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City of Fairfax City Council Work Session, Tuesday, November 4, 2025

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[00:00:35] Good evening. I would like to call the work session of November 4th, 2025 to order. We are currently in the chamber because voting is taking place in the workroom. And by my calculation, the polls should have just closed right now. So I hope everyone today took advantage of their constitutional right and privilege to cast a ballot here in the city of Fairfax.

[00:00:57] Okay, Ms. Shinneberry. Our first item is going to be a discussion on the reappropriation resolution related to school CIP projects for Providence Elementary School vestibule and electrical program billed out at Fairfax High School. In addition, approval is requested of a .5 FTE addition to the school's superintendent position.

[00:01:20] I'm going to recognize J.C. Martinez, Chief Financial Officer, for the discussion. Thank you, Mayor, Councilmembers. Good evening. As noted on the staff report, I'm not going to go into detail, but just summarize it. There are three requests here.

[00:01:36] Two of them are reappropriations of current contingency funding that is in the CIP, specifically in the schools section. One is for a security vestibule at Providence Elementary School of about \$250,000. And then another amount of about \$250,000 for a build out of the high school for an electrical program.

[00:02:00] Again, these funds are currently in the CIP, specifically in the school's budget that was found when our budget director did our reconciliation a few months ago and presented that information to council. So we are asking to reappropriate those funds.

[00:02:17] this is a budget neutral action and then in addition to that schools is also requesting an increase to the school's superintendent position from its current 0.05 FTE to one FTE there is some savings that is currently being realized within the personnel and fringe budgets of schools operating again that action will also be budget neutral that has been verified by finance and the budget director. To my right, I have the school board chair and the acting superintendent as well. If there are any questions, I think the three of us are more than happy to try to answer

[00:02:54] them. Okay. This seems fairly straightforward. Are there questions of Mr. Martinez or Councilmember Hall? Thank you. Just wanted a little bit of clarification on the vestibule. So this is to cover the cost of providence. Sure. It is. It's to cover the vestibule for providence. The actual Fairfax County Public Schools is going to do the planning and the project management and so this is the remaining amount and just like the vestibule at Daniels Run Elementary School our plan is to ask the architects when we do a

[00:03:30] renovation to reuse the storefront which is basically the door in the frame so we will lose the installation cost and that sort of thing but we'll still have the most expensive piece of it to be used again in the renovation and it gives us security now rather than four years from now. Wonderful. Thank you for clarifying. Sure thing.

[00:03:50] Any other questions? All right. So I think what you're looking for us from us is a consensus that this dais is going to support the request. Do we have anyone who objects? Otherwise, I'm going to say that we have a consensus in supporting the request being made. Yes, Mr. Martinez. Just for clarification. So this is a work session item. It will be going to consent, I think on the November 18th meeting for the reappropriation, it is below 1%, so there's no need to do a public hearing.

[00:04:23] And then at the same time, we'll incorporate the increase of the 1FTE on that consent agenda as well. So you'll see it again at the November 18th meeting. All right. It seems like we have agreement on that. We will look for it on the 18th. Thank you. Our next item is a presentation on the Affordable Housing Strategic Plan.

[00:04:44] I'm going to recognize Jamie Ergus, our Housing Program Manager, for the presentation.

[00:05:01] Good evening, Mayor and Council. As Melissa just mentioned, my name is Jamie Ergus.

[00:05:17] I'm the City's Housing Program Manager. I am pleased to be here this evening alongside my colleague, Human Services Director Leslie Abashian, as well as the City's Consultant, TPMA, who will be presenting on the City's first Affordable Housing Strategic Plan. We're excited to share this work with you and discuss how it can guide the City's efforts to address affordable housing needs in the community.

[00:05:37] And now I will turn it over to TPMA to get started. Good evening, Mayor and Council.

[00:05:55] On behalf of TPMA and my colleague and I, we would like to express our gratitude for allowing us to take part in developing the Affordable Housing Strategic Plan. And over the last several months, we've worked closely with the staff to analyze current housing conditions, identify emerging trends, and

outline strategies to ensure that the city of Fairfax remains to be a livable, inclusive, and economically vibrant community for all.

[00:06:34] I'm going to share just a background of the project with you. TPMA was contracted in July 2024 on building on the experience with the city that was established in 2023 with the housing assessment and strategy report. Focusing on Fairfax as a place to include the housing supply, housing mix, housing affordability, and senior accessible housing. To include a five-year demand

[00:07:13] model in a 10-year demand model. The five-year demand model for sale was about 1,024 units, and for rent, the demand was 1,252 units. The 10-year demand model for sale was about 2,062 units, and for rent, it was 2,528 units. Also, as we continue to deeply evaluate the city of Fairfax,

[00:07:52] that 2023 report included the demographic and housing market analysis, stakeholder and public engagement and an identification of five focus areas, as mentioned before.

[00:08:12] This particular affordable housing strategic plan also included engagement and outreach.

[00:08:24] The activities included focus groups, interviews, community-wide surveys, public open house, a public open house, and the key stakeholders that were involved included city residents, which include individuals that were currently experiencing homelessness, city staff and leadership, service providers, faith communities and nonprofits, employers, and regional partners.

[00:08:59] Just to establish and discuss some key terms that are very important as we move forward with our overview includes area median income, AMI.

[00:09:17] This term refers to a medium point of a household's income in a defined area. Usually, this term is based on a family's eligibility for assistance.

[00:09:37] That particular AMI is used to determine eligibility for assistance. With government-funded programs, that calculation will be used to determine whether a family is eligible.

[00:09:54] Affordable housing, that term is consistently used, but the working definition for that term is a household is considered affordable when no more than 30% of a household's regular income.

[00:10:19] No more than 30, anything over 30% is a cost burden to the families. That's a good way to gauge whether a unit or a home is affordable. Also, when that term is used, you will also hear less than 80% of an AMI.

[00:10:44] And in the city of Fairfax, for a family of four, the AMI at 80% would be \$106,800. That's the AMI for 80% for a family of four.

[00:11:06] Working the workforce housing definition is different. This term applies to households earning 80 to 120% of the local AMI.

[00:11:22] Usually, the individuals in this particular category do not qualify for any type of assistance. They're usually considered over-income. Interestingly enough, 120% AMI in the city of Fairfax, according to the census, is 159,329 versus, according to HUD, \$196,680.

[00:11:55] So these terms really helped to clarify as we move forward the difference between affordable housing and workforce housing. And now Ashley is going to discuss the key findings that were discovered.

[00:12:17] Absolutely. Hello, everyone. As Melanie said, my name is Ashley Sharpley. I'm a consultant with CPMA, so I'm going to go over some of our key findings that we wanted to highlight for you this evening. We're going to focus on a few areas. We're going to talk about the public survey. We're going to talk about defining affordability or assessing what affordability looks like in the city of Fairfax. And then I just want to talk about some of the highlights are key findings from our engagement process. So starting with the public survey, this ran at the

[00:12:53] beginning of the year. It closed in April. We had 678 total responses, which is excellent for a community of this size. A couple of just things I wanted to highlight and talk about. As Melanie just discussed, when a household is spending more than 30 percent of their income on housing costs, that's referred to as cost burden.

[00:13:18] So we know, and I'll talk about it in a moment, the percentage of households in the city that are technically at that cost burden. But one of the first things that we ask in these types of surveys, especially when we're focusing specifically not just on housing as a whole, but on affordable housing, is we ask have you had trouble affording your housing or maintaining your housing in the last 12 months?

[00:13:43] We saw that both renters and homeowners in taking the survey said that they have faced affordability challenges, but that renters were much more heavily impacted by that. So you can see it might be a little bit hard to read, but almost half of all renters who took the survey said that, yes, they have faced affordability challenges in the last 12 months.

[00:14:07] Well, about 13% of homeowners said the same. What was also really interesting with the survey was that the number of people that took it that are long-time city of Fairfax residents. So what this is telling us, when you combine these two things together, we had, excuse me, that a quarter of renters and more than half of homeowners participants have lived in Fairfax for more than 10 years.

[00:14:35] So again, when we combine these two things, we can see that affordability is not just a challenge for potential new residents, so people who might want to live in the city of Fairfax. It's a challenge for people who are living here right now and for people who have lived here for a long time, people who have potentially raised their kids here, who are looking to age in place here.

[00:14:59] They are facing significant affordability challenges with their housing. And that's where you start to risk the issue of out-migration. So 16% of all participants said that, and almost half of renters, again, said that they expect to need to leave the city within three years, specifically due to housing costs.

[00:15:22] So if you have people, and almost half of renters that took the survey are saying that, look, we don't think we're going to be able to continue to live here a few years from now if housing costs continue to rise at the rate that they have. That's a significant risk for losing those residents.

[00:15:41] So I want to talk about, before I move on, I did want to mention, it's listed as an addendum to the document, but you can view all of the survey results online through an interactive dashboard.

[00:15:57] It lets you filter different responses by things like residency and tenure and the time that they lived in Fairfax and income. So if you want to dig into that a little bit more, if you're curious, that is accessible through, like I said, that dashboard, and the link is attached as an addendum to the report.

[00:16:17] So moving forward, I'm talking a little bit about housing affordability as a whole in Fairfax. So again, that cost burden number, people who are spending more than 30% of their income on housing

costs alone. So housing costs do mean your mortgage or rent included as well as utilities and insurance and things like that.

[00:16:37] All of those fall under housing costs. And we consider we take that 30% because over that rate, that's when people start having to make significant concessions in things like transportation or child care or oftentimes it's health care. It's choosing not to go to the doctor so that you can make rent or make your mortgage payment, that kind of thing.

[00:16:58] So renter households in the city are much more likely, more than twice as likely, to be cost-burdened than homeowners. If you see there, you have a total of about 27.5% of all households. Owner-occupied households, you've got about 20% who are cost-burdened, whereas renter-occupied household is almost 44%.

[00:17:19] So, again, pushing half of all renters. When we talk about affordability, right, we want to go past that just cost burden number because that tells us part of the affordability question.

[00:17:35] But we want to think about not just the individual households, but rather the workforce for a community. So we approach that in a few different ways. We look at the top industries by number of jobs.

[00:17:52] We look at the top occupations. The main difference between an industry and occupation is like all industries have, pretty much all industries have accountants, right? So you can work in the manufacturing industry or you can work in a tech industry and still be an accountant.

[00:18:08] So the accountant is the occupation, manufacturing would be the industry. So we look at the top industries and we look at average wages there. We look at the top occupations, we look at median wages there. And then we take time to specifically look at what we refer to as essential workers.

[00:18:26] Those are your teachers, your health care workers and physicians, your first responders and law enforcement, specifically people that are, again, essential to a functioning community. And we see how many of those either jobs in those top industries, occupations, and essential workers are able to, on a single income, afford a one-bedroom apartment at the median rate in a community.

[00:18:55] And that's kind of how we start to benchmark workforce affordability. In the city of Fairfax, five of the ten top industries, seven of the ten top occupations, and many of those essential workers cannot afford, with 30% of their income, a one-bedroom room apartment in the city that you need to be making at least on the more conservative estimate of what that looks like at least \$52,000 a year so what that's telling us right is that there's a

[00:19:30] significant threat to your workforce or the very least an inability oftentimes an inability of your workforce to be able to live and work in their same community and especially when you're thinking about, you know, the impacts that are oftentimes a concern with many communities and we know is a concern with the city of Fairfax regarding stress on infrastructure and traffic.

[00:19:55] That adds to the traffic, right? Obviously, you're going to have people commuting out of Fairfax, but the less people that need to commute into the city because they have to live 30, 40, an hour, you know, an hour away to afford their housing, that's also a big impact on your local infrastructure and traffic.

[00:20:17] So, again, like I said, you have many of these essential workers who can't afford rents in Fairfax. So you're risking that local workforce, and, again, you're risking that out-migration. As

transportation and additional costs also continue to rise, those things can end up pushing people out of communities.

[00:20:37] Moving on to talking about the home ownership, so for sale properties as opposed to for rent. Median sale prices for homes have increased pretty rapidly in recent years. We're at least 50% higher overall for the median sale price of a home today than we were in 2018 in the city.

[00:21:01] And that peak was recent. That peaked in March of 2025. At \$822,500 as the median sale price in that month. Again, what you're facing here is instability in the market as a whole and that risk of out-migration as homes become completely unaffordable for your residents.

[00:21:30] The important thing to think about, especially in this for-sale category as opposed to for-rent, is what we talk about as the housing life cycle. Very generally, that starts with what you think of as starter homes or smaller homes for newer families. And then you move into those homes for growing families, older professionals, things like that.

[00:21:51] And then you have homes for people who are empty nesters or seniors who are oftentimes looking to downsize. The reason you need that diversity or that spread in the housing lifecycle is that allows people to enter a community, to grow their family there, and to age in place.

[00:22:10] When you don't have those starter homes and those downsizing homes, what we oftentimes refer to as the missing middle, you don't allow people to remain to be a part of their communities over time, right? So you're pushing out. You're either at the same time, right, you're not allowing entry into the community, and you're also forcing exits at the same time.

[00:22:33] I, you're good there. Okay, cool. So taking all of these things, there's a lot of the quantitative approach, right? The way we look at the housing demand, at affordability analysis. But I do want to take some time to talk about some of the less quantitative, more qualitative feedback that really was at the heart of a lot of this project.

[00:22:59] So I'm going to take some time to talk about some of those major themes from engagement. As Melanie mentioned at the beginning, we spoke to a really wide range of stakeholders. We spoke to city leaders. We also took time to speak with city staff.

[00:23:15] We did multiple focus groups with staff members at the city and talked to them about their challenges and what they want to see in their community. We talked to nonprofit and faith-based organization leaders and staff members and we took some specific time to make sure that we spoke with people who were being directly affected by these issues. So we spent some time at the Lamb Center speaking with people who are currently or at least at the time were experiencing homelessness. We spoke with individuals who were on advisory boards with the nonprofits that they worked with that helped them exit

[00:23:49] homelessness. And we -- in short, we also had the public open house that invited people to come learn about housing, learn about the work that we're doing, and also provide, you know, in-person, face-to-face feedback. Again, that was just a sample of the engagement that we did. But I think it's important that in projects like these that we're speaking not just with people who are making policy, but the people who are directly impacted by it.

