



FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY



ANNUAL REPORT FISCAL YEAR 2021

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The powers of the Fairfax County Redevelopment and Housing Authority are vested in eleven Commissioners appointed by the Fairfax County Board of Supervisors, and as provided for by the Code of Virginia.



The Fairfax County Department of Housing and Community Development (HCD) serves as staff for the FCRHA and administers housing and community development programs on behalf of the Fairfax County Board of Supervisors.

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Vice-Chair
Sully District

Staci Alexander
Mason District

Broderick Dunn
Braddock District

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Richard Kennedy
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Elisabeth Lardner
Mount Vernon District

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Nicolas McCoy
Lee District

Kristen Robinson
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Rod Solomon
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Introduction



Melissa McKenna
Chairman
Fairfax County Redevelopment and
Housing Authority



Thomas E. Fleetwood
Director
Fairfax County Department of Housing
and Community Development

After all that has transpired over the last 18-plus months, one might ask “can anything good come from the COVID-19 pandemic?” Often, our greatest triumphs are achieved as a result of adversity. It forces us to change our perspective and to find new workable solutions to achieve our goals.

For well over a year, the impacts of this pandemic, which have invaded all aspects of our lives, have literally brought us home. The fact is that the collective Fairfax County community is beginning to see “home” through a new lens – as a critical factor in achieving success in every facet of our lives such as health, safety, recreation, education, employment, financial stability, and the list goes on. This focus on housing as an essential component to our success as individuals and as a community has resulted in an unprecedented resolve to make affordable housing opportunities a reality in neighborhoods across the county.

As the Fairfax County Redevelopment and Housing Authority (FCRHA) has continued to respond to the physical and economic conditions resulting from the pandemic, we have adapted processes and policies and continued to forge strong community partnerships. We’ve continued relentlessly in our pursuit of advancing affordable housing opportunities. Some of our achievements include:

- The administration of federal and local rental subsidy programs for nearly 20,000 residents;
- The utilization of federal resources to provide emergency hotel accommodations for more than 1,700 residents;
- The steady growth of our active pipeline of affordable housing projects with more than 1,700 units in development (and more on the way);
- The assistance provided to 47 new first-time homeowners in the purchase of new homes totaling more than \$11 million in transactions;
- The continued investment of local funds and issuing bonds to assist in financing new development and preservation of affordable housing opportunities;
- The dedication of additional public lands for affordable housing;
- An update of the county’s Workforce Dwelling Unit policy; and
- The completed review of the county’s preservation strategies and adopted recommendations from the Affordable Housing Preservation Task Force.

Through the adversity of the pandemic, the FCRHA has achieved a new level of versatility and we are continuing to use every resource at our disposal to achieve our affordable housing preservation and development goals. We are continuing to facilitate the ongoing community dialog; to innovate our approaches and partnerships; to invest the resources entrusted to us; and to administer policies that will create a hospitable and encouraging environment for housing that is affordable – particularly for the most vulnerable residents of our community.



Melissa McKenna



Thomas E. Fleetwood

Housing Matters

For the FCRHA, the work of affordable housing extends beyond the business of construction, property management, real estate finance and investment, application administration and so on. It is deeply rooted to the individual, the family, and the community and helping our neighbors in need achieve housing stability and self-sufficiency.

With every brick laid, loan issued, lease signed, home sold, or supportive service provided, we recognize the value of housing and the impact of our programs in the lives of thousands of Fairfax County residents. We also see the critical nature of the needs that still exist. This fuels our urgency in producing more opportunities to provide the foundation of a stable home for our more vulnerable residents who continue to struggle.

Self-Sufficiency Program Helps Families Achieve Financial, Housing Stability

“When I started the Family Self-Sufficiency Program, I felt as if I was drowning in life and would never make it to my goals,” said Laura C. Her experience is not unlike that of many who are fighting to achieve financial independence and housing stability.

The Family Self-Sufficiency Program is a HUD workforce program administered by the FCRHA to assist participants in removing barriers that can get in the way of achieving self-sufficiency such as education, budgeting, credit repair, savings, transportation, childcare and more. During this five-year program, participants are assigned a case manager to help them identify their goals and provide resources, support and guidance in order to achieve them. The program also provides several financial benefits and incentives to support participants in growing their personal wealth and assets that enable greater self-sufficiency.

“In three years, we were able to fix our credit, get back on top of all our bills, save money and even purchase a market-rate home using financial incentives from the program,” Laura shared. “The Family Self-Sufficiency program showed me accountability for myself and my family, and my case team had my back and made sure that I knew they had my best interests at heart.”



Paying It Forward: A Legacy of Affordability

The FCRHA has long been working not only to provide affordable rental opportunities for individuals, but to help program participants advance along the housing continuum. The story of James K. is a great example.

For years, James was a resident at the FCRHA's Little River Glen senior community when, in 2010, he applied for and received gap, down payment and closing cost assistance to purchase a foreclosed home in the Sully District. The move from rental housing to homeownership through this unique program enabled him to build equity and personal wealth through owning his home.

In 2020, James informed the FCRHA that, in appreciation for the assistance he received in purchasing a home, he was bequeathing a portion of his estate to the FCRHA's Housing Gift Fund where it could go towards providing others with the opportunity to obtain an affordable, stable home.

“I feel very lucky to live in Fairfax County,” said James K. “It’s one of the best governments in the country and I’ve benefited from that.”



Home Repair Services Helps Older and Disabled Residents Maintain Independence

When it comes to homeownership, protecting and growing your investment often means making minor repairs and upgrades to your home from time to time. For older homeowners and those with disabilities, a “minor” repair can often make a major difference in adapting their home to their needs and allow them to maintain their independence.

