Prince William County Affordable Housing Fund Policies and Guidelines

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Policies and Guidelines

Purpose

The establishment of an Affordable Housing Fund ("AHF") and an Affordable Dwelling Unit ("AfDU") program are identified as key implementation steps for the housing policies adopted by the Prince William Board of County Supervisors as part of "Pathway to 2040: the Prince William County Comprehensive Plan" ("Comprehensive Plan") on December 13, 2022. The AHF also supports meeting the Quality-of-Life Goal in the County new Strategic Plan. The Board of County Supervisors approved the Affordable Housing Fund Policies and Guidelines on December 2, 2025, Res. 25-628.

The purpose of the AHF is to provide flexible gap financing to development projects that will increase the supply and/or preserve affordable housing units in Prince William County by encouraging private investment to address the critical affordable housing needs of County residents and the workforce. Affordable housing is defined as "housing in which the cost of rent and utilities or mortgage principal, interest, insurance, and taxes, do not exceed 30% of a household's gross income." The AHF's primary purpose is to create and promote both affordable rental and home ownership opportunities for households with incomes at or below 80% of the Area Median Income (AMI) As defined by the U.S. Department of Housing and Urban Development (HUD) for the Washington-Arlington-Alexandria, DC-VA-MD Metropolitan Statistical Area and adjusted annually.

RKG Inc.'s 2021 Prince William County Housing Affordability Analysis and the adopted 2020-2024 Consolidated Housing and Community Development Plan identify that the greatest housing need in the County is for households that earn 50% of the AMI and below, identifying a deficit for both homeownership and rental units affordable to this income category. These AHF Policies and Guidelines ("Guidelines") are established to guide the processing and approval of loans for affordable housing projects that address this greatest housing need.

The AHF is funded through annual General Fund appropriations made by the Prince William Board of County Supervisors, subject to funds availability, and such other sources of revenue as the Prince William Board of County Supervisors may appropriate and/or receive from time to time. Loans are intended to aid developers with gap financing, not to pay the entire cost of project development. A leverage of 1:5 or higher is required. The AHF is not intended to replace locally allocated federal or state program funds but is meant to augment federal, state, private, and other funding sources.

In addition to loans, the County may offer other non-cash County services or benefits, including but not limited to the donation of public land or buildings or the reduction in County fees and requirements consistent with applicable law.

Use of Loans

The AHF will aid in meeting the housing needs of very low-income (households with incomes that do not exceed 50% AMI) and low-income (households with incomes that do not exceed 80% AMI) by providing loans to non-profit and for-profit housing developers and organizations for the acquisition, construction capital, and other related costs necessary for the creation of affordable rental and owner-occupied housing.

The AHF may provide loans to assist in funding the following types of projects:

1) Multi-family affordable rental housing units in the County developed pursuant to federal and state programs such as the Virginia Low Income Housing Tax Credit ("LIHTC").
2) Acquisition of naturally occurring below-market affordable housing to preserve existing affordable housing units.
3) Acquisition of affordable rental housing in danger of being converted to market rate.

The AHF may also provide loan assistance to fund the construction, rehabilitation, and preservation of housing in the County. The following are eligible uses of the loans:

- Construction of affordable units. Construction refers to the development of new housing structures.
- Rehabilitation/renovation of affordable units. Rehabilitation/renovation is defined as major repairs, improvements, replacements, alterations, and additions to existing properties, and the labor, materials, tools, and other costs of improving buildings, other than minor or routine repairs and maintenance. Loans may be provided for renovation and include adaptive reuse and use conversion from non-residential to residential.
- Real estate acquisition is directly linked to construction, or rehabilitation of rental and/or homeownership affordable units.
- Purchase of foreclosed housing and low-cost housing units.

Future Consideration for Uses of the AHF Funding:

- Through a certified Land Trust, implement a land banking strategy designed to build a sustainable fund over the next 5-10 years.
- Shared equity program/third party purchase of foreclosed housing and low-cost housing units
- Consideration of rent buydown/rental assistance program

Non-Eligible Loan Uses:

The AHF may **not** be used to finance the following noneligible items:

- Operating expenses
- Social Services
- Project reserves, except if required by Virginia Housing or HUD
- Hard or soft cost contingencies
- Developer fees
- Builder's profit
- Syndication related costs
- Construction management fees
- Development/financing consultant fees or fees for other non-development related services, including funding guarantee or reserve accounts required by lenders or investors.
- Units for rent or sale at market rate or communal space.
- Financing fees

Loan applications for a mixed income project (projects that include rental units to benefit households with incomes higher than 60% AMI) or a mixed-use project may be considered as long as the loan applicant demonstrates in the loan application materials (particularly the development and operating budgets) that any resource from the AHF will only be allocated toward costs associated with affordable housing uses and units eligible to be funded by the AHF and is consistent in design with the provisions of the AfDU Ordinance when applicable.

Mixed Income/Mixed Use Developments:

A mixed income proposal means a project that provides both affordable housing and market rate units for rent or sale. Mixed-use development refers to a real estate project that combines different types of uses, such as residential and commercial, within the same building or development area. Market rate non-eligible units and uses must be identified in the loan application but shall be segregated out of the budget. The sources side of the budget must show what portion of each source is allocated to eligible and ineligible uses. The budget in the loan application must show the following eligible uses (line by line, and total); ineligible uses (line by line, and total); total uses; sources allocated to eligible uses; sources allocated to ineligible uses; and total sources. In summary, the loan applicant must be able to show that the portion of the building that is ineligible for financing from the AHF can be financed without the County's assistance. A loan applicant cannot divert resources generated by income from eligible uses or eligible cost basis to finance ineligible costs or expenses, thereby creating a larger funding gap.

For affordable housing development that will be part of a larger market-rate residential or mixed-use community project, the affordable housing development must be integrated into the larger community with connecting sidewalks, trails, etc. If the project proposes common amenities for the larger community, such amenities shall be available to the residents of the affordable housing development at no additional cost to such residents. Additionally, no physical barriers or divisions shall separate the common areas of the affordable housing development from the common areas in the larger community.

Eligible Loan Applicants

Eligible loan applicants include non-profit and for-profit affordable housing developers that propose to provide affordable housing within the County. The units may be homeownership or rental housing and must be in Prince William County. All applicants must have demonstrated capacity and experience developing products like that proposed, and with an acceptable credit history.

Funding Availability

The AHF is funded by appropriations from the Prince William Board of County Supervisors. The AHF is available to developers of affordable housing through an annual competitive loan application process. Every year, not later than July 1, the Office of Housing and Community Development ("OHCD") will publish on the County's website, a Notice of Funding Availability ("NOFA") disclosing the loan application schedule for the same year and any other requirements specific to that year.

To be considered, complete loan applications must be submitted by 5:00 pm EDT 60 calendar days following the advertised NOFA. OHCD staff will review applications for completeness. The Review Team will review and score complete applications and make recommendations to the Housing Board for endorsement. The Housing Board endorsement will be sent to the Prince William Board of County Supervisors for a final funding decision. The Board intends to make loan funding decisions not later than the regular business meeting in February of the following calendar year to work in conjunction with the timing requirements of LIHTC applications, a likely source of leverage funding for AHF loan applicants. In addition, and depending on funding availability from the AHF, for developments pursuing 4% LIHTCs only, not hybrids, the loan application may be submitted at any time. Applicants should allow four months for the review of 4% LIHTC, not hybrid, loan applications.

