

March 31, 2023

What Did Arlington County Board Approve in Its Missing Middle Vote March 22?

The County Board voted March 22 2023, by a vote of 5-0, to allow by-right construction of Missing Middle homes in areas previously limited to single-family home development. Board Member Matt <u>de Ferranti called it the third most consequential change in residential planning in the county's history</u> and -- like most other Board members -- referenced the ideal of ending "exclusionary zoning." The final approved changes to the Arlington County Zoning Code (AZCO) and the General Land Use Plan (GLUP) will take effect July 1, 2023 and are compiled here from the options presented in <u>the Board Report of March 10, 2023</u>, <u>Board Chair Dorsey's mark-up of March 22</u>, and amendments approved at the March 22 Board meeting. Here is what happened:

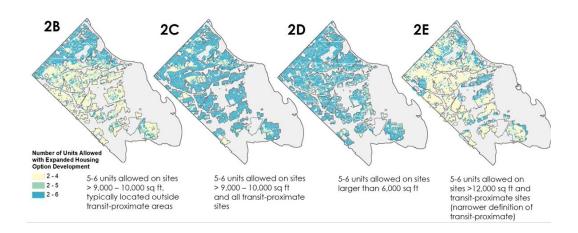
Board Goes for Six-Plexes Across Wide Scope of Arlington, Rejects Transit Orientation, Leaves ADU's in the Mix

The Board added to single family homes the following home uses: duplexes, semidetached; 3-unit townhouses; and multiplexes with 3-6 units). New Art 10.4.3 of ACZO.

Owners will be allowed (via Option 12B) to build accessory dwelling units (ADU's) for interior units inside townhomes and semi-detached (duplex) homes, and existing ADU's will be grandfathered for homes reconfigured into Missing Middle units. This means a three-unit townhome could have six separate housing units.

The board had to choose from 5 options to stipulate *where* the new MM units could be located. Option 2A (not pictured) would have delivered the maximum number of new units and was endorsed by MM advocates YIMBY NOVA, Arlington NAACP, VOICE, as well as Board Chair Dorsey and Board Member Cristol. Options 2B-2E would have allowed fourplexes everywhere but 5 and 6 plexes only on larger lots or near transit.

Site Area Options 2B – 2E

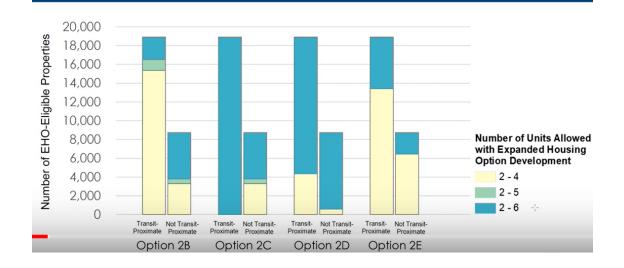


The Board chose Option 2D which prohibits 5 and 6 plexes on R-5 lots of less than 6,000 square feet. (Art. 10.4.4.A of new ACZO)

Duplexes up to six-plexes will now be allowed by right and be limited only by the restrictions on height, setbacks, and lot coverage for lots in residential zones R-6, R-8, R-10 and R-20 zones and for lots in R-5 that are at least 6000 square feet.

Duplexes up to four-plexes will now be allowed by right and limited only by the restrictions on height, setbacks, and lot coverage for zone R-5 lots below 6,000 sq ft. (Amended Option 2D from March 10 Board Report)





2D was the most dense and least transit-oriented "minimum site area" option after Option 2A (the latter not shown on chart.) The limitation excludes 1,152 lots in zone R-5 from the 5 and 6-plex options. Listen to Board Member Karantonis <u>explain his</u> recommendation for Option 2D.

MM Limits in Special GLUP Areas Will Allow Higher Density Later, and Very Large Undeveloped Lots Will be Eligible for MM by Permit

For residential zones larger than one acre, and that previously allowed only single-family homes to be built by right, duplexes up to fourplexes will now be allowed via special exception permit. (Art. 10.4.4.A of new ACZO.)

Staff had initially recommended walling off these large sites, possibly preserving them for affordable housing, parks, schools. Pressure from the Planning Commission and others spurred a change this more expansive option.

Missing Middle will not be allowed in areas subject to separate planning processes, namely, East Falls Church, Cherrydale, and Columbia Pike Revitalization District.

Staff projected and <u>media reports indicate</u> that approving Option 10A protects 136 properties from future Missing Middle projects. This also follows concerns expressed by some at the March 8 Planning Commission that the county should not allow "facts on the ground" of new MM construction (see conversation between <u>Planning Commissioner Lantelme and CPHD staff member Kellie Brown here)</u> because it would impede approval of much higher density levels via these separate GLUP or other planning processes. (NOTE: Lantelme also chairs the Langston Blvd Alliance).

