

# Affordable Housing in Loudoun County: Opportunities and Challenges



**Presentation to Envision Loudoun Stakeholders  
August 14, 2017**



# Housing Policy Highlights

The Housing Market cannot meet all areas of housing need.

Residents and workers should be served by a range of housing opportunities.

Housing diversity is important to the health of the community.

Address “continuum of need” without labels.

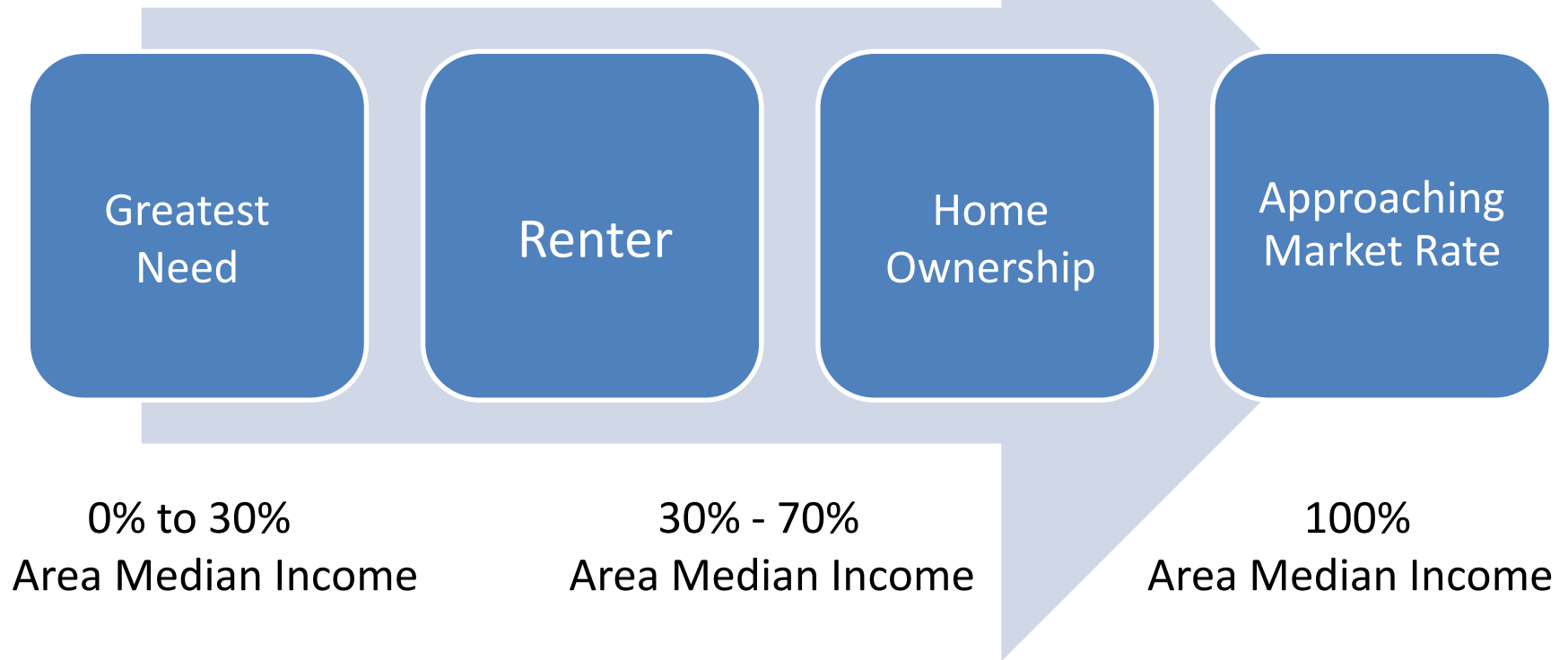
Unmet housing needs are defined as housing for incomes ranging from 0% to 100% of the Washington Area Median Income (AMI). 2017 AMI is \$110,300 for a family of 4.

Programs are required to address the housing needs of residents and workers priced out of the housing market.



