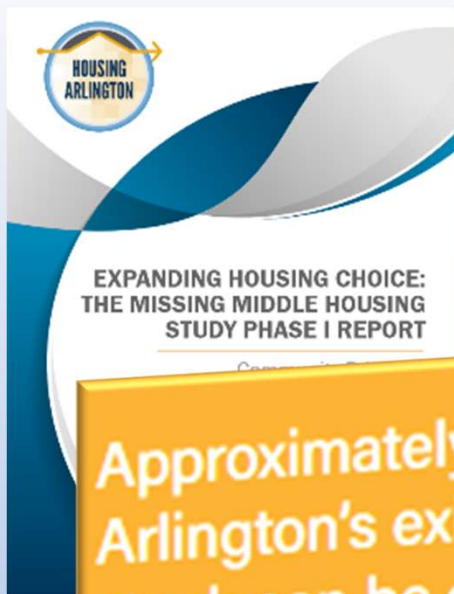


EHO/Missing Middle: What's happening?



ASF | ARLINGTONIANS FOR OUR
SUSTAINABLE FUTURE

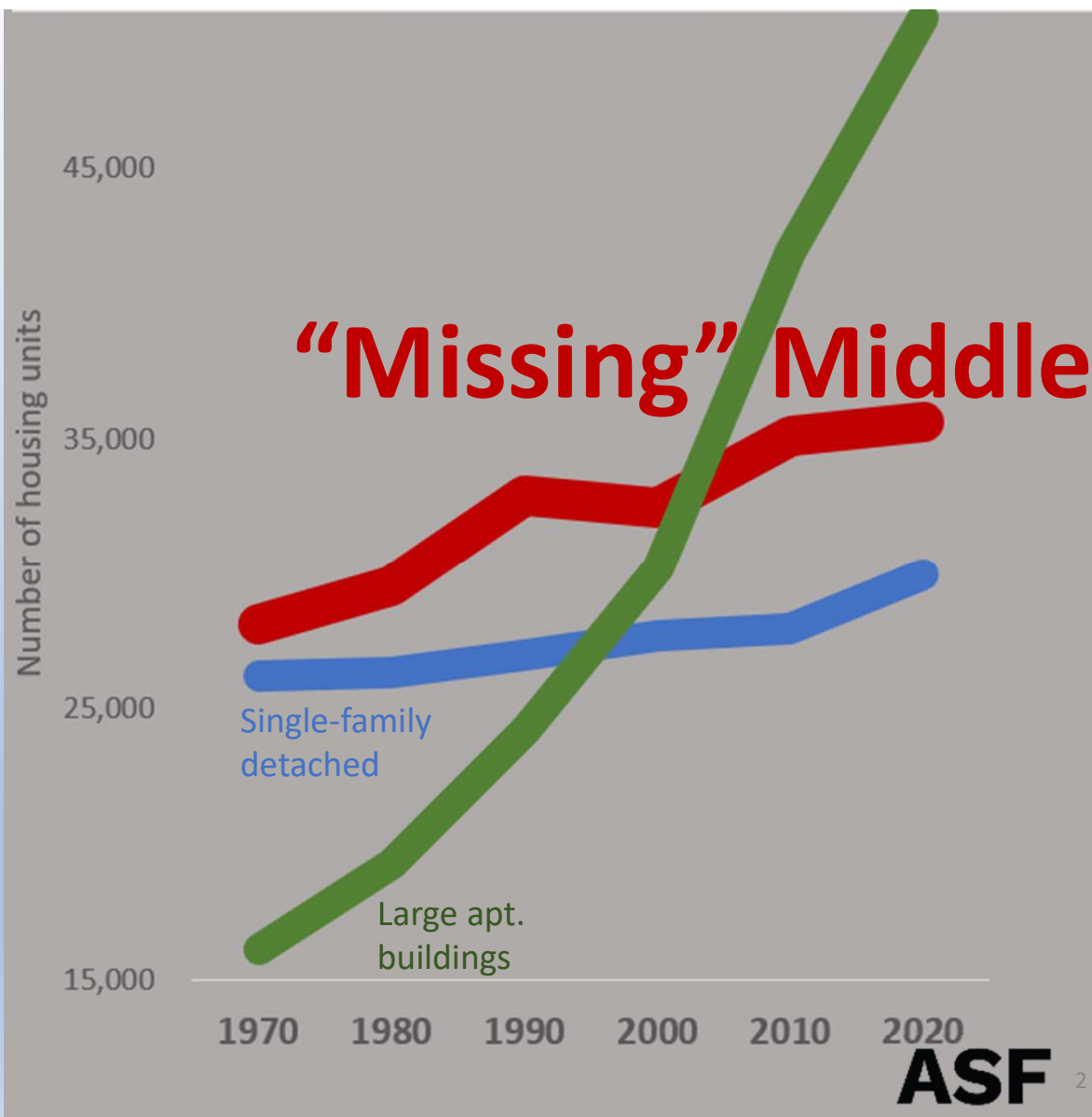
ARLINGTON COMMITTEE OF 100
JANUARY 10, 2023

