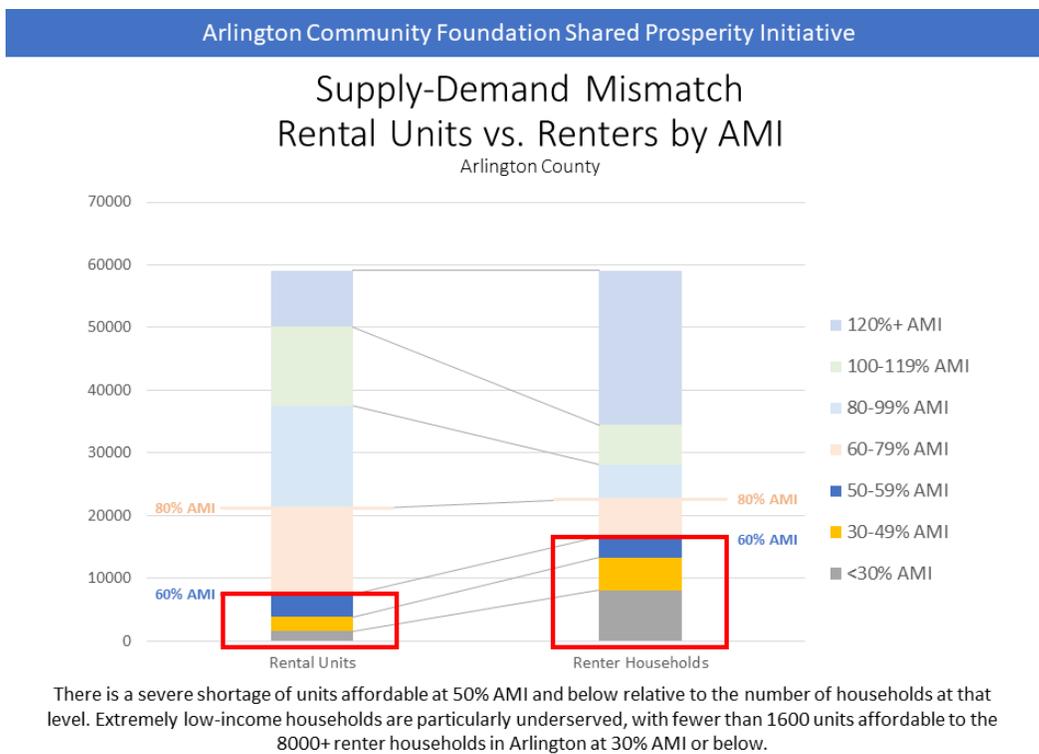


# Approaches to Successfully Preserve Affordability for Extremely Low-Income Renters through the Barcroft Apartments Redevelopment

Michael Spotts, lead researcher and author, and Mary Hynes, policy consultant

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For decades, the Barcroft Apartments have provided housing affordable to residents with a diverse array of incomes and backgrounds, including Arlington’s lowest income households. In December 2021, Jair Lynch partnered with Arlington County and Amazon to acquire the site, committing to permanent affordability for 1,334 units at 60% of area median income (AMI) and promising that no existing tenants at any income level will be involuntarily displaced. This 60% AMI commitment is a considerable accomplishment for the County and its partners, and is a critical and necessary first step for preserving Barcroft’s affordability. However, more must be done to address the full range of incomes present in the property and the most significant unmet housing needs in the County. Specifically, 30% AMI households face the most severe shortage of affordable housing in Arlington (see chart).



Based on the Spring 2022 census of Barcroft residents, there were 255 households reporting incomes of 30% AMI or less (also known as extremely low-income or ELI households). As existing Barcroft tenants at or below this income level move out over time, additional commitments must be made to ensure that similarly situated households can continue to find a place to live. **As such, the Shared Prosperity team at Arlington Community Foundation (ACF) has established the goal of creating 255 units affordable to ELI households at the Barcroft Apartments for at least 30 years (hereafter, the ELI unit target). To accomplish this goal, the Master Finance and Development Plan (MFDP) for the redevelopment should include this goal and enumerate a pathway and menu of tools that may be utilized as appropriate for achieving the target.**

While Arlington Community Foundation (ACF) is singularly focused on ensuring that affordable housing for those earning 30% of AMI or less continues at Barcroft Apartments, we are also fully committed to the

Columbia Pike planning goals for quality of life - open space, historic and tree preservation, green buildings, reliable robust transportation options and school/community facilities.

