



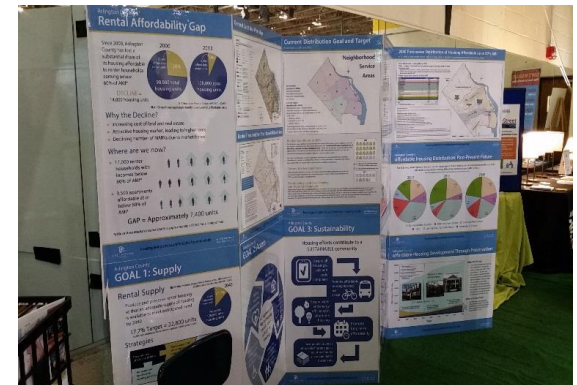
AFFORDABLE HOUSING STUDY

County Board Work Session
September 1, 2015



What's been done

- Additional materials prepared on geographic distribution of affordable housing
- Open Houses in July
- Virtual open house and survey
- Additional meetings with community groups
- Request to Arlington Public Schools for information
- Arlington County Fair
- Review of AHMP and IF revisions with Working Group
- Revised redline versions (8.0) released August 18

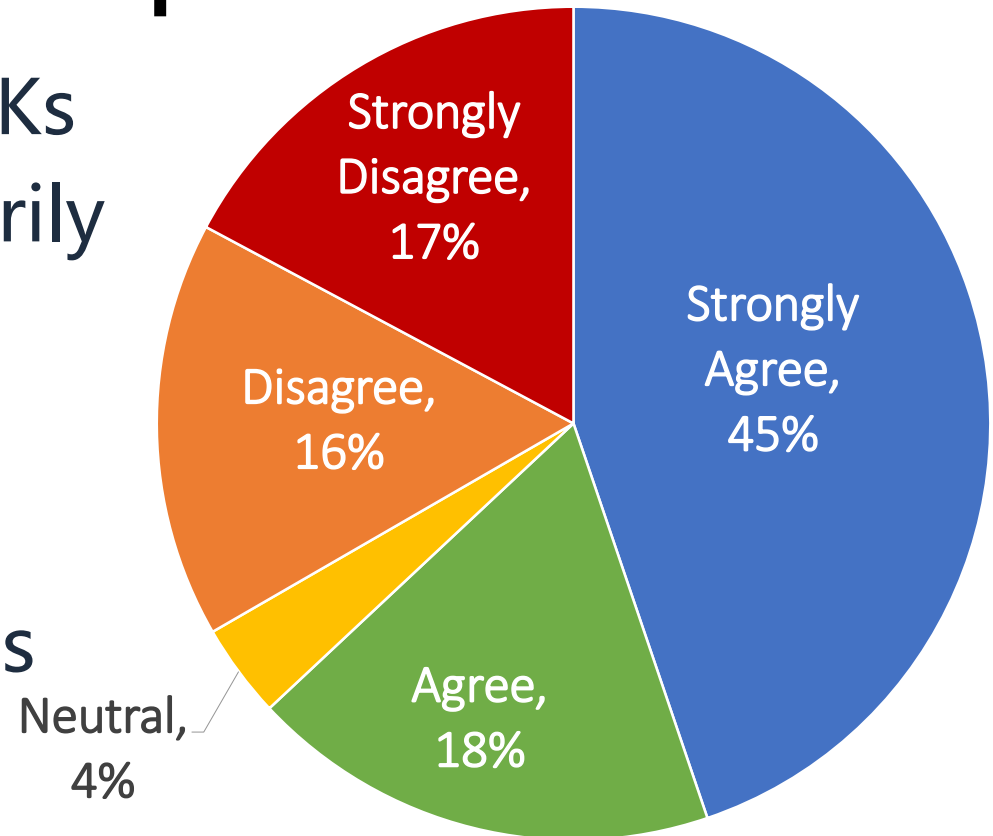


What's been done

Survey Results

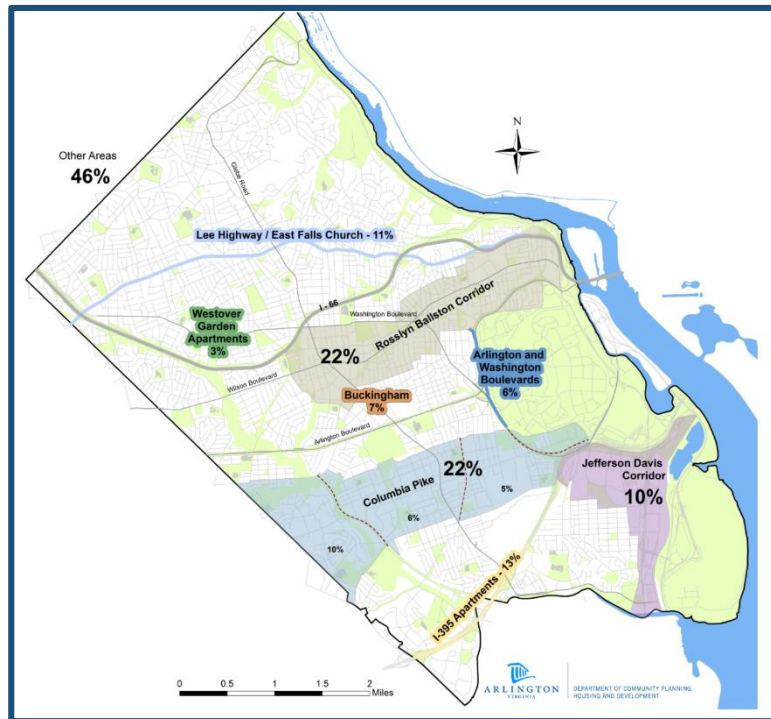
Agreement with AHMP policies

- Prevent loss of MARKs
- Produce CAFs primarily in transit corridors
- Integrate affordable housing goals into County planning - sector and area plans