Lot Coverage, Height, Setbacks - Mostly Parity between Single-Family and Multi-family but a 5% "Bonus" for MF-Homes

Zoning restrictions on height and setbacks for new Missing Middle homes will be the same as for single-family homes in each zone, which are still allowed by right in these zones; with one notable exception:

Lot coverage has been effectively expanded for Missing Middle construction vis-à-vis single-family homes in each zone. This was done via Option 4B to "re-allocate" 5% lot coverage that previously had been allowed only for detached garages. It is not clear if this 5% would be allocated to the main structure, but that seems likely, given the higher profit margin vs parked areas. (Option 4B was adopted per a motion by Board Member Karantonis.) (Art. 10.4.4.C.1 of new ACZO.)

Changes to Minimum Lot Area and Width - Lots Can be Split in Half or in Thirds for Resale - Board Never Mentions this "Bombshell"

The Board approved a new "minimum lot area" of 1300 square feet and a new "minimum lot width" of 16' for townhomes of 3 units and 24' for side-by-side semidetached (2-unit) homes.

These changes mean lots can now be subdivided and sold separately on a fee simple basis to three separate owners. They will be required to maintain the setbacks, height and coverage for the zone, but this may lead to some confusion. It seems to gut the nomenclature of the zones themselves, since each is based on a minimum lot size that no longer applies. Staff told ASF these changes were intended to boost ownership potential, but neither staff nor the Board -- which has not discussed this concept since it was introduced in October 2022 -- has laid out long-term impacts; nor whether such lots could be "stapled" back together by future owners; nor how owners would manage separate claims to use "their" side setbacks" or "their" part of lot coverage if they seek changes to their own layouts.

New Zoning Construct Limits Gross Floor Area of the Missing Middle Buildings Which Keeps 5 and 6-Plexes Below Maximum Allowed on Large Lots

The Board set limits (for the first time in our zoning code) on overall building gross floor area (GFA) for structures in these R-zones. The new code sets a maximum GFA for the housing types and/or unit type at the following square footage (does not include garage space):

• Duplex: 4,800 sq. ft.

• Semidetached: 5,000 sq. ft.

• 3 townhouses: 7,600 sq. ft.

• 3-unit multiplex: 6,000 sq. ft.

• 4-unit multiplex: 7,200 sq. ft.

• 5- and 6- unit multiplex: 8,000 sq. ft.

The GFA limits (represented by Options 11A/11B hybrid) were motivated as way to try and contain size/price of the new units. Gross Floor Area measures total floor area (including basement) and in some cases will result in SMALLER units than if the project were determined only lot size, setbacks, lot coverage and height. Realtor Eli Tucker reported in ARLNow on March 28 that the limits on GFA maximums and lot coverage requirements "significantly limit the size of the units that can be built, likely resulting in most MM units being ~1,000-2,400 finished sq. ft."

ASF notes that, given the elimination of incentives for detached garages, and the fact that *GFA does not included garage area*, it seems likely that an 8,000 square foot cap could balloon with the "migration" of the garage space over to the "main complex." For example, the maximum main building footprint in R-20 (of 5,320 sq.ft.) allows an almost 16,000 square foot building. The GFA 8,000 maximum for 5 and 6 plexes approved by the Board (even with a 2,000 square foot garage) therefore represents a reasonable control to ensure the new units will be somewhat more affordable than had the Board imposed no GFA caps. ASF expects density advocates will be looking to increase these limits if MM expectations fall short of the county's expansive production hopes. Tucker seems to agree, saying that these smallish units may mean the new code "falls short of how the consumer would define "middle" housing and if there's a disconnect . . . developers may not like the returns enough for MM development to take off."

Reduced Parking Near Metro and the Premium Transit Networks

The Board approved amended Option 5A to vary parking requirements near transit, requiring at least 0.5 parking spaces per unit on sites located entirely within a 3/4-mile radius of a Metrorail station entrance or within 1/2-mile radius of a transit stop along the Premium Transit Network. (Option 5A had proposed 0.5 parking spots/unit also near the Primary Transit Network; this was removed via amendment from Board Member de Ferranti). For all other lots, the current standard of at least 1 space per dwelling unit will be maintained, and all lots on a cul-de-sac will also require one space per unit, even near transit. (New Art. 10.4.6.A)

The Board approved Option 5E - offering a complex formula that essentially means if a lot currently does not provide onsite parking spots, no on-site units will be required for MM units, even sixplexes. (New 10.4.6.A.3 of ACZO.)

