



# PROPOSED COMPREHENSIVE PLAN AMENDMENT

ITEM: PA 2016-II-TY1  
February 9, 2017

**GENERAL LOCATION:** Generally between the Capital Beltway, Dulles Toll Road, and Leesburg Pike.

**SUPERVISOR DISTRICT:** Providence, Hunter Mill

**PLANNING AREA:** Areas I and II

**SPECIAL PLANNING AREA:**  
Tysons Corner Urban Center

**TAX MAP NUMBERS:** 28-2, 28-4, 29-1, 29-2, 29-3, 29-4, 30-3, 39-1, 39-2, 40-1

**PLANNING COMMISSION PUBLIC HEARING:**  
Thursday, February 23, 2017 @ 8:15 PM

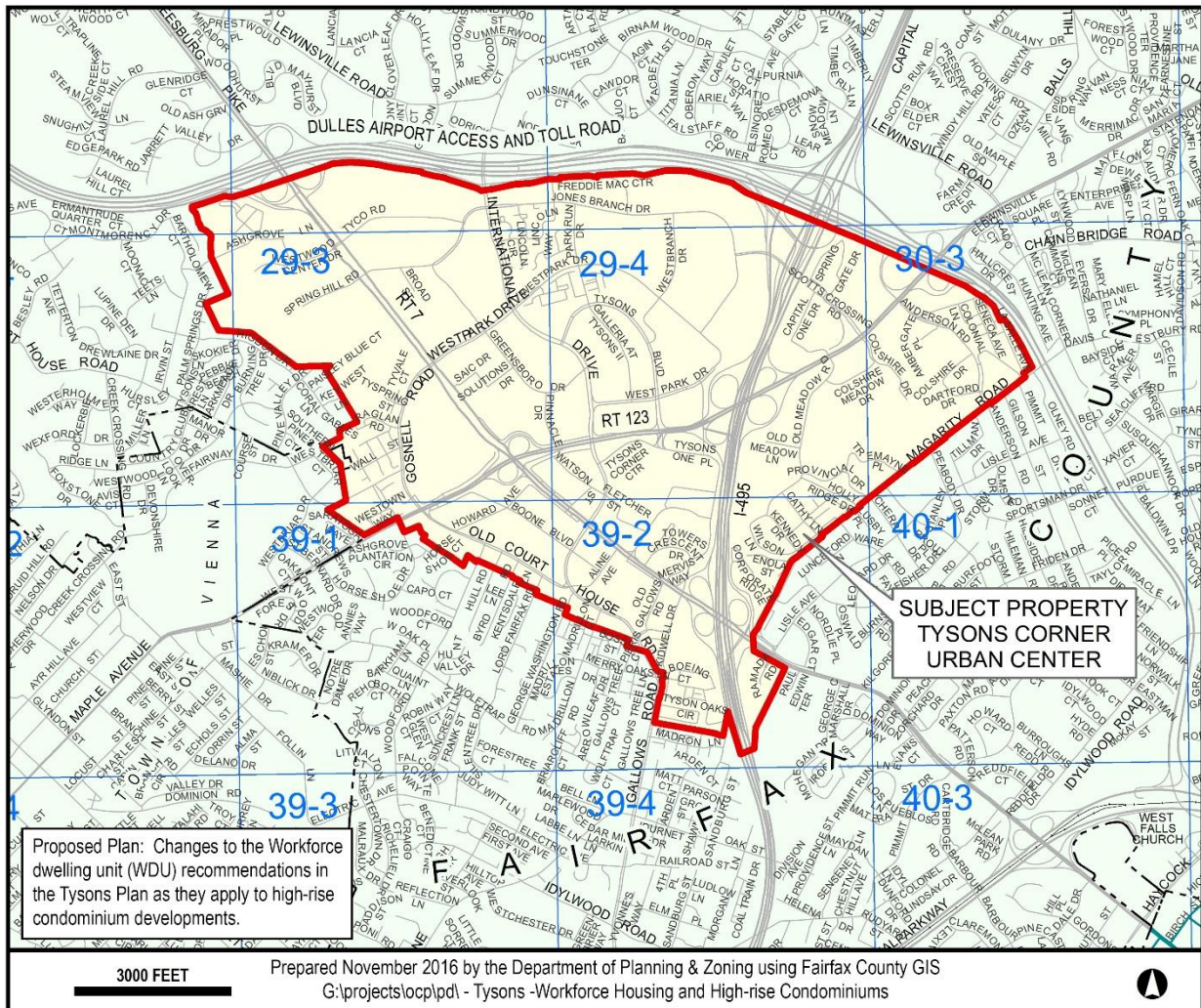
**BOARD OF SUPERVISORS PUBLIC HEARING:**  
Tuesday, April 4, 2017 @ 4:00 PM

