

Status of Affordable Housing

City of Falls Church



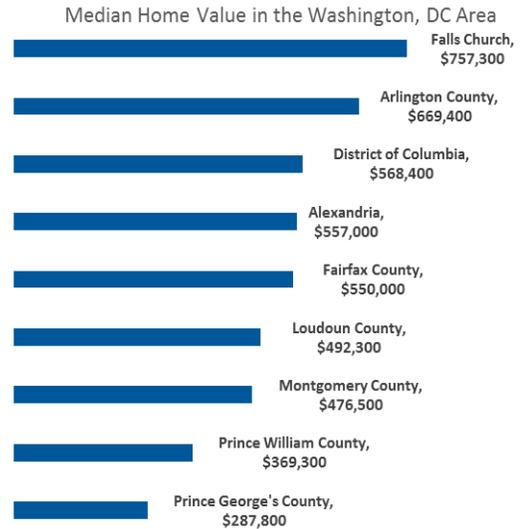
Update on 2019 Housing Stock
Affordable Housing Policy Targets
Affordable Dwelling Unit Program 2019
Additional Housing Programs

The Current State of Affordable Housing

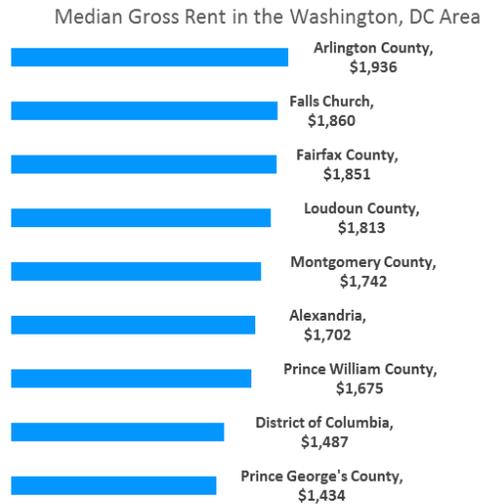
Falls Church (City), like all other jurisdictions in the Washington, D.C. metro area, is experiencing rapidly rising housing costs. According to the Urban Institute, the combination of increasing demand and declining housing production has tightened the housing market and raised housing costs.¹ In 2018, the City had the highest median home prices and average rent in the region.²

In recent years the City has seen a significant decrease in the number of market rate affordable (housing which is affordable due to market forces) rental homes. There are currently only 31 market rate apartments affordable to families at or below 60 percent of U.S. Department of Housing and Urban Development (HUD) Area Median Income (AMI). This is a decrease from 224 homes in 2012, a net loss of 193. This decrease in the market rate affordable housing stock may be attributed to rents in the City rising faster than wages.

The median cost of homes and rent for the City of Falls Church has continued to rise throughout the years. From 2013 to 2018 the median value for owner-occupied home has risen by \$96,400, to \$757,300. From 2013 to 2018 the median rent has increased from \$1,588 to \$1,860, a net increase of \$272. The trend of rising homes prices and rent that is occurring within the City, will exacerbate housing unaffordability and could increase the number of households that are considered cost burdened.



Source: U.S. Census Bureau, American Community Survey, 2018 5-Year



Source: U.S. Census Bureau, American Community Survey, 2018 5-Year

Housing and Human Services (HHS):

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- Peter Davis
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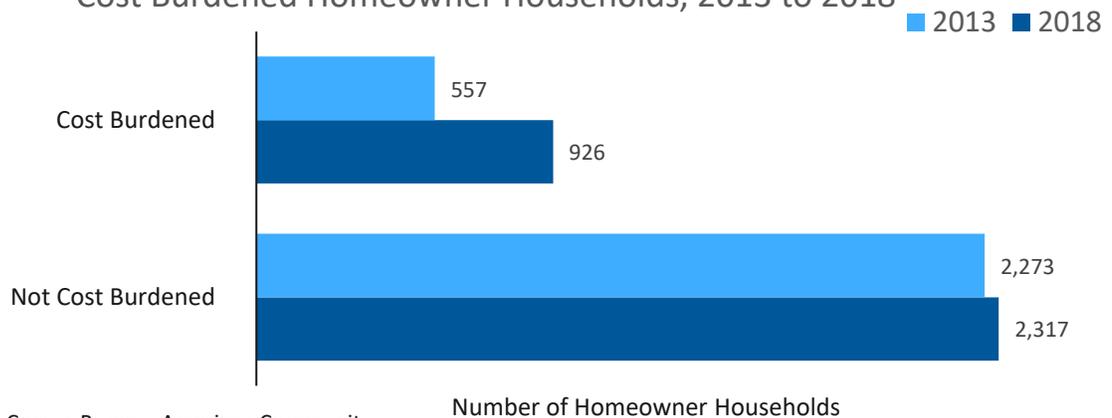
¹ Urban Institute. Meeting the Washington Region's Future Housing Needs

