

Affordable Housing & Economics

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Arlington Partnership
For Affordable Housing

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Fairfax Economic Advisory Commission

About APAH



- Non-profit, award-winning, innovative affordable housing developer
- Developed and owns over 1,800+ rental homes at 17 properties with 800+ units in development. \$400MM in assets.
- Partners with local non-profits for resident programs and housed formerly homeless and persons with disabilities
- Governed by a board of community leaders and business leaders
- Operates throughout the DMV, including Arlington, Fairfax, Loudoun and Montgomery counties



“APAH is one of the premier affordable housing organizations in Virginia, and probably the country.”

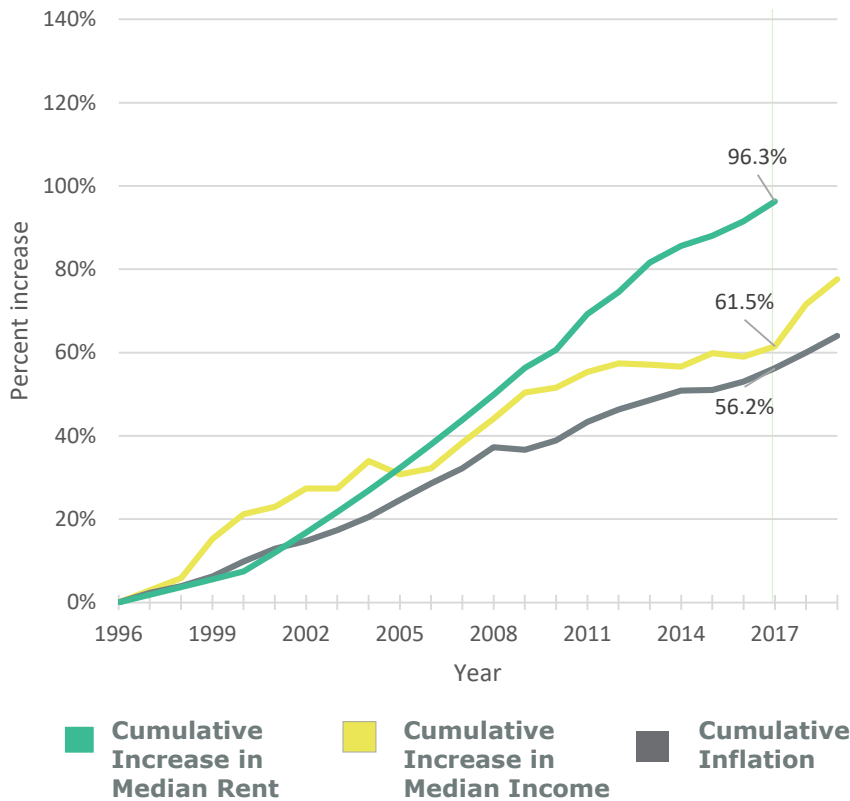
Susan Dewey
VHDA Executive Director

Why Do We Need Affordable Housing?



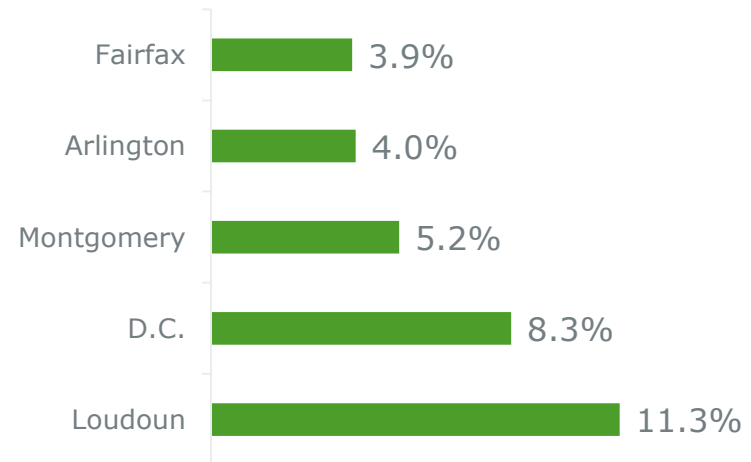
Rents Increasing Faster Than Incomes

Fairfax Co. VA: Cumulative % changes in Rent, Income, and Inflation compared to 1996



