

Our Mission: To provide a supplemental financial mechanism to fund affordable housing initiatives needed to mitigate the impact of redevelopment along Columbia Pike.

In December 2013, the Arlington County Board established a tax increment financing area to help finance affordable housing initiatives in support of the Columbia Pike Neighborhoods Area Plan.

In 2009, the Land Use and Housing Study process began to study the multi-family housing areas along Columbia Pike with the goal of producing the next major plan for Columbia Pike. The process was completed in July 2012 and resulted in the adoption of the Columbia Pike Neighborhoods Area Plan (the Plan). This 30-year plan establishes the future vision for the primarily multi-family residential areas located between the commercial nodes along the Columbia Pike corridor. The Plan established a goal of preserving all existing 6,200 market rate affordable units (MARKS). Columbia Pike Tax Increment Financing Area (TIF) revenues will be utilized to fund affordable housing initiatives needed to mitigate the impact of redevelopment along Columbia Pike, particularly related to the preservation of affordable housing. TIF revenues will be used to fund the Transit Oriented Affordable Housing Fund (TOAH Fund). The TOAH Fund is a tool designed to help affordable housing developers utilizing the Low Income Housing Tax Credit program meet certain cost restrictions imposed by the Virginia Housing & Development Authority (VHDA). The TOAH Fund will be used to help pay for certain County fees and infrastructure costs of these projects to the extent necessary to meet the VHDA cost restrictions.

TIF is a mechanism used to support development and redevelopment by capturing the projected increase in property tax revenues in the area and investing those funds in improvements or mitigation efforts associated with the project. Unlike a special district, it is not an additional or new tax; rather, it redirects and segregates the increased property tax revenues that would normally flow to the General Fund to be used for a specified purpose. The amount of the tax increment revenue was originally determined by setting a baseline assessed value of all property in the area on January 1, 2014 and in each subsequent year, tracking the incremental increase in assessed values relative to the base year, and segregating the incremental real estate tax revenue generated in a separate fund. For the Columbia Pike TIF, 25 percent of the incremental real estate tax revenues over the established real estate tax base are set-aside in a Columbia Pike TIF fund. The allocated percentage and real estate tax base assumption are reviewed and determined as part of the annual budget process. The TIF area includes the Columbia Pike Neighborhoods Special Revitalization District and the Columbia Pike Special Revitalization District as noted on the General Land Use Plan.

In the adopted FY 2018 budget, the County Board adjusted the TIF's baseline to the CY 2018 assessed value. By resetting the calculated tax base for the district, no new FY 2018 funding was directed to the district. However, existing fund balances remained in the fund and future real estate tax revenue over the CY 2018 base year will be allocated to the Columbia Pike TIF based on the incremental real estate tax revenue percentage adopted by the County Board. In FY 2019, revenues are based on 1.6 percent growth in real estate tax assessments in the TIF area.

SIGNIFICANT BUDGET CHANGES

The FY 2019 adopted budget for the Columbia Pike Tax Increment Financing Area is \$150,730 reflecting 1.6 percent growth in real estate tax assessments in the TIF area.

- ↑ Revenue projections in the tax district increase due to increases in real estate assessments from CY 2018 to CY 2019.
- FY 2019 revenue projections increase from the FY 2018 Adopted Budget due to the CY 2018 real estate assessment increase of 1.6 percent which will be recovered in June 2019 real estate payments.

PROGRAM FINANCIAL SUMMARY

	FY 2017 Actual	FY 2018 Adopted	FY 2019 Adopted	% Change '18 to '19
Personnel	-	-	-	-
Non-Personnel	\$632,875	-	\$150,730	-
Total Expenditures	632,875	-	150,730	-
Total Revenues	601,844	-	\$150,730	-
Net Tax Support	(\$31,031)	-	-	-
Permanent FTEs	-	-	-	
Temporary FTEs	-	-	-	
Total Authorized FTEs	-	-	-	

