



FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY



FISCAL YEAR 2022 ANNUAL REPORT

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3700 Pender Drive
Fairfax, Virginia 22030



RHA@fairfaxcounty.gov



703-246-5000



www.FCRHA.org



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Fairfax County is committed to nondiscrimination on the basis of disability in all county programs, services, and activities. Reasonable accommodations will be provided upon request.

For information, call 703-246-5000, TTY 711.





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.

C. Melissa McKenna
Chairman, Dranesville District

Lenore Stanton
Vice-Chair, Sully District

Staci Alexander
Mason District

Richard Kennedy
Hunter Mill District

Nicholas McCoy
Franconia District

Broderick Dunn
Braddock District

Elisabeth Lardner
Mount Vernon District

Kristen Robinson
At-Large

Kenneth Feng
Springfield District

Eric Maribojoc
At-Large

Rod Solomon
Providence District



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.

Thomas E. Fleetwood
Director

Tom Barnett
Deputy Director, Office to Prevent
and End Homelessness

Amy Ginger
Deputy Director, Operations

Anna Shapiro
Deputy Director, Real Estate
Finance and Development

Marta Cruz
Director, Administration

Peggy Gregory
Director, Rental Assistance

Vincent Rogers
Director, Policy and Compliance

Carol Erhard
Director, Homeownership and
Relocation Services

Margaret Johnson
Director, Rental Housing

Meghan Van Dam
Director, Affordable Housing
Development

Diana Pina
Director, Programs
Office to Prevent and End Homelessness

Welcome

The Fairfax County Redevelopment and Housing Authority (FCRHA) spearheads the county's effort to develop and preserve affordable housing opportunities and administers a variety of assistance programs that enable residents to find and remain housed. We recognize the extraordinary support and partnerships of federal, state and local governments; the nonprofit and faith communities; the residential development industry; corporate neighbors; and our residents. These relationships have enabled the FCRHA to be among the nation's leading public housing authorities in raising the standard of affordable housing development, preservation, and innovation to maximize our ability to serve the Fairfax County community.

Through the strength of these partnerships, the work of the FCRHA has continued to move forward at an unprecedented pace as affordable housing remains a critical priority for Fairfax County. In March of 2022, the FCRHA and Fairfax County Board of Supervisors acknowledged the achievements of recent years by increasing our affordable housing development goal – now to create 10,000 new affordable housing units for households earning up to 60 percent of area median income by 2034.

While significant advances were made in Fiscal Year 2022 to meet this goal, we know that more work lies ahead. Fairfax County, along with the entire Washington, D.C. Metropolitan Region continues to be a challenging real estate market. Approximately 44 percent of Fairfax County renters are currently paying more than one-third of their income each month to cover housing costs. While these challenges are complex, the FCRHA continues to be fully committed to providing a foundation for every resident – their home.

This report represents a high-level overview of many of the substantial developments we have undertaken and the impact of our work within the community and in the lives of the residents who have been served through these efforts.



C. Melissa McKenna

Chairman
Fairfax County
Redevelopment and
Housing Authority



Thomas E. Fleetwood

Director
Fairfax County
Department of Housing
and Community
Development

Housing Assistance

Our People

Rental Housing Subsidies:

The FCRHA administers subsidy programs which enable residents to afford rental housing in high-opportunity communities of their choice.

“Rental Housing Subsidies Helped Keep My Family Together”



Meet Heather - wife, mother of six, social service worker, volunteer, community advocate, member of several civic boards, and PTA president. When she and her family moved to Fairfax County in 2008, they were healthy, employed, and had dreams of homeownership. There was no reason to even suspect that within 10 years, they would be fighting to obtain many basic essentials - including a home.

“It was one thing after another that just kept knocking us down - downsizing at work, major health-related challenges, and other family circumstances - to the point where we were one step away from homelessness,” said Heather. “At one point we didn’t even own a car; I don’t know what we would have done. Without a place to go, our family would have broken apart.”

In addition to helping Heather and her family obtain affordable rental housing, the FCRHA has helped connect them with additional programs and resources to assist in addressing the challenges they face - including healthcare, food stability, school supplies for their children, holiday assistance, and more.

“Our housing voucher has provided us with peace of mind in having a stable home situation,” Heather said. “As a result, our household income has increased, our dependence on public assistance has decreased, and we’re even able to start thinking about the possibility of homeownership again through the county’s housing programs.”