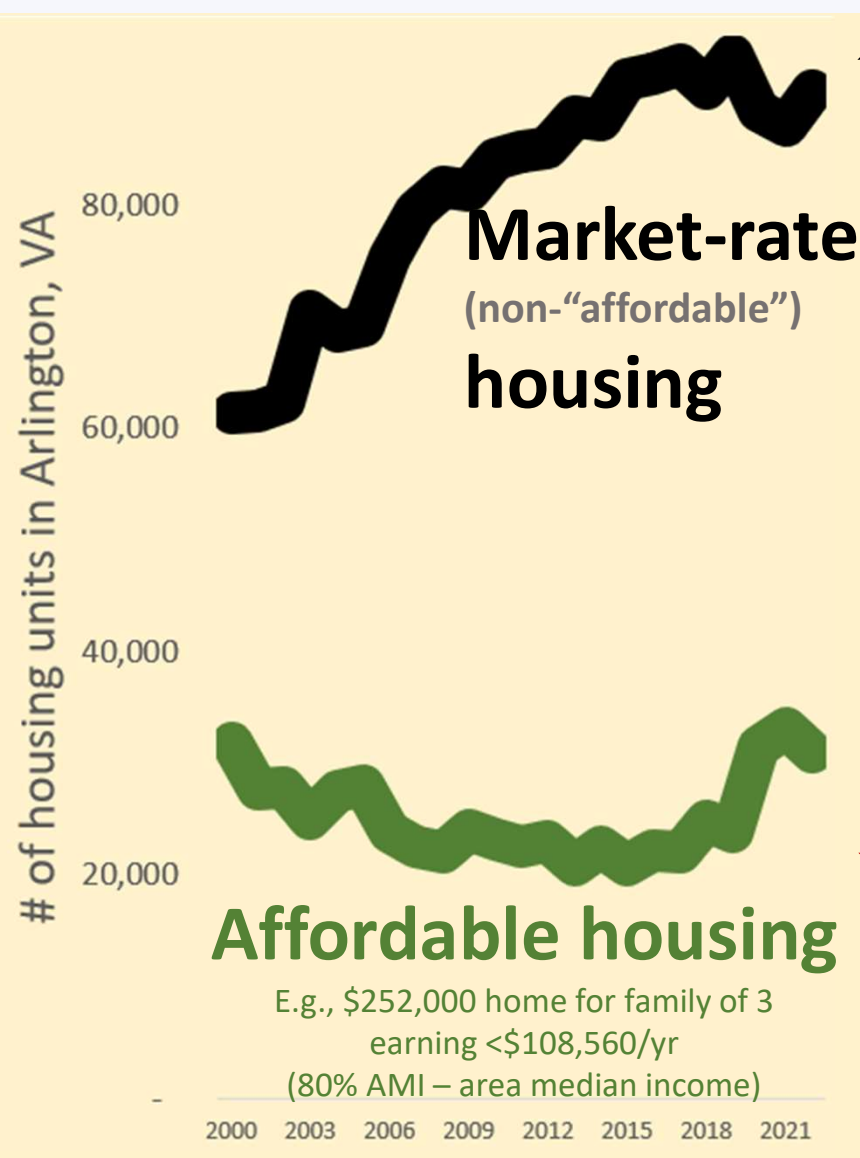


Approximately 30% of Arlington's existing housing stock can be classified as Missing Middle housing.

A new home every **9 hours** ... every year ... for 50 years, on average. A new Missing Middle unit every **58 hours**, every year, for 50 years, on average.

https://www.arlingtonva.us/files/sharedassets/public/housing/documents/missing-middle/mmhs_phase-1-report-final-draft.pdf (p.3) ("Approximately"); 2020-1990 data: page 32 of https://arlingtonva.s3.amazonaws.com/wp-content/uploads/sites/15/2020/08/VirginiaTech_ArlingtonStudy_HistoryofResidentialDevelopmentandPlanning.pdf; 1980 U.S. Census (Virginia Table 73) for 1980 data; 1970 U.S. Census (Virginia Table 43) for 1970 data





47%
30,000 more units

**“Surplus”
of supply**

- Mar. 2022

**“enough
capacity”**

- Aug. 2022

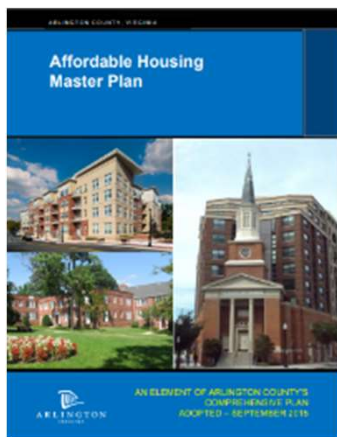
Arlington has great success at high-end & market-rate housing,
but lags at housing for families earning <\$108k/yr

3%

1,000 fewer units

FOIA #C002101-040123 (affordable units); Arlington Co. Profiles (2000-2023)
<https://www.arlingtonva.us/Government/Projects/Data-Research/Profile>; page 7 of
<https://www.arlingtonva.us/files/sharedassets/public/v/1/housing/documents/affordable-housing/2022-ahmp-if-final.pdf> (“surplus”); <https://dcist.com/story/22/08/23/northern-virginia-affordable-housing-inflation/> (“enough capacity”). For affordability, see infra.

Why did County do EHO/Missing Middle? Per its **Affordable Housing** Plan:



To “provide rental opportunities for **lower income** households”

2020: “The private market has provided sufficient rental housing for households with incomes above 80% of AMI. It is anticipated that the rental housing needs for households in this income range will continue to be met by the private market **without public intervention.**”

e.g., 60% AMI
\$81,420/yr
family of 3

Aid “**moderate-income**” buyers

2020: “It has become increasingly challenging for households **earning below 80% of AMI** to find affordable homeownership opportunities.”

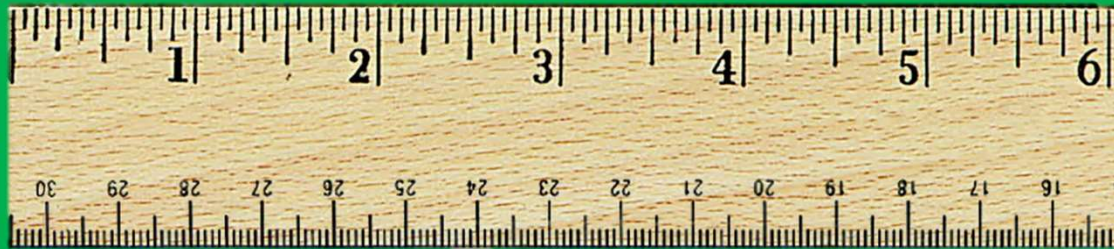
e.g., 80% AMI
\$108,560/yr
family of 3

“while maintaining ... underlying zoning”

Pages 21, 22 of <https://arlingtonva.s3.dualstack.us-east-1.amazonaws.com/wp-content/uploads/sites/15/2015/12/AHMP-Published.pdf>; *id.* page 2, n.2 (“MARKs have market rents that are affordable to low- and moderate-income households”), p.12 (showing housing “affordable to moderate-income” as 80% of AMI). Pages 6 (“The private market”) and 14 (“It has become”) of https://www.arlingtonva.us/files/sharedassets/public/v1/housing/documents/ahmp_5yr-report.pdf; <https://www.arlingtonva.us/Government/Programs/Housing/Income-and-Rent-Limits> (AMI levels)

