

HOUSING CONTRIBUTIONS POLICY UPDATE

CITY COUNCIL | SEPTEMBER 22, 2020



City of Alexandria,
Virginia

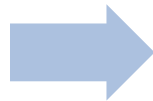


PROCESS—TIMELINE



Spring 2019

- **Workgroup meetings**
- **Education and goal setting**
- **Topical discussions**



Summer/ Fall 2019

- Stakeholder meetings and discussion
- Released draft recommendations
- Lack of consensus

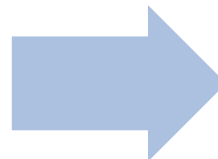


Winter 2019/ Spring 2020

- Housing Summit
- Research and third-party case study analysis confirmed draft recommendations
- Inclusionary zoning feasibility analysis

Summer 2020

- Comparative review of housing contribution and IZ findings
- Stakeholder briefings (ongoing)



Fall 2020

- Planning Commission worksession: September 1
- City Council worksession: September 22
- Stakeholder engagement

CURRENT PROCEDURES AND POLICIES



- Voluntary monetary contributions on commercial and residential development based on established Procedures
- Housing Master Plan provides policy guidance when additional density is provided through a rezoning that developer contributions should take into account that affordable housing is one of the City's highest priorities and there should be a significant contribution to affordable housing in excess of what would normally be provided
 - Application has been inconsistent and does not address emerging land use trends

HOUSING CONTRIBUTIONS WORKGROUP



HCWG—WHAT WE HAVE HEARD



- Range of perspectives and insights
- Establish clear housing expectations and/or goals through small area planning process and priorities for community benefits—trade offs/relief needed to provide more affordable housing
- Set consistent expectations early so that developers can factor cost of contribution into land value; land values reflect density envisioned in underlying SAPs
- Explore other tools to incentivize affordable housing
 - Non-financial: Tax abatement, PILOTs, TIFs, and fee waivers for affordable housing
 - Regulatory: changes to Section 7-700; incentives for senior housing
- No “one size fits all” contribution policy, but all can do some
 - Allow for flexibility if market/project dynamics change: “Certainty with flexibility”

HCWG—WHAT WE HAVE HEARD



CONT.

- Range of opinions regarding role commercial development can play in expanding housing affordability
- Economics of commercial to residential conversions and senior housing projects are different from rental projects
- Significant demand for greater affordable housing options for seniors, including assisted living and memory care
 - Commission on Aging support for Fairfax County's 4% voluntary policy

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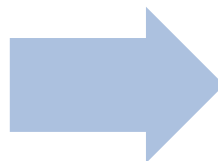


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STAFF DRAFT RECOMMENDATIONS



1. Adopt heightened contribution requirements for rezonings pursuing residential density above levels envisioned in underlying SAP

**Sec. 7-700
remains
important tool.**

2. Adopt senior housing contribution policy

3. Adopt commercial to residential conversion contribution policy

4. Memorialize existing affordable housing contribution procedures and practices:
Legislative authority required



Section 7-700



Monetary
contributions



Senior housing
& conversion
policy



Rezoning w/
density above
SAP

DRAFT RECOMMENDATION 1



Section 7-700 (bonus density)

Additional Density Sought

Density Anticipated in SAP

By-right density

Adopt heightened contribution requirements for rezonings pursuing residential density *above levels envisioned in underlying SAP*



COMMERCIAL: Commercial contribution (consistent with current rates)

