

June 29, 2018

Mr. Mark Schwartz  
Arlington County Manager  
2100 Clarendon Blvd  
Arlington, VA 22201

Dear Mr. Schwartz:

Please accept this letter as official public comment on [Arlington County's Proposed Fiscal Year \(FY\) 2019-2028 Capital Improvement Plan \(CIP\)](#). Our comments primarily focus on the strategic use of public land and co-location of public facilities to support affordable housing development. While we recognize that there are many priorities and needs competing for limited resources, we believe that failure to adequately address this issue in the CIP would be a missed opportunity that will increase costs in the long-run.

***The Affordable Housing Master Plan and the County's Commitment to Economic Diversity***

In 2015, the Arlington County Board unanimously adopted the [Affordable Housing Master Plan \(AHMP\)](#) as a component of the County's Comprehensive Plan. In this plan, the County adopted the explicit goal of maintaining the County's economic diversity over the 25-year planning horizon ending in 2040. Accomplishing this goal requires a net increase of 15,800 rental units affordable to households with incomes at 60% of area median income (AMI), and a net increase of 2,700 ownership units affordable to households earning between 80-120% AMI. Though the County has advanced several helpful policy initiatives since passage of the Master Plan, [a recent report](#) indicates that the production has lagged behind the pace necessary to meet those targets. As County budget resources continue to be constrained, other non-financial mechanisms will need to be utilized if the County is to keep its commitment to economic diversity.

***The Affordable Housing-CIP Nexus***

There are [many examples throughout the country of utilizing public land for affordable housing and/or co-locating affordable housing with public facilities](#). Arlington County has direct experience using this tool – enabling the Arlington Partnership for Affordable Housing to offer 122-units of affordable rental housing co-located with the Arlington Mill Community Center in 2014. By utilizing a County-owned site, APAH was able to produce those units without a direct financial contribution from the County's oversubscribed Affordable Housing Investment Fund. In recognition of the promise of this approach, the Affordable Housing Master Plan established the following policy objectives:

- *“3.5.1 Integrate affordable housing goals and policies into County sector plans, economic development strategies, the Master Transportation Plan and other County planning efforts.*
- *3.5.2 Consider affordable housing needs and goals when planning for major capital investment in new or redeveloping existing major community facilities, taking into account the neighborhood context. The County Board does not support the placement of stand-alone affordable housing in officially designated parks or existing natural areas.”*

In addition, the County’s 2016 [Joint Facilities Advisory Commission \(JFAC\) Charter](#) enabled the type of planning and analysis necessary to enable such co-location.

- *“Review both CIPs prior to their adoption, receive and review public input on them, and make recommendations to the respective Boards on the adoption of each CIP. In performing these reviews, the JFAC, as a jointly created advisory commission, should identify and carefully consider partnership opportunities between County and APS to maximize public benefit. Examples of partnership opportunities include, but are not limited, to co-location, joint or shared use, adaptive reuse, and efficiencies in construction timing....*
- *Place a special emphasis on long range planning for future County and APS facility needs, based on analysis of the latest trends, forecasts, and service delivery models. Big picture, visionary thinking is encouraged, and the Commission should be a forum where fresh and creative ideas can be discussed freely.”*

### ***Recommendation Related to Affordable Housing for the FY 2019-2028 CIP***

We believe that there are opportunities to improve the FY 2019-2028 CIP by fully implementing the directives detailed above. Arlington County is facing numerous pressures that can be alleviated by a more intentional policy coordination: increasing demand (for both housing and facilities), significant land constraints, and limited financial resources. In this tight property market, facility development that fails to achieve the highest and best use of a site concentrates the remaining demand on an ever-dwindling number of underutilized sites, driving up costs and further constraining resources. To support more cost-effective facility and affordable housing development we offer the following recommendations, each of which will be explored in more detail below:

1. Maximize site capacity and co-locate community facilities with other public uses wherever feasible.
2. Adopt systematic plans, policies and procedures that facilitate co-location.
3. Prioritize affordable housing when evaluating public land and community facility development opportunities.

*Maximize site capacity and co-locate community facilities with other public uses wherever feasible.*

The proposed FY 2019-2028 CIP includes brief references to affordable housing in reference to planning efforts. The CIP also calls for “exploring (the) opportunity” to co-locate affordable housing in efforts to redevelop Quincy Park and Central Library (Page C-36). These are positive first steps, but they are insufficient considering the scale of Arlington’s facility and affordable housing needs. Every parcel that is considered for acquisition or development should be evaluated to determine the full range of potential uses at the site, the opportunities for co-location, and the appropriateness for residential development.

