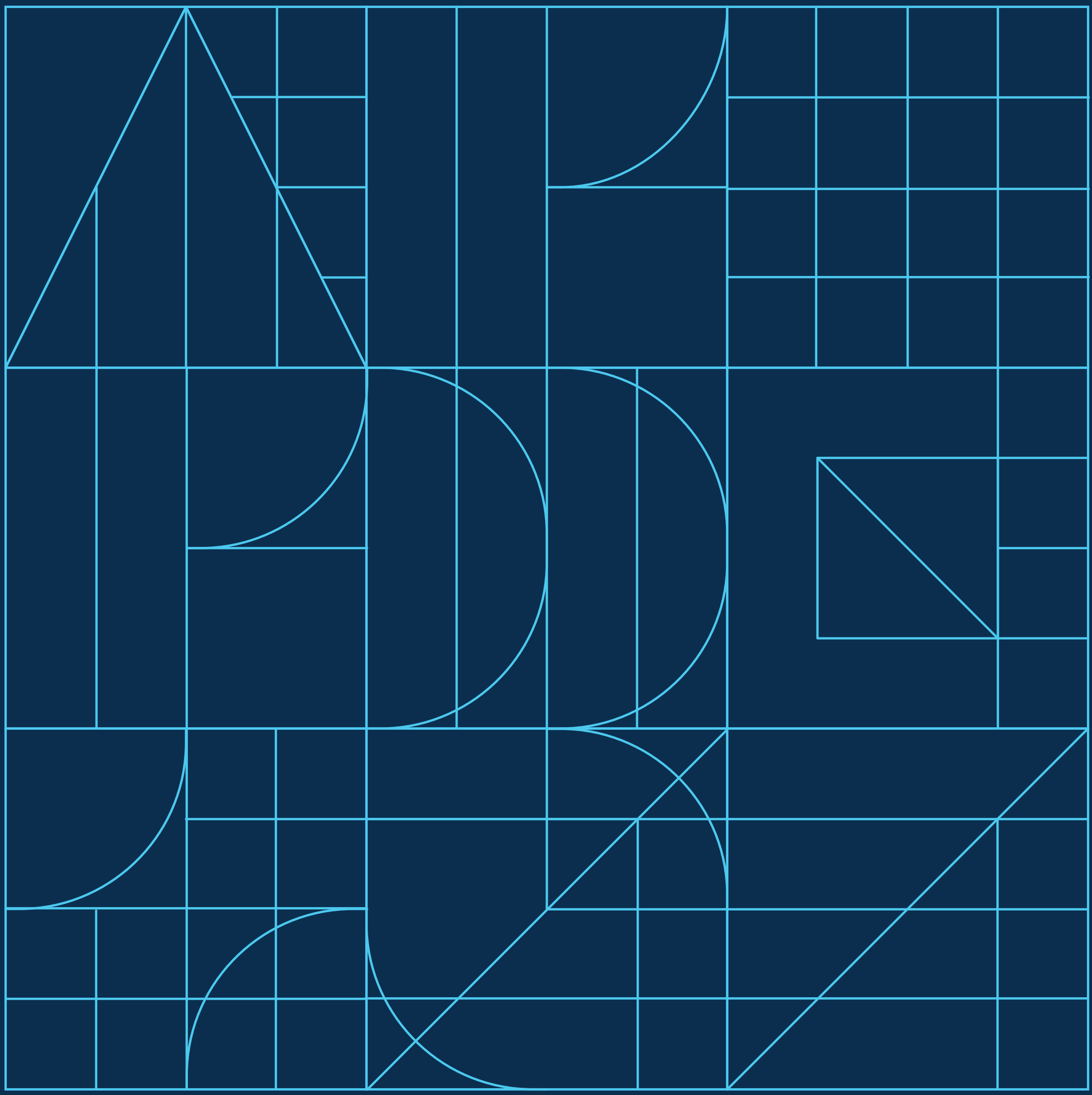

*2024 **West Piedmont Planning District Commission***

HOUSING STUDY

Full Technical Report

Executive Summary

The West Piedmont Planning District Commission (WPPDC) does *not* represent a single housing market, but rather includes submarkets in at least three distinct markets. Though WPPDC jurisdictions share the WPPDC regional planning geography, they are connected to alternative housing and job markets in surrounding jurisdictions and regions including the Roanoke region, the greater Lynchburg region, the Southside PDC region, and North Carolina.

Danville-Pittsylvania County is the largest market within the region, although it is relatively independent from the other jurisdictions. The city of Martinsville and Henry County are at the heart of the region, and the WPPDC is a good approximation of their regional housing market. Patrick County is the most outlying, rural submarket in the region with most significant connections to Martinsville and Henry County. Franklin County lies between Henry County and Roanoke County and is a submarket of both the Roanoke region and the WPPDC.

Nonetheless, the markets and submarkets throughout the region have commonalities and similar housing challenges that lend themselves to regional initiatives and approaches to housing solutions. One of the most dominant trends is the region's significant business expansion and development within the past two years. Danville and Pittsylvania County have seen increased demand and speculative investments in housing due to a new casino development. Employment at Crown Holdings and Press Glass in Commonwealth Crossing Business Centre in Henry County has affected the housing demand in Henry County, Patrick County, and Martinsville and increased connections to North Carolina submarkets.

Therefore, a concern throughout the region is adding housing to accommodate growing demand without displacing low-wage workers in some of the top occupations by number employed. Though the diverse submarkets must accommodate workers in different occupations with different affordability needs, workers with the lowest wages in each locality are facing increased housing insecurity. Nearly 23,690 households in the WPPDC region spend more than 30% of their income on housing, and the vast majority of these households (21,300, 90%) have low incomes, less than 80% of AMI for their jurisdiction (see local analyses for details by jurisdiction). These households make tough choices between housing and other necessities like food, clothing, transportation, and medical care. Many accept housing in extremely poor condition.

Given limited demand in some jurisdictions, housing policy and programs should equally consider housing rehabilitation, replacement, and new development. Likewise, to increase the viability of smaller-scale development, development plans should accommodate new workers, low-wage workers who qualify for housing supports, and seniors who also face housing affordability and condition challenges. Franklin County is the only jurisdiction with the intensity of demand to make larger, targeted development readily viable. Nonetheless, Franklin County grapples with the aforementioned challenges because development has not been able to keep up with demand.

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About the Study

The WPPDC undertook this housing study in partnership with the Virginia Center for Housing Research at Virginia Tech (VCHR) and HousingForward Virginia (HFV). Planning district commissions serve member local governments within their region and build regional approaches to issues like economic development, transportation, and legislative priorities. The West Piedmont Planning District's member localities are Franklin, Henry, Patrick, and Pittsylvania counties; the cities of Danville and Martinsville; and the town of Rocky Mount[1]. Each member locality identified housing as a concern in their jurisdiction and, with the opportunities offered through the Virginia Housing PDC program, elected to conduct a regional housing study. The WPPDC's goals for the study—as well as the scope developed in collaboration with VCHR and HFV—are described below.

VCHR was created by the Virginia General Assembly and Virginia Tech in 1989 to respond to the housing research needs of Virginia and the nation. In its 25-year record of performance, VCHR has established an unparalleled reputation for high-quality research on affordable housing that integrates policy, building technology, and the housing industry. In response to every request, VCHR identifies the best talent within Virginia Tech and beyond providing the capacity, talent, and drive to deliver the best proposal possible. VCHR works with multiple partners and sponsors to fulfill its mission within the commonwealth, including Virginia Housing, DHCD, HFV, and the Virginia Association of Realtors®.

HFV is a Richmond-based nonprofit that serves as the commonwealth's trusted resource for knowledge and insight on affordable housing. HFV is led by a diverse board of directors representing Virginia's geographies and housing stakeholders. Advocates, planners, developers, and mission-aligned organizations rely on HFV to understand challenges, build solutions, and advance their work. For more than a decade, HFV has helped complete numerous local, regional, and statewide housing studies in Virginia, often in partnership with VCHR. Its collective expertise in policy, finance, and research helps practitioners translate information into meaningful action.

[1] A brief orientation to each locality and locality maps are included in Appendix C.

Study Goals

1. Develop a clear list of strategies for communities to be able to improve their current housing stock as well as develop new housing opportunities.

The WPPDC commissioned this study to identify and address the needs of a diverse region that includes both extremely rural communities and urban centers. The study is aligned with the goals in the West Piedmont Economic Development District's 2021 Comprehensive Economic Development Strategy (CEDS), specifically Goal 4: Enhance quality of life, which encompasses increasing affordable, adequate, and available housing stock to meet the needs of the region. Additionally, the CEDS identified housing as a weakness for the West Piedmont region, citing as a concern deteriorating housing/age of housing stock in some communities. Local government jurisdictions and the WPPDC are working together to improve economic conditions by encouraging new businesses and industries to locate in the region and create new jobs. The condition and lack of housing stock has been a barrier to these efforts.

2. Create information to help economic developers, local governments, and housing developers develop sustainable housing stock to meet the needs of the growing region.

The West Piedmont region has seen significant business expansion and development within the past two years. Danville/Pittsylvania County is home to the Southern Virginia Megasite at Berry Hill, the largest publicly owned Megasite in Virginia, and a new Caesars casino development. Commonwealth Crossing Business Centre, in Henry County, has announced that Crown Holdings would be investing $145 million to build its new location at the site, bringing in over 100 new jobs to the region. Moreover, the region has welcomed AeroFarms to Pittsylvania County with over 90 new jobs and Radical Sportscars—a U.K.-based racecar manufacturer—who will be establishing its U.S. sales office in Patrick Henry Community College's Manufacturing, Engineering and Technology Complex in Henry County. The region is growing. Strong economic development partnerships, community college workforce pipelines, and a stunning natural environment play a key role in migration to the area.

3. Offer information and strategies that help the WPPDC facilitate regional collaboration and coordination to more effectively address housing challenges.

Housing is vital to community development and placemaking initiatives. Through this study, WPPDC staff and the research team have sought to identify key stakeholders for collaboration between local governments and organizations working directly with housing programs and those whose mission aligns with stable housing for their constituents, such as healthcare, senior aging, and youth development networks. The study and recommendations will promote inter-jurisdiction partnerships that can more effectively address challenges and opportunities shared among two or more jurisdictions. Coordinating local strategies can also promote intentional development patterns and sensitivity to household demand and choice.

Scope of Work

Phase 1: Needs Assessment, Market Analysis, Training

VCHR assessed county, city, and town trends in the context of the region to identify jurisdiction-specific challenges and opportunities. In preliminary discussions, local representatives identified several specific issues affecting local communities, which helped guide the analysis. These issues included workforce housing; housing equity, aging and substandard housing stock, and opportunities for rehabilitation; options for aging in place; the availability of housing affordable to residents at diverse income levels; and gaps in the availability of housing of specific types as noted above.

VCHR trained WPPDC staff to compile publicly available housing data, assess its reliability, and interpret the data in the context of the region and individual localities. VCHR provided overviews of data sources and examples of data compilations, and will provide ongoing technical assistance as the WPPDC works with housing data. In addition, VCHR trained WPPDC staff to assess housing needs using VCHR's gap analysis approach and by comparing occupation and industry sector earnings to housing costs and availability by price and rents.

Phase 2: Analysis of Barriers & Community Outreach

WPPDC staff coordinated listening sessions for VCHR and HFV to learn about housing market conditions and challenges from local staff and stakeholders. VCHR and HFV met with staff from five of six counties and cities as well as a number of town representatives. Staff and stakeholders described each jurisdiction, its housing stock, housing challenges, and potential opportunities. These initial sessions helped the study team understand the region and shape the elements of the study to respond to local concerns and conditions.

Though focus groups were proposed, WPPDC staff requested that VCHR instead conduct targeted interviews. WPPDC staff suggested the interviewees and made introductions. VCHR conducted interviews to fill gaps from the initial listening sessions. These conversations focused on building and development, vulnerable populations, and the key geographies not addressed in the listening sessions.

WPPDC staff, VCHR, and HFV worked with each locality and housing industry experts to refine the data analysis and lead discussions to both explain the data and analyze existing housing barriers. Local government staff and stakeholders helped to vet the analysis. HFV and WPPDC staff engaged jurisdiction staff and stakeholders with the goal of identifying policies, programs, and strategies that can address the identified barriers and seize opportunities for implementing solutions.

The WPPDC and VCHR presented the refined analysis to staff and elected officials in each jurisdiction, and HFV facilitated conversations about issues and opportunities the jurisdiction may want to address. HFV offered information about best practices and experiences from around the state, allowing staff and stakeholders to make progress from identifying issues and opportunities to identifying feasible strategies, policies, and programs.

Phase 3: Strategy Development

HFV led Phase 3 by reviewing the information developed by VCHR's Needs Assessment and Market Analysis work to compile a tailored menu of housing policies and strategies associated with the needs highlighted in preliminary data analysis drafts and goals discussed by staff and stakeholders.

Using the VCHR report and this menu, the WPPDC, HFV, and VCHR convened meetings with each jurisdiction to review the needs and understand the most appropriate best-practice policies. In the meetings, the team answered questions about policies and identified the policies/programs from the menu (or others) that are the best fit for the jurisdiction. Following this meeting, HFV created tailored solutions for each jurisdiction, providing additional detail for the policies selected.

Each solution includes:

- Description of the problem the solution intends to solve.
- Brief plain-language summary of the solution.
- Detailed description of how solution works.
- Specific implementation steps.
- Responsible actors and their roles.
- Funding scope and possible funding sources.
- Relevant best practices.

Study Geography

VCHR uses commuting patterns to define housing markets because households generally choose a home within an acceptable commuting distance from their job or look for a job within an acceptable commuting distance of their home. Because the WPPDC does not have a central employment and amenities center, the team examined commuting data for each of the counties, cities, and towns therein to determine the geography of housing markets and submarkets within the PDC. A detailed description of the region and its housing submarkets is included in the "West Piedmont Region" section.

Data and Methodological Notes

Quantitative Data Analysis

The American Community Survey (ACS) is VCHR’s main source of information on households, including demographic profile (e.g., family size, family type, householder age); occupancy characteristics (e.g., number of occupants, presence of children, seniors, elderly, and/or people with disabilities); and tenure (i.e., whether the household rents or owns the home where they live). VCHR analyzed five-year estimates from 2021, the most recent data year at the time of writing.

Household non-response increased substantially in the ACS during the COVID-19 pandemic because of the challenges of conducting a household survey, especially for households with lower socioeconomic status—those most likely to experience housing cost burden and other housing-related challenges. Although the Census Bureau has refined its methodology to reduce the effect of non-response bias owing to the COVID-19 pandemic, the organization still labels 2020 data as experimental. As such, VCHR has omitted 2020 ACS data from longitudinal analysis and, where necessary, represented the period from 2019 to 2021 as a broken line.

VCHR used a special ACS tabulation called Consolidated Housing Affordability Strategy (CHAS) data to estimate the degree to which economic means of households are matched with affordability of the housing supply. The housing affordability gap analyses can be found in Appendix B. The CHAS data designate each unit as affordable to specific income levels based on the size of the unit, the unit’s value or rent, and the level of income required for a household of corresponding size to affordably rent or own the unit. The CHAS tabulation also provides data on the income levels of occupants currently living in units at each unit affordability level.

VCHR used 2020 OnTheMap data from the U.S. Census Bureau’s Center for Economic Studies to analyze commuting patterns and identify groups that disproportionately commute into the region for work. VCHR described the inflow and outflow of workers in the region and documented trends of note by workers’ income, age, and industry.

VCHR’s workforce housing affordability analysis compares maximum affordable housing costs by occupation to local housing costs to determine which workers may struggle to afford housing in the region or may commute from outside the region because they cannot find appropriate, affordable housing close to their job.

VCHR used 2020 JobsEQ data to calculate maximum affordable monthly housing costs (30% of monthly income) for each occupation using three scenarios:

- A single earner with a median wage
- A single earner with a 90th percentile wage to represent highly skilled or experienced workers
- Two earners with a median wage for a single occupation to represent a dual-earner household

VCHR used 2021 ACS survey data on median gross rent and median selected monthly owner costs with a mortgage to define housing costs.

VCHR analyzed 2015-2022 home sale data provided by the Dan River Region Association of REALTORS; the Martinsville, Henry and Patrick Counties Association of REALTORS; and the Roanoke Valley Association of REALTORS. VCHR used this data to analyze trends and demand in the homeownership market.

Qualitative Data Analysis

WPPDC staff coordinated listening sessions for VCHR and HFV to learn about housing market conditions and challenges from local staff and stakeholders. VCHR and HFV met with staff from five of six counties and cities as well as a number of town representatives. Staff and stakeholders described each jurisdiction, its housing stock, housing challenges, and potential opportunities. These initial sessions helped the study team understand the region and shaped the elements of the study to respond to local concerns and conditions.

VCHR conducted a number of interviews with additional staff and stakeholders to fill gaps from the initial listening sessions. These conversations focused on building and development, vulnerable populations, and the key geographies not addressed in the listening sessions.

In addition to listening sessions and interviews, VCHR faculty and Virginia Tech students participated in data collection for the Martinsville housing conditions survey. This participation, in addition to site visits in other areas of the region, added depth to the team's understanding of housing conditions and initiatives in the region.

Important Terms and References

Tenure

The term “tenure” refers to the method by which a household possesses their home: renting, fully owned with no home loan, or owned with a mortgage or other home loan.

Cost-burdened Households

The U.S. Department of Housing and Urban Development (HUD) established the term “cost-burdened” to describe households who need more affordable housing. HUD defines cost-burdened households as “families who pay more than 30% of their income for housing... and may have difficulty affording necessities such as food, clothing, transportation, and medical care.” Severely cost-burdened households pay 50% or more of their income for housing and are likely to be making tough choices between housing and other necessities.

Percent of Area Median Income (AMI)

HUD sets income limits by household size that determine eligibility for assisted housing programs. HUD develops these income limits based on Median Family Income estimates and Fair Market Rent (FMR) area definitions for each metropolitan area, parts of some metropolitan areas, and each non-metropolitan county. These income limits are useful tools for assessing housing needs because they standardize income-based household categories while considering household size. The 2021 and 2023 income limits for each Fair Market Rent area in the WPPDC are provided for reference, and the appropriate annual income limits based on data vintage were applied in the analysis.

Figure 1: 2023 HUD Low Income Limits: Henry County-Martinsville city, VA HUD Nonmetro FMR Area

FY2023 Income Limits	Median Income for family of four	Person in Family			
		1	2	3	4
Extremely Low (30%)	$60,100	$14,850	$19,720	$24,860	$30,000
Very Low (50%)		$24,750	$28,250	$31,800	$35,300
Low (80%)		$39,550	$45,200	$50,850	$56,500

Figure 2: 2023 HUD Low Income Limits: Pittsylvania County-Danville city, VA HUD Nonmetro FMR Area

FY2023 Income Limits	Median Income for family of four	Person in Family			
		1	2	3	4
Extremely Low (30%)	$70,900	$14,850	$19,720	$24,860	$30,000
Very Low (50%)		$24,750	$28,250	$31,800	$35,300
Low (80%)		$39,550	$45,200	$50,850	$56,500

Figure 3: 2023 HUD Low Income Limits: Franklin County, VA

FY2023 Income Limits	Median Income for family of four	Person in Family			
		1	2	3	4
Extremely Low (30%)	$82,500	$16,600	$19,720	$24,860	$30,000
Very Low (50%)		$27,600	$31,550	$35,500	$39,400
Low (80%)		$44,100	$50,400	$56,700	$63,000

Figure 4: 2023 HUD Low Income Limits: Patrick County, VA

FY2023 Income Limits	Median Income for family of four	Person in Family			
		1	2	3	4
Extremely Low (30%)	$73,500	$14,850	$19,720	$24,860	$30,000
Very Low (50%)		$24,750	$28,250	$31,800	$35,300
Low (80%)		$39,550	$45,200	$50,850	$56,500

Figure 5: 2021 HUD Low Income Limits: Henry County-Martinsville city, VA HUD Nonmetro FMR Area

FY2021 Income Limits	Median Income for family of four	Person in Family			
		1	2	3	4
Extremely Low (30%)	$46,100	$12,880	$17,420	$21,960	$26,500
Very Low (50%)		$20,900	$23,900	$26,900	$29,850
Low (80%)		$33,450	$38,200	$43,000	$47,750

Figure 6: 2021 HUD Low Income Limits: Pittsylvania County-Danville city, VA HUD Nonmetro FMR Area

FY2021 Income Limits	Median Income for family of four	Person in Family			
		1	2	3	4
Extremely Low (30%)	$50,600	$12,880	$17,420	$21,960	$26,500
Very Low (50%)		$20,900	$23,900	$26,900	$29,850
Low (80%)		$33,450	$38,200	$43,000	$47,750

Figure 7: 2021 HUD Low Income Limits: Franklin County, VA

	Median Income for family of four	Person in Family			
FY2021 Income Limits		1	2	3	4
Extremely Low (30%)	$67,000	$14,100	$17,420	$21,960	$26,500
Very Low (50%)		$23,450	$26,800	$30,150	$33,500
Low (80%)		$37,550	$42,900	$48,250	$53,600

Figure 8: 2021 HUD Low Income Limits: Patrick County, VA

	Median Income for family of four	Person in Family			
FY2021 Income Limits		1	2	3	4
Extremely Low (30%)	$58,300	$12,880	$17,420	$21,960	$26,500
Very Low (50%)		$20,900	$23,900	$26,900	$29,850
Low (80%)		$33,450	$38,200	$43,000	$47,750

Housing Affordability

Housing affordability is a broad term used to discuss the degree to which housing units in a market or submarket meet the income-based needs of households in that market. Researchers and practitioners generally consider housing affordability for income groups that may face challenges related to affording housing, including (but not limited to) the following:

- extremely low-income households who do not make enough money to obtain decent housing
- young workers who wish to become homeowners but cannot find a starter home with associated costs within their budget
- established owners who cannot find an appropriate home to "upgrade" to as their families grow and they enter their professional prime
- seniors who struggle to find affordable, accessible housing that meets their needs, including maintenance and modifications to make their existing homes suitable for aging

Housing affordability is not usually a concern for higher-income households who can obtain their desired housing without sacrificing other household needs such as safety, transportation, medical care, food, education, or childcare. However, a shortage of housing for households at any income level may affect businesses expanding in the market or economic development efforts for attracting new businesses.

Householder

This report refers to "householders" when the available data pertains to the householder as defined by the U.S. Census: "the householder refers to the person (or one of the people) in whose name the housing unit is owned or rented (maintained) or, if there is no such person, any adult member, excluding roomers, boarders, or paid employees. If the house is owned or rented jointly by a married couple, the householder may be either the husband or the wife. The person designated as the householder is the 'reference person' to whom the relationship of all other household members, if any, is recorded[2]."

[2] Census definitions accessed Nov 2023, https://www.census.gov/housing/hvs/definitions.pdf

The Importance of Housing

Housing plays a critical role in economic opportunity for individual workers and their families, affecting current and future workers, employers, communities, and regional markets. Benefits of appropriate, affordable housing and consequences when such housing is unavailable are most concrete at the individual and neighborhood levels. However, as demand for housing increases and housing becomes more expensive to produce, its availability and affordability also have distinct effects on businesses and markets. This overview of the importance of housing illustrates some of the connections between housing, individual economic opportunity, workforce, and economic development that have been explored by researchers. Nonetheless, the effects of homes—and attributes like size, quality, location, and cost—extend beyond the examples given here.

Individuals and families who select a home choose a host of related features, resources, amenities, and opportunities. For instance, they choose access to specific schools, proximity to grocers and other shopping, proximity to family and other important social networks, and opportunities for recreation and exercise. Households choose the best housing they can afford and gravitate toward markets that offer better housing "packages" at the best prices. Housing costs are among the top five factors affecting where households choose to live and work[i].

A community that lacks affordable housing often lacks housing for the community's essential, low-income workers. To provide a high quality of life for all households, the region and its jurisdictions must enable developers and builders to produce housing that is appropriate and affordable for households at every income level. For households with the lowest incomes, local governments must pair their land-use tools and resources with state and federal resources to provide affordable, appropriate housing and ensure that low-income workers can prosper in the community.

Although high housing prices often reflect local amenities and economic opportunities in the area[ii], research suggests that high housing prices and few affordable options may constrain economic growth. Saks (2008) argues that when the supply of affordable housing is restricted (often by land-use controls), labor migration patterns change, resulting in lower employment growth[iii]. Slowed, stalled, or negative employment growth can hurt businesses and communities. Jonas, While, and Gibbs (2010) suggest that workforce housing and other major infrastructure are common problems for regions that are growth "hotspots[iv]." Workforce housing[3] supports successful economic development, as businesses may have trouble attracting or retaining workers without nearby affordable housing options and/or convenient and affordable transportation. This job–housing imbalance may impede economic development by making it difficult for businesses to recruit and retain employees[v].

Housing affordability, stability, quality, tenure, and location have been shown to impact child development and opportunities for individuals and households. Housing is the foundation for family wellbeing[vi], and housing unaffordability is often why individuals and families experience instability in

[3] Workforce housing is generally described as the housing that is affordable to households earning less than 120% of AMI (Cohen & Wardrip, 2011)

housing, accept substandard housing, or sacrifice other critical needs like child educational enrichment, medical attention, or food. Strained finances and substandard or unstable housing may lead to negative economic consequences for both individuals and households.

Many aspects of substandard housing affect the health of residents. Poor housing quality often induces stress and inhibits the home from providing a peaceful or restorative space. Jones-Rounds et al. (2014) found that psychological wellbeing correlated with housing quality; that is, people in high-quality housing were less depressed and more energetic and peaceful than those living in low-quality housing[vii]. Substandard housing represents a potential psychological detriment by causing low self-esteem and hindering family self-sufficiency[viii]. For example, residents of low-quality housing worry about the integrity of the home's structural components. Housing-related stress or anxiety has been shown to lead to depression and stress-related mental illness[ix]. Children in low-income families that receive housing subsidies are more likely to be classified as having "good" or "excellent" health than those children in low-income families on the waiting list for assistance[x]. Furthermore, adults who are housing cost-burdened are less likely to fill a prescription, follow healthcare treatments, or purchase health insurance because of the costs.

Health problems, when persistent, present significant employment and productivity problems. Businesses impacted by poor employee health may experience high rates of turnover that manifest unfilled positions, lower productivity, and lost profits. Employee turnover generates costs related to finding replacement workers, temporarily covering vacancies, training replacements, and loss of knowledge and skills. In total, the costs of turnover can be upwards of 30% of annual salary for lower-level employees and up to 250% of annual salary for highly skilled ones[xi]. Health conditions also pose a barrier for those who are currently unemployed and can lead to both temporary and permanent medically induced unemployment (i.e., the inability to work owing to a medical condition)[xii].

Cohen and Wardrip (2011) found that low-income families occupying substandard homes moved more often than middle- and high-income families did, owing to problems associated with high housing costs and changes in income[xiii]. In addition, households experiencing forced displacement (e.g., eviction, foreclosure, or building condemnation) often must move to substandard and/or temporary housing, resulting in subsequent moves[xiv]. Children in families with housing instability or substandard housing experience health, behavioral, and developmental educational consequences.

Unaffordable housing contributes to children's poor school attendance and performance[xv]. Gagne and Ferrer (2006) found that major home repair requirements and short length of residence negatively affect children's math scores[xvi]. Newman and Holupka (2013) found that families who are not cost-burdened are more likely to spend a portion of their income on child enrichment, affecting their children's cognitive achievement[xvii]. These developmental and educational consequences associated with student mobility and inadequate housing may have economic implications for individuals and the community workforce. Many studies have shown that educational attainment—the number of school years completed—closely correlates with both individual earnings and economic growth rates[xviii]. Level of education is typically positively associated with higher individual earnings. Studies within and across nations have found that one additional year of schooling translates into an approximately 10% increase in annual individual earnings[xix].

Beyond this individual benefit, evidence exists that additional years of schooling provide social benefits in the form of improved health, higher levels of civic participation, lower crime rates, and greater economic growth[xx]. Educational attainment increases human capital, resulting in the enhanced productivity of a nation's workforce, an increase in the rate of technological innovation, and the diffusion and adoption of new production processes and technologies, all of which help boost economic growth[xxi]. Each additional year of schooling within a population is also associated with greater long-run economic growth[xxii]. Schools and neighborhoods are closely interconnected; therefore, providing equitable and affordable housing opportunities across a jurisdiction can provide more equitable educational opportunities[xxiii], leading to greater and more sustainable economic growth[xxiv]. Increasing skills for low-income individuals improves economic growth more than it does for those with high incomes as measured by GDP and tax revenue growth, suggesting that educational opportunities should be improved for low-income individuals[xxv]. Furthermore, closing educational-achievement gaps may reduce income inequality by increasing the lifetime earnings of the poorest 75% of children more than those of the richest 25%. Lynch (2015) concluded that improving the education of all future workers "accelerates economic growth and can promote more equal opportunity over the long run resulting in stronger, more broadly shared economic growth, which in turn raises national income and increases government revenue, providing the means by which to invest in improving our economic future[xxvi]."

Finally, the location, tenure, and type of housing can affect a household's economic opportunities. Kleit (2002) found evidence that households living in areas with more income diversity have more diverse job-search networks[xxvii]. White and Saegert (1997) showed that co-op ownership of low-income housing is associated with increased skills and self-confidence, as well as wider job networks among tenants. Studies have shown that homeownership provides considerable access to opportunity[xxviii]. The simplest connection between homeownership and opportunity is the ability to build wealth and use home equity. Homeowners can elect to borrow against the equity they have built on their home through a home equity line of credit (HELOC). HELOCs may act as a financial buffer against unexpected expenses, smooth consumption over time, and allow households to invest in education, job training, or a small business[xxix].

The COVID-19 crisis has highlighted the critical role of stable and affordable housing. The pandemic has left approximately 7.04 million American families struggling to pay rent. Despite nationwide efforts like the eviction moratorium, the Eviction Lab (2021) noted that 422,432 evictions took place in select states and cities, signaling a deepening housing crisis[xxx]. The pandemic's disproportionate impact on Black and Latino communities has further highlighted systemic issues. These populations, overrepresented in low-wage, non-remote jobs, faced greater challenges in maintaining housing stability[xxxi][xxxii], as noted by Brown (2020) and Greene & McCargo (2020). Reflecting on these challenges, it is evident that the issue of housing affordability is not just an individual struggle but a regional one, requiring a concerted and comprehensive response.

West Piedmont Region

The West Piedmont Planning District Commission (WPPDC) region comprises four counties and two independent cities. Though these jurisdictions all share the regional planning geography, they are also connected to alternative housing and job markets in the surrounding jurisdictions and regions, including the Roanoke region, the greater Lynchburg region, the Southside PDC region, and North Carolina. Danville-Pittsylvania County is the largest market within the region, though it is relatively independent from the other jurisdictions. Martinsville and Henry County are at the heart of the region, and the WPPDC is a good approximation of their housing market. Patrick County is the most outlying, rural submarket in the region with most significant connections to Martinsville and Henry County. Franklin County lies between Henry County and Roanoke County and is a submarket of both the Roanoke region and the WPPDC. A brief orientation to each locality and locality maps are included in Appendix C.

Franklin County

Franklin County is the second-largest jurisdiction in the WPPDC with significant workforce connections to the Roanoke region, Henry County, and Martinsville. Franklin County's housing market is the tightest in the WPPDC with less than 2.1% of homes for sale or for rent. High demand and extremely limited supply have driven up prices in Franklin County well beyond any other jurisdiction in the PDC. Limited inventory limits housing opportunities for newcomers, which makes it hard for Franklin County residents to buy different housing as their needs change throughout life's stages. These limited housing opportunities also marginalize low- and moderate-income households.

Patrick County

Patrick County, southwest of Franklin County, is a rural county with significant workforce connections to job centers in Henry County and Martinsville. The housing market offers both rural and small-town living options, though the amount of high-quality housing units is limited. The county has some of the region's lowest housing costs, but wages among workers in the top 10 occupations by employment are also low. As such, Patrick County needs to add both rental and homeownership opportunities to stabilize and support its workforce.

Henry County and the City of Martinsville

Henry County, east of Patrick County and southeast of Franklin County, surrounds the city of Martinsville. These jurisdictions are at the heart of the WPPDC, and, as such, the WPPDC is a good approximation of the greater Henry County-Martinsville housing market. In Henry County and Martinsville, the total quantity of housing is adequate, so the jurisdictions should focus on increasing the diversity of housing sizes, types, and affordability. In addition, both Henry County and Martinsville will need to proactively preserve the quality of existing housing, especially homes occupied by owners with few resources and units jeopardized by long-term vacancy.

Pittsylvania County and the City of Danville

The city of Danville and Pittsylvania County make up a relatively independent housing market. While the city of Danville is the traditional employment center, Pittsylvania County offers suburban, exurban, and rural housing options to both county and city workers[4]. Danville provides smaller housing, more appropriate for small households working in the city or needing access to services in the city. Between the two submarkets, there is an adequate overall quantity of housing, with both rental and homeownership opportunities. However, like other jurisdictions in the WPPDC, the Danville-Pittsylvania County market struggles to provide enough affordable housing for low-wage workers, many in the largest occupations by employment, especially given rising rents and prices. Poor housing conditions further challenge the Danville-Pittsylvania County market.

[4] Of the 23,067 individuals who live in Pittsylvania County, only 6,013 or 26.1% commute within the county itself for their primary job. The rest work primarily in Danville (29.3%) but also in surrounding areas: Campbell County (7.0%), Henry County (3.3%), and Lynchburg (3.1%). Danville has 14,467 working individuals, and 1,297 or approximately 47.8% commute within the city for their primary job. 10.9% of workers commute to Pittsylvania County. Smaller proportions of the Danville workforce commute to Lynchburg (3.2%) and Henry County (2.8%).

Region-wide Housing Challenges

The submarkets throughout the region have many commonalities and similar housing challenges that lend themselves to regional initiatives and approaches to housing solutions. Challenges that each market faces independently are addressed in sections devoted to localities later in the report.

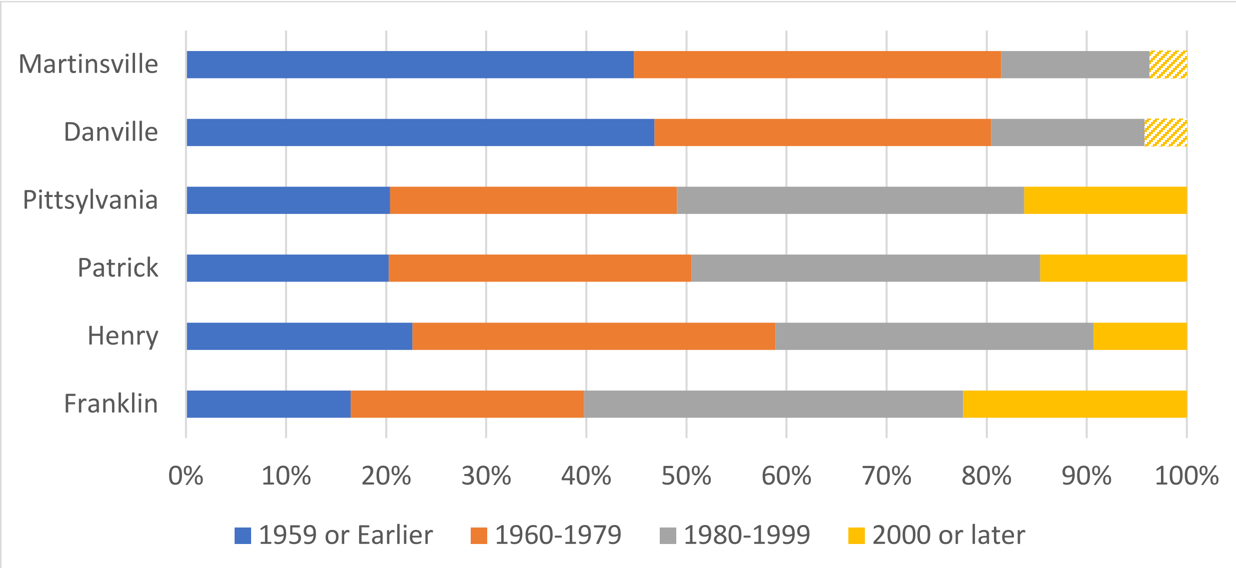
Housing Conditions

Local government staff and stakeholders throughout the region identified the conditions of housing as a challenge for both existing and prospective residents. The energy performance, maintenance costs, and upgrade costs of a housing unit depend greatly on the unit's age. Older units usually cost more to heat and cool and require more maintenance and upgrades to retain their full market value. Homes built before 1939 are generally considered "historic." Because these homes have often been upgraded or preserved, it can be difficult to draw conclusions about their performance or upgrade needs. Generally, they have high maintenance costs regardless of the overall condition. Homes built in the '40s and '50s benefit from solid construction of that era, and typically have had up to two "upgrades" in their history. Housing built in the 1960s, although modest and well built, is often less well located and has higher transportation costs. Homes built in the 1970s, '80s, and '90s are notably less well constructed compared to older housing. Many of the housing units built in the 1960s, and an even larger share of housing units from the 1970s and 1980s, have not had any major upgrades since their original construction and may need upgrades soon to remain competitive in their housing markets.

Danville and Martinsville have the oldest stock in the region, with almost half the cities' housing built prior to 1960. Housing in the region's counties is more evenly distributed across decades prior to 2000. Franklin County, which has the highest-demand market in the region, has seen the most housing development since 2000.

Figure 9: Housing Units by Year Built*

Source: VCHR Tabulation of 2021 ACS 5-year Estimates



*Data shown in hashed yellow represent units built in 2000 or later for Martinsville and Danville and are not reliable. The segment is too small to make a reliable estimate.

Households with high energy costs can be a proxy for housing condition because older homes that have not been updated tend to cost more to heat and cool. VCHR estimated the number of households with average monthly energy costs greater than $289[5] using the 2019 ACS Public Use Microdata Sample (PUMS) 5-year estimates and, as a subset of these households, those who have low incomes and spend more than 6% of their income on energy costs[6].

Figure 10: Households with High Energy Costs, Energy Burdens and Low Income (80% of AMI or less)

Source: VCHR Estimates using 2019 PUMS and 2018 CHAS data

Jurisdiction	**Franklin**	**Patrick**	**Henry**	**Martinsville**	**Pittsylvania**	**Danville**
Households	691	1,712	1,900	460	1,837	1,577

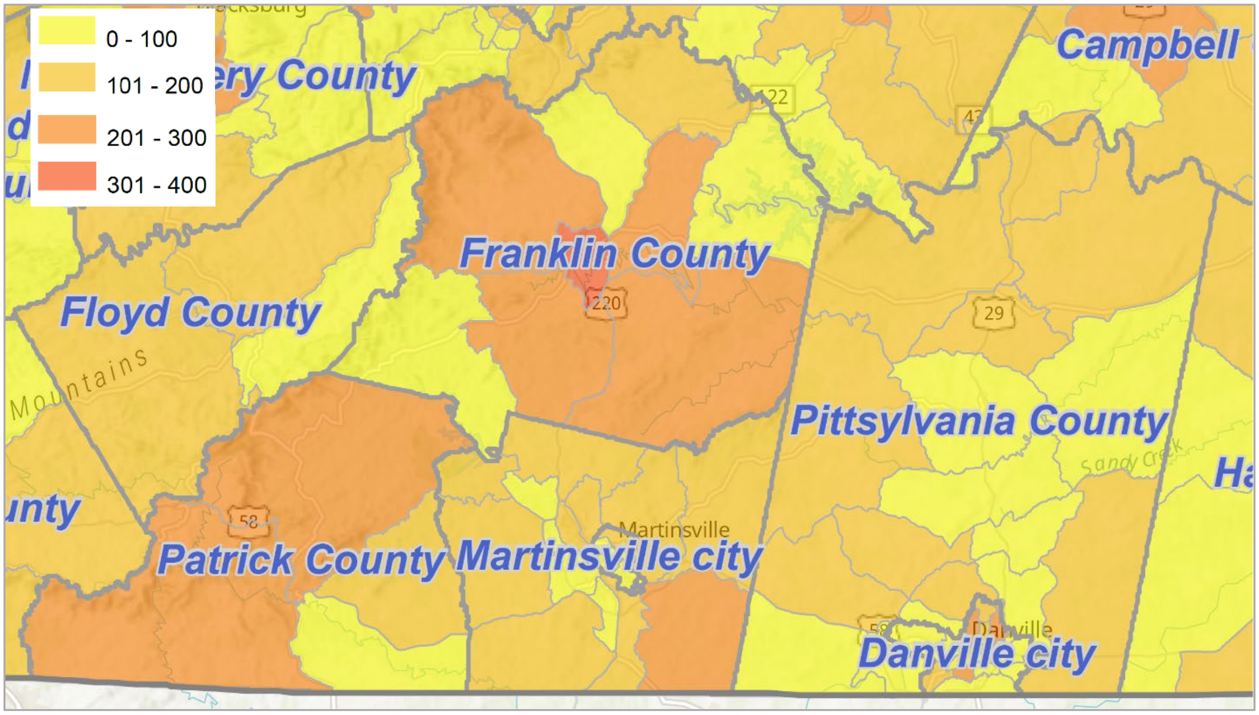
These households are excellent candidates for energy-efficiency interventions, including weatherization and home energy upgrades, mobile home replacement, and/or opportunities to move to a more energy-efficient and comfortable residence. Efforts to provide these households with more energy-efficient residences would achieve dual goals of freeing up household income to meet other needs and conserving costly energy resources.

[5] VCHR defined high energy costs as those in the top 25% for the WPPDC PUMA, which excludes Franklin County. In Franklin County, high energy costs are defined based on the upper quartile for the Roanoke Valley-Alleghany Regional Commission (outside the cities of Roanoke, Salem, and the town of Vinton), $250/month. Details on methodology included in Appendix A.

[6] Lower incomes are correlated with higher energy burden, but for extremely low-income households, even low energy bills can be burdensome. Identifying households who have high energy costs, low incomes, and energy burden is useful because these are households for whom housing rehabilitation and weatherization will have a meaningful impact on housing cost burden.

To help rehabilitation and weatherization providers operate more effectively, VCHR identified areas with high numbers of households with high energy costs *and* concentrations of households with low incomes and energy burden. The map below shows concentrations of households with high energy costs, energy burden, and low income by census tract.

Figure 11: Households with High Energy Costs, Energy Burdens and Low Income (80% of AMI or less)
Source: VCHR Estimates using 2019 PUMS and 2018 CHAS data



Shifting Housing Needs and Preferences

As local governments seek to encourage housing development, they need to be aware of housing needs as well as shifting preferences. Housing preferences change throughout the lives of individuals and families, as well as over generations. Households in the WPPDC and throughout the commonwealth are smaller than they once were. Young families struggle to find affordable starter homes. The significant population of households led by individuals 60 and older is seeking conveniences that support aging.

Regardless of age, recent buyers are looking for turnkey homes that do not require major renovations.[7] Renters are looking for spacious floor plans, a washer/dryer, walk-in closets, balconies, and hardwood floors. The median home size for all buyers was 1,800 square feet, with buyers younger than 23 buying

[7] National Association of REALTORS® Research Group. (2023). 2023 Home Buyers and Sellers Generational Trends Report. Retrieved October 27, 2023, from https://www.nar.realtor/sites/default/files/documents/2023-home-buyers-and-sellers-generational-trends-report-03-28-2023.pdf

smaller homes (1,500 square feet).[8] Both renters and owners are gravitating toward single-family homes, and preferences are shifting toward larger homes that are farther apart. In doing so, they accept longer commutes to schools and amenities. Internet access is considered very important for renters and owners alike.

Priorities for younger renters and buyers include proximity to work, affordability, and commuting costs. Although walkability is still important, younger generations' preferences have shifted toward suburban contexts. Quality of and convenience to schools are also very important to younger buyers.[9]

Despite preferences, many households have significant financial constraints. Millennials in particular face a tougher homeownership landscape than both preceding and succeeding generations.[10][11] They have a lower homeownership rate than baby boomers at the same age. The disparity is attributed to economic challenges stemming from entering the workforce during the 2001 recession and the subsequent 2008 financial crisis. These factors curtailed earnings, wealth accumulation, and the ability to purchase homes for an extended period.[12]

Given constrained purchasing power and smaller households, local governments should seek to incentivize (or at least remove barriers to) development of smaller-scale housing. Adding smaller multifamily or attached units may increase the number of affordable, high-quality units in the market without subsidy by supplying units with more appropriate square footage and number of bedrooms and distributing land costs among a greater number of units. However, multifamily developments must have good neighborhood design and conveniences to outweigh increasing preference for single-family living among both owners and renters. Redevelopment, shared amenities, conveniences, and affordability all increase development costs. Because many markets cannot support highly priced units, public or philanthropic investments may be needed to achieve the ideal outcomes.

When households of retired persons or those close to retirement choose a home location, they prioritize proximity to friends and family as well as conveniences. Homebuyers 60 and older prefer suburban, small-town, and resort living over urban or rural places.[13] Convenience to family/friends, health facilities, and shopping—as well as overall affordability—were the highest-ranking factors for buyers 68 and older.[14] Just under half of WPPDC households are led by individuals 60 or older, with many being one- or two-person households. Housing designed accessibly will expand potential demand segments to

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[8] National Association of REALTORS® Research Group. (2023). 2023 Home Buyers and Sellers Generational Trends Report. Retrieved October 27, 2023, from https://www.nar.realtor/sites/default/files/documents/2023-home-buyers-and-sellers-generational-trends-report-03-28-2023.pdf

[9] National Association of REALTORS® Research Group. (2021). 2021 Home Buyers and Sellers Generational Trends Report. Retrieved October 11, 2022, from https://www.nar.realtor/sites/default/files/documents/2021-home-buyers-and-sellers-generational-trends-03-16-2021.pdf

[10] Anderson, D., & Bokhari, S. (2023). The Race to Homeownership: Gen Z Tracking Ahead of Their Parents' Generation, Millennials Tracking Behind. REDFIN. https://www.redfin.com/news/gen-z-millennial-homeownership-rate-home-purchases/

[11] Myers, D., Lee, H., & Simmons, P. A. (2020). Cohort insights into recovery of Millennial homeownership after the Great Recession. Journal of Housing Economics, 47, 101619.

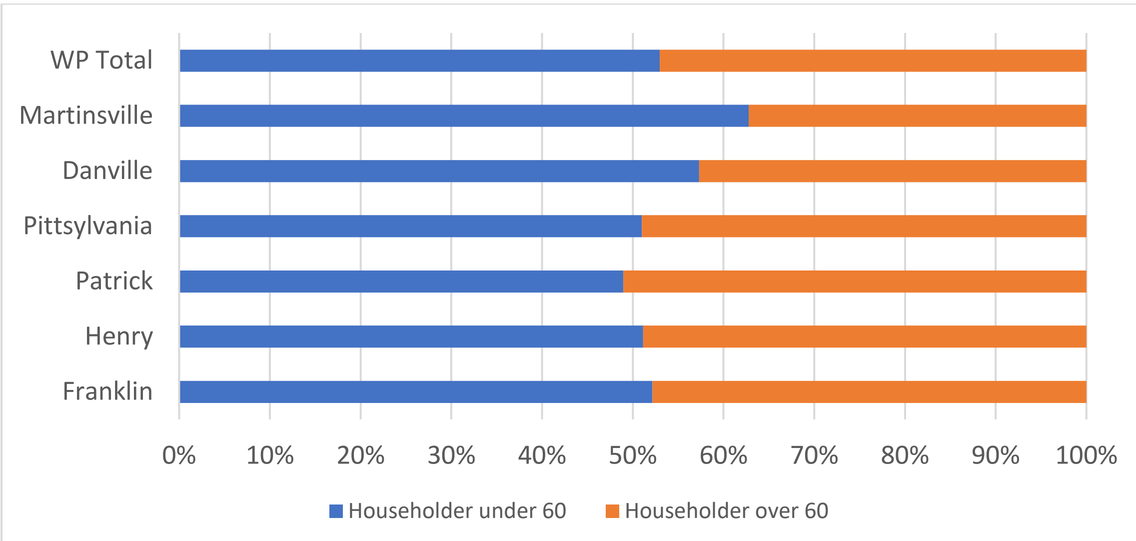
[12] *Ibid.*

[13] National Association of REALTORS® Research Group. (2023). 2023 Home Buyers and Sellers Generational Trends Report. Retrieved October 27, 2023, from https://www.nar.realtor/sites/default/files/documents/2023-home-buyers-and-sellers-generational-trends-report-03-28-2023.pdf

[14] *Ibid.*

include seniors and people with ambulatory challenges. The quantity of housing needed throughout most of the WPPDC (Franklin County is the exception) is limited, so developing housing that serves more demand segments reduces financial risk of development. Likewise, including income-restricted, affordable units will support a wider population.

Figure 12: Age of Householder by County/County Equivalent
Source: 2021 ACS 5-year Estimates



Workforce Housing

Adequate housing for low-wage workers in some of the most common occupations is a challenge throughout the region. Particularly, households with only one earner in an occupation with lower wages may struggle to find affordable, appropriate housing in the region. Most households in the region include at least one worker, and among working households, most are single-earner households. Most households without workers are led by seniors and/or retirees.

Figure 13: Households by Number of Workers
Source: VCHR tabulation of 2021 ACS 5-year Estimates

Workers	Franklin	Patrick	Martinsville	Henry	Danville	Pittsylvania
1	6,531	2,501	2,380	535	7,271	8,662
2	5,773	1,795	1,118	414	3,603	5,700
3 or more*	1,116	206-472	79-207	410-716	480	1,361
No workers	8,613	3,097	2,015	501	7236	8,940

*There is not a large enough population of three-or-more-worker households in Patrick County, Martinsville, or Henry County to make a reliable estimate; therefore, VCHR has provided a range based on the margin of error.