The Barcroft Apartments redevelopment is expected to be completed over the course of ten years and in multiple phases. These phases will be guided by the MFDP that Jair Lynch will deliver to the County Manager in October 2022. The County will develop a review process and it is expected that any Board actions will occur in Spring 2023.

To further the goal of reaching the ELI unit target, the Foundation has investigated and modeled potential policy and financing approaches. This briefing memo is a working document summarizing our initial findings, intended to outline for County leadership, the development and finance sector, housing advocates, and others a broad menu of options for reaching the ELI unit target. This analysis was conducted based on high-level property details, land use provisions, and financing options informed by conversations with a variety of stakeholders with a wide range of expertise relevant to the Barcroft Apartments redevelopment. The relative effectiveness of the options will vary based on the one-the-ground conditions and plans for each phase of the redevelopment effort.<sup>1</sup>

**Based on this initial analysis, we offer the following key takeaways:**

- Though challenging, creating 255 Committed Affordable units (CAFs) affordable at 30% AMI for 30 years is achievable using mostly existing tools. We estimate that an additional \$20-30 million could be needed over the ten-year redevelopment period.
- Success likely requires a three-pronged approach of:
  - Using land use tools – additional density, parking reductions, etc. – to create a portion of the 1,334 committed affordable units, thus allowing the financial subsidy originally intended to achieve 60% AMI units to be used toward ELI units.
  - Within those 1,334 committed units, using “income averaging,” allowing the affordability level for a subset of units to rise to 70-80% AMI in exchange for 30% units.
  - Using financial subsidy to “buy down” affordability for a proportion of the units. This subsidy could come from a number of sources, including loan forgiveness from Amazon or the County, allocations from the Virginia Housing Trust Fund, a community capital campaign, or various tax credit programs at the state/federal level.

For modeling purposes, we use approximately \$195,000/unit to calculate the 30-year buy down cost from 60% to 30% AMI. In Scenario 3 (p.10) we provide two illustrations that create 255 30% AMI units. One scenario uses 240 “income averaged” units and approximately \$30 million in aggregate additional investment (or \$3 million/year), while the second uses 383 “income averaged” units and \$16.6 million (\$1.6 million/year)

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<sup>1</sup>Analysis and modeling requires making estimates and projections based on current and anticipated market conditions. Variables subject to change over time include interest rates, market demand and rent trajectories, construction costs, and operating expenses. In addition, the Foundation was not privy to certain site-specific information (such as the condition of existing units or the proportion of units to be redeveloped vs. rehabilitated) that will influence any approach to meeting the ELI unit target. As such, the outcomes from the Foundation’s modeling should be considered estimates subject to the specifics of the macroeconomic environment, rather than precise cost or production projections. This work was informed and refined based on conversations with Arlington County, Jair Lynch, and other planning and housing practitioners, but the results are the Foundation’s alone and may not represent the views of any other party.

- Some solutions will require all three investors - Jair Lynch, Arlington County and Amazon - to agree to changes to the conditions of the loan agreement and deed restrictions to provide greater flexibility. For example, income averaging would require language allowing redeveloped units to serve a wider range of incomes (while still maintaining a portfolio average of 60% of AMI).
- Other tools and approaches – such as rental assistance and property tax incentives – could also play a role in meeting the need for 30% AMI units.

**The Bottom Line**

Creating 255 units affordable at 30% AMI is an achievable goal using a blend of tools and funding. Commitment to this goal by the Arlington County Board this fall will ensure that all parties pursue a funding scenario that preserves this level of affordability for the long run, in keeping with our Affordable Housing Master Plan and the Columbia Pike Neighborhoods Plan.

