

Summary of the Board of Supervisors Housing Committee Meeting –  
November 28, 2023

On November 28, 2023, the Board of Supervisors' (Board) Housing Committee held a meeting in Conference Room 11 of the Fairfax County Government Center, 12000 Government Center Parkway, Fairfax, Virginia. Members of the Board present for the meeting were: Supervisor John Foust, Committee Chairman; Board Chairman Jeffrey McKay; Supervisor Walter Alcorn; Supervisor Penny Gross; Supervisor Pat Herry; Supervisor Rodney Lusk; Supervisor Dalia Palchik; Supervisor Kathy Smith; Supervisor Daniel Storck; and Supervisor James Walkinshaw. Also present were Bryan Hill, County Executive, and Christopher Leonard, Deputy County Executive.

Housing Choice Voucher Program: Implementing "RealMarket" Payment Standards

Amy Ginger, Deputy Director, Operations, Fairfax County Department of Housing and Community Development (HCD) presented information regarding an update to the Fairfax County Redevelopment and Housing Authority's (FCRHA) Housing Choice Voucher (HCV) program. HCV tenant-based vouchers assist over 4,000 low- and extremely low-income families to rent homes in the private rental market in Fairfax County. Ms. Ginger explained that the maximum amount that an HCV household can receive each month to help offset the cost of rent and utilities is referred to as a payment standard. The FCRHA is tasked with setting payment standard amounts annually based on Fair Market Rents (FMRs) published by the U.S. Department of Housing and Urban Development (HUD).

Prior to 2016, FMRs were set at broad geographic levels. In 2016, HUD made a significant policy change, transitioning to Small Area Fair Market Rents (SAFMRs) which are published at the zip code level. SAFMRs were implemented for metropolitan areas including that in which Fairfax County is located. SAFMRs were created by HUD to promote residential mobility as well as reduce poverty and the concentration of HCV households.

SAFMRs were implemented by HUD in April 2018. At that time, HCD staff analyzed the impact of SAFMRs on the HCV program and projected that, due to significant cost increases, approximately 600 families could be terminated if implemented. Based on this analysis, the FCRHA decided to utilize its Moving to Work (MTW) authority to decouple entirely from HUD's FMR structure, which HUD approved through the FCRHA's Fiscal Year 2019 MTW Plan. The FCRHA subsequently implemented local payment standards in two phases. Phase 1, implemented in March 2019, was developed using local rental market data to create a single payment standard by bedroom size for the entire County. The FCRHA has now implemented Phase 2, termed "RealMarket" Payment Standards. RealMarket Payment Standards use current local rental market data to set payment standards by zip codes that are then grouped into

three zones (yellow, green, and blue). In zip codes where the cost of renting is higher, the payment standard is also higher. Implementation of the RealMarket Payment Standards began in December 2023 and will continue through March 2024.

RealMarket Payment Standards reflect the heterogeneity of the rental housing market in Fairfax County and are not necessarily contiguous. Payment standard amounts in all three zones have increased, providing a benefit to all HCV participants. RealMarket Payment Standards are anticipated to facilitate greater access to all parts of the County for the FCRHA's tenant-based HCV households. The change also fulfills HUD's intentions with the SAFMRs, as well as the County's commitment to One Fairfax and the recently adopted Metropolitan Regional Fair Housing Plan.

Members of the Board commended staff for the thoughtfulness of the presentation and expressed appreciation for the FCRHA in creating an opportunity for families to move to different areas of the County.

#### Recommendations of the Workforce Dwelling Unit/For Sale Task Force

Candice Bennett, Workforce Dwelling Unit (WDU) For-Sale Policy Task Force (Task Force) Chair and At-Large Planning Commissioner, Fairfax County Planning Commission, and Anna Shapiro, Deputy Director, Real Estate Finance and Development, HCD, presented an update to the Board on the Task Force's recommendations. Ms. Bennett provided a brief overview of the Task Force and its process.

Assembled in February 2023, the Task Force's initial purpose was to examine challenges identified in the sales and administration of WDUs at 120 percent of the area median income (AMI). The Task Force was comprised of a diverse group of representatives, including individuals from the development and housing industry. Members met between April 2023 and October 2023 to review program challenges, discuss best practices, and ultimately reach a consensus on potential policy recommendations for the Board's consideration.

Ms. Shapiro continued the presentation by discussing market analysis findings and the following five policy recommendations from the Task Force:

1. Shift the program away from the 120 percent AMI level to reduce competition with market rate units;
2. Require proportionality between the bedroom mix of WDUs and that of market-rate units;
3. Extend the WDU program to encompass all areas of Fairfax County's jurisdiction that are zoned or planned for medium- to high-density residential use;
4. Update the WDU pricing model to better reflect affordability for County households;

5. Refine resale requirements to allow WDU owners to benefit from periods of high growth and offer protection in times of slow growth.

The WDU program recommendations encompass both changes to the policy and administrative updates, which require approval from the Board. Ms. Shapiro noted that staff are also working with development partners to streamline the process of delivering and administering WDUs so that it can be more efficient. Ms. Shapiro concluded the presentation by outlining the next steps which will include community engagement, public comment, and approval from the Board.

Board members thanked the Task Force members for their time and provided feedback on the recommendations discussed.

#### Fairfax County Relocation Guidelines – Principles for Discussion

Thomas Fleetwood, Director, HCD, briefed members of the Board on the status of the revisions being made to the County's Relocation Guidelines. He indicated that efforts are being led by the advent of the Preservation Policy Guidelines, concerns raised by an evolving equity landscape, a diminishing affordable housing stock, and tenant vulnerability to market fluctuations.

Staff have developed a draft rewrite of the Relocation Guidelines. The guidelines work to mitigate risks of displacement and are applicable to the rehabilitation, redevelopment, conversion, or sale of County projects that use local funding only. There are four general steps regarding executing a relocation: coordination, planning, relocation, and return. Some of the components associated with relocation planning are tenant benefits and owner responsibilities. Tenant benefits include relocation services, payments, and moving cost reimbursements. Owner responsibilities include tenant engagement and communication, developing relocation plans, housing counseling and staffing, and may vary depending upon whether the relocation is temporary or permanent. The County will provide resources to assist in the owner's responsibilities as well as monitor the process.

Over the next six months a substantial amount of outreach will be conducted to gather feedback from industry and other stakeholder groups. The next steps moving forward include releasing an initial draft of the Relocation Guidelines; implementing an outreach plan, holding stakeholder meetings, and receiving online comments; posting a revised draft of the Relocation Guidelines for comment; and submitting the proposed final Relocation Guidelines to the Board.

Members of the Board provided feedback on the draft Relocation Guidelines and emphasized the importance of creating guidelines that are in the best interest of County residents.