
New Directions

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Arlington New Directions Coalition
524 N. Jackson Street • Arlington • Virginia • 22201
703 • 243 • 5775

Guidelines for Evaluating Arlington's Public Employee Pension Program

By Jack Cornman

The Arlington County Board-appointed Task Force on Retirement Principles and Compensation Practices has concluded that the County retirement system is complex and does not even meet the County's stated retirement income goals.

The goals and the system have not been changed since 1981. County employees hired prior to 1981 receive larger retirement benefits than persons hired since then. (Note: "County employees" refers to general, school and uniformed employees.)

The Task Force recommended revisions to eight principles, which the County adopted as the

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Uniform Employees' Preference on Retirement Benefits

*Affecting Police, Sheriff's Office, and Fire
Department Personnel*

By John Anderson

During Arlington County's FY 2000 budget deliberations, County Manager William Donahue indicated that, given the likelihood of needed changes to the retirement system, the County's contribution to the retirement system should be maintained at 7.7% of payroll. Instead, the Arlington County Board reduced the contribution to 6% of payroll.

A first order of business for the Board, then, is to return this contribution to 7.7%. This is necessary in order to make the proposed improvements recom-

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Teacher Pensions Must Be Improved!

By Marjorie McCreery, Jim Schroeder, and Carol Erion

Arlington risks losing its effective teachers and the ability to attract new teachers if the County Board does not improve retirement benefits.

Before 1981, Arlington provided a substantial supplement to educators' pensions from the Virginia Retirement System (VRS.). Then, for full career employees hired after February 1981, the County Board decided no longer to provide this supplement. This change alone has caused a \$14,000 per year decrease in pensions for Arling-

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Is Clarendon Centre Developer's Share of the "Community Pie" Big Enough?

By Mary Rouleau

On November 13, 1999, the Arlington County Board approved the Clarendon Centre (CC) project, an \$80-\$100 million commercial/retail (212,571 sq. feet) and residential development by Chicago-based McCaffery Interests and local developer Eakin-Youngentoub. While the project is attractive in design, none of the housing (300 apartments and 87 town homes) is market-rate "affordable." In addition, the planned contribution from the project to the County's Housing Reserve Fund appears to be highly inadequate.

Under the County Consolidated Plan, Arlington "uses private developer donations to help finance the acquisition of units to mitigate massive displacement of low income tenants and for apartment banking." Developers are required to con-

tribute to the County's Housing Reserve Fund (HRF—one of the funding sources used to provide affordable housing)—during the site plan process if they are not planning to include an affordable housing component in the development plan.

In September, before the project was formally approved, I phoned Wayne Rhodes, the County's Director of Economic Development. He outlined HRF policy as follows:

1. On high-rise and commercial projects, contributions are 1% of construction costs (versus total development costs), exclusive of parking, for commercial and .5% for residential.
2. Rates are fixed, but the County will negotiate over construction cost totals; the County

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Remembering Arna Valley

By Charles Rinker

The 720 affordable rental units of the Arna Valley community in South Arlington are now empty. They will be razed soon by developer Avalon Bay and replaced by 778 high rent units and 165 affordable units. The impacts on the evicted families and the lessons learned are clear, particularly in terms of needed changes in the County's development review and housing policies.

Impacts

According to the contractor hired by Avalon Bay Communities to assist the evicted families find new housing, 536 households received relocation benefits. Only 289 households relocated in Arlington County. One hundred-two households were deemed eligible to receive rental assistance payments to help them pay their increased rents for one year. A total of 28 Arna Valley families purchased homes, 14 of which used the much-touted County homeownership assistance program to buy in Arlington.

The destruction of the Arna Valley community has helped flood an already tight rental market, putting upward pressure on affordable market rents. Rents increased by 10% last year in some Arlington apartment complexes. New rents now being paid in Arlington by many former Arna Valley households have increased to \$750 and \$790/month, or about \$300 more/month (or \$3,600/yr.). These increases have added strains to already tight household budgets and caused some working parents to take extra jobs. Those moving out of Arlington have had to find new jobs, endure longer commutes, find new schools and new community-support services,



It would be wonderful if we as a community “remembered Arna Valley” in such a way that we are inspired to do better — to cherish and work for real and meaningful diversity, to balance property rights with human rights—to act, in short, with love and justice toward one another because we are a just and caring community.

tive and efficient. And they did a conscientious job. But the goal for the future should be not to need such relief workers in the first place.

