CASH PROFFER POLICY CHANGES
STAFF RECOMMENDATIONS

In consideration of the Board's direction for FIAC's review of the cash proffer policy, staff information previously provided to FIAC and discussions among FIAC members at its meetings, staff has developed the following for FIAC's approval as the basis for changes to the policy:

- Modify title to, "Proffer Policy to Address Impact to Public Facilities Resulting from Residential Rezoning". This clarifies that the policy applies to all forms of proffers that address impact:
    - Cash
    - Land in lieu of cash – this will no longer be a "credit" as it does not actually function as such; the value of the land provided simply replaces dollar for dollar part or all of the cash proceeds that would have otherwise been derived from the per unit cash proffer.

      Ex. – 100 single family units x $17,500 cash proffer/unit = $1,750,000 total expected to address impacts; proffer of 10 acres of parkland valued at $20,000 per acre = $200,000; $1,750,000 - $200,000 = $1,550,000; $1,550,000/100 units = $15,500 cash proffer/unit expected to address impact in addition to donated land. Combination of per unit cash proceeds after donated land and value of donated land = total proceeds from per unit cash proffers otherwise expected to address impacts.
    - Public Improvements in lieu of cash – this will no longer be a "credit" as it does not actually function as such; the value of the improvements provided simply replaces dollar for dollar part or all of the cash proceeds that would have otherwise been derived from the per unit cash proffer.

      Ex. – 100 single family units x $17,500 cash proffer/unit = $1,750,000 total expected to address impacts; proffer of 1,000 linear feet of off-site sidewalk at $200 per linear foot = $200,000; $1,750,000 - $200,000 = $1,550,000; $1,550,000/100 units = $15,500 cash proffer/unit expected to address impact in addition to public improvement. Combination of per unit cash proceeds after public improvement and value of public improvement = total proceeds from per unit cash proffers otherwise expected to address impacts.
    - Note that other proffers in addition to those equivalent to the proceeds from the per unit cash proffer may be necessary to address impacts based on the particulars of the proposed project.

      Ex. – provision of a road as recommended in the Comprehensive Plan within the proposed development.
- Modify credits to include the following for which total proceeds from per unit cash proffers expected to address impacts could be reduced:
    - By-right units under existing zoning – require "sketch" plan or equivalent verification; in lieu of "No increase or small increase in density", "Small infill development with existing dwellings" and "Substantial upgrade to design/development standards" categories in current policy. This reflects the Board's prior decision to include this as a credit in all residential re-zonings.

Ex. – 10 acres zoned R-1 (1 unit per acre) = 10 units; rezone to R-4 (4 units per acre) = 40 units; 40 units – 10 units = 30 units subject to per unit cash proffer or equivalent in land/public improvements.

- Affordable units **produced** – does not apply to cash proffered per unit for affordable units in lieu of producing units; production of new units of affordable housing is the priority and cash in lieu does not guarantee production of additional units. This reflects the practice since the adoption of the Cash Proffer Policy and the policy as recommended by the Planning Commission and currently proposed in the draft Comprehensive Plan.

  Ex. – 60 total units – 9 affordable units produced (15% of total) = 51 units subject to per unit cash proffer; or, 60 total units – 5 affordable units produced (and per unit cash for 4 additional units to provide equivalent of 15% of total units affordable) = 55 units subject to per unit cash proffer or equivalent in land/public improvements.

- Vertical mixed use – residential/non-residential; in lieu of "Substantial upgrade to design/development standards" category in current policy. Vertical mixed use maximizes density, better enabling more efficient use of land and provision of public infrastructure, walkability, and viability of urban services including transit.

  Ex. – 1st floor commercial, 50 apartment units in 2nd and 3rd floor residential in one building + 50 separate individual townhouse units = 100 total units; 100 – 50 apartment units = 50 units subject to per unit cash proffer or equivalent in land/public improvements.

- Unique circumstances – category remains as currently provided for; also incorporates "Operational expenses" category. Provides for special credit considerations under the policy, including the provision of urban services such as public transit.

• Exemptions

- Master Plan Priority Areas – exempts **all** re-zonings involving residential units from providing the equivalent of the cash proceeds that would have otherwise been derived from the per unit cash proffer. Consistent with purpose of priority areas as established in master plans to focus public investment where new development has been approved and where redevelopment is encouraged. Information on master plan priority areas can be found at the following links:

  Crozet - http://www.albemarle.org/upload/images/Forms_Center/Departments/Community_Development/Forms/Crozet_Master_Plan/Chapter_8-Implementation_10-13-10.pdf - see pages 54 to 56

  Pantops - http://www.albemarle.org/upload/images/forms_center/departments/community_development/forms/Pantops_Master_Plan/PMP_Approved_Plan_3-17-08.pdf - see pages 57 to 58 and http://www.albemarle.org/upload/images/forms_center/departments/community_development/forms/Pantops_Master_Plan/PMP_Implementation_Landuse.pdf

  Places 29 – http://www.albemarle.org/upload/images/forms_center/departments/community_development/forms/Places29_Master_Plan/2011/February/Chapter8-Implementation_FINAL_02_2011.pdf - see pages 8-6 to 8-10

  Southern and Western Neighborhoods (PROPOSED) –

http://www.albemarle.org/upload/images/Forms_Center/Departments/Community_Development/Forms/Comp_Plan_2013/Comp_Plan_Round_3/Southern_and_Western_Neighborhoods_Draft_Master_Plan.pdf - see pages A.8.68 to A.8.70

- Note that other proffers beyond those covered by this exemption may be necessary to address impacts based on the particulars of the proposed project.

  Ex. – provision of a road as recommended in the Comprehensive Plan within the proposed development.

- Amend current adjustments to Maximum Per Unit Cash Proffer Amount in the policy, substituting them with a bi-annual adjustment reflecting recalculation of the maximum cash proffer based on Board adoption of the updated 5 year CIP and 10 year CNA. This will result in an automatic recalculation every two years when the CIP and CNA are adopted by the Board. Both are being adopted as part of the FY16 budget.