



PROPOSED POLICY PLAN AMENDMENT

ITEM: S07-CW-2CP
July 12, 2007

GENERAL LOCATION: Countywide

SUPERVISOR DISTRICT: All

PLANNING AREA: All

PLANNING DISTRICT: All

SUB-DISTRICT DESIGNATION: All

PARCEL LOCATION: All

PLANNING COMMISSION PUBLIC HEARING:

Thursday, July 26, 2007 @ 8:15 P.M.

BOARD OF SUPERVISORS PUBLIC HEARING:

BOS date to be determined

**PLANNING STAFF DOES RECOMMEND
THIS ITEM FOR PLAN AMENDMENT**

For additional information about this amendment call (703) 324-1100.



Reasonable accommodation is available upon 7 days advance notice. For additional information about accommodation call (703) 324-1100.

MAP NOT APPLICABLE

STAFF REPORT FOR PLAN AMENDMENT S07-CW-2CP

BACKGROUND

On April 30, 2007, the Board of Supervisors directed staff in the Department of Planning and Zoning to recommend Comprehensive Plan language to implement the recommendations of the High-Rise Affordability Panel, a committee of experts appointed by the Board of Supervisors in October 2005. The Panel was charged with developing policies and implementation strategies to promote affordable or workforce housing in Fairfax County in high-rise developments. Plan Amendment S07-CW-2CP proposes to add a definition of “workforce” housing to the Glossary of the Comprehensive Plan and to add guidance to the Housing section of the *Policy Plan* to foster the production of affordable/workforce housing. This proposed Plan Amendment begins the process of bringing forward for consideration changes to the Comprehensive Plan that implements the recommendations of the High-Rise Affordability Panel.

High-rise Affordability Panel

The High-rise Affordability Panel was created upon a recommendation from the Affordable Housing Preservation Action Committee, a Board-appointed committee established in August 2004 with the directive to develop various ways to promote the development of new affordable housing and the preservation of existing affordable housing. As part of this initiative, the High-rise Affordability Panel (hereafter referred to as the Panel) was established to develop for the Board’s consideration a policy statement and guidelines for the inclusion of affordable/workforce housing in high-rise construction. The Panel decided to broaden their focus to include the provision of affordable/workforce housing in all high-density residential development; not just those with high-rise construction.

The Panel met from October 2005 to April 2007. In that time, the Panel drafted a preliminary general policy statement and several guiding principles designed to encourage the production of affordable/workforce housing in Fairfax County’s planned and existing high-density areas, which the Board endorsed on February 6, 2006. The Board of Supervisors then directed the Panel to continue their work to prepare a more detailed policy and implementation recommendations. The Panel crafted a specific policy and discussed appropriate steps to implement the policy. As a part of this process, the Panel considered multiple approaches to the provision of affordable/workforce housing and reached a consensus on two approaches:

- the adoption of a density bonus in the Comprehensive Plan as an incentive to provide affordable/workforce housing, and
- allowing affordable/workforce housing as a “by-right” use in commercial and industrial zoning districts, subject to certain conditions and restrictions.

The Panel forwarded to the Board of Supervisors in October 2006 a report containing their more comprehensive policy recommendation and associated strategies for implementation. The Board accepted the report and its recommendations in principle and directed staff from the Departments of Housing and Community Development and Planning and Zoning to work with the Panel to refine the recommendations, specifically addressing two primary areas of concern to Board members, namely the potential size of density bonuses recommended by the Panel and the conditions under which housing would be a permitted use in commercial and industrial zoning

districts. The Panel and County staff met from December 2006 until April 2007 and the Panel prepared an Amended Panel Report and Policy Recommendations, dated April 12, 2007.

On April 23, 2007, the Fairfax County Board of Supervisors Housing Committee received the High-Rise Affordability Panel's Amended Panel Report and Policy Recommendation (Attachment 1), which is designed to help achieve the Policy Plan objective of 12 percent affordable housing specifically in areas planned for high-density residential development, including Transit Station Areas and Mixed-Use Centers, as defined in the Comprehensive Plan (Attachment 2, Mixed-Use Centers map). At its April 30th meeting, the Board of Supervisors directed staff to review the recommendations of the Panel and to prepare for consideration the necessary Comprehensive Plan and the Zoning Ordinance amendments to implement the recommendations. The work of the Panel formed the basis for the proposed Comprehensive Plan text changes described in this staff report. These changes focus on the Panel's recommendations regarding the adoption of policy guidance that sets forth an expectation that affordable or workforce housing will be provided as part of new development in the County's designated mixed-use centers and transit station areas and that a density bonus should be provided as an incentive to encourage affordable/workforce housing in these areas. Other recommendations of the Panel that may result in additional changes to the Comprehensive Plan, proposed amendments to the Zoning Ordinance and changes to administrative procedures will be brought forward for consideration at a later date.

DESCRIPTION AND ANALYSIS OF PROPOSED AMENDMENTS

This proposed Plan Amendment consists of changes to the Glossary of the Comprehensive Plan; amendments to the introduction of the Countywide Objectives and Policies section of the Housing section of the Policy Plan; the addition of new policies under Objective 1; and, a clarifying amendment to a policy under Objective 2 of the Housing section. It also includes a new appendix to the Housing section that provides guidelines for the provision of workforce housing as recommended by the Panel. The following paragraphs highlight the proposed changes to the current Plan text designed to implement the Panel's recommendations. As part of this discussion we have tried to identify any areas where the proposed plan text differs from the approach recommended by the Panel.

Glossary Definition: The proposed changes to the Glossary include the addition of a definition of Workforce Housing and an amendment to the current definition of Affordable Housing. The Panel's suggested definition of Workforce Housing included several key elements, namely that such units should serve households with a range of maximum income limits, with the range of incomes served being dependent on building construction type; the units should be proffered to by applicants; additional density should be available for providing Workforce Housing; and that proffered units should be controlled by a Workforce Housing Program in the Zoning Ordinance that is similar to the Affordable Dwelling Unit Program (or an interim program until the Zoning Ordinance can be amended). Staff suggests a definition that includes all of these elements but with minor modifications to some of the language recommended by the Panel.

The recommended definition of Workforce Housing specifies a maximum income of up to and including 120 percent of the Area Median Income (AMI) for the Metropolitan Statistical Area (MSA) but does not specify a range of maximum income limits. The Panel's proposed text specified a range for the maximum income limits (from up to 80 percent to up to 120 percent of AMI¹). The proposed definition is supportive of the Panel's idea to encourage individual developers to voluntarily designate workforce units to be affordable to households at a variety of income levels including those below 80 percent of AMI, if they so choose.

