

Encouraging Private Sector Workforce Housing

Presentation to the
Fairfax County Board of
Supervisors Housing
Committee

October 27, 2008

The Future Need for Affordable Workforce Housing in Fairfax County

- According to the George Mason University analysis released in June, Fairfax County will add approximately 200,000 new jobs by 2025
- In order to house 65 percent of those new workers, Fairfax County will need an estimated *63,660 net new units* affordable at up to 120% AMI
- Greatest need was found to be homeownership

Steps Taken by Fairfax County to Encourage Workforce Housing

- *Workforce Housing Policy*: 845 units committed as of the end of FY 2008
- *ADU Program*: 897 units pending construction
- *Magnet Housing*: 135 units pending construction
- **TOTAL**: Approximately 1,877 affordable workforce units pending construction – about 3% of projected 2025 need

Steps Taken by Fairfax County to Encourage Workforce Housing (continued)

- *Workforce Housing Summit:* June 2008; successfully brought together over 200 attendees from the business community, transportation officials, educational and financial institutions and developers
- *Preservation Initiative:* 2,224 units preserved as of the end of FY 2008

Public/Private Partnerships

- *Residences at the Government Center:* Potential for about 270 workforce units to be built on County land by private developer
- *Kingstown Regional Library site:* Approximately 105 affordable workforce units in the pipeline; PPEA project
- *East County Human Services Center:* Potential for affordable workforce housing; PPEA project

Financing Products Available

- *FCRHA*: Variety of financing options:
 - Affordable Housing Partnership Program: Gateway to Penny Fund, Housing Trust Fund, federal CDBG and HOME
 - Tax Exempt Bond Financing: Long-term low-interest financing for affordable housing construction, acquisition and rehabilitation. Over \$500 million in bonds issued in FCRHA's 40-year history
- *EDA*:
 - No incentives currently
 - Use of bond authority is limited, as Fairfax County has a housing authority

Opportunities to Encourage the Development of Workforce Housing by Employers/Private Sector

- *Additional Recommendations of the High-rise Affordability Panel:*
 - Affordable workforce housing in commercial and industrial districts, via special exception of by-right model
 - Regulatory “toolbox” to “green tape” projects with affordable workforce housing:
 - Parking requirement reduction for workforce units
 - Decreasing processing time
 - Moderating development fees
 - Exempt workforce units from FAR calculations
 - Tax increment financing

Opportunities to Encourage the Development of Workforce Housing by Employers/Private Sector (continued)

- *High-rise Affordability Panel (continued):*
 - Land donations for the development of affordable workforce housing; consider creating community land trust
 - Subsidies or developer fund to reduce condominium fees

Opportunities to Encourage the Development of Workforce Housing by Employers/Private Sector (continued)

- *Other Concepts*
 - Transportation/workforce housing linkage: Down-payment assistance for employees agreeing to commute on public transportation
 - Private foundation to fund development of affordable workforce housing
 - Tax credits and state matching funds for employer-assisted housing

Workforce Housing Models in Other Jurisdictions

- *Arlington County, Virginia:* Public/private partnership to promote homeownership for workers in Arlington County. Provides education and access to discounts on selected properties. Seven employers participating.
- *Calvert County, Maryland:* Provides matching funds for employer contributions for down-payments and closing costs.
- *Marin County, California:* Permits affordable workforce housing in non-residential districts; requires contribution for affordable workforce housing from non-residential uses.

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- *Questions*
 - *Discussion*