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[00:00:03] Well, good afternoon and happy holiday season to everyone. My name is Andres Jimenez. I am the chairman of the Fairfax County Board of Supervisors Legislative Committee. It is my pleasure to welcome you to our work session for the upcoming 2026 General Assembly.

[00:00:22] We come from every corner of the county, serving the public on the school board, in Richmond, and locally. But most importantly, we have the same mandate and vision to serve our constituents and our communities. I believe that we can best accomplish this when we foster collaborative channels of communication and partnership.

[00:00:43] We are here today to have an open exchange of ideas, needs, priorities to tackle the very real challenges that are affecting our shared constituents. Our expected outcome today is to bolster and further collaboration with the General Assembly.

[00:01:01] So let's get to work, as we have done in the past to deliver for Fairfax County and Northern Virginia as a region. On issues large and small, our efforts are better together. On education, I am grateful for the decade-long collaboration with so many of you to gain support to lift the Great Recession Era supportive cap in last year's budget.

[00:01:26] On transportation, we have partnered over the last two years with members on Senate Bill 28 to address regional transit and WMATA, funding challenges, and are making needed progress. On day-to-day issues affecting our residents, we're grateful to Delegate Sullivan for securing authority to hire contractors to help staff and volunteers remove illegal signs from the right-of-way.

[00:01:51] I look forward to continuing our work together and building a partnership that benefits Fairfax County and the Commonwealth, because when Fairfax does well, the rest of the state does well. We have a full session today with lots of information to outline, and I want to draw attention to our legislative program for 2026. It has undergone a significant, streamlined, and efficient way to communicate with you in a clear and thoughtful manner. It is a presentation of our needs and charts a path forward towards strengthening our county in the face of dynamic

[00:02:30] and changing environment we find ourselves in. With that being said, let's roll up our sleeves and let's get to work. Next, we will hear from the Chairman of the Board of Supervisors, Jeff McKay, followed by the chairman of the FCPS schools, Ms. Sandy Anderson.

[00:02:50] Thank you, Supervisor Jimenez. I'm going to be very brief. First, I want to thank those in attendance. Just a few announcements. First, we're delighted to have Roshna Sizemore-Hyser, who is the Braddock District Supervisor-Elect, with us today. We have an exciting swearing-in ceremony for her at 5 p.m., and so we will make sure we keep things on time here today because that is not something we can be late for um the second thing um i want to mention is i know we have uh some attendance challenges today and a number of members of our delegation who reached out to me reached out to our staff and had conflicting

[00:03:27] uh state responsibilities today and i know that uh the school board faced the same challenge trying to schedule their joint uh legislative break uh meeting with the delegation as well And so I want to acknowledge that everybody's calendar is really busy here. But despite that, we wanted to go ahead and have this meeting.

[00:03:46] And I want to thank the staff aides who are here for a lot of members of our delegation as well, because we know that while this is one meeting, the discussion of our legislative priorities takes place throughout the calendar year and gets more intense during the General Assembly for sure.

[00:04:02] But this is not just one meeting, check a box, but this is part of an ongoing fluid conversation. And so I want to make sure that I acknowledge that, and that's one of the reasons why we also have our school board, so many of our school board members here because of that conflict earlier, and we're going to hear in a minute just for a couple minutes from the chair of our school board, Sandy Anderson, my counterpart, who works closely with our board on all things related to school and county.

[00:04:29] I'm just going to mention, obviously, the elephant in the room, which is effects of federal reductions to our workforce and to our federal contractors, effects of HR1 affecting SNAP and Medicaid and so many other federal resources that our entire community relies on.

[00:04:49] And so that is the big elephant in the room as we face the economic uncertainty of the next couple of years. And I do want to thank particularly the House for the work that they did in setting up the committees that went around the state and heard point blank from the communities of what these federal cuts meant for our shared constituents. They are real. At that point in time, many people criticize them for being hypothetical or for being fear mongers about cuts at the federal level.

[00:05:21] Well, I can tell you when we see our statistics, whether it's office utilization, whether it's unemployment, whether it's some of the cuts to federal programs that we're grappling with trying to figure out, you know, are we not going to be able to provide those services moving forward? Are we going to pivot, or are we going to try to fill some of those holes that the effects of these programs are real on human beings and people that we jointly represent?

[00:05:47] And so we are no longer at a hypothetical stage when it comes to those things, and I know the General Assembly is well-versed on what these impacts are and we'll be mindful of those as we approach this next session. Obviously, we're also mindful that there's been major changes in the House and at the administration level, and we look forward to continuing to partner to make sure Fairfax County's joint priorities are the highest priorities.

[00:06:13] And we've heard from Supervisor Jimenez a few of those, but obviously one is recognizing the huge effects of the federal cuts. Two is the issue of affordable housing. Members of our delegation know that we in Fairfax County have been working overtime on this issue.

[00:06:33] We have our 10,000-unit goal. We're about halfway there already, even though that goal is still almost 10 years away from what it was originally set. We're using every tool in our toolbox, including you probably just drove by the development in front of the government center, which is an all-affordable style housing development, which is unprecedented use of county-owned land to make affordable housing happen. And so we have a lot of the tools we need.

[00:06:59] Frankly, we need the rest of the state to be focused on affordable housing the same way that we are here. And if there are additional resources to come to bear to help us expedite some of those housing initiatives, that's helpful. Again, these are our people who cannot afford to live in the county that they want to live in. We have a very good problem here, which is housing is expensive and in high demand because a lot of people want to live here. The problem is too often they can't afford to. And I look at our school system and I know what we spend per pupil on public education, and what we cannot afford is to watch those kids leave the communities they grew

[00:07:37] up in and go work in cities and counties and other parts of the country that are more affordable. That is a bad ROI for us in the investments that we make in public education. So housing is critically important in making sure that counties have the flexibility to do affordable housing in a way that makes sense, but that we also hold other parts of the state accountable who are not producing affordable housing to try to help with that challenge.

[00:08:00] And I want to mention WMATA very briefly because I know a number of our delegation members have been working very closely on this. I've served on the DMV Moves Task Force with Supervisor Lusk and Delegate Sickles in particular, who spent an enormous amount of time working on the WMATA issue.

