



**ARLINGTON**  
VIRGINIA



# **HOMEOWNERSHIP STUDY**

## STAFF RESPONSE TO CONSULTANT RECOMMENDATIONS

SEPTEMBER 2024

# TABLE OF CONTENTS

INTRODUCTION.....2

HOMEOWNERSHIP RECOMMENDATIONS: STAFF RESPONSE.....3

EXISTING PROGRAMS.....3

Moderate-Income Purchase Assistance Program (MIPAP).....3

Affordable Dwelling Unit (ADU) Program.....5

Condominium Support.....7

Education and Technical Assistance.....8

Real Estate Tax Relief (RETR) Program.....10

NEW PROGRAMS.....12

Homebuyer Cohort Pilot Program.....12

Home Improvement Loan Program (HIP).....12

Homeownership Production Fund.....13

IMPLEMENTATION CONSIDERATIONS.....14

APPENDIX: GOALS AND RECOMMENDATIONS CROSSWALK.....19

# INTRODUCTION

Arlington County has been engaged in a Homeownership Study since 2022. The purpose of the study is to develop a vision statement, goals, and, ultimately, recommendations for the County's homeownership programs. The recommendations encompass new programs and modifications to existing programs.

Phase 1 involved data research and a program assessment. Both were conducted to better understand the barriers and challenges that residents face in pursuing homeownership and maintaining their homes, as well as how effective the County's existing programs have been in breaking down barriers and bridging gaps. Phase 1 also involved roundtable discussions with populations that have faced barriers in accessing or maintaining homeownership. These discussions validated data research and helped staff better understand specific barriers as they relate to the County's programs.

Phase 2 continued to build upon data research and program analysis by engaging the broader community in a discussion of values, vision, goals, and objectives. The community was asked what local government's role should be as it relates to providing homeownership support. The community also assisted the County in developing an aspirational vision statement along with supporting goals and objectives. The vision and goals as derived through Phase 2 are:

## VISION

**Arlington's Homeownership Program serves as a catalyst to preserve and expand affordable homeownership opportunities.**

## GOALS

1. Reduce racial homeownership gaps.
2. Support existing homeowners in maintaining housing in the community.
3. Increase the production of homeownership housing supply.
4. Create pathways to homeownership for renters.

Building on the data analysis and community engagement from Phases 1 and 2, Phase 3 examines potential program recommendations to support the County’s newly defined homeownership vision and goals. Arlington County contracted with HR&A Advisors to assist in the development of these draft third-party recommendations, [which can be viewed here](#).

While County staff worked in partnership with HR&A to develop the draft recommendations, they do not constitute official staff recommendations. This document serves as County staff’s response to the consultant recommendations, acknowledging areas that staff agrees should be pursued, suggesting refinements, and providing new considerations. In addition, the Appendix (page 19) summarizes how the draft recommendations and additional staff considerations support the community-sourced objectives and ideas detailed in the [Phase 2 Report](#).

County staff will continue to solicit feedback and additional considerations about the draft recommendations throughout the final community engagement period. As community engagement on the draft recommendations progresses, staff will work with the Housing Commission’s Homeownership Subcommittee, the full Housing Commission, other County Advisory Boards, and other community stakeholders to hear additional ideas that could potentially expand on the options and recommendations in the draft report. County staff expects to share final recommendations with the County Board after considering this additional community feedback.

# HOMEOWNERSHIP RECOMMENDATIONS: STAFF RESPONSE

## EXISTING PROGRAMS

### MODERATE-INCOME PURCHASE ASSISTANCE PROGRAM (MIPAP)

With an annual allocation of \$550K–\$1M in Community Development Block Grant (CDBG) funding, MIPAP currently supports 5-15 borrowers each year depending on demand. Extensive conversation about MIPAP throughout the Homeownership Study revealed that some program parameters may make it more difficult to utilize the program. For example, feedback suggests that the maximum purchase price (\$500K) limits borrowers’ ability to purchase family-sized units. Furthermore, MIPAP underwriting requirements, such as minimum credit score, are duplicative of and often more restrictive than first-trust lender requirements and limit borrowers’ ability to act quickly in a competitive housing market. Staff also heard that there was a mismatch between the program’s income eligibility (households earning below 80% of Area Median Income [AMI]) and available ownership housing product in the market. Suggestions about how to improve program marketing and the application processes were cited as well.

