



Takes You Further.®

REGGIE COPELAND – President

RYAN T. MCLAUGHLIN, CAE, CIPS, RCE – Chief Executive Officer

June 27, 2022

The Honorable Katie Cristol, Chair
Arlington County Board
Ellen M. Bozman Government Center
2100 Clarendon Blvd, Suite 300
Arlington, VA 22201

Dear Chair Cristol,

The Northern Virginia Association of Realtors® (NVAR) has a longstanding history of supporting efforts to increase the supply of housing affordable to all income levels to fill housing needs across the region. NVAR is committed to the development and preservation of diverse housing stock and to preserving the dream of homeownership for the greatest number of people possible.

NVAR strongly supports efforts by Arlington County to explore how new housing types could help address Arlington's shortfall in housing supply and gaps in housing choices through the Missing Middle Housing Study Phase 2 Analysis and Draft Framework.

We are concerned however that the study and the resulting framework will not deliver the desired outcomes of more diverse and equitable housing options. Further consideration must be given to several key factors before moving forward with a zoning ordinance amendment.

Primarily, we are concerned that the study does not consider homeownership as a goal for the missing middle framework. Arlington's own Affordable Housing Master Plan (AHMP) calls on the County to incentivize the production of moderately priced ownership housing through land use and zoning policy. Yet the published results of the framework failed to examine if the proposed housing types were more likely to be developed as rental housing or ownership opportunities.

Homeownership has always been an important way to build wealth and financial security and remains the standard marker of the American dream. According to the National Association of Realtors® (NAR), the net worth of a homeowner in America in 2021 was about \$300,000 while that of a renter's was \$8,000. That results in a net worth 40 times higher for homeowners vs. renters. The total value of owner-occupied housing rose by \$8.2 trillion in the last decade, and the typical homeowner has accumulated more than \$200,000 in housing wealth due to price appreciation.

In addition to tangible financial benefits, homeownership brings substantial social benefits for families, communities, and the country as a whole. Owning a home is associated with better educational performance of children, higher participation in civic and volunteering activity, better health care outcomes and lower crime rates in the communities. Yet the missing middle housing framework gives no preference to housing types that are more likely to be owner-occupied.

This lack of focus on ownership also has major implications for the goal of achieving equity in housing.



Affiliated with the
National Association
of REALTORS®

Fairfax Headquarters
8407 Pennell Street
Fairfax, VA 22031
703.207.3200

Herndon Center
520 Huntmar Park Drive
Herndon, VA 20170
703.207.3213

Department Phones
Membership 703.207.3256
Education 703.207.3244
Realtor® Shop 703.207.3215

Social Media
"Like" Us on Facebook: NVAR
Twitter: @NVAR
LinkedIn: NVAR

A historic 50-year record shortage of affordable homes available for purchase has restricted access to the residential real estate market. Coupled with mortgage rate spikes and rising home prices, homeownership opportunities are limited for many middle-class, first-time, and first-generation homebuyers. These limitations also extend along racial lines.

While the U.S. homeownership rate surged 1.3% to 65.5% in 2020 – the highest annual rise ever – the homeownership rate for Black Americans (43.4%) is lower than in 2010 (44.2%) and nearly 30 percentage points less than White Americans (72.1%). The homeownership rates for Asian Americans and Hispanic Americans are 61.7% and 51.1%, respectively. This homeownership gap extends and perpetuates a racial wealth gap. The net worth of a typical African American family today is \$17,150, while that of the typical white family is \$171,000, even though African Americans earn, on average, 60% of the income of whites.

Data also shows that Black renter households are more squeezed than any other race/ethnic group. One in two Black renter households spend more than 30% of their income on rent. And, about 28% of the Black renter households spend more than 50% of their income on rent.

Without a plan to encourage homeownership of this new middle housing, these gaps will persist, and renters will continue to be overly cost burdened without any of the benefits of homeownership. A true equity agenda for Arlington requires more than just shelter through rental opportunities. It requires a hard look at homeownership including county programs to incentivize and encourage ownership, as well as the creation of housing types most likely to lead to ownership opportunities.

We also continue to have concerns about impacts on quality of life from changes in off-street parking requirements. Reducing parking requirements for dwelling units county-wide has the potential to further exacerbate parking issues in residential areas and depress the market for multi-family units that lack necessary parking in less-walkable neighborhoods. Reducing parking has the laudable effects of conserving trees, supporting lower cost housing, promoting pedestrian mobility, and reducing greenhouse gas emissions. Unfortunately, not all Arlington neighborhoods have the community infrastructure and access to transit to support a car-free lifestyle for incoming residents. Further study may be able to determine which areas are best able to support reduced parking capacity. Many jurisdictions around the country have seen success by reducing off-street parking requirements by up to 50 or 75 percent when the location is in proximity to a rail station entrance or bus line corridor.

Finally, we are concerned that a zoning change of this magnitude should deliver significant results for housing supply and affordability, but without additional policy changes this plan will not. The consultant's study projects the redevelopment of just 20 lots per year. With most of these redevelopments likely on the lower end of unit density through townhomes, duplexes and triplexes, it is possible the proposal creates as few as 40-60 new housing units with costs still pushing toward and over \$1 million per home. Localities across the country have made or are considering similar zoning changes, but these proposals often include incentives for preserving affordability and encouraging robust mixed-use development in a more targeted manner.

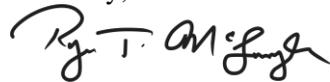
NVAR strongly supports the intent of this effort and the goals of the missing middle housing study, but it is important that Arlington County recommends a zoning reform measure that creates more diverse and equitable **homeownership** options.

The “opportunity for further study” is now. Homeownership, zoning standards for dwellings, lot coverage and height, and missing middle housing in other zoning districts needs to be part of a comprehensive zoning reform. Arlington has a tremendous opportunity to lead the way in the region, state and country with a well-thought-out missing middle housing program that truly creates attainable housing at all income levels.

As a local, state and national association, the Realtors® have significant resources available to help the county build consensus for this new policy. From housing market data and expertise to community grant programs which can fund community polling, forums or events focused on land use, zoning, housing opportunities and smart growth. Please let us know how the Realtors® can be a partner with the County in this endeavor.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Ryan McLaughlin". The signature is fluid and cursive, with the first name "Ryan" and last name "McLaughlin" clearly distinguishable.

Ryan McLaughlin
Chief Executive Officer

CC: Arlington County Board Vice-Chair Christian Dorsey, and members Matt de Ferranti, Libby Garvey, and Takis Karantonis; County Manager Mark Schwartz; and Housing Arlington Coordinator Richard Tucker