

Workforce Dwelling Unit Policy Task Force

Meeting Summary

August 21, 2019 10:00 am to 12:00 pm

WDU Policy Task Force Members Attending: John Carter, Steve Cerny, Abdi Hamud Richard Kennedy, Michelle Krocker, Caitland Roberts and Lynne Strobel.

Other Attendees: Tom Fleetwood, Amber-Lee Leslie, Gwen Minton, Kelly Atkinson, Sophia Fisher, Sara Morgan, Paul Stanford, Rex Peters and Warren Campbell.

Review of Meeting Summary and Schedule: Staff reviewed the July meeting summary, the agenda topics for the upcoming meetings and the charter. The Task Force will provide recommendations to the Board on the total percentage of units provided as WDUs and to identify the appropriate income tiers to serve. The recommendations will be in the form of a Comprehensive Plan amendment to the Workforce Housing Policy. The Task Force recommendations will focus only on the WDU Rental Program. The process to vet the recommendations through the Board Committees has not been set in stone.

Virginia Center for Housing Research (VCHR) Rental Analysis Update: The VCHR Rental Analysis was revised to reflect updated production costs. Staff will send the updated analysis to the Task Force via email for their comments following the meeting.

Discussion of Rental Program and Strawman Proposal: Staff reviewed the Needs/Target and production data. According to the Needs/Target data, approximately 62,000 new housing units are needed over the next fifteen years. The Task Force discussed reassessing the ADU Zoning Ordinance and the applicable construction types. Staff presented the number of units produced under the ADU and WDU Programs. The ADU and WDU Programs produced an average of 253 units per year over the past five years (36 ADUs and 217 WDUs). The data demonstrated the WDU Program is producing more units than the ADU Program.

Next, Ms. Strobel led the discussion on the developer's Strawman Proposal. The intent of the Strawman Proposal is to have a baseline policy (Policy A) and an alternative option to the baseline policy (Policy B). Ms. Strobel stated that if the Task Force is proposing to lower the income tiers it should consider lowering the total percentage of units. The developer's Strawman Proposal recommended keeping the current Countywide WDU Policy in place and providing an alternative option to the policy to incentivize developers to deliver units at the lower income tiers. The alternative option proposed 8 percent of the units as WDUs serving the 60 and 80 percent income tiers. Mr. Wright used VHCR's analysis and replacement values for the proposal.

Ms. Strobel will get comments from the Tysons Partnership on the Strawman Proposal for the Tysons WDU Policy at their next subcommittee meeting in September. The Tysons Partnership are a group of stakeholders which includes land owners, business owners and developers working on the transformation of Tysons.

Ms. Lee inquired under what conditions would a developer opt into Policy A or B and what would be their incentive. Ms. Strobel responded keeping the 100 and 120 percent income tiers might protect the developer in the future if the market changes.

Ms. Fisher from the Department of Planning and Development was concerned lowering the minimum expectation of 12 percent would set a bad precedent because of the Comprehensive Plan goal. The goal aims to increase the supply of affordable housing each year by at least 12 percent of the total housing production from the previous year. Ms. Fisher reasoned the chances to achieve that goal would decrease if the minimum expectation of 12 percent was lowered.

Ms. Pesto suggested staff identify other affordable housing programs in addition to the ADU and WDU Programs that increase the supply of affordable housing to determine if the County is close to meeting the Comprehensive Plan goal. She thought that data could support recommendations to reduce the 12 percent expectation.

The Task Force discussed identifying appropriate income tiers for certain geographically areas. There was a consensus to eliminate the 120 percent income tier. Mr. Wright stressed the importance of economic neutrality. However, Ms. Fisher pointed out that the WDU Policy unlike the ADU Program does not require economic neutrality. Some members suggested amending the income tiers to 80, 90 and 100 percent income tiers. Ms. Strobel suggested 90 and 100 percent income tiers. The Task Force agreed to continue compiling WDU data and an examination of the WDU Policies after five years.

Mr. Fleetwood acknowledged the concerns of lowering the minimum expectation below 12 percent since it has been in place for many years. He anticipates it would be a challenge to step away from that expectation. Mr. Fleetwood suggested the financial analysis behind the developer's Strawman Proposal is presented at the next meeting.

Discussion of Next Steps: Mr. Fleetwood closed the meeting. At the next meeting, Mr. Wright will present his financial analysis supporting the developer's Strawman Proposal. Ms. Strobel will follow up with the Tysons Partnership for their feedback.