TOWN OF HERNDON HOUSING STUDY

FINAL REPORT PRESENTATION



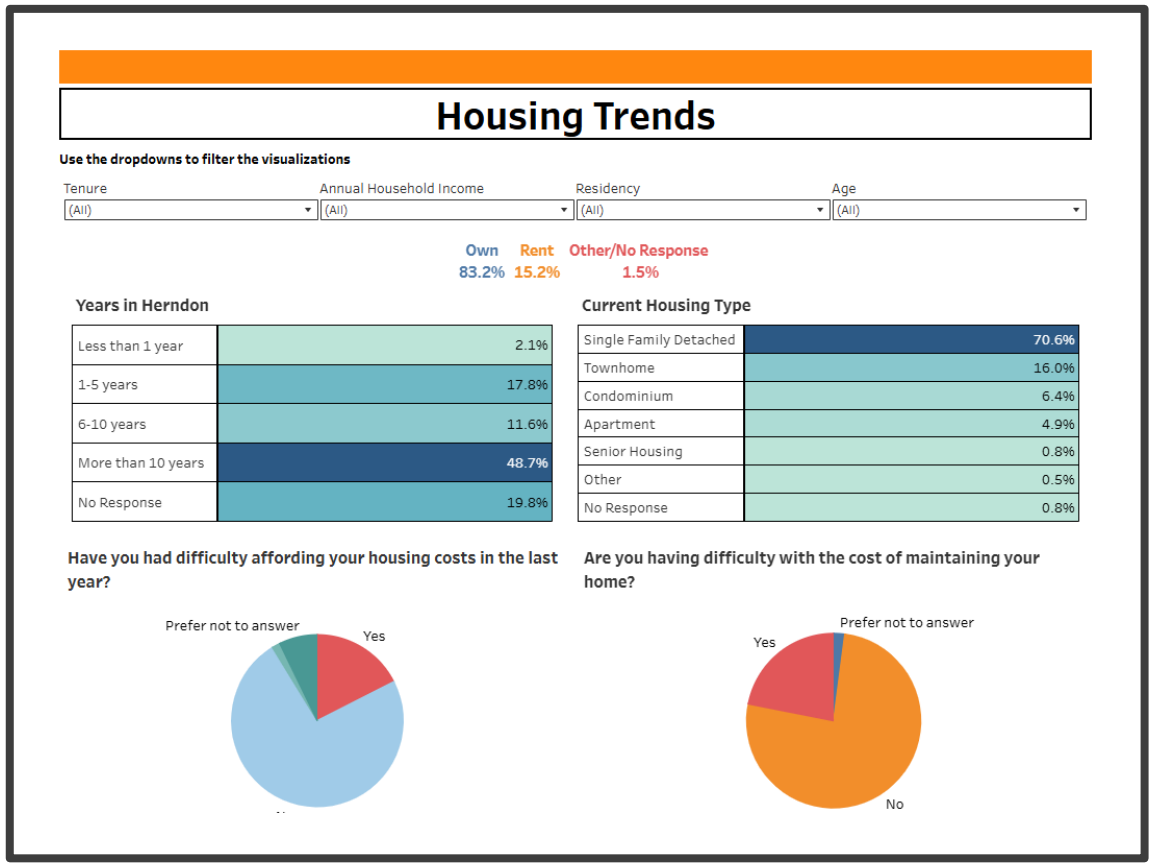
AGENDA

- Introductions
- Project Overview and Methodology
- Herndon's Housing Supply
- Housing Affordability in Herndon
- Housing Zoning and Policy
- Recommendations Overview
- Phase II Introduction and Discussion

PROJECT OVERVIEW AND METHODOLOGY

- Document Review
- Quantitative Research
  - Town and County Housing Data
  - Combination of Publicly Available and Proprietary Data Sources
- Qualitative Research
  - Stakeholder Workshop
  - Individual Interviews with Subject Matter Experts and Town Leadership
  - Public Opinion Survey

PUBLIC SURVEY RESULTS



- Nearly 400 submissions, 81% of which were from the Town of Herndon
- Almost 50% of participants have lived in Herndon for more than 10 years
- 83% own their home, 15% rent
- 18% of participants said they had difficulty affording their housing in the last year: rises to 28% for households earning less than $100,000
- 22% said they'd had difficulty with the cost of maintaining their home