## Planning and Land Use Tools

The amount of financial subsidy necessary to a) produce 60% AMI CAFs and b) buy-down affordability to meet the ELI unit target can be reduced if non-financial tools are deployed. These generally take the form of land use flexibility and/or incentives and can include additional density, height, form flexibility, parking reductions, entitlement/permitting streamlining, and/or other provisions that increase the economic potential of a property, spread fixed costs more widely, or reduce the cost of development.

If a substantial number of CAFs could be achieved using these ideas, the reductions in per unit subsidy needed to achieve the baseline 1,334 unit 60% AMI CAF requirement could be redirected to the ELI unit target.

To provide a “back of the envelope” illustration, for every two units affordable at 60% of AMI that are achieved solely through additional density, the result would be savings in County subsidy in excess of the amount needed to buy down one unit to 30% AMI.<sup>2</sup>

Given the information publicly available at this time, we are not able to assess the site-specific feasibility/applicability of the various Arlington County land use tools. As more information is available, we plan to conduct additional analysis to assess potential impact.

### **Balancing Flexibility within the Current Planning Framework for Columbia Pike**

Though this memo references additional/incremental density and market rate units, that does not necessarily indicate an increase beyond the aggregate amounts envisioned in the existing Columbia Pike planning vision. Given construction costs and market dynamics, most new construction along Columbia Pike uses construction methods (wood frame over concrete podium) that in practice limits height (and by extension, density) below what the current planning policies might otherwise allow. As such, achieving the baseline levels of density

<sup>2</sup> This calculation is based on the County’s current per-unit investment of \$112,444 (which Jair Lynch and the County will “right size” as each individual phase of development proceeds) as well as our calculation that approximately \$195,000 investment per unit is needed to buy down a 60% AMI unit to 30% AMI.

envisioned in the original plan (and the market-rate development necessary to meet the Neighborhoods Plans' affordability targets) may require flexibility in where such density can be added.

## Potential Approaches

**Based on the high-level information of the site and available tools, we highlight three opportunities to use planning and land use flexibility to free resources to meet the ELI unit target.** The primary objective of this flexibility is to allow for the creation of incrementally more market-rate units (or reductions in development costs/greater economies of scale) than could be achieved without this flexibility, in order to offset the costs of providing deeper affordability.

1. **Selectively add density to specific phases** - Arlington County has several policies in place that apply to the Barcroft Apartments redevelopment, most notably the Columbia Pike Form Based Code (FBC), the County's affordability requirements associated with the 4.1 Site plan process,<sup>3</sup> and additional bonus density policies.

The Columbia Pike Neighborhoods Plan provides the "big picture" vision for the Barcroft Apartment redevelopment process and the Form-Based Code provides the details.<sup>4</sup> Though Jair Lynch has the right to pursue development via the 4.1 site plan process (most commonly used in the Metro corridors), approval of a 4.1 site plan is contingent in part on demonstrating that the development would be consistent with the County's adopted plans for the site. As the Neighborhoods Plan and Form-Based Code embody those plans and offer a more streamlined, less costly approval process, most larger-scale developers along the corridor have utilized the Neighborhoods Plan/FBC to secure development approvals. We anticipate that the Form-Based Code will govern most of the Barcroft Apartments redevelopment. However, the County Board could also use the tools it controls to selectively add density to the specific development phases where the potential value to be gained (in terms of benefits to the community in exchange for increased development potential) justifies this approach.

2. **Leverage development on Barcroft's Commercial Nodes** - Separate and apart from the Barcroft Apartments acquisition, Jair Lynch was the sole purchaser of the two commercial sites that front the Pike to the east and west of the Barcroft Apartments site.

The Columbia Pike Initiative Plan and Commercial Centers Form Based Code does not require affordable units at those sites unless development is pursued via the 4.1 site plan process. These sites could represent opportunities to create CAFs through additional market-rate density. However, the Affordable Housing Plan Covenants and the Deed of Declaration of Restrictive Covenants require all 1,334 affordable be provided on the Barcroft Apartments site (excluding the commercial parcels). For any CAFs produced on the commercial sites to count toward the 1,334 CAF commitment, the current three-party agreements would need to be amended.

