



Housing Research & Overview

This attachment includes: key definitions, staff research, applicable sections of the Rio29 Small Area Plan and staff recommendations.

What is "affordable housing"?

Housing is at the heart of vibrant, sustainable communities. Well designed, quality built housing located near jobs and services and that meets the needs of a variety of households – from recent college graduates to growing families to seniors living on fixed incomes – helps create communities that support education and economic development, enhance community vitality, and promote environmental sustainability. With a focus on form over function, form-based codes support the inclusion of a variety of housing types, at prices affordable to a range of households helping to create communities that feel welcoming to all who wish to live there.

Recommendations

RANGE OF HOUSING & USE

Where feasible, require a mix of affordable, workforce, and market-rate housing.

Where affordable housing cannot be required through zoning, encourage a mix of housing types through incentives such as height or density bonuses and parking reductions for inclusion of affordable/workforce housing.

Allow a mix of uses to accommodate a wide range of residential, work, cultural, recreational, and civic opportunities for residents.



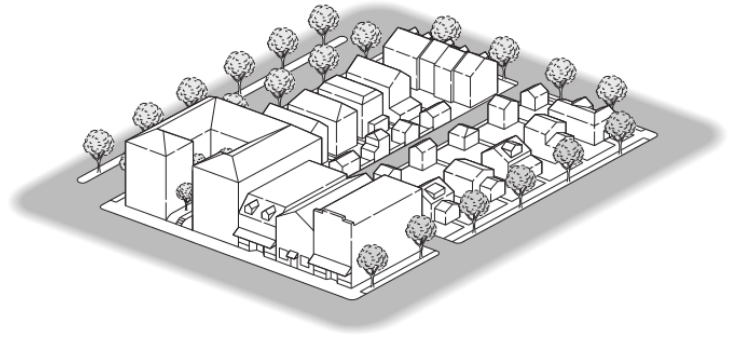
Mixed-Use, Transit-Oriented Development Los Angeles, CA

FLEXIBILITY & FORM

Update the Zoning Ordinance to allow for the desired form and mix of uses.

Pursue form-based code as a mechanism to promote the desired form.

Find the appropriate balance between regulation and flexibility: regulation to achieve the desired form, and flexibility to accommodate market changes and a mix of uses.



Form-based codes can provide the regulatory flexibility to seamlessly integrate multiple building types on a single street block. Credit: formbasedcodes.org.

VIBRANT STREETS

Locate active uses on ground stories to activate the street, especially within the designated Core areas.

Require street trees on all new streets and retrofit existing streets to add street trees and other landscaping.

Provide or add street amenities such as street furniture, artwork, and wayfinding signage.

Allow outdoor patio space along streets, especially within the Core and Urban Core.

Encourage creative use of water elements, such as rain gardens, along streets.

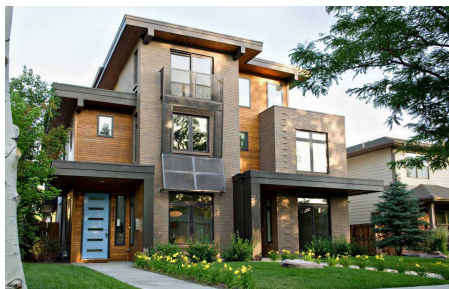
Encourage and allow on-street parking.



Apartment Buildings Budapest, Hungary



Townhomes in a Mixed-Use Community Greenbridge, WA



Duplex Housing Denver, CO



South Range Multi-Family Housing Charlottesville, VA

KEY OUTCOME

How We Will Measure Progress

Efficient utilization of land for active and economically productive uses.

Currently, Rio29 has a large amount of underutilized land, including single-story buildings, excess surface parking, and stormwater facilities. Due to its strategic location within the Development Areas, Rio29 has the potential to become a hub for transportation, housing, and economic growth.

Creating a dense, attractive, human-scale urban environment will reinforce walkability and provide more opportunities for housing and employment. New development and redevelopment that meets the Character Chapter's recommendations will represent progress towards this outcome.

Key Definitions | Affordable Housing

Affordable Housing

In Albemarle County, a housing unit is considered affordable if it costs no more than 30% of gross household income for households with incomes at or below 80% of area median income (AMI) for the Charlottesville metropolitan area.

Below are the income limits for Albemarle County affordable housing programs. These amounts are determined annually by the federal Department of Housing and Urban Development (HUD), and are based on the AMI adjusted for household size.

