INNOVATIVE FINANCE AND DEVELOPMENT TOOLS TO SPUR AFFORDABLE HOUSING DEVELOPMENT

A Forum Convened by the Arlington Partnership for Affordable Housing and Made Possible by a Grant from Citi Foundation

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Arlington, Virginia
# INNOVATIVE FINANCE AND DEVELOPMENT TOOLS TO SPUR AFFORDABLE HOUSING DEVELOPMENT

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Arlington County, Virginia, a progressive community lauded for its smart growth initiatives, has become a victim of its own success. A community of more renters than homeowners, Arlington at one time had a diverse range of housing in the market, including abundant apartments to house our low and moderate income workforce. In the last ten years, however, the majority of the County’s market rate affordable housing has been repositioned to serve higher income households or demolished for redevelopment. Arlington’s affordable housing goals address our community’s growing need for quality rental housing that is affordable to a range of households, especially individuals and families earning under 60 percent of the area median income\(^1\).

The market is no longer providing this housing in sufficient quantities. Since Arlington does not have a public housing authority, the County relies on partners to maintain and increase the supply of affordable rental housing. And in return for access to favorable local, state and federal financing tools, affordable housing developers promise to keep housing affordable for the next 30 years or more. Nonprofit partners play an important role in land banking and partnering to deliver social services at housing sites, plus bringing focused tools and creativity.

Arlington faces these challenges:

- **Shortage of affordable rentals in the market** – With Arlington’s growing demand for close-in, transit-oriented housing, the supply of affordable rental homes has been shrinking dramatically. Low-income households are increasingly dependent on housing provided with some form of public subsidy.

- **Rents that increase faster than wages** – Unemployment is low, but wages have not kept pace with rents. Predicted job growth will be largely in lower-paying entry-level or service positions.

- **Shortage of developable land** – Escalating land costs are driven by a scarcity of land. Arlington has only 26 square miles to accommodate a growing population and thriving commercial sector.

- **Regulatory requirements** – Land use, zoning and permitting requirements lengthen development time and burden projects with extra costs that limit affordable housing production.

\(^1\) A Department of Housing and Urban Development measure that equates to about $64,000 for a family of four.
Arlington recently adopted the Columbia Pike Neighborhood Plan, following a multi-year effort to examine these issues and work with all stakeholders. The goal is to create a model plan embraced by local residents, to transition the 3.5 mile corridor to a livable, walkable, urban community with greater density and a commitment to preserve or replace the 6,200 existing affordable housing units.

The Arlington Partnership for Affordable Housing (APAH) served on the working group that created the Columbia Pike Neighborhood Plan and continues to be an outspoken advocate for affordable housing and the needs of low income residents. We currently own 995 units in Arlington. APAH owns 319 units on Columbia Pike and has another 122 units under construction.

With this background, Citi Foundation funded APAH’s effort to create systems change. We are supporting the adoption of innovative finance and development tools to produce more affordable housing. More than 75 local elected officials and staff, nonprofit and for-profit affordable housing developers, academics, faith-based representatives, public school officials and nonprofit partners attended this half-day forum.

This report summarizes the forum’s presentations and key takeaways. Recommendations include:

- Use nonprofit land banking for innovative land development, including partnering with the faith-based community.
- Increase public partnerships to scale development and replicate success at Arlington Mill.
- Target increased efficiency and reduce permitting and regulatory barriers.
- Promote greater public awareness of the need with demographic and housing data.

APAH encourages you to join us in advocating for systems change so that individuals and families from all walks of life can live and work in Arlington.

Sincerely,

Nina Janopaul
President/Chief Executive Officer
Arlington Partnership for Affordable Housing
Our identity in Arlington County has become tied up with our diversity. Part of that diversity was possible because we had affordable housing that welcomed people from all over the world who decided to make Arlington their home.

We must understand that this is a regional problem, not just an Arlington problem, though our challenges may be more complex because of our success.

Mary Hynes, Panel Moderator
A recent study conducted by the GMU Center for Regional Analysis (CRA) looked at anticipated job growth in metro Washington, D.C. jurisdictions between 2010 and 2030 and the housing needed to support new workers.

### Net New Jobs by Sub-state Region 2010-2030

<table>
<thead>
<tr>
<th>Region</th>
<th>Net New Jobs</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>District of Columbia</td>
<td>152,130</td>
<td>20.8</td>
</tr>
<tr>
<td>Suburban Maryland</td>
<td>316,525</td>
<td>32.9</td>
</tr>
<tr>
<td>Northern Virginia</td>
<td>578,480</td>
<td>46,640</td>
</tr>
<tr>
<td>Arlington</td>
<td>46,640</td>
<td>54.9</td>
</tr>
<tr>
<td>Washington Region</td>
<td>1,053,855</td>
<td>26.1</td>
</tr>
</tbody>
</table>

Source: IHS Global Insight, GMU Center for Regional Analysis

### Job Growth by Selected Sector and Median Wages Arlington County 2010-2030

<table>
<thead>
<tr>
<th>Sector</th>
<th>Net New Jobs</th>
<th>Median Wage (2010 $s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prof &amp; Tech Services</td>
<td>33,619</td>
<td>75,000</td>
</tr>
<tr>
<td>Admin &amp; Waste Services</td>
<td>7,586</td>
<td>32,000</td>
</tr>
<tr>
<td>Education &amp; Health Services</td>
<td>4,714</td>
<td>37,950</td>
</tr>
<tr>
<td>Construction</td>
<td>4,023</td>
<td>35,600</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>971</td>
<td>23,550</td>
</tr>
<tr>
<td>Other Services</td>
<td>680</td>
<td>50,000</td>
</tr>
</tbody>
</table>

Source: IHS Global Insight, GMU Center for Regional Analysis

### THE CONCLUSION:

Arlington cannot accommodate the coming economic growth without significantly increasing the amount of housing for lower-wage workers, especially multi-family rental housing.

