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[00:00:03] And a quiet falls over the committee. Hey, morning, everybody. Glad to have you here. It's a beautiful, cold, invigorating morning. Hopefully you all had your chance to breathe that cold air and get that extra oxygen in your brain because you're going to need it this morning because we've got a lot of things we're going to be talking about.

[00:00:21] And we absolutely have an interactive meeting, which is unusual for all of us. But the first thing I want to do is, in addition to calling the meeting in order, I want to welcome the members and also and guests and turn this over to Chairman McKay for just a minute.

[00:00:39] Thank you, Supervisor Stork, and thank you all for joining us here this morning. I did want to share with everyone how pleased we are to have with us our Braddock District Supervisor-Elect, Rachna Sizemore-Heiser, who is here and joined us at the table.

[00:00:59] And so Congressman Walkinshaw says he left everything in Braddock District in perfect condition, so this should be easy. But in all seriousness, we're glad to have her. Her swearing in is later today, and so she is here today as a guest of the Board of Supervisors since she hasn't been sworn into office yet, but will be joining us throughout the day, and we're delighted to have her here.

[00:01:21] And then secondly, I am going to have to leave the meeting early. As the board knows, we lost a good friend of ours here in Fairfax County in Harry Glasgow, and I'm going to be speaking at his celebration of life, and so I'll be leaving here shortly to head out to that, and I'll rejoin the board later this morning.

[00:01:39] But thank everyone for coming today. The last thing I want to mention is the subject on our agenda about employer perspectives on housing is particularly important to me and to the board. As you all know, we have some robust housing goals in Fairfax County and are making great strides in the area of affordable housing.

[00:02:00] We had a board matter to revamp all of our affordable housing initiatives in Fairfax County, modernize them. We don't take for granted that we're making good progress. We know that there's still a lot more to do. Our deputy county executive, Jen Miller, who's with us as well, is leading a team of county staff folks to come back with formal recommendations to us next year and are really looking forward to that, but certainly want to make sure that employer perspectives on this issue are part of the conversation because we've said from the beginning on affordable housing, government can't and shouldn't do it alone.

[00:02:36] We know we are tens of thousands of houses behind demand, which is a good thing because people want to live here. The bad thing is a lot of people who want to live here are not coming here because they can't afford to. And we need to be way more robust, in my opinion, way more aggressive when it comes to zoning and way, way more welcoming for density in areas of the county where we can attack this housing issue.

[00:02:59] And so we're going to rely on our private sector for profit developers, our private sector, not for profit developers, our nonprofit organizations who help support our affordable housing initiatives and the businesses in Fairfax County for ideas so that we're all hands on deck to attack this issue as a community as opposed to just a government solution.

[00:03:20] And so I'm looking forward to that conversation, even though I won't be in the room, I'll be listening to the board meeting, and this will be an ongoing initiative of our board working with all of you moving forward. And so with that, thank you all for being here, and I will turn it back to Supervisor Stork.

[00:03:37] Well, thank you, Chairman McKay, and he identified, frankly, the core of the meeting today, which is about housing, and we'll be looking for your input on that. But I also wanted to take a moment to talk about the forward movement of the AI coalition, which was formed out of our previous meetings and discussions.

[00:03:55] And then we're going to end with an important overview and discussion of recent analysis of Fairfax County revenues sent to the state and the return that we get from the state, which has a significant impact on our local budget, services, investments, and frankly, our competitors, not only locally, but around the country.

[00:04:13] So with that, I want to kick off introductions and mention the good news about the enabled intelligence in contact with National Geospatial. And with that, I'm going to turn to Peter. Thank you very much. That works better.

[00:04:31] Yeah, I run a tech company. I know how these things work. I'm Peter Kan. I'm CEO of Enabled Intelligence. We're a startup. I don't know if we get to count that anymore now that we're operating at full, beyond full capacity. But yeah, we just, we're part of the local AI economy here in Fairfax County.

[00:04:49] We founded the company five years ago, and we won a contract with the National Geospatial Intelligence Agency to expand our presence with defense and intelligence agencies, providing AI services writ large across the government. But that growth has allowed us to quadruple the size of our office space here in Fairfax County, which is great.

[00:05:08] We added another 120 employees just in the last four weeks, which, considering we were 30 before that, that's not bad. I'll take it. And one of the things that I would say about that that we're most thankful for is it really highlights the workforce that's available to us here in the region.

[00:05:26] These 120 jobs that we brought on are entry-level AI jobs. Most of them are folks who have maybe high school, some college, some beyond that, but most of our folks, we don't actually have degree requirements, but they are entry-level AI jobs here in the region, as well as our data science team and those folks with lots of experience and degrees.

[00:05:50] so we're excited to be part of that growth um i want to thank the county the talent up uh program has been super helpful for us um i see dr kress over there nova has been super helpful for us as well as a feeder for this plus local non-profits like melwood um has has been another um uh wonderful fairfax county schools have been a wonderful um feeder and a capability for us i think the george mason folks are here they've also been great um but anyway i thank you uh for For the note, it's nice to be able to share this around this time of year, some good news and about how AI is adding jobs to the economy as well.

[00:06:28] And with that, I guess I'm supposed to ask folks to introduce themselves around the table. Don't steal my thunder. Don't talk as long as I did. I'm the important person. But if you say who you are and the organization you're from and maybe something that you would like to bring to the Board of Supervisors' attention at this meeting, that would be great.

[00:06:49] Jimmy Bierman, Drainesville District Supervisor. I'll be brief. Jen Miller, Deputy County Executive for Community Development. Hi, I'm Mark Harrier. I'm with the BF Salt Company, which is a broad-spectrum commercial real estate firm in residential, office, hospitality, and retail.

[00:07:11] I'm the hotel guy, and we are actually your largest owner-operator of hotels in Fairfax County. Pat Harity, Springfield District Supervisor. Michelle Reed, superintendent, Fairfax County Public Schools.

[00:07:27] And I just want to mention that since our last get-together, we are one of just a handful of school divisions around the country that signed on with OpenAI to provide full and free accounts at all levels for our staff. And it also, I'm going to have an opportunity with Kevin Mills and Sam Altman's direction around the OpenAI work to be on the National Steering Committee for rolling AI out nationally in K-12 education spaces.

[00:07:58] So I'm really interested in connecting particularly with the businesses that are AI because we're going to have a lot of internship and externship options. So thank you. Andre Jimenez, Mason District.

[00:08:16] Perfect. Sorry, the walk-on. Well, that's me now? You. Good morning. So introduction, what is it?

[00:08:34] Ashwin Barrett, happy to be here. Ashwin's the AI guru at the table. Anthony Chang, Silverline Equities. We buy office buildings. We've bought two buildings in Tyson's, and we're making them better

office buildings, and we're actively looking throughout the county and throughout the region, and we're also advising companies with their office space needs, their retail space needs, so it's an interesting time to be in the business.

[00:09:07] Walter Alcorn, Hunter Mill District Supervisor. Ed Trumbull, I'm the Vice President at ICF on Workforce Innovation, and we're enthusiastic supporters of artificial intelligence. Ann Kress, President of Northern Virginia Community College.

[00:09:25] This year we'll be serving over 76,000 students at NOVA. Hi, I'm Rechna Sizemore-Heiser, very proud Supervisor-Elect for the Braddock District. Dahlia Peltrick, Providence District Supervisor. Good morning, I'm Rob Ward.

[00:09:42] I'm a new member of the U.S. leadership team with the Clark Group, working across all of our 18 companies in construction and real estate to work on a wide range of new opportunities within the company. Happy to be here. Thank you. Rodney Lusk, Franconia District Supervisor.