**PLANNING STAFF DOES RECOMMEND  
THIS ITEM FOR PLAN AMENDMENT**



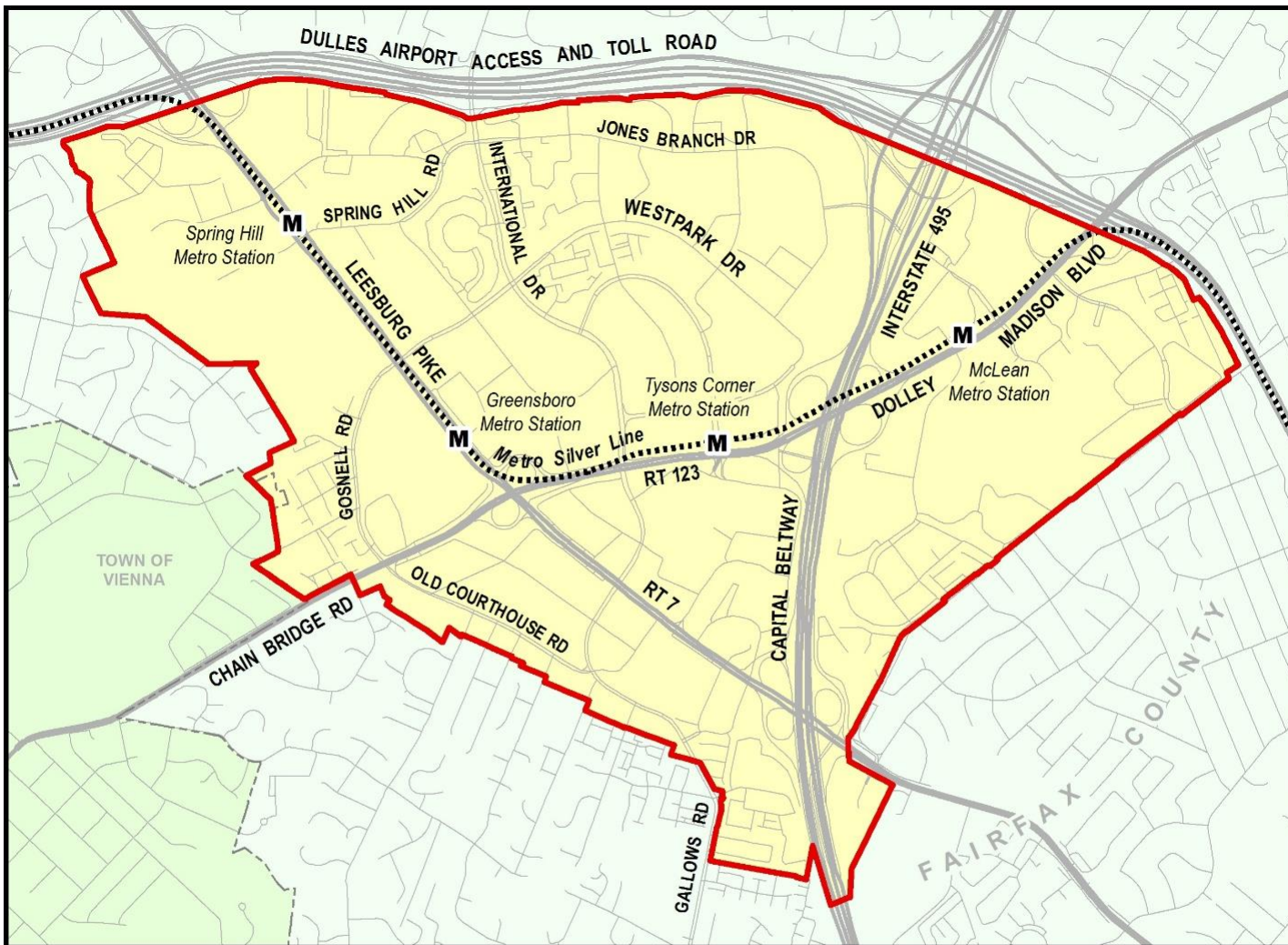
Reasonable accommodation is available upon 48 hours notice. For additional information about accommodation call the Planning Commission office at (703) 324-2865, or the Board of Supervisors office at (703) 324-3151.

