



ANNUAL FY 2019 *REPORT*

FAIRFAX COUNTY REDEVELOPMENT
AND HOUSING AUTHORITY



FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY

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MEET OUR LEADERSHIP

The powers of the FCRHA are vested in eleven Commissioners appointed by the Fairfax County Board of Supervisors, and as provided for by the Code of Virginia.



COMMISSIONERS

Robert Schwaninger
Chairman
Mason District

C. Melissa Jonas
Vice-Chair
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Matthew Bell
Mount Vernon District

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Springfield District

Lenore Kelly
Sully District

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Hunter Mill District

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Lee District

Ezra Rosser
At-Large

Rod Solomon
Providence District

Sharisse Yerby
At-Large

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT SENIOR STAFF

HCD serves as staff for the FCRHA and administers housing and community development programs on behalf of the Board of Supervisors.

Thomas E. Fleetwood
Director

Amy Ginger
Deputy Director, Operations

Teresa Lepe
Acting Deputy Director, Real Estate, Finance
and Development

Seema Ajrawat
Director, Financial Management and
Information Systems and Services

Ash Bhatia
Acting Director, Asset Management

Marta Cruz
Director, Administration

Carol Erhard
Director, Homeownership and
Relocation Services

Peggy Gregory
Director, Rental Assistance

Leo LeDuc
Director, Property Management

Ahmed Rayyan
Director, Design, Development and
Construction

Vincent Rogers
Director, Policy and Compliance

James Speight
Director, Property Improvement
and Maintenance



Robert H. Schwaninger
FCRHA Chairman



Thomas E. Fleetwood
HCD Director

“Welcome home.”

In these two simple words is a sense of accomplishment, belonging and security that should be attainable for everyone who seeks to be a part of our Fairfax County community. A stable home environment plays a key role in many areas of our lives, including child development, health and wellness, academic and professional success, upward economic mobility, self-sufficiency and more. The challenge facing Fairfax County today is finding ways to create and preserve price-appropriate housing options for individuals and families – particularly those considered low- to moderate-income households.

Over the last 12 months, we at the Fairfax County Redevelopment and Housing Authority (FCRHA) and the Department of Housing and Community Development (HCD) have sought to provide safe and affordable homes for individuals and families of all ages, abilities and circumstances. Fiscal Year 2019 (FY 2019) was a momentous year—not only for the work achieved, but because of how that work is reshaping the future of housing throughout the county. We’ve accomplished this through preservation and new development projects, enhancing our business processes, and nurturing our community and industry partnerships. One project – the Lewinsville Center – is a premier example of all three areas at work as we partnered with county agencies, community-based service providers and developers to establish a multi-service, multi-generational campus which includes expanded housing options for older adults, a Senior Center, an Adult Day Health Care Center, and two child day care centers.

Within this report, you will find more details on the Lewinsville Center and other projects, policy and process adaptations and enhancements, developments in financing affordability, and many exciting projects on the horizon. We are also excited to update you on our progress with the Communitywide Housing Strategic Plan (introduced last year). Strategies outlined in Phase I of the plan are already having positive impacts on home affordability in Fairfax County communities and longer-term recommendations (included in Phase II of the plan) have been completed and presented to the Fairfax County Board of Supervisors.

The greatest strength we have in shaping the future of housing in Fairfax County is the diversity, commitment and passion of our collective community of partners and our outstanding staff. We are tremendously grateful to have the support and leadership of the Fairfax County Board of Supervisors and to receive the guidance and partnership of many friends and organizations throughout the county and the region. We look forward to continuing, with one resolve, in our effort to ensure that the simple, yet profound, meaning of “home” is within reach for all residents of Fairfax County.

A handwritten signature in black ink, appearing to read 'Robert H. Schwaninger'.

Robert H. Schwaninger
Chairman, Fairfax County Redevelopment
and Housing Authority

A handwritten signature in black ink, appearing to read 'Thomas E. Fleetwood'.

Thomas E. Fleetwood
Director, Fairfax County Department of
Housing and Community Development

OUR PEOPLE

DATA MEASURES, BUT IT'S THE PEOPLE THAT COUNT

Understanding data and performance measures is a critical element when it comes to providing affordable housing in any jurisdiction – let alone one as large and diverse as we have here in Fairfax County. While the numbers provide key measures of success and guiding indicators towards areas of need, the Fairfax County Redevelopment and Housing Authority (FCRHA) is keenly aware that behind every statistic is an individual, a family, or a household who, through our working with them, has a place to call home.

SELF-SUFFICIENCY PROGRAM ASSISTS PARTICIPANTS IN MOVING ALONG THE PATH TOWARD HOMEOWNERSHIP.

The Family Self-Sufficiency program administered by the Department of Housing and Community Development is designed to decrease reliance on housing subsidies. As true self-sufficiency means more than simply an increase in earned income, the program focuses on many aspects of self-sufficiency, including education, training, budgeting, credit repair, savings, transportation, childcare and affordable health care.

Marissa Fuller, a resident of the Ragan Oaks development, is one of many participants in the Family Self-Sufficiency program. With the ultimate goal of becoming a homeowner after she has stabilized her income and increased her savings, she has recently completed Virginia Housing Development Authority homeownership education and a financial literacy program that is helping her to pay off her debt and obtained employment with Fairfax County Public Schools. Fuller, who also serves as a representative of her community on the Resident Advisory Committee, is a prime example of many participants progressing along the path towards homeownership through participating in the Family Self-Sufficiency program.

WORKFORCE DWELLING UNIT PROGRAM EXPANDS ASSISTANCE TO LOCAL WORKERS SEEKING HOUSING.

This year, a third-grade teacher in Fairfax County Public Schools was among 14 households who were assisted by a new homeownership initiative which provides assistance to families and individuals with higher incomes than the FCRHA's existing homeownership program, but for whom the higher cost of market-rate housing in the areas where they work still represents a significant housing burden. Through the use of federal Community Development Block Grant funds administered by the county, this teacher was able to receive down payment assistance in the form of a forgivable loan that reduced the amount of funds he needed to bring to the closing and helped lower his loan principal. As a result, he was able to purchase a home in the community where he teaches and coaches youth sports.