Staff also recommends that the definition make it clear that Workforce Housing units should be available to income-eligible households or families without regard to age or employment status. The definition also notes that Workforce Housing should be controlled by administrative requirements that are comparable to those for the Affordable Dwelling Unit (ADU) Program.

The Panel suggested that the definition of Affordable Housing be expanded to include Workforce Housing and Affordable Dwelling Units to recognize that the ADU Program serves a "critical segment" of the County's workforce. The proposed definition incorporates the Panel's recommendation and in addition, notes that affordable housing may also include units that may be produced through other programs in addition to the ADU Program and the proposed workforce housing initiative.

Countywide Objectives and Policies: The Panel recommended adding guidance to this section specifying that:

- "Affordable Housing will be provided by the Affordable Dwelling Unit Program and Workforce Housing; and
- Uniformity should be provided in the application of the administrative requirements for Workforce Housing and the Affordable Dwelling Unit Program. Permanent affordability of designated units should be the goal under each program."

The proposed language integrates the guidance as recommended by the Panel. In addition, staff suggests some additional changes that reorder some existing text to allow the information to be presented in a more logical way. As recommended by the Panel, the proposed text establishes that affordable housing includes units produced as Affordable Dwelling Units (ADUs) and as Workforce Housing units and provides guidance regarding how the administrative requirements for Workforce Housing are to be handled. The proposed text contains three new paragraphs which describe the Workforce Housing initiative in Fairfax County, provides details regarding the differing maximum incomes for building constructed of steel-and-concrete vs. buildings of wood-and-masonry construction, and references the administrative requirements for the Workforce Housing program as set forth in the Zoning Ordinance. Finally, the proposed text provides information that updates the numeric examples in this section...

¹ The Panel members, in their deliberations and recommendations, used the term Area Median Income (AMI), which is the term currently used by the U.S. Department of Housing and Urban Development (HUD). The Comprehensive Plan uses the term Metropolitan Statistical Area (MSA) median family income, which is derived from U.S. Census information and has historically been used by HUD. Staff is currently evaluating the relative merits of each term. For the purposes of this Comprehensive Plan amendment, staff recommends continuing to use MSA median family income.

Housing Objective 1, Policies b. and c.: The Panel recommended adding new policies to Objective 1 of the Housing section to 1) clarify that the goal to increase the supply of affordable housing units by at least twelve percent annually should be applicable to developments with multi-family units in high-density Development Centers; 2) specify that Workforce Housing should be provided in groupings or “tiers” so as to be affordable to households with various maximum income levels; 3) allow affordable/workforce housing as an allowed use in commercial or industrial districts; and 4) identify that bonus density should be granted for the provision of affordable/workforce housing.

To implement these recommendations, staff proposes two new policies under Objective 1. The first policy, Policy b., identifies the role of the Affordable Dwelling Unit Program in addressing the goal of increasing the supply of affordable housing. It notes that ADUs are required in developments that meet certain criteria that are set forth in the Zoning Ordinance.

The second policy, Policy c. under Objective 1 would specify that a “Workforce Housing” initiative should be used to help achieve the minimum twelve percent target stated in Objective 1 in Transit Station Areas and Mixed-Use Centers and that a density bonus be provided as an incentive for the production of Workforce Housing. While the Panel recommendation specifically references multi-family developments and staff anticipates that developments providing Workforce housing will most likely be multi-family developments, staff has noted that in some Mixed-Use Centers a development proposal may include both multi-family and single family components. Therefore, staff advocates broadening the Panel’s recommendation. In addition, the Panel used the term “Development Centers” in their recommendation. After due consideration, staff recommends that the term “Mixed-Use Centers” be used as this term is already defined in the Glossary of the Plan and it encompasses the areas that the Panel discussed as Development Centers, i.e. Urban Centers, Suburban Centers, Transit Station Areas, and Community Business Centers.

As noted earlier, staff is continuing to review the Panel recommendation that affordable/workforce housing be an allowed use in commercial or industrial districts. Staff will forward suggestions for implementing this recommendation at a future time.

The Panel recommendation included several programmatic details regarding Workforce Housing (e.g. details about the “tiers” of Workforce housing, the size of Workforce units, and the opportunity to achieve additional non-residential intensity in mixed-use developments) as policies. Staff recommends that the programmatic “how-to” details be provided in a new appendix to be added to the end of the Housing section that would contain guidelines regarding the provision of Workforce Housing. These guidelines include details about how the bonus units or bonus non-residential intensity can be achieved; how the “tiers” of workforce units should be established; details about workforce unit sizes; and, other related issues. The proposed Policy c. contains a reference to this proposed new Appendix.

Housing Objective 2, Policy a.: The Panel recommended that the existing policy regarding expanding housing opportunities in or near mixed-use centers be amended to also reference transit centers. Staff proposes that the policy be amended as suggested by the Panel but the term “Transit Station Area” be used, as that term is defined in the Comprehensive Plan Glossary.

Appendix 1: Guidelines for Provision of Workforce Housing: The Panel identified a number of implementation parameters related to the creation and administration of Workforce Housing units. To be consistent with Policy Plan format, staff recommends that the implementation language be added in a new Appendix to the Housing section. The Policy Plan has a number of appendices that provide additional guidance for various policies. This approach is particularly effective when there is a need to outline specific guidance on how a policy will be implemented and used in the evaluation of development proposals.

The Workforce Housing Appendix contains guidelines to address the following issues raised by the Panel:

- a. Description of the opportunity to achieve bonus market rate units as an incentive to provide Workforce Housing units;
- b. Clarification that the provision of Workforce Housing does not exempt an applicant from applicable requirements of the Affordable Dwelling Unit (ADU) Program;
- c. Explanation of the maximum limit to the amount of bonus granted for providing Workforce housing;
- d. Explanation that Workforce units should be designated so as to be affordable to households with a variety of incomes up to 120 percent of Area Median Income;
- e. Specification that the bonus (or associated) market rate units should be comparable in size to the Workforce units provided;
- f. Clarification that the Workforce units should have a minimum size, based on the number of bedrooms provided; and
- g. Explanation that in developments with residential and non-residential components, the bonus may be realized as either associated market rate units or non-residential square footage.

RECOMMENDED POLICY PLAN AMENDMENTS

Staff recommends that the Housing section and Glossary of the *Policy Plan* be revised as shown below:

Staff recommends the Comprehensive Plan be modified as shown below. Text proposed to be added is shown as underlined and text proposed to be deleted is shown with ~~striketrough~~.

