

REVISED

MEETING AGENDA

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY

Thursday, February 20, 2025

**Fairfax County Redevelopment and Housing Authority Board Room
4530 University Drive, Fairfax, VA 22030**

6:30 p.m. – FCRHA Board Room Dedication

7:00 p.m. – CALL TO ORDER

PUBLIC COMMENT

PUBLIC HEARING

Draft Fairfax County Redevelopment and Housing Authority Moving to Work Plan for Fiscal Year 2026

APPROVAL OF MINUTES

January 23, 2025

ACTION ITEMS

1. Resolution Number 04-25 Adoption of the Fairfax County Redevelopment and Housing Authority (FCRHA) Strategic Plan for Fiscal Year (FY) 2026

ADMINISTRATIVE ITEMS

1. Resolution Number 05-25 Commending Cynthia Bailey for Her Years of Service to the Fairfax County Redevelopment and Housing Authority

INFORMATION ITEMS

1. Update of the Workforce Dwelling Unit Policy and Administrative Policy Guidelines = Under Review

CLOSED SESSION

BOARD MATTERS

ADJOURNMENT

Fairfax County is committed to a policy of nondiscrimination in all County programs, services and activities and will provide reasonable accommodations upon request. To request special accommodations call 703-246-5000 (select menu option 8), or TTY 711.

NOTICE OF PUBLIC HEARING

Thursday, February 20, 2025 at 7 p.m.

The Fairfax County Redevelopment and Housing Authority (FCRHA) will conduct a public hearing on its draft Moving to Work (MTW) Plan for Fiscal Year 2026. The hearing is being conducted in compliance with U.S. Department of Housing and Urban Development requirements for Public Housing Agencies submitting a MTW Plan. The public hearing will be held in person at the FCRHA Board Room at 4530 University Drive, Fairfax, VA 22030 at 7 p.m. on February 20, 2025. Interested residents are invited to share their views on the draft FCRHA MTW Plan at the public hearing. Residents wishing to speak are encouraged to contact Brandy Thompson by phone at (703) 877-5696, TTY 711, or by email at brandy.thompson@fairfaxcounty.gov to indicate their desire to participate. If you have any questions concerning the public hearing, please call 703-246-5120, TTY: 711.

The draft Fiscal Year 2026 MTW Plan will be available for public review on the county website beginning February 3, 2025, at www.fairfaxcounty.gov/housing/initiatives/moving-to-work. Citizens wishing to comment on the draft MTW Plan in writing may do so via the email address linda.hoffman@fairfaxcounty.gov or by writing to the attention of Linda Hoffman, Director, Policy and Communications, at the Fairfax County Department of Housing and Community Development, 3700 Pender Drive, Fairfax, Virginia 22030. **The deadline for receipt of written comments on the draft Plan is 4 p.m. on Wednesday, March 5, 2025.**

Fairfax County is committed to a policy of nondiscrimination in all county programs, services and activities and will provide reasonable accommodations upon request. To request special accommodations, call 703-246-5120 or TTY 711. Equal Housing/Equal Opportunity Employer



Run Date: February 3rd, 2025

AD#90322

MINUTES OF THE MEETING OF THE FAIRFAX COUNTY
REDEVELOPMENT AND HOUSING AUTHORITY

January 23, 2025

On January 23, 2025, the Commissioners of the Fairfax County Redevelopment and Housing Authority (FCRHA) met in the Fairfax County Redevelopment and Housing Authority Board Room, 4530 University Drive, Fairfax, Virginia.

CALL TO ORDER

FCRHA Chairman Lenore Stanton called the Meeting of the FCRHA to order at 7:00 p.m. Attendance for all, or part of the meeting, was as follows:

PRESENT

Lenore Stanton, Chairman
Elisabeth Lardner, Vice Chair
Staci Alexander
Steven Bloom
Michael Cushing
Nicholas McCoy
Michael McRoberts
Susan Vachal
Paul Zurawski

ABSENT

Joe Mondoro

The remote location from which the following Commissioner participated is:

Staci Alexander – Palo Alto, California

Also present at the meeting were the following staff of the Department of Housing and Community Development (HCD): Thomas Fleetwood, Director; Anna Shapiro, Deputy Director, Real Estate Finance and Development; Jason Chia, Information Technology Manager, Central Services; Callahan Seltzer, Director, Real Estate & Community Development Finance (RECDF); Alexanne Yi, Senior Real Estate Finance Officer, RECDF; Laura Lazo, Associate Director, Grants Management (GM); Sherryn Craig, Program Manager, GM; Linda Hoffman, Director, Policy and Communications (P&C); Brandy Thompson, Management Analyst, P&C; and Mark Buenavista, Director, Capital Planning & Development (CPD); Marwan Mahmoud, Project Coordinator, CPD; Kim Callahan, Associate Development Director, CPD; and Valerie Piper, Capital Project Coordinator, CPD.

Also in attendance was FCRHA Counsel: Ryan Wolf, Senior Assistant County Attorney; Susan Timoner, and Richard Dzubin, Assistant County Attorneys.

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MOTION

Pursuant to the FCRHA's Policy for Remote Participation in Meetings by Electronic Communication, Chairman Stanton noted for the record that there was a physical quorum present at the meeting location and asked for a motion that Commissioner Alexander be permitted to participate remotely in the meeting.

Commissioner Zurawski made the motion, which Commissioner Bloom seconded. The motion passed unanimously.

MOTION

Pursuant to the FCRHA's Policy for Remote Participation in Meetings by Electronic Communication, Chairman Stanton asked for a motion that Commissioner Alexander's voice was adequately heard in the meeting location.

Commissioner McRoberts made the motion, which Commissioner Zurawski seconded. The motion passed unanimously.

CITIZEN TIME

The FCRHA Chairman opened citizen time at 7:02 p.m. Eleven individuals signed up to speak during Citizen Time regarding the Franconia Government Center. The Chairman closed citizen time at 7:37 p.m.

APPROVAL OF MINUTES

December 12, 2024

Commissioner Zurawski moved to approve the Minutes of the December 12, 2024 FCRHA Meeting, which Commissioner McRoberts seconded. The motion passed with Commissioners Alexander and Vachal abstaining.

ACTION ITEM

1.

RESOLUTION NUMBER 01-25

Authorization, Subject to Board of Supervisors Approval, to Make Loans to Affiliates of Wellington Development Partners of up to \$9,400,000 to Finance the Development of Agape Chantilly House Phase One (Sully District)

WHEREAS, Wellington Development Partners (WDP) submitted a request for financing under the Fiscal Year 2025 Notice of Funding Availability for the development

FCRHA Meeting
January 23, 2025
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of 101 units at Agape Chantilly House Phase One located at 3870 Centerview Drive, Chantilly (the Project); and

WHEREAS, at its January 23, 2025 meeting, the Fairfax County Redevelopment and Housing Authority (FCRHA) considered WDP's request for up to \$9,400,000 in subordinate financing for the Project; and

NOW, THEREFORE, BE IT RESOLVED that the FCRHA authorizes:

1) Providing financing to WDP for the development of the Project in the amount of up to \$9,400,000, as described in the Action Item presented to the FCRHA on January 23, 2025; and

2) Adjustment of the total Project loan amount between the four percent and nine percent LIHTC financing structures, as needed, as long as the total FCRHA subordinate debt does not exceed \$9,400,000.

BE IT FURTHER RESOLVED that the FCRHA authorizes any Assistant Secretary to negotiate and finalize loan terms and associated documents on behalf of the FCRHA in substantial conformance with the Action Item presented to the FCRHA on January 23, 2025, and authorizes its Chair, Vice Chair or any Assistant Secretary to execute all documents, agreements, and instruments reasonably necessary or appropriate in connection with issuing the FCRHA loan(s) for the Project.

Commissioner Bloom moved to adopt Resolution Number 01-25, which Vice Chair Lardner seconded. The motion passed unanimously.

ACTION ITEM

2.

RESOLUTION NUMBER 02-25

Approval of Modifications to the Fairfax County Redevelopment and Housing Authority Student Scholarship Program

BE IT RESOLVED THAT the Fairfax County Redevelopment and Housing Authority (FCRHA) approves modifications to the student scholarship program, as outlined in the Action Item presented to the FCRHA on January 23, 2025.

Commissioner McCoy moved to adopt Resolution Number 02-25, which Commissioner Bloom seconded. The motion passed unanimously.

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ADMINISTRATIVE ITEM

1.

RESOLUTION NUMBER 03-25

Approval of Chapter 19 of the Housing Choice Voucher Program Administrative Plan

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) approves Chapter 19 for inclusion in its Housing Choice Voucher Program Administrative Plan, as presented to the FCRHA on January 23, 2025.

Commissioner Zurawski moved to adopt Resolution Number 03-25, which Commissioner McCoy seconded. The motion passed unanimously.

INFORMATION ITEMS

1. Summary of the Board of Supervisors' Housing Committee Meeting – November 26, 2024
2. Fiscal Year 2026 Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) Funding Allocations Recommended by the Consolidated Community Funding Advisory Committee (CCFAC) and Fairfax County Redevelopment and Housing Authority (FCRHA) Working Advisory Group (WAG)

BOARD MATTERS

See Attachment 1.

ADJOURNMENT

The FCRHA Chairman adjourned the meeting at 8:18 p.m.

Lenore Stanton, Chairman

(Seal)

Thomas Fleetwood, Assistant Secretary

Board Matters

January 23, 2025

Motion Regarding the Redevelopment of the Franconia Government Center

Commissioner Zurawski, in advance of the meeting, distributed a written Board Matter to his colleagues relevant to Resolution Number 30-24, *Authorization to Execute the Proposed Interim Agreement with Franconia Development Partners, LLC (Developer) for the Development of the Franconia Governmental Center Property (Franconia District)*, approved by the FCRHA on October 17, 2024.

Commissioner Zurawski made a motion that any comprehensive agreement with Franconia Development Partners or its successors or assigns regarding the redevelopment of the Franconia Government Center only include units that will be offered to households that have incomes that are between 40% and 80% of AMI. Commissioner Bloom seconded the motion.

Following discussion with input from Tom Fleetwood, Director, HCD, Vice Chair Lardner called the question.

Following further discussion with input from Ryan Wolf, Senior Assistant County Attorney, Chairman Stanton called for the vote. Commissioner Zurawski supported, all other Commissioners opposed, and the motion failed by a 1-8 margin.

Chairman Stanton thanked staff for their efforts over the last year working on the project.

2025 Annual Statement of Economic Interest Fillings

Mr. Fleetwood reminded Commissioners that the deadline to submit their Statement of Economic Interests to Clerk Services is February 3, 2025.

2025 FCRHA Scholarship Program

Mr. Fleetwood thanked Commissioners for their support of the Action Item relevant to the 2025 FCRHA Scholarship Program. Next month, HCD staff will begin accepting applications for 2025. Mr. Fleetwood noted that staff are still seeking Commissioners to serve on the Selection Committee. If interested, Commissioners are asked to reach out to Chairman Stanton. Discussion ensued, with Commissioner Bloom noting the importance of distinguishing traditional students and non-traditional students.

FCRHA Committee of the Whole Meeting

Mr. Fleetwood reminded Commissioners that the next FCRHA Committee of the Whole Meeting will take place on February 12, and it will be an all-virtual meeting. Per the FCRHA's Policy for All-Virtual Public Meetings, no more than two members of the

FCRHA can assemble in one physical location. In addition, there cannot be back-to-back virtual meetings, and no more than 50% of the meetings can be virtual in any one year. Mr. Fleetwood noted that the Committee of the Whole and the FCRHA meetings are counted separately with respect to the all-virtual policy. More information to come.

FCRHA Board Room Dedication

Mr. Fleetwood announced that the FCRHA Board Room will be dedicated to Paulette Whiteside, former FCRHA resident and Fairfax County employee, at the FCRHA's full meeting in February.

