To: Arlington County Board
From: Arlington Forest Citizens Association Missing Middle Housing Study Committee
Subject: Missing Middle Housing Study
Date: May 1, 2021

The Arlington Forest Citizens Association (AFCA), representing 852 households in west-central Arlington County, has been discussing the potential impacts on our community from a county proposal to support the construction of new "missing middle housing." The county has produced documents and held public forums to inform Arlington residents about the proposal. According to Housing Arlington's "<u>Missing Middle Housing Study: Final Scope, Charge, and Timeline</u>," Arlington County is in phase 1 of the study. A key purpose is to "build a common understanding of Arlington's housing shortfall, missing middle housing gap, and resulting issues."

Despite a good-faith effort by the county, important questions remain. The AFCA formed a Missing Middle Housing Study Committee to review related materials, explore and discuss the related issues, and bring them to our community's attention. After months of study, the committee concluded that more information is needed to truly build a common understanding as the basis for any county action on the Missing Middle Housing Study.

We are writing for additional information to help us develop recommendations for AFCA leadership and membership. We present no positions on behalf of AFCA; we simply ask the Arlington County Board to provide detailed answers to the following questions.

• Affordability: Can the county show that raising housing supplies by building duplexes and rowhouses in a neighborhood like ours will lower prices enough to make units affordable to low- and middle-income households?

We propose that the county conduct a study on the economics of housing construction in Arlington to answer the affordability question: Would more "missing middle housing" in Arlington lower home prices—or would it simply attract more high-income buyers for pricey new homes of any kind? Arlington is a prime location in the metropolitan area. Increasing supply will not lower prices if demand remains high, as it surely will in Arlington. Developers will command the highest prices they can get by building pricey new units for high-income buyers. The experience in neighboring Buckingham shows that replacing units with higher density housing may not make housing more affordable without subsidies (which the county provided).

• **Equity:** Can the county show that building more "missing middle housing" in prime locations like ours will result in more equitable housing opportunities so long as income disparities remain among racial groups?

Will more "missing middle housing" in Arlington lower prices enough to make homes affordable to non-white households—or would it simply attract more high-income white buyers? Although Arlington has become more diverse in the last 60 years, full equity hinges on affordability, and large disparities remain in median income among racial groups. The replacement of low-rent garden apartments in Buckingham with pricey new townhouses resulted in more racial equity *only if* the number of wealthy minority home buyers exceeded

the number of low-income minority families displaced—which seems unlikely. For example, a three-bedroom Buckingham Commons townhouse built in 2010 was listed at \$890,000 in September 2020, with a monthly payment of about \$3,200. According to national standards, a household can afford to spend up to 30 percent of its income on housing. By that measure, the listed Buckingham townhouse was not affordable to households with incomes under \$130,000, which could exclude Black, Hispanic, and Asian families with median incomes.

• **Tradeoffs:** Can the county clearly state the tradeoffs from rezoning and redevelopment in terms of trees, stormwater, quality of life, and public services? Would residents and the county itself be willing to accept the tradeoffs?

The county should conduct a cost/benefit analysis to evaluate whether the benefits from "missing middle housing" would offset its adverse impacts on the livability of a neighborhood like ours. The up-zoning and densification required to replace single-family detached units with "missing middle housing" would sacrifice "components that contribute to the livability and vitality of [Arlington's] residential communities," to quote the Missing Middle Housing Study. Would the addition of a relatively small number of pricey new units for high-income buyers be worth the tradeoffs in terms of the county's own goals for trees, stormwater, historic preservation, and more?

- *Quality of life:* Rezoning could invite a great deal more construction in our neighborhood. The resulting additional noise, disruption, canopy tree loss, and other effects are likely to disrupt the quality of life for many residents.
- Historic preservation: Converting housing types could change the distinctive neighborhood character of Arlington Forest, undermining its listing as a historic neighborhood in the National Register of Historic Places and mitigating against county goals for historic preservation.
- Trees: The larger lot coverage sizes needed for duplexes and townhouses could decrease the open space needed for large trees and keep them from being replaced, mitigating against county goals for canopy cover.
- Stormwater: Larger lot coverage sizes and more off-street parking could increase the area
 of impervious surfaces and reduce open space for absorbing precipitation into soils. It
 also might exacerbate the countywide problem of stormwater runoff and mitigate against
 county goals for reducing pollution runoff into Chesapeake Bay.
- Parks, parking, schools, transportation, and other public services: Higher density
 housing could increase the number of residents, raising demand for more public services
 and exacerbating existing problems such as overcrowded schools and the growing
 scarcity of street parking in our neighborhood.

• Housing shortfall:

- What caused the current housing shortage? Why are markets unable to meet demand when they could before?

