

Plan Amendment 2020-CW-2CP (Housing Element and Workforce Dwelling Unit Policy Amendment)

Summary of DRAFT Policy Revisions

November 16, 2020

Background

On July 14, 2020, the Board of Supervisors authorized consideration of a Comprehensive Plan amendment for the Housing and Land Use elements of the Policy Plan and for specific guidance in Area Plans volumes and the Glossary related to rental Workforce Dwelling Units (WDUs), based on the policy adjustments recommended by the Workforce Dwelling Unit (WDU) Policy Task Force on June 30, 2020, as well as other appropriate updates to the Housing element of the Policy Plan. The Board direction stated that this effort will not include the recommendations in the Reston plan at this time as these will be addressed separately (as part of ongoing Plan Amendment 2020-CW-2CP) and acknowledged that the recently authorized affordable housing preservation task force may have additional changes which will be handled as appropriate at the conclusion of that effort. The Board also directed staff to actively engage stakeholders in the review of these amendments. Finally, the Board directed staff to prepare revisions to the Board of Supervisors' WDU Policy Administrative Guidelines and Tysons Corner Urban Center WDU Policy Administrative Guidelines to be consistent with the WDU Policy Task Force recommendations. These items will be scheduled for public hearing and action in February 2021.

Introduction

This document contains a summary of the draft revisions to the Housing element of the Policy Plan, which includes revisions to Appendix 1: Guidelines for the Provision of Workforce Housing; the Land Use Element; and the Area Plans volumes and Glossary to the Comprehensive Plan. The summary is organized into three sections based on the different sections of the Plan, each discussing the policy revisions and the justification for the revision. Within each section, changes are listed by topic, with references to the specific page numbers in the draft document.

- I. Summary of DRAFT Revisions to the Policy Plan and the Glossary
- II. Summary of DRAFT Revisions to the Area Plans
- III. Summary of DRAFT Revisions to WDU Administrative Policy Guidelines

I. Summary of DRAFT Revisions to the Policy Plan and the Glossary

Housing Element

Introduction Section (pages 1 – 4)

The Housing element of the adopted Policy Plan defines countywide housing availability, critical housing issues, and housing goals and objectives, but has not been updated in its entirety since the 1990s. The draft Introduction section to the Housing element has been completely rewritten and replaces the adopted Housing element Introduction. As part of the Board authorization, the Housing element was reviewed and updated to reflect current conditions and ensure consistency between the Comprehensive Plan and other related Board policies, including the 2015 *Strategic Plan to Facilitate the Economic Success of Fairfax County*, the 2017 *One Fairfax Policy* and the 2018 *Communitywide Housing Strategic Plan*. The 2015 *Strategic Plan to Facilitate the Economic Success of Fairfax County* establishes strategies to shape a strong economic development strategy, the 2017 *One Fairfax Policy* establishes strategies for racial and social equity to affirm county goals of inclusivity and shared prosperity for all county residents, and the 2018 *Communitywide Housing Strategic Plan*, establishes strategies to meet the housing need for the production and preservation of housing affordability throughout the County. The draft revisions propose to update data on housing needs from these plans and revise outdated terminology with modern, people-first language.

Countywide Objectives and Policies Section (pages 5 – 12)

The draft objectives and policies have been maintained as closely as possible to the adopted objectives and policies, while also being reorganized to read more fluidly. Two additional policies have been added under Objective 1:

- Objective 1, Policy A: Guidance has been added to state a strong preference for the development of actual affordable housing units (compared to cash contributions to the Housing Trust Fund).
- Objective 1, Policy C: Guidance has been added to clarify that Affordable Dwelling Units (ADUs) and WDUs are expected to be provided in the county's mixed-use centers or where the Area Plans envision mixed use or high-density residential development above the baseline. The revisions also indicate that this policy applies to developments consisting of stacked townhomes and/or multifamily dwelling units. The added clarifications will reflect the current practice and ensure consistency in interpretation during development review.
- Objective 1, Policy L: New policy has been added to encourage commitments to Green Building practices in development of all housing.
- Objective 1, Policy M: New policy has been added to regularly report to the Board of Supervisors concerning affordable housing production.
- Objective 3, Policy A-E: No changes proposed at this time; however, this Policy is under review by the ongoing Affordable Housing Preservation Task Force, which is anticipated to make recommendations in early 2021, separately from the WDU plan amendment.

Appendix 1 of the Housing Element: Guidelines for the Provision of Workforce Housing

Structure

Appendix 1 is proposed to be renamed to “Workforce Dwelling Unit Policy” for consistency with terminology used in the Zoning Ordinance. The structure of the appendix has been re-organized, and information is now grouped into topical categories for ease of reference.

