



LOUDOUN COUNTY VIRGINIA

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

[CARES Act Funding Grant Guidelines](#)

May 18, 2020 to May 22, 2020

Application Submission Deadline: 5:00 p.m. on
May 22, 2020

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Loudoun County, Virginia CARES Act Funding Grant Guidelines

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PART 1: Introduction to the Federal Community Development Block Grant Program

Overview

On May 13, 2020, the Loudoun County Board of Supervisors approved the COVID-19 Impact Fund Project. The purpose of the Project is to provide Community Development Block Grant (CDBG) funds to eligible organizations to help prevent, prepare for, and respond to COVID-19 through life-sustaining activities. Life-sustaining activities are those that provide essential services or resources, such as providing food, shelter, and medical services. The Project will be funded using \$310,334 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act allocation.

The CDBG Program is a flexible program that provides communities with resources to address a wide range of unique community development needs. The CDBG program is authorized by Title I of the Housing and Community Development Act of 1974, as amended. The U.S. Department of Housing and Community Development (HUD) provides annual grants on a formula basis to entitled metropolitan cities and urban counties to implement a variety of community and economic development activities directed towards neighborhood revitalization and the provision of improved community facilities and services. CDBG activities are initiated and developed at the local level based on local needs, priorities, and benefits to the community. Entitlement grantees (i.e. Loudoun County) receiving CDBG funds determine the activities it will fund ensuring certain requirements are met. Activities must also further Loudoun County 2014-2018 Consolidated Plan (Plan) goals and priority needs. HUD approved the extension of the Plan to the year 2021 to enable Loudoun County to develop and align a plan along with the region's jurisdictions.

National Objectives

The CDBG Program's purpose is to develop viable communities by providing decent housing and a suitable living environment by expanding economic opportunities, principally for persons of low and moderate income. Projects must meet at least one of the following National Objectives:

1. Projects Providing Primary Benefit to Low and Moderate Income Persons. Activities that benefit low and moderate income (LMI) persons are divided into four categories:

- **Area Benefit Activities** - The activity addresses the identified needs of LMI persons residing in an area where at least 28.32%¹ of residents are LMI persons. The benefits of this type of activity are available to all persons in the area regardless of income. Examples of potentially eligible activities include street improvements, water and sewer lines, neighborhood facilities and park renovations. Area benefit is determined based upon census tract data or a neighborhood survey.
- **Limited Clientele Activities**² - A limited clientele activity benefits a specific group of people (rather than all the residents in a particular area), at least 51% of whom are LMI

¹Generally, the LMI percentage required for area benefit is 51% of residents. However, due to Loudoun County's affluent population, HUD has established an "exception criteria" that lowers the LMI percentage requirement to 28.32%. Source: <https://www.hudexchange.info/manage-a-program/acs-low-mod-summary-data-exception-grantees/>. Last accessed May 2020.

² Some examples of limited clientele activities include construction/renovation of senior centers, public services for individuals experiencing homelessness, remedial reading for adults, and provision of job training activities for persons with disabilities.

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persons. To qualify under this category, the activity must meet one of the three (3) following tests:

