

Fairfax County Department of Housing and Community Development
“America’s Richest Counties”:
Workforce Housing and Affordable Homeownership Programs
March 24, 2008

Overview: Forbes.com, a business and financial news Internet site, published an article by Matt Woolsey titled “America’s Richest Counties” on January 22, 2008. Fairfax County was named in the article as the nation’s “richest” county, based on its median household income of \$100,318¹. Of the 20 jurisdictions ranked in the article, ten were in the immediate Washington, DC area and its outer suburbs². The following is a brief overview of the jurisdictions profiled:

- *Population:* Ranged from 88,804 in Calvert County, Maryland, to 1,731,281 in Santa Clara County, California. Average population: 409,423
- *Home values:* The 2006 median value of owner-occupied homes ranged from \$270,100 in Forsyth County, Georgia to \$901,100 in Marin County, California. Average home value: \$487,890
- *Income:* The average median household income of the 20 jurisdictions in 2006 was \$87,125.

Staff analysis found that the housing programs offered varied widely among the jurisdictions profiled in the article. The following is overview of both the “workforce housing” programs and affordable homeownership programs offered by the jurisdictions:

Workforce Housing Programs/Rental and Homeownership: There is no universally accepted definition of the term “workforce housing”. However, there is an emerging consensus that households earning up to 120 percent or more of an area’s median income should be served by local workforce housing programs. Fairfax County’s approach to addressing the housing needs if its workforce is consistent with that consensus.

In September 2007, the Board of Supervisors adopted a Comprehensive Plan which:

- Defined “Workforce Housing” as including rental and for-sale housing affordable at up to 120 percent of the Area Median Income (AMI), as published annually by the United States Department of Housing and Urban Development (HUD);
- Established policy that Affordable Dwelling Units (ADUs) and Workforce Housing shall constitute a minimum of 12 percent of all residential units; and

The analysis of the 20 jurisdictions cited in the Forbes.com article also affirms this consensus. Five of the eight jurisdictions that have – or are considering – workforce housing programs define “workforce housing” as serving households earning up to 120 percent of the Area Median Income (AMI), as published by the United States Department of Housing and Urban Development (HUD). In addition to Fairfax County, this includes Montgomery County, Maryland; Marin County, California; Prince William County, Virginia; and the City of Alexandria, Virginia. Nassau County, New York has proposed a workforce

¹ Population, home value, and income estimates based on United States Census Bureau 2006 American Community Survey data.

² Alexandria, Virginia, a city, was included in the article and ranked 19th.

definition of up to 130 percent of AMI; this proposal is currently under consideration by the New York State Assembly³.

The jurisdictions that currently have workforce housing programs employ a variety of approaches to reach households that, as described in the Urban Land Institute's recent publication "*Developing Housing for the Workforce – A Toolkit*", "do not qualify for publicly subsidized housing, yet cannot afford appropriate market-rate housing in their community". Examples of these approaches include the land use policy-based approach which characterizes the new Fairfax County Workforce Housing program, and public/private partnerships for down-payment and closing cost assistance, as is found in Calvert County, Maryland.

Affordable Homeownership Programs (generally serving incomes at or below 80 percent AMI): There is much more consistency among the affordable homeownership programs offered by the jurisdictions cited in the article. In general, most of the affordable homeownership programs served incomes at or below 80 percent of AMI (including programs serving up to 60 and 70 percent of AMI). Many of the jurisdictions offering affordable homeownership programs have some form of down-payment and closing cost assistance and access to below-market rate mortgage funds. Five of the jurisdictions offer affordable homeownership opportunities in the form of units produced by private developers under inclusionary zoning policies. For example:

- Fairfax County's Affordable Dwelling Unit (ADU) program, which has produced 1,244 for-sale ADUs (as of January 2008), serves up to 70 percent of the AMI of \$99,000 for a family of four. Other examples include:
- *Loudoun County, Virginia*: ADU program; serves 30 to 70 percent of AMI;
- *Howard County, Maryland*: Moderate Income Housing Unit (MIHU) Program; serves up to 80 percent of AMI;
- *Montgomery County, Maryland*: Moderately Priced Dwelling Unit (MPDU) program; serves up to 70 percent of AMI; and
- *Arlington County, Virginia*: ADU program; serves up to 80 percent of AMI.