5,368

Vouchers authorized by
the U.S. Department of
Housing and Community
Development

12,174

Persons housed in FY 2022

More than \$5.5 Million

Invested each month into the
local economy through housing
subsidies

Fairfax County Rental Program:

The FCRHA owns nearly 4,000 units of affordable rental housing which primarily serve households with low income, individuals with disabilities, older adults, and working families.

“Thanks to the FCRHA, I’m Still Here!”

For many older adults, even those who have owned their homes in Fairfax County for many years, housing stability can become challenging over time - particularly as monthly income becomes more restrictive in retirement and the costs of housing (rental and ownership) continue to rise. For decades, the Fairfax County Rental Program has provided an affordable opportunity to age in place.

In instances for residents like T.B., when rents have become burdensome, senior housing by the FCRHA has provided the opportunity to find affordable accommodations within the communities they have been a part of for years. Many of these communities also provide easy access to a variety of supportive services and activities.

“I’ve lived in a market-rate apartment in historic Gum Springs for four years, but as rent kept increasing I couldn’t keep up,” related T.B. “Living at Gum Springs Glen has provided a safe and friendly community that was conveniently located to my healthcare provider’s office.”



For Judith, living at Herndon Harbor House has provided her the opportunity to live close to her sons who live in the area and enjoy time with them. It also has enabled her to afford a place to call her own, maintain her independence, and stay connected with friends and her community.



“I love the serenity and feeling of community at Herndon Harbor House,” said Judith. “The property is well cared for and the staff really cares for residents and help to coordinate activities to meet our needs, like organizing regular shopping trips.”



The Home Repair for the Elderly Program provides assistance to qualified elderly or disabled homeowners to help protect their most valuable asset. The FCRHA provides materials and manpower to help with basic home maintenance and accessibility improvements that help to preserve independence and allow residents to remain in their home as long as possible. In FY 2022, 153 households were served by the Home Repair for the Elderly Program.

2,121
Multifamily
Units

505
Independent
Living Units

112
Assisted
Living Units

Specialized Rental Assistance:

The FCRHA administers rental subsidy programs which assist individuals with specialized needs including veterans, individuals with disabilities, and those experiencing or at risk of becoming homeless.

“Housing Vouchers Gave Me a Helping Hand, Not a Handout”



In 1991, Susan moved to Fairfax County in search of a new beginning after losing everything due to a series of circumstances beyond her control.

“I had been working since the age of 14 in the health club and insurance industries - working my way up into management-level positions,” Susan shared. “Losing everything was devastating. I had always been self-sufficient and was determined to get back on my feet again.”

After moving to Fairfax County, she took a part-time job at an optometrist’s office and rented rooms wherever she could find them as she pursued additional work opportunities. Then, in 1995, Susan was diagnosed with a long-term medical condition which affected her ability to maintain steady work. She had no choice but to file for disability, staying wherever and with

whomever would take her in while awaiting her benefits.

“The Housing Choice Voucher was my saving grace,” Susan recalled. “It allowed me to find a home where I wanted to live, a place to accommodate my disability needs, and the ability to regain some independence again. Without the program, I don’t know where I would have gone next or where I would be today.”

Today, Susan has carved out a new life for herself with the help of the voucher program. When she is able, Susan volunteers at her church, especially in the nursery, is involved in her community, and will occasionally dog-sit for friends. Susan is also a participant on the Moving to Work Resident Advisory Committee, offering her valuable insight and experience to aid the FCRHA to enhance the impact of housing subsidy programs throughout the county.

55

Households leased through the
Rental Subsidy and Services Program

155

State Rental Assistance Program Vouchers

169

Emergency Housing Vouchers

133

Veterans Affairs Supportive Housing Vouchers

Affordable Homeownership:

The FCRHA provides qualified residents with opportunities to purchase homes at below-market prices and also provides down payment assistance, reduced interest rates, and homebuyer education.

“With Effort, the Journey Back to Homeownership is Possible!”

The story of Fatima and her four children is one of hope and persistence. In 2015 they lost their home and had nowhere to turn. Despite the devastating turn of events and the challenges ahead, Fatima comforted her children that everything would be okay, and then she went to work.

Fatima’s journey began through the Homestretch program - a nonprofit organization which provides transitional housing and helps families address the root causes of their housing instability. Through her caseworker, Fatima was connected with several programs which

provided counseling and training to help her establish and achieve her goals for moving forward. One of these programs was the FCRHA’s Family Self-Sufficiency Program, available in conjunction with the Housing Choice Voucher program.