To avoid such a debacle in the future—and the redevelopment of Arna Valley is only the tip of the iceberg—the County Board will need to give greater weight during the site review process to the needs and desires of the families involved. The County Board also will need to exercise active leadership in regard to affordable housing and redevelopment and not continue passively to accept proposals primarily favorable to developers

and harmful to residents and local business interests. In this development, Avalon Bay received subsidies from the County ranging from \$40,000 and \$56,000 per affordable dwelling unit—three times more subsidy than other affordable housing development projects have received in the past.

To fail to learn from the hard lessons of Arna Valley will be to perpetuate, even if unintended, institutional discrimination by our community against minority cultures and economic classes—an outcome not only unacceptable in social justice terms but an outcome contrary to the proud traditions of Arlington County as a progressive community.

It would be wonderful if we as a community “remembered Arna Valley” in such a way that we are inspired to do better — to cherish and work for real and meaningful diversity, to balance property rights with human rights—to act, in short, with love and justice toward one another because we are a just and caring community.

and establish new community relationships, while the county has lost a significant pool of lower wage employees. All of Arlington has lost a bit of its diversity, since the residents of Arna Valley were predominately of minority populations.

Lessons

The destruction and redevelopment of the former Arna Valley community has called into question the adequacy of the County’s approaches to maintaining an adequate supply of affordable housing in Arlington and challenges the County Board and County staff to seek more creative, caring outcomes in the future. This was acknowledged by the Board’s appointment of a citizen task force to review and suggest improvements in the County’s policies regarding affordable housing in Arlington (see related story, pg. 4).

Like relief workers going into an area following a natural disaster, the Relocation Task Force, County staff, and the contractor Avalon Bay hired to handle the displacement of Arna Valley residents were sensi-

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Arlington New Directions Coalition is a not-for-profit group founded to generate ideas, recommendations, and public support to ensure that Arlington returns to the progressive tradition that has made it a special community. The mission of the ANDC is as follows:

Through research, public education, and political action, ANDC will:

- work to foster a public ethic that values the diversity of the Arlington community and the common ties that strengthen a community;
- work to ensure that all County policies, programs, and services serve equally well all segments of the community and that County staff is responsive to Arlington’s diverse population;
- promote ongoing, meaningful, and inclusive community dialogues on critical issues and the effective involvement of all stakeholders in decision-making processes; and
- advance innovative, progressive policies and programs across a wide range of critical issues (such as the right to decent, affordable housing, the impacts of economic development, the quality of education) that put the needs of people first, building on contributions residents and workers have made and are making to the Arlington community.

Affordable Housing Task Force Report

The Arlington County Task Force on Affordable Housing report, to be released later this month, will recommend that the County Board endorse 6 principles, adopt 10 goals, and take 42 actions to ensure an adequate supply of affordable housing in Arlington. The Task Force will stress that the County Board should consider its report as an integrated, comprehensive program, not as a menu from which to select isolated items. Highlights of the Task Force's recommendations follow.

The principles, which should guide the County's approach to affordable housing, include:

- The Arlington County Housing Stock should include a range of housing options for families of all incomes, sizes and needs.
- Affordable housing should be available to help promote a diverse community.
- Affordable housing should be available to help prevent homelessness.
- Housing assistance should be targeted to lowest income households, particularly lower income households with children, with older persons, and/or with members with disabilities.

The recommended goals include:

- No net loss in the County's current supply of affordable housing.
- Reduce the number of households with serious housing need by 10% per year. Households with serious housing needs are defined as those earning below 40% of median income and who pay more than 40% of their income for housing.
- Increase the number of housing units in the County with two or more bedrooms to meet the needs of families with children.
- Distribute affordable housing within neighborhoods and throughout the County.
- Increase the percentage of homeownership from 45% to more than 50% of all housing units.
- Eliminate housing discrimination in Arlington.
- Focus housing assistance on persons with the greatest need.