Findings from the analysis of [Ownership Housing & Barriers to Homeownership in Arlington County](#) suggest that there are gaps in the homeownership market that are not being addressed through County programs. Data show significant racial disparities in rates of homeownership and mortgage denials. While the majority of MIPAP borrowers are households of color, racial equity has not been specifically prioritized in the design of MIPAP.

## Moderate-Income Purchase Assistance Program (MIPAP) (continued)

The barriers analysis also indicates that nearly half of all renters in Arlington have incomes (over \$100K annually) that can sustain homeownership. Thus the County has an important opportunity to expand its programming to better serve residents who are “homeownership ready.”

The third-party recommendations provided by HR&A Advisors suggest the following:

Recommendation	Staff Response
<p><b>Program Parameters:</b> Increase the maximum purchase price from \$500K to \$650K, remove redundant or prohibitive requirements such as the minimum credit score, and expand partnerships with pre-approved lenders and housing counselors.</p>	<p>Staff agrees that amending MIPAP parameters should be prioritized. The suggestion to eliminate the minimum credit score, or potentially match credit score requirements to that of the first-trust lender, is intended to simplify the program requirements, potentially enhancing the applicant experience by eliminating redundancies and streamlining program accessibility. Further discussion about which requirements could be considered “redundant or prohibitive” will be necessary to implement this recommendation. Staff supports exploring adjustments to the maximum sales price.</p>
<p><b>Tiered Assistance:</b> Launch a tiered assistance structure with set-aside funding for priority communities as well as seeking funding for households earning between 80% and 100% of AMI.</p>	<p>Staff agrees that a tiered approach to MIPAP funding may help the County to focus some assistance on households facing significant barriers to homeownership. Further conversation, legal review, and best practice research would be required to better define which communities should be prioritized. Further discussion about an appropriate funding source to address upper-tier assistance targeting households between 80-100% AMI is needed, as existing funding cannot support this segment.</p>
<p><b>Targeted Outreach:</b> Implement a targeted outreach campaign.</p>	<p>Staff agrees that a more coordinated and targeted approach to program marketing can better reach priority communities and build trust with households who have been systemically left out of the market. More conversation and research around which priority communities to consider are needed.</p>

## Moderate-Income Purchase Assistance Program (MIPAP) (continued)

### OTHER CONSIDERATIONS

Feedback received during the Homeownership Study repeatedly cited a lack of opportunities for Arlington County and Arlington Public School employees to purchase housing in the community, given limited availability of housing as well as income constraints. Staff recommends exploring opportunities for these populations, within policy and resource constraints.

### POTENTIAL IMPACT

**PROGRAM PARAMETERS:** Revised program parameters will create a more streamlined application process for potential applicants.

**TIERED ASSISTANCE:** Support an additional 10 households annually (in addition to ~10 households supported through existing program parameters) with down payment assistance (*based on illustrative example in HR&A recommendations*).

**TARGETED OUTREACH:** More targeted outreach for MIPAP program will create more equitable outcomes.

## AFFORDABLE DWELLING UNIT (ADU) PROGRAM

ADUs are affordable ownership units that are subject to income restrictions at the time of purchase. They are created through developer contributions through the special exception process in exchange for greater density. As residential development over the last decade has primarily delivered mid- and high-rise apartments, the number of available ADUs has been limited, and the County typically adds 1-4 units per year. Currently, the County's portfolio features 62 ADUs with a range of ages.

Low- and moderate-income homeowners sometimes defer costly maintenance repairs, so there is concern for the physical condition of existing ADUs. Over the years, there have been very few ADU resale opportunities. There are limits to resale prices because of affordability restrictions required as a condition of the sale of an ADU.

Because ADU resale prices are tied to annual increases in AMIs, there is a limit to the resale prices for existing owners wishing to sell. While recent market fluctuations have not negatively impacted ADU resale prices – rather these units have *appreciated* over time – the appreciation in ADU value might not be enough for owners looking to renovate or improve their homes, particularly if the cost of desired renovations outpaces the appreciation in ADU value.

