

FOR CONSIDERATION: DRAFT – January 8, 2010

A HOUSING BLUEPRINT

A HOUSING STRATEGY FOR FY 2011 and BEYOND

The Housing Blueprint has been developed in response to discussion among the members of the Board of Supervisors at their 2009 retreat. The Board directed the staff to develop a set of strategies or proposals, based on their discussion, for consideration at a future meeting of the Housing Committee of the Board of Supervisors. Subsequent to the meeting of the Housing Committee in September, several housing advocacy groups, the Affordable Housing Advisory Committee, and the Fairfax County Redevelopment and Housing Authority (FCRHA) have reviewed the draft document. Their comments and suggestions have been incorporated into this version.

- 1. Philosophy:** The Housing Blueprint reflects the philosophy of the Board that affordable housing is a continuum ranging from the needs of the homeless to first-time homebuyers. In between these two poles, the continuum includes the diverse housing needs of hard-working, but low paid families; senior citizens; persons with disabilities; and the workforce across Fairfax County. Housing in Fairfax County is a three-legged stool that depends on a smooth partnership between the non-profit community, the for-profit development industry and the public sector.
- 2. Serving the Greatest Need:** The Housing Blueprint further reflects the consensus among Board members that affordable housing priorities have shifted and that the emphasis should shift to those with the greatest need. This includes individuals and families who are homeless, those with low to extremely low incomes, those with disabilities and low-income seniors. Central to addressing this priority will be providing our most disadvantaged citizens with a housing “bridge” to stability, recovery and greater self-sufficiency; this will be achieved by competitively funding innovative non-profit solutions, potentially to include rent subsidies and affordable housing development.
- 3. Addressing the Pipeline:** The Housing Blueprint also reflects a desire to complete projects in the pipeline where the need and the community expectation have already been established.
- 4. Leveraging the Capacity of the Private Sector:** Finally, the Housing Blueprint reaffirms the Board’s long-standing policies of the Comprehensive Plan which encourage affordable and workforce housing development through land use incentives to the private sector.

GOALS

There are four key goals that Fairfax County will strive to address over the next 10 years. These goals are well-defined, reflect the philosophy of the Board of Supervisors and the community, and are achievable. These goals are:

- TO END HOMELESSNESS IN 10 YEARS**
- TO PROVIDE AFFORDABLE HOUSING OPTIONS TO THOSE WITH SPECIAL NEEDS**
- TO REDUCE THE WAITING LISTS FOR AFFORDABLE HOUSING BY HALF IN 10 YEARS**
- TO PRODUCE WORKFORCE HOUSING SUFFICIENT TO ACCOMMODATE PROJECTED JOB GROWTH**

CONCEPTS

Housing for Those with the Greatest Need

Blueprint Goals:

- To end homelessness in 10 years
- To provide affordable housing options to those with special needs
- To reduce the waiting lists for affordable housing by half in 10 years

Description

Extremely Low Income and Those with Disabilities

- Fairfax County, through the concepts addressed in this Blueprint as well as other efforts, will address the affordable housing needs of homeless individuals and families and those with extremely low incomes (30 percent of the Area Median Income (AMI)) as well as those with disabilities in partnership with the non-profit charitable organizations in the County.
- The County will approach this challenge in a collaborative effort among its human services agencies—the Office to Prevent and End Homelessness, the Fairfax-Falls Church Community Services Board (CSB), the Department of Family Services (DFS), the Department of Housing and Community Development (HCD) and the Fairfax County Redevelopment and Housing Authority (FCRHA), as well as the Disability Services Board (DSB) and other appropriate boards, authorities and commissions.

Partnering with Non-Profit Organizations

- The Board of Supervisors will set a goal for Fiscal Year 2011 and beyond of assisting non-profit organizations in developing “Housing First” units and other affordable housing opportunities for persons with special needs. A portion will be permanent supportive housing. Examples include the conversion of the Mondloch House shelter (Lee District) into 20 residential studio units for Housing First; the development of six transitional units adjacent to the Hanley Family Shelter (Springfield District); and efforts under the Consolidated Community Funding Pool (CCFP), and federal HOME Community Housing Development Organization (CHDO) set-aside and Neighborhood Stabilization Program (NSP).

