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# Finding an affordable home

## HQ2 project makes a persistent problem a hot topic

by Veronica Garabelli



"Affordable housing keeps rent at a rate that we can afford based on income," says Yvonne Aiken. Photo by Stephen Gosling

Yvonne Aiken has been able to keep her rent affordable despite living in one of the most expensive areas in the country.

For the past five years, she has lived in Arlington Mill Residences in Arlington County, where she pays less than \$1,800 a month for a two-bedroom apartment in an area where the monthly rent at a comparable property averages \$2,387.

Aiken, a project coordinator and executive assistant, says it would be difficult to live in Arlington if she had to pay going rates. But Aiken's apartment is unusual. Arlington Mill Residences are owned by nonprofit developer Arlington Partnership for Affordable Housing. The complex represents one example of the efforts local officials and nonprofits are making in Virginia to create less expensive housing.

"Affordable housing is keeping rent at a rate that we can afford based on our income," Aiken explains, which typically means devoting no more than 30 percent of a household's income toward rent.

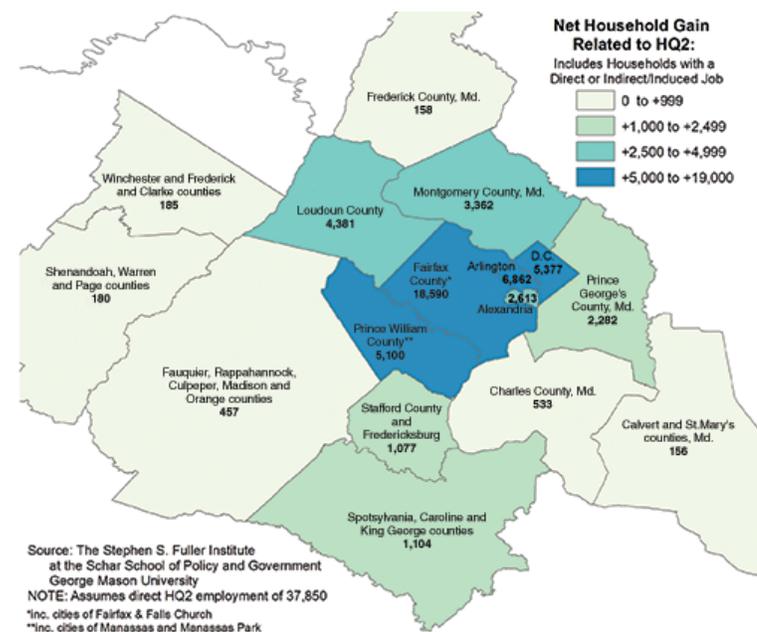
### Amazon's impact

The scarcity of affordable housing is not a new issue in Virginia, but it's become a hot topic since Amazon announced plans to locate half of its second headquarters, known as HQ2, in Arlington and Alexandria. The move will bring \$2.5 billion in investment to the area and 25,000 jobs over 12 years paying annual salaries averaging \$150,000.

The project also is expected to attract more people to a region that lacks enough affordable housing. The number of affordable units in Arlington and Alexandria has fallen dramatically in recent years despite efforts to boost the number of apartments reserved for lower- and middle-income tenants.

"We're seeing a rapid disappearance of what we call market affordable housing," says Nina Janopaul, CEO of the Arlington Partnership for Affordable Housing. "The older apartment complexes that used to be affordable to middle- and lower-income folks are now being gentrified and upgraded."

In Alexandria, only 7 percent of privately owned apartment buildings were considered affordable to families earning 60 percent of the area's median income, which stood at \$117,200 last year.



A report by the Arlington-based Stephen S. Fuller Institute at George Mason University says Amazon's arrival will have minimal impact on the region's housing stock and affordability.

The tech giant's move likely will raise home sales and rental prices but only slightly above increases that would occur if it didn't locate in the region, according to the study.

Amazon's presence will boost housing demand, the report says, but that increase will be gradual and many of the company workers will settle throughout the region instead of concentrating in one area.

These projections, however, are irrelevant because the affordable housing problem already exists, says Michelle McDonough Winters, executive director for the nonprofit Alliance for Housing Solutions, which works to increase the supply of affordable housing in Northern Virginia.

"It's going to add to the demand, so we need to add to our supply and ... our policy toolbox to address these issues," she says.

In connection with the Amazon announcement, the Virginia Housing Development Authority has pledged to provide an additional \$15 million per year to the region for affordable

workforce housing. Details on how the money will be used and distributed are still in the works.

