FAIRFAX COUNTY PLANNING COMMISSION
HOUSING COMMITTEE
JOINT W/REDEVELOPMENT AND HOUSING AUTHORITY
WEDNESDAY, JANUARY 24, 2007

COMMITTEE MEMBERS PRESENT:
Frank A. de la Fe, Hunter Mill District
Ronald W. Koch, Sully District
Rodney L. Lusk, Lee District
Suzanne F. Harsel, Braddock District
Nancy Hopkins, Dranesville District

OTHER COMMISSIONERS PRESENT:
Walter L. Alcorn, At- Large
Kenneth A. Lawrence, Providence District
Timothy J. Sargeant, At-Large

PLANNING COMMISSION STAFF PRESENT:
Barbara J. Lippa, Executive Director, Planning Commission Office
Linda Rodeffer, Clerk, Planning Commission

REDEVELOPMENT AND HOUSING AUTHORITY COMMISSIONERS PRESENT:
Conrad Egan, Providence District, Chairman
John Litzenberger, Sully District
John Kershenstein, Springfield District
Lee A. Rau, Hunter Mill District
Robert H. Schwaninger, Mason District

HOUSING AND COMMUNITY DEVELOPMENT STAFF PRESENT:
Paula Sampson, Director
John Payne, Director, Design, Development, and Construction Division
Tom Fleetwood, Strategic Planner

DEPARTMENT OF PLANNING AND ZONING STAFF PRESENT:
James Zook, Director, Department of Planning and Zoning (DPZ)
Fred Selden, Director, Planning Division, DPZ

OTHERS PRESENT:
Ari Cetron, *Connection Newspapers*
Michelle Krocker, Alliance

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The meeting was called to order by Chairman Rodney Lusk at 7:30 p.m. in the Board of Supervisors' Conference Room, Fairfax County Government Center, 12000 Government Center Parkway, Fairfax, Virginia 22035.

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Chairman Rodney Lusk announced that the first order of business was approval of minutes. Commissioner de la Fe MOVED THAT MINUTES OF THE HOUSING COMMITTEE MEETING HELD ON OCTOBER 25, 2006 BE APPROVED.

Commissioner Koch seconded the motion which carried unanimously.

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Chairman Lusk announced that the committee would be briefed on the recommendations of the High-Rise Affordability Panel by Lee Rau, Panel Chairman, and Conrad Egan, Chairman, Fairfax County Redevelopment and Housing Authority (FCRHA), followed by a discussion of high-rise issues and possible planning impacts by James Zook, Director, Department of Planning and Zoning (DPZ), and Fred Selden, Director, Planning Division, DPZ.

Mr. Rau explained that the High-Rise Affordability Panel was a follow-on to the Affordable Dwelling Unit (ADU) Task Force which had resulted in approval of an amendment to the ADU Ordinance but did not address ADUs in high-rise buildings which cost considerably more to construct.

He reviewed the history of the High-Rise Affordability Panel:

- October 2005 – Panel appointed by Board of Supervisors (BOS) to foster production of affordable housing in high-rise development.

- February 2006 – BOS adopted general policy statement and guiding principles recommended by the Panel and instructed it to develop more detailed recommendations for implementation.

- February – October 2006 – Panel met 15 times and expanded scope of inquiry to high density developments in the County.

- January 2006 – Recommendations of Panel to continue to require 12 percent affordable housing in new developments supported with density bonuses was adopted by the BOS, who instructed the Panel to work out an implementation process for the recommendation.

- October 2006 – Recommendations made to the BOS.

Mr. Rau explained that the panel had recommended a bifurcated density bonus of 1.8 units for high rise steel buildings and 1.2 for stick and brick buildings. He said the second part of the recommendation was to establish overlay zones, or some other vehicle, for providing workforce housing by-right in commercial and industrial zones. He noted that the BOS had adopted this recommendation in principle and had directed the Panel to consult with the Planning Commission and the Department of Planning and Zoning on these issues.

Mr. Rau noted that because the recommended bonus would result in a significant increase in density, consideration was being given to recommending a one-to-one ratio with a maximum for lower tiers. He said four tiers had been initially recommended: households earning up to 60, 60-80, 80-100, and 100-120 percent of the Area Median Income (AMI). He said although the recommended bonuses would not cover the total cost of providing ADUs, they were high because the lower tier had to be marketed at a very low rate to make it affordable. He also said it was possible the lowest tier would be supported largely with public subsidies and other initiatives and that additional solutions would also be considered to achieve a one-to-one ratio.

