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**HERNDON TOWN COUNCIL
Special Work Session
Thursday, October 17, 2019**

The Town Council of the Town of Herndon, Virginia, met in a special work session in the Herndon Council Chambers Building, at 765 Lynn Street, Herndon, Virginia, on Thursday, October 17, 2019, at 7:00 p.m., there were present:

- Mayor Lisa C. Merkel, presiding;
- Vice Mayor Sheila A. Olem;
- Councilmember Jennifer K. Baker;
- Councilmember Cesar del Aguila;
- Councilmember Pradip Dhakal;
- Councilmember Signe Friedrichs; and
- Councilmember Bill McKenna.

Staff present during the meeting: William H. Ashton II, Town Manager; Lesa Yeatts, Town Attorney; Dennis Holste, Economic Development Manager; Bryce Perry, Deputy Director of Community Development; David Stromberg, Zoning Administrator; Cory Laws, Housing Neighborhood Improvement Coordinator; and Amanda M. Kertz, Deputy Town Clerk.

Mayor Merkel called the special work session meeting to order at 7:00 p.m., all members present, and with Mayor Merkel presiding.

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DISCUSSION

1. Housing

Introduction

Certificates of Publication were filed from the Editor of the *Fairfax County Times Newspapers*, showing that notices of said work session had been duly advertised in the Friday, October 4 and Friday, October 11, 2019 issues.

Mayor Merkel provided brief comments. She stated that the Council first received a presentation and discussed housing at the September 17, 2019 work session. Council decided to set aside dedicated time for additional staff presentation and discussion. Tonight's work session would continue the discussion.

Mayor Merkel stated that comments received on this item have been entered into the record. She recognized the Town Manager for the staff report.

The Town Manager echoed Mayor Merkel's comments. Staff would review what was discussed at the September 17, 2019 work session, review some upcoming issues, and open the discussion to Council to help define affordable housing in town. He recognized the Deputy Director of Community Development for the staff presentation.

Staff Presentation

The Deputy Director of Community Development provided an overview of the discussion and presented a PowerPoint dated October 17, 2019, which is on file in the Town Clerk's office. He reviewed the types of housing and 2018 sale prices in Herndon, which has a higher density than other areas in Fairfax County. He stated that the town is close to being fully built out, which reduced the availability of land for housing projects. Of all housing units, approximately 25 percent in town were rental units.

There was a brief question and answer period between Mayor Merkel and the Deputy Director of Community Development.

In response to queries from Mayor Merkel, the Deputy Director of Community Development stated that Herndon has a lower price point, on average, than the rest of the county.

Mayor Merkel stated that the sale prices made sense, considering 40 percent of the town's housing stock was older than 1970.

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The Deputy Director of Community Development stated that at the last work session on housing, the definitions of workforce versus affordable housing were discussed. He reviewed the county's definitions for the terms, which were based on the percentage of income versus the average median income (AMI), as provided in staff's PowerPoint. He discussed current rental rates, workforce categories, existing affordable units ~ both in town and in the Herndon area ~ and the town's efforts toward affordability.

The Deputy Director of Public Works discussed ways for the town to address affordable housing. Assuming the town was planning for a balanced housing stock, there were short term and long term solutions the Council could consider. As the county stated at its presentation to Council on September 17, the town could "find a project," to identify existing threatened resources and work with the county and others to develop affordable housing. The town could also look to encourage developer proffers for affordable housing. The challenges with proffers is that they are offered voluntarily and the town does not have a mechanism to administer and enforce affordable housing units. Partnering with Fairfax County could be an option.

The Deputy Director of Public Works discussed how the town could protect and preserve existing older neighborhoods. This would help individuals remain in their homes longer. The town could also provide flexibility for Accessory Dwelling Units (ADU) to include multi-generational housing. Arlington County recently changed its ADU ordinance to allow affordable housing units, which staff could investigate further. This would create more private rental market options, but there were concerns and potential unintended consequences to changing these regulations. He discussed the limitations on the town from the state code.

Discussion

There was discussion amongst Council and staff about housing in town.

There was a brief question and answer period between Councilmember Friedrichs and staff.

In response to Councilmember Friedrichs, the Deputy Director of Community Development reviewed the definition of a planned area and stated that some examples were the Transit Related Growth (TRG) area and South Elden Area Plan. The town could try to encourage affordable housing through incentives like parking and density credits.