ASF 4

Can't manage what you don't measure



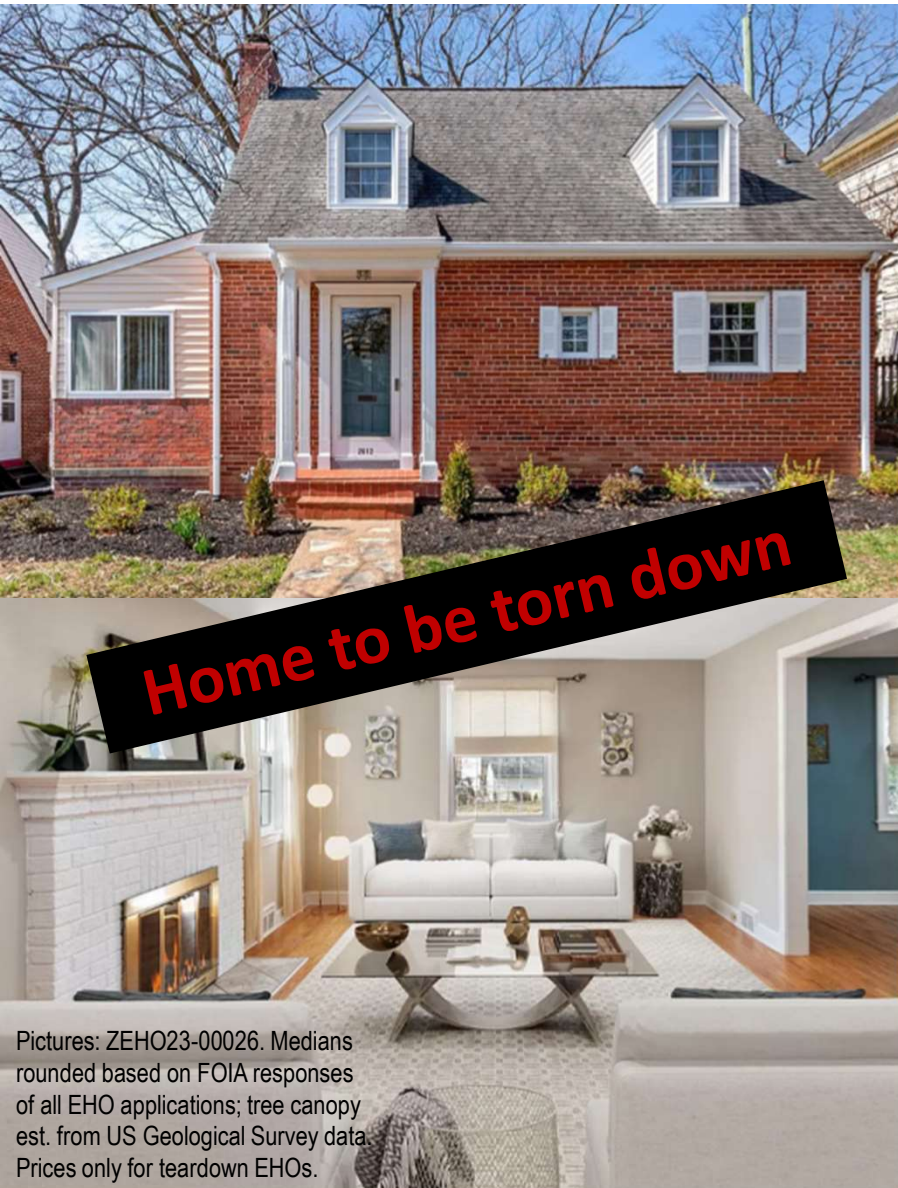
What do we lose?

What do we get?

Pace & space

Size

Money



Medians of homes to be torn down for EHO

\$863,000 paid by developer

Min.
\$475k

Max.
\$1.6m

\$935,000 assessed value 1/2023

\$658k

\$1.5m

9,000 sqft lot

4,000sqft 14,875sqft

28 years in same family

1940 year built

4.0 bedrooms

1,900 finished sqft

2,500 total sqft

2.0 off-street parking spots

30% tree canopy (est.)

ASF ⁷

Pictures: ZEHO23-00026. Medians rounded based on FOIA responses of all EHO applications; tree canopy est. from US Geological Survey data. Prices only for teardown EHOs.

SOLD SEP 26, 2023



Street View

**\$115k over
asking ...
to tear down**

ZEHO23-00065; 3922 14th Street S. in Douglas Park; sold for \$665k ...
\$115k over asking. Applied to be semi-detached; 4BRs each, approx. 2,500 gross floor area each. Possible sale price of \$900k or more each.

What are we losing?

What are we getting?

Pace & space

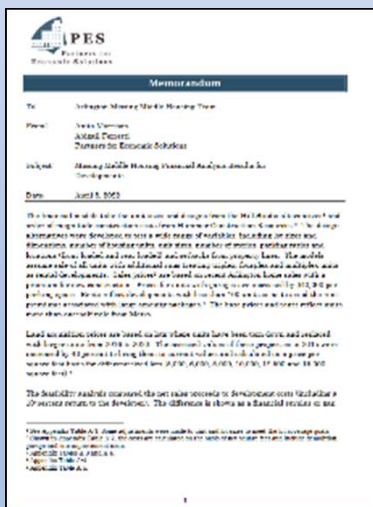
Size

Money

PACE & SPACE: How many lots? Where?

County: “19-21 lots ... annually”; “dispersed”

~\$100,000 report
by non-economist consultants



From: Matthew Ladd <Mladd@arlingtonva.us>

Sent: Thursday, May 12, 2022 5:44 PM

To: Jon Lawler <jlawler@arlingtonva.us>

Subject: RE: MMHS: Prelim. Recommendations for Staff Review

Hi Jon,

We have been receiving a few questions from the public about water and sanitary sewer impacts of the Missing Middle Housing Study's Draft Framework. Consistent with what we've shared previously through the staff team, **our consultants are estimating that about 19 - 21 single-family lots, across the entire county, would be redeveloped per year** as a missing middle housing type. This would result in 98 – 108 new units per year. If you subtract the existing homes that would be replaced, the net increase is 79-87 units per year, which would **dispersed across the County**.