MODIFY: Fairfax County Comprehensive Plan, 2007 Edition, *Glossary*, as amended through 3-12-2007, pages 1 and 16.

“GLOSSARY

The Glossary contains an alphabetical listing defining terms as they are used in the context of the Comprehensive Plan. These terms are not intended to be the same definitions as used in the County's Zoning Ordinance. Rather, they are intended only to explain terms used in the Plan.

.....

AFFORDABLE DWELLING UNITS (ADU): Sale or rental housing units to serve households with incomes up to ~~70%~~ percent of the Area Median Income (AMI) for the Washington Metropolitan Statistical Area (MSA) median which are required to be included in certain housing developments of 50 or more units pursuant to Article 2, Part 8 of the Fairfax County Zoning Ordinance. In return for provision of this housing, additional development density is granted. Eligible occupancy, sales prices and rents of ADUs are controlled for a certain period of years. The FCRHA or nonprofit housing groups have a right to purchase a portion of the ADUs in a development.

AFFORDABLE HOUSING: For purposes of the Policy Plan, housing ~~which~~ that is affordable to households with incomes that are ~~70%~~ 120 percent or less of the Area Median Income (AMI) for the Washington Metropolitan Statistical Area (MSA) median family income. ~~(See the Housing Countywide Objectives and Policies section for an example of affordable rent and affordable home sales price).~~ Affordable housing includes units created under the Affordable Dwelling Unit (ADU) program that are affordable to households with incomes that are 70 percent or less of the AMI. Affordable housing also includes units produced through the Workforce Housing initiative, which is designed to encourage proffers of rental and for sale units that are affordable to households at various income limits up to 120 percent of the AMI. Affordable housing may also include other units produced through federal, state or local programs by the private, non-profit and/or public sectors. The MSA median family income Area Median Income for the Washington Metropolitan Statistical Area is determined periodically by the U.S. Department of Housing and Urban Development.

.....

WORKFORCE HOUSING: Rental or for-sale housing units that are affordable to households with maximum income limits up to and including 120 percent of the Area Median Income (AMI) for the Washington Metropolitan Statistical Area, as determined periodically by the U.S. Department of Housing and Urban Development. The intent of the Workforce housing initiative is to encourage this and other types of affordable housing in the County's planned Mixed-Use Centers. Workforce Housing should serve households and individuals without regard to age or employment status and should be provided in accordance with the guidelines specified in Appendix 1 of the Housing Section of the Policy Plan. In return for proffered Workforce housing units, additional development density or intensity will be made available. Workforce housing should be subject to administrative requirements that are set forth in the Zoning Ordinance and are similar to those of the Affordable Dwelling Unit program."

MODIFY: Fairfax County Comprehensive Plan, 2007 Edition, *Policy Plan*, Housing Section, as amended through 8-5-2002, pages 2-4.

“COUNTYWIDE OBJECTIVES AND POLICIES

A key recommendation of the Fairfax County Affordable Housing Task Force (1986) was the need for an annual numerical production objective to signify the

commitment of the County and its citizens to provide affordable housing. This objective should increase public awareness regarding the issue of affordable housing and stimulate public and private efforts to create more affordable housing options and opportunities. Also, it should be a useful yardstick by which to measure the performance of the entire community in responding to this critical housing need.

The affordable housing objective set forth below is a community objective that involves the private, non-profit and public sectors. It will not be achieved by the County Government and Housing Authority alone. It is anticipated that the affordable housing units needed to meet this annual objective will be derived from federal, state and County housing assistance programs, commitments from developers, and other public and private efforts to create affordable housing.

Affordable housing, for the purposes of the Comprehensive Plan, is defined as housing that is affordable to households with incomes which are ~~70 up to 120 percent or less of the Area Median Income (AMI) for the Washington Metropolitan Statistical Area (MSA) median family income, as determined periodically by the U.S. Department of Housing and Urban Development.~~ One of the Fairfax County programs designed to produce affordable housing is the Affordable Dwelling Unit (ADU) Program, which produces units that are affordable to household with incomes that are 70 percent or less of the AMI. [For example, based on generally accepted guidelines of paying no more than 30 percent of gross income for rent and of the purchase price of a home being equal to 2.5 times a household's annual income and ~~Using the 1996-2007 MSA estimated median family income of \$68,300 \$94,500 for a family of four, this definition of affordability would correlate to an affordable rent of no more than \$1,195 \$1,654 (including utilities) for a two- or three-bedroom apartment and a home sales price of less than \$119,525 \$165,375.] These estimates are based on generally accepted guidelines of paying no more than 30 percent of gross income for rent and of the purchase price of a home being equal to 2.5 times a household's annual income.] ~~The affordable housing objective set forth below is a community objective that involves the private, non-profit and public sectors. It will not be achieved by the County Government and Housing Authority alone. It is anticipated that the affordable housing units needed to meet this annual objective will be derived from federal, state and County housing assistance programs, commitments from developers, and other public and private efforts to create affordable housing. The adoption and implementation of an ordinance requiring the provision of affordable housing will be a critical factor in achieving this annual objective.~~~~

For developments subject to the Affordable Dwelling Unit (ADU) Program, notwithstanding specific Plan text or map provisions regarding unit type and/or density, the density range provisions of the Affordable Dwelling Unit Adjuster and the unit types permitted by the zoning district regulations in affordable dwelling unit developments shall apply. The Affordable Dwelling Unit Adjuster provisions state that the lower and upper end of the density ranges shall be increased by a maximum percentage based on the type of unit being constructed, twenty (20) percent for single family detached and attached dwelling units and by ten (10) percent for non-elevator multiple family dwelling unit structures or elevator multiple family dwelling unit structures which are three (3) stories or less. The Zoning Ordinance provisions for affordable dwelling unit developments which include alternative unit types and reduced minimum yard and lot size requirements shall not necessarily be considered incompatible with adjacent development, provided that the flexibilities allowed in the Ordinance are accomplished on the subject parcel in a fashion that creates compatible transitions to adjacent developments.

Workforce Housing is an initiative of Fairfax County to encourage more affordable housing in the County's high-density Mixed-Use Centers, including Tysons Corner Urban Center, Transit Station Areas, Suburban Centers, and Community Business Centers. Workforce Housing units are typically smaller in size than market rate units and are targeted to households with incomes above those required by the Affordable Dwelling Unit Program. Workforce Housing is not limited to households with individuals who are actively employed but should also be provided in communities designed for active adults or the elderly.