The third-party recommendations provided by HR&A Advisors suggest the following:

## Affordable Dwelling Unit (ADU) Program (continued)

Recommendation	Staff Response
<p><b>Further Study ADU Resale Restrictions:</b> Determine whether resale restrictions are limiting wealth-building opportunities.</p>	<p>Staff agrees that the current ADU resale restrictions limit wealth-building opportunities. However, further legal analysis is needed to better understand opportunities for revisiting restrictions on existing ADUs, including the impact on real estate assessments. In addition, more conversations about the trade-offs between long-term affordability and wealth-building are needed to address future ADU restrictions.</p>
<p><b>Determine the Physical Condition of Existing ADUs:</b> Better understand the physical condition of existing ADUs.</p>	<p>Staff agrees with the recommendation to engage with current ADU owners to understand the physical condition of the ADU portfolio. Better understanding maintenance and repair needs might further justify the recommendation to establish a set-aside under the Home Improvement Loan Program (HIP; see page 12) focused on supporting the repair needs of existing ADUs.</p>
<p><b>Home Improvement Loan Program (HIP) Set-Aside for ADU Owners:</b> Include a set-aside within the recreated HIP that addresses the physical condition of existing ADUs.</p>	<p>Staff agrees that a set-aside to address the repair and maintenance needs of ADUs is advisable. This set-aside will enable ADU owners to address maintenance or repair concerns that wouldn't otherwise be addressed.</p>

### OTHER CONSIDERATIONS

Staff recommends mirroring the ADU Program purchaser criteria to the program parameters that are implemented for MIPAP, if applicable. For example, removing the credit score requirement and adding a requirement for post-purchase counseling might be considered for the ADU Program.

POTENTIAL IMPACT

**PHYSICAL CONDITIONS AND RESALE RESTRICTIONS:** May remove wealth-building barriers and creates additional resources for existing and future program participants.

**FINANCIAL ASSISTANCE:** Support 5 ADU and/or condo owners annually (*based on illustrative example in HR&A recommendations*).

CONDOMINIUM SUPPORT

Condos represent the most affordable option for ownership housing for low- and moderate-income households in Arlington County. More than half of all residential sales in 2022 were for condominium units, and 63% of all condo sales were priced below \$500K. However, there are issues specific to owning a condo unit that present challenges, including the impact rising condo fees have on affordability, the age of Arlington’s condo stock, deferred maintenance, and the risks of special assessments looming for some aging properties. These challenges all disproportionately impact low- and moderate-income households who have limited resources to address these issues.

Feedback from Homeownership Study participants cited increased condo fees, condo association governance challenges, issues with condo board and owner communication, property management, and deferred maintenance as the greatest challenges facing Arlington condo communities.

The third-party recommendations provided by HR&A Advisors suggest the following:

Recommendation	Staff Response
<p><b>Education and Technical Assistance:</b> Explore expanding the Condo Education Series and offer technical assistance to condo boards.</p>	<p>Staff agrees with the recommendation to expand educational opportunities for condo owners and boards. The County can create a more personalized approach to the education series that responds to issues facing Arlington condo communities. While staff agrees that condo boards need technical assistance on governance issues, staff recommends that these services be offered via a third-party vendor.</p>

## Condominium Support (continued)

Recommendation	Staff Response
<p><b>Financial Support for Condo Owners:</b> Develop strategies to minimize financial challenges unique to condo owners through home repair loans, special assessment support, and creating a controlled escrow program allowing ADU condo owners to finance repairs or upgrades upon the sale of the property.</p>	<p>Staff agrees that there is a need to support existing condo owners who have limited financial resources, particularly in ensuring that condo units are maintained and that special assessments do not disproportionately impact low- and moderate-income households. Staff agrees with the recommendation to set aside funding within the Home Improvement Loan Program for low-income condo owners looking to make repairs to their units as well as low- or moderate-income condo owners who are facing special assessments. Additional research is needed to determine if the controlled escrow recommendation is appropriate for the County to consider.</p>

### POTENTIAL IMPACT

**EDUCATION:** Support for 20-30 condo owners annually.

**TECHNICAL ASSISTANCE:** Support 2-3 condo boards annually.

**FINANCIAL ASSISTANCE:** Support 5 ADU and/or condo owners annually (*based on illustrative example in HR&A recommendations*).

## EDUCATION AND TECHNICAL ASSISTANCE

The County currently offers educational opportunities for both prospective homebuyers and existing homeowners. However, feedback throughout the Homeownership Study suggested that existing educational programming for prospective buyers is helpful but lacks a personalized approach. In addition, the availability of post-purchase education and counseling opportunities for existing homeowners is insufficient. There was generally consensus from those consulted during the study that the County should improve its educational offerings.

