



# **What Makes Housing Affordable?**

**A Conversation with the  
Southeast Fairfax  
Development Corporation**

**November 8, 2017**



# Why Housing Matters in Fairfax County

Housing serves as a platform for **individual and family well-being**

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*Economic self-sufficiency and upward mobility*

*Student achievement and academic success*

*Physical and mental health and well-being*

Housing is the basis for **inclusive and diverse communities**

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*Equitable access to opportunities and services, regardless of race and socioeconomic status*

*Communities in which everyone can prosper*

Housing supports sustainable **local economic growth**

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*Housing opportunities to encourage people to both live and work in the community*

*Short commutes, easier to attract and retain workers*

*Communities that are world-class places to live, work and play*

# Housing Serves as a Platform for Individual and Family Well-Being

Research consistently shows that having access to stable and affordable housing in safe neighborhoods is associated with:

- More consistent school attendance and better academic performance
- Better physical and mental health for children and adults
- Increased likelihood of upward economic mobility



# Housing is the Basis for Inclusive and Diverse Communities

By providing housing affordable and appropriate for individuals and families of different backgrounds, cities and counties can help ensure:

- Equitable access to opportunities and services, regardless of race and socioeconomic status
- Communities in which everyone can prosper and in which everyone can benefit from a diversity of interests and assets



# Housing Supports Sustainable Local Economic Growth

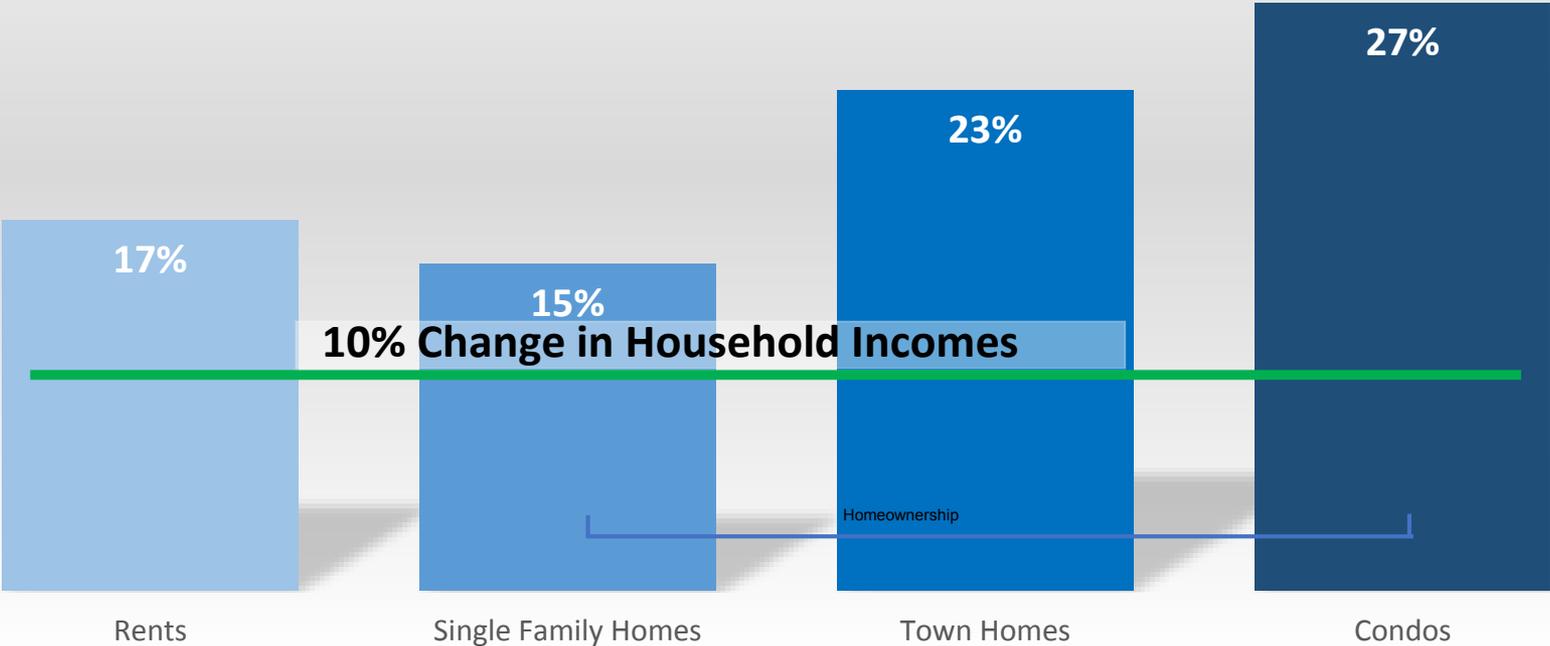
Hard data and anecdotes from businesses and workers demonstrate that more housing options:

- Helps people both live and work in the community, leading to shorter commutes and less traffics
- Makes it easier to attract and retain workers
- Reduces income segregation, which is associated with slower overall economic growth
- Broadens County's tax base



# Housing Costs are Rising in Fairfax County and Incomes are Not Keeping Up

## Change in Housing Costs Between 2010 and 2015



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

# Housing Costs Are Increasingly Out of Reach for Working Households

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—\$50,264  
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.

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

# Housing Costs Are Increasingly Out of Reach for Working Households



**Retail Sales Person**

**Avg. salary: \$29,552**



**Graphic Designer**

**Avg. salary: \$58,503**



**Security Guard**

**Avg. salary: \$31,850**

Many **private sector employees** who are key to local economic growth **cannot afford to live here.**



**Accountant**

**Avg. salary: \$64,960**

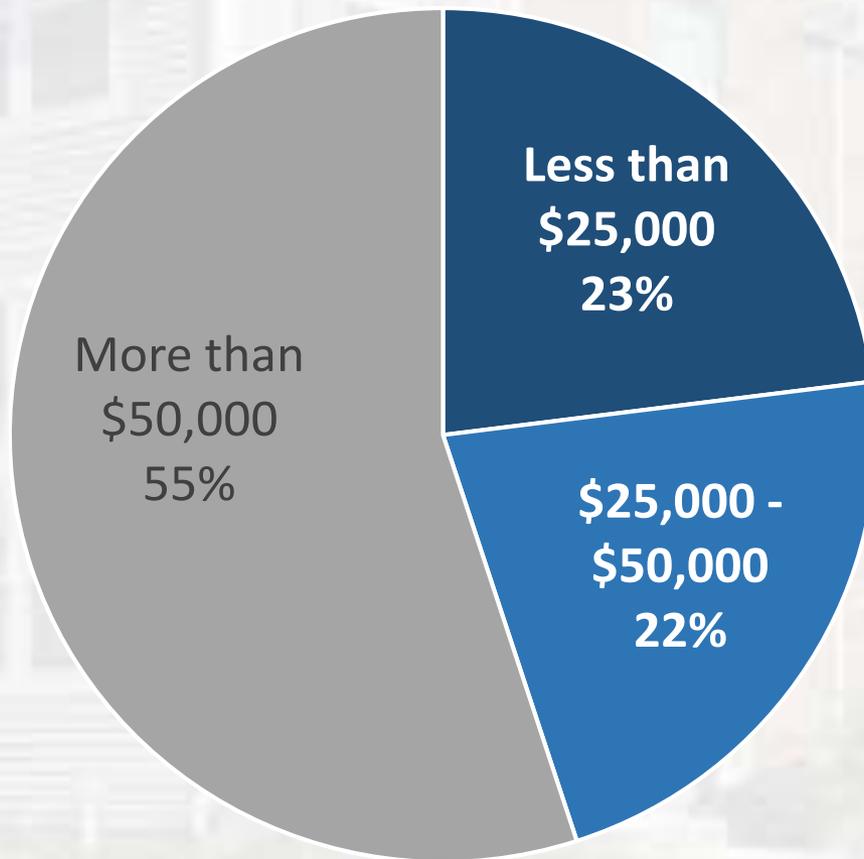


**Medical Records  
Transcriptionist**

**Avg. salary: \$46,679**

# Key Employment Sectors in the Fairfax County Economy Have Lower Wages

## Fairfax County Jobs by Wage



About 45% of all jobs in the County **pay less than \$50,000 per year.**

That includes nearly **300,000 jobs** in the Business Services, Retail, Hospitality, Construction, Health Care and Education sectors.