For the purposes of the Comprehensive Plan, Workforce Housing is defined as rental or for-sale housing that is affordable to households with specified maximum income limits, adjusted for household size. Workforce Housing units provided in for-sale developments in all construction types or in rental developments in steel and concrete construction² should be affordable to households with income up to and including 120 percent of the AMI, -adjusted for household size. Workforce housing units in rental developments in wood and masonry construction³ should be affordable to households with maximum income limits of up to and including 100 percent of the AMI, adjusted for household size. Workforce units should be divided into groupings or tiers that are affordable to households with various maximum income limits from up to 80 percent of AMI to up to 120 percent of AMI, adjusted for household size, as outlined in Appendix 1 of the Housing Section.

A Workforce Housing Program within the Zoning Ordinance should contain provisions regarding the production, control and administration of proffered Workforce Housing units. The provisions should be similar to that of the Affordable Dwelling Unit Program. Until such time as the Workforce Housing Program provisions of the Zoning Ordinance are in place, proffered Workforce housing units should be administered and controlled under interim guidelines generally comparable to those of the Affordable Dwelling Unit Program.

Objective 1: The County should increase the supply of affordable housing units each year by an amount that is equal to at least 12 percent of the total housing production in the County for the previous year. These units should serve the full range of incomes of households needing affordable housing and should include units for the disabled and handicapped.

Policy a. In cases where additional intensities can be supported by existing or planned infrastructure and public facility systems, provide bonus densities in exchange for affordable housing. Affordable housing can be in the form of housing units, free land dedicated to the Fairfax County Redevelopment and Housing Authority, or in limited circumstances, cash contributions to the Housing Trust Fund.

Policy b. Expand affordable housing in the County through the application of the Affordable Dwelling Unit Program, as set forth in the Zoning Ordinance and the Comprehensive Plan

² I.e. Building Construction Types 1, 2, 3 & 4, as specified in the Virginia Uniform Statewide Building Code.

³ I.e. Building Construction Type 5, as specified in the Virginia Uniform Statewide Building Code.

- Policy c. Ensure Workforce Housing is provided in Transit Station Areas and Mixed-Use Centers where the Areas Plans envision mixed-use or high-density residential development above the baseline recommendation for development and offer a bonus incentive for the production of Workforce housing. The expectation is that in such areas Affordable Dwelling Units and/or Workforce Housing will constitute a minimum of 12 percent of all residential units in all building construction types. For further guidance, see the Guidelines for Provision of Workforce Housing in the Housing Appendix 1.
- Policy ~~b~~ d. When considering development proposals, residential rezonings should not be approved above the low end of the Plan range unless an appropriate commitment of land, dwelling units, and/or a cash contribution to the Housing Trust Fund is provided. For further guidance, see the Criteria for Assignment of Appropriate Development Intensity included as a part of the Appendix to Countywide Land Use.
- Policy ~~e~~ e. Capitalize the Housing Trust Fund through private contributions and general revenue, so that it can be used as a mechanism to fund the development of affordable housing.
- Policy ~~d~~ f. Encourage affordable housing as a development option for infill sites, particularly in commercial areas and near employment concentrations.
- Policy ~~e~~ g. Give priority for the use of County and other government-owned buildings and land as sites for the provision of affordable housing.
- Policy ~~f~~ h. Promote and facilitate innovative site design and construction techniques, as well as encourage the use of manufactured housing and manufactured housing components, when aimed at providing affordable housing.
- Policy ~~g~~ i. Support the efforts of the Fairfax County Redevelopment and Housing Authority in producing a portion of these affordable housing units through the provision of County resources and the approval of suitable housing sites.
- Policy ~~h~~ j. Encourage and facilitate home sharing as one mechanism for lowering housing costs.

The expanding employment base in the County is one of the factors which creates the need for housing. Forecasts are that jobs will continue to grow at a rate which is higher than that for future housing production. This implies continued pressure on the housing market and an excess of demand for available units. There will be a need to increase the supply of housing in the County in response to this demand.

Prices of new homes and the rents of new apartments are directly related to allowable density. Higher densities can help to support affordability. Determining acceptable locations for higher density residential development will be necessary as part of a strategy to provide more affordable units. The County is committed to both closing the gap between the demand for and supply of affordable housing (as defined in the Glossary) and promoting the location of affordable housing throughout the County.

Objective 2: The County should encourage the provision of affordable housing (as defined in the Glossary) in all parts of the County.

- Policy a. Expand housing opportunities in or near ~~mixed-use~~ Centers as a way of providing the opportunity for persons employed in the County to live near their jobs.
- Policy b. Promote the development of multifamily housing in both mixed-use Centers and existing residential areas, as appropriate, in an effort to diversify the housing stock and expand lower cost housing options. For additional guidance, refer to the Locational Guidelines for Multifamily Residential Development contained in the Appendix to Countywide Land Use.
- Policy c. Promote affordable housing opportunities throughout the County, particularly in areas where existing supply is low.
- Policy d. Encourage the creation of accessory dwelling units as a means of increasing the supply and distribution of affordable housing.

As the County matures, there will be an increasing need to preserve and enhance older residential communities. It will be important to protect existing residential areas from the encroachment of commercial development and the impacts of institutional holdings and uses. The compatibility of infill development will also be of increasing concern. In cases of neighborhood deterioration, this may entail taking actions to promote residential redevelopment and/or revitalization where appropriate.”

ADD: Fairfax County Comprehensive Plan, 2007 Edition, *Policy Plan*, Housing Section, as amended through 8-5-2002, pages 7-8.

“APPENDIX 1

GUIDELINES FOR PROVISION OF WORKFORCE HOUSING

It is a policy of the Board of Supervisors of Fairfax County that Workforce Housing should be provided voluntarily in the County’s Transit Station Areas and Mixed-Use Centers where the Area Plans envision mixed use or high-density residential development above the baseline recommendation for development. The following guidelines apply in the development of Workforce Housing.

1. Proposals for development that are above the baseline recommendation(s) in the Area Plans must include a minimum of 12 percent of all residential units in all building construction types as affordable housing (Affordable Dwelling Units and/or Workforce Housing) as defined in the Glossary of the Fairfax County Comprehensive Plan. For proposals that are exempt from the requirements of Part 8 of Article 2 of the Zoning Ordinance (the Affordable Dwelling Unit Program), the 12 percent policy may be met by any combination of proffered Affordable Dwelling Units and/or Workforce Housing. For proposals that are not exempt from the Affordable Dwelling Unit Program, the number of Affordable

Dwelling Units and the Workforce housing units combined should be equal to 12 percent of the residential units.

Flexibility may be granted regarding the provision of Workforce Housing to the extent that consideration may be given to proposals whereby units available within the same Transit Station Area or Mixed-Use Center may be purchased by the developer of new construction and proffered as Workforce units to meet the requirements of these guidelines, as long as Guidelines 8. and 9. below are met.