[00:08:18] Senator Eben, with the efforts that have been happening at the state level. This is absolutely critical that we get sustained long-term funding for WMATA. When you look around this county, when you couple the challenges with what's happening at the federal level, and you look around this county where successful commercial development is occurring, it is occurring in places where there's metro. That is where people want to work. That is where businesses want to open their establishments. And this is a key economic issue for us in Northern Virginia, but it's also clearly an environmental and a quality of life issue. And so getting the

[00:08:55] solutions in place for WMATA, absolutely critical. I want to also thank publicly our county executive who also played a big role in the DMV moves work. What we have in front of our General Assembly is what I have described as something doable. The original amount of money that would have been needed for Metro has been cut by over 60 percent, down to a number now that is doable. And a lot of that is because of the work of the general manager, the WMATA board, but also all the compact jurisdictions holding Metro accountable for better operations, more efficient operations that serve our public better. And the ask that they have now, I absolutely think is in the range

[00:09:35] of doable with the proper straps around it for accountability and transparency that we all know we expect of our metro system. But this is not just moving people. This is moving Northern Virginia's economy, which is moving the state's economy. So these investments in WMATA, particularly in this next session, are going to be absolutely critical. So I said I wouldn't say a lot. I'd like to say a lot more, but I won't. I thank you all for being here. I look forward to the conversation and the presentations. But just as a reminder, we serve the same constituents, the people that

[00:10:10] are counting on us to work together for solutions. We will remain part of the conversation ongoing all throughout the years. We always do on matters that are important to the county and state relationship. And I know I speak for all of my colleagues on the board that our door is always open to all of our delegation members as they deal with a lot of issues in a really compressed time during the next session. So with that, I am going to turn this over for a brief moment to the chair of our Fairfax County School Board, Chair Sandy Anderson, again, who would like to share a few comments, and then we'll go into the presentations. Welcome. First, I'd like to say thank you so much

[00:10:47] to the chairman for the time today. We apologize for the fact that we weren't able to coordinate the schedule for our own legislative breakfast as we normally do, so we were sad that we weren't able to pull that off this year. We did want to bring all the materials that you would have normally received, so those have been all passed out for you, and I would like to thank both Ms. Melanie Marin and Dr. Riccardi-Anderson for their work to pull all of that together this year. So we are in, we have a particularly good news story right now in the fact that all 199 of our schools were accredited under the new accreditation and accountability system, so we

[00:11:23] are thrilled to report that all of our schools are doing as well as we have always thought that they were. However, that continues to be an issue as we move forward, and I understand that there was work this morning that was done to offer up some adjustments to that, and so I'm very hopeful that with our new administration that we are going to have some work that is able to be moved forward in that. It's no shock to anyone that the same thing that we're always going to ask for is the same thing that we were asked for this year. Funding remains to be our largest concern as we work with our county partners as a path forward because we are all in the same boat where we want

[00:12:02] Virginia to do well and Virginia does well when Northern Virginia does well. So we know that we're in a tight budget year for everywhere all around and we're going to continue to hope that we can work together to come up with a path forward that will help us. We are working throughout the state also to make sure that other state partners understand how they need to be advocating as well. And so we're going to continue to do that work. Ms. Maron and I have both been doing that with the Virginia State Board of Education Association, or the School Board Association.

[00:12:36] So we won't go through much of what's in the packet, but I did just want to say thank you again for the time this morning, and I look forward to the conversation. Mr. Chair, can I ask a quick question of Ms. Anderson? Go ahead, please. So my colleagues will back me up on this.

[00:12:52] Everyone in Richmond thinks everyone in Fairfax is rich. It's true that they think that, and it's not true. Exactly right. So when we go to Richmond and we're talking about things like allocation of money, there's one statistic that I think you guys provide us every year, but I don't see it this year, that really opens people's eyes.

[00:13:14] I see on the fact sheet that there are 67,000 kids that qualify for free and reduced lunch. And there's a stat, and I'm sure somebody here knows it, that if those kids were a school system in and of themselves. The sixth largest. Sixth largest, okay.

[00:13:29] The sixth largest in Virginia. We also have another stat that may help also. I believe it's eight out of the ten people in Fairfax County do not make the median salary. State median? No, the county median. Okay. And so that is a remarkable statistic when you think about it.

[00:13:48] Eight out of ten. Eight out of ten, I believe, and I'll get you the specific information. Well, that's helpful. And Mr. Chair, Mr. Messers Chair and Madam Chair, as we engage with our colleagues down in Richmond, these are useful because I started – I wasn't making a joke.

[00:14:09] It is true that there is a sense down in Richmond that why would we be complaining about anything because all the money in Virginia is up here. And the way I've been explaining it to some of my colleagues around the state is if we're complaining, if we're telling you we need help, what does that say as the bellwether for the rest of the state?

[00:14:27] So we are in a moment when we need help, and we need to make sure that everybody understands that if we're in a position where we need help, then I guarantee you that other people are in the same position. Thank you. Thank you for letting me interrupt. And I would just add that that 67,000 number that's on our fact sheets here, as was referenced before, is more than one third of the student population. So, you know, I think that's another stunner for people. They think it's 10 percent or a couple schools. That's more than one third of the population of the Fairfax County public school system that is on free and reduced price lunches, just for context. Great question. Supervisor,

[00:15:06] a minute. Well, thank you so much. And one real quick thing, if you look through the packet, there is actually a fact sheet with some of that information on it. So as I go through my next section, if you want to look through that packet, I'm sure you can find some information. But thank you, Delegate, for that question. All right, moving along, I want to outline our time together by walking through our agenda for today and trying to be mindful of our time because we have about an hour to go through quite a lot. So first we will present the county's legislative priorities and initiatives. This will be followed by several updates and presentations from staff on the

[00:15:43] current state of how the county is being impacted by the federal changes, the plan forward for regional transit and WMATA funding, and our work to increase the accessibility and affordability of housing throughout Fairfax County. This will then be followed by an open discussion. We have also included several items for you as a reference. In each of your packets, you will find the state program, DMV Moves Task Force PowerPoint, a budget outlook, and a save the date for our Richmond reception. That is Thursday, February 19th, so please make sure to mark your calendars. I am

[00:16:19] sure our amazing staff will remind you and your staff as we get closer. There's also a QR code For access to the Weldon Cooper Report, you will also find individual one-pagers with more detailed information on priorities discussed today, those being the Urban Public-Private Partnership Redevelopment Fund, Expanding Park Authority to Ban Sex Offenders from Certain Park Facilities, Vehicle Exhaust Noise, Federal Changes and Impacts to SNAP and Medicaid, Regional Transit, WMATA, and K-12 Education Funding.

[00:16:53] Okay, now we're going to shift gears to our priorities and our initiatives for our 2026 legislative program, which is the culmination of thorough discussion held by my colleagues on the Board of Supervisors and Legislative Committee throughout the fall, informed by county staff, public input, and our long-term policy objectives.

[00:17:14] As I previously mentioned, these programs have been updated and streamlined to serve as a clear, actionable guide for our delegation, ensuring our shared goals are communicated effectively. It also underscores our commitment to working in partnership with the General Assembly to deliver essential services through locally driven solutions while addressing our urgent challenges.

[00:17:39] If there's one word I think you'll find today that I keep underlining, and I hope you have noticed, it's the word collaboration, because that is how we move forward. The board has identified four top priorities, responding to changing federal landscapes, appropriately funding K-12 education, solving systematic financial challenges with regional transit, and addressing the housing crisis here in Fairfax County.

[00:18:05] We know that decisions made in Washington, D.C. have significant consequences for our state and local budgets, our economy, and our communities. Few places feel these impacts more directly than Fairfax County, home to more than 82,000 federal workers and 3,800 contractors.

[00:18:25] As home to numerous federal agencies and contractors, our economy depends on dedicated public servants and contractors who have felt the effects of recent federal action. Our program responds to federal workforce uncertainty by connecting displaced workers and contractors to skilled-aligned opportunities, strengthening small business support, innovation, job initiatives, and workforce training.

[00:18:51] Changes to Medicaid and SNAP will also place additional strains on local social services. Addressing challenges of this scale requires collaboration, and we welcome the General Assembly's Emergency Committee on the Impacts of Federal Workforce and Funding Reductions Report.

