

Fairfax County Department of Housing and Community Development

Report on Fairfax County Affordable Housing Programs and Funding Sources in FY 2008

March 3, 2009

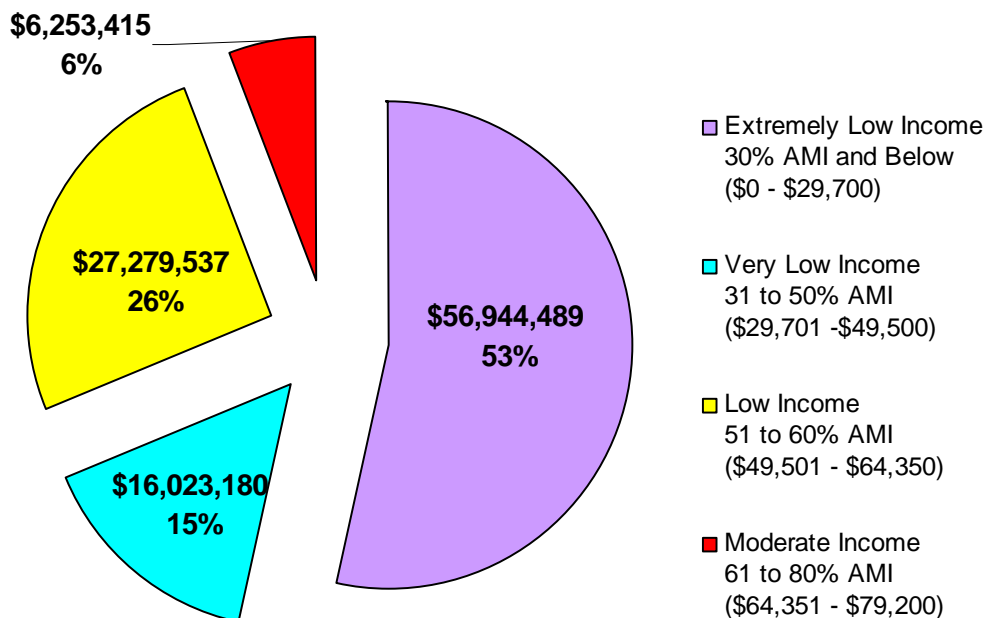
Overview: Fairfax County, through its significant financial investments in affordable housing programs, serves a wide spectrum of households with a broad range of incomes.

The largest portion of that investment – over \$56 million in FY 2008 – is going to households earning 30 percent or below of the current Area Median Income (AMI), which equates to \$29,700 a year in income for a family of four.

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. Unless otherwise noted, this report reflects FY 2008.