VCHR analyzed housing affordability for the top 10 occupations by employment in each jurisdiction in the WPPDC. Workforce housing affordability is most challenging in Danville, where workers in only one of the top 10 occupations (i.e., registered nurses) can afford the median rent as a single earner. While more-experienced workers in the top 10 occupations can more readily afford rent in Danville, they cannot afford median owner costs, making it difficult for businesses to retain these employees as they seek to build wealth.

Food service workers and cashiers will struggle to find affordable housing throughout the region no matter their experience level and often even if they are sharing housing costs with another worker. Similarly, personal care aids in Danville and Pittsylvania County and security workers in Patrick County will have difficulty affording housing as a single earner, no matter their experience level. Workers in these occupations will also struggle to become homeowners even if they share housing costs with another worker earning a similar wage. Workers in these very low-wage occupations may not be able to find affordable, appropriate housing even if they relocate to another region of the commonwealth. Though they fill important roles in their jurisdictions, they are likely to experience housing insecurity that affects their health and future, as well as their families'.

Henry County offers the most appropriate market for its workers based on affordability. Workers in 6 out of 10 of the top 10 occupations by employment can afford the median rent in Henry County by dedicating 30% or less of their monthly income. Experienced or skilled workers with high wages in any occupation can afford the median rent as a single earner. Meanwhile, workers in each of the top 10 occupations can afford median owner costs with a mortgage when sharing those costs between two earners earning the median wage for the occupation. However, homeownership poses a steeper challenge for these workers. A considerable portion of Henry County's workforce may be unable to transition from renting to owning a home if they cannot achieve higher earnings or do not share their housing costs with another earner.

Housing Insecurity

Nearly 23,690 households in the WPPDC region spend more than 30% of their income on housing and may need more affordable housing. The vast majority of these households (21,300, 90%) have low incomes, less than 80% of AMI for their jurisdiction (see local analyses for details by jurisdiction), and likely make tough choices between housing and other necessities like food, clothing, transportation, and medical care.

Figure 14: Cost-burdened and Low-income Cost-burdened Households (% of total households)
Source: VCHR tabulation of 2019 CHAS 5-year Estimates for WPPDC Jurisdictions

	Franklin		Henry		Patrick		Pittsylvania		Danville		Martinsville	
Cost-burdened	4,845	37%	4,625	22%	1,235	16%	5,400	21%	5,725	31%	1,855	34%
Low-income (<80% of AMI) Cost-burdened	4,025	33%	4,175	20%	1,115	14%	4,910	19%	5,330	29%	1,750	32%

In many cases, these choices may lead to housing insecurities or homelessness. Renters are typically more vulnerable to increasing housing costs than homeowners and generally experience housing cost burden at a higher rate than owners. While most homeowners have fixed mortgage payments that change little from year to year, renters generally face increased housing costs annually. In competitive markets, they may also be subject to turnover in unit ownership, which is often associated with higher rent increases.

The mortgage finance system generally prevents homeowners from being cost-burdened when they buy their home, and often homeowners' income increases over the life of their mortgage. Homeowners also face relatively little change in housing costs compared to renters. Homeowners may become cost-burdened due to economic hardship such as job loss, death of a family member, or fixed incomes that do not keep up with rising costs of taxes, utilities, and insurance.

In addition to the monthly costs considered by cost-burden estimates, homeowners are responsible for the costs of home maintenance and modifications, which can create financial hardships that cost-burden figures do not reflect. When homeowners are cost-burdened, they may not be able to save for unexpected expenses such as home repairs or medical emergencies, which could leave them at financial risk. Similarly, cost-burdened homeowners may neglect regular home maintenance and upgrades, which can threaten their wellbeing and reduce the market value of their home over time.

Figure 15: Cost-burdened Households by Tenure
Source: VCHR tabulation of 2021 ACS 5-year Estimates

Tenure	Renter	Owned with a Mortgage	Owned Free and Clear
Households	**11,446**	**8,932**	**3,683**

Figure 16: Cost-burdened Households with Low Income by Tenure
Source: VCHR tabulation of 2019 CHAS 5-year Estimates

Tenure	Renter	Owner
Households	**11,129**	**10,160**

Homelessness

More than 10,000 households in the WPPDC are estimated to be at risk of homelessness. Although a variety of methods can be used to estimate the number of households at risk of homelessness, the viability of each method for the study area depends on the availability of data. The Comprehensive Housing Affordability Strategy (CHAS) data can adequately estimate the population that meets the HUD definition for households at risk of homelessness, which includes households with incomes below 30% of AMI and characteristics associated with housing instability (in this case, cost burden). This metric assumes these households do not have sufficient resources to overcome an emergency expense, such as eviction. The 2015-2019 CHAS data estimated that 10,160 households in the study area (10% total households in the region) fit this definition: 5,750 renter households, or 20% of all renter households, and 4,400 owner households, or 6% of total owner households.

The 2023 Point-in-Time (PIT) count for the WPPDC region identified more than 100 individuals experiencing literal homelessness, either sleeping in a shelter or unsheltered, on Jan. 25, 2023.

Figure 17: Individuals Experiencing Literal Homelessness

Source: 2023 Point-in-time Count

Location	Danville	Martinsville	Franklin	Henry	No Data
Individuals	**27**	**57**	**14**	**2**	**2**

Households experiencing homelessness are often less visible in suburban, exurban, and rural contexts. Because services are limited for households experiencing homelessness in some parts of the WPPDC, those who are unsheltered may have to go to a more populous jurisdiction to obtain temporary shelter. Other households may "couch surf," moving between the homes of friends and family; squat in unused buildings; or camp. Therefore, annual point-in-time counts often cannot capture the full magnitude of homelessness experienced in areas with few services. As such, counts of school-aged children experiencing homelessness are often a better indicator of homelessness challenges in these contexts. According to statistics from Project HOPE[15], at least 221 students in the WPPDC were identified as experiencing homelessness in the 2020-2021 school year.

Figure 18: School-aged Students Experiencing Homelessness

Source: 2020-2021 School Year Project HOPE Data

Locality	Franklin	Patrick	Martinsville	Henry	Danville	Pittsylvania
Students	11	47	33	60	70	<10

[15] Project HOPE-Virginia, which is Virginia's program for educating homeless children and youth, provides information about students experiencing homelessness. Title IX, Part A of the Every Student Succeeds Act defines homelessness as living in the following places due to a lack of a fixed, regular, and adequate nighttime residence: emergency or transitional shelter; motel, hotel, or campground due to lack of an adequate alternative; a car, park, public place, bus or train station, or abandoned building; doubled up with relatives or friends due to loss of housing, economic hardship, or a similar reason; in the above conditions and is a migratory child or youth.

Local Analyses

The local housing market analyses and needs assessments describe housing and households in each jurisdiction in the WPPDC as well as market conditions and housing needs unique to each jurisdiction. The WPPDC does *not* represent a single housing market, but rather includes submarkets in at least three distinct markets. As such, the local analyses are extremely important to understanding the region and what contributions each jurisdiction makes to the market or markets to which it belongs.

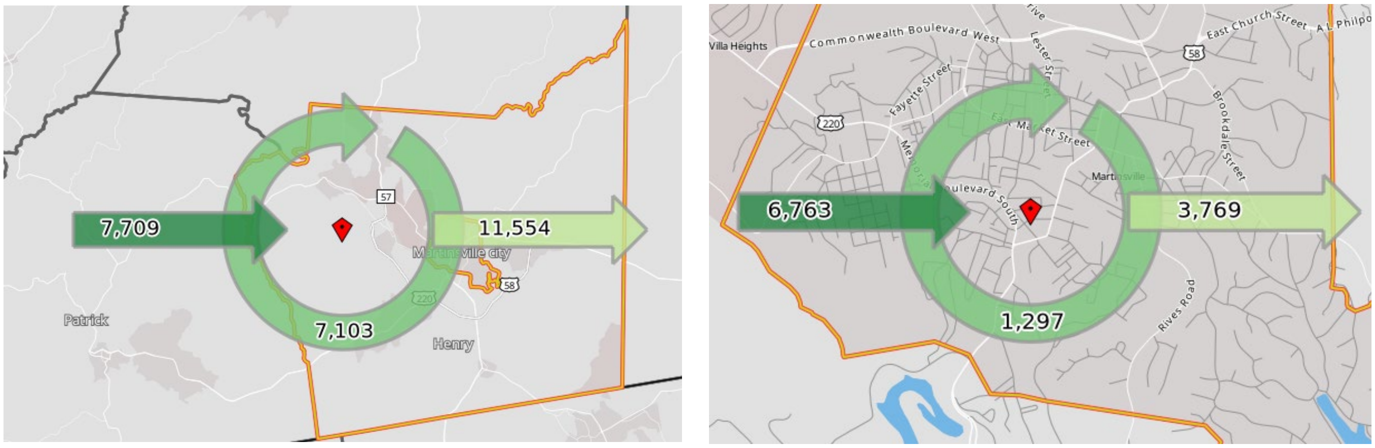
Henry-Martinsville Regional Housing Market

Based on commuting patterns, the WPPDC is a good approximation of the housing market for Henry County and the city of Martinsville. Much of the commuting from Martinsville is to Henry County. Likewise, the largest portion of workers commuting from Henry County commute to Martinsville. The city of Danville and Franklin County receive the next largest proportions of Henry County and Martinsville workers. Smaller portions of workers commute beyond the PDC.

Of the 18,657 working individuals who live in Henry County, 7,103 (38%) work in the county itself and 3,187 (11%) work in Martinsville. The rest work in surrounding areas: 7% commute to Danville or Pittsylvania County, 5.8% commute to Franklin County, and 3.6% each commute to Rockingham County, North Carolina, and the city of Roanoke. Most Henry County workers also live in the county (47%) or Martinsville (10%). Others commute from other WPPDC jurisdictions—Patrick (6%), Franklin (5%), Pittsylvania (5%), Danville (3%)—or from Rockingham County, North Carolina (4%).

Figure 19: 2020 Inflow/Outflow of Henry County (Left) and Martinsville (Right) Workers for Primary Jobs

Source: U.S. Census Bureau, Center for Economic Studies, LEHD



Just over a quarter of workers (25.6%) who reside in Martinsville also have their primary job in the city (1,297 out of 5,066). The most significant portion of the workforce, 32%, commutes to Henry County. This indicates a significant interdependence between Henry County and Martinsville. Additionally, smaller proportions of the workforce commute to Danville (6.9%), Franklin County (4.1%), the city of Roanoke (3.1%) and Rockingham County, North Carolina (3%). Most Martinsville workers live in Henry County (38%%) or the city (16%). Others commute from other WPPDC jurisdictions—Patrick (4%), Franklin (5%), Pittsylvania (6%), Danville (4%)—or from Rockingham County, North Carolina (3%).

Households

As of 2021, 51,077 people reside within 20,516 households in Henry County and an additional 13,476 people within 5,656 households in the city of Martinsville. Among Henry County households, 330 live in the town of Ridgeway. The number of households and housing units in Ridgeway is too small to create reliable estimates from ACS sample data, so Ridgeway will not be highlighted separately from county data.

The racial profiles of Henry County and Martinsville show significant variation. In Henry County, the majority of householders identify as white, accounting for 75% of the total households, while Black householders comprise 22% of all households. In contrast, Martinsville presents a more balanced racial profile, with 47% of its householders identifying as white and a nearly equal proportion, 46%, as Black. *Individuals* identifying as Hispanic make up around 6% of the population in Henry County and 7% of Martinsville's population; however, the population of *householders* identifying as Hispanic is too small to provide a reliable estimate.

The median householder age in Henry County is 48 years. Median householder age in Martinsville is lower, at 40.6 years. In Henry County, 41% of households have at least one person who is 65 or older. This statistic is noticeably higher compared to Martinsville and to the commonwealth, where only 31%

of households and 29% of households, respectively, include a person 65 or older. The higher median age and the higher proportion of households with older members in Henry County has implications for housing needs as discussed in later sections.

Living Arrangements

Henry County and Martinsville have a significant portion of one- and two-person households. In Henry County, 37% of households are composed of a single individual, while two-person households account for 36%. The remaining households are made up of three people (15%) or four or more people (12%). Martinsville households have a similar distribution: 39% of households consist of one person, 34% are two-person households, and the rest are made up of either three-person households (12%) or households with four or more individuals (15%).

The significant presence of one- and two-person households in both Henry County and Martinsville suggests a prevalence of smaller family units and singles, including an aging population living alone or in couples and younger people living independently or as couples[16]. Henry County has 3,180 householders living alone, with 37.6% (1,195) of those being 65 and older. Martinsville has 951 householders living alone, and the data suggest that between 147 to 295 of them are 65 and older.

Tenure

As of 2021, 72.4% of households in Henry County own their homes, compared to a lesser rate of 57.7% in Martinsville. Several factors likely contribute to this difference. One major aspect is racial composition. In Henry County, 72% of householders identify as white, and among them, 77% own their home, compared to households who identify as Black, among whom 59% own their home. In Martinsville, 47% of householders identify as white, and among them, 76% own their home, compared to a lower proportion of householders who own their home and identify as Black (38%).

In the United States, the homeownership rate of white households is 20% to 30% higher than that of Black households, and the disparity has increased from the 1970s to the 2010s[17]. Researchers investigating the causes of racial/ethnic disparities in homeownership have noted inter-group differences in important predictors of homeownership[18]. However, the disparity between white and Black households remains statistically significant when controlling for economic indicators, and the size of the disparity increases as household affluence decreases[19].

The extent and direction of kin-network wealth transfers likely contributes to this disparity. For moderate-wealth households, financial transfers from parents or extended family members have been

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[16] Most households in Henry County are families (58%) or singles (37%). Likewise, in Martinsville, 56% of households are families and 39% are singles (VCHR tabulation of 2021 ACS 5-year Estimates, Table S1101). Other households are made up of unrelated individuals.
[17] Goodman & Mayer 2018
[18] see Alba & Logan 1992, Wachter & Megbolugbe 1992, Hall & Crowder 2011, and Hilber & Liu 2008
[19] Alba & Logan 1992; Gyourko et al. 1999

shown to be instrumental to meeting down payment and closing costs[20]. In addition, access to kin-network wealth helps households deal with the costs of emergency repairs and other shocks, making homeownership more secure, and it may influence a household's decision to apply for mortgage financing[21]. Moderate-income Black households are less likely to receive financial assistance from parents or relatives and more likely to provide such support to parents or relatives in need[22].

Institutional credit access has also been shown to vary by race. Controlling for indicators of creditworthiness, Black households are more likely than white households to be rejected for a mortgage loan and less likely to apply[23]. The 2007-2008 foreclosure crisis caused disproportionate loss of homeownership among Black households, as the transition from redlining to "greenlining" in majority-Black urban areas meant Black homeowners disproportionately held subprime mortgages[24].

Quantitative analysis cannot evaluate racial discrimination as a causal factor in disparate homeownership rates. However, based on the high share of the Black-white disparity that cannot be explained by confounding variables, as well as experimental and audit evidence that discrimination based on race remains pervasive in housing and credit markets[25], it is likely that racial discrimination is a causal factor. Furthermore, even when homeownership disparities can be largely explained by group differences in the social, economic, and contextual determinants of homeownership, it is important to note that these group differences themselves reflect structural disadvantages shaped and perpetuated by discrimination[26].

Median age difference is another aspect of tenure. The higher homeownership rate in Henry County is also associated with its older population, as older individuals generally have had more time to acquire assets and financial stability, leading to a greater likelihood of homeownership. Henry County's homeownership rate by age of the householder is higher than Martinsville's regardless of age category, and both areas show that homeownership rates increase as the age of the householder increases. In Henry County, 86% of households with a householder 65 or older own a home, while in Martinsville, 72% of those own a home.

Finally, household size might also play a role in this difference. The average household size in Henry County is 2.45 people, while in Martinsville, it is slightly smaller, at 2.31 people. Larger households may be more likely to opt for homeownership over renting, for reasons such as seeking more space, investing for future generations, or desiring more control over their living environment. Therefore, the larger household size in Henry County could contribute to its higher homeownership rate. Other elements could also influence homeownership rates. For example, economic factors like local employment rates, income levels, and home prices can play a significant role in determining whether households rent or own. These aspects are discussed in more detail in succeeding sections.

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[20] Engelhardt & Mayer 1998
[21] Hall & Crowder 2011
[22] (Chiteji & Hamilton 2002)
[23] (Charles & Hurst 2002)
[24] loans (Faber 2018)
[25] (Pager & Shephert 2008)
[26] (Kuebler & Rugh 2013)

Housing Insecurity

In Henry County, 3,839 households (18.7% of all households) are cost-burdened, spending 30% or more of their income on housing. Housing cost burden is more prevalent in Martinsville, where 1,440 households, representing 25.5% of total households, face the same issue. Cost-burdened households may have to compromise other necessities such as food, clothing, medical care, and education to accommodate housing expenses. Moreover, a significant number of these cost-burdened households are *severely* cost-burdened, meaning they spend more than 50% of their income on housing. In Henry County, 9.9% of households are severely cost-burdened. In Martinsville, severe cost burden is acute, with 19.6% of all households paying 50% of their income or more for housing. Severely cost-burdened households often make choices between housing and other basic necessities and may be at risk for homelessness in the event of an emergency expense or economic hardship.

Tenure plays a crucial role in housing affordability, with renters more vulnerable to increasing housing costs than homeowners. Evidence of this vulnerability can be found among cost-burdened households. In Henry County, 38.3% of renters are cost-burdened compared to 27.5% of homeowners with a mortgage and 7.3% of homeowners who own their home free and clear. The situation for renters is similar in Martinsville, with 40.9% of renters being cost-burdened. However, a far greater percentage of homeowners with a mortgage, 40.4%, is cost-burdened in Martinsville. Nearly 9% of Martinsville homeowners who own their home free and clear are cost-burdened.

Cost-burdened renters are more likely to be at risk for eviction and homelessness in the event of an unexpected household expense such as a medical need or car repair. The mortgage finance system generally prevents homeowners from being cost-burdened when they buy their home, and often homeowners' income increases over the life of their mortgage. Homeowners also face relatively little change in housing costs compared to renters. Homeowners may become cost-burdened due to economic hardship such as job loss, death of a family member, or fixed incomes that do not keep up with rising costs of taxes, utilities and insurance. When cost-burdened owners choose other necessities over housing, they may still make mortgage payments or even own their home free and clear. However, they often defer maintenance and forgo upgrades, threatening both their wellbeing and the community's housing stock. Martinsville staff explained that housing conditions are related to both deferred maintenance and vacancy (vacancy is discussed further in the "Housing Stock" section). Further, staff noted that vulnerable households have been targeted for predatory residential solar energy schemes and other dishonest home improvement proposals. Solutions like the Weatherization Assistance Program, Indoor Plumbing Repair, and other home-repair programs can reduce housing costs and provide overdue upgrades, benefiting both the resident and the community. However, these programs may be best coordinated by trusts, local government entities where scams "compete" with legitimate programs. Further complicating the matter, few contractors are available to do rehabilitation work.

In Henry County and Martinsville, Black households are cost-burdened at a higher rate compared to their white counterparts. In Henry County, 28% of Black households are cost-burdened, higher than the 19% of white households. The disparity is more pronounced in Martinsville, where 39% of Black households are cost-burdened compared to 27% of white households. Households with householders identifying as Black are also more likely to have low incomes. In both Henry County and Martinsville, 49% of white households are classified as low-income households compared to 56% of Black households.

Households are more likely to make tough choices between housing and other needs when they have low incomes. These households are also more likely to be at risk for homelessness in the event of an unexpected household expense such as a medical expense or major appliance failure. According to CHAS 5-year 2019 data, 38% of low-income households (those earning 80% or less of AMI) in Henry County experience housing cost burden and 59% in Martinsville.

The income thresholds for low-income households in 2023, represented in Figure 20, show that a four-person household with an income of $56,500 or lower is classified as having a “low income”. Households with extremely low or very low incomes are likely to qualify for housing assistance programs.

Figure 20: 2023 HUD Low Income Limits: Henry County-Martinsville city, VA HUD Nonmetro FMR Area

	Median Income	Person in Family			
FY2023 Income Limits		1	2	3	4
Extremely Low (30%)	$60,100	$14,850	$19,720	$24,860	$30,000
Very Low (50%)		$24,750	$28,250	$31,800	$35,300
Low (80%)		$39,550	$45,200	$50,850	$56,500

Figure 21: Households by Income
Source: VCHR tabulation of 2015–2019 CHAS Data
Note: Cost-burden decreased from 2019 to 2021 in many places, likely due to pandemic support such as rental assistance and the federal Child Tax Credit. Preliminary data from 2022 suggest that these improvements were reversed as pandemic support programs ceased.

	Henry		**Martinsville**	
	Households	**Cost-Burdened**	**Households**	**Cost-Burdened**
Low Income Households (<80% of AMI)	10,850	4,175	2,955	1,750
Total Households	21,220		5,530	

Households experiencing homelessness are often less visible in suburban, exurban, and rural contexts. Because services for households experiencing homelessness in the county are limited, those who are unsheltered may have to leave the county to obtain temporary shelter. Other households may “couch surf,” moving between the homes of friends and family; squat in unused buildings; or camp. The annual point-in-time counts conducted by Continuums of Care include households experiencing literal homelessness—those who are living in a shelter and who are unsheltered—and often cannot capture the full magnitude of homelessness experienced in areas with few services. As such, counts of school-aged children experiencing homelessness are often a better indicator of homelessness challenges in these contexts. According to statistics from Project HOPE[27] for the 2020-2021 school year, 60 students in Henry County and 33 students in Martinsville were identified as experiencing homelessness.

Figure 22: Children Experiencing Homelessness
Source: Project HOPE Virginia 2020-21 school year

Division #	Name	# of Enrolled Students Identified
044	Henry County Public Schools	60
116	Martinsville City Public Schools	33

Workforce Affordability

In Henry County, the majority of households, 58% or 11,810 households, have at least one working individual. Among households with workers, 6,769 consist of a single worker, 4,478 include two workers, and 563 households have three or more workers. Conversely, 8,706 households do not have any employed individuals. Households who are not working are likely to be retired since 41% of households have at least one person 65 or older; 5,720 or 28%, are receiving retirement income; and 9,630 households, or 46.9%, are receiving Social Security income. A small percentage of householders may have disabilities that prevent them from working[28].

Similarly, in Martinsville, 64% or 3,641 households have at least one employed individual. Breaking down the working households further, 2,380 households consist of one worker, 1,118 have two workers, and a mere 43 households have three or more workers.

The 5,656 households who have no workers are likely to be retired since 45% of households have at least one person 65 and older; 1,174 or 20.7% receive retirement income; and 2,032 households, or 35.9%, receive Social Security income. Martinsville has a higher population of households who may not be working due to disability. Households receiving Supplemental Security Income (SSI) can be a proxy for this population. In Martinsville, 582 households, or 10.3%, receive SSI.

Henry County residents have a median income of $41,103, while those in Martinsville earn a median of $36,832. Although Martinsville has a higher percentage of working households, their earnings are slightly lower than in Henry County.

[27] Project HOPE-Virginia, which is Virginia's program for educating homeless children and youth, provides information about students experiencing homelessness. Title IX, Part A of the Every Student Succeeds Act defines homelessness as living in the following places due to a lack of a fixed, regular, and adequate nighttime residence: emergency or transitional shelter; motel, hotel, or campground due to lack of an adequate alternative; a car, park, public place, bus or train station, or abandoned building; doubled up with relatives or friends due to loss of housing, economic hardship, or a similar reason; in the above conditions and is a migratory child or youth.

[28] 1,369 households, or 6.7%, in Henry County receive Supplemental Security Income (SSI). These households have few assets and are elderly or have a disability that prevents them from working.

Figure 23: Working Households
Source: 2021 ACS 5-year Estimates

	Henry County	Martinsville city
Working	11,810 (58%)	3,641 (64%)
Not Working	8,706	5,656

VCHR compares maximum affordable housing costs by occupation to housing costs in order to determine which workers may struggle to afford housing. VCHR compared this data for households in three scenarios: a single earner, earning at the median for his or her occupation; dual earners, both earning at an occupation's median wage; and a single earner, earning at the 90th percentile. VCHR chose these scenarios to benchmark the experience of typical households. Households generally include one or two workers. VCHR included an analysis of housing affordability for earners at the 90th percentile to consider whether households can more readily afford housing later in their career, with increased skill or experience.

Among the top 10 occupations in Martinsville shown in Figure 24, single earners in only three of these occupations can afford the median rent in Martinsville without straining their budget. Specifically, only customer service representatives, registered nurses, and office clerks (general) can comfortably afford median rental rates by allocating 30% or less of their monthly income. A significant proportion of workers in Martinsville, particularly those in service and support roles, may find it challenging to secure affordable housing. The picture becomes even more concerning in regard to homeownership. Only registered nurses can afford the median owner costs with a mortgage as a single earner with median wages. This reality presents a potential hurdle for many workers wishing to lay down roots in Martinsville. When examining workers in the 90th percentile of income for their respective occupations, the scenario somewhat improves. Occupations like retail salespersons, customer service representatives, registered nurses, stockers and order fillers, and office clerks (general) can afford owner costs with a mortgage.

Figure 24: Housing Affordability for Top Ten Occupations by Employment in Martinsville

Source: VCHR Tabulation of 2021 JobsEQ Data and 2021 ACS 5-year Estimates

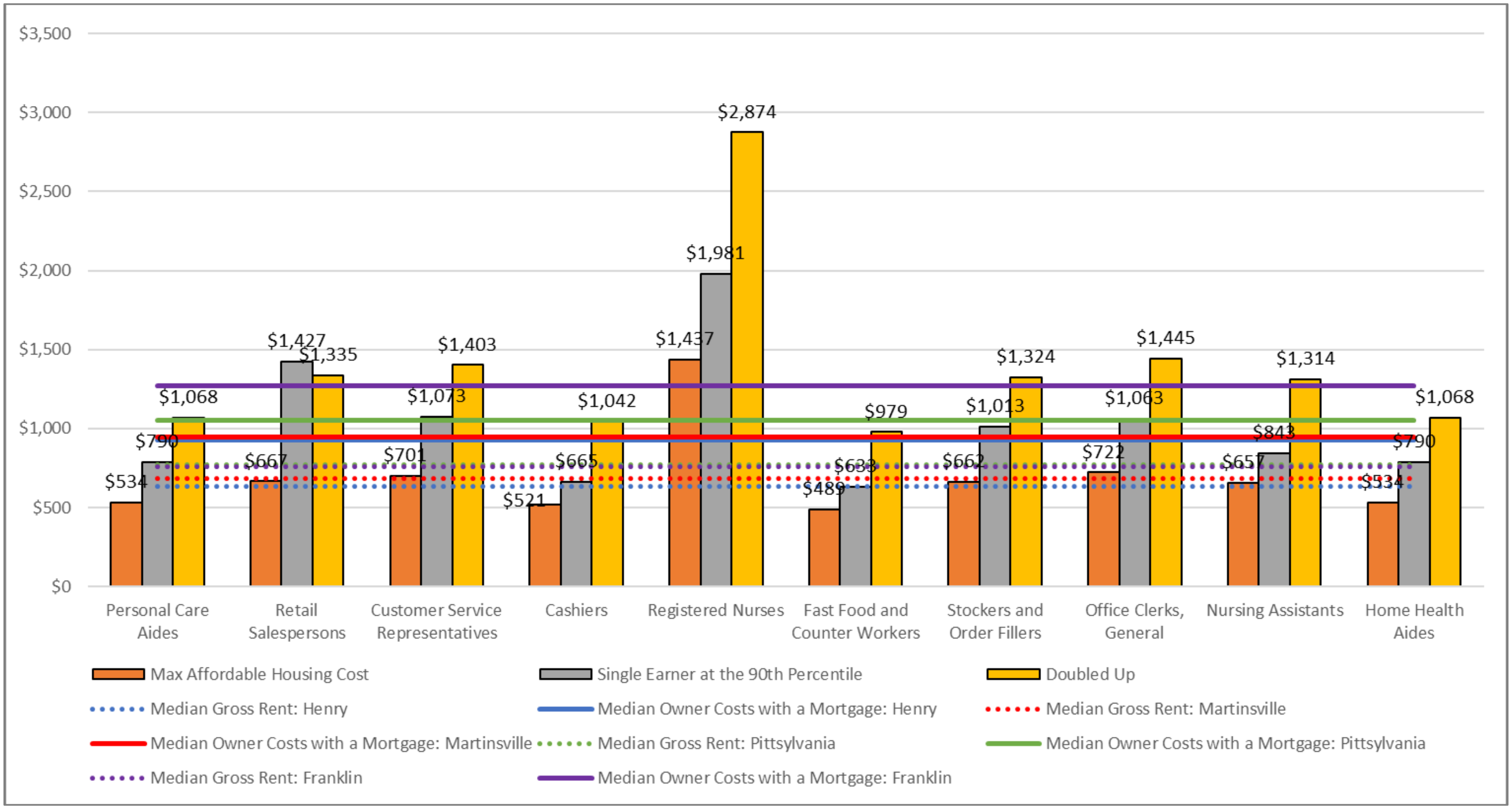
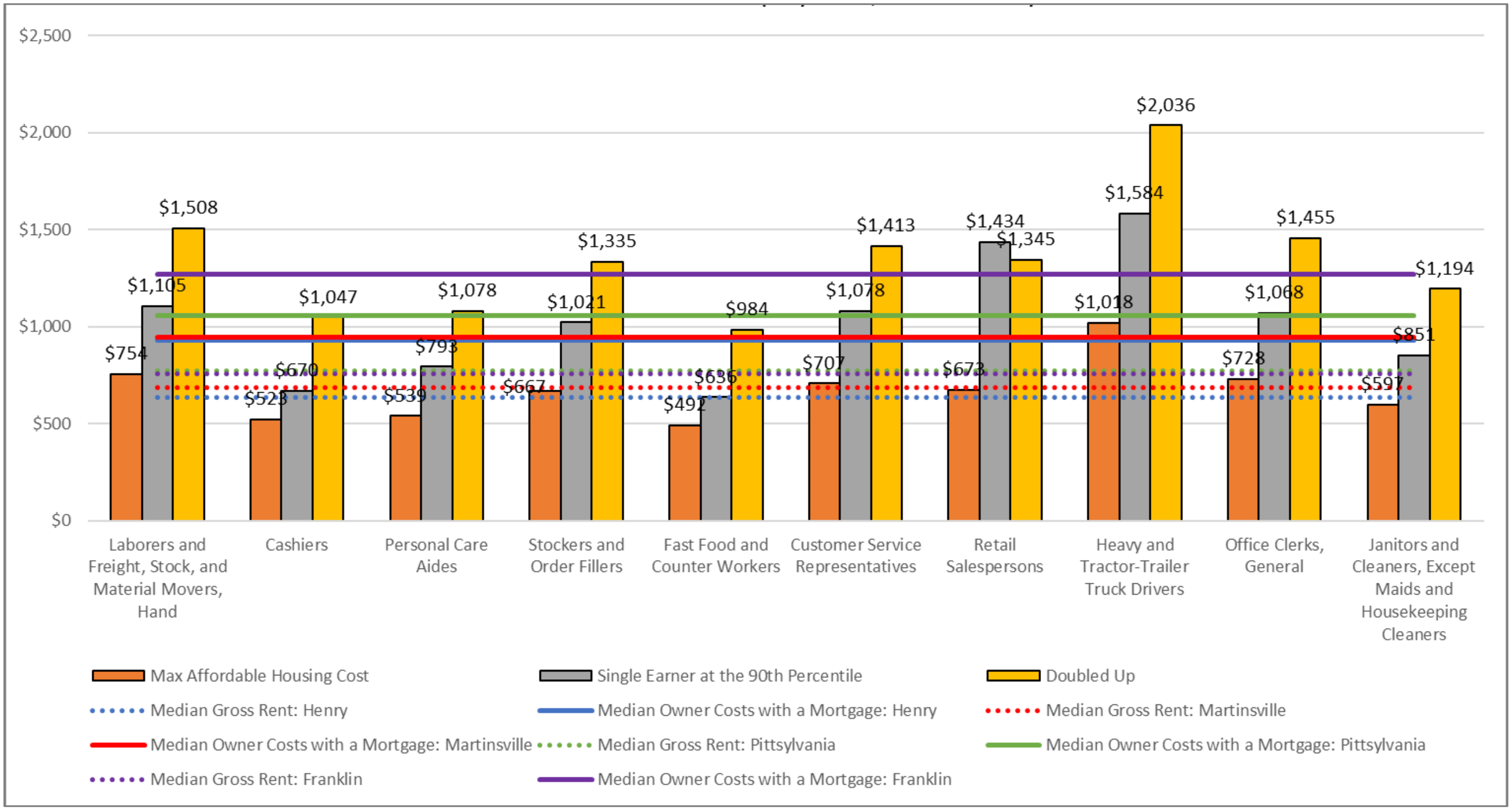


Figure 25: Housing Affordability for Top Ten Occupations by Employment in Henry County
Source: VCHR Tabulation of 2021 JobsEQ Data and 2021 ACS 5-year Estimates



Henry County offers a housing stock affordable to workers in more of the top 10 occupations by employment; however, those in service occupations may struggle to find affordable housing, especially those who are living independently or supporting a family as a single earner. In Henry County, workers in six of the top 10 occupations by employment can afford the median rent in Henry County by dedicating 30% or less of their monthly income. Specifically, those in the roles of laborers and freight, stock, and material movers; stockers and order fillers; customer service representatives; retail salespersons; heavy and tractor-trailer truck drivers; and office clerks can afford the median rental costs as a single earner with median wages. Experienced or skilled workers with high wages in any occupation can afford the median rent as a single earner. Homeownership poses a steeper challenge. Among the top 10 occupations, only heavy and tractor-trailer truck drivers can shoulder the median owner costs with a mortgage as a single earner with median wages. A considerable portion of Henry County's workforce may be unable to transition from renting to owning a home if they cannot achieve higher earnings or do not share their housing costs with another earner. Considering the top earners within these professions, specifically those in the 90th percentile of their income bracket, more occupations can afford median owner costs with a mortgage: laborers and freight, stock, and material movers, hand; cashiers; stockers and order fillers; customer service representatives; retail salespersons; heavy and tractor-trailer truck drivers; and office clerks.

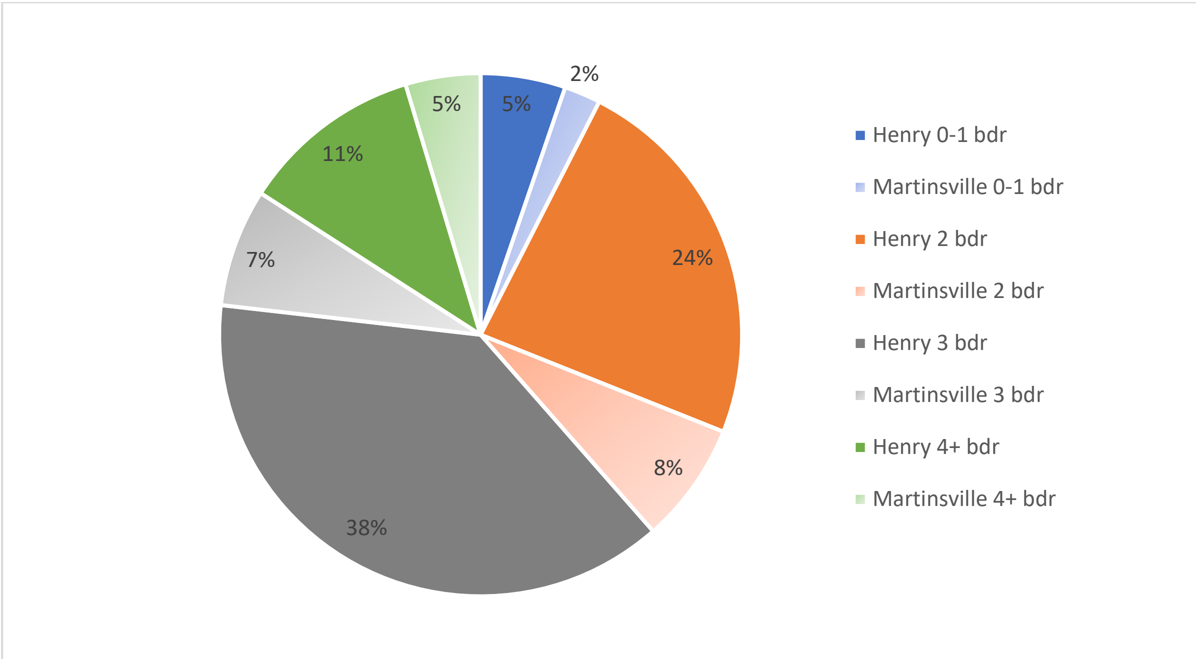
Housing Stock

Henry County's housing stock largely consists of single-family homes, accounting for 90.2% of all housing options in the area. This includes 17,621 detached, site-built units, and 5,247 mobile or manufactured homes. In Martinsville, single-family homes, while still prevalent, only account for 76.4% of the total housing stock. The city's housing stock includes relatively few mobile or manufactured homes, with a range of 23 to a potential maximum of 177. According to data from the Department of Motor Vehicles (DMV), as of June 2022, 5,271 mobile or manufactured homes are registered in Henry County and 130 mobile or manufactured homes are registered in Martinsville. The remainder of Martinsville's housing stock (23.6%) is composed of 1,670 multifamily units.

Bedrooms

In Henry County, a significant portion of the housing stock is dominated by three-bedroom units, accounting for 48.9% of housing stock. Housing units with four or more bedrooms make up about 14.4% of the housing stock. Taken together, homes with three or more bedrooms account for a sizable 63.3% of all units in the county. Martinsville exhibits a more balanced distribution in terms of bedrooms. Approximately one-third of the housing units in the city (34.5%) consist of two-bedroom homes, while three-bedroom homes are nearly at the same proportion, making up 33.6%. Housing units with four or more bedrooms comprise a considerable 21.4% of the housing stock. This suggests that a majority of housing units in the city provide ample space, with almost 55% having three or more bedrooms.

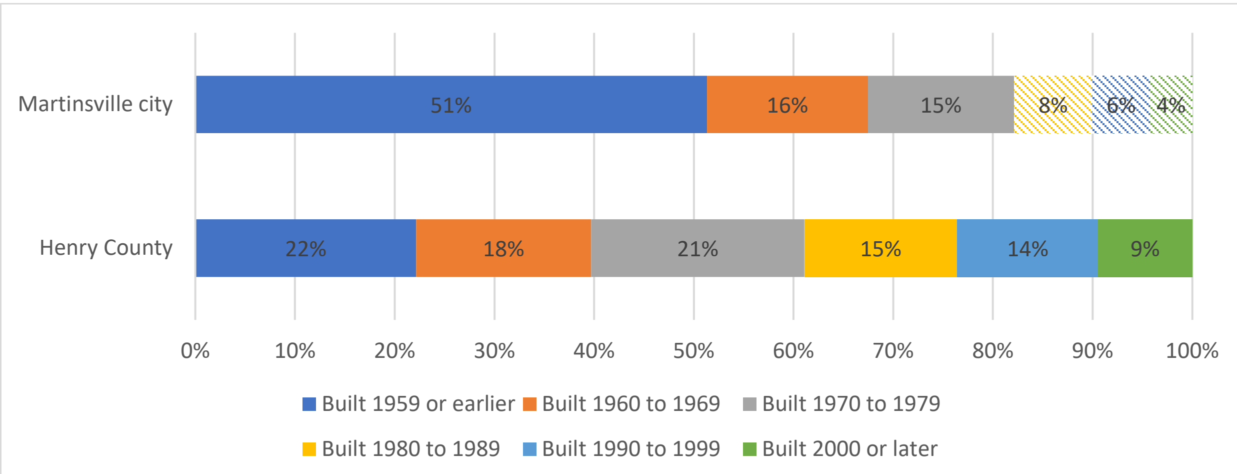
Figure 26: Housing units in Henry County and Martinsville by Number of Bedrooms
Source: VCHR tabulation 2021 ACS 5-year Estimates



Units by Year Built

Approximately 9.4% of the housing inventory in Henry County was constructed after the year 2000. In Martinsville, only about 4.2% of the housing stock was constructed after the year 2000. This data indicates limited housing development activity in the recent past in both Henry County and Martinsville. Given the percentage, it's possible that a significant portion of the housing stock may be older.

Figure 27: Housing Units by Year Built[29]
Source: 2021 ACS 5-year Estimates
Note: The hashed part of the graph indicates that the data is not reliable.



Market Conditions

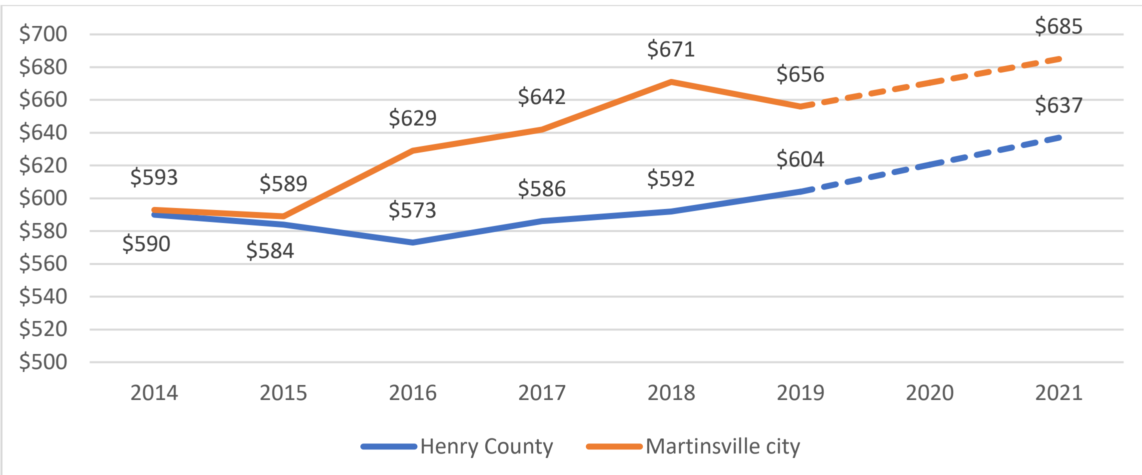
Henry County has a total of 25,545 housing units, reflecting 24% more units than households. Out of the 5,029 vacant units, a relatively small number (185 units) are held for seasonal, recreational, or other occasional use. Most vacant units, 71% (or 3,568 units), are categorized as long-term vacancies, which can include properties that are abandoned, slated for demolition, or held without being occupied for an extended duration. Such a high percentage of long-term vacancies can pose challenges for community revitalization and housing market stability. Martinsville, with 7,065 housing units, has 24% more units than its 5,656 households. Among the city's 1,409 vacant units, units held for seasonal, recreational, or occasional use are minimal, ranging from 3 to a possible 143 units. Most vacant homes, 58% or 817 units, are considered long-term vacancies. The prevalence of such vacancies, similar to Henry County, could lead to challenges in housing market dynamics.

[29] Building since 2021 not reflected in local assessment data. According to CoStar data, 1 property with 40 units is under construction in Henry County. 1 property with 52 units will be under construction in Martinsville city.

Rental Market

The rental market in Henry County has shown a trend of fluctuating rents from 2014 to 2021. There was a decline in rents from 2014 to 2016, but since 2017, there has been a gradual increase. Over the four years from 2017 to 2021, gross rents in Henry County rose by approximately 8.7%. Martinsville's rental market shows an increase in rents. The overall trend indicates a rising demand for rental units in the city. However, the continuous escalation of rents in the city could create or exacerbate affordability for renters, many of whom already face housing instabilities.

Figure 28: Median Gross Rent
Source: VCHR tabulation of 2015-2021 ACS 5-year, not adjusted



There are 437 to 823 vacant rental homes in Henry County, representing 6.7% to 12.5% of all rental housing units. There are between 150 and 428 vacant rental units in Martinsville, representing 5.3% to 15.1% of all rental housing units. These market vacancy rates for rental units indicate that the *quantity* of rental units is adequate and that new developments, or ideally the purchase and conversion of existing units, should be focused on responding to the need for more affordable housing for severely cost-burdened households, including many workers in the city and the county. Henry County staff also discussed the housing preferences of new workers and explained that many new residents are not ready to buy the "typical" home in the county. They explained that younger workers with good paying jobs in the county aren't looking for single-family homes to live in and may benefit from more variety in the rental stock.

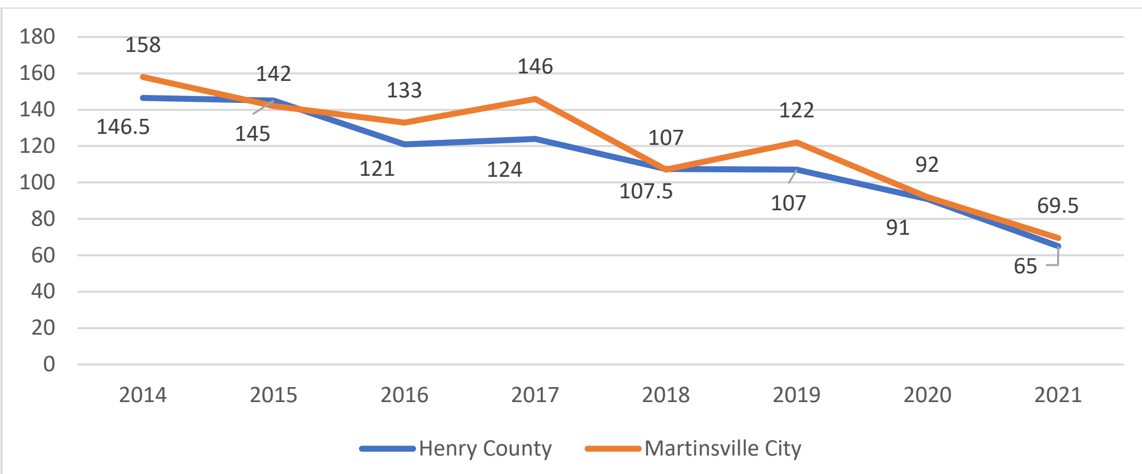
Homeownership Market

In the for-sale housing market, sales data is used to assess the balance between supply and demand. The for-sale housing market in Henry County has become significantly competitive over the years, as indicated by the median Days on Market (DOM). In 2014, the median DOM stood at a relatively high 146.5 days, suggesting homes took nearly five months to be sold. However, by 2021, this figure had decreased to 65 days, implying a healthy pace in the housing market with homes being sold in just over two months. Martinsville showed a similar trend, but slightly slower than Henry County. Starting with a median DOM of 158 days in 2014, the figure was reduced to 69.5 days by 2021.

The steady decrease in median DOM indicates increasing demand and improving market health; however, DOM are not yet low enough to indicate that supply is inadequate. DOM below 30 would indicate that the market is shifting to a "seller's market" that may begin to exclude first-time homebuyers or those who need unconventional financing. Nonetheless, wages in the region and associated affordable housing costs demonstrate that many low- and moderate-income, working households are already excluded from the market. Increasing prices along with recent increases in interest rates will further exclude these households and potentially threaten businesses' ability to retain workers.

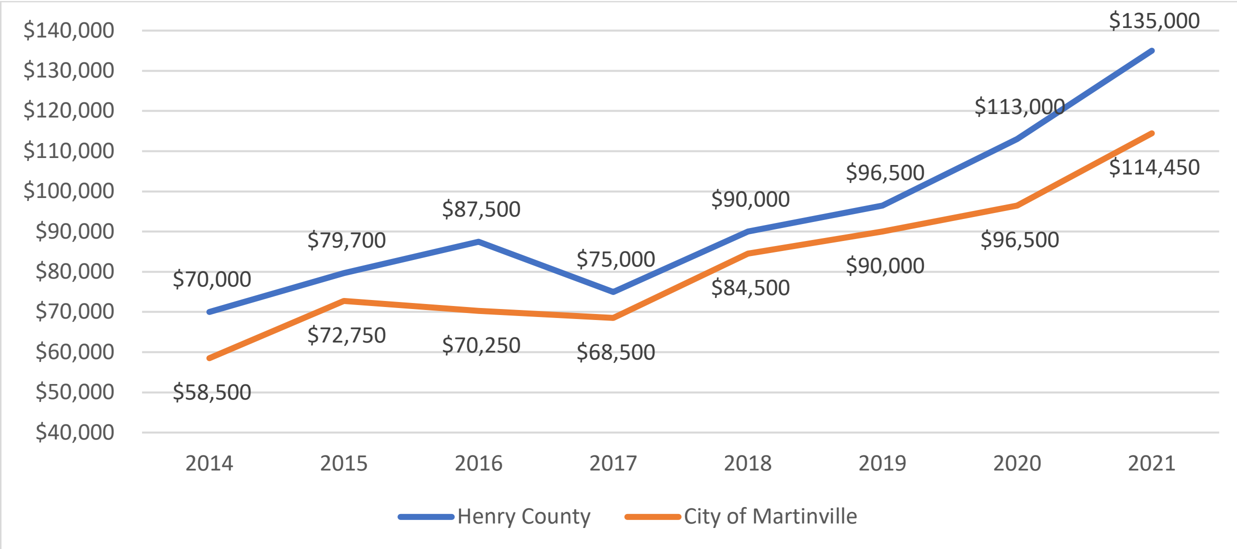
Figure 29. Median Days on the Market (DOM)

Source: VCHR Tabulation of 2014-2021 MLS Data



Over the years, the median sold prices increased consistently and significantly, also reflecting the growing demand for homeownership in the county. From 2014 to 2021, median price nearly doubled from $70,000 to $135,000, marking an impressive 93% increase. Martinsville's housing market also experienced a substantial boost in median sold prices. In the period from 2014 to 2021, there was an approximately 95.5% increase, with prices growing from $58,500 to $114,450. This suggests a robust demand for the city's residential properties. Increases in price substantiate the health of the for-sale housing market and give buyers confidence that they will be able to build equity in their home, attracting more potential buyers to the market.

