

Action Plan

Grantee: Fairfax County, VA

Grant: B-08-UN-51-0001

Grant Amount: \$ 2,807,300.00

Status: Reviewed and Approved

Funding Sources

No Funding Sources Found

Narratives

Areas of Greatest Need:

Fairfax County is a large, urban jurisdiction comprised of 400 square miles. The foreclosure problem is countywide. However, because of its size, foreclosures in Fairfax County do not appear to be as concentrated as in smaller jurisdictions. Nevertheless, the sheer number of foreclosures in the county — there are currently more than 1,700 foreclosed bank-owned properties — continues to pose a serious threat to the stability of Fairfax County's neighborhoods. About one-third, or 508, of the approximate 1,700 bank-owned foreclosed properties in the county are located in the specific sub-neighborhoods and subdivisions identified below; the rest are more dispersed throughout the county. In the first two quarters of calendar year 2008, there were 7,399 foreclosures which include default notices, auction sale notices and bank repossessions in Fairfax County, compared with 539 total foreclosures in 2006 and 4,527 in 2007. Through the end of August 2008, there were 2,117 properties still in foreclosure meaning they are the net number of properties currently owned by the lender. On average through August, properties that have been re-sold were generally in active foreclosure status for about four months. A high percentage of these foreclosures are clustered. Net foreclosures appear to be clustered in specific areas of Fairfax County, including Springfield, Annandale, Herndon, Centreville, Alexandria, Chantilly and Lorton. Fairfax County considers these seven areas to be of the greatest need. HERA calls for allocating funds "States and units of general local government with the greatest need, based on: (a) the number and percentage of home foreclosures; (b) the number and percentage of homes financed by a subprime mortgage; and (c) the number and percentage of homes in default or delinquency." The number of foreclosed properties was divided by the total number of residential properties to yield the foreclosure percentages. The first two areas of greatest need, are Herndon (zip code 20170) and Springfield (zip code 22150). In these areas there are 1.51 to 3.2% foreclosures. • For specific census tracts within Springfield and Herndon, 40-100% of the conventional home improvement loans that were mortgaged in 2004 were financed by subprime lenders. Second, 15 - 25% of the home purchase conventional loans were financed by subprime lenders. Last, 24.6 - 34% of the conventional loans refinanced in this area were done so by subprime lenders. The second greatest need areas (zip codes) include; the Fairfax County part of Alexandria (22309), Annandale (22003), Centreville (20120, 20121), Chantilly (20151), Lorton (22079) and Springfield (22151). In these areas there are 1.01 to 1.5% foreclosures. Some of the significant observations are highlighted as follows: • For specific census tracts within the Fairfax County area of Alexandria, 40-100% of the conventional home improvement loans that were mortgaged in 2004 were financed by subprime lenders. For specific census tracts within Annandale, Centreville, Chantilly, Lorton and Springfield, 28.6 — 40% of the conventional home improvement loans that were mortgaged in 2004 were financed by subprime lenders. For specific census tracts in Alexandria, Annandale, and Chantilly, 25 - 100% of the home purchase conventional loans were financed by subprime lenders. For certain census tracts in Alexandria, 24.6 - 34% of the conventional loans refinanced in this area were done so by subprime lenders. The third greatest need areas (zip codes) include; Reston (20194, 20191), Fairfax (22030), Falls Church (22042, 22044, 22041), Alexandria (22312, 22310, 22303, 22306), Springfield (22152, 22153), Burke (22015). In these areas there are .51 to 1.0% foreclosures.

