



# Housing and Community Development

Provides services that support the Loudoun community in obtaining safe and affordable housing. The Department of Housing and Community Development (DHCD) offers a wide array of housing options based on whether a household is looking to rent a unit or purchase a first home, requires assistance with a down payment or closing costs, or wants to rehabilitate an existing home or obtain gap financing to build or renovate affordable housing in the County.

## Department Programs

### Rental and Homeownership

Executes the County’s affordable homeownership and rental programs including the purchase and rental Affordable Dwelling Unit (ADU) Programs, the purchase and rental Unmet Housing Needs Unit (UHNU) Programs, the Down Payment/Closing Cost Assistance (DPCC) Program, the Public Employee Homeownership Grant (PEG) Program, the Sponsoring Partnerships and Revitalizing Communities (SPARC) Program, and the State Rental Assistance Program (SRAP).

### Activities

- Homeownership Programs
- Rental Programs

### Housing Choice Voucher

Administers the Housing Choice Voucher (HCV) Program, which assists very low- and extremely low-income households in acquiring safe, decent, and affordable housing, by providing federal rent payment subsidies to private sector landlords to make up the difference between what the voucher holder can pay (30 percent of monthly income) and the charged rent (limited to the federally-established fair market rent standard). The program fosters self-sufficiency and ensures that properties meet Federal Housing Quality Standards.

- Housing Choice Voucher (HCV) Program

### Entitlement Grants

Administers federally-funded grants including the Community Development Block Grant (CDBG) Program and the HOME Investment Partnerships Program (HOME) to address community and economic development needs and services for low- to moderate-income residents. The County must provide the Federal Government a five-year Consolidated Plan on its high-priority activities for expending these entitlement grants.

- Community Development Block Grant (CDBG) Program
- HOME Investment Partnerships Program (HOME)



## Department of Housing and Community Development (DHCD)

### Policy and Internal Operations

Facilitates policy development and identifies potential programmatic approaches to address unmet housing needs, initiates new housing programs, and coordinates legislative review and action; supports several advisor committees appointed by the Board of Supervisors (Board); manages housing finance and production initiatives; oversees the Housing Fund; ensures efficient and effective operations by providing DHCD programs with resources, materials, and data; and provides timely and informational customer service to the public.

- Housing Policy
- Internal Operations

### Financial Information

#### FY 2024 Adopted Information<sup>1</sup>

	Expenditures	Revenue	LTF	FTE
Rental and Homeownership	\$1,747,047	\$903,204	\$843,843	7.00
Housing Choice Vendor	12,454,449	12,055,628	398,821	9.00
Entitlement Grants	1,531,549	1,379,452	152,097	3.00
Policy and Internal Operations	2,411,138	0	2,411,138	16.00
<b>Total</b>	<b>\$18,144,183</b>	<b>\$14,338,284</b>	<b>\$3,805,899</b>	<b>35.00</b>

<sup>1</sup> Sums may not equal due to rounding.



## DHCD: Rental and Homeownership

### Homeownership Programs

**What We Do:** This activity provides the Affordable Dwelling Unit (ADU) Program and the Unmet Housing Needs Unit (UHNU) Program to support attainable housing homeownership in Loudoun County. It also oversees the administration of three homeownership loan programs, to include the Down Payment/Closing Cost Assistance (DPCC) Program, the Public Employee Homeownership Grant (PEG) Program, and the Sponsoring Partnerships and Revitalizing Communities (SPARC) Program.

The ADU Program was initiated by the Board in 1993 to ensure the provision of moderate-priced housing in new residential developments, having identified that the market was not providing affordable housing for the workforce. Article 7 of the Zoning Ordinance requires that every development of 24 units or more at a density greater than one dwelling unit per 40,000 square feet in an area served by public water and sewer must provide ADUs. Units are provided such that 12.5 percent of the single-family attached and detached units and 6.25 percent of the multi-family units of a development must be ADUs and affordable to households with incomes between 30 percent and 70 percent of area median income (AMI), as adjusted for family size. ADUs include units for purchase with affordable prices being set by the ADU Advisory Board. This activity facilitates the sale of new ADUs to income-eligible, first-time homebuyers; the purchase and re-sale of ADUs that the builder/owner does not sell in the 90-/45-day Ordinance-prescribed timeframe to certificate holders; and coordination with Board-designated nonprofits.

The UHNU Program was approved by the Board on October 7, 2015, to implement approved UHNU proffers. Various UHNU proffers have been adopted by the Board to address the unmet housing needs of households that earn outside the requirements of Article 7. UHNUs (Units) are provided for the purchase program to serve households with incomes between 70 percent and 100 percent of AMI. Proffered funding adds to the local resources available to finance housing initiatives.

