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September 8, 2010

Introduction: Those planning the re-development of parts of Reston are considering the need for affordable housing. The author researched the topic to help him in his role as a member of the Reston Comprehensive Plan Special Study Task Force. This report is not comprehensive. The references were not discovered in any systematic way, but are presented in what I hope is a logical order. The goal of the research was to determine what makes affordable housing successful. Fairfax County's AHOME¹ committee has favorably reviewed this report. Others are invited to undertake a similar, independent study, perhaps in search of research that contradicts what is reported herein. Fairfax County's AHOME committee has favorably reviewed this report.

The purpose of this report is to present the author's findings and to share the findings with other members of the Task Force and citizens groups that are helping the Task Force.

The following list of questions covers the points addressed in this report: If the reader had the responsibility for developing a successful affordable-housing complex, what should be the reader's answers to the following questions?

1. Would you prefer high-rise or low-rise buildings?
2. Would you simply rent the units or offer a path to ownership?
3. Would you allow subletting?
4. Would you strive to make the complex stable (i.e., minimize turnover)?
5. Would you cater to a large range of incomes or a small range?
6. Would you prefer that the occupants be two-parent families, one-parent families, singles, a mixture, etc.?
7. Would you want the units to be owned by the government or by a private association?
8. Would you strive for ethnic diversity or ethnic homogeneity?
9. What would you do to make the complex safe and inviting?
10. What percent of AMI would you choose as the upper limit for being eligible for affordable housing?
11. Would you end the housing subsidy programs so that employers would be forced to pay higher salaries to people currently requiring subsidies?

After reading this report, did your answers change?

Summary: The County's stated goal of its Affordable Housing Program, which includes Workforce Housing, is to attract employees that are necessary to the area's economic growth and prosperity². The County's stated goal says nothing about the good of the housing occupants. By affordable housing, the County means housing that is priced below market prices. In particular, the County goal is to provide affordable rental units to those earning less than 70% of the Area Median (Household) Income (AMI) and affordable purchasable units to those earning less than 120% of AMI. The AMI was \$107,400 in 2008³, so that 70% and 120% correspond to \$75,180 and \$128,880, respectively, for 2008 but would be slightly higher in 2010. Although 33% of the population qualify under the 70% goal and 60% under the 120% goal, the County calls for only 12% to 20% of all new housing to be affordable units. Under this plan, the demand for affordable housing will always far exceed the supply; therefore, the County must select people from the large list of those who qualify. The final step in the selection process is the County's personal interview with the applicant. Notice that the goals do not include helping the poor. The program is purely to provide the workers needed by the economy.

No studies were found that show the impact of affordable housing on the economy. Almost all of the articles considered affordable housing as being successful if the housing was built. There are a few follow-up studies, but

¹ AHOME was established in 1986 in Fairfax County to support the development and passage of Fairfax County's Affordable Dwelling Unit (ADU) Ordinance. It has grown to be a nonprofit coalition of community businesses, developers, unions, business organizations, resident organizations, and other nonprofit service groups working to find ways to meet our community's needs for affordable housing.

² <http://www.fairfaxcounty.gov/dpz/comprehensiveplan/policyplan/housing.pdf>

³ <http://www.fairfaxcounty.gov/demogrph/gendemo.htm#inc>

they considered only the social impact on the occupants and community; these are summarized herein. To some extent, they apply to all kinds of affordable housing.

As one economist has observed (Appendix E), at 70% and 120% of AMI, the Fairfax County program provides housing for “normal families with good incomes”; therefore, many of the problems frequently associated with low-cost housing will not arise.

Discussion: In Fairfax County, there are five classes of affordable housing⁴:

1. Extremely low income: housing for those earning less than 30% of the Area Median Income (AMI)
2. Very low income: housing for those earning between 30% and 50% of AMI
3. Low income: housing for those earning between 50% and 60% of AMI
4. Moderate income: housing for those earning between 60% and 100% of AMI
5. Workforce housing: purchasable housing for those earning between 80% and 120% of AMI

Federal funding is available for those in the first two categories. The first category is called public housing; the second is primarily tenant-based rental (TBRA) housing in which the tenant pays part of the rent, usually 30% of the tenant’s income, and vouchers are provided for the remainder by the Federal government. The Fairfax County Redevelopment and Housing Authority (FCRHA) owns 719 rental units in the Hunter Mill District for people in the second and third categories. Affordable dwelling units (ADU’s) pertain to those households with incomes below 70% of AMI, primarily those in the “Moderate income” range. To date, no workforce housing has been built, although approximately 1000 units are planned.

According to the Introduction to the section of the Comprehensive Plan on Affordable Housing, the goal of Affordable and Workforce Housing is to attract employees crucial to the health and safety of the community as well as to the area's economic growth and prosperity⁵. This same document states that the County goal is to provide Affordable (rental) Housing to those earning less than 70% of the AMI. (If we use the rule of thumb that a family can afford to pay 30% of its income on housing, a family earning 70% of AMI can afford a \$360,000 home, which is a reasonable price for a nice townhouse.) We found no reports from which we might infer that meeting the second goal helps or harms meeting the first goal.

We did find some reports related to the sociological impact of Affordable Housing programs and many other reports citing successful Affordable Housing programs but without citing the criteria for success. The reports we found pertained more to housing for low-income people, rather than housing for moderate-income and workforce people; however, many of the socio-economic findings do also apply to these latter two categories.

The research results are put into a somewhat logical order in the following enumeration. Words in italics explain how the individual research result blends into the next research result:

1. In rural areas, where land values are low, housing can be provided at a cost that is less than inner-city housing.⁶ *Although providing a cheaper and healthier environment for the cases discovered, rural housing is not usually close to jobs, except farming jobs. Urban housing is needed for urban jobs.*
2. With few exceptions, affordable housing is considered successful if the housing is built or made available. Some exceptions are posted at <http://www.designadvisor.org/> (see Appendix B). *Although these examples consist of low rise buildings of people with uniform income, they do not show that high rise buildings of people with mixed income will fail. They are examples, however, of successes, if we characterize success as having the characteristics: stable, crime free, well-kept by the occupants, contented occupants.*

⁴ These distinctions were provided by Tom Fleetwood (703-246-5103), Strategic Planner in the County’s Housing and Community Development Agency.

⁵ <http://www.fairfaxcounty.gov/dpz/comprehensiveplan/policyplan/housing.pdf>

⁶ Michael Kirwan, a successful D.C. devotee to the homeless, demonstrated that rural living is mentally and physically healthier for those unwilling to work. Those he took to the farm helped maintain the farm. The State of New York demonstrated the same phenomenon in providing attractive rural housing for inner-city, single mothers. A report in the September 2010 issue of *Archives of General Psychiatry* (<http://www.physorg.com/news203011808.html>) gives confirming clinical evidence.