There are many elderly and disabled residents in Fairfax County who live on low- and moderate-incomes. This can be a major barrier when looking for the materials and the expertise for home improvements that fit a tight budget. That’s where the FCRHA’s Home Repair for the Elderly Program (HREP) can step in.

HREP provides skilled labor and up to \$1,000 in materials cost at no charge to qualified applicants in order to complete small handyman-sized projects for their home. Last year, working safely around the limitations and hazards of COVID-19, the FCRHA completed 166 projects serving 96 households.

For more information about the HREP program, including eligibility, a list of typical home repairs, and application details, visit www.fairfaxcounty.gov/housing/resident-services and select “Home Repair for the Elderly.”

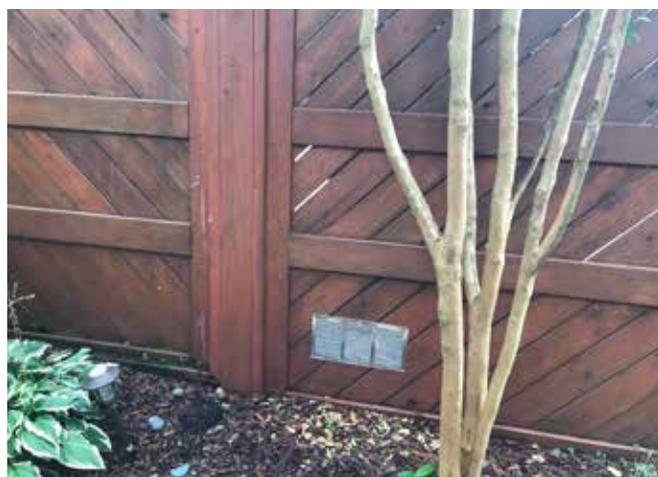


Handyman Team Solves Dangerous Deteriorating Deck Dilemma Through FCRHA’s Home Repair Program

For Lauren G. and her husband, an evening on their back deck was slowly turning dangerous. Little by little deck boards were deteriorating and presenting a serious hazard, but their limited retirement income proved a substantial barrier to hiring the expertise to diagnose the problem and provide a solution. That’s when they found out about the FCRHA’s Home Repair for the Elderly Program (HREP), which serves income-eligible homeowners who are seniors or persons with disabilities.

The FCRHA dispatched a team of technicians to their home. After assessing the situation, they found that the deck was constructed in such a way that moisture was being trapped under the deck and was rapidly accelerating the decomposition of the deck floor. A downspout that terminated under the deck made matters even worse. The HREP team worked to extend the downspout away from the deck, installed several vents to enhance airflow under the deck and replaced rotting deck boards to make the space safe for Lauren and her husband to enjoy.

“These men were wonderful,” Lauren said. “They were delayed by a lack of wood but returned like they said and made quick repairs with no mess. I’m very grateful.”





A Firm Foundation:

“The Fairfax County Rental Program has truly been a lifeline for me and my son. Having a stable, safe, and decent home is important to me because it provides a sense of security & well-being, stability, and helps lessen stress to mentally be able to handle situations & problems. The assistance I get from this program helps me to pay my rent and also have money left over to provide childcare and food for my family.”

– Diane G.

Buying a Home:

“It was like a dream when I received the key. Before we could purchase through the program, I was renting a two-bedroom apartment barely large enough for my children and me for \$1,900 a month. Today, I have a much more affordable mortgage on a home that is big enough for my family and is just seven minutes from my job.”

– Yanet B.



Reshaping the Affordable Housing Conversation

Even COVID-19 couldn't slow down the FCRHA's efforts to reshape the conversation on affordable housing. In March 2021, the FCRHA once again teamed up with the George Mason University School of Business to host its second annual Housing Symposium – this time focusing on affordable housing as a critical factor in developing strong economies, thriving schools and healthy communities.

Throughout the day's discussions, government, business, health and educational leaders highlighted the impacts of stable housing on community health, educational achievement and the economy. Some examples included:

- Enabling a young college graduate, earning an entry-level wage, to afford a rental apartment in Fairfax County
- Attracting and retaining jobs and economic growth by providing more affordable accommodations for the local workforce
- Providing affordable units that allow a family to have enough disposable income to pay for basic needs – such as food and medical care

Through the use of real-life stories and examples, experts made it clear that housing affordability and stability plays a significant role in every resident's ability to thrive in Fairfax County. Achieving and surpassing the county's goal of creating a minimum of 5,000 new units of affordable housing by 2034 will take a community-wide commitment to changing the way we see our neighborhoods, changing the way we see the issue of density, and making the decision that affordable housing is essential for Fairfax County to thrive.

The 2021 Housing Symposium set the stage for a large-scale paradigm shift in the way the Fairfax County community views affordable housing moving forward – in terms of people, not just buildings; in terms of opportunities for all residents, regardless of age or ability; and in terms of equitable outcomes for physical, social, economic, and intellectual wellbeing. The work has begun, and the conversation continues.

Healthy Communities Begin at Home

80%

of your personal health is shaped by behavior and the environment where you live, work, and play...

...only 20% is shaped by your medical care.



FAIRFAX COUNTY HOUSING SYMPOSIUM

Strong Economies Begin at Home

Adding Homes

expands the local tax base and leads to improved government infrastructure.



Affordable Rents

allow for more spending money for the local economy.



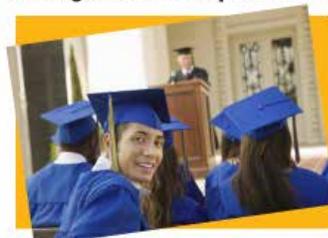
Affordable Housing attracts more jobs.

