

Affordable Dwelling Unit Pricing Guidelines and Specifications



Established pursuant to Article 2, Part 8 of the Fairfax County Zoning Ordinance

Effective: February 28, 2019

Section 1

Applicability

- 1.1 The Affordable Dwelling Unit (ADU) Pricing Guidelines and Specifications are applicable to the construction of ADUs pursuant to Article 2, Part 8 of the Fairfax County Zoning Ordinance (the ADU Ordinance). The ADU maximum sales prices are based on all ordinary, necessary, and reasonable costs required to construct ADUs.
- 1.2 The ADU Pricing Guidelines and Specifications are established by the Fairfax County Redevelopment and Housing Authority (FCRHA) and approved by the Affordable Dwelling Unit Advisory Board (ADUAB). The County Executive considers written comments from the public, the FCRHA, the ADUAB, and other available information such as the market and economic conditions prior to approval. The ADU Pricing Guidelines and Specifications are developed with input from the residential building industry.
- 1.3 The ADU Pricing Guidelines and Specifications are established in accordance with Section 2-809 and Section 2-810 of the ADU Ordinance. For each new development, the ADU maximum sales price must be set prior to execution by the FCRHA of the ADU Program Notice of Availability and ADU Sales Offering Agreement. All building plans for ADUs must comply to the specifications outlined in this document.
- 1.4 The ADU Ordinance requires that the design and construction specifications established for the maximum sales prices must be affordable to households whose incomes do not exceed seventy (70) percent of the Area Median Income.
- 1.5 The maximum sales price must also be affordable so that households meet the eligibility and underwriting criteria established by the FCRHA.

Section 2

ADU Maximum Sales Price Calculation

- 2.1 The ADU Schedule of Prototypes and Cost Allowances (ADU Schedule) and ADU Structure Cost and Maximum Sales Price Calculation Forms should be used by the builders to calculate the ADU maximum sales price, which will be reviewed by the Department of Housing and Community Development (DHCD). The ADU Structure Cost Form calculates the total structure cost based on base unit cost calculations, adjustments and compatibility upgrades. The ADU Maximum Sales Price Calculation Form calculates the development costs and soft costs to determine the ADU maximum sales price.
- 2.2 The ADU Schedule shows the minimum, base, and maximum floor area for each unit type. It also shows the base unit cost for each unit type. ADUs smaller than the minimum floor area are not permitted. The actual construction costs per square foot as submitted by the builder will be used to determine the maximum sales price, which cannot exceed the construction cost per square foot as established in the ADU Schedule. The base unit cost will be adjusted upward or downward based on the actual floor area using the following adjustments:
- (a) Increase above the base: The formula to calculate the increase above the base is half of the base cost multiplied by the square foot adjustment.
 - (b) Decrease below the base: The formula to calculate the decrease below the base is 75 percent of the base cost multiplied by the square foot adjustment.

*Note: Square Foot Adjustment: Line 9 on ADU Structure Cost Calculation Form
Cost Difference: Line 10 on ADU Structure Cost Calculation Form*

- 2.3 The site development costs include the costs of improvements of common areas such as earthwork, landscaping, amenities, public access and utilities. Costs associated with proffers and offsite improvements are not included as they are part of the land development cost. Special fees paid to a government entity and costs associated with a proffer will be allowed if required to accommodate the ADUs. The maximum limit for site development costs is \$35,000 for multifamily units and \$70,000 for single-family attached units (Line 3 on ADU Maximum Sales Price Calculation Form).

