

RECOMMENDATIONS OF THE AFFORDABLE HOUSING RESOURCES PANEL

March 6, 2019

OVERVIEW

In 2016, the Fairfax County Board of Supervisors (the Board) requested the development of a strategic plan for housing that would reflect the needs of the community, identify ways to meet future demand, and support economic growth. Based on this charge, the Communitywide Housing Strategic Plan (the Plan) was developed in two phases. Phase 1, created with oversight from the Affordable Housing Advisory Committee, identifies 25 specific strategies that can be implemented in the near future to strengthen the production and preservation of affordable and workforce housing (see Appendix 1). Phase 2 of the Plan, launched in the fall of 2018 and summarized in this document, outlines goals and long-term implementation strategies to build and preserve affordable housing which rely on additional resources for implementation.

To help guide the development of Phase 2 of the Plan, the Board appointed members to the Affordable Housing Resources Panel (AHRP). The AHRP was comprised of representatives from the nonprofit, private and public sectors and was charged with: 1) identifying a numeric goal of the number of housing units, affordable to households earning 60 percent or less of the Area Median Income (AMI), that should be preserved and developed over the next 15 years; and 2) developing recommendations on the resource investments needed to meet this numeric housing goal. The AHRP met monthly from October 2018 to February 2019 and was asked to submit recommendations to the Board in time for consideration of the Fiscal Year 2020 budget cycle, as part of the budget guidance.

Recommendations developed by the AHRP are organized under five strategic categories:

- Need, new production goals, and resources
- Preservation of affordable housing units
- Land use policies and regulations
- Institutional capacity
- Community awareness and legislative priorities

It is important to recognize that recommendations included in Phase 2 of the Plan were developed in conjunction with other community-led initiatives, including the Embark Richmond Highway Housing Advisory Group and the recommendations included in Phase 1 of the Plan. Of critical importance to achieving the housing goal recommended by the AHRP is the implementation of the One Fairfax policy, an overarching approach to ensure an inclusive community for all residents, and inclusion of affordable housing as a core component in Fairfax County's upcoming Countywide Strategic Plan. While the AHRP was not specifically charged with reviewing land use policies and regulations, these topics were discussed and are included in the Phase 2 recommendations as they are fundamental to addressing the shortage of affordable housing units in Fairfax County over the long term.

Finally, this report is born of the recognition that housing – affordable, inclusive housing – must truly be a top priority for Fairfax County, along with education, public safety and transportation. Like these other essential priorities, a healthy and inclusive housing market in Fairfax County will require sustained investment of public and private resources, innovation, and strong community engagement.

THE RECOMMENDATIONS

STRATEGIC CATEGORY ONE: NEED, NEW PRODUCTION GOALS, AND RESOURCES

The Headlines

- **AHRP recommends a goal of producing a minimum of 5,000 new homes, as a floor, affordable to households earning up to 60 percent of the Area Median Income (AMI) over the next fifteen years**
- **AHRP recommends that the Board of Supervisors commit the equivalent of an additional penny on the real estate tax rate to support this production, starting in FY 2021**

Behind the headlines: Phase I of the Communitywide Housing Strategic Plan identified the need for approximately 15,000 additional homes, affordable to households earning up to 60 percent of the Area Median Income (AMI) over the next 15 years, based on projected job and population growth in the county. Since its inception in the fall of 2018, the AHRP worked on strategies to address this need. Given the high cost of housing production in the county and recognizing the fiscal constraints, the AHRP agreed to recommend a goal of 5,000 new units, affordable to those at 60 percent or less of AMI, over the next 15 years. The AHRP also agreed that this goal is a “floor, not a ceiling” to be supplemented with additional financing mechanisms and tools to potentially increase the new production of affordable units above the goal of 5,000 units, with the aspiration of fulfilling the demand of 15,000 units.

The AHRP makes the following recommendations regarding resourcing and producing at least 5,000 new units, affordable at 60 percent or less of AMI, over the next 15 years (“5k by 15”):

- ***Primary Recommendation: Increase the “Penny for Affordable Housing Fund” by the equivalent of one additional cent on the real estate tax rate (in addition to the current half penny).***
Currently, the Board dedicates revenue commensurate with the value of one-half cent from the Real Estate tax rate to the fund, which equates to \$12.2 million in FY 2019. If enacted, the additional full penny would equate to approximately \$24.4 million (in current dollars) on an annual basis for the development of new affordable housing. The AHRP recommends the following conditions on the use of this revenue:
 - Funds must be used for capital purposes to support the creation of new homes that are affordable
 - Funds should be used primarily as Fairfax County Redevelopment and Housing Authority (FCRHA) loans for the private sector (for profit/nonprofit organizations), similar to how loans are made through the current Housing Blueprint funding process through the Affordable Housing Partnership Program (AHPP) platform.
 - Projects funded with these resources will be consistent with the goals of the Housing Blueprint; priority should be given to projects that incorporate housing opportunities for individuals emerging from homelessness and/or people with other special needs. Realizing that serving these categories requires more deeply subsidized units, opportunities to pair new development with project-based subsidies, such as federal Housing Choice Vouchers will be pursued.

- Funds will only be used directly by the FCRHA, for FCRHA projects, under the following conditions:
 - For acquisition/new construction housing for seniors and persons with special needs.
 - For acquisition of land for the purposes of facilitating a public/private partnership project such as North Hill, Residences at the Government Center, and The Fallstead.
 - For housing projects that are identified as a priority by the Board of Supervisors
- **Other critical recommendations:**
 - Proactively identify opportunities to co-locate affordable housing with bond-funded county capital facilities: The County should identify further opportunities, similar to the new Bailey’s shelter, to co-locate affordable housing with bond-funded county capital facilities. As with the Bailey’s shelter example, such opportunities are important to provide housing for vulnerable populations requiring permanent supportive housing. Opportunities for co-location with Fairfax County facilities should also be explored.
 - Consider a countywide proffer policy on commercial contributions that are used for affordable housing production. This recommendation prioritizes Strategy C3 in Phase 1 of the Communitywide Housing Strategic Plan, which calls for Fairfax County to assess its current policy for commercial contributions and re-visit the issue of a countywide commercial linkage policy. The AHRP recommends that staff explore a commercial linkage policy on a countywide basis, and that such policy consider and account for the unique investment needs of the county’s revitalization areas.
 - Consider a policy directing the buyouts from ADUs and WDUs be used to support the production of new affordable housing units. This recommendation identifies an opportunity to ensure that any developer buyouts from Affordable Dwelling Units and Workforce Dwelling Unit obligations, which currently go into the Housing Trust Fund, be specifically directed to new housing production. Currently, proceeds from any buyouts may be used for a variety of eligible capital activities, including preservation and renovation of affordable housing properties, including those owned by the FCRHA. Consider changes to the baseline requirements in the ADU program, relative to applicability.
 - Redirect funds from the Housing Trust Fund into new production. This recommendation prioritizes Strategy C7 in Phase 1 of the Communitywide Housing Strategic Plan, which calls for Fairfax County to review option for restructuring the Housing Trust Fund (HTF). Currently, the HTF prioritizes several different types of projects; this recommendation calls for the Board to focus this funding entirely on the production of new affordable housing.

- Consider using the County’s Economic Development Support Fund/Economic Opportunity Reserve to finance fees related to regulatory requirements and possibly other pre-development activities. In FY 2016, the Board directed staff to develop an Economic Development Support Fund (EDSF) to facilitate investments from the Economic Opportunity Reserve. It is recommended that the Board consider allowing the EDSF to provide loans through the FCRHA to finance development fees and other predevelopment costs which may prevent the county’s development partners from pursuing an otherwise attractive affordable housing development opportunity. These funds could be made available through the FCRHA’s already-existing Affordable Housing Partnership Program (AHPP) apparatus established by the FCRHA for the use of the Penny for Affordable Housing fund. The AHPP has the capacity to provide predevelopment loans, but has not had a source of capital to do so for several years. The EDSF presents such an opportunity.
- Proactively attract private capital for the development of affordable housing. As opportunities arise, the county should take advantage of programs or mechanisms for attracting private capital for affordable housing development, such as Opportunity Zones and tax-credit equity.
- Explore nonprofit developer tax relief from real estate taxes. Nonprofit developers, when assessing the practicalities of individual affordable housing projects, must account for real estate taxes. The county should explore the possibility of relief from these taxes for nonprofit developers and potentially their partners, so they can use those savings to provide for a higher number of affordable units per project.

STRATEGIC CATEGORY TWO: PRESERVATION OF EXISTING AFFORDABLE UNITS

The Headlines

- ***The AHRP recommends aspiring to achieve no net loss of “market affordable” rental apartments***
- ***The AHRP recommends committing the existing “half penny” with a priority for preservation projects***

Behind the headlines: According to research conducted by the Virginia Center for Housing Research at Virginia Tech, as of December 2018, there are approximately 9,500 housing units in Fairfax County that are considered “market affordable.” For the purpose of this document, “market affordable” means apartments in rental complexes that are affordable to households earning 60 percent of AMI and below, and which are not subsidized or otherwise subject to rent restrictions.

The AHRP makes the following recommendations regarding the preservation of existing units that are affordable to households earning 60 percent or less of AMI:

- Reaffirm the commitment to no net loss of existing market affordable units in Fairfax County.

The county's stock of "market affordable" rental homes is facing three critical pressures:

- 1) Redevelopment of older apartment complexes;
- 2) The renovation and/or "repositioning" of previously affordable properties, and, most significantly,
- 3) Incomes are not able to keep pace with the increases in rent.

