

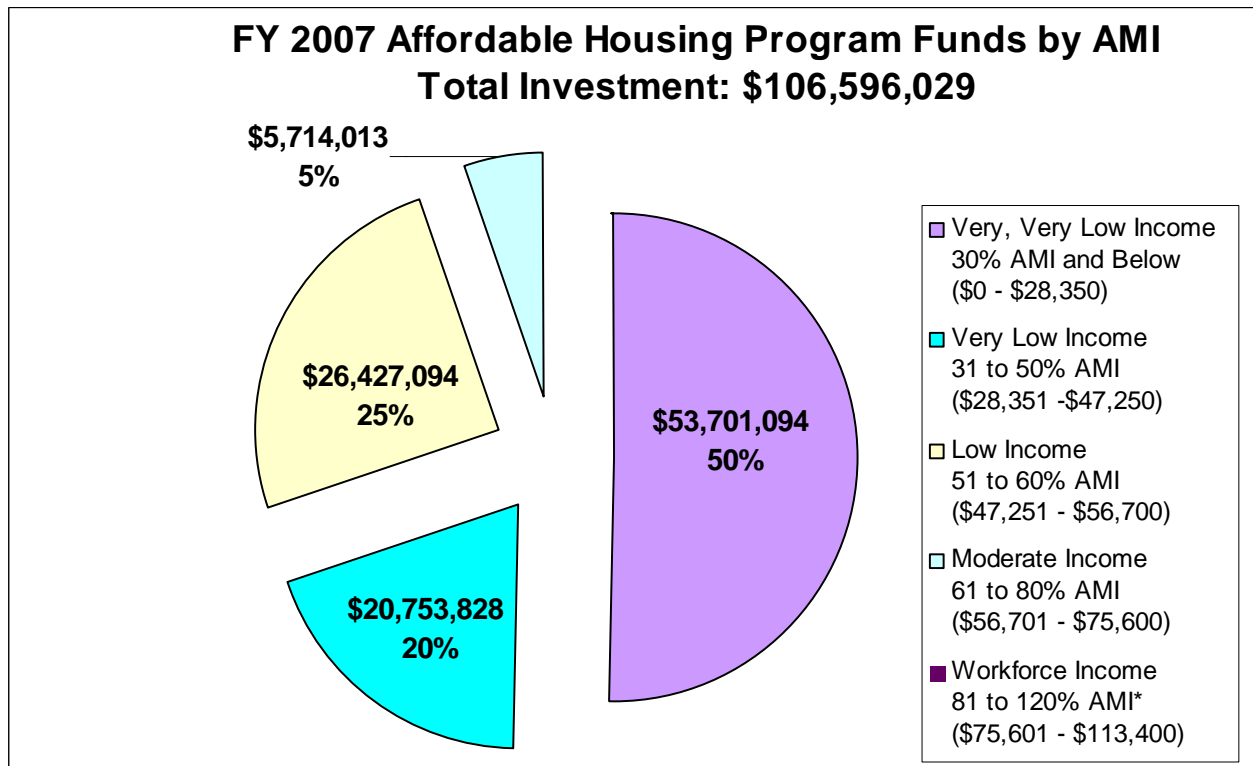
Fairfax County Department of Housing and Community Development

Analysis and Matrix of Fairfax County Affordable Housing Programs and Funding Sources