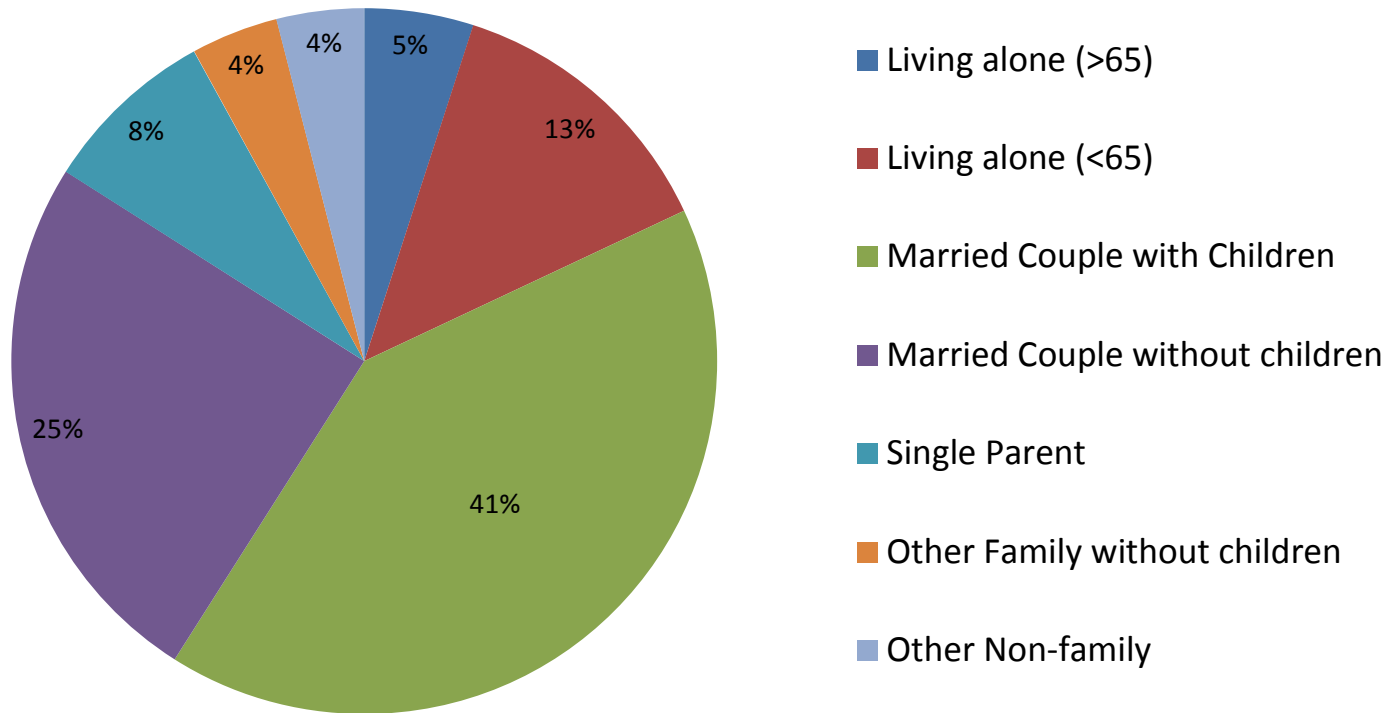
# County Policy Approach

## Unmet Housing Needs Continuum



**Requires different approach/resources at each level. There is no one size fits all.**

# Household Types



## Unmet Housing Needs:

Homeless  
First-Time Homebuyers  
Affordable

Millennials  
Older Adults  
Unit Size/Accessibility

Persons with Disabilities  
Age in Place  
Location

# What is Area Median Income?

Area Median Income for 2017 = \$110,300\*

Identified in the Revised General Plan, Article 7 of the Zoning Ordinance, and Chapter 1450 of the Codified Ordinance

Washington, D.C. Metropolitan Statistical Area includes Loudoun and other jurisdictions in the Region.

Used to Determine Income Eligibility in County, State, and Federal Housing Programs.

*\*Based on a 4-person household. For more details, visit [www.loudoun.gov/ami](http://www.loudoun.gov/ami)*



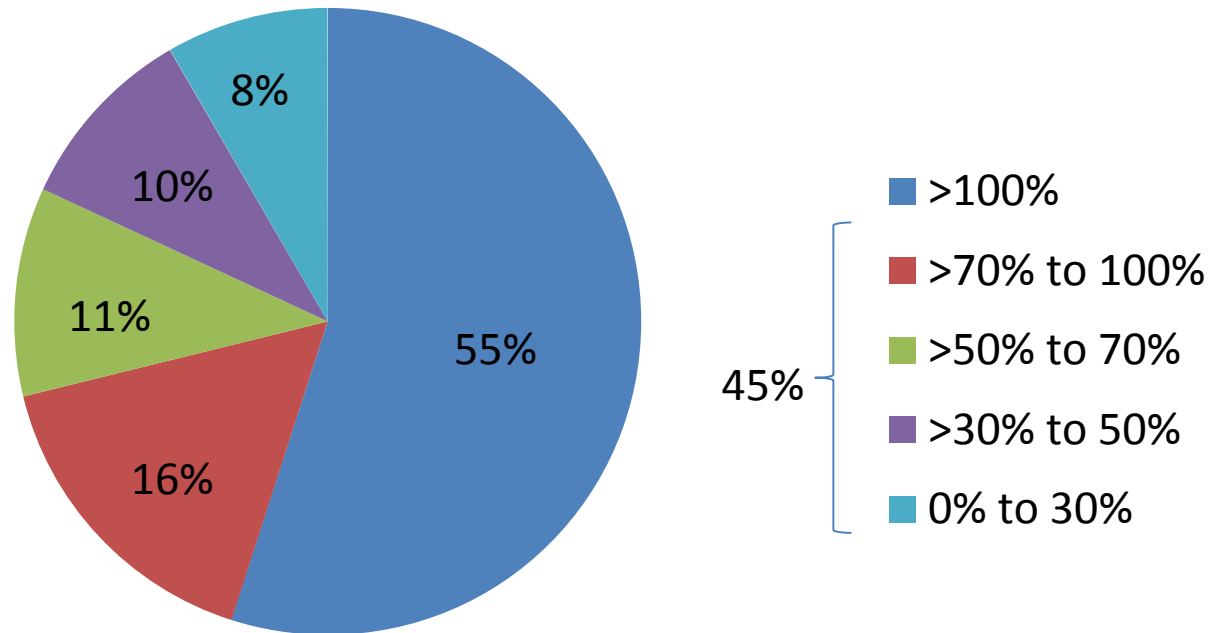
# Loudoun County Income Distribution by Households (2015)\*

