

Staff Responses to AHCA Crystal House 3 Comment Letter dated January 24, 2024

	Question	Response
1	<p>It is our understanding that Arlington County has been assigned the development rights to the project, per information contained in the Crystal House 3 Master Developer RFP (https://www.arlingtonva.us/Government/Programs/Housing/Development/Crystal-House-Apts/RFP). Further, per its Master Developer agreement, the County Manager is now also responsible for the contract with APAH/EYA for development. Please provide AHCA with a copy of the Master Developer Agreement and the Assignment and Assumption of Option and Option Agreement. It is unclear why the County chose this structure, which is less than transparent, and it raises questions of public policy. For example, when Arlington County becomes a developer of residential buildings, how is it not part of a public budget process like a school or any other public building? Has this assignment process been done before in Arlington (if so, where)? Further, unlike a school or other public building, this development includes market rate units and for sale units – how do those finances flow? Who is getting the proceeds from the 3 for-sale buildings, who is paying for the gap on the affordable rental buildings? None of that information has been provided and the community would like to understand this more.</p>	<p>The County was assigned the development rights to the infill parcels through an Assignment and Assumption of Option Agreement (A&AOA) by an affiliate of Amazon. Amazon’s intention was not for the County to develop the infill parcels, but rather for the County to solicit a master developer, through an RFP process described in the A&AOA, to ultimately own, develop, and operate the site. The County has the ability through the A&AOA to further assign the development rights to the master developer, subject to entering into a Disposition and Development Agreement (DDA) with the master developer. The DDA outlines the process by which the County will assign its rights to the master developer by infill project after certain milestones have been met and the individual projects are ready to close on financing and begin construction.</p> <p>Per the DDA, there will be a cost to the market-rate developer (EYA) associated with the County assigning its option for the land associated with the mixed-income project (CH 4) and the market-rate townhomes (CH 7&8). These funds will then be a source that assists in the development of the affordable projects. The affordable projects will further be funded by Low Income Tax Credit equity, a senior mortgage, and other competitive funding. As anticipated during the RFP process and in the DDA, the non-profit developer (APAH) will request</p>

		<p>Affordable Housing Investment Fund (AHIF) funds to fill the remaining financing gap for the affordable projects. There is an AHIF request to assist in financing 87 of the 432 CH 3 units going to the County Board at the same time as the site plan amendment request. The market rate units across the Crystal Houses block will be constructed with market rate financing.</p>
<p>2</p>	<p>The County (through its vendor) is requesting a change to the previously approved site plan, without a full SPRC public process. Letters were sent from the Crystal City Civic Association (CCCA) and AHCA in late 2023 expressing concern about Crystal House 6 not going through an SPRC process. Yet, the County has disregarded fundamental public engagement requests from the most impacted stakeholders and is continuing to use the same flawed review process. AHCA continues to insist that the Minor Site Plan Amendment process is inappropriate. AHCA cannot support a project being moved forward without regard for those impacted. In his letter of October 7, 2023, Eric Cassel, President of the CCCA wrote to Mr. Schwartz stating, “to repeat: low-income housing residents deserve the same attention as market rate residents”.</p> <p>https://www.crystalcitycivic.org/wp-content/uploads/2024/01/crystalhouse6a.pdf</p> <p>Mr. Cassel’s words were prescient. Three months after he wrote this letter, we found ourselves at the January 16 , 2024 meeting where the developer (as a reminder, Arlington County itself) requested to reduce the quality of the project’s façade and functional elements of the project – eliminating balconies, and the pool, reducing window sizes) and lowering the quality of construction materials. Why is the County declining to engage in the SPRC process?</p>	<p>The proposed site plan amendments do not trigger any of the Arlington County Zoning Ordinance (ACZO) criteria for what constitutes a major site plan amendment. In addition, the SPRC is a committee of the Planning Commission and the Planning Commission does not review minor site plan amendments. However, given the substance of the proposed building and site changes and the community interest in the project, staff hosted a virtual public meeting on January 16, 2024, and is hosting a second virtual public meeting on February 12, 2024, with invitations sent to civic associations, all members involved in the 2018/2019 SPRC review of the Crystal Houses site plan, surrounding residents, as well as liaisons of the Planning Commission, Pedestrian Advisory Committee and Housing Commission. The approach to these meetings is similar to that of recent meetings staff has held on other projects that do not meet the criteria for requiring SPRC or Planning Commission review, but that provide a formal opportunity for the public to learn more information and provide input given the level of community interest and potential impacts of the project.</p>
<p>3</p>	<p>From the RFP, the new buildings on the site (excluding CH5) will house 554 Committed</p>	<p>The DDA includes the following anticipated unit mix:</p>

