FAIRFAX COUNTY
VIRGINIA



Overview of Economic and Federal Policy Landscape

Fairfax County Delegation Work Session

Rebecca Moudry, Director, Department of Economic Initiatives
Jennifer Van Ee, Legislative Director, Government Relations
Michael Becketts, Director, Department of Family Services

December 16, 2025

Topics

- Economic and Commercial Overview
- Direct Payment and Social Services Impacts
- Policy and Budget Considerations

Uncertainty in the Economic Environment

Federal policy changes have created significant uncertainty:

- Reliance on federal employment and procurement spending
- DOGE impacts on federal employment in the region and state
- Federal budget and impacts of H.R. 1 (“One Big Beautiful Bill”) – continued monitoring/evaluation
- Trade policies and tariffs impact on inflation and consumer sentiment

Virginia Reliance on Federal Contracting

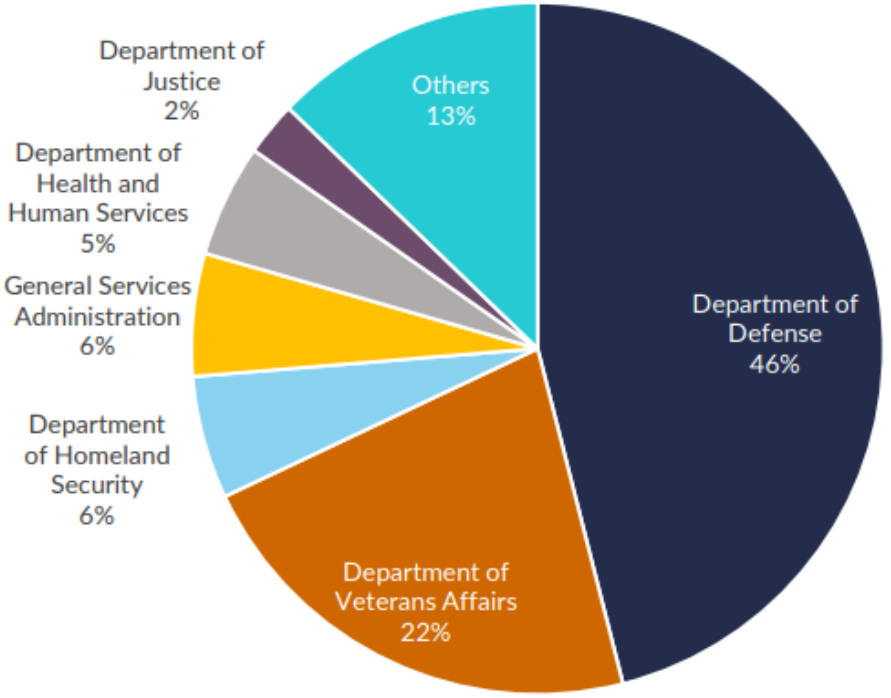
The GA Emergency Committee on the Impacts of Federal Workforce and Funding Reductions has been an invaluable resource in understanding the impact of federal policy and spending changes.

$109 Billion Spent with Virginia's Private Sector Employers

$1 in every $7 of federal contract money is spent in Virginia, primarily with the Department of Defense and Department of Veterans Affairs

Half of federal contracting dollars go to businesses in the professional, scientific, and technical services industry

Federal Contracting Spending in Virginia by Agency (FFY 2023)



September 11, 2025 Presentation

Fairfax County Federal Footprint

FY 2024 Snapshot

80K+
Federal Employment – Residents
(Resident Civilian Workforce)

28K+
Federal Employment – At Place
(Civilian Workforce)

45K+
Fort Belvoir – At Place
(Military – Civilian DoD – Contractors)

$41.3B
Contract Awards

$454M
Grant Awards

2023 ACS 5Yr Estimates; 2024 Q3 QCEW, Army.mil; USA Spending.gov;

State of the Local Economy

Fairfax County Unemployment:

August 2025: 3.7%

January 2025: 2.7%

August 2024: 2.9%

VA August 2025: 3.6%

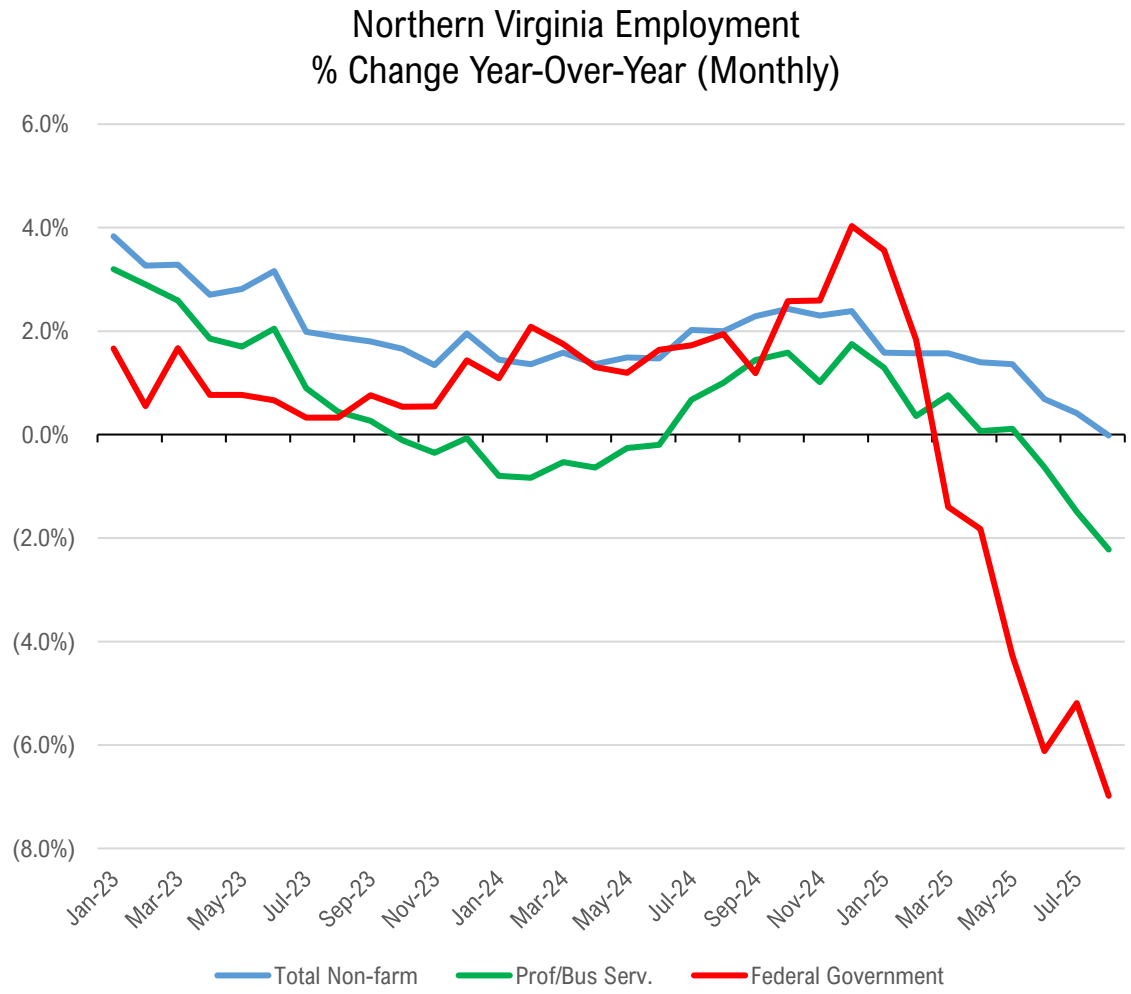
U.S. August 2025: 4.3%

NOVA Aug 2025 Employment (YOY):