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

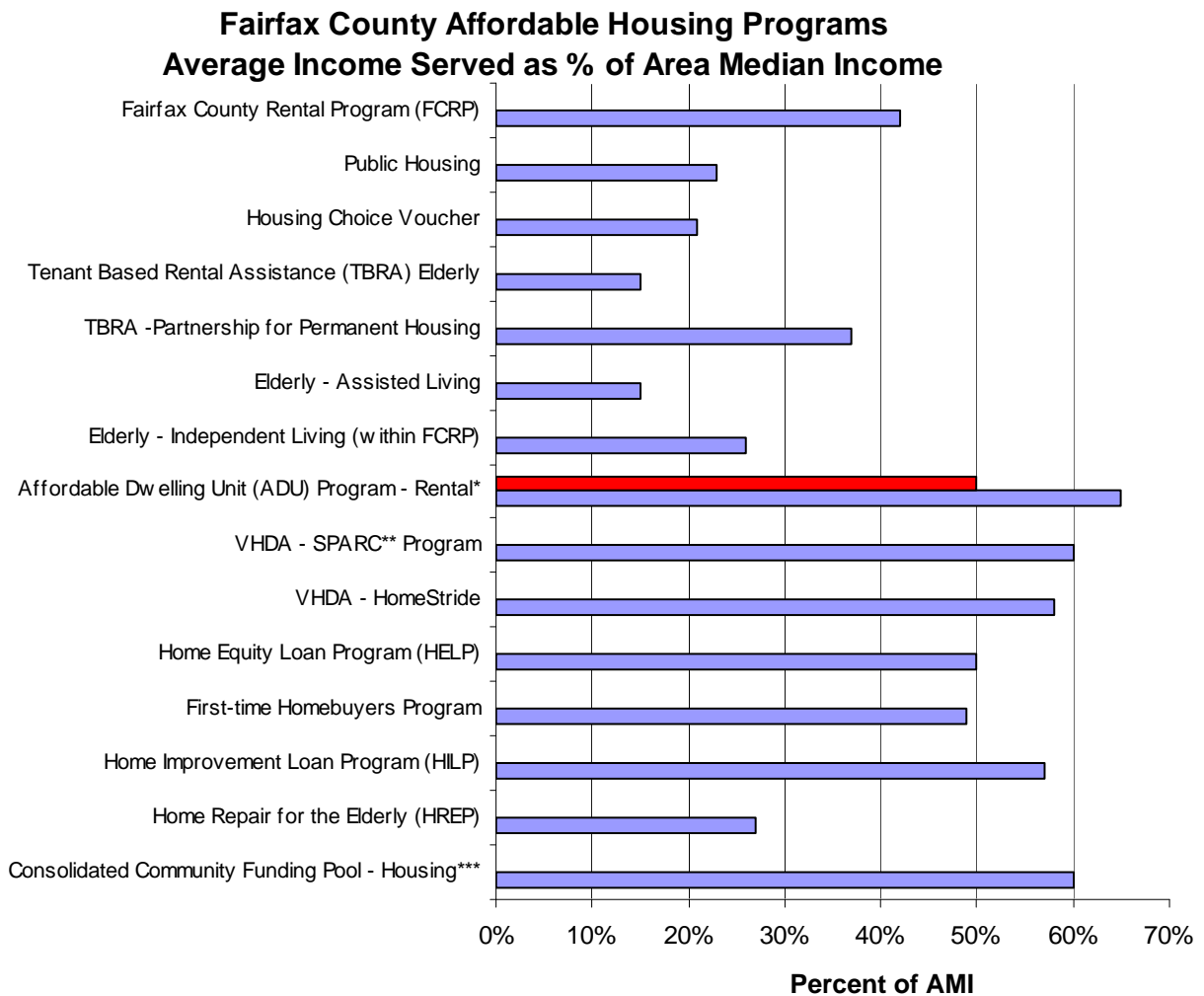
FY 2008 Affordable Housing Program Funds by AMI Total Investment: \$106,500,621



No program or preserved property in FY 2008 had an average income or rent affordability over 80% of AMI.

The average income served in Fairfax County's affordable rental housing and tenant subsidy programs – Public Housing, Housing Choice Voucher, and the Fairfax County Rental Program (FCRP) – is approximately \$26,462, or 29.7% of the Area Median Income (AMI) for a family of three. *This meets the U.S. Department of Housing and Urban Development's (HUD) definition of extremely low income.* In FY 2008, a total of 16,083 people were housed by these three programs.

The chart below details the average income served by each of Fairfax County's affordable housing programs in FY 2008, expressed as a percentage of AMI.



