

Semi-Annual At-Risk Housing Report: 2008 Summary of Multi-Family Complex Sales and Market Trends; Status of Loss of Affordability through Expiring Government Finance Agreements and Escalating Rents – January 2009

**I. 2008 Apartment Complex Sales**

<b>PROPERTY</b>	<b>UNITS</b>	<b>PRICE</b>	<b>OWNER'S PLANS</b>	<b>AMI<sup>1</sup></b>	<b>DISTRICT</b>
STRAWBRIDGE SQUARE	128	Sale Pending	Preservation	50%	Mason <sup>2</sup>
CIRCLE TOWERS	606	\$138,378,470	Rent Reposition	70%	Providence
AVERA STATION	250	\$ 65,750,000	New Luxury Apartments	100%	Providence
WORLDGATE	320	\$ 58,000,000	Rent Reposition	75%	Dranesville
THE ELLIPSE	404	\$ 80,250,870	Rent Reposition	70%	Springfield
THE RESERVE	478	\$116,278,815	New Luxury Apartments	100%	Springfield

Five of the County's 272 apartment complexes sold and closed in 2008. The previous year's trend of contracting real estate activity and declining property values continued throughout 2008. The one bright spot in the industry has been the continued health of the multi-family housing market. Rental demand remained strong as reflected by low vacancy rates across the County.

Currently on the market is the remaining portion (123 units) of Penderbrook Square, an apartment complex that was converted to condominiums. Penderbrook is located near Fair Oaks Mall, Providence District.

**II. RENT ESCALATION: LOSS OF AFFORDABLE RENTAL HOUSING 2002-2008**

The same economic and rental market forces impacting the subsidized housing stock also affect the County's non-subsidized housing that accommodate residents with modest incomes defined as at or below 70 percent of Area Median Income (AMI).

**Overview:** Between 2002 and 2008, a total of 9,305 rental housing units affordable at 70 percent of AMI and below have been lost to rising rents, redevelopment, and condominium conversions. During the same period, the percentage of total privately owned rental units affordable at 70 percent AMI fell from 75 percent to 59 percent.

**Analysis:** In 2008, the total number of units for all rental complexes with five or more units in Fairfax County was 63,538. This number includes privately-owned "market" units and privately-owned units with any type of subsidy and all units owned by the Fairfax County Redevelopment and Housing Authority (FCRHA) or purchased by Fairfax County subsequent to 2002. Out of this total, there are 35,609 privately owned units with rents equivalent at or below 70 percent Area Median Income (AMI) or less, including the HUD-approved utility component by apartment size.

In comparison with 2002, the total number of units was 60,175. Out of this total, there

<sup>1</sup>Rent as percent of AMI (Area Median Income): % AMI reflects existing rents on date of sale.

<sup>2</sup> 42 apartment units; 86 stacked townhouse units.

were 44,914 privately owned units with rents equivalent at or below 70 percent AMI. All rents include the HUD-approved utility component. The information for 2002 and 2008 represents all privately-owned rental complexes with five or more units.

- **Total privately-owned units affordable at 70 percent AMI or less:**  
**2002:** 44,914 units (75 percent of total rental units)  
**2008:** 35,609 units<sup>3</sup> (56 percent of total rental units)  
**Total Loss between 2002-2008: 9,305 units**

- **Rent restricted multi-family units; 2008:**  
Privately owned: 9,306 units  
FCRHA owned: 2,994<sup>4</sup> units  
**Total Rent Restricted: 12,300 units**

- **Unit type; privately-owned units:**

Number of Bedrooms	2002	2008
Efficiency	1,215	1,054
1-Bedroom	19,522	14,545
2-Bedroom	20,840	16,785
3-Bedroom	3,337	3,225

The standard of 70 percent of AMI as the measure of affordability was used to be consistent with the upper income limit of the Fairfax County Affordable Dwelling Unit (ADU) program. The AMI for 2002 and 2008 was used to determine affordability for the rents reported for those respective years.