For additional information about this amendment call (703) 324-1380.



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## Tysons Urban Center

### Fairfax County, Virginia

Prepared by DPZ, December 2016

Document Path: G:\projects\ocp\pd\Comp\_Plan\_Text\_Graphics\Area\_I\Tysons\_Corner\_Urban\_Center\S13-II-TY1\_Supplemental\_Graphics\Display\_Boards\Projects\Tysons outline only on streets.mxd

Key

— Tysons Urban Center Boundary

---M--- Metro Silver Line and Station



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## **STAFF REPORT FOR PLAN AMENDMENT 2016-II-TY1**

### **BACKGROUND**

On July 26, 2016, the Board of Supervisors authorized Plan Amendment 2016-II-TY1 to consider changes to the Workforce Dwelling Unit (WDU) guidance in the Tysons section of the Area II volume of the Comprehensive Plan as recommended by the Tysons High-Rise Condominium WDU Advisory Group. This amendment will inform a parallel revision of the Tysons Workforce Dwelling Unit (WDU) Administrative Policy Guidelines (hereafter referred to as the Administrative Guidelines).

This examination of the Tysons WDU policy responds to issues highlighted during the review of the first zoning case to call for condominium units in a high-rise building since the most recent update to the Tysons section of the Comprehensive Plan on June 22, 2010. Known as Arbor Row Block D, (PCA/CDPA 2011-PR-023 and FDP 2011-PR-023-04), the application illuminated the difficulty of meeting the affordable housing recommendation to provide 20% of all new housing as WDUs given construction costs for high rise developments and condominium fees in buildings with a high level of amenities. In addition, a number of affordable housing advocates have suggested that steps should be taken to further increase affordable home ownership opportunities in Tysons.

In response, Fairfax County formed the WDU Policy Advisory Group for High-Rise Condominium in Tysons (Advisory Group). This group consisted of several people who were involved with the development of the initial WDU policy in the Tysons Plan. A list of the Advisory Group members is in Appendix 1. The Advisory Group met six times to consider possible changes to policy and recommendations related to for-sale condominiums in high-rise developments. The Advisory Group also reviewed the current for-sale provisions of the Administrative Guidelines. To get a sense of how other jurisdictions in the area were addressing this type of affordable housing, regional experts presented a range of approaches to the Advisory Group. A key issue for the Advisory Group was identifying the appropriate cash contribution in-lieu-of providing WDUs. Equally important was the desire to develop a policy that would encourage affordable home ownership by carefully considering the recommended percentage of affordable units provided in for-sale units within the development, in for-sale units off-site elsewhere in Tysons, and in rental units in Tysons.

The Advisory Group developed a series of recommendations for consideration. The key recommendations for high-rise condominiums are as follows:

- Reduce the WDU recommendation from 20% to 14% if the for-sale WDUs are provided on-site;
- Reduce the WDU recommendation from 20% to 16% if the for-sale WDUs are provided off-site in Tysons;
- Retain the WDU recommendation of 20 % if the WDUs are provided as rental units in Tysons, regardless of location;

- Recommended modifications were made to the income tiers that target for-sale WDUs to three income tiers, 70%, 80% and 100% of Area Median Income (AMI) to reduce the spread of income tiers;
- Offer some flexibility when for-sale WDUs are expected to be delivered;
- Offer increased certainty in WDU sales prices; and,
- Create a clarity in the Guidelines as to the amount and circumstances under which a cash payment in lieu of providing WDUs might be acceptable.