June 14, 2007

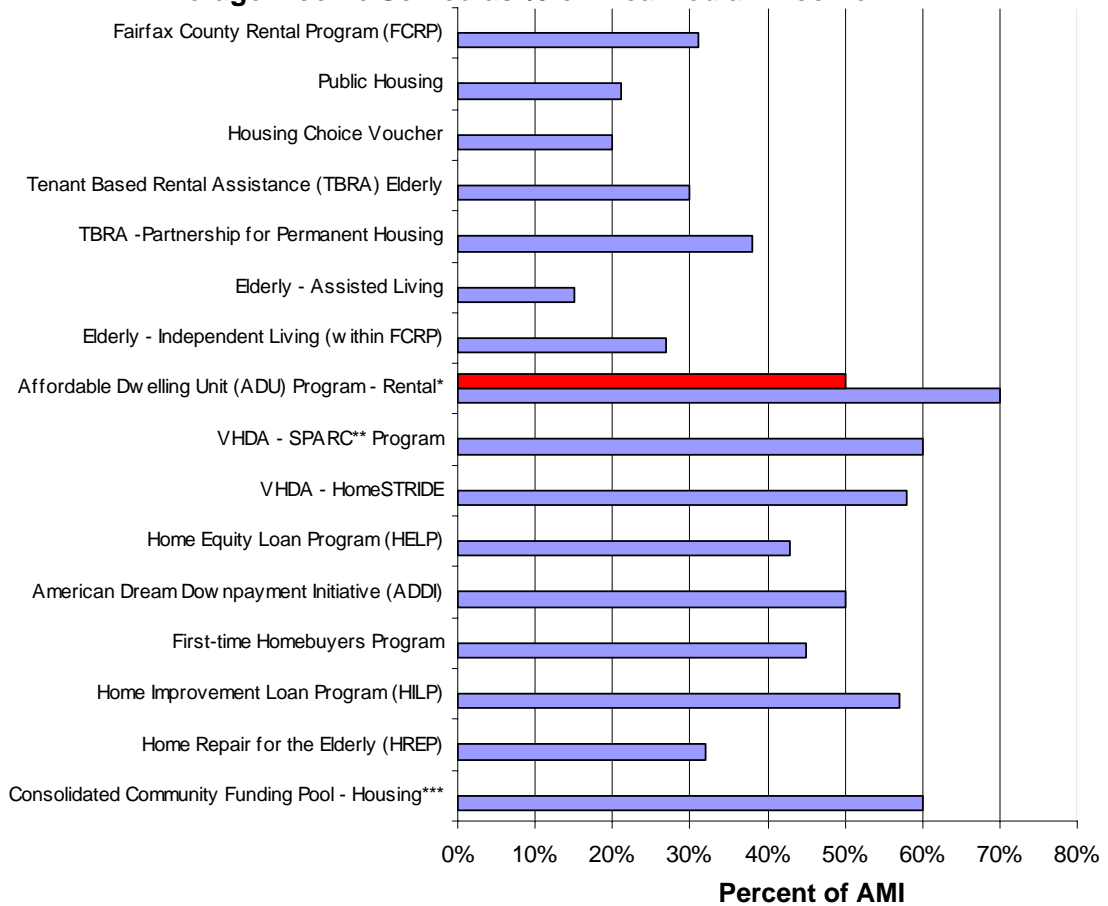
Overview: Fairfax County, through its significant financial investments in affordable housing programs, serves a wide spectrum of households with a broad range of incomes. In the Department of Housing and Community Development (HCD), the largest portion of that investment – over \$53.7 million in FY 2007 – is going to households earning 30 percent or below of the current Area Median Income (AMI) of \$94,500. This analysis shows the incomes being served by all of Fairfax County's major affordable housing programs, including programs such as Public Housing, Housing Choice Voucher (formerly Section 8), the many components of the Fairfax County Rental Program (FCRP), and the First-time Homebuyer Programs. The analysis provides an up-to-date review of the affordability of units preserved through the Board's Affordable Housing Preservation Initiative. Finally, this report includes a matrix which shows HCD's current major affordable housing funding resources, the incomes they can serve, and the programs and activities they currently support.

Analysis: The figures below and the matrix on the following pages demonstrate the breadth of Fairfax County's affordable housing programs, as administered by HCD, and the wide variety of incomes served.



* No program or preserved property in FY 2007 to date has had an average income or rent affordability over 80% of AMI.

