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Legislative and Development Environment

LEGISLATIVE AND DEVELOPMENT ENVIRONMENT

INTRODUCTION

The previous chapters have demonstrated the importance of affordable housing, its contribution to the sustainability of Alexandria's economy, and the great extent of the affordable housing need. This chapter will outline the current state and local legislative and regulatory environment for the development and preservation of affordable housing in the city.

STATE LEGISLATIVE AND REGULATORY ENVIRONMENT

In Virginia, local control of land use is constrained by the doctrine of limited authority for local governments commonly called the Dillon Rule, which limits local municipalities' powers to those specifically conferred, those necessarily or fairly implied from a specific grant of authority, or those essential and indispensable to the purpose of government. Because of the Dillon Rule, municipal governments in Virginia have only those powers which the state legislature explicitly conveys or reserves to them. In Alexandria's case, the City has a Charter which gives it some greater/lesser powers than those granted to other localities through the Code of Virginia. In general though, the City does not have the autonomy of municipalities in "home rule" states where city and town governments may adopt laws and regulations on almost any topic that is not expressly prohibited in the state constitution. As a result, state legislative authority must be secured for innovations to address housing needs that go beyond what is currently allowed under state law or the City Charter.

The Code of Virginia § 15.2-2223 requires that jurisdictions prepare and adopt comprehensive plans and that the scope and purpose of the plan shall include “the designation of areas and implementation of measures for the construction, rehabilitation and maintenance of affordable housing, which is sufficient to meet the current and future needs of residents of all levels of income in the locality while considering the current and future needs of the planning district within which the locality is situated.” Code of Virginia § 15.2-2283 also establishes that the creation and preservation of affordable housing shall be among the many purposes of zoning ordinances. The City’s requirement to have a comprehensive plan is in City Charter Sections 9.01 and 9.04 through 9.06, and Section 9.09 refers to zoning powers and affordable housing.

INCREASED DENSITY

Increased density refers to the permission granted by a municipality to a developer to build more or larger units than otherwise allowed by the existing zoning code in exchange for the provision of affordable housing units. In Virginia, this is the only vehicle by which jurisdictions can require affordable housing in new development.

Why it’s a compelling tool: A major factor in the cost of housing is the cost of the land beneath it. Local governments can have a profound impact on housing costs by how they adopt and apply the rules governing the amount of development that may be placed on a plot of land. The allowable density, or floor area ratio (FAR), which in turn establishes the amount of building that is permissible on a parcel, affects land value, thereby affecting the financial viability of a project. Because building densities can have such an impact on the price of the dwelling unit, providing greater density or floor area can lower the cost of an individual unit and make it affordable. Greater density/FAR is critical in bringing lower cost units into the housing inventory in high cost markets such as Alexandria

There are three sections of the Virginia Code (§ 15.2-2304, § 15.2-2305, and § 15.2-735.1) that provide municipalities with the authority to offer increased density (see adjacent text box) to developers who build qualified affordable housing. Increased density is the only vehicle by which jurisdictions can require affordable housing in new development. The majority of jurisdictions in Virginia are authorized by Code of Virginia § 15.2-2305 to establish an affordable housing dwelling unit program by amendment to its zoning ordinance. This section of the Code provides specific program options available to jurisdictions. For example, programs may allow for up to 30 percent increase in density in exchange for up to 17 percent affordable housing units, and that the amount of affordable housing provided can be scaled proportionally for lesser increases in density.

The City of Alexandria and certain other jurisdictions[1] are instead regulated by Code of Virginia § 15.2-2304, under which localities “may by amendment to the zoning ordinances … provide for an affordable housing dwelling unit program… [that] shall address housing needs, promote a full range of housing choices, and encourage the construction and continued existence of moderately priced housing by providing for optional increases in density

1 § 15.2-2304 names the City of Alexandria, the Counties of Loudoun and Albemarle, and the governing bodies of any county where the urban county executive form of government or the county manager plan of government is in effect. Currently, Fairfax County is the only jurisdiction under the urban county executive form of government. Arlington, the only County under the county manager plan, is covered by a separate Code section.

in order to reduce land costs for such moderately priced housing." What sets this provision apart from § 15.2-2305 is that in contrast with the specific provisions contained there with regard to percentage of density and affordable units allowed, § 15.2-2304 is less detailed and allows jurisdictions greater flexibility in its application. In 2004, Alexandria secured legislative approval to be covered under § 15.2-2304 because of its greater flexibility, given the City's practice of considering increases in density on a case by case basis rather than granting them across the board, as provided for in § 15.2-2305.

