



City of Falls Church
Village Preservation & Improvement Society (VPIS)
Affordable Housing Policy Position & Background
Adopted – October 12, 2006

Policy Position: *VPIS views the affordable housing issue as an essential part of community preservation, consistent with our society's mission. For this reason, VPIS advocates for the preservation of affordable housing and the inclusion of affordable housing units within residential development projects.*

Statement of the Problem: *Given immediate market forces, affordable housing is rapidly disappearing within the city. As a result, our community is beginning to change. Without attention to this issue, advocacy, and action; our housing stock will become less diversified and more homogenous, putting our local economy at-risk in the long-run. As our housing stock becomes more skewed to upper income households, our community is impacted. Increasingly our children, elders, friends, and neighbors will have to leave the city to live within their means.*

Actions VPIS will take on this Issue:

- (1) Advocate for preservation of a diverse stock of housing to include affordable housing.*
- (2) Advocate for the inclusion of affordable dwelling units within new development projects, or contributions to the city's affordable housing fund when there inclusion is determined to be infeasible.*
- (3) Advocate for the preservation and creation of permanent affordable dwelling units (ADUs) as opposed to time-limited ADUs.*
- (4) Participate in workgroups refining the city's existing affordable housing code or programs, or developing new code and programs.*
- (5) Actively partner with other public and private entities concerned with maintaining a diverse housing stock.*

Background

A September 2005 report on housing needs prepared by city staff points to the rapidly changing composition of housing within the city. The report estimated a “potential loss of 754 units of affordable *multi-family rental housing* within the city by 2010 as a result of redevelopment and escalating rents”:

(<http://www.ci.falls-church.va.us/services/hhs/documents/HsgRptToCouncil091905.pdf>)

- *Fields of Falls Church (formerly Westbrook Commons) obligation to serve low-income households expires in 2010.*
- *Virginia Village—feeling development pressure from the east and the west.*

Although the exact impact is fluid and difficult to measure, exponentially increasing assessments and sales prices of existing housing stock further compound the problem, as does the commonplace replacement of lower end housing stock with higher end houses.

- *From 2001 - 2004, 47 small, single family homes were replaced with much larger homes at much higher sales prices*

From the perspective of maintaining housing affordability, there is broad agreement that the issue is critical.

Apart from the issue of community preservation, the undeniable reality is that economic growth is limited by the availability of a diverse housing stock regionally. Without ready access to affordable housing, we are limited in our ability to attract those professions we are dependent on each day, including teachers, youth leaders, and health workers to care for the elderly, city maintenance crews, waiters, and store clerks.

- *For example, last year townhouses in Winter Hill sold for \$400,000 on average, affordable only to households earning \$120,000 or more.*

The issue is real. We must help solve it and not simply pass the problem down (or up) stream to neighboring jurisdictions and hope that they will solve it for us.

VPIS Mission Statement

The preservation of affordable housing and the inclusion of affordable units within new development are directly relevant to the society’s mission statement

(<http://www.vpis.org/>):

“The Village Preservation and Improvement Society, founded in 1885, is an active nonprofit citizen volunteer organization in the City of Falls Church, Virginia. After many years of activism, the Society still is comprised of concerned citizens who address many important issues that face our community. As our Statement of Purpose indicates, the Society works to preserve our natural and built environment, historic structures and landmarks, and promotes cultural activities.”

Falls Church Affordable Housing Policy

The city has an affordable housing policy but it is weak and inconsistently applied for a number of reasons, and may be revisited within the near future.¹

As background, the affordable housing policy was developed in the wake of the Whittier development. At that time, the City's Department of Housing and Human Services, in concert with the Housing Commission, and the Human Services Advisory Council, advocated for the inclusion of Affordable Dwelling Units (ADUs) within the Whittier development. Although this was supported by housing advocates, it met with some resistance from developers and a few community residents. Recognizing that the City did not have an affordable housing policy to use as guidance, a task force of pertinent City boards and commissions was commissioned by Council to develop such a policy for use with future development projects. The task force met intensively with City staff and council members over the course of several months, hammering out a position paper that was submitted to Council. The Council unanimously agreed that the City code should be amended to include the changes expressed in the position paper.