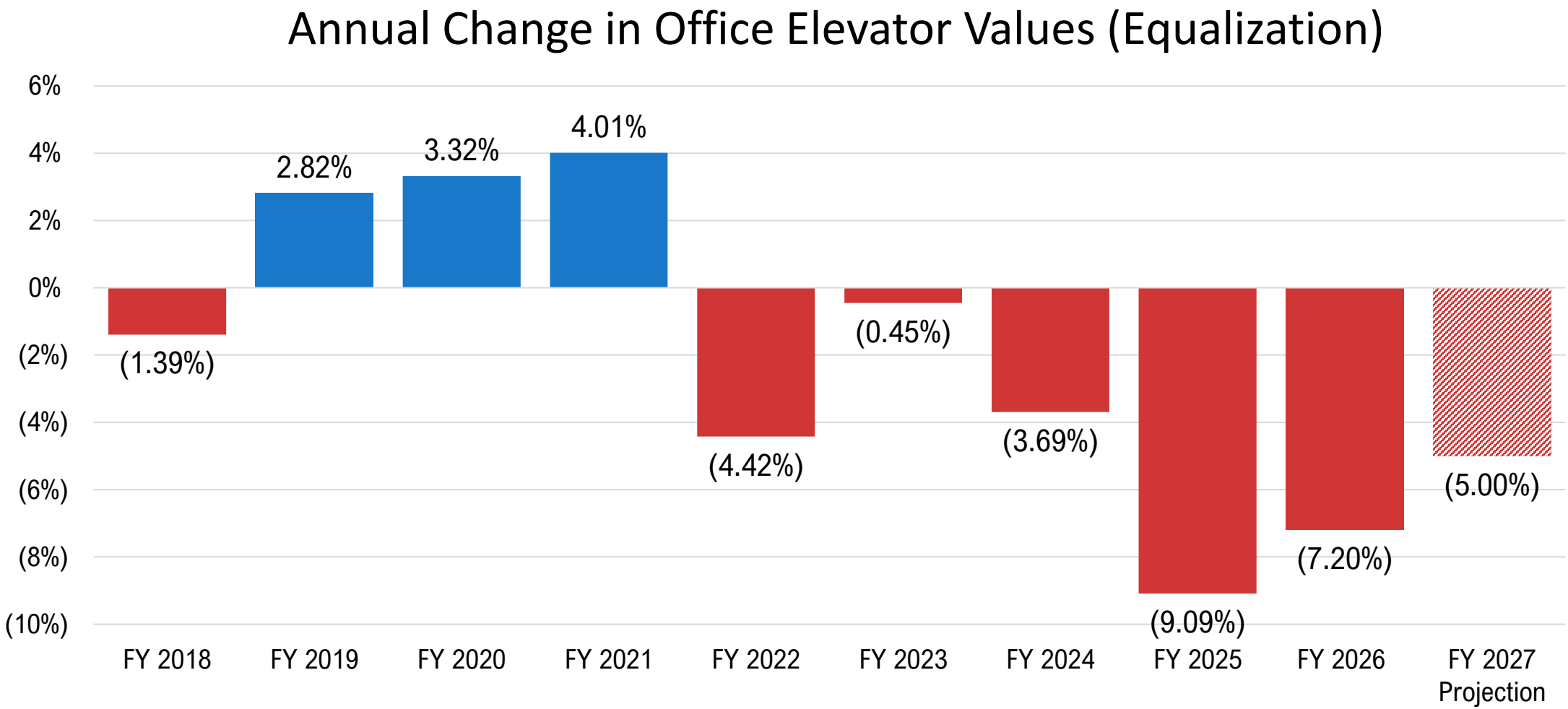
Total Non-farm jobs: -300, 0%

Prof./Business Serv. jobs: -10,300 or (2.2%)

Federal Government jobs: -6,600 or (7.0%)



