Housing Conservation District

Long Range Planning Committee
July 9, 2019

Agenda

• Overview of Housing Arlington and HCD
• Review of HCD Update
  o Key Findings
  o Proposed Actions
    ▪ Zoning approach
    ▪ Financial tools
  o Affordability requirements
  o Policy trade-offs
• Review of Analysis / Case Study
• Next Steps / Community Engagement Plan
HCD Background

• Part of broader Housing Arlington: initiative to strategically tackle interwoven issues of:
  • Growing, changing population
  • Rising housing costs
  • Increasing needs
  • Shortfalls in housing supply and range of types
  • Changing economic and employment growth
  • Limited resources, facilities, infrastructure

• Housing Conservation District – one Housing Arlington program targeted to advance these goals:
  • Encourage the retention and renovation of existing rental affordable housing units
  • Provide opportunities for the creation of new affordable units (either rental or ownership) when redevelopment occurs
  • Maintain the character of established multiple-family areas, considering historic buildings, tree canopies, mix of affordability, and mix of rental vs. ownership housing
  • Signal that a variety of tools are available to achieve the above, including removing zoning barriers to reinvestment
HCD

- HCD District covers 12 areas of the County
- 6 of 12 areas along Lee Highway
- 163 multifamily properties within HCD
  - Primarily properties with MARKS (as of 2016)
  - Other adjacent properties with similar form and characteristics that contribute to neighborhood form

HCD – Phase I

- Completed in December 2017
- Established the Housing Conservation District through adoption of:
  - A **Housing Conservation District Policy Framework** - To guide Phase II development of HCD incentives
  - A **GLUP Amendment** - Laying out goals, objectives, and mapped boundaries for the district
  - An **AHMP Amendment** - Referencing the HCD as an implemented policy
  - A **Zoning Ordinance Amendment** - Requiring site plan approval for new townhouse development in the HCD
HCD – Phase II
Develop Implementation Tools

- **Land Use Tools and Zoning Ordinance Amendments**
  - Analyzed site conditions, development economics and zoning regulations
  - Evaluated housing typologies – existing and proposed
  - Tested different development scenarios against policy goals for form and affordability
  - Evaluated future review processes

- **Financial Tools**
  - Evaluated different Tax incentives and exemptions
  - Considered AHIF usage

- **Review/Discussion with HCD Working Group and other stakeholders**

- **Update Report**
  - Document analysis
  - Key Findings
  - Proposed strategies and policy considerations
  - Proposed community engagement plan and timing
**HCD Update Report**

**Key Findings:**
- HCD multi-family neighborhoods have a particular character
- The supply of MARKs is dwindling
- All existing MARKs cannot be preserved or replaced
- County $$ is not enough

*Staff Conclusion: Land use and financial tools are needed.*

- No one-size-fits all solution
- There will be policy tradeoffs

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**Preliminary Analysis Review**

Four HCD Areas have been examined in detail*:
- Penrose
- Westover
- Spout Run / Lyon Village
- North Highlands West

*These areas were studied because they contain a wide range of building and site typologies
**HCD Existing Conditions Analysis**

- Block Pattern
- Lot Types
- Street Network
- Tree Canopy

Also:
- Building typologies
- Height
- Density
- Transit access
- Other

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**Penrose – Existing Heights**

- 25 - 45 feet
- 40 - 50 feet

*Penrose Housing Conservation District Heights Analysis*

Legend:
- Maximum Permitted Heights by Zoning District:
  - BR: 40-45 H feet, 45-75 Stories, 36 a/acre or 110 (6 ~ 4 Stories, 45 a/acre)*
  - BR: 72.5 stories (C2, R 3, 5-500)
  - BR: 30-45 Stories (C3, 11-15 stories, 45 a/acre)
  - HCD Boundary
- Heights of Existing Buildings:
  - Existing Buildings and Heights

*The sites greater than 20,000 sq ft or 10 or more existing units.
Analysis Review

**Existing Conditions Analysis**

- **Constraints:**
  - Height & density limits
  - Setbacks
  - Coverage
  - Existing County policies & practices

