



Affordable Housing Preservation Task Force

Recommendations to the Fairfax County Board of Supervisors

April 6, 2021

TABLE OF CONTENTS

I. Overview	1
II. Recommendations for Preservation of Committed Affordable and Market Affordable Housing	4
A. Preservation Need, Goals, and Resources	4
B. Development Strategies and Financing Tools	9
C. Land Use Policies and Recommendations	12
D. Institutional Capacity, Community Awareness and Legislative Priorities	14
E. Other Considerations	17
F. Recommendations Regarding Manufactured Housing	17
G. Appendix: Definitions	21

**AFFORDABLE HOUSING PRESERVATION TASK FORCE
RECOMMENDATIONS
February 2021
REV 2/16/2021**

I. OVERVIEW

About the Task Force

In July 2020, the Fairfax County Board of Supervisors (the Board) established the Affordable Housing Preservation Task Force (the Task Force) for the purpose of developing comprehensive affordable rental housing preservation strategies. Fairfax County has two concurrent affordable housing imperatives: preservation and new production. The Affordable Housing Resources Panel (AHRP) recommended a minimum new production goal of 5,000 affordable rental homes by 2034. In accepting the AHRP recommendations, the Board also recommitted to the principle of no net loss of market affordable housing units in the County, and expressed a desire to develop a Countywide preservation strategy. A County integrated preservation strategy is in line with the One Fairfax Racial and Social Equity Policy (One Fairfax Policy) in that it supports a high quality of life, employment opportunities, housing, amenities and services for all people and throughout the County.

The charge of the Task Force was to develop a Preservation Strategy for the county's multifamily (four or more units) rental stock of housing that serves households whose annual income is 60% of the Area Median Income (AMI) or below. In 2020, 60% of AMI and below was approximately \$75,000 or less per year for a family of four. These units are either market affordable or committed affordable as defined below:

- **Market affordable housing** - Considered to be affordable to households earning 60% of the area median income (AMI) or below – *without* enforceable rent or income restrictions.

- **Committed affordable housing** - Properties or units with rents and incomes served that are restricted by means such as a deed restriction or zoning requirements. For purposes of this document, “committed affordable” will refer to:
 - a) Properties with units committed to serving 60% AMI and below; and
 - b) Properties with units committed to 80% AMI and below specifically under the County's inclusionary zoning policies, specifically the Affordable Dwelling Unit (ADU) program, and pursuant to the Board-adopted Workforce Dwelling Unit (WDU) programs.

Additionally, the Task Force was charged with addressing the preservation of affordability related to manufactured housing.

The county's stock of affordable rental homes faces three critical pressures:

- Demolition of older market affordable apartment complexes and their redevelopment into high-end residential communities;
- Renovation and/or “repositioning” of previously affordable properties into higher rent properties; and
- Rent increases that outpace the rise in household incomes.

Task Force Goals and Objectives

The following are the Task Force's recommended, aspirational goals:

Goal 1: Preserve the affordability of approximately 9,000 market affordable multifamily units at 60% AMI and below through a combination of preserving physical assets that contain affordable housing (*physical preservation*) and of preserving the affordability and number of bedrooms within redevelopment scenarios on-site or in proximity to the site (*use preservation*).

Goal 2: Preserve the affordability of committed affordable multifamily buildings and units when affordability covenants are set to expire for buildings/units with an average of 60% AMI and below, as well as ADU/WDU units at 80% AMI and below.

Goal 3: Preserve through a combination of means the affordability of the approximately 1,750 housing opportunities that exist in manufactured housing communities.

Achieving the goals to prevent no net loss of these existing committed affordable, market affordable and manufactured housing units may be accomplished through adopting a set of clear preservation strategies which are adaptable to a variety of situations and which provide diverse tools. This document outlines the goals, objective and guiding principles developed by the Task Force as well as recommendations to the Board for action.

The objective of the Task Force is to provide the Board with actionable policy recommendations to address the preservation of housing affordability in the County through creative and sustainable preservation tools that are consistent with the One Fairfax Policy and best practices. To achieve this objective, key issues addressed in the work of the task force included developing:

- Definitions for the types of preservation that can occur in communities;
- Typology of properties at risk, including small-to-large sized properties, and characteristics to guide prioritizing properties or neighborhoods in need of timely action; and
- A comprehensive set of preservation strategies that includes recommended policies and tools to achieve the goal of no net loss of affordability of market affordable and committed affordable housing at 60% AMI and below, and ADUs and WDUs at 80% of AMI and below with expiring restrictions.

Guiding Principles

- **Best Practices:** Industry-recognized best practices were used to inform the work of the Task Force.
- **One Fairfax Policy and Lens:** The One Fairfax Policy was used to apply a racial and social equity lens in all efforts of the Task Force and in the creation of the proposed Preservation Strategies contained herein.

- **Target Priorities/Opportunities and Characteristics:** A discrete list of target priorities/opportunities for affordable housing preservation and the characteristics that put properties at risk of loss of affordability for renters was developed as a guiding principle for considering preservation strategies.