PUBLIC SURVEY RESULTS

Preferences for Types of Housing for Future Development

- Support for mixed-use townhomes, single family detached homes, dedicated affordable housing options, and accessory dwelling units
- Opposition for additional multifamily developments, tiny homes, and mobile homes
- Supportive of housing that costs $2,500 a month or less, and general opposition towards units with costs above $2,500

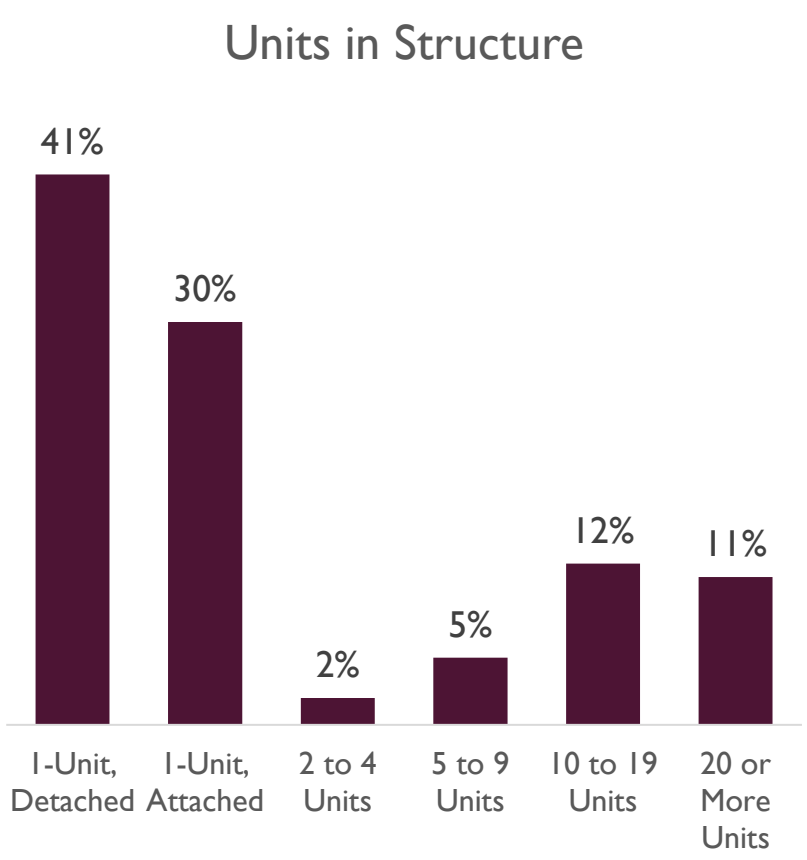
Most Significant Policy Preferences

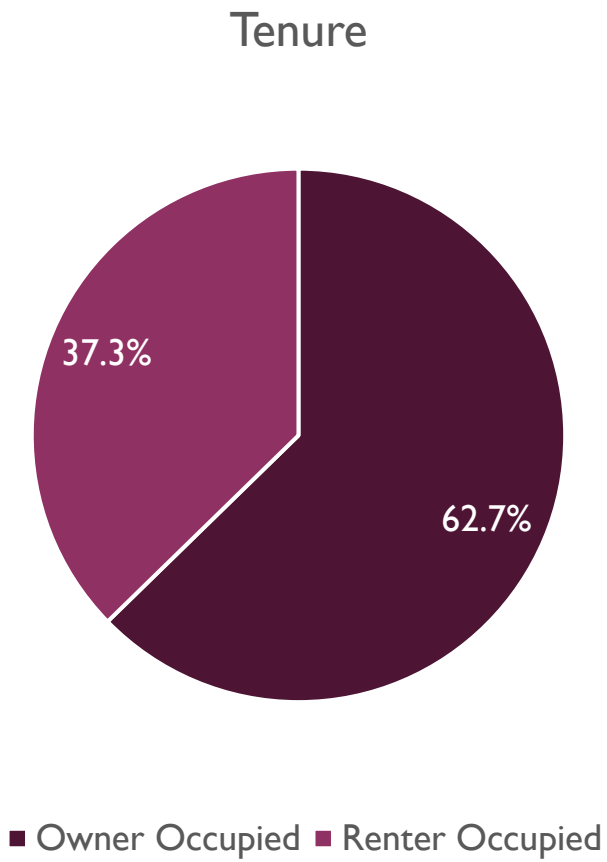
- Support for code enforcement, education surrounding tenant's rights, redevelopment for vacant commercial areas, intergenerational housing, rehabilitation and affordable homeownership, affordable development incentives, and mixed-use development
- Opposition towards higher-density development, an affordable housing tax, duplexes/triplexes in SF zones