² Northern Virginia Realtors Association. Housing and Market Statistics.

In 2018, the City was home to an estimated 14,067 permanent full-time residents and 5,901 households. 29% of homeowner households (926 households) and 45% of renter households (868 households) were considered cost burdened. HUD defines “cost-burdened households” as those who pay more than 30 percent of their income for housing, and “severely burdened households” as those who are paying more than 50 percent of their income on housing. From 2013 to 2018, the City has seen a sizable growth in severely cost burdened renters and homeowners.

In 2013, 3% of homeowner households (88 households) were severely cost burdened. In 2018, 7% of homeowner’s households (220 households) were severely cost burdened.

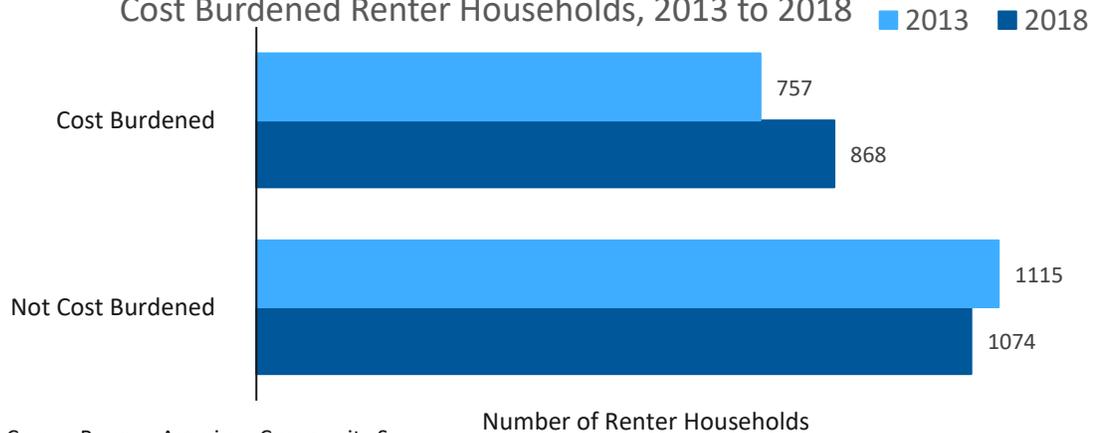
Cost Burdened Homeowner Households, 2013 to 2018



Source: U.S. Census Bureau, American Community

In 2013, 16% of renter households (298 households) were severely cost burdened. In 2018, 21% of renter households (410 households) were severely cost burdened.

Cost Burdened Renter Households, 2013 to 2018



Source: U.S. Census Bureau, American Community Survey

Severely cost burdened households are more likely to experience food insecurity, child poverty, and poor health. The City is not the only locality experiencing a rise in cost burdened households. This trend is seen not only in the Northern Virginia region, but throughout Virginia and across the Country.

Affordable Dwelling Unit (ADU) Program

The ADU Program:

The City is committed to having a diverse housing stock for all income levels. Enacted through a zoning ordinance in 2002, the ADU program allows developers to negotiate with the City to garner bonuses in density in new housing projects in exchange for ensuring that a certain number of homes (at least 6 percent) will remain at a price below market value for a determined length of time. The following rental properties have ADUs: Pearson Square, Northgate, West Broad Residences, and Lincoln at Tinner Hill.

