



HOUSING

TECHNICAL REPORT

TABLE OF CONTENTS

1. Introduction	T-10-2
2. Existing Housing Inventory and Characteristics	T-10-2
3. Housing Costs and Affordability	T-10-5
• Income and Affordability	T-10-5
• Homeownership	T-10-7
• Rental Housing	T-10-9
4. Assistance Programs	T-10-10
• OHCD	T-10-10
• Area Nonprofit Housing Programs	T-10-13
• Homelessness	T-10-14
5. Regional Impacts	T-10-15
6. Sustainability	T-10-16
7. Tools and Successes	T-10-19
8. Conclusion	T-10-23
9. Appendices	
Appendix 1: Public Input	
Appendix 2: List of Apartment complexes in county, with some stats	
Appendix 3: List of Mobile Home Parks in county, with some stats	
Appendix 4: HUD Income Limits	

1. Introduction

The number of housing units in James City County has increased rapidly over the past 30 years. From a mainly rural county with 5,000 residential units in 1970, the County has grown to be a more heavily suburban one with approximately 27,200 housing units in the year 2008.¹ The last five years have provided James City County with tremendous increases in housing prices, with the last 12 months seeing them level off or fall just as suddenly. The recent shift in the market reflects a national trend tied to crises in the housing and financial markets, among other sectors of the economy.

James City County's economic development patterns have followed that of many affluent suburban counties. Lower wage jobs in the County are filled primarily by people commuting in, while James City County residents leave the County every day for work in even greater numbers.² This mismatch between jobs and housing can cause many difficulties for the community, including high housing and transportation costs, traffic congestion and a damper on desirable economic development due to a lack of diversity in the local labor force.

High housing costs have been the topic of much discussion in recent years, and increasing the supply of affordable housing is a goal shared by many, including local government and civic groups in the County. This Technical Report describes the current housing stock in the County, and compares that against the needs of County residents, especially in terms of cost. The report summarizes the findings of the *Housing Needs Assessment for James City County and Williamsburg, Virginia*, prepared in December 2007 by the Virginia Tech Center for Housing Research (*Housing Needs Assessment*)³, and draws on other resource material, including County and Census data. It also highlights the successes seen in the County in the last five years, while exploring the regional impacts of housing decisions and presenting challenging ideals for future neighborhoods.

2. Existing Housing Inventory and Characteristics

Inventory

The U.S. Census estimates 26,949 housing units in James City County in 2006. County Certificate of Occupancy (CO) records indicate approximately 25,659 housing units through the second quarter of 2006 and 26,507 housing units through the second quarter of 2007. Comparing the two sources indicates the figures are within a 5% margin of error. The County updates CO records quarterly, making information available that is more current than Census records; therefore, CO records will be used as the basis of this section. Through the second quarter of 2008 there were approximately 27,200 housing units in James City County that had been issued Certificates of Occupancy, up from 19,200 housing units through the second quarter of 1998. This increase of 8,000 units represents an average of 800 new units being issued Certificates of Occupancy each year over the last decade, representing an approximate 4% annual increase. Please see Table 1, *Housing Units in James City County by Type, 1998-2008*, for more detailed information.

¹ James City County Code Compliance Division HMS database and U.S. Census data

² Business Climate Task Force Final Report, April 2007

³ http://www.jccgov.com/pdf/business/taskforce/VT%20jccwill%20housingreport%20final_Dec5.pdf

It is worth noting that according to the 2000 U.S. Census, only 3,179 of the total housing units in the County were constructed prior to 1969. This number represents less than 12% of all housing units in the County in 2008.⁴

Table 1: Housing Units in James City County by Type, 1998-2008

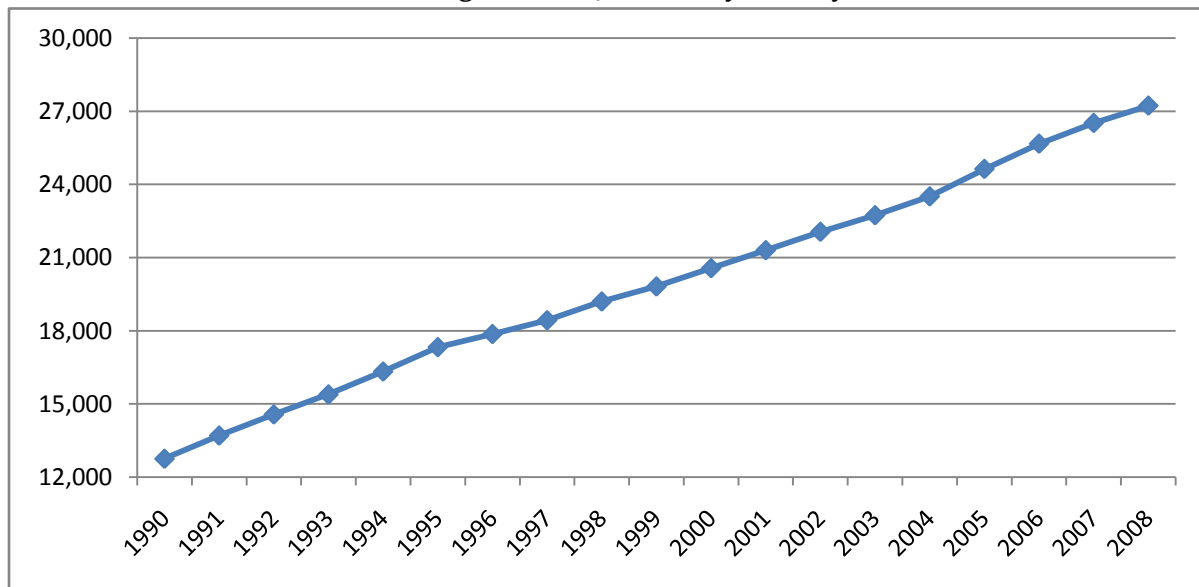
YEAR	SFD*/ CONDO	DUPLEX	TOWNHOUSE	MULTI- FAMILY	MANUFACTURED HOMES	TOTAL COs	% CO CHANGE
1998	13,808	269	1,727	1,818	1,571	19,193	4.17%
1999	14,418	288	1,740	1,818	1,544	19,808	3.20%
2000	15,118	306	1,786	1,821	1,527	20,558	3.79%
2001	15,772	337	1,836	1,834	1,517	21,296	3.59%
2002	16,460	352	1,870	1,860	1,507	22,049	3.54%
2003	17,039	368	1,942	1,884	1,495	22,728	3.08%
2004	17,758	384	1,993	1,884	1,478	23,497	3.38%
2005	18,621	410	2,072	2,054	1,467	24,624	4.80%
2006	19,519	422	2,207	2,054	1,457	25,659	4.20%
2007	20,237	440	2,319	2,063	1,448	26,507	3.30%
2008	20,761	448	2,476	2,089	1,443	27,217	2.68%

Source: James City County Code Compliance Division HMS Database. Figures represent 2nd quarter numbers for each year.

*SFD=Single-Family Detached units

While this rate of increase has been rather consistent since 1990 (see Chart 1), the percentage of CO change from the previous year experienced peaks in 2005 and 2006 with 4.8% and 4.2% growth over the previous 12 months, respectively (see Table 1). Additionally, the total number of housing units in the County nearly doubled since 1991 going from 13,700 to 27,200. This rate of growth has caught the attention of elected and appointed officials and staff, as well as citizens and citizen groups.

