

**DOCKET ITEM #2*****Text Amendment 2013-0013A***

Issue: Initiate and Consider a text amendment to amend Section 7-700 and the City's Zoning Ordinance	Planning Commission Hearing:	January 7, 2014
	City Council Hearing:	January 25, 2014
Staff: Mark Jinks, Deputy City Manager; Mildrilyn Davis, Director, Office of Housing; Faroll Hamer, Director, Planning and Zoning; Helen McIlvaine, Deputy Director, Office of Housing, Eric Keeler, Division Chief, Office of Housing; Karl Moritz, Deputy Director, Planning and Zoning, Joanna Anderson, Assistant City Attorney; Jon Frederick, Housing Analyst, Office of Housing;		

ISSUE

Revise Section 7-700 of the City's Zoning Ordinance pertaining to bonus density for affordable housing.

BACKGROUND

Section 7-700 of the City's zoning allows a density increase of up to 20 percent or a height increase of 25 feet in exchange for onsite affordable housing units. The Developer Housing Contribution Work Group made several recommendations to amend this policy to further the City's affordable housing goals. Specifically, the DHCWG recommended that the percentage of the bonus that is provided in exchange for additional density/height be standardized at one-third. In addition, a recommendation was made to allow the affordable housing requirement to be satisfied by off-site affordable units or a cash payment to the Housing Trust Fund if agreed upon by both the City and the developer/applicant. The HMP has recommended that these changes be incorporated into Section 7-700 of the zoning ordinance to standardize a formula for the use of bonus density and allow for additional flexibility with regard to the manner in which the contribution will be captured when mutually agreed upon.

DISCUSSION

During the December 3, 2013 meeting, the planning commission expressed two concerns with the proposed text changes to Section 7-700 and asked staff to revisit these changes and bring the text amendment back to the commission for review. The first concern was that units that are located off site be of at least equal value as the units would be in the area in which the bonus is being provided. The second concern was that the language to standardize the percentage of the bonus that is required to be affordable housing was too limiting and would preclude the City from achieving additional affordable housing if it was appropriate and the applicant was amenable.

Staff has made two changes to the proposed text amendments to Section 7-700 in order to address the concerns of the planning commission. The first change was to clearly state that affordable units achieved through Section 7-700 that will be located off-site are required to have a total contribution value equivalent to what would have been achieved if the units were located on site. The second change adds the words "at least" to the 1/3 of the density provided through Section 7-700 that shall be provided as dedicated affordable housing (or equivalent as described elsewhere).

RECOMMENDATION

The proposed text changes are consistent with the recommendations provided by Planning Commission at the December 3, 2013 meeting.

ATTACHMENT

Proposed Text Changes

ATTACHMENT #1

Proposed Text Changes

Sec. 7-700 Allowance for increases in floor area ratio, density and height and reductions in required off-street parking as incentive for provision of low- and moderate-income housing.

7-701 Definitions.

For the purposes of this section 7-700, low- and moderate-income housing units shall be determined in accordance with regulations which are issued by the city manager and approved by the city council and which reflect the following guidelines.

- (A) Low- and moderate-income rental units are rental units for which the combined cost of rent and utilities does not exceed 30 percent of the maximum income limits used by the United States Department of Housing and Urban Development for its section 8 and Housing Voucher programs, as adjusted for family size and corresponding number of bedrooms, and which are occupied by persons or households whose gross income does not exceed the limits applicable to the section 8 program.
- (B) Low- and moderate-income sales units are units with sales prices for which a person or household whose gross annual income is at or below the median income for the Washington, D.C., Metropolitan Statistical Area, adjusted for family size, could qualify using the lending criteria applied by the Virginia Housing Development Authority in its single-family mortgage assistance program and which are occupied by persons or households whose gross annual income is at or below such median income level.

7-702 When increases and reductions may be allowed.

Increases in allowable floor area ratio, density and height and reductions in required off-street parking may be allowed for a building which contains one or more dwelling units or a project which includes one or more such buildings through a special use permit when:

- (A) The applicant for the special use permit commits to providing low and moderate income sales or rental housing units in conjunction with the building

or project which is the subject of the permit application **in compliance with the following:**

1. **Number of units required: The number of units required shall be equivalent to at least one third (1/3) of the increase achieved by the bonus approved under this section 7-700. Equivalency can be established with a different number of units if the size (square footage or number of bedrooms) of the units provided achieves an equivalent contribution as determined by the Director of Housing and approved with this SUP.**
2. **Location of Units: The units may be provided within the building or project which is the subject of the permit application, or with the consent of the applicant and the Director of Housing and the Director of Planning and Zoning and approval of this Special Use Permit, the units may be provided:**
 - i. **at an off-site location provided that:**
 1. **a specific plan for the off-site location is approved with this SUP;**
 2. **the off-site location meets all zoning requirements to include the units; and**
 3. **the total contribution value of the off-site units is equivalent to the total contribution value of what would have been dedicated on site; or**
 - ii. **by a cash contribution to the City of Alexandria Housing Trust Fund in an amount equivalent to the value of the units that would have been provided on-site, or,**
 - iii. **A combination of i and ii above if the total contribution is equal to the value of the units that would have been provided on site.**

(B) The applicant for the special use permit agrees and provides sufficient assurance, by way of contract, deed or other recorded instrument acceptable to the city attorney, that the low-and/or moderate-income housing units to be provided will remain in these categories for the period of time specified in the special use permit.

(C) City council determines that the building or project which is subject to the special use permit, with the increase in allowable floor area ratio, density and height and the reduction in required off-street parking, meets the standards for the issuance of a special use permit set forth in section 11-500

7-703 Limits on increases which may be allowed.

- (A) Floor area ratio and density may not be increased pursuant to this section 7-700 by more than 20 percent of the floor area ratio and density otherwise permitted by this ordinance, **unless a greater percentage increase is specifically designated in a Small Area Plan chapter of the Master Plan.** The increase permitted under this section 7-700 is exclusive of any other floor area ratio and density increases allowable under any other section of this ordinance.
- (B) Height may not be increased pursuant to this section by more than 25 feet beyond the height otherwise permitted by this ordinance; provided, however, that no building located in any zone or height district where the maximum allowable height is 50 feet or less may be allowed to exceed such height limits.