

Rappahannock-Rapidan Regional Housing Study

Presentation to League of Women Voters General Meeting

October 18, 2020



Regional Commissions

- Virginia Area Development Act (1969) enacted Planning District Commissions as voluntary regional organizations created by local governments based on defined regions
- “It is the purpose of the planning district commission to encourage and facilitate local government cooperation and state-local cooperation in addressing on a regional basis problems of greater than local significance.” (§ 15.2-4207)

Rappahannock-Rapidan Regional Commission

- Member jurisdictions
 - 5 Counties: Culpeper, Fauquier, Madison, Orange, Rappahannock
 - 8 Towns: Culpeper, Gordonsville, Madison, Orange, Remington, The Plains, Warrenton, Washington
 - 21 member board appointed by member jurisdictions
- Strategic Focus Areas
 - Agriculture & Environmental Planning
 - Economic Development & Tourism
 - Housing & Homeless Response
 - Regional Coordination & Technical Assistance
 - Transportation & Mobility Planning

Regional Housing Study

- Regional Commission and local partners identified growing need for detailed housing data for housing policy planning
- Study funded via Virginia Housing *Community Impact Grant* program in late 2019
- Camoin Associates / 310 Ltd consultant team selected in January 2020



Regional Housing Study Purpose

- Recognition that capacity to address housing within local governments and the patterns of development in the region vary widely, the study was developed with these purposes in mind
 - Provide qualitative and quantitative data to understand and quantify the housing challenges (regional and local)
 - Examine current land use practices that both help and hinder housing developments through zoning ordinances throughout the region
 - Offer strategy recommendations for addressing major issues at regional and local level

Baseline Analysis Findings

Demographics

- Steady population growth primarily in 3 counties
- Job growth lower than population growth since 2003
- High percentage of out-commuters
- Aging Population
 - Those aged 65+ represent the highest increase in each jurisdiction between 2010 and 2019