In addition to the Task Force’s charge and guiding principles, the following principles and values were considered in the recommendations:

- Preservation of affordability can be achieved by maintaining a physical asset that contains affordable housing (*physical preservation*) or by preserving the affordability and number of bedrooms within a redevelopment scenario on-site or in proximity to the site (*use preservation*);
- Equity considerations should be twofold: 1) preservation of the affordable housing can lead the way to the economic success for individual residents and families; and 2) preservation of affordable housing can lead the way to enhanced quality of life, positive growth and development for neighborhoods, and transform islands of disadvantage into communities of opportunity;
- Attention should be placed on fostering people-centered places and preserving a variety of unit sizes;
- The legacy and continued viability of communities defined by shared cultural and/or historical dynamics should be honored;
- An implementation strategy and metrics for evaluation should be developed to determine success, including metrics such as efficiency of funding usage, to support decision making and prioritization of limited resources with an annual progress report to the Board. Implementation metrics should be developed by the Board’s Affordable Housing Advisory Committee, and, with the approval of the Board, reported out regularly via the Affordable Housing Dashboard (see <https://www.e-ffordable.org/affordable-housing-dashboard>); and
- Recommendations should be realistic and actionable.

Strategic Categories

The following are the strategic categories under which the Task Force developed its recommendations and which are discussed in Part II (Sections A-E) and Part III:

- **Section A - Preservation Need, Goals, and Resources:** The Task Force considered the challenges facing the existing stock of affordable housing, particularly market affordable housing, and developed recommendations for goals and strategies to ensure no net loss, long-term affordability and availability of these assets.
- **Section B - Development Strategies and Financing Tools:** The Task Force developed recommendations for specific financial practices and resources that can be employed or provided to encourage the preservation or replacement of existing market affordable and committed affordable housing.

- **Section C - Land Use Policies and Recommendations:** The Task Force identified specific land use recommendations that would facilitate the preservation of market affordable housing, including, importantly, the development of a definition of preservation.
- **Section D - Institutional Capacity, Community Awareness and Legislative Priorities:** The Task Force identified community engagement and the capacity of the county’s institutions to support a sustained effort to preserve affordable housing in the community as critical issues.
- **Section E - Other Considerations:** The Task Force recommended other preservation-related considerations for further study.
- **Part III – Recommendations Regarding Manufactured Housing Communities:** The Task Force recognized that manufactured housing communities, and owners of manufactured homes in those communities have unique challenges and opportunities. As a result, manufactured housing is addressed in a separate part of this document. Manufactured housing communities require special considerations given their uniqueness including the fact that they often serve as a source of affordable homeownership for residents in the County. The Task Force recommended that these items would be further refined as part of a separate Task Force to be convened upon completion of this Affordable Housing Preservation Task Force.

II. RECOMMENDATIONS FOR PRESERVATION OF COMMITTED AFFORDABLE AND MARKET AFFORDABLE HOUSING

A. Preservation Need, Goals, and Resources

Recommendation A1: Adopt a goal to preserve the affordability of approximately 9,000 market affordable units and to extend expiring affordability restrictions on all existing committed affordable units. This goal should be re-evaluated every five years by the Board.

Preservation by the private sector can be facilitated through the entitlement process or through other public action. Public action can include providing “gap” financing or a subsidy to convert market affordable units into committed affordable housing. The availability of sufficient gap financing will be a key factor in the extent to which Fairfax County is able to preserve its existing affordable housing.

Recommendation A2: Commit to use data analysis and an equity lens to proactively and intentionally identify and prioritize specific target communities to preserve as committed affordable housing or continued market affordable housing to achieve “no net loss” to the maximum extent feasible. A third-party survey to identify areas of the County containing market affordable units should be conducted, and an updated inventory developed every two years. The purpose of this effort is to ensure the availability of reliable data on an ongoing basis, and to identify specific properties as valuable for preservation. This will include a more in-depth

analysis that will be used to develop a re-prioritized inventory of market affordable properties every two years. The first survey should be completed no later than June 30, 2022.

Recommendation A3: The Task Force specifically recommends the adoption of the following definitions of the types and priorities of preservation that can occur in communities. These definitions will be used in the implementation of Recommendation A2.

- **Market Affordable Housing** – housing that is affordable to households earning 60 percent of the area median income (AMI) or below – without enforceable restrictions.
- **Committed Affordable Housing** - properties or units with rents and incomes served that are restricted by means such as a deed restriction or zoning regulations. For purposes of this document, “committed affordable” will refer to 1) Properties with units committed to serving 60% AMI and below, and 2) Properties with units committed to 80% AMI and below specifically under the County’s inclusionary zoning policies, specifically the Affordable Dwelling Unit (ADU) program, and pursuant to the Board-adopted Workforce Dwelling Unit (WDU) program.
- **Use Preservation** is the maintenance, sale or transfer of a property that keeps rents affordable by maintaining or adding subsidies, refinancing existing debts and introducing or modifying income eligibility and affordability restrictions. Use preservation can include redevelopment that preserves the affordability and number of bedrooms currently existing on the property either on-site or in proximity to the site.
- **Physical Preservation** is the maintenance and improvement of the physical condition and financial viability of a rental property while maintaining or extending affordability so that it can provide a long-term source of decent and safe housing that benefits families, neighborhoods and communities.
- **Long-term Preservation** means a commitment as affordable housing for 30 or more years, via a recorded deed of trust, proffers, or other similar means.

