

# Chapter 4 - Housing

## Table of Contents

Vision.....	2
Introduction.....	2
Trends and Influences .....	4
Housing Demand and Inventory .....	4
Housing Affordability .....	5
Importance to the Economy .....	7
Planned Residential Growth Approach.....	12
Housing Needs of a Diverse Community .....	13
Housing Cost Impacts of Current Fiscal Policy.....	15
Policies, Strategies, and Actions .....	15

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# Chapter 4 - Housing

## Vision

Provide housing options that can accommodate a variety of lifestyles, households, ages, cultures, market preferences, incomes, and needs.

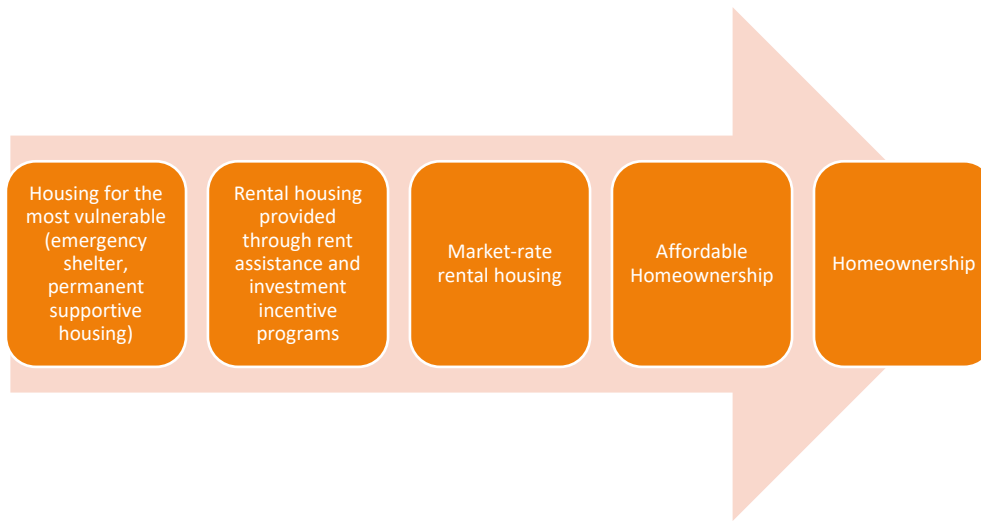


## Introduction

The County's primary housing objective is to ensure that an adequate supply of housing—varied in type and price and located near necessary services and amenities—is available for existing and future residents. The fundamental concept of a *continuum of housing*<sup>1</sup> refers to the variety of housing types, sizes, and prices (both for rental and homeownership) required to meet the County's current and anticipated needs, and the County seeks to align housing availability along this continuum. The *Loudoun County 2019 General Plan* (General Plan) provides a renewed opportunity for the County to adopt a housing policy direction that promotes an inclusive, diverse, and flexible community..

Figure 1 illustrates the continuum of housing needs as discussed in this chapter. The General Plan takes a multifaceted approach to increasing the availability of diverse housing stock in the County and aligning housing affordability with the continuum of housing need. The General Plan anticipates that increases in the provision of a variety of housing types, facilitated through regulation and planned land use, will help fulfill the demand for housing and may temper rising housing costs overall. A variety of existing and planned County initiatives and programs, used in conjunction with state, federal, and private sector resources, will increase housing options that address affordability.

<sup>1</sup> This chapter introduces several new concepts and terms to facilitate the discussion of Loudoun County's housing trends, needs, and objectives. These terms are italicized and defined for clarity and emphasis and are also included in the glossary of this document.

**Figure 1. The Continuum of Housing**

The Code of Virginia requires that each locality’s comprehensive plan include “the designation of areas and implementation measures for the construction, rehabilitation, and maintenance of affordable housing, which meets the current and future needs of residents of all levels of income” while also considering the current and future needs of the region in which the locality is located (Code of Virginia, Section 15.2-2223). A sufficient supply of housing that is *affordable*—that is, requiring no more than 30 percent of household income—for all households at all income levels is vital to the economic health of the entire community. A continuum of housing choices is necessary to attract and retain employers and workers and to create a resilient, inclusive, and diverse community. The approach to housing in the General Plan recognizes that the amount, type, location, and cost of housing is a critical consideration in Loudoun County’s long-range planning, with major implications for land use, economic development, community form, and resident economic stability.

This chapter aims to address the housing needs of Loudoun’s current and future population. The Trends and Influences section describes Loudoun’s evolving housing landscape, identifying the challenges and opportunities that will continue to affect the provision of a continuum of housing to a diverse population. The Policies, Strategies, and Actions in the Plan support the use of the County’s land use authority to facilitate the fulfillment of *unmet housing needs*, which are defined as the lack of housing options for households earning up to 100 percent of the *Area Median Income* (AMI).<sup>2</sup> The General Plan further acknowledges that addressing the County’s current and future housing challenges will require collaboration among government, private sector, and non-profit stakeholders. Significant changes to the County’s land use and zoning regulations will be necessary to address the County’s housing needs, with a particular focus on identifying appropriate areas for new residential growth, redevelopment, and increased residential densities. This chapter

<sup>2</sup> Area Median Income is defined as the middle income in a specific metropolitan area; half of households of a particular size have incomes higher and half have incomes lower. AMI is used to determine eligibility for housing programs.

affirms policies, actions, and programs that have proven successful while setting forth new and innovative strategies and a commitment to implement them.

## Trends and Influences

Since the late 20<sup>th</sup> century, Loudoun County has experienced tremendous growth because of its convenient access to Washington, D.C, high quality of life, and scenic environment. This growth creates strong demand for housing. The County, through land use policy, has promoted this growth in the eastern portion of the County where the market forces for new development have been strongest, mainly due to the area's proximity to Washington, D.C., an expanding regional job market, and the availability of central water and sewer. The development has resulted in a shrinking supply of available land for additional residential growth in traditional suburban development patterns. However, there remains strong market demand for housing in Loudoun County, necessitating housing strategies that increase density, incentivize innovation in unit types, facilitate affordability by design and price, and reduce development costs.