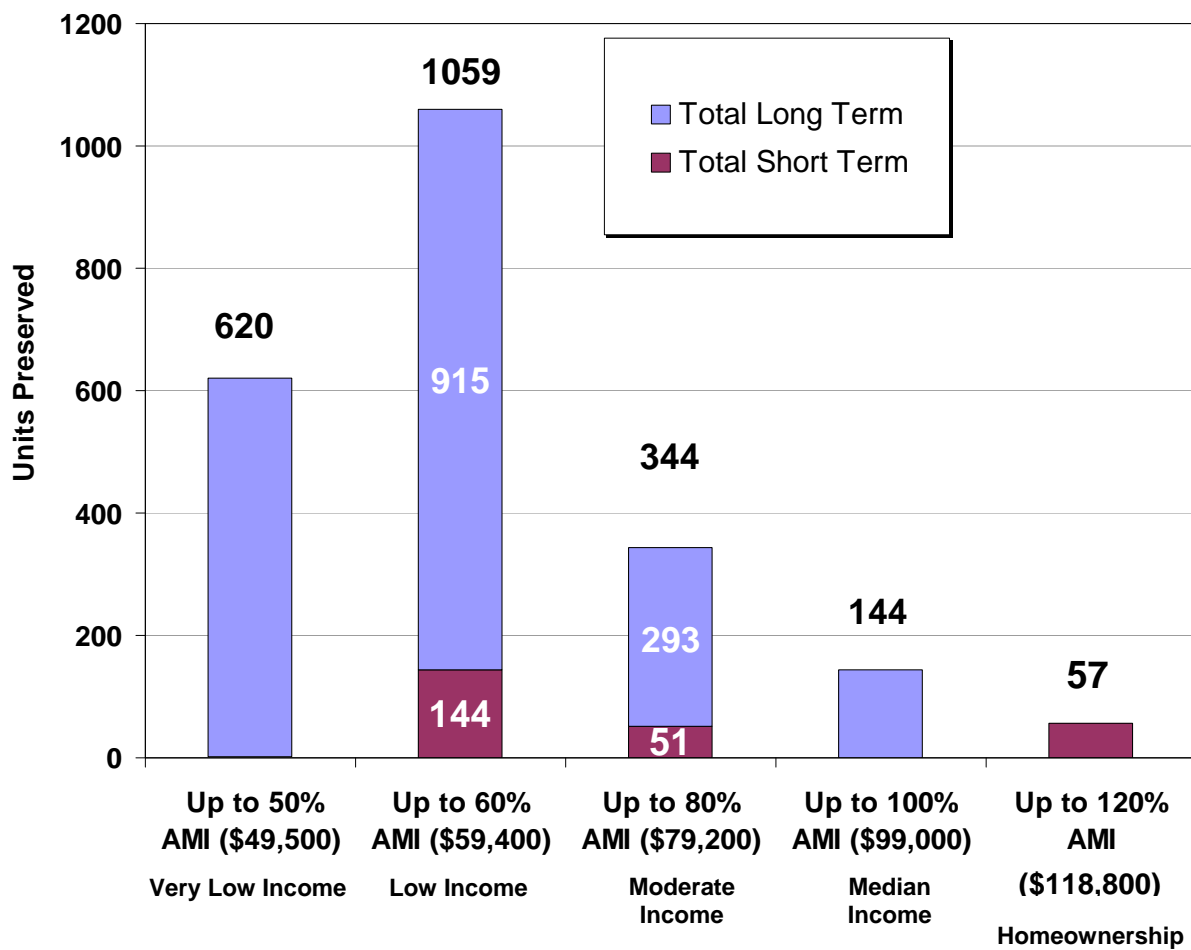
*One third of all rental ADUs must be affordable at 50% of AMI and below

**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 below shows all of the units preserved through the Affordable Housing Preservation Initiative since the inception of the initiative in April 2004 through June 30, 2008. A total of 2,224 units were preserved through the Affordable Housing Preservation Initiative through the end of FY 2008. A total of 1,679 units – or about 75 percent of the total – were affordable to households with low and very-low incomes earning up to 60 percent of AMI, including 620 units – about 28 percent of the total – affordable at up to 50 percent of AMI.

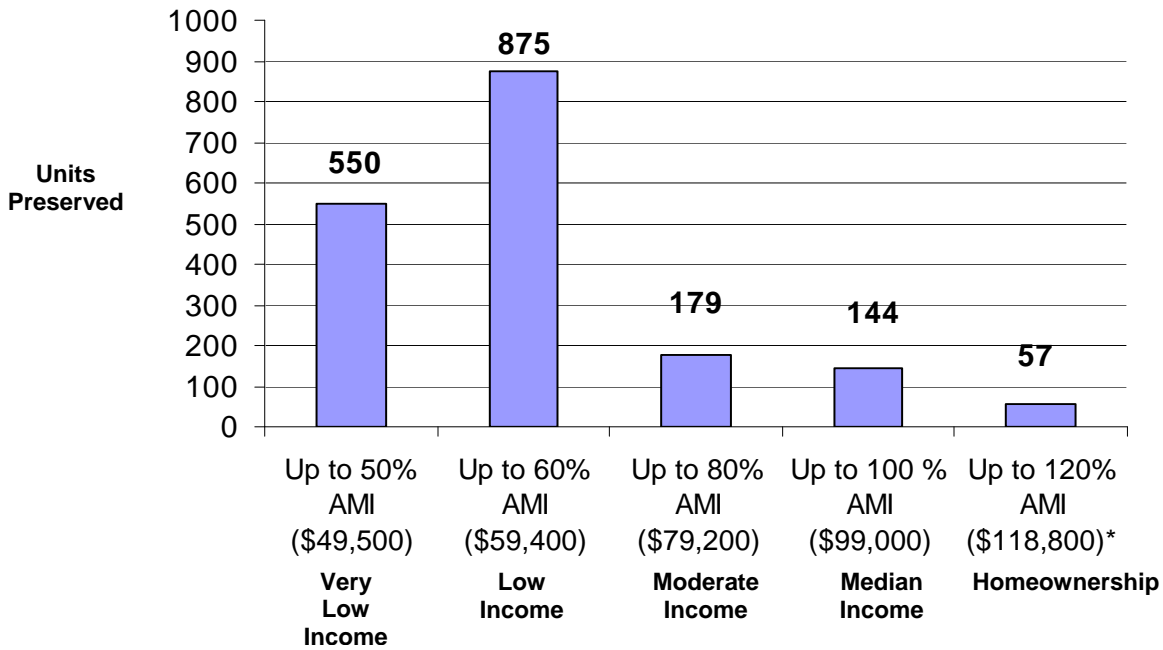
Affordable Housing Preservation Initiative Affordability of Units Preserved: April 2004 through June 30, 2008