Resources in the AHF are derived from budget allocations as approved, budgeted, and appropriated by the Prince William Board of County Supervisors. All AHF funding is subject to Board of County Supervisors' budget and appropriation and nothing in these Policies and Guidelines obligates the Board of County Supervisors to budget and appropriate any AHF funding, including regarding any specific application. The Prince William Board of County Supervisors' objective is to provide the greatest affordable housing benefit to the public and maximize the utilization of AHF resources while preserving it as a funding source. Noncommitted AHF available resources may be withdrawn at the Prince William Board of County Supervisors' discretion. In the event that a fully funded applicant does not go through with the project resulting, which would result in unused funds, additional funding may be allocated to other partially funded projects within the same funding period. In this case, the applicant receiving additional funds does not have to re-apply for the program. For projects to be developed pursuant to federal and state programs, the County will commit to loans from the AHF contingent upon the loan applicant obtaining the other federal and state programs' approvals, as applicable.

Loan Application Review Criteria

The AHF is available to eligible applicants through a competitive loan application process. Funding decisions will be made based on the merits of each loan application as graded in accordance with the AHF Guidelines scoring criteria outlined in this document, terms contained in the NOFA, and the availability of resources in the AHF. The AHF will be administered by the OHCD. OHCD is responsible for developing the policies and guidelines necessary to implement the AHF as initially approved by the Prince William Board of County Supervisors. Loans may be approved for less than the full amount requested in the loan application, and if multiple projects apply for loan program funds, project scores will be used to compare projects. A complete application does not guarantee loan approval, regardless of whether there are multiple applications for limited loan funds. Highest consideration will be given to loan applications that demonstrate, based on information provided in the loan application, that the project will rehabilitate, construct and/or preserve the greatest number and highest quality affordable units to serve County households at the greatest need in the most economically sustainable way and comply with all applicable federal, state, and County laws, codes, regulations, ordinances, and requirements, including, but not limited to the AfDU Ordinance.

Gap Financing

The County serves as a gap lender. Loan applicants must demonstrate that they are seeking and will continue to seek other financing sources in their loan application and provide support of such. The amount of the loan cannot be higher than the minimum amount necessary to make the affordable project feasible. The gap financing will be calculated as the difference between the total financing available for the affordable housing project, including the equity investment, and the total development costs of the same affordable housing project. The applicant shall structure the loan request to maximize the long-term affordability and sustainability of the affordable housing project receiving assistance from the County, as well as to encourage opportunities that include participation from other public and private funding sources. A priority for the County in awarding the competitive loan is the ability of the developer to leverage the County's funds to secure private investment and other federal, state, and local sources of financing.

Rent and Sales Price Restrictions

Borrowers agree to an affordability compliance period, which shall last no less than 15 years or more than 50 years, or until the loan is fully repaid, whichever comes later. The affordability compliance period shall commence upon the date the final certificate of occupancy for the residential unit(s) is issued. The borrower shall agree to these conditions in a deed of declaration of restrictive covenants for the benefit of the County filled with the Prince William County Circuit Court Clerk's Office. The project shall include the following affordability restrictions, at a minimum:

- For home ownership and for rental projects, income limits will be based upon the HUD Washington-Arlington-Alexandria-DC-VA-MD Metropolitan Statistical Area income determination, adjusted annually, based upon household size.
- For rental projects, the monthly rent of the affordable rental units will be restricted in accordance with rent limitations and eligibility requirements imposed by federal or state programs used to leverage the AHF loan as applicable, or where not applicable, maximum rental rates for affordable rentals will be established by the Prince William County maximum allowed rental rates guidelines.

Please review **Attachment C** for illustration of how the sales price and the rents will be determined.

Loan Application Package

The loan application is required to be provided to the OHCD as a complete loan application package by 5:00 pm EDT 60 calendar days following the advertised NOFA or as noted in the advertised NOFA. Developers pursuing 4% LIHTCs may submit their applications at any time. Approval will be subject to AHF funding availability. Developers pursuing.hybrid and 9% LIHTCs should adhere to the 60-day application deadline.

The loan application package shall contain any material documents, records, or other information deemed necessary by the loan applicant for the County staff to review and grade the loan application. The loan application package must contain the components listed in the Application Requirements.

If not available at the time of submission of the loan application package, an appraisal of the proposed site shall be required in advance of the Prince William Board of County Supervisors acting on the loan and as a condition of loan approval. The appraisal of the proposed site (not older than one year) should contain “as-is” or “as-built” or “as completed,” as applicable if vacant or built, and “as-built or as-completed with restricted rent and income “and “as-built or as-completed and unrestricted income” valuations.

At a minimum, the following items must be estimated in the loan application and managed throughout the life of the loan, if approved, in accordance with the requirements of other federal and state programs used to finance the project. In addition to such minimum requirements, other requirements requested by the primary lender and accepted by the loan applicant will also apply to the following items:

- Operating reserves,
- Contingency amount,
- Developer fees and other fees in the development budget,
- Operating expenses,
- Reserve for **c**apital replacement,
- Vacancy rate, and
- Minimum design and construction requirements.

The obligation of the loan applicant to provide documents, records, or other information requested by the OHCD for the County to review the application continues throughout the loan application review process. The loan applicant is required to provide documents, records, or other information relevant and material to the loan throughout the closing of the loan monitoring phases and the affordability compliance period, as requested by the County. The above referenced documents include but are not limited to final commitment letters from all funding sources, updated income/expenses, uses/sources, pro-forma, fee simple site control documentation, and updated partnership/membership agreements of ownership entity, among others. Applicants shall provide updated and current budgets, sources and uses, and pro-forma through the time of loan approval and loan closing.

Construction or Rehabilitation/Renovation Costs and Acquisition Price

The construction or rehabilitation/renovation costs of the project to be partially funded with the loan must be within a reasonable range for the proposed scope of work. Construction or rehabilitation/renovation costs include all work, including site acquisition and development associated with the physical development of the project. The construction contingency should be factored when calculating the construction or rehabilitation/renovation costs of the project and shall be itemized in the budget. Contingencies greater than 10% of the construction budget must be explained.

For projects that involve acquisition of real property and for purposes of the loan, the purchase price of the proposed site, "as is," may not exceed the lesser of the sale contract price or the "as is" appraised value of the property. The County also may be guided by the opinion of value rendered by a third party, independent fee appraisal provided by the applicant. Costs related to the development of the land that is included in the purchase price (e.g., road or infrastructure improvements) may be taken into consideration for the purpose of estimating the value of the real property.

Funding per Project

The AHF loan must be 20% or less of the total non-County funding of the development costs of the housing project. Funding will be provided at a maximum rate of $75,000 per affordable unit, contingent on the demonstrated gap financing needed for the loan and the availability of resources in AHF.

For affordable housing projects that offer units benefiting households with incomes at 50% AMI or less, the AHF loan must be 25% or less of the total non-County funding of the development costs of the housing project. Funding will be provided at a maximum rate of $100,000 per affordable unit, and the AHF funding availability.