## **OVERVIEW**

The affordable housing policies for Tysons in the adopted Plan recommend that 20% of the residential units in new developments built under the redevelopment options should be affordable to households with incomes ranging from 50 to 120% of Area Median Income (AMI), as set forth in “Table 1: Income Tiers for Workforce Dwelling Units of the Tysons Urban Center Comprehensive Plan.”

For-sale workforce housing in high-rise condominiums is encouraged in Tysons to meet these housing objectives of providing housing choices and ensuring a population with a variety of income levels in Tysons. All Planned Tysons Corner Urban District (PTC) rezoning applications approved to date have committed to provide 20% of their units as affordable/workforce housing units; development under residential maximums could result in the creation of as many as 4,200 workforce housing units in Tysons. However, no Affordable Dwelling Units (ADU) or WDU for-sale units have been delivered in Tysons to date.

## **ADOPTED COMPREHENSIVE PLAN**

The Plan guidance for the provision of affordable housing in Tysons is found in the Fairfax County Comprehensive Plan, 2013 Edition, Area II, Tysons Corner Urban Center, amended through April 29, 2014, Areawide Recommendations: Land Use, Land Use Guidelines section, pages 33-35. See Appendix 2 for this portion of the adopted Tysons Plan.

## **ANALYSIS**

During the six Advisory Group meetings, a range of experts were invited to present on workforce housing policies of neighboring jurisdictions as well as proformas and budgets for similar developments. Each jurisdiction’s WDU program is unique and different than Fairfax County. Examples included the City of Alexandria, where workforce housing in for-sale condominiums is targeted at income tiers of 80% and 100% of AMI. The City offers a cash-in-lieu-of payment option, which is calculated as the delta between market price and the sales price of units in the city’s WDU program. Montgomery County’s WDU program is voluntary but requests a cash contribution equivalent to 3% of the sales price of all market rate units. Arlington County typically

serves up to 60% AMI and developers earn density for providing units. The affordable housing requirement is approximately 5% of the total number of units in the development. Arlington allows developers to put units offsite, however, the number of required WDUs is a higher percentage. The purpose of learning about local affordable and workforce housing policies was to ensure that the Fairfax County remain competitive and equitable in the region.

Fairfax County's Department of Housing and Community Development (HCD) hired a consultant to compare internal rates of return for developments with and without workforce dwelling units. This Advisory Group considered this information, along with market analysis and other jurisdictions' policies, to determine an appropriate cash-in-lieu-of payment.

In the rare event a buyout is considered, the contribution is recommended to be 3% of the total contract sales price for each market rate unit within the building that is subject to the WDU policy, payable at the time of settlement to the Tysons Housing Trust Fund. A combination of units and buyout payment may be considered provided that the WDUs provided and the monetary contribution are in line with the overall WDU recommendation. The applicant must coordinate with both the Department of Housing and Community Development and the Department of Planning and Zoning for consideration of a buyout payment in lieu of affordable units.

As mentioned previously, the adopted Comprehensive Plan for Tysons recommends that 20% of the residential units in new developments built under the redevelopment option should be affordable to households with incomes ranging from 50 to 120% of Area Median Income (AMI), as set forth in "Table 1: Income Tiers for Workforce Dwelling Units of the Tysons Urban Center Comprehensive Plan." For-sale workforce housing in high-rise condominiums should be encouraged in Tysons to meet the housing objectives of providing housing choices and ensuring a population with a variety of income levels in Tysons. Understanding that the current policy creates challenges for high-rise condominium development, modifications to the Plan should be made to accommodate these types of developments in Tysons. A new three-level income tier is recommended for WDUs in high-rise, for sale condominiums as follows: one-third affordable to up to 70% AMI, one-third affordable to 71%-80% AMI, and one-third affordable to 81%-100% AMI, as set forth in proposed Table 1B in the Recommendations section of this staff report. In addition, if an applicant provides all of the for-sale workforce housing units onsite, the percentage of WDUs should be reduced from 20% to 14%. If the units are provided as new construction for-sale units in another property offsite in Tysons, the 16% WDUs should be provided. If rental workforce housing units are provided onsite or offsite in Tysons in lieu of the for-sale units, 20% WDU rental units should be provided.

