

Fairfax County High-rise Affordability Panel

Highlights of Report and Policy Recommendations to the
Housing Committee of the Board of Supervisors



October 16, 2006

About the High-rise Affordability Panel

Panel Members

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About the High-rise Affordability Panel

- Panel of experts appointed by Board of Supervisors in October 2005 with the purpose of recommending a policy for inclusion of affordable/workforce housing in high-rise developments
- February 2006, the Board of Supervisors adopted general policy statement and guiding principles as recommended by the Panel. The Board of Supervisors also instructed Panel to develop more detailed recommendations for implementation
- Panel expanded focus to include high-density areas of the County

February 2006 General Policy and Guiding Principles

- General Policy: In cases with increases in residential density/non-residential intensity in planned/existing high-density areas, it is the County's expectation that a substantial amount of affordable/workforce housing shall be provided.

- Guiding Principles
 - ✓ Goal of long-term affordable/workforce housing for both rental and homeownership
 - ✓ Serve range of households up to 120 percent of Area Median Income
 - ✓ Consider regulatory changes to foster affordable/workforce housing development
 - ✓ Allow for changes to Comprehensive Plan and Zoning Ordinance, including density bonuses
 - ✓ County will actively participate in the development of affordable/workforce housing, including use of County-owned land

Policy Development Process

- Met regularly between February and September 2006 to develop implementation recommendations
- Retained Economics Research Associates, Inc. to provide economic analysis of the Panel's evolving concepts
- Support from DHCD and DPZ
- Strong participation by Panel members and staff; Panel met 15 times
- Identified a variety of economic challenges to providing below-market units in high-rise construction

Policy Development Process

- Determined that a density bonus, coupled with regulatory incentives, is necessary to encourage the provision of significant amounts of affordable/workforce housing in high-rise construction and high-density areas of Fairfax County
- Policy implementation recommendations represent consensus of Panel members, based on consultant analysis and in-depth discussion

Implementation Recommendations

Overview

The Panel recommends that at least 12 percent of units produced in high-rise/high-density developments be affordable/workforce housing.

Such housing should be provided in equal tiers affordable to households earning up to 60, 80, 100, and 120 percent of the Area Median Income.

To achieve this goal, the Panel recommends a two phase approach...

Implementation Recommendations

Phase One

- Create proffer-based incentive system
- Zoning Ordinance/Comprehensive Plan amendments
- Give developers incentive to proffer affordable/workforce units by granting density bonus
- “Toolbox” of regulatory incentives to reduce time and cost of providing affordable/workforce units

Implementation Recommendations

Phase Two

- Create affordable/workforce housing as a permitted “by right” use in Commercial and Industrial districts, subject to certain limits
- Consider permitting market rate element as an incentive, via special exception process
- Possible adoption of “workforce housing overlay”

Implementation Recommendations

Phase One Actions

- **Amendment to Comprehensive Plan Policy Plan to define affordable/workforce housing as being for households earning up to 120 percent of the Area Median Income and other parameters of the policy.**
- **Create “Workforce Housing Program” in the Zoning Ordinance featuring:**
 - ✓ Administrative provisions similar to the ADU program
 - ✓ Bonus unit system (1.8 to 1 bonus market-rate to affordable/workforce unit ratio in concrete/steel, and 1.2 to 1 ratio in wood)
 - ✓ Regulatory incentives “toolbox”, including relief on parking requirements, processing time, development fees, unit size, height and bulk requirements, and allowing for the donation of land or units when the provision of units within a high-rise project is economically unrealistic.

Implementation Recommendations

Phase One Actions (cont'd)

- Develop a policy, structure and process to accept and manage donated land for affordable/workforce housing
- Develop a policy by which the County can help the FCRHA facilitate public/private financing
- Comprehensive Plan and Zoning ordinance amendments to prevent affordable/workforce housing from counting against planned/zoned density/intensity
- Policy to mitigate the impact of condominium fees on buyers

Implementation Recommendations

Phase One: Example

- In a 100 unit concrete building, applying the 1.8 to 1 bonus ratio, an additional 12 units would be affordable/workforce, and an additional 22 units would be market rate, for a total of 134 units.
- In a 100 unit wood building, applying the 1.2 to 1 ratio, an additional 12 units would be affordable/workforce, and an additional 14 would be market rate, for a total of 126 units.
- Applied to a recent example of high-rise construction in Fairfax County:
 - 257 approved units @ 2.25 FAR
 - 31 additional affordable/workforce units (12 percent added to base)
 - 56 additional market units
 - 344 total units

Implementation Recommendations

Phase Two Actions

- Comprehensive Plan and Zoning Ordinance amendments to permit affordable/workforce housing as a permitted “by right” use in Commercial and Industrial districts
- Plan and Ordinance amendments to include appropriate conditions and limitations
- Only 100 percent affordable/workforce housing should be a permitted use; market component may be considered as a special exception use
- Such affordable/workforce housing should not count against planned/zoned intensity and may be provided in wood or other less expensive construction

Other Important Recommendations

- Direct the County Executive to work with HCD, DPZ, and DPWES to determine what additional staff is needed to effectively implement the High-rise Panel's recommendations
- Direct staff to study and recommend a policy to encourage parcel aggregation for affordable/workforce housing

Timeline

- Should the Board endorse these recommendations, the Panel recommends:
 - ✓ April 15, 2007: Staff brings comprehensive package of proposed Zoning Ordinance and Comprehensive Plan amendments and other recommendations to the Panel.
 - ✓ June 30, 2007: The Panel recommends final implementation package to the Board of Supervisors for action.

- Questions/comments/next steps