Public Lands for Public Good Comments Revenues & Expenditures Committee, 10/7/14

These comments are submitted in response to an Arlington County Civic Federation (ACCF) Executive Committee request.

Introduction

Arlington County staff has evaluated its publicly owned parkland, green and recreational space to determine which properties could be redeveloped for construction of privately held and operated committed affordable housing units (CAFs) and/or for school construction, now known as the Public Land for Public Good (PL4PG) initiative. The discussion below is broken into three sections: Housing, Schools, and Parks & Recreational Space: Scarcity & Value.

Housing

Petition Signatures Vs. The Arlington Way

According to the county's PL4PG web page, the county's evaluation was in <u>direct response</u> to Virginians Organized for Interfaith Community Engagement (VOICE) and affordable housing activists' collection of 10,000 petition signatures asking for more affordable housing to be constructed on Arlington's public lands. Although there is general acknowledgement that a large percentage of the petition signatures were gathered from nonresidents, there is no indication of how or whether VOICE and housing activists documented or verified that nonresident petition signers actually work in Arlington.

Though the region-wide shortage of housing for low-income residents is well established, it is inappropriate for the county to allow nonresidents to drive significant policy-making decisions that pertain solely to Arlington. Arlingtonians were not asked whether publicly owned parkland, green and other recreational space—purchased or created with public tax revenue earmarked specifically for parks and recreation—should be redeveloped for alternate uses. And staff made the determinations of which sites were suitable without any public input. Public input is being sought only for the Site Evaluation Guidelines, but these guidelines apply only to those parcels that staff has already selected, leaving the underlying decision-making in place without meaningful public input or discussion.

Who Deserves Affordable Housing?

Following in Arlington's footsteps, DC's recent spate of redevelopment and densification has triggered a severe affordable housing shortage that has swelled the numbers in DC shelters and left thousands searching for affordable housing wherever they can find it. Arlington's CAFs utilize federal tax credits and are subject to federal fair housing and other rules that prevent Arlington and its third-party housing providers from reserving these units for existing Arlington residents or for Arlington's workforce. Given the difficulty of creating CAFs without federal dollars, it is highly doubtful that future CAFs will be reserved for specific groups based on anything other than income level.

Arlington cannot hope to meet the region's growing affordable housing needs, particularly as other jurisdictions (most with more available land) refuse to make similar investments and sacrifices on a proportional scale to address the region-wide problem. Moreover, VOICE and housing activists have requested that new CAFs be allocated to those making no more than \$50,000 annually. This restriction plus the overall income restrictions for affordable housing mean that CAFs are available to a very limited population. Teachers, public safety personnel, entry and midlevel professionals, and many others frequently make too much to qualify for affordable housing but too little to live in market-rate affordable units (MARKs). The PL4PG proposal does nothing to address affordable housing for this population. Likewise, there are many elderly and disabled residents living on fixed incomes who have been forced out or are at risk of being forced out of their homes due to repeated increases in real estate tax assessments or rates, or both. The PL4PG proposal does nothing to preserve affordable housing for this population, and costs associated with PL4PG may even result in more seniors and disabled residents being forced from their

homes.

Rather than PL4PG increasing "diversity," it actually makes Arlington less diverse by placing the affordable housing needs of a very narrow segment of the population ahead of all other demographic groups, many of whom are no less deserving of the right to affordable housing. This point was underscored at a recent Civic Federation meeting, when an affordable housing leader advised those long-time residents who could no longer afford to absorb repeated real estate tax increases to "move" so that they could be replaced by wealthier prospective residents who could afford to pay higher taxes.

Our obligation as citizens is first and foremost to existing Arlington County residents who are at risk of losing their housing and to those profoundly disabled county Arlingtonians who are being forced out of state residential facilities, by court order, and will require noninstitutional, round-the-clock care in community-based group homes upon their return to Arlington. As to the former, Arlington has tightened the qualifying rules over the years, making it harder for some lower income homeowners to seek tax relief. As to the latter, thus far the county has released no public details on how it plans to care for profoundly disabled Arlingtonians who will be returning to our community.

