



## Housing Fund

The Housing Fund, managed by the Department of Housing and Community Development, is used to account for monies provided by private donors and other sources which are restricted to use for affordable housing in the County. The County of Loudoun Housing Trust, established in August 1997 for the purpose of promoting and funding affordable housing in Loudoun County is one of the largest components of the Housing Fund.

The Housing Trust Agreement, last revised in July 2017, identifies the permitted sources and uses for the Trust which is targeted to households with incomes between 30 and 70 percent of Area Median Income (AMI). Sources (revenues) include cash proceeds received as the result of a fair market value sale of an Affordable Dwelling Unit (ADU) in accordance with Chapter 1450 of the Loudoun County Codified Ordinances, cash contributions paid by developers as consideration for ADU Program modifications granted by the Board of Supervisors (Board) pursuant to Article 7 of the Zoning Ordinance, cash received from any source for the purpose of furthering the provision of ADUs in Loudoun County, and any other funds designated by the Board for the Trust. Expenditures (uses) involve a variety of County programs and initiatives including the Down Payment and Closing Cost Assistance Program, the Public Employee Grants for Homeownership Program, the ADU Foreclosure Purchase Program, the ADU Purchase Program, and loans to help finance the development of affordable housing units in excess of the number of units required by Article 7 of the Zoning Ordinance as long as these programs meet the income eligibility requirements established by the Zoning Ordinance. In FY 2022, the County created the Rental Housing Acquisition and Preservation Loan Program. This program is part of the Housing Fund and not funded through the Housing Trust.

The FY 2024 Proposed Budget includes \$6.469 million (equivalent to one-half cent of the real property tax rate) in anticipated local tax revenue transferred from the General Fund, dedicated to any affordable housing needs in alignment with the Unmet Housing Needs Strategic Plan (UHNSP), to the Housing Fund.<sup>1</sup>

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<sup>1</sup> [September 8, 2021, Unmet Housing Needs Strategic Plan.](#)

**Housing Fund****Revenues, Expenditures, and Changes in Fund Balance<sup>1</sup>**

	FY 2021 Actual <sup>2</sup>	FY 2022 Actual <sup>3</sup>	FY 2023 Adopted	FY 2024 Proposed	FY 2025 Projected
<b>Beginning Fund Balance</b>	<b>\$42,373,775</b>	<b>\$50,200,615</b>	<b>\$62,563,251</b>	<b>\$68,763,251</b>	<b>\$79,232,251</b>
<b>Revenues</b>					
Use of Money and Property	\$280,363	\$366,178	\$0	\$0	\$0
Miscellaneous Revenue	7,667,399	5,826,026	5,000,000	5,000,000	5,000,000
Recovered Costs	667	347	0	0	0
Transfer from Public Facilities Fund	2,000	1,223,161	0	0	
Transfer from General Fund	0	5,000,000	2,200,000	6,469,000	6,469,000
<b>Total – Revenues</b>	<b>\$7,950,430</b>	<b>\$12,415,712</b>	<b>\$7,200,000</b>	<b>\$11,469,000</b>	<b>\$11,469,000</b>
<b>Expenditures</b>					
Operating and Maintenance <sup>4</sup>	\$123,589	\$53,076	\$1,000,000	\$1,000,000	\$1,000,000
<b>Total – Expenditures</b>	<b>\$123,589</b>	<b>\$53,076</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>
<b>Estimated Ending Fund Balance</b>	<b>\$50,200,615</b>	<b>\$62,563,251</b>	<b>\$68,763,251</b>	<b>\$79,232,251</b>	<b>\$89,701,251</b>
Percent Change	18%	25%	10%	15%	13%
<b>Unavailable Fund Balance<sup>5</sup></b>	<b>\$22,835,000</b>	<b>\$25,370,000</b>	<b>\$31,382,311</b>	<b>\$41,882,311</b>	<b>\$52,382,311</b>
<b>Available Fund Balance</b>	<b>\$27,365,615</b>	<b>\$37,193,251</b>	<b>\$37,380,940</b>	<b>\$37,349,940</b>	<b>\$37,318,940</b>

The FY 2024 Proposed Budget for the Housing Fund includes dedicated funding for affordable housing programs of \$6.469 million. This is shown in the table above as a transfer from the General Fund. Dedicating local tax funding to affordability housing programming is a key action identified in the UHNSP.<sup>6</sup>

**Affordable Multi-Family Housing Loan Program<sup>7</sup>**

On July 3, 2018, the Board adopted (8-0-1, Buffington absent) the Affordable Multi-Family Housing Loan Program Guidelines with the primary goal of making loans to developers of affordable multi-family apartments who are also seeking financing through Virginia Housing (VH) for Low-Income Housing Tax Credits (LIHTCs) or the United States Department of Housing and Urban Development's (HUD) Federal Housing Administration 221(d) (4) Affordable programs.<sup>8</sup> Loans from

<sup>1</sup> Sums may not equal due to rounding.

