

# From COVID to the Capitol: Data and Policy Housers Need to Know in 2021

---

2021 Housing Summit  
Housing Coalition of the Northern Shenandoah Valley  
Friday, March 26, 2021





## Jonathan Knopf

Senior Research Associate  
HousingForward Virginia

### What HFV does:

We are the Commonwealth's trusted resource for affordable housing data and actionable insights.

- **Inform** public policy and housing regulations
- **Support** local and regional housing networks
- **Provide** leaders with actionable information
- **Shine a light** on racial disparities in housing
- **Build** a positive public image for affordable housing

### What I do:

Guide HFV's research and policy work across Virginia by:

- Conducting local and regional housing assessments
- Evaluating state policy and program needs
- Translating data for policymakers and advocates
- Organizing training and education opportunities

# What I'll cover:

---

1. **Get the big picture:** national and state housing trends
2. **Bring it home:** trends in the Northern Shenandoah Valley
3. **Understand COVID's impact on housing providers**
4. **Dispatch from Richmond:** state momentum on housing

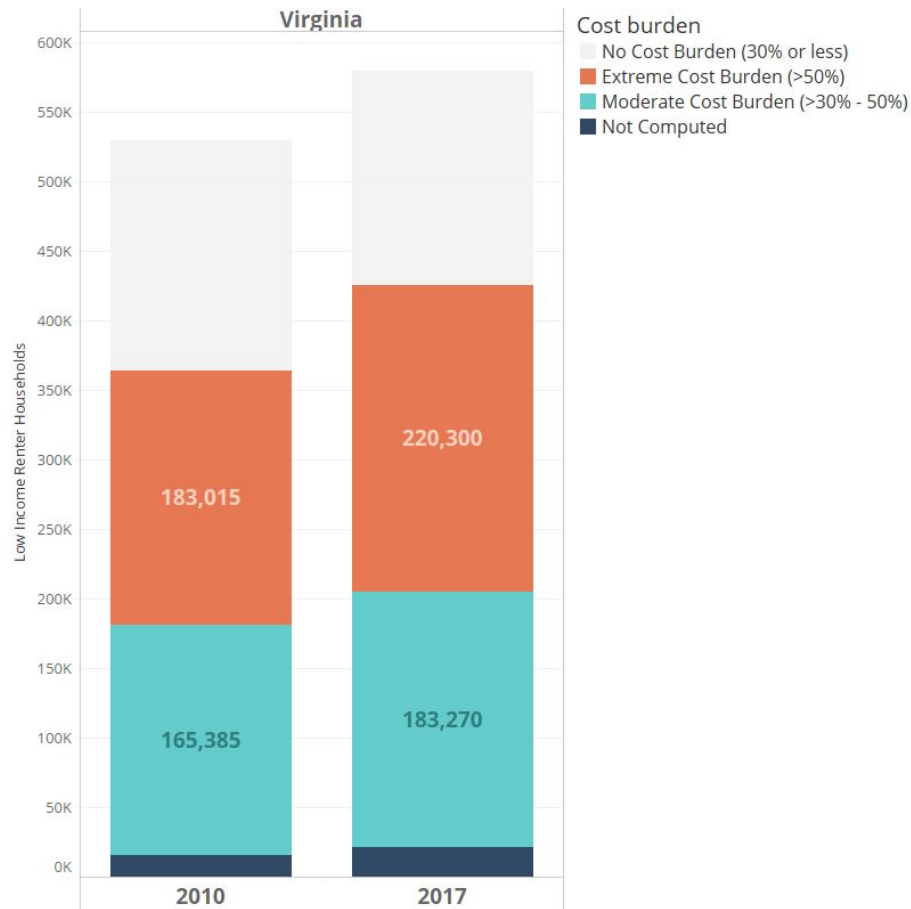
# Depending on who you ask...