FCRHA ADMINISTRATION OF SRAP PROGRAM ENHANCES INDEPENDENCE, COMMUNITY ENGAGEMENT FOR INDIVIDUALS WITH DISABILITIES.

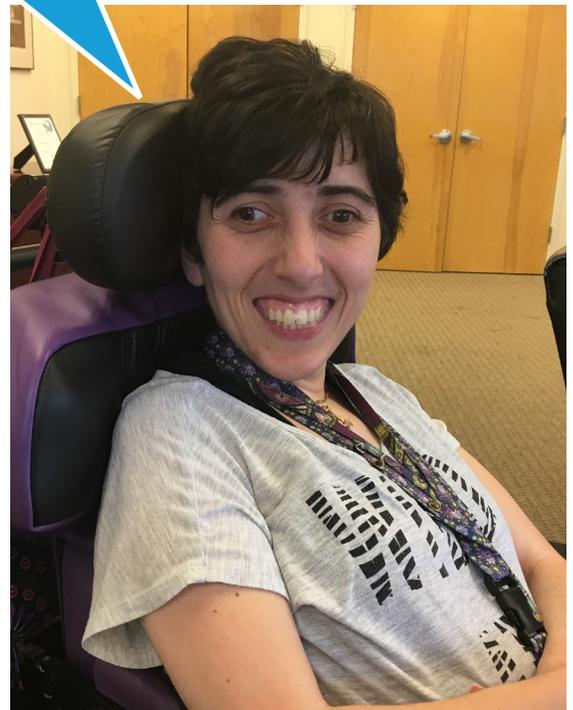
The State Rental Assistance Program (SRAP) provides rental assistance to qualifying individuals with developmental disabilities so they have the financial means to lease private market rental housing that meets their needs. Individuals can choose where they live, with whom they live, and who supports them. One SRAP participant recently reflected on the value of being able to live independently and to be more fully engaged in the community around them:

“I am grateful for SRAP because I need it to be able to live independently. Now that I live on my own, it’s easier for me to keep my own schedule and do things like go to my prayer meetings when I need to, and to just get out and do things. I am in a good location - I can roll my chair over to some medical appointments and to meet up with friends, so I don’t always have to wait on and pay for Metro Access. I am also glad that I was able to advocate for the installation of an accessible door opener at the front door of my apartment building - this lets me be more independent in getting in and out of the building and it also helps my neighbors.”

- Marisa Laios

FCRHA FINANCING AND ASSISTANCE PROGRAMS WORK TOGETHER TO ADVANCE CLIENTS ALONG THE HOUSING ASSISTANCE CONTINUUM.

This past year, the FCRHA was awarded \$4 million in Community Housing Revitalization Program funds by the Virginia Housing Development Authority to buy down the mortgage interest rate by one percentage point, reducing the cost of mortgage payments and increasing the affordability of home purchases. As a result, one family (with two college students in the household) receiving rental assistance through the Housing Choice Voucher (HCV) program was able to put down more permanent roots and buy their own home and make their voucher available for use by another low- to moderate-income family.



MORE THAN 18,000 INDIVIDUALS PARTICIPATE IN FCRHA HOUSING PROGRAMS.

AVERAGE INCOME IN OUR HOUSING PROGRAMS IS \$26,127 FOR A FAMILY OF 3.

APPROXIMATELY 35% OF ALL HOUSEHOLDS SERVED BY FCRHA/HCD PROGRAMS INCLUDE A PERSON WITH A DISABILITY.

APPROXIMATELY 60% OF HOMELESS HOUSEHOLDS PLACED IN LONG-TERM AFFORDABLE HOUSING ARE SERVED BY FCRHA RESOURCES.

HOUSING AND COMMUNITY DEVELOPMENT STAFF RECOGNIZED FOR OUTSTANDING ACHIEVEMENT

Each year, the Fairfax County Redevelopment and Housing Authority (FCRHA) presents the annual Egan Excellence Awards—named for former FCRHA Chairman and still a pivotal player in the Northern Virginia housing community, Conrad Egan—in recognition of outstanding achievement by employees of the Fairfax County Department of Housing and Community Development (HCD). Awards are presented for excellence in Achievement, Service, Leadership and Collaboration. The recipients of the FCRHA's 2018 Egan Excellence Awards are:

EXCELLENCE AWARD FOR ACHIEVEMENT

Tony Esse

Associate Director, Design, Development and Construction Division

Over the course of more than two years of construction of the Lewinsville Center, Tony's close working relationship with Wesley Housing, the Dranesville District Supervisor's office and other partners ensured that the project was completed on schedule and on budget. Tony facilitated the timely resolution of a variety of challenges and also worked to address issues of importance to the community such as streetlights and traffic flow. In addition to the development work, Tony also provided critical support to Facilities Management during the negotiation of the leases for the temporary spaces for the day care centers and played a lead role in relocation of tenants. As a result of his support, all services were maintained without interruption during the project.



EXCELLENCE AWARD FOR COLLABORATION

CENTREVILLE FIRE TEAM

Elisa Johnson, Jon Miskell, Sam Gallo

In late 2018, there was a devastating fire at the Forest Glen senior residences in Centreville which destroyed 83 apartments and resulted in the displacement of over 100 very vulnerable older residents. Elisa, Jon and Sam responded and went well beyond the call of duty to make sure that the seniors were able to access other housing opportunities, under extremely trying circumstances. Because of the population and the scarcity of available, affordable senior housing in the region, they, in partnership with other county agencies, worked tirelessly to find housing options. This included long hours at night and over weekends, large community meetings and intensive, one-on-one work with the seniors to help them move forward. Their significant efforts ensured that all the displaced people had a place to go.