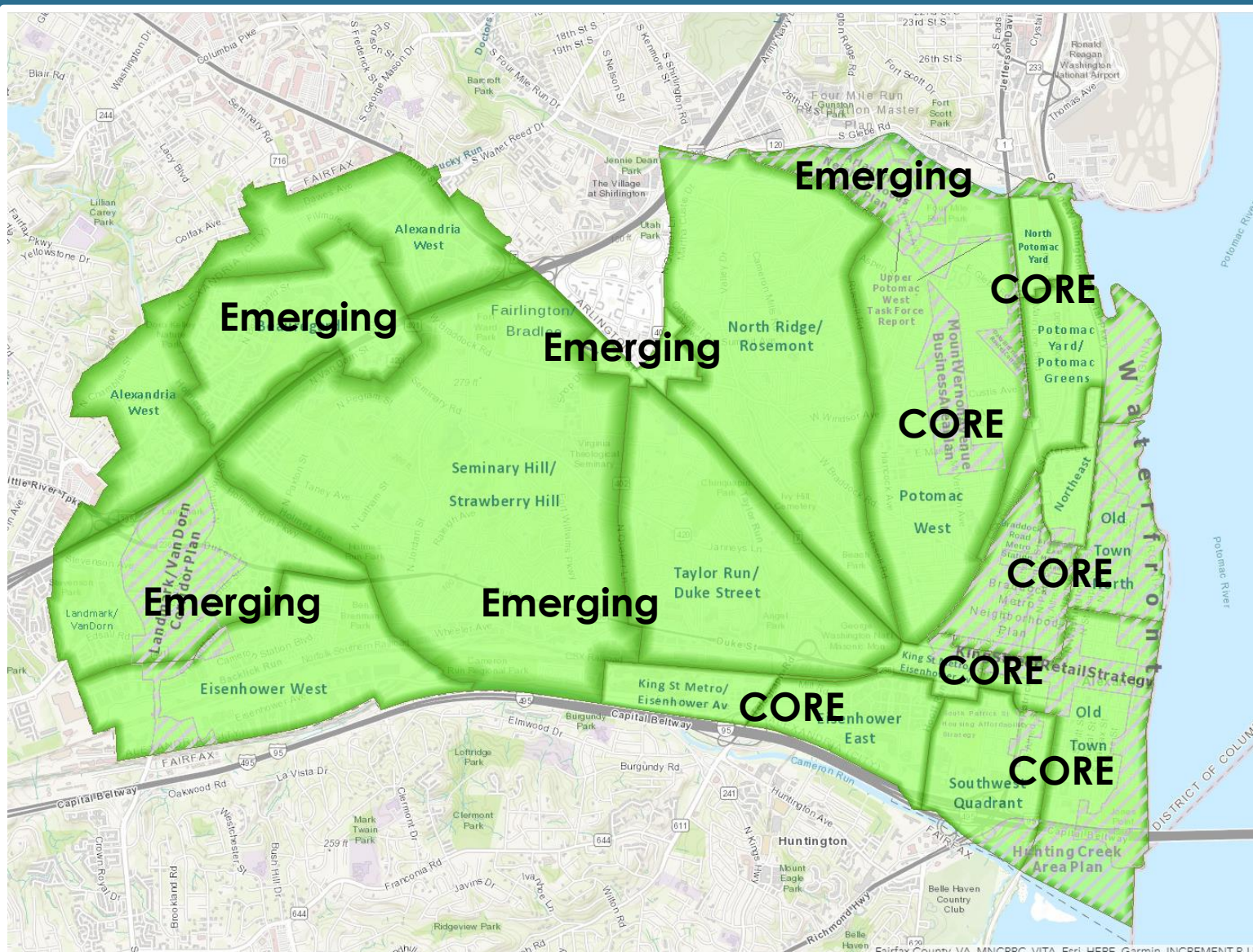
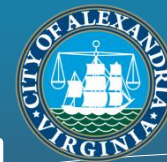
RESIDENTIAL: On-site units (or contribution of equivalent value)

Core Markets (established TOD): 10% of increase in residential development

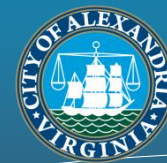
Emerging Markets: 8% of increase in residential development

* Flexibility may be considered on a case-by-case basis, no lower than 5%, subject to a third-party financial analysis.

Emerging and Core Markets



RECOMMENDATION 2



Adopt senior housing contribution policy for all projects *other than rezonings pursuing density above levels envisioned in underlying SAP*



RESIDENTIAL: On-site units (or contribution of equivalent value)

Assisted Living/Memory Care: 2%* of units permitted under existing zoning (min 1 unit) at AG level or units of equivalent value

Independent Living: 2%* of units permitted under existing zoning (min 1 unit) at 60% discount on housing, services, and fees, or units of equivalent value

*Propose to exclude floor area associated with affordable units. No contribution anticipated on any ancillary commercial uses.

RECOMMENDATION 2 (cont'd)



Adopt senior housing contribution requirements for rezonings pursuing density above levels envisioned in underlying SAP



RESIDENTIAL: On-site units on increase (or contribution of equivalent value) + on-site units on base

Assisted Living/Memory Care: 3%* of units permitted through increase in density (min 1 unit) at AG level (or equivalent value) + 2% of units on base

Independent Living: 3%* of units permitted through increase in density (min 1 unit) at 60% discount on housing, services, and fees, or units of equivalent value + 2% of units on base

* Flexibility may be considered on a case-by-case basis, no lower than 2%.

RECOMMENDATION 3



Adopt commercial to residential conversion contribution policy



RESIDENTIAL: New building conversion contribution (proposed at \$1.53 in 2020 dollars per converted square foot) or equivalent on-site contribution

* Options to convert into units and delay contribution until stabilization; Credit for prior contributions

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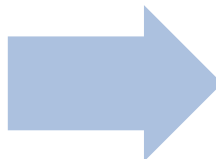


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Discussion and Questions

