



ARLINGTON COUNTY, VIRGINIA

County Board Agenda Item Meeting of March 15, 2008

DATE: February 28, 2008

SUBJECTS: A. Adoption of the Fort Myer Heights North Plan.

B. GP-300-04-2 Adoption of General Land Use Plan amendments to add an Open Space symbol (triangle) to the following locations in order to encourage public open space (see Attachment):

- Northeast corner of the block bordered by 16th Street North, North Queen Street, 14th Street North, and North Quinn Street.
- Southwest corner of the block bordered by Clarendon Boulevard, North Quinn Street, North Rhodes Street, and 16th Street North (south of the existing public park).
- Northeast corner of the block bordered by 14th Street North, North Rhodes Street, Fairfax Drive, and North Rolfe Street.

C. Ordinance to amend, reenact, and recodify Zoning Ordinance Section 13. "RA8-18" Apartment Dwelling Districts and Section 15. "RA6-15" Apartment Dwelling Districts of the Zoning Ordinance, to add new items to the list of Special Exceptions in order to preserve the character of the "Fort Myer Heights North Special District," which includes multi-family residential development reminiscent of the first multi-family housing in Arlington County and which provides a significant supply of affordable housing; to facilitate the creation of convenient, attractive and harmonious community within the "Fort Myer Heights North Special District" (see Ordinance).

C.M. RECOMMENDATIONS:

1. Defer consideration of the Fort Myer Heights North Plan until the June 17, 2008 County Board meeting and the associated Planning Commission meeting.

County Manager: _____

County Attorney: _____

Staff: Margaret Rhodes, CPHD, Planning Division

PLA-4903

2. Defer consideration of General Land Use Plan amendments to add open space symbols to three locations until the June 17, 2008 County Board meeting and the associated Planning Commission meeting.
3. Defer consideration of amendments to Section 13. "RA8-18" Apartment Dwelling Districts and Section 15. "RA6-15" Apartment Dwelling Districts of the Zoning Ordinance, to add new items to the list of Special Exceptions in order to preserve the character of the "Fort Myer Heights North Special District," which includes multi-family residential development reminiscent of the first multi-family housing in Arlington County and which provides a significant supply of affordable housing; to facilitate the creation of convenient, attractive and harmonious community within the "Fort Myer Heights North Special District" (see Ordinance) to the June 17, 2008 County Board meeting and the associated Planning Commission meeting.

ISSUES: Given the changing economics in the Fort Myer Heights North area, it is no longer feasible to achieve the four goals of the draft Fort Myer Heights North Plan – the preservation of affordable housing, historic buildings, open space and significant trees - while abiding by its recommended densities and heights. Changes to the densities, heights or implementation mechanisms originally recommended in the Plan are needed. Since the last time the Plan came before the County Board, staff has been analyzing, from an urban planning and an economic perspective, various ways of achieving the original goals of the plan. Staff is exploring a new approach that would focus additional density and height in key areas in order to achieve an acceptable mix of preservation and redevelopment. Staff needs additional time to complete its analysis and to evaluate its findings with the assistance and input of the community.

SUMMARY: In order to realize the vision for the Fort Myer Heights North neighborhood, the Plan included incentives to redevelop using the County's Special Exception Site Plan process. However, given the significant changes in land and construction costs since the development of the Plan, some assumptions upon which the initial recommendations of the Plan were made are no longer viable. Staff is therefore continuing to analyze target blocks and conduct feasibility studies using an expanded array of tools. Resulting changes to the Plan will include new development incentives and implementation mechanisms. Staff is working with advisory commissions and the community in its analysis of these potential changes. Given the analytical work that is currently being finalized and the need for adequate time for public review and comment, it is recommended that the County Board defer consideration of the Plan, General Land Use Plan ("GLUP") amendments and Zoning Ordinance amendments to the June 17, 2008 County Board meeting and the associated Planning Commission meeting.