It is recommended that the Board adopt a principle that, to the extent feasible, there should be **no net loss of market affordable housing units in the county**, recognizing that the preservation of these resources can take many forms that commit them as affordable. Preservation can include: the preservation and renovation of an existing development, the provision of replacement units, and other options. The Board should commit to preserving or replacing as many of the 9,500 market affordable units as is feasible, and direct staff to track the status of the county's market affordable rental complexes and report to the Board on a regular basis.

- Prioritize the current funding of a "half penny" in the Penny for Affordable Housing Fund to support preservation. As previously described, the Board currently dedicates revenue commensurate with the value of one-half cent from the Real Estate tax rate to the Penny for Affordable Housing Fund. The Board should commit that this revenue, currently valued at approximately \$12.5 million per year, will be used to support efforts to preserve affordable housing similar to how the FCRHA preserved units at the Parkwood and Huntington Gardens projects. These funds would be provided in the form of loans through the FCRHA. The use of this funding should be opportunity driven and made available on a "rolling" basis through the AHPP platform, as was the case with the original allocations of the Penny for Affordable Housing fund.

STRATEGIC CATEGORY THREE: LAND USE POLICIES AND REGULATIONS

The Headlines

- ***AHRP recommends that the development of a package of innovative land use policies be developed to further facilitate the development of affordable housing beyond the "floor" of 5,000 units***
- ***The land use package should be a top priority of the new Deputy County Executive for Planning and Development***
- ***AHRP-developed menu of land use options recommended for consideration by staff***

Behind the headlines: Although it was not charged by the Board to provide recommendations on land use policies and regulations, the AHRP strongly feels that affordable housing should be considered a top

priority relative to land use planning. **AHRP recommends that the Board direct county staff to develop a package of innovative land use policies to further facilitate the development of affordable housing beyond the stated goal of 5,000 units.** The Board should further identify as a top priority of the new Deputy County Executive (overseeing land development services and planning and zoning) the development and implementation of a package of such policies. Implementation of some of these policies could be effectuated through a concerted effort, led by the new Deputy County Executive, to modernize the Housing Policy Plan in Fairfax County's Comprehensive Plan. The suggested menu of options for consideration includes:

- A regulatory toolbox, including items such as flexibility in parking regulations, decreased processing time, moderation and/or bonding of development fees.
- A land use toolbox, including items such as:
 - *Recommendations of the Affordable Housing Advisory Committee's (AHAC) Land Use Work Group* – In March 2017, AHAC's Land Use Work Group issued high-level recommendations that are intended to assist the county in meeting the needs for affordable housing opportunities (see Appendix 2).
 - *Exploring a transfer of development rights program to facilitate the preservation and development of new affordable housing* – Transferable development rights are those which can be voluntarily transferred or sold by respective landowners from their land to any other developer who can use these rights to increase the density of development at another agreed upon location.
 - *Bonus density and height exceptions* – Incentives such as density bonuses and height exceptions have been successful regulatory and policy tools. Staff should evaluate existing density bonus provisions and pursue identifying potential new programs to account for the replacement of affordable housing to potentially include discounting such housing from density calculations that are near Metro stations.
 - *Decreased parking expectations for affordable housing developments* – The county should explore reduced parking for affordable housing developments, or providing an incentive to produce more affordable housing in exchange for parking reductions. As an alternative, the county may wish to consider a sliding scale depending on a development's proximity to a Metro station.
 - *Tax Increment Financing to offset infrastructure and other development costs* – Tax Increment Financing allocates future increases in property taxes from a designated area to pay for public improvements within that area. These improvements could include affordable housing as part of a larger development effort.
 - *Partnerships with houses of worship* – Houses of worship often have underutilized land that could be appropriate for housing, particularly housing for vulnerable populations. Working with regional partners, the county should increase education and awareness about opportunities for housing development on land owned by faith communities, and connect these communities with available technical and financial assistance.

STRATEGIC CATEGORY FOUR: INSTITUTIONAL CAPACITY

The Headlines

- ***The AHRP recommends that that the Board evaluate the personnel capacity of the county's regulatory agencies relative to affordable housing, and make specific new investments in the Department of Housing and Community Development***

Behind the headlines: The AHRP recognizes that more institutional capacity is needed within the county's agencies that support the creation of affordable housing at the level required to meet and exceed the recommended goal of 5,000 new units in fifteen years. This will be particularly true if the county increases the Penny for Affordable Housing Fund. **The AHRP makes the following recommendations regarding institutional capacity within the county's workforce:**

- *Evaluate the need for additional investment in the personnel capacity of the county's regulatory agencies to assist affordable housing land use policy and regulatory issues.*
- *Commit to an investment in personnel capacity in the Department of Housing and Community Development (HCD) to provide funding for at least three positions that will provide additional coordination, expertise/capacity in development, preservation and sustainability.* Positions would be supported by General Funds at approximately \$375,000 per year. These resources would establish 1) a "housing in all policies" manager to coordinate with the county's planning and regulatory/development agencies in a manner similar to the Health In All Policies manager at the Health Department, and 2) create additional staff capacity within HCD to administer existing programs. These dedicated resources are especially important given the expectation of new production, the complexity of the issues and the types of skills necessary to achieve the goals.

STRATEGIC CATEGORY FIVE: COMMUNITY AWARENESS AND LEGISLATIVE PRIORITIES

The Headlines

- ***The AHRP recommends that the Board ensure that affordable housing has a prominent place in its annual legislative program, and continues to be a focus of the county's federal legislative efforts***
- ***The AHRP also recognizes that community awareness of and support for housing affordability is essential to sustained success***

Behind the headlines: As evidenced by the development of the Communitywide Housing Strategic Plan, the Board has demonstrated its commitment and understanding that affordable housing is critical to economic development, family self-sufficiency, and the success of all children in Fairfax County. The AHRP calls for the Board to continue to elevate this issue – legislatively, economically, and across all industry sectors. For example, legislation that promotes affordable housing (e.g., exploring the implementation of authorizing legislation relative to development fees) should be a key focus of the

Board of Supervisors, as should actively pursuing affordable housing funding opportunities and supporting legislation opportunities that preserve or enhance the Board's local land use authority. The Virginia General Assembly should be encouraged to make efforts to provide more funding (e.g., increasing its allocation to the Housing Trust Fund) and allow local jurisdictions more revenue authority and flexibility in order to better address critical needs such as affordable housing. Therefore, affordable housing should be even more prominently featured as a priority in the Board's annual state legislative program.

We, as a community, also learned during the recent federal shutdown that our ability to deliver housing supports to the most vulnerable individuals and families in the county are deeply dependent on the continued availability of federal housing resources. The county should continually emphasize the importance of the federal programs that we use so effectively in our community with our federal elected officials, and help them advocate for more resources. These federal programs, including but not limited to Housing Choice Vouchers, the Continuum of Care, Emergency Solutions Grant, Community Development Block Grant, and HOME, all help make our community more livable for the most vulnerable among us.

The Board must also ensure that that the progress on these issues is tracked and reported regularly, to ensure continued community engagement in this issue. The AHRP recommends that staff develop a "dashboard" that provides a high-level summary of progress on these recommendations. The dashboard should also be used for the 25 strategies that were developed in Phase 1 of the Communitywide Housing Strategic Plan, which must not be forgotten (The Phase 1 Report is included as an Appendix to this document). It is also recommended that the Affordable Housing Advisory Committee (AHAC) be reconstituted and charged with monitoring progress and providing advice as these issues move forward, and that the AHRP (or a group like it) be reconvened in five years to reassess the recommendations in this report.

Finally, the AHRP recognizes that local government cannot solve this issue on its own. Our residents, and the business, faith, and nonprofit communities must come together to meet and exceed the "5k by 15" goal. Concerted efforts must be undertaken to bring all parties to the table. By adopting the recommendations made by the AHRP, Fairfax County is leading the way. The Board must ensure that we are leveraging current investments, helping our taxpayers and the business community understand the economic development advantages of affordable housing development, and working hand-in-hand with nonprofit partners to create an environment where all households can live and work in Fairfax County.



Communitywide Housing Strategic Plan



Executive Summary:

Fairfax County is a great place to live and to do business. However, a lack of housing options is putting the County's well-being and future prosperity at risk. One in five renters in the County pay more than 50 percent of their income for housing, requiring them to make difficult choices among what necessities they are able to afford. In the next 15 years, over 18,000 new housing units will be needed for households earning less than 80 percent of the Area Median Income. These are just two examples that illustrate the need for more price-appropriate housing in Fairfax County.

Without a sufficient supply of housing—affordable to individuals and families all along the income spectrum—Fairfax County will not be able to reach its full economic development potential and remain a first-class community. The Fairfax County community has come together in recent years to develop the *Strategic Plan to Facilitate the Economic Success of Fairfax County* to support a strong economic development strategy, and the *One Fairfax Policy* to support inclusivity and shared prosperity. This **Communitywide Housing Strategic Plan** (the Plan) marks a continuation of Fairfax County's emphasis on building and maintaining a vibrant, resilient community.

The Board of Supervisors requested the Plan and it was developed by the Department of Housing and Community Development (HCD) and the Affordable Housing Advisory Committee (AHAC) to address the significant need for price-appropriate housing options for current and projected residents of Fairfax County. **Phase 1** of the Plan identifies 25 short-term strategies that can be implemented without major policy changes or significant sources of new revenue to start the process of creating more housing options for future and current County residents and workers. **Phase 2** of the plan, to be developed subsequent to Board approval of Phase 1, will include longer-term strategies for developing new tools, policies, and resources to support the production, preservation and access to housing that is affordable to all who live and work in our community.

