



Pathways to 255 CAFs at 30% AMI at Barcroft Apartments

Arlington Community Foundation

Shared Prosperity Initiative

June 2023



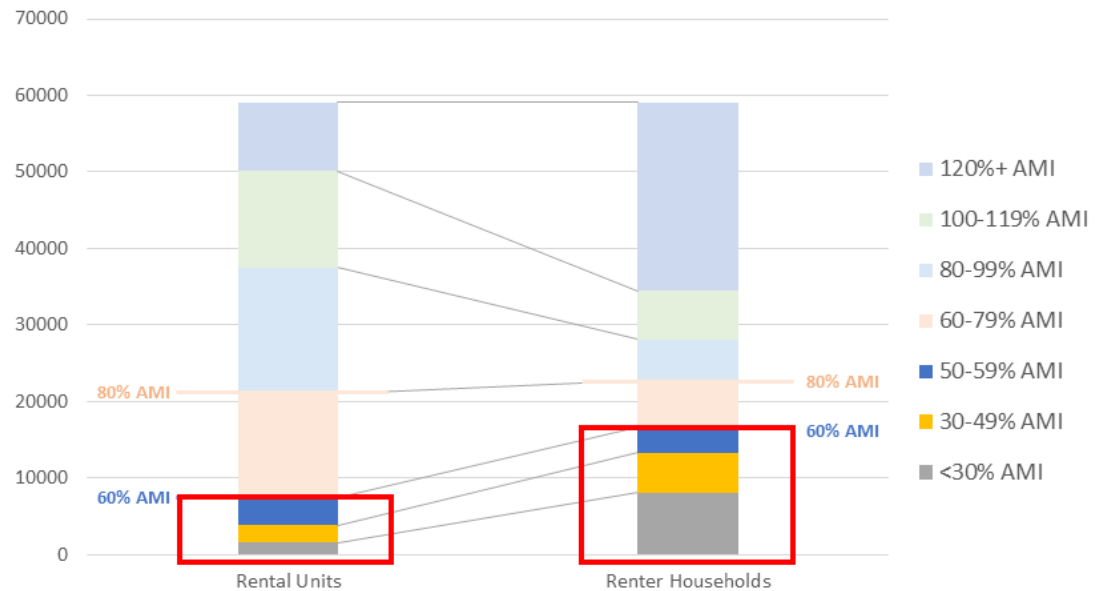
What's our inventory of rentals at 30% AMI?



Arlington Community Foundation Shared Prosperity Initiative

Supply-Demand Mismatch Rental Units vs. Renters by AMI

Arlington County



There is a severe shortage of units affordable at 50% AMI and below relative to the number of households at that level. Extremely low-income households are particularly underserved, with fewer than 1600 units affordable to the 8000+ renter households in Arlington at 30% AMI or below.

Source: GMU Stephen Fuller Institute, Arlington County 2020 Updated Housing Needs Analysis

Arlington's Living Wage Gap For Essential Jobs

Living wage is defined as the full-time hourly rate that an individual in a household must earn to support him or herself and their family *without outside assistance or sharing housing*.

