

County of haves and have nots

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Drive through just about any part of Fairfax County, and you will see them dotting the landscape: McMansions, symbols of the county's affluence.



But, if you visit many area quick-marts in the wee morning hours, you will be confronted by a different view, this one of the people who would not dare to dream of owning such a home.

You would see the faces of immigrants who have come here for a better life only to find themselves struggling from paycheck to paycheck, crowded into houses and apartments designed for a few.

Meanwhile, housing for seniors is also an issue, and so-called work force housing is scarce in the county, too, making it hard for teachers, nurses, firefighters, police and other moderate-income employees to live near where they work.

"Let's face it. Not many [teachers] can live in Fairfax County, even at \$40,000 a year," said Deirdra McLaughlin, chief financial officer for Fairfax County Public Schools, at a budget briefing in Reston March 23.

"The supply is being outstripped by the demand because we have become such a desirable place," Board of Supervisors Chairman Gerry Connolly (D) said at that briefing in March. Connolly has made preservation of affordable housing one of the board's key goals.

As evidence that there are, indeed, "haves" living here, the median income in the county grew rapidly between the 1970 and 2000 censuses, from \$14,854 to \$81,050.

It is this paradox of the haves and have-nots that the county must confront as it decides what to do with the \$18 million the board recently earmarked for preserving up to 1,000 affordable housing units as part of its fiscal 2006 budget plan.

According to Lee Rau, Hunter Mill District representative to the county's Redevelopment and Housing Authority (RHA), county executive Anthony Griffin is working on a plan for how the \$18 million will be used.

Paula Sampson, director of the Department of Housing and Community Development (DHCD), said her staff is working with Griffin on that plan and that recommendations should be ready for Board of Supervisors action on May 23.

At a board Housing Committee meeting on April 11, Braddock Supervisor Sharon Bulova (D) warned that the county needs to put the \$18 million "to work right away." Hunter Mill Supervisor Catherine Hudgins (D) agreed, saying Griffin will have to be very specific about how the money will be spent.

Trust fund

In a recent letter to The Times, Al Smuzynski, president and chief executive officer of Wesley Housing Development Corp., a nonprofit developer, said the \$18 million needs to be put in a "trust fund" that would make loans on favorable terms to affordable housing developers.

Sampson said the county already has about \$12 million in a housing trust fund and that the \$18 million would be kept in a separate account. "But we will use the trust fund, too," she said, adding the money could be used to make loans, equity investments or grants.

The county hopes that as many nonprofit and for-profit developers will participate in the affordable housing program as possible.

The county's RHA, which, as an authority, generates fees from its programs, "will probably have projects, too," Sampson said.

"I think you'll see a broad spectrum of involvement in spending those funds," she said, adding "we want to see the funds spent expeditiously."

Considering the challenges the county faces, \$18 million is a somewhat limited amount. Hudgins had hoped the board would approve two cents from the real estate tax for affordable housing, rather than the one cent approved.

This would have raised \$36 million and would have made it easier for the county to produce new housing, rather than just preserving 1,000 units by 2007, Hudgins said in an interview. But the public outcry over rising real estate assessments precluded the board from going that high.

Demand outstripping supply

No doubt, the gentrification of Fairfax County over the past 30 years has brought many economic benefits. But it has also created a red-hot real estate market that has bid up home prices beyond the reach of most (see related story).

According to county staff, the number of jobs in the county has increased three times faster than the supply of homes.

What little land remains is eye candy for area developers, who have profited from the county's economic development initiatives.

One of the many difficult issues the county faces as it tries to meet its affordable housing goals is

how to get the developers on board.

Under the county's existing affordable dwelling unit (ADU) ordinance, if developers build low- or mid-rise multifamily dwellings, they must make sure some of them are "affordable."

The guiding principle, Rau explained, is that the cost of providing affordable units must be "economically neutral" to developers who take advantage of so-called "density bonuses," which are used as a carrot to get them to build.

High-rise developments are exempt from the ADU ordinance, meaning developers are not required to make any of their units affordable.

Hudgins, one of the leaders of the affordable housing initiative, said this is an area that the Affordable Housing Preservation Action Committee, which was appointed by the Board of Supervisors last summer, is looking at.

According to Rau, in the 15 years the ADU ordinance has been in effect, only 2,447 affordable units have been produced.

'Incentivizing' developers

In January, the affordable housing committee recommended the dedication of one penny from the real estate tax and said the county's comprehensive plan must be revised to "provide development flexibility and incentives for projects that include affordable/workforce housing, and to broaden the definition of affordable/workforce housing."

People talk about the carrot- and-stick approach, but, when it comes down to it, there have to be partners ready to work with the county to spend funds wisely and build what is needed to keep this area diverse.

Rau said the county must find a way to encourage increased density and affordable housing at the same time, particularly along the Dulles corridor.

As Metrorail comes to the area, there should be many people nearby to use it, he said, adding that the county must include an affordable housing requirement for new development along the corridor.

Sampson explained that the county needs to find ways to give incentives to developers to add affordable housing to these anticipated transit-oriented mixed-use developments. This could be money or could involve "making land available," she explained. "You can be very creative about it," she said.