The DPCC Program provides a 30-year, second trust loan to moderate-income, first-time homebuyers, with loan payments revolving back into the program to support future loans.

The PEG Program provides forgivable loans up to \$10,000 (20 percent forgiven each year for five years) to moderate-income, public-sector employees so they can live where they work.

The SPARC Program, which is in the County's third year partnering with Virginia Housing, provides lower interest rates on homeownership loans in Loudoun County.

**Mandate Information:** The Board mandated the ADU Program by local ordinance Article 7 (Administration and Regulation of Affordable Dwelling Unit Developments) of the Loudoun County Zoning Ordinance; and Chapter 1450 of Loudoun County Codified Ordinances governs ADU Program administration. Chapter 256 of Loudoun County Codified Ordinances (Public Employee Grants for Homeownership) governs the PEG Program. The DPCC Program is not mandated.

**Who Does It:** County staff determines participant income eligibility, provides program education, distributes the waitlist of certified applicants to the builder, and distributes marketing materials about ADUs and UHNUs available for sale to the waitlisted participants. DHCD relies on public-private partnership with the ADU/UHNU builders and landlords as well as Board-designated nonprofits to facilitate the sale and purchase of ADUs and UHNUs. County staff similarly administers all three homeownership loan programs.

**Why We Do It:** Housing costs are unaffordable in Loudoun County for first-time homebuyers with incomes up to 100 percent of AMI; only 23 percent of homeownership housing is affordable to households earning up to 100 percent of AMI.

The ADU Program provides moderate-priced housing through facilitating the sale of ADUs. Since the program facilitates the sale of ADUs from builder to homebuyer, its success fluctuates with the market, depending on unit production and the availability of favorable financing to support new homebuyers. As fewer large developments greater than 24 units are zoned, the number of required ADUs is gradually decreasing. The ADU purchase waitlist, however, continues to increase to a sustained level of approximately 485 households.



## DHCD: Rental and Homeownership

**How We Do It Now – Current Service Level:** Current service level reflects an ability to provide housing opportunities to approximately 65 families/households seeking homeownership annually, and maintaining a waitlist of approximately 500 families/households. Current service level is limited each year to the number of ADUs that are available for purchase or rental. As ADU covenants expire, the waitlist for the program will increase. With little inventory, this leads to more households on the waitlist and much longer waits to be served.

**How We Plan to Do It in the Future – Recommended Service Level:** As the County’s affordable housing inventory slows over time, the amount of available land dwindles, and sale prices continue to increase, the demand for homeownership programs will continue to increase. The need for decent, safe, and sanitary housing will increase while the available amount of housing may taper off. Even though the number of units may remain constant or decrease, the number of households demanding such services will continue to increase, and these homeownership programs will need to adjust services and/or service levels. An example is expanding the County’s DPCC Program to reach households above the current requirement of 30 percent to 70 percent of AMI.

The County’s Unmet Housing Needs Strategic Plan (UHNSP) defines “attainable housing provided annually” as “any housing for sale or rent entering the marketplace each year affordable to families with incomes at or below 100 percent of AMI. Such housing can be directly provided through Affordable Dwelling Unit (ADU)/Affordable Market Purchase Program Unit (AMPPU)/Affordable Housing Unit (AHU) new development, or indirectly provided through policy changes enabling more accessory dwelling units, commercial innovation leading to market-rate units made affordable through innovative design, units made affordable through initiatives such as rental/down payment/monthly payment assistance programs, etc.; with the goal that 20 percent (8,190) of forecasted new homes (40,950) as projected through 2040 based on the land use policies included in the 2019 General Plan will be attainable housing.” The table below outlines the proposed annual attainable housing goals through 2040, as outlined in the UHNSP:

	Total Units	New Units	Access to Units
Fiscal Year	Goal	Goal	Goal
2021	250	200	50
2022	500	350	150
2023	500	350	150
2024	500	350	150
2025	500	350	150
2026-2030 <sup>1</sup>	750	500	250
2031-2034 <sup>1</sup>	1,000	500	500
2035-2040 <sup>1</sup>	1,000	350	650
<b>Total</b>	<b>16,000</b>	<b>8,200</b>	<b>7,800</b>

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Projected
<b>Facilitate the purchase of affordable homes for moderate-income households.</b>					
Number of families purchasing new ADUs	34	53	61	65	65
Average household income for purchasers	\$53,492	\$54,363	\$57,486	\$58,000	\$60,000
Number of families on the ADU purchase waitlist	520	583	457	500	550
Number of homeownership ADUs in the County	2,420	2,451	2,514	2,571	2,636

<sup>1</sup> Annual goals for these years are the same each year, so are shown only once for summary purposes.



