Meeting the Affordable Housing Challenge:

Annual Affordable Housing Targets Report for FY 2011











DEPARTMENT OF COMMUNITY PLANNING, HOUSING AND DEVELOPMENT

HOUSING PRINCIPLES

- 1. Affordable housing should be a County priority.
- 2. Market rate affordable housing should be the primary means of providing affordable housing. The County should continue to support efforts to maintain and preserve that affordable housing supply and the surrounding neighborhoods.
- 3. A range of housing choices should be available throughout the County to accommodate households of all income levels, sizes and needs.
- 4. In providing housing assistance, priority should be targeted to the lowest-income households low income households with children and low income households with members who are elderly or have disabilities.
- 5. Affordable housing should be used to help prevent homelessness and promote a diverse community.
- 6. Equal housing opportunity should be a reality. Housing discrimination should not exist in Arlington.
- 7. Households with children should never be homeless.

HOUSING GOALS

The County Board is striving to achieve the following goals in full partnership with the state and federal governments and with the expectation that these partners will place a priority on funding affordable housing programs.

- 1. Balance support for the elderly and persons with disabilities with a transitional safety net for working families with children.
- 2. Prevent and end homelessness.
- 3. Ensure through all available means that all housing in Arlington County is safe and decent.
- 4. Ensure that consistent with Arlington's commitment to sustainability, the production, conversion and renovation of committed affordable housing is consistent with goals set by the County to reduce greenhouse gas emissions in Arlington County.
- 5. Permit no net loss of committed affordable housing, and make every reasonable effort to maintain the supply of affordable market rate housing.
- 6. Reduce the number of households in serious housing need (defined as those earning below 40% of median income who pay more than 40% of their income in rent).
- 7. Increase the number of housing units with two or more bedrooms in order to match the needs of households with children.
- 8. Distribute committed affordable housing within projects, within neighborhoods and throughout the County.
- 9. Increase the rate of home ownership throughout the County, and increase homeownership opportunities for low and moderate income households.
- 10. Ensure, through all available means, that housing discrimination is eliminated.
- 11. Provide housing services effectively and efficiently.

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EXECUTIVE SUMMARY

Arlington currently has eleven Affordable Housing Goals, each with numerical Targets. The Annual Affordable Housing Targets Report for FY 2011 begins with an overview of housing market indicators and follows with a section for each goal, presenting baseline data, FY 2011 data, and notes on performance for each Target.

Background: The Targets establish a long term vision of where the County ideally would like to be and provide a quantitative way to measure our progress. Thus, the "baseline" is at least as important a reference point as the Target. Success should be measured both from where we start as well as where we want to go.

Many of the Targets are interrelated and some conflict with each other at times. For example, creating more family-sized housing units may result in a lower overall number of units created. In addition to the baseline, "stretch" Targets have been established for all goals and "aggressive" Targets for some, the latter reflecting a more ideal outcome. The ability to achieve stretch and aggressive Targets depends on resources, opportunities and overall economic conditions.

Revision to the Targets: The Goals and Targets originally established the County's objectives and outcome measures for affordable housing until FY 2010. In March of 2011, the County Board voted to revise the County's goals and targets which extended most of the targets to 2015 and added the prevention/ending of homelessness and sustainable development as goals and adopting targets to meet those goals.

Revisions to the Goals and Targets for 2015 adopted by the Board include:

- Preventing, ending homelessness:
 - o Reduce the number of unsheltered homeless by half
 - Create a comprehensive homeless service center, including up to 50 year—round shelter beds
 - o Increase the number of homeless individuals and families moving into permanent housing, increasing supply of permanent supportive housing units to 425
 - o Permanent housing for at least 95% of sheltered homeless elder and families with children and for 65% of sheltered homeless persons with disabilities
- Sustainability in producing, converting and renovating committed affordable units (CAFs)
 - Reduce total energy use by an average of 15% in total supply of CAF multi-family properties
 - o Track electric, gas and water utilities in 50% of all CAF rental properties
 - Reduce total water use by average of 10% in total supply of CAF multi-family properties
- Minimize involuntary displacement of low- and moderate-income households in complexes being renovated, converted or redeveloped with County assistance. For committed affordable units (CAFs), strive to house 60% of households onsite or nearby.
- Link at least 50% of persons in shelters, transitional or supportive housing to training, employment or enrollment in public assistance benefits.
- Strive to provide rental assistance (including Housing Grants) to 100% of the eligible households requesting rental assistance.

Current Economic Environment: The economic sustainability of Arlington requires a wide range of housing, affordable across a spectrum of income levels. Arlington is striving to preserve existing affordable housing and add to the supply. The effects of the recent recession and the continued tightening of credit throughout the financial markets has impacted affordable housing development in Arlington and across the nation. At the same time, we continue to see an increase in the number of

County residents seeking assistance to maintain their housing and meet other basic needs. These factors place an even greater importance on the need for more affordable housing and the development of new housing opportunities continues to be a key priority for Arlington County. In fact, more than ever, the importance of maintaining and enhancing our stock of committed affordable housing is critical to the economic health and well-being of the County, its diverse workforce, and in particular, those most in need. Arlington, unlike some neighboring jurisdictions, has maintained its level of tax support for affordable housing and has increased its commitment to homelessness prevention and other high priority "safety net" programs that are especially critical in the current economic environment.

Progress toward Targets: In FY 2011, the County made more significant progress in meeting some targets and less in others as highlighted below:

Targets that had improved progress in FY 2011 include:

- The County made significant strides in meeting the new targets for preventing and ending homelessness. The Point in Time Survey found that there was a 39% reduction in the unsheltered homeless individuals from 2010 to 2011, well on the way to reducing the number by half by 2015. (Target 1A) Additionally, the County Board has adopted a resolution to make an offer to purchase land and a building which, among other County planned uses, includes space for the Comprehensive Homeless Services Center. (Target 1B)
- The number of households receiving *rental assistance* increased from 3,465 in FY 2010 to 3,574 in FY 2011. This increase is due to the growth in the Housing Grant Program and the addition of 50 Section 8 vouchers awarded under HUD's Family Unification Program. (Target 6A)
- Over half of the 295 rental CAF units (63%) added in FY 2011 were family-sized. Between FY 2001 and FY 2011, the County met its target to provide that half of the rental committed affordable housing units added are family-sized. (Target 7B)

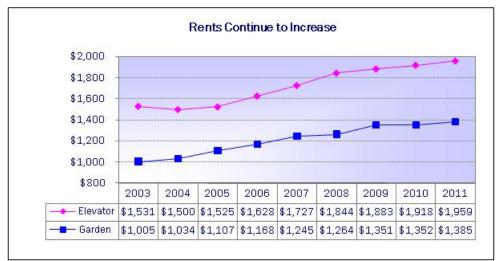
Some Targets with lower performance in FY 2011 include:

- The number of *homeless families* leaving shelters and moving into permanent housing was 57%, short of the Target of 95%. There are numerous factors that limit families' ability to obtain permanent housing which include poor credit history; limited number of slots in transitional programs; mental health and/or substance abuse issues; underemployment/ unemployment and lack of job skills or readiness. (Target 2D)
- A total of 303 Committed Affordable Units (CAFs) were added during FY 2011 compared to the target of adding 400 new units per year. The average annual number added from the base year of FY 2003 through FY 2011 is 293. The number of new CAFs in any one year relates to opportunities in the market. (Target 5B)
- The target for 25% of new CAFs to serve households with incomes below 40% of area median income (AMI) in new CAFs was not met. Thirteen units serving this very low income were added, which constitutes 4% of the CAFs added in FY 2011. An additional 13 units at Arlington Mill and 24 units at Howard Manor will be leased to families earning at or below 50% of AMI. Many of the CAF units added will ultimately be made affordable to lower-income households through the use of project based rent assistance. (Target 6B)
- The County fell below its target of assisting 50 low income households to become homeowners, helping only 8 home buyers with Moderate Income Purchase Assistance Program (MIPAP) loans. An additional 3 households were served through County facilitated Virginia Housing Development Authority (VHDA) loans. (Target 9B)

OVERVIEW: FY 2000-2011 HOUSING MARKET INDICATORS

Rental Housing

The 2011 Countywide average rent increased by \$26 per month to \$1,768, an increase of 2% over the 2010 average. The average rent for elevator building units increased 2%, while the average rent for all garden apartments units increased 2%.



Data Note: Figures shown are average rents from County Rent and Vacancy Surveys.

- The 2011 survey found a total of 43,555 units; this is a net increase of 1,269 units over 2010. For more detailed information on the survey please see Appendix 1 at the end of this report.
- The overall vacancy rate for apartments increased from 3.4% in 2010 to 4.6% in 2011.
- In 2000 a unit at the average rent required an income of 52% of median; in 2011, this increased to 67% of median income, the same as in 2010.
- From 2008 to 2011, 985 units then affordable at 60% of AMI have become unaffordable to that population, a 15.7% reduction in that affordable rental stock. For more information on the market affordability of the rental stock please see Appendix 2 at the end of this report.

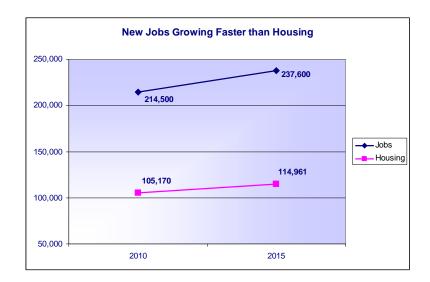
Owner Housing

The median sales price for the time period of August 2010 to July 2011 was \$695,000 for a single-family home and \$372,000 for a condo¹, compared to \$680,000 and \$368,000 respectively for the time period from August 2009 to July 2010.

¹ Median home price data is from the Housing Division analysis of data from the County's Real Estate Records.