[00:19:07] which closely aligns our approach. We must continue to foster meaningful partnerships on these issues and many more. Education is and remains a cornerstone of Fairfax County's success, but the current state funding formula for K-12 education is outdated and leaves the county with an increasingly difficult fiscal burden.

[00:19:31] As we have done so in the past, we request your support in replacing the salary formula with a regional cost index to account for Northern Virginia's high cost of living. We thank you for your support in the past in increasing the cost-competing adjustment.

[00:19:48] We also recognize that as Fairfax County serves as the economic engine of the Commonwealth, regional transportation systems such as WMATA and Fairfax Connector are essential to Northern Virginia's success. Sustainable, dedicated funding is critical for these systems, but it cannot come at the expense of other regional transportation projects or community services. For our last priority, we are

focused on addressing the housing crisis. We are on the front line of Virginia's housing crisis here in Fairfax County. While we are working locally to expedite new housing

[00:20:24] development, we also wish to partner with the General Assembly and urge our delegation to take action to help lower housing costs and incentivize creating more housing by units by increasing funding for the Virginia Housing Trust Fund, raising the cap on funds available for individual developments, and creating a state-level low-income housing tax credit like LIHTC at the federal level.

[00:20:50] At the same time, preserving local authority to control development processes and zoning decisions is essential for addressing local challenges through tailored, responsive solutions. In addition to our priorities, we are advancing three initiatives in our 2026 legislative package.

[00:21:09] First, the Urban Public-Private Partnership Redevelopment Fund, the new authority for the Fairfax County Park Authority, and third, the Acoustic Device Pilot Program. Now to transition into our staff presentations, I will turn it over to Jennifer Van E, our legislative director and county staff. Good afternoon and welcome. So we're going to have some staff members come up.

[00:21:37] There are many topics that you've heard our two chairmen speak about, our three chairmen speak about, and we're going to go more in depth from a staff perspective on some of these issues. So Rebecca Moudry will start us off. Is it on? Okay. Good afternoon, everyone. I'm Rebecca Moudry. I'm the director of the Fairfax County Department of Economic Initiatives. It is an honor to be here with you today. I will briefly go through an overview of the economic and business

[00:22:12] connection with the federal government, procurement, employment, and what we know about current business impacts and outlook. And just as this slide states, and I'm sure you are all aware, it is a time of significant economic uncertainty and ongoing transition. Some of you, I believe, participated in what is mentioned, the General Assembly Emergency Committee on the Impact of Federal Workforce and Funding Reductions, which was chaired by Delegate Bolova, those meetings produce great information, and this slide you see here is from the September 11th

[00:22:49] meeting, which is an overview of the federal contract spending in Virginia by agency, and according to the Weldon Cooper Center calculations, 46 percent or nearly half of the \$109 billion dollars spent in federal contracts that have gone to Virginia firms. Those were from the Department of Defense. They had also shared that this supports more than 441,000 private sector jobs in Virginia, which are often in higher paying sectors in the professional technical and

[00:23:23] scientific services field. And many, many of those jobs are in Fairfax County and Northern Virginia. Here in Fairfax County, of course, as has been mentioned, the federal government is tremendously important to our local and regional economy.

[00:23:40] At least 80,000 people in the county or one in eight workers work in the federal government. That, of course, is shifting slightly. We'll talk a little bit about that. That's about 13 percent of our workforce. And, of course, tens of thousands more work for private sector federal contractors.

[00:24:01] There's additional figures up on the slide about the number of employees at federal agencies that are headquartered here in Fairfax County. That's at least 28,000 in those agencies here. And just looking at our largest employer in the county, Fort Belvoir, employs about 45,000 people, which includes military, civilian, and contractors. And I should note that these numbers are considered somewhat

conservative or quite conservative. Some information is difficult to track due to classified contracts and information. And in terms

[00:24:37] of contracts, six percent of all federal contracts by place of performance or where the work is done go to Fairfax County based government contractors. And in FY24 that was more than 41 billion dollars and we are actually the top jurisdiction for those dollars inflowing from federal contracts. In terms of grants, Fairfax County entities receive about \$454 million in grants every year, and those go to local nonprofits that depend on those grants for their operations. So as I'm sure we are all aware, our labor market

[00:25:17] is weakening, and just today we learned that the U.S. unemployment rate has ticked up to 4.6%, and that is the highest level it's been in four years and using available data from August the county's unemployment rate was at 3.7 percent and that's an increase of one point from January of this year and it's actually the first time in four years in about four years that it's been above the state which was at 4.6 percent sorry 3.6 percent and the chart that you can see here I know it's

[00:25:53] little bit hard to see, but it highlights the changes in employment in Northern Virginia. So the blue line, if you can kind of see it, the one that's a kind of the flattest, is the overall job change across sectors, and job growth for this past year has been relatively flat, not growing. Something that is, that is somewhat alarming for our economy is that there's about a 2%, 2.2% decline, or or that's a loss of about 10,000 jobs in Northern Virginia in the professional and business services sector.

[00:26:30] And that is the green line, the one that's kind of dipping down below the axis. And the red line, the one that is the steepest is really the most significant drops. And that is the decrease in federal jobs. And that's down about 7% in the region.

[00:26:47] That is a loss of about 6,600 jobs. And that is available data. think that the impact could be significantly greater. Just to know, we've been tracking the federal unemployment claims at the state level. So the initial federal unemployment claims that have been filed in the state since January is a 673% increase from all those claims in 2024, just to give you some perspective on that. A key component to our local economy, of course,

[00:27:22] is uh and local revenue is office elevator it makes up about a quarter of our non-residential tax base and this shows office elevator annual change over the last number of years so our budget team is projecting continued decline of office elevator values in fairfax county coming up in fy27 and anticipating about a five to eight percent decrease and as you can see in this chart from the red, that has declined over the past five years, which means it is increasingly a smaller

[00:27:58] share of our overall non-residential tax base. And finally, I'm going to talk a little bit about business sentiment, what our business community is feeling. We conducted a survey of Fairfax County businesses in the spring and fall of this year. Our fall survey demonstrates that business sentiment is increasingly cautious. The majority of firms were not optimistic about the next six months. 27 percent reported they are not optimistic at all.

[00:28:30] That's the chart, that's the bars all the way on the left of this graph and you can see it was quite a jump from the spring survey in orange up to the blue survey, the fall survey in blue. In that same survey, 80% of the business respondents reported an increase in business costs and 64% reported a decrease in sales and revenue. And when we look regionally in North Virginia, the most recent quarterly survey from

the North Virginia Chamber highlights the federal, some of the federal impacts that business leaders are feeling. It was done right during the government shutdown the survey was conducted in

[00:29:09] October and the results were reported at the end of October and in that from that survey 43% of respondents said that the government shutdown is causing their company to decline and the top reported external issues that's kind of the chart on the right here the top external issues impacting businesses in northern Virginia were government shutdown, federal agency layoffs, and inflation. So thank you very much.

[00:29:39] And with that, I think I'm turning it over to Michael Beckett's. Good afternoon, everybody. I'm Michael Beckett's, the director for the Fairfax County Department of Family Services.