2019 Income Limits Area Median Income = \$89,400

% AMI	Persons in Household							
	1	2	3	4	5	6	7	8
30%	\$18,800	\$21,450	\$24,150	\$26,800	\$30,170	\$34,590	\$39,010	\$43,430
50%	\$31,300	\$35,800	\$40,250	\$44,700	\$48,300	\$51,900	\$55,450	\$59,050
80%	\$50,050	\$57,200	\$64,350	\$71,500	\$77,250	\$82,950	\$88,700	\$94,400

Below are the housing prices considered to be affordable under Albemarle County housing programs.

For-sale housing: \$243,750

(includes cost of principal, interest, real estate taxes, and homeowner's insurance. It equals 65% of the maximum loan limit under the Virginia Housing Development Authority's First-Time Homebuyer program)

Rental Housing (effective October 1, 2019)

Efficiency/Studio	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
\$854	\$1,082	\$1,262	\$1,573	\$1,942

(Includes rent and tenant-provided/paid utilities)

Key Definitions | Developer Incentives

Density Bonuses for Affordable Housing

Density bonuses are granted for projects in which a developer agrees to include a certain number of affordable housing units. Essentially, for every one unit of affordable housing a developer agrees to build, local government allows the construction of a greater number of market rate units than would be allowed otherwise. Density bonuses can vary from project to project and typically do not exceed a particular threshold (for instance, 20% of normal density) determined by local officials. Increases in density can be achieved through any of the following tools:

- **Height bonuses** – allow developers to add additional floors (or stories) to a building.
- **Reductions in minimum parcel size** – allow more housing units to be built on a development site by reducing the amount of land required for each housing unit.
- **Setback reductions** – decrease the minimum distance required between a building (e.g., an apartment building or single-family home) and a road and adjacent properties allowing more housing units to be built on a development site.

Albemarle County offers density bonuses in seven residential zoning districts (Village Residential and R-1 through R-15 designated zones). This bonus allows developers to increase the density of the project by 30% in exchange for providing 30% to 50% of the additional units as affordable housing.

Example: Zone R-4, Residential – Utilizing reductions in minimum parcel size

Requirements	Standard Level	Bonus Level
Gross density	4 dwelling units/acre	6 dwelling units/acre
Minimum lot size	10,890 sq ft	7,260 sq ft
Minimum front setback	5 ft from right of way	5 ft from right of way
Maximum height	35 ft	35 ft

Design Standards – are used to ensure that affordable units are substantially similar to market rate units. For example, there may be requirements for minimum unit size and amenities. The affordable units may vary somewhat from the market rate but should not be aesthetically distinguishable and should fit into the character of the area. The affordable units should be functionally equivalent, but do not necessarily need the same finishes and additional amenities.

Key Definitions | Developer Incentives

Parking Reductions – reduces the overall cost of construction, a savings which is reflected in the price a new home sells or rents for. For instance, a developer wanting to build ten two-bedroom apartments under current zoning regulations would need to provide 2 parking spaces per unit. At the average cost of \$5,000 per parking space, the overall cost of construction would increase by \$10,000 per unit. Reducing minimum parking requirements also increases the amount of land available for construction of additional housing units or community amenities, such as pocket parks.

Developer-proposed incentives – developers may also propose their own incentives. They must prove that these incentives will bring down the cost of construction. For example, the developer may propose a design waiver, such as reducing or removing the requirement for a setback, to allow more total units (and therefore more affordable units) to be built.

Housing Rehabilitation Zone – Virginia State Code (36-55.64) allows for the creation of local housing rehabilitation zones. The HRZ's allow the locality to provide incentives and flexibility for affordable housing in that zone, such as reducing fees, tax abatement, and exemption from certain zoning requirements. HRZ's establish the incentives for up to 10 years. The HRZ can be established as an overlay for an area.

Existing Regulations | Albemarle County

Albemarle County encourages the inclusion of affordable housing in certain new developments.

All residential development projects that receive approval for a site rezoning or a Special Use Permit, are required to either 1) rent or sell 15% of the new homes as affordable to renters or homeowners with incomes no greater than 80% of area median income, or 2) make a cash contribution to the County instead of providing affordable units in their development.

Albemarle County also offers a density bonus to developers in exchange for affordable units. For a 30% increase in density, a developer must provide at least 50% of the additional units as affordable housing.