This document accomplishes Phase 1 of this communitywide effort – 25 strategies that represent near-term, measurable action items that will have a significant impact. They are organized under four broad categories:

- **Modernizing FCRHA / HCD Administration and Processes:** making existing processes more efficient, using existing resources more innovatively, and leveraging partnerships to support the development and preservation of the continuum of affordable housing
- **Land Use and Zoning Tools:** identifying ways to use land more creatively to build partnerships and expand housing options
- **Funding Sources and Uses:** deploying existing resources more efficiently and focusing existing efforts on those most in need
- **Housing for Vulnerable Populations:** ensuring the continuum of housing options through making affordable and accessible housing options available for persons with disabilities, seniors, and extremely low-income individuals and families, including those transitioning from homelessness

These strategies are immediate steps that can be taken to address the need for more price-appropriate housing in one to two years. It is clear, however, that Phase 2 of the Plan – a long-range implementation and resource plan – will be necessary to address the 62,184 new housing units that will be needed in Fairfax County in the next 15 years. The market, alone, will not produce the necessary housing options for Fairfax County's future.

The Fairfax County Department of Housing and Community Development and the Fairfax County Affordable Housing Advisory Committee are proud to share Phase 1 of the Fairfax County Communitywide Housing Strategic Plan.

Why a Strategic Plan for Housing?

Fairfax County is an extraordinary community with an exceptionally strong local economy and high quality of life. The median income for a household of four is \$110,300, making it one of the highest-income areas in the country. However, in a county of approximately 1.2 million people, thousands and thousands of households are living paycheck-to-paycheck due in large part to severe lack of price-appropriate housing. “Price-appropriate housing” means housing that costs 30 percent of the household’s annual gross income or less. In other words, all households in Fairfax County, regardless of income, should have a variety of housing options they can afford.

Fairfax County’s reputation as an exceptional place to live, and its position as a place where businesses want to locate and stay, is threatened by the lack of price-appropriate housing for all of its residents and workers. When everyone has access to housing that is affordable for them:



Positive outcomes are more likely for families and children, including better educational outcomes for children and better health outcomes for people of all ages¹

People have better prospects for upward economic mobility and self-sufficiency



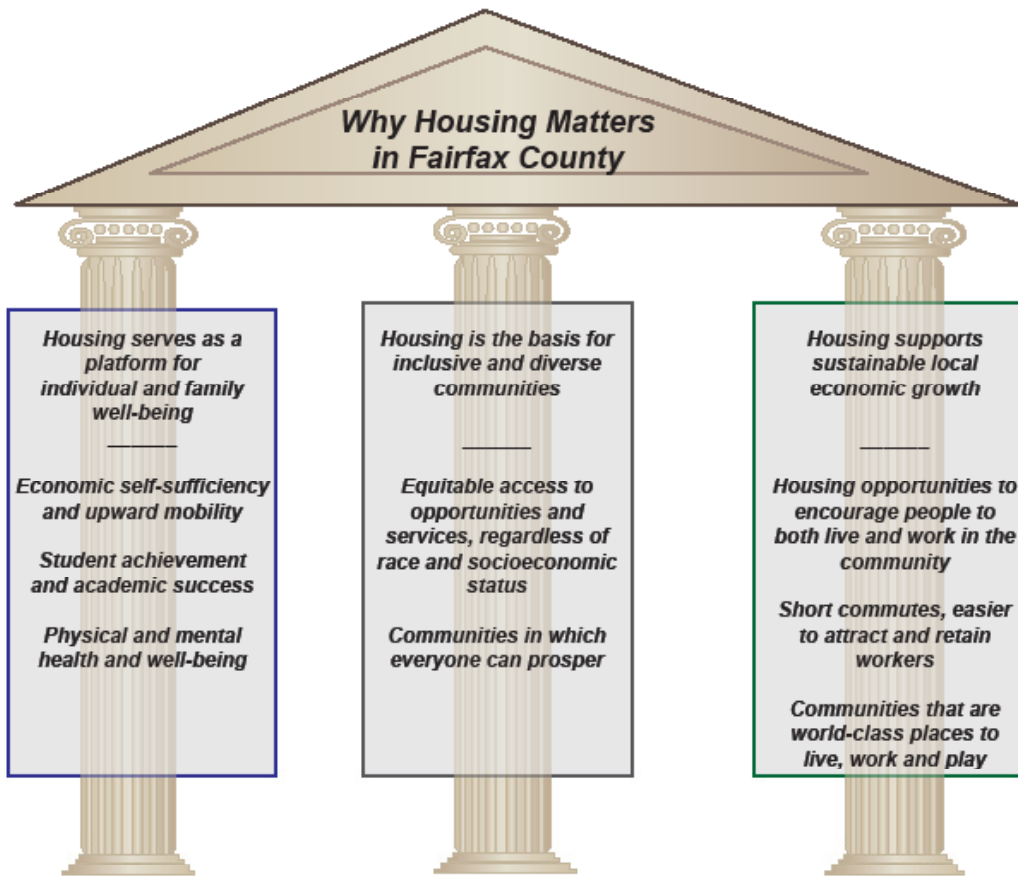
Employers can hire workers who are able to live close to where they work, and there is less congestion on our roads

Persons with disabilities have access to housing that is appropriate for their needs and the elderly are more able to age in place



Simply put, Fairfax County is at a crossroads. Wage growth is not keeping pace with the cost of and demand for housing and families, particularly those that would be considered low- or moderate-income, are falling further and further behind. The economic viability of Fairfax County is at stake, as evidenced by Fairfax County’s 2015 *Strategic Plan to Facilitate the Economic Success of Fairfax County*. Furthermore, the lack of a range of price-appropriate housing in the county hinders the full implementation of the county’s *One Fairfax* policy, which calls for equitable access to communities of high-opportunity.

¹See, for example, Brennan, Maya, Lisa Sturtevant and Patrick Reed. 2014. *The Impacts of Affordable Housing on Education*. Washington DC: National Housing Conference; and Viveiros, Janet, Mindy Ault and Nabihah Maqbool. 2015. *The Impacts of Affordable Housing on Health: A Research Summary*. Washington DC: National Housing Conference.



How Housing Supports the County's Plan for Economic Success

Housing affordability is critically important for ensuring that businesses want to locate to Fairfax County and then stay here. The Economic Success plan lays out six broad goals to maintain, diversify, and enhance the strong and vital Fairfax County community in order to sustain and grow our economic prosperity:

1. Further Diversify our Economy
2. Create Places Where People Want to Be
3. Improve Speed, Consistency and Predictability of the Development Review Process
4. Invest in Natural and Physical Infrastructure
5. Achieve Economic Success through Education and Equity
6. Increase Agility of County Government

Housing is an important element in every single goal. When advocating as a community for more price-appropriate housing, we fail to effectively communicate why it is important. We fail to discuss its value; how it is the foundational element of economic resilience and competitiveness in local communities. How it improves the local tax base and stabilizes family units. How communities benefit from public investments; ensuring that opportunities for individuals and families of all income levels are available.



The Urban Land Institute reports that more than half of the large companies with more than 100 employees cite a lack of price-appropriate housing near their business as a significant challenge; and 58 percent of the companies claim to have lost employees due to burdensome commutes. By having housing that is affordable, employees are able to live where they work and support the local economy. In addition, having a larger pool of waged workers makes for a more attractive location for businesses to relocate, which in turn, improves the commercial tax base so that local government is less reliant on residential real estate property taxes. It's all connected.



It is time we start the conversation about the economic benefits of having price-appropriate housing in our communities. It is time to start showing that it is more than housing assistance; that it is a valuable economic resource that benefits us all. Price-appropriate housing is good for the local economy, improves the local tax base, stabilizes family units, allows workers to live where they work, and provides opportunities for individuals and families of all income levels. It is not just an issue for the lower-income and underserved populations - it benefits us all.

How Housing Promotes Equity

In addition to the connection between housing and the county's economic success, price-appropriate housing is directly connected to the success of households at the individual level. National research bears out the correlations – having homes that are affordable correlates to better mental health, less stress for our children, more economic mobility; just to name a few examples. One connection that is particularly important in Fairfax County is the one between housing and the ability to ensure equitable access to communities of opportunity.



The Fairfax County Board of Supervisors and the Fairfax County School Board adopted the One Fairfax racial and social equity policy in 2017, to ensure all individuals in our community have an opportunity to reach their highest level of personal achievement. Stable, affordable and high-quality housing is the key to increasing access to opportunities and ensuring all residents can prosper.

As a community, we can agree that where a person lives – and the associated opportunities and services present in that neighborhood – should not be a leading determinant in the health of their family. In fact, a person’s ZIP code is a stronger predictor of his or her overall health than other factors, including race and genetics. And it’s not just life expectancy – access to care, access to health information, and quality of life are all affected by where one lives. Fairfax County policymakers, as well as affordable housing developers, have an opportunity to create a comprehensive and thoughtful approach to the planning for new housing that can play a role in driving socioeconomic integration, reversing racial disparity trends, eliminating institutional or structural racism, and ensuring that outcomes and opportunities for all people in our community are no longer predicted by where a person lives.

In fact, a person’s ZIP code is a stronger predictor of his or her overall health than other factors, including race and genetics. And it’s not just life expectancy – access to care, access to health information, and quality of life are all affected by where one lives.²

Objectives of the Strategic Plan

The Fairfax County Board of Supervisors requested the development of the strategic plan for housing in 2016, and the Affordable Housing Advisory Committee (AHAC) took primary responsibility for overseeing the development of the plan. AHAC led a communitywide effort that benefited from input from residents and employers through numerous public meetings, one-on-one conversations, and an online survey. More than five thousand members of our community contributed their voices to the plan over the past year. As a result, the plan reflects the shared desire to maintain and grow our extraordinary community.