Pace: Far faster
than County said,
even with lawsuits

In first 6 months: 50 applications;
26 granted; 1 denied

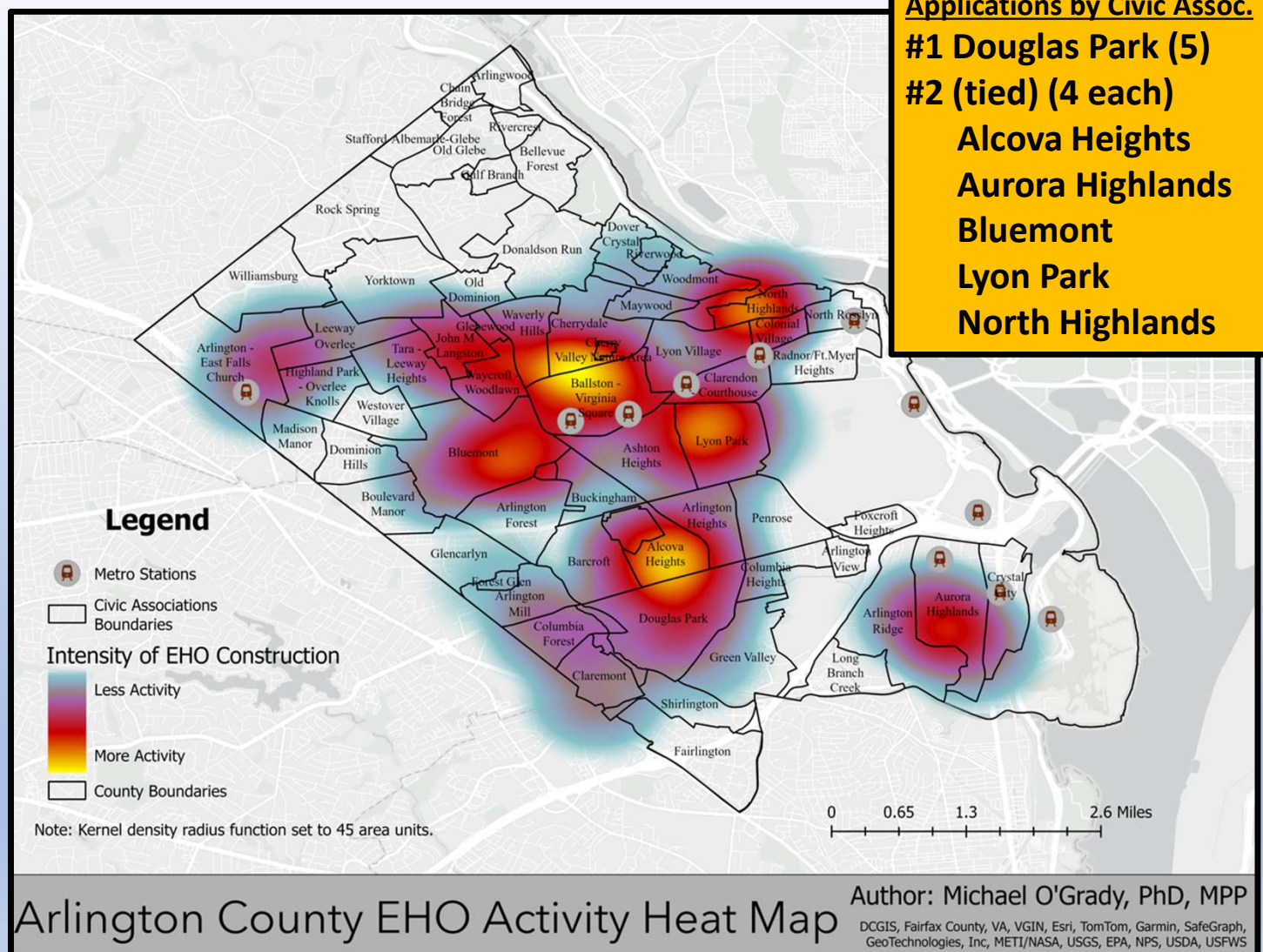
Space: EHO sites
far more **localized**
than County said

	Cap	Applications
R-5	7	15
R-6	30	33
R-8		0
R-10	21	1
R-20		0

*1 app. was RA-18; 2 R6s are repeats
(6plex & townhouse)

ASF

<https://www.arlingtonva.us/Government/Programs/Building/Permits/EHO/Tracker>; FOIA requests.



Approved EHO units

Nearly 2/3 are 6plexes

Units in EHO bldg	Approved	% of Approved	total # of units	% of total units
2	5	19%	10	9%
3	8	31%	24	22%
4	2	8%	8	7%
5	0	0%	0	0%
6	11	42%	66	61%
	26		108	

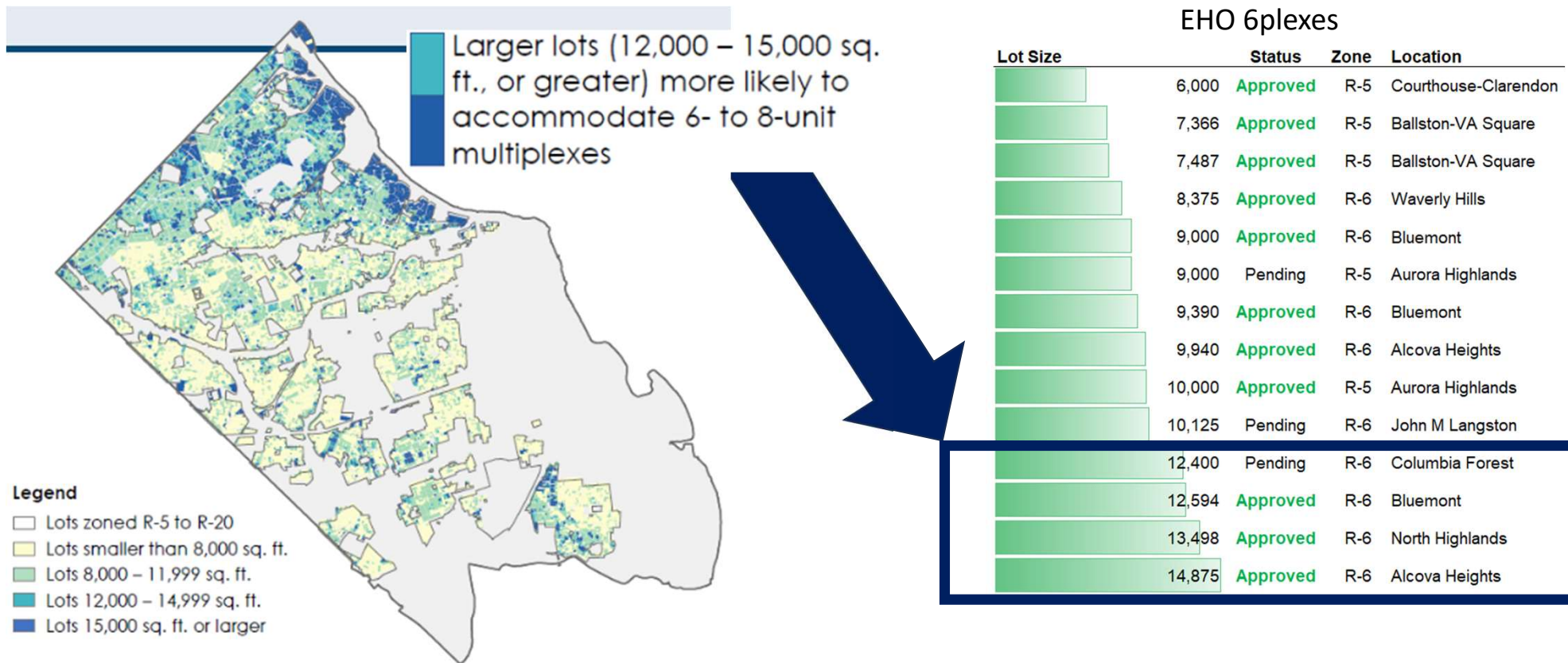
What are we losing?
What are we getting?