<b><u>INCOME RANGE</u></b>	<b><u>Households</u></b>
<b>\$0 to \$32,750</b> (<30% AMI)	<b>10,147</b>
<b>\$32,750 to \$54,600</b> (30 -50% AMI)	<b>11,745</b>
<b>\$54,600 to \$76,440</b> (50-70% AMI)	<b>13,025</b>
<b>\$76,440 to \$87,360</b> (70-80% AMI)	<b>6,016</b>
<b>\$87,360 to \$109,200</b> (80-100% AMI)	<b>13,581</b>
<b><u>More than \$109, 200</u></b> (>100% AMI)	<b><u>66,543</u></b>
<b>Total</b>	<b>121,057</b>

**\*Based on Housing Needs Assessment**



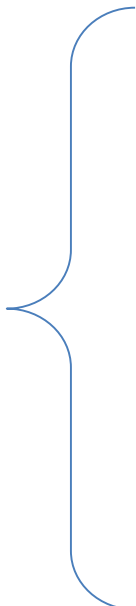
# Area Median Income Distribution



- Shortages occur at all points of the continuum.
- Without action, deficits continue over time.



# County Industries and Average Pay

		Industry	Number of Employees	Average Annual Pay	% AMI
		Professional, Scientific and Technical Services	19,332	\$110,708	100%
55%		Local Government (includes LCPS & Public Safety)	18,925	\$51,272	46%
		Retail Trade	18,449	\$30,004	27%
		Accommodation and Food Service	15,759	\$23,556	21%
		Construction	15,021	\$71,188	65%
		Healthcare & Social Assistance (includes Hospital)	11,525	\$55,796	50%
		Transportation & Warehousing (Airport)	10,509	\$46,800	42%

Source: Loudoun County Community Profile, Virginia Employment Commission, 12/16 update.

**Average wages cannot support the cost of housing in Loudoun.**



# Selected Occupations in Top Sectors

Accountant/Auditor	\$91,140
Loan Officer	\$85,690
Computer Systems Analyst	\$102,290
Computer Network Support Specialist	\$79,360
Civil Engineer	\$95,420
LCPS Entry Level Teacher with Bachelor's/ Master's Degree	\$49,182/\$54,952
LCPS Teacher's Assistant	\$22,464
LC Sheriff's Deputy	\$63,030
LC Fire & Rescue	\$51,600
Social Worker	\$63,190
Retail Salesperson	\$27,280
Chef	\$62,510
Event Planner	\$65,990
Fitness Trainer	\$48,020
Childcare Worker	\$27,490
Landscaper/Groundkeeper	\$30,020
Registered Nurse	\$78,330
Home Health Aide	\$26,230
Substance Abuse Counselor	\$57,580
Aircraft Mechanic	\$66,430
Aircraft Cargo Handler	\$50,290
Farm Worker	\$30,500

# Housing Affordability\*

	AMI	Income as % of AMI	Purchase Power (3x income)	Rent Affordability (Income divided by 12 x 30%)
Buyers	100%	\$ 110,300	\$330,900	\$2757
	90%	99,270	297,810	2482
	80%	88,240	264,720	2206
	70%	77,210	231,630	1930
	60%	66,180	198,540	1655
Renters	50%	55,150	165,450	1379
	40%	44,120	132,360	1104
	30%	33,090	99,270	827
	20%	22,060	66,180	551
	10%	11,030	33,090	276

\*Income multiplied by 3 serves as a general standard for determining purchase power to buy a home. 30% of monthly income for rent and utilities is the general standard for determining rent affordability.

# What is the Market Providing?

## RENTAL MARKET:

Unit Type	Number	Average Monthly Rent	AMI Needed
Studio	38	\$1,203	54%
One Bedroom	4189	\$1,396	61%
Two Bedroom	6394	\$1,567	67%
Three Bedroom	1247	\$1,835	76%

Source: 2016 Apartment Guide Survey

## MEDIAN HOME SALES PRICE, 2015:

	Existing	New	AMI Needed
All Types	\$417,000	\$560,241	126% to 169%
Single-Family Detached	\$552,000	\$690,469	167% to 209%
Single-Family Attached	\$377,500	\$480,000	114% to 145%
Multi-Family	\$250,000	\$356,389	76% to 108%

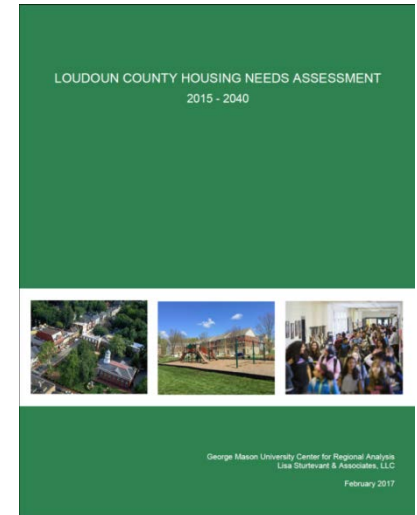
Source: Foundations Report

# Housing Needs Assessment

Increasing Demand Across the Housing Continuum for:

- Low-cost, small unit rental housing for young Millennial workers over next 10 years;
- Smaller, more modestly-priced housing for Aging Millennials with families;
- Accessible housing & communities for Aging Resident Baby Boomers and Persons with Disabilities;
- Multi-generational housing for culturally diverse households;
- Affordable housing for low and moderate income households;
- Single-family housing for high-income, large families.