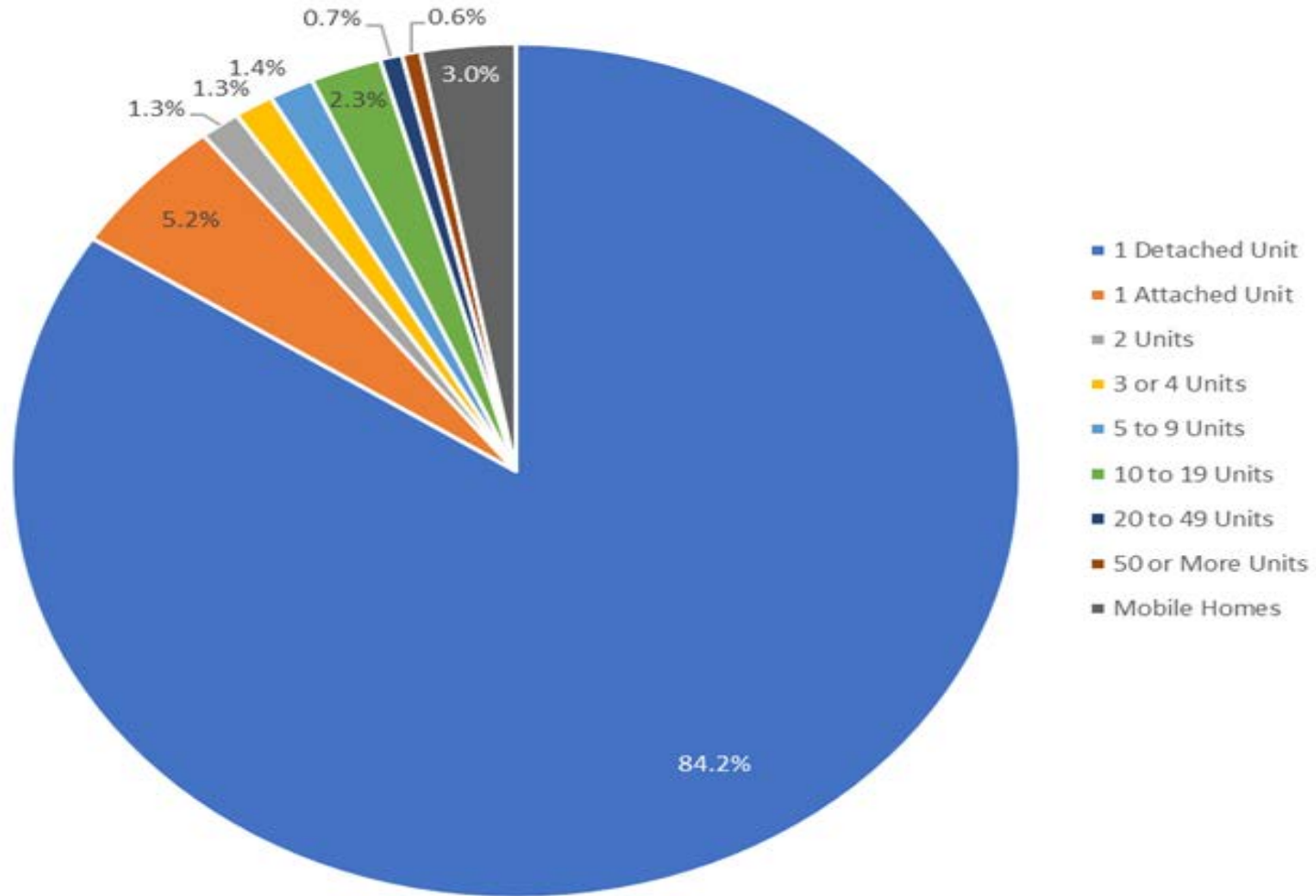
Baseline Analysis Findings

Housing Stock

- 90% of existing housing are single-family units (primarily unattached)
- 80%+ of occupied housing is owner-occupied
 - Highest rate is in Fauquier County
- Vacancy rates higher in Rappahannock & Madison
- Very low (3%) rental vacancy rate

