

AFFORDABLE HOUSING IN FAIRFAX COUNTY AND FAIRFAX CITY

Mary Cocker, Dottie Cousineau, Janey George, Anne Thomas (Chair), Elizabeth Brooke (Editor)

Why Should We Care About Affordable Housing?

Housing is no longer just a crisis for the poor. Families are being priced out of Fairfax County and are moving farther from their jobs. This affects everyone as it impacts traffic and quality of life as well as community diversity. It is a concern to businesses and government agencies that are looking for workers. Some examples of workers affected by high housing costs are recent graduates entering the job market, nurses, firefighters, teachers, police officers, cooks, waiters, retail clerks, bus drivers, janitors, and hotel workers. High rents and housing costs also hurt seniors living on fixed incomes.

In 2000, the Area Median Income (AMI) for households in Fairfax County was \$89,000. Sixty-five percent of the houses on the market were affordable to those earning the AMI. By 2005, the AMI was \$94,610 but only 28 percent of the houses on the market were affordable. In 2005, households earning the median income could afford most of the rental units available. However, this level of affordability will decline over the next few years as rent levels increase, and even the rental market will become less affordable to families of moderate incomes.

What Is Affordable Housing?

Although there is no single definition for “affordable housing,” the accepted standard is that a household's monthly housing costs, including utilities, should not exceed 30 percent of monthly net household income. While useful, this is an inexact measure of need. Another definition: “For purposes of the [Fairfax County, Virginia] Policy Plan, housing which is affordable to households with incomes that are 70% or less of the Metropolitan Statistical Area

(MSA) median family income. ... Housing where the occupancy or price is controlled in some way to make it available to people who cannot afford to rent or buy on the open market.”

Source: Fairfax County Comprehensive Plan, 2007 Edition

Housing in Fairfax County

The supply of new homes has not kept pace with the growth of jobs. According to a report prepared by George Mason University School of Public Policy, Center for Regional Analysis, for the Fairfax County Department of Housing, there was a demand, based on job growth, for 124,200 new housing units over the years 1990-2005 but only 81,000 new households were added to the county. Thus 43,200 households had to find housing outside the county. Looking to the future, it is projected in the next 20 years there will be an additional deficit of 37,700 housing units.

Also, the county is quickly losing its supply of affordable housing as rental units are converted to condos or torn down for other projects, and modest homes are demolished and replaced by large, expensive homes.

2005 Availability of For-Sale Housing: Using median household income=\$94,610				
% of County Median Income	Household Income (\$)	Maximum Affordable For-Sale Home (\$)	No. of Units Sold in 2005	% of Total
50	47,305	149,453	30	0.1%
60	56,766	195,804	248	1.1%
70	66,227	242,157	903	4.1%
80	75,688	288,509	2,070	9.4%
90	85,149	334,305	3,784	17.2%
100	94,610	384,444	6,213	28.2%
110	104,071	429,790	8,619	39.1%
120	113,532	475,137	10,944	49.7%

Source: George Mason University School of Public Policy, Center for Regional Analysis based on MRIS data

Housing Units Needed by Tenure by Price, 2005 - 2010

Income Group	Rental		Ownership	
	Rental Units	Rent Levels	Ownership Units	House Price Levels
< 50% AMI	6,000	< \$850	5,500	< \$150,000
50% - 80% AMI	3,500	\$850 - \$1,375	6,000	\$150,000 - \$285,000
80% to 120% AMI	2,500	- \$2,080	9,000	\$285,000 - \$475,000
> 120% AMI	2,500	> \$2,080	20,500	> \$475,000
Totals	14,500		41,000	

Source: George Mason University School of Public Policy, Center for Regional Analysis

Number of Housing Units (2004)	
Single Family Units	187,032
Townhouse Units	93,107
Multifamily Units	98,500
Total Units	378,639
Median Market Value of Owned Homes (2004)	
Single Family Units	\$424,945
Townhouse Units	\$263,340
Multifamily Units	\$171,363
Total Units	\$349,000

2004 Average Rental Complex Rent.....\$1,157

Source: Department of Systems Management for Human Services.

