

City of Alexandria Procedures Regarding Affordable Housing Contributions

2015

The following outlines the voluntary contribution formula and the City's zoning code provisions regarding affordable housing. As applicants submit concept plans and work through the City's development process, staff can discuss the applicability of these provisions to a particular project.

A. Bonus Density obtained through Section 7-700 of the Zoning Ordinance

Section 7-700 of the Zoning ordinance previously required the dedication of onsite units in exchange for a 20 percent density increase and/or an increase in the height limit by 25 feet. Amendments approved in January 2014 amend this section to do the following:

- 1) Allow the affordable units created through the bonus density process to be located off-site if the value is equivalent and the off-site units are mutually agreed upon by the City and the Applicant.
- 2) Allow the City to accept a cash contribution of equivalent value in lieu of affordable units if mutually agreed upon by the City and the Applicant.
- 3) Allow an applicant to receive more than 20% additional density if authorized within the relevant Small Area Plan.
- 4) Require that the number of affordable housing units to be provided in return for additional height or density created by the use of Section 7-700 be equal to at least one-third of the units made possible by the additional square footage, unless the City and the Applicant mutually agree to a different number of units in order to address a stated City objective (e.g., a particular configuration of unit sizes).

B. Voluntary Contributions

An Applicant may wish to provide a voluntary affordable housing contribution in connection with a project that is not required to comply with the provisions of Section 7-700. An Applicant who desires to do so may find it helpful to refer to the formula outlined below that was developed by the Housing Contribution Policy Work Group.

Development Category	2015 \$/Sq. Ft Rates*
Non-Residential	\$1.89
Tier 1 Residential	\$2.51
Tier 2 Residential	\$5.03
* Adjusted annually by the CPI-U Housing	

Voluntary contribution is applicable for all new residential developments of five units or more, and all new building area constructed, including additions to existing structures, if larger than 3,000 gross square feet, unless otherwise excluded in section G.

C. Affordable Housing Plan

An Applicant proposing to make a housing contribution in the form of affordable units (whether required or voluntary) should submit an Affordable Housing Plan describing the proposed contribution. Each affordable housing plan received by the City will be considered on a case-by-case basis within the guidelines of City policy, with an understanding that the provision of affordable housing may be a desirable goal for the City but that other impacts may be weighed along with the benefit.

An Affordable Housing Plan shall be prepared in a format determined by the City's Office of Housing and shall also be submitted along with the completeness submission of a Preliminary Development Special Use Permit. Staff review of the Affordable Housing Plan will include but will not be limited to the following criteria:

- 1) How the plan helps the City meet its affordable housing goals and is consistent with the Housing Master Plan;
- 2) Proximity to commercial districts or public transportation;
- 3) The effect of the plan on neighboring communities; and
- 4) A comparison between the values of the Affordable Housing Plan with the monetary value calculated via the voluntary contribution formula.

Affordable Housing Plans are presented to the Affordable Housing Advisory Committee for its feedback prior to consideration by City Council.

D. Timing of Contribution Payment

For all projects (commercial and residential) for which voluntary or required bonus density contributions are pledged, contributions are to be made on a pro-rata basis at the time of the initial occupancy for each unit/space, as evidenced by a certificate of occupancy for finished unit/space, with the exception that the contribution attributable to for sale units may be made upon sale of each unit to the end user.

E. Gross Floor Area

For the purposes of calculating the affordable housing contribution, all GFA of a project would be used except the GFA attributable to parking, except that garages attached to, or on the same lot with, individual residences and designed for use by a single household shall be included in the calculation of the voluntary contribution.

F. Application of Formula to Mixed-Use Projects

In mixed use situations, Tier 1 residential shall be defined as all square footage that can be built "by right" on a particular site regardless of any non-residential square footage that is planned as part of the project. Contribution levels for the Tier 1 residential (as defined herein), Tier 2 residential (if applicable), and commercial square footage shall be calculated

separately, each at its formula rate, and then combined. (See Attachment 1 for examples of contribution calculations)

G. Exclusions

Types of development for which no contribution is anticipated include religious institutions (including seminaries, convents, or monasteries); public parks and playgrounds; public and private schools; preschools within a church or school building; non-commercial facilities (including such ones as recreational facilities and community centers designed to serve a neighborhood or other such uses as approved by the City); libraries; homeless shelters; any residential project undertaken by the Alexandria Redevelopment and Housing Authority (ARHA) or an entity of which ARHA is a part, or any project in which 10% or more of the units are public housing units or other publicly-assisted units serving as replacement for public housing; and parking garages (other than garages attached to, or on the same lot with, individual residences and designed for use by a single household).