Jobs vs. Housing

- New jobs in the region continue to outpace new housing construction, with an estimated 23,100² new jobs between 2010 and 2015 as compared to only 9,791 new housing units.
- New jobs increase the number of people competing for housing and scarcity of units drives up prices.
- Based on the regional ratio of needing one housing unit for every 1.6 new jobs, 3,000 new affordable units would need to be added in Arlington between 2010 and 2015 to serve new workers.³



Foreclosure Issue

- Arlington County has the lowest foreclosure rate in the Washington, DC region. The total number of foreclosures for Arlington County, according to Arlington County Real Estate Assessments, was 28 in 2006, 139 in 2007, 305 in 2008, 300 in 2009, 192 in 2010 and 80 from January to July 2011.
- So far in 2011 there has been an average of 11 foreclosures a month (compared to 16 in 2010) with a high of 15 in June. Bank sales remain high, reflecting the fact that most foreclosed properties are being resold relatively quickly into the private market.
- The majority of Arlington foreclosures have been in zip code 22204 (Columbia Heights West, Forest Glen, and Columbia Forest neighborhoods).
- County and Nonprofit Homeownership Staff have taken numerous steps to address the
 foreclosure issue which includes conducting homeownership and financial literacy classes;
 outreach at community events; providing direct loss mitigation counseling; and providing
 initial intake information to individuals facing foreclosure and referral to foreclosure
 prevention counselors.

² The projected number of new jobs by 2015 is from Arlington County's Forecasts of Major Statistics, 2005-2030.

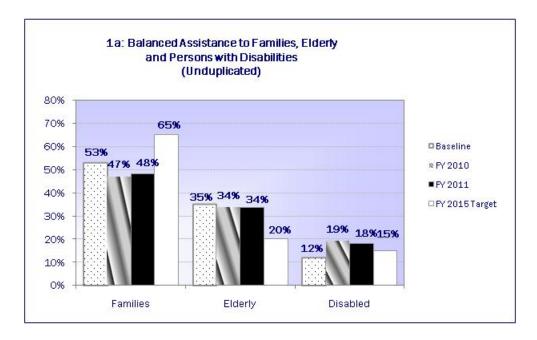
³ The ratio of new housing to new jobs is based on the work of Stephen Fuller, an economist at George Mason University.

GOAL #1: BALANCED ASSISTANCE

Balance support for the elderly and persons with disabilities with a transitional safety net for families with children.

Target 1A: Provide assistance to priority households in the following proportions by FY 2015:

- ▶ 65% to families with children
- > 20% for the elderly, and
- > 15% for persons with disabilities.



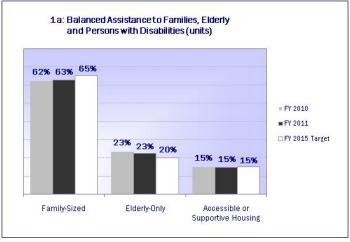
- This is a 15-year Target. It focuses on increasing the share of affordable housing units and subsidies to families and persons with disabilities. Elders have received a disproportionate share of housing benefits over time.
- The graph above combines units and households and attempts to eliminate duplications (i.e. Section 8 or Housing Grants recipients living in Committed Affordable Units).
- Prior year's goals and targets reports used an analysis that was done in 2004 that showed that around 20% of housing grant recipients and 50% of Section 8 households were being housed in CAF units. A new review was conducted this year that shows that the percentage for both programs increased significantly to approximately 80%. This new data was used in an attempt to get a better picture at an unduplicated count.

Rental and Owner Housing Assistance for Priority Households

	Elderly	Disabled	Families
Rental CAF units*	541	40	1,861
Owner CAF units	3	16	524
Supportive Housing**		482	
Real Estate Tax Relief	1,150	45	
HOPWA		6	
Section 8	313	293	609
Housing Grants	340	380	367
Total	2,347	1,262	3,361
FY 2011	34%	18%	48%
FY 2015 Target	20%	15%	65%

^{*}These numbers exclude the Section 8 and Housing Grants recipients living in elderly, accessible or family-sized CAF units. It also subtracts the four 2-bedroom Milestones units which are also CAFs but are counted in the supportive housing unit count. Due to the large number of disabled households receiving Section 8 or Housing Grants and living in CAF units, it is assumed that a quarter of the accessible CAFs are occupied by disabled Section 8/Housing Grants households.

- The next two graphs provide the data in a different format from the graph above. These distinguish the affordable units from the owner and rental subsidies. Note that a unit captured in the first graph could be occupied by a person who received a subsidy captured in the second graph.
- Separating the data on units and subsidies facilitates identifying where major imbalances exist.
- The first graph displays the proportions of committed affordable units (CAFs) that are family-sized, elderly-only, and accessible or supportive housing units. This graph shows that the proportion of family-sized units is two percentage points less than the Target of 65%. The percentage of elderly-only units is higher than targeted and the percentage of accessible or supportive housing units is on target.



^{**} This number is a sum of all permanent supportive housing units (i.e. those at Mary Marshall Assisted Living Residence, Columbia Grove, Gates of Ballston, and Views at Clarendon; Milestones I, II, III; Project Hope; CAFs designated for Project-Based rent assistance) Transitional Housing Grants; and group home beds for persons with mental illness, intellectually disabled or physical disabilities.

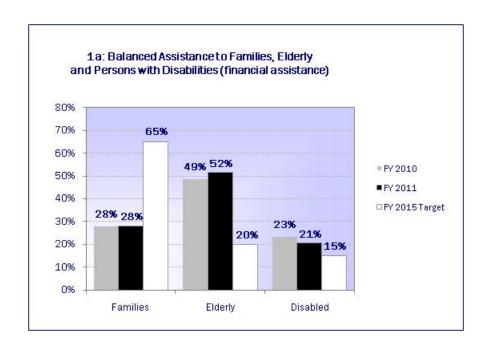
Committed Affordable Units, Supportive Housing Units, and Group Home Beds

	Elderly-only	Accessible, Supportive Units and Group Home Beds	Family-Sized
Committed Affordable Units (CAFs)			
Rental CAFs*	1,117	240	2,595
Owner CAFs Supportive Housing Units and Group Home Beds	3	16	524
Supportive Units**		300	
Intellectual Disability		87	
Mental Illness		83	
Physical Disabilities		12	
Total	1,120	738	3,119
FY 2011	22%	15%	63%
FY 2015 Target	20%	15%	65%

^{*}Accessible unit number excludes accessible units at elderly-only complexes and supportive housing units. These units are captured in the respective elderly and supportive unit counts. The family-sized unit number excludes family-sized units in elderly-only complexes and in Milestones I, II, and III units. Accessible family-sized units are also subtracted from this count as they are captured in the accessible unit count.

- The next graph displays the proportion of households served through rent subsidy and tax relief programs that are families, elders, and persons with disabilities. This graph shows that a larger percentage of persons with disabilities are served by subsidies than by units.
- This graph shows that the proportion of elderly receiving assistance is significantly higher than the Target. This large percentage of elders served relates to the Real Estate Tax Relief Program, which provided relief to 1,195 elderly households in FY 2011.
- The percentage of families served through subsidies is less than half of the percentage of families served by units.

^{**}Includes Milestones I, II and III; Project Hope; and Project-Based Housing Grants



Subsidy and Tax Relief Programs

	Elderly	Disabled	Families
Real Estate Tax Relief	1,150	45	
HOPWA		6	
Section 8	313	293	609
Housing Grants	340	380	320
Transitional Housing Grants			47
Total	1,803	724	976
FY 2011	51%	21%	28%
FY 2015 Target	20%	15%	65%

GOAL #2: HOMELESSNESS

Prevent and End Homelessness.

Target 2A: Reduce the number of unsheltered homeless by half by 2015.

Unsheltered Homeless Individuals

 FY 2010	FY 2011	% Change
223	137	-39%

The Point in Time Survey found that there were 223 unsheltered homeless individuals in FY 2010 and 137 in 2011, a 39% decrease.

Target 2B: Create a Comprehensive Homeless Service Center to serve homeless individuals by 2015, to include up to 50 year-round shelter beds that employs best practices to move homeless people to permanent housing.

The County Board has moved closer to creation of the Comprehensive Services Center to replace the existing Emergency Winter Shelter. The County Board has adopted a resolution to make an offer to purchase land and a building which, among other County planned uses, includes space for the Comprehensive Services Center.

Target 2C: Increase the number of homeless individuals and families moving into permanent housing through housing grants and supportive housing, with an increase in the supply of permanent supportive housing units to 425 by FY 2015.

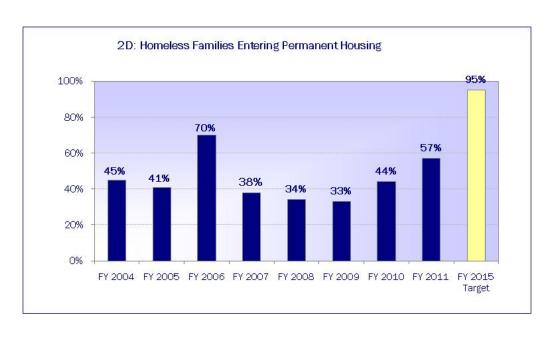
Number of Committed Permanent Supportive Housing Units

FY	Available at beginning of FY	Units coming available during FY	Total
2010	169	13	182
2011	182	16	198

Source: DHS

- From FY 2010 to FY 2011 there was an 11% increase in the total number of supportive housing units.
- Total available units at the beginning of the year include units from County and non-profit permanent supportive housing programs.
- Units coming available during the fiscal year include CAFs added in 2010 and new CAFs at Buckingham Village III and the Macedonian in 2011.

Target 2D: Provide permanent housing to at least 95% of sheltered homeless elders and families with children and for 65% of the sheltered homeless persons with disabilities by FY 2015.



Sheltered Homeless Families Entering Permanent Housing

			Percentage
FY	Leaving Homeless Shelter System	Entering Permanent Housing	•
2004	152	69	45%
2005	95	39	41%
2006	81	57	70%
2007	68	26	38%
2008	92	31	34%
2009	27	9	33%
2010	54	24	44%
2011	93	53	57%

Source: DHS, Homeless Services

Sheltered Persons with Disabilities Entering Permanent Housing

FY	Leaving Homeless Shelter System	Entering Permanent Housing	Percentage
2010	70	36	51%
2011	52	12	23%

Source: DHS, Homeless Services

Sheltered Persons 62 or older Entering Permanent Housing (year round shelter)

FY	Leaving Homeless Shelter System	Entering Permanent Housing	Percentage
2011	7	2	29%

Source: DHS, Homeless Services

- Factors limiting persons' ability to obtain permanent housing include, but are not limited to:
 - Low and moderate income coupled with high housing costs.
 - Housing barriers that include poor credit history, and for some, a criminal history that make it difficult to be approved for rental housing.
 - Mental health and/or substance abuse issues that prevent the individual from following through with the activities and using the supports needed to gain and maintain housing.