[00:24:17] And we really wanted to make sure that we took time to do that. So, again, starting with these themes I think the the headline really for for everyone that we spoke with whether they were residents or city leaders or staff members or nonprofit leaders was this combination of optimism and concern optimism because they're excited to see their community placing an emphasis or focus value on really assessing the affordable housing situation in the city and and trying to learn you know make a plan of what to do and how to approach it but also concern

[00:24:56] that it's really easy for something like this to fall by the wayside to put together a strategic plan to study it and then for it to you know part of the term go sit on us on a shelf so the the real oomph there was we're excited to see that this is happening but we we want to see actionable steps come out of of this. We want to see that this plan is put into action, that there are real impacts on those who are most affected. Some of the key barriers that were expressed that came up repeatedly,

[00:25:33] the big one is, and I think the first thing that I think pops into most people's mind is land limitations, dealing with a pretty built-out community and identifying, you know, if we're going to increase affordable housing, where and how is that going to happen. Regulatory constraints as well as expediency, funding challenges across the board, both the longstanding funding challenges that we have been facing in housing for decades as well as those more imminent threats that are coming at a lot of organizations. A loss of naturally occurring

[00:26:12] affordable housing which we will talk about a little bit more later. But seeing properties get redeveloped and lose their affordability over time, again, pushing people out of the community. And just uncertainty and at times confusion when there are, you know, pretty repeated changes in city leadership that can make it difficult to know who to contact or who to stay, you know, stay in contact with, how to approach issues when administration changes or when leadership changes, and just kind of navigating that over time. The next highlight that I wanted to

[00:26:49] talk about is, again, this balancing act between development and preservation. Pretty much everyone we talk to would agree that the goal is to create more affordable housing, new affordable housing for current and future residents. But at the same time, it's really essential that the housing that exists right now that's either naturally or dedicated affordable is preserved over time, that the quality is kept up, that it continues to be livable and comfortable

[00:27:25] and safe, and that people that live there are not priced out over time. We also talked a lot about the idea that it's becoming more and more popular, but the concept that affordable housing is economic development. Economic development is the heart, is the driver for a lot of our communities. But it's kind of a newer idea that housing is at its core economic development. And it's one of those pieces that drives our communities just as much as bringing in new

[00:28:03] industries. Your home is where your workforce goes to sleep. They need to be able to afford and maintain their homes to be able to function as a part of their communities, both on a social level and on an economic one. And then fundamentally that collaboration is key.

[00:28:22] A lot of this centered around the kind of two kinds of collaboration. One would be cross-departmental and cross-jurisdictional, so within government, but then the other part is that collaboration with and cooperation with your nonprofit and faith-based partners. There are a lot of things that government can do and there's even more that it can't and you really you know we rely on our non-profit and service organizations in our communities to bridge that gap and so it's

[00:28:57] really essential that those partners are kept in the loop that they have a seat at the table and that that collaboration that's functioning is continued to be developed and invested in and where it's not that those problems are identified and addressed.

[00:29:14] So that is where we'll pause our key findings. We're going to get into the actual strategic plan, so what you've all been waiting for. So I'm going to present the first two categories, and then I'll hand it back to Melanie to finish this out.

[00:29:35] I'm just going to take a question. Thank you. All right. So starting up top with increasing affordable housing development. So the heart of this category is really focused on identifying kind of how to address the development barrier, that land issue, right?

[00:30:03] So we're focused on targeting underutilized commercial office and office properties, especially in those activity centers, And identifying in addition to, you know, underutilized properties, we're also thinking about where you can find public land and those key properties and parcels that are ripe for development or redevelopment.

[00:30:32] Part of that is reviewing and updating zoning and land use for adaptive reuse of those prioritized sites and focusing on mixed-use redevelopment and development projects where possible.

[00:30:48] Then it will be streamlining permitting and approval processes for affordable and workforce housing development. So that's reviewing and approving, reviewing permitting and approval processes, seeing where those can be expedited and improved upon to, you know, to improve development over time, working with those developers and seeing where incentives are possible, developing policy incentives that will encourage affordable development. We're looking at aligning, 1.3,

[00:31:26] looks at aligning economic growth with affordable housing and mixed-use development policies. That's really where we start, you know, thinking about, again, that connection between economic development and housing. Aligning goals along between housing and your overarching city goals of economic development and expansion.

[00:31:48] And really leaning into those key partnerships with your businesses and local community organizations and organizers. And then the big one here is identifying funding. So you'll see this in strategy 1.4 here, and then we'll talk about it again in 2.4 in preservation.

[00:32:11] This is the key mechanism, right, that needs to evolve to ensure that these policies, these programs are funded, right? That there's a source of income that's dedicated specifically to affordable housing.

[00:32:28] And so the way that this plan suggests going about that is focusing on the housing trust fund and identifying a permanent or replicable funding source for the housing trust fund.

[00:32:46] So permanent sources can, the report goes into some additional detail here, but those can be anything from nominal property taxes, document recording fees, transfer fees, taxes, permitting fees, there's a whole, there's a wide array of opportunities and it doesn't necessarily, I think the report emphasizes this, that it doesn't necessarily need to be one source, right? So we're looking at a complex problem and oftentimes complex problems require complex solutions. So when we're thinking about these permanent funding

[00:33:20] sources, the reason they need to be codified, they need to be, again, that keyword permanent is that one-time infusions of money can be great and can hopefully solve immediate, oftentimes immediate problems, but they're not sustainable.

[00:33:37] And if the city wants to go about applying a sustainable solution to affordable housing, that's going to require a sustainable funding source. In addition to that permanent funding source, though, The report encourages the city to look at additional sources and grants from private state and federal sources, as well as leveraging in lieu fees from the ADU.

[00:34:06] We move on to preserving existing affordable housing. So this really relies and revolves around the term you'll see as NOAA, which is Naturally Occurring Affordable Housing. So those aren't LIHTC properties, those are things that aren't guaranteed affordable or subsidized.

[00:34:29] Those are things that in the market naturally oftentimes just kind of end up as affordable housing. A lot of times those are older properties or smaller properties, but the importance there is that they should not be low quality properties, right?

[00:34:47] Just because it's naturally occurring affordable should not mean that it has a lower quality of life or living. Which is part of why the first strategy here, 2.1, is proactively identify and monitor at risk naturally occurring affordable housing properties.

[00:35:06] The first part of that is identifying. If you don't know what you have, you don't know what you need to preserve. those naturally occurring affordable housing properties and maintaining that data allows you to keep track of what's on the market right now and allows you to continue checking in like is it still is it staying affordable are there significant we have repeated you know instances of you know issues that we know regarding the quality there and is it what we consider an at-risk property at-risk properties are those that are either likely

[00:35:41] to leave that affordability bracket or oftentimes be sold and redeveloped into higher or upper market affordability brackets, right? So moving from there, right, we think about ways that you can go about utilizing policy and regulatory tools to support long-term affordability.

[00:36:07] So that's things like zoning and land use controls to retain NOAA properties, the preservation properties, policies, excuse me, policies that incentivize keeping those properties affordable, and opportunities to institute things like first right of refusal, which especially has to do, connects with developing those financial incentives for NOAA property owners. And that's, again, maintaining that affordability. So these are things like grants and low-interest loans for maintenance or renovation, tax incentives like abatements

[00:36:46] or exceptions for affordability commitments, and collaboration through these kinds of things to potentially, right, I think we can talk about this more, but potentially have the opportunity to say Like, if you sign on to or, like, guarantee affordability for a certain rate, you'll be offered certain, again, those, like, low-interest loans or grants, and then tying to that, that first right of refusal, so you can potentially have the opportunity to save properties from going down market.

[00:37:19] And then that one point, or 2.4, which is securing funding for affordable housing preservation. A lot of similar themes here between 1.4 and 2.4, but identifying those key ways to ensure consistent, reliable funding, not just for the development of new affordable housing, but the preservation of what currently exists.

[00:37:44] So with that, I'm going to hand it back to Melanie. She's going to talk about the last section. Thank you. Members of our Housing and Healthy Communities Advisory Board with us tonight as well.

[00:38:02] They will be coming to present in December. So as you're hearing this information and digesting and thinking of questions, just keep in mind that this conversation will continue in December as well. Our final goal focuses on strengthening the community services and programs.

[00:38:21] And the premise of this goal is based on promoting long-term financial stability for families and decreasing the eviction rate and short, reducing the episodes of housing instability.

[00:38:38] When we were engaged in our community engagement and speaking to the public, we found that the city of Fairfax residents that applied for assistance did not qualify based on, they didn't meet the eligibility, they were over the income.

[00:39:03] So these are some factors that we found as we began to frame this report. One of the strategy 3.1 focuses on improving tenant protections and supportive services to prevent displacement.

[00:39:22] So just knowing the rules and regulations and being able to cater or customize programs to fit the needs of the city of Fairfax residents is very important moving forward. Also, one other strategy that we looked at is expanding affordable housing options to foster inclusive communities.

[00:39:49] With the example being home sharing, there are many examples and models that can be used to help validate the effectiveness of the program. One, it helps workforce housing families meet affordability.

[00:40:11] It also helps with the seniors being integrated and reconnected and staying connected to the community. So these are some options that could be viewed and reviewed to help the demographics within the city of Fairfax.

[00:40:34] Another strategy would be strengthening the data collection to improve programs and services. This is very important because being able to recognize gaps and barriers, strengths, weaknesses, areas to improve, or looking at different collaborations that could possibly move and help the residents of the city of Fairfax remain housed,

[00:41:10] And also with funding opportunities, being able to make data-based decisions based on facts is very important. Also, ultimately, improving and encouraging community engagement and education is very, very beneficial as we move forward.

[00:41:34] That people really understand what affordable housing and workforce housing is. And it presents a landscape of buy-in very early as the council moves forward to address housing development so that the public is very informed and knowledgeable.

[00:41:56] These are just a few of the things that we have collectively found that could help the city of Fairfax address affordable housing and workforce housing. And it's good to mention on page 40 of your plan and noteworthy that it's about five properties that would be categorized as affordable housing.

[00:42:26] They do not receive any subsidy, and the last property was built in 1978. So that shows that it's been a while since an affordable housing property has been developed in the city of Fairfax.

[00:42:45] But with this strategic plan and with strong partnerships and newly established partnerships, the city can move forward in addressing the housing needs inclusively for everyone.

[00:43:03] now if there's any questions or comments we'll be happy to entertain them thank you so much that was a very thorough presentation I'm looking at the 57 page report so this was not 57 pages so excellent summary and a good starting point to start a very important conversation that our communities been we've been wanting to have this conversation so this is a really good foundation the work and the data that you've done 678 homes is a lot that's what you spoke to a lot of people renters and homeowners and people

[00:43:42] experiencing homelessness this is a an excellent foundation so first of all thank you for the process and the care that you took and putting this in a format that all of us can more easily access to begin this really important conversation so I'm going to call on councilmember Anthony Amos no thank you this is a this is an excellent report look through the state strategic plan already but definitely some exciting things in here as one of the residents of one of the Noah's in the city specifically over at Layton Hall that's something that's of great interest to me in preserving that property so it doesn't become a million dollars something something down the line it

[00:44:21] should remain fully affordable stock so how can we incentivize that moving forward I also want to thank our HCAP members who are here and some of my more detailed questions I know will probably come at that meeting instead of this one one thing I did want to ask about specifically is with the state level and then also the county's recent initiative on re-examining housing zoning policy and their path forward how those conversations kind of helped inform this part of it is because I know the state's trying to take a special look at workforce housing in particular momentum can be shifty on that so I'm wondering

[00:44:58] how have those conversations played here? What we encourage during the process is really being aligned with state and regional goals and objectives so that as you move forward, you are in compliance with the goals of the state in the region. It's very important. And also

[00:45:33] considering the landscape that we are in financially and knowing the available resources, whether it be philanthropy, whether it be the housing trust program, whether you match it or whether you fund it, whatever resources that's available at this point in time have to be very creative. And it's going to take partnerships. Throughout our report, we've highlighted the

[00:46:12] role in the relationship that the county will play in this as being a mentor and also being able to financially be able to assist in moving forward with development. Also, one of the things that should be highlighted is that the city can act as a conduit of having those conversations to ensure certain things are put in place and not necessarily taking the financial risks, but being the voice to make sure that moving forward, all

[00:46:50] the developments include affordable and workforce housing set-asides. Just a brief follow-up, because I also saw that it touched upon tax and rent relief programs and how that looks, one thing that I'd like to also just highlight for my colleagues, too, that's particularly an issue when it comes to seniors because quite often they make too low of an income, but they also have assets, which are factored into those programs as well, which can make it more challenging, and so that's just something I wanted to point out, too.

[00:47:24] Yes. Council Member Hardy-Chandler? I, too, want to thank you for all of this work and how comprehensive the plan is, and I'm so proud that you're bringing forth this first strategic plan, so thank you for all that a couple of things you know those income numbers are phenomenal they would make

people be okay in other locations so there's sort of a geographic financial risk that we have here that in again in other places would not be as much of a struggle so I think that locational poverty in some cases but locational

[00:48:02] financial risk and paying attention to that is really important because the numbers alone don't automatically communicate stability the second thing that I just wanted to highlight and hear a little bit more about is strategy 3 which takes this more comprehensive look so you put some you put a roof over someone's head right but it's the services that allow them to maintain that housing to have all of the resources that they need to provide that stability as opposed to just the roof over a person's head. Can you talk a little bit more

[00:48:40] about some of the rationale kind of behind that third strategy in particular? And I say this as a social worker who focuses on, you know, the community resources. So in our having conversations, especially with individuals that are currently experiencing homelessness, we found in most cases individuals were working. They were working, experienced maybe death, illness,

[00:49:18] circumstances and situations that were beyond their control. But what we did discover and uncover is that the nonprofits in this area are doing a phenomenal job with small staff, limited resources. So it was necessary to elaborate on this particular goal because having those relationships are going to be key because you will bring what you can to the table.

[00:49:53] It may not be monetary. It may be collaboration. It may be sharing of duties because we don't know what the funding will look like for Continuum of Cares. So we want those programs and those relationships to be strengthened because they're already strong and realize that those wraparound services really help the residents and the program's participants survive.

[00:50:24] And it's going to be very important moving forward. We looked at the hypothermia program, which is very important. We were here when it was very cold and wanted to make sure that those programs run efficiently and effectively, that they're safe, that everything, all the resources being maximized as much as possible.

[00:50:55] If I could add something to that, because I think what's important here is when we think about those services, assets, programs outside of your traditional, you know, developing new housing, even preserving existing housing, right?

[00:51:11] That non-infrastructure approach. One of those pieces is, as Council Member Amos, you must mention, rent relief and support programs. It is much easier for somebody to move out of a precarious situation while they are still housed than it is once they've lost their housing.

[00:51:36] So every dollar that's spent, that's put towards keeping someone in their homes, making it to where they can meet their mortgage, they can make rent, gets a much larger return than the investment and the dollars that are spent once somebody loses access to housing.

[00:51:59] Even something like having an eviction on your record can keep people from renting another apartment for years. So again, it's maintaining, keeping people in their homes can be the deciding factor on someone's entire life, whether their kids can stay in school, whether they can keep their job, whether they can keep access to, you know, life-saving medication.

[00:52:27] and those essential pieces to their lives all center around their ability to maintain their housing. So I just wanted to emphasize that, that a lot of times we think about these services as only being critical once somebody has lost their housing, once somebody is experiencing homelessness.

[00:52:46] But really, I would argue the one of, if not the most critical time, are people who are in unstable housing who are at risk of losing their housing people who are cost burdened or that extremely cost burden threshold which is at 50 percent they need access to those those services almost almost the most right because if you can keep them in their housing you can you can save them and their their kids and their you know their their community from a lot of

[00:53:20] of difficulty and hardship thank you and just as a follow-up to your point we've heard repeatedly and we know repeatedly that that prevention is always less expensive financially socially emotionally in any way you can measure it my final question is about you know somewhere out there there is in my view the misinformed narrative that when you build these kinds of strategies and programs and you invest in these kinds of efforts that it actually attracts other people

[00:53:55] who need this and what I appreciate about the early statistics about long-term residents of the city being involved in this that just reiterating the fact that we're talking about people who are already residents not necessarily attracting whenever we talk about good services somehow a narrative comes up about attracting people who need those services as opposed to recognizing that we in our city need those services too. Can you speak to that a little bit?

