

HOUSING COMMISSION

DRAFT MEETING NOTES – July 7, 2022

Attendance			
	Present		Present
Berkey, Eric	Y	Rubalcava, Sara	Y
Bray, Holly	Y	Serfis, Karen	Y
Browne, Paul	Y		
Edwards, Laura Saul		Staff:	
Hemminger, Michael	Y	McMillen, Alex	Y
Jackson, Angel	Y	Planning Comm. Liaison:	
Lee, Eric			
Macbeth, Kellen	Y		
McGilvray, Margaret	Y	Disability Advisory Comm Liason	
Montgomery, Anika	Y	Ray, Doris	Y
Norris, Haley	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: Richard Tucker, Caitlin Jones, Melissa Danowski, Chris Dimotsis, Akeria Brown, Jennifer Daniels and Marie Randall of the Housing Division, Department of Community Planning, Housing and Development (CPHD), Bryna Helfer of the County Manager’s Office.

Public Comment on Items not on the Agenda

There was no public comment on items not on the agenda.

Approval of Notes

Eric Berkey moved approval of the June 9, 2022, meeting notes, Karen Serfis seconded the motion, and the motion passed unanimously.

Missing Middle Housing Study

Jane Green opened public comment by stating she is supportive of the MM. She said we need to have as few restrictions as possible in this framework to increase affordability, including reducing the parking ratio even further and allowing buildings up to four stories. She also said we need to continue to look for every opportunity to increase housing stock.

Michael Falkenheim also stated his support for MM. He said the county has an opportunity to increasing housing options as well as improve environmental outcomes. He also mentioned this proposal has been endorsed by a diverse and important number of community organizations.

Wells Harrell said the MM was a necessary policy for Arlington to adopt. He spoke to how the county is segregated due to historically racist policies. He also asked the Commission to decline calls for delay to MM. He said that is just a tactic for opponents to slowly kill the proposal.

Bradley Harmon also spoke in support of the MM. He said allowing new housing types in Arlington is the difference for young people to ever be able to own a home in the county. He also spoke to MM leading to better carbon outcomes for the county.

Joe James spoke in support of MM. He also wanted height limits increased in the proposal and to further reduce the parking requirements. He concluded by saying a lot of people want to live here and that people will be moving to the area, and we need to be prepared. He also noted the high prices of homes in the county.

Julius Spain Sr., the President of the Arlington Branch NAACP, spoke in support of the MM. He said Arlington's historically racist housing policies need reforming. He noted the high cost of housing and how we are losing young households to neighboring areas. He called for no more delay and to start increasing housing options.

Dima Hakura spoke in opposition to the MM. She noted she currently lives close to missing middle type housing. She said calling the policy Missing Middle is a misnomer, as it will not bring about affordable housing opportunities. She stated the study the county has done has many holes in it. She asked the county think about a more targeted program. She said the county will end up making more money off land values and taxes.

Kenneth Matzkin spoke in opposition to the MM. He said he supports the concept of adding forms of housing in the county. He stated his main opposition is that MM is not an affordable housing initiative and will still be market driven. It will add housing in between the single family homes and the high-rises but still not be affordable to many.

Ethan Epstein spoke in support of the MM. He used his time to respond to criticisms he has heard about the MM. He said higher density means less government spending per person because public facilities aren't stretched as far. He also said services are better funded with more density. He said as density increases, more sustainable means of transportation also increase. He also said the tree lot coverage policies aren't changing with this new policy.

Anne Bodine spoke in opposition to the MM. She stated MM was initially marketed as an affordable housing and equity policy. She said staff has since agreed it's not an affordable program. But she also said that it is also not an equitable program as there were many other efforts to improve equity that could have been taken instead. She said the county is losing diversity as people are moving out due to high taxes. She said it makes sense to rent out MM properties and that it would lead to more renters, not necessarily homeownership.