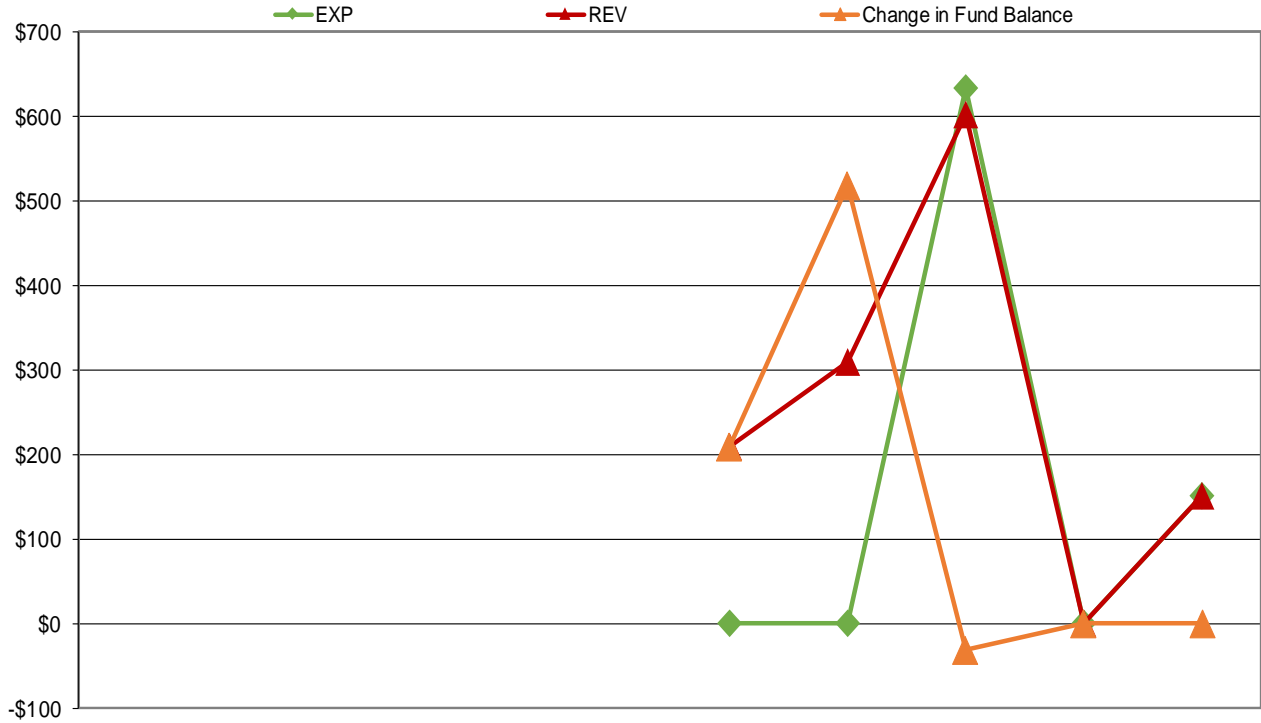
COLUMBIA PIKE TAX INCREMENT FINANCING AREA FUND STATEMENT

	FY 2017 ACTUAL	FY 2018 ADOPTED	FY 2018 RE-ESTIMATE*	FY 2019 ADOPTED
ADJUSTED BALANCE, JULY 1				
Fund Balance	\$486,506	\$365,479	\$455,475	\$295,352
TOTAL BALANCE	486,506	365,479	455,475	295,352
REVENUES				
Tax Increment Area	601,844	-	-	150,730
TOTAL REVENUES	601,844	-	-	150,730
TOTAL BALANCE AND REVENUES	1,088,350	365,479	455,475	446,082
EXPENSES				
TOAH Fund	632,875	-	160,123	23,850
Carry-Over	-	-	-	126,880
TOTAL EXPENSES	632,875	-	160,123	150,730
CLOSING BALANCE, JUNE 30	\$455,475	\$365,479	\$295,352	\$295,352

* FY 2018 Re-Estimate column reflects staff's current estimate that \$112,423 used for the Gillam Place East and West affordable housing development and \$47,700 will be used for the Arlington Mill Dark Fiber Project. An additional \$47,700 will be used for the Arlington Mill Dark Fiber Project in FY 2019 and FY 2020. There are no Columbia Pike affordable housing development proposals that have been submitted through the FY 2018 Notice of Funding Availability (NOFA) for County loan funds and therefore the only project that may use FY 2019 Transit Oriented Affordable Housing Fund (TOAH Fund) revenue would be an out-of-cycle acquisition.

**COLUMBIA PIKE TAX INCREMENT FINANCING AREA
TEN-YEAR HISTORY**

EXPENDITURE AND REVENUE TRENDS



	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Adopted Budget	FY 2019 Adopted Budget
EXP						-	-	\$633	-	\$151
REV						\$209	\$309	\$602	-	\$151
Change in Fund Balance						\$209	\$518	(\$31)	-	-

COLUMBIA PIKE TAX INCREMENT FINANCING AREA
TEN-YEAR HISTORY

Fiscal Year	Description	FTEs
FY 2015	<ul style="list-style-type: none">▪ In December 2013, the Arlington County Board established a tax increment financing area to help finance affordable housing initiatives in support of the Columbia Pike Neighborhoods Area Plan. The baseline assessment for the TIF area is \$2.7 billion. A two percent increase in assessments between CY 2014 and CY 2015 will yield approximately \$119,950 in partial year revenues in the spring of FY 2015. This estimate is based on capturing the full 25 percent of the tax increment for FY 2015.	
FY 2016	<ul style="list-style-type: none">▪ Revenue projections in the tax district increased due to a full year of tax collections and increases in real estate assessments from CY 2015 to CY 2016.	
FY 2017	<ul style="list-style-type: none">▪ Revenue projections in the tax district increased due to increases in real estate assessments from CY 2016 to CY 2017.	
FY 2018	<ul style="list-style-type: none">▪ The County Board adjusted the TIF's baseline assessed value to CY 2018 and adjusted the funding allocation to the district in FY 2018. By resetting the calculated tax base for the district, no new FY 2018 funding will be directed to the district. However, existing fund balances will remain in the fund and future real estate tax revenue over the CY 2018 base year will be allocated to the Columbia Pike TIF based on the incremental real estate tax revenue percentage adopted by the County Board.	
FY 2019	<ul style="list-style-type: none">▪ Revenue projections in the tax district increased due to increases in real estate assessments from CY 2018 to CY 2019.	