

## WILLOW GLEN PROFFER AND PLAN HIGHLIGHTS

Willow Glen is a 234 unit residential community that has been designed with a mix of housing types and prices. The 23.5 acre property lies between Dickerson Road and the rear portions of Hollymead Town Center and Deerwood Estates. A summary of the Owner's proffers, including a proposal to use a portion of proffered money to establish a Housing Fund, follows below.

### THE OWNER'S PROFFERS

- 35 affordable units – 15% of the total. These units include 12 duplex units as well as condominiums and will be affordable because of their smaller size and a land write-down by the developer. They are expected to sell at or near market value – Willow Glen is therefore delivering affordable housing stock, not subsidized units that would be more likely to fall out of the affordable supply on resale.
- 24 first tier moderately-priced units – 10% of the total, contingent upon the County's acceptance of the Applicant's proposal to establish a Housing Fund (see pages 3 - 6) with a portion of Willow Glen's cash proffer.
  - First tier moderately-priced units are defined as those priced between the County's maximum affordable limit, currently \$190,400, and 75% of the VHDA's maximum home price under its first-time homebuyer program. In comparison, the County's affordable price limit is approximately 65% of the VHDA's maximum first-time homebuyer price limit.
  - The VHDA's maximum home price is \$293,900 for our area at the present time, which produces a home price limit in this tier of \$220,500 (rounded).
- A road connection from the property line to Town Center Drive, assuming that the adjacent property owner grants the required construction easement and dedicates the VDOT right-of-way.
- Two stub-outs for potential future connections to adjacent property (on either side of the parcel on the Dickerson Road side).
- \$17,500 as a cash proffer for each of the 22 single-family detached homes.
- \$11,900 as a cash proffer for each of the 153 single-family attached homes that are not proffered as Affordable Units or which are not in the first pricing tier of Moderately-Priced Units (see below for definition).

- \$5,950 as a cash proffer for each of the 24 single-family attached homes that are being proffered as first tier moderately-priced units. The proffered amount represents a 50% credit of the amount otherwise due. The owner realizes that the County's policy for moderately-priced housing is evolving and asks for this credit as a reasonable accommodation to promote the delivery of housing in this price range.
- \$0 for each of the 35 affordable units. Even though a policy waiving a cash proffer for affordable units has not yet been adopted, the credit is assumed to be in keeping with the County's commitment to promote development of units selling within the County's established price limit for affordable units.
- Please note that the streets running through Willow Glen that connect to Dickerson Road and Town Center Drive, including those around the central green, will be public roads. The sidewalks along these streets will lie in VDOT's right-of-way and will be available for public use. Therefore, Willow Glen is not proffering easements for pedestrian connections.

### PLAN ENHANCEMENTS

There are a number of design and home price elements that enhance the appeal of the community and which the owner believes are in keeping with the County's planning objectives.

- The community is organized around a large central green and community building with a bus stop. There is an extensive trail and sidewalk system, and a storm water detention facility with a dock and fishing will also be a community amenity.
- Although there are no commercial or retail facilities on the property, the property is served by the Hollymead Town Center and will have vehicular and pedestrian connections that will eliminate the need for residents to travel on Dickerson or Airport Roads to access these services.
- The development program includes a range for housing types, styles, and prices. The County has generally encouraged step-ups in unit selling prices as a desirable feature for a community.
- The land developer will work with the builders who purchase the lots to encourage construction of energy efficient homes.
- A summary of pricing by tiers follows on the next page.

**PROFFERED UNIT PRICING**

<b><u>Affordable</u></b>	<b><u>Number</u></b>	<b><u>% of Total Units</u></b>	<b><u>Maximum or Estimated Price</u></b>
Condos, duplexes, and limited no. of 16' townhomes	35	15.0%	The County's Affordable Limit, currently \$190,400
<b><u>Moderately Priced – Tier 1</u></b>			
16' townhomes, condos	24	10.2%	\$220,500, or 75% of the VHDA first-time homebuyer limit, now \$293,900

**REMAINING UNIT PRICING**

<b><u>Moderately Priced – Tier 2</u></b>			
16' and 20' townhomes, condos	20	8.6%	\$250,000, or 85% of the VHDA first-time homebuyer limit, now \$293,900
<b><u>All Remaining</u></b>			
20' and 24' townhomes, condos, single-family homes	155	66.2%	\$250,000+
<b><u>Total Units</u></b>	<b>234</b>		