EXCELLENCE AWARD FOR COLLABORATION

RAD WAITLIST REOPENING CORE TEAM

Vincent Rogers, Elisa Johnson, Ashley Montgomery, Stephen Knippler, Navneet Sohi, Larry Belkov, Leo LeDuc, Russell Lee and Bryant Sanders

After more than 10 years, HCD opened the FCRHA's RAD (formerly Public Housing) waiting list – a daunting challenge that required significant coordination among staff from various divisions. Over several months, staff worked across divisions to ensure the opening was successful. Staff developed and refined the process for accepting online applications, which including testing and working with the online portal contractor. This marked the first time in HCD's history that the department used a 100 percent online application process for a housing waiting list. The team developed a robust communications plan to communicate with key stakeholders and directly assisted hundreds of individuals and families apply to the waiting list in person. Thanks to staff's combined efforts, more than 13,000 people in need of safe, affordable housing applied to the waiting list.



EXCELLENCE AWARD FOR SERVICE

Felicia Thompson

Administrative Assistant, Administration Division

During the last year, Felicia has assumed numerous additional duties to ensure that critical operations remain uninterrupted. In addition to her duties of providing administrative support to several key HCD leaders, the Affordable Housing Advisory Committee and the Board of Supervisor's Housing Committee, Felicia took on additional responsibilities including logging and transmitting tenant and housing authority checks on a daily basis. In addition to this, Felicia is also a critical support for staff in preparing Board Items and serves the agency in the roles of Agency Archivist and Travel Coordinator. Felicia has undertaken all these roles and tasks while maintaining a pleasant demeanor and "can do" attitude – a reflection of her dedication in service to HCD clients and her colleagues alike.

EXCELLENCE AWARD FOR LEADERSHIP

Laura Lazo

Associate Director for Grants Management, Real Estate Finance and Grants Management Division

Laura has led a variety of critical efforts which have directly led to an increase in the supply of affordable housing in Fairfax County. Additionally, she served as an essential facilitator in a number of interagency issues, including the Annual Request for Proposal process for federal funds and managing the Consolidated Community Funding Advisory Committee. Good stewardship has been a hallmark of Laura's leadership and she has built strong, trusting relationships with the local HUD field office staff, which has allowed HCD to make significant progress in utilizing program income for the critical North Hill project, and in making the right determination for how to manage program income from numerous other projects. Laura's vision, hard work, expertise and dedication have helped make the FCRHA and HCD more effective, well-respected stewards of our federal resources.



EXCELLENCE AWARD FOR LEADERSHIP

Kris Miracle

Former Director, Administration Division

Kris is a strong partner for HCD staff in every aspect of organizational performance. Over the last year, she has supported HCD through the transition towards more efficient use of resources and streamlined processing and procedures. She is a knowledgeable and adept leader in Human Resources, particularly with respect to navigating and maximizing the Fairfax County procedures and structures. She has managed several key personnel and organizational issues with exceptional finesse and expertise; her guidance and leadership mitigated risk to the organization and set the organization on a path for future success. Kris has been an "unsung hero" at HCD and the FCRHA.



OUR POLICIES & PRACTICES

ENHANCING OUR VISION BY CHECKING OUR LENS

“We see the world not as it is, but as we are...or as we are conditioned to see it.”

- Stephen Covey

The ability to adapt to changing circumstances requires the willingness and commitment to frequently check, and, when required, renew, the lens through which we view the world around us. Last year, the Fairfax County Redevelopment and Housing Authority (FCRHA) joined Fairfax County Government and Fairfax County Public Schools in adopting the One Fairfax Policy and committed to becoming a Trauma-Informed workplace. By so doing, the FCRHA is dedicated to applying equity and trauma-informed lenses when interacting with clients, providing services, and making policy decisions.

ONE FAIRFAX

The One Fairfax Policy defines equity as “The commitment to promote fairness and justice in the formation of public policy that results in all residents – regardless of age, race, color, sex, sexual orientation, gender identity, religion, national origin, marital status, disability, socio-economic status or neighborhood of residence or other characteristics – having opportunity to fully participate in the region’s economic vitality, contribute to its readiness for the future, and connect to its assets and resources.”

The FCRHA is developing a racial and social equity implementation strategy that will help to advance opportunities and achieve equity through the engagement of community stakeholders and partners, the use of equity tools to inform planning and decision making, and building the infrastructure to support and sustain systemic changes and accountability.



“The FCRHA has always endeavored to be equitable within its programs,” said FCRHA Chairman, Robert Schwaninger. “However, adopting the One Fairfax Policy ensures we are looking intentionally, comprehensively and systematically at barriers that may be creating gaps in opportunity for our residents.”

TRAUMA-INFORMED WORKPLACE

Trauma-Informed Workplaces are dedicated to ensuring that employees are aware of and sensitive to the widespread trauma exposure among the children, families and individuals they serve and changing and/or eliminating policies and procedures that may result in re-traumatization.

The FCRHA and the Department of Housing and Community Development (HCD), are active members of Fairfax County's Trauma Informed Community Network (TICN), a multi-disciplinary, multi-agency collective that meets regularly to support trauma-informed care initiatives across the county, and HCD is working to integrate concepts of trauma-informed care into our organizational culture.



Thus far, HCD has created an organizational change plan that will be implemented over the next several years, focusing on three areas of development/change: 1) staff training, 2) peer support, and 3) promoting policies, procedures, and practices that are in line with the principles of trauma-informed care. We are working closely with the TICN to collaborate on best practices and to utilize the wealth of knowledge and resources that are available through the network. The work to date has positioned HCD as a leader on trauma-informed initiatives in the housing industry and staff have shared our experiences on both local and national levels.



“The Fairfax County Trauma-Informed Community Network is thrilled to be among the first TICNs in the state to have our partners from housing engaged in moving this work forward with us,” said Chrissy Cunningham, Coordinator of Fairfax County’s Trauma-Informed Care Network. “To create a trauma-informed service delivery environment across our community, we need to have everyone at the table, and we are excited about the opportunity to build the capacity of the housing workforce to support county residents through a trauma-informed lens.”

Like a new pair of glasses, equity and trauma-informed lenses sharpen our vision, enable us better connect with our clients, and enhance our ability to see obstacles and gaps where they exist and work to eliminate them. Making these two considerations an inseparable component of our policymaking and our programs and services will enhance our service delivery and contribute to the overall success of achieving a thriving Fairfax County community.

