



Local Affordable Housing Production and Preservation Programs Across the Washington Metropolitan Region

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The Council requested this report to better understand affordable housing production and preservation efforts across the Washington metropolitan region. The report summarizes programs and policies in Montgomery County and other member jurisdictions of the Metropolitan Washington Council of Governments (MWCOCG). This report focuses on policies and programs that produce or preserve affordable housing for households with incomes at or below 80% of the Area Median Income.

Overall, OLO finds that Montgomery County offers a wide and complex array of programs aimed at producing and preserving affordable housing and serves as a model for some neighboring jurisdictions. OLO offers three recommended discussion issues for the Council on affordable housing targets, housing production and preservation data reporting, and community engagement.

The Federal Context for Local Affordable Housing Programs

Local approaches to producing and preserving affordable housing operate within structures and guidelines established by the federal government, particularly the U.S. Department of Housing and Urban Development (HUD). HUD uses U.S. Census Bureau data on Area Median Incomes (AMI) to define income limits for its housing programs. Furthermore, federal housing programs use a standard of 30% of household income to define what beneficiary households can afford to pay.

FY26 HUD Income Limits for the Washington-Arlington-Alexandria Metropolitan Area

Income Category Size	Family	1	2	3	4	5
Extremely Low Income – 30% AMI		\$34,900	\$39,900	\$44,900	\$49,850	\$53,850
Very Low Income – 50% AMI		\$58,150	\$66,450	\$74,750	\$83,050	\$89,700
Low Income – 80% AMI		\$74,800	\$85,450	\$96,150	\$106,800	\$115,350

Source: [FY 2026 Income Limits Documentation System](#), U.S. Department of Housing and Urban Development.

In recent decades, the federal government has reduced federal support for affordable housing construction. The Congressional Research Service describes the following three consequences:

1. State and local governments have an increased role in providing affordable housing and establishing funding priorities;
2. Affordable units developed through HUD programs in the 1960s and 1970s have expiring affordability contracts and mounting capital repair needs; and
3. Local governments and affordable housing developers must combine multiple sources of financing and ongoing rental assistance to serve households with the lowest incomes.

Regional Housing Data and Reporting

The Council requested that OLO compile data from regional jurisdictions on the amount of affordable housing produced or maintained in each jurisdiction and the types of programs used to produce the housing. The best available data on affordable housing production and preservation is from Housing&’s

Housing Indicator Tool (HIT). The tool shows that from 2021 to 2024, Montgomery County reported building 1,614 housing units that were affordable to those earning 80% or less than the AMI. This number is more than Fairfax and Prince George’s Counties but significantly fewer than the District of Columbia.

Seven MWCOG jurisdictions have officially established affordable housing targets with varying timelines and scopes. Some of these jurisdictions have developed dashboards showing progress towards these goals. The Council has not yet adopted affordable housing targets. DHCA and HOC focus their public dissemination of information on reporting periodic updates on the status of their housing pipelines. Staff from DHCA and HOC cautioned that targets alone do not result in financial and staffing resources needed to meet the targets. Housing staff from other MWCOG jurisdictions described to OLO how adopting housing targets helped build support and focus for their affordable housing efforts.

Quantitative Affordable Housing Targets Adopted by MWCOG Jurisdictions

Jurisdiction	Affordable Housing Targets
Prince George's County	<ul style="list-style-type: none"> Of a total of 26,000 housing units produced, 75% (19,500 units) will be affordable at or below 120% AMI by 2030. Preserve 6,000 affordable units by 2030.
District of Columbia	<ul style="list-style-type: none"> By 2030, 20,000 new dedicated affordable units will be produced. By 2050, an additional 24,230 dedicated affordable units will be produced. Each planning area should have 15% affordable units by 2050. Of the new affordable units, 30% should be affordable at 60% to 80% AMI, 30% should be affordable at 30% to 60% AMI, and 40% should be affordable at or below 30% AMI.
Fairfax County	<ul style="list-style-type: none"> Produce 10,000 units affordable at 60% of AMI or below by 2034. Achieve no net loss of existing affordable housing.
Arlington County	<ul style="list-style-type: none"> 17.7% of housing units will be affordable at or below 60% AMI by 2040 2,700 new homeownership units for households between 80-120% AMI by 2040. 425 units for Permanent Supportive Housing by 2040. 10% of affordable units accessible to and occupied by persons with disabilities by 2040.
City of Alexandria	<ul style="list-style-type: none"> Produce 2,250 units affordable to households between 61% to 80% AMI by 2030. Produce 2,000 units for households earning up to 60% AMI by 2025. Replace 1,150 units of publicly-assisted housing on a 1:1 basis as redevelopment occurs.
Loudoun County	<ul style="list-style-type: none"> By 2040, 20% or 8,200 of the projected 40,950 new units should be affordable at 100% AMI or below. 7,800 existing units should be preserved at 100% AMI or below.
City of Falls Church	<ul style="list-style-type: none"> Increase percentage of total housing stock that is committed affordable units (at and below 60% AMI) from 3% to 6% by 2040. Increase percentage of deeply affordable (30-50%) units to 25% of new affordable housing units.

Source: OLO interviews and local government websites and publications. More information on targets can be found in Chapter 3 and in the MWCOG jurisdictional profiles in the appendix of this report.

Centering Racial Equity in Affordable Housing Policies and Programs

Numerous racial inequities created and supported by government practices drive current racial disparities in wealth, income, and housing. Nationally and in Montgomery County, renters are disproportionately Black or Latinx, while homeowners are disproportionately White. Black and Latinx households are more likely than White and Asian households to experience a housing cost burden, meaning they spend more than 30 percent of their household income on mortgage or rent.

Community stakeholders indicated opportunities for the County to be more proactive in working collaboratively with youth, low-income renters and community members with lived experience in the design and implementation of affordable housing programs. Prior OLO reports have noted that adopting equitable community engagement practices that center the needs and priorities of BIPOC and community members with low incomes can assist County departments in developing policies and programs that address racial disparities and advance racial equity.

Regional Approaches for Production and Preservation of Affordable Housing

Jurisdictions in the Washington metropolitan area use a variety of approaches to produce and preserve affordable housing, summarized in the following table.

Local Affordable Housing Production and Preservation Approaches in MWCOG Jurisdictions

Approach	Description
Dedicated Local Funds for Affordable Housing	Developer fees or real estate transfer taxes, and annual discretionary allocations from jurisdiction general funds.
Loans for Affordable Housing Development	Loans that make up the difference between the project’s development costs and the amount of financing it can raise through other sources, also known as gap financing.
Rental Assistance	Rental assistance that is tied to specific properties or to specific renters and tax relief for renters with lower incomes.
Homeownership Assistance	Downpayment and closing cost assistance, home repair and renovation assistance, and tax relief for homeowners with lower incomes.
Tax or Fee Exemptions for Affordable Housing Development	Reduction or elimination of tax liability, such as property tax liability, or waiving impact fees or permitting fees for qualifying affordable housing projects.
Affordable Housing Development Requirements and Incentives	Requirements that developers set aside 10% to 30% of housing units to sell or rent at reduced cost to households with lower incomes.
Other Regulatory Tools	Includes affordable housing requirements for public land, rent stabilization policies, and laws that give designated entities the right to purchase residential properties that are being sold so they can preserve their affordability (Right of First Refusal).

Source: OLO interviews. More information can be found in the MWCOG jurisdictional profiles in the appendix of this report.

Feedback on Production and Preservation of Affordable Housing

Housing staff from MWCOG jurisdictions identified a number of successes and challenges in their affordable housing production and preservation efforts. Many highlighted that their elected officials have increased the funding allocated for affordable housing in recent years. Yet the greatest and most frequent challenge is the need for more funding to meet growing affordable housing demands. The following table summarizes other successes and challenges reported by interviewees.

Successes	Challenges
Adopted affordable housing targets build focus and accountability—even if imperfect.	There is a desire for expanded assistance for homeownership, but resources are limited.
Combining policy tools and financing delivers larger affordable unit counts per project.	Growing regional area median income and macroeconomic factors increase the development and rental costs of subsidized units.
Right of First Refusal laws help preserve properties at risk of losing affordability.	Need to establish policies and processes that leverage public land for affordable housing.
Strong partnerships among developers, government departments, and increased engagement from previously underrepresented community groups.	Ineffective program elements (e.g., in-lieu fees that are too low and reduce units built on site) and misaligned processes that result in delays.

Montgomery County. In interviews with OLO, housing staff from other jurisdictions reported looking to Montgomery County as a model for their affordable housing efforts. The County offers a range of financing options for developers, and a suite of programs that serve renter and homeowner households. However, OLO also heard feedback from County staff and community stakeholders that the complexity of the County’s affordable housing programs can serve as a barrier to both residents and developers that must navigate multiple programs with different eligibility requirements. County staff shared that having multiple loan programs presents challenges for financial management and transparency.

Community stakeholders reported when they identified challenges in the implementation of rental assistance and homeownership programs, County staff worked with them to address these issues. Stakeholders encourage the County to engage proactively on design and implementation of programs.

OLO offers the following recommended discussion issues for Council consideration:

1. What are the benefits and limits of affordable housing targets and what is the extent to which adopting targets should be a priority for the Council?
2. How could data on affordable housing in the County be made more publicly accessible and transparent through interagency data sharing and collaboration?
3. What opportunities exist for adopting equitable community engagement practices and deepening collaboration with the Cities of Rockville and Gaithersburg around affordable housing finance, program design, and policy implementation?

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Introduction

The County Council requested this Office of Legislative Oversight (OLO) report to obtain information on local approaches to affordable housing production and preservation efforts across the Washington metropolitan region. Affordable housing can include:

- Financial assistance that helps people to afford to rent or buy their home;
- Housing units subject to an agreement with a government or private entity to remain affordable at a specified level for a specified period of time; or
- Housing for which the market price or market rent is considered affordable for households with lower incomes, often referred to as Naturally Occurring Affordable Housing (NOAH).

OLO conducted interviews with housing agency staff from 15 jurisdictions in the Washington metropolitan region, including Montgomery County. Each of these jurisdictions reported employing a variety of approaches for producing and preserving affordable housing. These approaches include dedicated funds for affordable housing, loan programs for affordable housing development, rental assistance, homeownership assistance, tax or fee exemptions for affordable housing development, affordable housing development requirements and incentives, and other regulatory tools. This report primarily examines programs that are locally funded, rather than programs which rely on federal dollars such as Housing Choice Vouchers, Public Housing, CDBG, and HOME (see Chapter 1 for details).

Project Scope and Report Structure. This report contains the following chapters:

- **Chapter 1, Federal Framework for Affordable Housing Programs** describes how the federal government defines affordable housing and offers context on federally funded housing assistance programs, including the Low-Income Housing Tax Credit (LIHTC) program.
- **Chapter 2, Regional Housing Data and Reporting** defines affordable housing production and housing preservation, describes existing data on affordable housing production, and reviews public reporting and data dashboards for Montgomery, Fairfax, and Prince George's counties.
- **Chapter 3, Approaches for Production and Preservation of Affordable Housing in the Washington Metropolitan Region**, summarizes the specific affordable housing approaches used by jurisdictions in the Washington metropolitan region.
- **Chapter 4, Montgomery County Approaches to Producing and Preserving Dedicated Affordable Housing**, describes Montgomery County-funded policies and programs that advance affordable housing production and preservation.
- **Chapter 5, OLO Findings and Discussion Issues**, presents OLO's findings and three recommended discussion issues for the Council.
- **Chapter 6, Agency Comments** from the Office of the County Executive.

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Methodology. OLO staff members Natalia Carrizosa and Will Yetvin conducted this study with assistance from OLO staff members Kristen Latham and Karen Pecoraro. To prepare this report, OLO gathered information through document review, literature review, and interviews with staff in County departments and agencies and staff from housing agencies in other Washington metropolitan regional jurisdictions.

Applying a Racial Equity and Social Justice Lens to OLO Report 2026-8. In 2019, the County Council established the Racial Equity and Social Justice Act.¹ This law directs County departments and offices to apply a racial equity and social justice (RESJ) lens to their work. RESJ is a process that focuses on centering the needs, leadership, and power of Black, Indigenous, and People of Color (BIPOC). RESJ is also a goal of eliminating racial and social inequities. To apply a RESJ lens, OLO pays attention to race, ethnicity, and other social constructs when analyzing problems, looking for solutions, and defining success. We recognize this is necessary to fulfill our mission and advance RESJ in Montgomery County. In this report, OLO applies a RESJ lens in the following ways:

- Conducting interviews with community stakeholders that serve people with lived experiences seeking to access affordable housing;
- Highlighting information and data on racial inequities in affordable housing programs and racial disparities in housing in Montgomery County; and
- Recommending the Council discuss opportunities for adopting equitable community engagement practices to inform the design and implementation of County affordable housing programs and policies that advance RESJ.

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¹ Montgomery County Office of Legislative Oversight, [Racial Equity and Social Justice Impact Tools](#).

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Chapter 1. Federal Framework for Affordable Housing Programs

The Montgomery County Council requested this report to obtain information on local approaches to affordable housing production and preservation efforts across the Washington metropolitan region. Local and state approaches to producing and preserving affordable housing operate within structures and guidelines established by the federal government, particularly the U.S. Department of Housing and Urban Development (HUD). HUD policies and guidelines define what it means for housing to be affordable and provide a framework for household income eligibility rules for housing assistance.

In recent decades, the role of states and localities in affordable housing has increased due to:

- Reduced federal support for construction and other capital-based subsidies;
- Lack of new federal funding for rental assistance;
- Increased demand for rental housing; and
- Increased multifamily construction costs.

This chapter describes major elements of HUD policies and guidelines that undergird local affordable housing programs as well as major federal affordable housing programs. It is organized as follows:

- **Section A** describes how the federal government defines affordable housing;
- **Section B** describes major federal housing assistance programs; and
- **Section C** summarizes recent national trends impacting local affordable housing programs.

A. Definition of Affordable Housing

The term “affordable housing” is generally understood to mean housing:

- For which the household pays no more than 30% of their income; and
- That is typically targeted for households with lower incomes.

The scope of this report is on affordable housing that serves households with incomes at or below 80% of the Area Median Income (AMI), which is consistent with HUD’s definition of low-income households.² Pages 8 and 9 below describes AMI in more detail. Affordable housing can include the following categories:

- Financial assistance that helps people to afford to rent or buy their home;
- Housing units subject to an agreement with a government or private entity to remain affordable at a specified level for a specified period of time; or

² Low- and very low-income limits are defined in Section 3(b)(2) of the Housing Act of 1937 and are determined annually by HUD. These limits are typically established at 80 percent and 50 percent of the area median individual income. Source: HUD Exchange, [How are low-income and very low-income determined?](#) July 2021.

- Housing for which the market price or market rent is considered affordable for households with lower incomes, often referred to as Naturally Occurring Affordable Housing (NOAH).

The following graphic created by a Senior Advisor to the Mayor of Detroit illustrates the distinction between “Affordable Housing” (uppercase A) and “affordable housing” (lowercase a). Affordable Housing is below-market, government-supported housing while affordable housing is more of a relative term based on lived experience—often defined by whether someone is spending more than 30 percent of their income on housing.³

What is affordable housing?

A vs *a*

Affordable Housing vs *affordable housing*

Affordable Housing

Below-market, government subsidized housing.

DEMAND-SIDE

- Acquire, pay for, or maintain housing
- Closes gap between ability to pay and market rate

THE SUBSIDY GAP

income	subsidy
30% income	market rate

SUPPLY-SIDE

- 🇺🇸 Reduce construction costs
- % Tax incentives & credits
- ↓ Low-interest loans
- 🏠 Density bonuses

affordable housing

Arbitrary — anything can be "affordable" to someone.

You're **rent-burdened** if you spend 30%+ of income on housing.

RENT BURDEN THRESHOLD

>30% of income spent on housing	your total income
30% line	

³ Esmat Ishag-Osman, Ph.D., [LinkedIn post from April 2026](#).

This report focuses on “uppercase A” approaches. In other words, local government programs and policies that directly or indirectly produce or preserve affordable housing.

1. The 30% Housing Cost-To-Income Ratio (HCIR)

The 30% Housing Cost-To-Income Ratio is currently the primary metric used to define “lowercase a” affordable housing. In the early twentieth century, “a week’s wages for a month’s rent” was a rule of thumb for determining whether a given household could afford their rent or a mortgage.⁴ In other words, if a household’s housing costs represented 25% or less of their income, that household could be expected to be able to make housing payments. Over the course of the twentieth century, the federal government applied this standard to its housing programs and adjusted it for various purposes, including to measure housing needs and determine housing subsidy amounts for households. The rule also provided for the denial of housing to households who did not have sufficient incomes.⁵

In the 1980s, the federal government increased the percentage of household income it used to determine affordability to 30% in order to reduce the costs of its housing programs. Since then, federal housing programs have used a standard of 30% of household income to calculate housing subsidies and beneficiary contributions to housing costs.

Similarly, the government, researchers and advocates measure housing affordability based on the share of the population that is “housing cost-burdened,” meaning they pay more than 30% of their household income towards their housing costs, which includes utility payments. Additionally, public and private sector lenders and landlords have historically used the 30% rule to predict potential borrowers’ and tenants’ ability to make mortgage payments or afford the rent.⁶

Many experts have highlighted limitations of the use of a single HCIR as a measure of affordability. In particular, researchers have noted that the same HCIR may present a hardship for one household and not for another. For example, a HCIR of 30% may be easily affordable for a household with a high income or net worth, while the same HCIR may present a significant hardship for a household with an extremely low income and no assets. However, the 30% HCIR has remained the primary standard of affordability in research and policy in the United States.⁷

2. Affordability and Household Incomes

HUD sets guidelines on household incomes to determine which households are eligible to live in federally-assisted housing and how much a housing provider can charge in rent for a designated

⁴ D. Pelletiere, [Getting to the Heart of Housing’s Fundamental Question: How Much Can a Family Afford?](#) National Low Income Housing Coalition, February 2008.

⁵ Ibid.

⁶ Federal housing programs vary in how they calculate household income. Ibid.

⁷ Ibid. A [2018 study by the Joint Center for Housing Studies at Harvard University](#) found that compared to the residual income measure, the 30-percent standard tends to overstate housing affordability challenges for high-cost markets and for higher-income and smaller households but yields similar results regarding overall levels of affordability.

affordable unit. State and local affordable housing programs typically adopt rent and income guidelines based on HUD’s guidelines, but not all federal or local housing programs use HUD’s guidelines.

Specifically, HUD uses data from the U.S. Census Bureau’s American Community Survey (ACS) to calculate the median family income (MFI)—meaning the family income level that falls in the middle of the income distribution—for metropolitan areas or counties in the United States. HUD then uses a multi-step process to determine income levels that they term “low-income,” “very low income,” and “extremely low-income,” for each area. These levels are based on percentages AMI with additional adjustments.⁸

For FY25, the AMI for the Washington-Arlington-Alexandria Metropolitan Area, which includes Montgomery County, was \$166,100. HUD uses the AMI to calculate income limits that vary based on family size, as shown in the following table. Note, the terms “median family income” (MFI) and “area median income” (AMI) are used interchangeably in the housing industry, with AMI being more commonly used outside of HUD. This report uses the term AMI.

Table 1. FY26 HUD Income Limits for the Washington-Arlington-Alexandria Metropolitan Area

Income Category/Family Size	1	2	3	4	5
Extremely Low Income – 30% AMI	\$34,900	\$39,900	\$44,900	\$49,850	\$53,850
Very Low Income – 50% AMI	\$58,150	\$66,450	\$74,750	\$83,050	\$89,700
Low Income – 80% AMI	\$74,800	\$85,450	\$96,150	\$106,800	\$115,350

Source: [FY 2026 Income Limits Documentation System](#), U.S. Department of Housing and Urban Development.

3. Racial Inequities in Affordable Housing

In the United States, renter householders are disproportionately Black or African American and Hispanic or Latino, while owner householders are disproportionately White. Black or African American and Hispanic or Latino renter households are disproportionately cost burdened, meaning they are more likely than White households to pay more than 30% of their incomes in rent. Numerous racial inequities created and supported by government drive current racial disparities in wealth, income and housing. Examples include:

- President Andrew Johnson’s 1865 decision to rescind his promise to grant 40 acres of land to each formerly enslaved Black person who fought in the Civil War;⁹
- Seizures of Black-owned land by White landowners who took advantage of racially discriminatory legal systems in the post-Civil War era;¹⁰

⁸ D. Teles, Y. Su, & A. D. Oneto, [Calculating AMI: How Calculation of Area Median Income Affects Housing Policy](#). Urban Institute, September 2023.

⁹ Gamblin, Marlysa, [Racial Wealth Gap Learning Simulation Policy Packet](#), Bread for the World Institute, pages 8-9.

¹⁰ Ibid, pages 9-11.

- Discriminatory underwriting guidelines created by the Federal Housing Authority that resulted in 98% of federally insured home loans between 1934 and 1962 going to White households;¹¹ and
- Persistent inequities in lending, education, and labor markets in present day that disadvantage Black, Indigenous and People of Color.¹²

Subsidized housing specifically has a long history of racial inequities:

Throughout the 1930s, 1940s, and 1950s, Black, Chicana, and American Indian activists empirically demonstrated that federal subsidized housing programs were racially separate and unequal. These scholar activists pointed out how all federally subsidized housing programs were cloaked in anti-Black and anti-Indigenous bias, leading to the disproportionate demolition and displacement of Black and Indigenous communities and the repurposing of this land for housing White residents.¹³

Racial inequities in subsidized housing persist today. For example, recent research finds that:

[L]ow-income renter subsidies are effective and beneficial but disproportionately grant White residents access to cheaper and higher quality units. Moreover, subsidized renters remain racially segregated across program type and neighborhoods.¹⁴

OLO Report 2024-11: Racial Equity and Social Justice Policy Handbook: Land Use, Housing, and Economic Development offers a comprehensive review of historic and contemporary racial and social inequities in land use and housing that have advantaged many White households at the expense of BIPOC households.¹⁵

B. Federal Housing Assistance Programs

The Congressional Research Service describes three categories of federal housing assistance:¹⁶

1. *Rental housing assistance* is the largest category and includes programs that help low-income households afford to pay rent through housing vouchers, rental assistance, and public housing;
2. *Assistance to state and local governments* provides federal resources to local entities for housing and community development; and

¹¹ Ibid, pages 13-14.

¹² Ibid., pages 20-24 and 30-32.

¹³ J. Howell, E. Whitehead, & E. Korver-Glenn, Still Separate and Unequal: Persistent Racial Segregation and Inequality in Subsidized Housing, *Socius: Sociological Research for a Dynamic World*, Volume 9: 1–16, 2023, page 2.

¹⁴ Ibid, page 1.

¹⁵ E. Bonner-Tompkins, J. Peña, & E. Tesfaye, OLO Report 2024-11: Racial Equity and Social Justice Policy Handbook: Land Use, Housing, and Economic Development, Office of Legislative Oversight, June 18, 2024.

¹⁶ K. Jones, M. McCarty, & L. Perl, Overview of Federal Housing Assistance Programs and Policy, Congressional Research Service, March 2019.

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3. *Housing finance and federal mortgage programs* include programs to encourage homeownership by expanding access to mortgages and programs to support multifamily affordable housing development.

HUD disburses funding for and sets policies and guidelines for most housing assistance programs.¹⁷ Many of these programs are administered at the state or local levels via:

- **Public Housing Authorities (PHAs):** local or state government agencies that administer HUD housing assistance programs; and
- **Housing Finance Agencies (HFAs):** agencies created by states or localities for the purpose of financing land acquisition, construction or rehabilitation for housing and related facilities.¹⁸

1. Rental Housing Assistance

Federal rental housing assistance includes (1) vouchers that households can use to rent housing in the private market; (2) vouchers that are tied to specific housing units or properties; and (3) funding for local public housing authorities to own and operate public housing. The table below summarizes existing federal rental assistance programs.

Table 2. Federal Rental Assistance Programs

Program	Description
Tenant-Based Housing Choice Vouchers	Tenants can use vouchers to rent any privately owned home that complies with program guidelines.
Project-Based Vouchers	Vouchers attached to specific housing units, which can be privately or publicly owned. The landlord must enter into a 20-year renewable contract in which they agree to rent the unit to households with lower incomes in exchange for voucher payments from the government.
Project-Based Rental Assistance	Agreements property owners make with HUD to serve tenants with very low incomes and extremely low incomes in exchange for funding.
Public Housing	Federally funded housing produced and owned by local PHAs.
Smaller Rental Assistance Programs¹⁹	<ul style="list-style-type: none"> • Supportive Housing for the Elderly (Section 202) • Supportive Housing for Persons with Disabilities (Section 811) • Interest Reduction Payments (Section 236) • Department of Agriculture Rural Rental Housing Programs (Sections 515 and 521)

Source: [Overview of Federal Housing Assistance Programs and Policy | Congress.gov | Library of Congress](#)

¹⁷ K. Jones, M. McCarty, & L. Perl, [Overview of Federal Housing Assistance Programs and Policy](#), Congressional Research Service, March 2019.

¹⁸ [eCFR :: 24 CFR 266.5 -- Definitions.](#)

¹⁹ See [Overview of Federal Housing Assistance Programs and Policy](#) for details on the programs listed here.

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Note, several policy changes since the 1970s have reduced the federal government’s role in producing and subsidizing rental housing for households with lower incomes. In particular:²⁰

- Congress reduced support for construction and other capital-based subsidies including those provided through the Public Housing Program;
- Starting in the 1970s, federal housing assistance began shifting its focus to providing monthly rental assistance to private property owners who lease units to tenants with low incomes for an income-based rent;
- Since the 1990s, Congress has maintained funding for existing Housing Choice vouchers, but has sharply decreased funding for “incremental vouchers,” which are vouchers that add to the total number of vouchers allocated to PHAs, among other changes that have eroded the program.

2. Assistance to State and Local Governments

During the 1980s and 1990s, reduced support for federal construction subsidies led to an increased focus on the role of state and local governments in addressing housing needs in their communities. Funding for affordable housing was shifted from federal agencies to state and local government. The table below summarizes programs that provide federal funding to state and local governments for housing assistance, including programs aimed at producing and preserving affordable housing.

Table 3. Federal Housing Assistance for State and Local Governments

Program	Description
Low-Income Housing Tax Credit (LIHTC)	Federally funded tax credit for residential property owners or developers that agree to meet both an income test for tenants and a gross rent test for at least 15 years, often followed by another 15-year compliance period. Since its inception in 1986, the LIHTC program has grown to be the most widely used financing program to construct affordable housing in the United States. ²¹

²⁰ See [Overview of Federal Housing Assistance Programs and Policy](#) and B. Sard, [The Evolution of Funding Policy in the Housing Choice Voucher Program](#), *Cityscape*, 2024.

²¹ The New York Times in 2012 estimated LIHTC money had built about 90 percent of affordable housing in the U.S. Estimates in the 85 to 90 percent range are common. Miriam Axel-Lute, [The Only Tool in the Box: What It Means That LIHTC Dominates Affordable Housing](#), Shelterforce, December 8, 2023.

Program	Description
Housing Bonds Exempt from Federal Taxes	The federal government permits state and local governments to issue tax-exempt Private Activity Bonds (PABs) and sell them to investors to raise funds for certain purposes, including housing. The government can then loan those funds to home buyers and developers. PABs are exempt from federal taxes (and sometimes state taxes), reducing investors' tax liability. As a result, PABs can offer a lower rate of return to investors and a lower interest rate to borrowers. The federal government sets caps on PABs for housing, otherwise known as "Housing Bonds." ²²
Community Development Block Grants (CDBG)	Block grants allocated to states and certain "entitlement" communities that can be used for property acquisition, development or rehabilitation (including housing, public works and beautification), demolition of blighted properties, and services including housing counseling, childcare, education and recreation.
HOME Investment Partnerships Block Grants	Grants allocated to localities to increase the supply of affordable housing by rehabilitating owner-occupied housing, constructing or rehabilitating rental housing, and providing homebuyer and rental assistance.
Housing Trust Fund (HTF)	Grants for development of rental housing for households with the lowest incomes.
Homeless Assistance Grants 1. Emergency Solutions Grants (ESG) 2. Continuum of Care (CoC) 3. Rural Housing Stability (RHS)	Three HUD programs that states and localities may use for emergency shelter, homelessness prevention, and rapid rehousing.
Housing Opportunities for Persons with AIDS (HOPWA)	HUD-administered funding for housing for people with Acquired Immunodeficiency Syndrome (AIDS).
Native American Housing Block Grant (NAHBG) Program	Grants to Indian tribes or their tribally designated housing entities for affordable housing activities.

Source: [Overview of Federal Housing Assistance Programs and Policy | Congress.gov | Library of Congress](#)

3. Housing Finance and Federal Mortgage Programs

The production and preservation of affordable housing rely extensively on access to financing, which typically refers to loans from financial institutions or equity financing from investors. In housing, *mortgages* are the most common type of loan – defined by the Congressional Research Service (CRS) as

²² National Council of State Housing Agencies, [Tax-Exempt Housing Bonds Frequently Asked Questions](#), March 2026.

a “loan secured by the underlying real estate collateral being financed by the loan.” The CRS further describes loans for different types of property:

Single-family mortgages are loans secured by a residential dwelling having at least one and no more than four separate units. A single-family mortgage borrower is typically the homeowner using the loan to purchase the residence. *Multifamily mortgages* are loans secured by a residential dwelling, such as an apartment building, with at least five or more separate units. Multifamily real estate frequently refers to properties used as residential dwellings, including traditional apartment buildings, subsidized housing, housing for seniors (age-restricted, independent and assisted living), and housing for students (dormitories). Developers that want to purchase, construct, or rehabilitate these structures are likely to seek multifamily mortgages from financial institutions.²³

This section describes federal programs that provide or support single-family and multi-family mortgages. These programs aim to increase access to homeownership and support production and preservation of multifamily housing, including housing that is affordable to households with lower incomes. The remainder of this section is organized by primary mortgage market programs and secondary mortgage market programs:

- The *primary market* refers to mortgage loans that financial institutions provide to parties—such as homebuyers or developers—for the purpose of purchasing property.
- The *secondary market* refers to the market where lenders can sell the mortgages they hold to other entities and then use the proceeds to originate new loans. Oftentimes, the new mortgage holder pools the mortgages they buy into assets called Mortgage Backed Securities (MBSs) that can be divided and sold into pieces to different investors.²⁴ The secondary market plays a critical role in the primary market by providing liquidity (ability to access cash) for financial institutions to issue more mortgages.

Primary Mortgage Market Programs. In the primary mortgage market, the federal government’s main approach to increasing access to homeownership and incentivizing affordable multifamily housing development is by offering loan guarantees. Loan guarantees insure private lenders against losses on riskier mortgages such as those for:

- Households that cannot afford a large downpayment or have little credit history; or
- Properties that serve households with lower incomes.

The table below summarizes these programs. The Federal Housing Administration (FHA), a HUD agency, administers the Mutual Mortgage Insurance Fund (MMIF), which is the largest of the federal government’s primary market mortgage programs.

²³ D. E. Getter, [Multifamily Housing Finance and Selected Policy Issues](#), Congressional Research Service, March 2023.

²⁴ [An Overview of the Housing Finance System in the United States | Congress.gov | Library of Congress](#)

Table 4. Federal Primary Market Mortgage Programs

Program	Description
FHA Mutual Mortgage Insurance Fund (MMIF)	Self-supporting fund that offers insurance or “loan guarantees” for underserved single-family mortgage borrowers. FHA pays for the cost of the loan guarantees from the money it earns on FHA loans, particularly from premiums paid by borrowers. ²⁵
FHA General Insurance/Special Risk Insurance Fund (GI/SRI Fund)	Provides insurance for mortgages on multifamily buildings, hospitals and nursing homes.
Department of Veterans Affairs Loan Guarantees	Insures mortgages made by private lenders for home purchase, construction, or refinancing by veterans or reservists who completed at least six years of service and spouses of certain deceased veterans.
Department of Agriculture Rural Homeownership Programs	Makes direct loans and guarantee private loans for very low- to moderate-income rural residents to purchase or repair single-family homes. The program also offer grants for home repair.
Federal Home Loan Banks (FHLBs)	Eleven independent regional wholesale banks. The law requires each FHLB to allocate at least 10% of its net income to an Affordable Housing Program (AHP), which provides grants to low- and moderate-income households for down payment, closing cost assistance or other costs. Each of the banks also offers a Community Investment Program that provides advances for member financial institutions for discounted interest rates for owner-occupied or rental housing for households at or below 115% of AMI.
Capital Magnet Fund	Competitive grant funds for Community Development Financial Institutions (CDFIs) that can be used to support homeownership or development of rental housing for households with low-incomes.

Source: [Overview of Federal Housing Assistance Programs and Policy | Congress.gov | Library of Congress](#)

Secondary Mortgage Market Programs. The federal government also supports single-family and multifamily mortgages in the secondary market. Specifically, two government-sponsored enterprises (GSEs), commonly known as Fannie Mae and Freddie Mac, purchase mortgages that conform to established criteria and either hold them or pool them into mortgage-backed securities (MBS) that they sell to investors.

²⁵ K. Jones, [FHA Single-Family Mortgage Insurance: Financial Status of the Mutual Mortgage Insurance Fund \(MMI Fund\)](#), Congressional Research Service, May 2022.

Fannie Mae and Freddie Mac also provide guarantees for their MBS funded by fees paid by investors.²⁶ In providing the guarantee, Fannie Mae and Freddie Mac assume the risks of borrowers becoming delinquent on their mortgages, resulting in an increased demand from investors for MBS, which in turn helps lenders in the primary market to issue more mortgages to borrowers. In addition, a HUD agency referred to as Ginnie Mae provides guarantees of mortgage-backed securities comprised of FHA-insured mortgages and other federal government-insured mortgages.²⁷

C. Impacts of the Decreased Role of the Federal Government in the Production of Affordable Housing

As noted above, reduced federal support for affordable housing construction since the 1970s has led to an increased focus on the role of state and local governments in addressing housing needs in their communities. In a 2019 report, the Congressional Research Service (CRS) explained:

Between 1976 and 1982, the federal housing programs produced more than 1 million units of subsidized housing. In the following years, however, annual production was around 25,000 new subsidized units. Around the time that federal housing production was declining, Congress created two programs—the Treasury Department’s Low Income Housing Tax Credit (LIHTC) program and HUD’s HOME Investment Partnerships program—that gave a good deal of control over decisions regarding housing policy and development to state and local governments.²⁸

CRS identified the following three consequences of the reductions in federal funding and size of federal grants for affordable housing production:

1. State and local governments have an increased role in providing affordable housing and establishing funding priorities;
2. Public Housing Authorities and nonprofit developers face pressure to maintain affordable units developed through HUD programs in the 1960s and 1970s, which have expiring affordability contracts and mounting capital repair needs; and
3. Local governments and affordable housing developers must combine multiple sources of financing and use additional ongoing rent subsidies (e.g. the federal rental assistance programs described on page 11) to serve households with the lowest incomes.

A 2023 CRS report further notes that recent shifts in multifamily rental markets exacerbate the challenges associated with the decreased role of the federal government in housing. First, demand for rental housing increased significantly in the aftermath of the Great Recession, with an unprecedented

²⁶ A guarantee fee (g-fee) is a, usually ongoing, fee charged by lenders—often passed on to borrowers—to insure loans against default, frequently utilized by government-backed programs like Fannie Mae, Freddie Mac, or the USDA. It covers projected credit losses, administrative costs, and risk for institutions guaranteeing timely payment of principal and interest on mortgage-backed securities

²⁷ [An Overview of the Housing Finance System in the United States | Congress.gov | Library of Congress](#)

²⁸ Congressional Research Service, [Overview of Federal Housing Assistance Programs and Policy](#), March 27, 2019.

10 million households becoming renters between 2004 and 2016. This growth in the population of renters led to decreases in rental vacancies and overall rent increases. Rent increases have since extended to older and less desirable properties. Furthermore, multifamily development costs have increased at a faster pace than incomes of households with low and moderate incomes. In some cases, these factors have incentivized developers to convert older rental properties to condominiums, further eroding the supply of rental housing for households with lower incomes.²⁹

The Role of Local Government. The scale of need in the housing market underscores the critical role of state and local action to preserve and produce affordable housing. As of 2024, the United States had roughly 48 million rental housing units,³⁰ while about 5 million of these households receive federal support through HUD programs.³¹ This means that approximately 10 percent of all rental units benefit from federal subsidies, leaving the vast majority of renters exposed to market forces that have pushed rents upward faster than prices for non-shelter goods and services in recent years. With such a small share of rental housing covered by federal assistance, state and local governments shoulder much of the responsibility for addressing affordability pressures.³²

While state and federal agencies continue to be the largest funding sources for affordable housing, local governments are responsible for coordinating federal, state, nonprofit, and private resources towards the housing community members need. Local governments hold the most direct levers for shaping housing production and preservation outcomes through policy tools such as land use regulation, code enforcement, property taxes and fees, locally administered subsidies, rent stabilization, and tenant protections.³³ Chapters 3 and 4 of this report detail the approaches jurisdictions are using across the Washington metropolitan region to shape housing production and preservation outcomes.

²⁹ [Multifamily Housing Finance and Selected Policy Issues | Congress.gov | Library of Congress](#)

³⁰ Congressional Research Service, [Rental Housing](#), May 22, 2025.

³¹ Urban Institute, [HUD Supports Affordable Housing Nationwide. Layoffs and Budget Cuts Will Undermine That Mission.](#) February 21, 2025.

³² Congressional Research Service, [Rental Housing](#), May 22, 2025.

³³ Claudia Aiken, [Local Housing Policy: Why It Matters](#), Housing Solutions Lab at the NYU Furman Center, June 2023.

Chapter 2. Regional Housing Data and Reporting

Across the country, jurisdictions are trying to address rising housing costs and a shortage of affordable housing. One key piece of addressing this issue is the collection and evaluation of data. Local jurisdictions must collect information to track housing costs, identify housing needs by population, and evaluate outcomes in order to guide future policy decisions.

