

INTRODUCED: NOV 13 2006

AN ORDINANCE No. 2006-287

To amend ch. 114, art. IV of the City Code by adding a new division 31 to establish an affordable dwelling unit program that authorizes increased densities in exchange for development of affordable dwelling units or for payment of per unit fees in lieu of developing affordable dwelling units.

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Patrons – Mrs. Graziano and Vice President Jackson

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Approved as to form and legality  
by the City Attorney

PUBLIC HEARING: DEC 11 2006 AT 6 P.M.

WHEREAS, by Resolution No. 2005-R176-187, adopted September 26, 2005, the Council of the City of Richmond declared a public necessity to amend the zoning ordinance to establish an affordable housing dwelling unit program in accordance with the authority granted to the City by section 15.2-2305 of the Code of Virginia (1950), as amended;

NOW, THEREFORE,

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That Chapter 114, Article IV of the Code of the City of Richmond (2004) be and is hereby amended by adding therein a new division numbered 31 as follows:

**DIVISION 31.**

**AFFORDABLE DWELLING UNIT PROGRAM.**

AYES: \_\_\_\_\_ NOES: \_\_\_\_\_ ABSTAIN: \_\_\_\_\_

ADOPTED: \_\_\_\_\_ REJECTED: \_\_\_\_\_ STRICKEN: \_\_\_\_\_

**Sec. 114-458.1. Purpose.**

The Affordable Dwelling Unit Program (“Program”) is established for the purpose of providing affordable housing to residents of the city. The Program shall address housing needs, promote a full range of housing choices, and encourage the construction and continued existence of moderately-priced housing by providing for optional increases in density in order to reduce land costs for moderately-priced housing.

**Sec. 114-458.2. Application.**

(a) The Program may apply to (i) any site, or (ii) portion thereof, at one location which is the subject of an application for rezoning or special exception, special use permit, community unit plan, plan of development, or subdivision plat which proposes the construction of residential dwelling units or a combination of residential and non-residential units.

(b) The Program shall not apply to any elevator structure four stories or above.

(c) Application to the Program shall be at the sole discretion of the applicant. An applicant’s decision not to apply under the Program shall not affect his ability to obtain density increases pursuant to other applicable provisions of this Code.

**Sec. 114-458.3. Density increases.**

Rezoning, special exception, special use permit, community unit plan, plan of development, or subdivision applicants may incorporate up to a 20 percent increase in the allowable density of the residential component of a proposed project in exchange for incorporating up to 12.5 percent of the total proposed residential units as affordable dwelling units. Where the calculation as to required affordable dwelling units results in fewer than one affordable dwelling unit, the calculation shall provide that at least one of the units attributable to

the increase in density shall be an affordable dwelling unit. “Allowable density” is that density set forth within Article IV of Chapter 114 for the district in which the proposed project is to be constructed.

**Sec. 114-458.4. Payments in lieu of affordable dwelling units.**

Rezoning, special exception, special use permit, community unit plan, plan of development, or subdivision applicants may incorporate up to a 20 percent increase in the allowable density of the residential component of a proposed project in exchange for a cash contribution to an affordable housing fund established by the City. In the event that the cash in lieu of units option is chosen by the applicant, the amount of such contribution shall be equal to 100 percent of the cost of land and the cost of constructing the total number of required affordable dwelling units. The decision to pay cash in lieu of providing the units shall be made at the time of approval of the rezoning, special exception, special use permit, community unit plan, plan of development, or subdivision plat. Such cash must be paid prior to the issuance of the first building permit. All cash shall be calculated in terms of current dollars, adjusted by the Consumer Price Index, at the time the actual contribution is officially transferred to the City. In the event that an applicant chooses to provide a combination of cash and affordable units to meet the requirements of this ordinance, the cash contribution shall be equivalent to 100 percent of the cost of land and the cost of constructing the total number of required affordable dwelling units less the number of affordable units to be constructed on the applicable site.