**Fairfax County Affordable Housing Programs
Average Income Served as % of Area Median Income**



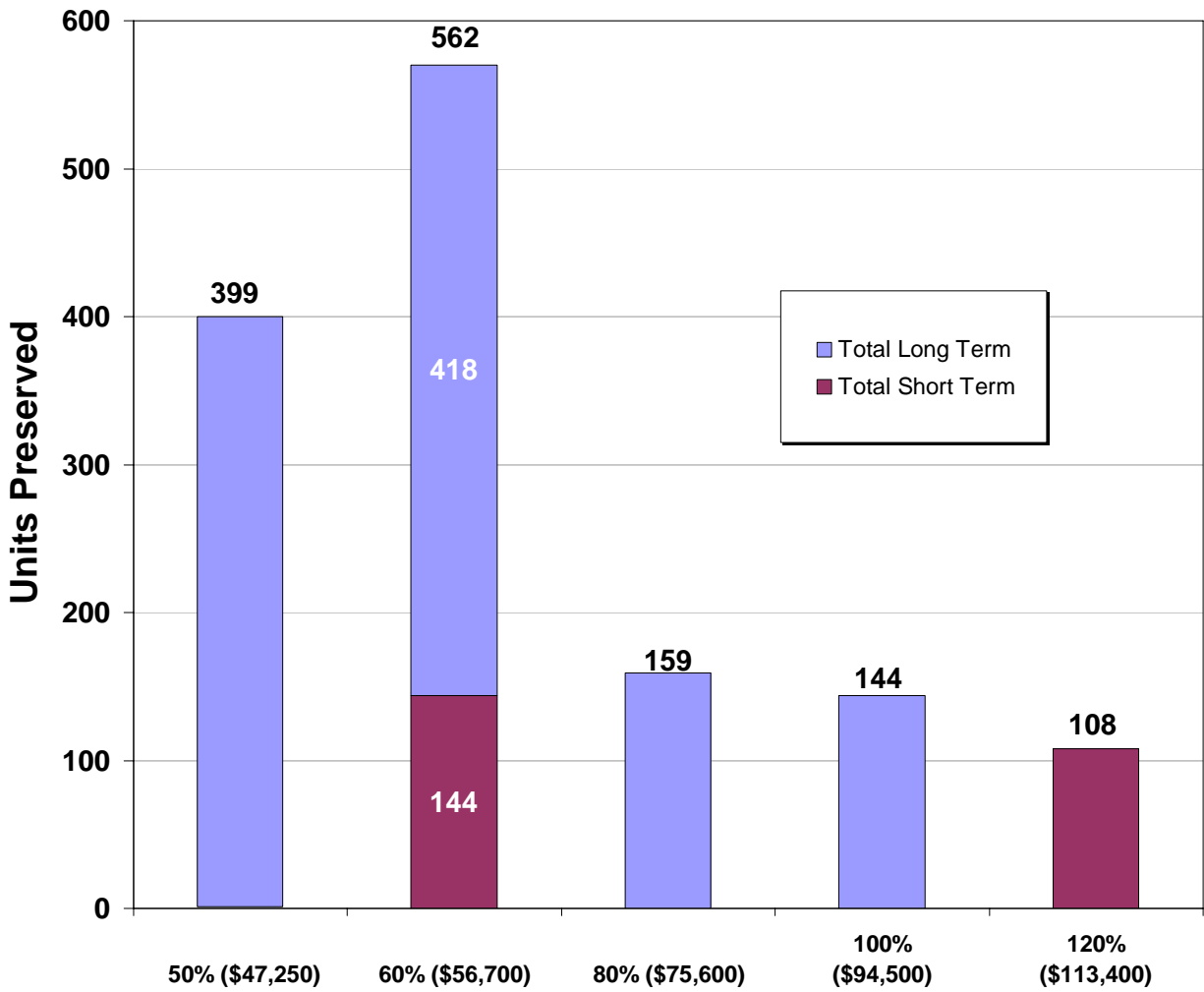
*One third of all rental ADUs must be affordable at 50% of AMI and below

**Denotes "Sponsoring Partnerships and Revitalizing Communities"

***Consolidated Community Funding Pool funds various programs through sub-grantees; income served is an estimate based on FY 2006 performance.

The figure on the following page shows all of the units preserved through the Affordable Housing Preservation Initiative since the inception of the initiative in April 2004 through June 1, 2007. It should be noted that of the 1,372 units preserved, nearly 400, or about 30 percent, are affordable to households earning 50 percent of the AMI and below; 961 units, or 70 percent of the units are affordable at 60 percent of the AMI and below. In FY 2007, it is anticipated that nearly \$40 million will be spent on the preservation of affordable housing.

**Affordable Housing Preservation Initiative
Affordability of Units Preserved: April 2004 through June 1, 2007**



Rent Affordability of Units Preserved, by percentage of Area Median Income

Affordable Housing Program and Funding Matrices: The tables on the following pages include a detailed analysis of Fairfax County's affordable housing programs and funding sources. Please note that the incomes served, as shown in the Affordable Housing Program matrix, are averages not adjusted for family size. Incomes served shown in the Funding Sources matrix are the income *limits* for programs using the funds.