Distribution and Uses of Funds:

On June 30, 2008, the Fairfax County Board of Supervisors approved a foreclosure program designed to address the current foreclosure problem and help stabilize impacted neighborhoods while increasing the opportunities for additional affordable workforce housing. The entire foreclosure strategy, which includes assistance to homeowners in distress, neighborhood preservation efforts, and the "Silver Lining Initiative" are described below. The Silver Lining Initiative is the primary means by which staff proposes to implement the federal Neighborhood Stabilization Program funds; this program will be known as "Silver Lining Plus". Fairfax County's Current Foreclosure Initiative: Homeowners in Distress: Foreclosure specialists from HCD and other county agencies and nonprofits are coordinating efforts with the Virginia Housing Development Authority (VHDA) to counsel households at risk of foreclosure in Fairfax County. Status: As of October 22, 2008, a total of 424 people had received foreclosure counseling. Neighborhood Preservation Efforts: To assist in maintaining home values in communities with foreclosed properties, the county plans two main approaches:

• Direct Strategic Purchase: FCRHA may purchase up to 10 foreclosed single-family houses or townhouses identified as abandoned, deteriorated or a destabilizing force on the neighborhood, per criteria adopted by the Board of Supervisors on August 4, 2008. Properties will be rehabilitated and resold to first-time homebuyers or a nonprofit organization. Status: None to date.

• Neighborhood Appearance and Safety: By using the existing Home Improvement Loan Program (HILP) for low-cost loans to current

homeowners, the county will assist homeowners in maintaining and preserving the appearance and safety of their neighborhoods. Silver Lining Initiative: Through the federally funded shared equity loan program, formerly known as Home Equity Loan Program (HELP), HCD is assisting first-time homebuyers to purchase a foreclosed home. The purchase price of the foreclosed home can not exceed \$417,000, and homes are limited to townhouses and single-family homes. Low-cost first mortgages through the VHDA's Sponsoring Partnerships and Revitalizing Communities (SPARC) program will be used for qualifying households. Six bank-owned, foreclosed properties purchased to date through HOME funds. NSP funds will be used to assist more first-time homebuyers to purchase additional units in areas of greatest need.

NSP Silver Lining Plus

The following are the methods to utilize federal NSP funds to be called the "Silver Lining Plus" Program:

First-time Homebuyers: Funds will be available as a financing mechanism for equity-shared second trusts for first-time homebuyers purchasing and/or rehabilitating foreclosed single family homes or townhouses in Fairfax County in areas of greatest need identified earlier.

Non-profit Organizations: Funds will be provided as financing mechanism to non-profits through no-interest, deferred loans to purchase and/or rehabilitate foreclosed properties for rental housing. Non-profit organizations may purchase any housing type, including condominiums, for use as rental properties to households that have incomes strictly at or below 50 percent AMI. Funds will be available through a rolling application process and applications must outlay acquisition of property within the areas of greatest need as determined by the County as identified earlier. The Silver Lining Plus Program offers an opportunity to address several priorities of the County. High priority will be given to projects which serve housing for persons with disabilities and special needs, Housing First, or workforce housing. Only non-profits will be able to purchase condominiums, which are lower in price than of single family homes or townhouses. The maximum loan amount is higher for condominiums than of townhouses and equal to that of single family homes. This way HCD is able to ensure the feasibility of non-profits serving a lower income group. All non-profits participating in the Silver Lining Plus program will be asked to submit qualifications that will demonstrate their ability to provide decent, safe and affordable housing within timing and budget. There will be specific criteria for qualifying non-profits including:

- To be an approved 501 c(3) organization
- Must have a successful track record in owning and managing real estate
- Must be in sound financial condition, as determined by the county.

Definitions and Descriptions:

Low Income Targeting:

All non-profit acquisitions will serve low and extremely low-income individuals and households. Approximately 67% of Fairfax County's grant amount will serve low income households and families

Acquisition and Relocation:

Acquisitions will occur in all targeted areas within Fairfax County.

Public Comment:

The NSP Action Plan Amendment was made available to the public for review and comment October 31, 2008 through November 15, 2008.

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
9999	Restricted Balance	<i>No activities in this project</i>	
Admin-014311	Administration	Admin-014311-HE034	Administration
FM-HB-014311	Financing Mechanism Homebuyer	FM-HB-014311-HE234	Silver Lining Second Trusts
FM-NP-014311-1162.358	Financing Mechanism Non Profit	FM-NP-014311-HE134-	Reston Interfaith Housing Corporation
		FM-NP-014311-HE134-	Homestretch Inc
		FM-NP-014311-HE134-	Christian Relief Services of Virginia
		FM-NP-014311-HE134-	New Hope Housing
		FM-NP-014311-HE134-	Pathway Homes, Inc.

