

Draft Affordable Dwelling Unit Ordinance

Board of County Supervisors Work Session June 11, 2024

Overview of presentation



- Background on affordable housing and current need
- Summary of public engagement process
- Demographics of online survey respondents
- Major themes from community & stakeholder engagement
- Summary of changes from February 20, 2024 draft ordinance
- Map of locations potentially eligible for the ordinance
- Timeline
- Next Steps after AfDU Ordinance

Why is Affordable Housing Important in PWC?













Need for Affordable Housing

Salary Range

\$0 - \$40,700/yr.

Ownership Range: \$0 - \$171,851

Rental Range: \$0 - \$1,017/mo.



Bartender



Cook, Restaurant





Ownership Range: \$171,852 - \$286,490

Rental Range: \$1,018 - \$1,696/mo.



Salary Range

Motor Vehicle Operator



\$40,701 - \$67,850/yr.

Legal Secretary

Salary Range

\$67,851 - \$85,800/yr.

Ownership Range: \$286,491 - \$362,282

Rental Range: \$1,697 - \$2,145/mo.



Construction/Building Insp.



Social Worker

Salary Range

\$85,801 - \$107,250/yr.

Ownership Range: \$362,283 - \$452,848

Rental Range: \$2,146 - \$2,682/mo.



Mechanics, Installers Supervisors



Electrical Engineer

Why is affordable housing needed?



2030 REGIONAL HOUSING TARGETS

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS (MWCOG)

1 AMOUNT

At least **320,000 housing units should be added** in the region between 2020 and 2030. This is an additional 75,000 units beyond the units already forecast for this period.

2 ACCESSIBILITY

At least **75%** of all new housing should be **in Activity Centers** or **near high-capacity transit**.

3 AFFORDABILITY

At least **75%** of new housing should be **affordable to low- and middle-income households**.

PRINCE WILLIAM COUNTY HOUSING TARGETS

To meet Prince William County's share of the MWCOG regional housing targets, the county needs to produce

26,000 housing units by the year 2030.

To meet this target, Prince William County needs to produce

2,600 housing units <u>each year</u>.

HOUSING SHORTFALL IN PRINCE WILLIAM COUNTY



2040 Comprehensive Plan: Housing Chapter



Housing Policy 2: Creating New Diverse Housing Communities (Action Strategies)

- **H2.1**: Foster a healthy balance of high quality and attractive housing types to serve an increasingly diverse population and diverse workforce. Encourage developments that provide **affordable**, new market rate mixed income renter and owner-occupied housing.
- **H2.6**: Encourage geographic dispersion of **affordable housing** throughout the County, particularly in areas where existing supply is low.
- **H2.15**: Permit and encourage higher-intensity multifamily living in activity centers, redevelopment corridors and small area plans as part of both standalone and mixed-use developments to create mixed income developments with **affordable and workforce units**.

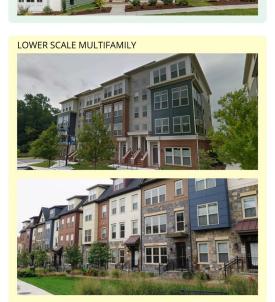
Housing Policy 3: Affordable Dwelling Units (Action Strategies)

H3.1: Research, develop, adopt, and implement an Affordable Dwelling Unit
("ADU") ordinance to provide incentives for the development community to
voluntarily support the affordable housing needs of the County.

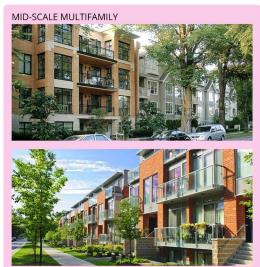
Types of development likely to result from AfDU Ordinance