### **III. EXPIRATION OF GOVERNMENT FINANCING AGREEMENTS**

This section identifies subsidized projects that are considered at-risk, including project-based, bond-financed, and federally insured projects.

There are 1,209 subsidized units that will be at-risk through 2009 as shown on the following table. These units will remain affordable subject to continued U.S. Department of Housing and Urban Development-funding and owner contract renewal.

Financing Type	Number of Privately Owned Units At-Risk 2009			
	Expires in 2009 Beginning 2/15/09	Expired	Renewed	Lost
<b>Project-based Section 8</b>	1,209*	0	0	0 <sup>5</sup>
<b>Low Income Tax Credits</b>	0	0	0	0
<b>Total</b>	1,209	0	0	0

<sup>3</sup> Includes 880 units acquired by the FCRHA or Fairfax County subsequent to 2002; these units were included in the overall count for 2008 to provide an accurate comparison to the units included in the 2002 count.

<sup>4</sup> Does not include 783 units/beds of specialized housing units (group homes, senior housing, manufactured housing, assisted living) owned by the FCRHA.

<sup>5</sup> See attachment 1.

\*Projects include Strawbridge Square, Edsall Station, Yorkville Cooperative, Buckman Road, Burke Lake Gardens, Fellowship House—Lake Anne, Oakview Gardens, Spring Garden, and Wexford Manor.

#### **IV. MANUFACTURED HOUSING (MOBILE HOME) PARKS**

Eight parks containing a total of 1,784 homes on some 259 acres remain in Fairfax County. The cost to live in one of these parks is a combination of the monthly pad site rental upon which the home sits and the cost of the home itself. Penn Daw, located on Richmond Highway, was recently under contract as part of an assemblage that was cancelled. We continue to monitor all of the parks in the County for possible disposition or redevelopment. Please see Attachment 4 for current status of each of the County's eight mobile home parks.

# Status of Developments with Project-based Section 8 Assistance in Fairfax County

Attachment 1

Project Name	For-Profit (FP)/ Non-Profit (NP)	Family/ Elderly	Total Units	§ 8 Units	1st §8 Contract Expiration	2nd §8 Contract Expiration
<b>Private/FCRHA Financed</b>						
221(d)(4) Edsall Station	FP	FA	135	135	11/27/09	
221(d)(3) Island Walk Cooperative	NP	FA	102	101	04/30/24	
221(d)(4) Strawbridge Square	FP	FA	128	127	12/31/09	
221(d)(3) Yorkville Cooperative	NP	FA	237	236	08/17/09	
		<b>Subtotal</b>	602	599		
<b>Privately owned</b>						
236 Buckman Road	NP	FA	204	40	09/30/09	
202 Burke Lake Gardens	NP	EL	100	99	02/15/09	<b>RENEWED</b>
Chantilly Mews	FP	FA	50	50	01/01/13	
Crevenna Oak	FP	FA	50	50	05/18/19	
Evergreen House	NP	EL	244	244	03/02/18	
202 Fellowship House I (Lake Anne)	NP	EL	140	27	09/30/09	
236 Fellowship House II (Lake Anne)	NP	EL	100	87	03/01/19	
Greene Hills Estates	FP	FA	100	100	03/14/20	
202 Hartwood Place	NP	EL	12	12	05/29/11	
223f Hunters Woods Fellowship House	NP	EL	224	222	03/02/19	