The third-party recommendations provided by HR&A Advisors suggest the following:

## Education and Technical Assistance (continued)

Recommendation*	Staff Response
<p><b>Homebuyer Education and Outreach:</b> Develop a targeted outreach strategy for MIPAP and the Homebuyer Cohort Pilot Program (see page 12).</p>	<p>Staff agrees with the recommendation to develop a targeted outreach strategy, although as mentioned previously, more conversation is needed around which priority communities to target. In addition, creating a Homebuyer Cohort Pilot Program would improve the personalization of the County’s educational offerings and allow for more one-on-one individualized support for prospective buyers.</p>
<p><b>Homeowner Education:</b> Require post-purchase counseling for MIPAP borrowers, expand Condo Education Series, and offer technical assistance to condo boards.</p>	<p>Staff agrees with the recommendation to make training and technical assistance resources more available to existing homeowners and recent homebuyers, particularly the recommendation to require post-purchase counseling for MIPAP borrowers. While staff agrees that condo boards need technical assistance on governance issues, staff recommends that these services be offered via a third-party vendor.</p>
<p><b>Homeowner Housing Production:</b> Incorporate developer outreach into any affordable homeownership financing program.</p>	<p>Developer outreach to encourage more production of ownership product is done periodically by County staff and has not proved effective in the past. However, there may be more opportunities to cultivate relationships with for-profit and non-profit partners to develop low-density affordable housing using new zoning tools, such as Expanded Housing Options (EHO).</p>

\* The HR&A recommendations include recommendations to expand the Condo Education Series and to provide technical assistance to condo boards. The staff response to these recommendations can be found in the Condominium Support section (see page 7).

### OTHER CONSIDERATIONS

In addition to requiring post-purchase counseling for MIPAP borrowers, the County might also consider requiring this counseling for ADU purchasers as well.

## Education and Technical Assistance (continued)

### POTENTIAL IMPACT

**HOMEBUYER EDUCATION AND OUTREACH:** More targeted outreach for programming will create more equitable outcomes.

**HOMEOWNER EDUCATION:** Support for 30 households supported through MIPAP (*based on illustrative example in HR&A recommendations*)\*.

**HOMEOWNER HOUSING PRODUCTION:** Increased outreach to developers will increase awareness of programs and funding.

\* Impact for homeowner.

## REAL ESTATE TAX RELIEF (RETR) PROGRAM

Arlington County administers a Real Estate Tax Relief (RETR) Program that offers a tax exemption or deferral for qualifying elderly and disabled homeowners. Assistance is tiered based on household income. Homeownership Study participants often cited the RETR Program as an area that the County should consider revisiting, particularly the deferral-versus-exemption criteria, asset and income limits for program participants as compared to housing costs, and property values in the County.

The third-party recommendations provided by HR&A Advisors suggest the following:

Recommendation	Staff Response
<p><b>Real Estate Tax Relief Program:</b> Review the RETR Program with an equity lens.</p>	<p>Staff supports the recommendation to periodically review the RETR Program through an equity lens, as also recommended in the Affordable Housing Master Plan 2021 Implementation Framework.</p> <p>Department of Human Services (DHS) staff, who administer the RETR Program, annually examine the program using a limited equity analysis. Staff report a year-over-year assessment of participants qualifying for exemptions and deferrals, reported age, average household income, assets, assessed home values, and participation by ZIP Code (TM).</p>

**Real Estate Tax Relief (RETR) Program (continued)**

Recommendation	Staff Response
<p><b>Real Estate Tax Relief Program:</b> Review the RETR Program with an equity lens.</p>	<p>While DHS produces this annual RETR profile, race and ethnicity indicators were recently added to the 2023 Tax Year applications to allow deeper reporting around participants served. This will aid the examination of who the County is serving, who is missing, and whether there are pieces of the program that overly burden existing or potential applicants.</p> <p>The last formal review of the RETR Program occurred through a convened 2017 work group, with recommendations incorporated into the County Code in 2019. Staff supports a further review of the program with an assessment around effective staff capacity models, systems infrastructure, cross-jurisdictional comparisons, and resources critical in conducting a full review. Additionally, staff supports a review of the potential impact for homeowners with acquired secondary mortgages that may be subjected to deed of trust violations when tax deferrals are sought.</p> <p>When the appropriate timing for reviewing the RETR Program is determined, DHS staff will work to develop a schedule and scope that incorporates recommendations offered in the Homeownership Study third-party consultant report. It is important to note that the timing outlined in the third-party consultant report is likely not achievable and the RETR Program review will take longer to implement. In addition, any expansion of the RETR Program beyond the requirements of the Virginia state, and underlying County, codes would require legislative action.</p>

**POTENTIAL IMPACT**

TBD based on results of RETR Program review.