Mr. Rau said concerns had been expressed about housing in commercial and industrial areas because some might not be appropriate for housing and also because flexibility was needed in terms of development type and the criteria used to determine suitability. He noted, however, that by-right development in these areas would reduce "NIMBY" objections and development costs and would be easier to acquire. Mr. Rau said a summary of the Panel's recommendations were contained in the handout distributed tonight, a copy of which is in the date file.

In response to a question from Commissioner Koch, Commissioner Alcorn said that the panel had been comprised of affordable housing advocates and representatives of the building industry. Commissioner Koch expressed concern about by-right development because amenities would not be provided. To address that concern, Mr. Rau said special exception approval might be required.

Responding to a question from Commissioner de la Fe, Mr. Rau said there was support for workforce housing in commercial and industrial zones if the criteria for it was well defined and well planned.

Commissioner Alcorn commented that workforce housing had been defined in a BOS motion as housing for people with incomes of up to 120 percent of the Metropolitan Statistical Area (MSA). Mr. Rau noted that RHA concurred with this definition.

Chairman Lusk recognized Jim Zook, Director, DPZ, and Fred Selden, Director, Planning Division, DPZ, to comment on the tentative recommendations of the Panel.

Mr. Zook said he thought the number one problem faced by the County was affordable housing with transportation in second place. He said in 1999 approximately 40 percent of the housing stock in the County had been valued at about $250,000 per unit and in the five years since then that percentage had dropped to about seven or eight percent, making it extremely difficult for employees, such as teachers, firemen, and police officers, to live in the County. Mr. Zook pointed out that since 1990 the Comprehensive Plan had contained a recommendation that 12 percent of new production housing should be affordable. He said because the ADU Ordinance did not apply to high-rise development, staff had negotiated contributions to the Housing Trust Fund but explained that RHA preferred units first, land second, and money third. He explained that the High-Rise Affordability Panel had been established by the BOS to address this issue. He noted that DPZ had decided to negotiate affordable units in high rise development with applicants before the Panel had finished it work. As a result, he said between 450 and 500 units would be provided which otherwise would not have been achieved even though developers had questioned the legality, sustainability, and fairness of requiring ADUs in high rise development.

Mr. Zook explained that he had attended a meeting of the Affordable Housing Advisory Committee, appointed by the Board to oversee the "One Penny" policy, and had provided them with a list of projects and the number of workforce units and income ranges proffered, totaling 8 percent affordable units in lieu of a Housing Trust Fund contribution. He said to achieve 12 percent affordable units in high and mid-rise developments, staff would work with the Affordability Panel and RHA to develop a proposal addressing density bonuses, ranges of affordability, and the size of the units. He emphasized that affordable units in high and mid-rise buildings and affordable units required by the ADU Ordinance were two different things.

Mr. Zook commented that staff thought workforce housing should be addressed in the Comprehensive Plan because it would be a mandate, especially if the "no net loss" issue, which would allow a higher percentage of bonus units, was raised. He explained that the development community and staff had a philosophical difference regarding this issue as well as providing workforce housing without a density bonus. He said developers often felt that the higher end of the density range was an entitlement. Mr. Zook explained that staff supported an increase in FAR in substantial density areas, such as Metro stations and community business centers, and that in return affordable dwelling units should be provided in addition to the usual proffered amenities. Mr. Zook said staff believed that the "no net loss" argument should be made in accordance with the current Plan only. He reiterated that staff and the development community had different perspectives on these issues but indicated that he was not opposed to a reasonable increase in intensity above the existing Plan recommendations.

Fred Selden, Director, Planning Division, DPZ, noted that the Panel had embraced the idea of using the Policy Plan as the mechanism for implementation of high-rise affordability program because it could be uniformly applied to all areas of the County which would not be the case if it was implemented through Area Plans. He added that the definition of workforce housing would have to be added to the Policy Plan.

Chairman Lusk pointed out that a need for housing clearly existed for those at the lowest income levels and said this issue needed to be addressed also.

Responding to a question John Litzenberger, Sully District RHA member, Mr. Selden said unlike Fairfax County, Arlington County had special legislation concerning affordable units in high-rise buildings and that residential development was approved through the site plan process. He pointed out that another difference was that Arlington often had single building development and Fairfax did not. He said even though there were significant differences, he would look at Arlington's definition of workforce housing.

Mr. Rau said staff had looked carefully at what Arlington has been doing and one difference was that Arlington had specific enabling legislation which Fairfax did not.

John Kershenstein, Springfield District, RHA member, commented that the business community should be responsible for providing affordable housing and decent wages. In response, Chairman Lusk said the County encouraged businesses to think about workforce housing and that the Fairfax Chamber of Commerce had held a number of workshops with business owners regarding this issue. He noted, however, that the neither the County nor the business community controlled the price of housing or where an employee chose to live. He said the goal of this process was to establish a mechanism for providing affordable housing and once that had been accomplished, the County would work with business owners to determine how to best meet this goal. He said he wanted to avoid a situation where businesses could dictate that their employees live in the units they had provided.