- Benefit a clientele who are generally presumed to be principally LMI. The following groups are presumed by HUD to meet this criterion: Abused children, persons with disabilities (adults), older adults, illiterate persons, battered spouses, migrant farm workers, and persons experiencing homelessness.
- Require information on family size and income, so it is evident that at least 51% of the clientele are persons whose family income does not exceed the LMI limits.
- Have income eligibility requirements, which limits the activity exclusively to LMI persons.
- **Housing Activities**³ - A housing activity adds or improves permanent, residential structures that will be occupied by LMI persons upon completion. The housing can be either owner or renter occupied. Rental units occupied by LMI persons must be at affordable rents based on established standards. Occupancy of housing shall be determined using the following rules and shall be maintained for a period of at least fifteen (15) years:
 - Residential rehabilitation: Compliance is based upon household income of occupants.
 - Housing construction: Compliance is based on the same rules as for residential rehabilitation with the following exception: Non-elderly, multi-family rental structures must have at least 20% of the units occupied by LMI persons. Where LMI occupancy is between 20% and 50%, the CDBG portion of the total development cost may not be greater than the portion of units occupied by LMI persons. Total development costs include the cost of all work from design and engineering through completion of the physical improvements and, if integral to the project, the cost of acquisition.
 - Acquisition of property or conversion of buildings for permanent housing: Compliance is based on household income of the occupants in the structures, according to the applicable rules listed above for residential rehabilitation and new housing construction.
- **LMI Jobs**⁴ - An LMI jobs activity creates or retains permanent jobs, at least 51% of which are either taken by LMI persons or considered to be available to LMI persons.
 - Jobs are considered to be "*available to*" LMI persons only when both:
 - Special skills that can only be acquired with substantial (i.e. one year or more) training or work experience or education beyond high school are not a prerequisite to fill such job, or the business nevertheless agrees to hire unqualified persons and train them; and
 - Local government or the assisted business takes actions that would ensure that LMI persons receive "first consideration" for filling such jobs.

³ Any residential unit that is to be rehabilitated must, at a minimum, be brought into conformance with HUD Section 8 Housing Quality Standards. Any non-residential structure that is to be rehabilitated must, at a minimum, be brought into conformance with the Building Officials and Code Administrator's (BOCA) minimum property standards. All properties built before 1978 must be evaluated for lead-based paint, and steps to remediate hazards must be undertaken if found.

⁴ An example of an eligible activity: A business incubator which is designed to offer both space and assistance to new firms hiring and/or serving LMI persons to help them become viable small businesses.

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- Principles involved in providing "first consideration:" The business must use a hiring practice that in all likelihood will result in over 51% of persons hired being LMI persons; and the business must seriously consider a sufficient number of LMI jobs applicants to meet this intent; and the distance from residence and availability of transportation to job site must be considered in determining whether a particular LMI person can be seriously considered an applicant for the job.

2. *Projects Which Aid in the Prevention or Elimination of Slums and Blight.* An activity will be considered to address prevention or elimination of slums and blight in an area if:

- The deteriorated area meets the definition of slums, blight, or deteriorated or deteriorating area and is formally designated a slum or blighted area in accordance with State Law. In Virginia, this definition and procedure for designation is available in Title 36, Article 7 of the Code of Virginia, and
- It is in an area with a substantial number of deteriorated buildings or improvements, and
- It is in an area designated by the local government as in need of physical improvements due to blighted effects, with clearly delineated boundaries, and
- It addresses at least one or more of the conditions which contributed to the deterioration.

3. *Projects Which Address An Urgent Community Development Need.*⁵ An activity will be considered to address this objective if the following conditions are met:

- The activity is designed to alleviate existing conditions which pose a serious and immediate threat to the health, safety or welfare of the community, and
- The conditions are of recent origin or recently became urgent. Recent is defined as being within an 18-month period immediately preceding the application deadline, and
- There are no other funds available to address the problem, and
- There exists a current declaration of emergency by the Governor of Virginia or of a health threat by the State Health Commissioner.

NOTE: PROJECTS THAT CANNOT DEMONSTRATE THAT AT LEAST ONE OF THE THREE NATIONAL OBJECTIVES OF THE PROGRAM WILL BE MET WILL NOT BE CONSIDERED FOR FUNDING.

⁵ An example of an urgent need is the result of catastrophes or emergencies such as floods, earthquakes or damaging hurricanes.

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PART 2: Introduction to the Loudoun County CDBG Program and COVID-19 Needs

Entitlement Grantee In September 2003, Loudoun County achieved Urban County status with a population exceeding 200,000 and became eligible to receive federal Community Development Block Grant (CDBG) funds as an entitlement grantee. As an entitlement grantee, the County receives an annual allocation of CDBG funds from the U.S. Department of Housing and Urban Development (HUD).