<sup>2</sup> Source: Loudoun County FY 2021 Annual Comprehensive Financial Report (ACFR).

<sup>3</sup> Source: Loudoun County FY 2022 ACFR.

<sup>4</sup> The County's loan awards for affordable housing loan programs are not expenditures but reduce Available Fund Balance.

<sup>5</sup> Unavailable Fund Balance actuals represents loans to developers that have been approved by the Board. Unavailable Fund Balance for current and future fiscal years estimates awards for the County's affordable housing loan programs based on analysis of previous fiscal years and anticipated applications.

<sup>6</sup> September 8, 2021, Unmet Housing Needs Strategic Plan.

<sup>7</sup> [More information on the Affordable Multi-Family Housing Loan Program and guidelines is available on the County website.](#)

<sup>8</sup> July 3, 2018, Affordable Multi-Family Housing Loan Program.



## Housing Fund

the County are used to help bridge the funding gap for the development of below-market multi-family rental developments. A summary of the Affordable Multi-Family Housing Loan program projects along with the amount of the application for each is provided below. Actual amounts disbursed could vary based on actions taken by the Board.

Project	Application Amount	Fiscal Year
Heronview <sup>1</sup>	\$1,100,000	FY 2017
Stone Springs	3,000,000	FY 2018
Ashburn Chase	2,460,000	FY 2018
Poland Hill	1,800,000	FY 2019
Loudoun View Senior Living	5,975,000	FY 2019
Tuscarora Crossing Phase I	5,850,000	FY 2020
Tuscarora Crossing Phase II	4,500,000	FY 2021
Waxpool Apartments	2,535,000	FY 2022
Avonlea Senior Apartments <sup>2</sup>	6,012,311	FY 2023

### Rental Housing Acquisition and Preservation Loan Program<sup>3</sup>

At the January 4, 2022, Business Meeting, the Board approved (9-0) \$5 million in FY 2021 Fund Balance to establish the Rental Housing Acquisition and Preservation Loan (RHAP) program.<sup>4</sup> At the January 18, 2022, Business Meeting, the Board approved the RHAP program guidelines.<sup>5</sup> While the use of fund balance established RHAP, the program will require additional resources in future years. For FY 2024, staff recommends dedicating the majority of the approximately \$6.5 million (equivalent of one-half cent of the real property tax rate) to the RHAP program.

## Policies

There are no policies in place for the Housing Fund as a whole; however, the County of Loudoun Housing Trust – a component of the Housing Fund – is regulated by the Trust Agreement. The Housing Trust Agreement was last amended in July 2017 to authorize loans from the Trust to be used to help finance affordable housing units, to establish the minimum requirements for affordable housing units, and to update the recital and make other non-substantive clarifying edits to the twenty-year old trust. These changes also align the Housing Trust Agreement with the amendments to Article 7 of the Zoning Ordinance that allow for affordable housing units to be substituted for ADUs when a project verifies that it is financed with either the LIHTC Program or HUD 221 (d) 4 Affordable Program. Substituting affordable housing units that are funded either with LIHTC or HUD 221 (d) 4 Affordable Program supersedes the 30 percent AMI lower end of income limits.

<sup>1</sup> The Heronview project was similar to other Affordable Multi-Family Housing Loan Program projects but was not funded out of the Housing Trust. The project was funded through non-ADU proffered funds.

<sup>2</sup> The FY 2023 Avonlea Senior Apartments application is scheduled for consideration by the Board on February 15, 2023.

<sup>3</sup> [More information on the RHAP Program and guidelines is available on the County website.](#)

<sup>4</sup> [January 4, 2022, Business Meeting, Item 4a, Uses of FY 2021 General Fund Balance.](#)

<sup>5</sup> [January 18, 2022, Business Meeting, Item 20d, Rental Housing Acquisition and Preservation Loan Program Guidelines.](#)