DATE: February 28, 2019

TO: Planning Commission

FROM: Alaina D. Ray, AICP, Director, Department of Planning & Zoning
       Dan Galindo, AICP, Community Planning Manager

SUBJECT: February 28, 2019 Planning Commission Work Session

The anticipated order of the Loudoun 2040 Comprehensive Plan discussion for the February 28, 2019 Planning Commission (Commission) Work Session is provided below. The original February 26 packet contained the materials for Items 1, 2, 3 and 5. This supplemental includes a revised Chapter 4 for Item 4.

1. Final review of Chapter 1: Introduction
2. Final review of Chapter 2: Land Use
   a. Quality Development
   b. Infill & Redevelopment
   c. Urban Policy Area
   d. Suburban Policy Area
   e. Transition Policy Area
   f. Rural Policy Area
   g. Towns & JLMAs
3. Final review of Appendix
4. Final review of Chapter 4: Housing
5. Review of Glossary

Final Review of Chapter 4

At the February 23, 2019 Planning Commission Work Session, staff presented a redlined version of Chapter 4 reflecting the Commission’s previous comments. As determined during the Work Session, staff has since met with Chairman Jennings to discuss his additional comments on the chapter. Staff has revised this draft chapter per the meeting with Chairman Jennings and provided a final redline draft (Attachment B) along with a clean version (Attachment C) for the
Commission’s review. Following the February 28 meeting, staff will incorporate any additional feedback from the Commission into the final draft.
# Chapter 4 - Housing

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**Attachment B**

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**CHAPTER 4-1**

**Attachment B**
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\(^1\) refers to the variety of housing types, sizes, and prices (both for rental and homeownership) required to meet the County’s anticipated needs, and the County seeks to align housing availability with this spectrum. Loudoun 2040 provides a renewed opportunity for the County to adopt a policy direction that promotes an inclusive, diverse, and flexible housing environment that aligns with our larger land use and community development goals.

Figure 1 illustrates the continuum of housing concept as discussed in this chapter. Loudoun 2040 takes a multifaceted approach to increasing the availability of diverse housing stock in the County and aligning housing availability with the continuum of housing. Loudoun 2040 anticipates that market-driven increases in the provision of a variety of housing types, facilitated through targeted regulatory changes and new approaches to planned land use, will help fulfill the demand for market rate sales and rental units and temper rising housing costs overall. A variety of existing and planned County initiatives and programs, used in coordination with state and federal grants and incentives, will continue to provide housing options for more vulnerable population groups.

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\(^1\) 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.
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 it 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 Loudoun 2040 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 character, 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 diverse and dynamic demographic groups. 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). Loudoun 2040 further acknowledges that 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.

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2 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.
This chapter 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 start of the 21st 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 residential housing. The County has primarily accommodated 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 Dulles International Airport and Washington, D.C., an expanding regional job market, and the availability of central water and sewer. This 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.

Key demographic changes occurred within the County between 2000 and 2017 and have included substantial increases in ethnic and cultural diversity. 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, will drive housing preferences in Loudoun County in the coming decades.

Over the Loudoun 2040 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 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 and diversifying 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 trends 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](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](https://www.loudoun.gov/DocumentCenter/View/131399)). Both studies confirmed 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. The housing needs of the County have changed over the last decades. 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 7 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 5 percent since 2009 despite adding rental units during that time. The 2013-2017 U.S. Census Bureau American Community Survey (ACS) estimates for vacancy rates by tenure in Loudoun County were 3.9 percent for rental units as compared to 5 percent for the metropolitan area overall. These consistently low vacancy rates indicate an increasingly 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. This is calculated by dividing current inventory by current sales. A 6-month supply indicates a balanced market. A market with fewer than 6 months of supply favors sellers, and a market with more than 6 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 home sales prices.

Housing Affordability

Increased housing costs have outpaced wage growth nationally and locally over the last several decades. According to the Department of Housing and Urban Development (HUD), from 2000 to 2017, the AMI for the Washington 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 80 percent AMI to afford a home at the median sales price. By 2017, a household would need to earn 138 percent AMI to affordably purchase a home at the median sales price. If this trend continues, even 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 earning less than 100 percent AMI are often not able to afford the housing that is available and are forced to either live outside of the County or spend a greater proportion of their income in order to live in the County. This has created an affordability gap, which is defined as the difference between the median selling price of housing and the amount households can afford to pay for them.