## NEW PROGRAMS

### HOME BUYER COHORT PILOT PROGRAM

Insufficient income for debt-to-income coverage is the primary reason for loan application denial in Arlington, with 21% of potential MIPAP buyers withdrawing due to this issue. Limited opportunities exist through County support or through nonprofit organizations to get ahead of pre-purchase credit, debt, savings, and other financial challenges.

Moreover, discussions within the community during the Homeownership Study revealed a lack of personalization in both the MIPAP application process and the County's homebuying educational programs. Participants expressed a need for more personalized assistance, including one-on-one guidance through the application and purchase processes, along with counseling to address individual financial issues and enhance homeownership readiness.

The third-party recommendations provided by HR&A Advisors suggest the following:

Recommendation	Staff Response
<b>Create Homebuyer Cohort Pilot Program:</b> Provide education, guidance, technical assistance, and support to low- and moderate-income renters.	Staff agrees with the recommendation to establish a Homebuyer Cohort Pilot. This was also recommended in the Affordable Housing Master Plan 2021 Implementation Framework. Recommendations in the third-party report concerning participant eligibility, programming, and financial assistance will need to be further analyzed prior to establishing the Pilot. As recommended in the third-party report, the program would likely depend on expanded education and technical assistance.

### POTENTIAL IMPACT

Support ~10 households through Cohort Pilot.

### HOME IMPROVEMENT LOAN PROGRAM (HIP)

Home repair and upkeep can place significant financial burdens on low- and moderate-income homeowners. Housing stability, health and safety, and future wealth-building opportunities are limited when upkeep, repair, and home maintenance are deferred. Throughout the Homeownership

## Home Improvement Loan Program (HIP) (continued)

Study, participants, particularly older adults, expressed desire for greater availability of resources, both financial and educational, to address challenges around ongoing home maintenance.

The third-party recommendations provided by HR&A Advisors suggest the following:

Recommendation	Staff Response
<b>Relaunch Home Improvement Loan Program (HIP):</b> Relaunch a HIP to support existing homeowners in maintaining their housing.	Staff agrees with the recommendation to re-establish a HIP, including the idea to set aside funding for low-income condo owners facing special assessments as well as potentially ADU owners in need of financial assistance for home repair (if the review of existing ADUs determines there is need). Further discussion is needed to determine the appropriate level of assistance for each recommended tier, and legal review is required to understand how or if priority communities can be targeted within the program. In addition, further discussion is needed about an appropriate new funding source and whether the program should be provided in-house or via a third-party vendor.

### POTENTIAL IMPACT

Support 25 households annually through HIP (*based on illustrative example in HR&A recommendations*).

## HOMEOWNERSHIP PRODUCTION FUND

As previously stated, the County's main tool for creating affordable homeownership opportunities is the Affordable Dwelling Unit (ADU) program. However, as residential development over the last decade has primarily delivered mid- and high-rise apartments (not condos), the number of available ADUs is limited. The County typically adds only 1-4 units per year. Meanwhile, one of the most cited challenges identified in the Homeownership Study by prospective purchasers is that the supply of desired, affordable ownership housing types does not meet the demand. Properties for sale under \$500K are limited in size and typology, presenting barriers for potential buyers with larger households or accessibility needs.

## Homeownership Production Fund (continued)

In addition, the recent adoption of Expanded Housing Options (EHO) zoning regulations, permitting various new housing typologies in low-density residential areas, presents a unique opportunity for affordable homeownership in Arlington. However, leveraging EHO for the creation of affordable ownership housing will require additional financial support.

The third-party recommendations provided by HR&A Advisors suggest the following:

Recommendation	Staff Response
<b>Create Homeownership Production Fund:</b> Incentivize the creation of affordable ownership housing through EHO permits. Consider Right of First Refusal (ROFR) for affordable EHO units created through the fund.	Staff agrees with the recommendation to create a Homeownership Production Fund. Further legal review and conversation will be required to fully vet the recommendation to consider ROFR as an appropriate preservation tool for these units.

### POTENTIAL IMPACT

Support 2-4 households annually.

## IMPLEMENTATION CONSIDERATIONS

As the County implements the recommendations found within the third-party report, certain issues such as timing, staffing, and resources must be considered. Actual implementation will depend on available financial and staffing resources in annual workplans.