<http://www.fairfaxcounty.gov/demogrph/gendemo.htm#housing>

Fairfax County Programs and Initiatives

In June 2004, a citizen forum was held to shape the strategies and direction for the county’s efforts to preserve its diminishing supply of affordable housing. A citizen task force appointed by the Board of Supervisors (Affordable Housing Preservation Action Committee) recommended the following actions:

- Dedicate one penny of the real-estate tax rate to the preservation of affordable housing, effective in Fiscal Year 2006.
- Revise the Fairfax County Comprehensive Plan to provide development flexibility and incentives for projects

that include affordable/workforce housing, and to broaden the definition of affordable/workforce housing.

- Provide a tool box of incentives for preservation, which include zoning and regulatory flexibility and financing techniques. Provide form-based zoning options and overlay districts to enable certain design standards to facilitate development approvals.
- Create an Affordable Housing “SWAT” team, comprised of business and community stakeholders and County staff, and fund an ombudsman position at the Department of Housing and Community Development to act as the point person to prevent the loss of at-risk affordable housing.
- Develop incentives to encourage the owners of existing Affordable Dwelling Units to record a new covenant to extend the control period of the unit to 30 years and/or restart the control period when they sell to a new owner.
- Develop incentives to encourage the preservation of affordable units in condominium conversions within existing affordable garden apartment stock in the County.
- Establish a working group to develop recommendations on how to restructure Virginia’s Low Income Housing Tax Credit and increase the usage of the Federal Low Income Housing Tax Credit program, with an emphasis on preservation. Support House Joint Resolution Number 719 directing the Virginia Housing Commission to study the authority of localities to provide incentives to preserve affordable housing.
- Support the establishment of the Governor’s Virginia Community Development Bank and specific Virginia General Assembly bills that will expand the Bank to urban areas like Fairfax County.

- Revise the Affordable Dwelling Unit Ordinance (ADUs) to extend the control period to 30 years for new ADUs.
- Broaden the use of accessory dwelling units as a way to effectively expand the affordable housing stock at little or no cost to meet a range of housing needs.
- Establish an advocacy and public education campaign to promote the need for affordable/workforce housing and the public-private resources to fully fund these recommendations.

The Board adopted all the recommendations of the task force in January 2005 and approved the penny fund for housing as part of its FY 2006 budget in April 2005.

The Penny Fund

The penny fund (1 cent of the tax rate) has generated about \$21.9 million for the preservation and production of affordable housing in FY 2007 (July 1, 2006-June 30, 2007). Supervisor Cathy Hudgins reported that 1,491 units have been preserved or been targeted for preservation using money from the penny fund. (Some of these will be acquired in FY 2008.) These units are intended for renters making 60 percent or less of the AMI. Not all of these units are currently available for qualifying tenants because they are being renovated or occupied by renters that were in the units when they were acquired by the county. The county is working on how best to solve the problem of nonqualifying renters.

Fairfax County Redevelopment and Housing Authority

The Fairfax County Redevelopment and Housing Authority (FCFHA) is responsible for executing the affordable housing plan and for providing housing to the needy. The Authority has identified private and public funding sources for affordable housing. The funding is available for projects that include the homeless, elderly, and various income levels (60 to 80 percent AMI or below 60 percent AMI).

The FCRHA owns 1,063 units of Public Housing that are managed and maintained by the Fairfax County Department of Housing and Community Development (HCD). The program is targeted for households earning 50 percent and below AMI. The units were built or acquired using federal public-housing funds. Units include townhouses, garden apartments, and condominium units, and are located throughout the County.

Senior and Disabled Housing

The Fairfax County Housing and Redevelopment Authority owns and manages 572 housing units for low-income seniors and disabled persons. Two facilities, Braddock Glen and the Lincolnian, are licensed adult care residences (assisted living). An additional 150 senior units have been approved for construction. Every one of the eight residential locations has an applicant waiting list. These properties offer subsidies provided by federal Housing and Urban Development (HUD) funds, as well as tax-credit financing. There are numerous independent, private low-income senior housing providers who receive federal, state, or local subsidies and also accept Housing Choice Vouchers (formerly identified as the Section 8 Program).

One innovative example of affordable, fully-accessible units for individuals with disabilities is the newly-constructed Coppermine Place located in Herndon. This four-story elevator building has 22 one- and two-bedroom apartments specifically designed for severe mobility impairments. Features include wheelchair-accessible kitchens with low countertops and bathrooms with roll-in showers. The accessible design was made possible by Accessible Space, Inc., a Minnesota-based national nonprofit organization specializing in housing for the disabled, in consultation with a steering committee of disabled individuals from the Disability Housing Advocates of Northern Virginia.

