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[00:00:00] Okay, good morning everyone. Still morning. Yep. Good morning and welcome to the November 28th meeting of the Fairfax County Board of Supervisors Housing Committee. Before we get started, we did distribute a set of minutes from the last meeting. Does anyone have any questions or

[00:00:35] suggested changes to those that document if not it will stand as a record of our last meeting okay so we have a agenda today that includes the housing choice voucher program implementing real market payment standards this is uh tom and his team will explain how important and significant this is because it can help us disperse uh affordable housing vouchers across the county and also result in monetary gain for those who are using the housing vouchers.

[00:01:15] We're going to talk about recommendations of the Workforce Dwelling Unit for Sale Task Force. There's policy changes that we as a board are going to have to decide whether we're willing to make going forward, and there are suggested administrative updates that we'll also want to weigh in on but will not require board action.

[00:01:40] And then finally, Fairfax County Relocation Guidelines, principles for discussion. I think this has been kind of a year-long process where we did pass a comp plan amendment back, I think it was in March.

[00:02:01] And then fairly recently, we passed the administrative guidelines. The board adopted them. And now we're looking at considering a draft relocation guidelines. and they are I would say quite complex and will have serious significant consequences and so it's it's going to be a process it's not just today I think they're anticipating that there will be approved or accepted sometime in the summer of next year so anyway that is what we

[00:02:40] have on our plate. For today, I am going to turn it over to Tom Fleetwood and ask him to get us going. Thanks, Tom. Good morning, Mr. Chairman, members of the board. Tom Fleetwood with the Department of Housing and Community Development. I'm going to turn it over immediately to our Deputy Director for Operations, Amy Ginger. Thank you, Tom. Good morning, members of the board.

[00:03:07] Amy Ginger with the Department of Housing and Community Development. Leslie, the presentation? Oops, goodness. There we go. I'm pleased to be here this morning to provide information on an exciting and important change coming to the FCRHA's tenant-based housing choice voucher program, which assists over 4,000 low and extremely low-income families to rent housing units in the private rental market in Fairfax County. The information I'm going to walk through

[00:03:46] this morning is covered in more detail in the not in package memo you received on November 15th. First, I'd like to provide some background information on payment standards. Payment standards are a cap on the amount of assistance a public housing authority can provide to a participating family, to a landlord on behalf of a participating family.

[00:04:08] Public housing authorities, such as the FCRHA, set payment standards annually based on fair market rents, which are referred to as FMRs, published by the U.S. Department of Housing and Urban Development. Up until 2016, FMRs were set at broad geographic levels nationwide.

[00:04:28] In 2016, HUD made a significant policy change in how FMRs were set. HUD transitioned to what are called small area fair market rents, which are fair market rents published at the zip code level. HUD implemented this policy change for certain metropolitan areas, including the one Fairfax County is a part of.

[00:04:48] HUD made this change to promote residential mobility and to reduce poverty and racial concentration in the voucher program nationwide. HUD's commitment to small area FMRs was recently reaffirmed and expanded just last month when additional metropolitan areas were added to the list required to use small area FMRs.

[00:05:10] Now, nearly all metro areas in the United States are covered by small area FMRs. While this rule policy change was published in 2016, its full implementation was delayed until April of 2018.

[00:05:29] At that time, HCD staff analyzed the potential impact of implementing HUD's small area FMRs as written, and it was estimated that due to significant cost increases, up to 600 families could have been terminated from the program at that time.

[00:05:44] The FCRHA therefore made the decision to decouple entirely from HUD's fair market rent structure using its moving to work authority. The FCRHA was granted this authority by HUD in its fiscal year 2019 plan.

[00:06:03] The FCRHA implemented a new approach to payment standards in two phases. In the first phase, we simply used updated current local rental market data to set one payment standard by bedroom

size for the entire county. This was implemented in March of 2019.

[00:06:22] Now we are beginning to implement phase two, which are called real market payment standards, and those are payment standards set by geography. Real market payment standards are the FCRHA's unique implementation of HUD's small area FMRs. The payment standards use current local rental market data to set payment standards by zip code, and then those zip codes are grouped into zones.

[00:06:49] There are three zones, yellow, green, and blue. These zone payment standards will replace the one county-wide payment standard, and in zip codes where the cost of renting is higher, the payment standard will be higher. As you will see in the coming slides with a chart and a map, the payment standards reflect the heterogeneity of the housing market here in Fairfax County, and they're not necessarily contiguous. So here is a chart that compares the current county-wide payment standard that is the top row with the real market payment standards by bedroom size. As you will see, all

[00:07:26] zones will see an increase in the payment standard amount. The local rental market data shows that county-wide rents have increased significantly, with some areas having higher rents than others. Next, we have a map that shows how the zones play out across the county.

[00:07:46] As you see, the Fairfax County rental market varies widely from zip code to zip code. And finally, as I mentioned at the outset, this is a really positive and important change for the tenant-based HCV program in Fairfax County.

[00:08:04] The real market payment standards are tied to market conditions. We are using current local data in a more responsive way. These standards are anticipated to facilitate greater access to all parts of the county for the RHA's tenant-based voucher holders.

[00:08:23] The real market payment standards help Fairfax County to realize HUD's intention with the small area FMRs, as well as the county's commitment to one Fairfax and the recently adopted fair housing plan. All areas of the county will see an increase in the payment standard, and some HCV households will have an immediate decrease in their housing costs.

[00:08:44] Implementation has begun and will continue over the next few months, beginning in December through March of 2024. And with that, I will pause and take any questions. Thank you, Amy. I really appreciate it. I just want to say, Tom reminds me frequently that we are lucky to have a renowned expert on housing choice vouchers on our staff.

[00:09:07] And so we really appreciate the work you're doing there. Does anyone have any questions? Yes, Mr. Chairman. Yeah, just two really quick ones for clarification. The increases that are in here are obviously very helpful to the tenants. They are covered by HUD, or they are something that the county has to cover the cost of?

[00:09:27] That's an excellent question, Mr. Chairman. HUD does not offer additional funding for these increases. The FCRHA annually has to manage the budget authority that we are provided by HUD. So we have a good set of reserves that we have built up over the past few years, And while we are anticipated, based on our most likely model, we're anticipated to dig into our reserves a little bit over the next three years.

[00:09:54] By hopefully year four, we'll be back to a static level. So I guess one of the things we just finished our legislative meeting, I'm wondering if this is the type of thing we should be also lobbying the

federal government to support this differential, because it clearly is necessary.

[00:10:12] It's clearly more scientific than what we have now, but it's also clear that the amounts are going up in every category, which if you have a limited ability to fund these, you know, then the logical next questions are, are there people who will not get vouchers because of this, you know, number one?

[00:10:30] And then I guess number two is we're looking to build more affordable housing in every corner of the county, and we know that some of those projects are relying on potentially having house choice voucher residents. Do we think these increases in amounts make that more appealing for the development community to build new affordable housing, or do we think it just doesn't really move the needle one way or another with the numbers that we're talking about?

[00:10:56] Thank you. To your first point, I think we would always be supportive of advocacy for additional funding from Congress. It has been many, many years since Congress fully funded the Housing Choice Voucher Program, and that is true for the FCRHA as well as every housing authority across the country.

[00:11:15] So fully supportive of advocating for additional funds. To your second question, the increase in the payment standards would absolutely be appealing to anybody in the private rental market. So as you say, in all four corners of the county, some of the areas of the county where we don't currently have many voucher holders, this increased amount should allow voucher holders to have the opportunity to rent in those higher cost areas.

[00:11:43] And that includes both existing stock of people who might allow somebody to enroll in this program that they're one-on-one renting a property to, but that also holds true for potential development proposals that we look at that are somewhat based on that as well.

[00:12:00] In other words, new construction of, you know, you might have 100-unit development of affordable housing where you're expecting 10% to 15% of that to be house choice voucher residents. Obviously, that helps make that pencil out a little bit easier, I would think, in areas of the county where right now it's difficult.

