Housing Policies
Revised General Plan (Chapter 2, pp. 2-12 to 2-15)

Housing

The County's primary housing objective is to assure that existing and future County residents and the workforce are served by a range of housing opportunities. An adequate supply of varied types of housing, both rental and for-sale, in locations throughout the County is a fundamental ingredient of an enduring community. The creation of sustainable housing-its design, density, location, and performance-requires that the pattern of residential development benefit the user now and over time. To accomplish this objective, a diversity of housing types in a broad range of prices should be provided. Housing opportunities should be available in all areas of the County. Housing for special needs populations incorporating a programmatic approach also should be furnished.

The supply of single-family detached, attached and multi-family housing and their pricing is largely a function of market dynamics. The market determines the type of housing to be constructed, based upon demands for specific housing types and the potential return on investment for the developer. Loudoun's experience is that the market alone cannot meet all areas of housing need given current and projected job growth for the regional economy. Unmet housing needs occur across a broad segment of the County's income spectrum. The County defines unmet housing needs as the lack of housing options for households that are unable to rent or purchase due to insufficient incomes to meet current market prices. Housing diversity in type and price to address unmet needs will enhance Loudoun's economic vitality and the health of the community now and over time.

As total demand for housing in Loudoun has increased over the past fifteen years, single-family attached and multi-family units have gained a greater share of the for-sale market, while single-family detached homes and lots have accounted for a decreasing share. In 1990, single-family detached units represented 65% of the County's housing stock, whereas single-family attached units constituted 19% and multi-family units constituted 14%. By 2005, single-family detached units represented 54% of all homes; single-family attached units 27%, and multi-family units, 19%. By 2005, single-family detached units and lots accounted for only 49% of sales, compared to 58% of sales in 1990. Although the types of housing offered in the market are diversifying, housing costs are high and the shortage of affordable housing for residents and the workforce is growing.

The County can influence housing options and affordability by encouraging or requiring a clustered pattern of development and mixed-use communities with a diversity of housing types. To achieve this, the County should allow higher residential densities that are close to employment opportunities, schools, community centers, transit routes and other amenities where adequate water, sewer, roads, schools, open space, and recreation are, or will be in place. In and of themselves, increased densities are not the only answer to influencing the market. Flexibility in lot sizes and setback requirements,

and relaxation of use restrictions are also necessary to achieve the desired product mix. The County can permit accessory and second-story apartments in existing villages and rural clusters and provide for a variety of unit types to be developed in designated Joint Land Management Areas (JLMAs) around the towns that have them. The County can form public-private partnerships to implement programs, providing incentives to influence the market.

A. Housing Affordability

Housing affordability has long been an issue in the Washington, D.C. metropolitan region. Affordability becomes a problem when the cost of housing exceeds an acceptable percentage of a household's disposable income. Households that are determined to reside in the metropolitan area can either pay a disproportionate amount of their income to secure housing, or pay less for lower quality or less adequate housing. In developing Loudoun County's vision for its residents, the Board of Supervisors has recognized affordable housing as an economic, transportation, and quality-of-life issue. While the County is providing a significant share of the region's housing, prices and rents are at a level that is too costly for many of Loudoun's workforce. Workers filling jobs in Loudoun often live in other jurisdictions and generate traffic on local roads as they commute to work increasing air pollution and gas consumption. Some housing units contain multiple families or additional occupants, resulting in overcrowded conditions which adversely affect neighborhoods and quality of life. The lack of affordably priced housing also has an impact on the continued ability to attract and retain a diversified employment base.

B. Unmet Housing Needs

The County's affordable housing policies focus on the unmet housing needs of all Loudoun's citizens and workers. The market is not meeting all areas of need given the County's vibrant economy and location in the region. The County's housing strategy gives guidance to the development of a variety of programs that address Loudoun-specific needs as identified through systematic audit, evaluation, and study. The County has identified that, within the broad spectrum of housing need, different levels of effort and varying approaches must be applied in order to effectively address the problem of housing affordability.