Since 2000, Loudoun County has experienced significant and increasingly diverse population growth. Age demographics have shifted as well, with young families and workers and adults over the age of 55 comprising a greater share of the population in 2017 than 2000. These factors, among others, drive housing preferences in Loudoun County now and in the coming decades.

Over the planning horizon, the County has many challenges to overcome in order to meet its goal of providing a continuum of housing choices. During the development of the Comprehensive Plan, the public expressed broad concerns regarding rising housing costs and the availability of diverse housing products to meet the needs of the County's growing populace. As development pressure grows, the County's older housing stock, which often comprises smaller and lower priced units, is also vulnerable to redevelopment. The policies of this chapter are designed to influence development to better meet residents' needs across the continuum of housing.

## Housing Demand and Inventory

The County has undertaken two studies in recent years to project the future market demand for new housing units. The 2017 *Housing Needs Assessment* produced by Lisa Sturtevant and Associates, LLC, in collaboration with the George Mason University Center for Regional Analysis, assessed the County's current and future housing needs based on economic and demographic forces (<https://www.loudoun.gov/documentcenter/view/127559>). In January 2018, Kimley-Horn completed a *Market Analysis* as part of the Envision Loudoun effort (<https://www.loudoun.gov/DocumentCenter/View/131399>). Both studies confirm that the demand for new residential development will remain high and highlighted the demand for a continuum of housing to meet the demand of a growing population. Despite adding over 204,100 people and 67,600 housing units between 2000 and 2015, the *Housing Needs Assessment* concluded that the housing units provided were not keeping pace with the evolving needs and demands of Loudoun's populace in terms of availability, type, and price.

The residential rental *vacancy rate*, or the proportion of rental units that are available for rent or otherwise unoccupied, is an indication of supply in the home rental market. According to the *Market Analysis*, a rental vacancy rate of seven percent indicates a healthy balance in which there

is an adequate supply of vacant units to provide renters with options while still meeting the cash flow needs of the community. Low vacancy rates in the rental market can be an indication that demand exceeds the supply of housing units. According to the *Housing Needs Assessment*, the County's rental vacancy rate has remained below five percent since 2009, despite adding rental units during that time. The 2013-2017 U.S. Census Bureau American Community Survey (ACS) estimates that vacancy rates in Loudoun County were 3.9 percent for rental units as compared to five percent for the Washington D.C., Metropolitan Area overall. These consistently low vacancy rates indicate a tight rental market with high demand for units, which can result in higher rental prices.

*Months of supply*, which measures how many months would be needed to sell all of the existing home sales inventory available at the current rate of demand, is an indication of supply for the home sales market. Months of supply is calculated by dividing current inventory by current sales. A six-month supply indicates a balanced market. A market with fewer than six months of supply favors sellers, and a market with more than six months of supply favors buyers. In December 2018, there were 2.1 months of supply available in Loudoun County, compared to 1.9 in December 2017. Similar to the rental market, this limited supply puts upward pressure on the cost of homes.

## Housing Affordability

Increased housing costs have outpaced wage growth nationally and locally over the last several decades.<sup>3</sup> According to the Department of Housing and Urban Development (HUD), from 2000 to 2017, the AMI for the Washington D.C., Metropolitan Area increased by more than 30 percent. In that same time period, median existing home prices in Loudoun County jumped 116 percent and median rental prices increased 75 percent. In 2000, a household in Loudoun County would have required approximately 90 percent AMI to afford a home at the mean sales price. By 2018, a household would have needed to earn 148 percent AMI to affordably purchase a home at the mean sales price. If this trend continues, more households, including households of higher incomes, will have difficulty finding housing that is affordable to them. As detailed in this section, a growing proportion of households is unable to afford the housing that is available and are pushed to either live outside of the County or spend a greater proportion of their income on housing costs in order to live in the County. This has created an *affordability gap*, which is defined as the difference between the cost of housing and the amount households can afford to pay (assumed to be 30 percent or less of household income).

As indicated in the following table, the mean sales price across all housing units is not affordable to a growing number of households, even those earning more than the Washington D.C. Metropolitan AMI, which was \$117,200 in 2018. This is especially true of new construction, which commands an average cost more than seven percent higher than existing homes. Among homes sold in 2018, only multifamily units had an average price affordable to households earning 100 percent of AMI. In 2018, the estimated *purchasing power* – calculated as household income

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<sup>3</sup> 2018 State of the Nation's Housing, Joint Center for Housing Studies; [http://www.jchs.harvard.edu/state-nations-housing-2018?\\_ga=2.56029803.1550908217.1547834228-1182365031.1547834228](http://www.jchs.harvard.edu/state-nations-housing-2018?_ga=2.56029803.1550908217.1547834228-1182365031.1547834228)

multiplied by three – was \$351,600 for a household earning 100 percent AMI, while the mean sales price was \$520,681.

**Table 1. Mean Home Sales Prices and Affordability, 2018<sup>4</sup>**

Unit Type	Mean Sales Price	% AMI Needed
<b>All Types</b>	\$520,681	148%
<b>Single-Family Detached</b>	\$647,364	184%
<b>Single Family Attached</b>	\$447,979	127%
<b>Multi-Family</b>	\$311,409	89%

The affordability gap is also apparent in rental housing costs: the unit sizes available for larger families require higher incomes and even the smallest rental units that would house a single person tend to be unaffordable. According to the Urban Institute’s 2017 study of rental housing, Loudoun County has a deficit of approximately 2,500 rental units affordable to *extremely low income households (ELI)*, or those households with incomes at or below 30 percent of the AMI.<sup>5</sup> Based on the data, 4,000 extremely low income households existed in the County, but only 1,550 units were available at rents those households could reasonably afford. For extremely low income residents unable to find housing they can afford in Loudoun, the options are to become *cost-burdened*, crowd several households into a single housing unit, or seek housing elsewhere.

