

Prince William County Draft Affordable Dwelling Unit Ordinance

MWCOG Planning Directors Technical Advisory Committee

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Why is Affordable Housing Needed in PWC



2030 REGIONAL HOUSING TARGETS

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS (MWCOG)

1 AMOUNT At le short between additional units

At least **320,000 housing units should be added** in the region between 2020 and 2030. This is an additional 75,000 units beyond the units already forecast for this period.

At least **75%** of all new housing should be in Activity Centers or near high-capacity transit.

At least **75%** of new housing should be **affordable to low- and middle-income households**.

PRINCE WILLIAM COUNTY HOUSING TARGETS

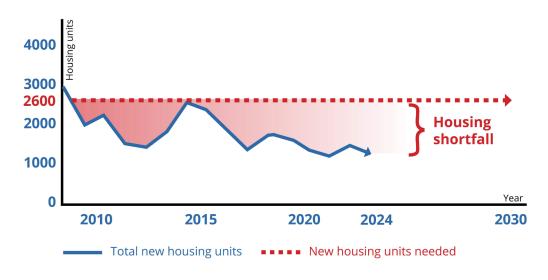
To meet Prince William County's share of the MWCOG regional housing targets, the county needs to produce

26,000 housing units by the year 2030.

To meet this target, Prince William County needs to produce

2,600 housing units <u>each year</u>.

HOUSING SHORTFALL IN PRINCE WILLIAM COUNTY



VA: State Enabling Authority (Dillon Rule State) PRINCE WILLIAM COUNTY



Prince William County currently has authority to create an AfDU Ordinance under:

| Section 15.2-2305 | Section 15.2-2305.1 |
|--|---|
| Locality defines affordable housing & affordable dwelling units | State defines affordable housing at two levels: • 80% AMI & 50% AMI |
| Affordable units capped at 17%; density bonus capped at 30%; anything lower must maintain this ratio | Minimums: 10% affordable (80% AMI) for 20% bonus 5% affordable (50% AMI) for 20% bonus Maximums: 35%+ affordable (80% AMI) for 57.5% bonus 35%+ affordable (50% AMI) for 95% bonus |
| No waiver or reduction of development standards or parking requirement required | Applicant may request a waiver or reduction of development standards or parking requirement unless it would have a specific adverse impact upon health, safety or the physical environment |

Draft AfDU Ordinance 101



What

- Incentivize the production of affordable dwelling units
- Help expand supply of affordable housing

Who

Households at 50% & 80% Area
 Median Income

How

- Voluntary bonus density in exchange for affordable units
- Creation of Housing Trust Fund to provide gap financing to support production of affordable housing

ORDINANCE COMPONENTS

DEFINITIONS

SEC. 32-290.01 - AUTHORITY AND PURPOSE

SEC. 32-290.02 - ELIGIBILIY

SEC. 32-290.03 - DENSITY BONUS

SEC. 32-290.04 - AFFORDABLE DWELLING UNIT STANDARDS

SEC. 32-290.05 - APPLICATION SUBMITTAL REQUIREMENTS

SEC. 32-290.06 - ESTABLISHMENT OF HOUSING FUND

SEC. 32-290.07 - ENFORCEMENT, VIOLATIONS, AND CIVIL PENALTIES

Draft AfDU Ordinance Eligibility



Summary:

- (a) density must be **greater than one (1) dwelling unit per acre**.
- (b) must produce a minimum of 5 affordable dwelling units.
- (c) no net loss of affordable dwelling units before eligibility for bonus density.
- (d) eligibility to apply AfDU ordinance to by-right development & rezonings, as another voluntary option in addition to Comprehensive Plan affordable housing guidance for rezoning applications.

| % Affordable Units | % Density Bonus (80% AMI) | % Density Bonus (50% AMI) |
|---|---------------------------|---------------------------|
| 5 | | 20 |
| 6 | | 22.5 |
| 7 | | 25 |
| 8 | | 27.5 |
| 9 | | 30 |
| 10 | 20 | 32.5 |
| 11 | 21.5 | 35 |
| 12 | 23 | 37.5 |
| 5 6 7 8 9 10 11 12 13 14 15 | 24.5 | 40 |
| 14 | 26 | 42.5 |
| 15 | 27.5 | 45 |
| 16 | 29 | 47.5 |
| 17 | 30.5 | 50 |
| 18 | 32 | 52.5 |
| 19 | 33.5 | 55 |
| 19 20 21 22 23 24 25 26 | 35 | 57.5 |
| 21 | 36.5 | 60 |
| 22 | 38 | 62.5 |
| 23 | 39.5 | 65 |
| 24 | 41 | 67.5 |
| 25 | 42.5 | 70 |
| 26 | 44 | 72.5 |
| 27 | 45.5 | 75 |
| 28 | 47 | 77.5 |
| 27 28 29 30 | 48.5 | 80 |
| 30 | 50 | 82.5 |
| 31 32 33 34 | 51.5 | 85 |
| 32 | 53 | 87.5 |
| 33 | 54.5 | 90 |
| 34 | 56 | 92.5 |
| 35 or more | 57.5 | 95 |

Draft AfDU Ordinance Density Bonuses

(from VA Code 15.2-2305.1)

Guidelines for Rezonings



Rezonings could choose either Comp Plan guidelines or AfDU Ordinance as basis to voluntarily proffer affordable units.