Growing housing affordability challenges are expected to occur not only in Loudoun County, but throughout the Region.



Full report available at:  
[www.loudoun.gov/housing](http://www.loudoun.gov/housing)



# State Enabling Authority

**§ 15.2-2223:** The Comprehensive Plan shall designate areas and implementation measures for the construction, rehabilitation and maintenance of affordable housing sufficient to meet the current and future needs of residents of all levels of income.

In use in Loudoun:

**§15.2-2304:** Affordable Dwelling Unit Ordinance

**§15.2-735:** Establishment of a Local Housing Fund

**§15.2-956 & §15.2-957:** Participation in Federal Programs

**§15.2-958:** Repair of Affordable Rental & Purchase property

**§15.2-958.2:** Grants for Homeownership

**§15.2-958.4:** Waiver of Building Permit & other local fees

**§15.2-4901:** EDA support for affordable housing development

To be determined:

**§15.2-958.3:** Loans for Clean Energy Improvements

**§36-4:** Establishment of Housing Authority



# Available Resources

## Community Partners

- For-Profit Housing Developers
- Non-Profits
- Faith-Based Community
- Continuum of Care
- Mental Health, Substance Abuse, & Disability Services

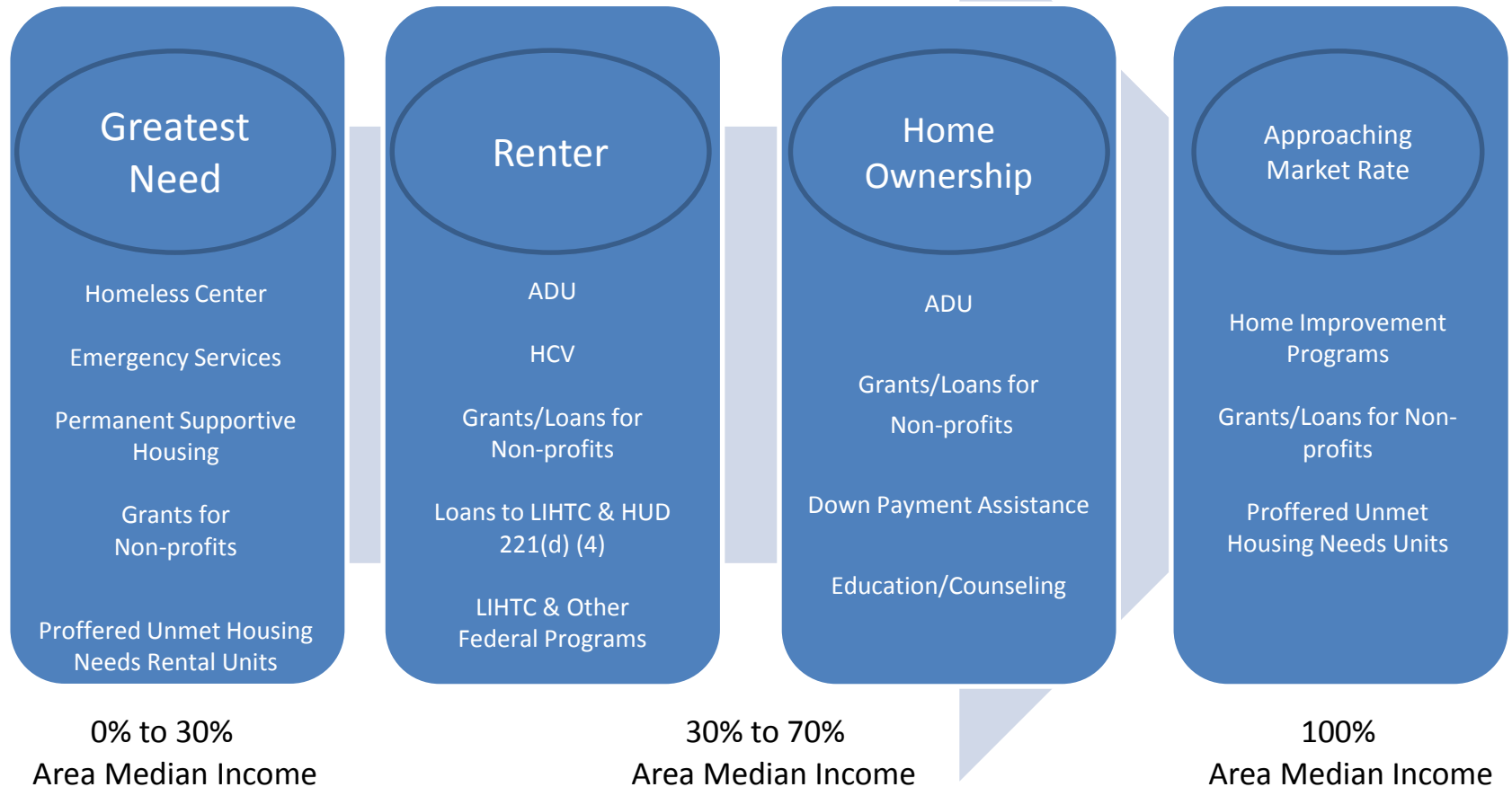
## Funding Sources

- Federal (HUD, LIHTC, CDBG)
- State (VHSP)
- Housing Funds
  - ADU-Derived Trust
  - Monetary Proffers