This chapter examines how jurisdictions in the Metropolitan Washington Council of Governments (MWCOC) define, measure, and publicly report progress toward affordable housing production and preservation goals. It is organized as follows:

- **Section A** describes production and preservation frameworks used by MWCOC jurisdictions to think about and measure affordable housing progress;
- **Section B** summarizes MWCOC 2030 housing targets and presents data on affordable housing production from Housing&'s Housing Indicator Tool;³⁴
- **Section C** identifies best practices for building local data capacity and public reporting on affordable housing; and
- **Section D** highlights the data and metrics collected by local jurisdictions, including public facing dashboards and feedback on how to strengthen affordable housing targets and data reporting practices.
- **Section E** includes a brief discussion of the relationship between housing access and racial equity, and reports data on homeownership and cost burden rates in Montgomery County by race and ethnicity.

A. Frameworks for Affordable Housing Production and Preservation

Research has demonstrated the importance of scaling up housing production to address affordability pressures: A) so new developments can immediately provide affordable units required under local inclusionary zoning laws, and B) so market-rate units can (depending on the submarket) filter into naturally occurring affordable housing (NOAH) over a 20 to 60 year horizon.³⁵ Housing experts believe it is critical to fund preservation (e.g., rehabilitation and renewed affordability covenants) and income supports (e.g. rental assistance programs) that preserve existing units, reduce cost burdens, and

³⁴ Housing& is a nonprofit membership association serving as a catalyst for change where housing, health, and economic opportunity converge. Serving over 500 members across 30+ jurisdictions in Greater Washington, Baltimore, and Richmond, Housing& brings together public, private, and nonprofit leaders to accelerate the production and preservation of affordable housing. Through research, advocacy, training, and collaboration, Housing& advances housing solutions that strengthen communities and expand opportunity for all. <https://housingand.org/>

³⁵ L. Liu, D. McManus, & E. Yannopoulos, Geographic and temporal variation in housing filtering rates, Regional Science and Urban Economics, 2022, Volume 93.

prevent evictions or displacement in the short-term.³⁶ A durable local housing strategy to improve regional housing affordability uses an “all of the above” approach that includes a variety of production and preservation strategies described in Chapters 3 and 4.

Jurisdictions in the metropolitan Washington region have distinct frameworks for thinking about and measuring affordable housing production and preservation. This section provides examples of these frameworks, definitions, and how these differences impact measurement of affordable housing data.

Production Frameworks. A production framework for affordable housing can look like a strategic plan or goal adopted by jurisdictions to increase the supply of housing that is affordable to low- or moderate-income households. They typically combine policy, finance, zoning, and development reforms aimed at accomplishing specific housing production goals. OLO has highlighted the following frameworks across MWCOG jurisdictions:

- The Montgomery County Department of Housing and Community Affairs (DHCA) defines its affordable housing production projects as those “constructing new units or expanding the number of units under affordability restrictions above and beyond the inclusionary zoning minimums.”³⁷ This production definition stands out because it measures production in terms of projects that build new affordable units or create more affordable units than expected by exceeding the County’s Moderately Priced Dwelling Unit (MPDU) Program requirements.³⁸
- Frederick County frames production through an emphasis on a comprehensive strategic approach rather than exceeding a regulatory threshold.
- Fairfax and Arlington Counties emphasize the creation of “committed affordable units” through formal restrictions or agreements.
- Washington, D.C. has a definition based on an income threshold of producing new affordable units for households at or below 80% AMI.

Preservation Frameworks. Preservation frameworks are strategies aimed at preventing the loss of existing lower-cost housing units due to rising rents, redevelopment, or deterioration. These strategies use policy, financing, and legal tools to ensure housing remains affordable. The following summarizes the preservation frameworks utilized by some MWCOG jurisdictions:

- Montgomery County’s DHCA defines preservation as “projects that maintain existing affordable housing at risk of losing affordability or being removed from the market.”³⁹ Montgomery

³⁶ A. Damiano, [Supply Skepticism or Supply Realism?](#), Housing Policy Debate, 2025, Volume 35, 124–130.

³⁷ Montgomery County DHCA, [Financing for Affordable Housing Development](#).

³⁸ For more information on Montgomery County’s MPDU program, see Chapter 4.

³⁹ Montgomery County DHCA, [Financing for Affordable Housing Development](#).

Planning’s preservation framework is more expansive than just property-level interventions and includes tenants’ rights and policies such as rent stabilization.⁴⁰

- Frederick County’s framework defines preservation as a “cost-effective strategy to prevent displacement and ensure continued access to housing,” focusing more on resident stability rather than on specific at-risk units.⁴¹
- Fairfax County and Washington, D.C. created a definition that centers on ensuring long-term affordability through the establishment of trackable affordability covenants.
- Arlington County’s definition states preservation is “any reasonable effort to prevent the loss of Market-Rate Affordable Units (MARKs).⁴²

B. Housing Data Across MWCOG Jurisdictions

This section summarizes two complementary efforts to ensure jurisdictional accountability towards meeting the region’s housing needs: MWCOG’s 2030 regional housing targets and the nonprofit Housing&’s Housing Indicator Tool.

1. Metropolitan Washington Council of Governments Regional Housing Targets

In 2019, MWCOG’s Board of Directors adopted the following **housing production** targets to increase the supply of housing units in the capital region:

- Add 320,000 housing units in the region between 2020 and 2030, which includes at least 75,000 additional units beyond those already planned;
- Of the new units, 75% should be in “Activity Centers” or near high-capacity transit; and
- Of the new units, 75% should be affordable to low- and middle-income households, defined in 2019 as households with monthly housing costs of between \$0 and \$2,499.

The MWCOG regional target of 320,000 housing units by 2030 was based on forecasted employment growth in the region. The target ratio was to have one housing unit per 1.54 jobs. As stated in MWCOG’s “The Future of Housing In Greater Washington” report:

The region anticipates its projected 2020 employment of 3.36 million jobs will grow to 3.77 million by 2030—an increase of approximately 413,00 jobs. During this same period, the total

⁴⁰ Montgomery Planning, [Montgomery County Preservation Study Presentation](#), July 2020, page 16.

⁴¹ Frederick County, [Housing Needs Assessment and Affordable Housing Strategic Plan](#), March 2026.

⁴² MARKs units are owned by the private market and tend to have higher monthly rents. Affordability fluctuates with factors impacting housing market conditions, including employment trends, economic stability and basic supply and demand. Rent prices are at 50-60% and 60-80% of Area Median Income.

Source: Arlington County, [What is Affordable?](#)

number of households would grow from the projected 2020 base of approximately 2.13 million units to 2.38 million—an increase of approximately 245,000 housing units.

This situation—a mismatch between the amount of housing and jobs—affects the area’s affordability, potentially undercuts the region’s appeal to new companies and talent and necessitates commuting into the region for work, straining the transportation system.

The Transportation Planning Board (TPB) studied this challenge as part of their long-range planning process. In seeking a better balance between growth in jobs and housing, a TPB task force determined a jobs-to-housing ratio of 1.54 could optimize economic competitiveness and improve future transportation system performance.⁴³

2. Housing&’s Housing Indicator Tool

The Council requested that OLO compile data from regional jurisdictions on the amount of affordable housing produced or maintained in each jurisdiction in the past decade and the types of programs used to produce the housing. However, Executive Branch and Planning Department staff cautioned OLO that the process of gathering and verifying these data for multiple jurisdictions would extend beyond the Council’s requested timeframe for this report. OLO’s interviews with housing agency staff from Washington metropolitan region jurisdictions indicated that jurisdictions’ data management systems vary in how easy it is to compile data on housing production and preservation—in some cases, these data must be tabulated manually based on data contained in different systems.

The best available data on affordable housing production and preservation is from Housing&’s Housing Indicator Tool (HIT). In 2021, nonprofit Housing& partnered with the Urban Institute to relaunch the HIT—a website that uses an annual survey and publicly available data to track jurisdictional progress towards meeting MWCOG’s regional housing targets.⁴⁴ The survey requests affordable housing production and preservation data for each jurisdiction with specific address information, and data are reviewed to remove duplicate units from previous years. However, OLO cannot verify that the data are directly comparable between jurisdictions. For example, as noted above, MWCOG jurisdictions have different definitions of affordable housing preservation, which could result in each jurisdiction counting preserved units in different ways.

The HIT also allows users to see which jurisdictions have policies to preserve existing affordable housing, produce more housing, and protect people from discrimination and displacement.⁴⁵ The HIT has a regional housing profile for Greater DC and housing profiles for each MWCOG jurisdiction, including Montgomery County. Each profile includes information on housing production, housing outcomes by race and ethnicity, and household income. The following table uses HIT data from 2021 to 2024 to show key housing production and outcome data for the four largest MWCOG jurisdictions by

⁴³ Metropolitan Washington Council of Governments, The Future of Housing In Greater Washington, September 2019, page 6.

⁴⁴ Housing&, HIT Media Kit.

⁴⁵ Housing&, Housing Indicator Tool.

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total number of housing units. The HIT is updated annually and the HIT 6.0, containing data from 2025, will be released May 13th, 2026.⁴⁶

Table 5. Housing Production, Preservation, and Housing Cost Burden Data for the Four Largest MWCOG Jurisdictions

Jurisdiction	Fairfax County, VA	Montgomery County, MD	Prince George's County, MD	District of Columbia
Total Number of Housing Units (ACS 2023 5-year average)	428,352	405,127	362,440	356,101
Total Housing Units Built from 2021 to 2024 (HIT survey)	8,480	10,950	7,074	25,256
Housing Units Built from 2021 to 2024 Affordable to 80% AMI and Below (HIT survey)	1,503	1,614	1,563	4,868
Percent of Housing Units Built from 2021 to 2024 Affordable to 80% AMI and Below	18%	15%	22%	19%
Affordable Housing Units Preserved from 2021-2024 (HIT survey)	1,300	4,108	2,349	2,952
Housing Cost Burden Rate⁴⁷ (ACS 2023 5-year average)	45%	52%	53%	46%

Source: OLO calculations from HIT survey data and ACS data.

C. Best Practices for Building Local Data Capacity and Public Reporting

The ability of jurisdictions to build local data capacity and improve public reporting is vital to guide policy decisions on affordable housing. Some key aspects to accomplish these goals include interagency collaboration, standardization of data entry, commitment to transparency, and robust data governance.^{48,49} The following table outlines these best practices identified by OLO in more detail. Undergirding all of these best practices is effective leadership to drive these efforts forward and the sustained resources and capacity to keep them going.

⁴⁶ Housing&, [35th Annual Meeting & Housing Expo](#).

⁴⁷ The American Community Survey (ACS) defines housing cost burden as households spending more than 30% of their gross monthly income on housing expenses.

⁴⁸ Local Housing Solutions, [Unlocking the Power of Local Housing Data](#).

⁴⁹ U.S. Department of Housing and Urban Development, [Collecting, Analyzing, and Publicizing Data on Housing Turnover Report to Congress](#), Office of Policy Development and Research, December 2024.

Table 6. Best Practices for Building Local Data Capacity and Public Reporting

Best Practices	Implementation Examples	Resources Available
<p>Break Down Departmental/ Jurisdictional Silos and Establish a Shared Data Infrastructure</p>	<ul style="list-style-type: none"> • Set up a cross-agency conversation to discuss data resources and data-sharing goals • Identify leaders in each agency or jurisdiction to provide the structure to make progress • Establish a shared data repository with standardized data and definitions • Hire a data administrator who works across organizations 	<ul style="list-style-type: none"> • The Urban Institute offers a blueprint for interagency and cross-jurisdictional data-sharing • The State Data Sharing Initiative offers a toolkit of webinars, legal guidance, and example data use agreements
<p>Commitment to Searchable and Timely Data</p>	<ul style="list-style-type: none"> • Create publicly searchable platforms or dashboards • Provide real-time or weekly data extracts 	<ul style="list-style-type: none"> • Envisio’s 8 Local Government Public Dashboard Examples • ClearPoint Strategy’s How to Build the Best Public Dashboard
<p>Leverage External Partnerships</p>	<ul style="list-style-type: none"> • Partner with local advocates, nonprofits and universities for research, outreach, and communication • Demonstrate the value of data capacity building and reporting projects to increase buy-in and engagement 	<ul style="list-style-type: none"> • The National Neighborhood Indicators Partnership (NNIP) network includes more than 30 organizations that focus on assembling and transforming local administrative data • Housing Solutions Lab’s mission is to help small and midsize cities plan, launch, and evaluate evidenced-based housing policies
<p>Ongoing Community Engagement and Contextualization of the Data for the Public</p>	<ul style="list-style-type: none"> • Metrics and dashboard design should seek input from a diverse group of stakeholders • Ongoing public surveys to ensure the data reported are relevant, being interpreted correctly, and can be used to encourage public action 	<ul style="list-style-type: none"> • Bloomberg Philanthropies article Celebrating 32 Cities Turning Data Into Results, highlighting Philadelphia’s Housing Opportunities Made Easy (H.O.M.E) dashboard • The Pew Research Center offers helpful resources on crafting a strong survey questionnaire

Sources: Local Housing Solutions, [Unlocking the Power of Local Housing Data](#). U.S. Department of Housing and Urban Development, [Collecting, Analyzing, and Publicizing Data on Housing Turnover Report to Congress](#), Office of Policy Development and Research, December 2024.

D. Public Dashboards and Pipeline Reports: How MWCOG Jurisdictions Track Progress on Housing Goals and Targets

MWCOG jurisdictions employ a variety of methods and metrics to track and report housing goals and targets. This section first presents affordable housing data reported by Montgomery County DHCA and HOC. Then it highlights the affordable housing dashboards of Prince George’s County and Fairfax County—both of which OLO has identified as model public reporting approaches that Montgomery County could replicate in the future. This section concludes by summarizing successes and challenges with data tracking and reporting among these jurisdictions.

1. Montgomery County Public-Facing Reports, Dashboards, and Metrics

At the time of writing, Montgomery County had not formally adopted affordable housing targets. As a result, DHCA and the Housing Opportunities Commission (HOC) focus their public dissemination of information on reporting periodic updates on their housing pipelines rather than housing goals.

Department of Housing and Community Affairs Data. In its quarterly Affordable Housing Pipeline Reports for each fiscal year, DHCA includes details on each project produced or preserved during that fiscal year, as well as a selection of the projects most likely to close in the next one to two years. Cumulatively, the individual project summaries serve as a tracker of affordable housing produced or preserved from FY23 to the present and a summary of units produced and preserved since FY19. DHCA also provides a summary table including the number of projects that (1) have closed, (2) have funding committed, (3) are in the pipeline, or (4) are in discussion. This information, highlighted in the next chart, is disaggregated by various County funding sources.

Summary of FY26 DHCA Pipeline Projects as of April 4th, 2026

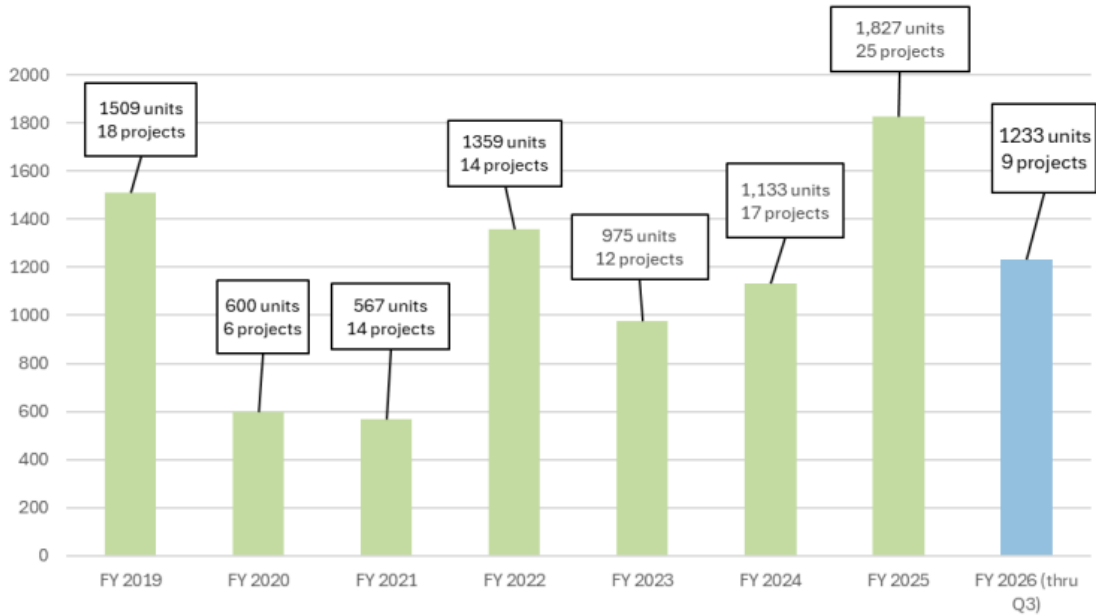
Pipeline Project Data Reported As of 04/06/2026

Funding Source	FY26 Projects Closed			FY26 Committed Projects ⁷			FY26 Pipeline Projects			Projects In Discussion ⁸		
	No. of Project	County Cost	Affordable Units	No. of Project	County Cost	Affordable Units	No. of Project	County Cost	Affordable Units	No. of Project	County Cost	Affordable Units
HIP-Operating				2	\$8,956,000	122				7	\$90,349,928	858
CIP	1	\$27,900,000	268	4	\$78,800,000	427	1	\$21,500,000	283	26	\$446,683,354	4776
NOAH												
AHOF												
NPF	3	\$33,947,464	408				1	\$9,900,000	61			
HOME	1	\$6,964,329	3				3	\$3,131,315	17			
CDBG	1	\$875,000	76	1	\$970,000	10				2	\$7,411,692	150
Merger Funds												
PILOT	4	\$1,300,614	214	3	\$160,912	109	5		204	4	\$225,000	149
New Rental Agreements	1	\$1,020,000	264	1	\$358,706	104	2		10			
Total Direct Investment		\$70,706,793			\$90,679,306							
Total ⁶	9	\$ 72,007,407	1233	9	\$ 89,245,618	772	9	\$34,531,315	575	42	\$544,669,974	5933

Screenshot from page 30 of DHCA’s [Affordable Housing Pipeline FY26 Third Quarter Update](#).

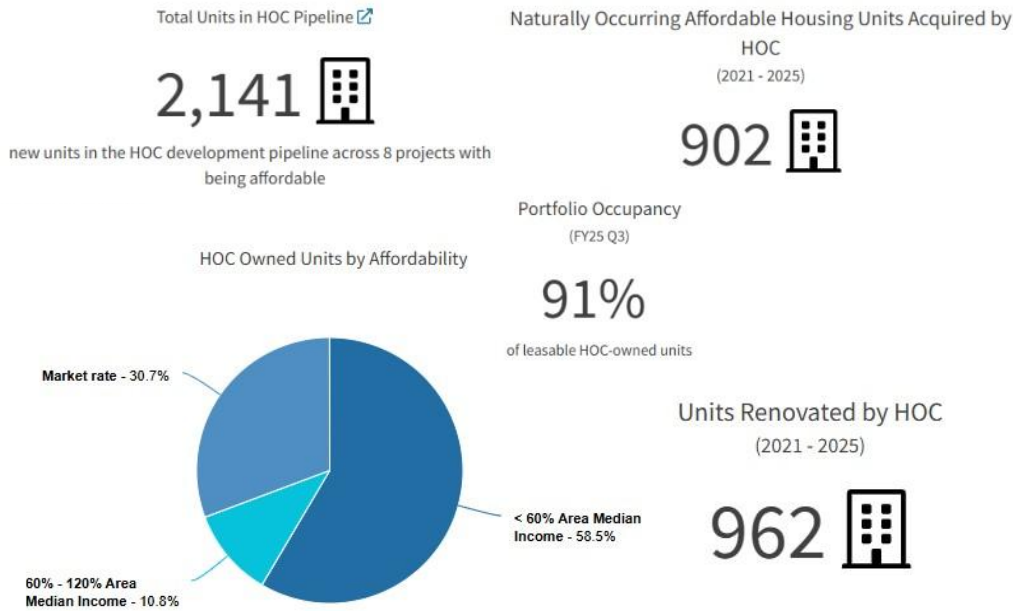
The last four DHCA quarterly pipeline reports also included a chart showing the total number of projects and number of affordable units produced with County investments. The most recent data from FY19 through the third quarter of FY26 is shown in the chart below.

Number of Affordable Housing Units Produced or Preserved Through Montgomery County Investments, FY19-FY26 Q3



Screenshot from page 5 of DHCA’s [Affordable Housing Pipeline FY26 Third Quarter Update](#).

Housing Opportunities Commission Data. HOC maintains and updates a [dashboard tracking progress on its Five-Year Strategic Plan \(2024-2029\)](#). Under the goal “Expand HOC’s Portfolio of High-Quality Affordable Housing,” the data show 2,141 new units are in the HOC development pipeline across eight projects. Of those, 967 units are affordable (45% of the total units). A collection of screenshots from this dashboard are shown below:

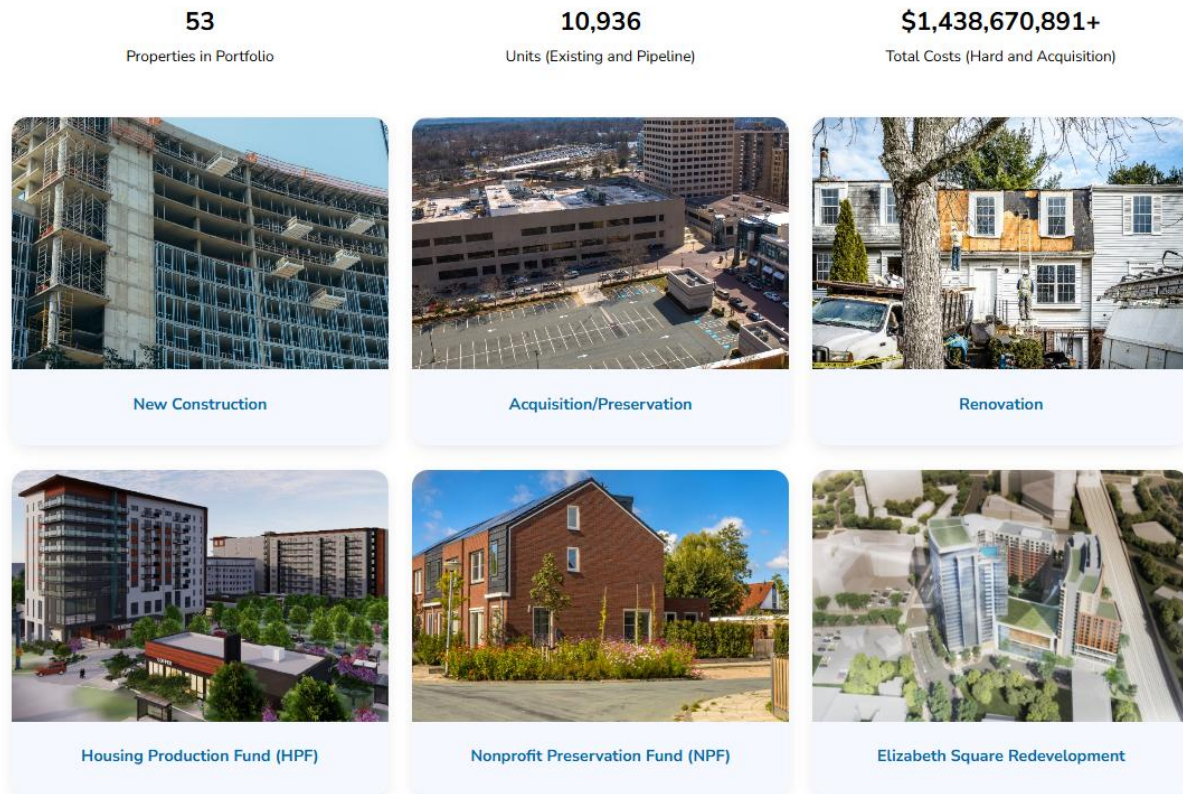


Screenshots of Internal HOC data from its [Expand HOC’s Portfolio of High-Quality Affordable Housing](#) dashboard.

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HOC also maintains a “HOC’s Real Estate Development Division By The Numbers” webpage, on which the public can examine HOC properties. As of this writing, the website shows that HOC has 53 properties in its portfolio with 10,936 affordable units existing in its pipeline. There is no indication on HOC’s website as to when its internal data on total units in the HOC pipeline was last updated. A screenshot of this website is below.

HOC’s Real Estate Development Division By The Numbers



Screenshot of HOC’s Real Estate Development Division By The Numbers webpage.

2. Prince George’s County Public-Facing Reports, Dashboards, and Metrics

Prince George’s County has adopted the following affordable housing targets for 2030:

1. Support the production of 26,000 new units, 75% of which (19,500 units) would be committed as affordable to households with incomes less than 120% AMI.
2. Support the preservation of 6,000 affordable residential units.
3. Increase the number of new multifamily construction starts by 10,400.⁵⁰

Prince George’s County tracks progress towards these targets through its Multifamily Rental Affordability Dashboard. In addition to a summary table that includes Project Name, Address, Total

⁵⁰ Prince George’s DHCD, Housing Development Programs & Tools Presentation, December 14, 2022.

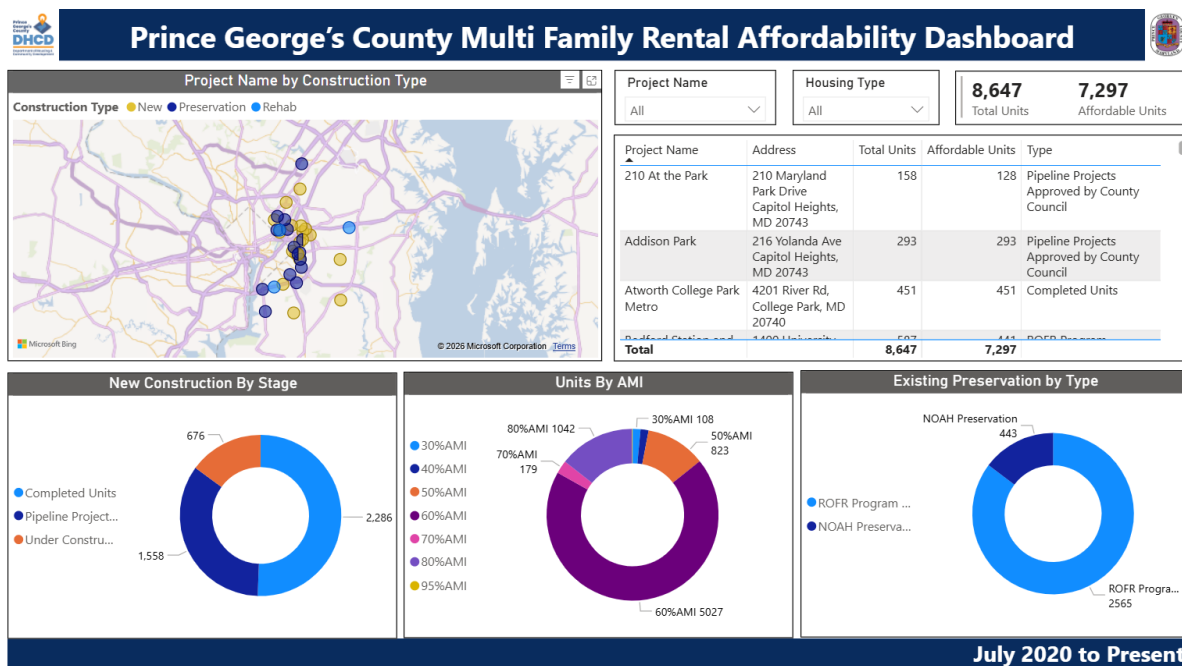
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Units, Affordable Units, and Construction State of Preservation Type, the dashboard also provides information on:

- Construction Type: New, Preservation, Rehabilitation
- Construction Stage: Completed, Pipeline (approved project funding but construction has not started), Under Construction
- Units by AMI: 30%, 40%, 50%, 60%, 70%, 80%, 95%
- Preservation Type: ROFR (Right of First Refusal), NOAH (Naturally Occurring Affordable Housing)
- Population Served: Family, Senior

The dashboard (screenshot below) is powered by Microsoft Power BI and allows users to filter by Project Name or Housing Type (Family or Senior), as well as select specific projects from a map of the County.

The dashboard shows that since July 2020, the County has produced or preserved 8,647 units, of which 7,289 (84%) are affordable to those at 80% AMI or below.⁵¹



Screenshot of Prince George's County Multifamily Rental Affordability Dashboard.

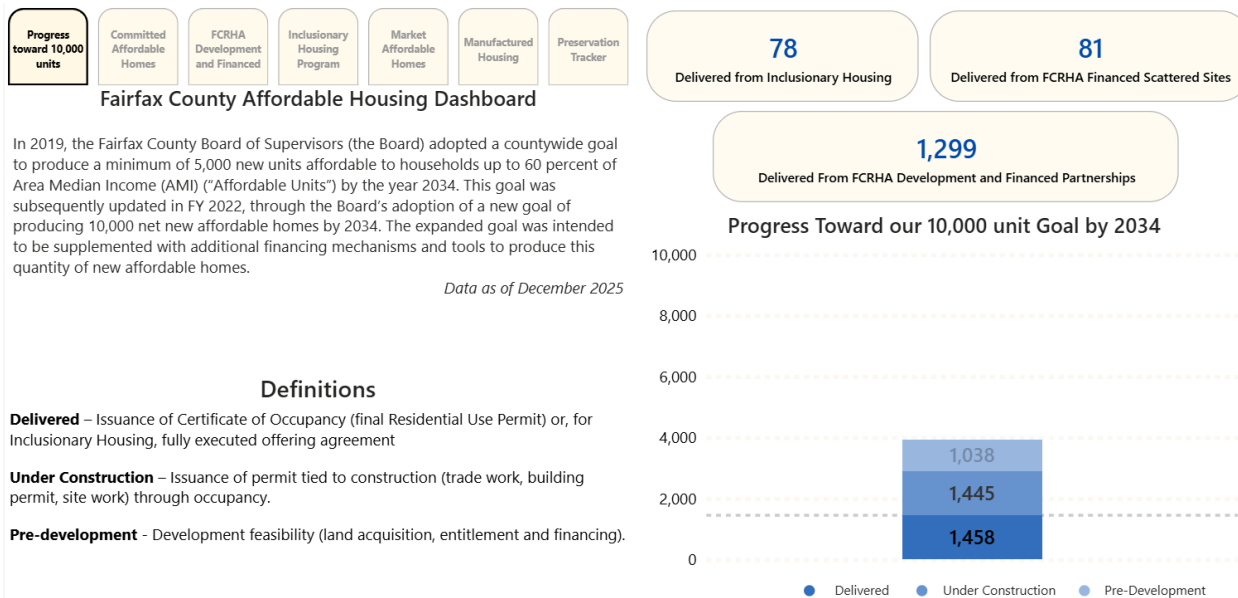
⁵¹ Prince George's County, Multifamily Rental Affordability Dashboard.

3. Fairfax County Public-Facing Reports, Dashboards, and Metrics

Fairfax County has not adopted the 2030 MWCOG housing targets. However, in 2022 the County Board of Supervisors adopted an updated countywide goal of producing 10,000 new units affordable to households making up to 60% AMI by 2034.⁵²

Fairfax County publishes its housing affordability data and information on its [Affordable Housing Dashboard](#) to demonstrate its progress towards its 10,000 net new affordable homes goal.⁵³ The dashboard, also powered by Microsoft Power BI, includes seven tabs that show production, preservation, and affordability metrics. Two example screenshots are shown below.

Progress Towards 10,000 Unit Goal by Construction Type



Screenshot of [Fairfax County Affordable Housing Dashboard, Tab 1: Progress toward 10,000 units](#).

⁵² [Housing and Community Development - FY 2026 Advertised Budget Plan \(Fairfax, Virginia\)](#).

⁵³ [Fairfax County, Affordable Housing Dashboard, Tab 1: Progress toward 10,000 units](#).

Committed Affordable Units by AMI Level and by Supervisor District

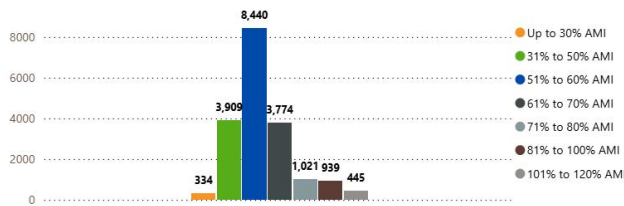


Committed Affordable Homes

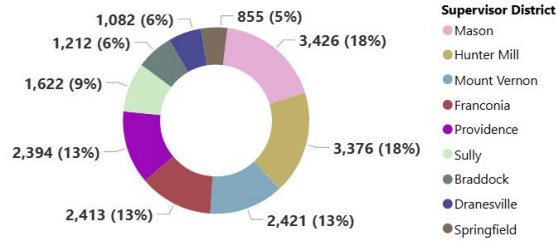
“Committed Affordable Homes” may be privately or publicly owned and have active legally restricted rents/prices and occupant income levels for a defined term. Total includes both for-sale and rental units, but does not include projects that are in under construction or in the pre-development phase. *Data as of January 2026*



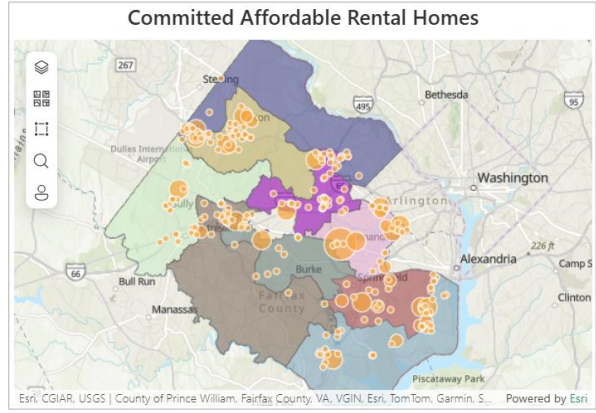
Committed Affordable Homes at AMI Level



Committed Affordable Units by Supervisor District



Committed Affordable Rental Homes



Screenshot of Fairfax County Affordable Housing Dashboard Tab 2: Committed Affordable Homes.

4. Feedback on the Successes and Challenges with Target Setting, Data Tracking, and Reporting

MWCOG jurisdictions face multiple barriers but also have had significant success in attempts to create affordable housing targets and maintain public facing dashboards. Some notable comments from local housing staff in Montgomery County and Fairfax County include:

- Montgomery County DHCA and HOC staff noted that volatile construction costs and ever-changing financing conditions (e.g., interest rates and funding sources) make it difficult to confidently set production targets. In the past, HOC’s Board discussed setting production targets but decided to have the goal be “to do as much as we possibly can.”⁵⁴
- Montgomery County’s DHCA leadership believe they could complete a comprehensive housing needs assessment but cautioned that goals based on such assessments can become obsolete as conditions inevitably change.⁵⁵
- DHCA is working with Montgomery Planning and the Department of Permitting Services to create a cross-departmental pipeline dashboard that would allow users to track projects from start to finish. However, data integration is a challenge because it requires the consolidation of

⁵⁴ OLO interview with Housing Opportunities Commission staff. January 12, 2026.

⁵⁵ OLO interview with Montgomery County DHCA staff. December 22, 2025.

unique data from three departments (some of which contain sensitive information which would have to be scrubbed).⁵⁶

- Fairfax County's Department of Housing and Community Development's (HCD) leadership report that data collection and reporting is going smoothly. The dashboard is stewarded by HCD's data manager, and HCD does a biannual market affordable housing survey to help inform the dashboard and goals. All the data behind the Affordable Housing Dashboard is collected and managed by HCD, which helps simplify the process. HCD leadership emphasizes plain-language communication and tries to avoid industry jargon and shorthand.
- Fairfax County HCD's staff state that translating dashboard insights into accessible narratives remains an ongoing challenge. The County strives to be fully transparent about what they have accomplished and what they could be doing better, using the dashboard to help decision-makers and the public understand housing status and policy tradeoffs.⁵⁷

E. Housing Access and Racial Equity

Historically, government policies and practices have restricted housing access for Black, Indigenous, and other People of Color (BIPOC) community members.⁵⁸ These include exclusionary zoning, restrictive covenants, redlining, racially biased New Deal housing policies, and the inequitable implementation of the G.I. Bill. Today, discriminatory practices such as predatory lending and racial discrimination in the housing market continue to lock out BIPOC community members from housing opportunities.⁵⁹ Collectively, racial inequities in housing access perpetuate and sustain residential racial segregation and racial disparities in housing outcomes for renters and homeowners.⁶⁰ For example, in Montgomery County:

- Roughly three-quarters of White and Asian households own their home compared to 54 percent of Latinx households and 40 percent of Black households (see Table 7 below).
- Latinx and Black households are more likely than White and Asian households to experience a housing cost burden, spending more than 30 percent of their household income on mortgage or rent (see Table 7 below).

⁵⁶ OLO interview with Montgomery County DHCA staff. March 24, 2026.

⁵⁷ OLO interview with Fairfax County HCD staff. March 19, 2026.

⁵⁸ R. Rothstein, *The Color of Law: A Forgotten History of How Our Government Segregated America*, 2017.

⁵⁹ KY. Taylor, *Race for Profit: How Banks and the Real Estate Industry Undermined Black Homeownership*, University of North Carolina Press, 2021.

⁶⁰ E. Bonner-Tompkins, J. Peña, and E. Tesfaye. [Racial Equity and Social Justice Policy Handbook: Land Use, Housing, and Economic Development. Report Number 2024-11.](#) June 18, 2024.

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- On the night of the 2025 Annual Point-in-Time (PIT) count of persons experiencing homelessness, 84 percent of individual adults experiencing homelessness identified as people of color.⁶¹

Table 7. Homeownership Rate and Cost Burden Rates of Homeowners and Renters in Montgomery County, 2024

Race and Ethnicity	Homeownership Rate	Homeowner Cost Burden Rate	Renter Cost Burden Rate
White	77%	23%	37%
Asian	71%	26%	37%
Hispanic or Latino origin (of any race)	54%	27%	56%
Black	40%	33%	54%

Source: [Table S0201](#), 2024 American Community Survey 1-Year Estimates, Census Bureau.

Due to racial inequities in housing and the racial wealth gap, BIPOC households disproportionately demand affordable housing in Montgomery County. Affordable housing policies and programs should be designed to benefit BIPOC households and advance racial equity and social justice (RESJ). Promising practices focus on four goals: reversing residential segregation, advancing RESJ in homeownership, advancing RESJ in housing security, and advancing RESJ in housing quality. Example policies that can advance these goals include fair housing enforcement, inclusionary housing and zoning, community ownership of land, and targeted (or preferential) homeownership assistance to communities historically impacted by racial bias in lending and property appraisals. OLO Report 2024-11 includes additional details on practices and strategies that advance RESJ in housing.