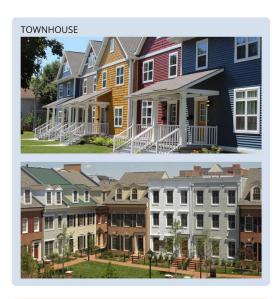


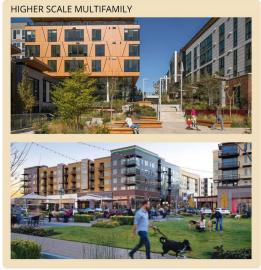












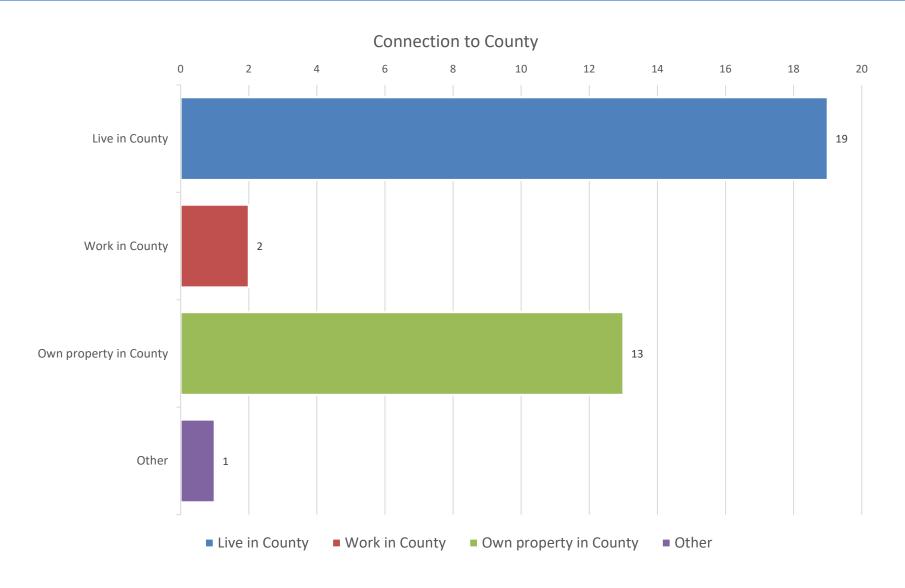
Summary of Public Engagement Process



- 3-13-2024 PC Work Session Overview of the Need for Affordable Housing
- 3-5-2024 & 3-15-2024 Stakeholder Meetings (NVBIA, VOICE, NVAHA)
- 3-21-2024 Public Meeting East (Ferlazzo)
- 3-28-2024 Housing Board Meeting
- 4-03-2024 Public Meeting West (Beacon Hall)
- 4-04-2024 Virtual Public Meeting
- 4-17-2024 PC Work Session Draft AfDU Ordinance
- 4-25-2024 DORAC Meeting
- 3-21-2024 until 4-30-2024 Online Comment Form
- May 2024 Additional stakeholder feedback (NVBIA, VOICE, NVAHA)

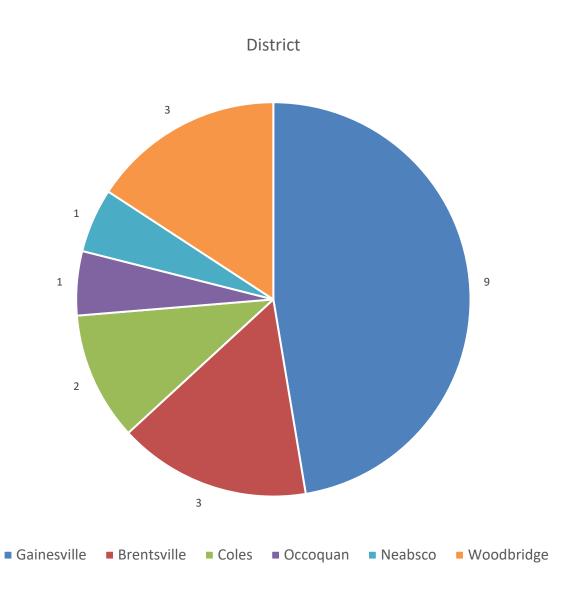
Demographics of online comment form respondents





