



City of Falls Church Department of Housing & Human Services AFFORDABLE DWELLING UNIT (ADU) PROGRAM FACT SHEET



300 Park Avenue 102W, Falls Church, VA 22046

Office Hours: 8am - 5pm; Monday - Friday

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Email: HHSInfo@FallsChurchVA.gov Website: www.fallschurchva.gov/HHS

ABOUT THE PROGRAM

The City established the Affordable Dwelling Unit (ADU) Program through a zoning ordinance in 2002. The program is administered by Housing and Human Service (HHS) to provide affordable homeownership opportunities in the City. The ADUs are for-purchase or for-rent units such as condominiums and townhouses. The City negotiates with developers to sell/rent these homes at a price below the market value to households with low and moderate incomes. The rent, value and resale price of these homes is restricted for a period between 15 to 30 years. These units are located throughout the City of Falls Church.

APPLICATION PROCESS

Purchase ADU Property – None Available at this time

A person who wants to purchase an ADU must apply to HHS to be certified as eligible for participation in the ADU Program. Application packets are available and accepted at Falls Church City Hall, 300 Park Ave. Applicants must have all required documentation when the application is submitted. Incomplete applications will not be reviewed. Applications will be stamped with the date of submission. Staff will review and process all complete applications based on the eligibility criteria within four weeks from the date of submission.

Rental ADU

A person who wants to rent an ADU must apply to be certified as eligible for participation in the ADU Program. Application packets are available. Applicants must have all required documentation when the application is submitted. Incomplete applications will not be reviewed. Applications should be submitted as follows:

- All initial or new property rentals for all ADU properties must go thru HHS.
- Northgate and Pearson Square ADU rentals – all application must come to HHS.
- Lincoln at Tinner Hill and West Broad Residence ADU rentals – application must go directly to the respective property.

APPLICATIONS ARE LOCATED ON THE CITY'S WEBSITE, OR CAN BE COMPLETED IN-PERSON

ELIGIBILITY REQUIREMENTS

Below is the summary of all requirements that applicants must meet at the time of application:

First-Time Homebuyer Status: (Purchase Only) A person who has not owned a residential property within the last three years. All members of the household must be a first-time homebuyer to be eligible for the program.

Loan Pre-approval: (Purchase Only) All applicants are required to obtain a pre-approval letter for a mortgage loan through an independent bank or lender.

Liquid Asset Eligible Limits: a household cannot have more than **\$40,000** in total liquid assets. Liquid assets are any item of value that can be readily turned into cash. Any liquid accounts that contain the name of any member of the household will be counted as part of household total liquid assets.

VHDA Homeownership Education Program: (Purchase Only) Applicants must enroll in the Virginia Housing Development Authority (VHDA) Homeownership Education Program and submit a copy of the certificate of completion. The VHDA program helps first-time homebuyers prepare and understand the homeownership process and classes are free and are offer year-around.

Household Income Eligible Limits: All earnings before taxes for all members of the household that are 18 or older will be counted as part of the total gross household income. [See Application Requirements for current income limits.](#)

PROPERTY RESTRICTIONS

The following special provisions are attached with each Affordable Dwelling Unit:

Control Period: for a period of time, after the ADU is initially sold or rented, the sale, rent, and assessment value of the ADU is regulated to maintain its affordable status.

Appreciation, Assessment & Resale Price: HHS will determine and regulate the appreciation and assessment value of the for-purchase ADUs. The ADU typically appreciates about 3% to 5% a year; therefore, the assessed value of the ADU will be below the market value during the control period.

Occupancy Requirement: Owners and Renters of the ADU must occupy the ADU as their primary residence during the entire control period or until the unit is sold. Owners are prohibited from leasing (renting) their ADU. Renters are prohibited from sub-leasing their ADU.

Home Improvement Limits: There is no limit on the price or number of improvements. There is a cap on the dollar amount of the improvements that can be added onto the assessment value of the ADU. To maintain affordability, a maximum of up to \$10,000 worth of improvements will be counted into the resale price of the unit.

Homeownership: ADU owners have the full rights of any homeowner and may enjoy their home in what manner they deem appropriate. This also means that they have all of the responsibilities of homeownership, such as maintenance of the property, utilities, property taxes, and homeowner or condominium association fees.

CERTIFIED BUYERS / RENTERS LIST

Applicants that submit a complete application and meet all of the eligibility requirements of the program will be issued a Certificate of Eligibility to become a buyer/renter of an ADU. The buyer's/renter's name will be placed on the Certified Buyers List (CBL)/Certified Renter's List (CRL) and assigned a priority category. The CBL/CRL is composed of 4 priority categories and within each of the categories there is a ranking order.

Priority One (City Residents that are Seniors or Persons with Disabilities):

- A. Seniors or persons' w/disabilities who live in & work for the City
- B. Seniors or persons' w/disabilities who live in & work in the City
- C. Seniors or persons' w/disabilities who live in the City

Priority Two (City Residents):

- D. People who live in & work for the City
- E. People who live in & work in the City
- F. People who live or work in the City

Priority Three (No Relation to the City):

- G. Seniors or persons w/disabilities who do not live or work in the City
- H. People who do not live and work in the City

Buyers/Renter's must renew the Certificate of Eligibility each year to remain on the CBL/CRL and will be awarded one point and one additional ticket for each year they successfully renewed their application. The length of time a buyer is on the CBL/CRL may vary depending on the buyer's/renter's priority category and available ADUs.

The City of Falls Church does not discriminate on the basis of disability in its employment practices or in the admission to, access to, or operation of its services, programs, or activities. Cindy Mester, 300 Park Avenue, Falls Church, Virginia, has been designated to coordinate compliance with the ADA non-discrimination requirements. The City of Falls Church complies with the Americans with Disabilities Act. This document will be made available in an alternate format upon request. Call 703-248-5005, (TTY 711.)