

Slowing Residential Growth: A Layered Approach in Louisa County

Why This Approach Is Needed

Louisa County continues to experience residential growth, much of which occurs through incremental subdivision in rural areas. While growth is expected, current patterns are creating long-term challenges that are increasingly difficult to address through existing tools alone.

Recent Comprehensive Plan survey results and supporting data point to several consistent trends:

- Increasing school capacity pressures tied to residential growth
- Continued fragmentation of rural land through incremental subdivision
- Gradual loss of agricultural and forestal land
- Rising service costs associated with dispersed development
- Strong and consistent resident support for preserving rural character and working lands

These conditions reflect a broader pattern: once land is divided, residential development and long-term service demands typically follow. Without adjustments to how land is divided and where growth occurs, these trends are expected to continue.

The goal of this effort is to preserve large, contiguous agricultural and forestal lands while continuing to allow reasonable residential development in a way that aligns with the County's long-term land use, fiscal, and infrastructure priorities.

What This Strategy Does

The workgroup is proposing a layered, step-by-step approach to better manage how residential growth occurs.

This strategy is built around the following principles:

- Maintain large, contiguous agricultural and forestal parcels
- Reduce incremental subdivision and long-term land fragmentation
- Allow rural residential development in a way that:
 - Minimizes land consumption
 - Keeps farmland viable and usable
 - Discourages speculative or short-term subdivision activity

- Reinforce that designated growth areas as outlined in the Comprehensive Plan with the appropriate infrastructure will absorb the majority of future growth

To carry out these principles, the County will:

- Improve subdivision standards to address fragmentation at its source
- Reduce the overall scale and pace of rural parcel creation
- Provide landowners with alternatives to divisions, including tools like Purchase of Development Rights (PDR) and Transfer of Development Rights (TDR)
- Align growth areas to receive development in a more structured and intentional way
- Monitor outcomes and adjust over time as needed

This approach does not eliminate development rights. Instead, it repositions where and how those rights are exercised, ensuring that growth is aligned with long-term community priorities.

Recommended Phased Approach:

Step 1: Strengthen Subdivision Design and Lot Standards

This step focuses on how land outside the growth areas is divided that are zoned A-1 and A-2, recognizing that parcel creation is the primary driver of long-term growth patterns.

Recommended Updates:

- **Minimum Parcel Size:**
Increase to 15 acres for newly created parcels and remnants
- **Road Frontage:**
Increase to 450 feet minimum
- **Lot Configuration:**
 - Require 40-95% depth-to-width ratio
- **Setbacks:**
Increase minimum building setback to 250 feet from public right-of-way; ~~OR Increase minimum building setback to no less than 200 feet and no more than 300 feet from public right-of-way.~~
- **Access Standards:**
Eliminate private lane subdivisions
- **Division Timing Controls (for discussion):**
 - Phased divisions (e.g., one division every 2-5 years)

- **Family Division Standards (Sliding Scale Retention Requirement)**
 - Establish a combined ownership and retention period of 15 years
 - ~~○ Apply a sliding scale where prior ownership reduces the required retention period~~
 - ~~○ Require a minimum 2–3 year hold period after division~~
 - Must own property for 5 years for Family Division; hold period = 10 years
 - Ownership for 5-9 years = 10 year hold period
 - If property owned for 10+ years; hold period = 5 years

Expected Outcome

- Larger, more functional parcels
- Reduced early-stage fragmentation
- Preservation of contiguous agricultural land
- Prevent immediate purchase, subdivision, and sale of agricultural land
- Encourage long-term land stewardship and reduce incremental fragmentation

Step 2: Establish a Residential Density Framework

This step focuses on how much development can occur, building on the subdivision standards established in Step 1.

While Step 1 improves how land is divided, this step ensures that the overall level of residential development is aligned with long-term preservation, infrastructure capacity, and fiscal sustainability goals.

Recommended Updates:

Growth Area Lot Sizes and Base Density

- Evaluate increasing minimum lot sizes within the R-1 and R-2 zoning districts from 1.5 acres to 2.5 acres.
- Reduce overall by-right residential buildout potential within designated growth areas.
- Better align residential growth with infrastructure capacity, service delivery, and long-term fiscal sustainability.
- Establish a lower baseline residential density framework that supports future preservation and growth management initiatives.