Alexandria's neighboring jurisdictions have each adopted their own locally-tailored programs. Fairfax and Loudoun Counties, both of which are currently covered by §15.2-2304, have each adopted inclusionary housing policies (see definition in text box) that require or incentivize greater density and affordable housing. As is typical for suburban-type residential developments, Fairfax has applied up to a 20 percent bonus to all properties and requires a specified percentage of affordable dwelling units in return for the amount of bonus density actually used by the developer. In addition, Fairfax adopted a "Workforce Housing Policy" requiring up to 20 percent affordable/workforce units and offering a 1:1 bonus for workforce units provided in certain rezonings. As urban types of development have increasingly occurred in different sectors of Fairfax, the County has worked with the local development community to devise housing policies to increase the provision and preservation of a range of affordable housing. The County has recently focused on provision of affordable housing options for very low-income populations, including homeless persons, and for households at workforce housing levels, going up as high 120-140 percent of the area median income in transit and employment centers like Tysons Corner. Formulas and guidelines of these inclusionary housing policies recognize the high cost (and potential return) of development in these areas, and are designed for the mandatory affordable and workforce housing to be provided with no economic loss experienced by the developer.

INCLUSIONARY HOUSING POLICY

Inclusionary housing policies may be mandatory or voluntary, and either require or offer incentives for developers of market-rate projects to set aside a modest percentage of units for low- and moderate-income households. Many ordinances require below-market units to be built at the same time, in the same location, and with an appearance similar or identical to the adjacent market-rate units [1], helping to create diverse, mixed-income neighborhoods and disperse affordable homes throughout the community.

Source: Housing Policy.org

http://www.housingpolicy.org/toolbox/strategy/policies/inclusionary_zoning.html

After Arlington County faced litigation due to its application of § 15.2-2304, the county decided to request proposed legislation to codify the County's Affordable Housing Guidelines. The legislation is now enacted as Code of Virginia § 15.2-735.1, and allows Arlington County to require affordable housing units in projects where the density exceeds a 1.0 floor area ratio (FAR). Because of the low standard FAR, the requirement to provide affordable housing units or make a payment is triggered in most Arlington site plans. The enabling language allows the developer to choose where to place the affordable housing (on site or off site) and, depending on this choice, requires five to ten percent of the total project be dedicated affordable housing. The Code also allows the developer to pay a fee in lieu of the affordable housing units.

Alexandria's current approach under Code of Virginia § 15.2-2304 is a bonus density ordinance codified into Section 7-700 of the City's Zoning Ordinance, which requires provision of some on-site affordable units when bonus[2] density or height is granted through the special use permit process. Section 7-700 leaves open the percentage of affordable housing units that a developer must provide in order to receive a density bonus and the duration of affordability of the units in order to provide flexibility. However, while the level of affordable housing for projects seeking bonus density under Section 7-700 is subject to negotiation between the applicants and the City, such projects often adhere to a formula contained in a 2005 report from a City-sponsored Developer Housing Contribution Policy Work Group, which suggested that one third of the units made possible by the bonus be provided as affordable units with an affordability period of at least 30 years. While such projects have provided a 30-year affordability period for a number of years, the City is now beginning to secure 40-year commitments.

