



ARLINGTON COUNTY, VIRGINIA
ARLINGTON COUNTY PLANNING COMMISSION

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June 10, 2015

Arlington County Board
2100 Clarendon Boulevard
Suite 300
Arlington, Virginia 22201

SUBJECT: **2. Affordable Housing Study**
Request Advertisement of public hearings by the Planning Commission and the County Board on the Affordable Housing Master Plan as an Element of the County Comprehensive Plan; and the Affordable Housing Implementation Framework.

RECOMMENDATIONS:

1. The Planning Commission recommends that the County Board authorize public hearings to consider the adoption of the Affordable Housing Master Plan as proposed in the County Manager's memorandum dated May 12, 2015 and related errata sheet editing pages 19 & 20 with the following amendment:
 - a. Amend Affordable Housing Principles, Principle 3 on Page 6 to include "coordination with Arlington Public Schools."
2. The Planning Commission recommends that the County Board authorize public hearings to consider the adoption of the Implementation Framework as proposed in the County Manager's memorandum dated May 12 2015 with the following amendment:
 - a. Amend Page 13 Item 13 to add the words "Engage community and other stakeholders to study possible changes to zoning code to encourage retention of Market-Rate Affordable Units (MARKs)."
3. The Planning Commission recommends that the County Board authorize public hearings to consider adoption of conforming amendments to the General Land Use Plan (GLUP) as proposed in the County Manager's memorandum dated May 12, 2015.

Dear County Board Members:

The Planning Commission heard this item at its June 1, 2015, public hearing. Russell Danao-Schroeder, Department of Community Planning, Housing, and Development (CPHD) Housing, gave an overview of the Affordable Housing Study process and the proposed Request to Advertise (RTA). Also present was the Chair of the Affordable Housing Study Working Group, Dr. Leonard L. Hamlin, Sr., and additional staff present included Steve Cover, Director, CPHD, and David Cristeal, Director, CPHD-Housing.

P.C. #43.

Public Speakers

There were five speakers signed up to speak for this item.

Stuart Stein spoke in support of the Affordable Housing Master Plan but felt such housing should be distributed throughout the County and also said displaced communities should be re-housed nearby. He spoke in support of expanded relocation funding and arrangements, and supported a guarantee that residents should be able to return to new buildings at current rental rates or to similar arrangements made at a nearby building.

Jim Huryz, Fairlington resident, said that affordable is an oxymoron and charade in Arlington due to the new urbanist smart growth ideology. It is actually gentrification housing. On the other hand, small single-family homes are being demolished for large speculative homes. There is no concern for workers in retail and commercial service industries.

Stan Karson, Radnor-Fort Meyer Heights Civic Association (RAFOM), President, said RAFOM has been a vocal advocate of affordable housing. RAFOM has seen the loss of affordable housing in their area and they have the most committed affordable housing in the Rosslyn-Ballston corridor that has resulted in high cost condos and apartments. They are pleased to see the plan move forward and they support the plan particularly in terms of preservation.

Joan Lawrence, Chair, Historic and Landmarks Review Board (HALRB), said that affordable housing and preservation are complementary goals. Much of the market rate affordable housing in Arlington is located in garden apartments that are historic and this plan makes an effort to preserve this housing.

Joacomina de Regt, VOICE representative, spoke in support of the proposed plan. There has been a large loss of affordable housing in Arlington and they support geographic distribution unless it stops construction of affordable housing or availability. VOICE will work to support tools for those at the lowest economic levels.

Planning Commission Committee Reports

Commissioner Sockwell was a member of the Affordable Housing Working Group and reported there have been three years of meetings that have consisted of a group of 18 people working together toward a common goal of addressing affordable housing. The group began by addressing quantitative and qualitative data first and then looking at comparables. There was a consistent, thoughtful approach and an attempt to engage the community on many levels.