FAIRFAX COUNTY HOUSING SYMPOSIUM

Thriving Schools Begin at Home



Studies show Home Stability promotes better attendance, less student turnover, and stronger academic performance!



FAIRFAX COUNTY HOUSING SYMPOSIUM

Housing Choice Voucher Program Opens Doors of Opportunity

The Housing Choice Voucher program is more than just “rental assistance.” For many, it is the first step along a continuum that expands opportunities for everyone in the home. Far from being a place to “end up,” rental housing subsidy programs offer a “hand-up” in helping tenants achieve housing stability. Subsidy programs can serve as a springboard to a variety of opportunities for personal development and lead to successful outcomes for health and well-being, academic and career achievement, financial independence, and more.

Not long ago, Tammie J. was living in dangerously cramped circumstances with her four children in a small two-bedroom apartment in Falls Church. When Tammie and her family were awarded a voucher and were able to find more affordable and appropriately sized accommodations close to her workplace, things started to change dramatically for both herself and her children.

“Since moving to our new home, my children have the freedom to enjoy the home and the community where we stay,” Tammie said. “Also, working with a housing worker has helped me to be informed about various opportunities to improve our circumstances. I’m even preparing to seek homeownership in the near future!”



FCRHA Provides a Foundation for Success in a Community of Opportunity

The FCRHA has been hard at work rehabilitating a 45-year-old athletic club to serve the residents of Lee District. Some may call that a little odd – after all, it’s not a “housing project,” right?

For years, Fairfax County has worked closely with residents along the Richmond Highway Corridor to identify and meet the evolving needs of the community—including youth programming, recreation, childcare, technology education, and skills development to residents better compete for jobs in the rapidly evolving marketplace. Such programs are among those offered at Fairfax County Community Centers that provide safe, structured environments for participants to learn, play and engage with the community around them.

When the Mount Vernon Athletic Club was offered for sale, the FCRHA recognized this opportunity to help residents to excel physical, intellectually, educationally, and financially. Working in partnership with Supervisor Rodney Lusk and the Department of Neighborhood and Community Services, the FCRHA led the financing, design, and coordination of needed upgrades to the soon-to-be-named community center which is set to open in late 2021.

“We’re not just about building and preserving housing we’re about developing and helping people holistically,” said FCRHA Chairman Melissa McKenna. “A project like this allows us to positively impact people’s financial literacy, intellectual opportunities, physical health and social wellbeing.”

The Lee District Community Center is a premier example of what can be achieved as housing authorities and local governments work together to build communities of opportunity.





Home is more than just a building on a street,
 It's my foundation for Success in every challenge I meet.
 It's a shelter from life's storms, a place to Learn, Do and Grow,
 Affordable homes are Necessities we can't afford to forgo.



Everyone deserves access to a safe, stable and affordable home. The FCRHA is continuing its work to bring affordable housing opportunities to every community in Fairfax County.

We all do better when **WE ALL** do better!



Housing Assistance Programs

Providing access to affordable rental housing through the administration of federal, state, and local subsidy programs is a primary function of the FCRHA. Each year, nearly 20,000 Fairfax County residents –including families, individuals, veterans, seniors, people with disabilities, and those with specialized housing needs– are able to be housed in privately owned and FCRHA-owned properties through a variety of housing programs. From emergency shelter for individuals and families experiencing homelessness to rental housing and, eventually, homeownership, the FCRHA and Fairfax County provide critical assistance to households across the housing spectrum to obtain safe, decent, stable, and affordable housing.

Emergency Shelter and Supportive Housing Programs

In FY 2021, the Fairfax County Office to Prevent and End Homelessness was merged with the Department of Housing and Community Development. The merger offered a clear opportunity for a single agency to improve housing assistance along the full range of the housing spectrum - from short-term emergency shelter to long-term rental housing and homeownership.

Throughout the pandemic a critical challenge has been to provide sheltering services for those experiencing homelessness which afforded the appropriate social distancing. Many county shelters are shared settings and, to make matters worse, people experiencing homelessness are particularly at risk of serious illness if infected with COVID-19 due to age and other underlying medical conditions.

With the use of local hotels and an extensive partnership network of community organizations, staff from the Office to Prevent and End Homelessness were able to transform the shelter system practically overnight so that people at the greatest risk of severe illness could safely shelter in individual rooms and those who were sick or symptomatic could isolate, quarantine, and recover.

Sheltering services were further expanded during the winter months to serve those at risk of hypothermia by designating county facilities with enough open space to provide accommodations for unsheltered individuals as hypothermia centers.

In FY 2021, Fairfax County sheltered 2,650 residents through its emergency shelter and transitional housing projects. The county was also able to assist 41 percent of those served to exit to permanent housing destinations.



Emergency Housing Program Data


2,650
People sheltered


848
People unsheltered in Fairfax County at some point in the fiscal year.


1,361
Shelter capacity


1,446
Housing capacity – permanent housing dedicated to people experiencing homelessness

Rental Housing Subsidy Programs

With almost 71,000 households in the county earning \$50,000 or less, affordable rental housing is in high demand. The FCRHA both administers federal and state rental subsidy voucher programs and owns more than 3,800 units of affordable housing which serve low- and moderate-income households. The FCRHA's rental housing subsidy programs can be generally categorized as follows:

- **Voucher Programs:** Vouchers provide financial assistance to residents in order to rent privately owned housing units. Tenants generally pay 35 percent of their adjusted income towards rent and utilities with the remainder being provided by the program agency. The FCRHA administers the Housing Choice Voucher program (formerly known as Section 8) as well as specialized housing certificates awarded through the State Rental Assistance Program.
- **Rental Assistance Demonstration (RAD):** The RAD program, formerly known as “public housing,” includes properties built or purchased by the FCRHA using federal funding. The FCRHA currently owns 1,060 units under the RAD program. Similar to the voucher programs, tenants pay between 30 and 35 percent of their adjusted income for rent. The FCRHA receives subsidy from the federal government similar to the Housing Choice Voucher program.
- **Fairfax County Rental Program:** This program includes all FCRHA-owned units developed with funds other than public housing funds. The FCRHA owns nearly 2,500 units for families, individuals, seniors, and supportive housing for individuals with physical and intellectual disabilities. The program offers homes to households at a variety of income levels.