[00:12:18] It does. It should be noted that these new amounts do not apply to project-based vouchers, which are often what the housing authority is awarding to new contracts. That is a decision that the Housing Authority made back in 2017 or 18 that we would not be applying these new payment standards to project-based vouchers.

[00:12:40] Probably no benefit there other than down the road if someone were to come in with a voucher to rent a unit in one of those. A tenant-based voucher. Got it. That's right. Thank you. Yes. We're going down. Thank you so much, Mr. Ginger. Very brief question. Do you expect the number of recipients of vouchers to be impacted by these changes at all?

[00:13:02] Thank you for the question. We do not. We expect to be able to hold steady for several years until we could potentially increase the number of voucher holders coming from the waiting list again. Okay, so steady and then increase. Hopefully. Thank you so much.

[00:13:17] You're welcome. Yes, Supervisor Leska. Thank you, Mr. Chairman. I'll just say I appreciate the thoughtfulness of this presentation and will acknowledge that just looking at the zero bed unit current versus blue zone, it's about 30 percent.

[00:13:34] And on a six bed unit, it's about 27.88 percent. So it's a certain it's a significant delta as it relates to the amount that can be paid. So I just want to acknowledge that. and then I'll say I really appreciate the idea that we can have folks have the opportunity to move to different areas for the county. I think this is kind of maybe inherently been kind of an issue in the past and looking at the flexibility now especially when you look at the blue zone you're pretty much the entire county so that is going to be great for the folks who are going to

[00:14:12] be making that decision about where they might live where their kids might go to school so I just want to acknowledge that. And I do appreciate that it's not going to cost us opportunities for folks to live in these units. So I also wanted to make that point as well. So thank you, Mr. Chairman.

[00:14:33] Thank you. Two quick questions. Interesting that we've got four, five, and six bed units. How many of those fives and sixes do we have in the county? Because I know that we've always thought we needed more at least fours but I was a little surprised to see this and then I have one other question. Thank you for the question Supervisor Gross. We actually do not have a lot of five and six bedroom units in Fairfax County available for rent and very few voucher holders at that bedroom size. We do just similarly we have very few zero bedrooms. We project payment standards

[00:15:12] for the whole range. So most of them are going to be one, two, and threes. Yes that's right. And this may be getting into the weeds, and maybe you've been able to adjust for this, but under the small area of fair market rents, when you're looking at a zip code, this is for HUD, and we've decided to do something different.

[00:15:29] I'm looking at 22041 in Mason District. You've got Culmore literally hard up against, I mean, the fence line with Lake Barcroft. So you've got very low-income people with very high, well-educated people.

[00:15:46] So how does that, I mean, averaging it out would give you a skewed number. Do we need to worry about that? Or have you adjusted somehow mathematically for that? Or does that happen around the county? And so it's just sort of, that's the way it is.

[00:16:03] Excellent follow-up question as well. It does happen throughout the county. I can tell you it happens throughout the nation as well, both at HUD and locally. When you look at trying to set the payment standard at any more of a finite level than a zip code, it's almost impossible to get enough data at that level. So zip code kind of has been determined to be the most practical level at the lowest level and most practical level at which a payment standard can be set. So it's not perfect, but I think it's the best that we and quite frankly the rest of the country can do. And we do just kind of

[00:16:41] run into these situations where you have a road and one side is one way and the other side is another way okay so you you sort of adjust for that as you go along it's the best we can do at the moment yep thank you thank you mr chairman and supervisor i'm gonna miss you because you asked my question i was gonna ask um so and i was gonna ask can we not use census tract and i guess you're saying no there isn't enough data to do that so i won't i won't belabor it um i did want

[00:17:14] to ask, you know, in setting these standards and just looking at the blue zone, a two-bedroom unit, $2,650, did we have conversations with property owners or landlords to try to determine, okay, you know, because you have multiple issues with housing choice vouchers. I mean, one is it doesn't make financial sense for the property owner or landlord, right? They're not going to rent it at $1,000 less per month than the market rent. But presumably, you know, there are other

[00:17:50] hurdles that a landlord might feel perceived or real to renting to someone with a housing choice voucher. So, you know, is it the case that on average, we know that we need to be slightly above the market rate to encourage or convince a landlord to rent to someone with a housing choice voucher, or if we meet the existing market rate, they're, you know, half of them are willing to do it because they know it's guaranteed at least for a set amount of time. Or what are the

[00:18:24] dynamics to get more landlords? Because just looking at these blue areas, right, how do we get landlords to participate in the program in the blue parts of the county? Thank you, Supervisor Walkinshaw. That is a long conversation to have. I will try to keep it high level. It's something that HUD nationally is looking at. In general, HUD increased the number of landlords that are willing to rent to HCV participants. Thankfully, here in Virginia, we have source of income protection, so it makes it a little more difficult for a landlord to reject a voucher holder.

[00:18:58] There's many dynamics at play. Certainly, meeting the market is a huge step forward in getting landlords to participate in the program. To use your example of the two-bedroom unit, prior to this change, we would be asking a landlord in a blue area to give up $700 a month in rent, and that is a very almost non-starter conversation. So there, and you're absolutely right, there are other barriers to participating in the program at HCD and at the FCRHA. We are looking at other ways to incentivize landlords to participate, potentially providing security deposit assistance, a damage remediation fund. We're beginning a landlord engagement initiative where we're trying to

[00:19:38] reach out to landlords in these blue areas to see if we you know can convince them the pandemic did teach landlords that the voucher program is an amazing asset because regardless with what was happening with the incomes of participants they were still receiving rent from us so that is a very large selling point for landlords that regardless what happens to your tenant you are going to get at least 70 percent of your rent from us so thank you you're welcome yes mr harry So if I heard you correct, I think while nobody's going to lose housing because we've got enough funding to cover,

[00:20:17] we're going to be dipping into our reserves, but we're also not going to be able to help additional people because there's just not going to be money because these have gone up. At a high level, how were these calculated? So thankfully I have the expert back here in case it gets too detailed.

[00:20:33] What we used is a local subscription service called CoStar, and we used the two-bedroom rents, And we estimated the market rent at between the 40th and 50th percentile of the rents, which is very similar to what HUD uses. HUD sets it at 40th percentile.

[00:20:49] So you're actually kind of taking out luxury units as an option because that's not the expectation of the voucher program. Available units or rented units or both? Do you know? Both. Both.

[00:21:05] Okay. Thank you. So you did that? And then we set the amounts based on that. There were some cases where there wasn't data. We had to make some estimates. Again, we sort of looked to how HUD has done it over the years because that's a longstanding methodology that's pretty widely accepted.

[00:21:26] Have we had people not leave the program because the amounts weren't sufficient? We have had participants that have struggled to lease up because the amounts were insufficient. They haven't left the program. Their choices were, I would say, limited.

[00:21:43] They may have had to only surge in a certain part of the county where the amount was enough. So, you know, my big concern here, obviously, is if you get a bunch of people going to the blue zone, all of

a sudden you're helping 30% fewer people because the numbers are 30% higher.

[00:22:03] And are we going to limit people, the number in each of these zones, or people can pick whatever zone they want to, which means that if everybody goes to blue zones, we're helping 30% fewer people? Thank you for the question, Supervisor Herity. We're not able to do any limiting. It is the Housing Choice Voucher Program, which offers participants in the program choice anywhere in the country. So we will not be limiting. It's interesting to note that currently our participants fall almost equally across the yellow, green, and blue zone. So it's about a

[00:22:40] third, a third, a third, with yellow and blue being within 40 of each other, and how many are there. And actually, the green zone has the fewest. So we're already throughout the county, but there are pockets in some of those blue areas where we have almost zero reach.

[00:22:58] That could be because there's not rental housing there. It's hard to know. But certainly, you know, as we do each year, we will be closely monitoring the impacts of this, how many we're helping, where we're helping them. We've made, we've forecasted, we've made some models based on best guesses, but as we do every year, we have to watch it and see what happens.

