



Affordable and Workforce Dwelling Unit Programs

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Agenda

- ADU and WDU Overview
- ADU and WDU Affordability Period
- Current WDU Policy
- WDU Policy Challenge
- WDU Policy Task Force Process
- WDU Policy Task Force Recommendations
- BOS Authorization
- Comprehensive Plan Amendment
- Questions



ADU Program Overview

- Adopted in 1990
- Mandatory under the Zoning Ordinance
- Rental and For-Sale Component
- Threshold is 50 units or more
- Applies to wood-frame and multifamily construction 4 stories or less
- 30-year affordability period (rental and for-sale)



ADU Program Overview

- Developers required to set aside
 - **5% to 6.25%** of new multifamily developments as ADUs
 - **12.5%** of new single family attached and detached construction
- Income Tiers
 - Rental Program
 - 1/3 of the units serve households earning up to **50% AMI**
 - 2/3 of the units serve households earning up to **70% AMI**
 - For-Sale Program
 - Units serve households earning up to **70% AMI**
- The maximum density bonus is up to 20%
- **A total of 2,896 units (1,426 rental and 1,470 for-sale) have been produced**



WDU Policy Overview

- Adopted in 2007 (Countywide) and 2010 (Tysons)
- A proffer-based incentive system
- Designed to encourage the voluntary development of new workforce housing
- Development in high-density mixed-use centers
- Applies to mid-rise and high-rise construction
- 30-year (for-sale) and 50-year (rental) affordability period
- **A total of 1,640 units (1,618 rental and 22 for-sale) have been produced**



WDU Policy Overview

- The developer is expected to set aside between
 - 12% through 20% of new residential construction as WDUs
- Income Tiers
 - Countywide
 - Units serve households earning up to 80%, 100% and 120% AMI
 - Tysons
 - Units serve households earning up to between 60% and 120% AMI
- The maximum density bonus is up to 20%



ADU Affordability Period

- **1998:** The ADU Rental Program affordability period was amended from 50 years to 20 years
- **2018:** The affordability period expired for certain properties and the ADUs were no longer available at below market rents
- Projected Number of Expiring ADUs:
 - **2018:** 113 units
 - **2019:** 115 units
 - **2020:** 81 units
 - **2021:** 105 units
- HCD staff works closely with the tenants and the property management staff to ensure a smooth transition from the ADU Rental Program.



Current WDU Policy

- Approximately 1,640 units constructed, nearly all rental units

<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 4% at 120% AMI <u>12%</u> WDU commitment</p>
<p>Tyson's WDU Policy</p> <p>Within ¼ Mile of Tysons Outside ¼ 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 5% at 120% AMI <u>20%</u> WDU commitment</p>

*In effect, the only realized WDU benefit currently includes the units at 80% AMI and below



WDU Policy Challenge

- The major policy challenge identified was that the WDU Rental Program rents at the 100 and 120 percent income tiers are at or above market rent.
 - 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.



WDU Policy Task Force Process

- Established by the BOS in March 2019 to recommend policy reforms for the WDU Rental Program only.
- Included DPD/HCD staff, industry representatives, advocates, Planning Commissioner, and FCRHA Commissioner.
- The WDU Policy Task Force considered the need for units serving households between the 60 and 80 percent income tiers; public benefit and developer impacts; and One Fairfax Policy.
- Staff proposed to discontinue and replace the current policy.
- Staff and development partners collaborated to develop recommendations from March 2019 through June 2020.



WDU Policy Task Force Recommendations

	Current Policy	WDU Policy Proposal										
Countywide WDU Policy	<p>4% at 80% AMI 4% at 100% AMI <u>4% at 120% AMI</u> <u>12%</u> WDU commitment</p> <p>A density bonus of <u>12%</u> may be applied.</p>	<p>2% at 60% AMI 2% at 70% AMI <u>4% at 80% AMI</u> <u>8%</u> WDU commitment</p> <p>A density bonus of <u>12%</u> may be applied.</p>										
Tyson's WDU Policy	<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%</u> WDU commitment</p> <p>The maximum density bonus is up to <u>20%</u>.</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%;">Option 1</td> <td style="width: 50%;">Option 2</td> </tr> <tr> <td>3% at 60% AMI</td> <td><u>10% at 60% AMI</u></td> </tr> <tr> <td>2% at 70% AMI</td> <td><u>10%</u> WDU commitment</td> </tr> <tr> <td><u>8% at 80% AMI</u></td> <td></td> </tr> <tr> <td><u>13%</u> WDU commitment</td> <td></td> </tr> </table> <p>The maximum density bonus continues to be up to <u>20%</u>.</p>	Option 1	Option 2	3% at 60% AMI	<u>10% at 60% AMI</u>	2% at 70% AMI	<u>10%</u> WDU commitment	<u>8% at 80% AMI</u>		<u>13%</u> WDU commitment	
Option 1	Option 2											
3% at 60% AMI	<u>10% at 60% AMI</u>											
2% at 70% AMI	<u>10%</u> WDU commitment											
<u>8% at 80% AMI</u>												
<u>13%</u> WDU commitment												



BOS Authorization

- On July 14, 2020, the Board of Supervisors authorized a series of Comprehensive Plan Amendments based on the policy adjustments recommended by the WDU Policy Task Force to include the following documents:
 - Housing and Land Use Elements of the Policy Plan
 - Area Plans and the Glossary
 - WDU Administrative Policy Guidelines (Countywide/Tysons)



Comprehensive Plan Amendment

- Board of Supervisors Authorization: July 2020
- Staff Draft Plan Amendment Text: July - October 2020
- Continued Public Engagement: October - November 2020
- Publication of Draft Plan Amendment Documents: October - November 2020
- Staff Report Publication: December 2020 (tentative)
- Planning Commission Hearing: January 2021 (tentative)
- Board of Supervisors: February 2021 (tentative)



Questions??