Staff believes that they (existing County staff) can absorb most implementation activities for the recommendations, particularly related to program design. However, implementing recommendations to administer new or expanded programs might require additional staff capacity. Similarly, many programs will require one-time funding to support consultants to assist in program design. In addition, a few programs will require annual funding to assist in program administration either through full-time County staff or an external partner. Finally, two programs will require dedicated annual funding sources to allow the County to distribute direct funding to Arlington residents.

The table on the following pages provides a general schedule for implementing the various recommendations.

Recommendation	Short-Term (1-12 Months)	Medium- Term (1-3 Years)	Long-Term (3+ Years)
<b>Moderate-Income Purchase Assistance Program (MIPAP) (Existing)</b>			
<b>Revise program parameters.</b>			
Remove redundant and prohibitive requirements (min. credit score, etc.) and improve application processes.	✓		
Increase purchase price maximum.	✓		
Require post-purchase education or counseling.		✓	
Explore partnerships with pre-approved lenders and housing counselors.		✓	
Evaluate staff capacity to accommodate increased application volume.			✓
<b>Expand program to create equity-focused tiered assistance structure.</b>			
Create equity-focused tier of MIPAP program.		✓	
Create tier of MIPAP program directed to households earning 80-100% AMI.			✓
<b>Develop a targeted outreach strategy.</b>			
Explore opportunity to align MIPAP outreach strategy to priority communities identified in MIPAP program tier (above).	✓		
Improve cultural sensitivity of MIPAP materials.		✓	
<b>Affordable Dwelling Unit (ADU) Program (Existing)</b>			
<b>Examine ADU resale restrictions.</b>			
Determine how existing resale restrictions impact future wealth-building for program participants.		✓	
Revisit resale restrictions for future ADUs.		✓	

Recommendation	Short-Term (1-12 Months)	Medium- Term (1-3 Years)	Long-Term (3+ Years)
<b>Affordable Dwelling Unit (ADU) Program (Existing) (continued)</b>			
<b>Determine physical conditions of existing ADUs.</b>			
Determine home improvement and repair needs of existing ADUs.			✓
<b>Create set-aside in HIP for ADU owners.</b>			
Create ADU/condo set-aside for HIP.		✓	
<b>Condominium Support (Existing)</b>			
<b>Expand education and technical assistance for condo owners and boards.</b>			
Expand existing Condo Education Series.		✓	
Create technical assistance program to offer support to struggling condo boards to manage disputes and governance issues.		✓	
<b>Create financial support for condo owners.</b>			
Create ADU/condo set-aside within HIP for condo owners to make repairs to their units or for condo owners impacted by special assessments.		✓	
Explore controlled escrow program for ADU condo owners to make upgrades prior to sale.		✓	
<b>Education and Technical Assistance (Existing)</b>			
<b>Expand homebuyer education and targeted outreach.</b>			
Develop targeted outreach strategy for MIPAP.	✓		
Create Homebuyer Cohort Pilot Program.			✓

Recommendation	Short-Term (1-12 Months)	Medium- Term (1-3 Years)	Long-Term (3+ Years)
<b>Education and Technical Assistance (Existing) (continued)</b>			
<b>Expand homeowner education.</b>			
Require post-purchase education or counseling for MIPAP participants (and potentially offer for ADU participants).		✓	
Expand existing Condo Education Series.		✓	
<b>Encourage homeowner housing production.</b>			
Cultivate relationships with developers to encourage creation of affordable housing through Expanded Housing Options (EHO).		✓	
<b>Real Estate Tax Relief (RETR) Program (Existing)</b>			
<b>Reevaluate RETR Program.</b>			
Review RETR Program through equity lens.			✓
<b>Homebuyer Cohort Pilot Program (New)</b>			
<b>Create Homebuyer Cohort Pilot Program.</b>			
Determine eligibility criteria, education, and counseling requirements for cohort.			✓
Research opportunities to provide financial assistance for cohort participants.			✓
Launch Pilot.			✓
<b>Home Improvement Loan Program (HIP) (New)</b>			
<b>Create equity-focused tiered assistance structure.</b>			
Determine appropriate funding tiers; consider potential focus on priority communities, ADU owners, and condo owners.		✓	
Launch HIP.		✓	

Recommendation	Short-Term (1-12 Months)	Medium- Term (1-3 Years)	Long-Term (3+ Years)
<b>Homeownership Production Fund (New)</b>			
<b>Create Homeownership Production Fund.</b>			
Establish funding guidelines.		✓	

# APPENDIX

## GOALS AND RECOMMENDATIONS CROSSWALK



### COMPARISON OF PHASE 2 IDEAS AND THIRD-PARTY RECOMMENDATIONS

As detailed in the [Homeownership Study Phase 2 report](#), the community brainstormed ideas and objectives consistent with the established homeownership goals. These ideas and objectives incorporated feedback captured throughout the study. They, as well as stories of lived experience, aided development of the recommendations presented in the third-party report. All suggestions and ideas received due consideration, and recommendations presented in the third-party report directly respond to most ideas.