Affordable housing preservation can take many forms, including but not limited to:

- Renovation and rehabilitation of existing market affordable or committed affordable property;

- Adding an affordability commitment to an existing market affordable property for the first time;
- Extending an affordability commitment for an existing committed affordable community;
- Preserving by replacement units on-site or in proximity to the site;
- Retaining or adding an affordability commitment to a property as a part of a capital event or redevelopment; and
- Preserving an existing market affordable community as market affordable.

The Department of Housing and Community Development (HCD) will use the following target priorities/opportunities and characteristics in the development of Recommendation A2’s inventory and property prioritization list. The prioritization will include a racial and social equity lens and resources analysis.

Target Priorities/Opportunities	Characteristics of Properties At-Risk
<ul style="list-style-type: none"> • Properties with expiring subsidies/affordability restrictions in the next ten years • Deteriorating (market affordable and committed affordable) rentals that are prime for redevelopment • Properties with excellent proximity to rail and bus transit, schools, employment, parks, walkability, near hospitals/clinics • Properties located in areas that have high levels of individuals with historically low-incomes • Opportunities to increase investment and/or reinvestment in specific neighborhoods deemed as areas of high vulnerability or lower opportunity. 	<ul style="list-style-type: none"> • Market pressures • Increasing incomes and population forecasts in a community • Planned or zoned for redevelopment • Adjacency to planned redevelopment areas • Proximity to transit, walkable locations, assets near hospitals, clinics, major employment centers, or other amenities that supports a high quality of life • Near mass transit that are currently low density • Deteriorating property condition • Environmental issues (such as Lead Based Paint or Asbestos) • Loss of units and high levels of evictions • Largely occupied by people of color or immigrant populations

Recommendation A4: An essential benefit of preserving housing affordability in an existing community is that it provides stability for the individuals and families that reside in the community, the surrounding neighbors and the community at-large. The Task Force recommends the following parameters for one-for-one replacement to maintain community stability, avoid unnecessary

resident displacement and to meet the community need when County gap financing is provided:

- Consider the needs and demographics of existing residents in developing the replacement housing program;
- Maintain an equal number of bedrooms, unless doing so would lead to a high level of displacement of existing residents. For example, when the resident demographics are such that households are “under-housed” or “over-housed” and, as a result, one-for-one replacement would effectively lead to resident displacement. Under-housed refers to a household that occupies a unit that is too small based on the household composition and occupancy standards whereas over-housed refers to a household that occupies a unit that is too large based on the household composition and occupancy standards;
- Encourage preservation of three- and four-bedroom units;
- Set aside, at a minimum, the same unit mix when a property has units at or below 60% AMI, to preserve the greater affordability where possible. It should be noted that utilizing the “income averaging” option provided under the Low Income Housing Tax Credit program may be appropriate and advantageous in financing the acquisition and rehabilitation of market affordable communities;
- Follow all applicable relocation assistance requirements and guidelines. Permanent relocation may be needed to maintain the financial viability of the development. In some cases, existing residents over the 80% AMI limit can be supported through a robust permanent relocation program, rather than by returning to the property;
- Provide qualified existing residents priority to retain or return to an appropriately sized unit when a community undergoes renovation or redevelopment with preservation; and
- Consider the following if an owner wants to redevelop the property in one location and build replacement housing elsewhere:
 - The replacement housing location should be in proximity to the site undergoing redevelopment.
 - Off-site replacement housing should offer access to economic opportunities and public transportation and be accessible to social, recreational, educational, commercial, health facilities and services, and other municipal services

and facilities that are comparable to or better than those available at the redeveloped property.

It is important to acknowledge that appropriate financial and land use tools are essential to make one-for-one replacement feasible at the income levels and unit sizes proposed. This may include ensuring that sufficient increased density, financing, vouchers, or other tools are in place to make these recommendations feasible. Flexibility is essential and one-for-one replacement options should be determined on a property-by-property basis.

Final determination of a redevelopment's one-for-one replacement expectation will be determined by the Board in the context of approval of an entitlement application. Such determinations will be informed by analysis by staff from the Department of Housing and Community Development and the Department of Planning and Development of requested deviations from a one-for-one replacement of exact unit types/size, income levels served and total counts, as well as other county goals such as revitalization of an area. The analysis will consider the existing property household makeup and market demand as evidenced by available market data. Whenever possible, the construction phasing plan should occur in a way that avoids displacement. For example, replacing units before an existing unit is redeveloped.

Recommendation A5: Fairfax County has two concurrent imperatives with respect to affordable housing: preservation and new production. The Affordable Housing Resources Panel (AHRP) recommended a minimum new production goal of 5,000 affordable rental homes by 2034, and that the equivalent of an additional penny on the real estate tax rate be invested annually to achieve this goal. The AHRP also recommended that the county recommit to the principle that there should be no net loss of existing affordable housing and prioritize the existing "half penny" for preservation initiatives. The Task Force endorses and re-affirms those goals and recommendations.

Further, the Task Force recommends that the existing half penny for preservation be augmented with the equivalent of an additional half penny for a total of one penny dedicated toward preservation, given the broad affordability threat posed by the market demand on the existing rental housing stock in the county.