Floor area ratio and density may be increased under Section 7-700 by up to 20 percent of the FAR and density otherwise permitted by the zone, and the height may be increased by up to 25 feet otherwise permitted by

2 Bonus density under Section 7-700 consists of increases, above what is allowed with a Development Special Use Permit in a given zone, of up to 20 percent in additional density or up to 25 feet in additional height.

the zone in any zone where the height limit is above 50 feet. Rezoning, which is the only way to achieve increases in density and/or height that exceed the parameters of 7-700, has also been used in lieu of Section 7-700 for some projects meeting the requirements of that section. Projects receiving additional density or height through rezoning are not subject to a requirement for on-site units and generally provide only voluntary monetary contributions. Only rarely have developers seeking rezoning elected to translate their voluntary contributions into on-site units. Therefore, some view rezoning as a missed opportunity for the provision of on-site affordable housing.

Currently, Section 7-700 requires that affordable units be provided on-site in order to receive the bonus density. In some circumstances, the City could achieve a more beneficial (and fiscally efficient) result by using funds to purchase units in another location rather than receive a limited number of units on-site from the developer. The Affordable Housing Initiatives Work Group (AHIWG) prioritized generating funds for preservation above securing small numbers of new units through the development process, and recommended that any new affordable housing units built should be significant in number or location, or should address another housing goal, such as replacement of other priority housing units, including public housing units.

Alexandria's current approach to applying § 15.2-2304 carries both risks and rewards. Less specificity in the zoning ordinance provides the City with more discretion to work towards the best outcome both for the City and the developer – with the potential for achieving more affordable housing than might be possible under a more specific ordinance. At the same time, the lack of specificity provides less surety for the City and developers and can also result in an outcome less favorable to affordable housing than might be possible with specific ordinance requirements.

As discussed above, while Alexandria does have some authority to require the construction of affordable units through the bonus density provision, the City does not have authority to require preservation of existing market affordable units. If the market warrants redevelopment of an existing multifamily project, a property owner cannot be legally obligated to preserve any proportion of the affordable units. In Alexandria and around the DC Metro region, the loss of existing market affordable units is virtually impossible to recapture as the cost of replacing lost units in new development is out of reach.

The difficult position that Virginia jurisdictions must work within in order to achieve affordable housing is aptly characterized in a 2011 article in the Journal of Local Government Law, which states, "… in the absence of expressed enabling authority, affordable housing can be attained only through properly enabled incentive mechanisms and voluntary contributions, in kind or cash, that risk being characterized, rightly or wrongly, as coercive exactions." [3]

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3 MacIsaac, Stephen A., Journal of Local Government Law, Winter 2011, p. 6

PLANNING

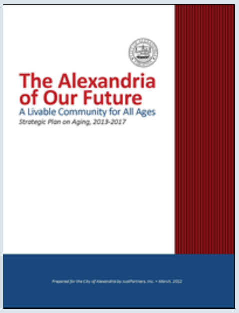
CONSISTENCY WITH CITY PLANS

As a new element of the City's Master Plan, the role of the Housing Master Plan will be to provide an overarching vision to guide affordable housing preservation and creation citywide. Over the course of the planning process, other City plans and policies were consulted to ensure that the Housing Master Plan would be consistent with and reflective of other City policy. The 2010 City Council Strategic Plan, Alexandria of our Future: A Livable Community for All Ages Strategic Plan on Aging for Alexandria, Strategic Plan to Prevent and End Homelessness, and Transportation Master Plan, Eco-City Alexandria and Green Building Policy provided guidance and support for the principles, goals, and objectives of the HMP.

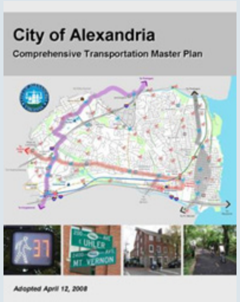
The 2010 Alexandria City Council Strategic Plan places a strong emphasis on the importance of affordable housing to the community. Goal 7 states: "Alexandria is a caring and inclusive community that values its rich diversity, history and culture, and promotes affordability." The first objective associated with this goal is comprehensive: "Promote a continuum of affordable housing opportunities for all residents, especially those most in need." (Alexandria City Council Strategic Plan June 2010). The six initiatives associated with this objective are shown at right and are echoed in the goals and strategies found in Chapter 5.