Interest Rate

Interest rates on the loans will be simple interest at a fixed rate of interest guided by the 10-year U.S. Treasury Bill rate, as set 60 calendar days prior to closing of the County loan or closing of the primary loan, if prior to closing of the County loan and required by either a federal or state program, as applicable. The rate negotiated shall assume a fully amortized loan with a term not to exceed 30 years (plus one-year period after loan closing for construction/rehabilitation/renovation). Adjustments for terms up to 40 years may be made on a project-by-project basis. Loan terms will comply with Virginia Housing and/or federal funding requirements for local subsidies as applicable.

Loan Collateral/Security

The loan must be instrumented as a promissory note payable to the County, secured by a deed of trust on the property where the proposed affordable housing project is located; the notes and respective deed of trust will be subordinated only to the primary lender, with a secured priority no lower than second position with respect to any lender at all times. The deed of trust will have a non-recourse clause.

In cases where the project involves a ground lease, the County may subordinate the loan to the fee owner under the lease agreement. In cases where the loan applicant demonstrates that a bridge loan is required to make the project feasible, the County may accept, in its own discretion, that the loan be temporarily subordinated to a third position until closing of the permanent financing, based on a recommendation and approval by the County's Chief Financial Officer/Director of Finance and supported by the County Executive if there is equivalent collateral to protect the interest of the County.

Along with the deed of trust, the borrower must execute a declaration of covenants, in a form suitable for recordation among the land records of the Prince William County Circuit Court, providing that the number of affordable units financed with the loan shall remain subject, for at least the entire period during which the loan remains outstanding, to the income eligibility requirements and mortgage and rent price restrictions and limitations prescribed by the federal, state, or local program. A declaration of covenants for the benefit of the County may also provide eligibility for households with lower incomes, and/or longer affordability periods, as offered by the applicant and accepted by the County. All documents will be approved as to form by the County Attorney's Office, as applicable.

Equal Housing Opportunity

All projects receiving loans from the County must comply with all applicable federal, state and County civil rights laws, regulations, and ordinances, including but not limited to, the Fair Housing Act 42 U.S.C 3601 *et seq*. the Virginia Fair Hosing Law VA. Code § 36-96.1 *et seq*., and Prince William County Va. Code of Ordinances ch. 10.1.

Loan Repayment Schedule

Loan terms will be approved where repayment is feasible and does not jeopardize the affordability and sustainability of the proposed affordable housing project. Loan applicants must demonstrate the ability to repay the loan based on the terms of the loan and the estimated financial projections presented to the County. The length of the loan shall not exceed the length of the project affordability compliance period, and the price restrictions shall apply while the loan funding is outstanding. The affordability compliance period shall not be shortened. The affordability covenants will not be released should the loan be paid off ahead of schedule. The loan will be due and payable in the event of a sale or refinance of the project, unless the County, at its sole discretion, previously agrees in writing to the transaction. Notwithstanding, the County will not call the loan due and payable if the sale or refinance of the project, as applicable, is the result of a restructuring agreement between the developer/operator/manager of the project and Virginia Housing or HUD, as applicable, as long as (i) the County is informed in advance by the developer/operator/manager of the project of their intent to refinance or restructure the loan and (ii) the secured priority of the County's loan remains intact with respect to any lender.

Repayment terms may include, on a case-by-case basis: negotiation of the net cash flow split in terms of the loan repayment in the early years of the project, while the deferred

Developer fee is being paid; negotiation of the interest rate; demonstration that the first payment on the loan occurs shortly after property stabilization when the project is generating cash flow; and that the cash flow is sufficient to pay not only interest on the loan, but also to start paying principal.

Net cash flow shall specifically include the amount by which gross revenues exceed annual debt service payments, approved operating expenses, and payments to the capital replacement reserve. Any other fees or payments, more than what is stated here, must be paid from the applicant's portion of residual cash flow.

Regardless of the structure of the loan, the County expects and requires repayment of the loaned amount in full. The outstanding balance of the loan (principal and accrued interest) is due at the end of the loan term. The length of the loan shall not exceed 30

years (plus one-year period after loan closing for construction) at any point in time. Under special circumstances, loan terms may be extended up to 40 years to meet specific requirements, such as those associated with HUD 221(d)(4) Affordable program financing.

Initial Affordability Compliance Period for Certain Rental Projects

All loan applicants proposing projects developed using the Virginia Housing LIHTC and/or HUD 221(d)(4) Affordable program must present a plan for the project that addresses the period after the initial 15-year affordability compliance period.

The plan must clearly describe the following:

- Exit strategy for the limited partner and anticipated ownership changes,
- Any anticipated refinancing, re-syndication, or sale to a third party,
- How affordability will be maintained through the extended affordability period, and
- Measures in place to ensure any future transfer serve the interests/guidelines of the AHF.

Loan applicants must agree to maintain affordability for at least 30 years (including the first 15-year compliance period and a minimum 15-year extended affordability period) by waving the right to seek a qualified contract for project purchase at the end of the 14th year of the compliance period.

Administrative Fee

There will be a $500 non-refundable administrative fee, payable at the time of submission of the loan application, to partially recover costs to process and underwrite such loan application. In the future, the Board intends to review the administrative fee during its consideration of the annual budget to determine whether it should be increased.

Project Monitoring

The County has the right to inspect and monitor the affordable housing project, including gaining access to the management and financial records of the borrower and Virginia Housing LIHTC and HUD required reports to determine compliance with household income and rental restrictions, restrictive covenants, and terms and conditions of the loan. The requirement to provide information continues throughout the term of the loan and includes any documents requested by the County to support calculations of cash flow, reporting to other lenders or investors, and any other documents, reports, or information relevant and material to the loan. These documents shall be submitted to the County no less than annually, or more frequently upon request of OHCD staff, in its sole discretion.

AHF Administration

All applications, if deemed complete, will be reviewed, and scored by OHCD staff and presented to the Housing Board for endorsement. An interdepartmental Housing Application Review team, led by OHCD staff, will review and discuss the applications. The Housing Application Review Team will include staff from the OHCD, Planning Office, Office of Management and Budget, Department of Finance and Department of Development Services, with consultation with the County Attorney's Office as needed.

Funding recommendations will be presented by OHCD staff to the Housing Board for endorsement. Other County staff may be asked to participate depending upon the specific attributes of the affordable housing application.

The County's OHCD designated Affordable Housing Manager will have the responsibility for managing the day-to-day activities of the AHF to include the application process from beginning to end. This includes project selection, monitoring for compliance with provisions of agreement and loan servicing. OHCD's Financial Staff will have the responsibility to maintain the General Ledger of the AHF but is not responsible for the day-to-day activities of the AHF. The OHCD Housing Program Manager and the designated Financial Staff will also review and respond to requests from the Fund Administrator to make "Preliminary Reservation of Funds" for successful funding competitors.

Application Process

The OHCD will authorize a Notice of Funding Availability (NOFA) when there are sufficient funds available to hold a competition. Applications are due by 5:00 p.m. EDT 60 calendar days after the NOFA is posted or on the stated County business day as advertised in the NOFA. All content or process-related questions must be submitted in writing to the OHCD.

All general questions and answers, excluding confidential information exempt from disclosure under Virginia law, may be posted to the County's NOFA webpage.