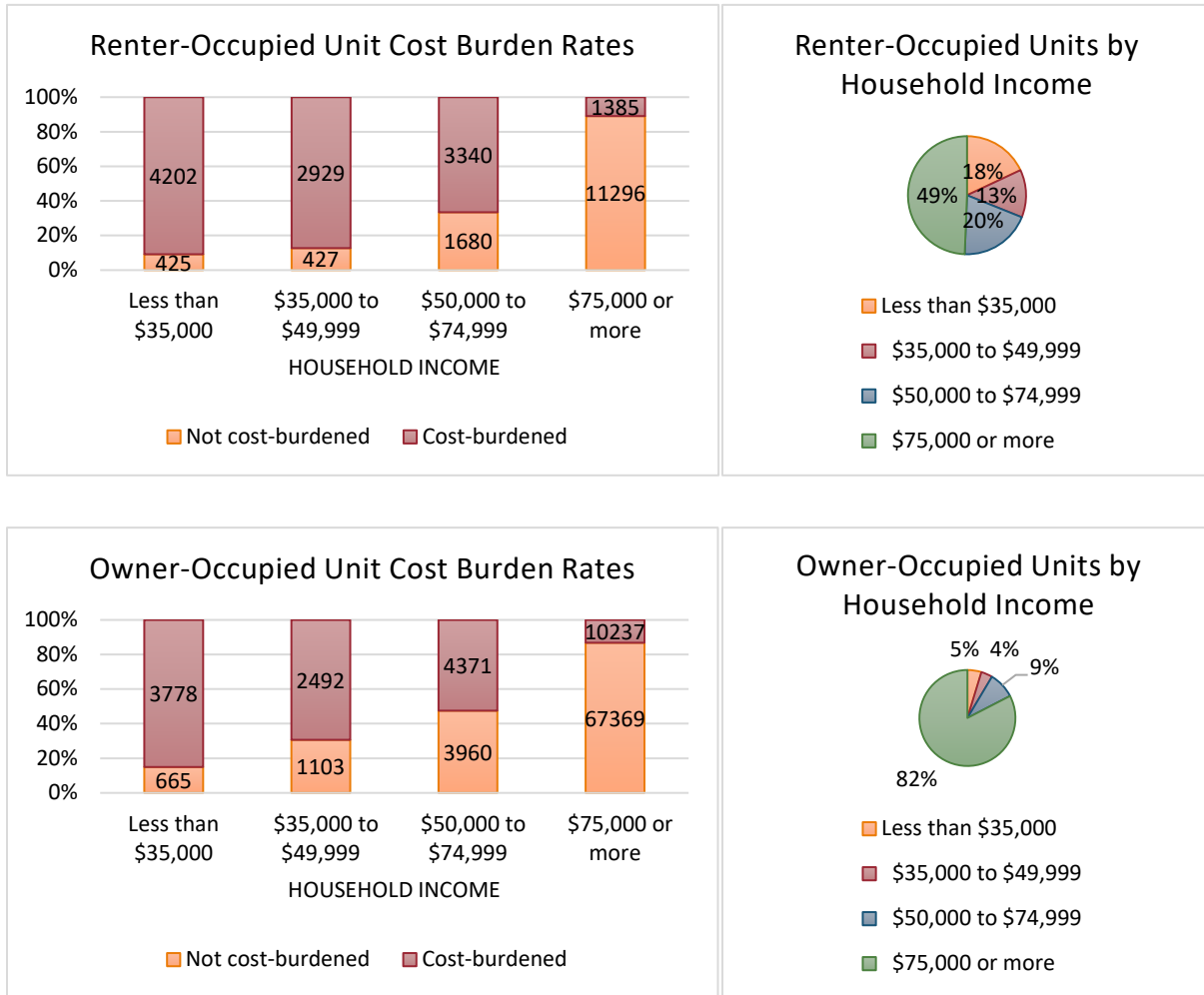
The low supply of housing, both rental and for sale, across all price ranges contributes to the high cost of housing for the average County resident and is an ongoing issue in Loudoun, as indicated by persistently high numbers of *cost-burdened households*, or those that spend 30 percent or more of their income on their rent or mortgage. Households paying more than 50 percent of their income on housing are considered *severely cost-burdened*. Cost burden can occur at any income level along the housing continuum and affect both homeowners and renters. Cost burden calculations only include housing costs and do not consider other costs that a household must bear, such as the cost of transportation. The greater the percentage of income that households have to spend on housing, the less income that is available to spend on the other goods and services needed to live in the County. Residents that live outside the County as a result of their inability to find housing can strain County transportation systems and lose important social and employment connections. Renters who want to become homeowners in Loudoun County face similarly difficult choices. Figure 2 below, which was compiled using 2013-2017 ACS data, demonstrates that cost burden in the County varies by income level and between those who own and those who rent their homes.

<sup>4</sup> Loudoun County Commissioner of the Revenue; Bright MLS

<sup>5</sup> <https://apps.urban.org/features/rental-housing-crisis-map/detail.html?fips=51107>



**Figure 2. Cost-Burdened Households by Income, 2013-2017<sup>6</sup>**



Households with an income exceeding \$75,000—the highest household income category for ACS cost burden data—comprise approximately 75 percent of households and face cost burden rates of 13 percent among homeowners and 11 percent among renters. Cost burden increases precipitously among the remaining households with a median income below \$75,000. As an example, 85 percent of households earning less than \$35,000 are cost-burdened. Housing costs are especially burdensome for renters earning less than \$35,000 a year. This data highlights that households at all income levels face housing affordability challenges in the County, and this challenge is especially significant for households of lower incomes. The *Housing Needs Assessment* identifies demographic groups that face cost burden at a higher rate than County households overall to include young adults (age 25 or below) and older adults (age 62 and older) living alone.

