

Subject: Preserve and Expand Housing Investments in the Budget

March 11, 2024

Dear Senator Todd Pillion, Delegate Mark Sickles, Delegate Terry Austin, Senator Creigh Deeds, Delegate David Bulova, Delegate Robert S. Bloxom, Jr., Senator Jennifer Boysko, Delegate Betsy Carr, Delegate Luke Torian, Senator Mamie Locke, Senator L. Louise Lucas, Senator Ryan McDougle,

As you work to address the differences in the House and Senate budget bills in pursuit of a final budget proposal, I urge you to preserve all existing housing allocations and work to expand these investments where possible. Housing sits at the center of what makes our lives work and communities thrive. By investing in housing, we promote vibrant and diverse communities where all Virginians can afford to live and work.

Virginia is facing a worsening affordable housing crisis. No jurisdiction has enough affordable housing to meet the needs of its residents. This shortage is due to multiple factors including historically low supply, rising demand, and stagnant wages for many working class occupations. According to the 2021 JLARC Affordable Housing Study, Virginia will require \$1.6B annually over the next 10 years to address the affordable house shortage. Yet, in the FY24 enacted budget, the General Assembly directed just 0.69% of the state general funds to affordable housing. Recognizing the vital role that housing plays in people's lives and the Commonwealth's economy, Virginia's budget should include significantly higher allocations for these critical resources. Without question, we must invest more in our efforts to expand the availability of safe, stable, and affordable housing in Virginia.

To this end, it is critical that the following housing allocations remain in the final state budget:

1. The Virginia Housing Trust Fund (HTF): [Item 102 #1h] The House budget included a \$37.5M increase in funding for the HTF over the biennium (\$12.5M in FY25 and \$25M FY26). The HTF supports the creation and preservation of affordable homes and the activities of homeless service providers across the state.
2. CoC Capacity Funding: [Item 102 #1s] The Senate budget included a \$2.7M increase in capacity funding for Continuum of Care (CoC) lead agencies each year. CoC lead agencies are regional or local organizations that play a vital role in coordinating services for families and individuals experiencing or at risk of homelessness.
3. Permanent Supportive Housing: [Item 297 #1h] The House budget included a \$5M investment each year in permanent supportive housing (PSH) for Virginians with serious mental illness.
4. State Rental Assistance Program (SRAP): [Item 297 #2s] The Senate budget included a \$1M increase in funding each year for the State Rental Assistance Program (SRAP) which provides community-based housing for Virginians with intellectual and developmental disabilities.

5. Down Payment Assistance for Low Income Homeowners: [Item 102 #4h] The House budget redirects \$5M of unallocated funds from the Regional Greenhouse Gas Initiative (RGGI) to create a down-payment assistance pilot program for homebuyers making under 60% of the area median income.

5. Manufactured Home Revolving Loan Fund: [Item 102 #2h] The House budget redirects \$5M of unallocated funds from RGGI to establish a pilot program to assist manufactured home park residents and non profits in purchasing the land on which homes reside.

6. Zoning for Housing Production (connected to HB 1105, Del. Carr): [Item 102 #3h] The House budget redirects \$5M of unallocated funds from RGGI to create a pilot program to incentivize localities to adopt zoning policies that encourage affordable housing development.

7. Virginia Eviction Reduction Program (VERP): [Item 102 #5h] The House budget includes an increase of \$1.4M over the biennium for VERP, which distributes flexible funding to local community serving organizations to prevent evictions at the individual and systemic level.

For the future of Virginia and all who call this state home, we urge you to preserve these critical housing allocations and to expand these investments where possible in the final budget. Housing can be a unifying issue in a time of divided state government because it's something we all can support. Thank you!

Sincerely,
Taylor Phillips