Re-Focusing Existing Resources

- A new focus on Housing First will be placed on the federal HOME CHDO set-aside, redirecting funds for this single purpose. Federal stimulus funding available to non-profits for the purchase of foreclosed homes would also be expected to be used to serve those with the greatest need.
- The county will support non-profit providers in leasing apartments that can be used for Housing First and affordable housing for persons with special needs. (See “Bridge Program”)
- Tax exemption for non-profit property owners will be considered for those properties serving those with the extremely low incomes.
- The FCRHA will be requested to convert approximately 50 Housing Choice Vouchers to project-based vouchers and make available another 25 units under the Family Unification Program (FUP) as critical support to this effort.
- The FCRHA will utilize approximately 25 Tenant Based Rental Assistance (TBRA) vouchers for short-term rental assistance.
- The FCRHA will make available up to 10 shared apartments (18 individuals) at Wedgewood (Braddock District) to CSB service-eligible individuals.
- Non-profit service providers will seek federal Continuum of Care funds and will convert a limited number of Transitional Housing units to permanent supportive housing.
- Non-profit housing development organizations and the FCRHA will provide housing opportunities to individuals already receiving services through the CSB, but who are still in need of stable housing.

Bridging Affordability

Blueprint Goals:

- To end homelessness in 10 years
- To reduce the waiting lists for affordable housing by half in 10 years
- To provide affordable housing options to those with special needs

Description

- Fairfax County will provide local funding to harness the creative power of non-profit organizations to better meet the affordable housing needs of homeless families and individuals, those at-risk of homelessness, persons with extremely low incomes (30 percent of the Area Median Income (AMI) and below), persons with disabilities and low-income seniors.
- The goal of this investment is to establish and sustain innovative solutions which provide our most in-need citizens with a “bridge” to stable housing, greater self sufficiency and coordinated services to promote recovery.
- Funds will be competitively awarded to programs that provide solutions such as:
 - Long-term, project-based rental subsidies: Subsidies to “buy-down” the rents of market and/or non-profit/FCRHA-owned rental units in order to make them more affordable to extremely low-income individuals/households.
 - Acquisition of housing units: Similar to the approach taken with Fairfax County’s federal NSP funds, non-profits could use funds to purchase affordable units that would remain permanently affordable to extremely low-income or disabled households. A strong preference could be given to organizations focusing on acquiring units for use as supportive shared housing.
 - Short-term emergency direct subsidies: Direct assistance to income-qualified individuals/households who may face eviction due to financial issues beyond their control.
- Fairfax County will also establish a pilot program to provide emergency “bridge” assistance to County employees who may be facing foreclosure.
- Priority will be given to proposals that leverage private/federal/state funding; involve the community; provide a bridge to self-sufficiency; link services; and demonstrate creativity.
- Priority will be given to programs that address those on the waiting lists for shelters, FCRHA housing or the CSB waiting list as well as existing shelter residents.
- Approximately 10 percent of those served by the proposed “Bridging Affordability” funds aimed at reducing the county’s waiting lists would be expected to be eligible for CSB services. This is in addition to “Bridging Affordability” funds specifically targeting homeless individuals and families.
- Awardees would have three years to spend the funds.
- This program will require an on-going commitment by the Board of Supervisors.

Strategic Housing Programs

Blueprint Goals:

- To end homelessness in 10 years
- To reduce the waiting lists for affordable housing by half in 10 years
- To produce Workforce Housing sufficient to accommodate projected job growth
- To provide affordable housing options to those with special needs

Description

Completing the Pipeline – Meeting the Future Need

- The Blueprint will include support to non-profit developers to produce or acquire 100 units of multifamily housing each year. These projects would be supported through county assistance as well as low-income housing tax credits and other specialized financing programs.
- Initially, these funds will be focused on projects already in the pipeline. Projects include senior housing and assisted living; magnet housing and residential studio units, mobile home parks and residential/revitalization. The pipeline in the current Fairfax County Capital Improvement Program includes **Lewinsville** Senior Housing; **Magnet Housing** at West Ox; the Residences at **North Hill** Park; expansion and redevelopment of **Crescent** Apartments as part of the revitalization of Lake Anne; the conversion of a vacated group home to housing for disabled veterans; and the rehabilitation/replacement of **Lincolnia** Assisted Living.
- To ensure a sufficient supply of affordable housing in the future, projects must be planned and developed now.
- The county should explore opportunities to foster the involvement of the private development community, via organizations such as HomeAid, to participate in FCRHA construction and rehabilitation projects as a means to reduce cost.

Private Partnerships to Expand Workforce Housing

Blueprint Goals:

- To reduce the waiting lists for affordable housing by half in 10 years
- To produce Workforce Housing sufficient to accommodate projected job growth

Description

Land Use Policy Incentives

- Fairfax County will rely on its land use policy, its regulatory authority, its taxing powers and its inventory of land to motivate and incent the private market to expand the supply of affordable workforce housing.
- Fairfax County should begin to reap the first benefits of the Workforce Housing Policy adopted by the Board in 2007 as the real estate market returns. To date, over 1,000 units of affordable workforce housing have been committed as a result of the policy and will be a tremendous resource when built. The first 24 of these units are expected to come on-line in FY 2011.
- The Board will give consideration to other creative land use policies which may encourage affordable workforce housing, including as part of the redevelopment of Tysons Corner, Wiehle Avenue, Lake Anne, Springfield and the Richmond Highway corridor.