[00:23:20] So then that kind of begs the question, if we already have the spread, do we have to go with the different zones or could we stay with the single number? We actually do have to go to some sort of geography-based zone. And HUD only granted us the authority to do that in our moving to work plan, given that we would eventually move away from one payment standard countywide.

[00:23:44] Okay. All right. Thank you. Thank you. I think the board, I think, generally is very supportive of that, making the school county potentially a place where you can use these vouchers.

[00:24:02] I just want to say, you know, in the importance of this change, several points maybe but you know he does say the county's commitment to one fairfax regional fair housing plan and the housing mobility efforts led by hud so these are big time policy issues that this is very supportive uh and advancing so i appreciate your efforts on this and the housing authority i guess was uh involved with the uh decision making but uh you know it's a good program thank you okay well that was the that was for the purpose of educating the board on a major

[00:24:36] change in the housing, what's happening in the housing world in Fairfax County, but no action required on our part at this point. We will move then to the Workforce Dwelling Unit for Sale Policy Task Force recommendations. Tom? Mr. Chairman, I'm pleased to introduce Candace Bennett of the Planning Commission who chaired our task force, along with Anna Shapiro, Deputy director and Megan Van Dam affordable housing division director thank you good

[00:25:13] morning so we're here to share with you the recommendations that came out of our task force this past summer so we'll quickly go through the background and then move on to the nitty-gritty so first the overview and the process we'll go through the current policy the challenges that we're facing and then the recommendations that the task force came up with, as well as our next steps.

[00:25:39] So, just a quick overview, the task force was made up of a diverse group of representatives. We had several representatives from the development industry, as well as housing representatives, so that we could get a nice understanding of what the challenges were, as well as what the development field is facing when they're looking at this policy as it currently stands.

[00:26:09] So how we met, we first, we had in April, we had our first meeting. We had our overview and introduction. In May, we went over the current programs that are out there, and in June, we followed with some case studies and best practices that our consultant identified. Then there was in July we reviewed the housing market analysis. Then there was a financial feasibility analysis where we went through the details of the current program and how it's impacting the economics of these projects.

[00:26:48] September we went through full program recommendations and then in October we had had the final iterations and the conclusions from our task force. So, the reason why we were brought together was the current policy for WDUs that we -- in the four-sell policy on the units at the 120% range stay on the market longer, and so they're just much harder to sell because there's more -- first of all, you have a portion of the the population that's at that range of income, and they're actually able to participate in

[00:27:27] the market without this program. And so the units that are produced at this level are actually staying on the market, as you see, on average over 400 over a year. So that's kind of a tough thing to sell. So we came together to kind of look at some of the things that might be improved with some policy changes.

[00:27:50] So proportionality of unit types, we looked at geographic applicability, initial pricing, as well as resale pricing. And now I'm going to turn it over to Anna. So just to sort of level set, the orange box you see on the screen is just what we were focusing on.

[00:28:11] So we don't want to go through the policy in detail. I think you all are aware. But really, we wanted to focus on those, the countywide and the Tysons non-high rise that had those 120 percent AMI levels that were at issue. So to build on Candace's summary, we have some data to really share with you, and this was shared with our task force that really helped us all understand and get on the same page about the issues that were there.

[00:28:37] Really what we saw was not only were the 120 percent units more difficult to sell, stayed on the market for longer, and often had to have price incentives, but buyers at 120 percent AMI and really over 100% AMI had access to much more of the market than, you know, than somebody at or below 100% AMI. So that's what we're really seeing is that competition with the market was causing our units to not be as marketable. And you can see that 142% of the 120% AMI units have not sold. And that's still kind of a continuing challenge we're working through often. And I'll show you in a second. There have been price reductions and incentives by those sellers

[00:29:14] to get those sold. Also, we were seeing that the actual units produced were not only, were not sort of reflective of the program, and I'll go over that as well, but they actually reached down to 70% AMI as well. And the other, kind of the other main point here is that really there was a significant demand, a huge demand really that we see for units at or below 80% AMI, so we really wanted to see how we could serve that population better.

[00:29:43] This data shows that the price reductions are much higher at those higher income levels. And when you get down to 70% AMI, they just sort of, they sell pretty easily without any price incentives. Also, often we are able to partner our CDBG down payment assistance loans for households that are below 80% AMI.

[00:30:01] So those households are also able to benefit from that program. But really, we are seeing a lot more dramatic price reductions at those higher income levels. To sort of show you, this is how the

program currently works on the left. It is basically a third, a third, a third, or sorry, the policy is written as a third, a third, a third at 120% AMI, 180% AMI.

[00:30:23] What we're really seeing, as the middle graph shows, is the WDUs that were produced were actually produced at also 70% AMI and much smaller levels of 120% AMI than would be otherwise under the policy.

[00:30:38] So we already see the program has shifted, and that based on kind of the policy of the county, we're already seeing that movement, and that the pipeline was really reflecting this focus on 80% AMI units with some 70% AMI units, and that smaller focus on 120 and 120% AMI.

[00:30:56] So the recommendation that came out of the task force was really to reset the program and shift everything down by a third. We talked through this extensively, and this was one of kind of the last recommendations to have consensus. Because there it was recognized that there is a financial impact to resetting the program But that it would really be balanced by the predictability of having the policy reset in a way that developers understood going into the program That what they'd be required to do and and as you can tell from kind of the The way this has worked is that there really wasn't a lot of predictability until they got to the proffer stage

[00:31:33] They weren't really sure kind of what it would come out as so the discussion was if we had that predictability we'd be much better able to plan for the financial feasibility of the project, and also they could be, we could be getting the buyers ready for these units. So as you can see, the program is recommended to be at 100% AMI for 4% of the units, 80% AMI and below for 4% of the units, and then 70% AMI below for 4% of the units as well.

[00:32:00] So again, it removes the 120% AMI level and includes a larger portion of 70% AMI units that were previously negotiated through proffers, but can now be predictably, could be part of the program recommendations. Another sort of policy, one of the other policy exploration areas was really the bedroom distribution.

[00:32:20] It was really important to us, and what we were seeing with the WDUs that were produced is that they weren't always proportional in terms of bedroom size. So what we really like to see is that whatever the mix is of the market rate units, studios, one bedrooms, two bedrooms, three bedrooms, and up, that they are really reflected with the similar proportion in the WDUs that are produced. And the challenge is if you then produce a lot of, you know, two- and three-bedroom market rate units, but then a lot of your WDUs are focused in the one-bedroom or studio, it's really sort of an equity issue, as well as it's a marketability issue in that property. So we, as a consensus, we kind of determined

[00:32:57] that there would be a proportionality of units, but that the units at three-bedroom and above would all count as family-sized units, and that they could all be counted towards that family-sized kind of bucket. The challenge was, once you get into the four- and five-bedroom size, the impact to the kind of developer's profits, and therefore the financial feasibility of the project, was much more difficult.

[00:33:23] And so what we really discussed was, if we could structure the expectation with the family-sized units being three and above, that there would be room for negotiation at the proffer stage If we did think that that property could support larger units, potentially there was a way we could trade to get those larger units for that specific project.

[00:33:42] But that would be a project-by-project discussion. The third policy recommendation that came out of the task force is geographic applicability. So when our consultant looked at where the program currently applies, they found opportunity for expanding that and expanding it kind of slightly.

[00:34:00] So in areas that are already priced at similar levels as the areas where the policy applies and areas that are geographically quite nearby. And so the impact of that, you can see on the map, is not too much, but it does expand a little bit and finds additional sites where we could produce WDUs and that the cost wouldn't be impactful.

[00:34:20] Next, I'll move on to the administrative recommendations. The WDU pricing we saw and we've been seeing has been kind of a challenge. From the administrative level, we asked the consultant to really look at it and look at other best practices to really help us reset that and showed that to the task force, and there was a lot of concurrence on this as well.

[00:34:41] What we really saw was not only were some of the foundational elements kind of not representative of some of the HUD programs and other kind of federal programs, which is the household size, but there were some other updates that we needed to make to adjust to the current market. As you know, interest rates are rising, and it's really important that we continue to allow our households to have the buying power to buy in this current market and continue to update that annually.