Affordable Housing Programs Matrix (does not include new construction)

RENTAL HOUSING PROGRAMS					
Program Name	Major Funding Source(s)	Income Served (% AMI)	Program Description	FY07 Revised Budget	Units in Program /Households served/program results
Fairfax County Rental Program (FCRP) – Family and singles	Rental income; some County assistance (condo fees, painting, trash pick-up)	Average household income in FCRHA-managed properties = \$29,568 (not adjusted for family size), or approximately 31% of AMI for a family of four. <i>Income estimate does not include senior housing.</i>	The FCRP includes all rental property owned by the FCRHA and developed with funds other than Public Housing or Housing Choice Voucher funds. FCRP generally serves working households with incomes which are slightly higher than those households living in Public Housing and or participating in the Housing Choice Voucher program. Includes magnet housing for police, firefighters, FCPS teachers and bus drivers, housing for families, single persons, seniors, and supportive housing for special populations. The FCRP serves a range of households with incomes from the low teens up to 80% of AMI, depending on the program component and the property. (Up to 100% AMI permitted at the Crescent Apartments only.)	\$3,417,000 (Fund 941)	1,348 units (as of 5/1/2007), including: <ul style="list-style-type: none"> o Magnet housing: 31 units o Single Room Occupancy: 20 units
Public Housing	Rental income; HUD operating subsidy and annual contribution; HUD Capital Fund Program	Average household income = \$19,829 (not adjusted for family size), or approximately 21% of AMI for a family of four. Most new lease ups are at or below 30% AMI.	The FCRHA owns 1,063 Public Housing units, which are managed and maintained by HCD. The units were built or acquired using federal public housing funds, and are located throughout the County. Federal program allows new lease-ups for households earning up to 80% AMI; however, the FCRHA policy is to serve mainly households earning 30% AMI and below. Tenants pay 30% of their income for rent. HUD Capital Fund Program supports maintenance and management improvements for public housing.	\$9,384,306 (Fund 967: \$5,661,432; Fund 969: \$3,722,874)	1,063 units

RENTAL HOUSING PROGRAMS					
Program Name	Major Funding Source(s)	Income Served (% AMI)	Program Description	FY07 Revised Budget	Units in Program /Households served/program results
Housing Choice Voucher Program (HCV)	Federal (HUD) Annual Contribution	Average household income = \$17,457 (not adjusted for family size), or approximately 20% of AMI for a family of four. Most new lease ups are among households earning up to 30% AMI	Participants in the HCV Program receive financial assistance to rent privately-owned housing units. HCD administers the Federal Housing Choice Voucher rental subsidy program (formerly known as the Section 8 Program) for Fairfax County, and for the Cities of Falls Church and Fairfax, and the Towns of Herndon, Vienna and Clifton. Tenants pay 30% of their adjusted income, 10% of gross income, or \$50.00 – whichever is higher. In addition, they can pay up to 10% more of their adjusted income in order to rent a unit in which the gross rent exceeds the payment standard. HCD will pay the remainder of a reasonable rent directly to the landlord up to the payment standard for the bedroom size of the unit, or the bedroom size to which the family is entitled, whichever is lower.	\$40,294,267 (Fund 966)	3,204 vouchers authorized; 2,847 households served (average lease-up based on the amount of budget authority available) (FY 2006)
HOME Program: Tenant Based Rental Assistance (TBRA): <i>Partnership for Permanent Housing and Homeless TBRA</i>	Federal HOME Program	Average household income = \$35,565 (not adjusted for family size), or approximately 38% of AMI for a family of four.	Participants in the new Partnership for Permanent Housing (PPH) pilot program receive rental assistance to rent privately-owned housing for up to five years as they progress toward their goal of homeownership. 25 families living in Fairfax County homeless shelters and transitional housing will participate in the pilot. HCD administers the federal TBRA subsidy in the same jurisdictions as the Housing Choice Voucher program (listed above).	\$323,000 (Fund 145)	HCD is in the process of issuing TBRA vouchers for 25 very low-income homeless families participating in the PPH pilot program.