HERNDON'S HOUSING SUPPLY

HOUSING MIX, AVAILABILITY, AND DEMAND PROJECTIONS

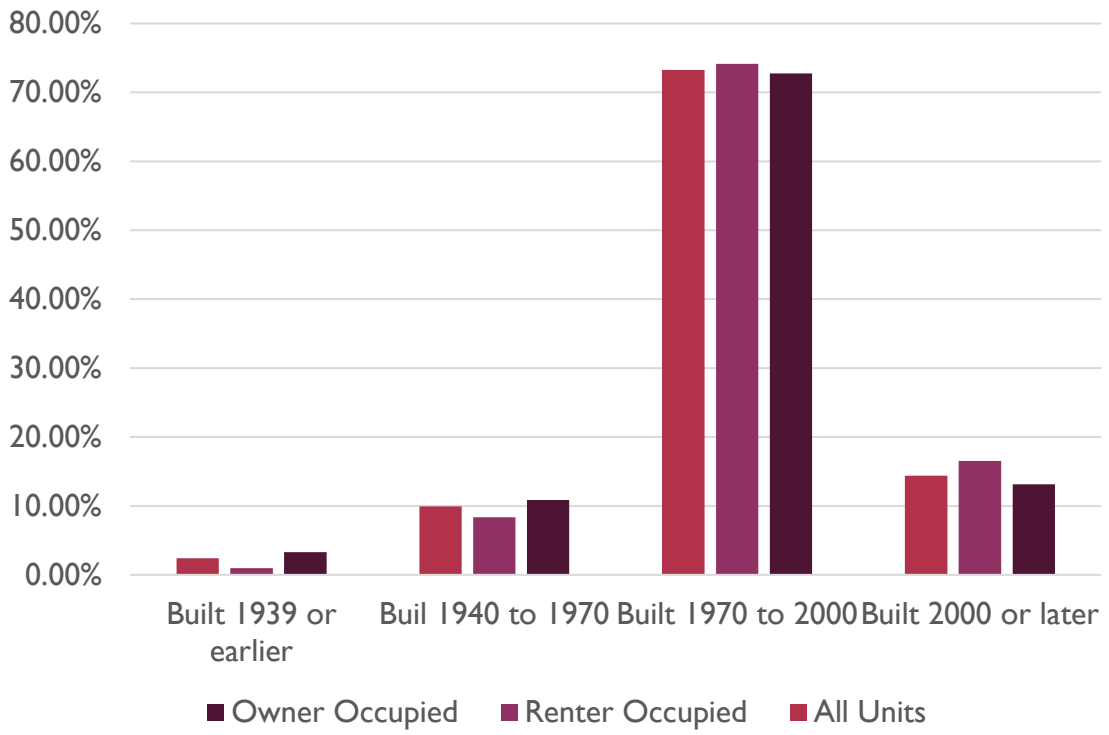
HOUSING MIX





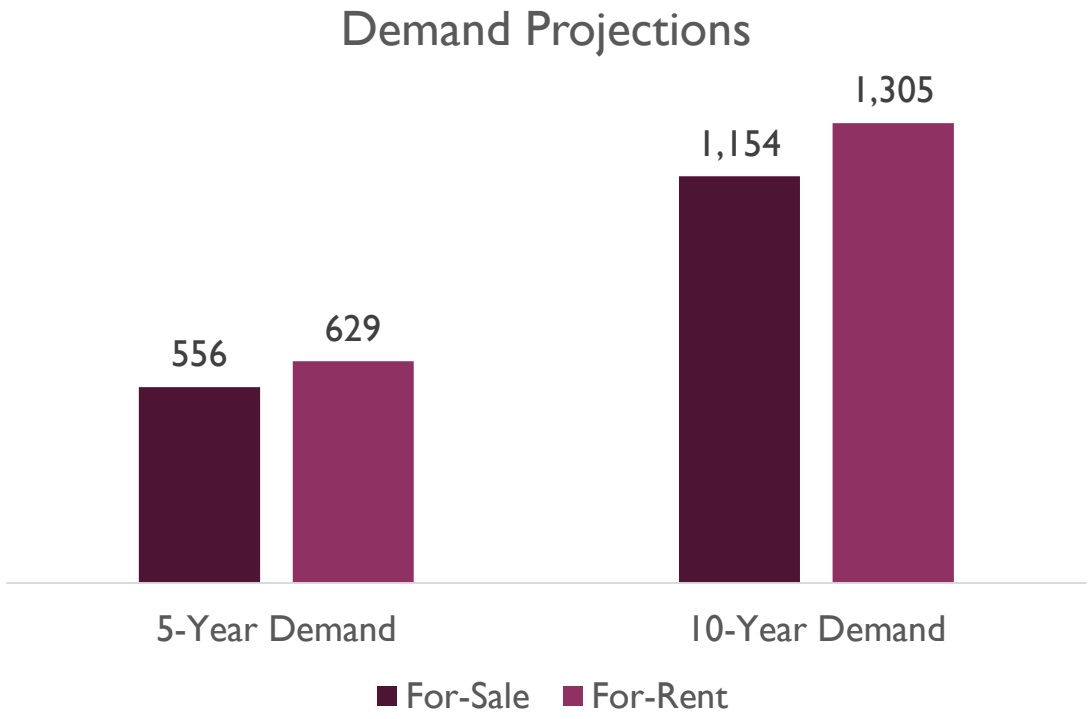
- 71% of units are single unit, attached or detached structures
- Higher density developments make up the next largest share with 23% of all units
- Middle density structures make up just 7% of all units
- The share of renters to owners has shifted since 2018, with renter-occupied units going down by 4%
- Still, Herndon has a larger share of renters than Fairfax County overall

AGE OF HOUSING STOCK



- Majority of units were built 1970 – 2000
- Older homes have increased needs for maintenance, repairs, renovations, etc.
- Generally less energy efficient, risk of hazardous materials
- Deferred maintenance a primary cause for vacant homes becoming abandoned/falling into disrepair