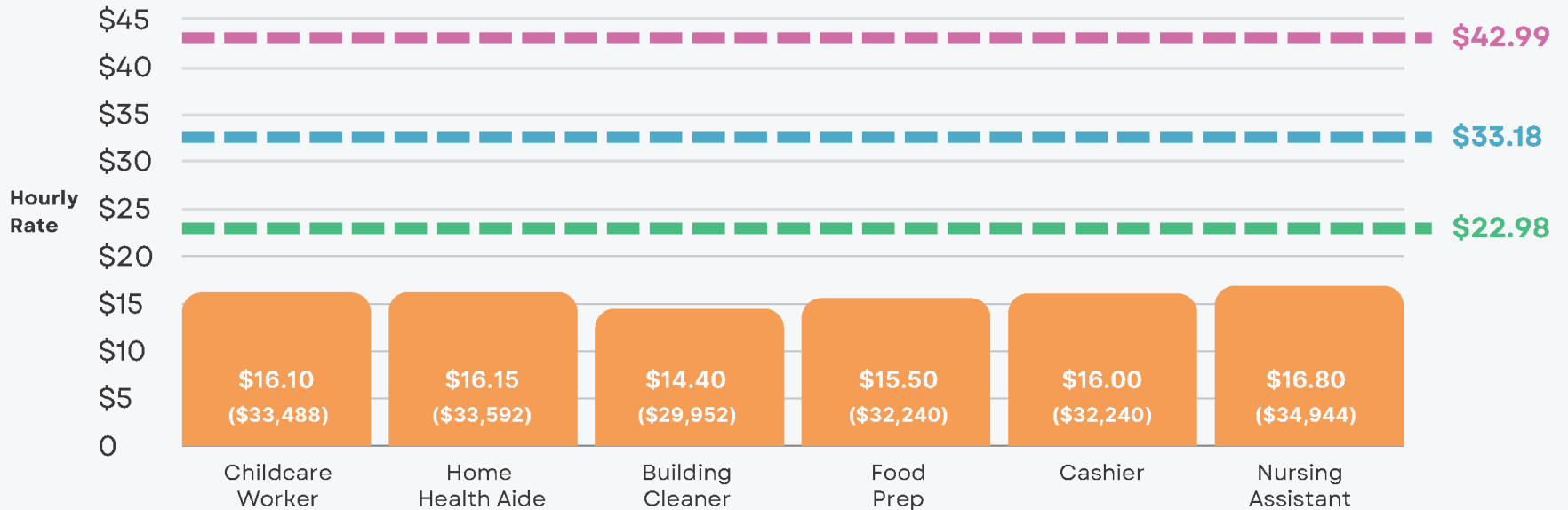
The median hourly rates below are derived from August 2022 JobsEQ™ real-time data on median wages across all experience levels for listed positions. The number in parenthesis is the annual income if full-time [most are not].

Visit arlc.org/sharedprosperity to view the full list of positions.

2022 LIVING WAGES FOR:

- **1 working adult. 2 children.**
(\$89,422 annually, before taxes) Household where one adult stays home with children*
- **2 working adults. 2 children.**
(\$138,028 annually, before taxes) Household with both adults working, so annual need includes childcare expenses*
- **Single adult. No children.**
(\$47,778 annually, before taxes)*

*Source: MIT Living Wage Calculator



What is ACF doing to help address this issue?

Philanthropic investment in buildings

~\$170,000 additional investment per unit is needed to buy down a 60% AMI CAF to a 30% AMI CAF for 30 years.

Philanthropically funded 2-year rent subsidy program

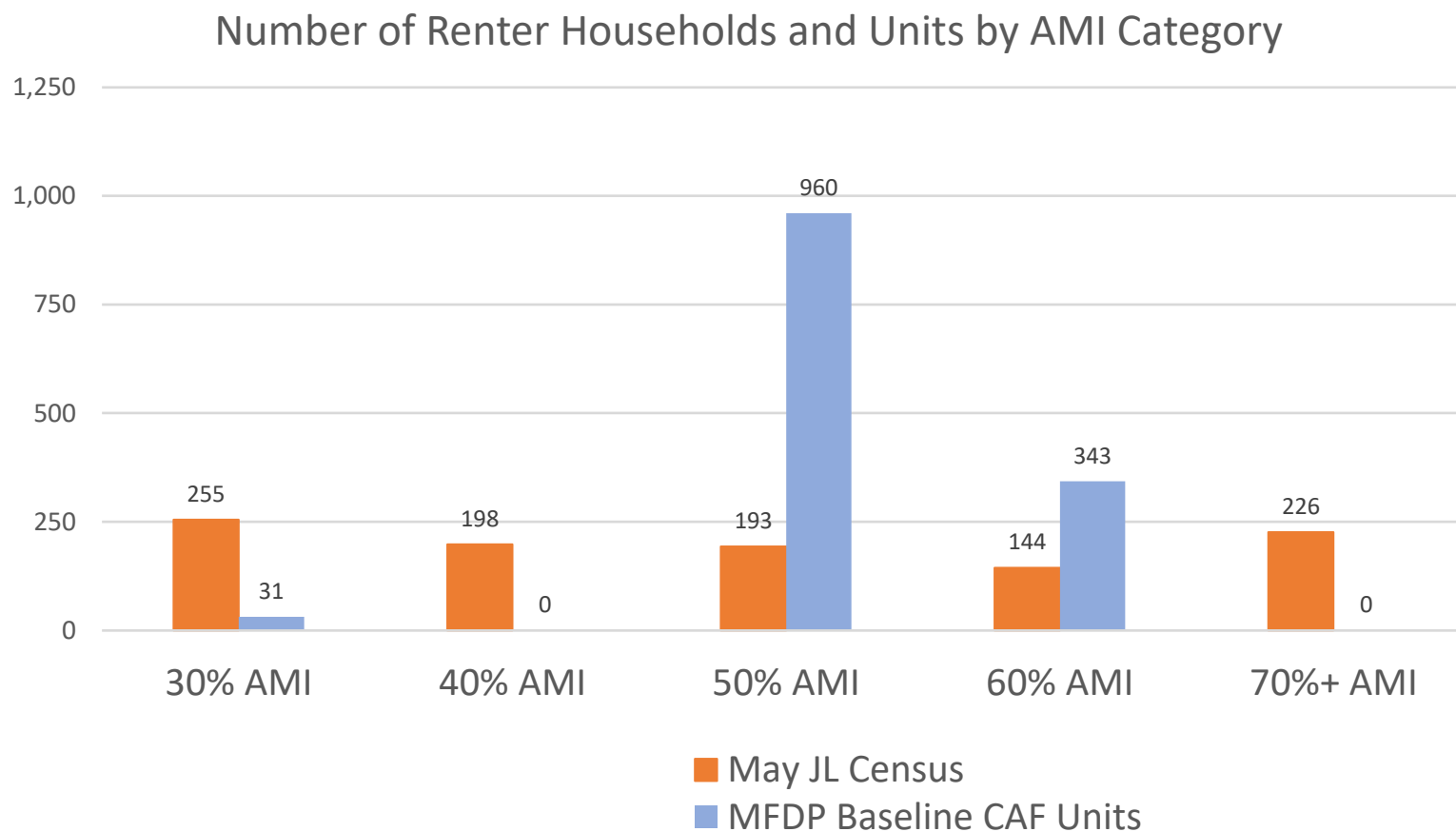
Average Housing Grant for a 30% AMI household to cover the cost of a 60% AMI unit is approximately \$9,000 annually. Annual cost for Grants goes up as rent in Arlington continues to increase.