**DHCD: Rental and Homeownership**

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Projected
<b>Provide the general public as well as public employees with programs to assist in homeownership.</b>					
Number of applicants for PEG / number approved	27 / 6	18 / 4	8 / 6	10 / 5	15 / 8
Number of applicants for DPCC / number approved	50 / 6	36 / 3	18 / 2	20 / 5	30 / 10
Average loan amount for DPCC	\$14,267	\$10,406	\$11,750	\$12,500	\$14,000
Average loan recipient household income (PEG / DPCC)	\$70,821.52 / \$42,269.77	\$74,426.68 / \$62,249.11	\$78,622.77 / \$67,734.45	\$77,500.00 / \$68,000.00	\$79,000.00 / \$70,000.00
Average loan recipient family size (PEG / DPCC)	1.6 / 2.4	1.2 / 2.5	1.7 / 3.0	1.5 / 3.0	1.5 / 3.0
Average number of days to review PEG applications	27	26	31	28	28



## DHCD: Rental and Homeownership

### Rental Programs

**What We Do:** This activity provides the ADU Program and the UHNU Program to support affordable rental housing in Loudoun County; as well as oversees the administration of the State Rental Assistance Program (SRAP) in partnership with the Virginia Department of Behavioral Health and Developmental Services (DBHDS).

The ADU Program was initiated by the Board in 1993 to ensure the provision of moderate-priced housing in new residential developments, having identified that the market was not providing affordable rental housing for the workforce. Article 7 of the Zoning Ordinance requires that every development of 24 units or more at a density greater than one dwelling unit per 40,000 square feet in an area served by public water and sewer must provide ADUs. Units are provided such that 12.5 percent of the single-family attached and detached units and 6.25 percent of the multi-family units of a development must be ADUs and affordable to households with incomes between 30 percent and 50 percent of AMI, as adjusted for family size. ADUs include units for rent with affordable prices being set by the ADU Advisory Board. This activity enables eligible non-homeowners the opportunity to rent an apartment from a participating apartment community, at a rent below that of similar units in the community.

The UHNU Program was approved by the Board on October 7, 2015, to implement approved UHNU proffers. Various UHNU proffers have been adopted by the Board to address the unmet housing needs of households that earn outside the requirements of Article 7. UHNUs (Units) are provided for the rental program to serve households with incomes between 0 percent and 30 percent of AMI.

The SRAP is a partnership with DBHDS to serve individuals with developmental disabilities who want to live independently in rental housing. The program is designed to provide rental assistance to single-person families who meet the program eligibility criteria, so they have the means to lease private-market rental housing that meets their needs. Individuals have the opportunity to choose where they live, with whom they live, and who supports them. Services and supports are provided through sources separate from their housing, including Medicaid Waiver-funded home and community-based services, natural supports, privately paid supports, and other community resources.

**Mandate Information:** The Board mandated the ADU Program by local ordinance Article 7 (Administration and Regulation of Affordable Dwelling Unit Developments) of the Loudoun County Zoning Ordinance; and Chapter 1450 of Loudoun County Codified Ordinances governs ADU Program administration.

**Who Does It:** County staff determines participant income eligibility, provides program education, distributes the waitlist of certified applicants to the builder, and distributes marketing materials about ADUs and UHNUs available for rent to the waitlisted participants. DHCD relies on public-private partnership with the ADU/UHNU builders and landlords as well as Board-designated nonprofits to facilitate the sale and purchase of ADUs and UHNUs. County staff provides the SRAP in partnership with DBHDS.

**Why We Do It:** Housing costs are unaffordable in Loudoun County for renters with incomes at or below 80 percent of AMI; only 47 percent (or approximately 12,800 units) of rental housing is affordable to households earning up to 80 percent of AMI, though only 6,150 units are actually available to low-income households. Since 2015, the median household income has risen steadily. Despite this positive trend for households, median gross rent has increased faster than median renter income; the insufficient supply of rental housing may be escalating rents and increasing the amount of income that a household must pay toward housing costs.

The ADU Program facilitates the rental of more than 2,000 ADUs to households representing a variety of employment sectors including retail, education, health care, and air transportation. Since the program facilitates the rental of ADUs from builder to renter, its success fluctuates with the market, depending on unit production. The program is experiencing a gradual reduction in the number of ADU rentals available due to the expiration of the 20-year covenant on rental properties and the lack of new rental ADUs coming online, although the waitlist has remained relatively stable at approximately 130 households. As fewer large developments greater than 24 units are zoned, the number of required ADUs is gradually decreasing. With the adoption of amendments to Article 7 providing developers with the ability to substitute Affordable Housing Units (AHUs)



## DHCD: Rental and Homeownership

financed with the United States Department of Housing and Urban Development (HUD) 221 (d) (4) Affordable and/or Low-Income Housing Tax Credit programs for ADUs and the County’s loan program to help finance AHUs, the County is seeing more affordable rental units produced as AHUs rather than ADUs.