3. There are few studies that show the long-term effect of affordable-housing programs⁷.
4. Researchers have found that neighborhoods of people with significantly different incomes are unstable⁸, so that they become neighborhoods of uniform income – sometimes high and sometimes low⁹. *This research shows that, within 10 to 20 years, mixed-income neighborhoods do not remain mixed, so the idea of mixing fails.*
5. Anthony Downs of the Brookings Institution has stated¹⁰ that, although crime does correlate with poverty¹¹, poverty does not cause crime. *Many people fear having relatively poor people living in their neighborhoods because people associate poverty with crime. The next citation shows how crime can be minimized in neighborhoods, whether rich, poor, or mixed.*
6. High property-crime rates and violent-crime rates are primarily a result of drug use and the breakdown of the family¹², both of which are associated with the causes of poverty. Many crimes are committed by chronic offenders; however, few crimes are committed by those over 40 years of age⁴. *This research suggests that crime rates can be minimized in neighborhoods if the occupants are successful, drug-free families, whether rich or poor. Some jurisdictions evict families that house criminals.*
7. Sociologists have found that neighborhoods have less crime if the residents own the residences, rather than rent, presumably because the residents then have a greater investment in the neighborhood¹³. One rent-to-buy program seems beneficial (see Mifflin Mills in Appendix C). *Ownership was one of the goals of the Community Reinvestment Act that was part, but not a necessary part, of the housing-market crash. The rent-to-buy concept avoids one of the shortcomings of this Act. Ownership, however, is seen as another aspect of stable, crime-free neighborhoods.*
8. Sociologists have found that, collective efficacy¹⁴, what others might call solidarity, decreases crime in neighborhoods; therefore, collective efficacy should be enhanced. *Collective efficacy would require a common set of ethical¹⁵ values that would foster order, safety and peacefulness, probably also with a desire for self-improvement. (The collective efficacy of a crime gang would be undesirable!)*
9. Renter comments on the Internet provide some insights. The sense of security appears to be greater in low-rise units than in high-rise. Those commenting complain, for example, that high-rise units have only a single entry point to the dwelling unit and thereby offer no escape route. Also, the time for security personnel to reach upper floors is too great. *These comments suggest another method of reducing the fear of crime.*
10. Affordable housing, to be sustainable, must be important for sustaining economic growth¹⁶. Means are needed for those living in affordable housing to get to work and to have sufficient work. *Interdependence of the local economy is another aspect of stable neighborhoods.*

A website that collects affordable-housing success stories lists 76 projects (Appendix B). We looked at the 21 affordable-housing projects that are in Virginia, Maryland, Pennsylvania and New York. No projects were listed in the other states that neighbor Virginia; namely, Delaware, New Jersey, North Carolina and West Virginia. Some of those listed were rental and some were owner-occupied. Most were two- or three-stories high. None was higher

⁷ <http://www.heritage.org/research/crime/hl401.cfm>. Also personal communication with Kevin Breault (kbreault@mtsu.edu), a sociology professor at Middle Tennessee State University, who has performed research in this area.

⁸ <http://aysps.gsu.edu/urag/researchnotes/2006/URAGResearchNotes3.pdf>

⁹ In the absence of a sociological study of the cause, we can hypothesize why this is so. The wealthy leave if prices start to drop. The poor leave to reap the profit if the prices start to rise.

¹⁰ http://www.brookings.edu/speeches/2000/1003metropolitanpolicy_downs.aspx

¹¹ http://capaassociation.org/newsletter_N009/Articles/PovertyCrime.htm

¹² <http://www.heritage.org/research/crime/hl401.cfm>. Also personal communication with Kevin Breault (kbreault@mtsu.edu), a sociology professor at Middle Tennessee State University, who has performed research in this area.

¹³ http://www.newtowncdc.org/pdf/social_consequences_study.pdf

¹⁴ citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.81.2927_rep=rep1_type=pdf. Collective efficacy is defined as social cohesion among neighbors combined with their willingness to intervene on behalf of the common good, exercising what others might call “fraternal correction.”. The concept of collective efficacy is being used effectively in micro-financing schemes in poor countries. It brings responsibility down to the most local organization.

¹⁵ Ethics, as the term is used herein, is a division of practical philosophy, which concerns itself with what ought to be done or not done. In keeping with the classical definition, it is based on reason alone. It does not depend on religion or civil law and covers all human actions, not just business and government.

¹⁶ http://www.brookings.edu/speeches/2007/0222metropolitanpolicy_katz.aspx

than six stories. All were of uniform income. Some had convenience stores on the first floor. At least one, to make it affordable, allowed rent-paying boarders. All but one were restricted to one parent or two parents with children. The one exception allowed singles. Dorado Village, which was privately funded, caters to large Hispanic families.

Another website that reports affordable-housing success stories had only two citations. Both were for new construction (see Appendix C). One was for people 55 years old or older. The other was the Mifflin Mills community of townhouses with its interesting rent-to-own scheme.

These research results are, in many ways, at variance with the policy recommendations of the famous Anthony Downs of the Brookings Institution (Appendix A) and with the policies in the Comprehensive Plan (Appendix D). The Comprehensive Plan supports all forms of affordable housing, from mobile homes to high-rise apartments, although, in its policy statement, the Board of Supervisors favors high-rise. The Plan suggests subletting; however, local covenants frequently forbid subletting. The Plan is silent on mixed-income. Some development plans, such as the Comstock Wiehle Avenue plan, allow the affordable housing to be off site, which is contrary to the (ill-conceived?) mixed-income concept.

Doug Krupka, an economics professor at the University of Michigan, reviewed an early version of this report and sent the following, slightly edited, comments concerning policies. His additional comments, concerning the economics and politics of affordable housing, are in Appendix E and are quite helpful.

There is a natural tendency for people of similar incomes to live among one another. This tendency is probably okay. Besides my own work, see also some of the work of Paul Cheshire: <http://www.jrf.org.uk/publications/are-mixed-communities-answer-segregation-and-poverty>. There is a summary and a full report. As for the kinds of affordable housing that Reston would/should be allowing, there is no abstract answer. I think most economists would say that it is worth selectively eliminating zoning and other regulations in certain areas and seeing what happens before committing the government to subsidies or the direct provision of public housing.

The private market has a very successful track record in providing metropolitan housing going back to approximately 4000 B.C. Government involvement in this sector has been much less successful. My suspicion is that the private market would likely be able to provide a lot of the affordable housing desired if certain zoning restrictions were lifted. Whether the people of Reston, which apparently takes some pride in the quality of the planning, would be open to this kind of solution is another matter. There is a great, although now somewhat dated, book by Jane Jacobs called *The Death and Life of Great American Cities* which lays out - at length - some of the reservations that most economists would have with government agencies dictating which kind of people (families vs. singles, rich vs. poor) that are allowed to live in certain buildings. The basic idea is that it messes with the natural process of neighborhood rejuvenation and redevelopment. Such a young community as Reston might not worry too much about such things, but eventually even Reston will be old and its citizens will want to think about neighborhood rejuvenation and redevelopment.