As indicated in the following table, the median sales price across all housing units is outside the affordability range of a growing number of households, even those earning up to 100 percent more than the Washington Metropolitan AMI, which was $110,300 in 2017. This is especially

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true of new construction, which commands an average cost more than 35 percent higher than existing homes. Among homes sold in 2017, only existing multifamily units had an average price below 100 percent of AMI. As shown in Table 21 below, new housing commands a premium and is selling for 20 to 44 percent more than existing housing. As of 2017, the estimated purchasing power – calculated as household income multiplied by three – was $330,900 for a household earning 100 percent AMI, while the median sales price was $469,500.

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Existing</th>
<th>New</th>
<th>% AMI Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Types</td>
<td>$458,500</td>
<td>$622,418</td>
<td>138% to 188%</td>
</tr>
<tr>
<td>Single-Family Detached</td>
<td>$605,200</td>
<td>$730,408</td>
<td>182% to 220%</td>
</tr>
<tr>
<td>Single Family Attached</td>
<td>$381,900</td>
<td>$550,434</td>
<td>115% to 166%</td>
</tr>
<tr>
<td>Multi-Family</td>
<td>$275,000</td>
<td>$391,000</td>
<td>83% to 118%</td>
</tr>
</tbody>
</table>

*Source: Loudoun County Commissioner of the Revenue; Dulles Area Association of Realtors*

The affordability gap is also apparent with rental housing: 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 for households earning less than 40 percent of AMI. 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 income at or below 30 percent of the AMI. Based on their 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, their options are to become cost-burdened, crowd several households into a single housing unit, or seek housing elsewhere.

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Median Monthly Rent</th>
<th>% AMI Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio</td>
<td>$1,120</td>
<td>40%</td>
</tr>
<tr>
<td>One Bedroom</td>
<td>$1,431</td>
<td>52%</td>
</tr>
<tr>
<td>Two Bedroom</td>
<td>$1,667</td>
<td>60%</td>
</tr>
<tr>
<td>Three Bedroom</td>
<td>$2,055</td>
<td>75%</td>
</tr>
<tr>
<td>Four Bedroom</td>
<td>$2,485</td>
<td>90%</td>
</tr>
<tr>
<td>5 or more bedrooms</td>
<td>$2,791</td>
<td>101%</td>
</tr>
</tbody>
</table>

The rental price data from the 2013-2017 ACS demonstrates that the affordable housing challenges in the County are not limited to ELI households and that households of higher incomes also do not have enough access to affordable units. It takes just over 50 percent AMI to afford a median-priced one bedroom unit and 60 percent AMI to afford a two-bedroom unit. As rents continue to increase, without growth in lower priced units, this gap will continue to impact higher income households.

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4 Loudoun County Commissioner of the Revenue; Dulles Area Association of Realtors
6 U.S. Census Bureau, American Community Survey 5-Year Estimates 2013-2017
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 does not consider other costs that affect the cost of living in the areas such as 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.

As shown in 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.

Figure 2. Among households Cost-Burdened Households by Income, 2013-2017

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7 U.S. Census Bureau, American Community Survey 5-Year Estimates 2013-2017
Households with a median income exceeding $75,000, which—the highest household income category for ACS cost burden data—comprise approximately 75 percent of households, and face cost burden rates of 13 percent of owners among homeowners and 11 percent of among renters face a housing cost burden. Cost burden increases precipitously among the remaining households with a median income below $75,000. Housing costs are especially burdensome for renters making 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 other demographic groups that face cost burden at a higher rate than County households overall, including young adults (age 25 or below), older adults living alone, Hispanic households, single-parent families, and persons with disabilities.
As stated earlier, Loudoun County has a deficit of approximately 2,500 rental units affordable to extremely low income households. Extremely low income residents that leave the County as a result of their inability to find housing further strain County transportation systems and, as discussed in the following section, lose important social and employment connections. Renters who want to become homeowners in Loudoun County face similarly difficult choices. In the third quarter of 2018, the National Association of Realtors found the typical value of a home in Loudoun County to be $539,928, which would require an annual income of over $104,000. Forty percent of

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8 U.S. Census Bureau, American Community Survey 5-Year Estimates 2013-2017
the County’s population earns less than $105,000 and would find it difficult to become a homeowner in Loudoun County.

**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 factors that corporations, companies, and organizations use to determine where to locate. Housing availability, and cost in particular, enable companies to attract and retain employees; they are less likely to locate in a community where finding housing is a substantial issue for their employees and undercuts the ability of employers to attract workers. Conversely, when the workforce is unable to find 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, especially in lower paying industries, and adversely affects Loudoun’s economic development prospects.

As shown in Table 43, 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. Approximately

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 affordable at current wages.

