

WAKE UP ARLINGTON—
Fresh Ideas to Meet Our Housing Crisis
A Community Forum on Residential and Commercial Development

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INTRODUCTION

- No power point presentation even though planning professors thrive on presentations with lots of pictures and graphics
- Leaving early: need to leave to catch a plane, so did not have time to put my remarks into power point presentation—maybe not such a bad thing these days.
- Thank you to Charles, John, and the Coalition of organizations for the invite to share a few ideas with you.
- Professor in Practice with the Metropolitan Institute at Virginia Tech, your next door neighbor in Alexandria, VA.
- Small, but growing campus of graduate students in planning, urban affairs, natural resources and landscape architecture.
- Institute: we conduct policy and applied research and provide public and private sector practitioner with strategic guidance on the forces that shape metropolitan growth and development: design, planning, policy, law
- National experts: Robert Lang, Director of the Institute and Arthur C. (Chris) Nelson, directs the Alexandria Program in Planning—a privilege to work with these two leading voices of housing and planning policy.
- Together with Ted Koebel, Director of the Center for Housing Research at the main campus in Blacksburg, in less than three years Virginia Tech has become an incubator of new thinking on housing policy
- National statistics on housing:¹ During the 1990s supply of housing fell 30,000 units below demand despite the economic boom of that decade
- Per the US Census: we lose about 6% of housing stock annually
- 2025 that translates to 15 million units
- 2000-2025: US will add 30 million households
- These statistics translate into a need for 45 million new housing units by 2025...that is about half as many units that existed in 1990.
- Recent research from the Brookings Institution confirms that as a nation we will need to rebuild more than 70% of existing structures over the course of the next 25 years.²
- Bottom line—if we do it right (adopting some of the policies that Arlington County has so skillfully used over the past decade), we have a tremendous opportunity to accommodate this impending growth and development in a manageable way

Today's Forum

- Given my background and experiences, I am particularly well suited for the topic of today's forum (**WAKE UP ARLINGTON**)
 - **Architect:** not of buildings, but of ideas and policies...I'm always full of ideas.
 - **Journey man from the field/National Geographic Photographer:** For the past several years, I have been traversing this country helping communities devise redevelopment and revitalization strategies:
 - My specialty is assisting struggling cities: Buffalo, Dayton, Cleveland, Memphis, Waterloo, Lima, New Orleans (www.vacantproperties.org)
 - And yet there are other cities (such as Richmond, VA, Savannah, GA, and Tucson, AZ) that have this strange blend of hot housing markets confronting gentrification issues and neighborhoods with abandoned buildings and dilapidated, substandard housing.
 - San Diego: I worked for the city attorney's office in San Diego; over the years San Diego has instituted a suite of innovative affordable housing policies.
 - **First hand experience re the Housing problems facing Arlington today:**
 - **Arlingtonian for over ten years:** From 1994-2005 I did the Orange Line thing—migrating from Virginia Sq. to Court House to Clarendon—back to Virginia Sq. and then to Ballston.
 - **I live in a variety of housing options:** Colonial Village, Vermont Towers rented a basement from a family on Highland, renter a condo at the Wentworth.
 - **Renter**—did not buy for personal reasons; I thought I would be here 3-5 years, until I got sucked into the WDC policy vortex.
 - **Displaced from condo conversion**—my wife and I were faced with a choice...both of us work in non profit sector we could purchase a converted apt for half a million dollars in Arlington or a side-by-side in Del Ray (Alexandria) for the same price. I feel fortunate to have a house, but will always have a soft spot in my heart for Arlington ☺

Designing Housing Policy

- **RELEVANCE:** My story is relevant for as Arlington shapes its housing policy, it should adopt a variety of strategies and tools to address these different types of people and their different housing needs and goals: the fixed income, the single renter, the young married couple (with kids and without), the new immigrants, the blue collar worker, the new services workers, etc. Think about devising a typology of resident profiles and their housing needs so you can tailor the right housing policy for the right circumstances.
- **STRATEGIC POLICY DESIGN:** Let me take a moment and play professor. Here is a simple, but effective framework that you can apply in the design of housing policy or any police. What I call is the 5 P's of Policy Design—over the years Arlington has done a darn good job compared to many local govts. across the country.
 - **Planning:** goals/objectives

- People: champions, leaders, catalyst, managers
- Process: the glue that pull together all of these elements; ground rules, consensus, collaboration and trust; a good example are POLICY CHARRETTES.
- Policy: variety of strategies—coordination/integration and short/long term—at the regional and local level.
- Programs: translate policy into action

THE NEXT “BIG IDEAS” OF AFFORDABLE HOUSING FOR ARLINGTON—at least my suggestions

IDEA ONE: Employer Assisted Mortgages help employees with down payments and closing costs and also favorable interest rates and loan terms—target folks who need just a little helping hand to pull them up, single guy who works for the National Science Foundation ☺ Employer Assisted Mortgage appears as a work force housing strategy.