RENTAL HOUSING PROGRAMS					
Program Name	Major Funding Source(s)	Income Served (% AMI)	Program Description	FY07 Revised Budget	Units in Program /Households served/program results
HOME Program; Tenant Based Rental Assistance (TBRA): <i>Elderly Housing</i>	Federal HOME funds	Average household income currently served is \$21,275 (estimate; not adjusted for family size), or approximately 30% of AMI for a family of <u>two</u> .	HCD issues TBRA vouchers to eligible low-income elderly households. Currently, the elderly tenants reside at the Lincolnia and Lewinsville FCRHA properties; however, TBRA program rules allow voucher holders to use their voucher at any participating rental property in Fairfax County that meets program rent, lease and property standard requirements. Program rules allow households earning up to 60% AMI to be served.	\$433,019 (Fund 145)	46 households currently served
Affordable Dwelling Unit (ADU) <i>Rental Program</i>	County contribution; FCRHA support	One third of all rental ADUs produced must be affordable at up to 50% of AMI; remaining units are affordable up to and including 70% of AMI; properties owned and operated by private market developers	Rental housing in large multifamily developments are produced under the requirements of the Affordable Dwelling Unit (ADU) Ordinance. Rental units are owned and operated by the developers; HCD monitors compliance with income limits and other ADU program requirements. The ADU Ordinance generally applies to rezonings and other approvals for projects which yield 50 or more dwelling units, or ADUs may be voluntarily provided to take advantage of special zoning regulations that apply to properties with ADUs. In return for an increase in density, such developments are required to provide a percentage of affordable units, which is defined as units affordable to households whose income is 70% or less of AMI	\$87,908 (Fund 001)	As of April 30, 2007, 921 rental ADUs have been produced to date, of which 652 were in developments subject to the requirement that one third of ADUs must be affordable at 50% of AMI or below. Of these 652 units, 217 are affordable at 50% of AMI and below. An additional 174 units have been committed by developers through rezonings and are pending delivery.

RENTAL HOUSING PROGRAMS					
Program Name	Major Funding Source(s)	Income Served (% AMI)	Program Description	FY07 Revised Budget	Units in Program /Households served/program results
FCRP: Senior Housing Programs	Rental income, County contributions	Average income: <i>Assisted living</i> = \$10,793 or 15% of AMI for a family of <u>one</u> . <i>Independent living</i> = \$17,636 or 27% of AMI for a family of <u>one</u> .	Includes seven independent senior living properties included in the Fairfax County Rental Program and the two assisted living facilities.	\$3,589,502 (Fund 141)	112 beds of assisted living at the Lincolnia and Braddock Glen facilities; 414 units in the Fairfax County Rental Program.

HOMEOWNERSHIP PROGRAMS					
Program Name	Major Funding Source(s)	Income Served (% AMI)	Program Description	FY07 Revised Budget	Units in Program /Households served/program results
VHDA Sponsoring Partnerships and Revitalizing Communities (SPARC)	VHDA	Average income of participating households in FY 2006: \$53,133, or approximately 60% of AMI for a family of four (not adjusted for family size) program rules allow up to 100% AMI)	SPARC is a low-interest first trust mortgage program available to families who live or work and purchase a home in Fairfax County. Although funds are awarded to Fairfax County DHCD, the County cannot directly loan this money to homebuyers. Instead, VHDA loans are reserved through private lenders. Fairfax County DHCD is responsible for insuring these funds are being loaned to eligible buyers for eligible home purchases in Fairfax County.	N/A; VHDA loan funds are reserved through private mortgage lenders	80 loans totaling \$18,000,000 in FY 2006

HOMEOWNERSHIP PROGRAMS

Program Name	Major Funding Source(s)	Income Served (% AMI)	Program Description	FY07 Revised Budget	Units in Program /Households served/program results
Home Stride Down payment and Closing Cost Assistance	VHDA	Average income of participating households in FY 2006 = \$52,269 , or approximately 58% of AMI for a family of four (program rules allow up to 150% AMI)	Home Stride is a loan program available to first-time homebuyers using a Virginia Housing Development Authority (VHDA) loan product for their first trust mortgage.	N/A; VHDA loan funds are reserved through private mortgage lenders	61 loans totaling \$1,283,486 in FY 2006
American Dream Down payment Initiative (ADDI)	Federal HOME Program	Average income of participating households in FY 2006 = \$44,917 , or approximately 50% of AMI for a family of four	Provides down payment assistance to first-time homebuyers who are buying in Fairfax County. This assistance is in the form of a second mortgage loan with a 15-year term at a 5 percent simple interest rate. Payments are deferred and the loan is forgiven at the end of the 15-year term. Sale before the end of the 15-year term requires repayment of the outstanding principal and interest.	\$367,290 (Fund 145)	5 loans totaling \$47,700 in FY 2006
Homebuyer Equity Loan Program (HELP)	Federal HOME program	Average income of participating households to date in FY 2007 = \$40,415 , or about 43% of AMI for a family of four	Under HELP, low-income first-time homebuyers applicants can receive up to \$91,767 in homebuyer assistance, which is provided in two pieces: up to \$21,767 in down-payment and closing cost assistance and up to \$70,000 in second mortgage assistance. Program rules allow households earning up to 80% AMI to participate.	\$2,160,450 (Fund 145)	28 loans in FY 2007 to date. Four (14.2%) are extremely low-income (30% - 50% AMI); 13 (46.4%) are very low-income (50% - 60% AMI); and 11 (39.4%) are low-income (60% - 80% AMI).

