



Albemarle County

Legislation Text

File #: 22-154, **Version:** 1

AGENDA DATE: 2/16/2022

TITLE:

Developer Incentives for Affordable Housing

SUBJECT/PROPOSAL/REQUEST: Staff will provide an overview of a proposed affordable housing incentives package for Board feedback.

ITEM TYPE: Regular Information Item

STAFF CONTACT(S): Richardson, Walker, Kamptner, Herrick, Dimock, Filardo, Pethia

PRESENTER (S): Stacy Pethia, Housing Policy Manager

LEGAL REVIEW: Yes

REVIEWED BY: Jeffrey B. Richardson

BACKGROUND: On July 7, 2021 the Board of Supervisors approved Housing Albemarle, the County's new housing policy, with delayed implementation of 1) the increased percentage of affordable housing units in residential developments subject to rezonings or special use permits; 2) the increase in compliance periods for affordable housing units; and 3) the new price levels for both affordable for-sale and affordable for-rent units, until a package of developer incentives to support the construction of affordable housing is approved and implemented.

STRATEGIC PLAN: Thriving Development Areas - Attract quality employment, commercial, and high density uses into development areas by providing services and infrastructure that encourage redevelopment and private investment while protecting the quality of neighborhoods

DISCUSSION: Staff met with members of the development community four times between June and October 2021 to discuss the components of an incentives package to support the provision of affordable dwelling units, and developers' efforts to meet the County's affordable housing goals as outlined in the new housing policy. Feedback collected during those sessions, as well as research into developer incentive programs implemented in other Virginia localities and in cities throughout the nation, informed the development of a proposal for an Affordable Housing Overlay (Attachment A).

Included in the proposal are four incentives:

1. Bonus densities for affordable housing;
2. Waivers or reductions in development standards;
3. Waivers or reductions in development fees; and
4. Waivers or reductions in parking standards.

Staff is proposing the Affordable Housing Overlay be applied to the County's Development Areas. An Overlay would offer property owners the ability to develop their properties through a 'by-right' administrative process in exchange for providing affordable housing in accordance with the goals outlined in Housing Albemarle, the

County's recently-adopted housing policy.

The proposed Affordable Housing Overlay was presented to developers during a meeting on December 22, 2021. Meeting participants were generally supportive of the overlay. A copy of the feedback received since the December 22 meeting is found in Attachment B.

BUDGET IMPACT: Implementation of an Affordable Housing Overlay may impact the Community Development Department's budget. The amount of the impact would depend on the number of developers opting to work under the overlay, and the size of their projects.

RECOMMENDATION:

Staff recommends that the Board provide direction and feedback on the attached proposal for an Affordable Housing Overlay. If the Board supports creation of an overlay, staff can draft a proposed Resolution of Intent for the Board to consider amending the Albemarle County Zoning Ordinance for an Affordable Housing Overlay and begin work on drafting the proposed Overlay, inclusive of the feedback received during this discussion.

ATTACHMENTS:

- A - Proposal for an Affordable Housing Overlay
- B - Developer feedback