Figure 30. Median Sold Price
Source: VCHR Tabulation of 2014-2021 MLS Data



Increasing demand and relative market health benefits both owners and the two municipalities. Increasing prices are likely to incentivize investment in housing, alleviating some concerns about housing condition. In addition, increasing prices may encourage owners who have been holding vacant units in the long term to sell, reducing the number of long-term vacancies. Nonetheless, not all owners will have the financial means to make investments or relocate to units more desirable for aging. Henry County staff explained that some households are aging in place out of necessity. Programs such as tax abatement for seniors, critical home repair, USDA home renovation loans, the Weatherization Assistance Program, and Indoor Plumbing Repair may benefit these households.

Henry-Martinsville Conclusions

Henry County and the city of Martinsville are complementary housing submarkets, with Martinsville offering more urban and suburban living and Henry County offering opportunities for more rural and small-town life. These contexts are also associated with different housing types: manufactured homes, site-built single-family homes, and small-scale and medium-scale multifamily. Households choose where to live based on commute needs and preferences and housing needs and preferences, as well as access to services, amenities, and social or family networks. Given the interactions between the two submarkets and similarities in housing challenges, planning for housing and addressing housing needs in partnership will offer opportunities to gain efficiencies and improve outcomes for a variety of household types.

Rental vacancy rates and median days on the market indicate that the total supply of housing is adequate to house residents and balance demand. The greatest challenges in both localities are housing types and affordability. As such, working to preserve existing stock and increase the portion of existing units that are income-restricted should be the highest priority.

Any new housing should be smaller and respond to the preferences of new workers *and* seniors who are downsizing in both the city and county. Smaller households who require efficiency-style, one- or two-bedroom units are far more common than units with two or fewer bedrooms. Seniors make up a large part of the population of one- and two-person households and will seek accessibility and proximity to services. New workers often seek rental opportunities where they can access amenities, save, and evaluate whether they want to stay in the area in the longer term. Small households can benefit from the addition of smaller, multifamily units with more-appropriate square footage and number of bedrooms. In this case, land costs will be distributed among a larger number of units, which can in turn increase the number of affordable, high-quality units without subsidy.

The condition of both the city and county housing stock is threatened by vacancy and housing cost burden among owners. Nearly 4,400 housing units are abandoned, slated for demolition, or otherwise held in the long term without being occupied. Abandoned properties can be a health and safety hazard, but properties held in the long term may be livable housing units. Both jurisdictions need to encourage the upkeep of such properties and may want to incentivize their sale or rental as housing demand increases.

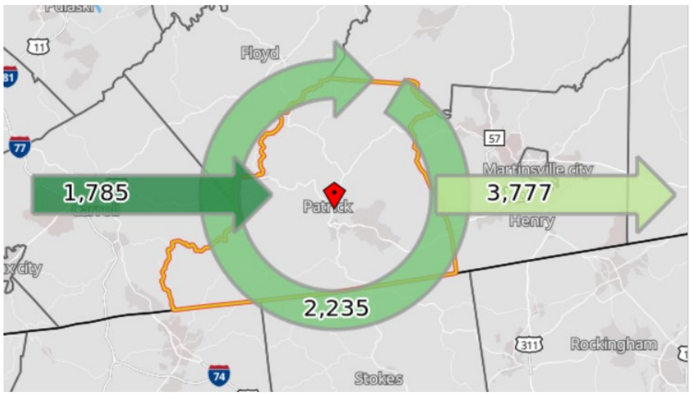
When homeowners are cost-burdened, they may choose to defer maintenance or forgo upgrades in favor of necessities like food, childcare, and medical care. More than 900 owners in Martinsville and nearly 2,340 owners in Henry County are cost-burdened and may benefit from programs such as tax abatement for seniors, critical home repair, USDA home renovation loans, and the Weatherization Assistance Program, among others. Full use of these programs requires significant planning and coordination to build trust and enthusiasm among low-income owners, many of whom are seniors. Local coordination of these and other services will help stabilize and support households experiencing housing insecurity.

Building a program that coordinates and increases access to existing resources could address a number of challenges beyond those of existing homeowners, including racial disparities in homeownership and challenges in housing affordability and acute affordability among renters. Individual households and the community as a whole can benefit from increasing renter access to supports that allow them to save for homeownership; increasing opportunity for low- and moderate-income households to become homeowners and build wealth; and removing barriers to fair housing.

Patrick County Regional Housing Market

The Patrick County housing market, defined based on commuting patterns, is connected to the WPPDC region, and extends beyond into adjacent counties. Among the 6,012 workers residing in Patrick County, approximately 37% are employed within the county itself, and among them, 16% work in the town of Stuart. Those who commute out of the county primarily commute west to Henry County (14%) and to Martinsville (6.2%). Just over 7% commute southeast to Surry County, North Carolina.

Figure 31: 2020 Inflow/Outflow of Patrick County Workers for Primary Jobs
Source: U.S. Census Bureau, Center for Economic Studies, LEHD



Of the 4,020 individuals working in Patrick County for their primary jobs, 56% live within the county, enjoying the benefits of proximity between their residence and workplace. Those commuting to Patrick County from outside have diverse residences, mostly in neighboring counties: among them, 9.1% live in Henry County, followed by 6.2% in Carroll County, and 4.1% in Floyd County. Some of these workers may choose to live in Patrick County if the appropriate housing is available. County stakeholders discussed limited availability of housing, especially rental housing, that would be attractive to prospective residents and workers. More information on affordability among workers is included in the "Workforce Housing" section.

Households

As of 2021, 17,661 people comprise 7,732 households in Patrick County. The county includes the town of Stuart with 518 households. The number of households and housing units in Stuart is too small to create reliable estimates from ACS sample data, so Stuart will not be highlighted separately from county data in most instances.

Most households (78%) in Patrick County own their homes, though Stuart has a more balanced mix of renters and owners. Owners include householders 25 and older, most (84%) of whom are 45 or older. Most owners (57%) own their home free and clear, without a mortgage or other loan (e.g., chattel loan for manufactured housing).

Renters are largely aged 25 to 54 (58%). Some will likely transition to homeownership or leave the county as they age and their life situation changes (e.g., marry, have children, advance in their career). However, among renters, the proportion of households led by someone 65 or older (at least 24%) is higher than any other WPPDC jurisdiction.

The majority (72%) of households are composed of one or two individuals, indicating a prevalence of smaller family units. Two-person households, mostly married couples, make up the largest demographic subset, accounting for 41% of all households[30]. Among single-person households, those 65 and older make up the largest group; at least 528 seniors live alone. Thirteen percent of all households consist of three people, and 14% of households consist of four or more people.

Housing Insecurity

Among WPPDC jurisdictions, Patrick County has the lowest proportion of households with incomes below the poverty line and the lowest percentage of households with housing cost burden, spending more than 30% of their income for housing. Nonetheless, nearly half (45%) of households have low incomes, and county stakeholders expressed concern regarding the housing conditions of those living in deep poverty.

Figure 32: 2023 HUD Low Income Limits: Patrick County, VA

	Median Income	Person in Family			
FY2023 Income Limits		1	2	3	4
Extremely Low (30%)	$73,500	$14,850	$19,720	$24,860	$30,000
Very Low (50%)		$24,750	$28,250	$31,800	$35,300
Low (80%)		$39,550	$45,200	$50,850	$56,500

The income thresholds for low-income households in 2023, represented in Figure 32, show that a four-person household with an income of $56,500 or lower is classified as having a "low income." These groups are highly likely to qualify for government housing support programs such as the Weatherization Assistance Program, USDA renovation loans or grants, and the Indoor Plumbing Repair program.

Figure 33: Poverty Status in the Last 12 Months

Source: 2021 ACS 5-year Estimates

Poverty Level	Franklin	Henry	Patrick	Pittsylvania	Danville	Martinsville
Families	10.4%	10.7%	7.7%	11.3%	19.1%	16.9-29.3%
People	13.3%	14.9%	10.8%	15.2%	23.1%	25.4%

Approximately 1,240 households in the county are cost-burdened. Cost-burdened households may have to compromise on other necessities such as food, clothing, medical care, and education to accommodate housing expenses. Households are more likely to make these tough choices if they are cost-burdened

[30] 37% of households in Patrick County are non-family households (i.e., those living alone or with people who are not family). Most non-family households are singles, so very few households are composed of roommates.

and have low incomes—as is the case with 1,115 households in Patrick County. Moreover, a significant number of these cost-burdened households are *severely* cost-burdened, meaning they spend more than 50% of their income on housing. In Patrick County, this represents between 5% and 9% of total households. Severely cost-burdened households often make choices between housing and other basic necessities and may be at risk for homelessness in the event of an emergency expense or hardship.

Figure 34: Cost-burdened and Low-income Cost-Burdened Households (% of total households)
Source: VCHR tabulation of 2019 CHAS 5-year for WPPDC Jurisdictions

	Franklin		Henry		Patrick		Pittsylvania		Danville		Martinsville	
Cost-Burdened	4,845	37%	4,625	22%	1,235	16%	5,400	21%	5,725	31%	1,855	34%
Low-Income (<80% of AMI) Cost-Burdened	4,025	33%	4,175	20%	1,115	14%	4,910	19%	5,330	29%	1,750	32%

Households experiencing homelessness are often less visible in suburban, exurban, and rural contexts. Because services for households experiencing homelessness in the county are limited, those who are unsheltered may have to leave the county to obtain temporary shelter. Other households may "couch surf," moving between the homes of friends and family; squat in unused buildings; or camp. The annual point-in-time counts conducted by Continuums of Care include households experiencing literal homelessness—those who are living in a shelter or who are unsheltered—and often cannot capture the full magnitude of homelessness experienced in areas with few services. As such, counts of school-aged children experiencing homelessness are often a better indicator of homelessness challenges in these contexts. According to statistics from Project HOPE[31] for the 2020-2021 school year, 47 students in Patrick County were identified as experiencing homelessness.

Tenure plays a crucial role in housing affordability, with renters more vulnerable to increasing housing costs than homeowners. Renters in Patrick County tend to face cost burden more often than homeowners: 20% to 40% of renters are cost-burdened compared to 13% to 24% of homeowners with a mortgage. Cost-burdened renters may be more likely to be at risk for eviction and homelessness in the event of an unexpected household expense such as a medical need or car repair. The mortgage finance system generally prevents homeowners from being cost-burdened when they buy their home, and often homeowners' income increases over the life of their mortgage. Homeowners also face relatively little change in housing costs compared to renters. Homeowners may become cost-burdened due to economic hardship such as job loss, death of a family member, or fixed incomes that do not keep up with rising costs of taxes, utilities, and insurance. When cost-burdened owners choose other necessities over housing, they may still make mortgage payments or even own their home free and clear. However, they

[31] Project HOPE-Virginia, which is Virginia's Program for educating homeless children and youth, provides information about students experiencing homelessness. Title IX, Part A of the Every Student Succeeds Act defines homelessness as living in the following places due to a lack of a fixed, regular, and adequate nighttime residence: emergency or transitional shelter; motel, hotel, or campground due to lack of an adequate alternative; a car, park, public place, bus or train station, or abandoned building; doubled up with relatives or friends due to loss of housing, economic hardship, or a similar reason; in the above conditions and is a migratory child or youth.

often defer maintenance and forgo upgrades, threatening both their wellbeing and the community's housing stock.

Workforce Housing

Nearly 60% of households (4,635) in Patrick County include at least one working individual. The median household income of residents stands at $47,215, which translates to maximum affordable housing costs of approximately $1,180 per month.

Figure 35: Working Households

Source: 2021 ACS 5-year Estimates

	Patrick County
1 worker	2,501 (32%)
2 or more workers	2,134 (28%
Not Working	3,097 (40%)

Most non-working households are likely to be retired seniors: 43% of households have at least one person 65 and older, 52% (4,003 households) are receiving Social Security income, and 27% (2,103 households) are receiving retirement income. Non-working households may also be disabled or elderly with little or no assets. At least 359 households, or 4.6%, in Patrick County receive Supplemental Security Income (SSI).

Figure 36: Sources of Income Beyond Employment Income

Source: 2021 ACS 5-year estimates

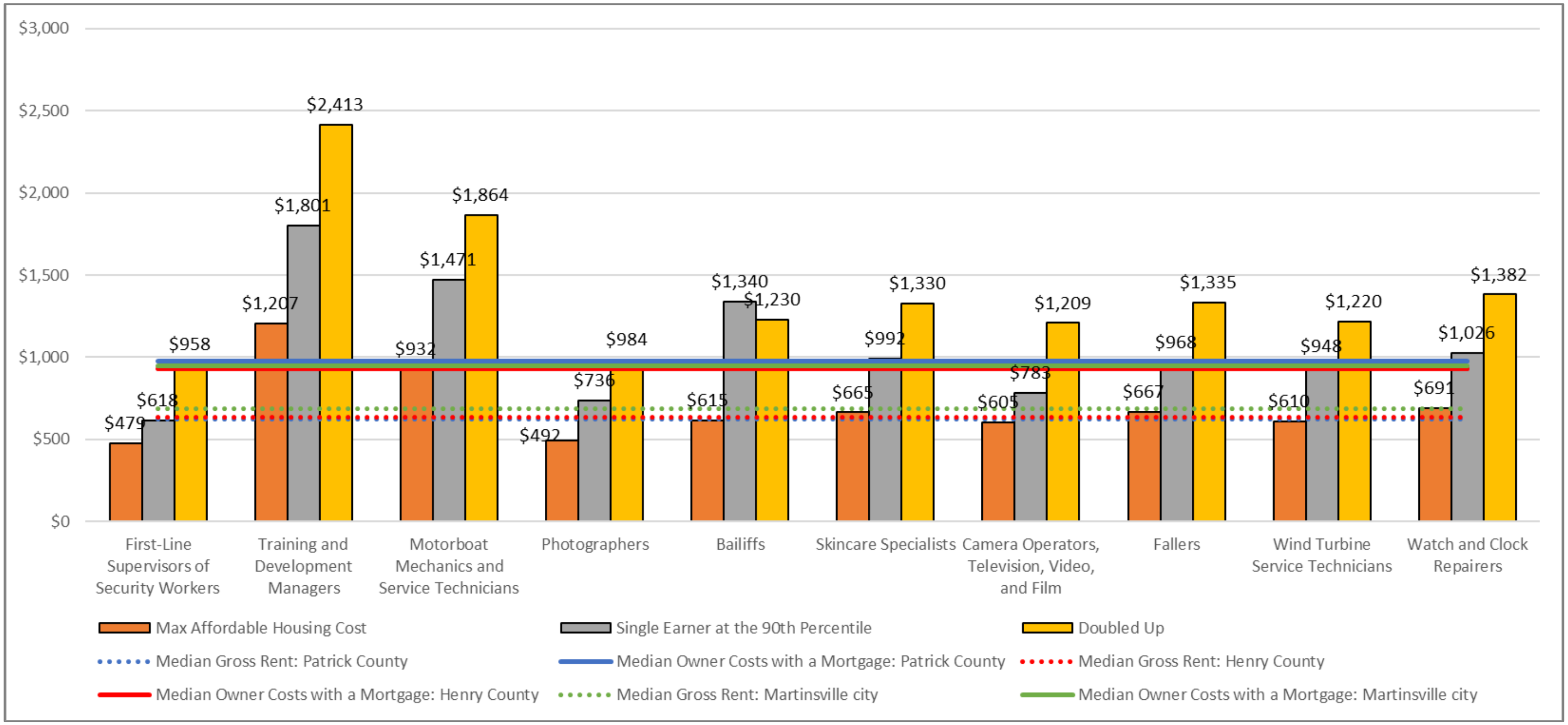
Households	Franklin County	Henry County	Patrick County	Pittsylvania County	Danville city	Martinsville city
With retirement income	28.7%	27.9%	27.2%	28.1%	25.4%	20.8%
With Social Security	44.9%	46.9%	51.8%	45.7%	40.8%	35.9%
With Supplemental Security Income (SSI)	6.3%	6.7%	4.6-8.3%	6.4%	10.0%	6.2-14.3%

VCHR compares maximum affordable housing costs by occupation to regional housing costs in order to determine which workers may struggle to afford housing. VCHR compared this data for households in three scenarios: a single earner, earning at the median for his or her occupation; dual earners, both earning at an occupation's median wage; and a single earner, earning at the 90th percentile. VCHR chose these scenarios to benchmark the experience of typical households. Households in Patrick County generally include one or two workers. VCHR included an analysis of housing affordability for earners at the 90th percentile to consider whether households can more readily afford housing later in their career, with increased skill or experience. This analysis for the top 10 occupations by employment is shown in Figure 37.

Workers in five of the top 10 occupations in Patrick County can afford the county's median rent without straining their budget. First-line supervisors of security workers, which is the county's top occupation, cannot cover the lower-quartile gross rent ($503/month) with a median wage. Workers such as photographers; bailiffs; camera operators, television, video, and film; and wind turbine service technicians cannot afford the median gross rent ($637/month). When considering workers who earn in the 90th percentile of their respective occupations, the situation improves. However, first-line supervisors of security workers still cannot afford the median rent. If households include two workers with median wages for a given occupation, they can afford the upper-quartile rent regardless of their job. These households—excluding first-line supervisors of security workers— can also afford owner costs with a mortgage.

Figure 37: Housing Affordability for Top Ten Occupations by Employment in Patrick County

Source: VCHR Tabulation of 2021 JobsEQ Data and 2021 ACS 5-year Estimates



Housing Stock

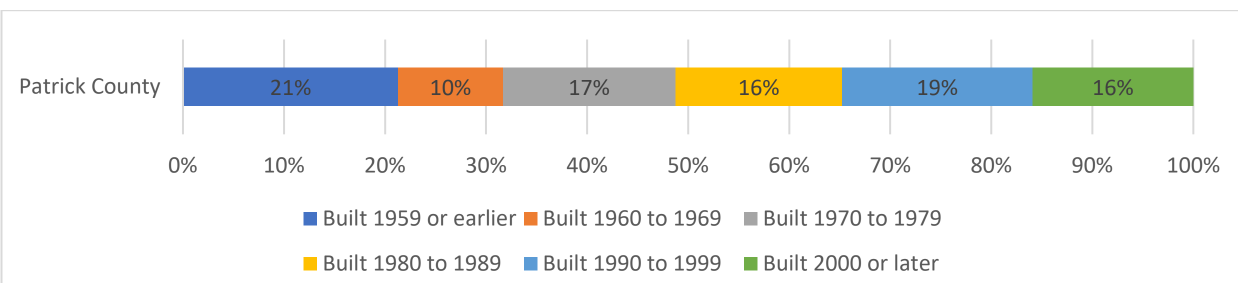
Patrick County's housing stock largely consists of single-family homes, accounting for 95% of all housing options in the area. This includes 7,030 detached, site-built units, and 2,417 mobile or manufactured homes. According to data from the Department of Motor Vehicles (DMV), as of June 2022, 2,875 mobile or manufactured homes are registered in Patrick County. It is likely that most of the registered units are occupied as residences, rather than being used for storage or businesses and offices. Interviewees explained that many mobile or manufactured units are concentrated in "parks," mostly along the U.S. 58 corridor, and that many of these units are visibly substandard and occupied by households living in severe poverty. Interviewees explained that there are only two developments with subsidized, income-restricted housing (Cotton Mill with 40 units and Cedar Square with 48 units[32]) and that many households must accept "deplorable" homes in order to access housing at all.

Roughly half of the housing units in Patrick County (55%) consist of three-bedroom homes. Housing units with four or more bedrooms make up about 10% of the housing stock, meaning nearly two-thirds of all units in the county have three or more bedrooms. Considering that about 67% of households in Patrick County consist of two or fewer people, there is a discrepancy between housing size and household size. Developing smaller, well-located units could benefit both current and future residents, as the trend toward smaller households is consistent both locally and beyond.

Housing Unit Age and Condition

Only 16% of housing units in Patrick County were built in the last two decades (i.e., after 2000). Very few houses have been built recently: at least 207 housing units and no more than 547 have been built since 2010. Almost half of the housing stock was built before 1980.

Figure 38: Housing Units by Year Built
Source: VCHR tabulation of 2021 ACS



The energy performance, maintenance costs, and upgrade costs of a housing unit depend greatly on the unit's age. Older units usually cost more to heat and cool and require more maintenance and upgrades to retain their full market value. Homes built before 1939 are generally considered "historic." Because these homes have often been upgraded or preserved, it can be difficult to draw conclusions about their

[32] Unit counts from the National Housing Preservation Database. Cedar Square is a Community Housing Partners property.

performance or upgrade needs. Generally, they have high maintenance costs regardless of the overall condition. Homes built in the ’40s and ’50s benefit from the solid construction of that era, and typically have had up to two “upgrades” in their history. Housing built in the 1960s, although modest and well built, is often less well located and has higher transportation costs. Homes built in the 1970s, ’80s and ’90s are notably less well constructed compared to older housing. Many of the housing units built in the 1960s, and an even larger share of housing units from the 1970s and 1980s, have not had any major upgrades since their original construction and may need upgrades soon to remain competitive in their housing markets. Households with high-energy costs can be a proxy for housing condition because older homes that have not been updated tend to cost more to heat and cool. VCHR estimated the number of households with average monthly energy costs greater than $289[33] using the 2019 ACS Public Use Microdata Sample (PUMS) 5-year estimates. An estimated 1,627 households in Patrick County have high energy costs. Many of them are concentrated in the western portion of the county (shown in darker orange). There are 691 households who have low incomes and high energy costs resulting in an energy burden. These households would be excellent candidates for home repair and rehabilitation incentives, as well as weatherization.

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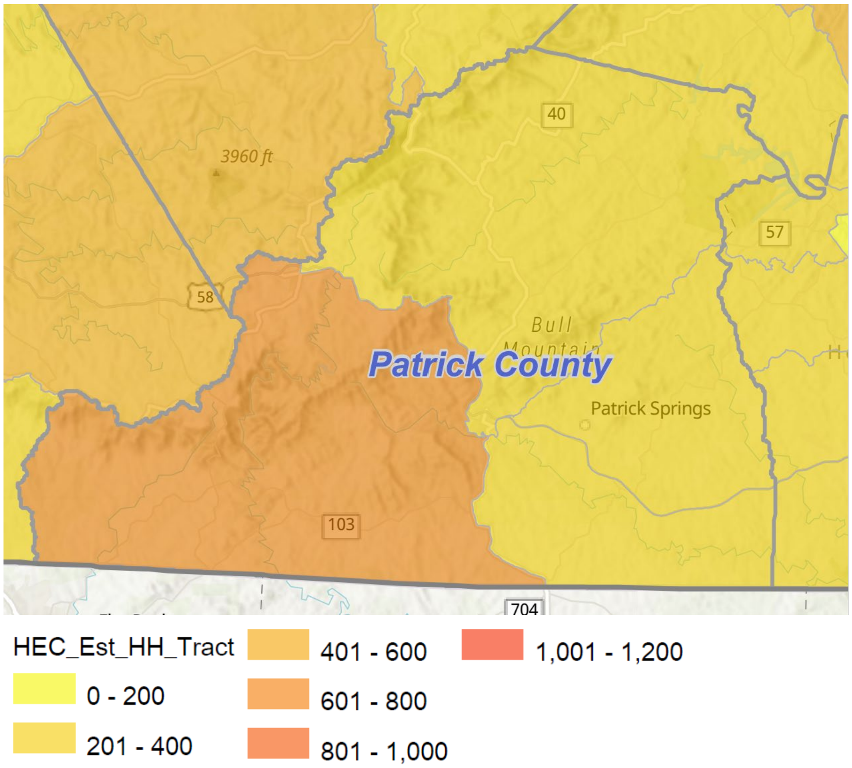
[33] VCHR defined high energy costs as those in the top 25% for the WPPDC PUMA, which excludes Franklin County.
[34] VCHR defined high energy costs as those in the top 25% for the West Piedmont PDC PUMA which excludes Franklin County.

Figure 39: Households with High Energy Costs

Source: VCHR 2022 Estimates generated from VCHR tabulations of 2019 ACS and 2019 ACS PUMS Data



Market Conditions

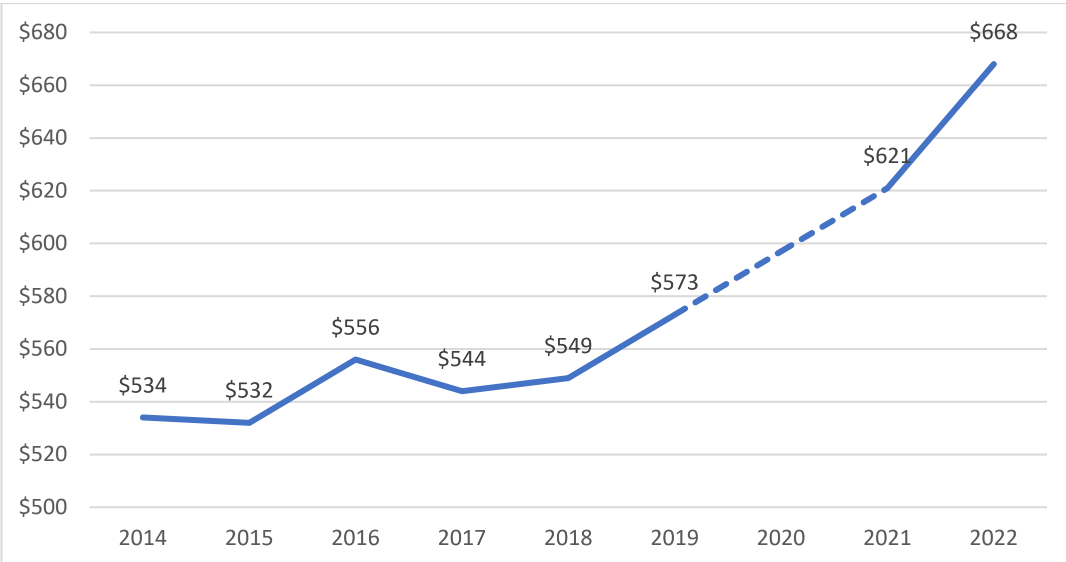
Patrick County has 10,014 housing units, resulting in 30% more units than households. Among 2,282 vacant units, 1,312 (or 44%) of them are long-term vacancies—abandoned, slated for demolition, or otherwise held in the long term without being occupied. At least 18% (maximum 42%) of them are held for seasonal, recreational, or other occasional use and demonstrate demand from second-home buyers over and above demand from residents and prospective residents. Between 0.4% and 4.1% of all housing units are vacant and available for sale or rent. County stakeholders suggest that housing availability is limited, especially rental housing that is not readily advertised and must therefore be identified through word of mouth.

Owner costs among households with a mortgage in Patrick ($976/month) are higher than those in Henry County and Martinsville, but lower than those in most other jurisdictions in the region. Patrick County's median gross rent ($637/month) is the lowest in the region.

Increasing rents between 2018 and 2021 indicate increased demand for and scarcity of rental units. Since 2018, the rental costs in the county have escalated approximately 13%. Although the proportion of rental housing within the county isn't substantial, the demand for such accommodations exists.

Figure 40: Median Gross Rent

Source: VCHR tabulation of 2015-2022 ACS 5-year, not adjusted



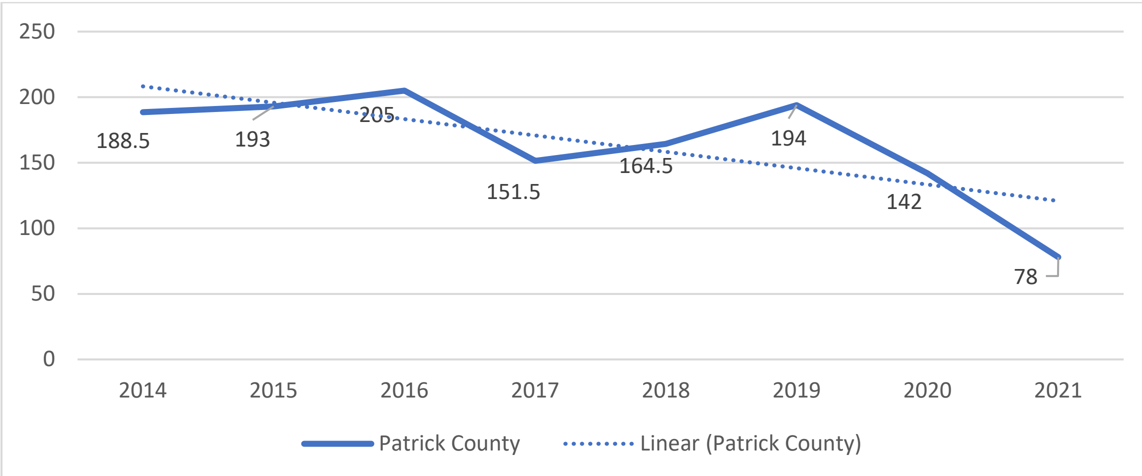
There is not enough data to evaluate whether the total quantity of rental housing is adequate[35]; nonetheless, increased rents, resulting in heightened living costs, could pose a significant challenge to renters in the area. County stakeholders discussed the scarcity of rental units and also the extremely poor conditions of some rental units. Adding well-managed, subsidized, income-restricted units to serve the most vulnerable households in the county may liberate some households from the "last resort" shelter they currently inhabit and remove predatory landlords' opportunity to take advantage of these households.

VCHR uses sales data to assess the relationship between supply and demand in the for-sale housing market. In Patrick County, a property typically remains on the market for about three months (78 days) before it's sold. However, there's been a consistent decline in the median Days on Market (DOM) from nearly seven months in 2016, suggesting a steady increase in housing demand. Despite this increase in demand, Patrick County has a higher DOM compared to surrounding areas. The recent decrease in median DOM indicates increasing demand and improving market health; however, DOM are not yet low enough to indicate that supply is inadequate. DOM below 30 would indicate that the market is shifting to a "seller's market" that may begin to exclude first-time homebuyers or those who need unconventional financing.

[35] There are 9 to 193 vacant rental homes in Patrick County, representing 0.5% to 10.7% of all rental housing units.

Figure 41: Median Days on the Market (DOM)

Source: VCHR Tabulation of 2014-2022 MLS Data



The median sold price has steadily increased since 2015, also reflecting the growing demand for homeownership in the county. From 2015 to 2021, median price nearly doubled from $85,000 to $171,000. Increases in price substantiate the health of the for-sale housing market and give buyers confidence that they will be able to build equity in their home, attracting more potential buyers to the market.

Figure 42: Median Sold Price

Source: VCHR Tabulation of 2014-2021 MLS Data

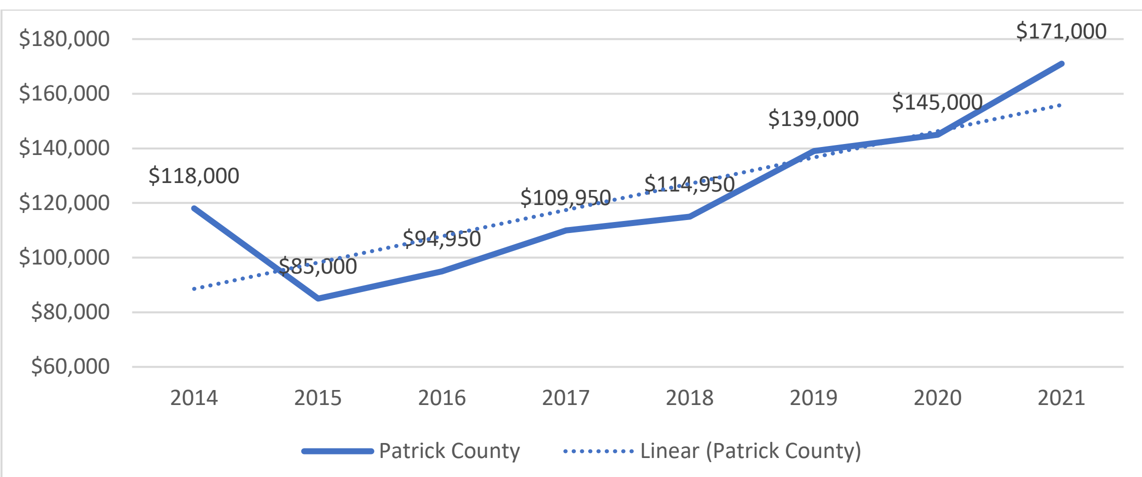
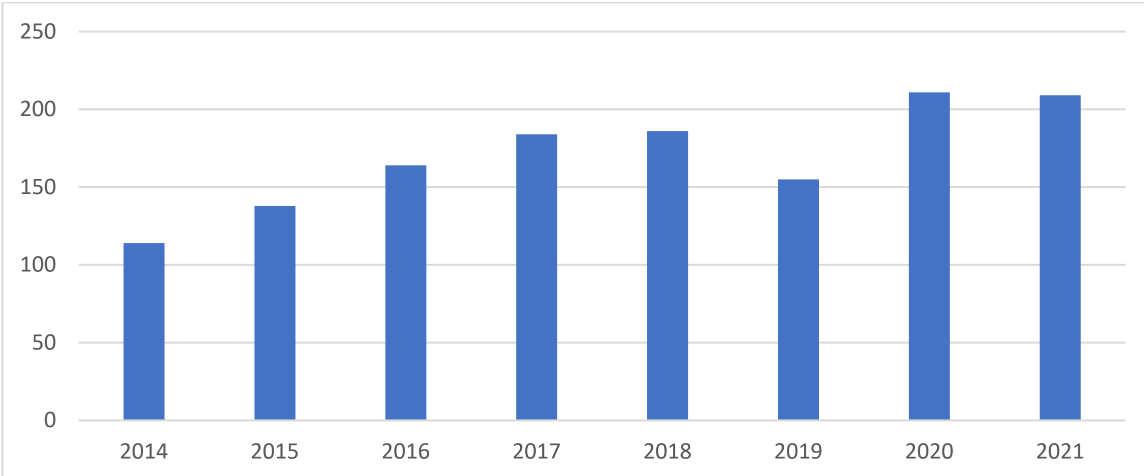


Figure 43: Number of Patrick County Home Sales Annually
Source: VCHR Tabulation of 2014-2021 MLS Data



Patrick County Conclusions

Rural housing markets around the U.S. have seen increasing demand for housing, which has improved previously weak markets. While improving housing markets offer opportunities for community and economic development, markets that become too tight jeopardize the improved position of many households and increase the need for communities to preserve housing affordability. The relative affordability of housing in many rural places, as compared to more populous areas, can attract new residents and encourage growth. If demand stays strong, rural places will need to preserve the relative affordability of their housing stock to sustain market growth and the socio-economic diversity of their communities.

Increasing rents and homeownership costs often impact low- and moderate-income households the most. This group includes a wide range of low-wage workers such as security workers, bailiffs, and wind turbine technicians in Patrick County. Like everyone else, these households need affordable rental housing on the path toward building wealth through homeownership. Communities without attainable rental housing options may not be able to attract or keep the types of workers they need to sustain the development opportunities that stronger demand and healthy markets present to them.

There are more than 1,000 vulnerable households in Patrick County, primarily working households or retired seniors. Working households need attainable, affordable rental housing, so they can save to eventually buy a home, promoting financial wellbeing and economic opportunity through the rest of their lives. When appropriate and attainable housing is not available to vulnerable households, they may accept substandard housing such as that described by county stakeholders or housing cost burden that puts them at risk for hardship and limits their economic opportunity.

Additional affordable rental units located near amenities and/or employment centers will support county economic development and discourage predatory landlords. These units should appeal to multiple demand segments (e.g., seniors, small families, singles, young workers) and mixed incomes (e.g., seniors on fixed incomes, low-wage workers, single-earner households, higher wage workers).

Vulnerable seniors are most likely to be homeowners (though 24% of renters are 65 or older), and many are likely to be aging in place out of necessity. Senior living and especially affordable assisted living opportunities in the county are limited. The County will need to support seniors who prefer to age in place *and* those who prefer to stay in the county but desire more age-friendly accommodation. Adding accessible units in any development near services and amenities and adding a limited number of affordable assisted living units will support seniors who wish to move to a new unit.

Supporting vulnerable owners, among them seniors who want to age in place, will improve their quality of life and help preserve the county's housing quality. At least 784 owners are cost-burdened and may benefit from programs such as tax abatement for seniors, critical home repair, USDA home renovation loans, and the Weatherization Assistance Program (WAP), among others. At least 690 households have high energy costs and low incomes. Energy-efficiency improvements like those offered through WAP could stabilize these households, benefiting both renters and owners. Full use of these programs requires significant planning and coordination to build trust and enthusiasm among low-income households, many of whom are seniors. Local or regional coordination of these and other services will help stabilize and support households experiencing housing insecurity.

Franklin Regional Housing Market

Franklin County serves, in part, as a bedroom community for Roanoke, and is likely to be viewed as an alternative market for Roanoke County. More than half (61.4%) of working Franklin County residents commute out of the county for their primary job. The largest proportion of out-commuters, 31.4% of working residents, commute to Roanoke County, Roanoke, and Salem. The next-largest proportion (5.6%) commute to Henry County and Martinsville. Smaller numbers of residents commute further to Montgomery, Bedford, and Botetourt counties.

However, with more than 14,350 jobs, Franklin County is also an employment center. More than half of those jobs are located in the town of Rocky Mount, the county seat. Nearly 8,000 (39%) county residents work in the county, with more than half (4,478) in Rocky Mount. Nearly 6,400 workers commute into the county for their primary job: the largest number commute from Martinsville and Henry County, followed by Roanoke County and Roanoke. Large numbers of workers also commute from Bedford County (578), Pittsylvania County (406), and Danville (166).

During the pandemic, there was a notable shift in the number of work-from-home (WFH) positions across various regions. The ACS data shows an increase in the WFH rate from 4.1% in 2019 to 6.0% in the WPPDC area. These figures reflect a broader trend toward remote work, influenced by the pandemic's impact on traditional work environments and commuting patterns.

Households

As of 2021, 54,829 people within 22,033 households reside in Franklin County. The county includes two towns: Rocky Mount with 2,008 households and Boones Mill with at least 63 households. The number of households and housing units in Boones Mill is too small to create reliable estimates from ACS sample data, so Boones Mill will not be highlighted separately from county data in most instances. Franklin County presents a largely homogeneous racial and ethnic profile: 87% of its residents identify as non-Hispanic white, and 8% as non-Hispanic Black. Franklin County's median age is 48.1 years, which is approximately a decade older than the overall median age in the Commonwealth of Virginia, at 38.5 years. A substantial proportion of households, 41.5%, include at least one member who is 65 or older. This figure is higher than the commonwealth’s average of 29.2%, suggesting a need for facilities and services for seniors.

Tenure

Eighty percent of households own their homes. Householders 25 and older are commonly homeowners. Renter households tend to be younger than owner households: 62% of renter householders are 44 or younger, compared to only 36% among homeowners. Based on the limited data, Rocky Mount has a lower homeownership rate compared to the county average.

Living Arrangements

The majority of households (67%) are composed of one or two individuals, indicating a prevalence of smaller family units. Two-person households, mostly married couples, make up the largest demographic subset, accounting for 40% of all households. More than 6,000 households, or 27%, include one or more children younger than 18. Approximately 9,150 households, or 42%, comprise one or more individuals who are 65 or older. Among the 3,180 households that consist of a single householder living alone in Franklin County, about 2,000, or 63%, are individuals 65 and older .

Housing Insecurity

In Franklin County, 4,366 households spend more than 30% of their income for housing and may have to make choices between housing and other necessities. At least 339 of these households reside in Rocky Mount. Among cost-burdened households, 48% spend more than 50% of their income for housing and are likely to make choices between necessities (e.g. home maintenance, food, medical care, education, clothing) in order to pay for housing. Forty-one percent of cost-burdened households include at least one senior (62 or older). The aging population often faces unique challenges regarding housing affordability. They tend to have fixed or limited incomes, such as Social Security or pensions, which may not keep up with rising housing costs. An inability to cover housing expenses might force seniors to cut back on other essential spending, like medications.

Tenure plays a crucial role in housing affordability, with renters more vulnerable to increasing housing costs than homeowners. Renter households are more likely to experience housing insecurity: 36% of renters are cost-burdened compared to 22% of homeowners with a mortgage. Approximately 20% of renter households spend over 50% of their income on housing costs. Among homeowners who own their homes free and clear, about 9% are cost-burdened.

The mortgage finance system generally prevents homeowners from being cost-burdened when they buy their home, and often homeowners' income increases over the life of their mortgage. Homeowners also face relatively little change in housing costs compared to renters. Homeowners may become cost-burdened due to economic hardship such as job loss, death of a family member, or fixed incomes that do not keep up with rising costs of taxes, utilities and insurance. When cost-burdened owners choose other necessities over housing, they may still make mortgage payments or even own their home free and clear. However, they often defer maintenance and forgo upgrades, threatening both their wellbeing and the community's housing stock. Solutions like the Weatherization Assistance Program, Indoor Plumbing Repair, and other home-repair programs can reduce housing costs and provide overdue upgrades that benefit both the resident and the community.

Households are more likely to make tough choices between housing and other needs when they have low incomes. These households are also more likely to be at risk for homelessness in the event of an unexpected household expense such as a medical expense or major appliance failure. According to CHAS 5-year 2019 data, 66%, or 1,975, of extremely low-income households (those earning 30% or less of AMI) experience housing cost burden and may be at risk for homelessness. The income thresholds for low-income households in 2023, provided in Figure 44, show that a four-person household with an income of $30,000 is classified as an extremely low-income household, and one with an income of $39,400 is considered to have a very low income. Households with extremely low or very low incomes are likely to qualify for housing assistance programs.

Figure 44: 2023 HUD Low Income Limits: Franklin County

	Median Income for family of four	Person in Family			
FY2023 Income Limits		1	2	3	4
Extremely Low (30%)	$82,500	$16,600	$19,720	$24,860	$30,000
Very Low (50%)		$27,600	$31,550	$35,500	$39,400
Low (80%)		$44,100	$50,400	$56,700	$63,000

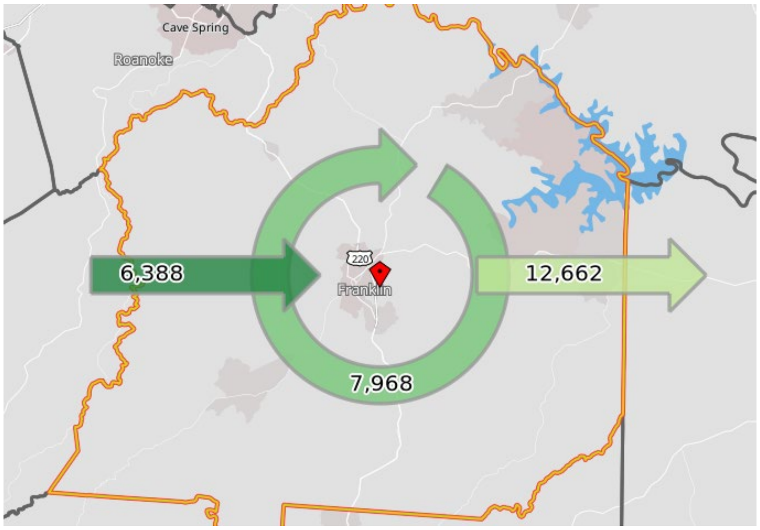
Households experiencing homelessness are often less visible in suburban, exurban, and rural contexts. Since services for households experiencing homelessness in the county are limited, those who are unsheltered may have to leave the county to obtain temporary shelter. Other households may "couch surf," moving between the homes of friends and family; squat in unused buildings; or camp. The annual point-in-time counts conducted by Continuums of Care include households experiencing literal homelessness—those who are living in a shelter or who are unsheltered—and often cannot capture the full magnitude of homelessness experienced in areas with few services. As such, counts of school-aged children experiencing homelessness are often a better indicator of homelessness challenges in these contexts. During the 2020-2021 school year, Franklin County schools reported 11 children who experienced homelessness. Because families must self-identify their housing struggles and may worry about the stigma of receiving services, levels of insecurity are also sometimes undercounted. County staff confirmed that the county's lack of homelessness services is a concerning gap because housing affordability is a substantial issue.

Workforce Affordability

In Franklin County, 61% of households (13,420) include at least one employed individual. Furthermore, 31% of households have two or more workers. Non-working households are likely to be retired, with 6,332 households receiving retirement income. The median household income of residents is $59,667, which translates to maximum affordable housing costs of approximately $1,492 per month. The median household income in Franklin County is lower compared to neighboring Roanoke County ($74,622), but higher than Henry County ($41,103), Martinsville ($36,832), and Roanoke ($48,476). It is noteworthy that the median earnings for workers in Franklin County ($34,723) is similar to Henry County ($30,889), Martinsville ($28,191), and Roanoke ($32,839). However, there is a difference in household income, likely due to variations in the number of workers per household.

Among the 20,630 workers residing in Franklin County, approximately 39% are employed within the county itself. Due to limited job opportunities within Franklin County compared to the number of workers, many residents commute outside the county for work. The destinations for these commuters vary, with 19.2% traveling to Roanoke, 8.2% to Roanoke County, and 4.0% to Salem, among other places.

Figure 45: 2020 Inflow/Outflow of Franklin County Workers for Primary Jobs
Source: U.S. Census Bureau, Center for Economic Studies, LEHD



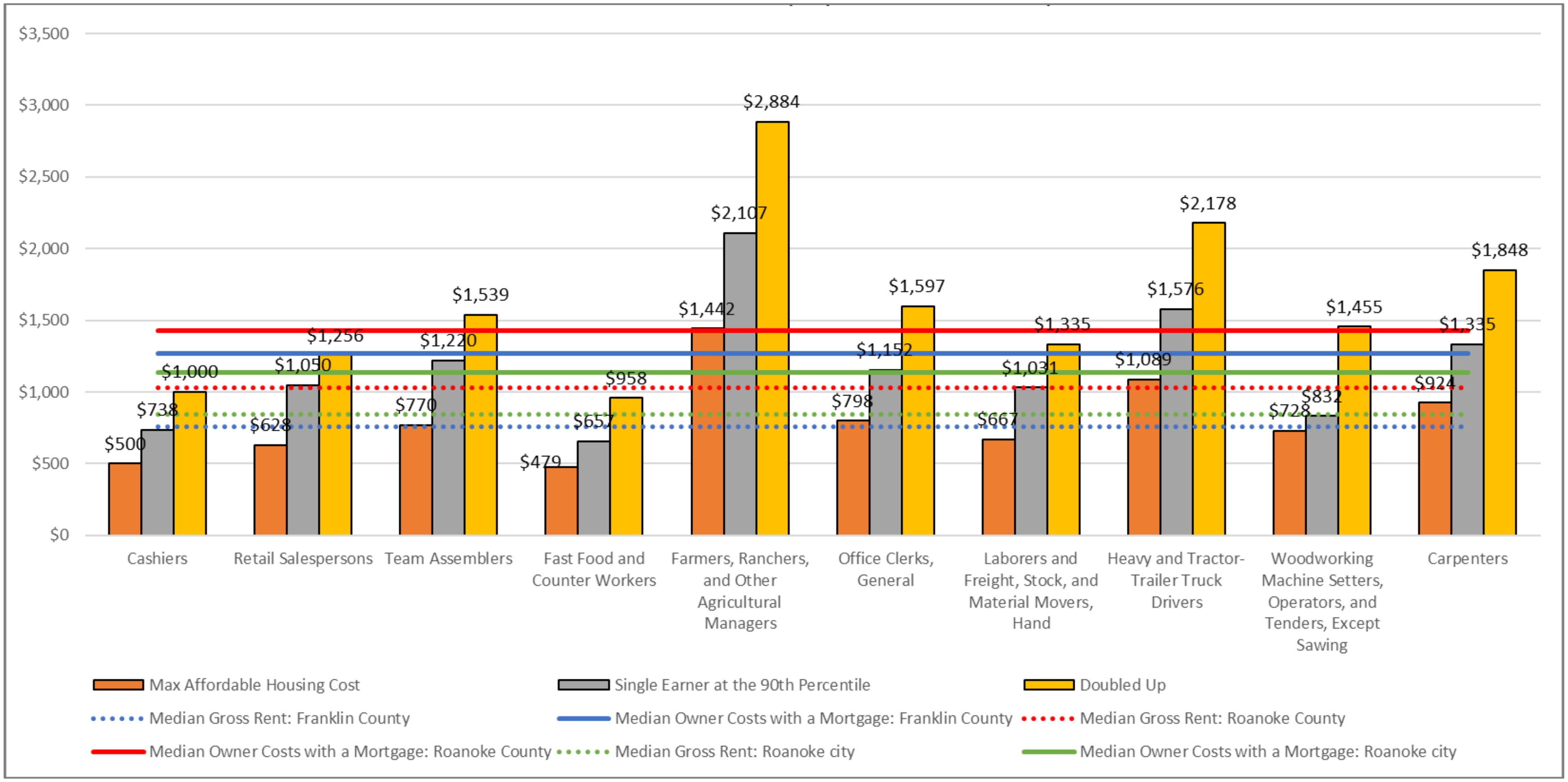
Of the 14,356 individuals working in Franklin County for their primary jobs, 56% live within the county, enjoying the benefits of proximity between their residence and workplace. Those commuting to Franklin County from outside have diverse residences, mostly in neighboring counties. Among them, 7.6% live in Henry County, followed by 5.1% in Roanoke County, and 4.8% in Roanoke. The largest portion of in-commuters come from Henry County and Martinsville, which are less expensive markets, indicating that affordability and availability may be the reason some in-commuters do not choose to live in Franklin County.