Although retirement communities were discovered in the search for success stories, communities housing the infirm and handicapped were not. A separate investigation might be made for the housing of the infirm and handicapped.

The Consolidated Annual Performance Evaluation Report (CAPER 2009) reports on Fairfax County's entire Affordable Housing program. This report is required by the U.S. Department of Housing and Urban Development (HUD) as a condition of receiving funding under certain federal programs. The Consolidated Plan is a 5-year comprehensive planning document that identifies Fairfax County's overall needs for affordable and supportive housing, for homeless shelters and services, for community and economic development, and for building public and private partnerships. The County's Housing and Community Development Agency, the author of the CAPER, lists the following sub-programs under its care:

Community Development Block Grant (CDBG)
Neighborhood Stabilization Program (NSP)

- CDBG Homelessness Prevention
- Rapid Re-housing Program (HPRP)
- CDBG Recovery (CDBG-R)
- Home Investment Partnerships Program (HOME)
 - Homebuyer Equity Loan Program (HELP)
 - Senior tenant-based rental assistance (Senior TBRA)
 - Partnership for Permanent Housing (PPH)
 - Homeless TBRA
 - Community Housing Development Organization (CHDO)
- Emergency Shelter Grants (ESG)
- Housing Opportunities for Persons with AIDS (HOPWA)
- HUD program funds managed by the Fairfax County Redevelopment and Housing Authority (FCRHA)

The Consolidated Community Funding Advisory Committee (CCFAC) is a citizen advisory group charged with overseeing the Consolidated Plan process, including providing oversight and developing funding priorities for the Consolidated Community Funding Pool (CCFP), a competitive funding process for community-based organizations.

During FY 2009, Fairfax County received funding from the following federal programs administered by HUD:

Community Development Block Grant (CDBG)	\$ 5,928,982
Plus	
Home Improvement Loan Program (HILP)	\$ 3,179,775 from the County General Fund
Home Repair for the Elderly Program (HREP)	\$ 69,782 from the County General Fund
Neighborhood Stabilization Program (NSP)	\$ 2,807,300 from HUD (nothing under NSP-2)
CDBG Homelessness Prevention	
Rapid Re-housing Program (HPRP)	\$ 2,462,398 from HUD
CDBG Recovery (CDBG-R)	\$ 1,610,504 from HUD
Non-County funds (unspecified source ¹⁷)	\$ 5,213,954
TOTAL of "Plus" items	\$15,343,713
Home Investment Partnerships Program (HOME)	\$ 2,448,682
Emergency Shelter Grant (ESG)	\$ 265,518
 TOTAL, not including items under "Plus"	 \$ 8,643,182

In 2009, the Affordable Housing Fund was allocated \$1,113,445.

While Fairfax County does not receive Housing Opportunities for Persons with AIDS (HOPWA) funds directly, HOPWA funds were expended by Northern Virginia Family Service from HOPWA funds sub-allocated to Northern Virginia jurisdictions through the Northern Virginia Regional Commission. HOPWA assistance is in the form of TBRA and short-term rent mortgage utility (STRMU) assistance.

Section 215 Definition of Affordable Housing: During FY 2008, Fairfax County used HOME funds to meet the affordable rental and homebuyer housing needs of the county's low-income residents. All HOME rental units were leased within the applicable HOME rent limits. Tenant applicants were required to provide all applicable documentation pertaining to household income in order to document their eligibility under the applicable HOME income limits. The affordability of all HOME-assisted rental units purchased by nonprofits and homebuyer units is secured by Fairfax County under a recorded deed restriction. The sales prices of homebuyer units assisted through the Homebuyer Equity Loan Program (HELP) are restricted by the applicable Section 203(b).

You probably have your own personal approaches and prejudices relative to affordable housing. If you were to set aside those prejudices and had the responsibility of developing a successful affordable-housing complex, what would be your answers to the questions posed in the Introduction section of this report? Have your selections aided the County economy in accordance with goal of the Board of Supervisors?

¹⁷ These might come from proffers. See CAPER 2009, Pg 13.

Appendix A: Summary of Brookings Institution's Anthony Downs' Recommended Housing Policies

Causes of the housing problem:

1. Our housing markets are working well for most households with money.
2. Low-cost housing, considered "decent" housing as judged by middle-class standards, is not sufficiently available for the poor; this unavailability is the "housing problem."
3. Poor immigrants must double and triple up, because overcrowded housing is superior to what they experience in their home areas.
4. Most middle- and upper-income households do not want to live in neighborhoods containing any sizable number or percentage of poor people.
5. The non-poor exclude the poor not through purely market forces, but through local zoning and other regulations that prevent construction of affordable units.
6. Local government officials block land uses that generate more local expenses than revenues.
7. Concentrating many very poor people together produces adverse (i.e., high-crime) neighborhood environments that reduce the life-chances of people who live there.
8. Government housing policies increase poverty concentrations by focusing most housing assistance and incentives on the very poorest households, in the poorest areas, thereby creating socially destructive (i.e., crime-encouraging) environments.
9. Rising real incomes generate desires for low-density living and, therefore, suburban growth (sprawl).
10. There is almost no connection between sprawl and urban decline (crime, poverty).

Failures of present programs:

1. New housing must meet high quality standards that poor people cannot afford without subsidies
2. The poor are not given subsidies, so few can live in new-growth areas
3. Suburban zoning is exclusionary.
4. Widespread racial segregation is found in almost all housing markets
5. Major obstacles to redevelopment are maintained in older core areas
6. Social values encourage households to move to higher-status neighborhoods when their incomes rise.

Some solutions:

1. HUD and Congress should create incentives, including financial aids, for local and state governments to modify their currently exclusionary behavior towards housing.
2. The federal government should encourage greater income diversity in neighborhoods, for example, by giving housing tax credits rather than tax deductions.
3. Require each metropolitan region to establish "fair share" allocations of low-cost housing among its communities
4. Allow owners of single-family homes of a certain size to create accessory apartments in their homes even if the local government does not permit it
5. Require every community to zone some land for multi-family housing
6. Expand use of vouchers to encourage the "moving to opportunity" program.
7. HUD should give planning grants to local governments within regions where all such governments agreed to develop a voluntary regional plan.
8. De-concentrate existing high-poverty enclaves so that middle- and upper-income groups share their neighborhoods with the poor to create equal opportunities in our society.
9. Greatly increasing aid to poor renters, who have the most severe housing problems, with vouchers and aid for the rehabilitation of older units.
10. HUD should set higher fair market rents in suburban markets with high housing prices to enable Section 8 households to live there.
11. HUD should fund re-development in the high-poverty areas because de-concentration will affect few such areas; however, re-development will fail unless income diversity is encouraged by incentives.
12. Federal housing policy should closely integrate land-use planning, transportation planning, and environmental planning.
13. Require each metropolitan area to develop some type of coordinated affordable housing and ground transportation plan as a prerequisite to receiving federal funding.
14. The federal government should continue to promote economic policies that keep interest rates low and labor markets tight.