CITY COUNCIL STRATEGIC PLAN 2010 GOAL 7 INITIATIVES:

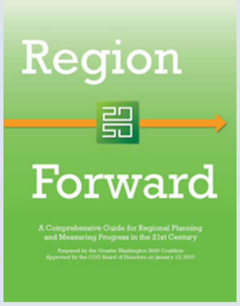
- Achieve a net increase in the number of dedicated affordable rental and ownership units in the City by 2015, through the development and implementation of sustainable and adequately funded development and preservation strategies, including seeking any necessary state legislative changes.
- Identify zoning, land-use tools, and strategies to incorporate affordable housing in development and redevelopment efforts in the City; locate such opportunities strategically with regard to employment centers and transportation, and subsequently begin implementation of those strategies through the Housing Master Plan.
- Offer diversity in housing choices for households and individuals with income ranging from 0 to 50% of the regional median income, with special attention to households with extremely low-incomes (30% of median and below), and households with special needs.
- Provide increased housing choices for low- and moderate-income households of three or more persons.
- Create and plan for livable communities, accessible and affordable to persons of all ages and abilities, including strategies enabling seniors and persons with disabilities to age or remain in place.
- Increase opportunities (funding and/or units) for City and ACPS employees to live (by owning or renting) affordably in Alexandria, and increase employee awareness of such opportunities



The Strategic Plan on Aging for Alexandria establishes many recommendations specifically related to housing for an aging population. The recommendations range from affordable assisted and independent living housing production, to zoning ordinance changes to permit accessory dwelling units, to resources that allow persons to age-in-place. The Homeless Services Coordinating Committee (HSCC) released an updated Strategic Plan to Prevent and End Homelessness in 2010. An overarching goal of that plan is to "increase safe, decent and affordable housing opportunities for very low-income residents of the City of Alexandria." The housing goals of these specific populations (aging and homeless) are actually universal in nature with implications for all city residents.



Although transportation is not a focus of the HMP, several strategies discussed during this planning process, such as reductions in parking requirements and unbundling parking from units (see Chapter 5: Implementation tools for more information), were set forth in the Transportation Master Plan 2008. While the Transportation Plan establishes these as strategies to decrease impacts to the transportation network, the HMP views them as ways to decrease development costs and thereby increase affordable housing production.



Another recent effort pertinent to the City's affordable housing efforts is the Metropolitan Washington Council of Governments (MWCOG), Region Forward Plan. Through its membership in MWCOG, the City participated in this long range, multidisciplinary planning effort in cooperation with other local, state and federal government officials, business and nonprofit leaders, and advocates. The plan was developed to help the region meet future challenges, including preserving and creating affordable housing, maintaining aging infrastructure, growing more sustainably, and including all residents in future prosperity. One of the "Livability Targets" of the Plan is that beginning in 2012, "The region will dedicate 15% of all new housing units to be affordable—or a comparable amount of existing housing units through rehabilitation or preservation efforts—for households earning less than 80% of the regional median income."[4] While the Housing Master Plan does not envision an across-the-board 15% affordable housing requirement for new development (which the City could not require under current legislative authority) its principles are consistent with those of Region Forward: "a variety of housing types and choices in diverse, vibrant, safe, healthy, and sustainable neighborhoods, affordable to persons at all income levels, and the commitment to making the production, preservation, and distribution of affordable housing a priority throughout the Region."[5]

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4 Region Forward: A Comprehensive Guide for Regional Planning and Measuring Progress in the 21st Century, Metropolitan Washington Council of Governments, January 2010
5 Ibid

CITY MASTER PLAN AND SMALL AREA PLANS

For long-range planning purposes, the city is divided into sixteen planning areas with Small Area Plans (SAPs) guiding the land use, zoning, and development of each. In addition to the SAPs, the City's Master Plan includes a number of element chapters on topics of citywide relevancy, such as Historic Preservation, Transportation and Open Space. As recommended by the final report of the Affordable Housing Initiatives Work Group (AHIWG), this Housing Master Plan will be the "housing element of the City's Master Plan [to] establish clear land-use tools and other policies to preserve and develop affordable and workforce housing." Until now, efforts to address affordable housing in the city have been somewhat piecemeal and without the benefit of a guiding vision and set of implementation tasks. With a shared vision, all the partners who have a role in promoting affordable housing will have a comprehensive document to guide their efforts and facilitate a cooperative and efficient approach to enhance affordable housing citywide.