Chart 1: Total Number of Housing Units in James City County 1990-2008



Source: James City County Code Compliance Division HMS Database (based on COs issued)

⁴ Based on 2nd quarter data for 2008 using the Code Compliance Division HMS Database

Characteristics

Single-family detached dwellings comprise the largest share of the County's housing stock, at 76% in 2008, based on County CO records. The *Housing Needs Assessment* cites 80% of the County's housing stock as single-family dwellings in 2000, with 70% being single-family detached dwellings. According to County CO data, the smallest portion (approximately 1.5%) of the County's housing stock is two-family dwellings, which has remained consistent since 1998. Townhouses, other multi-family dwellings, and manufactured homes make up the remaining dwelling units. In 1998 there was fairly equal distribution among these three categories, but the last decade has seen the percentage of multi-family and manufactured homes fall (from 9.5% to just over 7.5% and from just over 8% down to approximately 5.5%, respectively), while townhouses remain at approximately 9% of the County's total. Please see Charts 2 and 3 for a comparison of housing types in James City County between 1998 and 2008. From 2000 to 2006 townhouse and condominium building permits accounted for nearly 25% of building permit activity, as highlighted in the *Housing Needs Assessment*. Nationally, 67% of all housing units are single-family, 26% are multi-unit structures, and 7% are mobile homes.⁵

Chart 2: Housing Types in JCC in 1998

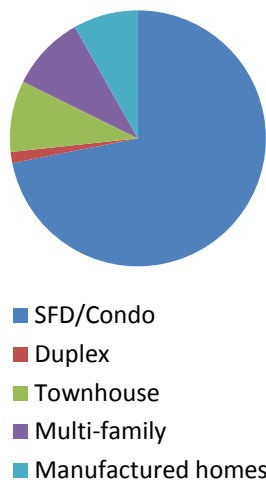
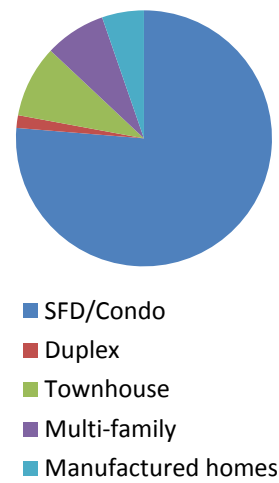


Chart 3: Housing Types in JCC in 2008



These figures only represent actual units built and ready for occupancy. They do not include the units that have been approved, either through the legislative process via a rezoning or special use permit, or administratively via the site plan or subdivision review and approval process, but not issued Certificates of Occupancy. This number is difficult to quantify. For example, while approved rezoning cases and the number of associated residential units are easily tracked, concurrent site plans, subdivision construction plans, and/or subdivision plats may be at various stages of the review process at any given time. Until these plans receive final approval unit counts are not finalized, as they are often being adjusted through the process. There are also amendments to approved plans submitted for review, which sometimes alter the unit count of a given plan. Additionally, large residential projects are often submitted in phases, with multiple sets of plans contributing to an approved total. These can also be submitted concurrently. A simple accounting of all open cases would result in the double counting of a number of units, with the margin of error difficult to calculate. Estimates can be obtained, of course. An analysis of Real Estate Assessments and Planning records suggests that between 10,000 and 13,000 units are

⁵ American Planning Association Policy Guide on Housing (2004 data)

in the proverbial pipeline, meaning they have been approved in the County but have not yet been included in CO figures. It is important to note that while these units are approved at some level, they may or may not actually get built. For the purposes of long-range planning and accounting for land use impacts, however, it is important to take them into consideration. It is also important to note that timeshare units have not been included in the numbers presented, as they do not figure into a housing discussion related to permanent shelter for the population.

Of the approximately 27,200 housing units in the County, staff estimates approximately 24,900 of these are occupied.⁶ The vacancies can be attributed, at least in part, to families from other geographic areas having second or vacation homes here in the County, transient populations moving to other areas for employment or other reasons prior to having sold their homes in the County, and model or “spec” homes completed by developers but not yet sold. The 2,300 vacant units amount to approximately 8.5% of total units in the County.

The *Housing Needs Assessment* includes a discussion on vacancy rates, which only takes into consideration those vacant units that are for sale or rent at a given time, rather than considering all vacant units. That document cites an accepted benchmark of 5%, which theoretically means there is a sufficient supply of housing units available to those actively searching. The vacancy rate in 2000 was 11.2% for renters and 2.3% for owners⁷, with the assumption that the vacancy rates for both have decreased in the years since. Certainly anecdotal information supports this theory, given the low interest rates that fueled the homeownership market in recent years and the rising prices that resulted from this increased demand. This would result in a tightening market, meaning it has become increasingly difficult to those searching for a dwelling unit to find one available, despite the number of new units that have been constructed. This situation has seen some relief in the very recent months with the difficulties facing the mortgage and financial industries, but the current economic situation is not expected to resolve the issue.

James City County’s homeownership rate was approximately 77% in 2000, according to U.S. Census data. This exceeds both the homeownership rate of Virginia and the Virginia Beach Metropolitan Statistical Area, which had rates of 68% and 63%, respectively. Homeownership is a good indicator of the *stability* of a community; however, diversity in the housing stock, both in type of unit and price, is needed for *sustainability* of a community. Without adequate rental or other “starter” opportunities, for example, young professionals just starting out or established residents experiencing a need to downsize may find few housing options.

3. Housing Costs and Affordability

Income and Affordability

The general rule of thumb is that housing should not cost a family more than 30% of their total income. If it does, there is a disproportionate amount of their resources being dedicated to housing, and not enough dollars are available for other critical needs, such as health insurance and care, transportation, food, and savings. For homeownership opportunities, this 30% is applied to the mortgage payment, taxes, insurance, and any association fee(s) that may apply. For renters, the rent and utility costs combined should not exceed 30% of the household income⁸.

⁶ Quarterly population estimates based on HMS data.

⁷ *Housing Needs Assessment*

⁸ American Planning Association, *Planning Advisory Service Report Number 513/514: Regional Approaches to Affordable Housing*

“Affordable housing,” then, is simply housing available at a sales price or rental amount that is within these means. For marketing purposes, the term “workforce housing” is often used. Another suggestion by the housing industry is to refer to housing “for young families just starting out.” Regardless of the moniker applied, the goal is to ensure housing is available within the financial means of all families in the County. Certainly there should be housing available at prices commensurate with the wages paid by local employers. While it becomes necessary to speak in terms of “average income” or “average housing prices”, it is important to realize these numbers represent a range of incomes and prices; affordability must be measured at multiple points across that spectrum.

The most universal sources of income and housing prices are the decennial Census and figures calculated and published by the U.S. Department of Housing and Urban Development (HUD). In 2000 the median household income for James City County was \$55,594 based on Census data and \$49,300 based on HUD data. HUD uses the Census data for incomes and applies a mathematical adjustment to arrive at their income figures. HUD also uses the same income for all jurisdictions located in the Metropolitan Statistical Area (MSA), while the Census is based solely on jurisdiction boundaries. James City County is located in the Norfolk-Virginia Beach-Newport News MSA; therefore the median income calculated by HUD applies, for their purposes, to all communities in that MSA (which includes Gloucester County, Isle of Wight County, James City County, Mathews County, and York County, and the cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg). This is referred to as Area Median Income, or AMI. Because HUD publishes figures annually, and because that agency governs many of the housing programs administered by local jurisdictions including James City County via the Office of Housing and Community Development, these numbers are used as the benchmarks against which current conditions are compared. In acknowledging that the HUD figure is adjusted downward, and therefore tends to skew the County’s data relative to housing costs, it’s also important to note that the communities in the MSA are those from which the County presumably draws its labor force. While the commuting patterns presented in the Economic Development Technical Report do not match the MSA exactly, it is reasonable to assume that housing within the MSA is in competition with each other and workers are willing to exchange a longer commute for a lower sales price on their residence.