Mr. Zook said another avenue that should be explored was to require cash contributions for housing from non-residential developers. He said this had been addressed in the Residential Development Criteria but had not been pursued at the time due to an unfavorable market. Mr. Zook said this issue should be looked at again as a collective responsibility to ensure the economic future of the County.

Mr. Rau commented that the County had no control over wages but could establish a policy to increase its stock of affordable housing so that workers could live near where they worked.

Commissioner Alcorn said one of the reasons that the demand for housing was greater than the supply was due to provisions in the Comprehensive Plan and the Zoning Ordinance for protecting residential neighborhoods from encroaching development. He said it was possible that housing in commercial and industrial areas could provide a better balance of supply and demand. Commissioner Alcorn also said that "buying" workforce units through the zoning process would not result in a significant number of units over an extended period of time and other sources of supply were needed. He said a lot of details needed to be worked out.

Mr. Rau noted that one of the Panel's objectives was to achieve predictability in the process which would help developers negotiate costs such as land.

Responding to a question from Commissioner Harsel, Commissioner Alcorn explained that housing in mixed use development was primarily market rate units and that the Task Force was exploring the possibility of workforce housing in commercial and industrial districts either as primarily or exclusively price controlled.

Robert Schwaninger, Mason District RHA member, said many workers quit their job dues to a long commute and the argument could be made to business owners that providing workforce housing would help eliminate the need to restaff and retrain employees. He pointed out that employers provided benefits, such as health insurance, to retain employees and workforce housing could be considered another benefit.

Paula Sampson, Director, RHA, said that employers had looked at employee turnover and said it was the lower paid employees who quit their jobs due to the commute.

Commissioner Lawrence said while it would be nice, paying employees enough so that they would be able to live in the County was probably not feasible. He noted that market rate units at the high end of the range were more profitable due to the availability of upgrades and that perhaps a ratio could be offered of one high end unit in return for one and a half affordable units.

In response to a question from Commissioner Harsel about the lowest tier of affordability, Mr. Rau said that although this tier should not be ignored, it could not be easily addressed by bonus density. He said the possibility of eliminating it had been discussed but final recommendations about the levels of affordability had not yet been made. He said the panel had focused on high density corridors where it would be appropriate to provide bonuses as an incentive to achieve 12 percent affordable housing.

Commissioner Harsel said that developers had requested a change in density under the ADU Ordinance because in some cases they could not build affordable units due to site design constraints. Mr. Zook replied that his approach to this was that the County did not control business choices, but could require 12 percent affordable units even if a developer had chosen not to take advantage of the density bonus. Commissioner Alcorn pointed out that allowing some of the units to be located off-site had been discussed. Mr. Rau replied that off-site locations would not work in high rise development. Mr. Zook added that another possibility was allowing floor area ratio, not a specific number of units, to be used for non-residential development if bonus density was not used.

Commissioner de la Fe said he thought high rise affordability provisions should be put in the Policy Plan, not the Ordinance, because it would allow more flexibility. He pointed out that size was as important as the number of units. Mr. Rau replied that there was general agreement that it should be addressed in the Policy Plan.

In response to a question from Mr. Kershenstein, Mr. Rau said projections for the number of units generated under the different scenarios had not been analyzed due to budget limitations.

Responding to a question from Ms. Sampson, Tom Fleetwood, RHA, said that approximately 84,000 units would be needed over the next 20 years for families with incomes up to 120 percent of the area median income which was about $108,360.

Commissioner Lawrence said that conservation of older housing units could provide affordable housing. Mr. Zook replied that this was important, but pointed out that even in some of the older neighborhoods, housing was expensive, such as in Springfield, where a 1,200 square foot house was valued at about $550,000. Mr. Zook said challenges in older neighborhoods included stability, multiple occupancy, and accessory dwelling units.

Commissioner Alcorn requested that the committee meet again once the Panel had made final recommendations. (Note: The next committee meeting has been scheduled for March 14, 2007 at 7:30 p.m.)

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The meeting was adjourned at 9:23 p.m.
Rodney L. Lusk, Chairman

For a verbatim record of this meeting, reference may be made to the audio recording which can be found in the Office of the Planning Commission of Fairfax County, Virginia.

Minutes by: Linda B. Rodeffer

Approved: March 14, 2007

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Linda B. Rodeffer, Clerk
Fairfax County Planning Commission