Coppermine Place I is the result of a seven-year effort and is owned and operated by the Wesley Housing Development Corp. with headquarters in Alexandria. The new residence serves persons on fixed incomes, many of whom rely on Social Security Disability benefits and who suffer from motion impairments, such as brain and spinal cord injuries, cerebral palsy, paralysis, etc. All residents are very low-income and pay 30 percent of their income in rent, as required by HUD, which has provided a \$1,865,800 capital grant in addition to rent subsidies that allows residents to have affordable, accessible housing in an attractive community. Without subsidized rents, housing options for low-income, disabled individuals include living in a nursing home, an elderly complex, or with family.

Coppermine Place II is adjacent to Coppermine Place I in a separate building that features one- or two-bedroom affordable apartments for seniors who are 55 years or older. This facility offers routine health screening by local medical professionals and a wide variety of activities for socializing and exercising with specific educational opportunities. The community is staffed with a full-time Social Services Coordinator and a part-time Resident Programs Coordinator. Residents in both buildings represent a wide range of ethnic diversity. Many are new Americans. Nearly all residents earn less than 60 percent of the Area Median Income and most earn between \$25,000 and \$40,000 per year. Their median income is \$23,240 per year. Coppermine Place I has an applicant wait list, whereas Coppermine Place II does not. Verification of household income occurs prior to move-in and each year thereafter to remain eligible for rent subsidies.

New Initiatives

Fairfax County data suggest that single adults become homeless due to disability; families become homeless due to poverty. Preventing homelessness is more cost effective than

providing emergency shelter and re-housing a homeless person. This strategy represents a change in philosophy from crisis intervention to early, focused, and sufficient intervention to prevent homelessness. Program objectives are:

- Change the existing shelter system to implement a “housing first” model.
- Ensure that people who are homeless or near homeless are a priority for the Fairfax-Falls Church Community Services Board.
- Implement a service delivery system that builds trust.
- Develop interdisciplinary Neighborhood Service Teams.
- Provide increased outreach to unsheltered individuals.
- Integrate mental health and substance abuse services.
- Establish a housing assistance fund.
- Provide training to County and nonprofit staff and volunteers.
- Engage volunteers and faith-based organizations in service delivery.

Single Resident Occupancy Units

The county is working on amending the zoning ordinance to allow for more Single Resident Occupancy Units (SROs). They would be regulated as multifamily buildings. The County currently operates SROs on the first floor of the Fairfax County Redevelopment and Housing Authority building on Pender Drive; these mostly serve single men and are part of the housing first initiative. The Housing Authority plans to build more SROs that are co-located with County services.

Development on County Owned Land

The County also plans to develop a complex of affordable housing adjacent to the Fairfax County Government Center near Fair Oaks shopping mall. The project includes SROs, and a mix of subsidized housing for those with incomes under 80 percent AMI and nonsub-

sized housing for 80 to 120 percent AMI (also known as workforce housing).

High-rise Affordable Housing

The Housing Authority is proposing that 12 percent of units in new high-rise projects be reserved as affordable units. The target income is 80 to 120 percent of AMI. Details are being worked out on how this will be implemented, but it must be done in a way that does not cause developers to lose money on the project. The Board of Supervisors, as of summer 2007, have not yet voted on this proposal.

Fairfax City

The City of Fairfax feels it has more affordable housing than the surrounding jurisdictions and is concerned about the quality of its housing stock. It currently has older garden style apartments, duplexes, and smaller homes. The city is interested in revitalizing and upgrading its housing stock to maintain and enhance the quality of life there. The Renaissance program allows a homeowner to build an addition and upgrade the interior for 0 percent interest. This program has been well received.

The city is also concerned about its aging population; it currently has a program to help older residents with tax relief and is placing an emphasis on affordable senior housing. The city is negotiating for affordable senior units in the West Drive area.

Fairfax City currently contracts with Fairfax County for shelter space, emergency housing, and transitional housing. Fairfax County runs all state and federal housing programs for Fairfax City.

The city does have among its private apartments a group of buildings that are designated for moderate income residents. These are walkup apartments, which are all one- or two-bedroom

units. They are a private development with a one- to two-year waiting list.