No current Census information is available for the County; the 2008 median household income for James City County (or rather the Norfolk-Virginia Beach-Newport News MSA) published by HUD is \$65,100. HUD’s terminology for categories of income changes with the various programs that agency administers. In general terms, however, the categories are as follows:

- Family income not exceeding 30% of AMI—referred to as “extremely low income”
- Family income not exceeding 50% of AMI—referred to as “very low income”
- Family income not exceeding 80% of AMI—referred to as “low income” or “moderate income”
- Family income not exceeding 95% of AMI—referred to as “middle income”. Some programs, along with the American Planning Association, include up to 120% of area median income in this category.⁹

⁹ *Planning Advisory Service Report Number 513/514: “Regional Approaches to Affordable Housing.” American Planning Association. 1999.*

This 30-120% of AMI, then, can serve as the target range or spectrum for “affordable housing.” Where specific definitions are desired or required for a housing discussion, the lower range (or 30-80% AMI) could be defined as “affordable”, while the upper range (80-120%) could be defined as “workforce housing.” It is important to note that the objective needs to be to have housing opportunities for the entire range of incomes. Please see Table 2 to see the conversion to household income for each of these categories based on 2008 HUD data for James City County and the entire MSA.

Table 2: HUD Area Median Income Figures*

%AMI	FAMILY INCOME
30%	\$19,550
50%	\$32,550
80 %	\$52,100
**95%	\$61,850
100%	\$65,100
**120%	\$78,100

*For the Norfolk-Virginia Beach-Newport News MSA

**Calculated by Planning Staff by applying the percentage to the 100% figure provided by HUD and rounding to the nearest \$50, per HUD’s methodology; not provided in HUD data

HUD applies these figures to a family of four people; incomes are calculated for family sizes from one-person households through eight-person households. (Please see Appendix 4 for tables comparing income limits for household sizes of one person through eight people for 2000 and 2008.)

Homeownership

Using the very general rule of thumb that the sales price of the “affordable” home should be approximately three times the household’s annual income, the incomes above translate into the following sales prices:

Table 3: “Affordable” House Prices for James City County*

%AMI	FAMILY INCOME	TARGET HOUSE PRICE
30%	\$19,550	\$58,650
50%	\$32,550	\$97,650
80%	\$52,100	\$156,300
95%	\$61,850	\$185,550
100%	\$65,100	\$195,300
120%	\$78,100	\$234,300

Source: U.S. Department of Housing and Urban Development 2008 Income Limits
A multiplier of three was applied to arrive at the target house price.

*Prices are also applicable to the entire Norfolk-Virginia Beach-Newport News MSA

Given the difficulty in measuring current markets against a shifting economy, it may be best to analyze historical data over recent years. The *Housing Needs Assessment* provides average sales prices for single-family detached homes and single-family attached homes in James City County from 2000 through 2006, based on data available through the Multiple Listing Service (MLS).

Using that data and historical income data from HUD, it is possible to compare the purchasing power of the AMI with average sales prices for that time period.

Table 4: James City County, Single-Family Detached Units

YEAR	#DETACHED LISTINGS SOLD	AVG. SOLD PRICE FOR DETACHED UNITS	TARGET HOUSE PRICE FOR 50% AMI	TARGET HOUSE PRICE FOR 80% AMI	TARGET HOUSE PRICE FOR 100% AMI
2000	806	\$222,521	\$73,950	\$118,350	\$147,900
2001	1,063	\$222,985	\$76,500	\$122,400	\$153,000
2002	988	\$246,402	\$80,700	\$129,150	\$161,400
2003	1,077	\$278,712	\$82,800	\$132,450	\$165,600
2004	1,090	\$332,951	\$83,850	\$134,100	\$167,700
2005	1,180	\$394,705	\$88,800	\$142,050	\$177,450
2006	1,004	\$415,617	\$90,450	\$144,750	\$180,900

Source: *Housing Needs Assessment*

Table 5: James City County, Single-Family Attached Units

YEAR	#ATTACHED LISTINGS SOLD	AVG. SOLD PRICE FOR ATTACHED UNITS	TARGET HOUSE PRICE FOR %50 AMI	TARGET HOUSE PRICE FOR 80% AMI	TARGET HOUSE PRICE FOR 100% AMI
2000	1	\$270,000	\$73,950	\$118,350	\$147,900
2001	26	\$155,412	\$76,500	\$122,400	\$153,000
2002	120	\$145,473	\$80,700	\$129,150	\$161,400
2003	131	\$195,814	\$82,800	\$132,450	\$165,600
2004	131	\$207,240	\$83,850	\$134,100	\$167,700
2005	73	\$211,008	\$88,800	\$142,050	\$177,450
2006	79	\$240,628	\$90,450	\$144,750	\$180,900

Source: *Housing Needs Assessment*

The above tables suggest that at 100% of AMI, a family has had significant difficulty finding a house to purchase within their means in James City County for the first half of this decade. The only exceptions to this seem to be attached units in the years 2001 and 2002, but this is the exception only for those with family income at 100% AMI. If the household earned any less than 100% of the area median income, the only choice became living elsewhere (and either commuting into the County or taking employment opportunities outside the County to avoid the commuting expenses) or spending a disproportionate amount of household income on housing. Again, the area median income is lower than the income reported by the U.S. Census for James City County, but that difference alone is not enough to compensate for the disparity shown in Tables 4 and 5.

The *Housing Needs Assessment* concludes that approximately half the County's households earning \$52,100 or less (80% AMI or less) lack affordable housing. Specifically, more than 60% of those earning 50% AMI (or less) and approximately 45% of those earning 80% AMI (or less) lacked affordable housing in the County. The net result is the "housing gap," with the study concluding approximately 1,950 additional units are needed to meet the affordable housing needs of this income group. The study further finds that over 70% of existing units that would be affordable to this population were occupied by households earning higher incomes than 80% AMI. This fact

highlights significant challenges. Not only do affordable units need to exist in a community, but those units must be matched to the households in need.

Data is also available from the U.S. Census Bureau regarding median home values for owner occupied units. A comparison of 1980, 1990, and 2000 Census data for James City County and surrounding jurisdictions illustrates the dynamics of the market. While home values increased in all localities, the rates of increase vary significantly.

Table 6: Median Home Values

LOCALITY	1980	1990	2000	%CHANGE 1980-1990	%CHANGE 1990-2000	%CHANGE 1980-2000
James City County	\$52,700	\$119,500	\$167,300	127%	40%	217%
Charles City County	\$27,200	\$49,800	\$86,700	83%	74%	219%
New Kent County	\$43,200	\$86,200	\$128,100	100%	49%	197%
Newport News	\$44,800	\$84,400	\$96,400	88%	14%	115%
Surry County	\$26,600	\$59,000	\$88,100	122%	49%	231%
Williamsburg	\$61,600	\$121,000	\$212,000	96%	75%	244%
York County	\$58,500	\$121,600	\$152,700	108%	26%	161%
Norfolk	\$44,300	\$85,700	\$88,400	93%	3%	100%
Virginia Beach	\$58,500	\$96,500	\$123,200	65%	28%	111%
Gloucester County	\$45,800	\$84,000	\$111,600	83%	33%	144%

Source: U.S. Census

The three jurisdictions with the lowest percentage change over the 20-year period were Newport News, Virginia Beach, and York County. Newport News and York County are both popular residence locations for commuters into James City County.

