



Notice of Funding Availability (NOFA) Fiscal Year 2025

September 18, 2024

FAIRFAX COUNTY DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY

Agenda

- **Introductions and County Goals for the NOFA**
- **Overview of FY 2025 NOFA**
- **What's New in FY 2025 NOFA?**
- **Introduction to Permanent Supportive Housing (PSH) Capital Funds**
- **Questions + Answers**

Fairfax County's goals for production and preservation of affordable housing

- Provide individuals and families across Fairfax with **equitable access** to affordable homes in a community of their **choice**.
- Produce **10,000 new units** of affordable housing by 2034.
- **No net loss** of existing market affordable and committed affordable rental homes with expiring subsidies.



Partnerships
are critical to
achieving
affordable
housing goals

How we partner:

- Investment of **County land**
- FCRHA issuance of **tax-exempt bonds**
- Providing **low cost, subordinate capital**
- Investing **local, state and federal resources**, including grant capital
- Partnership **development opportunities** through Public-Private Education Act (PPEA)
- Moving to Work authority and flexibilities including **project-based vouchers**

Eligible activities under this NOFA

- Planned developments of five or more units
- Existing multifamily properties of five or more units
- Age-restricted rental housing
- Homeownership projects of two or more units
- Vacant or occupied residential properties
- PSH units integrated in mixed-income or market-rate communities
- Properties that incorporate community-serving purposes
- Non-residential properties for conversion to residential
- Projects that co-locate residential with public facilities

FY2025 AVAILABLE NOFA FUNDING		
Funds for New Construction and Preservation		
Funding Source	Description	Available Funds
Housing Blueprint Fund	Fairfax County Affordable Housing Development and Investment fund (AHDl)	\$42,272,563
Tysons Housing Trust Fund	Fairfax County funds for Affordable Housing in Tysons Urban Center	\$96,250
Housing Trust Fund-General	Funds from zoning proffers for affordable housing in all of Fairfax County	\$206,253
Housing Trust Fund Senior	Funds from zoning proffers for senior housing only	\$1,435,119
HOME Investment Partnerships Program	Federal funds to be used for development, acquisition, preservation or rehabilitation of affordable housing units	\$753,529
	Total	\$44,763,714
Funds for Predevelopment and Construction Costs for Projects that include PSH Units		
Funding Source	Description	Available Funds
VA Department of Behavioral Health and Developmental Services (DBHDS) Region 2	State funds to support the development of permanent supportive housing for very low-income people with serious mental illness	\$5,500,000
Housing Blueprint Fund	Fairfax County Affordable Housing Development and Investment fund set-aside for projects with PSH units	\$500,000
	Total	\$6,000,000
	Total	\$50,763,714



NOFA Process

- Applications will be accepted on a **rolling basis** through the HCD Egnyte website.
- FCRHA staff will **confirm receipt** of application within two (2) business days.
- For projects applying for Virginia Housing 9% Low Income Housing Tax Credits (LIHTC) in March 2025, applications must be received by **October 22, 2024 at 4:00 p.m.**



What is FCRHA Looking for?

- Reasonable and realistic cost projections- *ask for what the project needs*
- Leverage of **at least 4:1** of non-county resources
- Applicant experience and qualifications, teaming approach for delivery of services where applicable, and **readiness to proceed**
- Clear narrative of how the project will advance **One Fairfax equity goals**- *to be codified as an Equity Impact Statement*
- Affordable housing in **high-opportunity neighborhoods** and addresses displacement concerns
- If using LIHTC, projects should comply with VA Housing total development cost (TDC) per unit and or cost per square foot guidelines
- Consideration of using FCRHA Bonds with 4% LIHTC deals



New in FY 2025 NOFA

**Leasing and
Relocation Plans**

Resident Experience

**Energy Efficiency
Standards for New
Construction**

**Additional Resources
for Permanent
Supportive Housing
(PSH)**

Revised Scoring



Threshold Criteria

Minimum Threshold Criteria:

- Project meets the income levels and terms
- Demonstrated experience and organizational capacity
- Readiness to proceed:
 - Secured financing and/or clear timeline for acquiring additional sources
 - Zoning approval
 - Evidence of site control
- Demonstrated financial feasibility
- Equity Contribution
- Compliance with federal, state and local project requirements
- Debar attestation required
- Estimated construction costs are market reasonable