Of the 20 jurisdictions, only three – Hunterdon and Somerset Counties in New Jersey, and Forsyth County, Georgia – do not offer an affordable homeownership program. It should be noted that these were among the smaller jurisdictions cited in the Forbes.com article.

- **Analysis of Individual Jurisdictions:** An analysis of the workforce housing and affordable homeownership programs offered by the jurisdictions cited in the January 22, 2008 Forbes.com report appears in the charts on the following pages. The unique programs of other jurisdictions which may warrant further exploration include:
 - Arlington County, Virginia's approach to workforce housing, which includes partnerships with individual employers to provide special mortgage products, homeownership and financial literacy education, and discounts on selected properties; and
 - Marin County, California's workforce housing program, which allows affordable and workforce housing in industrial districts, and requires contributions of workforce housing from non-residential uses.

³ New York State Assembly Bill S06823, also known as the "Long Island Workforce Housing Act", introduced January 25, 2008. This bill would also permit Suffolk County to adopt a workforce housing program.

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Forbes Rank	Jurisdiction	2006 Population (Census estimate)	Workforce Housing Definition/Program Description	2006 Median Income (Census estimate)	2006 Median Value of Owner-occupied homes (Census estimate)	Actual Incomes Served (family of 4)
1	Fairfax County, Virginia	1,010,443	<p><u>“Workforce Housing” definition/program:</u> “Workforce housing” defined as serving households up to 120 percent of the HUD-published Area Median Income (AMI; \$99,000 for 2008) in units produced under the Workforce Housing policy in the Fairfax County Comprehensive Plan. Fairfax County’s proffer-based incentive system provides the potential of up to one bonus unit for every Workforce Housing unit produced by developers, with a 20 percent density bonus limit. The Board of Supervisors has adopted policy that at least 12 percent of new residential production in the County’s mixed-use development centers should be affordable/workforce housing. It is anticipated that both rental and for-sale units will be produced under the Fairfax County Workforce Housing Program.</p> <p><u>Affordable Homeownership programs:</u> The Fairfax County First-Time Homebuyer Program offers a variety of services, including Affordable Dwelling Unit (ADU) re-sales (to households earning up to 70 percent of AMI), homebuyer education and below-market financing through Virginia Housing Development Authority (VHDA).</p>	\$100,318	\$575,900	<p>Up \$118,800 (Workforce Housing Program)</p> <p>Up to \$69,300 (First-time Homebuyers Program/ADU component)</p>
2	Loudoun County, Virginia	268,817	<p><u>“Workforce Housing” definition/program:</u> None; however, Loudoun County amended its Comprehensive Plan to recognize the need to address the unmet housing needs for households earning up to 100 percent of AMI (\$99,000 for 2008). The county established a Housing Advisory Board and created on-line workforce housing guide, which serves as a gateway to the county’s affordable housing programs.</p> <p><u>Affordable Homeownership programs:</u> Includes ADU program (serving 30 to 70 percent of AMI) and below-market VHDA financing.</p>	\$99,317	\$558,800	<p>\$29,700 to \$69,300 (ADU program)</p>