The study delved into several pressing questions relative to housing the Washington region’s future workforce, and the results were eye-opening.

The CRA research is based on jobs-driven housing demand forecasting. The Center predicts both high-and low-paying job creation. While Arlington will gain 34,000 jobs with incomes of $75,000 or more, there will also be 18,000 jobs created at low and moderate incomes (in 2010 dollars) by 2030.

CRA forecasts Arlington will need 34,000 net new housing units to house new Arlington workers. Of these, CRA predicts Arlington needs much more new multi-family housing, including more than 15,000 units of multi-family rental housing at rents to serve households below 60 percent of area median income (AMI).

To view all of the slides associated with this presentation, click [HERE](#).
The recent study by the Center for Regional Analysis forecasts a staggering need for additional housing that Arlington County’s growing workforce will be able to afford.

To accomplish this, Arlington would need to add an average of 600 new affordable multi-family units per year renting at less than $1250/month to keep up with job growth over the next 20 years.

Housing availability will drive regional economic development. Insufficient affordable housing could deter business growth.

### Comparing Current and Forecasted Units

<table>
<thead>
<tr>
<th></th>
<th>Single-Family vs. Multi-Family Units</th>
<th>Needed for New Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current* SF MF</td>
<td>SF MF</td>
</tr>
<tr>
<td></td>
<td>District of Columbia</td>
<td>39% 61% 8% 92%</td>
</tr>
<tr>
<td></td>
<td>Suburban Maryland</td>
<td>70% 30% 40% 60%</td>
</tr>
<tr>
<td></td>
<td>Northern Virginia</td>
<td>72% 28% 47% 53%</td>
</tr>
<tr>
<td></td>
<td>Arlington</td>
<td>40% 60% 10% 90%</td>
</tr>
<tr>
<td></td>
<td>Washington Region</td>
<td>67% 33% 39% 61%</td>
</tr>
</tbody>
</table>

*Source: 2009 American Community Survey

### Comparing Rents of Current and Forecasted Units

<table>
<thead>
<tr>
<th></th>
<th>Renter-Occupied Units</th>
<th>Needed for New Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Arlington</td>
<td>Current</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$2250+ 12%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1750-2249 21%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1250-1749 33%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&lt;1250 33%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>15,072 rental units</td>
</tr>
<tr>
<td></td>
<td></td>
<td>15,072 rental units</td>
</tr>
</tbody>
</table>

Diana Meyer
State Director
Citi Community Development

"The Citi Foundation supports the economic empowerment and financial inclusion of low- to moderate-income people. Citi is proud to support APAH’s advocacy for community preservation and affordable housing development in Arlington through grants that bring about systems change and serve as a model for other communities."
Arlington’s greatest challenges are rising prices, high demand, redevelopment pressures, the high cost of affordable housing development, limited market opportunities and communicating the positive outcomes of affordable housing.

Arlington now has over 6,500 committed affordable rental units (14% of the multi-family rental stock) and has committed $18 million annually in Affordable Housing Investment Funds (AHIF) to spur development in recent years.

AHIF funds for 2013 are expected to be $20 million funded through Arlington County, developer contributions and loan repayments.

In FY 2011-2012, $31 million in AHIF spurred $183 million in development and created or preserved 800 committed affordable units.

Arlington will spend $50 million on housing programs in FY13 — including $8.6 million on housing grants, the fastest-growing budget item. This monthly rental assistance is given to eligible residents who meet age, disability or mental health requirements, and to working families with at least one child under 18.

THE CONCLUSION:
Demand for affordable housing continues to outpace supply. There is a dramatic increase in the number of vulnerable, low-income households requiring rental subsidy to afford to live in Arlington.
The Columbia Pike Neighborhood Plan estimates the need for $7-13 million of new AHIF funds annually to create or preserve the 6,200 committed affordable units proposed for Columbia Pike.

The Columbia Pike Neighborhood Plan (adopted by the Arlington County Board in July 2012) includes ambitious goals for preserving and creating more committed affordable units and preserving market rate affordable units using incentives/tools such as partial tax exemptions and density transfers.

Arlington’s FY2013 budget funded a survey of housing needs. It will include these components: data collection and analysis, assessment of current and next generation housing needs, analysis of policy issues and community outreach.

To view all of the slides associated with this presentation, click HERE.
Arlington’s Department of Human Services supports Arlington’s most vulnerable residents with employment services, crisis assistance and food, housing assistance and public assistance.