HOUSING DEMAND PROJECTIONS



- 3,700 units reported in the residential development pipeline as of January 2026,
- Projected delivery 2027 – 2030
- Majority of these are multifamily units in the HTOC and TRG
- Anticipated development may not meet demand for new for-sale housing

KEY FINDINGS



- The overarching housing stock in Herndon is aging, leading to growing concern for older neighborhoods and properties and a need for targeted preservation and rehabilitation
- Current development is expected to meet and potentially even exceed the demand for multifamily and rental housing.
- For-sale housing, however, makes up a very small share of the development pipeline, and may fall short of projected demand.

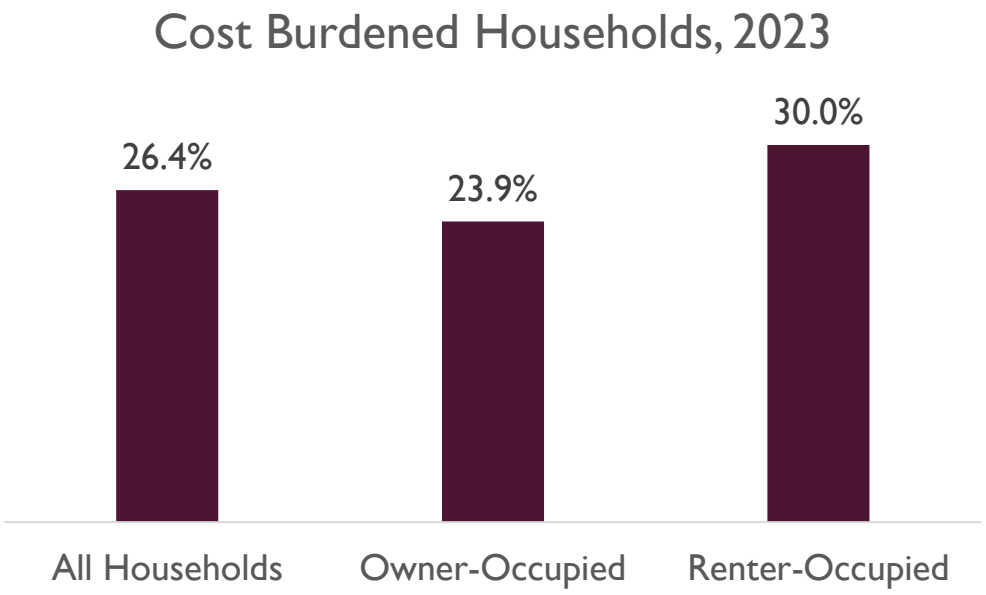
HOUSING AFFORDABILITY IN HERNDON

HOUSING COSTS, OVERCROWDING, AND AFFORDABLE HOUSING SUPPLY

WHAT IS AFFORDABLE HOUSING?

