



## 2010 Legislative Agenda: Talking Points

### A Workforce Housing Trust Fund for Virginia

**Bill Number:**

**Sponsor:**

- A state Workforce Housing Trust Fund would provide a reliable source of grants and low interest loan funds that could be used in a variety of ways to increase the supply of affordable housing throughout Virginia.
- Unlike the Virginia Housing Partnership Fund that was funded for 6 years in the early 1990's, a Trust Fund has a dedicated revenue source that will make it a consistent, long-term source of support for housing.
- The Trust Fund legislation encourages flexibility and creativity so that its use can adjust to meet the changing housing needs in the state over time. For example, if Virginia had a Trust Fund, it could have been used to help with the current foreclosure crisis in the Commonwealth.
- The Trust Fund could assist with: downpayment and closing costs; rehabilitation of substandard housing; creation of new, workforce rental housing; accessibility improvements for seniors; housing opportunities for persons with disabilities; and support for housing the homeless along with a range of other potential uses.
- The Trust Fund design also provides that 25% of the State Trust Fund would be used to match communities that establish local housing funds – creating an incentive for all levels of government to join in solving housing problems.
- The guidelines for the Fund would be established by the Department of Housing and Community Development and would be administered through Virginia Housing Development Authority – a design successfully used by the Housing Partnership Fund in the 1990's.
- Statewide Housing Trust Funds have been adopted by 39 other states.



## 2010 Legislative Agenda: Talking Points

### Enabling Legislation for Local Housing Trust Funds

**Bill Number:**

**Sponsor:**

- This legislation will create clear authority for cities, counties and towns to establish local housing trust funds that are funded and administered at the local or regional level.
- While there are 39 other states in the US that have state housing trusts funds, there are hundreds of funds that have been created at the city, county or regional level. These funds make up the vast majority of all housing trust funds in the US.
- Virginia does not have any uniform enabling legislation that clearly grants localities the power to create such funds and which enumerates how these may be funded and what activities they may engage in. This has contributed to uncertainty in some localities and has hindered local housing advocacy.
- Local trust funds come in all shapes and sizes – some are funded from a local, dedicated tax or fee while others are periodically funded by local appropriations or developer contributions under density bonus programs.
- In Virginia, there are a handful of funds that are already operating – Albemarle, Arlington, Alexandria, Charlottesville, Richmond, Norfolk and Fairfax County each have different mechanisms for replenishing their funds. Other communities in Virginia have looked into the potential of creating a local housing trust fund.
- Local trust funds encourage local involvement and commitment to addressing housing issues. Local governments are closest to the problem and may be in the best position to design creative solutions.



Virginia Housing Coalition

## 2010 Legislative Agenda: Talking Points

### Guidelines for the Assessment of Affordable Housing

**Bill Number:**

**Sponsor:**

- The existing special real estate assessment procedures for affordable housing with long-term use restrictions are not handled uniformly by local assessors in Virginia. Local tax assessors are required to establish market values for affordable housing that reflect the rent and income restrictions that are placed on these properties through a variety of programs. Since there are no uniformly used procedures to determine these values, assessments vary widely from locality to locality.
- In addition, the law does not apply to housing projects with 5 units or less. This results in tax levies that are unfairly high and limits the ability of these properties to remain affordable.
- Last year, the Coalition sought direction from the Virginia Department of Taxation regarding the ability of the State to issue guidelines to local assessors. The response indicated that it is the legislature's responsibility to further refine the law and create clearer guidance in the assessment of affordable housing.
- This legislation will establish clear and fair standards that all assessors must follow when assessing affordable housing regardless of the number of housing units. This will guarantee a fair tax bill for these property owners.