2040 Comprehensive Plan *Affordable Housing Supplement*

- Recommends bonus density 2x the percentage of affordable/workforce units
 - (Ex. 10% of units offered = 20% bonus density)
- Provides more bonus density for 80% AMI to 120% AMI (above 10% of units) compared to AfDU Ordinance
- No guidance for 50% to <80% AMI

Draft AfDU Ordinance

- For 50% AMI: 5% to 35+% of units offered = 20% to 95% maximum bonus density
- For **80% AMI**: 10% to 35+% of units offered = 20% to 57.5% maximum bonus density
- More bonus density for 50% AMI compared to Comp Plan
- Does not apply above 80% AMI

AfDU Ordinance Design & Quality Standards: Affordable units comparable to market rate

PRINCE WILLIAM COUNTY

1 COMPATIBLE EXTERIOR APPEARANCE

The exterior appearance of affordable dwelling units be compatible with the exterior appearance of market-rate units within the same development, including:



3 NUMBER AND SIZE OF BEDROOMS

The average number and size of bedrooms in the affordable dwelling units shall be the same as the average number of bedrooms and size in the market-rate units within the same affordable dwelling unit development.



4 ACCESS TO AMENITIES

Affordable housing units shall have access to and enjoyment of common open space, parking, storage, and other facilities in the residential development.

2 DISPERSION OF AFFORDABLE DWELLING UNITS

Affordable dwelling units shall be dispersed within the residential development, with unit locations comparable to those of the market-rate units.





Draft AfDU Application Review Procedures



- Sec. 32-290.05:
 - (a) The **Zoning Administrator**, **or their designee**, issues a determination regarding the **amount of density bonus**, parking ratio, whether the applicant has provided adequate information regarding **waivers** or reductions in development standards.
 - (b) Any party aggrieved may appeal to the Board of Zoning Appeals.
 - (c) The Zoning Administrator, or their designee, may issue a written determination that a waiver or reduction, requested by the applicant, would have a specific, adverse impact upon health, safety, or the physical environment of residents of the County.
 - (d) The locality may also recommend to the applicant modifications of the initial request for waiver or reduction of the local development standards that would satisfy the County's concerns.

Housing Trust Fund



- AfDU Ordinance establishes a Housing Fund (aka Housing Trust Fund).
- Housing Fund intended to provide gap financing for production of affordable units by non-profit & for-profit housing developers.
- Board of County Supervisors allocated \$5 million in FY24, \$5.5 million in FY25, & \$5 million annually in FY27-29 of the five-year plan (not currently allocated), to the Housing Fund (total of \$31M by FY29).
- Fund will be administered by PWC Office of Housing & Community Development
- Distributed by competitive application using a scoring matrix.

Where We Are Now



Current Draft AfDU Ordinance

(under 15.2-2305.1)

- October 2023: Project launch & BOCS Work Session
- February 2024: Release of Draft Ordinance
- March 2024: Planning Commission— Background on Affordable Housing
- March/April/May 2024: Community & Stakeholder Engagement
- April 2024: PC Work Session
- June 2024: BOCS Work Session
- August 2024: 1-on-1s with Supervisors
- November 2024: BOCS Work Session direction to move forward with current draft ordinance to PC & BOCS public hearings

Advocacy for flexible AfDU authority

(under 15.2-2304)

- 2025 VA General Assembly underway
- 2 bills to expand 2304's authority to other localities: **SB 1313** (statewide) **& HB 2603** (add County Exec form of govt)
- BOCS 2025 Legislative Agenda—advocate for PWC to be added under 15.2-2304
- **January 20, 2025:** SB 1313 testimony at Senate Local Government Committee
- **January 23, 2025:** SB 1313 passed Senate
- Mid/late February 2025: end of legislative session
- To be continued...

Lessons Learned/Observations To Date



> Need for Education around Affordable Housing

- Community misperceptions on what affordable housing is (i.e., Section 8; public housing)
- Questions from officials: Should we use a different term for affordable housing?
- Tying affordable housing to people—education around who needs affordable housing
 - Community engagement & Planning Commission/Board work sessions: talked about people with types of jobs & income levels who need affordable housing in PWC
- Education around the purpose of a Housing Trust Fund
 - Some Board interest in using Trust Funds for other housing programs (i.e., emergency housing, rental assistance)

> Administrative vs. Legislative Decisions on AfDU implementation

- Varying comfort levels within Board of County Supervisors in allowing bonus density & waiver decisions to be administratively approved
- > Understanding development industry interest in more options for AfDU bonus density