Housing is considered affordable when a household is spending no more than 30% of their income on housing costs

- Housing costs can include: rent or mortgage, utilities, taxes, insurance, etc.
- Households spending > 30% of their income on housing are considered **cost burdened**

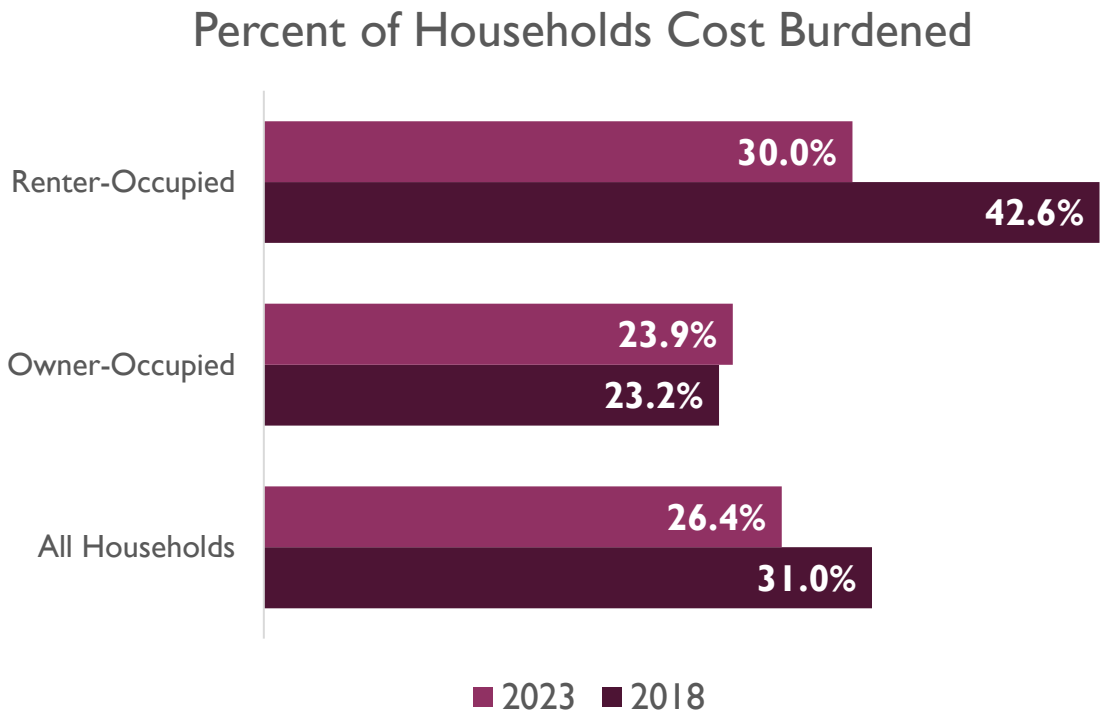


HOUSING COSTS

	All Households	Owner-Occupied	Renter-Occupied
2018	$1,914	$2,067	$1,806
2023	$2,266	$2,434	$2,147
Median Income	$141,418	$177,194	$113,125