To learn more about historical and contemporary drivers of racial inequity in housing, along with promising practices for advancing racial equity in housing, refer to [*OLO Report 2024-11: Racial Equity and Social Justice Policy Handbook: Land Use, Housing, and Economic Development*](#).

⁶¹ HHS Committee Briefing, [Memorandum to Montgomery County Council Health and Human Services Committee](#), June 23, 2025.

Chapter 3. Approaches for Production and Preservation of Affordable Housing in the Washington Metropolitan Region

Chapter 1 of this report describes how over the past several decades the role of states and localities in producing and preserving affordable housing has increased due to:

- Reduced federal support for construction and other capital-based subsidies;
- Lack of sufficient federal funding for rental assistance;
- Increased demand for rental housing; and
- Increased multifamily construction costs.

Chapter 2 examines how jurisdictions in the Metropolitan Washington Council of Governments (MWCOG) define, measure, and publicly report progress toward affordable housing production and preservation goals.

This chapter describes the approaches used at the local level by counties and cities in the Washington metropolitan region to promote the production and preservation of affordable housing. **It examines programs that are locally funded, rather than programs which rely on federal block grants like CBDG and HOME (see Chapter 1 for more detail).**

- **Section A** defines the various categories of local government affordable housing production and preservation programs and summarizes how jurisdictions in the Washington metropolitan region have implemented them; and
- **Section B** summarizes common themes shared by jurisdiction staff interviewed by OLO on challenges, successes and emerging approaches for affordable housing production and preservation.

The Appendix includes detailed profiles for jurisdictions other than Montgomery County. Programs funded and administered by municipalities within counties are described within county profiles.

A. Regional Approaches for Producing and Preserving Affordable Housing at the Local Level

As part of this project, OLO interviewed staff from the Montgomery County Department of Housing and Community Affairs (DHCA) and the Housing Opportunities Commission (HOC). OLO also conducted research on and interviewed staff from the following MWCOG jurisdictions:

- City of Gaithersburg, MD
- City of Rockville, MD
- Prince George's County, MD
- Frederick County, MD
- City of Frederick, MD
- District of Columbia

- Fairfax County, VA
- City of Fairfax, VA
- Arlington County, VA
- City of Alexandria, VA
- Loudoun County, VA
- City of Falls Church, VA
- Prince William County, VA
- City of Manassas, VA

OLO identified the following approaches used by these MWCOG jurisdictions to produce and preserve affordable housing:

- Dedicated Funds for Affordable Housing
- Setting Housing Targets
- Loans for Affordable Housing Development
- Rental Assistance
- Homeownership Assistance
- Tax or Fee Exemptions for Affordable Housing Development
- Affordable Housing Development Requirements and Incentives
- Other Regulatory Tools

The following section provides a summary of where and how these approaches have been implemented by MWCOG jurisdictions interviewed for this report.

1. Dedicated Funds for Affordable Housing

Beginning in the 1980s, states and localities in the United States began establishing Housing Trust Funds to receive regular or dedicated funding for affordable housing. Housing trust funds support a wide range of affordable housing-related activities, including:⁶²

- New construction, acquisition, and rehabilitation of multifamily housing;
- Down payment assistance;
- Rental assistance; and
- Homelessness services and supportive housing.

Many housing trust funds receive automatic allocations from an ongoing revenue stream, such as developer fees or real estate transfer taxes, while others rely on annual discretionary allocations from jurisdiction general funds or grants.⁶³ The following table lists the housing trust funds for each jurisdiction and major local funding sources for those funds.

⁶² National Low Income Housing Coalition, State & Local Housing Trust Fund, June 2025, page 14.

⁶³ Ibid, page 6.

Table 8. Housing Trust Funds and Major Funding Sources in MWCOG Jurisdictions*

Jurisdiction	Housing Trust Fund(s)	Local Funding Sources
Montgomery County	Housing Initiative Fund	<ul style="list-style-type: none"> • General Fund Allocations • Dedicated Recordation Tax Premium Proceeds • Loan Repayment Proceeds • Proceeds from Moderately Price Dwelling Unit (MPDU) Sales**
City of Gaithersburg	Housing Initiatives Fund	Developer Fees
City of Rockville	Housing Opportunities Fund	<ul style="list-style-type: none"> • General Fund Allocations • Proceeds from Moderately Price Dwelling Unit (MPDU) Sales**
Prince George's County	Housing Investment Trust Fund	<ul style="list-style-type: none"> • General Funds • Dedicated Portion of Recordation Tax Revenues
Frederick County	Housing Initiative Fund	<ul style="list-style-type: none"> • Dedicated Portion of Recordation Tax Proceeds • Developer Fees • Loan Repayment Proceeds
City of Frederick	City Housing Fund & Rental Assistance Fund	<ul style="list-style-type: none"> • Developer Fees • Rental License Fee
District of Columbia	Housing Production Trust Fund	<ul style="list-style-type: none"> • Dedicated Portion of Deed Recordation and Transfer Taxes • General Fund Allocations
Fairfax County	<ul style="list-style-type: none"> • Housing Trust Fund • Tysons Housing Trust Fund • Reston Housing Trust Fund 	<ul style="list-style-type: none"> • Dedicated Portion of Real Estate Tax • Loan Repayment Proceeds • Developer Contributions • County Property Cash Flows
City of Fairfax	None legally established	<ul style="list-style-type: none"> • General Fund Allocations • Developer Contributions
Arlington County	County Loan Fund	<ul style="list-style-type: none"> • General Fund Allocations • Recordation Tax Revenues • Developer Contributions • Proceeds from Affordable Dwelling Unit (ADU) Sales* • Loan Repayment Proceeds

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Jurisdiction	Housing Trust Fund(s)	Local Funding Sources
City of Alexandria	<ul style="list-style-type: none"> Housing Trust Fund Housing Opportunities Fund 	<ul style="list-style-type: none"> Developer Contributions Dedicated Portion of Property Tax Revenues Dedicated Portion of Meals Tax Revenues
Loudoun County	County of Loudoun Housing Trust	<ul style="list-style-type: none"> Proceeds from Affordable Dwelling Unit (ADU) Sales** Developer Contributions
City of Falls Church	Affordable Housing Fund	<ul style="list-style-type: none"> Developer Contributions General Fund Allocations
Prince William County	Affordable Housing Fund	General Fund Allocations
City of Manassas	Housing Investment Fund	General Fund Allocations

Source: OLO interviews with housing staff from these jurisdictions. For more information, see the appendices.

* This table focuses on taxes and fees used to support affordable housing programs and does not include bond funding. Many MWCOG jurisdictions, including Montgomery County, issue bonds to fund affordable housing loan programs. A full review of bond funding used across jurisdictions is outside of the scope of this report.

** MPDUs and ADUs are terms used in some jurisdictions to refer to affordable units produced as a result of inclusionary housing/zoning rules. Refer to pp. 43-44 for more information on inclusionary zoning, including sales of affordable units.

2. Setting Affordable Housing Targets

Many states, regions and local governments have established overall quantitative targets for housing supply, which often include specific targets for affordable housing production (and sometimes preservation). As the Urban Institute explains:

When designed well, housing targets can help align local decisions with broader state or regional needs, making it easier to get housing built in the places that need it most. Housing targets can also help ensure that local planning and development decisions reflect the needs of a broad range of stakeholders, including future residents, employers, developers, advocates, and all levels of government.⁶⁴

The following table summarizes affordable housing targets formally adopted by MWCOG jurisdictions. In the table, affordability targets are expressed in terms of Area Median Income (AMI) which is defined in more detail on pages 8 and 9 of this report. The table describes the percentages AMI at which units should be affordable. For example, a unit that is affordable “at 60% AMI” can charge a rent that would comprise up to 30% of income for a household that earns 60% of the Area Median Income. For FY26, AMI for the Washington-Arlington-Alexandria Metropolitan Area, which includes Montgomery County, was \$166,100. HUD uses AMI to calculate income limits that vary based on family size. For example, for 2026, 80% AMI for a family of four was \$106,800.

⁶⁴ C. Stacy, A. Mehrotra, & L. Hendey, [Addressing Housing Supply Challenges](#), Urban Institute, September 2025.

Note: Levels of government in the United States refers to federal, state and local governments.

Table 9. Quantitative Affordable Housing Targets Adopted By MWCOG Jurisdictions

Jurisdiction	Affordable Housing Targets
Montgomery County	None
City of Gaithersburg	None
City of Rockville	None
Prince George's County	<ul style="list-style-type: none"> • Of a total of 26,000 housing units produced, 75% (19,500 units) will be affordable at or below 120% AMI by 2030. • Preserve 6,000 affordable units by 2030.
Frederick County	None
City of Frederick	None
District of Columbia	<ul style="list-style-type: none"> • By 2030, 20,000 new dedicated affordable units will be produced. • By 2050, an additional 24,230 dedicated affordable units will be produced. • Each planning area should have 15% affordable units by 2050. • Of the new affordable units, 30% should be affordable at 60% to 80% AMI, 30% should be affordable at 30% to 60% AMI, and 40% should be affordable at or below 30% AMI.
Fairfax County	<ul style="list-style-type: none"> • Produce 10,000 units affordable at 60% AMI or below by 2034. • Achieve no net loss of existing affordable housing.
City of Fairfax	None
Arlington County	<ul style="list-style-type: none"> • 17.7% of housing units will be affordable at or below 60% AMI by 2040 • 2,700 new homeownership units for households between 80-120% AMI by 2040. • 425 units for Permanent Supportive Housing by 2040. • 10% of affordable units accessible to and occupied by persons with disabilities by 2040.
City of Alexandria	<ul style="list-style-type: none"> • Produce 2,250 units affordable to households between 61% to 80% AMI by 2030. • Produce 2,000 units for households earning up to 60% AMI by 2025. • Replace 1,150 units of publicly-assisted housing on a 1:1 basis as redevelopment occurs.
Loudoun County	<ul style="list-style-type: none"> • By 2040, 20% or 8,200 of the projected 40,950 new units should be affordable at 100% AMI or below. • 7,800 existing units should be preserved at 100% AMI or below.
City of Falls Church	<ul style="list-style-type: none"> • Increase percentage of total housing stock that is committed affordable units (at and below 60% AMI) from 3% to 6% by 2040. • Increase percentage of deeply affordable (30-50%) units to 25% of new affordable housing units.
Prince William County	None
City of Manassas	None

3. Loans for Affordable Housing Development

Increasingly, state and local governments are serving as lenders or investors for housing projects that include affordable units by allocating tax dollars or issuing bonds towards loans for developers.⁶⁵ These loans often serve to make up the difference between the project’s development costs and the amount of financing it can raise through other sources, often referred to as gap financing.

Programs vary with respect to the length of loans they offer, repayment terms, and types of projects or costs they fund. The programs often require developers to agree to provide specified numbers of units that will be affordable at specified levels for specified periods of time and restrict those units to income-eligible tenants. Some programs provide financing for public entities to develop and own housing.⁶⁶

In some cases, the programs function as revolving loan funds, meaning that they self-replenish with loan repayment proceeds. However, depending on the structure of the loans, loan repayments may not be timely or consistent. Local affordable housing loans often offer flexible repayment terms and are usually “subordinate” to those other sources, including bank loans and private equity.⁶⁷ Subordinated debt (otherwise referred to as “soft” debt) is debt that is repaid only after other debt is repaid. Thus, many programs require additional funding sources to continue operating rather than relying exclusively on loan repayment proceeds.⁶⁸

Table 10. Locally Funded Affordable Housing Loan Programs in MWCOG Jurisdictions

Jurisdiction	Summary
Montgomery County	The County’s Housing Initiative Fund (HIF) is the primary source for providing loans for affordable housing projects. There are a number of loan programs funded within the HIF, each with different eligibility criteria and types of loans offered that are described in detail in Chapter 4.
City of Gaithersburg	The City’s new Multifamily Investment Fund offers 0% loans up to \$250,000 to support preservation of affordable housing.
City of Rockville	The City of Rockville has used funding from its Housing Opportunities Fund to provide gap financing for affordable housing.
Prince George's County	The Housing Investment Trust Fund (HITF) offers financing for new construction, rehabilitation, and preservation of affordable and workforce multifamily rental and homeownership projects. The Right of First Refusal (ROFR) Preservation Fund finances acquisition, rehabilitation and stabilization of rental apartment complexes subject to the County’s ROFR Program.

⁶⁵ D. Hornung & A. Shroyer, [Affordable Abundance: How State and Local Governments Are Pairing Abundance-Style Reforms with Affordability Incentives](#), Urban Institute, 2025, pages 14-18.

⁶⁶ Ibid.

⁶⁷ Ibid., pages 16-18.

⁶⁸ OLO interview with Montgomery County DHCA staff. March 24, 2026.

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Jurisdiction	Summary
Frederick County	The Deferred Loan Program provides zero- or low-interest flexible funds for the acquisition, construction, rehabilitation, or preservation of affordable housing.
City of Frederick	The City Housing Fund provides grants or loans that support development, preservation or operation of housing projects receiving low-income housing tax credit (LIHTC) or developed by nonprofits.
District of Columbia	The Housing Production Trust Fund provides loans with terms that vary by project, while the Housing Preservation Fund focuses on short-term financing to help developers acquire properties and obtain longer term financing to rehabilitate and/or preserve their affordability.
Fairfax County	The Affordable Housing Development and Investment (AHD) Program provides loans with terms that vary by project.
City of Fairfax	No loan program at the time of writing.
Arlington County	The County Loan Fund provides low-interest loans of up to \$11 million to private or nonprofit developers.
City of Alexandria	The Housing Opportunities Fund (HOF) provides grants and loans for affordable housing development, including predevelopment activities.
Loudoun County	The Attainable Housing Loan Program provides loans for acquisition, preservation, renovation, and construction of existing or new housing units affordable at 100% AMI or below.
City of Falls Church	The Affordable Housing Fund provides loans with terms that vary depending on the project and predevelopment grants for affordable housing projects.
Prince William County	The Affordable Housing Fund provides flexible loans for affordable housing production and preservation projects.
City of Manassas	The City has created the Housing Investment Fund to support affordable housing production.

Source: OLO interviews with housing staff from these jurisdictions. For more information, see the jurisdictional profiles in the appendix of this report.

4. Rental Assistance

According to the Center for Budget and Policy Priorities, less than one out of every four households that needs rental assistance receives federal assistance.⁶⁹ To address this need, some jurisdictions fund local rental assistance programs including:

- Project-based rental assistance that is tied to specific properties;
- Tenant-based rental assistance that is tied to specific renters; and
- Tax relief for renters with lower incomes.

⁶⁹ Center on Budget and Policy Priorities, [77% of Low-income Renters Needing Federal Rental Assistance Don't Receive It](#).

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A 2023 report on the National Low Income Housing Coalition’s (NLIHC) Rental Housing Programs Database (RHPD) identified the following characteristics for rental assistance programs:⁷⁰

- State and local tenant-based rental assistance programs tended to provide shorter-term support (e.g. 24 months) compared to project-based rental assistance programs;
- Common maximum income eligibility thresholds were 50% AMI, 80% AMI, and 30% AMI.
- Many programs prioritize special populations for their rental assistance programs, especially people experiencing or at risk of homelessness, but also people with mental illness and people with disabilities.

The following table summarizes locally-funded rental assistance programs in MWCOG jurisdictions.

Table 11. Locally-Funded Rental Assistance Programs in MWCOG Jurisdictions

Jurisdiction	Summary
Montgomery County	Three different County entities (DHCA, HOC, and DHHS-SEPH) offer a wide array of locally funded rental assistance programs, each with different eligibility criteria and duration of assistance, described in Chapter 4.
City of Gaithersburg	No locally funded programs at the time of writing.
City of Rockville	The Rockville Emergency Assistance Program provides financial assistance for households facing eviction or utility shut off.
Prince George's County	No locally funded programs at the time of writing.
Frederick County	The Emergency Rental Assistance program offers short-term assistance focused on preventing evictions.
City of Frederick	No locally funded programs at the time of writing.
District of Columbia	A range of programs provide rental assistance that includes one-time assistance for emergencies, ongoing assistance, and assistance targeting people experiencing or at risk of homelessness.
Fairfax County	The Coordinated Services Planning (CSP) administers short-term shallow subsidies (lower level of financial assistance) for eviction prevention.
City of Fairfax	City provides up to \$2,000 annual rent relief available for older adults and people with disabilities.
Arlington County	Monthly housing grants often serve to deepen affordability of existing committed affordable units in order to serve households with the lowest incomes. Arlington also provides locally funded assistance for people experiencing homelessness.

⁷⁰ Abdelhadi, S. and Aurand, A., State and Local Investments in Rental Housing: A Summary of Findings from the 2023 Rental Housing Programs Database, National Low Income Housing Coalition, 2023.

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Jurisdiction	Summary
City of Alexandria	The City funds project-based rental assistance to deepen affordability in certain city-supported developments, emergency rental assistance, and rent relief for older adults with low incomes. The City recently piloted a tenant-based rental assistance program similar to its project-based program.
Loudoun County	No locally funded programs.
City of Falls Church	The Rent Relief program provides one-time grants up to \$2,500 for households with low incomes. Additionally, City Committed Affordable Units provide subsidies for market-rate rental units serving households with incomes between 30% and 50% AMI, and the City funds emergency financial assistance for households experiencing temporary setbacks.
Prince William County	No locally funded programs.
City of Manassas	No locally funded programs.

5. Homeownership Assistance

State and local governments directly support⁷¹ homeownership for households with low- or moderate-incomes through three types of programs:

- **Downpayment and closing cost assistance for homebuyers with lower incomes:** often structured as deferred, low-interest loans (forgivable in some cases);⁷²
- **Home repair/renovation assistance:** grants for homeowners with low incomes to help them maintain and stay in their homes;⁷³ or
- **Tax relief for homeowners with lower incomes:** many localities offer property tax relief for homeowners with lower incomes, often limiting this relief to older adults and people with disabilities.⁷⁴

The following table summarizes locally funded homeownership assistance programs in MWCOG jurisdictions. It focuses on downpayment and closing cost assistance programs and home repair or renovation assistance. For details on other types of homeownership assistance, please refer to the jurisdiction profiles in the Appendix.

⁷¹ Local governments can also support homeownership through inclusionary zoning policies such as Montgomery County's Moderately Priced Dwelling Unit, which is described in Chapter 4, Section 3.

⁷² National Housing Crisis Task Force, State and Local Housing Action Plan, 2025, page 91.

⁷³ Ibid., pages 134-135.

⁷⁴ Tax Policy Center, Property Tax Relief Options and Who They Help, 2025.

Table 12. Locally-Funded Homeownership Assistance Programs in MWCOG Jurisdictions

Jurisdiction	Downpayment Assistance Type	Downpayment Assistance Maximum	Home Repair /Improvement Assistance Types	Home Renovation Maximum
Montgomery County	Deferred Loan	\$50,000	Accessibility modifications	
City of Gaithersburg	Deferred Loan	\$40,000	N/A	N/A
City of Rockville	Deferred Loan		N/A	N/A
Prince George's County	Deferred loan	\$50,000	Health, safety, energy efficiency and accessibility	
Frederick County	Deferred loan	\$12,000	Emergency repairs or accessibility	\$15,000 (loan or grant)
City of Frederick	N/A	N/A	N/A	N/A
District of Columbia	Grants (for DC employees) and deferred loans	\$206,000	Roof repairs and/or accessibility	Up to 50% of assessed value
Fairfax County	N/A	N/A	N/A	N/A
City of Fairfax	N/A	N/A	N/A	N/A
Arlington County	Deferred loan	Up to 25% of purchase price	Accessibility and home repairs	Unspecified
City of Alexandria	0% interest loan	\$50,000	Health, safety, or accessibility repairs	Loans up to \$135,000
Loudoun County	Forgivable 0% interest loan	\$70,000	Home repairs and accessibility	Forgivable loan up to \$35,000
City of Falls Church	N/A	N/A	N/A	N/A
Prince William County	N/A	N/A	N/A	N/A
City of Manassas	N/A	N/A	Grants to nonprofits	N/A

6. Tax or Fee Exemptions for Affordable Housing Development

Many jurisdictions offer full or partial tax abatements or deferrals and/or fee exemptions for affordable housing projects. Tax abatements reduce or eliminate tax liability, such as property tax liability, for qualifying affordable housing projects.⁷⁵ Fee exemptions similarly waive certain fees that jurisdictions charge during the development process, such as impact fees or permitting fees, for certain

⁷⁵⁷⁵ National Housing Crisis Task Force, "Right-Sizing" Property Tax Incentives to Increase Housing Affordability.

affordable housing projects.⁷⁶ Some programs are offered “by-right” for any project that meets established criteria, while others require additional approval from a legislative body or other entity.⁷⁷

Table 13. Local Tax Abatements or Fee Exemptions for Affordable Housing Developers in MWCOG Jurisdictions

Jurisdiction	Taxes Abated or Deferred	Fees Waived	By-Right or Approval Required
Montgomery County	Property taxes	None	By-Right for some
City of Gaithersburg	None	None	N/A
City of Rockville	None	None	N/A
Prince George's County	Property taxes	None	Approval required
Frederick County	Property taxes	Impact Fees	Approval required
City of Frederick	Property taxes	None*	Approval required
District of Columbia	Property taxes and other taxes	None	Approval required in some cases
Fairfax County	None	None	N/A
City of Fairfax	None	None	N/A
Arlington County	None	None	N/A
City of Alexandria	Property taxes	Developer fees	Approval required
Loudoun County	None	Developer fees	Approval required
City of Falls Church	None	Developer fees (deferral)	N/A
Prince William County	None	None	N/A
City of Manassas	None	Permit and proffer fees	Approval required

*The City of Frederick’s Planning Department is exploring waiving fees for certain projects.

7. Affordable Housing Development Requirements and Incentives

Inclusionary housing/zoning refers to policies that either require or incentivize developers to include dedicated affordable housing units in their projects. The Grounded Solutions Network maintains a database that, at the time of writing, included 1,068 programs across the United States that require or incentivize developers to build affordable housing.⁷⁸

Typical affordable housing requirements require developers to set aside 10% to 30% of housing units for sale or rent at reduced cost to households with lower incomes.⁷⁹ These requirements may apply to all housing projects of a certain size or may be limited to certain types of projects. Requirements for affordable units vary in:⁸⁰

⁷⁶ Local Housing Solutions, Reduced or waived fees for qualifying projects, May 2021.

⁷⁷ Affordable Abundance, pages 19-22.

⁷⁸ Grounded Solutions Network, Inclusionary Housing Map, accessed April 17, 2026.

⁷⁹ Grounded Solutions Network, Inclusionary Housing.

⁸⁰ Ibid.

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- Percentages of total units that must be affordable;
- Income levels targeted;
- Design standards;
- Whether units must be provided onsite or can be provided offsite; and
- What length of time affordable units must remain affordable.

Some jurisdictions allow developers to pay a “fee in lieu” roughly equivalent to the cost of providing affordable units on site. Other programs do not require developers to build affordable housing, but they do provide zoning incentives to developers for building affordable units. Such incentives can include increased height or density allowances, parking reductions, and other zoning variances that allow developers to deviate from specific zoning ordinance requirements.⁸¹

For affordable homeownership units specifically, programs typically aim to balance wealth building for homeowners with protecting affordability. In other words, when a homebuyer later sells an affordable homeownership unit, they may need to repay a share of the appreciation to the government or face restrictions on the price for which they can sell the home, often based on a pre-determined resale formula.⁸²

The following table summarizes affordable housing development requirements and incentives in MWCOG jurisdictions.

Table 14. Affordable Housing Development Requirements and Incentives in MWCOG Jurisdictions

Jurisdiction	Percentage Affordable* Units Required	Incentives for (Additional) Affordable Housing	Fees in Lieu Permitted
Montgomery County	12.5% or 15%	Increased density	Approval required
City of Gaithersburg	15%	None	
City of Rockville	15%	Increased density	No
Prince George's County	To be determined	To be determined	To be determined
Frederick County	12.5%	Increased density	Approval required
City of Frederick	12.5%	None	Yes
District of Columbia	8% to 12.5% of floor area	Negotiated density increase or other zoning relief	Approval required
Fairfax County	Varies based on density tier	Increased density, parking adjustment	No
City of Fairfax	6% to 10%	Increased density	Approval required
Arlington County	Based on formula	Increased density, parking incentive, and transfer of development rights	Yes

⁸¹ Grounded Solutions Network, [Designing a Policy](#).

⁸² Grounded Solutions Network, [Mechanisms for Preserving Affordability](#).

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City of Alexandria	No requirement	Increased density and height and parking reduction	Yes
Loudoun County	10% to 15%	Increased density	No
City of Falls Church	No requirement	Bonus density and fee deferrals	Yes
Prince William County	No requirement	Increased Density	No
City of Manassas	No requirement	None	N/A

*This table focuses on requirements for units affordable at 80% AMI or below. Some programs include additional requirements for “workforce housing” that is affordable for households with moderate incomes (e.g. between 80% and 120% AMI). These additional requirements are not included in this table.

Note, in Virginia jurisdictions, developers may voluntarily provide public benefits or cash contributions (referred to as “proffers”) to the jurisdiction to help mitigate the impacts of new development. A proffer can include additional affordable housing or cash contributions that the jurisdiction can use to support affordable housing. Developer proffers serve as an incentive for local governments in Virginia to approve applications for projects that do not conform to the existing “by-right” zoning. In Washington, D.C., residents and Advisory Neighborhood Commissions (ANCs) may enter into community benefits agreements (CBAs) with developers under which the developer agrees to provide benefits, such as affordable housing set-asides, in exchange for the community’s public support of a proposed development project.⁸³

8. Other Regulatory Tools

Many jurisdictions have additional regulatory tools in place that relate to affordable housing production and preservation and in some cases work alongside the approaches listed above. These include:

- **Right of First Refusal (ROFR) Laws.** Such laws require property owners who are selling the property to give existing tenants, the government, or other designated entities the opportunity to buy the property at a fair market value, usually determined by a third-party contract. These laws can support affordable housing by preventing displacement and giving designated entities the opportunity to preserve affordable housing (often with funding from other programs).⁸⁴
- **Rent Stabilization.** These laws limit rent increases for renters in certain categories of rental housing, which can promote housing stability. Rent stabilization laws do not set affordability levels or require means testing.
- **Requirements Related to Public Land.** Some jurisdictions require that public land on which housing is built must include affordable housing or require the government to consider including affordable housing in its capital projects.

⁸³ O’Neill Institute at Georgetown Law, [Community Benefits Agreements \(CBAs\) in Washington, D.C.](#), January 2025.

⁸⁴ Virginia Housing Commission, [Policy Brief -Right of First Refusal and Other Purchase Opportunity Policies Used to Buy Housing](#), May 2025.

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- **Accelerated Reviews for Affordable Housing Projects.** Some jurisdictions are in the process of developing new policies and incentives for expedited permitting and review for affordable housing projects. For example, Loudoun County’s Expedited Attainable Housing Development Pilot Program is a one-year pilot that is offering expedited legislative land use review for up to three projects that include 100% attainable housing units.

The following table summarizes regulatory tools related to affordable housing production and preservation in MWCOG jurisdictions.

Table 15. Additional Affordable Housing Regulatory Tools in MWCOG Jurisdictions

Jurisdiction	Statutory Local Right of First Refusal	Rent Stabilization	Codified Affordable Housing Requirements for Public Land
Montgomery County	Yes	Yes	County must study feasibility of affordable housing in capital projects for County buildings
City of Gaithersburg	Follows County	No	No
City of Rockville	Follows County	No	No
Prince George's County	Yes	Yes	No
Frederick County	No	No	No
City of Frederick	No	No	No
District of Columbia	Yes	Yes	Housing built on public land must be 20% to 30% affordable
Fairfax County	Yes	No	No
City of Fairfax	No	No	No
Arlington County	No	No	No
City of Alexandria	No	No	No
Loudoun County	No	No	No
City of Falls Church	No	No	No
Prince William County	No	No	No
City of Manassas	No	No	No

Source: OLO interviews with MWCOG jurisdictions.

B. Observations on Successes, Challenges and Emerging Strategies

As noted above, OLO interviewed housing agency staff from the following fifteen jurisdictions in the Washington metropolitan region:

- Montgomery County
- City of Gaithersburg
- City of Rockville
- Prince George's County
- Frederick County

- City of Frederick
- District of Columbia
- Fairfax County
- City of Fairfax
- Arlington County
- City of Alexandria
- Loudoun County
- City of Falls Church
- Prince William County
- City of Manassas

This section summarizes their feedback on the successes and challenges regarding the production and preservation of affordable housing. It then offers a list of emerging strategies that staff from these jurisdictions are exploring.

1. Successes

Housing agency staff identified a variety of successes in their affordable housing production and preservation efforts, summarized below:

- Staff from many of the jurisdictions highlighted that their elected officials have allocated increased funding for affordable housing in recent years or decades.
- Staff from jurisdictions that have formally adopted affordable housing targets described how having targets, even if imperfect, helped build support and focus for affordable housing and preservation efforts. Notably, in the District of Columbia, community engagement efforts that formed as part of the target-setting process for specific areas of the city have generated community support for affordable housing in high-cost areas.
- In many jurisdictions, the most successful projects have combined multiple policy tools —such as development incentives and requirements, loans for affordable housing development, and rental assistance agreements—to achieve larger numbers of affordable units. For example, staff described using rental assistance to deepen the affordability of dedicated affordable units. In other words, if a property has units the developer committed to keep affordable at 60% AMI, additional rental assistance can allow that unit to serve a family at 30% AMI.
- Staff in jurisdictions with Right of First Refusal laws—called Tenant or District Opportunity to Purchase (TOPA and DOPA) in the District of Columbia—highlighted the utility of these laws for preserving housing affordability by giving designated entities the opportunity and time to acquire properties that market-rate developers would otherwise easily be able to acquire.

- Multiple jurisdiction's staff highlighted their collaborative relationships with the affordable housing development community as well as collaboration among government departments, agencies, and community organizations as key to their successes.
- Staff in multiple jurisdictions described successes in community engagement including (1) building awareness and understanding in the community of complex policies and processes; (2) working collaboratively with community members to design and implement interventions in ways that center community needs; and (3) increasing engagement and advocacy from parts of the community that have not previously participated in discussions around housing development and affordable housing.

2. Challenges

The greatest and most frequent challenge described by housing staff in MWCOG jurisdictions is the need for more funding to meet affordable housing demands in the community. Other notable challenges are summarized below:

- Development requirements and incentives have been critical tools for production of affordable housing, yet their design can be complex. In multiple jurisdictions, staff identified concerns with the design of such programs that limit their effectiveness, such as allowing fees in lieu that are too low, or policies and processes in different departments that are not properly aligned. Some jurisdictions are in the process of amending their policies and processes to address these issues.
- In many jurisdictions, staff identified a need to establish policies and processes that leverage public land to produce more affordable housing.
- In many jurisdictions, communities have expressed a desire for expanded homeownership assistance, but resources for such efforts have been limited.
- The increasingly high AMI for the Washington metropolitan region presents a challenge for many jurisdictions because it results in higher rent levels for all units, including those units designated as affordable. For example, a 60% AMI rent based on the region-wide AMI can be close to market rate in areas of Frederick County.
- Staff in multiple jurisdictions highlighted the importance and difficulty of clearly defining local affordable housing demand by income level and life stage. Many jurisdictions reported unmet housing needs for: (1) households with zero income or very low incomes; and (2) the growing population of older adults with low incomes.
- At the time the interviews were conducted, staff in multiple jurisdictions reported that challenging macroeconomic market conditions such as rising interest rates and construction costs were limiting their ability to finance the production and preservation of affordable housing.

3. Emerging Strategies

In interviews, housing agencies’ staff identified a variety of strategies they are exploring to further their affordable housing production and preservation efforts. The following table lists strategies that have not yet been implemented but which housing staff in MWCOG jurisdictions are exploring.⁸⁵

Table 16. Emerging Strategies Housing Agency Staff in MWCOG Jurisdictions are Exploring

Strategy	Description
Community Land Trusts	Non-profit organizations acquire and hold land to provide permanent affordable housing. Residents may purchase homes on the property while the Community Land Trust retains ownership of the land.
Land Banking	Public entities that convert vacant and deteriorating properties to new uses such as affordable housing. ⁸⁶
Housing on Faith-Based Land	Reducing administrative and zoning regulations to build housing on underutilized land owned by faith-based organizations. ⁸⁷
Form-Based Codes	In contrast to conventional approaches to zoning that aim to geographically separate different land uses (e.g. residential, commercial, industrial, or agricultural), form-based codes restrict physical characteristics of buildings while allowing flexibility in the use of the buildings. The flexibility of form-based codes, in combination with other policy tools, can advance affordable housing goals by allowing neighborhoods with different housing types and speeding up the development approval process. ⁸⁸
Leveraging Pension Funds	Public employee pension funds manage and invest large amounts of money. Investment returns in pension funds increase resources available for retiree benefits. Some jurisdictions have invested these funds from public employee pension funds for housing in their communities, including affordable housing. ⁸⁹
Revolving Funds for Publicly Owned Mixed-Income Housing	A number of jurisdictions are considering replicating the revolving Housing Production Fund approach HOC uses to develop mixed-income, mixed-use developments, in which HOC retains majority ownership and control.

⁸⁵ For additional details on emerging strategies MWCOG jurisdictions are exploring, please refer to the jurisdiction profiles in the Appendix.

⁸⁶ [Land Banks and Community Land Trusts | Center for Community Progress](#)

⁸⁷ These efforts are colloquially known as the Yes in God’s Backyard (YIGBY) movement. For a primer on YIGBY in Maryland, see Briana Paxton’s August 2025 article for Preservation Maryland titled [Yes in God’s Backyard \(YIGBY\): An Opportunity for Housing in Maryland](#).

⁸⁸ Learn Sustainability Directory, [Can Form-Based Codes Effectively Address Issues of Housing Affordability and Social Equity?](#) December 11, 2025.

⁸⁹ T. Crawford, J. Kivell, & M. C. Recto, [Alternative Investments in Community Development: A Case Study of Pension Fund Investments in Multifamily Affordable Housing](#), Federal Reserve Bank of New York, February 2024.

Chapter 4. Montgomery County Approaches to Producing and Preserving Dedicated Affordable Housing

Montgomery County has implemented numerous policies and provides a wide array of programs aimed at producing and preserving affordable housing. In conversations with OLO, staff from housing agencies in several other jurisdictions described looking to Montgomery County as a model for their own affordable housing efforts. At the same time, past OLO reports (2019-04 and 2010-09) as well as OLO interviews with staff and stakeholders for this report have highlighted the complexity of Montgomery County's affordable housing efforts as a challenge for policymakers, program administrators and prospective program participants.

This chapter describes current **locally funded programs and policies** that produce and preserve affordable housing in Montgomery County. The chapter is organized as follows:

- **Section A** provides an overview of the County's affordable housing programs and policies;
- **Section B** summarizes the County's affordable housing policies including housing goals, funding, guidelines and regulations;
- **Section C** describes locally funded programs that finance affordable housing development; and
- **Section D** summarizes feedback from local stakeholders on the County's affordable housing policies and programs.

Overall, OLO's review of County programs and policies demonstrates that the County's array of affordable housing programs and initiatives remains complex. This complexity is indicative of the significant resources the County has dedicated to affordable housing production and preservation and related supports for diverse populations. At the same time, this complexity presents challenges for policymakers and members of the public seeking to understand the County's affordable housing efforts as a whole and creates administrative and logistical burdens for staff and program applicants.

A. Overview of Affordable Housing Programs and Policies

The following County Government departments and County agencies are responsible for implementing and administering programs and policies related to affordable housing:

- **The Department of Housing and Community Affairs (DHCA)** promotes the preservation and production of affordable housing, administers the County's housing code, offers landlord-tenant mediation, and supports common ownership communities.
- **The Department of Health and Human Services (DHHS)** provides housing stabilization, homeless diversion, street outreach, emergency shelter, permanent housing, and healthcare services for people experiencing homelessness or at risk of homelessness.

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- **The Housing Opportunities Commission of Montgomery County (HOC)** builds, develops, finances, acquires, and manages housing for persons with very low- to moderate-incomes. It is both the County’s Public Housing Authority and Housing Finance Agency.
- **The Planning Department of the Montgomery County Planning Board (Montgomery Planning)** prepares master and sector plans for land use, reviews development applications, and reports various data, including housing data, to policymakers and the public.

The following table summarizes Montgomery County-funded programs and policies aimed at producing and preserving affordable housing that will be summarized in this chapter.

Table 17. Summary of Montgomery County-Funded Affordable Housing Policies and Programs

Policies	Policies
Funding Sources	<ul style="list-style-type: none"> • General Funds • Limited Taxable Bond • Recordation Tax Premium • Loan Repayment Proceeds • MPDU Sales • Investment Income • Loan Fees
Affordable Housing Targets Adopted	None
Development Requirements and Incentives	<ul style="list-style-type: none"> • Moderately Priced Dwelling Unit Program • Housing for All Incentive Density
Other Regulatory Elements	<ul style="list-style-type: none"> • Right of First Refusal (ROFR) • Rent Stabilization • Feasibility Studies for Affordable Housing in County Buildings
Programs	Description
Affordable Housing Finance (and Administering Agency)	<ul style="list-style-type: none"> • Montgomery Housing Initiative Fund (DHCA) • Affordable Housing Opportunity Fund (DHCA) • Nonprofit Preservation Fund (DHCA) • Housing Production Fund (HOC) • Opportunity Housing Development Fund (HOC) • HOC MPDU/Property Acquisition Fund (HOC)

<p>Rental Assistance Programs (and Administering Agency)</p>	<ul style="list-style-type: none"> • Rent Supplement Program (HOC) • Community Choice Homes Initiative (HOC) • Move-Up Initiative (HOC) • Youth Bridge Initiative (HOC) • HOC Bridge (HOC) • Rental Agreements (DHCA) • Homeless Prevention and Relocation Assistance (DHCA) • Short-Term Housing Resolution Program (DHHS) • Rental Monthly Allowance Program (DHHS) • Housing First (DHHS) • Housing Initiative Program, Permanent Supportive Housing, and Rapid Rehousing (DHHS) • Housing Stabilization (DHHS)
<p>Homeownership Subsidies (and Administering Agency)</p>	<ul style="list-style-type: none"> • Home Accessibility Rehabilitation Program (HARP - DHCA) • Montgomery Homeownership Program (MHP – DHCA/State DHCD) • Montgomery County Housing Assistance Fund Program (MCHAF – DHCA/HOC) • Montgomery Employee Down Payment Assistance Loan (MEDPAL – DHCA/State DHCD) • Homeownership Counseling Assistance (DHCA)
<p>Tax or Fee Exemptions for Developers</p>	<p>Payment in Lieu of Real Property Taxes (PILOTs) Programs (DHCA)</p>

B. Montgomery County Affordable Housing Policies

This section summarizes the County’s affordable housing policies including housing goals, funding, guidelines and regulations.