GOAL #3: SAFE AND DECENT HOUSING

Ensure through all available means that all housing in Arlington County is safe and decent.

Target 3A: Ensure that 100% of multi-family rental housing units have no <u>major violations</u> that are not corrected within the standard time permitted by the appropriate code enforcement agency by FY 2015.

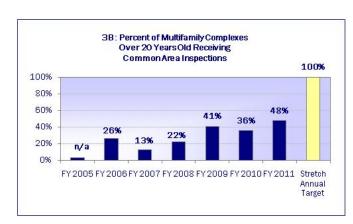
- All major violations were corrected or remediated within the time frame prescribed by the inspectors. Due to the severity of these violations—often including life-safety issues—inspectors work aggressively to ensure compliance in the timeframe given. For example, with lack of heat in winter, either the heat was restored or the tenants were provided space heaters or relocated to suitable facilities.
- Target 3B: Conduct annual <u>common area inspections</u>⁴ of all multi-family rental complexes

over 20 years old.

Target 3C: Reduce the <u>rates</u>⁵ of major violations in [common area inspections of] multi-

family rental housing by 10% each year.

Common Area Inspections





Data Note: The FY 2011 Target is equal to a 10% decrease in the FY 2010 rate of 0.28

Number of major common area housing violations found

Number of multi-family rental complexes over 20 years old inspected

⁴ **Common Area Inspections:** Inspections of common areas in rental projects include inspections of all exterior grounds, trash areas, hallways, stairways, laundry rooms and mechanical rooms. The areas are inspected for violations of the Virginia Uniform Statewide Building Code/Part III. Maintenance of Existing Structures (International Property Maintenance Code), the International Fire Code, the Arlington Zoning Ordinance, the Arlington Condition of Private Property ordinance (formerly the Care of Premises ordinance), and the Arlington Abandoned/Junk Vehicle ordinance."

⁵ Rate of major common area housing code violations is defined as:

Common Area Inspections

	•		
FY	Total # of Complexes 20 Years & Older	# of Complexes Inspected	Percentage
2004	344	28	8%
2005	345	11	3%
2006	340	88	26%
2007	344	46	13%
2008	331	72	22%
2009	342	141	41%
2010	346	123	36%
2011	345	166	48%

Source: CPHD, Code Enforcement Office and Housing Division's Housing Database.

Common Area Inspections: Major Violations

FY	# of Buildings inspected	# of Major Violations	Rate
2004	367	71	0.19
2005	51	7	0.14
2006	130	36	0.28
2007	122	38	0.31
2008	200	68	0.34
2009	503	146	0.27
2010	541	153	0.28
2011	739	354	0.50

Source: CPHD, Code Enforcement Office and Housing Division's Housing Database.

- The increase in the number of major violations is due to increased inspections and more vigorous enforcement as well as a decrease in maintenance staff at most multiple dwellings due largely to the financial crisis.
- The common area inspections program is intended to both provide an indicator of the condition of older complexes for year-to-year comparisons and serve as a deterrent to poor maintenance.
- The rate of major violations⁶ for common area inspections is above the Target set for FY 2010. It should be noted that different complexes may be inspected in any given year.

Target 3C: Reduce the <u>rates</u>⁷ of major violations in [full code inspections of] multi-family rental housing by 10% each year.

Target 3D: Conduct annual full code inspections⁸ on 5% of all multi-family rental units over 30 years old.

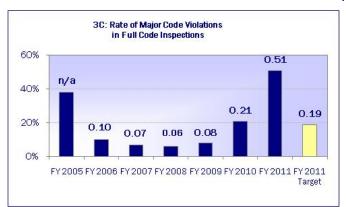
Number of major violations (common area and unit) from full code inspections

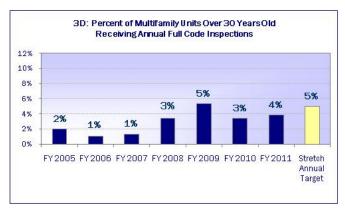
Number of units inspected in full code inspections

⁶ **Major violations** are defined as life-safety issues that may include a range of fire hazards (such as no functioning smoke detector), lack of heat or hot water, lack of adequate plumbing facilities, overcrowding, accumulation of rubbish, infestation (e.g., by rats), cracks in exterior walls, problems with the roof or drainage and hazards affecting stairways, decks, porches or balconies.

⁷ Rate of major housing code violations in full code inspections is defined as:

Full Code Inspections





Data Note: The FY 2011 Target is equal to a 10% decrease in the FY 2010 rate of 0.21

Full Code Inspections

# of Units Inspected	# of Units 30 Years & Older	Percentage
819	25,250	3%
625	25,523	2%
378	25,327	1%
336	25,310	1%
868	25,367	3%
1,344	25,537	5%
905	26,529	3.4%
991	25,794	3.8%
	819 625 378 336 868 1,344 905	Inspected 30 Years & Older 819 25,250 625 25,523 378 25,327 336 25,310 868 25,367 1,344 25,537 905 26,529

Source: CPHD, Code Enforcement Office and Housing Division's Housing Database.

Full Code Inspections: Major Violations

FY	# of Units inspected	# of Major violations	Rate
2004	819	219	0.27
2005	625	235	0.38
2006	378	38	0.10
2007	336	25	0.07
2008	868	45	0.06
2009	1,344	101	0.08
2010	905	186	0.21
2011	991	506	0.51

Source: CPHD, Code Enforcement Office and Housing Division's Housing Database.

- The achievement for Target 2D increased slightly from 3.4% in 2010 to 3.8% in 2011.
- Complexes are chosen for full code inspections based not only on age but also on the complaints and issues associated with them.
- The rate of major violations in full code inspections increased from FY 2010 to FY 2011. Since the program involves the inspection of different complexes each year, it is difficult to draw conclusions as to the reason for an increase in the rate of major violations.

⁸ **Full code inspections** are comprehensive inspections by Community Code, Building and Fire Inspectors of: 1) all common areas and 2) either 100% of the units of small projects (70 or fewer units) or 50% of the units at larger complexes. Additional units may be inspected if warranted.

GOAL #4: SUSTAINABILITY

Ensure that consistent with Arlington's commitment to sustainability, the production, conversion and renovation of committed affordable housing is consistent with goals set by the County to reduce greenhouse gas emissions in Arlington County.

- Target 4A: Distribute the Fresh AIRE multi-family toolkit signage and information to 100% of all CAF rental properties by FY 2013.
- Target 4B: Track electric, gas, and water utilities in 50% of all CAF rental properties using a free utility tracking software by FY 2015.
- Target 4C: Reduce total energy use by an average of 15% in the total supply of CAF multifamily properties between FY 2011 and FY 2015.
- Target 4D: Reduce total water use by an average of 10% in the total supply of CAF multifamily properties between FY 2011 and FY 2015.

<u>Green Games Multi-Family:</u> The AIRE team rolled out a friendly year-long competition for the commercial office sector (office tenants and property managers) to reduce energy use, waste, water, and set other environmental goals. Buildings compete against buildings and offices against offices in the race for business gold (www.arlingtongreengames.com). The highly interactive program incorporates trainings, best practices, and technical assistance along the way.

To date, over 170 offices and buildings are competing in the Green Games. That's over 15 million sq ft, which is 1/3 of the commercial office space in Arlington!

The AIRE team is currently developing Green Games program tracks for the restaurant and retail sectors and <u>plans to develop a track for the multi-family sector</u> as well. The multi-family track is planned for development in CY 2012 with a rollout planned in CY 2013.

<u>Utility Disclosure form:</u> Staff is currently working on a process that would allow the County to get electricity, gas, and water usage data directly from the utilities. Staff is hopeful that this will create a process to achieve target 4B.

MF Weatherization Grant: Arlingtonians for a Clean Environment (ACE) received a grant from the County to put a program together to weatherize 350 low income apartments and make changes on a limited budget to reduce electricity, gas, and water use. The program is called E³ – Energy Efficiency Education. Training has begun and the weatherization and upgrades to these apartments will begin in CY 2012.

Target 4E: Each new or rehabilitation project will be in compliance with EarthCraft, LEED or other comparable certification if the developer receives Low Income Housing Tax Credits.

All projects that received Low Income Housing Tax Credits in FY 2011 will be in compliance with EarthCraft.

Arlington Mill - EarthCraft Howard Manor - EarthCraft North Ashton - EarthCraft

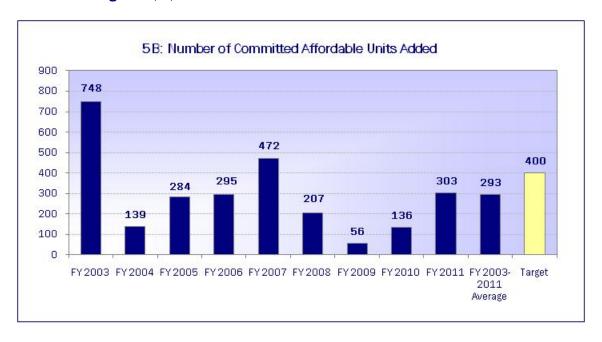
GOAL #5: LOSS OF AFFORDABLE HOUSING

Permit no net loss of committed affordable housing, and make every reasonable effort to maintain the supply of affordable market rate housing.

Target 5A: Any CAFs lost should be replaced as a priority.

 No CAF units are scheduled to expire by FY 2015, however if a situation arises such as a refinancing or sale of a CAF property, then the County will make it a priority to ensure that the CAF units remain committed.

Target 5B: Help maintain the supply of affordable housing by assisting an average of 400 net new committed affordable housing units per year, especially the preservation of existing affordable housing through partnerships with nonprofit housing providers, while meeting the Targets for goals 6, 7, 8 and 9.



