



## A Legislative Housing Program for 2009

Recently the **Virginia Housing Coalition (VHC)**, a statewide advocacy organization, held a meeting in Arlington with nonprofit developers and members of community-based organizations to hear from Northern Virginia advocates about our region's priorities for a statewide housing platform for the 2009 General Assembly session. This is one of five meetings to be held throughout the state in the next two months.

Over the past few years, VHC has focused its attention exclusively on the adoption of a Housing Trust Fund. Working with area sponsors Senator Mary Margaret Whipple and Delegate Kristen Amundson, among others, legislation was introduced to allocate funding to support the development of homeownership and rental housing throughout the state. Although these efforts have not been successful, the Housing Trust Fund remains a top priority, and legislation will be introduced again in 2009 to try and win approval.

With the goal of creating a more comprehensive housing agenda, participants at the meeting identified four additional topic areas as priorities for the region. These included land use and transportation planning, foreclosures, sustainable development, accessibility and housing for people with disabilities. **The choice of these issues also recognizes the values and areas of interest that housing advocates share with smart growth and sustainable development proponents. As such, we should work together to broaden our advocacy network and increase our chances for adoption of favorable policies.** Increasingly, it is recognized that the various elements of planning must be coordinated, taking into consideration land use, jobs, transportation providing multi-modal, pedestrian and bike access, housing with opportunities for a diversity of incomes, cultural and civic amenities, open space and sustainable development. Participants discussed the need for flexibility in any state legislation that guides land use, allowing localities to determine which regulatory and financial tools are best utilized to guide development that achieves the desired outcomes, especially the need for affordable housing.

Northern Virginia is the epicenter of foreclosures in the Commonwealth. Prince William, Fairfax and Loudoun counties are the most effected, with these jurisdictions reporting thousands of foreclosures beginning in 2007 to the present. The Neighborhood Stabilization Act of 2008, which provides federal funds to local jurisdictions and states for foreclosure assistance, has allocated \$38M for the state, \$4.1M for Prince William and \$2.8M for Fairfax County. Jurisdictions have until December 1 to submit detailed plans to HUD as to how they will use the funds, and then 18 months to commit the funds. It is anticipated that Loudoun County will receive a portion of the state funding, and it is also possible that Prince William and Fairfax counties will receive additional funds from the state.

In developing their foreclosure plans, the Alliance strongly encourages jurisdictions to consider the following recommendations:

- **Engage housing experts in the private sector** - lenders, realtors, housing rehabilitation specialists - in solutions that leverage public dollars and staff time,

- **Require prospective first-time homebuyers to meet with certified housing counselors** to receive information and training on how to remain homeowners in good standing,
- **Allow nonprofit organizations to receive foreclosure funding** to expand housing opportunities for low and moderate income renter households, or special needs populations,
- **Include provisions that preserve all housing assisted with this federal funding as affordable.** The counties should take advantage of the opportunity to increase their supply of dedicated affordable housing stock through options such as deed restrictions, equity sharing or equity appreciation.

Green building and energy conservation are receiving increasing attention across the state, and the savings that could occur would benefit residents of affordable housing. Some of the ideas discussed included the need for greater public education and awareness of these benefits, incentives to foster investments in green development, and consideration of green standards for residential development.

As demographic patterns shift in Virginia, and our population becomes older, many more of us want to age in place. To prepare for these trends, our policies need to address universal design standards, accessibility and a greater variety of affordable housing choices in our communities. Consideration must be given to housing for people with disabilities, who are twice as likely as those without disabilities to be below the poverty level. The current number of accessible rental units is inadequate to meet the need, and quite often rental subsidies are required to make these units affordable.

Advocates have long sought to move the topic of housing higher on the list of priorities in our national discourse. However, a consequence of the subprime crisis is a negative, damaging messaging about homeownership for low and moderate income families. Stories have circulated in the media blaming Freddie Mac, Fannie Mae and the Community Reinvestment Act (CRA) for pressuring banks to make risky loans to low income families. Nothing could be farther from the truth.

Foreclosure analysis released by **NeighborWorks** shows that low-income mortgage borrowers, with the benefit of homeownership counseling, did substantially better than the general market. Comparing foreclosure data provided by the Mortgage Bankers Association, NeighborWorks shows that while its own loan portfolio had a foreclosure start rate of 0.21 percent in the second quarter of 2008, the overall market's foreclosure start rate was 1.08 percent, more than five times as great. And The New York Post reported recently that the default rate by homeowners in New York City's \$7.5B affordable housing program was 1 in 3,422. Participants had to meet very strict criteria, participating in homeownership counseling, making down payments of 10 percent and assuming loans with monthly mortgage payments not to exceed 30 percent of family income.

As housing advocates, we must continue to send a positive message about the value of a diversity of housing choices for our communities. Strong housing policies support families and stabilize neighborhoods. And this economic crisis should once again remind us that while homeownership is a desirable goal, it is not for everyone. Quality rental housing is at times a better option for families. Negative stereotypes regarding rental housing must be addressed, and we must ensure that we have policies in place that support an adequate supply of attractive, decent, affordable rental housing throughout the region.