Commitment Level and Area Median Income (AMI) Tiers (pages 13 and 15)

Changes have been drafted to the WDU commitment level for rental units (no changes made for for-sale units), as recommended by the Task Force and included in the Board’s authorization. These changes include a) reducing the total percentage of WDUs in rental developments from a minimum of 12% to a minimum of 8% of all residential units, and b) reducing the income tiers served in the rental WDU development from 80%, 100% and 120% of Area Median Income (AMI) to 60%, 70% and 80% of AMI. The change would include an overall reduction in the number of units; however, the commitment would be doubled for units provided at the 80% AMI tier and below, from the current 4% recommendation to 8%, which is a significant benefit to the County. The reduction in the percentage of units is needed to help offset the cost of providing units for lower income tier.

WDUs outside of Mixed-Use Centers (page 13)

Consistent with the change to Objective 1, Policy C in the Housing element, the draft revisions to Appendix 1 include new text to clarify that ADUs and WDUs are expected to be provided in the county’s mixed-use centers or where the Area Plans envision mixed use or high-density residential development above the baseline. The draft text also indicates that this policy would apply to developments consisting of stacked townhomes and/or multifamily dwelling units. The added clarification reflects the current practice and ensures consistency in interpretation during development review.

Bonus Density and Intensity (pages 13 – 14)

The draft revisions propose to clarify that bonus density is expressed in terms of dwelling units per acre (du/ac) for residential projects, and that in mixed-use projects, bonus “intensity” is expressed in terms of Floor Area Ratio (FAR). This revision reflects existing practice and has been included to ensure consistency in interpretation during development review. The draft text also provides example calculations for bonus density above the Comprehensive Plan range for both residential-only projects using du/ac as the unit of measurement and mixed-use development using FAR as the unit of measurement.

New guidance has been added to note the following: *“If the property is proposing a mixed-use development, the bonus density would only be calculated on the residential portion of the site.”*

This statement clarifies that non-residential portions of mixed-use developments are exempt from the calculation of bonus density.

Area Median Income Allocation (pages 15 and 16)

New tables have been added to describe the AMI tiers and associated commitment levels for both Countywide and Tysons Urban Center, noting the differences between the rental and for-sale programs. The Tysons Urban Center AMIs are also reflected in the Area Plans, but have been included for ease of reference. No changes are proposed for the for-sale unit policy in Tysons or elsewhere in the County.

Unit Size (page 16)

New guidance has been added to note minimum unit size recommendations for 3-bedroom and 4-bedroom units to reflect the sizes in the current Tysons WDU Administrative Policy Guidelines. The adopted plan for Tysons currently contains policy stating that the mix of unit sizes (in terms of number of bedrooms per unit) provided in a development should be proportional between the WDU and market rate units, whereas the Countywide Guidelines do not currently set minimum sizes for these unit types. **No change has been included in this draft, however, this has been flagged for further discussion during the engagement phase of the amendment and prior to the public hearings.**

Implementation (page 16)

New guidance has been added to recommend the following:

WDUs will be realized primarily through zoning applications and administered through provisions established by the Board of Supervisors. Proposals to rezone property for residential uses should comply with these guidelines. Proposals to amend a previously approved rezoning which proposes a conversion from office/commercial to residential; requests for additional units to a previously approved residential building; and/or request for a change in unit type (which could include a reduction in units) should comply with these guidelines.

This draft recommendation clarifies that WDUs are expected through the zoning process, and notes that the county would expect and Proffered Condition Amendment (PCA) cases to comply with the new WDU Policy. This revision reflects the current practice and ensures consistency in interpretation during development review.

Flexibility (page 16):

Existing language regarding the applicability of the WDU policy to “new construction” is proposed to be removed in order to clarify that the policy also applies to office-to-residential conversions.

Land Use Element of the Policy Plan (pages 21 – 23)

Updates to this document consist mostly of editorial changes, such as rephrasing references to existing policies and ordinances, and revising outdated terminology. The one policy revision proposes a clarification that reflects the proposed revision to Objective 1, Policy C of the Housing element regarding the recommendations for WDUs in areas located outside of Mixed Use Centers. As noted in Objective 1, Policy C, the new text would clarify that ADUs and WDUs are expected to be provided in the county's mixed-use centers or where the Area Plans envision mixed use or high-density residential development above the baseline. The text also indicates that this policy applies to developments consisting of stacked townhomes and/or multifamily dwelling units. The added clarifications reflect the current practice and ensures consistency in interpretation during development review.