FCRHA Underwriting Criteria

- Project must demonstrate ability to support must-pay debt
- Loan to Value ratio (LTV) not to exceed 100% (use decontrol value)
- Physical Needs Assessment (PNA) required for renovation projects
- Minimum Debt Service Coverage Ratio of 1.15
- Minimum leveraging ratio of 4:1
- Proposed financing terms should include fixed interest rate and loan maturity no later than proposed FCRHA loan

FCRHA Financing Terms

- Coterminous with fixed-rate amortizing first mortgage
- FCRHA must have either a Right of First Offer (ROFO) or a Right of First Refusal (ROFR)
- Subject to a Land Use Restriction Agreement (LURA)
- FCRHA requires affordability covenants to be recorded senior to all financing
- County to recoup its funds within a reasonable time period
- Other requirements as deemed necessary

Build America Buy America

Projects utilizing HOME funds awarded through this NOFA will be subject to Build America Buy America (BABA) where TDC is above \$250,000. These requirements are applicable to iron and steel products, specifically listed construction materials, non-listed construction materials, and manufactured products. Applicants should account for any cost or other impacts and note these in their application(s).



DBHDS Region 2

Permanent Supportive Housing Capital Funds

Jeannie Cummins Eisenhour
Senior Regional Housing Coordinator

Virginia Dept. Of Behavioral Health and Development Services



Empowering Communities,
Building Futures.

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Permanent Supportive Housing (PSH) Capital Funds

- \$5.5M of state FY2024 general funds allocated to Virginia Department of Behavioral Health & Developmental Services
- Funds must support development of projects that increase the regional supply of **quality PSH** for very low-income adults with serious mental illness (SMI)
- Focus is on projects that will be ready for occupancy on or before **December 31, 2028**
- DBHDS contracted the Northern Virginia Regional Projects Office (NVRPO) to administer the funds
- NVRPO is partnering with FCRHA to make these funds available through this NOFA



PSH Capital Funding Projects Must:

- Include 0BR, 1BR and/or 2BR affordable rental units for use as PSH
- No more than 25% of total units can include a disability set-aside or preference
- Offer a PSH leasing preference on up to 10% of units in the project for households in which the head has a SMI
 - PSH leasing preference is separate from leasing preference requirements for other financing sources (e.g., a unit cannot meet multiple preferences)
 - income limits for leasing preference units cannot exceed 50% AMI
 - rent limits for leasing preference units cannot exceed 60% AMI
 - leasing preference applies for the entire affordability period
- Tenant Selection Plan must conform with Virginia Housing [Target Population Tenant Selection Plan Guidance](#)



PSH Capital Funds

Types of projects that have successfully included PSH:

- LIHTC multifamily projects (new construction and acquisition/rehabilitation)
- Scattered site acquisition projects (with light renovations)
- Scattered site acquisition and rehabilitation projects



Thank you!

Questions?

E-mail rha@fairfaxcounty.gov



Leasing Preferences:

- Property management screens applicant consistent with property's tenant selection plan
- If approved, PSH referral partner provides tenancy supports to help applicant lease and maintain housing. Tenancy supports include:
 - pre-tenancy and housing readiness supportive services
 - move-in assistance
 - service needs assessment and the development and implementation of an individualized housing support plan
 - regular contacts with tenant and property management to support rent and utility payment, lease compliance, annual eligibility recertifications and lease renewals, unit upkeep, positive relationships with management and neighbors
 - linkages to other needed services in the community
- Tenancy supports will be available to all referred households
- Occupants of leasing preference units cannot be required to accept supportive services as a condition of tenancy
- Property management notifies DBHDS when the tenant vacates the unit

Leasing Preferences:

How the leasing preference works:

- Property management notifies DBHDS when units with leasing preference become available (until all leasing preference slots are filled)
- DBHDS alerts PSH referral partners about unit availability
- DBHDS-designated PSH referral partners identify potential applicants for available units with leasing preferences
- DBHDS verifies potential applicant is in the target population and is approved for rent assistance
- DBHDS places a hold on an available leasing preference unit
- DBHDS issues verification letter for applicant to submit with rental application
- The PSH referral partner assists the applicant through application submission process

Permanent Supportive Housing (PSH) Capital Funds

- Application timeline and submission process same
- Minimum threshold criteria (section 4.1) & scored criteria same
- Financing terms - same EXCEPT interest rate could be lower than 3%