Introduction

Arlington County – a sought-after community known for its commitment to diversity, inclusivity and sustainability – has reached a critical juncture in its land use planning and housing policy. Balancing surging growth and an influx of new and prospective residents and commercial tenants, Arlington faces increasing challenges in meeting the needs of its population.

Like many jurisdictions, Arlington finds itself dealing with an ongoing series of seemingly disparate issues, with solutions aimed at seemingly separate audiences: affordable housing for the neediest populations, lack of affordable options for middle income residents, and new businesses transitioning into areas with high commercial vacancies amidst resident concerns about neighborhood character. But these challenges – and their solutions – don’t exist in silos, much as community life doesn’t exist in neat buckets. A lack of shops or restaurants or workplaces will impact a neighborhood and its residents in many ways, just as residents in a neighborhood with new businesses may feel the impact of traffic, increasing housing costs, and a growing school population. Workplaces whose employees are priced out of living nearby will grapple with the complications that come with long and unpredictable commutes and a lack of community roots.

How do we ensure “living in Arlington” remains synonymous with an equitable, stable, adaptive community?

The solution is to initiate a new approach, an umbrella initiative that can strategically tackle interwoven issues from cross-disciplinary angles. This approach broadens narrower, issue-specific views into something more holistic, to maximize efficiency, bridge resources and leave room for innovation.

With Housing Arlington: An Expanded Approach to an Equitable, Stable, Adaptive Community, the County seeks to combine best practices and ideas from policy, planning, partnerships, and financial tools to create solutions that are nimble and adaptable. The new, expanded approach will combine six initiatives to enable Arlington to continue to evolve as a thriving community that serves populations from all walks of life.
Vision and Goals

The vision for Housing Arlington is a more inclusive housing community that takes care of its neediest while providing ample opportunity for its middle class and beyond, one that is grounded in equity, opportunity, stability and adaptability. The initiative addresses the core question: how can living in Arlington remain synonymous with an equitable, stable and adaptive community? It recognizes the necessity to address two parts to the housing affordability challenge while utilizing an expanded range of partnerships to advance their solutions.

While the critical work of providing support to low-income residents continues, housing affordability for many Arlington residents is recognized as an increasing challenge. Traditional affordable housing efforts focus on financial and planning tools that serve residents on the lower end of the economic spectrum, usually 80% or below of the area median income. Examples include development of committed affordable units, housing grants for low-income renters, down payment and closing cost assistance for moderate income homebuyers, and real estate tax relief for low- and moderate-income senior homeowners. Several Housing Arlington initiatives support new and creative efforts to meet the needs of low-wage, low-income, special needs and elderly households. These strategies are critical to achieving Arlington’s vision to be a diverse, inclusive and sustainable community that all can call home.

However, housing affordability is also a challenge for middle-income households with incomes too high to qualify for subsidies, but not high enough to afford newly built or existing market rate homes that meet their needs. The term “missing middle” was coined by Daniel Parolek to define a range of multi-unit or clustered housing types compatible in scale with single-family homes that help meet the growing demand for walking urban living. Examples include stacked flats, triplexes, fourplexes and smaller multifamily buildings, and can represent more naturally affordable housing options.

While the term was developed as a design concept, it has also begun to resonate as an affordability concept, generally referring to households earning between 80-120% of the area median income. In Arlington, this translates to annual income in the range of $65,000 (for a single-person household at 80% AMI) to $140,000 (for a four-person household at 120% AMI). These households, many of whom are already here, are seeking both a housing type and price point that are not readily available in the Arlington market. A “missing middle” housing
type supports residents as they look to move from rental to ownership, start their families and downsize as they age.

Housing Arlington sees more effective solutions within our reach; combining planning and implementation tools, housing policy, financial resources and innovative local and regional public-private partnerships to generate holistic solutions for residents along the economic spectrum. Over a multi-year period, Housing Arlington will use individual initiatives and programs to answer the questions above – and the inevitable new issues that will crop up over time. It will build on decades of work with previous initiatives including the Affordable Housing Master Plan (adopted in 2015).