This standard changes our current view of "transit-orientation" from 1/2 mile to Metro to 3/4 mile to Metro, with no data to support whether residents will acclimate to this higher standard of pedestrian behavior; results should be part of any monitoring on MM effects. Realtor Tucker projected that "developers will ultimately build to demand rather than code minimums and demand will likely be for 1+ off-street parking in all locations and two off-street spaces" further from transit. ASF agrees with this. The lack of any onsite parking spots even for 5 and 6 plexes if current homes lack onsite parking will mean some residents will have no hope of parking within several blocks.

58 Permits in Calendar Year 2023-2028, Distributed Across 3 "Zone Groups" - Aimed to Bring Diversity to Wealthier Areas

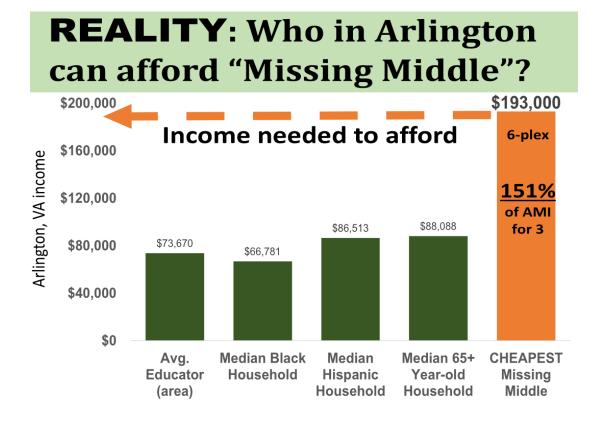
The Board will impose -- starting with the effective date of July 1, 2023, an annual calendar year cap of 58 permits for Missing Middle units (including new construction and conversions). The permits will be distributed (based on a formulation introduced by Board Vice Chair Cristol) to allow:

- 21 permits in R-8, R-10 and R-20 zones combined;
- 30 permits in R-6;
- 7 permits in R-5.

The Board also agreed to a 5-year sunset on the cap.

Ms. Cristol provided this formulation to bundle the larger zones into a single group to ensure there was full uptake of permits and to encourage higher MM output in these areas that have been pegged by the Board and staff as the least racially diverse. Mr. de Ferranti supported this revision on March 22, explaining "we have to have more economic and racial diversity in larger lots on R-10 and R-20." De Ferranti and Dorsey noted that R-6 has a large cap as it constitutes 66% of the area being upzoned.

ASF has worked with Arlington Transparency which has reported both that Missing Middle zoning is gentrifying (in historically Black Green Valley, slide 10) and that it will not bring racial, ethnic, age, or socioeconomic diversity when it is introduced to these rezoned areas. We provided extensive data on this in our January report to the Board (p.15, p. 41). ASF has since amended its affordability chart to reflect the new maximum MM zoning of 6-plexes and higher interest rates. This shows that our Black, Hispanic, and senior households will not find a foothold despite Ms. Cristol's allocation plan.



New Landscaping Tool Supplements Chesapeake Bay Preservation Ordinance Requirements for Tree Canopy

Missing Middle buildings will have to provide an added "landscaping tool" as per Article 10.4 of the new Zoning Code, requiring:

- For 2-4 units: planting a minimum of 4 shade trees
- For 5-6 units: planting a minimum of 8 shade trees (Art. 10.4.6.F)

ASF and others have questioned whether this mandate contravenes State law prohibiting tree canopy guidelines beyond the CBPO. If the county had to rely solely on CBPO standards, the tree canopy in the rezoned areas would be reduced by 49% (due to higher zoned housing units per acre). Furthermore, the Arlington Tree Action Group testified to the Board on March 21 that even the new tree planting guidelines fall short in many cases (shaded pink) of the current 20% standard. ATAG's tree planting guidelines that would have secured 20% canopy (far right column) were ruled "out of scope of the Request to Advertise" by the County Attorney at the March 22 Board Meeting and were therefore eliminated as a new option.

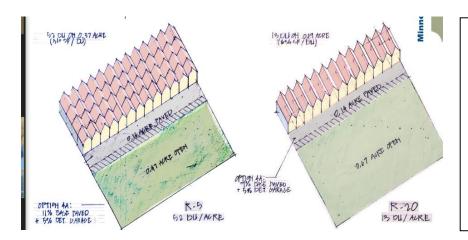
Zone		20% Tree	Shade Trees Needed for 20%	Number of Large Shade Trees Needed for 20%	Number of Shade Trees- Feb 27 Staff Recmndtn	Trees- Feb 27 Staff Recmndtn	ATAG's Recmndtn - # of Large Shade Trees (to maintain 20% cover)
R20	20,000	4000	18.29	10.16	4	8	12
R10	10,000	2000	9.14	5.08	4	8	5
R8	8,000	1600	7.31	4.06	4	8	4
R6	6,000	1200	5.49	3.05	4	8	4
R5	5,000	1000	4.57	2.54	4	8	4



GLUP Violation?

