



NVAHA: Affordable Housing Finance 101

Why is it so complicated?

Fairfax County Housing Symposium
March 15, 2023

- Definitions
- Federal, State and Local Subsidy Programs
- Expectations and Challenges
- Affordable Housing Finance Takeaways
- Increase Housing Supply and Affordability
- Partnerships
- Discussion and Q&A

What we do:

NVAHA promotes healthy, sustainable and equitable communities that meet the diverse housing needs of Northern Virginia residents.

- **Advocating** for public policies and adequate financial investments to develop and preserve housing that's affordable;
- **Building political will** to advance affordable housing through better understanding of the interplay between housing, health, equity, and economic development;
- **Partnering with underserved communities** to lift their participation in our civic discourse;
- **Calling for the deconstruction of land use systems and policies** that perpetuate inequities, and the allocation of resources to address the disparities created by these systems;
- **Conducting research** on housing needs and policies to promote inclusive, equitable communities in Northern Virginia.

Definitions

What is affordable housing?

- Housing is considered affordable if an individual or family spends no more than 30% of their gross monthly income on housing. Range of affordable housing because we have a range of incomes.

What does that mean in our region?

- Usually we target affordable housing resources toward low-to-moderate income households, usually those earning 60% (low) to 80% (moderate) of the area median income (AMI)
- In FY22, 60% of the AMI for a family of four DC-Arl-Alex MSA was \$85,380 and 80% of the AMI for a family of four is \$90,000 (established by HUD). The real need and challenge is for housing for 30% of AMI and below which is \$42,700.
- Fair Market Rent (established by HUD in DC-Arl-Alex MSA) is \$1,785 for a 2 bedroom apartment (actually higher in Northern Virginia).
- NLIHC establishes a Housing Wage of \$34.33/hour (DC-Arl-Alex MSA) to afford the average 2 bedroom apartment. Virginia minimum wage is \$12/hour.

Rental Affordable Housing Finance

Federal Subsidy Programs

- Low Income Housing Tax Credits (LIHTC)
- Housing Choice Voucher (HCV)
- Community Development Block Grant (CDBG)
- HOME Funds
- New Market Tax Credits
- Historic Preservation Tax Credits

State Subsidy Programs

- Private Activity Bonds
- Virginia Housing Trust Fund
- National Housing Trust Fund (VA allocation)
- Permanent Supportive Housing (PSH)
- Housing Innovation in Energy Efficiency (HIEE)

Local Subsidy Programs

- Local Housing Trust Fund
- Local Rental Subsidy
- Other programs

Expectations for Affordable Housing in NoVA

Built to the same standards at market-rate housing

- Architecture compatible with surrounding community
- Meets green development building standards (LIHTC priority)
- Address stormwater management; resource protection areas

Additional priorities which increase costs

- Larger units to accommodate families (2 Bd + den, 3 Bd)
- Priority to locate near transit – where land is most expensive
- Priority to serve households earning less than 60% AMI

Challenges to AH Development

- Construction costs rising (supply chain shortages)
- Inflation and Rising Interest Rates (significant increases)
- Lack of sufficient, skilled construction workers (exodus after the 2007 Great Recession)
- Lengthy development approvals and permitting process (at local level can add 12-18 months before construction begins)
- Community opposition (NIMBY) – (more vocal, organized, at times creating legal challenges to approval, and adding time and money to the cost)

Affordable Housing Finance Takeaways

- Projects take multiple sources, all working together – federal, state, local, grants and private sector – to finance development;
- All funders have their own project requirements that developers must meet;
- Most affordable housing resources are very competitive and constrained;
- It can be 4+ years before a project is financed and begins construction;
- We are losing market affordable housing faster than we can replace it.



2030 Regional Housing Goals = 374,000

- Produce 25,000 new units annually
- Locate housing in activity centers
- 75% of annual production (18,750 units) should be affordable to low- and moderate-income households
- Fairfax County has a goal of 10,000 affordable units by 2034 (approx 1,000 units annually)