Housing Arlington efforts will complement other Affordable Housing Master Plan goals of access and sustainability, including rental assistance; homelessness prevention and rapid rehousing; tenant and landlord education; relocation assistance; and fair housing enforcement.

The following six focus areas will make up the scope of the larger initiative:

<table>
<thead>
<tr>
<th>Housing Arlington Initiatives</th>
<th>solutions for AFFORDABLE HOUSING</th>
<th>solutions for MISSING MIDDLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Use Tools</td>
<td>🚩</td>
<td>🚩</td>
</tr>
<tr>
<td>Financial Tools</td>
<td>🚩</td>
<td>🚩</td>
</tr>
<tr>
<td>Institutional Partnerships</td>
<td>🚩</td>
<td>🚩</td>
</tr>
<tr>
<td>County Employee Housing</td>
<td>🚩</td>
<td>🚩</td>
</tr>
<tr>
<td>Condominium Initiative</td>
<td>🚩</td>
<td>🚩</td>
</tr>
<tr>
<td>Affordable Housing Master Plan Update</td>
<td>🚩</td>
<td>🚩</td>
</tr>
</tbody>
</table>

Housing Arlington is a County Board initiative, coordinated by the Housing Division in the Department of Community Planning, Housing and Development (CPHD) and supported by the department’s Planning Division, as well as other departments such as Human Services, Environmental Services, Management and Finance, and Economic Development. Individual efforts under the Housing Arlington umbrella may be led by other divisions or departments. As a key aspect of Housing Arlington is greater collaboration, both within and outside County Government, other stakeholder groups and organizations will be engaged as the initiatives are implemented. Housing Arlington will receive County Board prioritization of resources and time.

1 These will include County Board-appointed commissions, civic associations, local and regional nonprofits, research and policy institutions, neighboring local governments, and the State. This list is not meant to be complete and could include other participating organizations.
A Summary of Arlington’s Housing Challenge

Arlington’s housing community is under pressure. A sustainable housing community relies on a balance of interconnected elements, such as a diverse population and employment opportunities, an effective mix of land uses, access to resources, affordable child care, a stable economy, transportation options, and more. Disruptions or imbalances in any area can have effects on the housing market and the people who live here. As both the County and the region have grown, renters and homeowners across all population and income groups face significant challenges when it comes to living in Arlington:

- **Growing, changing population**
  - On average, Arlington’s population has grown at about 1% per year since 2000. As of January 2018, Arlington had an estimated population of 225,200 and is forecasted to reach 283,000 by 2040.[1]
  - The number of older adult households is expected to grow three times faster than the number of households headed by persons under age 65, multi-generational households may also see an increase because of this trend.
  - In 2010 52.5% of households had incomes under $100,000; by 2017, their share had dropped to 44%. (ACS S1901)

- **Rising housing costs**
  - Houses are getting more expensive and larger. The average price of single-family homes built since 2010 is nearly $1.3 million, and almost $850,000 for the average price for new condominiums and townhouses. New single-family homes are generally 4,000 square feet and larger.
  - Rents for new apartments in Arlington are now twice the price that a low-income household, earning approximately $70,000/year for a family of four, can afford.
  - 57% of renters say they would like to buy a home in Arlington but only 22 percent believe they will be able to afford a home in Arlington that meets their needs.”

- **Increasing needs**
  - Rental housing is needed for working households with low wages or little income who are forecasted to grow by nearly 40 percent over the next 20 years. As their wages have not and will likely not keep pace with rents, their needs for either more deeply subsidized apartments or rental assistance becomes even more acute.
  - Older persons and persons with disabilities will need a housing stock that is configured to help them age in place or in the community.
  - Families with children of all incomes will grow by almost one-third.

- **Shortfalls in housing supply and range of types**
  - The County has lost a significant portion of its rental stock that is naturally affordable to lower-income households - a net loss of 13,500 units since 2000.

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• The Metropolitan Washington Council of Governments (MWCOG) has identified a housing supply gap across the region, and forecasts the region needs to increase the planned number of new housing by slightly more than 100,000 by 2045 at all price points and types.[2]
• Middle-income homebuyers are largely limited to 1 or 2-bedroom condominiums, with a very limited supply of 3- or more bedroom units that are affordable to them.