Loudoun County COVID-19 Needs Since the onset of the coronavirus, nonprofit organizations have seen an increase in the need for services. To respond to the increased needs, the County will allocate \$310,334 of CARES Act funds to establish the COVID-19 Impact Fund Project. The purpose of the COVID-19 Impact Fund Project is to fund eligible organizations to help prevent, prepare for, and respond to COVID-19 through life-sustaining activities.

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PART 3: Applicant/Project Eligibility

Eligible Applicants

Applicants must be:

- Nonprofit organization with 501(c) (3) tax-exempt status whose overall service population includes a considerable number of Loudoun residents; or delivers a considerable number of service hours to Loudoun residents; and the nonprofit organization has either a physical presence in Loudoun County or is located within reasonable proximity to Loudoun County.
 - Applicant’s organization must have been in business for at least two (2) years.

Eligible Projects/Activities

Proposed projects/activities must:

- Must occur within Loudoun County and/or directly serve Loudoun County residents.
- Must address one or more of the three HUD national objectives (see pp. 3-5);
- Must help prevent, prepare for, and respond to COVID-19 through life-sustaining activities in Loudoun County;
- Applicant must provide documentation of typical service level prior to the COVID-19 crisis and current service levels.

Eligible Incomes Generally, CDBG projects must benefit at least 51% low and moderate income persons. The exception is for an “area benefit” project that must benefit 28.32% of low/moderate income population. An area benefit project must be substantiated by census tract or other supporting data.

The following table lists current low and moderate income limits by family size. It is the responsibility of the applicant to obtain and provide the necessary information on income eligibility for the proposed CDBG project. If the project is funded, the sub-recipient must maintain records documenting the income of beneficiaries of the project. Additional information on documenting income can be obtained from CDBG program staff.

2020 HUD Area Median Income Limits, eff. 4/01/2020, based on AMI of \$126,000								
	1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8 persons
Extremely Low (30%) Income Limits	\$26,500	\$30,250	\$34,050	\$37,800	\$40,850	\$43,850	\$46,900	\$49,900
Very Low (50%) Income Limits	\$44,100	\$50,400	\$56,700	\$63,000	\$68,050	\$73,100	\$78,150	\$83,200
Low (80%) Income Limits	\$70,600	\$80,650	\$90,750	\$100,800	\$108,900	\$116,950	\$125,000	\$133,100

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Examples of Ineligible Activities

Ineligible Activities⁶ The following are examples of activities that cannot be funded by CDBG CARES Act funding:

- Activities that do not meet a CDBG National Objective.
- Activities that do not help prevent, prepare for, and respond to COVID-19.
- Activities that are not life-sustaining.
- General government expenses required to carry out the regular responsibilities of local government.
- Political or religious activities.
- Income payments (exception is emergency payments made over a period of up to three (3) consecutive months directly to the provider of such items or services as food, clothing, housing or utilities on behalf of an individual or family).

⁶ This is not an exhaustive list of ineligible activities; eligibility determinations will be made on a project by project basis based on thorough review of the application and proposed project.

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PART 4: Environmental Compliance and Labor Standards

HUD-assisted projects must comply with the National Environmental Policy Act and related laws and authorities as implemented at 24 CFR 58. These regulations:

- Require documentation that HUD-funded projects are not harming the environment and that the environment is not impacting the project.
- Require consideration of environmental impacts of a project early in the planning and decision-making process prior to commitment of HUD funds for a project.

Understanding environmental compliance requirements is important for appropriate planning and development of a project timeline. Advance preparation will help to ensure that a project is “shovel ready” at the time of submitting an application for CDBG funds. The organization sponsoring the project will be required to provide to Loudoun County data and information necessary to document environmental compliance. Loudoun County staff will also require access to the project site for visual inspection.

Required documentation may include, but is not limited to, Phase I and Phase II Environmental Studies; project plans; site maps; permits obtained; proof of site-control; detailed information on all aspects of the project.

Examples of proposed projects that are likely to require completion of an in-depth Environmental Assessment prior to commitment of HUD funds are listed below. List is not exhaustive.