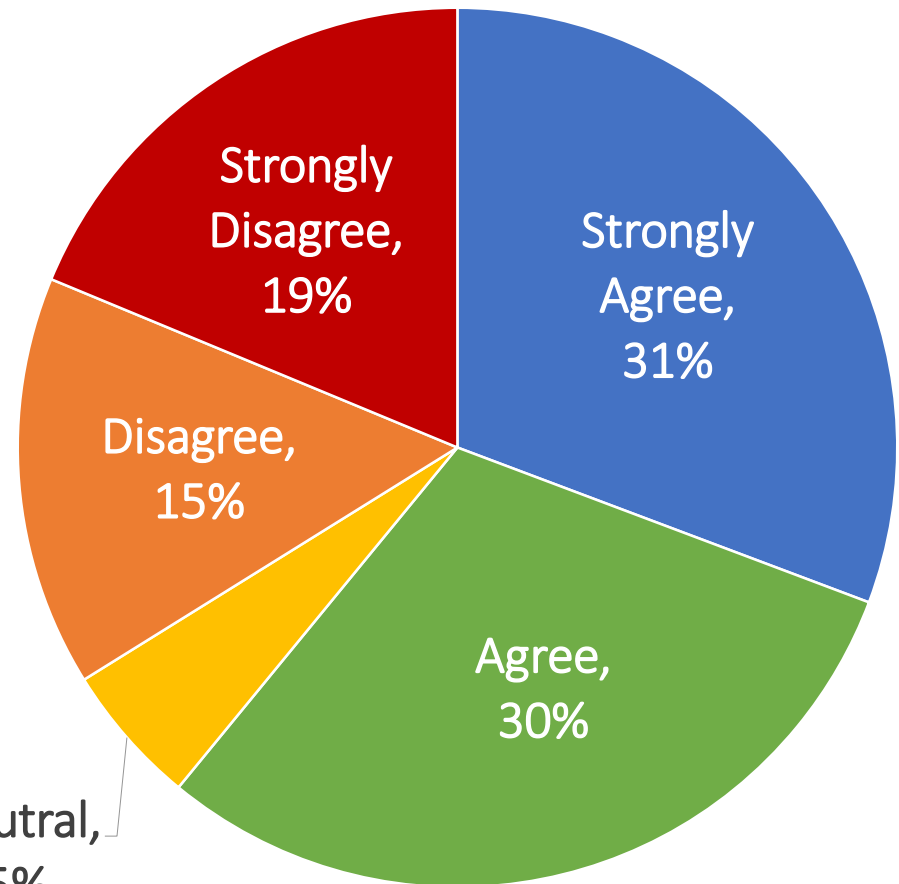


What's been done Survey Results

Reasonableness of Forecast



Neutral,
5%



AHMP and IF Revisions

- Historical context (page 2-3).
- Region context (p. 5 and 13)
- Future of MARKs (p. 6 and 20)
- Commission on Aging recommendations (AHMP p. 7, 17, 27 and IF p. 26)
- Planning Commission recommendations (AHMP p.7 and IF p. 15)
- Appendix B and C (p. 37 - 41)
- Form Based Code recommendation deleted

AHMP and IF Revisions

Geographic Distribution

AHMP

- Affordable Housing Forecast map included
- Distribution policy 1.1.4 –link the policy to the forecast map

Implementation Framework

- Reference to the 2040 Forecast of Housing Affordable up to 60% AMI as guidance for AHIF guidelines (p. 5)
- R/ECAP Map removed
- No net new affordable units in census tracts with concentrated poverty
- Explanation of current LIHTC incentives for production in low poverty areas.
- Recommendation to encourage VHDA to further incentivize production in higher income areas.
- Linkage of Area Plans to AHMP goals



Outstanding Issues

- Affordable Rental Supply Goal
- Distribution of Affordable Housing
- Cost of Implementation
- Monitoring and Evaluation
- Near-term Implementation Priorities

Affordable Rental Supply Goal

Alternative Definition of Affordability Housing + Transportation costs

H+T Index 45%

Housing Alone 30%

	Median Income 100% AMI	Moderate Income (80% AMI)	Low Income ~60% AMI
Housing	29%	36%	49%
Transportation	11%	14%	16%
H+T	40%	50%	65%

Affordable Rental Supply Goal

Basis for Target

Virginia Code § 15.2-2223 D.

The comprehensive plan shall include the designation of areas and implementation of measures for the construction, rehabilitation and maintenance of affordable housing, which is **sufficient to meet the current and future needs of residents** of all levels of income.

Draft AHMP Objective 1.1

Produce and preserve a sufficient supply of affordable rental housing to meet current and future needs.

Affordable Rental Supply Goal

Determining Current and Future Needs

2010						
Household Income Range	Renter		Owner		Total	
Up to 60% AMI	16,500	16.8%	4,000	4.1%	20,500	20.9%
60% to 80% AMI	5,900	6.0%	3,100	3.2%	9,000	9.2%
80-120% AMI	12,300	12.5%	6,900	7.0%	19,200	19.6%
Over 120% AMI	20,900	21.3%	28,500	29.1%	49,400	50.4%
Total	55,600	56.7%	42,500	43.3%	98,100	100%
2013						
Household Income Range	Renter		Owner		Total	
Up to 60% AMI	17,136	15.9%	4,757	4.4%	21,893	20.3%
60% to 80% AMI	6,034	5.6%	3,738	3.5%	9,772	9.0%
80-120% AMI	12,711	11.8%	8,138	7.5%	20,849	19.3%
Over 120% AMI	21,696	20.1%	33,890	31.4%	55,586	51.4%
Total	57,577	53.3%	50,523	46.7%	108,100	100.0%

Affordable Rental Supply Goal

Determining Current and Future Needs

2040 forecast

Household Income Range	Renter		Owner		Total	
	Count	Percentage	Count	Percentage	Count	Percentage
Up to 60% AMI	22,800	17.7%	4,800	3.7%	27,600	21.5%
60% to 80% AMI	8,200	6.4%	3,800	3.0%	12,000	9.3%
80-120% AMI	16,600	12.9%	7,800	6.1%	24,500	19.1%
Over 120% AMI	29,100	22.6%	35,400	27.5%	64,500	50.2%
Total	76,600	59.6%	52,000	40.4%	128,600	100%

Therefore...

By 2040, 17.7% of the County's housing stock should be affordable rentals to meet the needs of renter households with incomes at or below 60% AMI.