H. Expirations, Extensions and Amendments to Special Use Permits and Site Plans

- 1) If a previously approved SUP or site plan expires, a re-application submitted after the expiration date will be treated as a new application and will be subject to review by Office of Housing staff under the current formula. If an Affordable Housing Plan or changes to a previous Affordable Housing Plan are involved, the Plan will be forwarded to the Affordable Housing Advisory Committee for review.
- 2) If an applicant requests an extension of a previously approved SUP or site plan, the application for extension shall be exempt from affordable housing condition review.
- 3) If an applicant submits minor changes (as determined by Planning and Zoning) to a previously approved SUP or site plan, the revised submission shall be exempt from affordable housing condition review, unless it involves a change to a previously approved Affordable Housing Plan.
- 4) If an applicant submits major changes (as determined by Planning and Zoning) to a previously approved SUP or site plan that did not have an Affordable Housing Plan, the changes shall be forwarded to the Office of Housing for an Affordable Housing review. If an Affordable Housing Plan is submitted, it shall be forwarded to the Affordable Housing Advisory Committee for review.
- 5) If an applicant submits major changes (as determined by Planning and Zoning) to a previously approved SUP or site plan that has an affordable housing condition, the changes shall be forwarded to Office of Housing staff for review. If the changes involve an Affordable Housing Plan or have implications for an existing Affordable Housing Plan (e.g., there is a major change in the scope of the project that merits a change in the level of affordable housing to be provided), the issue shall be forwarded to the Affordable Housing Advisory Committee for review.

Voluntary Formula Calculation

Example 1: Retail and Residential in One Building

Proposed Project

Mixed Use Building	200,000 Sq. Ft.
Residential	175,000 Sq. Ft.
Retail	25,000 Sq. Ft.

Site Characteristics

Lot Area	100,000 Sq. Ft.
Zoning	CRMU/M
FAR By Right	1.25
FAR w/ DSUP	2.0
By Right Sq. Ft.	125,000 Sq. Ft.
DSUP Sq. Ft.	75,000 Sq. Ft.
Total Sq. Ft.	200,000 Sq. Ft.

Tier 1 and Tier 2 Calculation of Example 1 – Work Group Recommendation			
Development Category	Sq. Ft.	2015 Rates	Voluntary Contribution
Non-Residential (Retail)	25,000	\$1.89	\$47,250
Tier 1 Residential	125,000	\$2.51	\$331,750
Tier 2 Residential	50,000	\$5.03	\$251,500
Totals	200,000	-	\$630,500

Example 2: Retail and Residential in One Building with Bonus Density

Proposed Project

Mixed Use Building	225,000 Sq. Ft.
Residential	150,000 Sq. Ft.
Retail	75,000 Sq. Ft.

Site Characteristics

Lot Area	75,000 Sq. Ft
Zoning	CRMU/H
FAR By Right	1.5
FAR w/ DSUP	2.5
FAR w/DSUP/Bonus	3.0
By Right Sq. Ft.	112,500 Sq. Ft.
DSUP Sq. Ft.	75,000 Sq. Ft.
<u>Bonus Sq. Ft.</u>	<u>37,500 Sq. Ft.</u>
Total Sq. Ft.	225,000 Sq. Ft.

Tier 1 and Tier 2 Calculation of Example 2 – Work Group Recommendation			
Development Category	Sq. Ft.	2015 Rates	Voluntary Contribution
Non-Residential (Retail)	75,000	\$1.89	\$141,750
Tier 1 Residential	112,500	\$2.51	\$282,375
Tier 2 Residential	0	\$5.03	\$0
Tier 3 Residential	37,500	Units**	-
Totals	225,000	-	\$424,125
<i>**Bonus Units to be determined in the manner described in Section 7-700</i>			

Example 3: Separate Office and Residential Buildings

<u>Proposed Project</u>		<u>Site Characteristics</u>	
Office Building	150,000 Sq. Ft.	Lot Area	300,000 Sq. Ft
Residential Building	300,000 Sq. Ft.	Zoning	OCM
		FAR	1.50
		By Right Sq. Ft.	450,000 Sq. Ft.

Tier 1 and Tier 2 Calculation of Example 3 – Work Group Recommendation			
Development Category	Sq. Ft.	2015 Rates	Voluntary Contribution
Non-Residential (Office)	150,000	\$1.89	\$283,500
Tier 1 Residential	300,000	\$2.51	\$753,000
Tier 2 Residential	0	\$5.03	0
Totals	450,000	-	\$1,036,500