- New construction
- Reconstruction or major rehabilitation of a facility
- Demolition
- Rehabilitation of 5 or more single family homes
- Projects that involve a change in land use
- Projects that involve excavation/deforestation

Additional environmental compliance considerations:

Lead-Based Paint Hazards Requirements: All projects must follow HUD Lead-Based Paint regulations which include notification to occupants about the existence (or potential existence) of lead hazards, identification of lead-based paint, and control/remediation of lead-based paint hazards to limit lead exposure to residents. Regulations affect rehabilitation, homebuyer programs, special needs housing, acquisition, tenant-based rental assistance and public service facilities. Properties built after 1978 are exempt from these regulations. For a summary of HUD Lead Safe Housing Rule requirements visit:

https://www.hud.gov/program_offices/healthy_homes/enforcement/lshr .

Historic Preservation Requirements: Projects involving acquisition, disposition, rehabilitation, repurposing, demolition or other construction funded with Federal dollars are subject to historic preservation requirements. This also includes known historic properties (generally 50 years of age or older), properties listed (or with the potential to be listed) on the National Register, and/or

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properties located in a historic district or adjacent to a historic property. The National Historic Preservation Act of 1966 requires considering the impact of projects on historic properties.

- CDBG-funded projects must comply by implementing regulations at 36 CFR Part 800, incorporated by reference in 24 CFR Part 58.
- Additional information on historic preservation guidelines is available at the Virginia Department of Historic Resources review and compliance page: http://dhr.virginia.gov/review/orc_home.html

Labor Standard Laws and Regulations on HUD projects to consider:

- Davis-Bacon Act (DBA) requires the payment of prevailing wage rates (determined by the Dept. of Labor (DOL)) to all laborers and mechanics on Federal government and District of Columbia construction projects in excess of \$2,000. Construction includes alteration and/or repair, including painting and decorating of public buildings or public works.
- The Contract Work Hours and Safety Standard Act (CWHSSA) requires time and one-half pay for overtime (O/T) hours (over 40 in any workweek) worked on the covered project. The CWHSSA applies to both direct Federal contracts and to indirect Federally-assisted contracts except where the assistance is solely in the nature of a loan guarantee or insurance. Violations carry a liquidated damages penalty (\$10/day per violation). Intentional violations can be considered for Federal criminal prosecution.
- The Copeland Act (Anti-Kickback Act) makes it a Federal crime for anyone to require any laborer or mechanic (employed on a Federal or Federally assisted project) to kickback (i.e., give up or pay back) any part of their wages. It requires every employer (contractors and subcontractors) to submit weekly certified payroll reports (CPRs) and regulates permissible payroll deductions.
- The Fair Labor Standards Act (FLSA) contains Federal minimum wage rates, overtime (O/T), and child labor requirements. These requirements generally apply to any labor performed. The DOL has the authority to administer and enforce FLSA. HUD will refer to the DOL any possible FLSA violations that are found on HUD projects.

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PART 5: CARES Act Application Review and Funding Award Process

- After the close of the application period, CDBG Program staff will review each submitted application for completeness and for basic CDBG Program eligibility.
- If it is determined that an application is incomplete or otherwise ineligible for funding, the applicant organization will be notified of this determination in writing.
- Staff will forward the eligible applications to the Staff Review Committee members who will review and score the applications objectively based on the Evaluation/Scoring Criteria (included on the following pages).
- The Staff Review Committee will make a funding recommendation.
- Presentation to the Board of Supervisors.
- Staff will prepare Subrecipient Contractor Agreements.
- Each Agreement will contain the terms and conditions of the CDBG funding, a description of the approved activity and costs, and specify applicable regulations and reporting requirements for funding.
- The person designated in the application (typically the Executive Director) will be required to sign the Subrecipient Agreement and return it to Loudoun County.
- All Agreements will be executed by the County of Loudoun.
- Subrecipient Agreements will be for a term not to exceed 7 months.

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PART 6: Evaluation Criteria/Scoring

Evaluation Criteria Consists of four main areas: COVID-19 Impact, Project Description, Measureable Results, and Project Budget.

