


City of Alexandria, Virginia

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2-26-02

MEMORANDUM

DATE: FEBRUARY 14, 2002

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER 

SUBJECT: CONSIDERATION OF ENDORSEMENT BY CITY COUNCIL OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS (COG) RESOLUTION #R41-01

ISSUE: Consideration of endorsement by City Council of a Metropolitan Washington Council of Governments (COG) resolution concerning regional housing matters.

RECOMMENDATION: That City Council endorse in its entirety COG Resolution #R41-01, a *Resolution Endorsing Affordable Housing Principles and Policy Goals and Establishment of a Regional Housing Trust Fund* (Attachment I).

DISCUSSION: Last year, at the request of the COG Board of Directors, two COG committees and the independent, COG-supported Washington Area Housing Partnership (WAHP) chaired by Alexandria Mayor Kerry J. Donley, investigated policy and best practices to address affordable housing challenges in the Washington metropolitan region. The culmination of these efforts are contained in two reports, both of which have been printed for distribution by COG under the title *Finding a Way Home: Building Communities with Affordable Housing* (Attachment II).

The report produced by WAHP is entitled *A Case for a Regional Housing Trust Fund* and has been printed with Mayor Donley's endorsement on pages 10-11 of the publication mentioned above. In it, WAHP recommends the development of a regional housing trust fund to be established and capitalized with seed money from federal, state and private sources and to receive ongoing operational and administrative funds from local governments. The proposed regional housing trust fund would assist projects receiving local government support that increase the supply of affordable housing by providing developers with matching grants or low-cost loans in amounts commensurate with funds committed at the local level. COG Resolution #R-41-01, adopted by the COG Board of Directors on November 14, 2001, authorizes COG (in partnership with WAHP) to solicit federal and private sector funding for the establishment and capitalization of a regional housing trust fund.

The resolution also expresses the commitment of COG and its participating local governments to the affordable housing principles and policy goals delineated in the larger report, which was developed by COG's Housing Directors Advisory Committee under the auspices of the Human Services and Public Safety Policy Committee. Referred to in the resolution by an earlier working title, *Housing the Region's Workforce: An Affordable Housing Policy for the Washington Metropolitan Region*, this report establishes affordable housing principles and policy goals for the Washington metropolitan region. It calls on local governments to support the WAHP proposal for a regional housing trust fund, as well as other strategies that will result in the creation throughout the region of 67,000 new housing units with an emphasis on units that are affordable to working families, the development of housing opportunities near employment centers and transportation, the augmentation of federal resources available to facilitate a regional approach to affordable housing development, the maintenance and expansion of existing affordable housing stock, the distribution of affordable housing throughout the region, the increased mobility of families seeking affordable housing and the availability of affordable housing opportunities for the homeless and for persons with special needs.

The affordable housing recommendations contained in the resolution, which are taken from the larger report, are regional in nature and provide a policy framework that is consistent with the direction of current City housing initiatives (such as the proposed Employer Assisted Housing (EAH) program and the Virginia Sponsoring Partnerships and Revitalizing Communities (SPARC) program), as well as with recommendations made to City Council in the Final Report of the Affordable Housing Task Force dated October 2001.

Council endorsement of COG Resolution #R41-01 does not signify a current or future commitment of City resources to COG or WAHP or to any COG or WAHP-sponsored regional initiatives. Implementation of the resolution's proposed policies and initiatives, except for the regional housing trust fund, will occur separately and independently within each jurisdiction at the discretion of each local government and utilizing its own funds. While the regional housing trust fund initiative, unlike the other principles and policies approved by COG Resolution #R41-01, will likely require future financial contributions from participating local governments to support a regional operating fund, any related funding requests would be received by Council independent of this resolution to be approved or denied as deemed appropriate.

FISCAL IMPACT: None

STAFF: Mildrilyn Stephens Davis, Director, Office of Housing
Marcy Meyer, Housing Analyst, Office of Housing

ATTACHMENTS:

- I. Resolution Endorsing Affordable Housing Principles and Policy Goals and Establishment of a Regional Housing Trust Fund (COG Resolution #R41-01)
- II. *Finding a Way Home: Building Communities with Affordable Housing*

**METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 North Capitol Street, N.E.
Washington, D.C. 20002-4239**

**RESOLUTION ENDORSING AFFORDABLE HOUSING PRINCIPLES AND POLICY GOALS
AND ESTABLISHMENT OF A REGIONAL HOUSING TRUST FUND**

WHEREAS, the Metropolitan Washington Council of Governments (COG) has a long history of promoting innovative affordable housing policies and best practices in the Washington metropolitan region; and

WHEREAS, at its February 7, 2001 meeting the Board of Directors agreed to make affordable housing COG's policy focus for 2001; and

WHEREAS, the Board asked the Human Services and Public Safety Policy Committee and the Housing Directors Advisory Committee to identify and advance promising principles, policy goals and best practices to help address affordable housing challenges in the Washington metropolitan region; and

WHEREAS, the Board asked the Washington Area Housing Partnership to examine the feasibility and implementation steps needed to establish a regional housing fund in the Washington metropolitan region; and

WHEREAS, COG's Washington Area Housing Partnership sponsored a conference on March 23, 2001 on economic development and affordable housing, which focused on the role of regional housing funds in promoting affordable housing opportunities; and

WHEREAS, the Board also amended its work program in 2001 to allow for periodic dialogue sessions at Board meetings with national and regional affordable housing policy leaders; and

WHEREAS, the Washington Area Housing Partnership completed and adopted its report, *The Case for a Regional Housing Trust Fund* on September 21, 2001 and recommended the COG Board endorse the establishment of a regional housing fund and seek federal and private sector support needed to begin this effort; and

WHEREAS, the Human Services and Public Safety Policy Committee, with support and local government input from the Housing Directors Advisory Committee, completed and adopted its report, *Housing the Region's Workforce: An Affordable Housing Policy for the Washington Metropolitan Region* on October 19, 2001 for review and action by the COG Board of Directors.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS THAT:

1. COG and its participating local governments are committed to the affordable housing principles as recommended in the report, *Housing the Region's Workforce: An Affordable Housing Policy for the Washington Metropolitan Region*.
 - A. Making the production, preservation and equitable distribution of affordable housing a high priority.
 - B. Increasing the opportunities for workers to live in the jurisdictions and near the employment centers in which they work to avoid undue burdens on the region's transportation network, to reduce air pollution, and to allow workers to reduce commuting times and distances.
 - C. Partnering with the private sector, foundations, non-profits and all levels of government from local through federal, to providing affordable housing for the region's working families.
 - D. Providing a broad range of housing choices throughout the communities and jurisdictions of the region to prevent homelessness and to accommodate households of all income levels, sizes, tenure, and special needs.
 - E. Removing obstacles to fair housing opportunities in every community and jurisdiction within the region.