The remainder of this report summarizes how the homeownership program recommendations support the goals and objectives that emerged from the Homeownership Study and were included based on what can reasonably be achieved, given constraints on resources and limitations on local governmental authority. The below table provides a summary of how certain ideas are addressed through the third-party recommendations, why certain ideas were not incorporated at this time, and how other ideas may form the basis for further research. All page numbers refer to the [third-party recommendation report](#).

#### GOAL 1: REDUCE RACIAL HOMEOWNERSHIP GAPS

Objectives/Ideas	Recommendations
Create resources and educational opportunities for immigrant populations.	See “Homebuyer Education and Outreach” recommendations on page 21.
Explore opportunities to improve access to mortgage financing for households of color.	See “Moderate-Income Purchase Assistance Program” recommendations, pages 16-19.
Expand eligibility criteria and explore alternative funding opportunities for existing homeownership programs to better support populations traditionally underrepresented in the homeownership market.	See “Moderate-Income Purchase Assistance Program” recommendations, pages 16-17.
Explore additional opportunities to support essential workers.	While currently there are no recommendations specific to essential workers, many essential workers qualify under existing program guidelines. Recommendations to expand programs would likely further benefit these workers.
Focus current homeownership programs towards building generational wealth and accruing equity.	See “Moderate-Income Purchase Assistance Program” recommendations, pages 16-17, and “Affordable Dwelling Unit” recommendations on page 33.

## GOAL 1: REDUCE RACIAL HOMEOWNERSHIP GAPS (continued)

Objectives/Ideas	 Recommendations
Create peer-to-peer support networks for existing and prospective owners.	See “Homebuyer Cohort Pilot Program,” pages 36-37.
Improve data-driven targeting, marketing, and outreach efforts.	See “Moderate-Income Purchase Assistance Program” recommendations on page 16 and “Home Improvement Loan Program” recommendations on page 41.

## GOAL 2: SUPPORT EXISTING HOMEOWNERS IN MAINTAINING HOUSING IN THE COMMUNITY

Objectives/Ideas	 Recommendations
Investigate expansion or reconfiguration of Real Estate Tax Relief Program.	See “Real Estate Tax Relief Program” recommendations on page 30.
Explore financial incentives or resources to support home repairs, maintenance, and large systems replacements, as well as energy efficiency upgrades.	See “Home Improvement Loan Program” recommendations, pages 41-42.
Create maintenance resources and information toolkits for homeowners.	A wealth of resources and information on home maintenance already exists. This information can be accessed online and through Arlington Public Library. Central Library also maintains a collection of tools.
Facilitate the creation and expansion of community networks to establish neighborhood pride.	Many organizations already exist at the neighborhood level. Organizations that operate programs supporting neighborhoods and communities are eligible to apply for various funding provided by the County, including through the Community Development Fund. In addition, Arlington County’s Neighborhood Services Division operates the Neighborhoods Program, which provides funding for a variety of neighborhood improvements and empowers residents to identify and plan neighborhood projects. The creation of additional neighborhood networks is beyond the scope of the County’s homeownership programs.

## GOAL 2: SUPPORT EXISTING HOMEOWNERS IN MAINTAINING HOUSING IN THE COMMUNITY (continued)

Objectives/Ideas 	Recommendations
Explore changes to property taxation, to ensure home improvements do not increase tax burdens.	Modest home improvements related to maintenance and energy efficiency can result in marginal increases in the assessment of a property but do not impact the assessment of the land value. There is no recommendation to further explore special tax treatment related to home improvements.
Create resources for condo boards to assist with governance.	See “Condominium Support,” pages 25-27.
Explore opportunities to support existing condo owners burdened by rising condo fees or special assessments.	See “Home Improvement Loan Program” recommendations, pages 41-42.
Expand homeownership educational programming.	See “Education and Technical Assistance” recommendations on page 22.
Improve outreach on existing homeownership resources and programs.	See “Education and Technical Assistance” recommendations on page 22.