HOMEOWNERSHIP PROGRAMS

Program Name	Major Funding Source(s)	Income Served (% AMI)	Program Description	FY07 Revised Budget	Units in Program /Households served/program results
<p>First-time Homebuyers Program (FTHB)</p>	<p>County, FCRHA and CDBG</p>	<p>Average income of ADU purchasers in FY 2006 = \$45,327, or approximately 50% of AMI for a family of four</p>	<p>Offers affordably priced town homes and condominiums – both new and resale – to first-time homebuyers. Homes are offered at sale prices well below the sale price of other homes in the same development. The homes are sold directly by area builders or current owners and range from \$70,000- \$160,000 in price, depending on the type and size of the home.</p> <p>First-Time Homebuyer units are provided under provisions of the ADU program in the Fairfax County Zoning Ordinance. Based on provisions of the ordinance, the FCRHA has the right to purchase up to one-third of new affordable units offered by a developer. These units are then rented by the FCRHA to qualified households as part of the FCRP. The First-time Homebuyer Program also includes a homebuyer education requirement. Most new homebuyers complete the VHDA Homeownership Class.</p>	<p>\$118,172 (Fund 001) \$45,054 (Fund 940) \$280,409 (Fund 142)</p>	<p>Since program inception through April 30, 2007:</p> <ul style="list-style-type: none"> o 1200 for-sale units produced o 95 for-sale units purchased by FCRHA for use in rental programs o 656 prospective buyers in program o Orientation sessions: 21; clients served: 1,968 o Application sessions: 41; clients served: 342 o VHDA homebuyer classes: 30; clients served: 758 o HCD Homeownership Center: approximately 6,166 telephone calls and 1,980 walk-ins served o Participants who purchased ADUs: 49

CONSOLIDATED COMMUNITY FUNDING POOL

Program Name	Major Funding Source(s)	Income Served (% AMI)	Program Description	FY07 Revised Budget	Units in Program /Households served/program results
Consolidated Community Funding Pool (CCFP) – Housing Capital Projects	Federal CDBG	Various programs funded through sub-grantees; generally serving up to 60% of AMI (estimate based on FY 2006 activities)	Competitive process that awards funding to eligible Nonprofit corporations or CDBG Participating Jurisdictions for the provision, development and preservation of affordable housing in accordance with CDBG eligibility criteria and the CCFP priorities.	\$1,113,445 (Fund 142)	FY 2006 results: <ul style="list-style-type: none"> o Good Shepherd Housing – 5 units acquired o Homestretch – 1 unit acquired o RPJ Housing – 1 unit (group home) acquired o Wesley Housing – 1 group home rehabilitated

HOMEOWNERSHIP PRESERVATION PROGRAMS

Program Name	Major Funding Source(s)	Income Served (% AMI)	Program Description	FY07 Revised Budget	Units in Program /Households served/program results
Home Repair for the Elderly (HREP)	Federal CDBG, County	Average income served, FY 2006 = \$20,257 or approximately 32% of AMI for family of <u>one</u>	Provides free labor and up to \$500 in materials to complete minor, necessary repairs and maintenance to eligible low and moderate income elderly homeowners, as well as provide accessibility modifications for the disabled. Homeowners must be 62 years of age or older, or disabled, or have disabled family members. Program rules allow households earning up to 80% AMI to participate.	\$497,896 (Funds 142) \$58,451 (Fund 143)	98 households served in FY 2006
Home Improvement Loan Program (HILP)	CDBG, County	Average income served, FY 2006 = \$36,059 or approximately 57% AMI for family of <u>one</u>	Homeowners are provided technical assistance in determining what improvements need to be made and financial assistance to pay for these improvements through grants and low interest loans. CDBG Program rules allow households earning up to 80% AMI to participate.	\$3,802,069 (Funds 142 and 143)	10 loans in FY 2006.