Another approach that would not require amending agreements/covenants could use additional market-rate density (via site plan negotiations, minor adjustments to the FBC, and/or current transfer of development rights policies) for the commercial parcels to cross-subsidize deeper affordability on the core Barcroft Apartments site. In either scenario, attention should be paid to preserving the existing small businesses currently located on the commercial parcels that serve the existing community.

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<sup>3</sup> The Affordable Dwelling Unit Ordinance requires that 5% of gross floor area above 1.0 FAR be dedicated to affordable housing, with alternative compliance in the form of off-site compliance or contributions to the AHIF.

<sup>4</sup> The development team also retains the option to pursue by-right redevelopment of the site, which is currently zoned RA8-18 and RA 14-26, though there have been no indications that this path will be pursued.

3. **Refine the number of units in the Conservation Area** -The Neighborhoods Plan FBC requires the preservation of the physical structures of 1,100 units in the Plan’s Conservation Areas. This limitation on the use of additional density on a large portion of the site could be overcome with minor expansions/adjustments that are consistent with the spirit of the FBC while still maintaining a considerable number of historic buildings.

To illustrate one possibility, the County could allow mixed-use redevelopment (with the same FBC provisions/characteristics as allowed along Columbia Pike) to extend along the full extent of the site along Four Mile Run Drive, while maintaining the historic buildings and green space along the balance of S. George Mason Drive and the interior of the site. The optimal approach for any adjustments will depend on site capacity, market demand, and the long-term physical and financial viability of the existing structures, which were built between 1941-1947.

### Income Averaging

For units produced through land use incentives or through financial subsidy programs such as the federal Low-Income Housing Tax Credit program (LIHTC), income averaging can be used to create 30% AMI units. This approach allows a portion of CAFs to increase their affordability level to 70-80% AMI, with the additional rent revenue offsetting the forgone rent from units serving households below 60% AMI.

Producing 30% AMI units through this method could dramatically improve the financial feasibility of achieving the ELI unit target of 255 units. Though some practitioners have cited challenges in executing income averaging due to its relative newness,<sup>5</sup> some affordable developments in the region have proceeded using this approach and it is likely that remaining difficulties will be resolved over the course of the projected ten-year redevelopment timeline for the Barcroft Apartments.

In our modeling of Arlington rents, the number of higher-income units needed to off-set the forgone rent for reserving a unit at a lower-income level varies according to the specific incomes being targeted:

Income Averaging: revenue replacement ratio	Units needed to create deeper targeting:
From 80 to 30% AMI	1.50 (Three 80% units pay for two 30% units)
From 80 to 40% AMI	1.00
From 80 to 50% AMI	0.50
From 70 to 30% AMI	3 (Three 70% units pay for one 30% unit)
From 70 to 40% AMI	2
From 70 to 50% AMI	1

<sup>5</sup> The LIHTC program did not allow income averaging until 2018.

## Interaction with market rents

While 80% AMI units create the most potential ongoing rental income, there are limits to how many of such units can be plausibly incorporated into the Barcroft Apartment redevelopment. The primary issue is market demand. Based on rents in the Columbia Pike corridor and across Arlington County, households at 80% AMI have more housing choices than households further down the income spectrum. If there are market rate units in the vicinity of comparable quality but modestly higher rents, such households may choose to live in the market-rate apartment to avoid the regulatory burden that accompanies living in a committed affordable unit (for example, income qualification/recertification). A similar scenario led to the adjustment of affordability requirements in Fairfax County as part of the Tysons redevelopment plan. Marketability may be a bigger challenge for rehabilitated units as opposed to the newly constructed units that are planned as part of the redevelopment. However, we anticipate that there will still be some demand for CAFs above the 60% AMI threshold; CAFs do provide the benefit of greater year-on-year rent stability, and there is likely still demand for family-sized units and those in newly constructed buildings.

## Serving the full spectrum of affordability need

The other challenge of income averaging is achieving an affordability balance that is more representative of the people currently living at Barcroft Apartments. Over-reliance on the income averaging approach could lead to an overabundance of higher-income units and significant affordability gaps between 31 and 60% of AMI.