**Homeless and very low-income population**

- 451 homeless persons in shelter and on the street in January 2012
  - 188 sheltered persons in families
  - 131 single individuals on the street
  - 132 sheltered single individuals
- 153 homeless persons on the street counted through 100 HOMES campaign in Oct. 2011
  - 30 persons housed
- 425 persons with disabilities and critical housing need require Permanent Supportive Housing
- 14,800 (7%) of Arlington’s population lives below the federal poverty level
  - $11,170 annual income for 1 person
  - $23,050 annual income for 4 person family

**Rental Market**

- Rents not affordable to at-risk populations
  - Average market rent is $1,768
  - 60% Tax Credit rent for 1 BR is $1,209
  - 60% Tax Credit rent for 3 BR is $1,677
- 173% of monthly SSI income ($698) required to rent a 60% AMI 1 BR unit in Arlington
- Family of 4 earning $25,000 must pay 67% of income to rent a 60% 3 BR

**THE CONCLUSION:**

Rents are not affordable to Arlington’s most at-risk populations – families living in poverty, those on Social Security and disabled individuals. Arlington will face increasing demands for financial and supportive services to house Arlington’s most at-risk residents in the coming years.

A family of four earning $25,000 must pay 67 percent of their income to rent a 60% AMI three-bedroom apartment in Arlington. Arlington residents on social security income ($698/month) would need to pay 173% of their income to rent a 60% AMI one-bedroom unit.

14,800 (7%) of Arlington’s population lives below the federal poverty level ($11,170 annual income for one person; $23,050 annual income for a family of four). 451 homeless persons were counted in Arlington in January 2012.

Arlington fully funds the Housing Grants program, which began in 2000 and is projected to assist 1,326 households by 2013 with an average monthly subsidy of $536. The federal government funds the Section 8 program, which supports 1,380 households in Arlington with an average subsidy of $850 a month. 5,000 people are currently on the waiting list.
Since 2008, the cost of housing grants has increased 62% and the number of program participants by 71%. Household participation is evenly split among working families, people with disabilities and people age 62+. Income for working families averages $25,000 while income for people with disabilities and those age 62+ is approximately $13,500.

Arlington houses 211 low-income adults with disabilities in permanent, affordable apartments with supportive services. This evidence-based model provides housing that is integrated into the community and services that help residents to live alone.

### Housing Grant Demographics

<table>
<thead>
<tr>
<th>Household Participation – December 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
</tr>
<tr>
<td>Working Families</td>
</tr>
<tr>
<td>People with Disabilities</td>
</tr>
<tr>
<td>Age 62+</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average Annual Income by Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
</tr>
<tr>
<td>Working Families</td>
</tr>
<tr>
<td>People with Disabilities</td>
</tr>
<tr>
<td>Age 62+</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Houses' Asset Levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Level</td>
</tr>
<tr>
<td>-------------------------------------</td>
</tr>
<tr>
<td>$0 - $5,000</td>
</tr>
<tr>
<td>$5,000 - $10,000</td>
</tr>
<tr>
<td>$10,000 - $20,000</td>
</tr>
<tr>
<td>$20,000 - $35,000 (max)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Length of Time Housing Grants Recipients Receive Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Length of Time in Program</td>
</tr>
<tr>
<td>1 year or less</td>
</tr>
<tr>
<td>1 to 2 years</td>
</tr>
<tr>
<td>2 to 3 years</td>
</tr>
<tr>
<td>3 to 4 years</td>
</tr>
<tr>
<td>4 to 5 years</td>
</tr>
<tr>
<td>5 years or more</td>
</tr>
</tbody>
</table>

In program 2 years or less:
- 578 (48%) of 1,204 total participating households

In program 5 years or more:
- 241 (20%) of 1,204 total participating households
  - 17 Working families
  - 109 People w/ disabilities

### Growth in Permanent Supportive Housing

<table>
<thead>
<tr>
<th>Available Units (as of 6/30)</th>
<th>FY 2005 – 2011 (FY 2011 data reflected below)</th>
<th>FY 2012 (Projected)</th>
<th>FY 2013 (Projected)</th>
<th>FY 2014 (Projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Monthly Grant</td>
<td>$916</td>
<td>$933</td>
<td>$940</td>
<td>$960</td>
</tr>
<tr>
<td>Adopted Budget</td>
<td>$960,584</td>
<td>$1,427,956</td>
<td>$1,427,956</td>
<td>$1,427,956</td>
</tr>
<tr>
<td>Expenditure[2]</td>
<td>$987,811</td>
<td>$1,346,204</td>
<td>$1,676,020</td>
<td>$1,906,650</td>
</tr>
<tr>
<td>(Over)/Under Budget</td>
<td>($27,227)</td>
<td>($181,752)</td>
<td>($248,064)</td>
<td>($478,694)</td>
</tr>
</tbody>
</table>

To view all of the slides associated with this presentation, click [HERE](#).
VOICE - Virginians Organized for Interfaith Community Engagement - unites renters and sponsors actions to call attention to the needs of low-income residents in Arlington.

**THE CONCLUSION:**
VOICE is asking Arlington County to build 1,000 new rental homes on public land in the next five years and to target these new homes for residents earning 40-50% of area median income.

VOICE advocates for Arlington County to increase the amount of housing that is affordable to incomes at 40% and 50% AMI, using creative tools such as “public land for housing” that decreases development costs by eliminating the high land cost.

VOICE’s goal is 1,000 new units of affordable housing on Arlington’s public land.