2. COG and its participating local governments should pursue the affordable housing policy goals as recommended in the report, *Housing the Region's Workforce: An Affordable Housing Policy for the Washington Metropolitan Region*.
 - A. Commit to the creation of an additional 67,000 housing units, with an emphasis on units that are affordable to working families, to meet the current regional shortage. Keep pace with regional growth by ensuring that one new housing unit is produced for every 1.6 jobs that are produced in the region.
 - B. Facilitate the private sector creation of an affordable housing trust fund, similar in design to that in place in California's Silicon Valley, to expand the capacity of local governments across the region to develop and preserve affordable housing opportunities.
 - C. Strengthen the integration of affordable housing in the comprehensive planning process to ensure that affordable housing opportunities are developed and located proximate to employment centers and transportation nodes.
 - D. Seek, secure and employ additional federal funds to facilitate a regional approach to increasing affordable housing development.
 - E. Work to keep affordable, and improve the condition of, the region's market-rate and assisted housing developments for the region's low- and moderate-income working families.
 - F. Distribute affordable housing throughout the jurisdictions in the region.
 - G. Develop and implement strategies to increase the mobility of families seeking affordable housing, reduce barriers to fair housing choice and to lower concentrations of poverty.
 - H. Develop additional affordable housing opportunities for persons with special needs and the homeless.
3. The Board endorses the establishment of a regional housing trust fund, as recommended by the COG Washington Area Housing Partnership in its report, *The Case for a Regional Housing Trust Fund*. COG and the Partnership shall solicit federal support from the area congressional delegation, the U.S. Department of Housing and Urban Development and the private sector to provide initial funding for the establishment and capitalization of the fund.
4. The reports, *Housing the Region's Workforce: An Affordable Housing Policy for the Washington Metropolitan Region* and *The Case for a Regional Housing Trust Fund* are significant outcomes from COG's 2001 affordable housing policy focus and shall be printed and disseminated as part of COG's December 13, 2001 annual meeting.
5. The Board directs the Human Services and Public Safety Policy Committee to develop COG work program recommendations to advance priority policy goals for the Board's review in February 2002. Further, the Board directs the Washington Area Housing Partnership to advise the Board at least twice in the coming year concerning the status of the implementation of a regional housing trust fund for the Washington metropolitan region.

Finding a Way Home: Building Communities with Affordable Housing

A Policy Statement and A Regional Housing Trust Fund Proposal



Finding a Way Home: Building Communities with Affordable Housing

A Policy Statement and
A Regional Housing Trust Fund Proposal



Metropolitan Washington
Council of Governments

December 2001

A Message from the Chairman



When I selected affordable housing as the theme for my year as Chairman of the Metropolitan Washington Council of Governments, I knew I was asking my colleagues to take on a serious problem we face not only in this region, but one we share with cities and regions across the country. Certainly, it is an issue that has persisted despite many sincere efforts and does not respond to quick or easy solutions.

But in recent years, it has become apparent that the very poor are not the only members of our community who lack adequate housing. The people who are part of the affordable housing crisis also include our teachers, police officers, health care and child care workers—the backbone of our communities. If elected officials in the region don't respond to the needs of these citizens, we risk neglecting those who contribute to the high quality of life we all enjoy.

My colleagues on COG's Board of Directors were receptive to addressing this important issue, in part because we know increasing the supply of affordable housing is not just a compelling human need—it is an essential element of regional transportation policies and economic development. The lack of a range of housing opportunities near jobs exacerbates the region's severe transportation problem.

Across the nation, localities like Washington, with strong economies and growing workforces, are seeking new answers to the housing crisis by developing land use policies that discourage urban sprawl and achieve a balanced mix of jobs and housing. They are also encouraging the use of public transportation to reduce dependence on the automobile, and promoting economic development by ensuring housing opportunities for all segments of the workforce.

COG has been part of the affordable housing debate since 1972 when the organization proposed the Fair Share Plan. This year, the Board reaffirmed the importance of affordable housing opportunity as it charged the COG staff with re-examining affordable housing policies and goals.

This policy paper is the culmination of a yearlong study by COG's Housing Directors Advisory Committee of the issues, trends and best practices. The HDAC came together to work with me to develop a new set of Housing Principles and Housing Goals for the region. The Directors worked long and diligently to develop strategies for addressing specific problems, and they are presented for each goal.

I'm proud of the work we've done and I'm confident the entire region is united by our determination to develop more affordable housing. Through our work, we will ensure that metropolitan Washington remains the best place in the nation to live, work, play and learn.

Sincerely,
Carol Schwartz, COG Chair

The Regional View of Affordable Housing Need



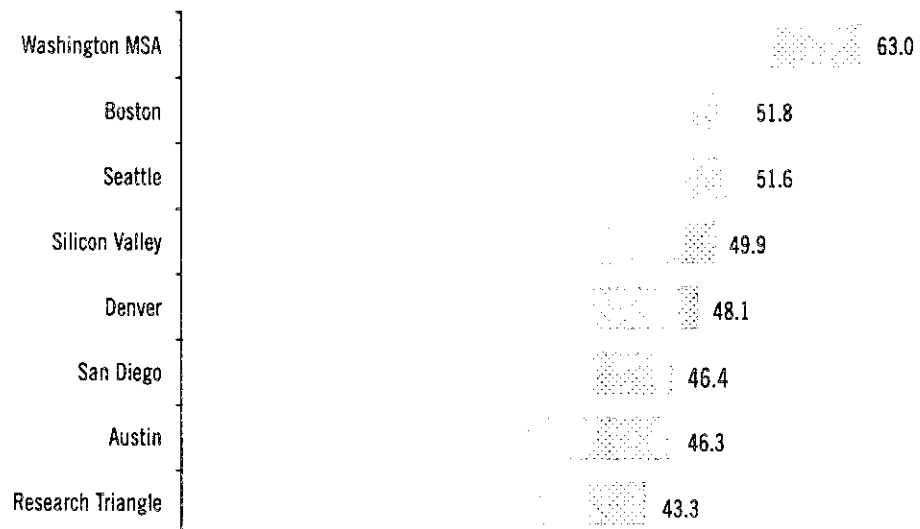
The human needs associated with affordable housing have always been compelling, if not always heeded. Now, broader regional forces are joined on the issue. These additional forces will help to define the Washington area's response to its affordable housing challenges.