### Importance to the Economy

As discussed in Chapter 5: Economic Development, the County works to attract, grow, and retain targeted businesses of all sizes. Housing variety, availability, and affordability are among the

<sup>6</sup> U.S. Census Bureau, American Community Survey 5-Year Estimates 2013-2017



factors that corporations, companies, and organizations use to determine where to locate. Housing availability, and affordability in particular, factor into companies' ability to attract and retain employees; companies are less likely to locate in a community where finding housing is a barrier for their employees and weakens the ability of employers to attract workers. Conversely, when the workforce is unable to find affordable housing or continue to afford the housing they have, they will explore other options, sometimes driving them away from the community. This causes workforce instability and adversely affects Loudoun's economic development prospects.

As shown in Table 2, households earning less than 100 percent AMI comprise significant segments of the County's workforce, including retail and service workers, skilled tradespersons, and various professional workers. According to the Department of Economic Development, in 2016 over 48 percent of Loudoun's workforce had occupations that earned less than 40 percent AMI. Additionally, approximately 55 percent of the workforce earned less than 65 percent of AMI.

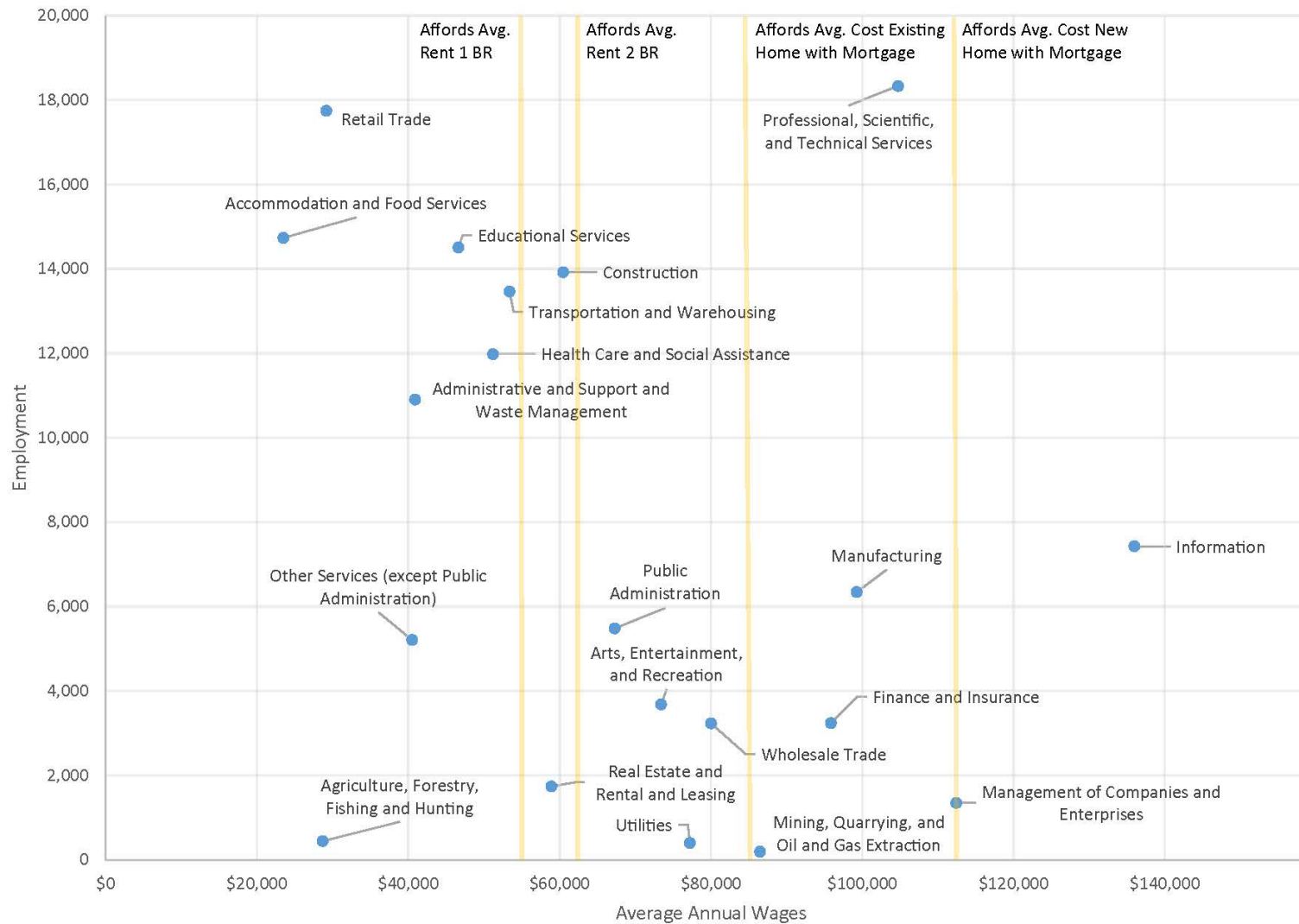
As demonstrated in Figure 3, a Department of Economic Development analysis found that employees working in industries supplying the most jobs in the County—including Retail, Accommodation and Food Services, and Educational Services—do not earn enough to afford the average rent for a one-bedroom apartment in the County. Employees in higher wage sectors face housing affordability challenges as well. For example, newly constructed homes in the County are, on average, not affordable to employees in the Professional, Scientific, and Technical Services sector, which provides more jobs than any other sector in the county. This illustrates the challenge facing employers and their employees regarding the availability of jobs in close proximity to housing that is affordable at current wages.