[00:54:25] I think there's a lot more people in your community that need access to support or care than oftentimes we see. A lot of those struggles are invisible. They're happening behind closed doors. They're happening under the table because people, it's hard to admit that you need support or care. So I think, you know, first and foremost, and just again, on a more higher level, there's more people who are in precarious situations than you would think. You don't always know that your neighbor's, you know, two mortgage payments behind, three mortgage payments

[00:55:04] behind, until they're not your neighbor anymore. So I think that's always my, our first answer is that a lot of those struggles are invisible and that you're not necessarily going to see them until it's too late. But I know Melanie. What we heard continually during our engagement was that individuals were working. They were like 50 or 60,000 single family,

[00:55:38] single female households. So we found that they were already residents here. They were already working. It's just that they made up that workforce housing demographic, which caused them not to be able to qualify for any programs or services. So though the programs are wonderful and they are they are efficient and effective it was really more so the people that already resided here

[00:56:16] in the city and and one thing i'll just add before we go on to other questions is we had a groundbreaking for beacon landing yesterday and they went over the fact that they used to call it a lasagna of financing but they've moved now to the smith island cake of financing because it's like 13 layers for those who've had a smith island cake and you know the city invested seven hundred thousand dollars into that project. Congressman Jerry Connolly brought almost two million dollars in financing from from federal resources. The county put in millions of dollars

[00:56:53] capital one. I mean they basically went through all the different points of financing that got us to the point where they're digging up the ground now to construct this building which is which is slated to

open in December of next year. And so we have an example right here in our own city of what it took to bring the people, the resources, the financing, the vision, the commitment to build the building. But it is permanent supportive housing, which means it is going to house some of the lowest income individuals with some of the highest needs. So there is an operations cost

[00:57:31] to that as well. So it's not just building the bricks and mortar. We as a community have to also figure out on an ongoing basis how we as a community support the thing that was built in housing these 54 individuals and so but i do want people in the community to understand that we do have an example right here and if we did it once we can we can figure out how to continue to do it the glebe view project also the first presbyterian church we are talking to them same thing you know they have the money to start building these 10 townhouses but in order to serve

[00:58:10] lower income people below 80 percent ami they need our community to figure out what we can do to offset some of those costs so that they can serve people at a lower ami and i realize that everybody in our city is not a housing expert and you probably don't sit sit around spending a lot of time chewing on this the way that we do here but but you do i would hope our residents will look around and see that we have examples of things that are happening here that we can do these things you know we could use more money and we could have a dedicated tax revenue and we could

[00:58:47] we could do other things but we're all we're already doing things and all of us as a i think as a community we need to be committed to figuring out how to be creative and to figure out the the things maybe we've never considered before to support some of the the things that are already underway. To your point, Mayor, we work with surrounding municipalities, and actually the City of Fairfax did come up in conversation in reference to the developments and also the work that has been done with the ADUs. And so I think not only the community, but neighboring

[00:59:27] municipalities are looking for examples of their peers that are moving forward and trying to do something to address workforce affordable housing and homelessness thank you for sharing that councilmember Peterson and then councilmember quillen thank you and certainly agree with others it's great great report and I just a couple clarifying questions but the first is a compliment that in terms

[01:00:02] of your engagement I just very much appreciate that you didn't just do what we call passive customer discovery by looking at surveys, you actually did interactive work. You talked with people, interviews, focus groups, et cetera. It makes all the difference in the world to actually talk with people, and you did that.

[01:00:21] And so it's noticeable in the work you did and highly appreciated. One question about the stakeholders involved, it looks like most of them are really on the demand side, consumers and support services. Have you or do you plan also to have similar engagement with the supply side people who are actually developers, builders, providers?

[01:00:43] We actually did. During this process, we spoke to some affordable housing developers that are doing some great work in the area to kind of get their feel on what they needed, what they wanted to move forward within the community, to get a feel for just the climate on strengthening the relationship and referencing to permitting and some things that could be done to streamline that because developers focus on time as money.

[01:01:22] So just looking at some things from their perspective on how they could move forward within the community was very important in this process. I think that pretty much covers it, but yeah, we did speak with some people developing affordable as well as some people involved in market rate development.

[01:01:46] I think that some of those things, you know, we see are pretty consistent from place to place. Again, especially those larger developers are, they have a similar, you know, bottom line pretty consistently. But what I think we took some extra time on is what Melanie was talking about, was what developing at that affordable rate, whether that's, you know, 80%, 60%, or lower AMI.

[01:02:13] You know, we spoke pretty extensively with Fairfax Presbyterian, where they're, you know, developing Glebe View, as well as the people involved with development at the Lamb Center for Beacon Landing, as well as some other affordable developers who have primarily done work in the DMV region and identifying what makes it easier to develop in one part of the county versus another or outside of Fairfax County, what helps with that capital stack,

[01:02:51] what helps with expediency and those timelines and things like that. And so you'll see some of that woven into the report. well fantastic uh so i think council member amos raised the question of whether or made the comment that there would be additional detail provided in a presentation and report from hcac that will be in a few weeks or so so i'm guessing but please let me know that would be the place where we would get a bit more detail about my what might be involved in some of these particular solutions

[01:03:25] is that the case because i can imagine in these areas you you have covered um a number of important solutions but it gets a little complicated when it gets to actually implementing and it may be that more work will need to be done we'll need to go back to do some co-design with some of the folks who are involved in this i'd be curious to know how much of that's already happened and how much more needs to happen and it sounds like it may be that you've at least identified folks we can go back and work with further as we get to that stage is that fair we have an implementation plan with

[01:04:01] recommendation of partners and hcac will help facilitate that moving forward with the council yeah so hcac will be coming back in december and as melanie mentioned there is a list of partners there's also references to best practices woven into the strategic plan and as this is the city's strategic plan it will involve housing it will involve human services community development planning economic development and it will include the surrounding partners it needs to be a collaborative effort to move some of these initiatives forward okay great so uh i will

[01:04:36] and we will look forward to that just a clarifying question or two more here the magic number of 30 housing cost. I'm curious, and forgive me for not having answered my own question by reading the report because it's likely there, but how are you defining housing cost? Is this in the case of an owner that has a loan, principal, and interest, or does it include taxes, insurance

[01:05:12] on top of it? That's a really good question. So I apologize if this is a little bit long-winded, but I think it'll cover the different kind of parts of that question. So to begin with, the source, the data source that we rely on for determining how many households or estimating how many households are cost-burdened in a community is the American Community Survey, which is through the census. They differentiate between actually three categories. So you have homeowners or owner-occupied units where they have a mortgage, owner-occupied

[01:05:50] units where they don't have a mortgage and renters. When an individual is filling out the ACS, American Community Survey, or when they're gathering that data, it's generally simpler on the owner side, but it does include your mortgage, it includes insurance, and it may or may not include property taxes.

[01:06:21] That, again, a lot of times what that relies on is user reliability. So the census adjusts data to adjust for some of those user error mistakes.

[01:06:37] What's more difficult to ascertain is on the renter side and whether or not people are adding in utilities. So what we generally will say is that when we share census estimates for cost burdened families or households, as well as those, like, median housing costs, that those are generally underestimates.

[01:07:04] Because technically, your housing costs include, if you're an owner, your mortgage, your insurance, your utilities, your property taxes. I think I might have already said insurance. but not insurance twice. The same thing goes for renters. That includes your rent.

[01:07:20] It includes your utilities. It includes those additional fees that are always in your contract rent. It includes your renter's insurance. But oftentimes, people won't respond with that. If you ask me what my rent is, I might just tell you the rent that's in my lease, the contract rent.

[01:07:40] But what we're trying to talk about are those gross housing costs. which includes all of those additional pieces, which is why oftentimes we will say that these are underestimates. There are probably more people that are cost burdened in the community, and those median housing costs are probably higher than what the ACS will say.

[01:08:02] Unfortunately, they're also oftentimes the best data that we have. Well, thank you, and I think it's an important understanding that you provide Because certainly what we hear a lot of from residents, and there are three categories, but certainly for people who are, in any particular people who are owners, are saying you really need to look at affordability through a lens that includes everything.

[01:08:39] Because when you put property taxes in there on top of everything else, that could be the straw that breaks the camel's back. And so there's quite a bit of sensitivity around that, and it factors into the affordability definition and the approach that you take here to try to keep cumulatively the cost of staying in a home at a level that's affordable.

[01:09:01] The other interesting component of that that you bring out is utilities. On the renter side, it's a really critical question, but even if you are owning, because energy, for instance, can become a pretty major component of your monthly household bill.

[01:09:18] And right now is a particularly important time because we have forecasted now going forward here in Virginia, load growth associated with data centers and AI that is much higher than we've seen in the past and raising serious questions about the access and pricing of energy as it will affect people who are in any kind of these housing situations. And I was speaking with somebody in Fairfax County recently who's involved in some of the installation of

[01:09:52] factory-built housing, for instance, to alleviate portable housing shortages. And a concern there is that unless we're careful, those homes may not be as energy efficient. And as a consequence, they may use more energy and people in them may be less able to actually adapt to temperature extremes which ironically are extreme heat and extreme cold so it gets to the earlier comment about the need for

housing that serves lower income people still to be very high quality housing and energy is a very important part of that and i would just say for the council and for the city

[01:10:29] i think there's a linkage here we'll hear more about which is how the city is handling its policies and incentives for energy in buildings and how we're trying to ensure that the new buildings of all types are energy efficient here so that we protect affordability as well as environment because energy is expected to become a bigger and bigger component. The same thing is true with transportation. Part of that is the energy equation. Part of it is the cost of owning an automobile. And then there's the car tax issue associated with that. So there is a broader if you will, of affordability issues here that I think is important that we look at as we move

[01:11:08] forward with this. I think that's an excellent point. And one of the things I made note of is to really identify the purpose of your housing trust fund moving forward. Because within that Trust Fund, it could focus on critical repair, infrastructure, home ownership assistance.

[01:11:32] So all of those things mentioned could be addressed within the purpose of your Housing Trust Fund moving forward. So it's good to have a conversation on what actually needs to be addressed with your community, and that could be the foundation of that fund, along with pre-development and things of that nature.

[01:11:55] Well, thank you once again. Really helpful, and I'll look forward to the more detailed study that comes out. I think there's a lot more that there is here to talk about and possibly act on. So thank you. Council Member McQuillan. Thank you, Mayor Reed. Going to the preserving existing affordable housing slide, 2.3, you mentioned develop financial incentives for naturally occurring affordable housing property owners.

[01:12:22] What are some examples? What would that look like? Yeah, absolutely. Let me pull this up here. I think what's really helpful with this in particular is to look at 2.2 and 2.3 kind of in conversation with one another.

[01:12:43] But when we're talking about incentives for those NOAA properties, what, again, we're focused on is preservation. So one of those incentives, and I think kind of the key one that we've talked about the most is helping maintain the quality and structure of those properties over time as well as maintaining that affordability level when there's potential changes in ownership. So that's offering grants or low interest loans and things like that to help maintain or renovate properties. Like I think

[01:13:22] Melanie mentioned at some point in the presentation, a lot of those naturally occurring affordable housing properties are on the much older side, right? So even if they maintain their affordability level over time, they're not necessarily going to maintain their structure of, like, viability over time. So helping to finance or incentivize upkeep, maintenance, um, and renovations to keep them, uh, in, in high quality condition can be important. Uh,

[01:13:56] and then what you can do is connect that to that first right of refusal. Um, so if in the future that property owner decides to sell, that the city has an opportunity to, to buy that property, um, uh, or to facilitate, you know, um, uh, the sale of that property so that it can maintain that affordability level a lot of times what we see you have like that rent creep over time where things are coming up and up and up but the the most the biggest shock to a system is when an

[01:14:30] entire property is sold off and again it gets either demolished or has renovations to the the point that you know that rent gets spiked way up to cover those costs and then entire communities You know, these big multifamily developments are all at once, like, people are pushed out really quickly.

[01:14:51] So I know, you know, you're a single municipality. You can't do things that, like, the state can do. There's advocacy going on, which is things around, like, rent gouging and rent stabilization. What you can do is work to incentivize and encourage those property owners to maintain affordability over time or potentially save properties from being renovated out of that affordability level.

[01:15:21] So, too, one strategy would be payment and those tax abatements and giving discounts or decreased fees for your new property owner to ensure that the NOAA property remains affordable within your community.

[01:15:43] is a working model that is being used thank you um i had another question related to home sharing so we just had a presentation on adus would that qualify as home sharing is that considered affordable dwelling units and adding is that something what other things would encompass what other things would home sharing encompass maintaining affordability would be primarily um one and also um it would address affordability from the standpoint that your families um that

[01:16:22] would most likely participate in those programs would be a part of your demographic that would not qualify for other programs so um it has a multitude of benefits um quantitative and qualitative for the community a couple of uh and i think again there's there should be uh there's best practices in the report, but a couple of the models that we've seen, um, that have some viability, uh, one are, um, municipally sponsored programs that help, uh, people find potential

[01:16:58] roommates. Um, a lot of times, uh, especially, you know, when you're out of that, uh, very young adult college kind of, uh, part of your life, finding a roommate can be kind of a part of my terminology but a little bit of a sketchy process and so having a place that is municipally sponsored that is safe and vetted can help people find responsible roommates people whose lives are going to work well together to kind of shoulder those those housing costs the other model is really focused on connecting people who are in search of you know some support with the with

[01:17:35] affording their housing with oftentimes seniors who need some level of, even if it's just somebody that like runs and grabs the groceries or manages, like takes care of the lawn, you know, changes the air filters, that kind of thing. So you partner people who have complementary needs. So there's just the general kind of roommate finder, and then they're specifically partnering seniors, oftentimes with younger, often single individuals, to share those housing costs.

[01:18:06] I did make mention under home sharing, and I put an asterisk that had been mentioned, is the use of existing homes minimize the environmental impact of new construction also. So those are some excellent reasons why maybe considering that as a model to use within the community would be beneficial for several reasons.

[01:18:32] This specifically jumped out at me because of our location being so close to George Mason University and having shared not my house, but my street with students who lived as neighbors and having a large aging population as well.

[01:18:50] I notice and recognize that this would be something great, so I was curious, since you had mentioned that it's sometimes hard to reach them and identify them in your community, how would you

advise us that we do that? How do we get the word out if, you know, you mentioned creating a platform so that we could connect the roommates together, vet them, provide a safe opportunity.

[01:19:12] What additionally could we be doing? One, I'll just skip one, is to begin conversations with organizations and nonprofits that provide services for those demographics and begin the conversations.

[01:19:30] And then have those organizations come to the table and begin having that dialogue. That's where it starts. We did, with our engagement, with meeting with individuals that were homeless, that's how we began having, we had the conversations with the nonprofits first, the staff, upper management, and then they were the linkage to the population.

[01:19:58] So that's a model moving forward. You always want to go to those organizations that service and have the touchability and the relationship with the population that you want to provide services for.