Commissioner Brown reported the Long Range Planning Committee (LRPC) reviewed the plan twice, on February 26 and April 28, 2015. LRPC suggested that the Master Plan and Implementation documents needed to be merged to provide clarity and that priorities needed to be established. There was consensus that unlimited bonus density should be removed, and there was concern about adding bonus density for more affordable housing. There was consensus that the Accessory Dwelling Unit ordinance should be updated, accessible units should go to people with disabilities, and the County needs to be strategic, thoughtful, and judicious with rolling out tools for encouraging affordable housing. There was also a concern that the 17.7% goal is not realistic. After the second LRPC, the issue of geographic distribution of affordable housing question has come up and LRPC has made no recommendation on that topic.

Planning Commission Discussion

Commissioner Hughes asked for clarification on the term transit-served areas. Mr. Danao-Schroeder responded that access to transit means access to the primary transit network, not just Metro.

Commissioner Schroll asked about the removal of the density cap and about the Tiers of affordability that are referenced. Mr. Danao-Schroeder responded there was a recommendation in the Implementation Framework to look at removing or raising the bonus density cap. The intent was to look closer at bonus density, but removing the bonus density cap was taken out of the Framework, and there is a suggestion for the Tiers to be studied. Commissioner Schroll asked if mixed-use development would be allowed on public land. Mr. Danao-Schroeder responded there is no suggestion to locate affordable housing in parks, but the intention is for co-location of County facilities when it makes sense.

Commissioner Cole asked how the target of 17.7% was derived and if it is the intent of the plan that the County should achieve 17.7% of housing stock to be affordable by 2040. Mr. Danao-Schroeder explained that based on the 2040 forecast, 22,800 County households needing affordable housing represents 17.7% of households in Arlington. If 17.7% are renter households below 60% of Area Median Income (AMI), in order to provide sufficient supply, it would have to be equal to that. It would not all need to be committed affordable housing if there was market affordable housing available. Market-rate-affordable units or MARKs currently constitute about 26% of the affordable housing stock: 7,000 committed affordable units (CAFs) and 2,500 MARKs. Commissioner Cole asked if the proposed plan includes incentives to create MARKs. Mr. Danao-Schroeder responded the indication is that the MARKs are on the decline, due to appreciating real estate prices, and although it is possible that anything could happen in 25 years, it is likely the 17.7% would include both MARKs and CAFs.

Commissioner Cole said the current policy in the zoning ordinance allows developers a triple option to meet required contributions and was adopted through the state legislature. He stated that the zoning ordinance does not seem to be working as intended since developers usually choose to make a cash payment. He asked if further work at that state level was considered to request reforming the Ordinance. Mr. Danao-Schroeder said state level politics were discussed but the risks involved in approaching the legislature at present were not favorable to revisiting the affordable housing ordinance.

Commissioner Forinash asked why requesting a change to state law is not included in the Implementation Framework since the Housing Plan is a long-term plan. Mr. Danao-Schroeder responded there is nothing in the policy that prevents the County from seeking a state-level change, but the Implementation Framework does not currently include it.

Commissioner Cole said that everyone chooses the same option in the triple option. The County has received \$51 million dollars through contributions and 170 units through bonus density, which is an imbalance. This suggests that the current policy is not working as originally intended and that the policy needs to be revisited. It is a question of whether this policy works in the best interest of the County. Mr. Danao-Schroeder responded that one of the recommendations was looking at higher per unit subsidies for units in higher cost areas.

Commissioner Cole asked whether the Affordable Housing Plan contains an implication that adoption of the Form Based Code (FBC) in areas beyond Columbia Pike would result in more affordable housing than the current zoning ordinance and if so, whether there was any evidence that any additional affordable units have been generated. Mr. Danao-Schroeder responded that depending on the area, the FBC may provide for greater affordable housing. Mr. Cristeal responded that Carver Homes is in the pipeline but is not currently built. Commissioner Cole responded that this is housing policy driving land-use policy and the first principle should be land use and the second is housing.