**How We Do It Now – Current Service Level:** Current service level reflects an ability to provide housing opportunities to approximately 50 families/households seeking rental homes annually and maintaining a waitlist of approximately 150 families/households. Current service level is limited each year to the number of ADUs that are available for rental; and as ADU covenants expire, the waitlist for the program will increase. Current service level also reflects an ADU rental occupancy rate of at least 98 percent. In subsequent years, this service was reduced due to the number of households actually served. However, this correlated directly to the increased number of households on the waitlist. With little inventory, this leads to more households on the waitlist and much longer waits to be served.

**How We Plan to Do It in the Future – Recommended Service Level:** Over time, as the County’s affordable housing inventory slows and the amount of available land dwindles, while at the same time, rental prices continue to soar, the demand for these critical rental programs will continue to increase. Between now and then, the need for decent, safe, and sanitary housing will increase while the available amount of housing may taper off. Even though the number of units may remain constant or decrease, the number of households demanding such services will continue to increase, and these rental programs may need to adjust services and/or service levels.

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Projected
<b>Facilitate the rental of affordable homes for moderate-income households.</b>					
Number of new ADU renter households	65	94	58	50	45
Average household income for ADU renters	\$38,568	\$39,608	\$44,097	\$45,000	\$47,000
Number of ADU rentals available	294	271	236	212	168
Number of households on the waitlist	153	147	134	150	175
<b>Ensure that at least 90 percent of ADU rentals will be filled each month.</b>					
Number of ADU rentals	294	271	236	212	168
Average percentage filled (not vacant)	91%	98%	98%	98%	98%
<b>Administer the state-funded SRAP Program.</b>					
Number of available slots to Loudoun County households	31	41	40	50	55



## DHCD: Housing Choice Voucher

### Housing Choice Voucher (HCV) Program

**What We Do:** The Housing Choice Voucher (HCV) Program provides federal rent subsidies to private-sector landlords to make up the difference between what the voucher holder can pay (30 to 40 percent of their monthly adjusted income) and the rent charged by the owner (limited to the payment standard based on federally-established, small-area, fair-market rent). Staff manages a waitlist, determines voucher holder eligibility, inspects rental units to ensure compliance with federal housing quality standards, contracts with private-sector landlords, and adjusts the rent subsidy payments when there are changes in voucher-holder status, such as gain or loss of employment or a new family member. The following four voucher types are provided within the HCV Program:

- Project-based vouchers (PBV), for units set aside for voucher holders that need accessible housing options.
- Mainstream vouchers, which assist non-elderly persons with disabilities.
- Family Unification Program (FUP) vouchers, which assist families involved with the child welfare system and youth between the ages of 18 and 24 who have aged out of foster care.
- Veteran Administration Supportive Housing (VASH) vouchers, which support veterans.

Additionally, the County may receive “Port-in vouchers,” which are vouchers from other jurisdictions that are transferred to Loudoun because the family chooses to relocate here. Loudoun is reimbursed by the issuing agency. Vouchers that are not PBVs can be used for rental options at any apartment that accepts the HCV Program.<sup>1</sup>

The HCV Program also includes the Family Self-Sufficiency (FSS) Program, which provides financial counseling to participating families to help them increase their earned income and reduce their dependency on rental subsidies. The families have an opportunity to receive escrow funds that are set aside for them when they experience an increase in earned income during their time in the FSS Program. Each participating family has an FSS contract of participation, for a period of five years, not to exceed seven years including contract extensions. The contract outlines the rights and responsibilities of both parties and incorporates the family’s individual training and services plans (ITSP). The ITSP identifies intermediate and long-term goals and the steps that the family needs to take as well as the resources that they can access to achieve the identified goals. The FSS Program is voluntary for HCV voucher holders; but participants who choose to participate are required to have a goal to obtain/maintain employment and to be free of cash benefits by the end of their contract.

**Mandate Information:** While the HCV Program is not mandated, the Board has determined that Loudoun County will operate a program for housing choice vouchers. Federal Code CFR Title 24 Chapter 9 Part 982 (Section 8 Tenant-Based Assistance: Housing Choice Voucher Program) mandates how this activity will be administered. The Federal Code requires that the program operate under the rules prescribed for Public Housing Agencies (PHA). The Board acts as the PHA Board of Directors, holding an annual public hearing and adopting the PHA Annual Plan, the PHA Five-Year Plan, and PHA administrative policies. FSS regulations are found in Federal Code CFR Title 24 Chapter 9 Part 984.

**Who Does It:** County staff, primarily federally funded, supports HCV services. Rental subsidies are 100 percent funded by federal funds while administrative support is funded based on the number of vouchers administered. Any additional administrative costs are supported by local tax funding.

