

Edward Pinto responded to the question what his number one legislative recommendation would be:

- Prohibiting a municipality from establishing for greenfield subdivisions a minimum lot size smaller than 4,356 sq. ft. (0.10 acre) and 1,000 sq. ft. respectively for a newly constructed single-family detached (SFD) home and a newly constructed single-family attached (SFA) home (see below and slides 32 and 25 in presentation):
 - Property owners may, by right, determine the mix of SFD and SFA homes for a particular subdivided parcel.
 - Supply increase projection: an additional 22,000 single-family greenfield permits per year.
 - This would be about double recent single-family detached and attached residential (SF) permit levels.
 - Due to smaller lot sizes and gross living areas, newly built SF homes would sell for about \$60,000 (11% less than otherwise (2023 values)
 - Yet, these homes would still be family sized.
 - About 82% of these homes would be owner occupied.

Policy Steps in the Virginia Housing Success Playbook*

The Legislature should consider options to increase zoning density on a wide scale within the state.

- **Option 1: Light-touch density: greenfield subdivisions:**
 - Provide that counties and municipalities may not establish a minimum lot size smaller than 4,356 sq. ft. (.10 acres) and 1,000 sq. ft. respectively for a newly constructed single-family detached (SFD) home and a newly constructed single-family attached (SFA) home.
 - Property owners may, by right, determine the mix of SFD and SFA homes for a particular parcel.
 - **Projection: an additional 22,000 single-family greenfield permits per year.**
- **Option 2: Light-touch density: infill with teardown**
 - Provide that a small-scale subdivision is a by-right permitted use in a residential zone of an urban municipality.
 - A small-scale subdivision a subdivision of property that results in the creation of two or more lots, each of which:
 - Is no smaller than 1,400 square feet; and
 - Contains, or will contain, a single-family dwelling.
 - **Projection: an additional 18,000 net new homes annually.**
- **Option 3: Light-touch density: infill without teardown**
 - Provide that an accessory dwelling unit, internal or external, is a permitted use if it is built:
 - In a residential zone of an urban municipality; and
 - On a lot that contains a primary residence or where a primary residence is being built concurrently with the accessory dwelling unit.
 - **Projection: 15,000 ADUs annually (preliminary).**
- **Option 4: Livable Urban Villages: core areas**
 - Provide that residential development is a by-right permitted use in commercial, industrial, and mixed use zones of an urban municipality.
 - **Projection: an additional 5,000 net new homes annually (preliminary).**
- **These four steps would result in an additional 60,000 homes per year, an increase of 230% over recent levels.**

*These projections assume the use of "Keep it short and simple" (KISS) land use rules.

Shrinking single-family lot sizes: key component to Virginia’s Housing Success Playbook

- **The best time to fix the shortage and address affordability was 20 years ago, the second best time is today.**
 - Virginia’s housing shortage would be non-existent today had housing been built at slightly higher densities.
 - Annually, 11,500 or 83% more SFD homes could have been built at 6.7 homes/acre (9th decile) vs. 3.7 homes/acre.
 - Annually, 22,000 or 160% more SFA and townhome (TH) homes could have been built with 80% of SFD homes at 6.7 homes/acre (9th decile) and converting the other 20% to TH at a density of 20 units/acre (median for TH).
 - **These two steps alone would have increased the number of owner-occupied, family-sized residences built over 2000-2023 by 135% (from 308,200 to 723,000 homes).**
 - **Going forward, the smaller lot scenario (F) would double recent single-family permit levels to 45,000 annually.***

SFD homes built between 2000 and 2023 in Virginia: Scenario analysis for smaller lots

	Baseline				Slightly Smaller Lots		If 20% of the SFD land at 3.7 homes/acre was instead used for townhomes (TH) at the median	If 80% of D. at 6.7 homes/acre and 20% at the median for townhomes (TH)
	A.	B.	C.	D.			E.	F.
Density	3.7 homes/acre median	4.6 homes/acre 7th decile	5.5 homes/acre 8th decile	6.7 homes/acre 9th decile			20.0 homes/acre median (TH)	20.0 homes/acre median (TH)
Homes Built	331,400* (Actual)	412,300	491,600	596,500			623,000	835,100
Extra Homes (Cumulative)		80,900	160,200	265,100			291,600	503,700
Extra Homes (per year)		3,500	7,000	11,500			12,700	21,900
Median sales price/Median GLA sq.ft. in 2023	\$545,300/2,780 (Actual)	\$554,100/2,660	\$573,100/2,580	\$526,600/2,390			\$311,000/2,280 (TH only) compared to \$359,600/1,770 (existing SFD stock)***	\$483,500/2,340 (All) compared to \$359,600/1,770 (existing SFD stock)***
Owner Occupied** Homes (2010-2023)	308,200 (Actual)	383,400	457,200	554,700			525,700	723,000

* Over 2000-2023 SFD permits averaged around 13,800 homes per year. Over the last 5 years, Virginia has issued about 22,600 single-family permits per year. https://heat.aehousingcenter.org/toolkit/housing_data_app.

** Based on 93% and 78% owner-occupied rates for SFD and TH respectively. Source: 2021 Five-year American Community Survey.

*** The sales price figure for scenario E is computed by multiplying the townhome-to-SFD price ratio (0.86) by the median sale price of the existing SFD stock. Source: AEI Housing Center, www.AEI.org/housing.