New Committed Affordable Units Added by Fiscal Year

FY	Complex	Total Units	New Committed Affordable Units
2003		1,137	748
2004		372	139
2005		2,030	284
2006		797	295
2007		1,217	472

FY 2003 – 2011	Average Net New Committed Affordable Units (CAFs)		293
FY 2011 Total			303
Owner	Twenty400 Miscellaneous owner programs	217 8	20 8
	Rosslyn Commons	479	55
	North Ashton	9	9
	Howard Manor Marbella Apartments (additional CAF Units)	76	76 14
Rental	Arlington Mill	122	121
2011			
2010		492	136
2009		56	56
2008		642	207

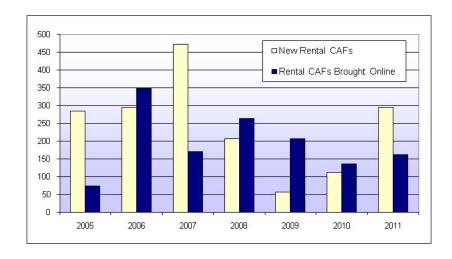
Source: CPHD, Housing Division

Data Note: Site plans by for-profit developers are shown as "Committed Affordable Units" when construction begins so some projects approved by the County Board during FY 2011 do not appear above.

- The County has added an average of 293 new committed affordable units (CAFs) annually between FY 2003 and 2011, compared to the target of adding 400 new CAFs annually.
- Of the 303 CAFs added in FY 2011, 295 were rental and 8 were owner CAFs.
- The total CAF rental supply as of the end of FY 2011 equaled 6,293 units.

County Allocates over \$17 Million for Affordable Housing Development

The Affordable Housing Investment Fund (AHIF), is comprised of HOME funds, local general revenues, and 1% of recordation tax received by the County (typically about \$1 million each year). Established in 1985 as a revolving loan fund, it now has loan repayments and Affordable Dwelling Unit Ordinance contributions from developers of approximately \$2-\$4 million annually. The County Board has made extraordinary efforts over the past year to further affordable housing in Arlington County. In addition to the 303 new rental CAF units, an additional 42 previously committed units at the Macedonian and the Crescent came online in FY 2011.



Target 5C: In residential site plan projects, ensure developers comply with the Affordable Housing Ordinance to provide a cash contribution or affordable housing units. If the density bonus is used, target 20% with a stretch target of 50% of the total bonus units, bedrooms or gross floor area as affordable.

- No residential site plan projects were approved in FY 2011.
- In December of 2005, the County Board approved amendments to the County's Zoning Ordinance that include affordable housing requirements for site plan projects. This action concluded sixmonths of meetings and negotiations through the Arlington Affordable Housing Roundtable, which was chaired by County Board member Jay Fisette (then chairman) and included participants from the development community, civic groups, housing advocates and the Planning and Housing Commissions.
- The requirements of the new Affordable Housing Ordinance are designed to foster creation of affordable housing and to streamline the approval process. The developer chooses whether to provide:
 - 5% of the Gross Floor Area (GFA) as on-site affordable units;
 - 7.5% of the GFA as affordable units off-site nearby;
 - 10% of the GFA as affordable units anywhere in Arlington County; or
 - Cash contributions: \$1.73/sq. ft. of GFA for first 1.0 FAR; \$4.62/sq. ft. from 1.0 to 3.0 FAR for residential; \$9.25/sq. ft. of GFA above 3.0 for residential; and \$4.62/sq. ft. above 1.0 FAR in commercial⁹.
- Developers agree to fulfill the affordable housing requirement at the time of site plan approval. However, they do not need to declare which of the four options they choose until they file for a Certificate of Occupancy for the project. Some projects, because of increases in density, agree to provide units at the time of approval. The potential performance toward this target is shown on the following table using the GFA formulas to estimate the number of units or amount of contributions which might result.

Potential Benefits from New Residential Site Plan Approved under the Affordable Housing Ordinance (For-Profit Developers)

		Alternative Benefits from Affordable Housing Ordinance				Additional Benefit for GLUP change*	
FY 2011 Approved Site Plans	Total Project Units	Units if 5% of GFA	Units if 7.5% of GFA	Units if 10% of GFA	Contribution Option	On-Site Units Option	Contribution Option
FY 2011 Total	0	0	0	0	0	0	0

*The Affordable Housing Ordinance allows site plans with requests to change the General Land Use Plan (GLUP) designation to be subject to an affordable housing benefit in addition to the standard Ordinance formula options.

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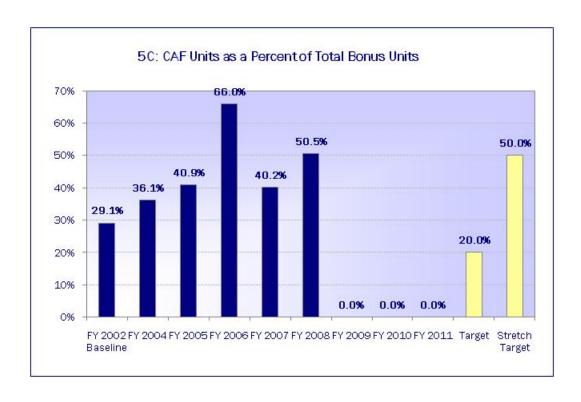
⁹ Cash contribution amounts are indexed to the Consumer Price Index for Housing in the Washington-Baltimore MSA. These are the 2011 figures.

Approved Bonus Density for Affordable Housing (For-Profit Developers)

P/	Number of Bonus	Number of CAFs in	CAFS as Percent
FY	Units	Bonus	of Bonus
2004	97	35	36.1%
2005	66	27	40.9%
2006	47	31	66.0%
2007	249	100	40.2%
2008	95	48	50.5%
2009	0	0	0%
2010	0	0	0%
2011 Total	0	0	0%

Source: CPHD, Housing Division

- The density bonus for rental affordable housing, as originally implemented, used the income from the market rate units to offset the cost of the affordable units and, in the baseline year FY 2002, resulted in projects with roughly 29% of the bonus units being affordable.
- While the aggressive Target aims for 50% of bonus units as affordable, the recent focus has aimed for 50% of the Gross Floor Area (GFA) as affordable. This allows for flexibility in unit mix, for example, getting fewer units but larger ones.
- There were no site plan projects approved in FY 2011 and thus no projects took advantage of the bonus density.



Target 5D: Minimize involuntary displacement of low- and moderate-income households in complexes being renovated, converted or redeveloped. For committed affordable projects, strive to provide opportunities for 60% of low- and moderate-income households onsite or nearby.

- In FY 2011 there were four relocation projects for committed affordable developments. Howard Manor has not started renovations yet, this project will continue to be monitored in future years.
- All of the low- and moderate-income residents were provided relocation opportunities and 86.4% of the households were moved into nearby committed affordable units, were able to stay during the renovation or are returning after the renovation is complete.
- The acquisition of Buchanan Gardens displaced 16 over income households.

FY 2011 Relocation Projects

Project	Total Households	Remained On-Site or Nearby	Moved Out of Area
Buchanan Gardens	111	95	0*
Colonial Village	137	133	4
Howard Manor	76	N/A	N/A
AHC Scattered Site	103	67	36

^{*16} Households were displaced because they were over income

GOAL #6: SERIOUS HOUSING NEED

Reduce the number of households in serious housing need (defined as those earning below 40% of median income who pay more than 40% of their income for rent).

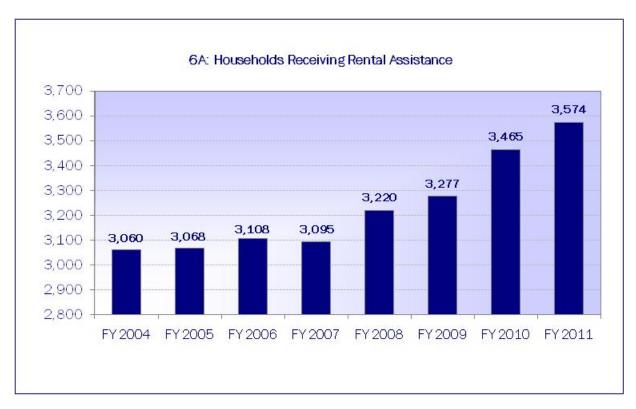
Target 6A: Strive to provide rental assistance (including Housing Grants) to 100% of the eligible households requesting rental assistance.

Housing Grants:

The program remained open in FY 2011. Any Arlington renter interested in the program is offered the chance to apply. Households are assessed and those meeting eligibility criteria are enrolled in the program.

Housing Choice Voucher (Section 8)

This ability to serve households is limited by the funding received from federal government. With this limitation, Arlington has not been able to serve all potentially eligible households.



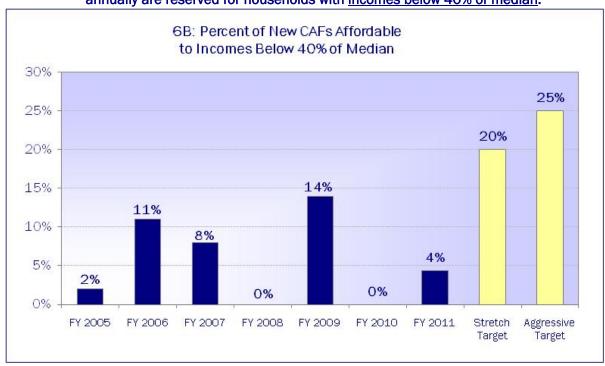
Rental Assistance

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Section 8, Housing Vouchers, and project- based Section 8 (administered or monitored by County) Other Section 8 and Section 202 (not administered or monitored by	1,566	1,566	1,566	1,461	1,461	1,461	1,511
County)	785	785	785	855	855	855	855
Housing Grants*	676	718	710	871	934	1,122	1,182

Total 3	.068	3,108	3.095	3.220	3,277	3.465	3,574
Community Treatment (PACT)	5	5	5	5	5	1	1
Milestones Project HOPE - Program for Assertive	21	21	19	18	18	20	19
AATLANTANA	0.1	0.4	40	4.0	4.0	00	4.0
Housing Opportunities for Persons with AIDS (HOPWA)	15	13	10	10	4	6	6

- The increase in Section 8 Housing Vouchers in FY 2011 was due to an award of an allocation and funds for 50 additional vouchers under HUD's Family Unification Program.
- Department of Human Services staff has seen demand and growth over the past three years in the Housing Grant program that exceeded expectations, which is attributed to the downward turn in the economy. The increase in FY 2006 and FY 2007 over FY 2005 reflects two new Countyfunded programs, Transitional Housing Grants and Project-Based Housing Grants.
 - Project-based Housing Grants: Some committed affordable units are designated to serve persons with disabilities, including homeless, needing permanent supportive housing.
 This program assures affordability for these very low income persons.
 - Transitional Housing Program: This rent subsidy program serves households with issues such as mental illness or domestic abuse who are leaving shelters and entering transitional programs.

