

FACT SHEET



Affordable Housing Funding— Addressing Virginia’s Crisis

Problem:

Low- and moderate-income families struggle to find affordable housing in Virginia. According to the National Low-Income Housing Coalition, 71 percent of very low-income Virginians spend more than half their incomes on housing. According to the Joint Legislative Audit and Review Commission (JLARC), approximately 29 percent of households (around 905,000 families) were cost burdened as of 2019. With thousands of families on backlogged waitlists for public housing programs, ***Virginia must address its housing supply and affordability crises.***

Home prices in Virginia have risen 28 percent over the past four years, while median household incomes have only risen an estimated 6 percent (not accounting for inflation). High home ownership costs have forced many Virginians to rent, however Virginia’s statewide shortage of at least 200,000 affordable rental units makes finding housing difficult for low to middle-income Virginians. The Virginia Association of Realtors also reported an 11.3 percent increase in rents over the past year, which is only expected to rise.

Solution:

VICPP advocates increased budget investments into community-based programs that will increase housing supply and assist low-income Virginians.

Build more affordable housing units. VICPP supports the Virginia Housing Alliance proposal to invest an additional \$75 million in Virginia’s Housing Trust Fund (VHTF) to build affordable housing and help prevent homelessness. Although the most recent budget allocated a historically large

investment over the 2022 biennium, these funds aren’t enough to cover the immense costs of housing development (exponentially increased due to supply-chain issues and inflation). Virginia’s current shortage requires a major increase in housing supply that cannot be achieved with the funds currently allocated.

Invest in the Housing Stability Fund. Both JLARC and a General Assembly housing study authorized in 2020 recommend the creation of a state administered voucher program. Such a program would provide long-term rental assistance to ensure housing costs for low-income Virginians do not exceed 30 percent of their actual income. An investment of \$738 million added to this year’s budget would support a pilot program reaching almost 61,000 families. This represents 5 percent of the gap in housing vouchers currently available in Virginia and allows the program to be available all across the commonwealth. Partners at the Virginia Housing Alliance are also working on this initiative.

Increase Virginia Eviction Reduction Program (VERP) funding. VERP is a pilot program in its third year dedicated to preventing eviction through short-term financial assistance to at-risk renters or homeowners. Though only a pilot, it has helped numerous Virginians stay in their homes and reported lower eviction rates in the pilot localities. VERP is currently allocated about \$3 million annually through DHCD. VICPP supports the Virginia Poverty Law Center’s recommendation of at least \$12.5 million in additional funds.