The county needs to better understand the economic reasons for the regional housing shortfall as a basis for sound policy. The Missing Middle Housing Study suggests that legacy land use and zoning keep developers from building new units, yet the regional housing supply successfully met demand before the Great Recession (2007–09), despite the same legacy land uses and zoning. Something doesn't add up: before 2005, according to Metropolitan Washington Council of Governments, regional housing markets averaged about 30,000 new units per year, yet now they average less than 22,000—what changed?

- What impact will the coronavirus pandemic, which has changed patterns of telework, have on new housing demand?

The pandemic has shown that many people can successfully telework. Will the regional need for new housing units decline as a result? Will the regional need for office space decline, which could allow for the conversion of office buildings to new multifamily housing?

• **Role in regional housing:** *What role does Arlington play in meeting regional housing needs? Does Arlington fill a regional niche?*

At 26 square miles in a metropolitan area of more than 1,400 square miles, Arlington comprises only 2 percent of the region's land area. Residents depend on surrounding jurisdictions for jobs, recreation, shopping opportunities, and more; conversely, people with jobs in Washington, DC, and elsewhere in the area depend on Arlington for various goods and services, including housing. Arlington is not an island; its housing needs and supplies are interwoven in particular with those of Fairfax, a regional powerhouse in new housing construction since 2000. Arlington does not have to meet the need for all kinds of housing, no more than it does for other goods and services.

• **Clear housing goals and measures of success:** *What are Arlington's goals for new housing? How many new units and of what type are needed where? What does success look like for Arlington in meeting regional housing needs?*

Without clear county goals for the number, type, and location of new units, residents have no clear idea of what to expect, how to assess the potential impacts, or what constitutes success. The Missing Middle Housing Study suggests more duplexes and rowhouses in transportation corridors but offers no specifics. Building duplexes and townhouses along Arlington's major transportation corridors might add a thousand new units overall by 2030. Would that meet county goals? Would it meet regional goals? The county should give residents a full and detailed accounting of its role in meeting the regional need for new housing, including any commitments made to Metropolitan Washington Council of Governments.

• **Examples of success:** Can the county point to other communities that have made housing more affordable by replacing single-family detached units with duplexes and rowhouses?

The Missing Middle Housing Study suggests that the answer is yes. In Portland, OR, one of the examples it cites, another study found that seniors were "surprised to see that a newly constructed rowhouse or duplex is no less expensive than the larger, single-family home they are hoping to leave." An Arlington study found that new duplexes affordable to median-income buyers would be limited to six Arlington neighborhoods (Arlington View, Claremont, Columbia Forest, Fairlington, Green Valley, and Shirlington). "The market," the study's author concluded, "does not seem to generate units at the price points that advocates are looking for." An article on legacy zoning in Berkeley, CA, put it this way: "It is important to clarify that new Missing Middle housing will not yield housing accessible to

these groups [low- and middle-income households] unless specifically reserved at belowmarket rates."

• **Subsidies:** Would public subsidies in conjunction with up-zoning and redevelopment suffice to achieve Arlington's goals for affordable housing and racial equity?

In the Ballston area, the housing units affordable to low- and middle-income households in Buckingham are subsidized. The county should show how many subsidies at what cost (including tradeoffs) would be needed to meet its specific numerical housing goals. If lowand middle-income households can afford new "missing middle housing" in Arlington only if subsidized, will taxpayers be able and willing to foot the bill? How big will the bill be? Who pays?

The residents of Arlington Forest recognize the national scope of the "missing middle housing" issue, and we thank Arlington County for initiating an important dialogue about the future of Arlington. We recognize that the Washington metropolitan area is growing, as is the need for new housing. Concentrating growth in transportation corridors, offering more affordable housing, and giving non-white households more opportunities to live in Arlington strike us as worthy goals.

Since the 1960s, Arlington has become more diverse. We warmly welcome residents from all backgrounds to our own neighborhood. We value diversity, and we have residents from racial, social, and other backgrounds of all kinds. They chose our neighborhood for its quiet and walkability, its location and historic charm, and its relatively small lots and homes, with plentiful trees and green spaces to use and enjoy.

We wonder whether rezoning and redevelopment would place all this at risk. The county's Missing Middle Housing Study fails to answer basic questions, such as whether rezoning and redevelopment would make housing more affordable to low- and middle-income households in Arlington. Before adopting any plans for rezoning in Arlington, based on the questions raised in this letter, the county should furnish the missing data needed to support any "missing middle housing" solution. Sound public policy demands nothing less.

We appreciate your careful consideration of our request, and we look forward to your reply.

Sincerely,

Joel S. Yudken Chair, AFCA Missing Middle Housing Study Committee AFCA Vice President, North Side

Cc: Esther Bowring, President, AFCA

Addendum: Selected Sources

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