1. Affordable Housing Targets and Goals

In November 2019, the Montgomery County Council adopted Resolution 19-284, which expresses support for the MWCOG resolution establishing housing targets for the National Capital Region. The resolution does not include a specific, quantitative target for publicly funded or subsidized housing or for housing that is affordable for households with lower incomes within the County. Specifically, the resolution states:

The Council supports the goals of the Metropolitan Washington Council of Government's (MWCOG) resolution, which calls for an additional 320,000 housing units in the region by 2030. This is an increase of 75,000 housing units beyond the current forecast and calls for Montgomery County to set a goal of producing 10,000 housing units above the existing forecast, including housing that will be produced in the City of Gaithersburg and City of

Rockville. The Council is committed to working closely with all County municipalities to achieve this new goal.

The Council supports MWCOG's policy goal that 75% of new housing be in Activity Centers or near high-capacity transit.

The Council will undertake efforts to analyze and find solutions for barriers to increasing housing production, particularly for housing affordable to low- and middle-income households. The Council will monitor data on the number and percent of households that are housing-cost burdened with a focus on reducing the number of very-low, low- and middle-income households that are spending more than 30% of their income on housing.

In March 2023, the Council's Planning, Housing, and Parks (PHP) Committee directed staff from the Planning Department to develop localized housing targets by County Planning Area. In June 2024, Planning Department staff presented a proposed set of housing targets for each of the County's 22 Planning Areas for every ten years from 2030 to 2050. The proposal included a recommendation to set targets for income-restricted units of between 12.5% and 17.5% of new units, depending on the existing quantity of income-restricted housing in each Planning Area. At the time of writing, the Council had not formally adopted housing targets for the County's planning areas or corresponding targets for income-restricted units.

Note, Section 25-4 of the County Code requires the County Executive to submit a report to the County Council that describes demand and supply for affordable housing in the County, including a recommended quantitative goal for affordable housing production in future years. The County Code states that the Executive should submit such a report "periodically."

2. Local Funding Sources for Affordable Housing

This section describes Montgomery County funding for the production and preservation of affordable housing. It does not include (1) forgone taxes or (2) the costs to private developers or property owners associated with income-restricted units that are part of the Moderately Priced Dwelling Unit (MPDU) program.

FY26 Operating Budget. Montgomery County's FY26 Operating Budget includes local funding for affordable housing-related programs through:

- The Housing Initiative Fund (HIF);
- The budget for Services to End and Prevent Homelessness (SEPH), a division of DHHS; and
- An annual grant to HOC.

The HIF was established in 1988 and is the County's local housing trust fund. It receives funding from several sources:

- Annual transfer from the General Fund (\$38 million in the FY26 Approved Operating Budget);

- One-third of the revenues from the County’s Recordation Tax premium are allocated to the HIF for rental assistance programs (\$25 million in FY20 Approved Operating Budget);⁹⁰ and
- Additional revenues from other sources include loan repayment proceeds, investment income, MPDU revenue, and loan fees after paying debt service (\$15 million in FY26 Approved Operating Budget).⁹¹

Outside of the HIF, the FY26 Approved Operating Budget included \$57 million in tax-supported funding for DHHS’s SEPH, which includes funding for programs that provide rental assistance as well as shelter and other services for people experiencing or at risk of homelessness. Finally, the FY26 Approved Operating Budget included \$9 million for HOC, which primarily supports HOC Resident Services, such as wellness and self-sufficiency programs, linkages to other services, and crisis intervention.

Capital Projects that Support Affordable Housing. The County funds several capital projects that produce and preserve affordable housing. In particular, three projects administered by DHCA and three projects administered by HOC provide financing for housing projects that include income-restricted units.⁹² The financing programs associated with these capital projects are described below. The FY26 Capital Budget included \$107 million in total funding for these projects. However, this figure does not include funds allocated in previous years that serve as seed money for revolving loan funds. Two additional capital projects that were allocated a combined \$1.5 million in the FY26 Capital Budget directly fund (rather than providing loans for) improvements to HOC-owned properties.⁹³

3. Affordable Housing Development Requirements and Incentives

Montgomery County requires and incentivizes developers to build affordable housing through the Moderately Priced Dwelling Unit (MPDU) program, the County Code and zoning ordinances.

The County Council adopted the County’s MPDU program in 1973. It was the first inclusionary housing program successfully implemented in the United States. The MPDU program requires that a

⁹⁰ The County levies a Recordation Tax on real estate transactions and new debt on mortgages or deeds of trust. The tax includes a premium on the cost of a property or a refinancing that is more than \$500,000 and an additional premium on sales values over \$1,000,000. Chapter 52-16B of the County Code requires that one third of the revenues from the premium be allocated to rental assistance programs. Another third of premium revenues must be allocated to the cost of County Government capital improvements, which can include capital funding for affordable housing projects.

⁹¹ Montgomery Housing Initiative FY26-31 Public Services Program: Fiscal Plan, [Housing and Community Affairs | Montgomery County Maryland Operating Budget](#)

⁹² The six referenced projects are: (1) DHCA Affordable Housing Acquisition and Preservation, (2) Affordable Housing Opportunity Fund (DHCA), (3) Nonprofit Preservation Fund (DHCA), (4) HOC County Guaranteed Bond Projects, (5) HOC Opportunity Housing Development Fund; and (6) HOC MPDU/Property Acquisition Fund. An additional capital project – Revitalization for Troubled and Distressed Common Ownership Communities – supports the Common Area Assistance Loan Fund. Although the Common Area Assistance Loan Fund falls outside of the scope of this OLO report because it is not focused on producing or preserving affordable units that are income-restricted, OLO recognizes this project supports housing that serves households with low- and moderate-incomes.

⁹³ The two referenced projects are: (1) Cider Mill Apartments Capital Improvements and (2) Supplemental Funds for Deeply Subsidized HOC- Owned Units Improvements

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percentage of housing units in new residential developments of 20 or more units be affordable and available to qualifying moderate-income households. The MPDU program applies to both rental and for-sale properties.

Specifically, under current law, 12.5% to 15% (depending on the location of the property) of units in a new private residential development must be moderately priced. For high-rise rental apartments and all for-sale units, “moderately priced” means that the units are affordable to households earning 70% AMI. For garden-style rental apartments, moderately priced units must be affordable to households earning 65% AMI. The Council may establish a higher minimum requirement of MPDUs as part of a master plan approval.

DHCA administers the MPDU program by:

- Coordinating with builders and establishing agreements with them;
- Certifying potential for-sale MPDU buyers;
- Selecting MPDU buyers via lottery; and
- Maintaining lists of rental properties with MPDUs.

The County Code establishes MPDU control periods, during which units are subject to either resale price controls and owner-occupancy requirements, or maximum rental limits. Rental MPDUs are subject to a 99-year control period, starting on the date of the original rental. For-sale MPDUs are subject to a 30-year control period, starting on the date of the original sale.⁹⁴

Furthermore, the County Code allows DHCA or HOC to purchase or lease up to 40% of MPDUs that are not sold or leased for other federal, state, or local public programs.

The Montgomery County Zoning Ordinance also allows developers to receive additional density in certain projects (i.e. allowing them to build more housing units or more retail space) in exchange for providing “public benefits” as part of the project. The Planning Board has adopted Incentive Density Implementation Guidelines to explain the standards and requirements developers must meet to obtain additional density in exchange for providing public benefits. The current guidelines describe numerous categories of public benefits, including “Housing For All.” The guidelines describe this category as follows:

The Housing for All category incentivizes the delivery of affordable housing at varying levels for rent and for sale, as well as the provision of units that can house families and intergenerational households near transit. A variety of housing types priced for a range of incomes is essential to creating integrated neighborhoods and equitable access to resources.⁹⁵

Specifically, the guidelines state that developers can receive additional density if the project:

⁹⁴ In 2004, the Council extended the control periods for rental MPDUs from 20 to 99 years and for-sale MPDUs from 10 to 30 years. Montgomery County Code Sec. 25A-1

⁹⁵ Incentive Density Implementation Guidelines for CR and CRT Zones, The Maryland-National Capital Park and Planning Commission, 2025, page 11.

- Includes a larger percentage of MPDUs than what is required by County Code or applicable master plan;
- Incorporates market rate and affordable units that are “family-sized” (e.g., three- or four-bedroom units); or
- Offers deeper affordability by including a percentage of all housing units as MPDUs that are, on average, affordable to households at 60% AMI.

Projects in which the percentage of units that are MPDUs exceeds the minimum may also be allowed additional height and may be exempt from some or all applicable impact taxes.⁹⁶

Development Requirements and Incentives in Gaithersburg and Rockville

The following describes affordable housing development requirements and incentives in the cities of Gaithersburg and Rockville.

City of Gaithersburg. Development projects in Gaithersburg producing 20 or more rental housing units must set aside 15% as MPDUs. Projects producing 20 or more for-sale units must set aside 7.5% as MPDUs.⁹⁷ In Gaithersburg, MPDUs are:⁹⁸

- Rental units in low-rise properties that are affordable at 60% AMI; or
- Rental units in high-rise properties or for-sale units that are affordable at 65% AMI.

Gaithersburg exempts MPDUs from a city fee related to utilization of public schools.⁹⁹

City of Rockville. To receive a building permit, housing projects in the City of Rockville that include 20 or more dwelling units must set aside 15% of the total units as MPDUs, defined as units for which sales prices or rental rates do not exceed limits established in city regulation. In certain zones, developers may also receive bonus density by setting aside more than 15% of units as MPDUs.¹⁰⁰

4. Affordable Housing Regulatory Elements

The following summarizes elements of Montgomery County’s regulatory environment that relate to the production and preservation of affordable housing:

Right of First Refusal (ROFR). Enacted in 1980, this law requires property owners who are selling a multifamily property of four or more units to offer the property to the County, the HOC, and a certified tenant organization (in that order) before selling the property to another party. In 2024, the Council

⁹⁶ Moderately Priced Dwelling Unit (MPDU) Program - Montgomery Planning

⁹⁷ An additional 7.5% of for-sale units must be Work Force Housing Units (WFHU) which are affordable at 120% AMI.

⁹⁸ Zoning Ordinance, Gaithersburg MD, Section 24-13.3 – Affordability Requirements

⁹⁹ Zoning Ordinance, Gaithersburg MD, Section 24-14.4 – School Capacity

¹⁰⁰ Rockville, Maryland Code of Ordinances Sec. 13.5-5 and Sec. Sec. 13.5-3. Refer to the City of Rockville’s web pages on the Moderately Priced Dwelling Unit Rental Program and the Moderately Priced Dwelling Unit Homeownership Program for current income limits.

amended the ROFR law to allow the County to assign its ROFR to “qualified entities” approved by the County Executive.

Rent Stabilization. In 2023, the Council enacted the Rent Stabilization Law, which limits rent increases for residential rental units that are at least 23 years old.¹⁰¹

Affordable Housing Feasibility Study. During the facility planning phase for capital projects pertaining to County Government buildings, the County Code requires the Department of General Services to prepare and submit an affordable housing feasibility study that explores the inclusion of affordable housing in relevant capital projects.¹⁰²

C. Montgomery County Affordable Housing Programs

This section summarizes the County’s locally funded affordable housing programs in four categories: finance programs, rental assistance programs, homeownership programs, and tax or fee exemptions for development.

1. Affordable Housing Finance Programs

Both DHCA and HOC administer loan programs that provide financing for affordable housing, summarized in the table below. DHCA operates three loan programs that provide financing for the acquisition, rehabilitation, and construction of affordable housing. In addition, three HOC programs provide financing for HOC housing projects.

Table 18. Montgomery County-Funded Affordable Housing Finance Programs

Program	Agency	Eligible Projects	Financing Type
Housing Initiative Fund	DHCA	Acquisition, rehabilitation, or construction of multifamily housing that includes units affordable for households with incomes at or below 70% AMI	Negotiated flexible financing
Affordable Housing Opportunity Fund	DHCA	Acquisition and preservation of affordable housing	Short-term financing (up to 36 months)
Nonprofit Preservation Fund	DHCA and HOC	Acquisition and preservation of affordable housing by nonprofit developers and local housing authorities	Interim financing with a loan term of 7 years, extendable up to 10 years

¹⁰¹ [Laws and Regulations-RS](#)

¹⁰² Montgomery County Code Sec. 25B-7. Affordable housing feasibility study and assessment.

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Housing Production Fund	HOC	HOC mixed-income and mixed-use developments with 20% of units at 50% AMI and 10% of units at 65% AMI or below	Construction loans with 5-year terms and 5% interest rate
Opportunity Housing Development Fund	HOC	Project planning, site improvements, construction loan guarantees, insurance and fees before obtaining permanent financing for HOC housing projects	Interim financing
HOC MPDU/Property Acquisition Fund	HOC	HOC acquisition and renovations or repairs of Moderately Priced Dwelling Units	Interim financing

DHCA publishes quarterly pipeline reports that describe projects receiving DHCA financing. The most recent report shows that from FY2019 to FY2025, DHCA-funded projects produced or preserved between 600 (in FY20) and 1,827 (in FY25) income-restricted units each fiscal year.¹⁰³

Affordable Housing Finance in Gaithersburg and Rockville

City of Gaithersburg. The City of Gaithersburg’s new Multifamily Investment Loan Program offers 0% interest loans up to \$250,000 with terms of 7 to 10 years for affordable housing preservation in multifamily properties.

City of Rockville. The City of Rockville has used funding from its Housing Opportunities Fund, which is funded with regular General Fund allocations, to provide gap financing for affordable housing.

2. Rental Assistance Programs

This section describes Montgomery County-funded rental assistance programs by the administering agency.

Housing Opportunities Commission of Montgomery County (HOC) Rental Assistance Programs. HOC receives DHCA-administered funding from the HIF (specifically from the recordation tax premium) for four locally funded rental assistance programs, detailed in the table below. In addition to the funding listed in the table below, an annual grant from the County supports HOC’s Resident Services division, which provides service coordination, resident programs, and supportive housing services to households that receive federally or locally funded housing subsidies. Not listed in the table, HOC is also responsible for administering Housing Choice Voucher (HCV) Assistance Payments in Montgomery County, which are federally funded.

¹⁰³Montgomery County DHCA, [Affordable Housing Pipeline Report FY26 Second Quarter Update](#), December 2025, page 5.

Table 19. Montgomery County-Funded Rental Assistance Programs Administered by HOC

Program	Income Eligibility or Priority Population	Subsidy Amount	Duration of Subsidy	FY26 County Funding
Rent Supplement Program	People with incomes between 20% and 40% AMI who are over age 62, have a disability, are fleeing domestic violence, or are homeless	Up to \$600 per month	12 months with option to renew annually	\$2,080,166
Community Choice Homes Initiative	Non-elderly people with disabilities	Rent minus 30% of household income	12 months with option to renew annually	\$807,244
Move Up Initiative	Individuals transitioning from the County’s Continuum of Care (Services to End and Prevent Homelessness)	Rent minus 30% of household income	12 months with option to renew annually	\$2,888,472
Youth Bridge Initiative	Young adults aging out of foster care with household incomes up to 60% AMI	Rent minus 30% of household income	24 months	\$87,688
HOC Bridge¹⁰⁴	Housing Choice Voucher (HCV) holders with a qualifying income	Cash paid directly to tenant	24 months	\$70,400

Department of Housing and Community Affairs (DHCA) Rental Assistance. DHCA administers rental assistance through County-supported rental agreements with property owners that either extend affordability, renew affordability agreements that are expiring, or further reduce rents for properties that use DHCA financing. The amount and duration of assistance vary depending on the terms of the agreement. In the FY26 Operating Budget, the cost of these agreements totaled about \$7 million.¹⁰⁵

Department of Health and Human Services (DHHS) Services to End and Prevent Homelessness. SEPH is the division of DHHS responsible for providing housing stabilization, homeless diversion, street outreach, emergency shelter, permanent housing, and healthcare services for people experiencing homelessness or at risk of homelessness. SEPH administers the rental assistance programs listed in the table below.

¹⁰⁴ Housing Opportunities Commission of Montgomery County, [Discussion: HOC Bridge Local direct rental assistance program](#), April 29, 2025.

¹⁰⁵ This total includes a \$1 million contract with Housing Unlimited to provide housing assistance for people with psychiatric disabilities who are experiencing homelessness.

Table 20. Montgomery County-Funded Rental Assistance Programs Administered by DHHS

Program	Income Eligibility or Priority Population	Subsidy Amount	Duration of Subsidy	FY26 County Funding (excludes grant funds)
Short-Term Housing Resolution Program	People experiencing homelessness for the first time	100% of rent	12 months	\$6,932,010
Housing Stabilization Eviction Prevention	Residents experiencing a housing emergency and have incomes at or below 60% AMI	Up to \$3,000	One-time	\$13,641,116
Rental Assistance Program/ Rental Monthly Allowance Program	Older adults referred from other programs and at risk or experiencing homelessness; at least one household member must be 55 years or older or have a disability	\$100 to \$503 per month	12 months with option to renew annually	\$10,700,526
Rapid Rehousing	People experiencing homelessness	100% of housing cost	90 days renewable up to 24 months	\$5,427,052
Housing Initiative Program	People with disabilities experiencing homelessness and requiring Permanent Supportive Housing	Rent minus 30% of household income	Permanent	\$5,767,751
Permanent Supportive Housing	Individuals experiencing chronic homelessness who have disabilities and complex needs	100% of housing cost	Permanent	\$13,082,324

Source: FY26 Operating Budget and DHHS Website

Rental Assistance Funded by Municipalities

The City of Gaithersburg does not currently operate a locally-funded rental assistance program. In the City of Rockville, the locally-funded Rockville Emergency Assistance Program provides financial assistance to city residents facing eviction, utility shut offs, and other types of emergencies.

3. Homeownership Programs

The following table summarizes County-funded programs that support homeownership. Highlights include:

- Five of the eight programs offer low- or zero-interest financing for households with lower incomes seeking to buy a home.
- Two of these programs—the Montgomery Homeownership Program and the Montgomery Employee Down Payment Assistance Loan Program—are administered by the Maryland Department of Housing and Community Development (DHCD) and funded by Montgomery County.
- The sixth program funds accessibility upgrades for homeowners with lower incomes who have disabilities or are over age 65.
- The last two programs are the two means-tested property tax credits for homeowners with lower incomes: the Supplemental Homeowners Tax Credit and the Senior Tax Credit.

The County also offers additional tax credits for homeowners that are not displayed in the table below because they are not means-tested. For example, the County’s most costly tax credit—the Local Income Tax Offset Credit (ITOC)—is a flat credit for County residents who live in the property they own. In 2024, the ITOC provided \$133 million in credits to County homeowners.¹⁰⁶

Note, the downpayment and closing cost assistance programs may be layered with mortgage programs administered by the Maryland DHCD and HOC. These programs provide income-eligible homebuyers with home loans funded through the sale of bonds and mortgage-backed securities.

Table 21. Montgomery County-Funded Homeownership Programs

Program	Agency	Income Eligibility or Priority Population	Description of Benefits	FY26 County Funding
Closing Cost Assistance Program	HOC	First-time homebuyer with household income (HHI) up to \$199,220 for a family of three	Up to \$10,000 in closing cost assistance as a second mortgage	\$202,070
Montgomery County Homeownership Assistance Fund (McHAF)	HOC	First-time homebuyer with HHI up to \$199,220 for a family of three	Up to \$25,000 in downpayment and closing cost assistance as a zero percent deferred second mortgage	\$2,000,000

¹⁰⁶ Roblin, S., OLO Report 2026-4: An Examination of Property Tax Credits, Exemptions, and Deferrals

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Montgomery Homeownership Program (MHP)	DHCD (MD)/ DHCA	In 2025, HHI at or below \$229,460 for a family of three participating in the Maryland Mortgage Program	Up to \$50,000 in downpayment and closing cost assistance as a zero percent deferred second mortgage	\$2,000,000
Montgomery Employee Down Payment Assistance Loan Program (MEDPAL)	DHCD (MD)/ DHCA	HHI at or below \$229,460 for a family of three (2025) and employed by the County	\$50,000 in downpayment and closing cost assistance as a zero percent deferred second mortgage	\$1,000,000
Homeownership Counseling Assistance (HCA)	DHCA	First-time homebuyers as well as current homeowners	Pre-purchase counseling, homebuyer education services, and foreclosure prevention counseling	\$509,000
Home Accessibility Rehabilitation Program (HARP)	DHCA	People with disabilities and people ages 65 and older with HHI under 80% AMI	Home accessibility renovations	\$318,373
Supplemental Homeowners Property Tax Credit	Dept of Finance	Households with HHI at or below \$76,620	\$1,381 average credit in 2024 ¹⁰⁷	\$5,783,050 (2024) ¹⁰⁸
Senior Tax Credit	Dept of Finance	Households with HHI at or below \$76,620 and with a homeowner at least 65 years of age	\$533 average credit in 2024 ¹⁰⁹	\$1,319,903 (2024) ¹¹⁰

The City of Gaithersburg’s locally funded Downpayment Assistance Program (DPA) provides 0% deferred loans of up to \$40,000 for downpayment and closing cost assistance for first-time homebuyers. The city also funds a multi-year contract with Rebuilding Together, a nonprofit organization that provides home repair assistance. The City of Rockville’s locally-funded Rockville Homeownership Assistance Program (RHAP) offers downpayment and closing cost assistance to income-eligible households and city employees.

4. Tax or Fee Exemptions for Affordable Housing Development

Montgomery County offers property tax abatement for the construction and preservation of affordable multifamily rental housing through its Payment in Lieu of Taxes (PILOT) program. Rental housing projects that receive PILOTs are either completely or partially exempt from paying the County

¹⁰⁷ Roblin, S., OLO Report 2026-4: An Examination of Property Tax Credits, Exemptions, and Deferrals p. 30

¹⁰⁸ Ibid.

¹⁰⁹ Roblin, S., OLO Report 2026-4: An Examination of Property Tax Credits, Exemptions, and Deferrals p. 38

¹¹⁰ Ibid.

property tax for a specified number of years. In return, the property owner commits to providing affordable housing on the property for a specified period. In FY25, the County forewent \$34 million in property tax revenue through its PILOT program.¹¹¹ The County offers five types of PILOTS:¹¹²

- “Standard” PILOTS are negotiated agreements based on the number of affordable units and the duration of their affordability;
- “By-right” PILOTS abate property taxes for a period of 15 years for non-profit owned rental properties that lease at least 50% of their units to households with incomes at or below 60% AMI, and for all HOC-owned or controlled properties;
- MPDU PILOTS are for certain MPDU projects that need assistance to offer more than the required number of MPDUs;
- Office to Residential Conversion PILOTS are for commercial properties with at least a 50% vacancy rate converting to residential use. The residential property must have at least 17.5% of rental units affordable to households earning at or below 60% AMI for at least 25 years; and
- The Washington Metropolitan Area Transit Authority (WMATA) PILOT exempts 100% of the real property tax for 15 years for new construction developments that include at least 50% rental housing and are built on property leased from WMATA in the County.

D. Observations from County Department and Agency Staff and Community Stakeholders

OLO conducted interviews with representatives from the following for feedback on affordable housing programs and policies in Montgomery County:

- Montgomery County Collaboration Council for Children, Youth, and Families
- Department of Housing and Community Affairs (DHCA)
- City of Gaithersburg Housing and Community Development
- Housing Opportunities Commission of Montgomery County (HOC)
- Montgomery Housing Partnership (MHP)
- NAACP Montgomery County Chapter
- Montgomery County Renters’ Alliance
- City of Rockville Housing and Community Development Department

¹¹¹ [Housing and Community Affairs | Montgomery County Maryland Operating Budget FY27 Recommended Operating Budget](#).

¹¹² Montgomery County Department of Housing and Community Affairs, [Payment in Lieu of Taxes \(Pilot\)](#).

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This section summarizes three major themes shared by staff and stakeholders regarding Montgomery County's affordable housing production and preservation efforts.

Complexity of Programs. Previous OLO reports have highlighted that the complexity of Montgomery County's affordable housing efforts is a challenge for policymakers, program administrators, and prospective program participants. During interviews for this report, community stakeholders indicated this issue remains a challenge for staff and prospective program participants. Specifically, many residents and staff that support residents lack awareness of the full range of available rental assistance programs, their eligibility criteria, and how to apply to them. Stakeholders also shared concerns that support is often only available to residents when a crisis occurs rather than to prevent a crisis.

OLO also heard feedback from County staff that the complexity of the County's affordable housing finance programs can serve as a barrier to developers that must navigate multiple programs with different eligibility requirements and varying funding timelines. In addition, staff shared that having multiple affordable housing finance programs presents challenges for financial management and transparency.

Community Engagement. Community stakeholders report that when they identified challenges in the implementation of rental assistance and homeownership programs, County staff worked with stakeholders to address these issues. At the same time, stakeholders indicated opportunities exist for the County to be more proactive in working collaboratively with community members in the design and implementation of affordable housing programs.

Prior OLO reports have noted that adopting equitable community engagement practices that center the needs and priorities of BIPOC and community members with low incomes can assist County departments in developing policies and programs that address racial inequities and disparities and advance racial equity.¹¹³

Opportunities for Collaboration with Municipalities. Staff from the cities of Rockville and Gaithersburg highlighted they often look to Montgomery County for guidance for their own affordable housing efforts. Staff highlighted potential opportunities for collaboration in specific areas such as leveraging public land for affordable housing production, as well as financing affordable housing projects within the municipalities.

¹¹³ J. Peña & C. Kalyandurg, OLO Report 2024-8: [Community Engagement for Racial Equity and Social Justice](#), Office of Legislative Oversight, March 12, 2024.

Chapter 5. OLO Findings and Discussion Issues

The County Council requested this Office of Legislative Oversight (OLO) report to obtain information on local approaches to affordable housing production and preservation efforts across the Washington metropolitan region. Affordable housing can include:

- Financial assistance that helps people to afford to rent or buy their home;
- Housing units subject to an agreement with the government to remain affordable at a specified level for a specified period of time; or
- Housing for which the market price or market rent is considered affordable for households with lower incomes, often referred to as Naturally Occurring Affordable Housing (NOAH).

Section A of this chapter presents OLO’s findings, and **Section B** presents OLO’s recommended discussion issues for the Council.

A. Findings

This section presents OLO’s findings on local approaches to affordable housing production and preservation efforts across the Washington metropolitan region.

Defining Affordable Housing

Finding #1. The term “affordable housing” is typically understood to mean housing for which the household pays no more than 30% of their income and that serves households with lower incomes.

Local and state approaches to producing and preserving affordable housing operate within structures and guidelines established by the federal government, particularly the Department of Housing and Urban Development (HUD). Since the 1980s, federal housing programs have used a standard of 30% of household income to define what is an affordable housing cost for a household. This type of standard is called a housing-cost-to-income ratio (HCIR).

HUD also sets guidelines on household incomes to determine which households are eligible to live in federally assisted housing and how much a housing provider can charge in rent for a designated affordable unit. HUD uses income data from the U.S. Census Bureau’s American Community Survey (ACS) to determine its area median income (AMI) levels. Locally funded affordable housing programs typically adopt the same income and rent guidelines as those HUD publishes for their region.

For FY26, the AMI for the Washington-Arlington-Alexandria Metropolitan Area was \$166,100 for a family of four. The following table summarizes current HUD income limits by family size for this area.

FY26 HUD Income Limits for the Washington-Arlington-Alexandria Metropolitan Area

Income Category/Family Size	1	2	3	4	5
Extremely Low Income – 30% AMI	\$34,900	\$39,900	\$44,900	\$49,850	\$53,850
Very Low Income – 50% AMI	\$58,150	\$66,450	\$74,750	\$83,050	\$89,700
Low Income – 80% AMI	\$74,800	\$85,450	\$96,150	\$106,800	\$115,350

Source: [FY 2026 Income Limits Documentation System](#), U.S. Department of Housing and Urban Development.

Finding #2. The terms production and preservation of affordable housing refer, respectively, to increasing affordable housing supply and preventing loss of housing that is affordable for households with lower incomes. Specific definitions of these terms vary across jurisdictions in the Washington metropolitan region.

A production framework for affordable housing can take the form of a strategic plan or goal for increasing the supply of housing that is affordable to low- or moderate-income households. The Montgomery County Department of Housing and Community Affairs (DHCA) defines its affordable housing production projects as those “constructing new units or expanding the number of units under affordability restrictions above and beyond the inclusionary zoning minimums.”¹¹⁴ In contrast, Frederick County frames production through an emphasis on a comprehensive strategic approach rather than exceeding a regulatory threshold, and Fairfax and Arlington Counties emphasize the creation of “committed affordable units” through formal restrictions or agreements.

Preservation frameworks are strategies for preventing the loss of existing lower-cost housing units due to rising rents, redevelopment, or deterioration. These strategies use policy, financing, and legal tools to ensure housing remains affordable. Montgomery County’s DHCA defines preservation as “projects that maintain existing affordable housing at risk of losing affordability or being removed from the market.”¹¹⁵ Similarly, Fairfax County and Washington, D.C. created a definition that centers on ensuring long-term affordability through the establishment of trackable affordability covenants. On the other hand, Frederick County’s framework defines preservation as a “cost-effective strategy to prevent displacement and ensure continued access to housing,” focusing more on resident stability rather than on specific at-risk units.¹¹⁶

¹¹⁴ Montgomery County DHCA, [Financing for Affordable Housing Development](#).

¹¹⁵ Montgomery County DHCA, [Financing for Affordable Housing Development](#).

¹¹⁶ Frederick County, [Housing Needs Assessment and Affordable Housing Strategic Plan](#), March 2026.

Finding #3. In recent decades, the role of local governments in producing and preserving affordable housing has increased due to: A) reduced federal support for construction and other capital-based subsidies; B) lack of federal funding for rental subsidies; C) increased demand for rental housing; and D) increased multifamily construction costs.

Several policy changes since the 1970s have reduced the federal government's role in producing and subsidizing rental housing for households with lower incomes. In particular:¹¹⁷

- Congress reduced support for construction and other capital-based subsidies for public housing;
- Federal housing assistance began shifting its focus to providing monthly rental assistance to private property owners who lease units to tenants with low incomes through the Housing Choice Vouchers Program (Section 8); and
- Congress has maintained funding for existing Housing Choice Vouchers but has sharply decreased funding for incremental vouchers, thus limiting program expansion.

A 2023 Congressional Research Service report further notes that recent shifts in multifamily rental markets exacerbate the challenges associated with the decreased role of the federal government in housing, including:

- Demand for rental housing increased significantly in the aftermath of the Great Recession;
- Rent increases have extended to older and less desirable properties; and
- Multifamily development costs and associated rents have increased at a faster pace than the incomes of households with low- and moderate-incomes.

While state and federal agencies continue to be the largest funding sources for affordable housing, local governments are responsible for coordinating federal, state, nonprofit, and private resources. Local governments hold the most direct levers for shaping housing production and preservation outcomes through policy tools such as land use regulation, code enforcement, property taxes and fees, locally administered subsidies, rent stabilization, and tenant protections.¹¹⁸

¹¹⁷ [Overview of Federal Housing Assistance Programs and Policy | Congress.gov | Library of Congress](#); and [The Evolution of Funding Policy in the Housing Choice Voucher Program](#)

¹¹⁸ Claudia Aiken, [Local Housing Policy: Why It Matters](#), Housing Solutions Lab at the NYU Furman Center, June 2023.

Finding #4. Racial inequities in homeownership and housing cost burden persist across the Washington metropolitan region, including in Montgomery County.

Numerous racial inequities created and supported by past government practices drive current racial disparities in wealth, income, and housing. Today, racial inequities in housing access continue to perpetuate and sustain residential racial segregation and racial disparities in housing outcomes for renters and homeowners.¹¹⁹ For example, in Montgomery County:

- Roughly three-quarters of White and Asian households own their home compared to 54 percent of Latinx households and 40 percent of Black households.¹²⁰
- Latinx and Black households are more likely than White and Asian households to experience a housing cost burden, spending more than 30 percent of their household income on mortgage or rent.¹²¹
- On the night of the 2025 Annual Point-in-Time (PIT) count of persons experiencing homelessness, 84 percent of individual adults experiencing homelessness identified as people of color.¹²²

To learn more about historical and contemporary drivers of racial inequity in housing, along with promising practices for advancing racial equity in housing, refer to *OLO Report 2024-11: Racial Equity and Social Justice Policy Handbook: Land Use, Housing, and Economic Development*.

Regional Data and Targets for Affordable Housing Production and Preservation

Finding #5. Seven MWCOG jurisdictions have established specific affordable housing targets, although timeline and scope vary widely. The Montgomery County Council has not yet adopted affordable housing targets for Montgomery County.

The following table lists affordable housing targets adopted by the seven jurisdictions with such targets.

¹¹⁹ E. Bonner-Tompkins, J. Peña, and E. Tesfaye. *Racial Equity and Social Justice Policy Handbook: Land Use, Housing, and Economic Development. Report Number 2024-11*. June 18, 2024.

¹²⁰ See Table 3 on page 31 of this report.

¹²¹ See Table 3 on page 31 of this report.

¹²² HHS Committee Briefing, *Memorandum to Montgomery County Council Health and Human Services Committee*, June 23, 2025.

Quantitative Affordable Housing Targets Adopted By MWCOG Jurisdictions

Jurisdiction	Affordable Housing Targets
Prince George's County	<ul style="list-style-type: none"> Of a total of 26,000 housing units produced, 75% (19,500 units) will be affordable at or below 120% AMI by 2030. Preserve 6,000 affordable units by 2030.
District of Columbia	<ul style="list-style-type: none"> By 2030, 20,000 new dedicated affordable units will be produced. By 2050, an additional 24,230 dedicated affordable units will be produced. Each planning area should have 15% affordable units by 2050. Of the new affordable units, 30% should be affordable at 60% to 80% AMI, 30% should be affordable at 30% to 60% AMI, and 40% should be affordable at or below 30% AMI.
Fairfax County	<ul style="list-style-type: none"> Produce 10,000 units affordable at 60% AMI or below by 2034. Achieve no net loss of existing affordable housing.
Arlington County	<ul style="list-style-type: none"> 17.7% of housing units will be affordable at or below 60% AMI by 2040 2,700 new homeownership units for households between 80-120% AMI by 2040. 425 units for Permanent Supportive Housing by 2040. 10% of affordable units are accessible to and occupied by persons with disabilities by 2040.
City of Alexandria	<ul style="list-style-type: none"> Produce 2,250 units affordable to households between 61% to 80% AMI by 2030. Produce 2,000 units for households earning up to 60% AMI by 2025. Replace 1,150 units of publicly-assisted housing on a 1:1 basis as redevelopment occurs.
Loudoun County	<ul style="list-style-type: none"> By 2040, 20% or 8,200 of the projected 40,950 new units should be affordable at 100% AMI or below. 7,800 existing units should be preserved at 100% AMI or below.
City of Falls Church	<ul style="list-style-type: none"> Increase percentage of total housing stock that is committed affordable units (at and below 60% AMI) from 3% to 6% by 2040. Increase percentage of deeply affordable (30-50%) units to 25% of new affordable housing units.

Montgomery County. Montgomery County has not formally adopted affordable housing targets; however, the Planning, Housing, and Parks Committee has discussed proposed local housing targets developed by the Planning Department that include affordable housing targets. Further, the Montgomery County Council adopted Resolution 19-284 in 2019, which expresses support for the MWCOG resolution establishing housing targets for the National Capital Region but does not include a specific, quantitative target for publicly funded or subsidized housing or for housing that is affordable for households with lower incomes within the County.

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In March 2023, the Council’s Planning, Housing, and Parks (PHP) Committee directed staff from the Planning Department to develop localized housing targets by County Planning Area. In June 2024, Planning Department staff presented a proposed set of housing targets for each of the County’s 22 Planning Areas for every ten years from 2030 to 2050. The proposal included a recommendation to set targets for income-restricted units of between 12.5% and 17.5% of new units, depending on the existing quantity of income-restricted housing in each Planning Area. At the time of writing, the Council had not formally adopted housing targets or targets for income-restricted units for the County’s Planning Areas. In addition, in 2026 the Planning Department launched its Housing Needs Assessment and a Housing Preferences Survey in 2026, which aims to collect and analyze data regarding affordability, availability, access and preference.

Finding #6. Montgomery County reported producing 1,614 affordable housing units from 2021 to 2024, comprising 15% of total units built. Montgomery County built more affordable housing units compared with Fairfax and Prince George’s Counties but less than the District of Columbia.

The Council requested that OLO compile data from regional jurisdictions on the number of affordable housing units produced or maintained in each jurisdiction over the past decade and the types of programs used to produce the housing. However, Executive Branch and Planning Department staff cautioned OLO that the process of gathering and verifying these data for multiple jurisdictions would extend beyond the Council’s requested timeframe for this report.

The following table includes the best data available for this time frame from the Housing&’s Housing Indicator Tool, which includes 2021-2024 affordable housing production and preservation data reported by jurisdictions in the Washington metropolitan region.¹²³

¹²³ The HIT survey requests affordable housing production and preservation data for each jurisdiction with specific address information, and data are reviewed to remove duplicate units from previous years. However, OLO cannot verify that the data are directly comparable between jurisdictions.

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Housing Production and Housing Cost Burden Data for the Four Largest MWCOG Jurisdictions.