[00:29:58] H.R. 1 brings sweeping changes to federal policy concerning SNAP and Medicaid. It restructures the federal-state-local partnership and marks a major structural change to the cornerstone social safety net programs since their inception. This new law introduces unfunded mandates and cost shifts from the federal government directly onto states and localities. It not only imposes significant new administrative burdens and policy requirements, but also restricts access for current and future

[00:30:32] beneficiaries. The result will be a fraying of our social safety net, leading to predictable increases in food insecurity and the uninsured within our constituency. The need in our community, however, will not diminish. Our local government's budgets will be forced to develop strategies to replace lost federal support. We anticipate increased demand for locally funded food access services, that more residents will lose coverage, that will lose health insurance coverage, that they might delay necessary medical treatments resulting in higher utilizations of emergency

[00:31:11] medical services, such as emergency rooms for primary care, as well as ambulances for transportation to the hospital, and will also likely dramatically increase uncompensated care costs that are going to be borne by our local hospital systems. Specifically talking about the changes to the SNAP program, the change to SNAP administration is a direct hit to our operational budget. The federal share of administrative costs has been cut from 50%

[00:31:46] to just 25%. The Virginia Department of Social Services has already indicated and confirmed that this increase or this shifting will move our local match from 15.5% to nearly 22%, an increase of about \$7 to \$8 million for the administration to the SNAP program alone.

[00:32:07] Furthermore, H.R. 1 now penalizes states for errors by tying the state's payment error rate to share in the cost of the actual SNAP benefits. This has never happened before in the history of the program where the federal government has shifted this type of cost to states. If Virginia's payment error rate for SNAP benefits is at or above 6%, the state pays a portion of the benefits.

[00:32:35] Right now, our calculated payment error rate for as of July of 25 was 11.5%. This policy exposure estimates that the cost to the Commonwealth is about \$211 million in the first year of the biennium and \$270 million in the second year of the biennium. This massive state cost will undoubtedly have downstream effects and consequences for our local budgets and needs in our community.

[00:33:09] H.R.1 also eliminates existing exemptions on SNAP-related work requirements, imposing them on highly vulnerable populations. Veterans, the homeless, former foster youth under the age of 24, and families with children under 14 are required to work or to volunteer up to 80 hours per month

[00:33:45] in order to maintain their SNAP benefits. They can also participate in education or training. However, if they do not, that will result in a loss of benefits. The work requirements under SNAP are not new to the Department of Social Services.

[00:34:05] We've been doing work requirements for decades. However, the sort of removing vulnerable populations is definitely going to show an increase in need. Finally, as it relates to SNAP, most immigrants, including refugees and asylees, are now ineligible for SNAP, forcing them to turn to local community resources after the renewal for their benefits happens next.

[00:34:32] As it relates specifically to Medicaid, our workload is going to increase significantly beginning January the 1st of 2027, when the current Medicaid expansion population must undergo eligibility recertification twice a year. In Fairfax, this impacts approximately 50,000 people annually, representing about one-third, slightly under one-third of our active Medicaid population.

[00:34:58] This massive surge in workload cannot be absorbed without critical and immediate state investments in modernizing the Virginia case management system. That's the system that we use to process public assistance benefits. Without this update, we face a substantial backlog in timely service to our county residents to access health care services.

[00:35:20] Similar to SNAP, H.R. 1 also narrows eligibility for the immigrant population, Which means that people who are currently receiving SNAP benefits are going to be really overwhelmingly sort of without health insurance and needing to access potentially our federally qualified health centers, free clinics, or go without health care.

[00:35:43] Finally, while the work requirements and community engagement benefits are not new to the SNAP program, they are new to the Medicaid program. This is a completely new mandate under H.R. 1 in that the local government is responsible, the local Department of Social Services is responsible for monitoring compliance with this work requirement, which represents an unfunded increase in local workload and the administration of the social services programs.

[00:36:14] Thank you. And now I'm going to turn it over to Jennifer. I want to say thank you to the staff for their presentations. As you've heard, there are some red flags in our economy in Northern Virginia, and we have the proud history of being an economic engine for the Commonwealth.

[00:36:35] It's something we've been proud about, and it's something that we want to continue to do for the best of Virginia. As you might have heard about, we did commission a study called With Welding Cooper that looks at the relationship between revenue in and out.

[00:36:55] What it highlighted was that as the largest locality, we have 13% of the population and produce 20% of the revenue for the state. In general, we are, again, like I said, this shows that we are the revenue and we're proud of that.

[00:37:15] We are the revenue generator and we're proud of that. But as reported by the House Emergency Committee and presentations that you've seen here, there are red flags and there is a time of uncertainty. We will continue to monitor and keep you updated on these impacts, but we need to partner together now to help support our residents and especially our workforce.

[00:37:36] To talk more about this, I'm going to turn it over to the dean of our delegation, Delegate Watts. Thank you so much, Jennifer, and also thank you for the reproductions of the material I'm about to

present, but also for those of you who want it in a little more condensed form but still big size of this, I also have many copies.

[00:37:57] we've killed a lot of trees today. As Jennifer referred to and certainly the chairman referred to we do need to cooperate and the material that you see before you has been developed literally over years but particularly intensely over the last six nine months as I have presented to various groups excellent meeting with school personnel for example as well as VACO and other groups but it has continued to evolve in some of it and reorganized for today's presentation.

[00:38:32] Much of it comes from the annual report of the Auditor of Public Accounts, where all the localities report in are virtually all every year, or from the annual report of the tax department with my working at those numbers to see what's really there in all of those raw numbers. With that, let me proceed. I know time is short, and I need, there's the clicker, good. So as has already been stated, and again, while I absolutely, as the chairman and I were

[00:39:07] discussing, appreciate the seal of approval that Weldon Cooper's look at all of this represents for us, actually the data that you see here comes from the auditor of public accounts.

[00:39:25] But my comment is that for as long as Fairfax County has had high average incomes and low unemployment, its taxpayers have always paid more. And that goes back to my 15 years as a citizen and all these years as legislator. Specifically, when you look at Virginia's budget, we spend about 90 cents of each income and sales tax dollars in ways that directly benefit residents. You see 33 cents for Medicaid and social services, including mental health, 32 cents for K through 12, 13 cents

[00:40:03] for public safety, including courts, as well as 12 cents for higher education. So Fairfax County residents benefit to these for these greater or lesser degree. Obviously, we benefit more from higher education, 53% of tuition paid for by these taxes. Our courts are busier, but because we have a low crime rate, means fewer state prisoners and a low proportion of our residents low qualified for Medicaid and food assistance, despite what you have heard, proportionately, It is still less than typical localities.

[00:40:43] So that while Fairfax County residents will always pay more, where are we shortchanged in state funding? These next slides emphasize K through 12 because that's the biggest portion of local funding is K through 12, and the biggest portion of state funds coming to the county are K through 12.

[00:41:03] The local composite index is supposed to reflect our local ability to fund K-12, but for the last 50 years, ever since the Supreme Court decision that no child would be penalized coming from a poor locality, for 50 years it's been based on 50% real estate tax assessments, 10% sales tax, and then as a big placeholder, 40% adjusted gross income, even though localities can't directly tax local income.

[00:41:40] Northern Virginia's very high 140% cost of living drives a significant cut in state funding under the LCI because it drives up those incomes. Biggest spread in the nation except for California in cost of living throughout the state.