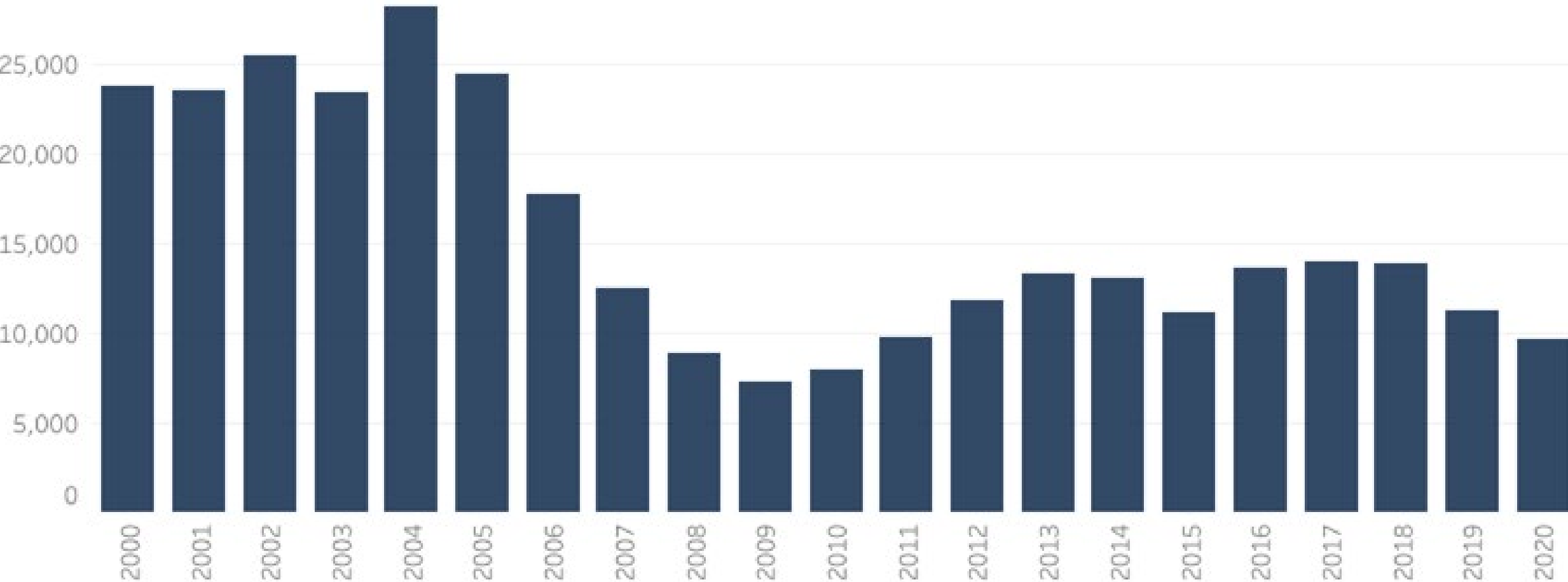


Annual building permits by structure type

Select structure type(s):
All

Select CBSA:
Washington-Arlington-Alexan..

Annual building permits issued from 2000 to 2020



Source: U.S. Census Bureau, Building Permits Survey.

Public Private Partnerships

Local governments can't do it alone

Private sectors partners should invest in the community

- Housing for the workforce
- Housing is infrastructure
- Housing is inextricably connected to economic development and resiliency



Partnerships

Partners (below market loans, grants or land)

- Corporate Partners - Amazon | Washington Housing Initiative (JBG SMITH)
- Healthcare institutions - Kaiser Permanente & CVS
- Community Foundations - Local, Meyer, Cafritz, WRAG
- Higher Education – George Mason & Howard University
- Houses of Worship - Faith Communities using land for AH



Additional Resources

NVAHA Resources:

[Housing Finance 101](#)

[Housing Finance Vocabulary](#)

[Housing Policy Matrix](#)

[Lunch and Learn Series](#)

Partner Resources:

[Advocates' Guide 2022 – A Primer](#) (National Low Income Housing Coalition)

[New Narrative for Housing: Playbook for the Greater Washington Region](#) (The Case Made)

[Housing Indicator Tool](#) (HAND)

Discussion? Questions?