1. Loan approval will be based upon these Guidelines and the project scoring, which has been designed to measure the affordable housing project and its overall value to increase the County's affordable housing supply.
2. Prior to the NOFA release, for information purposes and to respond to questions, County staff will conduct a "How to Apply for Funding" pre-application meeting with all prospective loan applicants at a date and time indicated in the NOFA.
3. A complete loan application must be submitted by the deadline as noted in the advertised NOFA, to be considered in that year's loan application cycle. Each loan cycle is independent, and loan applications submitted for one cycle will not carry over to the next cycle.
4. Loan applications will be date and time stamped, then reviewed for completeness. The loan applicant will receive written confirmation of receipt of their application and will be notified whether their application is complete within ten business days. Once a loan application has been submitted through the OHCD website portal, it cannot be changed, modified, or supplemented by the loan applicant, without prior written approval from the OHCD.
5. Any changes to the terms contained in the loan application due to financing adjustments required by Virginia Housing LIHTC or HUD financing programs need to be communicated to the County as soon as possible with updated documents/records. Material revisions to the loan application that reduce the number of units or the support services to be provided, or the targeted population to be served, must be approved in writing by the County or may result in the rejection of the loan application.
6. OHCD staff or a professional underwriter under contract with the County, will evaluate the loan application, for risk and feasibility of the proposed project and repayment to the County, and will provide a professional assessment about the financial viability of each application to County staff.
7. The County staff will rank each loan application pursuant to the Guidelines, the Program Scoring guidance and the underwriter's assessment, will develop a written recommendation to the Housing Board which will act to endorse no later than January of the year following the publication of the NOFA.
8. The Prince William Board of County Supervisors intends to make final funding decisions, not later than February of the year following the publication of the NOFA. Approved loan (s) will be available for closing within thirty to sixty (30-60) business days after the Prince William Board of County Supervisors' approval.
9. The application for AHF must be submitted electronically through the OHCD portal utilizing the process identified in the NOFA.

10. Before closing of an approved loan, any material changes in terms and conditions of the loan as approved by the Prince William Board of County Supervisors that negatively impact the units to be provided by the proposed development, the level of household income served, or the repayment of the loan shall be brought back to the Prince William Board of County Supervisors for further review and approval or rejection. The Prince William Board of County Supervisors, at its sole discretion, may direct County staff not to proceed with closing if the conditions proposed at the time of loan approval have materially changed by the time of closing and adversely affect the loan.
11. The term of the County loan commitment is three (3) years after approval, or any other period as approved by the Prince William Board of County Supervisors, and subject to rezoning application approval. If the County loan does not close within three (3) years after its approval by the Prince William Board of County Supervisors, the Prince William Board of County Supervisors may at its discretion reassign the funds to another project in the County. The applicant may reapply in a subsequent funding cycle using the same loan application for the affordable housing project that was originally approved, subject to funds availability.

Loan Application Affidavit

To be executed and submitted along with the Loan Application Materials.

The Loan applicant must submit a signed affidavit acknowledging and agreeing with the items below. The affidavit must be signed by the loan applicant's authorized representative on behalf of the applicant and must be dated. As part of the application, the applicant shall provide documentation that the signatory is authorized to execute and submit the application on the applicant's behalf.

1. The application contains a factual description of the project type, size, and location; population to be served (i.e., incomes, persons with disability, age-restricted, etc.); proposed design of the buildings; transportation access, crime prevention elements, visibility, and energy efficiency elements, if any, that applicant proposes to incorporate into the project. If not available at time of submission of the loan application, an itemized list of the required and of the chosen Universal Design optional elements will be provided before the application is considered by the Housing Board.
2. The application contains a factual description of the type of support services and programs the applicant is proposing for the project, if any, with indication of the estimated number of people to be served, the purpose/benefits of the program on a per unit/person basis, the additional operating expenses including in the project associated with such program, and any financial value to the County by having such services and programs, if any.

3. The application contains an explanation of how the proposed project interplays and complies with proffers encumbering the site, if any; and identification of the affordable housing units under proffers and/or the AfDU Ordinance.
4. The application indicates the relationship between the loan applicant and the owner of the project site and certifies that no relationship exists between the loan applicant and the seller of the project site, except as shown in this application.
5. The application contains an explanation of whether the community surrounding the proposed project is engaged with the project, with indication of meetings with neighbors and surrounding civic associations; the level of support and letters of support, if any; as well as strategy and timeline in case outreach to the community is pending at time of loan application.
6. The application identifies the total number of funds to cover gaps in the planned financing that are being requested from the County and contains a description of how the repayment of the County loan will be prioritized, how the loan will be used, as well as the plan for maximizing resources and minimizing costs.
7. The application contains a list of all additional funding, not secured at the time of the application, for which the applicant is seeking from non-County sources contingent and after award of tax credits, including the name of the funding entity, type of funding, and projected application and award dates.
8. The loan applicant understands and agrees that if being financed by LIHTC (4% or 9% projects) or HUD, it shall provide to the County, within 10 business days of submission to either Virginia Housing or HUD, as applicable, a copy of the project's Virginia Housing/HUD application for reservation, including score sheet and attachments; a copy of an updated tax credit application after Virginia Housing/HUD releases its annual update of the reservation and attachment materials; and a copy of applicant's application submitted to Virginia Housing/HUD, including all attachments.
9. The loan applicant understands and agrees that it shall provide the OHCD with an updated sources and uses, budget and pro-forma of the project within a reasonable time before the Housing Board considers the loan application, and the final sources and uses, budget and pro-forma before closing of the County loan, if approved.
10. The loan applicant understands and agrees that all developments may receive a physical inspection upon receipt of occupancy permits, and that the County may request physical property inspections at any time during the life of the loan, upon fifteen-business days' notice, unless there is an emergency as determined by the County at its sole discretion.
11. The loan applicant understands and agrees that during the life of the loan, property managers shall send to the OHCD any documentation or reports submitted to Virginia Housing/HUD, as applicable, within 10 business days of

12. such submission, to include among others; monthly operating summary, annual owner/agent financial statements, annual budget documents, annual project information report,
and annual owner certifications, as well as any other documentation required in the County loan documents.
13. The loan applicant understands and agrees that during the life of the loan, the County may request and shall get from borrower on a year-by-year basis the 12month operating budget and reports showing total gross revenue, total operating expenses, total debt service payments, payments into the capital replacement reserve, as well as calculation and amount of County loan repayments.
14. The loan applicant understands and agrees that it must submit to OHCD, within 10 business days of their receipt, their accepted contractor bid for the construction of the project, and within 90 calendar days from completion of construction and issuance of occupancy permits for all rental units, evidence of the actual cost of development and construction of the project.
15. The loan applicant understands and agrees that during the life of the loan, the County may request, and the applicant shall provide among others the following documents/records with respect to any affordable unit in the project: copies of deeds, purchase applications and agreements, restrictive covenants, tenant's file, rental application, executed rental agreement (lease), rental income-restricted unit income certification form with supporting documentation, annual rental occupancy affidavit, and/or income verification.
16. The loan applicant hereby certifies that the information set forth in the applications is true, correct, and complete.
17. The applicant understands and agrees that the information in the application may be disseminated to others for purposes of verification or other purposes consistent with applicable law, including, but not limited to, the Virginia Freedom of Information Act. The loan applicants may refuse to supply the information requested; however, such refusal will result in the County's inability to process the loan application.

The application will be retained by the County consistent with the requirements of the Virginia Public Records Act and may be subject to disclosure under the Virginia Freedom of Information Act, even if the loan is not approved or disbursed.

Application Requirements and Checklist

All items listed below must be included with the Loan Application. Incomplete applications will be rejected and will not be reviewed. All requested documents shall be no older than 365 calendar days from the date provided to the County staff.