Affordable Rental Supply Goal

17.7% Target is long-range and aspirational

CAFs up to 60% AMI
+ MARKS up to 60% AMI
= Housing Affordable at 60% AMI

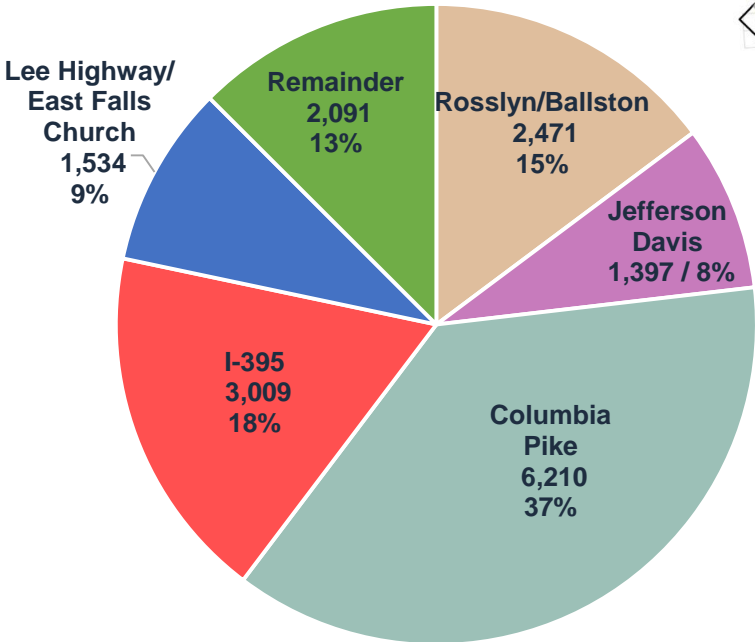
Discussion

Distribution of Affordable Housing: MARKs at 60% in 2000

Market Affordable Housing (MARKs) Affordable up to 60% of Area Median Income

- 60% MARK in 2000
- 60% MARK in 2014

60% AMI Marks in 2000

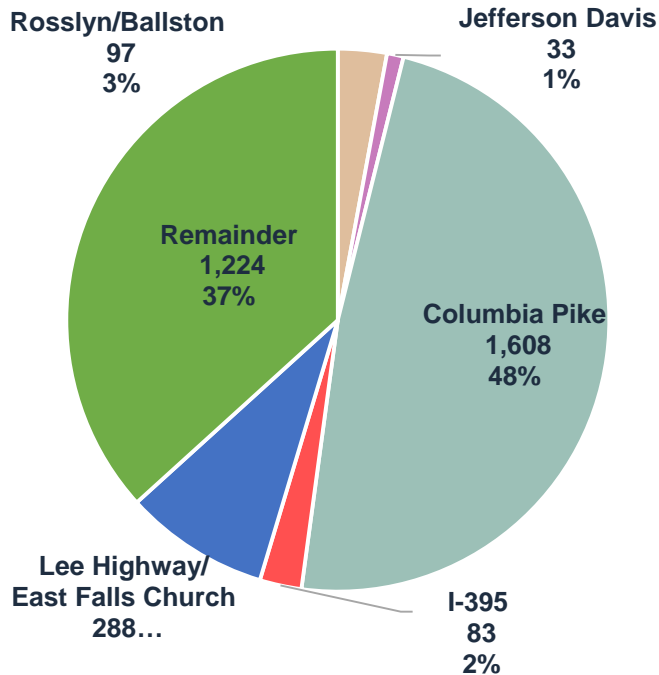


Distribution of Affordable Housing: MARKs at 60% in 2014

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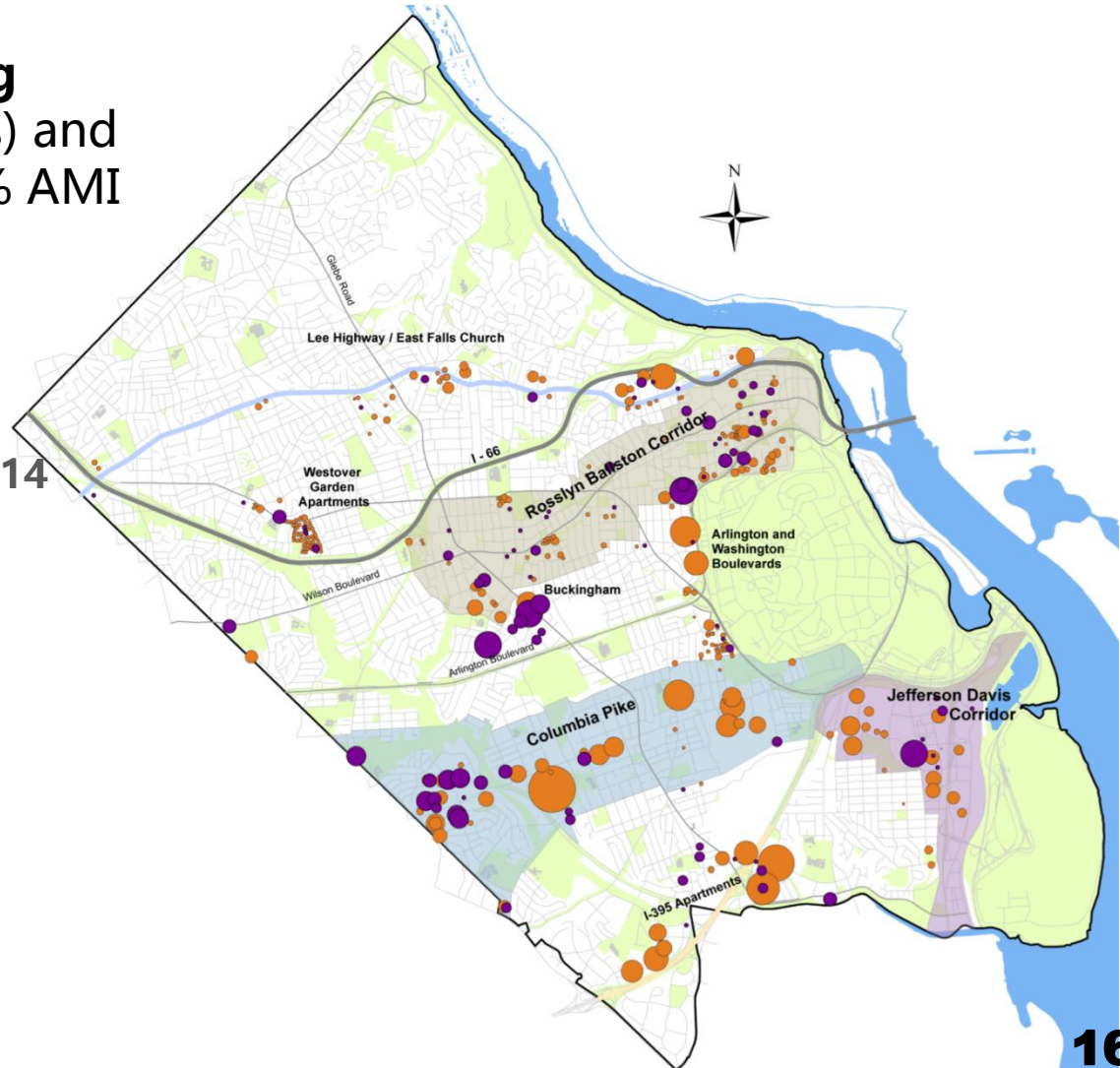
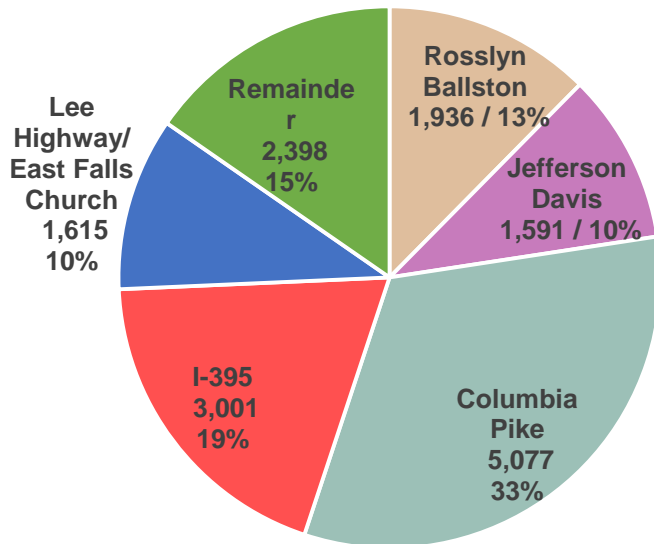
Distribution of Affordable Housing MARKs up to 80% in 2014