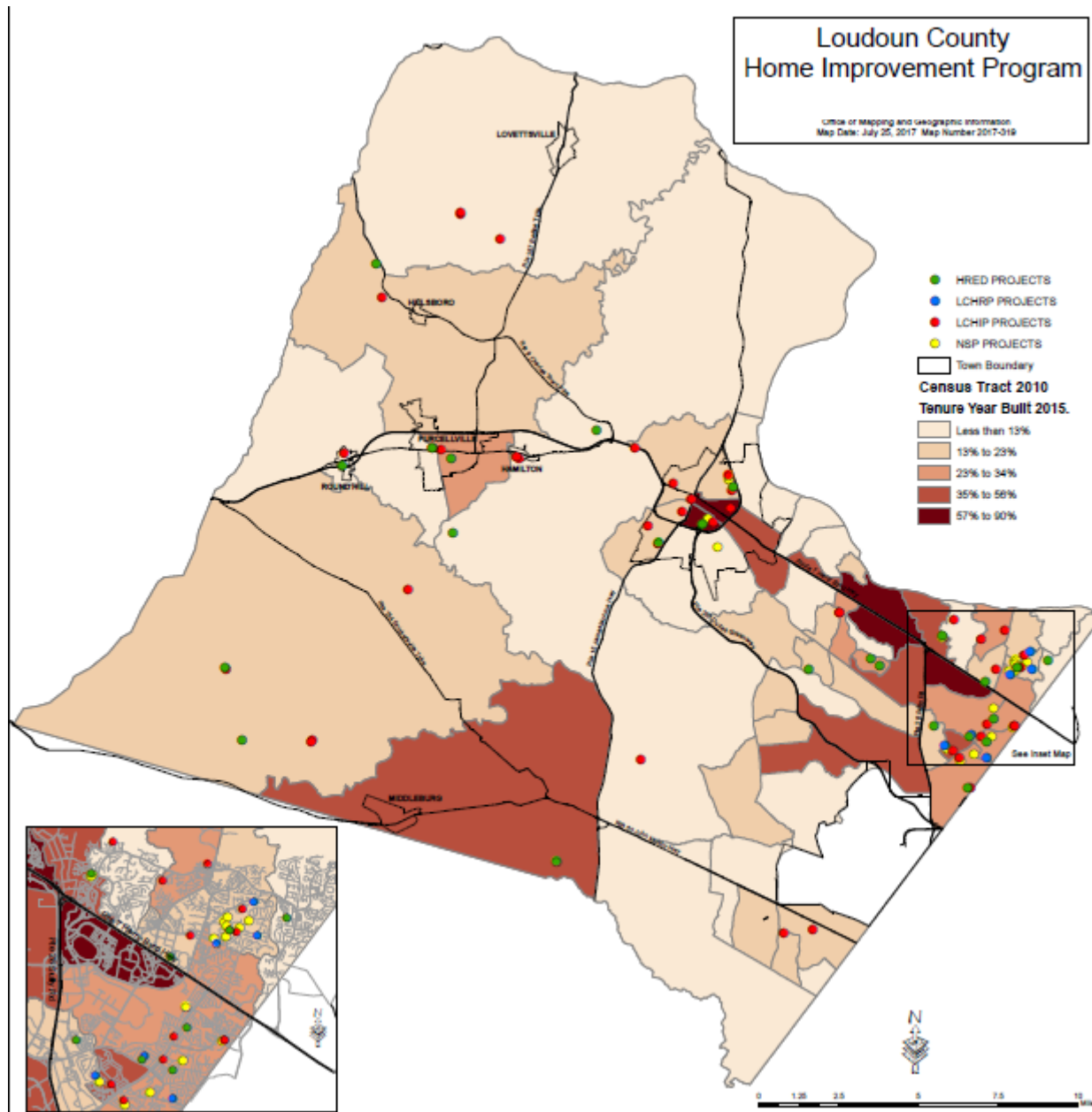


# County Programmatic Approach

## Unmet Housing Needs Continuum

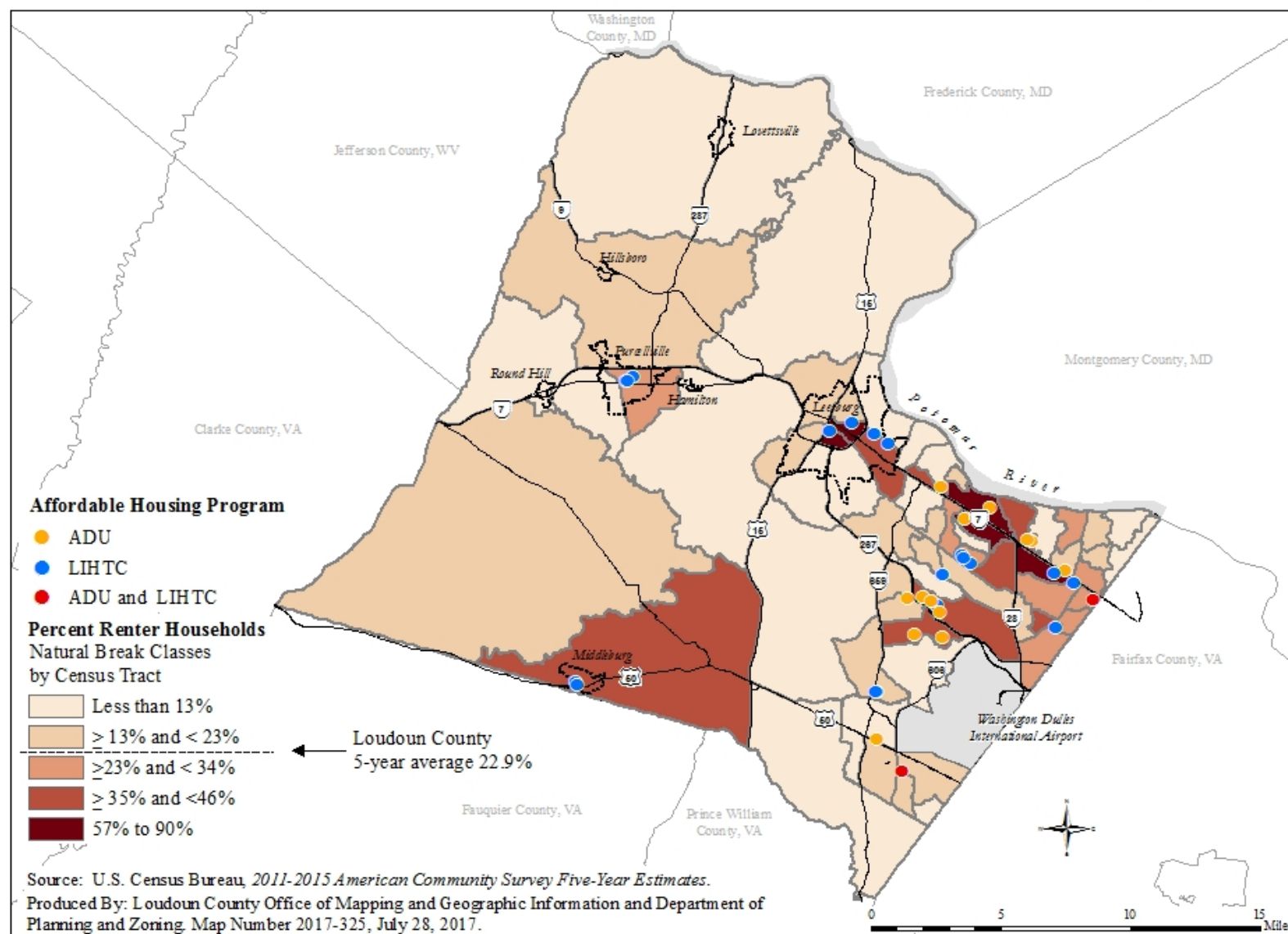


**Each part of the continuum requires a different approach and different resources.**





## Affordable Housing Program Apartment Complexes, Loudoun County



