

TO: Fairfax County Board of Supervisors

FROM: Fairfax County Human Service Providers, Non-profit Developers, Faith Communities, Citizen Housing Advocates

RE: Testimony for FY2020 Budget and Budget Guidance for FY2021

DATE: April 11, 2019

Madame Chair and Members of the Board:

As community-based organizations and county residents concerned with the availability of housing that is affordable to families with low or moderate incomes, including some of our most vulnerable community members, we are here to testify about housing affordability, the unmet housing needs of Fairfax County residents, and the recommendations of Phase I and Phase II for the Communitywide Housing Strategic Plan.

Not since 2005 has Fairfax County undertaken such a comprehensive analysis of housing affordability for low and moderate income households, and we applaud this effort. Housing costs have spiraled out of control for an increasing percentage of the county's population because wages have not kept pace with rents. According to the Phase I report, 'between 2010 and 2015, the average rent in Fairfax County increased 17 percent and typical home prices for single family homes, townhomes and condominiums were up 15, 23 and 27 percent respectively. Over the same period, the average household income in the County increased by only 10 percent and for many low-wage workers, income did not increase at all.'

According to Zillow, the average rent for a 2-bedroom apartment in Fairfax County is \$2,300 a month, and the average home purchase price is \$548,800. As stated in the Phase I report, 'according to the most recent American Community Survey, 44.3 percent of renters (more than 55,000 households) and 22.9 percent of homeowners (more than 60,000 households) in Fairfax County spend more than 30 percent of their income on housing – 30 % being the HUD standard for affordability.

The Strategic Plan analysis indicates that over the next 15 years, the county will need 15,000 units of affordable rental housing. This number is in addition to the current affordable housing shortage of 31,000 units. These significant numbers have impacts on real people – working families who struggle to pay their rent and put food on the table for their families. No one in Fairfax County should have to make that kind of choice.

While we support the recommendations from the Housing Strategic Plan Phase I and Phase II workgroups, given the tremendous shortage of affordable housing in the County, we urge the Board to act now to make investments in housing in the upcoming FY2020 budget. In addition, we ask that the Board expand upon what has been recommended in Phase II by the Affordable Housing Resources Panel. Specifically:

- Include a substantial down payment into the Housing Trust Fund in the FY2020 budget;
- Beginning in FY2021, approve an annual appropriation of \$50 million for the County's Housing Trust Fund. These funds would provide public investments in new housing production; housing preservation; a rental subsidy program; and affordable homeownership - goals identified in the County's Housing Policy in the Comprehensive Plan.

New housing production funds will begin to address the significant shortage of new affordable homes, providing the essential public sector financing for developer partners that indicates the County is ready to tackle this critical need. The county's investment will leverage private capital from experienced developers who will build more affordable homes in our communities.

Preservation is critical to maintaining the County's existing affordable housing stock and is an important strategy for County-wide housing policy. Thousands of families living in older, market-affordable apartments located near inner parts of the County like Seven Corners, Bailey's Crossroads and the Richmond Highway corridor are at risk of losing their homes if redevelopment, which has been approved for all of these areas, moves forward. With the announcement of the Amazon headquarters, the threat of displacement is real for these households.

Preservation funds, in coordination with creative zoning tools that allow appropriate density and regulatory flexibility, can provide meaningful incentives for both private sector and nonprofit developers to extend the life of existing affordable housing stock, or redevelop these sites with no net loss of affordability, creating new mixed income communities.

Rental subsidies help address the challenge of providing housing for those with extremely low incomes, persons with disabilities, chronically homeless persons and others who need support to sustain their housing, and who may be ineligible or waitlisted for existing programs. While the cost-burden situation is problematic for any household that pays more than 30 percent of their income in housing costs, it can become a crisis for those households with extremely low-incomes, and those with fixed incomes. By 2022, it is estimated that there will be 20,000 senior households with incomes less than 50% of the area median income and 10,000 disabled households.