Transportation policy now plays a more significant role in the region than ever. The Washington area now has the longest roundtrip commuting time compared to areas that compete for a comparable workforce. One important strategy is to encourage local jurisdictions to provide incentives for residential and commercial developments along transportation/transit corridors.

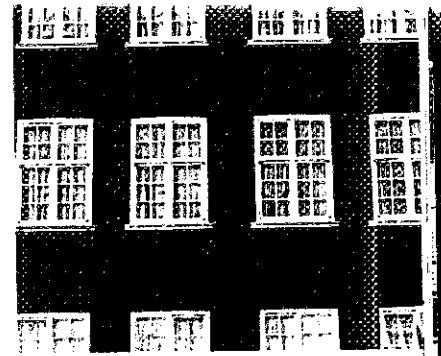
In addition, linking economic development and affordable housing can help create housing opportunities for all segments of the region's workforce from entry-level workers to executives. When workers must live outside the immediate region to find affordable housing, their incomes leave the regional economy. In a recent analysis of the region's economy, Dr. Stephen Fuller of George Mason University found that metropolitan Washington loses about \$8 billion a year because many of its workers live and spend their incomes in distant communities.

The overall housing climate is changing rapidly, principally because of the loss of rental units and the number of new jobs expected in the area over the next decade.

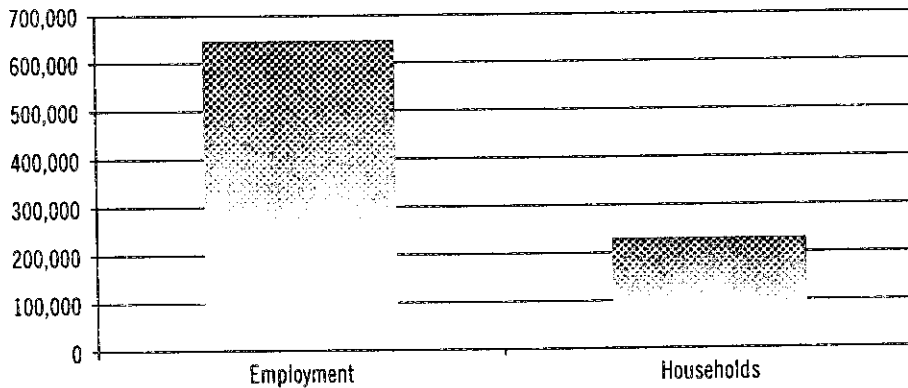
Average Roundtrip Commuting Time
(minutes per day)



Source: *Places Rated Almanac* (2000)



Metropolitan Washington Employment and Housing: Projected Growth 2000-2010



Source: COG Round 6.2 Cooperative Forecasts

According to HUD's recent national study on housing needs, more than 90,000 Washington area families, 16 percent of all families, pay over half of their income for housing or live in severely inadequate housing. Throughout the region, increases in rent are outpacing rising wages.

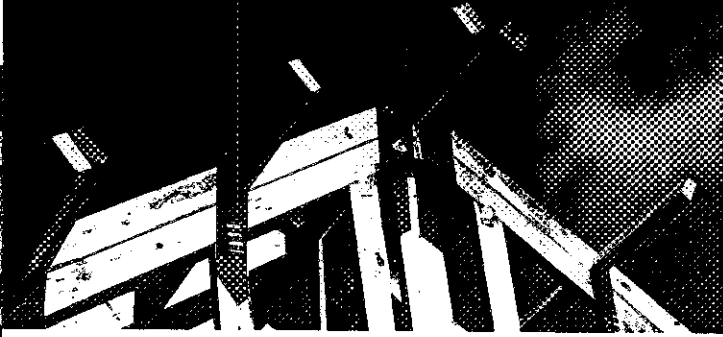
The region has lost over 7,500 affordable subsidized rental-housing units due to expiring federal subsidies on the properties. Thousands more are vulnerable. And untold numbers of market-rate units are being lost as owners reposition their properties to draw higher rents from higher-income tenants. For example, 4,000 market-rate units have been lost during the past year in Arlington County alone.

In addition, home prices in the region have risen nearly 12% in just the last twelve months, according to the Meyer Foundation. New jobs in the region are significantly outpacing new housing. The number of new jobs is projected to grow three times as fast as housing in less than ten years. The increased number of people competing for housing combined with the scarcity of units drives up prices in both the rental and ownership markets.

Finally, there is an increasing need for housing for the region's elderly population, people with disabilities and special needs and for addressing the plight of homelessness. To address this growing crisis, the Council of Governments and its member jurisdictions developed a set of principles and outlined the major goals the region needs to achieve.

The Metropolitan Washington Council of Governments Affirms These

Principles



COG and Its Member Local Governments Are Committed to:

- ▲ Making the production, preservation and equitable distribution of affordable housing a high priority.
- ▲ Increasing the opportunities for workers to live near employment centers to avoid undue burdens on the region's transportation network, to reduce air pollution, and to allow workers to reduce commuting times and distances.
- ▲ Partnering with the private sector, foundations, non-profits and all levels of government from local through federal, to provide affordable housing for the region's working families.
- ▲ Providing a broad range of housing choices throughout the communities and jurisdictions of the region to prevent homelessness and to accommodate households of all income levels, sizes, tenure and special needs.
- ▲ Removing obstacles to fair housing opportunities in every community and jurisdiction within the region.

The Metropolitan Washington Council of Governments Adopts These

Goals...

Goal 1 Commit to the creation of an additional 67,000 housing units that are affordable to working families to meet the current regional shortage. Ensure that one new housing unit is produced for every 1.6 jobs that are produced in the region.