[00:41:57] So for Fairfax County schools, salaries and benefits take up 85% of the budget, and the formula shifts the burden of paying those competitive salaries almost totally to localities to deal with that cost of living competition.

[00:42:15] So while state police stationed in Northern Virginia and a number of other state employees in Northern Virginia are paid differentials, state police over 25 percent, when you put the differential that

supposedly goes for school salaries through the LCI, we get less than 3 percent.

[00:42:35] So the 54% of county revenues come from the real estate tax. For cities, it's 46%. Notice Fairfax County top 10 jurisdictions dependency is 62.9% comparison.

[00:42:53] Moving along, the AGI, however, does not measure residents' ability to pay those real estate taxes. The LCI uses average ACI. I'm very glad, and again, I've had meetings with school authorities that you all have picked up on the fact that average is one thing, but the median is so much more important. Eight out of 10 Fairfax County residents have income below that average AGI. So the real estate hacks is assessed on values, therefore, are not related to the current ability to pay of many long-term

[00:43:30] residents. They qualify for the loan many years ago, but their income isn't necessarily the resale value of that house, nor does it reflect the relative ability to pay of the wealthiest owners in the county. The burden on homeowners of high real estate taxes to make up for the lack of the K-12 funding is much higher throughout Virginia's urban crescent. These localities are home to over half of Virginia's population. On the next chart, you'll see Fairfax County is 19th

[00:44:05] among the 33 cities and counties that have rates from 95 cents to \$1.45. And again, I do have a larger copy of this, but I found it incredibly informative when I developed it a month or so ago. In looking at, you see in that first column of blues, the jurisdictions who have dense populations, the urban crescents. So I'm picking up on the density of a small locality like Falls Church, but also a bigger locality. And you will note that the only one that does not receive,

[00:44:44] excuse me, I will stop. Also notice that the state average real estate tax rate as computed by the state is 0.94. Notice that basically three quarters of the localities have less than that real estate tax rate, even though the school funding formula is based on need if you taxed at the average, and localities do not, except above the line, the one quarter in the urban crescent for the most part.

[00:45:20] You will also notice, I will move to the next chart, where it's highlighted even more so those localities that receive less than, and I've got to have the bigger print in front as well, that receive less than, I'm getting to it, the localities in Northern Virginia where you are receiving, as you see in the purple there, less than 25% of K-12 spending

[00:45:57] from the state, and they are all in Northern Virginia with the exception of Albemarle. So one of the values also of these two charts also gives you a perspective of where our allies should be and the magnitude of the possibility that if we all work together collaboratively, that we can make changes to these allocations without hurting, without touching the other three quarters of the state.

[00:46:28] And some of those alternatives that I am now outlining and the ones that follow, no one gets everything they want in changing how funds are allocated. We all know how to negotiate and we all know how to give and take.

[00:46:44] The two top changes to better reflect Fairfax County needs are not applying the LCI to cost-to-compete salary adjustments and direct per-student funding of special needs, IDDD, at-risk, and English language learners, as purported Delegate Sullivan's questions, which triggered how much of a large population we have and if they need to be directly funded rather than buried in averages.

[00:47:13] Ultimately, it needs to be recognized, however, that the LCI major of ability to pay does not reflect the local authority to tax. And I will also note from my own history, even with transportation funds

better targeted to meet urban needs a number of years ago, eventually state funding was supplemented with new dedicated transportation funding raised locally and used locally.

[00:47:43] What is the potential for increased state funding for K-12? Well, the magnitude of the state underfunding of K-12 documented by JLARC is so great that it requires major new state revenue, and I don't dispute JLARC's findings at all.

[00:48:01] It's a seminal study. Historically, JLARC's K-12 funding analysis is parallel to JLARC's comprehensive analysis of transportation that I already referred to. And again, I live some of that history. Taxes were only raised after changes were made in how they were used. Just putting money into the same old, same old, you have a number of needs unmet.

[00:48:27] However, now an important bullet that we've already acknowledged as all of us, however, federal funding cuts may become so severe that there may be political support to raise state revenue to fund gutted essential services and not deal with the bottom line of the JLARC report.

[00:48:47] This was my own collection again before when it was all speculative. Well, guess what? Everything we have to deal with is summarized on that chart. So what tax options are in play? I say it's a mystery for those of you who like the movie Shakespeare in Love as much as I do that somehow that play was going to go on, but it's a mystery.

[00:49:11] And that's where I look while I try to be prepared. Who knows what we'll actually have? A tax on consumer services could increase state and local general revenue, as well as transportation and sales taxes enacted for special uses as well as local sales tax.

[00:49:27] Another alternative, local one-cent sales tax for school construction referendum option for all localities could provide some real estate tax relief. Another is a new upper income tax bracket could increase general fund revenue.

[00:49:44] Raising the standard deduction to address inflation would, however, reduce state general fund revenue. Now, final bullet, local option surcharge on state income tax, Maryland's, is 3.4 percent, or a local option upper bracket could relieve real estate taxes.

[00:50:04] Next, now on to some of these tax reforms, starting first with the fact that Virginia is over-reliant for general fund on individual income taxes, essentially 70%, and local budgets for real estate taxes. Anytime you overly depend on one form of taxation, you are at the mercy of the economy going in different directions. The broader it's based, the less vulnerable. So the third bullet, the average state raises \$1.50 from general sales taxes for every \$2 from income taxes.

[00:50:43] Virginia raises less than 50 cents. Why? Because we don't tax services, consumer services, and most states do. Since 1970, the average household now spends two out of three dollars on services. We or a service economy. Out-of-state provisions are also, out-of-date provisions are also a problem in creating loopholes and uneven economic playing fields. And however, when you look at sales tax reform, eliminating the local food tax remains a target in any reform. So this then is drawn from

[00:51:23] a number of bills that were introduced so that we've really got apples-to-apples comparison that came from state fiscal impact statements on these bills. I have more footnotes if anybody wants them. But basically what you see there, a consumer, a tax on consumer services that includes digital as well as

business purchase of digital that they don't then directly create a service out of it would raise \$2.3 billion a year, which would be of the magnitude of the K through

[00:51:57] 12, a JLARC study. I've got in footnotes there the excluded services, which of course include healthcare services, and you can read down that list. The next item, though, is important that the revenue estimates of that \$2.3 billion for the total generated are actually percentage-wise in a number of different pots. 38% into the general fund, 23% goes to localities in increased sales tax revenue. 16% would be allocated through the school-age population that comes directly back

[00:52:34] to schools, and this is important for Fairfax County because it doesn't go through the LCI. And then 14% in transportation, which deals with some of the WMATA issues, as well as regional transportation. This is the chart that I have been referring to. This is the third in the series of charts, again, organized in the same order as real estate tax rate. But now the issue is, well, what happens with the income tax, however it might be raised and allocated? And this gives you some

[00:53:08] idea, jurisdiction by jurisdiction, the trade-off of income tax and real estate taxes. And then I think maybe it's finally yes that's the final one take a breath um so anyway uh working together so much of this just confirms what weldon cooper confirmed but obviously credibility for us depends upon that broad credibility not just what did she do with the auditor's report Thank you very much.