Impacts to Key Revenue Source

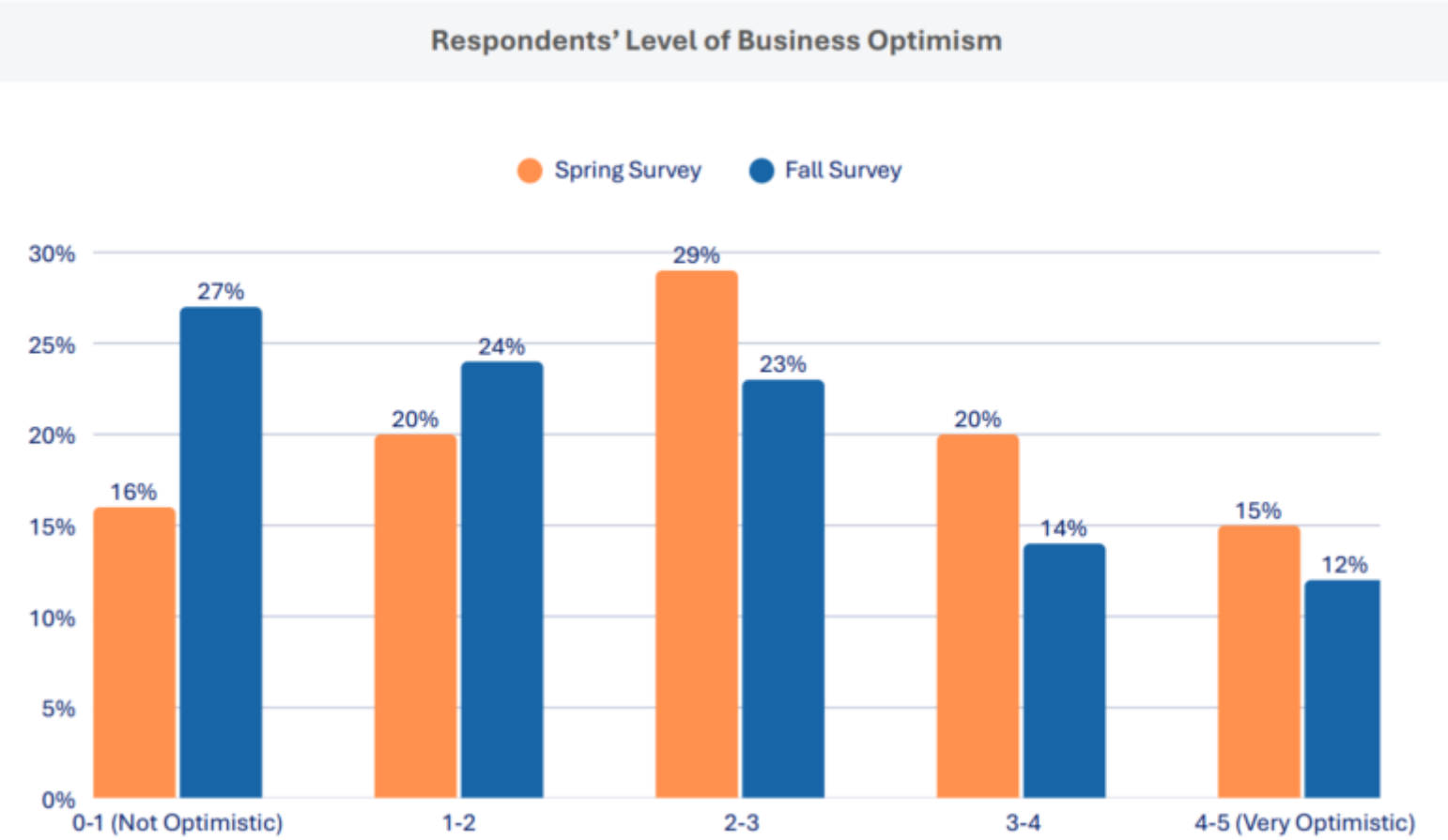


From FY2018 – FY2026 Office Elevator value has fallen from 31.4% to 23.8% as a share of the nonresidential tax base

Local Business Sentiment

Fairfax County Fall 2025 Business Pulse Survey

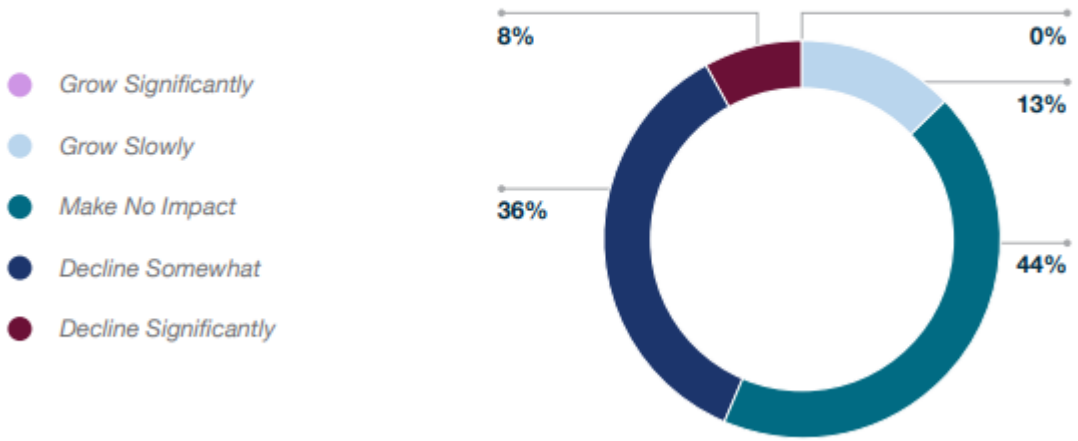
Question: On a scale of 1-5, how optimistic are you about your business prospects over the next six months? Where 5 is very optimistic and 1 is not optimistic at all.