For more information on Fairfax County’s One Fairfax and Trauma-Informed Community Network, go to www.fairfaxcounty.gov and search “One Fairfax” or “Trauma-Informed.”

STRATEGIC PLAN SHAPES THE DIRECTION OF AFFORDABLE HOUSING IN FAIRFAX COUNTY



Led by Fairfax County's Department of Housing and Community Development on behalf of the Board of Supervisors, the Communitywide Housing Strategic Plan looks to address the growing need for price-appropriate housing in Fairfax County. Phase I of the Plan, adopted by the Board in June of 2018, identifies 25 short-term strategies that can be implemented, without major policy or revenue impacts, to encourage and produce additional housing units. Many of which are already underway.

Over the last year, the Affordable Housing Resources Panel – comprised of key stakeholders appointed by the Board of Supervisors – began meeting to outline key long-term strategies, tools, and policies needed to develop and preserve affordable housing options well into the future. Their recommendations represent Phase II of the Communitywide Housing Strategic Plan and were presented to the Board of Supervisors on March 12, 2019.

“In order to ensure a healthy economy, reduce traffic congestion and maintain an excellent quality of life, it’s important for residents to be able to live near where they work in housing that is affordable,” Chairman Sharon Bulova said. “The Board of Supervisors tasked the Affordable Housing Resources Panel to provide us with concrete recommendations regarding affordable housing goals, as well as strategies to consider in achieving those goals. This group has presented the Board with an excellent roadmap to consider during a future budget cycle.”

For information on both Phase I and Phase II of the Communitywide Housing Strategic Plan, please visit www.fairfaxcounty.gov/housing/CommunitywidePlan.

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RAD-ICAL IMPROVEMENTS BEGIN TO BEAR FRUIT

In FY 2018, the Fairfax County Redevelopment and Housing Authority (FCRHA) completed the conversion of its entire portfolio of 1,060 public housing units to project-based vouchers under HUD's Rental Assistance Demonstration (RAD) program. Previously, the units had been part of HUD's Public Housing Program, for which funding had steadily declined over time. The change in designation moved properties to a more financially stable platform wherein the FCRHA could receive HUD funding for needed improvements to properties.

This change in designation was a critical contributor to our ability to facilitate needed renovations at several FCRHA-owned properties during FY 2019 – a sampling of which include:

- Kitchen upgrades at Colchester Apartments
- Water heater replacements and kitchen upgrades at Newington Station
- Heating and ventilation and HVAC equipment upgrades at Waters Edge and Audubon



HOUSING MATTERS

Price Appropriate Housing = **30%** of Annual Income



HOW MUCH DO I NEED TO EARN TO AFFORD AN AVERAGE RENT?

Average Fairfax County Rent
\$1,764 = $\frac{\text{ANNUAL INCOME} \times 30\%}{12 \text{ MONTHS}}$
\$70,560 / YR. = ANNUAL INCOME

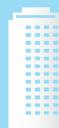
HOW MUCH ARE WE EARNING?



			
Service/Sales \$30,000	Teacher \$47,046	Police Officer \$50,265	Nurse \$51,254

PERCENTAGE OF INCREASE (2010-2015)

RENTS



INCOME

SINGLE-FAMILY HOMES 15%

TOWNHOMES 23%

CONDOMINIUMS 27%

10%

AHRP RECOMMENDATIONS

Based on data provided in Phase I of the Communitywide Housing Strategic Plan, it is estimated that the county has a need for approximately 15,000 additional homes over the next 15 years that are affordable to households earning up to 60 percent of the Area Median Income (AMI), which is approximately \$70,300 a year for a family of four. To address this need, the panel met on a monthly basis to (1) recommend an achievable goal for new production over the next 15 years using public resources, and (2) to identify resources and strategies to achieve that goal. Key recommendations presented to the Board include:



- A goal of producing a minimum of 5,000 new homes, as a floor, affordable to households earning up to 60 percent of Area Median Income (AMI) over the next 15 years;
- An increase in the “Penny for Affordable Housing Fund” by the equivalent of one additional cent on the real estate tax rate;
- A priority of the current “half penny” for preservation projects;
- A goal of no net loss of existing “market affordable” rental apartments; and
- Housing affordability as a critical element of the Countywide Strategic Plan, which is currently in development.

These recommendations were developed in conjunction with other community-led initiatives, including the Embark Richmond Highway Housing Advisory Group and the recommendations included in Phase I of the Communitywide Housing Strategic Plan.

NEXT STEPS

The Phase II recommendations were incorporated by the Board of Supervisors into the adopted FY 2020 Budget as budget guidance for FY 2021.

The County’s Affordable Housing Advisory Committee (AHAC), a group consisting of non-profit leaders, stakeholders, members of the business community, and the real estate industry that advises the Board on affordable housing issues, will monitor and track the recommendations and progress.



“I applaud the work of the AHRP in helping to address such a critical need in our community,” said Supervisor Jeff McKay, Lee District. “As Chairman of the Budget Committee, I look forward to moving the recommendations from the panel forward. Affordable housing must continue to be a top County priority. While the County budget includes funding for affordable housing programs, there are more things operationally and financially that we can do. As Embark comes to fruition and Amazon HQ2 arrives, we know we need to continue creating and preserving affordable housing for all.”

THE FCRHA, MOVING TO WORK AND THE PURSUIT OF A “THRIVE-ING” COMMUNITY

Total Housing Reinvention for Individual Success, Vital Services and Economic Empowerment (THRIVE) is the overarching philosophy that guides the work of the Fairfax County Redevelopment and Housing Authority (FCRHA) to ensure that its customers achieve their greatest level of self-sufficiency. In 2013, Fairfax County became the only jurisdiction in Virginia to obtain HUD’s Moving to Work designation, which allows high-performing housing authorities the flexibility to advance new and innovative solutions to achieve greater cost effectiveness, incentivize residents’ progression toward self-sufficiency and increase housing choices for low-income families. The MTW designation is a significant contributing factor towards the FCRHA’s pursuit of a “THRIVE-ing” community.

