

HOUSING COMMISSION

DRAFT MEETING NOTES – April 14, 2022

Attendance			
	Present		Present
Arthur, Ben	Y	Serfis, Karen	Y
Berkey, Eric	-		
Bray, Holly	Y		
Browne, Paul	Y	Staff:	
Edwards, Laura Saul	Y	McMillen, Alex	Y
Hemminger, Michael	Y	Planning Comm. Liaison:	
Jackson, Angel	Y		
MacBeth, Kellen	Y		
Montgomery, Anika	Y	Disability Advisory Comm Liason	
Norris, Haley	Y	Ray, Doris	Y
Rubalcava, Sara	Y		

Held in: Virtual public meeting held through electronic communication. This meeting was recorded and is available on the Housing Commission website.

Other Staff Present: Chris Dimotsis and Sarah Pizzo of the Housing Division and Aaron Shriber of the Planning Division, Department of Community Planning, Housing and Development (CPHD).

Public Comment

Alyssa Marlow spoke on the August 2021 Housing Assistance Fund. She stated that although it is administered at the state level, the county can use some of their American Rescue Plan money to help low-income homeowners that are in risk of forbearance. She stated the Housing Assistance Fund doesn't take Arlington County into consideration because of the high-income zip codes. She said she is worried about going into foreclosure and that she may not be the only one.

Approval of Notes

Dorris Ray offered an amendment to the minutes stating she was at the March 10, 2022, meeting. She also wanted it included that she commented on the need for county funding for staff to do FHAA testing of new multifamily construction to identify and correct violations of the FHAA Accessibility Standards because of the Moseke Ruling that prohibits individuals with disabilities or other interested parties to pursue redress if the violation is identified after a two-year statute of limitation on enforcement of the accessibility standards of the FHAA. Kellen MacBeth also asked to amend the minutes to reflect that he was dissatisfied with the amount of funding in the proposed budget aligned with the CAF Strategies document, instead of "the amount of funding that came out of the CAF Strategies Document." Kellen MacBeth moved approval of the march 10, 2022, meeting notes, Laura Edwards seconded, and the motion passed 12-0.

PenPlace

Applicant Presentation

Several presenters spoke on behalf of Amazon. They identified the three main phases of growth that have occurred as part of the HQ2 campus. They spoke about the ten design precepts that guided the master plan design of PenPlace and provided a picture of the current site layout.

The presentation also detailed the square footage breakdown of uses, including office area, retail area, childcare area, and high school area. The applicant noted that the site will pursue a platinum LEED certification. The applicant also spoke to the 2.75 acres of public open space that will be included in the development. Finally, the Applicant provided several renderings of how the proposed development will look when complete.

Staff Presentation

Chris Dimotsis reiterated the affordable housing program for the site plan, which is a \$30 million contribution to the Affordable Housing Investment Fund (AHIF). He also noted the three different options the Applicant can choose to pay the contribution regarding timing.

Public Comment

Anne Bodine spoke on behalf of Arlingtonian's for a Sustainable Future (ASF). She stated Arlington will add as many residents as Charlottesville and Culpepper combined by 2040 but the county is not talking about how it will find room for and pay for services for this growth. Amazon is seeking 1.5 Chrysler Buildings in bonus density for PenPlace. She calculated the total community benefits for this site plan equate to \$75.5 million. She said it looks like the County is prepared to leave substantial community benefits on the table. She provided a list of ideas that Arlington could pay for if they received larger contributions. She said Arlington should be getting more on all site plans and that it is not a sustainable model.

Alyssa Marlow spoke and asked if the \$30 million AHIF contribution is commensurate with what Amazon is gaining. She also asked if the contribution will be invested into the 22202 neighborhood. She said she hopes Arlington can use these funds to reduce rents and real estate taxes.