Current Affordable Housing Committed Affordable (CAFs) and Market Affordable up to 80% AMI

(Includes MARKs up to 60%)

- 80% MARK in 2014
- CAF in 2015

MARKs up to 80% AMI in 2014



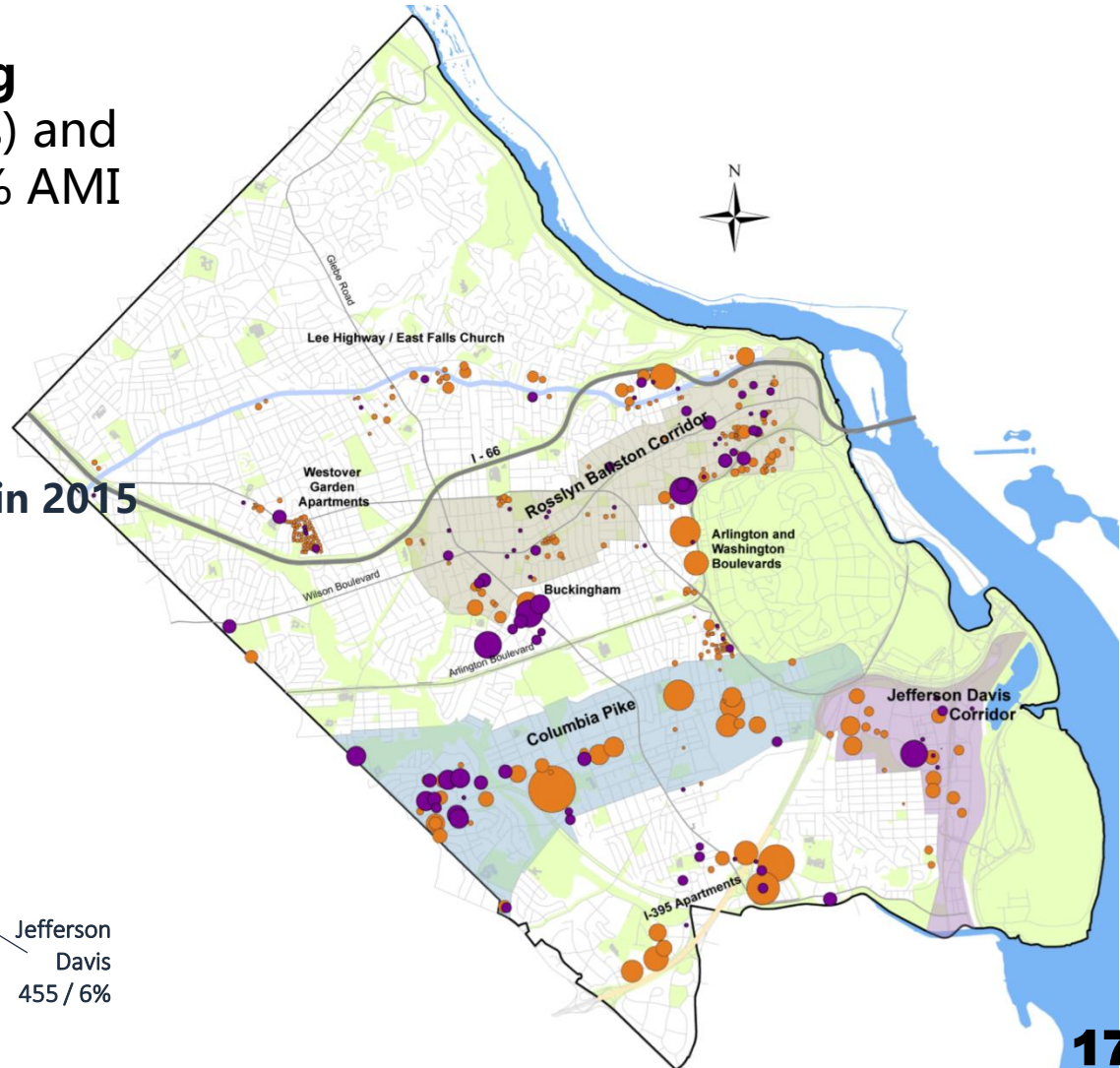
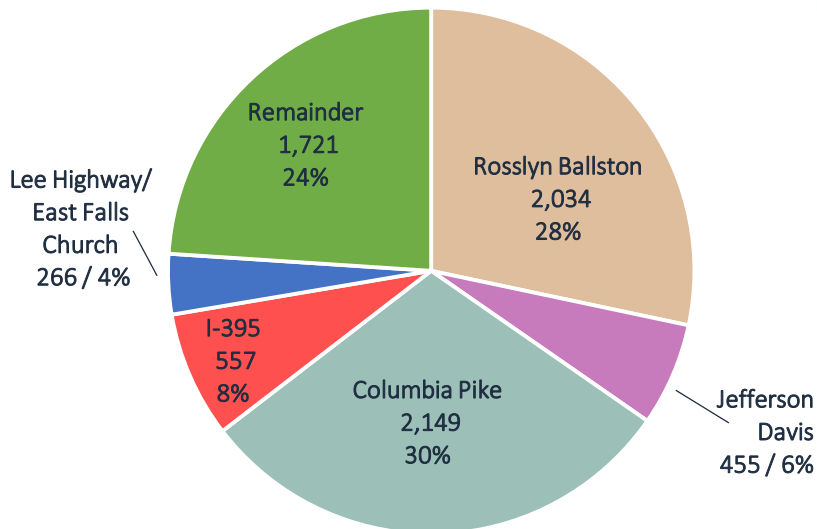
Distribution of Affordable Housing CAFs in 2015