The Zoning Administrator explained that there were provisions in the state code that addressed workforce and affordable housing. The town and county were under different rules. The town could offer affordable housing on an "incentive

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basis" through a rezoning process. The town could grant up to 30 percent density bonus, but could only require 17 percent maximum of those units be affordable. The rest would be at market rate.

The Town Manager stated that for workforce housing, the town would be able to trade one unit of workforce to one market rate unit. Affordable housing was handled differently, as the Zoning Administrator described.

In response to queries from Councilmember Friedrichs, the Town Manager provided an overview of how the town worked with the county to develop Herndon Harbor House. He discussed how the town could work with the county if it was to undertake an affordable housing program.

The Zoning Administrator stated that the county enforces the affordable housing rules at Harbor House.

The Housing Neighborhood Improvement Coordinator provided comments and asked for the Council's input on preserving existing neighborhoods.

There was brief discussion amongst Council and the Housing Neighborhood Improvement Coordinator.

Mayor Merkel stated that preserving neighborhoods should be a priority.

Vice Mayor Olem noted two affordable housing areas that could be rezoned in the South Elden Street area. These residents often live near where they work. She asked how the town could take care of these individuals and their housing.

The Housing Neighborhood Improvement Coordinator stated that rezoning some of the existing affordable housing would have a negative impact on the town.

Mayor Merkel agreed with Vice Mayor Olem. She stated that the Council could add language to the Comprehensive Plan or other planning documents to address these concerns.

Councilmember del Aguila asked prior members of Council to articulate the strategic vision and desired outcomes that were previously discussed.

Mayor Merkel stated it was the Council's job to set the strategic vision.

Councilmember Friedrichs stated that the Planning Commission had discussed affordable housing in the past, but the Council really had not.

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Vice Mayor Olem stated that while prior Councils had raised the discussion over affordable housing, it had not been discussed relative to the redevelopment of the large parcels in the South Elden Street area.

There was brief discussion amongst Council and staff about redevelopment and the South Elden Area Plan.

Councilmember McKenna stated that part of the discussion on housing should include density and floor area ratio (FAR) changes.

In response to queries from Mayor Merkel, the Deputy Director of Community Development stated that Berkdale and Dulles Glen apartments were identified to be kept out of the South Elden Area Plan to discourage redevelopment.

The Zoning Administrator stated that the two apartment areas Vice Mayor Olem referred to were labeled as "tier one," which meant no zoning changes were recommended. He stated that there was a redevelopment risk for Berkdale Apartments, which could be developed by-right at up to 15 units per acre.

In response to queries from Councilmember Friedrichs about redevelopment in the South Elden Area Plan, the Zoning Administrator stated that in offering higher density in the properties around the apartments, staff hoped the development would occur on those parcels instead of at the apartments.

In response to queries from Mayor Merkel, the Zoning Administrator stated that a developer could always request a rezoning from the town, but if the request did not match the small area plan language, that would give Council justification to deny the application.

The Housing Neighborhood Improvement Coordinator provided comments and emphasized neighborhood preservation. He discussed developers viewing density as a financial incentive.

In response to queries from Councilmember del Aguila, the Deputy Director of Community Development discussed potential short and long term solutions to affordable housing. He stated that the town would have control over allowing more flexibility in the ADU ordinance and it might be a good short term strategy.

In response to queries from Councilmember del Aguila, the Zoning Administrator stated that an ADU is a permanent living unit that a resident would add to their property. Arlington County had only approximately 12 ADUs in the past 12 years.

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The Town Manager stated that staff could further discuss ADUs at a future work session. Another short term solution would be to expand the role of the Housing Neighborhood Improvement Coordinator. The Town Manager stated that one area he was concerned about was the Chandon neighborhood. While the Courts of Chandon has a Homeowners Association and would be harder to redevelop, the Chandon development does not. The last three to four sales in Chandon have been sold as investment properties. He stated that midterm, staff was looking at the Transit Related Growth (TRG) area, although he was not sure if there would be a lot of density at that site. Long term, staff was in the middle of the Comprehensive Plan update and was working on the South Elden Area rezoning. Housing should be addressed in the forefront of these plans. Additionally, staff was continuing to look for projects for affordable housing.

Councilmember McKenna provided comments about "Neighbors Helping Neighbors," which was a group that helped rehabilitate homes. He suggested that the town could partner with nonprofits to address affordable housing.

In response to queries from Mayor Merkel, the Town Manager stated that staff was gathering information and public input for Comprehensive Plan update.

