



Arlington County FY 2007 Annual Consolidated Plan

County Develops 10-Year Plan to End Homelessness

A Citizen Summary of the Plan, a 5-Year Action Plan, and the full 10-Year Plan are available on the County website cited below.



HUD Formula Grant Programs

Community Development Block Grant (CDBG): \$1,816,900 for a variety of housing, economic development, and community development activities benefiting low and moderate income persons.

HOME Investment Partnerships Program (HOME): \$1,133,300 for new construction, acquisition and rehabilitation projects to preserve the supply of affordable housing. Funding is leveraged with local general revenues and private funds.

HOME American Dream Downpayment Initiative: \$22,400 for down payment and closing cost assistance to low/mod income first-time homebuyers.

Emergency Shelter Grant program (ESG): \$83,600 for operating expenses for the Emergency Winter Shelter and public health services at the shelters.

Housing Opportunities for Persons with AIDS (HOPWA): \$140,000 for rent assistance and case management.

Local Funds

Affordable Housing Investment Fund (AHIF): \$4,752,500*

Estimated Loan Repayments to AHIF: \$1,400,000

Housing Grants: \$4,340,100

Real Estate Tax Relief: \$3,300,000

Homeowners' Grants: \$2,164,500

* includes revenues from recordation tax

What is the Annual Action Plan?

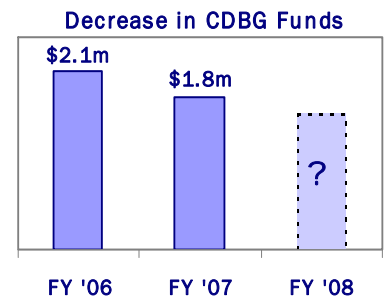
The U.S. Department of Housing and Urban Development (HUD) requires localities receiving the grants shown on the left to complete an Annual Action Plan. The FY 2007 plan describes allocations, objectives, activities, and performance measures for six goals identified in the 5-Year Consolidated Plan for FY 2006-2010 related to *Affordable Housing, Homelessness, Neighborhood Strategy Areas, Community Development, Citizen Participation and Institutional Structure*.

Major Cuts Proposed for CDBG Program

The CDBG program is facing major challenges in the federal budget process, from a proposed elimination of the program last year to a proposed 25% cut in funding now. The good news is that the program was saved; the bad news is that Arlington's share for FY 2007 decreased by 16% (or \$355,000) to \$1.8 million. If a 25% cut is instituted, Arlington's allocation would decrease to \$1.3 million for a two-year loss of over \$850,000.

HUD is submitting legislation to reform the program by changing the formula for allocating funding to localities. More funds would go to those with higher poverty rates. Jurisdictions such as Arlington with lower poverty rates would be expected to use their own resources to address the needs of low and moderate income persons and neighborhoods.

The County met with nonprofits affected or potentially affected by the proposed cuts. The County will be seeking community input on possible redesign of the program once more information is available.



More than \$38.4 Million of Federal and Local Funding for Housing

More than \$38.4 million will address housing needs in FY 2007. Roughly \$970,100 from the recordation tax is proposed for ongoing funding of initiatives begun last year, i.e., transitional

Activity	\$ in millions
Housing Subsidies	\$21.0
Development & Rehab	5.4
Special Needs	8.6
Info & Services	1.4
Planning	0.2
Contingency	1.8
Total	\$38.4

and project-based housing grants, support for an assisted living facility, and supportive housing for persons with mental retardation. An estimated \$1.8 million of the recordation tax will also go to housing, with the exact use not yet specified.

Housing subsidies present the largest expenditure, through the federal Housing Choice Voucher program. With local funds, the County provides subsidies to both renters and owners, using the Housing Grants Program, Real Estate Tax Relief, and the Homeowners' Grants Program.

Fairview Manor



In FY 2007, AHC, Inc. will redevelop its current 22-unit complex in Nauck—through the help of a \$3.3 million AHIF loan—to a 94-unit complex with retail space. The unit mix will be 82 units affordable to households at 60% of median income, six at 50% and six at 40%.

Measuring the Affordable Housing Crisis

Spotlight on Housing Market Trends

- ↑ The 2006 Countywide average rent is \$1,480, a 3% increase over 2005.
- ↑ In 2000 a unit at the average rent required an income of 52% of median; in 2006, it required 66% of median.
- ↑ Home prices have risen dramatically. The median value of a single-family home rose to \$640,000 in early 2006, a price well beyond even middle income households.
- ↑ A wave of condo conversions in 2005 resulted in the loss of over 2,200 units.
- ↑ In 2005 over 400 affordable garden apartments were lost due to redevelopment.