Fiscal year 2021 presented many challenges for residents across the county - particularly for the nearly 20,000 served through our housing subsidy programs. Many of these tenants experienced lost jobs or a reduction in wages due to reduced work as well as many other hardships brought on by COVID-19.

Throughout the year, staff worked tirelessly to adapt every function of the agency - from client service and rent payments to property maintenance and inspections - to meet the challenge of providing essential services during the pandemic. The FCRHA's designation as a “Moving to Work” agency and waivers from the U.S. Department of Housing and Urban Development (HUD) allowed for the ability to quickly adapt policy and procedures and allocate resources necessary to keep residents in their homes and connect them with the resources and services they needed to provide for their immediate needs.



Rental Housing Program Data



4,112

Federal and State Vouchers Administered



3,827

FCRHA-owned properties



\$25,164

(for a household of 3)
Average Participant Income



35%

Approximately 35% of all households served include a person with a disability

Homeownership Program Data



224

New First-Time Homebuyer applicants



47

New homeowners in FY 2021



Nearly \$11M

in unit sales



173

Homebuyers aided with federal/state down payment assistance programs



\$15 M

in Virginia Housing first-trust mortgages to 44 purchasers sponsored by the FCRHA

Homeownership Programs

A home is commonly the single most important and valuable asset a family may possess and provides a foundation for the building of personal wealth and financial stability. For more than 40 years, Fairfax County has provided affordable homeownership to thousands of low- to moderate-income homebuyers. Programs afford qualified homebuyers access to for-sale homes at below-market prices; avenues for down payment assistance, lower interest rates, and reduced mortgage principal; and pre- and post-purchase counseling.



While last year brought substantial challenges, the pace at which for-sale homes are becoming available and are being sold through our programs has far exceeded that of the last several years. For-sale units included in this program are provided most commonly through the county's Affordable Dwelling Unit (ADU) and Workforce Dwelling Unit (WDU) programs.

These programs offer affordable homes across a range of family incomes. Homes sold from the ADU program typically range from \$95,000 to the low \$200,000s while WDUs can price from \$200,000 to the high \$400,000s.

In addition to providing units at an affordable price, the FCRHA also provides qualified homeowners with financial assistance to close the deal on their homes. Assistance is provided by way of state and federally sponsored down payment assistance programs as well as through the FCRHA's sponsorship of homeowners in obtaining reduced interest rate first-trust mortgages from Virginia Housing.

“Providing qualified homebuyers with access to homes at below market prices is certainly a paramount priority of our homeownership programs, but it’s not the only component that matters,” said Tom Fleetwood, Director of the Fairfax County Department of Housing and Community Development. “We have increasingly been focused also on educating prospective homeowners not only related to the purchase process but also about what is involved in protecting that asset and maintaining it as a foundation for their economic self-sufficiency and success.”

Homeownership education includes guidance from industry experts on topics leading up to and following the actual purchase of a new home. Topics covered include improving credit, developing a personal budget, working with lenders and realtors, participating in homeowners associations, home maintenance, and making the most of their investment in homeownership.



The outlook for FY 2022 is very bright as the FCRHA is projecting the addition of nearly 100 new, for-sale ADUs and WDUs to be made available through the program.

Affordable Housing Development and Preservation

In 2019, Fairfax County adopted a goal to produce a minimum of 5,000 new housing units affordable to households earning up to 60 percent of Area Median Income (AMI) by the year 2034. The county also adopted the commitment of “No Net Loss” of the county’s existing stock affordable homes. Amid the complexities, challenges, and limitations of COVID-19, the county has continued its progress towards these objectives with such milestone achievements as the work of the Affordable Housing Preservation Task Force, updating the county’s Workforce Dwelling Unit policy, the completion of renovations to the FCRHA’s Murraygate Village Apartments, and the ongoing development of new communities through public-private partnerships.

New Affordable Housing Development Underway

Despite the particular challenges that COVID-19 has inflicted on the construction industry, the pace at which Fairfax County is advancing development on affordable housing has never been higher. Since the adoption of the county’s development goal, the affordable housing development pipeline has grown to include 1,867 new units that have been completed or are in various stages of development - with many more on the way.

The county continues to grow this pipeline by utilizing public-private partnerships to construct new units of housing on public land; pursuing opportunities to construct new FCRHA-owned units; investing local, state, and federal funding in private affordable housing development; and administering zoning policies that encourage the incorporation of affordable units in market-rate housing development projects.