Public Vs. Private

A question over allowing private entities to operate CAFs on publicly owned property has been raised. Though the county has repeatedly and zealously fought every attempt to pass a housing authority referendum in previous years, it is now essentially taking steps to operate subsidized housing on public property just as a housing authority would.

Oddly enough, the greatest risk comes not from allowing third-party, private housing providers to utilize public land to operate subsidized/rent-controlled housing—which is not accessible to the general public and where tenants are selected by a private entity. The greatest threat appears to be a Virginia Housing Development Authority (VHDA) rule waiving the requirement for CAFs to be operated as "affordable" housing if the provider becomes insolvent and defaults on its ground lease. Should the provider default on its lease and the county be unable to come up with the funds to "cure" that default, then the property could conceivably convert to mark-rate, private housing being operated on public land.

Affordability & Revenue

According to the county's own calculations, Arlington spent \$55 million in FY2014 on affordable housing, up from \$34.6 million in the FY2006 Annual Action Plan, or an increase of nearly 60% within 8 years. The ongoing loss of affordable housing has little to do with our spending.

A look at the county's comparative return-on-investment analysis in its transit <u>study</u> for Columbia Pike shows rents for existing MARKs along the corridor of between \$1.50 to \$1.65 per square foot, whereas rents for new, higher density, midrise apartment buildings (those replacing the low-rise and garden MARKs) run from \$2.25 to \$2.90 per square foot monthly. As more and more high-density housing replaces low-density housing, land values inflate, placing upward pressure on rents and housing costs. Through its land-use and planning practices, the county itself is fueling the loss of affordable housing.

A surge in the loss of MARKs began after the county's rollout of the form-based code for the Columbia Pike corridor, which increased density allowances. An example of one such casualty is the Whitmore apartments (4301 Columbia Pike). It evicted sitting tenants, renovated, and then hiked the rent significantly. There are approximately 1,200 CAFs already located in the corridor. But CAFs are not permanently affordable, and the affordability requirement for 266 of these CAFs is set to expire within 10 years. Though the form-based code initially capped building height at 8–10 stories, in 2012, staff asked to increase building heights to 12–14 stories in order to get enough density to reach its target CAF target. Even though it would add an additional 700 CAFs along the eastern

Pike, this move would also reduce the number of MARKs by 900 units.

Although more intensive use of scarce land through more density is one way of producing affordable housing, past efforts in the county have been insufficient to offset the market's pressure on the housing stock. According to a 2011 Northern Virginia Affordable Housing Alliance report, "Despite efforts by the County to create more CAFs, <u>21</u> percent of the total affordable rental stock was lost between 2000 and 2009."

What is less well known about the county's CAFs is their <u>cost</u>. Those earning 80% of area median income (household AMI for a family of 4 at 80% = \$86,000) are expected to pay monthly rents of between \$1,506 for an efficiency unit up to \$2,494 for a 4-bedroom unit. At 60% of AMI (\$64,500), monthly rents range from \$1,129 to \$1,870. And third-party housing providers often add charges for parking and use of electricity in new or renovated CAFs. Arlington CAF construction is also more expensive. Not including land costs or the \$3.2 million "developer fee," the new units at The Springs affordable housing project (N. Thomas Street) are projected to cost nearly \$300,000 each for construction costs alone. Contrast that with Fairfax County. According Aseem Nigam, financial director of the Fairfax Housing Authority, third-party housing acquisitions, on an average, cost Fairfax about \$100,000 (includes land but not rehab costs) per unit.

The county maintains an affordable housing investment fund (AHIF), which it uses to provide low-cost loan financing to third-party affordable housing providers. FY2015 AHIF funding is \$12.96 million. In addition, 80% of housing grant funds (the county's own subsidy program, separate from Section 8) are spent to subsidize the rent of those occupying Arlington's committed "affordable" units. In 2012, the county reported that about 18% (or 1 out of every 5.5 units) of households living in Arlington CAFs received rent subsidies from the county's housing grant program. Another +/-20% of CAF households received Section 8 vouchers. Total housing grant funding for FY2015 is \$7.9 million.