<table>
<thead>
<tr>
<th>Table 3. Incomes and occupations in the Greater Washington D.C. Metro Region&lt;sup&gt;10&lt;/sup&gt;</th>
<th>Income Group (FY2018)</th>
<th>What type of household is this?</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-30% AMI</td>
<td>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.</td>
<td>Extremely low-income (ELI)</td>
</tr>
<tr>
<td>$0-$35,150 family of four</td>
<td></td>
<td>$0-$35,150 family of four</td>
</tr>
<tr>
<td>$0-$24,650 single person</td>
<td></td>
<td>$0-$24,650 single person</td>
</tr>
</tbody>
</table>

<sup>10</sup> Table taken from *A Guidebook for Increasing Housing Affordability in the Greater Washington Region* – updated figures with HUD 2018 Income Limits.
### Income Group (FY2018)

<table>
<thead>
<tr>
<th>Income Group</th>
<th>What type of household is this?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>30-50 percent AMI</strong></td>
<td><strong>Very low-income (VLI)</strong></td>
</tr>
<tr>
<td>$35,150-$58,600 family of four</td>
<td>One person working as an</td>
</tr>
<tr>
<td></td>
<td>administrative assistant,</td>
</tr>
<tr>
<td></td>
<td>electrician or teacher’s assistant; or</td>
</tr>
<tr>
<td></td>
<td>Two workers in the retail,</td>
</tr>
<tr>
<td></td>
<td>restaurant, or child care sectors.</td>
</tr>
<tr>
<td><strong>50-80 percent AMI</strong></td>
<td><strong>Low-income (LI)</strong></td>
</tr>
<tr>
<td>$58,600-$77,450 family of four</td>
<td>One or two workers in entry-level</td>
</tr>
<tr>
<td></td>
<td>jobs including research associates,</td>
</tr>
<tr>
<td></td>
<td>program managers, nursing aides,</td>
</tr>
<tr>
<td></td>
<td>or nurses (LPNs).</td>
</tr>
<tr>
<td><strong>80-100 percent AMI</strong></td>
<td><strong>Moderate income (MI)</strong></td>
</tr>
<tr>
<td>$77,450-$117,200 family of four</td>
<td>One or two workers in entry-level</td>
</tr>
<tr>
<td></td>
<td>or mid-level jobs, including police</td>
</tr>
<tr>
<td></td>
<td>officers, fire fighters, school</td>
</tr>
<tr>
<td></td>
<td>teachers, and IT support personnel</td>
</tr>
<tr>
<td><strong>100-120 percent AMI</strong></td>
<td></td>
</tr>
<tr>
<td>$117,200 - $140,640 family of four</td>
<td>One or two workers in mid-level</td>
</tr>
<tr>
<td></td>
<td>jobs, including accountants, loan</td>
</tr>
<tr>
<td></td>
<td>officers, and machinists</td>
</tr>
</tbody>
</table>
Figure 3. Housing Costs and Employment/Annual Wages in Loudoun County by Industry
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 other remaining 44 percent commuted into the County daily. According to the Housing Needs Assessment, 61,600 workers commuted each day into Loudoun from 2009-2013. Ten percent had commutes that were 90 minutes or longer, compared to 5.5 percent for the DC metro area. Of these in-commuters, many worked in relatively low-wage industries such as Construction, Transportation & Utilities, and Leisure & Hospitality. 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 planned Metrorail stations. For the Silver Line Metrorail expansion to be successful and gain sufficient ridership, neighborhoods within close proximity to the Metro stations need a mix of housing types and prices to ensure greater housing affordability and provide access to a greater diversity of households. In addition, the availability of housing with access to transit affects employer’s 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 every community also require housing. As shown in Table 4 below, 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 4 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.

For the Silver Line Metrorail expansion to be successful and have sufficient ridership, neighborhoods within close proximity to the Metro stations need a mix of housing types and prices, because households of lower incomes are more likely to use transit. In Portland, economic displacement has been identified as a factor in declining ridership. In addition, housing affordability with access to transit affects employer’s ability to attract and retain employees.

Table 4. Incomes and Housing Affordability by AMI in the Greater Washington D.C. Metro Region

[Text of Table 4]

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12 Table taken from A Guidebook for Increasing Housing Affordability in the Greater Washington Region – updated figures with HUD 2018 Income Limits.
### Income Group (FY2018)

