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December 14, 2017

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

Dear Chairman Fisette:

On behalf of the Arlington Chamber of Commerce, I ask the Board to not move forward with the adoption of the Housing Conservation District Framework Policy and all related amendments in order to ensure that property owners be notified of the changes and adequately digest the implications of the proposed changes.

As reiterated in our November 22 letter and my testimony at the RTA hearing, the Chamber was proud to be a strong supporter of the Affordable Housing Master Plan. This Plan was the result of a comprehensive community dialogue with all stakeholders represented. We share the same goals regarding preserving the affordability of housing stock in Arlington, which contributes to our workforce availability as well as supporting our greater community values.

Our concerns regarding the pending advertisement of the proposed Housing Conservation District fall into two major categories: process and the immediate elimination of a current by-right use with a delay in the implementation of any incentives for preservation of market-rate affordable units (MARKS).

We are appreciative of the staff proposal to combine Phases 2 and 3, as well as the amendment language from the Board at the RTA hearing to revisit the removal of the by-right use in conjunction with the consideration of an incentive proposal, but our concerns remain. Since the RTA hearing, we have spoken with several property owners in the proposed district (including a homeowner) who had no awareness of the proposal until our outreach. This exemplifies the process concerns.

We are concerned that the proposal in Phase 1 regarding the Housing Conservation District (HCD) did not follow the same good community process that the Affordable Housing Master Plan did. The boundaries and locations of the HCD were just released on November 9, and many are still learning about the proposal. The usage is proposed to be limited effective the date of the November 27 RTA. This timing is not consistent with typical community process. Furthermore, outreach to property owner groups regarding the proposal was focused on pending incentives and completely failed to mention the downzoning proposal that was forthcoming prior to the incentives. Property owners and developers do not have a clear understanding of potential incentives and as such, cannot evaluate if they would be anywhere equivalent to the removal of by-right development options in these zoning districts.

Furthermore, engaging in site selective downzoning is bad policy and sets a dangerous precedent. A complete understanding of the ramifications of the changes to the Zoning Districts and GLUP Amendments should be examined more carefully with more time for public, industry and landowner input. This precedent could touch every single multifamily site owner located within one of these Zoning Districts at some point during every asset's lifecycle. Every multifamily project, at some point due to its age and/or location could certainly find itself identified as a MARKS site in a subsequent MARKS

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inventory study. Such a precedent, which would create so much uncertainty in the market, will immediately have huge impacts to property owners and purchasers, and their views about whether or not to reinvest in large MARKS sites.

The Chamber fully supports the concept of a market-driven, incentive-based approach to preserving existing MARKS. Indeed, making the preservation of these units economical to property owners is the most effective way to ensure their continued availability while simultaneously encouraging reinvestment in these properties to maintain the high quality of our community's housing stock. However, we do not believe that the amendments to the General Land Use Plan proposed as part of Phase I of staff's recommendations are in keeping with the approach that the County Board and business community alike have embraced. The removal of by-right uses in proposed HCD has great potential for unintended consequences. By limiting the development potential of a property, the County would also limit the access to financing for property owners to reinvest in these properties and discourage redevelopment and rehabilitation of older housing stock.

Again, we ask that the County Board delay the adoption of the Housing Conservation District Framework Policy and all related amendments to allow stakeholders to have constructive dialogues regarding the proposal with the goals of developing an incentive proposal to be executed prior to or concurrently with any additional zoning restrictions. We are aware that the Board has heard from a number of stakeholder groups requesting delay including the Economic Development Commission, the Apartment and Office Building Association, NAIOP, and the Lee Highway Alliance. This volume of support for delay merits serious contemplation by the Board.

Thank you for your consideration.

Sincerely,

Kate Bates  
President & CEO

CC: Arlington County Board members Libby Garvey, John Vihstadt, Katie Cristol, Christian Dorsey and County Manager Mark Schwartz