300 Attendees at VOICE Arlington Affordable Housing Action March 24, 2012 at St. Mary’s Episcopal Church.

To view all of the slides associated with this presentation, click HERE.
It's important to take a comprehensive look at all elements of the affordable housing development process, so we can determine whether the process can be adjusted in a way that reduces undue cost burdens on those who are developing this much-needed housing.

Susan Bell, Panel Moderator
One of the most important affordable housing finance tools is the low-income housing tax credit, in which the U.S. Treasury allocates tax credits to states on a per capita basis, and states allocate the credits to affordable housing developments.

THE CONCLUSION:
Cost containment is key to stretching limited low-income tax credits, particularly in a high-cost area such as Arlington.

The fact that no affordable housing gets built without tax credits today makes them a precious and finite resource. Straining this limited resource further is the continued rise in the cost of developing affordable housing, particularly in high cost areas such as Arlington County.

A variety of factors contribute to the high cost of developing affordable housing, including: land costs, architecture and engineering fees, impact fees, site improvements, green enhancements, tight construction sites, local zoning requirements and construction standards.

Given national budget debates over tax “loopholes” and credits, some question whether affordable housing should be built in high cost areas. High cost areas like Arlington have low unemployment and strong transit options, making this an important area to provide much-needed affordable homes.
The Center for Housing Policy is affiliated with the National Housing Conference and specializes in research-based solutions. The Center seeks to broaden understanding of the nation’s housing challenges and to examine the impact of policies and programs developed to address those needs.

The Center for Housing Policy recently scrutinized the approvals process to determine changes that reduce costs and make the development process more efficient.

### THE CONCLUSION:
Best practices in other jurisdictions include streamlining zoning and permitting and creating overlay zones for affordable housing.

The Center examined the ways in which local jurisdictions can revise zoning ordinances to minimize the need for individual variances, streamline permit review and provide community benefits comprehensively.

#### 1. Minimize the need for variances

*Key tools:*
- Form-based codes and other alternatives to use permits
- Overlay zones
- Design guidelines

#### 2. Streamline permit review

*Strategies:*
1. Establish a single, unified permit
2. Create a one-stop shop
3. Expedite processing for affordable housing developments
4. Coordinate review
5. Use technology to expedite the process

#### 3. Provide community benefits comprehensively

1. Examine conditions holistically
2. Investigate opportunities to provide infrastructure comprehensively
Efficient communities lay out expectations upfront so the desired land use is allowed as a matter of right, minimizing the need for variances and lengthy public processes.

Here are some of the most effective strategies...

Form-based codes. One approach that has been successful is opting for form-based codes and other alternatives to permits based on use, such as the one adopted for Columbia Pike’s redevelopment.

Overlay zones. Adding an overlay zone atop an existing zone is another innovative option in use. It allows for needed flexibility without a complete rezoning. The overlay could provide specific variances “by-right” for affordable projects.

Detailed design guidelines. Publishing detailed design guidelines as part of the zoning codes gives developers a clear understanding of what projects are expected to look like, reducing the approval timeline.

A single, unified permit from a one-stop “shop.” Having a single permit office solicit and receive recommendations from local agencies, schedule hearings and make decisions within a prescribed timeframe, enables proficiency and greatly streamlines the process for a developer.

The optimal scenario is a coordinated review process that is customer service-oriented and allows a developer to apply online, see how their permits are doing and schedule inspections from the office or the field. This approach effectively uses technology to expedite the process and save unnecessary costs.

To view all of the slides associated with this presentation, click HERE.
PUTTING A PRICE TAG ON THE REGULATORY PROCESS
Jessica K. Lee
Program Examiner, Office of Management and Budget, The White House

A visiting intern from the Office of Management and Budget (OMB) assessed the effectiveness of Arlington County’s new use permit to expedite affordable housing projects. The views expressed here represent the author and not the OMB.

THE CONCLUSION:
Arlington could save time and money through streamlining the entitlement and permitting process and improving internal communications.

In 2009, Arlington County amended its zoning code, allowing a special exception use permit to facilitate the rehab of existing buildings that provide committed affordable units. Its goal was to reduce the timetable and to impose fewer conditions and cost restraints than a rezoning or site plan process.

The author found that the public process took just 2-3 months from application through Board approval. Frustration arose between zoning approval and the completion of the permitting process, which took another 17 months.

Conditions were reduced by 50 percent for projects using the new permit tool versus a site plan. While this was positive, there are still too many expensive conditions. The author recommends treating these projects more like matter-of-right developments.

To view all of the slides associated with this presentation, click HERE.
Arlington Permitting Challenges & Strategies for Affordable Housing

Strategies (examples):
- Implemented Pilot to test strategies – communications/coordination, critical path, permit team facilitators, information sharing
- Data collection of costs and conditions for baseline evaluation
- Policy discussion on conditions as applied to affordable projects

The research uncovered challenges for the affordable developments that go through this process. Overall, the process was not as coordinated as it could be. In addition, the author found requirements were not as transparent as they could be.

Arlington has no centralized system where a developer can utilize a one-stop shop, or an online option. The County is presently working on an online system, which would facilitate communication, coordination and information sharing.

Affordable housing developers using low income housing tax credits have additional timeline constraints that are not part of the market-rate development projects.

The County has moved ahead to improve both communication and coordination through a pilot program to test strategies. The program focuses on communications and coordination, establishing a critical path, involving permit team facilitators and information sharing.