Jurisdiction	Fairfax County, VA	Montgomery County, MD	Prince George's County, MD	District of Columbia
Total Number of Housing Units (ACS 2023 5-year average)	428,352	405,127	362,440	356,101
Total Housing Units Built from 2021 to 2024 (HIT survey)	8,480	10,950	7,074	25,256
Housing Units Built from 2021 to 2024 Affordable to 80% AMI and Below (HIT survey)	1,503	1,614	1,563	4,868
Percent of Housing Units Built from 2021 to 2024 Affordable to 80% AMI and Below	18%	15%	22%	19%
Affordable Housing Units Preserved from 2021-2024 (HIT survey)	1,300	4,108	2,349	2,952
Housing Cost Burden Rate¹²⁴ (ACS 2023 5-year average)	45%	52%	53%	46%

Source: OLO calculations from HIT survey data and ACS data

Finding #7. Publicly available data and reporting on affordable housing production and preservation in Montgomery County reflect the lack of adopted affordable housing targets and limited interagency data sharing.

OLO identified the following recommended practices for building local data capacity and public reporting for affordable housing:

- Breakdown jurisdictional silos and establish shared data infrastructure;
- Commit to searchable and timely data;
- Leverage external partnerships; and
- Conduct ongoing community engagement and contextualization of data for the public.

OLO examined housing data reported by Montgomery County DHCA and HOC, as well as publicly available housing dashboards for other jurisdictions in the region. This review showed that:

- At the time of writing, Montgomery County had not formally adopted affordable housing targets. Therefore, in contrast to other jurisdictions, DHCA and HOC focus their public

¹²⁴ The American Community Survey (ACS) defines housing cost burden as households spending more than 30% of their gross monthly income on housing expenses.

dissemination of information on reporting periodic updates on their housing pipelines rather than showing progress towards housing goals; and

- DHCA and HOC each report data on affordable housing production separately and in different ways, rather than offering a comprehensive picture of affordable housing production and preservation across Montgomery County government entities.

Regional Approaches to Affordable Housing Production and Preservation

Finding #8. Jurisdictions in the Washington metropolitan region use a variety of approaches to produce and preserve affordable housing.

OLO conducted interviews with housing agency staff from 15 jurisdictions in the Washington metropolitan region. The following table summarizes the range of approaches used across the jurisdictions. For a full description of each jurisdiction’s efforts, see the Appendix.

Locally Funded Affordable Housing Production and Preservation Approaches in MWCOG Jurisdictions

Approach	Description
Dedicated Funds for Affordable Housing	Housing trust funds are dedicated funding for affordable housing, such as developer fees or real estate transfer taxes, and/or annual discretionary allocations from jurisdiction general funds or grants.
Loans for Affordable Housing Development	Loans that make up the difference between the project’s development costs and the amount of financing it can raise through other sources.
Rental Assistance	Project-based rental assistance that is tied to specific properties, tenant-based rental assistance that is tied to specific renters, and tax relief for renters with lower incomes.
Homeownership Assistance	Downpayment and closing cost assistance, home repair and renovation assistance, and tax relief for homeowners with lower incomes.
Tax or Fee Exemptions for Affordable Housing Development	Reduction or elimination of tax liability, such as property tax liability, or waiving impact fees or permitting fees for qualifying affordable housing projects.
Affordable Housing Development Requirements and Incentives	Requirements that developers set aside 10% to 30% of housing units to sell or rent at reduced cost to households with lower incomes.

<p>Other Regulatory Tools</p>	<p>Laws that give designated entities the right to purchase residential properties that are being sold so they can preserve their affordability, laws that limit rent increases, or opportunities to evaluate the feasibility of building affordable housing on public land.</p>
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Finding #9. In interviews, staff from housing agencies in the Washington metropolitan region identified a number of successes and challenges in their affordable housing production and preservation efforts.

Jurisdictions in the Washington metropolitan region reported the following successes in their efforts to produce and preserve affordable housing:

- Many highlighted that their elected officials have allocated increased funding for affordable housing in recent years or decades.
- Those with formally adopted affordable housing targets described how having targets, even if imperfect, helped build support and focus for affordable housing and preservation efforts.
- In many jurisdictions, the most successful projects have combined multiple policy tools to achieve larger numbers of affordable units.
- Staff in jurisdictions with Right of First Refusal laws highlighted the utility of these laws for preserving housing affordability.
- Staff highlighted their collaborative relationships with the affordable housing development community, as well as collaboration among government departments, agencies, and community organizations as key to their successes.
- Staff in multiple jurisdictions described successes in community engagement including: (1) building awareness and understanding in the community of the scope of housing programs; (2) working collaboratively with community members to design and implement interventions; and (3) increasing engagement and advocacy from parts of the community that have not previously participated.

The greatest and most frequent challenge described by housing staff in Washington metropolitan jurisdictions is the need for more funding to meet affordable housing demands in the community. Other challenges identified include:

- In multiple jurisdictions, staff identified concerns with the design of affordable housing programs that limit their effectiveness, such as allowing fees in lieu that are too low, or policies and processes in different departments that are not properly aligned. Some jurisdictions are in the process of amending their policies and processes to address these issues.

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- Need to establish policies and processes that leverage public land to produce more affordable housing.
- Communities have expressed a desire for expanded homeownership assistance, but resources for such efforts have been limited.
- The increasing Area Median Income (AMI) for the region presents a challenge for jurisdictions because it results in higher rents for all units, including those units designated as affordable.
- The difficulty of defining affordable housing demand by income level and life stage.
- At the time the interviews were conducted, staff in multiple jurisdictions reported challenging macroeconomic market conditions such as rising interest rates and construction costs were limiting their ability to finance the production and preservation of affordable housing.

Finding #10. Housing agency staff in Washington metropolitan region jurisdictions are exploring strategies to increase affordable housing supply in new ways.

In interviews with OLO, housing agency staff identified a variety of strategies they are exploring to further their affordable housing production and preservation efforts. The following table lists strategies that have not yet been implemented across the board, but which staff are exploring. For a full description of each jurisdiction’s emerging strategies, see the Appendix.

Emerging Housing Strategies in MWCOG Jurisdictions

Strategy	Description
Community Land Trusts (CLT) and Shared Equity Homeownership	Non-profit organizations acquire land that they use to provide permanent affordable housing. ¹²⁵ Residents may purchase homes on the property while the CLT retains ownership of the land, and the CLT may restrict a home’s future sale price to keep it affordable for subsequent lower-income families. ¹²⁶
Land Banking	Public entities convert vacant and deteriorating properties to new uses such as affordable housing. ¹²⁷
Housing on Faith-Based Land	Reducing administrative and zoning regulations to build housing on underutilized land owned by faith-based organizations. ¹²⁸

¹²⁵ Grounded Solutions Network, [Community Land Trusts](#).

¹²⁶ Grounded Solutions Network, [Shared Equity Homeownership](#).

¹²⁷ [Land Banks and Community Land Trusts | Center for Community Progress](#)

¹²⁸ These efforts are colloquially known as the Yes in God’s Backyard (YIGBY) movement. For a primer on YIGBY in Maryland, see Briana Paxton’s August 2025 article for Preservation Maryland titled ["Yes in God’s Backyard \(YIGBY\): An Opportunity for Housing in Maryland."](#)

Form-Based Codes	Restrict physical characteristics of buildings while allowing flexibility in the use of the buildings and speeding up the development approval process. ¹²⁹
Leveraging Pension Funds	Jurisdictions invest public employee pension funds into housing in their communities, including affordable housing. ¹³⁰

Stakeholder Feedback on Montgomery County Affordable Housing Policies and Programs

Finding #11. Montgomery County offers a wide and complex array of affordable housing programs and initiatives and is seen as a regional leader in affordable housing. This complexity presents challenges for those seeking to understand the County’s affordable housing efforts as a whole and creates administrative and logistical burdens for staff and program applicants.

Montgomery County has implemented numerous policies and provides a wide array of programs aimed at producing and preserving affordable housing, detailed in Chapter 4 of this report. In conversations with OLO, staff from housing agencies in several other jurisdictions described looking to Montgomery County as a model for their own affordable housing efforts.

However, previous OLO reports have highlighted that the complexity of Montgomery County’s affordable housing efforts is a challenge for policymakers, program administrators, and prospective program participants.¹³¹ During interviews for this report, community stakeholders indicated this issue remains a challenge for staff and prospective program participants. Specifically, many residents and supporting program staff lack awareness of the full range of available rental assistance programs, their eligibility criteria, and how to apply to them. Stakeholders also shared concerns that support is often only available to residents when a crisis occurs, rather than before such a crisis occurs.

OLO also heard feedback from County staff that the complexity of the County’s affordable housing finance programs can serve as a barrier to developers that must navigate multiple programs with different eligibility requirements and varying funding timelines. In addition, staff shared that having multiple affordable housing finance programs presents challenges for financial management and transparency.

¹²⁹ Learn Sustainability Directory, [Can Form-Based Codes Effectively Address Issues of Housing Affordability and Social Equity?](#) December 11, 2025.

¹³⁰ T. Crawford, J. Kivell, & M. C. Recto, [Alternative Investments in Community Development: A Case Study of Pension Fund Investments in Multifamily Affordable Housing](#), Federal Reserve Bank of New York, February 2024.

¹³¹ A. Trombka & Hall, OLO Report 2019-4: [Inventory of Rent Subsidy Programs in Montgomery County](#), Office of Legislative Oversight, May 14, 2019.

Finding #12. Opportunities exist for more proactive community engagement and increased collaboration with community and government stakeholders for Montgomery County’s affordable housing production and preservation efforts.

During the course of this report, stakeholders identified numerous opportunities for the County to collaborate with community organizations and other jurisdictions toward affordable housing goals:

- Community stakeholders reported that when they identified challenges in the implementation of rental assistance and homeownership programs, County staff worked with stakeholders to address these issues. However, stakeholders indicated opportunities exist for the County to be more proactive in working collaboratively with community members in the design and implementation of affordable housing programs.
- Prior OLO reports have noted that adopting equitable community engagement practices that center the needs and priorities of BIPOC and community members with low incomes can assist County departments in developing policies and programs that address racial inequities and disparities and advance racial equity.¹³²
- Staff from the cities of Rockville and Gaithersburg highlighted they often look to Montgomery County for guidance for their own affordable housing efforts. Staff highlighted potential opportunities for collaboration in specific areas such as leveraging public land for affordable housing production as well as financing affordable housing projects within the municipalities.

B. Recommendations for Council Consideration

OLO offers three recommended discussion issues for Council consideration. The Council may wish to discuss these issues with Executive Branch, Planning Department, and Housing Opportunities Commission representatives.

Discussion Issue #1. Affordable Housing Targets

While the Planning, Housing, and Parks Committee has discussed proposed local housing targets developed by the Planning Department that include affordable housing targets, the Council has not yet adopted affordable housing targets for Montgomery County. Housing agency staff from other jurisdictions in the region described how the adoption of housing targets and processes for developing the targets helped build support and focus for their affordable housing production and preservation efforts. In interviews with OLO, staff from DHCA and HOC cautioned that targets alone do not result in financial and staffing resources needed to meet the targets.

¹³² J. Peña & C. Kalyandurg, OLO Report 2024-8: [Community Engagement for Racial Equity and Social Justice](#), Office of Legislative Oversight, March 12, 2024.

The Council may wish to discuss the benefits and limits of affordable housing targets and the extent to which adopting targets should be a priority for the Council.

Discussion Issue #2. Affordable Housing Data

OLO found that Montgomery County's publicly available data and reporting on affordable housing production and preservation reflect the lack of adopted affordable housing targets and limited interagency data sharing. In particular, in contrast to other jurisdictions, DHCA and HOC focus their public dissemination of information on reporting periodic updates on their housing pipelines rather than showing progress towards housing goals. Additionally, DHCA and HOC each report data on affordable housing production separately rather than offering a comprehensive picture of affordable housing production and preservation across Montgomery County government entities.

The Council may wish to discuss with DHCA, HOC, DPS, and Planning Department representatives whether the County could make data on affordable housing production and preservation in the County more accessible and transparent through interagency data sharing and collaboration. The Council may wish to look at affordable housing dashboards in neighboring jurisdictions as a model.

Discussion Issue #3. Community Engagement and Collaboration

During the course of this report, stakeholders identified numerous opportunities for the County to collaborate with community organizations and other jurisdictions toward affordable housing goals:

- Stakeholders indicated opportunities exist for the County to be more proactive in working collaboratively with community members in the design and implementation of affordable housing programs and policies.
- Previous OLO reports have noted that adopting equitable community engagement practices that center the needs and priorities of BIPOC and community members with low incomes can assist the County in developing policies and programs that advance racial equity.¹³³
- Staff from the cities of Rockville and Gaithersburg highlighted potential opportunities for collaboration in specific areas such as leveraging public land for affordable housing production as well as financing affordable housing projects within the municipalities.

The Council may wish to discuss with DHCA, HOC, and Planning Department representatives opportunities for adopting equitable community engagement practices and increasing opportunities

¹³³ J. Peña & C. Kalyandurg, OLO Report 2024-8: [Community Engagement for Racial Equity and Social Justice](#), Office of Legislative Oversight, March 12, 2024.

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for community members impacted by housing insecurity in the development of policies and programs that advance racial equity in housing.

The Council may also wish to discuss ways to deepen collaboration and policy alignment with the Cities of Rockville and Gaithersburg towards an integrated, regional housing strategy.

Chapter 6. Agency Comments

The Office of Legislative Oversight (OLO) shared the draft of this report with staff from Montgomery County Government and the Housing Opportunities Commission of Montgomery County. OLO appreciates the time taken by staff to review the draft report and to provide technical feedback. This final report incorporates technical corrections and feedback received from County Government staff.

The written comments memorandum received from the Montgomery County Chief Administrative Officer is attached in its entirety on the following pages.



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

Richard S. Madaleno
Chief Administrative Officer

MEMORANDUM

May 6, 2026

TO: Chris Cihlar, Director
Office of Legislative Oversight

FROM: Richard S. Madaleno, Chief Administrative Officer *BSM*

SUBJECT: Draft OLO Report 2026-8: *Local Affordable Housing Production and Preservation Programs Across the Washington Metropolitan Region*

Thank you for the opportunity to comment on the Office of Legislative Oversight's (OLO) Draft Report 2026-8: *Local Affordable Housing Production and Preservation Programs Across the Washington Metropolitan Region*.

We appreciate the Council's interest in exploring the current programs that produce, preserve, and expand access to affordable housing in Montgomery County and across the region. As the OLO report notes, other area jurisdictions describe Montgomery County as a model for their own affordable housing efforts. We are proud of the County's ongoing affordable housing efforts and welcome opportunities to build on our progress.

We are also grateful for OLO's collaborative approach to this report. OLO staff met frequently with the Department of Housing and Community Affairs (DHCA), in addition to meeting with the Planning Department and the Housing Opportunities Commission. DHCA also worked with OLO and the Metropolitan Washington Council of Governments (MWCOG) staff to connect OLO with housing agency staff in other jurisdictions. This collaboration resulted in comprehensive input from most counties and municipalities in the area.

The draft report includes the following recommended discussion items:

1. The Council may wish to discuss the benefits and limits of affordable housing targets and the extent to which adopting targets should be a priority for the Council.
2. The Council may wish to discuss with DHCA, HOC, and Planning Department representatives whether the County could make data on affordable housing production and preservation in the County more accessible and transparent through interagency data sharing and collaboration. The Council may wish to look at affordable housing dashboards in neighboring jurisdictions as a model.

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www.montgomerycountymd.gov

3. The Council may wish to discuss with DHCA, HOC, and Planning Department representatives opportunities for adopting equitable community engagement practices and deepening collaboration with the Cities of Rockville and Gaithersburg.

We support further discussion of these items and agree with the value of interagency cooperation around data collection and reporting. We also recognize the benefits of strengthened community engagement and partnership with other jurisdictions.

We raise several key points that should be emphasized in discussions:

First, any discussion of housing targets should include data on housing development across the full development process, from initial planning stages through permitting and licensing. Analyzing the entire pipeline process is more likely to inform policy decisions that will address actual impediments to development and streamline the development process. Relatedly, this discussion should occur through an interagency process that identifies both barriers and policy solutions. As housing staff noted in the OLO report, adopting targets does not, by itself, generate the financial and staffing resources needed to meet them.

A comprehensive process should examine the complex set of factors affecting housing development in the region, including County policy, state law, external factors such as construction and financing costs, and federal policy. We appreciate that the OLO report focuses on affordability rather than overall housing construction targets, in line with the MWCOG 2019 recommendation that 75 percent of new housing development in the region be affordable to low- and moderate-income households. Any housing goals must meet the needs of County residents across all income levels and demographic populations to achieve racial equity and social justice aims. Both data analysis and a comprehensive approach to community engagement, as suggested by OLO, can help identify and ensure the County's efforts are aligned with community needs.

Additionally, we support expanded interagency data integration, and—as noted in the report—DHCA, the Planning Department, and the Department of Permitting Services (DPS) have been working for several months to connect datasets across departments to produce a housing production pipeline dashboard. We urge that all these agencies be included in discussions about data integration, given the integral role each plays in moving a housing development from initial planning to completion.

We look forward to discussing these items at the Council work session.

RM/mc

cc: Fariba Kassiri, Deputy Chief Administrative Officer, Office of the County Executive
Ken Hartman, Assistant Chief Administrative Officer, Office of the County Executive
Tricia Swanson, Director of Strategic Partnerships, Office of the County Executive
Scott Bruton, Director, Department of Housing and Community Affairs
Jenny Snapp, Deputy Director, Department of Housing and Community Affairs

Appendices: Jurisdictional Profiles

OLO conducted research on and interviewed housing staff from most MWCOG jurisdictions. This appendix includes affordable housing profiles of these jurisdictions.

1. Prince George's County, MD

According to Housing&'s Housing Indicator Tool, in 2023 Prince George's was home to 947,430 people and had 369,064 housing units. In 2023, thirty-eight percent of households were renters and fifty-three percent of renters had unaffordable housing costs. Since 2010, Prince George's County has added an average of 6,300 people and 3,100 housing units per year.¹³⁴

By area and population, Prince George's County is comparable to Montgomery County. However, as of 2026, the cost per square foot of development is cheaper in Prince George's and there is more development potential around WMATA metro stations and other large areas such as the Six Flags and Northwest Stadium sites.¹³⁵

The following Prince George's County departments and agencies are responsible for implementing and administering programs and policies related to affordable housing:

- **The Department of Housing and Community Development (DHCD)** works with affordable housing developers and community partners to support equitable economic growth in the County by creating and preserving quality homes for current and future residents.¹³⁶
- **The Redevelopment Authority (RDA)** advances economic development by facilitating strategic redevelopment projects, expanding access to quality housing, and supporting the growth of vibrant commercial and retail centers with an emphasis on communities within the Capital Beltway.¹³⁷
- The **Prince George's Planning Department and Planning Board** prepares master and sector plans, reviews development applications, and reports various data including to policymakers and the public.
- The **Housing Authority of Prince George's County (HAPGC)** receives federal funds directly from the U.S. Department of Housing and Urban Development (HUD) to administer the Housing Choice Voucher program and Public Housing programs.

¹³⁴ Housing&, [Housing Indicator Tool for Prince George's County](#).

¹³⁵ OLO interview with Prince George's County DHCD staff. March 10, 2026.

¹³⁶ [Housing & Community Development | Prince George's County](#)

¹³⁷ [RDA's Mission & Vision](#)

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The table below summarizes the Prince George’s County-funded programs and policies aimed at producing and preserving affordable housing.

Summary of Prince George’s County-Funded Affordable Housing Programs and Policies

Funding Sources	<ul style="list-style-type: none"> • Dedicated Portion of Recordation Tax
Affordable Housing Targets Adopted	<ul style="list-style-type: none"> • Adopted the MWCOG housing targets • Produce 19,500 units for households earning up to 80% AMI by 2030 • Preserve 6,000 units by 2030
Rental Assistance	No locally-funded programs at the time of this writing
Homeownership Subsidies (and Administering Agency or Organization)	<ul style="list-style-type: none"> • Pathway to Purchase (RDA) • Homeownership Preservation Program (Habitat for Humanity) • Housing Rehabilitation Assistance Program (Housing Initiative Partnership and RDA)
Affordable Housing Finance	<ul style="list-style-type: none"> • Housing Investment Trust Fund (HITF) • Right of First Refusal (ROFR) Preservation Loan Fund
Tax or Fee Exemptions for Developers	<ul style="list-style-type: none"> • Payment in Lieu of Taxes (PILOT)
Development Incentives	None at the time of this writing
Regulatory Elements	<ul style="list-style-type: none"> • <u>Right of First Refusal</u> (ROFR) • <u>Surplus Real Property Program</u> • <u>Rent Stabilization</u> • Moderately Priced Dwelling Unit (MPDU) program (under development)

A. Affordable Housing Targets and Goals

Prince George’s County adopted the 2030 MWCOG housing targets. As of December 2022, the County has the following affordable housing goals to complete by 2030:

- Support the production of 26,000 new units, 75% of which (19,500 units) would be committed as affordable to households with incomes less than 120% AMI.
- Support the preservation of 6,000 affordable residential units.
- Increase the number of new multifamily construction starts by 10,400.¹³⁸

Prince George’s County tracks progress towards these targets through its [Multifamily Rental Affordability Dashboard](#). Since July 2020, the County has produced or preserved 8,773 units, 7,423 of

¹³⁸ Prince George’s DHCD, [Housing Development Programs & Tools Presentation](#), December 14, 2022.

which are affordable. Approximately 36% of the affordable units have been preserved through the County's ROFR program or rehabilitation of NOAH units.¹³⁹

For more information on the guiding framework and principles behind the County's housing strategy—transit-oriented development and housing as an economic anchor—refer to [Housing Opportunity for All](#), which is Prince George's DHCD's 10-year Comprehensive Housing Strategy.

B. Affordable Housing Finance

In 2021, the Prince George's County Council dedicated a sustainable revenue stream for its **Housing Investment Trust Fund (HITF)**, allocating 20% of collected County recordation taxes or \$10 million annually, whichever is greatest. Administered by Prince George's DHCD, the HITF provides gap financing for new construction, rehabilitation, and preservation of affordable and workforce multifamily rental and homeownership projects.¹⁴⁰ HITF supports households earning up to 120% of the Area Median Income (AMI), however the fund typically targets projects that serve households making below 80% AMI.¹⁴¹ According to DHCD staff, the HITF tends to focus more on production than preservation since the County is seeing more investment on new construction.¹⁴² As of March 2026, the HITF is supporting or has supported 18 multi-family development projects in various phases of development, totaling 2875 affordable units. The FY 2026 approved HITF budget was \$20,168,000, which is a decrease of \$7,950,300 or 28.3% under the FY 2025 approved budget.¹⁴³

The HITF also supports the Faith Based Development Initiative (FBDI), administered by Enterprise Community Partners. Through FBDI, Enterprise provides technical assistance to houses of worship to advance affordable housing and community development on their properties.¹⁴⁴ One active project in Prince George's County, Headen Spring, will be an intergenerational mixed-use development on a 10-acre parcel near the future Riverdale Park Purple Line Station. Headen Spring will deliver nearly 300 affordable homes, senior and family housing, a community gym, childcare center, and office space.¹⁴⁵

The **Right of First Refusal (ROFR) Preservation Fund** provides flexible financing in the form of a subordinate loan for the acquisition, rehabilitation and stabilization of rental apartment complexes subject to the County's ROFR Program, explained in detail below.¹⁴⁶ The source of capital for the ROFR Preservation Fund is a one-time \$25 million allocation from the American Rescue Plan Act of 2021

¹³⁹ Prince George's DHCD defined Naturally Occurring Affordable Housing (NOAH) units as "properties that offer below market rents that are not subsidized by government financing." However, "DHCD may finance necessary repairs or provide the building with a tax break in exchange for keeping rents at an affordable level."

Source: Prince George's County DHCD [Multifamily Rental Affordability Dashboard](#).

¹⁴⁰ Prince George's County [Housing Investment Trust Fund Annual Report for Program Year 2025](#).

¹⁴¹ OLO interview with Prince George's County DHCD staff. March 10, 2026.

¹⁴² OLO interview with Prince George's County DHCD staff. March 10, 2026.

¹⁴³ Prince George's County, [Fiscal Year 2026 Approved Operating Budget](#).

¹⁴⁴ [Enterprise Faith-Based Development Initiative | Enterprise Community Partners](#).

¹⁴⁵ Prince George's County [Housing Investment Trust Fund Annual Report for Program Year 2025](#).

¹⁴⁶ Prince George's County Department of Housing and Community Development, [Right of First Refusal \(ROFR\) Preservation Fund](#), August 2023.

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(ARPA) and funds from Maryland DHCD.¹⁴⁷ The ROFR preservation fund is administered by Prince George’s DHCD and supports the purchase and rehabilitation of naturally occurring affordable housing (NOAH) when the County exercises or assigns its ROFR on multifamily properties with at least 20 units. Each project may receive up to a \$3 million, zero percent interest loan for a maximum of 40 years. Developers are required to enter into an affordability agreement with DHCD restricting the property’s rent and tenant income for an agreed-upon percentage of the units for a period of at least 30 years.¹⁴⁸ The Prince George’s County ROFR Program has preserved 2,691 housing units in since 2020.¹⁴⁹

C. Rental Assistance Programs

Prince George’s County does not have any ongoing local rental assistance programs. The County had an Emergency Rental Assistance Program (ERAP), but it closed in September 2025. The County relies on federal sources for permanent tenant-based and project-based vouchers.

D. Homeownership Programs

The following table summarizes Prince George’s County-funded programs that aim to help households with lower incomes purchase and maintain homes.

Prince George’s County-Funded Homeownership Programs

Program	Agency	Income Eligibility or Priority Population	Description of Benefits
<u>Pathway to Purchase (P2P)</u>	Prince George’s DHCD	First-time home buyer (no ownership in the previous three years); household annual income must not exceed 80% AMI	Up to \$50,000 in down payment and closing costs toward the purchase of a home worth up to \$485,000 in the County; must pay back the loan in full when the home is sold within the 15-year affordability period
<u>Homeownership Preservation Program (PG HOPP)</u>	Administered by Habitat for Humanity Metro Maryland, sponsored by Prince George’s DHCD	Owner-occupied households earning up to 80% AMI (primarily targeting below 50% AMI); remain in the home	Up to \$30,000 grant for health, safety, energy efficiency and accessibility repairs (up to \$50,000 for households earning below

¹⁴⁷ OLO interview with Prince George’s County DHCD staff. March 10, 2026.

¹⁴⁸ Prince George’s County Department of Housing and Community Development, Right of First Refusal (ROFR) Preservation Fund, August 2023.

¹⁴⁹ OLO correspondence with Prince George’s County DHCD staff. April 20, 2026.

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		for a minimum of 5 years post work	50% AMI)
<u>Housing Rehabilitation Assistance Program (HRAP)</u>	Prince George’s DHCD and the Redevelopment Authority in partnership with the Housing Initiative Partnership (HIP) who administers the program ¹⁵⁰	Households earning up to 80% AMI	Up to \$60,000 zero percent interest loan for health, safety, energy efficiency and accessibility repairs. No monthly payment as long as you stay in the home. After 15 years, the entire loan amount is forgivable.
Homeownership Equity Program	Prince George’s DHCD (new program)	Targeting communities within the Beltway at 120% or below the AMI	To be determined
Workforce Housing Critical Assistance Program	Prince George’s DHCD (new program)	Targeting local government workers (teachers, first responders, medical workers, public safety) at 120% or below the AMI	To be determined

Similar to Montgomery County, most of these programs offer low- or zero-interest financing contingent on the recipient staying in the house for a certain period of time. Unlike Montgomery County, two programs target specific geographic areas. The Homeownership Equity Program will target communities inside the Beltway.

E. Regulatory Elements, Zoning, and Affordable Housing Development Incentives

In 2013, the Prince George’s County Council created the **Right of First Refusal (ROFR) Program** to expand the availability of affordable rental housing in the County. Among other requirements, ROFR requires that a property owner selling a multifamily rental building located in the County with 20 or more dwelling units must provide written notice of the sale to the Director of DHCD. Prince George’s DHCD is then authorized to exercise its ROFR rights and purchase the property (or assign its rights to a

¹⁵⁰ Effective January 1, 2025: Due to its popularity, HIP decided to close the waitlist for the HRAP program. HIP is able to service anywhere from 15-20 homes per year, and the waitlist currently has over 400 names.

Source: Housing Initiative Partnership, Housing Rehabilitation Assistance Program (HRAP).

third-party) if it chooses to do so.¹⁵¹ The County's goal in establishing and implementing the ROFR Program is to prevent resident displacement.¹⁵²

Prince George's County passed enabling legislation in Fall 2025 for a **Moderately Priced Dwelling Unit (MPDU)** program. The County is in the process of developing the MPDU program policy and is consulting with Montgomery County DHCA to do so.

In 2024, Prince George's County passed **Permanent Rent Stabilization and Protection**, limiting rent increases to 6 percent annually or the Consumer Price Index for All Urban Consumers (CPI-U) plus 3 percent, whichever is lower. For age-restricted senior housing facilities, rent increases cannot exceed 4.5 percent or CPI-U, whichever is lower.¹⁵³

The Redevelopment Authority of Prince George's County (RDA) administers the **disposition of surplus property in the County**. One of the goals of this program is to support affordable housing projects on formerly County-owned properties.¹⁵⁴

Prince George's Planning has an **Expedited Transit-Oriented Development (ETOD) Application** that expedites the review of certain mixed-use projects within one-half mile of a WMATA Metrorail station or entirely within the Bowie State MARC Station Local Center as designated on the Growth Policy Map in the County's General Plan.¹⁵⁵ Prince George's County is in the process of developing new policies and incentives for expedited permitting and review for affordable housing projects. However, all of these new incentives are still under development.

Prince George's County does not have any local developer impact fees or fee-in-lieu contribution policies as of early 2026.

F. Tax or Fee Exemptions for Affordable Housing Development

Prince George's County uses **Payment in Lieu of Taxes (PILOT)** agreements to support affordable housing developments financed through its ROFR program or for the County to acquire, construct, or rehabilitate low-income housing.¹⁵⁶ According to Prince George's DHCD staff, the PILOT approach has been successful in the County to help both preservation and production projects be viable and pencil out.¹⁵⁷ The PILOT agreement can defer taxes up to the full amount of taxes due, although the average deferral is about \$600 per unit.¹⁵⁸

¹⁵¹ Prince George's DHCD, [County Right of First Refusal Program: Multifamily Rental Properties](#).

¹⁵² Prince George's DHCD, [Right of First Refusal Program Annual Report for Program Year 2025](#).

¹⁵³ Prince George's DHCD, [Permanent Rent Stabilization and Protection Act of 2024](#).

¹⁵⁴ Redevelopment Authority of Prince George's County, [Surplus Real Property Program](#).

¹⁵⁵ [Expedited Transit-Oriented Development Application \(ETOD\) and Expedited Transit-Oriented Development Qualifying Questionnaire](#).

¹⁵⁶ [Prince George's County – Payment in Lieu of Taxes Agreements – Low-Income Housing](#), Maryland House Bill 444, approved by the Governor, April 24, 2023.

¹⁵⁷ OLO interview with Prince George's County DHCD staff. March 10, 2026.

¹⁵⁸ OLO correspondence with Prince George's County DHCD staff. April 20, 2026.

G. Successes, Challenges, and Emerging Opportunities

Prince George's County DHCD leadership reported success with its homeownership and Right of First Refusal (ROFR) programs. The County increased down payment and closing costs assistance to \$50,000 per applicant in its Pathway to Purchase (P2P), which has led to the number of applicants to grow.¹⁵⁹ The ROFR program is popular and successful for supporting preservation efforts, particularly along the Purple Line Corridor. The County has supported 16 projects along the corridor through the ROFR program.¹⁶⁰

Opportunities in the County include implementation of the Central Avenue Blue/Silver Line Sector Plan, a long-term vision for housing, development, and economic growth along the Central Avenue corridor and nearby Metro stations partially supported by \$400 million in Maryland state bonds and the Blue Line Corridor Coalition. According to County staff, development around the WMATA Blue Line stations in the County has taken off,¹⁶¹ with major projects planned and breaking ground near the Capitol Heights station and the Addison Road station. The guiding question for the County is how it will use housing to be a demand generator for amenities the community wants and needs.

Significant challenges remain as property owners are not maintaining their properties as tenants continue not to pay rent and that creates vicious cycle where increasing number of properties are falling into disrepair and may become insolvent. More money is needed in the County's Housing Investment Trust Fund (HITF) in order to tackle the growing pipeline of new construction projects and the growing number of properties requiring preservation dollars to stay online and affordable. Even with development costs rising for new production, County DHCD leadership believes that there remains a lot of land, demand, and interest for additional multifamily projects in the County as long as the County can keep supporting these projects. Finally, while the Pathway to Purchase program has seen success, staff also see the need for more funds directed towards homeownership programs to reach more parts of the County.¹⁶²

County DHCD leadership is interested in exploring community land trusts and land banking (paired with its ROFR program) as a way to be more intentional about unlocking, assembling, and disposing of County-owned land to produce long-lasting affordable housing. Furthermore, Prince George's DHCD staff are talking with DHCA staff about developing a Moderately Priced Dwelling Unit program modeled after Montgomery County's MPDU program.¹⁶³

¹⁵⁹ OLO interview with Prince George's County DHCD staff. March 10, 2026.

¹⁶⁰ OLO interview with Prince George's County DHCD staff. March 10, 2026.

¹⁶¹ OLO interview with Prince George's County DHCD staff. March 10, 2026.

¹⁶² OLO interview with Prince George's County DHCD staff. March 10, 2026.

¹⁶³ OLO interview with Prince George's County DHCD staff. March 10, 2026.

2. City of Frederick and Frederick County, MD

According to Housing&'s Housing Indicator Tool, in 2023 Frederick County was home to 293,391 people and had 111,331 housing units. Of that, the City of Frederick is home to about 90,000 people. In 2023, twenty-three percent of County households were renters and forty-eight percent of renters had unaffordable housing costs. Since 2010, Frederick has added an average of 4,500 people and 1,600 housing units per year.¹⁶⁴ For reference, Montgomery County has 3.5 times more people and housing units than Frederick County, although it is about 160 square miles larger than Montgomery County.

The following Frederick County and City departments and agencies are responsible for implementing and administering programs and policies related to affordable housing:

- The **Frederick County Division of Housing** assists in the provision of affordable housing for Frederick County residents with an emphasis on special needs populations, senior citizens, persons with disabilities, and low to moderate income households.¹⁶⁵
- The **Frederick County Division of Planning & Permitting** is responsible for planning to assess and address the County's housing needs, particularly affordable housing for low-income and workforce households.¹⁶⁶
- **City of Frederick Department of Housing and Human Services (DHHS)** offers housing support services to City of Frederick residents including HUD-approved housing counseling, administering federally-funded homeless assistance programs, and assistance for low- and moderate-income residents to lower and pay for utility costs with weatherization and energy-efficiency upgrades.¹⁶⁷
- The **Housing Authority of the City of Frederick (HACF)** administers the City's public housing and housing choice voucher programs to provide safe, stable, and affordable housing while supporting pathways to opportunity for the individuals and families. HACF is governed by a five member Board of Commissioners that is appointed by the Mayor of Frederick and confirmed by the City Council.¹⁶⁸
- The **City of Frederick Planning Department** provides leadership in assisting City representatives in making informed decisions concerning land use, built environment, and heritage resources.¹⁶⁹ The Planning Department's current work plan includes making "amendments to

¹⁶⁴ Housing&, [Housing Indicator Tool for Frederick County](#).

¹⁶⁵ Frederick County, [Division of Housing](#).

¹⁶⁶ Frederick County Planning & Permitting, [Housing Element](#).

¹⁶⁷ City of Frederick, [Housing Support](#).

¹⁶⁸ Housing Authority of the City of Frederick, [About Us](#).

¹⁶⁹ City of Frederick, [Planning Department](#).

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the LMC (Land Management Code) and related regulations to create flexible zoning techniques to facilitate affordable housing projects.”¹⁷⁰

The table below summarizes the Frederick County and City-funded programs and policies aimed at producing and preserving affordable housing.

Summary of Frederick County and City Funded Programs and Policies for Affordable Housing

Frederick County Funding Sources	<ul style="list-style-type: none"> • General Funds • Recordation Tax • MPDU fee-in-lieu payments • Repayments on Deferred Program Loans
City of Frederick Funding Sources	<ul style="list-style-type: none"> • MPDU fee-in-lieu payments
Frederick County Affordable Housing Targets and Goals Adopted	<ul style="list-style-type: none"> • Have not adopted MWCOG 2030 housing targets or adopted specific affordable housing targets • Housing Needs Assessment determined over 31,000 new affordable housing units are needed by 2035, with over 10,000 of the units needed for households earning 60 percent AMI or less
City of Frederick Affordable Housing Targets and Goals Adopted	<ul style="list-style-type: none"> • Mayor’s Affordable Housing Task Force is working on setting affordable housing targets
Frederick County Rental Assistance	No locally-funded, permanent rental subsidy programs
City of Frederick Rental Assistance	No locally-funded, permanent rental subsidy programs
Frederick County Homeownership Subsidies (and Administering Agency)	<ul style="list-style-type: none"> • Emergency Rehab Loan Program (Division of Housing) • Senior Rehab Grant Program (Division of Housing)
City of Frederick Homeownership Subsidies	No locally funded programs
Frederick County Affordable Housing Finance	<ul style="list-style-type: none"> • Housing Initiative Fund (HIF) • Deferred Loan Program
City of Frederick Affordable Housing Finance	<ul style="list-style-type: none"> • City Housing Fund • Deferred Loan Program (County-funded)
Frederick County Regulatory Elements, Zoning, and Development Incentives	<ul style="list-style-type: none"> • Moderately Priced Dwelling Units (MPDU) and associated density bonuses • County-owned land with ground lease

¹⁷⁰ The City of Frederick, Planning Department Work Plan FY2025 – FY 2028, page 56.

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City of Frederick Regulatory Elements, Zoning, and Development Incentives	<ul style="list-style-type: none"> • Payment In Lieu of Tax (PILOT) • Moderately Priced Dwelling Units (MPDU) and associated density bonuses
Frederick County Local Tax or Fee Exemptions for Developers	<ul style="list-style-type: none"> • Payment In Lieu of Tax (PILOT) • Development impact fees waived for MPDUs

Sources: OLO interviews with County and City staff, County and City websites.

A. Affordable Housing Targets and Goals

Frederick County government has not adopted the 2030 MWCOG housing targets nor officially adopted any local affordable housing targets yet.¹⁷¹ However, the recently established Division of Housing partnered with a consulting firm to conduct a comprehensive Housing Needs Assessment and develop a 10-year roadmap for addressing housing challenges in Frederick County. That initiative found that in the county, more than 20,000 households who earn less than \$75,000 (60% AMI) are housing cost burdened, representing nearly one in five county households.