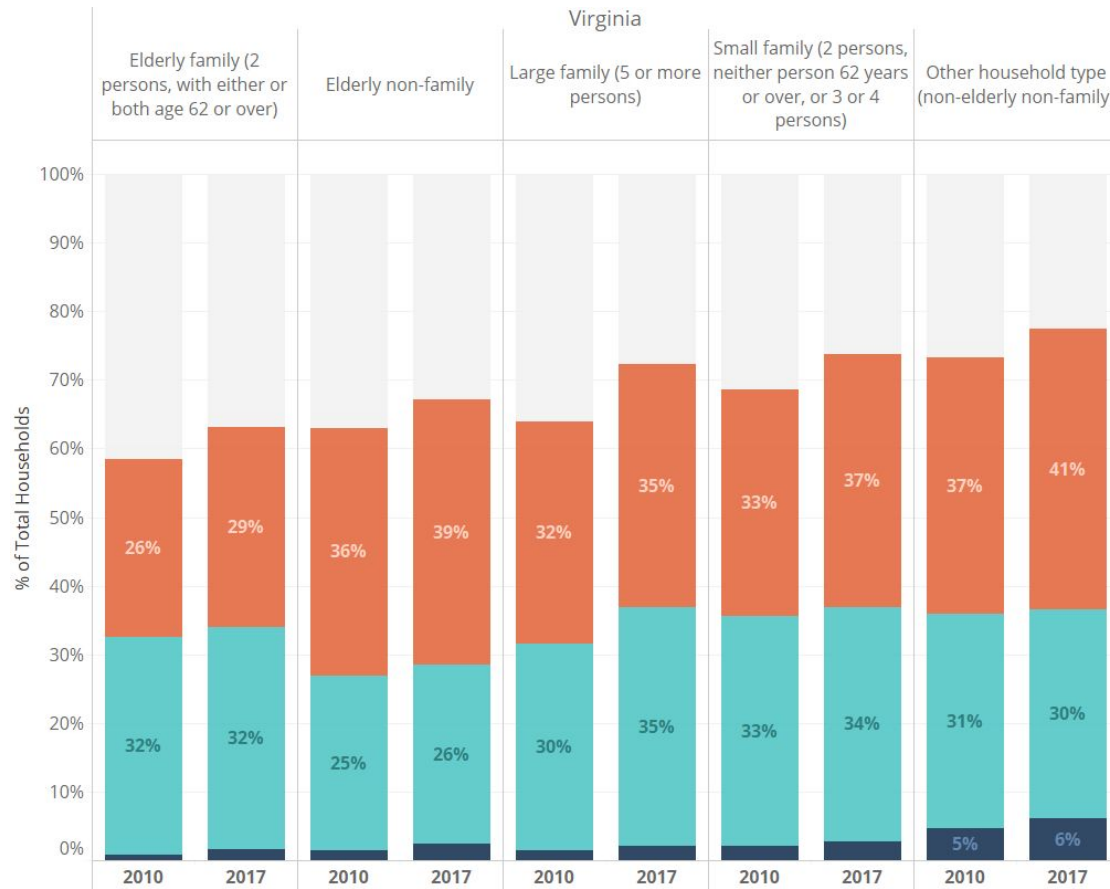
---

**This is the worst  
housing crisis  
we've had  
since 2008.**

**This is the best  
housing market  
we've had  
since 2008.**

**In Virginia,**  
the number of cost  
burdened renters below  
80% AMI increased by  
**16%** from 2010 to 2017.

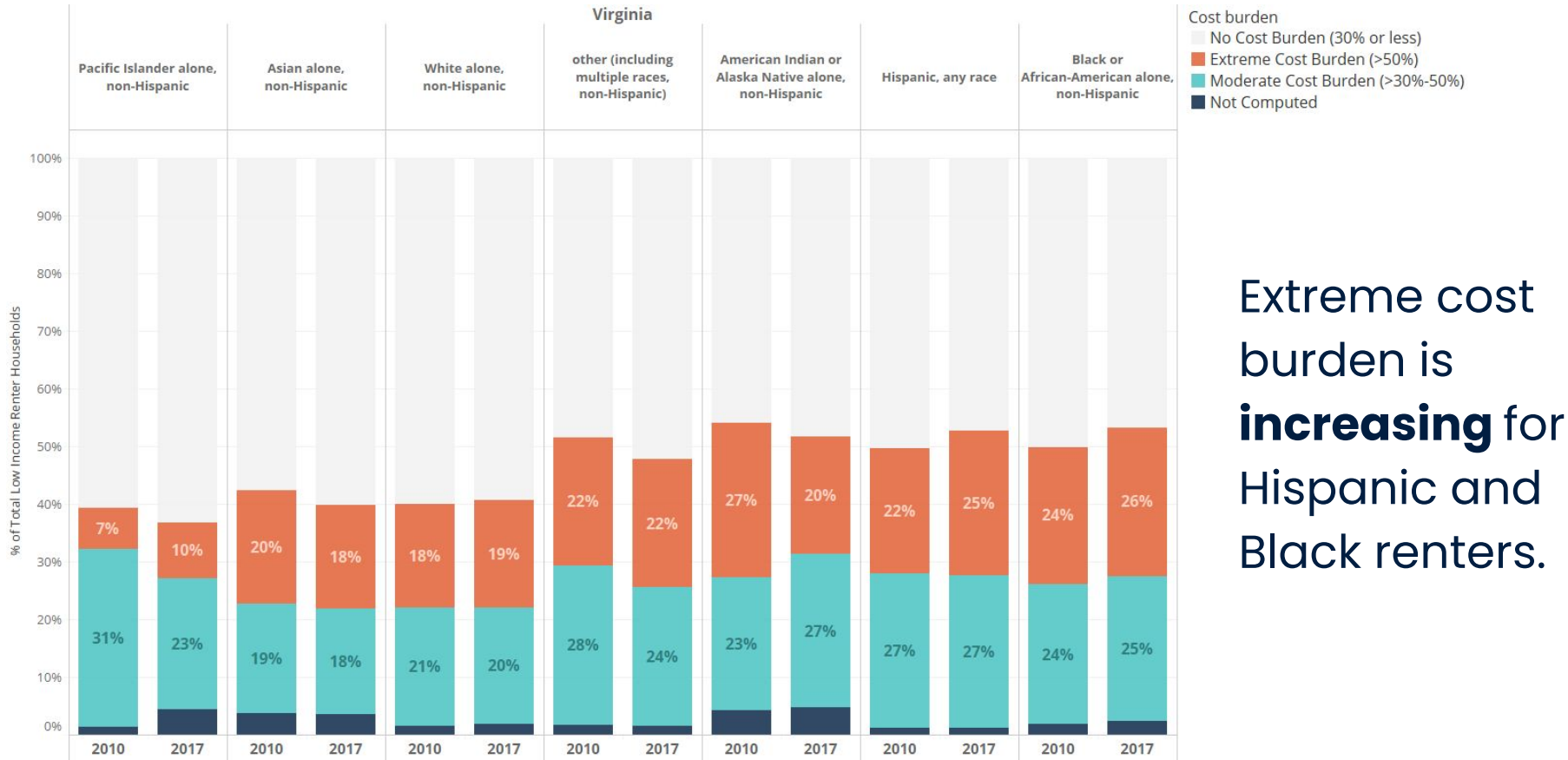




Cost burden (group)

