

Fund 40300: Housing Trust

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

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

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

In FY 2020, Fund 40360, Homeowner and Business Loan Programs, was closed, and two of the existing programs were consolidated into Fund 40300. These programs include the Moderate Income Direct Sales (MIDS) Resale Program and the Fairfax County Rehabilitation Loan Program. The Rehabilitation Loan Program, which has been significantly downsized, provides loans, grants and materials to individuals with low and moderate incomes for the purpose of home improvements. New loans are now limited to only emergency situations. Existing loans, when repaid, generate revenue to the fund. However, most of these loans are deferred and only repaid when the homeowner decides to sell their home. The MIDS Resale Program is intended to provide resources necessary to acquire homeownership properties that are offered for sale and, if necessary, rehabilitate them prior to reselling them in the First-Time Homebuyers Program (FTHB). Units not purchased for resale but that have reached their extended control period are sold at market-value, and an equity share is earned by the FCRHA as an additional funding source for this resale program.

Also, in FY 2020, Fund 30310, Housing Assistance Program, was closed and four of the existing projects were consolidated into Fund 40300. This consolidation was an effort to manage capital resources more efficiently for financing housing and redevelopment projects. These projects included the Emergency Housing Project, the Predevelopment Studies Project, the North Hill (Commerce) Project and the North Hill (Woodley) Project. This consolidation was reflected in the *FY 2021 Revised Budget Plan*.

In FY 2022, revenues are estimated to be \$3,667,191, an increase of \$5,409, or 0.1 percent, over the FY 2021 Adopted Budget Plan. The increase in revenue is primarily due to projected equity share income in FY 2022. The FY 2022 expenditure appropriation of \$3,667,191 will be allocated to the MIDS Resale Program, ADU Acquisition, Land/Unit Acquisition, and Undesignated Housing Trust Fund for reallocation to specific projects when identified and approved.

**Changes to
FY 2021
Adopted
Budget Plan**

The following funding adjustments reflect all approved changes in the FY 2021 Revised Budget Plan since passage of the FY 2021 Adopted Budget Plan. Included are all adjustments made as part of the FY 2020 Carryover Review, FY 2021 Mid-Year Review, and all other approved changes through December 31, 2020:

Carryover Adjustments \$21,555,399

As part of the *FY 2020 Carryover Review*, the Board of Supervisors approved funding of \$21,555,399 due to the carryover of \$12,127,196 in unexpended project balances, \$5,087,337 due to an appropriation of excess revenue received in FY 2020, and an appropriation of \$4,340,866 due to Funds 30310, Housing Assistance Program and 40360, Homeowner and Business Loan Programs, closing in FY 2020.

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

FUND STATEMENT

Category	FY 2020 Actual	FY 2021 Adopted Budget Plan	FY 2021 Revised Budget Plan	FY 2022 Advertised Budget Plan
Beginning Balance^{1,2}	\$12,458,088	\$2,979,030	\$25,917,327	\$2,861,928
Revenue:				
Proffered Contributions	\$4,166,756	\$0	\$0	\$0
Investment Income	169,119	150,000	150,000	77,251
Miscellaneous Revenue	2,049,727	3,511,782	3,511,782	3,589,940
Total Revenue	\$6,385,602	\$3,661,782	\$3,661,782	\$3,667,191
Total Available	\$18,843,690	\$6,640,812	\$29,579,109	\$6,529,119
Expenditures:				
Capital Projects ³	\$1,400,097	\$3,661,782	\$25,217,181	\$3,667,191
Total Expenditures	\$1,400,097	\$3,661,782	\$25,217,181	\$3,667,191
Transfers Out:				
Park Improvement Fund (80300)	\$0	\$0	\$1,500,000	\$0
Total Transfers Out	\$0	\$0	\$1,500,000	\$0
Total Disbursements	\$1,400,097	\$3,661,782	\$26,717,181	\$3,667,191
Ending Balance³	\$17,443,593	\$2,979,030	\$2,861,928	\$2,861,928
Reserved Fund Balance ⁴	\$229,060	\$229,060	\$229,060	\$229,060
Unreserved Ending Balance	\$17,214,533	\$2,749,970	\$2,632,868	\$2,632,868

¹ Fund 30310, Housing Assistance Program, was consolidated into Funds 30300, Affordable Housing Development and Investment and 40300, Housing Trust, in FY 2020. All assets, liabilities and equity associated with Fund 30310 were transferred to Funds 30300 and 40300. FY 2021 Revised Beginning Balance includes balance of \$4,030,570 transferred from Fund 30310.

² Fund 40360, Homeowner and Business Loan Programs, was consolidated into Fund 40300, Housing Trust, in FY 2020. All assets, liabilities and equity associated with Fund 40360 were transferred to Fund 40300. FY 2021 Revised Beginning Balance includes balance of \$4,443,164 transferred from Fund 40360.

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

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

SUMMARY OF CAPITAL PROJECTS

Project	Total Project Estimate	FY 2020 Actual Expenditures	FY 2021 Revised Budget	FY 2022 Advertised Budget Plan
ADA Compliance - HCD Pender (HF-000115)	\$400,000	\$0.00	\$100,000.00	\$0
ADU Acquisitions (HF-000093)	5,632,716	748,276.72	2,451,723.28	900,000
Affordable Housing Investment (2H38-215-000)	1,487,381	0.00	806,000.00	0
Autumn Willow (HF-000157)	500,000	39,959.88	460,040.12	0
County Rehabilitation Loans (2H38-219-000)	38,950	0.00	38,950.00	0
Feasibility and Site Work Studies (2H38-210-000)	1,408,693	88,454.69	1,077,519.68	0
HP-Housing Proffer Contributions-General (HF-000082)	319,317	0.00	319,316.79	0
HP-Housing Proffer Contributions-Tyson (HF-000081)	8,749,622	0.00	8,749,622.30	0
Land/Unit Acquisition (2H38-066-000)		405,599.84	728,436.73	189,940
Lewinsville Redevelopment (2H38-064-000)	2,529,382	438.86	83,233.20	0
Little River Glen IV (HF-000158)	282,772	0.00	282,771.60	0
MIDS Resale (2H38-220-000)	5,271,346	0.00	2,771,346.00	2,500,000
Murraygate Renovation-Construction Loan (2H38-222-000)	1,551,152	0.00	1,551,151.50	0
North Hill/Commerce Street Redevelopment (HF-000160)	460,948	0.00	460,948.00	0
North Hill/Woodley Hills Estate (HF-000159)	1,517,929	0.00	1,517,929.00	0
One University (HF-000100)	600,000	73,036.81	504,313.19	0
Rehabilitation of FCRHA Properties (2H38-068-000)		0.00	650,000.00	0
Reservation/Emergencies & Opportunities (2H38-065-000)		0.00	376,549.76	0
Senior/Disabled Housing/Homeless (2H38-192-000)	1,614,254	44,330.62	533,633.58	0
Undesignated Housing Trust Fund (2H38-060-000)		0.00	1,753,695.77	77,251
Total	\$32,364,461	\$1,400,097.42	\$25,217,180.50	\$3,667,191