
**AFFORDABLE
HOUSING
MASTER PLAN
(AHMP)**

**FY 2021
ANNUAL
REPORT**



**ARLINGTON
VIRGINIA**



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LETTER FROM THE DIRECTOR



The COVID-19 public health crisis and its accompanying economic turmoil created housing instability for many, and Arlington County responded quickly with new and coordinated resources. This included deferral of loan repayments for affordable housing providers, substantial increases in eviction prevention and diversion funding and programs, rapid shifts from congregate to hotel shelter options to minimize COVID transmission risks, and coordinated partnerships to deliver PPE and vaccines to the County's unsheltered homeless population.

In addition to these extraordinary efforts, Arlington County continued its regular work in implementing the Affordable Housing Master Plan, an element of the County's Comprehensive Plan that supports housing goals and policies related to supply, access and sustainability. This report highlights some of the accomplishments of FY 2021 around each of the Affordable Housing Master Plan goals: Supply, Access and Sustainability. Complete data sets of the performance metrics are available here and updated annually.

We also made significant progress in several multi-year initiatives:

- **MISSING MIDDLE HOUSING STUDY:** The County completed Phase 1 of the **Missing Middle Housing Study** in FY 2021. The study explores how preservation and construction of a greater variety of housing types, such as duplexes, triplexes, and small apartment buildings ("in the middle" between single-family detached homes and mid- and high-rise multifamily buildings), could help increase housing choice and housing supply. Creating new options will help address Arlington's housing supply issues, create less expensive options than currently available, and begin to dismantle the longstanding exclusionary nature of Arlington's land use policy and planning framework.
- **AHMP REVIEW:** In 2021, a five-year review of the Affordable Housing Master Plan was undertaken, and included an updated **Housing Needs Analysis** and a **Five-Year Report**. The documents identify the changes in the housing market and key housing accomplishments that have occurred since the AHMP was completed in 2015. Based on this information, community meetings were held to discuss how the County could better achieve the goals, objectives, and policies of the AHMP. The final product will be an updated Implementation Framework, to be completed in the first half of FY 2022.
- **AGING CAF PROPERTIES:** This year, the County focused on expanding and enhancing inspections at older committed affordable properties, and formulating a plan to develop capital needs assessments for these aging assets. Due to COVID and other challenges, some properties have considerable deferred maintenance needs. The County resumed on-site inspections and is prioritizing properties based on resident and community concerns, as well as staff observations.

We understand that housing affordability and stability are continuing challenges for many Arlingtonians and we are working creatively to address them. We welcome your ideas and feedback; reach out to us anytime at housingdivision@arlingtonva.us.