Size

Money

EHO: Bigger buildings on smaller lots

County said 6plexes “more likely” on larger lots; the opposite is true so far





From one 3-bedroom,
2,400 sqft house with
~80% tree canopy
(shown) to a 12-unit,
24-bedroom, 24-bath,
15,000 sqft complex,
12 parking spaces, &
removal of 30+ trees

Arlington County on EHOs:

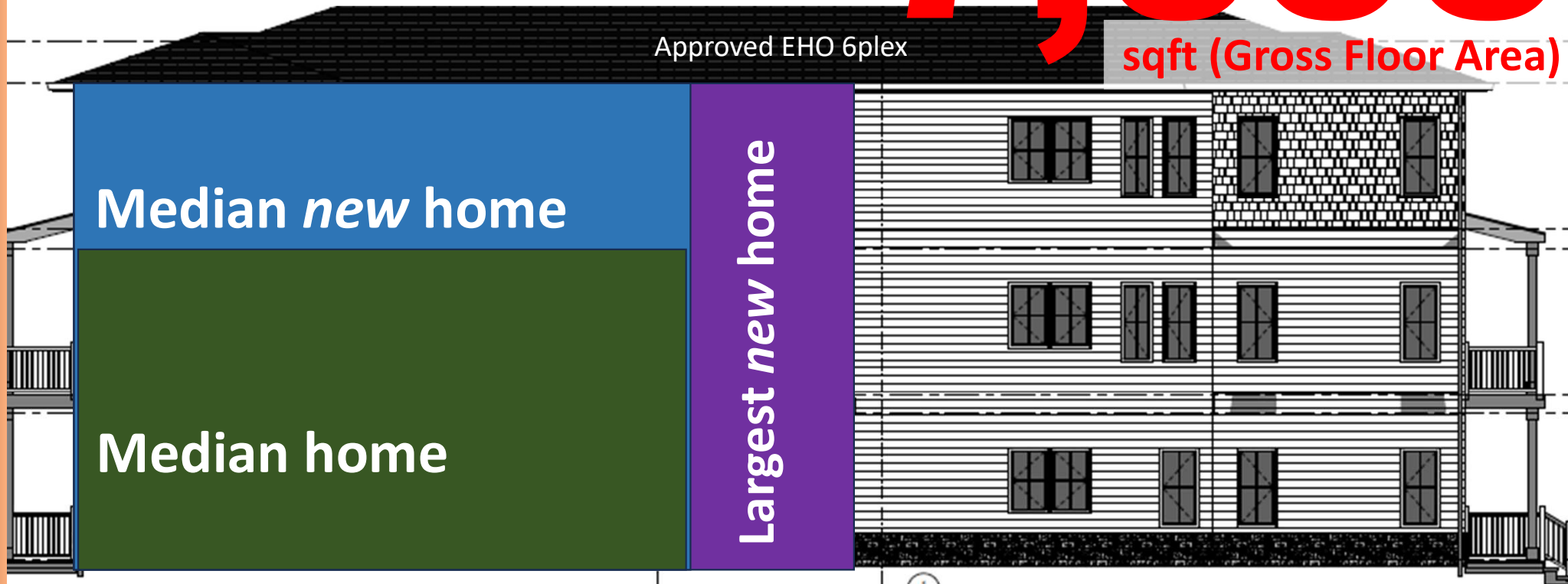
“design that is complementary and **compatible** with
the **scale and style** of their intended neighborhoods”

p.2 https://arlingtonva.s3.amazonaws.com/wp-content/uploads/sites/15/2019/12/HousingArlington_MissingMiddleHousingStudy_Framework.pdf
("design"); ZEH023-00034 & -00035 permit applications; US Geological Survey (80% canopy)

ASF 15

Aurora Highlands

7,355
sqft (Gross Floor Area)



- Missing Middle Housing (MMH) types **can fit within the same footprint, placement, and height standards** as single-detached housing

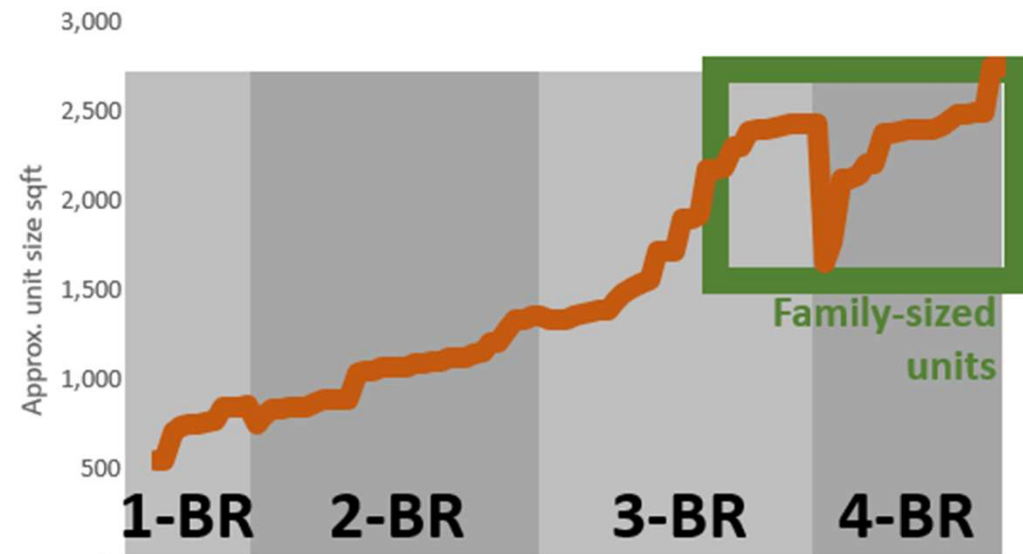
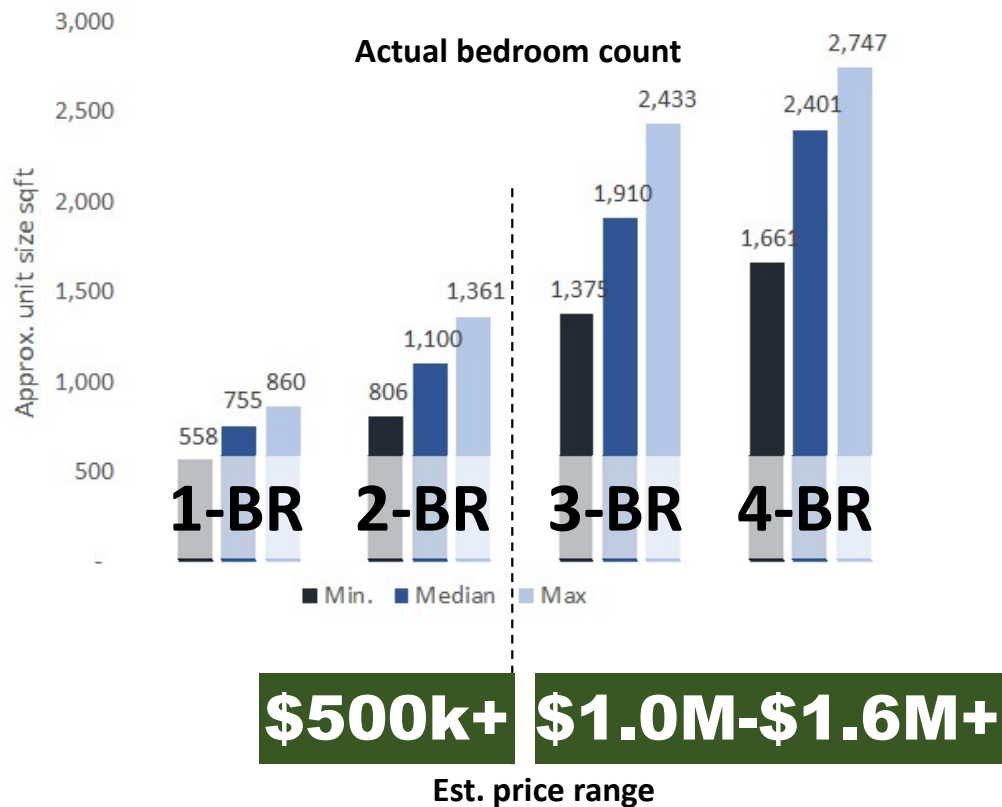
L. Garvey presentation to Arlington Optimists (2023) ("MMH"). EHO permit app. #ZEHO23-00026 (7,355 gross floor area; est. net finished area of 6,737 sqft used for comparison. For neighborhood 511091: <https://data.arlingtonva.us/dataset/89> (property), new homes as built since 2005, and <https://data.arlingtonva.us/dataset/52> (interiors) above-grade sqft.