Strategies

- ▲ Use innovative tools such as affordable housing funds, low-income housing tax credits, affordable dwelling unit programs and other developer incentives to bring an additional 67,000 housing units into the region's housing stock, with an emphasis on developing units for low- and moderate-income working families.
- ▲ Explore the use of "linkage fees" to tie commercial construction to the development of additional housing.
- ▲ Seek additional federal funding for affordable housing development.

Because of the area's recent economic growth, the region suffers from a shortage of about 67,000 housing units to house workers. The shortage is projected to grow to nearly 383,000 by 2010, according to Professor Fuller of George Mason University.

Rental housing vacancy rates dropped below 1% in 2000.

About 90,000 families in the region are either homeless or spend more than half of their income for housing.

Best Practices Around the Nation

Boston, MA — The city requires developers of major commercial properties to contribute to an affordable housing fund in exchange for zoning relief.

San Francisco, CA — The Affordable Housing Development Corporation worked with the city to convert the old Clovis Community Hospital site into 100 new apartments for low-income senior citizens. The project was completed in April 1999.

Best Practices Around the Region

Montgomery County, MD — The Moderately-Priced Dwelling Unit Program requires developers building subdivisions of 50 or more units to include a percentage of moderately priced units (up to 15%) in exchange for permission to build up to 22% more units than current zoning rules for the site allow.

Alexandria, VA — The city eases rules on density, height and parking requirements to encourage developers to build affordable housing. Under a voluntary policy, developers can either pay \$0.50 per gross square foot to a Housing Trust Fund or provide affordable housing on-site.

Goal 2 INTEGRATED Help the private sector create an affordable housing fund similar to the one in California's Silicon Valley, to expand the capacity of the region to develop and preserve affordable housing.

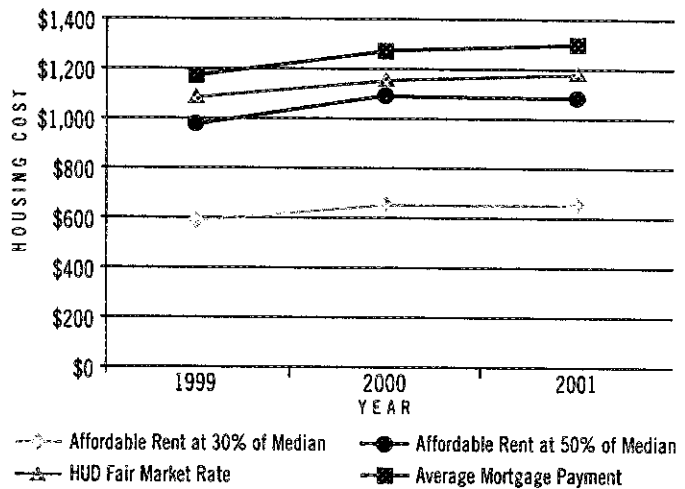
Strategy

- △ Develop a Washington Area Regional Housing Fund that would encourage and support the preservation, production and distribution of affordable housing in the region through a blend of corporate, philanthropic and public contributions.

Problems of affordability in the region are creeping into higher and higher income levels. In Fairfax County, this situation is quite evident. While those at the lowest end earning only minimum wage are in dire circumstances, over 50% of those households with incomes up to \$42,800 pay more than 30% of their income for housing.

Approximately 20% of these same households face serious affordability problems by paying more than 50% of their income for housing.

Housing Cost Comparison in the Metropolitan Washington Region 1999-2001



Source: National Low Income Housing Coalition "Out of Reach" 1999-2001; HUD; COG

Best Practice Around the Nation

Santa Clara, CA — The Housing Trust fund has raised nearly \$20 million through a public/private partnership to create and sustain a revolving loan fund and grant program to complement other housing resources in the area.

Best Practice Around the Region

Fairfax County, VA — A Housing Trust Fund supports the preservation, development and redevelopment of affordable housing by the Fairfax County Redevelopment and Housing Authority and by private/non-profit or for-profit developers. The fund has generated about \$14 million for affordable housing to date.

A Case For a Regional Housing Trust Fund



According to a study sponsored by the Washington Area Housing Partnership (WAHP) earlier this year, the lack of affordable housing is costing this region nearly \$9 billion annually in lost income and reduced consumer spending. A substantial number of new residents who come to this area for jobs must live in distant communities because of the high cost of renting or owning a home here. As a result, the incomes generated in metropolitan Washington are spent elsewhere.

The region's elected officials have adopted a set of principles to guide us in handling the area's affordable housing problems. Now, we must take the next step and establish a tool to help our local communities and developers build the kind of housing we need.

To that end, the Housing Partnership has put forward a proposal for a Regional Housing Trust Fund. We will work with the Metropolitan Washington Council of Governments (COG) and its members in the coming year to make the fund a reality.

Sincerely,
Kerry J. Donley, Mayor
Alexandria, Virginia
Chairman, Washington Area Housing
Partnership

Goals and Rationale for a Regional Housing Fund

- ▲ **GOAL:** Increase the region's supply of affordable homes by securing additional sources of funding for projects.
- ▲ **RATIONALE:** A regional housing fund would supplement but not compete with existing housing resources. The regional housing fund would only support deals that are brought to it by the local jurisdiction and project sponsor. The Washington Area Housing Partnership anticipates a match arrangement, whereby the fund would provide grants or low cost loans in an amount commensurate with the funds provided at the local level. Local jurisdictions would not be asked to capitalize the fund.
- ▲ **GOAL:** Give priority to projects that increase affordable housing near jobs and transportation centers.
- ▲ **RATIONALE:** The region's transportation and air quality problems cannot be separated from the availability of affordable housing. By increasing the supply of affordable housing near job centers, the region will make progress on three important issues: the scarcity of affordable housing, the congestion on roads, and the quality of the region's air.
- ▲ **GOAL:** Provide an opportunity for the private sector to supplement public affordable housing resources.

Goal 3 Ensure that housing opportunities are developed near employment centers and transportation by strengthening the integration of affordable housing in the comprehensive planning process and implementing a regional "Live Near Your Work" program.