**Table 2. Incomes and occupations in the Greater Washington D.C. Metro Region<sup>7</sup>**

<b>Income Group (FY2018)</b>	<b>What type of household is this?</b>
<b>0-30 percent AMI</b> <b>Extremely low-income (ELI)</b> <b>\$0-\$35,150 family of four</b> <b>\$0-\$24,650 single person</b>	People who are unable to work due to disability or age;  Seniors on fixed incomes; or  Low-wage workers, including many retail, restaurant, and day care workers.
<b>30-50 percent AMI</b> <b>Very low-income (VLI)</b> <b>\$35,150-\$58,600 family of four</b> <b>\$24,650-\$41,050 single person</b>	One person working as an administrative assistant, electrician or teacher's assistant; or  Two workers in the retail, restaurant, or child care sectors.
<b>50-80 percent AMI</b> <b>Low-income (LI)</b> <b>\$58,600-\$77,450 family of four</b> <b>\$41,050-\$54,250 single person</b>	One or two workers in entry-level jobs including research associates, program managers, nursing aides, or nurses (LPNs).
<b>80-100 percent AMI</b> <b>Moderate income (MI)</b> <b>\$77,450-\$117,200 family of four</b> <b>\$54,250-\$82,188 single person</b>	One or two workers in entry-level or mid-level jobs, including police officers, fire fighters, school teachers, and IT support personnel
<b>100-120 percent AMI</b> <b>\$117,200 - \$140,640 family of four</b> <b>\$82,188 - \$98,626 single person</b>	One or two workers in mid-level jobs, including accountants, loan officers, and machinists

<sup>7</sup> Table taken from *A Guidebook for Increasing Housing Affordability in the Greater Washington Region* – updated figures with HUD 2018 Income Limits.

**Figure 3. Housing Costs and Employment/Annual Wages in Loudoun County by Industry**



Created October 2017  
Loudoun County Department of Economic Development

Affordability challenges can drive employees to seek housing in other jurisdictions and require that they commute into the County for work. As of 2016, approximately 56 percent of Loudoun's workforce resided in the County, while the remaining 44 percent commuted into the County daily. According to the *Housing Needs Assessment*, 61,600 workers commuted each day into Loudoun from 2009 to 2013. Ten percent had commutes that were 90 minutes or longer, compared to 5.5 percent for the Washington D.C. Metropolitan Area. Of these in-commuters, many worked in relatively low-wage industries such as Construction, Transportation and Utilities, and Leisure and Hospitality.<sup>8</sup> According to the *Housing Needs Assessment*, only 30 percent of Construction jobs located in Loudoun County are held by County residents, and only one-third of Transportation and Utilities jobs are held by County residents. Workers in the Leisure and Hospitality sector were the least likely to commute from outside the County and almost 75 percent of these jobs are held by County residents. Leisure and Hospitality jobs are the second lowest average wage occupation in the County. Lower-wage employment sectors are growing, so the rate of in-commuting will increase if Loudoun does not have a continuum of housing to accommodate the workforce. As more workers find housing in more distant areas, congestion on roadways into and through the County will continue to increase.

The availability of a continuum of housing may also affect the economic viability of Loudoun's Metrorail stations areas. For the Silver Line Metrorail expansion to gain sufficient ridership, neighborhoods within close proximity to the Metrorail stations need a mix of housing types and prices to ensure greater housing affordability and provide access to a greater diversity of households. The availability of housing with access to transit can also increase employers' ability to attract and retain employees.

In addition to employees of local businesses, teachers, nurses, police officers, firefighters, and others who provide critical services in the community require housing. As shown in Table 3 such occupations are typically *moderate income*, or earning between 80 and 100 percent AMI. For many of these professions living close to work is important because of the need to respond quickly to emergencies or work long shifts. However, incomes in these professions do not align with the housing available in Loudoun County, creating quality of life concerns both for public servants and the communities they serve. Households above 100 percent AMI also struggle with housing affordability in the County; Table 3 shows that typical rents in the County do not align with what families can afford. Additionally, homeownership costs are not affordable to most households; even households earning up to 120 percent AMI face limited choices.

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<sup>8</sup> 2017 Housing Needs Assessment.

**Table 3. Housing Affordability by AMI in the Greater Washington D.C. Metro Region<sup>9</sup>**

<b>Income Group (FY2018)</b>	<b>How much can they afford to spend on housing each month?</b>
<b>0-30 percent AMI</b>	\$0-\$881 family of four \$0-\$617 single person
<b>30-50 percent AMI</b>	\$881-\$1,466 family of four \$617-\$1,027 single person
<b>50-80 percent AMI</b>	\$1,466-\$2,345 family of four \$1,027-\$1,644 single person
<b>80-100 percent AMI</b>	\$2,345-\$2,932 family of four \$1,644-\$2,055 single person
<b>100-120 percent AMI</b>	\$2,932 – 3,907 family of four \$2,055 - \$2,740 single person

### Planned Residential Growth Approach

Between 2000 and 2016, Loudoun County’s population and number of housing units more than doubled. Residences built during this time are primarily located along the western and southernmost portions of the Suburban Policy Area (SPA) and in parts of the Transition Policy Area (TPA), with other concentrations of new homes built within the Towns and in their JLMAs. The vast majority of the land planned for residential uses in the SPA is either developed or approved for development. In response to these constraints, the General Plan seeks to provide new housing units through a combination of increased residential densities in the Urban Policy Areas (UPA) and SPA and targeted opportunities for clustered compact neighborhoods in the TPA.

As described in Chapter 2, the General Plan anticipates the majority of residential growth to occur in the UPAs, with limited higher density growth in the limited greenfield and redevelopment areas of the SPA and targeted areas of the Transition Policy Area (TPA). Throughout these areas, the General Plan emphasizes opportunities to create places that will meet the needs of the diversifying community, including housing affordability. The UPAs create opportunities for new housing types to locate in close proximity to planned Silver Line Metrorail stations, and anticipated employment centers, services, retail, and entertainment. A mix of compact single-family detached and single-family attached housing products in the SPA and limited areas of the TPA are envisioned to help address the unfulfilled demand for these housing types in the County.

Maturing neighborhoods, primarily concentrated in the SPA, may also provide limited opportunities for redevelopment or infill communities that better meets the housing affordability needs of the County’s future residents. These opportunities are described in greater detail in the Infill and Redevelopment section of Chapter 2. As the County adopts policies and regulations that help guide such developments, it is important that such policies promote housing affordability and prevent removal of existing affordable housing.

<sup>9</sup> Table taken from A Guidebook for Increasing Housing Affordability in the Greater Washington Region – updated figures with HUD 2018 Income Limits.