[00:09:59] Morning. Stephen Jones, CEO of Nova Health System. Our interest in this is a twofold, one from the AI standpoint, and it was very deep in real AI as far as regards our practice. as an employer we have 26,000 team members adding on the order of about a thousand new jobs a year which i'm sober to say is a lot which means we hire a lot and a great example would have been that i was at a nova fair oaks hospital last week in which i spoke with a nurse who says that she drives an hour and a half each direction every day because she wants to work here but there's no housing for her good morning alex imes executive vice president at the fairfax county

[00:10:37] Economic Development Authority. Incredible gathering of leaders and partners at the table and in the room. Kathy Smith, Sully District Supervisor. Catherine Falk, Cox Communications. I'm here as an employer who has far too many people that work for us that live out of the county and also on behalf of the Northern Virginia Chamber on their Roadmap Council on Economic Competitiveness. Thank you. Anna Shapiro, Department of Housing. And Rebecca Moudry. I'm the Director of the Fairfax County Department of Economic Initiatives. Dan Stork, Mount Vernon

[00:11:13] district supervisor and chair of the CEO. I'm allowed? Okay. Brian Hill, county executive. And what I want to say about AI is bespoke AI solutions for government and residents specific use cases built with ethics is what we're trying to move forward with here at Fairfax County. So Matt Harrison is our new CIO. He and I are working on some specific items that we're going to be bringing forward to help us through our land development processes as well as just HHS.

[00:11:51] Cheryl Minaj, President of the day, next. Cheryl, you could have said a lot more because you've been deeply involved with our AI work. So I don't know if you want to take another moment and just explain. Yeah, I've been working closely with Rebecca Etta and a lot of the folks here at this table.

[00:12:11] We've kind of been talking almost every other week now on just how to make Fairfax County the Center for Implementing, Testing, and Adoption of AI throughout different industries, different academic institutions, and really make us a leader in this space that's just now emerging and becoming the talk of the town.

[00:12:32] So we've had a lot of smart brains and hardworking people that have come to the table to just kind of start talking about these things, and we're excited to share what we've got so far. That was part of what we wanted her to talk about anyways, is just the AI work that we're all doing.

[00:12:47] You all may remember from our previous conversations, a small group came together across government, business, and academia as an informal AI coalition with a focus on advancing Northern Virginia as a leader in the AI economy. And Cheryl and your firm have been very involved with that.

[00:13:05] And I think, did you just give us your brief update? Is there anything more you want to add to that? Yeah, we'll. Yep. We've got a little more. I could take a few more minutes just to kind of talk about what we've been doing in detail for a few minutes. so thank you to Rebecca and Etta and the whole board and team here. Everyone's been instrumental in our success so far. So we're basically trying to form an AI coalition, and we've talked about this in previous meetings, but now it's kind of shaping up to be more than just talk. We've kind of started identifying key players and things like that. We want to really become like standard

[00:13:41] for investment, talent pipeline, research, and commercialization. We're already a leader in Northern Virginia for a global leader in data, cloud, and tech talent. But now AI is the next economic factor that's taking the world by storm. So our goals with this coalition is to generate stronger ecosystem collaboration, accelerate AI adoption across industries in the workforce, ensure safe, secure, and equitable privacy-preserving use of AI. So we want to do everything, like you said, ethically and just, you know, those laws, the law hasn't caught up with how fast AI is moving but we want to help start shaping that conversation the framework there generate a

[00:14:18] regional brand recognition recognition for northern virginia as a leader in ai development and deployment so not just the education part of it but also the implementation the adoption and also the testing support job creation and increase capital flow into ai startups and firms so we're one of the largest economic regions and we want to gain from that we want to use the talent pool we've already have um and part of that we're planning on doing a regional ai action summit so we are got some seed funding for that and we are planning on doing a big summit um that will bring

[00:14:54] together private sector leaders public sector leaders the workforce education partners academic institution um non-profit and community organizations as well and one of we don't want this just to be hyped up but we want this to be the starting point the catalyst of more conversations to come, and we produce measurable outcomes. So increased AI startup formation, workforce credentialing pathways, regional data sharing collaboratives, responsible AI standards, and targeted investment attraction initiatives. It's not just a one-day convening, but it is the catalyst of a movement of establishing KPIs, defining investment, implementation framework,

[00:15:32] ownership, and creating a plan that we can keep growing as the leader in AI in the region. We also are working with the NVRC, the Northern Virginia Regional Commission, and they are well positioned in the industry and the area. They have the regional authority, multi-jurisdiction mission, and experience managing cross-country initiatives.

[00:15:52] So they're going to be helping managing this funding right now and helping put out the RFP to kind of see what we get as responses and how we can get different people and talent to help us in this initiative. So we're working with them for soliciting proposals and working with them on that.

[00:16:08] And what's next is once we get a consultant decided that will kind of help shape this entire thing, they're going to be working closely with the county, with the AI coalition volunteer members, and they're going to start helping create that roadmap and create the goals, the timelines, in order to get us to where we need to be and get us to that next level to really become a leader.

[00:16:28] So this is really exciting. This is the start of something new. It's the birth of us becoming really as an integrated effort, because right now what we've noticed in all our research and our conversations is if we keep doing it this way, everyone is doing their own thing in AI, but it's competitive, it is not working together, it's not collaborative.

[00:16:46] So all of that has created fragmented pipeline, duplicate work, and things like that. So this is a way for us all to come together across the industries to really bring this AI coalition and make Fairfax County the leader in AI. Thank you. Does anybody have any quick clarifying questions? And I'd be happy to take those now.

[00:17:07] Otherwise, we would move on to our next topic. Any clarifying questions, please? Sure. I'd love to know, where can we learn more about the coalition you're putting together? Very interested in learning more. Thanks. Great question. Well, we have spent a lot of time together trying to formulate what is our, as a lot of people said, what's the there there? And I think we're at the point now where we're really ready to take next steps and welcome more partners. There'll be a couple of different ways to get involved, but namely, as Cheryl mentioned, as we put together the AI Action Summit, which

[00:17:45] will happen at some point, I think probably late next year, we will be coming back to this group and sharing information about that, asking for your participation or leadership in some way. So that would be probably the time.

[00:18:01] And really, the outcome of that AI Action Summit is really more coalition building and collaboration to move strategic and prioritized actions forward. So partnership in that will be the most important. Great question.

[00:18:17] Thank you. Other questions? Okay. We will move on to the next topic, which I know is going to take a fair amount of time. Fairfax County's economic success, as we all know, depends on the people.

[00:18:35] The people around the table here and just frankly the millions that live here. But for people to be here, they have to have a place that they can live in that's comfortable, that they can raise a family in, that at least in my case can grow old in. But we need those connections.

[00:18:52] We need those places for us all to be connected, to create a career and to be able to really achieve and reach our potential. As a result of that, we know that housing costs are a clear challenge for all of us. They affect our choices, they affect the recruitment of folks that we may want to try to bring into the area.

[00:19:10] They affect the overall strength of our workforce, whether somebody's choosing to be here or not. Today, we would like to understand your needs. We want to hear really from you. This is really for us to understand better your perspectives and hopefully your insights to jointly shape the practical solutions that would strengthen both our economy as well as our neighborhoods.

[00:19:33] And now I'm going to introduce our Department of Economic Initiatives Director, Rebecca Madre, who you've already heard from, but to lead the discussion that we will be really doing over the next 45 minutes to an hour. Yeah, thank you so much, Supervisor Chairman. First of all, if you aren't aware, we are going to be using an online polling system to help have some interaction, interactive discussion.

[00:19:57] So just to let you know, get your phones ready, and there'll be some questions coming up for you to engage with. So you may recall many of you were part of the conversation of our first Council for

Economic Opportunity meeting at the end of 2024, where we talked about top priorities for you, your businesses, and your workers.

[00:20:19] And one of the topics that really emerged at the top, one of them was actually AI, so we've done a lot of work on that. but another one was affordability in housing. So we're excited to come back to that and really have a chance to dig into that topic and hear from you all today. And as the chairman mentioned, there has also been a lot of board leadership and board direction to us as staff. Over the last couple of months, there have been matters presented on housing and economic competitiveness.