The significance here is that the budget trend for housing grants grew from \$4.3 million in FY2009 to \$7.9 million in FY2015 (more than an 80% increase within a 6-year period). And the lower the income of CAF residents, the greater the necessity for rent subsidies. Thus far, however, the county has not identified any additional revenue stream that would be needed should the county build the recommended CAFs on public land, nor has it identified cuts elsewhere in the general fund budget that could be used for this purpose.

Another revenue pressure is the added burden on schools, most of which are already overenrolled. In June, the <u>Sun Gazette</u> reported that out of 122 units, there were 147 children under the age of 18 living at Arlington Mill. The average percentage of Arlington households with children attending public schools is around 18%; the percentage for Arlington Mill appears to be approaching 100%. According to the <u>Sun Gazette</u>, the annual operating cost of adding just 50 students to the public school system is \$1 million. Again, no new revenue stream has been identified to cover added school costs.

Whereas affordable housing is desirable for residents at all income levels, there are fiscal limits to what is possible, even in Arlington. Building subsidized/rent-controlled housing on publicly owned land may seem cost-effective in the short run. However, residents of these buildings will consume many expensive services for which there will be little or no revenue generation (e.g., real estate tax revenue) to offset or fund those added costs.

SCHOOLS

Can We Build Our Way Out?

At its joint budget work sessions this past spring, both County and School Boards have made it clear that <u>Arlington cannot afford</u> to build its way out of its enrollment problem. A number of alternatives have been floated to ease overcrowding, but School Board members thus far have not implemented these alternative strategies. And why would they, when the County Board continues to leave open the option of using county land instead?

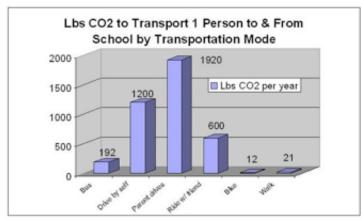
To a large degree, the School Board has created its own crisis. It failed to accurately project current enrollment growth. It shrank classroom sizes and common areas in the new \$100+ million Washington-Lee High School, such that it was overenrolled on opening day. The board will now spend and additional \$5 million to "right-size" classrooms and other space in that school. The School Board also could have kept the old Wakefield High School building, renovated it for a fraction of the cost of constructing additional school buildings, and utilized that space to relieve overcrowding. Instead, it chose to tear down the old Wakefield building even as it projected that the new Wakefield High School would be overenrolled as early as 2018. Likewise, Ashlawn Elementary is projected to be even of its new addition coming online.

Useful and less costly (but politically unpalatable) alternatives that could immediately ease enrollment problems include increasing class size for those grades and classes that <u>studies</u> show would have minimal or no impact on achievement. At a Bluemont Civic Association meeting last spring, School Board member Sally Baird concurred that eliminating choice programs and returning all schools to regular, district-based boundaries would help to relieve the overcrowding situation at least in the short run, but she declined to support that option. Adding a second daily session to the high schools (with half the student body attending a morning session and half attending a later session) and/or operating schools on a staggered, year-round schedule also has been discussed, but these strategies have not been adopted thus far.

Rather than maximizing the use of its own property, APS has eschewed using modular construction techniques that would allow it to build up on existing footprints rather than out. Alexandria's school system has <u>utilized modular construction</u> techniques to add classroom space more quickly and with much less school-construction-related disruption than has been the rule here in the Arlington community.

The County Board, for its part, thus far refuses to consider asking developers for <u>money or space for schools</u> as part of the community benefits packages that accompany the granting of density in the site plan process. Moreover, we have an historic amount of vacant office space in multiple sections of the county sitting empty and unused. Fairfax County, by contrast, recently <u>repurposed a vacant office building</u> for use as an elementary school.

APS's stewardship of its own green/open space is also questionable. It enraged the local community by <u>cutting</u> <u>down approximately 100 trees</u> at Ashlawn Elementary School site. And despite acknowledging that the use of private cars for student transport is the most environmentally damaging alternative, APS pursued the pavement-heavy "<u>Manchester loop</u>" option at Ashlawn, thus greatly increasing impervious surfaces and encouraging parents to drive their children to school.



Source: APS

There have been numerous APS construction-related use permit violations on the Ashlawn site (see one example below), and the county has been reluctant to enforce use permit requirements and has failed to compel contractors take immediate corrective action when clear violations have occurred.