In addition, the author recommends data collection to track costs associated with specific conditions, for an accurate evaluation of the special exception’s impact. This can inform a policy discussion surrounding the conditions and results applied to affordable housing.
In 2003, Arlington County approved a new form-based code for the Columbia Pike Revitalization District. This was one of the first and largest applications in the country of this type of zoning code, which is based on form, setbacks, massing and aesthetic details rather than on the building’s end use.

THE CONCLUSION:
Form-based zoning codes expedite approvals, but can add expensive design features.

Columbia Pike’s new code is designed to create a pedestrian-oriented experience and foster a vital “Main Street” through a lively mix of storefronts, sidewalk cafes and other commercial uses at street level, overlooked by canopy shade trees and upper story residences and offices. Under the code, mixed-use developments are not only allowed but encouraged.

The form-based code is proving to be effective and giving the process predictibility. However, since it tends to raise the bar in terms of architecture, any resulting cost savings to the architectural process are negligible.

The fact that form-based code puts density where it should be, such as within major transportation corridors, is a plus for workforce affordable housing.

To view all of the slides associated with this presentation, click HERE.
SUCCESS STORIES
Innovative Land Development Solutions

MODERATOR
Eric Price, Executive Vice President, AFL-CIO Housing Investment Trust

PANELISTS
Marsha Allgeier, Deputy County Manager, Arlington County
Mark Jinks, Deputy City Manager, City of Alexandria
Jerry Morris, Board Member, Views at Clarendon Corp.
Carmen Romero, Director of Acquisitions, APAH

“These unique and creative land development solutions can be replicated to create significant new affordable housing.”

Eric Price, Panel Moderator
The Arlington Mill Residences and Community Center is the poster child for the concept of “public land for affordable housing.” This long-term collaboration brings together on a single site a public facility with affordable housing.

THE CONCLUSION:
Persistance, creativity and flexibility are all necessary to build a successful and innovative public-private partnership.

Scheduled to open in late 2013, the Arlington Mill Community Center will feature recreational, social and learning opportunities for all ages. It will combine traditional recreational offerings with child development programs, human services, and senior nutrition and educational programs.

Atop the community center’s parking garage will be the Arlington Mill Residences. Initially, the idea was to have a single for-profit partner to develop both the community center and mixed-income housing, but as plans evolved the economy took a plunge. The County decided to separate the housing development from the community center and to issue an RFP for an affordable housing developer. The County selected APAH to develop the residences.

To view all of the slides associated with this presentation, click HERE.
In addition to economic turmoil, the project faced multiple challenges, including competing community interests. The shared site and shared parking garage created construction and operating challenges.

When completed, the innovative project will include a new community center and affordable housing that was developed at considerably lower cost on public land.

**LESSONS LEARNED**

- Be willing to use public land to subsidize affordable housing and ensure affordability in perpetuity through a long term ground lease.

- Be prepared to balance density with cost efficiency and community acceptance.

- Be adaptable and able to reinvent your plan in response to changing conditions.

- Be persistent and committed to the long-term vision.

---

**Housing Development Approach**

- Building separate from Community Center
- Form-based code compliant
- Aesthetically appealing & environmentally sensitive
- Emphasis on affordable housing
- Supportive housing, including wing
- “Family-sized” units
- Balance density with cost efficiency & community acceptance

---

**Housing Plan**

- Total Cost = $37,000,000
- Sources
  - County land contribution ($6M)
  - VHDA Bonds
  - Tax Credit Equity
  - Deferred Developer Fee
- Leverage ratio = 5 : 1
When it comes to innovative land use solutions, putting much-needed affordable housing atop a much-needed fire station is creativity at its best. This award-winning project is the first of its kind in the entire country.

THE CONCLUSION:
The key to this innovative project was Alexandria’s willingness to go “urban” and use the height above the station for affordable housing.

The stakeholders in this case were: Pulte – Centex Homes; the City of Alexandria’s Fire, Housing, General Services and Planning Departments; Alexandria Housing Development Corp. (AHDC); VHDA, and residents of adjacent neighborhoods.

The surrounding neighborhoods were becoming more urban and dense, and without a new fire station to serve this growing population, response times were increasing. Converging with this goal was a need for affordable housing in the neighborhood, which was disappearing due to high land costs.

The solution was a four-bay fire station with unique noise and vibration mitigation topped by 64 homes, 44 affordable to low-income households and 20 targeted to moderate income households.

The housing and first floor retail spaces are owned by Alexandria Housing Development Corporation. The city owns the fire station.
Solutions (continued)

• Retail space
• Multiple funding sources
• Condominium ownership structure

Lessons Learned (continued)

• Challenges represent to-be-discovered solutions
• Need for flexibility, creativity and innovative design
• Adequate funding necessary

LESSONS LEARNED

• Government buildings in high density urban areas can use air rights to effectively create affordable housing.

• Mixed use means mixed use. Don’t shy away from considering creative and even previously untried use mixes to meet community needs and garner public support.

• Collaboration is critical. Align interests with other key players involved.

• New challenges represent solutions that are yet to be discovered, such as this development that solved two separate community problems.

To view all of the slides associated with this presentation, click HERE.
vPoint, formerly known as The Views at Clarendon, is a mixed-use church and residential development one-half block from the Clarendon Metro station.