<p>Affordable Units (148 at 50% AMI and 406 at 80% AMI). CH5, in addition to being developed by this County, is also owned by the County per the RFP, and requires 81 committed units at 80% AMI for a grand total of 635 units. From the evaluation criteria in the RFP these units will be in addition to market units. From the "Overall Tabulations" sheet in the Minor Site Plan Amendment meeting materials there are 836 total units at Crystal House 3 – 8. However, it is unclear from the presentation or materials presented as part of the Site Plan Amendment how many total affordable units are being proposed across the site and how many are in CH3, or if it is in there somewhere it is not easy to find (this is one of the challenges of dealing with each building as a separate minor site plan amendment separately, rather than reviewing them in totality, as was done in 2019). This tabulation is relevant to the Crystal House 3 amendment because we are told the affordable units have gaps in financing (requiring a reduction in quality of the building program), but one would assume the market rate units do not, so it is unclear which buildings / units have gaps / profits and whether or how the profits offset the gaps as is a common requirement in affordable housing financing. Approval of the Minor Site Plan Amendment by definition must be in context of the entire site. Please provide a tabulation of how the Affordable Units are proposed to be distributed across the site in a clear, easy to understand format such as filling in the X's and answer the questions below:</p> <p>Crystal House 3: Total Units: 432. X% affordable at X% AMI band. For Sale or Rent?</p> <p>Crystal House 4: Total Units: 222. X% affordable at X% AMI band. For Sale or Rent?</p> <p>Crystal House 5: Total Units 80. X% affordable at X% AMI band. For Sale or Rent?</p> <p>Crystal House 6: 80 units. X% affordable at X% AMI band. For Sale or Rent?</p> <p>Crystal House 7: 7 units. X% affordable at X% AMI band. For Sale or Rent?</p> <p>Crystal House 8: 14 units. X% affordable at X% AMI Band. For Sale or Rent?</p>	<p>CH3 – 432-unit affordable family rental building, unit affordability mix to include 30% - 60% AMI (final mix forthcoming);</p> <p>CH4 – 222-unit primarily market-rate building, 168 units market rate & 54 units at 80% AMI</p> <p>CH5 – 89-unit affordable building, AMI levels TBD (<i>project is on hold until units on infill parcels conveyed by Amazon are completed</i>)</p> <p>CH6 – 80-unit senior affordable building, unit affordability mix to include 30% - 60% AMI (final mix forthcoming);</p> <p>CH 7/8 – 21 for-sale market rate townhomes</p>
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8	<p>Student Generation – since the APAH project has more bedrooms for families and will likely have more school students, has there been a discussion with Arlington Public Schools? Our neighborhood schools are already at or over capacity. How will the Site Plan Amendments change the projected student increase at local schools?</p>	<p>Staff is working with APS to generate student estimates. These will be provided by phase in future board reports requesting Affordable Housing Investment Fund (AHIF) county loan funds.</p>
9	<p>Increasing the number of low-income students into South Arlington is counter to the Affordable Housing Plan which aims to provide affordable housing across the county, not all in South Arlington. Please provide the updated plan that shows how the County plans to achieve these goals and will not continue to squeeze affordable housing inequitably in South Arlington.</p>	<p>The Affordable Housing Master Plan makes no reference to students but does establish a policy (1.1.4) to “Encourage and incentivize the distribution of affordable housing throughout the County.” The Crystal House development proposal is entirely consistent with this distribution policy. No 100% committed affordable housing development has been built in the Richmond Highway Corridor in the last 45 years. The only 100% committed affordable housing development in this planning corridor is Claridge House, a 300-unit senior independent living complex built in 1979. In addition, the Crystal City Sector Plan establishes a goal of adding between 550 and 1,200 additional committed affordable housing units in the area by 2050, which this development significantly contributes towards.</p> <p>At present, The Richmond Highway Corridor area has 14,435 apartments. Of these only 737 are affordable to households with incomes up to 60% of the Area Median Income. That amounts to 5% of the rental housing in this area. For reference, in the Rosslyn-Ballston Corridor 15% of all apartments are affordable at or below this income level.</p> <p>Appendix C of the Affordable Housing Master Plan contains a forecast for the distribution of affordable housing in 2040. This is an estimate of where</p>