**Sec. 114-458.5. Affordable dwelling units.**

(a) “Affordable dwelling units” means dwelling units that are affordable for purchase by households whose income is no more than 80 percent of the area median income in the

Richmond-Petersburg Metropolitan Statistical Area, and affordable for rental by households whose income is no more than 60 percent of the area median income in the Richmond-Petersburg Metropolitan Statistical Area.

(b) Affordable dwelling units shall be of a building type and of an architectural style compatible with residential units permitted within the zoning district in which they are located, and shall be interspersed among market rate units in the proposed development.

(c) Specifications regarding dwelling dimensions and the number of bedrooms in all affordable dwelling units shall meet the requirements established by the Director of Community Development. The floor area of an affordable dwelling unit shall comprise not less than 80 percent of the typical floor area of market rate dwelling units of the same dwelling unit type.

**Sec. 114-458.6. Phased development.**

In a development which contains single-family attached or multi-family units, certificates of use and occupancy for no more than 50 percent of the market rate dwelling units shall be issued prior to the issuance of certificates of use and occupancy for 50 percent of the affordable dwelling units. Certificates of use and occupancy for no more than 80 percent of the market rate dwelling units shall be issued until certificates of use and occupancy have been issued for 100 percent of the affordable dwelling units for the development.

**Sec. 114-458.7. Review; processing timeframes.**

(a) In addition to the review requirements otherwise applicable to the property, a property owner electing to participate in the Program shall submit its plan of development or subdivision plat for administrative review through the plan of development or subdivision process, as applicable, in order to obtain the increased density. The plan of development or

subdivision plat shall indicate the bonus density sought, and shall state how the density was calculated. The plan of development or subdivision plat will not be approved pursuant to the Program until the Director of Community Development or a designee thereof certifies compliance with the Program's bonus density provisions. No building permit, certificate of use or occupancy or certificate of zoning compliance shall be issued until the Director of Community Development or a designee thereof certifies compliance with the Program's bonus density provisions.

(b) The City shall have no more than 280 days in which to process site or subdivision plans proposing the development or construction of affordable dwelling units under the Program. The calculation of such periods of review shall include only the time that plans are in review, and shall not include such time as may be required for revision or modification in order to comply with lawful requirements set forth in applicable ordinances and regulations.

**Sec. 114-458.8. Affordable dwelling unit advisory board.**

(a) There shall be an Affordable Dwelling Unit Advisory Board which shall, among other things, advise the Council on sales and rental prices of affordable dwelling units, advise the Council on requests for modifications of the requirements of the Program, adopt regulations concerning its recommendations of sales and rental prices of affordable dwelling units, and adopt procedures concerning requests for modifications of the Program.

(b) Members of the Board, to be ten in number and to be appointed by Council, shall be qualified as follows: two members shall be either civil engineers or architects, each of whom shall be registered or certified with the relevant agency of the Commonwealth, or planners, all of whom shall have extensive experience in practice in the city; one member shall be a real estate salesperson or broker, licensed in accordance with Code of Virginia, tit. 54.1, ch. 21; one

member shall be a representative of a lending institution which finances residential development in the city; four members shall consist of representatives from the Richmond Redevelopment and Housing Authority or the City, a residential builder with extensive experience in producing single-family detached and attached dwelling units, a residential builder with extensive experience in producing multiple-family dwelling units, and a representative from either the Department of Public Works or the Department of Community Development; one member may be a representative of a nonprofit housing organization which provides services in the city, and one member shall be a citizen of the City. At least four members of the advisory board shall be employed in the city.

**Sec. 114-458.9. Economic loss.**

The Board shall adopt provisions governing the establishment of the sales and rental price for affordable dwelling units within a development such that the owner or applicant shall not suffer economic loss as a result of providing the required affordable dwelling units. “Economic loss” for sale units means those losses that result when the owner or applicant fails to recoup the cost of construction and certain allowances as may be determined by the Board for the affordable dwelling units, exclusive of the cost of land acquisition and costs voluntarily incurred but not authorized by the ordinance, upon the sale of an affordable dwelling unit.

§ 2. This ordinance shall be in force and effect upon adoption.