THE CONCLUSION:
The key to having affordable housing at the Church at Clarendon site was the church’s decision to reinvent its building and expand its mission to include housing, rather than selling and moving.

The project preserved the existing 107-foot Church at Clarendon steeple, reconstructed the church and provided 116 rental apartments. The existing low-scale educational building and day care center on the north side of the block remained. The LEED-eligible community features 70 residential units that are guaranteed to be affordable.

The church started the building process 10 years ago as part of their mission to remain relevant in the community. They knew they had valuable land in an urban environment and wished to make it useful to their community.

The challenges were many: How do you structure this? How do you integrate all of the functions: church, day care center, seminary and housing?

To make it all happen, the church transferred ownership and site control to a limited partnership, the 1210 LP, to comply with tax credit requirements.

They also assigned development responsibility for the affordable housing component to a new nonprofit corporation known as Views Corp., which is the LP’s general partner and the recipient of the Low Income Housing Tax Credits.

Views Corp. brought in APAH to secure the property’s entitlements, Low-Income Housing Tax Credits and financing. Funding came from a mix of VHDA financing, tax credits and Arlington’s Affordable Housing Investment Fund (AHIF).

vPoint opened for leasing in January 2012 and was 100 percent leased and occupied within six months.

To view all of the slides associated with this presentation, click HERE.
Ownership Structure

Two Party Condominium, which includes 116 residential apartments.

ENTITY RELATIONSHIPS OF PROJECT

VIEWS CORP
Non-Profit General Partner & Developer
.01% interest

Development Consultant

Affordable Housing Consultant

Equity Investor
Purchaser of Tax Losses
Limited Partner
99.99% interest

1210 N. Highland, LP
Limited Partnership for Tax Credit Applicant, Applicant for Construction Loan & Permanent Financing

GC and Property Mgmt Cos.
Providers of completion and lease-up guarantees

vPoint Apartments
w/ underground parking garage; market & affordable apartments

Education Bldg Owned (fee simple) by Church. Houses church activities plus Day Care and Seminary
Land is expensive in Arlington, reflecting the success of this Smart Growth Community. High land costs are a barrier to retaining and developing affordable housing.

**THE CONCLUSION:**
Nonprofit developers could use density on their own properties as a real tool to create new affordable housing.

When nonprofit affordable housing developers leverage their existing land holdings to redevelop their land with additional density, they can reduce the per unit land cost.

APAH owns 12 properties. At Carlyn Springs, for example, APAH can tear down the existing 27 units and build 33 new units as a matter of right.

If the General Land Use Plan were amended to provide more density, APAH could develop 131 units on that same site under the same zoning, height and massing to which the adjoining property is entitled. The land cost would be reduced from $48,000 to $12,000/unit. This is a dramatic savings from new parcels in the area that are selling at $100,000/unit or more.
Land banking: Columbia Pike

Land banking and community land trusts benefit affordable housing by effectively taking land out of the development equation.

Columbia Pike Affordable Housing Goal: How will it be reached?

<table>
<thead>
<tr>
<th></th>
<th>CAFs (new or renovated units)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Pike Housing Goal</td>
<td>4,500</td>
</tr>
<tr>
<td>Partner with current CAF sites</td>
<td>1,300</td>
</tr>
<tr>
<td>% of housing goal</td>
<td>29%</td>
</tr>
</tbody>
</table>

The Pike currently has 11 sites (7 non-profit owned) with a total 1,204 CAF units. The new Pike Plan will more than double the number of CAFs at these locations.

Land banking provides for affordable housing in perpetuity in the hands of a nonprofit.

The Columbia Pike Neighborhoods Plan uses land banking as a tool to maintain affordable housing in that corridor.

The Pike currently has 11 Committed Affordable Housing sites, seven of which are nonprofit-owned, representing a total of 1,204 Committed Affordable Units. The new Columbia Pike plan doubles the number of Committed Affordable Units at these locations, achieving 29% of the Plan’s affordable goal.

The County’s long-standing practice of funding nonprofit acquisition of existing multifamily housing can produce long range community benefits when the county increases the density at sites on the urban fringe.
What innovative actions can be taken to spur more affordable housing development? Arlington County Board Vice Chair Walter Tejada and APAH President/CEO Nina Janopaul summarized the key takeaways from each of the day’s presenters.

**FRAMING THE NEED**

**Mary Hynes**
- Arlington’s identity is tied up in our diversity as a welcoming and mixed income community for people from all walks of life.

**Lisa Sturtevant**
- Arlington needs 600 new units of multi-family housing each year at less than $1,250/month to keep up with job growth over the next 20 years.

**Ken Aughenbaugh**
- Arlington has created 3,300 new CAFs over 11 years – 300/year.
- Rising rents have made 1,000 market affordable units unaffordable to low-income households every year over the same 11-year period.

**Cindy Stevens**
- There is a significant and growing need to assist very low income households.
- Over the last three years, Housing Grants increased from 700 to 1,000, in addition to 1,300 qualified low-income households who receive Section 8 rental assistance.
- Arlington County seeks to provide 425 permanent supportive units.

**Florence Dale**
- The faces of affordable housing include dedicated school employees, housekeepers, small business owners and minimum wage workers.
- The county should create 1,000 new units on public land to serve 40% & 50% AMI households.