Recent small area or corridor plans completed since the 1992 Master Plan such as the Eisenhower East Small Area Plan, Braddock Metro Neighborhood Plan, Braddock East Small Area Plan and Landmark/Van Dorn Corridor Plan, include general language with regard to the City's vision for affordable housing in those areas and recommendations for how new development should preserve units or incorporate new ones.

For example, the Eisenhower East Small Area Plan (June 2006) calls for "developers of new residential or commercial development to provide a contribution to the City's Housing Trust Fund…or to provide on-site affordable units, in lieu of a monetary contribution, whenever feasible." The affordable housing objective of the Braddock Metro Neighborhood Plan (March 2008) is to "Promote mixed-income housing and follow an inclusive process to de-concentrate public housing." The Braddock East Master Plan (October 2008) was written to focus entirely on the future of affordable housing in that area with the specific objective of promoting mixed-income housing in future redevelopment, including public, workforce and market rate housing. One year later, the Landmark/Van Dorn Corridor Plan (June 2009) states: "The preservation or replacement of existing assisted and/or market rental units is the primary emphasis of the Landmark/Van Dorn affordable housing strategy, in an effort to maintain the current level of assisted housing and to prevent further losses of market affordable housing."

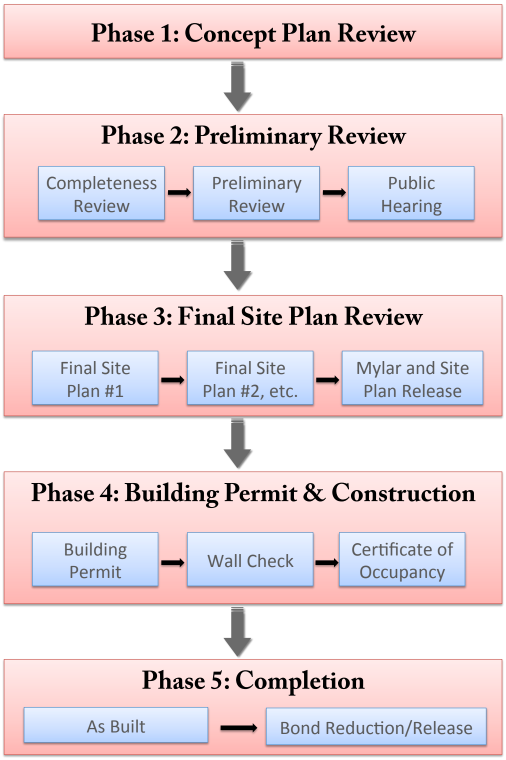
The Beauregard Small Area Plan, approved in May 2012, provides detailed recommendations with regard to affordable housing. Because the Beauregard area is home to a large proportion of the city's market affordable rental housing, the topic was a key area of focus during the planning process. While the City cannot require replacement of the existing market affordable housing that will be displaced as development occurs, the City can capture value for affordable housing through the small area planning process and a mix of voluntary developer contributions and other resources, including federal/state/City funding. As a result, the Beauregard Small Area Plan as approved establishes a goal for the inclusion of committed affordable units in the planning area as redevelopment occurs. Redevelopment will include 800 committed affordable and workforce rental units (599 new and 201 existing) to be affordable for 30 years to households with incomes ranging from 40% – 75% AMI, at a cost of $120 million in developer and City funding support. This number is equal to 32% of the units to be demolished, 20% of net new units, and 12% of total new units. The affordable housing component of the plan may be subject to change based on recommendations to be received from the Affordable Housing Advisory Committee prior to the upcoming rezoning. These recommendations will be informed by the results of a tenant survey conducted after the adoption of the plan.