[00:53:48] Well, thank you so much, Delegate Watts, for coming today and presenting such important information to us. I know we're all better off for that, so thank you so much, and thank you for leaving these packets behind. I'm sure we all are going to enjoy looking through this information after this.

[00:54:04] Mr. Chairman, I just want to make one comment because the Weldon Cooper Center update was done largely at the behest of some members of the Assembly who said, you know, your numbers are largely out of date. And so the refresh was done because several of us had been repeatedly hearing from the delegation that those are probably not still the case.

[00:54:22] And so I just wanted to put that on the table. And then secondly, I want to thank Delegate Watts in particular because people in this room, a lot of us know, she's been working on these things for a long, long time. She was called a human encyclopedia. Human computer. No, computer, computer.

[00:54:38] Human computer. It's been updated. It's been updated to human computer for good reason. And the last thing I want to say is thank you also for coming to the table with something really refreshing, which is sort of some ideas of how we can fix this. Because a lot of us talk a lot about the problems, but not a lot of people talk about the potential range of solutions.

[00:55:00] And so thank you for putting this on the table and taking the time to do that. And I know time's short, but I have worked to change the school funding formula for over two decades. And I can assure you that at this point, I'm saying if the formula doesn't reflect ability to raise the revenue, then we've got to change how we raise the revenue.

[00:55:20] And just one other reminder that there is a QR code in your packets with the Weldon Cooper report. If you want to check that out, I'm going to now pass it over to our account executive, Mr. Brian Hill. Thank you, Chairman Jimenez.

[00:55:37] And I'm going to be very, very brief because we're a lot behind schedule right now. I do want to thank the chairman for his participation in DMV Moves, also Supervisor Alcorn for his participation with

SJ28 and our transportation chair, Jimmy Behrman from the Drainsville District.

[00:55:56] Clark Mercer from COG and I embarked on a 24-month odyssey trying to understand the numbers for WMATA and Metro and the bus operators. In your packet, you will have an outline of all of what we've done.

[00:56:13] So I'm not going to belabor that. But we did start at \$1 billion ask. We're down to \$460 million with metrics. Mr. Clark from WMATA is on board with his budget process now with this \$460 million ask, which is baselined and benchmarked.

[00:56:33] And as you know, the new Secretary of Transportation also worked with me on this project. So I want to say thank you to Nick Donahue as well. But many thanks goes to Tim Hemstreet from Loudoun County, Mark Schwartz from Arlington, Jim Parajon from Alexandria, Kevin Donahue from the District of Columbia, and our friends from Maryland.

[00:56:54] They were a part of the process. Joe McAndrew, who is the Deputy Secretary of Transportation. Just to be quite transparent, Fairfax and Loudoun County have adopted this presentation and these numbers. Arlington is going up tonight. Alexandria will happen next month, as well as Montgomery County.

[00:57:15] If you have any questions after we're done here today, I'll be waiting to hear and speak to you about anything in this slide deck. But I didn't want to speak too long on this because we're really behind schedule right now, so I just want to say thank you.

[00:57:32] Next up. Well, thank you so much, County Executive Hill. And with that, we'll hear from our Deputy County Executive, Jennifer Miller. Good afternoon. Jennifer Miller, Deputy County Executive, and I too will make up some time because I don't think I have to convince anyone in this room that we have a housing crisis nationwide and also in Fairfax County. So I will quickly blow through the statistics here. I think most of you are familiar with this, the key demographics kind of of our county and what we're facing. One interesting fact on there, the area median income versus the median home price is about \$150,000 delta between what the median income family can afford and what the

[00:58:11] average house price went for in Fairfax County again not just a Fairfax County issue a nationwide issue and while we're proud of the fact that we've added 2.1 jobs for every new home that also means that we continue to increase the housing deficit and over a third of the houses built in the last year we're actually over 1.1 million which is the hundred and sixtieth AMI so some some facts in here the supply is is lagging demand as everyone knows we're adding more jobs and were having trouble closing the gap so without continuing to talk about what we the problem is I'll just say some of the things that we're doing which is the

[00:58:48] most important piece so the housing and community development team Tom Fleetwood and Anna Shapiro here working under Chris Leonard we already heard the chairman talk about the \$10,000 or 10,000 unit goal by 2034 they're well on track doing that leveraging county land using county resources working with private developers and public-private partnerships, really creative use of getting after affordable housing for our lower-income residents. You can see some of the great work that they've already done and that is underway. If you're not familiar with these, Tom and Anna could probably talk or do a tour for you all at these facilities. But the other thing why they asked me to talk is the

[00:59:25] chairman and the board challenged us to look at what we could do to address some of these housing shortfalls. We have only so many levers that we can pull in the county, so what we did was we got a team together at the board's direction to look at what are those levers that we have the ability to pull not only us but bringing in the development community so our housing task force which is about 40 people senior leaders across the county have been meeting and providing updates through our land use policy committee chair and the chairman on what are those things that we could do to get after housing production working with the development community we're working closely with neop and some of our other development partners we have over 30 lines of effort looking

[01:00:04] at all of the things that we could potentially do from streamlining land entitlement and development to looking at leveraging third-party financing, looking at all the financial tools we can use, public-private partnerships, working with faith communities. So I know this is a lot of information, but the bottom line is stay tuned. We're working this hard. We're coming back to the board this spring with some core concrete proposals after we run it through the community and developers to try to get their input and buy-in and hopefully can help reduce some of that gap. So we'll give back some time. Thanks. Well, thank you so much, Jennifer, and thank you, our legislative director

[01:00:40] and all the county staff for all the hard work with those presentations. I'd like now to move it into open discussion and comments, and I at this time would like to look around the room to our General Assembly members to see if you have any questions, if you have any comments. We'd love to here, any priorities or ways to collaborate moving forward that you might have. So we'll start it with anyone who might have some comments. Yes, sir.

[01:01:08] Thank you. Terrific presentation. Thank you to everybody for doing it. This is always a great session, and I am sorry that more of my colleagues aren't here to hear it. Can I have a question for where did Brian go? There he is. I should know the answer to this, Brian, but I don't. I remember when we did this dedicated funding thing five years ago or whatever it was.

[01:01:30] And by the way, Secretary-designate Donahue was there working on that. I was working on that. Delegate Watts was working on that. One of the issues was sort of who goes first among the jurisdictions. What's the plan there?

[01:01:47] And what are the numbers for our compact partners? Who goes first? Well, I will say this to you. I think we're all going at the same time. Maryland is a little bit slower than us because of their politics. The District of Columbia, as well as, obviously, Virginia, are all on the same page.

[01:02:06] The district pays more than Maryland. Maryland pays slightly more than Virginia. I don't know the numbers off the top of my head, but it's 163, I think, for the district, maybe 156 for Maryland and about 138 or something like that from Virginia.

[01:02:27] But I don't remember them off the top of my head. Great. Thanks. You're welcome. I just want to add one thing to that. The compact jurisdictions that participate in the DMV moves outside of the scope was looking at the way in which the contributions are made.

[01:02:46] That angered some. I'll just be candid with you because I think the District of Maryland would like to look at the allocation model again to make it more favorable to them. But we deliberately looked 0% of our time into the allocation model because what we were focused on is the new revenue piece.