[00:20:51] And so Deputy County Executive Jen Miller has put together and led a cross-agency and really cross-county team to focus on those areas and prioritize recommended actions. And in the housing work, several pillars have been set up, and some of those include a focus on the development process and the regulatory framework, financial incentives or funding that could be put towards housing production or housing attainability, home ownership tools. And one of the areas, one of the teams is very, is focused on

[00:21:28] employer engagement and what are the needs and perspective of employers. And so that is the focus today. I mentioned those other groups just so everyone is assured that we are looking across the board, but today we really want to hear from businesses and the perspective from the, from our business community. To get us started, I'm just going to lay a foundation of a little bit about housing in our county. I'm sure everyone is very aware from your own personal experience out of your friends or families or people that you work with and employees of kind of what's going on in

[00:22:04] the county, but just to put some numbers to it. As of last year, the median home cost in Fairfax County was \$770,000. And to afford this home, a family must earn about \$230,000 a year. That is 140% of the county's average household income. So that is to say that the majority of families in Fairfax County cannot actually afford a house at the median price. Another interesting stat is

[00:22:41] that between 2013 and 2023, so that's about a 10-year time frame, Fairfax County added 43,000 jobs, which is great. That's a good number. On the flip side, about 20,000 homes were permitted.

[00:22:57] So about 20,000 homes in that time frame were in some stage of development or deployment. So that's about two jobs for every one home that was permitted, not necessarily even built or delivered in that time frame. So what this tells us, what we all know anecdotally, but sometimes it's helpful to hear the numbers, is that housing supply has not kept and is not keeping pace with

[00:23:28] demand related to job growth. So with that backdrop, we would love to hear from you. And to do that, I'd like to introduce my colleagues, Joanne Phoebe and Anna Ricklin, who will be presenting a series of questions, getting some real-time responses, and then engaging in a conversation. So Anna and Joanne, if you would like to introduce yourselves and take it from here. Thank you. Sure. Thanks.

[00:23:55] I'm Joanne Phoebe. I'm a division manager with the Department of Economic Initiatives. And I'm Anna Ricklin. I'm the health and all policies manager with the Fairfax County Health Department. And the health department has a strong interest in this topic because housing affects so many parts of our lives and very notably our health, both through the quality of a home and also through the quality of life we have if we have to travel a really long distance to get to home that we can afford. Also joining us here today was HCD, Housing and Community Development,

[00:24:27] Anna Shapiro, and also wanted to introduce Callahan. So as we get started today, as Rebecca mentioned, we're going to do an interesting format. We'll do some online polling and using your phone or

other device and then follow that up in certain instances with some roundtable discussions as we progress through the questions. So we're definitely encouraging open dialogue.

[00:24:50] We're going to, this process will allow us to have polling questions that are anonymous. So we don't have to attribute any responses to any one person. So we'll try to attempt to keep that Chatham House rule going where, to the degree that we can in this public setting.

[00:25:08] But the plan is to walk through about eight questions. We'll start with some broad foundational topics and then dive deep into some more detailed questions. So if you would get your phones out and go to menti.com, M-E-N-T-I.com, and you can go ahead and pull up the, give everyone a minute to do that, M-E-N-T-I.com.

[00:25:36] And then I'll read this number because it's a little bit small on the screen, but there's a code that you'll enter and it's 5694-1276, 5694-1276.

[00:25:56] Encourage everybody at the table to participate. So when you're ready, anybody having trouble? 5694?

[00:26:13] Sure. 5694-1276. M-E-N-T-I dot com.

[00:26:33] 5694-1276. So we thought we'd start with a softball question, something hopefully everyone can answer. Make sure that it's all working.

[00:26:50] So the first question is, what type of organization do you represent? Very simple. Some of these questions, you'll be able to respond with multiple answers, but this one's a single. We'll give it five more seconds, and then we'll flip over to the responses.

[00:27:19] You can actually see at the bottom there, 31 of 37 responded in here. So we've got about half is government, and then a good chunk of private company. Great. All right, so we'll jump into the first topic, which is current workforce and housing needs.

[00:27:38] So we all know this area is expensive, but we're interested in hearing about specific affordability concerns raised by your employees. So this first question, are you aware of any housing or other affordability challenges that your employees are experiencing?

[00:27:55] And you can choose as many of these as relevant. Are you aware of any housing or other affordability challenges that your employees are experiencing?

[00:28:24] Things like housing costs, housing availability, transportation costs, commute times. We heard that comment earlier from ANOVA. Thank you very much for that. Child care costs and availability or other issues. All right, move on.

[00:28:46] And Anna's going to take it for some conversation dialogue. Yeah, thank you for your responses. So housing costs is the clear winner here in our list, followed by commute times. So we'd like to get some qualitative information now and some reflections on this.

[00:29:03] So, you know, it is interesting that this is confirming what we've been talking about, that housing costs are one of our area's most significant concerns and the concerns of, of course, your employees. Does anybody want to comment on that and what you might be experiencing, what you've heard?

[00:29:19] Dr. Jones gave a great comment at the beginning. Any other comments that we have from folks? And be sure to turn on your mic. Sure. Yeah, so with our employees, one of the biggest issues, again, an entry-level employee, is we do have very long commute times.

[00:29:36] And so we've had to expand our office hours from about 5 a.m. to about 7 p.m. because many of our employees are asking to be able to come in earlier or leave later to avoid significantly long commutes, which is added to our costs because now we're keeping the office open. We have staff there and supervisory staff and all that kind of element.

[00:29:54] And one of the main reasons has been why the long commute times is they're unable to find affordable housing for them any closer. So it has added significantly our cost, as well as we're worried about potentially losing staff as they get tired of driving that far, similar to what Dr. Jones is experiencing.

[00:30:14] Yes. Similar thing, most of our employees are the younger demographics, like recent graduates. So most of them don't have vehicles to commute. So public commute is a problem here. And housing, most of them rent houses because they are just still young, and renting is also a problem for them.

[00:30:34] So this is a consistent problem to a point. We have to pay them auto loan to get an initial car. So it's not a policy we have, but we have to do it. Otherwise, they can't afford it. They just have a job, but they can't afford how they commute to office. So you're saying a lot of your staff actually rely on public transportation, and you provide?

[00:30:53] They want it, but since it's not there, So they are forced to get a vehicle. So we have to pay them the initial auto loan to get that happen. Interesting. Thank you. Yeah. The buildings that we own, if you look at the operating team and the building engineers that the buildings depend on, I would guess that 90% of the building engineering staff live in eastern Maryland or western Maryland, and they are commuting an hour, hour and a half, two hours to these jobs.

[00:31:30] And these are good-paying jobs that require high school education ranging from \$75,000 a year to \$150,000 a year. That's great information. Thank you. So housing and commute costs are integrally linked.

[00:31:48] Any comments on child care or housing availability? Well, just to add to what my colleagues have said, again, I look at it from a very layered approach because we have many professional team members that are earning above the median, right?

[00:32:09] But then we have a lot of hourly workers, right? So maybe my voice gives rise to all the retail workers also throughout the county, right? Because I employ out of 1,200 people, maybe 600 or 700 that are hourly paid roles, right?

[00:32:29] So the typical ones you'd expect in a hotel, but I think it's also similar to retail workers, to people that are working at the mall or the thousands of restaurants that are in the county, et cetera. So things that I see are very much long commute times, great difficulty in living anywhere near their jobs are, right?

[00:32:53] And then also the commute costs that have added on is not only do people need the automobiles, because we've told so many roads and so many of them. I mean, when I have our head of

engineering head downtown in D.C. and he runs 66, that dude is changing his schedule just to beat the peak because he can't afford to spend 40 bucks to get downtown.

[00:33:23] Right. So there's an element of that as well, that is, as we've worked to solve problems by the toll lanes and all of that, that has added friction to people that are, you know, below the median, too. So somewhat all of the above, and I would put child care right in there, too.

[00:33:43] Thank you. Yes, Dr. Jones. I would tie all these together, because if you think about if people live close to where they work, they're not on the road for an hour and a half, not only time-wise, there's just not one more car out there. And so this takes an additive effect. If they're not on the road for work, they're not paying for child care during that hour and a half each direction.