Commission Discussion

Kellen MacBeth asked about the three options the Applicant has in delivering the AHIF contribution and who will make that decision. Aaron Shriber answered that the payment options are at the Applicant's discretion. Kellen MacBeth also asked for more information on how staff and the Applicant calculated the specific contribution amount. Aaron Shriber answered that staff used the Arlington County Zoning Ordinance (ACZO) and other guiding documents to help calculate the contribution. Staff evaluated the amount of additional density requested and began allocating density associated with certain community benefits. The applicant is making a contribution towards a sustainable design towards the site as a whole, they are making significant transportation improvements, building a 2.75-acre public park, they are building out and providing a high school free of charge for 30 years, in addition to the \$30 million AHIF contribution. Aaron Shriber also noted this is the single largest AHIF contribution in the history of the fund.

Michael Hemminger asked for additional detail on how the AHIF contribution was calculated and if it accounts for inflation. Michael Hemminger also asked if staff has collaborated with the localities of Seattle or San Francisco throughout the process. Aaron Shriber answered that Arlington did consult with Seattle and its surrounding areas at the beginning of the Amazon solicitation process.

Sara Rubalcava asked for more information on the project and asked how the \$30 million contribution was calculated. Kellen MacBeth asked staff to clarify how the \$30 million amount was decided upon, as opposed to \$35 million or a different amount. Aaron Shriber answered that staff looks at how much additional density is requested, in this case they requested about 1.6 million square feet of additional density. The Applicant proposed a platinum LEED certification, which based upon the County Board's adopted formula earns a little more than 300,000 square feet. From there, density is allocated to certain community benefits. The high school is a very significant component,

as it is being built out to Arlington Public School (APS) specifications, providing parking, and providing it rent free for 30 years. There will also be a park space of 2.75-acres, which is another achievement for the Public Spaces Master Plan. After looking at the values for those contributions staff also looks at what can be achieved for affordable housing. He reiterated that this is the single largest AHIF contribution in the County's history. Lastly, he stated that there is only so much density to earn at this site, so if the AHIF contribution went up to \$35 million than it would take \$5 million away from one of the other community benefits.

Kellen MacBeth asked if staff has calculated or analyzed how Amazon's presence will contribute to increased housing costs and what impacts that will have on Arlington neighborhoods. Aaron Shriber answered that staff hasn't analyzed that for this standalone site plan, while noting the question from a policy standpoint is a good one.

Holly Bray asked about how the public easement will be structured for the site. Aaron Shriber answered that Amazon will be building out the public park and will have a public easement on it for perpetuity.

Michael Hemminger, referring to Destination 2027, said life expectancy in the county differs ten years by zip codes. He also mentioned the new Equity Resolution passed by the County Board in 2019 and asked if this site plan was examined through that lens. Aaron Shriber answered that this site plan was reviewed with that in mind. He pointed to a few areas, including the new public space and the housing contribution. But stated one thing to be extremely excited about is the new high school space, which serves primarily low-income residents and doesn't have an age limit (which allows students to receive a high school diploma on their own timeframe).

Michael Hemminger asked that Commissioners receive all materials related to equity in advance of the meeting. Kellen MacBeth also stated he would be interested in seeing analysis of the potential negative impacts of new site plans on residents.

Kellen MacBeth asked if this is the last site plan the Amazon will be submitting for the new HQ2. Aaron Shriber answered this is the last phase for Amazon that he knows of at this time.

Sara Rubalcava asked for specific dates that the contribution will be delivered. Aaron Shriber answered that the delivery dates are tied to specific permit approval. Taylor Lawch answered that there is no hard construction schedule in place yet, as the County Board has yet to approve the plan. He answered that he estimates the first building, and thus payment, would be delivered in 2026.

Margaret McGilvray asked if there is a precedence for setting aside some of the \$30 million contribution towards certain zip codes. Aaron Shriber answered that since it is going towards a county-wide fund, that is not something the County can do.

Kellen MacBeth asked if Amazon has conducted any sort of analysis with how them moving into the area will impact housing costs and displacement. Brian Stout answered that they have not run a specific analysis on that. He did say that this site allows Amazon to alleviate some of those housing pressures due to its location, by having employees that live in Virginia, Maryland and Washington DC. Brian Stout mentioned the Crystal Houses property, which Amazon helped to acquire with the County and will preserve and create significant affordable housing. He also mentioned the Barcroft Apartment acquisition which they are a partner in as well to help preserve affordable housing.