Mayor Merkel suggested that the Council work on updating the Comprehensive Plan and South Elden Street Small Area Plan; strengthening the Housing Neighborhood Improvement Coordinator position; and consider working with nonprofit groups, like Cornerstones.

The Housing Neighborhood Improvement Coordinator stated that the town has a special flexibility in the Housing and Urban Development approval process. Because of the density of moderate and low income housing, the town was preapproved for assistance. He stated that the town has a good opportunity that the nonprofit groups do not, because the reporting requirements were different.

In response to queries from Mayor Merkel, the Housing Neighborhood Improvement Coordinator stated that staff was working to determine how the town could take advantage of the special situation and funding that he mentioned.

Councilmember del Aguila stated that at the September 17 presentation, the county identified a gap of 31,000 units in what would be needed for affordable housing. The county had a plan to support an additional 15,000 units over the next seven years. He encouraged the town to think about appropriate goals for affordable housing, and asked where it would be best to list these goals.

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The Town Manager suggested the preservation of existing neighborhoods was the first place to start. He recommended putting a stake not to lose ground on current affordable housing.

Councilmember del Aguila asked the Town Manager the number of units he was referencing. He wanted to preserve 100 percent of the affordable housing stock.

There was brief discussion between Council and the Housing Neighborhood Improvement Coordinator.

Councilmember Friedrichs supported preserving the existing housing stock. She asked the Council to think about continuity in the community for those needing affordable housing. She stated that the town was in a "Catch 22" because the nicer the town becomes, the more expensive it would be to live here. She asked if the Housing Neighborhood Improvement Coordinator's activities would be enough, or if residents might leave town.

In response to Councilmember Friedrichs, the Housing Neighborhood Improvement Coordinator provided comments about sites that could be redeveloped in town or that could be used for future affordable housing. He discussed the potential for redevelopment of older, larger lots that had smaller homes.

There was brief discussion amongst Council and staff about the anticipated affordable housing gap in the county and how it could be addressed.

The Chief Executive Officer of Cornerstones further explained the gap in affordable housing reported by Fairfax County. She stated that the goal is to meet the need for housing.

Councilmember McKenna provided comments about the high cost of raw materials because of tariffs. He stated that cost should be factored in building cost estimates.

Vice Mayor Olem emphasized that housing was a long term plan that would involve rezoning.

There was a brief question and answer period between Councilmember Friedrichs and the Deputy Director of Community Development.

The Deputy Director of Community Development stated that staff expected 6,000 new housing units in town, not including the TRG.

There was further discussion.

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In response to the discussion, the Town Manager stated that the town could emphasize impacts of affordable housing, but they could not require proffers.

Councilmember del Aguila suggested positively promoting the town's density. He asked what was wrong with having additional density.

Councilmember McKenna stated that the small area plan for South Elden Street could address additional density.

Councilmember Friedrichs stated that if the town planned for additional density, transportation and other impacts would be factored into the plans.

Mayor Merkel stated that she felt there had been a shift toward greater acceptance of density, taller buildings, and Metro. When she and Vice Mayor Olem were first elected to Council in 2010, there was a lot of fear surrounding these issues. She addressed Councilmember del Aguila's comment about the higher density in town and stated that the town is denser because people want to live here. She discussed reasons why people were moving to town and stated that she thought town residents were interested in preserving affordable housing.

There was further discussion.

In response to queries from Councilmember del Aguila about addressing housing issues that were "already in flight," the Housing Neighborhood Improvement Coordinator stated it would be difficult to change projects that were in progress.

Mayor Merkel provided comments about density being able to build community.

The Housing Neighborhood Improvement Coordinator provided comments about Silver Spring and similar communities that were vibrant and filled with people. He could see some of that happening here, with increased density, but asked how the town could do this while making housing affordable.

In response to queries from Councilmember del Aguila, the Housing Neighborhood Improvement Coordinator stated that he surveyed the town for rental units. He stated there were very few three bedrooms, and even less four bedroom apartments in town.

Mayor Merkel stated that she took the following direction for staff from the discussion so far:

- Preserve existing affordable housing stock;

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- Provide adequate resources to the Housing Neighborhood Improvement Coordinator; and
- Focus on the town's Comprehensive Plan and small area plans to make sure that housing issues are addressed.

Vice Mayor Olem stated that at the recent Virginia Municipal League (VML) Conference, she learned that churches were starting to get creative and using their land for housing. The town would have to zone this, if faith communities were interested in participating.