- 2.4 The maximum sales price will include the following items: building, site, electrical, water and sewer fees, plumbing and other applicable permit fees. The actual water and sewer availability fees including service connection and charges will be used based on the fees published by Fairfax Water and Fairfax County Wastewater Management. The builder must provide cost documentation for the permit and fees (Line 5 on ADU Maximum Sales Price Calculation Form).
- 2.5 The maximum sales price will also include the construction financing costs. The construction loan interest rate is based upon the current prime interest rate plus two percentage points. In addition to the construction loan cost, the following costs are added to the maximum sales price and are expressed as a percentage of the maximum sales price:
- (a) Builder's overhead and development allowance: 10 percent
 - (b) Construction financing placement fee allowance: 1.5 percent
 - (c) Settlement and closing costs allowance: 3.0 percent
 - (c) Marketing and sales commission allowance: 1.5 percent

Note: Lines 10 - 13 on ADU Maximum Sales Price Calculation Form

- 2.6 The maximum sales price will also include the permanent financing fees paid by the builder. These fees may include the seller's permanent loan fees (points), which are in excess of one percent and any buy-down fees paid to a financial institution to reduce mortgage interest rates on the purchaser's loan below current market interest rates.
- 2.7 The maximum sales price will include the following settlement and closing costs which are to be paid by the seller:
- (a) One percent for a permanent loan origination fee;
 - (b) Government recording and transfer charges;
 - (c) Title charges;
 - (d) Escrow and settlement charges; and
 - (e) Loan charges (application, processing, appraisal, credit report and association document fees);

Section 3

ADU Price Adjustments

- 3.1 Unfinished Space: The maximum sales price will be adjusted to include the additional cost of unfinished space. The additional cost is calculated using the actual floor area of the unfinished space multiplied by the base cost. Unfinished space consists of unfinished full or partial basement space, garage space, or unfinished ground floor space.
- 3.2 End Unit: The maximum sales price will be adjusted to include the additional costs associated with the construction of the end unit in accordance with this section. The builder must provide cost documentation satisfactory to staff, such that an analysis of costs can be conducted.
- 3.3 Bathrooms: The maximum sales price will be adjusted to include the increased cost of providing additional full or half-baths, either complete or rough-in that is above the base requirements. The builder must provide cost documentation satisfactory to staff, such that an analysis of costs can be conducted.
- 3.4 Sprinkler System: The maximum sales price will be adjusted to include the additional cost of sprinkler system required for multifamily construction. The maximum sales price adjustment will be based on the actual installation cost. The builder must provide cost documentation satisfactory to staff, such that an analysis of costs can be conducted.

Note: Line 13 on ADU Structure Calculation Form

<u>Bathroom Adjustments</u>	<u>Maximum Allowances</u>
Add Full Bath	\$2,500
Rough-in Only	\$1,000
Add 1/2 Bath	\$1,750
Rough-in Only	\$500
<u>End Unit Adjustments</u>	<u>Maximum Allowances</u>
End Unit	\$2,250

Note: The actual adjustment costs up to the maximum limits will be used and costs cannot exceed the maximum limits. The end unit adjustments apply to single-family attached units.

- 3.5 **Compatibility Upgrades:** The County Executive may permit an increase in the maximum sales price when it is deemed that the builder has used exterior architectural elements that enhance the external design of the ADU, reduce the visual impact of, and promote the marketing of the ADU (see Section 3.6 below). Builders may voluntarily use exterior architectural compatibility upgrades (such as brick facade, shutters, bay windows, additional landscaping, etc.). This flexibility is intended to encourage upgrades for architectural compatibility and dispersion of ADUs throughout a development. The builder must provide cost documentation satisfactory to staff, such that an analysis of costs can be conducted. Pursuant to the ADU Ordinance, the increase approved for architectural compatibility is limited to 50 percent of any added cost up to a maximum of 2 percent of the maximum sales price. The additional landscape upgrades may comprise up to 1 percent of the 2 percent.
- 3.6 **Great House Adjustment:** For compatibility purposes, the County encourages builders to design and construct attached ADUs in groups such that together resemble a single-family detached dwelling unit where the market rate units are single-family detached. This design option is known as the “Great House.” A credit of five (5) percent of total development costs (unit cost, site development cost, fees, plus other allowable costs) can be added for ADUs. For Great House ADUs developed in the duplex configuration a ten (10) percent credit will be allowed. All Great House ADUs will use the standard base floor area for attached or multifamily units. To qualify for a Great House credit, ADUs must conform to the design guideline below.

To receive a 5 or 10 percent adjustment for this construction type, the ADUs must conform to the following design guidelines.