Forbes Rank	Jurisdiction	2006 Population (Census estimate)	Workforce Housing Definition/Program Description	2006 Median Income (Census estimate)	2006 Median Value of Owner-occupied homes (Census estimate)	Actual Incomes Served (family of 4)
3	Howard County, Maryland	272,452	<p><u>"Workforce Housing" definition/program:</u> None.</p> <p><u>Affordable Homeownership programs:</u> Moderate Income Housing Unit ("MIHU") Program is an inclusionary zoning program that requires developers of new housing in certain zoning districts to sell or rent a certain percentage (generally 10% - 15%) of the dwelling units built in a community to households of moderate income at affordable prices and rents. Moderate income is one whose household income does not exceed 80% of the Howard County median income for purchasers (and 60% of the Howard County median income for renters).</p>	\$94,260	\$463,500	<p>Up to \$75,408 (purchase)</p> <p>Up to \$56,556 (rentals)</p>
4	Hunterdon County, New Jersey	130,783	<p><u>"Workforce Housing" definition/program:</u> None.</p> <p><u>Affordable Homeownership programs:</u> None.</p>	\$93,297	\$475,300	None
5	Douglas County, Colorado	263,621	<p><u>"Workforce Housing" definition/program:</u> None.</p> <p><u>Affordable Homeownership programs:</u> Douglas County offers homebuyer education and up to \$20,000 in down payment and closing cost assistance through its First Time Homebuyer Program. Program serves up to 80 percent of AMI (\$71,800 in 2008).</p>	\$92,125	\$335,300	Up to \$57,350 (affordable homeownership program)
6	Somerset County, New Jersey	324,186	<p><u>"Workforce Housing" definition/program:</u> None.</p> <p><u>Affordable Homeownership programs:</u> None.</p>	\$91,688	\$457,000	None
7	Morris County, New Jersey	493,160	<p><u>"Workforce Housing" definition/program:</u> None.</p> <p><u>Affordable Homeownership programs:</u> First-time Homebuyer Gap Financing Program provides assistance for income eligible households for the purchase of a market rate home. Gap financing, provided through the HOME funds, takes the form of a second mortgage. Depending on the amount of financing, a lien is attached to the deed for either 10 or 20 years, after which the grant is forgivable. The amount will be fully recoverable if the property is sold any time during the term of the second mortgage. Serves households earning up to 80 percent of AMI (\$83,800 in 2008).</p>	\$89,587	\$488,900	Up to \$67,000 (affordable homeownership program)

Forbes Rank	Jurisdiction	2006 Population (Census estimate)	Workforce Housing Definition/Program Description	2006 Median Income (Census estimate)	2006 Median Value of Owner-occupied homes (Census estimate)	Actual Incomes Served (family of 4)
8	Montgomery County, MD	932,131	<p><u>"Workforce Housing" definition/program:</u> The minimum income for the Montgomery County Workforce Housing (WFH) Program is the maximum income for the Moderately Priced Dwelling Unit (MPDU) Program, currently 70% of AMI (\$99,000 in 2008). The maximum income allowed in order to be eligible for a WFH Unit is set at 120% of AMI for a household size of four (4). These income figures for a household of four are adjusted to determine the maximum income allowed for various household sizes. Encompasses both rental and for-sale housing.</p> <p><u>Affordable Homeownership programs:</u> Montgomery County's MPDU Program offers affordably priced townhomes and condominiums – both new and resale – to first-time homebuyers who have household incomes from \$35,000 up to 70 percent of AMI.</p>	\$87,624	\$527,700	<p>\$69,300 - \$118,800 (workforce housing)</p> <p>\$35,000 - \$69,300 (MPDU program)</p>
9	Arlington County, Virginia	199,776	<p><u>"Workforce Housing" definition/program:</u> The Arlington County Workforce Housing Initiative is a public/private partnership created to promote homeownership for persons employed within Arlington County. The Workforce Housing Initiative provides special mortgage products and resources, homeownership education, and financial literacy training, and discounts on selected properties from participating residential developers. Currently, there are seven employers participating, with a combined workforce of over 11,000, representing over 6% of the total Arlington workforce.</p> <p><u>Affordable Homeownership programs:</u> Affordable Dwelling Unit program serves up to 80 percent of AMI (\$99,000 in 2008). Arlington County also offers the Moderate Income Purchase Assistance Program (MIPAP), which provides up to \$25,000 in assistance for the down payment and closing costs for households earning up to 80 percent AMI. Homebuyers can also access VHDA below-market mortgage products through Arlington County.</p>	\$87,350	\$589,300	<p>Workforce housing: For families of one or two persons: \$86,900; For families of three or more: \$100,000</p> <p>Affordable homeownership programs: up to \$79,200</p>