Current Affordable Housing Committed Affordable (CAFs) and Market Affordable up to 80% AMI

(Includes MARKs up to 60%)

- 80% MARK in 2014
- CAF in 2015

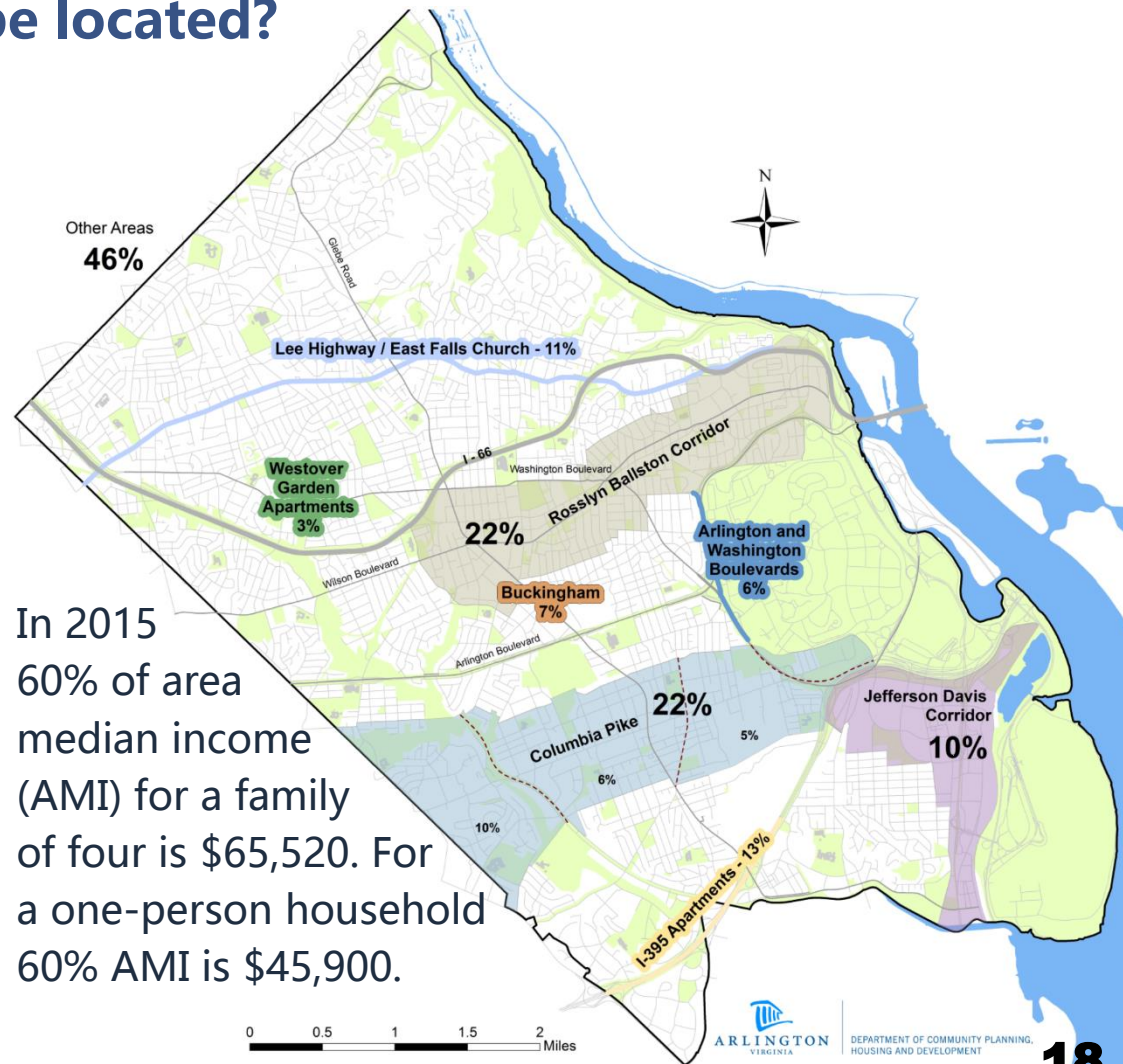
Committed Affordable Housing in 2015



Distribution of Affordable Housing: 2040 Forecast Affordable up to 60% AMI

Where would this housing be located?