According to data released by the development team, as of May 2022 the vast majority of Barcroft's current households earn at or below 60% of AMI:

AMI Breakdown	Percent of households	Number of households
Total Units		
0-30%	25.10%	255
31-40%	19.50%	198
41-50%	19.00%	193
51-60%	14.20%	144
61-70%	7.30%	74
71-80%	11.70%	119
81-100%	3.20%	33
101-120%	0.00%	0
120%+	0.00%	0
Total Occupied Units	100.00%	1017

Using income averaging would allow existing higher-income residents to be served and create an opportunity to approximate the current CAF tenant income mix over time. Given that (as of this writing) there are more than 200 vacant units, incorporating additional 60-80% AMI units could be accomplished without increasing rents for current tenants. However, it is important to strike a balance that does not create a “doughnut hole” effect in which households between the upper and lower ends of the spectrum are underserved.

### **Potential legal barriers to income averaging**

The binding agreements between Arlington County, Amazon, and Jair Lynch present some challenges that may be addressed in the MFDP and/or through other County Board/Amazon/Jair Lynch actions. Article IV of the Affordable Housing Plan Covenants and the Deed of Declaration of Restrictive Covenants requires Jair Lynch to reserve 1,334 CAFs at or below 60% of AMI. This would mean that units created by using income averaging at either 70 or 80% AMI would not count toward the 1,334 unit goal. Without amending this provision to create flexibility, upper-AMI CAFs beyond the agreed-upon 1,334 units would need to be provided to ensure that 1,334 were affordable at 60% AMI or less. This barrier can be remedied in a relatively straightforward manner. Each individual phase of development will require the application of new covenants and restrictions that apply to that specific property. If authorized by all parties, these new agreements can include language that allows higher-income units provided that the average affordability of all CAFs at full buildout is at or below 60% AMI.

### **Financial Subsidy**

Though traditional sources of affordable housing subsidy are critical, most tools and resources for financing deeply affordable units are limited compared to the scale of need at the Barcroft Apartments, do not meet the specific needs of current tenants, and/or are limited by the regulatory policies that are currently in place. Examples of such constrained tools include HUD Housing Choice Vouchers and project-based rental assistance; Arlington County Housing Grants and AHIF capital subsidies; Virginia Housing LIHTC equity and gap financing; and the Virginia Housing Trust Fund. While all of these resources will play critical roles in the Barcroft Apartments redevelopment process, by themselves they are insufficient for reaching the ELI unit target.

### **“Brick and Mortar” buy downs**

In recent years, Arlington Community Foundation has funded the upfront, one-time cost of a 20-30 year “bricks and mortar” buy down<sup>6</sup> to achieve ELI affordability in several affordable rental properties. The average cost of this investment was approximately \$170,000 per unit. The estimated cost of a similar investment in the Barcroft Apartments will depend on the specific rent levels, bedroom counts, and interest rate environment, among other factors. However, given current rent levels this approach could require approximately \$195,000 per unit. That cost could be reduced substantially if the baseline affordability of the units being bought down was lower, either via the density incentives or income averaging tools discussed previously in this memo.

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<sup>6</sup> In these cases, an upfront investment that reduces the developments’ debt service costs in an amount that offsets the rental income foregone by reducing rents to 30% AMI levels.

<b>Using financial subsidy to achieve the full 30 year, 30% AMI buydown</b>		
	Units	Cost
Cost of reducing from 60% AMI units (per unit)		\$ 195,474
Total cost to reach 30% AMI target	255	\$ 49,725,000
<b>Using land use incentives to reach deeper affordability prior to calculating buy down - 2 scenarios</b>		
	Units	Cost
Cost of reducing from 50% AMI to 30% units (per unit)		\$130,352
Total cost to reach 30% AMI target	255	33,239,760
Cost of reducing from 40% AMI to 30% AMI units (per unit)		\$65,230
Total cost to reach 30% AMI target	255	\$ 16,633,650

The source of such funds can be from public, private, or philanthropic institutions, or any combination thereof. A critical consideration is that given the nature of financing terms and the legal agreements that accompany LIHTC subsidies, this capital will most likely be needed as part of the initial development or substantial rehabilitation financing package for each phase of the 10-year redevelopment. Though resources identified/acquired after units are placed into service can still be helpful in meeting the ELI target, at that point such resources are more effectively deployed in other forms, such as creating a pre-funded rental subsidy “account” that functions like a project-based rental contract or by offering rental assistance directly to tenants.

