

LAUREL HILL ADAPTIVE REUSE AREA MASTER PLAN HOUSING

1. The Adaptive Reuse Area Master Plan includes 352 residential units as follows:
 - 171 rental apartments in the historic Reformatory buildings
 - 181 new construction owner-occupied homes
2. The Master Plan proposed the use of the Federal Low-Income Housing Tax Credit for 53 of the 171 historic apartment units. The use of the tax credit for 53 units generates equity to help offset the project construction cost, and reduces the total financial gap for the project by approximately \$6.1 million.
3. The Fairfax County Zoning Ordinance requires up to 12.5 percent of the total number of residential units as Affordable Dwelling Units (ADUs). The proposed 352 residential units generate a requirement for approximately 44 ADUs.
4. The Adaptive Reuse Area Master Plan now proposes to reduce the number of Federal-Low Income Housing Tax Credit Units to 44. The use of the tax credit for 44 units generates approximately \$5 million in equity to reduce the total financial gap for the project.
5. The use of the Federal Low-Income Housing Tax Credit for 44 units will likely qualify as the project's ADU requirement; therefore no additional ADUs would be required for the property.
6. Inclusion of the 44 units into a magnet housing program requires County coordination to identify a program need, and to confirm with the developer that their use of the tax credit does not limit the ability to target these units to a specific occupational group.
7. If the 44 units cannot be targeted to a magnet program due to the tax credit program restraints, staff recommends that the developer include additional apartments outside of the 44 units as part of a magnet housing program.
8. Regardless of their inclusion into a magnet program, the 44 units will likely meet the ADU requirement for the site.
9. If Low-Income Housing Tax Credits are not used, the \$5 million in lost tax credit equity could be made up by adding approximately 84 new construction homes to the site, for a total of 265 new construction homes and a total of 436 units on site.
10. The ADU requirement for 436 units is approximately 55 units.

	44 Affordable Dwelling Units	44 Low-Income Housing Tax Credit Units
Percentage of total units (352)	12.5%	
Type	Rental Apartments	
Location	Historic Reformatory buildings intermixed with market rate units	
Apartment size	1-2 Bedroom	
Area Median Income Limits*	1/3 of units: up to 50% AMI 2/3 of units: up to 65% AMI	All 44 units: up to 60% AMI
1-person income limit	1/3 of units: up to \$35,945 2/3 of units: up to \$46,729 Average: \$43,134	All 44 units: up to \$43,134
2-person income limit	1/3 of units: up to \$41,080 2/3 of units: up to \$53,404 Average: \$49,296	All 44 units: up to \$49,296
3-person income limit	1/3 of units: up to \$46,215 2/3 of units: up to \$60,080 Average: \$55,458	All 44 units: up to \$55,458
Estimated Eligible Tax Credits	\$0	\$5,000,000

*2009 MSA Median Income for an individual is \$71,890; for a family of two is \$82,160; and for a family of three is \$92,430.

Monthly Rental Limit**	44 Affordable Dwelling Units	44 Low-Income Housing Tax Credit Units
Affordable up to 50% AMI	Efficiency: \$749 1-Bedroom: \$856 2-Bedroom: \$963	
Affordable up to 60% AMI		Efficiency: \$899 1-Bedroom: \$1027 2-Bedroom: \$1155
Affordable up to 65% AMI	Efficiency: \$974 1-Bedroom: \$1113 2-Bedroom: \$1252	

**2009 Monthly Rental Limits provided by HCD.