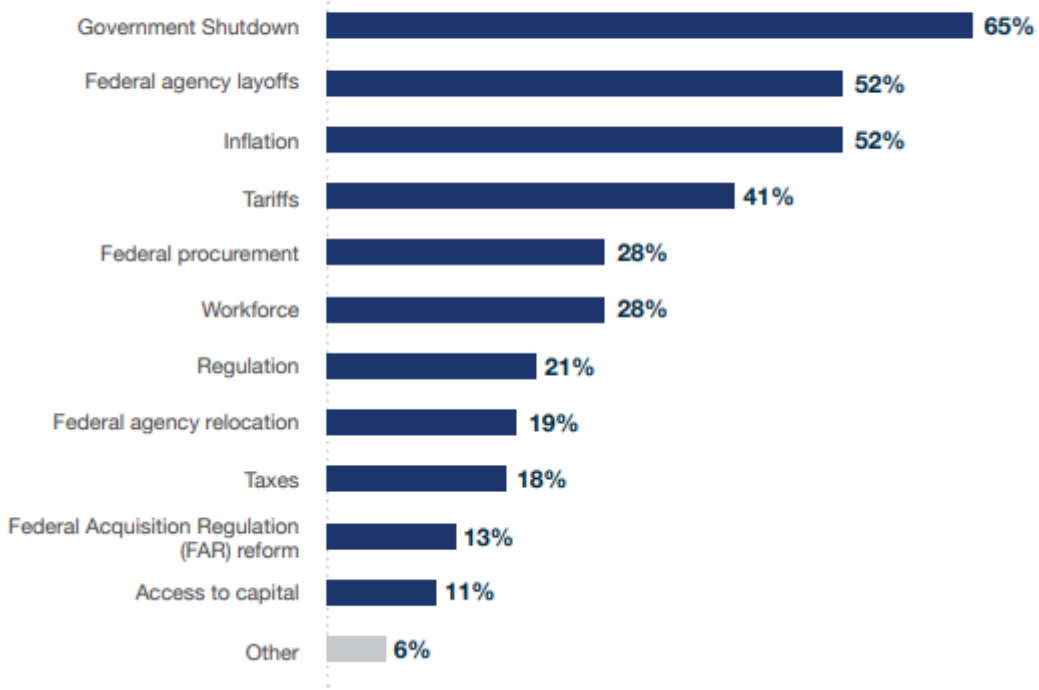
Regional Business Sentiment

NVC/Pinkston Business Leader Survey – Q4 2025 Report

How has the federal government shutdown impacted your company? Is it causing your company to…



Which **external issues** do you expect to most impact your **business growth** within the next six months? *Please select all that apply.*



Direct Payment – Social Services Impacts

H.R. 1 and Congressional action will create significant changes to the federal, state, and local government partnership. H.R. 1 changes the national landscape for SNAP and Medicaid.

- Increased costs to states and localities
- New requirements for service delivery
- Increased regulation of services to program beneficiaries
- Significant increases in the number of uninsured and food-insecure

Supplemental Nutritional Assistance Program (SNAP)