- No Cost Burden (30% or less)
- Extreme Cost Burden (>50%)
- Moderate Cost Burden (>30% - 50%)
- Not Computed

This rent burden is highest among single persons and non-related households, small families, and large families.



Extreme cost burden is **increasing** for Hispanic and Black renters.

# What's the problem?

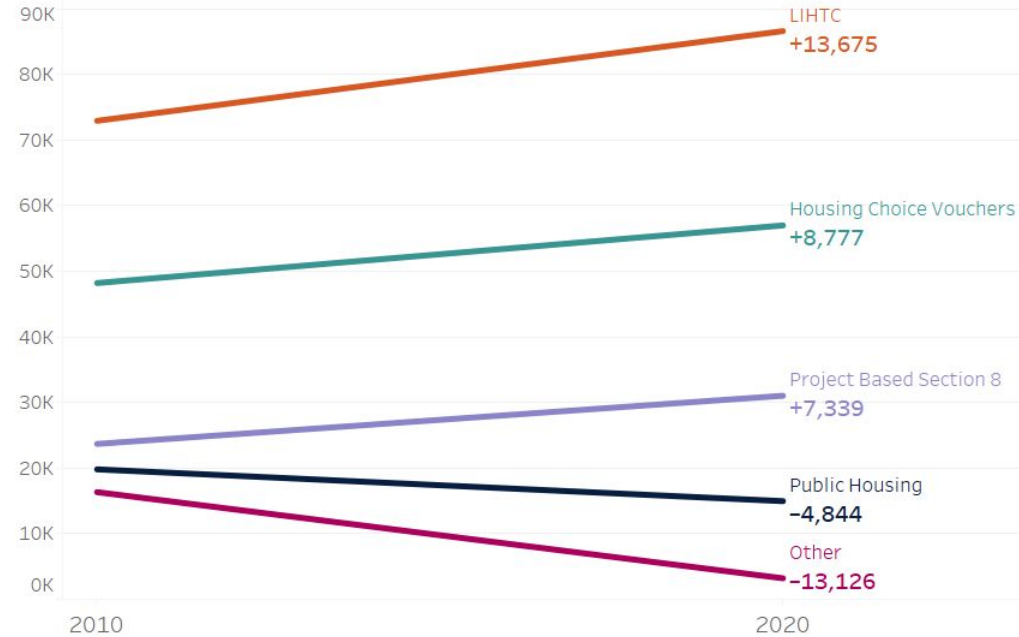
---

1. Low supply of apartments—especially at affordable rents
2. Decreasing (changing) federal support relative to needs
3. Localities aren't encouraging and permitting apartments
4. Wages among renters haven't gone up