Item	Provided (Y/N)
1. One original and one copy signed and dated. The application will be submitted through the OHCD portal using the process identified in the NOFA.	
2. A summary of facts that explain how this project will rehabilitate, construct, and/or preserve the greatest number and highest quality of price restricted or market affordable housing units to serve the County's households at the greatest need in the most economically sustainable way. At a minimum, the summary statement shall include whether and how the development (i) meets the transportation needs of residents, (ii) how internet connection needs are met (whether broadband will be provided, the type and coverage and its costs—including estimates of costs on the operating expenses side), and (iii) what common facilities and other amenities are available on-site and in the larger market-rate development, if applicable, and its cost.	
3. Signed loan application affidavit.	
4. $500 non-refundable loan application fee (or the amount approved by the Board of County Supervisors)	
5. Organizational chart for each loan applicant. The chart should show the name and title for each loan applicant's principals, executive officers, and key project staff. The chart should identify the ownership structure and identify the percentage of interest of each owner. Nonprofit organizations should submit an organizational chart that identifies board members, directors, officers, and executives of the organization.	
6. Organizational chart for the project developer. The chart should show the name and title for the developer's principals, executive officers, and key project staff. The chart should identify the developer's ownership structure and identify the percentage of interest of each owner. Nonprofit organizations should submit an organizational chart that identifies board members, directors, officers, and executives of the organization.	
7. Organizational chart for the proposed affordable housing project management. The chart should show the name and title for the affordable housing project management's principals, executive officers, and key project staff. The chart should identify the affordable housing project management's ownership structure and identify the percentage of interest of each owner.	

8. One page resume for each of the principals, executive officers, and key project staff listed in response to numbers 5, 6, and 7. The resume should include current responsibilities and past relevant experience.	
9. Operating agreement, partnership agreement, or corporate charter of loan applicant.	
10. Disclosure of each principal's (named in the above organizational charts) participation in previous or same year affordable housing applications or projects within or outside the County, including the status of those projects, the demographic to be served, and support services provided, if any. In the case of non-profit organizations, provide brief, but substantive, information about its mission or purpose, population served, and a summary of existing projects or programs developed/administered by the organization, including any previous experience in Prince William County.	
11. Virginia State Corporation Commission's certification of good standing of loan applicant, developer, and property manager entities. If a single purpose entity is the owner, certificate of good standing of the member(s), manager (s), managing member(s), shareholder(s), or partner(s) of such entity, as applicable; section 501 (c)(3) Determination Letter, if a non-profit organization.	
12. Applicant's financial statements as required to be submitted or already submitted to federal and state programs with analysis of the organization's financial position and its ability to support the project for which AHF funds are requested, with indicators of how the submitted financial statements support the proposition that the organization is/will be able to support the project.	
13. Letter from each loan applicant and developer certifying that no principal, member of the executive leadership team, or member of the board of directors (if applicable) has been debarred from participation in any federal, state, or local program and certifying that no principal, member of the executive leadership team, or member of the board of directors (if applicable) has any unresolved default or noncompliance issues with Prince William County, the Commonwealth of Virginia, or the United States Government.	
14. Purchase listing, listing, bid notification, and/or site control documentation. For acquisitions of land or structures, provide all documentation regarding the ownership and physical control of the property that will be the subject of the funding, including but not limited to option to purchase, sales contract, sales listings and addenda, required documents for other federal and state funding programs, bid notification for auctioned properties, etc.	
15. A summary description of the project's location including the immediate neighborhood, civic associations, or condominium, as applicable and the context of other development/uses in the adjacent area; Community Amenities and Services available near the project such as parks, walking and biking trails, public pools, activity centers, public library, and career/business centers, the distance of those amenities from the site, including access to public transit; land	

acquisition cost by acre and square foot (including discount by the seller, if any), as well as explanation of other costs, besides vacant land acquisition (e.g. improvements, proffers, utilities, infrastructure), that has been included within the bid or agreed upon purchase price for the site, if any, with evidence to support such additional costs. The location information shall include: a photo of the site, a map showing street names, if the property is served by transit currently, how far away is the closest current transit stop, existing address or closest key intersections (if the property has no current mailing address), census tract (s) of the proposed development, and census tract data to include income levels, poverty levels and household composition data, and plans to address transportation needs of residents.	
16. Environmental site assessment.	
17. Documentation of land use approval for the proposed development, as by-right, Board approved rezoning, or a Board approved special use permit, including any approved proffers and/or SUP conditions.	
18. Relocation assistance plan for existing and occupied buildings resulting in the displacement of current occupants, if applicable.	
19. Project development budget in the form of sources and uses of funds (provided in Excel format), and proposed project schedule. The full project development budget should include the financing sources with itemized amounts (federal, state, and private entities), status of commitment, timing and intended use of all the sources, as well as known acquisition costs, construction/rehabilitation cost, contingencies and all anticipated financing and soft cost (professional/legal/appraisal fees, architectural and engineering fees, construction loan interest, developer fees, marketing costs, real estate taxes, insurance costs, any loan or financing fees, building permit costs, anticipated relocation expenses and consultant fees) calculated on an aggregate, per unit and square foot basis, both with respect to the total financing sources available and with respect to the County loan. Any item, including contingencies, with a cost of $10,000 or higher should be individually identified in the development budget. The total amount budgeted for contingencies needs to be shown as well. This section of the application should also include a list of other funding sources the developer has applied for or plans to apply for this development, whether those applications were submitted or will be submitted, as applicable, as well as estimated time for their approval or rejection. The proposed project schedule shall include predevelopment, site control, development site approval (with enumeration of any known or potential challenges to development of the site), financing milestones (including use of sources received) and if applicable, construction milestones through completion, occupancy and lease up.	

20. Thirty-year operating pro forma, as applicable, including aggregate and per unit amounts) (provided in Excel format). For rental projects, the pro forma should include at a minimum: rental revenues and ancillary income, as well as expenses such as market vacancy; operating and management costs (e.g. cost/expenses associated with support services including permanent supportive housing units provided at the site and cost of broadband); real estate taxes; all fees the applicant expects to pay from the operating budget reserves for operating deficits (operating reserves) and any contingency amount, lease up and future capital expenses, including the capital replacement reserve; developer's and other fees and amount of the deferred fees; reserve for replacement deposits; hard debt service; the term required to fully repay the County's loan; methodology used/to be used during the life of the County's loan for calculating cash flow to repay such loan, as well as waterfall for distribution/disbursement of such cash flow. Any item, including contingencies, for an amount of $10,000 or higher should be individually identified in the operating pro forma.	
21. Tax credit calculations, if applicable (provided in Excel format).	
22. Letters of intent or interest for all funding sources identified in the loan application, if applicable. At a minimum, a narrative of all proposed funding sources, amounts and status of the application must be provided.	
23. Loan applications proposing projects developed using the LIHTC, HUD 221(d)(4) Affordable and/or other federal or state program must present a plan for the project that addresses the after-the-initial 15 year compliance period, which clearly describes the exit strategy for the limited partner and anticipated ownership changes; any anticipated refinancing, re-syndication, or sale to a third party; and how affordability will be maintained through the extended affordability period.	
24. Factual or documentary evidence to support factual description of the type of support services and programs the applicant is proposing for the project, its estimated operational costs, and how those costs will be supported. The applicant has provided a detailed plan for managing and delivering support services to special needs populations.	
25. Documentary evidence to support that common amenities offered to residents of the master development where the affordable housing project will be located will be available to the residents of the affordable housing project at no additional cost to such residents. (No additional charges over and above the normal fees charged for all the development residents).	