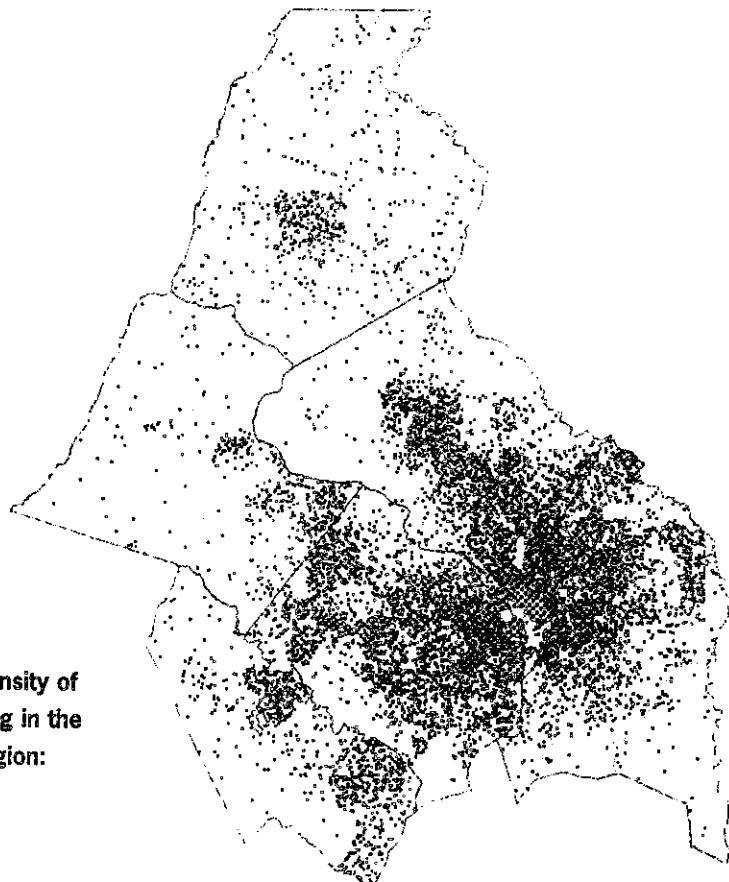
Strategies

- Revise the region's land use plans to increase the integration of housing opportunities in growing commercial and transportation areas.
- Urge the federal government to:
 - Ease regulations in order to promote mixed use communities and provide bonus funding to jurisdictions that coordinate housing with land use and transportation policies.
 - Develop or expand "Live Near Your Work" programs in concert with employers and state governments.

Over 75% of our region's households are not located within identified centers of activity for employment, transit or commercial activity.

COG's regional population and employment analysis for 2000 and forecast to 2025 indicate that this region has not addressed the "jobs/housing mismatch," or the separation of housing and employment locations around the region.

Location and Density of Jobs and Housing in the Metropolitan Region: 2000 and 2025



2000 Employment and Population

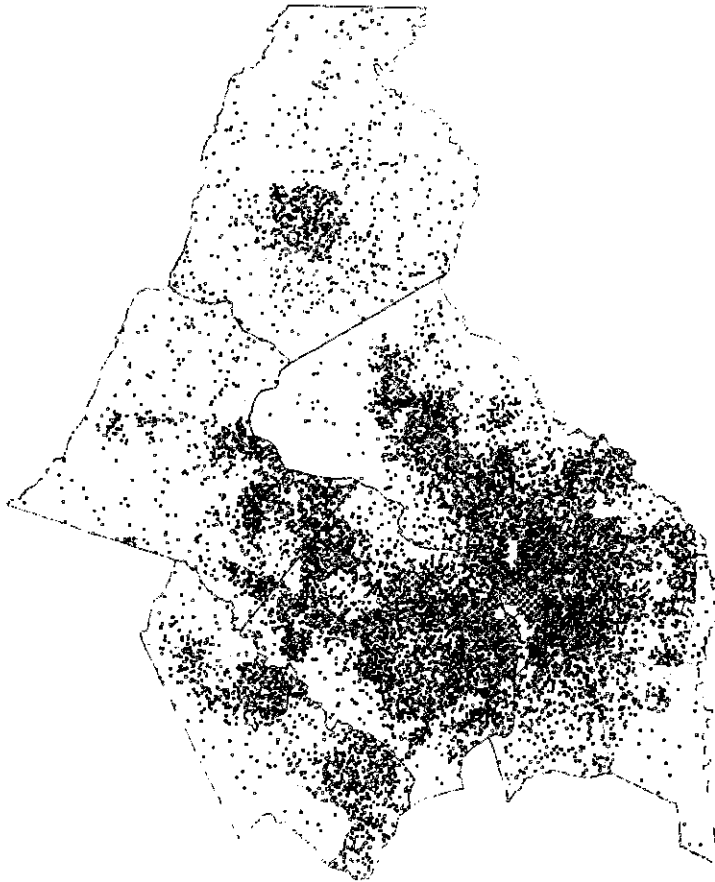
- Purple dots represent 500 persons
- Red dots represent 500 jobs



Best Practices Around the Nation

Chicago, IL — The Metropolitan Planning Council of the Chicago Region established the Regional Employer-Assisted Collaboration for Housing (REACH) to help private companies educate and counsel their employees about home ownership and provide them with grants for down-payment assistance. The State Housing Authority matches employer assistance and local governments provide second-trust help to eligible buyers.

King County, WA — The County is developing several pilot Transit-Oriented Development (TOD) Projects at the Metro transit park and ride sites. The projects will give people an alternative to commuting by car.



2025 Employment and Population

- Purple dots represent 500 persons
- Red dots represent 500 jobs

Source: COG Round 6.2 Cooperative Forecasts

Best Practice Around the Region

Arlington County, VA — In 1992, the County adopted new zoning rules along the densely populated Rosslyn-Ballston Metro corridor. The changes required developers to retain or replace affordable housing units on a 1-for-1 basis, using bedrooms rather than apartment units as a measure. This helped maintain affordable housing and increase the number of family-sized units in the area, while allowing developers to plan for greater density than is currently allowed.

Goal 4

Seek and secure additional federal funds to facilitate a regional approach to increasing affordable housing development.

Strategies

- Develop a program similar to Fair Share or HOPE VI, which would integrate housing of all types, sizes and prices near employment, commercial and transportation centers but would not require projects to be redevelopment-focused.
- Gather local Congressional delegation support for a national affordable housing production program and coordinate with other regional entities to do the same.
- Increase resources for new affordable housing development by using low-income housing tax credits, tax exempt bonds, tax abatements and other financial incentives.