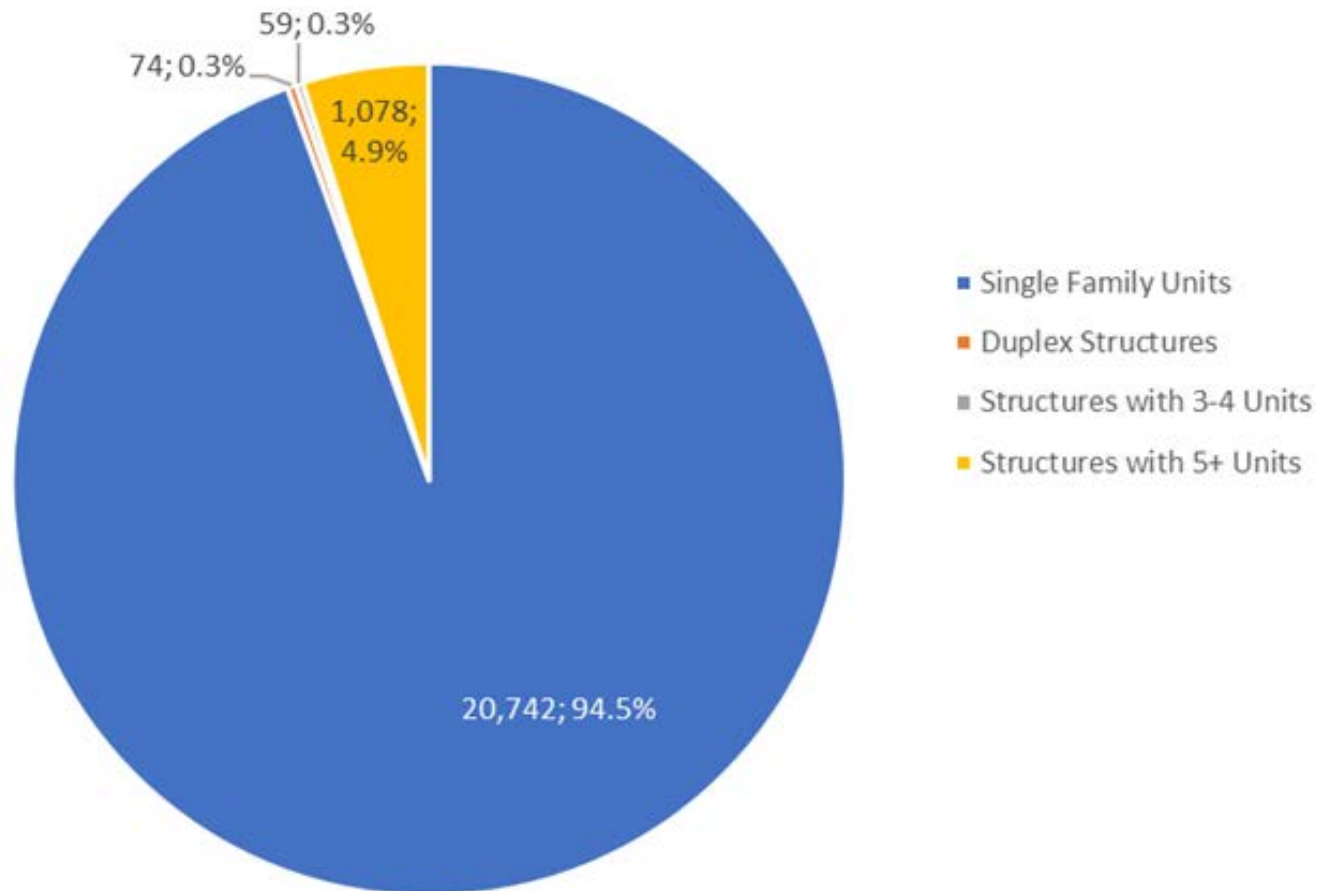
- 38% of housing stock between 10 and 30 years old
- 31% of housing stock between 30 and 50 years old