The Board approved changes to the General Land Use Plan or GLUP, with extensive revisions to provide context of racial bias motivating the original adoption of single-family only zoning.

It also maintained the GLUP booklet designation for R-5 through R-20 areas as "low residential" density, but allowing for new uses beyond single-family only homes.



Local architecture firm LAB depicts the new density in erstwhile single-family neighborhoods. Density is currently capped below 10 units per acre (u/a) in all zones but will increase to 52 u/a in R-5 and 13 u/a in R-20, as shown here.

ASF has pressed the Board on this, noting that every zone with six-plexes approved by right will exceed the ten units per acre maximum allowed by the GLUP's "low-density residential" category. (See also GLUP section in our January report, p. 26.) Ms. Cristol claimed on March 22 that we are not "changing the basic density" -- drawing dissent from the crowd. Board Chair Dorsey got staff to confirm that "the average density would be retained as 'low density' of less than 10 units per acre," and that the MM plan is "not intending to change" the "broad application of the [GLUP.]" ASF believes these are misrepresentations of proper GLUP/zoning process.

Reporting Requirements

The County has agreed to provide updates on the Missing Middle process and output. ASF will be tracking these items and intends to help influence the effort, especially to track demographic, fiscal and environmental impacts of the new policy.

What's Happens Now?

What Will They Build and Where? (R-5 and R-6 Beware!) Local realtor Tucker says builders will make choices based on their maximum returns/profit. Local architecture firm LAB has analyzed the floor-area-ratio (of building to lot) for each of the new unit types per zone (1.0 FAR shows the highest use of the land, thus the likely greatest profit.)

	One- Family	Duplex	Triplex	Quadplex	Five-Unit	Six-Unit	Seven- Unit	Eight- Unit			
Lot Area	Allowed Floor-Area-Ratio/Density (EHO Options 11A and 11B)										
5,000	0.99	0.96	0.99	0.99							
6,000	0.99	0.80	0.99	0.99							
7,000	0.99	0.69	0.86	0.99							
8,000	0.99	0.60	0.75	0.90							
9,000	0.92	0.53	0.67	0.80	0.89						
10,000	0.83	0.48	0.60	0.72	0.80	0.80					
11,000	0.76	0.44	0.55	0.65	0.73	0.73	0.73				
12,000	0.69	0.40	0.50	0.60	0.67	0.67	0.67	0.67			

LAB's chart -- prepared for a CivFed presentation on March
16 -- shows the highest FAR's will come with single family homes in all zones, and 3-plexes and quadplexes on R-5 and R-6 lots. This seems to confirm the projections of Mr. Tucker as per Gross Floor Area discussion above.

Who Will Build? Arlington realtor Tucker has noted that "Projects will cost millions when factoring acquisition, construction, and selling costs and that's too much for "most one-off 'hobbyist' developers/flippers." He does not believe our market will be "overrun by . . . investors/private equity funds who will load up our neighborhoods with cheap 6-unit rentals," saying such projects come with inherent development and management headaches. Tucker also claims "land and construction costs are simply too expensive and unit sizes in multi-plexes too similar to what's already widely available for rent in apartment/condo buildings," seemingly confirming ASF's view that the MM effort will not address identified gaps in our market (see our <u>analysis for the County Board</u>.) We are not as sanguine as Tucker on rental units and big investors. In fact, ASF has already seen a prospectus to develop an oversized R-6 lot in Lyon Park bought in March 2023 for \$951,000. The investor is promising at least 35% return on investment with a buildout of 3 side by side townhomes he will sell for \$1.22 million each.

When Will They Build? Tucker projects the County's already lengthy permitting process will apply for MM projects, and with 8-10 months for construction, thinks we won't see occupancy for 16-18+ months. ASF agrees with this assessment. We will be tracking the project in Lyon Park on our website as it proceeds, as the first "known Missing Middle project" in the county.

Other Changes:

There were other changes to ACZO and the GLUP. Items relating to non-conforming lots, screening, external staircases, placement of parking spots, definition of "duplex," and other items we don't believe are controversial, but have not gotten much scrutiny.

Resources:

This is not a comprehensive review of Missing Middle consequences. You can consult www.asf-virginia.org, or read some of these documents listed below. We recommend that anyone tracking Missing Middle in our region or nationally consult these resources and consider applicability as they review the prospects for new zoning in their area:

- 1. <u>ASF comprehensive report</u> to Arlington County Board on Missing Middle and the Arlington Comprehensive Plan, January 2023
- 2. Local realtor Letter to the County Board of March 21, 2023
- Arlington's <u>Missing Middle Housing Guidebook</u>: A Middle Approach to the Extended Housing Option, Brian Harner and Leo Sarli of LAB Architecture, January 21, 2023
- 4. ASF Testimony to the Arlington County Board March 22, 2023, on Missing Middle Housing