# Housing Costs are a Rising Share of Households' Incomes

- Thousands of individuals and families in Fairfax County spend more than half of their income each month on housing costs

## The Result

- Families spend less on other necessities such as food, health care, transportation, child care and education
- They also spend less on other goods and services in the local economy

# Why Aren't We Building More Affordable Housing?

It costs a lot to build housing in Fairfax County

- Expensive land and rising **construction and labor costs**
- State and local **regulations**, including zoning that limits the construction of smaller homes
- **Community opposition** to new housing

# Why Aren't We Building More Affordable Housing?

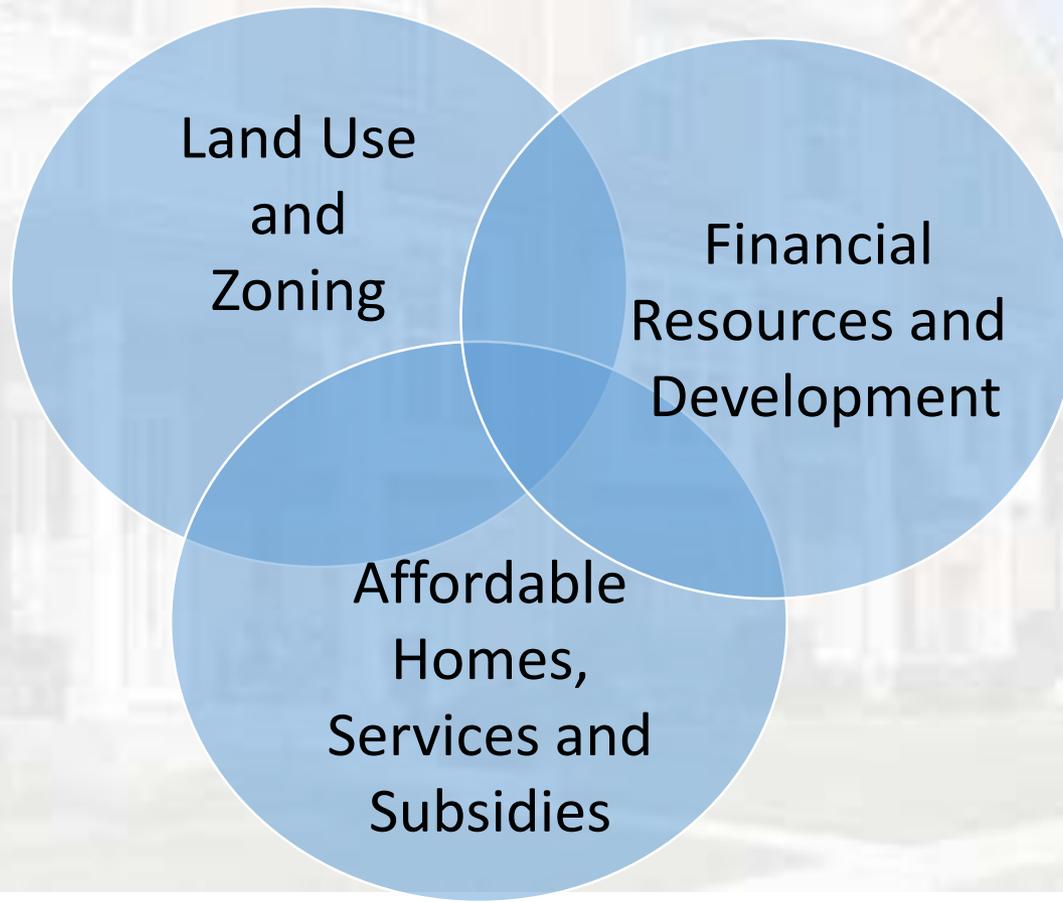
Building housing affordable to low-income households involves **multiple sources of funding** and **public subsidy**