During FY 2019, following a collaborative engagement process with HUD and the community, the FCRHA implemented two new Moving To Work Initiatives:

• CHANGES IN RENT CALCULATION FOR HOUSING CHOICE VOUCHER PROGRAM PARTICIPANTS

In late 2018, the FCRHA initiated a collaborative effort with participants in the Housing Choice Voucher (HCV) program to develop workable solutions for dealing with the possibility of significant budget cuts and rising rents in Fairfax County. These challenges posed the very real possibility of a reduction in the number of households served in the HCV program.

In a series of public meetings, the FCRHA and HCV participants discussed several options that would protect the viability of the HCV program to serve as many low- to moderate-income households as possible while easing the financial impacts on residents participating in the program. As a result of the collaboration, the FCRHA developed a new calculation for rent responsibility based on each household’s “workability” – meaning those in the household’s ability to work. The resulting calculation placed HCV on a sustainable trajectory and equitably balanced the rent responsibility among those “work-able” (35 percent of income toward rent) and “non-work-able” (32 percent of income toward rent) households.

This was a great example of resident engagement in facing a critical challenge to an essential program without which many

• RENT REFORM EVALUATION PILOT

Also, during FY 2019, staff began the initial stages of a “rent reform” evaluation to test an alternative method of calculating a household’s income and rent. The pilot program is currently in the very early stages of recruitment and will focus on the effect of an earned income deduction on household’s employment levels and income. The study will proceed as follows:

- One hundred fifty households will be randomly selected to be part of the study group.
- These households will participate in an income recertification process within the next six months (from the time this report is published).
- For purposes of calculating the rent owed by each study household, staff will exclude twenty percent of the household’s earned income from the calculation of the household’s income. This will, in turn, reduce the household’s share of the rent obligation.
- Another 150 households will be randomly selected to be part of the comparison group. Each household in this group will also have its income recertified within the next six months

but will not receive the 20 percent earned income exclusion. Residents selected for the “comparison” group will, however, be compensated for the time it takes to meet with the caseworker for evaluation-related information gathering.

- Once begun, the evaluation is expected to run for two to three years and experts from Virginia Polytechnic Institute and State University will serve as the primary evaluators.



OUR PROPERTIES & SERVICES

PARTNERSHIP, INNOVATIVE DEVELOPMENT TRANSFORMS AGING SCHOOL INTO CUTTING-EDGE CAMPUS

Lewinsville Center is a shining example of affordable housing production, innovative revitalization of aging infrastructure, and public-private partnership in Fairfax County. The original Lewinsville Elementary School building – well past its prime – had served as the home for 22 independent senior living units, the Lewinsville Senior Center, Adult Day Health Care and two privately-managed child care centers for several decades since its use as a schoolhouse in the McLean community ended. In a collaborative effort between the FCRHA, several Fairfax County agencies and developer Wesley-Hamel, the aging structure was successfully transformed into a vibrant 8.66 acre campus that provides cutting-edge amenities and services to a multi-generational community.

“The Fallstead” has nearly quadrupled the affordable independent-living units available at the site – increasing from 22 to 82 units – and better integrates the senior housing with the surrounding community. Affordable housing units are available for older adults at 50 percent of the area median income (roughly \$48,000) and below. Nine of the units are specifically allocated for extremely-low income adults (30 percent of the area median income).

“The Fairfax County Department of Housing and Community Development had to be creative,” said Dranesville Supervisor John Foust. “We hadn’t done this type of public-private partnership before, so they really had to learn a new way of doing business and they did. They did it so well.”

In March 2015, the Fairfax County Board of Supervisors entered into a Comprehensive Agreement with developer Wesley-Hamel Lewinsville LLC (Wesley-Hamel) to construct the project. Wesley-Hamel was selected under Virginia’s Public-Private Education and Infrastructure Act of 2002 (PPEA) allowing Fairfax County to lease the property for the residences to Wesley-Hamel at no cost for 99 years. In return, Wesley-Hamel agreed to construct the site infrastructure for the new Lewinsville Center to be located on the same campus (to include the Lewinsville Senior Center, Adult Day Health Care and two child care facilities).

This innovative construction plan allowed for the use of one site contractor for both projects, resulting in significant cost and time savings. The combination of being a Public-Private Partnership project (providing for competitive 9 percent Low-Income Housing Tax Credits) and the co-location of the new Lewinsville Center (with its variety of programs, services and construction requirements) made the Fallstead project unique and logistically challenging; however, the project was worth every effort as it offers substantial benefits in providing affordable housing in the costliest area of the County.

One of the most challenging aspects of this project was the requirement to keep all existing services at Lewinsville while it continued to operate in the community. The Public-Private Partnership agreement included a relocation plan which allowed all services to remain uninterrupted during the duration of the project. In terms of the housing program, all income-eligible tenants of the former site were able to be moved to off-site units during the construction, and had the option to move back to the new project if they were in good standing with their lease when they moved and remained income eligible.

The Fallstead at Lewinsville Center was completed in October 2018 and is operated by Wesley Housing.



CREATING AND PRESERVING AFFORDABLE HOUSING OPTIONS IN FAIRFAX COUNTY

Affordable housing may seem like a misnomer in Fairfax County, but efforts by the FCRHA and the Department of Housing and Community Development are aimed at creating and preserving affordable living options for individuals and families choosing to live in Fairfax County – particularly those with low- to moderate-incomes.

The Affordable Dwelling Unit (ADU) and Workforce Dwelling Unit (WDU) Programs have produced a total of **4,306** units (2,807 ADUs and 1,499 WDUs). In FY 2019, a total of **316** units (16 ADUs and 300 WDUs) were constructed.



FCRHA OWNS/OPERATES:

- **3,035** Multifamily Units
- **482** Senior Housing Units
- **112** Assisted Living Beds
- **224** Units/Beds Specialized Housing

3,473 Affordable Housing Units Preserved



WEDGEWOOD APARTMENTS RENOVATION: MORE THAN MEETS THE EYE



The Wedgewood Apartments community is the largest residence community purchased by Fairfax County – at 672 units – and, with its prime Annandale location and proximity to transportation, marketplace and work, makes the apartments an outstanding and strategically-placed benefit for Fairfax County. Wedgewood has always been an attractive development, but the recent renovations to the appearance are just the tip of the iceberg.

