



**County of Albemarle
Department of Community Development**

Memorandum

To: Megan Yaniglos, Principal Planner

From: Mark Graham, PE Director of Community Development

Date: 30 August 2016

Subject: ZMA 2015-008, Adelaide
Analysis of Proffers

I have reviewed the proffer summary for the subject project dated August 15, 2016 and the proffers dated August 8, 2016. My findings based on those documents includes:

1. The spreadsheet appears to accurately list the improvements that should be considered as above and beyond what is required for "by right" development. Those improvements are what are typically included in an analysis of offsets to impacts.
2. The proposed project appears to have adequately addressed the direct impacts to the transportation network, natural resources, and utilities, indicating that the offsets are also available to address indirect impacts associated with the development.
3. I have noted several corrections / clarifications that I believe are important to consider in evaluating the proffers. Those are listed here.
 - a. I found it confusing to include the affordable housing contribution with this spreadsheet. First, this contribution is only applicable if the developer decides against building affordable housing units and the County's preferred option is to build the affordable housing units. Second, the affordable housing policy is intended to address the supply of affordable housing, but it does not address fiscal impacts created by development, which is the purpose of this analysis.
 - b. With the above in mind, I found it simplified the analysis if we only listed the units that would be considered for a cash proffer. Assuming the property owner builds the affordable housing units, this would be 17 single family detached units (40 units minus 23 by-right units) and 28 single family attached units (40 units minus 12 affordable units). In other words, a maximum 45 units out of the 80 units would be subject to the cash proffer, with a maximum cash proffer of \$191,266.
 - c. If the property owner elected to make the contribution in lieu of building affordable housing units, a maximum of 17 single family detached units would be subject to the cash proffer (same as b.) and a maximum of 40 single family attached units would be subject to the cash proffer (the difference being the 12 units that are no longer affordable housing). In other words, a maximum of 57 units out of the 80 units would be subject to the cash proffer, with a maximum cash proffer of \$266,914.
 - d. With respect to the valuation of the asphalt trail, I note the County has estimates of \$25 per linear foot versus the \$77 per linear foot used here. I have adjusted this value to a revised estimate of \$17,950. Adding this to the value of the dedication / easements, the total credit is \$271, 524.
 - e. With respect to the estimate of the by-right credit, I noted the correct number should be \$113,114 rather than the stated \$118,076. (\$4,918 x 23 by-right units)

- f. The description of residential tap fees is irrelevant to this evaluation. First, tap fee are not paid to the County but to the ACSA, which is a separate authority. Second, tap fees are allowed to offset only the cost of water/sewer infrastructure, which is outside of this consideration. If we include the tap fees, we might as well include all the other utility fees and development costs.
4. Lacking an adopted cash proffer policy, the suggested amounts for a dwelling unit cash proffer is consistent with FIAC's FY16 analysis under the previous cash proffer policy. I note that an updated analysis based on the FY17 CIP has not been performed due to resource limitations and time constraints. The remaining question I cannot answer is whether the Board believes this approach is appropriate, noting this is the first rezoning before the Board since repeal of the cash proffer policy.
5. Evaluating proffer 5, I note a possible credit of \$271,524 using the above information. This credit would be applied against the cash proffer estimate of \$191,266 with the constructed affordable housing units or \$266,914 no constructed affordable housing units. In other words, using the FIAC value for estimated impacts and the credit for in-kind contribution provided by proffer 5, there will be no payment of cash proffers per proffer 4 regardless of whether affordable housing is built or the in-lieu credit is used.
6. Proffer 2C provides for cash in lieu of affordable units, but that is outside of the consideration for cash proffers. This approach has been used with many other rezoning applications.

Based on this analysis, I conclude the proffers have adequately address the impacts associated with this development if the Board agrees to use the FIAC FY16 analysis for valuing impacts. If the Board believes another basis for determining impacts should be used, staff will need Board guidance on how to evaluate the impacts.

Adelaide Proffer Estimates (DRAFT)

<u>Cash Proffers</u>		Total	\$ /Unit	Units
Single Family Detached	\$	196,720	\$ 4,918	40
Single Family Attached	\$	123,040	\$ 3,845	32
Affordable Units	\$	195,000	\$ 24,375	8
By-Right Credit	\$	(113,919)	\$ 4,382	26

<u>Trail Construction</u>		Total	\$ / Foot	Feet
Asphalt Trail	\$	55,000	\$ 77	718
Primitive Trail	\$	20,000	\$ 15	1,365

<u>Land Dedication</u>		Total	Acres	\$ / Acre
Land Dedication	\$	260,701	3.45	75,478

<u>Impact Fees</u>		Total	\$ /Unit	Units
Water	\$	546,720	\$ 6,834	80
Sewer	\$	545,600	\$ 6,820	80

Total Value of Proffers & Impacts **\$ 1,828,862**

Adelaide Annual Tax Benefit Estimates (DRAFT)

Direct Taxes	Total	Units	Avg. Assesment	Tax Rate
Single Family Detached	\$167,800	40	\$500,000	0.00839
Single Family Attached	\$80,544	32	\$300,000	0.00839
Affordable Units	\$20,136	8	\$300,000	0.00839
Personal Property (e.g. cars)	\$102,720	80	\$30,000	0.0428
Direct Taxes Subtotal	\$371,200			

Indirect Taxes	Total	Units	\$ / Unit
Per Capita Estimates*	\$ 174,720	80	\$2,184

Total Annual Tax Benefit **\$ 545,920**

Total Annual Taxes per Unit	\$ 6,824
County Average Cost per Unit*	\$ 6,146

Contribution to County Taxes **\$ 678**

* Estimates from Economic Development Office 2015 Budget Analysis