[00:34:02] So a total of three hours of child care that they're paying for. And it would be tempting to think of, it's just cost. Well, availability drives cost. And so if we try to go at cost without getting to availability, I think that's an equation that we can't fix any of these here in total.

[00:34:20] Thank you. Any last comments? We've had multiple employees move to West Virginia. And they've been asking, you know, now our office, like, everyone's hybrid. People only come in two, three days a week just because it's hard with the commutes. And we've had multiple people quit because they can't afford the child care with the salaries they're at.

[00:34:39] I mean, we have five children, and only two are in elementary school right now. So the other three are still in daycare and preschool, and it adds up really quickly. So if you have multiple children, your salary just does not make sense for you to pay the child care costs. So I've definitely seen that be a big issue for at least the phase of life that I'm in.

[00:34:57] Thank you. Last comment? Sure. I would just plus one everything that you've heard. And I really like we talk a lot about holistic supports when we think about our students. I think we're talking about holistic costs here and they are all interwoven. And, you know, one of the things that's been of great concern to me is that we have a tier of employees right now who are out on maternity leave. And they're now starting to look at what it's actually going to cost them to come back to work. And they're wondering if it's worth it and and so I think when we're putting people in the situation

[00:35:34] where they're having to make those kinds of choices we're not helping the county at all thrive or grow and then that's just employees I'm not even talking about our students many of whom can't rely on public transportation because it does it's not built up to really meet those needs certainly metro isn't designed around that either and then when we look at our students who are parenting and the child care costs that they are trying to balance while they're going to college it's one of the reasons why 72 percent of our students are part-time right they're trying to

[00:36:08] pay to go to school and to live at the same time in a region where it's almost impossible to do that and that's long term is going to have some serious impacts on us thanks so much we're going to, I think, move on and get into some of these other topics. Okay. We've heard some about this already, but do you believe affordability challenges affect your ability to recruit and

[00:36:36] retain employees? Right. So back on your phones. Yes, no, I don't know. Do you believe affordability challenges affect your ability to recruit and retain employees? I'm going to guess the answer on this one for a lot of people, but it leads into the follow-up. So we have a good amount of

[00:37:08] responses. Jump over. Yes. All right. Next question. Which employees are you having the hardest time recruiting or retaining because of affordability challenges? And this is important because as we're thinking about the types of programs or strategies that we want to consider

[00:37:27] as a county, we really need to understand where those challenges are most acute. Give it another minute. Yeah. And here you can select more than one. Sorry. Thank you. All right. It sounds like

[00:38:07] we got a good amount of response. So we heard some comments about this in our previous discussion about retaining folks, attracting folks, potentially trying to have people not move away and then maybe get new jobs because now they want to get a job closer to where they live. So we'd like to hear from you some of those specific things. You mentioned, for example, staff moving to West Virginia. Can you talk more, can folks talk more about these different wage levels and also what jobs they represent? So we actually thought a lot about how do we ask this question? Do we say

[00:38:45] entry-level, mid-level, manager? Do we say high-tech job, hourly job? We ended up just kind of putting the dollar range because it's fairly neutral, but we'd like to hear more about what those dollar ranges represent for each of you, and maybe some of your experiences having a difficult time retaining workers, or on the flip side, maybe attracting new workers who might be nervous about coming to a high-cost area. Yes? So I selected in that 70% coral, maybe, nice pink

[00:39:24] color, because it's not our super entry-level employees, but the ones who've been promoted maybe once or twice, and they've built the technical expertise in our space with defense and intelligence. They're getting out away to places like North Carolina outside Fort Bragg or Wilmington, which are lower cost, but they maintain the same pay, or even a little bit less pay, but where that money goes. So we've spent the time to train and bring them on board, and then

[00:39:56] that's where we've seen that's been our biggest concern. I can take the same thing. The nature of our job is technology job and mostly like recent graduates, young adults. So once they have an offer, see this location, they have to look for like come and ask that. So we have these policies of auto loans and everything to accommodate that. So before COVID, we used to be like 80% local employment. After COVID, we have 80% of our employees are remote, finding it's tough to

[00:40:35] bring them back also. And the biggest challenge that we face is after a year or so, they say we're not saving anything. That's the biggest challenge we are facing. It's like the savings factor. They are like, what is the point if I'm not saving anything? I think that to me is becoming a concern of retention. We can solve the recruitment problem by having some special policies, but the retention the savings is becoming a problem for us.

[00:40:59] So they're able to pay for housing, they're able to live here, but they don't have any extra to save for the future. That is, after some employment duration, that becomes a problem. And what kind of tier of costs are you talking about here?

[00:41:16] I voted for both, 50 to 74 and 75 to 99, so that's the thing. Just a couple perspectives, and building on Dr. Jones's comment about when you're traveling a long way to get to work.

[00:41:37] Many of the roles that we have are not eight-hour jobs. They're jobs that you're supervising an operation of a business, and that typically is longer so that the day stretch is not going from eight to ten hours.

[00:41:52] It's going from, say, ten to twelve or longer. And as a result of that, we do have a lot of people working off hours, which where 24-hour business hotels are, so there's some flex naturally with that. But it is a stress-inducer to people's livelihoods, right, in their lives.

[00:42:13] The point that Ashwin just made about the ability to save and get ahead is really, I think, a very health department-type thing, right, in people's psyche and ability. And even those professionals that are at the higher end of the spectrum who have more authority, so if you think of a hotel general manager that literally you could work 24-7 if you wanted to in a role like that, we've got people living beyond Percival but commuting into Arlington and into Tyson's locations because of the housing cost.

[00:42:53] Thank you. Yes. Yeah, maybe just add on to a couple points. I agree with everything that Mark said, and to echo Dr. Jones' comments as well, we definitely need kind of an all-of-the-above solution here because these things tie together. Ashwin's point is well taken, and we always try to look at things, you know, through whether it's the customer's eyes or, in this case, the employee's eyes.

[00:43:12] And so if you really look at the math here, it's pretty important. I mean, we talk in generalities about workforce housing, affordable housing, attainable housing, and we talk about these salary ranges. But if you really break it down and you take someone that's making \$100,000 a year and you look at what that means in terms of take-home, you know, in the workforce and attainable housing sector, we say you should, you know, allocate 30 percent of your gross towards housing, right?

[00:43:37] It's a pretty standard or roughly standard guideline. If you look at that math, it's pretty significant. It's basically one paycheck a month. Basically, half of your take-home is the equivalent of that 30 percent gross. You know, then you add in some of the other things that we just talked about, whether it be child care, commuting costs, you know, meals. I know some major employers in the area that realized that they couldn't get employees back into their offices because they're spending \$20 a day on a salad, \$5 or \$10 on a Starbucks, and suddenly that plus parking, plus commuting time, it turns out to be another \$10,000 or \$15,000 per year in take-home pay, more like a gross of \$20,000 or \$25,000.

[00:44:14] And to your point, Ashwin, you're not saving any money at this point. And so at a certain point, you do that for a little bit, you gain some experience, but then it's a little bit of a what am I doing moment here because you're not getting ahead and you're not able to save or, God forbid, invest a couple of dollars into something that would be accretive for your growth.

[00:44:30] So I do think it's important, as Dr. Jones mentioned, to look at all of these factors because they do tie together and separately really try to look at this through the lens of the people that are experiencing this and the people that we need and want in our businesses here in Fairfax County. We appreciate that, and kind of that's why we're talking to you, because you're hopefully hearing from your employees some of these things that you're sharing with us.

[00:44:51] But that is an interesting next step to potentially actually talk to more real people. I'm interested in hearing more also from our educators. Dr. Reed here, who runs one of the largest school systems and employs many, many staff who are critical for ensuring that our children are safe and getting all the information they need for long-term success.

[00:45:14] Is there anything you want to comment here about retention or particular income bans that are hard, difficult for the schools? We do have 41,000 employees.