Commissioner Gutshall referred to slide 13 and the forecast and asked about the data regarding the enormous growth in 120%+ AMI individuals and whether there is data on what kind of housing stock those people are purchasing or renting. Mr. Danao-Schroeder responded that it was not the focus of the study. Commissioner Gutshall asked what pressure does growth at the top of the pyramid put on the rest of the households. Mr. Danao-Schroeder responded the projection of growth is based on the growth of jobs by industry sectors and associated salaries. Commissioner Gutshall asked if the County knows how the additional 14,800 wealthier households will compete for housing with those at lower levels. Mr. Danao-Schroeder responded the forecast does break out ownership versus rental by income. Commissioner Gutshall asked if the relationship of single-family neighborhoods and housing stock to housing affordability is addressed in the master plan. Mr. Danao-Schroeder responded that single-family housing stock is not affordable for those below 120% AMI and was not considered as part of the study. He added that there is a recommendation for an Affordable by Design study for middle income earners to look at how to introduce other housing forms within neighborhoods.

Mr. Commissioner Gutshall asked how the Rosslyn Sector Plan affordable housing requirements fit into the Implementation Framework. Mr. Danao-Schroeder responded the fit is the planning for how Rosslyn develops and increases the supply of affordable housing.

Commissioner Brown asked if staff has looked at any data supporting the assumption that students living in committed affordable units are somehow not doing well. Mr. Danao-Schroeder responded there is no data from Arlington Public schools but AHC, a non-profit developer, reports that 80% of students in their developments go on to college. Commissioner Brown responded that before adding maps to the plans, there should be data behind the maps.

Commissioner Iacomini asked about MARKs and said there is a nexus between historic preservation and preservation of MARKs. A lot of garden apartments are eligible for listing as historic resources. On page 25 of the Implementation Framework, there is a discussion of a separate tax classification for multifamily affordable housing, and she asked if it is only for CAFs or only for MARKs. Mr. Danao-Schroeder responded only CAFs. If for MARKs, it would require monitoring and it would become a different kind of CAF.

Commissioner Iacomini stated she would like to add something concerning MARKs to engage the community and stakeholders to study possible changes to zoning code to encourage the retention of MARKs. Commissioner Iacomini said MARKs are being lost in the northern part of the County to townhomes that are a by-right use in the RA zoning where most MARKs are located.

Commissioner Iacomini asked if there are other ideas about how to get AHC or Arlington Partnership for Affordable Housing (APAH) to do developments north of Arlington Boulevard. Mr. Cristeal responded they have considered increasing the income ceiling to 80 or 100% in order to get more moderate priced units in the transit corridors. One example is giving preference to Affordable Housing Investment Fund (AHIF) projects in the north.

Planning Commission Motion

Commissioner Brown made a motion that the Planning Commission recommend that the County Board authorize public hearings to consider the adoption of the Affordable Housing Master Plan as proposed in the County Manager's memorandum dated May 12, 2015. Commissioner Ciotti seconded the motion.

Commissioner Cole made a substitute motion to recommend that the County Board defer advertisement of the plan. Commissioner Hughes seconded the substitute motion.

Commissioner Cole spoke to his motion and stated that he was voting his conscience and did not necessarily expect any Commissioners to agree with him, but he considered the Affordable Housing Plan to be both insufficient and overly ambitious. He considered himself to be a strong advocate for ensuring adequate affordable housing for families in need in the community. At the same time, affordable housing policy needed to address two principal questions: (1) who are the people in need? And (2) why is the need not currently being met?

Commissioner Cole further stated that the Affordable Housing Plan sweeps into the first category of individuals in need a huge number of people beyond his sense of reasonable need and included potential homeowners and people making up to 120% of AMI, people whose incomes are well over \$100,000 per year. As to why there is an affordable housing crisis now, even if he accepts that all that is being done to ensure an adequate supply of affordable housing for those with incomes below 120% AMI, it is too simple to say that property values have appreciated, there is insufficient affordable housing and the market is not generating the necessary housing. The Plan's analysis does not describe the structural impediments to achieve necessary affordable housing in this community.