White suburbanites can be induced to support these policies if their selfish interests are exploited:

1. Traffic congestion will be decreased.
2. Minority demand for suburban living will keep prices high.
3. Low-wage workers essential to both business and residential areas must live near to where the jobs are located.

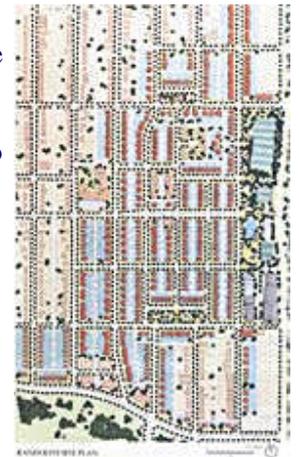
Appendix B: Designing Affordable Housing

The following website offers advice on designing affordable housing: <http://www.designadvisor.org/>. Of 76 projects considered noteworthy, two are in Virginia (see Exhibit B-1). Neither involves high-rise buildings. Of the 11 others investigated in support of this report, none were high-rise, most were 2- to 3-story buildings. We were unable to determine the present condition of most (e.g., crime, income levels, etc.), although some on-site investigations might be worthwhile. Several were re-developing for higher-income occupants. (The following descriptions were taken from the above web site. Some readers may find the wording offensive.)

1. RANDOLPH NEIGHBORHOOD, Richmond, Virginia

Richmond's Randolph neighborhood experienced many of the problems of urban poverty and disinvestment typical of US cities in the 1960s. In the early 1970s large areas of it were razed and designated for redevelopment. For years local citizen activists worked with the Richmond Redevelopment and Housing Authority (RRHA) to plan how to rebuild the neighborhood. From the beginning, said resident Betsy Jones, "I participated, along with a whole lot of other people, in urging the city to renew this area. We were involved in all phases of the planning from street plans to parking plans to density. Now we have a healthy, vibrant community that is still developing -- I'm proud of what we accomplished.

However, we lost a lot of older residents through the original renewal efforts and that was very painful."



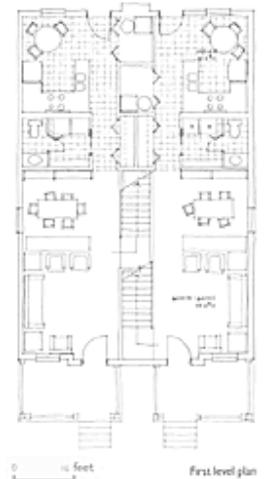
In order to accommodate community concerns that the neighborhood would not become gentrified, the first Randolph Redevelopment and Conservation Plan called for a significant amount of well designed housing for households with low incomes. However, once HUD reviewed the plan they decided that it would concentrate too many people with minimal resources in one area. The RRHA was forced to re-evaluate the plan. Although the RRHA had begun to successfully rehabilitate older houses at the edge of the neighborhood, there was debate about the type of new housing to be built. In 1981 some new public housing and Section 8 subsidized rental units were built with HUD funds, and in the mid-1980s momentum began to grow for private housing.



In response to HUD, the RRHA developed a second plan with the goal of creating a mixed-income community. "Build a neighborhood, not a project," was its motto. UDA Architects was brought in and, working with the community, they began to develop a plan based on traditional design concepts. According to architect Ray Gindroz, "The many community meetings on front porches emphasized their importance and the pride that residents took in the brick facades of the houses. We designed a range of housing types that would fit seamlessly with the adjacent blocks of 1920s red brick houses with white-painted porches, mimicking the block size and the design of alleys of the adjacent neighborhood." A pattern book of houses was designed with townhouses and duplexes, each with a front and back yard and parking off a rear alley. The zoning was changed to conform to traditional patterns; this was a benefit of the designation of the district as a redevelopment area.



The community process was challenging because, according to Bob Everton of the RRHA, "At first the community was not in favor of the new plan. They reminded the RRHA that they did not want to change the socio-economic characteristics of the neighborhood, and they felt that the "urban-style" of the units would be better received by persons other than the African-American community. Only after many community meetings and public hearings was the urban-style concept approved."



Marketing the denser homes was hard at first, partly because it was difficult to see the neighborhood as a complete development. Gindroz remarked, "The plan called for public improvements to be done in advance of the housing. Unfortunately, the new streetscapes were put in after the model homes were built, which set the sales pace back." The neighborhood also had to compete with new suburban tracts at the edge of town, so the attached units were not as attractive to prospective buyers. Eventually, the team modified the design so that the townhouses were three feet apart and raised slightly above grade to give buyers a sense of their own home. The RRHA worked closely with local developers and contractors to ensure that the homes would sell and that the program would continue. Council member Henry Richardson, who sponsored and supported the program from the beginning, remarked, "Randolph shows how successful we can be if government agencies actually respond to citizen participation."



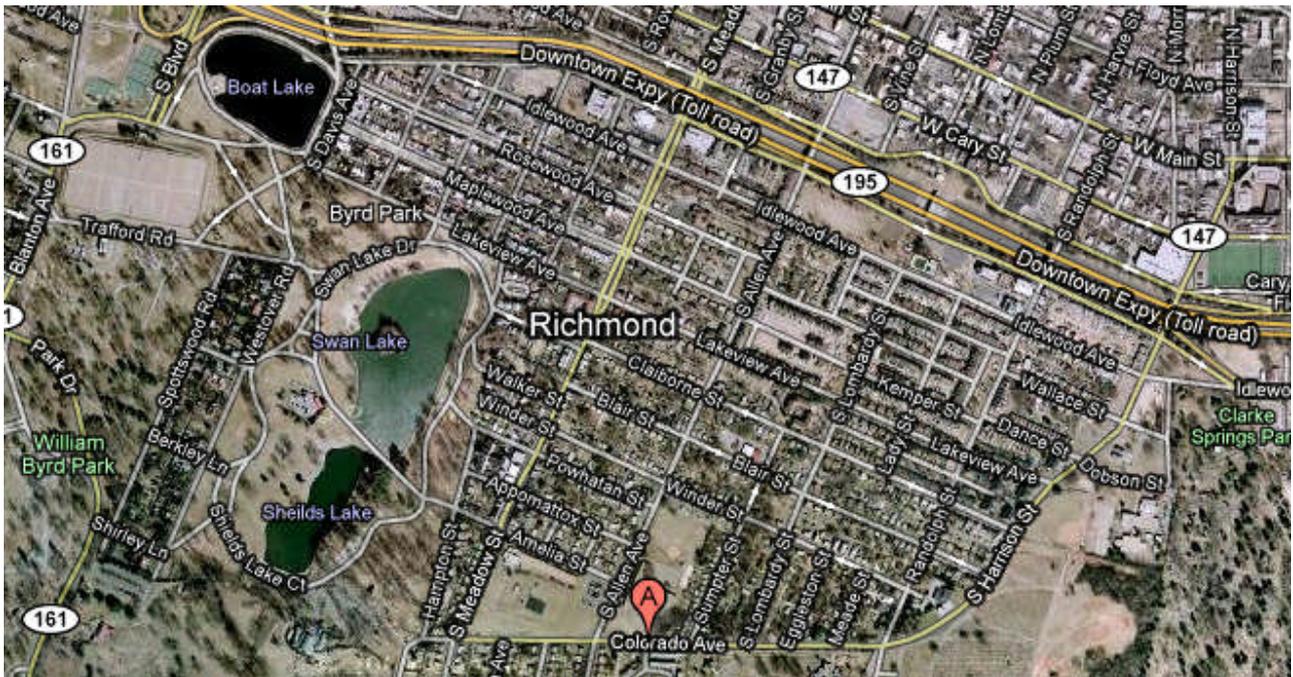
The Randolph development was envisioned as an extension of the existing neighborhood. The city of Richmond built three public parks as part of the development. One of them has a swimming pool, a large playing field, jogging track, tennis and basketball courts, and play areas for small children. The other two parks are smaller, but are carefully tended by residents. As Gindroz pointed out, "The best way to build this type of neighborhood is to design a group of houses around a park. When competing with suburban forms that have more land per unit, it is important that the advantage of urban life -- a sense of community -- can actually be experienced."