Rental Housing

For renters, the situation was only slightly better. Table 7 compares median gross rents for James City County and surrounding jurisdictions.

Table 7: Median Monthly Gross Rent

James City County	\$703
Charles City County	\$420
New Kent County	\$636
City of Newport News	\$559
Surry County	\$402
City of Williamsburg	\$616
York County	\$708
City of Norfolk	\$538
City of Virginia Beach	\$734
Gloucester County	\$527

Source: Housing Needs Assessment and U.S. Census 2000

These rent amounts can best be compared to the HUD area median income figures previously discussed after converting the annual income figures to monthly incomes. Table 8 provides this conversion. Using the benchmark of 30% of household income being available for housing, if housing is to be considered affordable, the affordable rent amounts can be compared to actual rents provided in Table 7. For more accurate comparisons, 2000 HUD AMI was used in Table 8.

Table 8: HUD AMI Converted to Monthly Income

%AMI	ANNUAL FAMILY INCOME*	MONTHLY FAMILY INCOME**	30% MONTHLY FAMILY INCOME
30%	\$14,800	\$1,230	\$369
50%	\$24,650	\$2,050	\$615
80 %	\$39,450	\$3,290	\$987
***95%	\$46,850	\$3,900	\$1,170
100%	\$49,300	\$4,110	\$1,233
***120%	\$59,150	\$4,930	\$1,479

*HUD AMI for the Norfolk-Virginia Beach-Newport News MSA, 2000

**HUD AMI divided by 12, rounded to the nearest \$10

***Annual figures calculated by Planning Staff by applying the percentage to the 100% figure provided by HUD and rounding to the nearest \$50, per HUD's methodology; not provided in HUD data

Median gross monthly rents were more closely matched to incomes in the MSA than were sales prices, based on the information presented in Tables 7 and 8. However, specific availability within each jurisdiction is not measured here. Since median figures were used, matching actual household income to actual available rental housing was very likely a challenge. The *Housing Needs Assessment* concludes that overall about 35% of the County's renters earning 80% AMI (or less) lacked affordable housing, with a shortage of affordable rental units of approximately 1,485 units. Specifically, approximately 60% of renters earning 30% AMI (or less), 50% of renters earning 50% AMI (or less), and 20% of renters earning 80% AMI (or less) paid more than 30% of the total household income for housing.

The study again noted a significant percentage of existing units (approximately 60%) was occupied by households earning more than the limits cited. This may, at least in part, be a result of long-term renters having their incomes outpace rent increases in older units. This, in turn, may be linked to the need for additional first-time homebuyer programs, or additional marketing and/or funding of existing programs. Providing consumer credit counseling, improving savings habits, and assisting with down payments may result in long-term renters being able to purchase a home, thereby making rental units available to other households in a trickle-down scenario.

4. Assistance Programs

Office of Housing and Community Development

The James City County Office of Housing and Community Development (OHCD) is responsible for addressing affordable housing and neighborhood improvement needs. OHCD works closely with federal, state, and local agencies; community organizations; and the private sector to assist low- and moderate-income County residents with a wide range of housing services from housing repairs to first-time home purchase assistance.

Community (or Neighborhood) Revitalization programs managed by OHCD address critical community needs, which include housing production and rehabilitation, and construction and improvements to neighborhood infrastructure. Funding for these projects is obtained from local, state and competitive federal Community Development Block Grants (CDBG). The map entitled, "Housing Revitalization Focus Areas" shows several older areas of the County which are being considered for neighborhood revitalization with public funds.

In addition to community revitalization and neighborhood-centered projects, OHCD manages countywide programs that promote homeownership and provide housing rehabilitation and rental assistance. The following is a summary of the countywide programs administered by the Office of Housing and Community Development:

The **Affordable Housing Incentive Program (AHIP)** is a flexible partnership involving OHCD, local builders, lenders, and federal and state funding sources. Established in 1990, AHIP provides incentives to the private sector to build housing affordable to low-and moderate-income County residents and workers. In addition, OHCD uses special reduced rate mortgages and/or down payment assistance to enable low-and moderate-income households to purchase a home. For example, in 2007 on average, the price of a home sold through the AHIP program was \$174,655, the County holds a soft-second mortgage of \$46,958, down payment assistance was \$12,375. Using special low interest rate mortgages, 44 households with average household income of \$34,524 were able to purchase homes in 2007.

The **James City County Employer Assisted Home Ownership Program (EAP)** encourages County employees to purchase a primary residence in the County by matching the employee's savings, dollar-for-dollar, up to a maximum of \$3,000. Full-time employees and Constitutional Officers of James City County, James City Service Authority, Williamsburg Area Transit, Williamsburg Regional Library, and the Office of the General Registrar are eligible to participate in the savings program if they are within income limits established by the enabling legislation.

The **Emergency Home Repair Program** offers low-income, elderly, or disabled homeowners up to \$2,000 for emergency repairs where housing conditions pose a risk to the inhabitants' health or safety. Assistance is generally available for heating, plumbing, electrical, and roof repairs.

OHCD processes applications for the **JCSA Low-income Installment Payment Program**, for low-and moderate-income persons who need assistance to afford connections to public water and sewer. Many of the families who participate in this payment program have failed well or septic systems. In many cases, OHCD uses emergency home repair or indoor plumbing funds (state dollars from the Virginia Department of Housing and Community Development, or DHCD) to finance the **connections to public water or sewer**.

The **Housing Rehabilitation Program** improves the homes of low- and moderate-income residents to meet the Housing Quality Standards, established by DHCD. Primarily, the program improves homes with inadequate plumbing, water, or sewage systems. If a home is beyond repair, special assistance may allow replacement (complete reconstruction) of the home or relocation of the family. Generally, OHCD loans the improvement funds to the owner and bases repayment on the owner's income.

The state-funded **Homeless Intervention Program** provides short-term rental or mortgage payment assistance to households faced with an unavoidable financial crisis. Residents of James City County, Williamsburg, or upper York County with a Williamsburg mailing address may apply to OHCD.

Through the HUD-funded **Section 8 Housing Choice Voucher program**, rental assistance is available to low-income families, the elderly and disabled persons based on their income. Participants in the Housing Choice Voucher program locate and select privately owned rental units, and the rent is partially paid by subsidy checks from the County.

The **Blight Abatement Program** provides loan and grant assistance to owners of derelict structures for the rehabilitation or demolition of blighted and abandoned structures.

The **Housing Fund**, allocated by the James City County Board of Supervisors and administered by OHCD, funds a variety of the programs described above and is often used as leverage to obtain funds from federal and state programs.