The Task Force recognizes that the challenges posed by the novel coronavirus pandemic (COVID-19) have resulted in a delay in implementing the funding recommendations of the AHRP and therefore require creativity in implementing them when considering budgetary options for the Board's consideration. To that end, the Task Force recommends that the Board consider the following additional options in addition to the AHRP-recommended production funds to creatively

provide the equivalent of the recommended annual penny for preservation:

- **Set aside a percentage of “carryover” and quarterly review funds:** Once all required deposits to reserve funds have been satisfied, the Board should set aside a percentage of the annual non-recurring balances for affordable housing preservation.
- **Use of Economic Opportunity Reserve (EOR):** The Board should consider nominations of the EOR for affordable housing developers to be utilized for gap financing needs related to preservation.
- **Expanded Use of Federal Funding for Preservation:** Fairfax County and the FCRHA have a strong track record of utilizing the federal HOME and Community Development Block Grant (CDBG) programs for affordable housing development and preservation, particularly on a “scattered site” basis. The Board should consider using these funds for multifamily preservation projects and should consider using the “Section 108” loan tool as an opportunity to create a larger pool of ready CDBG funds for preservation.

Recommendation A6: The Board should implement a fee waiver policy for committed affordable housing production, redevelopment and renovation projects that provide, at minimum, for a full replacement of existing affordable units. This should include waiver of building permit fees, zoning application fees and other similar regulatory fees as may be appropriate.

B. Development Strategies and Financing Tools

The following recommendations are high priorities, particularly recommendations B1, B2 and B3, and should be implemented concurrently to the greatest extent feasible.

Recommendation B1: Fairfax County and the Fairfax County Redevelopment and Housing Authority (FCRHA) have a successful history of providing flexible, opportunity-driven funding for affordable housing preservation, in the form of the Affordable Housing Development/Investment Fund (AHDIF), formerly the Penny for Affordable Housing Fund. Consistent with the recommendations of the AHRP, within the existing AHDIF and/or Housing Trust Fund, a preservation set-aside should be created to support affordable housing preservation to address the wide variety of needs that arise with respect to preservation transactions using the funds requested in Recommendation A5. This preservation set-aside funding can be used to address the variety of financing needs that are involved with affordable housing preservation transactions, including:

- **Gap financing:** Funding to cover the “gap” between what it costs to acquire/rehabilitate/redevelop a property and what can be raised through tax credits and private financing, using the existing “Housing Blueprint” model.
- **Rehabilitation financing:** Funds for the major capital needs for owners of existing properties, also using the Blueprint model, in exchange for long-term affordability commitments. This could be affirmatively marketed to property owners experiencing distress related to the COVID-19 pandemic.
- **Predevelopment funds:** Predevelopment funds to facilitate investigation of a preservation opportunity. These funds should be readily available and require a short turnaround to allow developers to act quickly in pursuit of opportunities emerging in the market. Such funds may be folded into the permanent financing of a project if it goes forward.

Recommendation B2: Create new, targeted funding sources including: 1) a **strike/acquisition fund** to provide financing that would enable developers to quickly be positioned to compete with the private market to purchase market affordable opportunities; and 2) **financial incentives** to induce market affordable owners to keep properties as market affordable and improve conditions where necessary.

Recommendation B3: Expand current efforts and relationships among private owners, industry groups and advocates of affordable rental housing and the County’s affordable housing development partners in order to provide an “**early warning system**” for preservation opportunities that may emerge on the market. This should include:

- Developing and maintaining an inventory through a third-party survey every two years as recommended in A2;
- Mapping areas of displacement risk considering proactive predictions and incorporating those predictions into affordable housing preservation policy;
- Engaging residential brokers to assist in identifying preservation opportunities;
- Actively working in partnership with other Northern Virginia jurisdictions (including but not limited to Arlington County and the City of Alexandria) to promote regional preservation collaboration;
- Determining how the County should be an actor in the process; and

Identifying owners of multifamily buildings that are suffering from the economic effects of COVID-19 to see which are more at risk by exploring tax records for indications and evictions. This is a critically important step given the anticipated distress among smaller property owners due to the COVID-19 pandemic since a significant percentage of these properties may be at risk of foreclosure in the future. It is essential to explore ways to make it possible/more likely that available properties are purchased by entities willing to preserve the affordability.

- Determining additional ways to identify properties at risk.

Recommendation B4: Prioritize the preservation of rental Affordable Dwelling Units (ADU) and Workforce Dwelling Units (WDU) at 80% of AMI and below that have affordability covenants expiring within ten years. It should be noted that ADUs/WDUs often represent a small percentage of a market rate units within a building with the result that owners may consider them as an afterthought. An opportunity could be offered to the owner as an incentive to extend an ADU or WDU whose restriction is close to expiration. This could include creating a fund specifically to **preserve expiring ADUs or WDUs** to keep rents for those units below market after the expiration of the existing affordability period. HCD should continue to track ADU and WDU unit expiration dates.