The area is exceptionally safe for one that includes a significant amount of public housing and other subsidized rental programs. However, the subsidized housing is balanced by a large number of owner-occupied, single-family houses. Along with an urban form that allows for individual identity while encouraging a sense of community, this balance has produced an environment in which residents actively maintain their security through surveillance of the street and front porch socializing. Beverly Burton bought one side of a duplex in 1983 where she raised her two children while she worked as an attorney. She commented, "This neighborhood is an attempt to get people from different backgrounds to all live together. There are people here who work in maintenance at the local hospital. It is very convenient to schools, transportation and community resources. It's like a little neighborhood right in the heart of the city!"

According to Wikipedia, Randolph Neighborhood is bounded on the south by Colorado Avenue, on the north by the Downtown Expressway, on the east by several historic cemeteries and on the west by Meadow Street and Maymont Park. It is less than one mile from Virginia Commonwealth University and center city. The neighborhood is home to many blue-collar families.

Google maps shows the area:

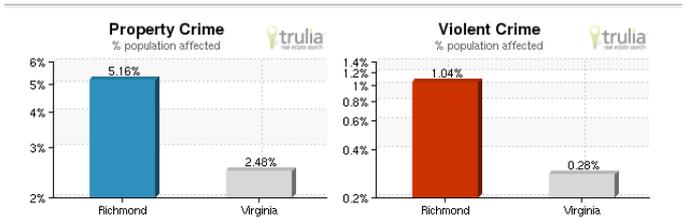


One house in the area is for sale (as of 2/9/2010). www.Trulia.com offers the following description: “Cheap Fixer Upper Next to VCU!!! 1811 Claiborne Street Richmond, VA 23220 Only \$39,900!!! For all of you always asking about a good investment deal near VCU - here you go! This 3 Bedroom 1 Bath deal is perfect for flipping or would make a nice cash flowing rental. This home has 1290 square feet and is situated very close to Virginia Commonwealth University. It needs extensive repairs but the after repaired value of this home is \$140,000!” Other three-bedroom homes in the area sell for between \$100,000 and \$140,000 (www.zillow.com). There are approximately 7 homes per acre. According to the Wikipedia article on Richmond, VA, the area is considered the “predominantly black working class Randolph neighborhood.” Homes in the Richmond area appear to be priced at somewhat less than 50% of what they are in Reston, VA. See, for example, 609 Coralberry Dr, Richmond VA 23236, a two-story Colonial, 5-bedroom home with 2.5 baths and 2288 sq.ft. of floor area, selling for \$250,000.

The same website shows a picture of the Claiborne house, which has 3 bedrooms, 1 bath, and a total floor area of 1290 sq.ft. The same website also shows the crime statistics for the city of Richmond.



Crime Statistics for Richmond



A house at 603 S. Allen Avenue, in the same neighborhood and shown below, is listed at \$185,000. It has 3 bedrooms, 2.5 baths, but no parking. It is less than 5 years old.



2. MIDDLETOWNE ARCH, Norfolk, Virginia

A multi-phase development in Norfolk, Virginia, Middletowne Arch was designed as an extension of the Haynes tract neighborhood. The predominantly African-American community was successful in changing the project to for-sale housing in the affordable range by organizing against the development of the former World War II housing site as an industrial park.

Norfolk's flexibility in the zoning of planned developments within urban redevelopment areas assisted the adoption of a plan that, although it appears unusual, was based on that of the historic Norfolk neighborhoods of Ghent, Colonial Place, and other neighborhoods chosen by the community as a model. In phase 1 the concentric pattern of curved streets, called the "arch", focuses on a public space; the focus of phase 2 is a retention pond around a wooded island. The location of parking on alleys made it possible to create a main street frontage without curb-cuts or garages that conveys the impression of the "good" neighborhood. The lot and block sizes match those of the surrounding area. For this conservative market, UDA Architects has reused the region's colonial architecture with skill and conviction. The close relationship between the private spaces of the dwellings and the community life of the street helps create a secure neighborhood. The success of Middletowne Arch encouraged the revitalization of the area, which demonstrates that developing affordable middle-income housing can be an effective way to stabilize neighborhoods.



3. DORADO VILLAGE, Philadelphia, Pennsylvania

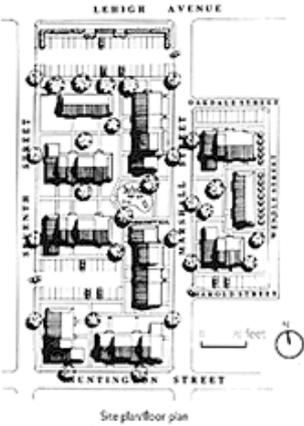
Dorado Village was developed in the mid-1980s on one-and-one-half city blocks comprising about 2.7 acres in Philadelphia. The buildings' design reflects the understanding developed during the architect's early meetings with the Spanish Merchants Association, which sponsored the development. The goal of the association was to provide large units for families and stabilize the neighborhood that lies between the territories of two divergent ethnic groups.





Despite a density of about 30 units per acre with off-street parking spaces provided for each dwelling unit, the placement of the buildings still permitted a series of sheltered courtyards for the tenants' outdoor enjoyment. The central courtyard has a tot lot next to a small building with a community room and laundry. Architect Stephen Mark Goldner used flats, townhouses, and townhouses over flats to provide a variety of unit types and to vary

the design of the facades and roofs. Appropriate architectural elements such as arches were incorporated in spite of the budget restraints. Instead of common hallways that reduce unit space, each unit has a private grade-level entrance with private stairs for upper units. Dorado Village, which is maintained by professional management, has proven to be an oasis of pride despite its location in one of the toughest sections of north Philadelphia. The Internet has no reviews of the apartments in Dorado Village; however, aerial views show that it is unchanged and in good condition. The rents are subsidized.