## 2010 Legislative Agenda: Talking Points

### Restoration of Cuts to Indoor Plumbing and Homeless Assistance

#### **Bill Number: Budget Bill**

#### **Amendment Sponsor:**

- The 2010 budget includes a **\$750,000 reduction to state funding for indoor plumbing**. The Coalition supports restoration of this cut.
- Many rural housing providers have been utilizing the state's Indoor Plumbing Program for nearly two decades. During that time, tremendous progress has been made in ensuring that all housing has indoor plumbing.
- The families assisted through this program live in some of the worst housing conditions in Virginia.
- Even during challenging fiscal times, the state should not balance the budget on the backs of our poorest and most vulnerable citizens. There is no Federal stimulus money available for this type of program.
- The 2010 budget also includes a **\$582,000 reduction to State assistance to homeless families and individuals**. These reductions impact the Homeless Intervention and Shelter Improvement programs that prevent families from becoming homeless or provide transitional shelter during resettlement.
- The severe recession and foreclosure crisis has substantially increased the number of families and individuals in the state who are living in shelters, on the streets, in cars or doubled up.
- Federal stimulus funding cannot be used for those at-risk families who are threatened with homelessness as a result of foreclosure or those who need temporary shelter in order to get back on their feet.
- Even during challenging fiscal times, the state should not further cut programs that help assure Virginians have a place to call home.



## 2010 Legislative Agenda: Talking Points

### Include Affordable Housing in Urban Development Areas (UDAs)

**Bill Number:**

**Sponsor:**

- This legislation will **require** localities with UDA's to plan for a variety of housing types, including workforce housing, in these "growth" areas.
- Urban Development Areas are the designated growth areas that certain fast growing localities must designate and plan for as a result of the comprehensive transportation act passed during the 2006 legislative session.
- Housing, transportation and employment are directly connected. Our planning processes in Virginia need to recognize this reality.
- Future development in Virginia should ensure that all employees (including lower wage earners) have opportunities to live close to work.
- Better planning that includes workforce housing will prevent sprawl and traffic congestion while reducing infrastructure costs and improving quality of life.
- Transportation costs are creating increasing strains on the budgets of low and moderate income families. Families should not have to face the choice of affordable housing or a long commute to work.
- Legislation in the 2009 General Assembly allows the localities to plan for affordable housing in UDA's but does not require that they do so.



## 2010 Legislative Agenda: Talking Points

### A Housing Policy for the Commonwealth

**Bill Number:**

**Sponsor:**

- This legislation will require each incoming Governor to establish a state housing policy to guide the administration's housing actions throughout the Governor's term of office.
- Virginia needs a clear and unambiguous Housing Policy that would guide efforts to expand affordable housing opportunities and generate additional resources. A policy would also address land use, transportation and other relevant policy areas. A state housing policy would answer questions such as:
  - *What principles should guide Virginia's housing decisions?*
  - *How can state programs stay abreast of changing housing needs and regional disparities?*
  - *What is the nature of the relationship between housing and transportation?*
  - *How does housing relate to job growth and workforce development? What can the state do to promote healthy, open communities that provide a range of housing opportunities?*
  - *How can the state address the housing needs of those with special requirements, elderly, disabled, homeless, etc.?*
  - *How can the state promote regional approaches to housing issues?*
- The Governor already is required to produce several policies addressing topical issues including an Economic Development Policy at the start of each term.
- While DHCD and VHDA would be the primary state entities charged with implementation, the policy would be closely coordinated with transportation, economic development, environmental quality and human resource agencies.



## 2010 Legislative Agenda: Talking Points

### Foreclosure Notification

**Bill Number:**

**Sponsor:**

- This legislation will allow localities throughout the Commonwealth to require lenders to notify them of pending foreclosure actions.
- The Commonwealth is still experiencing record numbers of foreclosures, and this trend is expected to continue through 2010 and 2011.
- Foreclosures not only devastate families, they destabilize neighborhoods. Neighborhoods with large numbers of foreclosures see a vicious cycle of decline in property values followed by more foreclosures. Many otherwise stable families are caught in this cycle.
- Local governments have a variety of tools that can be used to help stabilize neighborhoods and save families from economic tragedy – including funding through the federal Neighborhood Stabilization Program.
- A key factor in the locality's effective response is their ability to know when and where foreclosures are happening so that they can plan and take action quickly.
- Legislation adopted last year provides for the notification of pending foreclosure action only to localities in northern Virginia but does not apply to other areas of the Commonwealth. This bill extends that option statewide.