[01:20:13] That's exactly what I was going to say, but I also wanted to add that the opportunity to facilitate, whether it's directly or through a third party, the actual platform where people are connecting also allows you to address some of the concerns that we oftentimes hear in and around affordable housing and home sharing and oftentimes student housing,

[01:20:39] which is that people are uncomfortable or nervous that those kinds of housing arrangements will be noisy or messy or, you know, bring undesirable activity to their communities.

[01:20:55] It does allow you a level of monitoring. So if you know, you know, like we've made these connections, these people are roommates, blah, blah, blah, they're part of this program. That allows you to check in with them. That allows you to say, you know, if something goes wrong, even if you have a connection with the landlord as part of it as well, and the landlord says, like, hey, people aren't, you know, we're having an issue with this tenant.

[01:21:19] They're not paying their rent. They're not blah, blah, blah. You can connect them, again, keep them in that network, connect them to services, offer support, ensure that the community, you know, is able to use this resource and that it's being, you know, that these resources are being used to their highest ability. Thank you. I did want to note that I agree with my council colleague, council member, Hardy Chandler, in regards to prevention.

[01:21:49] I think that is the key here is once someone is homeless, they're displaced. They're displaced from every foundation that they have. And so seeking any other medical care or treatment or anything else supportive service is very, very difficult at that point. So I agree that this is a very important piece of it.

[01:22:07] And thank you so much. Your presentation was fantastic. Councilmember Hall. Thank you. I want to just thank you for the presentation. Most of my questions were honestly answered or asked by others. One thing I did want to just say, it's not a pointing it out or anything like that, but it's, you know, a lot of the things that end up getting discussed with regards to affordable housing end up being apartment complexes. And I think when you're talking about maybe a single mom with a couple kids, or you're talking about, you know, frontline workers or teachers and things

[01:22:44] like that, not everybody wants to live in a high rise. And, you know, I think we have so many opportunities for single-family homes here. But I think I live in what was initially probably a starter home neighborhood, but isn't anymore, especially from the affordability standpoint.

[01:23:02] And so I think that, you know, we've talked about, or other councils have talked about tiny houses or other kind of communities like that. And I recognize that we don't necessarily have a lot of space for those, but I don't want to see those things kind of forgotten because I think that if you can help someone get into a setting or a situation like that, they're more likely to want to stay here and to continue on than if they're, you know, being put in a place that is a high density situation and that's not what they want. On the flip side, there might be some people that would love to get out of a home that they've been in for years and move into a higher density

[01:23:37] situation because of, you know, the benefits it provides for them. So I was happy to hear that you were talking about, you know, just other options and kind of trying to recognize that first home to the last home and being a place that people can move up and stay in. I think, you know, we talk about housing in place. And I think these days when I hear that term, what I think is someone that is still in their single family home, maybe now their single, you know, spouse has passed or something, but they still want to stay here and age in place because there's not a lot of other options for them. And so I think that's probably a really

[01:24:15] good dynamic, an area where maybe another part of their house could be used. In my neighborhood specifically, I think we have four different single-family homes that have either been converted or torn down and rebuilt, and they are now actually assisted living facilities.

[01:24:32] And I know that's an arm and a leg that they pay to live there, but that kind of concept, I think, could also be twisted in a different way to do the roommate situation, but do it in a way where people are still living in a nice place, having an opportunity to be proud of where they're living, but still also be providing a service to their community overall, but also just knowing that it's safe and secure and it's not a typical rental situation that might not be opportune these days.

[01:25:09] But to say what McQuillan said, I'm Council Member Hall, what McQuillan said is preserving that affordable housing, I think is also really key and something that we do need to work with. You'll also, and there's opportunities for preservation and potentially in home sharing, which is also an arm, can be an arm of preservation, is if you have seniors who are unable to maintain their homes or, you know, keep up with that upkeep, a lot of times what will happen is they'll be in their home and they'll either eventually end up being moved to an assisted

[01:25:44] living facility, um, or when they pass away, uh, you'll find that the home has sustained like significant disrepair, um, because, because of that period of time, oftentimes those are the homes that end up vacant for long periods of time, end up dilapidated. And then you don't, you've, you've lost, um, a unit of housing. Uh, so anything that you can do to keep those homes in good condition, um, whether it's home sharing or preservation funds, um, and other support mechanisms, uh, we'll, we'll keep homes in that, in that life cycle. Yeah. Thank you for that. And

[01:26:21] actually I do want to give them a plug to the Fairfax village in the city because they do exactly that. You know, they go out, they converse with people, they talk to them and they also are there to show up to repair front door or something else that needs to be done. So, um, hopefully that, That service alone helps to keep those houses are falling in disrepair like that Thank you other questions councilmember Peterson just to follow up on a point that was raised earlier I think by councilmember Hardy Chandler, but embedded a bit in the report a Data question so forgive me and this may be for staff

[01:26:58] But the I think the question came up in terms let me just phrase it this way if we know what percentage of people who buy uh homes or people who come in and rent homes that are under that that are in the low the lmi the low income bracket what percentage of them are residents and what percentage of them are non-residents that people come in people who come in and and how does that contrast with people who are in upper income brackets higher income brackets because those may be very different

[01:27:38] percentages and i'm just curious it may explain why there's a little bit of confusion around Can you, you said the, what percentage of what people are residents or non-residents? So for affordable housing, people who are buying affordable housing or people who are coming in and renting affordable housing or people who are renting it.

[01:27:55] For those purchase decisions, are these people, what percentage of these people live in the city currently and what percentage of them do not? Oh, okay. So you're saying on the, on the demand side, the people that are looking for affordable housing. That is a very good question.

[01:28:11] I don't think I have a direct answer for you. It's difficult to estimate because we don't necessarily have a record of every time somebody is seeking to live in the community. Oftentimes this is a larger conversation when we try and estimate demand over time.

[01:28:33] We try and say like how many potential units are going to be needed over time. We base that off of things like population growth and demand for new construction, but we don't have a reliable way to estimate the number of people that would live in a community but for X.

[01:28:55] So if it's but for the cost of living or but for their job or but for their preferred school district, because we don't have necessarily people who are regularly filling out where they would like to live and why they don't live there. So in a similar way, it's difficult to estimate exactly how many people who are looking for affordable housing currently live here and don't. What we do know is what people, what residents make in terms of household income

[01:29:29] in the city. And we know the incidence of cost burden relative to income. So what percentage of people making \$35,000 to \$50,000 a year are cost-burdened, as opposed to people making \$50,000 to \$75,000.

[01:29:52] And so we can kind of gauge where the cost-burden threshold is. We do know that when we look at those numbers, that the drop, obviously, people are less cost-burdened as they make more money.

[01:30:08] That's, you know, it's a, that's kind of a given, um, but we know the drop-off happens faster for, um, uh, homeowners than it does for renters. So renters and homeowners making the same amount of money, um, it, you know, if, if they're making the same amount of money, the renter is still more likely to be, uh, to experience cost burden.

[01:30:27] Um, and that's, that's because, uh, homeowners, uh, have the potential to own their homes outright, right? So at some point, theoretically, one might stop paying a mortgage, and then their monthly costs go down significantly.

[01:30:44] Well, thank you. I think it would be helpful to know, in addition to what those numbers might look like for people who are in the affordable housing bracket, what people who are above that bracket looks like, because I think the economic issue here is induced demand, and that's really what becomes controversial if and part of the answer to that is designing in such a way that you are serving existing

residents rather than stimulating people to come in particularly when the stimulus for people to come in is for higher priced housing and then you get induced demand and you get

[01:31:22] upward pressure on prices and it's just the opposite direction of what you would want to do for affordable housing which gets to the strategy of doing price appropriate housing which i think is really largely what you're after here but those are some numbers that would be helpful to have to kind of clarify because the council makes a lot of decisions here that effectively are around housing supply and that would be helpful in terms of how we understand how to target those decisions for this very purpose i think it might also be useful to think about it this way um the what if

[01:31:58] you're if you're trying to estimate what the present demand is so not necessarily what demand based on population growth or, like, a wish to live in the city. But how many people right now need more affordable housing than they currently have?

[01:32:18] That's where that cost burden number is really essential, right? Because those are, if you take that and add them up, even if you just take people who are in that extremely cost burden threshold, which is they're spending half or more of their income each month on housing costs, Those are the biggest demand drivers, right?

[01:32:39] So if you're trying to alleviate that pressure, A, there are ways to prioritize current residents when there are new units that open up that are available. And B, that's where that number can potentially come from, is how many people right now are living in housing that's not affordable to them.

[01:33:06] You can also limit that, again, by income. Once you reach a certain income level, cost burden can be a choice, right? Because, you know, 30% of \$80,000 a year is very, very different than 30% of \$500,000 a year, right?

[01:33:24] There's more wiggle room at that point. So you can also kind of narrow it down, narrow those numbers down by saying how many people are cost burdened in this, you know, income bracket? people making up to a hundred thousand dollars a year thank you council member amos just a very quick comment um and just something for future consideration at least from the developer perspective it always comes back to financing so at the end of the day if there's a preferred type of development that you want or a program that you want or something that you want to implement you can't do it without a trust fund and so that's just something to consider as we move forward

[01:34:04] Councilmember Bates so first a quick question the report mentions that some of the voluntarily contributed affordable housing units from before our you know ordinance amendment was passed review before the requirement for affordable units support new developments that some of those that were voluntarily contributed are costing the households more than 30% of their income can you

[01:34:40] elaborate on how that has happened i mean how can they still consider them affordable housing units if they're charging just below market rent um i can take this that would be helpful yeah so um for those particular units they were approved prior to the adoption of the adu ordinance that was passed in 2020 and there were individual negotiations that occurred with the developers and that was the price point then the calculation the approach that developers came forward and said that they could do, and it was approved by council.

[01:35:12] I think staff had recommended maybe taking a slightly different approach at that time, but it was approved, and as a result, some of the units that were committed to be affordable are slightly less

than. Okay, but this is based on the numbers that were approved at the time.

[01:35:31] Right. And then the developers approached calculating the affordability. Yeah, and those are administered privately by the owners and not by the county's authority as the newer units post-ordinates are, right?

[01:35:48] Yes. Yeah. All right, thanks. Just a final thought on some of the things that are adjacent to this discussion of affordable housing. Council Member Hall brought up Village in the City. And that is a program that is nationwide, but we're the only municipality that supports the program versus nonprofits running the program.

[01:36:11] And so there are resources available to people who are aging or with disabilities to try to keep them in their house and, again, to try to keep their house in good repair. So HomeAid and other nonprofits that work with homeowners, that is adjacent to what we're discussing.

[01:36:29] And I think that our community needs to understand, because there's still an amazing number of people in our city who don't even know what Village in the City is, and they're not taking advantage of it. And so it's really important for us to keep talking about these programs that are adjacent to and supportive of the overall goals of keeping people in their homes, keeping people in a situation where they're not paying more than 30% of their income.

[01:36:54] I do want to give a shout-out to Tommy Sebelia, who is our alms bud person. There was a housing symposium at George Mason University maybe a month ago, three weeks ago, where Michael Spots of Habitat for Humanity DC Nova talked about the project at the Presbyterian Church, Glee View.

[01:37:16] And he said one of the things that made it possible for them to move with the speed that they did was because the city provided this ombudsperson. And while it was not necessarily our goal at the time that we created that position, and it's fairly new, two years old maybe, the fact of the matter is it ended up being an important aspect of this particular affordable housing project.

[01:37:40] And so there are things that we are doing that are not necessarily pinned to affordable housing that nevertheless further our goals overall for how to provide housing for people at the income where they are or in the house they're already living in.

[01:37:57] And so I think the city is doing really good, important things, and it's wonderful to hear you say that other jurisdictions are looking at what we're doing, and it was great to hear Michael Spott say that this ombudsperson was really important to that particular project as well.

[01:38:14] So it's a group effort, takes a village. I'm so appreciative. This has been a wonderful survey. Your presentation has been so clear and so helpful, and we look forward to hearing more about this data when we hear from the Housing and Healthy Communities Advisory Board in December.

[01:38:32] So thank you all very much for your time this evening. Thank you so much. Thank you. Our next item is a presentation on the Q0 fare evaluation. I'm going to recognize Wendy Sanford, Transportation Director, for the presentation.

[01:38:51] It's minimized. Good evening, Mayor, City Council.

[01:39:16] I'm here this evening for a presentation about the zero fare pilot program and an evaluation of that. As you know, the Q bus system is currently fare free and has been since 2020. In 2020, the city

received a grant from the Department of Rail and Public Transportation, which is the VDOT sister agency for transit, that offset the loss of fares for the last four years.

[01:39:44] That grant is now expiring. So in light of that, we partnered with Kim Lehorn, who is here this evening, I will introduce them in a moment, to do an evaluation of the zero fare pilot, including what we've seen in terms of both benefits and costs. So there's just generally, there's a common misconception that fare collection is simply putting a box on a bus, collecting money, and then we keep that money. It's much more complicated than that. We're part of a region. And so there's regional fare collection, there's multiple discounts, and we we'll get into that. So I will say now we do have a number of slides. We are going to move through them as quickly as we can. However, it is really important that we explain all of the steps, all of

[01:40:23] the processes that are involved in fair collection so that you understand as you're making a decision going into this budget season about how to proceed with the fair for the Q bus. So with that, let me introduce our consultants who are here with us from Kinley Horn. We have Lucas Muller and we have James Gomez. And they will be going back and forth with the presentation. And then afterwards, we're all here to answer questions. I'd also like to point out that we have Chloe Ritter, our multimodal planner, and then we have Charles Kuntz and Nicole Barnes with our Q operations team. So we're all here tonight. Happy to answer questions as we go through. All right. Thank you.

[01:41:00] And good evening, Mayor and Councilmembers. Great to be back with you all. If you were wondering where you recognize me. I was here a couple of months ago talking about the transit development plan and here tonight to talk with my colleague James about a separate but definitely related effort related to evaluating the zero fare pilot. So again, as we go through, we're not asking for a vote or action for you at this point but ultimately this will be hopefully information that will help you in that future budgeting process and so understanding -- being

[01:41:35] able to understand the full process. Fair policy is not an easy topic. I think we want to be up front with that. This is a complex decision. So there's a lot of considerations beyond just the financial sheets to the staff of the city, the community, employees, everyone who uses the system. So to look at all this, we looked at a combination of technical analyses, studies from around the country and had a lot of conversations with staff here at the city and operators to understand what implications this might have for budget and ridership.

[01:42:13] And so we will walk you through that process and some of the findings today. But before we jump into that, I just want to kind of recap a little bit about the history of how we arrived here. So fares were suspended in spring 2020 associated with the COVID pandemic.

[01:42:31] I saw that across the country almost all agencies went to something like that. And then in 2021, the city explored a few different fare policy options and ultimately adopted a four-year zero fare pilot in January 2022 after receiving a grant from the Department of Rail and Public Transportation, DRPT.

[01:42:56] grant is expiring, as Wendy mentioned, now. We're in the last year of that. And so it's a great time, especially associated with doing with the TDP as well, to be looking at that policy decision going forward. So the DRPT grant is a little bit of a somewhat of an unconventional grant program. It's called a step-down funding. So each year decreases the amount of funding to offset. And that's based on the original amount of 2019 fair revenue, which was approximately

[01:43:32] \$375,000. So this last year, we're currently in FY26, calendar year 25. There's zero contribution from DRPT. And then that's why we're leading towards this need for a policy decision.