“When I began, my top three goals were to obtain steady employment, build good credit, and own my own home,” Fatima recalled. “My housing team connected me with English classes, financial education, computer training, and other courses. When I graduated, I had established credit and had a full-time job as an instructional assistant and was able to earn enough to qualify for a home loan.”

Through her successful completion of the program, Fatima also became eligible for a \$10,000 grant to help with the down payment on a home which she qualified for through the First-Time Homebuyers Program. With amazing perseverance, Fatima now owns her own home in Fairfax County. She has completed her journey from homelessness to homeownership and has reached a major milestone in supporting her family.

“This home is everything to us,” Fatima said. “It gives us a sense of permanence; it provides stability for my kids; and we feel security in knowing that this is our home. We’re so grateful to be a part of this new community!”



71

New Homebuyers

\$196,187

Average sales price through
First-Time Homebuyers Program

\$560,000

issued in down payment assistance

Over \$11 million

sponsored in first-trust mortgage
assistance

Housing Development

Building and Preserving Affordability

Affordable Housing Development:

The FCRHA continues to make progress on its goal of creating 10,000 new affordable homes by the year 2034 through 1) Public-private partnerships; 2) Investment of local, state, and federal resources; and, 3) Inclusion of affordable housing development within market-rate communities.

The high cost of land is often a barrier to affordable housing development in Northern Virginia. Developers receive less revenue in affordable housing projects because rents are set below market rate. This makes it more challenging for developers to be competitive when attempting to purchase land.

The practice of the FCRHA and Board of Supervisors of dedicating public land through the use of the Public-Private Education Facilities and Infrastructure Act of 2002 (PPEA) has effectively taken the cost of land out of the “affordable housing” equation. This work has established a model for delivering thousands of affordable homes. In recognition of this work, the Northern Virginia Affordable Housing Alliance (NVAHA) presented Fairfax County with their 2022 Regional Housing Leaders Award.

“In high-cost Northern Virginia, providing public land for housing has significantly lower development costs and created over 1,200 new affordable rental homes to date in Fairfax County,” NVAHA declared. “Through their innovative strategy to address housing costs and achieve their housing goals, Fairfax County has provided a model for the rest of the region to follow.”

Fairfax County has completed two successful PPEA projects, has three PPEA projects currently under construction, and an additional seven at various stages in the development/pre-development pipeline. Combined, these projects total approximately 2,900 units.



Residences at North Hill

279 Units (216 multifamily, 62 senior)
Mount Vernon District



Oakwood Senior Apartments

150 Senior Apartments
Franconia District



Somos

450 Multifamily Units
Providence District

Affordable Housing Preservation:

The FCRHA is committed to ensuring no net loss of existing affordable homes in Fairfax County. This commitment ensures that while new affordable homes are being developed, we are also simultaneously maintaining the existing stock of affordable units.

Since 2020, the FCRHA has taken extraordinary steps to advance the preservation of affordable housing. These efforts are critical, as affordable homes are increasingly at risk as Fairfax County continues to grow in its population, economy, and infrastructure.

The FCRHA has implemented a multiprong approach to preservation, including preserving homes that are currently affordable and renewing commitments on homes to extend their affordability for years to come. Preservation efforts are focusing on homes located in economic corridors, close to transportation options, and in communities rich with amenities.

Throughout the year, the FCRHA continued to implement recommendations, developed by the Affordable Housing Preservation Task Force, into action. This included creating financial strategies that can be employed to facilitate the preservation of affordable housing and developing land use recommendations to preserve affordable homes. Working closely with partners in the affordable housing industry, the FCRHA has preserved or is working towards preserving approximately 1,300 homes since adopting the goal of no net loss of affordable housing in the county.



Little River Glen
120 Units of Senior Housing
Braddock District



Lake Anne House
240 Units of Senior Housing
Hunter Mill District



Landings I & II
292 Units of Senior Housing
Mount Vernon District



Financing Affordable Housing:

The FCRHA is a national leader in combining a variety of local, state, and federal resources to leverage private investment to deliver affordable housing at an unprecedented pace.

As an inventor seeks ways to create efficiencies and simplify work, so too does the FCRHA by selecting from resources to make affordable housing projects achievable.

“Each one of these projects tends to be very different,” said Tom Fleetwood. “Each one is an exercise in creativity to figure out what works best for a particular instance.”