- Building on the preliminary success of Location Efficient Mortgages and soon perhaps Energy Efficient Mortgages.
- Employer/Employee Assisted Mortgages: Major employer might offer \$5 to 10K for their workers in Arlington and lending institutions could match?
- Strategic policy design: ensure that at least one of your housing policies requires major stakeholders to take the lead; this helps you get buy-in from a variety of stakeholders; in this case you get local/regional lending institutions to design the products to match the employer’s contributions.
- Arlington: perhaps get several large employers to contribute to work force mortgage assistance pool?
- Several cities/major employers have teamed up for employer assisted mortgages; major institutions, such as universities and hospitals.

Resources on Employer Assisted Housing:

http://www.knowledgeplex.org/kp/text_document_summary/article/refiles/hff_0202_jennings.html

<http://www.fanniemae.com/global/pdf/housingcommdev/solutions/eah.pdf>

<http://www.fanniemae.com/homebuyers/findamortgage/mortgages/eah.jhtml?p=Find+a+Mortgage&s=Mortgage+Solutions&t=By+Alphabetical+Listing>

http://policy.rutgers.edu/eah/new_motivations.htm

IDEA TWO: Conversion of Excess/Underused Office and Commercial Space to Affordable Apartments units (and maybe condos?)

- Greyfields: property throughout the nation that have underused commercial land, under performing commercial strips; as a general proposition most cities have a surplus of commercially zoning property; throughout Arlington and Northern VA there are two primary opportunities for Arlington County to consider.

- Base Conversion: lots of office space in Crystal City that will soon be available in the next three to five years; what about converting the top half of these 12-15 stories towers for residential uses—not just market rate, but affordable work force housing for the guy or gal who is just received her masters from Virginia Tech, making about \$35 to 50K per year.
- Outside Arlington’s Metro corridors—7 Corners and Bailey’s Cross Roads: presents great opportunities for regional collaboration as these areas intersect Arlington, Alexandria, and Fairfax County; what about transforming these traditional suburban commercial neighborhoods into mixed use nodes with apartments, condos, and row houses; how about changing the local zoning/development rules (extending the creativity of the form based code approach of Columbia Pike) to allow for apts and condo on top of Borders or on top of the restaurants and stores in Eden Village. Nothing over 5 stories so you create a real village experience and hopefully nothing that resembles Clarendon’s Cheesecake factory either.

One of the lessons learned from Arlington’s TOD experience with the Orange line is using transportation/transit as a catalyst for development. Thus, one of the potential issues would be transportation and infrastructure, so Arlington County would need to consider “trains on wheels” cruising along Route 50. Arlington and Fairfax could petition DOT and V-DOT for assistance to study, design, and build the necessary infrastructure that could transform Route 50 from Arlington, through Falls Church and all the way through Fairfax County as a new “Orange Line on Wheels.”

Bus Rapid Transit Resources:

http://www.masstransitmag.com/script/search.asp?SearchSiteURL=/articles/2002/mt_12-02/mt_12-02_04.htm

<http://www.mlui.org/transportation/fullarticle.asp?fileid=5156>

<http://www.fta.dot.gov/documents/CBRT-DecisionMaking.pdf>

http://gulliver.trb.org/publications/tcrp/tcrp_rpt_90v1.pdf

- Virginia Tech: I could easily envision a planning studio with our students to help with the design and planning issues associated with such an approach
- **Housing Enterprise Zones** (Atlanta):³ Another tool that could help transform these commercial spaces into residential uses is the Housing Enterprise Zone concept. Atlanta used them to induce new residential development in targeted areas downtown and on other commercial nodes. Within these zones, new owner occupied dwelling received a 100 property tax abatement for the first year and 90% the second and so forth for 10 years. Impact fees were waived for new housing of all types, including rentals and payments were financed from a housing trust fund; we have used tax abatements for commercial development for a long a time, why not residential development?

