

Fairfax County's Response to the Foreclosure Crisis and the Use of Federal Foreclosure Funds

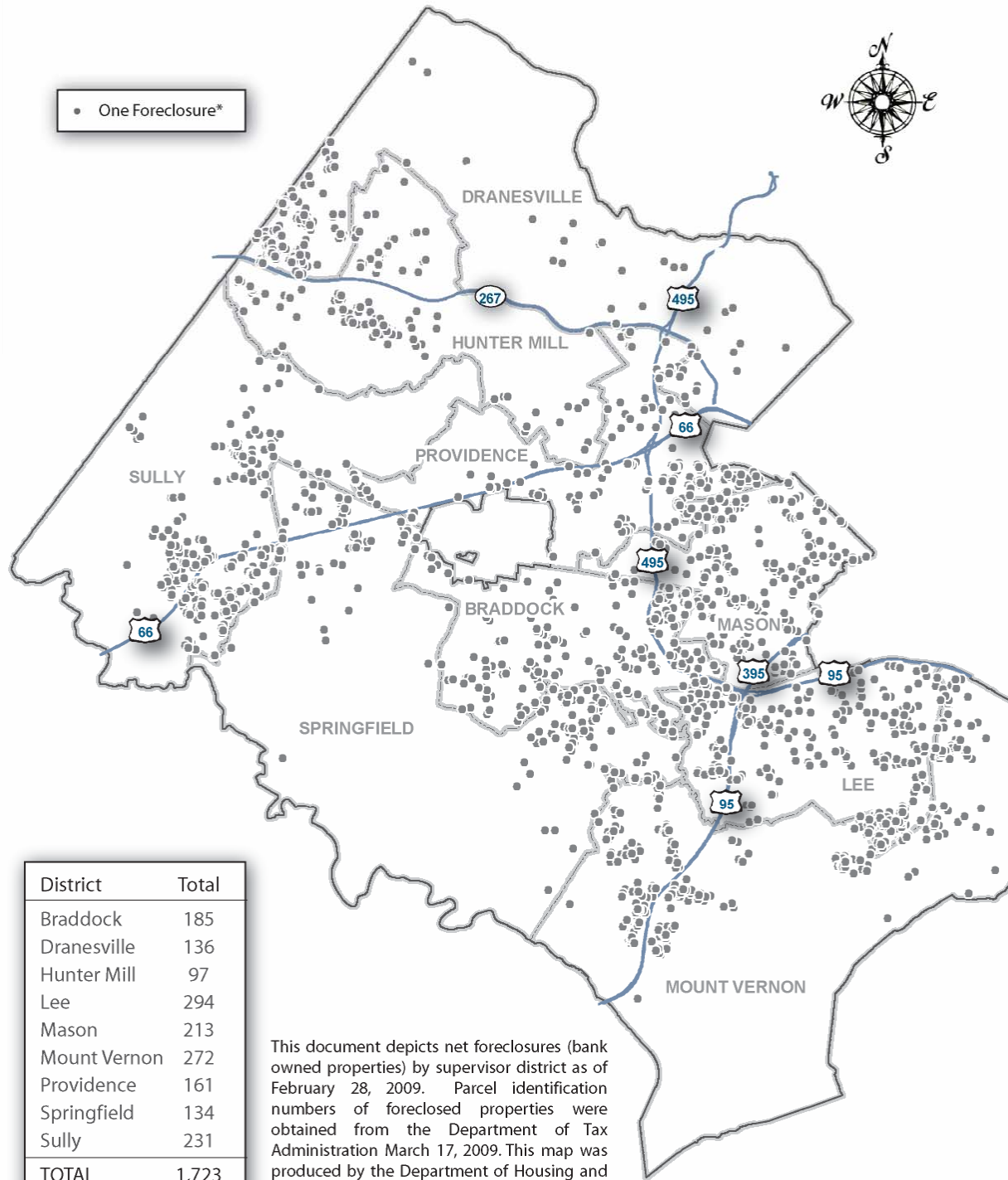


Affordable Housing Advisory Committee
March 27, 2009

Update: The Foreclosure Crisis in Fairfax County

- As of the end of February, there were a total of 1,723 net foreclosures, the lowest level recorded over the last 11 months.
- Though still elevated well beyond prior years, this marks a five month decline since last September.
- Fairfax County foreclosures still appear to be clustered in specific areas of the County, which include Springfield, Annandale, Herndon, Centreville, Alexandria, Chantilly and Lorton.
- We are seeing increased sales, and in certain price categories, there is some competitive bidding taking place.

