

***Affordable Dwelling Unit Manual***

Information – 11/8/2018

**BACKGROUND:** An Affordable Dwelling Unit (ADU) is a property made available to qualified moderate income households and subject to affordability covenants making the unit affordable in perpetuity. Upon resale to a future eligible household, the value of the ADU will be the original purchase price plus annual increases tied to increases in Area Median Income (AMI), as published by the U.S. Department of Housing and Urban Development (HUD).

Arlington County’s Affordable Housing Master Plan has estimated a need for more than 9,500 new ownership units in the 30-year period from 2010 to 2040. Through Neighborhood Form Based Code and Zoning Ordinance-based developer contributions, the County has produced 55 ADUs. These ADUs are available at purchase prices affordable to households earning up to 80% of AMI.

**CURRENT ADU INVENTORY:** The table below provides data on the current ADU inventory:

Property			# of ADUs	Location	Zip Code
Bruner Place			4	Glebe Rd	22204
Davis Place			10	S. 17 <sup>th</sup> St	22204
The Sierra			10	S. Greenbrier	22204
Carver Place			6	S. Queen	22204
Key & Nash			4	Key Blvd	22209
Park Spring	Arlington Oaks	Columbia Condos	1-2	Multiple	22201
Columbia Knolls	George Mason Villages	Wentworth			22203
Bromptons at Cherrydale					22204

**KEY ELEMENTS OF ADU MANUAL:**

- Random Selection Drawing - Participants who meet eligibility criteria are randomly selected to pursue the purchase of available ADUs.
- Preference Policy - Participants who live and/or work in Arlington receive preference.
- Financing - Lenders must adhere to the underwriting requirements of ADUs.
- Control Period - Units remain affordable at designated income levels for a minimum of 30 years.
- Appreciation - Unit appreciation aligns with AMI increases (published annually by HUD).

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## Housing Commission

- Resale - Units must be resold at appropriate incremental value. Purchasers must be determined eligible by Housing Division staff.
- Restrictive Covenants - Unit owners must adhere to covenants, which pertain to primary residency and resale criterion.

### **NEXT STEPS:**

- Informed by the Fall 2017 recommendations of the Homeownership Advisory Working Group, staff will complete the ADU Manual in collaboration with the County Attorney's Office.
- Current and future participants of the ADU Program will receive a comprehensive overview of the manual, which will also be available on the Housing Division's homeownership programs webpage.
- Staff will seek input from the Homeownership Advisory Working Group, the Housing Commission, and other community stakeholders on future program updates and policy recommendations.