Source: VHDA, ACS 5-years, Census 1990 CPH5, USA.com, and USA inflation calculator

Annual Increase in Median Rent by County, 2011-2017



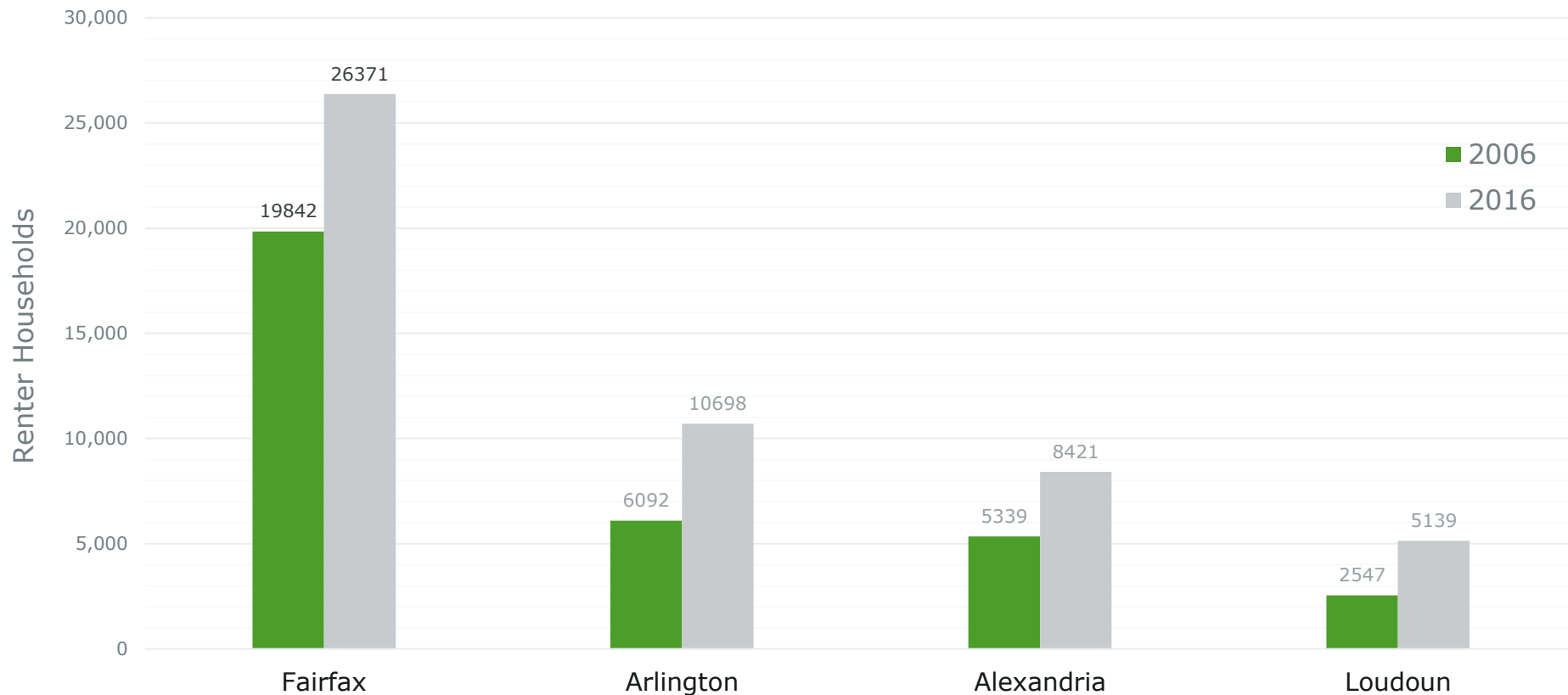
Source: Urban Institute analysis of the Zillow rent Index

