

Issue to be addressed

Arlington's affordable housing goal 8 and associated target refer to the geographic distribution of affordable housing.

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

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

- \pm 25% in A, B, and C,
- \pm 60% in D, E, and H, and
- \pm 15% in F and G.

Several questions arise from this goal and target.

- What is the intent of the goal and target?
- Do the geographical designations make sense?
- Does this apply to preservation of existing affordable housing (MARKs to CAFs) as well as to new development of CAF's?
- How has the existing goal and target affected the County's assistance in the development and preservation of affordable housing?
- Is this something we want to measure and track rather than prescribe?
- How does this target relate to adopted plans, i.e. Columbia Pike Neighborhoods Plan and the General Land Use Plan?
- Cost differences in producing affordable housing based on location.

Considering these questions the taskforce will develop recommendations for the working group to consider regarding the treatment of location and geography within the affordable housing goals and targets.

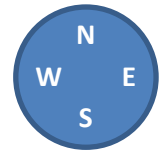
Work Plan

1. **Establishing the intent** of the goal is an important first step. While the original intent should be understood, the focus and result should be to clearly define the intent in a redrafted (or reaffirmed) goal. Two possible statements of intent are provided below.
 - Encourage affordable housing development in areas with less existing affordable housing.
 - Ensure that CAF development does not contribute to creating an overconcentration of low income families in defined areas (neighborhoods, census tracts, zip codes...).

2. **Examine results and look at practice.**

Look at the actual distribution of CAF units from 2000 – present. Has the goal or target been effective in achieving its intent?

What policies are in place to direct development to ensure distribution in accordance with the goal?



3. Conditions affecting the location of Committed Affordable Housing

Multi-family housing is limited by the county's General Land Use Plan while the defined geographies give the impression that CAF's can be built anywhere in the County.

The Colombia Pike Neighborhoods Plan establishes targets for maintaining affordable housing within the plan area. This will have an impact on the distribution of CAF units in the future.

There is great variation in land values that impact the overall development costs for CAFs.

4. Other geographical considerations

Are there other location related considerations that should be factored into the siting of affordable housing?

5. Develop recommendations

Resources needed:

2012 goals and Targets Report

General Land Use Plan

Location of CAFs

Location of MARKs

Income information by geography



Issue to be addressed

One of the directives of the Charge for the Affordable Housing Study was to “Review current and potential funding and financing strategies including taxing districts, tax increment financing, bonding approaches, and public-private partnerships.”

Work Plan

Current Funding and Financing.

Funding refers to how the county receives money for its affordable housing programs through revenue generating mechanism; financing refers to obtaining funds (typically through bonds) that must be paid back in the future from an identified revenue source.

1. The task force will look at the recent, current and forecasted funding from various sources including
 - a. General fund revenue
 - b. Federal and State grants
 - c. Recordation tax (dedicated)
 - d. Loan repayments
 - e. Developer contributions (from Affordable Housing Ordinance)
2. Review potential funding and financing strategies including
 - a. Special taxing districts
 - b. Tax increment financing
 - c. Bonding approaches
 - d. Public-private partnerships
 - e. Others (Best practices employed by other jurisdictions)

Develop recommendations regarding funding or financing mechanisms that best meet the County’s needs.

**Staff Resource: Melissa Cohen, CPHD/Housing Division,
Department of Management and Finance**

Resources needed:

County Budget information



Primary Tasks

1. Develop recommendations regarding goals and targets consistent with the affordable housing principles and within the County's ability to have significant influence.
2. Respond to direction from the County Board and County Manager regarding homeownership.

Background

In March 2012 the County Board gave directions to the County Manager regarding homeownership. As a result a Homeownership Study Working Group was established. The recommendations of that group and of the County Manager were presented to the County Board in February 2013, these included;

Incorporate the analysis of the Affordable Home Ownership Program in the overall Affordable Housing Needs Study and appoint a member of the Home Ownership Working Group to the Affordable Housing Study Working Group.

In keeping with this recommendation Richard Donohoe was appointed to the Affordable Housing Study Working Group. The components of the Affordable Homeownership study to be considered are:

- Development and redevelopment opportunities (including an analysis of ways to increase the stock of owner-occupied housing through the development of County controlled properties).¹
- Program Effectiveness; County, AHOME (Homebuyer education and counseling, foreclosure counseling) and AHC.
- Market Opportunities and Best Practices.
- Fiscal implications and comparisons of homeownership opportunities to rental opportunities.

Issues to be addressed

1. Goals and Targets

Goal 9 of the affordable housing goals and targets relates to homeownership. The goal is stated as follows and has two distinct parts:

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

The first part of this goal relates to all homeownership regardless of income. It also suggests that the homeownership rate is somehow problematic and increasing the rate of homeownership is of benefit to the County and that the County somehow has the means to influence the overall homeownership rate. 92 percent of the new housing built from 2000 to 2013 was multi-family, approximately two thirds of the multi-family stock is apartments. The goal to increase homeownership in light of a development pattern in which the share of ownership stock is diminishing presents contradictions.

- Should an affordable housing policy be concerned about the overall homeownership rate?
- Is ownership the issue or is transience/stability of the population the issue?

¹ Affordable Homeownership Study: Preliminary findings and Recommendations, February 2013, page 2.

Affordable Housing Study Working Group

Homeownership Task Force



The second part of this goal is directed at income-defined populations (low – 60% AMI, and moderate – 80% AMI) and identifies one activity, homeownership education, and a concept of homeownership opportunities.

- What is the meaning of homeownership opportunity?

Target 9A: Increase the home ownership rate from 46.4% to 47% with a stretch goal of 50% throughout the County by FY 2015.

It is unclear how this target is related to affordable housing as it relates to the overall homeownership rate regardless of household income. The issues raised regarding the goal are also pertinent to target 9A.

- Recommendation regarding homeownership rate target

Target 9B: Provide home ownership education to 700 households with incomes below 80% of median and annually assist 50 households with incomes below 80% of median to become homeowners.

This target is directly tied to the County's homeownership program. It deals with two different aspects and should be separated into two targets for greater clarity. The first part regarding homeownership education is fairly clear. A precise definition of homeownership education would be of use here, there is homebuyer education as well as a variety of education activities geared towards homeowners (the condo initiative, foreclosure counseling, the spring home show for example). This has traditionally been interpreted as homebuyer education provided through AHOME. The target should be looked at in light of past performance and the level of effort supported.

The second part of this target has been interpreted to mean the number of households receiving direct County Assistance through the MIPAP program. Other financing mechanisms are also available and have had greater use in recent years (VHDA loan).

Target 9C: Increase the home ownership rate for minority households from 24.2 to 30% by 2015.

This target may not measure ownership that relates to affordability for low/moderate income households. It is entirely possible that the homeownership rate for minority (non-white non-hispanic) households increases due to lower income minorities moving out of Arlington while higher income homeowner minority households remain. It is unclear exactly what the County's role is in contributing to the minority homeownership rate. This target is also detached from any meaning of affordability. If minority homeownership increases due to greater participation in home purchases above the median home price, how does this advance affordable housing in Arlington?

- What might have been the intent of this target?
- Should a target that the County has no direct influence on through its programs be a target?



2. County Board/County Manager Direction

The task force will analyze the following subjects and provide recommendations

- Development and redevelopment opportunities (including an analysis of ways to increase the stock of owner-occupied housing through the development of County controlled properties).²
- Program Effectiveness; County, AHOME (Homebuyer education and counseling, foreclosure counseling) and AHC.
- Market Opportunities and Best Practices.
- Fiscal implications and comparisons of homeownership opportunities to rental opportunities.