<table>
<thead>
<tr>
<th>Income Group</th>
<th>How much can they afford to spend on housing each month?</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-30% AMI</td>
<td>$0-$81 family of four $0-$617 single person</td>
</tr>
<tr>
<td>Extremely low-income (ELI)</td>
<td>$0-$35,150 family of four $0-$24,650 single person</td>
</tr>
<tr>
<td>30-50 percent AMI</td>
<td>$81-$1,466 family of four $617-$1,027 single person</td>
</tr>
<tr>
<td>Very low-income (VLI)</td>
<td>$35,150-$58,600 family of four $24,650-$41,050 single person</td>
</tr>
<tr>
<td>50-80 percent AMI</td>
<td>$1,466-$2,345 family of four $1,027-$1,644 single person</td>
</tr>
<tr>
<td>Low-income (LI)</td>
<td>$58,600-$77,450 family of four $41,050-$54,250 single person</td>
</tr>
<tr>
<td>80-100 percent AMI</td>
<td>$2,345-$2,932 family of four $1,644-$2,055 single person</td>
</tr>
<tr>
<td>Moderate-income (MI)</td>
<td>$77,450-$117,200 family of four $54,250-$82,188 single person</td>
</tr>
<tr>
<td>100-120 percent AMI</td>
<td>$2,932 – 3,907 family of four $2,055 - 2,740 single person</td>
</tr>
</tbody>
</table>

### Planned Residential Growth Patterns

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 and in parts of the Transition Policy Area, with other concentrations of new homes built in the Towns and their JLMAs. The vast majority of the land planned for residential uses in the Suburban Policy Area is either developed or approved for development. In response to these constraints, Loudoun 2040 seeks to provide new housing units through a combination of increased residential densities and targeted opportunities for clustered compact neighborhoods in the Transition Policy Area.

As described in Chapter 2, Loudoun 2040 anticipates the majority of additional residential growth to occur in the Urban Policy Areas and parts of the Transition Policy Area, with limited higher density growth in the limited greenfield and redevelopment areas of the Suburban Policy Area. Throughout these areas, the Plan emphasizes opportunities to create places that will meet the needs of the diversifying community. The Urban Policy Areas create opportunities for new housing types to locate in close proximity to planned Silver Line Metrorail stations, anticipated employment centers, services, retail, and entertainment. A mix of compact single-family detached and single-family attached housing products are envisioned in limited parts of the Transition Policy Area to help address the unfulfilled demand for these housing types in the County.

Maturing neighborhoods, primarily concentrated in the Suburban Policy Area, may also provide limited opportunities for redevelopment or infill communities that better meet the needs of the County’s changing populace. 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 prevent displacement of existing affordable housing.

**Housing Needs of a Diverse Community**

Demand is growing for diverse housing types to address the needs of the County’s changing population. As discussed in the Urban Land Institute’s survey of American housing preferences *America in 2015*, Millennials have demonstrated a greater preference for vibrant, 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 modern low of approximately 12 percent. 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;
- 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 anyone who wishes to use them as a basic principle of good design — a concept known as *universal design* or *visitability*. Universal design requires integrating accessibility considerations as early as construction that is usable by all people to the greatest extent possible into the 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, integrated communities,

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allowing populations diverse in age and ability to live and interact in the same community. The policies, actions, and strategies described in this chapter, as well as those in Chapter 2, promote the 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 utilizes a mix of small scale single-family units, accessory dwelling units, and limited multi-family units with a lower perceived density. This approach is intended to add to the continuum of housing and provide housing choices and prices between large-lot, single-family detached units and large-scale multi-family units, while fostering the neighborhood scale that many residents continue to 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. Loudoun 2040 envisions creative residential and mixed-use development proposals in appropriate areas of the County that will help achieve the continuum of housing through the provision of missing middle housing products. Several place types envisioned in the Urban Policy Areas, Suburban Policy Area, and Transition Policy Area accommodate these housing formats, including Urban Transit Center, Suburban Compact Neighborhood, Suburban Mixed Use, Transition Compact Neighborhood, and Transition Commercial Center. Neighborhood place types provide opportunities for smaller, less expensive housing types that would blend with the existing neighborhood scale of these areas. In mixed-use and other higher intensity 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 Plan.

Loudoun 2040 encourages includes flexible land use policies and encourages streamlined regulations that facilitate the development of missing middle units with minimal regulatory burdens, taking a form-based rather than a use-based approach to land development regulations. Regulations focusing on lot size, building and unit size rather than overall density will help accommodate a greater diversity of housing types and prices while ensuring compatibility with the scale and character of existing suburban and urban neighborhoods.

Figure 24. The Missing Middle Housing Spectrum
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 State Code, the County works with the development entities of residential projects to mitigate the capital facility impacts; 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 development entities 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 could enable or incentivize development of smaller, more modestly sized houses to occur within the market, which would be more affordable by design.

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 1: 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**

1.2 Promote and/or incentivize compact and dense housing product that is affordable by design and price, in an urban setting, and close to transportation alternatives.

**Actions**

A. Amend zoning regulations and design standards to incorporate density bonuses into appropriate urban, suburban, and transition 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.

A. 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.

B.A. 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).

B.A. Require fewer parking spaces in new developments located proximate to public transit that achieve a continuum of housing of types and prices.