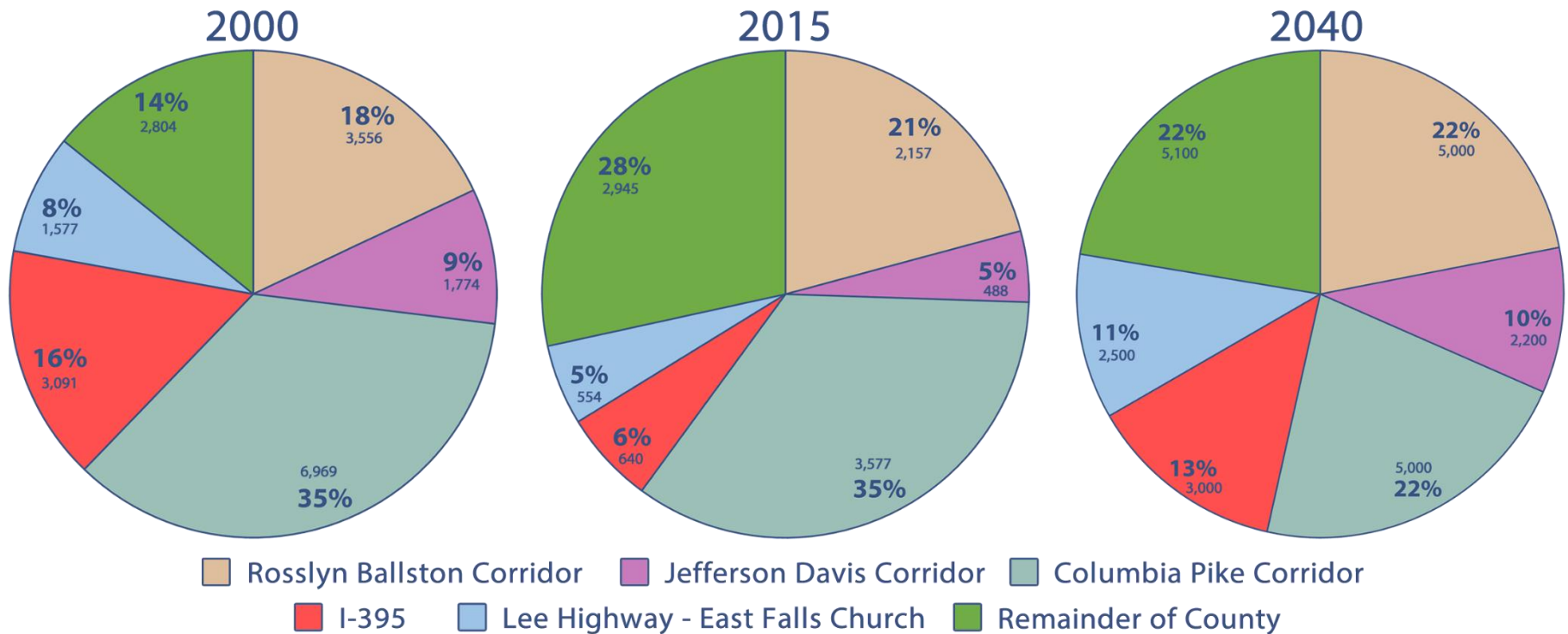
Areas	Today	2040	Share
Metro Corridors	2,619	7,200	32%
Rosslyn Ballston	2,131	5,000	22%
Jefferson Davis	488	2,200	10%
Columbia Pike	3,757	5,000	22%
Western Pike		2,300	10%
Central Pike		1,400	6%
Eastern Pike		1,250	5%
Foxcroft Heights		50	0%
Other Areas	4,139	10,600	46%
I-395	640	3,000	13%
Lee Highway/East Falls Church	554	2,500	11%
Remainder	2,945	5,100	22%
<i>Buckingham</i>		<i>1,500</i>	<i>7%</i>
<i>Westover</i>		<i>700</i>	<i>3%</i>
<i>Arlington and Wash. Blvds</i>		<i>1,400</i>	<i>6%</i>
<i>Unidentified*</i>		<i>1,500</i>	<i>7%</i>
Total	10,515	22,800	100%



Distribution of Affordable Housing: Past-Present-Future

The following charts represent the past, current and projected future distribution of housing units (MARKs and CAFs) affordable to households earning 60% of Area Median Income (AMI)* or less.

**60% of Area Median Income (AMI) is approximately \$65,500 for a family of four.*

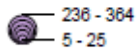


Distribution of Affordable Housing: School Attendance Areas

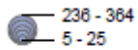
Committed Affordable Housing by Elementary School Attendance Areas