FCRHA Board Room Space

Mr. Fleetwood stated that following discussions with Chairman Stanton, staff are looking at the possibility of a nonprofit partner using the FCRHA Board Room space during the work week to provide programming for residents at One University. He noted that this is still under development, but he will keep Commissioners posted on any updates.

Crescent Apartments Property

Mr. Fleetwood noted that on January 21, 2025, the Fairfax County Board of Supervisors voted to transfer the Crescent Apartments property to the FCRHA for future redevelopment. Staff will soon begin executing a resident outreach plan.

Staff Announcements

Mr. Fleetwood congratulated Brandy Thompson for her promotion to Associate Director of Policy effective February 8, 2025.

FCRHA Agenda Item
February 20, 2025

ACTION - 1

RESOLUTION NUMBER 04-25: Adoption of the Fairfax County Redevelopment and Housing Authority (FCRHA) Strategic Plan for Fiscal Year (FY) 2026

ISSUE:

The Fairfax County Redevelopment and Housing Authority (FCRHA) must adopt its strategic plan, as it does annually, to coordinate with the Fairfax County Fiscal Year (FY) 2026 budget planning process. The FCRHA Strategic Plan for FY 2026, which covers July 1, 2025, through June 30, 2026, is proposed for adoption.

RECOMMENDATION:

It is recommended that the FCRHA approve the adoption of the FCRHA Strategic Plan for FY 2026 which contains information on planned projects to be undertaken during the fiscal year.

TIMING:

Immediate.

RELATION TO THE FCRHA STRATEGIC PLAN:

Upon adoption, Attachment 2 which is labeled as “Draft Fairfax County Redevelopment and Housing Authority and Department of Housing and Community Development Strategic Plan for FY 2026” will become the FCRHA Strategic Plan for FY 2026.

BACKGROUND:

The Department of Housing and Community Development (HCD) annually develops a strategic plan for the FCRHA. The Strategic Plan for FY 2026 (the Plan), as proposed, details the major FCRHA activities and projects, and anticipated outcomes during FY 2026 in five strategic areas: (1) affordable housing development, preservation, and finance; (2) affordable housing management; (3) tenant subsidies and resident services; (4) housing options for people experiencing homelessness and other vulnerable populations; and (5) FCRHA/HCD program planning, development, and management. The Plan includes estimates of the potential investments to address those major strategic areas during FY 2026. HCD senior staff participated in a variety of discussions to provide input in the development of the elements that are presented in the Strategic Plan for FY 2026.

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February 22, 2024

EQUITY IMPACT

The draft FY 2026 FCRHA Strategic Plan supports the One Fairfax policy and efforts of both the FCRHA and HCD to advance equity. Proposed activities pertaining to affordable housing development, preservation and financing are centered on creating housing opportunities in all areas of the county, particularly those located near employment and transportation hubs. Likewise, activities pertaining to rental assistance and the management of rental housing will continue to focus on serving individuals with barriers to housing, particularly permanent supportive housing opportunities for individuals with severe mental illness who face challenges in obtaining and remaining housed. Throughout FY 2026, HCD will continue to implement the agency's Equity Impact Plan designed to focus efforts on specific, measurable outcomes that advance equity across all business areas of the agency.

STAFF IMPACT:

HCD staff is responsible for preparing the FCRHA Strategic Plan for FY 2026 and ensuring its coordination with the Communitywide Housing Strategic Plan, the FCRHA Moving to Work Plan, the Consolidated Plan, the Housing and Neighborhood Livability Community Outcome Area of the Countywide Strategic Plan, the FCRHA's One Fairfax policy, and other policies and directives.

FISCAL IMPACT:

The total FY 2025 Consolidated Adopted Budget for the FCRHA was \$184.2 million. Staff anticipate the same or greater amount will be proposed for FY 2026 as part of the County's annual budget process for investment in the FCRHA programs and properties described in the draft FCRHA Strategic Plan for FY 2026. Any new projects or programs proposed during the fiscal year will be brought to the FCRHA for approval. The exact amount advertised for FY 2026 will be included in the information presented at the February 20, 2025, FCRHA Meeting.

ENCLOSED DOCUMENTS:

Attachment 1: Resolution Number 04-25
Attachment 2: Draft Fairfax County Redevelopment and Housing Authority and
Department of Housing and Community Development Strategic Plan
for FY 2026

STAFF:

Thomas Fleetwood, Director, Department of Housing and Community Development (HCD)
Amy Ginger, Deputy Director, Operations, HCD
Linda Hoffman, Director, Policy and Communications, HCD

RESOLUTION NUMBER 04-25

Adoption of the Fairfax County Redevelopment and Housing Authority (FCRHA)
Strategic Plan for Fiscal Year (FY) 2026

WHEREAS, the FCRHA annually adopts a Strategic Plan – Action Plan outlining how the FCRHA and the Department of Housing and Community Development will meet annual goals; and

WHEREAS, the FCRHA desires to continue implementing a Strategic Plan that contains a detailed action plan of projects to be undertaken during the fiscal year;

NOW THEREFORE BE IT RESOLVED that the FCRHA does hereby adopt the FCRHA Strategic Plan for FY 2026, as presented to the FCRHA at its meeting on February 20, 2025.

*Fairfax County Redevelopment and Housing Authority
and
Department of Housing and Community
Development*

DRAFT

Strategic Plan for FY 2026



<http://www.fairfaxcounty.gov/housing/data/strategic-plan>
A publication of the Fairfax County Redevelopment and Housing Authority



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Introduction

In 2018, the Fairfax County Communitywide Housing Strategic Plan was adopted to help address the community's growing housing needs. The Plan was created in two phases: 1) Phase 1 identified 25 short-term strategies to encourage the production of affordable housing in the county, and 2) Phase 2 provided longer-term strategies that would boost the production and preservation of affordable housing and would require resources to implement. The Fairfax County Redevelopment and Housing Authority and the Fairfax County Department of Housing and Community Development continue to lead the implementation of priorities identified under the Communitywide Housing Strategic Plan, to include the goal to develop 10,000 new units of affordable housing by the year 2034 and to strive towards no net loss of market affordable housing.

The following is the Fiscal Year (FY) 2026 Strategic Plan (the Plan) for the Fairfax County Redevelopment and Housing Authority (FCRHA), for the period of July 1, 2025, through June 30, 2026. As required by the Commonwealth of Virginia, the Plan is adopted annually by the FCRHA and is done in coordination with the Fairfax County fiscal year budget planning process. The Plan serves as an annual guide for the work of the FCRHA throughout the fiscal year.

The Plan details the major FCRHA strategies and activities, as well as anticipated outcomes for FY 2026 in five strategic areas: (1) affordable housing development, preservation and finance; (2) affordable housing management; (3) tenant subsidies and resident services; (4) housing options for people experiencing homelessness and other vulnerable populations; and (5) program planning, development, and management. These strategic areas were identified as those that support the mission and values of the FCRHA and that of the Fairfax County Department of Housing and Community Development (HCD), which serves as staff to the FCRHA.

Affordable Housing Development, Preservation and Finance

Affordable Housing Production

In 2020, the Fairfax County Board of Supervisors established a goal for the production and no net loss of affordable housing at 5,000 and reset the goal to create at least 10,000 net new affordable units for households earning up to 60 percent of the area median income (AMI) in 2022. The FCRHA is working to achieve these production and preservation goals by:

- Creating development opportunities on FCRHA and county-owned land as well as encouraging acquisition partnerships on properties in high opportunity neighborhoods.
- Acquiring property and partnering with developers on redevelopment and preservation opportunities.
- Expanding the available regulatory tools that promote affordable housing development and preservation.
- Utilizing FCRHA's financial tools, including subordinate loan programs, tax-exempt bond financing, and grantmaking authority, to leverage third-party Low Income Housing Tax Credits (LIHTC) equity and other private debt and equity.
- Rehabilitating and expanding the FCRHA's rental affordable housing portfolio.

Estimated Outcomes for FY 2026:

Estimated Number of New Affordable Units to be Completed in FY 2026

- Little River Glen (Braddock District) - new construction of 60 senior units involving the use of multiple financing sources.

Estimated Number of New Affordable Units Under Construction in FY 2026

- The Exchange at Spring Hill Station (Hunter Mill District) – the FCRHA purchased the underlying land and entered a long-term unsubordinated ground lease with True Ground for the development of 516 multifamily units for low- and moderate-income households and an approximately 33,000 square-foot county-operated community center.
- Somos (Providence District) – this project will produce approximately 453 affordable multifamily units for low-and-moderate-income households in a highly cost-burdened McLean neighborhood. The FCRHA has purchased the underlying land and has entered a long-term unsubordinated ground lease with Stratford Capital Group (SCG) to develop and manage the facility.
- Little River Glen (Braddock District) - rehabilitation of 120 existing senior units. This project will involve the use of multiple financing sources.
- The Residences at the Government Center II (Braddock District) – this public-private partnership redevelopment will produce 279 units of affordable multifamily units for low - and moderate-income households and a community facility with a childcare component. The FCRHA owns the underlying land and has entered a long-term unsubordinated ground lease with Lincoln Avenue Communities to develop and manage the facility.
- Telestar (Providence District) - Adaptive reuse development to convert a vacant four-story office building into 80 units of affordable housing for low- and moderate-income households. The development will use a variety of resources including \$8 million in American Rescue Plan Act (ARPA) Funds from the FCRHA for acquisition of the property. The FCRHA will enter into a long-term unsubordinated ground lease with the developer entity.

Estimated Predevelopment Activities in FY 2026

- Beacon Landing (formerly the Lamb Center) (City of Fairfax) - Development of a five-story apartment building that will provide 54 units of permanent supportive housing for residents that are experiencing homelessness or at risk of becoming homeless and who are at or below 50 percent of the AMI.
- East County Redevelopment (Mason District) – This public-private partnership redevelopment of an interim park on underutilized county land is anticipated to provide approximately 160 rental multifamily units for low- and moderate-income households.
- Dulles Greene/Innovation Station Site (Dranesville District) – Undeveloped property within walking distance of Metro’s Innovation Center Station, adjacent to a residential community and surrounded by the Horsepen Creek Stream Valley. This public-private partnership is anticipated to provide at least 250 affordable multifamily units serving low- to- moderate income households.
- Stonegate Village (Hunter Mill District) – this project proposes the rehabilitation of 240 FCRHA-owned units.
- Franconia Governmental Center (Franconia District) – this redevelopment project is anticipated to provide up to 120 units of rental housing for low-and-moderate-income households, potentially inclusive of a component serving public employees. The project will be developed through a public-private partnership.
- Route 50/West Ox Road site (Sully District) – Cornerstones has partnered with the FCRHA to construct 34 units of permanent supportive housing on an FCRHA property for individuals with low incomes.
- HCD staff is conducting due diligence to understand redevelopment opportunities on additional FCRHA and county properties, including a site adjacent to the James Lee Community Center, Chantilly Library, Centreville Park and Ride Lot, and others.

Estimated Financing Activities in FY 2026

- HCD staff are reviewing or anticipating proposals received under the annual Notice of Funding Availability, including applications for Housing Blueprint Loan funds.
- HCD continues to evaluate the use of federal Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds to maximize the effectiveness of investments in programs and activities. Staff provide technical assistance and monitoring of CDBG and HOME activities to ensure program compliance and successful outcomes. In addition, staff monitor activities and outcomes of HCD and FCRHA awardees, including funds granted via the Consolidated Community Funding Pool process.

In addition, the FCRHA will continue to monitor the market for potential additional acquisitions of property that could be utilized in pursuit of the County’s goal of 10,000 net new affordable units, with a particular focus on properties with advantageous locations (e.g., proximity to transit), economics, or other attributes.