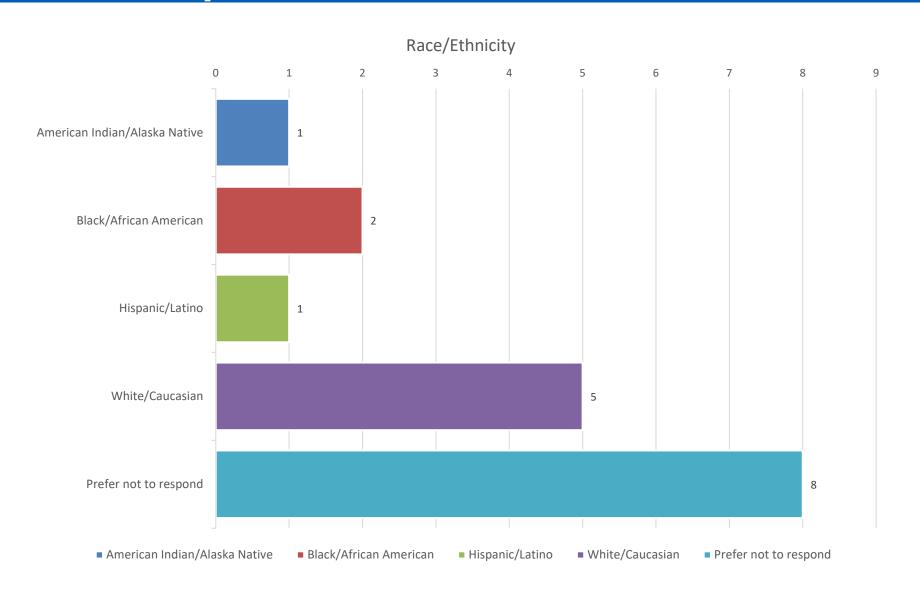
Demographics of online comment form respondents, continued





Demographics of online comment form respondents, continued

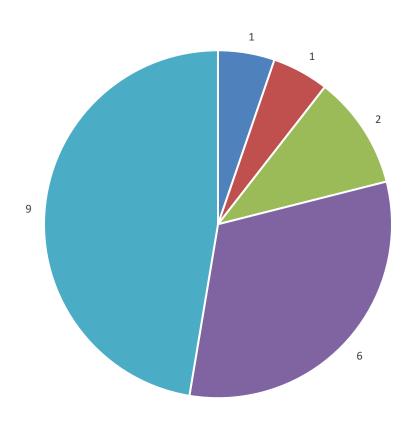




Demographics of online comment form respondents, continued



Annual Household Income



Major themes from community & stakeholder feedback



- Keep infrastructure demands and needs in mind
- People need to live near where they work
- Clarify wording around 95% maximum bonus density provision
- Reactions to requirements of VA Code 15.2-2305.1 such as:
 - Disagreement with "economic loss" language.
 - Disagreement with the granting of waivers.
- Questions about the Housing Trust Fund
- Requested clarification on or advocated for application of the ordinance to rezonings
- Interest in seeing Administrative guidelines for implementation
- Requested control periods of 30 to 40 years
- Requested shorter AfDU application processing time than in draft ordinance
- Wanted to see proximity to transit as a criteria for AfDU eligibility

Summary of Changes from February 20, 2024 Draft



- <u>Area Median Income Definition</u> Change the HUD Area Median Income Definition from county to the metropolitan statistical area.
- <u>Eligibility:</u>
 - Clarified that the no net loss of affordable housing units also applies to site and subdivision plan applications.
 - Changed eligibility to apply AfDU ordinance to rezonings, as another voluntary option in addition to Comprehensive Plan affordable housing guidance.
- Removed Sec. 32-290.08 Enforcement, Violations, and Civil Penalties as redundant with Sec. 32-1000.01

Changes from February 20, 2024 Draft – Continued (Rezonings)



 Rezonings would be able to choose which set of guidelines (Comp Plan or AfDU Ordinance) as basis to <u>voluntarily</u> proffer affordable units.