VCHR compares maximum affordable housing costs by occupation to housing costs in order to determine which workers may struggle to afford housing. VCHR compared this data for households in three scenarios: a single earner, earning at the median for his or her occupation; dual earners, both earning at an occupation's median wage; and a single earner, earning at the 90th percentile. VCHR chose these scenarios to benchmark the experience of typical households. Households in Franklin County generally include one or two workers. VCHR included an analysis of housing affordability for earners at the 90th percentile to consider whether households can more readily afford a housing later in their career, with increased skill or experience. This analysis for the top 10 occupations by employment is shown in Figure 46.

Among the top 10 occupations in Franklin County, only a few can comfortably afford the county's median rent without straining their budget. Cashiers, as well as fast food and counter workers, cannot cover the lower-quartile gross rent with a median wage. Those in occupations such as retail salespersons; laborers and freight, stock, and material movers; and woodworking machine setters, operators, and tenders cannot afford the median gross rent. When considering workers who earn in the 90th percentile of their respective occupations, the situation improves slightly. However, cashiers, fast food, and counter workers still cannot afford the median rent. If households include two workers with median wages for a given occupation, they can afford the upper-quartile rent regardless of their job. Excluding cashiers, retail salespersons, and fast food and counter workers, they can also afford owner costs with a mortgage.

Roanoke County and Roanoke, the areas where most Franklin County residents commute to for work (excluding internal commuting), have higher housing costs than Franklin County. This makes Franklin County an attractive residential alternative for those working in the Roanoke region. However, as the analysis above suggests, those in basic service-related occupations may find it challenging to find affordable housing even within Franklin County. Further, workers in some prominent industries will struggle to find affordable housing before they reach higher earning levels, which may present challenges for retaining them in the region.

Figure 46: Housing Affordability for Top Ten Occupations by Employment in Franklin County
Source: VCHR Tabulation of 2021 JobsEQ Data and 2021 ACS 5-year Estimates



Housing Stock

Units by Type

Franklin County largely consists of single-family homes, accounting for 93% of all housing options in the area. This includes 21,095 detached, site-built units, and 4,674 mobile or manufactured homes. The Franklin County 2023 Tax Parcels Record identified 4,707 mobile or manufactured units. County staff described many of these units as being located in older mobile and manufactured home communities. In Rocky Mount, single-family homes account for 77% of housing units, including 1,698 detached units. The Franklin County 2023 Tax Parcels Record identified 193 mobile or manufactured in Rocky Mount. For the town of Boones Mill, no reliable estimate can be obtained from ACS, but tax records show that there are 112 total housing units, including 7 mobile homes.

Bedrooms

Roughly half of the housing units in Franklin County (48%) consist of three-bedroom homes. Housing units with four or more bedrooms make up about 21% of the housing stock, meaning over two-thirds of all units in the county have three or more bedrooms.

Figure 47: Housing Units by Number of Bedrooms in Franklin County
Source: VCHR Tabulation of 2021 ACS 5-year Estimates

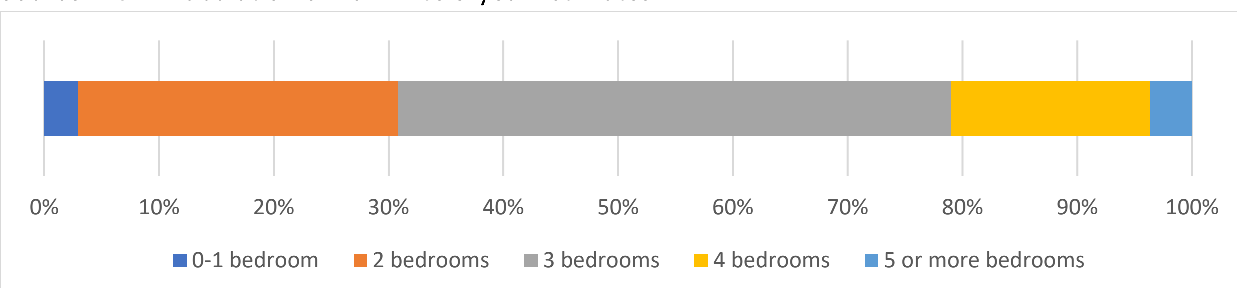
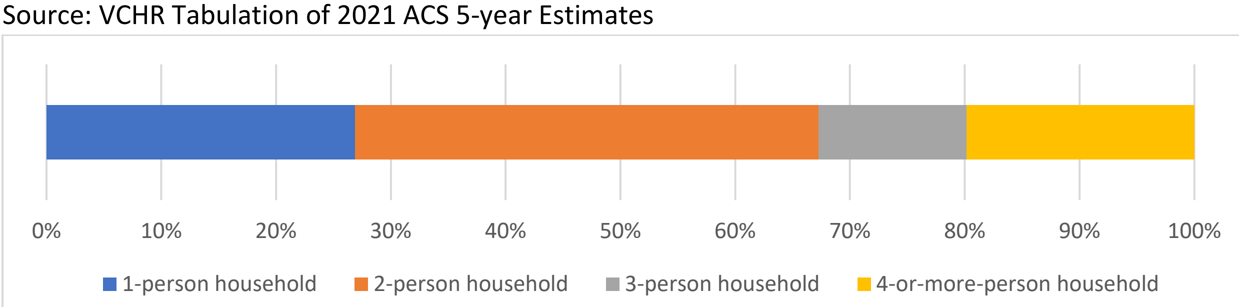


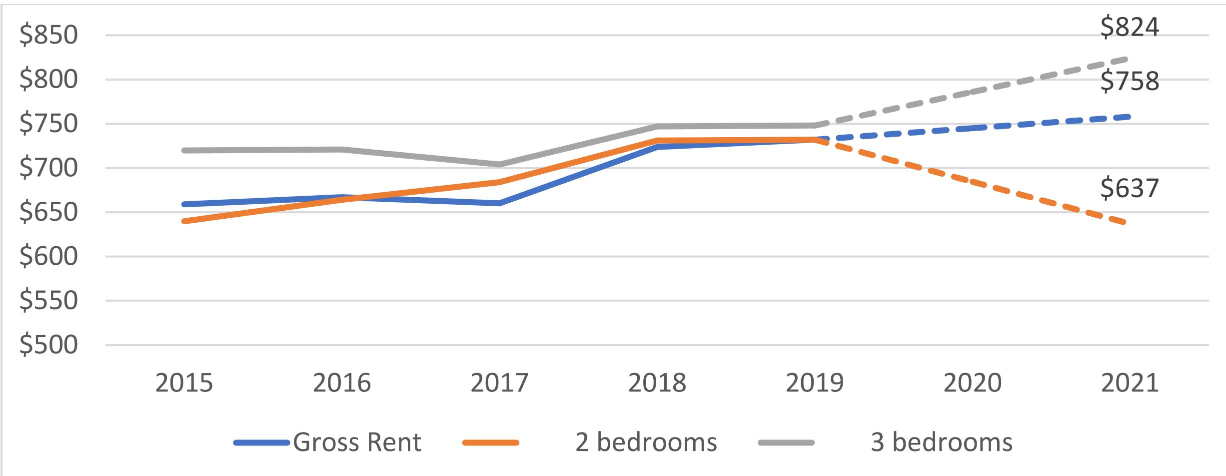
Figure 48: Households by size in Franklin County
Source: VCHR Tabulation of 2021 ACS 5-year Estimates



Considering that about 67% of households in Franklin County consist of two or fewer people, there is a discrepancy between housing size and household size. Developing smaller, well-located units could be beneficial for both current and future residents, as the trend toward smaller households is consistent both locally and beyond. Further, smaller units may more readily accommodate younger, less experienced workers; small, single-earner households; or downsizing seniors who need more affordable housing. Indeed, smaller units tend to have lower rents.

Figure 49: Median Gross Rent for All Units, 2-Bedroom Units, and 3-bedroom Units*

Source: 2015-2021 ACS 5-year Estimates

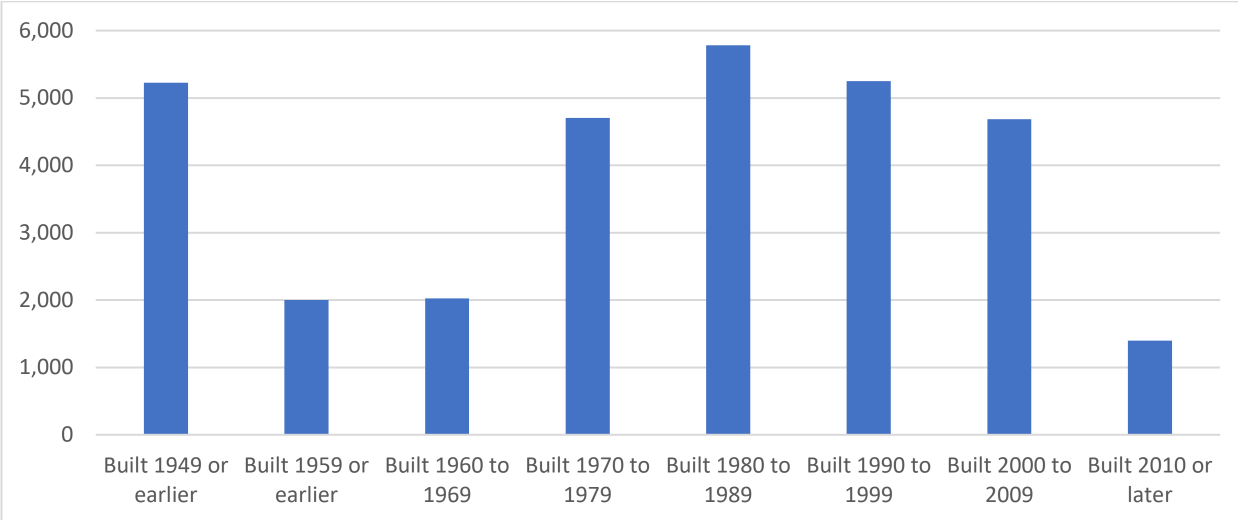


*There are too few efficiency-style, one-bedroom and four-or-more bedroom rental units to create a reliable estimate.

Units by Year Built

The bulk of the county's existing housing stock was built between 1970 and 2009. Homes constructed before 1960 account for 23% of the housing stock. There has been a significant decline in homebuilding over the past decade, with only 5% (1,396 units) of homes built between 2010 and 2019. This indicates a sharp decrease in recent years compared to the past four decades, when at least 4,000 homes were supplied every 10 years. Units built before 1950 represent about 18% of the housing stock, and county staff explained that much of the older housing is located in the county's two towns.

Figure 50: Housing Units by Built Year in Franklin County
Source: VCHR Tabulation of 2021 ACS 5-year Estimates



Homes need regular maintenance and periodic upgrades. Upgrades, modernizations, and replacements, are typically needed every 10 to 15 years. When homeowners face housing affordability challenges, they may choose to defer maintenance or forgo upgrades in favor of necessities like food, childcare, and medical care. Though the county's tight housing market and increasing sale prices should encourage investment writ large, homeowners with tight budgets and little savings may not have the means to make those investments. Further, low market vacancy may discourage investments in rental property because landlords have little competition and renters must settle for what's available no matter the condition.

Housing Market Conditions

Franklin County has 28,339 housing units, resulting in 29% more units than households. The 6,306 vacant units are largely (56%) held for seasonal, recreational, or other occasional use, which indicates demand from second-home buyers over and above demand from residents and prospective residents. Twenty-nine percent of vacant units are long-term vacancies—abandoned, slated for demolition, or otherwise held in the long term without being occupied. Such units (1,828) may represent an opportunity to increase the county's inventory if they are located in desirable locations and are not dilapidated. Encouraging their sale may be a beneficial strategy.

Despite a considerable number of vacant homes in Franklin County, less than 2.1% of all housing units are available for sale or rent. Further, annual median days on the market are evidence of the county's constricted for-sale market that increasingly excludes first-time homebuyers and households with low or moderate income (more details included in "Homeownership Market" section). This limited availability of housing units indicates a tight housing market for both renters and owners. The tightness of the market (i.e., market vacancy less than 2%) affects investments in homes. Increased sale prices can encourage investments in homes because homeowners are more likely to receive a return on upgrades and repairs when they sell.

Tightness in the rental market may encourage buyers to make minimal investments and "flip" previously owner-occupied homes for the purposes of renting. Simultaneously, high demand for rental units with a limited supply can discourage long-term investments in rental properties since tenants must compete for properties (by accepting less quality for higher rent) rather than landlords competing for tenants with upgraded properties and good property maintenance. This tendency is likely to have the greatest impact on low- and moderate-income renters who compete less successfully for lower-cost units.

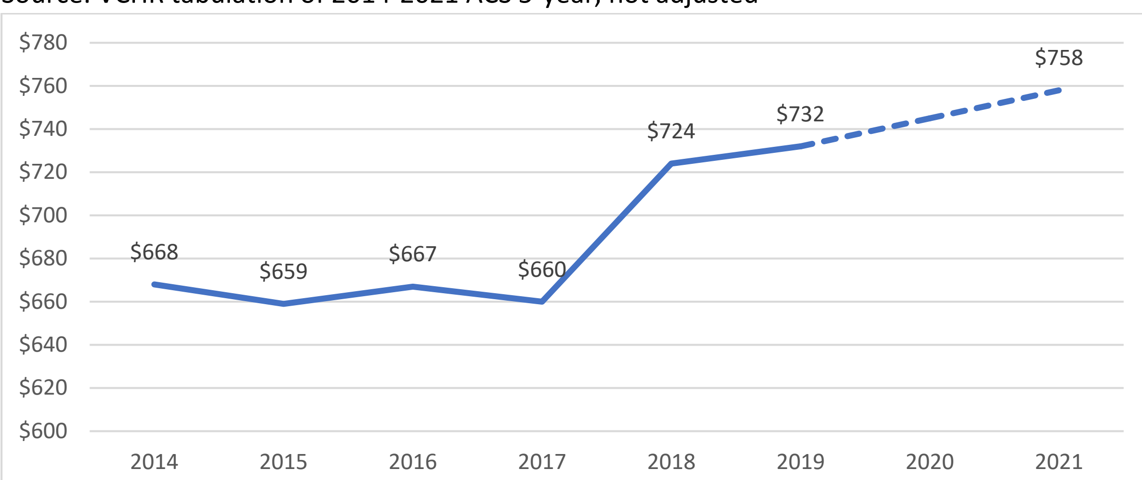
Tightness in the housing market also highlights the continued need for increasing the number of available rental properties and homes for sale. Franklin County staff explained that despite active building and increased capacity in the building department to process permits, building is not keeping up with demand.

Rental Market

There are approximately 4,670 rental units in the county. The low number of rental units means that data on the rental market is limited. Nonetheless, rising rents since 2017 indicate increasing demand and scarcity of rental units. Figure 51 shows the increase in rent in Franklin County. Since 2017, median gross rent has increased approximately 15%. Although the proportion of rental housing within the county isn't substantial, the demand for such accommodations exists.

Figure 51: Median Gross Rent

Source: VCHR tabulation of 2014-2021 ACS 5-year, not adjusted

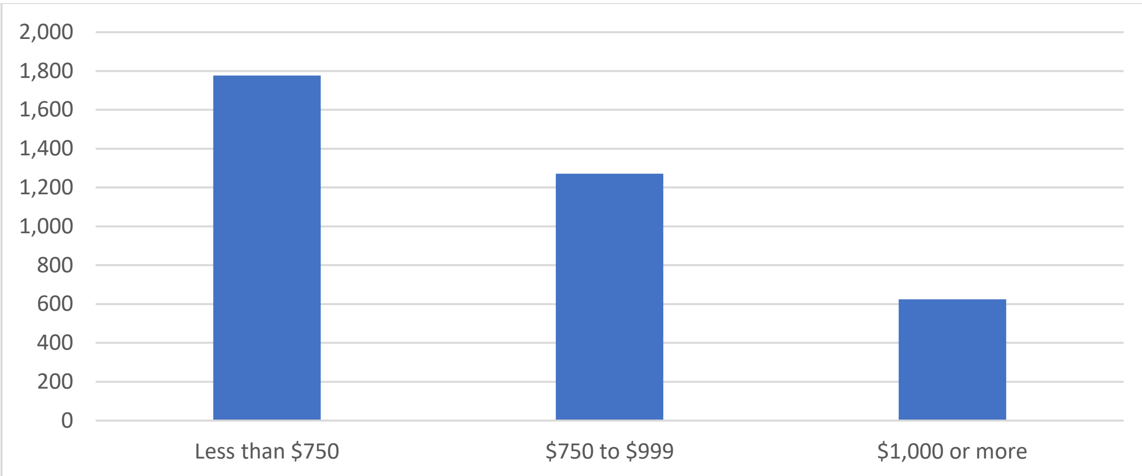


The 29% increase in median income among renters ($27,744 in 2017 to $35,744 in 2021) may also impact rents. If there is a shortage of rental units, increasing incomes among renters will allow landlords to raise rent accordingly. There are between 71 and 405 vacant, for-rent housing units in the county, accounting for 1.5% to 8.7% of the total rental housing. This rental vacancy rate indicates the possibility of a rental-unit shortage but cannot confirm abundance of demand. County staff described extremely long wait lists for housing choice vouchers, indicating that affordable rental units are in high demand.

Given the available market indicators, the county should encourage the development of additional rental units, prioritizing those that include well-located affordable units.

Figure 52: Housing Units by Rent

Source: VCHR tabulation of 2021 ACS 5-year estimates



Rental units by rent level skew somewhat toward lower rents. About 20% of rental units are dedicated affordable units[36] while the remainder have market rents. In a high-demand, low-supply context, rents among "market-rate" units are likely to increase faster than the incomes of people who need affordable housing, and the "naturally occurring" affordable housing units among them are less likely to see regular maintenance and investments.

Homeownership Market

Franklin County is in a "catch up" market and will need to significantly add to its housing inventory to re-balance supply and demand and avoid runaway home prices. In the for-sale housing market, sales data is used to assess the balance between supply and demand. The median days on market (DOM) in Franklin County in 2022 is 7.5 days, indicating an extremely tight homeownership market. This means that homes listed for sale in the market are being sold in approximately one week. The median DOM has steadily decreased from 102 days in 2014 to 8 days in 2021.

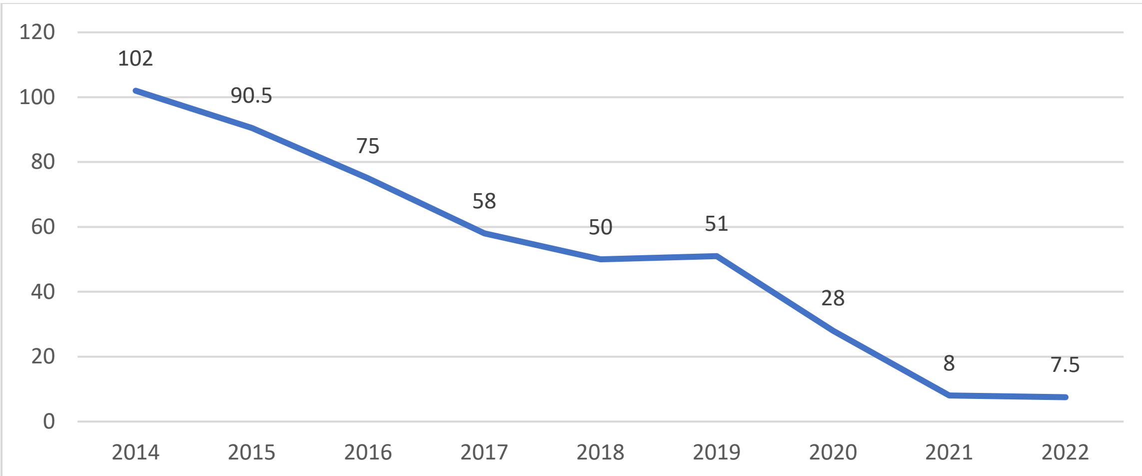
The decreasing trend in median DOM over the years indicates a highly competitive real estate market in Franklin County. Buyers are actively seeking and quickly purchasing properties, resulting in a rapid turnover of available homes. This tight market can be attributed to various factors, such as strong demand for housing and limited inventory. For comparison, a healthy number of days on the market is typically between 30-60 days. With a healthy market pace, sellers can be confident that if they need to sell their home, they can do so within one to two months. From the opposite perspective, buyers have time to shop for their home and are not disadvantaged based on financing or desire to have a home

[36] 891 active subsidized units and 470 inactive units, according to the National Housing Preservation Database

inspection. The DOM in Franklin County suggests that supply lags significantly behind demand, creating market that may make current homeowners reluctant to sell their home and free up additional inventory for fear of not being able to find another home to purchase. The competitiveness of the market also disadvantages first-time homebuyers and homebuyers relying on unconventional financing such as FHA, VA, or USDA mortgages, since approvals and inspection requirements do not allow these buyers to make offers and close fast enough to compete with buyers who have cash or significant assets.

Figure 53: Median Days on the Market (DOM)

Source: VCHR Tabulation of 2014-2022 REALTOR Data

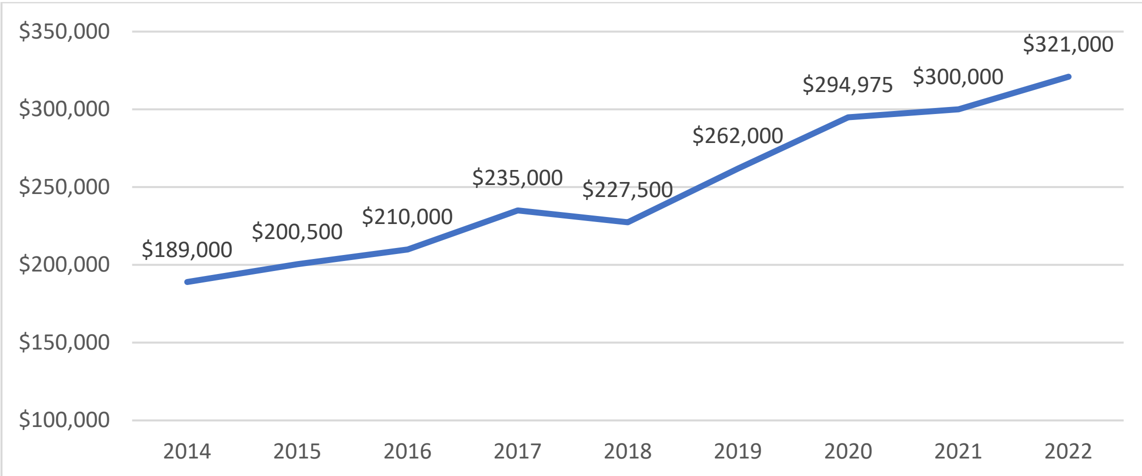


The housing prices in Franklin County have demonstrated a consistent upward trend, which aligns with the DOM analysis. The data indicate a continual increase in both the median sold prices and the median values.

The median sold prices, based on transaction data, reflect the actual prices at which homes are being sold in the market. This data provides a real-time representation of the housing market's balance. The consistent increase in median sold prices over the years indicates a strong demand for homeownership in Franklin County in the face of limited supply. For the years 2014 to 2022, the median sold prices have risen by approximately 41%. This significant increase highlights the robust nature of the ownership market and suggests that homes in Franklin County have become more valuable over time.

Figure 54: Median Sold Price

Source: VCHR Tabulation of 2014-2022 REALTOR Sale Data



Franklin County Conclusions

The housing market in Franklin County exhibits several key trends and challenges. Market tightness is a significant factor, with a decreasing median Days on Market (DOM) and increasing median prices, indicating a highly competitive real estate market. The tight market conditions pose challenges, such as limited availability of housing units for both renters and owners. The market vacancy rate is relatively low, calling for an increase in the number of available rental properties and homes for sale to meet the local housing demand and foster a more balanced housing market. Given current construction industry trends, the County will need to offer a streamlined process for developers and builders and consider other options such as encouraging long-term vacancies to be returned to the market.

In addition to encouraging the development of new units, the County should establish priorities for increasing the diversity of housing: providing affordable housing options, creating more rental units, and encouraging the development of housing for smaller households, including seniors and workers at the beginning of their careers. Integrating a variety of housing and housing supports into the market can help attract and retain residents, sustain community amenities, and enhance the overall security and quality of life for Franklin County residents. Because smaller units tend to have higher square-foot costs (more kitchens and bathrooms per square foot), changes to county regulations such as increasing density allowances and lowering minimum lot sizes may need to be considered to make such development attractive to developers.

Housing insecurity is another concern, particularly for renter households. A significant proportion of households spend more than 30% of their income on housing, and low-income renter households face greater cost burdens and potential risks of homelessness. Adding affordable rental housing and providing assistance programs for low-income households is crucial to ensure stability of residents.

Housing cost burden is also a concern among homeowners: 2,813 owners are cost-burdened, 27% of whom own their home free and clear. County staff have observed households with limited means who are sheltered but unable to afford regular maintenance. Programs such as the Weatherization Assistance Program, Indoor Plumbing Repair, and USDA Housing Repair loans/grants are in place to support low- and moderate- income homeowners. County staff explained that they are interested in facilitating the use of these programs, in addition to DHCD home repair and rehabilitation programs, but cited builder and contractor availability as a barrier. Encouraging nonprofit builders and service providers to operate in the county may help to reinvigorate these programs. The County can play an active role in recruiting households to these programs and facilitating their applications.

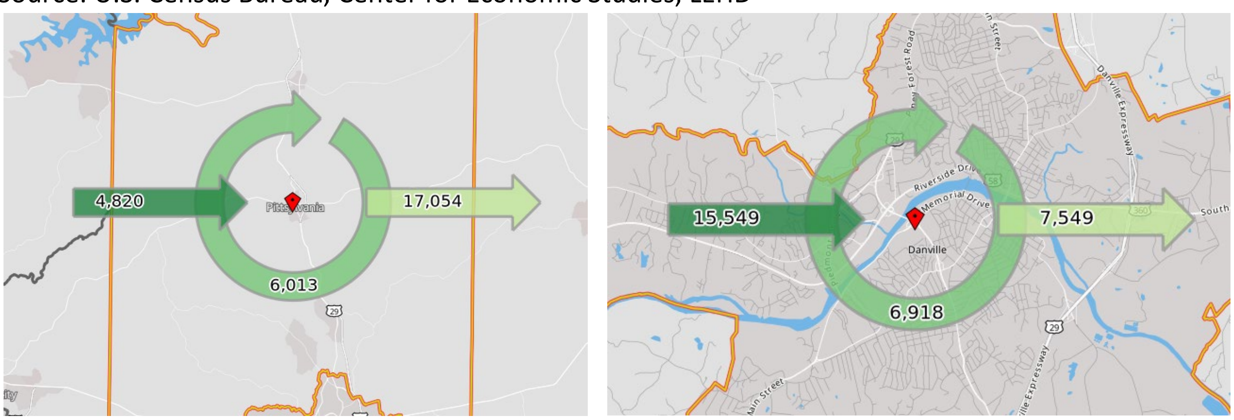
Danville-Pittsylvania Housing Market

The city of Danville and Pittsylvania County make up a relatively independent housing market with Danville being the traditional employment center and Pittsylvania County offering suburban, exurban, and rural housing options to both county and city workers[37]. County staff explained that many households move from the city to the county when they "upgrade" to accommodate life changes.

There is little commuting to any one jurisdiction beyond Pittsylvania County, although limited numbers of workers commute to neighboring counties: Campbell, Henry, and Halifax, as well as the city of Lynchburg. Most commuters *into* the two jurisdictions likewise commute from these neighboring counties and Caswell County, North Carolina[38]. About 10% of workers in the two jurisdictions commute from North Carolina, and Pittsylvania County staff explained that the county is just being discovered by households in the Greensboro market, indicating that both the city and the county could attract North Carolina residents with increasing community development and complementary housing options.

Figure 55: 2020 Inflow/Outflow of Pittsylvania County (Left) and Danville (Right) Workers for Primary Jobs

Source: U.S. Census Bureau, Center for Economic Studies, LEHD



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[37] Of the 23,067 individuals who live in Pittsylvania County, only 6,013 or 26.1% commute within the county itself for the primary job. The rest work primarily in Danville (29.3%), but also in surrounding areas: Campbell County (7.0%), Henry County (3.3%), and Lynchburg (3.1%). Danville has 14,467 working individuals, and 1,297 or approximately 47.8% commute within the city for their primary job. 10.9% of workers commute to Pittsylvania County. Smaller proportions of the Danville workforce commute to Lynchburg (3.2%) and Henry County (2.8%).

[38] Among 10,833 individuals who work in Pittsylvania County, 6,013 or 55.5% commute within the county itself for their primary job. The rest commute from Danville (14.5%) and surrounding jurisdictions: Campbell County (3.0%), Halifax County (2.9%), and Henry County (2.6%). Among 22,467 individuals who work in Danville, 6,918 or 30.8% commute within the city itself for their primary job. The rest primarily commute from Pittsylvania County (30.1%) and adjacent counties: Henry County (4.6%), Caswell County, North Carolina (3.8%), and Halifax County (3.1%).

Households

As of 2021, 60,883 people reside within 24,663 households in Pittsylvania County and 42,556 people within 18,590 households in Danville. There are three towns in Pittsylvania County: Chatham, Gretna, and Hurt, with 532, 645, and 636 households, respectively.

The racial and ethnic profiles of Pittsylvania County and Danville show significant variation. In Pittsylvania County, the majority of householders identify as non-Hispanic white, accounting for 77% of the total households, while non-Hispanic Black householders comprise 20% of all households. In contrast, Danville presents a more balanced racial profile, with 46% of its householders identifying as white and a nearly equal proportion, 48%, as Black. Individuals identifying as Hispanic make up around 3% of the population in Pittsylvania County and 5% of Danville's population; however, the population of householders identifying as Hispanic is too small to provide a reliable estimate.

The median householder age in Pittsylvania County is 47.8 years. Median householder age in Danville is lower at 40.9 years. In Pittsylvania County, 40% of households have at least one person who is 65 years or older. In Danville, 36% of households include a person 65 or older. Both age and race of householders have implications for housing choices as discussed in more depth in the following subsections.

Living Arrangements

Pittsylvania County and Danville have a significant proportion of one- and two-person households. In Pittsylvania County, 28% of households consist of one person, while two-person households make up 39%. The remaining households consisted of three people (15%) or four or more people (18%). In Danville, single-person households make up the largest proportion of households. Thirty-nine percent of households are one-person households, 35% are two-person households, and the remainder are three-person households (13%) or four-or-more-person households (12%).

The significant presence of one- and two-person households in both Pittsylvania County and Danville suggests a prevalence of smaller family units. This includes both an aging population living alone or in couples, as well as younger people living independently and smaller families.

Pittsylvania County has 7,015 householders living alone, with 52% (3,646) of those being 65 and older. Among male householders living alone, 41% are 65 and older, and among women living alone, 61% are 65 and older. Danville has 7,327 householders living alone, and 44% of those are 65 and older. Among male householders living alone, 33% are 65 and older, and among female householders living alone, 52% are 65 and older. Elderly individuals living alone are at greater risk of social isolation, which has been linked to health issues.

In Pittsylvania County, 68% of households are family households, while only 46% of households in Danville are family households. Since non-family households live alone or live with people who are not family members, the demand for housing types in Danville, which has a high proportion of non-family households, may be different from Pittsylvania County.

Tenure

As of 2021, 76.6% of households in Pittsylvania County own their homes, compared to a lesser rate of 51% in Danville. Several factors are likely to contribute to this difference. One major aspect is racial composition. In Pittsylvania County, where white households make up 76% of all households, 78% of white households own a home, compared to 68% of Black households. In Danville, where white households make up 47% of all households, 68% of white households own a home, compared to a lower proportion of Black households (39%).

In the United States, the homeownership rate of white households is 20% to 30% higher than that of Black households, and the disparity has increased from the 1970s to the 2010s[39]. Researchers investigating the causes of racial/ethnic disparities in homeownership have noted inter-group differences in important predictors of homeownership[40]. However, the disparity between white and Black households remains statistically significant when controlling for economic indicators, and the size of the disparity increases as household affluence decreases[41].

The extent and direction of kin-network wealth transfers likely contributes to this disparity. For moderate-wealth households, financial transfers from parents or extended family members have been shown to be instrumental to meeting down payment and closing costs[42]. In addition, access to kin-network wealth helps households deal with the costs of emergency repairs and other shocks, making homeownership more secure, and it may influence a household's decision to apply for mortgage financing[43]. Moderate-income Black households are less likely to receive financial assistance from parents or relatives and more likely to provide such support to parents or relatives in need[44].

Institutional credit access has also been shown to vary by race. Controlling for indicators of creditworthiness, Black households are more likely than white households to be rejected for a mortgage loan and less likely to apply[45]. The 2007-2008 foreclosure crisis caused disproportionate loss of homeownership among Black households, as the transition from redlining to "greenlining" in majority-Black urban areas meant Black homeowners disproportionately held subprime mortgages[46].

Quantitative analysis cannot evaluate racial discrimination as a causal factor in disparate homeownership rates. However, in light of the high share of the Black-white disparity that cannot be explained by confounding variables, as well as experimental and audit evidence that discrimination based on race remains pervasive in housing and credit markets[47], it is likely that racial discrimination is a causal factor. Furthermore, even when homeownership disparities can be largely explained by group differences in the social, economic, and contextual determinants of homeownership, it is important to

[39] Goodman & Mayer 2018
[40] see Alba & Logan 1992, Wachter & Megbolugbe 1992, Hall & Crowder 2011, and Hilber & Liu 2008
[41] Alba & Logan 1992; Gyourko et al. 1999
[42] Engelhardt & Mayer 1998
[43] Hall & Crowder 2011
[44] (Chiteji & Hamilton 2002)
[45] (Charles & Hurst 2002)
[46] loans (Faber 2018)
[47] (Pager & Shephert 2008)

note that these group differences themselves reflect structural disadvantages shaped and perpetuated by discrimination[48].

Another aspect is the median age difference. The higher homeownership rate in Pittsylvania County could be attributed to its older population, as older individuals generally have had more time to acquire assets and financial stability, leading to a greater likelihood of homeownership. Pittsylvania County's homeownership rate by age of the householder is higher than Danville's regardless of age category, and both areas show that homeownership rates increase as the age of the householder increases. In Pittsylvania County, 87% of households with a householder 65 and older own a home, while in Danville, 72% of those own a home.

Furthermore, household size and housing types might also play a role in this difference. The average household size in Pittsylvania County is 2.42, while in Danville, it is smaller, at 2.21. Larger households may be more likely to opt for homeownership over renting, for reasons such as seeking more space, investing for future generations, or desiring more control over their living environment. Therefore, the larger household size in Pittsylvania County could contribute to its higher homeownership rate. Other elements could also influence homeownership rates. For example, economic factors like local employment rates, income levels, and home prices can play a significant role in determining whether households rent or own. Finally, limited supply could restrict homeownership and encourage renting. Characteristics of housing units are discussed in more depth in the “Housing Stock” section later in the report.

Housing Insecurity

In Pittsylvania County, 5,706 households, which is about 23.1% of total households, are cost-burdened, spending 30% or more of their income on housing. Housing cost burden is more prevalent in Danville, where 6,341 households, representing 34.1% of total households, face the same issue. Cost-burdened households may have to compromise on other necessities such as food, clothing, medical care, and education to accommodate housing expenses. Moreover, a significant number of these cost-burdened households are *severely* cost-burdened, meaning they spend more than 50% of their income on housing. In Pittsylvania County, this represents 10.3% of total households. In Danville, 16.2% of all households are severely cost-burdened. Severely cost-burdened households often make choices between housing and other basic necessities and may be at risk for homelessness in the event of an emergency expense or hardship.

In Pittsylvania County and Danville, Black households are cost-burdened at a higher rate compared to their white counterparts. In Pittsylvania County, 31% of Black households are cost-burdened, which is higher than the 17% of white households. The disparity is more pronounced in Danville, where 39% of Black households are cost-burdened compared to 22% of white households.

Among the cost-burdened households, renters tend to face greater challenges compared to homeowners. In Pittsylvania County, 38.3% of renters are cost-burdened compared to 24.5% of homeowners with a mortgage. In Danville, 42.6% of renters and 35.6% of homeowners with a mortgage

[48] (Kuebler & Rugh 2013)

are cost-burdened. Similar to disparities in homeownership, disparities in housing stability that can be largely explained by group differences in the social, economic, and contextual determinants, reflect structural disadvantages shaped and perpetuated by discrimination.

Renters are more vulnerable to increasing housing costs than homeowners, and cost-burdened renters may be more likely to be at risk for eviction and homelessness in the event of an unexpected household expense such as a medical need or car repair. The mortgage finance system generally prevents homeowners from being cost-burdened when they buy their home and often homeowners' income increases over the life of their mortgage. Homeowners also face relatively little change in housing costs compared to renters. Homeowners become cost-burdened due to economic hardship such as job loss, death of a family member, or fixed incomes that do not keep up with rising costs of taxes, utilities and insurance. When cost-burdened owners choose other necessities over housing, they may still make mortgage payments or even own their home free and clear. However, they often defer maintenance and forgo upgrades, threatening both their wellbeing and the community's housing stock. County staff explained that some homes have been passed down through generations, so they are owned free and clear, but the households do not have enough money to maintain or upgrade them. An estimated 1,200 owners in Pittsylvania County and at least 530 in Danville who own their home free and clear are housing cost-burdened and may have to make choices between home maintenance or upgrades and other necessities.

Households are more likely to make tough choices between housing and other needs when they have low incomes. These households are also more likely to be at risk for homelessness in the event of an unexpected household expense such as a medical expense or major appliance failure. According to CHAS 5-year 2019 data, 10,240 households in Danville and Pittsylvania County have low incomes and are experiencing housing cost burden.

Figure 56: Households by Income and Cost-burden

Source: VCHR tabulation of 2019 CHAS data

	Pittsylvania		Danville	
	Households	Cost-Burdened	Households	Cost-Burdened
Low Income Households (<80% of AMI)	11,410	4,910	9,730	5,330
Total Households	26,265		18,295	

The income thresholds for low-income households in 2023, represented in Figure 57, show that a four-person household with an income of $56,500 or lower is classified as having a "low income." These groups are highly likely to qualify for government housing assistance programs. In Pittsylvania County, 43% of households are low-income households, and 43% of them are cost-burdened, meaning they spend more than 30% of their income on housing costs. In Danville, 53% of households are low-income and 55% of them are cost-burdened.

Figure 57: 2023 HUD Low Income Limits: Pittsylvania County-Danville city, VA HUD Nonmetro FMR Area

	Median Income	Person in Family			
FY2023 Income Limits		1	2	3	4
Extremely Low (30%)	$70,900	$14,850	$19,720	$24,860	$30,000
Very Low (50%)		$24,750	$28,250	$31,800	$35,300
Low (80%)		$39,550	$45,200	$50,850	$56,500

The 2023 Point-in-time (PIT) count identified 27 individuals in Danville experiencing homelessness. According to the statistics from Project HOPE[49] for the 2020-2021 school year, 70 students in Danville and fewer than 10 students in Pittsylvania County were identified as experiencing homelessness. Stakeholders who serve people experiencing homelessness in Danville explained that single-parent households are among the most vulnerable and hardest to serve.

Households experiencing homelessness are often less visible in suburban, exurban, and rural contexts. Nonetheless, County staff described households who are effectively homeless living in sheds. They explained that County homelessness services are limited, but that there are services for special populations such as survivors of domestic violence and people with developmental disabilities.

Danville and Pittsylvania County have some of the most robust supports for households experiencing instability in the region, including the Danville Redevelopment and Housing Authority, the Danville-Pittsylvania County Habitat for Humanity, Telamon, and others. Nonetheless, these stakeholders face challenges to serving households in need. The primary barriers discussed by stakeholders are the existing housing stock and the costs and availability of contractors to rehabilitate or construct new housing. DRHA representatives explained that the supply of appropriate housing limits the use of housing choice vouchers. DRHA is able to use less than half of the vouchers they are allocated because available housing is limited and complicated by lack of landlord partners and adequate housing conditions. Multiple stakeholders discussed the rising costs of both site-built and modular/manufactured housing, including wait times and the limited number of local contractors.

Workforce Affordability

In Pittsylvania County, the majority of households, 64% or 15,723 households, have at least one working individual. While 8,940 households do not have any employed individuals, most of these households are likely to be retired because 40% of households have at least one person 65 and older; 6,930, or 28%, are receiving retirement income; and 11,281 households, or 46.9%, are receiving Social Security income. In

[49] Project HOPE-Virginia, which is Virginia's Program for educating homeless children and youth, provides information about students experiencing homelessness. Title IX, Part A of the Every Student Succeeds Act defines homelessness as living in the following places due to a lack of a fixed, regular, and adequate nighttime residence: emergency or transitional shelter; motel, hotel, or campground due to lack of an adequate alternative; a car, park, public place, bus or train station, or abandoned building; doubled up with relatives or friends due to loss of housing, economic hardship, or a similar reason; in the above conditions and is a migratory child or youth.

Pittsylvania County, 1,576 households, or 6%, receive Supplemental Security Income (SSI). These are low-income households that are elderly or disabled with little to no assets.

Similarly, in Danville, 61% or 11,354 households have at least one employed individual, and most non-working households are likely to be retired because 36% of households have at least one person 65 and older; 4,715 or 25% receive retirement income; and 7,576 households, or 41%, receive Social Security income. Danville has 1,852 households, or 10%, receiving Supplemental Security Income. This rate is higher than in Pittsylvania County and indicates a higher proportion of low-income, elderly, or disabled households with few assets.

Among households with workers, 8,662 of county households have a single worker, 5,700 include two workers, and 1,361 households have three or more workers. In the city, there are higher rates of non-working (likely retired) and single-earner households. Among working households in Danville, 7,271 households have one worker, 3,603 have two workers, and 480 households have three or more workers. Pittsylvania County residents have a median income of $49,486, while those in Danville earn a median of $38,904.

Figure 58: Working Households

Source: 2021 ACS 5-year Estimates

	Pittsylvania County	Danville city
1 worker	8,662 (35%)	7,271 (39%)
2 or more workers	7,061 (36%)	4,083 (22%)
Not Working	8,940 (29%)	7,236 (39%)

VCHR compares maximum affordable housing costs by occupation to housing costs in order to determine which workers may struggle to afford housing. VCHR compared this data for households in three scenarios: a single earner, earning at the median for his or her occupation; dual earners, both earning at an occupation's median wage; and a single earner, earning at the 90th percentile. VCHR chose these scenarios to benchmark the experience of typical households. Households generally include one or two workers. VCHR included an analysis of housing affordability for earners at the 90th percentile to consider whether households can more readily afford a housing later in their career, with increased skill or experience.

Among the top 10 occupations in Pittsylvania County, three of these occupations can afford the median rent and owner cost with a mortgage without straining their budget. Specifically, farmers, ranchers, and other agricultural managers; heavy and tractor-trailer truck drivers; and elementary school teachers can afford median rent and median owner cost with a mortgage by allocating 30% or less of their monthly income. The remaining seven occupations (cashiers, personal care aides, fast food and counter workers, office clerks, team assemblers, retail salespersons, and construction laborers) cannot cover the median rent. This indicates that a significant proportion of workers in Pittsylvania, particularly those in service and support roles, may find it challenging to secure affordable housing. Of these seven occupations, at 90th percentile wages, four occupations—office clerks, team assemblers, retail salespersons, and construction laborers—can afford the median rent, but only one occupation (team assemblers) can afford owner cost with a mortgage. Most households with dual earners can cover the owner cost with a mortgage, but households with fast food and counter workers occupations cannot.

Figure 59: Housing Affordability for Top Ten Occupations by Employment in Pittsylvania
Source: VCHR Tabulation of 2021 JobsEQ Data and 2021 ACS 5-year Estimates

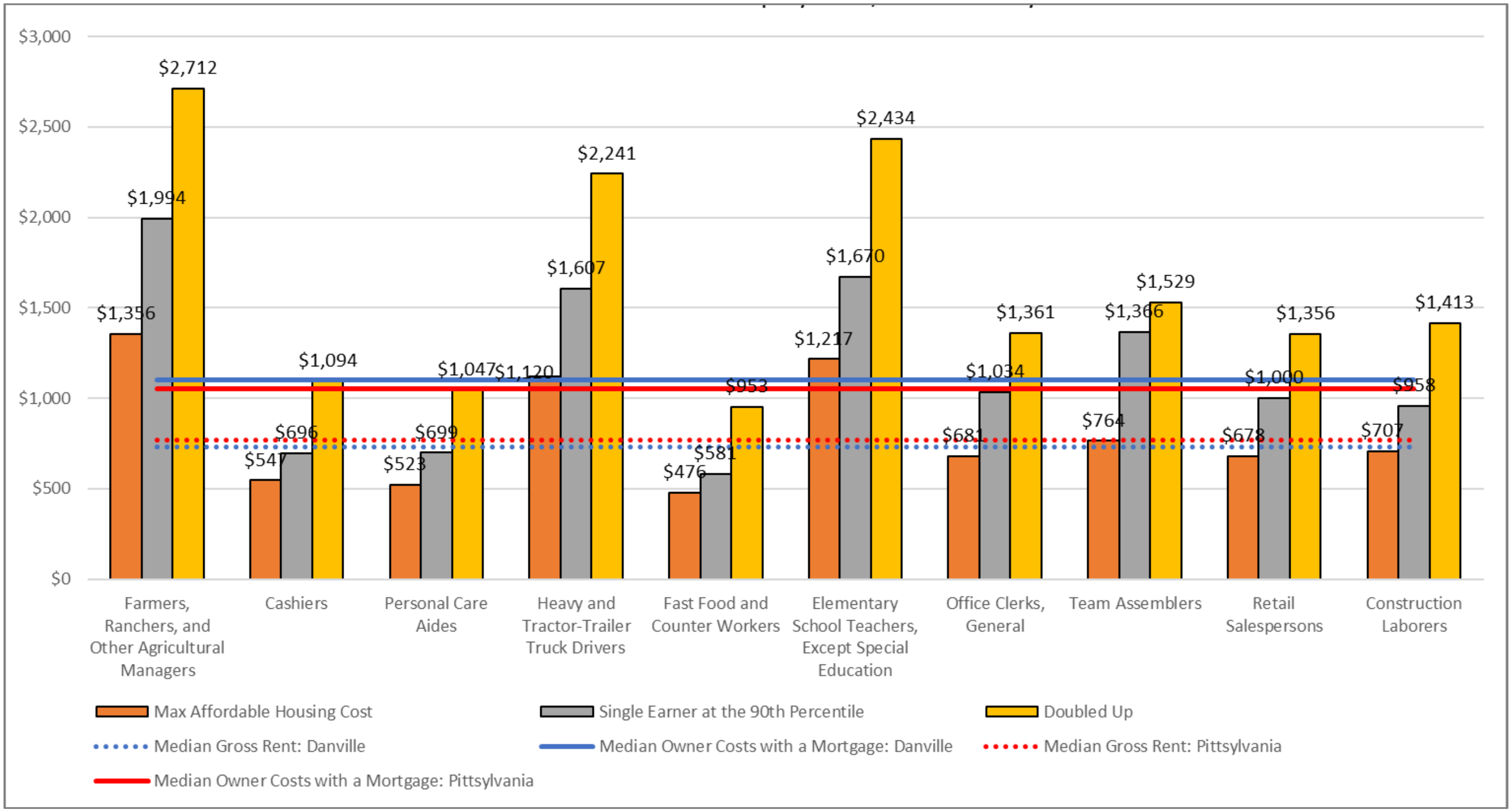
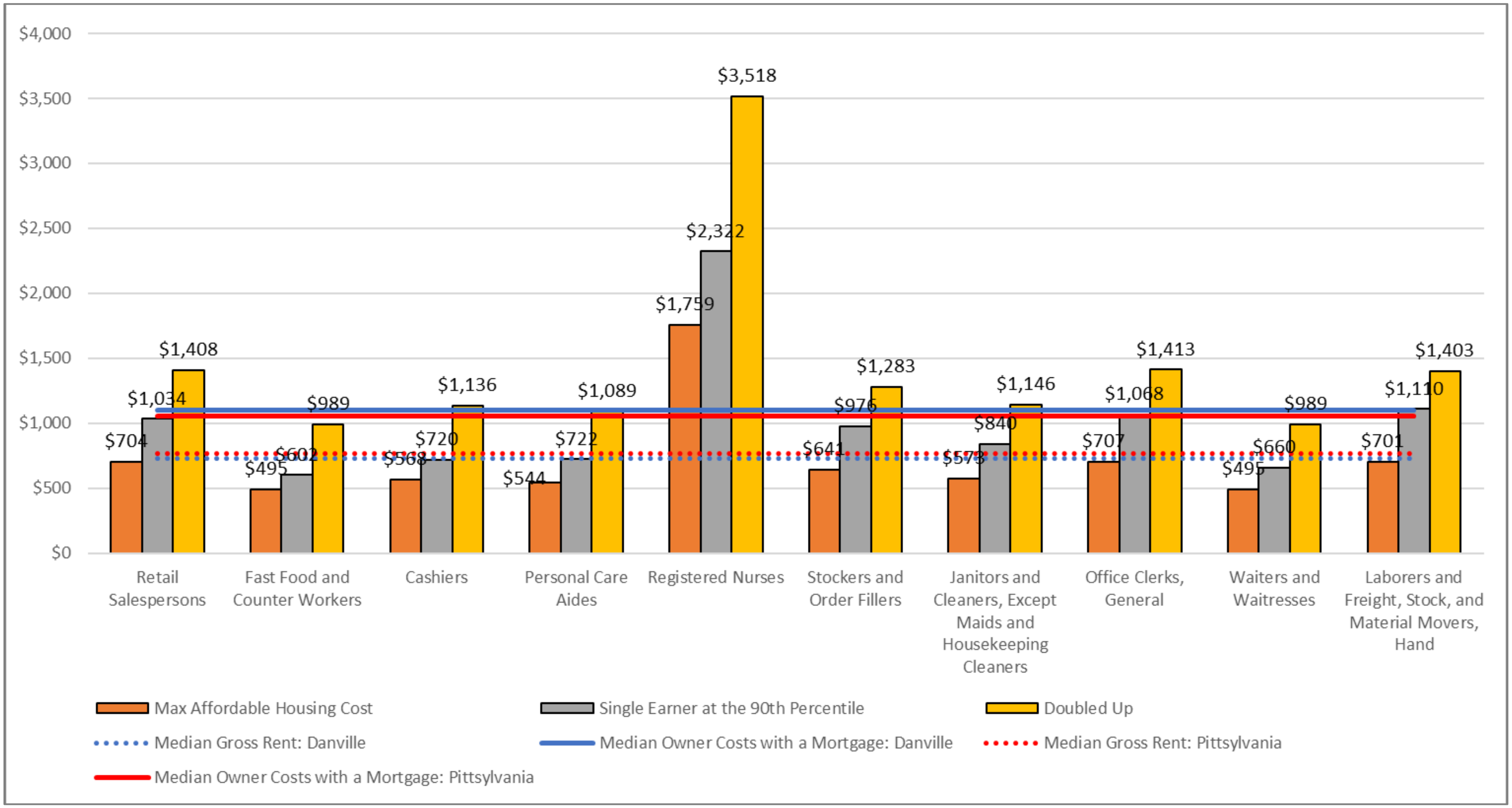


Figure 60: Housing Affordability for Top Ten Occupations by Employment in Danville

Source: VCHR Tabulation of 2021 JobsEQ Data and 2021 ACS 5-year Estimates



Among the top 10 occupations in Danville, only one occupation (registered nurses) can afford the median rent. For skilled workers earning at the 90th percentile, there are six occupations (retail salespersons; registered nurses; stockers and order fillers; janitors and cleaners, except maids and housekeeping cleaners; office clerks; and laborers and freight, stock, and material movers, hand) that can afford the median rent, but only two of these occupations can afford the median owner cost with a mortgage. Most households with dual earners can cover the owner cost with a mortgage, but two occupations (fast food and counter workers, and waiters and waitresses) cannot.