Preservation of Affordable Units

Fairfax County adopted a goal of no net loss of affordable housing, with the preservation of affordable housing in market affordable and committed affordable rental communities as well as scattered sites. To meet this goal, the FCRHA assists private partners in financing the acquisition of units to preserve the existing affordability and continue to serve a range of incomes, from extremely low-income (30 percent AMI and below) to moderate income levels (80-100 percent AMI). Staff monitor listings for multifamily properties to identify market opportunities to preserve affordable units. In FY 2024, staff released an RFQ to pre-qualify housing providers for preservation opportunities.

This resulted in a list of 22 qualified housing providers, which allows the FCRHA to quickly respond to opportunities as they arise.

The Affordable Housing Preservation Policy (the Policy) was adopted into the Comprehensive Plan in FY 2023, which seeks one-for-one replacement of existing affordable rental units that are being redeveloped. The Policy applies to both market and committed affordable units and offers potential additional density to assist in offsetting the impacts of preservation. Following the adoption of the Policy, a set of Administrative Policy Guidelines was adopted in FY 2024 that help guide implementation of the Policy.

Estimated Outcomes for FY 2026:

Planned New Preservation Activities in FY 2026:

- The FCRHA will work to respond quickly to preservation opportunities that may arise to support the goal of no net loss of existing affordable units.
- FCRHA will continue to update the list of pre-qualified housing providers, as necessary.
- HCD will continue to implement recommendations from the Manufactured Housing Preservation Task Force, including furthering preservation and relocation policies related to manufactured housing.

Affordable Dwelling Units and Workforce Dwelling Units

The FCRHA facilitates the development of Affordable Dwelling Units (ADUs) and Workforce Dwelling Units (WDUs) that are affordable to families with a range of low and moderate incomes. The ADU Program, per the Zoning Ordinance, requires developers of new residential properties to set aside either 5 or 6.25 percent of multifamily construction and 12.5 percent single-family construction as ADUs in return for bonus density. Fairfax County’s WDU Policy within the Comprehensive Plan is a proffer-based incentive system designed to encourage the voluntary development of new residential construction serving a range of moderate-income households in mixed-use and high-density areas, including the Tysons Urban Center, Suburban Centers, Community Business Centers, and Transit Station Areas. The WDU Policy expects a minimum of 8 percent of all new rental units as WDUs serving income tiers from 60 to 80 percent of AMI and a minimum of 12 percent of all new for sale units serving income tiers from 80 to 100 percent of AMI, as per recent revisions to the for-sale WDU policy adopted in September 2024. The FCRHA takes an active advocacy and educational role in promoting ADUs and WDUs and works jointly in these efforts with the Fairfax County Planning Commission. The FCRHA also works with the Department of Planning and Development to facilitate the delivery of affordable and workforce housing units in all areas of the county as development proposals are submitted, per the Comprehensive Plan and negotiated proffers.

As of the end of FY 2024, a total of 3,131 units (1,455 rental and 1,676 for-sale) have been produced under the ADU Program; the FCRHA acquired 195 of the for-sale units, which are maintained as permanent affordable rental housing. As of the end of FY 2024, a total of 2,450 units (2,319 rental and 131 for-sale) have been produced under the WDU Program.

Estimated Outcomes for FY 2026:

- HCD in coordination with the Department of Planning and Development will identify the administrative regulations in the Affordable Dwelling Unit Ordinance of the county’s Zoning Ordinance in preparation for a Zoning Ordinance Amendment to remove these regulations from the Zoning Ordinance, in favor of creating a separate administrative document, similar to the structure of the WDU program.
- Estimated Number of Affordable and Workforce Dwelling Units (Rental and For-Sale) Expected to be Constructed in FY 2026: 80 For-Sale; 250 Rental

Homeownership and Downpayment Assistance

The Homeownership program provides households with opportunities to purchase homes through private, for-sale developments at below-market prices. Units in the program are created through the Affordable Dwelling Unit requirements in the Zoning Ordinance; the Workforce Dwelling Unit Policy set forth in the Comprehensive Plan; and legacy programs, such as the Moderate-Income Direct Sales (MIDS). The program supports low- and moderate-income households with homeownership education and determines if households meet program underwriting criteria and other eligibility requirements. HCD approves resales and refinancing of homeownership units; monitors compliance with occupancy requirements and ensures that the FCRHA receives the required equity share contribution to the Housing Trust Fund, as appropriate.

Estimated Outcomes for FY 2026:

- Estimated Number of New Homebuyers Served Under the Homeownership Program in FY 2026: 90
- Estimated Number of Households Provided with Downpayment Assistance through Community Development Grant Block Funds in FY 2026: 85
- Estimated Number of Requests to Refinance Homeownership Program Units in FY 2026: 4
- Estimated Number of Homeownership Program Units Sold in the Extended Control Period in FY 2026: 6

Housing Choice Voucher Homeownership Program

This program allows households participating in the Housing Choice Voucher (HCV) Program to use their voucher to purchase a home and receive monthly assistance in meeting homeownership expenses. Twenty-five vouchers are allocated to the HCV Homeownership Program.

Estimated Outcome for FY 2026:

- Estimated Number of Families Participating in the HCV Homeownership Program in FY 2026: 22
 - Estimated Number of New Families Participating in the HCV Homeownership Program in FY 2026: 4
-

Affordable Housing Management

Fairfax County Rental Program

The Fairfax County Rental Program (FCRP) includes rental property owned by the FCRHA and developed with funds other than Rental Assistance Demonstration-Project Based Voucher (RAD-PBV) or Housing Choice Voucher (HCV) funds. FCRP generally serves working households with incomes that are slightly higher than those served in the RAD-PBV or HCV programs. Housing managed under the FCRP includes 2,004 units of multifamily housing, 112 beds of licensed assisted living, 505 units of senior independent housing, and 205 units of specialized housing, including a manufactured housing community with 115 homes. The FCRP serves a range of households with incomes up to 80% of AMI, depending on the program component and the property.

Estimated Outcomes for FY 2026:

- Estimated Occupancy Rate of FCRP Properties in FY 2026: 98%
- Estimated Average Income Served in Multifamily Properties as a Percentage of AMI in FY 2026: 60% AMI for a household of three

Rental Assistance Demonstration Program

The Rental Assistance Demonstration (RAD) program allowed the FCRHA to convert all 1,060 Public Housing units to federal Section 8 project-based subsidies, providing significant benefits for both residents and the housing authority. All Public Housing units were converted to RAD in FY 2017 and FY 2018 and now operate under the Project Based Voucher (PBV) platform. Staff ensure that RAD-PBV residents are living in the most appropriately sized unit, with the goal of maximizing unit utilization and moving larger families off the waiting list.

Estimated Outcomes for FY 2026:

- Estimated Occupancy Rate of RAD-PBV Properties in FY 2026: 95%
- Estimated Average Income Served as a Percentage of AMI in FY 2026: Approximately 14% AMI for a household of four

Asset Management

Staff and the FCRHA continue to focus on financial performance, overall condition, capital improvements and accountability of all properties managed by third-party management companies, using a private-sector model. HCD's Rental Housing Division continues to oversee all FCRHA properties.

Estimated Outcomes for FY 2026:

- The anticipated net operating income will be 4% greater than FY 2025 through expense efficiencies and incremental rent increases.

Rehabilitation and Modernization of FCRHA Properties

Through fiscally responsible processes, identified residential properties and group homes are rehabilitated to maintain their safety and quality. The rehabilitation of FCRHA properties is performed using capital reserves to ensure the high quality of FCRHA properties. Staff incorporate universal design in all new and rehabilitation projects to the greatest extent possible to increase the number of affordable accessible units.

Estimated Outcomes for FY 2026:

- Little River Glen (Braddock District), a FCRP independent senior living community of 120 units, is undergoing full renovation. This property has one bedroom and studio units. This project will also add a newly constructed building, Little River Glen IV, with 60 one-bedroom Low Income Housing Tax Credit (LIHTC) units, along with the current 120 units moving to LIHTC. All units will feature upgraded flooring, upgraded kitchens with energy-rated appliances and upgraded bathrooms.

Tenant Subsidies and Resident Services

Tenant and Project Based Subsidies

The HCV Program and Rental Assistance Demonstration-Project Based Voucher (RAD-PBV) Program are two of the FCRHA's major tenant subsidy programs. Participants receive financial assistance to rent privately-owned and FCRHA-owned housing units. There are 1,060 FCRHA units in the RAD-PBV program. 5,325 rental housing subsidy vouchers are allocated to the FCRHA through the Housing Choice Voucher program.

Estimated Outcomes for FY 2026:

- Estimated Number of Federally Subsidized Units Occupied in FY 2026: 5,059 (95%)
- Estimated Average Income of Households Served as a Percentage of AMI in FY 2026 (both HCV and RAD-PBV households): Approximately \$19,000 for average household size of three persons (less than 30% of AMI)

Subsidies for Populations with Special Needs

The Department of Housing and Community Development (HCD) administers tenant subsidies directed toward specific populations through the following programs:

- VASH Program: The U.S. Department of Veterans Affairs awarded the FCRHA VASH housing vouchers for homeless veterans. The FCRHA conducts income certifications; case management is provided by Veterans Affairs.
- Rental Subsidy and Services Program (RSSP): RSSP funds are provided to non-profits via a competitive process to provide rental subsidies and an array of supportive services to program participants including homeless individuals and families, victims of domestic violence, and individuals with physical and/or sensory disabilities.
- Tenant Based Rental Assistance Program (TBRA): HCD uses federal HOME-funded vouchers to serve households experiencing homelessness and individuals with special needs.
- Family Unification Program (FUP): HCD uses special federal FUP vouchers for families that, due to inadequate housing, would 1) have the family's children placed in out-of-home care; or 2) have the discharge of children from out-of-home care delayed.
- Mainstream/Non-Elderly Disabled Housing Choice Vouchers: When the opportunity arises, HCD applies for vouchers for non-elderly disabled persons, including persons at-risk of institutionalization due to their housing situation or those in institutions wishing to live in their community.
- State Rental Assistance Program (SRAP): A partnership through VA Department of Behavioral Health and Disability Services. Participants with intellectual and other developmental disabilities receive financial assistance to rent privately-owned housing units and case management through the Fairfax-Falls Church Community Services Board (CSB).
- Emergency Housing Vouchers (EHV): HUD awarded the FCRHA 169 vouchers as part of the American Rescue Plan Act of 2021 to assist individuals and families experiencing homelessness, as well as those at-risk of homelessness, fleeing, or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking, or were recently homeless or have a high risk of housing instability. This program began its sunset period on September 30, 2023.
- Permanent Supportive Housing (PSH) Program: A partnership through VA Department of Behavioral Health and Disability Services. Participants with serious mental illness receive financial assistance to rent privately-owned housing units and receive case management through CSB and Pathway Homes. It is anticipated that participants will begin leasing in the prior fiscal year.

Estimated Outcomes for FY 2026:

- Estimated Number of Households Served in FY 2026 under the VASH, RSP, TBRA, FUP, Mainstream/NED, EHV, SRAP, and PSH programs: 1,143 households

Resident Services

HCD staff works cooperatively with other county and non-profit service providers to help families work toward self-sufficiency and housing instability through service coordination and information sharing.

Family Self-Sufficiency Program - HCD administers the Family Self-Sufficiency Program (FSS), which provides self-sufficiency case management to residents and assists them with building an escrow account to be used once they graduate. Once participants complete their goals, graduates can choose how they use their escrow accounts such as to help purchase a home or pay off student debt.

Step Ahead 2.0 - In FY 2024, the FCRHA launched a pilot program to help households maintain housing stability by accessing intensive support services as needed. The pilot assists households served through an Emergency Housing Voucher, as well as other households served through the Housing Choice Voucher program. Funding is provided through Moving to Work (MTW) flexibility and the pilot is being formally evaluated. Households will continue to be served under the pilot throughout FY 2026. In addition to the Step Ahead 2.0 pilot, the FCRHA will continue supporting the Step Ahead 1.0 program which provides referrals and less intensive services to MTW households.