A Chesapeake Bay/stormwater management violation occurred at Ashlawn on August 12, 2014, in which significant soil erosion flowed unchecked. The site is across the street from Four Mile Run, a tributary of the Potomac River.

On the McKinley site, APS will <u>cut down over 60 trees</u>, including a <u>"significant" mature oak tree</u>, as part of its addition project. APS's initial proposal for its redevelopment of the Lubber Run Community Center site included renderings of a new middle school complex indicating that the removal of an estimated 100 or more trees (within a short distance of Lubber Run and its Chesapeake Bay Resource Protection Area) would be necessary.

Though there are some already developed, unused sites on the county's PL4PG list, APS is not considering those and instead desires to build on scarce and valuable parkland/green space and recreational sites.

Parks & Recreational Space: Scarcity & Value

Environmental Degradation

Unfortunately, environmental degradation is the norm for Arlington County. For the past several years, the American Lung Association has awarded Arlington an <u>"F" grade for smog</u>.

A <u>2007 County Board report</u> had this to say about Arlington's streams: "[Little Pimmit Run] is typical of most streams in Arlington County, exhibiting erosive velocities and ongoing streambank erosion, areas of channel hardening, degraded habitat and water quality, and surcharging into the floodplain during severe storms." Many of our streams are degraded to the point where they are essentially lifeless.

Over the past 30 years according to the <u>2010 Natural Resources Management Plan</u>, Arlington's heavy tree canopy coverage countywide has decreased by more than 40%. And we have lost 80% of our mature tree canopy, the most valuable trees in terms of stormwater runoff reduction, removal of airborne pollutants, and offsetting of the urban heat island effect. Multiple native species, both plants and animals, have <u>disappeared</u> and our remaining parkland is fragmented and stressed from heavy use.

Whereas these incremental changes may not be easily recognizable from the ground, they are visible from above. In 2011–2012, an Arlington high school student submitted a <u>poster</u> based on GIS/satellite imagery that illustrates Arlington's large impervious surface areas, the loss of tree canopy/green space, and the resulting increase in temperature due to the urban heat island effect. The student tied for third place (out of nearly 70 entries statewide) in James Madison University's contest for its Geospatial Semester program.

Restoring existing parkland and green space to the most natural state possible and adding more parkland and green space (where we can increase the tree canopy), in addition to preserving our recreation facilities, are key to solving many of Arlington's environmental and public health problems.

Arlington—Already "Underparked"

We're not talking about parking spaces. The critical lack of parkland and green/open space has been discussed at

least since 1965, when a report highlighting open-space deficits in developed Northern Virginia areas listed Arlington's 1,080-acre deficit as the region's highest. A June 1975 Rosslyn-Ballston (R-B) Corridor Committee report, filed with the Planning Commission, stated that it was "important to note that the [R-B] corridor is already deficient in park acreage." The report goes on to say, "To allow increased development of the corridor without the concurrent purchase of the required parkland would be unconscionable."

Sadly, the R-B Corridor Committee's recommendation largely fell on deaf ears. Two-year bond funds for parkland/green/open space acquisition over the past 20 years (1995–2015) totaled \$55 million—the same amount that the county spent on affordable housing *in a single year* in FY2014. Between 2009 and 2015, the county has allocated only \$3 million in 2-year bond funding for parkland/green/open space acquisition. It added \$5.47 million in one-time funding between 2009 and 2015, but that total amount would permit the purchase of little more than a very modest amount of land (roughly equal to about 5 to 6 residential-size lots).

Discussing <u>Peter Harnik's</u> (Center for City Park Excellence) recent book, <u>Kaid Benfield</u> (Natural Resources Defense Council) notes, "most American cities provide between 5 and 35 acres [of parkland] per thousand" residents. As an example of failed planning, Benfield explains, "pocket parks within the [Ballston Metro] station area add up to about 0.27 acres per thousand people, based on the 2000 population." Benfield continues, "From 1980 to 2005, the 260-acre Ballston station planning area added 6,584 new homes, 6.37 *billion* square feet of office space, and 958,000 square feet of retail." Thus, despite Ballston's incredible growth, very little additional parkland has been acquired to offset all that growth.