**Zoning Considerations**

**Goals:**
- To maintain multi-family character
- Spur redevelopment / preserve affordability

**Economic Analysis**
To test feasibility and evaluate redevelopment considerations within new zoning parameters
Proposed Actions
1. Develop a new set of optional zoning regulations (no rezoning required)
   • By-right and Use Permit approvals
   • Density controlled by form & height; **specific density limit (units/acre) removed**
   • County Board authority to modify setbacks, coverage & parking regulations
   • New “Housing Conservation Plan” tool – conceptual review
   • HALRB review for Essential and Top 1/3 Important sites

  Range of redevelopment enabled:
  • Interior improvements
  • Accessory dwellings (stand-alone in RA districts)
  • Bump-outs
  • Infill
  • Partial redevelopment
  • Full redevelopment

Proposed Actions (cont.)
2. Employ financial tools
   • Continued use of AHIF for acquisition, preservation and redevelopment
   • Revise Multi-family Rehabilitation Partial Real Estate Property Tax Exemption
     • Add affordability component
   • Explore additional financing options through the Housing Arlington Financial Tools Initiative
Proposed Actions (cont.)

3. Implement new affordability standards for HCD
   • Sliding scale, based on level of redevelopment

4. Allow townhouse development via Use Permit
   • On a portion of a site, while maintaining multi-family on the remainder of the site
   • “Stacked flats” permitted/encouraged
   • Additional design guidance to be developed

NOTE: Townhouse development would continue to be allowed by Site Plan

Comparison: Current vs Proposed Incentives

• Current zoning incentives:
  • Through site plan approval, sites are eligible for 25% bonus above base units/acre
  • Very few properties pursue site plan option
  • Density insufficient to enter site plan process (costly, time intensive, discretionary)

• Proposed zoning incentives:
  • Through use permit approval, sites would be eligible for various forms of redevelopment, with no pre-set density limit; density controlled by form / height / setbacks
    • Increases in height are generally within bonus height limits allowed by current zoning regulations
  • Additional flexibility for parking, setbacks and coverage
Proposed Height Limits

Based on heights analysis already completed and their existing characteristics, the generalized height regulation for each typology for all 12 areas would be:

- **For one- and two-family sites**: Up to 4 stories or 45 feet
- **For garden sites**: Up to 2 additional stories or up to an additional 60 feet on the interior of sites not closer than 100 feet from the property line.
- **For mid- to high-rise sites**: Up to an additional 6 stories or 60 feet, but not within 100 feet of a property line.

Range of Redevelopment Options

Based on existing building/site typology

<table>
<thead>
<tr>
<th>Existing Site Type</th>
<th>Approach</th>
<th>Affordability Conditions</th>
</tr>
</thead>
</table>
| Single Family (Including single family detached, semi-detached and duplex) | • Eliminate non-conformity, allowing expansions  
• Allow detached Accessory Dwellings | N/A                                                           |
| Multifamily 1 (i.e. Westover)       | • Rehabilitation / renovation ("waiving" non-conformity)  
• Infill units w/in existing buildings  
• Infill units elsewhere on the property  
• Total redevelopment – stacked flats  
• Total redevelopment – new multifamily building | Sliding scale, based on type and level of redevelopment |
Based on existing building/site typology

<table>
<thead>
<tr>
<th>Existing Site Type</th>
<th>Approach</th>
<th>Affordability Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multifamily 2 (2-3 garden buildings in campus format – i.e. Washington &amp; Lee Apartments)</td>
<td>• All approaches in Multifamily 1 • Partial Redevelopment</td>
<td>Sliding scale, based on type and level of redevelopment</td>
</tr>
<tr>
<td>Multifamily (mid- to high-rise buildings)</td>
<td>• Infill development • Total redevelopment</td>
<td>Sliding scale, based on type and level of redevelopment</td>
</tr>
</tbody>
</table>

### Proposed Affordability Requirements

**Option 1:** Infill Development adding 5 or Fewer Units; or Renovation of Non-Conforming Buildings

**Affordable Housing Requirement**

- Rent restrictions on 20% of total units up to 80% AMI for 10 years or cash contribution of $6,250/unit for 20% of total units. Cash contribution annual increase linked to Housing CPI.