• **Changing economy and employment growth**
  • Arlington’s commercial tax base is an essential piece of the community’s economy and budget resources. A high office vacancy rate in recent years (18% in 2018) causes cascading challenges in other areas.
  • Every one percent increase in the office vacancy rate equates to a half cent on the real estate tax rate, or $29.00 for the average single-family home.
  • According to MWCOG, employment growth projections in the region currently outpace housing growth in the region.
  • Arlington’s professional and technical sector is its largest single employment sector and it’s growing, led by the likes of Oracle, Accenture, Nestle, and soon to be Amazon.

• **Limited resources, facilities and infrastructure**
  • Land is Arlington’s scarcest resource. The County is only twenty-six square miles, and is the smallest, most densely populated county in the country.
  • As reported in the [2015 Community Facilities Study](https://www.mwcog.org/documents/2018/09/12/regional-housing-memo-to-cog-board-cog-board-affordable-housing-housing/), the demand for more schools, open space, facilities, public services and resources will continue to grow as the population increases.
  • The co-location of housing and public facilities may provide opportunities for housing.

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More About the Housing Arlington Initiatives

**Land Use Tools (Affordable Housing, Missing Middle)**

Land use tools are used by the County to leverage housing affordability opportunities, with recent creative solutions including the establishment of the Housing Conservation District and update to the Accessory Dwelling regulations. The initiative will include the exploration of additional land use and zoning tools to expand both affordable and missing middle housing.

**Missing Middle Study.** County staff plans to conduct a Missing Middle Study that will incorporate a review of current inventory, demographics, and access to mortgages; current practices from other jurisdictions, including the formation of an informal “missing middle practitioner network;” and community engagement with realtors, home builders, lenders, and residents. The study is intended to result in identification of policy options and potential implementation tools, as well as possible pilot project recommendations.

**Housing Conservation District.** In 2017, the County Board created the Housing Conservation District (HCD) and adopted the HCD Policy Framework. This special planning district encompasses twelve areas, containing 334 properties and nearly 7,000 apartments, located throughout the County outside of existing planned areas. These areas of the County contain an important concentration of market rate affordable rental units (MARK’s). The goals of the HCD are to maintain and enhance the character of these multifamily neighborhoods, encourage the preservation of existing market-rate affordable housing, and create opportunities for new affordable and moderate-income units when redevelopment occurs.

As envisioned, new zoning provisions and financial incentives for the HCD will allow for a spectrum of development, ranging from renovation and minor additions to infill and redevelopment. Use of the zoning and financial tools, which would include more flexible development standards, would be voluntary. In return, owners who opt to develop properties under the provisions for HCD will be required to dedicate a share of on-site housing units for low- or moderate-income households, earning up to 80 percent of area median income. Affordability requirements would be set on a sliding scale, based on the level of redevelopment. Not all properties in the HCD will remain rental properties. When redevelopment will result in a change in tenure from renter to ownership, he HCD affordability objectives will be aimed at middle income home buyers from 80% to 120% of the area median income. Housing types currently not available in Arlington, or in low supply, such as staked flats and small multi-family buildings, may aid in reaching this income segment.

Since the Housing Conservation District was created, staff has been analyzing individual areas and developing preliminary findings and strategies to address the loss of market-rate affordable units. Next steps include publishing a report reviewing research, analysis, findings, and proposed strategies; community engagement on report and proposed strategies, and development of implementation tools. This may include Zoning Ordinance amendments, an update to the HCD Policy Framework, and other policy changes to new or revised financial tools, as appropriate.