The Fairfax County Community-Wide Housing Strategic Plan and its Ten-Year Plan to Prevent and End Homelessness call for the creation of housing options for vulnerable populations, but the County's existing programs do not provide sufficient supports for these families. We urge the Board to expand the existing rental subsidy program to provide appropriate and long-term housing supports for specific target populations whose housing needs are not being met by existing local programs. With long-term rental subsidies, affordable housing developments can incorporate these households as a percentage of total project.

Affordable Homeownership The decline in ownership opportunities reflects current owners remaining longer in their homes, rising land costs, and limited housing stock to purchase. Communities around the country are trying to address 'Missing Middle' housing, which refers to both an affordable price point and exploration of new housing types (duplexes, triplexes, and other infill housing types) that are compatible in scale and style with single family homes. Another best practice is land banking through a community land trust (CLT). The CLT retains ownership of land (through 99-year renewable ground leases), and sells the housing units on that leased land at affordable rates. Homeowners on CLT land are legally bound by deeds and covenants (the legal "how" it remains affordable) to sell their home to another income qualified family, which preserves the home's affordability for generations to come. Low and moderate income families benefit from CLTs through equity built by owning the home, and future residents will have the opportunity to own a piece of their neighborhood. Most CLTs are established and governed by nonprofit organizations, but seed funding is required.

Staff Capacity must be increased in the appropriate agencies to support the level of affordable housing production that will ensure for the increased financial resources. We support the recommendation of the Phase II workgroup for at least three positions that will provide additional coordination, expertise/capacity in development, preservation and sustainability. We especially like the idea of a 'housing in all policies' manager to coordinate with planning and regulatory/development agencies.

In closing, we note that the shortage of resources to address homelessness, affordable housing and preservation has had a disproportionate impact on people of color in Fairfax County. Investment in these communities to effect real change that creates healthy, diverse neighborhoods with equal access to opportunity is the true test of the County's commitment to the spirit of One Fairfax.

We appreciate the opportunity to speak to these issues and thank you for consideration of our recommendations.

Sincerely,

AHC Inc, Walter Webdale, President/CEO

APAH, Nina Janopaul, President/CEO

Britepaths, Lisa Whetzel, Executive Director

Coalition for Smarter Growth, Stewart Schwartz, Executive Director

Cornerstones, Kerrie Wilson, President/CEO

Cornerstones Housing Development Corporation, Michael Scheurer

Enterprise Community Partners Mid-Atlantic, Rev. David C. Bowers, Vice President & Market Leader

FACETS, Joe Fay, Executive Director

Fairfax Area-Disability Services Board, Leeann Alberts, JD, MBA – Chair

Faith Alliance for Climate Solutions, Scott Peterson, Co-Founder

Fellowship Square, Christie Zeitz, Executive Director

First AME Church of Alexandria, Rev. Abraham Smith, Pastor

Good Shepherd Housing and Family Services, David Levine, President/CEO

Habitat for Humanity Northern Virginia, Rev. Jon Smoot, Executive Director

Lamb Center, John MacPherson, Executive Director

Lorton Community Action Center, Linda Patterson, Executive Director

NAACP, Fairfax County Chapter, Kofi Annan, Chapter President

New Hope Housing, Pam Mitchell, Executive Director

Northern Virginia Affordable Housing Alliance, Michelle Krockner, Executive Director

Northern Virginia Family Service, Stephanie Berkowitz, President/CEO

Pathway Homes, Sylisa Lambert-Woodard, President/ CEO

Rising Hope United Methodist Mission Church, Rev. Keary Kincannon

Shelter House, Joe Meyer, Executive Director/CEO

South County Task Force for Human Services, Mary Paden, Convener

United Community Ministries, Alison DeCoursey, Executive Director

Ventures in Community, Dr. Kate R. Walker and Joe-Fay, co-conveners

Wesley Housing Development Corporation, Shelley Murphy President/CEO

Julie Booth, Springfield District
Conrad Egan, Providence District
Kelly Eichhorn, Mason District
Janet Garber, Mason District
The Reverend Mr. Jerry Hopkins, Providence District
Patricia McGrady, Lee District
Frank Palmer, Braddock District
Gerald Poje, Hunter Mill District