

Town of Warrenton, Warrenton, Virginia Request for Information on Affordable Housing

Fauquier Habitat for Humanity
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Organization Overview:

Habitat for Humanity International (HFHI) is a nonprofit organization that helps millions of people across the U.S. and more than 70 other countries worldwide achieve homeownership, repair their homes, and build stronger communities. Since 1976, Habitat for Humanity International has built 46 million homes. Fauquier Habitat for Humanity (FHFH), an affiliate of the HFHI, was formed in 1991 to serve a growing segment of our Town of Warrenton and Fauquier County community members needing housing assistance. To date, we have built and renovated 64 homes and performed over 200 critical home repairs in the town and county. Our work has impacted over 300 people who improved their living situation. Overseen by a Board of Directors, FHFH has a staff of eight with a mixture of degrees and licensed professionals in the construction, housing, and accounting industries. Our Construction Director holds a Class A Residential building license, and our Critical Home Repair Manager has a Class C Residential building license.

Our mission:

Seeking to put God's love into action, Habitat for Humanity brings people together to build homes, communities and hope.

Simply, Habitat for Humanity's mission is to increase access to homeownership through the construction and affordable sale of homes. This work addresses a present-day need: safe, affordable, owner-occupied homes for families falling between 30 and 80% AMI in our community. Affordable housing plays a critical role in strong and stable communities. But when we dig deeper, we see that a long history of severe inequity and discrimination in housing contextualizes this work.

We are an equal housing lender that serves everyone equally, regardless of race. We are responsible for acknowledging how race has informed access to credit in this country, and we are intentional about making our mortgage equitably accessible for everyone.

Our closings require only a minimal cash down payment, so there is no need to rely on wealth from generations of owning property. Our underwriting criteria uses inclusive credit evaluation and is more lenient than a conventional loan, so applicants are not permanently precluded from homeownership if they have limited assets. And we work to educate our homeowners on unfair practices like appraisal discrimination that can prevent them from getting fair value out of their homes.

In other words, we aim to divorce the opportunity of benefiting from homeownership from all of the barriers that have taken root in the mortgage market.

Concept:

The housing affordability crisis makes it difficult for cities across Virginia to recruit and retain essential community workers, including police officers and teachers. FHFH is increasing the supply of affordable housing by building entry-level starter homes while driving down building costs, a nationwide barrier to building affordable housing. Energy-efficient, open-concept home designs and an innovative community land trust set this starter home approach apart.

Fauquier Habitat for Humanity homes are placed in the Virginia Statewide Community Land Trust (VSCLT). This lowers the cost of the house to the buyer, resulting in lower monthly mortgage expenses, and ensures the land stays affordable in perpetuity. The homeowner pays tax on the improvements on the land. The CLT is unique in preserving land to remain affordable yet ensuring homeowners are adding to the tax base. (In Virginia, Habitat homes typically increase the value of nearby homes by 6.55%.)

The VSCLT model allows families to build wealth through monthly mortgage payments. In exchange for buying the house at a lower price, a VSCLT homeowner agrees to pass on the gift and sell the home at an affordable price to someone in a similar financial situation.

Fauquier Habitat's home building and repair activities also energize our local economy, support local jobs, increase tax revenues, and reduce the need for household governmental assistance. Each Habitat home (new, renovated, or repaired) supports between 1.3 and 4.6 full-time jobs in a given year, with a median of 3.5 jobs per home. Habitat spurred jobs pay an average salary and benefits between \$40,918 and \$60,637. Total economic contribution ranges from a low of \$145,563 to a high of \$709,424.00 per home, with a median of \$290,949.

Also, as families transition into Habitat homeownership, they reduce their reliance on public assistance, allowing scarce public dollars to benefit new households. Habitat directly stimulates the local economy by purchasing local construction and building materials, hiring local contractors, and employing staff. This employment and spending has a multiplier effect as it ripples across the broader community. The multiplier effect includes "indirect" economic impacts resulting from business-to-business transactions and "induced" effects, what employees spend their wages on at retail and other establishments in our county. The total economic impact is the sum of all three effects: direct, indirect, and induced.