There were several objectives for this strategic planning process:

- To create a **shared community vision** of how housing supports local economic growth and community sustainability
- To **quantify the housing needed** to accommodate future growth and support the County’s economic sustainability
- To develop **specific, measurable, and actionable strategies** for meeting Communitywide housing goals
- To identify the **program and policies, and specific funding sources**, that will be required to address housing needs in **5, 10, and 15 years even as we experience current housing shortages**

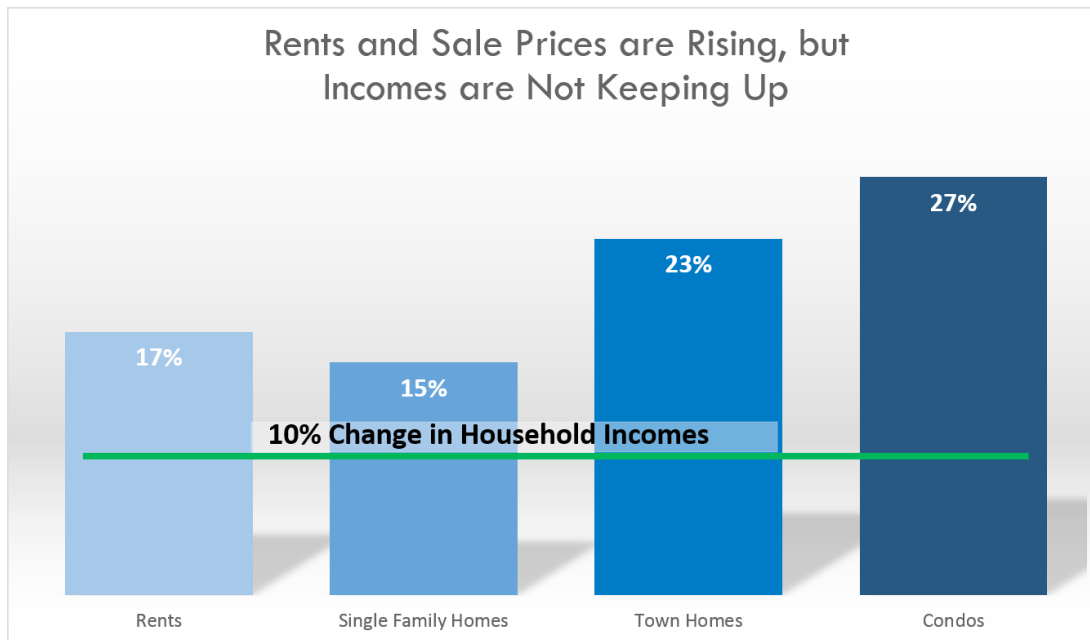
It is anticipated that this document will be the first step in a two-part process, identifying the need in our community, setting targets for housing production, and suggesting initial implementation steps that can be addressed in the next one to two years. The second, and more challenging step, will be identifying long-term implementation strategies, and the additional resources needed to carry out those strategies.

² Graham, Garth, Ostrowski, MaryLynn and Alyse Sabina. Defeating The ZIP Code Health Paradigm: Data, Technology, And Collaboration are Key.



Housing Needs

More price-appropriate housing is needed in Fairfax County at a range of income levels, in both the rental and homeownership markets. The national post-recession recovery has been slow and has had a particularly strong impact on Fairfax County due to housing costs that have continued to rise even as incomes have stayed flat or risen moderately; and due to the region's dependence on federal government contracting. In fact, it has become increasingly difficult for many households to find housing they can afford in Fairfax County. Between 2010 and 2015, the average rent in Fairfax County has increased 17 percent and typical home prices for single-family homes, town homes and condominiums were up 15, 23 and 27 percent respectively. Over the same period, the average household income in the County increased by only 10 percent and for many low-wage workers incomes did not increase at all.



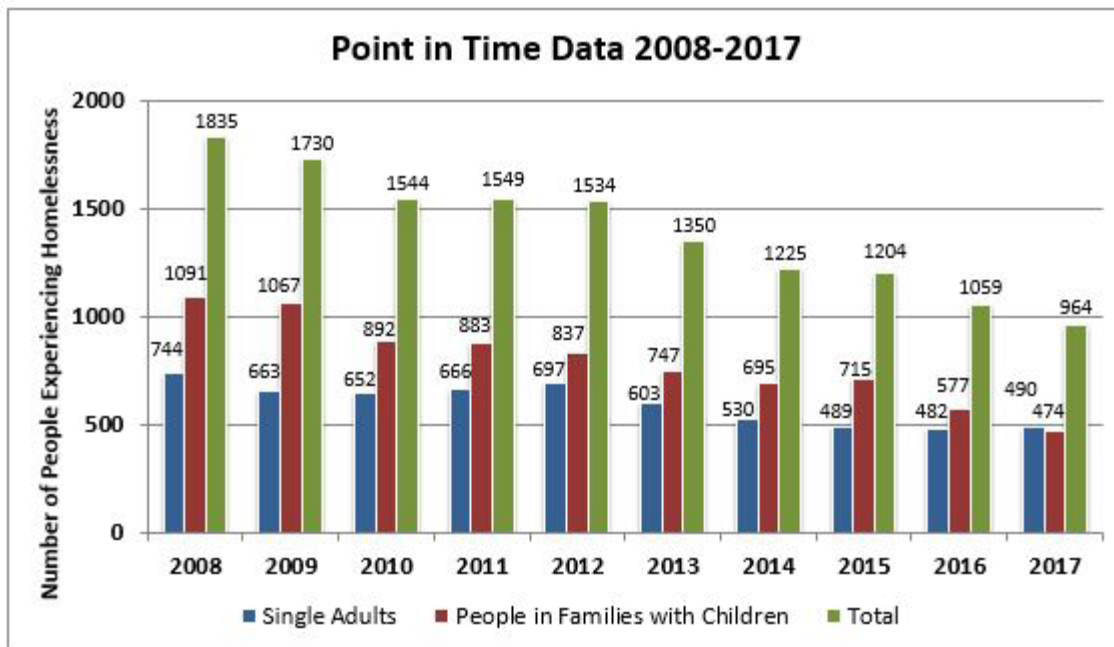
Source: U.S. Census Bureau American Community Surveys, 2010 and 2015; MRIS

There are more individuals in the County who are cost-burdened due to housing (115,000) than over 90 percent of the total populations of counties in the Commonwealth of Virginia.

As housing costs, particularly rents, increase more than incomes, households find themselves more likely to be cost-burdened. The U.S. Department of Housing and Urban Development (HUD) defines “cost-burdened” as any household that spends more than 30 percent of household income for mortgage costs or gross rent. Households spending more than 50 percent are considered to be “severely cost-burdened.” In Fairfax County, according to the most recent American Community Survey, 44.3 percent of renters (more than 55,000 households) and 22.9 percent of homeowners (more than 60,000 households) in Fairfax County spend more than 30 percent of their income on housing. This means that there are more people in the County who are cost-burdened (115,000) than over 90 percent of the total populations of counties in the Commonwealth of Virginia.

Current Housing Needs for Vulnerable Households

While the cost-burden situation is problematic for any household that pays more than 30 percent of their income in housing costs, it can become a crisis for those households with extremely low-incomes or those with fixed incomes. For example, the lack of price-appropriate housing in the county has a direct connection to the cause of much of the homelessness in Fairfax County. The Fairfax County Board of Supervisors recognized this when they endorsed the “Blueprint for Success: Strategic Directions for the Plan to Prevent and End Homelessness in the Fairfax-Falls Church Community” in 2007. Much progress has been made since then in reducing the overall number of homeless households in our community and yet our most vulnerable residents continue to be at risk of housing instability and homelessness. On the night of the January 2017 Point in Time count, nearly 1,000 people in Fairfax County were homeless³. Low incomes and expensive housing are the main reasons for homelessness.



In addition to those households that are experiencing homelessness, more than 70,000 Fairfax County residents have a disability. Data shows that individuals with disabilities are much more likely to have extremely low-incomes and often face a compounded problem - finding housing that is price-appropriate AND has the accessibility features they need to live comfortably in their homes. Similarly, our elderly neighbors, many of whom have worked in Fairfax County throughout their careers and have contributed to their communities and the local economy, are having difficulty affording their homes on fixed incomes. Compared to all households in Fairfax County, a larger proportion of households with at least one person who is 75 or older have very low-incomes. Elderly households present the second greatest need for more affordable housing, behind small family households and singles. As housing costs increase, more senior households will likely become cost burdened or more cost burdened, since many elderly households have relatively fixed incomes.




Current Housing Needs for Low- and Moderate-Wage Workers

Individuals and families with the lowest incomes face the greatest challenges finding housing they can afford. These households include many workers who are essential to the Fairfax County community. For example, a typical retail salesperson in the County earns less than \$30,000 per year. Restaurant workers, housekeepers, childcare providers, home-health aides, bus drivers and security guards in Fairfax County also have an average income of around \$30,000⁴. Working households earning \$30,000 per year can only afford to pay \$750 per month for housing, but the average rent in Fairfax County is more than \$1,700⁵.

Many public sector workers who serve the Fairfax County community cannot afford to live here.

The average monthly rent in Fairfax County was **\$1,764** in 2015.
You need an income of at least **\$70,560** to afford the typical rent.