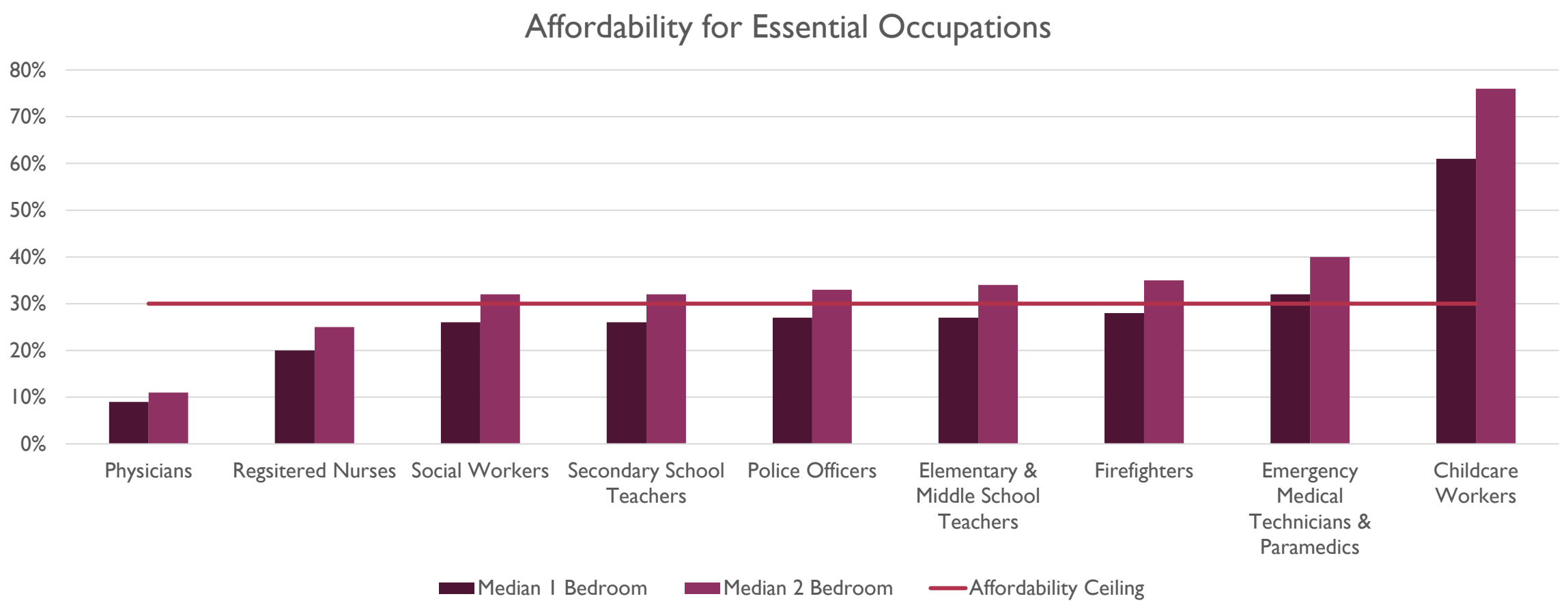
- 48% of owners are spending $2,500 or more on housing costs every month
- Most renters spend between $2,000 and $3,000
- Median income for owners is 56% higher than renters, while median housing costs are 13% higher
- Housing costs rose by 18% for owners and 19% for renters between 2018 and 2023

