



Board of Supervisors Housing Committee Meeting

Workforce Dwelling Unit Task Force Policy Recommendations

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June 30, 2020

WORKFORCE DWELLING UNIT (WDU) POLICY BACKGROUND

- Established in 2007 (Countywide) and 2010 (Tysons) in the Comprehensive Plan
- Approximately 1,600 units constructed, nearly all rental units
- The current policies serve a range of income tiers from 60% to 120% AMI

CURRENT WDU POLICY

<p>Countywide WDU Policy</p> <p>A density bonus of <u>12%</u> may be applied.</p>	<p>4% at 80% AMI 4% at 100% AMI <u>4% at 120% AMI</u> <u>12% WDU commitment</u></p>
<p>Tyson's* WDU Policy</p> <p>Within 1/4 Mile of Tysons Outside 1/4 Mile of Tysons</p> <p>The maximum density bonus is up to <u>20%</u>.</p>	<p>2% at 60% AMI 3% at 70% AMI 5% at 80% AMI 5% at 100% AMI <u>5% at 120% AMI</u> <u>20% WDU commitment</u></p>

*Tysons Outside 1/4 Mile WDUs are calculated on the base number of units before bonus density is applied. Tysons within 1/4 Mile WDUs are calculated on the total number of units, which includes bonus density.

- In effect, the only realized WDU benefit currently is the 80% units and below

WDU POLICY TASK FORCE

- Established by the BOS in March 2019 to recommend policy reforms
- Included DPD/HCD staff, industry representatives, advocates, Planning Commissioner, and FCRHA Commissioner
- Virginia Tech Center for Housing Research provided analytical research
- The WDU Policy Task Force was established to evaluate the WDU Rental Program only

WDU POLICY CHALLENGE

- **Policy Challenge:** The WDU Rental Program rents at the 100 and 120 percent income tiers are at or above market rent. As a result:
 - The current Countywide Policy only realizes **4 percent** of new residential construction as WDUs affordable to households at 80% AMI.
 - The current Tysons Policy only realizes **10 percent** of new residential construction as WDUs affordable to households between 60% and 80% AMI.

TASK FORCE POLICY CONSIDERATIONS

- The policy challenge with the 100 and 120 percent income tiers
- The need for units serving households between 60 and 80 percent income tiers - the policy recommendations achieve greater affordability
- The public benefit and the impact to developer partners
- **One Fairfax:** Staff proposed recommendations in line with One Fairfax policy

PROCESS

- Staff proposed to discontinue and replace the current policy
- Staff and development partners collaborated to develop recommendations from March 2019 through June 2020
- Staff updated the Board's Housing Committee on March 31, 2020

WDU Policy Task Force Matrix

	Current Policy	WDU Policy Proposal		
Countywide WDU Policy	4% at 80% AMI 4% at 100% AMI <u>4% at 120% AMI</u> <u>12%</u> WDU commitment A density bonus of <u>12%</u> may be applied.	2% at 60% AMI 2% at 70% AMI <u>4% at 80% AMI</u> <u>8%</u> WDU commitment A density bonus of <u>12%</u> may be applied.		
Tysons WDU Policy	2% at 60% AMI 3% at 70% AMI 5% at 80% AMI 5% at 100% AMI <u>5% at 120% AMI</u> <u>20%</u> WDU commitment The maximum density bonus is up to <u>20%</u> .	The developer would elect <i>either</i> Option 1 or Option 2: <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> Option 1 3% at 60% AMI 2% at 70% AMI <u>8% at 80% AMI</u> <u>13%</u> WDU commitment </td> <td style="width: 50%; vertical-align: top;"> Option 2 <u>10% at 60% AMI</u> <u>10%</u> WDU commitment </td> </tr> </table> The maximum density bonus continues to be up to <u>20%</u> .	Option 1 3% at 60% AMI 2% at 70% AMI <u>8% at 80% AMI</u> <u>13%</u> WDU commitment	Option 2 <u>10% at 60% AMI</u> <u>10%</u> WDU commitment
Option 1 3% at 60% AMI 2% at 70% AMI <u>8% at 80% AMI</u> <u>13%</u> WDU commitment	Option 2 <u>10% at 60% AMI</u> <u>10%</u> WDU commitment			

- The Countywide WDU Policy density bonus can go up to 20% with additional WDUs.
- The Reston WDU Policy will be evaluated as part of the Reston Comprehensive Plan Study.

WDU Policy Example

	Current Policy	WDU Policy Proposal		
Countywide WDU Policy	<p>Residential project with 300 total units <u>12%</u> WDU commitment</p> <p>12 units at 80% AMI 12 units at 100% AMI* <u>12 units at 120% AMI*</u></p> <p><u>36</u> WDUs (12 WDUs realized)</p> <p>A density bonus of <u>12%</u> may be applied. <i>*The market is providing for the units at these income tiers. The only units providing public benefit are the 12 units at 80% AMI.</i></p>	<p>Residential project with 300 total units <u>8%</u> WDU commitment</p> <p>6 units at 60% AMI 6 units at 70% AMI <u>12 units at 80% AMI</u></p> <p><u>24</u> WDUs</p> <p>A density bonus of <u>12%</u> may be applied.</p>		
Tysons WDU Policy	<p>Residential project with 400 total units <u>20%</u> WDU commitment</p> <p>8 units at 60% AMI 12 units at 70% AMI 20 units at 80% AMI 20 units at 100% AMI* <u>20 units at 120% AMI*</u></p> <p><u>80</u> WDUs (40 WDUs realized)</p> <p>The maximum density bonus is up to <u>20%</u>. <i>*The market is providing for the units at these income tiers. The only units providing public benefit are the 40 units at up to 80% AMI.</i></p>	<p>Residential project with 400 total units <u>13%</u> or <u>10%</u> WDU commitment</p> <p>The developer would elect <i>either</i> Option 1 or Option 2:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> Option 1 12 units at 60% AMI 8 units at 70% AMI <u>32 units at 80% AMI</u> </td> <td style="width: 50%; vertical-align: top;"> Option 2 <u>40 units at 60% AMI</u> <u>40</u> WDUs </td> </tr> </table> <p><u>52</u> WDUs</p> <p>The maximum density bonus continues to be up to <u>20%</u>.</p>	Option 1 12 units at 60% AMI 8 units at 70% AMI <u>32 units at 80% AMI</u>	Option 2 <u>40 units at 60% AMI</u> <u>40</u> WDU s
Option 1 12 units at 60% AMI 8 units at 70% AMI <u>32 units at 80% AMI</u>	Option 2 <u>40 units at 60% AMI</u> <u>40</u> WDU s			

TASK FORCE RECOMMENDATIONS

- The maximum existing density bonus framework remains up to 20%
- The Task Force endorsed a five-year “look back” to evaluate policy changes
- Next step: Board authorization of a Comprehensive Policy Plan Amendment
 - Includes outreach to elected and appointed officials, residents, industry, development community, and affordable housing advocates.
 - Staff estimates the Plan Amendment process will take approximately one year.

Questions/Comments