Alexandria expects to spend at least \$8 million annually on affordable housing during the next 10 years. About \$1 million of that amount will be earmarked to meet housing needs created by Amazon. Arlington, meanwhile, expects to allocate about \$7 million per year on affordable projects in the neighborhoods near Amazon's headquarters.

David Cristeal, director of Arlington's housing division, is confident the county will be able to accommodate the influx of new Amazon workers, but he also believes they will put pressure on housing prices.

"That's been happening anyway," he says. "I don't think Amazon coming here is going to change the direction of where we're going."

Arlington continues to look for creative ways to increase its housing stock, Cristeal says. For example, his division plans to recommend that the county board adopt an ordinance allowing property owners to build small, detached residences on their properties. (Think of a small cottage for grandma.)

Current law allows a small living space, such as a basement apartment, to be created from an existing structure but does not allow new buildings on the same property.

Future strategies also could include allowing two 2,000-square-foot houses to be built where one 4,000-square-foot structure once stood. "Theoretically, that would make one home half the price and be expanding affordability," Cristeal says.

Officials also are keeping a close eye on properties that originally were built as affordable housing but have completed the compliance period required for keeping rents below market rate. These properties often are sold to the highest bidder and upgraded to command higher rents. Virginia localities are working with VHDA to find ways to keep these properties affordable.

Localities and nonprofit developers also are helping turn unconventional properties into housing. The Arlington Partnership for Affordable Housing, for example, bought the American Legion Post building on Washington Boulevard, hoping to turn it into 160 affordable housing apartments. The bottom floor will serve as the new headquarters for the American Legion Post 139, and veterans will be given preference in renting the apartments. The partnership hopes to secure funding and permits for the project by June and start construction next year.

In Alexandria, AHC Inc., a nonprofit developer, is working with the Episcopal Church of the Resurrection in the city's Beaugard neighborhood to convert it into 113 affordable apartments and a new church building. Construction should begin this year and be finished by 2021.

#### **Affordability in other areas**

Amazon's headquarters project has shined a spotlight on housing issues in Northern Virginia, but lower- and middle-income families throughout the commonwealth face problems finding affordable places to live.

A state-commissioned report found that one in three Virginia households in the state in 2015 were spending more than 30 percent of their income on rent or mortgage payments. In response, Gov. Ralph Northam has proposed adding \$19 million in the current two-year budget to address housing issues.

The report found that affordability problems were most acute in Hampton Roads, where 52 percent of renters spent more than 30 percent of their income for housing, followed by Richmond (47 percent) and Northern Virginia (44 percent).

In fact, eviction rates in Richmond and Hampton Roads are among the highest in the country, according to a 2016 analysis by the Eviction Lab at Princeton University. In Richmond, 11.4 per 100 renter homes were evicted that year, giving it an eviction rate of 11.4 percent. (No. 2 among the nation's larger cities). Hampton, Newport News, Norfolk and Chesapeake also ranked among the top 10 with eviction rates ranging from nearly 8 percent in Chesapeake to almost 10.5 percent in Hampton.

During the past decade, Richmond has attracted a wave of new residents and private investment, leading to the redevelopment of many long-neglected parts of the city. Rising rents, however, have been blamed for pushing out lower-income residents.

The Better Housing Coalition, a Richmond nonprofit, wants to ensure people with modest incomes have access to high-quality housing. "Long-term residents that have been in a community when it was struggling want the opportunity to stay when the community gets better," says Greta J. Harris, the group's president and CEO.

Harris was co-chair of a housing task force appointed by Richmond Mayor Levar Stoney. The group's mission has morphed into a bigger project, examining housing affordability issues throughout Central Virginia. Richmond and Chesterfield, Henrico and Hanover counties are working with the nonprofit Partnership for Housing Affordability to orchestrate a regional strategy. The group hopes that by the end of this year the localities will have a framework for tackling affordable housing issues individually and collectively.

Regional cooperation would be helpful, for example, if localities wanted to implement "mandated inclusionary zoning," which is in place in some areas of Northern Virginia.

That type of zoning would require developers to designate a portion of their projects for affordable housing in exchange for receiving incentives. Implementing the zoning change would require Virginia General Assembly approval for each locality. Such legislation, supporters believe, would be more likely to pass if requested by a regional group rather one locality.

The Better Housing Coalition also supports implementing property-tax ceilings, which cap the taxes residents pay based on their age, income and the length of time they've lived in an area. Harris says the move would allow families to stay in neighborhoods while properties appreciate in value.