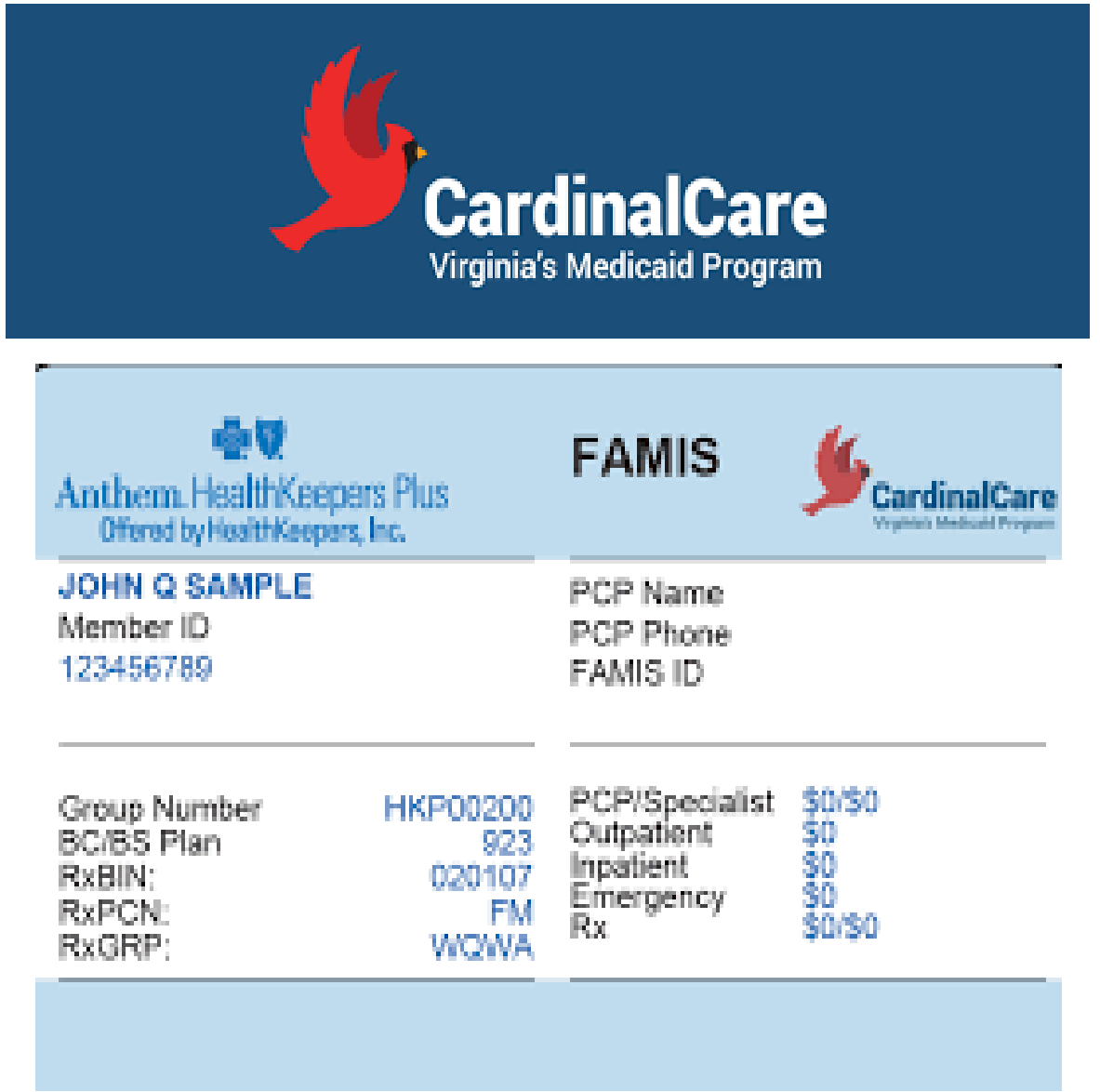
- Shift in administrative costs to deliver the program
- Shift in benefit costs to states based on SNAP Payment Error Rate (PER)
  - Virginia's payment error rate is currently 11.5%.
  - Cost to states is based on the error rate calculated by the USDA from October 1, 2025, to September 30, 2026.
- Changed Work Requirements
  - Veterans
  - Homeless
  - Former foster youth
  - Families with children under 14 years old
- Changes in qualifying immigration statuses for SNAP.

SM SNAP Supplemental Nutrition Assistance Program



Medicaid

- Increased eligibility verification for the Medicaid Expansion population; ~50,000
- Changes in qualifying immigration statuses for Medicaid benefits
- New community engagement and work requirements



Weldon Cooper Revenue Analysis

UVA's Weldon Cooper Center provided an analysis on the state General Fund revenue generated and returned to Fairfax County (Fall 2025).

- Fairfax County is the most populous locality in Virginia, with approximately 1.15 million residents, roughly **13%** of the state's population.

- Fairfax County generated approximately $5.77 billion in General Fund tax revenues for the Commonwealth - **20.7%** of all state General Fund revenue.

- General Fund revenue is driven primarily by individual income taxes (over $4.5 billion from Fairfax in FY 2024) as well as sales, corporate income, and other taxes.

Tax Reform and Economic Impact

Delegate Vivian Watts



Northern Virginia Regional Transit Service and Needs

Fairfax County Delegation Work Session

Bryan Hill, Fairfax County Executive

FAIRFAX CONNECTOR

metro

VRE

December 16, 2025

DMVMOVES
Moving our region forward, together.