**AMOUNT OF CASH PROFFERS**

22 Single-family detached @ \$17,500 each	\$ 385,000
153 Single-family attached @ \$11,900 each	1,820,700
24 Single-family attached @ \$5,950 each (a 50% credit for the first level of moderately-priced units)	142,800
35 Single-family attached Affordable @ \$0 each	<u>0</u>
<b>Total Proffered Amount</b>	<b><u>\$2,348,500</u></b>

**USE OF CASH PROFFERS**

Willow Glen's owner is offering an innovative approach to provide purchase assistance to so-called "work force" professionals. Persons in this income category often have household incomes that are too high for them to qualify for County programs, but still struggle to purchase a home. Money for this assistance would come from earmarking a portion of cash proffers for this purpose. The fund could also be used to further assist purchasers who income-qualify and receive assistance under County programs.

Housing Fund guidelines would be developed as a collaborative effort among the Applicant, County, and designated non-profits. The distribution of proffered monies would be as follows:

Housing Fund (55.4%)	\$1,300,000
Capital Improvement Contribution (31.9%)	748,500
County Transit Fund (12.8%)	<u>300,000</u>
<b>Total Proffered Amount</b>	<b><u>\$2,348,500</u></b>

### CASH PROFFERS PER UNIT

<u>Proffered \$s By Unit Type and Use</u>	<u>Housing Fund</u>	<u>C.I.P.</u>	<u>County Transit</u>	<u>Total</u>
Detached	\$9,687.03	\$5,577.50	\$2,235.47	<b>\$17,500</b>
Attached	\$6,587.18	\$3,792.70	\$1,520.12	<b>\$11,900</b>
Attached (proffered moderate-priced)	\$3,293.59	\$1,896.35	\$760.06	<b>\$5,950</b>
Attached (proffered affordable)				<b>\$0</b>
As % of Total Cash Proffers	55.4%	31.9%	12.8%	

### HOUSING FUND HIGHLIGHTS

- Money for the Housing Fund would be held either by the County or a County-selected non-profit such as the Charlottesville Area Community Foundation.
- The qualification of buyers and disbursement of funds would be handled by a qualified non-profit housing agency such as the Piedmont Housing Alliance (PHA).
  - The non-profit would administer the program and report to the County regarding the use of funds, including confirmation that the income of loan recipients did not exceed the maximum set for the fund.
  - The focus would be on Work Force professionals – law enforcement officers, teachers, fire fighters, medical service providers, County workers, etc. – so long as their income fell within program guidelines.
  - The County’s Departments of Housing and Zoning would remain in charge of ensuring the developer’s compliance with the affordable and moderately-priced housing proffers, but would not be saddled with the burden of day-to-day administration of the Housing Fund nor its primary oversight.

- The program would help fill the need for assistance to purchasers with household incomes greater than 80% of the area median for whom the County has very limited programs – qualifying purchasers would have incomes no more than 120% of the area median. Program monies could also be used for buyers with incomes up to 80% of the area household median who need even more assistance than can be provided under County programs alone (perhaps families needing larger units than those in the Affordable price points).
- Willow Glen's owner would work cooperatively with the participating parties to develop program details. The plan is to provide assistance through second mortgages that would not require any payments until resale or refinance, so called "soft seconds."
- These "soft" second mortgages would also be structured to provide the Housing Fund with a participation in the financed home's appreciation.
  - The equity share participation would be in proportion to the assistance relative to purchase price. For example, if the second mortgage was 15% of the purchase price, then the fund would receive 15% of the appreciation in the property's value at resale or refinance.
  - Since the Housing Fund would recover its loan amount plus an additional payment, it would be able to assist the next buyer with a higher amount of funding in a rising price market.
- The Housing Fund would be used initially at Willow Glen, thus promoting the goal of providing much-needed housing in Albemarle County in the near term. In addition, the initial use at Willow Glen would help insure the cooperation of builders who would face marketing and selling price restrictions for targeted units.
- The repaid second mortgages and equity appreciation would return to the Housing Fund and could be used to assist future buyers anywhere in the County. In this way, the program would be self-replenishing.

Willow Glen's owners are committed to providing affordable and moderately-priced housing in a well-designed new residential community. This commitment includes the willingness to work enthusiastically with the County to develop and establish the proposed Housing Fund. This fund would be a first in our County and would provide a new means for County government to promote a range of home price options and to assist so-called Work Force buyers whose needs are currently not well-addressed.

A schematic chart of the Housing Fund follows on the next page.

**WILLOW GLEN CASH PROFFER**  
**AMOUNT AND USE**

