

**ARLINGTON COUNTY, VIRGINIA  
FY 2006 POLICY PRIORITY PROPOSAL**

**Policy Priority: Affordable Housing**

**Purpose:** The state increased the recordation tax in FY 2005. The County collects the same tax, indexed to the state rate. As a result, the County will receive additional recordation tax revenue in excess of the amount needed to balance the FY 2005 adopted budget. As directed by the County Board, the total amount of the incremental recordation tax revenue from the higher rate for both FY 2005 and FY 2006 has been proposed for Affordable Housing initiatives. Several critical program priorities have been identified for County Board consideration.

	FY 2005	FY 2006	Total
<b>Recordation Tax</b>	<b>\$1,848,150</b>	<b>\$2,612,052</b>	<b>\$4,460,202</b>

The state increased the rate on recordation tax in FY 2005, which yielded additional revenue for the County, since our revenue is based on a rate equal to 1/3 of the state rate. Based on recent real estate trends and taking into consideration that real estate transactions will slow down as interest rates increase, the projected revenue is based on conservative forecasting and on recent trends.

**Department of Human Services –**

**Mental Retardation/Developmental Disabilities (MR/DD) Residential Providers \$175,000**

- This would increase financial support to MR/DD non-profit Residential Providers for current group home residents. These funds will increase the rate for each provider by an average of \$8.00/day per resident.

**Housing Grants Program \$545,147**

- Current Housing Grants Program \$213,647  
Additional funding would maintain existing level of households served (676), and mitigate the continued reduction of affordable housing for low income elderly, disabled and working families.  
Average grants have increased from \$398 to \$430 in one year.
- Project-Based Housing Grants \$214,500  
Adds 25 units of project-based rental assistance units target to supportive housing.  
Provides the housing subsidy needed to provide permanent community based housing with on-site support services for low-income persons with disabilities.
- Transitional Housing \$117,000  
Provides funds for 30 family households that are leaving shelters whose chronic homelessness, mental illness, family violence, debt make it difficult to secure and maintain market housing.

**Culpepper Garden \$673,000**

- One-time grant in FY 2005 of \$573,000  
Old Debt \$423,000 - to pay off accumulated debt (unpaid County real estate taxes, payments to the employee pension program, inter-company transfers not allowed by HUD, and overdue vendor payments) caused by the need for subsidies for a larger number of low-income residents than was budgeted.  
Fundraising contract of \$50,000 for an independent contractor to develop a comprehensive fund raising plan.  
Tenant subsidies of \$100,000 for assisted living subsidies for the 8 low-income residents that are not covered by the current County subsidy that provided for 20 residents at \$205,000.
- Ongoing support FY 2006 of \$100,000  
Tenant subsidies of \$100,000 for assisted living subsidies for the 8 low-income residents that are not covered by the current County subsidy that provided for 20 residents at \$205,000.

**Community Planning Housing and Development -**

**Condo Conversion Staff Person/Tenant Outreach \$150,000**

- One Housing Specialist would work with developers on the many condo conversion properties in the pipeline. This position would help ensure the retention of affordable housing as these units transition from rental to homeownership. Additional funds would be earmarked for tenant outreach.

**Affordable Housing Investment Fund (AHIF) Estimated Balance \$2,917,055**

- The remaining balance will be used to support the AHIF contingent. There are numerous project possibilities in the pipeline to partner with the AHIF fund. These funds will be used to maximize the Affordable Housing program.

**Funding Information**

	<b>FY 2005</b>	<b>FY 2006</b>	<b>Total</b>
Recordation Taxes	\$1,848,150	\$2,612,052	\$4,460,202
Department of Human Services – Mental Retardation/Developmental Disabilities (MR/DD) Residential Providers			\$175,000
Housing Grants Program			\$545,147
Culpepper Garden			\$673,000
Community Planning Housing and Development Condo Conversion Staff Person/Tenant Outreach			\$150,000
Affordable Housing Investment Fund (AHIF) Estimated Balance			\$2,917,055
<b>Total Set Aside</b>			<b>\$4,460,202</b>