On the surface, you may have noted such enhancements as roof replacement, grading and drainage improvements, driveway/parking lot resurfacing and repairs to sidewalks, steps and patios. The project also included central plant replacements—including heating, air conditioning and domestic water—to increase reliability and efficiency. The renovation work, however, was only one piece of an amazingly successful project which benefited more than those in the Annandale community.

The project was also coupled with a refinancing effort that keeps Wedgewood Apartments on a firm financial path and allows the debt service savings to be applied to other affordable housing projects including funding the Bridging Affordability program – a public-private partnership which provides case management, supportive skills (e.g. job skills, financial training) and rental assistance to move clients along a path towards self-sufficiency.

FCRHA HELPS ADDRESS CRITICAL NEED FOR SHELTER IN FAIRFAX COUNTY

The FCRHA is a key player in the strategic development of Fairfax County. Using data and obtaining community input is critical in identifying service gaps and needs that inform where development and service efforts and resources should be focused. Working in harmony with several county agencies, the FCRHA lends its knowledge, expertise and resources to address specific areas of need.

In FY 2019, the FCRHA assisted with fulfilling a long-standing need for shelter capacity to serve victims of domestic violence in the South County area. Within the past few months, renovation work was completed on an apartment community owned by the FCRHA which enabled a portion of the facility to fulfill that purpose. Renovations included replacing the entire roof, adding ceiling insulation, installing in-unit thermostats, adding air conditioning to the laundry room and adding a back-up boiler. Due to the FCRHA's commitment to serving Fairfax County's most vulnerable residents, there is now additional capacity in the community available to those persons in need of a safe home.

The shelter component is administered by the Department of Family Services.



HELPING OLDER ADULTS “AGE IN PLACE” IN FAIRFAX COUNTY

Today, more and more older adults are striving to maintain residence in the neighborhoods where they raised their families, contributed to community life and have many cherished memories. This concept – “aging in place” – can be particularly difficult in areas where the cost of living presents a significant burden on the diminished incomes of retirees. In addition to working to provide affordable housing options, the Department of Housing and Community Development (HCD) assists eligible adults to help assuage the cost of repairs and maintenance to their current home.

The Home Repair for the Elderly Program provides assistance for minor home repairs and accessibility modifications to eligible low- and moderate-income elderly homeowners residing in their homes. As part of this program, the county provides a work crew to perform up to one week’s labor and up to \$500 in materials to complete necessary repairs and maintenance. Materials are paid for by federal and county funds and all work is performed free of charge to eligible homeowners.

In FY 2019, HCD work crews served 122 eligible homeowners ages 62 and over. For details about and to apply for assistance through the Home Repair for the Elderly Program, please visit : www.fairfaxcounty.gov/housing/home-repair-elderly-program.



LEADING THE AFFORDABLE HOUSING INDUSTRY

Leading organizations in any field of interest are constantly challenged to advance the limits of possibility and to develop new and innovative solutions to evolving circumstances. Through a balanced combination of pursuing organizational efficiencies, financing strategies and development/preservation projects – fortified by strong public-private partnerships with area non-profits and developers – the FCRHA continues to lead the way in enhancing affordable housing options for low- to moderate-income households in a rapidly developing and critically-located community.

ORGANIZATIONAL EFFICIENCIES

- **The Pursuit of Excellence Begins from Within**

Structure is a critical key to the success of high-performing organizations. The grouping of talents and expertise and the alignment of processes is directly related to the efficiency and expedience with which services can be provided and programs administered. During FY 2019, the Department of Housing and Community Development (HCD) contracted with an external consultant, Quadel Consulting and Training, LLC, to assess its organizational structure to strengthen its organizational performance. As a result, the agency has proceeded with realigning its Financial Management, Administration, Policy and Compliance, and Maintenance Divisions under the Deputy Director of Operations. Additionally, HCD has aligned the functions of quality assurance, occupancy, property management and rental assistance, and the PROGRESS Center to enhance service delivery. HCD will continue, working in partnership with the FCRHA and the consultant, to continue in assessing and, where necessary, implementing needed adjustments to maximize efficiency.

- **Housing Choice Voucher Wait List Management**

From January 29 through February 4, 2019, the FCRHA opened its Housing Choice Voucher (HCV) Wait List for the first time in more than a decade. Working in conjunction with several county agencies and non-profit partners, HCD was able to identify and train staff at various locations throughout the county to facilitate the completion of more than 12,000 online pre-applications for random selection to the HCV Wait List. This was an evolutionary change that magnified HCD's ability to connect with potentially eligible individuals and families in need of the subsidized rent at private properties with participating landlords offered through HCV, than ever before.



FINANCING AFFORDABILITY

- **Revenue Bonds**

The FCRHA successfully issued revenue bonds in the amount of \$50 million in FY2019, bringing the FCRHA's bond issuance total to approximately \$680 million since the inception of the FCRHA's Tax-Exempt Bond Financing Program. The bonds served as the primary financing for the rehabilitation and preservation of the Murraygate Village (\$20 million) and Parkwood (\$30 million) rental developments, together consisting of 425 units, for an additional 30 years. The preservation of these two rental developments will serve 40 families at 30 percent Area Median Income (AMI) or below, 107 families at 50 percent AMI or below and 278 families at 60 percent AMI or below. These developments will also maintain twenty-three handicap accessible units.



The FCRHA will partner with another private developer to issue \$22 million in revenue bonds in FY 2021 for development of 274 units of affordable housing at the Arrowbrook Centre Apartments. Both projects will serve families at 40 percent of AMI, 50 percent of AMI and 60 percent of AMI levels

- **Housing Blueprint Funds**

The FCRHA has also committed \$7,744,225 of FY 2019 Housing Blueprint funds to SCG Development to augment the FCRHA's bond financing of the Arrowbrook Centre Apartments. In addition to the 274 units of affordable housing, which will remain affordable for 50 years, the project will also provide 15 handicap accessible units. Furthermore, the development site has been designated as a revitalization area and is located within a mile from the Innovation Center Metro station, located in Herndon, VA.