**Strategy**

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

**Actions**

C.A. Promote mixed-income housing developments.

D.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.

E.C. Allow by-right dormitory housing, tenant dwellings, and portable housing units for farm workers where otherwise permissible according to Loudoun County Health Department standards and regulations.

F. Create an expedited permit process to fast-track applications for developers who commit to provide additional units affordable to households earning less than 100 percent AMI.

G.D. Regulate multi-family development by floor area ratio (FAR) instead of by dwelling units per acre.
H.E. Develop zoning regulations and design standards to facilitate compact residential and mixed-use development that emphasizes the physical form and the character of the built environment to integrate uses and add density to support innovation and lower costs in housing production.

F. 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.

G. 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).

Strategy

1.2 Promote and/or incentivize compact and dense housing product that is 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 of types and prices.

Strategy

1.3 Reevaluate Capital Facility Impacts to acknowledge 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).

A. Reduce or waive proffer requirements as a means of incentivizing the provision of housing affordable to households earning less than 100 percent AMI in new transit-oriented development.

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 with access to a range of amenities and transportation options for older adults (55+).

Actions
A. Provide incentives to developers to provide a diversity of housing types 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.

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 regulatory flexibility for the use of existing, planned, and/or zoned non-residential land to address unmet housing needs provided that such development includes a mix of residential, commercial, and employment uses.

B. Provide incentives such as those included in Article 7 of the Zoning Ordinance to support LIHTC projects 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.

B. Research and implement effective incentives, such as appropriate density increases for the provision of affordable housing proximate to major employment centers and the 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 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.

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.

A. Use the Economic Development Authority (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.

B. 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.

B. When purchasing real property for public use, promote collocating public facilities with affordable housing.

C. Expand the employer-assisted housing program to help meet the private sector’s workforce housing needs.

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 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**

C.A. Develop an affordable housing strategic plan that specifically identifies strategies, actions, programs, and best practices to address the County’s current and future unmet housing needs. The plan would include estimates on unmet housing needs, establish development targets, and evaluate how housing programs address those needs every five years.

D.B. Emulate, when appropriate, successful housing programs in other jurisdictions.

E.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.

D. Reduce or waive proffer requirements 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 Article 7 of the Zoning Ordinance to support LIHTC projects to encourage zoning map amendments or zoning concept plan amendments on previously entitled properties that increase the provision of housing affordable to households earning less than 100 percent AMI.

F.G. Strengthen regulations in Article 7 and Chapter 1450, to the greatest extent that the State Code allows, to require increase the development of housing that helps address the County’s unmet housing needs in all residential and mixed-use development.

G.H. Require housing units that help address the County’s unmet housing needs to be provided in residential developments that contain 20 or more dwelling units and are served by public sewer and water.

H.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, which is the area of greatest need.
I.-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 philanthropy to develop targeted housing for this population.

J. Examine and estimate unmet housing needs, establish development targets, and evaluate how housing programs address those needs every five years.

K. Preserve the County’s investment in ADUs by purchasing ADUs approaching the 15-year covenant expiration and extending the covenants.

L. Maximize the County’s investment in ADUs by extending the affordability covenants for new projects beyond the current 15-year period.

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

C.A. Identify and designate a dedicated local funding source to support the County’s plan to provide a continuum of housing.

D.B. Use the 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.

E.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, State and Federal Housing Trust funds.

F.D. Evaluate/reformulate the Community Development Block Grant (CDBG) program to a housing focus to include property acquisition, rehabilitation, and construction.

G.E. 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.

F. Use the Economic Development Authority (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.

G. 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. Develop 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. Assemble tax sale properties to establish a community land trust/land bank to have property available 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. When purchasing real property for public use, 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 for incomes to help households earning up to 100% AMI to help first time homebuyers 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. Develop a program to support home purchase for higher income households up to 100% AMI.

D. Expand the employer-assisted housing program to help meet the private sector’s workforce housing needs.

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 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.
Chapter 4 - Housing

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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\(^1\) refers to the variety of housing types, sizes, and prices (both for rental and homeownership) required to meet the County’s anticipated needs, and the County seeks to align housing availability with this spectrum. Loudoun 2040 provides a renewed opportunity for the County to adopt a policy direction that promotes an inclusive, diverse, and flexible housing environment that aligns with our larger land use and community development goals.

Figure 1 illustrates the continuum of housing concept as discussed in this chapter. Loudoun 2040 takes a multifaceted approach to increasing the availability of diverse housing stock in the County and aligning housing availability with the continuum of housing. Loudoun 2040 anticipates that market-driven increases in the provision of a variety of housing types, facilitated through targeted regulatory changes and new approaches to planned land use, will help fulfill the demand for market rate sales and rental units and temper rising housing costs overall. A variety of existing and planned County initiatives and programs, used in coordination with state and federal grants and incentives, will continue to provide housing options for more vulnerable population groups.