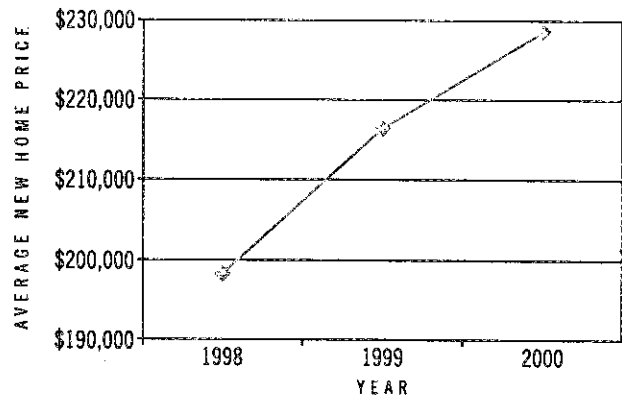
Encourage Congress and HUD to allocate additional funding for production of units through the Section 8 homeownership initiative.

The average time on the market for a house dropped to 46 days in 2000.

The scarcity of units forced new home sales prices to increase from an average of \$186,700 in 1997 to \$244,200 by early 2001.

The average Section 8 waiting list is years long; in Fairfax County, the waiting list has 5,000 names and is 3 to 5 years long.

Average New Home Price in Washington Metropolitan Region 1998-2000

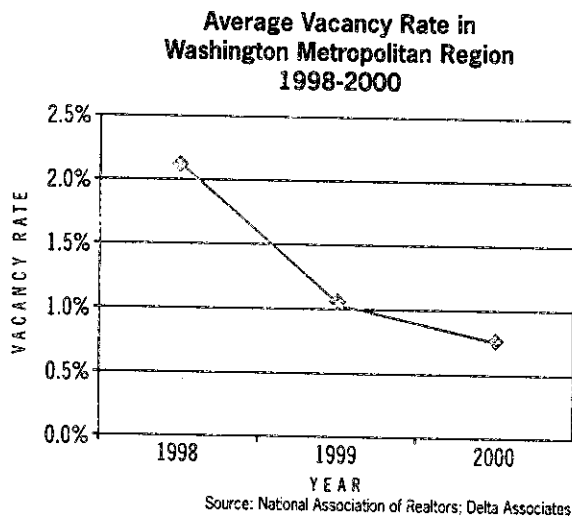


Best Practice Around the Nation

Killeen, TX — The Village at Fox Creek provides low- and very low-income families access to new housing units located near transportation, employment opportunities, shopping and medical services. The development was made possible through the collaborative efforts of the HOME Investment Partnerships Program, the Low Income Housing Tax Credit Program and private sector funding.

Best Practice Around the Region

Washington, DC — Wheeler Creek, located on the site of two former public housing developments, was redeveloped through a HOPE VI grant and other federal sources for a total of \$53.7 million. It's a mixed-income development with 104 affordably priced homes for sale, 80 townhouses and apartments for rent, 100 senior rental apartments and 30 lease-to-purchase homes, along with a community center and recreation facilities.



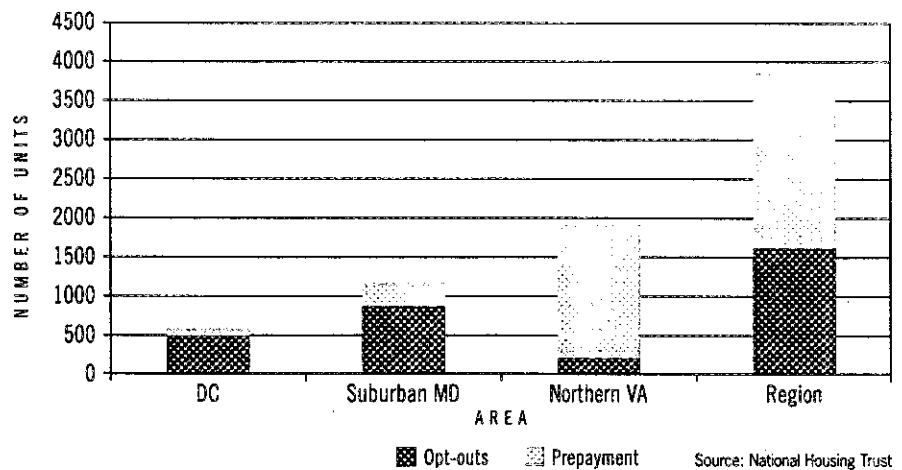
Goal 5

Work to maintain the affordability and improve the condition of the region's market-rate and assisted housing developments for our low- and moderate-income working families.

Strategies

- ▲ Encourage HUD to increase Section 8 Fair Market Rents and assistance payments on contracts that are about to expire.
- ▲ Assist non-profit agencies in purchasing threatened or endangered affordable developments.
- ▲ Provide financial incentives to for-profit owners to develop or retain affordable units.
- ▲ Allow low-income, first-time homebuyers to purchase vacant or tax-delinquent properties for a minimum fee and to qualify for a mortgage at the cost of rehabilitating the unit.
- ▲ Prevent properties from becoming blighting influences by supporting an aggressive code enforcement program and help owners finance repairs by providing a low-interest financing program.

Number of Section 8 Project Based Units Lost (as of December 1998)



As of December 1998, nearly 4,000 affordable housing units have been lost within the region due to prepayments and opt-outs. Virginia lost nearly half the units.

According to Professor Fuller, the region lost more than 7,500 rental units during the last decade.

The percentage of owner-occupied units in the metropolitan Washington area increased from 63% to 68% between 1990 and 2000.

Best Practices Around the Nation

Kannapolis, NC — The Royal Oak Garden Apartments, a 100-unit development, was acquired by the National Housing Trust and the Enterprise Preservation Corporation in order to keep the homes affordable for the residents. A HUD-insured mortgage and financing through the MacArthur Foundation and the Ford Foundation made the transaction possible.

Fort Defiance, AR — A partnership between three federal funding agencies, private lenders, and non-profit groups led to the demolition of 86 dilapidated homes, which were replaced with 100 new, single-family homes on Native American tribal lands.

New York, NY — Through the HomeWorks program the city sells buildings it owns to experienced developers at \$1 per building, and the properties are rehabilitated and sold to individuals at market prices. The city subsidizes the program through loans, gap financing and tax exemptions. The developers work with lenders to provide mortgages with low down payments and flexible standards to help qualify moderate and middle-income buyers.