So how do we stack up against other high-density communities across the nation? The Trust For Public Land's <u>2014 City Park Facts</u> lists Arlington as having 2,042 acres of parkland. Of that, 947 acres belong to the National Park Service (672 acres are in Arlington Cemetery) and 135 acres belong to the Northern Virginia Regional Park Authority, leaving Arlington with 960 acres of its own parkland. Based on the total 2,042 acres, Arlington's parks (local, regional and federal) represent 12.9% of total county acreage. By contrast, Washington, DC, parks represents 21.9% of total acreage; New York City, 20.5%; San Francisco, 19.0%; Oakland, 18.3%; Jersey City, 17.9%; and Boston, 16.9%.

With the exception of Long Bridge Park, which was acquired via land swaps and transfers of density rights (TDRs), we have seen very little in the way of additional parkland and green space being acquired within the past 20 years. To be sure Long Bridge is an asset, but it is the lowest parcel of land in Arlington County, floods frequently, and lies a considerable distance from where most Arlingtonians live. Over the past 20 years, less than 3 acres of park/green/ recreational space have been added to the R-B corridor, which even now is seeing increases in density and population. And much to the chagrin of park supporters, several million dollars of park acquisition bond funds were used not for acquisition but for renovation of the Artisphere's rental space.

Voters have consistently supported parkland acquisition bonds with the understanding that these funds would be invested to acquire and preserve these increasingly rare and valuable spaces. If the county wants the public to continue supporting bond referenda for its parks and recreation facilities, then the county must utilize these funds for the stated purpose and not convert them to school, affordable housing or other uses.

How Much Is Parkland/Green Space Worth?

Though publicly owned parkland, green and recreational space is tax exempt, the county's real estate assessors do appraise the land's value, including any buildings and other "improvements," utilizing a cost approach. Trees, streams, and other natural infrastructure are not included or assigned a value. Therefore, parkland/green space's unique ability to sequester carbon, mitigate the heat island effect (caused by dense development), filter polluted air and runoff, recharge groundwater, absorb stormwater, and alleviate drought go uncalculated and unrecognized.

In recent years, the county has gone to significant effort and expense to promote outdoor physical activity, including walking and biking. And there are significant public health benefits associated with these activities. However, if the county wants citizens to be outdoors, it must add to its limited supply of parkland and green space, not reduce it. Other questions that should be asked are whether the county has calculated the cost to public health of removing parkland and green space from its inventory and whether it has included the replacement cost of these sites in determining which parcels to sacrifice.

By failing to calculate the full value of these lands (or their value if restored to a natural state), the county also has failed to establish objective quantitative criteria on which to grade parcels from most valuable (and most in need of protection or restoration) to least valuable (which might be suitable for other purposes) and on which it might make better informed and more rational decisions. This calls into question the methodology staff used to evaluate sites in the selection process.

Today, there are <u>reliable methodologies</u> for assigning a monetary value to natural infrastructure and environmental components (trees, grass, etc., with respect to their functions as carbon sinks, offsets to the urban heat island effect, <u>storm-water detention and groundwater recharge mechanisms</u>, flood prevention/control mechanisms, <u>air-quality improvement</u> devices) as well as the <u>recreational value</u> to the community of natural, undeveloped parkland and green or open space.

Failure to recognize the full value of these properties when making land-use decisions conveys the notion that parkland has little or no value to the county beyond its capacity to host development. This inherent bias will always favor the development of parkland over preservation or restoration.

In Summary

Many aspects of this initiative and its "process" are troublesome. The county appears to be placing greater weight on the desires of nonresidents who wish to move to Arlington ahead of the needs and wishes of its own citizens. The county has a limited inventory of parkland, green and recreational space and yet it wants to convert this scarce and irreplaceable land to other uses. The process has been opaque, without allowing citizens to have meaningful input into the selection process. And the criteria staff has used in the initial evaluation of sites are unclear but appear to be either incomplete or biased in favor of a certain predetermined outcome.

Though there would likely be significant revenue and budgetary impact from expanding affordable housing on publicly owned sites, the county has thus far identified no new revenue streams to cover those added costs. Adding more residents also increases the need for the very park/green/recreational space that the county will be sacrificing.

