

**FAIRFAX COUNTY PLANNING COMMISSION
HOUSING COMMITTEE
JOINT W/REDEVELOPMENT AND HOUSING AUTHORITY
THURSDAY, JUNE 21, 2007**

COMMITTEE MEMBERS PRESENT:

Walter L. Alcorn, At-Large
Frank A. de la Fe, Hunter Mill District
Earl L. Flanagan, Mount Vernon District
Suzanne F. Harsel, Braddock District
Ronald W. Koch, Sully District
Rodney L. Lusk, Lee District
Timothy J. Sargeant, At-Large

COMMITTEE MEMBERS ABSENT:

Nancy Hopkins, Dranesville District

OTHER COMMISSIONERS PRESENT:

James R. Hart, At-Large
Kenneth A. Lawrence, Providence District

PLANNING COMMISSION STAFF PRESENT:

Barbara J. Lippa, Executive Director, Planning Commission Office
Christopher Remer, Planning Commission Office
Linda Rodeffer, Clerk, Planning Commission

REDEVELOPMENT AND HOUSING AUTHORITY COMMISSIONERS PRESENT:

Conrad Egan, Providence District, Chairman
Albert McAloon, Lee District
John Litzenberger, Sully District
Lee A. Rau, Hunter Mill District

HOUSING AND COMMUNITY DEVELOPMENT STAFF PRESENT:

Paula Sampson, Director
John Payne, Director, Design, Development, and Construction Division
Tom Fleetwood, Strategic Planner
Charlene Fuhrman Schulz, Affordable Dwelling Unit Project Administrator

DEPARTMENT OF PLANNING AND ZONING STAFF PRESENT:

Fred Selden, Director, Planning Division (PD)
Heidi Merkel, Senior Planner, PD

OTHERS PRESENT:

Elaine Cox, Land Use Planner, Hunton and Williams LLP

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Chairman Rodney L. Lusk called the meeting to order at 7:31 p.m. He noted that the first order of business was approval of minutes.

Commissioner de la Fe MOVED THAT THE MINUTES OF MARCH 14, 2007 AND APRIL 18, 2007 BE APPROVED.

Commissioner Alcorn seconded the motion which carried unanimously.

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Chairman Lusk stated that an overview of the proposed Policy Plan Amendment regarding workforce housing would be presented to the Committee tonight.

Heidi Merkel, Senior Planner, Planning Division (PD), Department of Planning and Zoning (DPZ), noted that she had distributed the following documents to the Committee, copies of which are in the date file:

- PowerPoint presentation entitled “Overview of the Proposed Policy Plan Amendments Regarding Workforce Housing” (June 21, 2007)
- PowerPoint presentation entitled “Fairfax County High-rise Affordability Panel Update on Policy Recommendations” (April 18, 2007)
- Map of the Mixed-Use Centers in Fairfax County (June 2007)
- Amended Panel Report and Policy Recommendation to the Fairfax County Board of Supervisors (April 12, 2007)

Ms. Merkel said she would give the Committee an overview of how DPZ staff members were crafting Plan language to be added to the Housing Section of the Policy Plan to implement the key recommendations of the High-rise Affordability Panel. She noted that Lee Rau, Hunter Mill District member of the Redevelopment and Housing Authority (RHA), had presented an update on the Policy recommendations of the Panel to the Committee and RHA at their joint meeting on April 18, 2007. Ms. Merkel also noted that Mr. Rau had made a presentation on the Panel’s Amended Report and Policy Recommendations to the Board of Supervisors’ Housing Committee on April 23. She reported that on April 30, the Board had accepted the Panel’s report and directed DPZ staff to prepare Plan text to implement the recommendations of the Panel.

Ms. Merkel reviewed the proposed Plan implementation for the key Panel recommendations as shown on pages 3 through 7 of the presentation:

- Production Expectation and Applicability: the term “Mixed-Use Centers” should be used in the Policy Plan since it was already defined in the Glossary of the Comprehensive Plan and it encompassed the areas that the Panel discussed as Development Centers, i.e. Urban Centers, Suburban Centers, Transit Station Areas (TSAs), and Community Business Centers. Under Objective 1 of the Housing Section, staff proposed to add two new policies:

- Policy b specified that development applications in Mixed-Use Centers and TSAs proposing development above the baseline recommendation in the Area Plans should provide 12 percent affordable housing, either as affordable dwelling units (ADUs) or workforce housing.
- Policy c identified the opportunity for bonus density available for the provision of workforce housing.