**Right-sizing Arlington and Amazon’s initial investments over time**

It is unclear whether Arlington County and/or Amazon will be willing to provide any additional financial support to Barcroft Apartments beyond the financing provided at acquisition. However, Article V of the loan agreement calls for right-sizing per-unit County subsidies (including proportional repayment to the County, if applicable) as each individual LIHTC development/rehabilitation proceeds. To the extent that there is “excess” County and/or Amazon subsidy in any individual development, the partners to the redevelopment could adjust repayment/financing terms (or convert a small portion of the original loan to a grant) and reinvest the excess resources to buy-down affordability to contribute to the ELI unit target.

**Financial tools still to be explored and evaluated**

There are additional financial and capital tools that could lower ongoing costs and facilitate deeper income targeting, including loan guarantee funds and interest rate buy-downs to reduce the cost of debt service; fee waivers that reduce development costs; property tax abatements, incentives, and payments-in-lieu-of-taxes

that reduce ongoing tax liability, and rehabilitation specific capital sources. Detailed analysis of the availability, viability, and (in the case of certain property taxes incentives) state constitutional authority to offer these tools in the context of the Barcroft Apartments redevelopment has not yet been completed.

## Scenarios for Meeting the ELI Unit Target

To illustrate the range of costs and outcomes using income averaging and buy downs, the Foundation created a series of simplified scenario models. Given the information publicly available at this time, we are not able to assess the site-specific feasibility/applicability of the various Arlington County land use tools. Please also note that these models consider the ELI target in the aggregate (i.e., 1,334 CAFs at full buildout). In reality, each distinct phase and building will need to be considered individually. In addition, these models do not consider the use of additional land use incentives, as there was considerable uncertainty around the total number of units anticipated as part of the overall redevelopment plan and what level of development could currently be built on the site.

### Scenario 1: Financial Subsidy for Buydown Alone

#### Bottom line

This scenario requires nearly \$50M in additional investment

From a technical perspective, the most straightforward approach to achieving the ELI unit target would be to use financial subsidy to buy down all 255 units. However, from a practical perspective this may be the most difficult approach, due to its cost. As previously mentioned, buying down 255 units from 60% to 30% AMI at a one-time cost of \$195,474 per unit would cost nearly \$50 million over the course of 10 years.

### Scenario 2: Income Averaging Alone

#### Bottom Line

This scenario requires no cash but results in a mix of rents that does not match the mix of incomes today

On the other end of the spectrum, the lowest cost approach would be to create all 255 units via income averaging. Given the marketability concerns of relying predominantly on 80% AMI units to cross-subsidize deeper affordability, this scenario uses 70% AMI as the “top rent” for CAFs in this scenario. Though it is mathematically possible to identify a ratio that would create 255 units at 30% AMI (see table below), this approach would probably also be infeasible in practice. First, 766 units at 70% AMI may outstrip demand at that income level – there would be 692 units beyond what is currently necessary to serve the number of households at that income level currently living in the property—further adding to the oversupply of units above 60% AMI County wide. Importantly, this approach would also lead to mismatches at lower income levels – there would be 233 fewer units serving the 31-60% AMI cohort than there are households currently

living at the Barcroft Apartments. (See census chart on p. 5) Please note that the unit/surplus calculation in the table below will (by definition) show a surplus in the aggregate – as our scenarios focus on the full buildout of 1,334 CAFs, but there were only 1,017 households living at the property as of May 2022.