Commissioner Cole said that he was concerned that the Plan does not address a critical question: since Arlington exists in a complex jurisdictional arrangement in a large region and regional neighbors have very different policies. People will move to take advantage of opportunities that are available. Arlington has a responsibility to meet reasonable housing need but has to realize that neighboring jurisdictions have differing policies. We need to understand the consequences of changes in local policies on the entire region and the ultimate effect on Arlington. If not understood, there is great risk of making an unintended mistake. Commissioner Cole was concerned that there is a constant discussion in the documents about zoning and land use tools available to address this problem but there is no specificity. Another potential mistake has to do with bonus density. With bonus density, more space is created for people to live but there is also the potential for more community needs. While the Plan does not propose uncapping bonus density, it also does not show recognition of a relationship between using land use policy to create space while at the same time that space creates demands for services. Schools are an excellent example. Commissioner Cole was troubled by the inclusion of the Housing and Urban Development (HUD) map. Many people use rankings of schools to show which schools are better. Such rankings, he said, do not take into consideration the inputs. Students at different schools may be unequal in the attributes that make education successful. There may be more students receiving free and reduced lunches at some schools or at other schools there may be more students who don't speak English as their native language. Some non-native English speakers come from single-family homes or homes where there are two workers in a household and cannot get support. If a school had more of such students but was still performing well, it might be out-performing another school that had fewer such students and was also doing well. The Plan does not address these factors. He disagreed with the conclusion that a concentration of race or ethnicity inherently challenges a school. He believed that Arlington schools, while not uniformly excellent, reflect great investment into making the best schools. He did not think Arlington should concentrate affordable housing in particular parts of the community but identifying areas to exclude new housing was also not a sensible policy. He believed there were other policies that supported fair distribution of affordable housing throughout the community. Commissioner Cole said that consideration of ownership was inappropriate until there was confidence that all of the needs of the lower income populations were being met; spending money on the higher income population was inappropriate.

Commissioner Cole said the Implementation Framework includes policies throughout the document and is not just about implementation. The Implementation Framework and the Master Plan need to be a single document that provides a logical and comprehensive approach. He also alluded to a couple of statements that the site plan review process increases the cost of housing. He found those gratuitous and from the point of view of both the planning staff and Planning Commission, he found such statements insulting and inappropriate. He found surprising that there was no interest in revisiting the fundamental policy that finances affordable housing in Arlington which is the state statute which generates funds for AHIF from special exception site plan projects. He stated that everyone agrees the Ordinance was not working the way Arlington would like it to work. He thought the County Board should defer advertisement and fix these problems before putting the Affordable Housing Plan and Implementation Framework out to the community.

Commissioner Ciotti responded that this Plan represents a great deal of work and thought and deferral would illustrate the risk of letting perfection being the enemy of good. She would not support a substitute motion to defer. On the point about the schools, she felt there was perhaps a need for better articulation, but she felt the basis was accurate: the burden of schools when there is a large percentage of the student body needing affordable lunches has a cascading effect on that particular school. There are a lot of social policies that would encourage the distribution of committed affordable units. She felt it impossible to deny the number of studies showing that where a high percentage of children attending a school need subsidized lunches there is a lot of need at that particular school and it would be better to spread that throughout the County. It would be better for the resources and the children if they were not all concentrated in one place.

Commissioner Siegel said that as a Planning Commissioner, she looks at balancing policies and plans. She was concerned that the LEED densities would be eliminated in favor of affordable housing densities. She would support the substitute motion.

Commissioner Sockwell said he would not support the substitute motion. The reality is that Arlington is an area surrounded by other jurisdictions with different affordable housing policies but just to say it is a flow market where people move in and out does not mean Arlington should not have its own affordable housing policies. Arlington operates under certain constraints but our policies will guarantee outcomes for our parts of community in need. Other jurisdictions have more restrained or more liberal affordable housing policies and people will move here because Arlington is a desirable place to live, but that does not mean we need to create a gigantic model to understand what is happening all around the area. On the density issue, it is true that a way to pay for more affordable housing is to allow for more density and the effects have not been quantified by the Affordable Housing working group, but it is inappropriate to address such large issues at a working group level. He was unsure how people felt about a tradeoff of more density for more affordable housing. It is a tradeoff that the community has to make. It was a much broader discussion than even the level of the Planning Commission and it is certainly appropriate to advertise that and get more community input on the issue.