The recommended policies and programs include:

- Require that at least 12.5% of units in new developments of 50 or more residential units be affordable units.
- Require commercial and residential developers with projects requiring site plan approval to contribute affordable housing units as the first priority and to follow the current policy of providing monetary contributions only when the provision of units is not appropriate or practical. Also, it is recommended that the County Board direct its staff to do an analysis to determine whether the monetary contribution levels presently required are high enough and should be revised.
- Provide incentives (such as allowing increased density and transfers of density) and create additional special affordable housing districts to stimulate development of affordable housing.
- Provide density bonuses and other incentives to encourage the development of larger (especially two, three and four bedroom) housing units.
- Encourage preservation of affordable multifamily units and home ownership through supporting tenant-initiated cooperative and condominium conversions that minimize displacement of current residents.
- Use preservation grants and loans to assist private owners who agree to keep their units affordable over time.
- Implement a preventive program to identify and maintain at-risk affordable housing units before the units are threatened by redevelopment.
- Present the County's budget and expenditures for affordable housing in a transparent fashion based on quantified goals and objectives (e.g., reduce the number of homeless families with children by one-third annually).
- Consolidate County housing programs for better coordination and focus.
- Conduct an annual assessment of housing needs to determine the number of low-income households in the County (i.e., those spending 40% or more of annual income on housing) and the number of homeless households with children,

and to document the need for services to assist these families, as well as measure progress being made.

- Make the County's affordable housing and social service outreach and marketing programs more responsive and user friendly to low-income populations.
- Conduct periodic fair housing tests and develop strategies to eliminate housing discrimination in Arlington.

The County Board established the 15-member Task Force in 1999, following the community debate over the loss of 720 affordable units through redevelopment of the Arna Valley Commu-

nity at South Glebe and I-395. The Board charged the Task Force to review the policies and tools the County uses to preserve and provide affordable rental and home ownership housing. Based on identified unmet needs and studies of approaches used by other communities, the Task Force was asked to recommend new and/or amended policies and tools that would better enable the County to meet its affordable housing needs. The County Board is expected to act on the recommendations sometime this year.

The Arlington New Directions Coalition will continue to monitor this process.

Neighborhood Watch

North Arlington's Ghetto

By David Knudsen

When you travel north on George Mason Drive from North 16th Street to Lee Highway, you might notice several dead-end streets—to the west—with high chain link fences or other barriers at street ends.

If you continue east on Lee to Glebe Road, you will note the lack of through roads to the north and, also, more dead-end streets. More of this pattern appears as you turn south on Glebe to 17th St.: To the west, there are no through streets until you get to 17th, and, as you travel west on 17th, there is a formidably high and ugly concrete wall visible in some of the backyards.

What neighborhood is this? And what are the circumstances under which it came to resemble a cut-off community? Perhaps, even a ghetto?

This is Hall's Hill, officially known as Highview Park. Until the mid-1960s, this community had unpaved streets, minimal sewer service, and no sidewalks. Why? And how, in such a progressive community as Arlington?

Since the Civil War, Hall's Hill has been the only predominantly African American community in North Arlington.

During the Civil War a large Union Army camp occupied much of this former plantation area. In the 20th century, civic improvement began slowly and only because of effective leadership within the community. In the 1960s, for example, the residents were able to take advantage of increasing social liberalism and respect for minorities taking place within the County government to get sorely needed improvements.

A lasting reminder of the struggles of Hall's Hill for basic amenities enjoyed elsewhere in North Arlington for decades before they ever came to Hall's Hill is a small garden at 22nd St. and Lee Highway, considered by many residents to be the entrance to the community. Three totems in the garden were carved, painted, and erected through the joint efforts of the Highview Park Civic Association and the Kiwanis Club of Arlington. The totems symbolize Faith, Hope, and Charity, but less than a month after their dedication, one was chopped down in an act of vandalism. Today, the stump of the totem serves as a lasting reminder of the opposition to minorities faced and overcome by Hall's Hill residents in their efforts—successful efforts—to improve their long-neglected community.

