

PC RESOLUTION – Housing Affordability, Non-displacement, and Segregation Concerns

Whereas the BOS passed a resolution of intent in 2017 to develop an action plan in partnership with Habitat to redevelop Southwood for both affordable residential uses and business uses;

Whereas the BOS in FY 20-22 continued the partnership with Habitat for Humanity using the Team Approach with a focus on quality community and non-displacement;

Whereas the Planning Commission in review of the rezoning application for Southwood Phase I has identified and would like to communicate the following concerns regarding housing affordability, non-displacement, and segregation in the proposed redevelopment of Southwood, therefore be it resolved that the Planning Commission offers the following considerations for the Board of Supervisors in its review of the Southwood Application:

Housing Affordability Concerns

- Attachment E of the application shows that 80 percent of randomly sampled residents in 2019 have income that is less than 50% of the Area Median Income (AMI). Of that 80 percent, 51% have income less than 30% of the AMI. The applicant in the 7/23/19 hearing stated their development model offers ownership units to residents that make 30% or less of the AMI. Despite a request by the Planning Commission for a housing affordability plan during the study session, the applicant has still not provided a detailed plan that demonstrates the percentage of families who qualify for and desire ownership and the percentage that will be rehoused in rental housing. Additionally, the applicant has not provided a specific plan as to the type of rental units to be developed and the source(s) for the rental subsidies. A detailed rehousing plan for the entire 341 homes should be provided to the BOS prior to the public hearing.

80 affordable apartments are proposed in Block 12 of the outparcel (listed in the Performance agreement) in what is now being called the Neighborhood Center Special Area [rose color]. This apartment building is proposed to be a four story, 20,000 SF, developer-constructed, 275-foot long building along Hickory Street. This is not proffered and is therefore unenforceable. The apartment building is not guaranteed because it relies on tax credits being offered by the federal government to a third party (not HFH). The applicant stated in the 7/23/19 public hearing, for the first time, that these units are not intended to be offered to current Southwood residents and that only 3 of the current 341 Southwood families would qualify based on their income. The applicant has not provided any data or detailed program description that would explain what type of units would be developed for the lowest income families of Southwood, providing no assurance that they will be able to afford to live in the redeveloped Southwood. HFH's own documentation states that they will "facilitate" finding affordable dwellings for the other households – this is not the same as "provide" or "guarantee." See attachment F page 1.

While Southwood hopes to rehouse everyone, the income levels cited make the stated house sale prices cited in the application largely unattainable.

- During questioning during the public hearing, the applicant shared for the first time to the Planning Commission, that families that could not afford ownership would be offered accessory rental units located on single family lots in Phase I. While it is good to hear there may be some type of rental units available other than apartments, the applicant needs to provide a detailed program description for this strategy including how many families would qualify for these rentals, who would develop these units, who would own these units, and the potential source(s) of the rental subsidy if needed. This information should be provided to the BOS prior to the public hearing.
- Attachment I includes a sampling of Habitat housing types to be built. Projected monthly payment costs are provided for condo, TH, SFA, and SFD owners, but no monthly rental and overall costs are identified for apartment dwellers, nor anyone living in an accessory dwelling unit. These rental projection costs by unit type should be provided prior to the BOS public hearing.
- Concerns listed so far relate to initial affordability of homes, there are longer term costs associated with this redevelopment and those costs need to be better understood and evaluated to determine the ultimate affordability for current residents and new families choosing to live in Southwood. One significant consideration is the cost of the future HOA fees to residents. In the 7/23/19 hearing, the applicants shared that the HOA would be responsible for maintaining the proposed green space in the community. The Code of Development also allows for the streets in Phase I to be private. In other words, they do not need to be built to public standards that would allow for VDOT to assume maintenance in the future. Therefore, by creating private streets, the developer/Habitat could pass on a substantial cost to future property owners that will affect the affordability of the ownership and rental units since these costs will be passed onto residents. The applicant should provide the estimated HOA fees associated with maintenance of green space and private streets to future residents and a comparison of HOA fees with and without the development of private streets. This information should be provided to the BOS prior to the public hearing.
- Finally, we think it is important to point out the issue of gentrification associated with this redevelopment. If the goal is housing affordability, one must understand that the overall redevelopment of this site with a majority of market rate housing and business use will cause housing affordability to decline as surrounding properties will also likely

be assessed higher because of the change in assessments. This leads us to the next concern regarding non-displacement.

Non-Displacement

- Habitat still has not provided an adequate plan that demonstrates that existing residents will not be displaced due to the redevelopment of Southwood. The non-displacement binding agreement signed between HFH and the County refers only to those displaced during phase one and has no bearing on the majority of Southwood residents.

Specific to Phase I, Habitat has not provided information regarding the potential relocation of 11 or more families due to infrastructure installment. In response to requests by the PC for more information to be provided at the hearing regarding these displacement and relocation concerns, a letter was sent by Mandy Burbage, Land Development Coordinator for Habitat, which included the following statement: “Phase I was intentionally sited on undeveloped land so that rehousing opportunities would be created before anyone in Southwood needs to relocate. This plan provides that no one will be displaced or even temporarily relocated during the development of Phase I.”

- This statement does not square with a communication from Stacy Pethia, County Housing Coordinator, to Commissioner Firehock dated 7/19/19 that stated the possibility of 11 families needing to be relocated due to Phase I infrastructure installment. The BOS should receive a report from Habitat as to the likelihood of temporary relocation due to Phase I development and specific plans for rehousing within the Southwood community for these families and whether that housing will be permanent or temporary (as was alluded to during the public hearing held 07/23/2019).
- Habitat should also share with the BOS whether possibly impacted families who would need to relocate for Phase 1 have received communication in writing or orally regarding the possibility of temporary or permanent relocation and what the cost would be to individual families and how they will be supported in the relocation.

The Redeveloped Southwood Could Result In Segregation

- Figure 4 of the Code of Development (COD) [page 5] shows the conceptual plan on how the future phases of the Southwood redevelopment might be envisioned. The Neighborhood Center Special Area [rose color] is shown extending across Bitternut Road and up to a stand of mature trees in a future phase of development. If the NSCA has a

built environment of 4 story multi-family structures with possible commercial on the ground floor it would appear that the high density “Conceptual Location Urban Residential’ [yellow] replacement affordable housing section of the redeveloped Southwood community could result in being constructively segregated from the market rate [salmon & pale yellow] section of Southwood.

- Bruce Wardell, lead architect for the project, during a robust discussion at the 7/23/19 public hearing, indicated that segregation was not intended, and the various outer-ring areas shaded pale yellow and labeled “Conceptual Location Neighborhood density low” would not be completely market rate housing. He further indicated that there was not a desire to segregate any of the communities as a result of the Southwood redevelopment. The concern is that it is easy to assume after reviewing Figure 4 on page 5, that a de facto segregation of the affordable replacement housing could occur if a corridor of 4 story multi-family buildings with possible ground floor commercial commencing at Old Lynchburg Road and extending past Bitternut is built. While these are still conceptual plans, the actual level of community integration that might be experienced in the redeveloped area appears segregated in Southwood given the built environment.