The City also maintains the right to accept cash in lieu of some or all of the ADUs when in the City's best interest.

2019 Affordable Dwelling Unit Rental Housing

Property Name	ADU Apartments	Control Period (years)	End Date
Pearson Square	15	20	2027
Northgate	7	20	2033
West Broad Residences	18	20	2035
Lincoln at Tinner Hill	14	20	2035



Since 2002, the City has provided over 100 moderate income families with affordable homes through the Affordable Dwelling Unit (ADU) program. Additionally, through a City subsidy, one low income family is able to participate in the ADU program as part of the City Committed Affordable Unit (CCAU) Program.

The committed affordable rental stock (housing kept affordable through regulation) is expected to see a temporary increase in ADUs with two new developments under construction: Founders Row and the West Falls Church Economic Development Project (WFCEDP). Additionally, ADUs currently in the program will begin to expire and become market rate apartments in the upcoming years. The new developments will have ADUs whereby the affordability will last for the life of the building, never expiring.

Affordable Dwelling Unit (ADU) Program

The Affordable Dwelling Unit (ADU) Program provides affordable rental or home ownership opportunities in the City. The rent or resale price of these rentals or homes is restricted. These apartments, condominium, and townhouses are located throughout the City of Falls Church.

The following properties have occupied homeowner ADUs: The Byron, Spectrum, and Whittier.



Byron

2019 Affordable Dwelling Unit Homeownership

Property Name	ADU Units	Control Period (years)	End Date
Byron	4	15	2021
Spectrum	8	15	2023
Whittier	5	50	2049



Spectrum

Housing Preservation

The Fields of Falls Church, an apartment complex with 96 homes, was funded through low income housing tax credits and is part of the City’s committed housing stock for households earning no more than 60% of the Area Median Income. The tax credits are due to expire in December 2026. Preserving these homes as affordable in 2027 and beyond will be vital to maintaining the affordable housing stock in the City.

Winter Hill apartments, which is run by the FCHC Virginia Community Development Corporation, has 80 market rate affordable homes. The majority of renters are low-income seniors and persons with disabilities, most of whom utilize individual Housing Choice Vouchers (HCV).

The Read building provides nine Teacher Workforce Units (TWU), with priority for Falls Church City Public Schools staff, at a committed affordable rate. The City has an agreement to ensure affordability at this property.

A current development is that the number of homeownership ADUs has declined. The City had 25 ownership ADUs in 2012, but that number fell to 21 homes in 2017 due to the expiring control periods. The control period for four more homes expired in 2019, bringing the total to 17 homes.

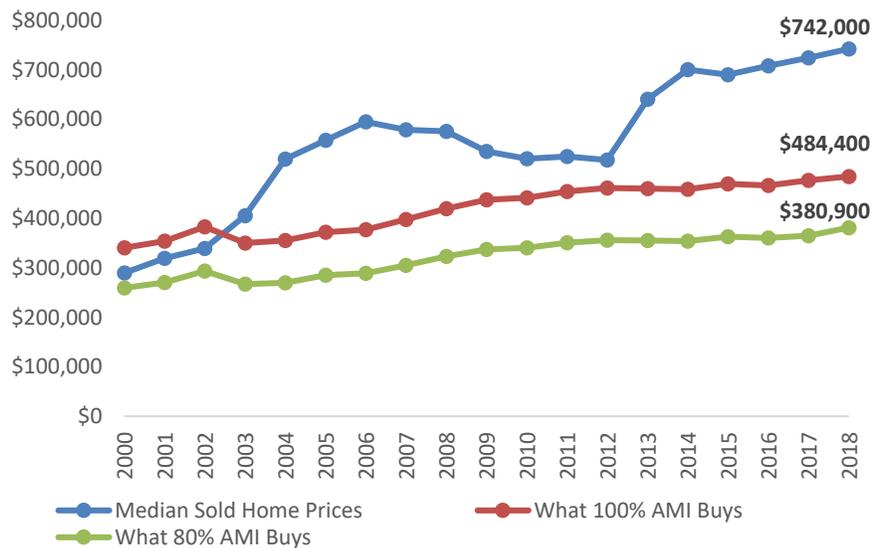
The following table compares 2012 and 2019 housing stock in the City based on recent analysis for homes affordable to households earning up to 60 percent AMI. Since 2012, the City lost four committed affordable owned homes as those covenants expired and they are now market rate. Since 2012, the City also lost 193 market rate affordable apartments as rents have increased significantly over the last few years.

