in the Deferred Retirement Option Program, with a set retirement date within the next three years.

Looking ahead, the Affordable Housing Advisory Committee, which is staffed by HCD, will begin working to address critical issues through a series of working groups. These groups will focus on issues such as capital formation, land use, the connection between affordable housing the County's economic competitiveness, and promoting affordable homeownership opportunities.

Resources

Category	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted
LOB #327: FCRHA/HCD Program Planning, Development and Management			
FUNDING			
Expenditures:			
Compensation	$2,642,464	$3,434,914	$3,694,712
Benefits	325,849	329,469	368,115
Operating Expenses	1,209,566	1,225,151	1,231,453
Work Performed for Others	(249,375)	(273,250)	(512,500)
Total Expenditures	$3,928,504	$4,716,284	$4,781,780
General Fund Expenditures	$1,902,753	$2,559,796	$2,641,270
Total Revenue	$4,929,085	$5,216,703	$4,796,228
Transfers In:			
Transfer In from General Fund	$11,895	$0	$26,966
Total Transfers In	$11,895	$0	$26,966
POSITIONS Authorized Positions/Full-Time Equivalents (FTEs)			
Positions:			
Regular	39 / 39	39 / 39	38 / 38
Grant	2 / 2	2 / 2	2 / 2
Total Positions	41 / 41	41 / 41	40 / 40

Metrics

Metric Indicator	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of Clients Housed by FCRHA/HCD	18,751	18,535	18,286	18,613	18,595
Non-Local Resources Leveraged for every $1 of Local Resources	$5.64	$5.26	$4.93	$5.30	$5.30

The leadership and work of the FCRHA/HCD translates into safe, stable housing for more than 18,000 individuals in Fairfax County. These are families and individuals who are then able to:

- Feel secure, as many of them are most in need in the community;
- Go to or look for gainful employment;
- Contribute to the local economy and community;
- Focus on challenges they may be experiencing such as mental illness, family instability and economic self-sufficiency; and/or
- Succeed in school.

This is accomplished through the leveraging of many different resources. The local contributions in terms of County General Fund support and the half penny on the County's Real Estate Tax rate, for example, leverage nearly $5 for every $1 in non-local resources. While the leverage ratio dipped below $5 in FY 2015, it is anticipated to be in excess of $5 in FY 2016 and FY 2017. This ratio fluctuates given the unique dynamics mentioned in the Agency Overview associated with the timing incongruity between capital and project revenues and expenditures.