**Plan Lee Highway.** Building on visioning work by the Lee Highway community in 2016, the County is leading a multi-year community planning process for Lee Highway that takes a closer look at the long-term goals for this important corridor and its surrounding areas. This vision calls for Lee Highway to become a walkable, urban main street with a string of neighborhood activity centers between Rosslyn and East Falls Church, along with new transportation and housing options, better public spaces and more. The study area includes properties along the Lee Highway frontage with commercial and multi-family uses, as well as several discreet areas of low-density residential uses. Ultimately, a County plan for Lee Highway will be prepared that can be used as a guide for future private and public decisions.
Bonus Density. Another land use tool that will be analyzed under Housing Arlington is the density provision in the Zoning Ordinance that helps provide on-site committed affordable units and, in limited cases, contributions to the Affordable Housing Investment Fund (AHIF). Over the past 15 years, these amounts have been substantial:

- $49,407,595 in contributions in lieu of on-site units
- 336 on-site CAFs.

Currently, the County allows up to 25% additional density and up to six-stories in additional height for site plan projects that meet affordable housing requirements. The incentive allows the County Board to approve additional height and/or residential density for both market-rate and low- or moderate-income housing where a proposed site plan project complies with requirements. The requirements are described in Zoning Ordinance Section 15.5.9. County staff will explore the potential benefits as well as other consequences of lifting the current 25% density and height caps.

These efforts support the Affordable Housing Master Plan policy to explore flexibility in housing types and residential uses in single-family neighborhoods. It is likely the exploration and development of these land use tools will span a 1 to 3-year timeframe.

Financial Tools (Affordable Housing, Missing Middle)

The County currently provides funding from several different sources for multifamily and single-family loan programs: Local Affordable Housing Investment Fund (AHIF), Federal Community Development Block Grant (CDBG), Federal Home Investment Partnerships Program (HOME), and the Transit-Oriented Affordable Housing (TOAH) fund. From these sources, the County Board appropriated through its budget adoption process approximately $15 million in new FY 2019 funds for multifamily and single-family development projects. In addition, County staff anticipates receiving $2.5 million in developer contributions and $6 million in loan repayments in FY 2019. While these resources may support an estimated 276 new multifamily committed affordable units (CAFs)\(^2\), the County wishes to leverage additional resources to increase the County’s capacity to preserve and create CAFs through its affordable housing providers.

\(^2\) Based on 8-year average County investment of $85,000/CAF unit.
One way to further leverage County resources is to identify funding that affordable housing developers can access directly. These resources may bring more non-County funding to their projects, which would reduce the request for County funds and increase leveraging of existing County resources. Below is a sampling of financing tools that currently are available to affordable housing developers wishing to preserve and/or develop affordable housing in Arlington. Additional information for these sources, including how to apply for funding, is available on the County’s Financial Tools web page and staff continues to explore available tools:

- PNC Preservation Fund
- Enterprise Local Impact Fund
- Opportunity Zone Investments
- Commercial Property Assessed Clean Energy (C-PACE)
- Virginia Housing Trust Fund
- Washington Housing Initiative’s Impact Pool Fund
- Metro Industrial Areas Foundation Fund
- Kaiser Foundation Housing Impact Fund

In addition to the tools above, the County is researching ways to grow current County resources for affordable housing and/or use existing resources in new ways. These initiatives involve attracting private capital to County programs/projects, using County funds in different ways to stretch dollars further, and identifying additional sources via tax tools or other funding mechanisms to increase available resources for affordable housing in Arlington. Examples of these efforts may include the following:

- Attract community grantors and investors
- Leverage County resources through industry partners
- Explore a Green Financing Program
- Utilize County loan funds for interest rate write-downs or debt reserves
- Identify pension fund investments
- Consider tax-increment financing (TIF) districts
- Seek dedicated tax revenue
- Consider bond financing

While these tools would expand available resources that support housing affordability in Arlington, these areas are for exploration; not all may be feasible for Arlington County.

**Institutional Partnerships (Affordable Housing, Missing Middle)**

The Institutional Partnerships Initiative encourages collaboration and potential new partnerships between affordable housing developers, the faith community, schools, local colleges and universities, and other community-serving institutions with support from local and national technical assistance organizations. Staff

3 In addition to the tools listed here, staff explored utilizing Section 108 financing. However, given the structure of this financing (e.g., the County borrowing funds from a private lender in order to loan to a third-party developer, then securing and/or repaying these loans by pledging current or future CDBG allocations from HUD), staff does not recommend pursuing this strategy at this time.