County Surplus Land

- The Residences at the Government Center will be completed leveraging county-owned land as the fulcrum for privately developed affordable workforce housing, particularly focused on county employees. Additional sites will be explored.

Residential Studio Units

- The Board will expedite land use policies which encourage the development of affordable residential studio units.

Encouraging Private Landlords to Maintain Affordable Housing

- Private landlords will be encouraged to rehabilitate their non-subsidized, affordable rental properties, as a way to preserve their asset using low-cost financing provided through the county's affordable housing investment fund and below-market financing available through the FCRHA. In return, landlords will be required to maintain the affordability of their properties for a period of years.

Down Payment Assistance and Linked Deposits

- Fairfax County is exploring "linked deposits" as a way to leverage affordable housing financing and similar benefits from financial institutions in which the county deposits its funds. Down payment and closing cost assistance may also be made available to county employees as a way to encourage them to live close to their jobs and in the community they serve.

First Time Homebuyers

- Assistance will be provided to income qualified first-time homebuyers in the form of affordable first-trust financing from the Virginia Housing Development Authority (VHDA). Fairfax County will also make "gap" financing, in the form of a second trust, available to first-time buyers via the Silver Lining/Home Equity Loan Program. Qualified buyers will also continue to have the opportunity to purchase Affordable Dwelling Units via the Fairfax County First-Time Homebuyers Program.

SEIZING THE CRISIS

A DISCUSSION OF HOUSING STRATEGY FOR FY 2011 AS PART OF THE RETREAT OF THE BOARD OF SUPERVISORS JUNE 30, 2009

The phrase, "You never want a serious crisis to go to waste" seems as appropriate today as it was 500 years ago when it was first used. The economic crisis facing the nation has had a serious impact on Fairfax County. The high rate of home foreclosures and drop in housing values; the looming decline in the commercial market; and an increasing unemployment rate all have affected our financial outlook and resources. Fairfax County is moving forward despite the severe economic turmoil and we will continue to identify and adopt more effective and smarter ways to maintain the quality of life that defines us.

At the recent retreat of the Board of Supervisors this summer, the Board reviewed and discussed its many priorities. Among these was affordable housing.

Affordable housing has been an important value and priority of the Board, yet during budget deliberations, it became clear that Board members had different opinions regarding strategies and approach. For that reason, the entire morning of the second day of the retreat was devoted solely to this subject.

In summary, the retreat discussion focused on the following—

The general affordable housing policy enunciated in the Comprehensive Plan was discussed and reinforced by the Board. Land use policy should be directed toward workforce housing and "next generation" housing in order to ensure a sufficient housing stock and a range of affordable housing.

The adopted initiatives to prevent and end homelessness were discussed and the Board did not disagree with this effort. Agreement galvanized around directing resources to serve those most in need with low to extremely low incomes. A rental subsidy approach was proposed for consideration.

Partnering with non-profits and targeting resources toward housing projects already in the pipeline-- were established as important approaches.

The continued need for affordable housing for the growing senior population and persons with disabilities was re-confirmed.

It was recognized that there are three legs of the stool of affordable housing including non-profit partners, the private housing market and the public sector.

The Board agreed that more discussion and refinement of this strategy would take place at a future meeting of the Board's Housing Committee.

GLOSSARY

The following is a glossary of terms used throughout the Housing Blueprint, or directly relevant to the Blueprint:

- **Affordable Housing:** Housing is considered affordable when the cost of rent/mortgage do not exceed 30 percent of the gross household income.
- **Workforce Housing:** Fairfax County defines “workforce housing” as rental or for-sale housing units that are affordable to households with maximum income limits up to and including 120 percent of the Area Median Income (AMI) for the Washington Metropolitan Statistical Area, as determined periodically by the U.S. Department of Housing and Urban Development. *(From the Fairfax County Comprehensive Plan-Policy Plan)*
- **Persons with Special Needs:** Includes individuals and families who are homeless, persons with disabilities and low-income seniors.
- **Rent Affordability:** The generally accepted definition of rent affordability is for a household to pay no more than 30 percent of its annual income on housing. Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. *(U.S. Department of Housing and Urban Development)*
- **Housing First Unit:** Refers to units or rental subsidies used to provide people who are homeless permanent housing first, along with supportive services, instead of placing them into shelters. This means housing becomes the first step in moving out of homelessness, not the last. *(Office to Prevent and End Homelessness Web Site)*
- **HUD Fair Market Rent:** The “Fair Market Rent” (FMR), as published for Fairfax County by the U.S. Department of Housing and Urban Development (HUD) for FY 2010 is as follows:

Final FY 2010 FMR	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
	\$1,156	\$1,318	\$1,494	\$1,927	\$2,522