Activities

Grantee Activity Number: Admin-014311-HE034
Activity Title: Administration

Activity Type:

Administration

Activity Status:

Under Way

Project Number:

Admin-014311

Project Title:

Administration

Projected Start Date:

03/03/2009

Projected End Date:

04/30/2011

National Objective:

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

Total Budget, Program Funds:

\$ 280,730.00

Other Funds Total:

\$ 0.00

Environmental Assessment:

Total Funds Amount:

\$ 280,730.00

Benefit Report Type:

NA

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Fairfax County Department of Housing and Community Development

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
Fairfax County Department of Housing and Community Development	Local Government	\$ 280,730.00

Location Description:

Administration activity to be conducted primarily at the Fairfax County Department of Housing and Community Development, 3700 Pender Drive, Fairfax, VA.

Activity Description:

Funds will be allocated towards funding for the general administration of the County's NSP funded programs and projects. Funding provides for administration of housing and community development programs and projects; required local, state, and federal reports and preparation of documents; provision of technical assistance; financial management; and administrative and professional support of various citizen participation processes.

Grantee Activity Number: FM-HB-014311-HE234
Activity Title: Silver Lining Second Trusts

Activity Type:
 Homeownership Assistance to low- and moderate-income

Activity Status:
 Under Way

Project Number:
 FM-HB-014311

Project Title:
 Financing Mechanism Homebuyer

Projected Start Date:
 07/01/2009

Projected End Date:
 12/30/2010

National Objective:
 LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Total Budget, Program Funds: \$ 624,884.00

Other Funds Total: \$ 0.00

Environmental Assessment:
 COMPLETED

Total Funds Amount: \$ 624,884.00

Benefit Report Type:
 Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Owner Households	10		10	100.00
# of Households	10		10	100.00

Proposed Accomplishments	Total
# of Singlefamily Units	10
# of Housing Units	10

Activity is being carried out by Grantee:
 No

Activity is being carried out through:

Organization carrying out Activity:
 Fairfax County Department of Housing and Community Development

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
Fairfax County Department of Housing and Community Development	Local Government	\$ 624,884.00

Location Description:
 Fairfax County Department of Housing and Community Development, 3700 Pender Drive, Ste. 300 Fairfax, VA 22030

Activity Description:
 Funds will be available for equity-shared second trusts for first-time homebuyers purchasing foreclosed single family homes or townhouses in Fairfax County. The shared equity loan will include closing and downpayment costs. A 30-year affordability period will be applied to the note. The principle loan amount and FCRHA equity share is forgiven after 30 years.

Grantee Activity Number: FM-NP-014311-HE134-1185.01315-RIHC
Activity Title: Reston Interfaith Housing Corporation

Activity Type:

Acquisition - general

Activity Status:

Under Way

Project Number:

FM-NP-014311-1162.358

Project Title:

Financing Mechanism Non Profit

Projected Start Date:

07/01/2009

Projected End Date:

04/30/2011

National Objective:

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Total Budget, Program Funds:

\$ 461,690.00

Other Funds Total:

\$ 0.00

Environmental Assessment:

COMPLETED

Total Funds Amount:

\$ 461,690.00

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

Renter Households

Total

Low

Mod

Low/Mod%

3

3

100.00

of Households

3

3

100.00

Proposed Accomplishments

of Singlefamily Units

Total

3

of Housing Units

3

of Parcels acquired voluntarily

of Parcels acquired by condemnation

of buildings (non-residential)

of Properties

3

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Reston Interfaith Housing Corporation

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Reston Interfaith Housing Corporation

Organization Type

Non-Profit

Proposed

\$ 228,600.00

Location Description:

11150 Sunset Hills Road, Ste 210 Reston, VA 20190

Activity Description:

Funds will be used as a financing mechanism to assist RIHC in acquiring three, 3-bedroom, foreclosed townhomes within the designated targeted areas to serve three very low-income (50% or less of AMI) families as tenants. Funds will be made available by way of equity-share, deferred second trust loans.