Without those, the project doesn't "pencil out" and the **housing doesn't get built**



# What Is the County Doing to Increase Housing Options?

There is no one, single strategy for ensuring diverse housing options in the County



# A Continuum that Serves the Entire Community

- Fairfax County is committed to the concept that housing needs span a continuum, from people who are homeless, to persons with special needs, to low-income working families, to moderate income workers



# Affordable Homes, Services and Subsidies

- A large range of people are unable to live in Fairfax County without some form of subsidy
- Depth of subsidy needed differs across the continuum
- The Fairfax County Redevelopment and Housing Authority (FCRHA) is a critical provider, facilitator and financier of housing across the continuum
- Particular focus on lowest incomes, persons with special needs, homeless

# About the Fairfax County Redevelopment and Housing Authority (FCRHA)

- A separate political subdivision of Fairfax County
- Owns/operates about 3800 units/beds of housing
- Operates Housing Choice Voucher program: About 3900 vouchers
- Nearly 20,000 people served in our programs
- Average household income served: \$23,795 (FY 2016)

# Land Use and Zoning Tools

## Affordable Dwelling Unit and Workforce Housing Policies

- 2,709 ADUs constructed (1,319 rental and 1,390 for-sale)
  - Lee District: 268 rental ADUs and 191 for-sale ADUs
  - Mt. Vernon District: 134 rental ADUs and 102 for-sale ADUs
- 834 WDUs constructed all as rental housing
  - Lee District: 13 WDUs
  - Mt. Vernon District: 74 WDUs

# Financial Resources and Development

- The Fairfax County Redevelopment and Housing Authority (FCRHA) is the county's local housing finance agency and provides loans to affordable housing developers throughout the county
- Recent examples include:
  - North Hill
  - Huntington Gardens
  - Lindsey Hill

# Huntington Gardens

- Huntington Gardens serves a variety of needs, from extremely low-income persons with disabilities who are chronically homeless, to low and moderate income working families
- The FCRHA provided a loan of \$5.65 million to local non-profit Christian Relief Services of Virginia (CRSVA), to acquire the 113-unit apartment complex in the Lee District in September 2016
- Pathway Homes, a local non-profit partner, is managing 28 units set aside for the chronically homeless



# Huntington Gardens

- Using Continuum of Care funding, Pathway Homes is providing much needed supportive services with the goal of helping individuals move towards long-term stability
- The remaining units house families who make at or below 60 percent of the Area Median Income (AMI)
- The preservation of Huntington Gardens provides an affordable housing resource for some of our most vulnerable populations as well as for working individuals and families with modest means, allowing them an opportunity to live close to transit and local employment

# Lindsey Hill

- Lindsey Hill apartments, an affordable senior living community in Lorton, VA (Mount Vernon District) containing 55 units of senior housing
- The Fairfax County Redevelopment and Housing Authority (FCRHA) helped to develop the community by providing a loan of up to \$590,000 and eight Project Based Vouchers, in addition to funding from state and federal tax credit programs, and the Virginia Housing Development Authority's (VHDA) Low Income Housing Tax Credit program
- Tax credits, coupled with permanent mortgage financing from FCRHA and VHDA, allowed for the adaptive reuse of the five historic buildings which were once part of a former reformatory



# North Hill

- The 35-acre property will become an affordable and market-rate housing hub on Richmond Highway
- Leveraging FCRHA land through a long term, nominal fee ground lease at no cost to the County
- Proceeds of land sale for market-rate townhouses to be invested in the construction of the multifamily affordable rental community and public park



# North Hill

- 219 affordable and workforce apartments
- 60 units of affordable independent senior living
- 175 market-rate townhouses
- Approximately 12 acre public park



# North Hill

- On February 14, 2017, the Board of Supervisors approved zoning changes to North Hill
- On February 28 the FCRHA approved an Amendment to the Interim Agreement with the selected developer, CHPPENN, which included certain documents required to meet the March 3, 2017 VHDA application deadline for the 2017 cycle of LIHTC
- The developer successfully applied for Low-Income Housing Tax Credits in the 2017 round
- The FCRHA must finalize a comprehensive agreement

