

Our Mission: To provide a supplemental financial mechanism to fund affordable housing initiatives needed to mitigate the impact of redevelopment along Columbia Pike.

In December 2013, the Arlington County Board established a tax increment financing area to help finance affordable housing initiatives in support of the Columbia Pike Neighborhoods Area Plan.

In 2009, the Land Use and Housing Study process began to study the multi-family housing areas along Columbia Pike with the goal of producing the next major plan for Columbia Pike. The process was completed in July 2012 and resulted in the adoption of the Columbia Pike Neighborhoods Area Plan (the Plan). This 30-year plan establishes the future vision for the primarily multi-family residential areas located between the commercial nodes along the Columbia Pike corridor. The Plan established a goal of preserving all existing 6,200 market rate affordable units (MARKS). Columbia Pike Tax Increment Financing Area (TIF) revenues are utilized to fund affordable housing initiatives needed to mitigate the impact of redevelopment along Columbia Pike, particularly related to the preservation of affordable housing. TIF revenues have been used to fund the Transit Oriented Affordable Housing Fund (TOAH Fund), a tool designed to help affordable housing developers utilizing the Low-Income Housing Tax Credit program pay for certain County fees and infrastructure costs of these projects.

Beginning with the FY 2024 adopted budget, both existing balances and new revenue in this TIF will be dedicated to the County's largest investment in preserving affordable housing along Columbia Pike – preserving the affordability of the 1,334-unit Barcroft Apartments. Funding from the TIF will be coupled with Affordable Housing Investment Fund (AHIF) funding to pay principal and debt service on the \$150 million loan provided by the County in December 2021 to support acquisition of the property by Jair Lynch Real Estate Partners. This County loan, in combination with a \$160 million low-rate loan from the Amazon Housing Equity Fund will support the preservation of all Barcroft apartments as affordable units. In addition, the TIF will continue to fund two positions within the Community Planning, Housing, and Development's (CPHD) Housing Division, a Principal Development Specialist and Compliance Coordinator (Principal Planner).

TIF is a mechanism used to support development and redevelopment by capturing the projected increase in property tax revenues in the area and investing those funds in improvements or mitigation efforts associated with the project. Unlike a special district, it is not an additional or new tax; rather, it redirects and segregates a portion of the increased property tax revenues that would normally flow to the General Fund to be used for a specified purpose. The amount of the tax increment revenue is determined by setting a baseline assessed value of all property in the area on January 1, 2014, and in each subsequent year, tracking the incremental increase in assessed values relative to the base year and segregating the incremental real estate tax revenue generated in a separate fund. The Board approved allocating 25 percent of the incremental real estate tax revenues to the Columbia Pike TIF area. This percentage can be revisited as part of the annual budget process. The TIF area includes the Columbia Pike Neighborhoods Special Revitalization District and the Columbia Pike Special Revitalization District as noted on the General Land Use Plan.

In the adopted FY 2018 budget, the County Board adjusted the TIF's baseline to the CY 2018 assessed value of \$3,066,510,900. In FY 2024, revenues are based on a 2.6 percent increase in real estate tax assessments in the TIF area. Beginning in FY 2024, both existing balances and new revenue in this TIF will be used to assist with funding the principal and debt service costs to preserve the affordability of the Barcroft Apartments.

SIGNIFICANT BUDGET CHANGES

The FY 2024 adopted expenditure budget for the Columbia Pike Tax Increment Financing Area is \$1,737,840. FY 2024 revenue projections reflect a 2.6 percent increase in real estate tax assessments in the TIF area.

- ↑ Revenue projection increases in the tax district due to increases in real estate assessments from CY 2022 to CY 2023.

PROGRAM FINANCIAL SUMMARY

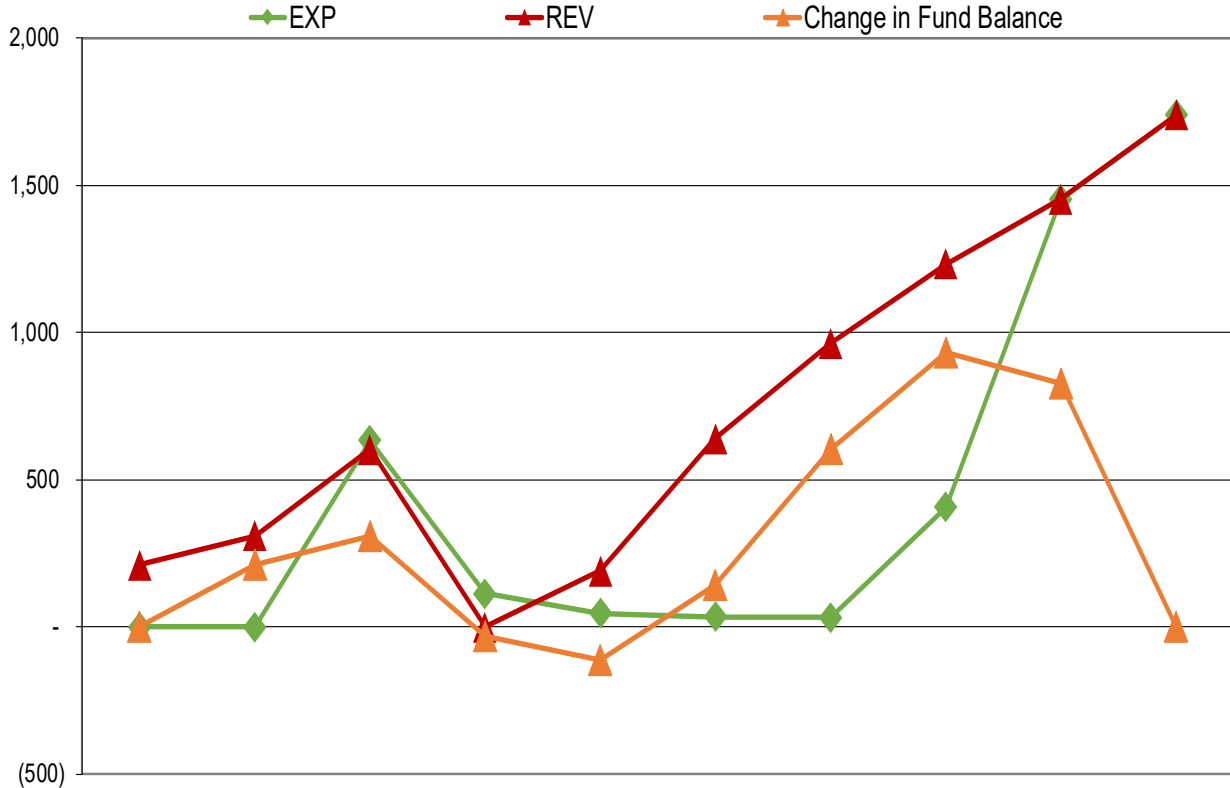
	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted	% Change '23 to '24
Personnel	-	\$307,093	\$307,809	-
Non-Personnel	\$406,655	1,146,167	1,430,031	25%
Total Expenditures	406,655	1,453,260	1,737,840	20%
Total Revenues	1,233,140	\$1,453,260	\$1,737,840	20%
Change in Fund Balance	\$826,485	-	-	-
Permanent FTEs	-	-	-	
Temporary FTEs	-	-	-	
Total Authorized FTEs	-	-	-	