Jill Norcross

Executive Director

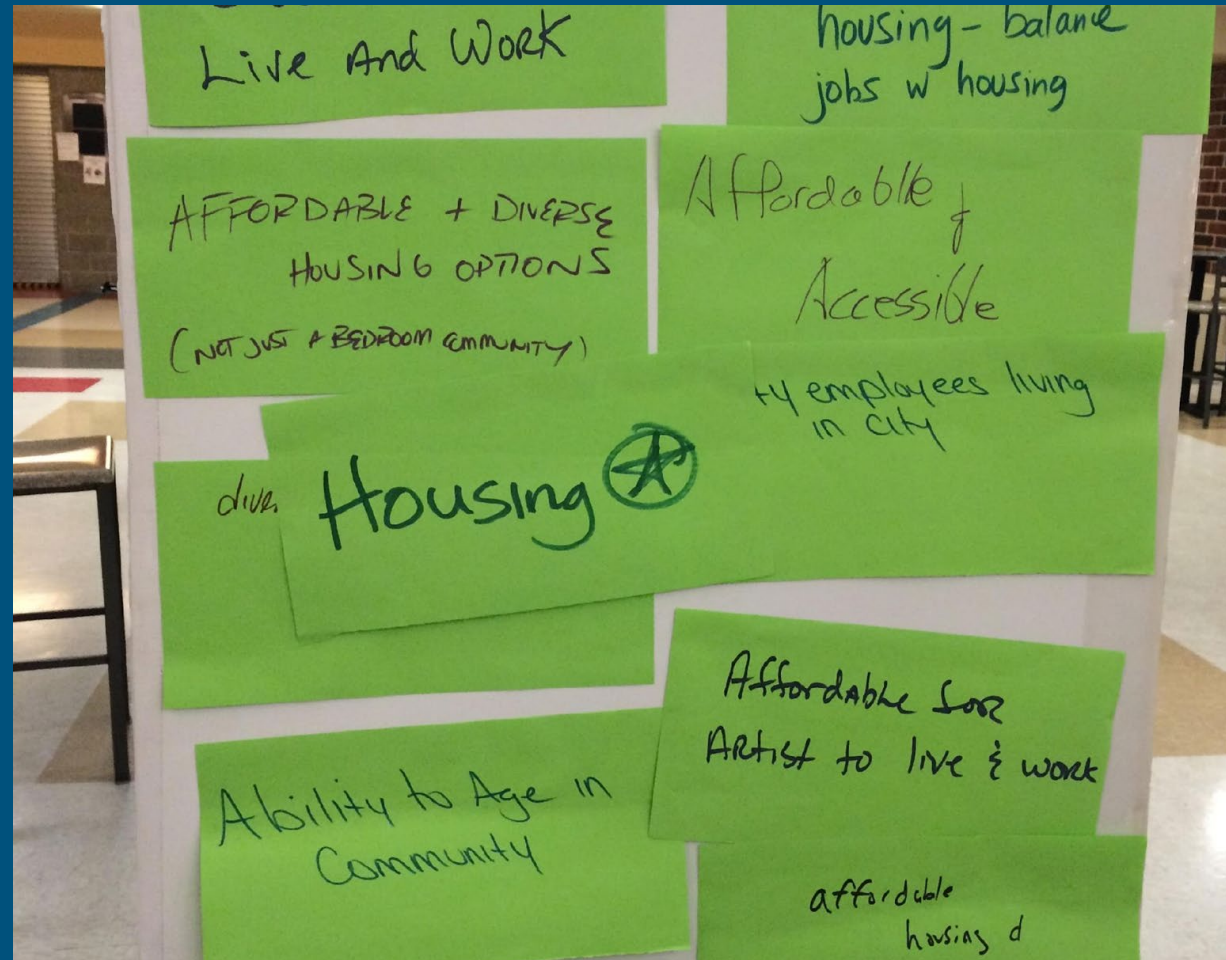
jill.norcross@nvaha.org

Hanna Metuda

Director of Policy & Programs

hanna.metuda@nvaha.org

www.nvaha.org





2023 Fairfax County Housing Symposium

Leveraging Resources to Create Affordable Housing in Challenging Markets

Anna Shapiro, Deputy Director of Development
Fairfax County Department of Housing and Community Development

March 15, 2023

About the FCRHA

- The Fairfax County Redevelopment and Housing Authority (FCRHA) provides affordable housing, both as an owner of thousands of units and as an administrator of a variety of rental subsidies - housing over 17,000 people on a nightly basis.
- The FCRHA is Fairfax County's local housing financing agency, providing loans and grants to partners to develop and reposition private-market affordable housing.
- The FCRHA acts as a development entity and also partners with the development community to create new affordable housing throughout Fairfax County.
- The partnership between the FCRHA and the Fairfax County Board of Supervisors is essential in achieving our shared missions.

Reaching our Collective Goals

Fairfax County is well on its way to achieving our collective goals of continuing to provide housing for extremely low-income residents and creating 10,000 new homes by the year 2034.

Housing Management:

- Moving to Work authority is used to innovate and adapt federal programs and resources to meet local needs.
- A continued focus on high occupancy rates in FCRHA-owned units and strong utilization rates in rental subsidy programs.
- Addressing capital needs at FCRHA-owned properties

Housing Development and Finance:

- FY2023 Notice of Funding Availability for \$52 million has almost entirely been committed.
- New development: 1,023 homes under construction and 2,019 homes in the pipeline.
- PPEA opportunities are being prepared for procurement to grow the future pipeline.

Affordable Housing Development

The FCRHA continues to partner with Fairfax County on its goal of creating 10,000 new affordable homes by the year 2034 through **partnerships**; **innovative investment of resources**; and the **inclusion of affordable housing development within market-rate communities**.