Projects of Note:

- **North Hill:** One of the most anticipated projects in Fairfax County is well underway along the historic Richmond Highway Corridor. The work on the Residences at North Hill is transforming the 34-acre site to include 279 units of affordable housing (including 63 units of independent senior living), 175 market-rate townhouses, and a 12-acre public park. The 279-unit affordable housing development will feature one, two, and three-bedroom apartment homes affordable to households at 30, 50, and 60 percent AMI. With a number of community amenities (including fitness center, public plaza, community room, and the adjacent public park) this is an ideal location with access to public transportation, employment opportunities, and in close proximity to major activity centers (downtown Alexandria and Washington, DC). Work on the project is expected to be complete in 2022.
- **Oakwood Residences:** In May, the Board of Supervisors authorized the issuance of tax-exempt revenue bonds to help facilitate the financing of the Oakwood Residences. The project, to be developed by the Arlington Partnership for Affordable Housing, will include 150 affordable senior housing units on 6.2 acres owned by the FCRHA. With its recent financial closing in 2021, Oakwood is among the next



New Development on the Horizon

- **One University:** One University refers to the redevelopment of 10 acres of FCRHA-owned land adjacent to George Mason University in the Braddock District. The site is the current location of the Robinson Square Community. In summer 2021, the FCRHA completed the relocation of all residents of the community in preparation for the forthcoming construction which will quintuple the number of affordable homes on the site. The project will include 120 multi-family affordable housing units, 120 senior affordable housing units and 333 units of student housing. Financing is expected to close in 2021, with HUD approval.
- **Little River Glen IV:** Design is currently underway for construction of the final phase of the independent senior living community of Little River Glen in the Braddock District. The project will add 60 new affordable senior apartments to the community on three unimproved acres on the Little River Glen Campus, and also include the renovation of the existing 120 apartments in the community. The property is conveniently located to public transportation and several major highways and is home to the Little River Glen Senior Center that provides a wealth of engagement opportunities for residents.
- **Autumn Willow:** The FCRHA selected Michaels Development to develop, own and operate 150 units of independent senior living on a currently undeveloped 10.8-acre site owned by the FCRHA. Under the terms of a 99-year ground lease, apartments will be priced affordable to residents earning between 30 percent and 60 percent of the Area Median Income. The community will include a two-story building with surface parking located in a unique natural wooded setting surrounded by a public park, pedestrian trails, and the Little Rocky Run stream bed. Development is currently underway, and the project is anticipated to close on financing in the Summer of 2022.



Policy Update Enhances Affordable Workforce Housing

In 2019, the Fairfax County Board of Supervisors convened the Workforce Dwelling Unit (WDU) Policy Task Force aimed at addressing the needed updates to the county-wide Workforce Dwelling Unit (WDU) and Tysons WDU policies.

For years, the county's WDU and Tysons WDU policies provided valuable contributions through developing roughly 1,700 units of affordable workforce housing in Fairfax County. The policies provide a "density bonus" to developers in exchange for the commitment of affordably priced units within their market rate communities developed in major activity/commerce centers. Put simply, developers are able to include more units in their developments for committing to provide a percentage of the newly developed units priced to serve low- and moderate-income households.

The original policy, written in response to market conditions in the early 2000s, included provisions to deliver affordable rental housing that would serve residents earning from 60 percent to 120 percent of the area median income (AMI). After a more recent review of the policy's impact, it was determined that the current housing market can naturally accommodate households on the higher end of that income spectrum and by updating the policy more units could be made available to households with lower incomes.

"This is a fantastic example of our ability to adapt land use policy to meet current market conditions to ensure the maximum benefit for our communities," said Tom Fleetwood, Director of Fairfax County's Department of Housing and Community Development. "Through this effort we will now more effectively achieve the vision intended by increasing the delivery of affordable housing targeted toward households earning between 60 and 80 percent AMI."

The Board of Supervisors adopted the new policy in February 2021 following an extensive public engagement effort headed by the Department of Housing and Community Development and the Department of Planning and Development.



The Preservation of Existing Affordable Housing

Fairfax County is home to approximately 9,000 units of market affordable multifamily housing considered affordable to households earning 60 percent of AMI or below – about \$77,000 or less per year for a family of four. **“Market affordable”** homes are privately owned units and do not have any restrictions on their rents. The affordability of these properties faces constant pressures from redevelopment, renovation, and repositioning of older properties into higher-rent communities.

“Committed affordable” homes are both privately and publicly owned and have restrictions designed to keep rents affordable for a designated period of time. These rent restrictions can be put in place using a variety of methods such as awarding government funding to developers to finance the building of new or rehabilitation of existing housing units; through proffer agreements such as those included in the county’s Affordable Dwelling Unit and Workforce Dwelling Unit programs; and the awarding of project-based vouchers or low-income housing tax credits. The key is, regardless of market pressures, “committed affordable” housing stays affordable housing for a specified period of time (typically a minimum of 15 to 30 years). Currently,

Renovations Give Community a New Lease on Life

For decades the Murraygate Village Apartments has been a cornerstone for affordable housing along the historic Richmond Highway Corridor and has provided homes to thousands of low- and middle-income individuals and families. In summer 2021, the FCRHA and the Fairfax County Board of Supervisors celebrated the completion of a renovation/modernization project which has given the 50-year-old community a new lease on life and the promise of serving low-income households for years to come.

This two-year project provided needed upgrades to mechanical, electrical, and plumbing systems. The work included interior improvements as well, including new appliances, cabinetry, flooring, and refurbishing kitchens and bathrooms. The phased project progressed building-by-building in order to ensure the entire community would not need to be vacated during the construction period and, through it all, staff worked with individual families to ensure their housing needs were met.

Funding for the project included:

- Four percent low-income Housing tax credit equity
- Issuance of FCRHA tax-exempt revenue bonds
- Short-term FHA loan
- \$8.9 million in local funding

The preservation of the Murraygate Village apartments, a 200-apartment community, is the FCRHA’s latest achievement towards ensuring the county’s commitment of “No Net Loss” of the current stock of affordable housing. Originally built in 1971, the community was acquired by the FCRHA in 1991 to provide dedicated affordable housing to households earning 60 percent or less of the Area Median Income (AMI).

“This was an extraordinary team effort. From managing the relocations of residents and compiling the financing plan to navigating all the complexities and challenges that come with renovating a 50-year-old building, our project team produced an exceptional result,” said FCRHA Chairman Melissa McKenna. “This work will serve as a model as the FCRHA continues to invest in the ongoing development and preservation of affordable housing in every area of Fairfax County.”