Housing by Unit Type, RRRRC Region, 2018



Source: American Community Survey 5-Year Estimates, 2014-2018

Structures Permitted by Unit Type, RRRRC Region, 2000-2018



Source: Weldon Cooper Center for Public Service, University of Virginia

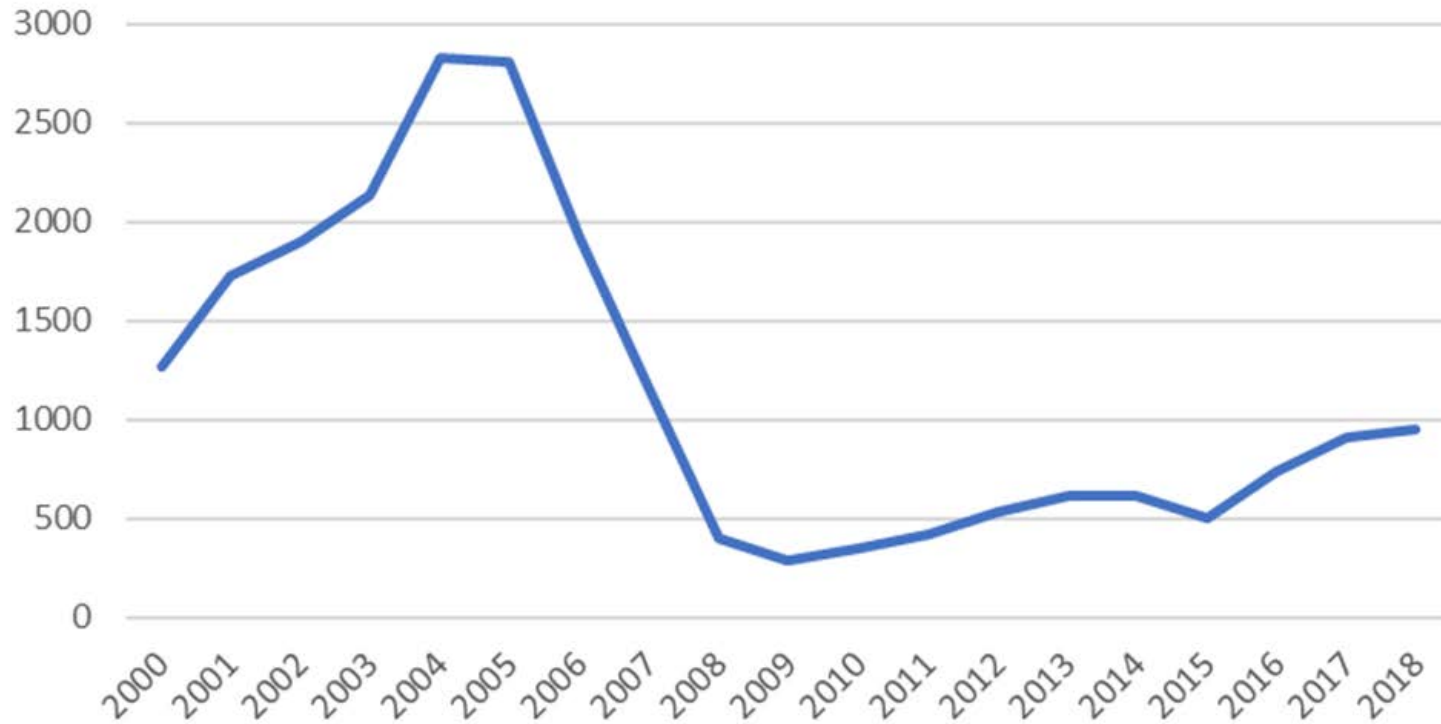
Housing Demand Analysis Findings

Real Estate Trends

- Increase in median price and units sold
- Decrease in days on market
- Some market-drive response particularly for 55+ housing, apartments, townhouses

- Building permits have stabilized, but not reached pre-2007 levels
- Potential impact of approved, unbuilt developments