## Housing Needs of a Diverse Community

Demand is growing for diverse housing types to address the needs of the County’s future residents. As discussed in the Urban Land Institute’s survey of American housing preferences *America in 2015*, *Millennials* have demonstrated a greater preference for walkable communities with convenient access to outdoor spaces and amenities that allow them to rely less on cars. The aging Baby Boomer generation (born between 1946 and 1964) creates a need to provide a range of senior housing opportunities. Multigenerational family living arrangements have risen considerably over the past several decades. As of 2016, approximately 20 percent of Americans lived in multigenerational households, up from a low of approximately 12 percent in 1980.<sup>10</sup> In Loudoun County, at least 4.3 percent of households include three generations, and 11 percent of adults over the age of 18 are living with their parents.<sup>11</sup> The *Housing Needs Assessment* summarized these evolving housing market trends for Loudoun County through 2040, noting increasing demand for:

- Low-cost, small unit rental housing for entry level workers below the age of 35;
- Small, modestly-priced housing for young families;
- Accessible housing and communities for older adults and persons with disabilities;
- Multigenerational housing design;
- Housing options affordable to extremely low-income, very low-income, low-income and moderate-income households; and
- Single family housing for high-income earners.

### Universal Design

Housing and community design is constantly evolving to meet the needs of populations with diverse abilities. Some past attempts to increase accessibility in the built environment have focused on conspicuous retrofits or the provision of “separate but equal” facilities for persons with disabilities or other access limitations. Increasingly, planners, designers, and advocates are emphasizing the importance of creating environments that are designed to meet the needs of all people as a basic principle of good design — a concept known as *universal design*. Universal design requires construction that is useable by all people without the need for adaptation or specialized design. In addition, universal design features increase safety and ergonomic use by residents.

Universal design is a particularly important consideration in the development of new housing. The provision of universally functional homes helps create more inclusive communities, supporting populations diverse in age and ability to live and interact in the same community. The Policies, Strategies, and Actions described in this chapter, as well as those in Chapter 2, promote the

<sup>10</sup> <http://www.pewresearch.org/fact-tank/2018/04/05/a-record-64-million-americans-live-in-multigenerational-households/>

<sup>11</sup> 2013-2017 American Community Survey data.

provision of housing units that reflect these principles as an important step toward achieving the broad housing continuum needed to serve the entire community.

### The Missing Middle

Suburban and urban localities are exploring new ways to meet the demand for diverse housing types close to services and amenities while maintaining the scale and community character of existing neighborhoods. One approach encourages the development of *missing middle* housing, which uses a mix of small-scale single-family units, accessory dwelling units, and multi-family units to create the perception of lower density. This approach is intended to help address the continuum of housing needs by providing housing choices and prices that fit in between large-lot, single-family detached units and high-rise apartment buildings, while fostering the neighborhood scale that many residents seek.

Missing middle housing is generally discussed in terms of design; specifically, it focuses on the form, scale, size, and massing of units, their relationship to the street, and the design of streets themselves. The General Plan envisions creative residential and mixed-use development proposals in appropriate areas of the County that will achieve the continuum of housing types and prices through the provision of missing middle housing products. Several place types envisioned in the UPAs, SPA, and TPA are intended to accommodate missing middle housing products, including Urban Transit Center, Suburban Compact Neighborhood, Suburban Mixed Use, Transition Compact Neighborhood, and Transition Commercial Center. Neighborhood place types provide opportunities for smaller housing types that would blend with the existing neighborhood scale of these areas. In mixed-use place types, missing middle housing can be used to create transitions between higher density nodes and adjacent residential neighborhoods. These elements are described in greater detail by place type in Chapter 2 of the General Plan.

The General Plan includes flexible land use policies and encourages streamlined regulations that facilitate the development of missing middle units, taking a form-based rather than a use-based approach to land development regulations. Regulations focusing on floor area ratio (FAR), lot size, and building and unit size rather than overall density will help accommodate a greater diversity of housing types that may yield affordable prices while ensuring compatibility with the scale and character of existing suburban and urban neighborhoods.

**Figure 4. The Missing Middle Housing Spectrum**



*Courtesy of Opticos Design, Inc.*



## Housing Cost Impacts of Current Fiscal Policy

Development of new housing attracts new residents, and with new residents comes increased demand for public services such as law enforcement, fire protection, emergency medical services, and education. To implement these services, the County has developed Capital Intensity Factors (CIF) to estimate the anticipated per unit costs of new residential development to construct needed capital facilities (<https://www.loudoun.gov/cif>).

Where allowed by the Code of Virginia, the County works with the developers of residential projects to mitigate the capital facility impacts of their projects. This is typically done with contributions to capital facilities formalized in proffer statements. Since market conditions dictate the sales price of housing units, a developer adds the cost of the capital facility contribution in each unit's sales price, which increases the cost of housing. For *Affordable Dwelling Units* (ADU) provided pursuant to Article 7 of the Zoning Ordinance, which are restricted for occupancy by households whose income falls within 30 to 70 percent AMI, the County absorbs the capital facility impacts generated by that housing by crediting the developer the costs for each ADU's impacts.

Since the County's CIF has been based on unit type, rather than unit size, and developers intend to maximize profit margins, an incentive to develop smaller or modest sized housing has typically not been present. Instead, this has led to the construction of larger, higher cost residential housing units that are affordable to households with incomes greater than 100 percent of AMI. As reflected in the policies of this chapter, identifying these influences provides the County an opportunity to address the issues that impede or hinder market provision of smaller, more modestly sized houses that may be more affordable.

## Policies, Strategies, and Actions

Loudoun County must take a collaborative approach to providing a full continuum of housing solutions to support the community. This approach will require collaboration and partnership within the government and with the private sector and the community. This approach affirms policies, actions, and programs that are successful and sets forth new and innovative strategies and a commitment to implement them.

Unless otherwise specified, the following policies, strategies, and actions apply Countywide.

**Housing Policy I: Increase the amount and diversity of housing that is available in terms of unit type, size, and price and promote innovative designs throughout Loudoun County that are desirable and attainable to all income levels.**

### Strategy

- 1.1 Use innovative and flexible regulatory approaches to help fulfill the continuum of housing needs in a variety of locations and settings throughout the County.