# Housing Challenges

## **Insufficient Supply**

- Rising Rents
- Growing Need

## **Preserving Affordable Market Housing**

## **Affordable Dwelling Units Hitting Covenant Term**

## **Capturing a Share of Pipeline & New Units**

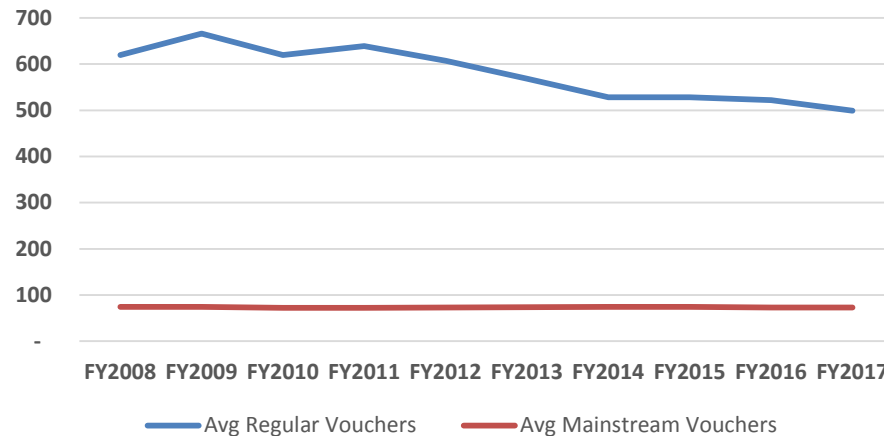
## **Affordable Housing Developers Need**