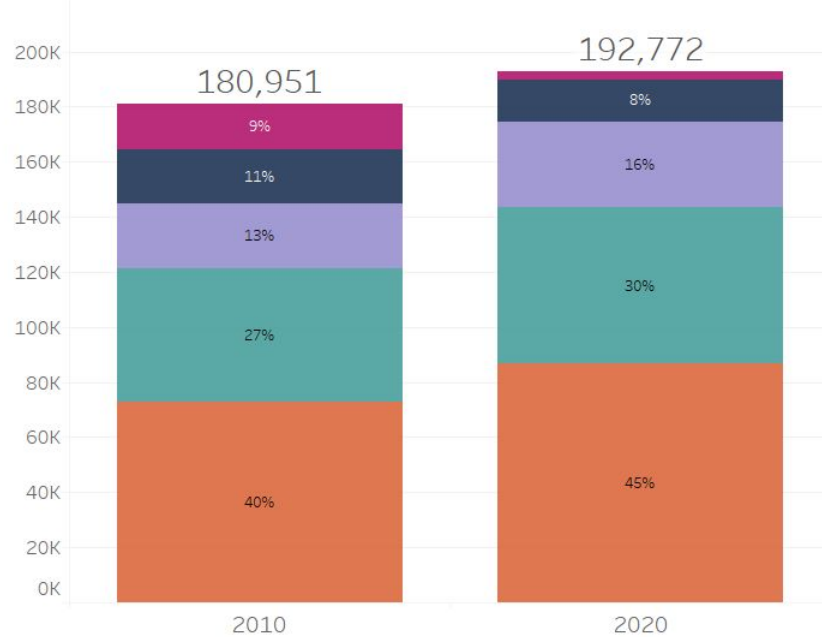


# Housing assistance levels in Virginia: 2010 to 2020

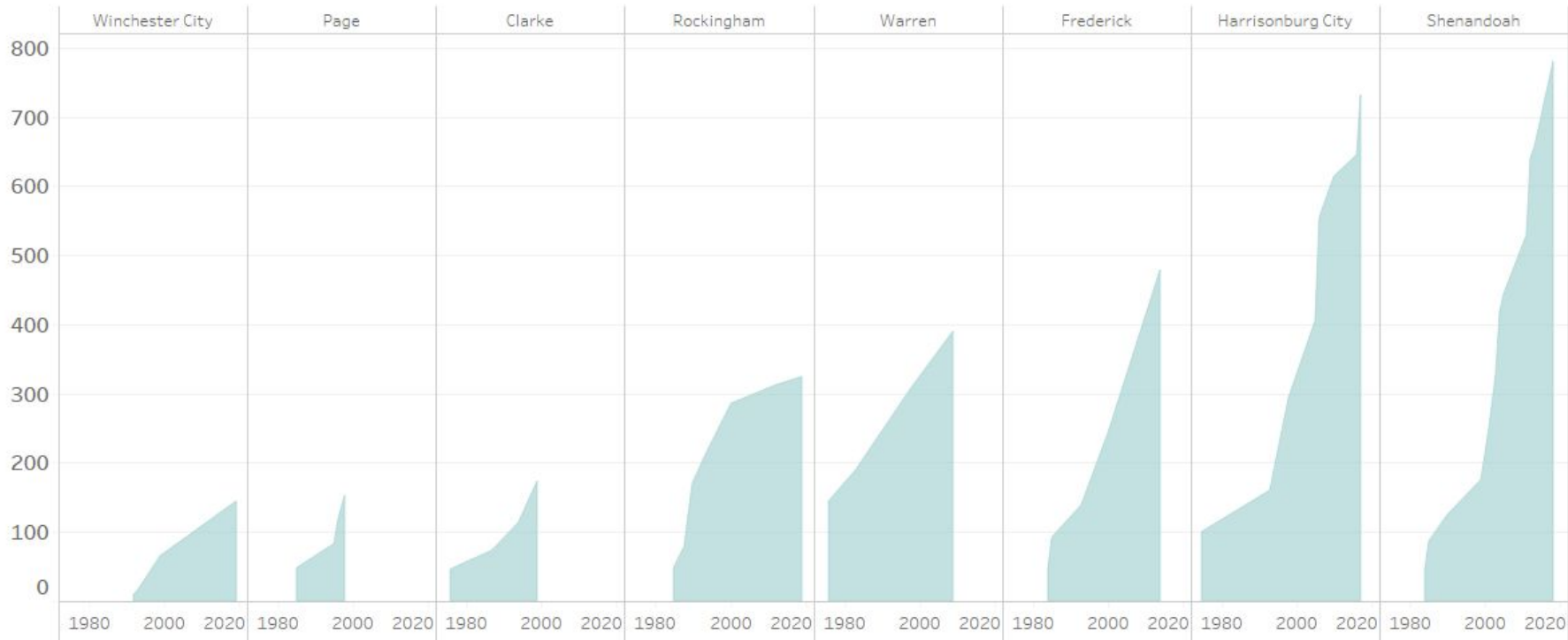
Change in housing assistance by type