COST BURDEN

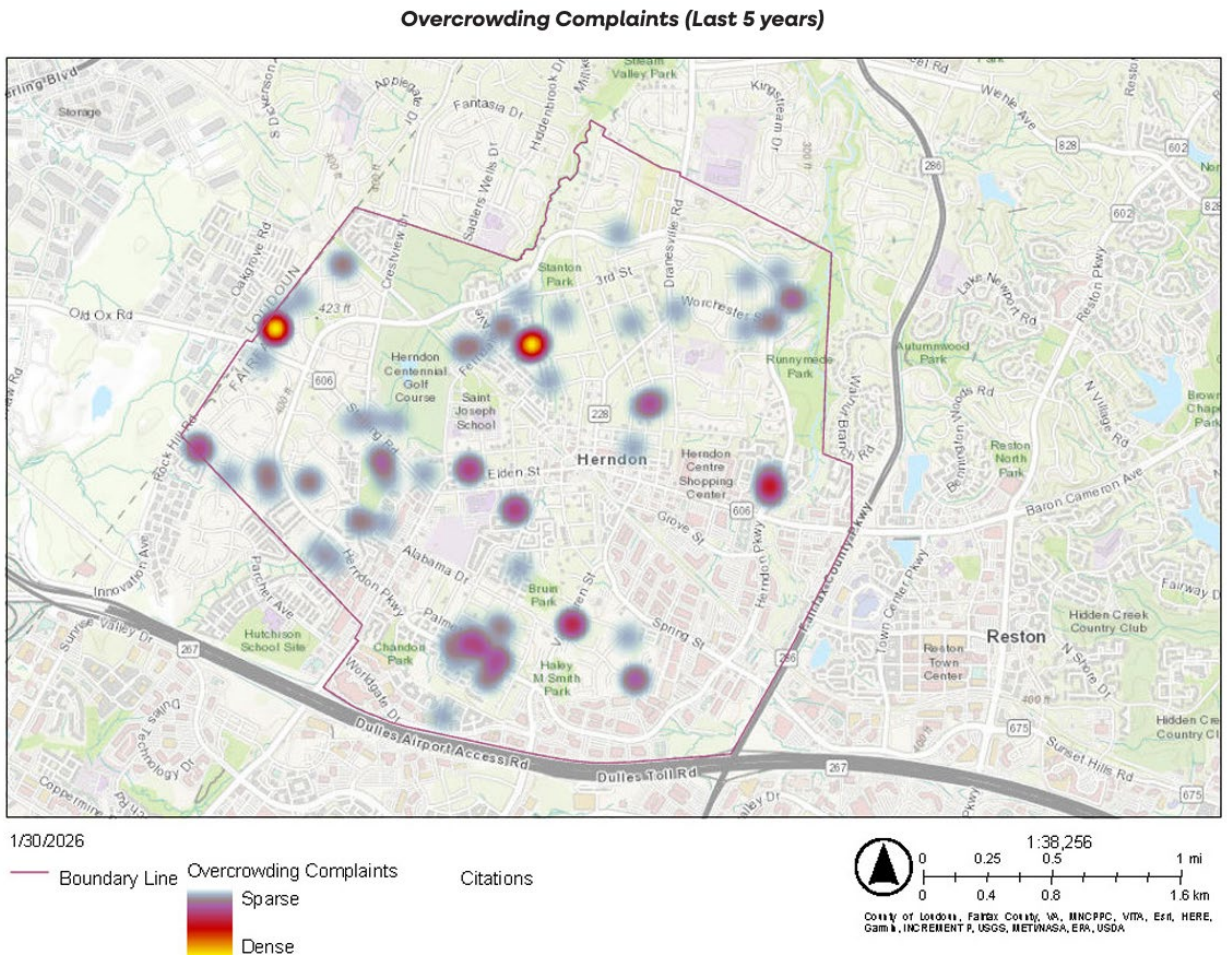


- Cost burdened households spend >30% of their income on housing costs, forcing them to make sacrifices in other essential cost centers
- Cost burden across households decreased between 2018 and 2023, most significantly among renters
- Overall cost burden is in line with Fairfax County, but renters are much less likely to be cost burdened in Herndon than in the county overall
- 10.5% of owners and 14% of renters are considered *severely cost burdened*

WORKFORCE AFFORDABILITY



OVERCROWDING



- Overcrowding can be a key indicator of an affordability issue in the market
- It is important to determine where overcrowding is most prevalent to identify causality and avoid over-generalizing the community
- Overcrowding was cited as a common concerns among residents – survey respondents disagreed regarding policies that would allow more unrelated people to live together

DEDICATED VS. NATURALLY OCCURRING AFFORDABLE HOUSING (NOAH)

Dedicated Affordable Housing

- Herndon Harbor House, put in service in 1999, was the last LIHTC property to be built in Herndon proper
- 5 other LIHTC properties are just outside the Town (with Herndon addresses)
- Additional Dedicated Affordable Housing in Herndon include
  - Trellis Apartments
  - Berkdale Apartments
  - Ovation at Arrowbrook (just outside Herndon)

NOAH

- 80% of AMI is approximately $113,000, so the affordability threshold would be approximately $2,800
- Report identifies 6 developments that are key NOAH properties in Herndon
- NOAH share of rental developments are likely to shift in coming years as multifamily developments in the TRG and HTOC enter the market at higher market rates

KEY FINDINGS



- While Herndon is an affordable community in the context of Fairfax County and Northern Virginia as a whole, some essential parts of the workforce still fall short.
- Herndon has a significant amount of rental Naturally Occurring Affordable Housing within Town limits, but these developments are nearly all aging properties built in the 1960s, 70s and 80s.
- New development will work to decrease the average age of rental units in the Town, but is not expected to be affordable for the median Herndon household without dedicated affordable units.
- Overcrowding is a concern among stakeholders, though it seems to be concentrated in a small number of areas, where work to address the challenge should be targeted.