What are we losing?
What are we getting?

Money

Approved EHO unit sizes & bedroom counts

Approx. ½ are 1- & 2-bedrooms; prices likely far higher than same-sized units today



\$1,599,000 Non-EHO comp.
 Pending
1047 Edgewood St
 Arlington, VA 22201
 Residential
 3 Beds, 3/1 Baths, 2,064 SqFt AGF,
 0.03 Acres

FOIA for EHO permit application details (sqft/unit estimated as unit GFA minus mechanical and garage). Excludes ZEHO23-00020 6plex as it was later approved as townhomes, which are included above. County: "the problem" EHO is solving is that new building is "primarily 1-2 bedrooms" (page 5 of https://arlingtonva.s3.amazonaws.com/wp-content/uploads/sites/15/2019/12/HousingArlington_PresentationtoCounty-Board_121719.pdf). Prices estimated from County projections & realtors' analysis based on EHO sizes.



\$1.35m

#62
1749 N
Edison;
John M
Langston;
6-plex;
155% of
assessed
value

Land inflation examples



\$200k above

#58
3014 7th St N; Lyon
Park; 3 townhomes;
developer reportedly
paid **\$200k above**
multiple families' bids



\$1.6m

#63
5104 14th St
N; Waycroft-
Woodlawn;
three
townhomes;
152% of
assessed value



\$130k above

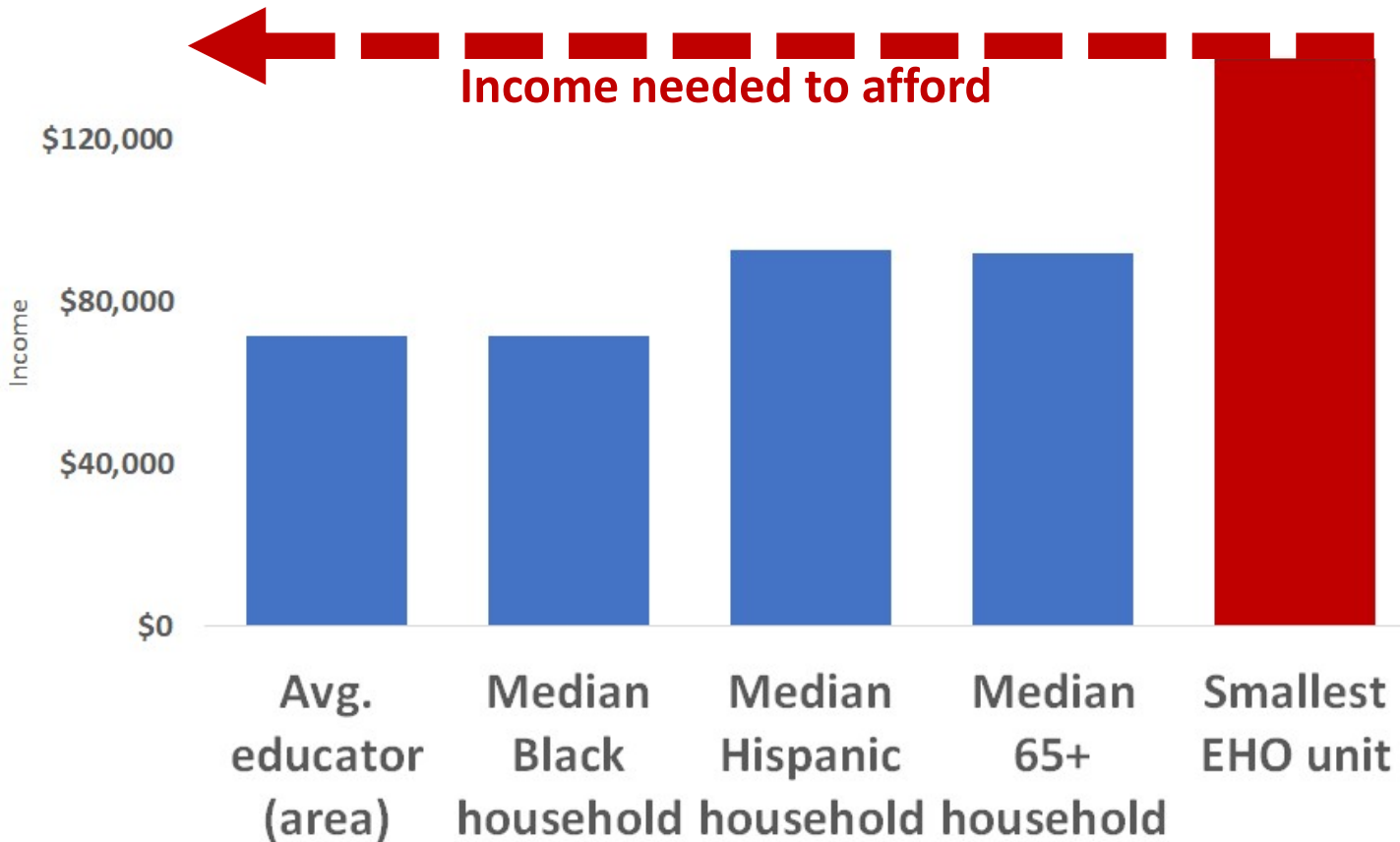
1313 N Harrison; Tara-
Leeway; EHO developer
paid **\$130k above**
same-sized adjacent
teardown; then aborted
EHO effort

