

**The “Penny for Affordable Housing” Fund:
Purpose; Overriding and Guiding Principles**
Revised May 29, 2009

Purpose: To produce and preserve sustainable affordable housing in Fairfax County.

Overriding Principles:

- The Penny for Affordable Housing Fund will be used on capital expenditures for the production and preservation of enduring physical affordable housing assets.
- The Fund will be flexible and driven by local priorities to be recommended by the Affordable Housing Advisory Committee and approved by the Board of Supervisors on an annual basis.
- The Fund will focus on providing affordable housing for persons experiencing homelessness, extremely low income persons with disabilities and special needs, seniors and working households.

Guiding Principles: In addition to the overriding principles, the following principles will guide the use of the Fund:

- ***Incomes served:*** The Fund shall serve persons with low incomes of 80 percent of the Area Median Income (AMI) and below. Projects serving the lower end of the income range may be eligible for an above-average subsidy, while those serving the higher end of the income range will be eligible for a lower subsidy.
- ***Allowable uses:*** The Fund may be used for new housing production and the preservation of existing affordable housing, including rehabilitation.
- ***Expenditures:*** The Fund will be fully spent or specifically obligated with the fiscal year in which it is appropriated.
- ***Leveraging:*** Leveraging non-county funds will continue to be an important goal of the Fund. Levels of leveraging will vary based on the incomes of persons being served.
- ***Project feasibility:*** All projects are expected to be feasible, sustainable, affordable, completed in a timely manner, and meet threshold standards set by the Department of Housing and Community Development.
- ***Rental subsidies:*** Non-county funds for rental subsidies are critically important to serving extremely low-income households.
- ***Financing tools:*** Loans, deferred loans, grants and other financing approaches will be used.
- ***Transparency:*** The activity, status and success of the Fund shall be well communicated to the Board of Supervisors and the community.
- ***Affordability:*** The minimum affordability period for projects financed with the Fund shall correspond to the Fairfax County Affordable Dwelling Unit (ADU) Ordinance.

Current Priorities

- Preventing and ending homelessness by providing safe and affordable housing
- Accessible and special needs housing
- Affordable housing close to work centers and transit
- Providing a range of affordable housing for seniors
- Preservation of existing affordable housing
- Workforce housing
- Affordable housing on surplus public land