According to the 2026 Frederick County Housing Needs Assessment, over 31,000 new affordable housing units are needed by 2035, with over 10,000 of the units needed for households earning 60 percent AMI or less to meet anticipated demand.¹⁷² The County Executive’s office tracks progress on the Administration’s strategic priorities (including housing), and the Division of Housing is currently working on a framework for tracking progress on strategies included in its Housing Strategic Plan.¹⁷³

According to the 2026 needs assessment, the city will need 13,777 new housing units by 2035 to meet anticipated demand. However, potential targets and strategies are still being developed by the newly formed City of Frederick Mayor’s Affordable Housing Task Force.¹⁷⁴

B. Affordable Housing Finance

Frederick County’s **Housing Initiative Fund (HIF)** was originally seeded with general funds but as of 2026, the roughly \$9 million in the HIF comes from three sources: 1) 2.5% of the County’s recordation tax proceeds, 2) MPDU fee in lieu payments, and 3) repayments on deferred County loans.¹⁷⁵ Historically, the HIF has been used as a flexible financing source to achieve a variety of the affordable housing initiatives. For the most part a majority of the funds have been used as gap financing for LIHTC projects through the Deferred Loan Program (DLP), explained below. That said, in the last two fiscal years, the Frederick County Executive has approved \$1.5 million in general fund allocations to the HIF

¹⁷¹ Housing&, [Housing Indicator Tool for Frederick County](#).

¹⁷² Frederick County, [Frederick County Develops Strategic Plan to Expand Affordable Housing Options](#), February 19, 2026. Zavos Architecture+Design (ZA+D), [Incentives to Expand Affordable Housing in Frederick, MD](#), March 2026.

¹⁷³ OLO interview with Frederick County Division of Housing staff. February 3, 2026.

¹⁷⁴ OLO interview with City of Frederick Department of Housing and Human Services staff. February 24, 2026.

¹⁷⁵ OLO interview with Frederick County Division of Housing staff. February 3, 2026.

to pay for the 10-year housing study and strategic plan discussed above, as well as to fund strategies that were recommended in the plan.¹⁷⁶

The **Deferred Loan Program** provides flexible loans to help create and preserve affordable housing in Frederick County, including within the City of Frederick. DLP loans are very low-interest (usually zero percent) and loan repayments return to a revolving fund used for future DLP loans and other housing initiatives. Nonprofits, public housing agencies, or local governments may apply for DLP loans for most expenses associated with the acquisition, construction, rehabilitation, or preservation of affordable housing.¹⁷⁷ For projects containing 1 to 10 units, the applicant must leverage a minimum of 3-1 from sources outside the DLP.¹⁷⁸ For projects containing over 10 units, the applicant must leverage a minimum of 5-1 from other sources. Projects must serve households with a total gross income of 60% or below the AMI for the Metro Washington region.¹⁷⁹

C. Rental Assistance Programs

Frederick County and the City of Frederick both do not administer any locally funded rental assistance programs. The County's Division of Housing administers HUD's Housing Choice Voucher program and owns one senior apartment building for tenants 62 or older with annual incomes at or below 50% AMI.¹⁸⁰ The County's HIF does fund some short term, eviction prevention focused rental assistance administered by nonprofits, but this does not represent a permanent and sustained local rental subsidy program.¹⁸¹

D. Homeownership Programs

Funding for Frederick County homeowner programs comes from the HIF. The table below describes the homeownership subsidy programs that the County provides. The City of Frederick does not have any locally funded homeownership subsidy programs, aside from its CDBG-funded Sold on Frederick program.¹⁸²

¹⁷⁶ OLO interview with Frederick County Division of Housing staff. February 3, 2026.

¹⁷⁷ Predevelopment expenses, purchase of existing property, purchase of unimproved land, fees for architects and other professionals, demolition to make way for affordable housing, building materials and labor costs, equipment or fixtures that become a part of real estate, and purchase of federally assisted housing to guarantee continuation of federal assistance. From: Frederick County Division of Housing, [Affordable Housing Developer Incentive Programs](#), February 2024.

¹⁷⁸ In this example that means for every \$1 of DLP lending, the 1-10 unit project must have at least \$3 from other financing sources. That ratio increases to \$5 for projects over 10 units.

¹⁷⁹ Frederick County Division of Housing, [Affordable Housing Developer Incentive Programs](#), February 2024.

¹⁸⁰ Frederick County, [Bell Court Senior Apartments](#).

¹⁸¹ OLO interview with Frederick County Division of Housing staff. February 3, 2026.

¹⁸² HUD income-eligible City of Frederick residents interested in purchasing a home can borrow up to \$25,000 interest free for down payment and closing cost assistance. City of Frederick Department of Housing and Human Services, [Sold on Frederick Homebuyer Assistance Program Year 7/1/2025-6/30/2026](#).

Frederick County Funded Homeownership Subsidy Programs

Program	Agency	Eligibility	Subsidy Amount
Homebuyer Assistance Program (HAP)¹⁸³	Division of Housing	First time homebuyer with household income at or below 70% AMI for the Washington MSA and completion of HUD approved homebuyer education	The loan amount for applicants earning 51%-80% AMI is \$10,000. Applicants earning 50% AMI or less may be eligible for \$12,000 based on funding availability. Loans are 0% interest and deferred; no monthly payments are required.
Emergency Housing Rehabilitation Program¹⁸⁴	Division of Housing	Households with a gross total income at or below 70% AMI for the Washington MSA	Provides zero interest, deferred loans up to \$15,000 for emergency repairs.
Senior Housing Rehabilitation Grant Program¹⁸⁵	Division of Housing	Households who have at least one occupant 55 or older and have a gross total income at or below 30% AMI for the Washington MSA	Provides grants of up to \$15,000 for emergency repairs and accessibility modifications to very low income senior homeowners.

E. Regulatory Elements, Zoning, and Affordable Housing Development Incentives

In September 2025, Frederick County issued an RFI inviting developers to propose **affordable housing on County-owned** land near the Prospect Center (the County seat), as part of a broader strategy to increase supply by leveraging infill development on relatively inexpensive publicly owned property.¹⁸⁶ The County is working out a ground lease agreement with the developer, who will build and operate 150 affordable units on the property. While terms are still being negotiated, County staff expect that AMI levels will range between 30% and 80% AMI, with incomes averaging to 60% AMI. Frederick County will continue to explore ground leases as a model to replicate to retain land ownership while increasing the stock of affordable housing.¹⁸⁷

Similar to Montgomery County, Frederick County and the City of Frederick both have a **Moderately Priced Dwelling Units (MPDU)** law. However, maximum income limits are lower in Frederick: 50% AMI

¹⁸³ Frederick County Division of Housing, [Homebuyer Assistance Program](#).

¹⁸⁴ Frederick County Division of Housing, [Emergency Housing Rehabilitation Program](#).

¹⁸⁵ Frederick County Division of Housing, [Senior Housing Rehabilitation Grant Program](#).

¹⁸⁶ OLO interview with Frederick County Division of Housing staff. February 3, 2026.

¹⁸⁷ OLO interview with Frederick County Division of Housing staff. February 3, 2026.

for rental units and 70% AMI for purchase units. Under the County's MPDU framework, developers that build the required number of MPDUs (rather than pay fee-in-lieu) may receive a one unit **of bonus density for each additional MPDU unit built** that exceeds the 12.5% requirement. A two-to-one density bonus may be approved by the Planning Commission for MPDUs constructed in specified growth areas as identified in the Livable Frederick Master Plan.¹⁸⁸

F. Tax or Fee Exemptions for Affordable Housing Development

Both the City of Frederick and Frederick County have a **Payment in Lieu of Tax (PILOT) program** that provides for the payment of a negotiated amount in lieu of payment of Frederick County real property tax on an approved housing development, either new construction or rehabilitation, that provides rental housing for low or moderate income citizens. The County and Developer specify terms through a Council Resolution and a recorded PILOT Agreement. For projects located within the City of Frederick, the County will not authorize a PILOT agreement unless there is approval of the project by the City, and the City will often provide its own PILOT agreement on top of the County's to maximize developer savings.¹⁸⁹ The County's current negotiated PILOT reduction is \$520 per affordable unit constructed.¹⁹⁰ For projects located in the City of Frederick, developers are able to stack the City and County PILOTs on each other for maximal savings.

In Frederick County, **developers of MPDUs are not required to pay development impact fees**, as long as the MPDUs remain in use for a minimum of 40 years. If any MPDU fails to continue to satisfy the applicable requirements, the owner of the MPDU shall immediately pay the full amount of the exempted development impact fees to the County.¹⁹¹

The City of Frederick's Planning Department is looking at ways to **streamline approvals and eliminate fees** for affordable housing projects, especially for 4% LIHTC projects. City of Frederick DHHS staff speculated that if the City waived water and sewer hook-up fees, which can be as high as \$2.5 million for a large project, then the money saved by a developer could be used to lower rents at the building.¹⁹²

G. Challenges, Successes, and Emerging Opportunities

Frederick County and City staff reported limited local affordable housing investment historically, and housing production has not kept pace with rapid population and economic growth over the last 10 years.¹⁹³ While there is broad consensus that Frederick County needs more housing types across all

¹⁸⁸ Frederick County, [Enacted-Bill-No-22-28---Density-Bonuses-for-MPDUs](#).

¹⁸⁹ OLO interview with City of Frederick Department of Housing and Human Services staff. February 24, 2026.

¹⁹⁰ Frederick County Division of Housing, [Affordable Housing Developer Incentive Programs](#), February 2024.

¹⁹¹ Frederick County, [Enacted-Bill-No-22-29---Exemption-of-MPDUs-from-Development-Impact-Fees](#).

¹⁹² OLO interview with City of Frederick Department of Housing and Human Services staff. February 24, 2026.

¹⁹³ OLO interview with Frederick County Division of Housing staff. February 3, 2026.

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income levels, staff capacity and dedicated funding are recurring issues. Frederick County and City staff specifically mentioned the following challenges:

- Not a single MPDU has been built since 2011 as developers continue to pay the in-lieu fee rather than construct MPDUs on-site.
- To calculate LIHTC and HUD subsidized rents, the City and County use the Washington, D.C. Metropolitan Statistical Area (MSA) AMI levels, which are higher than the average incomes among Frederick County residents. This makes 60% DC MSA rents comparable with market rate rents in Frederick County, which means LIHTC units that set rents at 60% AMI are unaffordable for most low- to moderate- income residents.
- Frederick County returns approximately \$14 million in bond authority to the State of Maryland every year, which could in theory be used for affordable housing financing.
- Within the City of Frederick, historic preservation restrictions limit the extent of allowable developments and slow housing production.

That said, Frederick County Division of Housing staff expressed optimism about the County's efforts to more actively produce and preserve affordable housing. The comprehensive Housing Needs Assessment and development of a 10-year strategic roadmap were major accomplishments to expanding local efforts to address the County's affordable housing shortage. There is broad consensus that there is no single solution to the problem, and County staff are working on refining existing policies and incentives such as PILOT, impact fees, DLP, and the HIF to generate additional uptake and increase impact.¹⁹⁴ City of Frederick staff are also open to new housing types and reforms, and there is an interest in aligning its affordable housing policies with regional peers such as the City of Rockville.¹⁹⁵

County and City staff are exploring the following affordable housing policies and strategies for increasing affordable housing production, preservation, and access in the region:

- Benchmark AMI levels to Frederick County rather than HUD's Washington MSA;
- Expand Down Payment Assistance (DPA) and homeownership financing tools, including interest-rate buy-downs and other loan products;
- Have a greater focus on generational wealth-building, including tackling tangled titles;
- Expand bond financing and tax credit enhancements;
- Explore the use of Tax Increment Finance (TIF) districts for financing larger multifamily developments;
- Increase the use of city- and county-owned land through developer solicitations, as done in Fairfax and Prince George's Counties;

¹⁹⁴ OLO interview with Frederick County Division of Housing staff. February 3, 2026.

¹⁹⁵ OLO interview with City of Frederick Department of Housing and Human Services staff. February 24, 2026.

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- Expand developer incentives modeled after Montgomery County but adapted to local conditions;
- Explore partnerships with local developers interested in Single Room Occupancy (SRO) and co-living models;
- Revisit ADU zoning and parking rules to enable more small-scale infill housing; and

County and City staff continue to learn from neighboring jurisdictions such as Montgomery County, Howard County, and Fairfax County as they look to redesign housing policies and benchmark progress towards meeting the goals laid out in the County's 2026 strategic plan.

3. District of Columbia

According to Housing&’s Housing Indicator Tool, the population of the District of Columbia was 678,972 people and had 367,147 housing units in 2023. In 2023, 59% of households were renters, and 46% of renters had unaffordable housing costs. For reference, Montgomery County’s population is about 50% larger than that of the District and has about 20% more housing units. The following District of Columbia entities are responsible for implementing and administering programs and policies related to affordable housing:

- **Department of Housing and Community Development (DHCD)** is responsible for producing and preserving affordable housing and increasing homeownership opportunities;
- **District of Columbia Housing Finance Agency (DCHFA)** issues tax-exempt mortgage revenue bonds and mortgage-backed securities in order to offer financing and assistance for developers of multifamily affordable rental housing and for home buyers.
- **Department of Human Services (DHS)** provides emergency shelter for individuals and families experiencing homelessness and works to prevent homelessness and help people to return to housing rapidly.
- **District of Columbia Housing Authority (DCHA)** is the Public Housing Authority for the District and provides housing to extremely low- through moderate-income households by administering Housing Choice Voucher (HCV) assistance for DC residents and operating its Public Housing Program.
- **Office of Planning (OP)** performs research and analysis and publishes various planning documents, including the Small Area Plans and the District’s Comprehensive Plan, which guides the District’s land use policies.

The table below summarizes District-funded programs and policies aimed at producing and preserving affordable housing.

Summary of District of Columbia-Funded Programs and Policies to Produce and Preserve Affordable Housing

Funding Sources	<ul style="list-style-type: none"> • General Funds • Dedicated Deed Recordation and Transfer Tax Revenues
Affordable Housing Targets Adopted	<ul style="list-style-type: none"> • Between 2018 and 2030, 20,000 new dedicated affordable units produced and by 2050, an additional 24,230 units • Each of the city’s planning areas should have 15% affordable units by 2050

	<ul style="list-style-type: none"> • Of the new affordable housing units, 30% should be affordable at 60%-80% AMI, 30% should be affordable at 30%-60% AMI, and 40% should be affordable at below 30% AMI.
Rental Assistance	<ul style="list-style-type: none"> • Local Rent Supplement Program (LRSP) • Emergency Rental Assistance Program • Family Rehousing and Stabilization Program (Rapid Rehousing for families) • Rapid Rehousing - Individuals • Transitional Housing - Youth • Permanent Supportive Housing – Families, Individuals and Youth
Homeownership Subsidies	<ul style="list-style-type: none"> • Home Purchase Assistance Program (HPAP) • Employer-Assisted Housing Programs • Single Family Residential Rehabilitation Program (SFRRP) • Real Property Tax Relief
Affordable Housing Finance	<ul style="list-style-type: none"> • Housing Production Trust Fund (HPTF) • Housing Preservation Fund • Site Acquisition Finance Initiative (SAFI)
Tax or Fee Exemptions for Developers	<ul style="list-style-type: none"> • DC Low-Income Housing Tax Credit (DC LIHTC) • High-Area Needs Tax Abatement (HANTA) • Housing in Downtown (HID) Tax Abatement • Nonprofit Affordable Housing Developer Relief • Property Tax Exemption for Limited Equity Cooperatives
Development Incentives	Negotiated Agreements
Regulatory Elements	<ul style="list-style-type: none"> • Inclusionary Zoning • Public Land Disposition Requirements • Tenant Opportunity to Purchase Act (TOPA) • Rent Control Law

A. Affordable Housing Targets and Goals

In 2019 DHCD and OP released the Housing Equity Report, which included 2025 Mayoral production goals for dedicated affordable units by planning area. The study also presents data on the existing distribution of dedicated affordable units across the District of Columbia, which showed large geographical disparities in the numbers of dedicated affordable units.¹⁹⁶

¹⁹⁶ Housing Equity Report: Creating Goals for Areas of Our City, District of Columbia Government, October 2016.

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In 2021, the DC Council approved major updates to the District of Columbia’s Comprehensive Plan, including the Housing Element of the plan. The Housing Element includes the following affordable housing targets:

- 20,000 new dedicated units affordable to persons earning 80% or less of AMI should be built from 2018 to 2030;
- An additional 24,230 dedicated affordable units should be built between 2030 and 2050 in order to achieve a total of 96,160 dedicated affordable units;
- Each of the city’s planning areas should have 15% affordable units by 2050; and
- Of the new affordable housing units, 30% should be affordable at 60%-80% AMI, 30% should be affordable at 30%-60% AMI, and 40% should be affordable at below 30% AMI. (they use the term area MFI – does it mean the same thing as AMI?)

The plan further establishes the following policy for setting housing production targets:

Set future housing production targets for market rate and affordable housing based on where gaps in supply by income occur and to reflect District goals. These targets shall acknowledge and address racial income disparities, including racially adjusted MFIs, in the District, use racially disaggregated data, and evaluate actual production of market rate and affordable housing at moderate, low, very-low, and extremely-low income levels.¹⁹⁷

B. Affordable Housing Finance

DHCD administers the District’s two locally funded programs that provide financing for affordable housing projects: the Housing Production Trust Fund (HPTF) and the Housing Preservation Fund (HPF), described below.

Housing Production Trust Fund (HPTF). The HPTF is a special revenue fund that provides gap financing for affordable housing projects. It receives 15% of the District’s deed recordation and transfer tax revenues along with annual allocations from the general fund. The District’s FY26 Operating Budget includes a total of \$100 million in funding for the HPTF.¹⁹⁸

The fund supports rental housing projects and homeownership units. Homeownership units must remain affordable for 15 years while rental units must remain affordable for 40 years. The law that established the HPTF in 1988 requires that:

- 50% of HPTF spending serves households below 30% AMI (extremely low-income)
- 40% of HPTF spending serves households between 30% and 50% of AMI (very low-income); and

¹⁹⁷ District of Columbia Comprehensive Plan, [Housing Element](#).

¹⁹⁸ [District of Columbia Housing Production Trust Fund FY26 Budget](#). and [Housing Production Trust Fund | dhcd](#)

- The remainder of the funds may serve other households with incomes up to 80% of AMI (low-income).

However, recent HPTF annual reports have shown that HPTF funds served more households with incomes above 30% AMI than below it. The reports note that, “operating subsidy has proven to be the best tool to help projects serve households at or below 30% of the MFI.” In other words, HPTF financing alone is not sufficient for creating units affordable below 30% AMI.¹⁹⁹ The Local Rent Supplement Program (LRSP) described on page X includes a project-based component that provides long-term operating subsidies to new or rehabilitated affordable units. In this way, project-based LRSP vouchers make deeply affordable units financially feasible in HPTF funded projects.

Housing Preservation Fund. The HPF was established in 2017 and provides short-term financing for affordable housing projects to support site acquisition, critical repairs, and pre-development. Three Community Development Financial Institutions (CDFIs) manage the fund. The District primarily uses the HPF to help affordable housing developers convert naturally occurring affordable housing (NOAH) to dedicated affordable housing. HPF funds serve as interim financing, and HPTF funds are often used to pay off the short-term HPF loans.

Site Acquisition Finance Initiative (SAFI). SAFI uses DHCD funds to allow private lenders to offer flexible bridge loans with maximum terms of 36 months for activities including acquisition and predevelopment costs of affordable housing projects.

C. Rental Assistance Programs

The table below describes these District-funded programs that assist renters with housing.

District-Funded Rental Assistance Programs

Program	Income Eligibility or Priority Population	Description of Benefit	Duration of benefits
Local Rent Supplement Program (LRSP)	Households with incomes under 30% AMI	Tenant-based voucher paid to tenant or project/sponsor-based voucher paid to housing provider. Provides rent minus 30% of household income.	One year with possibility to renew (no specified limit on renewals)

¹⁹⁹ FY 2023 Housing Production Trust Fund (HPTF) Annual Report

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Emergency Rental Assistance Program	Residents with low incomes who are facing housing emergencies or are at imminent risk for homelessness.	Assistance with overdue rent, security deposits, and first month's rent	One time
Family Rehousing and Stabilization Program (Rapid Rehousing for families)	Families experiencing homelessness	Case management and rental assistance	Up to 12 months
Rapid Rehousing - Individuals	Individuals experiencing homelessness	Case management and rental assistance	Up to 12 months
Transitional Housing - Youth	Youth ages 18-24 at risk of or experiencing homelessness	Case management and rental assistance	Up to 24 months
Permanent Supportive Housing – Families, Individuals and Youth	Chronically homeless families and individuals and youth with a high level of need	Housing subsidy and intensive case management	Permanent

D. Homeownership Programs

The following District-funded programs provide assistance for potential homebuyers and existing homeowners.

District-Funded Homeownership Programs

Program	Income Eligibility or Priority Population	Description of Benefits
Home Purchase Assistance Program (HPAP)	Households with incomes up to 110% AMI	Zero percent interest deferred loan (up to \$202,000 for households with incomes below 50% AMI) for gap financing and \$4,000 closing cost assistance

Employer-Assisted Housing Programs	District government employees	Zero percent interest deferred loan up to \$20,000 (\$10,000 of which is forgivable for first responders) and grant up to \$5,000 (\$15,000 maximum for first responders) for downpayment and closing costs. Additional downpayment and closing cost assistance is available for employees covered by specified collective bargaining agreements.
Single Family Residential Rehabilitation Program (SFRRP)	Household income of up to \$118,008 for family of three ²⁰⁰	Grants of up to 50% of the tax assessed value of property for roof repairs and/or accessibility modifications
Real Property Tax Relief	Varies	<p>The following programs defer, reduce or exempt homeowners with lower incomes from real property taxes including:</p> <ul style="list-style-type: none"> • Low-Income Senior Citizen Property Tax Deferral • Lower Income Home Ownership Tax Abatement • Lower Income, Long-Term Homeowners Tax Credit

E. Affordable Housing Development Incentives and Regulatory Elements

In 2006, the Council of the District of Columbia passed the Inclusionary Zoning Act, which requires that new residential developments with at least 10 units and some renovated developments set aside a percentage of the development for affordable units. Affordable units must be affordable at 60% AMI for rental housing and 80% AMI for for-sale units. For steel and concrete construction, 8%-8.33% of the total residential floor area must be set aside for affordable units. For wood construction, 10%-12.5% of the total residential floor area must be set aside for affordable units.²⁰¹

In 2020 the District’s Zoning Commission amended the zoning regulations to create increased affordable housing requirements for corridors and properties that have been rezoned. In 2021, the Zoning Commission expanded the original Inclusionary Zoning Act requirements to certain previously exempt zones and to conversions of existing buildings to residential use.²⁰²

The District also offers incentives to developers to build dedicated affordable units through negotiated agreements. Such agreements may offer developers bonus density or other zoning relief, tax

²⁰⁰ “SFRRP – Eligibility and How to Apply,” Department of Housing and Community Development.

²⁰¹ “Inclusionary Zoning,” Office of Planning.

²⁰² Ibid.

incentives, public financing, and/or the right to purchase or lease District-owned land. The resulting units have specified affordability periods, income limits, and resale restrictions.²⁰³

The following describes several additional regulatory elements in the District of Columbia that are relevant to affordable housing.

Public Land Disposition Requirements. Disposition of public land – when the government repurposes, transfers, sells, or leases its land²⁰⁴ – is subject to specific requirements and processes. In the District, when the disposition of public land results in development of multifamily housing, that project must set aside either 30% (if near a Metrorail station or Metrobus route) or 20% units as affordable units. For rental units, at least 25% of affordable units must be affordable at 30% AMI with the remainder affordable at 50% AMI. For ownership units, 50% of affordable units must be affordable at 50% AMI and the remainder must be affordable at 80% AMI.²⁰⁵

Tenant Opportunity to Purchase Act. When a multifamily property owner decides to sell a property, the owner must offer the tenant association the property for sale.²⁰⁶

Rent Control Law. The Rent Housing Act of 1985 established restrictions on rent increases for rental housing. Certain properties, including those built after 1975 and units that receive federal or District-funded subsidies, are exempt from the law. For units that are not exempt, the maximum annual increase is the increase in the Consumer Price Index plus 2%, up to a maximum of 10%. The law also includes tenant protections that restrict landlords from terminating a tenant’s lease without “just cause.”²⁰⁷

F. Tax or Fee Exemptions and Credits for Affordable Housing Development

The District of Columbia offers the following tax exemptions and credits for affordable housing developers.

DC Low-Income Housing Tax Credit (DC LIHTC). The District offers a local tax credit to supplement the federal Low-Income Housing Tax Credit (LIHTC). Developers can take the DC LIHTC against income tax, franchise tax, and insurance premium tax for 10 years for projects that also receive federal LIHTC. If the DC LIHTC amount exceeds the tax owed, the amount by which the credit exceeds the tax can be carried forward to any of the subsequent years for which the property is eligible for the credit.²⁰⁸

High-Area Needs Tax Abatement (HANTA). At the discretion of the Mayor, the District offers property tax abatement for projects located in areas with the highest affordable housing goals as identified in

²⁰³ [“Affordable Dwelling Units,”](#) Department of Housing and Community Development.

²⁰⁴ Sarnak, A., [“When Public Land Leaves Public Hands: Values Embedded in Municipal Land Disposition Law,”](#) Yale Law & Policy Review, Volume 42, Issue 2 (Spring 2024).

²⁰⁵ Code of the District of Columbia, Chapter 8. Sale of Public Lands.

²⁰⁶ [“Tenant Opportunity to Purchase Assistance,”](#) Department of Housing and Community Development.

²⁰⁷ District of Columbia, [Rental Housing Act and Regulations.](#)

²⁰⁸ [“Instructions for Low-Income Housing Tax Credit \(LIHTC\) Allocation and Certification,”](#) Office of the Chief Financial Officer, Office of Tax and Revenue, 2023.

the Housing Equity Report. To qualify, one third of the housing units developed or redeveloped must be affordable to and rented by households with incomes that average to 80% AMI. Projects may receive tax abatement for up to 40 years.²⁰⁹

Housing in Downtown (HID) Tax Abatement. The HID tax abatement applies to office-to-residential conversion projects in the downtown area that result in at least 10 new housing units. To receive the real property tax abatement, 10% of housing units must be affordable at 60% AMI or 18% must be affordable at 80% AMI. Of note, the area in which projects can qualify for the HID tax abatement are not subject to Inclusionary Zoning rules.

Nonprofit Affordable Housing Developer Relief. DC exempts nonprofit developers of LIHTC projects from real property tax and from other required payments.

Property Tax Exemption for Limited-Equity Cooperatives. Limited-equity cooperatives (LECs) are communities in which owners purchase shares in the development instead of a specific unit. When an owner sells their shares, the price of the shares is defined by a formula. The District exempts LECs from paying real property taxes as long as 50% of units are occupied by households with incomes at 80% AMI or below.²¹⁰

G. Successes, Challenges and Emerging Strategies

Interviews conducted suggested the following successes in DHCD's affordable housing work:

- The Mayor's Housing Equity Report established ambitious targets by Planning Area that have encouraged the city to be aggressive in seizing opportunities that arise.
- The incorporation of long-range affordable housing targets into the District's Comprehensive Plan approved by the Council is an important step towards maintaining and expanding affordable housing efforts over the long term.
- For the HPTF, the deed recordation and transfer tax is a useful revenue source because developers can pay it with the proceeds from the sale of the property, in contrast to impact taxes that are paid upfront and impact financing for the project.
- The HPF has been effective for allowing affordable housing developers to quickly acquire and stabilize NOAH properties in high-cost areas of the city that are in high demand for market-rate development.
- The District has been most successful on individual affordable housing projects by combining financing with regulatory tools like TOPA and development incentives such as bonus density.

²⁰⁹ Code of the District of Columbia, § 47-860. Tax abatement for affordable housing in high-need affordable housing areas.

²¹⁰ Limited Equity Cooperative Property Tax Assistance Amendment Act of 2021

- The District’s affordable housing requirements associated with the disposition of public land have resulted in significant numbers of affordable units.
- Community outreach connected with the Housing Equity Report has been instrumental for building community support for affordable housing projects in high-cost areas of the city.

One challenge that has emerged is that despite the successes of the HPF, preservation of affordable housing overall remains a major challenge.

4. Fairfax County, VA

According to Housing&’s Housing Indicator Tool, in 2023 Fairfax County was home to 1,141,878 people and had 431,036 housing units. In 2023, thirty-two percent of County households were renters and forty-five percent of renters had unaffordable housing costs. Since 2010, Fairfax County has added an average of 4,500 people and 1,700 housing units per year.²¹¹

The following Fairfax County departments and agencies are responsible for implementing and administering programs and policies related to affordable housing:

- The **Fairfax County Redevelopment and Housing Authority (FCRHA)** is a separate political body from Fairfax County Government and possesses specific powers granted by Virginia state law, including the ability to issue tax-exempt bonds, purchase property and make loans. The authority of the FCRHA is vested in 11 commissioners appointed by the Fairfax County Board of Supervisors – one representative from each supervisor district and two at-large representatives.²¹² FCRHA acts as the County’s Public Housing Authority (PHA) and administers the Housing Choice Vouchers and related federal programs.²¹³ FCHRA is staffed by the County’s Department of Housing and Community Development.
- The **Department of Housing and Community Development (HCD)** is the agency which administrates the County’s affordable housing development, preservation, and resident assistance programs. HCD also serves as the staff for the FCRHA.²¹⁴ The Office to Prevent and End Homelessness (OPEH) merged with HCD in 2020, making homelessness service planning, shelters, outreach, and supportive housing fall under HCD as well.
- The **Fairfax Department of Planning and Development (Planning and Development)** provides proposals, advice, and assistance on land use, development review, and zoning issues to those who make decisions on such issues in Fairfax County.²¹⁵

²¹¹ Housing&, [Housing Indicator Tool for Fairfax County](#).

²¹² [The Fairfax County Redevelopment and Housing Authority](#).

²¹³ [FCRHA, Who We Are and What We Do](#).

²¹⁴ Fairfax County Department of Housing and Community Development, [About Us](#).

²¹⁵ Fairfax County Department of Planning and Development, [About Us](#).

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- The **Fairfax County Department of Land Development Services (LDS)** is the County agency that reviews and processes permit applications, including for construction, demolition, and occupancy.

Fairfax County’s housing system is uniquely structured because the FCRHA (staffed by HCD) has independent powers to own and operate housing, issue loans, and incur debt without voter approval. Fairfax County FCRHA and HCD function as a vertically integrated, unified housing, development, and homelessness agency. This is in contrast to jurisdictions like Montgomery County or Washington, DC, which have more horizontal and siloed departments or agencies for housing development, the public housing authority, and its homelessness services agencies.²¹⁶

The table below summarizes the Fairfax County-funded programs and policies aimed at producing and preserving affordable housing.

Summary of Fairfax County-Funded Programs and Policies for Affordable Housing

Funding Sources	<ul style="list-style-type: none"> • General Funds • Real Estate tax (Housing Blueprint Fund) • Ground lease revenue • Cash flow from County-owned properties • Developer proffers (voluntary contributions)
Affordable Housing Targets Adopted	<ul style="list-style-type: none"> • Did not adopt the MWCOG housing targets • Local target: Produce 10,000 units for households earning up to 60% of AMI by 2034 • Local goal: No net loss of existing affordable housing.
Rental Subsidy Programs (and Administering Agency or Organization)	<ul style="list-style-type: none"> • No long-term County-funded rental subsidy programs • Eviction prevention (short-term shallow subsidies) are available through nonprofit partners and administered through County Coordinated Services Planning (CSP)
Homeownership Subsidies (and Administering Agency or Organization)	<ul style="list-style-type: none"> • Tax Relief for Seniors and People with Disabilities (Department of Tax Administration)
Affordable Housing Finance	<ul style="list-style-type: none"> • Affordable Housing Development and Investment (AHD) • Tysons Housing Trust Fund • Reston Housing Trust Fund
Tax or Fee Exemptions for Developers	None
Development Incentives	<ul style="list-style-type: none"> • Parking requirement reductions

²¹⁶ OLO interview with Fairfax County HCD staff. March 19, 2026.

Policy and Regulatory Elements	<ul style="list-style-type: none">• <u>Affordable Dwelling Unit (ADU)</u> program• Developing on County-owned land and colocation with public facilities• Right of First Refusal (ROFR) part of FCRHA lending terms
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A. Affordable Housing Targets and Goals

Fairfax County has not adopted the 2030 MWCOG housing targets. However, in 2022 the County Board of Supervisors (BOS) adopted an updated countywide goal of producing 10,000 new units affordable to households making up to 60% of the Area Median Income (AMI) by 2034.²¹⁷ According to HCD leadership, while the County has not set specific targets for levels below 60% of AMI, the Department’s goal is to produce and preserve as many units in the 30 to 50% AMI range as possible.²¹⁸ Because each transaction is unique, the County maintains flexibility rather than limiting itself to a specific AMI band, and leverages income averaging together with Project-Based Vouchers to strengthen financial feasibility and support successful projects.²¹⁹

The BOS also established a preservation goal of no net loss of existing affordable housing. The County’s Affordable Housing Preservation Program “helps keeps existing homes affordable for current and future residents by providing funding, incentives, and supports to repair and maintain affordable housing, prevent displacement, and extend affordability requirements.”²²⁰

Fairfax County tracks progress towards its 10,000 unit target through its Affordable Housing Dashboard. As of December 2025, the County has delivered 1,299 units from FCRHA financed projects, with an additional 107 units serving up to 60% AMI delivered from inclusionary housing. There are an additional 1,038 units in the pre-development phase and 1,445 units under construction.²²¹

For more information on the guiding framework and principles behind the County’s housing strategy, refer to the Communitywide Housing Strategic Plan, which is Fairfax County’s plan to “address significant need for price-appropriate housing options for current and projected residents of Fairfax County.” Phase 1 of the plan identified 25 short-term strategies that were implemented, without major policy or revenue impacts, to encourage and produce additional housing units within the County. Phase 2 of the plan includes long-term strategies, tools, policies and resources that support the development and preservation of housing that is affordable in our community. The Board of Supervisors created an Affordable Housing Resources Panel (AHRP) to support Phase 2 efforts and garner community input.²²²

²¹⁷ Housing and Community Development - FY 2026 Advertised Budget Plan (Fairfax, Virginia).

²¹⁸ OLO interview with Fairfax County HCD staff. March 19, 2026.

²¹⁹ Ibid.

²²⁰ Fairfax County Affordable Housing Dashboard, Preservation Tracker.

²²¹ Fairfax County Affordable Housing Dashboard, Progress Toward 10,000 Units.

²²² Fairfax County HCD, Communitywide Housing Strategic Plan.

B. Affordable Housing Finance

In 2025, the Fairfax County BOS dedicated 1.25 cents of its real estate tax rate to the County's **Affordable Housing Development and Investment (AHD)**.²²³ The AHD is the County's local funding source to preserve and promote the development of affordable housing. In FY 2027, a total of \$49.8 million is expected to be provided to the AHD: \$52.7 million from Real Estate tax revenue (referred to as the Blueprint Fund) and \$5.9 million from cash flow from County-owned properties, loan repayments, and developer proffers (which combined is referred to as the Housing Trust Fund).²²⁴

Each year, the FCRHA releases a Notice of Funding Award (NOFA) for all its housing funds. This notice stays open all year to support building new affordable housing and preserving existing units. Fairfax HCD has a team of underwriters and finance experts who invest these funds in affordable housing projects, in addition to buying and reselling Affordable Dwelling Units (ADUs), Workforce Dwelling Units (WDUs), and other units with long-term affordability rules. HCD also works with private partners (through Public-Private Partnership agreements) and uses County-owned land to complete deals. As a Moving to Work (MTW) agency,²²⁵ the FCRHA can combine federal and local funds to help make projects financially possible.²²⁶

Fairfax County expects²²⁷ new non-residential development in certain areas and of certain types to make monetary contributions for non-residential development in support of affordable housing development. In Tysons, the expectation is a contribution of \$3.00 per square foot to the **Tysons Housing Trust Fund**.²²⁸ The fund supports affordable and workforce housing in the Tysons Urban Center to address employment driven housing demand from major companies located in Tysons such as Capital One.²²⁹ Similarly, the **Reston Housing Trust Fund** contribution was originally adopted by the Board of Supervisors in February 2014 at \$3.00 per square foot. In the updated Reston Comprehensive Plan, adopted in September 2023, the HTF contribution amount was increased based on the Consumer Price to \$3.43 per square foot with a recommendation to further adjust the rate as developments are approved.

²²³ [FY 2026 Fairfax County Adopted Budget Plan \(Overview\)](#), page 64.

²²⁴ Fairfax County, [Fund 30300: Affordable Housing Development and Investment](#).

²²⁵ Under the Moving to Work program, HUD provides public housing authorities exemptions from many traditional public housing and voucher rules and provides flexibility for how they use their federal funds.

Source: [MTW Collaborative](#).

²²⁶ OLO interview with Fairfax County HCD staff. March 19, 2026.

²²⁷ Technically the non-residential developer contributions are voluntary, however, HCD leadership report that these contributions are expected and do occur on a regular basis.

Source: OLO interview with Fairfax County HCD staff. March 19, 2026.

²²⁸ [Fairfax County Tysons Tracker](#). Ground-floor retail uses is excluded from this expectation. All approved applications with a new non-residential component include proffered cash contributions to implement this Plan objective, with most exercising the option to provide either a one-time contribution of \$3.00 per square foot of non-residential development or an annual payment of \$0.25 per square foot of non-residential development for a term of 16 years.

²²⁹ OLO interview with Fairfax County HCD staff. March 19, 2026.