OHCD provides several **Educational Opportunities** including individual homebuyer counseling and homebuyer education classes. The First-time Homebuyer Classes, taught by OHCD's accredited housing counselor, are offered on a bi-monthly basis. The class uses the Virginia Housing Development Authority curriculum to cover the entire home-buying process from start to finish, and to teach purchasers how to stay on track as a responsible homeowner. OHCD's counseling has enabled many initially unqualified prospective buyers to take actions, such as paying off judgments and collections to qualify for homes and financing. The Family Self-Sufficiency Program (FSS) offers education and counseling to enable participants to set goals to eliminate their dependence on the Section 8 and other welfare programs. Many participants select homeownership as a long-term goal. The Home Maintenance Education Class covers basic home cleaning, maintenance and financial topics to enable participants to be responsible homeowners.

Area Nonprofit Housing Programs

Housing Partnerships, Inc. (HPI) is a local nonprofit agency dedicated to repairing and replacing substandard housing in the Greater Williamsburg area. HPI is a United Way Agency working in partnership with the Counties of York and James City and the City of Williamsburg. With volunteer labor and donated funds and materials, government employees, civic organizations, and churches participate in providing safe, warm, and dry housing.

Peninsula Habitat for Humanity's (Habitat) mission is to provide simple, decent, affordable housing to low-income families living on the Peninsula. Habitat depends on a partnership between Habitat homeowners, community volunteers, and contributors to build new homes with donated labor and materials.

The **Community Action Agency** is a nonprofit organization that addresses a variety of community concerns, including improving housing. Rehabilitation programs over the years have assisted with weatherization and weatherproofing of homes and with general repairs.

Homelessness

A discussion on housing cannot be complete without a discussion of homelessness. This report offers a brief summary of the issue locally, while acknowledging the uniqueness of the topic. Generally, organizations and programs that serve the homeless are very specialized and narrowly target this niche population.

There are many definitions for homelessness. For the purposes of this report a person is considered homeless if they meet the following criteria:

- Resides outdoors, under bridges, in cars, in abandoned buildings or in other places not meant for human habitation;
- Resides in permanent or temporary quarters in violation of leases or governmental regulations;
- Resides in an emergency shelter;
- Resides in transitional housing, coming previously from the streets or an emergency shelter.
- Is in any of the above places but spending a short time (up to 30 consecutive days) in a jail, hospital, or other institution;
- Is being evicted within a week from a residential unit, motel, campground or other temporary lodging, with no subsequent residence being identified, and lacks the resources and support networks needed to obtain housing;
- Is being discharged within a week from an institution, such as a mental health or substance abuse treatment facility or a jail, in which they have been a resident for more than 30 consecutive days, with no subsequent residence being identified and lacking the resources and support networks needed to obtain housing; and
- Is fleeing a domestic violence situation with no subsequent residence being identified and lacking the resources and support networks needed to obtain housing.

Chronic homelessness is defined as an individual with a disabling condition who has been homeless continuously for over one year or at least four times in the past three years. This population is far more difficult to serve. One national study concluded the chronically homeless comprise 10-20% of the total homeless population, but consume 50% of the resources devoted to homelessness.¹⁰

Identifying the homeless population is difficult, and data compiled on homelessness is almost always described as “soft.” Duplication is avoided when possible, but inevitably occurs. Conversely, some homeless are not counted at all—partially because they don’t want to be identified and partially because surveys cannot be comprehensive. A point-in-time survey conducted in January 2005 identified 1,034 homeless on the Peninsula. Over half of the identified homeless were in an emergency shelter known as People Offering Resources Together (PORT) in Newport News. Approximately 7.5% of these shelter residents identified their last area of housing as Williamsburg/James City County. Another 108 homeless were served by the United Way/Salvation Army between January and May 2005. Approximately 32% of this total identified their last housing as being in James City County.¹¹

¹⁰ James City County Division of Community Services, 2005 data

¹¹ James City County Division of Community Services, 2005 data

Homelessness is inextricably tied to poverty. Lack of education/job skills, lack of a living wage, lack of family and social networks, domestic violence, divorce or serious injury or illness can all lead to homelessness. National data indicates that 80% of the homeless population experiences “episodic” homelessness (non-chronic) with an average duration of four months. While the causes of homelessness vary, it is important to note that approximately 60% have substance abuse problems or suffer from mental illness and 50% have criminal histories that make obtaining jobs and housing difficult. About 20% or more are working and simply cannot afford the rent. Although affordable housing and homelessness are two separate issues, they are linked. The cost of housing can be a factor that leads to homelessness.

Current programs to serve the homeless include the Homeless Intervention Program (HIP), aimed at prevention, and Section 8 Housing Choice Voucher Program, aimed at permanent housing, both administered by OHCD. Transitional housing is offered through the Salvation Army and the Community Services Board. Emergency shelters are provided by Avalon (space permitting, as their primary mission is to serve females who are victims of domestic violence) and various charities and individuals. Additionally, the County Division of Social Services, the United Way, and some area nonprofits and churches provide payment for short stays at motels or other temporary lodging.

5. Regional Impacts

James City County can be characterized as suburban in nature, given the lack of an urban core and low densities throughout the County. While not technically a “bedroom community,” over the past decade residential development has outpaced the need for housing units based on job growth between 2000 and 2006¹². However, as has been discussed here, the market is growing tighter, meaning the increased demand for housing is due in significant part to those wanting to be residents of James City County, but commuting elsewhere for employment. If, in fact, the wages of the “exported jobs” are higher than the wages available from employers inside the County, the housing units available to those working in the County at lower wages are decreasing in number. The situation is exacerbated by the fact the County attracts retirees, who are not contributing to the work force but who do increase the demand for services.

Commuting patterns, and the resulting traffic impacts, are issues that cannot be addressed by James City County officials alone. Detailed discussions on the transportation issues of the County, as well as the Historic Triangle area and Hampton Roads region, will be discussed in the Transportation Technical Report. However, it’s important to note that transportation costs are not insignificant with regard to household income since the more money that is spent on transportation expenses, the less that is available for housing and other costs that directly affect quality of life. Additionally, as employment opportunities arise closer to places of residence, employees change jobs and employers to reduce commuting times and costs. Therefore, attracting and retaining employees becomes a constant challenge for the employers in the area, which in turn can make it difficult for a locality, or region, to attract new employers to the area. The American Planning Association summarizes the regional nature of housing this way:

Housing issues transcend jurisdictional boundaries. Communities need to forge cross-jurisdictional partnerships to develop coherent long-term local housing policies that support a shared vision for housing and community

¹² *Housing Needs Assessment*

development for the entire region. They need to strengthen the policy linkages between housing and transportation, job centers and social services, and the whole spectrum of community needs. Coalition building, working toward consensus, and coordinating housing programs and resources are key tools and building blocks to addressing the housing issue.¹³

“Regions” can be defined differently, and generally speaking, it’s difficult to define one area that makes sense for economic, growth management, transportation, and environmental purposes. For the purposes of housing, one definition of an appropriate region could be “a geographic area in which units at the same price are in mutual competition”¹⁴. When compared against the commuting patterns provided in the Economic Development Technical Report, James City County is tied not only to the City of Williamsburg and York County, with whom regional efforts will continue in earnest with the upcoming regional comprehensive plan effort, but also to Newport News, Hampton, New Kent County, and beyond. As daunting as this may seem, it’s helpful to consider that within the County’s own boundaries the areas of economic development, transportation, housing, and public facilities, including schools and recreation facilities, are all interrelated. Careful consideration to proposed policies and their impact across multiple areas of interest should be given when Comprehensive Plan implementation efforts are undertaken.