- Low-cost or Public Land
- Funding

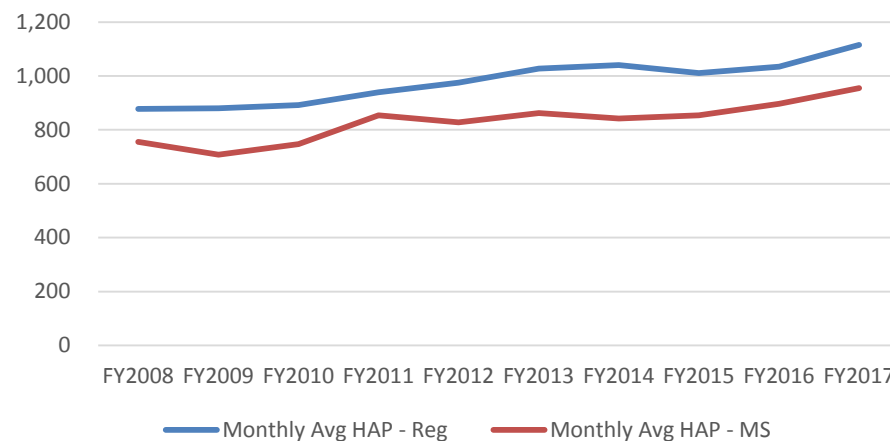


## Ability to support low-income renter households with subsidies decreases as Fair Market Rents Increase

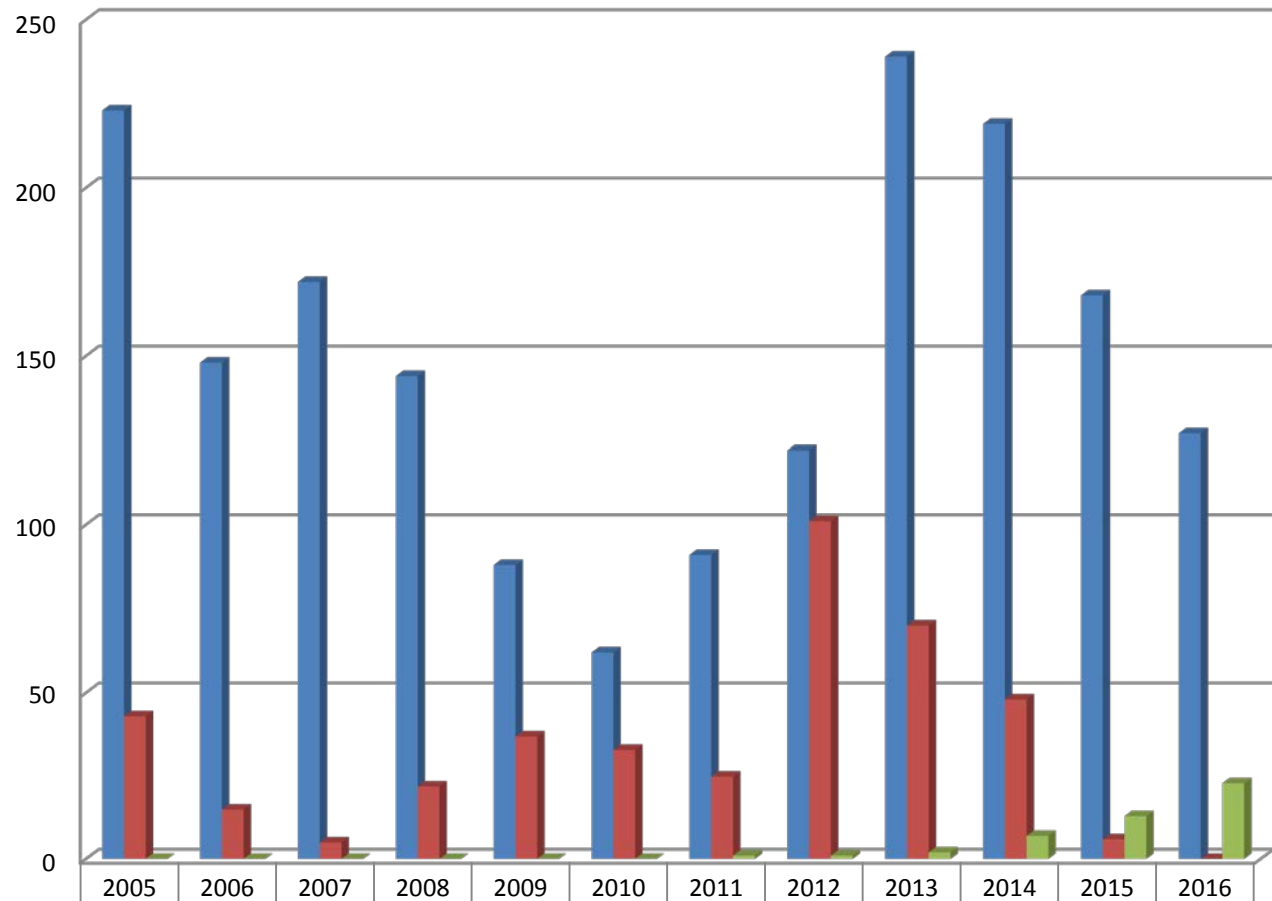
Average Monthly Voucher Count by Fiscal Year