	Teacher Starting Salary - \$47,046 Would need to work 11 years before earning enough to rent the average one bedroom unit.
	Police Officer Starting Salary - \$50,265 Would need to work 5 years before earning enough to rent the average one bedroom unit.
	Public Health Nurse Starting Salary - \$51,254 Would need to work 6 years before earning enough to rent the average one bedroom unit.

Sources: U.S. Census Bureau, 2015 American Community Survey; Economic, Demographic and Statistical Research; Fairfax County Department of Neighborhood and Community Services

These workers are a critical component of our local economy and they deserve to have an opportunity to live and work in Fairfax County. What happens when working families earning low wages cannot find housing they can afford? In many cases, they live in overcrowded housing or commute to Fairfax County from other jurisdictions. Overcrowded housing continues to be a critical challenge in Fairfax County, with a total of 4,640 households overcrowded (1.01-1.5 people per room), and nearly 1,900 households severely overcrowded (more than 1.51 people per room). The majority of overcrowded households include at least one child and have incomes below 50 percent of Area Median Income (AMI). Given the prevalence of children in overcrowded households, families in our community may be “outgrowing” their housing units, but at the same time are unable to afford a larger home they can afford.

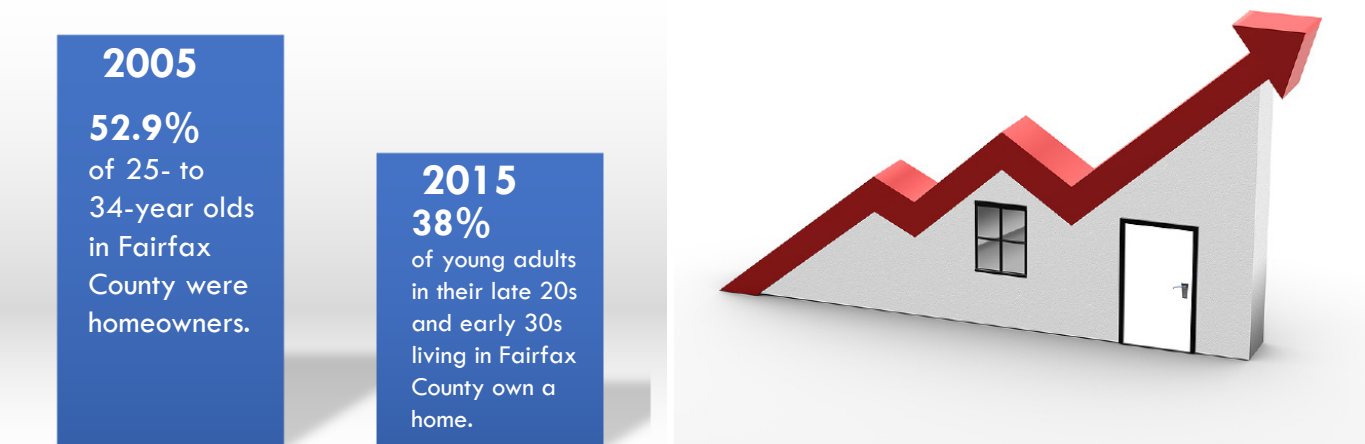
The majority of overcrowded households include at least one child and have incomes below 50 percent of AMI.

⁴ National Housing Conference, Paycheck to Paycheck 2016
⁵ 2015 American Community Survey

The Challenge of Homeownership

In addition to the difficulty in finding price-appropriate housing options in the rental market, increasingly, high housing costs in Fairfax County burden households with middle and higher incomes and put homeownership opportunities out of reach. Households with higher incomes occupy many of the homes that would be affordable to low-income households. For example, 67 percent of the owned or for-sale housing stock that would be affordable to very low-, low- and moderate-income households is occupied by households with income greater than is required to comfortably afford those units, indicating that homebuyers with lower incomes face intense competition for affordable homes from households with higher incomes.

Many workers, including Millennials and young families, find they are not able to afford to buy a home in our community. The ability of young households to purchase a home in Fairfax County has dropped precipitously over a ten-year period. In 2005, more than half of 25- to 34-year olds in Fairfax County (52.9 percent) were homeowners. In 2015, only 38 percent of young adults in their late 20s and early 30s living in Fairfax County own a home. Recent research has shown that the desire for homeownership among young adults is as strong now as it has ever been, but this cohort faces new obstacles—including rising debt and fewer affordable homeownership options—which are leading to delays in home buying⁶.



Future Housing Needs

Our community already faces a deficit of more than 31,000 rental homes affordable to low-income individuals and families. Over time, the gap between the need and the supply will grow considerably without new approaches for expanded housing availability and affordability. Over the next 15 years, the County is expected to add more than 62,000 households, primarily working households⁷. These are household projections based on the County's analysis of recent growth and the capacity for residential development based on current land use and zoning. To support sustainable population growth and bolster our economy, it is important to think about how we plan for price-appropriate housing to address the current housing gap and to meet the needs of the growing workforce.

⁶ See, for example, Thompson, Derek. 2016. Millennials: The Mobile and the Stuck. The Atlantic August 24.

⁷ For background on the County's forecasts, see Demographics Reports 2016 County of Fairfax, Virginia, available online <https://www.fairfaxcounty.gov/demogrph/demrpts/report/fullrpt.pdf>.

As our community grows—it will need to grow in order to ensure economic vitality and prosperity—the County will add workers and families all along the income spectrum. Based on projections from the County and George Mason University (GMU), over the next 15 years, the County is expected to add:

- **4,591 extremely low-income households (income <30% AMI)**
- **8,443 very low-income households (30-50% AMI)**
- **5,588 low-income households (50-80% AMI)**
- **9,048 moderate-income households (80-100% AMI)**
- **11,929 households with incomes between 100 and 120% of AMI**
- **22,585 households with incomes above 120% of AMI⁸**

While housing production has been on the rise since the Great Recession, Fairfax County is not producing enough housing to close the existing housing gap and will not be able to meet future housing needs. The County would need to add 4,146 new units each year for 15 years to meet the 2032 target above, but the County issued building permits for only 3,720 units in 2004 at the height of building in the 1992-2016 period, before heading into the housing bubble. Without incentives or other changes that reduce the cost of building or removal of disincentives for building, the opportunity for the County to deliver more than 3,720 units in a single year seems unlikely.

These forecasts also suggest that over the next 15 years, there will be demand for 18,622 homes affordable to households with incomes below 80 percent of AMI (29.9% of total new homes needed). Given housing market conditions in the Washington DC region and in Fairfax County, it is challenging to build new housing with rents or prices that are affordable to households at this income range without some form of subsidy. There are several reasons why lower-cost housing isn't produced in our community:

- High costs of land and construction make it difficult to provide sufficient housing at more moderate prices and rents;
- Federal, state and local regulations add to the cost of building housing, and these added costs are passed along to residents in the form of higher rents and prices; and
- Opposition to new construction or increased density from existing Fairfax County residents results in too little housing being built, limiting supply and putting upward pressure on prices and rents.

The private market meets the demand for housing for higher-income households; however, housing for low-income households is difficult and expensive to provide. In order to develop new housing—or often to preserve existing housing—at rents or prices that are affordable to our community's low- and moderate-income residents and workers, it is necessary for there to be some type of subsidy, either a financial subsidy provided in the form of a low-interest loan, grant or tax credit, a subsidy in the form of reduced land costs, an incentive in the form of an increase in the allowable density, a reduction in development approval requirements—or all of the above.

⁸ See Appendix for details on methodology.

Strategies to Expand Housing Options in Fairfax County

In order to ensure that our community remains vibrant and diverse, and that our economy is strong and resilient, we must take action to ensure that there is enough housing—of the right types and at rents and prices that are affordable—to support growth in the County’s workforce and broader community, and that current and anticipated housing needs are met.

Fairfax County’s Housing Blueprint was a first step in achieving this vision, as it has focused affordable housing policies and resources on serving those with the greatest need, including homeless families and individuals, persons with special needs, and households with extremely low-incomes. The overarching principle of the Blueprint is that home affordability refers to a continuum of income and ability. The research and outreach conducted as a part of this strategic plan has re-affirmed this principle and the four main goals of the Blueprint:

- 1. To end homelessness in ten years;**
- 2. To provide affordable housing options to special needs populations;**
- 3. To meet the affordable housing needs of low-income working families; and**
- 4. To increase workforce housing through creative partnerships and public policy**

To meet the full range of housing needs in our community, and particularly the housing needs of individuals and families who earn below 80 percent of AMI, it will be necessary for the County, the Fairfax County Redevelopment and Housing Authority (FCRHA), non-profits, the faith community, and local businesses and employers to come together to find ways to help fill the gap between what it costs to build housing in our community and the prices and rents that our workers, seniors, vulnerable populations and others can afford.

In Fairfax County there already exists a range of policies, programs and partnerships designed to address the community’s needs as identified in the County’s Housing Blueprint⁹, examples of which include:

TO END HOMELESSNESS IN TEN YEARS

- ◆ Administering the Bridging Affordability Program
- ◆ Providing a homeless preference in the FCRHA’s federal rental programs

TO PROVIDE AFFORDABLE HOUSING OPTIONS TO SPECIAL NEEDS POPULATIONS

- ◆ Facilitating home repairs for older individuals to help them stay in their residences
- ◆ Providing affordable adult housing and assisted living facilities
- ◆ Providing state-funded rental assistance to persons with developmental disabilities
- ◆ Owning and managing 818 senior and specialized housing units

TO MEET THE AFFORDABLE HOUSING NEEDS OF LOW-INCOME WORKING FAMILIES

- ◆ Assisting individuals in crisis, to ensure they can maintain their housing assistance
- ◆ Owning and managing over 3,000 affordable multifamily rental units

TO INCREASE WORKFORCE HOUSING THROUGH CREATIVE PARTNERSHIPS AND PUBLIC POLICY

- ◆ Fostering the creation of affordable and workforce units by non-profit and for-profit developers
- ◆ Administering the First-Time Homebuyers Program to assist low- and moderate-income prospective buyers with information on homeownership and opportunities to meet with lenders

⁹ The Housing Blueprint was created in the wake of the 2007 recession to focus affordable housing policies and resources on serving those with the greatest need, including homeless families and individuals, persons with special needs, and households with extremely low-incomes.