[00:35:06] We also looked at some of the fees associated with homeownership and trying to make sure that we were structuring the pricing to account for the homeowners insurance, which is required for all homeowners, as well as condo fees and HOA fees based on a product type, because before we had sort of a flat fee assumption.

[00:35:22] And now we're really looking at sort of a townhouse has a much different fee structure than kind of a condo, a higher density condo. So we split that out into two different mechanisms. So then you'll see kind of that price schedule will have two components. Another administrative requirement is really the resale formula.

[00:35:42] Currently it's based on CPI. And the recommendation was to really do a five-year compound annual growth rate. Now, what that means is you're really looking at, instead of the market forces of a CPI, which is unpredictable and changes annually, the compound annual growth rate kind of does a look back at the AMIs over time and does an average to make sure that your curve is much smoother, you have a predictable return, and that you're able to kind of get a little bit more return than something like, you know, in some cases a CPI, but definitely more than a 10-year AMI, which some jurisdictions use.

[00:36:15] So with all the analysis the consultant did, this was kind of the the best way to balance that wealth creation In addition to making sure that we have these units for the long term And really to be able to serve multiple households with a single unit in terms of next steps We really have two pathways that are going to happen in parallel. One are the policy changes And the writing is a little And really, we would be -- the next step would be for the board to endorse the recommendations and to direct staff to prepare a comprehensive plan amendment for the policy changes.

[00:36:50] And those are the first three that we talked about. And then once we -- once staff is able to prepare that comprehensive plan amendment, there would be a number of community engagements. We can come back to the board with that text, and then it would go to the Planning Commission and then back to the board, both for kind of -- for hearings and then final action.

[00:37:10] The administrative updates we'd be able to do with kind of a public comment period. We'd come back to the Board with what those recommendations are to give you kind of a look ahead. And then it would be an administrative approval by the county executive. So I wanted to just put this up on the screen so that we can -- for our questions.

[00:37:30] But before we go to questions, I wanted to make one final note. We had a lot of really great discussion around the consensus on the program. And what we really saw was the other component that wasn't discussed here, because it's something that we're already working on, is administrative changes and really looking at our whole process for delivering and administrating the WDUs, and we're going to work with our development partners to make sure that it's streamlined, it's efficient, we're updating our forms, and we're looking at the process by which we're able to do the offering agreements and everything to make sure that we have the right mechanisms that can kind of mirror the development process.

[00:38:07] So we're working with our developers in that as well, and we think that the sort of time and efficiency savings they'll get also contributes to how we are able to balance the kind of the revenue loss from the reset of the program. So I think at this time we'll take some questions. Thank you.

[00:38:24] So the next step I think you said was to prepare a board matter that will initiate the comp plan amendment process. So I guess that's pretty much where our focus needs to be here today in terms of our discussion.

[00:38:40] The one area that I am concerned about, I guess, is the 100% income level. It seems like we've proven with all the data that you've provided us that the WDU program doesn't work that well at the 100%, 120%, a very median income.

[00:39:08] And therefore, in, I think, you know, we are focused on helping those who need help the most. So I'm wondering, was there discussion of moving away from 100% and focusing more on the 80, 60, 80%?

[00:39:29] Sure. Absolutely. I think we explored a lot of various options. I want to kind of point to a graph in the appendix that might help also some of our background. Oh, I'm sorry. There's not an appendix here. That's okay. So just the kind of raw data that we have on this is that we really looked at who was able to access the market in Fairfax County.

[00:39:49] What we saw was that 46% of folks that are below, households that are below 120% AMI were able to access the market, but only 28% of those that are 100% and below were able to access the market. And really, the WDU program is kind of the main county program that serves the moderate income.

[00:40:06] And I think as the task force, the consensus was reached to kind of both reset to the lower limits, but also keep some of those higher AMI units in order to both make sure that we weren't resetting to make it financially infeasible, but also to make sure we're still serving that moderate income group in the county to be able to access, and that's 75 or 70 plus percent that are still unable to access the market in Fairfax County that would have opportunities in this space.

[00:40:32] So that's kind of where we ended up in our consensus. I guess I'm wondering if there's a way to advertise a potential comp plan amendment that would give options to be considered on that, you know, those rates. I think that would be helpful unless anybody disagrees.

[00:40:52] And any other thing that I don't think we got into too much detail, but the actual opportunity to create wealth through this program and the buyout at the end, do you want to explain how that works?

[00:41:09] Sure. So for the current resale formula, CPI is used. CPI is a market standard, and it's a bit unpredictable year on year, whereas the pricing is actually set based on the AMI, so what the household income is at.

[00:41:27] So they're a bit mismatched, and that's kind of where we started our analysis. The important thing to keep in mind on kind of the resale price formula and how we think about the wealth creation that it creates is that not only do you get sort of the additional revenue of the unit when you sell, but you're also building a savings account during the term of your ownership, and you're holding that low price steady.

[00:41:52] So as your income goes up, your payments don't go up like they would in a rental. They go up, they remain constant. So if you're able to buy at that moderate income rate, let's say an 80% AMI unit, and your income goes up to 100%, maybe you have a market, maybe you're, you know, you have higher income over time, you're still paying that lower mortgage, and then you're able to stay in your unit. So you're building your kind of household wealth, you're building your savings account through your home, and you're also building up the equity through the home. It's modest equity, but it is a return that's pretty predictable, that could be pretty predictable, and it allows for that next household to have the benefit of the unit as well.

[00:42:33] Okay. There's quite a few handouts here, and I went through them all, but I'm not sure I saw, Is there one in here that illustrates, Tom and I had talked about it, illustrates numbers-wise how that would work and what the wealth creation would be at a certain point in time when someone would sell one of these units?

[00:42:55] Sure. Let's see if I can. Oh, thank you. I think the graph that we included is probably the sort of what you can look at. But you can see that the five-year AMI, the compound annual growth rate over the five years for the AMI yields about an 18% increase over the five years that we looked back, whereas the CPI, which is the current calculation, was a 13% increase.

[00:43:23] We're reducing the... So it actually increases, and it makes it also more predictable. So it makes that line... You see that line is a little bit straighter because it's an average of those AMIs rather than kind of a year-on-year up or down. Okay.

[00:43:39] Well, from my perspective, that's one of the topics for discussion over the next six months or whatever. Mr. Chairman, did you have? Yeah. You know, I guess I do think that the 100% is going to be a key to the discussion as we go to the Comprehensive Plan Amendment for sure.

[00:43:55] I think this is excellent work, an excellent report, and I want to thank the task force members for putting forward this, a huge improvement. I guess a couple questions that I have that are probably easy to answer. One, you don't have a timeline, per se.

[00:44:11] You have next steps in the approval process. Is there a timeline that's recommended in the board matter so that we can make sure the comprehensive plan piece moves along? Do you have in mind what that time frame would be? I think we're ready when you are.

[00:44:27] We're ready to make those edits as soon as we are directed by the board to do so. Okay, and then secondly, on page 22 in the appendix where you have the extension potentially into the areas that are zoned or planned for eight or more dwelling units per acre, do we have even a high-level estimate of how many units that expansion could potentially yield?

[00:44:51] I know it's speculative to a certain extent, but based on history, do we have any idea? I mean, just to expand it, to expand it without any idea of what we're actually talking about number-wise concerns me a little bit. We don't have that estimate, but we can get it for you.

[00:45:11] I think that would be helpful for us to understand order of magnitude. And then I guess a fundamental question, and it's probably simple, it's just not grasping it. We have for zoned or planned, and I'm wondering why planned. I mean, obviously we know that if it's planned for update units per acre, it's likely going to have a rezoning. I can't imagine many of these that are planned that wouldn't require rezoning, so why are we tagging it to both planned and zoning?