[01:03:02] We know we're not going to go back and change the compact arrangements for how that is sorted, how the shares are sorted. And we also know that if we did do that as part of looking at the piece that we're looking at, the immediate piece, that it probably would have blown up any opportunity to do anything, just being candid.

[01:03:18] And so I think it is fair to say that D.C., Maryland, and Virginia are all unhappy about the way the allocation model is set up. But that was outside of the scope of what the DMV Moves Task Force looked at intentionally. So I just want to be transparent about that.

[01:03:34] And to add to that, there's another play in hand. As the chairman said, it was outside of the scope. Now that we have Longbridge, there's another play into that because you potentially could take a train from Prince William all the way to Camden Yards. And that will change another formula or another model.

[01:03:51] And I think speaking with some of the D.C. councilmen, they didn't want me to mention that during the process. So I think they're going to come back to the table once we sort where we are out. Mr. Chairman. Yes, Supervisor Alcorn. Yeah, just to follow up on that, I think it's important also, it's not just the Metro capital money that was identified in DMV.

[01:04:13] As part of the SJ28 process, we looked at all the needs. If we remember, two years ago, almost two years ago, we did an extraordinary input of funding to Metro on the operating side, euphemistically called re-baselining, basically blowing through the 3% cap.

[01:04:31] There's also an attempt, and I hope this goes forward, to cover that as part of getting new dedicated funding for Metro, because frankly, that's coming right out of the state general fund and coming right out of local general funds. And then the third piece that came through DMV moves, VRE. VRE still is working off of pandemic funding. And in about a year and a half, two years, is going to be about \$30 million short, \$30 million with no additional change, no change in service, basically just status quo. And we have local bus needs as well. So that's why the number

[01:05:09] is going to be a little more than the 138. It's actually going to be quite a bit more. We're looking, with DMV moves, we're looking at a little over \$400 million. And strategically, on that point, Supervisor Alcorn, we have deliberately made sure that while this was focused a lot on metro, it's focused on transit. This is a solution to transit, not to metro. I mean, we fixed a lot of things with metro, with transparency and efficiency, but at the end of the day, without a robust transit system, metro will not be successful. And the other piece of it obviously is for your efforts in Richmond, talking about broadening, we talked about who are your

[01:05:48] partners and supporters on education funding, well, broadening the number of people in the General Assembly who can be benefiting from this by bringing in VRE and supporting transit in those jurisdictions is really important, especially with the huge investment Virginia made in Long Bridge Project. Yes, delegate Watts. Mr. Chairman, if I can add to that, it's also important for us that the degree to which you can express our transportation services within Virginia, I know this goes a little bit back to the allocation formula, but we constantly get chained with

[01:06:26] whatever Metro did wherever, as opposed to what meeting our transit needs are and that this funding is targeted and generated to do that. So anytime you can express it that way, it's very helpful.

[01:06:44] Well, thank you so much for those comments. Before we move on, are there any other General Assembly members who'd like? Yes, Delegate Cohen. Thank you so much. I have several questions which won't surprise any of you.

[01:07:02] But I did want to just first take an opportunity to say you really do have some incredible gems here on not only your personal staffs, but just working for the county. Delegate Sickles and I had an opportunity to meet with Director Beckett, who's back there, last week about some foster care legislation that we're working on.

[01:07:23] And I will tell you, I think I understood SNAP in a way that I thought I understood previously. It's like talking to Vivian. But two things I really wanted our counterparts to hear, and my colleagues as well, two things that I think are really important that I misunderstood.

[01:07:45] The first one is within calculating that error rate, there seems to be no breakdown that counties can understand what their error rate is. So there's no way for us to know in Fairfax County what are we contributing to that 11.

[01:08:00] I've heard rumors that we have gotten it a little bit lower, but not ready to say that publicly quite yet. Still going to cost an awful lot of money. And I think the idea that even in Fairfax, if we could calculate on our own what the error rate was, the way we interplay with the rest of the Commonwealth, it's unclear what even changing our error rate would do to change the overall error rate in Virginia. So I think there is so much pressure within many of our counties, within agencies,

[01:08:36] to feel like they are working so hard to figure out what is going wrong. And the answer is probably not in most of the places who are really doing the in-depth work. So I wanted to say that.

[01:08:52] And just another concern, and if somebody could clarify it for me, I would love to know. I have heard a rumor that you all have gotten not a bill but sort of an estimation of what your percentage that the county would need to pay into to help eat at that \$211 million the first year and then \$270 million the second.

[01:09:17] And that, I had not heard that. So if you could help us understand how that's happening. Deli Cohen, I'll get back to you on that question.

[01:09:33] I don't know that we have an answer prepared on that right now, but we'll get back to you on that. so political not wanting to throw anyone under the bus, but I think definitely if you can stay in touch with the delegation about that, because that's not something that has been shared with the General Assembly that we're expected to pass that along to you all, which would obviously very significantly change your budget. So thank you for that. And thank you for your question.

[01:10:00] Delegate Karen Cuscomara. Thank you. I really appreciate this opportunity, and I, first of all, want to thank you from the bottom of my heart for a statement regarding the casino and the ability to speak clearly when we are having conversations with our delegation. So I do thank you for that. The second topic I'll touch on briefly has to do with land use. As I glance over your legislative program.

[01:10:33] I'm happy to see a point on here regarding cooperating with faith communities in housing development. And I'm not sure whether, and this may be one of the things you want to get back to us on, but I'm not sure what your position is with respect to language that has been offered before.

[01:10:55] It's been my understanding that there's been some glitches in there, and I'm just wondering if this bullet means that those have been resolved. I'll start there. I'll be honest. I'm going to need you to repeat the question. Okay. I'm so sorry. There's legislation that has been presented before with respect to trying to address the affordable housing problem by partnering with our faith communities and utilizing their land for affordable housing and how we might be able to streamline

[01:11:34] that process. I have previously heard, since we're dealing with rumors, that your position, the county's position, was contrary to what was being discussed. And I'm hoping that this language means that that's been addressed or I'm happy to discuss it later. I'm not trying to put anybody on the spot, but I would love to hear your position. So it sounds like we're going to start a parade of answers. So what I can say is that the bill that was offered last year

[01:12:09] was presenting challenges with the land use process. And so while we are very interested in partnering with faith communities in order to do this, the by-right nature of it was causing problems for just how you even plan things such as where those kids would go to school or does the community have enough stormwater needs to that and so our problem was not with wanting to partner with the idea of it our problem was the kind of taking the entire thing and just saying

[01:12:48] they get to do what they want where they want anytime they want and so that was one of our concerns, but we're definitely, as part of the housing task force that Deputy County Executive Jennifer Miller was talking about, we're looking internally about how do we think about this and how do we go about this? Yeah, let me just add a little to that. I think that's absolutely true and accurate. I don't think we have a different position. I think we have a different concern for the by-right nature just because most of our houses of worship are in residential areas by default by their zoning and obviously we want to make sure that while we're encouraging that

[01:13:25] development to happen we also can look at what the impacts are to the community around it and fundamentally it's because we want to approve more of these and if one goes through and doesn't have that look and the community is not engaged it could be used as the reason to defeat these moving forward and so I think it's a delicate balance between the two preserving local land use authority, but being open to ways to streamline the process. One of the things that I have suggested, and I think is a real solution to this challenge, and it's one that's been embraced by the faith communities I've spoken to, is I think the best avenue, if a faith community wants to

[01:14:02] build affordable housing, is to transfer or enter into a long-term lease with the RHA and let the RHA process the land use application and get the entitlements and build the units with people who know how to do this. The biggest challenge we've run into with a lot of our houses of worship is they mean well, but getting through a process that's hard for them to understand, many of them are volunteers, has been a real challenge. And so what we want to do, and I know one of the outcomes of my housing board matter, is going to be to get houses of worship to partner directly up with the RHA and say, let's enter into a 90-year lease, let's dedicate the land to the RHA, and then put

[01:14:40] the RHA, who has the professional capability of handling these, in a lead role to take them through the entitlement process so that our houses of worship can do what they do well, the RHA can do what they do well, and can solicit the proper good developers, whether they're for-profit or not-for-profit, to partner with to be able to make those happen.