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\(^1\) 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.
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 it 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 Loudoun 2040 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 character, 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 diverse and dynamic demographic groups. 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). Loudoun 2040 further acknowledges that 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.

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2 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.
This chapter 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 start of the 21st 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 residential housing. The County has primarily accommodated 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. This 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.

Key demographic changes occurred within the County between 2000 and 2017 and have included substantial increases in ethnic and cultural diversity. 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, will drive housing preferences in Loudoun County in the coming decades.

Over the *Loudoun 2040* 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 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 and diversifying 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 trends 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](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](https://www.loudoun.gov/DocumentCenter/View/131399)). Both studies confirmed 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. The housing needs of the County have changed over the last decades. 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 7 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 5 percent since 2009 despite adding rental units during that time. The 2013-2017 U.S. Census Bureau American Community Survey (ACS) estimates for vacancy rates by tenure in Loudoun County were 3.9 percent for rental units as compared to 5 percent for the metropolitan area overall. These consistently low vacancy rates indicate an increasingly 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. This is calculated by dividing current inventory by current sales. A 6-month supply indicates a balanced market. A market with fewer than 6 months of supply favors sellers, and a market with more than 6 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 home sales prices.

Housing Affordability
Increased housing costs have outpaced wage growth nationally and locally over the last several decades. According to the Department of Housing and Urban Development (HUD), from 2000 to 2017, the AMI for the Washington 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 80 percent AMI to afford a home at the median sales price. By 2017, a household would need to earn 138 percent AMI to affordably purchase a home at the median sales price. If this trend continues, even 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 forced to either live outside of the County or spend a greater proportion of their income 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.

As indicated in the following table, the median sales price across all housing units is outside the affordability range of a growing number of households, even those earning more than the Washington Metropolitan AMI, which was $110,300 in 2017. This is especially true of new construction, which commands an average cost more than 35 percent higher than existing homes. Among homes sold in 2017, only existing multifamily units had an average price below 100 percent of AMI. As shown in Table 1 below, new housing commands a premium and is selling

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for 20 to 44 percent more than existing housing. As of 2017, the estimated purchasing power – calculated as household income multiplied by three – was $330,900 for a household earning 100 percent AMI, while the median sales price was $469,500.

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Existing</th>
<th>New</th>
<th>% AMI Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Types</td>
<td>$458,500</td>
<td>$622,418</td>
<td>138% to 188%</td>
</tr>
<tr>
<td>Single-Family Detached</td>
<td>$605,200</td>
<td>$730,408</td>
<td>182% to 220%</td>
</tr>
<tr>
<td>Single Family Attached</td>
<td>$381,900</td>
<td>$550,434</td>
<td>115% to 166%</td>
</tr>
<tr>
<td>Multi-Family</td>
<td>$275,000</td>
<td>$391,000</td>
<td>83% to 118%</td>
</tr>
</tbody>
</table>

The affordability gap is also apparent with rental housing: 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 for households earning less than 40 percent of AMI. 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 income at or below 30 percent of the AMI. Based on their 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, their options are to become cost-burdened, crowd several households into a single housing unit, or seek housing elsewhere.

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Median Monthly Rent</th>
<th>% AMI Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio</td>
<td>$1,120</td>
<td>40%</td>
</tr>
<tr>
<td>One Bedroom</td>
<td>$1,431</td>
<td>52%</td>
</tr>
<tr>
<td>Two Bedroom</td>
<td>$1,667</td>
<td>60%</td>
</tr>
<tr>
<td>Three Bedroom</td>
<td>$2,055</td>
<td>75%</td>
</tr>
<tr>
<td>Four Bedroom</td>
<td>$2,485</td>
<td>90%</td>
</tr>
<tr>
<td>5 or more bedrooms</td>
<td>$2,791</td>
<td>101%</td>
</tr>
</tbody>
</table>

The rental price data from the 2013-2017 ACS demonstrates that the affordable housing challenges in the County are not limited to ELI households and that households of higher incomes also do not have enough access to affordable units. It takes just over 50 percent AMI to afford a median-priced one bedroom unit and 60 percent AMI to afford a two-bedroom unit. As rents continue to increase, without growth in lower priced units, this gap will continue to impact higher income households.

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

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4 Loudoun County Commissioner of the Revenue; Dulles Area Association of Realtors
5 https://apps.urban.org/features/rental-housing-crisis-map/detail.html?fips=51107
6 U.S. Census Bureau, American Community Survey 5-Year Estimates 2013-2017
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 does not consider other costs that affect the cost of living in the areas such as 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. 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.