Density Incentives Through Transfer of Development Rights (TDR)

- While the County may establish lower baseline densities within growth areas, additional residential density may be permitted through the acquisition and retirement of Transfer of Development Rights (TDRs) from qualifying rural properties.
- This approach allows the County to:
 - Preserve agricultural and forestal land outside designated growth areas.
 - Direct development into areas planned for future growth.
 - Create a market-based incentive for farmland and forestland preservation.
 - Ensure that increased density is earned through measurable community benefits rather than granted automatically.
- The specific density bonus structure, transfer ratios, and eligibility requirements will be evaluated as part of future preservation program discussions.

Planned Unit Development (PUD) Base Density

- Establish a base residential density of 0.75 dwelling units per acre for Planned Unit Developments (PUDs).
- Additional density above the base density may be earned through community benefits established by ordinance, including:
 - Transfer of Development Rights (TDR)
 - Workforce or affordable housing
 - Infrastructure improvements
 - Open space preservation
 - Other public benefits identified by the County

Commercial Development Requirements

- Require all Planned Unit Developments (PUDs) to include commercial development as part of the overall project design.
- Establish a minimum commercial floor area requirement of 4,000 square feet for the first 10 dwelling units.
- Require an additional 4,000 square feet of commercial floor area for each additional 10 dwelling units, or fraction thereof.
- Examples:
 - 10 dwelling units = 4,000 square feet commercial
 - 50 dwelling units = 20,000 square feet commercial
 - 100 dwelling units = 40,000 square feet commercial
- Commercial uses should be designed to provide:
 - Neighborhood-serving retail

- Restaurants and personal services
- Professional and medical offices
- Employment opportunities
- Other community-serving commercial uses

Commercial Phasing Requirements

- Require site plans for all required commercial buildings to be submitted and approved prior to issuance of the first residential Certificate of Occupancy.
- Limit residential occupancy until commercial development is delivered:
 - No more than 25% of approved residential Certificates of Occupancy may be issued until the required commercial building(s) have received a Certificate of Occupancy.
- Ensure commercial commitments remain enforceable:
 - Additional residential Certificates of Occupancy may be withheld if commercial development milestones established through rezoning conditions, proffers, development agreements, or approved master plans are not achieved.

Framework Direction

The County will:

1. Align zoning regulations with updated subdivision standards, ensuring consistent application across Growth Area districts
2. Recognize the impact of increased lot size and frontage requirements, which will reduce overall development and help preserve larger, contiguous tracts of land
3. Evaluate residential density within designated growth areas, including:
 - Establishing an appropriate baseline level of by-right development
 - Identifying where additional density may be appropriate
 - Supporting long-term planning for infrastructure and service capacity
4. Lay the groundwork for future preservation tools, including TDR (Step 3) by better defining where growth should and should not occur

Key Concept

This step reinforces the shift created in Step 1 by ensuring that lower-density rural development patterns are consistently applied, while beginning to position growth areas to accommodate future development in a more intentional way and provide increased opportunity for TDR success.

Expected Outcome

- Reduced rural density as a result of updated standards
- Reduced by-right residential density within growth areas.
- Greater consistency between zoning and subdivision regulations
- Increased opportunity for preservation-based density incentives such as TDR.
- Clearer distinction between rural areas and growth areas
- Better balance between residential and commercial development.
- A foundation for future tools such as TDR and PDR, if pursued

Transition to Step 3

With subdivision standards in place and growth patterns more clearly defined, the County can begin introducing tools that provide long-term preservation options and flexibility for landowners.

Step 3: Establish Long-Term Farmland Preservation Tools

This step introduces voluntary tools to complement zoning changes and provide landowners with viable alternatives to subdivision. As earlier steps begin to reduce the pace and scale of rural land division, these tools ensure that landowners can continue to realize value from their property while supporting long-term preservation goals.

Tools Under Evaluation

- PDR
- Conservation incentives
- TDR

Purchase of Development Rights (PDR) Framework (~~Conceptual~~)

Louisa County is evaluating the establishment of a 10-year term-based PDR program that compensates landowners for temporarily restricting development on their property.

The program is intended to provide a voluntary preservation option for agricultural and forestal landowners while helping maintain the County's rural character.

Program Structure:

- Landowners voluntarily enter a contract with the County
- Development rights are restricted for a defined term (~~e.g.,~~ 10 years)
- The land remains in private ownership and continues to be used for agricultural or

forestal purposes

- At the end of the term, landowners may reapply to continue participation
 - Annual preservation payments are proposed to be calculated using the property's assessed land value multiplied by the County real estate tax rate.