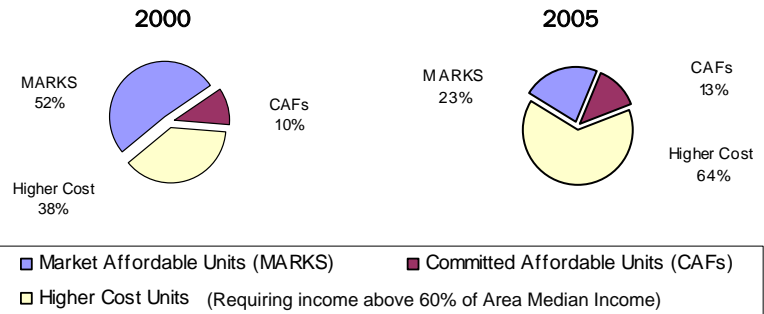
Extent of Homelessness

In January 2006, 440 persons were homeless, including 371 adults and 69 children (15% of the total).

- 73% of the homeless had a diagnosis of serious mental illness, substance abuse, or both.
- 50 persons were survivors of domestic violence, 101 had a chronic illness, 20 were veterans.

Affordability of Rental Stock

In 2000, roughly 19,700 multi-family rental units were affordable to households with incomes at 60% of median. These market affordable units (MARKS) constituted 52% of the multi-family rental stock. Between 2000 and 2005, almost 9,900 of those units became unaffordable to households at that income level, primarily through rent increases. To ensure the availability of affordable housing, the County Board has acted to increase the supply of Committed Affordable Units (CAFs). Rental CAFs are committed to remain affordable for 30 to 60 years. The following charts show the decrease in market affordable units and increase in committed affordable units over the last five years.



2006 Median Family Income

Household Size	Low: 60% of Median	Moderate: 80% of Median	Middle: 100% of Median
1-Person	\$37,900	\$50,600	\$63,200
2-Person	\$43,300	\$57,800	\$72,200
4-Person	\$54,200	\$71,400	\$90,300

Source: U.S. Department of Housing and Urban Development

Job Growth Outpacing Housing

New jobs increase the number of people competing for housing. The County's Planning Division estimates that number of jobs in the County will increase by 29,500 between 2000 and 2010. Based on the Bureau of Labor Statistics, 20.7% or 6,100 of the jobs will be low wage positions. One new housing unit is needed for every 1.6 new jobs. This results in a need for 3,800 new affordable units to serve the new lower income workers.

Cost of Home Ownership

The County is working to enable County and School employees to remain in the community when they decide to buy. The County offers a Live Near Your Work program providing down payment assistance and urges other employers to do so, as, e.g., Virginia Hospital Center and George Mason University do. The County asks condo developers to provide discounts to workers participating in these programs.

As lenders take condo fees into account, the affordable condo prices are roughly \$40,000 less than those shown in the table.

FY 2005 County Job	Entry Pay	Affordable Owner Unit
Police Officer	\$44,000	\$175,000
Teacher	\$42,000	\$170,000
Couple	\$86,000	\$345,000
January-April, 2006	Median Condo	\$380,000
	Median Single-Family	\$640,000

Sources: Median home price data is from the Housing Division analysis of data from the County's Real Estate Records; salary data is from County and School Board Human Resources offices.



Sierra Condos, which began sales in 2005, include 10 affordable units.

Meeting the Affordable Housing Challenge

Arlington's Housing Goals

- Balance support for the elderly and persons with disabilities with a transitional safety net for families with children.
- Ensure through all available means that all housing in Arlington County is safe and decent.
- Permit no net loss of committed affordable housing, and make every reasonable effort to maintain the supply of affordable market rate housing.
- Reduce the number of households in serious housing need (defined as those earning below 40% of median income who pay more than 40% of their income for rent).
- Increase the number of housing units with two or more bedrooms in order to match the needs of households with children.
- Distribute committed affordable housing within the County, neighborhoods, and projects.
- Increase the rate of home ownership throughout the County, and increase home ownership opportunities for low and moderate income households.
- Ensure, through all available means, that housing discrimination is eliminated.
- Provide housing services effectively and efficiently.

County Board Policy Actions

In a 2004 report, the Washington Regional Network for Livable Communities stated: "Arlington County has created a promising approach to a comprehensive affordable housing strategy. The assessment and goals created in this process are a model for other jurisdictions." This chronology details the Board's pro-active approach to affordable housing.

- 2000:** New Affordable Housing Principles and Goals adopted. Housing Grants & home ownership programs enhanced.
- 2001:** Density bonus added as incentive for developers to provide affordable housing.
- 2002:** Housing development funding increased to \$4,000,000/year.
- 2003:** Numerical targets for County's Affordable Housing Goals approved.
- 2005:** Zoning Ordinance amended to add some site plan affordable housing requirements. Income from increase in recordation tax set aside for affordable housing. Supportive housing plan adopted; Homeowner Grants Program initiated.
- 2006:** 10-Year Plan to End Homelessness approved.

