

BACKGROUND: This memorandum provides detailed information regarding a proposed Department of Planning & Zoning fee increase for FY 2023 related to the City's new ADU Policy, adopted by City Council in January 2021. The fee increase is projected to bring in an additional \$4,050 in revenue for the City in FY 2023.

DISCUSSION: Staff proposes an increase to the Department of Planning & Zoning's Fee Schedule by adding a fee of \$135 per application for Accessory Dwelling Units. P&Z's last fee increase was in FY 2021. This current fee increase would narrow the gap between the cost of services provided and recovery of those costs.

For the past two years, the Department of Planning & Zoning has been working with the Office of Housing, other City departments, and the community to identify programs and policies to expand housing production and affordability under its Zoning for Housing Program. As part of that program, staff developed, with community input, a new City policy for Accessory Dwelling Units. Similar policies exist elsewhere in the country. As noted, City Council considered and approved Alexandria's policy in January 2021. Accessory Dwelling Units, commonly referred to as "ADUs", "in-law apartments" or "granny flats" are secondary, independent living units with a separate kitchen, sleeping area and bathroom. These units can assume different forms, for example, as basement apartments, converted garages, or new smaller dwelling units detached from a primary residence.

The proposed ADU Policy can help expand housing options, affordability and accessibility in neighborhoods of opportunity in the City. The Beauregard and Potomac Yard Small Area Plan include provisions for ADUs, and some Potomac Yard homes were built with accessory guest houses that could be converted to ADUs.

To implement the ADU Policy, the staff is proposing a fee of \$135 for each application to cover staff review time.

FISCAL IMPACT: Adding the fee to cover the cost of reviewing applications for Accessory Dwelling Units is estimated to increase General Fund revenues by \$4,050 in FY 2023.

ATTACHMENTS:

Attachment 1 - Resolution

Attachment 2 - Planning & Zoning Fee Schedule

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