

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 (TIF) area to help finance affordable housing initiatives in support of the Columbia Pike Neighborhoods Area Plan. 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 is revisited as part of the annual budget process. 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. 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.

Beginning with the FY 2024 adopted budget, both existing balances and new revenue in this TIF are 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 is 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 supports the preservation of all Barcroft apartments as affordable units. In addition, the TIF continues to fund two positions within the Community Planning, Housing, and Development's (CPHD) Housing Division, a Principal Development Specialist and Compliance Coordinator (Principal Planner).

SIGNIFICANT BUDGET CHANGES

The FY 2025 proposed expenditure budget for the Columbia Pike Tax Increment Financing Area is \$2,344,230. FY 2025 revenue projections reflect a 5.6 percent increase in real estate tax assessments in the TIF area.

- ↑ Personnel increases due to employee salary increases, an increase in the County's cost for employee health insurance, and slightly higher retirement contributions based on current actuarial projections.
- ↑ Non-personnel increases due to the increase in revenue to the TIF which is applied to pay principal and debt service on the \$150 million loan provided by the County in December 2021 to support acquisition of the Barcroft Apartment property by Jair Lynch Real Estate Partners.
- ↑ Revenue projection increases in the tax district due to increases in real estate assessments from CY 2023 to CY 2024.

COLUMBIA PIKE TAX INCREMENT FINANCING AREA

FUND SUMMARY

PROGRAM FINANCIAL SUMMARY

	FY 2023 Actual	FY 2024 Adopted	FY 2025 Proposed	% Change '24 to '25
Personnel	-	\$307,809	\$323,392	5%
Non-Personnel	\$249,512	1,430,031	2,020,838	41%
Total Expenditures	249,512	1,737,840	2,344,230	35%
Total Revenues	1,534,595	\$1,737,840	\$2,344,230	35%
Change in Fund Balance	\$1,285,083	-	-	-
Permanent FTEs	-	-	-	
Temporary FTEs	-	-	-	
Total Authorized FTEs	-	-	-	

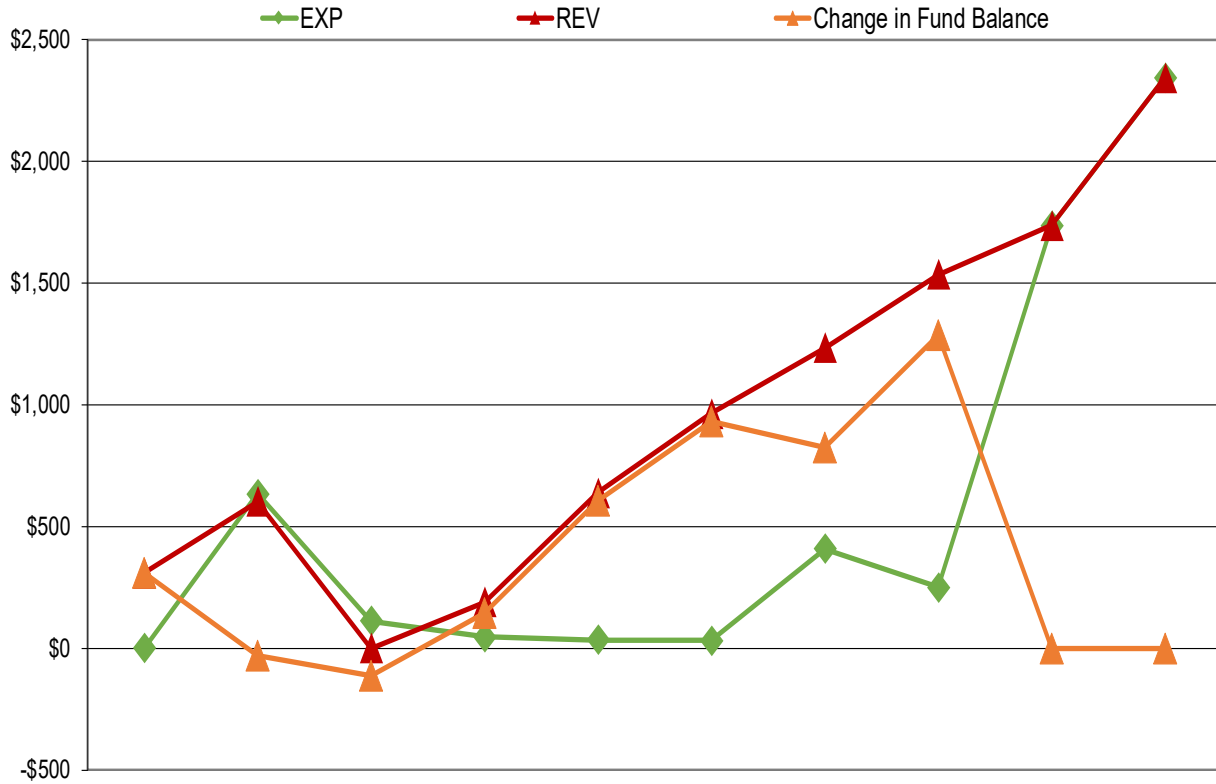
COLUMBIA PIKE TAX INCREMENT FINANCING AREA FUND STATEMENT

	FY 2023 ACTUAL	FY 2024 ADOPTED	FY 2024 RE-ESTIMATE	FY 2025 PROPOSED
ADJUSTED BALANCE, JULY 1	\$2,879,962	\$3,827,589	\$4,165,045	-
REVENUE				
Tax Increment Financing	1,534,595	1,737,840	1,965,320	\$2,344,230
TOTAL REVENUE	1,534,595	1,737,840	1,965,320	2,344,230
TOTAL REVENUE & BALANCE	4,414,557	5,565,429	6,130,365	2,344,230
EXPENDITURES	249,512	1,737,840	\$6,130,365	\$2,344,230
BALANCE, JUNE 30	\$4,165,045	\$3,827,589	-	-

The FY 2024 re-estimate column reflects both existing balances and new revenue in this TIF are fully expended to assist with funding the principal and debt service costs to preserve the affordability of the Barcroft Apartments. In addition, the TIF continues to fund two positions within the Community Planning, Housing, and Development's (CPHD) Housing Division, a Principal Development Specialist and Compliance Coordinator (Principal Planner).

COLUMBIA PIKE TAX INCREMENT FINANCING AREA
TEN-YEAR HISTORY

EXPENDITURE AND REVENUE TRENDS



	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Adopted Budget	FY 2025 Proposed Budget
EXP	-	\$633	\$112	\$45	\$34	\$32	\$407	\$250	\$1,738	\$2,344
REV	\$309	\$602	-	\$189	\$639	\$963	\$1,233	\$1,535	\$1,738	\$2,344
Change in Fund Balance	\$309	-\$31	-\$112	\$144	\$605	\$931	\$826	\$1,285	-	-

COLUMBIA PIKE TAX INCREMENT FINANCING AREA
TEN-YEAR HISTORY

Fiscal Year	Description	FTEs
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. 	