Within the last fiscal year, the FCRHA and Fairfax County have worked hand-in-hand to responsibly make strategic investments to develop and preserve affordable housing in such projects as Dominion Square West, The Arden, and Ovation at Arrowbrook. Funding resources include:

Local Resources - \$142.2 million (FY 2022)

- Affordable Housing Development and Investment Fund
- FCRHA Funds
- FCRHA Bonds
- Tysons Housing Trust Fund (Proffer Financing)

Federal Funds - \$15.9 million (FY 2022)

- American Rescue Plan Act
- Community Development Block Grant
- HOME Investment Partnerships Program

Leveraging the use of these resources, along with investments of public land, makes FCRHA projects extremely competitive when it comes to additional contributions of private capital and resources such as debt financing, Low-Income Housing Tax Credits, and other forms of equity. The FCRHA continues to successfully utilize project-based vouchers in new construction, allowing projects to serve lower income households and making projects more competitive for tax credits.



Dominion Square West
515 Multifamily Units & Community Center
Hunter Mill District



The Arden
126 Multifamily Units
Mount Vernon District



Ovation at Arrowbrook
274 Multifamily Units
Dranesville District

Inclusionary Zoning:

The FCRHA administers the county's Affordable Dwelling Unit and Workforce Dwelling Unit programs which incentivize the inclusion of affordable units within market-rate for-sale and rental communities.

Fairfax County's Countywide and Tysons Workforce Dwelling Unit (WDU) Policies exist as part of the county's Comprehensive Plan. These policies incentivize developers to include affordable units for households with low- and moderate-income within their market-rate communities in exchange for a density bonus.

"In 2021, the county took proactive steps to adapt our policies to evolving market conditions, and to increase the delivery of affordable homes to households at lower income tiers - including 60, 70, and 80 percent of Area Median Income (AMI)," said Tom Fleetwood.

Prior to the change, the WDU policy also required units to be provided for households with incomes at 100 and 120 percent of AMI. When data showed these income tiers could be accommodated naturally through the real estate market, these requirements were eliminated, and the county increased the required units to be delivered to lower income tiers.

One of the first participating properties to opt-in to the new policy was The Boro - a mixed-use residential development - in the heart of Fairfax County's largest urban center, Tysons. Initially, The Boro was providing 68 apartments to households with incomes under 80 percent of AMI. Under the terms of the new policy, The Boro will be providing 88 units to qualifying households.



269 WDU_s

Constructed in FY 2022

88 ADU_s

Constructed in FY 2022

4,942

Total ADUs (3,017) and WDU_s (1,925)
produced through these programs

"The changes we made are and will continue to deliver more essential workforce housing opportunities in our major economic and employment centers," Fleetwood continued. "These homes will help reduce the housing cost burden facing many working families and provide a foundation for them to live in the communities where they work and experience the best Fairfax County has to offer."

Financial Statements

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

JUNE 30, 2022

	Enterprise Fund	Component Units	Total Reporting Entity
ASSETS			
Current Assets:			
Cash in bank (Note 2)	\$ 38,426,712	\$ 7,178,954	\$ 45,605,666
Cash on deposit with the County of Fairfax, Virginia (Note 2)	20,175,651	-	20,175,651
Cash reserves (Note 2)	13,714,920	-	13,714,920
Investments (Note 3)	8,494,000	-	8,494,000
Restricted Cash:			
Cash reserves (Note 2)	8,600,755	-	8,600,755
Deposit held in trust (Note 2)	4,578,784	363,024	4,941,808
Investments (Note 3)	482,318	-	482,318
Accrued interest receivable	37,226	-	37,226
Accounts receivable (net of allowances) (Note 4)	5,361,551	289,519	5,651,070
Notes, mortgages, and other receivables (Note 4)	262,820	-	262,820
Prepaid items and other assets	480,700	205,815	686,515
Total Current Assets	100,615,437	8,037,312	108,652,749
Noncurrent Assets:			
Restricted assets:			
Cash reserves (Note 2)	26,035,650	4,793,007	30,828,657
Total Restricted Assets	26,035,650	4,793,007	30,828,657
Other Noncurrent Assets:			
Notes, mortgages and other receivables (net of allowances) (Note 4)	27,749,387	-	27,749,387
Net OPEB asset	698,638	-	698,638
Lease receivable (Note 14)	20,674,670	-	20,674,670
Prepaid items and other assets	3,008,599	97,902	3,106,501
Total Other Noncurrent Assets	52,131,294	97,902	52,229,196
Capital Assets (Note 5):			
Nondepreciable/non-amortizable:			
Land	36,148,532	6,989,815	43,138,347
Construction in progress	4,528,611	-	4,528,611
Depreciable/amortizable:			
Buildings and improvements	192,258,069	48,520,028	240,778,097
Right-to-use asset	254,904	-	254,904
Equipment	1,360,990	6,072,200	7,433,190
Accumulated depreciation/amortization	(139,696,908)	(14,816,126)	(154,513,034)
Total Capital Assets, net	94,854,198	46,765,917	141,620,115
Total Noncurrent Assets	173,021,142	51,656,826	224,677,968
Total Assets	273,636,579	59,694,138	333,330,717