Legend

Committed Affordable Units



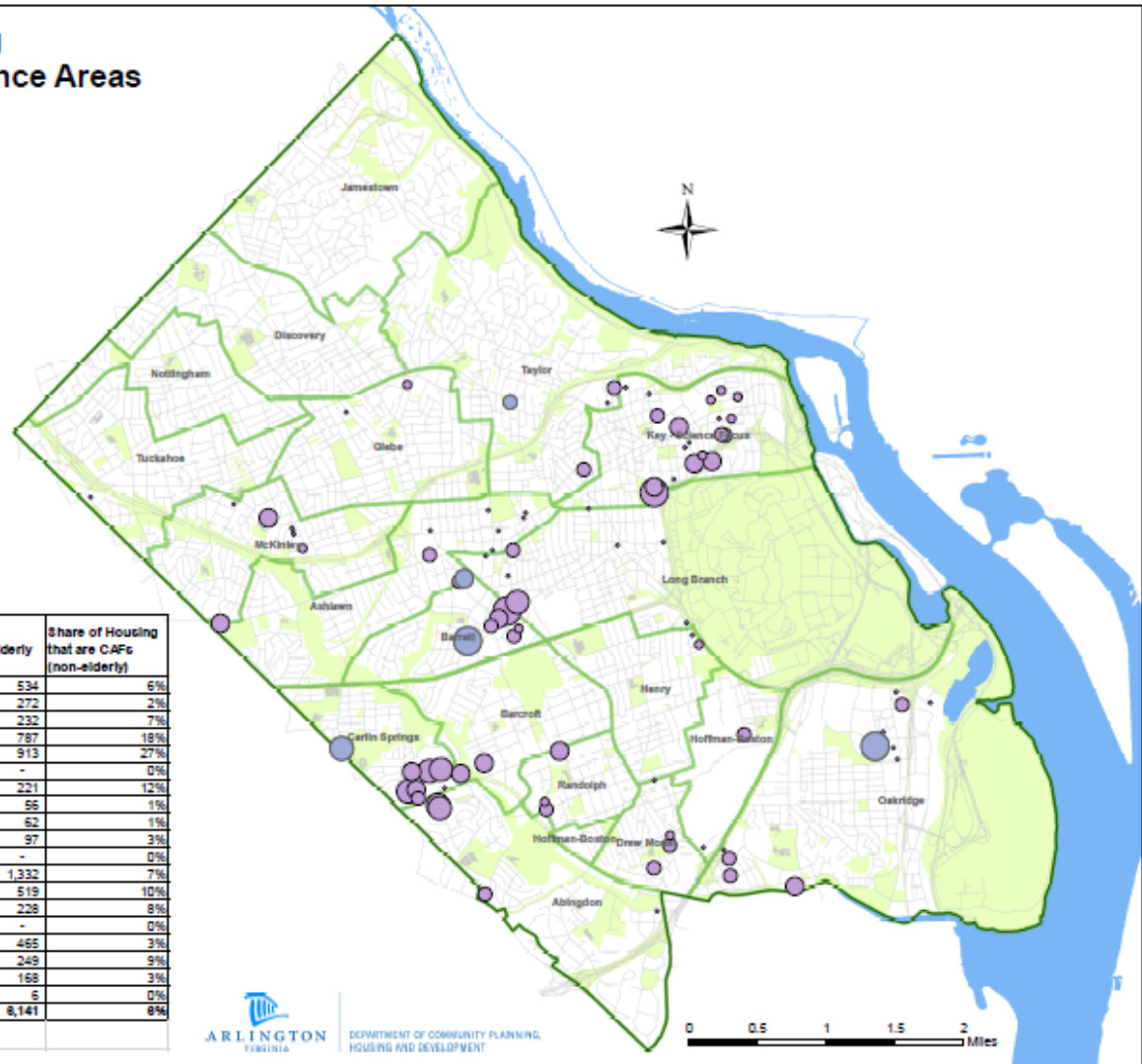
Elderly Housing CAFs



Elementary School Attendance Area

Elementary School	Total Housing Units	CAF Units*	Elderly Housing	Non-elderly CAFs	Share of Housing that are CAFs (non-elderly)
Abingdon	9,205	534		534	6%
Ashlawn	11,847	272		272	2%
Barcroft	3,499	232		232	7%
Barrett	4,310	1,295	508	787	18%
Carlin Springs	3,324	1,148	235	913	27%
Discovery	2,251	-		-	0%
Drew Model	1,895	221		221	12%
Glebe	4,076	56		56	1%
Henry	5,345	62		62	1%
Hoffman-Boston	3,538	97		97	3%
Jamestown	3,460	-		-	0%
Key - Science Focus	18,371	1,332		1,332	7%
Long Branch	5,405	519		519	10%
McKinley	2,945	228		228	8%
Nottingham	1,745	-		-	0%
Oakridge	17,445	765	300	465	3%
Randolph	2,830	249		249	9%
Taylor	5,988	242	74	168	3%
Tuckahoe	2,945	6		6	0%
Total	110,024	7,268	1,117	6,151	6%

* Includes units approved but not yet completed



Discussion

Cost of Implementation

Affordable Housing Investment Fund (AHIF)
\$12,456,017 (FY 2016)

Housing Grants
\$8,913,507 (FY 2016)

Real Estate Tax Relief Program
\$4,500,000 (FY 2016)

Cost of Implementation

AHIF Achieving Goal 1: Housing Supply

\$12,456,017 (FY 2016)

Factors impacting the number of units that will need to be financed

- 1) Presence of MARKs
- 2) Production of CAFs through land use tools
- 3) The overall amount of growth that is realized

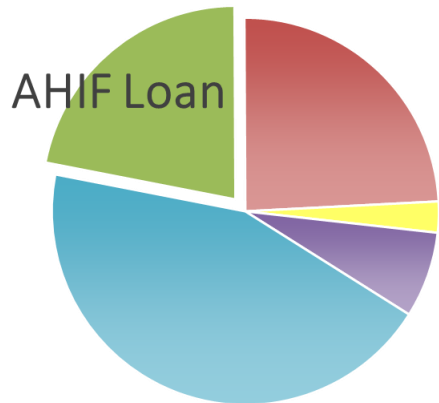
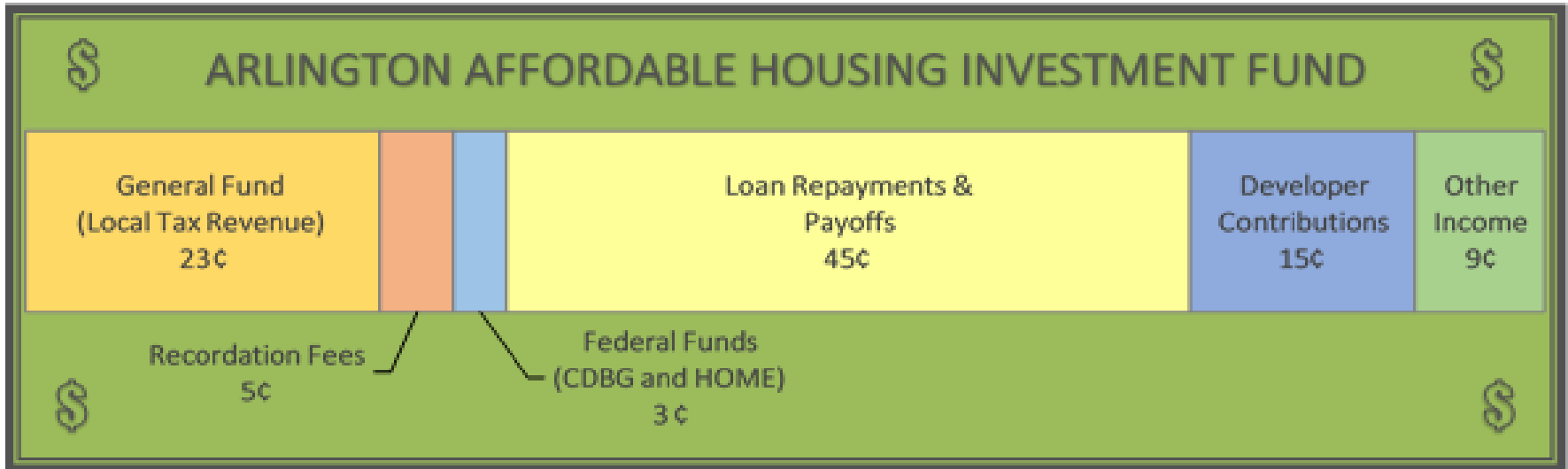
Factors affecting the amount of General Fund needed