Providing housing for special needs populations to include low-income residents (less than 30% AMI), elderly residents requiring congregate care, disabled residents, and the homeless often requires heavy subsidies, which have historically been provided by the federal and state governments. Given the reduction of federal and state assistance, the County is committed to identifying resources to replace that assistance as well as encouraging the formation of public and private partnerships to support the development of housing for people who are elderly, disabled, or living on very low incomes.

To address the unmet housing needs of Loudoun's workforce earning 30% to 100% AMI, a full range of tools to include loans, regulations, and other incentives should be considered. One important program is the Affordable Dwelling Unit (ADU) program. This program, adopted in 1993 as part of the Zoning Ordinance is based on state enabling legislation, and aimed at fulfilling the housing needs of County residents with incomes from 30% to 70% AMI.

The ADU rental units are designed to serve residents earning 30% to 50% AMI and priced at 30% of income (exclusive of utilities). ADU for-sale units are designed to serve residents with incomes of 50% to 70% AMI. For-sale units should be available at 3 times that income. As important as this program is to providing affordable housing to County residents, it has not been able to keep pace with the growing demand. In addition, there are deficiencies in the implementation of the ordinance that lessens its effectiveness to secure affordable housing for households in the lower range of the ADU program. This program alone cannot meet the need.

The County may establish a dedicated stream of revenue to fund the housing trust fund which would leverage federal, state, and other funding sources for the production of new units, to provide down payments for first-time homebuyers and to purchase land for affordable housing development. The affordability issue also includes developing strategies to preserve the existing supply of owner-occupied housing and affordable rental units. As such, the Plan recommends other programmatic initiatives aimed at revitalization, renovation, and restoration of the existing housing stock, provisions to allow manufactured housing as an option, and the commitment of County government to play a greater role in addressing unmet housing needs.

Guiding Principles Policies

1. The County seeks to promote housing options for all people who live and/or work in Loudoun.

2. County policies and programs will focus on the unmet housing needs of households earning up to 100% of the Washington Metropolitan Area Median Income (AMI) that being the area of greatest need.

3. The County will regularly examine and estimate unmet housing needs, and housing programs will be evaluated for their effectiveness in addressing those needs.

4. Housing that is developed to fulfill unmet housing needs should generally be located near existing or planned employment opportunities, schools, communities, transit routes, and other amenities.

5. The County is committed to bring all existing affordable housing in need of indoor plumbing, operational septic and water systems, and major system repair (new roofs, heating and cooling systems) up to safe and livable conditions.

6. The County encourages a variety of housing types, sizes and innovative designs to be developed to assist in fulfilling unmet housing needs throughout the County.

7. The County will require a mix of housing options appropriately located in communities to support a balanced development program.

8. The County will encourage the development of housing for special needs populations (as defined in the Glossary) integrated within existing and planned residential communities, particularly in areas within walking distance of convenience shopping and employment opportunities, transit, and other amenities.

9. The County will promote the provision of an affordable range of housing types throughout the County.

10. The County will promote the formation of public and private partnerships and facilitate the utilization of state and federal housing programs to assist in fulfilling unmet housing needs.

11. The County supports the development of housing and of communities that apply universal design principles.

12. The County encourages development that utilizes energy efficient design and construction principles, promotes high performance and sustainable buildings, and minimizes construction waste and other negative environmental impacts.

13. The use of planned and/or zoned non-residential land to address unmet housing needs is not supported unless the proposed use provides a mix of residential, commercial and offices uses and addresses the full range of unmet housing needs.

14. In addition to the requirements of the ADU Ordinance, the County encourages each development proposal that includes a residential component to address unmet housing needs recognizing that the largest segment of unmet need is housing for incomes below 30% AMI.

Housing Supply Policies

1. The County will identify options for addressing unmet housing needs not covered by the ADU zoning ordinance and work toward an implementation plan.