**Why We Do It:** The HCV Program assists extremely low-income families, older adults, and persons with disabilities to maintain affordable, safe, and sanitary housing in the private market. Without this program, the County’s lowest-income residents and those who are at a higher risk of being unhoused could not afford rental payments. Many of these families would be forced to live in overcrowded and/or substandard conditions.

**How We Do It Now – Current Service Level:** Average monthly expenses for the HCV Program are estimated at \$656,278, of which \$594,200 supports rental assistance payments to landlords while \$62,078 supports County program staff. At current

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<sup>1</sup> There are 42 PBVs at Shreveport Ridge, Levis Hill House, Loudoun View, Ashburn Chase, and Birchwood apartments. The County has committed an additional 20 vouchers to Tuscarora Crossing apartments, currently under development.



## DHCD: Housing Choice Voucher

service level, PBVs support 30 households, mainstream vouchers support up to 75 households, VASH vouchers support up to five households, and FUP vouchers support up to ten households. Approximately ten voucher holders participate in the County’s FSS Program. The HCV Program fully utilizes voucher funding received from HUD. Current service level aids approximately 590 households monthly, including 500 households that include persons with disabilities and/or persons aged 62 years or older, and a waitlist of approximately 150 households. The average annual income of families receiving vouchers is approximately \$25,000; and the average amount of monthly rental assistance is approximately \$1,380. This service level is limited by the level of federal funding received annually, an amount which has remained relatively flat for several years. With increasing fair market rents, fewer vouchers are available each year. Current service level reflects annual inspections of 100 percent of rental units in the program, and completion of 100 percent of annual recertifications and interims within required timeframes.

**How We Plan to Do It in the Future – Recommended Service Level:** In the future, DHCD plans to maintain the current services that are offered, including up to 42 PBVs, 75 mainstream vouchers, five VASH vouchers, and ten FUP vouchers. In addition to the vouchers currently being administered by DHCD, staff plans to pursue at least 25 Foster Youth to Independence (FYI) vouchers, additional FUP vouchers, and other special-purpose vouchers that may become available through future HUD NOFAs (Notice of Funding Availability). The FSS Program can support up to 50 voucher participants; and staff plans to fully utilize these program slots. HCV Program funding will continue to be fully utilized.

Beyond the next few years, as rent costs in the County continue to increase, the number of families or households that this program can support will decrease, due to a greater amount of subsidy being required per unit, and thus the number of vouchers that can be supported with existing funds decreases. The number of vouchers issued determines the level of reimbursement for administrative costs, thereby increasing the local tax funding necessary to continue supporting administrative costs. Rising rental prices will be a challenge in the future.

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Projected
<b>Distribute 100 percent of federal funds received for the HCV Program to eligible households.</b>					
Regular voucher funding utilization	101%	102%	100%	100%	100%
Mainstream voucher funding utilization	100%	94%	104%	100%	100%
<b>Increase voucher utilization.</b>					
Regular vouchers utilized	409	431	489	500	500
Mainstream vouchers utilized	72	69	71	75	75
FUP vouchers utilized	8	8	9	10	10
PBV units utilized	23	19	23	30	42
VASH vouchers utilized	1	1	3	5	5
<b>Increase the number of households served.</b>					
Number of households served	588	555	584	618	643
<b>Enroll the maximum possible number of participants in the FSS Program (50).</b>					
Number of FSS Program participants	19	13	7	25	50
<b>At least one FSS participant will complete the program each year.<sup>1</sup></b>					
Number of FSS graduates	n/a	n/a	3	1	1

<sup>1</sup> Data shown as n/a indicates a measure that does not have historical data.

**DHCD: Housing Choice Voucher**

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Projected
<b>Inspect 100 percent of HCV units in a timely manner (twice annually).</b>					
Percentage of inspections completed within the established timeline	100%	100%	100%	100%	100%
<b>Complete 100 percent of annual eligibility recertifications for HCV participants within 30 days of the due date.</b>					
Percentage of recertifications completed within 30 days of the due date	100%	93%	98%	100%	100%



## DHCD: Entitlement Grants

### Community Development Block Grant (CDBG) Program

**What We Do:** DHCD administers the federally-funded Community Development Block Grant (CDBG) Program. CDBG funds address community and economic development needs and services for low- to moderate-income residents. Federal regulation requires the County to develop and submit a Five-Year Consolidated Plan identifying goals and objectives to meet affordable housing and community development needs. In addition, the Board must hold a public hearing and adopt the Annual Action Plan, which outlines spending for the new CDBG allocation each year. The grant covers administrative expenses and an annual competitive grant application process for nonprofit and public agencies seeking funding for projects and programs that meet federal objectives and those outlined in the CDBG Five-Year Consolidated Plan. All activities that are funded by CDBG must meet a national objective that falls under one of the following three categories: benefits low-/moderate-income persons, prevents or eliminates slums or blighted communities, or meets an urgent need.

