Workforce HOUSING

TASK FORCE FOR JAMES CITY COUNTY

JAMES CITY COUNTY

WORKFORCE HOUSING TASK FORCE: FINDINGS & RECOMMENDATIONS

FEBRUARY 2019

JAMES CITY COUNTY WORKFORCE HOUSING TASK FORCE: FINDINGS & RECOMMENDATIONS

CONTENTS

EXECUTIVE SUMMARY 2

Workforce Housing Task Force Members 4

County Technical Assistance Committee 5

INTRODUCTION 6

- Workforce Housing Task Force 6
- Vision and Principles 8
- Why Workforce Housing Matters 9

WORKFORCE HOUSING NEEDS IN JAMES CITY COUNTY 9

- Housing Affordability 10
- Housing Cost-Burdened James City Residents 11
- Workers Commuting to James City County 13
- Availability of Workforce Housing in James City County 14

WORKFORCE HOUSING RECOMMENDATIONS 16

- A. Housing Preservation 17
- B. Housing Production 20
- C. Housing Access 27
- D. Funding 29

APPENDIX 31

- Local Housing Trust Fund 31
- Communication and Outreach 32
- Glossary of Terms 34

EXECUTIVE SUMMARY

The *James City County Workforce Housing Task Force: Findings & Recommendations* report outlines recommendations the County and its partners should consider to expand housing options for working individuals and families. This report is the result of a 13-month, citizen-driven process that brought together representatives from a broad spectrum of the community. We are presenting this report to the County Board of Supervisors to provide our elected officials information and guidance so they can take the steps necessary to begin to put the work of the Task Force into action.

There is a need for housing at more diverse price and rent levels in James City County. Workers in many jobs that are critical to the well-being of the local economy and community cannot afford housing in the County. While the exact magnitude of the need is ever-changing, thousands of James City County workers cannot afford housing in the County and thousands more currently live in the County but pay a disproportionately high share of their incomes on housing costs. Without a focus by James City County on expanding housing options, young workers and families will have a hard time staying in the community, employers will have an increasingly difficult time finding and retaining workers, and traffic congestion will get worse.

At the same time, the Task Force strongly believes the County should balance the need to expand workforce housing options with the need to preserve and maintain the rural character and cultural resources that make James City County the unique place that we love. We also believe the County should endeavor to create economically integrated neighborhoods and leverage partnerships with the private and non-profit sectors.

The Task Force was charged specifically with identifying workforce housing solutions. However, we know that addressing housing challenges involves work on transportation and workforce development, as well. The Task Force encourages the work on these other related efforts that can support the recommendations of the Task Force.

Over the course of our work, the Workforce Housing Task Force has realized that housing issues are complex. There is no one silver bullet for meeting workforce housing needs in the County. As a result, the Task Force has developed a toolbox of initiatives that the County Board of Supervisors and County staff should implement so that new and rehabilitated housing includes options for working individuals and families at all income levels. Some of our recommendations can be acted on immediately, while others will take more time to collect information, identify resources and develop plans.

The Workforce Housing Task Force strategy recommendations are organized into four categories—Housing Preservation, Housing Production, Housing Access and Funding. While there are longer-term recommendations within each category, there also are steps the County can take now to begin to make a difference in addressing workforce housing issues. For example, in our Housing Preservation strategies, we recommend that the County continue the process of selecting deteriorating single-family

homes to be rehabilitated with state and local funding and set goals to expand the number of homeowners served. As part of our Housing Production recommendations, we include steps the County can take in the near-term to set an environment to encourage private-sector production of workforce housing. Steps such as modifying the County's accessory apartment ordinance and developing an inventory of publicly-owned land are examples of recommendations that will help set the stage to promote responsible development of workforce housing. Our recommendations also reflect the reality that the challenge of housing affordability is a regional, and not just a local issue, which means that solutions should include regional approaches. As such, among our Housing Access strategies is a recommendation that the County financially support the regional Hampton Roads Housing Resource Portal to expand local workers' access to information and assistance.

The full report, adopted by the Task Force on February 19, 2019, provides details on additional priority and other recommendations. The Workforce Housing Task Force appreciates the guidance and leadership from the Board of Supervisors in moving forward on these recommendations. We also advise that a standing citizen working group be established to support the Board and staff in implementing the recommendations.

WORKFORCE HOUSING TASK FORCE MEMBERS

Christina Hartless, Co-Chair, Citizen Representative

Jeanne Zeidler, Co-Chair, Greater Williamsburg Chamber & Tourism Alliance

Kim Orthner, Vice Chair, Citizen Representative

Stephen Anderson, HHHunt Homes, Market-Rate Developer

Jennifer Andrews-Weckerly, Citizen Representative

Shernita Bethea, Hampton Roads Planning District Council

Robin Bledsoe, Economic Development Authority

Susan Gaston, Williamsburg Area Association of Realtors®, Realtor® Community

Janet V. Green, Habitat for Humanity Peninsula and Greater Williamsburg, Local Housing Organization

Roger Guernsey, Citizen Representative

Jack Haldeman, James City County Planning Commission

Thresa Joyce, Virginia Community Capital, Lender/Finance

Ruth Larson, James City County Board of Supervisors

Neil Mutreja, TM Associates, Workforce/Affordable Developer

Greg Storer, Williamsburg Landing, Large Local Business

Virginia Wertman, Citizen Representative

COUNTY TECHNICAL ASSISTANCE COMMITTEE

Tim Baker, Senior Director of Talent Management and Organizational Development, Williamsburg-James City County Schools

Alex Baruch, Planner, James City County Planning

Michele Canty, Communications Specialist, Williamsburg Area Transportation Authority

Keith Denny, Supervisor, James City County Housing Unit

Teresa Fellows, Administrative Coordinator, James City County Board of Supervisors

Paul Holt, Director, James City County Community Development

Amy Jordan, Director, James City County Economic Development Authority

Marion Paine, Assistant Administrator, James City County Neighborhood Development

Vaughn Poller, Administrator, James City County Neighborhood Development

Tammy Rosario, Principal Planner, James City County Planning

Rebecca Vinroot, Director, James City County Social Services

Barbara Watson, Assistant Director, James City County Social Services

The Workforce Housing Task Force was assisted by a consultant team:

Lisa Sturtevant, PhD, President & Founder, Lisa Sturtevant & Associates (LSA)

Ryan Price, Senior Associate, LSA

Mel Jones, Research Scientist, Virginia Center for Housing Research, Virginia Tech

INTRODUCTION

The *James City County Workforce Housing Task Force Findings & Recommendations* report describes workforce housing needs in the County and recommends actions the County should take to address these needs. This report is the result of a 13-month, citizen-driven process that brought together James City County residents, employers, builders, advocates and others representing a broad spectrum of interests in the community. This report is intended to provide guidance to the members of the County Board of Supervisors for advancing workforce housing policies, programs and funding.

Having a sufficient supply of housing affordable to our workforce is essential to the economic sustainability and vitality of James City County because it:

- Assists our workers and residents--including young people just starting out in their careers, working families with children who are looking for stability, and critical employees who form the bedrock of our local economy- who make James City County a great place to live and visit;
- Improves our community by promoting stable neighborhoods, increasing the quality of homes and neighborhoods, and encouraging sensible growth; and
- Strengthens our local economy by helping to ensure that employers can hire workers they need for a variety of jobs, providing workers better access to homes near their jobs, maintaining the County as a premier tourism and retirement destination, and allowing households to spend less of their income on housing and therefore more in the local economy.

Workforce Housing Task Force

On November 22, 2016, the County's Board of Supervisors adopted the *2035 Strategic Plan*, which includes the goal of "Expanding and Diversifying the Local Economy." As part of meeting that goal, the *2035 Strategic Plan* calls for "…supporting strategies to facilitate the development of affordable and workforce housing."