Respectfully,

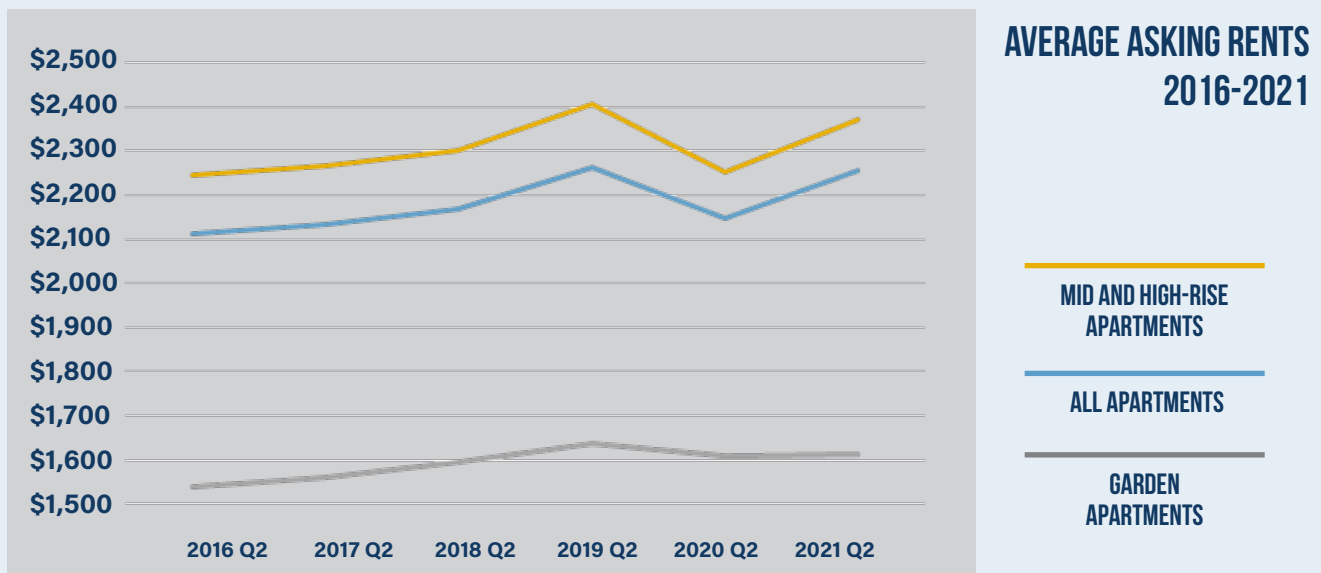
ANNE VENEZIA
HOUSING DIRECTOR

HOUSING MARKET CONDITIONS

RENTAL MARKET OVERVIEW

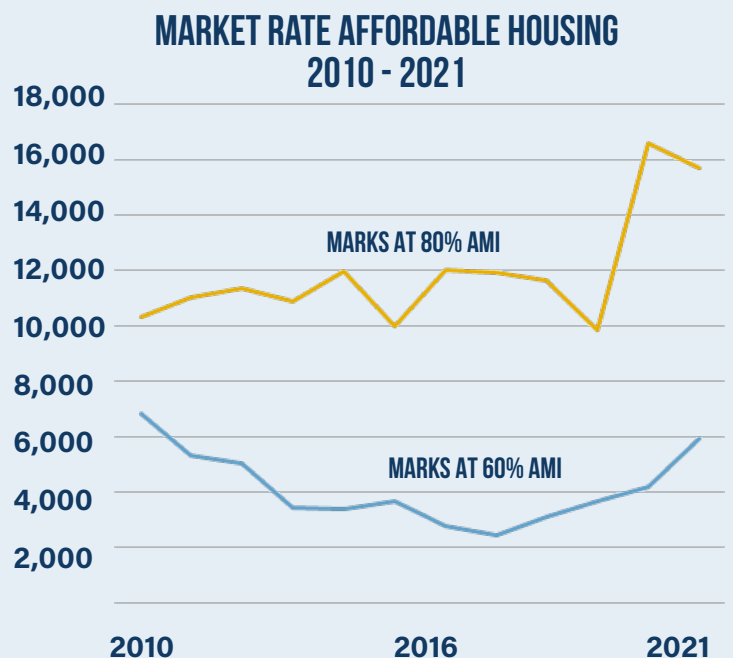


The average asking rent for an apartment in Arlington increased by 5.1% over the previous year to \$2,257. This is still slightly lower than the average rent of \$2,262 at the end of the second quarter of 2019, and suggests that the market is still recovering from the impacts caused by the pandemic that led to higher vacancy rates and decreases in rent during 2020. Garden apartment rents rose by 0.2%, while mid- and high-rise apartment rents increased by 5.4%.



The supply of Market Rate Affordable Housing (MARKs) affordable up to 60% of the area median income increased by 1,732 units to 5,912. The supply of MARKs affordable between 60% and 80% AMI decreased by 900 units, contributing to the increase in 60% MARKs. The return of more affordable rents may be short-lived as the housing market recovers from the impacts of COVID.

In 2020, the County began publishing an online **quarterly report on rent trends**, including data on average asking rents by bedroom and vacancy rates for the County in general and the Rosslyn-Ballston, Richmond Highway and Columbia Pike corridors specifically.