BACKGROUND: During 2003 and 2004, a planning process was conducted to develop a plan for the Fort Myer Heights North neighborhood. The first phase of this planning process, approved by the County Board at its April 16, 2005 meeting, included: 1) adding a note to the GLUP that designated the boundaries of the Fort Myer Heights North Special District; 2) adding a paragraph under Special Planning Areas on the GLUP generally describing the vision for the

neighborhood; and 3) amending the Zoning Ordinance to remove townhouses as a by-right use, but continuing to permit them through the Special Exception Site Plan process. The second phase, which is the subject of this report, includes: 1) adoption of the Fort Myer Heights North Plan; 2) GLUP amendments to depict the desired location for public open space in the neighborhood; and 3) Zoning Ordinance amendments to allow for an increase in density in the Fort Myer Heights North Special District in exchange for specified community benefits.

DISCUSSION: At the time the Plan was scheduled for review by the County Board at its April 2005 meeting, the County also embarked on establishing legislation for including affordable housing with site plan development. This necessitated pausing to refine the vision and implementation strategies for the Fort Myer Heights North area. In the interim, several changes occurred. First, the price of land in the Fort Myer Heights North area continued to steadily increase to approximately \$8 or 9 million an acre. Second, construction costs, including both materials and labor, increased significantly. Given these changes, the tools and incentives included in the original Plan are no longer financially attractive to developers.

Developing large unit (approximately 1,400 square feet), luxury condominiums by-right is more profitable than developing under the Site Plan option, as evidenced by recent projects in the neighborhood, such as the by-right ABDO development project on the block bordered by Clarendon Boulevard, Queen Street, 16th Street and Quinn Street. Due to the rising costs of development, the 72 unit per acre maximum proposed in the Plan is not enough density to secure viable returns on Site Plan projects. Even with townhouses removed from the by-right option, the greater financial returns and lower risk of developing large unit-size condominiums exceed the financial returns to the developer under the Site Plan option, even if densities are increased significantly. This is problematic, as it is through the Site Plan process that it was contemplated that the original goals of the Plan - the preservation of affordable housing, historic buildings, trees and open space - would be achieved with incentives to redevelop using the County's Special Exception Site Plan process.

Given the changing economics in this area, it is no longer feasible to achieve the primary goals of the Plan while abiding by its recommended densities and heights. Staff has therefore been exploring different strategies for achieving the goals of the Plan since its last meeting with the community. Staff first identified certain target blocks which may be likely to redevelop and which may present an opportunity for achieving on site one or more goals of the Plan. Staff then undertook an economic study of the area to determine what potential tools and incentives could encourage the realization of the community and the County's desired preservation/development mix. This economic analysis, verified with the assistance of outside consultants, helped to inform the development of potential redevelopment strategies. Staff has been evaluating these potential strategies, including a tiered density/bonus approach and a Transfer of Development Rights approach to incentivizing redevelopment while potentially preserving affordable housing, historic buildings, trees and open space. Staff is using a three-dimensional computer graphics program to help model the different scenarios and has been conducting additional economic

feasibility studies to ensure that what it recommends is potentially viable from both a planning and an economic perspective.

Staff's modeling exercises have revealed that, in order to achieve the desired mix of preservation and redevelopment shown in the draft Plan, additional density over the 72 units per acre proposed in said Plan is necessary. Heights greater than those shown in the draft Plan are also necessary. Nevertheless, staff, cognizant of the community's concerns regarding additional density and height, is developing a proposal that would preserve the historic core of the community. Through the special exception site plan process additional density and height could be allowed in a defined swath along Fairfax Drive in return for: an acceptable level of affordable housing; the preservation of historic buildings and their associated open space identified by Historic Preservation Program staff and members of the Historic Affairs and Landmark Review Board; and the provision of parks shown in the draft Fort Myer Heights North Plan. Additional density and height could be accommodated along Fairfax Drive, as this area is adjacent to high volume Arlington Boulevard and the sloping topography could minimize the appearance and impact of greater heights. Design guidelines would be developed to ensure that any new development is consistent with the community's vision for the area.