Average Monthly HAP Expense by Fiscal Year



# Affordable Dwelling Unit Sales 2005 - 2016



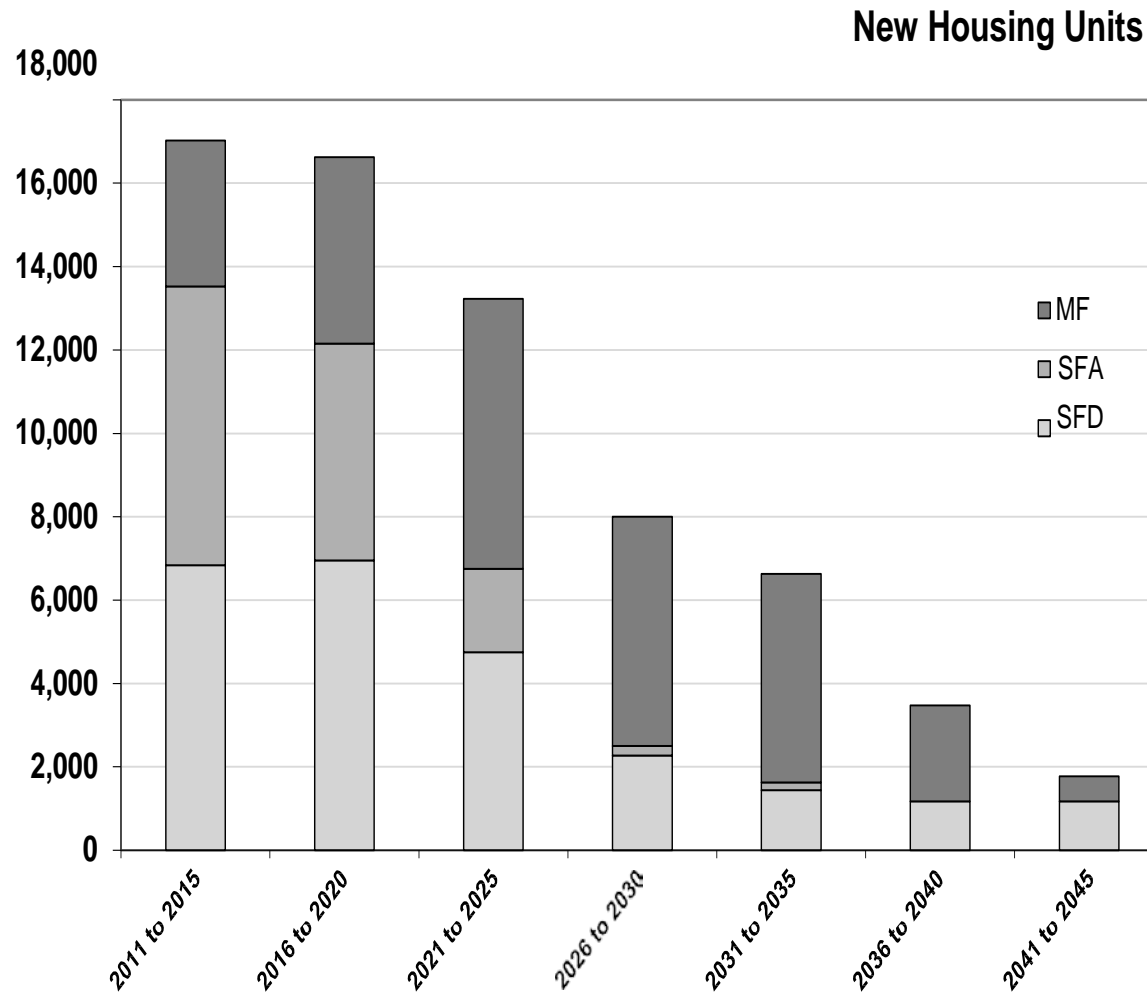
■ Sales to Certificate Holders

■ Sales at Market

■ 15-Year Covenant Expiration Sales

# Forecasted New Housing Units by Type

2015 Fiscal Impact Committee, Intermediate Scenario



# Housing Initiatives

## **Affordable Housing Stakeholders Review and Recommendations:**

- ADU Program is Important & Viable
- Additional Approaches Needed for Incomes to 100% AMI
- Develop a Housing Blueprint with measurable goals
- Focus on ADU Rental Market.

**Recent Amendments to Article 7 & Chapter 1450  
(Affordable Dwelling Units Program) provide more flexibility.**

**Recent Amendment to the Housing Trust Agreement  
provide better access to funding.**

**Upcoming Board of Supervisors Housing Summit.**



# Goals Guiding Housing Policy

## **Shape: Make a Great Place**

Well-designed places providing a full spectrum of housing and employment options linked to supporting commercial, entertainment, educational, agricultural, and recreation activity.

## **Support: Enhance Quality of Life**

A community of diverse individuals united together to ensure that all residents enjoy a high quality of life through vibrant, fulfilling and healthy active lifestyles, celebrating all that is unique to the County.



# Housing Policy Questions

## **What to call it and why?**

- Workforce Housing
- Affordable Housing
- Unmet Housing Needs

## **How to strengthen existing neighborhoods & preserve Affordable Market Housing?**

## **How to capture affordable housing from pipeline & at transit nodes, especially rental multi-family?**

## **How to provide for a diversity of need & incomes?**

- Low-cost housing
- One-level living
- Smaller units/smaller lots
- Universal & accessible design to support aging in place and persons with disabilities
- Millennial Lifestyle
- 1<sup>st</sup>-time Home Buyer
- Retiree & Older Adults
- Culturally Diverse





# Questions?

Sarah Coyle Etro  
Assistant Director  
Department of Family Services  
[sarah.coyleetro@loudoun.gov](mailto:sarah.coyleetro@loudoun.gov)  
(703) 777-0387

[www.loudoun.gov/housing](http://www.loudoun.gov/housing)