[00:45:44] This is Megan Van Dam with the housing department. So I think the goal of the expansion is that we are looking for opportunities where there will be future rezonings, where a new policy would come into play. So we were looking at areas that were looking at densities above eight so that we could sort of play out a future potential rezoning on that site.

[00:46:12] If they're already zoned for aid or above, they're likely not going to come in for a future entitlement, so the new policy wouldn't come into play. So we need to bring in those areas that are planned that may have that future.

[00:46:27] They're planned but not zoned, so they might have that future entitlement. So that's where it becomes important for us to get an idea, and I know it's relatively speculative, but I would love to know within these areas, too, how many properties we have that are zoned, eight or more dwelling units per acre that we anticipate a rezoning on or that we believe are already grandfathered in for the purposes of our own calculations, I think would be helpful.

[00:46:56] And then lastly, I didn't hear anything in terms of how we're going to monitor this with specifics and i would hope that and maybe it would be something that as a result of the comprehensive plan amendment we would do a follow-on motion of some type but i do think this requires some level of monitoring i know i'm surprised at some of the numbers that are in here and i think we need to be real-time market focused i think the part of this that is really compelling is it's focused on the marketplace and what's actually happening out there now we have a program in place we have some

[00:47:30] data points, but I'd love to see some commitment over a period of time to come back to the board to give us some updated numbers and so that we can monitor these changes and see if they're doing what we anticipated them to do, or they might be doing something different that we can't anticipate sitting here.

[00:47:48] And so I'd love to get at some point staff's feelings on what that timeline would look like and what you would recommend in the way of monitoring this should the board approve these changes. Sure. It's something that we can kind of consistently do, but I would just caution that once the, you know, by the time we kind of get the policy updated, it'll take some time for it to kind of go into effect and those developments to actually, you know, get built.

[00:48:11] So I think we can continue to monitor and sort of do this on an annual basis, let's say, and do kind of a market study through these programs. And we can look at sort of WDUs, ADUs, kind of the sales data there, and I think that's absolutely something we can do. I would just, it wouldn't necessarily include those impacts for a few years.

[00:48:27] Yeah, and I understand that. I think that's the hard part about this is we're kind of chasing, you know, what's happening in the marketplace. But I think if we see indicators, we should be knowing that because what we don't want to do is wait too long to make potential future adjustments or wait too long to find out this is having a different effect than what we expected it to in the real marketplace.

[00:48:49] And so I know it's hard on timing and that we're not going to know that in a year or two necessarily, but we might see some early indicators and I think this is important enough of a change to pay attention to what's actually happening on the ground and be able to report that to the board should we need to make adjustments. Thank you. Thank you. Mr. Chairman. Supervisor Alcorn. All right. Thank you, Mr. Chairman. First of all, thank you, task force staff. Excellent work through this. I also want to just point out to my colleagues, slide nine points to the fact that this is a pretty modest size program. I mean, we're talking about dozens of units,

[00:49:28] not hundreds or thousands, but important still. You know, the ownership WDUs is important, but just keeping in mind that the scale of what we're talking about here is a little bit limited. I would support advertising ranges and looking at the 100%. I think the reality we should all expect is that we will get industry pushback with lower ranges. I've been part of developing earlier iterations of this policy, and certainly I know in the task force, I'm sure there's

[00:50:02] a lot of back and forth about what's economically feasible or not, but that's fine. We'll deal with that at the board, and I'm sure the Planning Commission will deal with that too. I do have a couple of questions, so it looks like from slide six, if you could put that up there, it looks like a lot of what we're doing here with the orange box is we're moving down on the left side where it says countywide.

[00:50:30] We're just bringing those down a row, and in effect, the only difference between this proposed policy if adopted as discussed here. And the Tyson's high-rise on-site policy would be the percentage expectation, not the AMI. We're talking about the same. So it's, it'd actually be very similar, but with a few more units expected in Tyson's on-site and then a few more on-site, which is extremely rare. But that's helpful. My question is on the slide that shows the summary

[00:51:08] of changes on slide 18, if you could go to that, the proposed bedroom size, the WD pricing adjustments, all those things except for three, I guess, would those apply to the Tyson's high rise policy as well uh or not or has that been decided maybe it's not been decided yet uh we we have not decided that uh yet however i'll say we we don't currently have separate pricing uh guidelines for tyson's high rise right that yeah i didn't think there was so i i would presume it

[00:51:44] would it would it would roll in under the tyson's uh um that that only the percentage requirement or expectation would be different and everything else would be the same. My other question is, and I think that makes sense, my other question is conversion.

[00:52:02] The slide that shows what's in the pipeline would, and I believe currently you see that WD is in the pipeline. We've got a few more that are coming. If those have not been built yet, would developers have the opportunity to opt in to this new, these new numbers, and is that something, was that discussed at all at the task force?

[00:52:29] Again, that was not specifically discussed that I recall, but, you know, that was the practice for the rental policy changes as well. Okay. Yeah, I think that would be a good thing, especially now that we've

heard from industry that 120 doesn't work, and maybe even 100 in some cases, we certainly would want to encourage adoption or basically a movement to whatever new policy we end up with.

[00:52:56] So, okay. All right. Thank you very much. I just wanted to add, I think that chart shows about 150 units or so, and that's exclusive of Tyson's, correct? Sorry, my button's working. That's total units, so it does include Tyson's.

[00:53:17] But we, I mean, the policy right now, I mean, we, yeah, so I'll just say yes, it does include Tyson's for sale units. My point is that we're talking 12%, right, of all the residential units, high-rise residential units constructed exclusive of Tyson's going forward that this policy would apply to in the county.

[00:53:42] For sale. Yeah. I'm sorry, would you repeat the question? I'm trying to figure out, this is 12% of all for-sale units, more than eight unit development, except in Tyson's.

[00:54:01] That's what we're talking about, the potential future universe. Yes, we are talking about looking at changes to the countywide 12% AMI tiers right now. And if I understand correctly, you're asking about how Tyson's may change.

[00:54:20] I mean, Tyson's has, oh, sorry. No, I'm sorry, I just, it's 12% of all the units that are going to be constructed that are for sale in Fairfax County, exclusive of Tyson. So it could be a fairly significant number if the condo takes off as the bottom line.

[00:54:37] Yeah, yes. And that's typically a matter of financing. Okay, let's see, I had Supervisor Herity. So glad you're looking at process because I've heard a lot about the process because we like to talk about how developers make them available and then they're sold.

[00:55:02] Who pays the carrying costs when they're not sold? The mortgage, the HOA fees, the developer pays. So we don't pay anything until they're actually sold. The county or FCRT does not pay anything towards the units at all.

[00:55:18] So it's purely developer or the new owner. And that's one of the big impacts to kind of why we were looking at the reset, too, because those costs are significant for the developers. Okay, so they're less likely to want to do it because they're suffering the burden of them not being sold, which gets back to, you know, government-desired versus what the market's going to allow you to do.

[00:55:42] Can you talk a little bit about the process that people have to go through in order to get in one of these units? Sure, I can start, and Megan can build on it. We have an applicant list. So we have, we market it on our website. We have folks who come through, they do kind of household training, and they do a certification, income certification process.

[00:56:04] And then we list all the units on the website. So if they're interested in that unit, either they're already on the list and can apply because they've already gotten some prequalification, or they can apply when they see the unit and then go through those steps, which is kind of the training class to understand what the program is all about, and then the full income certification review.

[00:56:21] So that's been open. Now we're taking a moment to kind of close that list and unless there's there's certain properties that come up that we might need additional households for that are not available on the list we might open that back up but just we are look and I think there was a not in package item submitted to the board to notify to notify the board of this but there is sort of a pause through March 1st

but otherwise we typically have it open and we're looking at how to structure it so that we can make sure the households are getting a robust training because we have a couple available.

[00:56:54] One is conducted by HCD, and there's also one available through HUD-certified counselors as well. So from start to finish, if I'm interested in one of these units and go to my first class to get into a unit, how long is that? To be honest, it can vary widely because of the amount of units that are available.