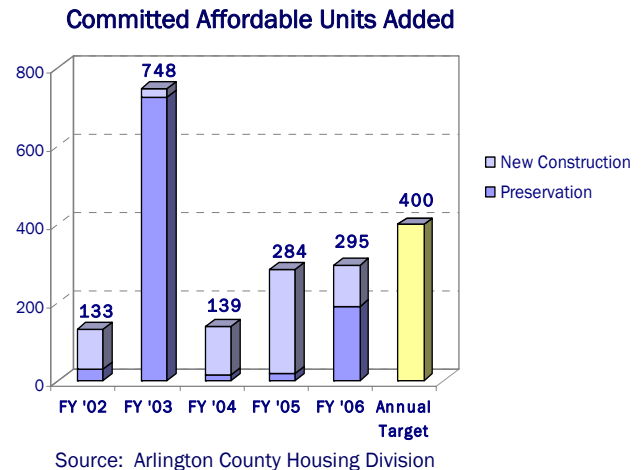
Increasing the Supply of Committed Affordable Units

The County is acting to develop affordable housing. Rental Committed Affordable Units (CAFs) are those units committed to remain affordable through nonprofit ownership, site plan conditions, or government program requirements. Rental CAFs typically serve households with incomes below 60% of median for a minimum of 30 years. Owner CAFs are owner-occupied units whose owners receive County subsidy to assist with the purchase.

The graph compares the totals of new rental and owner CAFs to the annual target of 400 units approved in 2003.

In FY 2006, the County added 295 CAF units, including 239 rental and 56 owner. In FY 2006, the County had a total of 6,079 CAF units, including 5,499 rental and 590 owner

Of the 1,599 CAFs produced from FY 2002 to FY 2006, 617 (or 39 %) were new and 982 (or 61 %) were existing units being preserved.



Supportive Housing Gains

The County's 5-Year Supportive Housing Plan provides a proactive strategy to expand affordable, accessible, community-based supportive housing for persons with special needs. Included in supportive housing are permanent supportive housing, transitional housing, and residential services programs. Among the accomplishments in FY 2006 are:

- Approval of a 10-Year Plan to End Homelessness.
- Receipt of an award of \$4.8 million from HUD for the renovation of the assisted living facility allowing expansion of the facility to serve 52 persons.
- Development of 22 supportive housing units at scattered sites in the community.
- New rent subsidies for persons with mental illness or mental retardation in group homes.
- Increased funding for the Project-Based Rental Assistance program, allowing it to serve an additional 25 households, some of whom will be in permanent supportive housing.
- Applied for HUD funds to purchase 9 condo units for permanent supportive housing.



Arlington Assisted Living Residence

Objectives and Performance Measures



5-Year Goals & Annual Objectives	FY 2007 Performance Measure
Housing Goal:	
<ul style="list-style-type: none"> Provide decent and affordable housing opportunities for low income persons. 	
Housing Objectives	
1. Increase the supply of Committed Affordable Units.	400 units added
2. Improve owner-occupied housing.	57 units rehabbed
3. Provide housing subsidies.	2,936 households served
4. Assist low and moderate income households to become homeowners.	50 new homeowners
5. Provide supportive housing for low income people with disabilities.	75 units added
Homeless Objectives	
1. Provide transitional housing for the homeless.	160 households served
2. Provide emergency housing for the homeless.	170 beds provided
3. Prevent homelessness.	1,000 households served
Community Development Goals:	
<ul style="list-style-type: none"> Create economic opportunities for low income persons. Ensure that Neighborhood Strategy Areas (NSAs) provide suitable living environments and affordable housing opportunities for low income persons. 	
Community Development Objectives	
1. Improve physical conditions in NSAs.	7 NSA comprehensive assessments
2. Increase access to human services information and service delivery.	7,000 NSA residents served
3. Increase participation in community affairs.	25 Neighborhood College graduates
4. Improve economic conditions of low and moderate income persons in NSAs.	1,177 clients secure or improve employment
5. Foster microenterprise development for low and moderate income business owners.	7 businesses start or expand; 10 loans issued

Photos on the left show a mural in the Buckingham NSA, painted by the Youth Brigade and funded by CDBG.

Hearings Held to Receive Community Comment

Residents and stakeholders were encouraged to offer comments on the Draft Plans at the following public hearings, located in the County Board Room at 2100 Clarendon Blvd unless otherwise noted:

- *Forum on Plan to End Homelessness:* Sat., March 11, 8:30-noon also at Barrett School, 4401 N. Henderson St.
- *On Funding Allocations:* County Board Budget Hearing, Tuesday, March 28 at 7:00 p.m.
- *On Non-Financial Issues and 10-Year Plan to End Homelessness:*
 - Housing Commission and CDCAC Hearing on Thurs., March 16 at 7:00 p.m.
 - County Board public hearing on Sat., April 22 at 9:00 a.m.