Housing Continuum in Fairfax County

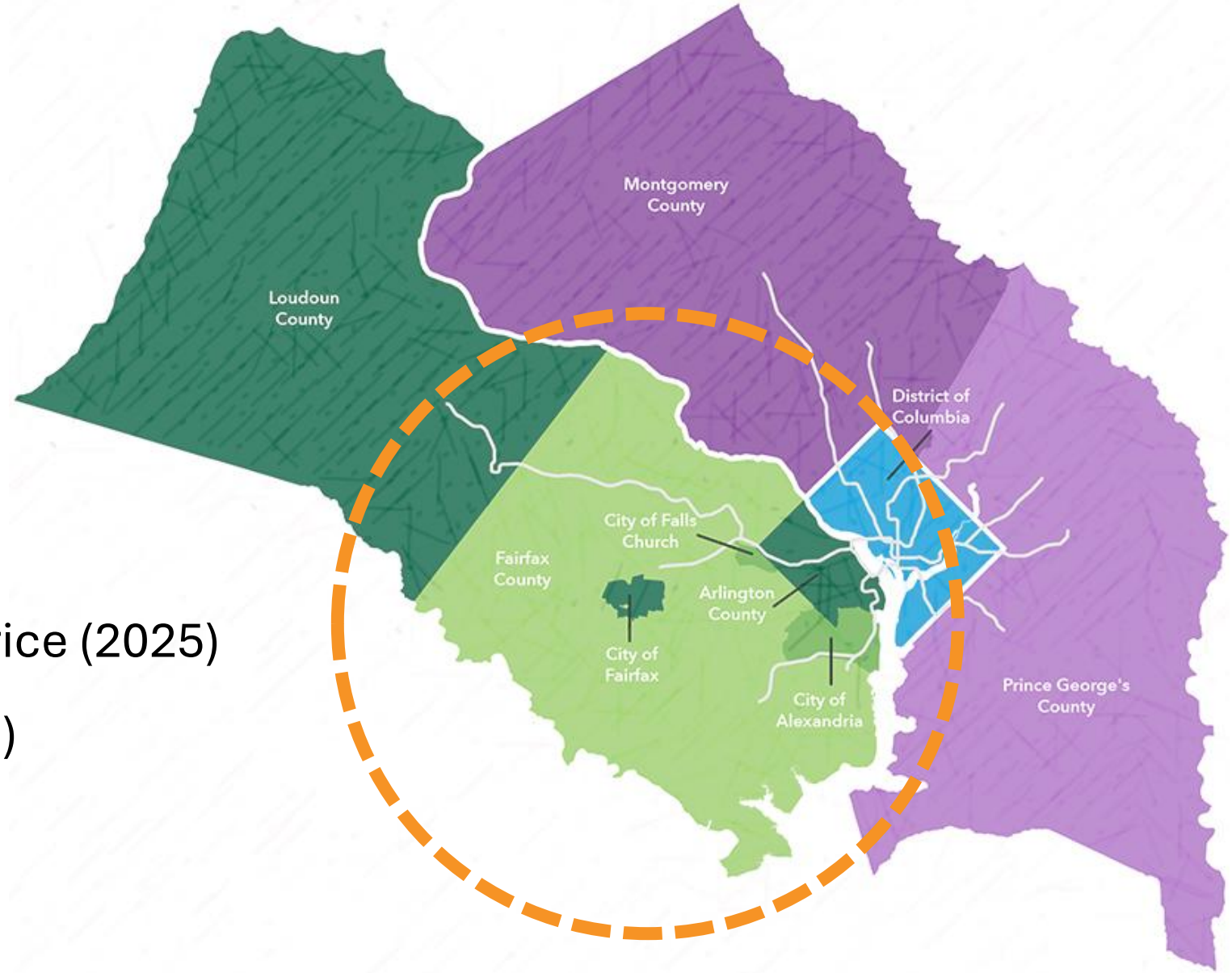
Fairfax County Delegation Work Session

Jennifer Miller, Deputy County Executive, Community Development

December 16, 2025

FAIRFAX COUNTY, VIRGINIA

- 406 Square Miles
- 1.2 Million Residents
- 9 Magisterial Districts
- $138 Billion GDP (2022)
- $163,900 AMI (2025)
- $735,000 Median Home Price (2025)
- $2,700 Average Rent (2025)



Why Housing Matters

A continuum of quality housing is the core foundation for successful communities.