		<p>affordable housing would be located throughout the County by realizing the “distribution” policy. Under this forecast the Richmond Highway Corridor is envisioned to have 2,200 units affordable to households with incomes up to 60% of the Area Median Income, which would be roughly equivalent to 10% of the affordable inventory. Currently this area has only 5% of the County’s affordable housing resources (units up to 60% AMI).</p>
<p>12</p>	<p>Please provide an updated traffic study given the increase in development in the area since the original report was completed in 2018. This seems to be not only a reasonable request, but essential for both the AHCA to analyze the proposed amendment and for the County to do so. The 2018 study preceded the Amazon HQ2 announcement by just a few weeks and was prior to the Pentagon City Sector Plan and several other projects that have greatly changed, or will change, the area including: River House, Kimco as revised and expanded, 1900 Crystal Drive, Crystal Tower, Missing Middle, Americana, and others. Additionally this predates the VDOT Route 1 Study. On Page 4 of the study there is an assumption of a growth rate of .5% per year, when in fact the growth rate is unknown as the County has not provided an updated cumulative traffic report, but growth is known to be in the tens of thousands and a wholly different scale than .5%. On page 5 the study noted that in the existing condition at the time, the signals studied on Eads Street were at a Level C generally and at Level D “level of service” during peak periods - this was barely an acceptable condition at the time (page 25) . The report also notes that the turn lanes did not even at the time adequately accommodate the car storage required at the intersection of Eads and 18th and Eads and 20th. The report showed the traffic count was expected to double during peak period due to</p>	<p>The minor site plan amendment does not trigger an update to the MMTA since the number of units is remaining the same, and the change in GFA is small. Additionally, traffic patterns and site access are not proposed to be changed with the current minor site plan amendment proposal from what was already approved.</p> <p>The Route 1 VDOT project includes the future multi-modal volumes that would be generated by the Crystal Houses site. VDOT has also significantly increased their bike and ped volumes based on the planned growth in Pentagon City and Crystal City.</p> <p>Additionally, the original traffic study from 2018 assumed a 40% auto mode split, but recent County and Metropolitan Washington Council of Governments' (MWCOCG) data indicate a lower mode split of 32% for auto transportation in the Crystal City area. Therefore the applicant's previously analyzed trip generation is considered conservative, taking into account the integration of additional</p>

	<p>the known development at the time, but that expectation failed to include the extreme amount of growth and development approved since Amazon HQ2 was announced. How can the County perform its due diligence as the Developer of the site without checking the impact on traffic given, especially given the vast growth that was not included in the previous projections? These issues negatively impact the neighborhood and will negatively impact the new residents when they can't get out of the garage due to traffic backups. Further, the potential traffic issues present a safety concern, especially as there is a fire station just a couple of blocks away. Please explain how the County will address these concerns that appear to remain unaddressed.</p>	<p>multimodal elements into the transportation network.</p> <p>The transportation analysis conducted for the Amazon site, also known as Met Park 6, 7, 8, included the then proposed and subsequently approved (in 2019) site plan for Crystal Houses as a background project. Therefore, impacts from this site have already been contemplated and incorporated into the design, addressing factors such as turn lane length and signal timings to enhance the overall transportation network.</p>
16	<p>Park Delivery – the park on Eads Street and the park at Fern and 22nd Street are scheduled for delivery in 2027/2028 and 2030 respectively, is there any way to advance them and have concurrent delivery? What is the planning process for those two parks? Will the parks be deeded to Arlington County upon completion or will a permanent public easement be recorded?</p>	<ol style="list-style-type: none"> 1. <i>The applicant will provide a response as to why it isn't possible to advance delivery of parks.</i> 2. Both parks were planned during the 2017 and 2019 Site Plan Review Process and the designs have not changed during this process. During the 2019 review process multiple concepts were presented to the public in an online survey and during an open house to solicit feedback on potential uses and design. A final concept was presented to the SPRC and received generally positive comments. 3. Upon completion a permanent public park easement will be recorded.
20	<p>Staff Analysis – When can we expect to see the staff analysis of this project? Since the County has decided to avoid even a mini-SPRC process, there will be no discussion by the Planning Commission, and it will go directly to the County Board. We are concerned that reports to the Board are often filed too late for community review before the Board meeting.</p>	<p>Board reports for County Board meetings are posted prior to the County Board meetings at this link.</p> <p>Staff hosted a virtual public meeting on January 16, 2024, and a second virtual public meeting is scheduled for February 12, 2024, with invitations sent to civic associations, all members involved in the 2018/2019 SPRC review</p>

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