4. Other projects

The following table lists 76 affordable-housing projects considered to be successful.

	Source: http://www.designadvisor.org/	Year	Units	Rent/Own	Stories	Acres	Condition	DU/acre	Concept
1	Amistad Farm Laborers Housing, Hereford, TX								
2	Benson Glen, Seattle, WA								
3	Blacklands Transitional Housing, Austin, TX								
4	Capen Green, Stamford, CT								
5	Cascade Court Apartments, Seattle, WA								
6	Catherine Street, Albany, NY	unknown	130	own	3	3.5		37.1	Owners: Low- to moderate-income families, incomes \$12,700-37,000
7	CEPHAS Housing, Yonkers, NY	1992	15	rent	6	0.23		65.2	Section 8 eligible/formerly homeless families, usually single parent with children (construction similar to Ashford Meadows Apts in Herndon, VA)
8	Charlestown Navy Yard Rowhouses, Boston, MA								
9	Crawford Square, Pittsburgh, PA								
10	Crotona Park West, Bronx, NY	1994	563	rent	6	3.48		161.8	Formerly homeless, low-income, and moderate-income families (Phipps Houses)
11	Daybreak Grove, Escondido, CA								
12	Del Carlo Court, San Francisco, CA								
13	Dermott Villas, Dermott, AR								
14	Dorado Village, Philadelphia, PA	1983	81	rent	3	2.7	A	30.0	townhouses large Hispanic families
15	Dove Street, Albany, NY	1997	30	rent	3	0.21		142.9	Formerly homeless individuals with a disability
16	555 Ellis Street, San Francisco, CA								
17	The Farm, Santa Cruz, CA								
18	Field Street, Detroit, MI								
19	Fineview Crest, Pittsburgh, PA	2001	12	own	2	0.75		16.0	Low- and moderate-income families, 2000sf houses
20	Frank G. Mar Community Housing, Oakland, CA								
21	Harriet Square, Minneapolis, MN								
22	Hismen Hin-nu Terrace, Oakland, CA								
23	Holladay Avenue Homes, San Francisco, CA								
24	Hyde Square Co-op, Dorchester, MA								
25	International Homes, Chicago, IL								
26	La'ilani at Kealakehe, Kona, HI								
27	Lake Park Townhomes, Klahanie, WA								
28	Langham Court, Boston, MA								
29	Lee Goodwin Residence, Bronx, NY	1989	41	rent	3	0.26		157.7	single women with young children
30	Lorin Station, Berkeley, CA								
31	Lytton Park Place, St. Paul, MN								
32	Matsusaka Townhomes, Tacoma, WA								
33	Melrose Court, Bronx, NY	2008	265	condo	4	4.3	new	61.6	Low- and moderate-income families, incomes \$22,000-53,000
34	Mer Rouge Villas, Mer Rouge, LA								
35	Middle Towne Arch, Norfolk, VA	1960	188	rent to own	2	110	re-building	1.7	Black, moderate-income families
36	Mutual Housing Association, New York, NY	1990	322	own	4	6.0		54.0	Low-income families with max. income \$28,500 for family of 4
37	Ninth Square Redevelopment, New Haven, CT	1995	335	rent	5	4.2		79.8	Low- and moderate-income households (56% of units); market-rate.
38	Nuevo Amanecer Apartments, Woodburn, OR								
39	Oak Terrace, Boston, MA								
40	Ocean Park Co-op, Santa Monica, CA								
41	OPAL Commons, Orcas, WA								
42	Open Doors, Los Gatos, CA								
43	Orchard Village/Oak Hill, Chattanooga, TN	1992	49	own	2	8.6		5.7	SFD for very-low- to moderate-income families and seniors, incomes \$10,000-\$35,460.
44	Parkside Gables, Stamford, CT								
45	Parkview Commons, San Francisco, CA								
46	Paula Avenue Homes, San Jose, CA								
47	Quincy Homes, Chicago, IL								

Exhibit B-1: Listing of Projects Considered Successful by www.designadvisor.org

	Year	Units	Rent/Own	Stories	Acres	Condition	DU/acre	Concept	
48	Rancho Sespe Farmworker Housing, Piru, CA								
49	Randolph Neighborhood, Richmond, VA	1973	1010	own	2	100	re-building	10.1	black, blue collar
50	Regent Terrace Apartments, Philadelphia, PA	1980	80	rent	3	0.75		106.7	black, very-low-income families, incomes at or below 50% AMI
51	The Reservoir, Madison, WI								
52	Roxbury Corners, Roxbury, MA								
53	Sarah Powell Huntington House, New York, NY	1993	41	rent	6	0.15		273.3	Transitional housing for mothers who have been in prison, to reunite them with their children
54	Sojourner Truth Homes, Brooklyn, NY	unknown	136	own	2	3.45		39.4	First-time homebuyers, incomes \$32,000-53,000; allowed to rent part of house
55	Southside Park Co-housing, Sacramento, CA								
56	Spring Creek Gardens, Brooklyn, NY	1986	765	rent	5	7.8		98.1	single adults, two parent households, single parent households; 40% of AMI
57	St. John's Hospital Housing, Santa Monica, CA								
58	Stoney Creek Apartments, Livermore, CA								
59	Tent City, Boston, MA								
60	Timberlawn Crescent, Bethesda, MD	unknown	107	rent	3	5.4		19.8	Very-low-income, low-income, moderate-income, market-rate singles and families.
61	Tower Apartments, Rohnert Park, CA								
62	201 Turk and 111 Jones, San Francisco, CA								
63	Tuscany Villas, Davis, CA								
64	University City Family Housing, Philadelphia, PA	1991	70	rent	3	2.8		25.0	Black, very-low- and low-income families.
65	Villa Esperanza, Los Angeles, CA								
66	Viviendas Asistenciales, Tucson, AZ								
67	Waterside Green, Stamford, CT	1991	75	own	3	2.8		27.0	Low- and moderate-income first-time homebuyer families
68	West Town II, Chicago, IL								
69	West HELP, Greenburgh, NY	1991	108	rent	2	6.0		18.0	Temporary housing for single mothers (formerly homeless), rural area, one bedroom but can combine units for more bedrooms
70	West Hopkins Townhouses, Aspen, CO								
71	Westminster Place, St. Louis, MO								
72	Willowbrook Green Apartments, Los Angeles, CA								
73	Woodlands, Boulder, CO								
74	Yorkshire Terrace, Los Angeles, CA								
75	YWCA Family Village, Redmond, WA								
76	YWCA Villa Nueva, San Jose, CA								

Exhibit B-1 (continued)

Appendix C: Affordable Housing Success Stories

The website <http://www.affordablehousinggurus.com/> collects affordable-housing success stories. At present, it has only two success stories. Both are new construction (2009).