Phase 1 of the Communitywide Housing Strategic Plan contains 25 specific strategies Fairfax County can take within one to two years and with no new additional public resources to begin to produce and preserve more affordable and workforce housing. However, it is clear that in the mid- and longer-term, new and substantial resources will be required to ensure that all County residents and workers who want to live in the County—including those with the lowest incomes and the most vulnerable economic situations—can have access to safe, stable and affordable housing. These Phase 1 strategies are intended to be adopted as a full package of actionable steps; will require inter-departmental coordination and participation from the business and non-profit communities; and will set the groundwork for longer-term, more comprehensive strategies that will be detailed in the forthcoming Phase 2 of the Plan.

A. Modernizing FCRHA/HCD Administration and Processes

Within the Fairfax County Department of Housing and Community Development (HCD) and the Fairfax County Redevelopment and Housing Authority (FCRHA), there are opportunities to make existing processes more efficient and to use existing resources more innovatively to leverage partnerships, bringing non-local money to the County to support the development and preservation of housing. These recommendations involve modifications to existing procedures within HCD and the FCRHA, as well as a move towards re-positioning FCRHA assets to use them more efficiently.

A1. Streamline the Housing Blueprint Application Process to Better Align with the LIHTC Application Process. The Low Income Housing Tax Credit (LIHTC) program is the primary way that new affordable housing developments are financed and is a source of substantial non-local funding for new and preserved housing in Fairfax County. With small changes to its Housing Blueprint application process and with increased communication with the developer community, the County/FCRHA-supported projects can be better able to compete for LIHTC dollars to support the development of housing for low- and moderate-income working families in the County.

A2. Maximize the Potential of FCRHA-Owned Properties. The FCRHA has significant resources in terms of the land and properties it owns. While not all FCRHA assets can or should be re-positioned, the FCRHA should continue to evaluate which sites have the greatest potential for development/redevelopment at higher densities and with non-profit and for-profit developer partners. Potential redevelopment and expansion of FCRHA-owned properties offers opportunities for innovative public-private partnerships.

A3. Plan for Reinvestment of Savings from the Refinancing and/or Maturing of Debt Service of Wedgewood and Crescent Properties. As refinancing opportunities become available and/or the debt service on these properties is paid down, a strategy should be developed to determine how to reallocate eventual savings for other affordable housing priorities. Currently, nearly half of the amount in the County's Affordable Housing Fund ("Penny Fund") are allocated for debt service on Wedgewood and Crescent.

A4. Develop a Plan to Expand Use of FCRHA Bonds. The FCRHA has the authority to issue bonds to support the development and preservation of affordable housing. The FCRHA should create a more aggressive outreach program to better publicize FCRHA bond financing to support the goals of the community.

A5. Examine the FCRHA's Deep Subsidy Programs to Better Align Resources to Serve Those Most in Need. As federal resources remain constrained, it is important that the County is directing those resources to meet its overarching principles of ensuring a continuum of housing and to serve residents with the greatest needs. The FCRHA should review existing Federal housing preferences and evaluate how well existing programs meet residents' needs.

A6. Incorporate the One Fairfax Policy into the FCRHA's Policymaking Process. *One Fairfax* commits the County and Schools to intentionally consider equity when making policies or delivering programs and services. As part of the FCRHA's regular consideration of policy and funding decisions, develop an equity lens that enables staff to evaluate how its recommendations meet the vision of *One Fairfax*.

B. Land Use and Zoning Tools

There are many ways in which changes to land use or zoning, or new approaches to uses on certain types of land, could significantly increase the supply and availability of housing affordable to the Fairfax County workforce. The County is currently undertaking a comprehensive update of its Zoning Ordinance and there are also planning efforts underway for particular neighborhoods in the County (e.g. the Route 1 corridor). These recommendations build off the County's current and recent land use and zoning studies, and go further to identify ways to use land more creatively to build partnerships and expand housing options.

B1. Update the Affordable Dwelling Unit (ADU) and Workforce Dwelling Unit (WDU) Programs.

Both the ADU and WDU programs have been effective at generating new affordable housing in Fairfax County. However, there is a need for updating and revising both programs to respond to housing needs and current market conditions. As part of the Zoning Ordinance update, the County should work with a comprehensive group of stakeholders to make improvements to the ADU and WDU programs.

B2. Create Guidelines for Adaptive Reuse of Commercial Space for Affordable Housing.

Housing created through the reuse of commercial buildings, or through the use of land currently zoned for commercial uses, can create more opportunities for mixed-income housing. The County should build off of the recommendations from the Office Building Repositioning and Repurposing Task Force and move forward to develop policy direction and a pilot for creating new housing options through adaptive reuse.

B3. Develop a Preservation Strategy. Preserving existing subsidized and “market affordable” housing is vital to meeting the needs of low- and moderate-income individuals and families. The County should develop a comprehensive strategy that includes principles and guidelines around affordable housing preservation.

B4. Streamline the Process for Public-Private Partnerships that Make Use of Publicly-Owned Land.

Making vacant or underutilized publicly-owned land available for affordable and mixed-income housing is an important way to expand housing options without direct public financial subsidy. These public land projects necessarily involve public-private partnerships. The County should review the Public Private Education and Infrastructure Act (PPEA) framework and consider moving to a more streamlined process for public land projects that involve affordable housing.

B5. Incorporate Guidelines for Public Land into the Capital Improvement Program(CIP) Process.

Co-locating housing with new and/or redeveloped public facilities is an effective way to create affordable housing options in mixed-use settings. The County's CIP process should be amended so an assessment of the appropriateness of co-locating housing is done in all projects involving building new public facilities or redeveloping existing facilities.

B6. Modify the Accessory Dwelling Unit Policy. Within the larger Zoning Ordinance update, the County should review the current requirements for creating accessory units. Working with a broad set of stakeholders, improve the accessory dwelling unit requirements to allow for the creation of more accessory units.

B7. Explore Zoning Districts that Allow for “Missing Middle” Housing. As part of the Zoning Ordinance update, identify zoning districts where flexibility in housing types would be appropriate. “Missing middle” refers to a range of multi-unit or clustered housing types (e.g., duplexes, triplexes, etc.) compatible in scale with single-family homes that help meet the growing demand for walkable urban living. Review other local jurisdictions’ policies on “missing middle” housing and explore options for Fairfax County.

B8. Integration with the Zoning Ordinance Modernization Project. In 2017 the Office of Community Revitalization and the Department of Planning and Zoning initiated an effort to modernize the County’s Zoning Ordinance to restructure it to make it more user friendly, and to prioritize key amendments for updating the Ordinance. Changes to the Ordinance might affect the ability to develop certain types of housing in specified areas of the County, and improvements to the Ordinance could enable more innovative housing preservation and development opportunities. The County should ensure that the preservation and development of affordable housing is considered during each relevant phase of the Zoning Ordinance Modernization process.

C. Funding Sources and Uses

While the short-term strategies presented in this report do not include recommendations for dedicated funding for housing, it will be important in the mid- and longer-term to identify new resources to support housing development and preservation. In the short-term, there are ways the County and the FCRHA can deploy their existing resources more efficiently and to explore ways to shift certain resources to be used for those most in need. At the same time, the County should be planning for ways to identify new resources to support the development and preservation of affordable and workforce housing.

C1. Preserve Existing Affordable Housing Resources. Currently, Fairfax County has several resources that are dedicated to the acquisition and preservation of affordable housing, including the Housing Trust Fund and the Penny for Affordable Housing Fund. These are critical, local funding streams that allow Fairfax County to provide capital funding to private and nonprofit affordable housing developers. Given the expected demand for price-appropriate housing as the population of Fairfax County continues to increase, these resources must be maintained at current levels and should be considered for further expansion.

C2. Create Guidelines for the Tysons Housing Fund. The Tysons Plan recommended contributions from commercial development to a housing trust fund which would be dedicated to supporting affordable and workforce housing options in Tysons. The County should formalize guidelines for the use for these funds to ensure that they are used as efficiently as possible to serve low- and moderate-income workers in the Tysons area.

C3. Assess a Commercial Contribution Policy. The link between job growth and housing availability and affordability is clear. Commercial contributions to the Affordable Housing Fund can be an efficient way for employers to support housing development that benefits the workforce. The County should assess its current policy of commercial contributions and re-visit the countywide commercial linkage policy in transit-oriented development areas to determine whether a new commercial contribution policy should be adopted.

C4. Explore Using Existing Tax Incremental Financing (TIF) Policies to Promote Housing Affordability. TIF allocates future increases in property taxes from a designated area to pay for improvements within that area, which could include affordable housing. Explore the use of the county's existing authority to implement TIF and associated policies as a means to promote affordable housing development and preservation.

