

Northern Virginia Affordable Housing Alliance
Leadership Council Meeting
May 11, 2020

Attendees: (those present in **bold face**)

Ayan Addou
Nick Bracco
Melissa Bondi
Sonya Breehey
Hilary Chapman
Ed Creskoff
Nora Daly
Keiva Dennis
Katharine Dixon
Bailey Edelson
Jim Edmondson

Conrad Egan
Jon Frederick
Nina Janopaul
Michelle Krockner
Sylisa Lambert-Woodard
David Levine
Cheryl Malloy
Eric Maribojoc
Brian McLaughlin
Brett Meringoff
Shelley Murphy

Jill Norcross
John Payne
Stewart Schwartz
Fred Selden
Jon Smoot
Michael Spotts
Ryan Sherriff
Josh Veverka
Walter Webdale
Michelle Winters

Guests: Helen McIlvaine, Director, Office of Housing, City of Alexandria; Anne Venezia, Housing Director, Arlington County; Thomas Fleetwood, Director, Department of Housing and Community Development, Fairfax County; Sarah Coyle Etro, Director, Office of Housing, Loudoun County

Handouts: Meeting agenda; draft LC notes from March

1) Welcome and Introductions

Updates-

NVAHA COVID-19 impact survey: We are conducting a three-part survey to help us understand how COVID-19 has impacted the operations and staff of affordable housing developers, human service organizations, homeless service providers, and housing authorities in the Northern Virginia region. The goal is to identify ways that the public and private sectors can support these organizations during the crisis, and ensure their well-being and sustainability for the future. The first of the three questionnaires was sent out last Monday. The second questionnaire will be sent in July, and the third questionnaire will be sent in October. If you received the first questionnaire, please complete it. Responses will help inform our policy advocacy efforts, and guide the development of the subsequent questionnaires. Housing Virginia and the Virginia Housing Alliance received funding to conduct a similar survey in Central Virginia, and in the Virginia Beach/Hampton Roads area. We plan on compiling our findings to provide a statewide picture of the state of the housing sector, in addition to regional snapshots.

CE: Request for update from property managers re: the impact of COVID-19 on April/May rental income

- **APAH:** Currently, 81% of tenants have paid May rent. Because there is no penalty for late payment, payments came in on a rolling basis throughout the month of April (started the month at 15% delinquency, dropped down to 11% by the end of the month). Hoping that May will be similar.
- **AHC & WHDC:** Similar delinquency rates and expectations re: payments trickling in throughout the month
- **The Michaels Organization:** Similar experience to NoVA developers on a national scale

2) Presentations from Housing Directors from Alexandria, Arlington, Fairfax, and Loudoun Counties (ALSO SEE PRESENTATION SLIDES – ATTACHED)

Arlington

CARES Act Funding

- Arlington will receive \$830K in CDBG funding through the CARES Act (\$40k will be allocated to the City of Falls Church), also \$230K in CSBG funding
- Goal for distribution is to maximize impact and to distribute funds as quickly as possible
- Surveyed 75 human service organizations, heard back from 26
 - Greatest need: Emergency assistance to cover the cost of rent, utilities and internet
- Two-part plan to distribute funds (to be considered by County Board during meeting this weekend):
 - Phase 1: non-competitive, funds distributed by a local non-profit (est. timeframe: late May/Early June)
 - Phase 2: Competitive Notice of Funding Availability (NOFA) for remaining CDBG funds
 - Announced this summer, funds distributed in Oct./Nov.

Status of Current Housing Programs

- Single family home loan programs: Moderate Income Purchase Assistance Program (MIPAP) and Home Improve Program (HIP)
 - The County is offering to *forgive* payments (NOT forbearance or deferral) through Jan. 1, 2020
 - Payments range from \$57/month - \$227/month, est. cost for County is \$64k - \$80k
 - Program is available to all MIPAP and HIP borrowers, but individuals can choose to opt out
- Multifamily property owners: Limited Loan Payment Waiver
 - Loan amount will not change and loan terms will not change (interest will still accrue) during the waiver period
 - Waiver is for property owners experiencing COVID-19-related financial hardship
 - Waiver recipients are expected to report on how they are using funds that otherwise would have been spent on monthly loan payments to meet residents' emergency needs related to COVID-19
 - Waiver recipients may not evict tenants for non-payment of rent due to COVID-19-related financial hardship through Dec. 31, 2020

- Housing grants: pre-COVID-19 income levels will be used to determine eligibility for this program
- Housing Choice Vouchers: the County has suspended inspection of occupied units, new and vacant units are being inspected virtually
- Permanent Supportive Housing: Carryover funds from FY20 used to provide temporary shelter for individuals on the waitlist for permanent housing

Fiscal Year 2021 Budget Outlook/Looking Ahead

- When revising the budget to account for the effects of the COVID-19 pandemic, the County Board stressed their desire to maintain funding for housing and safety net programs to the extent possible
- COVID-19 contingency fund included in the budget: \$2.7 million reserved for housing and safety net programs
- New programs/expansion of existing programs postponed until FY22
- Budget will likely be revised repeatedly throughout FY21, as the understanding of the true economic impact of the pandemic evolves

Alexandria

Recent Accomplishments

- Arlandria Small Area Plan: Community engagement using a Spanish-first approach is currently underway (transitioned to virtual engagement following stay-at-home order)
 - Supported by grant funding from VHDA
 - Partnering with community-based organizations, including Tenants and Workers United
- Alexandria is the first NoVA jurisdiction to adopt COG regional housing targets
 - An additional 2,250 units over production goals outlined in the City's Housing Master Plan
- Acquisition of Avana/Parkstone (40% affordable, 35% workforce housing)
- Housing Summit: Check-in on Housing Master Plan
 - Launch of "Zoning for Housing" initiatives (ADUs, inclusionary zoning, and co-location)
- Joint Facilities Master Plan: Currently studying co-location of housing and schools
 - Need for more community education to generate support for co-location initiatives