HOMEOWNERSHIP MARKET OVERVIEW

Home prices overall rose by 9.4% from last year. However, due to lower mortgage rates, the monthly mortgage payment only increased by an average of \$49¹. Condominiums have traditionally been the most affordable option available to moderate-income homebuyers in Arlington, and available condo inventory continues to outpace that of single-family homes and townhomes. Over the past 12 months, average two-bedroom condo prices decreased by 4.5% from \$550,000 to \$525,000, and time to sell increased by 75 percent from 16 days to 28 days. While many moderate-income buyers have been able to capitalize on the high inventory and weakened demand for condos, stringent lender criteria impacted the ability of would-be buyers to qualify for loans. Lenders' concerns about borrower financial stability prompted an increase of employment and income verification criteria.

The strained lending environment emphasizes a growing division between households who were already well-positioned to purchase from those with less stellar credit histories, down payments and reserve funds. For example, several applicants for Arlington's Moderate Income Purchase Assistance Program (MIPAP) mortgage-qualified prior to 2020, only to be deemed high credit risk and unable to mortgage-qualify during the pandemic.

¹ Copyright ©2021 **County Median Home Prices and Monthly Mortgage Payment** NATIONAL ASSOCIATION OF REALTORS®. All rights reserved. Reprinted with permission. September 24, 2021.

USEFUL TERMS

AREA MEDIAN INCOME (AMI)

The income at which half of the families of a particular household size have incomes higher and half have incomes lower in a defined area. The US Department of Housing and Urban Development estimated the median family income for a family of four for the Washington Metropolitan Area for 2020 was \$126,000.

COMMITTED AFFORDABLE UNITS (CAFS)

These units are guaranteed by agreement with federal, state, or County government, or through mechanisms such as tax-exempt financing, to remain affordable to low- and moderate-income households for a specified period of time; generally, 30 to 60 years. Rents in most cases are affordable to households earning 60% or less of the area median income, although some CAFs have rents affordable to households earning up to 80% AMI.

MARKET-RATE AFFORDABLE UNITS (MARKS)

These units are privately owned, but are still affordable because of factors such as apartment type, location or amenities. Affordability fluctuates with factors impacting housing market conditions, including employment trends, economic stability and basic supply and demand. Affordability of these units ranges from 50-80% AMI.

IMPLEMENTATION HIGHLIGHTS

GOAL 1: SUPPLY

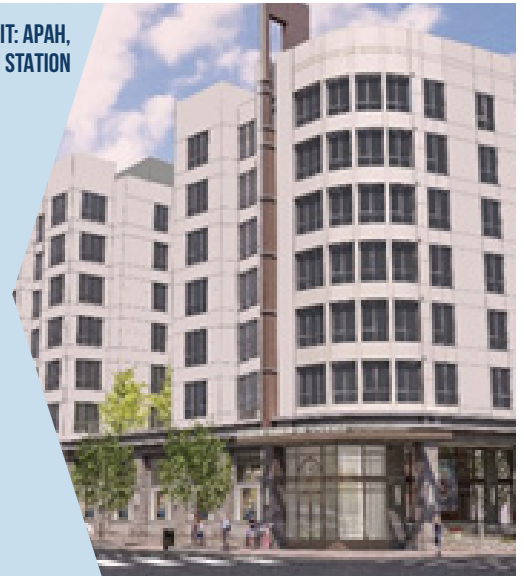


ARLINGTON COUNTY SHALL HAVE AN ADEQUATE SUPPLY OF HOUSING AVAILABLE TO MEET COMMUNITY NEEDS

BALLSTON STATION

Arlington Partnership for Affordable Housing (APAH) will transform the site of the current Central United Methodist Church into a new eight-story development with 144 new affordable units, a daycare facility accommodating up to 100 children, and church space for 200 people. The County Board approved financing through the local Affordable Housing Investment Fund (AHIF) for the 144 units, an increase of 96 affordable units from the original site plan approved in 2017. These units, across the street from the Ballston Metro station, will be committed affordable for 75 years and serve a mix of households earning from 30% to 60% of the area median income (AMI).