Paul Browne asked if there was any precedence where additional office density was negotiated for an AHIF contribution. Aaron Shriber answered that there haven't been many other examples, outside

of MetPark and PenPlace. He also stated that the County has placed an emphasis on getting units wherever possible, especially in some more difficult areas such as Rosslyn or Courthouse.

Dorris Ray stated she was concerned about displacement of low- and moderate-income households in the surrounding neighborhoods. She asked if the County could designate some of the AHIF funds towards these neighborhoods. She also asked if the public spaces will all be fully accessible and compliant with the ADA. She also noted that crosswalks should use spoken words to aid those that are blind. She stated that she is worried about the wording of one of the design precepts presented by the Applicant. Aaron Shriber answered that the Site Plan Review Committee (SPRC) spent considerable time ensuring that access will be available and utilized by all. Amazon confirmed that the site would be ADA compliant and that they have gone above and beyond, using an outside consultant to ensure so. The Applicant also mentioned that they attended multiple meetings with the Accessibility Committee.

Kellen MacBeth said he would like the County to publicly provide how the County will mitigate any potential impacts, including displacement and increased housing costs, from the new Amazon HQ2 ("Plan"). He recommended that this Plan be added to the motion to approve the site plan. Michael Hemminger said he will be abstaining from the vote as there is still information that is missing for him to make a decision. Holly Bray stated she is in favor of supporting the site plan, but not Kellen MacBeth's addition to include a Plan for mitigation of impacts. Haley Norris agreed with Holly Bray's comments and added that the Commission could make a specific recommendation or guidance, but that the Plan as proposed is too vague. Kellen MacBeth said he wasn't comfortable coming up with a specific recommendation on the spot and was hoping a specific recommendation could be determined after the Plan is completed. Karen Serfis agreed with Holly Bray and Haley Norris and said that the Commission should offer a more specific recommendation rather than proposing the County provide this Plan. Holly Bray said this Plan should have been done back when the County was applying to be the new home of Amazon.

Laura Edwards asked staff and the Applicant if some sort of similar analysis or plan had been done previously. Aaron Shriber answered that staff has not done a study. Chris Dimotsis said there has been some analysis run in the context of the Crystal Houses opportunity. Laura Edwards said that all analyses, including an equity analysis, should be provided to the Commission before votes. She also noted that there are a lot of good pieces to this plan but wants more information in the future.

Kellen MacBeth motioned to approve the site plan with the condition that staff publicly provide how the County will mitigate any potential impacts, including displacement and increased housing costs, from the new Amazon HQ2. The motion did not receive a second. Holly Bray then made a motion to approve the site plan, as presented by County staff. Karen Serfis seconded the motion.

The Commission advises the County Board to approve the PenPlace Site Plan, as presented by County staff. The Commission vote on the motion was 6-0-6. Members in favor were Commissioners Arthur, Bray, Browne, MacBeth, Norris, and Serfis, with Commissioners Edwards, Hemminger, Jackson, McGilvray, Montgomery and Rubalcava abstaining.

Michael Hemminger stated he abstained because he would have liked more information on how the equity provisions weighed in on the County's proposal and some of the steps they would take to mitigate impacts. Laura Edwards agreed with Michael Hemminger's comments. Sara Rubalcava aligned herself with Michael Hemminger's comments as well.

Development Updates

Staff Presentation

Alex McMillen provided an update on the Crystal House RFP process. The County has narrowed it down to seven respondent groups and they have until April 29th to complete the RFP process. There is a project website that is updated as more information becomes available.

Alex McMillen provided an update on the 2000 Clarendon ADU's. All four of the ADUs were filled through a lottery process in February 2022. All four lottery winners were Arlington residents, including one Arlington County employee.

Subcommittee Reports

There were no new subcommittee meetings, and thus no subcommittee reports.