The County Board of Supervisors established the Workforce Housing Task Force to develop those strategies. The Task Force was comprised of a group of volunteer citizens representing a range of community interests. The Task Force, in collaboration with County staff and a consultant team, met monthly from December 2017 through February 2019, to better understand workforce housing needs in the County, to conduct public outreach around the Task Force's work, and to develop a set of recommendations designed to expand workforce housing options. Public engagement and outreach was a critical part of the Task Force's work. Over the past year, members of the Task Force, working with County staff, presented on workforce housing at several community meetings and engaged in a number of other outreach and education activities. (See Appendix for more details.)

Specific guidance on the Task Force recommendations was provided by a Technical Advisory Committee (TAC), which was comprised of County staff from Planning, Neighborhood Development, Social Services and Economic Development. Representatives from the Williamsburg Area Transportation Authority and the Williamsburg-James City County School System also served on the TAC.

The Task Force defined its objective to focus on housing needs of working individuals and families, specifically those holding jobs in James City County. However, Task Force members recognized that there are other important housing concerns in the County. For example, other efforts are underway in James City County to provide support to individuals and families at risk of homelessness. Future County efforts also could and should focus specifically on senior housing needs. The concentration of the Task Force on workforce housing does not mean that housing for others is not important, but rather the Task Force wanted to define its purpose specifically enough to ensure that it could generate actionable strategies that are consistent with the County's *2035 Strategic Plan*.

What is Workforce Housing?

There is no standard definition of "workforce housing" though it is a term used quite often by many communities throughout Virginia and the country. The Task Force came to a consensus to define workforce housing broadly as housing that is affordable to any working individual or family.

In this report, "workforce housing" is defined generally as the types of housing that are needed in James City County to ensure that the County can attract and retain the workers needed to sustain the local economy. This definition includes all types of housing affordable to households in the workforce, though the emphasis is on working households with incomes below 100% of area median income where the needs are the greatest.

Vision and Principles

As part of the process of developing this *Workforce Housing Task Force Findings & Recommendations* report, Task Force members reached a consensus on a vision and a set of principles that guided the work over the 13-month period.

Vision

James City County will be a diverse community offering a high quality of life and quality affordable housing options in safe, well-maintained and inclusive neighborhoods.

Principles

The Workforce Housing Task Force identified several principles designed to support the Vision and to form the framework for the development of strategy recommendations:

1. Workers in James City County should be able to afford to live in the County if they choose to do so.
James City County has a strong and diverse workforce, with workers in a range of industries and occupations that pay wages across the spectrum. Not everyone who has a job in James City County will want to live in the County and the County should not try to provide housing for all workers with a job in the County. However, James City County should work to create housing options that are appropriate and affordable for working individuals and families all along the income spectrum.

2. James City County should promote strategies that create and sustain mixed-income neighborhoods.
The James City County community should be committed to being an inclusive place where individuals and families from all backgrounds can have access to high-quality amenities, services and opportunities. This goal is not possible if our community is segregated by income, race or other factors. As such, County policies and programs should support integrated, inclusive neighborhoods and the County should avoid approaches that segregate lower-income households.

3. Creating a range of attainable housing options in James City County requires partnerships among the public, private and nonprofit sectors.
James City County should support and incentivize housing options for working individuals and families that the private market fails to reach. However, the County should not do this work alone. The County should work with a range of businesses and organizations locally and throughout the region to promote workforce housing opportunities. The County's approaches to promoting workforce housing should utilize market-based solutions that incentivize private-sector investments whenever possible.

4. James City County's solutions for workforce housing should be designed to respect the County's unique natural, historic and cultural resources.
Workforce housing is an important need in James City County, but it cannot be addressed in isolation. The County's economic prospects are inextricably tied to the rural and historic ambience of the area. The Land Use section of the County's *Comprehensive Plan* states "…economic development is strongly linked to a unique community character, which is a competitive advantage in attracting asset-based businesses and potential employees." (p. 61) The County's *Strategic Plan*, the *Business Climate Task Force Report*, and the *Housing Conditions* study all ratified that assertion. Strategies to promote

workforce housing options should be designed to preserve open space in the County, maintain its existing rural character, and respect the County's history and cultural heritage.

Why Workforce Housing Matters

High-quality, affordable housing is important to ensuring individual and family physical and mental health and well-being.[1] Housing is also the bedrock for positive educational outcomes—children living in stable and affordable housing do better in school and school districts overall perform better when families have secure, affordable housing.[2]

In addition, housing availability and affordability are critically important to James City County's economic vitality and prosperity. If there is an insufficient supply of housing affordable to workers at all income levels, individual workers, businesses and the County's economic well-being will all suffer. If the County does not plan for housing that meets the needs of current and future workers, it will become increasingly difficult for James City County to attract and retain a diverse workforce and to continue to grow a strong, sustainable local economy in the future.

Figure 1. Workforce housing matters for individuals, families, communities and the local economy in James City County

WORKFORCE HOUSING NEEDS IN JAMES CITY COUNTY

Housing affordability is a challenge for many James City County workers because of the prevalence of jobs in the County that pay low wages and because housing costs have risen faster than incomes. The

[1] Connecting Housing and Health in the Williamsburg Region. 2018. A Housing Virginia Assessment Prepared for the Williamsburg Health Foundation.
[2] Ingrid Gould Ellen and Keren Horn. 2018. Housing and Educational Opportunity. Washington DC: Poverty & Race Research Action Council.

Task Force believes it is important for the County and its partners to continue education and workforce development efforts to improve incomes and diversify the economy. It is equally important to focus on ways to increase the availability of housing in the County that is affordable to working individuals and families. This is the goal of the *James City County Workforce Housing Task Force: Findings & Recommendations* report.

Many critical workers in James City County are increasingly feeling the pressures from rising rents and prices, and those housing affordability challenges will only get worse if the County does not plan for sufficient workforce housing. Retail, restaurant and hotel workers, child care workers, nursing assistants and home health aides are among those in the County who feel most acutely the lack of affordable housing. These and other workers may be forced to look for housing further from their jobs, resulting in increased commute times and traffic congestion in James City County and throughout the region. All James City County residents will feel the impact if there is not enough housing for the workforce.

Housing quality is also a concern in the County. According to the *2016 James City County Housing Conditions* report, researchers found approximately 1,000 homes in the County that are in poor or deteriorating condition. Many of these homes are occupied by households—including many working households—that cannot afford to keep up their property or who can only afford substandard housing. Poor housing and neighborhood conditions and unaffordable housing costs are a burden to families and neighborhoods, and a threat to the County's ability to sustain and grow a thriving community.

Housing Affordability

In 2018, the average home price in James City County was $316,500.[3] An individual or family would need an income of $79,000 or more to buy the typical home in the County. In 2016, the median rent was $1,236;[4] an individual or family would need an income of $49,440 or more to afford the typical rent. However, the incomes of many James City County workers—even workers who are advanced in their occupations or who live doubled up—are insufficient to afford to buy or even rent a home in the County.

Figure 2 shows the top ten occupations in James City County by the number of workers. For each occupation, the figure shows the median hourly wage and three affordable monthly housing cost scenarios: 1) a single-earner household earning at the median; 2) a two-earner household, with each worker earning at the median; and 3) a single-earner household earning in the 90th percentile for that occupation. Cells shaded in dark orange indicate that the household cannot afford the median rent or median owner costs. Those shaded in yellow indicate that the household can afford the median rent, but not median owner costs. Those shaded in grey can afford the median rent or the median owner costs.

