

*Our Mission: To provide a supplemental financial mechanism to fund affordable housing initiatives needed to mitigate the impact of redevelopment along Columbia Pike.*

In December 2013, the Arlington County Board established a tax increment financing area to help finance affordable housing initiatives in support of the Columbia Pike Neighborhoods Area Plan.

In 2009, the Land Use and Housing Study process began to study the multi-family housing areas along Columbia Pike with the goal of producing the next major plan for Columbia Pike. The process was completed in July 2012 and resulted in the adoption of the Columbia Pike Neighborhoods Area Plan (the Plan). This 30-year plan establishes the future vision for the primarily multi-family residential areas located between the commercial nodes along the Columbia Pike corridor. The Plan established a goal of preserving all existing 6,200 market rate affordable units (MARKS). Columbia Pike Tax Increment Financing Area (TIF) revenues will be utilized to fund affordable housing initiatives needed to mitigate the impact of redevelopment along Columbia Pike, particularly related to the preservation of affordable housing. TIF revenues will be used to fund the Transit Oriented Affordable Housing Fund (TOAH Fund). The TOAH Fund is a tool designed to help affordable housing developers utilizing the Low Income Housing Tax Credit program meet certain cost restrictions imposed by the Virginia Housing & Development Authority (VHDA). The TOAH Fund will be used to help pay for certain County fees and infrastructure costs of these projects to the extent necessary to meet the VHDA cost restrictions.

TIF is a mechanism used to support development and redevelopment by capturing the projected increase in property tax revenues in the area and investing those funds in improvements or mitigation efforts associated with the project. Unlike a special district, it is not an additional or new tax; rather, it redirects and segregates the increased property tax revenues that would normally flow to the General Fund to be used for a specified purpose. The amount of the tax increment revenue was originally determined by setting a baseline assessed value of all property in the area on January 1, 2014 and in each subsequent year, tracking the incremental increase in assessed values relative to the base year, and segregating the incremental real estate tax revenue generated in a separate fund. For the Columbia Pike TIF, 25 percent of the incremental real estate tax revenues over the established real estate tax base are set-aside in a Columbia Pike TIF fund. The allocated percentage and real estate tax base assumption are reviewed and determined as part of the annual budget process. The TIF area includes the Columbia Pike Neighborhoods Special Revitalization District and the Columbia Pike Special Revitalization District as noted on the General Land Use Plan.

For the adopted FY 2018 budget the County Board adjusted the TIF's baseline assessed value to CY 2018 and adjusted the funding allocation to the district in FY 2018. By resetting the calculated tax base for the district, no new FY 2018 funding will be directed to the district. However, existing funding balances will remain in the fund and future real estate tax revenue over the CY 2018 base year will be allocated to the Columbia Pike TIF based on the incremental real estate tax revenue percentage adopted by the County Board.

**SIGNIFICANT BUDGET CHANGES**

The County Board redirected the funding included in the FY 2018 proposed budgeted (\$881,500) for the Columbia Pike TIF to the General Fund. The Board allocated \$382,598 to the Arlington County Schools according to the County and APS revenue sharing principles and redirected the remaining \$470,748 to fund an additional \$200,000 in on-going funding to the Columbia Pike Revitalization Organization (CPRO) and \$267,374 to the Affordable Housing Investment Fund.

**PROGRAM FINANCIAL SUMMARY**

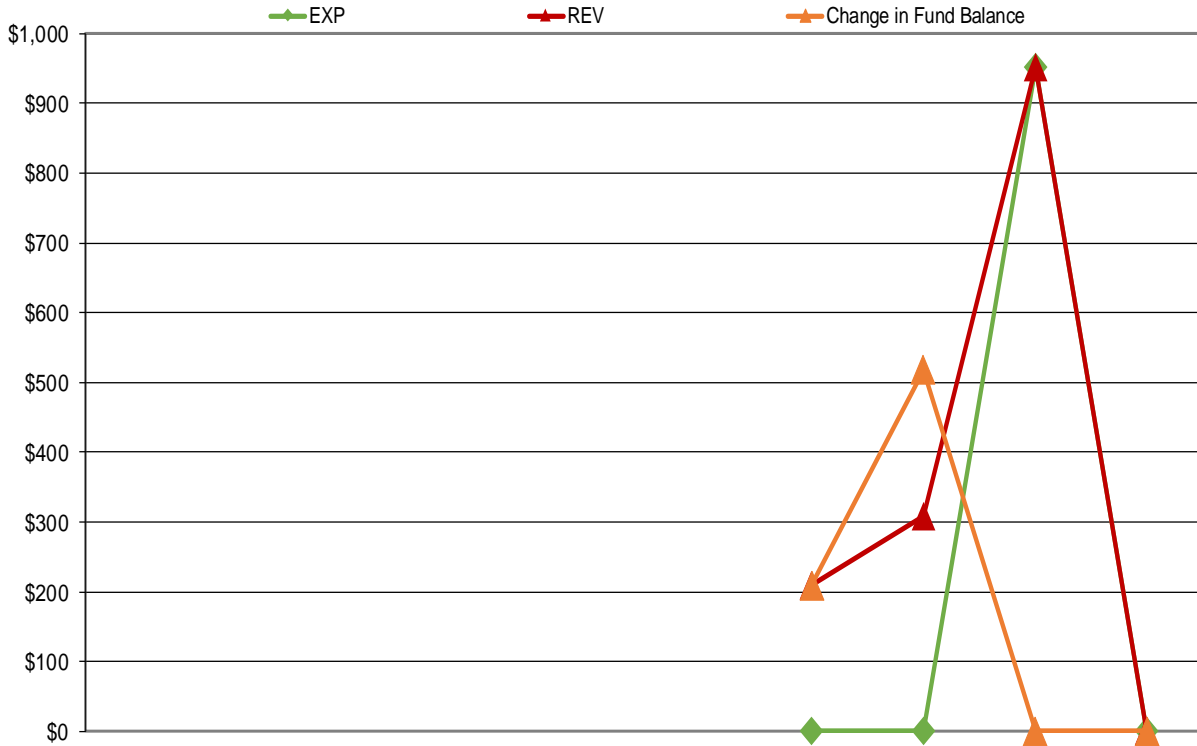
	FY 2016 Actual	FY 2017 Adopted	FY 2018 Adopted	% Change '17 to '18
Personnel	-	-	-	-
Non-Personnel	-	\$952,180	-	-
<b>Total Expenditures</b>	-	952,180	-	-
<b>Total Revenues</b>	\$308,369	\$952,180	-	-
<b>Net Tax Support</b>	-	-	-	-
Permanent FTEs	-	-	-	
Temporary FTEs	-	-	-	
<b>Total Authorized FTEs</b>	-	-	-	