The Housing Crisis:

It Is Real

By Gene Betit

The United States is in crisis; it has been in crisis, in housing, for nearly two decades. Yet this is not widely recognized by active, caring, and normally well-educated Americans—even in Arlington.

The causes behind the crisis are mostly economic, and to many who comfortably afford private or rental housing, it seems implausible that while our country at large could be enjoying a period of unprecedented prosperity, many very hard-working people are being left behind. Although the 1999 median annual income for a family of four in Northern Virginia was \$78,900, day care workers in the region earned an approximate annual wage of \$14,110. * This means that they took home less than \$1,000 monthly, at a time when average rents for a one-bedroom apartment in Arlington exceeded \$800.

An unfortunate equation is at work at present that compounds the problem: so many different kinds of employees in the region are earning less than a living wage at the same time that the number of cheap housing units is declining and the market is constantly driving up rental rates. The chart on pg. 7 indicates the problem a diversity of low- and moderate-income workers face in our area, although this situation is not unique to Northern Virginia. Of the workers shown, only police, schoolteachers, nurses, and postal workers earn more than half of median income, meaning that regional rental rates, even family-sized units, are somewhat affordable for them. For the other job categories, rent consumes most of the monthly paycheck. While it is true that many poor families have more than one breadwinner, this is not the case with single-parent families, which are typically headed by a female making less than her male counterparts at work for a variety of reasons.

What does it mean when only \$200/month—or less—is left after rent? It means that what is left must go to pay for transportation, food, clothing, and, if needed, day care. Can you imagine stretching to pay for your own individual needs, much less the needs of a family, with this amount in hand? Only the basics can be covered, and barely that. There is no room for birthdays, Christmas, sudden illness. Nothing left for an occasional movie and absolutely no hope of saving.

Harvard University's Center for Housing Research, the National Low Income Housing Coalition, and the U.S. Department of Housing and Urban Development (HUD), among others, have issued reports documenting the strain housing costs are placing on our social fabric. This past March (1999), HUD issued its annual report to Congress, "Waiting in Vain: Update on America's Rental Housing Crisis." This report noted that despite years of unprecedented economic growth, 12.5 million Americans live in households with "worst case" housing needs, defined as living in substandard housing or paying over half of their salary for rent. This figure includes 1.5 million elderly, 4.5 million children, and over 1 million adults with disabilities. A study completed in 1999 by Virginia Technological Institute and State University's Center for Housing Research noted that, in Northern Virginia, nearly 92% of the paycheck of a worker earning minimum wage (currently \$5.15 per hour) is required to pay market rent. The report goes on to note that the steep cost of housing forces many "working poor" families to make choices between rent, food, health care, and other necessities. **

Are wages rising to help? No. Bureau of Labor Statistics data show that rent is increasing at more than twice the rate of income for the bottom 20% of

1997 Service Sector Wages in Northern Virginia

<u>Occupation</u>	<u>Hourly Median</u>	<u>Annual Wage</u>	<u>Percentage of 1997 Median Single Income (\$59,200)</u>
Cashiers	\$ 6.05	\$13,560	27%
Child Care Workers	\$ 6.75	\$14,110	29%
Cooks (short order or fast food)	\$ 5.82	\$12,820	26%
Cooks (restaurant)	\$ 7.15	\$14,300	31%
Dental Assistants	\$ 8.58	\$18,400	37%
Dispatchers (Police, Fire, and Ambulance)	\$ 8.74	\$18,320	37%
Emergency Medical Technicians	\$ 7.61	\$16,140	33%
Guards	\$ 5.79	\$14,140	29%
Hotel Desk Clerks	\$ 6.06	\$13,260	28%
Janitors and Maids	\$ 5.95	\$13,820	28%
Landscapers and Groundskeepers	\$ 7.70	\$16,820	34%
Maintenance Personnel	\$10.33	\$22,810	46%
Medical Secretaries	\$ 7.55	\$16,100	33%
Nursing Aides, Orderlies, and Attendants	\$ 5.65	\$12,450	25%
Painters and Paperhangers	\$10.95	\$23,740	48%
Police Officers	\$11.27	\$24,520	50%
Postal Mail Carriers	\$15.47	\$32,640	66%
Receptionists and Information Clerks	\$ 6.89	\$14,990	30%
Registered Nurses	\$14.50	\$29,720	60%
School Bus Drivers	\$ 5.52	\$11,400	23%
Service Station Attendants	\$ 5.60	\$12,380	25%
Teachers' Aides	\$ 5.84	\$13,420	27%
Teachers (Kindergarten)	-	\$23,180	47%
Teachers (Elementary School)	-	\$32,150	65%
Truck Drivers	\$ 9.90	\$20,490	41%
Waiters and Waitresses	\$ 5.47	\$11,150	23%