The FCRHA and Board of Supervisors dedicate public land for affordable housing through the use of the Public-Private Education Facilities and Infrastructure Act of 2002 (PPEA). This strategy has effectively removed or reduced the cost of land out in the affordable housing equation.

In FY 2022, the FCRHA continued to utilize PPEA to deliver affordable homes and advance the model at such properties as Residences at North Hill, Oakwood Senior Apartments, and the Residences at the Government Center II.



Residences at North Hill

279 Units (216 multifamily, 62 senior)
Mount Vernon District



Oakwood Senior Apartments

150 Senior Apartments
Franconia District



Residences at the Government Center II

279 Multifamily Units
Braddock District

Preservation of Affordable Housing

The FCRHA continues to advance the preservation of affordable housing by implementing the recommendations of the Affordable Housing Preservation Task Force. These efforts are critical, as affordable homes are increasingly at risk as Fairfax County continues to grow in its population, economy, and infrastructure.

- **Leveraging gap financing** to help acquire and renovate market affordable housing
- **Amending the Comprehensive Plan** to incentivize preserving affordability of units after redevelopment
- **Creating a bench of housing providers** that can quickly execute on preservation opportunities

Working closely with partners in the affordable housing industry, the FCRHA has preserved or is working towards preserving approximately 1,300 homes since adopting the goal of no net loss of affordable housing in the county.



Little River Glen
120 Units of Senior Housing
Braddock District



Lake Anne House
240 Units of Senior Housing
Hunter Mill District



Landings I & II
292 Units of Senior Housing
Mount Vernon District

Financing Affordable Housing

Within the last fiscal year, the FCRHA and Fairfax County have worked hand-in-hand to responsibly make strategic investments to develop and preserve affordable housing.

Local Resources - \$142.2 million (FY 2022)

- Affordable Housing Development and Investment Fund (AHDIF)
- FCRHA Development and Operating Funds
- FCRHA Bonds
- Tysons Housing Trust Fund (Proffer Financing)

Federal Funds - \$15.9 million (FY 2022)

- American Rescue Plan Act (ARPA)
- Community Development Block Grant (CDBG)
- HOME Investment Partnerships Program

The FCRHA continues to successfully utilize project-based vouchers (PBVs) in new construction, allowing projects to serve lower income households and making projects more competitive for tax credits.



Dominion Square West
515 Multifamily Units & Community Center
Hunter Mill District



The Arden
126 Multifamily Units
Mount Vernon District



Ovation at Arrowbrook
274 Multifamily Units
Dranesville District

Zoning Policies

The FCRHA administers the county's Affordable Dwelling Unit and Workforce Dwelling Unit programs which incentivize the inclusion of affordable units within market rate for-sale and rental communities.

In FY 2022:

- 269 Workforce Dwelling Units (WDU)s were constructed
- 88 Affordable Dwelling Units (ADUs) were constructed

A total of 4,942 units have been produced through these programs (3,017 ADUs and 1,925 WDU)s

The FCRHA continues to explore innovative approaches to expediting and incentivizing the construction and preservation of affordable housing.



269 WDUs

Constructed in FY 2022

88 ADUs

Constructed in FY 2022

4,942

Total ADUs (3,017) and WDU)s (1,925)
produced through these programs

Projects Under Construction

Projects	District	Project Type	No. Units	Status
North Hill	Mount Vernon	New - PPEA	279	Construction Completion - Spring 2023
Ovation at Arrowbrook	Dranesville	New - Finance	274	Construction Completion – Spring 2023
Oakwood	Franconia	New - PPEA	150	Construction Completion – Summer 2023
One University	Braddock	New - PPEA	240	Construction Completion - Summer 2024
Braddock Senior	Braddock	New – Finance	80	Construction start – Fall 2022
TOTAL			1,023	

Development Pipeline*

Projects	District	Project Type	No. Units	Status
Stonegate Village	Hunter Mill	Preservation	234	Design
Autumn Willow	Springfield	New - PPEA	150	Close – Spring 2023
West Ox/Route 50	Sully	New - PPEA	34	Land Use
Little River Glen IV	Braddock	New - HCD	60	Contractor Procurement
Little River Glen Renovation	Braddock	Preservation	120	Contractor Procurement
Dominion Square West	Hunter Mill	New–Partnership	516	Design/Permitting
Somos at McLean Metro	Providence	New-Partnership	450	Design/Permitting
Residences at the GC II	Braddock	New – PPEA	275	LIHTC Submission
Penn Daw (housing component)	Mount Vernon	New – Co-Location	60	Design
Franconia GC Redevelopment	Franconia	New-PPEA	120	Negotiation/Land Use
TOTAL			2,019	

*In addition, there are nearly 700 units in the predevelopment and procurement pipeline.

THANK YOU

