

AFFORDABLE HOUSING OVERLAY

Proposal:

Creation of an Affordable Housing Overlay.

Purpose and Intent

The Affordable Housing Overlay will provide the developer incentives described in this document to promote a full range of housing choices, and encourage the construction and continued existence of housing for low-and moderate-income households.

The incentives will apply to projects that propose to provide 20% of residential units as affordable housing based on the following criteria:

Affordable rental dwelling units

- Affordable rental dwelling units shall be made available for rent by households with gross household incomes at or below 60% of Area Median Income (AMI), as established annually by the US Department of Housing and Urban Development.
- Maximum rents for affordable rental dwelling housing shall be determined by multiplying the current AMI by the following factors according to the number of bedrooms in the affordable rental units.

AFFORDABLE RENT FACTORS	
Unit Size	Factor
Efficiency	0.009479
1 bedroom	0.010833
2 bedroom	0.013542
3 bedroom	0.016927
4 bedroom	0.018958
5 bedroom	0.021802
6 bedroom	0.024646

Affordable for-sale dwelling units

- Affordable for-sale dwelling units shall be made available for purchase by households with gross household incomes at or below 80% AMI, as established annually by the US Department of Housing and Urban Development.
- Maximum sales prices for affordable for-sale dwelling units shall be no greater than 65% of the federal HOME Investment Partnership program's 1-Unit Purchase Price for Existing Housing for Albemarle County.

Areas of Applicability

The Affordable Housing Overlay will apply to the County's designated Development Areas only.

Incentives:

The following incentives will apply to the Affordable Housing Overlay:

Density Bonus:

Amount of density bonus shall be equal to 45% of the maximum allowable gross residential density allowed under the zoning ordinance and the land use element of the Comprehensive Plan. If there is a discrepancy between the density allowed under the zoning ordinance and the density allowed under the Comprehensive Plan, the Comprehensive Plan density shall be used.

The number of affordable units to be provided will be determined by multiplying the maximum allowable gross residential density for the project site by .20. The density bonus will be applied after the number of affordable units to be provided has been determined.

Fee waivers/reductions:

In addition to the bonus in project density, projects providing affordable housing will be eligible for a waiver or reduction of local development fees. Fees will be waived or reduced based on the following schedules:

- Fee reductions for projects providing up to 20% affordable housing at 60% AMI (rental housing) and 80% AMI (for-sale housing)

AMI Served	% Fee Reimbursed
60% AMI (rental housing)	50%
80% AMI (for-sale housing)	25%

- Fee waivers or reductions for projects providing greater than 20% affordable housing at 60% AMI (rental housing) and 80% AMI (for-sale housing), OR that provide units at lower affordability levels:

AMI Served	% Fee reduced or reimbursed
All Residential Projects	
Greater than 20% affordable units	100%
Rental Housing	
50% AMI and below (rental)	100%
51% AMI – 59% AMI (rental)	75%
For-Sale Housing	
60% AMI (for sale)	100%

70% AMI (for sale)	50%
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Any developer fees that are waived or reduced will be issued as a reimbursement to the developer once the County has received documentation that the affordable units have been rented or purchased by income qualifying households.

Waiver/Reduction of development standards

Developers may be eligible for a reduction or waiver of development standards. The developer must demonstrate the development standards for which they are seeking a waiver or reduction either:

1. Physically preclude construction of the project at the density permitted by the bonus; OR
2. Impact the financial feasibility of the project.

The request to waive or reduce development standards can be denied if the County determines in writing that the waiver/reduction will have a specific, adverse impact on the health, safety, or physical environment of residents. The County may recommend modifications to the request to satisfy local concerns.

In cases where the land use designation restricts dwelling unit types, the developer may request, and the County may approve, the construction of single-family, duplex, semi-detached, attached, and multi-family dwellings. In cases where the land use designation identifies residential development as a secondary use, the developer may request, and the County may approve, the construction of residential dwellings without a special use permit application. In both cases, the requests can be denied if the County determines in writing that the waiver/reduction will have a specific, adverse impact on the health, safety, or physical environment of residents. The County may recommend modifications to the request to satisfy local concerns.

Waiver/Reduction of parking requirements

Developers may be eligible for a reduction or waiver of parking requirements. To be eligible for this waiver or reduction developers must demonstrate the County's parking requirements either:

1. Physically preclude construction of the project at the density permitted by the bonus; OR
2. Impact the financial feasibility of the project.

The request to waive or reduce parking requirements can be denied if the County determines in writing the waiver/reduction will have a specific, adverse impact on the health, safety, or physical environment of residents. The County may recommend modifications to the request to satisfy local concerns.