6. Sustainability

Growth is something that organisms do, organically. The ankle bone's connected to the shin bone, the shin bone's connected to the ham bone, and they all grow and develop as an integrated ensemble. [My city] grew until World War II, and then it stopped. Since the war, and especially since about 1960 [my city] has grown mainly as a sunken ship grows, by the accretion of barnacles-hundreds of separate subdivisions, each with its protective shell, having little to do with each other or with the city to which they are attached.¹⁵

Fundamentally, sustainable communities are those that are able to adapt over time and remain vital and viable through a variety of climates, economic or otherwise. This can only be achieved by careful allocation of all resources over time, with the acknowledgement that future generations will be left with what the community bequeaths them. To this end, decisions made today with regard to development patterns and neighborhood design should be guided by a desire to create a James City County that prospers for another 400 years and beyond.

Sustainability is an apt theme for the 2008 Comprehensive Plan. As James City County prepares visions for the next 20-30 years, it should be asking itself if the remedies it applies in the short-term can continue to provide benefit for the long-term. Having a high proportion of residential to commercial development does not seem sustainable, as it results in an unbalanced tax base and local economy which lacks diversity. Having large numbers of commuters that drive significant distances to work each day, both into and out of the County, does not seem sustainable, as that situation contributes to traffic congestion and the consumption and pollution of natural resources.

¹³ *Policy Guide on Housing*. American Planning Association. 2006.

¹⁴ *Planning Advisory Service Report Number 513/514: "Regional Approaches to Affordable Housing."* American Planning Association. 1999.

¹⁵ *Greenberg, Mike. The Poetics of Cities, Designing Neighborhoods That Work. 1995.*

Having neighborhoods or subdivisions that offer limited options in the designs and prices of housing units does not seem sustainable, as they are less able to adapt to changing demographics.

With regard to housing and neighborhood design, development patterns are generally broken down into two main categories: suburban development and traditional, or neo-traditional, design. Suburban development is often used interchangeably with “sprawl”, which is defined as having five distinct components: housing subdivisions, shopping centers, office parks or business parks, civic institutions, and roadways.¹⁶ Essentially, the strict separation of uses requiring automobile transportation to go between them is distinctly suburban development. Traditional development, or neo-traditional development as it has come to be called in its resurgence, is defined by a better integration of multiple uses that are all accessible through a variety of practical transportation options that include automobiles that can take multiple routes, as well as pedestrians and bicycles, even in the absence of rail or other mass transit in a community. In Suburban Nation, the authors identify fundamentals of this neo-traditional design, including the Center, the five-minute walk, a street network where numerous paths connect one location to another, narrow and versatile streets, mixed uses, and special sites for special buildings.

This integration of uses results in less congested roadways, but also in architectural variety since buildings for multiple purposes are juxtaposed with each other. The argument is often made that there are no measures that will prevent people from choosing to live a significant distance from their places of employment. While it is true at first that residents of a mixed-use neighborhood often still commute out of that neighborhood for work, research shows that the trend changes within one generation. Given the choice, people will relocate their home or business to be near their business or home. It is imperative that communities offer them the opportunity to do so.¹⁷

While not a magic solution, mixed-use developments can serve the County well in terms of sustainability for the future and providing more diverse housing choices. Mixed-use developments exist in the County today, but much can be done to encourage not only more mixed use development in the future, but also more integrated mixed-use developments. Every neighborhood could be designed with a more even balance of residents and jobs, or residential to commercial square footage, for example. New neighborhoods could connect wherever practical to everything around it, a dramatic departure from current standards. While this may seem too extreme, new VDOT standards will soon demand a much higher level of connectivity than currently exists in the County. New neighborhood designs could also tie into as many existing systems, most notably natural systems, as possible, as identified with comprehensive environmental inventories. For example, a recent workforce housing project for Virginia Tech employees was planned for a site about one mile from downtown Blacksburg, with careful consideration given to making the best view on the site accessible to the most number of units, preserving a third of the open space as leasable agricultural land, and taking advantage of sun angles, prevailing winds, and existing drainage routes on the site.¹⁸

One important concept for sustainability is the five-minute walk. While including trails in development plans for recreational purposes is clearly a nice amenity, access to necessary services or destinations as a pedestrian is a practical feature of a residential neighborhood. Planning magazine highlighted the work of *Walkable Communities*, a not-for-profit organization dedicated

¹⁶ Duany, Plater-Zyberk, and Speck. Suburban Nation. 2000.

¹⁷ Duany, Plater-Zyberk, and Speck. Suburban Nation. 2000.

¹⁸ As presented at the Governor's Housing Conference, 2008, by Community Housing Partnerships

to creating streets that both move automobile traffic and are pedestrian friendly.¹⁹ One consideration for new development could be taking into account what is within a five to ten minute walk of the proposed units and the characteristics of the path that connects those destinations. By most accounts, Americans are willing to walk five to ten minutes on some occasions, which equates to approximately one-quarter to one-half mile in distance as the crow flies.

In addition to mixed uses that are integrated, it is imperative that housing be available in the community for all incomes and needs. This includes accessibility for the disabled, and the more recent concept of “visitability” (meaning disabled persons can visit other units, resulting in “universal design” efforts that make certain design features, such as no-transition thresholds and wider door openings, standard). The U.S. Census Bureau reports that 20% of the American population will be 65 years and older by 2030.²⁰ As James City County continues to have a disproportionately high number of retirees comprising our population, this figure will almost certainly be higher locally.²¹ Neighborhoods may best be able to remain vital and vibrant if residents can move up or down without having to move out, which also requires a change of school district, closest grocery store, and neighbors.²²

A diverse housing stock would also include a variety of unit sizes, to serve the needs of smaller family units or empty nesters as well as young couples starting out and their ensuing growing families. Statistics show that the average size of house in 1950 was approximately 983 square feet. By 2000 the average house size had grown to 2,200 square feet, while lot sizes have remained largely the same.²³ This results in a dramatic change in neighborhood character, and has a direct impact on housing price. Based on the *Housing Needs Assessment* the OHCD estimates that approximately 30-35% of all new housing units should be in the “affordable” range to meet community needs. A variety of sizes and configurations (single-story versus multiple stories, one bedroom vs. two or three bedrooms, attached vs. detached garages, sizes of yards, etc.), integrated within the same neighborhood or subdivision, can help meet the diverse housing needs of County residents and/or employees.

Diversity of housing stock and sustainability are also linked to green building techniques. The Technical Report on the Environment discusses this in further detail, but it’s important to note that construction techniques aimed at conserving natural resources or maximizing natural features can be applied to residential construction. In fact, these features often increase the appeal of a house or neighborhood to potential buyers. This can be due to the fact that specific features contribute to long-term affordability by lowering maintenance and utility costs, these features make the house unique in appearance, or simply because the buyer is trying to “think globally and act locally,” as the popular marketing campaign urges.

In order to really achieve sustainability, common ground has to be found between seemingly competing interests, such as economic growth and quality of life. Sustainable communities cannot allow “pro-business policies...to have anti-business consequences—growth that exceeds a community’s capacity to serve it..., geographic dispersal and dilution of the market (and thus

¹⁹ Knack, Ruth. “Dan Burden’s Sidewalk-Level View of the World.” *Planning*. January 2008: 14-15.

²⁰ *Policy Guide on Housing*. American Planning Association. 2006.

²¹ As noted in the *Demographics Technical Report*, the U.S. Census estimated our age 65+ population to be 19% in 2006.

²² Duany, Plater-Zyberk, and Speck. *Suburban Nation*. 2000.

