Workforce Dwelling Unit Policy and Housing Element Plan Amendment

Department of Housing and Community Development

Department of Planning and Development
AGENDA

- WDU Policy Background and Challenge
- WDU Incomes Limits and Rents
- WDU Policy Task Force
- WDU Policy Matrix (Current Policy and Task Force Recommendations)
- WDU Policy Example
- Plan Amendment Documents
  - Policy Plan and Appendix 1: Workforce Housing Policy
  - Area Plans
  - Comprehensive Plan Glossary
  - WDU Administrative Policy Guidelines
- Comprehensive Plan Amendment Schedule
WDU POLICY BACKGROUND AND CHALLENGE

- Established in **2007 (Countywide) and 2010 (Tysons)** in the Comprehensive Plan to encourage the voluntary development of WDUs

- Allows residential developers to receive a **"density bonus"** on new residential development projects in exchange for a commitment of WDUs

- The density bonus means that in exchange for providing a certain number of rental WDUs at below-market rental rates, the developer can build more market-rate units

- The current policies serve a range of income tiers from **60% to 120% AMI**

- Approximately **1,600** units constructed, nearly all rental units

- **Policy Challenge:** The WDU Rental Program rents at the 100%- and 120%-income tiers are at or above market rent
WDU INCOME LIMITS AND RENTS

- The 2020 Area Median Income (AMI) for the Washington DC Metro Area for a household of four is $126,000.

- **WDU Income Limits**
  - 60% AMI: $52,900 (1 Person) and $75,600 (4 Persons)
  - 80% AMI: $70,600 (1 Person) and $100,800 (4 Persons)
  - 100% AMI: $88,200 (1 Person) and $126,000 (4 Persons)

- **WDU Rents**
  - 0 Bedroom: $1,100 – $1,470 (60 – 80% AMI)
  - 1 Bedroom: $1,340 – $1,785 (60 – 80% AMI)
  - 2 Bedroom: $1,575 – $2,100 (60 – 80% AMI)

- **Market Rents**
  - $1,600 – $3,500 + (0, 1 and 2 Bedroom)
Established in March 2019 to evaluate and recommend policy reforms for the WDU Rental Program only

Included county staff, industry representatives, affordable housing advocates, Planning Commissioner, and Redevelopment and Housing Authority Commissioner

Considered the need for units serving households between the 60%- and 80%-income tiers; public benefit and developer impacts; and One Fairfax Policy

Staff and industry representatives on the Task Force collaborated to develop recommendations from March 2019 through June 2020

In July 2020, the Board of Supervisors authorized a series of Comprehensive Plan Amendments based on the WDU Policy Task Force policy recommendations
## WDU POLICY MATRIX

<table>
<thead>
<tr>
<th>Countywide WDU Policy</th>
<th>Current Policy</th>
<th>WDU Policy Task Force Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4% at 80% AMI</td>
<td>2% at 60% AMI</td>
</tr>
<tr>
<td></td>
<td>4% at 100% AMI</td>
<td>2% at 70% AMI</td>
</tr>
<tr>
<td></td>
<td>4% at 120% AMI</td>
<td>4% at 80% AMI</td>
</tr>
<tr>
<td></td>
<td>12% WDU commitment</td>
<td>8% WDU commitment</td>
</tr>
<tr>
<td></td>
<td>A density bonus of 12% may be applied.</td>
<td>A density bonus of 12% may be applied.</td>
</tr>
</tbody>
</table>

| Tysons WDU Policy     | 2% at 60% AMI | The developer would elect either Option 1 or Option 2: |
|                       | 3% at 70% AMI | Option 1                                         |
|                       | 5% at 80% AMI | 3% at 60% AMI                                    |
|                       | 5% at 100% AMI| 2% at 70% AMI                                    |
|                       | 5% at 120% AMI| 8% at 80% AMI                                    |
|                       | 20% WDU commitment | 13% WDU commitment                          |
|                       | The maximum density bonus is up to 20%.       | The maximum density bonus continues to be up to 20%. |

- Proposed to discontinue and replace the current policy
- Endorsed a five-year “look back” to evaluate policy changes
- The maximum existing density bonus framework remains up to 20%
### WDU Policy Example