2. The County will encourage preservation by adaptive re-use of existing unused, or underutilized structures throughout the County, for the development of affordable

dwelling units, as defined in the Zoning Ordinance and in accordance with the policies in the *Revised General Plan*.

Cooperation Policies

1. The County will initiate a regional cooperative effort with neighboring jurisdictions to establish a dialogue and programs to address the provision of a healthy balance of jobs and housing in each jurisdiction.

2. The County will provide technical planning expertise and financial support to the Towns to assist them in establishing programs that provide affordable housing. Such programs might include a revitalization tax credit program, housing rehabilitation, the development of regulations that allow for a broad range of housing types and sizes and upper story residential uses over stores, etc.

3. The County will work in partnership with nonprofit, public and private entities committed to the provision of a wide range of housing opportunities by offering technical and financial assistance.

Funding Policies

1. Developers of residential and mixed-use projects are encouraged to include funding commitments and proffers to fulfill unmet housing needs in their development proposals.

2. The County may maintain a dedicated revenue stream to fund the housing trust fund to address unmet housing needs. The fund will be evaluated annually to determine its effectiveness and efficiency.

Programs and Incentives Policies

1. The County will encourage the creation of programs, tools and incentives both publicly and privately developed that will fulfill unmet housing needs.

2. The County may provide incentives to stimulate the development of new housing projects when the applicant demonstrates the capacity to affect economic efficiencies in producing and sustaining affordable rents or sale prices over time.

3. The County may adopt or develop and implement an employer-assisted housing program to help meet workers' housing needs.

4. The County may develop and implement revitalization tax credit programs and/or loan programs for housing rehabilitation to conserve existing affordable housing.

5. The County may establish additional incentives, such as density bonuses; expedited application review; reductions or waiver of permit, development, and infrastructure fees or capital facilities contributions; tax credit programs; and zoning modifications to meet housing goals and objectives.

6. The County may maintain an inventory of County-owned real property. The Board of Supervisors may consider the use of inventoried property by nonprofit, public and private sector entities as an incentive for residential development to fulfill unmet housing needs when it is consistent with other Plan policies. In using County-owned real property, the development goal is to provide 1) special needs housing and/or 2) a mix of housing types and sizes suitable for a range of households having less than 70% of Area Median Income (AMI).

7. The County promotes the recognition of good design and innovation in affordable housing by the Design Cabinet, County programs, and other channels.

Legislation Policies

1. The County requires that for land development applications proposing development of 50 or more dwelling units with a density greater than one dwelling unit per acre, located in an approved sewer service area, a percentage of the total number of dwellings will be developed as affordable units and given an appropriate density increase.

2. The County will seek state enabling legislation to eliminate the exemption from the ADU Ordinance of buildings with elevators that are four stories or higher.

3. The County will strengthen ADU Program regulations to do as much as the state code allows to require the development of affordable housing that is interspersed within neighborhoods, communities and throughout the County as a part of new development.

4. Until such time as a Housing Authority is established to develop new affordable housing, rehabilitate housing, and revitalize community infrastructure, the County encourages the Industrial Development Authority to exercise its authority to assist with tax exempt bond financing, leverage gap financing and stimulate cooperative partnerships toward the preservation and production of housing to address unmet needs.

5. The County will amend the Zoning Ordinance to expand the number of districts where manufactured housing, accessory units, and other alternative housing types are allowed.

TO BE ADDED TO THE GLOSSARY

Manufactured Housing:
Manufactured housing are homes built entirely in the factory, transported to the site, and installed under a federal building code administered by the U.S. Department of Housing and Urban Development (HUD).

Special Needs Population:
Special needs populations include low income residents (incomes below the 30 percent Area Median Income (AMI)), elderly residents requiring congregate care, disabled residents, and the homeless.

Universal Design:
The simple design of both products and the built environment to be usable by people of all ages and abilities, and which promotes the ability for people to age in place.

Unmet Housing Needs:
The lack of housing options for households earning up to 100% of the Washington Metropolitan Area Median Income (AMI).