

MEMORANDUM

TO: Fairfax County Board of Supervisors
FROM: Housing and Human Service Providers Coalition coordinated by the Northern Virginia Affordable Housing Alliance
RE: Recommendations for Fairfax County’s proposed FY2022 Budget
DATE: March 30, 2021

Chairman McKay and Members of the Board of Supervisors:

Thank you for the opportunity to provide comments on the proposed FY2022 Budget. We are committed to serving vulnerable county residents, and we appreciate your steady leadership during these extraordinary times.

We are writing as a coalition of human service organizations, affordable housing and community development practitioners, members of faith communities and housing advocates who have worked for many years to advance opportunities for success for low- and moderate-income households in Fairfax County. Without question, this past year has been among the most challenging that many of us have experienced in our years of service. Our hope is that the County is beginning to turn the corner on the pandemic, but the residents we serve are by no means out of the woods. The future, for many, is still uncertain, and at times frightening.

Our recommendations focus on providing essential resources and assistance to the most vulnerable populations. They are drawn from lessons we have learned regarding the unequal impact of COVID-19, and are intended to chart a path forward for a more inclusive, prosperous county for all. We note that the *Fairfax County Economic Recovery Framework* prepared January 2021 for the Economic Development Authority by HR&A Advisors, contains similar recommendations with regard to investments in affordable housing, affordable childcare, digital access and digital literacy.

Please consider the following:

Retain the Advertised Tax Rate of \$1.15 per \$100 of assessed value. The need for essential services at this time is too great to consider reducing county revenue.

Amend the Budget at Quarterly Reviews to Incorporate Federal Funds. As staff develops a better understanding of eligible uses for the approximately \$225 million that Fairfax County will receive from the American Rescue Plan (ARP), we urge you to reinstate those housing and community development initiatives that were put on hold due to lost revenue and increased expenses caused by the pandemic. This historic infusion of funding should allow the County to be bold in their vision to address long-standing (and perennially underfunded) housing and human service needs that stem from pre-existing racial and social inequities laid bare by COVID.

Initiatives to be reinstated include:

The Value of One Penny of the Real Estate Tax for Housing (\$27.14 million). Nothing is more fundamental to family stability and well-being than quality housing that is affordable, and COVID has shown us how essential safe, decent housing is to both individual and community health. Every

successful affordable housing development in the County has required Affordable Housing Development/Investment Fund (AHDI) dollars to be economically viable.

Retaining a stable, consistent level of annual support is essential to maintaining the momentum of affordable housing development in the County. Increasing the County's annual investment in the AHDI by reinstating the proposed one penny will yield a return not only in the form of increased housing opportunities, but also increased health and well-being for all county residents.

We appreciate the value of public land transferred to the FCRHA for the purpose of developing new affordable housing, and we acknowledge that the proposed budget retains a ½ penny for preservation. It is important that these strategies continue, but they are not enough. For a County of 1.1 million residents with an \$8.52 billion proposed budget, the existing investments are inadequate for the scale and scope of the identified unmet housing needs.

While the County adopted a goal of adding a minimum of 5,000 affordable units in 15 years, the true housing need, according to the 2018 Communitywide Strategic Housing Plan, is more than 50,000 units over the next 15 years for households earning less than 80% of the area median income (AMI).

Please consider the following statistics from the County's 2018 (pre-COVID) demographic reports:

- 10.1% of all households (41,369) earn between \$25,000 - \$50,000 annually;
- 5.7% of all households (30,720) earn less than \$25,000 annually;
- GMU projects an increase of 8,500 households earning 30-50% AMI and 4,600 households earning < 30% AMI over the next 15 years.

Of the 72,000 households earning less than \$50,000 per year identified in 2018, \$625 - \$1,250/month would be affordable for those who are renters. However, the average rent for a one-bedroom apartment in Fairfax County is \$1,819/month. Even before COVID, families were struggling to stay housed and many were living precariously one paycheck away from eviction. Persons with disabilities, youth experiencing homelessness and families searching for housing to move out of congregate shelter can't find a decent affordable place to live.

The regional commitment in 2019 by COG members to increase both housing supply and affordability cannot be ignored here. Fairfax County was one of eleven jurisdictions who unanimously agreed to adopt regional housing goals for 2030. Now, the BOS should reaffirm that resolution, and adopt the goals specific to Fairfax County. To hold each jurisdiction accountable to that commitment, the new **Housing Indicator Tool**, developed by the Housing Association of Nonprofit Developers, shows that Fairfax County fell behind its neighboring NoVA jurisdictions in 2019 and 2020 in the following categories: housing for persons at 30 – 50% AMI and 50-65% AMI. Fairfax County also has the highest percentage of rent burdened households (44%) paying 30% or more of their income.

The County must increase housing resources for families earning less than \$25,000 annually.

