



OTP3 Request for Information Response – Air Rights
Respondent: Enterprise Community Partners, Inc.
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Point of Contact

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Firm Background

Founded in 1982, Enterprise Community Partners introduces solutions through public-private partnerships with financial institutions, governments, community organizations, and other partners with a shared vision to create affordable, vibrant communities. Enterprise has raised and invested nearly \$14 billion in equity, grants, and loans to help create or preserve 300,000 affordable rental or for-sale homes nationwide. In our Mid-Atlantic market between Northern Virginia and Central Maryland, Enterprise has invested more than \$1.6 billion in grants, loans, and equity to create or preserve more than 32,000 homes, has invested more than \$365 million in loans and equity to build or preserve nearly 4,400 Enterprise Green Communities, energy-efficient homes, and has created more than 3.2 million square feet of commercial or community space.

Enterprise contributes financing, research, and policy advocacy specifically to equitable transit-oriented development (ETOD). At the federal level, Enterprise has commented on and informed Federal Transit Administration (FTA) regulations relative to its New Starts and Small Starts programs as well as its joint-development guidance. Enterprise has partnered with transit agencies around the country to promote affordable housing in joint development. In Arlington County, Enterprise has been a supporter of the County's affordable housing programs and has provided financing and grant support to mission-driven community developers like the Arlington Partnership for Affordable Housing.

Response to Air Rights Development in Rosslyn and East Falls Church

Risks

1. *What are the key risks to an Air Rights development project at this site[s]? How can such risks be mitigated, shared and/or transferred in an optimal manner?*

Transit-oriented development (TOD) projects often initiate increased property values and threaten to displace low- and moderate-income earners who no longer can afford to live in the area. Already an issue in the Washington D.C. region, where area median income (AMI) exceeds \$100,000, working-class families are increasingly priced out as transit-accessible neighborhoods receive greater demand but housing supply there remains static. Employing the “drive ‘til you qualify” idiom, limited supply of affordable units often forces area employees to distant, less expensive suburbs, increasing highway congestion in a region that can ill afford it.

Joint development at the Rosslyn and East Falls Church stations can address this risk of limited affordability, expanding housing for Arlington’s working-class families while enhancing local and regional economic development. Increasingly, experts recognize that the combined costs of housing and transportation consume around 60% of low- and moderate-income families’ gross household income. Moreover, research shows that 66% of transit users earn less than \$50,000.¹ Addressing housing and transportation costs in tandem, therefore, could dramatically improve these families’ quality of life, create more sustainable communities, and increase transit ridership.²

Rosslyn Station attracts considerable use from many of the nearly 25,000 employees who work within ½-mile of the station and from more than 8,000 residents who live in the same area – the highest and third highest populations, respectively, of any Metro station in the Commonwealth.³ Moreover, Metro’s 2014 extension to Tysons Corner (and later extension to Dulles International Airport) will improve access to high-employment regional business and service-industry districts.

In the Washington D.C. region, where the median household of four earns \$107,300, low-income families earn \$64,500, or 60% of AMI, while moderate-income families earn \$86,000, or 80% of AMI.⁴ A survey of salaries by occupations helps to consider this issue in context:⁵

- An administrative assistant in the Washington D.C. region earns \$46,101 annually;
- A bank teller, \$28,030;
- A front desk manager, \$48,907
- A janitor, \$27,131;
- A legal secretary, \$53,839;
- A receptionist, \$32,971;
- A secretary, \$42,491; and
- A waiter, \$25,254.

¹ Neff, John, and Larry Pham. “A Profile of Public Transportation Passenger Demographics and Travel Characteristics Reported in On-Board Surveys.” American Public Transportation Association.

² Kniech, Robin and Melinda Pollack. Making Affordable Housing at Transit a Reality: Best Practices in Transit Agency Joint Development. Reconnecting America.

³ [“Transit Rideships: Trends and Markets.” Washington Metropolitan Area Transit Authority.](#)

⁴ [Income and Rent Limits. Arlington County Department of Community Planning, Housing, and Development.](#)

⁵ [Paycheck to Paycheck Database. National Housing Conference.](#)

Many of these workers would be priced out of Arlington County, one of the nation's most expensive counties to call home, if not for robust community support for several affordable housing programs, including:

- The Affordable Housing Investment Fund (AHIF), a revolving loan program for acquisition, rehabilitation, and construction of affordable housing that has loaned over \$200 million since 2000;⁶
- A homebuyer credit program that helps low- and moderate-income first-time homebuyers;⁷
- An affordable housing ordinance that allows developers seeking addition density either to provide additional affordable units, based on a project's gross floor area and the unit's location, or to contribute to AHIF an amount based on size of the project;⁸ and
- A transfer of development rights program that allows exchanging density credits for affordable housing preservation.⁹

In addition to the County's impressive affordable housing programs listed above, Arlington's Green Building Density Incentive Program encourages developers who require special zoning exceptions to build high-performance, low-impact green buildings. County approval allows a greater floor-area ratio and a greater number of stories but requires a minimum level of energy savings and a LEED Silver, Gold, or Platinum rating.

These affordable-housing and green principles and programs align well with VDOT's sustainability goals.¹⁰ Increasing stations area density of a variety of uses encourages residents not only to use transit for daily commuting but also to walk or bike ride to nearby destinations, reducing congestion and improving air quality. Importantly, this emphasis on walking and biking in Arlington is not simply conjecture; as evidenced by the County's more than 1,500 Capital Bikeshare vehicles and 36 miles of multi-use trails, Arlington residents are partners in sustainable mobility.¹¹

Given its inherent proximity to regional transit service, air-rights development of the Rosslyn or East Falls Church parcel indicated in the Request for Information should include requirements for affordable housing as a means to achieve lower costs of living for the area's most transit-dependent populations.

⁶ [Affordable Housing Investment Fund. Arlington County Department of Community Planning, Housing, and Development.](#)

⁷ [Opportunities for Homebuyers. Arlington County Department of Community Planning, Housing, and Development.](#)

⁸ [Affordable Housing Ordinance. Arlington County Department of Community Planning, Housing, and Development.](#)

⁹ "Affordable Housing in Arlington." [Arlington County Department of Community Planning, Housing, and Development.](#)

¹⁰ "VDOT: Built Green with LEED." Virginia Department of Transportation.

¹¹ "Arlington County Capital Bikeshare Transit Development Plan FYs 2013 to 2018." Arlington County Department of Environmental Services.