30% AMI Unit Target	255
70% AMI units needed to create target 30% AMI units:	766
Income breakdown if income averaging across all 1334 units:	
Units @ 70% AMI	766
Units @ 60% AMI	313
Units @ 30% AMI	255
Unit gap/surplus based on census numbers (actual count)	
Surplus/gap 71-80% AMI	0
Surplus/gap 61-70% AMI	692
Surplus/gap 31-60% AMI	-223
Surplus/gap 0-30% AMI	0

### Scenario 3: Using Both Income Averaging and Financial Subsidy (Preferred Approach)

#### Bottom Line

This scenario shows how blending tools can result in changes to both the 10-year cash requirement and the alignment with the current mix of household incomes at Barcroft today

The third scenario uses a blend of approaches from scenarios 1 and 2 to produce 255 units at 30% AMI. We provide two examples of potential AMI mixes to demonstrate how the results may vary. It is important to note that none of our illustrations include employing land use tools that are available to the County Board as the MFDP is finalized. These tools could ALSO be deployed to achieve 30% AMI units, reducing the need for additional cash in each Illustration.

In developing our Illustrations, we have used as our guideposts 1) the AMI levels of the legacy tenants, 2) spending no more than an additional \$30M over the 10-year redevelopment horizon (no more than \$3M a year) and 3) rental market dynamics along Columbia Pike.

#### Illustration A

- One-third of the ELI target (85 units) produced via income averaging with 80% AMI (128 units)

- One-third of the ELI target (85 units) produced via income averaging with 70% AMI units (255 units)
- One-third of the ELI unit target (85 units) produced via financial subsidy alone. (\$16.6M)

**Illustration B**

- One-fifth (20%) of the ELI target (51 units) produced via income averaging with 80% AMI units (77 units)
- One-fifth (20%) of the ELI target (51 units) produced via income averaging with 70% units (153 units)
- Three-fifths (60%) of the ELI target (153 units) produced through financial subsidy alone (\$30M)

Household income as a % of Area Median Income (AMI)	Number of Barcroft households from May census at each AMI level (legacy tenants)	Illustration A		Illustration B	
		# of units at AMI	Surplus/deficit units from legacy tenant numbers	# of units at AMI	Surplus/deficit units from legacy tenant numbers
0-30%	255	255	0	255*	0
31-60%	535	696	161	849	314
61-70%	74	255	181	153	79
71-80%	119	128	9	77	(42)
81-100%	33	0	(33)	0	(33)
101-120%	0	0	0	0	0
Total units	1016	1334		1334	
Vacant units	318				
Additional Funding needed		\$16,600,000 needed to buy down 85 30% AMI units		\$29,938,766 needed to buy down 153 30% AMI units	

**Illustration A** requires a relatively achievable \$16.6 million cash contribution over the ten-year redevelopment period but provides more 70-80% AMI units than seems desirable given both the legacy tenant AMI profile and rental market dynamics along Columbia Pike.

**Illustration B** closely mirrors the legacy tenant AMI profile and is more in line with the Columbia Pike rental market. However, this approach requires nearly double the amount of cash

used in Illustration A to achieve the 255 unit target due to the higher number of units produced through direct buydowns.

We believe that the amount of cash required by either Illustration is achievable over the redevelopment period using a variety/mix of sources, including the Virginia Housing Trust Fund, loan forgiveness by one or more of the investors, a community capital campaign, and/or other approaches typically used to achieve deeper income targeting.

## Conclusion

Moving forward, it will be important to keep in mind that each phase of the Barcroft Apartment redevelopment will have its own plan and constraints, and the mix of tools and approaches will need to adapt to those conditions. The site-specific approaches will need to be guided by the overall vision and objectives, to ensure that each individual phase is contributing to achieving the overall ELI unit target. We have provided for illustrative purposes one scenario out of many that could result in our goal - 255 30% AMI units committed for 30 years.

These simplified models demonstrate the potential impacts and tradeoffs of the most scalable tools within the affordable housing toolbox.

- Income averaging reduces the amount of subsidy needed for the 30% units and could also help meet the needs of 31-59% AMI households.
- Financial subsidy is critical to maintaining an appropriate mix of incomes within the spectrum of affordability.
- Land use incentives – and density in particular – can reduce the overall need for subsidy and improve the effectiveness other tools.

Using this three-pronged approach, and filling gaps with other tools not discussed in depth in this brief (such as rental assistance), provides a viable path to ensuring that households of all incomes can continue to call Barcroft Apartments home over the long term.

**To come to fruition, a commitment to achieving 255 units hard-wired at 30% AMI must be part of the overall vision and objectives and included in the Master Financing and Development Plan.**