AFFORDABLE HOUSING PRESERVATION					
Program Name	Major Funding Source(s)	Rents affordable to incomes (% AMI)	Program Description	FY07 Revised Budget	Units in Program /Households served/program results
Affordable Housing Preservation Initiative	Penny for Affordable Housing Fund (Fund 319), Housing Trust Fund (Fund 144), CDBG, HOME	Up to 50%: 399 units	<p>The Affordable Housing Preservation Initiative, started by the Board of Supervisors in April 2004 and includes:</p> <ul style="list-style-type: none"> all affordable housing purchased or financed by the FCRHA, and all units acquired and preserved by Community Housing Development Organizations (CHDO) and financed by the FCRHA. 	\$24,765,921 (Fund 319)	<p>Since the inception of the preservation initiative, 1372 affordable housing units have been preserved. This number is expected to increase to 1412 by the end of the fiscal year.</p>
		60%: 562 units		\$12,114,688 (Fund 144)	
		80%: 159 units		\$1,243,182 (Fund 145)	
		100%: 144 units		\$2,500,000 (Fund 142)	
		120%: 108 units homeownership			
FY 2007 AFFORDABLE HOUSING PROGRAM INVESTMENT				\$106,596,029	

Major Funding Source Matrix

Funding Source	Funding Type	Income Limits	FY07 Revised Budget	Programs/Activities Supported Activities not included in program matrix in parenthesis
Elderly Housing Programs – Fund 141	County	Varies by property	\$3,589,502	Independent elderly housing in Fairfax County Rental Program; Supportive Housing
Community Development Block Grant (CDBG) – Fund 142	Federal	Up to 80% AMI	\$14,143,786	Affordable Housing Preservation, Home Repair for the Elderly, Home Improvement Loan Program, First-Time Homebuyers program, Consolidated Community Funding Pool projects (also funds, Section 108 loan repayments, rehabilitation of FCRHA properties)
Homeowner and Business Loan Programs – Fund 143	County	Varies by program	\$7,421,136	First-Time Homebuyer Program, Home Improvement Loan Program (also provides revolving acquisition funds for ADU and Moderate Income Direct Sales programs, business loans)
Housing Trust Fund – Fund 144	County, Federal	Up to 120% AMI	\$12,114,688	Affordable Housing Preservation
Home Investment Partnership Grants (HOME) – Fund 145	Federal	Up to 70% AMI	\$11,004,868	Affordable Housing Preservation, Home Equity Loan program (HELP), Tenant Based Rental Assistance (TBRA) – Elderly, TBRA- Partnership for Permanent Housing
Penny for Affordable Housing Fund – Fund 319	County	Up to 120% AMI	\$24,765,921	Affordable Housing Preservation
Fairfax County Rental Program- Fund 941	FCRHA	Up to 80% AMI, depending on property	\$3,417,000	Fairfax County Rental Program
Section 8 Annual Contribution – Fund 966	Federal	Up to the <u>national</u> median income of \$60,000 for a family of four (or approximately 63.5% of the Fairfax County AMI)	\$40,294,267	Housing Choice Voucher program
Public Housing Program – Projects Under Management – Fund 967	Federal	Up to 80% AMI	\$5,661,432	Public Housing
Public Housing Program – Projects Under Modernization (Capital Fund Program) – Fund 969	Federal	Up to 80% AMI	\$3,722,874	Public Housing
Investments from Funds 001 and 940 cited in Program Matrix	County	Varies by program	\$251,134	First Time Homebuyer Program, ADU Rental Program
		<i>TOTAL ALLOCATIONS</i>	\$126,386,608	
		<i>Less other investments</i>	\$19,790,579	Includes investments in sustaining communities and moderate income households, using Funds 142 (CDBG), 143 (Homeowner and Business Loan Programs), and Fund 145 (HOME), which are not otherwise described in the program matrix. Activities include new construction of affordable housing, the construction of community facilities in income-eligible neighborhoods, Section 108 (CDBG) loan repayments, and commercial and neighborhood revitalization, among others.
FY 2007 AFFORDABLE HOUSING PROGRAM INVESTMENT			\$106,596,029	