In addition to County resources, the Virginia Housing Development Authority (VHDA) has pledged $75 million over a 5-year period to support affordable housing development in Arlington, Alexandria and northern Virginia. The details of this pledge, made as part of the State’s financial incentive package to support Amazon’s commitment to create 25,000 jobs in Crystal City and Pentagon City, are to be determined. The funds could be used for affordable rental or ownership units for households with low and moderate incomes. While developers would likely apply for these funds directly through VHDA, County funds could be used in conjunction with VHDA’s investment.
will engage with community partners to consider developing or partnering with developers to build affordable housing on their properties. The initiative supports the supply goal of the Affordable Housing Master Plan, to use creative partnerships in a high cost area to increase supply of rental apartments for residents of low or moderate income.

Arlington already has a rich history of creating affordable housing through its collaboration with nonprofit developers, churches, and community-serving institutions. Notable successes and developments in the pipeline include the following:

- **vPoint (Church at Clarendon)** is a mixed-income development of 116 apartments (70 affordable and 46 market-rate) located just north of the Clarendon Metro station (completed 2010).
- **The Macedonian (Macedonian Baptist Church)** provides an affordable community of 36 apartments in the Nauck neighborhood (completed 2011).
- **Gilliam Place (Arlington Presbyterian Church)** will provide 173 low-income housing tax credit apartments on the north side of Columbia Pike (to be completed in 2019).
- **Ballston Station (Central United Methodist Church)** proposes to develop a community of 119 affordable apartments across the street from the Ballston Metro station (site plan approval 2017).
- **The Cadence (Red Cross/Trenton Street site)** will provide 97 affordable apartments on the former Red Cross site north of Route 50, on the southern edge of the Buckingham community (site plan approval 2018).
- **The American Legion Post 139 (Post West 9/Post East 4)** will provide, if future financing requests are approved, will provide 160 affordable rental units on the north side of Washington Blvd.3 miles north of the Virginia Square metro station.

Housing Division staff will explore potential collaboration with Enterprise’s Faith-Based Development Initiative (FBDI) and the Alliance for Housing Solutions (AHS). Enterprise’s FBDI provides predevelopment grants, financing products, technical assistance, and pro bono legal services to houses of worship. Local Arlington-based housing advocate AHS held a “Faith and Housing Roundtable” in late October 2018 with affordable housing developers, churches, advocates and County staff to discuss how faith communities can help address affordability needs in the County.

The County is also exploring ways to expand housing options for its employees, including Arlington Public Schools (see also County Employee Housing Initiative). Local colleges and universities have also expressed interest in exploring ways to provide housing for their entry-level professors and instructors. A coordinated, joint effort with these types of partners could expand opportunities for affordable housing supply.

**County Employee Housing (Missing Middle)**

The County Employee Housing Initiative considers incentives to rental and homeownership opportunities to Arlington’s local government workforce. As home values in Arlington County continue to rise, the County workforce struggles with the financial feasibility of living close to work. A staff working group is examining national and regional best practices, analyzing needs through data and conducting an employee survey. The Housing Division will lead the development of recommendations intended to address needs with an emphasis on public safety employees and Arlington Public Schools (APS) employees.

Housing incentives that are generally most appealing to eligible ACG and APS employees have included rental and homeownership Live Where You Work (LWYW) grants, Moderate Income Purchase Assistance (MIPAP) loans and homebuyer interest rate reduction (for loans through the Virginia Housing Development
Association/VHDA). In addition to these County-managed programs, Housing staff plan to leverage community relationships, such as partnerships with local lenders to build opportunities for employees.

National examples of teacher housing and co-located ownership or rental housing for school district employees include building housing on current and future school sites. Housing staff will continue research and evaluation of these types of models.⁴

This initiative supports the access and sustainability goals of the Affordable Housing Master Plan. This initiative may also contribute to a more sustainable environment, as the socioeconomic, transportation network, and environmental impacts of long, car-based commutes affect the entire community. This initiative could also help other Arlington employers to consider ways of incentivizing their work force to live here.