The first success story to be highlighted in our series is [Westminster Place at Parkesburg](#) (WPP). WPP is a community for individuals age 55 and older with 51 one-bedroom and 21 two-bedroom apartments located in Parkesburg, Pennsylvania. Opening in 2009, WPP is owned by [Presbyterian Senior Living](#) and was developed by [Housing Development Corporation of Lancaster County](#). WPP is a prime example of modern affordable housing. The first thing to be noticed about WPP is the exterior of the building – it is a vibrant sight in downtown Parkesburg. Also to be noted is the modern tele-entry system. Inside, the 750 – 950 square foot units boast spacious living rooms and walk-in closets! The development also contains a fitness room, on-site laundry facilities, and 24-hour maintenance service. This building is designated as a “green” building due to its focus on using environmentally sound construction materials that have a minimal impact on the environment such as sustainable and recycled building components as well as energy efficient appliances. Projects such as this defy the stereotype of affordable housing.



The second success story to be highlighted in our series is [Mifflin Mills Townhomes](#) (Mifflin Mills). Mifflin Mills is Lebanon, Pennsylvania’s first affordable rent-to-own townhouse community. The development is comprised 20 three-bedroom townhomes located just blocks from downtown Lebanon. Mifflin Mills was developed by the [Lebanon County Housing Authority](#) and construction was completed in November 2009. Mifflin Mills offers a unique opportunity for tenants in that the units will be leased during the first 15 years and then they will be sold to their tenants. During each year of occupancy, funds will be escrowed for tenants to use toward the down payment on the townhome. The 1,380 square foot 2 and 3 story units have open floor plans, front porches, off-street parking, energy star appliances, and high efficiency natural gas heat. Mifflin Mills was developed on a vacant blighted city block and the construction of Mifflin Mills has greatly improved the appearance of the neighborhood. In addition, the property was designed to blend in with streetscape of the neighborhood further adding to the aesthetics of the community in which it is located.



<http://www.cmhc-schl.gc.ca/en/inpr/afhoce/sust/index.cfm> lists many success stories in Canada.

Appendix D: A Summary of County Policy Regarding Affordable Housing¹⁸

One goal of the Board of Supervisors is that of providing Affordable Housing. The Comprehensive Plan states the Board's goal as:

Opportunities should be available to all who live or work in Fairfax County to purchase or rent safe, decent, Affordable Housing within their means. Affordable housing should be located as close as possible to employment opportunities without adversely affecting quality of life standards. It should be a vital element in high density and mixed-use development projects, should be encouraged in revitalization areas, and encouraged through more flexible zoning wherever possible.

The Glossary of the Comprehensive Plan defines Affordable Housing as follows:

... housing that is affordable to households with incomes that are 120 percent or less of the Area Median Income (AMI) for the Washington Metropolitan Statistical Area (MSA). Affordable housing includes units created under the Affordable Dwelling Unit (ADU) program that are affordable to households with incomes that are 70 percent or less of the AMI. Affordable housing also includes units produced through the Workforce Housing initiative, which is designed to encourage proffers of rental and for-sale units that are affordable to households at various income limits up to 120 percent of the AMI. Affordable housing may also include other units produced through federal, state or local programs by the private, non-profit and/or public sectors. The AMI for the Washington MSA is determined periodically by the U.S. Department of Housing and Urban Development.

Justification for the Affordable Housing program is given in the Introduction section (Page 1):

The gap in housing affordability can affect the ability of employers, including the County, to attract employees crucial to the health and safety of the community as well as to the area's economic growth and prosperity.

In other words, Affordable Housing is needed to house needed employees. The lack of Affordable Housing is blamed in part on

the short supply of appropriate sites that are planned and/or zoned for multifamily development. The production of multifamily housing is also hampered by the high costs of land and construction which necessitate rents and sales prices that are not competitive with existing multifamily units in the market and are unaffordable to many who would desire this housing type.

The Plan does not state why new construction would not be competitive with existing construction. Perhaps new construction is built to higher quality and safety standards and/or existing construction is in inferior condition.

The activities of the County in the area of affordable housing are presented in the annual CAPER report. For example, for FY 2008, the Fairfax County, VA Consolidated Annual Performance Evaluation Report (CAPER) is at <http://www.fairfaxcounty.gov/rha/caper/2008/2008caper.pdf>. Therein the Mission Statement, approved by the Board on September 13, 1999, is quoted:

The mission of the County is to maximize the effective and efficient use of resources in the Consolidated Plan through a citizen-driven, staff-supported process to develop and preserve affordable housing, promote healthy, thriving and safe neighborhoods, and provide quality, accessible human services that meet essential existing and emerging needs throughout Fairfax County.

In a private communication from the County's John Payne on 12/14/2009, the following data was obtained for the Hunter Mill District:

¹⁸ FAIRFAX COUNTY COMPREHENSIVE PLAN, 2007 Edition: Housing, Amended through 9-22-2008

Hunter Mill District

All dwelling units	
Single Family	20421
Duplex	38
Townhouse	12054
Multiplex	1743
Multifamily 1-4 Stories	14166
Multifamily 5-8 Stories	832
Multifamily 9+ Stories	1537
Mobile Home	0
Total Units	50791
Affordable dwelling units	
ADU	2462
Workforce	174
ADU + Workforce	5%

Description	Acres	Total DU	Total AU	# WDU	Comments	Owner
Existing						
2222 Colts Neck Road	4.33	210	42	42	75% @ 70% AMI, 25% @ 80% AMI	County
JBG/RIC	9.96	498	60	60		County
Various other County			790			County
Reston Spectrum	24.29	1442	72	72	100% AMI	Private
Various other private			1506			Private
Proposed						
Fairway Apts	18.82	940	113		if 12% provided	Private
Comstock/Wiehle Ave	12.47	444	53		if 12% provided	Private
TOTALS			2636			

The following table lists the 2,015 Affordable Housing units that were available in 2004 in the Upper Potomac planning district.