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

JUNE 30, 2022

	Enterprise Fund	Component Units	Total Reporting Entity
DEFERRED OUTFLOWS			
Deferred outflows for pension (Note 12)	\$ 7,365,861	\$ -	\$ 7,365,861
Deferred outflows for OPEB (Note 13)	1,802,491	-	1,802,491
Total Deferred Outflows	<u>9,168,352</u>	<u>-</u>	<u>9,168,352</u>
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued liabilities	4,580,799	425,457	5,006,256
Accrued salaries and benefits	832,668	-	832,668
Deposits held in trust	2,043,765	242,556	2,286,321
Unearned revenues	1,063,198	121,777	1,184,975
Due to FCRHA	-	571,272	571,272
Accrued compensated absences (Note 7)	371,706	11,838	383,544
Lease liability	5,461	-	5,461
Loans, notes, and bonds payable, net of deferred financing fees (Note 6)	1,585,780	467,620	2,053,400
Total Current Liabilities	<u>10,483,377</u>	<u>1,840,520</u>	<u>12,323,897</u>
Noncurrent Liabilities:			
Accrued compensated absences (Note 7)	289,820	-	289,820
Loans, notes, and bonds payable, net of deferred financing fees (Note 6)	31,817,570	48,065,016	79,882,586
Net pension liability (Note 12)	19,420,648	-	19,420,648
Lease liability	244,247	-	244,247
Other accrued long-term interest	5,836,541	7,754,577	13,591,118
Total Noncurrent Liabilities	<u>57,608,826</u>	<u>55,819,593</u>	<u>113,428,419</u>
Total Liabilities	<u>68,092,203</u>	<u>57,660,113</u>	<u>125,752,316</u>
Deferred Inflows			
Deferred inflows for pension (Note 12)	9,840,805	-	9,840,805
Deferred inflows for OPEB (Note 13)	3,005,416	-	3,005,416
Deferred inflows for Leases (Note 14)	20,570,253	-	20,570,253
Total Deferred Inflows	<u>33,416,474</u>	<u>-</u>	<u>33,416,474</u>
NET POSITION			
Net investment in capital assets	78,446,470	(1,766,719)	76,679,751
Restricted	37,653,743	4,913,475	42,567,218
Unrestricted	65,196,041	(1,112,731)	64,083,310
Total Net Position	<u>\$ 181,296,254</u>	<u>\$ 2,034,025</u>	<u>\$ 183,330,279</u>

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, 2022

	Enterprise Fund	Component Units	Total Reporting Entity
Operating Revenues:			
Dwelling rentals	\$ 32,888,135	\$ 3,922,318	\$ 36,810,453
Other	5,079,043	535,090	5,614,133
Total Operating Revenues	37,967,178	4,457,408	42,424,586
Operating Expenses:			
Personnel services	13,622,692	818,271	14,440,963
Contractual services	123,215	76,706	199,921
Utilities	5,403,948	601,544	6,005,492
Repairs and maintenance	7,452,754	813,728	8,266,482
Other supplies and expenses	8,200,061	1,167,459	9,367,520
Housing assistance payments	60,985,178	-	60,985,178
Depreciation and amortization	4,682,454	2,063,326	6,745,780
Total Operating Expenses	100,470,302	5,541,034	106,011,336
Operating Loss	(62,503,124)	(1,083,626)	(63,586,750)
Nonoperating Revenues (Expenses):			
Intergovernmental revenue	80,846,002	2,294,130	83,140,132
Owner distribution	(1,508,417)	-	(1,508,417)
Interest revenue	754,937	4,870	759,807
Other nonoperating revenue	-	2,382,030	2,382,030
Gain on sale	11,238	-	11,238
Contribution from County	3,850,740	-	3,850,740
Contribution to County	(10,618,329)	-	(10,618,329)
Interest expense	(1,083,746)	(2,569,549)	(3,653,295)
Total Nonoperating Revenues, Net	72,252,425	2,111,481	74,363,906
Change in net position	9,749,301	1,027,855	10,777,156
Net position, beginning of year, as restated	171,546,953	1,006,170	172,553,123
Net position, end of year	\$ 181,296,254	\$ 2,034,025	\$ 183,330,279