Multi-Family or Condominium Great House (5% credit)

Multi-Family or Condominium Great House is defined as a single building with three or more units under condominium ownership on a single recorded site that is designed to resemble a large single-family detached dwelling. To qualify, the building must contain, at least one garage or carport and at least one or more of the following features: an exterior chimney structure, gables, dormers, bay windows, shutters, pilasters, treatments to windows and doors and other features typical of a single-family detached unit. The structure must comply with the Zoning Ordinance. If the structure is three stories, the third story should be designed as an integrated pitched roof, whether the third floor is for occupancy or not. In addition, no stairways or other common elements, except a single common entrance and mechanical equipment, can be visible from the outside. There is no upper limit placed on the number of units the building may contain. However, it shall be designed such that no one lateral dimension is greater than twice its overall height. The cost of basement space, if any, will be allocated evenly among the units. A credit will be given for facade upgrades. The credit will be allocated evenly among units. In the event, the building contains non-ADUs,

the credit amount will be adjusted to reflect the proportionate share of the ADUs qualifying facade upgrade cost.

Townhouse or Multiplex Great House (5% credit)

Townhouse or Multiplex Great House is defined as a single building with three or more attached units under fee simple ownership, each on individually recorded lots, that is designed to resemble a single-family detached dwelling. To qualify, the building must contain at least one garage or carport and at least one or more of the following features: an exterior chimney structure, gables, dormers, bay windows, shutters, pilasters, treatments to windows and doors and other features typical of a single-family detached house. The structure must comply with the Zoning Ordinance. If the structure is three stories, the third story should be designed as an integrated pitched roof, whether the third floor is for occupancy or not. Notwithstanding the varied setback requirement for row housing in the Zoning Ordinance, the effect of this requirement should be minimized to enhance the unified character of the overall building. Each dwelling unit must have a separate entrance, but no more than two such entrances can be visible from any one side of the building. No upper limit is placed on the number of units a building may contain. However, it shall be designed such that no one lateral dimension is greater than twice its overall height. The basement space, if any, will be priced the same as for townhouse units. A credit will be given for facade upgrades and will be allocated evenly among units. In the event, the building contains non-ADUs, the credit amount will be adjusted to reflect the proportionate share of the ADUs qualifying facade upgrade cost.

Duplex or Semi-Detached Great House (10% credit)

Duplex or Semi-Detached Great House is defined as a single architecturally unified building with no more than two dwelling units under fee simple ownership joined on one side by a common party wall and located on individually recorded lots that is designed to resemble a single-family detached dwelling. To qualify, the building must contain at least one garage or carport and at least one or more of the following features: an exterior chimney structure, gables, dormers, bay windows, shutters, pilasters, treatments to windows and doors and other features typical of a single-family detached house. The structure must comply with the Zoning Ordinance especially in terms of height. If the structure is three stories, the third story should be designed as an integrated pitched roof, whether the third floor is for occupancy or not. Each dwelling unit must have a separate entrance, but no more than one such entrance can be visible from any one side of the building. The basement space, if any, will be priced the same as for townhouse units. A credit will be given for facade upgrades and will be allocated evenly among the two units. In the event, the building contains non-ADUs, the credit amount will be adjusted to reflect the proportionate share of the ADUs qualifying facade upgrade cost.

3.7 The County Executive may adjust the maximum sales price if the builder can demonstrate that additional unusual costs have been incurred which are attributable to enhance the ADUs and are the result of the following:

- (a) Fees imposed by a governmental entity as a condition for permit approvals;
- (b) Additional fees as a condition of obtaining local, state or federal financing; or
- (c) Additional fees imposed by public utilities.

To receive this adjustment, the builder must request the County Executive to consider an adjustment to the maximum sales price and provide cost documentation satisfactory to staff, such that an analysis of costs can be conducted.

3.8 The maximum sales price may be adjusted when the builder and buyer agree to modify the unit structurally to facilitate use by a person with disabilities. The adjustment shall be equal to the amount of the additional costs. The builder must provide cost documentation satisfactory to staff, such that an analysis of costs can be conducted. and obtain approval of the adjusted maximum sales price.