COLUMBIA PIKE TAX INCREMENT FINANCING AREA FUND STATEMENT

	FY 2016 ACTUAL	FY 2017 ADOPTED	FY 2017 RE-ESTIMATE	FY 2018 ADOPTED
<b>ADJUSTED BALANCE, JULY 1</b>				
Unallocated Fund Balance	209,168	\$63,220	\$517,537	\$365,479
<b>TOTAL BALANCE</b>	<b>209,168</b>	<b>63,220</b>	<b>517,537</b>	<b>365,479</b>
<b>REVENUES</b>				
Tax Increment Area	\$308,369	952,180	593,240	-
<b>TOTAL REVENUES</b>	<b>308,369</b>	<b>952,180</b>	<b>593,240</b>	<b>-</b>
<b>TOTAL BALANCE AND REVENUES</b>	<b>517,537</b>	<b>1,015,400</b>	<b>1,110,777</b>	<b>365,479</b>
<b>EXPENSES</b>				
TOAH Fund - Current Year	-	952,180	745,298	-
<b>TOTAL EXPENSES</b>	<b>-</b>	<b>\$952,180</b>	<b>745,298</b>	<b>-</b>
<b>CLOSING BALANCE, JUNE 30</b>	<b>\$517,537</b>	<b>63,220</b>	<b>\$365,479</b>	<b>\$365,479</b>

FY 2017 Re-Estimate column reflects staff's current estimate that \$745,298 will be used for the Gillam Place East and West affordable housing development. There are no Columbia Pike affordable housing development proposals that have been submitted through the FY 2018 Notice of Funding Availability (NOFA) for County loan funds and therefore staff does not anticipate utilizing FY 2018 Transit Oriented Affordable Housing Fund (TOAH Fund) revenue for FY 2018 projects.

**EXPENDITURE AND REVENUE TRENDS**



	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted Budget	FY 2018 Adopted Budget
<b>EXP</b>							-	-	\$952	\$0
<b>REV</b>							\$209	\$309	\$952	\$0
<b>Change in Fund Balance</b>							\$209	\$518	-	-

**COLUMBIA PIKE TAX INCREMENT FINANCING AREA  
TEN-YEAR HISTORY**

---

<b>Fiscal Year</b>	<b>Description</b>	<b>FTEs</b>
FY 2015	<ul style="list-style-type: none"><li>▪ In December 2013, the Arlington County Board established a tax increment financing area to help finance affordable housing initiatives in support of the Columbia Pike Neighborhoods Area Plan. The baseline assessment for the TIF area is \$2.7 billion. A two percent increase in assessments between CY 2014 and CY 2015 will yield approximately \$119,950 in partial year revenues in the spring of FY 2015. This estimate is based on capturing the full 25 percent of the tax increment for FY 2015.</li></ul>	
FY 2016	<ul style="list-style-type: none"><li>▪ Revenue projections in the tax district increase due to a full year of tax collections and increases in real estate assessments from CY 2015 to CY 2016.</li></ul>	
FY 2017	<ul style="list-style-type: none"><li>▪ Revenue projections in the tax district increase due to increases in real estate assessments from CY 2016 to CY 2017.</li></ul>	
FY 2018	<ul style="list-style-type: none"><li>▪ The County Board adjusted the TIF's baseline assessed value to CY 2018 and adjusted the funding allocation to the district in FY 2018. By resetting the calculated tax base for the district, no new FY 2018 funding will be directed to the district. However, existing funding balances will remain in the fund and future real estate tax revenue over the CY 2018 base year will be allocated to the Columbia Pike TIF based on the incremental real estate tax revenue percentage adopted by the County Board.</li></ul>	