Type of Housing Unit – Fairfax City	Number	Average Assessed Value
Single-family detached (2004)	4,732	\$370,739
Single-family attached (2004)	158	\$575,713
Duplex (2004)	270	\$209,435
Townhouses (2004)	910	\$343,040
Condos(2004)	1,002	\$162,744
Number of rental apartment units (2004)	1,574	
Median gross cash rent (2000 Census)	\$945	
Percent of renter-occupied housing (2001)	27%	

<http://www.fairfaxva.gov/cdp/demographics.asp> (Fairfax City website)

Nongovernment Affordable Housing Sources and Advocates

There are many nonprofit organizations involved in the solutions for affordable housing. The Northern Virginia Affordable Housing Alliance (NVAHA), AHOME, Housing Association of Nonprofit Developers (HAND), and the Coalition for Smarter Growth are the largest groups operating in our area. These organizations are umbrella groups comprised of local, regional, and national organizations promoting affordable housing, and providing financial funding and social services (government and private) to deal with homelessness.

Northern Virginia Affordable Housing Alliance (NVAHA)

The Northern Virginia Affordable Housing Alliance (NVAHA) is a broad-based regional organization whose mission is to create successful communities by affordable housing education and advocacy. It promotes development and preservation of housing for people of all incomes by information exchange, policy monitoring, public outreach, and education. It acts as a clearinghouse for housing advocates in Alexandria, Arlington County, Fairfax County, Falls Church, Loudoun County, and Prince William County.

NVAHA wants to unite the many advocates in the area who have not been able to make their voices heard. Because of myths and misconception that have undermined efforts to win political support for funding and zoning approvals, completion of projects has been difficult and costly. Working through local organizations, the Alliance promotes the production and preservation of affordable housing as a community asset.

It promotes policies that will create, preserve and maintain a wide variety of housing types both through homeownership and renting. The housing would conform with existing communities, use green building principles, and be well designed, safe, and sustainable.

The Alliance supports coordinating housing production with employment, transportation, retail, educational, social services, and recreational needs of the residents while encouraging transit-oriented planning and development that meet the areas needs.

The Housing Association of Nonprofit Developers (HAND) was formed to support the professional housing providers to increase the supply of affordable housing in the Washington, D.C., metropolitan area. It is open to all nonprofit and for-profit housing developers, lenders, local government staff, and advocates as well as technical consultants.

HAND holds bi-monthly meetings as well as special seminars on topics such as tax-exempt bond financing, low-income housing tax credits, loan underwriting, and nonprofit financial management. An annual meeting is held each June that features the presentation of the HAND Housing Achievement Awards, which recognize the finest in affordable housing projects, programs, and organizations during the preceding year.

The Coalition for Smarter Growth has been included among the affordable housing organizations because it realizes that affordable housing does influence the transportation and growth problems and congestion in the area. Its mission is “to ensure that transportation and development decisions accommodate growth while revitalizing communities, providing more housing and travel choices, and conserving our natural and historic area.”

The Coalition wrote “Ensuring Housing Opportunities in Fairfax: Making the Most of the One Penny Fund by Serving Working Families With the Greatest Need.” In this report it finds that lower-income families face tremendous challenges to locating housing they can afford in Fairfax County. These workers add to the transportation congestion by living outside the County and having to use the County roads to get to work. Most transit operations do not cover the larger area needed to accommodate these workers. The report’s conclusion was that focusing on supplying low-income workers’ housing needs will keep Fairfax’s economy competitive and demand for housing overall strong. The report can be read on the Coalition for Smarter Growth website, www.smartergrowth.net.

Virginia Housing Development Authority (VHDA)

VHDA is a quasi-government agency. The governor appoints 11 commissioners to serve on the board, but the authority is a self-supporting

organization and does not use tax dollars to fund its lending programs.

VHDA is the state's mortgage finance agency and was created by the Virginia General Assembly in 1972 to help low- and moderate-income Virginia families buy quality affordable housing. Since it was founded, VHDA has helped finance 131,000 single-family homes and 96,000 multifamily apartments.

The authority has a wide range of mortgage loan programs for both first-time buyers and repeat homeowners. Private lenders originate most of the loans. In trying to reach all Virginians, the agency has two traveling vans that serve as Mobile Mortgage Offices to process and approve loans in areas of the state that are not served by traditional lenders. Also, since 1993, VHDA has held Homeownership Education Classes throughout the state.

The Multifamily/Rental Loan Programs help large and small developers purchase, rehabilitate, and renovate apartments and rental properties. This division also administers the Federal Low-Income Housing Tax Credit program, which provides owners with a federal income-tax credit.