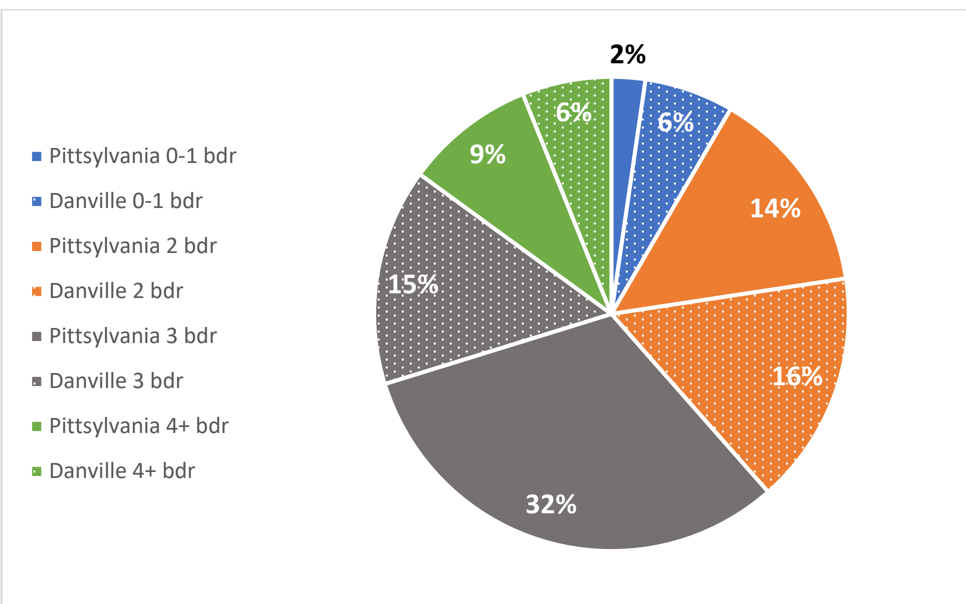
Housing Stock

Pittsylvania County's housing stock largely consists of single-family homes, accounting for 96.2% of all housing options in the area. Single-family homes include 22,582 detached, site-built units and 5,771 mobile or manufactured homes. In Danville, single-family homes, while still prevalent, only account for 74.9% of the total housing stock. Multifamily units make up 25% of housing stock, or 5,574 units. The city's housing stock includes 832 mobile or manufactured homes. According to data from the Department of Motor Vehicles (DMV), as of June 2022, 7,415 manufactured homes are registered in Pittsylvania County and 398 manufactured homes are registered in Danville. The discrepancies in these two data sources may be related to manufactured home units that have been transferred into real estate in the city, and therefore not registered as personal property with the DMV, as well as units that are used for storage or other, non-housing purposes in the county.

Bedrooms

In Pittsylvania County, a significant portion of the housing stock is dominated by three-bedroom units, accounting for 55.5% of housing stock. Housing units with four or more bedrooms make up about 15.5% of the housing stock. Taken together, homes with three or more bedrooms account for a sizable 71.1% of all units in the county. Danville exhibits a more balanced distribution of house sizes in terms of bedrooms. Approximately one-third of the housing units in the city (37.1%) consist of two-bedroom homes, while three-bedroom homes are a nearly similar proportion, making up 34.5%. Housing units with four or more bedrooms comprise a considerable 14.2% of the housing stock.

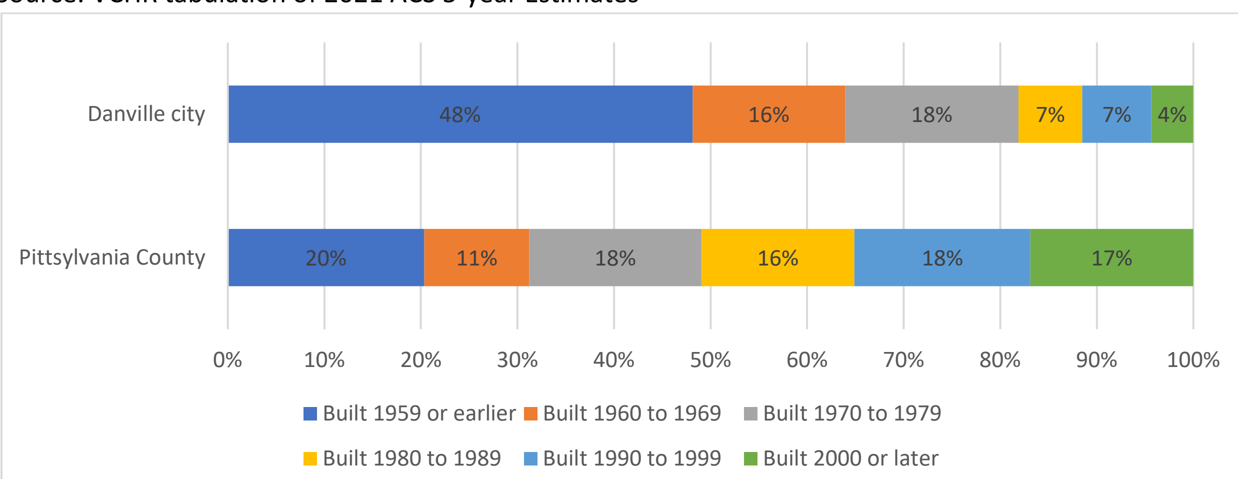
Figure 61: Danville and Pittsylvania Housing Stock by Number of Bedrooms
Source: VCHR tabulation of 2021 ACS 5-year Estimates



Year Built

Danville has a significantly older housing stock than Pittsylvania County, which may explain, in part, the city's more diverse housing stock. The year a home was built also has implications for its condition and maintenance needs. The energy performance, maintenance costs, and upgrade costs of a housing unit depend greatly on the unit's age. Older units usually cost more to heat and cool and require more maintenance and upgrades to retain their full market value. Homes built before 1939 are generally considered "historic." Because they have often been upgraded or preserved, it can be difficult to draw conclusions about their performance or upgrade needs. Generally, these homes have high maintenance costs regardless of the overall condition. Homes built in the '40s and '50s benefit from solid construction of that era, and typically have had up to two "upgrades" in their history. Many of these units are relatively small compared to newer homes and are often within walking distance of city centers due to historic development patterns. As a result, if these units are well maintained or restored, they often offer very desirable and affordable housing opportunities. Housing built in the 1960s, although modest and well built, is often less well located and has higher transportation costs. Homes built in the 1970s, '80s and '90s are notably less well constructed compared to older housing, and those in metropolitan areas have locations associated with "sprawl" development and high transportation costs. Many of the housing units built in the 1960s, and an even larger share of housing units from the 1970s and 1980s, have not had any major upgrades since their original construction and may need upgrades soon to remain competitive in their housing markets. Housing built in the 1970s, '80s, and '90s makes up nearly 50% of the housing stock in the study area, which suggests that the housing stock in many communities will need significant maintenance and upgrades over the next 10 to 20 years.

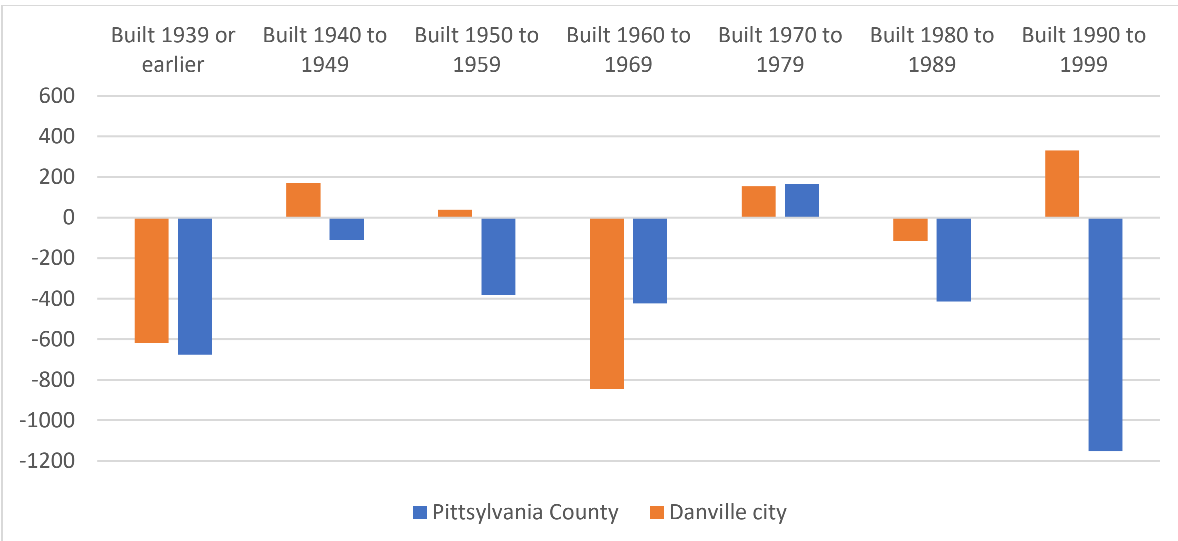
Figure 62: Housing Units by Year Built
Source: VCHR tabulation of 2021 ACS 5-year Estimates



Both city and county stakeholders discussed concerns regarding older housing stock. City stakeholders explained that '60s and '70s housing needs rehab and reinvestment but that contractors are hard to find. Investors are doing work for their properties and often working with contractors from outside the region. County staff described old farms with old houses and homes in mobile/manufacture home parks that are deteriorating. County stakeholders also discussed substandard living conditions, including households without working heat or water. They explained that some of this housing is rental housing operated by "slumlords" and that the County does not have the capacity to do inspections.

City stakeholders explained that 800 units had been removed since 2010 and that although these units were in poor condition, they have not been replaced. As the market has improved, they said, the community needs new units for high-barrier populations and households with extremely low incomes. Indeed, ACS data reflects the removal of more than 1,500 units built prior to 1989 and the restoration of less than 700. Further, little new housing has been built in the city since 2000, equaling fewer than 1,000 units, or 4% of the housing stock.

Figure 63: Changes in Housing Units by Year Built (2010-2021)
Source: VCHR tabulation of 2010 and 2021 ACS 5-year Estimates



Pittsylvania County has a relatively higher rate of new home construction, but only 1,328 housing units were built after 2010, indicating that home construction has not been active over the past 10 years. In Pittsylvania County, 5,003 housing units, or 17% of the housing stock, were built after 2000. County staff described recent increases in new construction of mostly single-family detached units: site-built, modular, and manufactured. They explained that there is little opportunity for multifamily development within current development and that re-rezoning is often opposed on the basis of school capacity. However, stakeholders described demand for small-scale multifamily units, especially along the U.S. 29 and U.S. 58 corridors close to Danville and the towns, and emphasized that these are the places with supporting water and sewer infrastructure. Two school conversions have been successful.

Market Conditions

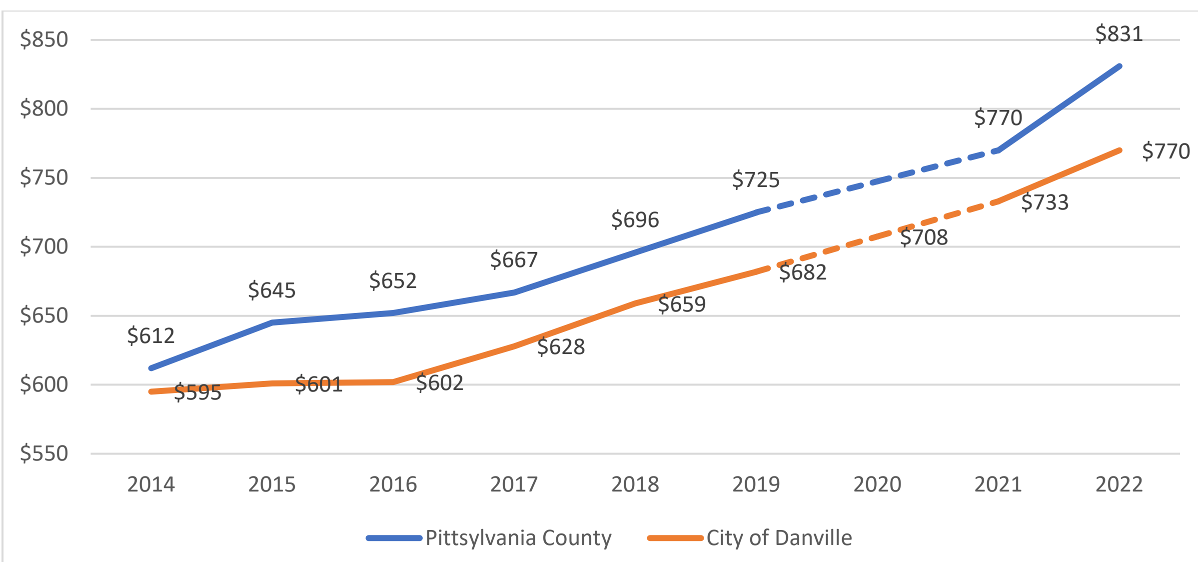
Pittsylvania County has a total of 29,656 housing units, reflecting 20% more units than households. Out of the 4,993 vacant units, a relatively small number (698 units) are held for seasonal, recreational, or other occasional use. Many of the vacant homes (68%, or 3,381 units) are categorized as long-term vacancies, which can include properties that are abandoned, slated for demolition, or held without being occupied for an extended duration. Such a high percentage of long-term vacancies can pose challenges for community revitalization and housing market stability.

Danville, with its 22,264 housing units, also has a 20% higher housing unit count compared to its 18,590 households. The city has 3,674 vacant units. The units held for seasonal, recreational, or occasional use are minimal, ranging from 98 to a possible 292 units. The largest portion of vacant homes (62%, or 2,291 units) in the city are long-term vacancies.

Rental Market

Rent in both jurisdictions rose steadily from 2014 to 2021. Pittsylvania County's median gross rent has risen 18% over the past five years and was $770 in 2021. Danville's median gross rent has increased 21% over the past five years and was $733 in 2021. Rent increases have impacted workers in the city and county's most prominent occupations, making median rents out of reach for many single-earner households even if they are very skilled or experienced. Read more on housing affordability among workers in the "Workforce Housing" section above.

Figure 64: Median Gross Rent
Source: VCHR tabulation of 2015-2022 ACS 5-year, not adjusted



There are 846 vacant rental units in Danville, representing 8.4% of all rental housing units. These market vacancy rates for rental units indicate that the *quantity* of rental units is adequate; however, both county and city stakeholders explained that many units are in extremely poor condition. Therefore, despite the relatively high vacancy rate, there is still great need for housing.

Increased demand is incentivizing private investments in housing rehabilitation, but this housing generally does not serve lower-income households. Housing stakeholders in Danville observed the effects of large economic development prospects. They explained that investors began buying properties at a higher rate as companies broke ground. As investors "flip" properties, they described evictions and increasing rents. Given this context, the City should guide new development or the purchase and rehabilitation of existing units to respond to the need for more affordable housing to serve cost-burdened households, including many workers in the city and the county.

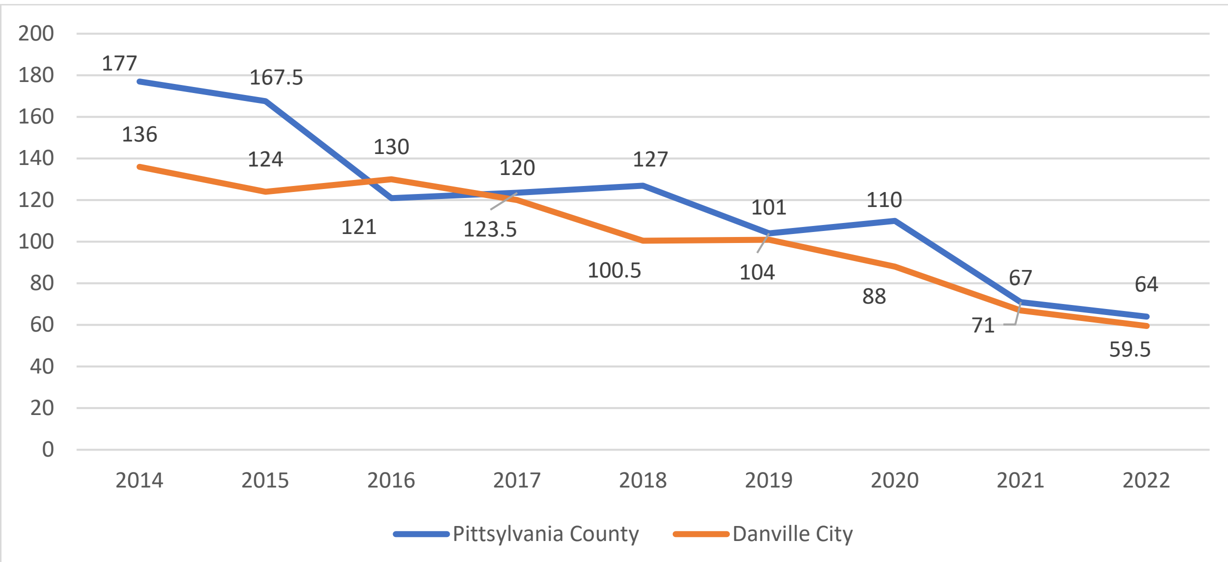
There are not enough rental units in the county to accurately estimate the rental vacancy rate, but increasing rents in the county are evidence of increasing demand. Though levels of cost burden in the county are lower, they will likely increase as demand continues to increase in the future. As such, the County will need to increase the rental housing in proportion to demand and encourage the rehabilitation or preservation of housing that serves low-wage occupations prominent in the county.

Homeownership Market

In the for-sale housing market, sales data is used to assess the balance between supply and demand. The for-sale housing market in both Danville and Pittsylvania County has improved significantly since 2014, as indicated by the median Days on Market (DOM). In 2014, the median DOM in Pittsylvania County stood at a relatively high 177 days, suggesting homes took nearly six months before being sold. However, by 2022, this figure had reduced to 58 days, implying a healthy pace in the housing market, with homes being sold in just over two months. Danville showed a similar trend but slightly slower than Pittsylvania County. Starting with a median DOM of 136 days in 2014, the figure was reduced to 50 days by 2022.

Figure 65: Median Days on the Market (DOM)

Source: VCHR Tabulation of 2014-2022 MLS Data

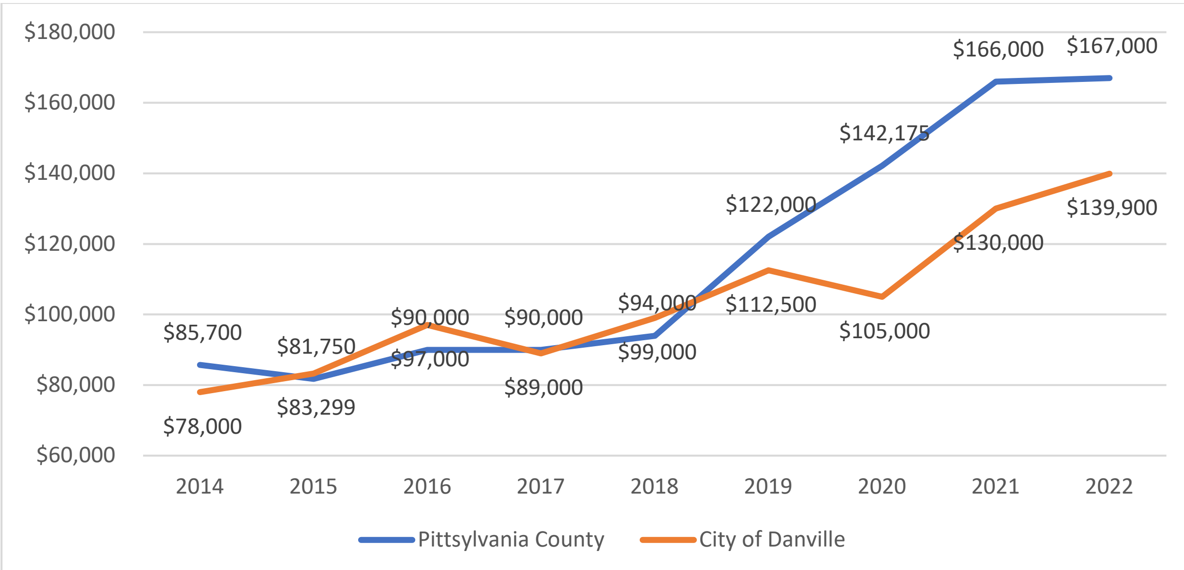


The steady decrease in median DOM is indicative of increasing demand and improving market health; however, DOM are not yet low enough to indicate that supply is inadequate. DOM below 30 would indicate that the market is shifting to a “seller’s market” that may begin to exclude first-time homebuyers or those who need unconventional financing. Nonetheless, wages in the region and associated affordable housing costs are evidence that many low and moderate income, working households are already excluded from the market. Increasing prices along with recent increases in interest rates will further exclude these households and potentially threaten businesses’ ability to retain workers.

The median sold prices witnessed a consistent and significant increase over the years, also reflecting the growing demand for homeownership in the county. From 2014 to 2021, median price nearly doubled from $85,700 to $166,000, marking a 94% increase. Danville's housing market also experienced a substantial boost in the median sold prices. In the period from 2014 to 2021, there was an approximately 67% increase, with prices growing from $78,000 to $130,000. This suggests a robust demand of the city's residential properties. Increases in price substantiate the health of the for-sale housing market and give buyers confidence that they will be able to build equity in their home, attracting more potential buyers to the market.

Figure 66: Median Sold Price

Source: VCHR Tabulation of 2014-2022 MLS Data



Increasing demand and relative market health benefits both owners and the two municipalities. Increasing prices incentivize private investment in housing, alleviating some concerns about housing condition. In addition, increasing prices may encourage owners who have been holding vacant units in the long term to sell, reducing the number of long-term vacancies. Nonetheless, not all owners will have the financial means to make investments or relocate to units more desirable for aging. Further, both City and County staff and stakeholders discussed how increasing competition for units, increasing prices, and an increasing interest rate are beginning to exclude some buyers. County staff discussed the need for more homebuying assistance, including housing counselors, down-payment savings programs, and financing in addition to more affordable stock.

Danville-Pittsylvania Conclusions

Danville and Pittsylvania County are a single housing market. Danville provides smaller housing more appropriate for small households working in the city or needing access to services in the city, while the county offers larger housing in suburban, exurban, and rural settings. Between the two submarkets, there is an adequate overall quantity of housing, including both rental and homeownership opportunities. However, the market struggles to provide enough affordable housing for low-wage workers, many in the largest occupations by employment, especially given rising rents and prices. Poor housing conditions further challenge the Danville-Pittsylvania County market.

Since neither submarket is yet too tight—Danville has a rental vacancy rate indicating that high levels of vacancy and days on the market in both the city and county are in the healthy range—the municipalities have the opportunity to encourage development of needed housing for those who are less likely to be served in the market without local government incentives. Single-earner households in most prominent occupations by employment in both the city and county are vulnerable and unable to afford the median rent. Further, these workers are likely to leave the area as homeownership becomes less attainable with rising prices.

Increases in sale prices and rents, along with new demand from workers at the casino and Tyson Foods have attracted investors to the market. These private investors are renovating homes for sale and for rent. Further, increased sale prices offer owner occupants incentives to invest in upgrades and home maintenance. Over time, increased demand is likely to address many of the conditions and some of the vacancy concerns in the market. However, despite the market incentive, some owner occupants do not have the capital to invest in their homes; some long-term vacancies will have high barriers to acquisition; and some landlords will continue to take advantage of vulnerable households who have little choice in housing.

Coordinating services throughout the market and adding housing that serves the most vulnerable is the best way to address bad actors in the market. Stakeholders suggested that partnership among entities serving households who experience homelessness and even regional coordination of these and related services would help address housing challenges more efficiently and break cycles of housing instability. Coordinating services for owners with few assets can help stabilize households, help them retain wealth, and preserve the market’s housing stock for future generations.

Given high levels of long-term vacancy throughout the market, the region’s efforts to establish a land bank are well founded. Land banks can help streamline acquisition of properties and deliver them to entities like Habitat and other nonprofit builders and developers who can help address needs that the private market neglects. With financing incentives and strong receiving entities, the proposed landbank will help address housing needs while improving conditions and property values throughout the market.

Solutions

Regional solutions

PRIORITY SOLUTION 1: Designate WPPDC as the region's land bank

Property vacancy and blight are consistent issues among nearly all localities in the region. Population decline and disinvestment were early factors that contributed to property abandonment and neglect. Real estate speculation now plays a major role in current property conditions. Large amounts of vacant and underutilized properties are holding back development.

While the region cannot fully address all root causes for this trend of vacancy and low utilization, it can further leverage public-sector capacity to strategically identify, acquire, and position certain properties for redevelopment into affordable housing and other community assets. These activities are commonly undertaken by "land bank" authorities.

Individual jurisdictions may create or designate their own land banks, but the region should take advantage of Virginia law that would allow WPPDC to serve as the region's land bank. This approach would avoid duplicative efforts among different localities and ensure that both human and financial resources are used efficiently.

HOW IT WORKS

The Land Bank Entities Act in the Code of Virginia allows for a locality or multiple localities to designate a planning district commission as a land bank entity (§ 15.2-7502). As a land bank, WPPDC would be able to acquire or receive, hold, manage, and develop or redevelop properties in order to transform these properties back into productive use. Although the Danville Neighborhood Development Corporation was designated as the city's land bank in 2019, capacity to manage property disposition has proven difficult.

Purpose

A land bank acts as responsible steward of property and land. While a land bank can be used to facilitate lot assemblage or hold land responsibly until market conditions improve, land banks more often attempt to quickly acquire and dispose of property to meet community goals. In the commonwealth, there are only a handful of active land banks, including the Maggie Walker Community Land Trust and the Chesapeake Land Bank Authority. There are no planning district commissions in Virginia that have been designated as a land bank entity.

Powers

In Virginia, land banks are able to receive properties directly from localities (including surplus and tax-foreclosure under certain conditions), avoiding a competitive bidding process. Through the transfer process, localities can set specific guardrails on the development to ensure that any improvements on the property are fulfilled and meet the needs of the community.

Land banks can also acquire properties on the private market (if they have funding for acquisition). Once acquired, property owned by land banks can be held strategically for larger property assemblage, temporarily improved to serve a community purpose (e.g., community garden, community gathering space), developed by the land bank entity, or disposed of to another organization or entity to develop it. To make these activities more feasible for land banks, land banks in Virginia have been granted exemption from real estate taxes. This allows them to better focus resources on improving and maintaining properties.

Land banks may also be designated "as a receiver to repair derelict and blighted buildings" (Virginia Code § 15.2-907.2). This avenue requires a locality to have exhausted efforts to ensure compliance by property owners to abate property issues. Receivership grants a land bank entity the ability to bring a property up to code, and the expenses incurred to do so may act as a lien against the property.

Results

One of the most active land banks in Virginia is the Maggie Walker Community Land Trust (MWCLT), an affordable homeownership nonprofit based in the Richmond region. MWCLT was designated as the official land bank of the City of Richmond, Chesterfield County, and Henrico County. This relationship has allowed for the transfer of tax-foreclosed and surplus properties to MWCLT in order to support affordable housing development in the region. The Richmond Land Bank, an MWCLT program, uses a competitive bidding process with public feedback to dispose of properties to eligible developers. This process has resulted in affordable homeownership *and* rental projects throughout Richmond.

In Henrico and Chesterfield counties, MWCLT has leveraged county surplus properties to develop affordable infill housing and also the first community land trust subdivision within Virginia. Henrico County's use of MWCLT as its land bank has also maximized nonprofit partnerships to leverage county surplus property for the development of housing and childcare with the YWCA and Children's Home Society of Virginia.

Constraints

Recent judicial rulings on the tax-foreclosure process have negatively affected land banks. In *Tyler v. Hennepin County*, the U.S. Supreme Court ruled that the retaining of surplus profits from a tax-foreclosure sale by Hennepin County, Minnesota, was a violation of the Fifth Amendment's takings clause. This ruling makes it more difficult for land banks to intervene and dispose of properties to responsible owners because they can no longer use the proceeds to fund their operations or subsidize their programs. While this impacts the stream of qualifying tax-foreclosed properties (Virginia Code § 58.1-3970.1) to land banks, localities can still support their land banks with surplus properties and funding.

HOW TO DO IT

Within 6 months:

- Request that localities in the region designate WPPDC as their land bank entity.
- Develop the regional land bank's overarching priorities, including housing development.
- Identify surplus properties and severely derelict/blighted properties within each of the localities by using relevant information (e.g., site and building conditions, assessed value, zoning).
- Develop a transparent and efficient disposition process.

Within 1 year:

- Acquire operating funding.
- Engage with the development community to educate them about the land bank process.
- Receive viable properties for development, redevelopment, or rehabilitation.
- Conduct an analysis to determine “highest and best use” for each property.
- Develop application and review process for property disposition; consider a pre-qualification process to ensure that recipients are able to properly maintain the property for its end use.
- Assess opportunities to leverage receivership to rehabilitate derelict properties.

Within 2 years:

- Market properties for development.
- Receive and review applications based on priorities set by WPPDC and localities.
- Dispose of the first round of properties to qualified developers or other responsible stewards.
- Monitor development and ownership of properties to ensure that development agreements are carried out.

WHO DOES WHAT

- **WPPDC**: Develop and operate the regional land bank, be a responsible steward of land within the region, and keep developer partners accountable.
- **Local governments:** Designate WPPDC as a regional land bank, provide financial support to WPPDC to operate the land bank, and provide WPPDC with a steady supply of property.
- **For-profit and nonprofit developers:** Apply for land bank properties and develop, rehabilitate, or redevelop properties for productive use in the community.

FUNDING SCOPE

Land banks can operate as their own standalone entity or be a part of a larger organization. Regardless of their operating form, land banks require staff to administer their programs. Staffing scope can range from a single individual to multiple people but is limited based on funding and the breadth of programs being offered. At the upstart, WPPDC can leverage existing staff but should consider hiring a full-time position to manage land bank activities.

POTENTIAL FUNDING SOURCES

- **Local general fund appropriations** can help support a staff position at WPPDC to manage and operate its land bank.
- **Community Development Block Grant funds** may be used to help support the acquisition of real estate on the open market.
- **Philanthropic funds** can be used to help support land bank operations that align with the donor’s mission.

PROJECTED ECONOMIC IMPACT

The creation of a regional land bank may:

- Increase property values by eliminating vacancy and blight.
- Spur residential development activity in target areas.

- Increase tax base with new residential units.

METRICS TO EVALUATE SUCCESS

- Number of properties received and disposed of through the land bank.
- Number of new housing units created.
- Number of housing units rehabilitated.
- Increased operating funding over time.

IMPORTANT CONSIDERATIONS

- If pursued, this would be the first planning district commission within Virginia to be designated a land bank. There are no examples within Virginia to look to for best practices.
- In the absence of qualified residential developers willing to take on development under the terms of disposition, WPPDC could consider developing properties itself.

EXAMPLES

Maggie Walker Community Land Trust/Richmond Land Bank

The Maggie Walker Community Land Trust acts as the land bank entity for three localities in the Richmond region. The organization is an affordable homeownership nonprofit focused on providing permanently affordable housing. The Richmond Land Bank—an MWCLT program—acts as the City of Richmond's land bank and receives and disposes of property through a community-engaged process.

In Henrico and Chesterfield counties, MWCLT acts in partnership with local government, which identifies surplus properties ripe for residential development and transfers them to MWCLT through a straightforward local ordinance process. In some cases, their community development departments identify properties at risk of foreclosure and ask MWCLT to engage with homeowners to acquire the property.

PRIORITY SOLUTION 2: Coordinated home repair and rehabilitation

ISSUE: *The demand for home repair and rehabilitation outstrips resources to mitigate those issues.*

Low- and fixed-income homeowners across the region are struggling to make improvements to their properties to help them live comfortably and safely. There are still homes throughout the region lacking indoor plumbing and reliable sources of heating and cooling. Seniors and families with young children are acutely impacted by these poor living conditions.

Resources to help low- and moderate-income homeowners with deferred maintenance, weatherization, and other improvements are often oversubscribed. Due to limited staffing, nonprofits offering these services are also facing challenges in deploying resources.

SOLUTION: *Coordinate home repair and rehabilitation programs at the regional level to maximize reach and impact.*

HOW IT WORKS

This strategy involves partnering with local and regional offices, banks, and service providers to create accessible pathways for property owners to tap into home improvement resources, such as those offered by DHCD, SERCAP, and USDA Rural Development. By strategically aligning program waitlists and eligible uses for funds, resources can be distributed more efficiently and effectively.

Further enhancing this strategy, recruiting community ambassadors will be key to expanding awareness and building trust within local communities. These ambassadors can play a crucial role in informing residents about available programs and resources. Additionally, developing a robust applicant pipeline will enable a more targeted approach to addressing housing needs.

Implementing a system to "triage" applications will help prioritize those with the highest needs, ensuring that the most critical cases receive timely attention and resources. This comprehensive approach aims to streamline efforts, avoiding duplication and matching home repair and rehabilitation programs with those most in need.

HOW TO DO IT

Within 6 months:

- Conduct outreach with existing providers, program administrators, and others to explore opportunities to collaborate and partner. Share ongoing problems and best practices.
- Create a matrix of all current programs, including their funding sources, application processes, eligibility requirements, eligible uses, and compliance regulations.
- Identify unique needs within the region that are not adequately served by existing programs.

Within 1 year:

- Identify and train local residents as community ambassadors to educate potential clients about the programs, especially if there are concerns about liens or other requirements.

Within 2 years:

- Develop a centralized system to align waitlists across programs.
- Develop process to assess and prioritize applications, based on client needs, program eligibility, and funding availability.
- Hold regular meetings with all stakeholders to review progress and make necessary changes.

FUNDING SCOPE

For this effort to be successful, funding to support a partial or full-time position is likely necessary. (That position could be within WPPDC or another organization.) Resources would also be needed to compensate community ambassadors (depending on their level of effort), along with any consultants used to help create web pages or other technological solutions.

POTENTIAL FUNDING SOURCES

- **Combined general funds** from Local governments across the PDC could be allocated as a share of the operational/administrative costs required to fund a new staff position.
- **Local or regional financial institutions** could create low-interest loan products to provide low-income homeowners with capital to conduct major home rehabilitations.
- **Philanthropic institutions** and private companies may be able to provide grant funding to nonprofit organizations to support capacity building or specific initiatives.

PROJECTED ECONOMIC IMPACT

- Increase in property values due to improved housing conditions.
- Job creation through increased demand for local contractors and construction workers.
- Reduction in healthcare costs by addressing housing-related health issues.
- Enhanced community stability and resident retention.

METRICS TO EVALUATE SUCCESS

- Number of homes repaired and rehabilitated.
- Reduction in the wait times for assistance.
- Increase in the number of applications for home repair assistance.
- Feedback from community members on the effectiveness of outreach and assistance.
- Measurement of improvements in living conditions and resident satisfaction.

Franklin County

PRIORITY SOLUTION 1: Assess zoning best practices

ISSUE: *An upcoming comprehensive plan is an opportunity to address – or ignore – housing challenges.*

Franklin County's 2025 Comprehensive Plan, adopted in 2007, is nearing the end of its applicability. Much has changed since 2007, and the Great Recession's lasting impacts have contributed to a housing deficit in all parts of the commonwealth. Franklin County also was not immune to the effects of COVID-19 on the housing market and saw demand skyrocket. Supply is currently not meeting the demand from the county's workforce and existing residents. Although the County uses the Residential Planned Unit Development District (RPD) to encourage innovative and creative housing solutions, there are still opportunities to embrace new strategies.

SOLUTION: *Set the comprehensive plan update for success by assessing zoning best practices from peer localities.*

HOW IT WORKS

Numerous localities around Virginia are undergoing major zoning reforms and ordinance updates to address their housing needs. Their efforts follow national best practices supported by organizations like the American Planning Association (APA) and the Congress for the New Urbanism (CNU). Franklin County can proactively explore zoning best practices that have been implemented in Virginia and assess their viability within the county.

Professional Development

The APA and CNU are both professional organizations that seek to connect planning practitioners and provide valuable resources and tools to grow knowledge and expertise. Through membership, planning staff can "level-up" the skills they bring to their community. These organizations regularly hold webinars and training on topics related to zoning and land use.

Research and Best Practices

More and more localities are getting introspective about zoning. Their interest has grown as outdated zoning laws continue to compound issues not only related to housing, but also environmental sustainability and economic development. New research on zoning has inspired innovative approaches to be implemented across the nation. Learning from what has worked and what has not in localities similar to Franklin County can help inform the comprehensive planning process and ensuing updates to the zoning ordinance.

Comprehensive Planning Process

The comprehensive plan is a document created in collaboration with local residents to guide a locality's growth and development. As experts, planners serve an important role in engaging and informing residents about new ways of thinking about development that align with local goals and professional best practices.

The comprehensive plan is a requirement of the Code of Virginia § 15.2-2223, which specifically calls for the inclusion of "the designation of areas and implementation of measures for the construction, rehabilitation and maintenance of affordable housing, which is sufficient to meet the current and future needs of residents of all levels of income in the locality while considering the current and future needs of the planning district within which the locality is situated."

Planners can be direct with residents about these requirements and show them how new development strategies can strike a balance between what may be perceived as opposing forces (e.g., increased density and preservation of rural character).

Potential Approaches

To support the development of a range of housing types at different prices, the County could consider some or all of the following strategies.

Accessory dwelling units (ADUs)

The Franklin County zoning ordinance allows for a "second dwelling for use by immediate family" in the A-1, RE, R-1, R-2, and RC-1 districts—but only via special use permit. While these secondary dwellings can also be occupied by unrelated farm workers on properties zoned A-1, such occupancy requirements generally stifle the proliferation of ADUs. Effective ADU policies, in addition to allowing homeowners to build and lease ADUs to persons outside their family, create reasonable conditions where, if met, special use permits are not required.

Flexible lot standards

Reducing or eliminating minimum lot sizes, lot widths, setbacks, and other geometric mandates can allow for more efficient land use, and make it easier to develop more affordable starter homes and townhomes. These changes should consider access to public water and sewer.

Residential uses in commercial districts

Current zoning regulations allow for homes or apartments in B-1 and B-2 districts but only when in combination with a business use. Removing this requirement could facilitate residential development on parcels less suitable for commercial development, and add new households to take advantage of the close proximity to retail and services.

Manufactured housing

Due to the increasing quality of factory-built homes—and their ability to provide an affordable, nonsubsidized path to homeownership—the County could expand their allowances within the zoning ordinance. This might include allowing new manufactured homes as a by-right use in the RE and R-1 zones, and pursuing updated regulations that could promote new manufactured home subdivisions.

HOW TO DO IT

Within 6 months:

- Reach out to the Virginia Chapter of the American Planning Association for information on emerging zoning best practices in Virginia. Consider subscribing to APA's Zoning Practice publication.

- Network with planners in comparable jurisdictions to understand how they are addressing similar issues through zoning and land use planning.
- Assess impact of current zoning on housing production (i.e., How much land is dedicated to certain types of by-right development?).

Within 1 year:

- Conduct an analysis of zoning changes on housing production, county services, etc. (e.g., what will be the impact of reducing minimum lot area requirements).
- Assess the effectiveness of existing 2025 Comprehensive Plan area policies (e.g., have the "Policies for Villages" been effective in creating the types of development envisioned).
- Conduct a Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis of new zoning strategies deemed viable for the county.

Within 2 years:

- Incorporate proposed zoning changes in a comprehensive planning process by providing residents with detailed information on the impact of those changes.

WHO DOES WHAT

- **County Planning & Community Development**: Responsible for taking proactive steps to better understand zoning best practices and ways to implement them in Franklin County.
- **Outside consultants:** Experts experienced in zoning and land use planning could be leveraged to assess existing zoning policy and propose changes.

FUNDING SCOPE

While there may be professional development costs associated with networking and learning, there are no major costs associated with assessing zoning best practices. Assessing zoning best practices in other localities can be included as part of staff's daily activities and would therefore not require additional funding.

POTENTIAL FUNDING SOURCES

- **Virginia Housing Community Impact Grant:** Virginia Housing offers up to $20,000 for policy studies. This can include a Development Code Analysis, which identifies a locality's barriers to housing development by examining its codes, ordinances, and regulations, and then recommends fixes.

PROJECTED ECONOMIC IMPACT

Updating the zoning ordinance to promote the efficient development of a range of housing options could:

- Attract and retain young professionals and families, thereby increasing the local labor pool and stimulating economic growth.
- Diversify and expand the county's real estate tax base, providing additional funds for services and improvements.
- Demonstrate to employers considering investing in the county that there is a clear commitment to supporting an abundant supply of housing for workers.

METRICS TO EVALUATE SUCCESS

- Increased knowledge among County planners and elected officials about zoning best practices.
- Adoption of “pro-housing” land use and zoning policies.
- Number and type of new residential units created.
- Share of projects/units approved by-right or by rezoning or special exemption.

IMPORTANT CONSIDERATIONS

- Staff capacity to take on additional activities on top of their daily workload may be limited.

EXAMPLES

Cumberland County – Broad allowances for manufactured homes

In 2023, Cumberland County adopted a zoning text amendment (CA 23-01) that added manufactured homes to the permitted uses for the RA-1, R-1, R-2, and R-3 districts. The County’s zoning ordinance also makes the distinction between manufactured homes and modular homes, the former of which are subject to local building permits.

Powhatan County – Flexible ADU regulations

Powhatan County permits both detached ADUs and attached ADUs (“accessory apartments”). While detached ADUs are by-right in two districts and require a conditional use permit in three others, accessory apartments are permitted by-right in all zoning districts. Although the primary dwelling must be occupied by the property owner, there are no occupancy restrictions on the ADUs. The regulations stipulate maximum gross floor area requirements and parking spaces but are otherwise not highly prescriptive.

PRIORITY SOLUTION 2: Create effective development incentives

ISSUE: *Housing developers are not developing lower-cost housing in the county.*

The majority of home builders in Franklin County are custom home builders and sole proprietors focusing on higher-end products. The market focus on luxury and custom-built homes keeps low- and moderate-income families out of the county, which in turn impacts the county's workforce. Even after addressing local regulatory barriers, localities may still struggle to encourage lower-cost housing.

SOLUTION: *Create a suite of development incentives to spur lower-cost housing development.*

HOW IT WORKS

Localities have used a wide range of incentives to encourage developers to build more affordable housing types. The type of housing a community wants to encourage will determine the type of incentive. For example, communities that want to see more affordable rental housing often use density bonuses to allow developers to build more than what is allowed so long as they set aside a percentage of units as income-restricted.

Development incentives help offset the costs of providing affordable housing. Density bonuses are some of the most common, but other incentives may seek to relax other zoning restrictions, waive fees, expedite permitting, offer tax relief, or provide direct subsidy. Regardless of the type of the incentive used, the basic mechanism seeks to reduce the cost to develop a specific type of housing in return for a commitment to affordability (whether short-term, long-term, or permanent).

Zoning changes and streamlined permitting can be no-cost alternatives that benefit both developers and property owners. Allowing accessory dwelling units by-right in all single-family zoning districts and maintaining a fast-track permitting process can create new housing opportunities, as well as new streams of revenue for homeowners.

HOW TO DO IT

Within 6 months:

- Identify lower-cost housing types the county wants to incentivize (e.g., manufactured homes, modular homes, cottage-style housing).
- Establish a task force comprising housing experts, developers, local government representatives, and community stakeholders. This body will analyze current housing policies, evaluate existing regulation and identify barriers, and determine what incentives would most effectively attract developers.
- Initiate open dialogues with potential private developer partners to better understand their hesitations and needs concerning affordable housing projects. This information will guide the task force in designing appealing incentive packages.
- Develop a blueprint for a technical assistance program, which will offer guidance on navigating regulatory hurdles and securing funding for affordable housing projects.

Within 1 year:

- Roll out chosen financial incentives, which could include a combination of property tax abatements, density bonuses, low-interest loans, or grants to developers undertaking affordable housing projects depending on identified need and impact.
- Execute regulatory reforms, including a streamlined development approval process, relaxation of zoning laws to accommodate diverse housing types, and a fast-tracked review process for affordable housing proposals.
- Launch the technical assistance program, offering training sessions and resources to assist developers in understanding and overcoming the complexities of affordable housing development.

Within 2 years:

- Develop public-private partnership frameworks and attract new private entities to participate in affordable housing projects.
- Continually monitor the effectiveness of all implemented measures, modifying strategies as necessary based on outcomes and feedback.

WHO DOES WHAT

- **County Planning & Community Development**: Responsible for determining viable development incentives with other stakeholders.
- **Housing industry professionals (e.g., REALTORS, builders, etc.):** Provide important feedback about marketable housing options for the county.

FUNDING SCOPE

Funding requirements will depend on the scale of the implementation. Initial costs will be associated with establishing the task force, designing incentive packages, and setting up the technical assistance program. Long-term operational costs will include maintaining partnerships, managing programs, and funding financial incentives.

POTENTIAL FUNDING SOURCES

1. **Government Funding:**
    a. Federal grants such as the HOME Investment Partnerships Program or the Community Development Block Grant (CDBG) program.
    b. HUD's Thriving Communities Technical Assistance (TCTA) Program helps localities to address their housing needs, including addressing regulatory and procedural reforms.
    c. Targeted grants for housing planning efforts are available from the Virginia Department of Housing and Community Development *(*DHCD) and the Appalachian Regional Commission.
    d. The Virginia Housing Trust Fund (VHTF) provides loans with low-interest rates for affordable housing projects.
2. **Public-Private Partnerships (PPP):**
    a. Private sector entities often participate in affordable housing development through PPP arrangements. The private sector brings in capital and operational efficiency, while the public sector can offer incentives like tax breaks, land, or eased regulatory requirements. Low-Income Housing Tax Credits (LIHTC) can be one example of this type of partnership.

3. **Philanthropic Resources:**
    a. The Virginia Housing Capacity Building and Community Impact Grant programs could help fund technical assistance efforts and development planning.

PROJECTED ECONOMIC IMPACT

Creating a suite of development incentives to spur lower-cost housing development could:

- Increase county tax revenue through increased population.
- Increase commercial retail activity within the county.
- Increase workforce within the county.

METRICS TO EVALUATE SUCCESS

- Number of affordable housing units developed.
- Uptake of financial incentives by developers.
- Efficiency of the regulatory approval process.
- Increase in housing types.
- Number of new affordable developers in the county.

IMPORTANT CONSIDERATIONS

- Training programs should cover how local zoning regulations could influence the planning and execution of affordable housing projects, including the potential need to navigate variances or amendments to these regulations. Training must also include understanding the Virginia Residential Landlord and Tenant Act and its implications on managing affordable housing units.
- Developers should be educated about Virginia's Low-Income Housing Tax Credits (LIHTCs) and how to leverage this program to finance affordable housing development.
- Building organizational capacity involves training developers on managing projects, collaborating with local organizations and government entities, and complying with affordable housing regulations.