Eric Berkey opened Commission discussion by restating the core elements of the Missing Middle Phase 2 Draft Framework (MM). The core elements are: duplicating the same design standards as required for single-household development (height, setbacks, lot coverage), allowing townhouses and buildings with 2-8 units in zoning districts currently limited to single-household development, reduced parking requirements and setting a maximum building size for new housing types and limit townhouses to groups of 3.

Kellen MacBeth asked staff what the current housing affordability levels are by race in the county, noting that the MM report states that missing middle housing would be available to 39% of Black and Hispanic/Latino households and 60% of Asian households. Richard Tucker said in answering this question staff looked at the median sales price for single family detached housing. The income needed to obtain that housing is about \$250,000. This would be attainable for about 20% of White Arlingtonians, 10% of Black Arlingtonians, 11% of Hispanic Arlingtonians and 25% of Asian Arlingtonians.

Doris Ray said she was worried persons with disabilities will be left out of the MM. She also wants to ensure that if any multifamily units are constructed that they meet all appropriate disability policy. She said a solution or recommendation needs to be made by the housing community.

Holly Bray asked why there is no affordable housing required with MM. Richard Tucker answered that affordable housing requirements are typically something the county gets through special exception, not by-right development. If an affordable housing requirement was added for MM by-right, all the developers would just continue to build single-family homes by-right as that option would be cheaper.

Kellen MacBeth said it was somewhat frustrating that MM is going forward at a different time than something like the homeownership study, as they could help inform each other.

Paul Browne said he supports the premise that more than one unit should be allowed on a single-family lot. He said he is worried about the parking reduction. He also said he is worried about limiting unit sizes as that will hamper the use of the policy by developers. He asked staff how many of the new missing middle housing units would be used by renters vs homeowners and how subdivision would occur. Richard Tucker answered subdivision is something they will be focusing on in Phase 3 of the study.

Margaret McGilvray said that the final framework may not be the perfect answer to solving the housing shortage, but that the county needs to try something to address this issue and MM is a good first step. She also asked what if many houses in a single neighborhood (or three in a row) all decided to become MM housing, would that be stopped by the county? Richard Tucker answered that contextually there is nothing stopping three different people from making sales or redeveloping.

Michael Hemminger said he did want to correct a narrative from the public comment. He said that MM is about adding different types of housing, housing affordability may be an outcome but is not the goal. He also said when we begin to meet housing demand, prices will decrease. He said that multifamily living is the most carbon friendly type of housing. He urged the commissioners to approve MM and move to Phase 3.

Doris Ray noted that limiting square footage may limit the opportunities to add accessible units in MM. She also asked where exactly these MM housing types may be added, and if they can mostly be added on large lots.

Eric Berkey made a motion to write a letter to the County Board recommending that in Phase 3 of the MM, staff focus on:

1. Duplicating the same design standards as required for single household development
2. Allowing townhouses and building with 2-8 units in zoning districts currently limited to single-household development
3. A more targeted approach to the reduction of parking requirements than is proposed in Phase 2
4. Setting a maximum building size for new housing types and limit townhouses to groups of 3
5. Including opportunities to add units for persons with disabilities through MM housing
6. Consider whether the county could provide additional support to expand equitable homeownership opportunities for traditionally excluded populations to promote socioeconomic diversity

Michael Hemminger seconded the motion and asked for clarification for point number four above.

Paul Browne offered an amendment to strike the support for the maximum unit sizes in MM (part of point number four above).

The Commission voted to approve the amendment to the motion 8-2-1. Commissioners in favor of the amendment to the motion were Commissioners Berkey, Bray, Browne, Jackson, MacBeth, Montgomery, Norris and Serfis. Commissioner Hemminger abstained from the vote. Commissioners McGilvray and Rubalcava voted against the motion saying they wanted unit size language included going forward and trusted staff's assessment to have it in the proposal. Following the vote, Commissioner MacBeth said he mis voted and would have been opposed to the amendment if there was another vote.

The Commission then voted on the amended motion. The Commission approved the amended motion 10-0.