**Mandate Information:** Loudoun County is identified as an entitlement community.<sup>1</sup> Federal Code CFR 24 Title 24 Part 570 (Community Development Block Grants) regulations govern the use and distribution of funds under the CDBG Program.

**Who Does It:** County staff administers these services. CDBG funds must be distributed in accordance with the Board's adopted Annual Action Plan. CDBG funds 1.75 positions in this team.

**Why We Do It:** This activity facilitates the County's long-range housing strategy to provide a continuum of housing opportunities to support economic health and quality of life. In Loudoun County, housing costs have risen considerably faster than incomes. Proposed projects address the goals of the County's CDBG Program, which include providing affordable housing opportunities, revitalizing neighborhoods, renovating substandard housing, providing public services, and expanding economic development opportunities, primarily for persons of low and moderate income.

**How We Do It Now – Current Service Level:** All CDBG applications are reviewed, and recommendations are presented to the Board for final approval subsequent to a public hearing.

**How We Plan to Do It in the Future – Recommended Service Level:** The County's entitlement CDBG funds are subject to annual congressional appropriations. As such, the recommended service levels for the future are not clear now, but DHCD monitors trends and projections to best plan for the future distribution of funds. Over 15 years, CDBG funds have been used to purchase land and help renovate and build affordable housing, in addition to helping build playgrounds, bus shelters, and sidewalks in low-income neighborhoods as well as many other community development projects. The County has funded nearly 231 projects and services through FY 2023; and, since FY 2022, more than 19,000 people have benefited from CDBG programs.

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<sup>1</sup> Entitlement communities are designated by the Department of Housing and Urban Development to receive an amount of funds which the community is entitled to receive under the entitlement grant program.

**DHCD: Entitlement Grants**

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Projected
<b>Retain at least 20 percent of CDBG funding to initiate County housing projects;</b>					
Annual CDBG allocation	\$1,413,992	\$1,4630,391	\$1,379,452	\$1,400,000	\$1,400,000
Percentage of allocation retained to County housing projects	20%	20%	20%	20%	20%
<b>Distribute at least 85 percent of CDBG funding to capital projects; and distribute at most 15 percent of CDBG funds to community development/public service projects.<sup>1</sup></b>					
Percentage of allocation awarded to capital projects	65%	85%	65%	85%	85%
Percentage of allocation awarded to community development/public service projects	15%	15%	15%	15%	15%

<sup>1</sup> As defined by HUD, capital projects are projects that fund housing rehabilitation, public facility improvements, and other housing and economic development activities and public service projects are projects that provide services to low- to moderate-income persons in the areas of employment, health, and youth services.



## DHCD: Entitlement Grants

### HOME Investment Partnerships Program (HOME)

**What We Do:** On March 21, 2023, the Board authorized Loudoun County to become a participating jurisdiction in the HOME Investment Partnerships Program (HOME). This is the first time that the County is eligible to receive this source of federal funding; HOME is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households. HOME funds may be used to provide incentives to develop and support affordable rental housing and homeownership affordability through acquisition (including assistance to homebuyers), new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities. This includes real property acquisition (vacant land and manufactured housing included), site improvements, conversion, demolition, and other expenses including financing costs and relocation expenses of any displaced persons, families, businesses, or organizations. Additional activities include providing tenant-based rental assistance, payment of reasonable administrative and planning costs, and the payment of operating expenses of community housing development organizations.

**Mandate Information:** On February 3, 2023, DHCD was notified by HUD that Loudoun County met the congressional appropriations threshold to receive HOME funds in the amount of \$750,000 for FY 2024. HOME is regulated in Title 42 of the United States Code Section 12701 (42 U.S.C. § 12701), and Title 24 of the Code of Federal Regulations (24 CFR Part 92), as amended.

**Who Does It:** County staff administers these services. DHCD has three dedicated staff for HOME program administration.

**Why We Do It:** This activity facilitates the County’s long-range housing strategy to provide a continuum of housing opportunities to support economic health and quality of life. In Loudoun County, housing costs have risen considerably faster than incomes.

**How We Do It Now – Current Service Level:** FY 2024 is the County’s inaugural year administering the program. Staff has identified these high-priority activities: 1) tenant-based rental assistance to provide housing affordability for approximately 25 households; 2) community housing development organization operating assistance for nonprofit organizations to produce attainable housing units totaling 15 percent of grant award pursuant to regulatory requirements; 3) program administration costs representing a maximum of 10 percent of the grant’s annual award allocation as allowed; and 4) downpayment and closing costs assistance.