FOIA for EHO permit application details; <https://propertysearch.arlingtonva.us/> (assessments); talks with realtors.

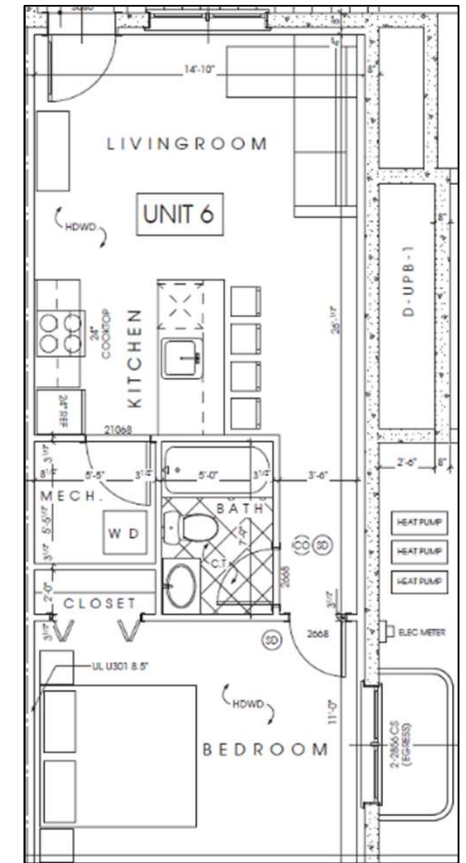
EHO affordability

Smallest: ~560 sqft, 1-BR, basement

Income needed to afford







Floor plan of actual EHO unit



FOIA re ZEHO23-00008 (1-BR unit); other sourcing detailed in Appendix (chart shown using \$400k estimated purchase price; analysis indicates it could be up to \$487k)

EHO affordability alternative

Existing home	Approved EHO Building		Square Feet	Bedrooms	Sale price (est.)	Annual income to afford (est.)
		ZEHO23-00008a	1,359	2	\$683,660	\$227,400
		ZEHO23-00008b	1,359	2	\$683,660	\$227,400
		ZEHO23-00008c	1,899	3	\$1,105,980	\$367,812
		ZEHO23-00008d	1,899	3	\$1,105,980	\$367,812
		ZEHO23-00008e	558	1	\$487,000	\$162,072
		ZEHO23-00008f	558	1	\$487,000	\$162,072
		Expected Total Gross Sale			\$4,553,280	
		ZEHO23-00011	2,426	4	\$1,208,650	\$401,784
		ZEHO23-00011b	2,401	4	\$1,207,400	\$401,340
		ZEHO23-00011c	2,401	4	\$1,207,400	\$401,340
		Expected Total Gross Sale			\$3,623,450	
		ZEHO23-00009	2,406	4	\$1,535,550	\$510,444
		ZEHO23-00009b	2,406	4	\$1,535,550	\$510,444
		Expected Total Gross Sale			\$3,071,100	

Appendix & Notes



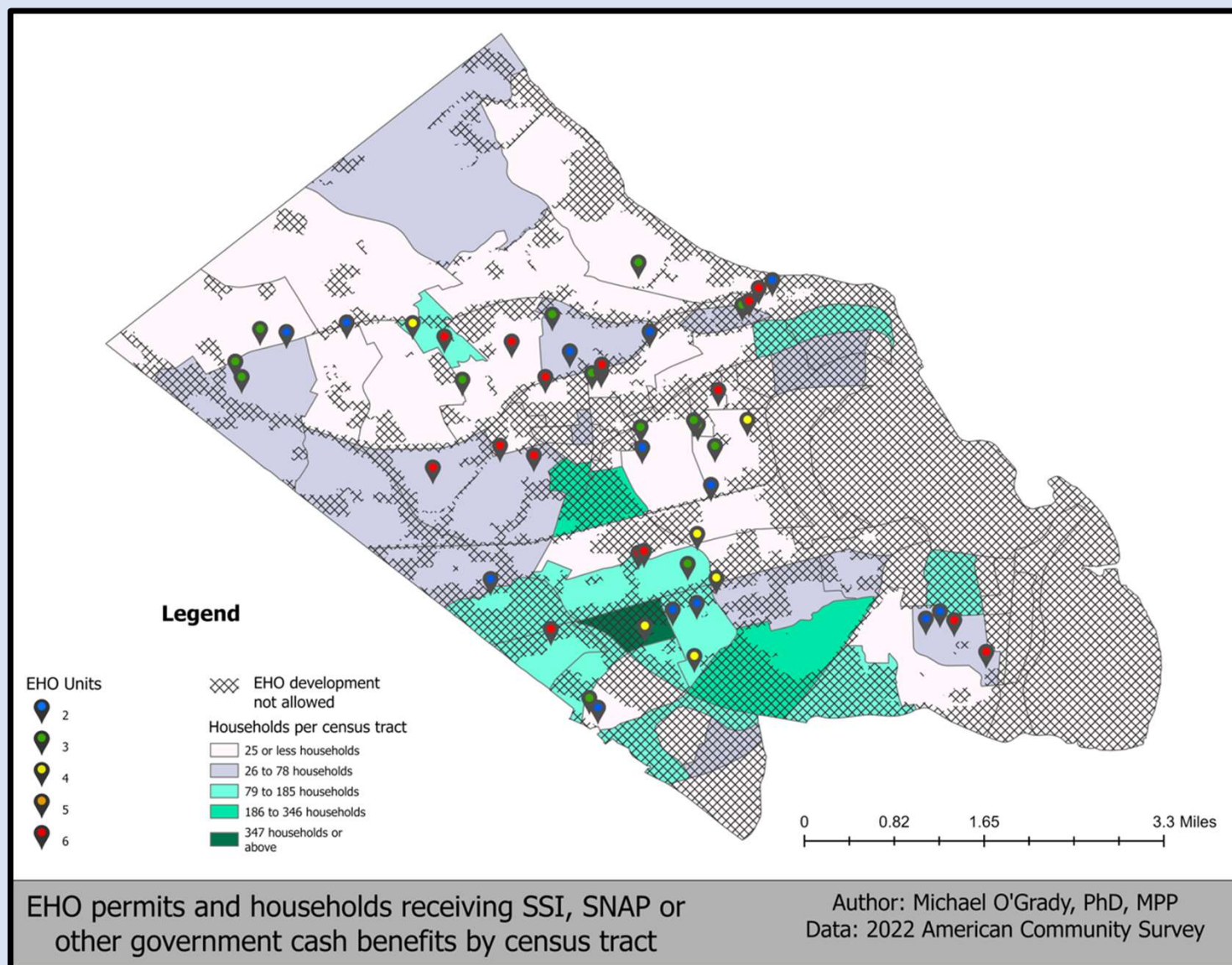
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Author: Michael O'Grady, PhD, MPP