[00:57:17] I think the only thing that I would add to Anna is that once you enter the program, you are sort of waiting to see what units are coming into the program. And there is oftentimes more demand for certain units, as we've seen in our analysis and others.

[00:57:35] So there's a lottery that happens because there's not always one unit available for each qualified buyer. So it can vary depending on what unit you're looking for, what income you qualify, income tier you qualify at, and what units are available.

[00:57:56] So it really can vary. The application process itself doesn't take very long. It really just depends on kind of how much income information is necessary. We use kind of a HUD Part 5 standard, so there's a lot of -- it's more than just a W-2, right? It's a lot of kind of income information about the household.

[00:58:13] So it really depends on how much is required for that household and then kind of how quickly they're able to get it back to us. But it doesn't take too long. All right. Thank you. Mr. Polchek. Yes. Thank you, Mr. Chairman. Thank you so much, Candace, for leading the task force and to staff for your work on this.

[00:58:32] And I'm very appreciative of the research and looking through some of the slides you have at the end. One of the big things that stands out that I think hasn't been mentioned as much yet is really the size. I appreciate that you've looked into, you know, I think we want to balance both ensuring that we get different affordability levels, but also geographically more of those larger homes.

[00:58:57] I saw that there is a big need. And so when we talk about what we're going to do with 100% AMI, I just want to make sure we factor in and balance the need for the larger homes as well as affordable homes, especially when we're talking for home ownership and families we know well maybe in some some districts you might find some of those as listen I think they need to be around four hundred fifty thousand according to your estimates to be market rate affordable I'm not sure you would find that very easily across

[00:59:35] the county so I do think that that's an important factor as we walk through this and that kind of continuing to monitor, but that tightrope of not moving too far in one direction where you lose that balance and end up with only very small units. So I think if I'm reading this correctly, that is something that you're looking at both on the needs as well as we've talked about quite a bit on the market side.

[01:00:00] I don't know if you have anything you wanted to add to that. I would only add that absolutely. I think the one kind of baseline is that the market will kind of produce what it produces in terms of the product types. But we want to make sure with that proportionality that the WDUs are able to be, you know, kind of reflective of those market types.

[01:00:19] Where we kind of, you know, sort of negotiated on the family size, what we left room for was the opportunity to say, you know, maybe they are slightly higher AMIs. Maybe there are fewer of the three bedrooms or something to get those four and five bedrooms. That would need to be kind of a negotiation

at the time with really the real numbers of that development. And we would probably try to push that where we could. The challenge was the ones that were the developments, and especially hearing from kind of our development partners on the task force, they're the ones that are created are often like the five bedroom luxury townhomes, right? And so we want to be able to access those, but understanding that's a much bigger revenue

[01:00:57] impact than those, the three bedrooms that are delivered for the rest of the property. Okay. And I appreciate that because I think, and further in, you've talked both about balancing those needs and also the costs. I don't know if you wanted to talk a little bit more because I know we're separating Tysons, but you have other high-cost areas whether it be Reston, Merrifield, or other especially multimodal transportation areas, TOD areas.

[01:01:22] If you could talk a little bit more about what you looked at and hearing both from the community and industry on the lowering the costs. I think we have that slide on maybe 49, 48, on looking at all the costs of home ownership and how to help mitigate those to allow more individuals to be able to purchase these homes.

[01:01:47] Just a clarification, do you mean the cost of the unit or the cost of all the housing? Fifty-four, I think. Yeah, the pricing adjustments that you're looking at. If you could talk to that a little bit more as well. Absolutely. So, you know, I think this kind of goes to, you know, some of us are homeowners where we kind of know some of this, but kind of we kind of forget it because it's a lump sum rate, but kind of when you look at your monthly payment, there is the principal and the interest that goes to the bank. There's, if you have an FHA mortgage, there's a mortgage insurance, potentially. There's a homeowner's insurance, which can range up to $100

[01:02:20] approximately. There's the taxes, and the taxes are maybe one variable. It's a little, one of the variables that's hard to control, because that will likely go up, you know, as market values increase while the baseline of the payment will stay constant. Also, the condo and HOA fees is the other one. And there was a lot of analysis done by our consultant team on looking at how those fees are structured currently. We really appreciate that there is always a constant kind of challenge when the fees you come into a home with are not the fees that you kind of experience over time.

[01:03:00] And so our goal in resetting the prices was to make sure that we're really getting kind of a market real fee and that even if sort of to, you know, maybe the fees are a little bit lower to start, we're kind of using that proxy fee to set the prices to make sure that, you know, if they get higher, if they get up to that or higher than that, that they're still in the range of what the expectation could be.

[01:03:23] Of course, there are sort of luxury, you know, luxury developments and ones that have higher fees, maybe they have a lot of amenities or, you know, others, we have a kind of a threshold of 30% that we're recommending for if the condo or HOA fee kind of goes above that, that we reset the price. We don't sort of allow you to use the price that's on the schedule because we know those fees are way too high to kind of fit into that price and that it would become unaffordable for the homeowner essentially from day one. So that 30% threshold where we would then take a look, use the actual fees from the development, and reset the price

[01:03:58] based on those. Thank you. Clearly, a lot of analysis, and also as we monitor, there's no easy solution. But I do want to mention one more thing that was said earlier, is that even though it may not be thousands and thousands of units, every single one of these that are home ownership and people being

able to build that equity. I don't know if some of you saw the article recently. I used to live in D.C. and you have the right of first refusal and there were there's a group of women who decided to buy their apartment building not long ago and they are retiring mainly having to move out for senior living and while they will miss each other excited that they made that

[01:04:38] investment and about to cash in and really showing I think the positive impact even if it's just a few units or a building of how important this program is so we have different tools here in Virginia and in Fairfax, so I appreciate that we're trying to find how to make that work and how we refine that and keep monitoring it.

[01:04:56] So thank you. Siraj Smith. Thank you. On slide nine, you have the breakout of the WDUs produced and in the pipeline. Do you have like a geographic distribution of where those are? Sure, we can provide that. I would appreciate that.

[01:05:12] One of the things I felt fortunate when we've added new development in Westfield's business Park. The first developer came in, his for sale at 80% of AMI, which, you know, has been really important for anybody else coming in there. And with the conversation here, I think it's really good to get rid of 120. I don't feel like I have enough information about the 100. You referenced it a little bit, but I want to have a better understanding if the board decides they don't want to keep 100, how that affects people's ability to get housing, because I think it's

[01:05:48] really important that we want to, you know, not lose a piece, you know, and we have other programs to get lower income people housed, too. So I would like some follow-up information about the impact of that. Thank you. Thank you, Mr. Chairman. I'll say I appreciate the presentation and the appendix as well.

[01:06:11] I wanted to ask on the slide that talks about the price reductions and just trying to understand a little bit more about how do we calculate that average price unsold. So just looking at each of these different categories, even that 120, 180, and obviously 70 is fine, but 120, 180, there is a discrepancy between the unsold price versus the sold price, and it's somewhere between 21% to about 32%.

[01:06:43] So how is that determined first? On slide nine, this is reflecting the levels of the commitments. So when we are receiving the offering agreements and when we are looking at the entitlements, this is just reflecting sort of the universe of what's being committed.

[01:07:09] So the pipelines, we haven't estimated the prices for those pipelines, This just reflects at which tier that we're in at. Slide 8? Slide 8. Oh, and slide 8. Slide 8 is the -- that is the maximum sales price.

[01:07:27] Sorry. Okay, just making sure I understood. So this is set by the developer, I guess, or whoever is selling it? Is that what -- Yes, yes. And so is the unit then considered a market-type unit then at that price? So just looking at, say, the 100 percent, $499,990.

[01:07:44] So that's basically $500,000, but it's sold for $349. So are they basically saying that that $500,000 price is equivalent to a market rate, $500,000 home? I'm just trying to get a sense of how was that established.

[01:08:03] These are the list price right now that they're sold at, which the developer has said. So typically what happens is that we have workforce selling unit maximum sales prices that we've calculated, and

typically what happens is that a developer or builder will come in initially at that maximum sales price, and then over time may, you know, reduce the price.