Measure	2012 Stock	Target and Timeframe*	2019 Stock
Preserve current stock of market rate rental units in the City	224 units	Preserve 224 units through 2022	31 units
Preserve current stock of affordable committed rental units in the City	221 units	Preserve 221 units through 2022	239 units
Preserve current stock of affordable owned units in the City (ADU ownership units)	25 units	Preserve 25 units through 2022	17 units
Affordable Housing Units total	470 units	Increase the current stock by 150 units to 620 by 2022	287 units

*The following table summarizes the baseline set in 2012 when the Affordable Living Policy was originally established, which set ten-year targets through 2022

There is a distinct gap in homeownership and affordability for in the Washington Metro Region. A few years after the 2008 housing market crash, the Median Sold Price shot up, while the median income in the City has had a slow growth. From 2012 to 2018, the median sold home increased by 43% (\$742,000) while the 100% of HUD’s Area Median Income only increase by 9% (\$117,200).

Homeownership Affordability Gap (2000-2018)



Source: HUD Median Incomes for Washington Metro Region

Housing Policy and Plan Update

The Affordable Living Policy Update:

Adopted in January 2019, the Affordable Living Policy is an update to the 2013 Affordable Housing Policy. The Affordable Living Policy offers twelve recommendations for future decision makers to consider. Some of the key recommendations made were: negotiating ADUs for the life of the property, accepting cash in lieu of ADUs when it is in the City's best interest, and dividing the rental ADU program into two tiers: low-income (30-50 percent AMI) and moderate income (51-80 percent AMI). A full copy of the Affordable Living Policy can be found at:

<http://www.fallschurchva.gov/DocumentCenter/View/3092/Affordable-Housing-Policy?bidId=>

Comprehensive Plan: Housing Chapter Update

In August 2019, the City adopted the Housing a Complete Community chapter of the City's Comprehensive Plan. The updated chapter discusses the current state of housing in the City, offers projections on where the City is headed in terms of population and future housing needs, and provides policies, projects and actions the City can take to meet future housing demands. It also describes the need for a wider range of housing options. The full updated chapter can be found at:

<https://www.fallschurchva.gov/DocumentCenter/View/11712/Chapter-10-Housing-a-Complete-Community?bidId=>

VHDA Community Impact Grant:

Housing and Human Services received \$20,000 in grant funds from the Virginia Housing Development Authority (VHDA) to hire a consultant to review and update the City's Zoning Code as it relates to Accessory Dwelling units. The current Accessory Dwelling unit language is found in the City's Code of Ordinances, under Sec. 48-236 (11). Accessory Dwellings create a type of housing that is integrated into existing neighborhoods. Accessory Dwellings are either attached or detached from the main house. They can be used for an on-site caregiver, additional rental income, elderly family members, or adult children while preserving the character of existing neighborhoods. Accessory Dwellings meet a priority of the Housing a Complete Community chapter by creating additional affordable living solutions. In May 2019, Arlington County approved an Accessory Dwelling regulation that allows for construction of new detached accessory dwellings.

The consultant supported by the VHDA grant will also update the City's Affordable Housing Preservation Study. The Housing preservation study will outline ways to keep homes affordable with the goal of allowing for households at lower incomes to remain in the City. The Housing a Complete Community chapter details housing preservation as a priority. The goal is to specifically preserve the current stock of committed affordable living options and to the extent possible, preserve the current stock of market rate affordable living options within the City.

Additional Housing Programs

U.S. Department of Housing and Urban Development Funded Programs:

The City receives funding in the form of a federal U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) and the Home Investments Partnerships Grant (HOME). In 2019, the City partnered with non-profit organizations to provide assistance to low to moderate income City residents.

At the Winter Hill apartments, owned by FCHC Virginia Community Development Corporation, the City granted CDBG funding to finish repairing and rehabbing decks and balconies of 14 apartments, which was started the year before.

