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## ***Subsidized Luxury in Fairfax County***

By Michael Thompson

Almost everyone who hears the words “affordable housing” has an image in their mind of a nice, clean “starter home” in a middle class neighborhood – a basic, simple home with Formica counter tops, and parking on the street or under an “open garage.” They certainly don’t envision a resort style swimming pool, exercise facility, billiards room or business center with computers, the internet and printers. The basic home they have in mind is made “affordable” through a series of local government programs, many of which include federal funds. And the taxpayers certainly don’t expect their tax money to pay for condo fees of \$6800 a year.

That is why the Thomas Jefferson Institute’s recent study, *Subsidized Luxury in Fairfax County* ([www.thomasjeffersoninst.org](http://www.thomasjeffersoninst.org)) is such a blockbuster. And this is why Fairfax County Supervisor Pat Herrity is making such a fuss.

The idea behind “affordable housing” policy is that hard working heads of households and their families can be provided “nice, clean, basic homes” to get a solid start in their careers or re-settled after difficult times. These “affordable homes” are to provide a basic unit where the occupant -- owner or renter -- can reasonably save some money with the goal of moving out of these “subsidized units” into a residence that is totally their own.

But to the Fairfax County Government, “affordable housing” includes upper income communities and amenities far nicer than those enjoyed by most taxpayers who pay the bill. This at the same time when some traditional “affordable units” are infested with bed bugs and roaches. Priorities are clearly misplaced.

There are housing developments in Fairfax County where subsidized homes have sold for about 16% of the cost of the “normal” home in that development. Where there are \$860,000 homes, the county has required “similar looking” homes to be built and forced to sell these for only \$145,000. What kind of market priced home is there anywhere in the county for \$145,000?

Although a little smaller than the “big homes,” and with less expensive interiors, these “affordable homes” in high priced neighborhoods are not an incentive for the subsidized homeowner to ever move out. Why should someone want to better their life in order to buy a “nicer, better, bigger” home in a quiet neighborhood with a good school when the government provides them the opportunity to live in a luxury community or a nice apartment/condominium without having to make much money at all? This can only be described as “subsidized luxury.”

When artificially low prices are put on “affordable homes” in upper middle class communities, the county loses the property taxes that would otherwise flow to the government. And this forces all other homeowners to pay a little more in property taxes to make up for this lost revenue.

There are nice apartments and condominiums in gated communities with granite counter tops, spa-like swimming pools, business centers, tile flooring and stainless steel appliances that are part of the subsidized “affordable housing” in Fairfax County. There is little or no incentive for the occupant to strive for a better home. If the family does too well financially, it may no longer “qualify” for these incredibly nice homes, apartments or condominiums and then have to move to a “lower priced” area – where average Fairfax County residents live.

There are better alternatives to this current distorted county program. For instance, the developers could donate an agreed amount of money to a group such as Habitat for Humanity that builds truly affordable housing.

Another alternative would be to create a program called “Foster Housing” where a family in need could live in a foreclosed house and take care of it and the county pays the “subsidy” to the bank or mortgage holder. The contract between Fairfax County and the family would include the family’s responsibility to take care of the house and the property. The contracts would be for one year at a time and the home could not be sold out from under the family without a 90 day notice. This policy would protect the foreclosed home from damage; enhance the property values in the surrounding area (vacant homes deteriorate all property values rapidly); and the families would be living in more modest, middle class homes as the taxpayers expect.

Responding to our study and Supervisor Herrity’s trumpeting of the issue, the Chairman of Board of Supervisors, Sharon Bulova, tried to defend these luxury housing residences by saying the overall program provides homes for lower income people (she did not respond to the issue at hand which is the three luxury communities in the study), that the alternative would be “pockets of poverty” in Fairfax County for those served by the housing programs (the alternative is not that – the alternative is to use more modest homes and condos in the program), and that the monthly fees pay for grass cutting and snow removal (again she avoids the issue altogether of our taxpayers paying up to \$6800 a year according to the county auditor -- \$2100 more than our study found -- for gold-plated amenities like resort grade swimming pools, billiards rooms, office suites with computers and printers, etc ).

There is something basically out-of-whack when Fairfax County officials see nothing wrong when government housing is better than those lived in by the majority of the taxpayers.

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*Michael Thompson is Chairman/President of the Thomas Jefferson Institute for Public Policy, Virginia’s premier independent public policy foundation. These views are his and do not necessarily reflect those of the Institute or its Board of Directors. He can be reached at [info@thomasjeffersoninst.org](mailto:info@thomasjeffersoninst.org).*