LOCAL DEVELOPMENT ENVIRONMENT

While the Commonwealth of Virginia does not allow Alexandria to require affordable housing in all new development projects, the City can, and does, encourage the preservation and production of affordable housing through its development review process. This section of the chapter will discuss challenges in how zoning impacts affordable housing, the City's current development process, examples of what other jurisdictions are doing to encourage affordable housing production, and challenges the City faces in maintaining or changing its current approach.

DEVELOPMENT PROCESS

The City recently completed an in-depth assessment to review and improve the development review process for all projects. With a standard procedure for interdepartmental concurrent review and an effort to reduce the number of revisions through increased internal coordination, the City has achieved new levels of efficiency and predictability for all developers. In addition, some smaller projects that do not have technical or environmental complexities requiring in-depth review can take advantage of the "Simplified Site Plan" application, significantly reducing the length of the review process.



The City's current development plan review process is presented in Figure 3-1. On average, it takes 1-2 years for an applicant to get to Phase 4, although the ultimate review time is dependent on the complexity of the development project and the level of effort provided by the applicant, including outreach to the community. In general, the City has been able to expedite projects when there is a compelling reason, such as deadlines for Low Income Housing Tax Credit applications or other financing tools.

Some jurisdictions in the country have implemented expedited review programs specifically for affordable housing projects in order to compress timelines and reduce development costs. For example, Austin, Texas incorporated accelerated reviews into its SMART (Safe, Mixed-income,

LOCAL REGULATORY ACTIONS CAN HAVE DIRECT AND INDIRECT IMPACTS ON THE COST OF PRODUCING HOUSING, INCLUDING:

- Permitting and procedural requirements: these influence both the cost and production time it takes to bring a unit online.
- Regulations and policies covering infrastructure financing: these have a direct impact on housing costs.
- Land use rules and policies governing zoning densities and subdivisions: these regulations influence the number and cost of new units brought to market.
- Building codes and emphasis on accessibility and visitability: these affect the cost of the finished product.
- Regulations protecting cultural resources: these can affect the cost of development in historic areas such as Alexandria.

Accessible, Reasonably-priced, Transit-oriented) Housing Policy Initiative and reports that the review time for priority projects has been reduced by half. Santa Fe, New Mexico expedites review timelines for projects that include a unit mix of at least 25% affordable units. This approach also provides waivers of certain permit and utility fees. In its Chapter 40R program, the Commonwealth of Massachusetts enacted state laws requiring that local governments complete reviews within certain timelines for eligible projects incorporating affordable housing.

In Alexandria, the development review process provides an important mechanism for citizen involvement in the development review process. Any efforts to expedite the process in order to encourage affordable housing must be balanced with the City's commitment to community engagement and a thorough review. In addition, expedited review for particular projects would require additional staff in order to ensure the kind of thorough review that the City expects.

DEVELOPMENT REVIEW COSTS

City Charter Section 2.07 authorizes the City to set the fees and charges for the services it is mandated to provide. Therefore the City also has the authority to waive, reduce or defer payment of certain fees in order to encourage the production of affordable housing. Some jurisdictions have developed policies that provide for adjustments in developer fees as one way of reducing the production costs of affordable housing creation or preservation. Most municipalities, including Alexandria, require the payment of all review, application, permit and utility fees before or at the time of building permit issuance. These fees can be significant and have high carrying costs for the developer until the project reaches a level of occupancy or sales that allows permanent financing to close. This can be particularly onerous for a nonprofit developer. Alexandria does not have a formal policy for providing waivers or rebates on fees for affordable housing projects, except in the case of Alexandria Redevelopment and Housing Authority (ARHA) properties where permit, sewer tap, and other development related fees may be waived in accordance with City Code

Sections 8-1-23(d)(2) and 5-6-25.1 (c)(2). The challenge with waiving or rebating fees for all affordable housing projects is the impact of the loss on the City's operating budget. In some instances, departments rely on fees to cover their operations.