CDBG and Community Services Grant Funds (locally funded grants) were allocated to the Falls Church Community Services Council for City residents to receive emergency rental and utility assistance. Six households were served with CDBG funds and seven households were served with Community Services Funds. Additionally the City of Falls Church, Housing and Human Services Unit assisted five households with emergency rental assistance.

HOME grant funds and Community Services Grant Funds were allocated to Homestretch, a nonprofit that houses formerly homeless families with children under the age of 18. Seven households were served with HOME funds and three households were served with Community Services Funds.

Homeless Programs:

The City leases a four-unit apartment building to Homestretch, a local non-profit that provides transitional housing and services to formerly homeless families, often victims of domestic violence or human trafficking.

The City provides space to The Friends of Falls Church Homeless Shelter, which runs a twelve-bed hypothermia shelter from November 15 through March 30. This shelter accommodates ten men and two women. The shelter coordinates to get those in need to a different shelter if it is full for the night.

Senior and Special Needs Housing Programs:

The Kensington Assisted Living Program located in the City provides an annual credit of \$103,000 to supplement the basic fees, care costs, and other services to eligible low to moderate income individuals. This credit subsidizes one or two residents at a time.

The City also has an agreement with Sunrise of Falls Church assisted living. This agreement provides eighteen beds for low to moderate income City residents and their family members aged 62 or older or disabled. Individuals must be at least 62 years old or have a disability, earn less than or equal 80 percent of HUD AMI annually, and must be a resident of the City.

The Miller House

In an effort to increase housing for people with disabilities, the City partnered with CRi, Inc., to develop and operate a group home for five adult individuals with disabilities. The group home, Miller House, opened in the spring of 2019. The Miller House project won the Virginia Municipal League’s Community Health award in 2019.



50+ Community Survey- Housing Findings

In February 2019, Fairfax County hired the National Research Center, LLC to conduct a community survey of older adults in Fairfax County, and the Cities of Fairfax and Falls Church, to gather input on current and future needs of individuals age 50 and older. More than 25% of City residents are age 55 and older. Only 37% of respondents in the City found the variety of housing options as excellent or good and only 13% of respondents found the availability of affordable quality housing as excellent or good. The full report can be found here: <https://www.fairfaxcounty.gov/topics/50-plus-community-survey>.

Housing and Neighborhood Livability

Housing and Neighborhood Livability												
	Braddock	Hunter Mill	Dranesville	Lee	Mason	Mount Vernon	Providence	Springfield	Sully	City of Fairfax	City of Falls Church	Overall
% respondents who rated the following as excellent or good:												
Rate Fairfax County as a place to live	93%	91%	90%	89%	86%	90%	91%	93%	93%	92%	94%	91%
Opportunities to volunteer	87%	91%	87%	85%	80%	86%	91%	89%	86%	92%	90%	88%
Availability of affordable quality housing	20%	17%	13%	19%	25%	21%	12%	19%	16%	18%	13%	18%
Variety of housing options	46%	43%	36%	40%	38%	48%	36%	46%	46%	42%	37%	42%
Sense of community	52%	62%	48%	49%	53%	49%	48%	50%	47%	55%	59%	52%
Openness and acceptance of the community towards older residents of diverse backgrounds	55%	60%	57%	63%	53%	62%	58%	61%	50%	56%	63%	58%
Valuing older residents	56%	52%	49%	57%	56%	55%	54%	54%	49%	58%	55%	54%
Neighborhoodness of the Fairfax County area	54%	50%	47%	51%	57%	55%	54%	47%	46%	55%	56%	52%



Policy of Non-Discrimination on the Basis of Disability.

The City of Falls Church does not discriminate on the basis of disability in employment or in the admission, access to, or treatment in its services, programs or activities. Cindy Mester, with the City of Falls Church, 300 Park Avenue, Falls Church, Virginia, has been designated to coordinate compliance with the ADA non-discrimination requirements. The City of Falls Church is committed to the letter and spirit of the Americans with Disabilities Act. This document will be made available in an alternate format upon request. Call

703-248-5005 / TTY 711