Moving to Work - The FCRHA is designated as a Moving to Work (MTW) agency which allows the creation of policies and programs that help residents move toward self-sufficiency. MTW authority also helps to reduce the burden both on staff and residents related to administrative issues and provides flexibility in the use of federal funds. MTW funding is used to provide service referrals and case management services to households. In addition, funds are used to provide organization and clean-out services to qualified RAD-PBV households to help address hoarding disorders.

Estimated Outcomes for FY 2026:

- Estimated Number of Participants Served under Family Self-Sufficiency Program in FY 2026: 115 participants
 - Estimated Number of Households Participating in the Step Ahead 2.0 pilot in FY 2026: 56 households
-

Housing Options for People Experiencing Homelessness and Other Vulnerable Populations

Addressing Homelessness in the Community

The Office to Prevent and End Homelessness (OPEH) manages and coordinates services to help households who are at risk of or experiencing sheltered or unsheltered homelessness. The goal of homeless services is to prevent the experience of homelessness, and to rapidly rehouse households who are experiencing homelessness. The office serves as the lead for the Continuum of Care and collaborates with other county agencies and organizations to end homelessness. OPEH continues to identify opportunities to link affordable housing preservation activities with the countywide homelessness plan.

Estimated Outcome for FY 2026:

- Estimated Number of Formerly Homeless Households Who Will Receive Permanent Housing in FY 2026: Approximately 56% of individuals served in homeless services will move to permanent housing in FY 2026 from emergency shelters or unsheltered homelessness.

Emergency Solutions Grants

Along with identifying opportunities to provide specialized rental housing for those who are experiencing homelessness, HCD utilizes the county's Emergency Solutions Grants awards to provide partial support of prevention and rapid re-housing activities for homeless individuals and families.

Estimated Outcomes for FY 2026:

- Estimated Number of Persons Moved from Homelessness to Permanent Housing in FY 2026 using Emergency Solutions Grants: 777 persons
 - Estimated Dollar Amount of Emergency Solutions Grant Funds Used for Homelessness Prevention Assistance in FY 2026: Based on previous fiscal years, approximately \$206,000 is anticipated for FY 2026.
-

FCRHA/HCD Program Planning, Development and Management

The FCRHA and HCD pursue a wide range of planning, management, and compliance activities to ensure efficient and effective operations. These activities also support the mission, values, and goal statements of the FCRHA. Below are descriptions of several strategic priorities underway for the FCRHA for FY 2026.

- **Advancement of One Fairfax**

One Fairfax is a joint racial and social equity policy that asks departments to intentionally consider equity in decision-making and in the development and delivery of future policies, programs, and services. It helps county and school leaders to look intentionally, comprehensively, and systematically at barriers that may be creating gaps in opportunity. It establishes shared definitions, focus areas, processes, and organizational structure. The policy identifies 17 focus areas to promote equity, including community and economic development, housing, education, environment, and transportation. Integrating the principles of One Fairfax into the programs and services of HCD is paramount to achieving the goals of the One Fairfax Policy.

The HCD Equity Impact Plan identifies the following implementation areas with corresponding actions that guide staff to advance the One Fairfax Policy:

- Use of rental subsidy vouchers to increase and disperse affordable housing choices for people of color in communities where opportunity exists.
- Coordination of affordable housing investments with other county investments to increase opportunities in newly created neighborhoods and prevent displacement from neighborhoods of affordability.
- Strengthening HCD's organizational commitment to racial and social equity.
- Ensuring that HCD/FCRHA policy, planning and/or program documents consider systemic issues impacting program outcomes.
- Eliminating the disproportionality of people at risk of or experiencing homelessness from communities of color and other marginalized populations by providing equitable paths to safe, stable, affordable housing.

In FY 2024, the FCRHA along with Fairfax County and seven neighboring jurisdictions adopted the Metropolitan Washington Fair Housing Plan (the Plan). The intent of the Plan is to identify meaningful actions that local governments and public housing authorities can take to reverse historic patterns of discrimination and promote fair housing. In FY 2026, the FCRHA will continue to implement strategies to address barriers to fair housing as identified in the Plan and will report progress through the One Fairfax Equity Impact Plan. Further, HCD's involvement in Fairfax County's Digital Equity Plan includes coordination with internet service providers on areas without coverage including investigating wiring at multiple dwelling units and other locations identified as having limited broadband related to density, demographics and socio-economic status.

- **Affordable Housing Advisory Council**

In June 2021, the Affordable Housing Advisory Council (AHAC) was reconstituted to advise the Fairfax County Board of Supervisors on the county's progress on the preservation and production of affordable housing opportunities. AHAC monitors and provides advice regarding the Communitywide Housing Strategic Plan, recommends preservation and creation priorities, and monitors affordable housing funds. On July 1, 2023, the Continuum of Care Board was chartered as a separate entity from AHAC to provide leadership in preventing and ending homelessness in the Fairfax-Falls Church community. Partnership with AHAC remains with representation from the COC Board on AHAC.

- **Maximizing Organizational Effectiveness**

HCD continues to strengthen its organizational effectiveness and adapt to changes as they arise. HCD will continue to identify opportunities to strengthen our sound financial planning and management practices to ensure efficient and equitable distribution of resources in alignment with the organization's strategic initiatives.

- **Strategic Communications**

The FCRHA and HCD work to continuously advance the efficiency and usability of web content and increase the use of videos in telling the story of affordable housing. Both the FCRHA and HCD websites will continue with video and graphical portrayals of information and the incorporation of enhanced language accessibility tools on the Fairfax County website.

- **Human Capital Development**

HCD continues to promote participation in mentorship programs, leadership development, and other training opportunities. Staff are also encouraged to participate in professional conferences and development.

FY 2026 Department of Housing and Community Development/Fairfax County Redevelopment and Housing Authority Advertised Budget

REVISED 02.19.2025

FY2026 Combined HCD/FCRHA Advertised Budget				
<u>Source</u>	<u>Fund</u>	<u>FY 2025 Adopted Budget</u>	<u>FY 2026 Advertised Budget</u>	<u>FY 2026 Advertised Positions</u>
FCRHA	FCRHA Operating - 81500	\$ 3,922,547	\$ 4,121,979	19.0
FCRHA	Asset Management Fund - 81400	374,345	289,240	0.0
FCRHA	Housing Grants - 81500	3,393,060	4,312,345	4.0
FCRHA	HCV Fund - 81510	89,207,253	94,018,880	57.0
Total FCRHA		\$ 96,897,205	\$ 102,742,444	80.0
County	General Fund -10100	\$ 36,965,654	\$ 42,510,751	89.0
County	AHDI Fund - 30300	38,118,750	48,641,801	0.0
County	Housing Trust Fund - 40400	4,211,206	1,597,669	0.0
County	CDBG Fund - 50800	5,682,469	7,656,674	14.0
County	HOME Fund - 50810	2,385,371	2,417,009	2.0
Total County		\$ 87,363,450	\$ 102,823,904	105.0
Total Combined Budget, All Sources		\$ 184,260,655	\$ 205,566,348	185.0

About the Fairfax County Redevelopment and Housing Authority

Fairfax County Redevelopment and Housing Authority - Commissioners

Lenore Stanton, Chairman

Elisabeth Lardner, Vice Chair

Staci Alexander

Steven Bloom

Michael Cushing

Nicholas McCoy

Michael McRoberts

Joe Mondoro

Susan Vachal

Paul Zurawski

The Fairfax County Department of Housing and Community Development – Executive Team

Thomas Fleetwood, Director

Amy Ginger, Deputy Director, Operations

Anna Shapiro, Deputy Director, Real Estate, Finance and Development

Tom Barnett, Deputy Director, Office to Prevent and End Homelessness

Gentry Alexander

Mark Buenavista

Marta Cruz

Linda Hoffman

Margaret Johnson

Erin Kozanecki

Sean Read

Callahan Seltzer

Meghan Van Dam

Mission, Vision and Values

Our Mission: We serve the people of Fairfax County by creating housing opportunities to promote inclusive and thriving communities.

Our Vision: A community everyone can afford to call home.

Our Values: At Housing and Community Development, we are an effective organization where we treat each other and our community in alignment with these values:

Equity: We remove barriers and provide access to opportunities

Trust: We communicate openly and deliver on our commitments

Innovation: We are creative and develop groundbreaking solutions

Flexibility: We adapt and evolve to meet new challenges



**Empowering Communities,
Building Futures.**

Fairfax County Department of Housing and Community Development

Fairfax County Redevelopment and Housing Authority

Communitywide Housing Strategic Plan

The Fairfax County Board of Supervisors directed the Fairfax County Department of Housing and Community Development, with the assistance of the Affordable Housing Advisory Committee (AHAC), to produce a strategic plan to help address our community's growing housing needs. The outcome of this effort was the Fairfax County [Communitywide Housing Strategic Plan](#). As a result, the following goals were identified to guide our collective efforts in affordable housing. These goals continue to provide an overarching guide for the work of the FCRHA and the Fairfax County Department of Housing and Community Development.

Goals

- **Need, new production goals, and resources**
 - To produce a minimum of 10,000 new homes affordable to households earning up to 60 percent AMI over the next 15 years
 - To leverage the Affordable Housing Development and Investment Fund, creating additional resources to fund the production of new affordable housing
- **Preservation of affordable housing units**
 - To identify opportunities to preserve market affordable housing in furtherance of the County's goal of no net loss of affordable units
- **Land use policies and regulations**
 - To develop a package of innovative land use policies to further facilitate the development of affordable housing
- **Institutional capacity**
 - To evaluate the personnel capacity of the County's regulatory agencies needed to support the creation of additional affordable housing
 - To provide funding for additional HCD positions
- **Community awareness and legislative priorities**
 - To continue to increase community awareness and support for affordable housing
 - To ensure that affordable housing has a prominent place in the County's annual legislative program

FCRHA Agenda Item
February 20, 2025

ADMINISTRATIVE - 1

RESOLUTION NUMBER 05-25: Commending Cynthia Bailey for Her Years of Service to the Fairfax County Redevelopment and Housing Authority

Cynthia Bailey, Deputy County Attorney, retired from Fairfax County after 25 years of distinguished service to the County, of which 10 years were dedicated to acting as Counsel to the Fairfax County Redevelopment and Housing Authority.

The attached resolution recognizes Ms. Bailey's service.

ENCLOSED DOCUMENTS:

Attachment: Resolution Number 05-25

STAFF:

Thomas Fleetwood, Director, Department of Housing and Community Development (HCD)

Amy Ginger, Deputy Director, Operations, HCD

RESOLUTION NUMBER 05-25

Commending Cynthia Bailey for Her Years of Service to the
Fairfax County Redevelopment and Housing Authority

WHEREAS, Cynthia Bailey has served Fairfax County and the Fairfax County Redevelopment and Housing Authority (FCRHA) in various positions with the County since 1999, including serving as Deputy County Attorney since 2015; and

WHEREAS, she has served as Counsel to the FCRHA since 2015, developing and leading a top-notch team of attorneys providing outstanding legal services to the FCRHA and the Department of Housing and Community Development (HCD); and

WHEREAS, during her tenure, the FCRHA achieved unprecedented success on a wide variety of legally complex affordable housing transactions which have received national attention and awards, including North Hill, One University, and Ovation at Arrowbrook, among many others; and

WHEREAS, the FCRHA completed the conversion of its entire Public Housing portfolio under the Rental Assistance Demonstration program during her tenure, which required intensive assistance from the Office of the County Attorney; and

WHEREAS, Ms. Bailey was deeply trusted for her expert legal advice and wise counsel by both HCD staff and the FCRHA, making her an indispensable partner in the work of the Authority; and

WHEREAS, in furtherance of her exemplary commitment to public service, she has served in various roles with Leadership Fairfax, including as both Vice Chair and Chair of the Leadership Fairfax board of directors; and

WHEREAS, she was awarded the A. Robert Cherin Award by The Local Government Attorneys of Virginia in 2024. This prestigious statewide recognition honors a local government attorney who has demonstrated distinguished public service and reflects a personal commitment to the highest professional and ethical principles; and

WHEREAS, on January 14, 2025, Cynthia Bailey completed her distinguished service with the County after twenty-five years of service;

NOW THEREFORE BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority expresses its gratitude to Cynthia Bailey for her years of dedicated service to the community and to the FCRHA, and wishes her a healthy, happy and prosperous retirement.