Comprehensive Plan

- Recommends bonus density to be twice the percentage of affordable/workforce housing offered. (Ex. 10% of units offered = 20% bonus density...)
- Comprehensive Plan would provide more bonus density for 80% AMI to 120% AMI compared to AfDU Ordinance
- Comprehensive Plan does not offer guidance for 50% to below 80% AMI

AfDU Ordinance (50% & 80% AMI ranges)

- For 50% AMI: 5% to 35+% of units offered = 20% to 95% maximum bonus density
- For 80% AMI: 10% to 35+% of units offered = 20% to 57.5% maximum bonus density
- AfDU Ordinance would provide more bonus density for 50% AMI compared to Comp Plan
- AfDU Ordinance does not apply above 80% AMI

Example of Bonus Density Calculation



80% AMI units in T-3 Long Range Transect

- Maximum of 12 dwelling units (du)/acre under T-3
- Example calculation:
 - 10% of units affordable at 80% AMI = 20% density bonus
 - 12 du/acre X 1.2 = **14.4 du/acre**

50% AMI units in T-3 Long Range Transect

- Maximum of 12 du/acre under T-3
- Example calculation:
 - 5% of units affordable at 50% AMI = 20% density bonus
 - 12 du/acre X 1.2 = 14.4 du/acre

Changes from February 20, 2024 Draft - Continued



- <u>Density Bonus</u> Clarifying language added and removal of limitation to 95% of applicable maximum bonus density.
- Affordable Dwelling Unit Standards Developments using Low-Income Housing Tax Credit (LIHTC) program will be exempted from standards listed in Sec. 32-290.05 except for Sec. 32-290.05(c)
 - LIHTC projects often apply to an entire building, which would not meet the requirements to be dispersed throughout the development.
 - LIHTC projects have their own exterior appearance, amenity, affordability term, & reporting requirements at the state and/or federal levels.
- Application Submittal Requirements Clarification that the application requirements are for site plans using the Affordable Dwelling Unit Ordinance.
- <u>Effective Date</u> Added effective date of **January 1, 2025**
 - Initial draft had no effective date. January 2025 will allow time to create standard operating procedures, to hire staff, and train staff, agencies and customers on the process.

Methodology for identifying potentially eligible locations



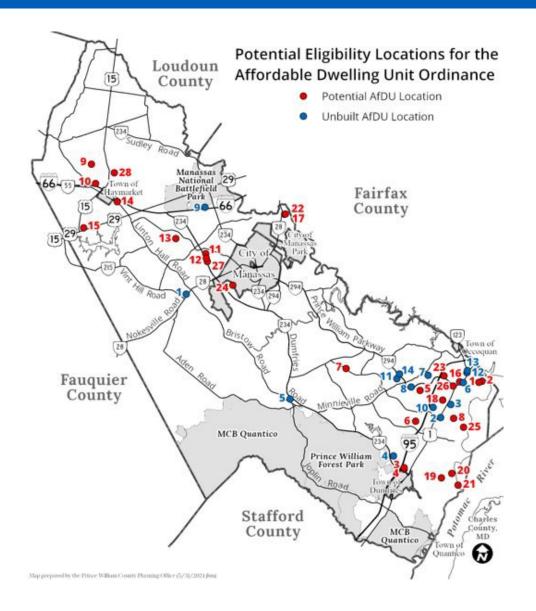
- Planning Commission asked for map of sites potentially eligible for voluntary bonus density with affordable dwelling units.
- The Planning Office analyzed the Residential Inventory component of the county's Build-Out Analysis to determine potential sites with previously approved rezoning cases that could meet the ordinance's eligibility criteria and could therefore voluntarily request bonus density under the proposed Affordable Dwelling Unit Ordinance.

The criteria used to identify these sites:

- Could the project create more than 5 new affordable dwelling units with bonus density?
- Would the designated transect allow a density of at least 1 dwelling unit per acre?
- Was the project already under construction? Only cases that are not under construction were included.
- Did the project already have an approved conditional rezoning that provided for affordable units?

Sites Potentially Eligible for AfDU Ordinance





Timeline



Upcoming Milestones



Next Steps after AfDU Ordinance Prince

- Ideas to include in the comprehensive update to the Zoning Ordinance and/or Phase II effort:
 - Incentive Zoning
 - Accessory Dwelling Units
 - Missing Middle Housing Types
 - Review of PWC Zoning Ordinance for additional opportunities to help provide for affordable housing