EXAMPLES

Arlington County - Affordable Housing Investment Fund (AHIF)

Approach: Arlington County has expanded affordable housing by providing low-interest loans to developers through AHIF, has introduced bonus density provisions, and has actively involved communities in decision-making processes.

Outcomes: The program has enabled the majority of the approximately 8,300 rental units approved throughout the county that help provide homes for low- and moderate-income households, including specialized housing for the elderly, the homeless, or persons.

Austin, Texas - Small Developer Training Program

Approach: The Austin Small Developer Training program is launching this year and aims to boost the availability of affordable housing in Austin by equipping small-scale developers with the necessary skills and knowledge. The comprehensive education initiative is organized by HousingWorks Austin and includes small-scale development strategies and insights into the regulatory environment to enable smoother planning and approval processes.

SECONDARY SOLUTION 1: Rework short-term rental (STR) regulations

ISSUE: *Smith Mountain Lake housing market is facing pressures from short-term rentals.*

The popularity of Smith Mountain Lake and the short-term rental market has contributed to a lack of housing for workers in the tourism industry. Short-term rentals (STRs) often support local tourism and the temporary labor market, but they can place significant pressure on the for-sale and rental market if not regulated.

Numerous localities across Virginia have sought to place certain restrictions on STRs in order to mitigate their potential negative impacts. While Franklin County already has a robust set of regulations and restrictions around STRs, homeowners in parts of the county where STRs are prohibited are increasingly interested in making the most of the STR demand.

SOLUTION: *Examine and update short-term rental regulations to effectively balance tourism and housing needs.*

HOW IT WORKS

Taking a comprehensive approach to STR regulations can prevent confusion and backlash from a piecemeal approach. Balancing the rights of individual property owners and overall community welfare can be managed by creating an efficient registration process and setting clear guidelines for operation. In lieu of advancing zoning reform that allows for more housing to accommodate demand, reasonable regulations can help mitigate potential negative impacts and ensure property owner benefits.

Approaches to STRs

In January 2023, the Virginia Attorney General determined that STRs on agriculturally zoned properties are categorized as agritourism activities and therefore cannot be subjected to regulation by local zoning ordinances. (Virginia General Attorney Official Opinion 22-036.) But for non-agriculturally zoned areas, localities across Virginia have implemented varying degrees of regulation and restriction on STRs that Franklin County can learn from.

Tourism-Only

With its large tourist industry, the City of Virginia Beach adopted a restrictive STR policy after initially taking a very permissive approach. Virginia Beach's policy seeks to encourage STRs in areas of the city where tourism is prevalent. While STRs operating before the change were grandfathered in, the City now restricts STRs to the Sandbridge Special Service District through an approved STR zoning permit and to the Oceanfront Resort STR Overlay District through a conditional use permit.

Detail-Oriented

James City County has made clear distinctions between the "rental of rooms" (where the owner is primary resident and the whole home is not rented) and "tourist homes" (where the entire home may be rented). Many zoning districts treat each definition differently (i.e., whether the use is permitted by-right, is not permitted, or requires a special use permit). However, James City County has laid out a clear definition of what constitutes a STR in its 2045 Comprehensive Plan. All STR operators must obtain a business license, and in cases where a Special Use Permit (SUP) is required, the proposed STR must meet development standards enumerated in the county's comprehensive plan.

Permissive

Louisa County adopted its STR regulations in October 2023 after two years of drafting and development. The County allows for STRs by-right in residentially zoned districts within growth areas but requires a conditional use permit in districts outside growth areas. In addition to these regulations, the County requires compliance with certain rules to ensure that STR tenant and neighboring property issues are addressed. This approach supports a balance of individual property rights and community concerns.

These are three approaches that communities across Virginia have taken on STRs. As questions and concerns arise from residents around existing regulations and restrictions, it would benefit Franklin County to more deeply engage with its residents on their attitudes around STRs and to learn from other localities.

HOW TO DO IT

Within 6 months:

- Assess staff capacity to engage with residents around STR policies.
- Connect with other localities around their chosen STR strategies, the effects of those strategies, and lessons learned.

Within 1 year:

- Conduct assessment of current inventory of STRs.
- Engage with residents to hear common concerns and desires regarding STRs (e.g., surveys, forums).

Within 2 years:

- Determine if the current set of STR regulations are adequate based on community feedback and peer locality conversations.

WHO DOES WHAT

- *If capacity exists*, **Planning & Community Developmen**t: Responsible for community engagement and an assessment of STR inventory and policy.
- *If capacity does not exist*, **outside consultants:** Work closely with **Planning & Community Development** staff to engage with the community and conduct assessment.

POTENTIAL FUNDING SOURCES

- **Virginia Housing's Community Impact Planning Grant** can be used to fund up to $20,000 of a policy study. As defined, a policy analysis would "enumerate and quantify the costs, benefits, and overall effectiveness of an existing or proposed housing policy or series of policy alternatives that are intended to implement the desired goal."

IMPORTANT CONSIDERATIONS

- **Planning & Community Development** staff capacity may be limited with existing workload. The hiring of outside consultants may lead to a more efficient use of resources.

PROJECTED ECONOMIC IMPACT

By reworking existing STR regulations, the County could:

- Ensure that the tourist industry is sustainable.
- Provide homeowners with an additional source of income.
- Ensure that hospitality workers within the county have access to affordable housing within the county.

EXAMPLES

Louisa County

In October 2023, Louisa County adopted a short-term rental (STR) ordinance allowing by-right STR operations in residential districts within designated growth zones, with a registration and compliance requirement for county codes and state health regulations. STRs located in residential areas outside these zones need a conditional use permit, while STRs in agricultural districts are by-right and unregulated, in line with Virginia Attorney General Opinion 22-036. The county has made available clear guidance and resources on its website, including a one-page explanatory handout.

James City County

James City County's STR regulations differentiate between "rental of rooms" (owner-occupied) and "tourist homes" (entire home rental), with varying permissions across zoning districts. Operators must secure a business license, and recent comprehensive plan recommendations suggest STRs be located on subdivision perimeters, major roads, and require owner residency during rentals, with county staff withholding permit approval for non-compliant proposals.

City of Virginia Beach

Virginia Beach uses a similar distinction between “home shares” (owner-occupied during rental) and true STRs, where the whole home is leased for less than 30 days. Home shares need Commissioner registration but no zoning permit, whereas STRs must meet compliance standards including a zoning permit, safety inspections, a parking plan, and minimum $1 million liability insurance.

SECONDARY SOLUTION 2: Manufactured home community revitalization

ISSUE: *Aging manufactured home communities face major housing quality challenges and redevelopment pressures.*

Manufactured home communities (MHCs) in Franklin County serve as a major source of market affordable housing. But their affordability often stems from aging housing units and stigma. For many families, these are the only options available and affordable to them. However, the quality of older manufactured homes continues to be a health and safety issue, while development pressures risk displacing families.

SOLUTION: *Promote nonprofit acquisition and other ways to stabilize and revitalize manufactured home communities.*

HOW IT WORKS

Manufactured home communities have been a growing area of interest among affordable housing nonprofits, as well as our state housing finance agency, Virginia Housing. Nonprofit acquisition and revitalization efforts can improve housing quality, maintain affordability, and prevent displacement. When collaborating with local governments, these nonprofits can be ready to step in when private owners are ready (or pressured) to sell their communities.

Mediation and Enforcement

Localities are often aware of potential MHC sales before they hit the open market. With this information, localities can help connect private MHC owners to nonprofits looking to support MHCs. In addition, localities can support nonprofits with funding to ensure that they can make a competitive offer. Community Development Block Grant (CDBG) funding through DHCD could be used to help the acquisition of property for affordable housing and revitalization purposes.

Furthermore, localities can also put pressure on “bad actors” who are not maintaining MHCs by undertaking proactive code enforcement. Code violations, if not addressed, can further lead to park deterioration and put residents at risk, but they can also act as liens against a property. These efforts can help motivate private owners to either make improvements or sell the property to a responsible steward.

Funding and Capacity Building

After taking possession of the MHC, a nonprofit can work closely with existing residents to stabilize and replace homes. Localities can work with the nonprofit to develop an action plan, find and secure additional resources, and establish long-term goals for the community.

HOW TO DO IT

Within 6 months:

- Assess park conditions, including housing quality and resident composition; and identify “at-risk” parks (i.e., those parks serving low-income individuals and families that are at risk of redevelopment).
- Educate local officials, community leaders, and others about MHC conditions to raise awareness.

- Communicate with MHC owners to understand long-term plans and openness to selling.

Within 1 year:

- Identify potential nonprofit stewards and determine their capacity to successfully acquire and operate MHCs.
- Prioritize MHCs for intervention based on existing conditions and ownership situations. Proactively develop response strategies when an opportunity for intervention is presented.

Within 2 years:

- Reach out to Virginia Housing and DHCD to explore grants for capacity building and community planning, as well as financing options for property acquisition and mobile home replacements.

WHO DOES WHAT

- **Planning & Community Development**: Work closely with the Building Inspections Office to assess park conditions and engage with stakeholders.
- **Franklin County Department of Social Services**: Communicate with park residents and identify housing quality issues.
- **County Attorney's Office: I**nvolved with "bad actors," should violations not be addressed.
- **Nonprofit organizations**: Act as stewards of manufactured home parks or work with residents to become a resident-owned community.

POTENTIAL FUNDING SOURCES

- **Community Development Block Grant** funds can be used to support the acquisition of real property. As a non-entitlement community, Franklin County would need to apply through DHCD.

PROJECTED ECONOMIC IMPACT

By promoting nonprofit acquisition of manufactured home parks, the County could:

- Prevent mass displacement of residents, thus preventing major impacts on county social services.
- Preserve a source of existing affordable housing within the county.

EXAMPLES

Chesterfield County - Bermuda Estates

Multiple departments within Chesterfield County worked together to facilitate the acquisition of a 50-unit manufactured home park along U.S. Route 1 by project:HOMES, an affordable housing nonprofit serving the Richmond region. Through proactive code enforcement and support from the County Attorney's Office, the private owner sold the property to the nonprofit in September 2020.

Since acquisition, project:HOMES has not only improved park infrastructure (through County CDBG funds), but has also sought to replace units with high-quality, energy-efficient manufactured home units. The nonprofit has invested a significant amount of time and resources in engaging the community and supporting its residents, most of whom are Latin American immigrants.

Henry County

PRIORITY SOLUTION 1: Leverage in-progress and upcoming planning efforts

ISSUE: *Multiple planning efforts are often done without regard for one another.*

Comprehensive plans guide the growth and development of communities for decades to come. Housing needs assessments, revitalization plans, and other planning initiatives that occur before comprehensive planning efforts can provide a wealth of information to contextualize local needs and goals. But sometimes these planning efforts end up being left on a shelf.

The county's current comprehensive plan—adopted in 1995—only addressed the county's growth and development until 2010. It is now 2024. The county is currently being guided by a document that is not only out of date, but also not aligned with the Code of Virginia. Since 1995, several updates have been made to state code that require localities to consider such things as manufactured housing and resilience in their comprehensive plan.

Henry County has also declined in population by 14% from 1995 to 2023. This continued loss of population can have major implications for the county's health unless properly planned for in the long term.

SOLUTION: *Align comprehensive plan update with findings from housing needs assessment.*

HOW IT WORKS

The recently completed housing study provides a detailed analysis of current and future housing needs in the community. It also identifies gaps in housing supply and affordability levels, and can become the foundation for informed decision-making in the comprehensive plan. Policymakers and planners can incorporate the study's findings to make sure that new strategies are responsive to the community and that investments are targeted to meet housing needs.

This approach facilitates a more cohesive vision for the community, aligning housing objectives with broader goals for economic development, transportation, environmental sustainability, and social equity.

The Comprehensive Plan

A comprehensive plan is a long-range planning document that addresses a community's land use, development, resources, and transportation needs over a span of 20 years or more. In essence, the plan is a community's vision for where it hopes to be within that time frame. Under Virginia State Code §15.2-2223, local governments in Virginia are required to adopt a comprehensive plan and to review that plan every five years.

The comprehensive plan serves as a guiding document for major decisions by elected and appointed officials, such as the local planning commission. It provides a framework to ensure that the many aspects that make a community are addressed cooperatively (e.g., economic development and housing) rather than without regard to one another.

Housing Needs Assessment

Understanding a community’s current and future housing needs can help local governments and concerned residents determine where to invest resources and target development. Localities can take proactive action on multiple factors that affect housing markets—from housing quality issues to a lack of supply.

Local housing markets change over time as demographics and economics change within and outside local boundaries. As a result, the housing market decades ago or even just a few years ago looks very different from today’s market.

Conducting a local housing needs assessment before a comprehensive plan update can provide valuable information specific to housing. The assessment also lays the groundwork for work typically completed during a comprehensive plan update, such as community engagement and demographic and economic analysis. These efforts can be applied toward a comprehensive plan, reducing the scope of work and adding context to community discussions with current data.

Off the Shelf

Too often, plans and reports get completed and sit on a shelf. These documents, the result of hard work by county staff and feedback from community members, should not go unused. Moreover, they often contain information that relates directly to current planning efforts.

By leveraging the work that’s already been completed, local communities can more efficiently and effectively set clear goals and objectives.

HOW TO DO IT

Within 6 months:

- Engage with county elected officials and residents around plans to update the comprehensive plan.
- Create a plain-language summary of the housing assessment to outline key issues and recommendations that should be addressed in the comprehensive plan.
- Engage with residents on the results of the housing assessment to ensure they understand the needs and challenges of their neighbors.

Within 1 year:

- Draft an RFP seeking a consultant to guide the County through the comprehensive planning process.
- Set clear housing priorities and desired elements in the RFP for the comprehensive plan, ensuring that consultants are aware of the emphasis on integrating housing data.
- Continue to engage with residents on the results of the housing assessment.

Within 3 years:

- Use the housing study’s findings to create measurable goals and objectives in the comprehensive plan, providing a clear roadmap to implementation.
- Establish a cross-departmental team to monitor the comprehensive plan’s implementation and maintain alignment of goals.

WHO DOES WHAT

- **Department of Planning, Zoning and Inspections:** Leverage the current housing needs assessment and run point on the comprehensive plan process.
- **Henry County residents:** Provide feedback during the planning process.
- **Board of Supervisors:** Act as ambassadors to encourage engagement and provide high-level feedback.

IMPORTANT CONSIDERATIONS

- While County staff can undertake a comprehensive planning process themselves, it is important to take into account their current capacity. Consulting firms across the nation and within Virginia exist that help develop comprehensive plans in collaboration with county staff.

FUNDING SCOPE

The cost to hire a consultant to guide a locality through a comprehensive plan process can range depending on several factors, including locality size, level of public engagement, and amount of readily available information. The existing housing needs assessment should help reduce the scope of work for an external consultant.

POTENTIAL FUNDING SOURCES

Because Virginia law requires local governments to update their comprehensive plans every so often, these activities are generally budgeted in advance as part of a locality's general fund expenditures. However, the County should proactively discuss pursuing state grants that may fund important and specific follow-on planning efforts, such as community services, infrastructure, and revitalization areas. Sources include both the CDBG Planning Grant program via the Virginia Department of Housing and Community Development, as well as Virginia Housing's Community Impact Grant.

PROJECTED ECONOMIC IMPACT

By aligning the comprehensive plan update with housing needs assessment findings, the county can:

- Ensure that housing goals match economic development goals.
- Better plan for a housing market that supports a future workforce.
- Improve property values and community quality by laying the groundwork for housing rehabilitation and revitalization efforts.

METRICS TO EVALUATE SUCCESS

- Issues identified in the housing needs assessment addressed in the Henry County Comprehensive Plan.
- Completed update of the Henry County Comprehensive Plan with clear housing objectives and goals.
- Implementation of actions and strategies regarding housing referenced in the comprehensive plan.

EXAMPLES

Henrico County - HenricoNext

Acknowledging significant changes since their last comprehensive plan, which was adopted in 2009, Henrico County began a comprehensive plan update in early 2021. Their process involves a significant phase analyzing trends and existing conditions within the county and evaluating different scenarios of growth.

Henrico County developed a website specifically for updating the general public about the planning process and answering questions.

City of Charlottesville - CVILLE PLANS TOGETHER

The City of Charlottesville initialized an update to their comprehensive plan in mid-2020. They have leveraged this effort to not only update their comprehensive plan, but also introduce an "Affordable Housing Plan" to have a "unified strategy for housing [their] residents."

To capitalize on these changes and a high-level plan for housing in their community, the City also underwent a zoning rewrite to "ensure growth takes place in a coordinated, equitable manner consistent with the citywide plan's vision."

PRIORITY SOLUTION 2: Housing awareness campaign

ISSUE: *Henry County residents need a better understanding of affordable housing.*

Regardless of income, everyone needs a safe and affordable place to live. However, existing residents sometimes resist new housing in their communities due to misconceptions about affordability and development. Existing residents who aren't on board with the need for housing can be a permanent obstacle to development when rezonings or special use permits require a public hearing.

SOLUTION: *Implement a housing awareness campaign to seed more productive housing conversations across the county.*

Public campaigns for housing have successfully educated residents about why housing is needed at all income levels and how lack of housing can impact a community. In many cases, these campaigns have sought to dispel misconceptions and ground the need for housing in real-world stories and situations.

HOW IT WORKS

Using data and personal stories, housing campaigns showcase the need for housing in communities. Clearly defining what affordable means in the context of a particular community can be incredibly helpful to not only residents, but also elected officials. Campaigns targeting the latter use local wage data to show what typical occupations can and cannot afford in terms of rental housing and homeownership. The most effective housing campaigns relate the issues that matter most to residents to the housing need. For example, discussing the need for housing in terms of what residents' children or grandchildren will be able to afford can help communities better think about the present need.

This solution involves four major components:

Campaign planning

A successful campaign requires significant, intentional planning. The County should identify all core stakeholders and set clear objectives and roles for each member. A set of campaign goals—or just one overarching goal—should be drafted. This will allow for the campaign's success to be measured later.

Content development

To make complex issues more understandable, the County should expect to build different types of content catering to various learning preferences. Additional partners—especially affordable housing practitioners and other housing market experts—should be consulted to provide data, stories, and other helpful information.

Community engagement

Community leaders and stakeholders can help the County organize different types of events and engagement opportunities, both in person and online. To begin, the County should prioritize participation in existing events (e.g., comprehensive plan meetings, neighborhood fairs) to meet community members where they are already.

Evaluation

To determine the campaign's effectiveness, the County should consider brief and low-barrier methods for collecting feedback, such as short surveys with only one or two questions. The County also must determine what outcomes are most important to assess: for example, increased understanding of housing issues and programs versus increased support for the creation of new affordable housing. As able, the County should revise and adapt content and outreach strategies for future engagement.

HOW TO DO IT

Within 6 months:

- Coordinate with the Department of Planning, Zoning and Inspections to explore opportunities to incorporate housing education into the comprehensive planning engagement process.
- Explore formation of a work group to oversee the education campaign at a high level and ensure consistent messaging.
- Choose campaign ambassadors among work-group members to lead outreach efforts.
- Outline major talking points needed for audience types (e.g., general public, elected officials, institutions, business leaders, real estate professionals, neighborhood associations).
- Investigate funding opportunities to sustain dedicated outreach efforts and potentially hire marketing consultant(s).

Within 1 year:

- Create outreach materials as needed, including fact sheets, social media posts, "layperson" policy briefs, presentation slides, and other relevant content; can be done in-house or in collaboration with a PR firm.
- Identify local housing stories to highlight during the campaign.
- Evaluate progress to determine long-term goals of campaign(s); assess, reevaluate, and redesign outreach efforts as necessary to reflect changing housing needs in the region.

Within 2 years:

- Consider a formal public opinion poll on attitudes toward housing development and affordability. The Campaign for Housing and Civic Engagement (CHACE) conducted a statewide poll in 2017 with the help of William & Mary, and should be used as a reference.

WHO DOES WHAT

- The key actors in this process will be the planning staff from Henry County who would be responsible for coordinating a housing education campaign in-house or with a PR consulting firm.
- Community partners, such as neighborhood organizations, churches and faith groups, nonprofits, and others should be recruited by the County early on to help embrace and promote the campaign to their constituencies.
- HousingForward Virginia may assist the County in the initial stages of campaign development and provide support through data and best practices.

IMPORTANT CONSIDERATIONS

- There are no legal boundaries preventing these educational efforts.
- The County may be able to use existing infrastructure and staff through its communications office to support this work.
- The housing market can change rapidly, and keeping housing information relevant requires periodic updates.

FUNDING SCOPE

The scope of funds required is contingent on the level of outreach desired. The lower end of this scale would take the shape of County staff incorporating these actions into their standard workload on a limited basis. The upper end would include new, dedicated funding to support new staff, contracted professionals, or both to support the work, particularly where capacity is currently stretched thin.

Sustained, professional-level marketing and public relations will likely require the use of paid consultants. It will also be important to secure access to electronic platforms and communication tools to disseminate information, which may require new licenses or subscriptions.

POTENTIAL FUNDING SOURCES

- **Public sources:** Education campaigns for housing might be funded through local operating funds. Funding may also be available via grant opportunities from Virginia Housing.
- **Private sources:** Philanthropic and corporate partners may also be interested in funding educational efforts. The County should approach known funders who have an existing interest in housing and community development.

PROJECTED ECONOMIC IMPACT

By implementing a housing awareness campaign, there may be:

- Less opposition to residential development within the county.
- Fewer bureaucratic delays in evaluating and approving new residential developments.
- Greater residential developer interest within the county.

METRICS TO EVALUATE SUCCESS

- Campaign reach:
    - Number of people exposed to the campaign across all platforms.
    - Number of unique website visitors or landing page visits (if applicable).
    - Number of social media impressions and reach, split by platform.
- Audience engagement:
    - Number of social media interactions, including likes, shares, comments, and retweets.
    - Number of subscriptions or sign-ups for more information or follow-up resources.
    - Number of attendees at campaign-related events, webinars, or workshops.

- Behavior change:
    - Pre- and post-campaign surveys to measure changes in knowledge, attitudes, or behaviors related to housing issues.
    - Number of inquiries or applications for housing assistance or other housing programs promoted during the campaign.
    - Changes in patterns of housing searches or inquiries, potentially tracked through partnerships with real estate platforms or local housing authorities.
- Economic impact:
    - Increases in investment or funding for affordable housing projects.
    - Increases in the number of affordable housing units built or planned.
    - Changes in housing policy that can be linked to increased awareness or advocacy related to the campaign.
- Feedback and testimonials:
    - Qualitative feedback collected through surveys, focus groups, or interviews.
    - Stories or testimonials from people who have been positively impacted by the campaign.

EXAMPLES

Richmond Regional Housing Framework (Chesterfield, Henrico, Richmond, Hanover)
https://pharva.com/framework/

- Designed to guide policy and investment decisions over the next 15 years, to enhance regional cooperation and public engagement, and provide more affordable housing options for all residents.
- Over 1,900 people in the region were reached in community meetings, focus groups, and interviews to identify priority housing challenges and common values.

Workforce Housing Now (Community Foundation for Loudoun and Northern Fauquier Counties)
https://workforcehousingnow.org/

- Data-based effort to expand awareness of housing affordability issues and make specific requests for solutions (e.g., expand the county's housing trust fund).
- Focused on housing needs for core community workers, including teachers and other public servants.

City of Martinsville

PRIORITY SOLUTION 1: Lay foundation for successful comprehensive plan update

ISSUE: *The City's outdated comprehensive plan and zoning ordinance do not effectively address its current housing needs.*

The City's comprehensive plan has been updated in pieces for the past 15 years and has not had a holistic re-write in that time. The existing zoning ordinance lacks standardization across different neighborhoods and districts. This inconsistency results in a patchwork of regulations that are often contradictory or outdated, hindering development. The outdated comprehensive plan and fragmented zoning ordinance have created a regulatory maze that complicates the process for developers, leading to delays and increased costs. A lack of clarity also limits the city's ability to respond to current and changing trends in housing.

SOLUTION: *Outline specific objectives and leverage best practices to ensure a new comprehensive plan effectively promotes new housing opportunities.*

HOW IT WORKS

The first step in a successful comprehensive plan update is a detailed analysis of the city's present and future housing requirements. Plans should include specific strategies for different housing types, such as affordable housing, multi-family, and mixed-use developments, as well as zoning practices that support housing development.

The City can establish an early foundation for comprehensive plan updates by conducting a preliminary review of current regulations and housing conditions. Evaluating impacts and changes to land-use regulations could allow for or incentivize the production of smaller, less-expensive homes for residents.

The City should develop a road map and timeline for engagement points with the public. Example milestones include the following:

a. **Initial learning sessions** to hear directly from the community. Limited data are presented to keep the focus on live experiences. Feedback generated during these meetings will guide research goals and potential strategies.

b. **Presentations of findings** to educate the public more deeply about the issues raised in the first meetings. Facilitators should present data from this study and any additional findings related to community housing priorities.

c. **Preliminary visioning** for the future of housing in the town. Facilitators should be prepared with specific examples of "creative density" options from similar communities across the Commonwealth to avoid hypothetical stereotypes about housing that is not traditional single-family housing.

d. **Discussion of recommendations** to achieve the common housing vision. Facilitators should be able to provide details on policy/program mechanisms that the town has or is currently implementing along with new strategies identified in previous meetings. “Guardrails” on the discussion should be placed early on, including constraints on town resources and the legal capacity under state code.

HOW TO DO IT

Within 6 months:

- Begin drafting a public engagement plan for the comprehensive plan update specifically centered on housing discussions. Consider online platforms such as Granicus and MetroQuest to enhance outreach efforts.
- Create a plain-language summary of the past housing assessment (completed in 2022) and this regional study to outline key issues and recommendations that should be addressed in the comprehensive plan.
- Seek technical assistance by starting in-depth conversations with HousingForward Virginia staff and other experts on best practices for messaging and reframing.
- Evaluate existing regulations on how creative density types can currently be developed. For example,
    - What process is necessary to build a three-unit apartment building or a tiny-home village?
    - What lot sizes are needed to accommodate the desired density?
    - Is there a way to creatively address stormwater requirements?
    - What are priority areas for transit?

Within 1 year:

- If needed, draft an RFP seeking a consultant to guide the City through the comprehensive planning process.
- Set dates and specific agendas for public engagement meetings and activities. Craft non-traditional engagement processes, including online surveys and scheduled “open office” hours where city staff can answer questions and hear input from residents.
- Review the data findings within this report and update current city housing trends, needs, and challenges as required to guide discussions.
- Set goals for housing unit types/numbers based on public and stakeholder feedback.

Within 2 years:

- Collect public engagement and education responses and publish them for full transparency.
- Establish a cross-departmental team to monitor the comprehensive plan’s implementation and maintain alignment of goals.

WHO DOES WHAT

- **Planning and Community Development departments:** Coordinate comprehensive plan process and engage a consultant for assistance as necessary.
- **City residents:** Provide feedback during the planning process.
- **Planning Commission:** Act as ambassadors to encourage engagement and provide high-level feedback.
- **City Council:** Review and approve comprehensive plan.

FUNDING SCOPE

The cost to hire a consultant to guide a locality through a comprehensive plan process can range depending on several factors, including locality size, level of public engagement, and amount of readily available information. The recent housing needs assessment, along with the information in this regional study, should help reduce the scope of work for an external consultant.

POTENTIAL FUNDING SOURCES

Because Virginia law requires local governments to update their comprehensive plans every so often, these activities are generally budgeted in advance as part of a locality's general fund expenditures. However, the City should proactively discuss pursuing state grants that may fund important and specific follow-on planning efforts, such as community services, infrastructure, and revitalization areas. Sources include both the Community Development Block Grant (CDBG) Planning Grant program via the Virginia Department of Housing and Community Development (DHCD), as well as Virginia Housing's Community Impact Grant.

PROJECTED ECONOMIC IMPACT

By conducting a comprehensive plan update that supports a healthy housing market into the future, the City can:

- Ensure that housing goals match economic development goals.
- Better plan for a housing market that supports a future workforce.
- Improve property values and community quality by laying the groundwork for housing rehabilitation and revitalization efforts.

METRICS TO EVALUATE SUCCESS

- Number of residents who provide feedback via meetings, surveys, and other forms of engagement.
- Widespread agreement on a common vision for housing in the town, including new density types.
- New ordinances are drafted, passed, and added to the zoning code.
- Creative housing types are planned, permitted, built, and sold/rented.
- A diversity of household types, ages, and incomes can find affordable homes in high-demand neighborhoods.
- Approval process/timeframe for developers is reduced and streamlined.

RELEVANT EXAMPLES

Richmond, Virginia

The Partnership for Housing Affordability (PHA) published the Richmond Regional Housing Framework in January 2020. The framework serves as a guide supporting PHA's ongoing efforts to educate both decision-makers and the public at large about the region's housing needs and opportunities. The purpose of the framework is to provide an action-oriented roadmap for solving the capital region's range of housing needs, and is organized around six major goals. Each goal is focused on a major housing challenge in the region, and is informed by community voices along with data that support key findings. These findings, in turn, lead to prioritized solutions for each goal.

PRIORITY SOLUTION 2: Redevelop scattered site properties

ISSUE: *Dozens of City-owned properties across the city are vacant and available for development.*

The City currently owns 40 buildable lots scattered throughout multiple neighborhoods. These parcels were acquired over time to address blighted and deteriorating homes but require ongoing costs to maintain. The operation of scattered-site affordable housing frequently involves fewer shared features (e.g., heating and cooling systems), disparate housing types, and varying distances, so it can be financially prohibitive to make these necessary changes. Nevertheless, these properties represent a significant opportunity to add new, high-quality infill homes.

SOLUTION: *Develop strategic process for redeveloping scattered site properties through public-private partnerships.*

HOW IT WORKS

Developing a strategic process for redeveloping scattered sites involves a coordinated effort around identifying community needs, pursuing innovative housing solutions, and increasing overall economic vitality. This often starts by identifying and cataloging City-owned and vacant properties that present unique opportunities for infill development.

The City then publishes an RFP to draw in private developers by providing enticements like free or inexpensive land, quick permitting, or utility connections. The purpose of these RFPs should be to promote innovative and varied housing projects, such as tiny homes, modular buildings, or energy-efficient plans. RFPs should establish clear development criteria, including design, quality, innovation, affordability levels, and other factors aligned with the City's comprehensive housing goals.

An important component of this effort is successful collaboration between the public and private sector. On the public side, the City and associated agencies will help make these lots available for development and potentially offer other support, such as providing the lot and sewer connection in return for construction. The private sector—whether nonprofit or for-profit—will leverage their talents and expertise, alongside outside investment to fund the construction of new homes. These partnerships can be formalized into official development agreements that lay out roles, duties, and requirements for all actors.

The City can guarantee that projects align with larger housing and community objectives by establishing a consistent process for evaluating proposals using transparent criteria. This type of arrangement can benefit both smaller and larger developers who are able to manage multiple distributed sites simultaneously. To best accomplish this, a multi-disciplinary review committee should be established to evaluate proposals based on the RFP criteria.

HOW TO DO IT

Within 6 months:

- Identify and catalog City-owned and vacant properties suitable for infill development.
- Develop and publish clear criteria for RFPs to attract private developers.
- Establish a multi-disciplinary review committee to evaluate proposals.
- Initiate discussions with potential development partners and stakeholders.

- Investigate and pursue funding prospects via local grant and loan programs, CDBG and Low-Income Housing Tax Credit (LIHTC) money, and other sources.

Within 1 year:

- Issue RFPs for scattered-site redevelopment projects.
- Review and select proposals based on established criteria.
- Negotiate terms of public-private partnerships, including land transfer and utility connections.
- Draft and execute development agreements between the City and awardees.
- Begin construction on approved and funded projects.

Within 2 years:

- Monitor progress of redevelopment projects and ensure compliance with agreed-upon terms.
- Evaluate the effectiveness of the public-private partnership model and adjust as necessary.
- Explore opportunities for expanding the program to additional properties or neighborhoods.
- Continuously engage with stakeholders to solicit feedback and address concerns.

WHO DOES WHAT

- **Planning and Community Development departments:** Coordinates the identification of suitable properties and the development of RFP criteria.
- **Economic Development department and Industrial Development Authority:** Facilitates discussions with private developers and oversees the implementation of public-private partnerships.
- **Multi-disciplinary Review Committee:** Evaluates proposals and makes recommendations for project selection.
- **City Council:** Provides leadership and support for the overall initiative and ensures alignment with broader City objectives.

FUNDING SCOPE

- Initial funding for property acquisition, infrastructure improvements, and administrative costs.
- Potential sources include grants, loans, tax incentives, and public-private partnerships.
- Long-term sustainability can be achieved through revenue generated from property sales or rental income.

POTENTIAL FUNDING SOURCES

- **CDBG and HOME funding:** Accessed via DHCD, these federal grants can be used to support property redevelopment, affordable homeownership, and infrastructure improvements.
- **Acquire, Renovate, Sell (ARS):** The ARS program is run jointly by DHCD and Virginia Housing, and supports the acquisition and redevelopment of homes to be sold to first-time low- and moderate-income homebuyers.
- **Private investments:** Private foundations may offer grants for community development and affordable housing projects.

PROJECTED ECONOMIC IMPACT

By aligning leveraging public and private resources to redevelop these underused properties, the City can:

- Stimulate the local economy via a steady rate of construction projects.
- Increase immediate and surrounding property values, helping homeowners increase their equity.
- Expand the real estate tax base to support new local revenue for services and infrastructure.
- Offer new housing opportunities for current and future workers.

METRICS TO EVALUATE SUCCESS

- Number of properties redeveloped.
- Increase in affordable housing units.
- Level of community engagement and satisfaction.
- Economic impact on surrounding neighborhoods, including increase in property values.
- Efficiency of the public-private partnership model in delivering projects on time and within budget.

RELEVANT EXAMPLES

Baltimore, Maryland

Starting in the 1990s, Enterprise Homes partnered with Bon Secours Health System to redevelop almost 90 Victorian row houses, now known as the Bon Secours Apartments. The formerly abandoned single-family homes are close to Grace Medical Center in West Baltimore.

Cleveland, Ohio

Before LIHTC was created, the Cleveland Housing Network (CHN) started developing the concept of a lease-purchase program for low-income families. The organization was experimenting with Community Development Block Grants, but it was on a modest scale—roughly 20 to 30 homes were built annually. By consistently ramping up with LIHTC reservations from the Ohio Housing Finance Agency, CHN was eventually able to work on roughly 50 to 100 scattered-site developments annually. Under the program, the group has created over 2,200 homes thus far.

Richmond, Virginia

Through private philanthropy, Urban Hope Inc., a local nonprofit and developer committed to providing extremely low-income rental apartments, purchases and redevelops scattered-site properties in a community primarily composed of low-income and minority residents. The group is able to finance the rehabilitation of these houses as well as refinancing them to guarantee that investors are paid back and that the buildings are kept cheap for decades by using Virginia Housing and city and state housing trust funds.

SECONDARY SOLUTION 1: Increase public understanding of housing affordability

ISSUE: *Misconceptions and limited knowledge on the city's housing needs—and potential solutions—limit the pace of progress.*

Familiarity with housing policies, land use regulation, economic shifts, and real estate development is necessary to understand the city's housing challenges, but it's not knowledge that most residents have. As a result, certain biases and misconceptions about housing affordability, housing types, and other concepts often lead to unproductive conversations. These attitudes can meaningfully delay or prevent the start of critical solutions.

SOLUTION: *Develop educational materials and strategies for increasing understanding of housing affordability.*

HOW IT WORKS

Increasing public understanding of housing affordability involves a comprehensive educational strategy targeted at various segments of the community. This includes homeowners, potential buyers, renters, developers, and policymakers. Educational materials are tailored to address common misconceptions and provide clear, factual information about housing needs, affordability, and potential solutions. These materials explore the interplay between housing policies, land use regulations, economic factors, and real estate development. Demonstrating the importance of housing on the city's current and future success can further build partnerships and strengthen public support for new developments.

This solution involves four major components:

Campaign planning

A successful campaign requires significant, intentional planning. The City should identify all core stakeholders and set clear objectives and roles for each member. A set of campaign goals—or just one overarching goal—should be drafted. This will allow for the campaign's success to be measured later.

Content development

To make complex issues more understandable, the City should expect to build different types of content catering to various learning preferences. Additional partners—especially affordable housing practitioners and other housing market experts—should be consulted to provide data, stories, and other helpful information.

Community engagement

Community leaders and stakeholders can help the City organize different types of events and engagement opportunities, both in person and online. To begin, the City should prioritize participation in existing events (e.g., comprehensive plan meetings, neighborhood fairs) to meet community members where they are already.

Evaluation

To determine the campaign's effectiveness, the City should consider brief and low-barrier methods for collecting feedback, such as short surveys with only one or two questions. The City also must determine what outcomes are most important to assess: for example, increased understanding of housing issues and programs versus increased support for the creation of new affordable housing. As able, the City should revise and adapt content and outreach strategies for future engagement.

HOW TO DO IT

Within 6 months:

- Ensure coordination between the Planning and Community Development departments to explore opportunities to incorporate housing education into the comprehensive planning engagement process.
- Explore formation of a work group to oversee the education campaign at a high level and ensure consistent messaging.
- Choose campaign ambassadors among work-group members to lead outreach efforts.
- Outline major talking points needed for audience types (e.g., general public, elected officials, institutions, business leaders, real estate professionals, neighborhood associations).
- Investigate funding opportunities to sustain dedicated outreach efforts and potentially hire marketing consultant(s).

Within 1 year:

- Create outreach materials as needed, including fact sheets, social media posts, "layperson" policy briefs, presentation slides, and other relevant content; can be done in-house or in collaboration with a PR firm.
- Identify local housing stories to highlight during the campaign.
- Evaluate progress to determine long-term goals of campaign(s); assess, reevaluate, and redesign outreach efforts as necessary to reflect changing housing needs in the region.

Within 2 years:

- Consider a formal public opinion poll on attitudes toward housing development and affordability. The Campaign for Housing and Civic Engagement (CHACE) conducted a statewide poll in 2017 with the help of William & Mary, and should be used as a reference.

WHO DOES WHAT

- **Planning, Community Development, and News & Media departments:** Coordinate in-house housing education campaign efforts and (if applicable) work with PR consulting firm.
- **Community partners:** Neighborhood organizations, churches and faith groups, nonprofits, and others can be recruited by the City early on to help embrace and promote the campaign to their constituencies.
- **Subject matter experts:** HousingForward Virginia and other statewide housing experts may assist the City in the initial stages of campaign development and provide support through data and best practices.

POTENTIAL FUNDING SOURCES

- **Public sources:** Education campaigns for housing might be funded through local operating funds. Funding may also be available via grant opportunities from Virginia Housing.
- **Private sources:** Philanthropic and corporate partners may also be interested in funding educational efforts. The City should approach known funders who have an existing interest in housing and community development.

PROJECTED ECONOMIC IMPACT

By implementing a housing awareness campaign, there may be:

- Less opposition to residential development within the city.
- Fewer bureaucratic delays in evaluating and approving new residential developments.
- Greater residential developer interest within the city.

METRICS TO EVALUATE SUCCESS

- Number of people exposed to the campaign across all platforms, including social media.
- Number of attendees at campaign-related events, webinars, or workshops.
- Pre- and post-campaign surveys to measure changes in knowledge, attitudes, or behaviors related to housing issues.
- Changes in housing policy that can be linked to increased awareness or advocacy related to the campaign.
- Stories or testimonials from people who have been positively impacted by the campaign.

EXAMPLES

<u>Richmond Regional Housing Framework</u> (Chesterfield, Henrico, Richmond, Hanover)
https://pharva.com/framework/

- Designed to guide policy and investment decisions over the next 15 years, to enhance regional cooperation and public engagement, and provide more affordable housing options for all residents.
- Over 1,900 people in the region were reached in community meetings, focus groups, and interviews to identify priority housing challenges and common values.

<u>Workforce Housing Now</u> (Community Foundation for Loudoun and Northern Fauquier Counties)
https://workforcehousingnow.org/

- Data-based effort to expand awareness of housing affordability issues and make specific requests for solutions (e.g., expand the county’s housing trust fund).
- Focused on housing needs for core community workers, including teachers and other public servants.

SECONDARY SOLUTION 2: Operationalize cohesive roles for the City land bank, and IDA

ISSUE: *There is not a comprehensive approach for the newly established land bank and IDA entities to work alongside City departments and other partners.*

The City Council recently established a land bank entity and reconstituted its industrial development authority (IDA). These entities are entitled to separate powers under state law, which enables them to undertake activities that could support housing development. However, there are not yet any distinct objectives or strategies for how these entities can be used to advance the city's housing goals.

SOLUTION: *Develop strategic plan for effectively deploying City entities to leverage unique powers, simplify processes, and reduce duplicative efforts.*

HOW IT WORKS

Virginia law grants a range of important powers to both land bank entities and IDAs. In some cases, these powers overlap. Land banks are generally used to acquire, hold, and transfer property, particularly underutilized or abandoned spaces, making them available for development. IDAs, meanwhile, have the ability to issue bonds and provide financial incentives that support private-sector investments. However, IDAs in Virginia also regularly purchase and position properties for economic development projects.

Without dedicated staff for either of these entities, the City should establish a task force drawn from various city departments to coordinate efforts between these entities, nonprofits, and private developers. Central to this strategy is the creation of a comprehensive plan that outlines roles, responsibilities, and processes for collaboration.

The plan should include mechanisms for identifying potential development sites, criteria for selecting projects, and a framework for engaging with community stakeholders. Regular meetings and communication channels should be established to ensure ongoing coordination and to adapt strategies as needed.

HOW TO DO IT

Within 6 months:

- Form a task force of selected City staff, council members, and other stakeholders as needed to examine and oversee coordination activities.
- Conduct an initial assessment of available properties and financial resources.
- Establish a communication protocol to ensure regular updates and coordination among stakeholders.

Within 1 year:

- Begin community outreach to gather input on housing development priorities.
- Pursue training and capacity-building activities for task force members and stakeholders.
- Develop a comprehensive plan that outlines a collaborative approach for property acquisitions, financial incentives, and other activities.

Within 2 years:

- Identify and prioritize potential sites for residential development.
- Establish regular communication channels between all parties to prevent duplicative efforts and take advantage of new opportunities.
- Explore capacity building grants from Virginia Housing, DHCD, and philanthropic foundations to strengthen organizational development efforts.
- Evaluate and adjust the strategic plan based on outcomes from pilot projects.

WHO DOES WHAT

- **City Council:** Provides oversight, policy direction, and approves funding allocations.
- **Land bank:** Focuses on property acquisition, management, and transfer, aligning its actions with broader housing goals.
- **IDA:** Utilizes its financial tools and capabilities to support and stimulate housing developments, including issuing bonds and leveraging public-private partnerships.
- **City staff:** Coordinate on regulatory processes, infrastructure support, and ensure alignment with city planning and economic development strategies.
- **Community stakeholders:** Participate in planning, provide feedback, and assist with community engagement to ensure developments meet local needs.

POTENTIAL FUNDING SOURCES

Increased administrative costs may be funded by additional support for personnel in the Economic Development department and IDA budgets. Revenue from the sale or long-term lease of properties could be another source to cover operational costs. Funding for actual development activities can include:

- **CDBG and HOME funding:** Accessed via DHCD, these federal grants can be used to support property redevelopment, affordable homeownership, and infrastructure improvements.
- **State resources:** These include DHCD's Virginia Housing Trust Fund, Virginia Housing Community Impact Grants, and the Virginia Brownfields Fund administered by the Virginia Economic Development Partnership.
- **Revenue bonds:** The IDA can issue revenue bonds to finance specific projects; future project income is used to pay the debt service on the bond.
- **Private investments:** Private foundations may offer grants for community development and affordable housing projects.

PROJECTED ECONOMIC IMPACT

By developing a strong three-way partnership between the City, land bank, and IDA, Martinsville can:

- Increase property values via strategic investments in underused or distressed sites.
- Support job creation via construction and development projects.
- Stimulate larger neighborhood or city-scale economic revitalization efforts.
- Contribute to the overall housing supply to help retain and attract a diverse workforce.

Patrick County

PRIORITY SOLUTION 1: Improve existing housing conditions

ISSUE: *Poor quality housing is prevalent in the county and threatens the health and economic security of many residents.*

Almost 800 homeowners across Patrick County are cost-burdened, and an additional 690 households have high energy costs and low incomes. Many of these residents are in homes built over 40 or 50 years ago that require significant maintenance and improvements to be energy efficient and safe, especially for aging seniors. A significant share of households also reside in older mobile homes that are well beyond their functional lifespan. New investments are needed to help current owners—and to ensure these homes are ready for future generations.

SOLUTION: *Improve housing conditions—especially in manufactured home parks—with new initiatives.*

HOW IT WORKS

Local governments can play a pivotal role in accelerating the repair and rehabilitation of deteriorating homes, with a special emphasis on manufactured home communities (MHCs).

This can involve efforts on multiple fronts:

Increasing Capacity

Establishing partnerships with local nonprofits and housing agencies that have expertise in home rehabilitation will be crucial in addressing the unique challenges faced by manufactured home communities. In some cases, there may be a clear lack of nonprofits and housing agencies with enough experience and capacity to take on major rehabilitation projects. Through direct funding, localities may be able to help build the capacity of nonprofits that work within their communities.

Local governments can also work with local financial institutions to stress the need for flexible, low-interest loan products for low-income homeowners to conduct major rehabilitation projects. Activities like this may qualify under the Community Reinvestment Act (CRA), which would incentivize financial institutions to participate.

Access to Funding

Local government can also serve as a vital link between homeowners and funding sources, including state and federal grants earmarked for home repairs. The Community Development Block Grant (CDBG) program is the main resource for this type of funding for non-entitlement communities, but rural communities may also be able to leverage USDA funding.

Targeted Coordination

Moreover, the local government can initiate proactive code enforcement to identify homes most in need of repair, particularly in MHCs. Coordinating with other departments such as Social Services and law enforcement can also help identify areas of the community most in need.

By working closely with community leaders, the local government can ensure that residents are fully informed about available resources and assistance programs. This comprehensive approach aims to improve living conditions in these communities, ensuring the health and safety of residents.

Assess Conditions

The first funding applications should pursue grants to cover a dedicated housing conditions assessment. This necessary first step will determine the scope and scale of challenges currently faced by residents throughout the county, and is a nearly universal prerequisite for successfully obtaining future funding that can support actual improvements and services.

Housing conditions assessments are routinely conducted by local governments and consultants across Virginia. They usually use a combination of municipal property-level data obtained from real estate assessments, a field survey of properties representing a significant sample of all residential units in the county, and other sources. The assessment will analyze what housing types, neighborhoods, and demographics might require the greatest priorities.

However, these assessments do not always thoroughly investigate conditions within manufactured home parks. To date, the only known census of these communities was conducted for the Richmond region in 2016 by the Manufactured Home Community Coalition of Virginia (MHCCV). That study included the following components that could be incorporated into a broader countywide assessment:

- Profile of households living in manufactured homes (via Census data).
- Profile of manufactured home community attributes, amenities, and conditions (assessment survey completed via property visits).
- Park categorization based on size, quality, location, and other factors to better inform policy interventions.

HOW TO DO IT

Within 6 months:

- Conduct a comprehensive assessment of housing conditions, focusing on MHCs.
- Enable inter-department communication and engagement around housing quality issues, with a focus on upstream issues that may contribute to housing quality neglect.
- Educate local officials and community stakeholders (including local financial institutions) about the specific needs and challenges faced by residents in these areas.
- Identify current challenges homeowners face in addressing major home rehabilitation projects and other deferred maintenance.

Within 1 year:

- Coordinate MHC owners to discuss potential partnerships for rehabilitation projects.
- Engage with Southern Area Agency on Aging to understand their capacity to undertake major home rehabilitation projects; identify current constraints and where the county may be able to intervene to support scaling activities.
- Engage with local and regional financial institutions to understand the breadth of products available to low-income homeowners.
- Prioritize interventions based on severity of conditions and the vulnerability of residents.

Within 2 years:

- Explore funding opportunities through state agencies like Virginia Housing and the Department of Housing and Community Development (DHCD) for rehabilitation initiatives and capacity building.
- Explore opportunities to increase nonprofit capacity to engage in manufactured home rehabilitation and replacement.

WHO DOES WHAT

- **Economic Development and Building Inspections departments:** Instrumental in outreach and coordination of this solution.
- **Other County departments** (such as Social Services and Public Safety): Contribute to identifying areas most in need of intervention.
- **Nonprofit partners** (such as Southern Area Agency on Aging and Southeast Rural Community Assistance Project (SERCAP)): Conduct home rehabilitation projects.
- **Financial institutions:** Work with local government and nonprofit partners with grant funding and/or financing.

FUNDING SCOPE

Federal and state funding to support home rehabilitation is often limited, and service providers are oversubscribed with long waiting lists. New funding sources to support home rehabilitation programs are few and far between but not impossible to find.

POTENTIAL FUNDING SOURCES

- **USDA Section 504 Home Repair Program** provides loans to very low-income homeowners to repair, improve or modernize their homes or grants to elderly, very low-income homeowners to remove health and safety hazards.
- **Community Development Block Grant (CDBG) funds** through DHCD can be used to support the replacement or rehabilitation of manufactured and stick-built homes within the county. However, awards require a competitive application process.
- **Local or regional financial institutions** could create low-interest loan products to provide low-income homeowners with capital to conduct major home rehabilitations.
- **Philanthropic institutions** and private companies may be able to provide grant funding to nonprofit organizations to support capacity building or specific initiatives.

PROJECTED ECONOMIC IMPACT

By improving housing conditions within the county, there may be:

- Increased property values.
- Greater private and individual investment within the community.
- Increased homeowner economic stability.
- Improved health outcomes, especially among seniors and children.