More Households are Rent Burdened



Almost a quarter of all households in the Washington Metro area pay over 50% of their income on rent*

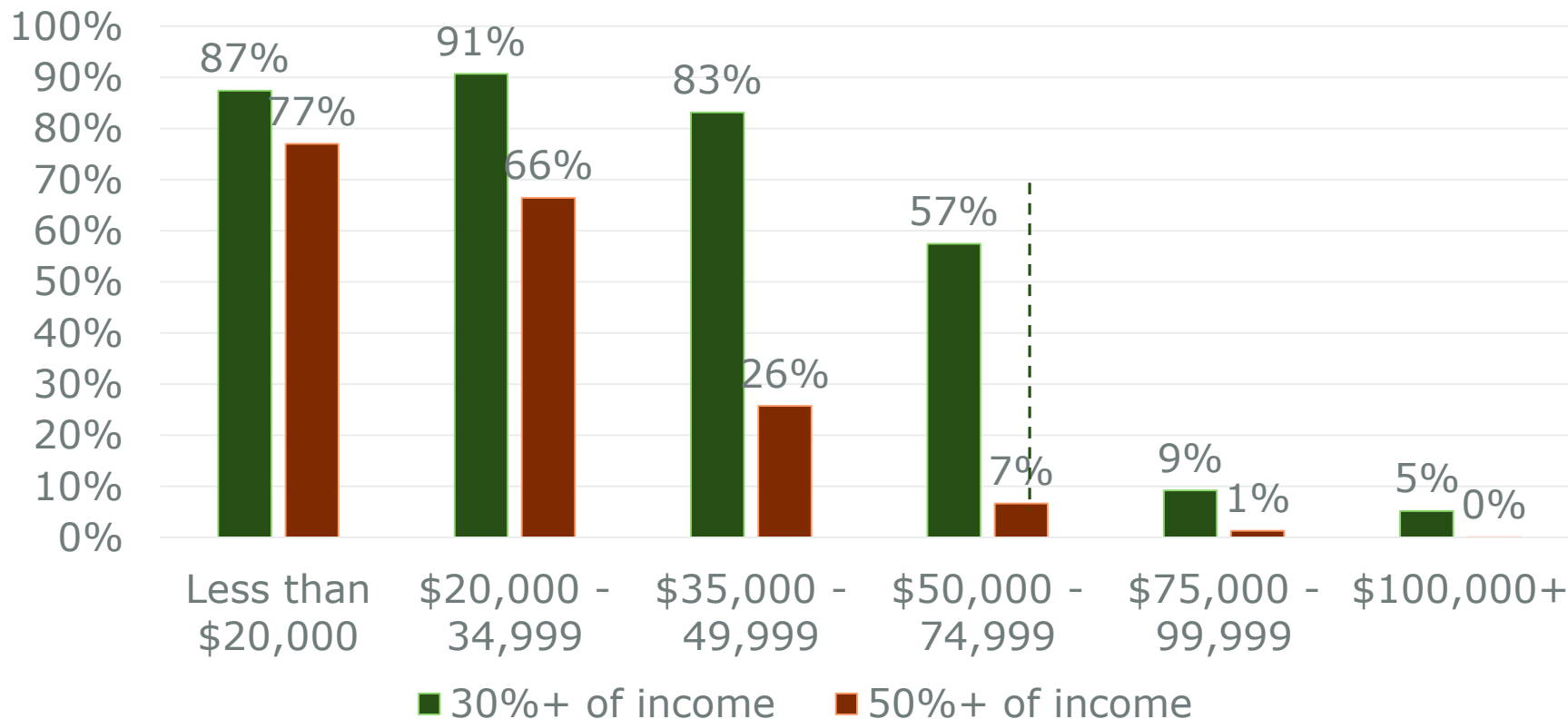
And the numbers increased from 2006 to 2016