Recommendation B5: Develop opportunities and relationships that promote innovative approaches to provide necessary capital, resources, and incentives to preserve market affordable and committed affordable units. This includes new and enhanced partnerships with financial institutions such as Freddie Mac, Fannie Mae, Virginia Housing, Federal Housing Administration, and Federal Home Loan Banks (FHLB), health organizations such as INOVA and Kaiser and large employers, such as Amazon. It is also recommended that the FCRHA explore a model akin to District of Columbia's acquisition model, using Community Development Financial Institutions (CDFIs) that blend lower interest rates and sources.

Recommendation B6: Evaluate the Fairfax County Relocation Guidelines to ensure all appropriate elements of the Task Force's recommendations are incorporated and that the Relocation Guidelines are written in accordance with the One Fairfax Policy.

Recommendation B7: Consider incorporating green building and/or energy efficient requirements into the financing of projects, to the extent feasible, to maximize the energy efficiency of projects, lower utility costs for affordable housing residents, and enhance their long-term financial performance.

C. Land Use Policies and Recommendations

The following recommendations are high priority and should be implemented to the greatest extent feasible.

Recommendation C1: The Board should authorize no later than July 2021 a Comprehensive Plan amendment to the Housing and Land Use elements of the Policy Plan and the Comprehensive Plan Glossary that develops a housing preservation policy. The Task Force recommends that the Comprehensive Plan be amended to include a definition of “Affordable Housing Preservation” and guidance to read:

*“Affordable Housing Preservation can occur through **Use Preservation** and **Physical Preservation** including long-term preservation of existing rental housing communities and scattered sites that include units that are affordable to persons earning 60 percent of the Area Median Income (AMI) and below, and units provided for under the Affordable Dwelling Unit and Workforce Dwelling Unit programs serving households earning 80 percent of AMI and below.*

- ***Use Preservation** is the maintenance, sale or transfer of a property that keeps rents affordable by maintaining or adding subsidies, refinancing existing debts or introducing or modifying income eligibility and affordability restrictions. Use preservation can include redevelopment that preserves the affordability and number of bedrooms currently existing on the property either on-site or in proximity to the site.*
- ***Physical Preservation** is the maintenance and improvement of the physical condition and financial viability of a rental property while maintaining or extending affordability so that it can provide a long-term source of decent and safe housing that benefits families, neighborhoods and communities.*
- ***Long-term Preservation** means a commitment as affordable housing for 30 or more years, via a recorded deed of trust, proffers, or other similar means.*

Affordable housing preservation can take many forms, including but not limited to:

1. *Financing and acquisition/rehabilitation of existing units/communities that are currently market affordable or committed affordable;*
2. *Replacement of existing units on-site with new construction;*
3. *Replacement of existing units in proximity to the site with new construction; and*

4. *Renovation of market affordable units without an affordability commitment.*

In the case of preservation by replacement, units should be replaced on a one-for-one basis, in terms of bedroom size, and serve households earning 60 percent of AMI and below, and 80 percent of AMI and below in ADUs or WDUs. When lower AMI rent and income is served in an existing community, those AMI levels served should remain the same in the replacement. In the case of either acquisition and rehabilitation or replacement, income averaging as may be permitted in the Low-Income Housing Tax Credit Program is encouraged.”

Recommendation C2: The Comprehensive Plan Amendment referenced in C1 above should incorporate language that affirms the need for preservation and the importance of preservation as a tool in meeting the County’s housing goals, and that defines the types of preservation that can occur that includes the preservation and/or use of the units, not just the asset/real estate (for example, preservation of physical real estate/housing structure, preservation of affordability, and preservation of units in a redevelopment scenario). The amendment should:

- Include land use and housing policies that would encourage the retention of existing, market affordable housing.
- Develop policies for considering preservation based on the location and characteristics of housing that should be preserved and rehabilitated, and when redevelopment is proposed, affirm the principle of no net loss of units and affordability to the extent feasible.
- Incorporate language that indicates the goal to preserve affordable units in all regions of the county, with a focus on increasing investment and/or reinvestment in specific neighborhoods deemed as areas of high vulnerability or lower opportunity.
- Include land use strategies that would incentivize preservation in a redevelopment scenario, such as flexibility with Comprehensive Plan recommendations for density/intensity and height.

Recommendation C3: Consider giving properties identified through the work of A2 as valuable for preservation the same status as a property within a revitalization district related to expedited processing, concurrent processing, reduced parking, etc.

Recommendation C4: Implement an “affordability analysis” as part of the entitlement process, in order to consider the unintended potential impacts of major redevelopment plans. Similar analyses in other jurisdictions have proven beneficial in adjusting proposed policies to mitigate unintended costs to housing affordability. It is intended that this “affordability analysis” would apply to re-development of existing multi-family properties, that currently provide a minimum of fifty affordable units.

Recommendation C5: Consider reviewing and amending, as appropriate, Zoning Ordinance regulations related to height, bulk, setbacks, and parking standards to facilitate preservation.

Recommendation C6: The community outreach process for any Comprehensive Plan amendment with a preservation impact should actively and intentionally engage populations most impacted by the proposed policy changes.