HOUSING POLICY AND ZONING

FAIRFAX COUNTY COLLABORATION, TRANSIT-ORIENTED DEVELOPMENT, AND PLANNING FOR FUTURE DEMAND

FAIRFAX COUNTY COLLABORATION

- By strengthening the existing partnership with **Fairfax County** and strategically leveraging available funding resources, the **Town of Herndon** can significantly expand its capacity to preserve, rehabilitate, and new housing development.
- A collaborative approach helps create a more diverse and resilient housing portfolio that meets the needs of the community across income levels and life stages, while supporting long-term economic growth.
- **Key Programs Supporting Implementation of Future Housing Development:**
  - Housing Choice Voucher (HCV) Program
  - Project-Based Voucher – Rental Assistance Demonstration (PBV-RAD)
  - Fairfax County Rental Program (FCRP)

INCLUSIONARY ZONING

What is inclusionary zoning?

- Inclusionary Zoning umbrella term for policies that help low- and middle-income households afford new homes built, both for sale and for rent
- Most commonly ordinances that either require or incentivize developers to include a certain share of units in new developments be set aside as dedicated affordable units (below market rate)
- Policies include incentives or concessions to reduce overall cost (density bonuses, parking requirements, etc.)

Who can use inclusionary zoning in VA?

- Not allowed for most localities in the Commonwealth, though a 1989 statute specifically allows it for 6 localities
  - Albemarle, Arlington, Fairfax, and Loudoun Counties; Cities of Alexandria and Fairfax
- Voluntary Inclusionary Zoning is allowed for all other localities
- There is precedent for a Town joining the existing inclusionary zoning policy of their county
  - Town of Leesburg in Loudoun County

FUTURE DEVELOPMENT

TRANSIT ORIENTED DEVELOPMENT

- Transit Related Growth and Herndon Transit Oriented Core
- Current strategies focus on growing housing stock near the Silver Line Metro stop
- Expanding focus to Elden Street and other key transportation areas can help further these goals
- Housing and main-street oriented design guidelines can continue to improve walkability, pedestrian safety, and transit access

SUPPLY – DEMAND MISMATCH

- Current development pipeline is primarily made up of multi-family rental units
- Potential lack of for-sale units and homeownership opportunities
- Current housing stock is about 63% owner-occupied, and demand for new construction suggests a need for additional for-sale construction
- Potential opportunity to adjust and leverage the TRG Small Area Plan to allow for medium density town houses/cottage court developments
- Additional opportunities may lie in redevelopment and preservation

ACCESSORY DWELLING UNITS

- Allowed by right in single-family units (since 2021)
- Only a few have been constructed since the ordinance was passed
- Lack of knowledge and cost barriers may be limiting ADU construction
- Pre-approved plans, in collaboration with an architect or firm, could help lower the barrier to entry and the overall cost to homeowners

KEY FINDINGS



- Fairfax County Housing is currently an underutilized resource, especially regarding affordable housing development.
- While Herndon is currently one of the only municipalities in Fairfax County without an Inclusionary Zoning ordinance in place given its status as a town, instituting the policy could be viable if done in collaboration with the County.
- The walkable and mixed-use design standards of the HTOC and TRG areas are a potential model to be implemented in additional strategic regions of the Town, encouraging smart growth and resilient communities while preserving the culture and history of Herndon.
- Herndon's Accessory Dwelling Unit Policy opens additional opportunities for residents, but is not often leveraged by homeowners.

OVERVIEW OF RECOMMENDATIONS



- Explore funding resources and incentive programs to preserve the remaining stock of existing affordable housing.
- Prioritize preservation and reinvestment of existing NOAH properties to maintain long-term affordability.
- Incentivize affordable housing development while utilizing the expertise of Fairfax County to develop workforce housing within multi-use developments.
- Review the Affordable Dwelling Unit (Inclusionary Zoning) policies, in coordination with Fairfax County administration, to support affordable housing development.
- Align residential zoning regulations to expand opportunities for mixed-density and mixed-use housing types.
- Identify existing extended stay properties suitable for conversion to multifamily with a dedicated workforce or affordable component.

PHASE II

LAND USE POLICY SUPPORT

POTENTIAL AREAS FOR SUPPORT



- Fairfax County Collaboration
  - Inclusionary Zoning
  - Additional Developer Partnerships/Support
- Land Use and Zoning
  - Transit-Oriented Development
  - Diversification of housing Mix and Density