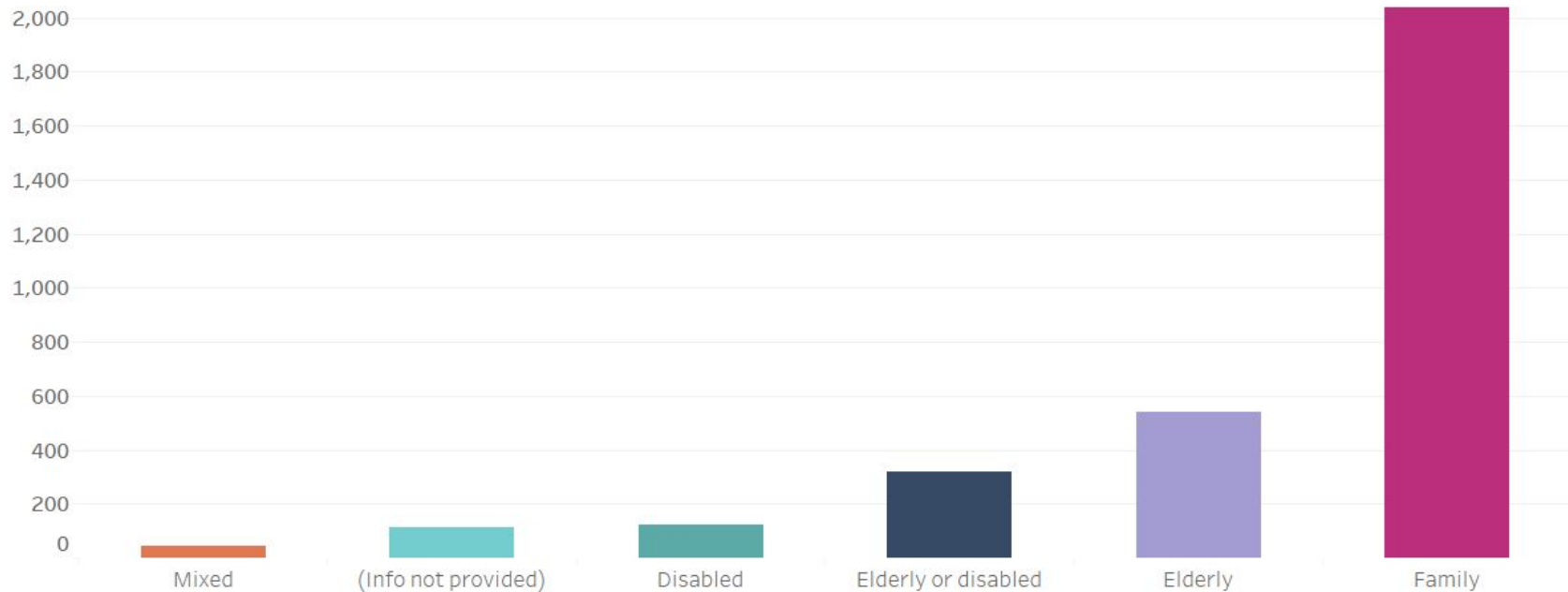
Totals



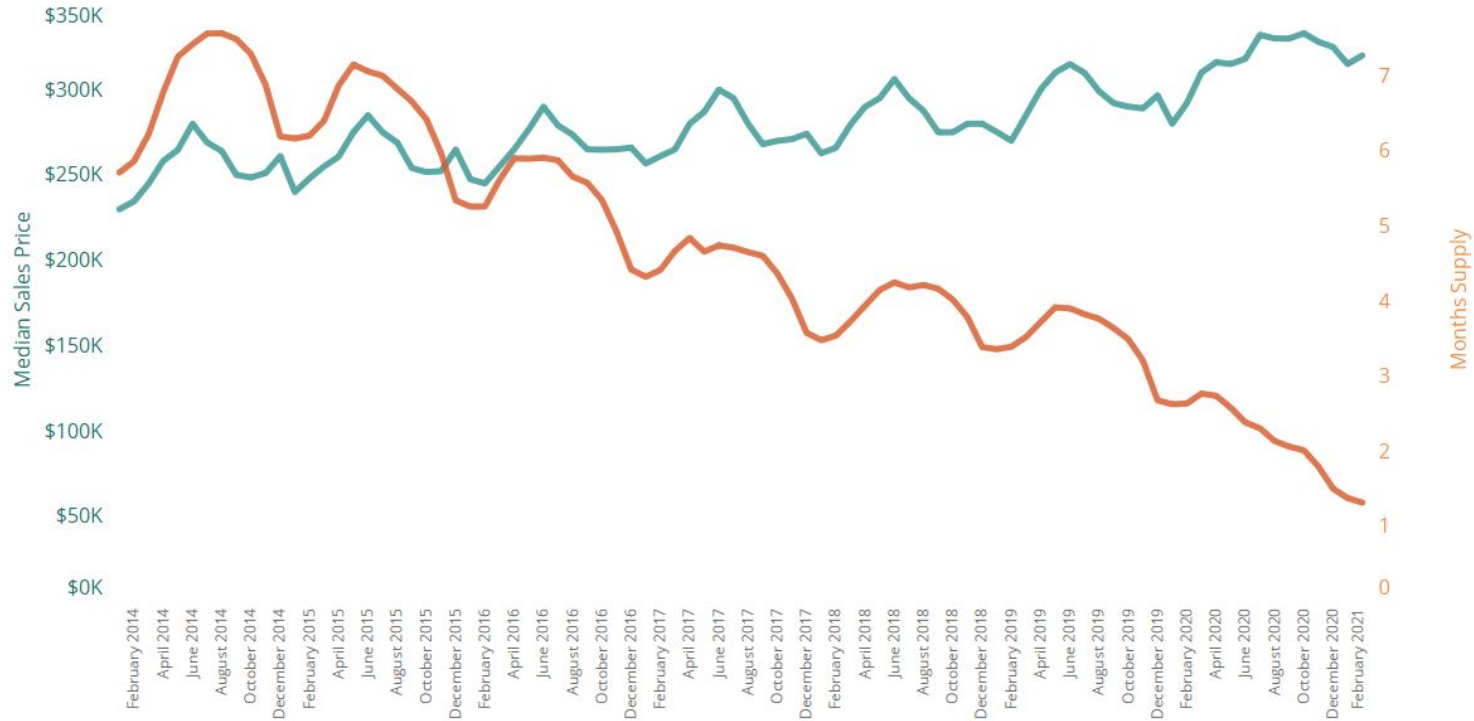
# Assisted rental housing in the Valley // Production