Lenore J. Stanton, Chair

February 20, 2025

FCRHA Agenda Item
February 20, 2025

INFORMATION - 1

Proposed Revisions to the Board of Supervisors' Countywide and Tysons Urban Center Workforce Dwelling Unit (WDU) Administrative Policy Guidelines

Overview: On September 10, 2024, the Fairfax County Board of Supervisors (Board) adopted revisions to the county's Workforce Dwelling Unit (WDU) policies in the Comprehensive Plan Guidelines for the Provision of Workforce Dwelling Units, Appendix 1 of the Policy Plan Housing Element, and the Area Plans, following recommendations by the WDU For-Sale Task Force. The WDU policies recommend that WDUs be included within most medium to high-density residential rezoning applications. The recent revisions lowered the income levels served in the For-sale WDU program, expanded the geography to which the WDU Policy applies, and adjusted aspects of the WDU program, such as bedroom mix and room sizes.

The Board also directed staff to prepare revisions to the Countywide and Tysons Urban Center Workforce Dwelling Unit Administrative Policy Guidelines (Administrative Guidelines) based on the policy changes and schedule a public hearing. The Administrative Guidelines address such aspects of the WDU program as the integration and dispersion of WDUs within a development; technical requirements for the units; WDU sale, resale, and rental requirements; and legal documentation for commitment of the WDUs. The following summary and Staff Report are provided for information on the proposed revisions to Administrative Guidelines; the Board will hold a public hearing on the revised Guidelines on March 18, 2025, at 4:30 PM.

About the Revised Guidelines: The revisions to the Administrative Guidelines propose to replace the current guidelines, adopted February 23, 2021, with an updated version based on recently adopted changes to the WDU policies in the Fairfax County Comprehensive Plan (WDU Policy). The proposed revisions are presented to the Fairfax County Redevelopment and Housing Authority (FCRHA) for information as the Board delegated its authority for the sale and rental of WDUs to the FCRHA on October 30, 2018. As described in the Administrative Guidelines, the FCRHA assists in the regulation and monitoring of the WDU program to ensure that the WDUs meet the established policies and requirements. The FCRHA has a right to purchase or lease WDUs when the units are offered into the program. FCRHA staff in the Department of Housing and Community (DHCD) work closely with residential developers to ensure that the units meet the WDU policies and to identify the need for WDUs to be purchased or leased by the FCRHA.

The Administrative Guidelines serve as the administrative mechanism to implement the WDU Policy. The proposed revisions to the Administrative Guidelines would clarify guidance to reflect current practices and interpretations; translate the structure and language in the document into plain English to make the document easier to read and

FCRHA Agenda Item
February 20, 2025

chronological based on the process; remove overlaps with the WDU Policy; encourage earlier submission of the legal documents for review; clarify DHCD involvement in the review process; reflect adjustments to the initial and resale pricing formulas; and address certain covenant recordation concerns. Editorial changes are also proposed.

ENCLOSED DOCUMENTS:

Attachment 1: Staff Report for the Proposed Revisions to the Countywide and Tysons Urban Center Workforce Dwelling Unit Administrative Policy Guidelines, dated February 18, 2025

STAFF:

Thomas Fleetwood, Director, Department of Housing and Community Development (HCD)

Anna Shapiro, Deputy Director, Real Estate Finance and Development, HCD

Meghan Van Dam, Division Director, Planning and Inclusionary Housing Programs, HCD

Gentry Alexander, Division Director, Homeownership, HCD

Tracy Strunk, Director, Department of Planning and Development (DPD)

Kelly Atkinson, Division Director, Planning Division (PD), DPD

Graham Owen, Branch Chief, Policy and Plan Development Branch (PPDB), PD, DPD

Lia Niebauer, Planner II, PPDB, PD, DPD

ASSIGNED COUNSEL:

Susan Timoner, Assistant County Attorney, Office of the County Attorney

**PROPOSED REVISIONS TO
THE FAIRFAX COUNTY BOARD OF SUPERVISORS'
COUNTYWIDE AND TYSONS URBAN CENTER WORKFORCE
DWELLING UNIT ADMINISTRATIVE POLICY GUIDELINES**

STAFF REPORT

February 18, 2025

Background

On September 10, 2024, the Fairfax County Board of Supervisors (Board) adopted revisions to the county's Workforce Dwelling Unit policies in the Comprehensive Plan Area Plans and Appendix 1 of the Policy Plan Housing Element, Guidelines for the Provision of Workforce Dwelling Units (WDU Policy), following recommendations by the WDU For-Sale Task Force. The revisions lowered the income levels served in the For-sale WDU program, expanded the geography to which the WDU Policy applies, and adjusted aspects of the WDU program, such as bedroom mix and room sizes. The Board also directed staff to modify the Board's Countywide and Tysons Urban Center WDU Administrative Policy Guidelines (the Administrative Guidelines), which serve as the administrative mechanism to implement the WDU Policy. The Administrative Guidelines address such aspects of the program as integration and dispersion of WDUs with a development; technical requirements for the units; WDU sale, resale, and rental requirements; and legal documentation for commitment of the WDUs.

Summary of the Proposed Revisions

The proposed revisions to the Administrative Guidelines in Attachment A incorporate and provide additional guidance on the recently adopted WDU Policy changes and would replace the current Administrative Guidelines, adopted February 23, 2021. The revisions also propose to clarify guidance to reflect current practices and interpretations of the guidance; translate the structure and language in the document into plain English making the document easier to read and chronological; remove overlaps with the WDU Policy; encourage earlier submission of the legal documents for county review; clarify the Department of Housing and Community Development (DHCD) involvement in development review and subsequent agreements; reflect adjustments to the initial and resale pricing formulas, as recommended by the WDU For-Sale Task Force and, for the initial sales price, approved by the County Executive; and address certain covenant

recordation issues. Editorial changes are also proposed. The following explanations provide summaries of significant changes to the Administrative Guidelines:

Integration and Dispersion: Subject to adequate integration and dispersion, the current guidance allows for flexibility in the location of WDUs to be distributed across buildings, phases, and unit types, and when the flexibility furthers the WDU policy and offers appropriate controls. The proposed revisions would clarify this guidance to better define adequate integration and increase predictability in the expectations. For example, the ability to transfer for-sale WDUs as rental WDUs in high-rise condominium development where there is a high cost of construction and high condominium fees would be retained as well as the language regarding financing or other affordable housing opportunities. Other potential transfers, for example from for-sale WDUs to rental WDUs within developments with multiple unit types, would be defined at a maximum of 30% of the affordable units or the development will need to demonstrate that there would be a deleterious impact on the project if a greater number of transferred affordable units does not occur and that there are no reasonable alternatives, for example, adjustments to the land use mix.

Unit Sizes and Finishes: The minimum sizes of the WDUs and their size expectations relative to the market-rate units would be removed due to the overlap with the WDU Policy. Guidance about bedroom and living room sizes and bedroom mix proportionality would be added per the recently adopted WDU Policy. In addition, guidance would be added about providing comparable finishes, appliances, and other features in the WDUs as the market rate units in the same development.

Covenants and Offering Agreements: Revisions are proposed to address an issue raised during the WDU For-Sale Task Force review, whereby the WDUs sales process could not progress until the condominium declarations and legal descriptions of the WDUs are available. Revisions propose covenant recordation in a manner that will move the WDUs to sale and closing more quickly. This process is generalized for condominiums in the case that the issue arises for other types of for-sale condominium units, such as triplexes. Furthermore, new guidance is added about the submission timing for the covenants for rental developments and timing of the rental and for-sale offering agreements concurrent with the covenants to encourage earlier submission.

First Rider: The current practice of using a First Rider to the Covenants to define the term of expiration of WDU rentals is added and no longer solely defined in covenants.

Sales/Rental: The initial and resale pricing formulas would be updated per the For-Sale Task Force recommendations, such that the initial sales price would be adjusted for WDUs with a homeowners or condominium association fee that exceeds 30% of the fees estimated in the Maximum Price Schedule, and the resale pricing would be based on the original sales price adjusted by a five-year compounded annual growth rate (CAGR) of the Area Median Income. In addition, the timeframes for the FCRHA's and non-profit organization's right to purchase is proposed to be removed or adjusted with a more realistic time to identify and close on the purchase. Further, the language about preferential treatment to those households already possessing a Certificate of Qualification has been adjusted to facilitate sales. Additionally, the FCRHA's ability to lease WDUs and then sublease to qualified applicants is clarified. Finally, the language allowing and limiting broker fees to 1.5% and requiring a dual agent has been removed.

Finance/Refinance: In order to allow for refinancing to take advantage of the equity gained on the WDUs, the proposed revisions would allow for owners to refinance their WDUs based on maximum control price at the time of refinance, rather than limiting the refinance to the outstanding first trust debt.

Stakeholder Outreach and Comments

Staff published the draft revisions online between October 23, 2024, and November 20, 2024, and shared the link with stakeholders involved in the WDU Task Force and Comprehensive Plan policy changes. This included the task force, business groups, developers, realtors, affordable housing advocacy groups, attorneys, and district committees. Staff also held two virtual information sessions to present the proposed revisions, gather feedback, and answer questions. The primary concern expressed during this stakeholder outreach related to the proposed revisions to the section describing the Integration and Dispersion of WDUs within a development with multiple unit types and the ability to transfer units among the unit types. Staff has revised the language from the October 22, 2024 draft to set more defined criteria for the flexibility regarding this transfer, as described previously.

Another comment recognized that there has been a lack of clarity in the past regarding the limits to refinancing amounts that a homeowner can attain. Section XII.B clearly states that the amount of refinancing cannot exceed the Maximum

Control Price of the WDU at the time of refinancing. Finally, regarding a comment about the original proposed removal of the language about preference for sale to prequalified buyers, new language has been added to encourage potential buyers to apply to the qualification process as soon as possible in their home search process.

Conclusion

The proposed revisions to the WDU Administrative Guidelines reflect a significant step toward enhancing the efficiency and sustainability of the WDU program. By integrating the updated WDU policy changes, streamlining the guidelines for clarity, and addressing stakeholder feedback, these revisions aim to keep the program flexible, equitable, and responsive to community needs. Key improvements, such as adjustments to technical expectations, pricing formulas, and administrative processes, will modernize the program and reaffirm the county's commitment to increasing the housing supply for diverse income levels through sound planning and inclusive practices. Attachment A contains the Proposed Revisions to the WDU Administrative Policy Guidelines. Attachment B contains a Tracking Table of the Revisions by section explaining where existing language from the the 2021 Administrative Guidelines would be relocated within the proposed Adminstrative Guidelines.

Staff Recommendation

Staff recommends that the Board approve the replacement of the Board's Countywide and Tysons Urban Center WDU Administrative Policy Guidelines, adopted February 23, 2021, with the proposed revisions in Attachment A of this document (Fairfax County's Board of Supervisors' Workforce Dwelling Unit Administrative Policy Guidelines). Following the Board's approval, staff will consider the best means to create a summary of the guidelines or other materials that would increase the accessibility and understanding for those invovled in the process. This would include possible translation into other languages.