Staff met with the community in December and developed this new approach based on feedback received at that meeting. Staff subsequently briefed the Planning Commission leadership on its progress. At their request, staff has made presentations to the Urban Forestry Commission, the Historical Affairs and Landmark Review Board and, most recently, the Park and Recreation Commission. These three advisory groups, along with the Environment and Energy Conservation Commission, have expressed support for the concept of allowing additional density and height in strategic locations in return for defined community benefits.

Staff plans to meet again with the Planning Commission leadership in early March and has scheduled a community meeting for March 24. Staff will continue to work closely with the neighborhood, the Long Range Planning and Zoning Ordinance Committees of the Planning Commission, the Housing Commission, the Urban Forestry Commission, the Park and Recreation Commission and the Historical Affairs and Landmark Review Board, seeking their input and responding to their questions and concerns. With their input, staff will be able to refine this new approach and develop an implementation package including GLUP and Zoning Ordinance amendments. In terms of a long-term schedule, staff proposes:

- Briefing key community leaders on the revised approach and schedule – early March;
- Hosting a broader community meeting to present the revised approach and schedule, and to solicit feedback – March 24;
- Refining strategies based on community input – March;
- Meeting with relevant commissions –April;
- Holding a progress meeting with the community – late April;
- Coordinating additional follow-up meetings with the community and relevant commissions – May; and

- Presenting a Request to Advertise the new recommendations and revised Plan for County Board consideration – June.

CONCLUSION: Given current economic realities, the tools and incentives originally enumerated in the draft Fort Myer Heights North Plan are no longer sufficient inducement for the preservation of affordable housing, historically significant buildings, mature trees and public and private open space, which were the primary objectives of the Plan. Therefore, it is recommended that consideration of the items that are the subject of this report be deferred until the June 17, 2008 County Board meeting and associated Planning Commission meeting, while staff continues to explore the development of more appropriate and feasible tools and incentives.

ZONING ORDINANCE

ORDINANCE TO AMEND, REENACT, AND RECODIFY ZONING ORDINANCE SECTION 13. “RA8-18” APARTMENT DWELLING DISTRICTS AND SECTION 15. “RA6-15” APARTMENT DWELLING DISTRICTS OF THE ZONING ORDINANCE TO ADD NEW ITEMS TO THE LIST OF SPECIAL EXCEPTIONS IN ORDER TO PRESERVE THE CHARACTER OF THE “FORT MYER HEIGHTS NORTH SPECIAL DISTRICT,” WHICH INCLUDES MULTI-FAMILY RESIDENTIAL DEVELOPMENT REMINISCENT OF THE FIRST MULTI-FAMILY HOUSING IN ARLINGTON COUNTY AND WHICH PROVIDES A SIGNIFICANT SUPPLY OF AFFORDABLE HOUSING; TO FACILITATE THE CREATION OF A CONVENIENT, ATTRACTIVE AND HARMONIOUS COMMUNITY WITHIN THE “FORT MYER HEIGHTS NORTH SPECIAL DISTRICT.”

BE IT ORDAINED THAT, Sections 13 and 15 of the Zoning Ordinance are hereby amended, reenacted, and recodified as follows in order to in order to preserve the character of the “Fort Myer Heights North Special District,” which includes multi-family residential development reminiscent of the first multi-family housing in Arlington County and which provides a significant supply of affordable housing; to facilitate the creation of a convenient, attractive and harmonious community within the “Fort Myer Heights North Special District;” and for other reasons required by the public necessity, convenience and general welfare and good zoning practice.

