February 20, 2018

Re: AHAAC Comments on the Proposed Arts District Text Amendment

The Alexandria Housing Affordability Advisory Committee (AHAAC) has been following the Old Town North (OTN) Small Area Plan (SAP) process for several years. In May of last year, AHAAC provided a letter of support for the OTN SAP in which we noted our support for the plan, especially given the plan's consistency with the goals of the Housing Master Plan. As City Staff has moved to implement the objectives in the plan they have continued to brief AHAAC on the use of a bonus density policy to encourage the construction of arts and entertainment facilities within the plan area.

AHAAC allocated a significant amount of time discussing this topic at both our January and February meetings. AHAAC members have expressed concern with the City's proposed amendment to the zoning ordinance that would allow bonus density in exchange for the construction of space for the arts. AHAAC members are not against policies that encourage arts in this area or elsewhere in Alexandria, but we are concerned about the regulatory method in which the City has decided to offer such an incentive.

Virginia's enabling legislation strictly limits local jurisdictions' ability to implement regulations that require the provision of affordable housing within new development. Due to these limitations, zoning tools such as inclusionary zoning cannot be used in Alexandria. The provision of bonus density is the one zoning tool that allows Alexandria and other Virginia local governments to require the provision of affordable housing. The Alexandria Housing Master Plan made several recommendations to further encourage developers to take advantage of this tool. City Council has approved all of these recommendations, the most recent of which increased the allowable density increase from 20 percent to 30 percent.

AHAAC's main concern is that allowing arts space to take advantage of the bonus density provision risks diluting the effectiveness of this tool for creating much needed affordable housing units. AHAAC is concerned that, if given the choice between creating arts space or affordable housing units, developers will choose arts space because it is cheaper to build, administer, and maintain, and will not face the type of neighborhood opposition often seen with the creation of affordable housing units. This concern was lessened somewhat as City Staff incorporated AHAAC's feedback between the January and February meetings by adding a provision that the costs incurred in the creation of arts space must be equivalent to the costs that would be incurred in creating affordable housing units. The idea here is that, if faced with a choice, it should be no more advantageous for a developer to create arts space than to create affordable housing. Some of our members continue to express considerable reservations about expanding uses of bonus density for any reason other than affordable housing, even with the economic parity requirement in place.

AHAAC appreciates the opportunity to provide our feedback and the openness and responsiveness to our concerns we've seen from City Staff to date. While AHAAC continues to have concerns, we appreciate that the City can learn a lot from a limited trial phase of the Arts District Text Amendment. We endorse the reduction of the trial phase from 250,000 square feet to 50,000 square feet, and feel that will provide enough experience for City Staff to study the practical effects of the Amendment. We encourage City Staff to thoroughly evaluate the outcomes of the trial phase before taking any efforts to expand or make permanent the allowance of bonus density for arts space. We especially hope City Staff will pay special attention to assessing whether true cost equivalence between affordable housing and the creation of arts space is being achieved.

Thank you again for the opportunity to provide comments and for your responsiveness to our concerns. We hope you will continue to seek our advice and guidance as you start to see results during the trial phase. Please feel free to contact me if AHAAC can assist you any further.

Sincerely,

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Robyn J. Konkel AHAAC Chair