Inclusionary Zoning & Incentives

Case Study: Columbia Pike Neighborhoods Form-Based Code | Arlington, Virginia

902. Affordable Housing Requirements

This Form Based Code provides for additional density above the underlying zoning as an incentive for property owners to create and preserve AFFORDABLE HOUSING to meet the current and future needs of the *Columbia Pike Neighborhoods Special Revitalization District*. Where a property owner takes advantage of the additional density permitted under this Code, the following AFFORDABLE HOUSING shall be provided.

A. Number of Affordable Housing Units

Each development proposal shall include AFFORDABLE HOUSING as set forth below:

1. The specific percent requirement shall be calculated as a fraction multiplied by ten. That fraction is calculated as the total number of proposed units (new construction and existing) over the maximum number of units permitted by the greater of: 1) the existing underlying zoning or 2) the number of units existing on the site on [time of adoption]. Under no circumstances shall the number of AFFORDABLE HOUSING UNITS required by this 902.A.1 be less than 20 percent or more than 30 percent of the NET NEW UNITS.
2. If AFFORDABLE HOUSING UNITS are proposed within existing buildings, the percent requirement arrived at through application of 902.A.1 above shall be increased by five.
3. New Construction Example: If 500 units are proposed, and 200 units exist today on site, the fraction equals 2.5, and therefore the applicant will be required to provide 25 percent of the 300 NET NEW UNITS as new committed AFFORDABLE HOUSING UNITS (75 units).

Partial Redevelopment Example: If 500 units are proposed, and 200 units exist today on site, and the applicant chooses to place the AFFORDABLE HOUSING UNITS within the existing buildings (rather than demolish and build new), the fraction equals 2.5, or 25 percent of the of the 300 NET NEW UNITS as committed AFFORDABLE HOUSING UNITS. Because the AFFORDABLE HOUSING UNITS are proposed within existing buildings, the percent requirement arrived at through application of 902.A.1. above shall be increased by five. Therefore, the applicant will be required to provide 30 percent of the NET NEW UNITS as new committed AFFORDABLE HOUSING UNITS (90 units).

B. Affordability Level & Term

AFFORDABLE HOUSING UNITS shall be committed for a term of no less than 30 years and shall be affordable to households earning up to 60 percent of the Area Median Income (AMI) as set by US Department of Housing and Development (HUD) at the time of the Final FBC application submission, except as follows:

1. Projects west of George Mason Drive: An applicant may provide up to 33 percent of the required low and moderate income units at affordability levels of 60% to 80% of the AMI at a rate of two (2) units available at 60% - 80% of the AMI for every one (1) unit required at 60% of the AMI.
2. Projects east of George Mason Drive: An applicant may provide up to 33 percent of the required low and moderate income units at affordability levels of 40% of the AMI at a rate of 0.5 units available at 40% of the AMI for every one (1) unit required at 60% of the AMI.
3. By use permit approval, the County Board may adjust the proportions described in 902.B.1 and 902.B.2 to allow for larger quantities of units affordable at 60% to 80% of the AMI or 40% of the AMI units, respectively.

Arlington County's Neighborhoods Form-Based Code has several incentives for developers to provide affordable housing.

These include: bonus stories (between 2 and 6 additional stories); renovation of and building additions to structures in the Conservation Areas; transfer of development rights from Conservation Areas to allow increased density in a different location; reduced parking ratio; and modifications of setback, yard, coverage, parking, lot width, and lot area regulations existing buildings in Conservation Areas when affordable housing is provided. Conservation Areas are intended to preserve both existing affordable housing and historic structures.

Affordable housing is required for any additional density beyond the underlying zoning. The incentives listed above can provide for additional affordable housing. Units must be affordable for 60% AMI and for a period of 30 years.

Link: https://arlingtonva.s3.dualstack.us-east-1.amazonaws.com/wp-content/uploads/sites/31/2016/12/Dec-2016-N_FBC-Update.pdf

Affordable Housing Incentives

Case Study: Flagstaff, Arizona

City Department		Fee Type	Reimbursement or Waiver
Community Development			
	Zoning Fees	Rezoning Application Fees	25% Reimbursement
		General Plan Amendment	25% Reimbursement
	Subdivision Fees	Developer Master Plan	50% Reimbursement
		DRB Concept Plan Submittal	Reimbursed
		Preliminary Plat Submittal	Waiver/Reimbursed
		Final Plat Submittal	Waiver
	Site Plan Fees	DRB Site Plan (Formal) Submittal	Waiver
		Concept Plan	Reimburse
		P&Z Review/Approval	Waiver
	Building Plan Review, Permit, and Inspection Fees	Building Permit Deposit Fees	Excluded
		Building Permit Fees	Waiver
		Plan Check Fees	Waiver
		Public Improvement Permit Fees	Waiver
		Plan Review Engineering	Waiver
		Over-the-Counter Permit Fees (standalone)	Excluded
		Development Fee (Impact Fees)	Reimburse
Utilities Department		Development Fee (Impact Fees)	Reimburse