Grantee Activity Number: FM-NP-014311-HE134-1185.0172-HS/Homestretch
Activity Title: Homestretch Inc

Activity Type:

Acquisition - general

Activity Status:

Under Way

Project Number:

FM-NP-014311-1162.358

Project Title:

Financing Mechanism Non Profit

Projected Start Date:

03/01/2010

Projected End Date:

04/30/2011

National Objective:

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Total Budget, Program Funds:

\$ 109,370.00

Other Funds Total:

\$ 0.00

Environmental Assessment:

COMPLETED

Total Funds Amount:

\$ 109,370.00

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Renter Households	1	1		100.00
# of Households	1	1		100.00

Proposed Accomplishments

	Total
# of Singlefamily Units	1
# of Housing Units	1
# of Properties	1

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Homestretch Inc.

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
Homestretch Inc.	Non-Profit	\$ 109,370.00

Location Description:

Homestretch is located at 370 S Washington, Street, Ste 400 in the Falls Church area of Northern Virginia. They will be purchasing a unit within Fairfax County in Annandale.

Activity Description:

Funds will be used as a financing mechanism for Homestretch to acquire a two beddrom, one bath condominium unit in the Heritage Woods development located at 7729 Donnybrook Court in Annandale. This unit will provide permanent , affordable housing for one very low income family at or below 30% AMI.

Grantee Activity Number: FM-NP-014311-HE134-1185.0202-CRSVA
Activity Title: Christian Relief Services of Virginia

Activity Type:

Acquisition - general

Activity Status:

Under Way

Project Number:

FM-NP-014311-1162.358

Project Title:

Financing Mechanism Non Profit

Projected Start Date:

07/01/2009

Projected End Date:

04/30/2011

National Objective:

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Total Budget, Program Funds:

\$ 203,534.00

Other Funds Total:

\$ 0.00

Environmental Assessment:

UNDERWAY

Total Funds Amount:

\$ 203,534.00

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

Renter Households

	Total	Low	Mod	Low/Mod%
# Renter Households	4	4		100.00
# of Households	4	4		100.00

of Households

Proposed Accomplishments

of Singlefamily Units

Total

2

of Housing Units

2

of Parcels acquired by condemnation

of buildings (non-residential)

of Properties

2

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Christian Relief Services of Virginia

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Christian Relief Services of Virginia

Organization Type

Non-Profit

Proposed

\$ 203,534.00

Location Description:

2550 Huntington Avenue, Ste 200 Alexandria, VA 22303

Activity Description:

Funds will be used as a financing mechanism to help CRSVA acquire two foreclosed single family homes within the designated targeted areas within Fairfax County to serve 8 extremely low and very low-income (30% and 50% or less of AMI) individuals with disabilities as tenants. Loans will be made in the form of deferred, no interest, equity share, second trust loans.

Grantee Activity Number: FM-NP-014311-HE134-1185.033-NH/New Hope Housing
Activity Title: New Hope Housing

Activity Type: Acquisition - general
Activity Status: Under Way

Project Number: FM-NP-014311-1162.358
Project Title: Financing Mechanism Non Profit

Projected Start Date: 07/01/2009
Projected End Date: 04/30/2011

National Objective: LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.
Total Budget, Program Funds: \$ 161,288.00
Other Funds Total: \$ 0.00
Total Funds Amount: \$ 161,288.00

Environmental Assessment: UNDERWAY

Benefit Report Type: Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households	2	2		100.00
# of Households	2	2		100.00

Proposed Accomplishments	Total
# of Singlefamily Units	2
# of Housing Units	2
# of Properties	2

Activity is being carried out by Grantee: No
Activity is being carried out through:
Organization carrying out Activity: New Hope Housing, Inc.