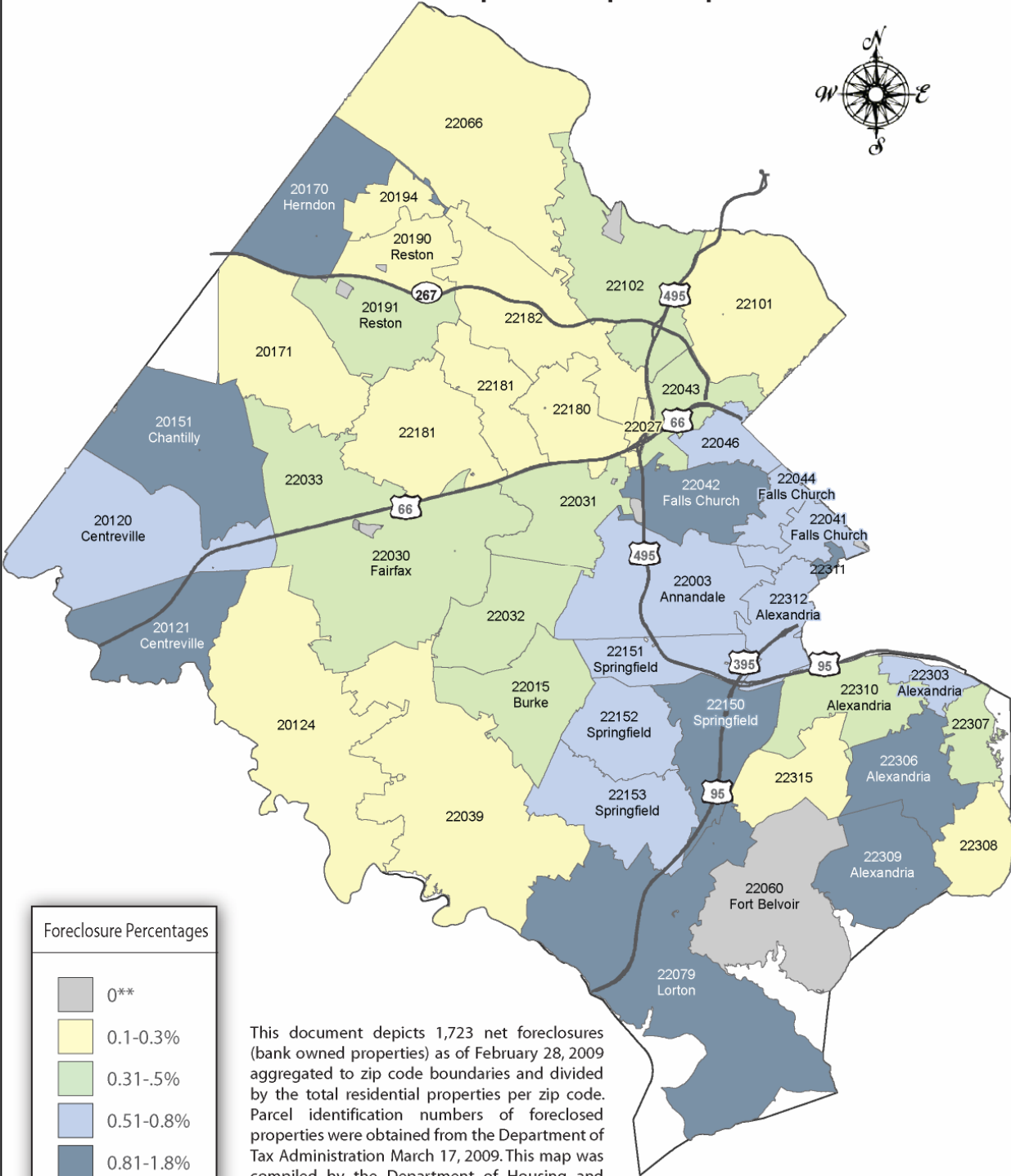
February 2009 Net Foreclosures by Supervisor District



This document depicts net foreclosures (bank owned properties) by supervisor district as of February 28, 2009. Parcel identification numbers of foreclosed properties were obtained from the Department of Tax Administration March 17, 2009. This map was produced by the Department of Housing and Community Development March 19, 2009.