## GOAL 3: INCREASE THE PRODUCTION OF HOMEOWNERSHIP HOUSING SUPPLY

Objectives/Ideas 	Recommendations
Investigate barriers to condominium production and potential mitigation of those barriers.	The lack of condominium production is an issue nationwide due to financing constraints embedded in the Federal housing finance ecosystem (FHA, Freddie Mac, Fannie Mae) and defect litigation under state statutes. For more information, see the Urban Institute’s article <a href="#"><u>“The Housing Market Needs More Condos. Why Are So Few Being Built?”</u></a>
Explore opportunities for the co-location of ownership housing on/at public facilities.	At present there are no immediate opportunities for the co-location of housing with public facilities. Future opportunities will be assessed as plans for those projects are developed.
Explore financial incentives from Arlington County to support the production of affordable homeownership units.	See “Homeownership Production Fund” on pages 44-48.

**GOAL 3: INCREASE THE PRODUCTION OF HOMEOWNERSHIP HOUSING SUPPLY (continued)**

Objectives/Ideas	 Recommendations
<p>Explore office-to-residential condominium conversions.</p>	<p>The current high rate of office vacancy has been heralded by many as an opportunity for increased housing. The County published a memorandum of the <u>initial findings</u> related to office-to-residential conversions in October 2022. While the County has devised a process for considering such conversions, ultimately, it is the decision of private owners of office buildings whether or not to consider conversion.</p>
<p>Explore apartment-to-condominium conversions.</p>	<p>The wave of apartment-to-condominium conversions lasted from the early 1970s through the mid 2000s, removing tens of thousands of apartments and displacing as many households. Given the ongoing need for rental housing in Arlington, the County does not advocate for the conversion of apartments to condominiums. Property owners have sole discretion as to the operation of their property as a rental or disposition as condominiums. In the past 15 years, there has not been a single condominium conversion in Arlington.</p>
<p>Investigate adjustments to the Zoning Ordinance to incentivize additional ownership housing types.</p>	<p>The Zoning Ordinance was recently amended to allow for Expanded Housing Options, allowing for the possible construction of up to six-unit buildings on most properties in Arlington’s lower-density residential zoning districts. Additional actions to further expand housing types beyond the approved Expanded Housing Options are not recommended at this time.</p>
<p>Explore establishing a Community Land Trust model to create more affordable homeownership opportunities.</p>	<p>Community Land Trusts are generally private rather than public entities. Arlington is open to working with a Community Land Trust as part of the recommendations for establishing a Homeownership Production Fund.</p>

### GOAL 3: INCREASE THE PRODUCTION OF HOMEOWNERSHIP HOUSING SUPPLY (continued)

Objectives/Ideas	 Recommendations
Explore a housing cooperative model to create long-term affordable homeownership options.	Cooperatives are generally private rather than public entities. Arlington is open to cooperative models of ownership that could be produced through the proposed Homeownership Production Fund.
Create educational information and resources on Arlington’s Expanded Housing Options (EHO).	A dedicated <u>webpage</u> has been established providing general guidance and details on the EHO provisions.
Hold sessions for/with developers on topics related to producing more ownership housing.	Developer outreach to encourage more production of ownership housing is done periodically by County staff and has not proved effective in the past. However, there may be more opportunities to cultivate relationships with for-profit and non-profit partners to develop low-density affordable housing using new zoning tools, such as EHO.

### GOAL 4: CREATE PATHWAYS TO HOMEOWNERSHIP FOR RENTERS

Objectives/Ideas	 Recommendations
Explore additional opportunities to support essential workers.	While at this time there are no recommendations specific to essential workers, many essential workers qualify under existing program guidelines. Recommendations to expand programs would likely further benefit these workers.
Explore opportunities to expand existing homeownership programs to better support renters looking to purchase in Arlington.	See “Moderate-Income Purchase Assistance Program” recommendations on page 16 and “Homebuyer Cohort Pilot Program” recommendation on page 36.
Explore rent-to-own for existing renter populations.	The County does not own residential properties, nor does it advocate for the conversion of apartments to condominiums. (See above on apartment-to-condominium conversions.)
Create opportunities for home purchase for households with student loan debt.	See “Homebuyer Cohort Pilot Program,” pages 36-37.