### Loudoun County Board of Supervisors Business Meeting Thursday, July 19, 2018

# Statement of the Dulles Area Association of REALTORS® Holly Weatherwax, President Lars Henriksen, Past President and Representative to the Comprehensive Plan Stakeholders Committee

On behalf of the Dulles Area Association of REALTORS® and our 1,500 REALTOR® and Affiliate members, thank you for allowing us to comment on Loudoun County's Draft Comprehensive Plan titled "Loudoun 2040." We appreciate the opportunity and offer our support to creating a plan for the future of Loudoun County.

As you are aware, Loudoun 2040 is the product of countless hours of critical thinking about the future growth and development in Loudoun County. We thank the Board of Supervisors for having the foresight to develop a process whereby all citizens could have input. Through the Envision Loudoun process, the public was able to review and provide feedback as the draft was developed. We were honored to have our Past President, Lars Henriksen, participate as a member of the Comprehensive Plan Stakeholders Committee. This Committee of dedicated volunteers served as the sounding board for staff recommendations and provided their expertise into Loudoun 2040's development.

There are a few reasons to support the result of this two-year journey. First and foremost, the draft elevates the importance of housing in Loudoun County. The Introduction states that the first goal of Loudoun 2040 is to make:

Well-designed places providing a full spectrum of housing and employment options linked to supporting commercial, entertainment, educational, agricultural, and recreation activity<sup>1</sup>. [emphasis added]

The draft guides Loudoun County in the direction of achieving that goal by including a chapter dedicated to articulating ways in which increased housing options could be provided in Loudoun County. The inclusion of a separate Housing Chapter significantly elevates the importance of housing and confirms that having an adequate supply of

-

<sup>&</sup>lt;sup>1</sup> Loudoun 2040 General Plan, Draft Version, April 30, 2018, page 1.

housing "is a fundamental component of a complete, inclusive, and enduring community<sup>2</sup>."

One very important recommendation in Loudoun 2040 is the creation of a Housing Authority. This recommendation is both timely and vital to addressing the county's housing needs. A Housing Authority will initiate and provide opportunities for Loudoun County residents to live in homes that are safe and affordable. It will also help preserve and revitalize existing communities. The Authority will have the ability to target resources toward the unmet housing needs of seniors, residents with disabilities, and working families.

It is also significant that throughout Loudoun 2040, there are numerous goals and strategies designed to provide a diverse housing stock to meet changing needs, allow for higher residential density in certain areas, and incentives to increase the availability of housing that is affordable to households all along the income spectrum. We are pleased to see the emphasis on creating and sustaining viable communities that include recreational, natural, commercial, and other uses. Loudoun 2040 provides more of a comprehensive approach to transportation by linking communities together locally and regionally, creating multi-modal transportation networks, and calling for improvements to the mass transit system.

As the Loudoun 2040 draft advances to its next stage of development and implementation, we hope the commitment to housing will be retained. We offer the following recommendations on ways in which Loudoun 2040 could be strengthened.

#### Increase the number of housing choices for the Loudoun County workforce

Employers in Loudoun County are concerned about the lack of housing that is affordable for their employees. In Loudoun County, the average home price climbed from \$232,090 in June 2000 to \$541,685 in June 2018, according to George Mason University's Center for Regional Analysis. This price point makes it difficult to live in this county for county employees, such as firefighters and teachers. DAAR recommends that the county:

\_

<sup>&</sup>lt;sup>2</sup> Loudoun 2040 General Plan, Draft Version, April 30, 2018, page 3.

- Permit and encourage innovative and diverse housing types that will accommodate
  market demands for increased housing development. Encourage development of
  newer housing concepts, such as accessory dwelling units, cooperative housing,
  cottage communities, and similar innovative housing types.
- Include flexible development standards, such as increased building heights, that maximize housing diversification to meet market demand around urban centers.
- Develop a streamlined approach for non-profit organizations to purchase Affordable Dwelling Units that are timing out of their restrictive period.
- Include specific efforts to increase the production of single-family homes to meet market demands.
- Provide a wide-range of urban, suburban, and rural housing choices at all price levels for those who wish to purchase or rent property. Incorporate a mix of rental housing units that are affordable for the workforce to support retail and commercial employment centers.
- Develop and support additional housing programs, including programs that focus
  on the production of units, specifically targeted for those earning between 70 and
  120 percent of the area median income (\$82,040-\$140,640).
- Consider the use of demand side subsidies to increase the purchasing power of renters and potential buyers.

## Include specific incentives to encourage developers to create more affordable housing, including housing for seniors and disabled veterans

In order to maximize profits, developers and builders tend to construct larger, highend units that are not affordable to households earning less than 100 percent of the area median income (\$117,200 in Loudoun County). DAAR believes specific incentives would help offset some of the costs to developers and will encourage the production of units. DAAR recommends that the county:

- Maximize density bonuses.
- Create an expedited permit process to advance permit applications to the front-ofthe-line for developers who offer additional affordable units.
- Reduce or waive application and review fees.

 Update the methodology for calculating the capital facilities needs and Capital Intensity Factor to consider additional factors, such as unit size.

### Identify land to develop housing that is affordable to households all along the income spectrum

There is a great need for additional housing in Loudoun County. Not only is the average sales price of a home rising, the county estimates a need for over 18,000 additional units by 2040 (2017 Housing Needs Assessment commissioned by Loudoun County). Adding to this crisis is the dwindling amount of land available for development in the suburban areas of the county. DAAR is excited that the county authorized the hiring of a specialist who will be aggressive in identifying land that is or could be available for future housing development and recommends that the county:

- Identify land within the county which could be used for additional housing that is affordable.
- Identify land that could be redeveloped into new housing or mixed-use communities. In doing so, the county should not deplete the amount of housing that is affordable in the areas targeted for redevelopment.

#### Require regular updates

The current comprehensive plan has been in place for over fifteen (15) years. Comprehensive Plans need to be updated in order to respond and adapt to changing market demands. The Virginia Code, Article 3, § 15.2-223 requires that a comprehensive plan be reviewed at least every five (5) years. DAAR recommends that the county regularly review and update its Comprehensive Plan in order to accommodate future changes in residential and commercial needs.

### Require regular housing needs assessments

The real estate market is cyclical and follows a general seven (7) year pattern. It is also based largely on supply and demand, which makes it difficult to predict. DAAR recommends that the county regularly:

• Examine and estimate its unmet housing needs.

• Evaluate its housing programs for their effectiveness in addressing those needs.

Loudoun 2040 seeks to address the need for an adequate supply of housing by providing policies to encourage a greater diversity of housing types, including affordable and workforce housing, near jobs, schools, and transportation facilities. It also reflects the understanding that housing is important to the economic growth in the county.

As young professionals and working families have an increasingly hard time finding housing they can afford, the entire community suffers. Local business owners cite the lack of affordable housing as a detriment to their efforts to attract and retain employees. Prospective businesses seeking to locate in the county are calling for – if not demanding – housing that is affordable for their workforce. Companies such as Amazon are looking for a community where its employees will enjoy living. They seek a diversity of housing options for their employees<sup>3</sup>, whose positions will range from CEO to the entry level salesperson. DAAR is confident that through the strengthening of Loudoun 2040, the county will be able to develop a wide-range of urban, suburban, and rural housing choices at all price levels that will attract businesses to locate within the county.

DAAR is pleased with the progress made in drafting Loudoun 2040. We stand ready to assist and support efforts that develop growth plans and policies that will increase the availability of housing choices and address the needs of our workforce. Thank you.

5

<sup>&</sup>lt;sup>3</sup> Amazon HQ2 RFP, pages 5-6.