**Condominium Initiative (Affordable Housing, Missing Middle)**

The Condominium Initiative’s focus is on strategies that help ensure the preservation of existing moderately priced condominiums which provide safe, quality, and affordable homes for purchase. Existing condominiums at or below $500,000 are the most likely source of affordable homeownership opportunities for low and moderate-income households in Arlington.⁵ As existing condominium developments age, preserving and maintaining these properties can be challenging for owners and homeowner associations (HOA).

In recent years, the County’s Condominium Initiative has provided educational and technical assistance to condominium associations in Arlington County, working collaboratively with the City of Alexandria and the Virginia Housing Development Authority. According to the Northern Virginia Association of Realtors (NVAR), after a mid-rise or high-rise building reaches 30 years (thus requiring more costly capital improvements), the upwards shift in fees is dramatic. Additionally, condos in buildings of this vintage are twice as likely to have fees of $500 or more, dramatically decreasing their affordability to low and moderate-income homebuyers.⁶

To ensure that Arlington preserves a stock of safe, high-quality condominiums that remain relatively affordable, the Condominium Initiative will focus on the following:

- Building organizational capacity of condominium associations to maintain developments that are well-managed and financially stable;
- Promoting feasible capital improvement strategies that help support maintenance and renovation needs;
- Developing programmatic approaches for direct support to HOAs or financially vulnerable low and moderate-income owners.

County staff will undertake the following tasks to implement this strategy:

**Conduct a Public Engagement Strategy.**

To determine what specific activities and programs would be most helpful and interesting, County staff will reach out to selected homeowner associations in three ways: in-person presentations and listening sessions at

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⁴ See, for example, https://www.miamiherald.com/news/local/community/miami-dade/article206839799.html
⁵ As reported by InsideNOVA on January 15, 2019, the average sales price for single family homes in Arlington in 2018 was $1,022,558; for attached homes, such as townhomes and row houses, the average was $475,792; and for condominiums the average price was $429,910.
Plan and implement educational and technical assistance activities.

Working collaboratively with the City of Alexandria and other condominium technical assistance groups, and informed by the public engagement process, County staff will promote resource materials, classes, workshops, and direct technical assistance to build the organizational capacity of homeowner associations.

Research and develop capital improvement strategies.

County staff will identify a set of potential strategies and programs that respond to the needs and interests identified through the public engagement process, research the cost and feasibility of those strategies, and identify resources and available funding for implementation. Based on the results, staff will develop program guidelines, eligibility criteria, and implementation plans. One or two condominium developments with capital needs may be selected for a pilot program (to explore repair and financing options).

Develop programmatic approaches for direct support to vulnerable low-income homeowners.

County staff will conduct a needs analysis to investigate the scope and extent of this issue, identify potential solutions, and assess the financial and operational feasibility of new program proposals, to include identifying potential funding sources.

**Affordable Housing Master Plan Update (Affordable Housing, Missing Middle)**

The Affordable Housing Master Plan (AHMP) is a policy framework the County adopted in 2015. Its purpose was to develop a shared community vision for meeting the housing needs of Arlington through 2040. It has three overarching goals:

1. Arlington County shall have an adequate **supply** of housing available to meet community needs.
2. Arlington County shall ensure that all segments of the community have **access** to housing.
3. Arlington County shall ensure that its housing efforts contribute to a **sustainable community**.

As part of the original AHMP adoption, an Implementation Framework was developed that identified priority efforts in support of these goals. These included preserving market rate affordable rental housing, resulting in the newly-adopted Housing Conservation District; increasing flexibility in single family neighborhoods, resulting in updated accessory dwelling regulations to the Zoning Ordinance; and revising the Real Estate Tax Relief Program, resulting in new guidelines for tax relief for elderly homeowners. The AHMP is intended to provide policy guidance for a broad range of housing efforts, ranging from "bricks and mortar" projects, to services to prevent and end homelessness, to affirmatively furthering fair housing.