2. The provision of Workforce Housing does not exempt an applicant from meeting the requirements of the Affordable Dwelling Unit Program, if applicable.
3. Workforce Housing is subject to administrative requirements that are set forth in the Zoning Ordinance or interim guidelines generally comparable to those of the Affordable Dwelling Unit Program.
4. To encourage the provision of Workforce Housing, development proposals may realize a bonus of one additional (i.e. associated) market rate unit for each Workforce Housing unit provided as long as a minimum of 12 percent of the total number of units provided is affordable housing (i.e. Affordable Dwelling Units and/or Workforce Housing). In a mixed-use development, the bonus may be provided as non-residential square footage that is equal to the square footage of the Workforce Housing provided.
5. The maximum achievable bonus for the provision of Workforce Housing is 20 percent in terms of additional residential density (dwelling units per acre) or non-residential intensity (floor area ratio).
6. In accordance with guidance in the Land Use section of the Policy Plan, for developments providing affordable housing, the additional density/intensity and/or building height achieved with the inclusion of applicable bonus market rate units should not be counted toward the maximum allowable density (dwelling units), floor area ratio (FAR) or building height designated in the Area Plan recommendation(s).
7. In all cases, a minimum of 12 percent of all residential units should be Affordable Dwelling Units and/or Workforce Housing regardless of the degree to which the density available in the Plan recommendation(s) is achieved or the bonus provisions are utilized.
8. Workforce Housing must meet the following minimum unit sizes:
 - Efficiency: 450 square feet
 - 1-bedroom: 600 square feet
 - 2-bedroom: 750 square feet
9. The size (in square feet) of the associated market rate units created with the bonus provision must be within 10 percent of the square footage of the Workforce Housing units with the same number of bedrooms.

10. Workforce Housing should be available to households of varying income levels, up to 120 percent of the Area Median Income (AMI) for the Washington Metropolitan Statistical Area (MSA) adjusted for household size, as determined periodically by the U.S. Department of Housing and Urban Development.

Workforce housing provided in “for-sale” developments of all construction types or in rental developments built in steel and concrete should be allocated to three equal groupings or tiers as follows:

- The first tier should be priced so as to be affordable to households making up to and including 80 percent of the AMI, adjusted for household size.
- The second tier should be priced so as to be affordable to households making up to and including 100 percent of the AMI, adjusted for household size.
- The third tier should be priced so as to be affordable to households making up to and including 120 percent of the AMI, adjusted for household size.

However, development proposals may voluntarily designate that more than one-third of the units be provided for households with maximum income limits below 80 percent of the AMI.

Workforce housing in rental developments in wood and masonry building construction types should be allocated to two equal groupings or tiers as follows:

- The first tier should be priced so as to be affordable to households making up to 80 percent of the AMI, adjusted for household size.
- The second tier should be priced so as to be affordable to households making up to 100 percent of the AMI, adjusted for household size.

However, development proposals may voluntarily designate that more than one-half of the units be provided for households with maximum income limits below 80 percent of the AMI.

April 12, 2007

High-rise Affordability Panel of Experts

Amended Panel Report and Policy Recommendation to the Fairfax County Board of Supervisors

Background: On October 16, 2006, the Fairfax County Board of Supervisors Housing Committee, chaired by Supervisor Cathy Hudgins (Hunter Mill District), received the recommendations of the Board-appointed High-Rise Affordability Panel. The Panel was charged by the Board to recommend specific policies to encourage the development of affordable/workforce housing in the County's high-rise/high-density areas. The Board defined affordable/workforce housing as being for families earning a range of moderate incomes up to 120 percent of the area median income.

Board members asked a variety of questions and raised several issues for further consideration by the Panel and County staff. The two chief concerns were with the potential size of density bonuses that could be granted using the Panel's recommended ratios and the conditions under which housing would be a permitted use in commercial and industrial districts. The Board subsequently accepted the Panel's report and recommendations in principle and directed staff from the Departments of Housing and Community Development and Planning and Zoning to work with the Panel to resolve the issues raised during the Housing Committee meeting, and return with revised recommendations to accomplish the Policy Plan objective of 12 percent affordable housing in residential high-rise, high-density areas.

The Panel reconvened and continued to meet between December 2006 and April 2007. During this time, Panel Chair Lee Rau briefed a joint meeting of the Planning Commission and the Fairfax County Redevelopment and Housing Authority (FCRHA) on the progress of the Panel's deliberations. Per the Board's direction, staff worked with the Panel to address the concerns of the Board and staff, as well as those raised by Planning Commissioners, and to develop the revised recommendations contained in this document.

1. Revised Conceptual Recommendations: Based on staff input and in-depth discussion by the Panel, the following recommendations are offered to the Board for consideration. These recommendations supersede those made in the original October 16, 2006, report (attached).

- a. Policy Statement: The Panel recommends that the Board adopt a policy stating that in developments with multi-family dwellings in Development Centers identified in the Fairfax County Comprehensive Plan, at least twelve (12) percent of the total number of residential units of all unit types produced shall be Affordable Housing, consisting of Affordable Dwelling Units (ADUs) and/or Workforce Housing. This recommendation is consistent with the existing language in the Housing Section of the Comprehensive Plan Policy

Plan. The minimum twelve percent goal may be met through a combination of ADUs, where required, and voluntarily provided Workforce Housing units. The Panel recommends implementing this policy primarily through the Policy Plan. The Panel also recommends the adoption of a “Workforce Housing Program” within the Zoning Ordinance, to provide for the conditions under which voluntarily-provided Workforce Housing units will be administered.

