



ARLINGTON COUNTY, VIRGINIA

<p style="text-align: center;">County Board Agenda Item Meeting of February 21, 2004</p>

DATE: February 12, 2004

SUBJECT: Proposed Affordable Housing Guidelines for Site Plan Projects.

C. M. RECOMMENDATIONS:

Defer to the May 15, 2004, County Board meeting.

ISSUE: Should the existing housing contributions formula be changed?

SUMMARY: At the direction of the County Board, staff has reviewed the current formula used to calculate the recommended housing contributions for site plan projects. Based on this review, a major change to the method by which the amounts are calculated is recommended, which would result in significant increases in support of affordable housing. In response to various community requests for more time to review and analyze the proposed changes, staff recommends deferring action on the proposal.

BACKGROUND: On December 6, 2003, the County Board received a recommendation from the County Manager outlining proposed revisions to the affordable housing contribution policy for site plan projects. At that time the Board recommended that the proposed guidelines be set for public hearing February 21, 2004, and that they be implemented on an interim basis (see attachment). At a community forum on the proposed guidelines on February 4, 2004, several speakers requested a 90-day deferral in order to allow more time to review and analyze the proposal as well as some alternate proposals for affordable housing contributions. Deferral will also allow the Housing Commission and Planning Commission more time to formulate their recommendations on the proposal.

Consideration of revised affordable housing guidelines is based on the following objectives:

- Preserving affordable housing in Arlington in order to maintain an economically diverse population that can fulfill the full range of jobs in the Arlington economy.
- Providing a predictable expectation for the development community.

<p>County Manager: _____</p>

<p>County Attorney: _____</p>

<p>Staff: Ken Aughenbaugh, Housing Division, CPHD</p>

AFFORDABLE HOUSING GUIDELINES FOR SITE PLAN PROJECTS

Approved by the County Board on an interim basis on December 6, 2003

Voluntary housing contributions for site plan projects shall be calculated as the greater of the following:

- \$4,500 per residential unit
- \$4.00 per square foot of gross floor area
- Equivalent value of affordable housing existing on the site

The major elements in how the guidelines are implemented are as follows:

- The interim guidelines are effective as of December 6, 2003.
- The housing contribution is calculated on the total project gross floor area.
- Existing affordable housing shall be replaced in the base development before the application of any bonus density. However, if a developer can show that the project is not economically viable, the County will consider the use of bonus density provisions to achieve the replacement housing.
- The guidelines apply to all site plan projects—residential, retail, office, and hotel. The contribution, however, could be negotiated for a specific project mix that the County wants to achieve. The guidelines also apply to a major site plan amendment where an existing site plan project is being redeveloped. Such projects would be essentially treated as new projects.
- For rental residential projects, the preference is that contributions be converted to on-site housing of equivalent value where there would be a minimum of ten affordable units in the project. For projects of fewer than ten units, the contributions should go into the County's Housing Reserve Fund. Where existing affordable housing is on the site, consideration may also be given to off-site alternatives in order to minimize the impact of relocation of existing tenants.
- Affordable housing provided on-site is subject to negotiation to meet the County's housing targets through unit bedroom mix, depth of subsidy, and term of contract. Thus, the number of units achievable at the formula value may vary based on the County's policy objectives.
- In addition to ensuring the economic viability of affordable housing replacement, the bonus density may also be considered on a case-by-case basis to achieve an increase in affordable housing above the formula.