[01:43:50] Good evening, Mayor and City Council members. The most notable income of Q0 fair pilot has been the ridership growth. Ridership was starting to fall from 2008 all the way until 2020. And after fares were suspended during the early months of the pandemic, we've seen a reversal of those trends. This coming year, Q is expected to exceed 1 million rides. And we've seen about a 60%

[01:44:24] increase from the pre-pandemic levels of ridership. Ridership has also increased as service levels have remained constant over the past several years. We've seen about 35,000 hours being provided over that time. That means the same number of buses, same number of bus drivers, and the same number of overall resources.

[01:44:43] GMU has historically made up a large component of Q's ridership, typically about 30 to 40% of overall ridership. Now, over the last five or six years, we've seen GMU enrollment increase by about 10%. We've also seen students return to in-person classes.

[01:44:59] It's not quite at the levels that it was prior to the pandemic, but it's up around 75%. There have been other things that have contributed to Q's ridership, such as increased development. We know that the overall population has increased over the past five years or so by about 10%.

[01:45:15] So there have been many factors into this ridership growth. As we compare Q's ridership with some of the other regional transit providers, we see that Q has experienced the greatest increase over the last five years. Both Kew and Dash and Alexandria's system have seen significant ridership increases, over 50% for Kew since 2020.

[01:45:39] Alexandria has since gone completely fare-free. That happened back in 2021. We see much more modest increases in ridership for the systems that reinstated fares back in 2021. So just to summarize the overall ridership trends that we've seen for Kew, We know that you are serving more riders despite not increasing service levels.

[01:46:01] Ridership growth is due to a number of factors, including students returning to campus, and ridership growth has outpaced some of your regional peers. When thinking about community benefits, the first thing that we did is we looked at some national research that was conducted by FTA, and that showed that zero fare provided many community benefits.

[01:46:23] Our evaluation focused on things such as mobility, travel time savings, as well as transportation costs for your residents and visitors. We want to focus first on mobility. Q has historically served riders that have the greatest transportation needs, serving areas that have the highest densities, the lowest incomes, lowest vehicle ownership rates, but also the corresponding destinations that people want to go to, education, employment, community centers, a variety of different destinations. It's also important to note that during the height of the pandemic,

[01:46:58] in the middle of 2020, Q still saw about 30% of its riders using the service regularly. So it clearly was a high need for people that had no other opportunities for transportation during that time. We see that, based on the data that we've reviewed, that zero fare does indeed reduce barriers to transit.

[01:47:20] Shifting that focus to transportation costs, in 2019, when Q riders paid a fare of \$1.75 for a base fare, Some riders paid a discounted fare at approximately half of that, and there were also many riders

that rode for free, whether they were GMU students, younger children or students as well.

[01:47:42] But the regular rider paid about \$70 to \$100 per month on transportation or transit costs. An onboard survey was conducted in 2022, and it found that almost two-thirds of Q riders said that they would ride less frequently if a fare was reinstated.

[01:48:00] Earlier this year, as part of the transit development plan, we conducted a survey that was both onboard buses, online, as well as at key bus stops. And there were a series of questions that were asked as part of that survey. Two that are applicable to this evaluation is how riders felt about the zero-fair pilot program.

[01:48:23] There was overwhelmingly positive support for the program. Over 90% of the respondents said that they support the zero-fair policy. And we also asked about why they ride queue service, and two of the things that came up really focused on transportation costs.

[01:48:40] So 58% of the respondents said that they ride queue to save money, and another 42% because they do not have their own personal vehicle. In addition to costs, time is also really important. So, you know, everyone values time, whether you're a transit rider or not.

[01:48:56] So when you factor in the time that it takes to pay a fare, whether that's a cash payment or with a card, with a smart trip, it takes about three seconds. So by not charging fares, we see that over the course of a day, you compound that time.

[01:49:12] It's about two hours worth of savings, 600 hours per year. So this has some positive impacts for riders directly, and reducing the travel time means for faster trips. For the city, it means savings in terms of costs. So you don't have to extend service later in the evening, or you don't have to cut back service to account for some of that increased travel time.

[01:49:32] So just to summarize the benefits to the community for Q, and we'll get into some additional conversations about costs later in our presentation, Q has historically served residents that have the greatest mobility needs. That hasn't changed at all. Q really hasn't changed its service much over the past couple decades.

[01:49:50] Riders overwhelmingly support the zero fare program, and there's evidence to support that zero fare has reduced transportation costs as well as travel time for its riders. So when thinking about charging fares, it's really important to think about not just the person who's paying and the bottom line of the city budget, but just how much of an effect it has on other departments within the city as well.

[01:50:22] So to get a better sense of that, we talked to these different departments throughout the city that have a role in either directly or indirectly related to fare collection and wanting to understand what experiences that might change their responsibilities.

[01:50:42] So the types of questions that we discussed in these discussions generally followed three elements, kind of the first one being the path of money. So how does the dollar or the fare go from the rider all the way to the bank?

[01:50:59] What is the process from that? What staff and departments are involved in that? How much time is being spent on those tasks? And then how are individuals' roles, since many people have been around in those past five years since fares were stopped, How have their experiences been different in that time frame versus before?

[01:51:27] And this really helps us understand how we can evaluate the process holistically. One of the things we spent a lot of time talking about is the cash fare collection process. And what you see on the screen here is kind of an oversimplification of kind of a complicated process.

[01:51:46] And, frankly, the way that it had been done previously in 2019, if we were to do it again now, would look a little bit differently and likely involve some additional steps. So if we think about the process, you know, the person who's getting on the bus, they're paying their fare, either in cash or a smart trip card or electronic payment, potentially.

[01:52:09] That money, if it is cash, goes into a large fare box. It's a literal physical box, a large box that has to get kind of emptied from the bus and then the money goes from that box into a vault, which is then emptied periodically and taken away to buy kind of an armored truck type of company.

[01:52:32] And then that information is reported back, used to reconcile that fare revenue. So that was the process as it was done. Again, there would be ideally more involvement in the staff time in terms of making sure that those fares are reconciled and kind of more frequent checking of that, of those efforts.

[01:52:55] The fare collection process just in terms of how much the city actually gets back is also quite complicated. We are fortunate in this region in that we have an integrated system where we can use the smart trip payment that's accepted on all modes of transit.

[01:53:13] And so that allows for some flexibility, but the downside is that that means that there is sharing in that revenue. So depending on where people get on first, where people start their trip, there's only a certain percentage of that funding that comes back to queue.

[01:53:33] Another process that we talked about was maintaining those fare boxes. So if you were to start introducing fares, you would need to purchase the fare boxes. So that's an upfront investment. But unfortunately, these fare boxes tend to be a bit finicky and tend to break down.

[01:53:53] And largely that means that if that fare box is not working, the bus needs to be taken out of service. And so that means that either maintenance staff from the city or sometimes even a unique specialist that specializes in this type of fare box repair needs to come on and be able to help maintain those.

[01:54:16] So the city is already operating with a limited number of technicians and certainly addressing fare box issues would add to the list of responsibilities as well. So to summarize some of the benefits and the drawbacks of remaining zero fare, generally try to group it in these four areas of operations, fleet maintenance, administration, safety, and budget.

[01:54:43] These, again, came from our conversations with staff as well as the research that was sponsored by the federal government. It was a fare-free transit evaluation framework that surveyed over 35 transit agencies. So a lot of focus in terms of operations, fewer interactions and confrontations between riders and operators.

[01:55:08] Previously, you know, on Q and other systems, there can be or there have been confrontations about whether, you know, what regarding paying the fare. It reduces the amount of fare boxes to repair and manage.

[01:55:27] And some fewer responsibilities of staff time that's being able to focus on other elements. Some of the drawbacks are there is less rider data that's available to make some planning decisions.

[01:55:43] There have been some reports in our conversations with the police department of some increased loitering on the buses. And then obviously from the budget perspective, some diminished revenue from that perspective. So James is going to walk us through now some of the case studies that we've looked at from around the country.

[01:56:08] All right. So in addition to evaluating ridership and community benefits, as well as some of the impacts on city staff, we also reviewed the funding mechanisms of some of the Virginia transit agencies, as well as we looked at a couple of peer transit systems throughout the country that also had zero fare policies and made some changes in recent years.

[01:56:29] So beginning with the Virginia zero fare providers. Next slide, please. There's approximately one quarter of the transit agencies within the state are currently operating zero fare. And about half of those either previously had or currently are still obtaining the trip grant, which Q also is expiring this year.

[01:56:53] And then also, most of these zero fare transit providers also have partnerships with major universities, just as Q does today with GMU. The first example of one of the peer transit agencies that we want to talk about is one that went zero fare back in during the early months of the pandemic and then reinstated a fare in 2022, but it was a nominal fare.

[01:57:19] They previously, oh, I'm sorry, wrong pier. We'll start off with Green Mountain Transit in northern Vermont. So they reinstated their fares after an extended period of time in the middle of 2024.

[01:57:35] The amount that they raised that fare to was higher than what they previously charged prior to the pandemic. It used to be \$1.50. They increased it to \$2, and they experienced a sharp decline in ridership after making that policy change. We selected this peer because they are similar to Kew in that they have high university ridership as well.

[01:57:59] The next pier that we selected, Burbank, California, they're similar in that they're an urban city within a major metro area, but a smaller municipal transit system. They similarly suspended fares during the early months of the pandemic and then reinstated it a couple of years later, but only at a dollar, which was their previous adult fare prior to 2020.

[01:58:25] They experienced very minimal change. In fact, they've actually continued to increase ridership since reinstating their fare. The third example is Link Transit and Wenatchee. This is more of a rural countywide provider.

[01:58:43] The similarity that they have with Q is their fare box recovery rate. So 2019, when Q had seen ridership declining over about a decade or so, the fare revenue recovery percent was less than 10%, which is pretty low for a transit system in general, but especially for the size, Link Transit also had very low fare recovery rates, and they decided to just formally adopt a zero fare policy just as DASH has here within the region.

[01:59:16] And that was after taking a close look at all of the costs associated with going and reinstating fares, such as the capital costs of reinstalling fare boxes as well as the ongoing recurring costs, which we'll talk a little bit more about in just a moment.

[01:59:32] So some of the key takeaways of the case studies that we conducted is that, first, there just aren't a whole lot of them. There's not a lot of agencies that discontinued fares even for a pilot program and then reinstated it multiple years afterwards. So there's not a lot of data to go off of. But these examples

that we look at tell us a little bit about some of the effects on how you, if transit agencies reinstate fares, depending on how they price the new fare, it has impacts on the overall ridership.

[01:59:59] But this helped inform the projections that we developed for both ridership as well as revenue should a fair be reinstated. All right.

[02:00:15] So to help kind of break down the options that are at play, again, our role as a consultant team is not to give you a recommendation. It's to kind of provide you with information in order to make those decisions. We looked at kind of the two base cases at kind of the simplest format, right?

[02:00:33] We have maintaining the status quo of maintaining zero fares or going to a scenario that involves reinstating fares. So on the left side, we look at that option of maintaining zero fares. There needs to be an adjustment under that scenario to help level out the budget and the services, right, that are provided to help make up that revenue that was previously available.

[02:01:00] So three potential options there are one is that the city increases its contribution towards Q. We increase other funding sources, whether that be GMU contributions or other funding sources. Or the third, which is kind of the other side of the equation, is reducing the service levels to match the available budget.

[02:01:24] On the other side of the decision tree here in terms of reinstating fares, this is more kind of a stepwise process, right, of understanding, helping to develop a fare policy itself, purchasing and installing those fare boxes, training the drivers, operators, and the staff on how to use them, and then continuing to work to coordinate regionally to understand both the technology and the logistical coordination of those options.

[02:01:56] So as we think about these options, as you think all about them as part of your budgeting process, we really want to make sure we also keep in mind some of the qualitative city goals and the queue goals. So these goals for the transit system were developed as part of the transit development plan, really trying to make queue a reliable, convenient, and welcoming experience for its riders.

[02:02:23] Fair policy is not explicitly stated as a goal or an objective in the TDP itself. So that's why it's kind of being addressed separately here as well. The city also has these goals were identified in the previous strategic plan of making a helping the city of Fairfax.

[02:02:48] And one of the things that's important to address is just by providing Q itself, that helps to support many of these goals that already are happening. And so thinking about how would collecting fares, or does it, how or does it change Q's alignment with these city goals as you progress?

[02:03:16] So Q's budget is one of many funds within the city's overall budget. Before we start talking about both revenues expensive for the Q program, both historically as well as the adopted FY26 program, first I want to talk about fare box recovery.

[02:03:37] So fare box recovery is the overall fare revenue collected by a transit agency divided by the total expenses for that year. And typically transit agencies want to see more than double-digit fare box recovery. We show that over time prior to going fare-free, Q was seeing a decline in their overall farebox recovery due to both declined ridership but also increased costs associated with running transit service.

[02:04:03] It's also important to note that prior to the pandemic, Q, not all riders paid a full fare. Less than half of the total ridership paid for a fare. We also had a high percentage of riders that paid a discounted

fare. And then many also road fare-free, such as GMU students, who their student fees go towards them being able to ride transit without a payment.

[02:04:28] Moving on to revenue sources and overall expenses for Q, looking back in time, there have been just many different ingredients that go into the overall look at fare revenues. So the most significant ones are the GMU contribution, which historically was at \$750,000, recently increased over the last three fiscal years. Also, the NVTC Trust Fund and the Transportation Tax Fund, which is the greatest overall revenue source. There have been other sources such as

[02:05:04] Fair Revenue, the Trip Grant, which is expiring this fiscal year, and then there were some Federal Recovery ARPA funds that were used to make up for some of the shortfalls for the year-to-year transit budget. So, as you'll see on this chart, there's a lot of information here, but the revenues and expenses don't always match up from year to year. There have been years where we've seen an increase in expenses. The revenue has remained either constant or some of the sources have gone away. Some new ones have come online. There have been some funds that have been invested into the

[02:05:40] system into the overall budget to backfill for some of these shortfalls. Today the transportation tax fund holds a balance of \$2.2 million. For the FY26 adopted budget, we see that the expenses are greater than the revenues by about \$600,000.

[02:06:04] The primary source of the expenses would be the salaries and benefits paid to employees today, and then the ongoing maintenance and management costs. All this information was really useful as we start to develop different scenarios, which we'll talk about in just a moment.

[02:06:26] All right. So as we compile all that information, both quantitative and qualitative, what we heard, we really want to be able to make some tangible scenarios for you to look at and see what the ranges might result in, in terms of ridership, costs, and revenues with reinstating fares.

[02:06:48] And so we wanted this methodology that we followed. Essentially, we developed four base fare scenarios, which we'll go into, and then looked at under those scenarios which population groups might be eligible for free or discounted fares.

[02:07:04] Then we forecasted potential ridership using elasticities from peers and the industry research and then expanded those to potential ranges to account for variability of ridership and fare transfer, other discounts.

[02:07:21] So what you'll see here is a lot of, you'll see some ranges. There's a lot of potential factors here. It's difficult to be exactly precise, but wanting to give that sense of where things may land depending on the fare levels.

[02:07:37] So the four scenarios we looked at have differing factors fair amounts, and then eligible groups. So the first scenario was a base fair of \$1. So this is lower than it was previously with a discounted fair of half of 50, based on 50 cents.