[3]James City County Department of Financial and Management Services
[4]U.S. Census Bureau, 2016 American Community Survey 1-year file, estimate of median gross rent (rent plus utilities)

Figure 2. Housing Affordability by Occupation

Top 10 Occupations in James City County by Number of Employees

Occupation	Resident Workers*	Median Hourly Wage	Affordable Monthly Housing Cost***		
			1) Single-earner at the median	2) Two earners at the median	3) Single-earner in the 90th percentile
Military occupations	1,524	$15.62	$812	$1,625	$1,673
Retail Salespersons	1,488	$10.08	$524	$1,048	$931
Cashiers	1,275	$9.19	$478	$956	$661
Waiters and Waitresses	1,258	$10.83	$563	$1,126	$937
Combined Food Preparation and Serving Workers, Including Fast Food	1,238	$8.94	$465	$930	$667
Office Clerks, General	875	$14.23	$740	$1,480	$1,204
Janitors and Cleaners	675	$12.01	$624	$1,249	$908
Postsecondary Teachers**	647	$26.35	$1,370	$2,740	$2,850
Cooks, Restaurant	586	$10.87	$565	$1,131	$799
Registered Nurses	561	$30.86	$1,605	$3,209	$2,216

*EMSI data was used for this analysis, which includes data from James City County, the City of Williamsburg, and upper York County. Resident workers both live and work in the region, and do not include residents who commute out of region to work or workers who live outside of the region.
**Primary and secondary teachers are included in separate categories that are included outside of the top ten occupations by employee count.
***Cells shaded in dark orange indicate that the household cannot afford the median rent or median owner costs. Those shaded in yellow indicate that the household *can* afford the median rent, but not the median owner costs. Those shaded in grey can afford both the median rent and the median owner costs.

As is indicated in Figure 2, many workers in the County cannot afford the typical rent in the County, even when they are advanced in their occupations or live doubled up. These include workers that are essential to the vibrant tourism and retirement economy in James City County. Only two of the top 10 occupations (Registered Nurses and Postsecondary Teachers) pay enough for a single earner to afford the median rent in James City County. These are also the only two occupations that allow employees to afford median owner costs, but only when those employees are earning in the 90th percentile or doubled up.

Housing Cost-Burdened James City Residents

The primary measure of housing affordability in a community is the number of households that are "housing cost burdened," that is, spending more than 30% of their income for housing. Families that spend a disproportionately high share of their incomes on housing often have too little left over for other necessities, such as food, clothing, transportation and medical care.

The challenge of housing affordability is not limited to poor households or to individuals and families who do not work. In fact, most households in James City County—almost 70%—include at least one worker. Households in the County with no workers typically have householders who are retired.

In James City County, the proportion of households experiencing housing cost burdens is increasing both among renters and among owners who own their homes free-and-clear (i.e., without a mortgage). More than 8,000 households were cost burdened in 2017, accounting for 30% of all households in James City County.

As is shown in Figure 3, lower-income households are significantly more likely to be cost burdened. An estimated 1,294 cost burdened households in James City County have incomes below 30% of AMI. These include single-earner households earning low wages in occupations such as childcare, housekeeping, home health care, substitute teaching, and amusement/recreation attendants. A full-time worker earning $8.77 per hour would earn about $18,000 or about 30% of AMI for a single-person household.

Approximately 1,537 households with incomes between 30% and 50% of AMI are cost burdened. This includes occupations employing more than 14,000 workers that pay less than $25,550 annually at the median. These workers could be construction laborers, bakers, artists, security guards, legal secretaries, court clerks, tax preparers and dental assistants, among others. Households with two full-time workers earning about $18,000 per year each would also fall in this income group.

Figure 3. James City County Cost-Burdened Households by HUD Area Median Income (AMI)

Household Income Level **2018 Upper Income Limits for 1 and 4-person Family**	**% of Cost-Burdened Households***	**Estimated Number of Cost-Burdened Households in 2017†**
Less than or equal to 30% of AMI 1 person: $15,750, 4 person: $25,100	16	1,294
Greater than 30% but less than or equal to 50% of AMI 1 person: $26,250, 4 person: 37,500	19	1,537
Greater than 50% but less than or equal to 80% of AMI 1 person: $42,000, 4 person: $60,000	26	2,102
Greater than 80% but less than or equal to 100% of AMI 1 person: $52,500, 4 person: $75,000	12	970
Greater than 100% of AMI	27	2,183
Estimated Total Cost Burdened Households	**100**	**8,086**

Source: Virginia Center for Housing Research tabulation of 2010-2014 CHAS and 2017 ACS estimates
*Proportions from 2010-2014 Consolidate Housing Affordability Strategy (CHAS) data
† 2010-2014 proportions applied to the 2017 estimate of cost-burdened households from the American Community Survey to estimate 2017 cost-burdened households by income group.

Just over one-quarter of the housing cost burdened households in James City County have incomes greater than 50% but less than 80% of AMI. These households could have employees who are lab technicians, electricians or middle school teachers earning at the median. A married couple – including a childcare worker and a bank teller, each working full time and earning in the 90th percentile – with two children would also be included in this category. Some of these low-income workers will earn more

with experience and additional training, but will need lower-cost housing when they are just starting out.

With the typical home in the County requiring an income of $79,000 to buy, higher-income working households also face housing challenges in James City County. Households earning between 80% and 100% of AMI may be surgical technicians, food service managers, loan officers, elementary school teachers, and RNs as single earners earning at the median. An estimated 970 of these households are cost burdened, accounting for 12% of the total.

Workers Commuting to James City County

In addition to working households living in the County, more than 17,500 workers commute into James City County each day from other places in the region and the state. Of these, about 16% (i.e., about 2,900 workers) commute from areas in the immediate vicinity (e.g., City of Williamsburg or York County). An estimated 5,900 commute from Norfolk, Virginia Beach and Hampton.

There are also out-commuters in James City County—that is, workers who live in the County and commute to a job in another jurisdiction. There are an estimated 18,000 out-commuters from James City County, including about 6,100 who commute to either the City of Williamsburg or York County.

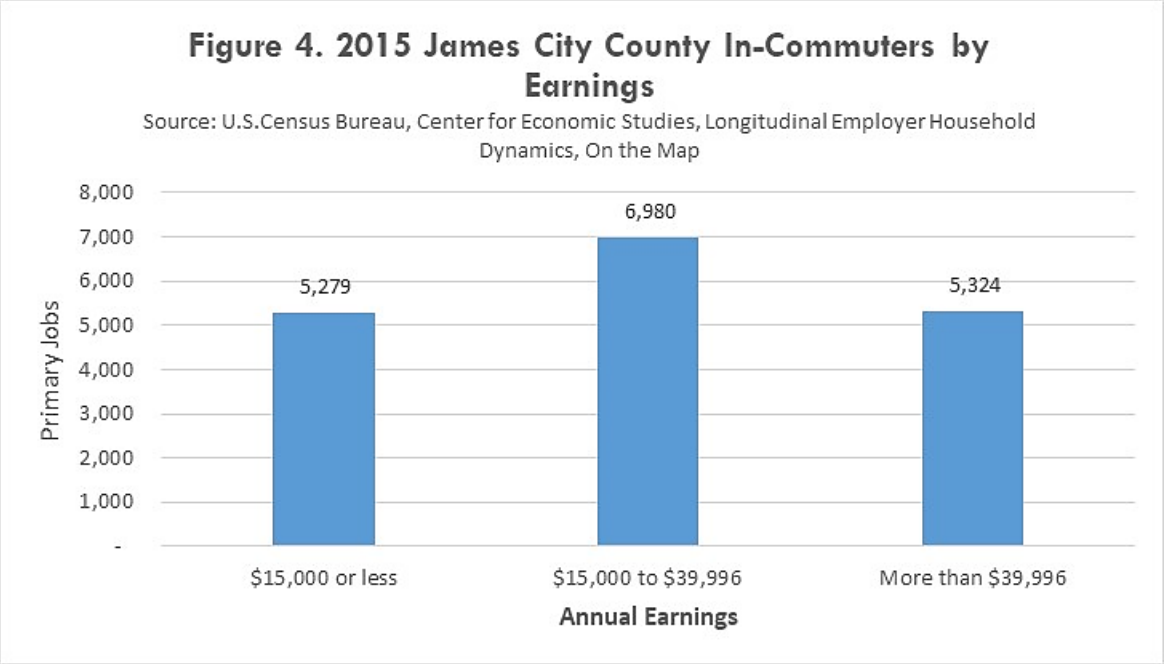
It is clear that James City County is part of a larger commuting area and it is illogical to think that all people will want to live in the same jurisdiction in which they work. We do not have specific data on commuters' housing preferences in the region. However, it is likely that some workers in James City County reside elsewhere because they cannot find appropriate, affordable housing closer to their jobs in the County.