26. Architectural concept plan and design, including interior and exterior materials to be used. In addition, for projects that involve rehabilitation/renovation of existing buildings, a capital/physical needs assessment or a property condition needs assessment is required.	
27. Construction estimate including estimated cost of additional features in the project above the LIHTC Qualified Allocation Plan (QAP) and County Ordinance regulations, e.g., fully accessible units, green certifications, Universal Design components, on an estimated aggregate amount and on a per unit basis. If Universal Design components are proposed in units and /or common areas, an itemized list of the required and optional elements should be included with the application.	
28. Project architect's certification registration in Virginia.	

If not available at the time of submission of the loan application package, the following documents will be required before final review of the loan application as a condition of loan approval:

1. Appraisal of proposed site (not older than 365 calendar days) containing "as is" or "as built" or "as complete" as applicable if vacant or built, and "as built or as completed with restricted rent and income" and "as built or as completed and unrestricted income" valuations; and
2. Market study of the housing needs of low income (households with incomes that do not exceed 80% AMI), very low income (households with incomes that do not exceed 50% AMI) and extremely low-income (households with incomes that do not exceed 30% AMI) households in the area to be served by the project demonstrating demand for the specific type of affordable housing proposed in the project.

The loan applicant may submit along with the loan application package any other document(s) the applicant considers material to the loan application. The County may require, at the County's sole discretion, the submission of additional documents or information regarding the application. Additional documents may include, but are not limited to:

- Site control agreement(s)
- Property appraisal(s)
- Property sale listing(s) and/or site description(s)
- Option(s) to purchase

- Proof of other financing sources or completed applications for other financing sources
- Contract for purchase of land
- Deed(s) or other proof of ownership

SCORING CRITERIA:

Criteria	Scoring guidance	Max. Available
Section 1: Consistency with County Housing Needs		
Commitment Period	Highest Points: 50 years' commitment to maintaining the affordability of units consistent with targeted households as proposed.	10
Affordable Units at or below 50% AMI	Highest Points: 50% or more units will serve households with incomes at 50% AMI or below.	15
Extremely Low-income Units	Highest points: Ten percent (10%) or more of the project units to benefit households with incomes at or below 30% AMI.	25
Family-sized units	Highest points: 25% or more are family-sized units of three bedrooms or more unless the project is specifically for senior housing.	5
The project provides housing for older adult residents and/or housing for persons with disabilities	Highest points: Twenty percent (20%) or more of the project units are senior housing, with 100% of the units for older adults or persons with disabilities; being fully accessible meeting the requirements of the Americans with Disabilities Act, the Fair Housing Act, and the American National Standards Institute 117.1.	5
Geographic Distribution	Highest points: The project is located within an activity center, redevelopment corridor, or small area plan area as designated in the Comprehensive Plan.	5
Section 1: Total maximum points available		65

Section 2: Project Characteristics		
Mixed-Income or Mixed-Use project	Highest points: The project will provide a mix of housing prices that accommodate a mix of income levels. The applicant must demonstrate that market-rate units are fully financeable without AHF participation and that no subsidy source for affordable housing is directly or indirectly financing the market rate units.	5
Onsite Amenities	Highest points: The project will provide on-site amenities that may include, but not be limited to,	5

	community meeting rooms, outdoor playground, swimming pool, green space, community garden, among others.	
Integrated within the community	Highest points: The project will be located within walking distance (approximately 0.5 miles) of County Activity Centers, existing employment opportunities, County schools, and other amenities that include but are not limited to County library(s), hospital, grocery stores, County or private parks, and County or private park, community center.	10
Transportation Access	Highest Points: Project is located within walking distance (approximately 0.5 mile) to County Activity Centers. The project is located proximately to public transportation facilities and is easily walkable to amenities including grocery stores, public or private recreation facilities and has access to sidewalks, bike trail/lanes, pedestrian or bike trails, and road network.	10
Crime Prevention Design	Highest points: The project applies Crime Prevention Through Environmental Design (CPTED) principles. The CPTED principles are determined by the County's Police Department.	5
Universal Design	Highest points: The development layout, building design, and individual units incorporate Universal Design amenities components to ensure accessibility to any person regardless of age or disability.	5
Building Energy Efficiency	Highest points: The project incorporates green building standards such as, but not limited to, Passive House, Energy Star, LEED or EarthCraft Gold certification with ongoing energy use tracking, uses energy efficient design and construction principles; promotes high performance and sustainable buildings, and minimizes construction waste Note: take out negative impacts	5
Innovation	Highest points: Project provides diverse housing types, unique home ownership opportunities, and aligns with the County's goals for community development	5
Section 2: Total maximum points available		50

Section 3: Project Readiness		
Planning, design, and construction process	Highest points: Construction plan and documents (architectural and/or engineering, specifications) are permit-ready, and the construction budget is aligned with such plans; the site plan has been approved by the County and remains valid.	5
Feasibility	Highest points: Demonstrated feasible plan through the documents/information provided within the loan application package and a reasonable milestone schedule.	5
Preservation Projection	Highest points: Preservation of currently built property with an existing and expiring affordability deed/covenant restriction and/or operating subsidy or a below-market rate property with the goal of upgrading the housing quality and commitment to an extended affordability period.	13
Displacement Prevention	Highest points: Displacement plan that assists and facilitates residents in remaining in affordable housing.	5
Section 3: Total maximum points available		**28**

Section 4: Experience		
Design Team Experience	Highest points: Design team with extensive (at least 10+ years) experience in construction and green design such as, but not limited to, Passive House, Energy Star, LEED or EarthCraft Gold, and Universal Design. For example, documentation from past projects.	4
General Contractor Capacity and Experience	Highest points: Selected general contractor demonstrated record of successful completion of past projects of equivalent size, scale, type, and complexity to the proposed project having delivered similar projects on time, on budget, and to the highest quality standards, while maintaining compliance with applicable industry and environmental regulations. For example, documentation from past projects.	3
Developer Experience	Highest points: Documentation of experience as a developer of affordable housing, to include taking projects through a community process and obtaining approvals; receiving LIHTC; inclusion on the Virginia Housing experienced developer list; closing on debt	3

	and equity financing; history of repayment and obtaining building permits.	
Project Completion	Highest points: Proven documented record of completing affordable housing projects on budget and on schedule.	3
Property Management	Highest points: Demonstrates successful record in projects of equivalent size, scale, type, and complexity to the project proposed, including demonstrated ability to maintain ongoing compliance over the life of a project. Applicants have submitted documentation of proven property management experience, well-maintained, violation-free properties, compliance with occupancy requirements and overall tenant satisfaction in properties managed by the proposed manager.	5
Architect and/or Construction Manager	Highest points: Demonstrates a successful record in project of equivalent size, scale, type, and complexity to the proposed project and has experience to ensure that proposed design is compliant with all applicable federal, state, and County laws, codes, ordinances, regulations, and requirements, including, but not limited to, environmental, accessibility standards, zoning, Building Code, and historic preservation. Architect and/or construction manager have capacity/experience to provide project oversight to guarantee delivery on time, and on budget.	5
Experience Partnering with Service Providers	Highest points: Demonstrated record of successful partnerships with social service providers and of having provided excellent management and support services to special needs populations such as people with disabilities and the elderly.	4
Fiscal and Organizations Health and Team Capacity	Highest points: Fiscally and organizationally sound, as evidenced by the financial statements. The applicant has the financial and workload capacity to make the project a top priority execute it as scheduled in terms of time and budget, and based on the information provided, it is reasonable to assume that the applicant will be able to develop and manage the project as proposed. Applicants must identify key personnel – project manager, managers and other key personnel – who will be directly involved in the project in the project's entirety and provide personnel resumes and	5

	bios. Any changes/substitutions in key personnel identified in the proposal must be approved by the County.	
Section 4: Total maximum points available		**32**