Scoring Applications will be evaluated and ranked (scored) using an objective point system with 100 being the highest number of points possible and 0 being the lowest number of points possible. Applications will be funded based upon score. Applications receiving the same score will be ranked based upon date and time of application receipt. Evaluation scoring criteria will be based as described below.

COVID-19 Impact **25 points maximum**

- 15-25 points: The project identifies in detail a significant increase in demand for existing services or need for a new service directly as a result of COVID-19; and includes the number of people served pre-COVID-19 vs the number of currently served.
- 0-14 points: The project implies there is an increase in demand or need as a result of COVID-19.

Project Description **25 points maximum**

- 11-25 points: The project meets a CDBG national objective; will help prevent, prepare for, and respond to the COVID-19 through life-sustaining activities; is clearly defined and detailed; and provides a clear and realistic timeline for completion.
- 6-10 points: The project meets a CDBG national objective; will help prevent, prepare for, and respond to the COVID-19 through life-sustaining activities; is defined; and provides a timeline for completion.
- 0-5 points: The project meets a CDBG national objective; and will help prevent, prepare for, and respond to the COVID-19 through life-sustaining activities.

Measureable Results **25 points maximum**

- 11-25 points: The project serves 100% low-to moderate-income persons with the majority of persons at or below 50% AMI; includes measurable results/outcomes; the number of persons/households to be served is clearly stated; and the organization is based in Loudoun County and only serves Loudoun residents.
- 6-10 points: The project serves at least 51% low-to moderate-income persons (28.32% if area benefit project) with some persons at or below 50% AMI; includes measurable results/outcomes; the number of persons/households to be served is clearly stated; and at least 80% of clients served are Loudoun County residents.
- 0-5 points: The project serves at least 51% LMI (28.32% if area benefit project); includes results/outcomes; the number of persons/households to be served is stated; and at least 55% of the clients served are Loudoun County residents.

Project Budget **25 points maximum**

- 19-25 points: The budget includes at least a 3:1 ratio of non-County funds to CDBG funds; and a Budget Narrative on all items over \$2,000 provides a detailed explanation and breakdown of costs.

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- 12-18 points: The budget includes at least a 2:1 ratio of non-County funds to CDBG funds; and a Budget Narrative on all items over \$2,000 provides a detailed explanation and breakdown of costs.
- 6-11 points: The budget includes at least a 1:1 ratio of non-County funds to CDBG funds; and a Budget Narrative on all items over \$2,000 provides a detailed explanation and breakdown of costs.
- 0-5 points: No significant Budget Narrative.

COVID-19 Impact 25 points maximum

Describe in detail the impact COVID-19 has had on the organization. Has there been a significant increase in demand for existing services or need for a new service as a direct result of COVID-19? Include the number of residents served pre-COVID-19 vs. the number of currently served and specify the percentage of those who are Loudoun County residents.

Project Description 25 point maximum

Describe how CDBG funds will be used to help prevent, prepare for, and respond to COVID-19 through life-sustaining activities. Provide details of the project. Provide a realistic timeline for completion. Describe the national objective(s) the project addresses (see pages 3-5).

Measureable Results 25 points maximum

Describe the measurable results (outcomes) that will be achieved by the project. Include the number of unduplicated persons/households your organization expects to serve and their income levels. What is the percentage of Loudoun County residents? What data will be used to document the results? What method will be used to maintain records and reports?

Project Budget 25 points maximum

Utilizing the table (downloadable through the online app.) on page 15, please provide a line item project budget. Include a cost allocation schedule showing all proposed sources and uses of funds. Please note that match funds at a minimum of 10 percent of the requested CDBG funding amount are required from the applicant. The greater the financial support or leveraging from non-County governmental sources, the greater the potential impact that CDBG funds will have on meeting local community needs. Documentation of the dollar match must be provided; this information is used to report the total dollar value of funded projects within the CDBG Annual Action Plan. Match funds cannot be other County or federal funds. Attach a resolution letter from the applicant's governing body certifying the availability of match funds. **Indicate in the Budget Narrative a detailed explanation and breakdown of costs for all line item amounts in the budget over \$2,000.**

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Please Note: the budget format downloadable through the online application is in EXCEL; double click and insert individual line items, subtotals will calculate automatically. If line item adjustments (inserts/deletions) are made, please ensure that all items totals, both across and down, match the Total on far right and that place values (two) are consistent throughout. The form below is in Word.