PARKING REDUCTIONS

Another aspect of the development process that can contribute to project costs is the process for requesting parking reductions. Currently in Alexandria, when older buildings (typically deficient in parking by current standards) undergo significant rehabilitation (defined under Section 8-200 (F)(4) (a) of the City's Zoning Ordinance as requiring costs exceeding 33.3 percent of the value of the improved structure(s), the City requires that they come into compliance with current parking standards unless a parking reduction is authorized by a Special Use Permit (SUP). Experience has shown that moderate- to large-scale renovation of older affordable apartment buildings generally triggers this requirement. These requests for SUPs must go before Planning Commission and City Council and therefore add time and cost to the process.

Parking is an expensive component of construction cost, particularly in an urban environment like Alexandria, where it often must be accommodated underground or in an above ground parking structure rather than in surface lots, which are relatively less expensive to include in a development site. However, with growing national evidence of declining car ownership in urban locations near transit, the City has already shifted toward applying parking maximums for development projects instead of parking minimums, particularly in close proximity to transit. In addition, the City is also approving projects where the parking is "unbundled" from the housing unit. This means that residents do not automatically get a parking spot with their residential unit. Instead they can choose whether or not to pay for a parking space, and in many cases, are choosing not to own a car at all.

PARKING RATIOS FOR AFFORDABLE HOUSING

- Current national data indicates that car ownership is consistently lower in affordable housing. A 2007 nationwide study shows that 20% of the households with incomes below $25,000 did not own cars. (Research and Innovative Technology Administration Bureau of Transportation Statistics)
- City vehicle registration data collected in 2008 demonstrated a vehicle ownership ratio of 0.75 cars per household among public housing residents in the City. This data was used in determining the parking ratios in the James Bland redevelopment project and the 2008 Braddock East Master Plan. The Braddock East Plan recommended a parking ratio for public housing of up to 0.75 spaces per unit, with some or all of the parking requirement provided on street if accompanied by a SUP parking reduction application. ((City of Alexandria Office of Housing and Department of Finance data, and Braddock East Plan, Page 38)
- A 2011 City survey of 7 city funded affordable housing projects found a parking utilization rate of 0.72. (City of Alexandria Office of Housing)
- Parking standards could be further reduced where affordable housing has good access to amenities, including transit (bus and rail), neighborhood serving retail, schools, and recreation centers.

FACTORS THAT IMPACT AFFORDABLE HOUSING PRODUCTION & PRESERVATION

The cost of preserving or producing affordable housing is significant. Achieving new or preserved units is the result of a complex balancing of often competing and equally important factors and costs when reviewing development projects. More or fewer units achieved in any particular project are typically the result of trade-offs made in the following areas:

- Density: higher density is not always welcome by the community, and yet it can be one of the most important factors in covering the cost of affordable housing units
- Transportation infrastructure
- Parks/Open space
- Parking: quantity and approach (underground, structured, surface)
- Community Amenities: streetscaping, public art
- Community Facilities: school, fire station, recreation center, public infrastructure
- Design: standards for architectural design and building materials
- Environmental Objectives: green building policy, LEED
- Preservation of Resolution 830 units
- Universal design
- Application fees & soft costs
- Length of review/community process
- Cost of subsidy required for affordable unit (depends on location, size, income level, etc.)
- Financing (i.e. Low Income Housing Tax Credit) deadlines

Many jurisdictions around the country, including cities and counties in California, Oregon, Washington and Texas, to name a few, have implemented parking reduction policies for the provision of a minimum percentage of affordable housing units in projects. The reduced parking acts as incentive for affordable housing creation, subsidizing additional units by decreasing construction costs. Although the City has not established such a policy, Section 8-100 (A)(5) of the zoning ordinance allows for an "alternative reduction" of the off-street parking requirement in conjunction with the provision of low and moderate-income housing as provided in Section 7-700. Similarly, Arlington County allows for parking reductions through the site plan process.."in appropriate circumstances … for the achievement of extraordinary goals identified in County plans and policies including affordable housing." [1]

Parking ratios for projects with significant affordable housing components may not warrant the provision of as much parking as the City has traditionally required.[2] The 2008 Braddock East Plan recommended a 0.75 parking ratio for public housing properties.[3] Table 3.1 shows the parking utilization ratio at a number of Alexandria affordable housing properties receiving City assistance for development or preservation in recent years.

