



Christopher Shorter  
 Chief Executive Officer  
 Prince William County  
 One County Complex Court, Woodbridge, VA 22192

Cc: Prince William County Board of Supervisors, and Deputy CXO's

February 13, 2024

Subject: Affordable Housing In Prince William County- The Housing Trust Fund

Dear Mr. Shorter:

PWC VOICE leadership wants to thank you for the information shared on Prince William County's efforts to increase the availability of affordable housing for all levels of county residents during the January 3, 2024 virtual meeting with yourself, Deputy County Executives Elijah Johnson, and Wade Hugh. Based on the information you and your team provided we submit the following request:

**Our Goal:** To tackle the affordability crisis in Prince William County, we must allocate public funds to **SUBSIDIZE** the construction of new affordable housing developments and preserve existing ones, which will create more **SUPPLY** to stabilize and reduce housing costs and give more members of our community **STABILITY** by creating more deed-restricted units.

**Our Ask:** The county allocated **\$5 million** in surplus funds to a future-dated Housing Trust Fund (HTF), pending the completion of the of an ADU ordinance and the creation of an actual housing trust fund. **We propose allocating an additional \$5 million to the Housing Trust Fund, with a focus on rental housing.**

The attachment to this letter provides our rationale for development and submission of this request.

High housing costs are ultimately a social and economic problem that affects our community in many ways. For this reason, and because of its critical nature, we ask you take the actions necessary to address this issue.

Sincerely Yours,

**VOICE Prince William County Affordable Housing Team**  
*St. Francis of Assisi /VOICE)*      *Northern Virginia Affordable Housing Alliance*  
*Tenants and Workers United*      *Wellington Development Partners, LLC*

**Attachment**



## AFFORDABLE HOUSING IN PRINCE WILLIAM COUNTY The Housing Trust Fund

**The goal:** To tackle the affordability crisis in Prince William County, we must allocate public funds to **SUBSIDIZE** the construction of new affordable housing developments and preserve existing ones, which will create more **SUPPLY** to stabilize and reduce housing costs and give more members of our community **STABILITY** by creating more deed-restricted units.

**Our ask:** The county allocated \$5 million in surplus funds to a future-dated Housing Trust Fund (HTF), pending the completion of the of an ADU ordinance and the creation of an actual housing trust fund. We propose allocating an additional \$5 million to the Housing Trust Fund, with a focus on rental housing.

### Why this is critical?

- These projects are expensive, with a typical affordable housing development in Loudoun County requiring \$38,674/ per unit in subsidies. By increasing the HTF to \$5 million, we could support more projects annually and help more members of our community.
- A robust HTF provides flexibility to ensure ongoing construction in the face of high construction costs and interest rates, and prevents the slowdown in delivering new income-restricted housing during our current housing shortage.
- Low-Income Housing Tax Credits (LIHTC) are a resource to serve individuals and families at or below 60% of the area median income (AMI). However, as we target those at 30% and 40% AMI, this creates a bigger financing gap, which neighboring jurisdictions have filled with a HTF to ensure deeply affordable housing units are being built for those with the greatest need.
- The market is not building permanent supportive housing (PSH) and housing for those at 30%, 40%, and 50% AMI. A robust HTF, coupled with LIHTC, is required to address these underserved populations.

**How to fund?** – A dedicated source of revenue for the HTF is needed using one or more of the following options

- **Real Estate Tax:** Each penny on the tax rate amounts to \$3.8 million to the county's general fund that can be used for the annual funding of the HTF.
- **Meals Tax:** Each penny on the tax rate amounts to \$3.5 million to the county's general fund that can be used for the annual funding of the HTF.
- **Data Center Tax:** Consider a portion of the projected tax revenue from recently approved data centers for annual funding of the HTF.

**What to Prioritize with the HTF?** – There are a number of possible uses of the Housing Trust Fund: affordable rental housing development, preservation of existing housing, down payment assistance for first-time home buyers, permanent supportive housing and/or rental assistance. In developing a prioritization, the following should be considered:

- **AMIs:** The need is at 60% AMI or below and as the AMI decreases, the rent burden increases significantly.
- **Staff:** The HTF requires hiring a new staff with the necessary technical expertise that aligns with the county's goals for the HTF. Additionally, the county will need a housing-only attorney since there is a lot of legal work associated with housing.
- **Rental Housing Development:** While the HTF can be used for down payment or rental assistance, a HTF can leverage other federal, state, and private dollars to create much-needed affordable rental communities. Other Northern Virginia jurisdictions primarily use their local HTFs as leverage for affordable housing developments. When used as a soft loan, HTF funds can be paid back and reinvested in future affordable developments, essentially operating as a revolving loan. This is not the case when HTFs are used for down payment assistance or rental assistance. Additionally, Housing Trust Fund contributions used for rental housing development/preservation with low-income housing tax credits (LIHTCs) are often paid back to jurisdictions as "soft-second loans," allowing these funds to be repaid and recycled by being loaned out again to new affordable housing projects.