Waiver and Reimbursement Scale (based on AMI served) for project providing **up to 20%** Affordable Housing

AMI Served	Percentage Waived or Reimbursed
60% AMI or Below	100%
61 - 80% AMI	75%
81 - 125% AMI	25%

Waiver and Reimbursement Scale (based on AMI served) for project providing **greater than 20%** Affordable Housing

AMI Served	Percentage Waived or Reimbursed
Below 80% AMI	100%
80 - 125% AMI	75%
126 - 150% AMI	25%

If a developer designs and constructs units that meet all mandatory and voluntary energy code expectations within an IPAH development (minimum of 20% affordable units), the developer may receive a 100% waiver and/or reimbursement for all units.

Flagstaff does not have a form-based code, however the city has a program of affordable housing incentives.

These include: fee waivers on a sliding scale based on the percentage of affordable units and the AMI for those units; expedited review process; density bonuses and flexible design standards (such as reducing the amount of required open space); and reduction of parking requirements. Affordable housing must be at least 10 percent of the project, with additional incentives available if it is over 20 percent.

Bonus Height Incentives

Case Study: Las Vegas, Nevada Form-Based Code

Table 4 Housing Affordability Bonus Height Table

Transect Zone	Requirement and Bonus Height
T3 Neighborhood	N/A
T4 Neighborhood	15% or more affordable units: 2 stories
T4 Corridor	20% to 34% affordable units: 1 story 35% to 49% affordable units: 2 stories 50% or more affordable units: 3 stories
T4 Main Street	20% to 34% affordable units: 1 story 35% or more affordable units: 2 stories
T5 Neighborhood	15% to 34% affordable units: 2 stories 35% or more affordable units: 3 stories
T5 Maker	20% to 34% affordable units: 1 story 35% or more affordable units: 2 stories
T5 Corridor	20% to 34% affordable units: 1 story 35% to 49% affordable units: 2 stories 50% or more affordable units: 3 stories
T5 Main Street	20% to 34% affordable units: 1 story 35% or more affordable units: 2 stories
T6 Urban General & T6 Urban General Limited	15% to 29% affordable units: 1 story 30% to 39% affordable units: 2 stories 40% to 54% affordable units: 3 stories 55% or more affordable units: 4 stories
T6 Urban Core	10% to 29% affordable units: 2 stories 30% to 39% affordable units: 3 stories 40% to 49% affordable units: 4 stories 50% to 59% affordable units: 5 stories 60% or more affordable units: 6 stories

Las Vegas, Nevada's form-based code has a sliding scale for providing affordable housing and receiving additional stories for a development.

Staff's research has found that bonus height and density provisions appear to be the most commonly used incentives for affordable housing in form-based codes.

Staff Recommendation

Staff recommends affordable housing be required and incentivized through the form-based code wherever possible. As described below, the tools for affordable housing, whether mandatory or optional, will depend on the code type. Staff also recommends that additional tools and programs for affordable housing be considered in the future, after the completion of the affordable housing policy update, which is currently underway. As redevelopment occurs, it is important to find and utilize tools that preserve existing affordable units.

Staff recommends requiring a percentage of affordable housing within each new residential development in Rio29 (assuming the code is structured as an optional overlay).

Staff recommends the percentages be applied on a sliding scale to incentivize the development of a range of housing affordability levels. Staff recommends that if the developer opts into the form-based code, then one of the following apply:

- 15% of units are affordable at 80% AMI
- 10% of units are affordable at 60% AMI
- 5% of units are affordable at 50% AMI

As described above, requiring these percentages assumes the code will be structured as an optional overlay. A decision on how the code will be structured has not yet been made, and it is one staff will be engaging the Planning Commission on at our next work session.

If decision makers decide the form-based code should be mandatory rather than an optional overlay, staff would recommend the above scales be adjusted to offer bonus factors for developers who choose to provide affordable housing at the percentages listed above. In addition to the “required” affordable units recommended above, staff recommends additional bonus factors such as height bonuses, reduced parking requirements, modification and reduction of stepbacks/setbacks, ground story use requirements and architectural standards for the provision of additional affordable units above the percentages listed above.