**Figure 2. Cost-Burdened Households by Income, 2013-2017**

Households with a median 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. Housing costs are especially burdensome for renters making less than $35,000 a year. This data highlights that households at all income levels face housing affordability challenges in the County, and this

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7 U.S. Census Bureau, American Community Survey 5-Year Estimates 2013-2017
challenge is especially significant for households of lower incomes. The Housing Needs Assessment identifies other demographic groups that face cost burden at a higher rate than County households overall, including young adults (age 25 or below), older adults living alone, Hispanic households, single-parent families, and persons with disabilities.

As stated earlier, Loudoun County has a deficit of approximately 2,500 rental units affordable to extremely low income households. Extremely low income residents that leave the County as a result of their inability to find housing further strain County transportation systems and, as discussed in the following section, lose important social and employment connections. Renters who want to become homeowners in Loudoun County face similarly difficult choices. In the third quarter of 2018, the National Association of Realtors found the typical value of a home in Loudoun County to be $539,928, which would require an annual income of over $104,000. Forty percent of the County’s population earns less than $105,000 and would find it difficult to become a homeowner in Loudoun County.

**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 factors that corporations, companies, and organizations use to determine where to locate. Housing availability, and cost in particular, enable companies to attract and retain employees; they are less likely to locate in a community where finding housing is a substantial issue for their employees and undercuts the ability of employers to attract workers. Conversely, when the workforce is unable to find 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, especially in lower paying industries, and adversely affects Loudoun’s economic development prospects.

As shown in Table 3, 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 affordable at current wages.

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8 https://apps.urban.org/features/rental-housing-crisis-map/detail.html?fips=51107
### Table 3. Incomes and occupations in the Greater Washington D.C. Metro Region

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

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9 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

- Retail Trade
- Accommodation and Food Services
- Educational Services
- Construction
- Transportation and Warehousing
- Health Care and Social Assistance
- Administrative and Support and Waste Management
- Other Services (except Public Administration)
- Agriculture, Forestry, Fishing and Hunting
- Public Administration
- Arts, Entertainment, and Recreation
- Real Estate and Rental and Leasing
- Utilities
- Manufacturing
- Finance and Insurance
- Wholesale Trade
- Mining, Quarrying, and Oil and Gas Extraction
- Management of Companies and Enterprises

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 2009-2013. Ten percent had commutes that were 90 minutes or longer, compared to 5.5 percent for the DC metro area. Of these in-commuters, many worked in relatively low-wage industries such as Construction, Transportation & Utilities, and Leisure & Hospitality. 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 planned Metrorail stations. For the Silver Line Metrorail expansion to be successful and gain sufficient ridership, neighborhoods within close proximity to the Metro stations need a mix of housing types and prices to ensure greater housing affordability and provide access to a greater diversity of households. In addition, the availability of housing with access to transit affects employer’s 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 every community also 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 4 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.

| Table 4. Housing Affordability by AMI in the Greater Washington D.C. Metro Region |

<table>
<thead>
<tr>
<th>Income Group (FY2018)</th>
<th>How much can they afford to spend on housing each month?</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-30% AMI</td>
<td>$0-$881 family of four $0-$617 single person</td>
</tr>
<tr>
<td>30-50 percent AMI</td>
<td>$881-$1,466 family of four $617-$1,027 single person</td>
</tr>
<tr>
<td>50-80 percent AMI</td>
<td>$1,466-$2,345 family of four $1,027-$1,644 single person</td>
</tr>
<tr>
<td>80-100 percent AMI</td>
<td>$2,345-$2,932 family of four $1,644-$2,055 single person</td>
</tr>
</tbody>
</table>

10 Table taken from A Guidebook for Increasing Housing Affordability in the Greater Washington Region – updated figures with HUD 2018 Income Limits.
### 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 and in parts of the Transition Policy Area, with other concentrations of new homes built in the Towns and their JLMAs. The vast majority of the land planned for residential uses in the Suburban Policy Area is either developed or approved for development. In response to these constraints, **Loudoun 2040** seeks to provide new housing units through a combination of increased residential densities and targeted opportunities for clustered compact neighborhoods in the Transition Policy Area.

As described in Chapter 2, **Loudoun 2040** anticipates the majority of additional residential growth to occur in the Urban Policy Areas and parts of the Transition Policy Area, with limited higher density growth in the limited greenfield and redevelopment areas of the Suburban Policy Area. Throughout these areas, the Plan emphasizes opportunities to create places that will meet the needs of the diversifying community. The Urban Policy Areas create opportunities for new housing types to locate in close proximity to planned Silver Line Metrorail stations, anticipated employment centers, services, retail, and entertainment. A mix of compact single-family detached and single-family attached housing products are envisioned in limited parts of the Transition Policy Area to help address the unfulfilled demand for these housing types in the County.