- b. **Definition:** For clarity, the Panel recommends that housing units to be produced under the policy recommendation contained herein be referred to as “Workforce Housing”. For purposes of the Fairfax County Comprehensive Plan, Affordable Housing should be defined to include Workforce Housing and units produced under the Affordable Dwelling Unit (ADU) Program (Article 2, Part 8 of the Fairfax County Zoning Ordinance). The recommendation is made with the Panel’s recognition and appreciation that the income range served by the ADU Program constitutes a critical segment of the County’s workforce.
- c. **Applicability:** The Panel recommends that the Board’s policy to encourage the production of Workforce Housing should apply in Fairfax County’s defined “Development Centers”, as identified in the Fairfax County Comprehensive Plan. These currently include the Tyson’s Corner Urban Center, Suburban Centers, Community Business Centers, and Transit Station Areas, and when permitted in commercial, industrial and mixed use districts as described in Paragraph 1.g “Affordable and Workforce Housing as a Permitted Use in Commercial, Industrial, and Mixed-Use Districts”.
- d. **Incomes to be Served:** The policy should serve households earning a range of moderate incomes up to 120 percent of the Area Median Income (AMI), with incomes adjusted for household size. Specifically, Workforce Housing Units provided in “for sale” developments in all construction types, or in rental developments built with concrete and/or steel construction, should be divided into three groupings or tiers. One tier should be affordable to households earning up to 80 percent AMI, the second tier should be affordable to households earning up to 100 percent AMI, and the third tier should be affordable to households earning up to 120 percent AMI. Workforce Housing Units provided in wood-construction structures in rental developments should be divided into two groupings or tiers. One tier should have rents affordable to households earning up to 80 percent AMI and the second tier should have rents affordable to households up to 100 percent AMI.
- e. **Density Bonus:** The Panel recommends the use of bonus density as an incentive to developers to produce Workforce Housing in the defined “Development Centers” in Fairfax County. Specifically, the Panel recommends that one (1) bonus unit be provided for every Workforce Housing unit provided, as long as the Affordable Housing units constitute a minimum of 12 percent or more of the total number or proposed units, with a

maximum bonus of up to twenty (20) percent. As an example, where the Comprehensive Plan allows a maximum of 100 units, a 114 unit development could be considered provided that a minimum of 12 percent of the overall total, or 14 units, are provided as Workforce Housing. The 14 units allowed above the maximum represent the "bonus" density incentive which equals the number of Workforce Housing units provided. In this 100 unit example, the developer has to provide at least 14 units to achieve both the 12 percent goal and receive the "one-to-one" bonus. If the developer provides less than 14 units in this example, they could not achieve the full bonus because to do so would result in less than the minimum 12 percent affordable/workforce units for the development. In the event a developer elects not to take advantage of the density bonus, the expectation remains that 12 percent of the units in a project will be Affordable/Workforce Housing. The Panel further recommends increasing allowable building heights and/or modification of bulk plane regulations where necessary to accommodate Affordable/Workforce units and any associated bonus market units.

While the Panel recognizes that the Comprehensive Plan provides for varying levels of increased density above the current zoning, the Panel has a concern that, due to land and construction costs, the "one to one" bonus may not be sufficient incentive in all cases to achieve the County's goal that 12 percent of new production be affordable housing. The Panel recommends that the bonus policy be periodically re-evaluated every two years.

In rezoning and/or site development cases where it is not economically realistic to achieve the goal amount of Workforce Housing in high-rise concrete and steel construction, the production of such units may be:

- 1) Proffered to wood or similar construction on the same site or, as a second option, within a Development Center as described in Paragraph 1.c "Applicability", to the extent implementable under applicable law and consistent with applicable planning policies;
 - 2) Provided via the purchasing of existing units in a Development Center and donation of such units to the Board of Supervisors or, at the Board's discretion, to the Fairfax County Redevelopment and Housing Authority (FCRHA) for re-sale or rental to households with incomes that qualify for affordable and workforce housing; or
 - 3) Provided via the donation of land in appropriate amounts and locations to the Board of Supervisors or, at the discretion of the Board, the FCRHA for the development of affordable housing.
- f. *Bonus Unit – Workforce Unit Equivalency:* The Panel recommends that the Board consider, as a part of the implementation of its Workforce Housing policy, linking the size of each bonus market-rate unit to the size of the

workforce units provided. The Panel's recommendation is that the size of the bonus market-rate units should mirror that of the workforce units, within a range of 10 percent of the workforce unit's square footage. The Panel recommends the following minimum workforce unit sizes: Efficiency: 450 square feet; 1-bedroom: 600 square feet; and 2-bedroom: 750 square feet. In addition, the Panel recommends that the density bonus gained through the provision of workforce units could be allowed to be realized as non-residential space in a mixed-use development, provided that the developer also achieves the goal of making 12 percent of the total units affordable.

- g. *Affordable and Workforce Housing as a Permitted Use in Commercial, Industrial, and Mixed-Use Districts:* Through a mechanism such as the Special Exception process or the development of a by-right prototype, Affordable and Workforce Housing should be permitted in commercial, industrial, and mixed-use districts, under certain conditions and restrictions. In addition, employers with campus-type facilities in commercial and industrial districts should be allowed to use a portion of their land to provide Affordable/Workforce Housing for their employees. In either case, the Panel recommends that the affordable/workforce component of any residential development permitted in commercial or industrial districts should not count against the planned density or intensity of the property, within reasonable limits.
- h. *Serving Lower Incomes:* The Panel recommends that the County continue to facilitate the production of new housing affordable to households earning incomes 60 percent of the Area Median Income (AMI) and below. The Panel recommends that the Department of Housing and Community Development (HCD) participate more directly in the proffer process to identify opportunities to foster the production of such housing, including potentially the use of County financial resources, as appropriate.
- i. *Regulatory "Toolbox":* The County should develop a toolbox of regulatory actions to be applied as needed to enhance the economic situation for providing affordable and/or workforce housing in concrete and steel construction, including but not limited to:
 - Designating Workforce Housing units in designated Development Centers as eligible for a reduction and/or flexibility in parking requirements. The Panel acknowledges the Planning Commission's ongoing Transit Oriented Development efforts and the related parking study, and recommends that this issue be studied as part of that effort;
 - Decreasing the processing time of rezoning applications, site plans, and building permits for projects providing substantial Affordable/Workforce Housing;

- Moderating, as appropriate and where possible, development fees such as processing fees and granting the reduction or waivers of other development-related fees to the extent possible;
 - Modification of the Zoning Ordinance so that the square footage associated with Workforce Units is exempted from Floor Area Ratio calculations; and
 - Tax district TIF to offset infrastructure costs and certain other development charges.
- j. Land donations: The County should develop a process and structure to accept and manage suitable land donated by developers and private individuals. The sole purpose of such donations shall be for the development of Affordable/Workforce Housing. Staff should evaluate the relative benefits and drawbacks of a) the Board of Supervisors or the FCRHA directly accepting donations and making grants, leases, or sales to qualified non-profit affordable housing-producing organizations; and b) the creation of a non-profit community land trust or similar organization to accept and manage land donations and incorporate their findings into the recommended structure.
- k. Condominium fees: Create a policy to mitigate the impact of condominium fees for purchasers of for-sale Affordable/Workforce units. The Panel recommends that the County identify and implement effective means to mitigate the impact of condominium fees on the purchasing power of such buyers. Examples of such means could include: 1) for those at the lower end of the income range, the County could provide financial assistance to the Fairfax County Redevelopment and Housing Authority (FCRHA) to help the FCRHA reduce the impact of condominium fees; 2) a developer fund, endowed by contributed funds, could be established to provide a subsidy for condominium fees (the incentives, if any, needed to make such a developer fund feasible will require study).