²³ *Planning Advisory Service Report Number 528: “Too Big, Boring, or Ugly: Planning and Design Tools to Combat Monotony, the Too-big House, and Teardowns.”* American Planning Association. 2004.

sales and profits), traffic congestion and its associated costs...."²⁴ Likewise, sustainable communities cannot allow "quality of life" initiatives to result in aesthetic measures on a functional mess, the proverbial lipstick on a pig. Fundamentally, long-term success relies on the community being able to find a balance between job creation and conservation of natural resources, between residential and commercial development and open space preservation, between services for the affluent and social services for the disadvantaged. Tipping the scale too mightily in any one direction at too large a sacrifice of others diminishes the opportunities for thriving in the long-term.

7. Tools and Successes

Tools

The preceding pages have summarized challenges facing the County relative to housing needs. To be certain, these same challenges face other communities, as well. Following is a summary of tools that can be used to increase the production of affordable housing, which is currently under-represented in the County. The list is not meant to be exhaustive.²⁵

An Affordable Dwelling Unit Policy, similar to other policies adopted by the Board of Supervisors, would define the County's expectations relative to residential development requiring legislative approval.

Creating an Affordable Housing Overlay District in the Zoning Ordinance is an alternative to an Affordable Dwelling Unit Ordinance, and could also allow density bonuses in exchange for a certain percentage of the total proposed units being affordable. Applicants must request a rezoning with an overlay district; therefore, this approach would be voluntary, as opposed to mandatory. In order to implement this in James City County, a zoning ordinance amendment would be required. The City of Virginia Beach has such a provision in their ordinance, with amendments as recent as November 2008. This specific ordinance has Strategic Growth Areas that target geographic areas in the City where affordable units are encouraged and defines "workforce housing" as units affordable to those households earning 80% to 120% AMI.

Housing Trust Funds can be established for a region or a single jurisdiction. Monies in this fund can be allocated toward any number of uses, with examples being down payment and closing cost assistance, soft second mortgages, rehabilitation, land acquisition, and new construction. Revenue sources can include one-half cent sales tax, one cent real estate tax, contributions from new commercial development anticipated to generate a need for affordable housing, surcharges on building permits or utility tap fees, and/or proffered cash contributions.

Inclusionary Zoning or Affordable Dwelling Unit Ordinances are local codes that require a certain percentage of new housing units in proposed developments to be affordable, as defined by the locality. Often a density bonus is offered in exchange for the provision of a higher percentage of affordable units than the minimum required by the code. Staff research of other jurisdictions indicates the percentage of affordable housing is generally 10-30%. In order to implement this in James City County, a zoning ordinance amendment would be required.

²⁴ Greenberg, Mike. *The Poetics of Cities, Designing Neighborhoods That Work*. 1995.

²⁵ Information taken primarily from two sources: *Planning Advisory Service Report Number 513/514: "Regional Approaches to Affordable Housing."* American Planning Association. 1999; and *"Workforce Housing: Innovative Strategies and Best Practices."* Urban Land Institute. 2006.

Section 15.2-2305 of Virginia Code allows for affordable dwelling unit ordinances; additional research would have to take place to be sure a proposal desired by local parties would be allowed under this state code. Otherwise, enabling legislation may be necessary. If passed, this local requirement could apply to all development, including by-right development.

Fair-Share Programs take the overall present and prospective need for affordable housing for an established region and allocate a portion of this need to be provided by individual jurisdictions of that region. The majority of these programs, as researched by staff, seem to have started with a state government initiative, with regions comprising multiple jurisdictions. Each jurisdiction is then allocated a number or percentage of units to be provided. A significant amount of research and discussion would have to take place to see if there is a version of this type of program that can be practically administered locally or regionally without a state initiative.

While not specifically tied to providing affordable housing, the County could consider adopting a monotony/anti-monotony code, which essentially mandates variety relative to bulk, variable lot requirements, landscaping, and architectural features within residential developments in an effort to increase the diversity of housing stock and neighborhood appearance. Ordinance language from communities in Illinois, Delaware, Kansas, Texas and Wyoming can be reviewed as examples.²⁶

In a report published by the American Planning Association²⁷ the authors suggest there are eight elements of Best Practices and Strategies for providing affordable housing. They are:

1. The most important element in ensuring the provision of affordable housing on a regional basis is political will and leadership.
2. Advocates for regional change must reframe the question of the need for affordable housing as a market inefficiency to be corrected rather than as charity or welfare for the poor or less deserving.
3. A regional institution must be charged with identifying and understanding the scope of the affordability problem on a regional basis and creating a forum for action.
4. Advocates for affordable housing production must understand the role of the market.
5. The state's role is critical, especially in high-cost, high-growth regions of the United States.
6. States need to be aggressive in persuading local governments to remove regulatory barriers to affordable housing.
7. Reliable sources of funding for subsidies and for supporting infrastructure for affordable housing are essential.
8. Local governments must have a full toolbox of techniques to provide affordable housing opportunities.

The authors warn against regional planning with no linkage to local comprehensive plans or land development regulation, and emphasis on or modest grants for study and analysis with no commitment to production.

²⁶ *Planning Advisory Service Report Number 528: "Too Big, Boring, or Ugly: Planning and Design Tools to Combat Monotony, the Too-big House, and Teardowns."* American Planning Association. 2004.

²⁷ *Planning Advisory Service Report Number 513/514: "Regional Approaches to Affordable Housing."* American Planning Association. 1999.

Successes in James City County

The County currently has a cash proffer policy for residential development, with dollars tied to impacts on the local school system (known as the “Adequate Public Facilities Test”). This policy quantifies and clarifies for developers the expectations of the County when new residential development is proposed that requires legislative action (rezonings and special use permits). Generally, cash contributions have been lowered or forgiven for those units in the development proposed to be sold at a reduced price, but there is no established standard.

James City County has also seen voluntary proffers²⁸ that establish how many units in a proposed residential development will be set aside at reduced sales prices to address the need for affordable housing in the County. Such units have been identified as “affordable”, “workforce”, “restricted”, or “mixed cost” depending upon the specific proposal. Legislative cases approved between November 2000 and March 2008 have proffered 661 such units. With few exceptions, the Office of Housing and Community Development has been involved in matching these units to low-to moderate-income purchasers. According to OHCD records over 400 of the 661 units have been constructed or are currently under construction.

Approximately 100 of the 661 total proffered units have utilized a soft-second mortgage held by James City County. Soft seconds reduce the amount borrowed by the buyer, while still allowing the unit to have a higher sales price. The amount of the soft second equals the difference between the contract sales price and the proffered affordable sales price. This “discount,” secured by James City County, is forgiven to the homeowner over a period of time as long as the property is not sold or leased. Should the homeowner sell the property at the end of the established period, no money is owed to the County and all equity proceeds go to the seller. Should the homeowner sell the property before the designated period expires, either the entire amount or a prorated amount of the soft second is repaid to the County.

As previously discussed in this Report, the Office of Housing and Community Development provides financial assistance through a variety of programs; please see Table 9 for a summary of assistance provided. Ironbound Square and Chickahominy Haven were the focus of two neighborhood-centered projects managed by OHCD during 2003 through 2008. The Ironbound Square Revitalization Project, financed in part with Federal CDBG funds, is a multi-million dollar project that is redeveloping an older neighborhood and providing 48 lots for new affordable homes and 67 rental units for low-income seniors. In partnership with James City County and private donors, Peninsula Habitat for Humanity has built eight new homes in the Ironbound Square Redevelopment Project Area. The Chickahominy Haven Disaster Recovery Program, financed by federal and state grants, provided financial and technical assistance to elevate 12 homes that were flooded during recent hurricanes.