Figure 4 shows the number of in-commuters in different wage categories. Data on incomes of in-commuters is limited and is reported for individuals, rather than for households. Therefore, the income ranges shown in Figure 4 below correspond to earnings in an individual's primary job[5] rather than household incomes. As such, it is not possible to make a direct comparison with the household-level cost burden analysis of County residents.

Figure 4 shows that the income profile of commuters to James City County is quite similar to that of its resident workers--30 percent of these in-commuters have individual incomes that are less than or equal to 30% of the AMI and include workers in occupations such as childcare, housekeeping, home health, substitute teaching and amusement/recreation attendants.

Another 40% have individual incomes that equate to roughly 50% of the AMI. Workers like construction laborers, security guards, legal secretaries, tax preparers and dental assistants fall in this category. If these wage earners wanted to live in James City County, the majority of them would not be able to find affordable housing in the County.

[5]The U.S. Census Bureau defines a primary job is the highest paying job for an individual worker for the year. The count of primary jobs, therefore, is the same as the count of workers.



Availability of Workforce Housing in James City County

Data on housing needs and supply suggests that there is a significant deficit of housing affordable to lower-income workers (i.e., below 50% of AMI) in James City County. Figure 5 compares affordable rents and home prices for workers in three income ranges to the stock of housing in James City County that may be affordable and available to these workers. Both the number of residents and the number of commuters in each income category are shown to provide a perspective on housing market pressures, both for commuters who might want to move to the County and for residents who would like to move up to higher quality housing. While the data in Figure 5 correspond to earnings in an individual's primary job rather than household incomes, it is nevertheless clear that the earnings provided by the majority of James City County's jobs are not sufficient to provide working families with abundant housing options in the County.

Figure 5. Availability of Affordable Housing in James City County

Workers by Earnings	Availability of Affordable Housing Units
Workers earning $15,000 or less – Residents: 2,153 workers – Commuters: 5,279 workers	0 affordable rental units ($375 per month or less)
Workers earning $15,000 - $39,996 • Residents: 2,948 workers • Commuters: 6,980 workers	2,000 affordable rental units ($400-$1,000 per month) of which approximately 100 available ($600-$900/mo) 3,200 affordable homeownership units (under $175,000) of which very few available for sale
Workers earning $39,996 or more • Residents: 2,915 workers • Commuters: 5,324 workers	4,300 affordable rental units ($1,000+ per month) 18,000 affordable homeownership units ($175,000+)

Source: Virginia Center for Housing Research

Extremely low-income residents and in-commuters face the same housing hardship. James City County has virtually no available units that are affordable to those earning less than 30% of AMI, $15,750 for a 1-person household and $25,100 for a 4-person household. A household with an annual income of $15,000 can afford no more than $375 per month for housing. In order to obtain housing, households in this income category must have access to below-market-cost units, accept substandard housing or spend a disproportionately high share of their income on housing.

Likewise, there is not enough housing stock in James City County or the region[6] to serve households with income less than 50% of AMI ($26,250 for a 1-person household and $37,500 for a 4-person household). Both County residents and in-commuters face a very tight, highly competitive market in which those with lower incomes will likely have to accept cost-burdens or otherwise inappropriate housing.

At the high end of this income category, a household earning $40,000 a year can afford no more than $1,000 per month for housing. About 2,000 units in the County have rents between $400 and $1000, and there may be some (around 100) units available (vacant and for-rent) with rents $600-$900. A household in this income range can afford to buy a home with a price up to $168,000. There are about 3,200 owner-occupied units in the County valued below $175,000, but only a handful are for sale at any time. No new homes are being constructed at these price levels.

Households with somewhat higher incomes also face a competitive market. We estimate that more than 2,000 households with incomes greater than 50% of AMI, but less than 80% of AMI are cost-burdened (income of $42,000 for a 1-person household and $60,000 for a 4-person household). Although there is more rental stock in the County that is affordable to households in this income range, it is not enough to meet demand. Limited housing supply means that higher-income households compete for lower-cost housing options, making it even more challenging for working individuals and families with modest incomes.

To address these gaps in housing options for working households, James City County needs a more diverse housing stock. The biggest needs are for workers earning low- and moderate-wages, though even working households with incomes up to the County's median household income face limited housing options. While there are cost burden households with incomes above the median (e.g. between 100 and 120% of AMI), the data are clear that this group of households has more choices than do lower-income households and that the workforce housing needs are greatest among those with incomes below the median. The recommendations developed by the Workforce Housing Task Force (see below) include approaches to preserve and produce housing affordable at various income levels, but focus on strategies that serve low- and moderate-income workers with incomes between 30 and 100% of AMI.

[6]For this analysis, the region is defined as the Virginia portion of the Virginia Beach–Norfolk–Newport News, VA–NC Metropolitan Statistical Area (MSA) and includes Gloucester County, Isle of Wight County, James City County, Mathews County, York County and the cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg.

WORKFORCE HOUSING RECOMMENDATIONS

The Workforce Housing Task Force has developed a set of recommendations that are designed to address current and future workforce housing needs in the community and be consistent with the Task Force's Vision and Principles. There is no one, single initiative or policy that can solve the workforce housing challenge. Rather, the County should adopt a range of approaches—and make available the necessary resources—to have a comprehensive workforce housing strategy.

In addition to initiatives undertaken by the County, the Task Force recommends that James City County partner and lead on regional efforts to expand housing options, recognizing that the lack of workforce housing is not an issue unique to James City County nor is it a challenge that can be solved by one community alone.

Furthermore, the Task Force recommends that a standing citizen commission be established to be involved in moving these recommendations forward through the County's Comprehensive Plan Update process and beyond.

The Workforce Housing Strategy Recommendations are organized into four categories:

A. **Housing Preservation:** Strategies to rehabilitate, restore and preserve existing housing in the County.
B. **Housing Production:** Strategies to facilitate the private-sector production of new workforce housing in the County.
C. **Housing Access:** Strategies to connect James City County workers with affordable housing in the County.
D. **Funding**: Strategies for expanding funding sources to support workforce housing initiatives.

Specific recommendations may relate to multiple goals (e.g., both preservation and production) and many recommendations will be most effective when they are put into place in tandem (e.g., rehabilitation programs and local Housing Trust Fund).

In addition to these workforce housing recommendations, the Workforce Housing Task Force strongly supports County efforts to expand transportation and transit options and to invest in workforce development initiatives.

The recommendations include specific **Priority Recommendations** and **Additional Recommendations.** Priority recommendations are those that the Task Force is recommending be adopted in the near-term because they build on existing programs or policies, address an urgent need and/or require no immediate major public investment. Several recommendations below are intended to be considered as part of the County's Comprehensive Plan Update process which is set to begin in spring 2019.

The Workforce Housing Task Force was not charged with determining the level of staff and other resources to implement the recommendations below. We strongly encourage the Board of Supervisors to allocate the funding needed to ensure there are sufficient staff personnel and other resources to implement workforce housing recommendations.

A. Housing Preservation

A-1. Housing Rehabilitation

The County should increase the resources it dedicates to the rehabilitation of single-family homes, with a priority given to homes identified in the Housing Conditions Study. James City County has identified approximately 1,000 homes within the County that are in serious disrepair. Rehabilitating this housing will help existing residents remain in their homes and maintain and improve existing single-family neighborhoods.