## CONCLUSION

The Plan amendment proposes to revise the Comprehensive Plan Workforce Dwelling Unit (WDU) recommendations for high-rise condominium developments in the Tysons Corner Urban Center, as recommended by the Tysons High-Rise Condominium WDU Advisory Committee. This Plan amendment proposes no changes to land use or density recommendations within the Tysons area.

## RECOMMENDATION

Text proposed to be added is shown as underlined, and text proposed to be deleted is shown with a ~~strikethrough~~.

**MODIFY:** Fairfax County Comprehensive Plan, 2013 Edition, Area II, Tysons Corner Urban Center, amended through April 29, 2014, Areawide Recommendations: Land Use, Pages 33-35:

“Affordable Housing [Underlined in the original text]

A critical aspect of the vision is to provide housing choices and ensure that a population with a variety of income levels has the ability to live in Tysons. The Policy Plan states that affordable housing should be located close to employment opportunities and should be a vital element in high density and mixed use development projects. A specific objective in the Policy Plan is to encourage affordable and workforce housing in Tysons. Affordable housing may include Affordable Dwelling Units (ADUs) required pursuant to the Zoning Ordinance and Workforce Dwelling Units (WDUs) administered consistent with the Board’s administrative policy guidelines for such units, or other such price controlled units that the Board deems to meet the intent of these provisions.

All projects with a residential component that seek to utilize the redevelopment option in the District Recommendations should provide 20% affordable and workforce dwelling units. These projects are allowed a 20% residential floor area bonus and flexibility in how and where Workforce Dwelling Units can be provided within Tysons.

Because development proposals within 1/4 mile of the Metro stations are not subject to a maximum intensity, the FAR proposed for rezoning applications in these areas is considered to include the bonus floor area allowed for meeting the affordable and workforce housing expectations.

For Affordable Dwelling Units (ADUs), the provisions of Part 8 of Article 2 of the Fairfax County Zoning Ordinance shall apply, unless the dwelling units proposed in the development are specifically exempted from compliance with the ADU Program.

For Workforce Dwelling Units (WDUs), the following housing conditions and the guidelines in the Housing section of the Policy Plan (except as modified below) apply to any residential development built under the redevelopment option, regardless of whether or not the development elects to utilize the available bonus density.

- 20% of the residential units in new developments should be affordable to households with incomes ranging from 50 to 120% of AMI (Area Median Income), as set forth in ~~Table 4~~ Table 1A. Within 1/4 mile of the Metro stations, the 20% applies to the total number of dwelling units to be constructed in the proposed development. Beyond 1/4 mile of the Metro stations, any units created with bonus floor area should be excluded from the 20% WDU calculation. In a development that is required to provide ADUs, the ADUs and ADU bonus units may be deducted from the total number of dwelling units on which the WDU calculation is based.