It should be made clear that this approach would not mean that each site must have affordable housing, nor that all potential uses would have to be completed at once. Not every site will be suitable for residential development, and facility development funding may only be sufficient to cover immediate needs. This does not preclude a successful co-location strategy. Multiple public facilities deemed incompatible with residential uses can be grouped together; new buildings can be fortified in a way that allows the addition of additional stories at a later date. If affordable housing is not a viable option, co-locating public facilities with other types private development can also be a means of generating revenue (in the form of land lease payments) for the facility itself or other community-serving uses.

To accomplish this goal, the County should encourage participation by or solicit input from experienced real estate professionals with a range of experience. Consistent with the JFAC Charter, creativity should be encouraged. Co-location opportunities should not be limited to the most common development typologies. For example, smaller or irregularly-shaped parcels (or portions thereof) unsuitable for affordable multifamily housing can serve as opportunities to encourage “missing middle” housing development or smaller-scale affordable homeownership development.

*Adopt systematic plans, policies and procedures that facilitate co-location*

Arlington County should refine its plans, policies and procedures to better facilitate goals related to co-location. The Property Inventory and Assessment detailed on Page A2 is a commendable first step. A thorough inventory and analysis will allow the County to think more strategically about its assets and enable a decision-making framework that balances immediate needs with long-term vision. This assessment should include sites already in use but with the potential for more intensive redevelopment. The same principles for site-by-site analysis – enabling real estate expert review, enabling creative analysis – apply to the property inventory process.

In advance of this process, it is important to identify the desired outcomes and potential uses explicitly. Co-location and affordable housing should be explicit points of analysis. These goals should also translate to any formal policies related to land acquisition for the development of community facilities.

The CIP also references Parks Land Acquisition and Open Space. Parks and open space are important to maintaining Arlington’s high quality-of-life. However, it is important to avoid unintended consequences of land acquisition policies. Any acquisition that results in a reduction in the overall supply of housing units (thus contributing to cost increases on the margins) should be matched with an explicit policy that allows for a corresponding increase in supply, preferably proximate to the acquired parcel. This can be accomplished through land use tools such as an improved transfer of development rights policy.

*Prioritize affordable housing when evaluating public land and community facility development opportunities.*

Finally, when assessing co-location opportunities, affordable housing should be prioritized whenever possible. This prioritization should be formalized to increase predictability and accountability. Prioritization of affordable housing can be especially important in Arlington’s highest-costs neighborhoods, where site acquisition may otherwise be out-of-reach for the County’s mission-driven affordable housing developers (See: AHMP Policy Objective 1.1.4: Encourage and incentivize the distribution of affordable housing throughout the County). Co-location with affordable housing can also be cost-effective – by providing land (or air rights), there will be a corresponding reduction in demand for Affordable Housing Investment Fund (AHIF) resources).

### ***Conclusion and Additional Resources***

There is a compelling case for co-locating community facilities and affordable housing. There is an equally compelling case that the time is now to act on this policy objective as called for in the AHMP. Faced with resource levels that fall short of what is needed to meet the AHMP’s supply goals, the County has three (non-exclusive) options: it can increase AHIF resources, it can scale up efforts to increase production through non-financial mechanisms, or it can abandon the AHMP’s goal of maintaining our economic diversity. To avert the last scenario, we call on the County to redouble its efforts to improve both financial and policy mechanisms.

Arlington County has already taken a commendable first step in promoting non-financial mechanisms, in the form of [guidelines for reduced parking requirements adopted in November 2017](#). Taking action related to co-location and affordable housing as part of the CIP process would maintain this momentum.

Finally, while we believe that incorporating affordable housing considerations into the CIP is critical, we acknowledge that developing the policy specifics can be difficult. We stand ready to work with the County to develop policies on this subject. In addition, several reports have been created by locally-based practitioners that provide deeper analysis and leading practices.

Examples of such resources and locally-based capacity include:

- [Public Benefit from Publicly Owned Parcels: Effective Practices in Affordable Housing](#)

Development

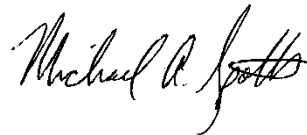
- [Public Land and Affordable Housing in the Washington DC Region: Best Practices and Recommendations](#)
- [Public Land for Public Good: Making the Most of City Land to Meet Affordable Housing Needs](#)

Thank you in advance for considering these comments. For more information and/or additional discussion, please contact Michelle Winters at [michelle@allianceforhousingsolutions.org](mailto:michelle@allianceforhousingsolutions.org) or Michael Spotts at [mspotts@neighborhoodfundamentals.com](mailto:mspotts@neighborhoodfundamentals.com).

Sincerely,



Michelle Winters  
AHS Executive Director



Michael Spotts  
Neighborhood Fundamentals, LLC  
AHS Policy Committee Member