[00:45:32] I think we're, to your point, Ashwin, we're recruiting a lot of people. I think the hardest group to recruit are our more senior staff, to be honest, in terms of retaining as well because of our salaries. And I think that we have people that are traveling from all over.

[00:45:54] Our transportation supervisor for years lived in West Virginia. We have more and more folks that live out of county. I think often about this topic, and I think that people are willing to put up with certain things if they get something out of it, right?

[00:46:14] And I think if we, as a county, had state-of-the-art child care, for example, not the lengthy wait list that we have, people might be willing to stay because it's our retention, I think, that is our biggest challenge. So I think there are a number of things we could do that people are willing to pay a little more because they're getting that option.

[00:46:38] And Stephen Jones and I have talked a lot about just how to recruit young physicians, for example, and what they're looking for, and young professionals and what they're looking for, right? I really wanted to listen this morning. I do think we have a group of teachers now.

[00:46:57] We also have ambassador teachers coming in from out of country. We'll have about 500 over the next three years. And I think that some of the housing initiatives could really support them coming in new to country. You know, if we had certain units available, for example, that we could transition because there's a five-year rotation and there would be a certainty of occupancy, if that makes sense.

[00:47:21] So I think there's some things like that we could do. So I guess that's kind of my thinking right now. I'll leave it there. Appreciate it. Any other comments? Yeah, just speaking for companies who may not be here yet in the recruiting environment for prospective companies, the number one site selection factor is labor costs.

[00:47:46] So as companies need to increase those to make up for things like housing, they become harder to recruit compared to what they need to be paid in other areas. And then the number two site selection factor for companies who are considering areas is quality of life, which is really a proxy for cost of things like housing and child care.

[00:48:06] And so we're pinched by those two factors when it comes to attracting companies here. We also are seeing a growing number of, especially in the coral and the orange, that are still living at home. That are like, I'm saving up money for a few years and then I'm going to buy.

[00:48:22] So we're seeing that trend more and more of people refusing to buy right away or rent or shared accommodation living at home just to save that money. And they're able to be on board or housing. Yeah, the first time homebuyer, right, has now risen to 40 across the country. I do think just FYI, I mean, just I think our community base has shifted in how they are, if that makes any sense.

[00:48:49] Like, we have a lot of staff that have come back and are living at home, too, with their parents, new graduates, which we appreciate because housing costs, they are able to save things. Rodney, you're an example, Exhibit A. But we have a lot of young people that are living at home. We also did a deep analysis last July, and we realized that two decades ago, our number one profile for staff that were educators were a spouse of someone who had a higher wage.

[00:49:17] In other words, somebody whose spouse maybe was a government contractor had a position of some significance in D.C., and therefore their wage didn't have to be a wage that supported purchasing a

home, for example, or a way of life that many people would like.

[00:49:37] And over the last couple of decades, that's really shifted. And so now, even if you have a two-income educator family, it's very difficult to hit that median home price and have a quality of life perhaps that you grew up with or would hope to have.

[00:49:53] So I think that just recognizing and acknowledging that we are planning for a different future than our past is really important when we think about housing and what's possible here in terms of quality of life. It's really interesting information. I appreciate that, Les.

[00:50:13] If I could just add one thing, I was in the red and the coral as well. And I think one thing we haven't talked about is those are good wages, right? Those are good salaries. And there is a real psychic disconnect when you offer somebody that salary, and they're so excited. And then they go out and they look and they see what they can actually afford with it. And so that is a real retention issue, right? They might take that job initially, but then they start to look around.

[00:50:43] And it is a conversation point in the Commonwealth as well. When you're in Northern Virginia and you go to the General Assembly and you start to talk about affordability, and they're looking at the wages and the salaries that folks might be making, but then in another part of the state, you could buy a 6,000 square foot home with that, right? But here you'd be lucky to get a two-bedroom apartment. And so I think that's another issue that we have is how to communicate that challenge.

[00:51:12] Just to give you a concrete example, the Commonwealth has a workforce scholarship program called G3, right? Get skilled, get a job, get ahead. And the wage to qualify for G3 is 400% poverty. Why is it 400% poverty? Because of Northern Virginia. Because if they set it where they initially wanted to, no one in Northern Virginia would qualify it as a family because their wages are so far above, but in practical terms, to live here, it puts them effectively equivalent to somebody who might be living 100% of poverty in another part of the state,

[00:51:50] right? So just that impact psychologically, I think, does a lot to the workforce as well. I'm just going to add two last things, and then truly I'll be quiet. You should never have called me on me, but one, if we as a community and county really could understand, too, that the recent change that they're making in financial aid eligibility by taking educators out of professional degree tracks so that they're no longer eligible for financial aid for university and college, which is a huge issue, honestly, for many students and families. So I think that's

[00:52:28] just something we need to really recognize. And then military-connected housing. I meet with the garrison commander routinely. And we have a lot of military connected families who, if we had a tighter maybe connection with affordable housing in our county, might choose to live here. And many do. And many have to go outside the county because of, you know, coming in late and having different assignments when they are transitioned here. So we have a lot of families, the commander said, that end up in Maryland or other counties that would prefer to be here, but don't always have

[00:53:04] time to find homes. So that seems like another sort of linkage maybe that the county could have is with the garrison commander on, again, predictive occupancy, because there's a predictive number of families that cycle through Fort Belvoir. So I'm trying to relate one of the points that Rebecca mentioned when she started. She said, we created in a time frame 43,000 jobs, but only 20,000 housing

permits. Is it because we were tough on giving these permits, or is it Because builders are not trying to apply for the building.

[00:53:37] I'm just curious to know, like, what is the problem? Is it, like, being tough or builders are making it scarce? I'll take that. It's both, both. We've been way too slow at times, and our county needs to work on moving things along faster, and we are.

[00:53:56] That's a big part of the housing board matter, trying to figure out how we move our processes forward, how we make it easier to come through the process, how we make it easier to be a part of it. But it's also both. I mean, the market dictates where there are opportunities. I've got an area of my district where there are a thousand homes that are entitled, and they've been entitled since 2019. They haven't been built. And I can entitle them, and I can go back to the folks and

[00:54:30] say, hey, you guys going to move? And the market has not yet dictated what they want. So it's a mixture of both. And sorry, folks, I'm equal opportunity. I'm hard on both sides. But I think that what you're seeing right now and what you've seen from the board recently, it started with Chairman McKay's housing board matter, is really an attempt on our side of the table to cut down on those timelines to move things faster, to be more, to manage our processes better.

[00:55:09] But I think we also would be naive to think that the market alone will solve everything because as we were, you know, I'm sorry, but I shouldn't say this, but I will. You know, Jen and I have been sitting here passing notes talking about areas of the county with respect to, you know, how many homes we've entitled or have been built that are for people who make over roughly, you know, 1.1 million and more homes has been a much greater number of homes

[00:55:45] than your quote unquote starter homes or your, you know, better opportunity, smaller homes that cost less, that are more in the middle of the income spectrum. And then also we have been trying And we, you know, Anna Shapiro will probably talk about this. We've been trying to get more, quote unquote, all affordable developments off the ground, whether that's 30 percent to 60 percent of area median income.

[00:56:09] But that's slower and that's more challenging and that takes a bigger mix of financing opportunities. And so, you know, honestly, I think everyone around the table knows and understands that it's an all of the above attempt here. This is kind of our moonshot, and we're having this conversation as part of a very, very long, arduous conversation for how we're going to cut into these challenges.

[00:56:36] Thank you, Supervisor Behrman. Yeah, good morning, everybody. Thank you for being here today. What Supervisor Behrman stated is factually correct. However, it's about density, and we need to figure out what we want to look like going forward as we grow up in Fairfax County.

[00:56:52] And we need more housing. We're going to have to go up. It can't be sprawl. It has to go up. So we're going to have to look at some of our zoning ordinances as well as how we want these things that are entitled to move forward. So don't think it's just one thing.

