



# AFFORDABLE HOUSING ADVISORY COUNCIL

## Fairfax County FY2025 Budget Proposal

The Affordable Housing Advisory Council (AHAC) is charged by the Board of Supervisors to provide regular input and council on policies and resources dedicated to the development and preservation of affordable housing and related service and policy needs. AHAC is pleased to submit this statement on behalf of Fairfax County's ongoing investment and priority in housing as you review the FY2025 budget investments.

### **Need**

Development and preservation of affordable and supportive housing in Fairfax County remains a priority in the county [Strategic Plan](#), AHAC worked on the Community-Wide Housing Strategic Plan (2018) and the subsequent Affordable Housing Resource Panel (2019) that [documented](#) the need and resource requirements needed to address the current and future gap in affordable homes, with a priority for housing affordable to households earning 60% of the Area Median Income (AMI) and below. COVID-19 has had a profound effect on our community and has worsened the affordable housing crisis:

- Average monthly rent in Fairfax County has increased by 2.3% between 2021 and 2022. Over the past ten years, average monthly rent has varied from year to year; but between 2013 and 2022 monthly rent has increased annually on average by approximately 2.4% in the County (Source: [Rental Housing Complex Analysis 2022](#), Fairfax County Department of Management and Budget, 2022.)
- The number of evictions in Fairfax County rose in 2023 to 962, an increase of approximately 22.5% from the number of evictions in 2022 (785) and 280% from 2021 (253). (Source: [Eviction Data Dashboard](#), Neighborhood and Community Services, 2023.)
- The number of individuals experiencing homelessness at the Point-in-Time Count in 2023 included 1,310 persons in 767 households. This is an increase of persons experiencing homelessness of approximately 10% since 2022 (1,191 persons) and a reduction of approximately 3% of households experiencing homelessness (789 households in 2022). The number of children experiencing homelessness has increased by approximately 38% from 333 children in 2022 to 460 children in 2023. (Source: [Point-in-Time Count Demographic 2017-2023](#), Office to Prevent and End Homelessness, 2023.)

### **Progress Made**

Since adopting AHAC/AHRP housing goals put forward in 2019, the Board of Supervisors has elevated the importance of collective actions to meet the housing and support service needs by:



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- Doubling the County’s new housing production goal (from a minimum of 5,000) to supply 10,000 new units by 2034 that are affordable to our families and residents earning less than \$70,000 (60% AMI and below) and committing to “no net loss” of committed affordable housing.
- Approving the authorization of County staff to develop an affordable housing preservation policy aimed at keeping the affordability of our existing multifamily and manufactured housing stock.
- Authorizing County staff and the development community to evaluate and make recommendations to update for sale affordable housing guidelines.
- Elevating the importance of Housing and Critical Support Services within the County Legislative Program for the Virginia General Assembly.
- Recognizing that funding for staffing resources for HCD and their many nonprofit partners is critical to achieving the goals we are all striving to achieve together.

## **Return on Investment**

The support of the Board of Supervisors to date has had a tremendous impact. Including the affordable housing units in the pipeline for development, **we are nearly halfway to achieving the Board of Supervisors goal of 10,000 new units**—a minimum needed to address growing housing need in Fairfax County.

The investments you are making today in affordable housing development and preservation pay major dividends in reduction of homelessness, livability and revitalization of our neighborhoods, increased consumer spending, job creation and stabilizing our workforce.

Preservation and development of new housing is also an **essential strategy for expanding our tax base, increasing the investment attraction for businesses, job creation and overall economic development** of Fairfax County.

Importantly, our collective work to support affordable housing and supportive services is the primary way in which the County embodies the [One Fairfax policy](#). Access to attainable housing affords Fairfax County residents equitable opportunities to succeed and promotes social cohesion and a thriving community.

## **Investment Highlights**

The investments and strategies deployed by the Fairfax County Redevelopment Housing Authority (FCRHA) and incredible work by the Department of Housing and Community Development (HCD) offer evidence of ROI every day.