Fairfax County has more than 15,000 units of committed affordable rental homes. In 2019, the Fairfax County Board of Supervisors established a commitment to “No Net Loss” of affordable homes. This guidance was specifically directed at ensuring that the county not only focuses on the development of new affordable housing, but also on the retention of affordable housing. In 2020, the board-appointed Affordable Housing Preservation Task Force was created to develop critical strategies and recommendations to advance the county’s preservation efforts. The Fairfax County Board of Supervisors adopted the group’s recommendations in April 2021:

- **Goal 1:** Preserve the affordability of approximately 9,000 market affordable multifamily units at 60% AMI and below through a combination of preserving physical assets that contain affordable housing (physical preservation) and of preserving the affordability and number of bedrooms within redevelopment scenarios on-site or in proximity to the site (use preservation).
- **Goal 2:** Preserve the affordability of committed affordable multifamily buildings and units when affordability covenants are set to expire for buildings/units with an average of 60% AMI and below, as well as ADU/WDU units at 80% AMI and below.
- **Goal 3:** Preserve through a combination of means the affordability of the approximately 1,750 housing opportunities that exist in manufactured housing communities.

Specific and actionable recommendations provided by the task force fell within the following general categories:

- **Preservation Need, Goals, and Resources:** The task force considered the challenges facing the existing stock of affordable housing and developed recommendations for goals and strategies to ensure no net loss, long-term affordability and availability of these assets.
- **Development Strategies and Financing Tools:** The task force developed recommendations for specific financial practices and resources that can be employed or provided to encourage the preservation or redevelopment of existing market affordable and committed affordable housing.
- **Land Use Policies and Recommendations:** The task force identified specific land use recommendations that would facilitate the preservation of market affordable housing, including, importantly, the development of a definition of preservation.
- **Institutional Capacity, Community Awareness and Legislative Priorities:** The task force identified community engagement strategies and the capacity of the county’s institutions to support a sustained effort to preserve affordable housing in the community as critical issues.
- **Recommendations Regarding Manufactured Housing Communities:** Manufactured housing communities, and owners of manufactured homes in those communities have unique challenges and opportunities. They require special considerations given their uniqueness including the fact that they often serve as a source of affordable homeownership for residents in the county. The task force recommended that the Board of Supervisors establish a special task force to consider the special circumstances surrounding the approximately 1,750 manufactured homes in Fairfax County.



In FY 2021, a total of 102 units were constructed (38 ADUs and 64 WDUs).



Since the inception of these programs:

2,929

Affordable Dwelling Units (ADU) produced

1,704

Workforce Dwelling Units (WDU) produced

4,633

Total number of ADUs and WDUs produced

Financing Affordable Housing

The FCRHA is the preeminent financing agency for affordable housing in Fairfax County. In addition to managing the investment of local funds appropriated by the Fairfax County Board of Supervisors, the FCRHA administers millions of dollars in federal grant funding and has the authority to issue tax-exempt revenue bonds to support the new development, acquisition, preservation, and rehabilitation of affordable housing throughout Fairfax County. Together, these funds help to leverage the investment of millions of dollars in private developer capital to advance affordable housing opportunities for our most vulnerable neighbors -including seniors, individuals with disabilities, and extremely low-income households.

Housing Blueprint Funds

Housing Blueprint Funds are provided through the Affordable Housing Development and Investment Fund which includes funding allocated from the Fairfax County Board of Supervisors. Since 2018, Blueprint loans have been issued in nine separate transactions supporting the development or acquisition of 1,810 units of housing. Altogether the \$42.6 million in Housing Blueprint spending has leveraged \$635 million in other funding sources to meet development costs.

In spite of the financial challenges of fiscal year 2021 as the result of the COVID-19 pandemic, Fairfax County continued to identify public funds for investment in affordable housing. The FCRHA committed approximately \$7.45 million to aid in the development or acquisition of 226 affordable housing units to serve households at or below 60 percent of the area median income (AMI). The FCRHA further facilitated the award of an additional \$7.8 million in regional funding to acquire an additional 216 units of housing.

- **The Lodge at Autumn Willow (Michaels Development Company) - \$4.45 million:** The Lodge at Autumn Willow will include 150 independent-living senior housing units (including 15 accessible units) serving seniors at or below 60 percent of AMI. This project will remain affordable for 99 years.
- **Landings II (AHC, Inc.) - \$3 million:** Landings II is a 76-unit market affordable property located at Fort Belvoir. The acquisition of the property by AHC, Inc. will preserve these units as committed affordable housing for households at or below AMI for a period of 30 years.
- **Landings I (AHC, Inc.) - \$7.8 million in Amazon REACH funds:** Amazon REACH funds are administered by Virginia Housing as part of Amazon's 5-year commitment of \$15 million annually to be awarded throughout the region. The award of these funds supported AHC's acquisition of Landings I (adjacent to Landings II) to preserve an additional 216 apartments as committed affordable housing for households at or below 60 percent AMI for an additional 30 years.