Marbella & Arna Valley View

Staff presented the Marbella Sites C, D, & E and Arna Valley View (Marbella & AVV) project. Both apartment complexes are CAF properties and are being combined as a scatter site to apply for Low Income Housing Tax Credits (LIHTC), enabling a rehabilitation at both properties. To support the rehab and financial closing, Arlington Partnership for Affordable Housing (APAH) is requesting \$995,000 in Affordable Housing Investment Funds (AHIF). Additionally, there will be a \$299,094 Tenant Assistance Fund (TAF) for impacted tenants. Staff went over the AHIF loan terms, Sources and Uses, and timeline of the rehab.

Holly Bray, Chair of the Bricks and Mortar Subcommittee, spoke about the discussion of the subcommittee the week prior. They voted 6-0-2 to approve the project. The group was notably impressed with the creativity of the financing package and the combining of both projects.

Michael Hemminger asked what language was used to communicate the 120-day notices sent to residents. Jordi Fabian answered that they have gone to the Tenant Landlord Commission to get their comments. As the properties are scattered the rehabs will be taking place at different times, the contractor in charge will be reaching out accordingly. Michael Hemminger asked for a copy of the letter sent to residents. He also asked if all construction cost increases have been accounted for. Jordi Fabian said all cost increases are accounted for.

Paul Browne noted that he only abstained from voting at Bricks and Mortar Subcommittee because he is affiliated with the project.

Eric Berkey made a motion to approve the AHIF and TAF allocations and Sara Rubalcava seconded the motion. The Commission voted to approve the AHIF and TAF allocations 9-0-2. Commissioners in favor were Berkey, Bray, Browne, Hemminger, Jackson, MacBeth, McGilvray, Montgomery, Rubalcava, and Serfis. Commissioners Browne and Norris abstained due to their affiliations with the project.

Park Shirlington

Staff presented the Park Shirlington project, which is requesting an additional AHIF allocation of \$2.56M, bringing the total AHIF allocation to \$31.9M for the project. The Applicant is also looking to have the loan documents approved to enable financial closing later this summer. Since the project was last seen at the Housing Commission, the Applicant has added a new building with community space, solar panels on all viable rooftops and a digital equity reserve to help pay for free in-unit internet. Staff shared the AHIF loan terms, loan structure and timeline with the commission.

Holly Bray, Chair of the Bricks and Mortar Subcommittee, spoke about the discussion of the subcommittee the week prior. The Commission voted 7-0-1 in favor of the project. One of the main things discussed was the eviction filings that occurred during covid but the subcommittee was satisfied by the answers they heard.

Michael Hemminger said he appreciates the housing program and focus on low-income units. However, he is dissatisfied that so many families above income will be forced to move permanently. Steven Kahn said the Applicant is working to help those families that will need to be relocated. He also noted that the new Area Median Income (AMI) numbers that were recently released may help decrease the number of residents that are over income currently. Michael Hemminger also asked why the affordability isn't for 99 years. Melissa Danowski answered that a 75-year affordability minimum is the county goal but that this project did not go through the Notice of Funding Availability (NOFA) process so was not compared relatively to other projects.

Kellen MacBeth said that he was happy to hear the Applicant acknowledged previous mistakes concerning evictions. Steven Kahn said that none of the residents ended up being evicted and although they didn't use a best practice, the outcome was good.

Doris Ray asked if tenants who needs Type A accessible units are allowed to take a Type A unit from someone who doesn't need one but is residing in one. Steven Kahn answered that there are no accessible units at the property and that no off-site relocation will be occurring.

Eric Berkey made a motion to approve the AHIF allocation and County loan documents as outlined in the staff board report. Holly Bray seconded the motion. The Commission voted 11-0 to approve the motion.

Commission Meetings Guidance

Staff presented the new hybrid commission meetings guidance with the Commission. In person meetings will be starting in September 2022. Commissions can conduct 2 meetings or 25% of annual meetings virtually. Virtual meetings cannot be held consecutively. There are a few scenarios where Commissioners can participate virtually. However, for a meeting to be valid there must be quorum in the physical meeting room. If a member will miss a meeting, they should let the Chair and staff liaison know in advance. The meeting minutes must reflect Commissioners in the room as opposed to participating virtually.