One complicating factor is that many commercial property owners in the Reston Center for Industry and Government (RCIG) have not yet agreed to change the RCIG covenants to allow residential development.

Rau called RCIG's inaction a "very, very serious problem. That could defeat the whole concept," he stressed. U.S. Rep. Jim Moran (D-8th), who represents Northern Virginia, agreed.

Moran said it is critical that the county find a way to require developers to build affordable housing units in their high-rise developments and cited the RCIG problem, in particular.

Perhaps developers can be enticed by giving them some sort of "housing credits" to help defray the costs, he said. "I think we need to set the standard here," said Moran, who noted that Fairfax County is the "most economically successful" area in the United States right now.

Changing philosophy

This kind of anticipated transit-oriented, mixed-use development is a "sharp departure" from the "Euclidean zoning" model the county has used for many years, Rau said, because it puts people closer to their jobs and "gets them off the roads."

The idea behind Euclidean zoning, developed under the Hoover administration, is to promote low-density development and separate uses in an effort to reduce crime and promote healthy communities, said Rau, who serves on the housing committee and also serves on the county's ADU Task Force along with Hudgins.

Another issue the county must deal with is how to define the term "affordable," Sampson said. The U.S. Department of Housing and Urban Development defines "affordable housing" as that in which the occupant pays no more than 30 percent of their income for gross housing costs.

That may be an easy definition to meet if you work for one of the many high-tech and government contracting firms that have been lured to the area, but, for teachers, nurses, policemen and firemen, not to mention area immigrants living on the minimum wage or less, there are few places to live within reach.

Defining affordable

According to county data, there are only .08 affordable units per person available in the county now.

The typical rent for a two-bedroom apartment is about \$1,187 per month, Rau said.

Many rental units have been swallowed up and converted into condominiums as owners of older apartment communities have sold out to developers. This displaces families living in those rental properties.

Meanwhile, the average sales price for a new home in Fairfax County is about \$500,000, while the average market value for all single-family homes, of all types combined, is around \$349,000, according to county information.

Kerrie Wilson, executive director of Reston Interfaith, said recently that, if you make less than \$49,999 per year and have a family of four, you are at risk of becoming homeless here in Northern Virginia.

Wilson, who briefed a women's group last October on the housing crisis and homelessness, said local breadwinners in a family of four need to make a combined \$24 an hour in order to make a "living wage," where 30 percent or less of their income goes to housing.

The federal minimum wage is only \$5.15 per hour, and many immigrants cannot count on making even that amount.

Wilson said 25 percent of all county households make less than \$49,999 per year. Meanwhile, there are about 2,000 homeless people here.

Two issues that may make the job of preserving affordable housing more daunting are the county's layers of bureaucracy and its zoning rules.

There are several entities that deal with housing issues, including the RHA, DHCD, Housing Committee, the Affordable Housing Preservation Action Committee, an ADU Task Force, the Community Council on Homelessness and a task force devoted to the development of single-room occupancy housing (see related report in this issue).

The RHA, which has an affordability and revitalization mission, has some project financing responsibilities and often works in partnership with not-for-profit entities. It gets much of its funding from the federal government and very little from the state.

Long waiting list

DHCD's mission, among other things, is to run the county's subsidized housing program, including the Housing Choice Voucher Program. According to Reston Interfaith, there are about 7,000 families in the county on the waiting list for subsidized housing.

The Community Council on Homelessness, meanwhile, has urged the development of a single-room occupancy (SRO) model, which is on the drawing board.

Something else the county needs to do is amend the comprehensive plan to ease the red tape associated with affordable housing development. Hudgins said the county should adopt a policy on plan amendments that should be made.

Another challenge the county faces is the increasing conversion of rental apartments to condominiums. Ideally, the county would like to be able to step in to buy these properties in order to avoid further depletion of the rental housing stock, but money is a major issue here.

Hudgins said in March that the Affordable Housing Preservation Action Committee is looking at what role, if any, the county can play in this area.

In January, the committee said the county should develop incentives to encourage the preservation of affordable units in condo conversions within existing affordable garden-apartment stock.

Key to all this is for the county to find a way to forge more public-private partnerships with the limited funds it has available, and there appear to be some willing entities.

“Many cities are facing gentrification and significant market pressures that often lead to the loss of affordable housing units and housing options for current and future residents,” said J. Michael Pitchford, new president and CEO of the Community Preservation and Development Corp., which worked with the county to redevelop the Island Walk affordable housing complex in Reston.

“[D]evelopers will need to find creative and collaborative ways to secure the financing needed to preserve existing and build additional affordable housing,” Pitchford said.

Fred Seldon, of the county's Planning and Zoning Commission, noted at the Housing Committee meeting in April that a “one-size-fits-all model” toward housing preservation will not work.

P&Z Commission staff, with input from the DHCD, are working to come up with “demonstration projects” to help ascertain how the development review and approval process can promote preservation.

Pilot projects by the county might help officials “pursue different kinds of redevelopment” with different density incentives, Seldon said.

Hudgins, meanwhile, said the county needs to work on “production” of new affordable housing, as well as preservation of what it has.

Preservation is the county's "first priority," DHCD's Sampson agreed. "But production is also important."

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