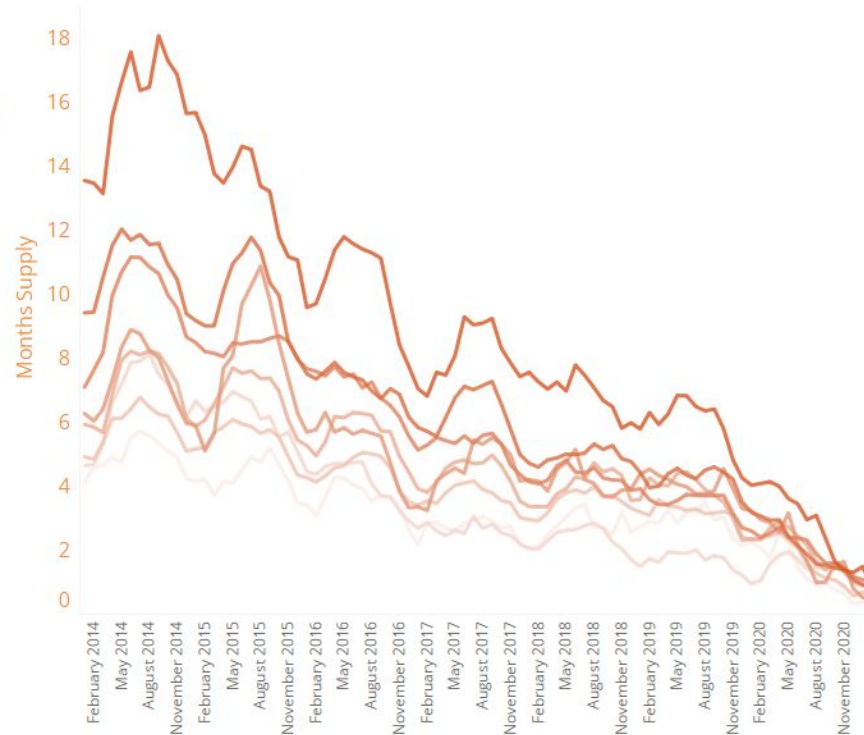
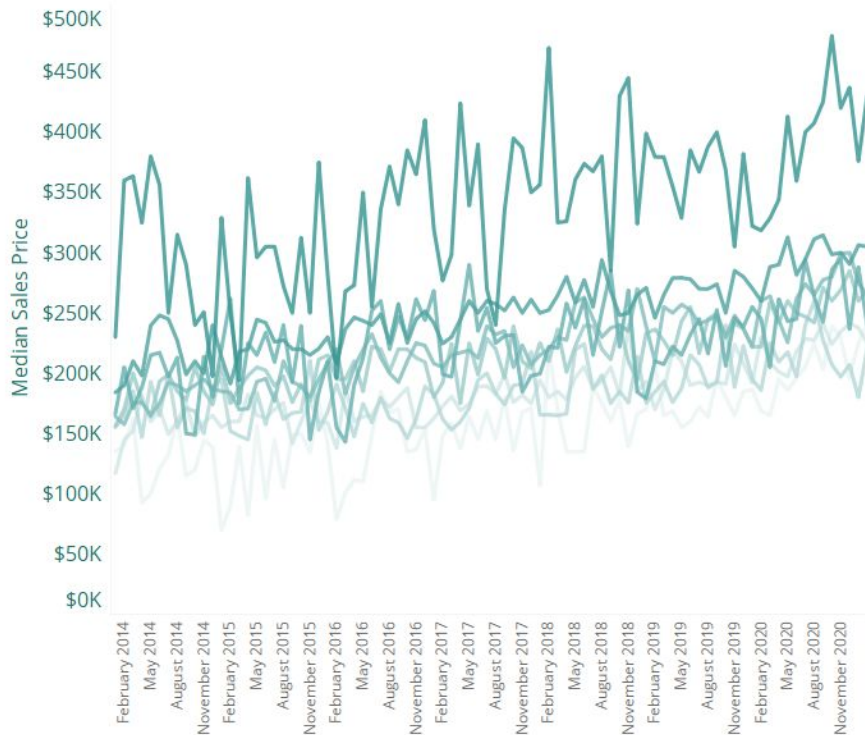
# Assisted rental housing in the Valley // Tenant type



# It's not easy to buy a home in Virginia!



# It's not easy to buy a home in the Valley!



# What's the problem?

---

1. Very low supply compared to demand
2. Historically low interest rates
3. Localities haven't zoned for denser, less expensive homes
4. White-collar workers generally survived pandemic
5. Supply chain and cost issues due to COVID, tariffs, etc.

# Impact of the COVID-19 Pandemic on Richmond's Nonprofit Housing Providers & Clients

# 1. Mission, Programs, and Workflows

---

- Responses mixed; dependent on core activities:
  - **Homelessness:** scaling up to meet current (and projected) demand thanks to unprecedented collaboration
  - **Housing:** strategic service retreats, adaptations, and planning for uncertainty
- New construction continuing with exceptions; rehab and repairs largely shut down and waiting for guidance
- Immediate homeless response is strong; much concern about future (admin and financial challenges)
- Getting ready to pivot to the *“crisis after the crisis”*



# 1. Mission, Programs, and Workflows

---

Overall impact of COVID-19 on clients served:



**Homelessness** providers have served more clients than normal.

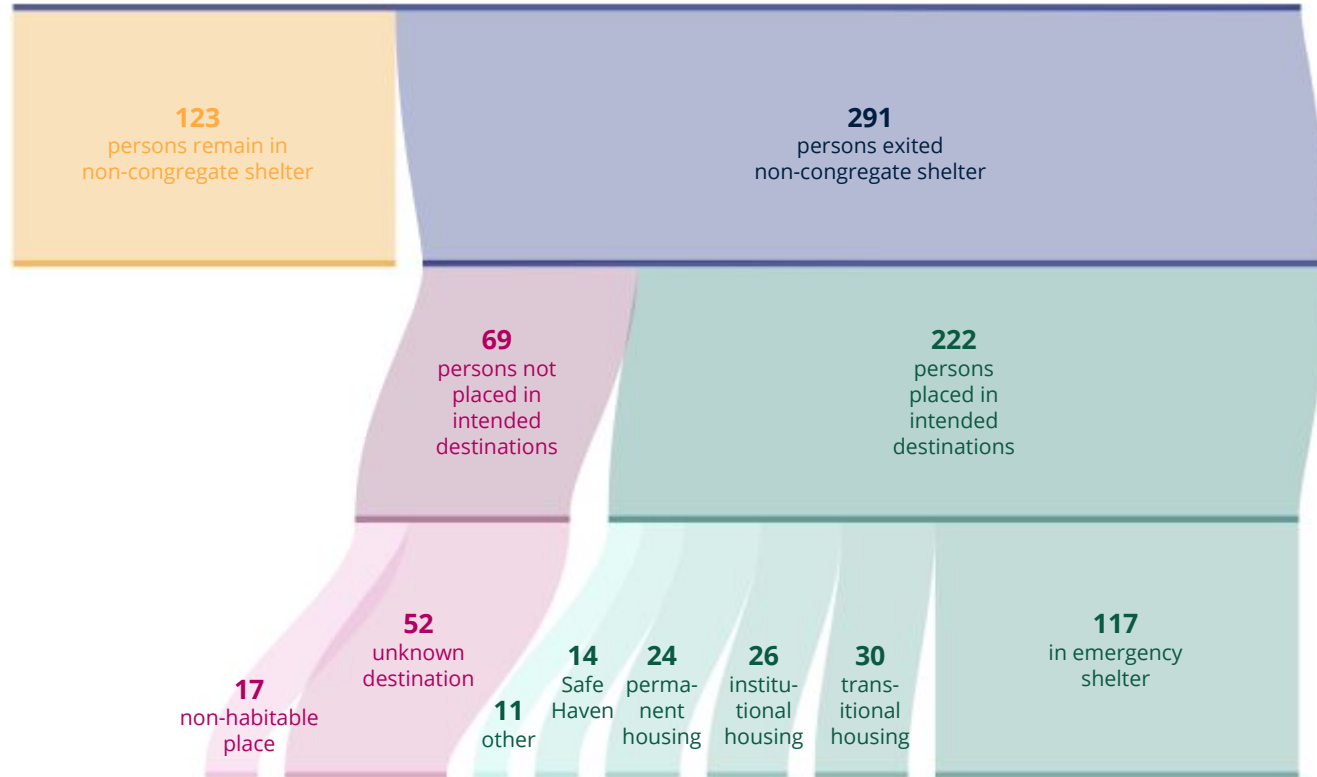


**Affordable homeownership** and rehab/repair nonprofits have been forced to reduce and delay services.



**Affordable rental** providers have not seen a decline in clients served, but have placed many new lease-ups on hold.

# Status of 414 persons placed in non-congregate shelter (motels) from March-May 2020



## 2. Workforce and Payroll

---

- Very limited furloughs and layoffs; in fact, some new hires
- Rehiring underway, but concerns about long-term staff capacity (post-PPP)
- **Near universal PPP awards**—indicative of community banking relationships
- Creative adaptations to remote work
  - Despite challenges, many see long-term opportunity
  - Cross-training and shifting roles
- Stress and possible exposure for frontline staff
- When possible, some orgs provided hazard pay and time off; others not capable but would like to have resources for it

# 3. Financial Concerns

---

## Immediate situation:

- Most organizations confident they will overcome COVID-19 (at least in the short-term)
  - Primarily due to PPP, operational reserves, and emergency funding
- **Major focus on long-term concerns:**
  - Donor fatigue, lower corporate giving, impacts on state and local budgets
- Some utilization of CARES Act housing funding (CDBG-CV and ESG)
  - Widespread concern about flexibility

# 3. Financial Concerns

---

## Future concerns:

- Organizations are looking for state and localities to make funding more flexible
- Worries about budget for upcoming fiscal year—how to reflect uncertainties?
- Unrestricted flexible funding is highly desired (see: Virginia Housing)
- **Rental and foreclosure assistance sorely needed when eviction moratoria expire**

# 4. Client and Organizational Health

---

## Client health:

- Major unknowns
- In shelters, clients are facing stress due to isolation and uncertainty
  - Providers are improvising ways to keep morale up
- Group mental health treatments no longer performed or greatly reduced
- Domestic violence becoming larger issue in quarantine
- Some clients unable to access regular care or are deferring treatment

# 4. Client and Organizational Health

---

## Staff health:

- Mental health and wellness is universally-accepted need for staff
- Frontline staff worried about infection
- PPE needs are varied; no common sources; donations not consistent

# What's happening at the Capitol?



# Housing policy changes at state level

---

## Back in 2020:

- **Source of income** protection for renters
  - Prohibits discrimination against Housing Choice Voucher recipients
- **Changes to 15.2-2305.1** (voluntary affordable dwelling unit ordinances)
  - Gives additional inclusionary zoning guidance/options for localities
- **HB854 statewide housing study**