DCGIS, Fairfax County, VA, VGIN, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA, USFWS

<https://www.arlingtonva.us/Government/Programs/Building/Permits/EHO/Tracker>; FOIA requests.

Potential EHO-driven displacement risk areas



EHOs & senior-displacement risk

6,600+ senior homeowners at risk per local economist

1. Pace & space: how fast & where?

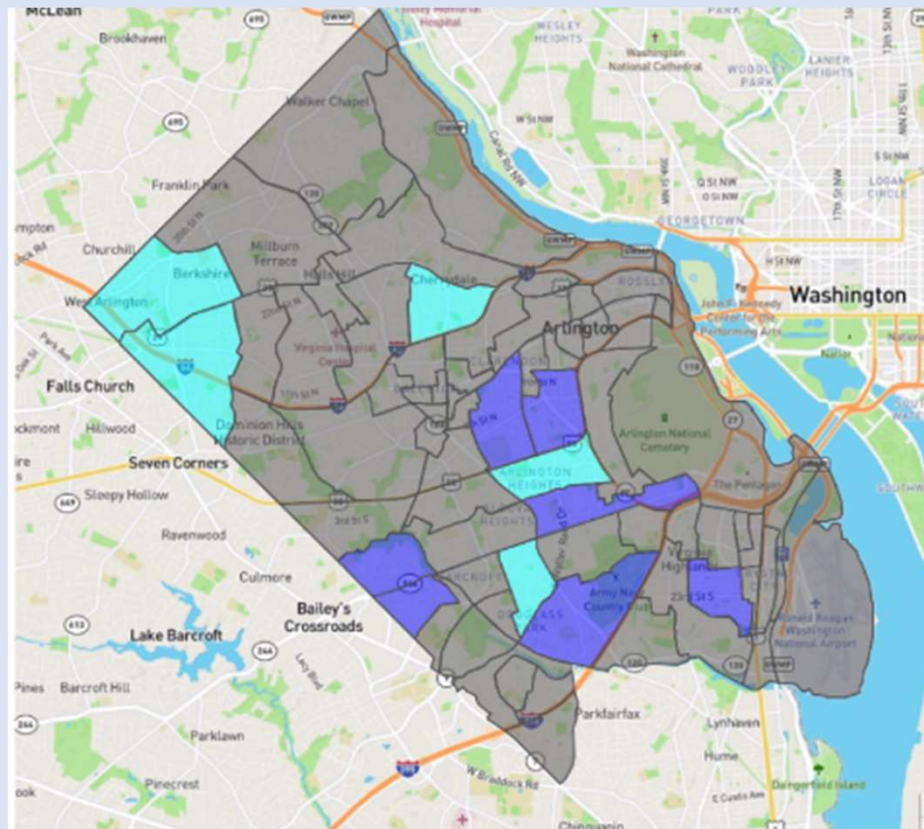


Figure 1: Dark blue census tracts are areas with at least 100 residences, 100 recipients of OASI benefits, and an inflation-adjusted increase in real estate taxes from increased assessments that exceed 2 percent of gross retirement income. Light blue census tracts are areas with the same criteria, except that real estate taxes from increased assessments were greater than 1.5 percent of gross retirement income.

<https://arlington-analytics.com/papers/Retirees202206updated.pdf>;
<https://www.arlingtonva.us/Government/Programs/Building/Permits/EHO/Tracker>

Notes

General Notes

EHO data herein is based on actual EHO applications submitted in 2023. Arlington County has charged fees to release this information under FOIA and at times taken up to 20 days to provide it (while the County grants EHO permits *for free* to developers, in as little as 40 days). Trends may change over time. The data is meant to inform the community & drive public debate in the absence of a real-time, free, County dashboard sharing of information of permit applications.

Developers may have altered their designs after the County released them under FOIA; actual buildings may differ. Interior square footage based on measurements and estimations using developer floor plans (Gross Floor Area, less mechanical rooms & garages) where such information is not within the EHO application.

Page 20 Notes

Seniors, <https://www.point2homes.com/US/Neighborhood/VA/Arlington-Demographics.html#IncomeFinancial>; avg. educator shown for Arlington-DC-Alexandria, https://www.bls.gov/oes/current/oes_47900.htm#25-0000; Black/Hispanic households, www.healthierarlington.org/demographicdata?id=2878§ionId=936.

Comparable units: page 20 of Arlington's Missing Middle Plan (5/2/2022), <https://bit.ly/3RshUKA>; Tables A-8, A-4 of Arlington's Consultant's Report (4/28/2022), <https://bit.ly/3AGVuzn>; \$450k, 1BR, 1BA, 612sqft, built 1984, 2 off street parking, \$234/mo HOA, sold 3/15/2023, https://www.zillow.com/homedetails/2536-Fairfax-Dr-2A-Arlington-VA-22201/12085385_zpid/; \$435k, 1BR, 1BA, 750sqft, built 1996, 1 parking spot, \$446/mo HOA, sold 8/21/2023, https://www.zillow.com/homedetails/1320-N-Wayne-St-APT-108-Arlington-VA-22201/12085105_zpid/

Affordability based on: 11% down payment ([nat'l median for buyers in 2022](#) aged 33-42); 5.6% 30-year fixed rate (avg. last 30 yrs per [Freddie Mac](#))— for comparison, rate as of 1/4/2024 is 6.62%; 1.013% [property tax](#); \$900/yr home insurance and \$1200/mo in monthly debt (FOIA #C000989-071822); \$357/mo. [condo fees](#); <https://www.zillow.com/mortgage-calculator/house-affordability/>