[02:07:56] Scenario two was the previous \$1.75 fair. And then scenarios three and four are similar. They both have a \$2.25 fair. This is the current fair of WMATA Metro Bus as well as Fairfax Connector, both of which operate within the city.

[02:08:14] The difference is that for scenario four, we added the low-income group into the discounted fair populations. This is consistent with some of the regional discussions that have been having had as

part of the DMV moves conversation.

[02:08:41] So moving on to the results of both the ridership and the fair revenue projections, I just want to reemphasize what Lucas mentioned, that these are ranges. These are ranges because a lot of different factors go into this, including elasticity. So the first thing that we want to show is the overall ridership projections for the four different scenarios, but also showing the ridership today with the zero fare pilot program.

[02:09:05] For each one of these different scenarios, I guess it should come to no surprise that as you increase the fare, you see a decrease in ridership. That ranges from anywhere from 11% to 34% reduction in ridership. And that amounts to about 100,000 to 350,000 trips per year.

[02:09:24] To put that on a daily basis, we're in between 300 to 1,000 trips per day. So that's important to also note, you know, it's not just a number, but it's who would be impacted by that. And, you know, it's primarily some of the riders that we talked about when we talked about mobility benefits, some of those riders with the greatest needs.

[02:09:44] As we move to the fair revenue projections, similarly, if you charge a greater fair, you will see an increase in revenue up to a certain point. When it starts to increase to an amount that's just beyond the price point for some riders, you'll see a significant decrease in ridership where your overall revenue starts to drop.

[02:10:05] So we wanted to model both the two different options with the 225 base fair that included the low income. And with that one, we see that the fare revenue is a little bit higher. The ridership also is higher than the 225 scenario. As we compare these side by side, both the revenue and the ridership projections, you can see just the variation in both of those impacts.

[02:10:31] And again, as you increase the fare, if selected, that would result in an overall increase in revenue, however, also a decline in ridership. What this doesn't account for are the both one-time capital costs as well as the ongoing recurring costs that are associated with fare collection.

[02:10:51] You know, Lucas described the pretty complicated process of collecting fares. So we wanted to put costs of those figures. That's something that previously really wasn't defined as much. But what we see here is that the costs of a fare box is pretty high.

[02:11:08] It's about \$50,000 when you factor in both purchasing the equipment installing the equipment, obtaining parts to be able to maintain them over time, as well as the staff time to get familiar with those services and train them. So the upfront cost with installing fare boxes for all 12 vehicles, Q typically runs eight vehicles at any given time, but they have four spare buses as well, is close to \$600,000, and this is based on some quotes for some regional transit agencies that recently purchased fare boxes.

[02:11:40] That would be a one-time initial year cost. After that, there are a number of different costs associated with repairing, purchasing parts, staff time as well, the armored truck services to collect the fare cash probably on a bi-monthly basis.

[02:12:00] That equates to about \$150,000 per year as well. So these would be subtracted from the overall fair revenue to look at the net revenue. The next graphic just shows what that looks like in terms of the upfront costs as well as the recurring.

[02:12:21] And what those recurring operational costs do is they subtract about 29% to 41% of your fair revenue based on the ridership projections that we calculated. So in summary, we put a lot of information in front of you here today.

[02:12:40] This is, as I mentioned, this is not an easy decision. This is a hard decision that has a lot of factors. But to try to just summarize it in kind of one slide here of what we are seeing and group it in those categories of ridership, costs and revenues, community and staff.

[02:12:56] Going with the status quo, maintaining the zero fare is likely to result in no or minimal changes to ridership and cost, allows to maintain those reduced barriers to transit and does not change responsibilities to current staff.

[02:13:18] Reinstating the fares likely to result in a significant decline in ridership that can vary depending on the fare levels and the reactions to that. From the cost and revenues perspective, we talked about that year one would result in a net cost when you factor in that upfront investment to purchase and install the equipment and then factor in the fare revenue there.

[02:13:46] But then after year two and beyond, that's when the city would start to see a net inflow of revenue when you factor in the fair revenue minus those lesser recurring costs that would happen annually. There are additional implications and changes to responsibility for staff and operators.

[02:14:08] And so we want to make sure that all of that is taken into account. So in terms of our next steps, again, we're not asking you for a decision or a vote at this point. This will be integrated into the FY27 budgeting process.

[02:14:27] We will be finalizing our report that will kind of document this in more detail. And then you all will be going through your budgeting process and the retreat this weekend.

[02:14:44] So appreciate the time and happy to answer any questions. All right, questions, comments? Council Member Hall. Thank you very much. My question mostly, I think, is on slide 22 with regard to the smart trip fare collection process.

[02:15:05] You indicated that the queue does not receive a fare from a rider who transfers from another system. Are all the operators in the region that are listed on here, do they, none of them then, receive something I can speak to this a little bit so the the the fair matrix is a little bit complicated um and so of course it is so there is you have the opportunity to decide what you're going to do what you're going to do to charge when someone transfers so the way it worked for us

[02:15:39] previously and the way it works for most of the other providers is that you pay to the provider that you start your trip with so let's say you start with Q and then transfer to metro and I'm just going to make up some numbers you pay two dollars to get on Q and let's say your your metro trip one way seven dollars okay you would pay the two dollars on Q and we would get that two dollars and then you'd go over to to the metro rail and you would have a two dollar reduction so you would pay five dollars so that's how you see the reduction and metro has a so that's metro's

[02:16:14] agreement is to discount the fare, the rail fare, by what someone has already paid on the bus. So that was a Metro decision, okay? And now let's do the reverse. Someone takes Metro and pays the \$7 and then they get on queue and they pay nothing. And so Metro's getting the \$7, but it was our fare policy

decision for the transfer that when someone has already paid a full fare elsewhere, that when they transfer to Q, they don't pay.

[02:16:45] And so that is a decision that we have available to us. Most of the other jurisdictions, from what I understand, and I don't have, this is not the most current because this is changing, is that most other jurisdictions, and I'm also looking to Chloe in case I'm wrong, if I'm misspeaking, let me know, that they allow for the full, the discount amount of the fare that would be charged.

[02:17:11] So what that means is that anybody who is getting on queue from somewhere else, we are receiving zero fare. We were in the past. Okay, so there's no collection mechanism at this point for someone that goes from Metro to queue.

[02:17:30] And currently now, if they go from queue, they're not paying us anything. They're not really checking in. Then how does Metro even know that they were on here before? Or is it a non-event now? Because we're not charging. What happens is they're not even tapping. OK, and so they're getting on Metro as if that's where they started their ride.

[02:17:46] So they're paying their full fare on the Metro Rail. OK, but when there is a fare policy, they're going to tap everywhere. And so what happens is they would tap on Metro and then they would get on cue and tap, but nothing would be deducted if we continued with the fare matrix to allow a free transfer.

[02:18:05] So we are in control of what we put into this fare matrix. Previously, we allowed a free transfer. OK, and so none of the numbers that are in consideration for these scenarios, do they take into any sort of consideration of electing back into this matrix?

[02:18:25] I think it takes we took 30 percent off and that's actually probably low because that was accounting for some of the of the deduction from here and fair evasion because we've been getting some numbers about how many people don't pay even though they're supposed to.

[02:18:41] Yeah, so that's part of the reason why it's more complicated than just saying if you had, say you had 500,000 riders and each was \$2, like your revenue is not \$1 million, right? So we had to account for that discount, that discounted amount that is, like when you're saying, due to this process as well as verification.

[02:19:05] So it's difficult to get exact numbers for that, but that's why we wanted to give those ranges. Okay. And if we were to consider fair implementation again, is there an opportunity to not do any sort of cash box and only do cards, recognizing that people would need to charge them somewhere or need to come to maybe some places in the city in which they could buy a card?

[02:19:34] I mean, I just, I feel like there's so many places that are going totally cashless. It's not an unthought-of concept. I'll answer and then feel free to chime in. This has been discussed in the region, and my understanding thus far is that there are no systems that have gone cashless. The reason is because it primarily impacts those who are economically disadvantaged.

[02:19:57] So if you are going to add money to your smart trip card with cash, you would have to go somewhere to do that. You would have to go to the CVS or wherever you can do that to add cash to your card. You wouldn't be able to put cash on your card on the bus because we wouldn't be accepting cash.

[02:20:15] Right now, you can actually load cash value. Well, when we accepted fares and had a fare box, you could load cash value onto your card as when you got on the bus. And so it primarily would impact

those who are unbanked. And so it has not been the trend to go cashless.

[02:20:33] You're correct. Adding cash complicates things. difficult and you know we talked about this a little bit but you know when it's raining and somebody tries to put in a wet dollar bill and the fare box jams we then have to take that bus out of service you have to take a bus if you are collect if you are a fare collecting agency and the fare box breaks you have to take your bus out of service just like as if you know a headlight was broken so you don't just bag the box and allow you have to take the bus out of service and so what we saw previously because i was here four or five years ago when we were collecting fares

[02:21:05] um is that we were often taking buses out and if our if our mechanics were not in after two o'clock or three o'clock we the rq staff sort of became experts and how to fix these fare boxes so that we could get the buses back in service so yes it is it is it adds definitely a complicating layer however most jurisdictions have kept the cash collection um in order to serve their clients yeah well i'm sorry i would agree with that and i would also add i would say there is also a there is a trend toward allowing more forms of electronic open payment not just needing to have the smart

[02:21:43] trip but being able to do the tap to pay we've seen that metro introduced that on the on the rails and and looking to expand that so it's giving more options and making it easier so that you don't actually have to have your smart trip reloaded. But yeah, we have not seen agencies go away from cash. Okay. And the fare boxes that are being considered would include Apple Pay and all of those other forms of payment that are currently being used elsewhere? Yeah, that is what Metro is looking at and the other Northern Virginia agencies going forward. Okay. And so just to

[02:22:21] make sure I'm understanding this correctly, year two and beyond, I'm back on slide 50 now, Year two and beyond net revenue, if we did one of these things, we would be looking at potential revenue of \$220 to \$360 annually.

[02:22:37] And then that obviously would change depending upon what we charged. And then future years would potentially be less revenue or more expenses just as things continue to go up. And there would, you know, further down the line, there would likely be another kind of one of those larger, you know, investments in needing to buy another set of new fare boxes, you know, when you purchase more buses.

[02:23:04] But that was a little bit beyond the scale. How long do they typically last? About, yeah, about a life cycle of buses, anywhere six, eight years-ish. Okay. Not that I wouldn't love to have \$220,000 to \$360,000, but personally, I'm not sure that the juice is worth the squeeze at this point.

[02:23:26] But that's just my takeaway. Other, Council Member Hardy Chandler? So I remember taking a tour on the Q-Bus and just thinking how wonderful that ride was and how comfortable it was, and the Q-Bus is just a pleasant experience.

[02:23:50] And so my mind went in a completely different direction, so forgive me for being odd in this way, but my mind went to, when you said on slide 34, other funding sources, I actually thought not of reinstating the fare, but other funding for the buses themselves.

[02:24:11] So I'm wondering if any models, since I know what you're thinking, I saw the frowns already. But, you know, not all of the buses are in service all of the time. In addition to that ride and in addition to a meeting with the EDA and some of the innovative thinking around our branding and those kinds of things,

My question is whether or not there can be income generated from the bus through things like chartering, you know, use as a pop-up shop, I don't know, when they're not in service.

[02:24:43] So can the bus be used for other things, businesses, chartering trips, or something like that? Certainly would still need bus staff, but just in terms of generating other funds without it being, those funds being grants or fares.

[02:24:59] I can speak to this, and then feel free to jump in. The short answer is really no, and I'll tell you why. We receive state funding for public transportation from the DRPT, and that means that our buses need to be used for public transportation. And so you put more wear and tear on your buses if you're using them for non-public transportation purposes, meaning private shuttles and charters.

[02:25:24] So we have to be pretty careful because we are not eligible to receive funding from the state for a replacement bus until your bus meets its useful life. And so that is a defined FTA term about what the useful life of a bus is. And the useful life of our buses is 10 years, or is it 12?

[02:25:46] What is it? 12, 12 years. And we actually have gotten into this with DRPT because even though we were anticipating that the useful life would be up the next year. They're not even letting us apply for the funding until the buses reach their useful life.

[02:26:02] And then it takes about a year to get a bus once you've ordered a bus. And so when we are needing buses, we're limping along paying much higher maintenance costs on them until DRPT will allow us, will fund the, and we get a percentage of funding from DRPT when we buy new buses.

[02:26:21] And so the point is, is that we need to preserve our buses for public transportation for as long as we can. That said, as you know, we use them sometimes for, you know, for limited purposes, but we are not, we do not allow outside groups to charter them.

[02:26:39] Just one minor thing to add, I agree, and there's definitely a lot of, that comes up a lot in discussions. There's a very minor piece we have seen in other agencies. You can get some very minor revenues from advertising on the bus.

[02:26:57] I want to say Prince William County OmniRide gets maybe \$10,000 to \$15,000 a year. So it's a small piece, but that is one way that we've seen that. I don't know if you all... And we have tried that. We used to write a contract with Fairfax County for their vendor to do advertising.

[02:27:17] And we had very small bites on that because we have a limited geographic area. So we were seeing some advertising on shelters. What some advertisers really want is to wrap the entire bus. But we now have our buses wrapped with our new logo.

[02:27:35] And it also takes away, so you have, so it's a council decision. You know, do you want to cover up your logo for advertising? You know, I know other jurisdictions do this and they have their buses wrapped like Coke bottles or whatever. And it does bring in revenue, not that much. So you can see some.

[02:27:53] It is an option, and we have pursued it in the past, and we weren't super successful. Thank you. Council Member McQuillan? That was my question. I was just going to say, what about advertising? But fine. Council Member Peterson? Just a reminder, the occupancy, the ridership occupancy of the buses, what is it?

[02:28:17] Are they fully occupied, or at peak, are they fully occupied? And the reason I'm asking is whether smaller buses are an option, and I simply don't know. So currently Q-buses are approaching

capacity on many trips during the day.

[02:28:35] They see about twice as many riders as they did prior to 2019, so they're actually pretty full on most trips, especially around the peak time frames. Going back to the question about the additional funding sources, we put that in there as an option.

[02:28:50] We don't really list those out. there are also some limitations on on charter services there's very strict fta regulations on that the primary form of additional funding sources are partnerships and most other transit agencies that have adopted long-term or permanently zero-fare policies and typically those are with major universities major employers council member amos going back to the presentation that we had

[02:29:24] a few weeks ago, were those recommendations also included in this presentation for cost effectiveness in terms of, for example, some of the redesign work, trying to make the bus routes more efficient? Does that help with cost savings at all, or is that not really a factor here?

[02:29:41] So for the transit development plan recommendations, we approach that being a cost-neutral exercise. So it's basically the same levels. Yeah, for when we started the TDP, one of the guiding principles was keep the service hours constant.

[02:30:00] How can we optimize our service within the 35,000 service hours that we provide? So we're assuming the same service levels going forward. Okay, so just to kind of piggyback on that, some of the discussions that we've had at NVTC when we talk about bus rapid transit, the fare-free dash bus has been a game changer for Alexandria.