- 1) Loan repayments
- 2) Developer contributions
- 3) Other funding sources (federal funds, recordation fees)
- 4) AHIF cost per unit

\$12 to \$20 million annually in General Fund resources estimated to meet the 2040 rental objective

Cost of Implementation

AHIF Funding Sources FY2010 - FY2014 (\$126.5 Million)



AHIF leverages other investments \$1:\$3

Cost of Implementation

Housing Grants Goal 1: Access **\$8,913,507 (FY 2016)**

Factors impacting the number of Housing Grants

- 1) Number of eligible households
- 2) Number of Housing Choice Vouchers
- 3) Availability of housing within rental limits
- 4) Willingness of landlords to accept Housing Grants

Factors impacting the cost of Housing Grants

- 1) Availability of CAFs at lower affordability levels
(50% AMI and 40% AMI)

Housing Grants Goal 1: Access

Relationship between Housing Grants and CAFs

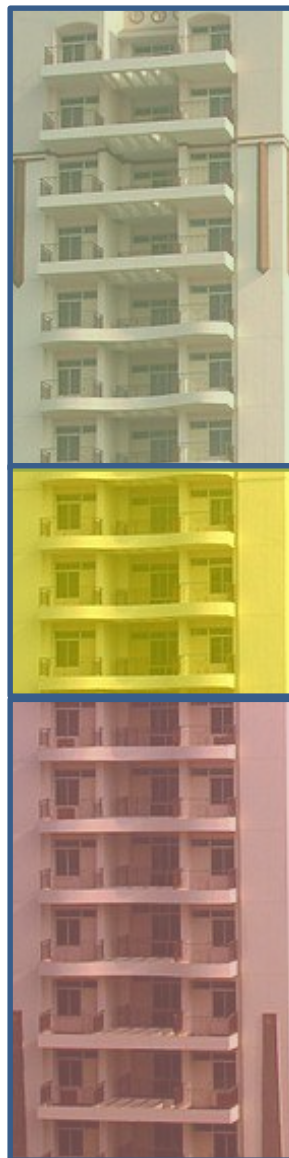
80% of rental assistance recipients live in CAFs

30% of CAF units are occupied by households with rental assistance

Cost of Implementation

Reaching 40%
and below

Full cost of housing



AHIF and LIHTC
Development Assistance
One Time Allocation
60 years affordable to
60% AMI Households

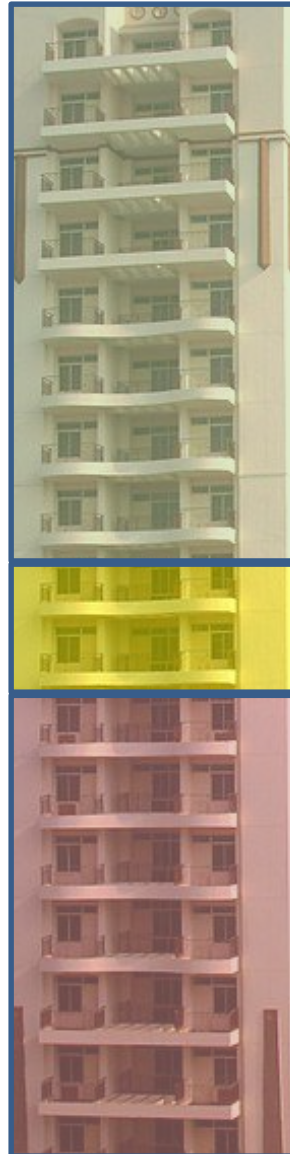
Housing Grant
Direct Housing Assistance
Year by Year Allocation
Reduces housing cost to
40% of income.

Tenant Pays 40% of
income

Cost of Implementation

Reaching 40%
and below

Full cost of housing



With 50% AMI CAF

AHIF and LIHTC
Development Assistance
One Time Allocation
60 years affordable to
50% AMI Households

Housing Grant
Direct Housing Assistance
Year by Year Allocation
Reduces housing cost to
40% of income.

Tenant Pays 40% of
income

Cost of Implementation

Housing Grants and 50% AMI CAFs

A	Average monthly Housing Grant assistance	\$590
B	Average yearly assistance	\$7,080
C	Difference between 60 % and 50% CAF monthly rent	\$220
D	Estimated yearly cost savings to housing grant of a 50% unit	\$2,640
E	Estimated cost of additional AHIF required to attain 50% AMI Affordability (per unit)	\$35,000
F	Annualized AHIF cost (\$35,000/30)	\$1,167
G	Potential annual savings per housing grant including additional AHIF cost (D – F)	\$1,473
H	Potential savings over 30 years	\$44,190

Real Estate Tax Relief

\$4,500,000 (FY 2016)

Goal 2: Access

Factors impacting cost of RETR program

- 1) Number of eligible households
- 2) Locally established eligibility requirements
- 3) Exemption or Deferment

Cost of Implementation

Real Estate Tax Relief

Goal 2: Access

Year	All 65+	Increase over 10 years	Cummulative increase	Estimate of RETR recipients
2010	8,400			
2014				1,130
2020	12,100	44%	44%	1,634
2030	13,500	12%	61%	1,823
2040	13,600	1%	62%	1,836

Discussion

Monitoring and Evaluation Plan

- To be prepared by staff and presented to the County Board.
- Definition of indicators to be used in measuring progress towards achieving the AHMP goals and objectives.
- Reports will be completed annually.

Discussion

Near Term Priorities

- AHIF – revising guidelines to reflect geographic distribution policy
- Accessory Dwelling Ordinance
- Affordable by Design Study
- Assistance for Condominium Associations

Discussion



AFFORDABLE HOUSING STUDY

Help us build a solid foundation for
the future of housing in Arlington.

housing.arlingtonva.us/affordable-housing-study

housingstudy@arlingtonva.us



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