As an element of the County’s Comprehensive Plan, the AHMP is typically updated every five years. Beginning in CY 2020, County staff will update current needs and projections, and engage the community to ensure that the Plan continues to comprehensively address the future housing affordability needs of Arlington.
Community Engagement

The community engagement for Housing Arlington encompasses broad outreach, as well as individual efforts tailored to each initiative. The individual strategies will vary, using different engagement levels (ranging from communicate, consult, involve and collaborate) with relevant stakeholders. However, there will be ongoing coordination under the Housing Arlington umbrella, ensuring that lessons learned and feedback received from the individual initiatives are shared so that everyone benefits. The community engagement centers around the same notion that Housing Arlington does: these issues are cross-cutting, complex and interconnected. All outreach and communication will be coordinated closely.

- **The stakeholders for Housing Arlington include:**
  - Arlington Public Schools (APS)
  - Renters, homeowners, business owners and employers in Arlington
  - Affordable housing advocates & philanthropic community
  - Faith community
  - Neighborhood and business groups
  - Apartment association and related professional development organizations
  - Builders and contractors
  - Lenders
  - Metropolitan Washington Council of Governments (MWCOG)

- **Communications and outreach approaches:**
  - using and expanding a longstanding email list of housing advocates and stakeholders
  - an updated website
  - in-person community events
  - online feedback opportunities
  - and more

The community engagement for the umbrella initiative will launch with a kick off community event and listening session on May 29, with more events to follow.

The primary role of the Housing Commission, as the Board’s advisory commission on County housing policy, is to provide general guidance as staff develops specific Housing Arlington strategies. The Commission will receive and discuss updates as provided by staff on a regular basis, and will provide policy guidance as initiatives are developed. The Housing Commission may host or facilitate community engagement opportunities as appropriate, and its consideration of staff recommendations will be requested prior to any relevant County Board action.
Appendix

Summary of Financing Tools

**Housing Grants (HG):** Housing Grants is a County-funded subsidy program that covers part of the rent for low-income adults living in private rental housing. Participating households spend approximately 40 percent of their gross income on rent, with the remainder subsidized by the County's grant. The Housing Grant program issues grants to very low-income households with members who are age 65 or older, or who are permanently and totally disabled, or working families with children.

**Housing Choice Vouchers (HCV):** The Federal Housing Choice Voucher (HCV) program is administered by the County and subsidizes the housing costs of low-income households, particularly those with children, older adults, and individuals with disabilities. Individuals with an HCV live in private rental housing and pay 30 percent of their income towards their rent. The voucher covers the gap between 30 percent of the household's income and the approved rent for the unit. The program is primarily designed for residents earning below 30 percent AMI but serves some residents up to 50 percent AMI.

**Affordable Housing Investment Fund (AHIF):** AHIF is the County's main tool through which it supports the construction and preservation of housing affordable to low and moderate-income households. AHIF is a cash receipts loan fund that provides gap financing to developers that preserve or build committed affordable housing (CAF) units in the County. AHIF also supports housing grants that combines housing and services for vulnerable populations.

**Transit Oriented Affordable Housing (TOAH) Fund:** One of the biggest challenges is to provide affordable housing in transit corridors, where land and properties are most valuable. The Transit Oriented Affordable Housing (TOAH) Fund provides direct County support for projects that need additional funding to remain within the total development cost restrictions established by the Virginia Housing and Development Authority for the Low-Income Housing Tax Credit (LIHTC). Fund uses are limited to costs of infrastructure and County fees. Currently, the TOAH fund is only available within the Columbia Pike planning area and is funded through the Columbia Pike TIF.

**Federal Home Investment Partnerships Program (HOME) and Community Development Block Grant (CDBG) Funds:** The County uses federal funds to support affordable housing development, homeownership through its Moderate-Income Purchase Assistance Program (MIPAP), community services grants, outreach, and staff administration and planning.