Priority Recommendations:

- Continue to refine the process for selecting deteriorating single-family homes that can be rehabilitated with state and local funding. Set a goal of rehabbing 10 single-family homes annually. With additional resources and staffing, rehabbing up to 25 single-family homes annually should be the ultimate goal. (See D-1 below.)
- Establish and maintain a resource list of reliable, vetted contractors with experience in specific services (e.g., historic homes, home modification, home accessibility, etc.). This list will not only be a resource for homeowners directly, but will also assist County-initiated rehabilitation efforts. This resource could be part of the Housing Resource Navigation tool (see C-1 below.)
- Plan a "Rehab Blitz" day modeled after Habitat for Humanity's Blitz day. Partner with Habitat and other local/area nonprofits to target rehab activities in a particular neighborhood.

Additional Recommendations:

- Offer property tax abatement/exemption for owners of deteriorating single-family homes that make improvements and either continue to live in the home or enter into an agreement with the County to rent that home to a low- or moderate-income working individual or family. Exemptions/abatements would apply to the value of the improvements, not the entire property. (See B-8 below.)
- Develop a pattern book to guide housing maintenance and rehabilitation that could include sections on home accessibility modification and aging in place, as well as accessory apartments (see B-4 below).

A-2. Preservation and/or Redevelopment of Manufactured /Mobile Home Parks

The County should establish and implement a policy for manufactured housing that is aimed at preventing further deterioration of the existing stock and protecting the current residents of mobile home parks.

Manufactured housing is an important source of affordable housing for working households in James City County. There are twelve mobile home parks in the County, including those located along Centerville Road and clustered in and around the Grove area of the County. In many cases, mobile home parks are suffering from disinvestment and many of the manufactured homes in the parks are in serious need of repair and rehabilitation. Moreover, zoning designations among the parks vary considerably, with some parks having industrial or business zoning that provide little protection for the residents.

While opportunities for investment in existing mobile home parks differ depending on condition of the park, ownership of the park and current zoning, the County can take steps to establish a policy that prevents further deterioration and recognizes the potential of manufactured housing as a source of workforce housing.

Priority Recommendations:

- Assess the opportunities for improving current mobile home parks:
    - Review and evaluate the current condition, ownership and zoning of existing mobile home parks.
    - Based on the results of the review, establish goals for each park and engage owners in discussion about the future of each park.
    - Develop guidelines for negotiations with park owners that include discussion of different options based on opportunities at each park, including reinvestment and stewardship, transfer of ownership to a nonprofit, co-op ownership, County acquisition and transfer of ownership to a responsible organization, and redevelopment.
- Look for opportunities that either attempt to head off loss of mobile homes and/or promote responsible redevelopment of the mobile home parks with the goal of protecting current residents.

Additional Recommendations:

- Explore the option of the County buying out parks and either retaining control temporarily or transferring control, winding down agreements with current owners by 2030. Assuming the County retains control, after 2030, the County could sell the land upon an approved plan for moderate-density workforce housing.
- Explore adding cottage homes to the housing stock in the mobile home parks, including identifying zoning and other regulatory changes that would be needed. Cottage homes are defined as small homes—typically between 800 and 1,000 square feet—that are clustered and have shared access and common space. Sponsor a pilot or competition in collaboration with a state university planning/real estate/engineering program for a cottage home project within a mobile home park in the County.
- Proactively advocate for a state-supported mobile home replacement program.
- Coordinate a County mobile-home replacement program, engaging utilities, manufactured home retailers and the Virginia Manufactured and Modular Housing Association for support.
- Ensure that the County has (or develops) a mobile home decommissioning and recycling plan.

A-3. Redevelopment/Revitalization Areas

The County should define specific redevelopment/revitalization areas as a means to rehabilitate existing homes and subsidize new workforce housing. Defining redevelopment/revitalization areas can open up additional federal and state funding sources that supplement CDBG and local resources. This funding can be used to rehabilitate existing single-family homes and to subsidize the development of new multifamily and single-family housing.

Priority Recommendations:

- County staff should review the Housing Conditions study, CDBG funding areas and other recent plans to define specific redevelopment/revitalization areas. Staff should consult with key stakeholders during the Comprehensive Plan review process regarding the establishment of these areas.
- Once the redevelopment/revitalization areas are established, build partnerships with developers that focus primarily on workforce housing products (e.g., single-family detached homes on small lots priced for specific income ranges, small multifamily buildings with rent subsidies).

Additional Recommendations:

- Review County goals, strategies and actions, as well as land use designations and development standards, as part of the Comprehensive Plan update process to ensure that workforce housing, mixed-income housing and mixed-use development are supported by land use and zoning policies in the defined revitalization areas.
- Apply for grant funding from VHDA's mixed-income/mixed-use program that supports projects in defined revitalization areas.

B. Housing Production

B-1. Mixed-Use, Moderate-Density Zoning Districts

The County should amend the Zoning Ordinance to facilitate generation of a wider range of housing types, sizes, and forms that increases the supply of workforce housing.

Several of the residential zones in James City County are tailored for single-family homes on relatively large lots (i.e., R-1 R-2, R-6). While there are zones that allow for other residential building types, such as townhomes and apartments (i.e., R-3, R-4, PUD-R, MU), these districts, to varying degrees, contain provisions that may make them less conducive to the development of townhomes and/or multifamily housing.

The County's R-5 zoning district does allow for moderate-density development, typically up to 12 units per acre. However, there are currently *no* viable zoned R-5 parcels in the County. In addition, there are very few areas in the County designated as moderate density on the land use plan.

Moderate-density development is most appropriate near job centers and along transportation and transit corridors. Making more areas along transportation and transit corridors more readily available for moderate-density zoning can enable greater diversity in the housing stock and can create attractive multiuse neighborhoods, while maintaining community character in single-family neighborhoods. Incentivizing development opportunities in transportation and transit corridors should be done as part of the County's update to the Comprehensive Plan and should be consistent with the goals of the Comprehensive Plan of "…increasing affordable housing in proximity to job opportunities to reduce in and out commuting and congestion on major regional roadways…"

Priority Recommendations:

- Support land use changes within the Primary Service Area (PSA) that would promote more moderate-density and mixed-use development. Review recent projects in the County to define their density in the context of the Comprehensive Plan land use designation and zoning district. This information will inform staff as they identify areas of the County where medium-density zoning would be appropriate.
- Review the use lists for existing zoning districts and delete, add and/or modify uses as appropriate to reflect the current types of establishments and uses in the County and to ensure that diverse housing types are specifically included in use lists in zoning districts where housing is permitted.

Additional Recommendations:

- Review and update zoning districts following the County's Comprehensive Plan review process. The process, which includes significant citizen engagement, is the avenue through which future zoning ordinance changes may be identified. Potential changes to consider include:
    - Reduce site area minimums for development projects to help make redevelopment viable for smaller, nonprofit developers focused on workforce housing.

- Examine options for allowing for by-right development of workforce housing.
- Increase the maximum number of units per acre in both single-family and multifamily zones for projects that provide workforce housing.
- Use a form-based zoning in select areas, which will preserve neighborhood character through maintaining building forms, but also provides more flexibility on the types of housing options within those building forms.
- Increase the maximum number of units permitted in multifamily structures in select zones (e.g., R-5 zone currently capped at 10 units per structure) to promote smaller unit-sizes at lower price-points within the same building envelope (e.g., two separate units in one townhome-style structure, or more studio/one bedroom units in apartment buildings).
- Decrease minimum lot size requirements and/or explore adding a maximum lot size regulation in select zones to facilitate smaller home types (both single-family and townhomes) when projects include workforce housing.

B-2. Adaptive Reuse

The County should adopt guidelines and incentives to support the repurposing of old, vacant, and/or underutilized commercial buildings as workforce housing, specifically old motels and outdated shopping areas. Bringing new life to a deteriorating commercial building can be consistent with and even enhance the character of the community. The primary benefit of repurposing an old building is that it provides housing without using previously undeveloped land. It may also have less impact on the environment than would new construction because fewer materials are needed, and the embodied energy within the structure is maintained.