Figures compiled by the Virginia Employment Commission in May 1999 using most current data available.

Median income for 1999 is \$55,200. Service sector wages are not increasing by \$3,000 annually [don't understand the pt. here].

American households. Moreover, the stock of affordable rental housing has declined in the past two years (between 1996 and 1998) by a shocking 19% or for a total of 1.3 million units. The conversion of many formerly HUD-subsidized rental complexes to market rates has greatly exacerbated the problem and threatens continued dramatic impact. And the waiting time for access to federally assisted programs, both public housing and Section 8 rental subsidies, continues to grow in most cities (although Arlington has recently succeeded in shrinking its list). The time on lists now averages five years in Washington, D.C.; in other cities, it can be as much as 10 years.

Meanwhile, the number of renters at or below 30% of median income is not declining. In fact, it is up—some 3% over the 1996-1998 period and totaling 8.9 million. In 1997, for every 100 households at or below 30% of median income, only 36 units were available at affordable rents.

Given these facts, what are the housing options

of low- and moderate-income workers? First, typically, they scrimp and make do. Finally, if they can, and a booming regional economy encourages them to consider this, they move farther from the metropolitan center—farther away from Arlington, for example, potentially exacerbating worker shortages already felt throughout the county, particularly in unskilled and semi-skilled jobs.

* HUD uses U.S. Census figures, adjusted annually, to determine median income figures for the U.S. average for a family of four for each jurisdiction it tracks. These figures are then adjusted by formula for households ranging in size from one to six individuals.

** C. Theodore Koebel and Lydeanna H. Martin, "Losing Ground in Virginia: The Unaffordability of Rental Housing for Low-Income Families in the 1990s" (Available as of summer, 1999, at www.arch.vt.edu/caus/research/vchr).

ton educators who retire at typical salaries

Since 1981, County teachers have tried to persuade the County Board to reconsider paying this supplement. Data have been brought to the attention of County Board members and staff that demonstrate how low Arlington's pensions are compared to other school systems in the region. Both Board Members Chris Zimmerman and Paul Ferguson have consistently reassured employees that the retirement plan should be competitive, but they also have maintained that they need an independent study to determine where Arlington ranks.

Two studies have since been conducted.

In 1998, the County Board hired the Segal Company to survey the pensions provided by competing employers in the Washington, D.C., metropolitan area. The report, presented in 1999, demonstrated what Arlington educators had been saying for some time. Arlington and Loudoun Counties are the only school systems in Northern Virginia that provide no supplement to the Virginia Retirement System. Even Loudoun, however, pays the employees' 5% contribution to VRS, as do 131 other school divisions in Virginia (not including nearby Fairfax).

Then, the County Board commissioned an additional study by the Segal Company to compare all retirement benefits, not just pensions. These results showed that, despite Arlington's better retiree health benefit, its total retirement package still trails those provided by Prince William, Fairfax, Alexandria, and Falls Church. At the same time, the County Board appointed a "Blue Ribbon" Task Force to "review the County's compensation goals, as well as the retirement principles and objectives adopted in 1981, to determine if they are adequate to attract and maintain a skilled and occupationally diverse work force under current and projected economic, demographic and other conditions."