While housing choice vouchers provide rental subsidies, the number of vouchers falls short in addressing the need. **We recommend that a local rental subsidy fund, similar to those in neighboring jurisdictions, be established. This funding would boost proposals applying for tax credits earn priority points and score more competitively.**

ARP funding allows the County to build upon best practices developed in response to the pandemic to make long-term changes to housing and community development programs. We ask you to consider the following:

- **Increase Investment in Case Management and Supportive Services by funding the Health and Human Resource Plan for FY21 – FY23.** This plan has gone unfunded for several years and is an eligible use of ARP funds;
- **Increase the Eviction Prevention Funding Pool for those who don't qualify for the federal rental assistance program.** Hundreds of households don't qualify for the federal eviction prevention funding due to barriers such as nonconforming lease agreements and financial needs that pre-date the pandemic;
- **Make progress toward ending homelessness by approving a pilot program to acquire a vacant hotel or motel to be converted into permanent supportive housing for persons unable to transition out of shelters.** These repurposed assets could be transformed into opportunity centers that provide housing, services and on-site counseling. We believe this strategy provides a post-COVID model to effectively end homelessness, and is an eligible use of ARP funds;
- **Incorporate Best Practices in Energy Efficiency for Affordable Housing.** Energy-efficiency programs improve financial security of low-income residents by reducing their utility bills. These programs also improve health, by reducing exposure of occupants to extreme temperatures, to indoor and outdoor air pollution, to moisture and mold, and to infiltration by rats, cockroaches, and other pests. Staff and funds should be made available to apply for the new Regional Greenhouse Gas Initiative (RGGI) funding for low-income energy efficiency housing programs through the Virginia Department of Housing and Community Development;
- **Invest in Broadband** The pandemic has brought the necessity of broadband for all into sharp relief. Too many low-income households cannot afford even the most basic broadband plan. Many also lack the appropriate devices for online learning, telehealth access, and securing information about rent relief and other critical assistance programs. Broadband subsidies are an eligible use of ARP funds;
- **Preserve the County's Affordable Housing Inventory.** The County's Preservation Task Force has concluded its work and delivered their recommendations for the Board to consider. Preserving affordable housing can be expensive, and to be successful a combination of financial and zoning tools is needed.

The County's mobile home communities represent both a preservation challenge and a racial equity imperative. The County Comprehensive Plan identifies mobile homes as a 'valuable source of affordable housing.' As such, thoughtful discussion should be given as to how to preserve and protect affordability for the majority Latino mobile home communities along the Route 1 corridor, now at risk of displacement due to redevelopment. The recommendations of the Mobile Home Workgroup from the Preservation Task Force provide a clear path toward housing stability for these residents. The following recommendations have budget implications that we respectfully request you incorporate in your FY2022 deliberations:

- Begin each policy discussion and land use deliberation by engaging the residents who live in the affected mobile home communities and identify ways to incorporate community priorities into policy decisions. As stated in the recommendations “The legacy and continued viability of communities defined by shared cultural and/or historical dynamics should be honored.” Funding for staff time and resources is necessary;
- Create a reserve fund for residents to address deferred maintenance on their mobile homes, similar to the County fund to assist low-income homeowners with home repairs;
- Consider strategies such as land banking, use of county-owned land or outright acquisition of land, which could be transferred to a nonprofit developer or a community land trust for long-term planning and preservation. These strategies should be eligible for AHDI funds.

Thank you for your time and consideration of our recommendations. We are committed to working with the Board and staff to implement a budget that utilizes these historic, one-time resources to invest in a vision for housing and human services that ensures equal opportunities for all in Fairfax County.

Sincerely,

AHC Inc, Walter Webdale, President & CEO

Arlington Partnership for Affordable Housing, Nina Janopaul, President/CEO

Aldersgate UMC, Pastor Randy Orndorff

Britepaths, Lisa Whetzel

Coalition for Smarter Growth, Stewart Schwartz, Executive Director

Cornerstones, Kerrie Wilson, CEO

E&G Group, Jim Edmondson, Principal

Enterprise Community Development, Brian McLaughlin, President

Enterprise Community Partners, David Bowers, Vice President and Mid-Atlantic Market Leader

FACETS, Joe Fay, Executive Director

First Baptist Church of Vienna, Rev. Vernon Walton

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

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

Housing Association of Nonprofit Developers (HAND), Heather Raspberry, Executive Director

Fairfax County Alliance for Human Services, Lisa Whetzel, Chair

Fairfax County NAACP, Karen Campblin, President

Fairfax Presbyterian Church Social Justice Group, Gerald Hopkins, Parish Associate, Coordinator

Faith Alliance for Climate Solutions, Meg Mall, Executive Director

Michaels Development Company, Nicholas Bracco, Senior VP, Mid-Atlantic

NAMI Northern Virginia, Summer Parrish, Interim President & CEO

National Capital Presbytery Affordable Housing Mission Network, Susan Etherton, Moderator

Neighborhood Fundamentals, LLC, Michael A. Spotts, President

New Hope Housing, Pam Michell, Executive Director

New Virginia Majority, Jon Liss, Co Executive Director

Northern Virginia Affordable Housing Alliance, Michelle Krockner, Executive Director

Northern Virginia Apartment Association, Patrick Algyer, Executive Director
Northern Virginia Family Service, Stephanie Berkowitz, President & CEO
Pathway Homes, Sylisa Lambert-Woodard, President and CEO
Second Story, Judith Dittman, CEO
ShelterHouse, Joe Meyer, Executive Director & CEO
South County Task Force, Mary Paden, Chair
Tenants and Workers United, Evelin Urrutia, Executive Director
United Community, Alison DeCoursey, President/CEO
Wesley Housing, Shelley Murphy, President/CEO

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Autumn Ginley, Providence District
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Cookie Hymer-Blitz, Hunter Mill District
Dillon Ginley, Providence District
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Ivan Varkonyi, Providence District
Jennifer Holliday, Providence District
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Richard Kennedy, Hunter Mill District
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Xavier Ginley, Providence District