



County of Albemarle
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MEMORANDUM

TO: Members, Albemarle County Planning Commission

FROM: Stacy Pethia, Assistant Director of Housing

DATE: January 23, 2024

RE: Presentation – Developer Incentives for Affordable Housing

Background:

In April 2019, the Thomas Jefferson Planning District Commission (TJPDC) released the Comprehensive Regional Housing Study and Needs Analysis. The report identified the need for an additional 10,070 affordable housing units in Albemarle County to be created by the year 2040.

On July 7, 2021, the Board of Supervisors approved Housing Albemarle, the County's new housing policy, but delayed implementation of the following elements until a package of developer incentives to support the construction of affordable housing was approved and implemented:

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 for-rent units.

Between June and October 2021, staff held four meetings with members of the developer community to discuss the components of an incentives package to support the provision of Affordable Dwelling Units (ADU) and developers' efforts to meet the County's affordable housing goals.

On February 1, 2023, the Board held a work session to review and provide feedback on a proposed Affordable Rental Housing Grant Program to support the construction or preservation of affordable rental housing.

On May 17, 2023, the Board adopted Ordinance No. 23-A.2(1) to amend the Code of Albemarle County by adding Appendix A.2, Grants or Loans for Affordable Housing (Attachment A) to enable the County to make grants or loans to support the construction or rehabilitation of affordable housing.

On July 23, 2023, the Central Virginia Regional Housing Partnership (CVRHP) facilitated a work session with CVRHP members and invited guests to discuss developer incentives for affordable housing. Work session participants discussed a variety of incentives, covering financial, programmatic, and policy options to support both affordable rental housing and affordable homeownership opportunities.

On December 4, 2023, the Board of Supervisors and the Planning Commission held a joint work session with the CVRHP and representatives of the developer community to further discuss developer incentives.

Summary:

Based on the discussion during the December 4, 2023, work session staff amended the proposed Affordable Rental Housing Grant Program (Attachment B). The goal of the proposed grant program is to incentivize the production or preservation of affordable rental housing, and includes the following components:

1. Grant funds would be provided to rental housing properties with 11 or more units;
2. Rental housing properties receiving grant funding must provide a minimum 20% of the total number of residential units as affordable housing as defined in Housing Albemarle, the County's affordable housing policy;
3. The grant term would be 30 years from the issuance of a Certificate of Occupancy; and
4. The total amount of grant funding to be provided each year would be equal to 11 percent of the property's real property tax increment.

To apply for grant funding, owners of residential rental properties seeking assistance would need complete an application form, and submit the completed application along with all required documentation to the Albemarle County Office of Housing. The Board of Supervisors would have final approval of all grant requests.

Presentation:

Staff will present a summary of the proposed Affordable Rental Housing Grant Program found in Attachment B, and will answer questions and receive comments from the Commission.

Attachments:

Attach A - [Ordinance No. 23-A.2\(1\)](#)

Attach B - [Proposed Affordable Rental Housing Grant Program](#)