1 Arlington County Board Direction re Parking Reduction, January 21, 2012 http://www.arlingtonva.us/departments/EnvironmentalServices/dot/images/file84737.pdf
2 Research and Innovative Technology Administration, Bureau of Transportation Statistics (2007)
3 City of Alexandria Braddock East Master Plan, October 2008; Page 38

Table 3-1: City Assisted Affordable Housing Projects with Parking Spaces

	# Affordable Units	# Parking Spaces	Effective Parking Ratio	Registered Cars/Usage	Utilization Rate
Station at Potomac Yard	64	64	1	54	0.84
Elbert Avenue	28	17	0.6	17	1.00
Beverly Park	33	29	0.9	24	0.83
Parcview	120	120	1	62	0.52
Arbelo	34	27	0.8	10	0.37
Longview Terrace	41	37	0.9	37	1.00
Lacy Court	44	33	0.8	30	0.91
Totals	364	327		234	
Average Utilization					0.72

Source: Parking data collected from SUP staff reports and phone survey of the properties. This data will be verified as part of larger survey of all affordable projects in the City.

VOLUNTARY DEVELOPER CONTRIBUTION FORMULA

As detailed earlier in the chapter, Alexandria provides for the option of bonus density in the Zoning Ordinance, allowing projects an increase in density of up to 20 percent in exchange for the provision of affordable housing units. Obtaining bonus density requires a special use permit; therefore, the maximum bonus of 20% may not always be approved.

In addition to the City's bonus density provision, a tiered contribution formula (shown on pg. 63) for voluntary contributions was developed in FY 2005 through the City's collaboration with developers and others. The 2005 formula was accepted by City Council and in the intervening years the development community has largely offered voluntary contributions in accordance with this formula. A new Council-authorized Housing Contribution Work Group was tasked with reviewing the 2005 formula and is expected to make recommendations to be incorporated into or considered simultaneously with this Housing Master Plan. Developer pledged contributions from FY2006-2011 totaled 112 set aside units and $27 million to the Housing Trust Fund. Of these pledges, nine rental units have been completed and $13.4 million has been received. During this same time period, the City also received an additional $3.5 million in developer contributions and 52 rental and 11 sales units based on pledges that were made prior to FY2006.

CONCLUSION

As described above, the statutory environment in Virginia limits a locality's ability both to require affordable housing in new development projects and to require preservation of existing market affordable housing. Localities can fund affordable housing directly, but given today's economic climate of limited public resources and many competing needs, this is an unlikely solution to the city's affordable housing shortage. Instead, jurisdictions must be creative and proactive in their efforts to promote affordable housing production and preservation in private development. The next chapter will discuss the Plan's overarching principles to guide the City's efforts to increase the preservation and production of the affordable housing stock in Alexandria.

DEVELOPER CONTRIBUTION FORMULAS (CURRENTLY UNDER REVIEW BY THE HOUSING CONTRIBUTION WORK GROUP)

Commercial Development (3,000+ square feet): (3,000+ square feet): $1.50 per square foot (SF) of Gross Floor Area (GFA)

Residential Development Tier I: For new residential development within by-right limits, the contribution is $1.50/SF of GFA for rental residential development and $2.00/SF of GFA for for-sale residential development.

Residential Development (5+ units) Tier II: For new residential development receiving additional density via development special use permit, rezoning, or master plan amendment, (but not bonus density per Section 7-700), the contribution is the Tier I contribution plus an additional $4.00/SF of GFA of the additional square feet.

Residential Development Tier III: (Combination Mandatory and Voluntary) For residential development receiving bonus density or increased height per Section 7-700 of the Zoning Ordinance, on-site affordable housing is required, but the amount is not specified. Under the formula, the desired amount of affordable housing is one-third of any residential units made possible by the bonus square feet. In addition, the formula calls for a voluntary contribution for remaining Tier I/II square feet of residential development.