2. Implementation Recommendations: The Panel has worked closely with staff to develop the following recommendations to implement the above conceptual recommendations:

- a. Policy Plan Amendments
- i. Housing Section: Objective One
- Add new policies stating that
 - In developments with multi-family dwellings of all construction types in Development Centers, at least twelve (12) percent of the total number of residential units of all unit types produced shall be Affordable Housing, defined as Affordable Dwelling Units (ADUs) and/or Workforce Housing.

- Workforce Housing Units provided in “for sale” developments in all construction types, or in rental developments built with concrete and/or steel construction, should be divided into three equal groupings or tiers. One tier should be affordable to households earning up to 80 percent AMI, the second tier should be affordable to households earning up to 100 percent AMI, and the third tier should be affordable to households earning up to 120 percent AMI. Workforce Housing Units provided in wood-construction structures in rental developments should be divided into two equal groupings or tiers. One tier should have rents affordable to households earning up to 80 percent AMI and the second tier should have rents affordable to households up to 100 percent AMI. Incomes should be adjusted for household size.
 - In any case, the provision of Workforce Housing does not exempt the applicant from any applicable requirements of the Affordable Dwelling Unit Program in the Zoning Ordinance.
- Add new policy designating Affordable/Workforce Housing as an allowed use in commercial or industrial districts.
 - Add new policy stating that in developments with multi-family dwellings in Development Centers where the 12 percent minimum Affordable/Workforce unit goal is achieved or exceeded, one bonus market-rate unit shall be granted for every workforce unit delivered, up to a bonus of 20 percent. Bonus market-rate units shall be comparable in size, within a 10 percent square foot margin of error, to the size of the workforce units provided. The minimum Workforce Unit sizes shall be: Efficiency: 450 square feet; 1-bedroom: 600 square feet; and 2-bedroom: 750 square feet. Bonus market-rate units may be converted to non-residential space in mixed-use developments, under appropriate circumstances. In any case, in multifamily developments, the density achieved may not exceed the high end of the planned density by more than 20 percent.
- ii. *Housing Section: Objective Two*
- Add a reference to transit centers to existing policy regarding expanding housing opportunities in or near mixed-use centers.
- iii. *Housing Section: Countywide Objectives and Policies: Add guidance stating that:*
- Affordable Housing will be provided by the Affordable Dwelling Unit Program and Workforce Housing; and

- Uniformity should be provided in the application of the administrative requirements for Workforce Housing and the Affordable Dwelling Unit Program. Permanent affordability of designated units should be the goal under each program.

iv. *Glossary:* Add “Workforce Housing”, defined as follows: Sale or rental housing units pursuant to rezoning proffers to serve households with maximum income limits. Rental housing units serve households with maximum income limits that range from up to 80 percent and up to 120 percent of the Metropolitan Statistical Area (MSA) median family income (also known as the Area Median Income (AMI)), depending on construction type. Rental Workforce Housing Units provided in wood construction have rents affordable up to 80 percent AMI and up to 100 percent AMI. Sale Workforce Housing Units in all construction types, and rental Workforce Housing Units in developments built with concrete and/or steel construction, serve households with maximum income limits that range from up to 80 percent up to 120 percent of the AMI. In return for provision of Workforce Housing units, additional development density will be made available. Eligible occupancy, sales prices and rents of Workforce Housing are controlled for a certain period of years. (See the Housing Countywide Objectives and Policies section for an example of affordable rent and affordable home sales price). The MSA median family income is determined periodically by the U.S. Department of Housing and Urban Development. Proffered Workforce Housing shall be controlled under a Workforce Housing Program or other interim measures acceptable to the Board until such time as a Workforce Housing Program is adopted as a part of the Zoning Ordinance. The purpose of a Workforce Housing Program within the Zoning Ordinance shall be the administration of the proffered Workforce Housing units.

- b. *Zoning Ordinance:* The Panel recommends that the following items be added to the Zoning Ordinance Work Plan:
- i. Identify possible amendments to create uniformity in the administrative requirements for the provision of Workforce Housing and the ADU Program. The potential amendments should address the income levels to be served (in “for sale” developments in all construction types, and rental developments built with concrete and/or steel construction, units should be affordable to households earning up to 80, 100, and 120 percent AMI; workforce units should be provided in three equal tiers of one-third for each of these income levels. In rental developments in wood construction units should have rents affordable at up to 80 and 100 percent AMI; Workforce Housing Units should be provided in two equal tiers of one-half each for each of these income levels.) Incomes should be adjusted for household size.

Consideration should be given to requiring that Workforce Housing units produced be affordable “long term”, which shall mean at least 30 years for both rental and for-sale units, with renewable affordability periods for both rental and for-sale units and to requiring that, as with the ADU Program, the Fairfax County Redevelopment and Housing Authority (FCRHA) should have the right to purchase up to one-third of the units produced in for-sale developments.

- ii. A proposed amendment to allow Workforce Housing as an allowed use in specific commercial and industrial districts, subject to a mechanism for review by the Planning Commission and the Board of Supervisors.

- c. *Related Policy Recommendations:* The Panel asks that the Board direct the staff to study the Panels recommendations concerning:
 - Serving lower incomes;
 - The regulatory “toolbox” (which includes reduction/flexibility in parking requirements, decreased processing time, moderation of development fees, modification of the Zoning Ordinance to exempt square footage associated with Workforce Housing units from Floor Area Ratio calculations, and tax district TIF to offset infrastructure and other development costs);
 - Land donations; and
 - Condominium fees.

The Panel asks that the Board further direct staff to make appropriate recommendations on the above for the Board’s consideration within six months of the date of this report. The Panel also suggests that the Board extend the assignment of the Panel to review these recommendations prior to their submission by the staff.