Structures Permitted, RRRC Region, 2000-2018



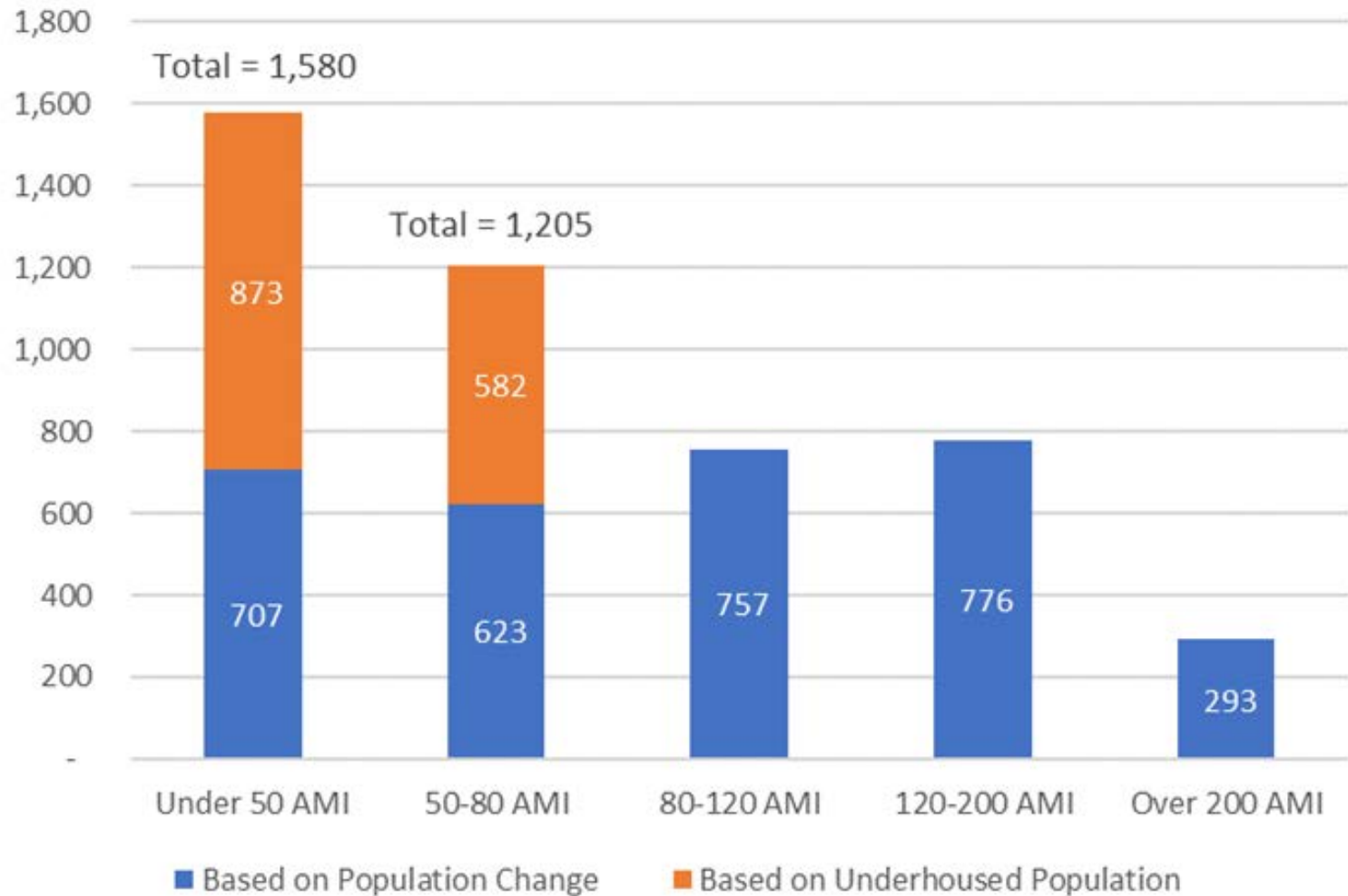
Source: Weldon Cooper Center for Public Service, University of Virginia

Housing Demand Analysis Findings

Projected Population Growth

- 22% forecasted growth over 20 years at current household size (2.69) equates to 20% increase in housing stock needed by 2040
- Largely found in Culpeper, Fauquier, Orange
- Most demand for those aged 65+ and between 35-44
- Potential need for additional options for 65+ with potential for transfer of housing to younger generation
- Impacts of net-migration and out-commuters seeking lower housing costs relative to Northern Virginia, Fredericksburg, Charlottesville
- Estimated pent-up demand of 4,600 housing units across the region based on population growth (2019-2024) and underhoused population (% of those aged 18-34 and living with other non-spouse/partner)