Section 5: Budget and Leverage		
Sources of Funds	Highest points: The project financing plan is sound, reasonable, and includes competitive sources. The applicant has submitted firm financial commitments for other sources of financing, shown the financing gap of the project, and demonstrated consistency with accepted underwriting standards. The project proposed to utilize public and private partnerships and utilities state and federal housing programs to assist in fulfilling unmet housing needs and the financing gap.	10
Uses of Funds	Highest points: The project budget is clear, accurate, thorough, and contains a realistic set of sources and uses; acquisition costs are at or below appraised value; construction costs are supported by contractor estimates and at or below local industry standards for projects of similar size, type, and complexity located in the proposed location or in close proximity, and fees and soft costs are reasonable and at or below local industry standard. Applicant presents evidence of maximizing resources to minimize construction costs as much as possible and within compliance with industry standards.	5
Leverage and Subsidy	Highest points: The applicant has submitted documentation of a leverage ratio of 1:5 (AHF's sources to other sources) or higher.	5
Utilization of existing programs	Highest points: Leverage and use of existing other federal and/or state housing programs such as, down payment and closing cost assistance, financial housing counseling, among others.	5
Income	Highest points: Income projections are reasonable and consistent with rents/mortgages of targeted households and vacancy rates.	5
Operating costs	Highest points: Operating costs are consistent with those documents of other recent local similar developments	5
Section 5: Total maximum points available		**35**

TOTAL MAXIMUM POINTS AVAILABLE	**210**
OVERALL SCORE TOTAL	

Attachment A

Definitions

Affordable Dwelling Unit Ordinance Prince William County Sec. 32-290.01 – Authority and Purpose. This Affordable Dwelling Unit Ordinance is adopted pursuant to Virginia Code § 15.2-2305.1, to address housing needs, promote a full range of housing choices, and encourage the construction and continued existence of housing affordable to low-and-moderate-income citizens by providing for increases in density to the applicant in exchange for the applicant voluntarily electing to provide such affordable housing.

Affordable Dwelling Unit Development means a specific work or improvement within the county, whether multifamily residential housing or single-family residential housing, that contains 5 or more affordable dwelling units, undertaken primarily to provide dwelling accommodations, including the acquisition, construction, rehabilitation, preservation, or improvement of land, buildings, and improvements thereto, for residential housing, and such other non-housing facilities as may be incidental, related, or appurtenant thereto.

Affordable Housing means, as a guideline, housing that is affordable to households with incomes at or below the County's area median income, provided that the occupant pays no more than 30 percent of their gross income for gross housing costs, including utilities.

Affordable Housing Fund (AHF) primary purpose is to create and promote both affordable rental and home ownership opportunities for households with incomes of 80% of the Area Median Income (AMI) and below as defined by the U.S. Department of Housing and Urban Development (HUD) for the Washington-Arlington-Alexandria, DC-VA-MD Metropolitan Statistical Area and adjusted annually.

Area Median Income means the midpoint of the County's Washington-Arlington-Alexandria, DC-VA-MD HUD Metro income distribution, meaning that half of the households in a region earn more than the median and half earn less than the median, as defined as the capped Area Median Income by the U.S. Department of Housing and Urban Development (HUD) for the Washington-Arlington-Alexandria, DC-VA-MD HUD.

Affordability Compliance Period properties must commit to a minimum of 30 years of affordability, not to exceed 50 years, although they are only subject to a 15-year compliance period for LIHTC properties. This is the period where the tax credits that have been given to developers can be taken away or "re-captured" if the property fails to comply with LIHTC regulations.

Community Amenities and Services are shared facilities and services that enhance residents' quality of life, social interaction, and access to resources. Examples include recreational spaces like playgrounds, gyms, walking and biking trails, and pools; social hubs such as clubhouses and community rooms; and practical services like on-site laundry, community gardens, and career/business centers.

Crime Prevention Through Environmental Design (CPTED) is a multi-disciplinary approach to crime prevention that uses urban and architectural design and the management of built and natural environments.

Development the proposed multifamily rental housing development Participants - the principals who will participate in the ownership of the development.

Equal Housing Opportunity is a legal principle that protects people from discrimination when buying, renting, or financing housing. It ensures that everyone has the right to live in the housing of their choice, regardless of their background or personal characteristics.

Environmental Site Assessment is a report prepared by environmental consultants or firms with experience and certification in environmental assessments. The report identifies potential or existing environmental contamination liabilities on a property for planning and construction purposes. It is a due diligence process that involves historical review, site inspection, and sometimes soil and groundwater testing to ensure the land is safe and suitable for its intended use and to comply with regulations.

Gap Financing, in the context of the County's Affordable Housing Fund, refers to a funding mechanism that fills the financial shortfall between the total development costs of an affordable housing project and the available private or public funding.

Interest Rate the amount lenders charge borrowers and is a percentage of the principal.

Low-Income Household means any individual or family whose incomes do not exceed 80 percent of the area median income for the locality in which the housing development is being proposed.

Mixed-income project is a residential development or neighborhood that includes a mix of housing units that are affordable to people with different income levels. The units can be affordable through a variety of means, including:

> **Renting or selling below market-rate** Units that are rented or sold at a lower price to people who meet certain income requirements
>
> **Subsidy programs** like Low Income Housing Tax Credit can help make units affordable for low-income households
>
> **A mix of market-rate and affordable units** A development can include both market rate units and units that are restricted to low-income households

Mixed-Use Development refers to a real estate project that combines different types of uses, such as residential, commercial, and sometimes industrial, within the same building or development area.

Notice of Funding Availability (NOFA) provides detailed information about the program objectives and requirements applicants will need to meet to receive funding. It also describes the procedures the program will use to evaluate and select applications for funding.

Principal any person (including any individual, joint venture, partnership, limited liability company, corporation, nonprofit organization, trust, or any other public or private entity) that (i) with respect to the proposed development, will own or participate in the ownership of the proposed development or (ii) with respect to an existing multifamily rental property, has owned or participated in the ownership of such property, all as more fully described herein below. The person who is the owner of the proposed development or multifamily rental property is considered the principal.

Ten (10) Year U.S. Treasury Bill Rate is the interest rate the U.S. government pays to borrow money for a decade.

Universal Design – The design and composition of an environment so that it can be accessed, understood and used to the greatest extent possible by all people regardless of their age, size, ability, disability or other characteristics.

Very-Low-Income Household means any individual or family whose incomes do not exceed 50 percent of the area median income for the locality in which the housing development is being proposed.