Glossary to the Comprehensive Plan (pages 25 – 28)

The proposed changes include the following term additions, revisions, and removals:

- Added new term “price appropriate housing”, which describes housing that costs approximately 30% of a household’s annual income or less.
- Updated definition of “Affordable dwelling units” to note that the control period for the affordability term of the unit is specified in the Zoning Ordinance.
- Updated definition of “Affordable Housing” to reference the new maximum 80% AMI tier (rental programs) and maximum 120% AMI tier (for-sale programs) served through various federal, state, and local programs.
- Updated definition of “Workforce Dwelling Unit” to reflect the new maximum 80% AMI income tiers served by the rental program.
- Renamed and revised the definition of “government assisted housing” to “assisted housing”. The renaming reflects that the term “government assisted housing” is not used elsewhere in the plan. The revision to the definition also removes a list of assisted housing programs, some of which are no longer provided or have changed significantly and replaces it with a more general definition.
- Removed the terms “low-income households”, “moderate-income households” as the categorizations do not have meaning in the Comprehensive Plan outside of the ADU ordinance and WDU policy, which use more precise terminology (for example, households making up to 80% of the Area Median Income).
- Removed the term “public housing” as it is no longer a program provided by the county.

II. Summary of DRAFT Revisions to the Area Plans

Overview

Updates to the Area Plans volumes of the Comprehensive Plan consist of changes to WDU commitment levels in the Annandale Community Business Center (CBC), the Seven Corners CBC, the Fairfax Center Area and the Tysons Urban Center. The changes proposed to the unique commitment levels in the three areas are intended to align them with the current countywide and Tysons recommendations for the WDU rental program (no changes are proposed to commitment levels or income tiers for for-sale units). Other changes in the Area Plans consist of editorial changes to revise outdated terminology and strike superfluous text and the Assisted Housing tables.

Area-specific WDU Commitments

Several areas in the County have specific adopted plan recommendations for WDUs that differ from the proposed Countywide policy. In most cases, these areas are located within revitalization districts where the highest development intensities are planned, and where the county encourages the location of affordable and workforce housing in order to take advantage of nearby employment opportunities and transit, or where the need for greater commitments for affordable housing are more pronounced. Some specific areas of the County with unique WDU commitment levels are not proposed to be amended. This is because the income tiers targeted in those areas already align with the proposed 80% AMI tier for rental units (such as the Huntington and West Falls Church TDAs, the latter of which is also subject to an ongoing plan amendment study), the recency of prior plan amendments affecting residential development in these areas (Merrifield Land Unit I and Dulles Suburban Center Land Unit J), or past practice of securing the adopted commitment levels at lower AMI tiers (Dulles Suburban Center Land Unit I and Sub-unit A1).

Annandale CBC (pages 6 – 7):

Annandale CBC currently has a 20% affordable housing commitment that mirrors the total commitment and AMI tiers in the Tysons plan. Three separate options for amending this section are shown here, and should be read as separate options (if one is selected the others would be eliminated).

Current Policy:

Income Tiers for Affordable Housing

101 – 120% of AMI	5% of total units
81 – 100% of AMI	5% of total units
71 – 80% of AMI	5% of total units
61 – 70% of AMI	3% of total units
< 50 – 60% of AMI	2% of total units

The revised table, provided below, would amend the Annandale plan to remove the 100% and 120% AMI tiers and increase the 80% AMI tier to an 8% commitment, and would retain the adopted recommendations for 3% at 70% AMI and 2% at 60% AMI.

Proposed Policy:

Income Tiers for Affordable Housing

<u>Income Tier</u>	<u>For- Sale Units (no change)</u>	<u>Rental Units (Option 1)</u>	<u>Rental Units (Option 2)</u>
<u>101-120% of AMI</u>	<u>5%</u>	==	==
<u>81-100% of AMI</u>	<u>5%</u>	==	==
<u>71-80% of AMI</u>	<u>5%</u>	<u>8%</u>	==
<u>61-70% of AMI</u>	<u>3%</u>	<u>3%</u>	==
<u>Up to 60% of AMI</u>	<u>2%</u>	<u>2%</u>	<u>10%</u>
<u>Total</u>	<u>20%</u>	<u>13%</u>	<u>10%</u>

Seven Corners CBC (pages 12 – 13):

Two Land Units and one Sub-Unit in the Seven Corners CBC contain affordable housing commitment levels and income tiers above countywide policy, reflecting the high densities/intensities planned in these areas. Subunit A-3 and Land Unit B are the town center, whereas Land Unit C is the planned redevelopment of the Sears building, and should be a lower percentage.

Current Policy:

Figure 29 – Affordable Housing Table

Affordable Housing	Income Tiers	
	15% Tier	12% Tier
Up to 120% of AMI	2% of total units	n/a
Up to 100% of AMI	3% of total units	2% of total units
Up to 80% of AMI	5% of total units	5% of total units
Up to 70% of AMI	3% of total units	3% of total units
Up to 60% of AMI	2% of total units	2% of total units

The revised table, shown below, would relabel the columns by land unit/sub unit and remove the recommendations for rental WDU at the 100% and 120% AMI tiers. The total rental WDU

expectations in Subunit A3 and Land Unit B (formally the “15% Tier”) would decrease proportionate to the countywide reduction of one-third (from 15% to 10%). Land Unit C, (formally the 12% Tier), would also decrease proportionate to the countywide reduction (from 12% to 8%), with tiers consistent with the new countywide policy.