Under Objective 2 of the Housing Section, staff proposed to amend existing Policy a:

- Add a reference to TSAs, thereby specifying that housing opportunities should be expanded in TSAs and other Mixed-Use Centers to give residents more opportunities to live near the places that they work.
- Incomes to be Served: Under the Introductory section before Objective 1 of the Housing Section, staff proposed new text:
 - Definition of workforce housing, comparable to the existing text regarding affordable housing.
 - Description of the different maximum income limits for workforce housing, depending on construction type, with references to Virginia Building Code (120 percent for for-sale units and 100 percent for rental units).

Staff proposed to add a new Appendix 1 at the end of the Housing Section with detailed implementation guidance for the provision of workforce housing:

- Appendix 1 provided specific guidance regarding provision of workforce housing in three tiers for households with varying maximum income limits.
 - Appendix 1 also provided additional guidance to allow a developer to voluntarily designate more than one-third of the workforce units for households with maximum incomes up to 80 percent.
- Implementation: Under the Housing Section, staff proposed new text:
 - Paragraph under the Introductory section referenced the Workforce Housing Program within the Zoning Ordinance with provisions regarding the administration of workforce housing units. This paragraph also provided guidance for administration of workforce units proffered prior to adoption of the Workforce Housing Program.
 - Appendix 1 also referenced the Workforce Housing Program administration provisions within the Ordinance.
 - Glossary definition of workforce housing.

Ms. Merkel noted that staff would present a Zoning Ordinance Amendment that would set forth the administrative requirements for workforce housing to the Planning Commission and Board of Supervisors this fall.

- Bonus Density: Proposed Housing Section text addressed the one-for-one bonus density:
 - Glossary definition of workforce housing noted that additional development density was made available with the provision of workforce housing.

- Objective 1, Policy c specified a bonus incentive was available for the provision of workforce housing.
- Appendix 1 guidelines detailed when workforce housing was expected and parameters associated with bonus density.
- Commercial, Industrial, and Mixed-Use Areas: The proposed Policy Plan Amendment did not include any text regarding the High-rise Affordability Panel's recommendation that affordable and workforce housing be an allowed use in commercial, industrial, and mixed-use districts. Staff would continue to evaluate the best way to implement this recommendation. Future amendments to the Plan and Zoning Ordinance would be presented to the Planning Commission and Board of Supervisors to address this recommendation.

Ms. Merkel said the proposed Policy Plan Amendment staff report would be published by the end of next week. She noted that the Commission public hearing on this amendment was scheduled on Thursday, July 26, 2007, and the Board public hearing was expected to be held in September.

In response to questions from Commissioner Sargeant, Ms. Merkel stated that staff proposed minor revisions to the Glossary definition of affordable housing. She explained that affordable housing was currently defined as housing that was affordable to households with incomes that were 70 percent or less of the Area Median Income (AMI) for the Metropolitan Statistical Area. She noted that the proposed definition for workforce housing sought to promote housing that was affordable to households at various income limits up to 120 percent of the AMI.

Responding to questions from Commissioner Flanagan, Ms. Merkel said the provision of affordable/workforce housing applied to all high-density residential developments within Mixed-Use Centers that were not subject to the ADU Program and not just those with high-rise construction. Fred Selden, Director, PD, DPZ, added that developers of high-density projects would be allowed to combine the number of ADUs and workforce housing units to achieve the 12 percent affordable housing objective.

In response to a question from Chairman Lusk, Mr. Selden stated that the High-rise Affordability Panel had recommended the maximum income tier for rental units in wood construction at 100 percent of the AMI because it would allow the developer to adequately recover the cost of construction through the bonus market rate units. Mr. Rau explained that a George Mason University study indicated that in terms of rental units, the demand and need for affordable and workforce housing declined after 100 percent of the AMI.

Responding to a question from Commissioner de la Fe, Ms. Merkel said staff planned to incorporate into the Lake Anne Village Center Comprehensive Plan Amendment a requirement that 12 percent of new production be affordable/workforce housing. Commissioner de la Fe expressed concern that affordable/workforce housing was not encouraged in other village centers.

In response to a question from Commissioner Harsel, Mr. Selden said staff intended to implement the provision of workforce housing through the Comprehensive Plan rather than solely through the Zoning Ordinance because of the issue of whether the County had the authority to extend a Workforce Housing Program to high-rise development.