Community Development Block Grant and HOME Investment Partnerships Program

FY 2021 Allocations: The FCRHA awarded \$2.9 million in Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds to four nonprofit organizations. Funds will be used for the acquisition and/or rehabilitation of up to 11 units of affordable housing for low-income households. The following organizations were awarded funds:

- **Up to \$1,528,712 to Pathway Homes, Inc.** to acquire and renovate up to seven units of affordable rental housing to provide affordable housing and supportive services to individuals who have experienced homelessness or are precariously housed and have special needs related to mental illness, co-occurring substance abuse disorders and intellectual disorders with incomes at or below 30 percent of AMI.
- **\$457,000 to Marian Homes, Inc.** to acquire and renovate a single-family home to provide community living for five individuals with household incomes at or below 30 percent AMI with intellectual disabilities.
- **\$445,485 to Sunrise Community of Virginia, Inc.** to acquire and renovate a single-family home to provide community living for five individuals with household incomes at or below 30 percent of AMI with medically complex intellectual and physical development disabilities.
- **\$468,000 to Good Shepherd Housing and Family Services, Inc.** to acquire and renovate two units in a targeted area of Alexandria. Residents would be provided rental housing as well as services to support their progress toward self-sufficiency. These units will serve two families who are at a high risk of homelessness or have experienced homelessness with incomes at or below 60 percent of AMI.

FY 2021 Acquisitions: During FY 2201, affordable housing providers completed the acquisition and/or delivery of the following developments funded, in part, through the CDBG and HOME programs.

- **Good Shepherd Housing and Family Services (Mount Vernon District):** A total of \$150,000 in HOME funding was used to acquire one three-bedroom unit in the Richmond Highway (US1) corridor to benefit a household with up to 6 members earning at or below 50 percent of AMI, who have experienced homelessness.
- **Marian Homes (Springfield District):** A total of \$457,000 in CDBG funding for the acquisition and rehabilitation of a single-family home to provide community living for five individuals with income at or below 30 percent of AMI, who also have intellectual disabilities and require specialized residential accommodations. Extensive renovations to the property included bringing the property into compliance with ADA standards and building and office space for case management partner. Residential supportive services are provided by Lutheran Family Services/enCircle.
- **Pathway Homes (Braddock, Hunter Mill, Lee, Mason, Mount Vernon, and Providence Districts):** A total of \$3,164,068, including \$1,698,887 in HOME, \$612,384 in HOME-CHDO and \$852,797 in CDBG funding to acquire 15 total units (12 one-bedroom condominium units, two three-bedroom, and one four-bedroom town homes), to provide affordable rental housing to individuals who are homeless, or precariously housed, with income at or below 30 percent of AMI and have special needs related to mental illness, co-occurring substance abuse disorders, or intellectual disorders. Supportive services are provided by Pathway Homes.



Revenue Bonds

The FCRHA continues to issue bonds on its own and third-party projects to help finance the new development and preservation of affordable housing in Fairfax County. In FY 2021, the FCRHA successfully issued revenue bonds in the amount of \$12.6 million for the development of the Ovation at Arrowbrook in Herndon.

The site for the project has been designated as a revitalization area and is located within a mile from the Innovation Center Metro station. The project, a component of the broader mixed-use Arrowbrook Center development, will include 274 housing units serving households at 60 percent AMI and below.



A Multifaceted Approach to Affordable Housing Investments

Over the past year, the FCRHA has often been recognized for its continued effort to bring more affordably priced homes to neighborhoods across the county. One secret to that success is a multi-faceted approach to investment in housing development. Beginning with the award-winning Residences at Government Center community on the campus of the Fairfax County Government Center Complex, the FCRHA and the Fairfax County Board of Supervisors have demonstrated the significance of combining both funding and land investments to promote sustained advancement in the preservation and new development of affordable housing opportunities.

The FCRHA has long been responsible for the strategic investment of local funds – as well as the award of funding and project-based vouchers from the state and federal government – to help finance the preservation and new development of affordable housing. Making loans, awarding grant funding, and issuing revenue bonds have all combined to help affordable housing developers find the critical capital necessary to be able to acquire, construct, or rehabilitate affordable housing projects to support the county’s low- to moderate-income households.

While financial investments typically grab top billing in the news, it’s often the cost of the land that is the main determinant in terms of whether a project can get done or not. It’s tough to stand strong in a bidding war when affordable housing developers are competing for the same parcels against their market-rate and luxury home developer counterparts. By acquiring land and directing its use for the development of affordable housing, the FCRHA breaks down a significant barrier to the development of affordable housing. Within the last year, the Fairfax County Board of Supervisors has transferred three properties to FCRHA ownership to begin the investigation into their potential use for affordable housing through public-private partnerships.

“When it comes to ‘investment’ the conversation usually stops with the dollars involved,” said FCRHA Chairman Melissa McKenna. “However, when you have a jurisdiction willing to commit the land, it goes a long way towards reducing a developer’s overall project costs in order to make the development deal possible.”

In recent years, Fairfax County has become extremely adept with respect to its use of the Public-Private Education Facilities and Infrastructure Act of 2002 (PPEA) which provides a framework for public-private development projects. Through these PPEA agreements, the FCRHA allows affordable housing developers to build, own and operate housing communities pursuant to a long-term leasing agreement which keeps homes affordable. From the award-winning Fallstead senior living community (McLean) to the Residences at North Hill (Alexandria) and One University (Fairfax), Fairfax County’s affordable housing portfolio is beginning to see more and more projects developed or in development on public lands representing well over \$100 million in real estate investment for affordable housing.