### Actions

- A. Promote mixed-income housing developments that provide a continuum of housing types and prices.

- B. Amend zoning regulations to accommodate more innovative and flexible density, building height, lot size, lot line, parking, setback, and design standards through the implementation of a planned unit development (PUD) ordinance.
- C. Regulate multi-family development by floor area ratio (FAR) instead of by dwelling units per acre.
- D. Develop zoning regulations and design standards that facilitate innovative, lower cost, compact residential and mixed-use development that emphasizes the physical form and the character of the built environment and seamlessly integrates uses.
- E. Amend zoning regulations and design standards to permit accessory housing product types (e.g., carriage houses, accessory apartments, and cottages) in residential and mixed use zoning districts and incentivize the integration of universal design features in accessory units.
- F. Amend zoning regulations to expand the number of districts where manufactured housing, accessory units, and alternative housing types are allowed (e.g., small lot, zero lot-line, micro-units, maximum unit sizes, and innovative housing types).
- G. Develop regulations and standards by which affordable housing development can be approved as a by-right use.

#### Strategy

- 1.2 Promote dense housing products that are affordable by design and price, especially in urban settings close to transportation alternatives.

#### Actions

- A. Amend zoning regulations and design standards to incorporate density bonuses and other incentives into appropriate zoning districts to encourage the provision of housing to address the County's unmet housing needs in areas currently served by or planned for mass transit.
- B. Require fewer parking spaces in new developments located proximate to public transit that achieve a continuum of housing types and prices.

#### Strategy

- 1.3 Reevaluate Capital Facility Impacts to acknowledge the varied impacts of a broader diversity of unit types, sizes, and households.

#### Actions

- A. Identify alternatives in calculating the costs of development for the impact on capital facilities (such as a rating system) to reduce costs and to encourage diversity in unit types produced. Explore the use of square footage and/or number of bedrooms to assess capital facility costs associated with a broad range of unit types to encourage the development of needed unit types (for example, studio and one bedroom apartments, smaller homes).

Strategy

- 1.4 Ensure that housing for special needs populations is integrated within existing and planned communities.

Action

- A. Amend zoning regulations and design standards to incentivize the integration of universal design elements in residential units and in the design of neighborhoods.

Strategy

- 1.5. Provide for diverse housing options and prices with access to a range of amenities, services, and transportation options for older adults (55+).

Actions

- A. Encourage the provision of a diversity of housing types and prices within active adult and/or age restricted housing development projects.
- B. Incentivize the provision of age-restricted housing units for residential or mixed-use development proposals in transit centers and other areas planned for an integrated mix of uses to support older adults' option to live in close proximity to transit, retail, service, and entertainment uses.
- C. Ensure the provision of the following amenities and services on-site or within a safe and convenient distance for all age-restricted residential projects:
  - i. Community space including meeting rooms and recreational facilities;
  - ii. Retail uses in direct support of the development;
  - iii. Health or fitness center;
  - iv. Healthcare services;
  - v. Active recreation space; and
  - vi. Resident programming and services.
- D. Provide access to amenities and services through alternate modes of transportation such as walkability and pedestrian access, bicycle facilities, and public and/or private mass transit facilities such as mini-bus or shuttle services.
- E. Integrate transit facilities into all senior housing developments such as shuttle or mini-bus service and/or direct local and regional transit service to ensure access to local and regional amenities and services.
- F. Incorporate covered bus shelters with seating or a covered space for seniors to congregate near building entrances into all senior housing developments.
- G. Incorporate universal design features into all age-restricted residential developments, in keeping with Quality Development Policy 8 and all subordinate strategies and actions (see Chapter 2).

Strategy

- 1.6. Support mixed-use development projects that provide a continuum of housing types, sizes, and prices as well as commercial uses such as retail, entertainment, and offices in a walkable environment.

Actions

- A. Provide incentives to encourage zoning map amendments or zoning concept plan amendments on previously entitled properties that increase the provision of a mix of smaller housing types and affordably priced housing.
- B. Research and implement effective incentives, such as appropriate density increases for the provision of housing focused on the County's unmet housing need proximate to major employment centers and public transit such as Silver Line Metrorail stations, as well as the offset of capital facilities contributions to reduce housing development costs to foster a continuum of housing affordability for workers in Loudoun.

Strategy

- 1.7. Ensure that infill and redevelopment projects provide a continuum of housing types and prices in areas with existing infrastructure and services.

Actions

- A. Develop zoning regulations and design standards to implement form-based approaches for infill and redevelopment areas that facilitate the development of "missing middle" housing product types and affordable prices.

**Housing Policy 2: Preserve existing affordable housing stock and ensure housing remains safe and habitable.**

Strategy

- 2.1. Leverage public and private resources to maintain housing that helps address unmet housing needs in Loudoun County.

Actions

- A. Bring existing housing in need of indoor plumbing, operational septic and water systems, and major system repair (e.g., new roofs or heating and cooling systems) up to safe and livable conditions.

Strategy

- 2.2. Preserve housing affordable to households earning less than 100 percent AMI that is currently provided by the market, and integrate it into redevelopment projects.

Actions

- A. Create an inventory of housing stock using County assessment data that identifies the type of unit, its location within the County, and general characteristics of the units.

- B. When redevelopment projects are proposed for areas with existing housing affordable to households earning less than 100 percent AMI in otherwise good condition, incentivize the preservation and rehabilitation of that existing housing stock.
- C. Require that redevelopment projects removing existing affordably priced units as a last resort provide a one-for-one replacement of similarly priced housing units in order to ensure no net loss of affordably priced units.
- D. Explore local funding options and implement housing programs that preserve and improve existing affordably priced housing.

### Housing Policy 3: Ensure County residents are able to access housing they can afford.

#### Strategy

- 3.1. Focus County funding, resources, and programs on the unmet housing needs of households earning up to 100 percent of the Washington Metropolitan Area Median Income (AMI).

