

## Appendix 5: Affordable Housing Target Sales Price vs. Assessed Values

As previously presented to the Steering Committee in the Housing Section Technical Report, the target price ranges for “affordable” units are based on Area Median Income (AMI). The table below, excerpted from the technical report, provides target price ranges using the very general rule of thumb that the purchase price should be approximately three times the household’s annual income.

**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*

At the Steering Committee’s request, staff has reviewed *assessed values* of residential properties for comparison with the above target prices. Using assessment figures from January 2009 (for fiscal year 2010), data from the Real Estate Assessments Division shows nearly 62% of all residential properties in the County were assessed at a value of \$234,301 and above, outside the affordable range for those families earning 120% AMI. Please see chart below for more information.

Dollar Range	Number of Properties (Jan 2009)	Percent of Total
\$0-\$58,650	1,906	6.56%
\$58,651-\$97,650	1,698	5.84%
\$97,651-\$156,300	2,595	8.93%
\$156,301-\$185,550	2,057	7.08%
\$185,551-\$195,300	659	2.27%
\$195,301-\$234,300	2,225	7.66%
\$234,301 and above	17,913	61.66%
TOTAL	29,053	100.00%

Staff notes this table includes all residential properties. The Dollar Range in this table represents total value, including land and improvements. Some of these properties may have no structures or non-residential structures only (such as garages or other typical out-buildings). Additionally, the structures on the property could be in any physical condition, including uninhabitable. Mobile homes may also be included in this list, although sometimes they are taxed as personal property depending upon the structure’s specifics.

It is also important to note the table includes properties that are not for sale, and even those that may be for sale may sell for prices above or below the assessed value, depending upon market conditions. If a property is not on the market it is not available to families seeking affordable or workforce housing. For these reasons the JCC Office of Housing and Community Development relies upon sales price data as a more relevant factor in determining the quantity of affordable housing needed in the community, (which is estimated at 1,950 units for owner occupation and 1,485 rental units, according to the *Housing Needs Assessment*).