Target 6B: Provide that 25% of the new <u>committed affordable rental units</u> produced annually are reserved for households with <u>incomes below 40% of median</u>.



CAF Units Affordable to Households Earning <40% of the Median Income

FY	0-40%	41-50%	51-60%	61-80%	Total
Unit Totals					
2004	0	0	108	0	108
2005	6	30	203	0	239
2006	27	30	177	5	239

^{*}Housing Grant number includes Transitional Housing Grants and Project Based Housing Grants

2007 2008 2009 2010	25 0 5 0	2 2 6 11	277 122 25 121	0 60 0	304 ¹ 184 36 132
2011	13	37	245	0	295
Percentages					
2004	0%	0%	100%	0%	100%
2005	2%	13%	85%	0%	100%
2006	11%	13%	74%	2%	100%
2007	8%	1%	91%	0%	100%
2008	0%	1%	66%	33%	100%
2009	14%	17%	69%	0%	100%
2010	0%	8%	92%	0%	100%
2011	4%	13%	83%	0%	100%

Source: CPHD, Housing Division

- There will be 13 units at Arlington Mill dedicated as supportive housing units for persons earning very low incomes, at or below 40% of AMI. An additional 13 units at Arlington Mill and 24 units at Howard Manor will be leased to families earning at or below 50% of AMI.
- The percent of new CAFs affordable to households earning 40% and below increased from 0% in FY 2010 to 4% in FY 2011.
 - The majority of those served in both the supportive housing units and the Milestones programs will be persons with disabilities who have incomes below 20% of median income. (The Milestones program is not counted here but serves 20 households.) Typically the source of income will be Supplemental Security Income (SSI) which provides incomes below \$7,000 (under 11% of median income).

Target 6C: Place at least 50% of persons in shelters, transitional and supportive housing with skills training, employment placement or enrollment in public assistance benefits.

Arlington Employment Center Homeless Program

	Number Served	Number Placed	Percentage Served	Average Wage of those Placed
FY 2011	28	17	61%	\$9.00/hour

Enrollment in Benefits

	FY 2011
Total Households Leaving Transitional, Shelter, and Supportive Housing Programs	219
Total number of Households Leaving with at least One "Non-Case Benefit"	155
Number of benefits received compared with number of households leaving the programs.	71%

 $^{^{}m 1}$ Buckingham Village 3 is not counted here because the affordable housing program is still to be determined.

GOAL #7: FAMILY-SIZED UNITS

Increase the number of housing units with two or more bedrooms in order to match the needs of households with children.

Target 7A: Increase the number of <u>family-sized units</u> in the County to 61,000 by FY 2015.

This is a 15-year Target. According to information from the U.S. Census Bureau 2006-2010 American Community Survey 5-Year Estimates, this target has been achieved. This target will be updated when the full 2010 Census data is available and be reevaluated the next time the targets are reviewed.

Total Family-Sized Units, 1990-2010

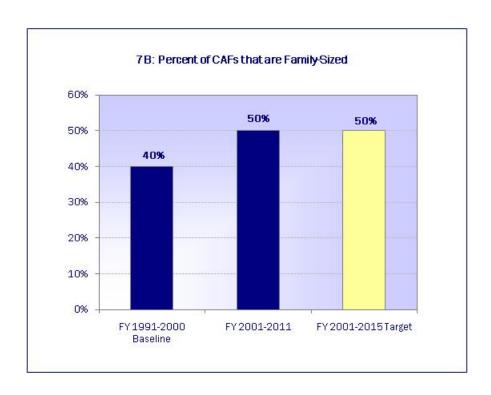
CY*	Total Units	Total Family-Sized Units
1990	84,847	53,292
2000	90,426	54,676
2010	102,156	65,048
*CV means calendar year		

*CY means calendar year.

Source: Data for 1990 and 2000 are from the U.S. Census.

The 2010 is from the 2006-2010 American Community Survey 5-Year Estimate

Target 7B: Provide that <u>half</u> of the rental committed affordable housing units added between FY 2001 and FY 2015 are <u>family-sized</u>, of which 25% would be greater than two bedrooms.



Number of New CAF Rental Units

FY		Number of	Bedrooms	Total	Total	Percent
гт	2	3	4+	Family-Sized	CAFs	Family-Sized
2001	145	23	7	175	332	53%
2002	31	6	0	37	113	33%
2003	290	25	0	315	723	44%
2004	39	7	0	46	108	43%
2005	79	23	0	102	239	43%
2006	111	44	3	158	239	66%
2007	196	5	0	201	444	45%
20081	82	7	0	89	1261	71%
2009	17	0	0	17	36	47%
2010	44	22	1	67	132	51%
2011	149	38	0	187	295	63%
Total FY 2001-2011	1,183	200	11	1,394	2,787	
Percent family-sized added during FY 2001-2011						
Percent of those family-sized units that are 3+ bedrooms						

Source: CPHD, Housing Division

- This is a cumulative rather than an annual Target. It is the net effect of all additions to the CAF rental supply over the 15-year period that this Target spotlights.
- Between FY 2001 and FY 2011, 50% of the new rental CAFs have been family-sized (two-bedroom or greater). This represents a noteworthy improvement from the baseline of 40%. Adding committed affordable family-sized units is a challenge in Arlington's existing supply of multi-family rental units. Only 36% of the market rental stock is comprised of units that are two-bedroom or larger.
- Of the 1,394 family-sized CAFs added between FY 2001 and FY 2011, 211 or 15% are three-bedroom or greater.

¹Buckingham Village CANTU is not counted here because the bedroom sizes have not been determined yet and thus the 60 units have been subtracted out of the total CAF count for 2008 in the chart above.

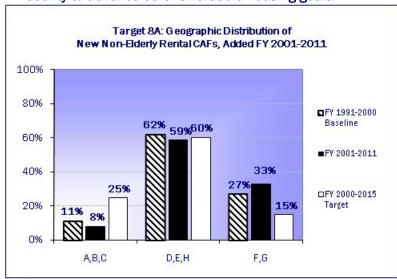
GOAL #8: DISTRIBUTION OF COMMITTED HOUSING

Distribute committed affordable housing within the County, neighborhoods, and projects.

Target 8A: Distribute <u>non-elderly</u> rental <u>committed affordable housing units</u> added in the following Neighborhood Service Areas (NSAs) between FY 2001 and FY 2015:

- > ± 25% in A, B, and C,
- ➤ ± 60% in D, E, and H, and
- \rightarrow ± 15% in F and G.

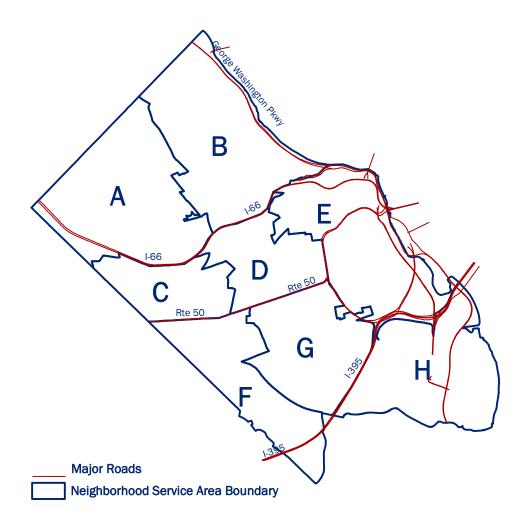
These Targets are not to be construed as caps or quotas, nor to limit the ability to take advantage of projects in any area of the County to advance other affordable housing goals.



New Non-Elderly Rental CAFs by Neighborhood Service Area (NSA)

	Α	В	С	D	Е	Н	F	G	Total
		ъ	U				'		
2001				10	55	138		129	332
2002	11				21	7			39
2003	5			349		12	319	38	723
2004					108				108
2005				25	179	20	15		239
2006				6	117			116	239
2007	185			240	6				431
2008				168	7			9	184
2009								36	36
2010			6			15		111	132
2011	9				145		121	20	295
Total	210	0	6	798	638	192	455	459	2,758
Total by Group		216			1,628		91	4	2,758
Percentages		8%			59%		33	%	100%

Source: CPHD, Housing Division



- In FY 2002, 71% of the new non-elderly rental CAFs were in D, E, and H and 29% were in F and G.
- The performance towards this Target as of the FY 2010 Annual Targets Report was 8% in A, B, and C; 59% in D, E, and H; and 33% in F and G., the same as in FY 2011.

GOAL #9: HOME OWNERSHIP

Increase the rate of homeownership throughout the County, and increase homeownership education and opportunities for low and moderate income households.

Target 9A: Increase the <u>homeownership rate</u> from 46.4% to 47% with a stretch goal of 50% throughout the County by 2015.

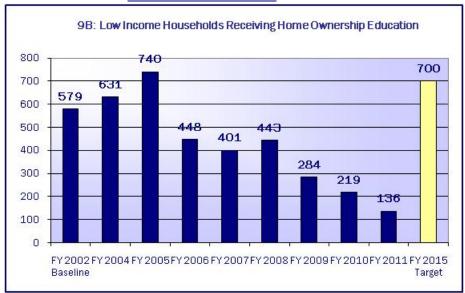


Source: CPHD, Housing Division and Department of Management and Finance, Division of Real Estate Assessments

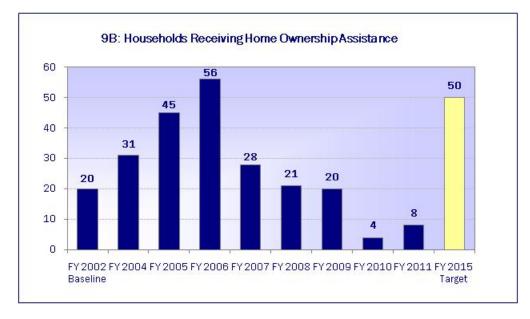
Data Note: Data used to compute the homeownership rate came from two sources: 1) the Department of Real Estate Assessments for owner-occupied and renter-occupied single family units (includes condominiums, cooperative, townhouses and detached); and 2) the Housing Division's housing database for the total number of multifamily renter units.

- The homeownership rate decreased slightly from 46.5% in 2010 to 45.9% in 2011 after surpassing the target of 47% in 2007. This is due in large measure to the shift from condominiums to rental projects in many of the newer projects coming online in the past few years.
- For purposes of comparison, the 2010 Census found that the percentage of owner-occupied units in Arlington was 43.3%.