On December 15, 1999, the Retirement Task Force reported back to the Board. At the Board's prior behest, members provided a range of options to improve pensions for educators and all other county employees. The proposals include the following:

- Provide a local retirement supplement that would replace 60% of final average salary when

added to the Virginia Retirement System (VRS), or

- Pay educators' 5% contribution to VRS, and require employees to contribute that amount to employee savings for retirement, or

- Pay educators' 5% contribution to VRS, require employees to contribute to retirement savings, and create start-up funds for current, post-'81 hires.

Other suggested enhancements for educators include a pension for part-time educators (who currently receive no retirement benefit from either VRS or the County) and retroactive improvements for post-'81 hires.

County Board adoption and implementation of any of these suggestions would be an improvement. However, it isn't clear that even if some recommended changes are made, the system would be competitive. For example, while it is true that if the defined benefit is raised to 2% per year of service, Arlington would replace 60% of the average of the highest three years' salaries for employees with 30 years of service, the Fairfax supplement replaces more than 70%. In addition, if the School Board pays the employees' 5% contribution to VRS, they will only be doing what other local jurisdictions—Alexandria, Falls Church, Loudoun, and Prince William—already do. If the School Board offers a defined contribution benefit and requires employees to invest the 5% they previously contributed to VRS, this will still trail what Alexandria and Falls Church offer. There, the school boards pay the employees' 5% and provide additional, matching contributions to the defined benefit plan. It was with apprehension, therefore, that Arlington Education Association representatives to Task Force meetings began to hear Task Force members stop talking about competitive benefits and use the term "appropriate" instead.

County educators assert that Arlington *must* have competitive compensation, including retirement, to attract and keep high-quality teachers. There is a national teacher shortage (see, for example, page one of the *New York Times*, Jan. 7, 2000), and it is being felt in Arlington. The school district has had Special Education vacancies go unfilled for months at a time due to the lack of viable candidates. Other hard-to-hire-for categories include Mathematics even at the middle school level, Science, and the Spanish Language Immer-

mended by the Retirement Task Force.

Specific improvements we would like to see, based in part on the Task Force's recent recommendations to the board, include the following:

1. Treat public safety employees separately in some aspects of the retirement system.
2. Under Options A and C as forwarded to the Board by the Task Force, the defined benefits multiplier for public safety employees upon retirement should be increased to 2% of final average earnings. The current system provides a guaranteed retirement annuity based on 1.5% for each year of service.
3. Create and implement a DROP plan, which would allow employees to retire but to continue to work for a limited time while their benefits are paid into an investment account. This plan would provide for a lump sum payment when the employee did leave. According to the Task Force, the plan could be designed to be cost neutral and could benefit the County by encouraging seasoned employees to stay a few years beyond retirement.
4. Change the current age/service requirement for retirement.
5. Apply the same cost-of-living adjustment for all retirees—those who have retired on a regular basis as well as those who have retired due to disability.
6. The line-of-duty death benefit for surviving spouses should be increased; uniform personnel recommend 100% of salary.
7. Allow unused sick leave to be counted as credit at the time of retirement.
8. The 30-year cap on earning years of service credit toward retirement should be dropped.
9. The goal for retirement benefits should be similar to the goal for salaries; i.e., maintain at the 75th percentile for the region.
10. The retirement system must continue to be evaluated periodically to ensure that retirement objectives are maintained and that benefits do not fall behind. Uniformed personnel recommend review every five years.
11. Retirement system improvements to the defined benefit plan should be made retroactive. In the language of the Task Force report, "No employee hired prior to the implementation dates of new principles (for retirement benefits) shall receive a lower benefit than to which he or she would have been entitled under the new system design."

sion Program. Assistant Superintendent for Personnel, Betty Hobbs, reports that other localities are actively promoting their retirement plans to lure new hires. When comparing Arlington's benefits to those offered by other jurisdictions, it is immediately obvious to young teachers that Arlington is less generous. While they are attracted to Arlington salary offerings, they are also learning to adjust those offerings downward by 5% given that this is the amount they will have to pay to VRS while employed here.

Only when Arlington's pay and benefits are attractive will the county be in a position to hire and keep the most qualified teachers.