Lower Income Households Face Highest Rent Burden



Cost Burdened Renters by Income
Washington DC Metro Area, 2017



Prepared by Lisa Sturtevant, PhD of LSA Planning

Source: U.S. Census Bureau, 2017 American Community Survey, 1-year file

The DMV Is Creating Insufficient Housing For Its Job Growth



Metropolitan Washington Council of Government (MWCOCG) calls for 365,000 new housing units by 2030 in transit-rich activity centers

The Urban Institute calls for 374,000 new housing units by 2030

Including 22,000 affordable to low income households in Fairfax County

Housing Costs Are Increasingly Out of Reach for Working Households

The average monthly rent in Fairfax County was **\$1,764** in 2015. You need an income of at least **\$70,560** to afford the typical rent.



Teacher

Starting Salary—\$47,046

Would need to work **11 years** before earning enough to rent the average one bedroom unit.

Many **public sector workers** who serve the Fairfax County community **cannot afford to live here.**



Police Officer

Starting Salary—\$50,264

Would need to work **5 years** before earning enough to rent the average one bedroom unit.

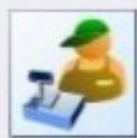


Public Health Nurse

Starting Salary—\$51,254

Would need to work **6 years** before earning enough to rent the average one bedroom unit.

Housing Costs Are Increasingly Out of Reach for Working Households



Retail Sales Person
Avg. salary: \$29,552



Graphic Designer
Avg. salary: \$58,503



Security Guard
Avg. salary: \$31,850



Accountant
Avg. salary: \$64,960



**Medical Records
Transcriptionist**
Avg. salary: \$46,679

Many **private sector employees** who are key to local economic growth **cannot afford to live here.**

Housing & The Economy

Affordable housing is critical to local economies

- Insufficient affordable housing creates **challenges for businesses** to attracting and retaining employees, and the cost of employee turnover
- Local economies benefit when individuals and families have **more money to purchase goods** and services
- Living near work **reduces commute times** and traffic congestion for everyone
- Greater housing availability experience can support less **income inequality** and attract a more diverse workforce
- Affordable housing supports more **resilient economies**



Affordable Housing and Economic Development



- **Affordable housing can lead to wonderful partnerships.**
 - APAH's Gilliam Place, a mixed-use development that includes retail space, is home now to La Cocina VA, a mission-driven organization that trains food industry workers.
- **Affordable housing increases economic stability.**
 - Reduced housing costs, combined with focused resident services, can promote a more stable home environment leading to fewer evictions and consequently less time and money spent by the sheriff's office and courts.
 - Virginia, as of 2016, had an average eviction rate of about [5.12%](#). Fairfax's eviction rate in 2016 was [1.86%](#).
- **Stable workforce housing might contribute to less stressed, more productive employees.**
 - Focused more on work, less on how they can live through the month.
- **Affordable housing can create generational social mobility through access to opportunity and strong schools.**

Better Outcomes for Everyone



..... **Low income kids living in a stable, affordable home are more likely to:**

Thrive in school → Attend college → Earn more as adults



People who have an affordable home are able to spend:

3X MORE  on nutritious food

5X MORE  on healthcare

Federally-assisted homes improve health outcomes by helping:

Kids avoid environmental health hazards 

People with mobility issues have an accessible place to live 



Who lives in affordable housing? One Family's Story



- Parents and four children
- Resident of 3 Bedroom unit at APAH property
- Mom works as NOVA Financial Aid Counselor. Dad works in construction
- Moved from overcrowded apartment shared with two other families. Had to move frequently due to rent increases
- Children thriving in stable housing and schools for last five years
- Avid consumer of local park programs and APAH resident services



1,800 affordable homes; 1,800 personal stories

Who lives in affordable housing?

One Senior Story



- Pat came to DC in 1974
- She lived at 19 addresses and worked at 23 jobs, from university dean to ski resort clerk
- When she retired in 2004, without a pension, she realized she couldn't afford to rent a market apartment in Arlington
- She moved into an APAH apartment she could afford on social security and savings.