Responding to a question from Commissioner Hart, Mr. Selden explained that if a development was initially built as a rental project and subject to the affordable/workforce housing requirements and subsequently converted to a condominium project, the developer could proffer to retain the affordable/workforce units as rental units within the development. He noted that if it was initially unknown whether a project would be rental or condominium, the applicant could proffer options that specified the same number of affordable/workforce units as either for-sale or rental and their associated income tiers.

John Payne, Director, Design, Development, and Construction Division, Department of Housing and Community Development (DHCD), indicated that the conversion from proffered rental workforce units to for-sale workforce units would be controlled by a Workforce Housing Program in the Zoning Ordinance in a way similar to that of the ADU Program. Mr. Selden agreed and said the proposed Ordinance Amendment would establish the administrative mechanism for the workforce units to be aligned with the administration mechanism for ADUs. He noted that the amendment was already on the Zoning Ordinance Work Program so its implementation would shortly follow adoption of the Policy Plan Amendment.

In response to a question from Commissioner Lawrence, Mr. Selden stated that one High-rise Affordability Panel recommendation stipulated that the square footage of the bonus units must be within 10 percent of the square footage of the workforce units, which should have a certain degree of marketability both as rental and for-sale. He noted, for example, that a project consisting of 24 workforce units that were 700 square feet in size would also have 24 market rate units similar in size and other units within the same development would have varying square footage.

Responding to questions from Commissioner Harsel, Mr. Selden stated that many high-density Development Centers were governed by floor area ratio and total square footage and a certain degree of latitude applied to the size of units. He noted, however, that the workforce housing guidelines would set forth certain minimum unit sizes and number of units.

Mr. Rau pointed out that seven percent of the existing total housing inventory in the County was affordable to households making up to 120 percent of the AMI. Mr. Selden added that new residential construction in high-density areas, such as Fairfax Center, Tysons Corner, and the Dulles Corridor, was typically higher than the average housing market sales price in the County.

Commissioner Alcorn commented that the County had missed many opportunities to obtain ADUs because of the Program requirement that sales and/or rental prices for ADUs within a development be established such that the owner/applicant would not suffer economic loss and the sliding scale percentage of ADUs required at various density levels. He said the implementation of workforce housing guidelines through the Comprehensive Plan would help

address this issue, but if the adopted guidelines failed to acquire sufficient commitments from developers, staff would have to return to the initial planning stage.

Mr. Selden said the ADU Program had initially been crafted to apply to by-right development because of large tracts of land being developed as single-family subdivisions that were not subject to the development review process. He noted that none of the County's Mixed-Use Centers were currently zoned to meet the Plan recommendation for mixed-use or high-density residential development above the baseline recommendation; therefore, a Workforce Housing Program would mainly apply to projects that were subject to the development review process.

In response to a question from Commissioner Lawrence, Commissioner Alcorn said the workforce housing guidelines would have no impact on single room occupancy units.

Responding to a question from Commissioner Sargeant, Paula Sampson, Director, DHCD, explained that the developer or property owner would select occupants of rental ADUs through an income eligibility process and RHA would select occupants of for-sale ADUs who met their qualification criteria.

Chairman Lusk pointed out that he and Commissioner Alcorn had asked the applicant of the Tysons Corner Center rezoning application to consider marketing the affordable and workforce housing units to those who lived or worked adjacent to the project, specifically targeting employees of the mall, hotel, and office buildings. He said staff would need to determine how to implement this market approach in other projects.

Chairman Lusk then asked if any RHA Commissioners would like to make comments or ask questions.

Conrad Egan, Providence District member and Chairman of RHA, commented that the High-rise Affordability Panel had worked diligently to develop recommendations and gain the support of the development community, Planning Commission, and Board of Supervisors.

Commissioner Alcorn said the guideline that stipulated that the size of the bonus units must be within 10 percent of the size of the workforce units would help address the affordability of market rate units and conceal the identity of workforce units.

In response to a question from Commissioner Flanagan, Chairman Lusk noted that workforce housing would be available to employees of both the public and private sectors. Mr. Rau said the proposed amendment addressed the need for sufficient affordable housing in the County to serve workers who had to commute long distances. Ms. Sampson added that the provision of workforce housing would also serve moderate two-income households.

Chairman Lusk noted that the proposed Policy Plan Amendment staff report would be posted on the DPZ website and copies would be distributed to RHA Commissioners.

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ADJOURNMENT

June 21, 2007

The meeting was adjourned at 8:15 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.

Meeting taken by: Linda B. Rodeffer
Minutes by: Kara A. DeArrastia

Approved: September 27, 2007

Linda B. Rodeffer, Clerk
Fairfax County Planning Commission