[00:57:08] It's about 50 different things that we need to put into the mix to get it going, moving in the right direction. Agreed. Mr. Chairman, if I could just build on that just a little bit. We just updated our policy plan. So this is a long-term thing, but it includes a new element called suburban village centers that would be transit-enabled, that would be walkable.

[00:57:30] So we are pointing in a direction. We still have a lot of work to do to sort of implement that, but not sprawl, but basically building up in areas that could be transit-connected. That's our long-term plan. Thank you, Supervisor Alcorn.

[00:57:46] Ashraf, did you have something you wanted to add? And then I wanted to go to Deputy. I'm good, actually. Okay. Thank you, Jennifer Miller, Deputy Account Executive. And exactly the point that you all are bringing up, we realize that there's only a certain number of levers.

[00:58:02] So what are those levers? And I'm stealing. Callie comes to us with a lot of data. And one of the interesting pieces of data is there's \$150,000 delta, actually slightly more than that, between what the 100% area median income can afford and what the average house is selling for.

[00:58:17] And that is not the area where houses are being delivered right now. So the question is, back to the permitting and planning, many of the house plans are already approved. They could be built. Why aren't they being built? There's a lot of reasons I think you can all, you know, understand from the economy. But the question is, what of those that are almost able to be developed aren't?

[00:58:36] And what can the county do about that? As the county executive mentioned, a lot of that is density. We do need additional density. When the supply is not keeping up with the demand, that's a big problem for it. how do we get those kind of, we're addressing affordable housing in the county and working toward the board goals on that. Supervisor Bierman mentioned one third of all houses are for \$1.1 million and above in the last five years. That's one third of all houses. Only 28% are between 70% AMI and 120% AMI. Those are your workers. Those are your young professionals who are educating. And so the question is, and that's part of why we need your help. And that's part of

[00:59:14] what the board matter is. If we said no proffers, no permitting, everyone who wants to build can build and build whatever you want, that still wouldn't solve the entirety of the problem. So what are those other things we can do? And part of it is sharing data. What is being built? Where are the gaps? At every income level, what are those gaps? So very much appreciate your time and input and offering suggestions and what you're seeing from your employees that can help us as we shape the housing task force work. Thank you, Jen. I'm going to go briefly to Supervisor Herity, Then I'm going to go back to our presenters so we can keep.

[00:59:45] And I'm going to try to be brief. You know, I've got a background as a CFO, so I pay attention to costs. We just talked about playing forward. And a lot of this is cost. The projects have to pencil. And if they don't pencil because of requirements of time frame, they just don't get built.

[01:00:04] I've got five to six that I'm trying to get multifamily that I'm trying to get built in the Fair Oaks, Fair Lakes area right now. And it's tough to get them to pencil. But the business community needs to pay attention to what we're doing because we just passed this plan amendment.

[01:00:22] One requirement in there alone takes multifamilies required to be lead gold now instead of lead silver. That's going to add 10% to 15% to the cost of a housing unit. And we just did that to ourselves. There are a whole myriad of requirements in there where it went from encourage this to require this.

[01:00:44] We've got new studies that need to be done now. We must relocate our small businesses and pay for that. I mean, we just added a whole bunch to our processes we're talking about affordability. So I encourage you, you've got to pay attention or have NVTC and the chamber pay attention to those things

because we just did a bunch to ourselves, and I'll save the rest of my comments because I've got a couple of other ideas in here.

[01:01:13] But what we just did with Plan Forward was a big step backwards. It's a big step forward for a lot of really good things, like saving the environment and all that stuff. But they come with a big cost, and we didn't do a very good job of balancing those costs because affordability wasn't in the discussion, and it needs to be.

[01:01:33] Some of it is pay me now or pay me later, and that's what some of that is. If you can reduce your operating costs going forward, then putting a little bit of money up front makes a big difference. I'm going to go to – I don't want to talk further about that. There's a lot more we could discuss about that. I want to go back to the presenters. We'll have a little bit more time later on to do that.

[01:01:49] I'm sorry, Mr. Kerman. Great. Okay. So we're going to actually pivot a little bit, and this whole conversation has teed us up well for the next part. So we're going to talk about one more thing that we could add to this mix of ways to address housing.

[01:02:06] So across the U.S., just give a little bit of background before we jump. across the U.S. where housing affordability is an acute issue, companies, local governments, nonprofits have sometimes partnered on housing production solutions. Some examples of these include loan or grants that provide assistance with down payment or closing costs, rental subsidies, direct investment in construction of housing via loan programs or the provision of capital, like things like the Amazon Housing Trust Fund, even utilizing company land for housing development. And we've talked about this a little bit, but aligning employee compensation to the cost of living in the region and even homeownership counseling and education

[01:02:45] among others. So the next question on your mentee meter is, has your company or organization implemented or considered programs to support employees in accessing housing opportunities like the ones I've just described? Has your company implemented or considered programs to

[01:03:11] support employees in accessing housing opportunities? Since we're all being silent here. I'm just going to jump in. Sorry, Supervisor Stork. But what Pat Herity just said, what Supervisor Herity just said, sets us back with the business community. Because plan forward, if you look at the very beginning of it, is a general guide. It's a general guide and an

[01:03:49] aspirational document. That's what the comprehensive plan is. Sir, you are out of order. Thank you. I'm just, it has to be said. We can't have that hanging out there that what we did was not, time as we go along to talk more about those things. Right now, we're trying to get back to the core presentation. We have more questions that we want to ask people. We want to get more input. We have to be done by this section by 11 o'clock. We have more to do. There'll be other opportunities to speak. For now, I want to make sure we address this issue.

[01:04:19] Okay. Thank you. Thank you. So we saw the majority of folks have not actually considered these programs or don't know. Maybe other arms of your organization have looked at things, but you don't know. A handful of people have said yes, and another handful of people have looked at these things, but haven't actually implemented them yet. So we kind of want to drill down on what this might mean for you.

So starting with, if anybody's willing, if starting with the folks who have done something to support affordability for staff in your organization, for the people

[01:04:57] who said yes. We heard from one person who said they're supporting people and helping buy a car because they need to get to work. What other types of things have you done? And I do want to add that if you don't want to speak out loud right now, we are going to have an open-ended question at the end where you can add more information anonymously and that won't be showed on the screen so that if you do want to add things, details there later. Okay, so I figured I would just share one and it's

[01:05:33] probably one of the better examples of employers that do this, and that's George Mason University, because George Mason actually provides on-campus housing for their employees. I did a board matter about very early in my career as a board member, really didn't go anywhere, but I know ANOVA, if we could provide you the zoning rights to build on that new campus a building for your employers and incentivize you to do that. Airport workers, they're not many places because we don't have many employers that have campuses. But I know that's a NOVA, that might be something,

[01:06:11] you know, that you can get educators in and the retention problem goes away and a bunch of things like that. But just as a thought, it was one. Do you realize Alcorn? Yeah. And if anybody has any, they've seen other things around the country that they've thought about, this is going to be a good time. I'm happy to bring those up as well. Thank you. I was going to say this is a former employer of mine. I'm now retired, but Trade Association in Arlington gave \$25,000 towards down payment for any employees. Arlington is a program that does that. Thank you. Okay, so for folks who

[01:06:48] might have considered or looked into this stuff but haven't implemented, do you want to share some of the types of things you were looking at? We have some opportunities. I have a question, if that's all right, from our end, because I really appreciate this conversation.

[01:07:11] Recently at the Urban Land Institute, where we were asked about what are the big impediments, right, whether it's time to build, whether it was the ability to permit, whether it was taxation, and really, it was really, you know, the costs and the time to build and the uncertainty, right?

[01:07:30] So, you know, I think it was Dr. Kress who brought up the holistic approach. And I guess I'm wondering, I assume, right, as employers, you're looking at the holistic package, right, of what is the cost, right, and what benefits can you give your employees, whether it's salary, whether it's health care, whether it's things like access to child care and housing.