Financial Statements

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
(A COMPONENT UNIT OF THE COUNTY OF FAIRFAX, VIRGINIA)
STATEMENT OF NET POSITION

JUNE 30, 2020

	Enterprise Fund	Component Units	Total Reporting Entity
ASSETS			
Current Assets:			
Cash in bank (Note 2)	\$ 29,503,587	\$ 9,352,523	\$ 38,856,110
Cash on deposit with the County of Fairfax, Virginia (Note 2)	23,676,045	-	23,676,045
Cash reserves (Note 2)	8,418,023	-	8,418,023
Investments (Note 3)	2,695,000	-	2,695,000
Restricted cash:			
Deposit held in trust (Note 2)	6,360,684	1,406,270	7,766,954
Investments (Note 3)	2,664,816	-	2,664,816
Accrued interest receivable	49,263	-	49,263
Accounts receivable (net of allowances) (Note 4)	3,468,960	113,253	3,582,213
Notes, mortgages, and other receivables (Note 4)	20,462,339	10,524	20,472,863
Property held for sale	637,770	-	637,770
Prepaid items and other assets	377,857	38,135	415,992
Total Current Assets	98,314,344	10,920,705	109,235,049
Noncurrent assets:			
Restricted assets:			
Cash reserves (Note 2)	23,024,418	23,561,605	46,586,023
Total Restricted Assets	23,024,418	23,561,605	46,586,023
Other noncurrent assets:			
Notes, mortgages and other receivables (net of allowances) (Note 4)	35,387,463	-	35,387,463
Prepaid items and other assets	2,557,419	113,893	2,671,312
Total Other Noncurrent Assets	37,944,882	113,893	38,058,775
Capital Assets (Note 5):			
Nondepreciable:			
Land	38,536,421	7,830,684	46,367,105
Construction in progress	3,737,172	2,018,121	5,755,293
Depreciable:			
Buildings and improvements	186,075,262	48,336,672	234,411,934
Equipment	870,978	1,145,837	2,016,815
Accumulated depreciation	(133,676,961)	(18,408,398)	(152,085,359)
Total Capital Assets, net	95,542,872	40,922,916	136,465,788
Total Noncurrent Assets	156,512,172	64,598,414	221,110,586
Total Assets	\$ 254,826,516	\$ 75,519,119	\$ 330,345,635

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
(A COMPONENT UNIT OF THE COUNTY OF FAIRFAX, VIRGINIA)
STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2020

	Enterprise Fund	Component Units	Total Reporting Entity
DEFERRED OUTFLOWS			
Deferred outflow for pension (Note 12)	\$ 7,471,491	\$ -	\$ 7,471,491
Deferred outflow for OPEB (Note 13)	2,077,653	-	2,077,653
Total Deferred Outflows	9,549,144	-	9,549,144
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued liabilities	2,810,840	1,216,359	4,027,199
Accrued salaries and benefits	1,029,859	-	1,029,859
Due to FCRHA	-	1,343,148	1,343,148
Deposits held in trust	1,862,499	286,615	2,149,114
Unearned revenue	1,361,367	170,140	1,531,507
Accrued compensated absences (Note 7)	726,328	-	726,328
Loans, notes, and bonds payable, net of deferred financing fees (Note 6)	21,009,119	1,153,083	22,162,202
Total Current Liabilities	28,800,012	4,169,345	32,969,357
Noncurrent Liabilities:			
Accrued compensated absences (Note 7)	605,888	-	605,888
Loans, notes, and bonds payable, net of deferred financing fees (Note 6)	34,998,887	68,423,846	103,422,733
Net pension liability (Note 12)	26,588,797	-	26,588,797
Net OPEB liability (Note 13)	2,453,774	-	2,453,774
Other accrued long-term interest	8,929,597	6,277,821	15,207,418
Total Noncurrent Liabilities	73,576,943	74,701,667	148,278,610
Total Liabilities	102,376,955	78,871,012	181,247,967
Deferred Inflows			
Deferred Inflow for pension (Note 12)	2,144,711	-	2,144,711
Deferred inflow for OPEB (Note 13)	525,027	-	525,027
Total Deferred Inflows	2,669,738	-	2,669,738
NET POSITION (DEFICIT)			
Net investment in capital assets	77,695,006	(8,704,213)	68,990,793
Restricted	29,870,944	4,731,460	34,602,404
Unrestricted	51,763,017	620,860	52,383,877
Total Net Position (Deficit)	\$ 159,328,967	\$ (3,351,893)	\$ 155,977,074

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
(A COMPONENT UNIT OF THE COUNTY OF FAIRFAX, VIRGINIA)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2020

	Enterprise Fund	Component Units	Total Reporting Entity
Operating Revenues:			
Dwelling rentals	\$ 31,862,910	\$ 4,772,636	\$ 36,635,546
Other	4,018,434	648,191	4,666,625
Total Operating Revenues	35,881,344	5,420,827	41,302,171
Operating Expenses:			
Personnel services	20,454,941	1,164,276	21,619,217
Contractual services	314,050	72,504	386,554
Utilities	4,945,002	731,725	5,676,727
Repairs and maintenance	8,594,999	1,460,202	10,055,201
Other supplies and expenses	6,132,386	1,994,628	8,127,014
Housing assistance payments (HAP)	57,744,118	-	57,744,118
Depreciation and amortization	3,944,715	1,440,245	5,384,960
Total Operating Expenses	102,130,211	6,863,580	108,993,791
Operating Loss	(66,248,867)	(1,442,753)	(67,691,620)
Nonoperating Revenues (Expenses):			
Intergovernmental revenue	70,666,419	2,068,776	72,735,195
Owner distribution	(36,822)	-	(36,822)
Interest revenue	924,044	425,533	1,349,577
Gain on sale	9,489,161	-	9,489,161
Contribution from County	1,497,804	-	1,497,804
Contribution to County	(16,577,736)	-	(16,577,736)
Interest expense	(1,051,486)	(2,817,687)	(3,869,173)
Total Nonoperating Revenues (Expenses), net	64,911,384	(323,378)	64,588,006
Change in Net Position	(1,337,483)	(1,766,131)	(3,103,614)
Net Position (Deficit), beginning of year	160,666,450	(1,585,762)	159,080,688
Net Position (Deficit), end of year	\$ 159,328,967	\$ (3,351,893)	\$ 155,977,074

Fairfax County Department of Housing and Community Development



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