[02:30:26] One of the things they talk about is the number of young people who take those buses. And so when we talk about issues of equity and who actually rides the bus, yes, it is people with service jobs. It is, I see, when I ride the bus, I see, you know, moms with young kids in a stroller who are taking the bus.

[02:30:44] When I did Read Across America at Providence Elementary, we were talking about the Q bus, and someone said that they rode the bus with their mom when they didn't have a car. So everybody on the bus has a story about why they're on the bus, but having a fare-free bus in Dash has been an issue of equity for them, number one, and I think it's an issue of equity here as well.

[02:31:07] We are next to a university. We have a lot of students who ride that bus, but this is also about businesses, too. Businesses have employees who ride this bus and customers who ride this bus and students who come from the university to their businesses on this bus.

[02:31:23] So this is definitely economic development. But with the bus rapid transit, one of the things they were talking about is the buses can only go as fast as the cars that are in the lane with them, which is why we're looking at bus rapid transit dedicated lanes. But they also pointed out that when people get on and off the bus and they're paying fares, it slows down the bus.

[02:31:45] So when you have fare-free buses and people are getting on and off the bus without having to pay or tap or anything, that it helps to keep the buses on schedule. and so this this was touched on in one of the slides yes zero fare reduces dwell time by two hours per day this is a real thing and if people don't have the right change or the right card or they argue about the fact that it's fare free or it's not or whatever it is all you're doing is slowing down the bus and making it a less attractive way for people to get where they're going on time so this this has so many facets to it besides the budget and i agree with council

[02:32:21] member hall at this stage for what we're talking about the juice is not worth the squeeze for a few thousand because all of these other impacts could mean that the ridership drops or the students coming into the city drops things that are much more difficult to measure the negative impact right now our our ridership is going up it's going up incredibly i mean 53 it's going up people are using the bus and when people use the bus that means they're not in a car when people use the bus it means that they're getting around in our city in a way that benefits the city

[02:32:55] i don't see a downside to more people riding the bus and so i realize that we have to discuss this when it comes to our budget and what we spend money on and there's priorities and competing priorities but i do think that beyond the numbers there is so much more to consider about this fair free bus and what it's done for our community what it's done for our relationship with the university and so you know if there's no more questions I just think this is a great foundation between the two presentations that set us up for a more

[02:33:29] robust budget discussion on the buses that sound good to everyone all right thank you so much for the presentation our next item is the follow-up discussion on the George Schneider trail I'll recognize Wendy Sanford transportation director for the discussion Melanie good evening mayor and council I'm gonna take over for Wendy to start us off are you pulling up this I am so tonight we

[02:34:04] are gonna continue the conversation on George Snyder trail several questions have been asked by councilmember McQuillan and councilmember Hall we have provided the answers to those questions councilmember Hall your questions came in this afternoon we can go over those questions and answers if you would like tonight we are here and available to answer any questions that council has and we're really looking for guidance on the four options that are in front of

[02:34:42] you if you can go to slide three those four options again are funding the difference with 4.6 million dollars of city funds requesting the additional concierge funding from vdot doing some value engineer plans to remove the items and then rebid the project or cancel the project and repay what has been spent to date a couple thoughts for option number two

[02:35:20] With the concessionaire, thank you, not concessionaire, concessionaire funding, there needs to be an understanding that while the mayor can break a tie for requesting the funding, we would then be coming back to you probably in January to appropriate those funds, and the mayor cannot break that tie.

[02:35:53] This was discussed at the last meeting, so we would want to be very clear with VDOT that if we are requesting the concessionaire funding, that we would also be appropriating those funds.

[02:36:10] The value engineering plans, option number three, Dave has had, Mr. Summers has had some conversations with the engineers and can go over some of the areas that he is looking at for value engineering.

[02:36:28] And then for the cancellation of the project and repayment of any unspent funds, we just need to be on the record that regardless of the conversation that happens with BDOT as far as negotiating what needs to be repaid all of that the funding needs to be encumbered with finance so that money will have to come out Mr. Martinez can talk more about what that process would look

[02:37:07] like and where those fundings may come from and i will leave it at that and we are all here open to answer any questions so mr martinez what would so let's just go right to the nuclear option here

um this project project does not go forward and um we are entering into our budget process if we were to let vdot know that the project's not moving forward what would you believe that the

[02:37:40] timeline would be for them to let us know what their intentions are with that because obviously we have to factor this into our budget correct and i would assume that if we were to notify vdot of our intent to not proceed they would invoice us the balance that is owed to them roughly 3.7 million dollars probably within 30 to 60 days within that time prime time frame if not beforehand as i've previously disclosed and discussed with council in accordance with gap

[02:38:19] and gasby i would be required to encumber or restrict those funds from our unassigned fund balance until a decision was formally made of how we were going to repay that what those repayment terms and amounts were going to be that's standard accounting practices when you know or materially likely know that you're going to have an expenditure or a liability you need to set that money aside i would be tapping into the unassigned fund balance amount if you recall

[02:38:55] when we presented the financial review quarterly review a couple of weeks ago we do have available fund balance we are about 17.7 percent the minimum is 15 we would be potentially tapping into that, we would still be above the 15%, roughly 15.6, or about a million dollars more than the minimum threshold that we would be at.

[02:39:21] I would also state that our peers are also double AAA rated in the area. Their minimum unassigned fund balance is about 22%, so we would be relatively low compared to our peers as well.

[02:39:38] That one factor would not, in my opinion, would not automatically say, hey, we're going to be on a watch list or downgraded by the rating agencies, but it does potentially raise an eyebrow, as I discussed, I think, last week. There are multiple pieces of the pie that the rating agencies look at.

[02:39:58] Fund balance is one, debt's another, management's another, economic situation's another as well. So this would go into an encumbrance in our budget. Is there a separate vote that would be taken by the council to appropriate that money back to VDOT, or when they vote on the budget, or when the budget is voted on, is that the vote that would then authorize those payments to be repaid at whatever time VDOT calls that note in?

[02:40:30] I would have to bring a supplemental appropriation to council because this was not a budgeted item, if we're going to pay in FY26 in that amount, and I would, again, identify that those funds would be coming out of unassigned fund balance. So it would have to come back to council as a supplemental reappropriation. So four members of this council would have to vote on the appropriation to move forward with building the trail, funding the trail,

[02:41:04] or four members of this dais would have to vote to appropriate that appropriation, correct? Correct. So either way, four members either are going to appropriate for the trail or appropriate for the repayment.

[02:41:19] What if four members do not vote to appropriate for the repayment? I would hopefully look at legal. Well, I mean, there are a bunch of hypotheticals there. I mean, obviously the ultimate possibility would be that the city might get sued for repayment, in which case we would just deal with it at that time.

[02:41:40] But the funds cannot be repaid. The funds cannot be appropriated to proceed with the project without four votes of council. Okay. Council Member Hardy-Chandler. And so this is for Mr. Lupkeman.

[02:41:59] Is there, the prior vote is in motion, right, to proceed with the trail. The prior vote for the trail is in motion, correct? The current operative motion, the current operative direction by the city council is to proceed with the project as planned.

[02:42:16] So how does that factor into where we are right now? Does option four reverse that or? Option four would reverse that. So to cancel the project, and I think we had this discussion several months ago when this topic came up previously.

[02:42:39] VDOT requires a resolution by the city council to cancel. That does not require four votes of council. that requires a majority of the council, the mayor can break the tie on canceling the project, but the mayor cannot break the tie on appropriating.

[02:42:57] It's a quirk in our charter. You know, the mayor can't break the tie on appropriating dollars over \$500, cannot break the tie on borrowing money, and cannot break a tie on levying taxes. Those are the three categories of items that the mayor cannot break a tie on.

[02:43:13] So you're left, doesn't happen very often, but you're left with this potential dichotomy where a project can proceed but the funding isn't there or a project is canceled but the funding isn't there to repay the amounts that are due so there are a number of moving targets here but as of right now the the only vote that's operative is you are proceeding with the project had the bids come in at or below the currently appropriated funds we would not no additional vote would other than approving the contract which again the mayor could break the tie on and since additional funds I'm sorry, I'll just finish, but since additional funds are required under any option, I mean,

[02:43:51] perhaps with the value engineering, but I don't know how optimistic we are that that could be accomplished, even the cost of that. But because additional funds are required, that requires an additional appropriation by the council, even if these concessionaire funds come in, because they come in, they still need to be appropriated.

[02:44:10] And part of the increase in the bid was because of the time it took to make the decision, correct? we could we contributed to the delay well I'm not a bid expert I'll leave that to other people okay the bids came in at what they came in at I don't know the reasons for that okay other questions or comments on this because what we're looking for you know there's a meeting in NVTa on November 13th and and we are either going to request additional concessionary funding or we aren't

[02:44:47] council member peterson on the nvta meeting i checked the schedule here this evening earlier and just to double check it looks like part of that has been canceled the finance part according to the website and the governance and personnel part is proceeding i'm not sure which part of this involved concessionaire funds this would be on the regular nvta meeting agenda on november 13th at their 7 p.m meeting right at their business meeting right and can you double

[02:45:17] check because i think i just checked that uh november 13th the 5 30 finance meeting is canceled the seven o'clock or the 6 15 p.m meeting committee meeting is on so this you're saying is a regular that goes at seven yeah so the committee meetings are typically before the regular meeting and they often cancel their committee meetings but the regular meeting is at 7 p.m. And as far as I know, that is on. Okay. All right. And then on November 19th,

[02:45:51] the NVTa PCAC, it's a policy committee meeting, takes place. And concessionaire funds are on that agenda also for review and discussion. And normally the process, because that's an advisory

committee, is that flows upward. The PCAC does not have a role in the recommendation to the CTB for the concessionaire funds this is an item that would be on the right that is typically on the NVTa regular agenda and and that is it but it's on the agenda for the November 19th I have not

[02:46:26] what is the I have not seen the item for PCAC it's often the the the NVTa is briefed on the status of concessionaire funded projects and that might be what the issue the item is but I have not seen the agenda so I don't know okay all right thanks so five remains that this is on the agenda for the 13th and so and i'm the representative to mvta councilmember hall thank you um councilmember quillen asked a bunch of questions and i just want to point out one response of them the question

[02:47:04] specifically came regarding the build i'm sorry the bid being 4.6 million higher and can staff explain what specifically caused that increase and whether there's confidence that no further cost escalations will occur and previous count i'm sorry previous city manager foster's response said the engineer's estimate for the project in august 2023 when the project was anticipated to go out for bid was 12.25 million after that time the project was paused we most recently updated

[02:47:39] the estimate prior to bid in october 2025 and it was 14.9 so this project was on hold with a previous council from august 2023 until october 2025 so portions of one council and portions of another council the available funding would likely have been sufficient had we bid this project in late 2023 the delay of approximately two years is what we believe led to the high bids um and then

[02:48:15] with regard to cost escalation it just says bidders are required to honor the prices they quoted with certain contingencies so i just want to point out that it was not this council alone that caused a delay in this going out for bid so august 2023 until we took office in january 2025 is a significant time period as well so we have a part in this as well but so do others so i just i don't like the finger pointing that i think has been going on in lots of areas um so my takeaway

[02:48:50] on this right now is that we have four windows that are open and that's how i'm looking at this and i don't want to close a window until we have completely opened a door so i am very comfortable moving forward with option two which is requesting additional concessionaire funding from vdot with the expectation that we make it clear to vdot that we do have council members who are not 100 certain that they are willing to appropriate the funds and i think that is as fair as we can say it we want to have the information we want to know what they're going

[02:49:27] to say but we are not guaranteeing that we are going to take that option and i think if if we We are clear on that, because that's exactly where this council is, then I think that's the most upfront, honest answer that we can give. And personally, I don't think we need to debate this late into the night, because I don't think that there's any other conversation to be had besides that.

[02:49:47] My only suggestion, and then I'll concede the floor, is that I recognize you'll probably be going to the meeting, Mayor Reed, and I think Council Member Peterson is an alternate for that, and I think it might be best if you both went together, so that way we could at least make sure that we are making sure that both thoughts and opinions are being shared thank you council member hardy chandler i appreciate the support for option two and keeping the options open i just want to highlight that you know city council is continuous and sometimes

[02:50:22] we inherit the decisions of prior councils just as future councils will inherit our decisions so the we is collective, but I do appreciate the consideration of giving the timeline. There are time pressures

for some of these decisions, so I, too, support seeing if we get the approval on the 13th.

[02:50:47] Councilmember McCullough? I agree with all of that. I'm in the same boat. I am comfortable with Councilmember Peterson and Mayor Reed going to the meeting to see if we can get additional concessionary funding but i agree that i think that's the fairest ways to just explain it the way council member hall did um that there's no assurance that we're going to appropriate the funds but that we want to keep all of our options open and really explore everything thank you council member bates um yeah i uh as i said last time i definitely support requesting

[02:51:25] additional concessionaire funding and uh as i've also made clear in the past do not support canceling the project and I also want to apologize to VDOT and to the community for my role in pausing the project to begin with you know I wonder if with all the division vitriol and this funding their cost increase if we had just gone ahead with it back then maybe we wouldn't even be here now councilmember

[02:52:01] Peterson just a clarification so we have four options and I think what I heard is an interest in all four options and understand and for VDOT to understand we're interested in all four options as well as the understanding that with respect to option two we are not at the stage where we can commit to an appropriation of those funds is that the correct interpretation from those who

[02:52:37] in favor of this my already Chandler sorry my position is a little different I align with what councilmember Bates said I'm in support of pursuing option two I am NOT in support of color of canceling the project but for the 13th we all need to support too so I think that's a good place to start where we have at least common ground there councilmember Amos not to belabor but

[02:53:13] What it sounds like is keep all options open for the 13th, check in with VDOT about option two, but also with the caveat that they understand that there's some division here and that it's going to require additional negotiation and that it's not a guarantee.

[02:53:30] And I'm happy to relay all that as the representative to NVTA. The meeting is live streamed and everyone can watch the meeting. I don't think I need to be escorted since there is no role for Council Member Peterson into play at this meeting, but it does speak volumes about the fact that this council thinks that perhaps I need to be escorted to the meeting so that I am appropriately relaying to the NVTA exactly what we've discussed here.

[02:53:58] So I'm happy to let NVTA know that we are looking at requesting the funds and that there currently is not, there are not, four votes to appropriate. That, at the bottom line, that is what has been discussed here.

[02:54:16] We are requesting concessionaire funding. This council is requesting concessionaire funding, but there are currently not four votes, which are required, to appropriate the funds to complete the project. Mr. Lubcomer. Mayor, if I could just make a suggestion, just respectfully.

[02:54:34] I think that last statement of yours may have been just a little strong. I don't think there's any discussion one way or the other about whether there are votes to appropriate. Then I'm happy to just say we are interested in pursuing additional concessionaire funding. Councilmember McQuillan.

[02:54:51] I would just like to remind you, Mayor Reed, that you were the one that presented the idea of having Councilmember Bates accompany you to the last meeting. So that's actually where that idea came

from because you wanted Councilmember Bates who had one perspective or one goal in mind and had one side of it.

[02:55:09] You were for the trail, and then you had proposed another person to go that was for cancel. So we got that idea from you. So it wasn't anything to cause any disrespect or to babysit you at all. It was your idea. That's where it came from.