For this reason, the position paper, available on the city's website at:

http://www.ci.falls-church.va.us/services/hhs/finalahfpolicy62000_2_.pdf

is relevant, showing policy intent. Especially pertinent sections include the following:

- “The City of Falls Church Comprehensive Plan sets forth a ‘vision’ for meeting the housing needs of the City’s current and future population by encouraging a mix of housing types and price levels, and by promoting fair and equal housing opportunities. Falls Church is a self-governing City, providing a variety of services and activities for its citizenry, including but not limited to assistance and support for those in financial need. Consistent with this, the intent of this policy is to help ensure that our children, aging parents, friends and neighbors can live in the City within their means, and that the City will not rely solely on surrounding jurisdictions to meet the need for affordable housing....
- “The Affordable Housing Policy seeks to implement customary requirements and strategies that developers have followed in surrounding jurisdictions....
- “In the rapidly evolving economy of today, a community that promotes a diverse workforce to support economic opportunity is often the healthiest, and a diverse housing stock is key to long-term economic development. Therefore, the application of an affordable housing policy must be an integral part of the City’s land use, economic development, human service and capital improvement planning process, ensuring that the City’s policies and regulations are consistent with and promote the City’s affordable housing goals....
- “The draft Affordable Housing Policy was distributed for review to Boards and Commissions, the School Board, and civic groups and homeowner associations. The final document is a compilation of input from many sources....
- “It is the policy of the City of Falls Church to meet the housing needs of its current and future population by encouraging a variety and mix of housing types

¹ The link to the city’s code is found at:

<http://www.municode.com/resources/gateway.asp?pid=10756&sid=46>. Section 38-43 specifies the city’s Affordable Dwelling Unit Program, revised September 12, 2005.

and price levels. Affordable housing will be integrated into and complement existing neighborhoods, as well as new areas designed for mixed uses....

- “The City of Falls Church recognizes that the marketplace is the prime determinant for housing demands and costs. However, the City also recognizes that such forces, left alone, will not always provide all the resources required to meet the City’s vision. Therefore, the City, while taking into account the market place as a central force, shall use its planning and zoning authority, real property, and financial and human resources to promote the development of a balanced housing stock to meet the needs of all of its residents. *In providing incentives and subsidies of any type, the City will limit the assistance to projects that benefit households whose gross income falls below 80% of the median income for the Washington D.C. Metropolitan Statistical Area (emphasis added)....*
- *The City will promote, develop, and preserve housing affordable to all residents, including persons of low-and moderate-income, such as young families, older adults, people with disabilities, and single parents (emphasis added)....*

The affordable housing policy was eventually contained in Section 38-43 of the city’s code as the “affordable dwelling unit program.” The policy states:

<http://www.municode.com/resources/gateway.asp?pid=10756&sid=46>):

- The purpose of 38-43 is the “...construction and continued existence of dwelling units which are *affordable for purchase by households whose income is at least 50 percent and no more than 80 percent*” of the median income, “and affordable for rental by households whose income is no more than 60 percent of the median income” (emphasis added).
- “The following preferences shall apply in establishing the order of priority for program participants:
 1. Seniors and persons with disabilities
 2. Non-seniors who live in the city [those with limited income]
 3. Seniors and persons with disabilities who work for the City or schools
 4. Non-seniors who work for the City or schools
 5. Seniors and persons with disabilities who work in the City
 6. Non-seniors who work in the City
 7. Seniors and persons with disabilities who do not live in the City
 8. Non-seniors who do not live in the City.
- *12.5 percent of each project involving “rezoning, special exception, site plan, or a subdivision application” shall be set-aside as affordable dwelling units.*

Since its development, the policy has been inconsistently applied and is frequently portrayed as “voluntary program” rather than the City’s affordable housing policy due to the following:

- “The affordable dwelling unit program *may* apply to any site, or portion thereof, at one location which is the subject of an application for rezoning, special

exception, site plan, or subdivision, which proposes the construction of residential dwelling units (*emphasis added*)...”.

- “One (1) or a combination of the following options...is available to applicants of residential development projects *who choose to participate* in the affordable dwelling unit program.... Rezoning, special exception, site plan, or subdivision applicants may incorporate a maximum of twenty (20) percent increase in the allowed density of the residential component of a proposed project, including the required number of affordable dwelling units, in exchange for incorporating a minimum of twelve and one-half (12 ½) percent of the total proposed residential units as affordable dwelling units.... This residential density bonus may also be applied at less than twenty (20) percent in exchange for a lesser percentage of affordable dwelling units.... Rezoning, special exception, site plan, or subdivision applicants may incorporate a maximum of twenty (20) percent increase in the allowed density of the residential component of the proposed project, including the number of affordable dwelling units, in exchange for a cash contribution to the City of Falls Church Affordable Housing Fund. In the event that the cash in lieu of units option is chosen by the applicant, the amount of such contribution shall be equal to one hundred percent (100) percent of the cost of the land and the cost of the constructing the total number of required affordable dwelling units...” (*emphasis added*).

Voluntary or not, the City’s affordable housing policy is a good one, expressing the intent of our community with respect to affordable housing preservation. Its application should be actively supported by VPIS, and VPIS should become involved in efforts to refine it.