Best Practices Around the Region

Prince George's County, MD — The County's Redevelopment Authority purchases properties through HUD's \$1 Home Program, which are then sold to qualified non-profit groups to renovate and then sell to first-time homebuyers. To date, 20 houses have been purchased, and six of them have been sold to first time homebuyers. The rest of the homes will be renovated and sold by the spring of 2002.

Montgomery County, MD — The County Housing Initiative provides flexible or gap financing for the construction and preservation of affordable housing. The program has preserved more than 1,800 affordable housing units since its inception in 1988.

Falls Church, VA — The Falls Church Housing Corporation rehabilitated the Winter Hill apartment complex with a bond financed through the Virginia Housing Development Authority. The City's Economic Development Authority provided the balance of the financing by issuing its own tax-exempt bond and acquiring additional federal funding.

Goal 6

Distribute affordable housing throughout the jurisdictions in the region.

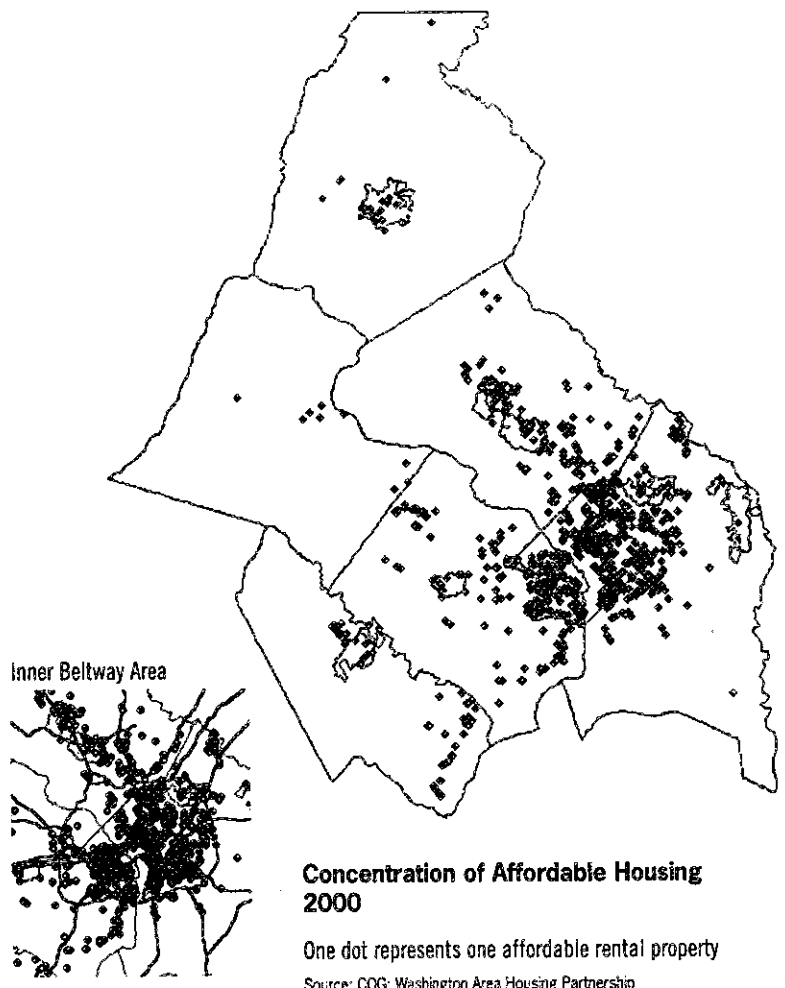
Strategies

- ▲ Provide incentives such as density bonuses for developers that include housing as part of a mixed-income, mixed-use development.
- ▲ Streamline the permitting process to speed the pace of construction and thus lower development costs.
- ▲ Create a regional campaign to let the public know that affordable housing is for all working families, not just low-income families.

Over 64,000 units of rental housing in the metropolitan area receive federal subsidies, or roughly 10 percent of the region's total rental stock.

The majority of Section 8 recipients are most concentrated in the eastern parts of the District of Columbia, Prince George's County and the inner suburbs of Virginia.

Areas that have concentrations of affordable housing contain 15% of the region's population, but over 31% of its minorities.



Best Practices Around the Nation

San Francisco, CA — A 303-acre city property was redeveloped from old rail yards, providing over 6,000 housing units, including affordable units. The community also contains parks and a walkable, pedestrian-scaled street layout.

State of New Jersey — The state's Council of Affordable Housing provides several ways for cities to create affordable housing, including rehabilitating existing homes, sponsoring construction and providing group homes for the disabled. To enter the process, cities must file a fair share plan with the state. As a result of the program, about 27,000 units have been built or are under construction and about 17,000 units have been rehabilitated.



Best Practice Around the Region

Loudoun County, VA — The County's Affordable Dwelling Unit Program uses the incentive of a 10% density bonus on developments of 50 units or more to entice developers to provide affordable housing. Since 1995, 152 rental and 400 for sale affordable units have been created with the average sales price being \$80,000 for a condominium and \$114,000 for a townhouse.

Goal 7

Develop and implement strategies to increase the mobility of families seeking affordable housing, reduce barriers to fair housing choice and lower concentrations of poverty.

Strategies

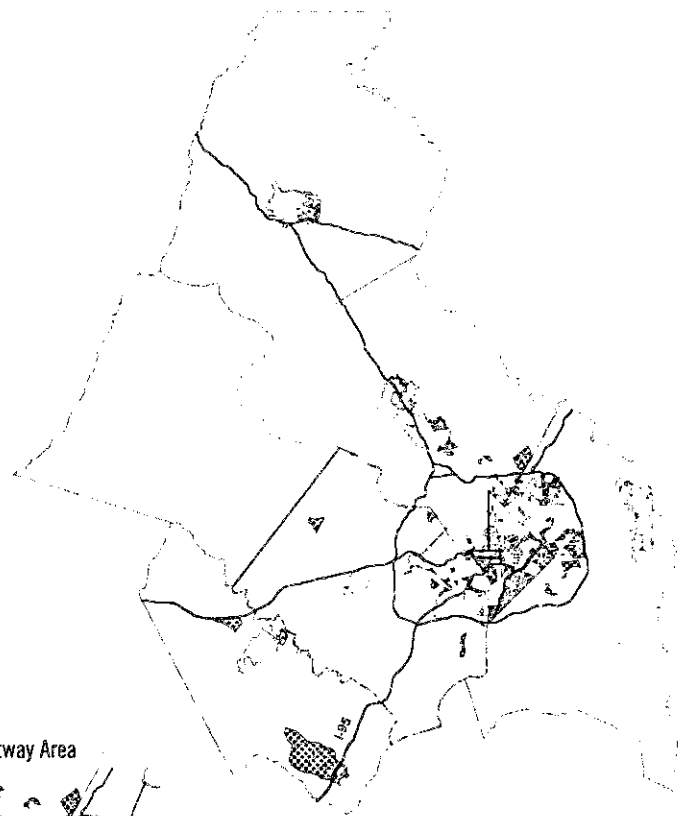
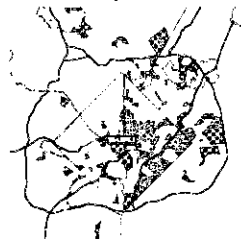
- Support the continuation of a region-wide mobility-counseling program to help low-income families move to communities of lower poverty.
- Exercise the right of first refusal to purchase units developed under affordable dwelling unit programs.
- COG should lead a regional advertising and landlord recruitment campaign and a fair housing program that seeks supports from the real estate community.