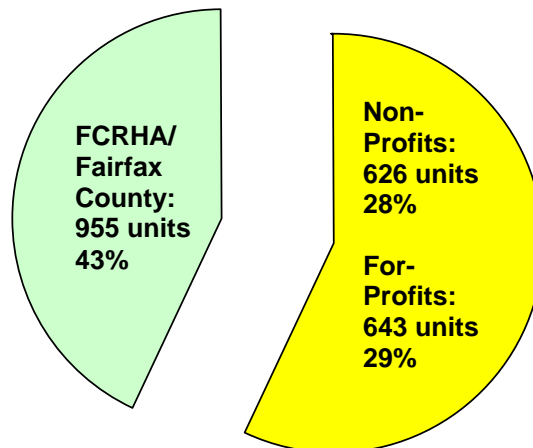
Rent Affordability of Units Preserved, by percentage of Area Median Income

Of the 2,224 units preserved through FY 2008, 1,805 were preserved in transactions involving the Penny for Affordable Housing Fund. The following chart shows the rent affordability of units preserved in transactions involving the Penny Fund:

**Affordability of Units Preserved: April 2004 through June 30, 2008
Penny Fund Only**



**Affordable Housing Preservation Initiative:
Units Preserved Through FY 2008; By Sector – 2,224 Total Units**



Oversight of the Department of Housing and Community Development Programs: In addition to the leadership and guidance provided by the Board of Supervisors, the following entities oversee Fairfax County's affordable housing programs:

- *U.S. Department of Housing and Urban Development (HUD):* The FCRHA/HCD has been consistently rated as a "high performer" (the highest rating) by HUD for the past eight years. HUD provides regulatory oversight Fairfax County's federally-funded housing and community development programs, including the Public Housing and Housing Choice Voucher programs, as well as activities funded under the Community Development Block Grant (CDBG) and HOME Investment Partnership Program.
- *Fairfax County Redevelopment and Housing Authority:* The FCRHA is a political subdivision under the Title 36 of the Code of the Commonwealth of Virginia. The FCRHA is governed by an 11-member Board of Commissioners appointed by the Fairfax County Board of Supervisors.
- *Fairfax County Affordable Housing Advisory Committee:* The Affordable Housing Advisory Committee is a 35-member committee appointed by the Fairfax County Board of Supervisors. The committee is chartered to recommend policy and priorities and oversee the utilization of the Penny for Affordable Housing Fund. The most recent Advisory Committee report on the Penny Fund can be found on-line at: [www.e-ffordable.org/documents/Advisory%20Committee_FY%202008%20Penny%20Fund_FINAL%20\(2\).pdf](http://www.e-ffordable.org/documents/Advisory%20Committee_FY%202008%20Penny%20Fund_FINAL%20(2).pdf)

Serving Persons with Disabilities: As of May 2008, Fairfax County's major rental housing and tenant subsidy programs were serving a total of 1,622 disabled households, representing approximately 29 percent of Fairfax County's major housing resources. The table below shows the performance of the individual programs in serving households with disabilities:

Disabled Households Served In Fairfax County's Major Rental Housing and Tenant Subsidy Programs				
Program	Percentage of current households disabled*	Actual households disabled	Median income of disabled households	Disabled household median income, as % of AMI**
<i>Housing Choice Voucher</i>	36%	1,003	\$11,036	11%
<i>Public Housing</i>	34%	365	\$11,292	11%
<i>FCRP</i>	10%	118	\$17,522	18%
<i>Senior Housing</i>	23%	136	\$19,896	29%
ALL PROGRAMS	29%	1,622	\$11,577	12%

* "Disabled Household" is defined as a household where the head-of-household, spouse, or any other household member is disabled.