Summary of Planning Tools

**Zoning Ordinance:** Affordable housing provisions are defined in the County's Zoning Ordinance as part of the site plan approval (Section 15.5.8). The ordinance applies to both residential and commercial special exception site plan developments that have a gross density with a floor-area ratio (FAR) more than 1.0. The specific details of this ordinance are established in the Code of Virginia; any alterations require legislation at the state level. Under the ordinance, Affordable Dwelling Units (ADUs) must be affordable to residents earning 60 percent AMI, and this affordability level must be maintained for a 30-year period. Applicants may choose to comply with the ordinance in one of four alternative ways: on-site CAFs, off-site CAFs in proximity, off-site CAFs, or cash contribution to AHIF. Contributions to AHIF are leveraged to generate additional public and private sources of funding for affordable housing.
**Bonus Density**: The County also uses zoning incentives available through the site plan process to encourage the production of affordable units. As part of site plan projects that involve requests for increased density, the County enters negotiations with developers about the provision of affordable housing above what is mandated under the baseline Affordable Housing Ordinance. The rationale is that affordable housing can be provided in exchange for the additional height and density granted by the County Board through the special exception site plan process.

Under the current ordinance, the maximum allowable incentives are an additional building height up to six stories/60 feet and a density increase of 25 percent above the underlying maximum density.

**Form Based Code (FBC)**: The form-based code is an optional land development regulation that uses physical form (rather than density and uses) as the organizing principle for the code. Form based codes can foster more predictability in the development process and, in some places, is an attractive alternative to conventional zoning. The County adopted the Columbia Pike Neighborhoods Special Revitalization District Form Based Code (FBC) in 2013. The primary focus of the Neighborhoods FBC is on the multi-family residential areas along the Pike where apartments and multi-family complexes are concentrated (approximately 6,200 market affordable rental units).

All development projects under the Neighborhoods FBC are required to set aside between 20 percent and 35 percent of the net new units for affordable housing. The affordable housing units must remain affordable for at least 30 years for households earning 60 percent AMI. The Neighborhoods FBC is designed to be a key tool to help the County achieve its affordable housing goals.

**Transfer of Development Rights (TDR)**: TDR allows for transfer of density from sending sites to receiving sites for the purposes of affordable housing, open space, historic preservation, community recreation and/or community facilities. TDRs can occur only through the site plan or form based code use permit processes on the receiving site, and the County Board must certify all sending sites. This tool is the primary strategy for preserving several apartment complexes that are valued for their historic nature as well as providing affordable housing.

**Special Affordable Housing Protection District (SAHPD)**: This tool identifies existing affordable housing sites within the County’s two Metro corridors that are planned for site plan projects of 3.24 FAR or higher. The goal of the SAHPD is to retain affordable housing opportunities (through preservation or replacement) in the County’s high-cost Metro corridors. SAHPDs have been established in the Rosslyn, Courthouse, Virginia Square, and Ballston area plans. In instances where redevelopment of these sites is proposed, the higher densities are achieved through one-for-one replacement. Replacement can occur either on-site or at a similar location.

**Accessory Dwellings (ADs)**: AD units can meet a range of housing needs, including providing supplementary housing that can be integrated into existing single-family neighborhoods to provide a typically lower-priced housing alternative, to enable the owner to receive additional income and/or to allow them to remain in a home otherwise too big to fit their needs. Accessory dwelling units can be an effective tool for enabling seniors to age in place. AD units can help promote the supply of rental housing for older adults and persons with disabilities. The current Zoning Ordinance allows self-contained apartments in an owner-occupied single-family house, or conversion of existing buildings on the property.

**Housing Conservation District (HCD)**: The Housing Conservation District (HCD) is a new special planning district on the General Land Use Plan, an element of the Arlington County Comprehensive Plan, adopted by the County Board in 2017. The HCD is designed to encourage continued housing affordability in traditionally market-rate
affordable neighborhoods and impacts approximately 6,800 apartments. Special development provisions apply in this area, to be implemented in phases. Work is ongoing to develop implementation tools.

*Zoning Ordinance Amendment for Non-Conforming 2-Family Lots:* In 2018, the County Board adopted changes in the Zoning Ordinance to allow additions and alterations for nonconforming two-family homes, to encourage investment in this older and relatively affordable housing stock. Streamlining the approval process to build additions may help maintain relative affordability of these homes over time, particularly when compared to the typical single-family home in Arlington.