VHDA's funding sources are taxable and tax-exempt bonds issued each year. The private sector purchases these bonds, which generates the authority's principal source of capital. The bonds do not constitute a debt or an obligation of the Commonwealth.

AHOME

AHOME was established in 1986 in Fairfax County to support the development and passage of Fairfax County's Affordable Dwelling Unit (ADU) Ordinance. It has grown to be a non-profit coalition of community businesses, developers, unions, business organizations, resident organizations, and other nonprofit service groups working to find ways to meet our community's needs for affordable housing.

The Fairfax ADU ordinance was adopted in 1990, with Loudoun County adopting its ADU ordinance in 1993. AHOME is now active in Alexandria and Arlington, Fairfax, Loudoun, and Prince William counties.

The "Kate and Allie" ordinance (passed in 1995) is one of AHOME's successes. The ordinance permits two single parents and up to six of their children to live in a single housing unit. Recently AHOME has become a strong advocate for the preservation of HUD-subsidized affordable housing projects built in the 1970s. Since the 25-year-old mortgages are expiring, a House of Delegates resolution was adopted in 1999 to endorse a consortium to assist in preserving low-income rental housing.

AHOME has been instrumental in the building of the Chesterbrook Senior Citizen Assisted Living Project, a 98-unit low-income housing complex in McLean, as well as being involved in the creation of the Fairfax Affordable Housing Preservation Action Committee.

AHOME strongly encouraged the Fairfax County Board of Supervisor to adopt the One Cent Affordable Housing allocation of the property tax as well as the Alexandria City Council to adopt a One Cent Affordable Housing allocation of its property tax and the full allocation of its recordation tax.

AHOME continues to promote expansion of affordable housing options.

The Virginia Foundation for Housing Preservation

The Virginia Foundation for Housing Preservation was established in May 2000. AHOME supplied its first \$1,000 of start-up funds. Private-sector supporters contributed to the foundation's "gap-closing fund." Most of the funding came from community banks seeking "community reinvestment credits." The various banks have pledged \$30 million so far to the AHOME-initiated project.

Educational seminars, technical assistance relating to ADUs, and bus tours of projects by newly elected officials as well as other policymakers are just some of the services provided by AHOME. It also acts as a catalyst bringing divergent groups and goals together.

Habitat for Humanity of Northern Virginia

Habitat for Humanity is building Westwood Forest at 11328 Westbrook Mill Lane, Fairfax. It is currently constructing a three-story; 12-unit condominium building that will have four two-bedroom units and eight four-bedroom units. By 2010, the group hopes to have an additional 38 units completed

Tenants & Workers United

Tenants & Workers United is a democratically controlled, grassroots organization committed to winning social and economic justice and building the power of low-income people of Northern Virginia – Latinos/as, African Americans, tenants, immigrants, workers, women, and youth. It is concerned that the penny fund is not fulfilling its mission of targeting households that earn below 60 percent of the median income. The organization would like to see the penny fund guidelines become an ordinance to ensure that the funding is used for lower-income residents of Fairfax County. The County prefers to have the flexibility of guidelines so that they can move when opportunities arise.



Sources:

Fairfax County Department of Housing and Community Development, interview with Tina Norvell, Public Relations.

Interview with David Hudson, Director, and Jack Blevins, Division Chief, Planning, for the Fairfax City Community Development and Planning Office.

<http://www.fairfaxva.gov/CompPlan/Plan/05-Housing.pdf>

Wesley Housing Development Corp., interview with Julie Riddle, on-site Social Services Coordinator, Coppermine Places I and II. <http://www.fairfaxcounty.gov/demogrph/gendemo.htm#hous>

“Need for Affordable/Workforce Housing in Fairfax County,” prepared for Fairfax County Department of Housing and Community Development by Center for Regional Analysis, School of Public Policy, George Mason University; John McClain, AICP, and Lisa A. Fowler, Ph.D., November 2006

Interview with Mary Stevens, Deputy Director, Department of Housing and Community Development

Interview with Supervisor Catherine Hudgins and Martin V. Taylor, Legislative Aide

Interview with Edgar Rivera, Tenants and Workers United

Coalition for Smarter Growth website: www.smartergrowth.net.

Habitat for Humanity of Northern Virginia website: <http://www.habitatnova.org/>

Washington Post, May 31 2007, “Fairfax Pushes Affordable Housing”