METRICS TO EVALUATE SUCCESS

- Number of low-income households served.
- Number of units rehabilitated.

IMPORTANT CONSIDERATIONS

- Tenure within manufactured home communities can make conducting rehabilitation work difficult. In many cases, a resident may own their home, but not the lot they have their home situated on.
- Qualified contractors are increasingly difficult to secure. Addressing other issues like workforce development may help this solution.

EXAMPLES

City of Virginia Beach - Manufactured (Mobile) Home Rehabilitation Program

The Manufactured (Mobile) Home Rehabilitation Program is administered by the City of Virginia Beach's Department of Housing & Neighborhood Preservation. This program provides grants to eligible low- to moderate-income households to make necessary rehabilitation for mobile homes more affordable.

The program focuses on repairs that are needed "to remove an existing or imminent health and/or safety hazard; correct code violations; or make physical improvements, adaptations, or modifications for accessibility."

Albemarle Housing Improvement Program (AHIP)

AHIP, a nonprofit based in Albemarle County, focuses year-round on emergency repairs, home rehabs, and energy-efficiency upgrades. It is a full-service, state-licensed Class A Contractor and an EPA-certified lead abatement contractor.

project:HOMES

project:HOMES is an affordable housing nonprofit organization based in the Richmond region. In addition to developing affordable homeownership and senior rental housing, project:HOMES provides home rehabilitation and weatherization services.

In recent years, project:HOMES has also turned its attention toward manufactured housing. In 2021, the nonprofit acquired a 50-unit manufactured home park with the intention of stabilizing it and replacing deteriorating units. project:HOMES has also invested resources in designing its own energy-efficient manufactured home unit. It has been able to leverage funding from Virginia Housing and other entities to support its work in the manufactured home space.

PRIORITY SOLUTION 2: Increase Piedmont Community Services capacity to develop housing

ISSUE: *Dedicated housing for persons with disabilities and other health challenges is needed, but very scarce, in Patrick County.*

Persons with physical or intellectual disabilities, or who have mental health or substance abuse challenges, have few appropriate housing options. Patrick County is not immune to this nationwide problem. In Virginia, Community Services Boards (CSBs) are often the primary service provider for this population. Piedmont Community Services (PCS), the CSB serving Patrick County and nearby localities, successfully operates several properties that provide supportive housing. However, none of these properties are located in Patrick County.

SOLUTION: *Support PCS's housing efforts with development and financial incentives.*

PCS provides case management, rehabilitation programs, clinical services, and residential services for persons with physical or intellectual disabilities, serious mental illness, substance abuse problems, and other challenges. To help its consumers successfully return to the community and live independently, PCS operates several apartment properties that offer safety, stability, and supportive services. Patrick County can help PCS expand its offerings in the county with a range of technical and financial assistance.

HOW IT WORKS

Community Services Boards are responsible for providing community-based behavioral health and development disability services within local communities. They are required of every city and county within Virginia per the Code of Virginia § 37.2-500. While most CSBs in Virginia do not develop, own, or operate their own housing, there are several that do. These include Crossroads CSB (Farmville area), Hampton-Newport News CSB, and Rappahannock Area CSB (Fredericksburg area). PCS already owns and operates apartments but currently only in Franklin and Henry counties.

Housing and Health

The importance of stable and safe housing to an individual's physical and mental well-being is increasingly a focus of organizations and institutions in the healthcare space. Known as the social determinants of health (SDOH), these conditions are the nonmedical factors that influence health outcomes. SDOHs include not only an individual's education and job opportunities, but also the environmental conditions in which they live—housing being chief among them.

Understanding housing's effect on health outcomes, many healthcare organizations and institutions are addressing housing development both directly and indirectly.

Capacity Building

Patrick County and PCS can collaborate on outreach to the CSBs that develop, own, and operate their own housing to determine what kinds of resources local governments made available to support their housing missions. PCS already owns and operates apartments in Martinsville, Henry County, and Franklin County and may want to consider supporting increased capacity for housing at PCS, as well.

This support could be optimized by creating a real estate development arm within PCS. Recruiting a qualified staff person with experience in developing permanent supportive housing and other types of housing with services attached would require significant funding. In addition, organizations need capital resources in order to acquire and develop land.

Housing and Shelter Development

By using real estate records and GIS data, Patrick County can help PCS identify and assess potential locations for new housing, including vacant parcels and existing residential properties on the market. Specific or preferred criteria, such as proximity to retail and other services, can be developed. PCS can then use the information to estimate acquisition and operation costs and determine whether to pursue development of any given site.

If PCS moves forward with a specific property, Patrick County can offer various incentives to help lower costs and streamline the process. These might include reducing or waiving fees for permits and utility hookups, proactively addressing any permit barriers, and reducing property taxes in accordance with applicable state enabling authority. The EDA could also offer grants to support property acquisition, site planning, and other pre-development costs.

HOW TO DO IT

Within 6 months:

- Establish regular communications between County staff (i.e., Economic Development and Building Inspections departments), EDA, and PCS.
- Conduct outreach to other CSBs in Virginia that own and operate housing; identify paths to expand the role of CSBs to include housing development.

Within 1 year:

- Confer with Martinsville, Henry County, and Franklin County to explore the ability to support expanded activities within PCS.
- Assess ability for PCS to undertake housing development within Patrick County. Identify existing constraints and opportunities.
- Determine minimum and preferred criteria for sites in the county for new PCS residential services. Use county resources and market information to identify potential properties. Evaluate properties to select which, if any, are most suitable.
- Interface with Virginia Housing, DHCD, and HUD to assess funding options under current programs targeted to persons with disabilities. County staff and EDA can assist PCS as needed with applications for grants and rental assistance.

Within 2 years:

- Map out the development process to determine major challenges, including any specific site work and/or barriers in local development regulations.
- Evaluate mechanisms available for the County to reduce any financial or regulatory burdens. Implement necessary solutions via appropriate public hearing process or administrative policy change.

WHO DOES WHAT

- **Economic Development and Building Inspections departments:** Facilitate discussions with PCS, conduct outreach with other CSBs, and assess capacity with PCS to undertake housing development.
- **Piedmont Community Services:** Assess capacity to scale services to include housing development and work with localities to explore opportunities to collaborate on housing development.
- **Other localities:** Support expanded activities of PCS.

FUNDING SCOPE

Developing housing opportunities for individuals with disabilities and other health challenges requires expertise in not only housing development, but also health and human services. Creating new roles within PCS would require identifying a steady stream of funding to support salary with benefits. In addition, significant capital is needed to acquire land and develop real estate. Rehabilitating existing multifamily properties may be a viable housing option.

While there are funding opportunities for development purposes through state and federal programs, funding for positions may be more difficult to obtain.

POTENTIAL FUNDING SOURCES

- **Virginia Housing Community Impact Grant** may be utilized for planning or market studies during the pre-development stage.
- **DHCD Affordable and Special Needs Housing (ASNH)/Virginia Housing Trust Fund** awards a maximum of $750,000 through a competitive application process. Funding is provided through a low-interest loan.
- **USDA Multifamily Housing Direct Loans** provide competitive financing for affordable multifamily rental housing for low-income, elderly, or disabled individuals and families in eligible rural areas.

PROJECTED ECONOMIC IMPACT

Supporting PCS's housing efforts within Patrick County may:

- Reduce burden on county social services.
- Increase the number of persons who transition from unstable housing to independent living.
- Grow residential development activity within the county.
- Improve health outcomes for persons and households served by PCS.

METRICS TO EVALUATE SUCCESS

- New role within Piedmont Community Services fully funded.
- Successful development of housing by Piedmont Community Services.
- Number of units completed.
- Number of individuals with disabilities or other health challenges safely housed.

IMPORTANT CONSIDERATIONS

- Piedmont Community Services serves not only Patrick County, but also the City of Martinsville, Henry County, and Franklin County. It may be in the best interest of all localities to contribute to the increased capacity of PCS in order to serve their residents with disabilities as well. However, cooperation between the four localities is key and will take political will.

EXAMPLES

Crossroads Community Services Board – Resident Services

Serving Amelia, Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway, and Prince Edward, the Crossroads CSB operates nine different residential properties that include group homes, as well as income-restricted apartments for seniors and persons with disabilities.

Commonwealth Catholic Charities (CCC) – Affordable Housing Development

Commonwealth Catholic Charities (CCC), a nonprofit organization focused on direct human services for families and children, persons experiencing homelessness, and refugees and immigrants, has, in recent years, scaled up its affordable housing development pipeline. In early 2024, CCC had the winning bid to develop 20 units of affordable senior apartments on a property declared surplus by the City of Richmond. The property was originally transferred to the Richmond Land Bank, which oversaw the RFP process and selected CCC over two other applicants.

SECONDARY SOLUTION 1: Leverage water/sewer service expansion

ISSUE: *Limited land use regulations make it difficult to steer the location and types of residential development.*

Patrick County is one of two localities in Virginia without a formal zoning ordinance. Although this enhances property owners' rights and reduces the regulatory burden on new development, many homes built in the current market do not satisfy the demand for smaller, lower-cost housing options. Communities with zoning ordinances can address this by orienting lot sizes, densities, and setbacks to encourage the production of more modest homes at lower price points. In the absence of a zoning ordinance, Patrick County must look for alternative pathways.

SOLUTION: *Leverage the planned expansion of water and sewer infrastructure to encourage a greater range of housing options within the service area.*

An upcoming expansion of public water and sewer utilities will inherently make residential development easier and more attractive to builders. The County can take advantage of this opportunity to encourage developers to focus their efforts on smaller "starter" homes that are easier for existing residents to purchase. In lieu of any new zoning ordinance or formal growth management regulations, the County can proactively design utility service policies to serve this goal.

HOW IT WORKS

Structured development fees

The primary tool for the County will be its power to issue hookup permits for new homes. For areas included in the service expansion, the County can design permit fees and the application review process to incentivize preferred housing types. Some possible approaches include:

- "Fast-tracking" application review and actual utility hookups.
- Reducing certain fees for smaller, lower-cost homes.
- Increasing certain fees for "high end" residential construction.
- Offering partial or full fee waivers or rebates.

For any of those options, the County will need to establish clear, transparent criteria for what kinds of homes would be eligible for incentives. These definitions should be developed with stakeholder input to ensure they are reasonable and achievable. Potential metrics for creating these criteria include, but are not limited to:

- Unit and/or lot size (square footage).
- Home value or proposed sales price.
- Number of bedrooms.

While considering options for reducing or waiving fees, the County should always ensure that there is ample projected revenue to guarantee all necessary operational expenses, debt service, and investments that the utilities must cover. To reduce this risk, the County might explore alternative mechanisms for providing these discounts. For example, rather than simply lowering the fees, an equivalent amount could be structured as a multiyear "grant" to the homebuyer. The credit could partially offset future bills from the County (i.e., utility bills or real estate taxes) for a set period. This indirect “grant” arrangement is necessary because Virginia law currently does not allow local governments to offer true real estate tax exemptions or abatements solely on the basis of a home’s size, price, or other features.

Subdivision regulations

The County can also find ways to align its subdivision regulations to supplement these measures. For example, current regulations require new lots served by water and sewer to be at least one half acre. This lot size minimum could be reduced (to one-third or one-quarter) to coincide with applicable criteria created for favorable permits. Offering lower or waived application fees, or expedited approvals, could also be offered to proposals that would increase the supply of lower-cost homes within the service area.

HOW TO DO IT

Within 6 months:

- Conduct outreach to builders, real estate agents, and other stakeholders to develop criteria for any possible incentives.
- Consider prioritizing standards that do not need to be regularly updated based on market conditions (e.g. use unit size rather than construction cost or offered price).

Within 1 year:

- Determine the most appropriate way to structure any discounts or financial incentives, including multi-year tax abatements.
- Create reasonable estimates for future residential development within the service area. Model different fee discounts and premiums together with expected utility operating costs to find financially sustainable incentive options.
- Investigate options for updating subdivision ordinance to supplement the fee strategies.

Within 2 years:

- Propose any changes to the subdivision ordinance and undertake the proper public hearing process to incorporate amendments.
- Conduct education and outreach to developers to encourage their participation in the incentive programs.

WHO DOES WHAT

- **Public Service Authority:** Finalize expansion plans and share details with County departments, make financial projections based on structured fee scenarios, establish and monitor any special fee rates, and provide utility connections for new residential development.
- **Economic Development and Building Inspections departments:** Coordinate service expansion plans with the PSA, engage with stakeholders to develop potential changes to fees and subdivision regulations, and interface with appropriate boards and commissions to recommend policy changes.

POTENTIAL FUNDING SOURCES

- **Virginia Housing Community Impact Planning Grant:** Virginia Housing offers up to $20,000 for policy studies. This can include a Development Code Analysis, which will “pull apart [a locality’s] building codes, zoning and subdivision ordinances, and related development regulations to identify barriers to housing development and recommended fixes."

PROJECTED ECONOMIC IMPACT

By aligning utility services and subdivision regulations, the county can:

- Proactively encourage a range of housing options and prices to support existing residents and future workers.
- Encourage efficient development within areas targeted for growth, and better connected to jobs, services, and infrastructure.
- Lower long-term operating costs for water and wastewater services for denser developments with less required infrastructure per unit.

City of Danville

PRIMARY SOLUTION 1: Foster greater public-private collaboration

ISSUE: *Regular meetings between City staff, DRHA, and DNDC have proven productive but are limited in scope.*

Recently, staff from the City, the Danville Redevelopment and Housing Authority (DRHA), and the Danville Neighborhood Development Corporation (DNDC) have held working every two weeks. These meetings are already resulting in greater collaboration and productivity on specific meeting items but have not yet expanded their scope to include other important partners or to discuss broader strategies.

SOLUTION: *Expand current housing collaboration meetings to include additional partners and strengthen relationships.*

HOW IT WORKS

The City, DRHA, and DNDC each have their own set of powers and limitations. Optimizing housing and community development efforts in Danville requires coordination among these groups. Thankfully, their representatives understand this—and have begun meeting regularly to share their progress on various programs and activities.

However, these current meetings do not comprise all housing-related stakeholders in the city, and may not be the best venue for developing long-term collaborative strategies to address significant housing challenges. To establish higher-level collaboration opportunities, these three partners should begin exploring new engagement approaches. This effort would involve establishing new, less frequent workshops where more stakeholders are invited, but also continuing the ongoing regular conversations about day-to-day housing activities.

Quarterly Stakeholder Workshops

Quarterly workshops could be scheduled for stakeholders to share updates, problems, and new ideas related to housing in the city. These sessions could include the Industrial Development Authority (IDA), council members, planning commission members, developers, contractors, employers, community representatives, and others. Such meetings can increase collective knowledge about housing policy, programs, and market trends.

A generalized agenda for one of these workshops could cover:

- Discussion and reflection on current long-term housing objectives.
- Assessment of strategic opportunities for collaboration and investment.
- Evaluation of new policy or program innovations to explore.
- Breakout sessions for in-depth discussions on specific topics.
- Assignment of specific tasks and next steps for attendees.

If capacity allows, notes from these workshops should be summarized and made available to the public, alongside any presentations and other materials used in the meetings.

Biweekly Operational Meetings

These workshops do not take the place of the current biweekly meetings. Those should continue to provide the chance to examine specific projects, assign tasks, and efficiently oversee programs. Such work is better served by these smaller practitioner meetings.

Examples of topics and issues for these meetings to address include:

- Responding to specific immediate problems and needs
- Aligning funding applications
- Evaluating property acquisition and development opportunities
- Ensuring effective and efficient program implementation
- Developing reports and summaries for City leaders and other officials

HOW TO DO IT

Within 6 months:

- Create a list of potential stakeholders, including IDA, council members, developers, contractors, and community leaders.
- Extend formal invitations for additional partners to participate in the quarterly workshops; explain the objectives and expected outcomes.
- Develop a clear agenda for each workshop, focusing on specific themes or challenges related to housing.
- Include presentations, panel discussions, and breakout sessions to explore topics in depth.

Within 1 year:

- Conduct the first quarterly strategic workshop, focusing on establishing long-term housing goals and identifying key strategic opportunities.
- Develop a feedback mechanism to evaluate the effectiveness of the biweekly meetings and the inaugural quarterly workshop.
- Review and analyze the outcomes of the initial workshop to refine objectives and processes based on stakeholder feedback.
- Implement identified action items from the quarterly workshop, assigning clear responsibilities and deadlines.

Within 2 years:

- Establish a regular communication channel (e.g., newsletter, website updates) to share progress, insights, and upcoming agendas with all stakeholders.
- Conduct at least two more quarterly workshops, adapting the focus and format based on lessons learned from the initial session.
- Evaluate the impact of the strategic workshops on housing policy and development in Danville by using predefined metrics.
- Institutionalize the strategic workshop framework as a core element of housing policy development in Danville, ensuring its integration with other City planning processes.

WHO DOES WHAT

- **Danville Community Development Department:** Act as facilitators and coordinators for both the biweekly operational meetings and the quarterly strategic workshops, ensuring alignment with city-wide goals, providing logistical support, and integrating workshop outcomes into municipal planning and policy.
- **Danville Redevelopment and Housing Authority:** Provide expertise and insights on housing finance, development, and management; share data and trends to inform discussions; and leverage experience to guide decisions in the workshops and meetings.
- **Danville Neighborhood Development Corporation:** Represent community and nonprofit perspectives, bring grassroots insights and advocacy priorities to the table, and ensure that community needs and voices are integral to the decision-making processes.

FUNDING SCOPE

The level of funding required for these efforts is relatively minor. However, real costs might include:

- Expenses for organizing and hosting quarterly strategic workshops, including venue, materials, and any guest speaker fees.
- Potential need for additional staff or consultants to plan, facilitate, and conduct follow-up tasks for the meetings and workshops.
- Resources for communication and outreach efforts to ensure effective engagement with all stakeholders and the public.

POTENTIAL FUNDING SOURCES

- **General funds:** City budget allocations could be earmarked to support the quarterly workshops.
- **Private sponsorships:** Local businesses and/or philanthropic organizations could sponsor the workshops, or provide free use of meeting spaces.

PROJECTED ECONOMIC IMPACT

By increasing strategic and operational collaboration between stakeholders, the City can:

- Attract more investment in the local housing market, including new development and rehabilitation projects.
- Help create new construction jobs via increased development activity.
- Stabilize and improve property values.
- Strengthen the local economy by ensuring ample, affordable housing options for the workforce.

METRICS TO EVALUATE SUCCESS

- Number and diversity of stakeholders actively participating in the meetings and workshops.
- Number of strategies and action items identified — and subsequently completed — during the quarterly workshops.
- Number of new policies or initiatives developed and adopted as a direct result of the workshops' strategic discussions.
- Feedback from participants regarding the effectiveness of the meetings in facilitating meaningful dialogue and collaboration.

PRIORITY SOLUTION 2: Establish Community Development Authority for Schoolfield District

ISSUE: *Without proactive measures in place, the increasing pace of economic and community development in Danville will threaten housing availability and affordability, particularly in Schoolfield Village.*

Redevelopment and revitalization efforts in the city continue to attract new investments, expand job opportunities, and transform formerly vacant properties. While these trends are a net positive for the community, the resulting acceleration in housing demand has put pressure on Danville's limited supply of available homes. This is very apparent in the Schoolfield Village neighborhood, where—despite an abundance of vacant and poor-quality units—sales prices for the mid-century mill worker homes have doubled or tripled in recent years.

SOLUTION: *Support the creation of a new Community Development Authority to spur investments in housing and other assets in the Schoolfield District.*

HOW IT WORKS

The New Schoolfield District plan from June 2023 establishes a common vision for the Dan River Mills site, the Schoolfield Village neighborhood, and the Main Street Corridor. While also addressing economic development and community character, the plan emphasizes the importance of preventing residential displacement and securing equitable housing opportunities for both current and future residents. The plan recommends a new Community Development Authority (CDA) as an "implementation vehicle" to help achieve this goal.

State law (§15.2-5152 et seq.) enables CDAs to serve as special taxing districts for supporting targeted improvements and services in a particular area. Dozens of CDAs currently operate across Virginia. Some of their powers include owning land, purchasing development rights, and creating and operating infrastructure. CDAs also have the ability to finance their investments by issuing bonds, which are repaid via special assessments or tax-increment financing (TIF) collected by the locality. These bonds would *not* be a part of the City's existing debt obligations.

Examples of CDA activities that would support housing efforts in the Schoolfield District include purchasing and preparing sites for residential development, and funding upgrades or expansions of water and sewer lines to lower development costs. However, other important services that would help stabilize current residents—such as home repair and weatherization programs—are not explicitly mentioned in the CDA enabling legislation. The City may want to explore asking the General Assembly to expand the powers of CDAs to include broader housing efforts.

HOW TO DO IT

Within 6 months:

- Determine the most appropriate boundaries for the CDA based on *The New Schoolfield District* plan, other related planning documents, and community engagement.
- Educate property owners and residents about the purpose, operations, and objectives of a CDA.
- Develop partnerships with other City agencies and community organizations to align broader development goals with CDA activities.

Within 1 year:

- Develop a preliminary action plan for the CDA; share it alongside other relevant information as formal approval is sought from at least 51% of property owners.
- Create CDA via ordinance and begin to build its capacity for generating revenue, making investments, and providing services in accordance with the action plan.
- Align CDA plans with other potential complementary measures, such as strategic code enforcement, tax-increment financing, and form-based code.

Within 2 years:

- Implement key infrastructure and housing projects, assessing their impact on the community and adjusting strategies as necessary.
- Establish a framework for ongoing community involvement and transparency in CDA decisions and project implementations.
- Evaluate and report on the CDA's effectiveness in achieving the outlined strategic objectives, leveraging success to inform future development initiatives.

WHO DOES WHAT

- **City of Danville:** Provides legislative and administrative support for the CDA's establishment, ensures alignment with citywide development objectives, and facilitates necessary collaboration with other departments and agencies.
- **Schoolfield community stakeholders:** Engages in the planning and feedback process, supports the CDA's initiatives, and advocates for community needs and priorities.
- **Community Development Authority:** Spearheads strategic property and infrastructure initiatives, works to secure financial mechanisms, and collaborates with community stakeholders to ensure alignment with the district's needs.

FUNDING SCOPE

- Startup operational costs for establishing and initializing the CDA including community engagement activities and administrative support.
- Potential for leveraging bond revenues, special assessments, and tax-increment financing to fund the CDA's initiatives.

POTENTIAL FUNDING SOURCES

- **Revenue bonds:** Issue revenue bonds that will be repaid via rates, fees, or charges associated with services provided by the CDA.
- **Special assessments:** Partner with the City to establish a special real estate tax assessment within the district, which will fund a standalone account for the CDA’s use. Establishing a TIF district would be a similar related approach.
- **State and federal grants:** Various public grants could be leveraged to support the CDA’s activities, including CDBG, HOME, and Virginia Housing Community Impact Grants.
- **Private investments:** Local businesses and philanthropic foundations could make donations or investments in the CDA, to potentially include sponsorships of programs and events.

PROJECTED ECONOMIC IMPACT

Establishing a new CDA for the Schoolfield community would:

- Enhance community and economic development in Schoolfield through strategic investments in housing and infrastructure.
- Increase housing availability and improve affordability, contributing to community stability and growth.
- Stimulate local economic activity through construction, renovation, and related services, enhancing overall community vitality.

METRICS TO EVALUATE SUCCESS

- Progress in strategic property acquisitions and infrastructure enhancements.
- Total investments secured via bond issuance, special assessments, or other revenue streams.
- Number of new homes built and number of existing homes rehabilitated.
- Total construction and labor expenditures invested as part of housing development and revitalization.
- Increase in property values.
- Community feedback and engagement levels, reflecting the CDA's responsiveness to Schoolfield's needs.

SECONDARY SOLUTION 1: Promote innovative ownership models

ISSUE: *The price and types of homes available for sale in the city do not satisfy the needs of all residents.*

Household demographics, living arrangement preferences, and home prices are all changing in Danville. As a result, the supply—and cost—of both existing and new homes for sale are not fully meeting demand, especially from current residents. Alternative ownership and development models could help meet these needs.

SOLUTION: *Encourage use of community land trusts, cooperative ownership, and other alternatives within current housing programs and initiatives.*

HOW IT WORKS

Danville can integrate alternative housing models into current programs by offering informational workshops and resources about these models to developers and residents. The City can bring in representatives from operational community land trusts (CLTs) and other organizations to share best practices and success stories that would provide practical insights. The City can also explore financial incentives or subsidies to encourage the adoption of these models.

Administratively, Danville can adapt its housing policies and guidelines to support and streamline the implementation of alternative models. This involves ensuring that zoning and land use policies are conducive to the development of community land trusts and cooperative housing. Regular community engagement sessions can help gauge resident needs and preferences, facilitating tailored approaches to housing development.

One specific opportunity is to orient CDBG, HOME, and other federal dollars to these uses. For example, the City of Nashville is prioritizing family-oriented cooperative housing and shared equity housing in a recent grant program funded by American Rescue Plan Act (ARPA) dollars.

HOW TO DO IT

Within 6 months:

- Identify barriers and opportunities to promote alternative models within existing grants, programs, and relevant City code.
- Engage national experts and practitioners from other communities to find best practices.
- Determine opportunities to enshrine objectives into comprehensive plan update, to provide formal guidance for future decisions.

Within 1 year:

- Initiate a series of informational workshops for potential developers and community members to raise awareness and understanding of these models.
- Recruit Virginia Statewide Community Land Trust (VSCLT) to serve as CLT within the city by partnering with existing affordable homeownership organizations.
- Develop and launch a pilot program utilizing alternative ownership models and supported by specific financial incentives.

Within 2 years:

- Evaluate the impact of the pilot program and adjust strategies based on feedback and outcomes.
- Engage regularly with the community to understand their housing needs and preferences, ensuring that new initiatives are responsive and effective.

WHO DOES WHAT

- **City of Danville:** Facilitates and oversees the integration of innovative ownership models into housing strategies, modifies policies and zoning as necessary, and coordinates educational and outreach efforts.
- **DRHA, DNDC, and other partners:** Identifies ways to reform or expand current programs to use alternative housing models, identifies and pursues funding opportunities, and facilitates community engagement.
- **Community residents:** Actively participate in community engagement initiatives to express their needs and preferences, and to ensure that new housing models are effectively tailored to the community.

POTENTIAL FUNDING SOURCES

- **Federal grants:** Traditional CDBG and HOME funds can be used for CLTs and cooperative housing, with some limitations.
- **State grants:** The Virginia Housing Trust Fund, Virginia Housing Community Impact Grant, and other funding options can provide meaningful support.
- **Private investments:** CLTs across Virginia have been successful in attracting philanthropic investments; those foundations should be pursued as leveraged support.

PROJECTED ECONOMIC IMPACT

By exploring and promoting these innovative housing models, the City can:

- Diversify its housing stock to better meet demand, potentially stabilizing or reducing housing costs.
- Increase housing accessibility and affordability, contributing to economic diversity and stability in the community.
- Prevent scenarios where current residents are forced to find more affordable or appropriate housing outside of the city.

Pittsylvania County

PRIMARY SOLUTION 1: Improve existing housing conditions

ISSUE: *Poor quality housing is prevalent in the county and threatens the health and economic security of many residents.*

Deteriorating and aging homes are common across Pittsylvania County. While rising sales prices and home values offer incentives for owners to upgrade and improve their homes, many still do not have sufficient capital to make their homes energy efficient and safe. New investments are needed to help current owners—and to ensure these homes are ready for future generations.

SOLUTION: *Improve housing conditions—especially in manufactured home parks—with new initiatives.*

HOW IT WORKS

Local governments can play a pivotal role in accelerating the repair and rehabilitation of deteriorating homes, with a special emphasis on manufactured home communities (MHCs).

This can involve efforts on multiple fronts:

Increasing Capacity

Establishing partnerships with local nonprofits and housing agencies that have expertise in home rehabilitation will be crucial in addressing the unique challenges faced by MHCs. In some cases, there may be a clear lack of nonprofits and housing agencies with enough experience and capacity to take on major rehabilitation projects. Through direct funding, localities may be able to help build the capacity of nonprofit organizations that work within their communities.

Local governments can also work with local financial institutions to stress the need for flexible, low-interest loan products for low-income homeowners to conduct major rehabilitation projects. Activities like this may qualify under the Community Reinvestment Act (CRA), which would incentivize financial institutions to participate.

Access to Funding

Local government can also serve as a vital link between homeowners and funding sources, including state and federal grants earmarked for home repairs. The Community Development Block Grant (CDBG) program is the main resource for this type of funding for non-entitlement communities, but rural communities may also be able to leverage USDA funding.

Targeted Coordination

Moreover, the local government can initiate proactive code enforcement to identify homes most in need of repair, particularly in MHCs. Coordinating with other departments such as Social Services and law enforcement can also help identify areas of the community most in need.

By working closely with community leaders, the local government can ensure that residents are fully informed about available resources and assistance programs. This comprehensive approach aims to improve living conditions in these communities, ensuring the health and safety of residents.

Assess Conditions

The first funding applications should pursue grants to cover a dedicated housing conditions assessment. This necessary first step will determine the scope and scale of challenges currently faced by residents throughout the county, and is a nearly universal prerequisite for successfully obtaining future funding that can support actual improvements and services.

Housing conditions assessments are routinely conducted by local governments and consultants across Virginia. They usually use a combination of municipal property-level data obtained from real estate assessments, a field survey of properties representing a significant sample of all residential units in the county, and other sources. The assessment will analyze what housing types, neighborhoods, and demographics might require the greatest priorities.

However, these assessments do not always thoroughly investigate conditions within manufactured home parks. To date, the only known census of these communities was conducted for the Richmond region in 2016 by the Manufactured Home Community Coalition of Virginia (MHCCV). That study included the following components that could be incorporated into a broader countywide assessment:

- Profile of households living in manufactured homes (via Census data).
- Profile of manufactured home community attributes, amenities, and conditions (assessment survey completed via property visits).
- Park categorization based on size, quality, location, and other factors to better inform policy interventions.

HOW TO DO IT

Within 6 months:

- Conduct a comprehensive assessment of housing conditions, focusing on MHCs.
- Enable inter-department communication and engagement around housing quality issues, with a focus on upstream issues that may contribute to housing quality neglect.
- Educate local officials and community stakeholders (including local financial institutions) about the specific needs and challenges faced by residents in these areas.
- Identify current challenges homeowners face in addressing major home rehabilitation projects and other deferred maintenance.

Within 1 year:

- Coordinate with MHC owners to discuss potential partnerships for rehabilitation projects.
- Engage with Pittsylvania County Community Action Inc. to understand their capacity to undertake major home rehabilitation projects; identify current constraints and where the County may be able to intervene to support scaling activities.
- Engage with local and regional financial institutions to understand the breadth of products available to low-income homeowners.
- Prioritize interventions based on severity of conditions and the vulnerability of residents.

Within 2 years:

- Explore funding opportunities through state agencies like Virginia Housing and the Department of Housing and Community Development (DHCD) for rehabilitation initiatives and capacity building.
- Explore opportunities to increase nonprofit capacity to engage in manufactured home rehabilitation and replacement.

WHO DOES WHAT

- **Department of Community Development:** Instrumental in outreach and coordination of this solution.
- **Other County departments** (such as Social Services and Public Safety): Contribute to identifying areas most in need of intervention.
- **Nonprofit partners** (such as Pittsylvania County Community Action Inc. and Southeast Rural Community Assistance Project): Conduct home rehabilitation projects.
- **Financial institutions:** Work with local government and nonprofit partners with grant funding and/or financing.

FUNDING SCOPE

Federal and state funding to support home rehabilitation is often limited, and service providers are oversubscribed with long waiting lists. New funding sources to support home rehabilitation programs are few and far between but not impossible to find.

POTENTIAL FUNDING SOURCES

- **USDA Section 504 Home Repair Program** provides loans to very low-income homeowners to repair, improve, or modernize their homes as well as grants to elderly, very low-income homeowners to remove health and safety hazards.
- **Community Development Block Grant (CDBG) funds** through DHCD can be used to help replace or rehabilitate manufactured and stick-built homes within the county. However, awards require a competitive application process.
- **Local or regional financial institutions** could create low-interest loan products to provide low-income homeowners with capital to conduct major home rehabilitations.
- **Philanthropic institutions and private companies** may be able to provide grant funding to nonprofit organizations to support capacity building or specific initiatives.

PROJECTED ECONOMIC IMPACT

By improving housing conditions within the county, there may be:

- Increased property values.
- Greater private and individual investment within the community.
- Increased homeowner economic stability.
- Improved health outcomes, especially among seniors and children.

METRICS TO EVALUATE SUCCESS

- Number of low-income households served.
- Number of units rehabilitated.

IMPORTANT CONSIDERATIONS

- Tenure within manufactured home communities can make conducting rehabilitation work difficult. In many cases, a resident may own their home, but not the lot they have their home situated on.
- Qualified contractors are increasingly difficult to secure. Addressing other issues like workforce development may help this solution.

EXAMPLES

City of Virginia Beach - Manufactured (Mobile) Home Rehabilitation Program

The Manufactured (Mobile) Home Rehabilitation Program is administered by the City of Virginia Beach's Department of Housing & Neighborhood Preservation. This program provides grants to eligible low- to moderate-income households to make necessary rehabilitation for mobile homes more affordable.

The program focuses on repairs that are needed "to remove an existing or imminent health and/or safety hazard; correct code violations; or make physical improvements, adaptations, or modifications for accessibility."

Albemarle Housing Improvement Program (AHIP)

AHIP, a nonprofit based in Albemarle County, focuses year-round on emergency repairs, home rehabs, and energy-efficiency upgrades. It is a full-service, state-licensed Class A Contractor and an EPA-certified lead abatement contractor.

project:HOMES

project:HOMES is an affordable housing nonprofit organization based in the Richmond region. In addition to developing affordable homeownership and senior rental housing, project:HOMES provides home rehabilitation and weatherization services.

In recent years, project:HOMES has also turned its attention toward manufactured housing. In 2021, the nonprofit acquired a 50-unit manufactured home park with the intention of stabilizing it and replacing deteriorating units. project:HOMES has also invested resources in designing its own energy-efficient manufactured home unit. It has been able to leverage funding from Virginia Housing and other entities to support its work in the manufactured home space.

PRIMARY SOLUTION 2: Use zoning ordinance update to promote housing

ISSUE: *Major changes to the County's zoning ordinance are an opportunity to promote – or prevent – housing development among builders and property owners.*

The planned adoption of a new zoning ordinance in 2024 will present an important chance to proactively engage and educate developers. Follow-up outreach and communications will ensure that they don't miss any changes designed to make building desired housing types easier or less costly.

SOLUTION: *Pair the zoning ordinance update with new material and resources to educate developers, property owners, and public about changes.*

HOW IT WORKS

After adopting the new zoning ordinance, the County should launch a comprehensive communication and outreach campaign to inform builders, property owners, and other stakeholders about the new regulations and the opportunities they present for housing development. Methods include hosting informational workshops, distributing easy-to-understand guides on the new zoning rules, and providing one-on-one consultation services to assist with navigating the new regulations.

Informational Workshops

Online and in-person workshops can help explain the updated zoning ordinance, focusing on how it facilitates a range of residential development options. These sessions can provide detailed insights into the benefits of diverse housing types and price ranges, along with guidance on navigating the new regulations.

Comprehensive Guides and FAQs

Developing clear, accessible guides and FAQs outlining key changes in the zoning ordinance can help developers and property owners understand all potential opportunities. These resources should be available both online and in print and should be easy to understand for those without technical backgrounds. Effective collateral will make use of flow charts and infographics, and avoid technical jargon in introductory materials.

The existing information and guidance on the "Residential Structures" section of the county's website provide an excellent basis for this work. Important directions and requirements are clear and legible, and photos of example building types help inform potential applicants. Much of this current content can be adapted and further improved following the zoning ordinance update.

Consultation Services

Offering free or low-cost consultation services to developers and property owners can help them adapt plans to align with the updated ordinance. This support could include assistance with permit applications, design considerations, and compliance with any and all applicable regulations. While this support may be informally provided already, the County can strengthen this service by incorporating it into the core duties of existing or new staff positions, and by advertising consulting opportunities on the county website.

Internal Processes

In concert with these public-facing strategies, the County should also establish an administrative framework that supports swift and efficient processing of development proposals and permits under the new code. This includes training staff on the new regulations, streamlining application processes, and setting up a dedicated support team to handle inquiries and assist with compliance.

HOW TO DO IT

After adopting a new zoning ordinance, the County should complete the following actions to ensure that momentum continues:

Within 6 months:

- Develop and execute a robust communication plan that includes workshops, informational materials, and a dedicated section on the county's website.
- Consider developing a pattern book of pre-approved housing designs for the county.
- Train county staff extensively on the new zoning regulations to ensure they can provide accurate and helpful guidance.

Within 1 year:

- Maintain the momentum of public engagement by continuing to involve community members in discussions about development and land use under the new zoning framework.
- Identify potential funding sources to add county staff to support development and/or a consultant to audit the current approval process.
- Conduct analysis of existing permitting and approval processes to understand current barriers and challenges to housing development.

Within 2 years:

- Streamline permitting and approval processes to reduce turnaround times and encourage development.
- Set up a dedicated support team to help developers and property owners understand and comply with the new zoning rules.

WHO DOES WHAT

- **Department of Community Development:** Develop communication plan, train staff on new regulations, and maintain public engagement.
- **Department of Public Relations:** Work with the Department of Community Development and other stakeholders to ensure that public-facing materials are accurate, effective, and accessible.
- **Department of Economic Development:** Interface with the Danville & Pittsylvania County Economic Development alliance, help the county advertise opportunities to local and non-local developers, and gather information from employers on workforce housing needs.

FUNDING SCOPE

- While many of the activities listed in this solution can be incorporated into the daily activities of existing staff, it may be necessary to consider additional staff to specifically act as a development liaison.

- Developing a pre-approved pattern book would require retaining an architect.
- Streamlining the permitting and approval process may involve the hiring of a consultant for audit purposes.

POTENTIAL FUNDING SOURCES

- **Virginia Housing Community Impact Planning Grant** may fund up to $20,000 for a Development Code Analysis “to determine what infrastructure or regulatory factors may be inhibiting housing development goals.”
- **County General Funds** may be appropriated to fund a new staff position within the Department of Community Development.

PROJECTED ECONOMIC IMPACT

By pairing the zoning ordinance update with new educational material and resources, there may be:

- Greater developer interest to build housing within the county.
- Increased supply of housing to meet demand from current residents and future workforce.
- Increased construction activity that will increase the tax base, support new trades positions, and spur further private sector investments.

METRICS TO EVALUATE SUCCESS

- Increased number of housing units produced within the county.
- Increased number of diverse housing units produced within the county.
- Reduced permitting or approval time.

EXAMPLES

Henrico County - Permit Center and Plan Review Expeditor

Henrico County created a permit center in both a physical and digital form. The Permit Center acts as a “one-stop shop” for residential permitting within the county. While applicants may email or call the center, the County also welcomes in-person visits to discuss residential projects. In addition to the physical center, the County has also moved all permitting and inspection processes online to a portal called Build Henrico.

The County also supports a Plan Review Expeditor position. This position helps quickly answer development questions and provides substantive feedback before plan submission, which improves efficiency. The Subdivision Review Process (PDF) guidebook highlights where and how the Plan Review Expeditor is involved to support the application process.

Virginia Beach – Development Liaison Services

The City of Virginia Beach maintains a Development Liaison team that provides assistance to applicants at no cost. The team can offer support at any point in the process, and plays an important role ensuring that different City departments efficiently review submissions when appropriate. The initial point of contact is a brief online form. Staff will contact the customer within two business days of that submission.

SECONDARY SOLUTION 1: Advance housing within strategic economic development process

ISSUE: *The County's recent initiative to work with regional partners on a new economic development could be a missed opportunity to promote workforce housing efforts.*

The Pittsylvania County Industrial Development Authority (IDA) began planning new economic development strategies in August, working alongside the City of Danville and the Danville Regional Foundation. Stakeholders will explore "strategies to attract and retain a talented workforce through workforce development and housing," among other important issues.

SOLUTION: *Explore adopting best practices from across the commonwealth to fully leverage the IDA's powers to incentivize new housing affordable to workers.*

HOW IT WORKS

Undertaking a comprehensive economic development plan, especially in conjunction with regional partners, is an excellent opportunity for the County to take advantage of growing momentum around the nexus of housing opportunities and economic growth in Virginia. An increasing number of economic development authorities (EDAs) and IDAs throughout the commonwealth are pursuing strategies to promote the creation of workforce housing alongside their other core roles. These strategies fall under four main categories.

Financial Support

Revenue bonds

IDAs can issue tax-exempt bonds that provide large, low-cost funding to create transformative capital projects. These bonds are guaranteed by the future income ("revenue") of the project and are commonly used for affordable housing throughout the commonwealth because of their low interest rates. Neither the IDA nor the local government loans money; the arrangement simply provides developers with access to capital markets at attractive rates. In fact, IDAs routinely earn income via fees collected from the bond recipient.

Real estate tax abatements

IDAs can facilitate tax abatements to affordable housing projects in the form of rebates granted by the locality. These require a city ordinance to authorize—for example, annual rebates equal to the incremental increase in property taxes following project completion. In exchange for providing affordable housing, the developer/owner will pay taxes only on the original value of the property, which helps reduce long-term operating costs, which in turn can secure better financing.

Grants

One common function of IDAs is to provide grants to businesses and other entities to foster innovation, workforce development, and other activities that support the community's economic growth objectives. While these grants are usually not targeted to housing-specific uses, the Pittsylvania County IDA may want to explore options to use its discretionary funds for strategic housing activities in the private sector.

Land Support

IDAs can support affordable housing by acquiring, consolidating, and leasing land, which facilitates mixed-use development in targeted growth areas. Through land banking, EDAs hold land until development conditions are favorable, aiding in utility planning and financing. They can also engage in land swaps and discounted sales to strategically manage land resources, thereby encouraging the inclusion of affordable units.

Additionally, EDAs may opt for long-term ground leasing, maintaining land ownership while leasing to developers at nominal rates, which exempts developers from certain taxes and allows EDAs to oversee compliance with development incentives. These strategies enable EDAs to reduce barriers for developers, speed up the development process, and maintain long-term influence over land use, promoting affordable housing development.

Public-Private Partnerships

Public-private partnerships (PPPs) are collaborative agreements between public entities and private developers. Numerous EDAs in Virginia have established PPPs to execute specific development projects. The Pittsylvania County IDA can intentionally seek out collaborations with developers experienced in affordable housing. Sharing the financial risk and benefit can make large-scale projects more feasible and can ensure the inclusion of housing available to low- and moderate-income households.

Planning and Technical Assistance

Working with community, regional, and state partners, the County and the IDA can position themselves as an important resource for planning, executing, and managing projects with residential components. Building this capacity could help local developers—especially those with less experience—increase their confidence with affordable housing and related community development programs.

HOW TO DO IT

Within 6 months:

- Schedule opportunities for the IDA board, Board of Supervisors, and other stakeholders to discuss shared goals and ideas related to housing.
- Forecast housing demand from expected job growth. Calculate affordable rent and purchase prices for the most common occupations using their respective wage and salary data.
- Investigate housing programs and financial incentives currently offered by the Danville IDA, along with other IDAs/EDAs throughout Virginia.

Within 1 year:

- Determine which strategies would work best for Pittsylvania County, relative to capacity and needs.
- Explore combining housing incentive efforts into regional initiatives with Danville.
- After adoption of the plan, promote objectives with the public, the business community, developers, and potential employers.

Within 2 years:

- Pursue opportunities to use public land—or land acquired by the IDA—for mixed-use developments.
- Develop a transparent process that offers grants and other resources to eligible housing projects.

WHO DOES WHAT

- **Pittsylvania County IDA board:** Work with staff and partners to set major goals and objectives. Evaluate and approve any financial incentives or development agreements. Liaison with the Board of Supervisors and other local and regional leaders.
- **Department of Economic Development:** Support IDA board with decision-making. Gather information on best practices from economic development colleagues elsewhere in Virginia. Draft policies, procedures, and contracts related to programmatic activities.
- **Department of Community Development:** Assist the Department of Economic Development and IDA board with permits, zoning, and any specific affordable housing or community development programs. Connect residential developers with the IDA.

POTENTIAL FUNDING SOURCES

Increased administrative costs may be funded by additional support for personnel in the Department of Economic Development and IDA budgets. Revenue from the sale or long-term lease of properties could be another source to cover operational costs, and/or housing-related grant-making. Planning grants are available from multiple state agencies and depend on specific scenarios and objectives:

- Virginia Housing Community Impact Grant
- Department of Housing and Community Development CDBG Planning Grant
- VEDP Virginia Brownfields Fund

EXAMPLES

City of Richmond – EDA Performance Grants

The City of Richmond recently approved the second and third examples of a tax rebate arrangement for affordable rental projects. These "performance grants" are structured contracts between the City, its EDA, and the developers. The annual grant payments will run for 30 years and total the incremental real estate tax revenues generated by the developments. The projects must provide units affordable at 60% AMI in accordance with the Low-Income Housing Tax Credits they are also receiving.

City of Virginia Beach – 25th Street Mixed-Use and Parking Development

The Virginia Beach Development Authority's (VBDA) 25th Street Mixed-Use and Parking Development PPP with the Breeden Company is one of the few across the commonwealth that includes a residential component. Here, the redevelopment of a city-owned parking complex led to a brand-new parking garage with almost 600 spaces, nearly 150 new apartments, and additional commercial space. After selling the property to the Breeden Company, the City purchased and generated revenue from the new parking garage.

Page and Henrico Counties – State Planning Grants

The Page County EDA (PDF) recently secured a Virginia Housing grant to assess the potential for residential development on land it owns. The Henrico County EDA (PDF) is pursuing a $50,000 brownfields grant from the Virginia Economic Development Partnership to help a property owner determine remediation needs on a parcel formerly used as an unregulated landfill but potentially suitable for mixed-use development, including residential. If successful, the EDA will assist the owner with applying for funds to cover actual remediation.

Appendix A: Energy Cost and Energy Burden Estimate Methodology

VCHR prepared estimate of households with high energy costs and households with high energy costs, energy burden and low incomes for the Virginia Department of Housing and Community Development (DHCD) in 2022. VCHR analyzed energy costs, energy burden, and household characteristics that contribute to high energy costs and energy burden to prepare estimates of where households with high energy costs live. Though there are households with high energy costs and energy burdens throughout the state, these estimates highlight where large numbers of households with high energy costs are concentrated and where public investments are likely to have the greatest impact for individuals and communities.

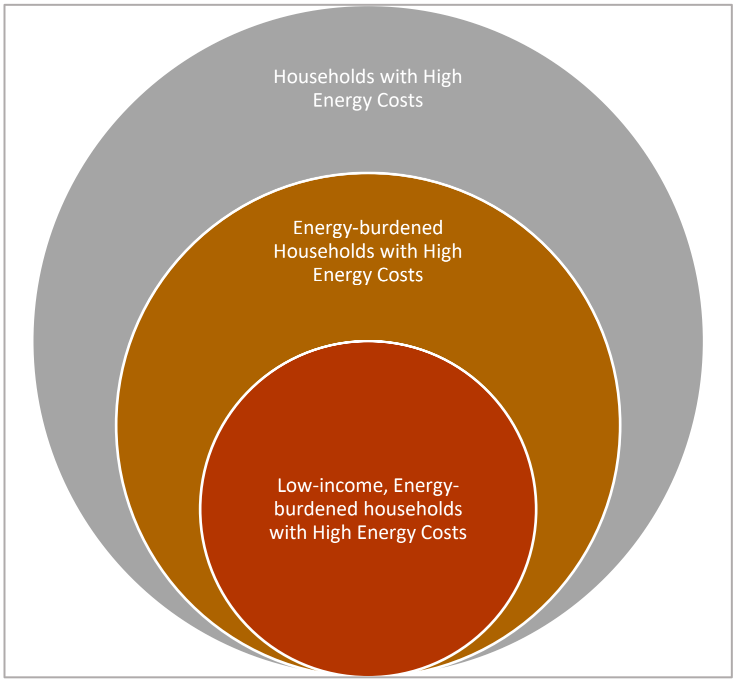
VCHR has prioritized the relevance and reliability of estimates in order to provide information that DHCD can use to target interventions and measure outcomes. As such, VCHR has taken a different approach to estimation than other existing tools. Notably the DOE LEAD TOOL is useful for increasing public awareness, but because it aggregates data from very small populations at the block level is heavily impacted by high margins of error, especially outside of the most densely populated places[50]. Therefore, the LEAD tool is useful for comparative spatial analysis and demonstrating the spread and magnitude of energy burden, but cannot be used for programmatic bench marking or longitudinal analysis. VCHR's estimates are based on reliable, regional estimates and applied to reliable tract-level populations or in-lieu of a reliable estimate, the conservative lower-bound[51] of an estimate is applied.

Process and methodology

VCHR estimated the number of households in three overlapping population subgroups by Census tract, using a combination of regional proportions and relevant tract-level household estimates.

[50] VCHR's conclusion references Ma et al 2019, "Low-Income Energy Affordability Data (LEAD) Tool Methodology;" and U.S. Census Bureau 2019, Understanding and Using American Community Survey Data: What State and Local Government Users Need to Know, U.S. Government Printing Office, Washington, DC, 2019.
[51] Estimate minus margin of error.