Target 9B: Provide <u>homeownership education</u> to 700 households with incomes below 80% of median and annually <u>assist 50 households</u> with incomes below 80% of median <u>to become homeowners</u>.



The number of low income households that received homeownership education decreased between FY 2010 and FY 2011. The difficulty that low income households face in being able to find and afford homeowner units in Arlington has contributed to the lower number of households taking homeownership classes.



- The County fell below its target by serving only 8 low income households with homeownership assistance in FY 2011.
- An additional 3 middle income households were served through Virginia Housing Development Authority (VHDA) programs which have higher income limits

- The reduction in homeownership education and number of households receiving homeownership assistance is largely due to the current financial crisis and concerns about the stability of homes in general.
- The County is currently working within a regional framework to address current HUD/FHA issues, including the increased minimum down payment required and the maximum percentage of mortgages that FHA allow at condominium complexes.

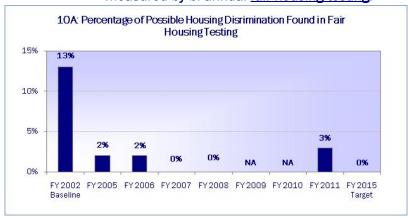
Target 9C: Increase the <u>homeownership rate</u> for <u>minority</u> households from 24.2% to 30% by 2015.

- This is a 15-year Target and according to the recently released 2010 Census, the homeownership rate for minority households decreased from 24.2% in 2000 to 19.7% in 2010.
- In FY 2011, 6 of the 8 households (75%) that received MIPAP homeownership assistance were minorities.
- The County conducts affirmative marketing to minorities for its homeownership programs.
 Homeownership training is provided in multiple languages, e.g., Spanish, Vietnamese, and Korean
- Of approximately 200 households that attended the homeownership fair in 2011, roughly 50% were minorities.

GOAL #10: HOUSING DISCRIMINATION

Ensure, through all available means, that housing discrimination is eliminated.

Target 10: Reduce all indications of housing discrimination to zero by FY 2015, as measured by bi-annual <u>fair housing testing</u>.



- Fair housing testing is the predominant method of determining the level of possible housing discrimination in a community.
- The County will now be conducting the tests every other year.
- The County's testing program began in 2000. It conducts approximately 100 tests of:
 - different components of the housing market (e.g., rental, sales and financing) and
 - different protected groups (e.g., African-Americans, Hispanics, families with children, persons with disabilities, etc.).
- Tests that indicate possible discrimination are followed up with the processing of fair housing complaints.
- The table below shows the components of the housing market and the protected groups tested in FY 2011. The percent of retests was 3% in FY 2011.
 - . Re-tests are conducted whenever the initial tests indicate potential problems.
 - . The re-tests did not show any indications of discrimination.

Incidents of Possible Discrimination in Fair Housing Testing

FY	Aspect of Market	Protected Category	Protected Group	Number of Original Tests	Number of Re-tests	Percent of Total Tests
2005				98	2	2.0%
2006				98	2	2.0%
2007				100	0	0.0%
2008				100	0	0.0%
2009	Test was no	ot conducted				
2010	Test was no	ot conducted				
2011	Rental	National Origin	Hispanic	!	50 2	2%
	Rental	Race	Black	!	50 1	1%
	FY 2011 To	otal		:	100 3	3%

Source: County Manager's Office, Human Rights Office

GOAL #11: QUALITY SERVICES

Provide housing services effectively and efficiently.

- Target 11A: Annual Housing Report: By December of each year, produce the County's annual affordable housing report for the fiscal year just completed.
- This FY 2011 Annual Report was not completed by December of 2011.
- Target 11B: The County's Code Enforcement department will provide a publically available, written, annual report on housing code inspections completed for the year by complex, listing full code inspections by complex, with a total of violations reported, corrected and pending. Findings will be shared annually in a presentation to the Tenant-Landlord Commission.
- A Full Code Inspection Report was issued for calendar year 2010 and Code Enforcement staff is currently working on the 2011 report. This report will be shared with the Tenant-Landlord Commission and the Housing Commission when it is completed.
- Target 11C: Conduct a study of the various Tenant Assistance Funds (TAFs) and make recommendations for a consistent, standard and County-wide program by 2012.
- Staff is currently analyzing past TAFs and based on that research will prepare draft recommendations to share with the Housing Commission.
- Target 11D: Create an annual report on the outreach, education and assistance to households at risk of foreclosure.
- Staff is currently working on the 2011 Foreclosure Report.

Target 11E: Conduct an updated housing needs survey.

The County is looking into the feasibility of conducting a housing needs survey to identify what levels of affordable housing is needed. Staff has been working with various groups to identify the scope of the survey and looking into possible vendors to carry out the survey.

Rent and Vacancy Survey for 2011

This is a summary report of the 2011 Rent and Vacancy Survey. All the multi-family rental complexes with four or more units were included in the survey which requested information on the current market rent (i.e., rent charged to new tenants), and the number of units that were vacant and available for rent. This analysis excludes rent data from all Committed Affordable Units (i.e. units with either subsidized or controlled rents) and vacancy data from buildings undergoing change or in the initial lease-up period. The response rate for the 2011 Rent and Vacancy Survey was 74%, reflecting data on approximately 32,558 of the 43,555 multi-family rental units in the County at the time of the survey in February.

2011 Multi-Family Rental Stock

- The 2011 survey found a total of 43,555 units; this is a net increase of 1,269 units over 2010.
- The percentage of units by bedroom size remained nearly the same as in 2010.

	Number of Units							
	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4+ Bedroom	Total		
Percentage for 2011	9.7%	54.1%	32.2%	3.9%	.05%	100%		
2011	4,229	23,560	14,038	1,708	20	43,555		
2010	4,127	23,101	13,516	1,523	19	42,286		
2009	4,090	22,698	13,247	1,497	16	41,548		
2008	4,055	22,398	13,018	1,582	17	41,070		
2007	3,924	21,779	12,693	1,765	17	39,989		
2006	3,883	21,576	12,570	1,572	17	39,618		

Vacancy Rates

• The vacancy rate increased to 4.6%.

	Average Vacancy Rates							
Survey Year	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	Total			
2011	2.3%	4.4%	5.6%	3.2%	4.6%			
2010	2.3%	3.2%	4.1%	4.3%	3.4%			
2009	2.2%	3.2%	3.0%	2.6%	3.0%			
2008	3.3%	2.8%	2.5%	2.5%	2.8%			
2007	1.7%	3.0%	3.2%	3.3%	2.9%			
2006	1.8%	1.8%	2.8%	2.4%	2.2%			

Changes in Rents

- The County-wide average rent increased by \$26 per month to \$1,768, an increase of 2% over the 2010 average of \$1,742. The average rent for elevator building units increased 2%, while the average rent for all garden apartments units increased 2%.
- Average rent per unit size and the percentage of change are shown in the tables below.

	Average Rents - All Apartments										
Year	Efficiency		1 Bedroo	m	2 Bedroor	n	3 Bedroo	m	Total		
2011	\$1,337	4%	\$1,615	4%	\$2,063	1%	\$2,421	-9%	\$1,768	2%	
2010	\$1,290	1%	\$1,546	1%	\$2,036	2%	\$2,660	3%	\$1,742	2%	
2009	\$1,277	1%	\$1,524	4%	\$1,997	3%	\$2,583	6%	\$1,711	4%	
2008	\$1,261	6%	\$1,465	4%	\$1,934	3%	\$2,421	6%	\$1,648	5%	
2007	\$1,191	6%	\$1,407	6%	\$1,874	10%	\$2,278	5%	\$1,576	6%	
2006	\$1,123	9%	\$1,332	8%	\$1,708	6%	\$2,160	12%	\$1,480	3%	
2005	\$1,027	6%	\$1,231	4%	\$1,606	6%	\$1,929	7%	\$1,432	9%	

Average Rents - Garden Apartments											
Year	Efficier	псу	1 Bedroom		2 Bedroom		3 Bedroom		Total		
2011	\$1,145	14%	\$1,263	5%	\$1,520	1%	\$1,866	-7%	\$1,385	2%	
2010	\$1,007	-4%	\$1,203	-0.1%	\$1,507	-0.7%	\$1,997	18%	\$1,352	0.1%	
2009	\$1,046	6%	\$1,204	6%	\$1,518	6%	\$1,697	4%	\$1,351	6%	
2008	\$986	4%	\$1,132	3%	\$1,423	-0.2%	\$1,628	-5%	\$1,264	1.5%	
2007	\$951	7%	\$1,104	6%	\$1,426	8%	\$1,719	7%	\$1,245	7%	
2006	\$888	18%	\$1,038	7%	\$1,317	3%	\$1,602	8%	\$1,168	5.5%	
2005	\$753	-8%	\$970	5%	\$1,282	11%	\$1,476	4%	\$1,107	7%	

	Average Rents - Elevator Apartments											
Year	ear Efficiency 1 Bedroom 2 Bedroom		Efficiency 1 Bedroom		oom	3 Bed	room	Tota	al			
2011	\$1,370	3%	\$1,785	5%	\$2,392	2%	\$2,846	-4%	\$1,959	2%		
2010	\$1,337	2%	\$1,705	2%	\$2,348	1%	\$2,971	0.5%	\$1,918	2%		
2009	\$1,314	0%	\$1,677	2%	\$2,314	2%	\$2,958	0%	\$1,883	2%		
2008	\$1,308	6%	\$1,644	6%	\$2,268	6%	\$2,963	17%	\$1,844	7%		
2007	\$1,231	6%	\$1,555	5%	\$2,145	9%	\$2,542	3%	\$1,727	6%		
2006	\$1,159	9%	\$1,474	6%	\$1,975	6%	\$2,471	10%	\$1,628	1%		
2005	\$1,067	6%	\$1,387	1%	\$1,855	1%	\$2,253	1%	\$1,525	2%		

The Rent and Vacancy Survey is conducted annually by the Housing Division. Questions regarding the survey and report should be directed to Joel Franklin, Housing Planner, or Renee M. Willis, Chief, Housing Services Section. They can be contacted at 703-228-3760.