- **Community Development Block Grant and HOME Investment Partnerships Program**

FY 2019 Allocations: The FCRHA awarded \$4.67 million in CDBG and HOME funds through two Requests for Proposals (RFP) to eight nonprofit projects. Funds will be used for the development, acquisition and/or rehabilitation of 60 units of affordable housing for low-income households. The following organizations were awarded funds:

- **Habitat for Humanity of Northern Virginia, Inc.** was awarded \$319,000 to rehabilitate an existing unit within their portfolio to create a permanent, affordable home for an elderly beneficiary with a household income at or below 30 percent of AMI, and to construct two single-family affordable units for permanent, affordable homeownership opportunities for two households with incomes at or below 30 percent of AMI.
- **Habitat for Humanity of Northern Virginia, Inc.** was also awarded \$150,000 to construct a single-family unit on land owned by the organization to create a permanent, affordable homeownership opportunity for a family currently living in substandard housing with a household income at or below 50 percent of AMI. The funding will leverage approximately 68 percent of other financing plus in-kind construction services.
- **Marian Homes, Inc.** was awarded \$450,000 to acquire and renovate their sixth home in Fairfax County to provide community living for five individuals with intellectual disabilities, served by Chimes and the Fairfax-Falls Church Community Service Board (CSB) who are in need of specialized residential accommodations, particularly those that are aging and with household incomes at or below 30 percent of AMI. Chimes will work with CSB to identify prospective residents to live in the unit.

- **Cornerstones Housing Corporation** was awarded \$336,000 to acquire two townhouse or condominium units in Reston, Herndon and Centreville. One will serve an elderly household with an income at or below 30 percent of AMI and the second will serve a household with an income at or below 50 percent of AMI.
- **Pathway Homes, Inc.** was awarded \$1,042,082 to acquire six one-bedroom condominium units to provide affordable housing and supportive services to individuals who are homeless or precariously housed with incomes at or below 30 percent of AMI and who have special needs related to mental illness, co-occurring substance abuse disorders and intellectual disorders. Supportive services and case management will be provided by Pathway.
- Pathway was also awarded \$837,897 to acquire five one bedroom condominium units to provide affordable housing and supportive services to individuals who are homeless or precariously housed with incomes at or below 30 percent of AMI and who have special needs related to mental illness, co-occurring substance abuse disorders and intellectual disorders. Supportive services and case management will be provided by Pathway.
- **Operation Renewed Hope Foundation (ORHF)** was awarded \$582,274 for the acquisition and rehabilitation of two homes to serve veterans or veteran families at or below 50 percent of AMI. Supportive services and case management will be provided by ORHF.
- **Wesley Housing Development Corporation** was awarded \$957,351 for the development of 40 units of affordable housing that will have 32 units at 50 percent or below of AMI and eight units at 40 percent or below of AMI. The entire Arden



Project utilizes multiple sources of financing including Low-Income Housing Tax Credits and Housing Blueprint funds and consists of new construction of a multi-family development with a total of 126 apartments and ground floor commercial space. This is on top of the \$7.4 million already awarded to the project in local funds.

FY 2019 Acquisitions: Nonprofits used \$4.5 million in federal Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) financing to acquire 20 housing units that will be used as affordable housing. Approximately 32 individuals with incomes at or below 50 percent Area Median Income (AMI) will be served, including seniors, veterans, and some with special needs (e.g., mental illness, co-occurring disorders, intellectual disabilities).

- **Cornerstones Housing Corporation** acquired 3 condominiums in Reston. One is serving an elderly household with income at or below 30 percent of AMI, the second is serving an elderly household with income at or below 50 percent of AMI, and the third is serving a household at or below 30 percent AMI.
- **Good Shepherd Housing** and Family Services acquired 4 condominiums in the Route 1 corridor to serve 4 households at or below 50 percent of AMI
- **Pathway Homes, Inc.** acquired 8 one-bedroom condominium units to provide affordable housing and supportive services to individuals who were homeless or precariously

housed with income at or below 30 AMI and who have special needs related to mental illness, co-occurring substance abuse disorders or intellectual disabilities. In addition, they acquired 1 home to provide community living to serve up to 4 individuals with disabilities who are of low- and moderate-income. Supportive services and case management will be provided by Pathway Homes, Inc.

- **Community Havens, Inc.** acquired 1 home in Annandale to provide community living to 4 individuals with developmental and intellectual disabilities who are at or below 30 percent AMI.
- **Marian Homes, Inc.** acquired 1 home in Springfield to provide community living to 5 individuals with intellectual disabilities who have incomes at or below 30 percent of AMI and are in need of specialized residential accommodations. Supportive services are provided by Chimes and the Fairfax-Falls Church Community Services Board.
- **Operation Renewed Hope Foundation (ORHF)** acquired and rehabilitated 2 homes to provide community living to 4 veteran families or up to 8 individual veterans who are homeless or at risk of homelessness, and have incomes at or below 50 percent of AMI. Supportive services will be provided by ORHF.



UPCOMING DEVELOPMENT/PRESERVATION PROJECTS

FY 2020 promises to be another exciting year filled with several major developments to enhance affordable housing options for older adults, and the advancement of the North Hill Community along the Route 1 corridor and the One University development near George Mason University in Fairfax.

- **FCRHA to Engage Community, Partners in Effort to Add Nearly 400 Affordable Units for Older Adults**

In FY 2020, the FCRHA and HCD will engage residents of the community to advance the land use process on three property development projects that will add nearly 400 units of affordable homes to older adults - Little River Glen IV (Braddock District), Autumn Willow Senior Housing (Springfield District) and Oakwood Senior Housing (Lee District). The FCRHA has been working diligently to progress these projects to this phase (e.g. acquiring land rights, initiating partnerships, etc.). All these projects are planned to fill a critical need in providing affordable alternatives that will enable older adults the freedom and potential to age in place in the communities where many of them have already contributed so much throughout their lives.