There was brief discussion about working with faith communities to build housing.

Councilmember Friedrichs stated that an individual from St. Timothy's Church had previously reached out to her about this concept.

Mayor Merkel thought that working with churches on housing could be a great opportunity.

In response to Councilmember Baker's request for more information, Vice Mayor Olem agreed with her comments and stated that the town would work with the church, as the owner of the land, to rezone their property for housing.

Steven Smith-Cobbs, Co-Pastor of Trinity Presbyterian Church and member of the Board at Cornerstones, stated that he was aware of two Presbyterian churches – one in Arlington and one in Fairfax counties – that have added housing to their properties, or are taking on the process. He discussed these properties and stated that he would be interested in talking to the town about possibly working together.

There was brief discussion amongst Council about the percentage of affordable housing units in the town and Fairfax County.

The Chief Executive Officer of Cornerstones provided input. She stated that Herndon has approximately 8,300 households, with only 112 housing vouchers. This told her that some affordable housing needs were being met in town. The issue was that none it was permanent or guaranteed. She commended the Council for having this discussion and stated that the issue of preservation was key. The number of units the Council decides would be the right number. She stated that adding language to the Comprehensive Plan on housing and working with faith communities and developers would be a good place to start finding that balance.

Mayor Merkel stated that she was excited about potentially working with faith communities and nonprofits.

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Councilmember Friedrichs asked for more information about plans for workforce housing. She was thinking about nurses, teachers, and police officers and emphasized having a varied community. She asked what the town had for those individuals now, and if these types of residents were leaving the town.

In response to Councilmember Friedrichs, the Town Manager stated that he was not sure if the town had housing data for workforce housing communities.

Councilmember McKenna stated that workforce housing was different from affordable housing, because the town could offer a one-to-one replacement of workforce to market rate units. He was not sure what could be done right now for this type of housing, but it could be addressed in the future with density.

There was further discussion amongst Council and staff.

Vice Mayor Olem provided summary comments. She suggested discussing workforce housing on South Elden Street, near the Dulles Toll Road.

Councilmember del Aguila would like to focus on assisting individuals who did not have a choice on where they live.

Councilmember Dhakal stated that the population, density, and prices would increase over time and were out of the Council's control. He suggested a comprehensive approach, including density changes; language to encourage proffers for affordable housing; partnering with Fairfax County; considering other options, like micro-apartments that exist in Japan; having staff continue to look for a project and conduct further research; and working with faith based and nonprofit organizations to provide more options for town residents.

The Town Manager summarized that the Council requested staff to do the following:

Short term goals:

- Maintain existing affordable housing;
- Provide proper resources to the Housing Neighborhood Improvement Coordinator to increase his effectiveness; and
- Explore changing the ADU regulations.

Mid-term goals:

- Look for ways to preserve the Chandon neighborhood; and

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- Staff would continue to look for an affordable housing project.

Long term goals:

- Add language about affordable housing to the Comprehensive Plan and the South Elden Street Area Plan; and
- Emphasize this was an iterative and involved process, where staff would continue taking advice and input from Council and citizens.

Mayor Merkel stated that the Council's first budget discussion would be at the next work session. She suggested the Council consider discussing this matter in the context of the budget. She asked if there was a time limit on the discussion.

In response to Mayor Merkel, the Town Manager stated that he would like to get together with staff and then return to Council with more information. He estimated this could come back to Council in about three to four months.

In response to Mayor Merkel, the Town Manager stated he could provide updates on this plan during the Town Manager's comments at future meetings.

Councilmember Dhakal suggested that staff find a model that had been used by other jurisdictions that the town could build on.

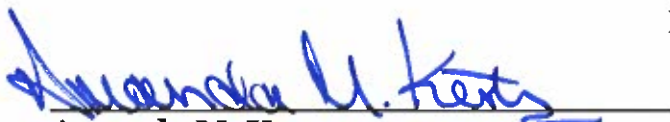
The Town Manager provided concluding comments.

Mayor Merkel was pleased with tonight's discussion. She asked those that have more comments or questions, especially the members of the public that were at the meeting tonight, to send them to the town.

ADJOURNMENT

There being no further business, the meeting adjourned at 8:32 p.m.


Lisa C. Merkel
Mayor


Amanda M. Kertz
Deputy Town Clerk



Minutes approved by Town Council: November 12, 2019.

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NOTE:

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