**FIGURE 3
UPPER POTOMAC PLANNING DISTRICT
ASSISTED HOUSING**

(Occupied or Under Construction, as of October 2004) Location	Planning Sector	Number of Assisted Units	Type of Ownership And Program
Rental Projects (1612 units)			
Herndon Harbor House Jorss Place	UP4	120	Fairfax County Rental (Elderly)/ Adult Day Care Center/ FCRHA Bond Financing/Tax Credit
Cedar Ridge Apts, Becontree Lane	UP5	195	Fairfax County Rental/Section 221-d-3
Fellowship House (Lake Anne) North Shore Drive	UP5	240	Private/Section 202/Section 236 (Elderly)
Fellowship House (Hunter Woods) Colts Neck Road	UP5	224	Private/Section 223f (Elderly)
North Point, Northpoint Circle	UP5	48	Private Rental/Tax Credit
Reston Town Center, Bowman Towne Court	UP5	30	Public Housing
Shadowood, Castlerock Square	UP5	16*	Public Housing
Stonewheel Village, Stonewheel Drive	UP5	230	Fairfax County Rental/Section 236/Tax Credit
West Glade, Glade Drive	UP5	50	26 Public Housing and 24 Fairfax County Rental
Dulles Town Center Apts. Sunrise Valley Drive	UP6	272	Private/Tax Credit/VHDA Financing
Trevors Run at Dulles Center Sunrise Valley Drive	UP6	11	Private/ADU Rental Program
Jefferson Commons Phase I, Masons Ferry Drive	UP7	152	Private/Tax Credit/VHDA Financing
Jefferson Commons Phase II, Masons Ferry Drive	UP7	134	Private/Tax Credit/VHDA Financing
Kendrick Court, Coppermine Road	UP7	139	Private/Tax Credit/VHDA Financing
Sunrise House, West Ox Road	UP7	20 beds	Group Facility
Homeownership (403 units)			
	Scattered	218	MIDS, First Time Home Buyers, or Affordable Dwelling Units
Reflection Lake Co-op, Springer Drive	UP4	84	Cooperative/Section 236
Island Walk Co-op, Torrey Pines Ct.	UP5	101	Cooperative/Section 8/Tax Credit

Appendix E: An Economist's Explanation of Some Housing Issues

Doug Krupka, an economics professor at the University of Michigan, reviewed an early version of this report and sent the following comments.

That new construction is not competitive with existing construction in this income range can be related to Anthony Downs' 1st point under "Failures of present programs" which is that new housing must meet high quality and safety standards that poor people cannot afford without subsidies. Older construction either didn't have to meet such high standards, or did meet them, but has had a long time to depreciate, so that the homes are not worth as much as the same home would be worth if it were built identically today. The effect of depreciation is called "filtering" by economists. The idea is that, as a home ages, it becomes less desirable to high income households, who then sell the homes to lower income households. After some time, those lower income households sell the (more depreciated) house to even lower income households, and so on down the line. This is one way economists understand neighborhood transition: as the housing stock in a neighborhood depreciates, high income households move out, and lower income households move in.

The serious empirical work I have seen on the subject of filtering (I am not an expert on this sub-sub-field of urban economics) suggests that the filtering is more about house size than depreciation. Older homes were smaller, and today's rich want bigger homes. So, they sell their old, smallish homes to poorer households and move to greenfield developments where housing can be built at their desired size. In any case, most new, unsubsidized construction tends to be for upper- or upper-middle-class households. Most economists think of this as being a somewhat natural outcome. From this perspective, it is just difficult to have private developers develop affordable housing.

I think that there is some truth to that interpretation, but Downs also mentions the zoning side of things. Reading closely, you see two separate motivations for "zoning out" affordable housing. One is that concentrated poverty can cause negative effects like crime, run-down business districts, poor home maintenance, etc. Given the very high level of incomes we are talking about in Reston (between 50k and 130k), we are not talking about "poor" families moving into Reston with these definitions of affordable (below 70% and up to 120% of AMI). These are normal families with good incomes. A family with two elementary school teachers would probably fall into this range, as would two people working at NGOs. These are not "poor" households by any stretch of the imagination; they are just priced out of much of Fairfax County due to high prices. Concentrating such households will not cause crime pockets and will not cause areas with shabby malls and dilapidated structures. It will cause neighborhoods similar to those many Reston residents grew up in.

The other motive for zoning out poor families is mentioned by Downs in his 6th point under "causes of the housing problem." Governments zone out land uses that will not generate enough tax revenue to cover their own costs to the city. Because the local government pays for many of its "municipality like services" through a property tax, low-value homes pay less into the budget, but cost roughly the same as more expensive homes in terms of education, garbage collection, fire and police protection, etc. Economists have thought a lot about this. There is a literature starting with Charles Tiebout (long dead) and currently Denis Epple (at Carnegie Mellon University) which looks at these sorts of motivations. The most recent work suggests that this kind of exclusionary zoning is "efficient" (in the narrow economic sense of the term) but pretty inequitable: the rich are made better off by being able to zone out poor people, but the majority of people are made worse off by this ability.

If municipal services were paid for with user fees (instead of property taxes), much of the motivation for exclusionary zoning would disappear. Oddly, many people object to user fees because in practice they come close to being a "head tax" (a per-person or per-household fixed tax), which seems quite inequitable to people. After all, why should poor families have to pay as much as rich ones? This is ironic since the property tax which replaces the head tax creates incentives for exclusionary zoning which prevents poor people from getting the

municipal services even if they would want to pay for them, which seems even more unfair than the head tax. Maybe a political scientist can explain why moving to a user-fee (away from property taxes) is deemed politically impossible.

Whether a similar motive lies behind Reston's decisions is not something I can say with the information I have. It depends on your property tax rate, and how much services will likely cost for the smaller, higher density homes that would be built if more affordable homes were to be built. There is a person in the planning department here at the University of Michigan named Jonathon Levine who also does work on this. I thought his book "Zoned out" was tremendous and maybe you would find it worth reading as well. He is more concerned with what one might call "new urbanism" and transit-oriented developments than affordable housing, per se, but his discussion of the economics point of view is quite accessible and competent. He believes that zoning is a major impediment to more walkable and affordable neighborhoods, and I tend to agree with him.

One point I would make about affordable housing and tax revenues (and costs) is that if zoning prevents developers from producing smaller, more affordable homes, then that is decreasing the value of the land (because the zoning prevents the land from being used for its best use). While the affordable housing may be worth less PER UNIT, you will likely have many more units on any given amount of land, and it is quite possible (maybe even likely) that total revenue (through property taxes) will be higher if the developer is allowed to build at higher densities than the zoning requires. Focusing on per-unit revenue tends to obfuscate this point. The higher density development will also (probably) allow for some per unit savings in services (family sizes might be smaller, and provision of many services might be more efficient at high density). The economic models that have looked at the efficiency of the zoning laws have not really examined these kinds of cost savings, and I do not know of any convincing literature one way or another on it. But the possibility is worth keeping in mind. Much depends on the tax structure and types of services provided in Reston.

The goals in the Comprehensive Plan are rather curious. It occurs to me that, if the rest of the county is reluctant to meet these requirements, and if the people of Reston are relatively more willing to meet these requirements, then there might be a possibility of a nice bargain between Reston and other communities. Basically, if Reston allows for more than 12% "affordable" units, it takes some pressure off the rest of the county to meet their fair share of the affordability goals. If the other communities value this, there might be a way for Reston to negotiate some kind of concessions from the rest of the county for supplying more than 12% of the affordable housing. Because Reston has a relatively dense population and a considerable business district, Reston may stand to gain more from the inclusion of provisions for people in need of "affordable" housing, especially given the type of families we are talking about in the County's Comprehensive plan (with incomes between about 50k and 130k).