D. Institutional Capacity, Community Awareness and Legislative Priorities

Recommendation D1: The Department of Housing and Community Development, in concert with the Chief Equity Officer, the Office of Public Affairs, and Neighborhood and Community Services, should foster community engagement as an integral element of all housing work through a culturally competent approach that maximizes the range of benefits that can come from preservation including infrastructure access and improvements, people-centered development, improved access to health facilities, greater equity for improved health outcomes, and enhanced safety. Engagement with residents about affordable housing preservation should include a discussion of anti-displacement policies.

Recommendation D2: The Task Force recommends that the County develop a county-wide Community Engagement Communications Strategy (“Communications Strategy”) to convey the value of preservation and that affordability is critical to maintain for the county at-large. It should address both the barriers that limit people’s ability to participate in public participation opportunities as well as the concerns that may arise regarding the preservation of affordable housing options.

The Communications Strategy should convey that preserving housing affordability is a County value. The Communications Strategy should also consider communications regarding the: 1) Preservation of the affordable housing; and 2) Enhancement prioritization relative to the conditions of the neighborhood in which the housing is located. The Communications Strategy should consider how to convey the importance of multifamily rental housing as well as homeownership. Engagement through the Communications Strategy with the general community should convey that the County prioritizes residential economic diversity. The approach should be crafted to address the needs of two critical audiences:

1. Those who need affordable homes and their ability to participate in the planning and development process; and
2. Neighbors and the community at large.

The Communications Strategy should:

- Identify the make-up of communities in order to develop materials in corresponding languages to reasonably match the primary language of residents.
- Use translators for presentations and meetings and written materials in the primary language(s) identified as reasonable to ensure input and communications with residents whose primary language is other than English. Interpreters and document translations will be provided for other languages upon request.
- Provide support for residents with hearing and visual impairments to participate and receive information for community meetings;
- Provide advance notice and consideration to the appropriate time of day to accommodate the ability of individuals who serve as caregivers and/or have jobs outside of 9-5 to attend community meetings;
- Analyze data to better understand the specific affordability and access challenges faced by marginalized groups including, but not limited to race, gender, LGBTQIA, age, people with disabilities, ex-offenders etc.;
- Identify strengths of communities, families and individuals in order to highlight community resilience which can be used to illustrate the importance of preservation;
- Focus on organizing and building groups that will publicly support affordable housing such as tenant groups and younger county residents. Identify specific members of communities that are engaged and can serve as advocates for specific segments of the community and/or the community at-large. These individuals will be leaders and partners in developing closer relationships across the community, as well as examples to highlight;
- When providing education to neighbors and the community at-large, messaging should clearly articulate the economic development benefit that comes from adequately addressing the need for affordable housing. Messaging should also illustrate the

positive health and education outcomes for not only those living in affordable housing, but also for the wider community and the County at-large;

- Determine other ways that community members can be empowered and engaged through this outreach, as well as build support from neighbors and the community at-large;
- The Communications Strategy should be implemented in coordination with the message of the need for more housing production, preservation and housing choices (affordable at all income levels) for the County and the region.

Recommendation D3: Work with officials at the Virginia Department of Housing and Community Development and Virginia Housing to raise the bond volume cap available to the FCRHA during the first half of the year. Currently, the FCRHA may only access bond volume of \$20 million per transaction from January 1 through June 30 of each year.

Recommendation D4: Add a dedicated staff member to the Department of Housing and Community Development to focus exclusively on affordable housing preservation.

Recommendation D5: At the federal level, advocate for flexibility in the Low-Income Housing Tax Credit program relative to the “10-year rule” on acquisitions and pursue innovative financing structures to overcome those challenges. Currently, projects are not eligible for “acquisition credits” and their associated private equity if the property has changed hands in the last ten years. This is a challenge in a dynamic housing market like Fairfax County’s, and leads to unintended consequences, such as affordable housing developers being able to acquire a property, but then having to wait ten years before using the LIHTC program to finance needed renovations and commit to long-term affordability. The rule may also make it hard for developers to buy and hold properties in this manner and an asset could potentially be lost to the market as a result.

Recommendation D6. Advocate for the HOME and CDBG programs, and for the continuation of the Moving to Work program, which provides vital programmatic and operational flexibility to the FCRHA.

Recommendation D7: At the state level, the Board should advocate for enhanced flexibility to develop and implement local taxation flexibility to encourage affordable housing preservation and rehabilitation. Currently, there is no mechanism to provide such incentives as it relates to local real estate taxes. If the legislative authority provides the ability to do so, consider offering tax abatements for committed affordable units and/or in exchange for Right of First Refusal (ROFR) to market rate developers.

E. Other Considerations

Recommendation E1: In partnership with the Health, Housing and Human Services Chief Strategist and the Chief Equity Officer, identify strategies to provide equitable opportunities to participate in the local economy by ensuring the provision of essential support services such as education, training, digital resources, childcare, etc. to correspond with affordable housing communities.