**Option 2:** Infill Development of More than 5 Units (No Demolition of Existing Units)

**Affordable Housing Requirement**

- 20% of total units for 20 years, Up to 80% AMI

**Example:** Existing 100 unit building adds 20 infill units. Affordable requirement = (100 * 20%) = 24 affordable units.

**Option 3:** Partial or Total Redevelopment (Demolition of All or a Portion of Units)

**Affordable Housing Requirement (Columbia Pike model)**

- 20% to 30% of net new units as affordable (Proposed Units Divided by Existing Units multiplied by 0.1 = % affordable requirement of net new units). Increase requirement by 10% if units are placed in existing building(s).

**Example:** Applicant is proposing 500 units and there are 200 existing units (some of which will be demolished). Affordable requirement = 500 / 200 = 2.5 (x 0.1 = 25% of net new units required as affordable (75 units). If preserved in existing building, 35% of net new units are required affordable (105 affordable units).
### Approach for HRI Sites

There are 95 properties listed on the HRI, including seven (7) “Essential” and “Important, Top 1/3” properties within the HCD areas.

**Proposed Redevelopment Options:**

- **“Essential” (2) and the “Important, Top 1/3 Properties” (5):** Redevelopment options ranging from interior improvement and bump outs up to and including partial redevelopment could be approved via Use Permit, subject to HALRB review.

- **All other properties (88) listed on the HRI are eligible for all redevelopment options, including full redevelopment.**

*This approach is consistent with previous planning for Columbia Pike and Fort Myer Heights North.*

### Policy Trade-offs

<table>
<thead>
<tr>
<th>Proposed HCD Action</th>
<th>Issues</th>
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</thead>
<tbody>
<tr>
<td>Increase density &amp; height</td>
<td>• Community concerns about scale</td>
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<tr>
<td></td>
<td>• Potential impact on utilities; flooding in some areas</td>
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<td></td>
<td>• Increased demand for County parks</td>
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<td></td>
<td>• Increased school population (County staff estimate)</td>
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<td></td>
<td>• Increased traffic (not quantified)</td>
</tr>
<tr>
<td>Parking flexibility</td>
<td>• Existing non-conformity may remain</td>
</tr>
<tr>
<td></td>
<td>• New / increased parking spillover into neighborhood</td>
</tr>
<tr>
<td>Bump-outs, infill, partial and full</td>
<td>• Loss of private open space</td>
</tr>
<tr>
<td>full redevelopment</td>
<td>• Loss of tree canopy</td>
</tr>
<tr>
<td></td>
<td>• Loss of, or changes to, HRI sites</td>
</tr>
</tbody>
</table>
Poverty Rates by Census Tracts

Spout Run, Lyon Village and North Highlands West Area Analysis

Assumptions about Redevelopment Potential

Potential Types of Development:
- Infill
- Partial
- Total

HRI sites

Considerations:
- Site configuration
- Ownership
- Construction type

*Not reconciled with Historic Preservation considerations

Development Summary (Infill):
- Site Area: 5.1 acres
- 462 units
  - Existing Garden Apartments – High Rise (9/10 floors): 229 units
  - New Garden Apartments – High Rise (8 floors each): 233 units (98/135)
- Parking:
  - Required: 520 spaces (1.125/unit)
  - Provided: 521 spaces (1.125/unit)
- On-site: 496 spaces
  - (435 garage 2 levels below, 61 surface)
- On-street: 25 spaces

Economic Analysis:
- Current owner does redevelopment
- Development scenario above (underground parking):
  - No excess subsidy ($33M gap)
  - Cost of underground parking makes development scenario difficult
- Does not account for infrastructure improvement costs

Case Study

Horizons E/W Apartments (Waverly Hills HCD)

Development Summary (Infill):
- Site Area: 5.1 acres
- 462 units
  - Existing Garden Apartments – High Rise (9/10 floors): 229 units
  - New Garden Apartments – High Rise (8 floors each): 233 units (98/135)
- Parking:
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- Development scenario above (underground parking):
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  - Cost of underground parking makes development scenario difficult
- Does not account for infrastructure improvement costs

Finding: Not Feasible
Case Study

Horizons E/W Apartments (Waverly Hills HCD)