Demand for New Units

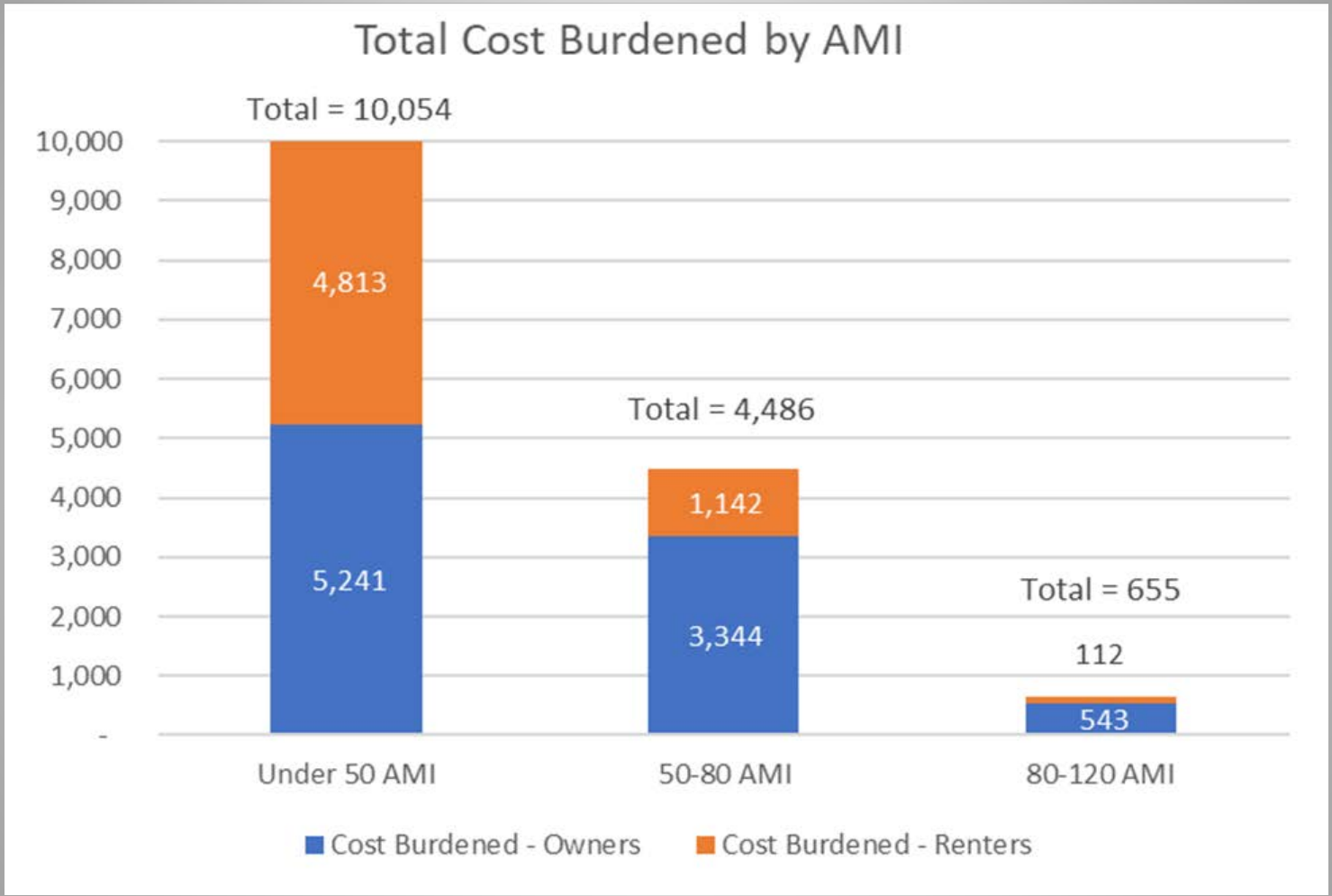


Housing Demand Analysis Findings

Affordability

- ~40% of renters and ~20% of owners spending more than 30% of income on housing
- Median home price of \$368,000 equates to an income of \$81,700 (30%)
- For resident workers, household income is ~\$64,900, or ~\$17,000 deficit
- Locally, deficit ranges between \$11,000 to \$22,000

- Cost-burdened households (24% of region's households) represent about 15,000 housing units



Cost Burdened Home Owners by AMI

	Culpeper County	Fauquier County	Madison County	Orange County	Rappahannock County	Total
Under 50% AMI	1,412	1,611	534	1,389	296	5,241
50-80% AMI	871	1,208	372	776	117	3,344
80-120% AMI	130	222	65	110	16	543
Total	2,412	3,041	971	2,275	429	9,128