III. RECOMMENDATIONS REGARDING MANUFACTURED HOUSING

The Task Force recognized that manufactured housing communities present unique challenges and opportunities, and require special considerations given that they often serve as a source of affordable housing and home ownership for residents in the County. Manufactured housing units and/or the communities may also have deteriorating conditions that need to be addressed. The eight existing manufactured housing communities across several magisterial districts throughout the County contain approximately 1,750 units and have different characteristics, zoning and tax classifications. Manufactured housing communities have unique ownership and occupant arrangements that are distinct from other housing situations. Manufactured home and manufactured housing community definitions used throughout this Section include:

- *Manufactured Housing Community Owner:* The owner of the land upon which the entire manufactured housing community sits. There are eight separate owners in the County.
- *Manufactured Homeowner:* An owner of a physical manufactured home unit who may or may not reside in the manufactured home.
- *Manufactured Home Occupant:* An individual or family who rents a physical manufactured home from a manufactured homeowner.
- *Manufactured Housing Community (or “residents”):* Consists of the manufactured homeowners and occupants that reside in a manufactured housing community.

Given the unique challenges of the manufactured home communities, the Task Force convened a Manufactured Housing Subcommittee that identified several recommendations that are suggested to be further refined as part of a separate, standing task force to be convened upon completion of the Preservation Task Force.

Recommendation MH1: The Board should form and convene no later than July 2021 a standing manufactured housing task force to act as the central vehicle for manufactured home redevelopment and preservation issues.

The group should include, at a minimum, staff from Neighborhood and Community Services (NCS), the Department of Housing and Community Development (HCD), the Health Department (HD), the Department of Code Compliance (DCC) and the Department of Planning and Development (DPD); affordable housing advocates; manufactured

housing community occupants; and manufactured housing community owners.

The manufactured housing task force should be established to ensure all residents of the manufactured housing communities have an equitable opportunity for success in accordance with the principles of the One Fairfax Policy; should study and address operational and maintenance issues and concerns raised on an ongoing basis; and, should use the items in MH2 through MH9 below as its charge, considering equity when making policies and in addressing concerns that directly affect residents of these manufactured homes.

When land for a manufactured community goes through the planning process, a collaborative, intentional, and meaningful community engagement and a resident education process should be developed that includes considerations of preservation, rehabilitation, development without displacement and relocation benefits, among other factors.

Recommendation MH2: The manufactured housing task force should engage residents of manufactured housing communities through a robust community outreach strategy that should:

- Use translators for presentations and meetings and written materials in the primary language to ensure input and communications with residents with the primary language other than English. Interpreters and document translations will be provided for other languages upon request;
- Support residents with hearing and visual impairments to participate and receive information for community meetings;
- Provide advance notice and consideration to the appropriate time of day to accommodate individuals who serve as caregivers and/or have jobs outside of the hours of 9-5 to attend community meetings;
- Develop a basic fact sheet in multiple languages and braille for residents to understand the basics of manufactured housing unit ownership clearly illustrating how it is different from other types of property ownership, including home ownership; and
- Analyze data to better understand the specific affordability and access challenges faced by marginalized groups including, but not limited to race, gender, LGBTQIA, age, people with disabilities, ex-offenders etc.

Recommendation MH3: The manufactured housing task force should obtain an understanding of existing manufactured home communities, desires of manufactured homeowners and occupants and their reasons for choosing to live in the

manufactured home communities to drive further research and recommendations to County policies, plans, and ordinances by:

- Conducting a survey of the residents who live in the manufactured home communities to include households that rent homes from an owner versus residents who occupy homes they personally own to evaluate demographics and desires of owners and occupants;
- Evaluating of the condition of the manufactured homes and the communities to understand ways to potentially assist in improving conditions as desired by the owners/occupants;
- Researching opportunities to upgrade/replace manufactured homes; and
- Exploring long-term opportunities to convert manufactured home ownership to conventional homeownership of a housing unit where possible, including the potential for tenant-managed or tenant-ownership of manufactured housing communities through constructs like community land trusts, if and when desired by manufactured homeowners.

Recommendation MH4: The manufactured housing task force should identify any existing policy discrepancies related to manufactured housing communities, and, to the extent such inconsistencies exist in the Comprehensive Plan and if appropriate, recommend that the Board amend the Comprehensive Plan to create a Manufactured Housing Community land use designation and related policies. The overarching goal of the Plan Amendment would be to preserve, through a variety of means, the housing affordability provided to existing residents by manufactured housing communities, and to rectify any existing discrepancies. It should be noted that the Land Use Element of the Policy Plan of the Comprehensive Plan indicates that manufactured housing communities should be retained as an important source of affordable housing if the underlying commercially-zoned land is to be redeveloped, however, in some instances site-specific Plan recommendations are not consistent with this goal.

Recommendation MH5: Develop a policy regarding one-for-one replacement and/or no net loss in the context of manufactured home occupancy and ownership. The policy should recognize that preservation of these important affordable housing opportunities may take many forms: preservation of the physical asset, redevelopment or replacement of units with conventional, affordable homeownership options in the existing communities, and facilitated paths to other conventional, affordable homeownership and rental housing opportunities. Further, the task force should establish criteria for replacement that takes into account levels of affordability, type and tenure of units. This should consider the following:

- The right of displaced residents to access replacement affordable housing opportunities, at the same income levels;
- The relocation benefits for residents, as provided for under Virginia and federal law, and any gaps that may exist relative to the needs of displaced residents;
- The opportunity for meaningful, conventional homeownership and wealth building potential, where possible; and
- The development of resident displacement policies and amendments to the voluntary relocation guidelines to address potential lost value of the manufactured home if immovable or if there is no reasonable relocation option for manufactured homeowners.