Eric Berkey asked if the Electric Meetings Policy needs to be adopted prior to the first hybrid meeting. Bryna Helfer answered the Commission can adopt the policy at it's first meeting back in person.

Kellen MacBeth asked if there isn't a quorum can the Commission still meet but just not vote. Bryna Helfer answered that if you don't have a physical quorum, it is effectively not a meeting. Kellen MacBeth also asked if the meetings will continue to be recorded. Bryna Helfer answered that is up to the staff liaisons.

Karen Serifs asked what "advance notice" means in notifying the Chair and staff liaison of an absence. Bryna Helfer answered that there is no definition specifically and that it is something that should be decided as a Commission.

Doris Ray asked how this change impacts non-voting members and if non-voting members impact the quorum. Eric Berkey answered that non-voting members do not impact the quorum.

Michael Hemminger asked if we could have a recess until enough members arrived to make a quorum. Bryna Helfer said that would be okay.

Homeownership Study

Staff presented a new homeownership study. The presentation began by noting the current homeownership programs the county has. The homeownership study process will have three phases. Phase 1 will be data collection and analysis, phase 2 will be outreach and community engagement and phase 3 will be development of program recommendations. Staff went over the various ways that community outreach will be conducted and lastly went over the timeline for the study.

Eric Berkey told the Commission that Karen Serfis had agreed to Chair the new Homeownership Subcommittee, which will play a big role in the homeownership study.

Doris Ray said she was happy that staff was pursuing data and findings on homeownership for those with disabilities.

Karen Serfis said this study would be a big undertaking but will be worth it.

CAF Strategies Document

Staff presented the Long Term Strategies for Improved Oversight and Tenant Support at Aging CAF Properties document that was recently created. It was created to inform a more proactive, long-term approach to resident services and County oversight. Staff has met with community stakeholders since late 2020 and inspected over 1,000 CAFs to ensure units are in compliance. Staff noted five areas of opportunity moving forward: oversight and asset management, capital investment, coordination, problem solving, and communication and outreach.

Kellen MacBeth thanked staff for the work on the report. He asked if the Housing Division will be providing updates on the progress of the strategies. Jennifer Daniels answered that staff plans to report out regularly. Kellen MacBeth also asked how the county will be engaging the community going forward. Jennifer Daniels said staff is looking at new strategies and incentives to get as much engagement as possible.

Doris Ray asked if CAF inspections include inspections of common areas including elevators. Marie Randall answered that inspections do include common areas.

Development Updates

Staff gave a short update on the Site Plan Amendment to the Odyssey Condominiums. In November 2001, the County Board approved Site Plan #350 to allow for the construction of a 17-story market rate apartment building. Within that approval, the County Board approved 21 of the apartments to be rental CAFs. In advance of construction, the developer decided to build the approved site plan as for-sale condominium units. In 2006, T.B. Venture, a subsidiary of Paradigm, purchased the 21 units and operated them as affordable units until it repaid its Virginia Housing loan in 2018. There was subsequently a legal dispute over whether T.B. Venture/Paradigm had an obligation to maintain the 21 CAFs as affordable units. On October 30, 2020, the County reached a settlement with T.B. Venture/Paradigm to sell the 21 designated affordable units at The Odyssey without any affordability restrictions. The units were to be sold over the next three years with a portion of the proceeds provided to the County in place of the affordability. The settlement also provides that the 6 households residing in the affordable units at the time of the settlement be permitted to remain in their homes for 2 years, with an extension until the end of the school year for households with children who attend Arlington County Public Schools.

Holly Bray asked what the settlement agreement was for The Odyssey. Alex McMillen answered the county received a minimum of \$3M with the ability to earn more.

Kellen MacBeth asked if the county has changed their documents to stop condominium conversions. Alex McMillen answered that the county has since included language in the conditions that address condominium conversions to prevent this in the future.

Subcommittee Reports

There were no subcommittee reports.