Advocacy for 255 30% units at full build-out of Barcroft

Deploying key tools - income averaging, use of 9% LIHTC program, adjusting amount of new construction and additional investment - puts this goal within reach. Avoids need for Housing Grants at this property for 30 years.

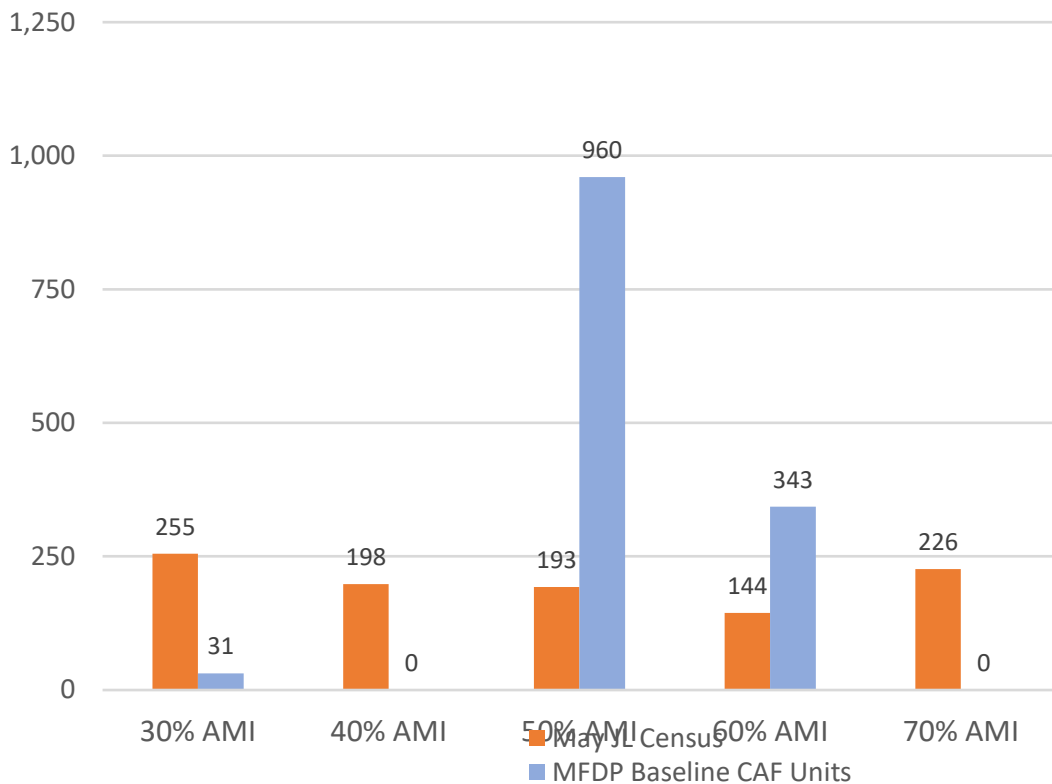


May Census vs. MFDP Baseline Mismatch



MFDP Baseline Details

Number of Renter Households and Units by AMI Category



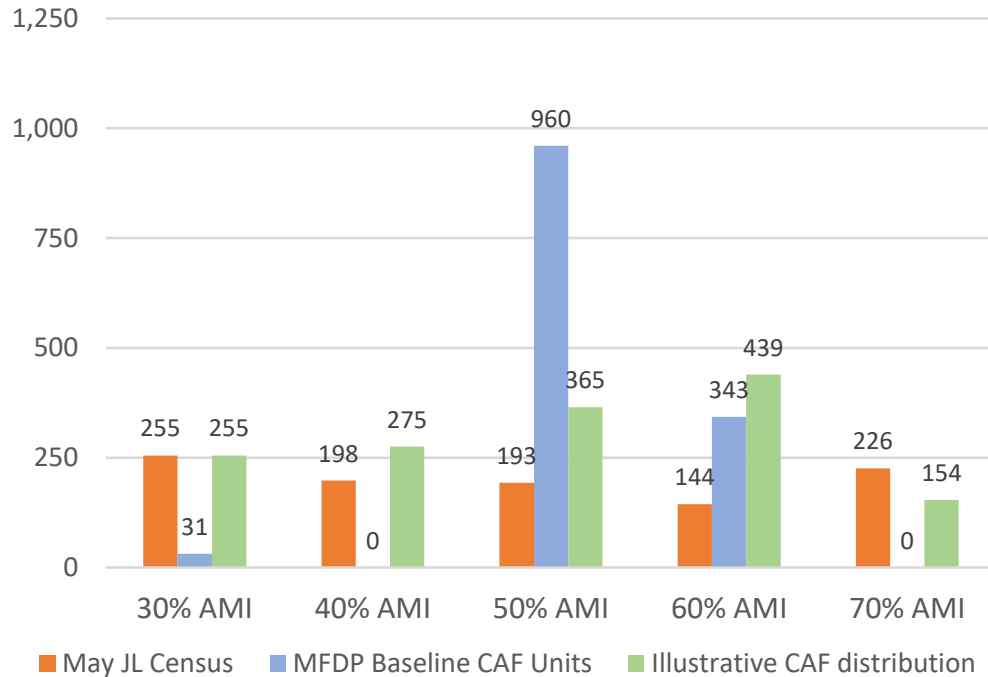
MFDP Baseline

Project Type	Units	Gap Financing
4% LIHTC Rehab	1,004	\$240 M
4% LIHTC New Construction	330	\$58 M
Total CAFs	1,334	\$298 M