#### Actions

- A. Develop an Unmet Housing Needs Strategic Plan, consistent with the adopted *Loudoun County 2019 Comprehensive Plan*, that specifically identifies strategies, actions, programs, and best practices to address the County's current and future unmet housing needs. Such plan should include, but is not limited to, down-payment assistance programs, utilization of housing trust funds, and home purchase programs, and should be developed prior to the approval of any zoning map amendments requesting higher densities planned in the Urban Policy Area outside the Metrorail Service Districts, Suburban Policy Area, and the Transition Policy Area. The plan would include estimates on unmet housing needs, establish development targets, and evaluate how housing programs address those needs every five years.
- B. Emulate, when appropriate, successful housing programs in other jurisdictions.
- C. Develop zoning regulations and design standards that remove barriers and incentivize the development of housing affordable to households at or below 100 percent AMI in all residential and mixed-use development.
- D. Reduce capital facilities proffer expectations as a means of incentivizing the provision of housing affordable to households earning less than 100 percent AMI in new transit-oriented development.
- E. Create an expedited permit process to fast-track applications for developers who commit to providing additional units affordable to households earning less than 100 percent AMI.
- F. Provide incentives such as those included in the Affordable Dwelling Unit regulations of the Zoning Ordinance to support Low Income Housing Tax Credit projects to

encourage zoning map amendments or zoning concept plan amendments for properties subject to previous legislative zoning approvals when they increase the provision of housing affordable to households earning less than 100 percent AMI.

- G. Strengthen Affordable Dwelling Unit regulations in the Loudoun County Zoning Ordinance and the County Codified Ordinances, to the greatest extent that the Code of Virginia allows, to increase the development of housing that helps address the County's unmet housing needs in all residential and mixed-use development.
- H. Require housing units that help address the County's unmet housing needs to be provided in residential developments that contain 24 or more dwelling units and are served by public sewer and water.
- I. Develop effective incentives that enable development to meet unmet housing needs to include housing for households with incomes at or below 30 percent AMI and 50 percent AMI, which is the area of greatest need.
- J. Address the housing needs of extremely low-income or vulnerable households including older adults on fixed incomes and persons with disabilities by exploring partnerships with healthcare providers, local nonprofits, and philanthropic organizations to develop targeted housing for this population.
- K. Preserve the County's investment in ADUs by proactively purchasing ADUs approaching the end of the 15-year covenant period during which ADUs must first be marketed to ADU-qualified purchasers, and extend this 15-year period.
- L. Maximize the County's investment in ADUs by extending the time period under the covenants during which ADUs must first be marketed to ADU-qualified purchasers and reevaluating the appropriate fee-in-lieu model when developers opt not to provide physical units.

#### Strategy

- 3.2. Increase the financial resources gained from federal, state, local, and private sources to address the unmet housing needs in the County.

#### Actions

- A. Identify and designate dedicated local funding sources to support the County's plan to provide a continuum of housing.
- B. Use the Economic Development Authority (EDA) to issue tax exempt bonds for qualified residential rental projects and to make grants or loans of its own funds (or funds received from another governmental entity) with respect to single or multifamily residential facilities, in order to promote high-quality and affordable housing in the County.
- C. Leverage strategic geographies with federal programs, such as opportunity zones and qualified census tracts, and proactively pursue grants and other funding from federal,

state, and private foundation sources, such as HOME, Emergency Solutions Grants, and State and Federal Housing Trust funds.

- D. Use public and private partnerships, programs, tools, and incentives to address unmet housing needs and increase the County's capacity to compete for federal, state, and private sector assistance.
- E. Use the EDA to assist with property acquisition, tax exempt bond financing, and leverage gap financing, and stimulate cooperative partnerships toward the preservation and production of housing to address unmet needs.
- F. Work in partnership with nonprofit, public, and private entities that are committed to provide a wide range of housing opportunities by offering technical and financial assistance such as loans, gap financing, tax credits, and grants.

#### Strategy

- 3.3. Explore offering free or subsidized public land to developers seeking to address the unmet housing need in the County.

#### Actions

- A. Explore the development of a proactive "public land for public good" program that offers public property to reduce the cost of housing development by reducing or eliminating the land cost.
- B. Explore the establishment of a community land trust/land bank and assemble properties, including tax sale properties, for the construction of housing that addresses the County's unmet housing needs.
- C. Use public property to offset the land costs to nonprofit and for-profit housing developers seeking to build housing for persons with special needs and/or households earning less than 50 percent AMI.
- D. Promote collocating public facilities with affordable housing.

#### Strategy

- 3.4. Expand the County's existing home purchase programs.

#### Actions

- A. Expand and increase the funding for the Down Payment and Closing Cost Assistance and Public Employee Grant programs to help households earning up to 100% AMI purchase a home.
- B. Create and implement home buyer readiness financial literacy classes to help educate first-time home buyers.
- C. Promote and facilitate the First-time Home Buyers Savings Plan which enables the establishment of a savings plan for the purchase of a home and exempts the earnings on the savings (Code of Virginia Chapter 32, sections 55-555 through 55-559).



- D. Work with employers located in the County to develop workforce housing financial assistance programs such as direct loans, gap financing, revolving loans, credits, and grants.

Strategy

- 3.5. Promote cross-sector collaboration to help address the County's unmet housing needs.

Actions

- A. Facilitate collaboration among residential developers, affordable housing developers, lenders, the Virginia Housing Development Authority, economic development agencies, and transportation officials.
- B. Develop a housing ambassador program to Loudoun's incorporated towns to raise awareness and provide technical assistance to assist them in establishing and maintaining programs that address their unmet housing needs.
- C. Conduct regular focus groups with the building industry, the CEO Cabinet, and major employers.
- D. Convene an Annual Housing Summit to check in with stakeholders on issues and successes.
- E. Coordinate with the Virginia Regional Transit and other transit providers to ensure access to and from housing to jobs and services.
- F. Implement a robust community outreach plan to promote the importance of housing to Loudoun's quality of life and the economy.

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