Neighborhood Revitalization

Fauquier Habitat for Humanity's Neighborhood Revitalization (NR) program is based on an asset-based community development model that places residents as primary stakeholders and drivers to develop a collective vision for an improved quality of life in their neighborhood. Building houses alone does not fix the systemic, generational problems that plague underserved communities. Our current focus neighborhood, on and adjacent to Haiti Street/Eva Walker Park in Warrenton, is a historically African-American neighborhood with a rich history of family and social relationships and community engagement. Models that "push" services to communities without understanding from those who are impacted what their needs are or not engaging them as partners and stakeholders are ultimately unsuccessful as there is no sense of ownership or agency on the part of residents and other stakeholders.

The asset-based model employed by FHFH engages residents to identify the issues that negatively impact the neighborhood and work to "pull" the needed resources. We intend to emphasize our investment in people by replicating the NR model in other underserved neighborhoods and communities within Fauquier County and the guiding principles of our Critical Home Repair and single-family and multi-family builds. The resulting reach is ultimately building more than houses.

The 2019 Haiti Street/Eva Walker Park Small Area plan created by HD Advisors, with the support of community and town officials, gave input to the

1. financial analysis of potential redevelopment and density scenarios,
2. resident and community input sessions,
3. architectural guidelines, and
4. Community Land Trust analysis

This outcome, in turn, generated support from the PATH Foundation for Fauquier Habitat for Humanity to purchase several blighted buildings and lots on Haiti Street. FHFH is shovel-ready to build thirteen new, permanently affordable homes on Haiti Street within one year, removing the blighted buildings deemed unsafe housing. The homes create new housing for an additional thirteen families (30%-80% and up to 120% AMI for workforce families) who have lived or worked in Fauquier County for at least one year, joining the families and 22 children currently residing on the street. This proposal has support from Fauquier County and Sheriff, Town of Warrenton and Police, Senator Warner, Senator Kaine, and Congresswoman Wexton, Piedmont Environmental Council, Encompass, Virginia Housing, and Boys & Girls Club of Fauquier County.

FHFH has funding sources from Virginia Housing, Encompass, and Habitat Mortgage Solutions CDFI funding, but this does not cover all expenses. FHFH needs the support and investment from the Town of Warrenton to see this project through to completion. With all funds in place, our budget shows we can build the Energy-Star efficient homes with a price model that keeps the home mortgage at or below 30% of net income while allowing FHFH to recapture operational costs to move forward to the next project.

Current zoning rules work with our vision for the neighborhood.

Our next redevelopment area is 35 Horner Street, one block off Main Street, Warrenton. This site, again, with the support of the Piedmont Environmental Council, PATH Foundation, Encompass, and others, is an opportunity to build 18 affordable and workforce condominiums to answer the growing need for housing for our young professionals, elderly, and county employees who need functional homes in walkable communities. The design is created, we are discussing with the Special Use option with the Town of Warrenton zoning staff, and we are actively developing financing.

There has been a rural housing crisis for decades, and the Town of Warrenton is not immune to this situation. Local and federal investment is critical to building new housing, especially where access to traditional capital is limited. Fauquier Habitat for Humanity is leading a push to access programs like Community Development Block Grants, HOME Investment partnerships, and Virginia Housing and USDA-Rural Development housing construction programs and mortgages.

Rural communities such as the Town of Warrenton can only thrive when everyone, including our most vulnerable members, has access to housing. As such, FHFH, as a development practitioner, knows that community investments in infrastructure result in a tangible benefit for housing access. This includes water and wastewater systems, transportation, clean energy, and other underlying infrastructure that provide the foundation for affordable and livable communities. Additionally, land banks are a vehicle to acquire, hold, manage and distribute residential, commercial and industrial properties to meet our community's needs. Land banks can help mitigate the adverse effects of gentrification and prevent the displacement of low-income families and families of color in high-cost areas by securing land to create and preserve equitable opportunities.

One of the things that can make the Town of Warrenton’s close-knit community life more vibrant is to emulate other flourishing towns that have housing, small businesses, and community centers in the same building. This is a traditional way of life in many rural places, and it substantially benefits community development and housing affordability. Accessing a Historic Revitalization Grant program brings these project ideas to reality with the accompaniment of Historic Rehabilitation Tax Credits and housing tax credits.

Ideas and scalability addressed by Fauquier Habitat for Humanity will be a continuing conversation that involves inclusive development. The successful scale incorporates low-income, affordable, workforce, and market-rate homes in addition to universal design and studio or one-bedroom homes, creating healthy, holistic living environments.