Available Gap Financing		\$310 M \$11.6 M remaining

Pathway to 255 Step 1:

Focus on cost-effective strategies to meet 255 CAF goal

Number of Renter Households and Units by AMI Category



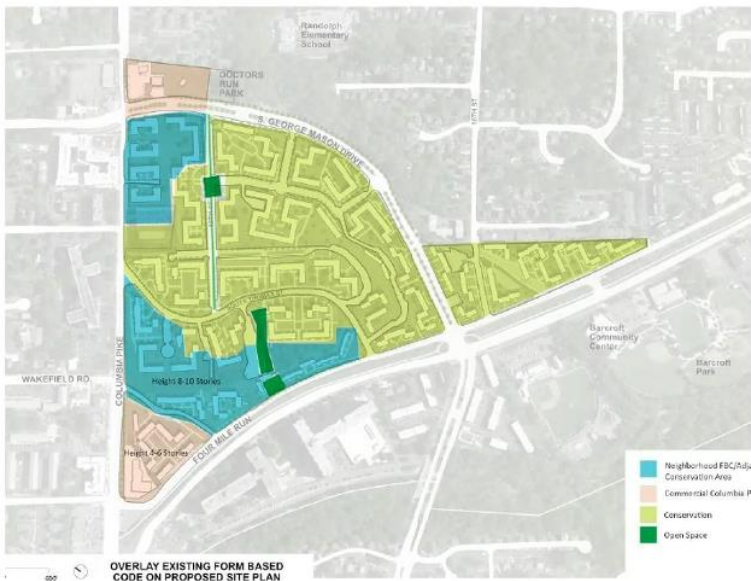
Illustrative Pathway

Project Type	Units	Gap Financing
4% LIHTC Rehab	804	\$198 M
Reduce units & use income averaging	(-200)	(-\$42 M)
4% LIHTC New Construction	530	\$109M
Increase units & use income averaging	(+200)	(+\$51 M)
ADD: 9% LIHTC Project	+154	+\$0.5
Total CAFs	1,488 (+154)	\$308M (+\$9M)
Available Gap Financing		\$310 M \$2.3 M remaining

Numbers in parenthesis show change from original MFDP baseline.