**How We Plan to Do It in the Future – Recommended Service Level:** High-priority funding activities will be based on the County’s Consolidated Plan, which include public engagement as well as results from the American Communities Survey. At this time, the County’s Consolidated Plan in conjunction with the UHNSP indicates a shortage of attainable housing units. There is a need for at least 16,000 units to meet demand by the year 2040. Consequently, the service level will continue to increase as funding allows to add housing units throughout the County.

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Projected
<b>Obtain and implement HOME funding.<sup>1</sup></b>					
Annual HOME allocation	n/a	n/a	n/a	\$750,000	\$750,000

<sup>1</sup> Data shown as n/a indicates a measure that does not have historical data.



## DHCD: Policy and Internal Operations

### Housing Policy

**What We Do:** The Housing Policy activity is responsible for implementation of the Board's approved UHNSP, including interdepartmental coordination efforts. This team is responsible for strategic use of the Housing Fund and the County's dedicated half-penny increment for affordable housing. This team facilitates the County's Affordable Multi-Family Housing Loan Program, established in 2018 for the purpose of providing competitive gap financing loans for the production of affordable housing. The program focuses on the provision of rental housing for households earning up to 60 percent of AMI. Among other eligibility criteria, loan applicants must use the proposed loan in conjunction with Low-Income Housing Tax Credits and/or HUD 221 (d) (4) affordable programs. Additionally, the Rental Housing Acquisition and Preservation (RHAP) Loan Program was established by the Board in 2022 for the purpose of supporting the preservation of subsidized and naturally occurring affordable housing.

Staff supports Board's appointed advisory committees including the ADU Advisory Board, the Housing Advisory Board, and the Housing Choice Voucher Resident Advisory Board. Staff supports the advisory boards by providing research and information, facilitating meetings, and providing proper public notice, as well as posting agendas and meeting summaries to ensure public access. Staff works cooperatively with other jurisdictions, including the Virginia Housing Northern Virginia Advisory Committee and the Metropolitan Washington Council of Governments Housing Directors Committee, to encourage regional affordable housing solutions. Housing Policy staff also coordinates responses to Freedom of Information Act (FOIA) requests as they relate to housing programs.

**Mandate Information:** The various Housing Policy activities are mandated by the Code of Virginia Title 2.2 Chapter 37 (FOIA); Article 7 of the Loudoun County Zoning Ordinance (ADU Program); and Loudoun County Codified Ordinances, including Chapter 1450 (ADU Program Administration) and Chapter 1460 (Grants or Loans for the Production and Repair of Rental Property). Loudoun County Codified Ordinances govern the various rehab programs, the Affordable Multi-Family Housing Loan Program, and the RHAP Loan Program.

**Who Does It:** County staff performs this activity. DHCD hired its first fair housing coordinator in March 2023. This position is responsible for providing education, training, and advice on fair housing to County staff; providing financial and housing counseling, universal design, accessibility, and Americans with Disabilities Act (ADA) compliance to County staff; informing current program rules and new program development to ensure fair housing compliance; reviewing fair housing complaints and potential program violations in County housing programs; and implementing key actions identified in the UHNSP.

**Why We Do It:** This activity is essential to providing the oversight and direction to implement the UHNSP and deliver affordable housing to Loudoun County residents. Housing costs have outpaced incomes in Loudoun County, and this trend is projected to continue. Housing Policy efforts are critical to provide the Board with wide-ranging perspectives and recommendations in addressing unmet housing needs through the work of its advisory boards; and ensure that advisory boards are fully FOIA compliant, have access to information, and provide proper public access.

**How We Do It Now – Current Service Level:** At current service level, this activity provides one to two Affordable Multi-Family Housing Loan awards annually ranging from \$2.5 million to \$7.8 million. One RHAP Loan was received but ultimately did not move forward. Regarding the UHNSP, staff provides quarterly updates to the Board's Transportation and Land Use Committee. Additionally, staff provides support to monthly Housing Advisory Board meetings, monthly ADU Advisory Board meetings, and to bi-annual Housing Choice Voucher Resident Advisory Board meetings.

