

MEMORANDUM

DATE: May 20, 2009

TO: Comprehensive Plan Steering Committee

FROM: Kathryn Sipes, Senior Planner

SUBJECT: Affordable Housing Target Sales Price vs. Assessed Values

Summary of Proposed Revisions

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 units, including those not on the market for sale. Additionally, houses on the market can go for sales prices above or below the assessed value, depending upon market conditions.