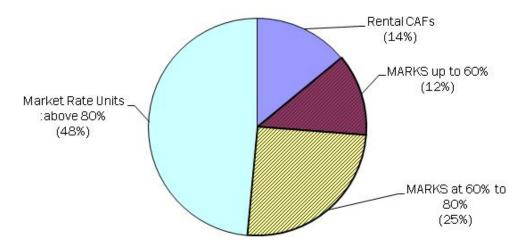
Update on the Affordability of the Rental Stock

The County tracks the affordability of the rental stock, with particular attention to those market affordable units (MARKS)¹ that are affordable to households at 60% of the Washington Area Median Income (AMI). From 2008 to 2011, 985 units then affordable at 60% of AMI have become unaffordable to that population, a 15.7% reduction in that affordable rental stock. During the same time period there has been an increase in units affordable up to 50% and 80% of AMI.

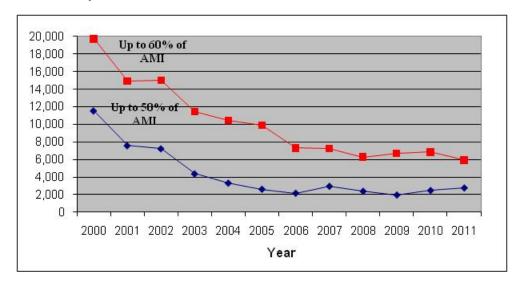
The following table shows the changes in rental units affordable to households earning 50%, 60%, and 80% of median income. Please note that unit totals are cumulative.

	2008	2009	2010	2011	4-Yea	ar Net Change
Affordable at % of	Cumulative	Cumulative	Cumulative	Cumulative		
Median Income	Total of	Total of	Total of	Total of	No. of	
	Units	Units	Units	Units	Units	% Change
Up to 50%	2,380	1,955	2,471	2,761	381	16.0%
Up to 60%	6,283	6,685	6,840	5,298	-985	-15.7%
Up to 80%	16,051	18,114	17,157	16,315	264	1.6%
Total Market Units	34,914	35,913	36,512	37,665	2,751	7.9%

2011 Rental Unit Breakdown



History of MARKS at 50% and 60% of Median Income from 2000 to 2011



Gain of Committed Affordable Units (CAFs): The County, working actively to preserve and create affordable units, has committed 1,058 rental units from FY 2007 to 2011 for long term preservation of affordability as Committed Affordable Units (CAFs). Committed affordable units are guaranteed to remain affordable for at least 30 years through non-profit ownership, site plan conditions, or government program requirements. During the same time period, 936 CAF units were leased-up.

2010 Area Median Income (AMI) for Families is the income at which half of the families of a particular household size have incomes higher and half have incomes lower. HUD estimated the median family income for a family of four for the Washington Metropolitan Area for 2011 was \$106,100. HUD computed median incomes by household size from that by formula. In 2007 a unit at the average rent required an income of 67% of median; in 2011, it also requires an income of 67% of median.

Median Income for Families, 2011										
Income	% of	Family Size								
Level	Median	1 2 3 4								
Moderate	80%	\$59,440	\$67,920	\$76,400	\$84,880					
Low	60%	\$44,580	\$50,940	\$57,300	\$63,660					
Very Low	50%	\$37,150	\$42,450	\$47,750	\$53,050					

¹ The statistics on income are based on HUD's median family incomes for the Washington Metropolitan Area. The number of units and rents are calculated using the County's Rent and Vacancy survey conducted annually by the Housing Division. As the response rate is below 100%, the numbers of units identified as affordable are extrapolated to equal a 100% response. The overall response rate was 87% in 2007, 85% in 2008, 88% in 2009, 86% in 2010 and 74% in 2011.



Accessory Dwelling Annual Report - Calendar Year 2011

Permitting Data

During Calendar year 2011, three applications were approved for new accessory dwelling units and no applications were received for unauthorized accessory dwellings. Additionally, one family/caregiver suites was applied for and approved. In 2010, three accessory dwellings and two family/caregiver suites were approved and in 2009 two accessory dwelling units and three family/caregiver suites were approved.

Accessory Dwelling Occupancy and Physical Data

	Unit 1	Unit 2	Unit 3
Neighborhood	Aurora Highlands	East Falls	Ashton Heights
		Church	
Number of Occupants in Main Building	4	3	1
Number of Occupants in Accessory Dwelling	2 anticipated*	2 anticipated*	*
Number of Years Resident has Lived in Original	1	10	25
Dwelling			
Amount of Rent to be Charged	\$1,400	\$1,000	\$1,000
	anticipated, not	anticipated, not	anticipated, not
	occupied yet	occupied yet	occupied yet
GFA of Main Dwelling	2,048	2,478	3,754
GFA for Accessory Dwelling	709	750	475
Location of Accessory Dwelling	Basement	1 st Floor	Basement
Code Enforcement Complaints	0	Ō	0

GFA = Gross Floor Area

Code Enforcement

During calendar year 2011, there were twenty-four cases reported as overcrowding complaints. Overcrowding complaints are a mix of cases reported because the number of unrelated occupants exceeds zoning standards and cases where the number of occupants within a specific space exceeds the limitations allowed under the Virginia Uniform Statewide Building Code. Over occupancy by unrelated persons is investigated by the zoning enforcement unit, building code violations are investigated by the code enforcement unit, both two agencies coordinate inspections where appropriate.

^{*} Was approved for an Accessory Dwelling Unit, but has yet to complete the Pre-Certificate of Occupancy data sheet with the above stated information.

Twenty-five percent (25%) of the reported overcrowding complaints cases were valid, fifty-eight percent (58%) of the cases reported were invalid and the remaining seventeen percent (17%) of all cases are pending resolution.

Agency	Case Status	Complaint Status	Original Complaint
Zoning	Active	Pending	Possible boarding
Enforcement			house/overcrowding/multiple vehicles
			parked all over numerous cases on file
			already.
Zoning	Active	pending	Illegal accessory dwelling located in the
Enforcement			basement with a separate door and
			with no access to the rest of the
			dwelling.
			Complainant states there is
Code	Active	Invalid	overcrowding in the dwelling. Overcrowding and substandard
Enforcement	Active	IIIvaliu	conditions at property.
Zoning	Active	Valid	Overcrowding.
Enforcement	Active	Pending	Overcrowanig.
Code	Active	Valid	Overcrowding and lack of maintenance
Enforcement	7100170	Pending	at the property.
Zoning	Closed	Valid	Overcrowding, 7 unrelated people
Enforcement			living in the house.
Code	Closed	Invalid	Referred by DHS Adult protective
Enforcement	3 .000 a		services
Code	Closed	Invalid	Overcrowding (8 people) at the
Enforcement			residence. Too many people at
			residence.
Zoning	Closed	Invalid	Overcrowding (8 people) at the
Enforcement			residence. Too many people at
			residence.
Code	Closed	Invalid	Overcrowding/unpermitted
Enforcement	5.555		construction/single family house
			converted to an apartment building.
Zoning	Closed	Invalid	Overcrowding/more than 4 unrelated
Enforcement			persons; unpermitted construction and
			converted a single family home to an
			apartment building.
Code	Closed	Invalid	Possible overcrowding and/or over
Enforcement			occupancy conditions.
Zoning	Closed	Invalid	Possible overcrowding and/or over
Enforcement			occupancy conditions.
Code	Closed	Invalid	Overcrowding at the premises (at least
Enforcement	CIUSEU	iiivallu	10 people).
Zoning	Closed	Invalid	Overcrowding at the premises (at least
Enforcement	Oloseu	iiivalia	10) 3 female Hispanics, 7 males, 3
Linoisomone			trucks, 3-4 cars, mostly in the evening.
			a dono, o i odio, modely in the evening.

Zoning Enforcement	Closed	Invalid	Suspected overcrowding in this house. The caller would like a Zoning Inspector to go there and check for any violations.
Zoning Enforcement	Closed	Invalid	Overcrowding of home with more than 4 unrelated persons.
Code Enforcement	Closed	Valid	Complainant called to state that there are 12 people living in a residence. Overcrowding conditions.
Zoning Enforcement	Closed	Valid	Complainant called to state that there are 12 people living in a residence. Overcrowding conditions.
Zoning Enforcement	Closed	Invalid	Overcrowding. Rental office state that the owner of the condo has placed a wall to give separate bedrooms for other tenants.
Code Enforcement	Closed	Invalid	Overcrowding at rental unit. 4 adults and one child living in unit making a lot of noise. Has made several complaints to management.
Zoning Enforcement	Closed	Valid	Illegal dwelling unit and overcrowding; three families are usually home morning and sometimes night time, all of which are unrelated-3 separate families.
Code Enforcement	Closed	Valid	Illegal dwelling unit and overcrowding.
Zoning Enforcement	Closed	Valid	Phoned complaint for owners adding gravel to front yard and parking vehicles on the gravel. There is possibly overcrowding occurring at the dwelling and 3 separate units in house, as well.

Family/Caregiver Suites Data

	Suite #1
Planned Occupant(s)	Caregiver
Status of Occupant Needing Care	Child
Nature of Care Being Provided	In Home Childcare
	Provider

GLOSSARY

Accessible Housing: New housing units covered under the Fair Housing Act Amendments Accessibility Guidelines [FHAAG] must meet the following specific accessibility criteria: 1] public and common use areas must be readily accessible to and usable by people with disabilities; 2] all doors "designed to allow passage into and within all premises are sufficiently wide to allow passage by handicapped persons in wheelchairs" [24 CFR 100.205]. These same properties must also meet additional features of adaptable design: accessible route into and through the dwelling unit; light switches, electrical outlets, thermostats and other environmental controls in accessible locations; reinforced bathroom walls to allow later installation of grab bars; and usable kitchens and bathrooms that allow enough space for wheelchair maneuverability.

Affordable Housing Investment Fund (AHIF): This program, funded by both federal HOME money and local funds, provides financial assistance for the acquisition, development, or rehabilitation of affordable housing for low and moderate income households or for housing-related services assisting such households. This is a competitive program that requires matching funds.

Area Median Incomes (AMI) for Families is the income at which half of the families of a particular household size have incomes higher and half have incomes lower. HUD estimated the median family income for a family of four for the Washington Metropolitan Area for 2011 was \$106,100. The U.S. Department of Housing and Urban Development (HUD) computed median incomes by household size from that by formula.