[02:55:25] So I just wanted to clear the air on that. The meeting you're referring to. I'm sorry, I was still speaking, but that's okay. The meeting you're referring to was with VDOT. It was not an NVTA meeting with representatives from jurisdictions at a regular regional monthly meeting.

[02:55:42] Two different types of meetings, two different bodies. Council Member Peterson. Well, so one suggestion, perhaps this is a staff-level suggestion, and perhaps it's already implemented, but if not, this goes across all of our regional boards and commissions.

[02:56:04] I serve on eight, and a majority of them I serve as our city representative, but some I serve as an alternate. The same is true for the mayor, for other members here. I think it would be helpful for both the primary representatives and the alternates to be copied on the correspondence.

[02:56:22] involved in all of these meetings there's you know all good reason for alternates to be equally informed as primary representatives and I think that there may be any number of reasons why it's not a bad idea for more than one person to attend these meetings I certainly would not have any difficulty with anybody who is an alternate to the meetings that I'm involved in being able to attend as well councilmember Amos these meetings are public we're good Melanie do you feel like we provide an adequate direction on next steps or

[02:57:02] Wendy yes yeah okay councilmember Peterson before we close mr. Lubcom and I think there was a difference in what you said and what the issue we're trying to be clear on here which is to remove any confusion over what is implied and intended by any endorsement at this stage for accepting these funds and what we heard I think initially from our acting city manager was the need to impart an understanding that by accepting we are appropriating and I

[02:57:41] think that is clearly not the intention of this body at this stage and that should be made explicitly clear we'll leave it to the representatives to the meeting to communicate that. All I was saying is the mayor said that there was no votes to appropriate. You're not appropriating at this point anyway, so you're just leaving all of the options open. However you all choose to communicate that message, that's entirely up to whoever attends the meeting. We were just presenting to you what the requirements are going to be if and when these funds come, and you have a follow-on decision to make in January or whenever

[02:58:18] it comes forward, that that will be a different vote threshold than what is being done this evening by consensus council member Hardy Chandler so I think we've made the decision to support the meeting on the second I think part of the nuance is that if they approve the funding it would essentially and please correct me if the summary is wrong put us back to where we voted you know it would close that gap of where we were when we voted to proceed with the project in the first

[02:58:50] place. Is that one way of putting it, or is that not? Had there not been a gap, we wouldn't be having this conversation. So if that gap is filled, it puts us back in the same state when we made the vote to pursue, correct? So not to belabor the point, had there not been a gap, you wouldn't be going to get the

additional concessionaire funds, and your next vote, and perhaps the last vote, would be on considering whether or not to approve the construction contract. Because there's a gap, two is one well essentially options one or two come into play because there is a

[02:59:28] gap right it and so you're trying to keep based on the discussion you're trying to keep all the options on the table so we will move forward with the option right to see if they will approve closure of that gap and there are the discussions after that I'm fine with moving on all right it seems like we are going to move on machinery okay our last items a discussion the city of fairfax 2026 legislative program when recognized melanie zipp or acting city manager for the

[03:00:01] discussion good evening mayor and council while melissa pulls up the presentation i will just say that this is our first stab at the legislative program for 2026 i have a legislative liaison regional meeting on friday everybody is waiting until the results for tonight and a lot of sand

[03:00:34] will be shifting once all of that comes to light what what happened tonight so as we go through this i'm not going to go through the entire plan you'll see that there's a lot of strikethroughs and additions when i bring it back to you for the public hearing it will be a much cleaner and will include the regional positions that i have received from my counterparts in the region

[03:01:03] so if we can go to the first slide sorry um just to give everybody awareness you all obviously know this our citizenry may not our delegation for the city of fairfax is senator saddam saline for the 37th district and our house delegate is david bulova for the 11th district and the way that we build our plan is using the council goals the values that staff has created and then our

[03:01:44] strategic plan any regional projects and programs that are going forward and then obviously input from next slide all of our stakeholders partners vml virginia municipal league their legislative program we usually incorporate that into ours fairfax county we lean heavily on fairfax county because we contract with fairfax county for majority of our human services our library our jails and other programming our schools obviously

[03:02:23] So a lot of those sections of our plan come from Fairfax County because we want to make sure that we're in lockstep with our providers. We also look to our school board and the county school board, all of our city boards and commissions, our legislative partners in the region, Alexandria, Arlington, Falls Church, Loudoun, and Prince William County.

[03:02:48] And then several associations that our department heads are members of. Valgate is our IT. APA is Planning. CSB is Human Services.

[03:03:05] FCPS, NVT, NVTC, WMATA, EMWA, Northern Virginia Regional Commission, and then Northern Virginia Waste Management Board. Next slide. These next two pages are the priorities from FY25.

[03:03:25] Would love to have a conversation with you about these priorities. It would be my recommendation that these priorities remain. K-12 funding still is not to where I think everybody in the state would like it to be as far as what the state provides to all localities for funding.

[03:03:49] The 1% sales tax for schools is a huge priority for the city of Fairfax. Looking at affordable housing, anti-rent gouging. Last year there was legislation to allow localities to create their own ordinances related to rent gouging.

[03:04:10] That did not pass. And I would suspect that a lot of the legislation that was vetoed over the past two years will probably be coming forward in this session.

[03:04:27] SLAF funding, Stormwater Local Assistance Funding, is always in need of support. HB 599, you hear a lot about this. This has to do with when the state put a moratorium on annexation.

[03:04:45] They also promised to provide funding to local police departments. They have never lifted the moratorium and keep reducing the amount of funding that they give to local police departments, so it's not equal.

[03:05:01] And then, of course, all of the unfunded mandates that come from the state without funding and we or our partners are required to fulfill. So FY26 legislative program items for discussion, These are items that over the past several months, somebody on council has brought up as wanting it to be a legislative item or their items that we have had previously and would like to, at a staff level, keep pushing forward.

[03:05:42] The charter amendments will go in our legislative program. They have not been forwarded to the state because the pre-filing doesn't open until November 17th. Once that opens, then we will send our resolution down requesting that our charter changes be added.

[03:06:00] But we will also keep that in our program so that it gets shared with our delegation and all other delegates and senators that are down in Richmond. The 1% sales tax for education, speed cameras.

[03:06:18] We currently have been successful in getting the speed cameras in school zones and in construction zones. We would love to get them in high pedestrian areas, specifically in Old Town where it's really difficult to pull somebody over for speeding because there just is not room on the road to do that.

[03:06:40] It would be an ideal place to put speed cameras for that purpose. always looking for the general assembly to remember local authority in all areas taxing land use especially so just keeping that drum beating for the city of fairfax our foia request is that our elected bodies be treated the same as our other boards and commissions and be allowed to do a certain number of all virtual meetings majority of our boards and commissions can do

[03:07:17] I think it's 25 percent or two all virtual meetings they can't be consecutive but it gives them that opportunity especially if there's poor weather or you're just having a hard time getting everybody together you can do an all virtual meeting. We would love to standardize the advertising notices and allow us to just post on the .gov website as opposed to putting it into a newspaper our newspaper of general circulation is the fairfax times um if we first i'm sorry

[03:07:55] washington times not the fairfax times the washington times the reason it's not fairfax times is because of their um publishing deadlines we have looked into them many times over the years when i was the clerk um it just doesn't work with how we move forward with our advertising requirements. If we can't get notices in the Washington Times, we then go to the Washington Post. It is extremely expensive on both cases, so .gov would be free. Income-based progressive

[03:08:32] real estate tax structure, that is most likely a regional and probably statewide request. Anti-rent gouging authority. Data center reform requiring environmental disclosures and grid impacts and fair transmission of cost allocation next slide this is our legislative cycle tonight we are just presenting the program for your first look i will have my regional meeting on friday

[03:09:06] november 18th we will hold the public hearing on the 26th legislative program hopefully hear some feedback from the citizens on priorities that they would like in the program december 1st is the moment when all draft legislation needs to be pre-filed with the department of legislative services the only the only code language that we have currently is our charter amendments they will

[03:09:38] be pre-filed so that that that is is done if there are specific state code language changes that we would like i will need to know that probably by the november 18th meeting so that we can get that down ahead of time and get them to start working on that process it then comes back and we get to edit but just to get it all down there december 7th december 2nd we'll have a work session on the proposed legislative program especially if you have a lot of input

[03:10:18] and changes you would like to make to it if there aren't a lot of changes after the the public hearing then we can cancel that work session if needed and then december i'm sorry that's supposed to be december 9th is when we will ask council to consider the legislative program for 2026 to be approved and sent down to the general assembly january 14th begins the 26th long session which

[03:10:49] is 60 days. As most of you heard, there will most likely be over the 3,000 pieces of legislation that they will go through. It is a fast-paced process that they work through, but that is when it starts. Any questions or additions? Council Member Amos and then Council Member Hall.

[03:11:14] Just a question and a comment. Thank you for this presentation. I don't see an issue with the data center reforms I'm just curious on is that just to be consistent with the county on that one since we don't really deal with that okay the the second item as and I don't even know how you would add it as an addition but considering that part of the cost allocation with data centers is a concern I'd be curious on just also the price gouging from a sense of utilities such as right such as Dominion Energy and I know that's been discussed before but I think that's something that we will want to crack down on at least from a local perspective is how can we make

[03:11:53] sure that utilities stay somewhat affordable considering the rising cost burdens especially for renters mayor council member hall yeah just a quick one on the utilities historically the state has preempted local authority on utility regulation but this particular issue as you mentioned is very much hot and center center stage in Richmond for the coming legislative session as you probably read any one of a number of articles on this on this issue especially with the data centers eating a lot of energy and what that what the effect is on residential and

[03:12:31] and commercial bills. Councilmember Hall. Thank you and just to touch on that as well it's also an impact on those that don't get the tax benefits of living in data center places so it's unfortunate um just to confirm the income-based progressive real estate tax structure you said you thought that was more of a state level thing what exactly is that do we need to be worried about that or something we need to be involved in so um and i'm i'm not completely up

[03:13:03] to speed with it but it is it's really there aren't a lot of steps to the to the income tax structure right now so somebody who is making under a hundred thousand something like that is paying the same percentage of income tax as somebody who's making millions okay so it should say income tax not real estate tax okay that makes perfect sense then because we we did discuss that when we were at the meeting i'm sorry i wasn't totally done yet or was your question about this

[03:13:40] Okay. Yeah, actually, this is something that I brought up. And actually, I did mean the local real estate tax, because we can have a bracketed tax structure for the tax relief program. But my understanding is we don't have the authority to institute a bracketed structure for the real estate tax overall. And we talk a lot about how just the flat real estate tax is not really sustainable being our primary source of revenue. And so my thought was that if we at least had the

[03:14:17] freedom granted by the state to explore something like that, that that could go a long way toward making it, you know, relieving a lot of the burden on lower and middle income homeowners in the city. And if, you know, if there weren't any other issues or anything, you know, and if the state were to even grant us that authority to begin with.

[03:14:39] But actually, the state income tax was also another issue that, you know, Ms. Zipp was spot on about that as well, that the, as I recall, the state income tax brackets also, you know, kind of stop at a pretty low income level, and then it's just kind of a flat rate beyond that.

[03:15:02] So that is also somewhat perhaps regressive, or at least not nearly as progressive as the federal income tax. Yeah. Thank you. So actually the income tax, I'm not sure where I feel about the real estate tax, but open to conversation once we have more information, but definitely the income tax and allowing local authority to designate a tax at the city or local level. I know they do this in all of the counties in Maryland, depending on where you live, you pay an additional tax in addition to your state income tax. A lot of other localities do it. Of course, Virginia needs to get the authority to do it. The other two things that I have spoken about previously

[03:15:41] at different times is some sort of invasive species assistance. As I said in another meeting, it's much easier to keep your house clean once it's been deep cleaned. But if you have to go in and do all the deep cleaning yourself with regard to the invasives, it's a lot. And then the other thing that I had spoken about with um senator salim is the ability of localities to tax medicinal marijuana or medical marijuana um you know we have uh beyond hello here and it's a huge source of revenue and we get pretty much zilch from it so I think that that

[03:16:21] would be something that could be really really helpful to localities like us thank you council member peterson going back to the uh data center issue thanks everybody for raising that and this came up in our regional uh local elected regional and local elected officials meeting I would be interested in knowing a little bit more about what exactly is proposed at this stage and um guessing that there's more that could be added to know how we could go about doing that and let me just say

[03:16:59] there are a couple pieces of that. As the text we have in front of us mentions environmental disclosure, it doesn't mention environmental requirement or investment, which is actually something that is happening, for instance, in the state of Maryland. So legislation is being more proactive in terms of requiring data centers as they're coming in to do various things, including setting aside some funding. But the environment we're walking into is one where potentially

[03:17:32] we're going to see significant increases in electricity prices. Obviously, a lot of impacts on residents, businesses, et cetera. But if that happens, what that means is that suddenly a very significant supply of renewable energy and energy efficiency options become cost-effective.

[03:17:54] and that will help fill the supply gap and it's a win-win because it does it in a way that's environmentally beneficial it also mobilizes the electrons and we need everyone we can get in this era to

close the gap it's particularly important because federal incentives were removed for those very supply side responses but when the market sends the signal with a higher price If the market is functioning correctly, that means that we're going to see a supply response Problem is there's a mechanism a very specific specific mechanism that is required to enable the market to do that

[03:18:34] It's called an integrated resource plan through Dominion Energy among other things. This came up in the meeting as well I really don't know how all of these dots connect your point Mr. Love come and I think is a very critical one here in terms of understanding What exactly fits within the legislative arena, which fits in other arenas.

[03:18:53] But I think the data center issue is huge. And I think the pool of renewable energy and energy efficiency options that can help address that is huge. And that it would be in the interest of the region collectively and the state to ensure that a mechanism is in place to allow the maximum market response that is going to possibly be available here.

[03:19:21] so i'd love to know where this stands in these conversations and what we could do to add our voice of encouragement to something that would be considered by the general assembly to do this and i don't know the answer to that i just think it would be great to know more and be in a position to add our voice to a more complete package of things here mayor yes yes i will definitely bring this up in my regional meeting fairfax county will be there loudon county will be there prince

[03:19:59] william county will be there i'm sure it is on the top of their list as well and find out how we can we can help support that to council member hall for the invasive species we do have a new section on invasive species i will read through it again to make sure that there's something in here about funding mechanisms from the state for invasive species removal. And then for the medical cannabis use, we do have a section in the local taxing authority related to recreational cannabis use

[03:20:39] and the allowance of a locality to tax that. I will tell you that because it has not passed yet, The taxing structure seems to keep getting whittled down on the local side of it, so I'm hoping that that doesn't happen more, and I will see what I can do about adding the medical piece to that and what that means.

[03:21:06] Any other questions, comments? Well, I think we're probably one step closer to a 1% tax with the election of Abigail Spanberger this evening. There's a lot of reason to be hopeful that if this should pass again, this legislative session with a different governor, we will actually see the possibility that this will be a factor in our future budget.

[03:21:35] so that's kind of a good thought to end the evening on if we don't have anything further then I'm going to adjourn the meeting at 10:21 p.m. yes councilmember Peterson we do not do council comments we don't we don't not work sessions we don't we do that at regular meetings great okay adjourned at 10:21



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