



Member of the Virginia General Assembly
Senate of Virginia/Virginia House of Delegates
Richmond, Virginia

Dear [legislator],

As advocates for more affordable housing and supportive housing in Virginia, we respectfully submit the following comments on the differences between the House and Senate budgets with respect to funding for housing programs. Overall, we prefer the Senate budget amendments, as they maintain unencumbered funding for the Virginia Housing Trust Fund and permanent supportive housing.

Virginia Housing Trust Fund

Both the House and Senate budgets re-allot the funding for this program. The House budget, however, creates a contingency whereby \$25M may be redirected to rent and mortgage relief. While VHA wholeheartedly supports the rent and mortgage relief program, we do not believe that Housing Trust Fund dollars should be diverted to it.

The Housing Trust Fund is designed to address the root causes of a lack of affordable housing in Virginia. As you may know, the Trust Fund leverages substantial federal resources - namely through the Low Income Housing Tax Credit - to preserve, rehabilitate, and to produce committed affordable homes within guidelines set by DHCD based on our state's priorities. The benefits of having a predictable, well-sourced housing trust fund are well-documented.¹

A reduction in funding has detrimental, downstream effects that will further hinder the State's ability to reduce its affordable housing deficit. Additionally, up to 40% of the Housing Trust Fund may be used for Homelessness Reduction Grants. These services require more funding in the midst of a health pandemic, not less. If the RMRP requires additional support, we urge you to consider alternate funding sources rather than taking money away from the Trust Fund for its intended purpose, which has no alternative. We suggest that \$25M could be found in the Judicial Budget, General District Court Trial Process Services line item 42. We expect that the number of unlawful detainer (eviction) trials in General District courts across the Commonwealth will be significantly lower as a result of the funding provided by the RMRP directly to landlords to replace lost rent. Since this funding will make landlords financially whole, they will file far fewer eviction cases in General District courts and the judicial budget will need far less funding for trial services.

The House budget also places a revenue trigger on its re-allotment for the Housing Trust Fund. For the same reason that we are opposed to any diversion of funds, we ask that this revenue trigger not be adopted. The trigger signals to affordable housing developers that they can't plan on these funds being available. These projects take years to develop; additional delays will not help Virginia solve the housing crisis that it faces.

¹"Housing Trust Funds: The Basics", National Housing Conference Website, captured October 2020. Link at: <https://nhc.org/policy-guide/housing-trust-funds-the-basics/>



Virginia Housing Alliance

Expanding Housing Opportunity and Ending Homelessness

Permanent Supportive Housing

The Senate budget re-allots the funding for permanent supportive housing (PSH). This program is vital for the reduction of the census in our state institutions for the mentally ill. And, similar to the housing trust fund, the development of permanent supportive housing requires long term planning to ensure that Virginians will be stably housed with all of the appropriate wrap around services.

If funding levels fluctuate during economic downturns, housing providers, and the Department of Behavioral Health and Developmental Services cannot make plans for adding more capacity. PSH has been one of the great successes in Virginia's housing and behavioral health policy. It must be sustained.

Thank you for your consideration of these points. We are grateful for your commitment to resolving the housing issues that face your constituents.

Sincerely,

The Virginia Housing Alliance (VHA) and the below signed members of VHA's Legislative Committee

Alliance for Housing Solutions
Arlington Partnership for Affordable Housing
Bristol Redevelopment and Housing Authority
CSH
Enterprise Community Partners
Greater Fredericksburg Habitat for Humanity
Habitat for Humanity Virginia
Hanover Habitat for Humanity
Harrisonburg Redevelopment and Housing Authority
Helping Overcome Poverty's Existence, Inc.
Housing and Development Advisors
Housing Opportunities Made Equal of Virginia
Local Initiatives Support Corporation
Loudoun Habitat for Humanity
Manufactured Home Community Coalition of Virginia
Northern Virginia Affordable Housing Alliance
Partnership for Smarter Growth
Piedmont Housing Alliance
Richmond Metropolitan Habitat for Humanity
Virginia Association of Housing and Community Development Officials
VCDC
Virginia Poverty Law Center