Development Summary (Infill):
• Site Area: 5.1 acres
• 521 units
  • Existing Garden Apartments – High Rise (9/10 floors): 229 units
  • New Garden Apartment – High Rise (8 floors): 98 units
  • New Apartment Tower (14 floors): 194 units
• Parking:
  • Required: 585 spaces (1.125/unit)
  • Provided: 306 spaces (0.59/unit)
    • On-site: 306 spaces (garage 2 levels above)

Economic Analysis:
• Current owner does redevelopment
• Development scenario above: increased density/height (up to 14 floors), above ground parking, significantly reduced parking ratio (0.59/unit) and increased rents
  • $8.9 M excess subsidy: covers foregone revenue of 104 affordable units (20% of total units at 80% AMI) which is $1.8 M; $7.1 M left in excess subsidy
• Does not account for infrastructure improvement costs

Overall Schedule

County Board Check-In
**Proposed Community Engagement**

**Limited meeting schedule**

**Decision Point**

**Phase I - Initial Feedback on HCD Update**
- Advisory Boards & Commissions
- Housing Conservation District
- Advisory Group (KCDAG)
- Planning Commission (LUPC)
- Housing Commission
- Tenant-Landlord Commission
- HANO
- Urban Forestry Commission
- Other

**Phase II - County Board Check-in**
- Objectives:
  1. Summarize input
  2. Confirm approach
  3. Identify potential refinements
  4. Outline next steps

**Phase III - Continue Public Engagement / Refine Approach**
- Continue to meet with Advisory and Stakeholder Groups
- Draft proposed Zoning Ordinance and HCD Policy Framework changes

**Phase IV - Advisory Board / Commission Meetings and Public Hearings**

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**Housing Conservation District Stakeholder Meetings**

<table>
<thead>
<tr>
<th>Date</th>
<th>Meeting / Group</th>
<th>Location</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 29</td>
<td>Housing Arlington Kick-off</td>
<td>Wakefield HS</td>
<td>6-9pm</td>
</tr>
<tr>
<td>June 4</td>
<td>HCD Advisory Group Meeting</td>
<td>Bozman Gov. Ctr, 1st Floor Room C&amp;D</td>
<td>7:30pm</td>
</tr>
<tr>
<td>June 6</td>
<td>Housing Commission Meeting</td>
<td>Bozman Gov. Ctr, Room 311</td>
<td>7pm</td>
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<tr>
<td>June 8</td>
<td>Plan Lee Highway Land Use / HCD Educational Forum</td>
<td>Bozman Gov. Ctr, County Board Room</td>
<td>10am</td>
</tr>
<tr>
<td><strong>June 12</strong></td>
<td>Long Range Planning Committee of the Planning Commission</td>
<td>Bozman Gov. Ctr, Room 311 715</td>
<td>7pm</td>
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<tr>
<td><strong>July 9</strong></td>
<td>Northern Virginia Apartment Assoc.</td>
<td>4600 Fairfax Dr, Suite 604</td>
<td>2pm</td>
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<tr>
<td>June 19</td>
<td>Arlington Chamber of Commerce</td>
<td>2009 14th Street N., Suite 100</td>
<td>9am</td>
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<tr>
<td>June 19</td>
<td>Alliance for Housing Solutions</td>
<td>3100 Clarendon Blvd</td>
<td>12pm</td>
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<tr>
<td><strong>June 20</strong></td>
<td>HCD Community-wide Event</td>
<td>Arlington Central Library</td>
<td>6-9pm</td>
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<tr>
<td><strong>July 24</strong></td>
<td>NAIOP (Commercial Real Estate Development Association) NoVa Chapter</td>
<td>Bozman Gov. Ctr, Room 715</td>
<td>8:30am</td>
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<tr>
<td>June 27</td>
<td>Urban Forestry Commission</td>
<td>Trades Ctr, 2100 S. Taylor Street</td>
<td>7pm</td>
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<tr>
<td>July 10</td>
<td>Tenant-Landlord Commission</td>
<td>Bozman Gov. Ctr, Azalea Room</td>
<td>7pm</td>
</tr>
<tr>
<td>July 17</td>
<td>Historical Affairs and Landmark Review</td>
<td>Bozman Gov. Ctr, 1st Floor Room C&amp;D</td>
<td>7:30pm</td>
</tr>
</tbody>
</table>
Discussion