[01:07:53] And I think, to me, this is an opportunity where we can. There are things we do well or things we really need to do better, let's say, on the glass half full side of it as we partner with you all, right? We can put anything we want in our policies, but it's at the end of the day, how are we able to ensure that things we approve get built, that the housing that your employees get built, and as many have said, that the math adds up, right, because that at the end of the day is critical.

[01:08:22] And so I think that's sort of my question and ask is, are there things that are barriers to implementing programs? Are there ways that are barriers for looking at building housing on the property owned? I know I've had this conversation with Dr. Jones.

[01:08:38] What are the things that on the county side we can do to help make the access to housing and child care an easier benefit, you know, a more affordable, approachable benefit for you to be able to provide as your package for your employees?

[01:08:57] I'll go back to, I think it's about the denominator. It's the total number of houses out there. As an employer, not many of them, and we do not feel we, that ANOVA would be that, are in the housing and, you know, either building housing or supplying housing business.

[01:09:15] You know, based on the turnover in our industry, our average industry turnover is 18%. ANOVA is markedly below that. Having said that, if we have people who are there and then they change jobs, we haven't really solved the issue other than adding to the denominator, which is good. But that's not, for most employers like us, wouldn't be their role.

[01:09:33] I think a university is a perfect example in which we know that's worked out well, especially in very large cities like New York. But for us, that would not be our core business and not what we would want to be getting into as much as supporting the development of housing for all.

[01:09:48] So one of the major costs is land. So I guess that's, you know, a question for those who do own land. As you saw in our parking lot, we are using our land, right? We can't build more land in the county. That, I believe we can ask Clark, is one of the biggest impediments is the cost of land in Fairbanks County. And I know some hospitals have looked at, right, land they own, universities. So if land were to be put forward, what are ways that the county can make that a better partnership so you don't feel like it's part of your core, you know.

[01:10:22] I don't know. I mean, certainly everything everyone said here makes a lot of sense. Land is a big part of the equation, right? And so to your point, Professor Behrman, you know, it's all of these things. And so regulatory is part of it, construction costs, pipeline, energy prices.

[01:10:40] You know, half the things that go into building these things are petroleum-based. So if gas prices are high, then transportation costs are high, the whole pipeline makes your cost of construction high. Land costs are really important, and I believe the executive here mentioned density.

[01:10:56] You know, that's a big part of the equation, too. One of the challenges, and forgive me, but I'll always revert back to, like, the customer here, is not everyone wants to live in an apartment. So, you know, if we increase density, that's great, and we can probably, you know, unlock more housing and build more, and there are ways to do it in a more cost-effective manner, and obviously reducing regulatory and looking at more clever designs.

[01:11:17] There's a wide range of things that can go into that to build more of that. But not everyone that wants to start a family or is at a certain part of their life wants to be in that type of house. And then to your point, a lot of the things that are in the queue and may have been entitled are larger and for people that make more money.

[01:11:33] So it's a little bit difficult to solve that in-between component. But land is a big piece of it. If there were opportunities, and it sounds like you've already done it here in some cases with county-owned land, But if there's other land that's underutilized where you could be creative and have a combination of perhaps townhomes and apartments and things of that nature with an underlying, whether it's a land trust or some other, you know, creative land structure, you know, that would create some opportunities.

[01:11:59] But because I believe the demand is there, but a lot of times we think, gosh, we can put up, you know, 5,000 units of attainable housing, but not everyone wants to live in those. And I believe it was you, Ms. Miller, said, you know, not everyone wants to – or someone said it, forgive me, but not everyone wants to have a roommate.

[01:12:16] So, you know, the idea of spending 30 percent of your gross income on a unit may not be attractive to you. You may want to save money, but you also may not want to have someone else living with you. So there's a lot of other dynamics there that are a little harder to solve, but it's a long answer to your question.

[01:12:31] Certainly, if there's something to be done on the land side, whether it be an affordability of the land, you know, the infrastructure and other things that go into land, that's a big catalyst and a big driver. So anything that can be done on that front would be one of the solutions. You know, I look at you mentioned Dr. Jones and Nova.

[01:12:49] You know, I don't let me speak for you, Dr. Jones, but it's not your core business. Right. And so a lot of these groups with campuses, not if you talk about George Mason University, that makes a lot of sense. If you look at other corporations and groups, if it's not their core business, then to some extent, by utilizing that land for something else, you're taking away from their core business and the benefit, not just income, but the benefit they provide to the community as a business.

[01:13:13] So not every parcel of land will make the most sense, even if it is owned by a prospective employer. But there's a lot that can be done in the land space. I'll leave it at that. Thank you. We have a couple more questions that are still to go. Did you have something?

[01:13:29] Just a comment on the land. We've been looking at a lot of office buildings throughout the region, many sites in Fairfax County, and we are being outbid by a lot by townhome developers, and townhome developers right now where there is certainty to develop a townhome, they are gobbling up these office buildings, and frankly, that's a good use.

[01:13:56] That increases density. It could be two over twos. it could be traditional townhomes. And I think I do want to caution when we think about apartments and not everyone wanting to be in an apartment, we are also in a market now where because of the federal employment situation, home prices are now in decline and people are now leaving this region and the market may not sustain ever growing housing prices. So I think this is a moment when we can look to local best practices. Falls Church City has done an amazing job adding 25% of their

[01:14:34] housing stock in the last five years. Austin, Raleigh, these are places that we compete against. But when we think about competition and competitiveness, New York City and San Francisco are very competitive when every 20-something hotshot wants to live in New York City.

[01:14:54] And it is very unaffordable in New York City. So I do think we need to separate these two issues. And there is an opportunity to kind of address land cost and certainty. Where we have run into friction on the land is sites where it would take three to five years to entitle a change from office to residential.

[01:15:18] So to the extent the county wants to offer a blanket solution to say that that would actually increase the value and increase certainty of delivery by a lot. Thank you. We're going to go back to our percentage.

[01:15:33] We have two more questions. We were hoping to get through. Yeah, we'll do. We can go through this quickly. So this next one is, I think, kind of returning back to the broader economic competitiveness and organizational impact on you. So to what degree do you believe high housing costs in the region impact your competitiveness relative to employers in other regions?

[01:15:54] Just hearing about some of that now. To what degree do you believe high housing costs in the region impact your competitiveness relative to employers in other regions? I think we can jump over to responses.

[01:16:16] There we go. Great. And then we'll jump right to the next question, and then we can talk a little bit more. So would you anticipate benefits from having more employees living closer to the workplace?

[01:16:32] Talked a lot about this today, but didn't actually ask a question directly on it. Okay, let's go to the answers.

[01:16:52] Great. So last point of discussion here before we close out. Significant benefits and some benefits, and no one said zero benefits.

[01:17:09] Okay, great. I know I enjoy living fairly close to my work. So when we're talking about significant benefits, what other, we've talked about somewhat of retention and an attraction of staff. What other benefits kind of go in this bucket for you?

[01:17:27] I just want to go back to this gentleman's statement here, and I don't know your name. But I think we don't want to walk past that statement because coming from one of, like, Seattle, where a lot of young professionals want to be and the cost of housing is actually higher, there's something about that that they want to be there.

[01:17:48] There's an energy. There's an excitement. There's something growing, something thriving, pulsing. And we've got to think about the businesses we're wanting to attract here to be the hub that we want to be. And it isn't going to just be the cost of the housing, I guess is my point.

[01:18:08] So I think this is an important topic and there's something about an environment that we also need to explore. So I would just strongly agree with this gentleman's statement. Thank you. So that kind of difficult-to-measure feeling that we know is in places where it's exciting to be.

[01:18:35] Yes? Just to add, along with that, we're talking to some extent about branding, right, in terms of how people think about an area, especially people that aren't here, and thinking about moving in. So you have the practical reality that New York is extraordinarily expensive to live in.

[01:18:53] I've got one of my godson's there, and I don't know how he does it. And flip side is, you know, what is the vibe? What is that? But when you come to this particular issue of housing, which fits into the whole thing, I do think it's about increasing the denominator to some extent.

[01:19:15] You've got to have programs. And part of branding should be Fairfax County is the best place to develop real estate in the Washington, D.C. region or in the Mid-Atlantic or go beyond that.