REPLACE: Fairfax County Board of Supervisors’ Countywide and Tysons Urban Center Workforce Dwelling Units Administrative Policy Guidelines, as adopted February 23, 2021, with:

“FAIRFAX COUNTY BOARD OF SUPERVISORS’
WORKFORCE DWELLING UNIT ADMINISTRATIVE POLICY GUIDELINES

The following Workforce Dwelling Unit Administrative Policy Guidelines (the “Administrative Guidelines”) are hereby adopted by the Board of Supervisors (Board) as the preferred administrative tool for the implementation and administration of Workforce Dwelling Units that are proffered in conjunction with a rezoning application. It is the intent of the Board that proffered Workforce Dwelling Units (“WDUs”) accepted in conjunction with a rezoning application include a proffer of compliance with these Administrative Guidelines.

If a specific development warrants consideration of an alternative scheme for the administration and continued availability of WDUs, the Board will consider such variations when the applicant can clearly demonstrate that the alternate proposal furthers the WDU policies set forth in the Comprehensive Plan and offers appropriate controls to properly regulate, monitor, administer, and manage such units. Such controls must be provided in sufficient detail to clearly demonstrate that the WDUs will function in the manner intended by the provisions of the preferred administrative tools set forth below.

On October 30, 2018, the Board delegated its authority to administer and regulate the sale and rental of WDUs to the Fairfax County Redevelopment and Housing Authority (“FCRHA”). The delegation includes the Board’s right to acquire certain WDUs pursuant to the Guidelines for Provision of Workforce Dwelling Units, Appendix 1 in the Housing Element of the Comprehensive Plan’s Policy Plan and the Area Plans (“the WDU Policy”). The FCRHA may adopt additional rules, policies, and guidelines to assist in the regulation and monitoring of the rental, sale, and resale of WDUs.

Table of Contents:

- I. Overview of the Administrative Guidelines
- II. Technical Requirements
- III. Determination of Sales Price and Rent
- IV. Declaration Of Workforce Dwelling Unit Covenants and Notice of Workforce Dwelling Unit Proffer
- V. Notice of Availability and Offering Agreement
- VI. Term of Price Control and First Rider
- VII. Initial Sale/Rental and Right to Purchase/Rent
- VIII. Resale of For-Sale WDUs
- IX. Conversion of WDUs from Rental to Condominium
- X. Occupancy Eligibility
- XI. Reporting and Monitoring
- XII. Financing Control and Foreclosure of WDUs

I. Overview of the Administrative Guidelines

- A. Purpose. The Countywide and Tysons Urban Center Workforce Dwelling Unit (“WDU”) Administrative Policy Guidelines (“Administrative Guidelines”) are adopted to establish a framework for the administration, monitoring, and long-term compliance of units proffered under the Guidelines for Provision of Workforce Dwelling Units, Appendix 1 in the Housing Element of the Comprehensive Plan’s Policy Plan and the Area Plans (“the WDU Policy”). The Administrative Guidelines are designed to outline the process of establishing, approving, and administering the long-term affordability of housing for persons with low or moderate income within market-rate housing developments through proffers of WDUs in accordance with the WDU Policy.
- B. Opt-In. For any WDUs proffered prior to the adoption of these Administrative Guidelines, the owner may elect to voluntarily comply with the provisions of these guidelines, to the extent that such election does not conflict with any proffered conditions associated with the subject WDUs. To facilitate such voluntary compliance, the owner must submit a request to the Director of the Zoning Evaluation Division of the Department of Planning and Development, who must determine, in consultation with the Department of Housing and Community Development (“DHCD”), whether such request conforms to the proffered conditions applicable to the property and complete the DHCD Opt-In Agreement.

II. Technical Requirements

- A. Integration, Dispersion, and Equivalency.
1. WDUs should be integrated into and dispersed throughout a development to the extent feasible subject to the satisfaction of DHCD. It is recommended that developers provide unit locations and plans for review as early as possible in the development process for efficient compliance review.
 - (a) WDUs should neither be overly concentrated by unit type or location, nor located in the least desirable locations within a building or on a site.

-
- (b) Subject to adequate integration and disbursement within the development, WDUs may be distributed in a manner that permits smaller or larger percentage within a building, phase, or unit type.
 - (c) Transferring for-sale WDUs into rental WDUs in developments with multiple unit types is not highly desired. In the case of a development that has both a high-rise condominium and a rental component, WDUs generated by for-sale units in the high-rise building, as defined in the Virginia Construction Code Section 202, may be provided as rental units. Other developments with both for-sale and rental components may transfer up to 30% of the for-sale WDUs as rental WDUs. If a greater number of for-sale WDUs is proposed to be transferred as rental WDUs, the proposal must clearly demonstrate to the satisfaction of the departments of Housing and Community Development and Planning and Development that the provision of the for-sale WDUs would be impracticable to the project and the transfer provides an equivalent or greater value toward affordable housing priorities. In this case, the developer must demonstrate that there is no other reasonable alternatives to the transfer, and that the transfer functions in a manner intended by these administrative guidelines. In all of these cases, the transferred WDUs in the rental component must be provided with the number of units and bedroom mix of WDUs based on the for-sale unit component but offered for rent at the income tiers applicable of the rental policy.
2. WDUs should include comparable finishes, fixtures, equipment, and appliances as market rate units within the same development. The provision of less expensive materials and appliances in WDUs, relative to the market rate units in the same development, must be durable, good quality, and consistent with contemporary standards for new residential development.
- B. Unit Sizes and Types. The gross floor area for any WDU should be in accordance with the WDU Policy in terms of unit mix and size of the WDUs.
1. The floor area for WDUs must be in accordance with the gross floor area definition of the Zoning Ordinance and must comply with all applicable requirements in the Virginia Construction Code.

2. The WDU unit type mix should be proportional to the market rate unit type mix, in accordance with the WDU Policy. Units with more than three bedrooms will not be held to strict proportionality but may not be provided as a unit type smaller than a three-bedroom unit.
3. All single-family WDUs must have a primary bedroom of at least 100 square feet and all other bedroom and living room sizes must conform with the Virginia Construction and Property Maintenance codes. All bedroom sizes are exclusive of closets, which must be provided with each bedroom.
4. Neither the WDU Policy nor these Administrative Guidelines precludes the developer from providing WDUs as larger sized units, in terms of the square footage and/or the number of bedrooms.

C. Designation of For-Sale WDUs on Approved Plans.

1. For for-sale developments, each approved site plan, record subdivision plat, condominium plat/plan, and building plan (as applicable, the “Plans”), must identify the development as a for-sale project and must note, to the satisfaction of DHCD, (i) the total number of WDUs; (ii) the specific lots or units that are the for-sale WDUs; (iii) the AMI level, gross floor area, and unit type of each WDU lot and/or unit; (iii) the number of bonus market rate units and/or bonus floor area provided. In addition, the floor area of all non-WDUs by bedroom count must be noted on the Plans.
2. If there is any change in the location of a WDU after the original approval of the Plans, the developer must amend the approved Plans to reflect the designation of the alternate WDU prior to the issuance of a Residential Use Permit (“RUP”) for the alternate WDU. Such change should be reviewed for compliance with these policy guidelines to the satisfaction of DHCD.
3. The location of the lots or units designated as for-sale WDUs should be noted in the zoning approval so that staff may review for compliance and note any adjustments that might be needed to meet the intent of these Administrative Guidelines as early as possible in the development process.

- D. Designation of Rental WDUs on Approved Plans. For rental developments, the Plans must identify the development as a rental project and must note (i) the total number of WDUs, (ii) the number of bonus market rate units and/or bonus floor area provided, (iii) the average floor area of each WDU and market rate units by bedroom count, and (iv) the bedroom mix and count of WDUs.
- E. Phased Developments/Multiple Locations. All Plans for multi-phased developments where the WDUs will be provided over a series of phases must contain a tabulation or table identifying in which phase(s) the WDUs will be provided and a total of all WDUs for which the Plans have been approved. If the WDUs are approved to be provided at a location that is not on the same building, land bay, or lot as the market rate dwelling units with which the WDUs are associated, the Plans for all associated properties must include a tabulation or table identifying the Plans that include the WDUs.
- F. Building Permits and Residential Use Permits (“RUPs”). Building Permits may be issued at the same time or in phases for the dwelling units in a development; provided, however, that for any for-sale development, RUPs must not be issued for more than 75 percent of the total number of units in the development until such time as RUPs have been issued for at least 75 percent of the WDUs in the applicable phase of the development. A rental development is not subject to the limitation on the issuance of RUPs.

III. Determination of Sales Price and Rent

- A. Initial Developer Sales Price.
1. The County Executive, or their designee, will publish a Maximum Price Schedule annually (or more frequently at their discretion) to set forth the maximum initial sales prices for for-sale WDUs.
 2. The Maximum Price Schedule will be established based upon a maximum affordable monthly payment for households at the designated area median income (“AMI”) levels. AMI is defined and updated periodically by the Department of Housing and Urban Development (“HUD”). Pricing will take into consideration household size and economic conditions such as interest rate, taxes, mortgage and

homeowners’ insurance, and condominium and homeowner’s association fees. The maximum sales price will be adjusted by HCD for WDUs with an association fee that exceeds 30% of the fees estimated in the Maximum Price Schedule.

3. The sales price formula may be amended periodically by the County Executive or their designee after consideration of written comment from the public and other information that may be available, such as the area’s current real estate market and economic conditions.

B. Rental Pricing.

1. The County Executive, of their designee, will publish a Maximum Rent Schedule annually (or more frequent at their discretion).
2. Maximum rents for rental WDUs are calculated based on the annual AMI published annually by HUD, and adjusted by the following factors for different unit types:

<u>Number of Bedrooms</u>	<u>Adjustment Factor</u>
Efficiency (0 bedroom)	70%
1 Bedroom	85%
2 Bedrooms	100%
3 Bedrooms	115%
4 Bedrooms	130%

The result of this calculation for each size WDU is then divided by 12, then multiplied by 25 percent and rounded to the nearest whole number to establish the rent for the unit, excluding utilities.

3. Developments may rent units below the maximum WDU rental limits at their discretion.

IV. Declaration Of Workforce Dwelling Unit Covenants and Notice of Workforce Dwelling Unit Proffer

A. For-Sale Developments.

1. In for-sale developments containing WDUs, covenants that run with the land in favor of the FCRHA (the “For-Sale Covenants”), must be recorded

on the WDUs upon approval of the site plan or simultaneously with the recordation of the final subdivision plat. In the case of a condominium, covenants must be recorded simultaneously with the condominium declaration. The WDUs should be designated as part of the recorded condominium declaration and must be disclosed in the required public offering statement.

2. The For-Sale Covenants shall be in a form prescribed by DHCD and will provide that (i) the WDUs are subject to the provisions of these Administrative Guidelines, including the term of price control, and any other proffered conditions; (ii) the WDUs may not be sold for an amount that exceeds the Maximum Price Schedule; (iii) each unit may only be sold to a qualified household at the income level specified in the For-Sale Covenants; and (iv) the resale price and equity share of each unit shall be determined by DHCD, upon resale (Section VIII below).
3. In the case of a condominium where For-Sale Covenants are initially recorded before WDUs have been added to the Declaration of Condominium and created as individual legal entities, the legal description attached to the Declaration of Covenants must identify all of the WDUs, which have yet to be constructed. Prior to executing a contract on a WDU with a qualified homebuyer, the developer must have (a) recorded an amendment to the condominium declaration applicable to the property, establishing the WDU as an independent parcel of real property; and (b) recorded the Declaration of Covenants, in a form provided by DHCD, on the subject WDU, and (c) recorded any restatements of the previously recorded Declaration of Covenants as deemed necessary by DHCD.
4. The For-Sale Covenants must be senior to all instruments securing financing and binding upon all assignees, mortgagees, purchasers, and other successors in interest.