Within James City County, there are some older motels and outdated shopping centers in commercial areas that could potentially be converted into housing. These buildings are in close proximity to many of the County's service-industry and tourism jobs and could provide affordable housing for these workers with proper investment and adaptive reuse.

Priority Recommendations:

- Create an inventory of potential adaptive reuse and conversion sites within the County. This inventory should include locations, conditions, ownership, zoning and other information about the properties. This inventory will provide staff and developers critical information for establishing priorities, processes and guidelines for adaptive reuse projects in the County.
- Identify Virginia-based builders/developers with experience in adaptive reuse and convene a public meeting to discuss and better understand the challenges and opportunities with adaptive reuse.

- Review the use lists for all zones in the County and modify to encourage residential/mixed-use developments along specific corridors, with the goal of facilitating adaptive reuse opportunities in existing commercial areas.

- Investigate resources that could support adaptive reuse such as the Low Income Housing Tax Credit, historic tax credits or programs to support housing for residents experiencing homelessness.
- Engage owners of properties that are good candidates for redevelopment or adaptive reuse. Facilitate connections among property owners and developers, and identify resources that could be employed.

Additional Recommendations:

- Develop a new zoning designation that would allow motel to apartment conversions through an application process, modeled after a similar policy in the City of Williamsburg.
- Undertake corridor planning studies for areas with underutilized commercial properties. The first study could focus on the Route 60 corridor and specifically the outdated commercial areas and hotel properties along that highway. This corridor sub-area could be incorporated within the scope of the upcoming Comprehensive Plan review effort.
- Explore the feasibility of establishing an administrative permitting path for commercial-to-residential conversions that include workforce housing.
- Create a fund to assist private owners of obsolete commercial buildings with the cost of demolishing and redeveloping their structures.

B-3. Purchase of Development Rights (PDR) Program

The County should restart its PDR program to achieve the joint goals of open space preservation and workforce housing production. The County's PDR program was intended to preserve open space within the County, and between 2001 and 2017, approximately 802 acres of PDR easements were recorded, exclusive of the County's Greenspace program. There has been a total program investment to date of more than $4.4 million, although some program costs have been reimbursed to James City County.

Priority Recommendations:

- The County should identify land that can be purchased for open space to preserve existing rural areas and buffers when increasing development in parts of the PSA to allow for workforce housing.

Additional Recommendations:

- Review earlier report on Transfer of Development Rights (TDR) to understand if the issues identified are still in place today. Explore the possibility of designing a prototype TDR trading bank within the County that identifies density sending and receiving districts and includes a formula for allocating density bonuses in exchange for the provision of workforce housing.

B-4. Accessory Apartment Policy

The County should modify its Accessory Apartments ordinance to facilitate the development of more accessory units while retaining the residential character of existing neighborhoods. Accessory units can be a source of income for homeowners, allowing them to remain in their homes over time. Accessory apartments can also be a source of housing for caregivers and family members, and for lower income workers living in James City County.

The County's current ordinance allows attached accessory units in most zoning districts. Attached units can be within an existing unit or be an addition. Attached accessory units cannot be more than 35% of the home and must look substantially similar. Detached units are permissible but require a special use permit reviewed by the Planning Commission. Detached units are restricted in size to the smaller of 400 square feet or 50% of the primary structure.

Priority Recommendations:

- Develop a pattern book, training sessions and other technical assistance documentation to help home owners construct accessory units.
- Revise ordinances related to accessory apartments to increase the maximum size of detached accessory units so that accessory apartments can be large enough to accommodate a "reasonably-sized" one-bedroom unit (e.g., up to 750 square feet).
- Revise ordinances related to accessory apartments to modify set-back, parking and/or other requirements to make it easier to build an accessory apartment.

Additional Recommendations:

- Offer incentives for accessory apartments, such as waived fees for Special Use Permit applications or utility hook-ups, when apartments are rented to people holding jobs in James City County, or for other targeted populations (e.g., elderly relatives). Owners of accessory apartments would have to register with the County and document tenant eligibility.
- Develop a loan program to help lower-income households build accessory apartments.
- Promote the fact that zoning now allows accessory apartments in all residential zones.
- Encourage HOAs to revise covenants that prohibit accessory units.

B-5. Expedited Permitting

The County should establish an expedited land entitlement process and reduced fees for projects that include workforce housing. Development site plan review and code permitting are critical steps in the land entitlement process. It is during these phases that development proposals are thoroughly vetted against adopted codes, plans and policies. Expedited review and permitting can help promote the development of housing affordable to low- moderate-income households by reducing development costs.

James City County already has an expedited review process for projects that support its economic development goals. This could provide guidance for a process targeting projects that promote the development of workforce housing.

Priority Recommendations:

- Establish the income threshold necessary for a project to qualify for an expedited review. The following are recommended: 1) rental housing affordable to households with incomes between 30 and 60% of AMI and 2) homeownership housing affordable to households between 60 and 100% of AMI.

Additional Recommendations:

- Explore establishing an internal process for fast-tracked reviews that could include staff specifically assigned to the program.

B-6. Public Land

The County should establish a formal policy related to the use of publicly-owned land for housing development. Some County-owned land could be appropriate to set aside for the development of workforce housing by the private sector. Other sites may not be appropriate for housing development, but should they be surplused, the proceeds could be used to fund housing programs through a local Housing Trust Fund.

Priority Recommendations:

- Develop a comprehensive inventory of publicly-owned sites, including an assessment of whether sites are vacant or whether there is underutilized development capacity.
- Identify which public land sites would be suitable for workforce housing. As part of the process, develop criteria for evaluating sites' appropriateness, prioritizing characteristics such as proximity to transit infrastructure and employment areas.
- Explore options for creating a housing land trust or land bank for public land that is vacant and/or underutilized and located near jobs and transit infrastructure. A land trust or land bank would be a mechanism for acquiring, holding and, ultimately, deploying public land specifically for workforce housing.

Additional Recommendations:

- Once priority public sites have been identified, the County could then seek to establish a public/private partnership and apply for VHDA funding to support the development of housing for households with incomes up to 50% of AMI. The County could issue an RFP for a pilot project on one publicly-owned site to see what types of partners and projects could be supported with a public land policy. The County could specify the characteristics of a project it would like to see on the site and the contribution from the County (e.g., just the land, land and some infrastructure). If multifamily units are determined to be viable on the site, part of this process would likely include a rezoning of the public land to R-5. Developers and developer teams would submit proposals based on the RFP.

- Amend the County's Capital Improvement Process (CIP), which allocates resources for building or redeveloping public facilities, to ensure that opportunities for creating housing options on public land and in conjunction with public facilities development are considered during the process.
- Identify land or parcels that would be suitable for purchase by the County and made available for the development or redevelopment of workforce housing. Land could either be made available immediately upon purchase to a qualified nonprofit developer or could be held by the County until an appropriate project is proposed. Funding for land purchases could come from an expanded local Housing Trust Fund.

B-7. Voluntary Inclusionary Zoning

The County should establish a stand-alone, voluntary, incentive-based inclusionary zoning program (often referred to as an Affordable Dwelling Unit (ADU) program in Virginia) that offers bonus density for workforce housing. The design of this program would draw on the County's current and past policies that tie density bonuses to the provision of affordable and workforce housing.

In 2012, the James City County Board of Supervisors adopted the Housing Opportunity Policy (HOP) which provided a mechanism for the generation of affordable and workforce housing units within market-rate development projects that seek a rezoning. The HOP used a sliding scale of reduced cash proffers paid by developers to the County. The proffer reduction ranged from 100% for units reserved for residents making 30% to 60% of AMI, to 30% for so-called workforce housing units defined as housing affordable to households with income between 80 and 120% of AMI. Due to a proffer law passed by the Virginia General Assembly in 2016, the HOP was rescinded for new development.