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- FCRHA's incredible ability to **use public land for public good** and to develop creative partnerships that meet priority housing needs. Highlights include:
  - Opening of Oakwood Senior in Alexandria
  - Groundbreaking of the Exchange at Spring Hill
  - Opening of Ilda's Overlook
  - One University at George Mason University (Completing Summer 2024)
  - The Lodge at the Autumn Willow (Completing end of 2024)
  - North Hill
  - Residences at Government Center II Project
  - Fair Ridge at West Ox Permanent Supportive Housing
- Projects which demonstrate the **power of partnerships between faith communities**, the development community and creative use of proffers. Highlights include:
  - Kindred Crossing Senior Affordable Housing at Fairfax Christian Church
  - Somos in McLean
  - Telestar at Merrifield
  - Wesley-Lamb Center Permanent Supportive Housing (City of Fairfax)
- Recognition of market conditions with actions like rent increases for Housing Choice Voucher units through the adoption of RealMarket payment standards that offer more choice for tenants and better return for landlords and county-owned properties.

[Breaking news](#) about the partnership between the Virginia Department of Behavioral Health and Developmental Services (DBHDS) and FCRHA to add 300 new supportive rental assistance vouchers is a notable example of the formalized approach of **increasing funding for BOTH housing and the supportive services which are so necessary to meeting the needs of our residents**. Through this partnership with HCD, Community Services Board (CSB) and Pathway Homes, Fairfax County has added resources to meet needs of our most vulnerable residents.

*It is important to note however, that we still need the actual housing units for the residents eligible for this and through other new funding streams. We need to keep up funding for actual affordable housing production and preservation to use these vouchers.*

## **FY2025 Budget Priority and Future Year Commitments (Budget Guidance)**

AHAC is grateful for the expressed commitment and support of the Board of Supervisors to date for affordable housing through the baseline investment of one penny on the tax rate (\$32.3M) and contributions from carry-over and special one-time



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funds. However, meeting the goals for housing production and preservation requires a consistent and renewable funding source.

AHAC has identified the goal of **2 cents on the tax rate by FY2027 as a baseline investment** to support affordable housing development and preservation goals adopted by the Board of Supervisors. (See Budget Guidance, below.)

**Increasing the baseline amount** in FY2025 is a crucial step to ensure we have adequate funding to achieve our collective housing goals and support crucial local investment in projects coming through the affordable housing pipeline. To achieve that goal, **AHAC advocates for an FY2025 increase in the baseline budget of another half penny or an additional \$16.15M in FY2025.**

Finally, the support included in the FY2025 budget for **5 new positions** in the Department of Housing and Community Development (HCD) is critical and helps ensure our success in meeting our Affordable Housing goals. Continued evaluation of and investment in the needs of HCD and other agencies and nonprofits supporting Affordable and Supportive Housing development is essential for future budget years.

## **Budget Guidance Request**

As has been shown through the allocation of resources in recent quarterly reviews, including the FY2024 Third Quarter Review, expanding the inventory of affordable housing in the County continues to be one of the Board's greatest priorities. With the action taken by the Board previously, the County's goal is 10,000 net new affordable housing units by 2034. Meeting this lofty challenge will require new and sustained resources, and we are pleased to see the commitment to housing through the allocation of additional Real Estate Tax revenue.

However, with the exhaustion of the federal funds which have proven so successful over the last several years supplementing County General Funds, AHAC asks for budget guidance to **build baseline County funds by FY2027 to reach a total investment of two pennies on the Real Estate Tax rate for the preservation of existing and the development of new affordable housing units.** Until this baseline funding is achieved, staff should be identifying quarterly review opportunities to provide sufficient funding to meet the cashflow needs of Board approved projects.

The provision of affordable housing is only one aspect of the Board's priority. **The other is to ensure that sufficient wrap around services exist for the occupants of the affordable housing. This is most often provided by our non-profit partners.** The funding for these services has often lagged the need. To better address these needs, we ask you to include guidance that **ongoing cost for these services be included in the initial conversations about developing units and the costs be planned for in**



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**the appropriate future year operating budgets.** The recent increase in State funding explicitly included funding for these support services. This approach could be a model for the County during future budget cycles.

The support included in the FY2025 budget for **5 more positions** in the Department of Housing and Community Development (HCD) is critical and helps ensure our success in meeting our Affordable Housing goals. Continued evaluation of and investment in the needs of HCD and other agencies and nonprofits supporting Affordable and Supportive Housing development is essential for future budget years.

Thank you for the opportunity to serve Fairfax County and its citizens on the Affordable Housing Advisory Council.

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