²⁸ All proffers are voluntary by definition, including the cash contributed toward the Adequate Public Facilities Test in the preceding paragraph.

Table 9: Assistance Provided by OHCD, Fiscal Years 2003-2008

PROJECT AREA/ PROGRAM	HOUSING UNITS/ HOUSEHOLDS ASSISTED	HOUSING LOANS/ GRANTS
Neighborhood Projects		
Ironbound Square Phase II	31	\$ 888,000.00
Chickahominy Haven Disaster Recovery	12	\$ 669,554.00
Countywide Programs		
Housing Repair and Rehabilitation	181	\$ 625,422.00
Homeless Intervention	257	\$ 506,000.00
Housing Choice Vouchers	254	\$ 4,980,000.00
Homeownership/ AHIP	179	\$ 19,431,000.00
Total 2003 - 2008	914	\$ 27,099,976.00

Source: James City County Office of Housing and Community Development

In addition to the figures shown above, between fiscal years 2003 and 2008 OHCD assisted 43 employees with home purchases using the EAP, with the County's total match equaling \$125,187.25; 335 people attended homebuyer education classes; 27 households have successfully completed the self-sufficiency program, with 8 households purchasing homes; and 29 households attended the Home Maintenance Education Classes.

The County currently has a Cluster Overlay District, which allows increased density (as well as decreased setbacks and open space) in exchange for certain public benefits, including the provision of affordable housing. An Affordable Housing Overlay District would make the provision of affordable units the primary benefit to the County.

James City County has a housing fund; however, this is currently funded out of the County's General Fund. Proffered monies received as cash contributions currently are deposited to the County's General Fund. In each of the past several years \$200,000 from the General Fund has been allocated to the Housing Fund to be used for OHCD activities, including use as leverage for state and federal grants, which is often a requirement of the state and federal programs. Separate funds also exist that hold income generated by grant projects, but expenditure of the income may be limited by federal or state grant requirements. A dedicated fund and revenue stream for the development of affordable housing would be beneficial to the County.

Since 2003 the Peninsula Mayors and Chairs Commission on Homelessness was formed and James City County has joined, along with five other Peninsula localities (the Cities of Hampton, Newport News, Poquoson and Williamsburg and York County). The purpose of this Commission is to develop and coordinate the implementation of a 10-year regional plan to end homelessness and to implement a Management Information System that will provide uniform and consistent data collection and reporting for all of the participating jurisdictions with the objective of providing services to the homeless population. In addition to funding the Commission on Homelessness, the James City County Board of Supervisors has also increased funding to both the Salvation Army and United Way to serve the homeless.

8. Conclusion

James City County offers a high quality of life to its residents, through relatively new and high quality residential neighborhoods. County residents are relatively affluent and can demand high levels of services. The labor force providing those services, however, can often not afford to live in the community. This results in transportation challenges for the region and hiring challenges for area employers. The County's vision for the next 20 to 30 years, then, must focus on creating sustainable balances. With regard to housing, this will translate to maintaining high quality residential development while achieving a range of choice in housing type, density, price range, and appearance.

Many community organizations have highlighted this issue in recent years.²⁹ The Final Report of the Business Climate Task Force identifies a need for additional housing in the \$120,000-\$200,000 price range. The resulting Workforce Housing Task Force, which is a collaboration between the OHCD and the Chamber of Commerce, has been meeting to identify possible solutions. Their final recommendations were not public at the writing of this Technical Report; however, much attention has been paid to the City of Virginia Beach Workforce Housing Program³⁰ as a positive model. Another community activist organization, the Virginia Organizing Project, has been working for several years to highlight the need for affordable housing in the community. That organization has been advocating for inclusionary zoning in the County. Feedback from the public input process of the Comprehensive Plan update identifies support for the provision of additional affordable housing. However, public comments offered during that process also identify a concern that too much residential development is occurring in the County. Clearly, this issue is an important one and requires considerable public conversation.

The tools presented on the previous pages each have fiscal impacts for the County and financial impacts to developers, as well as possible political ramifications and unintended consequences. For instance, creating an affordable dwelling unit policy would allow the County to establish expectations relative to the percentage of the total proposed units to be targeted as "affordable" or "workforce" housing, the income level to which those units should be targeted, whether cash contributions relative to the Adequate Public Facilities Test apply and to what degree, as well as how those units are integrated into the overall development and general architectural diversity standards. It may also establish County policy regarding the acceptance of cash in lieu of the provision of affordable housing units. In short, such a policy would provide consistency for future development. However, this is a relatively conservative approach to addressing the problem.

Reviewing current policies with an eye toward critical revisions is another fairly conservative approach. For instance, the soft-second mortgage program can be revised so that the discount is never forgiven completely, either via a mechanism to share whatever equity is realized at the time of sale or a policy to offer the County the right of first refusal when the unit is sold. This revision could provide a revenue stream for ongoing efforts or keep affordable units in the County inventory for a longer period of time. Another example would be reviewing current accounting practices regarding the housing fund to determine if a separate housing trust fund is needed and where to best place proffer payments made for the purpose of providing affordable units.

²⁹ As noted in the public input feedback received.

³⁰ [http://www.obgov.com/file_source/dept/housing/Document/WorkforceHousing/WFH%20Program%202011-26-2008\(final\).pdf](http://www.obgov.com/file_source/dept/housing/Document/WorkforceHousing/WFH%20Program%202011-26-2008(final).pdf)

Adopting mandatory measures (via the affordable dwelling unit ordinance or inclusionary zoning) or additional voluntary measures (affordable dwelling unit overlay district or additional bonuses or incentives for by-right development) both rely on additional market rate units being added to the current inventory. Required or suggested percentages of affordable units to total units may avoid a further deficit of affordable housing (if established at a proper threshold), but will likely not allow the County to make up the shortage that currently exists. For instance, the current shortage is approximately 2,000 owner-occupied units, and if the target percentage is 10%, 20,000 additional units have to be added to the inventory in order to provide the 2,000 currently needed. With an additional 20,000 units, however, the County will still experience a shortage of affordable units. This approach becomes most effective with required percentages on the higher end of the ranges noted in this Technical Report.

A critical component of success is public perception. “Affordable” or “workforce housing” often comes with a stigma attached; this is one reason that many communities require affordable units to be integrated and indistinguishable within an overall development. The affordable and/or workforce housing overlay district, which would require a rezoning for each project hoping to take advantage of the bonuses, may actually perpetuate a negative public perception. Not only would each case have a public hearing and associated discussion with different sets of neighbors, but also neighborhoods with affordable and/or workforce units could forever and easily be identified on a zoning map. This could serve some interests well, but could also be counter-productive to efforts toward making affordable and/or workforce units be fully integrated, indistinguishable and distributed throughout the County.

In addition to careful consideration of the tools available to provide affordable units, the County must continue efforts to address homelessness and other special needs populations, as well as maintain existing neighborhoods. As the existing housing stock ages, maintenance and revitalization become even more critical. The goals, strategies, and actions associated with this Technical Report are intended to provide guidance in sustaining high quality neighborhoods and meeting the housing needs of current and future generations.