1,800 affordable homes; 1,800 personal stories

Who lives in affordable housing?

One Person of Differing Abilities



- Zachary is 30 and has a diagnosis of moderate autism
- His parents live nearby, but wanted Zachary to have the opportunity to live independently
- With support from two caregivers from CRI, Zachary lives at an APAH apartment
- He works at a computer recycling shop and participates in local swim and art classes

1,800 affordable homes; 1,800 personal stories

What Can We Do? Funding Tools



Federal Resources

- Low Income Housing Tax Credit (LIHTC) – federal program providing private equity, typically from banks. Produced 3M homes since 1987.
- Current bipartisan legislation to boost the program in 2020
- APAH and Virginia are leaders in creating hybrid (9%/4%) financing to access the underutilized 4% tax exempt bond program

State Resources

- VA Housing Trust Fund provided \$11M in funding for 17 projects in 2019. Requesting \$50M/year by 2022.

Municipal Resources

- Fairfax planning to add a penny to real estate tax, bringing Trust fund to \$37M/year in 2020
- DC's Trust Fund at \$138M/year in 2019

What Can We Do: Land Use Tools



Increasing density at existing affordable housing

- **Queens Court** – redeveloped garden apartments into high rise

Public land for new or co-located housing

- **Arlington Mill** – discounted ground lease at County-developed Community Center
- **Oakwood Apartments (proposed)** new infill at underutilized stormwater site in Fairfax

Partnering at Underutilized Civic Properties

- **Gilliam Place** – Faith partnership with Arlington Presbyterian Church
- **Terwilliger Place** – partnership with American Legion Post

Affordable Housing Bonus Density

- **Mt. Sterling Senior** – Facilitating market/affordable development at 22-acre site



Queens Court, 249 units



Arlington Mill, 122 units



Gilliam Place, 173 units

APAH Portfolio Highlights



Columbia Hills

- 229 affordable units, delivered Oct. 2018
- APAH's first hybrid 4% and 9% financing
- Built on surface parking lot of existing LIHTC garden apartment complex on rezoned land



The Springs

- 104 units, delivered in 2016
- Leveraged density on older garden apt



Arlington Mill

- 122 affordable units, delivered in 2014
- Public-private partnership with housing atop County-owned parking garage with 75-year ground lease
- County Community Center on shared site



APAH Development Pipeline



Gilliam Place

- 173 affordable units, 2nd hybrid (4%/9%)
- Opened August 2019
- Faith-based partnership
- Ground-floor retail and civic space to support mission-focused tenancy



Queens Court

- 249 affordable units, 3rd hybrid
- Under construction. To open late 2021
- Integrated rezoning of more than 1M SF, including a new Arlington public school, fire station, and market rate development



Mt. Sterling Senior

- 98 affordable senior units, 4th hybrid
- Leveraged County's inclusionary zoning program to support market/affordable project



Case Study: Oakwood Senior



- 6-acre site, currently functions as a stormwater pond
- APAH submitted unsolicited proposal to the County in Feb. 2018 and was selected Dec. 2018 under PPEA authority
- 150 units of new independent senior housing
- Affordable housing
 - Service-rich resident programming
 - Dynamic amenity spaces for seniors
- Seeking 9% LIHTC Allocation 2020



Case Study: American Legion/Terwilliger Place



- **\$75M project funded with:**
 - LIHTC hybrid 9%/4%
 - VHDA Taxable/Tax Exempt Bonds
 - Arlington County Funding
 - VA Housing Trust Fund
 - Private Philanthropy: Ron Terwilliger lead donor
- **Completed rezoning of existing 1.3 acre parcel over two years**
- Replacing outdated 1955 Legion Post with new, 6,000SF Post
- **Creating 160 new affordable homes, 50% Vets preference**
- Hub for innovative Vets programs



Housing for Everyone



Thank you!

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