# Overview of HB854

Directs DHCD and Virginia Housing to  
conduct a statewide housing study

# HB854 Components

---

## Stakeholder Advisory Group

- The Stakeholder Advisory Group has responsibility for the evaluation and recommendations
- The final report is the product of this Stakeholder Advisory Group
- The consultant, in collaboration with the steering committee, will provide research, data and analysis that will assist the Stakeholder Advisory Group in its deliberations
- *"Individuals with expertise in land development, construction, affordable housing, real estate finance, tax credit syndication, other areas of expertise...and at least one resident of an affordable housing property"*

# HB854 Components

---

## Four specific “policy” charges:

1. Determine the **quantity and quality of affordable housing** and workforce housing across the Commonwealth
2. Conduct a **review of current programs and policies** to determine the effectiveness of current housing policy efforts
3. Develop an **informed projection of future housing needs** in the Commonwealth and determine the order of priority of those needs
4. **Make recommendations** for the improvement of housing policy in the Commonwealth

# HB854 Components

---

## Evaluation of four proposed programs, plus existing efforts:

1. A Virginia **rent subsidy program** to work in conjunction with the federal Housing Choice Voucher program
2. **Utility rate reduction** for qualified, affordable housing
3. **Real property tax reduction** for affordable housing
4. **Bond financing** options for qualified, affordable housing
5. Existing programs to increase the supply of qualified, affordable housing

# HB854 Components

## Two additional issues added to study:

### COVID-19 pandemic

Determine the impact of the pandemic on affordable housing and strategies to overcome these impacts.

- Where has COVID-19 revealed vulnerabilities in our housing programs and policies?
- How can we make housing more resistant to future disruptions?
- How can we create more stability for renters and homeowners during crises?
- How can we advance partnerships between health and housing sectors?

### Racial inequity in housing

Explore the status and impacts of racial inequity in affordable housing in the Commonwealth; suggest strategies for closing the racial gap in housing.

- What are the facts and trends?
- How can we develop a common understanding of the impact of systemic racism on housing?
- How can we begin to close the gaps?
- What new resources do we need?

# Scope of Work

---

- Part 1: **Analysis of Current Housing Programs and Policies**
- Part 2: **Analysis of Specific Policy and Program Proposals**
- Part 3: **Quantity, Quality, and Demand for Affordable Housing**
- Part 4: **Final Report Production and Dissemination**

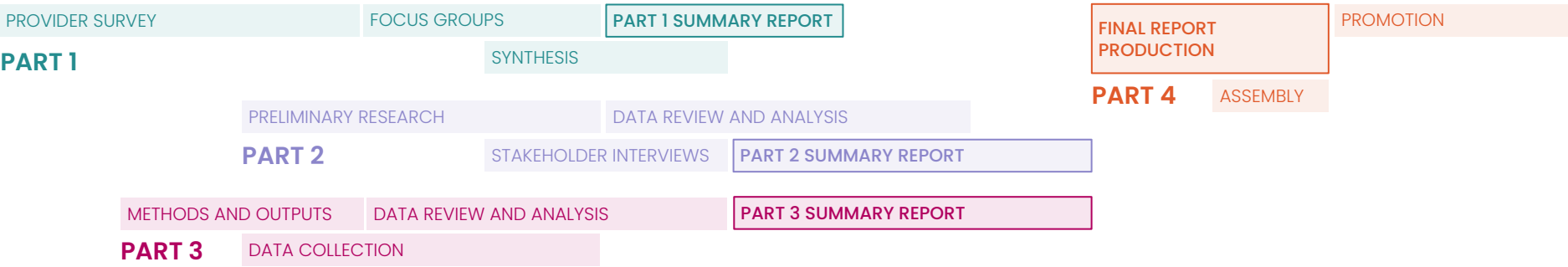
# HB854 Timeline

November 2020 – October 2021



# HB854 Statewide Housing Study

## Project Timeline



\* Steering Committee may elect to meet independently of the SAG as-needed to discuss study progress.

# Framing recommendations for HB854

## What needs are being met?

- Which programs are working well?
- Why are they successful?

## What programs need changes?

- Where is more funding needed?
- How should they be changed to be more effective/targeted?
- Do any need to be fully replaced?

## Are new programs needed?

- What problems are not being addressed?
- How can new programs fill in the gaps?

## What changes are needed at the local and regional levels?

- Building capacity to use state programs
- Local/regional actions to remove barriers to effectiveness (e.g., regulatory reform, prioritization of affordable housing, etc.)

# Housing policy changes at state level

---

## 2021 session:

- **HB2406: “Anti-NIMBY” bill**
  - Adds a section to the Virginia Fair Housing Law prohibiting localities from denying permits for housing developments that would be occupied by households earning 80% of AMI or below
- **HB2503: ADU study group**
  - Directs DHCD to study accessory dwelling unit ordinances

# Housing policy changes at state level

---

## 2021 session:

- **SB1197: Virginia Housing Opportunity Tax Credit**
  - Establishes state housing tax credit to support affordable rental housing
  - Companion to federal LIHTC program
  - \$15 million per year (half of current federal allocation)
  - **This is a big deal!**

# What you need to remember:

---

1. Segregated opportunity in today's housing market
2. Things will get worse without interventions
3. Providers need operational, capacity, and political support
4. Take advantage of increased housing saliency at state level
5. Localities must “grease the wheel” and make housing a priority



# Thank you!

[jonathan@housingforwardva.org](mailto:jonathan@housingforwardva.org)