AMI is for a family of four, **except Senior Housing, where a household size of one is assumed.

***Applies to FCRP units under FCRHA management only.

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. Note that funding amounts shown are based on the FY 2008 revised budget. 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	FY08 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 served in FY 2008 = \$37,747 , or approximately 42% of AMI for average family size of three. <i>Income estimate does not include senior housing.</i>	The FCRP includes 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. Housing managed under the FCRP include multifamily housing, magnet housing for police, firefighters, FCPS teachers and bus drivers, housing for families, single persons, seniors (see page 9), 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.	\$4,576,674 (Fund 941)	<ul style="list-style-type: none"> • 1,931 multifamily units (as of 12/9/2008) • 135 units of specialized housing and 414 units of senior independent housing are also managed under FCRP. • 4,941 persons housed in FY 2008
Public Housing	Rental income; HUD operating subsidy and annual contribution; HUD Capital Fund Program	Average household income served in FY 2008 = \$20,285 , or approximately 23% of AMI for average family size of three. 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.	\$10,936,416 (Fund 967: \$7,056,383; Fund 969: \$3,880,033)	<ul style="list-style-type: none"> • 1,063 units • 2,878 persons housed in FY 2008

RENTAL HOUSING PROGRAMS					
Program Name	Major Funding Source(s)	Income Served (% AMI)	Program Description	FY08 Revised Budget	Units in Program /Households served/program results
Housing Choice Voucher Program (HCV)	Federal (HUD) Annual Contribution	Average household income served in FY 2008= \$18,951 , or approximately 21% of AMI for average family size of three. 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.	\$41,397,582 (Fund 966)	<ul style="list-style-type: none"> • 3,204 vouchers authorized; • 2,998 households served (average lease-up based on the amount of budget authority available) • 8,264 persons housed in FY 2008
HOME Program: Tenant Based Rental Assistance (TBRA): <i>Partnership for Permanent Housing and Homeless TBRA</i>	Federal HOME Program	Average household income served = \$37,064 (not adjusted for family size), or approximately 37% of AMI for average family size 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).	\$784,780 (Fund 145)	As of the end of FY 2008, the maximum 25 families were enrolled in the PPH program, of which 21 had leased housing and 4 were in the process of completing the program intake process or searching for housing.

RENTAL HOUSING PROGRAMS					
Program Name	Major Funding Source(s)	Income Served (% AMI)	Program Description	FY08 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 served is \$10,522 , or approximately 15% of AMI for a family of <u>one</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. Note: TBRA assistance to be replaced with Housing Choice Voucher assistance in FY 2009.	\$326,325 (Fund 145)	48 households served in FY 2008.
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 65% 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 privately owned and operated; 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, rental developments are required to provide a percentage of affordable units, which is defined as units affordable to households whose income is 65% or less of AMI	\$94,742 (Fund 001)	As of June 30, 2008, a total of 953 rental ADUs have been produced, and an additional 371 units had been committed by developers through rezonings and were pending delivery.

RENTAL HOUSING PROGRAMS					
Program Name	Major Funding Source(s)	Income Served (% AMI)	Program Description	FY08 Revised Budget	Units in Program /Households served/program results
FCRP: Senior Housing Programs	Rental income, County contributions	Average income served: <i>Assisted living</i> = \$10,793 or 15% of AMI for a family of <u>one</u> . <i>Independent living</i> = \$18,494 or 26% 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. Average incomes provided for units under FCRHA management.	\$3,839,530 (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	FY08 Revised Budget	Units in Program /Households served/program results
VHDA Sponsoring Partnerships and Revitalizing Communities (SPARC)	VHDA	Average income of participating households in FY 2008: \$54,142, or approximately 54% 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 ensuring 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	92 loans totaling \$17,759,406 in FY 2008.

HOMEOWNERSHIP PROGRAMS					
Program Name	Major Funding Source(s)	Income Served (% AMI)	Program Description	FY08 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 2008 = \$57,557 , or approximately 58% of AMI for a family of four (program rules allow up to 150% AMI)	HomeStride 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	88 loans totaling \$1,682,046 in FY 2008.
Homebuyer Equity Loan Program (HELP)	Federal HOME program	Average income of participating households in FY 2008 = \$50,079 , or about 50% 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.	\$1,363,236 (Fund 145)	9 loans totaling \$767,161 in FY 2008.