[01:08:30] So, and that's at their discretion, that's their business decision. So these unsold unit prices are based on sort of where, you know, somewhere where they initially set the price at using our maximum WDU sales price and perhaps have come down over time.

[01:08:49] And to add to that, and that's one of the reasons we actually are making that recommendation as well, to reset those prices, because they are quite high. Yeah, I was going to say that. And I see on slide 28 where you talk about some of the incentives, and it looks like the incentives are actually buying down, which is good, lowering the AMI, cost reduction, closing cost assistance, prepayment of condo fees.

[01:09:10] Those are the things that the seller is doing. But then it also notes that CDBG down payment assistance is provided for those who are making below 80%. Could you talk a little bit about what we're doing there exactly to help support those who are trying to purchase as well?

[01:09:31] Sure. So the CDBG program, you know, we get an allocation from the federal government, and we're able to use some of that for $10,000 down payment assistance loans to households. We're also looking at kind of re-evaluating that program as well to see what the right level is.

[01:09:49] But really that households at or below 80% AMI are able to qualify for those dollars to support their purchase. So the maximum is $10,000 today? Okay. But we could possibly do more in the future is what you're considering. Correct. Okay, that makes sense. And then the last thing I'll say, again, I certainly appreciate what's being proposed here and see the value of it. Personally, I feel for those who are lower than 70% AMI, so thinking about those at 60, was there a discussion about that number at 60% AMI, and what was the rationale for not bringing that maybe forward, just so I understand it?

[01:10:29] Sure. I think the, I mean, I would say that basically the ADU program also does serve those 60% AMI. And so we were really seeing the WDU program to be sort of the additional that would serve the workforce.

[01:10:45] You know, we looked at it. I think that this is kind of where we came to a consensus on, given the feedback we received from all the members of the task force and where we were able to sort of balance the revenue loss with what could kind of be a predictable, good sort of program outline.

[01:11:04] Okay. No, I appreciate that. Thank you, Mr. Chairman. Thank you. Teresa Stark. Thank you. First off, thank you, Candace, for your leadership of the task force and Megan for your work on this and others. Much of what I would say has already been said, but I wanted to try to drill on one point and just to make sure.

[01:11:25] When we talked in our 2x2s, I expressed then the same concern I have now, which is I think definitely I support eliminating the 120. I'm not sure about the 100 at all. It seems like something that we're really, we're not serving as many people as we could if we either eliminated that altogether or reduced substantially the percentages that we expect there.

[01:11:48] So I strongly feel that we need to be moving in that direction. So we'd look for some information or some, if you will, argument or some counterpoint to why is that so important that we keep the 100? I understand that it'll serve part of the marketplace. I get that.

[01:12:03] But I also recognize that if that number is reduced, we can serve even more people. And the core of what I think the county's responsibility is to support folks at the lower income level first and help those folks build that generational wealth that we know, particularly homeownership in our area, is an essential part of it.

[01:12:21] So that's the core of it. If you have any comments, you're welcome to, but I realize we're short on time. So I'm going to field this one. So if we want to go back to that slide that shows that 28% that actually can participate. You know, we think about 100% area median income, and right now for a family of four, it's $152,100.

[01:12:44] You know, that's gone up 30% in the past eight years. And, you know, people who are seeing modest increases in their income are actually falling behind in the AMI. So 28% at 100% AMI, making $150,000.

[01:13:00] If you think about this whole room, we were all at that level. One out of every four of us would be able to buy a house at that level. One. Three of us would not be able to participate in the market. That's a lot of people.

[01:13:17] So I know we talk about, you know, we could help more. This is actually, oddly enough, the missing middle. And so think about those three out of the four people that we are not able to serve because the market is so astronomically high.

[01:13:36] So I just ask you guys to consider thinking about them, too. All right. Well, thank you very much. Thank you for all your questions. And where we're at, I guess, is we'll try to get a board matter done, a board meeting on Tuesday to keep this thing moving forward.

[01:14:01] I was in your court. But anyway, no, I'm sure we'll be able. If not, it'll be the first board meeting in January, I assume.

[01:14:19] And I'm looking forward to watching that. So anyway, we appreciate it. This is an amazing amount of work. It's the hardest stuff we do in housing, I think. And, you know, you've done a great job.

[01:14:36] on it all together and appreciate it and look forward to seeing what the next step will be if we get it done time for tuesday okay is that okay with everyone yep anybody has any thoughts after the meeting relative to the board matter please share them with me or tom thank you great job okay well fortunately we have uh tom fleetwood up next as a presenter and i know tom is respectful of our time.

[01:15:05] It's going to move really fast. Now, this is, we're going to present, make another presentation that is going to go out through the process, but wanted to get the board's input before it gets released to the public as a potential that will ultimately come back to the board for approval.

[01:15:26] Thank you, Mr. Chairman, and I just want to make sure we've loaded all 53 slides. So just to go through this quickly to try and save a little bit of time for questions, Anna, if you wouldn't mind driving, go ahead to slide three.

[01:15:48] Talk a little bit about the context and purpose of our work on the county's relocation guidelines and what our work to date does and does not include. First of all, just kind of taking a step back, as the board's aware, This work on the relocation guidelines is being driven by the advent of the preservation policy, the preservation administrative guidelines, the changes and concerns that we have about the equity landscape, as well as very candidly what we discovered was how outdated the existing guidelines were.

[01:16:28] So moving forward, we have worked on a complete rewrite of the guidelines, and I want to provide some highlights and some points for consideration here. Just recognizing that the goals are to maintain our commitments to affordable housing, to ensure that as many of our existing residents who depend on affordable housing are able to stay in it and that we're able to also move forward with redevelopment as we need to.

[01:16:59] A couple things about applicability here and what this does and doesn't include. Number one, this is aimed at projects that are subject to the preservation plan amendment. This does not include the county's manufactured homes.

[01:17:18] We will be working on a separate set of relocation guidelines as part of the comprehensive plan amendment that we plan to bring forward relative to the mobile home parks in the new year. I will also say relative to mobile home parks that we anticipate that the existing language and the existing relocation guidelines will carry through until such time as we adopt new guidelines.

[01:17:45] Going forward, again, with respect to what this does apply to, it applies to projects that don't have, for example, federal funding and are therefore subject to Uniform Relocation Act. It does not apply to projects that have Virginia housing funding and are subject to their financing as well.

[01:18:06] Our county relocation guidelines are really intended to apply to our own projects and those projects that do not have federal funding in them. So I think I've covered applicability and goals, again, to avoid tenant displacement, enable tenants to move to decent, safe, and affordable housing, and to be able to return to the maximum extent feasible.

[01:18:32] The components of relocation planning really look at owner responsibilities and tenant benefits. And it sort of fits into two buckets. Temporary relocation, such as one saw when we did the renovation at Murraygate Village in the Franconia District, and permanent relocation, such as we've seen in projects such as the redevelopment at Lewinsville. I'll go ahead and go forward here. There are four general steps with respect to conducting a relocation.

[01:19:07] I'll certainly not read them out for you, but you can see that there are four large buckets about coordinating planning, the relocation, and then the right to return. Go quickly to the owner's responsibilities. They must engage with the tenants. They must develop a relocation plan.

[01:19:26] Our expectation is that they'll provide moving cost reimbursement and housing counseling and that they will provide staffing to conduct these activities. And the county staff in the form of HCD will support relative to technical assistance and monitoring.

[01:19:46] For returning tenants, the goal is to allow tenants that return to a property to the greatest extent possible. So we want the owner to create a property profile so that we understand who's living there, what the rent rolls look like, what opportunities there are for tenants to move into units that best match their needs.

[01:20:06] For returning tenants, again, our goal is that every tenant who is relocated is able to return. But if they are not, we've set forth a set of sample criteria for your consideration that would allow us to help a developer prioritize how someone, help to prioritize people coming back to a property.