Project Name	For-Profit (FP)/ Non-Profit (NP)	Family/ Elderly	Total Units	§ 8 Units	1st §8 Contract Expiration	2nd §8 Contract Expiration
202						
Hunting Creek Townhouses	FP	FA	35	35	12/15/21	
Lewinsville Retirement Home	NP	EL	144	144	09/18/10	
Minerva Fisher Hall	NP	HC	12	12	08/27/19	
Mount Vernon House	FP	EL	130	130	06/16/13	
Oak Creek Townhouses	FP	FA	46	46	10/30/20	
<b>221(d)(4)</b>	<b>FP</b>	<b>FA</b>	<b>166</b>	<b>165</b>	<b>09/01/09</b>	
<b>221(d)(4)</b>	<b>FP</b>	<b>FA</b>	<b>158</b>	<b>158</b>	<b>08/25/09</b>	
<b>221(d)(3)</b>	<b>FP</b>	<b>FA</b>	<b>208</b>	<b>208</b>	<b>12/30/09</b>	
Summit Oaks	FP	FA	50	50	11/25/20	
Tyson's Landing	FP	FA	40	40	08/28/11	
Westminister Oaks	FP	FA	50	50	06/30/12	
		<b>Subtotal</b>	<b>2262</b>	<b>1968</b>		
<b>Privately owned, with prepaid mortgages</b>						
<b>Formerly 236 Wexford Manor</b>	<b>NP</b>	<b>FA</b>	<b>74</b>	<b>14</b>	<b>08/31/09</b>	
		<b>Subtotal</b>	<b>74</b>	<b>14</b>		
		<b>Grand Total</b>	<b>2,864</b>	<b>2,581</b>		

1) In addition, 12 tenants were initially assisted with Section 8 preservation vouchers at this property after prepayment. Some may subsequently elect to not use their assistance, be determined ineligible for move.

**FA = Family**  
**EL = Elderly**  
**IDB = Industrial Development Bonds**  
**HC = Handicapped**

# At-Risk Bond-Financed Housing Developments

Attachment 2

Project Name

Family/  
Elderly

Total Reduced  
Units

Mortgage/Bond  
Prepayment Restrictions

**Privately-Owned/FCRHA Financed**

IDB	Burke Shire Commons	FA	72	11/2013
IDB	Paul Spring Retirement Ctr.	EL	30	12/2011

**Grand Total 102**

IDB = Industrial Development Bond

FA = Family

EL = Elderly

### Status of Low-Income Housing Tax Credit Developments

	Project Name	Family/ Elderly	Total No. Units	Tax Credit Units	Affordability Level (Income/ Rent Limits)	Compliance Term	Earliest Possible Year of TC Termination
	<b>FCRHA Partnerships</b>						
1.	Castellani Meadows	FA	24	24	21@50/79@60	30	2014
2.	Gum Springs Glen	EL	60	60	90@50/10@40	30	2017
3.	Morris Glen	EL	60	60	54@60/46@50	30	N/A
4.	Herndon Harbor House	EL	60	60	60@60/40@50	40	N/A
5.	Herndon Harbor House II	EL	60	60	100@60	40	N/A
6.	<b>Murraygate Village</b>	<b>FA</b>	<b>199</b>	<b>199</b>	<b>80@60/20@50</b>	<b>30</b>	<b>2009</b>
7.	Stonegate Village	FA	240	240	100@50	30	N/A
8.	Tavanner Lane	FA	24	24	100@50	30	N/A
9.	West Glade	FA	74	74	67@60/33@50	30	N/A
			<b>Subtotal</b>	<b>801</b>			
	<b>Privately Owned</b>						
1.	Chantilly Crossing	FA	360	360	100@60	30	2015
2.	Chantilly Mews	FA	50	50	100@50		
3.	Coppermine Place	EL	66	66	100@50	30	2019
4.	Dulles Town Center I	FA	144	144	100@60	30	N/A
5.	Dulles Town Center II	FA	128	128	100@60	40	N/A
6.	Fields of Herndon I	FA	152	152	100@60	30	2011
7.	Fields of Herndon II	FA	136	136	100@60	30	2012
8.	Fields at Westover	FA	305	305		30	2011
9.	Forest Glen at Sully Station I	EL	119	118	100@60	30	2010
10.	Forest Glen at Sully Station II	EL	119	118	100@60	30	2012
11.	Grand View Apartments	FA	266	266	100@60	30	2014
12.	Hollybrooke II Condominiums	FA	98	98	100@60		
13.	Hunting Creek Townhomes	FA	35	35	100@50	40	
14.	Island Walk Townhomes	FA	102	102	98@60/20@50	30	
15.	Kendrick Court	EL	139	139	100@60	30	2014
16.	Kenton Crossing at Lorton Station	FA	248	248	100@60	30	2015
17.	Lafayette Apts.	FA	340	340	100@60	30	2017