Commissioner Forinash said it should move forward for advertisement after three years of work and multiple work sessions with the County Board. Commissioner Cole's points will be reflected in communication to the County Board but it is time to move it forward.

Commissioner Iacomini thanked Commissioner Cole for an impassioned explanation and agreed with a lot of the points, particularly that Planning Commission processes do not add to the costs of affordable housing, but she said that she would not support the motion to defer.

Commissioner Harner found the documents to show a bewildering array of policies and goals without order in terms of priority or effectiveness.

Commissioner Brown would not support the motion but the relationship between Arlington Public Schools (APS) and housing has not been fully considered and needs more thought than simply restricting construction of housing to address concentration of poverty.

Commissioner Hughes thought the Master Plan and the Implementation Framework did a disservice to the ongoing community conversation regarding schools and the connection to affordable housing because schools are mentioned only twice in the document. If this is not addressed it will undermine the valuable parts of this plan.

The Planning Commission voted 3-8 to deny the substitute motion with Commissioners Cole, Siegel, and Hughes in support and Commissioners Brown, Ciotti, Forinash, Gutshall, Harner, Iacomini, Schroll, and Sockwell against.

Commissioner Gutshall said that one of the difficult tasks that has not been achieved with the Master Plan is how the Objectives and Implementation Framework reflects the Vision. On Page 2, Chapter 1 County Vision and Housing Affordability the Plan uses the buzzword "housing affordability" because it does relate to housing for all levels of income throughout the community. It starts with that vision, but then deeper in the report, it is not about a vision for the County and what kind of housing stock do we have and where can all kinds of people at different income levels and different families and different stages of life and how they can fit into our community but becomes a much more narrowly focused implementation. His tenet is if we don't look at the whole pie, it will not work.

Commissioner Brown sought unanimous consent to amend Affordable Housing Principles 3 page 6 to include coordination with Arlington Public Schools. There was no objection and it was added to the main motion.

The Planning Commission voted 8-3 to support the main motion as amended with Commissioners Brown, Ciotti, Forinash, Gutshall, Harner, Iacomini, Schroll, and Sockwell in support and Commissioners Cole, Hughes, and Siegel opposed.

Commissioner Brown made a motion that the Planning Commission recommend that the County Board authorize public hearings to consider the adoption of the Implementation Framework as proposed in the County Manager's memorandum dated May 12 2015. Commissioner Ciotti seconded the motion.

Commissioner Gutshall asked for clarification on staff's reference to GLUP amendments. Mr. Danao-Schroeder responded that on Page 9 the GLUP states the affordable housing goals adopted by the County Board in 2000, and this is to make the GLUP conform to the adopted policies should the Affordable Master Plan be adopted. Commissioner Iacomini clarified that the only change is to remove the language from the GLUP. Mr. Danao-Schroeder responded yes. Commissioner Harner shared concerns about the generalized nature of the GLUP amendment and suggested these are spelled out clearly in the full hearing.

Commissioner Iacomini sought unanimous consent that the main motion be amended to include language that the Planning Commission recommended that on page 13 of the Implementation document under Item 13 add the words "engage community and other stakeholders to study possible changes to zoning code to encourage retention of MARKs." There was no objection and the amendment was added to the main motion.

The Planning Commission voted 8-3 to support the main motion as amended with Commissioners Brown, Ciotti, Forinash, Gutshall, Harner, Iacomini, Schroll, and Sockwell in support and Commissioners Cole, Hughes, and Siegel opposed.

Commissioner Brown made a motion that the Planning Commission recommend that the County Board authorize public hearings to consideration adoption of conforming amendments to the GLUP as proposed in the County Manager's memorandum dated May 12, 2015. Commissioner Schroll seconded the motion.

The Planning Commission voted 6-5 to support the motion with Commissioners Brown, Ciotti, Forinash, Harner, Iacomini, and Sockwell in support and Commissioners Cole, Gutshall, Hughes, Schroll, and Siegel opposed.

Respectfully Submitted,
Arlington County Planning Commission

A handwritten signature in black ink, appearing to read "Christopher Forinash". The signature is fluid and cursive, with a large initial "C" and "F".

Christopher Forinash
Planning Commission Chair