Our region is divided by income, race and job growth with middle and upper-income families living on the west side of the region and lower-income families living on the east side.

According to the Urban Institute, application fees and security deposits are major barriers to the mobility of Section 8 families. In addition, many landlords don't participate in the program because of delays in receiving rents and fears that the families won't be good tenants.

Rents in metropolitan Washington increased at twice the rate of inflation in 1998 and rents in the District of Columbia and Northern Virginia ranked fourth nationally in 1999.

Inner Beltway Area



Poverty Level by Census Tract in the COG Region, 2000

Orange areas represent census tracts with greater than 10% persons in poverty

Source: COG; Regional Opportunity Counseling Program



Best Practices Around the Nation

Chicago, IL — The Gautreaux Assisted Housing Program was created in 1976 and became the basis for all subsequent mobility programs. The program enabled residents of the city's public housing to find housing in neighborhoods where no more than 30% of the population is black. Sponsored by the Leadership Council for Metropolitan Open Communities, the program matched individual households with housing units made available to it by landlords. Over 3,000 families were placed over a ten year period.

San Antonio, TX — The city's Fair Housing Program Division developed a program to help residents with disabilities improve their access to affordable housing. The program reviews architectural plans and inspects new multi-family housing to ensure compliance with the Americans with Disabilities Act. The staff also conducts educational seminars to instruct professional groups in the housing industry on disability regulations.

Best Practice Around the Region

Prince George's County, MD — Prince George's County led a coalition of housing agencies and non-profits to create the Regional Opportunity Counseling Program (ROC). Administered by COG, the program provides housing search assistance, housing counseling and supportive services to Section 8 families to encourage them to move to neighborhoods that will improve their housing, employment and educational opportunities.

Metropolitan Washington Region — In 1997, COG and its member jurisdictions identified impediments to fair housing choice in the region and made recommendations for removing those barriers. The COG study laid the foundation for a cooperative approach to addressing the problems.

Goal 8

Develop additional affordable housing opportunities for persons with special needs and the homeless.

Strategies

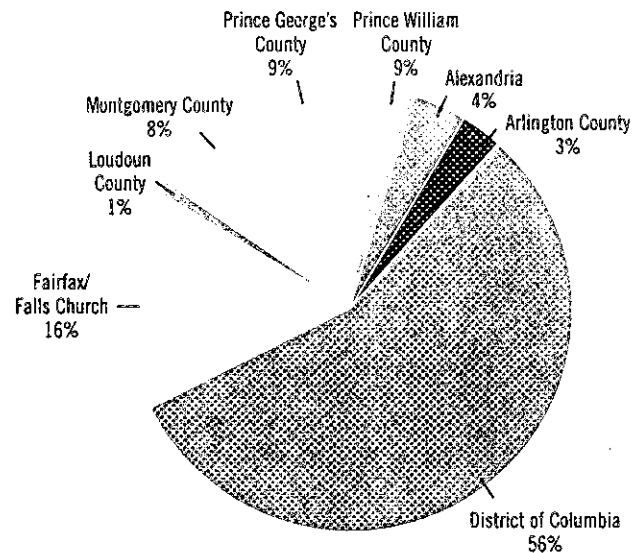
- ▲ Coordinate a regional effort to track the homeless population.
- ▲ Acquire bonus federal funds for the development of additional homeless facilities.
- ▲ Foster homeownership for people with disabilities by providing support services and financial assistance.
- ▲ Use techniques like long-term leases and the transfer of vacant public land for the creation of additional housing for the homeless or those with special needs.

The region's elderly population over age 85 is growing faster than any other segment of the population.

An informal count of the region's homeless this year found 12,850 homeless people living in the region, a third of whom are children.

Homelessness affects the entire region. The estimated share of homeless people living in the District of Columbia dropped to 56% this year from a 78% share in 1992.

Percentage of Region's Homeless by Jurisdiction
January 2001



Source: COG Homeless Services Planning and Coordination Committee





Best Practices Around the Nation

West Palm Beach, FL — The Salvation Army Center of Hope provides housing and onsite services to homeless individuals and families with chronic drug abuse problems. The services include substance abuse treatment and adult basic education and training.

Mather, CA — The Mather Community Campus, located on a former military base, provides housing, job training and employment programs to previously homeless adults and families. The facility, which serves 200 single people and 65 families, received \$3 million in HUD funding and \$71 million in private in-kind contributions.

Wausau, WI — Using a variety of innovative funding sources, the city constructed a Supportive Living Facility for elderly residents in need of home assistance. The development consists of 24 one-bedroom units, each handicapped and wheelchair accessible. Personal care and other services are provided through a contract with the Visiting Nurses Association.

Best Practices Around the Region

Arlington County, VA — Culpepper Garden, a non-profit housing community for senior adults, added a wing to provide assisted living services for the very frail. The new facility was constructed with funds from HUD, the County and the Arlington Retirement Housing Corporation, a private, nonprofit organization sponsored by the Unitarian Universalist Church of Arlington.

Arlington County, VA — Community Residences Inc. operates a “safe haven” that serves homeless persons with mental illness who also have a second disability, such as substance abuse. A safe haven is a shelter designed to make limited demands on street people with mental illness to allow them to enter the social service system and permanent housing.

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