B. Rental Developments.

1. In rental developments containing WDUs, covenants that run with the land in favor of the FCRHA (the "Rental Covenants"), must be recorded on the property at least six months prior to the issuance of the first RUP for any dwelling unit in the development, concurrent with the submission of a Notice of Availability and Rental Offering Agreement (the "Rental

OA”), pursuant to Section V.B. The Rental Covenants shall be in a form prescribed by DHCD and will provide, among other things, that (i) the property is subject to the provisions of these Administrative Guidelines, including the term of price control, and any other proffered conditions; (ii) WDUs may not be rented for an amount that exceeds the Maximum Rent Schedule; and (iii) each unit may only be rented to a qualified household at the income level specified in the Covenant.

2. The Rental Covenants must be senior to all instruments securing financing and binding upon all assignees, mortgagees, purchasers, and other successors in interest.

V. Notice of Availability and Offering Agreement

A. For-Sale Developments.

1. After the issuance of the building permit for a property containing For-Sale WDUs, the developer must complete and submit to DHCD a Notice of Availability and For-Sale Offering Agreement (the “For-Sale OA”) in the form provided by DHCD. The purpose of the For-Sale OA is to advise when WDU(s) will be completed and ready for purchase. The For-Sale OA must reflect the site and building plans and, at minimum, identify: (i) the unit or units being offered in the For-Sale OA; (ii) the unit type for each WDU, including number of bedrooms, the floor area, and amenities; (iii) the sales price and associated fees for each unit, in accordance with the Maximum Price Schedule; and (iv) the evidence of issuance of a building permit for the units. A For-Sale OA should be provided to DHCD concurrently with the For-Sale Covenants, pursuant to Section IV.A.

B. Rental Developments.

1. After the issuance of the building permit for a property containing Rental WDUs, the developer must complete and submit to DHCD Rental OA in the form provided by DHCD. The purpose of the Rental OA is to advise when WDUs will be completed and ready to rent. The notice must identify: (i) the unit or units being offered; (ii) the number of bedrooms, the floor area, and amenities for each unit; (iii) the rent, utilities, and other fees for each unit; and (iv) the evidence of issuance of a building permit for the units. The Rental OA should be provided to DHCD

concurrent with the Rental Covenants, pursuant to Section IV.B, at least six months prior to the issuance of the first RUP for any dwelling unit in the development.

2. The location of WDUs may be redesignated to a new location after the execution of the Rental OA, pursuant to Section X.B.3, provided that the developer must notify the FCRHA of such change in location, on a form prescribed by DHCD, to be reviewed and approved by the FCRHA for continued compliance with the WDU Policy and these Administrative Guidelines.

VI. Term of Price Control and First Rider

A. For-Sale Developments.

1. The price of WDUs and income levels of WDU owners must be controlled for a period of 30-years, beginning on the date of the deed from the developer to the initial owner. If a WDU is sold to a new owner prior to the expiration of the initial 30-year control period, a new 30-year control period will begin on the date of such resale. A new 30-year control period will begin on the date of each subsequent resale until the WDU is owned for an entire 30-year control period by the same individual(s), at which time the control period will expire.
2. During any 30-year control period, a WDU may not be sold or otherwise transferred or pledged as security for an amount higher than the Maximum Control Price approved by DHCD (Section VIII below).

B. Rental Developments.

1. The rents of WDUs and the income levels of WDU tenants must be controlled for a period of 50 years from the date of issuance of the first RUP of the WDUs in the development, in a form determined by DHCD.
2. A property owner, developer, or their designee must record a First Rider to the Rental Covenants (the "First Rider") in a form provided by DHCD. The First Rider states, among other things, that the unit is part of the WDU program, is subject to the restrictions of the WDU Policy and the Declaration of Covenants, and defines the control period expiration date.

In developments with multiple buildings, separate riders will be recorded upon the issuance of the first RUP for each building.

VII. Initial Sale/Rental and Right to Purchase/Rent

A. Initial Sale.

1. It is a violation of the proffered conditions associated with a WDU to purchase a unit or to sell it or otherwise transfer or pledge it as security for an amount higher than the approved sales price during any period of price control.
2. The initial sale of a WDU, including the initial sale of a condominium conversion unit, must be for a price no greater than the Maximum Sales Price.
3. The initial sale of a WDU must be made only to a person or household that meets the applicable income qualifications for the occupancy of a WDU and has been issued a Certificate of Qualification by DHCD. It is the preference of HCD for potential buyers to complete the pre-qualification process as soon as possible, prior to searching for a WDU, in order to facilitate a more efficient sales process.
4. Developers are responsible for marketing the WDUs. All WDU marketing materials must include a statement clearly explaining the income restrictions and that the units will be encumbered by an affordability covenant. Marketing materials should be provided to DHCD for review and posting on its website.
5. At the time of the initial sale of an individual WDU, the developer must:
 - (a) provide a copy of the recorded For-Sale Covenants to prospective purchasers with the sales contract;
 - (b) include in the deed a statement that the WDU is subject to the For-Sale Covenants, with a specific reference to the deed book and page where the For-Sale Covenants are recorded; and,
 - (c) include in the deed a statement that the total aggregate amount of indebtedness that may be secured by the WDU is limited and that

other terms and conditions apply, including, but not limited to, a right for the FCRHA or a nonprofit agency designated by the County Executive to acquire the WDU on certain terms in the event of a pending foreclosure sale.

6. Right to Purchase.

- (a) For a period of 90 days from the date that the For-Sale OA is fully executed (the “90-Day Period”), the FCRHA has an exclusive right to elect to purchase up to one-third of the WDUs shown on the For-Sale OA (the FCRHA Purchase Right). If the FCRHA elects to exercise its purchase option, the FCRHA will notify the developer in writing of its intent to purchase all or a portion of the WDUs it has been offered. An all-cash closing must occur within 150 days from the date of the FCRHA notification of election to purchase, provided a RUP has been issued for the WDU(s) being purchased prior to closing.
- (b) The remaining two-thirds of the WDUs and any WDUs that the FCRHA does not elect to purchase pursuant to the FCRHA Purchase Right are to be offered for sale to persons who have been issued a Certificate of Qualification by DHCD, or its designee, subject to Section VII.A. It is a violation of this WDU Policy for a developer to sell a WDU to a household who has not been issued a Certificate of Qualification. Developers must refer any potential buyers to DHCD, or its designee, for eligibility qualification.
- (c) After the first 30 days of the 90-Day Period, the FCRHA may elect to purchase up to one-half of the remaining WDUs then available. The FCRHA must provide for an all-cash closing in accordance with Section VII.5.
- (d) Upon expiration of the FCRHA Purchase Right, the WDUs not sold to the FCRHA or qualified purchasers may be sold to nonprofit housing groups, as designated by the County Executive or their designee, subject to the established WDU prices and the requirements of the applicable proffered conditions.

B. Rental Developments.

1. Lease Requirements.

- (a) Any WDUs not leased by the FCRHA, per Section VII.B.2 below, are to be leased for a minimum six-month period with a maximum renewable lease term of one year to a person or household who meets the eligibility criteria established by DHCD.
 - (b) The lease agreements for such units must include conditions that require the tenant to occupy the unit as his or her domicile, that prohibit the subleasing of the unit, that require continued compliance with the applicable eligibility criteria, and that require the tenant to annually verify, on a form approved by the DHCD, his or her annual income and such other facts that the landlord may require in order to ensure that the tenant continues to meet the applicable eligibility criteria.
 - (c) The landlord is responsible for determining that the individual or household meets the eligibility criteria applicable to tenants in rental WDUs. Eligible tenants must continue to meet the income criteria established by DHCD to continue occupancy of the WDU. However, a tenant who no longer meets such criteria may continue to occupy a WDU until the end of the lease term.
 - (d) It is a violation of this WDU Policy for a landlord to rent or continue to rent a WDU to an individual or household who does not meet or fails to continue to meet the eligibility criteria established by DHCD, except for circumstances specifically set forth in the previous section and Section X.B.
2. Right to Rent. The FCRHA has an exclusive right to lease, and subsequently sublease, up to one-third of the WDUs within a development and must notify the developer in writing of its intent to lease all or a portion of such WDUs within 30 days from the date that the Rental OA is fully executed. The FCRHA may request to lease additional rental units at the WDU rent or market rent, as appropriate. The developer may lease the additional requested units to the FCRHA as their election under the terms of a mutually agreed upon lease form.

VIII. Resale of For-Sale WDUs**A. During the 30-Year Control Period.**

1. If a WDU owner desires to sell their WDU prior to the expiration of the 30-year control period, they must first provide DHCD with written notification that the WDU is being offered for sale in a form prescribed by DHCD (the "Sale Notice"). In response to the Sale Notice, DHCD will provide the WDU owner with a resale price calculated according to Section VIII.A.4 (the "Maximum Control Price") and a notification of its election under Section VIII.A.2.
2. After receipt of the Sale Notice, the FCRHA has the exclusive right to purchase the WDU and must notify the WDU owner in writing within 45 days after receipt of the Sale Notice of its election. If the FCRHA elects to purchase the subject WDU, then the FCHRA will provide the WDU owner with a purchase contract for the WDU, on a form approved by DHCD and subject to certain conditions, such as acceptable condition of title and acceptable physical and environmental conditions. The purchase price of the WDU offered to the FCRHA shall not exceed the Maximum Control Price. An all-cash closing must occur within 120 days after DHCD's receipt of the Sale Notice, provided all conditions of the purchase contract are satisfied.
3. If the FCRHA does not elect to purchase a WDU pursuant to Section VIII.A.2 above, then the WDU is to be offered to households who have been issued a Certificate of Qualification by DHCD or their designee.
4. WDUs may not be offered for sale for a price greater than the Maximum Control Price. The Maximum Control Price is calculated as follows and will be determined by DHCD:
 - (a) For properties purchased prior to [Adopted date of these Administrative Guidelines]: original sales price plus a percentage of the WDU's original sales price equal to the increase in the U.S. Department of Labor's Consumer Price-Urban Area Index.
 - (b) For properties purchased after [Adopted date of Administrative Guidelines], the original sales price adjusted by a five-year

compounded annual growth rate (“CAGR”) of the Area Median Income, or such other index selected by the County Executive.

- (c) The Maximum Control Prices for any WDUs may be adjusted to include the lesser of the current fair market value or the actual original cost of certain improvements made to the unit between the date of original sale and the date of resale. The value of such improvements shall be in accordance with the capital improvement policies as outlined in the For-Sale Covenants recorded on each WDU.
5. No increase in sales price is allowed for the payment of broker fees associated with the sale of the WDU, except as may be outlined in resale policies developed and updated periodically by DHCD.

B. After Expiration of the 30-Year Control Period.

1. For the sale of a WDU after the expiration of the 30-year control period under a single ownership, the FCRHA has the first right to purchase the WDU. The WDU owner must first provide DHCD with the Sale Notice. Within 45 days of DHCD’s receipt of the Sale Notice from a WDU owner, DHCD will respond to the owner in writing advising whether or not the FCRHA elects to purchase the WDU. If the FCRHA elects to purchase the subject WDU, then the FCHRA will provide the WDU owner with a purchase contract on a form approved by DHCD and subject to certain conditions, such as acceptable condition of title and acceptable physical and environmental conditions. An all-cash closing must occur within 120 days after DHCD’s receipt of the Sale Notice, provided all conditions of the purchase contract are satisfied.
2. In all instances, whether or not the FCRHA elects to purchase the WDU, one-half of the amount of the difference between the net sales price paid by the purchaser at such sale and the Maximum Control Price, pursuant to Section VIII.A.4 above, is to be contributed to the Fairfax County Housing Trust Fund as part of the disbursement of settlements proceeds. Notice of such Fairfax County Housing Trust Fund equity interest may be evidenced by a document recorded among the land records of Fairfax County, Virginia, encumbering any WDU. Net sales price must exclude closing costs such as title charges, transfer charges, recording charges,

commission fees, points, and similar charges related to the closing of the sale of the property paid by the seller. The final determination of the net sales price will be made by DHCD.