C. Rental Assistance Programs

Fairfax County does not have any long-term locally-funded rental subsidy programs. The County had an Emergency Rental Assistance Program (ERAP), but it closed in September 2025. The County relies on federal sources for permanent tenant-based and project-based vouchers. The County's Coordinated Services Planning (CSP) administers short-term shallow subsidies for eviction prevention, which is made available mostly through nonprofit partners.²³⁰

D. Homeownership Programs

Funding for homeowner programs comes from a mix of federal HUD and state housing finance agency funds. Fairfax County's First-Time Homebuyers (FTHB) program offers for-sale Affordable Dwelling Units (ADUs) at below market prices to households with at least \$25,000 in annual income and making up to 70% AMI. Other eligibility requirements are outlined on the FTHB program webpage.²³¹ Down payment assistance of up to \$20,000 is available as a forgivable loan to qualified ADU purchasers with household incomes up to 80% AMI. This assistance is federally-funded by HUD's Community Development Block Grant (CDBG) Program.

Fairfax County offers a down payment loan of up to \$50,000 to qualified first-time homebuyer households earning up to 80% AMI through the Fairfax County Down Payment Loan Program. These loans can be used toward down payment and eligible closing costs to purchase homes in Fairfax County.²³² This program is state-funded through the REACH Virginia (Resources Enabling Affordable Community Housing) strategic initiative in partnership with Virginia Housing.

Fairfax County also administers the Sponsoring Partnerships & Revitalizing Communities (SPARC) program, a special allocation of reduced rate financing through Virginia Housing to support low-to-moderate income first-time homebuyer households.

Fairfax County offers real estate tax relief to qualifying homeowners over the age of 65 or who are permanently and totally disabled, who also meet. This tax relief is administered by Fairfax's Department of Tax Administration (DTA) and functions as a locally-funded housing subsidy for low-income homeowners who meet certain income and asset limit thresholds.²³³

E. Regulatory Elements, Zoning, and Affordable Housing Development Incentives

The Fairfax County BOS established its **Affordable Dwelling Unit (ADU)** program in 1990 under its zoning ordinance to assist in the provision of affordable housing.²³⁴ Developers can provide ADUs in

²³⁰ Fairfax County Health and Human Services, [Eviction Prevention](#).

²³¹ Fairfax County HCD, [First-Time Homebuyers Program](#).

²³² Fairfax County HCD, [Fairfax County Down Payment Loan](#).

²³³ Fairfax County Department of Tax Administration, [Tax Relief for Seniors and People with Disabilities](#).

²³⁴ As opposed to the Workforce Dwelling Unit (WDU) Program, which operates on a voluntary proffer-based incentive system. See [Fairfax County, ADU and WDU Resources for Developers](#).

order to take advantage of special zoning regulations and increase the density of their projects.²³⁵ HCD leadership reported that the County insists on getting the ADUs built by the developer rather than settling for an in-lieu cash contribution.²³⁶

The ADU program establishes maximum household income limits for rental and for-sale units. For rental units, the County sets two eligibility bands—below 50% AMI and below 70% AMI—and publishes the annual income maximums by household size and corresponding rent limits. To be eligible to purchase for-sale ADUs, a household must make below 70% of the AMI.²³⁷ The ADU program applies to stick-built (wood-framed) housing with 50 or more units and does not apply to steel and concrete projects, which tend to be larger and more expensive to construct.²³⁸

The Fairfax County BOS has been aggressive about continuing to invest in and **develop publicly-owned properties as well as co-locating affordable housing with other public facilities projects**.²³⁹ HCD leadership noted the importance of developing affordable housing on the increasingly limited number of sites the County owns. The County leverages these affordable housing co-locations to accelerate capital improvements to aging public facilities or develop new public facilities through shared investments with private development partners.²⁴⁰

Fairfax Planning and Development has a **parking adjustment** policy to reduce the number of required parking spaces a developer must provide upon demonstrating that all units will serve individuals with incomes at or below 70 percent of the AMI, based on income averaging.²⁴¹

F. Tax or Fee Exemptions for Affordable Housing Development

Fairfax County did use Payment in Lieu of Taxes (PILOT) for housing authority properties in the 1980s. The County has not used PILOT for affordable housing projects in any meaningful way since then. Further options for the use of tax and fee flexibility were recently approved by the Virginia General Assembly, and County staff are actively exploring those options.²⁴²

G. Successes, Challenges, and Emerging Opportunities

Fairfax HCD leadership report tangible progress in public participation. Staff have used equitable community engagement principles and outreach practices that has surfaced voices the County previously did not hear from (e.g. non-English speaking renters). To an outsider, the mechanisms HCD uses to solve complex affordable housing challenges are complicated. HCD staff are intentional about

²³⁵ FCRHA, Administrative Regulations Concerning the Sale and Rental of Affordable Dwelling Units, amended January 21, 2021.

²³⁶ OLO interview with Fairfax County HCD staff. March 19, 2026.

²³⁷ Fairfax County Affordable Dwelling Unit Program Income Limits. July 1, 2025.

²³⁸ OLO interview with Fairfax County HCD staff. March 19, 2026.

²³⁹ Ibid.

²⁴⁰ OLO correspondence with Fairfax County HCD staff. May 5, 2026.

²⁴¹ Fairfax County Code, Parking and Loading Regulations, amended September 26th, 2023.

²⁴² OLO correspondence with Fairfax County HCD staff. May 5, 2026.

being transparent and clear in its departmental communications to the public. Translating complex housing concepts for lay audiences and sharing both accomplishments and missteps through regular updates and its [Affordable Housing Dashboard](#) has helped residents and decision-makers feel like part of the same team.²⁴³

Dedicated housing resources remain insufficient relative to increasing need. Sustaining momentum will depend on more funding for new production, preservation, homeownership pathways, and services for people in permanent supportive housing. Challenges remain to fully reach linguistically isolated Latino families in the County's remaining mobile home parks (containing about 1,700 units). Rather than relying on traditional public meetings, the County must proactively bring services and engagement opportunities to residents where they live.²⁴⁴

On the preservation side, Fairfax HCD has begun replicating a developer "bench" approach that Prince George's DHCD uses to respond quickly to properties at-risk of losing its affordable units. Fairfax County also looks to compare its efforts and successes with Montgomery County, while closely tracking creative practices in Arlington County and the City of Alexandria to refine strategies within Virginia's unique regulatory context. Finally, Fairfax HCD continues to be inspired by liked-minded MTW agencies trying new and innovative approaches to braid federal and local dollars to support the County's ambitious housing goals.²⁴⁵

5. City of Fairfax, VA

According to Housing&'s Housing Indicator Tool, in 2023 the City of Fairfax was home to 25,144 people and had 9,307 housing units within its 6.3 square mile limits. In 2023, thirty-one percent of City households were renters and forty-nine percent of renters had unaffordable housing costs. Since 2010, has added an average of 200 people and 47 housing units per year.²⁴⁶ The following City of Fairfax and Fairfax County departments and agencies are responsible for implementing and administering affordable housing programs and policies:

- City of Fairfax **Housing Division** within the **Department of Community Development and Planning** leads efforts to advance affordable housing and address homelessness. The recently formed Housing Division works to implement the housing goals outlined in the Comprehensive Plan and Affordable Housing Strategic Plan through research, planning, and collaboration across city departments and with community stakeholders.²⁴⁷

²⁴³ OLO interview with Fairfax County HCD staff. March 19, 2026.

²⁴⁴ Ibid.

²⁴⁵ Ibid.

²⁴⁶ Housing&, [Housing Indicator Tool for City of Fairfax](#).

²⁴⁷ City of Fairfax, [Housing](#).

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- The **Fairfax County Department of Housing and Community Development** administers Affordable Dwelling Units (ADU) program on behalf of the City of Fairfax. For more information on the ADU program, refer to the Fairfax County jurisdictional profile.

The table below summarizes the City of Fairfax funded programs and policies aimed at producing and preserving affordable housing.

Summary of City of Fairfax Funded Programs and Policies for Affordable Housing

Funding Sources	<ul style="list-style-type: none"> • In-lieu fees from Affordable Dwelling Unit program
Affordable Housing Targets Adopted	None at the time of writing
Rental Subsidy Programs	None at the time of writing
Homeownership Subsidies	<ul style="list-style-type: none"> • Tax Relief for Seniors and People with Disabilities (administered by the Finance Department)
Affordable Housing Finance	None at the time of writing
Tax or Fee Exemptions for Developers	None at the time of writing
Development Incentives	None at the time of writing
Policy and Regulatory Elements	<ul style="list-style-type: none"> • Affordable Dwelling Unit (ADU) program

A. Affordable Housing Targets and Goals

The City of Fairfax has not adopted any affordable housing targets at the time of writing. However, in 2025 the City completed its Affordable Housing Strategic Plan, which calls for the integration of affordable housing targets into the city’s economic growth and redevelopment plans within the next three to five years.²⁴⁸ According to Housing Division staff, there are a lot of conversations happening on what methodology and approach the City of Fairfax should use with respect to determining targets. New affordable targets could be determined based on the City’s 2023 Housing Assessment & Strategy Report, or the City could set targets based on the targets adopted by Fairfax County in 2022.²⁴⁹

B. Affordable Housing Finance

While the City of Fairfax has a finite amount of funds from developer contributions, one of the goals of the Affordable Housing Strategic Plan is for the city to identify permanent and sustained revenue

²⁴⁸ City of Fairfax, Affordable Housing Strategic Plan, November 2025, page 27.

²⁴⁹ OLO interview with City of Fairfax Housing Division staff. February 11, 2026.

sources for a housing trust fund within the next one to two years.²⁵⁰ Due to the city's small size, staff do not anticipate a lot of units or in-lieu cash stemming from the Affordable Dwelling Ordinance.²⁵¹ This fact elevates the importance of establishing a dedicated revenue source for the Housing Division's affordable housing work in the future.

C. Rental Assistance Programs

The City of Fairfax does not have any long-term locally-funded rental subsidy programs. The City relies on Fairfax County to administer federally-funded permanent tenant-based and project-based vouchers.

D. Homeownership Programs

The City of Fairfax does not have any homeownership assistance besides its real estate tax relief program for homeowners over 65 or totally and permanently disabled. To be eligible for the tax relief in 2025, total household qualifying income could not exceed \$90,000 and net financial worth could not exceed \$440,000.²⁵²

E. Regulatory Elements, Zoning, and Affordable Housing Development Incentives

Other than the Affordable Dwelling Units (ADU) program, the City of Fairfax does not have any other regulatory elements that incentivize affordable housing development. Another one of the goals of the city's Affordable Housing Strategic Plan is to identify incentives and streamline permitting and approval processes for affordable housing development.²⁵³

F. Tax or Fee Exemptions for Affordable Housing Development

The City of Fairfax does not have any tax or fee exemptions for affordable housing development. Fee exemption options were presented to City Council in 2020, but there is no policy in place at the time of writing.²⁵⁴ Another one of the goals of the city's Affordable Housing Strategic Plan is to implement tax incentives, such as abatements or exemptions, for owners who commit to maintaining affordable units.²⁵⁵

G. Successes, Challenges, and Emerging Opportunities

The City of Fairfax has achieved several early successes as it builds momentum in its affordable housing efforts. The Housing Division was recently established in part to implement the Affordable Housing Strategic plan, with a goal to secure dedicated funding. The Beacon Landing project stands out as a

²⁵⁰ [Affordable Housing Strategic Plan](#), page 29.

²⁵¹ OLO interview with City of Fairfax Housing Division staff. February 11, 2026.

²⁵² City of Fairfax Finance Department, [Real Estate Tax Relief Elderly and/or Totally & Permanently Disabled](#), February, 2026.

²⁵³ [Affordable Housing Strategic Plan](#), page 25.

²⁵⁴ OLO interview with City of Fairfax Housing Division staff. February 11, 2026.

²⁵⁵ [Affordable Housing Strategic Plan](#), page 36.

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major development accomplishment. Set to open in 2026, the 54-unit, Permanent Supportive Housing (PSH) development will also have an employment center on the ground floor. Among many other funding sources, the City of Fairfax contributed \$700,000 for this project, which will be the largest PSH development in Northern Virginia.²⁵⁶

The City continues to face challenges that hinder its ability to produce and preserve affordable housing. The City does not have an established housing trust fund and currently relies on a small, finite pool of developer fees and proffers. Limited staff capacity and turnover among elected officials make it difficult to maintain political will or long-term policy direction. The city also must contend with very low levels of development activity within its 6.3-square-mile jurisdiction, which constrains the impact of its Affordable Dwelling Units program.²⁵⁷

In response to these challenges, the City is exploring a range of emerging strategies aimed at building capacity, strengthening policy frameworks, and identifying scalable approaches to affordable housing. The newly formed Housing and Healthy Communities Advisory Board is trying to solidify community priorities and help implement the Comprehensive Plan and Affordable Housing Strategic Plan, while also advising the City Council on how to balance affordable housing preservation versus production. The City is also pursuing low-cost ideas such as adopting a home-sharing program created by Fairfax County in 2019, which could support aging residents and address cost burdens. More broadly, staff are learning from peer jurisdictions like Somerville, MA and Davidson, NC with the aim of identifying politically viable, locally relevant strategies that can help the City build a robust affordable housing system.²⁵⁸

²⁵⁶ Wesley Housing, [Beacon Landing](#). OLO interview with City of Fairfax Housing Division staff.

²⁵⁷ OLO interview with City of Fairfax Housing Division staff. February 11, 2026.

²⁵⁸ OLO interview with City of Fairfax Housing Division staff. February 11, 2026.

6. Arlington County, VA

According to Housing&’s Housing Indicator Tool, Arlington County was home to 234,162 people and had 123,963 housing units in 2023. In 2023, fifty-eight percent of households were renters, and forty percent of renters had unaffordable housing costs. Since 2010, Arlington has added an average of 2,000 people and 1,400 housing units per year.²⁵⁹ For reference, Montgomery County has almost five times more people and over three times the number of housing units than Arlington.

The Arlington County Adopted FY 2026 Budget identifies \$64.5 million in local tax dollar funding to preserve affordable housing and provide housing assistance.²⁶⁰ Arlington County does not own or operate its own income-restricted housing. Instead, the county establishes agreements with private and non-profit entities (in addition to state and federal agreements) to create and maintain committed affordable units (CAFs) that typically serve households with incomes under 60% AMI.

The County uses a variety of policy tools, detailed in this section, to incentivize and support CAFs as well as provide supplemental subsidies. The following County departments are responsible for implementing and administering programs and policies related to affordable housing:

- **The Department of Community Planning, Housing and Development (DCPHD)** is the County’s central agency for planning, housing, zoning, permitting and neighborhood services. DCPHD administers affordable housing finance and zoning incentives for developers, including local non-profits.
- **The Department of Human Service (DHS)** is the Public Housing Authority for Arlington County and administers housing assistance programs including the federally-funded Housing Choice Voucher Program, locally funded housing assistance, and the Continuum of Care aimed at preventing and responding to homelessness.

The table below summarizes Arlington County-funded programs and policies aimed at producing and preserving affordable housing.

Summary of Arlington County-Funded Programs and Policies to Produce and Preserve Affordable Housing

Funding Sources	<ul style="list-style-type: none"> • General Fund allocations; • Recordation tax revenues; • Developer contributions; • Loan repayment proceeds; and
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²⁵⁹ Housing&, <https://hit.housingand.org/jurisdictions/arlington>

²⁶⁰ [fy-2026-adopted-all-in-one v2-web.pdf](#) p. 679

	<ul style="list-style-type: none"> • Revenue from the Columbia Pike Tax Increment Financing (TIF) area.²⁶¹
Affordable Housing Targets Adopted	<p>By 2040:</p> <ul style="list-style-type: none"> • 17.7% of housing units are affordable at or below 60% AMI) • 2,700 new homeownership units for households between 80-120% of AMI • 425 units Permanent Supportive Housing • 10% of affordable units accessible to and occupied by persons with disabilities.
Rental Assistance	<ul style="list-style-type: none"> • Housing Grants Program • Arlington Landlord Partnership Program • Eviction Prevention • Rapid Rehousing • Permanent Supportive Housing
Homeownership Subsidies	<ul style="list-style-type: none"> • Moderate Income Purchase Program • Live Near Your Work • Real Estate Tax Relief Program
Affordable Housing Finance	<ul style="list-style-type: none"> • Affordable Housing Investment Fund • Columbia Pike Tax Increment Financing (TIF) Area
Tax or Fee Exemptions for Developers	None
Development Incentives	<ul style="list-style-type: none"> • Incentive Based Zoning • Transfer of Development Rights • Parking Incentive
Regulatory Elements	Affordable Dwelling Unit Ordinance (Sections 15.5.8 and 15.5.9 of the Arlington County Zoning Ordinance)

A. Affordable Housing Targets and Goals

In 2015, the Arlington County Board adopted the Affordable Housing Master Plan (AHMP), making it an official element of the County’s Comprehensive Plan. The AHMP notes that renter households with incomes under 60% of AMI represented 17% of Arlington households in 2013, but only 9% of the housing stock was affordable to households at or below 60% of AMI.

²⁶¹ “TIF is a mechanism used to support development and redevelopment by capturing the projected increase in property tax revenues in the area and investing those funds in improvements or mitigation efforts associated with the project. Unlike a special district, it is not an additional or new tax; rather, it redirects and segregates a portion of the increased property tax revenues that would normally flow to the General Fund to be used for a specified purpose.” [11-fy22a-columbia-pike-tif.pdf](#)

Furthermore, household forecasts showed that between 2010 and 2040, the county was expected to add 7,400 households with incomes at or below 60% of AMI, 9,200 older adult-headed households, and 3,900 households that include people with disabilities. Additionally, the forecasts predicted that the county would add 5,500 households with incomes between 80%-120% of AMI by 2040, highlighting the need for more homeownership opportunities for middle income households. Based on data on the existing housing market and household forecasts, the AMHP identified the following targets for affordable housing units by 2040:

- Rental units affordable at 60% AMI or below should make up 17.7% of the total housing stock or an estimated 22,800 affordable units based on forecast
- 2,700 homeownership units affordable at 80%-120% of AMI;
- Develop 425 permanent supportive housing units; and
- 10% of committed affordable units will be accessible to and occupied by persons with disabilities.

DCPHD maintains a 19-page interactive Affordable Housing Dashboard. This online dashboard displays key indicators on affordable housing production and housing subsidies, including progress towards the goal of having 17.7 % of housing as rental units affordable at 60% of AMI or below by 2040.

B. Affordable Housing Finance

Arlington County's Affordable Housing Investment Fund (AHIF), also known as the County Loan Fund, is a revolving fund that supports the production and preservation of CAFs that are affordable up to 80% of AMI in multifamily properties. The AHIF provides low-interest loans to private or nonprofit developers, who commit to long-term affordability covenants that range from 30–75 years. Staff also report using land leases to support affordable housing development by reducing the developer's land costs. AHIF-funded projects can include new construction, acquisition of existing multi-family properties, and rehabilitation of older housing. DCPHD may require that up to 10% of total units be Permanent Supportive Housing. In addition, for new construction projects, a minimum of 10% of units must be accessible units, and must include onsite solar generation.²⁶²

Additionally, the Columbia Pike Tax Increment Financing (TIF) Area uses 25 percent of tax revenue generated by new development and property appreciation in the designated area for affordable housing along Columbia Pike. This funding is currently committed to the preservation and redevelopment of the Barcroft Apartments a 1,335 unit affordable apartment community. Columbia Pike TIF funds may also be used to support the Transit Oriented Affordable Housing Fund (TOAH). The TOAH is used to support infrastructure-related items and County fees in order to make housing

²⁶² "Arlington County Notice of Funding Availability (NOFA) for Affordable Rental Housing Application and Baseline Eligibility Requirements," Arlington, VA.

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projects more competitive for LIHTC. However, the county is not currently accepting TOAH applications because TIF funds are committed to the Barcroft Apartments.

C. Rental Assistance Programs

The table below describes Arlington County-funded programs that subsidize housing for renters. The county's primary rental assistance program is its Housing Grants program. Staff report that Housing Grants recipients are typically residents in CAFs and who require a supplemental subsidy – for example if the CAF is affordable to households at 60% AMI, but the household's income is at 30% AMI.

Arlington County-Funded Rental Assistance Programs

Program	Income Eligibility or Priority Population	Description of benefits
Housing Grants	Renter households with incomes under limit (\$62,730 for a family of three) that are age 65 or older, have a disability, have at least one child under age 18, or receive services from a county mental health program	Monthly grant based on income, household size and rent in order to reduce housing cost to 40% of income
Eviction Prevention	50% AMI or below with demonstrated financial hardship, current 5-Day Pay or Quit Notice, late rent notice, or formal eviction notice.	Annual cap of \$3,000 per household
Arlington Landlord Partnership	Landlords that agree to adjust screening criteria for potential tenants that are experiencing homelessness or face leasing barriers (e.g. credit history or criminal record)	Up to \$3,000 reimbursement for lost rent or damages
Rapid Rehousing	Households experiencing homelessness	Short-term financial assistance and supportive services to obtain and maintain housing
Permanent Supportive Housing	Arlington County residents with a critical housing need and a disability or chronic health condition and incomes below 40% of AMI	Ongoing financial assistance and supportive services

D. Homeownership Programs

The following table summarizes county-funded programs that aim to help households with lower incomes purchase and stay in their homes. Of note, in 2022 the County Board launched a Homeownership Study that included data gathering and analysis, community engagement, and

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development of recommendations. The Program Recommendations report completed by a consultant in December of 2023 noted that the share of homeowners in Arlington is declining relative to the share of renters, and that “residents of color reported feeling systematically disadvantaged in the housing market.”²⁶³

Recommendations in the report include modifications to the county’s Moderate-Income Purchase Assistance Program, relaunching a repair loan program, and methods to expand supply of affordable homeownership units using existing mechanisms such as the AHIF. Staff report that they have not yet been able to pursue these recommendations.

Arlington County-Funded Homeownership Programs

Program	Income Eligibility or Priority Population	Description of Benefits
Moderate-Income Purchase Assistance Program	First-time homebuyers with incomes up to 80% of AMI	Deferred-payment, no-interest second mortgage of up to 25% of the home purchase price for downpayment and closing costs
Live Near Your Work	Arlington County Government Employees working 30+ hours/ week.	Grants of up to \$6,600 for home purchase.
Real Estate Tax Relief Program	Households with incomes up to \$139,551 with an owner aged 65 and up or who has a total and permanent disability	Full or partial property tax relief or deferral
Rebuilding Together	Older adults, people living with disabilities, families with children, and veterans.	Home repairs and accessibility modifications provided by nonprofit organization

E. Regulatory Elements, Zoning, and Affordable Housing Development Incentives

The Arlington County Board has the authority grant additional density and/or height for site plan projects (development projects in Arlington County that do not conform to what is permitted “by-right” under existing zoning), including projects that include CAFs. Two additional tools in the Arlington Zoning Ordinance aimed at incentivizing the production or preservation of CAFs are detailed below.²⁶⁴

Transfer of Development Rights (TDR) Policy. Property owners and/or developers of designated “TDR-sending” properties can transfer density from those properties to other properties deemed appropriate for higher levels of density. Three garden apartment complexes in Arlington are

²⁶³263 “Arlington Homeownership Study Program Recommendations,” HR&A Advisors, December 2023.

²⁶⁴264 “Land Use & Zoning Tools,” Arlington, VA.

designated TDR-sending properties, with the aim of preserving the affordability of that housing. In order to transfer the density to another property, the property owner/developer must commit to preserving the existing buildings, renovate units and preserve affordability for no less than 30 years.

Parking Incentive in the Columbia Pike Neighborhoods Special Revitalization District. Certain development projects in the Columbia Neighborhoods Special Revitalization District can qualify for a reduced parking ratio for any proposed affordable units.

This section describes the Arlington Affordable Dwelling Unit Ordinance, the Special Affordable Housing Protection District (SAHPD) and development incentives.

Affordable Dwelling Unit Ordinance. Development projects in Arlington County that do not conform to what is permitted “by-right” under existing zoning must obtain a special exception site plan approval. Arlington County adopted its Affordable Dwelling Unit Ordinance in 2005, which requires affordable housing contributions for residential and commercial site plan developments with a Floor Area Ratio (FAR)²⁶⁵ exceeding 1.0.

Affordable housing contribution requirements are based on a formula and may be provided with units onsite, offsite, or as cash contributions to the county. Units must be affordable at 60% AMI for 30 years and may be rental units or for-sale units. Staff report that most development projects subject to the ordinance provide cash contributions rather than providing units. The county uses these cash contributions from developers to support the AHIF. However, the cash contributions required through the current law are estimated to amount to the equivalent of one third to one half of the cost of providing affordable units. In order to change the cash contribution amount, the county would need permission from the state’s General Assembly.²⁶⁶

The Affordable Dwelling Unit Ordinance also permits developers to receive bonus density exceeding the density envisioned by the county’s General Land Use Plan by providing additional affordable units at 60% AMI beyond the base amount established in the ordinance. The County has prioritized on-site units for bonus density, but has in limited circumstances accepted cash contributions for this requirement.

Special Affordable Housing Protection District (SAHPD). The SAHPD is an overlay zone in Arlington’s General Land Use Plan that applies to aging affordable housing sites in the county’s two Metro corridors. Specifically, site plan projects proposing a density of 3.24 FAR or higher must replace every existing affordable unit on a one-for-one basis onsite, either in terms of units, bedrooms or gross floor area.

Development Incentives. The Arlington County Board has the authority grant additional density and/or height for site plan projects (development projects in Arlington County that do not conform to what is

²⁶⁵ “Floor area ratio is the gross floor area of all buildings on a lot divided by the lot area.” [Affordable Housing Master Plan Review](#)

²⁶⁶ “[Northern Virginia Affordable Dwelling Unit Ordinances](#),” Northern Virginia Affordable Housing Alliance, June 17, 2025.

permitted “by-right” under existing zoning), including projects that include CAFs. Two additional tools in the Arlington Zoning Ordinance aimed at incentivizing the production or preservation of CAFs are detailed below.²⁶⁷

- **Transfer of Development Rights (TDR) Policy.** Property owners and/or developers of designated “TDR-sending” properties can transfer density from those properties to other properties deemed appropriate for higher levels of density. Three garden apartment complexes in Arlington are designated TDR-sending properties, with the aim of preserving the affordability of that housing. In order to transfer the density to another property, the property owner/developer must commit to preserving the existing buildings, renovate units and preserve affordability for no less than 30 years.
- **Parking Incentive in the Columbia Pike Neighborhoods Special Revitalization District.** Certain development projects in the Columbia Neighborhoods Special Revitalization District can qualify for a reduced parking ratio for any proposed affordable units.

F. Tax or Fee Exemptions for Affordable Housing Development

Limitations in Virginia State Law prevent Arlington County from offering blanket tax exemptions for affordable housing development. However, nonprofit affordable housing developers with qualifying charitable-use properties may receive exemptions.

G. Successes, Challenges and Emerging Strategies

DCPHD shared several successes, challenges and emerging strategies. For example, the Housing Grants Program, Arlington’s local rental subsidy program, has been very helpful for supporting households with the lowest incomes. Most CAFs are affordable at 60% AMI, so Housing Grants are used to bridge the gap for households at lower AMI levels. Arlington has also successfully used developer contributions resulting from the Affordable Dwelling Unit Ordinance alongside other funding sources to finance the production of CAFs that are affordable for longer periods of time as well as some CAFs that are affordable at 30% of AMI.

At the same time, the need for deeply affordable units is growing. The AMI has increased, which results in increased rents for households living in CAFs. The Housing Grants program does not currently serve low-income single people. The county has also struggled to create affordable homeownership units. Developers are not producing condominiums, possibly due to the cost of liability insurance. Arlington is exploring the following emerging strategies to address the continuing challenges:

- Using a housing production fund to produce affordable for-sale units;
- Limited equity coops;
- Community land trusts; and
- Income averaging for LIHTC projects.

²⁶⁷ “Land Use & Zoning Tools,” Arlington, VA.

7. City of Alexandria, VA

According to Housing&'s Housing Indicator Tool, the City of Alexandria was home to 155,230 people and had 81,630 housing units in 2023. In 2023, fifty-eight percent of households were renters and forty-five percent of renters had unaffordable housing costs. Since 2010, Alexandria has added an average of 1,200 people and 700 housing units per year.²⁶⁸ For reference, Montgomery County has almost seven times more people and five times the number of housing units than the City of Alexandria.

The following City of Alexandria departments and agencies are responsible for implementing and administering programs and policies related to affordable housing:

- The City of Alexandria **Office of Housing** coordinates and administers housing-related programs and services, including landlord-tenant mediation; it provides loans for downpayment and closing cost assistance to qualified first time homebuyers; it supports citywide planning processes, including the current Housing 2040 Plan; it provides technical assistance to nonprofit housing development partners, and makes recommendations to City Council on housing policy and affordable housing investments.²⁶⁹
- The **Alexandria Redevelopment and Housing Authority (ARHA)** manages the City's public housing units and voucher programs. It also owns and operates other affordable housing. ARHA's mission for the next five years is to become an industry leader in the development and management of model mixed income communities and increasing ARHA residents' self-sufficiency and quality of life.²⁷⁰
- The City of Alexandria **Department of Community and Human Services (DCHS)** provides housing and homeless services, including emergency rental assistance, eviction and foreclosure prevention resources; administers rapid rehousing funds; and provides information and referrals to shelters and other housing resources.²⁷¹
- The City of Alexandria **Department of Planning and Zoning (P&Z)** works closely with communities to carry out the City Council's priorities by fostering amenity-rich, service-oriented, and equitable neighborhoods.²⁷² Planning and Zoning tracks approvals and provides permitting steps for the City's Accessory Dwelling Unit program.

²⁶⁸ Housing&, [Housing Indicator Tool for the City of Alexandria](#).

²⁶⁹ City of Alexandria, [Office of Housing](#).

²⁷⁰ Alexandria Redevelopment and Housing Authority, [About Us](#).

²⁷¹ City of Alexandria, [DCHS Housing and Homeless Services Hub](#).

²⁷² City of Alexandria, [Planning and Zoning](#).

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The table below summarizes the City of Alexandria-funded programs and policies aimed at producing and preserving affordable housing.

Summary of City of Alexandria-Funded Programs and Policies for Affordable Housing

Funding Sources	<ul style="list-style-type: none"> • General Funds • Meals Tax • Penny Fund • Housing Trust Fund • Capital Improvement Program (CIP)
Affordable Housing Targets and Goals Adopted	<ul style="list-style-type: none"> • MWCOG 2030 housing target: Produce 2,250 units affordable to households between 61%-80% AMI • Local housing master plan target: Produce 2,000 units for households earning up to 60% AMI by 2025 • Local goal: Replace 1,150 units of publicly-assisted housing on a 1:1 basis as redevelopment occurs, and provide tenant protections to any tenant displaced during redevelopment activities
Rental Subsidy Programs (and Administering Agency or Organization)	<ul style="list-style-type: none"> • Project-Based Rental Assistance Program Pilot (Office of Housing) • Permanent Supportive Housing Program (Office of Housing) • Senior Rent Relief (DHHS) • Emergency Rental Assistance (DHHS)
Homeownership Subsidies (and Administering Agency or Organization)	<ul style="list-style-type: none"> • Set-Aside Units, including senior housing + care set-aside units (Office of Housing) • Flexible Homeownership Assistance Program (Office of Housing) • Employee Homeownership Incentive Program (Office of Housing) • Home Rehabilitation Loan Program (Office of Housing) • Personal real estate tax relief (Department of Finance)
Affordable Housing Finance	<ul style="list-style-type: none"> • Housing Opportunities Fund (HOF)
Local Tax or Fee Exemptions for Developers	<ul style="list-style-type: none"> • Real estate tax relief for affordable housing projects with City covenants and zoning policies restricting rental income • Development Fee Relief for ARHA projects • Housing 2040 Plan will propose tax relief and developer fee relief as strategic affordable housing preservation tools
Regulatory Elements, Zoning, and Development Incentives	<ul style="list-style-type: none"> • Voluntary contributions and affordability covenants • Bonus density and height allowances in exchange for affordable housing (Section 7-700) • Parking requirement reductions

Sources: Interviews with Office of Housing staff, City websites, and City of Alexandria Office of Housing, [Housing 2040 Plan Draft Recommendations and Strategies Released for Public Comment](#), February 20, 2026.

A. Affordable Housing Targets and Tracking

The City of Alexandria set a local Housing Master Plan (HMP) goal of creating 2,000 units affordable to households making up to 60% of the Area Median Income (AMI) by 2025. In addition, Alexandria adopted the 2030 MWCOC housing targets, with a goal to create an additional 2,250 workforce units affordable to households making between 61% and 80% AMI (referred to as the Regional Housing Initiative or RHI goal).²⁷³ The City is on track to meet these targets. Housing 2040, which will replace the HMP, will be considered by City Council in June 2026.

In 2019, the City adopted Resolution 2876 which codifies a joint commitment to preservation between the City and ARHA to replace 1,150 units of public and publicly-assisted housing and provide tenant protections to any tenant displaced during future redevelopment activities.²⁷⁴ The City's ongoing preservation efforts will prioritize preserving properties that:

1. Have units at 30%, 40%, and 50% AMI with existing affordability commitments at risk of expiration and/or can commit to deepening existing affordability to include 30%, 40% and 50% AMI units.
2. Have documented conditions that impact the health and well-being of residents.
3. Constitute a significant portion of a small area plan's residential rental housing stock or have been identified as a priority for preservation through a small area plan.²⁷⁵
4. Meet criteria established in the Strategic Preservation Policy described in Housing 2040.

The City of Alexandria tracks progress towards its housing targets through its [Office of Housing Key Indicator Dashboard](#) and a quarterly Housing Master Plan Progress Report. As of May 2024, Alexandria has delivered 1,776 units toward its 2,000 unit HMP goal, with an additional 562 units under construction. Alexandria has also committed 347 affordable/workforce units towards its Regional Housing Initiative goal.²⁷⁶ For more information on the guiding principles behind the Alexandria's housing strategy, and what counts towards the 2,000 unit goal, refer to the [Housing 2040 Plan webpage](#) and this [Housing 2040 Master Plan update](#) from June 2025.

B. Affordable Housing Finance

The City of Alexandria established its **Housing Trust Fund (HTF)** in 1987 to provide flexible City financing for the preservation and production of affordable housing.²⁷⁷ HTF dollars come from developer contributions. The HTF is primarily used for grants and additional rental subsidies for Low-

²⁷³ City of Alexandria, [Housing Master Plan Update](#), June 2025.

²⁷⁴ City of Alexandria, [ARHA Plans, Projects, and Resolutions](#).

²⁷⁵ City of Alexandria Office of Housing, [Housing 2040 Plan Draft Recommendations and Strategies Released for Public Comment](#), February 20, 2026.

²⁷⁶ City of Alexandria, [Office of Housing Key Indicator Dashboard](#).

²⁷⁷ City of Alexandria, [Housing 2040 Funding Sources Matrix](#), May 2025.

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Income Housing Tax Credit (LIHTC) projects located in Alexandria.²⁷⁸ In 2020, Alexandria updated its **Housing Contributions Policy** that covers on-site affordable housing contributions, off-site units, or monetary contribution of equal value for residential developers pursuing additional density, senior housing projects, or commercial to residential building conversions.²⁷⁹

Alexandria's **Housing Opportunities Fund (HOF)** provides grants and loans for affordable housing projects and activities consistent with the goals and principles of the Housing Master Plan and City Strategic Plan.²⁸⁰ Funding sources for the HOF include the HTF, General Fund, Dedicated Real Estate Tax Revenue, Meals Tax, CIP-Cash Capital, loan proceeds and repayments from City financed projects, and sometimes federal HOME and CDBG dollars.²⁸¹ In 1993, the City established the Alexandria Housing Affordability Advisory Committee (AHAAC) to advise the City Council on investments of the HTF and HOF and it works with staff to monitor implementation of the Housing Master Plan.²⁸²

Recognizing housing as a key part of the city infrastructure, Alexandria's **Capital Improvement Program (CIP)** includes an affordable housing category that provides capital allocations over a ten-year plan period. The City Council provides **General Fund appropriations** to supplement affordable housing based on Council priorities. The City issued **General Obligation (GO) bonds** for affordable housing in 2006, 2008, and 2022. The ARHA has the authority to issue revenue bonds for affordable housing as well.²⁸³ The Industrial Development Authority (IDA) of Alexandria has also issued **IDA bonds** for the acquisition of properties in order to preserve affordable housing.²⁸⁴

The City also has a **1% Meals Tax** and a **Dedicated Tax Revenue (DTR or Penny Fund)** to support affordable housing. Established in 2006, the dedicated one cent of real property tax rate was initially intended to go towards the debt service of the GO Bonds but is now used as another source of affordable housing production and preservation. The 1% increase in the Meals Tax rate was started in 2019 as another dedicated revenue source for affordable housing in Alexandria.²⁸⁵

Private funding from Amazon—whose second headquarters building is located in neighboring National Landing (Arlington, Virginia)—has provided the City of Alexandria funding for four projects thus far, totaling 1,100 units. Amazon funding has also supplemented a city partial tax exemption, to enable Alexandria to convert a long-vacant office building into 377 committed affordable and workforce units

²⁷⁸ OLO interview with City of Alexandria Office of Housing staff. March 2, 2026.

²⁷⁹ City of Alexandria, [Affordable Housing Contribution Policy Update Summary](#), December 2020.

²⁸⁰ City of Alexandria, [Housing Opportunities Fund Application Process and Requirements](#), February 2020.

²⁸¹ City of Alexandria, [Housing 2040 Funding Programs Matrix](#), May 2025.

²⁸² City of Alexandria, [Alexandria Housing Affordability Advisory Committee \(AHAAC\)](#).

²⁸³ City of Alexandria, [Housing 2040 Funding Sources Matrix](#), May 2025.

²⁸⁴ Alexandria Economic Development Partnership, [2020 Annual Report](#), April 2021.

²⁸⁵ City of Alexandria, [Housing 2040 Funding Sources Matrix](#), May 2025.

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for a term of at least 99 years.²⁸⁶ The City has also used JBGSMITH's (now LEO Capital) Social Impact Funds to preserve more than 300 units of affordable housing.

Overall, the City of Alexandria leverages about four to five times the money it invests from local sources. In other words, for every dollar the City puts into affordable housing, an additional four to five dollars are invested from other state, federal, and private sources.²⁸⁷

C. Rental Assistance Programs

This section describes two noteworthy rental subsidy programs the City of Alexandria funds or administers: the Project Based Rental Assistance Program (PBRAP) and the Permanent Supportive Housing (PSH) Program. The table below lists all of the rental subsidy programs administered locally.