**AFFORDABLE BY DESIGN**

**Susan Bell**
- The challenge is how to work with staff, stakeholders and the community to better accommodate the special funding timelines nonprofit developers must meet.

**Mike Scheurer**
- Cost containment is a major factor in preserving our key federal LIHTC program.

**Robert Hickey**
- Best practices in other jurisdictions include streamlining the zoning and permitting process and creating overlay zones for expedited affordable housing.

**Jessica Lee**
- Arlington could save time and money through streamlining the entitlement and permitting process and by improving internal communications.

**Chris Gordon**
- Form-based zoning codes expedite approvals, but beware of adding expensive design features.

**SUCCESS STORIES**

**Eric Price**
- Replicating these single examples within the context of a comprehensive plan can create significant new housing.

**Marsha Allgeier**
- Arlington Mill required persistence and a creative approach, leveraging county land with an urban design to create affordable housing at a community center.

**Mark Jinks**
- The key to success with the fire station was Alexandria’s decision to go “urban” and use the height above the station for affordable housing.

**Jerry Morris**
- The key to having affordable housing at the Church at Clarendon site was the church’s decision to reinvent its building and expand its mission to include housing instead of selling and moving.

**Carmen Romero**
- The county’s nonprofit partners can land bank properties on the urban fringe that provide low-cost housing through re-zoning.
MARSHA ALLGEIER
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Marsha Allgeier was appointed Deputy County Manager in November 2005. Previously she was the Director of the Arlington County Department of Human Services from 2001 to 2005. She served as Chief of the Planning and Administration Division of DHS from 1993 to 2001 before becoming Director. Ms. Allgeier earned her Bachelor’s degree in American Civilization from Brown University in Providence, Rhode Island, and her Master’s degree in Urban and Regional Planning from the University of North Carolina at Chapel Hill.

KEN AUGHENBAUGH
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Ken Aughenbaugh has served as Arlington’s Housing Director since April of 2003. He has had significant involvement in the County’s affordable housing efforts since he joined Arlington County in 1983 as Housing Rehabilitation Coordinator. He then became Housing Development Coordinator in 1995. He served from 2008 to 2010 as Chairman of the Metropolitan Washington Council of Governments Housing Directors Advisory Committee. Mr. Aughenbaugh retired from Arlington County in February 2013.

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Former Director, Department of Community Planning, Housing and Development, Arlington County
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Susan Ingraham Bell was named Director of the Department of Community Planning, Housing and Development (DCPHD) in July 1998. Before becoming Director, Ms. Bell served as the County’s Zoning Administrator for 10 years, and in both Comprehensive and Current planning positions in DCPHD.

In April 2011, the Arlington County Civic Federation honored Ms. Bell with an award recognizing her “fair, open and effective leadership” and willingness to work with local residents. Ms. Bell holds a Master’s degree in Urban and Regional Planning (MURP) from George Washington University, and a Bachelor’s degree in Political Science and American Studies from Dickinson College. She joined APAH’s Board in January, 2012.

FLORENCE DALE
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Florence A. Dale is a member of St. Mary’s Episcopal Church, where she serves on the Altar Guild and the Core Team of VOICE (Virginians Organized for Interfaith Community Engagement). She was a leader in VOICE efforts to engage residents of communities along Columbia Pike in organizing for improved bus service and for well-managed affordable housing. She has lived in Arlington since 1985 and has served the Arlington Public Schools in various capacities for 22 years. For the past 11 years, she has been a teacher of English as a Second Language and Spanish. She is a graduate of Washington-Lee High School and George Mason University.

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Christopher Gordon, AIA, NCARB, is founder and principal of the award winning KGD Architecture in Rosslyn, Virginia. A 27-year resident of Arlington, Mr. Gordon has been an active member in public and private community-based initiatives and organizations such as NAIOP (National Association of Industrial and Office Properties), Arlington Government Committee, Leadership Arlington, and the ULI (Urban Land Institute) Urban Plan Program for Washington-Lee High School. Mr. Gordon is a graduate of Virginia Polytechnic Institute & State University.
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Robert Hickey is a senior research associate with the Center for Housing Policy in Washington, DC. The Center is the research affiliate of the National Housing Conference, and works to make innovative housing policies and research more accessible to practitioners nationwide. Before joining the Center, Mr. Hickey worked as a planning and economic consultant at Strategic Economics, and managed a comprehensive affordable housing initiative in Marin County, California. Mr. Hickey holds a Master’s degree in City and Regional Planning from the University of California - Berkeley.

MARY HYNES
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The Honorable Mary Hynes is the Chair of the Arlington County Board. She was first elected to the Arlington County Board in 2007. As a civic activist and public servant for more than 20 years, she has consistently and effectively led Arlington’s efforts to strengthen its government by enhancing civic participation, improving government management, and increasing investment in the county’s physical infrastructure. Prior to joining the Arlington County Board, Ms. Hynes served for 12 years as an Arlington School Board member, and was chair on three occasions. Ms. Hynes graduated from the College of St. Benedict in St. Joseph, Minnesota, which honored her in 2007 as a distinguished alumna.