- **FCRHA Eyes Late 2019 Closing on North Hill Property Development**

Progress has proceeded at a steady pace and the pieces are coming together as the FCRHA approaches the closure of the North Hill Development Project. The North Hill property consists of approximately 33 unimproved acres located at the intersection of Richmond Highway and Dart Drive. The project is made possible through a public-private partnership (under the provisions of the Public Private Infrastructure and Educational Act of 2002) and will include:

- 216 affordable apartments
- 63 affordable independent living units for seniors
- 175 market rate townhouses
- 12-acre public park

In total, more than 61 percent of the total units produced will be affordable.



• **Fairfax County Progresses Toward Unprecedented Multi-Generational Housing Development**

Since July 2017, Fairfax County has worked with members of the community and development partners on plans to redevelop the One University property and create a multi-generational housing development comprised of affordable housing for older adults, student housing for young people attending the nearby George Mason University and multifamily homes. The land use approval process was initiated in FY 2019 and the Low-Income Housing Tax Credit application is to be filed in 2020.

The proposed development is expected to include:

- 120 senior housing units
- 120 multifamily units
- 333 student housing units
- A meeting space for the Fairfax County Redevelopment and Housing Authority.

AFFORDABLE HOUSING



STUDENT HOUSING



SENIOR HOUSING



FINANCIAL HIGHLIGHTS

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
(A COMPONENT UNIT OF THE COUNTY OF FAIRFAX, VIRGINIA)
STATEMENT OF NET POSITION**

JUNE 30, 2018

	Enterprise Fund	Component Units (FASB)	Total Reporting Entity
ASSETS			
Current Assets:			
Cash in bank	\$ 30,547,516	\$ 3,997,116	34,544,632
Cash on deposit with the County of Fairfax, Virginia	26,060,391	-	26,060,391
Cash reserves	721,964	-	721,964
Investments	4,655,000	-	4,655,000
Restricted cash:			
Deposit held in trust	2,240,961	252,143	2,493,104
Investments	2,645,313	-	2,645,313
Accrued interest receivable	909,989	-	909,989
Accounts receivable (net of allowances)	1,526,338	14,991	1,541,329
Notes, mortgages, and other receivables	319,966	8,687	328,653
Property held for sale	848,942	-	848,942
Prepaid items and other assets	701,584	322,767	1,024,351
Total Current Assets	<u>71,177,964</u>	<u>4,595,704</u>	<u>75,773,668</u>
Noncurrent assets:			
Restricted assets:			
Cash reserves	21,870,850	3,377,004	25,247,854
Total Restricted Assets	<u>21,870,850</u>	<u>3,377,004</u>	<u>25,247,854</u>
Other noncurrent assets:			
Notes, mortgages and other receivables (net of allowances)	22,407,307	-	22,407,307
Prepaid items and other assets	708,958	46,093	755,051
Total Other Noncurrent Assets	<u>23,116,265</u>	<u>46,093</u>	<u>23,162,358</u>
Capital Assets			
Nondepreciable:			
Land	37,108,907	5,533,962	42,642,869
Construction in progress	1,770,627	-	1,770,627
Depreciable:			
Buildings and improvements	190,840,610	42,204,166	233,044,776
Equipment	793,986	953,570	1,747,556
Accumulated depreciation	(133,865,526)	(15,660,028)	(149,525,554)
Total Capital Assets, net	<u>96,648,604</u>	<u>33,031,670</u>	<u>129,680,274</u>
Total Noncurrent Assets	<u>141,635,719</u>	<u>36,454,767</u>	<u>178,090,486</u>
Total Assets	<u>\$ 212,813,683</u>	<u>\$ 41,050,471</u>	<u>253,864,154</u>

For more information, please visit: <https://www.fairfaxcounty.gov/housing/data/financial-statements>

**FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
(A COMPONENT UNIT OF THE COUNTY OF FAIRFAX, VIRGINIA)
STATEMENT OF NET POSITION**

JUNE 30, 2018

	<u>Enterprise Fund</u>	<u>Component Units (FASB)</u>	<u>Total Reporting Entity</u>
DEFERRED OUTFLOWS			
Deferred outflow for pensions	\$ 9,406,505	\$ -	\$ 9,406,505
Deferred outflow for OPEB	525,562	-	525,562
Total Deferred Outflows	<u>9,932,067</u>	<u>-</u>	<u>9,932,067</u>
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued liabilities	3,013,498	1,312,396	4,325,894
Accrued salaries and benefits	989,329	-	989,329
Due to FCRHA	-	1,226,612	1,226,612
Deposits held in trust	1,763,995	200,252	1,964,247
Unearned revenue	2,242,099	73,903	2,316,002
Accrued compensated absences	649,286	-	649,286
Loans, notes, and bonds payable, net of deferred financing fees	1,010,873	425,407	1,436,280
Total Current Liabilities	<u>9,669,080</u>	<u>3,238,570</u>	<u>12,907,650</u>
Noncurrent Liabilities:			
Accrued compensated absences	599,319	-	599,319
Loans, notes, and bonds payable, net of deferred financing fees	42,341,672	31,415,754	73,757,426
Net pension liability	26,903,629	-	26,903,629
Net OPEB liability	791,633	-	791,633
Other accrued long-term interest	7,010,904	3,467,827	10,478,731
Total Noncurrent Liabilities	<u>77,647,157</u>	<u>34,883,581</u>	<u>112,530,738</u>
Total Liabilities	<u>87,316,237</u>	<u>38,122,151</u>	<u>125,438,388</u>
Deferred Inflows			
Deferred Inflow for pension	1,739,112	-	1,739,112
Deferred inflow for OPEB	987,798	-	987,798
Total Deferred Inflows	<u>2,726,910</u>	<u>-</u>	<u>2,726,910</u>
NET POSITION			
Net investment in capital assets	73,598,639	-	73,598,639
Restricted	24,993,129	-	24,993,129
Unrestricted	34,110,835	-	34,110,835
Partner's equity	-	2,928,320	2,928,320
Total Net Position	<u>\$ 132,702,603</u>	<u>\$ 2,928,320</u>	<u>\$ 135,630,923</u>

ANNUAL FY 2019 *REPORT*

FAIRFAX COUNTY DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT
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FAIRFAX, VA 22030

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