C5. Dedicate Resources to Expand the Scope of Local Rental Housing Subsidy. With the decline in Federal housing resources and, in particular, with insufficient Federal commitment to the Housing Choice Voucher program, Fairfax County needs to expand the scope of its local rental housing subsidy program, known as Bridging Affordability, to assist its lowest-income families find housing they can afford. The Bridging Affordability program should be re-focused on meeting the needs of people with disabilities and other special needs (including victims of domestic violence, and those experiencing homelessness) and should allow for "project basing" of subsidies in affordable rental units.

C6. Provide Downpayment and Closing Cost Assistance. Use proceeds from the sale of ADUs that are currently contributing to the Affordable Housing Fund to expand assistance to moderate-income first-time homebuyers in the County. In addition, look for ways to partner with County employers to expand employer downpayment assistance programs.

C7. Review Options for Restructuring the County's Housing Trust Fund. Evaluate the structure of the Housing Trust Fund in light of the processes, funding and procedures of local trust funds in neighboring and comparable communities. Develop a plan for moving forward on changes that will create an efficient and effective trust fund.

D. Housing for Vulnerable Populations

As part of its commitment to ensuring that Fairfax County has a continuum of housing options, the community will continue to work to make affordable and accessible housing options available for persons with disabilities, seniors, and extremely low-income individuals and families, including those at risk of or transitioning from homelessness.

D1. Expand Access to Housing Options for Persons with Special Needs. Finding affordable, appropriate housing is a particular challenge in Fairfax County for persons with special needs, many of whom are in some type of crisis (including victims of domestic violence, and those experiencing homelessness) or have a disability that prevents them from attaining full employment. The County should make efficient use of existing resources to create housing options, including transitional housing where appropriate, and should develop a plan with partners, such as the Governing Board of the Fairfax-Falls Church Partnership to Prevent and End Homelessness for connecting individuals with affordable and appropriate housing.

D2. Support Aging in Place. The vast majority of older adults would prefer to age in their homes. However, it can be increasingly challenging to maintain a home as mobility declines. Property taxes can also make staying in a home unaffordable. The County should support programs and services to help enable seniors to remain in their homes by providing education and outreach to residents and connecting residents with existing privately-run programs.

D3. Facilitate Opportunities for Faith Communities to Develop Affordable Housing. Houses of worship in Fairfax County—including churches, temples, synagogues and mosques—often have underutilized land that could be appropriate for housing, particularly housing for vulnerable populations. Working with regional partners, the County should increase education and awareness about opportunities for housing development on land owned by faith communities, and connect these communities with available technical and financial assistance.

D4. Continue to Address the Efficiency of Fairfax County's Existing Homeless and Housing Supports Networks. As the Office to Prevent and End Homelessness works with its Governing Board and community to establish new goals, and as the 10 Year Plan comes to an end, a broader focus on housing for all will be established in the Health and Human Services system. This focus will include housing for homeless, mental health and domestic violence. It is clear that additional housing resources are needed that provide solutions to some of our most vulnerable residents.



FUTURE HOUSING NEEDS APPENDIX

Estimates of Numeric Targets

A key component of the Communitywide Housing Strategic Plan is to develop short-term and long-term numeric targets for housing. These targets are designed to be consistent with the goals identified in the Housing Blueprint and the Strategic Plan for Economic Success, and build off of existing population, housing and employment forecasts that have been completed by the County and the George Mason University Center for Regional Analysis (GMU). The short-term (i.e. annual) numeric targets are intended to replace the annual targets that are part of the current Blueprint for Housing. As part of the Strategic Plan, specific and actionable strategies, along with funding sources, will be developed and will be tied directly to these numeric targets.

Overall Household Growth and Housing Needs

- Over the next 15 years, between 2017 and 2032, the County is expected to add 62,185 households, reflecting an annual growth rate of 1.0%. These are household projections based on the County's analysis of recent growth and the capacity for residential development based on current land use and zoning. Between 2000 and 2016, the County added households at an annual rate of 0.9% which means that the County is forecasting a slight acceleration in household growth over the next 15 years, with somewhat slower growth in the first five-year period and somewhat faster growth in the 10-year and 15-year period.
- Over the next 15 years, the County will add households all along the income spectrum. Based on forecasts of housing demand produced by GMU, between 2017 and 2032, the County is expected to add:
 - 4,591 extremely low income households (income <30% AMI)
 - 8,443 very low income households (30-50% AMI)
 - 5,588 low income households (50-80% AMI)
 - 9,048 moderate income households (80-100% AMI)
 - 11,929 households with incomes between 100 and 120% AMI
 - 22,585 households with incomes above 120% AMI
- These forecasts suggest that over the next 15 years, there will be demand for:
 - 18,622 homes affordable to households with incomes **below 80% AMI** (29.9% of total new homes needed)
 - 39,600 homes affordable to households with income **below 120% AMI** (63.7% of total new homes needed)

5-10-15 Year Numeric Targets based on Household Income and Other Characteristics

	2017 (est.)	2022	2027	2032
Total Households	405,161	420,917	444,266	467,346
Household Income				
ELI (<30% AMI)	34,741	35,782	37,589	39,332
VLI (30-50% AMI)	31,107	33,050	36,280	39,550
LI (50-80% AMI)	55,828	57,052	59,280	61,416
MI (80-100% AMI)	42,161	44,395	47,810	51,209
100-120% AMI	38,986	41,855	46,330	50,915
120+ % AMI	202,338	208,783	216,978	224,923

1-Year Targets – Housing Needed to Serve Expected Households in 2017-2018

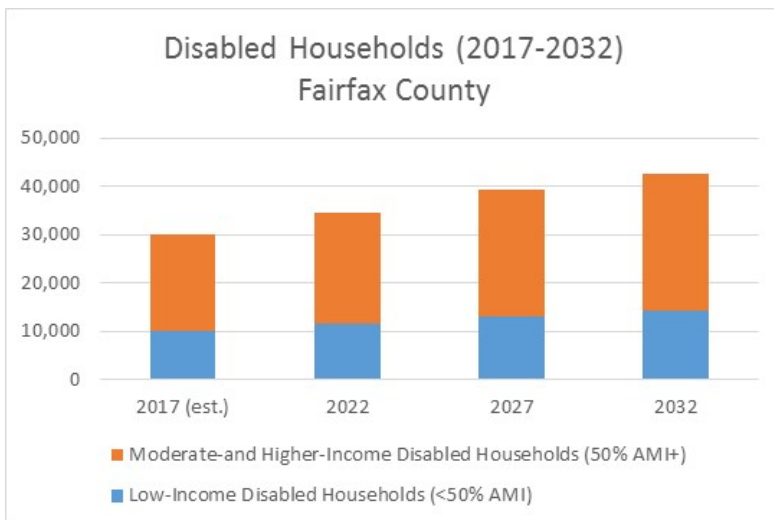
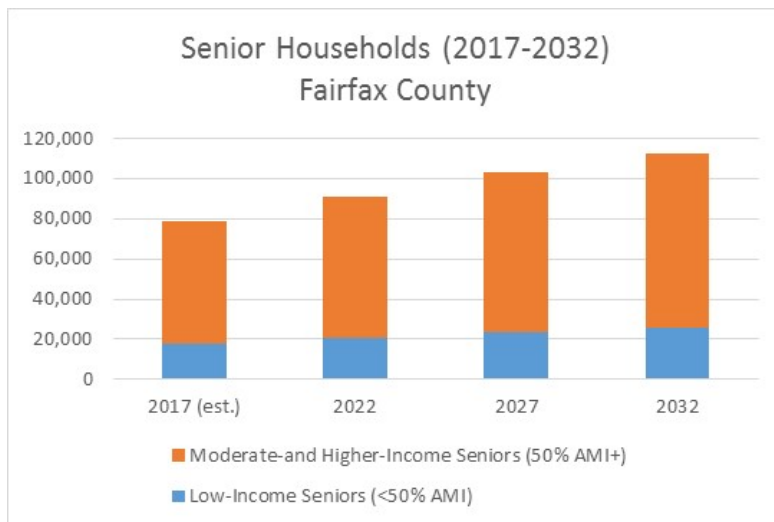
Total Housing Units to Accommodate Household Growth	3,151
Affordable to:	
ELI (<30% AMI)	208
VLI (30-50% AMI)	389
LI (50-80% AMI)	245
MI (80-100% AMI)	447
100-120% AMI	574
120+ % AMI	1,289

As a result of the growing population and changing demographics, the characteristics of households in Fairfax County—and their housing needs—will change over the 15-year period.

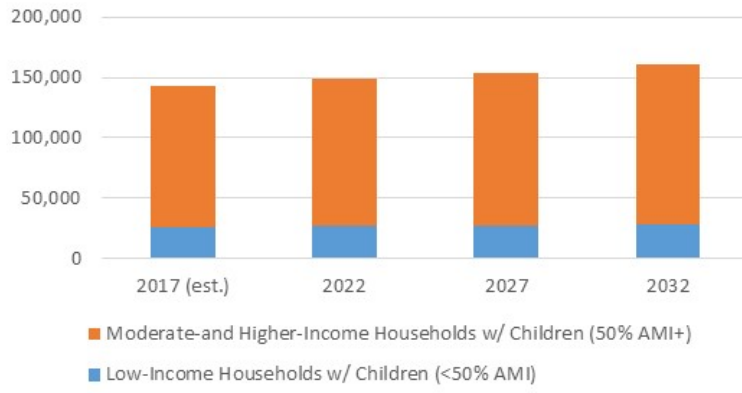
Key Changes to Household Characteristics

- In 2017, senior households (age 65+) make up an estimated 19.5 percent of all households in the County. By 2032, it is expected that 24.0 percent of households will be age 65 or older. It is estimated that 22.8 percent of senior households in Fairfax County will be low-income households.
- In 2017, households with a disabled member (including individuals with a physical or intellectual disability) make up an estimated 7.4 percent of all households. By 2032, it is expected that 9.1 percent of Fairfax County households will include a disabled individual.
- In 2017, it is estimated that families with children make up 35.4 percent of all households in the County. By 2032, it is expected that families with children will comprise 34.4 percent of County households.