PHOTO CREDIT: APAH,
RENDERING OF BALLSTON STATION



QUEENS COURT

The Arlington Partnership for Affordable Housing delivered Queens Court Apartments, a 12-story, 249-unit affordable complex within a quarter mile of the Rosslyn and Courthouse metro stations. The complex, located at 1615 18th Street N., replaced an existing 39-unit garden apartment complex as part of the Western Rosslyn Area Plan (WRAP). The complex includes a mix of studios and 1-, 2- and 3- bedroom units, which will remain affordable for the next 75 years.

PHOTO CREDIT: APAH,
RENDERING OF QUEENS COURT



MERION PIKE WEST

Merion Pike West, at the northeast intersection of Columbia Pike and S. Greenbrier Street, will replace 14 of the 18 low-rise Greenbrier Apartment buildings with two six-story apartment buildings. Under the Columbia Pike Neighborhoods Form Based Code, the developer has two options for meeting the code's affordable housing requirements; they can provide 93 Committed Affordable Units (CAFs) on-site that would all be affordable to low-income tenants earning up to 60% AMI, or provide 124 CAFs, 62 of which would be affordable to low-income tenants earning up to 60% AMI and 62 of which would be affordable to tenants earning up to 80% AMI. Under either option, the CAFs would include family-sized two- or three-bedroom units, and all CAFs would be committed to remain affordable for 30 years.

PHOTO CREDIT: MERION PIKE WEST, LLC
ARTISTIC RENDERING



CRYSTAL HOUSE

The Washington Housing Conservancy (WHC) acquired the 16-acre Crystal House Apartments site in December 2020, in partnership with Amazon and its Housing Equity Fund, to preserve market-rate affordable housing in high-cost areas. The existing units are primarily market-rate; however, WHC intends that 75% (619 units) of the portfolio will be phased into committed affordable units, affordable at or below 80% AMI, over the next five years.

PHOTO CREDIT: WASHINGTON HOUSING
CONSERVANCY; ARTISTIC RENDERING



SITE PLAN PROJECTS

The County Board approved four site plan projects in FY 2021, which will add 51 affordable units to the housing stock for 30 years. Two large redevelopment projects in Rosslyn, the Ames Center at 1820 Fort Meyer Drive and the RCA site at 1901 N. Moore Street, will add a total of 36 on-site units affordable to households earning up to 80% AMI. The Courthouse Landmark site plan, at 2050 Wilson Boulevard, will add eight on-site units for households earning up to 60% AMI. Finally, the Crystal Plaza site plan in Crystal City will contribute seven affordable off-site units at the Riverhouse Apartments in Pentagon City.

GOAL 2: ACCESS

ARLINGTON COUNTY SHALL ENSURE THAT ALL SEGMENTS OF THE COMMUNITY HAVE ACCESS TO HOUSING.

COVID RESPONSE

Throughout the pandemic, people at risk of homelessness had access to new resources to remain in housing through targeted prevention and diversion resources, state and federal eviction protections, and emergency rental assistance. In FY 2021, 1,735 households received more than \$6 million in eviction prevention funds through the County and its partners, and 1,139 Arlington households received more than \$12.9 million through the Virginia Rent Relief Program. The need for rental assistance will continue into FY 2022 as people struggle with unemployment and underemployment.

RENTAL SUBSIDIES

As households continued to suffer the impacts of COVID-19, the County committed its support by continuing to provide benefits toward working families, disabled individuals, households in behavioral healthcare, and seniors.

Through the American Rescue Plan Act (ARPA), Arlington received 36 Emergency Housing Vouchers to stabilize highly vulnerable populations through rental assistance. These vouchers were targeted to residents who are homeless; at risk of homelessness; fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; or recently homeless households. Initial demand was great, and a prioritized methodology was used to assign the vouchers to qualified individuals. The regular Housing Choice Voucher program served 1,507 households in 2021, an increase of 51 households over 2020. Arlington also provides rental subsidies through its locally funded Housing Grants Program. In FY 2021, 1,379 households received Housing Grants, an increase of 138 households compared to 2020.