HOMEOWNERSHIP PROGRAMS

Program Name	Major Funding Source(s)	Income Served (% AMI)	Program Description	FY08 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 2008 = \$48,680, or approximately 49% 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. For-sale units are affordable at up to 70 percent of AMI. 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>\$100,792 (Fund 001) \$50,706 (Fund 940) \$552,426 (Fund 142)</p>	<p>Since program inception through FY 2008:</p> <ul style="list-style-type: none"> ○ 1262 for-sale units produced ○ 119 for-sale units purchased by FCRHA for use in rental programs ○ 622 prospective buyers in program <p>FY 2008 program performance:</p> <ul style="list-style-type: none"> ○ Total new homebuyers: 152 ○ Orientation and Application sessions: 71; clients served: 1,966 ○ VHDA homebuyer classes: 44; clients served: 1370 ○ HCD Homeownership Center: approximately 2,789 telephone calls and 3,398 walk-ins served ○ Participants who purchased ADUs: 43

CONSOLIDATED COMMUNITY FUNDING POOL

Program Name	Major Funding Source(s)	Income Served (% AMI)	Program Description	FY08 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 2008 results: <ul style="list-style-type: none"> ○ Good Shepherd Housing – 3 units acquired ○ RPJ Housing – 6 beds/units in a group home acquired) ○ Homestretch – 2 units acquired

HOMEOWNERSHIP PRESERVATION PROGRAMS

Program Name	Major Funding Source(s)	Income Served (% AMI)	Program Description	FY08 Revised Budget	Units in Program /Households served/program results
Home Repair for the Elderly (HREP)	Federal CDBG, County	Average income served = \$18,985 or approximately 27% 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.	\$381,879 (Funds 142) \$62,757 (Fund 143)	125 households served in FY 2008.
Home Improvement Loan Program (HILP)	CDBG, County	Average income served (FY 2007) = \$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.	\$635,888 (Fund 142) \$2,963,723 (Fund 143)	23 loans, grants or advances totaling \$456,458 in FY 2008.

AFFORDABLE HOUSING PRESERVATION					
Program Name	Major Funding Source(s)	Rents affordable to incomes (% AMI)	Program Description	FY08 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%: 620 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. Includes tentative rents at Wedgewood Apartments (Braddock District) 	\$26,190,052 (Fund 319) \$9,102,080 (Fund 144) \$2,027,588 (Fund 145)	Since the inception of the preservation initiative through FY 2008, 2224 affordable housing units have been preserved. A total of 812 units were preserved in FY 2008.
		60%: 1059 units			
		80%: 344 units			
		100%: 144 units			
		120%: 57 units homeownership			
FY 2008 AFFORDABLE HOUSING PROGRAM INVESTMENT				\$106,500,621	

Major Funding Source Matrix

Funding Source	Funding Type	Income Limits	FY08 Revised Budget	Programs/Activities Supported Activities not included in program matrix in parenthesis
Elderly Housing Programs – Fund 141	County	Varies by property	\$3,839,530	Independent elderly housing in Fairfax County Rental Program; Supportive Housing
Community Development Block Grant (CDBG) – Fund 142	Federal	Up to 80% AMI	\$11,899,554	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	\$7,921,064	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	\$9,102,080	Affordable Housing Preservation
Home Investment Partnership Grants (HOME) – Fund 145	Federal	Up to 70% AMI	\$8,477,828	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	\$26,190,052	Affordable Housing Preservation
Fairfax County Rental Program- Fund 941	FCRHA	Up to 80% AMI, depending on property	\$4,576,674	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)	\$41,397,582	Housing Choice Voucher program
Public Housing Program – Projects Under Management – Fund 967	Federal	Up to 80% AMI	\$7,056,383	Public Housing
Public Housing Program – Projects Under Modernization (Capital Fund Program) – Fund 969	Federal	Up to 80% AMI	\$3,880,033	Public Housing
Investments from Funds 001 and 940 cited in Program Matrix	County	Varies by program	\$246,240	First Time Homebuyer Program, ADU Rental Program
<i>TOTAL ALLOCATIONS</i>			\$124,587,020	
<i>Less other investments</i>			\$18,086,399	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, and Section 108 (CDBG) loan repayments, among others.
FY 2008 AFFORDABLE HOUSING PROGRAM INVESTMENT			\$106,500,621	