<table>
<thead>
<tr>
<th>Countywide WDU Policy</th>
<th>Current Policy</th>
<th>WDU Policy Task Force Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential project with 300 total units</td>
<td>12% WDU commitment</td>
<td>Residential project with 300 total units</td>
</tr>
<tr>
<td>12 units at 80% AMI</td>
<td>12 units at 80% AMI*</td>
<td>8% WDU commitment</td>
</tr>
<tr>
<td>12 units at 100% AMI*</td>
<td>12 units at 120% AMI*</td>
<td>6 units at 60% AMI</td>
</tr>
<tr>
<td>36 WDUs (12 WDUs realized)</td>
<td>A density bonus of 12% may be applied.</td>
<td>12 units at 80% AMI</td>
</tr>
<tr>
<td>*The market is providing for the units at these income tiers. The only units providing public benefit are the 12 units at 80% AMI.</td>
<td></td>
<td>24 WDUs</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tysons WDU Policy</th>
<th>Current Policy</th>
<th>WDU Policy Task Force Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential project with 400 total units</td>
<td>20% WDU commitment</td>
<td>Residential project with 400 total units</td>
</tr>
<tr>
<td>8 units at 60% AMI</td>
<td>8 units at 70% AMI</td>
<td>13% or 10% WDU commitment</td>
</tr>
<tr>
<td>12 units at 70% AMI</td>
<td>32 units at 80% AMI</td>
<td>The developer would elect either Option 1 or Option 2:</td>
</tr>
<tr>
<td>20 units at 80% AMI</td>
<td></td>
<td>Option 1</td>
</tr>
<tr>
<td>20 units at 100% AMI*</td>
<td>12 units at 60% AMI</td>
<td>40 units at 60% AMI</td>
</tr>
<tr>
<td>20 units at 120% AMI*</td>
<td>8 units at 70% AMI</td>
<td>40 WDUs</td>
</tr>
<tr>
<td>80 WDUs (40 WDUs realized)</td>
<td>The maximum density bonus is up to 20%.</td>
<td>32 units at 80% AMI</td>
</tr>
<tr>
<td>*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.</td>
<td></td>
<td>52 WDUs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The maximum density bonus continues to be up to 20%.</td>
</tr>
</tbody>
</table>
PLAN AMENDMENT DOCUMENTS

▪ **Housing Element of the Policy Plan**
  ▪ Defines countywide housing availability, critical housing issues, and housing goals and objectives.
  ▪ Updated to reflect current conditions, current housing needs and revised outdated terminology.
  ▪ Updated to ensure consistency between the Comprehensive Plan and the following:
    ▪ 2015 Strategic Plan to Facilitate the Economic Success of Fairfax County
    ▪ 2017 One Fairfax Policy
    ▪ 2018 Communitywide Housing Strategic Plan

▪ **Appendix 1: Provisions of Workforce Housing**
  ▪ Updates consist mostly of editorial changes, such as rephrasing references to existing policies, and revising WDU Policy to reflect Task Force recommendations.

▪ **Land Use Element of the Policy Plan**
  ▪ Updates consist mostly of editorial changes, such as rephrasing references to existing policies and ordinances, and revising outdated terminology.
PLAN AMENDMENT DOCUMENTS (continued)

- **Area Plans**
  - Editorial changes throughout
  - Assisted Housing Tables removed
  - Area-specific AMI allocations and commitment levels proposed for revision in Tysons, Annandale CBC, and Seven Corners CBC.

- **Glossary to the Comprehensive Plan**
  - The proposed changes include the term additions, revisions, and removals.

- **WDU Administrative Policy Guidelines**
  - The WDU Program is currently administered under the Countywide and Tysons Policy Guidelines.
  - The proposed changes combine the two documents into one document, using the Tysons document as the base.
  - The updates consist of minor changes to reflect current terminology, use acronyms wherever possible, and other similar editorial change.
COMPREHENSIVE PLAN AMENDMENT SCHEDULE

- Board of Supervisors Authorization: July 2020
- Revising Plan Amendment Documents: July - October 2020
  - Housing and Land Use Elements of the Policy Plan
  - Area Plans and the Glossary
  - WDU Administrative Policy Guidelines (Countywide/Tysons)
- Community Engagement: October - November 2020
  - Public Engagement Meetings: November
- Publication of Plan Amendment Documents: November 2020
- Staff Report Publication: December 2020 (tentative)
- Planning Commission Public Hearing: January 2021 (tentative)
- Board of Supervisors Public Hearing: February 2021 (tentative)