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Arlington United Way
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Unitarian Universalist Church of Arlington
Virginia Association of Mortgage Brokers
Virginia Housing Development Authority
Virginia Interfaith Center for Public Policy
Wesley Housing Development Corporation

The Alliance for Housing Solutions is a 501(c)(3) organization.

Our Tax ID number is 46-0512930.

March 29, 2016

Subject: FY 2017 Budget

Dear Arlington County Board Members:

On behalf of the Alliance Board of Directors, I am writing to thank you for your continued commitment to housing for lower wage-earning households, seniors and disabled persons. We were very pleased with your unanimous support for the Affordable Housing Master Plan last year and look forward to supporting County efforts to move ahead with its implementation.

While the Manager's proposed budget provides strong support for housing and safety net programs, AHS has the following housing-related concerns:

Affordable Housing Investment Fund.

We ask for an additional AHIF funding to bring the contribution to **\$15.5 Million** for FY2017.

This is needed in part because of an **expected downturn in other sources of AHIF funding**. Due to their cyclical nature, contributions from developers and loan repayments are projected to be **down by \$2.2M this year** from last year.

Additionally, as reported by County staff during the March 17th work session, the current **projected deficit between expected FY2017 AHIF balance and the potential project pipeline ranges from \$12,600,000 to \$25,600,000**.

Our other concern is that about **two-thirds of the Manager's proposed AHIF contribution is from "one-time" funding**. If we are to meet the goals of the AHMP, we believe that a healthy threshold amount of AHIF funding must be part of the base budget. **We cannot continue to rely on carryover funding to make up the difference**, and we note that staff has projected a lower amount of carryover from FY2016 than in past years. **The Fiscal Affairs Advisory Commission shares this concern.**

Because the Alliance is concerned about the availability of financing to meet the pipeline, **we ask the Board to reaffirm the use of all financial tools**, including lines of credit, to ensure capacity to meet opportunities for the development and preservation of affordable housing.

Planning Capacity

AHS raised the issue of planning capacity last year, and **we continue to believe that additional resources are needed**. There are several processes that are or should be underway that have **implications for housing** including: implementation of the **AHMP**, the **Lee Highway Vision**, the **Virginia Hospital Center deal**, an update of the **Columbia Pike Neighborhood Plan** and, as

mentioned by County Board and community members, a **strategy to preserve existing market-rate affordable units** in Westover and other neighborhoods.

AHS and housing advocates have been active participants at the invitation of the Lee Highway Alliance. The Lee Highway effort has been advanced by years of tireless citizen participation and leadership, culminating in last fall's charrette. Community expectations have been created, and yet it is our understanding that there is no firm scope of work or timetable by the County to support this effort beyond the pre-planning stage.

Lee Highway needs to be viewed in the context of both the housing affordability and economic development. How long will the windows on both be effectively open? As we said last year, the competitive environment requires that we both not delay and get it right. **Effective planning is a long-term investment.**

The *One-Stop Arlington Initiative* business initiative demonstrates that the County is willing and able to ramp up resources on a limited term basis to make things happen. We believe that a short-term investment in extra planning capacity is preferable to a "penny wise but pound foolish" look in the rear-view mirror.

Thank you for considering our views. Please contact me should you have questions or need further Information.

Sincerely,



Mary Rouleau, Executive Director

cc: Mark Schwartz