

**Send Your Inputs BY MARCH 31, 2021**

Sample Answers from ASF  
to Affordable Housing Master Plan Survey

**Question #1. How could the County better achieve the goals and objectives of the Affordable Housing Master Plan?**

**Answer #1:** Arlington's committed affordable (CAF) profile is unequal. There are many units at 60% and 80% AMI, far too few below 60% or at 70% AMI. In recent years, Arlington has been shifting efforts towards households who are in relatively better shape (80% to 120% AMI) rather than focusing on those who face very limited options here. There is NO discussion of the role that development is playing in the displacement of existing residents. **Existing residents should be helped first**, YET strategies to prevent displacement are virtually nonexistent.

ASF believes that the Affordable Housing Master Plan gives inadequate attention to tried-and-true affordability preservation mechanisms such as encouraging and supporting partial equity cooperative housing or community land trusts. There may also be room for the county to review current appraisal policies in ways that would even out housing inequities. We recommend you open dialogue to stakeholders beyond the current non-profit housing entities to include those focused on fiscal and diversity stakes for our community, including ASF.

Moreover, we call attention to the really negligible number of low-income homeowners who have received tax relief. Arlington continues to further inflate land values via up-zonings, bonus density increases, site-plan exemptions—impacts that affect the increasing tax assessments of the larger community and increases housing costs for all Arlingtonians.

Trying to recreate "affordable" housing (with the ironic potential for having to re-import economic groups that you've previously displaced via densification) while simultaneously demolishing the remaining, truly affordable housing you have left is a fool's game. Arlington is spending hand over fist to create housing that is grossly expensive (per-unit costs as high as \$400K+) and then must be heavily subsidized in order to make it "affordable" to our neediest residents.

Preservation of existing affordable units should be made a greater priority. The reversal of the rehab tax credit and now the increase in allowable height for HCDs, pretty much guts the "conservation" element of the Housing Conservation Districts. Displacement of existing residents is inevitable. Let's fix this as a community with more open dialogue and transparency.

**Question 2A: Do you think that the County has been successful in its approach to implementing policy? [Distribution of CAFs]**

**Answer 2A:** No

**Question #2B: How could the County better achieve this policy? [Distribution of CAFs]**

**Answer #2B:** We should be working with developers to incorporate on-site CAFs that are included as part of market-rate buildings, rather than taking cash. This would prevent the over-concentration of subsidized units in any one part of the county, and the units would likely cost less to build.

**Question #3. Should we buy down the affordability of CAFs (using county financing) or increase subsidies via housing grants?**

**Answer #3**

ASF recommends using both mechanisms.

**Question #4. Should there be affordability limits for homeownership?**

**Answer #4:** Up to 60% AMI

**Question #5.A. How can we better achieve racial equity outcomes through our housing policy?**

**Answer #5:** We recommend that the county state a new policy that will prioritize halting the displacement of existing residents, a phenomenon that continues in many areas and one predicted by the Brookings Institution as one consequence of the Amazon arrival. We can prove that we will not become Seattle.

We can introduce landfill taxes to slow the pace of teardowns, we can reinstate credits for remodeling that the county removed in 2020. We can invest heavily in majority minority neighborhoods so that residents there benefit comprehensively and are equally able to consider home ownership as our average white residents. We can look at other tools, such as rent control, and programs such as coops, which have worked in East Oakland. We should consider set-asides to shield some land parcels from the insane inflation that continues to push home ownership and rental beyond the grasp of many in our community. We could consider revising home appraisal processes. We could approach Richmond to review bans on inclusive housing in the Commonwealth.

And most of all, we should admit that it makes no sense to try and re-import the very minority groups that county land-use and development policies have displaced.

**Question #5.B. What are continuing challenges to racial equity in housing?**

**Answer #5**

Stop the displacement of existing minority residents, a direct result of county land-use and development policy that continues to inflate land values, tax assessments and, thus, housing costs. Redeveloping lower income minority residents out of historically minority neighborhoods where their families have lived for generations is inherently inequitable. The relevant impediment to renting or owning housing in Arlington today is the exorbitant cost of the land, which of course drives up the cost of housing. It is compounded by the cost of new construction, with inputs and labor exponentially raising the prices. The cost of housing in Arlington is the sole impediment to people of all races and ethnicities.

**Question #6. What other concerns should the County address in the review of the Affordable Housing Master Plan?**

**Answer #6**

DISPLACEMENT. There is minimal discussion/tracking of displacement of existing residents from CAFs. There is virtually no discussion or tracking of those existing residents who are being displaced every year from MARKs, condos and "single-family" homes (detached and attached). Arlington wouldn't need to re-import minority and lower income residents if it had not displaced them in the first place. Finding ways to preserve existing units (for which capital expenditures are low due to their age) is key. Begin tracking the numbers of low-income elderly and/or disabled (homeowners as well as renters) who are being displaced from Arlington. Begin calculating the impact of tax bill increases (not only rate increases but also assessment increases) on the cost of renting and subsidies as well as the cost of homeownership. **What is the point of diminishing returns on tax bill increases when the county must then spend more in housing subsidies to offset the increase in the tax burden?** If you only answer one question, this is the one.

Furthermore, we note that the current AHMP analysis is already obsolete. The pandemic has exacerbated the high vacancy rates in apartments countywide. Changes in commuting patterns and workplaces (more people working from home) may permanently change the demand for housing. Arlington continues to build large numbers of luxury rental units when they were hard to rent BEFORE the pandemic. Why? What are the structural problems that permit this mismatch in supply vs. demand? How can we reverse this structural problem? Given the astronomical cost of building new CAFs, would it make better financial and practical sense to "create" CAFs in existing market-rate buildings that are sitting partially empty? What kinds of incentives could Arlington offer in order to convert some of these units into CAFs? What about existing condos sitting empty? Could the county create a purchase program that leads to an equity-share arrangement to help low-income households build housing

equity that allows them to move up the economic ladder? Does it truly make financial or practical sense to focus on providing subsidies for middle-income residents? Or should Arlington reallocate those resources to subsidize existing low- and fixed-income residents who are at great risk of displacement? The county should focus less on the number of "affordable" units created and concentrate more on improving outcomes for existing residents—particularly those at risk of displacement.

In short, the county needs to reevaluate its funding priorities where housing is concerned. The higher the revenue demands that the county places on residents, the higher the cost of housing will rise—and the greater the displacement of existing fixed-, low- and middle-income residents. There is also NO COMPREHENSIVE AND CUMULATIVE FISCAL IMPACT analysis associated with subsidized (or even unsubsidized) housing.

As ASF has consistently been emphasizing to the county, the more residents you have, the more you spend. The county refuses to address these concerns and is burying its head in the sand. Costs for providing services are increasingly passed along to residents as the result of declines in purely commercial revenues (generated by retail, industrial and office space), which means this spending is unsustainable without increasing the tax burden, which increase housing costs (both for renters and homeowners).

Better analysis, data collection and informed, reality driven planning is needed to improve the overall outcome of the housing situation in Arlington County.