Figure A-1. Populations estimated



VCHR used the American Community Survey (ACS) Public Use Microdata Sample (PUMS) to estimate the number households with high energy costs, energy costs[52] in the top 25 percent (greater than or equal to the third quartile) for the Public Use Microdata Area (PUMA). Among households with high energy costs, VCHR estimated the number of households that are considered energy burdened, those that spend six percent or more of their gross household income on energy costs. Identifying households with a dual challenge of high energy costs and energy burden is important for program implementation because energy efficiency housing interventions will have the greatest benefit, both household savings and energy conservation, in these cases. Furthermore, this approach excludes households with extremely low incomes that are burdened by very small energy costs associated with high-energy-efficiency housing and for whom other supports may be more beneficial. Last, VCHR estimated the number of low-income households with high energy costs that represent an energy burden for the household. VCHR applied proportions of households in these categories among relevant subgroups to create tract level estimates. Available, relevant subgroups were limited by ACS published tables for which tract-level estimates are available and reliable. VCHR regressed housing and household characteristics that are associated with higher household energy costs[53] and energy burden[54] on energy cost and energy burden levels in order to prioritize nested subgroups. Since reliability is limited for small populations in small geographies, VCHR's nesting was limited to 2-levels in the most populous groups (i.e. single-family units by number of people in the household) and 1 level in less populous groups (i.e. multifamily units, low-income households). Though these subgroups were chosen for relevance and reliability, some tracts have too few households to allow for reliable estimation at all. In tracts where the number of households alone is not reliable, VCHR has not reported data. In tracts where the number of households is reliable, but the subgroup estimate is not reliable, VCHR used the lower bound, the estimate minus the margin of error, to produce a final estimate.

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[52] Energy costs include electricity cost (PUMS ELEP), gas cost (PUMS GASP), and fuel (other than gas or electricity) cost (PUMS FULP). Energy costs were converted from annual costs to average monthly costs.

[53] Year built, households' size, housing type (mobile or manufactured home, single family detached, single-family attached, multifamily by number of units), tenure, fuel type, households with children, households with seniors, household income

[54] Household income, household size, race identity of householder, tenure, energy cost

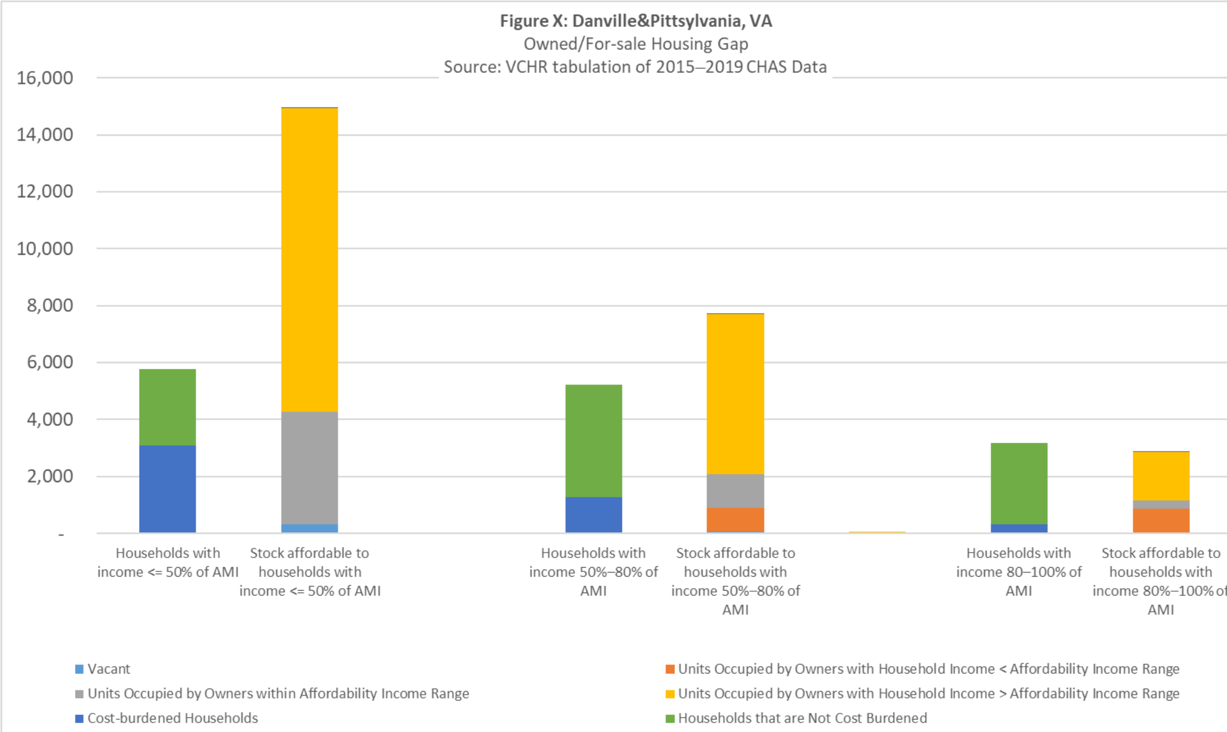
Figure A-2. Regional proportions applied to tract-level published estimates

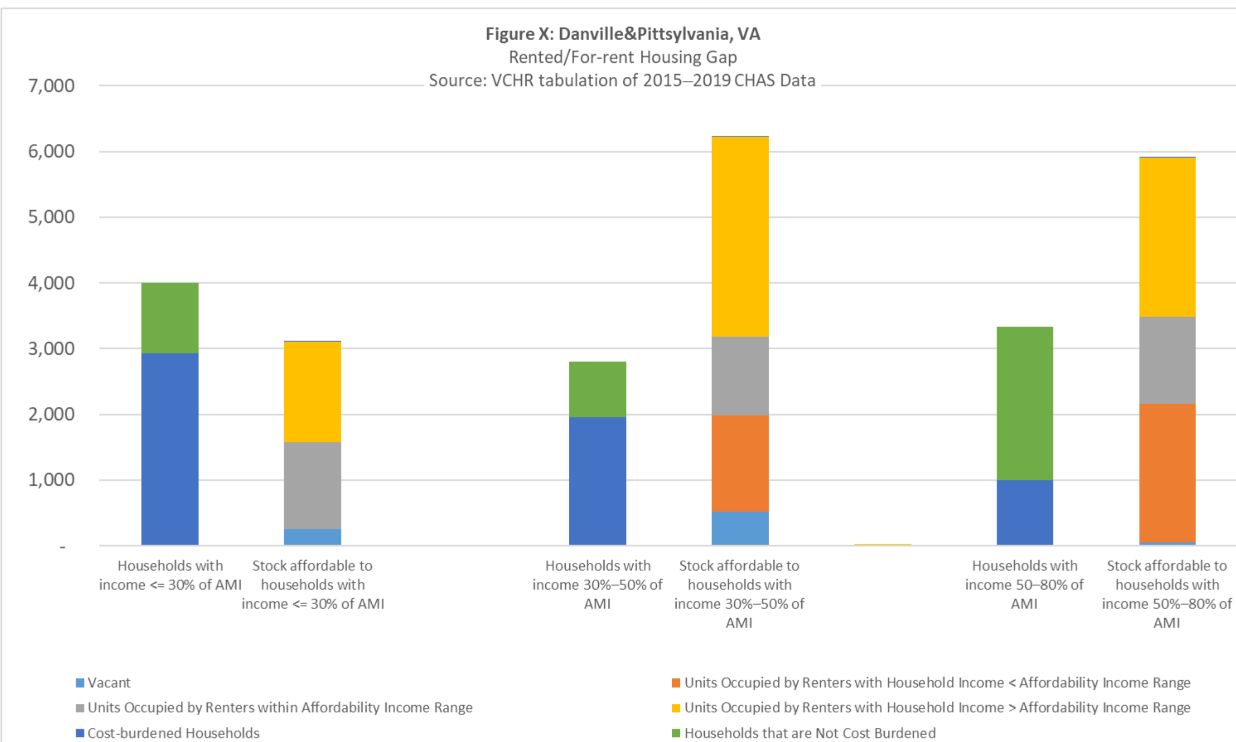
PUMA Region Proportions		*Tract-level Populations*
Percent of 1-person households in single-family units that have high energy costs	→	1-person households in single family units
Percent of 2-person households in single-family units that have high energy costs	→	2-person households in single family units
Percent of 3-person households in single-family units that have high energy costs	→	3-person households in single family units
Percent of 4-more-person households in single-family units that have high energy costs	→	4-or-more-person households in single family units
Percent of households in multi-family units that have high energy costs	→	Households in multi-family units
Percent of low-income, energy-burdened households with high energy costs	→	Households with low incomes

Nearly every tract in Virginia includes households with high energy costs. Single-family detached homes, more household members and higher income are correlated with higher energy costs. Lower incomes are correlated with higher energy burden, but for household extremely low incomes, even low energy bills can be burdensome. Identifying places with where households have high energy costs, low incomes *and* energy burden will allow DHCD and other agencies and organizations to target investments to conserve energy and relieve cost burdens. Identifying areas with high numbers of households with high energy costs *and* concentrations of these households with low incomes and energy burden may allow rehabilitation and weatherization providers to operate more effectively.

VCHR and the Virginia Commonwealth University Center for Urban and Regional Analysis (VCU CURA) produced a mapping application to allow DHCD staff to reference the number of households with high energy costs and the number of households with low incomes and high energy cost that comprise more than 6 percent of the household’s income. VCHR used this application to create the maps provided in this report.

Appendix B: Housing Gap Analyses





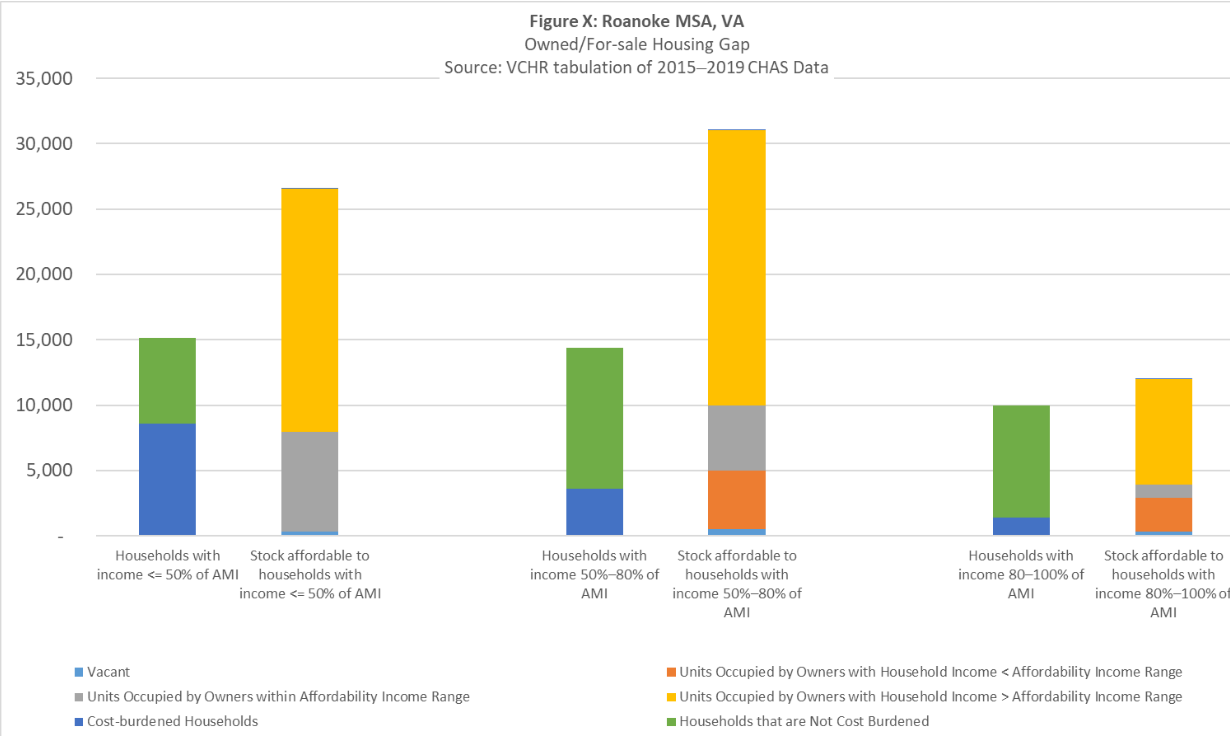


Figure X: Roanoke MSA, VA
Owned/For-sale Housing Gap
Source: VCHR tabulation of 2015–2019 CHAS Data
35,000
30,000
25,000
20,000
15,000
10,000
5,000
-
Households with income <= 50% of AMI
Stock affordable to households with income <= 50% of AMI
Households with income 50%–80% of AMI
Stock affordable to households with income 50%–80% of AMI
Households with income 80–100% of AMI
Stock affordable to households with income 80%–100% of AMI
Vacant
Units Occupied by Owners within Affordability Income Range
Cost-burdened Households
Units Occupied by Owners with Household Income < Affordability Income Range
Units Occupied by Owners with Household Income > Affordability Income Range
Households that are Not Cost Burdened

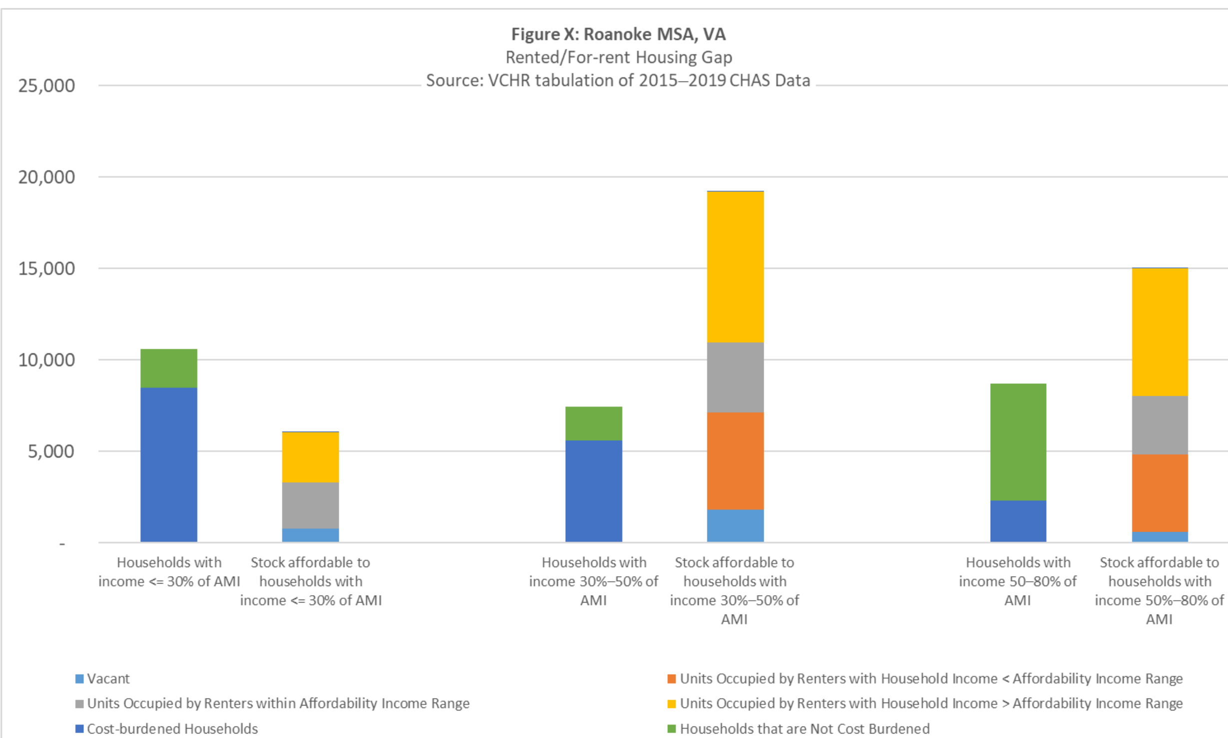


Figure X: Roanoke MSA, VA
Rented/For-rent Housing Gap
Source: VCHR tabulation of 2015–2019 CHAS Data
25,000
20,000
15,000
10,000
5,000
-
Households with income <= 30% of AMI
Stock affordable to households with income <= 30% of AMI
Households with income 30%–50% of AMI
Stock affordable to households with income 30%–50% of AMI
Households with income 50–80% of AMI
Stock affordable to households with income 50%–80% of AMI
Vacant
Units Occupied by Renters within Affordability Income Range
Cost-burdened Households
Units Occupied by Renters with Household Income < Affordability Income Range
Units Occupied by Renters with Household Income > Affordability Income Range
Households that are Not Cost Burdened

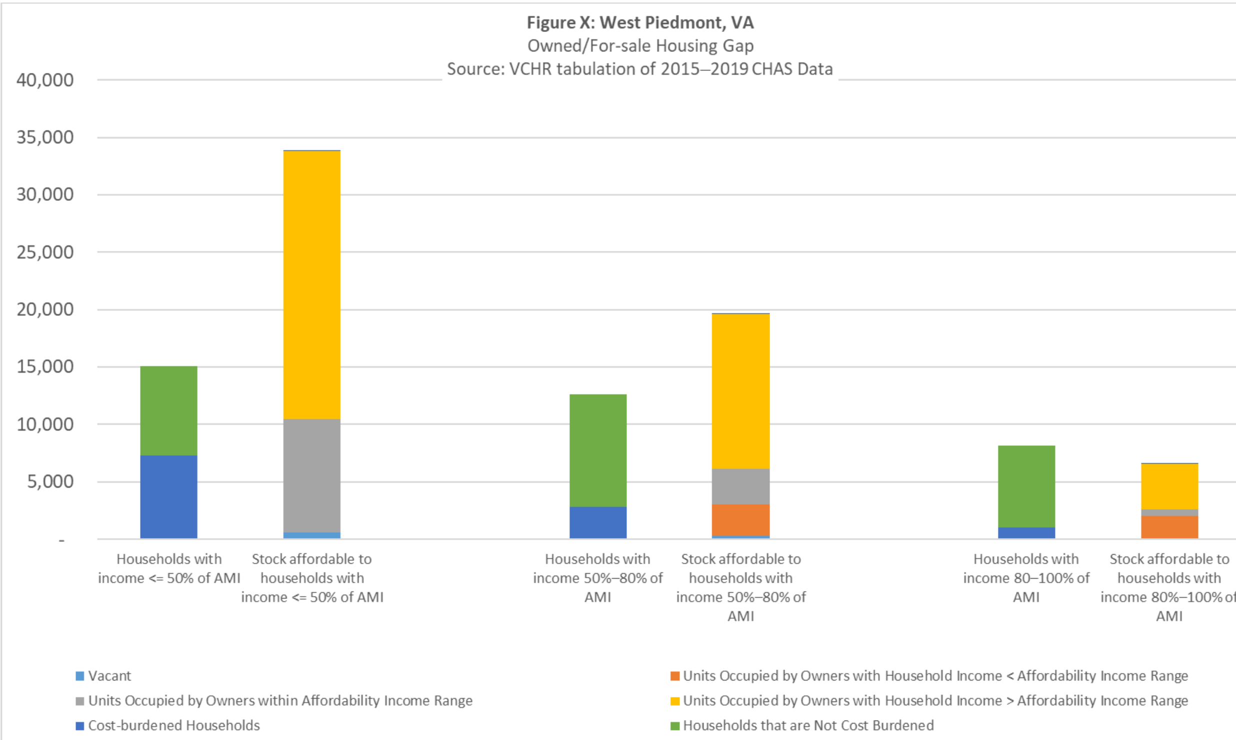


Figure X: West Piedmont, VA
Owned/For-sale Housing Gap
Source: VCHR tabulation of 2015–2019 CHAS Data
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
-
Households with income <= 50% of AMI
Stock affordable to households with income <= 50% of AMI
Households with income 50%–80% of AMI
Stock affordable to households with income 50%–80% of AMI
Households with income 80–100% of AMI
Stock affordable to households with income 80%–100% of AMI
Vacant
Units Occupied by Owners within Affordability Income Range
Cost-burdened Households
Units Occupied by Owners with Household Income < Affordability Income Range
Units Occupied by Owners with Household Income > Affordability Income Range
Households that are Not Cost Burdened

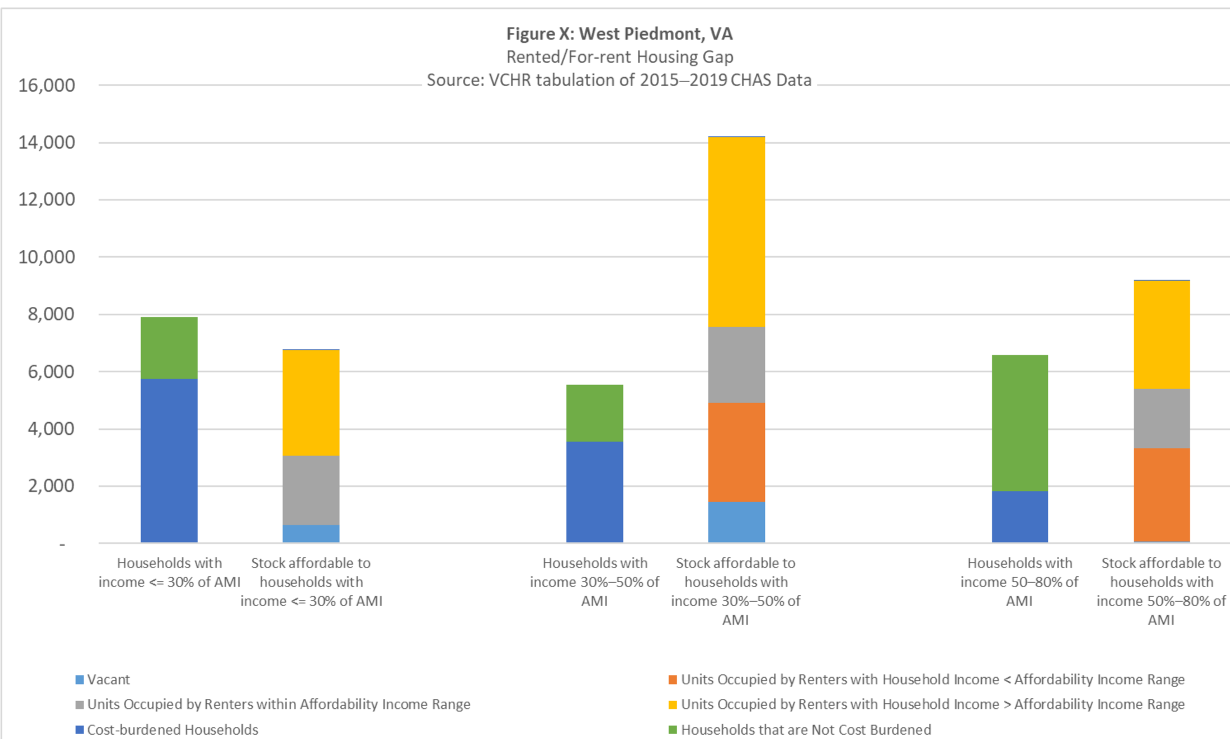
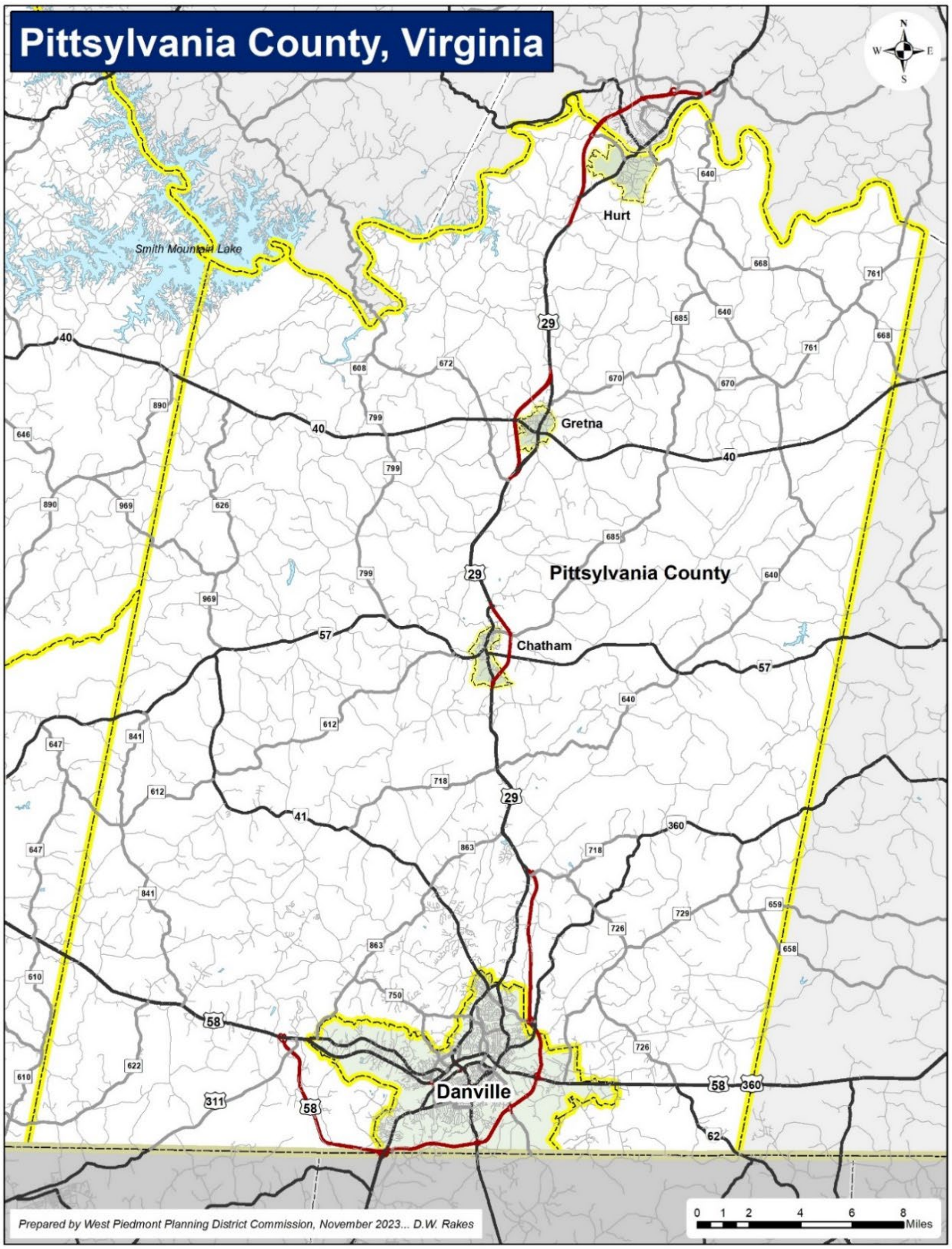


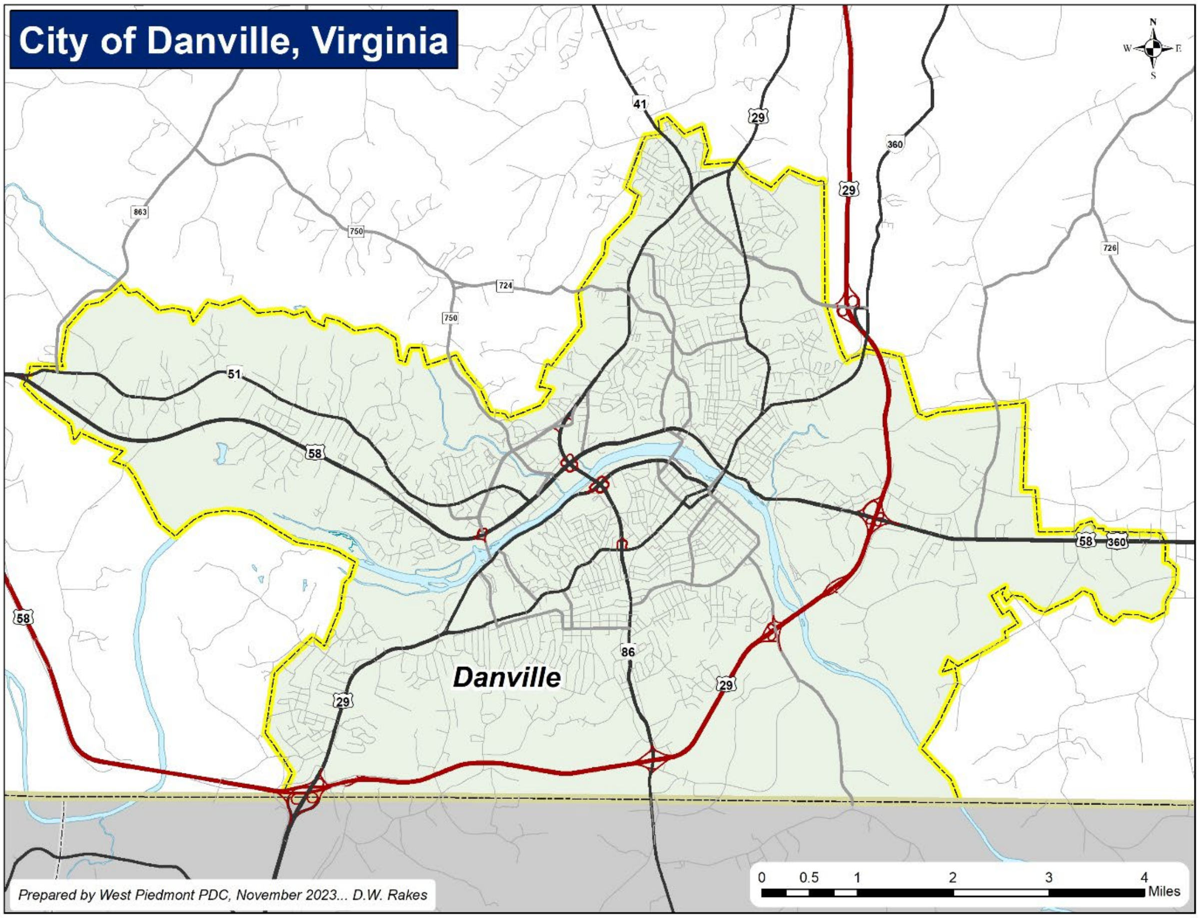
Figure X: West Piedmont, VA
Rented/For-rent Housing Gap
Source: VCHR tabulation of 2015–2019 CHAS Data
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
-
Households with income <= 30% of AMI
Stock affordable to households with income <= 30% of AMI
Households with income 30%–50% of AMI
Stock affordable to households with income 30%–50% of AMI
Households with income 50–80% of AMI
Stock affordable to households with income 50%–80% of AMI
Vacant
Units Occupied by Renters within Affordability Income Range
Cost-burdened Households
Units Occupied by Renters with Household Income < Affordability Income Range
Units Occupied by Renters with Household Income > Affordability Income Range
Households that are Not Cost Burdened

Appendix C: Locality Descriptions and Maps

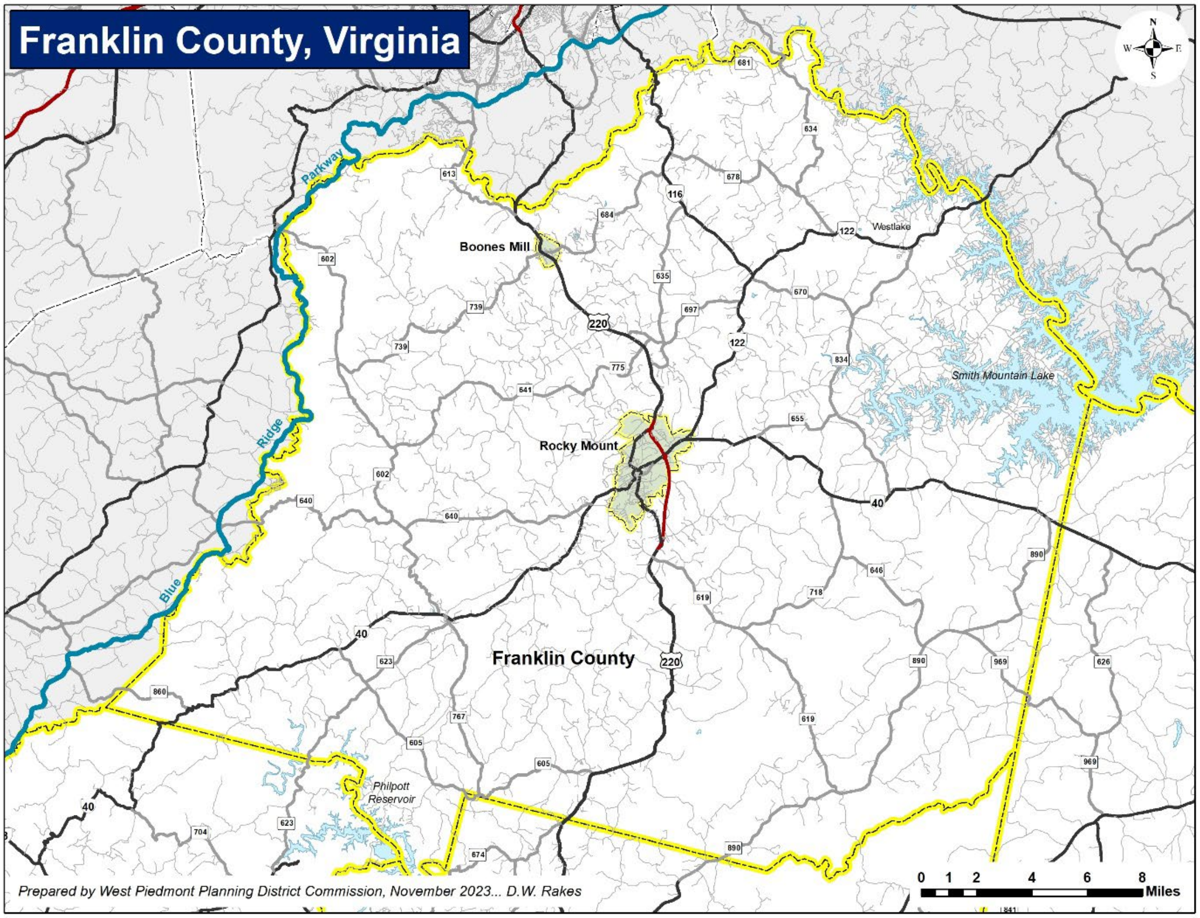
Pittsylvania County was named in honor of William Pitt, earl of Chatham, an English statesman. It was formed from Halifax County in 1766. The area of the county is 969 square miles. The county seat is the Town of Chatham. The county is bounded on the north by the Roanoke River, intersected by the Banister River through the middle, and drained by the Dan River on the south.



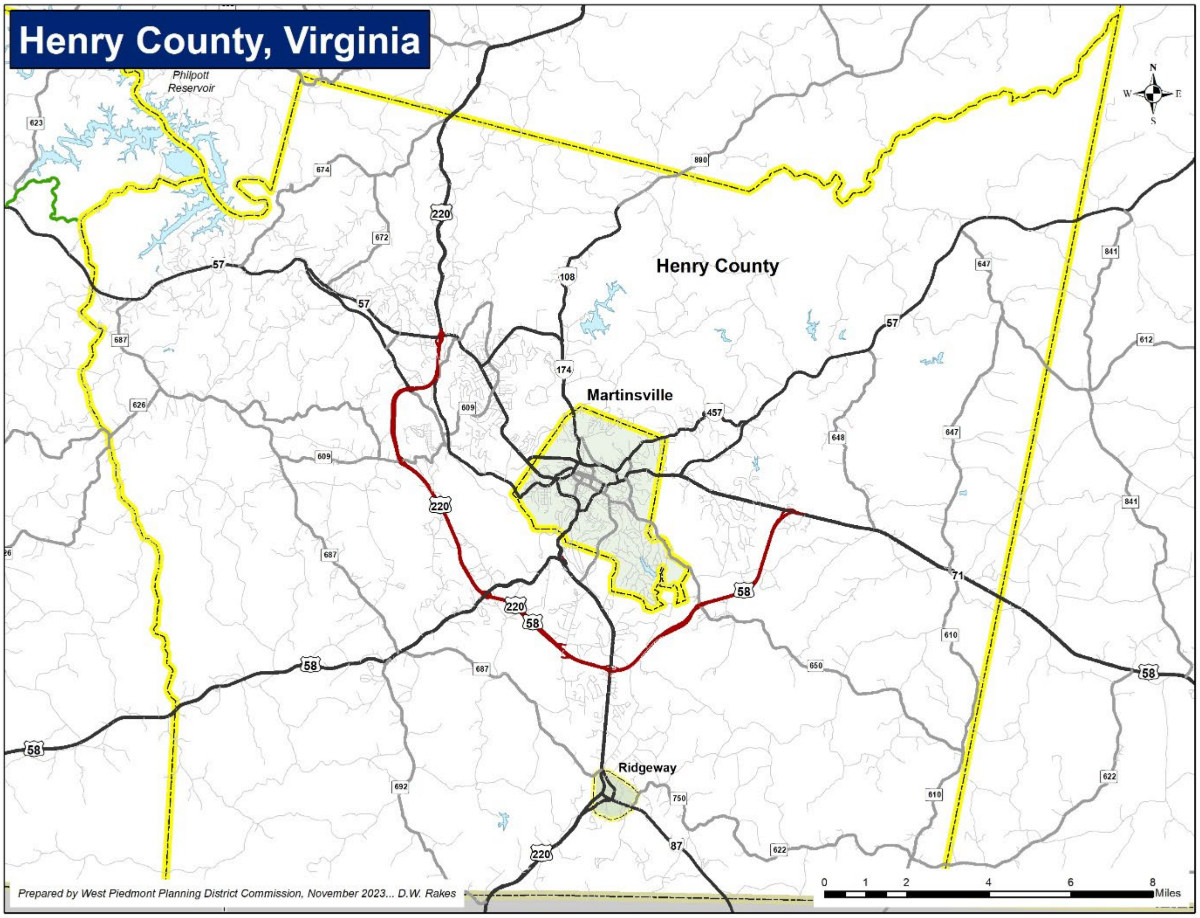
Danville was named for the Dan River on which the city is located. Danville was established in 1793; it was incorporated as a town in 1830 and as a city in 1890. North Danville was annexed in 1896. The area of Danville is 48 square miles. The city is located in Southside Virginia region and on the fall line of the Dan River.



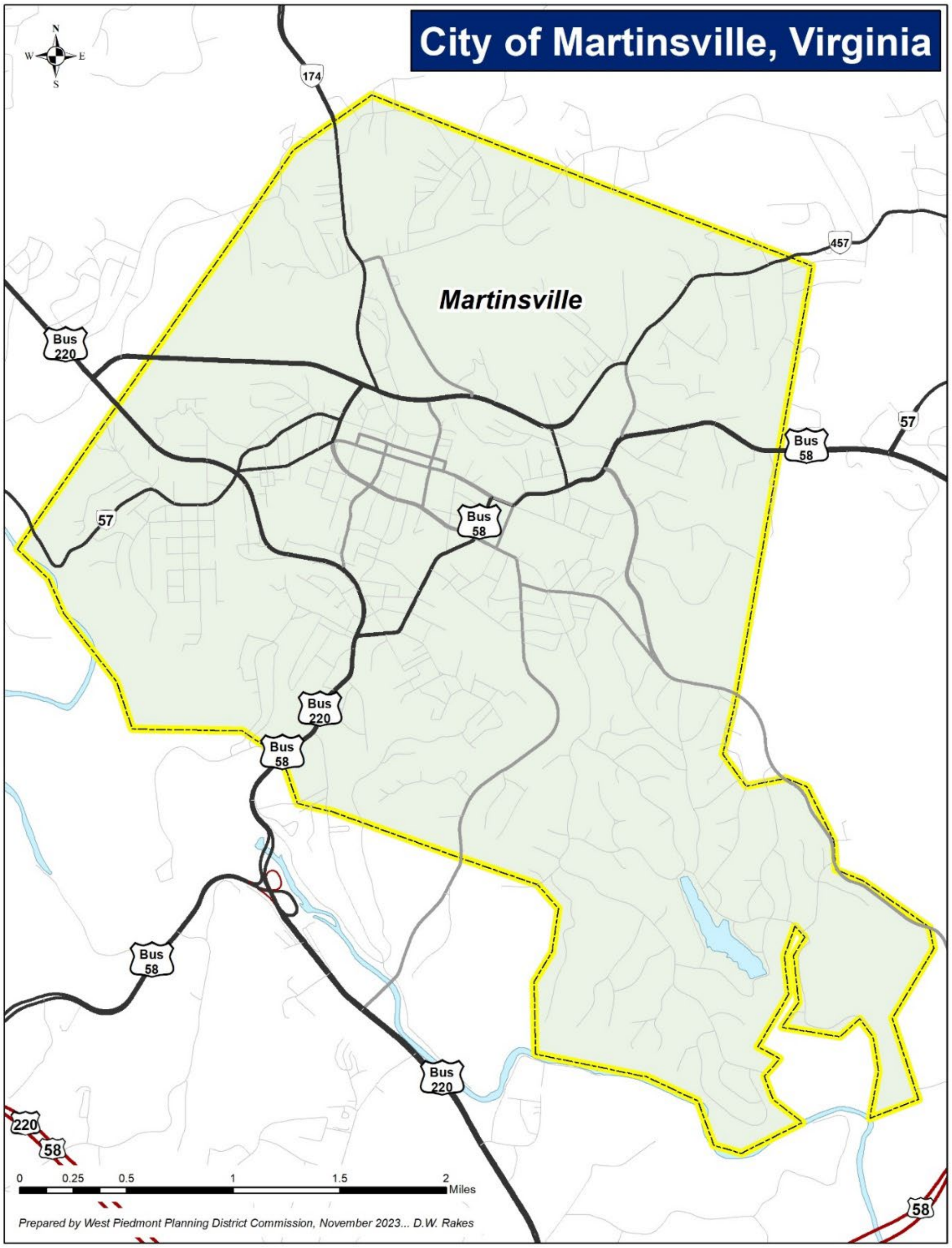
Franklin County was named for Benjamin Franklin and was formed from Bedford and Henry Counties in 1785. The area of the county is 711.5 square miles. The county seat is the Town of Rocky Mount. Franklin County is located in the Blue Ridge foothills of the Commonwealth.



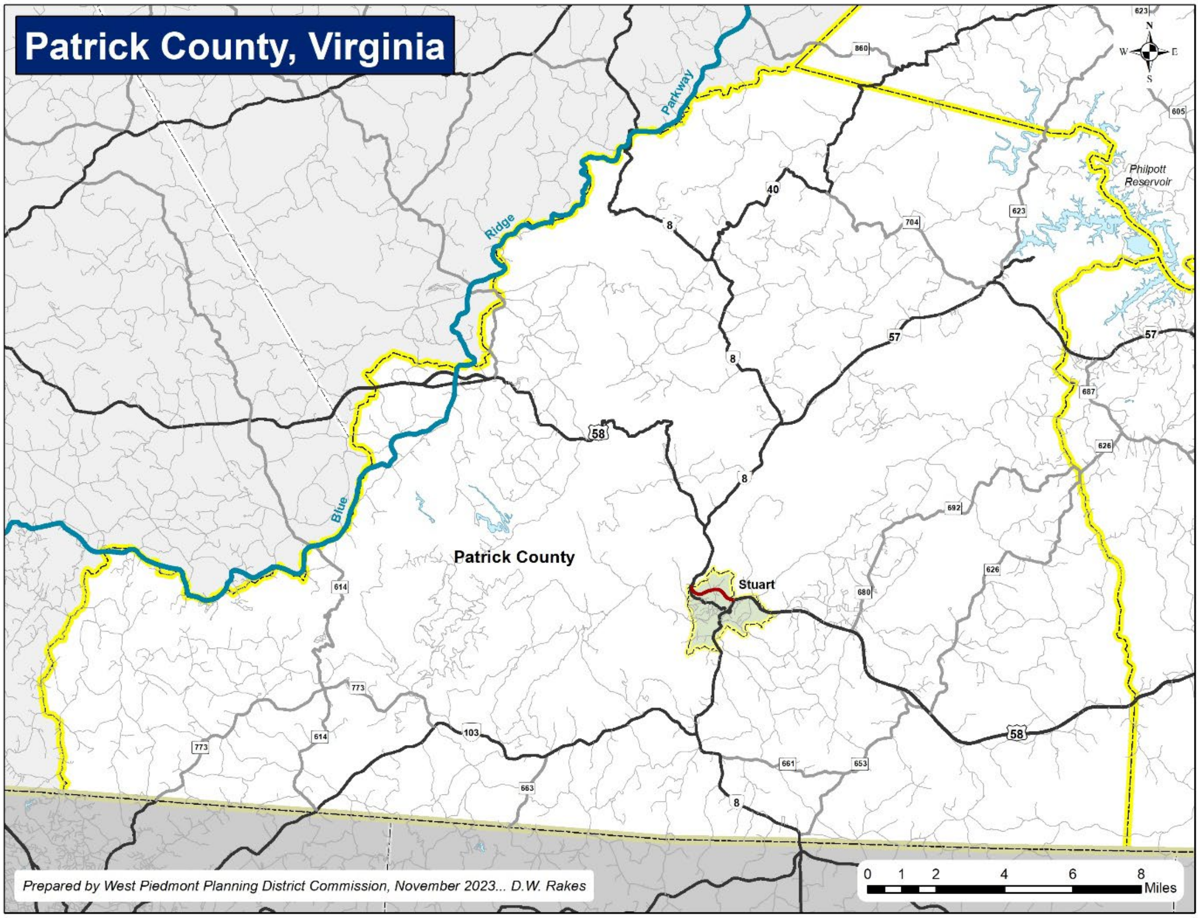
Henry County was named for Patrick Henry, a revolutionary leader and the first governor of the commonwealth of Virginia. It was formed from Pittsylvania County in 1776. The county's area is 385 square miles. The county seat is the City of Martinsville. The county administration and offices are however located in Collinsville.

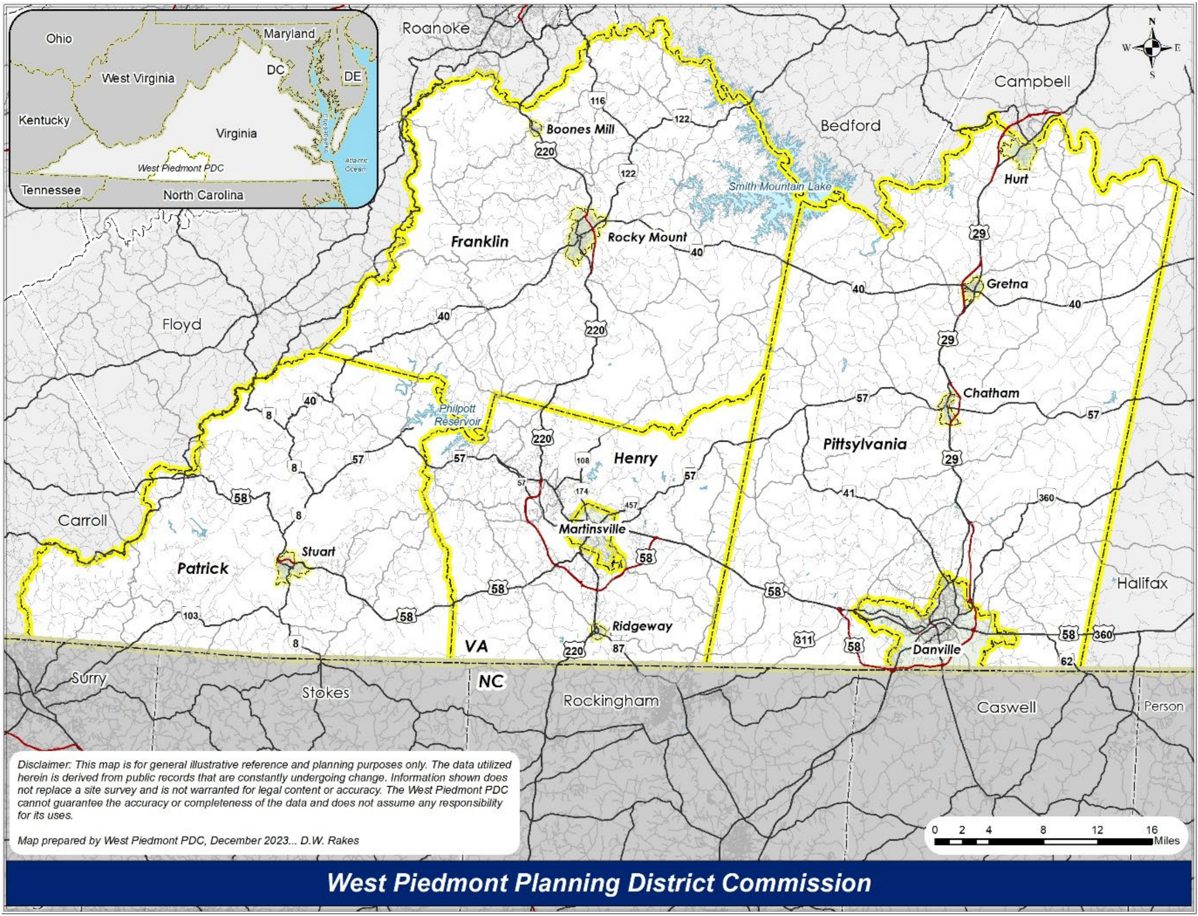


Martinsville was named for Joseph Martin, an early settler and revolutionary soldier who represented Henry County in the General Assembly in 1791, when the town was established. Martinsville was incorporated as a town in 1873 and became a city by court order in 1928. The area of The City of Martinsville is 11 square miles and is considered a community of both Southside and Southwest Virginia.



Patrick County, like Henry County, was named for Patrick Henry. It was formed from Henry County in 1790. The area of the county is 469 square miles. The county seat is the Town of Stuart. One-third of the county is on the rolling Piedmont plateau and the remaining two-thirds in the Blue Ridge Mountains.





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