

# NORTHERN VIRGINIA AFFORDABLE HOUSING ALLIANCE

## ADVOCACY ACTION ALERT

### Arlington County Housing Activities April 2021

**Affordable Housing Master Plan** As the County continues its 5-year review of the Affordable Housing Master Plan (AHMP) to update current needs and projections, we encourage a review of the Affordable Housing Ordinance. Adopted in 2007, the ordinance has fallen behind neighboring NoVa jurisdictions in terms of the percentage of affordable units required for on-site development, as seen in these charts below from [a recent opinion piece in ArlNow](#). As stated in the article, Developers are currently paying a cash payment *equal to less* than 5% of on site units instead of the 6.25%-12.5% of on-site affordable housing units that are typical in our surrounding jurisdictions. This is compounded with the policy conundrum that our affordable units are not in the more “desirable” parcels that developers are building market rate units, like is done in other jurisdictions." [Alexandria recently revised their developer contribution policy](#), requiring additional affordable units for new development that requests additional density - 10% of increased density located in 'core' markets of Old Town, Del Ray and Potomac Yard and 8% in the 'emerging' markets of Arlandria, Rosemont and the West End.

While changes to the County's affordable housing ordinance can only happen through revised legislation by the General Assembly, given the favorable majority in the House and the Senate, now may be the time to begin the process for an ordinance that provides greater local control and flexibility and a percentage of units that reflects the growing unmet housing needs.

Summary of Affordable Housing Ordinance Provisions			
On-Site and Off-Site Developer Options		Cash Contribution Developer Option	
<p>The developer can choose to provide affordable units using a percent of the increased gross floor area (GFA) above 1.0 Floor Area Ratio (FAR).</p> <p>Three options are available:</p> <ol style="list-style-type: none"> <li>1. For on-site units, the requirement is 5% of the GFA above 1.0 FAR;</li> <li>2. for off-site units located nearby, 7.5%; and</li> <li>3. for off-site units elsewhere in the county, 10%.</li> </ol>		<p>In-lieu of providing on-site or off-site affordable units, developers may choose to provide a cash contribution.</p> <p>Cash contribution rates in 2020 are:</p> <ul style="list-style-type: none"> <li>- \$2.05/sq. ft. of GFA for first 1.0 FAR;</li> <li>- \$5.48/sq. ft. from 1.0 to 3.0 FAR for residential;</li> <li>- \$10.98/sq. ft. of GFA above 3.0 for residential; and</li> <li>- \$5.48/sq. ft. above 1.0 FAR for commercial.</li> </ul> <p>Cash contribution amounts are indexed to the Consumer Price Index for Housing in the Washington-Arlington-Alexandria MSA.</p>	
County	Arlington	Fairfax	Loudoun
% affordable units required on-site of housing development above "base density" laid out by master plan	5% or AHIF contribution	<u>6.25% - 12.5%</u>	<u>6.25% - 12.5%</u>

**Important Updates on State Programs for Affordable Housing Developers** [Virginia Housing](#) is considering changes to the [FY2022 Qualified Allocation Plan \(QAP\)](#), looking at issues such as cost limits in LIHTC units (important in NoVA high-cost area), disposition of LIHTC properties in year 15 (challenges to the Right of First Refusal provision) and how to incorporate RGGI funds (see below). A draft of changes for public comment will be released in April. Following a series of public forums, the [Board of Commissioners](#) will approve the final draft, which will be sent to Governor Northam for his vote of approval in October.

**Affordable and Special Needs Housing (ASNH)** The Virginia Housing Trust Fund is administered by the state's Department of Housing and Community Development. Several Arlington nonprofits have benefited from funds awarded to their projects to close financing gaps, or serve households with special needs or very low income levels. On March 1, [Governor Northam awarded \\$26 million for affordable and special needs housing loans](#), including [APAH](#) and [AHC](#) developments in Arlington. Governor Northam and the General Assembly invested an historic \$55 million in the Virginia Housing Trust Fund this fiscal year, and the governor's budget proposal increases this funding to \$70.7 million in the current year. (Thank you housing advocates!). Applications for the next round of [ASNH funding](#) are due April 30, 2021.

Last July, Virginia officially joined the **Regional Greenhouse Gas Initiative**, (RGGI), a cap-and-invest program in the Northeast and Mid-Atlantic that places a limit on electricity sector emissions. Aside from moving in the right direction to address climate change, RGGI provides

significant benefits for affordable housing. Fifty percent of RGGI revenue will be allocated to energy efficiency for affordable housing. Cap and invest auctions are held 4 times a year and while prices can fluctuate, the most recent auction netted \$22 million for energy efficiency programs. Details are still being worked out on the percentage of funds allocated to preservation vs new construction. The RGGI fund application will be incorporated into the Department of Housing and Community Development's (DHCD) [Affordable and Special Needs Housing portal](#). DHCD has extended the deadline of the application to April 30, 2021.

**A History of Zoning and Segregation in Virginia: Lessons for Today will be featured in a webinar on April 29, 2021 from 5:00 to 6:15 PM.** The issues Northern Virginia faces today regarding affordability and inequitable access to housing are not just a result of market forces of supply and demand. Our history of zoning and development shaped the way housing and neighborhoods in our cities and suburbs look and function today. Join the **Business for a Better World Center** and the **Center for Real Estate Entrepreneurship of the George Mason School of Business** to discuss the historical roots of housing inequities and the opportunities for change, based on the recent [“Zoning and Segregation in Virginia”](#) report from McGuireWoods, a leading law firm in our area.

Featured Speaker: **Jonathan Rak** Jonathan is the former managing partner of the McGuireWoods Tysons Corner office and has practiced law in Northern Virginia for more than 25 years. His practice concentrates on land use and public utility matters. Jonathan devotes a significant portion of his practice to representing landowners seeking regulatory approvals to develop property.

Discussion Panel: **Emily Hamilton** is a Senior Research Fellow and Director of the Urbanity Project at the Mercatus Center at George Mason University. Her research focuses on urban economics and land-use policy. **Tracy Baynard** joined McGuireWoods Consulting in 1998. She successfully represents private sector clients in the areas of transportation planning, funding and policy; public-private partnership and innovative procurement; education policy; technology policy; and land use and economic development and procurement before state and local governments. **To register, click [HERE](#). Webinar links will be sent one week before the event.**

**Housing Indicator Tool (HIT)** In September 2019, eleven jurisdictions at the **Metropolitan Washington Council of Governments (COG)** unanimously adopted housing goals for the region to meet by 2030. Now we must hold ourselves accountable to solving the region's housing crisis. To monitor the region's progress, **The Housing Association of Nonprofit Developers (HAND)** created the [Housing Indicator Tool](#), an interactive, online resource that measures the region's housing progress and provides comparisons between jurisdictions - not to criticize but to support, encourage and share best practices that have been successful in developing housing for the residents with the greatest needs. A companion piece, [Compounding Interest, Compounding Inequities](#) is a powerful narrative of how we arrived at this place and time in our country with systems, policies and practices that so blatantly discriminate against Black and Brown residents. We urge you to invest the time to read this. Regional problems require regional solutions, and HAND has broken ground by creating a mechanism that helps us measure our progress.