Proposed Policy:

Figure 29 – Affordable Housing Table

Affordable Housing	Income Tiers			
	Sub-unit A3 and Land Unit B		Land Unit C	
	For-Sale Units (no change)	Rental Units	For-Sale Units (no change)	Rental Units
Up to 120% of AMI	2%	n/a	n/a	n/a
Up to 100% of AMI	3%	n/a	2%	n/a
Up to 80% of AMI	5%	5%	5%	4%
Up to 70% of AMI	3%	3%	3%	2%
Up to 60% of AMI	2%	2%	2%	2%
Total	15%	10%	12%	8%

Tyson's Urban Center (pages 30 – 32):

Two options for amending the current commitments and AMI tiers are proposed in line with the Board authorization and the WDU Task Force recommendation. Developments in Tyson's would select one of the two options when the WDU policy applies to their project. The first option, compared to the current policy, would eliminate the 100% and 120% AMI tiers from the rental program, and reduce the overall commitment level from 20% to 13%, and focus the policy on the 80%, 70% and 60% AMI tiers **(Note, the development community's representatives on the WDU task force recommended slightly different commitment levels at the 70% and 60% AMI tiers, as shown in the highlighted text below. Staff finds that the highlighted text would be a reasonable alternative to the task force recommendation.)** While the change would include an overall reduction in the number of units, it would increase the commitment for units provided at the 80% AMI tier and below, which is a significant benefit to the County. As with the countywide policy, the reduction in the percentage of units is needed to help offset the cost of providing units at a lower income tier.

<u>Income Tier</u>	<u>For- Sale Units</u>	<u>Rental Units (Option 1)</u>	<u>Rental Units (Option 2)</u>
<u>101-120% of AMI</u>	5%	==	==
<u>81-100% of AMI</u>	5%	==	==
<u>71-80% of AMI</u>	5%	8%	==

<u>61-70% of AMI</u>	<u>3%</u>	<u>2% (or 3%)</u>	<u>--</u>
<u>Up to 60% of AMI</u>	<u>2%</u>	<u>3% (or 2%)</u>	<u>10%</u>
<u>Total</u>	<u>20%</u>	<u>13%</u>	<u>10%</u>

Fairfax Center: Subunit B1 and J3 (pages 49 – 50):

The current plan recommendations for these Sub-units refer to “county median income” rather than “area median income” as a point of reference for household incomes served by the WDU program. This metric is not used elsewhere in the Plan or during the administration of the WDU program, so the text has been amended to reference Countywide Policy. No change would occur in the administration of the policy as a result of this change.

Planning District and Special Area Assisted Housing Tables

The Assisted Housing tables and explanatory text in the adopted Plan that catalogue and describe the assisted housing in the planning districts would be removed. In most cases, these tables have not been maintained and, as noted in the Glossary section above, many of the tables refer to programs that no longer exist or have undergone significant change. The Planning District text has historically been updated less frequently than new housing developments containing assisted housing are brought online, which creates an ongoing Plan maintenance issue. Up-to-date information regarding assisted housing in a particular area can be found by contacting the Department of Housing and Community Development. Planning Districts and special areas that are affected by this change include: Annandale, Baileys, Jefferson, Lincolnia, Fairfax, McLean, Vienna, Bull Run, Fairfax Center Area, Pohick, Upper Potomac, Lower Potomac, Mount Vernon, Rose Hill, and Springfield Districts.

III. Summary of DRAFT Revisions to WDU Administrative Policy Guidelines

Structure

The WDU program is currently administered under two sets of policy guidelines, one for Countywide implementation and the other for Tysons. The proposed changes to the guidelines combine the two documents into one document, using the Tysons document as the base (as it was most recently adopted on June 22, 2010). Most of the updates to this document consist of minor changes to reflect current terminology, use acronyms wherever possible, and other similar editorial change. However, the following policy changes are noted below.

Integration and Dispersion (page 2):

New text has been added pertaining to the integration and dispersion of WDUs in a development, as well as text that clarifies that WDUs generated by for-sale units may not be provided in rental units unless the developer proffers to provide the WDUs at the percentage as the for-sale policy but offer them for rent at the income tiers of the rental policy.

Workforce Dwelling Unit Floor Area (page 2):

Consistent with a proposed change in the Housing Element Appendix 1 (WDU Policy), the minimum unit size requirements for 3-bedroom and 4-bedroom units would now be applicable countywide.