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10	Nassau County, New York	1,325,662	<p><u>"Workforce Housing" definition/program:</u> Long Island Workforce Housing Act under final consideration by the New York State Assembly. This act would allow Long Island jurisdictions such as Nassau County to establish an inclusionary zoning program which would require 10 percent of residential development to be "affordable workforce housing", affordable to households earning at or below 130 percent of AMI (\$97,100 in 2008). The Act would also permit the use of density bonuses as an incentive for the provision of affordable workforce housing.</p> <p><u>Affordable Homeownership programs:</u> First-time Homebuyer Program serves households earning up to 80 percent of AMI and provides financial literacy and homebuyer education, and up to \$15,000 in down-payment assistance.</p>	\$85,994	\$506,800	<p>Up to \$126,230 (proposed for workforce housing)</p> <p>\$77,680 (for First-time Homebuyer Program)</p>
11	Stafford County, Virginia	120,170	<p><u>"Workforce Housing" definition/program:</u> None; however, the draft revised Comprehensive Plan cites the development of "workforce housing" choices for all incomes as an objective.</p> <p><u>Affordable Homeownership programs:</u> Central Virginia Housing Coalition offers below market VHDA financing to households in Planning District 16 (including Stafford County) earning up to 80 percent of AMI (\$99,000 in 2008) through a partnership with VHDA and the Virginia Department of Housing and Community Development.</p>	\$85,014	\$396,800	Up to \$79,200 (affordable homeownership program)
12	Calvert County, Maryland	88,804	<p><u>"Workforce Housing" definition/program:</u> No "workforce housing" definition; however, Calvert County is a participant in Maryland's "More House 4 Less" workforce housing program and the "House Keys for Employees" initiative, an employer partnership initiative that provide matching funds for closing costs and down payments. Down payment/closing cost benefit of up to \$15,000 in state and local funds.</p> <p><u>Affordable Homeownership programs:</u> See description under "Workforce Housing" above.</p>	\$84,891	\$394,700	<p>For families of one or two persons: up to \$94,500</p> <p>For families of three or more: up to \$108,675</p>

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13	Forsyth County, Georgia	150,968	<u>"Workforce Housing" definition/program:</u> None. <u>Affordable Homeownership programs:</u> None.	\$83,682	\$270,100	None
14	Putnam County, New York	100,603	<u>"Workforce Housing" definition/program:</u> None. <u>Affordable Homeownership programs:</u> The Putnam County Housing Corporation offers an enhanced homebuyers program to assist residents in purchasing a home. This includes a First Home Buyers Club, which provides income eligible low and moderate income Putnam residents with matching funds to be used for down payments and closing costs. Income eligibility is determined by household size and income.	\$81,907	\$407,800	For families of one or two persons: up to \$68,064 For families of three or more: up to \$78,274
15	Marin County, California	248,742	<u>"Workforce Housing" definition/program:</u> Defines "workforce housing" in Comprehensive Plan as being affordable to those in public service or "quality of life" occupations that are bound to a community and who earn less than 120 percent of AMI (2008 AMI is \$94,300). Identifies increasing workforce housing as a Countywide goal. Permits affordable and workforce housing in industrial districts. Requires contributions for workforce housing from non-residential uses. <u>Affordable Homeownership programs:</u> The Marin Housing Authority administers the Below Market Rate (BMR) Homeownership Program, which offers condominium units for sale at less than market value to low and moderate income first-time homebuyers. Serves households earning up to 120 percent of AMI.	\$81,761	\$901,900	Up to \$113,160 (workforce housing and affordable homeownership program)