Section 4

ADU Size Requirements and Minimum Specifications

- 4.1 The definitions of single-family attached and multifamily units shall be those in the Fairfax County Zoning Ordinance.
- 4.2 The ADUs constructed are exclusively single-family attached and multifamily units. The single-family detached unit type has been deleted from the ADU Schedule because the potential of this unit type being constructed as an ADU is practically null.

The ADUs constructed as single-family detached units will use the same size requirements for the single-family attached units except for the per square foot cost, site development costs and water and sewer fees. The builder must provide cost documentation for the single-family detached units satisfactory to staff, such that an analysis of costs can be conducted.

- 4.3 The FCRHA established minimum, base and maximum floor area based on the number of bedrooms in the unit for each unit type as shown below. The base floor area is the basis for establishing the maximum sales prices. The units cannot be constructed below the minimum floor area and there will be no compensation of costs for units that have more than the maximum floor area.
- 4.4 All building plans for ADUs must comply with unit size and minimum specification requirements.

ADU Size Requirements

Unit Type	Bedrooms	Baths	Minimum	Base	Maximum
Single-family Attached	0-1	1	480	600	1000
Single-family Attached	2	1	725	1000	1150
Single-family Attached	3	1.5	925	1100	1250
Single-family Attached	4	2	1200	1250	1400
Single-family Attached	5	2	1300	1350	1500
Multifamily	0-1	1	300	600	900
Multifamily	2	1	725	900	1000
Multifamily	3	1.5	925	1050	1150
Multifamily	4	2	1200	1200	1300
Multifamily	5	2	1300	1325	1400

ADU Minimum Specifications

1. All ADUs must meet the requirements of the Virginia Uniform Building Code and Zoning Ordinance of Fairfax County, as amended.
2. All single-family ADUs shall have a master bedroom of at least one hundred fifty (150) square feet. All other single-family ADU bedrooms and all multifamily ADU bedrooms must be at least one hundred (100) square feet in size. All bedroom sizes are exclusive of closets, which must be provided with each bedroom.
3. All ADUs must have a minimum sized frost-free refrigerator of 12 cubic feet for 0-1 bedroom units, 14 cubic feet for 2 bedroom units, 15 cubic feet for 3 bedroom units, and 18 cubic feet for 4 or more bedroom units. Ranges shall be 30 inches wide minimum and include range hood. Ovens shall be continuous clean.
4. All ADUs must have a garbage disposal and a dishwasher.
5. Plumbing, mechanical, and electrical rough-in will be required for a washer and dryer (if washers and dryers are not placed in the common area). All ADUs must be pre-wired for telephone and cable service. All systems must pass applicable testing, as per County Code.
6. Mechanical systems shall be sized and a duct rough-in provided to accommodate a finished basement where applicable.
7. A Builder Landscaping Package including the lawn will be required for all ADUs and should be consistent with and proportional to market rate units.

Hose bibs will be required for all ADUs and the number of bibs and location should be consistent with market rate units.
8. All ADUs' systems shall be comparable to market rate units in the project. Comparability means the same, or equal, in terms of primary functional components such as heating, cooling, plumbing, electrical, structural components, and exterior appearance.
9. Floor areas and number of rooms/bathrooms must meet or exceed ADU size requirements.
10. All ADUs must include a central Heating, ventilation, and air conditioning (HVAC) system. All ADUs must have gas as a primary heat source in developments where it is the standard for the market rate units. All systems, including heat pump, cooling, heating and water heater must meet the requirements of the Virginia Uniform Building Code and Zoning Ordinance of Fairfax County.

Section 5
Revision

- 5.1 These ADU Pricing Guidelines and Specifications will be reviewed semi-annually and may be adjusted as necessary to keep up with the construction market and economic conditions.

Bryan J. Hill, County Executive

Date

Attachments:

1. ADU Schedule of Prototypes and Cost Allowances
2. ADU Structure Cost and Maximum Sales Price Calculation Forms