Proposed payment formula:

Assessed Land Value /100 x County Real Estate Tax Rate

~~Include stats from Comp Plan survey supporting this?~~

Eligibility Considerations:

- Properties located in A-1 and A-2 zoning districts
- ~~Preference for~~ Require parcels be within Agricultural and Forestal Districts
- Minimum acreage thresholds and dwelling considerations
- Conservation easements excluded

Methodology

If annual funding is sufficient to enroll all eligible applicants, every qualifying property will be offered participation in the 10-Year Termed PDR Program.

If available funding is insufficient, applications will be evaluated using a three-stage waterfall methodology designed to prioritize the properties providing the greatest long-term preservation benefit.

Stage 1 - Road Frontage

- All qualifying properties will first be ranked by total road frontage.
- Properties with greater road frontage generally possess greater future subdivision potential and provide greater preservation value when protected.
- Only the top 30 percent of qualifying properties will advance to the next stage.
- Properties will receive points based on their placement, with the highest-ranked property receiving the greatest number of points.

Stage 2 - Total Acreage

- Only properties advancing from Stage 1 will be evaluated based on total acreage.
- Larger tracts preserve more farmland, forestland, and open space while reducing long-term land fragmentation.
- The top 20 properties will advance to the final stage.
- Properties will receive points based on their placement, with the largest property receiving the highest point value.

Stage 3 – Development Potential

- The remaining properties will be ranked according to the number of residential divisions permitted under current zoning regulations.
- Properties capable of creating the greatest number of future residential divisions provide the greatest long-term preservation benefit when preserved.
- The top 15 properties will receive additional points based on their ranking.

Final Ranking

- Points earned during each stage will be combined to establish a final ranking.
- Preservation contracts will be offered beginning with the highest-scoring properties until the annual program funding has been fully allocated.
- Applicants not initially funded will remain ranked should additional funding become available.

Tied Rankings

- If two or more properties have identical road frontage, acreage, or development potential, each tied property will receive the full point value associated with the highest applicable ranking.
- Rankings immediately following the tie will be skipped accordingly.
- If a tie occurs at the annual funding cutoff, funding will stop at the last fully ranked property preceding the tie. No tied property will be selected unless sufficient funding is available to enroll all tied applicants.

Prioritization Factors:

- ~~Parcel size and contiguity~~
- ~~Road frontage and development potential~~
- ~~Number of potential divisions associated with the property~~
- ~~Location relative to other preserved or agricultural lands~~

Permitted Uses During Contract Term:

- Agricultural and forestal uses, including both passive and active operations
- Farm-related businesses and structures
- Existing lawful uses and limited residential-related uses (such as short-term rental and family divisions, where applicable)

Key Program Features:

- Annual ~~or periodic~~ payments to landowners who voluntarily participate participating

landowners

- Required annual inspections and compliance verification
- Restrictions on subdivision and development during the contract term
- Repayment provisions if contract terms are violated

Transfer of Development Rights (TDR) Framework (Conceptual)

The proposed TDR Program is intended to permanently relocate future residential development from rural preservation areas to designated Growth Areas, while maintaining the County's overall development capacity.

Sending Areas

- Agricultural and forestal properties located outside designated Growth Areas.
- Primarily A-1 and A-2 zoned properties eligible to transfer development rights.
- Each Transfer of Development Right permanently removes one potential residential development opportunity from the sending property.

Receiving Areas

Development rights may be utilized within designated Growth Areas, including:

- A-1 and A-2 Properties
 - Existing by-right residential divisions remain.
 - Additional residential divisions may be earned through the purchase and retirement of Transfer of Development Rights.
 - Proposed framework:
 - A-1: Up to 3 by-right divisions, increasing to 6 divisions with TDR.
 - A-2: Up to 7 by-right divisions, increasing to 14 divisions with TDR.
- R-1 and R-2 Properties
 - Proposed by-right minimum lot size: 2.5 acres.
 - With Transfer of Development Rights:
 - 1.5-acre lots served by individual well and septic.
 - 40,000-square-foot lots served by public water and sewer.
 - Allow up to a 100% increase above the by-right residential yield through TDRs. Projects exceeding this threshold would be evaluated through the Planned Unit Development (PUD) process.
 - Each retired TDR would authorize one additional dwelling unit above the by-right residential yield, ensuring a direct relationship between preservation and increased residential density.