- For WDUs associated with high-rise condominiums, the income tiers may be adjusted to three (3) income tiers as follows: one-third up to 70% AMI, one-third at 71 to 80% AMI, and one-third at 81 to 100% AMI, as set forth in “Table 1B: Income Tiers for Workforce Dwelling Units in High-rise Condominiums.” In addition, if the applicant provides all of the for-sale workforce housing units onsite, the percentage of WDUs should be reduced from 20% to 14%. If the units are provided as new construction for-sale units but are transferred to another property offsite in Tysons, the percentage to be provided should be 16%. If rental workforce housing units are provided onsite or offsite in Tysons in lieu of the for-sale units, the percentage of rental units to be provided should be 20% and follow the income tiers outlined in Table 1A.
- To account for market conditions such as increases in interest rates that may affect the published Workforce Dwelling Unit Pricing for High-rise Condominium Buildings approved by the County Executive on January 16, 2015 or as amended, the income tiers may be adjusted upward 5% (i.e. 70% to 75%, 80% to 85%, and 100 to 105%) at the time of delivery as may be approved by the Department of Housing and Community Development and the County Executive.
- If required by the Zoning Ordinance, ADUs may be counted toward the 20% affordable housing objective identified in the previous bulleted item, above. Any such ADUs could be used to satisfy the lower income tiers identified in ~~Table 1~~ Tables 1A and 1B for WDUs.

**Table 1 Table 1A**  
**Income Tiers for Workforce Dwelling Units**  
**(except for high-rise condominiums)**

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

**Table 1B**  
**Income Tiers for Workforce Dwelling Units in High-rise Condominiums**

81-100% of AMI	33% of total units
71-80% of AMI	33% of total units
<70% of AMI	33% of total units

- A maximum 20% increase in residential floor area is allowed for achieving the workforce housing objective. In mixed use developments, some of this increase in floor area may be used for commercial purposes. The percentage of nonresidential and residential bonus floor area should be similar to the project’s overall land use mix. In order to provide more flexibility with the bonus, the Policy Plan’s size restrictions on bonus market rate units do not apply within Tysons.

- The WDUs provided should have a similar mix in the number of bedrooms as the market rate units. The minimum unit size of WDUs should be consistent with the Policy Plan.
- WDUs should be price controlled as set forth in the Board of Supervisors' Tysons Corner Urban Center Workforce Dwelling Unit Administrative Policy Guidelines, adopted ~~October 15, 2007~~ June 22, 2010 or as may be amended.
- WDUs are preferred to be provided on-site. However, developers may aggregate land for workforce housing off-site and/or transfer to others the responsibility for creating such units in building structures where the advantages of financing and operating affordable and workforce housing can be realized. Units provided in this manner should be located within Tysons, should be in general conformance with the applicable land use, intensity, public facility and urban design objectives, and should include all of the income tiers set forth in ~~Table 4~~ Tables 1A and 1B.
- Efforts should be made to preserve market rate housing units that are affordable to households earning below 120% of AMI. Land owners may meet their affordable housing objective by purchasing existing units and preserving their affordability as set forth in the Board of Supervisors' Tysons Corner Urban Center Workforce Dwelling Unit Administrative Policy Guidelines, adopted ~~October 15, 2007~~ June 22, 2010 or as may be amended. Redevelopment of existing housing units should satisfy Objective 11 in the Land Use section of the Policy Plan, including increased affordable housing opportunities and positive impacts on the environment, public facilities and transportation systems.
- The WDUs should be provided concurrently with market rate units or with some form of surety that they will be built.
- A housing trust fund will be established and used to create affordable and workforce housing opportunities in Tysons.
- Cash contributions in lieu of providing WDUs are not desired. However, in the rare event that a payment in lieu of affordable units is considered, this payment should be 3% of the total contract sales price for each market rate unit within the building that is subject to the WDU policy, payable at the time of settlement to the Tysons Housing Trust Fund. Any combination of units and cash contribution may be considered provided that the combination of WDUs and monetary contribution is proportional to the overall requirement. The applicant must coordinate with both the Department of Housing and Community Development and the Department of Planning and Zoning for implementation.
- Programs that capitalize on either the development of housing or on the incomes of households, such as low income housing tax credits, tax-exempt housing bonds, tax increment financing, tax abatement, or a county housing fund should be considered.
- Flexibility in the total number of WDUs provided may be considered for projects that meet additional housing needs that have been identified by the county. Examples include providing a higher proportion of units in the lowest income tiers or providing units with more bedrooms than would otherwise be expected. Such proposals should be evaluated on a case-by-case basis.