[See charts below.]



Family Households w/ Children (2017-2032) Fairfax County



Methodology for Developing Numeric Targets

1. The overall 2017, 2022, 2027 and 2032 household counts are from the County's January 2016 population and household forecasts obtained from Anne Cahill.

2. The estimates of household income for 2017 are estimated based on our analysis of the 2012-2014 American Community Survey public use microdata (PUMS). Using income data from the ACS microdata along with income limits from HUD, we estimated that percentage of households in 2012-2014 that would fall in the income categories specified. We then applied those percentages to the 2017 total household figure, assuming that the income distribution was unchanged between 2012/2014 and 2017.

The forecasts of households by income group for 2022, 2027 and 2032 are based loosely on the [recent housing demand forecasts](#) produced by GMU. The GMU forecasts include estimates of household growth between 2011 and 2023 by income group. These forecasts are based on an analysis of regional employment growth, wage distribution, workers per household, trends in the non-working population, among other factors. For these numeric targets, we examined GMU's expected annual percentage change in households by income groups for Fairfax County between 2011 and 2023. We adjusted GMU's annual percent changes based on the County's overall forecasts. The County's forecasts suggest overall households will grow at an average annual rate of 1.0% between 2017 and 2022, while GMU is forecasting an annual percent change of 0.8%. Therefore, we adjust slightly upward the growth rates for each of the income categories to reflect that slightly faster growth.

GMU only forecasts out to 2023. We assume the same annual growth rates for the 2022-2027 and 2027-2032 periods, as a simplifying assumption.

3. The 2017 senior households are based on analysis of the 2015 American Community Survey data. In 2015, the ACS estimates that 19.5% of households in Fairfax County are headed by someone age 65 or older. We assume that 19.5% of the 2017 total households are therefore headed by someone age 65 or older.

The data on lower income senior households (<60% AMI) are based on analysis of the 2012-2014 ACS microdata. We assumed that the share of senior households that have incomes below 60% AMI is the same in 2017 that it was in 2012/2014.

The forecasts of senior households are based on the County's forecasts of *population by age*. We examined the annual percent change in the 65+ population between 2016-2020, 2020-2025, 2025-2030, and 2030-2035. We used these annual percent changes in the population age 65+ to estimate the number of senior households in 2022, 2027 and 2032. We assume the same share of senior households would have incomes below 60% AMI in the future as they do in 2017, as a simplifying assumption.

4. The 2017 disabled households are based on estimates from the 2015 ACS of the percentage of the total population that is disabled. In 2015, 7.4% of the Fairfax County population had at least one disability. We assumed that 7.4% of all households in 2017 had a person with a disability. This may understate the number of households with a person with a disability if disabled persons are more likely to live alone. We used data from the 2012-2014 ACS microdata to estimate the share of disabled persons living in households with incomes less than 60% AMI and applied that share to the 2017 households.

To forecast the number of households with a disabled person, we assume the same growth rates that we used for the senior household forecasts. The aging of the population is a primary driver of the growth of the disabled population and seemed like a reasonable approach to estimating the growth of the disabled household population.

5. The number of families with children is actually the total number of households with related children, by definition in the ACS. We used data from the 2015 ACS to estimate the share of households that included related children and we applied that share to the 2017 households. So, according to the 2015 ACS, 35.4% of all households in Fairfax County included children. We assumed that 35.4% of 2017 households would also be households with children.

To forecast the number of households with children, we used the County's forecasts by age and assumed that the number of households with children would increase at the same rate as the under 15 population. This method could overstate/understate the growth in the number of households with children if family sizes increase/decrease notably over time.

6. Finally, the number of homeless individuals in 2017 is based on the 2016 point in time (PIT) count. The 2017 PIT count should be available, so we can update this data with new information. The target related to homelessness is based on the target specified in the FY2017 Blueprint.

APPENDIX 2

The Affordable Housing Advisory Committee Land Use Work Group Recommendations

May 12, 2017

The Affordable Housing Advisory Committee Land Use Work Group (Work Group) was charged by Co-Chair of the Affordable Housing Advisory Committee (AHAC), Kerrie Wilson, and by the Director of the Fairfax County Department of Housing and Community Development (HCD), Thomas Fleetwood, to identify high-level land use recommendations that would assist the county in meeting its needs for the provision of affordable housing opportunities that contribute to its quality of life and the needs of its future workforce.

The Work Group's recommendations below are high-level and intended to provide focus for future work by AHAC, HCD, and the Department of Planning and Zoning (DPZ). Implementation of many of the recommendations will require changes in the Comprehensive Plan, the Zoning Ordinance and/or County policy guidance. It is anticipated that the Board of Supervisors' Housing Committee will review the recommendations and determine which to pursue and include in the Countywide Housing Strategic Plan.

Except where otherwise specified below, the Work Group's recommendations seek to promote mixed-income communities with a higher proportion of affordable and workforce housing than currently established by existing requirements and expectations. It will be necessary for the County to establish quantifiable thresholds for these new requirements and expectations.

These recommendations are reality-based and were crafted to support important community goals such as protecting stable residential neighborhoods and enforcement of existing regulations. The work group also recognized the critical role of partnerships among Fairfax County, non-profit housing corporations and private developers in achieving the County's housing goals.

Finally the Work Group encourages the County to undertake a clear communication strategy directed toward informing the public on how the implementation of the Countywide Housing Strategic Plan benefits the county as a whole and acts as a positive force on other issues such as overcrowding, neighborhood improvement and achieving a better quality of life for all. This communication strategy should also include a clear definition and explanation of what the term "affordable housing" means in the Fairfax County context.

Recommendations:

1. Incorporate residential developments into office, commercial and industrial areas where appropriate. Specific strategies include:

- Use undeveloped or under-developed land that is currently zoned for commercial or industrial uses for residential developments that include significant ¹affordable housing.

¹ For example, while certain terms throughout this document still need to be quantified in this case the term "affordable" housing would be targeted toward the utilization of financing programs for affordable housing available at the time such as the Low Income Housing Tax Credit Program, Tax Exempt Multifamily Bonds, local, state, and federal housing trust funds and/or similar programs..]

- Consider offering incentives to developers, particularly for land that allows for affordable housing that is close to amenities and transit.
- Focus efforts on areas of the county that are more amenable to residential development and avoid areas with heavy industrial uses and those characterized by a high degree of truck traffic such as warehousing.
- Develop a list of preferred characteristics of commercial and industrial areas that seek to be mixed income/affordable housing development, such as areas zoned for uses that will minimize land use conflicts with residential use, and areas adjacent to residential, etc.
- Add mixed income affordable housing to older commercial and retail sites while ensuring that the affordable housing will be well-integrated with the existing development.
- Look for opportunities to allow extraordinary affordable housing projects by-right in certain non-residential zoning districts or provide a streamlined approval process in certain circumstances (see criteria TBD above) to encourage through faster approval processes, mixed-income housing with a significant affordable component that would not reduce existing commercial/industrial use potential
 - Perhaps create a special exception for affordable housing in such circumstances so that a rezoning is not required.
 - Perhaps make small-scale affordable housing development by-right; consider a size threshold.
- Support efforts of the Fairfax County Building Repositioning Workgroup to promote adaptive reuse of vacant or underutilized commercial buildings, including their use for affordable housing serving a spectrum of income levels

2. Use Publicly Owned Land for Mixed-Use Communities

- Consider use of County-owned property for projects that provide a significant amount of affordable housing.
- Identify and provide opportunities to use or trade County land for significant or extraordinary affordable housing commitments, such as the recent workforce housing project at the County Government Center.
- Develop a policy that establishes a minimum percentage of affordable housing on any County-owned land that is traded or used for residential development. For example see the “The Disposition of District Land for Affordable Housing Amendment Act” from Washington, D.C.
- Include language in various County policies and procedures associated with the Capital Improvement Program process to encourage the inclusion and co-location of affordable housing with future development or redevelopment of public facilities such as fire stations, community centers, and libraries.

3. Preserve Existing Market-Rate Affordable Housing

- Develop an inventory of existing market-based affordable housing. Document affordability based on rents and the percentage of Area Median Income being served.

- Develop an approach for preservation of such housing stock that balances leaving all existing affordable housing as-is against total redevelopment of the site. Pilot an approach where both preservation of market-based affordable units and redevelopment are priorities.
- Explore special exception opportunities to incentivize affordable housing preservation and rehabilitation. Incorporate language into planning and zoning policies that encourage the preservation and rehabilitation of existing affordable housing.

4. Improve Code Enforcement

- Strengthen efforts to enforce regulations that limit overcrowding and ensure quality management of affordable housing in order to build community trust and openness to developing additional affordable housing and flexible housing options.
- Clarify the rights and responsibilities of residents of affordable housing units.
- Provide code enforcement support, education and outreach to residential communities and neighborhood associations.

5. Proffer Contributions

- For projects that include extraordinary affordable housing components, consider establishing different proffer guidelines than those in effect for market rate developments, particularly those related to cash contributions for schools, parks and other facilities that add to development costs. Develop explicit guidance for these proffer requests and identify where the funding will come from to pay for the impact to county services. This should not be seen as a precedent for other types of projects that provide a public benefit.
- The aforementioned proffer guidance should not undermine basic health, safety and environmental commitments.

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