• **Planned Unit Developments (PUDs)**

- Base residential density of 0.75 dwelling units per acre.
- Density may increase to 1.25 dwelling units per acre through the purchase and retirement of Transfer of Development Rights.
- Density may increase to a maximum of 1.75 dwelling units per acre through additional Transfer of Development Rights combined with community benefits, such as workforce housing, infrastructure improvements, parks, open space preservation, or other public improvements established by ordinance.
- ~~• **Sending Areas:** Rural lands outside designated growth areas (A-1 and A-2)~~
- ~~• **Receiving Areas:** Designated growth areas, including rezonings, CUPs, and planned developments~~
- ~~• Development rights are transferred from rural parcels and permanently extinguished~~
- ~~• Additional development potential is realized within growth areas~~

How These Tools Support the Overall Strategy

Together, these tools provide a balanced approach to land preservation:

- PDR provides a direct, near-term financial incentive for landowners to limit development, independent of market demand
- TDR provides a long-term, market-based mechanism to shift development potential to more appropriate locations
- Both tools reduce pressure to subdivide rural land
- Both tools reinforce the County's broader growth management strategy by preserving rural land while supporting growth in designated areas

Housing Affordability

- By directing development into designated growth areas, TDR can support more efficient land use patterns, which can help moderate housing costs over time
- Concentrating development in areas with existing or planned infrastructure can reduce per-unit costs associated with roads, utilities, and public services
- TDR provides a mechanism to increase development potential in appropriate locations, which can help maintain overall housing supply while reducing pressure on rural land
- This approach supports a balance between preserving rural character and maintaining opportunities for new housing, including workforce housing

Key Concept

By combining PDR and TDR:

- Rural land can be preserved proactively through direct investment (PDR)
- Development potential can be redirected rather than eliminated (TDR)

This creates a coordinated system that uses both public investment and market-based tools to achieve long-term land preservation goals while maintaining flexibility for landowners.

Step 4: Align Growth Areas to Support the Overall Strategy

Growth areas remain the primary location for development and will continue to play a central role in accommodating future growth.

Policy Direction:

To support the overall strategy and the potential future use of TDR, the County will:

- Continue directing the majority of residential growth into designated growth areas
- Evaluate baseline density within growth areas, ensuring that development levels align with infrastructure capacity, service delivery, and long-term planning goals
- Consider how future tools, such as TDR, could be used to incrementally increase density where appropriate, rather than relying solely on by-right development

Role of Growth Areas:

- Serve as the primary receiving areas for development
- Accommodate compact, infrastructure-supported growth
- Absorb development that might otherwise occur in rural areas

Importance of Gateways:

- Gateway corridors will shape the County's development pattern and character
- Development in these areas should reflect:
 - Coordinated infrastructure
 - Appropriate design standards
 - Compatibility with surrounding land uses

Overall Outcome:

- Growth is guided into appropriate locations
- Rural land is preserved
- Development is better aligned with infrastructure and service capacity

Step 5: Monitor Outcomes and Adjust Over Time

This step ensures that policies remain effective and adaptable.

Monitoring:

- Track parcel creation rates
- Track subdivision activity
- Track rural buildout trends
- Track growth patterns within designated growth areas

Evaluation:

- Assess whether fragmentation is decreasing
- Assess whether agricultural land remains viable
- Assess whether growth is occurring in intended areas

Future Adjustments (if needed):

- Refine density assumptions in growth areas
- Adjust preservation tools such as TDR or PDR
- Introduce additional tools if necessary

Key Message

This approach is not based on a single policy change, but on a coordinated system that reshapes how growth occurs:

- Subdivision standards reduce fragmentation
- Density naturally adjusts through larger lot requirements
- Preservation tools provide alternatives to subdivision
- Growth areas absorb development in a structured way

The focus is not on stopping growth, but on ensuring that growth occurs in the right places and in the right way, so that Louisa County can preserve its rural character while planning for the future.

Conclusion

The workgroup's recommendation represents a balanced, phased approach that:

- Maintains development rights
- Focuses on how land is divided rather than whether it can be developed

- Slows long-term fragmentation
- Aligns with community values, documented conditions, and the Comprehensive Plan
- Supports more efficient, infrastructure-aligned growth patterns that can help maintain housing availability and affordability over time.

This framework positions Louisa County to manage growth proactively while preserving the characteristics that define the community, while also ensuring that future housing opportunities remain viable and aligned with long-term community needs.