COVID-19 Response

- Rental assistance
 - The City has allocated \$671,570 to provide emergency rental assistance to approx. 450 households living in City-supported housing
 - The City plans to use \$3 million in CARES Act funding to provide additional rental assistance
 - Funds will be distributed over a six-week period beginning in June
- Planning for recovery: Pandemic presents an opportunity to shift focus to housing as a social determinant of health (SDOH)

Fiscal Year 2021 Budget Outlook/Looking Ahead

- \$1 million loss in meals tax revenue
- \$9.3 million anticipated
- Need to aggregate data on COVID-19-related health disparities to illustrate need to invest in affordable housing
- Opportunities to purchase properties while interest rates remain low

Fairfax

Pre-pandemic Landscape

- Five strategic areas: **new production goals and resources**, land use policies and regulations, **preservation**, institutional capacity, community awareness and legislative priorities

CARES Act funding

- Fairfax County is the only jurisdiction to receive its allotment of VA's CARES Act funding directly from the federal government (due to large population)
 - Gov. Northam [has announced](#) plans to send \$650 million of the federal aid funding received by the state to local governments – these funds will be allocated based on population size
 - A second round of aid is likely to be distributed based on the severity of the impact of COVID-19 within each jurisdiction
- \$20 million to non-profit partners
- \$1.7 million in ESG funds to support homeless service providers
 - Funds will be used to create temporary shelter in hotels/motels where individuals experiencing homelessness can safely quarantine if they contract or are exposed to COVID-19
 - Limited funding to offset operating costs for homeless service providers
- \$3.5 million in CDBG funds
 - Three uses (in ascending order of %age of funds used for each purpose):
 - Operating support for non-profit human service providers
 - Emergency assistance to help tenants pay rent and utility bills
 - Rental income replacement paid directly to property managers

Fiscal Year 2021 Budget Outlook/Looking Ahead

- One cent increase to the penny fund deferred (will be revisited in FY22)
- Anticipated \$13 million in funding for new housing projects (including Tysons Housing Trust Fund)
 - Available in July, rolling application process
- Pipeline of > 1300 units serving households at or below 60% AMI
- ADU and WDU programs
 - In the process of updating WDU program (revising income threshold)
 - Task force has been convened, recommendations expected this year

- Other innovative approaches: Modular construction, housing to serve special populations (merger w/ the Office to Prevent and End Homelessness), co-location
- Newly formed County task force on affordable housing preservation
- Seeking opportunities for cross-jurisdictional collaboration

Loudoun

Recent Accomplishments

- Addition/expansion of state rental assistance program
- Designation of Leesburg as VHDA revitalization area
- Tuscarora Crossing Loan has brought new affordable developer interest to Loudoun County
 - There are still funds available in the multifamily loan program
- Off-cycle acquisition loan review: Opportunity to acquire and preserve market-rate affordable housing
- New funds from VHDA to support affordable home ownership opportunities in Loudoun
- Amendments:
 - Inclusionary zoning
 - ADUs allowed in single family detached and single family attached districts
- Newly established Office of Housing (formerly a Division of the Department of Family Services)
- Launch of Unmet Housing Needs Strategic Plan & Zoning Ordinance Review process
 - Timeline has been pushed back slightly due to COVID-19, but still expected to be completed by the end of the year
 - Working with Virginia Center for Housing Research at Virginia Tech University
 - Plan will span five years w/ frequent adjustments
 - Short-term priorities are expected to shift in light of COVID-19

COVID-19 Response

- Creation of dedicated webpage
- Established limited rental assistance fund
- CARES Act
 - Portion of CDBG funds will be used for limited rental assistance program
 - There will be an expedited application process for non-profits to apply for funding

3) Q&A

CE: Present situation illustrates the importance of having a strategic plan in place that is both solid and adjustable, gives County Executives and Boards guidance on where to start.

NJ: Grateful all four jurisdictions are looking forward and thinking about life beyond the pandemic, opportunity to address social inequities

MB: Two things Enterprise Community Development is following:

- 1) CARES 2: What will be included in the next round of aid? Need for advocacy to make sure all housing priorities get the attention they deserve

- 2) What do we need to do to keep the pipeline of affordable housing projects afloat? Are there any actions those on the call can take to ensure the sustainability of the affordable housing pipeline?

Response:

- **HM:** Great question, the pandemic has highlighted the importance of affordable housing as a SDOH, and the need to move forward with projects in the pipeline. Housing created by providers on the call is head-and-shoulders above market-affordable housing in our community. What can you do? Continue to serve as advocates for the importance of affordable housing and the need to support and sustain projects in the pipeline. Make the argument that housing is a small business, and should be encompassed in efforts to keep small businesses afloat.

MK: Impact of the pandemic on the real estate market may create opportunities to purchase land/buildings at lower price. What opportunities are developers on the call seeing and how can local and state resources be used to support affordable developers in pursuing these opportunities?

Response:

- **HM:** Challenge – some properties that have some time left until affordability expires are being purchased far in advance because prices are so low right now. Need to work with “mom and pop” market affordable facilities that have remained affordable because they cannot invest in capital improvements – agreements for City to fund capital improvements in exchange for the opportunity to be a partner in maintaining future affordability (e.g., right of first refusal)
- **AV:** Arlington has an out-of-cycle acquisition process outside of its competitive NOFA process. Currently looking for opportunities for preservation of market-affordable units. Encourage developers who identify such opportunities to reach out to county

4) Next Meeting

July 13, 2020 – Location TBA

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