3. All amounts necessary to pay and satisfy any and all liens, judgments, deeds of trust, or other encumbrances on the WDU, other than the payment to the Fairfax County Housing Trust Fund, must be paid by the seller out of proceeds from such sale, as determined in accordance with this section, or must be paid otherwise by the seller. In no event may any such amounts required to be paid by the seller reduce the amount, as determined in accordance with this section, which is to be contributed to the Fairfax County Housing Trust Fund.
4. At the closing of the first sale of a WDU after the expiration of 30-year control period, the For-Sale WDU Covenant will be released from the WDU.

IX. Conversion of WDUs from Rental to Condominium

- A. If a building is initially built as a rental project and subsequently converts to a condominium, then:
 1. The development must provide for-sale WDUs in accordance with the for-sale guidelines set forth in this WDU Policy and the requirements of the applicable proffered conditions in terms of percentage of units and income tiers.
 2. The WDUs must be specifically identified by unit number as part of the recorded condominium declaration. In addition, a new For-Sale OA must be submitted to DHCD through the process described in Section V.A. For-Sale WDU Covenants must be recorded on each For-Sale WDU prior to sale.
 3. The initial sale of a condominium conversion WDU must be for a price no greater than the Maximum Sales Price.
 4. The rental tenant occupants of the WDUs subject to the condominium conversion must have the right to purchase the unit they occupy at the price up to the Maximum Sales Price.

5. The FCRHA shall have the right to purchase some or all of the WDUs that are not purchased by the then-current rental WDU tenants, pursuant to the terms of Section VII.6 above.

- B. For condominium conversion WDUs, regardless of the length of time the unit was offered as a rental WDU, the initial term of price control for the first sale of the unit after conversion must be for a period of 30 years from the date of the initial sale, per Section VI. Term of Price Control. Subsequent resale of such converted WDUs must be administered under the provisions of Section VIII above.

X. Occupancy Eligibility

A. For Sale Development.

1. Before an individual may purchase a WDU, he or she must obtain a Certificate of Qualification from DHCD, or their designee. Before issuing a Certificate of Qualification, the DHCD, or their designee, will make the determination that the applicant meets the criteria established by the DHCD for low- and moderate-income persons applicable to for-sale WDUs.

2. Except for circumstances specifically set forth in these Administrative Guidelines, it is a violation of these Administrative Guidelines for someone to sell a WDU to an individual who has not been issued a Certificate of Qualification by the DHCD, or its designee.

B. Rental Development.

1. Renters of WDUs must occupy the unit as their primary residence and must provide an executed affidavit on an annual basis certifying their continuing occupancy of the WDU. Renters must provide such affidavit to their landlords by the date specified in their lease or is otherwise be specified by the landlord. If the renter of a WDU fails to provide their landlord with an executed affidavit within 30 days of a written request for such affidavit, then the lease will automatically terminate, become null and void, and the renter will vacate the unit within 30 days of written notice from the landlord.

2. If a renter fails to occupy a WDU for a period in excess of 60 days, unless such failure is approved in writing by DHCD, then the lease will automatically terminate, become null and void and the renter will vacate the unit within 30 days of written notice from the landlord.
3. Designation of Replacement WDU.
 - a. If a WDU tenant no longer meets the WDU eligibility or occupancy requirements and the landlord or property owner at its discretion elects to allow the tenant to remain in the unit as a market-rate unit, the landlord must immediately designate an additional comparable unit as a WDU to be leased under the Administrative Guidelines requirements. In such an event, the landlord must notify the FCRHA of the proposed changes in the location of a WDU, on a form prescribed by DHCD, to be reviewed and approved by DHCD for continued compliance with the WDU Policy and these Administrative Guidelines.
 - b. If a landlord or property owner wants to redesignate a WDU for other tenant non-renewal reasons, the landlord or property owner must notify the FCRHA of the proposed changes in the location of a WDU, on a form prescribed by DHCD, to be reviewed and approved by DHCD for continued compliance with the WDU Policy and these Administrative Guidelines.
 - c. In either circumstance, DHCD does not approve a proposed redesignation, the landlord or property owner must propose an alternative comparable WDU until compliance with WDU Policy and these Administrative Guidelines is achieved.

XI. Reporting and Monitoring

- A. For-sale Developments. Purchasers of WDUs must provide an executed affidavit on an annual basis certifying their continuing occupancy of the units, as a form prescribed by DHCD. Owners of for-sale WDUs must forward such affidavit to the DHCD each year that they own the unit.
- B. Rental Developments.

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1. By the end of each month, the property owner, landlord, or their designee, of a development containing rental WDUs leased to individuals other than the FCRHA must provide DHCD with a statement signed by the property owner or their designee that certifies the following as of the first of such month (the “Compliance Certification”):
 - (a) The property name, address, the name of the ownership entity, and points of contact for the owner entity and property manager;
 - (b) The number of WDUs leased to the FCRHA by unit type and floor area;
 - (c) The number of vacant WDUs by unit type and floor area, other than those leased to the FCRHA; and,
 - (d) The number of WDUs leased directly to individuals and household. For each occupied unit, the statement must contain the following information:
 - (1) The unit address/number;
 - (2) Designated AMI level;
 - (3) Unit type by bedrooms, bathrooms, and floor area;
 - (4) Name of leaseholder(s) and household size;
 - (5) The effective date of the lease;
 - (6) The tenant’s household income as of the date of the eligibility qualification of the current lease term, as confirmed by the landlord or their designee;
 - (7) The current monthly rent; and,
 - (8) Any required and optional fees paid by the household to the landlord;
 - (e) That to the best of the owner’s information and knowledge, the tenants who are leasing WDUs at the time of the Compliance Certification meet the eligibility criteria established by the DHCD and are qualified to lease the WDUs.
 2. The property owner, landlord, or their designee will provide DHCD with copies of documentation related the Compliance Certificate detailing each new or revised annual tenant verification obtained from the renters of WDUs pursuant to Section XI.B.1 above.

XII. Financing Control and Foreclosure of WDUs

- A. The total amount of financing secured by an individual for-sale WDU must not exceed the owner's purchase price, as adjusted in accordance with these Administrative Guidelines.
- B. Refinancing of an individual for-sale WDU must not exceed the Maximum Control Price of the WDU at the time of refinancing. DHCD will issue a determination of the Maximum Control Price upon notice of intent to refinance.
- C. No sale, pledge of a security interest, foreclosure or other transfer of a WDU will affect the validity of the For-Sale Covenants or the Rental Covenants, except as set forth in these Administrative Guidelines.
- D. The For-Sale Covenant and the Rental Covenant must be senior to all instruments securing financing, and are binding upon all assignees, mortgagees, purchasers, and other successors in interest.
- E. In the event of foreclosure of a development comprised solely of rental multi-family dwelling units, where such development contains WDUs, the Rental Covenants must not be released.
- F. In the event of a foreclosure of an individual for sale WDU, the For-Sale Covenants recorded on that WDU may terminate upon a foreclosure by an institutional lender holding a first priority purchase money deed of trust on the subject for-sale WDU ("Eligible Lender") or upon the sale of the WDU by a trustee on behalf of the Eligible Lender to a bona fide purchaser for value at a foreclosure sale. All requirements set forth in these Administrative Guidelines, the applicable proffers, the covenants, and all other applicable regulations with respect to such foreclosure sale must be satisfied prior to the release of the For Sale Covenant. Such requirements include, but are not limited to, providing the FCRHA written notice of the foreclosure sale proposed and the FCRHA's right to acquire, as set forth in these Administrative Guidelines.
- G. Each Eligible Lender and any other lender secured by an interest in the WDU must provide written notice of a foreclosure to the FCRHA at least 90 days prior to the foreclosure sale. At any time during such 90-day period, the

FCRHA or its designee will have the right to acquire the WDU at or before any foreclosure sale. The FCRHA's purchase price will be the lesser of (i) the outstanding indebtedness on the WDU owed to the Eligible Lender, including principal, interest, and reasonable and customary fees (the "Outstanding First Trust Debt") or (ii) the amount of the owner's Maximum Control Price, as adjusted in accordance with Section VIII.A.4, and other reasonable and customary costs and expenses. No owner, prior owner, or other party, whether secured or not, will have any rights to compensation under such circumstances.

- H. If neither the FCRHA nor its designee exercises the right to acquire the WDU, and the WDU is sold for an amount greater than the Outstanding First Trust Debt, the remaining amount in excess of the Outstanding First Trust Debt must be paid to the Fairfax County Housing Trust Fund in Fairfax County as part of the disbursement of settlement proceeds."

Tracking Table by Section, 2021 Administrative Guidelines to the Proposed Revisions

Section of 2021 Administrative Guidelines	Section in Proposed Administrative Guidelines
Introduction	Introduction and Section I. Overview of Administrative Guidelines
Section 1. Integration and Dispersion	Section II Technical Requirements (Sects. II.A.1)
Section 2. Workforce Dwelling Unit Floor Area	Section II. Technical Requirements (Sect. II.C.1; II.B.1; II.B.4)
Section 3. Designation of Workforce Dwelling Units on Approved Plans	Section II. Technical Requirements (Sect. II.B.4; II.C.1-2; II.D; II.E
Section 4. Condominium Developments	
Section 4.A	Section II. Technical Requirements (Sects. II.A and II.C)
Section 4.B	Section IX. Conversion of WDUs from Rental to Condominium (Sect. IX.A)
Section 5. Limitations on Building Permits and Residential Use Permits.	Section II Technical Requirements (Sect. II.F) and Section V. Notice of Availability and Offering Agreement
Section 6. Workforce Dwelling Unit Specifications	Deleted; superseded by Section II. Technical Requirements
Section 7. Administration of For Sale Workforce Dwelling Unit	
Section 7.A	Introduction
Section 7.B	Section VII. Initial Sale/Rental and Right to Purchase/Rent, Initial Sale (Sect. VII.A.6) and Section V. Notice of Availability and Offering Agreement, For-Sale Developments, (Sect. V.A)

Sections 7.C through 7.E	Section VII. Initial Sale/Rental and Right to Purchase/Rent, Initial Sale, Right to Purchase (Sect. VII.A.6)
Sections 7.F through 7.H	Section III. Determination of Sales Price and Rent, Initial Developer Sales Price (Sects. III.A.1-3)
Section 8. Administration of Rental Workforce Dwelling Units	
Sections 8.A through 8.C	Introduction; Section V. Notice of Availability and Offering Agreement, Rental Developments, (Sect. V.B.1); Section VII. Initial Sale/Rental and Right to Purchase/Rent, Rental Developments, (Sect. VII.B)
Section 8.D	Section XI. Reporting and Monitoring, Rental Developments (Sect. XI.B)
Section 8.E and 8.F	Section III. Determination of Sales Price and Rent, Rental Pricing (Sect. III.B)
Section 9. Term of Price Control of WDUs	
Section 9.A and 9.B	Section VI. Term of Price Control and First Rider
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Section 10. Initial Sale and Re-sale of WDUs	
Section 10.A	Section VII. Initial Sale/Rental and Right to Purchase, Initial Sale (Sect. VII.A)
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Section 10.D	Section VIII. Resale of For-Sale WDUs, After Expiration of the 30-Year Control Period (Section VIII.B)

Section 11. Financing Control and Foreclosure of WDUs	Section XII. Financing Control and Foreclosure of WDUs
Section 12. Covenants and Deed Notifications	
Section 12.A, 12B, and 12D	Section IV. Declaration of Workforce Dwelling Unit Covenants and Notice of Workforce Dwelling Unit Proffer
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Sections 13.D and 13.G	Sections VII Initial Sale/Rental and Right to Purchase, Rental Developments (Sect. VII.B)