IDEA THREE—Accessory Dwelling Units (ADUs)

- Density and Design in a Dillon’s Rule State—that would be the caption I would write for this idea
- Many communities across the country are changing rules and providing incentives to encourage the good design of accessory dwelling units in single family neighborhoods.
- Studies show that accessory apts could provide very large number of affordable rental units in good neighborhoods without subsidy or rent controls, especially for elderly, empty nesters, and young workers.
- Sensitive issue for many single family home owners who often oppose/object the expansion of ADUs. However, good design can address many, if not all of these objections; if Arlington is to get serious about Affordable housing, then ADU must be one of the many strategies it promotes; the good news is there is existing state authority for the enactment of ADUs in Virginia law; one outstanding question is whether a local govt. could impose more creative design guidelines under this existing law or would they need to seek amendments in Richmond?
- The poster child for great ADU policy and design is Santa Cruz, California; they won a national SG award for their design book; see also Mercer Island in Washington State; the west seems to have become a hot bed for recent ADU innovation.

Resources on Accessory Dwelling Units

<http://www.mrsc.org/Publications/textadu.aspx>

<http://www.aarp.org/research/legis-polit/legislation/aresearch-import-163-D17158.html>

<http://www.portlandonline.com/bds/index.cfm?c=decag>

<http://www.ci.santa-cruz.ca.us/pl/hcd/ADU/adu.html>

<http://www.transcoalition.org/ia/acssdwel/01.html>

IDEA FOUR—Housing Trust Funds AND Community Land Trusts

Combination of two ideas that could work together exceedingly well—think of it as a one two punch

- Housing Trust Funds are probably one of the most important state and local policy innovations in the funding of affordable housing in the last 15-20 years
- Community Land Trusts could provide a programmatic framework for these funds; perhaps even the repository for such funds; AND it would not require going to the General Assembly in Richmond to get permission to create a CLT; this is something that non profits and NGOs could band together and with sufficient legal support create their own CLT.

Housing Trust Funds:

- 1985-2000: over 170 state and local government have created Housing Trust Funds that resulted in the construction of more than 200,000 affordable homes
- 2003 statistics indicate:
- Trust funds should apply to the full gamut of housing types and facilitate the development of more innovative affordable housing policies
 - Home Ownership—funds should be used to construct more affordable single family homes, duplexes, and row houses as well as help low to moderate income families who are ready and able to become first time home owners.
 - Rentals—funds should be used to facilitate the construction of affordable rental units (nationwide we are suffering from severe shortage in the construction of affordable rental properties)
 - Repairs and Rehabilitation—funds should also be used to help existing property owners (single family and multifamily) repair and rehab their properties to ensure they can provide/preserve safe and decent housing for their families and tenants.
- Shortage of Construction Workers: In Richmond last week, I was meeting with a group of local builders and contractors. They lamented that by sending all of our kids to college, we now have serious shortage of skilled craftsmen when it comes to building and rehabbing properties. Richmond is no different than this region and other regions throughout the country. **COULD HOUSING TRUST FUNDS BE USED TO PROVIDE TRAINING FOR THE SKILLS THAT HOME BUILDERS NEED**—The plumber, electricians, carpenters, and other tradesmen?
Is this something that the national and regional Home Builder Associations, local state and junior colleges, and trade unions could support?
- Recent Developments with Housing Trust Funds:
 - City of Philadelphia was considering the adoption of a Housing Trust Funds: \$1.5 million annually to assist with the construction and repair of homes and rentals; financed by a doubling of the city fees for recordation of deeds and mortgagees (June 2005)⁴
 - Los Angeles enacted a Housing Trust Fund in 2003⁵
 - Florida is considering a Revolving Loan Fund Pool in response to state legislative action to establish a cap on the state's Housing Trust Funds (unfortunately cutting it in half).⁶
 - San Diego: my home city of San Diego has struggled with its Housing Trust Funds; while they had the inherent Home Rule power to enact the Trust Fund without having to get permission from the state legislature (unlike the situation here in the Dillon's Rule state of Virginia), it has encountered broader fiscal crisis that has indirectly impacted the size and effectiveness of its Housing Trust Fund.