New Directions is the quarterly publication of the Arlington New Directions Coalition. We will be reporting on local news and presenting formal positions taken by the coalition. We will also publish articles and opinion pieces consistent with our mission and values concerning critical public issues in Arlington County.

Contact Charlie Rinker at (703) 243-5775 for more information about the Coalition and/or Kit Johnston at kitkat5@erols.com to be placed on the mailing list. A \$10 donation would help defray printing and mailing costs.

Editorial Board

Kit Johnston, Charlie Rinker, Lora Rinker, Jeanne Lowe, Mary Rackmales, Mary Rouleau, Jack Cornman, Dan Cassidy, Andi Culllins, Father Gerry Creedon, Jim Webster, Carlos Luna.

basis for its retirement program. However, as instructed by the County Board, the Task Force did not recommend how the retirement system should be adjusted, but presented four retirement plan options. After receiving additional information from the County Manager, the Board presumably will weigh and perhaps mix and match the four options to come up with an adjusted system.

The purpose of this article is to suggest some criteria for evaluating the actions considered and taken by the Board. With the caveat that what follows does not presume to be the final word on the topic, we suggest that any public employee pension plan should be judged by its adequacy, reasonableness, fairness, transparency, competitiveness, and affordability. We note that the Task Force report addresses some of the points raised below.

These guidelines are based on the position that a public employer should take a long view of its pension responsibilities, recognizing that with the aging of the population, the public sector has a major stake in assuring that at least its own employees will have adequate pensions.

Adequacy. Experts generally say that a person or couple should be assured of 80 percent of their annual gross pre-retirement income to maintain their life style. Assuming retirement at age 65 to 67, most of the income to meet that target should come from pensions and Social Security, with a minimum coming from the individual's personal investment.

In the event a defined contribution component is a major part of the pension program, the County's contribution to an employee's account should be based on the assumption that the principal will grow at a rate of 8 percent or less a year. The program should encourage employees to invest for their retirement, should provide full portability of employee contributions and earnings on those contributions, and provide "early" retirees with a pension commensurate with the number of years worked for the County.

Reasonableness. "Full retirement" is defined by a combination of years worked and age. The definition should be based on reasonable expectations of a working life, and recognize that some jobs are more stressful and/or physically demand-

... a public employer should take a long view of its pension responsibilities, recognizing that with the aging of the population, the public sector has a major stake in assuring that at least its own employees will have adequate pensions.

ing than others. The definition benefit formula should be neutral as to encouraging a person to continue to work or to retire.

Fairness. The program should treat all employees the same, except in a few clear-cut cases, such as a different definition of full retirement for uniformed employees. Higher pay rather than specially adapted pension benefits should be used to attract and retain qualified employees. In Arlington's case, fairness also dictates that all improvements in the pension program apply to all employees hired after 1981. Fairness also dictates that current employees, who worked full time as temporary employees for more than one year, receive retirement credits for those years.

Transparency. The program should be clear and easily explained to the employees and the public. In Arlington's case, transparency also relates to the fact that the County's Retirement Fund is over funded by \$225 million. The County Board should explain clearly why some of those funds cannot be used to help support improvements in the pension program.

Competitiveness. Given the tight labor market, the County will have to and should provide attractive compensation packages to attract and retain qualified employees. A competitive pension program, along with wages and other benefits, is central to such a package.

Affordability. The County Board should not shrink from raising taxes to fund improvements in its pension plan, and should not use the added pension costs as an excuse to cut other important programs. At the same time, it should determine the most efficient way to meet its retirement income responsibilities over time, and should reject a quick fix that leaves a more expensive solution to a future Board.

has standards, but the developer is given the chance to prove that costs are really lower.

3. For town homes of 10 units or more and retailing for \$165,000+, the per-unit contribution is \$1,200.

4. The policy was established by the Board in 1988 and is in the consolidated plan. Since that time, only one developer has refused to contribute to the HRF.

5. Contributions to the HRF, since its inception in 1988, total \$4.2 million.

Rhodes then indicated that the expected HRF contribution for CC was in the range of \$300,00 to \$320,000. For a project of its scope, even this contribution would appear to be small.

However, by mid-November, County staff indicated that the contribution had been reduced to between \$100,000 to \$200,000.