Source: ACS 2018 5-Year Estimates; Camoin 310

Cost Burdened Renters by AMI

	Culpeper County	Fauquier County	Madison County	Orange County	Rappahannock County	Total
Under 50% AMI	1,620	1,408	503	958	325	4,813
50-80% AMI	466	397	75	176	29	1,142
80-120% AMI	56	47	3	5	1	112
Total	2,142	1,852	580	1,138	355	6,067

Source: ACS 2018 5-Year Estimates; Camoin 310

Mortgage Income Deficit: Median Home Price vs. Household Income

	Culpeper County	Fauquier County	Madison County	Orange County	Rappahannock County	RRRC Region
Median Price of Home*	\$349,000	\$440,000	\$300,000	\$272,000	\$310,000	\$368,000
Down Payment of 10%	\$34,900	\$44,000	\$30,000	\$27,200	\$31,000	\$36,800
Loan Amount	\$314,100	\$396,000	\$270,000	\$244,800	\$279,000	\$331,200
Average Mtg Payment, 30 Years at 3.5% with Additional Costs**	\$1,943	\$2,188	\$1,687	\$1,541	\$1,740	\$2,042
Household Income Threshold	\$77,720	\$87,520	\$67,480	\$61,640	\$69,600	\$81,680
Resident Household Income	\$66,034	\$76,873	\$48,729	\$49,681	\$47,975	\$64,911
Income Deficit	-\$11,686	-\$10,647	-\$18,751	-\$11,959	-\$21,625	-\$16,769

* Median home sales in the region for Q2 2020.

**Average Mortgage Payment includes private mortgage insurance, taxes, and insurance, for comparable priced houses within each region.

Source: Emsi, Zillow, Greater Piedmont Realtors, Gale Harvey Real Estate, Camoin 310

Strategies & Recommendations

1. Increase & preserve the supply of attainable housing
2. Address perceptions of growth and attainable housing
3. Address maintenance needs and alleviate substandard housing stock
4. Examine and adapt existing land use protocols

Recognize that there is a need for diverse housing options across the region

Recognize that there each County and Town has authority for land use decisions and that any policy changes will be implemented at different scales across the region

Strategies & Recommendations

Increase & preserve the supply of attainable housing

- Possible need for context-based outreach regarding the value of diverse housing types and the role housing diversity plays with community vitality, workforce readiness, economic mobility and economic development
- Important to consider the patterns of growth and existing infrastructure in terms of pace of growth and additional housing options

Strategies & Recommendations

Address perceptions of Growth and Attainable Housing

- Lack of housing in the region causes stagnation and prevention of natural turnover within the market, with impacts on the aging population seeking lower maintenance housing, first-time homebuyers and workers seeking housing within their locality of employment.
- Rentals are consistently challenging at attainable rates, with impacts seen at lower-income levels

Strategies & Recommendations

Address Maintenance Needs and Alleviate Substandard Housing Stock

- Rental and owned homes were noted as having issues regarding maintenance (cosmetic and functional issues)
- Primarily identified in rural, non-urban areas
- Need for collaboration amongst existing non-profit/volunteer-driven home repair/rehabilitation organizations

Strategies & Recommendations

Examine and adapt existing land use protocols

- The region's rural character and historical context means that there are significant areas where development will not occur
- Infrastructure is limited in certain areas of the region, or may face capacity and or maintenance concerns
- Housing diversity is an emerging subject for much of the region and policy changes are likely to occur incrementally over time

Rappahannock-Rapidan Regional Housing Study

Housing Study Webpage

https://www.rrregion.org/program_areas/housing/regional_housing_study.php

Foothills Housing Network (Homeless Continuum of Care coordination)

<https://www.foothillshousing.org>

FHN Coordinated Entry (Screening/Referral)

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