[01:15:00] And one of the things that I have asked, and I just don't have an answer to at this point, is making sure that there's no Virginia code provision or anything else in place that would make it more difficult for a house of worship to allow an RHA, which not every county has, to be able to process those affordable housing developments. And we will get back as soon as I know an answer on that, because if we could remove that impediment, I think we could make a lot of success in that area without necessarily upending the local land use authority relationship that we

[01:15:35] have. If I may respond. In our world, we would say, Mr. Chair, may I have a follow-on? I'm going to try to stay in my lane, but just say once we enter the session, I'm sure you're aware how quickly things move, and so I raise that because I heard that conflict, and obviously I'll leave it to you guys to try to jump on that whatever that train is that, you know, is not really part I would not be involved other than voting, and I think there's a lot of support for the proposal

[01:16:12] that I'm hearing, so I'll say that. And I will acknowledge one of the things that frustrates me, and it was the backbone of my motion, was that we need to be able to process these a lot more quickly, period. Just across the board when it comes to housing, we need to process applications more quickly. I've gone so far in my board matters, suggests a timeline that's put in place by which these have to be acted on. My only fear, and the thing that I'm concerned most about, is given the vast geographic diversity across the Commonwealth of Virginia, that removing local government's

[01:16:47] ability to do what makes sense from a sizing, setback, stormwater, green space, what I don't want to do is end up with removing a lot of regulations that build what look like low-income communities, because at the end of the day, the people who live in these communities should have the same expectation and right to stormwater management, to parking, to green space, to open space, to sidewalks, to a lot of the fundamental core components that go into the conversation of a land use case. And so we want to be quicker. We want to acknowledge the concerns that Houses of

[01:17:24] Worship in particular had and come up with instruments to make that quicker. But we also got to understand that when we approve these cases, we're not just approving that case. We're approving a path for more of these to be developed across the county, and I just want to make sure that we don't do the quick, easy thing in the interest of quantity and then reduce quality. I have said from the beginning in this county, we want affordable housing in every corner of this county, and we want it to be high quality. We don't want people driving by a neighborhood and saying that's where the low-income housing is because, look, they don't have a park or they don't have some of the other amenities that our residents in any other neighborhood expect. And so that's where

[01:18:04] that fine line, you know, conversation has to happen. But we are very eager to work with the General Assembly to come up with tools to make this easier without removing any, you know, all of the authority that we might have to work with the community to try to do these quicker.

[01:18:20] Thank you so much, we're going to have but Supervisor Smith supervisor Palachuk and we really have to wrap it up We have five so and we have a new member that we need I am the legislative liaison for the board And I would love to be able to share some thoughts, please on behalf again. We have five minutes If you want to go first off, we're going to go vice chair Smith we can so I Then we got to wrap up and I'm going to give it to Chairman McKay for some comments And then I'm going to close this out, but please, Vice Chair.

[01:18:54] The other part that's really important in our land use process is community involvement and community engagement. And I think the community is going to get really upset if they think this is something by right and they're closed out of it. So you heard the chairman talk about all the things we're doing to go quicker, but we need to involve our community in the process.

[01:19:15] Supervisor Palachuk, are you sure? I will just add briefly, I think as we continue to have this conversation, the local role, the state role, the more we have these conversations, things like feed-out should not be an impediment to going through this, right?

[01:19:31] We don't own our roads, and that has become more and more of an impediment. The needs to fund and support the infrastructure needed, including school funding, transportation, right, sewage, all of the above, our stormwater environment. So I think it's very easy for people to come to us or to you on an issue that is a state authority or a local authority and to agree on the outcome we all want, more housing.

[01:19:58] So just how we get there, I think it's a challenge. And I've said this to some of the advocates, right, who come to us. We really need to look at these holistically together. As was said, I feel that pendulum has swung too far one way. We don't want to make the error of swinging it too far the other way, right?

[01:20:15] How do we come to a place where we have more of the housing built and do it in a way that's responsible, sustainable, and engages the community and the needs of the community? So I don't know that we've found that balance yet, whether or not we agree on the outcomes that we want to see in the community.

[01:20:32] I'm changing the topic. Is that? Yeah. I'm changing the topic. Okay. Changing the topic quickly. I wanted to get out. We're obviously in a lot of issues around data centers. So setting aside all of the power issues and siting issues and et cetera, et cetera, et cetera, I also wanted to bring out that I've only recently become aware of how important the business property tax, the business tax is on equipment.

[01:21:02] We're giving up over a billion dollars in sales tax revenue for every piece of equipment that is bought, not just initially, but the three or four year cycle of repeated purchases, purchases, and we're losing more than a billion. Meanwhile, localities that have them on the business personal property tax are able to tax that new value replaced every three or four years. And so we're going to see legislation that Fairfax needs to be aware of. And I need to have

[01:21:37] your input on because there are some pieces of legislation that says that if you have X number of data centers, you've got to spend that personal property revenue in a certain way. And so we're also, and then the final thing I will say on that, all of this is outside the school funding formula. So you have localities that are getting, and now I'm being specific because it's publicly there, \$800 million in revenue for Loudoun County just from the personal property tax

[01:22:14] per year. So that more so than just the value of the real estate of those data centers is why their real estate tax rate is in the low 80s. So I need to have any of the sharp pencils of the county give me information. We would be glad to do that. And I think that Boom and Loudoun is going to go bust before too long, too, according to their own budget statistics and their own folks who are concerned about they maybe have ridden that horse a long time, but the horse is getting away from them. And so I think we're happy to provide that data and get that to you soon,

[01:22:53] because I do think it's an important issue. We're going to wrap up because we're swearing at this moment. I would really like to speak as the legislative liaison. This is a Board of Supervisors General Assembly meeting. I recognized the chair of the school board earlier for a period of time. We need to be downstairs for the swearing-in ceremony.

[01:23:13] I do just respectfully want to say that the fact that the schools haven't said anything is really a missed opportunity. Your school board spoke before you came in, and I need to adjourn this meeting. We advertised it until 5 o'clock. Well, thank you, Chairman McKay, and thank you all. I want to sincerely thank our staff for their hard-to-work presentations, our residents for their feedback, the 2026 legislative packet, the Blacks Fairfax common commitment to our education, and with that, we are adjourned.



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