Whereas schools and affordable housing can easily be expanded by building upward, the same isn't true of parkland and green space. And once parkland and green space have been redeveloped, no matter how worthwhile the goal, this valuable and scarce resource will be lost forever. More thought should be given to the long-term consequences of this initiative, with the county providing complete and reasonable answers to all questions the public is entitled to ask.

Below are additional questions and suggestions that the Revenues & Expenditures Committee asks the Executive Committee to consider:

Questions

1. Past referenda concerning the establishment of a housing authority have been turned down by voters, at the county's urging. Yet, the housing component of the PL4PG initiative makes it appear as though the county is attempting to behave as if it had a housing authority. Given this backdrop, how can the county justify even considering using public land for housing projects, when voters have specifically rejected this idea in the

recent past?

- 2. Regarding the list of considered sites, it is noted that 7 of the 8 Tier 1 and 2 sites recommended for future study by the County are located north of Arlington Boulevard, and there is considerably more density along the R-B corridor where parkland/green/open/recreation space is extremely limited. Has the county given any consideration to giving more weight to preserving sites in areas where this space is limited or nonexistent?
- 3. The Edison Site is being considered as a Tier 2 housing site. Considering that the facility is a former school, why was it not recommended as a school site, instead, to alleviate the overcrowding problem?
- 4. What is the definition of "considered" (a term used in reports and on various tables)? While a site may not now be considered a Tier 1 or 2 housing site, is it possible that in the future it could be?
- 5. While the Affordable Housing Report has qualifying language that sites need "further study" before a final decision is made, it is noted that the table of "disqualified sites" does not identify sites that were purchased with bond funds and cannot be repurposed. If this criterion had been established initially, then the listing of considered sites would decrease, and disqualified sites would increase, right?
- 6. What consideration was given toward recently approved projects or pending projects at these sites before developing the list? For example, Woodstock Park in Waverly Hills is listed as one of the 24 considered sites for affordable housing. Yet in June 2014, the County Board approved a \$644,127 contract to rebuild and upgrade the park after much community input. Likewise, in the recently submitted Waverly Hills Civic Association NC plan (Fall 2013), there are projects or recommendations associated with the park, such as a crosswalk on N. Vermont St. to increase safety so that children can have better access to the park. Given this recent activity and investment by the county, how is it possible that the park could even be considered as one of 24 potential sites for a housing project? [Note: Currently, the park is surrounded with a construction fence as the contractor begins rehabilitation work.]
- 7. What consideration was given concerning the recent public outcry over service cutbacks at certain facilities? For example, in the County Manager's 2010 Proposed Budget, the Cherrydale Library was slated for a service reduction from 6 to 3 days a week. Because of the public outcry, the adopted budget funded 5 days of service instead of 6. Given these facts, why is the Cherrydale Library site being seriously considered as a viable housing site?

Panel discussion suggestions for the Nov. PL4PG forum

- 1. Whereas a county staff member (more than likely someone from the County Manager's office) should be part of the panel, we need to avoid a dog-and-pony show where a staff member gives yet another 15- to 20-minute PowerPoint presentation. Please limit county staff's presentation time to a maximum of 5 minutes (or no PowerPoint, and allow only three slides max.), with complementary presentations from outside experts. Suggested experts: 1. A housing expert to present in bullet-point format suggestions (also limited to three slides max.) on how to implement an affordable housing project when a housing authority does not exist and no public land is involved; 2. A land-use expert to explain how to use land swaps with developers to get acreage for more open space and/or school sites. These experts need to be from outside the county, with emphasis on "lessons learned" in other jurisdictions.
- 2. Maximum of 20 minutes for presentations by a maximum of three people (one county staff member and two experts) with rest of time dedicated to Q&A.
- 3. Given the nature of the topic, and its ramifications throughout the community, suggest that the event be publicized to the public and treated similar to the candidate forum that the ACCF holds in September. Arlington Media should be invited to televise the event.
- 4. Given that the nature of this forum, it could be long and arduous, we need to avoid a situation that voting on resolutions occurs at a late hour when most delegates have gone home.

Respectfully submitted, Suzanne Smith Sundburg