Attachment 3

	Project Name	Family/ Elderly	Total No. Units	Tax Credit Units	Affordability Level (Income/ Rent Limits)	Compliance Term	Earliest Possible Year of TC Termination
	<b>Privately Owned</b>						
18.	Lee Overlook	FA	195	195	100@60	30	N/A
19.	Manchester Lakes I	EL	136	136	100@60	30	2015
20.	Manchester Lakes II	EL	116	115	100@50	40	N/A
21.	Merrifield Commons	FA	124	124	100@60	30	2011
22.	North Point Affordable Housing (RIHC)	FA	48	48	100@60	40	N/A
23.	Oak Creek	FA	46	46	91@50/9@60	30	2019
24.	Parkwood	FA	221	221	100@60	30	2009
25.	Sanger Place	FA	182	50	27.47@50	30	2014
26.	Springfield Crossing	FA	347	347	100@60	30	2016
27.	Tyson's Landing	FA	40	40	100@50		
28.	Wexford Manor	FA	74	74	100@60	30	2014
			<b>Subtotal</b>	<b>4,201</b>			
			<b>TOTAL</b>	<b>5,002</b>			

Mobile Home Park Status

PROJECT	OWNER	UNITS	ACRES	TAX MAP	DISTRICT	ZONING	COMP PLAN	PAD RENTS	STATUS
AUDUBON ESTATES	Hometown Audubon, LLC	700	83.7 ac	101-2 -01-13	Lee	R-MHP	Residential at 5-8 du/ac.	\$590	<b>NOT SELLING</b> . Owner Chicago based Hometown said no interest in selling at this time. Potential redevelopment at 12 Du/ac.
ENGLESIDE TRAILER PARK	MFR Company LC	45	4.25 ac	103-01-32	MT Vernon	C-8	Residential at 5-8 du/ac. Option: 75% Residential at 8-12 du/ac 25% retail/office w/consolidation	\$500	<b>NOT SELLING</b>
MEADOWS of CHANTILLY	MHC Meadows of Chantilly	500	81.5 ac	34-3-01-21	Sully	I-3	I-3 Industrial	\$740	<b>NOT SELLING</b> . Owner is replacing existing trailers with for sale manufactured homes on leased pad sites. Models 1,1167SF to 1,720SF; Price \$115,900- \$153,900. New model 800SF @ approx. \$59,000.
HARMONY TRAILER PARK	Harmony Park Associates	91	5.26 ac	102-2-06-25	Lee	C-8	Residential at 5-8 du/ac. Option 8 12 du/ac. Homes in flood plain recommended for relocation.	\$470	<b>NOT SELLING</b>
PENN DAW TERRACE	Robert L Epps	90	6.85 ac	83-3-08-2to7		C-8	Residential at 5-8 du/ac. Option for mixed use (1.0 FAR) with consolidation	\$395	<b>UNDECIDED</b> . Recent contract cancelled by purchaser.
RAY'S TRAILER PARK	Ray's Trailer Park LC	91	6.23 ac	101-3-01-33	MT Vernon	C-8	Residential at 5-8 du/ac. Option: 75% Residential at 8-12 du/ac 25% retail/office w/consolidation	\$470	<b>NOT SELLING</b> . Owner also owns Harmony Mobile Home Park.
WAPLES MOBILE HOME	Waples Project, LP	152	22.5 ac	56-2-01-46	Bradcock	R-MHP	R-MHP Residential Mobile Home Park	\$645	<b>NOT SELLING</b> Proffered rezoning restrictions expire in 2011 on 26 of the pad sites.
WOODLEY HILLS ESTATES	FCRHA	115	48.6 ac	92-4-01-82A	MT Vernon	C-8,R-2, R-MHP	Northern Section: Public Parks for passive recreation. Southern Section: Residential at 5-8 du/ac	\$176- 364	<b>NOT SELLING</b> . FCRHA owned