COLUMBIA PIKE TAX INCREMENT FINANCING AREA FUND STATEMENT

	FY 2022 ACTUAL	FY 2023 ADOPTED	FY 2023 RE-ESTIMATE	FY 2024 ADOPTED
ADJUSTED BALANCE, JULY 1	\$2,053,476	\$2,300,906	\$2,879,961	\$3,827,589
REVENUE				
Tax Increment Area	1,233,140	1,453,260	1,563,360	1,737,840
TOTAL REVENUE	1,233,140	1,453,260	1,563,360	1,737,840
TOTAL REVENUE & BALANCE	3,286,616	3,754,166	4,443,321	5,565,429
EXPENDITURES				
TOAH Fund - Current Year	406,655	1,453,260	615,732	1,737,840
TOTAL EXPENDITURES	406,655	1,453,260	615,732	1,737,840
BALANCE, JUNE 30	\$2,879,961	\$2,300,906	\$3,827,589	\$3,827,589

The FY 2023 re-estimate column reflects an allocation approved by the County Board in February 2020 of \$984,000 in TOAH funds towards the Arlington View Terrace East development. Of this amount, \$577,345 is anticipated to be spent in FY 2023. It also includes the fourth quarter FY 2023 personnel expense for a Compliance Coordinator (\$38,387; 1.0 FTE).

EXPENDITURE AND REVENUE TRENDS



	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted Budget	FY 2024 Adopted Budget
EXP	-	-	\$633	\$112	\$45	\$34	\$32	\$407	\$1,453	\$1,738
REV	\$209	\$309	\$602	-	\$189	\$639	\$963	\$1,233	\$1,453	\$1,738
Change in Fund Balance	-	\$209	\$309	-\$31	-\$112	\$144	\$605	\$931	\$826	-

COLUMBIA PIKE TAX INCREMENT FINANCING AREA
TEN-YEAR HISTORY

Fiscal Year	Description	FTEs
FY 2015	<ul style="list-style-type: none"> ▪ In December 2013, the Arlington County Board established a tax increment financing area to help finance affordable housing initiatives in support of the Columbia Pike Neighborhoods Area Plan. The baseline assessment for the TIF area is \$2.7 billion. A two percent increase in assessments between CY 2014 and CY 2015 will yield approximately \$119,950 in partial year revenues in the spring of FY 2015. This estimate is based on capturing the full 25 percent of the tax increment for FY 2015. 	
FY 2016	<ul style="list-style-type: none"> ▪ Revenue projections in the tax district increased due to a full year of tax collections and increases in real estate assessments. 	
FY 2017	<ul style="list-style-type: none"> ▪ Revenue projections in the tax district increased due to increases in real estate assessments. 	
FY 2018	<ul style="list-style-type: none"> ▪ The County Board adjusted the TIF's baseline assessed value to CY 2018 and adjusted the funding allocation to the district in FY 2018. By resetting the calculated tax base for the district, no new FY 2018 funding will be directed to the district. However, existing fund balances will remain in the fund and future real estate tax revenue over the CY 2018 base year will be allocated to the Columbia Pike TIF based on the incremental real estate tax revenue percentage adopted by the County Board. 	
FY 2019	<ul style="list-style-type: none"> ▪ Revenue projections in the tax district increased due to increases in real estate assessments. 	
FY 2020	<ul style="list-style-type: none"> ▪ Revenue projections in the tax district increased due to increases in real estate assessments and the County Board adopted tax rate increase. 	
FY 2021	<ul style="list-style-type: none"> ▪ Revenue projections in the tax district increased due to increases in real estate assessments. 	
FY 2022	<ul style="list-style-type: none"> ▪ Revenue projections in the tax district decreased due to decreases in real estate assessments. 	
FY 2023	<ul style="list-style-type: none"> ▪ Revenue projections in the tax district increased due to increases in real estate assessments. 	
FY 2024	<ul style="list-style-type: none"> ▪ Revenue projections in the tax district increased due to increases in real estate assessments. ▪ Dedicated existing balances and new revenue to assist with funding the principal and debt service costs to preserve the affordability of the Barcroft Apartments. 	