The County also has a bonus density option in the Zoning Ordinance built into many of the zoning districts. The provision includes a menu of options developers can provide in exchange for additional density. One of the options in the bonus density menu is providing affordable and workforce housing. However, the wide range of options in the bonus density table--from achieving green building certification, to stream restorations, to building playgrounds--reduces the likelihood that a developer would opt for the affordable unit set-aside option to achieve a higher density.

Despite the new proffer law, localities in Virginia are still able to create ADU programs under code §15.2-2305. The statute requires an ADU program to be incentive-based, in that developers must be granted a density bonus if they provide affordable housing units. The law caps the set-aside unit proportion a County can seek at 17%, and caps the density bonus a developer can receive at 30%. Localities are free to set ADU program requirements within these ranges.

Priority Recommendations:

- Bring together community stakeholders and staff to make recommendations for a new incentive-based, voluntary inclusionary housing policy in the County. This group should include representatives from all stakeholders involved in residential development in the County, including, but not limited to, for-profit and nonprofit developers, financial institutions, land use attorneys and County staff.

- County staff and community stakeholders should develop a specific, detailed methodology that represents best practice and industry standards for calculating affordable price points based on AMI.
- Once the price-points are established, evaluate use of a sliding density bonus scale based on both the quantity of units and the depth of affordability provided. The Housing Conditions Study for the County recommends adopting an ordinance similar to Fairfax County's ADU program that provides a sliding density bonus scale that caps at 20%.
- Continue to have an in-lieu fee option that developers could pay to a County Housing Trust Fund in exchange for additional density. This option provides greater flexibility to the County to either construct workforce units in specific priority areas, or purchase existing units in the market, which can often be less expensive than new construction.

- Review the County's existing density bonus system in the zoning ordinance to determine if the provision of affordable/workforce housing can be prioritized or if it should be a *requirement* (rather than an option) for any developments proposed over the current baseline density.

Additional Recommendations:

- Advocate with the state to have James City County added as a local jurisdiction permitted to adopt a mandatory inclusionary zoning program.

B-8. Property Tax Exemption/Abatement

The County should promote existing and adopt new property tax abatement programs. A property tax exemption or abatement can make it easier for nonprofit developers to build housing using Low Income Housing Tax Credits or other state and/or federal resources. The property tax relief can serve to close some of the gap between the cost of building housing and the income generated by rents affordable to lower-income households. Property tax abatement can also be used as an incentive to rehabilitate deteriorating properties and can preserve access to workforce housing when property owners agree to remain in the home or maintain rents at affordable levels.

Priority Recommendations:

- Promote the state program that provides state tax credits to landlords who offer rental property at reduced rates to elderly or handicapped individuals.

Additional Recommendations:

- Adopt a property tax exemption and/or abatement for residential properties that guarantee units will be affordable to and leased to individuals and families with incomes at or below 60% of AMI.
- Offer property tax abatement/exemption for owners of single-family homes that make improvements and either continue to live in the home or enter into an agreement with the County to rent that home to a low- or moderate-income working individual or family. Exemptions/abatements would apply to the value of the improvements, not the entire property.

C. Housing Access

C-1. Housing Resource Navigation

James City County should support the Hampton Roads Housing Resource portal, an existing regional homeownership and rental resource center, through financial support and coordination of resources and marketing. Promoting the existing assistance available to households in the County and the region, more broadly, will increase opportunities for working households in James City County to find appropriate and affordable housing in the community.

Priority Recommendations:

- Financially support the Hampton Roads Housing Resource Portal.
- Explore how to link County resources to the regional portal.

Additional Recommendations:

- None

C-2. Homebuying Assistance

Promoting responsible homeownership is a goal for the community. The County should expand support provided to first-time homebuyers who work in James City County. The County currently offers assistance to homebuyers through its First-Time Homebuyer Program. In addition, the Employer-Assisted Homeownership Program assists County employees who do not own a home in James City County by providing up to $3,000 to match savings for down payment and closing costs. Homebuyer education and counseling is also offered through VHDA Homebuyer Education classes.

Priority Recommendations:

- Expand down payment and closing cost assistance to provide assistance to 50 income-qualified first-time homebuyers who work in James City County and want to purchase a home in the County.

Additional Recommendations:

- Dedicate staff to building and coordinating local and regional partnerships to support affordable homeownerships and complement HUD Homebuyer Counseling services that the County already provides. Partnerships should be formalized with clear responsibilities and goals. Partners should include Realtors, banks and other financial institutions, organizations with additional resources (i.e., informational or financial), assessors, inspectors and others. The goal would be to create a type of “one-stop-shop” for James City County workers and residents looking to buy a home in the County.

C-3. Local Housing Voucher

The County should establish a local housing voucher program. Like the federal Housing Choice Voucher program, a local housing voucher program would provide assistance to households to enable them to rent housing in the private market. A local housing voucher program using local resources should be designed to offer priority to individuals who hold jobs in the County.

Priority Recommendations:

- Conduct education and outreach with eligible households and landlords.
- Research the experiences of other localities in Virginia that have such a program.
- Establish a local housing voucher/rental subsidy program funded by dedicated housing Trust Fund resources. Define program rules and priorities. Set as a goal to serve 25 families annually through a local rental housing subsidy.

Additional Recommendations:

- None

D. Funding

D-1. Housing Trust Fund

James City County should create a local Housing Trust Fund with a dedicated source of funding to support workforce housing initiatives. Local funds can be used to leverage state and federal resources and can provide flexibility in how the County supports the development and preservation of housing for working households in the County.

Priority Recommendations:

- Identify priorities for the Housing Trust Fund going forward. Priorities and policies for the Trust Fund should be clearly stated in a policy document so that all stakeholders understand the goals and process for funding allocations.
- Dedicate funding for the rehabilitation of single-family homes identified as dilapidated in the Housing Conditions survey. Local funding, added to the anticipated $350,000 from the state, would allow for the rehabilitation of homes above the number that have been rehabbed in recent years.

Additional Recommendations:

- Explore potential mechanisms to fund the Trust Fund over the long-term. Funding sources could include both the diversion and expansion of existing taxes and fees, as well as new sources of revenue. (Potential sources of funding are described in the Appendix.)

D-2. Opportunity Zone

The Grove area of the County has been designated as the one Opportunity Zone in James City County. Ensure that this area is well positioned to take advantage of its Opportunity Zone designation.

Created in the 2017 Tax Cuts and Jobs Act, Opportunity Zones are designed to drive long-term capital into low-income communities across the nation, by using tax incentives to encourage private investment into designated census tracts through privately- or publicly-managed investment funds. While not an automatic source of funding, the Opportunity Zone program does provide the possibility for the County to leverage new resources.

Proposed federal regulations for Opportunity Zones have recently been released and will need to go through a public process before they are final. In the meantime, the County could take steps to position the Grove area in such a way that if and when funding does become available, the area is competitive for that funding.

Priority Recommendations:

- Review current planning efforts in the Grove area and along Merrimac Trail, including Economic Development Authority efforts underway and planned transportation investments, to ensure that existing plans are consistent with promoting workforce housing and ensuring no displacement of current residents in the area.
- Plan and carry out an “Opportunity Zone” day modeled after the recent program held in the City of Norfolk. The event should bring together developers, financial institutions, economic

development agencies and other stakeholders to increase understanding of opportunities and to build relationships among partners that will be critical to leveraging the new Opportunity Zone program.

Additional Recommendations:

- Explore County purchase of property within the Opportunity Zone that would be rezoned for workforce housing. Facilitate a public/private partnership for housing development through an RFP or some other process. This approach could also include a mixed-use component for a grocery store or other retail, which is also needed in this area of the County.
- Explore pre-packaging a set of incentives that would be offered in addition to the incentives that will be provided through the Opportunity Zone program. These incentives could include County tax abatements, expedited permitting and additional density, among others, that would only be available if workforce housing is included within these Opportunity Zone development proposals.
- Invest in needed infrastructure improvements in this area of the County to facilitate revitalization and private investment. Develop a program that would include public investment of either providing infrastructure or land-cost buy downs as a way to promote or incentivize new mixed-income projects.