- Creative strategies for achieving housing objectives should be considered. ~~This~~ These could include a system similar to wetlands banking in which a developer builds additional affordable and workforce dwelling units and the credit for providing the units is sold to another developer who has an obligation to provide affordable housing. Another strategy could be ~~incorporating to incorporate~~ units into public buildings. Facilities for populations with special needs, including those who are homeless, should also be considered.

Nonresidential development throughout Tysons should contribute a minimum of \$3.00 per nonresidential square foot (adjusted annually based on the Consumer Price Index) or at least 25 cents per nonresidential square foot over a period of time to be determined at the time of rezoning to a housing trust fund that will be used to create affordable and workforce housing opportunities in Tysons. Such developments may provide an equivalent contribution of land or affordable units in lieu of a cash contribution. Nonresidential contributions could also be used to fund affordable housing opportunities in Tysons through a partnership. If nonresidential floor area is achieved through a bonus for providing affordable and workforce dwelling units, the bonus floor area should not be included when calculating the contribution amount. Ground level retail located in office, hotel, and residential buildings should also not be included when calculating the contribution amount.

The provision of workforce housing should be viewed as a collective responsibility that will directly benefit employers in Tysons. New office, retail, and hotel developments will benefit from having a range of affordable housing opportunities within a short commuting distance of the jobs in Tysons.”

#### **COMPREHENSIVE LAND USE PLAN MAP:**

The Comprehensive Land Use Plan Map will not change.

#### **COUNTYWIDE TRANSPORTATION PLAN MAP:**

The Countywide Transportation Plan Map will not change.

## **WORKFORCE HOUSING ADVISORY GROUP**

Fairfax County formed the WDU Policy Advisory Group for High-Rise Condominium in Tysons (Advisory Group). This group, chaired by former Planning Commissioner Walter Alcorn, consisted of several people who were involved with the development of the initial WDU policy in the Tysons Plan. Members of this group are listed below.

Walter Alcorn – Chair  
David Gelfond  
Aaron Georgelas  
Rick Hausler  
Michelle Krockner  
Ken Lawrence  
Michael Scheurer

## **ADOPTED COMPREHENSIVE PLAN**

The Plan guidance for the provision of affordable housing in Tysons is found in the Fairfax County Comprehensive Plan, 2013 Edition, Area II, Tysons Corner Urban Center, as amended through April 29, 2014, Areawide Recommendations: Land Use, Land Use Guidelines section, pages 33-35:

### **“Affordable Housing**

A critical aspect of the vision is to provide housing choices and ensure that a population with a variety of income levels has the ability to live in Tysons. The Policy Plan states that affordable housing should be located close to employment opportunities and should be a vital element in high density and mixed use development projects. A specific objective in the Policy Plan is to encourage affordable and workforce housing in Tysons. Affordable housing may include Affordable Dwelling Units (ADUs) required pursuant to the Zoning Ordinance and Workforce Dwelling Units (WDUs) administered consistent with the Board’s administrative policy guidelines for such units, or other such price controlled units that the Board deems to meet the intent of these provisions.

All projects with a residential component that seek to utilize the redevelopment option in the District Recommendations should provide 20% affordable and workforce dwelling units. These projects are allowed a 20% residential floor area bonus and flexibility in how and where Workforce Dwelling Units can be provided within Tysons.

Because development proposals within 1/4 mile of the Metro stations are not subject to a maximum intensity, the FAR proposed for rezoning applications in these areas is considered to include the bonus floor area allowed for meeting the affordable and workforce housing expectations.

For Affordable Dwelling Units (ADUs), the provisions of Part 8 of Article 2 of the Fairfax County Zoning Ordinance shall apply, unless the dwelling units proposed in the development are specifically exempted from compliance with the ADU Program.

For Workforce Dwelling Units (WDUs), the following housing conditions and the guidelines in the Housing section of the Policy Plan (except as modified below) apply to any residential development built under the redevelopment option, regardless of whether or not the development elects to utilize the available bonus density.