Recommendation MH6: Review/strengthen manufactured housing community oversight by the Department of Code Compliance in a way that protects residents and ensures that Manufactured Housing Community Owner responsibilities for maintenance, health and safety onsite, and resident rights are upheld. Connect residents with the Manufactured Home Community Coalition of Virginia (MHCCV) for resident education and governance, technical assistance for unit improvements and maintenance.

Recommendation MH7: Consider zoning strategies to incentivize preservation of existing manufactured home communities both as nonconforming uses in the commercial and industrial zoning districts and within the Residential Manufactured Home Park Zoning District (R-MHP), including, a review of use standards and bulk regulations.

Recommendation MH8: Develop a reserve fund for qualified manufactured homeowners in cases where renovation or maintenance is needed in order to respond to and remediate a notice from the county code violation regarding health and safety.

Recommendation MH9: For any manufactured housing communities that go through the entitlement process, implement an analysis of the housing affordability needs of and opportunities for residents.

APPENDIX

A. Definitions

Affordable Dwelling Units (ADU) Rentals-Rental housing units to serve households with incomes up to 70 percent of the Area Median Income (AMI) for the Washington Metropolitan Statistical Area (MSA) which are required to be included in certain housing developments of 50 or more units pursuant to Article 2, Part 8 of the current Fairfax County Ordinance (effective no sooner than July 1, 2021 Section 5101). In return for provision of this housing, additional bonus density is granted. The prices, rents and occupancy of ADUs are restricted under an affordability term called the control period which is specified in the Fairfax County Zoning Ordinance.

Area Median Income (AMI) - Is the midpoint of a region's income distribution as published annually by the US Department of Housing and Urban Development – half of families in a region earn more than the median and half earn less than the median.

Committed Affordable - Properties or units with rents and incomes served that are restricted by means such as a deed restriction or zoning requirements.

Communities of Opportunity - Areas where residents, through the development of pro-equity systems, structures, policies, and programs; and improved community conditions, such as jobs, childcare, housing, healthcare, and more, have connection to the county's assets and resources to facilitate full participation in and contribution to the county's economic and social vitality and readiness for the future.

Gap Financing - Funding to cover the “gap” between what it costs to acquire/rehabilitate/redevelop a property and what can be raised through tax credits and private financing, using the existing “Housing Blueprint” model.

Islands of Disadvantage - Areas of the county where residents face multiple challenges, including poverty, poor education, unaffordable housing, and lack of health insurance. People of color represent a disproportionate share of residents in these neighborhoods. (Adapted from the Uneven Landscape [Report](#), p. 2)

Long-term Preservation - A commitment as affordable housing for 30 or more years, via a recorded deed of trust, proffers, or other similar means.

Low-Income Housing Tax Credits (LIHTC) - The Low-Income Housing Tax Credit program subsidizes the acquisition, construction, and rehabilitation of affordable rental housing for low- and moderate-income residents. The LIHTC was enacted as part of the 1986 Tax Reform Act and has been modified numerous times.

Market Affordable - Rental communities including units considered to be affordable to households earning 60 percent of the area median income (AMI) or below – about \$75,000 or less per year for a family of four (in 2020) – *without* enforceable restrictions.

No Net Loss - No loss of the affordability provided by market affordable units.

Manufactured Housing - Manufactured homes are regulated by HUD, the Housing and Urban Development division of the federal government. According to HUD, a factory-built home prior to June 15, 1976 is a mobile home and one built after June 15, 1976 is a manufactured home. Fairfax County uses the term “manufactured housing” as an umbrella term to encompass mobile and manufactured housing.

Over-Housed - A household that occupies a unit that is too large based on the household composition and occupancy standards.

Physical Preservation - The maintenance and improvement of the physical condition and financial viability of a rental property while maintaining or extending affordability so that it can provide a long-term source of decent and safe housing that benefits families, neighborhoods and communities.

Predevelopment Funds - Predevelopment funds to facilitate investigation of a preservation opportunity.

Rehabilitation Financing - Funds for the major capital needs for owners of existing properties, also using the Blueprint model, in exchange for long-term affordability commitments.

Under-Housed - a household that occupies a unit that is too small based on the household composition and occupancy standards.

Use Preservation - The maintenance, sale or transfer of a property that keeps rents affordable by maintaining or adding subsidies, refinancing existing debts and introducing or modifying income eligibility and affordability restrictions. Use preservation can include redevelopment that preserves the affordability and number of bedrooms currently existing on the property either on-site or in proximity to the site.

Workforce Dwelling Units (WDU) Rentals - Rental units that serve households with income up to 80 percent of the AMI for the Washington Metropolitan Statistical Area, as determined annually by the U.S. Department of Housing and Urban Development. The intent of the WDUs is to encourage affordability in the county’s planned Mixed-Use Centers and areas of the county where high-density residential development above the baseline is planned. WDUs should be provided in accordance with the Guidelines for the Provision of Workforce Dwelling Units (WDU Policy) specified in the Policy Plan. In return for proffered WDUs, additional development density or intensity will be made available. WDUs are subject to administrative requirements that are set forth in the Board of Supervisors WDU Administrative Policy Guidelines.