- d. *Other Critical Implementation Recommendations:* The Panel asks that the Board take the following steps to facilitate the immediate and long-term success of the proposed policy:
 - i. *Personnel:* The Panel reiterates the recommendation contained in its October 16, 2006 report that the Board fund all positions necessary to successfully carry out this critically important policy. The Panel asks that the Board of Supervisors direct the County Executive to work with the heads of the Departments of Housing and Community Development, Planning and Zoning, and Public Works and Environmental Services to determine what additional staff are needed to implement this policy effectively, and to recommend to the Board appropriate funding sources for such positions.
 - ii. *Interim Policy:* The Panel recommends that the Board adopt an interim policy to provide for the administration of proffered Workforce Housing Units until such time as the recommended amendments to the

Comprehensive Plan and Zoning Ordinance take effect. This policy should include, among other things, price control periods, covenants, and otherwise provide for the administration of proffered Workforce Housing Units in a manner similar to the administrative provisions of Affordable Dwelling Unit program, as contained in Article 2, Part 8 of the Zoning Ordinance, to be recommended by staff. The Panel further recommends that the interim policy include the expectation that proffered Workforce Housing Units will be provided with prices/rents affordable up to 80 percent, up to 100 percent, and up to 120 percent AMI, and that the voluntarily provided Workforce Housing Units will be provided in three equal tiers of one-third each for each of these income levels, with the exception that in rental developments in wood construction units should have rents affordable at up to 80 and 100 percent AMI, and that Workforce Housing units should be provided in two equal tiers of one-half each for each of these income levels.

Mixed-Use Centers

- Urban Center
- Suburban Center
- Community Business Center (CBC)
- Transit Station Area (TSA)

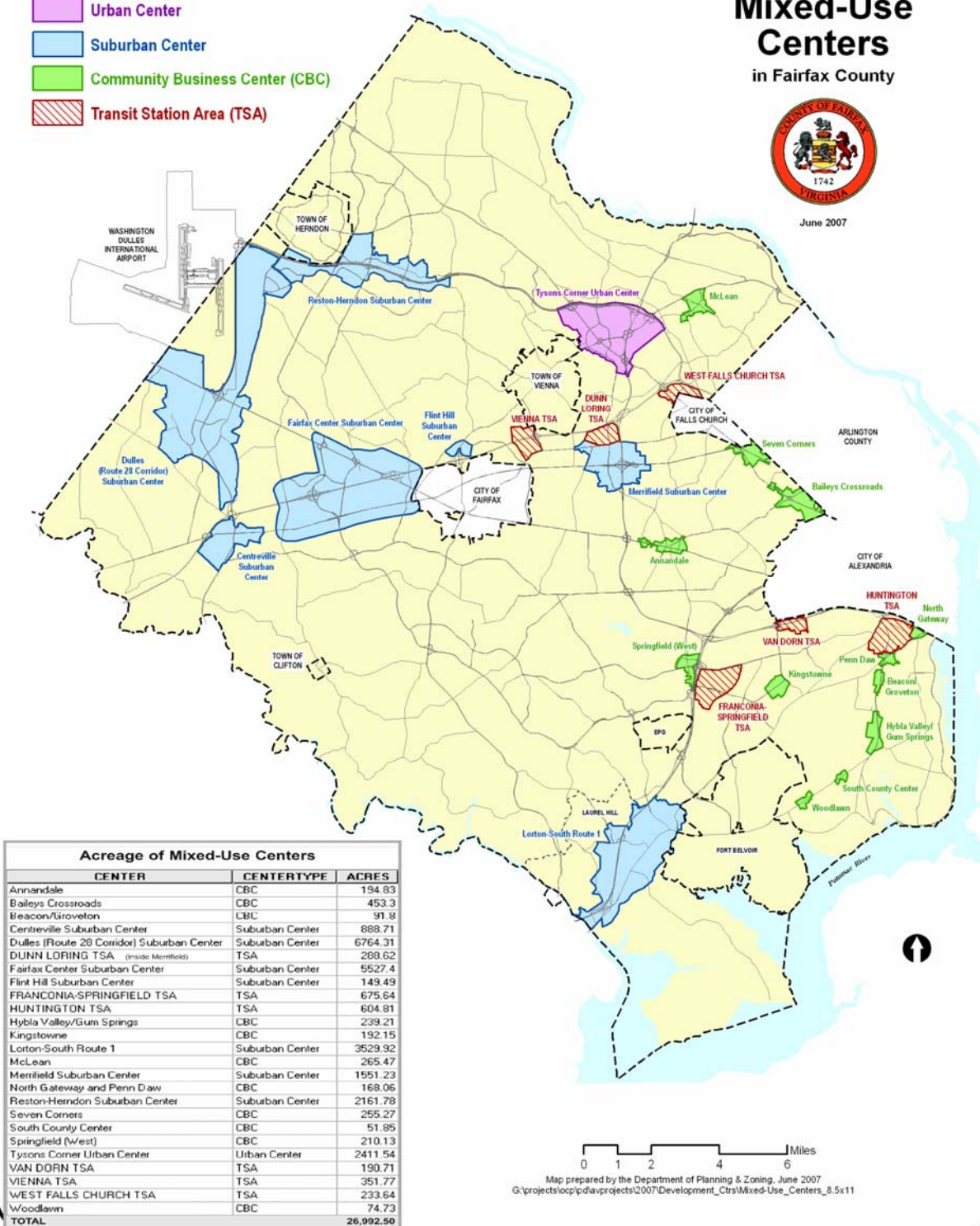
Planning Division
Department of Planning & Zoning

Mixed-Use Centers

in Fairfax County



June 2007

**Acres of Mixed-Use Centers**

CENTER	CENTER TYPE	ACRES
Annandale	CBC	194.83
Baileys Crossroads	CBC	453.3
Beacon/Groveton	CBC	91.8
Centreville Suburban Center	Suburban Center	888.71
Dulles (Route 28 Corridor) Suburban Center	Suburban Center	6764.31
DUNN LORING TSA (Inside Merrifield)	TSA	268.62
Fairfax Center Suburban Center	Suburban Center	5527.4
Flint Hill Suburban Center	Suburban Center	149.49
FRANCONIA-SPRINGFIELD TSA	TSA	675.64
HUNTINGTON TSA	TSA	604.81
Hybla Valley/Gum Springs	CBC	239.21
Kingstowne	CBC	192.15
Lorton-South Route 1	Suburban Center	3529.92
McLean	CBC	265.47
Merrifield Suburban Center	Suburban Center	1551.23
North Gateway and Penn Daw	CBC	168.06
Reston-Herndon Suburban Center	Suburban Center	2161.78
Seven Corners	CBC	255.27
South County Center	CBC	51.85
Springfield (West)	CBC	210.13
Tysons Corner Urban Center	Urban Center	2411.54
VAN DORN TSA	TSA	190.71
VIENNA TSA	TSA	351.77
WEST FALLS CHURCH TSA	TSA	233.64
Woodlawn	CBC	74.73
TOTAL		26,992.50

0 1 2 4 6 Miles
Map prepared by the Department of Planning & Zoning, June 2007
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