Amount of CDBG Funds Requested (Col B): \$0
 County Funds (Col C): \$0
 Other Funding (Col D+E+F+G): \$0
Total Project Cost (Col H): \$0

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BUDGET

EXCEL Spreadsheet Format

Note: Formulas!!

A	County Funds		Non-County				H
	B	C	D	E	F	G	
PROJECT ACTIVITIES	CDBG Funds Requested	County	Applicant Match Funds	State/Federal	Other/In-Kind*	Program Income	TOTAL
A. Acquisition Costs	\$0		\$0	\$0	\$0	\$0	\$0
1. Land							0
2. Existing Structures							0
B. Arch/Engineering Fee	\$0		\$0	\$0	\$0	\$0	\$0
1. Architect Fee							0
2. Engineering Fee							0
C. Construction	\$0		\$0	\$0	\$0	\$0	\$0
1. Building Fee							\$0
2. Infrastructure/On-Site							\$0
4. Labor/Materials							\$0
D. Rehabilitation	\$0		\$0	\$0	\$0	\$0	\$0
1. Building Fee							\$0
2. Infrastructure/On-Site							\$0
4. Labor/Materials							\$0
E. Project Management	\$0		\$0	\$0	\$0	\$0	\$0
1. Project Mgmt.							\$0
2. Project Operating Exp							\$0
3. Supplies							\$0
F. Other Activities (specify)	\$0		\$0	\$0	\$0	\$0	\$0
1							\$0
G. General Administration	\$0		\$0	\$0	\$0	\$0	\$0
1. Salaried Positions: (job titles)							\$0
a.							\$0
2. Fringe Benefits (specify)							\$0
a.							\$0
GRAND TOTAL (A-G)	\$0	\$0	\$0	\$0	\$0	\$0	\$0

***Certify that these amounts are not from County, state, and/or non-CDBG federal funding.**

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The following information must be submitted with the budget spreadsheet.

Project Budget:

1. Provide a Budget Narrative on all line items over \$2,000.
2. Has the organization applied for any local/state/non-CDGB federal funding to complete this project?
 - a. If yes, list the source and tentative amount.
3. Does the organization plan on using any local/state/non-CDBG federal funding to complete this project?
 - a. If yes, list the source and amount.
4. List the source and amount of any entries in the excel spreadsheet listed under the category "Other."
 - a. Include a statement certifying that these amounts are **not** from local/state/non-CDBG federal funds.

*In-kind donations and volunteer hours may be used for the match funds. The hourly rate for non-professional volunteers is \$27.50 (source: Independent Sector; VA rate. Last accessed 05/08/2020). The hourly rate for professional volunteers is determined by the applicant and must be justified in the Budget Narrative. **Records of the value of in-kind donations and volunteer hours must be maintained by the applicant and provided to the County if these sources are used to meet project match requirements.**

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PART 7: Loudoun County Housing Policies

**CPAM 2007-0001
Countywide Housing Policies**

Adopted September 18, 2007

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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

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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.

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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.

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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.

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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.

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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.

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PART 8: APPLICATION CHECKLIST

___ **Online Application submitted by 5:00 p.m. on Friday, May 22, 2020**

___ Application Narrative – Consists of four main areas: COVID-19 Impact, Project Description, Project Budget, and Measurable Results

NOTE: Additional documents may be requested:

___ 501(c)(3) Certificate or Letter of Application

___ Articles of Incorporation and By-Laws

___ Current Board of Directors roster

___ 2019 (or most recent) Financial Audit/Statement

___ Current Organization Budget

___ Board Resolution Authorizing Application and Match for CDBG Funds

___ Key Staff Resumes