- 20% of the residential units in new developments should be affordable to households with incomes ranging from 50 to 120% of AMI (Area Median Income), as set forth in Table 1. Within 1/4 mile of the Metro stations, the 20% applies to the total number of dwelling units to be constructed in the proposed development. Beyond 1/4 mile of the Metro stations, any units created with bonus floor area should be excluded from the 20% WDU calculation. In a development that is required to provide ADUs, the ADUs and ADU bonus units may be deducted from the total number of dwelling units on which the WDU calculation is based.
- If required by the Zoning Ordinance, ADUs may be counted toward the 20% affordable housing objective identified in the previous bulleted item, above. Any such ADUs could be used to satisfy the lower income tiers identified in Table 1 for WDUs.



**Table 1**  
**Income Tiers for Workforce Dwelling Units**

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

- A maximum 20% increase in residential floor area is allowed for achieving the workforce housing objective. In mixed use developments, some of this increase in floor area may be used for commercial purposes. The percentage of nonresidential and residential bonus floor area should be similar to the project's overall land use mix. In order to provide more flexibility with the bonus, the Policy Plan's size restrictions on bonus market rate units do not apply within Tysons.
- The WDUs provided should have a similar mix in the number of bedrooms as the market rate units. The minimum unit size of WDUs should be consistent with the Policy Plan.
- WDUs should be price controlled as set forth in the Board of Supervisors' Workforce Dwelling Unit Administrative Policy Guidelines, adopted October 15, 2007 or as amended.
- WDUs are preferred to be provided on-site. However, developers may aggregate land for workforce housing off-site and/or transfer to others the responsibility for creating such units in building structures where the advantages of financing and operating affordable and workforce housing can be realized. Units provided in this manner should be located within Tysons, should be in general conformance with the applicable land use, intensity, public facility and urban design objectives, and should include all of the income tiers set forth in Table 1.
- Efforts should be made to preserve market rate housing units that are affordable to households earning below 120% of AMI. Land owners may meet their affordable housing objective by purchasing existing units and preserving their affordability as set forth in the Board of Supervisors' Workforce Dwelling Unit Administrative Policy Guidelines, adopted October 15, 2007 or as amended. Redevelopment of existing housing units should satisfy Objective 11 in the Land Use section of the Policy Plan, including increased affordable housing opportunities and positive impacts on the environment, public facilities and transportation systems.
- The WDUs should be provided concurrently with market rate units or with some form of surety that they will be built.
- Cash contributions in lieu of providing WDUs are not desired.
- Programs that capitalize either the development of housing or the incomes of households, such as low income housing tax credits, tax-exempt housing bonds, tax increment financing, tax abatement, or a county housing fund should be considered.
- Flexibility in the total number of WDUs provided may be considered for projects that meet additional housing needs that have been identified by the county. Examples include providing a higher proportion of units in the lowest income tiers or providing units with more bedrooms than would otherwise be expected. Such proposals should be evaluated on a case-by-case basis.

- Creative strategies for achieving housing objectives should be considered. This could include a system similar to wetlands banking in which a developer builds additional affordable and workforce dwelling units and the credit for providing the units is sold to another developer who has an obligation to provide affordable housing. Another strategy could be incorporating units into public buildings. Facilities for populations with special needs, including those who are homeless, should also be considered.

Nonresidential development throughout Tysons should contribute a minimum of \$3.00 per nonresidential square foot (adjusted annually based on the Consumer Price Index) or at least 25 cents per nonresidential square foot over a period of time to be determined at the time of rezoning to a housing trust fund that will be used to create affordable and workforce housing opportunities in Tysons. Such developments may provide an equivalent contribution of land or affordable units in lieu of a cash contribution. Nonresidential contributions could also be used to fund affordable housing opportunities in Tysons through a partnership. If nonresidential floor area is achieved through a bonus for providing affordable and workforce dwelling units, the bonus floor area should not be included when calculating the contribution amount. Ground level retail located in office, hotel, and residential buildings should also not be included when calculating the contribution amount.

The provision of workforce housing should be viewed as a collective responsibility that will directly benefit employers in Tysons. New office, retail, and hotel developments will benefit from having a range of affordable housing opportunities within a short commuting distance of the jobs in Tysons.”