Community Land Trusts (CLTs):

(according to recent research by the Lincoln Land Institute, Land Lines April 2005, <http://www.lincolninst.edu/pubs/pub-detail.asp?id=1011>)

- CLT purchase the land (and often develop it as well) and hold it in perpetuity for the purpose of providing affordable housing; they then enter into long term leases (99 years) to low/moderate income residents/work force housing folks.
- By separating the extremely high costs of land from the improvements/structure, they can keep the long term costs of housing down and still offer the lessees a reasonable share of the equity.
- 160 CLTs in the USA
- Mission is Affordable Housing in the Public Interest
- NGOs/non profits/ 501(c) (3) entities
- Funding sources: still need state, local, foundation, and private sector funds to get started, to purchase land, and do the development; they also need a regular source of funding to maintain operations (however, this is where linking these CLTs with Housing Trust funds could provide an ideal and effective partnership for affordable housing.
- CLTs are an exciting and very promising innovation that academic and policymakers are closely watching to determine their long term contributions to affordable housing.
- Examples of CLTs:
 - Dudley Street Development Corp in Boston
 - Portland, Oregon
 - Albuquerque, New Mexico (SAWMILL CLT): featured by the Lincoln Land Institute; 1996 they purchased 27 acres and built nearly 2000 housing units.
 - Burlington Community Land Trust: also provides technical assistance in helping communities outside of the region create their own CLTs.

(for info on CLTs in Portland, Albuquerque, and Burlington, see

<http://www.policylink.org/EDTK/CLT/action.html>

For info on Dudley St. in Boston see

http://www.prrac.org/full_text.php?text_id=1022&item_id=9348&newsletter_id=79&header=Housing)

IDEA FIVE—Regional Policy Framework: Northern Virginia Affordable Housing Land Alliance (NV-AHLA)

- Housing Affordability is a crisis for all of Northern Virginia (as well as for WDC and Maryland); its will soon stretch to the north in Baltimore and to the south in Richmond (both of these cities still have substantial problems with vacant and abandoned housing units, however, they have several neighborhoods where the cost of housing has already encountered investors from WDC)..
- Why not focus on creating a regional affordable housing entity that includes Falls Church, Arlington, Fairfax County, and Alexandria—the local governments within the Beltway; perhaps add/include other local governments, but start with these core cities/counties
- Build on recent regional structures and collaborative efforts:
 - The joint letter between the chairs of the Arlington and Fairfax County Board and the Mayor of Alexandria that Conrad mentioned
 - Wash COG can help facilitate conversations and conduct research

See their website <http://www.mwcog.org/> and an example of cooperative regional housing research

<http://www.mwcog.org/uploads/pub-documents/9VxZXg20050106142155.pdf>

- Washington Area Housing Partnership
<http://www.wahpdc.org/>
- Fairfax County Redevelopment and Housing Authority
<http://www.co.fairfax.va.us/rha/default.htm>
- Virginia Housing Commission
<http://dls.state.va.us/HOUSCOMM.HTM>
- Need a more formal policy framework so there is some structure beyond the discussions and the dialogues; an entity that could:
 - Guide collaborative land use planning across these four local governments when it comes to affordable housing
 - Would likely require some type of authorizing legislation from Richmond, but if all four local governments are on board AND the state legislators from this region are on board AND you get approval from the Virginia Housing Development Agency, the chances would be good
 - Policy design and programmatic implementation: they could administer a variety of housing tax credits and other incentives based on a regional, affordable housing plan/strategy.

CONCLUSION—Japanese Proverb

“Vision w/o Action is a Daydream...Action w/o Vision is a Nightmare.”

ENDNOTES AND REFERENCES

¹ Top Ten State and Local Strategies to Increase Affordable Housing Supply by Arthur C. Nelson, Fannie Mae Foundation's Housing Facts & Findings, Vol. 5, No. 1, 2003. see www.knowledgeplex.org

² Toward a New Metropolis: The Opportunity To Rebuild America by Arthur C. Nelson
December 2004 (http://www.brookings.edu/metro/pubs/20041213_rebuildamerica.htm)

³ Top Ten State and Local Strategies

⁴ Twyman, Anthony S., "Housing trust fund passes Council", *Philadelphia Inquirer*, June 10, 2005.

⁵ Dreier, Peter, and Kelly Candaele. "Housing: An LA Story, *The Nation*, 274.14 (April 15, 2002): 22.
<<http://www.thenation.com/doc/20020415/dreier>>

⁶ Broward Daily Business Review, "Lawmakers turn attention to issues of affordable housing", April 15, 2005.