PHOTO CREDIT: AHC, INC.
RESIDENTS FROM WOODBURY PARK

ARLINGTON LANDLORD PARTNERSHIP

Since its inception in 2016, the Arlington Landlord Partnership (ALP) has enabled 90 households with leasing barriers such as previous evictions, poor credit and criminal history to secure rental housing. In addition to case management, an important component of the program is the Risk Reduction Fund, which provides financial coverage to landlords in the event of physical damage or lost rent due to tenant's neglect and/or eviction.

PERMANENT SUPPORTIVE HOUSING

The County also continues to grow and deploy targeted programs that create pathways for homeless households in order to prioritize housing placements for individuals and households with disabilities, including those exiting public institutions or health care facilities. Arlington County, in coordination with its Continuum of Care (CoC) partners, has supported 484 permanent supportive housing (PSH) households that have maintained housing in FY 2021. Locally, the County has contributed a direct investment of nearly 60% of all PSH units in the County.

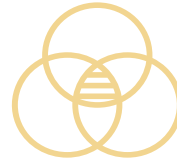
“ERIC” WAS FRUSTRATED THAT HE COULD NOT OBTAIN HOUSING ON HIS OWN DUE TO POOR CREDIT AND OTHER BARRIERS. WHILE HE WAS WORKING FULL TIME AND COULD AFFORD AN APARTMENT, ERIC WAS REPEATEDLY DENIED WHEN APPLYING. FOR A WHILE, HE GOT BY STAYING WITH FRIENDS AND FAMILY. HOWEVER, WHEN HIS BABY’S MOTHER DIED SUDDENLY, ERIC BECAME THE PRIMARY CAREGIVER AND NEEDED A STABLE PLACE TO LIVE. IN 2018, ERIC WAS REFERRED TO ALP BY HIS CASE MANAGER, AND WITH THAT, HIS APPLICATION WAS APPROVED. HE HAS SINCE GRADUATED OUT OF THE RAPID RE-HOUSING PROGRAM AND HAS MAINTAINED THE APARTMENT ON HIS OWN.



POINT-IN-TIME COUNT

During the Point-In-Time (PIT) count in January 2021, 171 persons were experiencing homelessness, with 144 sheltered and 27 unsheltered. This was a 14% decrease compared to the 2020 PIT. Overall, this represents the lowest number of people in emergency shelters and experiencing homelessness in 11 years. This is a testament to the community's dedication to providing resources to Arlington's most vulnerable residents, particularly during the public health emergency. Federal, state, and local resources were prioritized for homeless prevention by assisting individuals and families in obtaining and sustaining permanent housing.

GOAL 3: SUSTAINABILITY



ARLINGTON COUNTY SHALL ENSURE THAT ITS HOUSING EFFORTS CONTRIBUTE TO A SUSTAINABLE COMMUNITY.

PROPERTY CONDITIONS

In FY 2021, the County increased its focus on aging properties in the committed affordable housing portfolio to ensure residents safe and quality housing conditions. While temporarily paused because of COVID, on-site inspections resumed in Spring 2021. Additionally, the County contracted an environmental testing firm to perform tests for the presence of hazardous materials at the Serrano, a property with 280 units. In total, testing for one or more potential substances was offered to 140 units (50%) and testing was completed in 137 units (98%). This important work will continue into FY 2022.



PHOTO CREDIT: AHC, INC.
THE APEX

SUSTAINABLE BUILDINGS ARE GOOD FOR THE ENVIRONMENT AND FOR PEOPLE TOO.

Affordable housing that is both energy and water efficient has the double benefit of contributing to Arlington's Community Energy Plan Goals and providing a better living environment and lower utility bills for residents.

- » The Apex includes 342 solar panels, the largest solar panel array on a multifamily apartment building in Northern Virginia. Other highlights include high efficiency Water Sense toilets, showerheads, and faucets; Energy-Efficient LED lighting; ENERGY STAR appliances, HVAC, and water heating systems.
- » Ballston Station will incorporate environmental sustainability practices by obtaining certification for Earthcraft Multifamily, and the 144 new affordable units will be across the street from the Ballston Metro station.
- » Merion Pike West will be certified LEED Silver, which will help to advance the goals of the Community Energy Plan and encourage water conservation.

ACKNOWLEDGEMENTS

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