[01:19:31] And as government leaders, professionals, you need to say, okay, what are those levers that we can do? When I think about developing hotels, it starts with what's the long-term ROI? What is the combination of cost, benefit, long-term demand that I can do to generate a return that makes sense?

[01:19:56] That is at the absolute core of what Anthony does in his role, is to figure that out. And a big part of that is speed, certainty, density, cost, all of these things that we've talked about.

[01:20:12] We're not going to change as Fairfax County what's happened to gas prices or inflation or what it costs to get steel delivered or what the tariffs are or any of that. But there are a lot of deliverables, and one of them is your brand, in all honesty, is to say, okay, do we hold ourselves out there, and then do we

act in a way that tells the development community, A, we really want you here, and here's, you know, open arms to that in practical ways that you've demonstrated that openness, right, to do that.

[01:20:48] And if you are thinking about a project that is going to take three years to entitle, you know, that's a heck of a long time in a developer's lifetime, never mind the risk of interest rate change and everything.

[01:21:05] Go back five years and say, OK, where did the developer think interest rates were going to be to where they are today? And it just eliminated the whole ROI of all kinds of classes of real estate, in all honesty, right?

[01:21:21] So we are, yeah, thank you. Just your question was, what's the difference that does it make if you live close to where you work? Yeah. So I would argue you don't care that much about the place that you work because you drive there or you drive away, or increasingly you don't even drive there at all.

[01:21:40] You telework. You care about where you live. You care about your neighborhood. You care about the quality of schools where you live. You care about the quality of businesses. you care about quality of life, the parks, all of the schools. So I think when we have more and more folks who work here who live somewhere else, they care about where they live. And it eventually has an impact on the quality of life and the place where they work. And that's something we should worry about. I mean, I live in Supervisor Stork's district. It is clearly a neighborhood

[01:22:17] that was built up where people were supposed to live, work, and play from its very design. And what, at one point, were probably starter homes for families, when you look at the number of bedrooms. But that is not anyone's starter home anymore. And that should be concerning to us, right? There are walkable schools there. But increasingly, the folks who live there don't have children who would walk to those schools, right? And that, I think, is something that we're starting to lose, because we've disconnected living and working so significantly, that we've lost folks' belief in the place where they work because it's not where they live.

[01:22:58] Thank you, Dr. Kress. Very brief, because we really are out of time. I want to get to the last question. No, I appreciate it. I think what I'm going to say really ties into Dr. Kress, one of my favorite people. And we were talking about it before. From what I've seen in here and my experiences here is the different types of housing and thinking about the people in the community, right?

[01:23:19] So a place where you can move here and raise a family, but where you can also retire. and be close to your grandchildren, right? Imagine if you can own a home, but your grandchildren have to live very far away, right? We've moved closer to our parents, but so many do not have that option. And my sister lives in Brooklyn, and she thinks it's affordable because she doesn't have kids yet, right? Once you start to have kids and a family and figure out what it costs, even on two pretty good wages to be able to afford the child care.

[01:23:56] I think all of these tie together, and I think thinking about the sense of community and how we've built that environment, whether it's the parks, whether it's the communal spaces for all ages, and whether we become just a working community.

[01:24:14] So I appreciate that, and then just thinking about the people at the heart of that. Thank you, Shibraj. So the last, we just wanted to put this up here since we've been talking about this topic today, that

if your company is interested in learning more about supporting housing options for your employees, we'd like to follow up with you.

[01:24:32] This has not been posted, so this is all anonymous, but happy to follow up with some more detailed conversations about options. And then we'll just be posting beyond that if there's any other comments that you'd like to leave for us that we can include in the record, we'd appreciate that.

[01:24:52] The intent is that they will be following up on the information I got today. But I think there's much more, as you can see, that we're doing as a county, but not enough is probably the other part that you're hearing. And the core of what I've heard today is not only is it all the above, housing for all, if you will, whether it's starter or even Dan Snyder's \$60 million home along the river.

[01:25:13] I mean, those are all things that people want. We need to provide some mechanism for doing that, but we recognize the core issues we have are starter and homes for folks who are getting started. And the soul, if you will, the soul of Fairfax County is the core of it.

[01:25:29] I mean, having a community, Dr. Cress, as you were saying, an area around you that you feel connected to, neighbors are connected to, and the shops and the other schools and the other things that make that a community and make that a place that you want to live, work, and grow it in are key parts of that.

[01:25:45] Thank you. Yes. Just super fast. I'm just making the observation that this is an important conversation and the housing developers are not at the table. And most of them are on a plane to Raleigh right now building homes in Raleigh. And to the extent that I can be of assistance in connecting anyone here in the county with housing developers through ULI or through NAOP, I'd be happy to coordinate that. Thank you, Mr. Chang. And I know that the chairman has a housing group that he talks with and works with the county executive and the work of their team on the housing board matter is something that they're deeply involved with right now.

[01:26:24] We've had conversations individually as well as some collective conversations about that. And if folks have additional comments or thoughts about this, Jen, you would welcome their reaching out to you or your staff to discuss further how they could be part of the solution that we recognize is going to take all of us to truly make that difference.

[01:26:48] So thank you. I'm going to just add one more thing. It's going to be very brief because we only have a couple minutes. But one of the things that the board asked for and we did early this summer was to take a look at how Fairfax County, frankly, how it does compared to the resources that we send to the state.

[01:27:10] And a UVA study by the Weldon Cooper Center came back with some, I would say some confirming results. There are things that I think we all have perceived were likely to be true, but we're looking for that independent confirmation.

[01:27:25] And I would say, and as I've talked to my colleagues at the state level, whether it's senators or delegates, I would urge them to do their own confirming study through JLARC or whatever just to see if, in fact, there's some part of what we, the study that we got back, the Weldon Cooper study we got back, is in some way or another inaccurate.

[01:27:47] Because based upon our knowledge and the study itself, the Fairbanks County sends billions of dollars to the state every year. We represent about 20% of the state's income. State income tax is a major

source of that, and we represent about 13% of the population.

[01:28:07] So that's a significant contribution. The study, it said, based on the direct dollars that we get back from the state or indirect dollars, things like colleges, universities, prisons, state employees, parks, you name it, Medicaid reimbursements, et cetera, that we see, we get about 50 cents on the dollar.

[01:28:29] So we send a dollar to Richmond, we get about 50 cents back. That's been our belief for some time. The study, in our mind, proves it. We also know that there's other ways that the state underfunds Fairfax County, and I know I particularly look at the schools, and the study that was done by J-Lock a couple years ago shows the incredible underfunding that the state.

[01:28:52] We are about \$2,000 below the average of all states in the country in terms of what the Commonwealth of Virginia funds local school districts. If we were to get just to the average of what other states in the country fund their school systems, Fairfax County would get at least a half a billion dollars more.

[01:29:13] We also know that there's costs of competing, that we are deficits on because our costs of living here are at least 20% higher. Some would argue more. So we know there's a lot of ways that we are, if you will, hamstrung in our development, hamstrung in our ability to grow our economy, which in turn has been really supercharged the Virginia economy for decades.

[01:29:36] So I'm bringing all this to you because I want you to be sensitive to it, aware of it. Also, it's real money for folks locally. Just a few percentage more dollars back to us could represent almost \$2,000 back per household in Fairfax County.

[01:29:53] So this isn't, if you will, a chump change. These aren't a few bucks here and there. These are definitely things impacting the cost of living here, the cost of housing here, and we believe that we're due for a better understanding of that by the state as well as over time a better distribution of those funds to us so that we can further invest those dollars in things that can matter not only to the neighbors and friends and folks that live here but also to continue to drive the economic growth that Virginia is noted for.

[01:30:27] So I'm happy to take any quick comments, but otherwise I didn't want to hold the meeting past 11 as our stated time. With that, I thank you all very much for being here, and we will be following up with each of you.

[01:30:44] This meeting is adjourned. Happy holidays.



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