Maturing neighborhoods, primarily concentrated in the Suburban Policy Area, may also provide limited opportunities for redevelopment or infill communities that better meet the needs of the County’s changing populace. 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 prevent displacement of existing affordable housing.

### Housing Needs of a Diverse Community

Demand is growing for diverse housing types to address the needs of the County’s changing population. As discussed in the Urban Land Institute’s survey of American housing preferences *America in 2015*, Millennials have demonstrated a greater preference for vibrant, 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 modern low of approximately 12
percent. 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;
- 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 anyone who wishes to use them as a basic principle of good design — a concept known as *universal design*. Universal design requires construction that is usable by all people to the greatest extent possible 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, integrated communities, allowing populations diverse in age and ability to live and interact in the same community. The policies, actions, and strategies described in this chapter, as well as those in Chapter 2, promote the 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 utilizes a mix of small scale single-family units, accessory dwelling units, and limited multi-family units with a lower perceived density. This approach is intended to add to the continuum of housing and provide housing choices and prices between large-lot, single-family detached units and large-scale multi-family units, while fostering the neighborhood scale that many residents continue to seek.

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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. *Loudoun 2040* envisions creative residential and mixed-use development proposals in appropriate areas of the County that will help achieve the continuum of housing through the provision of missing middle housing products. Several place types envisioned in the Urban Policy Areas, Suburban Policy Area, and Transition Policy Area accommodate these housing formats, including Urban Transit Center, Suburban Compact Neighborhood, Suburban Mixed Use, Transition Compact Neighborhood, and Transition Commercial Center. Neighborhood place types provide opportunities for smaller, less expensive housing types that would blend with the existing neighborhood scale of these areas. In mixed-use and other higher intensity 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 Plan.

*Loudoun 2040* 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 lot size, building and unit size rather than overall density will help accommodate a greater diversity of housing types and prices while ensuring compatibility with the scale and character of existing suburban and urban neighborhoods.

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

![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](https://www.loudoun.gov/cif)).

Where allowed by State Code, the County works with the development entities of residential projects to mitigate the capital facility impacts; 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 development entities 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 could enable or incentivize development of smaller, more modestly sized houses to occur within the market, which would be more affordable by design.

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 1: 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 targeted locations and settings throughout the County.

Actions
A. Promote mixed-income housing developments.
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. Allow by-right dormitory housing, tenant dwellings, and portable housing units for farm workers where otherwise permissible according to Loudoun County Health Department standards and regulations.
D. Regulate multi-family development by floor area ratio (FAR) instead of by dwelling units per acre.
E. Develop zoning regulations and design standards to facilitate compact residential and mixed-use development that emphasizes the physical form and the character of the
built environment to integrate uses and add density to support innovation and lower costs in housing production.

F. 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.

G. 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).

**Strategy**

1.2 Promote and/or incentivize compact and dense housing product that is 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 of types and prices.

**Strategy**

1.3 Reevaluate Capital Facility Impacts to acknowledge 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 with access to a range of amenities and transportation options for older adults (55+).
**Actions**

A. Provide incentives to developers to provide a diversity of housing types 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.

**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.

B. Research and implement effective incentives, such as appropriate density increases for the provision of affordable housing proximate to major employment centers and the 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 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.

**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 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 affordable housing strategic plan that specifically identifies strategies, actions, programs, and best practices to address the County’s current and future unmet housing needs. 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.
D. Reduce or waive proffer requirements 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 Article 7 of the Zoning Ordinance to support LIHTC projects to encourage zoning map amendments or zoning concept plan amendments on previously entitled properties that increase the provision of housing affordable to households earning less than 100 percent AMI.

G. Strengthen regulations in Article 7 and Chapter 1450, to the greatest extent that the State Code 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 20 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, 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 philanthropy to develop targeted housing for this population.

K. Preserve the County’s investment in ADUs by continuing to purchase ADUs approaching the 15-year covenant expiration and extending the covenants.

L. Maximize the County’s investment in ADUs by extending the affordability covenants for new projects beyond the current 15-year period.

**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 a dedicated local funding source to support the County’s plan to provide a continuum of housing.

B. Use the 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, State and Federal Housing Trust funds.

D. Evaluate/reformulate the Community Development Block Grant (CDBG) program to a housing focus to include property acquisition, rehabilitation, and construction.
E. 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.

F. Use the Economic Development Authority (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.

G. 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. Develop 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. Establish 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. When purchasing real property for public use, 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. Expand the employer-assisted housing program to help meet the private sector’s workforce housing needs.

**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 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.