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16	Williamson County, Tennessee	160,781	<p><u>"Workforce Housing" definition/program:</u> None for Williamson County. However, the City of Franklin, which is within the borders of Williamson County, has a workforce housing program for city/municipal employees serving up to \$49,300.</p> <p><u>Affordable Homeownership programs:</u> The Community Housing Partnership of Williamson County (CHP) administers a first-time homebuyer program serving households earning \$49,300. CHP offers grants of up to \$30,000 for low- and moderate-income homebuyers, and assists buyers in accessing below-market financing from the Tennessee Housing Development Authority.</p>	\$81,449	\$314,100	Up to \$49,300 (for City of Franklin Workforce Housing Program and CHP First-Time Homebuyer Program)
17	Santa Clara County, California	1,731,281	<p><u>"Workforce Housing" definition/program:</u> None. However, the City of San Jose, which is within the borders of Santa Clara County, has an "Inclusionary Housing Policy" which defines "moderate income" as between 80% and 120% of AMI. (2008 AMI is \$97,800.) Affordable housing programs benefiting moderate income earners are generally ownership programs.</p> <p><u>Affordable Homeownership programs:</u> The Housing Trust of Santa Clara County offers two programs designed to help qualified first-time homebuyers: 1) the Down Payment Assistance Program, which assists first-time homebuyers earning between 60% - 100% AMI with loans of up to \$15,000; and 2) a Mortgage Assistance Program, which helps first-time homebuyers earning between 100% - 120% AMI with a below-market rate second loan that will be used to reduce the first loan's interest rate and prepay the private mortgage insurance. Santa Clara County also administers a Housing Bond Program, to provide low and moderate income housing.</p>	\$80,838	\$743,000	Up to \$117,360 (affordable homeownership programs)

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18	Prince William County, Virginia	357,503	<p><u>"Workforce Housing" definition/program:</u> None. However, Prince William County is preparing to incorporate recommendations of its Affordable/Workforce Housing Task Force as a part of its 2008 Comprehensive Plan update. The Task Force recommended in its 2005 report that "workforce housing" be defined as housing affordable to households earning 50 to 120 percent of AMI. (The 2008 AMI is \$99,000.)</p> <p><u>Affordable Homeownership programs:</u> Prince William County's Homeownership Assistance Programs provide financial counseling, Homeownership Education, and deferred loans for down payment, closing costs, energy efficiency improvements or rehabilitation of the property being purchased. Serves up to 80 percent AMI.</p>	\$80,783	\$441,400	<p>\$49,500 - \$118,800 (workforce housing proposed)</p> <p>Up to \$79,200 (for Homeownership Assistance Program)</p>
19	City of Alexandria, Virginia	136,974	<p><u>"Workforce Housing" definition/program:</u> The City of Alexandria is considering defining "workforce housing" as serving up to 120 percent of AMI. (The 2008 AMI is \$99,000.) Proposed "workforce housing" definition would focus on expanding the range of households served by the city's homeownership programs. The City currently offers a homeownership program for its law enforcement personnel, providing second-trust loans of up to \$50,000.</p> <p><u>Affordable Homeownership programs:</u> Alexandria offers affordable homeownership programs serving up to 80 percent of AMI, including the <i>Homeownership Assistance Program</i>, which provides second-trust loans of up to \$50,000 for principal and interest write-downs, down payment assistance and settlement costs for the purchase of a home. (Sales price limited to \$362,790.) The City also offers a <i>Moderate Income Homeownership Program</i>, which provides second-trust loans of up to \$30,000 for down payment and closing costs. (Sales price limited to \$399,600.) First-time homebuyers can also access below-market VHDA financing through the City.</p>	\$80,449	\$539,200	<p>Up to \$99,000 (workforce housing proposed)</p> <p>Up to \$79,200 (affordable homeownership programs)</p>

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20	Charles County, Maryland	140,416	<p><u>"Workforce Housing" definition/program:</u> None; however, Charles County has identified workforce housing as a critical need in its Community Development Housing Plan, adopted in January 2005.</p> <p><u>Affordable Homeownership programs:</u> Charles County offers below-market rate loans to first-time homebuyers, including the Settlement Expense Loan Program (SELP), which provides loans of up to \$6,000 to households earning up to \$75,000 for a family of four.</p>	\$80,179	\$370,300	Up to \$75,000 (affordable homeownership program)