**How We Plan to Do It in the Future – Recommended Service Level:** The service level demand runs parallel to the programmatic departmental services being provided. As more efforts to support meeting the goals of the UHNSP ramp up, additional support to staff and programs is required. For subsequent years, the recommended service level is to increase loan applications in both the Affordable Multi-Family Housing Loan Program and the RHAP Loan Program, to increase the



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production and preservation of affordable housing and to drive deeper income targeting as outlined in the UHNSP. An increase in activity is necessary to meet UHNSP-attainable housing goals.<sup>1</sup>

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Projected
<b>Increase the production and preservation of affordable rental housing.<sup>2</sup></b>					
Number of Affordable Multi-Family Housing Loan applications approved	1	1	1	2	2
Number of RHAP Loan applications approved	n/a	n/a	0	1	1
Number of Affordable Multi-Family Housing Loan Program units approved	90	52	130	120	120
Number of RHAP Loan Program units approved	n/a	n/a	0	100	100
Total value of approved Affordable Multi-Family Housing Loans	\$4,500,000	\$2,535,000	\$6,012,311	\$9,000,000	\$9,000,000
Total value of approved RHAP Loans	n/a	n/a	0	\$5,000,000	\$5,000,000

<sup>1</sup> A listing of the goals can be found on the following website: [Unmet-Housing-Needs-Strategic-Plan-Approved-9821-with-Appendices \(loudoun.gov\)](#).

<sup>2</sup> Data shown as n/a indicates a measure that does not have historical data.



## DHCD: Policy and Internal Operations

### Internal Operations

**What We Do:** Internal Operations includes finance, accounting and budgeting, human resources management, customer service, record storage, and management information systems support and reporting for DHCD.

Staff responsibilities related to finance, accounting, and budgeting include the management of all funding received by DHCD from federal, state, and local government sources, grants, and other contributions; overseeing all DHCD operations and reconciling all housing loan payments; performing reviews of community organizations that are awarded CDBG program funds; providing support for the DHCD housing loan programs and monitoring and tracking HCV Program funding; providing procurement, accounts payable, Purchasing Card (PCard), and general ledger accounting support services for DHCD; providing County fiscal year-end close activities for revenue and expenses; completing required monthly HUD reporting and the federal submission of the Real Estate Assessment Center (REAC); reconciling and tracking Housing Fund activity which includes the County of Loudoun Housing Trust; and finally, ensuring compliance with County check-handling policies and procedures and timely payment of expenses. The team also oversees the use of the Loudoun County Affordable Housing Trust, which funds the Affordable Multi-Family Housing Loan Program. Additionally, Housing Trust funds have been used to support several County housing programs to include the DPCC Program, the PEG Program, and purchasing ADUs at danger of being sold at market and lost to the program.

This team is also responsible for record storage and management information systems support and reporting, including ensuring the accountability of desktops, laptops, and other equipment; providing support for all software programs and applications used by DHCD; supporting the housing management information system which is a comprehensive, department-wide information and financial system that supports HCV Program vouchers and related rent payments to landlords; collecting and providing data for managing the information system to streamline service delivery and increase efficiency; and finally, providing all reporting, training, and technical support for this system.

Customer service staff manages all incoming calls as well as the reception function for clients and residents with inquiries regarding any DHCD program.

The human resources liaison interfaces with the County's Department of Human Resources (DHR) and is the central point of contact for DHCD on all human resources activities to include employee relations, recruitment, payroll activities, and development of administration policies. Staff also coordinates DHCD training.

**Mandate Information:** This activity supports mandated functions of DHCD.

**Who Does It:** County staff performs this activity, and is primarily funded through local tax dollars. The HCV accountant position is funded by federal HCV funds.

**Why We Do It:** This activity supports DHCD's ability to connect individuals and families to housing programs, and ensures the effective functioning of DHCD through efficient and productive program operations. Staff provides various levels of support to the public; clients; DHCD staff; granting agencies at the federal, state, and local levels; and County Administration for both mandated and non-mandated programs. DHCD's budget exceeds \$18 million and is highly complex. Staff supports and maintains various federal, state, and local financial and budgeting systems. Processes and procedures are in place to ensure that dollars are spent appropriately and have varying levels of oversight. All personnel issues are managed through one central point, which establishes consistency, efficiency, accuracy, and compliance. DHCD ensures that all records support audit compliance.

**How We Do It Now – Current Service Level:** Current service level reflects support to an operating budget in excess of \$18 million. Additionally, staff supports the Housing Fund. Current service level supports 33.00 FTE.

**How We Plan to Do It in the Future – Recommended Service Level:** The service level demand runs parallel to the programmatic DHCD services being provided; as the County adds housing programs, the workload in Internal Operations increases.



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	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Projected
<b>Support the budget, finance, and human resources needs of the Department.</b>					
Adopted Expenditure Budget (General Fund)	\$2,154,195	\$2,387,906	\$3,224,335	\$4,709,103	\$4,980,983
Adopted Expenditure Budget (Other Funds)	\$10,991,487	\$11,102,253	\$11,132,253	\$13,435,080	\$13,435,080
Authorized Staffing	27.00	31.00	33.00	35.00	35.00
Turnover Rate <sup>1</sup>	n/a	5.0%	12.5%	8.6%	5.0%

<sup>1</sup> Data shown as n/a indicates a measure that does not have historical data.