With a project the scale of Clarendon Centre and the desirability of such a location, is it really too much to ask that the developers kick in more?

During the public comment segment of the Nov. 13th Board meeting, I made the following general points:

1. The County's HRF policy is out-of-date. It has not been revised since being established in 1988 despite increased value in land;
2. That, in any event, the County did not appear to be living up to its policy;
3. The County is shifting the burden of funding for affordable housing to individuals and the business/development sectors are not contributing their fair share.

The Board then proceeded to reduce the CC's contribution to the HRF contribution by another \$50,000—deferring this amount for a fund for traffic calming.

This outcome is unacceptable. Accordingly, I sent a letter to Board Chairman Paul Ferguson raising the following questions:

1. What happened to the other \$100,000 (from the original \$320,000 estimate)?
2. The contribution approved by the Board applies only to one portion of the project. Why will no contribution be made that represents the commercial part of the project?
3. Why did the Board further reduce the HRF contribution by \$50,000?
4. Independent of the Affordable Housing Task Force (AHTF) report (see related story on pg. 4), does the Board intend to update the HRF policy?
5. Does the Board plan any review to determine whether current HRF policy is being followed?

Ferguson responded promptly to my letter. Attached was a rather cursory set of responses from County Manager Donahue. The substance of the response is as follows:

1. In larger projects, such as CC, the County is usually involved in negotiating a broad package of community benefit components, including such items as parks, traffic calming measures, and utility under grounding as well as the contribution to the HRF.
2. In this project, the standard contribution was reduced to \$200,000 due to the substantial amount of other community benefits in the overall package.
3. The CC housing contribution was further reduced by \$50,000 because this amount was set aside for traffic calming—a great concern of the neighborhood. And this helped leverage additional contributions from the developer for traffic calming.
4. In the process of reviewing the AHTF recommendations, the Board may decide whether any revisions to the developer contribution are appropriate.

As a resident of a street (North Daniel), which experiences a high amount of cut-through traffic, I appreciate the need for traffic calming. But the CC approach appears to play the community's needs against each other. With a project the scale of CC and the desirability of such a location, is it really too much to ask that the developers kick in more? What about the County's Housing Policy Principle, which notes that the "need for affordable housing should receive a high priority" in balancing social, economic and development goals?

Arlington New Directions Coalition
524 N. Jackson Street
Arlington, Virginia 22201

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To Our Readers

Because the Arlington New Directions Coalition (ANDC) was formed to encourage community dialogue and discussion about critical issues that face Arlington, we would like to invite submission of your comments, letters, and articles. We would like for you to see ANDC—and the ANDC newsletter *New Directions*—as outlets for your ideas and recommendations that could help Arlington return to the progressive tradition that has made it a special community. Comments that are not to be published should be labeled as such. Letters and articles meant for publication in *New Directions* should be 600 words or less and signed. They will be edited and published as space allows. Send your comments, articles, or letters to the ANDC address shown on the front page of the newsletter or e-mail them to kitkat5@erols.com.

Copies of 1999 ANDC County Board Election Questionnaire Available on Request

During the 1999 fall election cycle, ANDC prepared and circulated a series of questions for citizens to ask the candidates. The questionnaire highlights seven issues of critical importance, and now that the election is over, they can be used to track what successful candidates do or don't do in these issue areas. If you didn't get a copy of the questionnaire, please drop a note to the ANDC address shown on the front page of the newsletter, and we will send you one.

MAILING LIST AND ANDC CONTRIBUTIONS

I want to remain on the ANDC mailing list for the *New Directions* and other announcements of public forums and events planned and/or sponsored by ANDC. Enclosed is my contribution to ANDC of \$10 or more. Checks may be made out to Arlington New Directions Coalition.

\$10 \$25 \$50 \$75 \$100 Other

I am interested in attending the regular meetings of the ANDC and would like to be notified of the dates.

Mail checks and responses to: 524 North Jackson Street, Arlington, VA 22201

Name: _____

Address: _____

Telephone #: _____ Fax #: _____

E-mail Address: _____

Thank you for caring!