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Nina Janopaul has been President/CEO of APAH, a nonprofit, community-based affordable housing developer, since 2007. In 2011, APAH was awarded Developer of the Year by the Housing Association of Nonprofit Developers and the Non-Profit Business of the Year by the Arlington Chamber of Commerce in 2008. Prior to joining APAH, Ms. Janopaul was a principal at Capital Strategies Consulting, Inc., providing services to a variety of organizations, including Enterprise Community Partners. Ms. Janopaul received a Bachelor of Arts degree Magna Cum Laude from Harvard University.

MARK JINKS
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Mark Jinks is a Deputy City Manager for the City of Alexandria, Virginia. He is responsible for overseeing and facilitating the City’s land use planning, zoning, historic preservation, transportation, environmental protection, code administration, affordable housing and museum functions. Mr. Jinks previously served for 10 years as the City of Alexandria’s Chief Financial Officer, and prior to that he served for 10 years as the Director of Management and Finance for Arlington County, where he had also served as Budget Director. Mr. Jinks holds a B.A. and an M.P.A. from The Pennsylvania State University.
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Jessica K. Lee is a Program Examiner at the Office of Management and Budget (OMB), an office within the Executive Office of the President of the U.S. Over the past seven years, she has covered budget and policy issues related to certain Department of Housing and Urban Development programs, such as Housing Choice Vouchers, Community Development Block Grants, and HOME Investment Partnerships. Prior to joining OMB, she worked for the City of Long Beach’s Health and Human Services Department and People’s Assisting the Homeless, which is a regional housing and homeless service provider. She received her M.P.A. from the Maxwell School at Syracuse University and B.A. at the University of California, Los Angeles.

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Diana Meyer is currently Citibank’s State Director of Community Development for Washington, D.C. and Virginia, responsible for providing grants, contributions, leadership and community services in support of Citi’s priorities including financial education and capability, green neighborhood revitalization, college access as well as small/micro enterprise. Previously, Ms. Meyer was a senior director at Enterprise Community Partners, where she managed a national program to connect low-income families in affordable housing to quality, asset building social services to achieve housing stability and move families to self-sufficiency. Ms. Meyer is a graduate of Ohio State University.

JERRY MORRIS
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Jerry Morris is a native of Arlington, having grown up in the Clarendon area. He is currently the Director of Facilities for a government entity responsible for medical research and development with six laboratories located in the continental United States and three in overseas locations. In his volunteer role, Mr. Morris chairs the Board of Directors of the Views at Clarendon Corporation, the nonprofit entity which is general partner of vPoint Apartments. In addition, Mr. Morris serves as Trustee and Finance Chair for the Church at Clarendon.

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Eric W. Price is Executive Vice President of the AFL-CIO Housing Investment Trust (HIT) and also serves as Chief Executive Officer of Building America CDE, Inc., a wholly owned subsidiary of the HIT. Mr. Price was most recently Senior Vice President at Abdo Development, which specializes in residential and retail development in and around the urban core of Washington, DC. Mr. Price holds a Bachelor’s degree from the University of California at Los Angeles and a Master of Business Administration degree from the Fuqua School of Business at Duke University.
CARMEN ROMERO  
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Carmen Romero is Director of Acquisitions in APAH’s Real Estate Development group. Previously, she worked as a Director at Edgemoor Real Estate Services, a real estate development and public-private partnership group within Clark Construction. She has an M.B.A. in Finance from the Wharton School of Business and an undergraduate degree from Georgetown University’s School of Foreign Service. She has been an Arlington resident since 1997 and is also a native Spanish speaker.

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Michael J. Scheurer currently heads the VHDA’s Northern Virginia community outreach efforts and is based in Reston, Virginia. Previously, he served as Senior Deputy Director for the Fannie Mae Washington Metropolitan Community Business Center. He also served as the Director of Multifamily Finance for the National Association of Home Builders and was the Director of Development and Real Estate Finance for the Department of Housing and Community Development in Fairfax County, Virginia. Mr. Scheurer holds a B.S. and Master’s degree from Ball State University in Urban and Regional Planning.

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Cynthia Stevens is the Housing Assistance Bureau Chief in the Economic Independence Division of Arlington County’s Department of Human Services. Prior to this position, Ms. Stevens worked nine years as the Executive Director of a local nonprofit housing organization and eight years as a public housing executive in Cleveland, Ohio. She holds a Master’s degree in Urban Policy from Cleveland State University and a Bachelor’s degree in Government from Skidmore College.

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Lisa A. Sturtevant is assistant research professor at the George Mason University School of Public Policy (SPP) and Deputy Director at the Center for Regional Analysis. Her primary areas of research include regional economic development, migration and mobility, demographics and housing. Previously, she spent four years as County Demographer in the Arlington County Department of Community Planning, Housing and Development. Dr. Sturtevant completed her Ph.D. in public policy from George Mason University in May 2006. She received her Master’s degree in Public Policy from the University of Maryland in 2000 and a B.S. in Mathematical Economics from Wake Forest University in 1994.

WALTER TEJADA  
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The Honorable J. Walter Tejada was elected to the County Board on March 11, 2003, in a special election. Mr. Tejada was re-elected in 2007 and 2011. He served as Chairman of the Board in 2008 and Vice-Chairman in 2009. During his tenure, he has reached out to local communities to address a wide-range of issues, such as affordable housing, community and economic development, parks and recreation, tenant outreach and empowerment efforts, youth development programming, nonprofit initiatives and others. Mr. Tejada studied Government and Communication at George Mason University.