*Some points may be hidden due to overlap

February 2009 Net Foreclosures over Total Residential Properties per Zip Code



This document depicts 1,723 net foreclosures (bank owned properties) as of February 28, 2009 aggregated to zip code boundaries and divided by the total residential properties per zip code. Parcel identification numbers of foreclosed properties were obtained from the Department of Tax Administration March 17, 2009. This map was compiled by the Department of Housing and Community Development March 19, 2009.

**No residential properties reside in these areas

Status of Board of Supervisors Foreclosure Initiative

- ❑ Counseling began in June 2008; 670 persons counseled to date.
- ❑ Implementation of the Silver Lining Initiative and Neighborhood Preservation efforts underway:
 - Nine families purchased or are in the settlement process through the Silver Lining Initiative, and 40 more are qualified and looking for homes.
 - FCRHA bid on the first house for direct county purchase.
 - 28 foreclosed homes were purchased using our \$16 million allocation of VHDA's SPARC (Sponsoring Partnerships and Revitalizing Communities) loans.
- ❑ Implementing federal funding awarded under the Housing and Economic Recovery Act of 2008 for the Neighborhood Stabilization Program (NSP).
- ❑ Preparing to compete for state NSP funds and potentially for additional federal NSP allocation available via the stimulus package.

Status of Board of Supervisors Foreclosure Initiative

□ Funding Allocated:

One Penny FY 2009:	\$1,800,000
HOME (FY 2008/2009):	<u>\$2,583,126</u>
TOTAL:	\$4,383,126

□ Funding Expended/Obligated to Date:

One Penny FY 2009:	\$108,854
HOME (FY 2008/2009):	<u>\$594,575</u>
TOTAL:	\$703,429

□ FY 2009 VHDA SPARC Allocation:	\$16,000,000
SPARC Loans for Foreclosures:	\$ 6,559,347

Incorporation of NSP Funds into Fairfax County's Foreclosure Initiative: *Silver Lining Plus*

- ❑ The Silver Lining Initiative is the primary means by which Fairfax County is implementing NSP funds.
- ❑ NSP-funded program known as “**Silver Lining Plus.**”
- ❑ Although county funds are dedicated to the Silver Lining program, we will use federal funds first.

Incorporation of NSP Funds into Fairfax County's Foreclosure Initiative: *Silver Lining Plus*

- ❑ Fairfax County direct allocation is \$2.8 million.
- ❑ *Allocation of Funding:*
 - First-time homebuyers: \$1.5 million for equity-shared second trusts. Limited to purchase of foreclosed single family and townhouse units.
 - Non-profits: \$1 million for no-interest deferred loans to non-profits buying foreclosed units, including condominiums
 - Administration: \$280,000

Who we are serving with NSP funds

□ *Incomes to be served:*

- Individual purchasers: 100 percent AMI and below
- Non-profit organizations: Must serve 50 percent AMI and below; satisfies federal income targeting requirement

Non-Profits and Fairfax County's NSP Funding

- ❑ Over the last five months, HCD has worked with its non-profit partners to provide \$1 million for them to contribute to solving the foreclosure problem in Fairfax County.
- ❑ Three non-profit events since October, culminating in pre-application session March 23.
- ❑ Issued RFP to non-profits on March 9; responses are due on Monday, April 6 .

Additional NSP Funding available to Fairfax County

- ❑ State NSP allocation under federal Housing and Economic recovery Act of 2008 is \$39.7 million.
- ❑ County plans to apply for \$2 million from the State.
- ❑ Competitive NSP funding pool of \$2 billion available from HUD through the American Recovery and Reinvestment Act of 2009.
- ❑ Competition criteria to be published by HUD no later than May 3; all applications due to HUD by July 17, 2009.