

FACT SHEET



1716 East Franklin Street, Richmond, VA 23223
804-643-2474 • www.virginiainterfaithcenter.org

Affordable Housing – Addressing Virginia’s Crisis

Problem: Low-income families, and even some 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. Although there was additional rental assistance available to families during the pandemic, that assistance will be ending soon. Thousands of families are on waitlists for public housing or Section 8 vouchers with little hope for help anytime soon. Families living on the financial edge can be thrown into homelessness with one minor crisis.

The Virginia United Ways identified housing as a particular concern in its 2020 ALICE in Virginia: A Financial Hardship Study. The ALICE (Asset Limited, Income Constrained, Employed) looks at working families who struggle to make ends meet despite having one or more family member being employed. The report says, “In Virginia, rising costs in urban areas... are due to rapid population growth and increasing demand for low-cost, urban rental units. ... And while the overall cost of living in rural America is lower than in metro areas, expenses — especially housing — are rising at similar rates in both areas.”

Based on a study issued by the Virginia Department of Planning and Budget, the Department of Housing and Community Development “found a deficit of 300,000 affordable housing units, with a deficit of around 32,000 federal housing vouchers in Virginia alone.” In the midst of this housing shortage, both rents and mortgages have been on the rise throughout the Commonwealth, from urban to rural areas.

Home ownership is an important way to help families stabilize their housing costs, build wealth, and transfer wealth to future generations. People who have been discriminated against in terms of acquiring or keeping a home lose opportunities to build wealth for themselves and future generations. The gap between Black and white homeownership in Virginia is now larger than it was in

1960 – 48 percent of Black Virginians own homes, compared to 73 percent of non-Hispanic white Virginians.

Solution: VICPP wants Virginia’s budget to fund increased affordable housing, and smooth the path for programs that will make housing more accessible for low income families.

Build more affordable housing units. VICPP supports the Virginia Housing Alliance proposal to invest in Virginia’s Housing Trust Fund (VHTF) to build affordable housing and prevent homelessness. In the first draft of the budget, Governor Northam proposed \$300 million over the biennium, and the Senate version of the budget maintains this increase. In the House version of the budget, the VHTF is allocated \$110 million over two years, consistent with past funding, but not rising to the challenge of this moment for Virginia. An increased investment could lead to approximately 20,000 new affordable rental units and 1,100 new homeownership opportunities. VICPP supports an increased allocation to the VHTF in the coming budget.

Create a program to provide rental assistance. Families need support to be able to rent housing on the private market. Given the limited supply of public housing, nonprofit housing, and Section 8 vouchers (the federal rental assistance program), Virginia should develop its own rental assistance voucher program to support low-income families. The Senate version of the budget includes amendment **114 #2s**, a change in language that would direct the Department of Housing and Community Development to convene a work group to develop guidelines for a long-term rental assistance program for low-income residents of Virginia. VICPP recognizes the importance of this program and supports this budget language chartering the work group. This amendment does not have a fiscal impact.