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
New Hope Housing, Inc.	Non-Profit	\$ 161,288.00

Location Description:
 New Hope has a 29 year history of operating programs and services for homeless persons Northern Virginia and is the oldest provider of shelter programs in Fairfax County, having opened the County's first homeless shelter in 1978. Since that time, New Hope has grown in the range and size of the programs and services that it offers, currently including the following:

- Three Supportive Housing Programs – Milestones, Max's Place and Housing first for Homeless Men;
- Six Shelter Programs – Mondloch House I, Mondloch Housing II Family Shelter, Eleanor U. Kennedy Shelter, Kennedy Overflow Unit, Falls Church Winter Shelter, and Ventures in Community – Hypothermia Outreach Program;
- Six Transitional Housing Programs – Turning Point I & II, RISE, STRIDE and Stepping Out I & II; and
- Supportive Services for Residents – individualized case management, child services, mental health & ADS services, a comprehensive Education & Employment Resource Center, life skills classes, recreation & cultural activities, and community referral network.

With NSP funds New Hopw will acquire 2 units located in the south area of Fairfax County:
3118 Brosar Court, Alexandria, VA 22306
and
8216 Claremont Woods, Alexandria, VA 22309

Activity Description:

New Hope Housing will acquire two unit located on the south area of Fairfax County. These units will provide long-term supportive rental housing for extremely low income homeless or at-risk families where one or more members may have a disability.

Grantee Activity Number: FM-NP-014311-HE134-1185.0421-PW
Activity Title: Pathway Homes, Inc.

Activity Type:

Acquisition - general

Activity Status:

Under Way

Project Number:

FM-NP-014311-1162.358

Project Title:

Financing Mechanism Non Profit

Projected Start Date:

07/01/2009

Projected End Date:

04/30/2011

National Objective:

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Total Budget, Program Funds:

\$ 965,804.00

Other Funds Total:

\$ 0.00

Environmental Assessment:

COMPLETED

Total Funds Amount:

\$ 965,804.00

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

Renter Households

	Total	Low	Mod	Low/Mod%
# Renter Households	16	16		100.00
# of Households	16	16		100.00

of Households

Proposed Accomplishments

of Singlefamily Units

Total

5

of Housing Units

5

of Parcels acquired by condemnation

of buildings (non-residential)

of Properties

5

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Pathway Homes, Inc.

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Pathway Homes, Inc.

Organization Type

Non-Profit

Proposed

\$ 965,804.00

Location Description:

10201 Fairfax Boulevard, Ste. 200 Fairfax VA 22030-2209

Activity Description:

Funds will be used as a financing mechanism to acquire five foreclosed, 3-bedroom units including one condominiums, one townhouses, and three single family home within the designated targeted areas within Farifax County to serve as group homes for 16 low-income (50% or less of AMI) adults with serious mental illness and/or co-occurring disorders. Funds will be made in the form of deferred, no interest, equity share, second trust loans.

Action Plan Comments:

- Reviewer - Grantee updated the Action Plan to ensure that Direct Benefit Data (including Tenure, SF/MF structure, and performance measures) is correct and up to date per HQs request.
- Reviewer - 8/20/10 - The following are the major modifications to the NSP Action Plan:
The County reduced the budget for Homeownership from 1,526,570 to \$624,884 to allow additional funding to be allocated to non-profits for low income, supportive housing .
Allocated the \$113,699 from the bucket project to a non-profit, New Hope Housing, and in addition awarded them \$47,589 to give them a total of \$161,288
Awarded an additional \$511,637 to Pathway Homes
Awarded an additional \$233,090 to Reston Interfaith Housing Corporation
Awarded \$109,370 to Homestretch
- In regards to notifying the public, the County researched the Consolidated Plan regulations and reviewed its Citizen Participation Plan and determined that since they were not deleting a project nor changing the scope of the activity that the amendment did not require public notification.

Action Plan History

Version

B-08-UN-51-0001 AP#1

Date

07/13/2009