City of Alexandria Administered Rental Subsidy Programs

Program	Agency	Eligibility or Priority	Subsidy Amount	Duration
Project Based Rental Assistance Program Pilot (PBRAP)	Office of Housing	Live in a LIHTC unit and would be cost-burdened without the subsidy; households with incomes between 30% and 60% AMI	Difference between 30% of household's gross income and projected unit rent	Tied to the unit; 5-year contract with the property
State Rental Assistance Program	Office of Housing	Qualified persons with intellectual and/or developmental disabilities (ID/DD) are awarded housing vouchers from the Virginia Department of Behavioral Health Services)	The voucher covers rental housing costs including rent and utilities for ID/DD individuals who can live independently, with minimal case management support, in Alexandria's housing market	As long as needed or as long as individual remains capable of independent living
Permanent Supportive Housing (PSH) Program	Office of Housing (in partnership with DCHS)	Severe mental illness	Difference between 30% of household's gross income and projected unit rent; also covers pre-leasing costs and basic housing supplies	As long as needed

²⁸⁶ OLO interview with City of Alexandria Office of Housing staff. March 2, 2026.

²⁸⁷ Ibid.

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Senior Rent Relief Program (SRRP)	DCHS	65 and older or disabled, or both; net worth less than \$75,000	Up to \$6,000 per year	Application on an annual basis
Housing Crisis/Rapid Rehousing Assistance	DCHS and Continuum of Care	Varies by funding source but households must be at risk of eviction and have experienced an unexpected loss of income or major cost	Rent payment goes directly to landlord for rent; recipients are expected to have the ability to pay rent in the future (after 3 months)	Up to three months

Sources: City of Alexandria, [Rental Assistance Programs Presentation](#), November 6, 2024.

The **Project Based Rental Assistance Program Pilot (PBRAP)** is administered by the Office of Housing in collaboration with DCHS. PBRAP is funded by the City’s Housing Trust Fund and the General Fund and provides rental assistance subsidies for people living in LIHTC buildings who make less than 60% AMI. The PBRAP was created because even though LIHTC rents are based on 40, 50, and 60% AMI, they can still be too expensive for tenants who earn less than that. The goal is to bridge the gap between the LIHTC rent and 30% of an otherwise qualified tenant’s income. They may also be used to assist an existing resident, who is housing cost burdened, to remain in their housing. To qualify, tenants must live in a LIHTC unit and be cost-burdened without the subsidy. The City signs five-year grant agreements with each property and works closely with on-site staff to administer the program.²⁸⁸

City of Alexandria staff highlighted their innovative, **city-managed Permanent Supportive Housing (PSH) program** funded annually by the State of Virginia. Instead of giving grants to nonprofits, the City hires its own staff and case managers, which allows direct coordination with the Department of Community and Human Services (DCHS) and other City departments and partners, including private owners of rental properties. The program currently has funding to support 35 people with serious mental illness who face major housing barriers and experience chronic or episodic homelessness. The housing team identifies participants through hospitals, homeless services, or through other referrals. The program provides high-touch, hands-on support to help participants stabilize and stay housed. Because the City operates the program, and participating rentals are located at a variety of properties, staff can move faster and use relationships across City departments and nonprofit and private market partners to solve problems. While the city-run PSH program is a new initiative and results are still being measured, this approach aims to demonstrate improved cost-effectiveness and program outcomes as

²⁸⁸ OLO interview with City of Alexandria Office of Housing staff. March 2, 2026.

it develops and matures.²⁸⁹ In the first six months of the program, five PSH clients have been housed and ten are awaiting placements.²⁹⁰

D. Homeownership Programs

Funding for homeowner programs comes from a mix of federal HOME funds and the City’s Housing Trust Fund. City loan programs operate on a revolving basis, meaning loans are repaid when units are resold or are no longer the primary residence of the borrower.²⁹¹ The table below outlines the homeownership subsidy programs that the City of Alexandria supports.

City of Alexandria Funded Homeownership Subsidy Programs

Program	Agency	Eligibility	Subsidy Amount
Set-Aside Units	Office of Housing	First time homebuyers making up to 100% AMI who live or work in the City (target 70% - 100% AMI)	Units secured by Office of Housing through the development process are sold at below market prices. Set-aside homebuyers are also eligible for FHAP loans
Flexible Homeownership Assistance Program (FHAP)	Office of Housing	First time homebuyers making up to 100% AMI who live or work in the City (target below 80% AMI)	Second trust loan of up to \$50,000 with 0% interest financing and equity share in project for City
Employee Homeownership Incentive Program (EHIP)	Office of Housing	City employees who work more than 20 hours per week	Up to \$15,000 in homebuyer assistance for homes costing up to \$725,000
Home Rehabilitation Loan Program (HRLP)	Office of Housing	Households who earn below 80% AMI	Loans to homeowners are capped at \$135,000 for single-family homes and \$75,000 for condominiums to fund repairs and improvements for the health, safety, or accessibility needs of the owner

²⁸⁹ OLO interview with City of Alexandria Office of Housing staff. March 2, 2026.

²⁹⁰ OLO correspondence with City of Alexandria Office of Housing staff. April 17, 2026.

²⁹¹ City of Alexandria, Homeownership Housing 2040 Master Plan, March 2025.

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Real Estate Tax Relief and Assistance Program for Elderly and Disabled Persons	Department of Finance	Residents who are 65 years of age or older or who are permanently and totally disabled	Tax relief or deferrals based on income
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Sources: City of Alexandria [Homebuyer Resources](#) and [Real Estate Tax Relief and Assistance Program](#).

The City has also helped fund a recent affordable homeownership (targeting first time buyers with incomes up to 80% AMI) sponsored by a local nonprofit developer. The first phase of 31 townhomes are coming online through May 2026. The second phase of this mixed-income, mixed ability community is a small condominium building that will include:

- five affordable for-sale homeownership units,
- five PSH units to be owned and operated by local nonprofit, Sheltered Homes of Alexandria (SHA), and
- two 3-bedroom units that will serve persons with intellectual and developmental disabilities relocating, with staff support, from a group home environment.²⁹²

E. Regulatory Elements, Zoning, and Affordable Housing Development Incentives

Alexandria’s approach to incentivizing affordable housing production is grounded in a long-standing, collaborative relationship with the development community. Unlike jurisdictions in Maryland, the City of Alexandria cannot mandate inclusionary zoning due to a lack of enabling legislation at the state level. That said, City staff are planning to complete a feasibility study on inclusionary zoning and pursue state legislative authority that would authorize Alexandria to adopt such a policy when appropriate.²⁹³

Alexandria’s primary regulatory tool for securing onsite affordable units is its **Bonus Density and Height program** (Zoning Ordinance Section 7-700). When developers request up to 30% additional density or up to 25 feet of added height, they are required to provide affordable housing equal to at least one-third of the additional floor area or to offer an equivalent monetary or off-site contribution.²⁹⁴ The bonus program has generated the majority of the City’s rental and homeownership set-aside units.²⁹⁵

Alexandria also relies on **voluntary monetary contributions** from developers. This expectation has been in place for several decades and, according to Office of Housing staff, the majority of eligible

²⁹² OLO correspondence with City of Alexandria Office of Housing staff. April 17, 2026.

²⁹³ City of Alexandria Office of Housing, [Housing 2040 Plan Draft Recommendations and Strategies Released for Public Comment](#), February 20, 2026.

²⁹⁴ City of Alexandria, [Procedures Regarding Affordable Housing Contributions](#), April 2019.

²⁹⁵ OLO interview with City of Alexandria Office of Housing staff. March 2, 2026.

projects voluntarily provide contributions to the City's Housing Trust Fund.²⁹⁶ The voluntary contribution system applies mostly to by-right development projects and contribution rates are adjusted annually based on the CPI-U for Housing for the Washington, D.C. Metro Area.²⁹⁷ Developer contributions are then loaned to nonprofit developers to fund affordable housing development.

Alexandria has adopted zoning text amendments to streamline **office-to-residential conversions**, targeting underutilized office buildings outside designated employment priority areas. A prominent example is the Victory Center redevelopment project. The City is providing a 25-year tax abatement for the 377-unit project, and Amazon's Housing Equity Fund will pay for a 99-year affordability covenant to deliver all units to be affordable to residents with qualified-incomes ranging from 50-80% AMI.²⁹⁸

The 600,000-square-foot building has been vacant since the U.S. Army Materiel Command moved out in 2003 and the conversion is expected to be completed in summer 2027.²⁹⁹ While the workforce units at 80 to 100 percent AMI are not expected to provide deep affordability given local market rents, Office of Housing staff view these affordability commitments as strategically valuable because the area had limited committed affordable units and the project is nearby to the Van Dorn Street Metro station. It was also a political win: the repurposing of the building reduced the citywide office vacancy rate by approximately three percentage points.³⁰⁰

Since 2014, the Alexandria City Council has approved the following additional zoning and regulatory tools to support the affordable housing goals laid out in its Housing Master Plan:³⁰¹

- **an increase in the level of predevelopment funding** provided to facilitate affordable housing through secured, repayable loans;
- **a reduction in parking requirements** for new affordable housing projects; and
- **a Residential Multifamily (RMF) Zone** to promote the creation and preservation of deeply affordable housing and a complementary **Tenant Assistance and Relocation Policy**³⁰² that codifies relocation assistance to be provided by developers to tenants in good standing who are displaced from committed affordable units in the RMF zone.
- An **anti-displacement policy** to help qualified residents of the Arlandria neighborhood remain by reserving a portion of new housing resources funded by the City for them.³⁰³

²⁹⁶ Ibid.

²⁹⁷ City of Alexandria, [Developer Resources](#).

²⁹⁸ OLO correspondence with City of Alexandria Office of Housing staff. April 17, 2026.

²⁹⁹ James Cullum, "[Officials break ground on 377-unit affordable apartment complex at Victory Center](#)," ALXnow.com, February 26, 2026.

³⁰⁰ OLO interview with City of Alexandria Office of Housing staff. March 2, 2026.

³⁰¹ City of Alexandria, [HMP Goals, Implementation and Progress Indicators](#).

³⁰² City of Alexandria, [RMF Zone Tenant Assistance and Relocation Policy, February 2019](#).

³⁰³ OLO correspondence with City of Alexandria Office of Housing staff. April 17, 2026.

F. Tax or Fee Exemptions for Affordable Housing Development

The City of Alexandria has **real estate tax relief** to reduce property tax for affordable housing projects with City covenants and zoning agreements that restrict rental income. Alexandria also provides one-time **developer fee relief** and ongoing tax exemptions for ARHA-owned projects.³⁰⁴

G. Successes, Challenges, and Emerging Opportunities

Alexandria Office of Housing staff mentioned success with clear and consistent communications around goals, with clear metrics that informed progress reports towards goals. Alexandria's Housing Master Plan (HMP) and MWCOG Regional Housing Initiative (RHI) goals were informed by careful staff analysis of what the City could reasonably accomplish.³⁰⁵ Alexandria was able to generate more local revenue to accomplish these goals through the 1% Meals Tax and increasing CIP allocations towards affordable housing.

Community input and buy-in has continued to be important. During public meetings for the Beaugard small area plan, Tenant and Workers United (TWU) brought in speaker after speaker who testified that they could not afford rents set at 60% AMI, even when working multiple jobs. These conversations helped local officials understand the critical need for more deeply affordable housing in Alexandria.³⁰⁶ A public-facing dashboard and quarterly progress reports towards the HMP and RHI goals have increased transparency with the public and helped elected officials and departmental leadership assess what may be needed to meet those goals.

Office of Housing staff are proud that delivery of affordable housing provides benefits to lower income community members, neighborhood character, and the overall local economy. A 2022 Urban Institute report found that affordable housing units in Alexandria are "associated with an increase in property values of 0.09 percent within 1/16 of a mile of a development, on average."³⁰⁷ What is notable in Alexandria is that most of this affordable housing production replaced vacant or obsolete units.³⁰⁸ City staff actually toured affordable housing skeptics around the Beaugard area and participants noted that the affordable housing projects are among the most beautiful and well maintained buildings in the neighborhood.³⁰⁹

Yet despite all this momentum, Alexandria does not currently have enough gap funding available to deliver on the number affordable housing projects in the City's pipeline. In 2013, the City created a

³⁰⁴ City of Alexandria, [Housing Funding Programs Matrix](#), May 14, 2024.

³⁰⁵ OLO interview with City of Alexandria Office of Housing staff. March 2, 2026.

³⁰⁶ Ibid.

³⁰⁷ Christina Stacy and Christopher Davis, [Assessing the Impact of Affordable Housing on Nearby Property Values](#), Urban Institute, April 2022.

³⁰⁸ OLO interview with City of Alexandria Office of Housing staff. March 2, 2026.

³⁰⁹ Ibid.

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target to invest \$50,000 per affordable housing unit. In 2026, the City now needs to invest \$120,000 to \$130,000 per unit to achieve the deeper levels of affordability to which it has committed.³¹⁰ Costs have gone up for numerous reasons³¹¹ and more dedicated funds are required to achieve the City's 2030 RHI goal of adding 2,250 additional low- to moderate-income units located within activity centers.

Office of Housing staff also see opportunities to better use zoning tools to support senior housing plus care projects, which are challenging projects to successfully implement. City staff have talked about this issue with Montgomery and Fairfax County officials, who have built some of these types of projects.³¹²

Additionally, in recent years the City has encountered a small number of cases where developers have resisted paying voluntary contributions or used them as leverage in negotiations. Office of Housing staff cited several contributing factors including more complex development proposals as infill and rehabilitation opportunities shrink, and large projects in particular that are struggling to secure financing in current market conditions. These dynamics have led some developers and their land use counsel to push more aggressively to not have to build or contribute as much affordable housing. Despite these challenges, voluntary contributions remain a central component of Alexandria's affordability strategy, and staff emphasized the City's commitment to applying the system consistently.³¹³

The City of Alexandria has a number of emerging programmatic strategies and policy recommendations coming out of its Housing 2040 Plan. These include:

- Encouraging **development of alternative housing designs and typologies**, for example, accessory dwelling units, microunits, co-living (shared housing), and dorm-style housing, as well as plex-style housing enabled in former Single Unit neighborhoods through the Zoning for Housing initiative;
- Exploring **tax relief or abatement as an incentive** to extend expiring affordability commitments or support 1-1 replacement within the same neighborhood;
- Supporting the Virginia State Legislature to enact a **Right of First Refusal (ROFR)**³¹⁴ for existing committed affordable properties in which the City is not already a financial partner;

³¹⁰ Ibid.

³¹¹ These include high interest rates and rising construction costs, among others. See Kristina Byas, 5 Reasons Behind the U.S. Housing Price Surge, Leaving Many Struggling to Buy or Rent, Investopedia, September 11, 2025.

³¹² OLO interview with City of Alexandria Office of Housing staff. March 2, 2026.

³¹³ Ibid.

³¹⁴ The Virginia State Legislature passed House Bill 4 on March 30, 2026. If this Right of First Refusal legislation is signed into law, it would enable localities or their designated partners to purchase housing with affordability restrictions before they are sold to other buyers. Source: Bill Tracker for VA HB4.

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- Promoting the use of **city-owned land** for affordable housing; and
- Maximizing the use of state, federal, and other **non-City funding to leverage City resources for affordable homeownership** development projects, including for homeowners in the 100% to 120% AMI range.³¹⁵

³¹⁵ City of Alexandria Office of Housing, [Housing 2040 Plan Draft Recommendations and Strategies Released for Public Comment](#), February 20, 2026.

8. Loudoun County, VA

In 2023, according to Housing&’s Housing Indicator Tool, the population of Loudoun County was 436,347 people and had 149,234 housing units. For reference, Montgomery County has almost two and a half times more people and almost three times the number of housing units than Loudoun. The following Loudoun County Government Departments are responsible for implementing and administering programs and policies related to affordable housing:

- **Department of Housing and Community Development (DHCD)** administers the county’s locally-funded affordable housing programs, several state programs such as the State Rental Assistance Program (SRAP), and several federal programs such as the Housing Choice Voucher Program, Community Development Block Grant (CDBG) Program, and HOME Investment Partnerships Program (HOME).
- **Department of Family Services (DFS)** is the lead agency for administering programs that support people in Loudoun County who are experiencing or at risk of homelessness.
- **Department of Planning and Zoning (DPZ)** manages development applications, administers and enforces the zoning ordinance, and prepares reports and studies to guide the development of land use plans and policies.
- **Department of Building and Development (B&D)** administers the county’s permit fee waiver program for attainable housing developments, and is a critical department in the expedited attainable housing development pilot program.

Loudoun County does not have a designated Public Housing Authority or any Public Housing units. In 2025, the Board of Supervisors requested a study to compare the feasibility of establishing a Public Housing Authority in the county or of contracting out such a function.³¹⁶

Summary of Loudoun County-Funded Programs and Policies to Produce and Preserve Affordable Housing

Funding Sources	<ul style="list-style-type: none"> • General funds • Proceeds from the sale of Affordable Dwelling Units (after the restricted period has elapsed) • Home Investment Partnership and Community Development Block Grant • Developer fees and contributions and loan repayment, including proffers • Cigarette Tax revenue
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³¹⁶ [“Unmet Housing Needs Strategic Plan: 4th Quarter and Annual FY 2025 Update,”](#) Loudoun County Board of Supervisors Transportation and Land Use Committee Information Item, September 17, 2025.

Affordable Housing Targets Adopted	By 2040: <ul style="list-style-type: none"> • 20% or 8,200 of the 40,950 new housing units projected to be built should be attainable housing. • 7,800 households given access to, and existing units preserved as attainable housing.
Rental Assistance	No locally funded programs
Homeownership Subsidies	<ul style="list-style-type: none"> • Down Payment/Closing Cost Assistance (DPCC) Program and DPCC Plus • Public Employee Homeownership Grant Program (PEG) •
Affordable Housing Finance	Attainable Housing Loan Program (AHLP)
Tax or Fee Exemptions for Developers	Limited by State Law
Development Incentives	Bonus/adjusted density; Affordable Housing Land Development Application and Development Fee Waiver Program (Chapter 1480 of Codified Ordinances); Expedited Attainable Housing Development Pilot Program;
Regulatory Elements	Affordable Dwelling Unit Program, both Rental and Purchase

A. Affordable Housing Targets and Goals

In 2021, the Loudoun County Board of Supervisors adopted the Unmet Housing Needs Strategic Plan (UHNSP), which outlines objectives, strategies, and key actions for meeting the housing needs of households with incomes at or below 100% of AMI. The development of the plan included public outreach in the form of focus groups, virtual community meetings, advisory board meetings, elected official interviews, and a survey made available in-person and online.

In Loudoun County, housing that serves households at or below 100% of AMI is termed “attainable housing.” While the UHNSP had an implementation period of five years, it included annual attainable housing goals for a 20-year period, through 2040. Specifically:³¹⁷

- 20% or 8,200 of the 40,950 new units projected to be built by 2040 should be attainable housing; and
- 7,800 existing units will be preserved as attainable housing by 2040.

³¹⁷ Unmet Housing Needs Strategic Plan, Approved by Loudoun County Board of Supervisors September 8, 2021.

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The Board of Supervisors' Transportation and Land Use Committee (TLUC) receives quarterly updates from staff on UHNSP implementation as well as progress towards the above attainable housing production and preservation goals.³¹⁸

B. Affordable Housing Finance

DHCD manages Loudoun County's Attainable Housing Loan Program (AHLP). In 2025, the Board of Supervisors created the AHLP to consolidate and replace two previous loan programs.³¹⁹ The purpose of the AHLP is to increase the supply of attainable housing in Loudoun County by providing partial financing to developers for the costs of acquisition, preservation, renovation, and construction of existing or new attainable housing units. The AHLP may provide financing for rental units serving households with incomes up to 70% AMI and for ownership units serving households with incomes up to 100% AMI.

In creating the AHLP, the Board of Supervisors reallocated approximately \$5.5 million from the Rental Housing Acquisition and Preservation Loan Program to the AHLP. The county's proposed FY27 operating budget includes a total of more than \$25 million for the AHLP and other housing activities and programs.

C. Homeownership Programs

The following county-funded programs provide assistance for potential homebuyers and existing homeowners.

Loudoun County-Funded Homeownership Programs

Program	Income Eligibility or Priority Population	Description of Benefits
Down Payment/Closing Cost Assistance (DPCC) and DPCC Plus Programs	First-time homebuyers with incomes between 30% and 70% AMI or between 70% and 100% AMI (for DPCC Plus).	Forgivable zero interest loan for up to 10% (up to \$70,000) of the home purchase price with a term of 15 years.
Public Employee Homeownership Grant Program (PEG)	Employees only of the Loudoun County Government, Courts and Constitutional Officers and Loudoun County Public Schools. First-time homebuyers with	\$25,000 forgivable loan for home purchase in Loudoun County with a term of five years.

³¹⁸ ["Unmet Housing Needs Strategic Plan: 4th Quarter and Annual FY 2025 Update,"](#) Loudoun County Board of Supervisors Transportation and Land Use Committee Information Item, September 17, 2025.

³¹⁹ The AHLP replaced the Affordable Multi-Family Housing Loan Program and the Rental Housing Acquisition and Preservation Loan Program.

	incomes between 30% and 70% AMI.	
Home Accessibility and Repair Program (HARP)	Homeowners with incomes at or below 80% AMI.	One-time forgivable loans up to \$35,000.

D. Tax or Fee Exemptions and Credits for Affordable Housing Development

Limitations in Virginia State Law prevent Loudoun County from offering blanket tax exemptions for affordable housing development. However, nonprofit affordable housing developers with qualifying charitable-use properties may receive exemptions. HB854 passed in Virginia’s most recent legislative session expands the type of entities to which localities may provide tax exemptions for for attainable housing.

However, in 2023, Loudoun County adopted a fee waiver program for affordable housing developers. The fee waiver covers fees associated with plan review and approvals, permits, and inspections. In addition, the Expedited Attainable Housing Development Pilot Program is a one-year pilot that is offering expedited legislative land use review for up to three projects that include 100% attainable housing units. The pilot will aim to reduce the review period to eight months from an average of 12-16 months,

E. Affordable Housing Development Requirements and Incentives

Chapter 9 of the Loudoun County Zoning Ordinance establishes affordable housing requirements for housing projects that will be served by public water and sewer and will yield at least 24 dwelling units. High-rise multifamily buildings, defined as a multistory building that has a minimum of eight stories composed entirely of residential dwelling units and an elevator that serves two or more dwelling units, are exempt. For other projects, developers must provide either:

- For-rent units that are affordable between 30% and 50% AMI; or
- For-sale units that are affordable between 30% and 70%.

For single-family developments, 15% of base residential units must be ADUs. For multifamily developments (apartments), 10% must be ADUs.

Furthermore, housing projects in Loudoun County can achieve additional density by including additional affordable units. Specifically:³²⁰

- Projects that include Affordable Dwelling Units (ADUs) above the required base amount of ADUs can achieve up to 20% bonus density;

³²⁰ Loudoun County Zoning Ordinance, Chapter 9: Attainable Housing

- Projects that include Unmet Housing Needs Units (UHNU)³²¹ in certain zoning districts or types of properties/projects can receive adjusted density.

More generally, like in other Virginia jurisdictions, developers in Loudoun County may voluntarily provide public benefits or cash contributions (referred to as “proffers”) to the county to help mitigate the impacts of new development. A proffer can include additional affordable housing and/or cash contributions that the county can use to support affordable housing. Developer proffers serve as an incentive for the Board of Supervisors to approve applications for projects that do not conform to the existing “by-right” zoning.

F. Successes and Challenges

DHCD staff observed that the development and adoption of the Unmet Housing Needs Strategic Plan, which includes the county’s current affordable housing targets, has been a key success. In addition, in recent years the Board of Supervisors has significantly increased appropriations for the county’s affordable housing production and preservation efforts, which has allowed the county to more than double its pipeline of new attainable housing. On the other hand, data tracking has been a challenge. Specifically, numbers of units produced and preserved currently requires manually reconciling data from different systems. DHCD is updating its processes and systems with support from the Urban Institute.

³²¹ See Loudoun County Zoning Ordinance, Chapter 9: Attainable Housing for the specific income ranges and requirements associated with UHNUs

9. City of Falls Church, VA

According to Housing’s Housing Indicator Tool, the City of Falls Church had a population of 14,685 people and had 7,097 housing units in 2023. In 2023, fifty percent of households were renters, and thirty-nine percent of renters had unaffordable housing costs. For reference, Montgomery County has almost 74 times more people and 57 times the number of housing units than the City of Falls Church.

The following City departments are responsible for implementing and administering programs and policies related to affordable housing:

- **The Housing and Human Services Department** administers affordable housing and Rent Relief programs as well as emergency financial and nonfinancial assistance.
- **Community Planning & Economic Development Services** is responsible for long-range planning and zoning policy efforts.

Of note, Fairfax County administers Housing Choice Vouchers for residents of the City of Falls Church. The table below summarizes City-funded programs and policies aimed at producing and preserving affordable housing.

Summary of City of Fall Church-Funded Programs and Policies to Produce and Preserve Affordable Housing

Local Funding Sources	<ul style="list-style-type: none"> • General Fund allocations; • Developer Contributions
Affordable Housing Targets Adopted	<p>By 2040</p> <ul style="list-style-type: none"> • Increase percentage of total housing stock that is committed affordable units (at and below 60% AMI) from 3% to 6%. • Increase percentage of deeply affordable (meaning affordable at 30%-50% AMI) units to 25% of new affordable housing units.
Rental Assistance Programs	<ul style="list-style-type: none"> • Rent Relief • City Committed Affordable Units • Emergency Financial Assistance
Homeownership Subsidies	<ul style="list-style-type: none"> • City of Falls Church Affordable Homeownership Program (CFCAHP) • Tax Relief
Affordable Housing Finance	Affordable Housing Fund
Development Incentives	<ul style="list-style-type: none"> • Affordable Dwelling Unit Ordinance (bonus density and fee deferrals) • Special Exception Ordinance

A. Affordable Housing Targets and Goals

In 2025, the City Council adopted the Affordable Living Policy Update, which is now a sub-chapter within the City's Comprehensive Plan. This document serves as an update to the 2019 City of Falls Church Affordable Living Policy (ALP), and includes goals under the following categories:

- Rental housing;
- Homeownership;
- Preservation of affordable housing;
- Diversity of housing stock;
- Unhoused and wraparound services;
- Funding; and
- Governance.

Specific targets for the supply of affordable housing are:³²²

- Increase the share of the total housing stock that is affordable at and below 60% AMI from 3% to 6% of units by 2040;
- Of total affordable units, 25% should be affordable at 30%-50% AMI; and
- Retain the affordability of existing committed affordable units.

B. Affordable Housing Finance

The Falls Church Affordable Housing Fund (AHF) provides grants and financing for predevelopment activities, acquisition, rehabilitation, and/or development of multi-family or single-family properties that serve households with a gross income less than 120% of the area median income. The AHF receives local funding from developer contributions and discretionary general fund allocations from the City Council as well as federal and state grants for affordable housing.

³²² The Affordable Living Policy: A Blueprint For An Equitable & Inclusive City For All, August 12, 2025

C. Rental Assistance Programs

The table below describes City-funded programs that subsidize housing for renters.

City of Falls Church-Funded Rental Assistance Programs

Program	Income Eligibility or Priority Population	Description of benefits
Rent Relief	City residents who are 65 or older or persons with disabilities with household incomes at or below \$57,365	10% of rent paid in the prior calendar year up to a cap of \$2500
City Committed Affordable Units	Households with incomes between 30% and 50% AMI	City-funded subsidies of market-rate rental units for eligible households.
Emergency Financial Assistance	City residents experiencing temporary setbacks	Financial assistance for rent and utilities.

D. Homeownership Programs

While the City of Falls Church does not offer downpayment assistance, it contributes local funding for the City of Falls Church Affordable Homeownership Program (CFAHP) to supplement grant funding from Virginia Housing, the state’s housing finance agency. Through CFAHP, a nonprofit organization – the NHP Foundation - purchases homes and sells them to eligible homebuyers at a reduced price. The City also offers tax relief for older adults and people with disabilities, as detailed in the table below.

City of Falls Church-Funded Homeownership Programs

Program	Income Eligibility or Priority Population	Description of Benefits
City of Falls Church Affordable Homeownership Program (CFAHP)	First-time homebuyers with incomes at 50% to 120% of AMI.	Reduce sales price on home
Tax Relief	Older adults and people with disabilities with household incomes up to \$175,000	Exemption from or deferral of real estate and personal property taxes

E. Affordable Housing Incentives

The City of Fall's Church's Affordable Dwelling Unit Ordinance offers two types of incentives for housing developers to set aside a percentage of housing units as affordable dwelling units in projects involving rezoning, special exception, site plan, or subdivision in specified zones:³²³

- Bonus density. Projects may receive 20% bonus density if they set aside 12.5% of units as affordable dwelling units. If the developer seeks bonus density below 20%, the set aside percentage is adjusted as specified in a sliding scale in the ordinance.
- Development fee deferrals. Housing projects that set aside units as affordable dwelling units are eligible for deferrals of development fees on a sliding scale.

For-sale affordable dwelling units must be affordable for households with incomes at 50% to 80% AMI. Rental affordable dwelling units must be affordable at or below 60% AMI. Developers may provide a cash contribution to the City's Affordable Housing Fund in lieu of affordable dwelling units.

Additionally, the City's Special Exception Ordinance exempts housing projects that set aside at least 75% of units as affordable dwelling units from certain requirements. Specifically, such housing projects may receive special exceptions from zoning regulations and restrictions even if they do not meet the "primary requirements" for such special exceptions.³²⁴

F. Successes, Challenges and Emerging Strategies

Staff from the Department of Housing & Human Services shared the following successes and challenges they have observed in the City of Falls Church's affordable housing efforts:

- The City's Affordable Homeownership Program (CFCAHP) offers homeownership opportunities to households with a wide range of incomes by significantly subsidizing sales prices for condominiums. Challenges associated with this program include lack of awareness about the program and limited funding for it.
- Historically, the Affordable Housing Fund (AHF) has had limited funding for producing and preserving affordable housing, but in recent years the City Council has increased its discretionary allocations to the fund.
- The City's Affordable Housing Dashboard offers updated information and data on affordable housing. However, it does not yet track progress against affordable housing production goals in the Affordable Living Policy (ALP). Staff hope to align the dashboard with the ALP in the future.

³²³ Falls Church, Virginia Code of Ordinances, Article VII. – Affordable Dwelling Unit Program

³²⁴ Falls Church, Virginia Code of Ordinances, Sec. 48-90. To receive a special exception, a project must typically (1) include significant new or renovated commercial space; and (2) produce new residential and commercial revenue for the city. However, projects that set aside at least 75% of housing units as affordable may receive a special exception even if they do not meet the above requirements.

10. Prince William County and City of Manassas, VA

According to Housing &’s Housing Indicator Tool, Prince William County had a population of 489,640 people and had 163,550 housing units in 2023. In 2023, 26% of households were renters, and 50% of renters had unaffordable housing costs. For reference, Montgomery County has over two times more people and two and a half times the number of housing units than Prince William County. The following two agencies are involved in production and preservation of affordable housing in Prince William County:

- **The Office of Housing and Community Development** administers the County’s affordable housing programs including affordable housing finance, rental assistance and Affordable Dwelling Unit and Committed Affordable Housing Unit programs; and
- **The Planning Office** implements the county’s Comprehensive Plan which governs future growth and development through small area planning and reviews development applications, comprehensive plan amendments, zoning text amendments and public facility reviews.

This section also includes information about City of Manassas-funded programs. In the City of Manassas, the Department of Community Development is responsible for land use planning and development application review. Separately, the City of Manassas Department of Social Services administers the Housing Choice Voucher Program for residents in the cities of Manassas and Manassas Park.

The table below summarizes Prince William County- and City of Manassas-funded programs and policies aimed at producing and preserving affordable housing.

Summary of Prince William County- and City of Manassas-Funded Programs and Policies to Produce and Preserve Affordable Housing

Local Funding Sources	General Funds
Affordable Housing Targets Adopted	No quantitative targets for overall production or preservation
Homeownership Assistance	<ul style="list-style-type: none"> • City of Manassas-funded home repair assistance • Tax relief
Affordable Housing Finance	<ul style="list-style-type: none"> • Prince William County Affordable Housing Fund • City of Manassas Housing Investment Fund
Development Incentives	<ul style="list-style-type: none"> • Prince William County Affordable Dwelling Unit Ordinance • City of Manassas Fee Waivers for Permitting and Proffer Fees

A. Affordable Housing Targets and Goals

At the time of writing, neither Prince William County nor the City of Manassas had established specific quantitative targets for total affordable housing production or preservation. The Affordable Housing Supplement to the Prince William County Comprehensive Plan includes the following goals for residential development projects:³²⁵

- The County should encourage projects to set aside at least 10% of units as affordable units for households earning up to 80% AMI or workforce units affordable up to 120% AMI and to further pursue low-interest loans, grants, tax credits and other programs to set aside a total of up to 20% of units as affordable or workforce units;
- The County should encourage those projects that include affordable and/or workforce units to set aside half of those units as affordable and half as workforce units.

The City of Manassas' 2045 Comprehensive Plan includes the following objective: "Protect affordability and quality of the City's housing stock," and delineates several strategies for achieving this objective.³²⁶ A appendix to the Comprehensive Plan includes data on housing affordability, noting, "there is an increasing shortage in housing that meets the needs of lower-income households."³²⁷

B. Affordable Housing Finance

Both Prince William County and the City of Manassas are each creating new mechanisms to provide financing for affordable housing, detailed below.

Prince William County Affordable Housing Fund (AHF). The Board of County Supervisors (BOCS) adopted the Affordable Dwelling Unit Ordinance in June 2025, which allowed for the establishment of a Housing Fund. In December 2025, the BOCS then adopted the Prince William County Affordable Housing Fund Policies and Guidelines and issued a Directive for clarification of the policies. This fund is intended to provide flexible gap financing for affordable housing production and preservation, including for-sale and rental units to serve households with incomes up to 80% AMI. Projects may include multifamily rental housing development projects receiving LIHTC, acquisition of naturally occurring affordable housing, and acquisition of affordable units with expiring affordability covenants. AHF loans may support construction, rehabilitation, and preservation of affordable housing. The AHF is funded with annual General Fund appropriations by the Board of County Supervisors.³²⁸ The Board of

³²⁵Prince William County Comprehensive Plan, [Housing Chapter](#)

³²⁶³²⁶ [Manassas 2045 Comprehensive Plan](#), Adopted October 27, 2025, p. 70

³²⁷ *Ibid.*, p. 158.

³²⁸ [Prince William County Affordable Housing Fund Policies and Guidelines](#), Revised 2/3/2026.

County Supervisors approved the final AHF policies and guidelines in February, 2026.³²⁹ Staff anticipates releasing a Notice of Funding Availability (NOFA) in early May.³³⁰

City of Manassas Housing Investment Fund. At the time of writing, the Manassas City Council was considering a proposal to allocate \$2 million to a new Housing Investment Fund as part of the City’s FY2027 budget.³³¹ The City has established a Housing Advisory Board that will guide the use of the Housing Investment Fund. At the time of writing, one affordable housing development was underway that had received financing through the Housing Investment Fund.

C. Homeownership Programs

Neither Prince William County nor the City of Manassas operate locally-funded downpayment assistance. The City of Manassas provides local funding to two nonprofit organizations that provide home repair assistance. Both jurisdictions offer tax relief to homeowners with lower incomes as detailed in the table below.

Homeowner Tax Relief in Prince William County and City of Manassas

Program	Income Eligibility or Priority Population	Description of Benefits
Prince William County Tax Relief	Older adults and people with disabilities with lower incomes	Full or partial relief from real estate taxes, personal property tax on one vehicle, the vehicle registration/license fee, and the solid waste fee.
City of Manassas Tax Relief	Older adults and people with disabilities with lower incomes	Real estate tax, personal property tax, and vehicle registration fee relief

D. Affordable Housing Development Incentives

In 2025, the Prince William County Board of Supervisors adopted the Affordable Dwelling Unit Ordinance. This ordinance provides for bonus density between 20% and 95% of allowable density if the project sets aside affordable units.³³² Specifically:

- *For units affordable at or below 50% AMI:* 5% to 35+% of units offered = 20% to 95% maximum bonus density

³²⁹ “Affordable Housing Fund,” Prince William County Housing and Community Development.

³³⁰ OLO interview with Prince William County Housing and Community Development staff. March 16, 2026.

³³¹ FY2027 Proposed Department Budgets, City of Manassas

³³² Ord. No. 25-35, Prince William County Board of Supervisors.

- *For units affordable at or below 80% AMI:* 10% to 35+% of units offered = 20% to 57.5% maximum bonus density

Developers can also receive bonus density by providing a larger share of units affordable at or below 50% AMI than what the County's Comprehensive Plan calls for.

Like in other Virginia jurisdictions, developers in Prince William County and the City of Manassas may voluntarily provide public benefits or cash contributions (referred to as "proffers") to the county or city to help mitigate the impacts of new development. A proffer can include additional affordable housing and/or cash contributions that the county or city can use to support affordable housing. Developer proffers serve as an incentive for the Board of Supervisors to approve applications for projects that do not conform to the existing "by-right" zoning. In Prince William County, affordable units resulting from proffers are referred to as "committed affordable" rental and for-sale units. The City of Manassas offers building permit fee waivers and proffer fee waivers for affordable housing development.

E. Successes, Challenges and Emerging Strategies

In interviews with OLO, staff from Prince William County's Office of Housing and Community Development and the City of Manassas's Department of Community Development shared the following successes and challenges in their affordable housing production and preservation efforts:

- The creation of Prince William County's Affordable Dwelling Unit Ordinance and the Affordable Housing Fund which will provide opportunities for creation of more affordable housing production, preservation of those units and provide financial support as able is the successful culmination of years of work;
- The new housing coordinator position in the City of Manassas is proving instrumental for advancing the City's affordable housing work, as previously one staff member was responsible for both housing and zoning;
- The City of Manassas has been able to minimize the time frame for development approvals through proactive work with developers ahead of them submitting applications and a holistic approach that considers all aspects of the process from zoning to permitting;
- Prince William County staff report that educating the community about their affordable housing efforts has been critical, and very successful and that the Office of Housing and Community Development collaborates effectively with other agencies to support housing needs.
- In the City of Manassas, many developers are not currently seeking financing for affordable housing projects due to high interest rates, though one affordable housing development is underway that has received financing through the Housing Investment Fund.