APPENDIX

Local Housing Trust Fund

The Workforce Housing Task Force has recommended a dedicated source of local funding to support the preservation and production of and access to workforce housing. It was beyond the scope of work of the Task Force to develop specific recommendations about funding sources. Task Force members felt that the County Board of Supervisors would determine the best mechanism for allocating resources for workforce housing initiatives. However, as part of the Task Force's discussion, several potential funding sources were discussed:

Existing Revenue Sources:

- Reallocate a portion of the revenue from Deeds of Conveyance and/or Recordation Taxes.
- Allocate some portion of revenue collected through the Historic Triangle regional sales tax to support the preservation, production and/or access to housing for workers in the County's tourism industry (e.g., restaurant and hotel workers).
- Increase the residential property tax rate by 1 cent (i.e., from 0.84 to 0.85 per $100 of assessed value) and direct that additional revenue to the local Housing Trust Fund.
- Increase fees on new market-rate housing development (i.e., new housing that does not include homes affordable to households with incomes below 100% of area median income) and use that increased revenue for the Trust Fund.

New Revenue Sources:

- Analyze the housing demand generated by new commercial development/jobs in the County, and analyze the viability of a workforce housing impact fee to support housing production.
- Adopt a short-term rental/AirBnB tax. Applying a Transient Occupancy tax on these property owners could general revenue that could be used to fund a local housing Trust Fund.
- Develop partnerships with Foundations that could support the Trust Fund.

Communication and Outreach

Public engagement and outreach are critical for creating a shared understanding of the community's workforce housing needs and to build broad consensus for the Task Force's recommendations. Over the past year, the Workforce Housing Task Force and James City County staff conducted a number of activities designed to provide information about the work of the Task Force and to increase awareness of housing issues in the community. A series of education materials were prepared to support the Task Force's outreach activities. All material is posted on the County's website at https://jamescitycountyva.gov/3504/Workforce-Housing-Task-Force.

The Workforce Housing Task Force strongly advises that communication and outreach activities continue as the County moves forward with the workforce housing recommendations. Members of an on-going workforce housing advisory group should play an important role in this public engagement.

Below is a summary of key communication and outreach activities undertaken as part of the Workforce Housing Task Force process:

Community Presentations

Task Force members presented at several community meetings, including meetings of the Williamsburg-James City County Democrats, Williamsburg Area Kiwanis, Hickory Neck Episcopal Church Men's Club, James City County Economic Development Authority and James City County Board of Supervisors.

WATA Bus Campaign

Working with the Williamsburg Area Transit Authority (WATA), the Workforce Housing Task Force and County staff developed a series of highly-visual posters describing the types of working individuals who would benefit from workforce housing in the County. These posters were displayed on the outside of busses running beginning in fall 2018. The goal of this effort was to increase understanding among the general population about why workforce housing was important for many workers in the County.

In addition to the exterior bus posters, the Workforce Housing Task Force collaborated on announcements that were posted inside of WATA busses that encouraged riders to engage via social media on workforce housing issues. Using the hashtag #affordJCCVA, these posters asked a series of questions intended to motivate commuters to share their workforce housing stories.

Facebook Campaign

County staff developed periodic posts on workforce housing for the County's Facebook page. Over several months, the Facebook posts on workforce housing received hundreds of comments and generated active public dialogue.

Podcasts

Workforce housing issues were also discussed as part of the "This Week in James City County" podcast series. These podcasts featured members of the Workforce Housing Task Force and Technical Advisory Committee discussing different aspects of the workforce housing issue. Below is a list of the workforce housing podcasts, along with the number of listens in parentheses:

Workforce Housing Finance (60)
Impact of Workforce Housing on Local Businesses (67)

Link Between Workforce Housing and Economic Development (67)
Workforce Housing Building Quality (90)
Connections Between Housing and Health (63)
Connections Between Housing and Education (84)
Introduction from the Workforce Housing Chairs (97)

Glossary of Terms

Affordable Dwelling Unit (ADU) Policy: Virginia's inclusionary housing program (defined under state code 15.2-2305) which specifies how local jurisdictions can implement a policy for requiring or incentivizing the provision of below-market-rate housing as part of market-rate development.

Affordable Housing: Typically rental or ownership housing costing no more than 30% of a household's gross monthly income before taxes. This could be housing with or without a public subsidy.

Area Median Income (AMI): The middle income in a specific area; half of households of a particular size have incomes higher and half have incomes lower; based on metropolitan area incomes and household sizes; used to determine eligibility for housing programs. In James City County, the FY2018 AMI for a family of four was $75,000.

Attainable Housing: A term sometimes used to refer to housing that is affordable to a broad range of individuals and households in the workforce.

Community Development Block Grant (CDBG): A HUD (federal) program that provides grants to cities, counties and states to undertake community development efforts, including housing production and preservation.

Comprehensive Plan: A local plan that establishes goals, objectives, and policies that shape the future direction of a community as it relates to the physical development of its land.

Cost Burdened: A household paying more than 30% of its income for housing.

Fair Market Rents (FMR): The average rent amount calculated by HUD for different size units, for the purpose of determining the amount of housing subsidy available to participants.

Housing Authority: A local or state entity that administers Federal housing programs. James City County does not have a housing authority.

Housing Choice Vouchers (formerly Section 8 Rent Assistance): A federally-funded rent assistance program for low income households. Households must meet income eligibility criteria. Each household pays a minimum of 30% of income for rent.

Housing Opportunity Policy (HOP): A James City County policy that provided a mechanism for the generation of affordable and workforce housing units within market-rate development projects that requested a rezoning. The HOP was discontinued in 2016.

HUD: U.S. Department of Housing and Urban Development.

Inclusionary Zoning: A policy, typically incorporated into a local zoning code, that requires or incentivizes the provision of below-market-rate homes as part of market-rate development.

Land Bank: A body of land held by a public or quasi-governmental agency for future development or disposal, typically for the purpose of achieving a community goal while reducing the harm of vacant or underutilized properties.

Land Trust: Typically a membership-based community organization that owns and holds land to promote the development and long-term preservation of affordable housing.

Low-Income Household: According to HUD's definition, a household that earns 80% or less of AMI is low income; very low income households earn 50% or less; and extremely low income households earn 30% or less of AMI

Low-Income Housing Tax Credit (LIHTC or Housing Credits): Tax credits designed to encourage the development of rental housing affordable to households between 50 and 60% of AMI. Tax credits are provided to each state by the Federal government and are allocated by the states to specific projects. Nine-percent credits generally fund new construction while 4% credits are often used for rehabilitation projects.

Nonprofit Developer: An organization classified as 501(c)(3) that serves low- and moderate-income persons and acquires land or rehabilitates housing or builds news housing for households in eligible income categories.

Primary Service Area (PSA): Defines areas in James City County presently provided with public water, sewer and high levels of other public services, as well as areas expected to receive such services over the next 20 years. Most residential, commercial, and industrial development will occur within the PSA; development outside of the PSA is strongly discouraged.

Public Housing: Public housing is a Federal program authorized by HUD and administered by local housing authorities, typically providing housing affordable to households with incomes below 50% of AMI. James City County does not have public housing.

Qualified Allocation Plan (QAP): A state QAP outlines specific criteria and eligibility requirements for the allocation of Low Income Housing Tax Credits.

Severe Cost Burden: A household paying more than 50% of its income for housing.

Supportive Housing: Rental assistance coupled with case management services for individuals who are homeless or at risk of homelessness and have a disabling condition.

Virginia Housing Development Authority (VHDA): Virginia's housing finance agency that provides funding and financing for single-family and multifamily housing throughout the state.

Workforce Housing: Housing that is affordable to any working individual or family.