These methods may help tackle affordable housing problems, but there is no easy answer, Harris says.

"It's a long game," she says. "It's not something that has a quick fix."

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## Self-driving cars set a path to Reston

By Angela Woolsey/Fairfax County Times Feb 15, 2019 Updated Feb 15, 2019



The future of driving in Fairfax County may be in the hands of machines, or so Brookfield Properties hopes.

The real estate developer announced on Feb. 7 that it has partnered with the Boston-based self-driving vehicle technology company Optimus Ride to deploy autonomous cars at its Halley Rise property in Reston.

“Brookfield is constantly exploring innovations that can improve the experience of our tenants,” Brookfield Properties executive vice president Greg Meyer said. “We are excited to engage with Optimus Ride to deploy this program in an effort to increase mobility and add convenience for our tenants in their day-to-day lives.”

Located near the future Reston Town Center Metro station at the former Reston Crescent, Halley Rise is a 36-acre property that Brookfield plans to transform into 3.5 million square feet of retail, residential housing, offices, and public green space.

The \$1.4 billion mixed-use development will be anchored by Reston’s first Wegman’s Food Market, and Brookfield announced in December that construction was expected to begin in the middle of 2019.



Brookfield Properties plans to start construction on Halley Rise, a 36-acre mixed-use development anchored by Wegman's, in the middle of this year.

PHOTO COURTESY BROOKFIELD PROPERTIES

Brookfield has already committed to incorporating electric vehicle charging stations at Halley Rise, so the introduction of self-driving vehicles seems like an extension of that effort to take a forward-thinking approach to the community's transportation infrastructure.

Launched as a spinoff company from the Massachusetts Institute of Technology, Optimus Ride specializes in building self-driving vehicles that operate within geo-fenced environments, meaning they are programmed to stay within a designated area.

The company has been using its technology in the real world since at least June 2017, when it received approval from the Massachusetts Department of Transportation to test vehicles on public roads and properties in the City of Boston and elsewhere in Massachusetts.

However, Halley Rise is the first place outside Boston where Optimus Ride will deploy self-driving vehicles for public use.

The planned Reston mixed-use development appealed to Optimus Ride because of its proximity to a Metro station and because the area is well-developed even before Brookfield officially starts construction.

"We started here because there are already tenants on-site, which we can provide mobility [to] today," Optimus Ride co-founder and CEO Ryan Chin said. "During development, we can augment the system by adding more vehicles and more routes as more people occupy the site."

Optimus Ride plans to start its self-driving program at Halley Rise by deploying three vehicles in June that will be available exclusively to tenants without charge.

To summon a car, users will be able to place a reservation through a smartphone app, though Optimus Ride is looking into potentially implementing reservation systems in building lobbies in the future.

Initially, vehicle users will be accompanied by safety operators who can ensure the self-driving system is working as intended while providing assistance and education to users, but the operators will eventually be phased out as people become accustomed to the technology.

Optimus Ride technology is programmed to follow guidelines set by Vision Zero, a national road safety initiative aimed at eliminating all traffic fatalities and injuries.

As a result, while there is no capability for a human driver to override the autonomous control system, the self-driving vehicles deployed at Halley Rise will observe a speed limit of 20 miles per hour, and they will not be able to drive outside the development.

“In many of these new developments, there is a big focus on walk-ability and bike-ability anyway, so you don’t actually want cars to be going 35, 50 miles per hour,” Chin said. “We want to go into environments that are generally slow anyway, so by reducing speed, you can by default make it a very safe place.”

In addition to addressing environmental concerns by making its vehicles fully electric, Optimus Ride hopes that having self-driving vehicles on site will discourage people from driving in their own cars when they need to attend to errands or get to the nearby Metro station, according to Chin.

“During the day, you may want to get lunch or go shopping or perhaps even go to the grocery store,” Chin said. “You can have autonomous vehicles provide access to those amenities within the site and not have to drive your own car to do that.”

Chin says more vehicles will likely be added to the initial three-car fleet in the future.

While the tenant-only service will eventually open up to visitors, Optimus Ride and Brookfield have not yet discussed the details of such an expansion, including whether it would remain free for non-residents.

Optimus Ride’s ultimate goal is to use Halley Rise as a pilot location before launching similar services at other Brookfield properties around the U.S.

“We see Reston as a great location to pilot this program to get users to try it out, to work with developers like Brookfield and others to show the true benefit of self-driving vehicles...provide the access that people want to have and essentially be able to reduce the overall need for private automobiles,” Chin said.



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