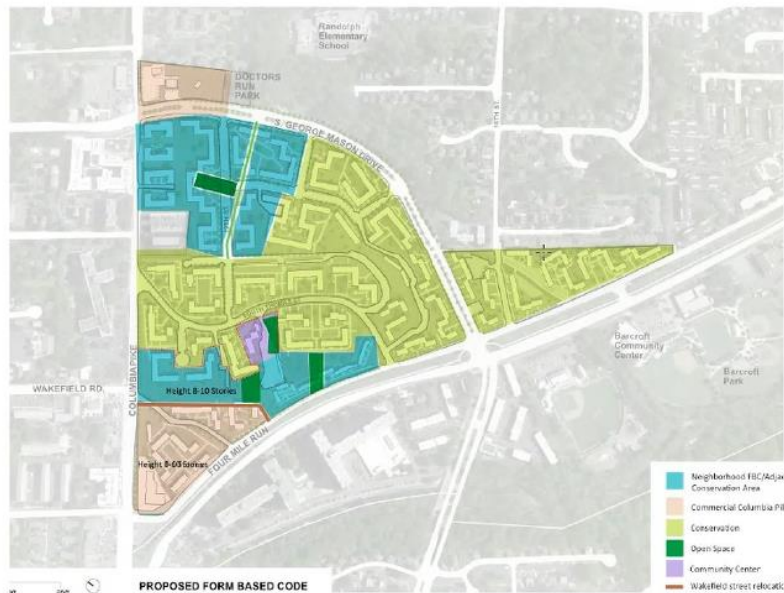
Pathway to 255 Step 2: Other Sources Leverage Increased Density within Form-Based Code

Existing FBC



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Potential FBC Updates



Source: JLRP presentation to Columbia Pike Form Based Code Advisory Working Group, Dec. 2022.

Key Variables:

- Height in Commercial FBC areas and along Four Mile Run
- Affordability within Commercial FBC
- Interpretation of N-FBC's height options
- Parking and infrastructure requirements
- Area shifted from conservation to redevelopment
- Other community benefits/concerns/needs



Potential internal subsidy
from density increases

Pathway to 255 Step 2: Other Sources

- Historic Tax Credits
 - Federal & State
- VA LIHTC & HTF
- New Markets Tax Credits
- Opportunity Zone
- Other opportunities?

Fisher House / Westover



Buckingham



Pathway to 255 30% AMI CAF Summary

MFDP Baseline

Illustrative Pathway

Step 1

Project Type	Units	Gap Financing	Project Type	Units	Gap Financing
4% LIHTC Rehab	1,004	\$240 M	4% LIHTC Rehab <i>Reduce units & use income averaging</i>	804	\$198 M
				(-200)	(-\$42 M)
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Total CAFs	1,334	\$298 M	Total CAFs	1,488	\$308M
Available Gap Financing		\$310 M (\$11.6 M remaining)	Available Gap Financing		\$310 M (\$2.3 M remaining)

Step 2

Leverage opportunity for potential internal subsidy from density increase and/or other sources: Federal & State Historic Tax Credits, VA Trust Fund, etc.

Pathway to 255 30% AMI CAF Summary

ESTIMATED DISTRIBUTION OF TOTAL UNITS ON SITE

	30% AMI	40% AMI	50% AMI	60% AMI	70% AMI	Market	Total Units
Higher Density Scenario	255	275	365	439	154	2,700	4,188
	6%	7%	9%	10%	4%	64%	
Moderate Density Scenario	255	275	365	439	154	2,200	3,688
	7%	7%	10%	12%	4%	60%	
Baseline Scenario	255	275	365	439	154	1,700	3,188
	8%	9%	11%	14%	5%	53%	

What can you do now?

Mention your support for achieving the 255 30% AMI unit goal when you talk to County Board members or interact with Amazon

Express support for income averaging as a useful tool to achieve the goal


Encourage continued pursuit of additional funding sources

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arlcf.org/sharedprosperity



Thank you!