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Section 13. “RA8-18” Apartment Dwelling Districts

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B. Special Exceptions

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3. When a site with an area of more than twenty thousand (20,000) square feet, or with ten (10) or more existing dwelling units, is sought to be used in a manner inconsistent with existing regulations for height, setback, yard, coverage, or parking, or is sought to be developed using additional residential density, the county board may allow exceptions, after application for a site plan approval consistent with subsection 36.H. of this ordinance, in order to achieve a design which is appropriate for the site, project, and the surrounding area. Except in the “Fort Myer Heights North Special District,” (which is governed by subsection B.4 below) the county board may approve additional height and density based on the provision of low or moderate income housing as provided in Subsection 36.H.5.b. The

county board, in its discretion, may modify regulations on height, setback, yard, coverage, or parking requirements and may approve up to a twenty-five percent (25%) increase above thirty-six (36) units per acre in residential density for a project that provides low or moderate-income housing as provided in subsection 36.H.5, provided that:

* * *

4. When a site within the area designated as the “Fort Myer Heights North Special District” on the General Land Use Plan is sought to be used in a manner consistent with the *Fort Myer Heights North Plan*, and as generally described herein, then by Special Exception Site Plan approval pursuant to Section 36.H, development may be permitted at up to 72 units per acre. As a development proposal increases in density above what is otherwise allowed by-right, and approaches 72 units per acre, the proposal will be expected to make greater progress toward those goals, including by way of illustration and not limitation affordable housing, historic preservation and the provision of open space. The purpose of the “Fort Myer Heights North Special District” is to: 1) promote the compatibility of new and existing development by coordinating building placement, orientation, scale, bulk, streetscape and pedestrian facilities; 2) provide for creative opportunities to encourage and retain affordable housing; and 3) promote opportunities for the preservation of historically significant buildings.
 - a. When an on- or off-site building that is on the preferred buildings list is preserved and units inside the building are committed as affordable, that number of units shall not count toward the permitted density. In such case the County Board may approve additional density, above 72 units per acre when the height and site design recommendations of the plan are met.
 - b. Building height shall generally be consistent with the building heights plan for the “Fort Myer Heights North Special District” and shall in no event exceed 10 stories or 100 feet, exclusive of penthouse. Penthouses shall be minimized in terms of height, bulk and visual appearance.
 - c. Externally oriented convenience retail and service uses such as a doctor’s office, neighborhood delicatessen, drycleaner, neighborhood-scale library branch or small café may be approved, where the County Board finds they will not adversely affect the

neighborhood and will otherwise be appropriate at primary intersections and/or locations that experience significant pedestrian traffic.

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Section 15. “RA6-15” Apartment Dwelling Districts

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B. Special Exceptions

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3. When a site with an area of more than twenty thousand (20,000) square feet, or with ten (10) or more existing dwelling units, is sought to be used in a manner inconsistent with existing regulations for height, setback, yard, coverage, or parking, or is sought to be developed using additional residential density, the county board may allow exceptions, after application for a site plan approval consistent with subsection 36.H. of this ordinance, in order to achieve a design which is appropriate for the site, project, and the surrounding area. Except in the “Fort Myer Heights North Special District,” (which is governed by subsection B.5 below) the county board may approve additional height and density based on provision of low or moderate income housing as provided in Subsection 36.H.5.b. The county board, in its discretion, may modify regulations on height, setback, yard, coverage, or parking requirements and may approve up to a twenty-five (25) percent increase above forty-eight (48) units per acre in residential density for a project that provides low or moderate-income housing as provided in Subsection 36.H.5.b., provided that:

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5. When a site within the area designated as the “Fort Myer Heights North Special District” on the General Land Use Plan is sought to be used in a manner consistent with the *Fort Myer Heights North Plan*, and as generally described herein, then by Special Exception Site Plan approval pursuant to Section 36.H, development may be permitted at up to 72 units per acre. As a development proposal increases in density above what is otherwise allowed by-right, and approaches 72 units per acre, the proposal will be expected to make greater progress toward those goals, including by way of illustration and not limitation affordable housing, historic preservation and the provision of open space. The purpose of the “Fort

Myer Heights North Special District” is to: 1) promote the compatibility of new and existing development by coordinating building placement, orientation, scale, bulk, streetscape and pedestrian facilities; 2) provide for creative opportunities to encourage and retain affordable housing; and 3) promote opportunities for the preservation of historically significant buildings.

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