Virginia Low Income Housing Tax Credit (LIHTC) is the federal Low-Income Housing Tax Credit program sponsored by the U.S. Treasury Department and administered in Virginia by Virginia Housing, which encourages the development of affordable rental housing by providing owners a federal income tax credit and incentive for private investors to participate in the construction and rehabilitation of housing for low-income families.

Virginia Low Income Housing Tax Credit (LIHTC) Hybrid Financing is a project financing structure that utilizes both 9% Low Income Housing Tax Credits and 4% Low Income Housing Tax Credits in the same project.

Attachment B

PRINCE WILLIAM COUNTY AFFORDABLE HOUSING FUND
Frequently Asked Questions

The Prince William County Affordable Housing Fund (AHF) is a dedicated fund intended to provide flexible gap financing to development projects that will increase the supply and/or preserve affordable housing units in Prince William County and is a part of the Affordable Dwelling Unit Ordinance approved by the Prince William County Board of County Supervisors on June 3, 2025.

1. **What is the primary purpose of an Affordable Housing Fund?**
   An Affordable Housing Fund is a designated fund to support the creation and preservation of affordable housing, ensuring long-term impact in the housing market and provide non-profit and for-profit developers the gap funding needed to build and/or preserve affordable housing, and provide many different types of housing assistance.

   In accordance with the adopted Virginia Code § 15.2-2305.1 Affordable Housing Dwelling Unit Ordinance; The Prince William County AHF primary purpose is to create and promote both affordable rental and home ownership opportunities for households with incomes of 80% or the Area Median Income (AMI) and below as defined by the U.S. Department of Housing and Urban Development (HUD), as adjusted annually.

2. **How is the Prince William County AHF funded?**
   The Prince William County AHF is funded through County General Fund appropriations made by the Prince William County Board of County Supervisors, which is subject to funds availability and any other sources of revenue as the Board of County Supervisors may appropriate and/or receive from time to time.

3. **What activities are eligible through the Prince William County AHF?**
   Prince William County AHF will aid in meeting the housing needs of very low-income households (incomes that do not exceed 50% of AMI) and low-income households (incomes that do not exceed 80% AMI) through provision of loans to non-profit and for-profit housing developers and organizations for the creation and preservation of affordable rental and owner-occupied housing.

   Affordable Housing units may be multi-family rental units, and single-family owner-occupied housing units.

4. **What are noneligible costs/uses of the Prince William County AHF funds?**
   Any costs associated with operating expenses, project reserves, hard or soft cost contingencies, developer fees, builder's profit, costs for sale or marketing of units, any construction management or consultant fees, financing fees, and any unit that may be rented or sold at the market rate(s).

5. **Who administers the Prince William County AHF?**
   The major responsibility of administering Prince William County AHF will be with the Department of Housing and Community Development (OHCD), Affordable Dwelling Unit Division by the Senior Affordable Housing Manager, with oversight by the Director of Housing. Receipt and review and scoring of all applications will begin with OHCD and then in collaboration with a Housing Application Review Team which will consist of staff from OHCD, Planning Office, Office

of Management, Budget, Finance Department and Department of Development Services, with consultation with the County Attorney's Office as needed.

6. **What is the estimated amount of funding to be provided per affordable unit?**
   Funding will be provided at a maximum rate of $75,000 per affordable unit, contingent on the demonstrated gap financing needed for the loan and the availability of resources in the AHF.

7. **Do developers have to repay Prince William County AHF for the gap financing they receive?**
   Yes, loans will be tied to a Deed of Trust and Promissory Note that will be made to developers with the repayment at a simple interest with a fixed rate of interest guided by the 10-year U.S. Treasury Bill rate, as set 60 days prior to closing of the County loan or closing of the primary loan (first trust lender).

8. **Is there an affordability period required with the use of Prince William County AHF funding?**
   Yes, the affordability compliance period will be no less than 15 years and no more than 50 years or until the loan to the County is fully repaid whichever occurs later. Restrictive Covenants along with the Deed of Trust must be recorded among the County's land records of the Circuit Court, which will provide the number of affordable units financed with the AHF program funds

9. **What is the Application Process?**
   OHCD will provide a Notice of Funding Availability (NOFA) when there are sufficient funds available to hold a competitive application process. There are designed Scoring Criteria and Guidance provided to Applicants with a total maximum points available through the scoring process.

10. **What is the difference between the Prince William County AHF and other resources and programs that OHCD provides for low-moderate income housing options and housing assistance?**

Prince William County OHCD offers several housing assistance programs for low-moderate income households; to include the Housing Choice Voucher pay rent by providing a monthly subsidy to cover the gap between what the household can afford and the approved rent amount. OHCD also administers a First-Time Homebuyer Program, Rehabilitation Program for both owner occupied and rental units and provides funding to local shelter providers and nonprofits, and faith-based entities providing public services with all programs serving low- moderate income households.

PRINCE WILLIAM COUNTY

Attachment C

For illustrative purposes **– Prince William County Affordable Housing Programs Income Limits and Maximum Allowable Rents**

Prince William Area Income Limits 2025 Effective April 1, 2025					
Household Size	AMI				
	50%	60%	80%	100%	120%
1	$ 57,400	$ 68,880	$ 91,800	$ 114,750	$ 137,700
2	$ 65,600	$ 78,720	$ 104,900	$ 131,100	$ 157,300
3	$ 73,800	$ 88,560	$ 118,000	$ 147,500	$ 177,000
4	**$ 81,950**	**$ 98,340**	**$ 131,100**	**$ 163,900**	**$ 196,700**
5	$ 88,550	$ 106,260	$ 141,600	$ 177,000	$ 212,400
6	$ 95,100	$ 114,120	$ 152,100	$ 190,100	$ 228,100
7	$ 101,650	$ 121,980	$ 162,600	$ 203,250	$ 243,900
8	$ 108,200	$ 129,840	$ 173,100	$ 216,350	$ 259,600

Prince William Area Maximum Allowable Rents Effective April 1, 2025					
Unit Size	Monthly Rent (Excluding Utilities)				
	50%	60%	80%	100%	120%
Efficiency	$ 1,229	$ 1,475	$ 1,967	$ 2,459	$ 2,951
1 Bedroom	$ 1,434	$ 1,721	$ 2,294	$ 2,868	$ 3,442
2 Bedroom	$ 1,639	$ 1,967	$ 2,622	$ 3,278	$ 3,934
3 Bedroom	$ 1,844	$ 2,213	$ 2,950	$ 3,688	$ 4,426
4 Bedroom	$ 2,049	$ 2,459	$ 3,278	$ 4,098	$ 4,918

For illustrative purposes **– Prince William County Affordable Housing Program Sales Price Calculations(s)**

The base sales price for Affordable Housing Units shall be calculated by multiplying by three (3) the value of the Final 4-Person Low-Income Limit Area Median Income (AMI) for the Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area, as determined by HUD, for the fiscal year applicable at the start of the Marketing Period. ***For illustrative purposes***, if the Final 4-Person Low-Income Limit is $131,100, the base sales price for an Affordable Housing Unit (i.e., up to 80% AMI) would be $393,300 and would be calculated as follows:$131,100 x 3 = $393,300, (i.e. up to 50% AMI) would be $81,950 x 3 = $245,850.

For home ownership and for rental projects, income limits will be based upon the Washington-Arlington-Alexandria-DC-VA-MD HUD Metro Income determination, adjusted annually, based upon household size.