[01:20:31] I'll just note that this is that this is based in part on work that was done by Arlington County, but is also very similar to the relocation criteria that was developed for the planned redevelopment of the

Crescent earlier, earlier this decade.

[01:20:51] Go ahead. So again, for tenants experiencing temporary relocation, it sort of falls in, the benefits to them fall into two buckets, if you will, relocation services and moving and cost reimbursement. For tenants experiencing permanent relocation, meaning that they will not be able to return to the property, they get both, we want them to receive both relocation services and moving cost reimbursement, as well as support on an ongoing basis post-relocation up to a certain point in time.

[01:21:31] We wanted to highlight some best practices that we are reflecting in our draft relocation guidelines. First one is, how do you set the relocation benefits, the moving expense benefits? Both Arlington County and others utilize the schedule that is provided for in the federal URA, the Federal Uniform Relocation Act.

[01:21:55] We have structured ours along that model as well. Although I will say, if you can go back, that we are considering a tiered system that might provide for additional benefits depending on income.

[01:22:11] Another best practice that comes from Arlington is the security deposit differential. If someone has to move and the security deposit at their new home is higher than their existing security deposit, we would expect that a developer would pay that difference.

[01:22:35] And that's based on Arlington County's practices currently. And finally, the Tenant Assistance Fund, and this is modeled on work that was done in Arlington County actually going back 20 years on the relocation at Arna Valley off of Glebe Road where they provided for a tenant assistance fund that essentially provided a time-limited rental subsidy for households that were relocated off-site, and you see the model there.

[01:23:06] GOING FORWARD, AGAIN, JUST TRYING TO BE BRIEF HERE, WE ARE GOING TO BE CONDUCTING A SUBSTANTIAL AMOUNT OF OUTREACH. WE WANT TO GET A SIGNIFICANT AMOUNT OF FEEDBACK FROM INDUSTRY, FROM OUR OTHER STAKEHOLDER GROUPS, AND GO ON TO THE TIMELINE IF YOU WOULD, AND BE ABLE TO COME BACK TO THE BOARD TOWARDS JUNE FOR YOUR APPROVAL OF THE FINAL draft of what we come up with based on that feedback and, of course, subject to your feedback

[01:23:43] today. And I think I stuck the landing in six minutes. Happy to answer any questions, Mr. Chairman. You do good work, Tom. Thank you. I appreciate it. Yeah, so the issue is, you know, if you have any input that you want to share before the proposal is distributed For comment, this is the board's opportunity, but it will come back eventually for the board's approval.

[01:24:15] Mr. Chairman. Just a really quick clarification. I know this is conceptual in nature. There are examples given here, but what we're soliciting comments on, are you going to give us a specific range of dollar amounts on these things, or is it open-ended that you're looking for input from folks on what those dollar amounts should be?

[01:24:34] In other words, is there going to be a staff recommendation or a range of recommendation? We will go out with a staff proposal to act as sort of a straw man on which to get feedback, and it will be based on the models that you've seen here. Okay.

[01:24:50] I just wanted to clarify that. That's what we're getting comment on, so appreciate that. Thank you. It's a two-part question. In terms of the applicability of the guidelines, you noted that for FCRHA

properties, it would apply unless there was federal funding involved in that project, which seems to me that would be the vast majority of cases.

[01:25:16] If there was someone living in an FCRHA property, obviously, I'm intimately familiar with Robinson Square to one university, but I presume in other situations, a project like that is going to have federal funding, so it will be subject to the Uniform Relocation Act. Are there many instances in which that would not be the case?

[01:25:34] A couple of things on that, Supervisor Walkinshaw. Number one, with respect to FCRHA projects that do have federal funding, we would take sort of the maximalist approach in terms of tenant benefits and relocation planning, inclusive of the requirements, of course, of the Uniform Relocation Act.

[01:25:54] There are, however, instances of properties that are either owned under-operated by the FCRHA, where there is not federal funding present, and the two biggest examples of which would be the Crescent and Wedgwood.

[01:26:09] Okay. So in the situation where there is federal funding present, I thought you said that these guidelines would not apply and we would follow the Uniform Relocation Act, is that correct? That's correct, but we would also, if we felt like there were any gaps, if we felt like there was anything extra that we could be doing that is within the guidelines that are not provided for under URA, then we would also do those things as well. So our policy would, URA is the floor in terms of what we would do, and we would commit to doing anything that's in our policy

[01:26:47] above and beyond URA. That's correct. Do you guys start? I would just ask as part of this that you address the monitoring and enforcement mechanism that would be used. It seems like that would be one of our biggest challenges is how do we go about ensuring that these things that we pass are monitored and enforced? Supervisor Stork, that's a great question, and we are actually preparing, we have a vacancy, and we're preparing to hire a relocation specialist who will be charged with

[01:27:21] monitoring these types of relocation plans. I didn't see anything in here about time, And so I'm wondering if you factored in, you know, how long from the time somebody would be notified to the time that they would be, you know, required to move.

[01:27:48] Sometimes, you know, 60 days isn't enough. 90 days may not be enough for some. So I think it's really important for the tenants to not be rushed in this kind of situation, to be given them enough time to not only negotiate and figure out what that relocation plan is going to be, but also how they are able to carry it out.

[01:28:11] You know, some families are going to have to consider schools and job and a number of things. So it's not just, oh, the movers will be here in, you know, 60 days and, you know, have your refrigerator cleaned out. So tell me a little bit about time frame.

[01:28:28] So I'd like to be able to respond more specifically by email because I don't have it right in front of me. But I will say that there are kind of two tiers, if you will, for permanent relocation. We're expecting that that lead time would be substantially longer.

[01:28:43] For a temporary relocation, it would be substantially shorter. So especially if somebody is being relocated within a property. So you're thinking about a vacant, there's a vacant unit. So you're going

to move somebody into the vacant unit so that their unit can be renovated and then they would probably move back.

[01:29:03] Okay, so that would be a lot easier than the permanent piece. I just think we need to make sure that sometimes His sense is, oh, this is a piece of cake, and it really isn't for individuals. They need to have the time.

[01:29:19] It's not just physical time. It's the trying to get their mind around this, too, because it may be a surprise to many. I can say that the most critical part of this work, aside from the actual dollar benefits potentially to tenants, is the notice and communication piece.

[01:29:37] Okay. Thank you. Just very quickly, yeah, on the enforcement question, I think these projects would, I think, almost always require some land use approval, so I would assume that either proffers or development conditions would also be one enforcement mechanism in that, so, okay, thank you.

[01:29:59] Okay, well, this process will go public and ultimately come back to the board for approval. If there's nothing else to come before the board. Mr. Chairman there is one quick thing and I want to recognize Tom Fleetwood for a second before we all get up to leave for lunch Mr. Chairman, Mr. Chairman, thank you in recognition that This is the last housing committee for both yourself as chair and supervisor gross We wanted to first both. Thank you for for your service and always wise counsel

[01:30:39] And always good humor as we work through some very nettlesome issues. And the gifts that Deputy County Executive Leonard and I are distributing here are, I will say, Supervisor Gross most especially in jest.

[01:31:04] So, Chairman Faust, yours is given both because of and in spite of your highly questionable educational pedigree. So, with that, before we leave, we all want to line up right here and take a photo with Supervisor Gross and Supervisor Faust with their gifts.

[01:31:29] They can choose whether they want to unwrap them or not in private. But we do want to take advantage of an opportunity to take a quick photo on this momentous occasion. And it looks like they're going to open them so that we all get to see. Can I just say, Mr. Chairman, that we have the most outstanding staff.

[01:31:53] It's been so much fun on top of everything we've accomplished. We've had such a good time. Thank you for being you. Appreciate it. I'm going to presume we don't have to put these on our disclosure. It depends on what value you attach to it.

[01:32:11] Yes. Almost have it, huh? This one's got some ears on it. Yes, it does have some ears on it, and I have it.

[01:32:28] I wonder, I wonder you said that. Oh. That's not how you spell it.

[01:32:46] Thank you.

[01:33:21] Okay, we can go back there.



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