	HUD Area Median Incomes (AMI) for Families, 2011									
Income Level	e Level % of Family Size									
	Median	1	2	3	4	5	6			
	80%	\$59,440	\$67,920	\$76,400	\$84,880	\$91,680	\$98,480			
	60%	\$44,580	\$50,940	\$57,300	\$63,660	\$68,760	\$73,860			
	50%	\$37,150	\$42,450	\$47,750	\$53,050	\$57,300	\$61,550			

CPHD: Department of Community Planning, Housing and Development

COG: Metropolitan Washington Council of Governments

Committed Affordable Units are all units that are: 1) wholly owned by nonprofits, excepting any units planned to serve households with incomes above 80% of median family income; or 2) guaranteed by agreement with the federal, state, or County Government to remain affordable to low and moderate income households for a specified period of time through mechanisms such as site plan requirements, contracts with private owners, or Internal Revenue Service (IRS) regulations governing tax-exempt financing; or 3) whose owner received government subsidy to assist with the purchase.

Common Area Inspections: Inspections of common areas in rental projects include inspections of all exterior grounds, trash areas, hallways, stairways, laundry rooms and mechanical rooms. The areas are inspected for violations of the Virginia Uniform Statewide Building Code/Part III. Maintenance of Existing Structures (International Property Maintenance Code), the International Fire Code, the Arlington Zoning Ordinance, the Arlington Condition of Private Property ordinance (formerly the Care of Premises ordinance), and the Arlington Abandoned/Junk Vehicle ordinance."

Community Development Block Grant (CDBG): CDBG is a federal program providing localities with funds that may be used to address the needs of low and moderate income residents through a variety of housing, neighborhood improvement and economic development activities.

Cooperative Forecast: The COG Regional Cooperative Forecast Program provides consistent forecasts for transportation, water resources, air and water quality, population, employment, housing, land use and energy planning for jurisdictions in the Washington area. The program produces forecast of population, households and employment in five-year increments for the region and for individual iurisdictions.

DHS: Department of Human Services

Density Bonus: In 2001, the County added a 25% density bonus provision to its Zoning Ordinance. The bonus permits both market-rate and affordable units, with the income from the market-rate units designed to offset the cost of the subsidized units.

Disability: A person has a disability if he or she who is unable to independently carry out one or more of the major life activities of walking, ambulating, eating, sleeping, breathing, seeing, hearing or thinking. (Source: Americans with Disabilities Act)

-For **Target 1B**, the definition of "disability" has been broadened from the above to add the definition in the Housing Grants ordinance which includes "clients and patients of the Arlington County Mental Health, Mental Retardation, Substance Abuse Services, and Arlington Community Residents, Inc."

Elderly Household: A family in which the head of the household or spouse is at least 55 years of age.

FMR: Fair Market Rent

FY: Fiscal Year: July 1 to June 30

Fair Housing Testing is a method of comparing how two persons of different protected classes (e.g., of different races) are treated by a housing provider under similar circumstances, all other factors being held constant. Court decisions have held that tests done under properly controlled conditions can be used as evidence of discrimination. There are two types of testing, targeted testing and random testing. Targeted testing is conducted in order to investigate a fair housing complaint or to determine if an agency that previously discriminated is still engaging in discriminatory practices. Random testing involves testing a sample of housing providers.

Fair Market Rents (FMR): The rent, including the cost of utilities (except telephone), as established by the Department of Housing and Urban Development for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities.

Family: Two or more related persons occupying a housing unit.

Family-sized units are units with two or more bedrooms.

First Time Home Buyer: An individual or family who has not owned a home during the three-year period preceding the assisted purchase of a home that must be used as the principal residence of the homebuyer.

Full code inspections are comprehensive inspections by Community Code, Building, and Fire Inspectors of: 1) all common areas, and 2) either 100% of the units of small projects (70 or fewer units) or 50% of the units at larger complexes. Additional units may be inspected if warranted.

Gross Floor Area (GFA): The total of all floors of a building as measured to the outside surfaces of the exterior walls and including halls, stairways and elevator/mechanical shafts. This area excludes areas within the building used for parking. In addition the County Board may exempt other areas and typically exempts storage in the basement and mechanical closets on balconies.

HOME is the HOME Investment Partnerships Act (Federal law of 1990). HOME provides funds for programs involving: 1) acquisition, rehabilitation, and/or new construction of affordable housing; 2) rent assistance; and 3) homeownership assistance. Funds must be committed within specific time frames or HUD may recapture the money. HUD requires a match of 25-30% using local funds.

HOPWA: Housing Opportunities for Persons with AIDS program. This program provides federal funds for rent assistance and emergency assistance, e.g., homeless prevention for this population.

HUD: U.S. Department of Housing and Urban Development

Homeowner: An owner-occupant of residential property who holds legal title to the property and who uses the property as his/her principal residence.

Homeownership Rate: This is the percentage of all occupied housing units that are owner-occupied.

Household: One or more persons occupying a housing unit.

Priority Households include families with children, elders and persons with disabilities.

Non-priority Households are households with singles or related persons that include no children, no elders and no persons with disabilities.

Housing Assistance: Housing assistance includes both programs providing housing subsidies and programs providing housing units or beds. Housing subsidy programs include the locally-funded Real Estate Tax Relief and Housing Grants programs and the federally-funded Housing Choice Voucher program (formerly Section 8) and Housing Opportunities for Persons with AIDS (HOPWA). The housing units included are all renter and owner Committed Affordable Units. The housing beds are ones committed to serve persons with disabilities located in group homes or supervised apartments owned or leased by nonprofits.

Housing Choice Vouchers (formerly Section 8 Rent Assistance) is a federally funded rent assistance program for low income households. Households must meet income eligibility criteria. Each pays a minimum of 30% of income for rent.

Housing Grants Program is a County-funded rent assistance program serving low income working families, elderly persons and persons with disabilities. Rent subsidies typically reduce participant's share of the rent to 40% of income.

Housing Need: "Serious housing need" is defined in the County's affordable housing goals as "those earning below 40% of median income who pay more than 40% of their income in rent." "Housing need" is defined in the 2002 Housing Needs Survey as "households at any income level paying over 40% of income for housing (rent or mortgage).

Priority Households in Need are those families with children, elders and persons with disabilities at any income level who were paying over 40% of income for housing (rent or mortgage) in the Housing Needs Survey, 2002.

Non-priority Households in Need are households at any income level with singles or related persons that include no children, no elders and no persons with disabilities who were paying over 40% of income for housing (rent or mortgage) in the Housing Needs Survey, 2002.

Housing Needs Survey, 2002: In early 2002 a consultant conducted a County-funded survey of 1,437 Arlington households to collect basic demographic information (e.g., household size, composition and type, age, race, Hispanic origin, income and housing costs) in order to assess housing need in the County.

Housing Reserve Fund (HRF): The HRF uses private developer donations to help finance the acquisition of units to mitigate displacement of low income tenants and for apartment banking.

Housing Subsidies: Financial subsidies provided by government to assist households in paying their housing costs. Rent assistance programs in Arlington include the locally-funded Housing Grants program and the federally-funded Housing Choice Voucher program (formerly Section 8) and Housing Opportunities for Persons with AIDS (HOPWA). The Real Estate Tax Relief program assists low and moderate income homeowners through exemptions and/or deferral of real estate taxes.

Housing Unit: An occupied or vacant house, apartment, or a single room that is intended as separate living quarters.

Large non-elderly projects are defined all projects, not reserved for the elderly, of 50 or more units.

Live Near Your Work programs are ones through which employers provide incentives for employees to live close to their jobs.

MARKS: See "Market Affordable Units."

MFI: See "Median Family Income."

MIPAP: See "Moderate Income Purchase Assistance Program."

Market Affordable Units (MARKS) are lower rent units in the private market which receive no County assistance and for which the owners have made no commitment to retain as affordable in the future. Determining the number of market rate affordable units is complicated because affordability varies, depending on family size and income compared to unit size and rent. MARKS are "affordable" based on paying no more than 30% of income for rent. The County has calculated the number of Rental MARKS for four income levels: 80%, 60%, 50% and 40% of HUD median family income. Committed Affordable Units are excluded from the MARKS totals.

Major violations are defined as life-safety issues that may include a range of fire hazards (such as no functioning smoke detector), lack of heat or hot water, lack of adequate plumbing facilities, overcrowding, accumulation of rubbish, infestation (e.g., by rats), cracks in exterior walls, problems with the roof or drainage and hazards affecting stairways, decks, porches or balconies.

Median Family Income (MFI) is the income at which half of the families of a particular household size have incomes higher and half have incomes lower. HUD estimated the median family income for a family of four for the Washington Metropolitan Area was \$106,100 for 2011. HUD computes median incomes by household size from that by formula.

Minorities: Minorities includes Hispanic, African-American, Asian/Pacific Islander, Native American, Other Races and Multi-Racial households. Hispanics may be of any race.

Moderate Income Purchase Assistance Program (MIPAP): This program provides financial assistance for down payments and/or closing costs for first-time homebuyers with incomes below 80% of median family income.

NSAs are Neighborhood Service Areas. The County is divided into eight NSAs.

Non-elderly projects are defined as all projects not reserved for the elderly.

Owner Unit: A unit occupied by its owner.

Priority Households include families with children, elders and persons with disabilities.

Rate of major common area housing code violations is defined as:

Number of major common area housing violations found

Number of multi-family rental complexes over 20 years old inspected

Rate of major housing code violations is defined as:

Number of major violations (common area and unit) from full code inspections

Number of units inspected in full code inspections

Real Estate Tax Relief Program: This locally-funded program provides exemptions and deferrals of real estate taxes to income-eligible elderly and disabled households.

Rent Assistance: Financial subsidies provided by government to assist households in paying their monthly rent. Rent assistance programs in Arlington include the locally-funded Housing Grants program and the federally-funded Housing Choice Voucher program (formerly Section 8) and Housing Opportunities for Persons with AIDS (HOPWA).

Renter Unit: Any occupied housing unit that is not owner occupied, including units rented for cash, and those occupied without payment of cash rent.

Section 8 Rent Assistance: See "Housing Choice Vouchers."

Serious Housing Need: See "Housing Need."

Site Plan Projects are developments not currently allowed by right in the Zoning Ordinance and/or General Land Use Plan (GLUP) that undergo a major public review and decision-making process to get formally approved by the County Board.

COUNTY MANAGER'S OFFICE

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