Where we live matters, and people choose Fairfax County because of our exceptionally strong local economy and quality of life.

Meeting demand for housing across the continuum of incomes is imperative for sustaining and growing our economy, promoting healthy communities, and ensuring individual and family success.

Current Challenges



Supply is not keeping pace with job growth and market demand. Fairfax County has approved thousands of housing units that are not yet built.



From 2013 – 2023, Fairfax County added 2.13 new jobs per new home. Constrained supply is a barrier to sustained economic competitiveness.



Median home values now exceed $770,000, requiring a $230K annual income for a family of four to afford. Housing is out of reach for moderate income residents.

GOAL: 10K NET NEW AFFORDABLE UNITS

Opportunities are identified in high opportunity areas near jobs, transit and amenities. The County targets its limited resources to low- and moderate-income households and special needs populations.



NEW PRODUCTION:
10,000 new affordable housing



PRESERVATION:
No net loss of affordability



Finance w/ Local Tax Dollars



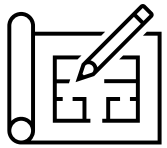
Acquisition Partnerships



Ground Lease of Public Land

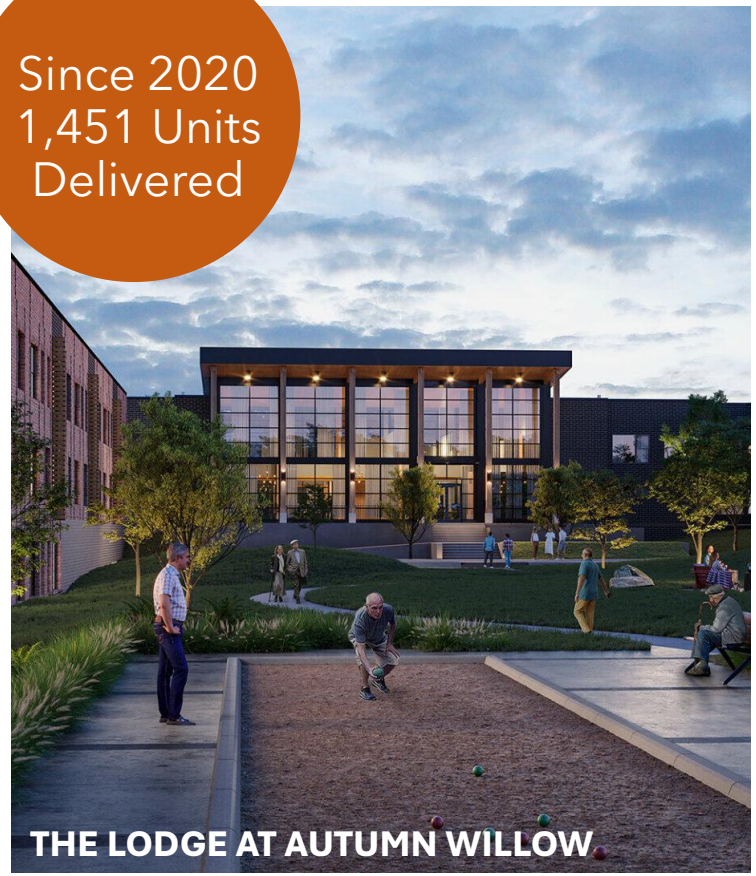


FCRHA Self-Development



Inclusionary Housing & Development Policies

Since 2020
1,451 Units
Delivered


THE LODGE AT AUTUMN WILLOW



THE EXCHANGE


ONE UNIVERSITY


OAKWOOD SENIOR



NORTH HILL


FAIRFAX CREST

1,445 Units
Under
Construction

Leading Change in Residential Development

At the direction of the Board, our Interagency Housing Task Force was formed to focused on using our local flexibility to build on success.

Working groups around the following topics are generating ideas to create a **roadmap to increasing housing production**:

- streamlining land entitlements and regulatory approval processes;
- creating new pathways to homeownership for moderate income families;
- evolving our financial tools to deliver high quality housing;
- strengthening public-private partnerships; and
- cooperating with faith communities on housing development.

Thank You

Questions – Discussion