

Prince Edward/Farmville Housing Coalition

HOUSING STUDY

September 2019

About HDAvisors

HDAvisors (HDA) is a collaboration of experienced community development professionals launched in 2006. HDA provides housing-related consulting services to developers, non-profits, housing authorities, local governments, lenders and other community development organizations.

HDA staff have had long careers in affordable housing development in a variety of public and private sector roles. This unique perspective ensures the HDA team's plans and policy proposals are grounded in real-world experience and a deep knowledge of the intricacies of affordable housing preservation and production.

HDA was hired by the Prince Edward/Farmville Housing Coalition in 2019, courtesy of an award of funding from the Virginia Housing Development Authority (VHDA) to conduct this study and prepare this report.

Cover Images

Clockwise from top left: Lofts at Worsham, typical small single-family home, view into Downtown Farmville, new tiny home village in Farmville, commercial buildings in downtown Farmville, Sunchase Apartments

Why This Study?

In the decade since the 2008 recession, Prince Edward County and the Town of Farmville (the “Study Area”) have experienced an economic and housing recovery like many regions around the country. That recovery has been positive but uneven, leaving many of the jurisdiction’s housing needs unmet by the private market. This study seeks to understand the gaps and needs in the housing ecosystem in the Study Area and to propose recommendations that are actionable on a local level to provide redress.

The Study Area has many positive economic indicators in its favor. Population growth by 2030 is projected to be 8.7 percent. Compare that to most other rural counties in Virginia which will see a loss of population over this time, as well as the Statewide average of 9.2%.¹ Three of the five largest employers in the region (Longwood University, Centra and Walmart) are in Prince Edward County. The Study Area is considered the economic center for the region and is close to one of the State’s major economic hubs—the Richmond Metropolitan Area.

The four strongest industries in the Study Area are health care, government, retail and hospitality/food service. These four industries comprise over seventy percent of the County’s employment. Twelve of the fifteen top growth occupations for the region are in healthcare, with a median annual salary of \$35,647.² The tax rate remains competitive compared to surrounding jurisdictions.³

New residential building permits are almost exclusively for single-family housing at the higher end of the market. Such constraints on supply create rising prices at all income levels. While many of the macro-economic conditions are not easily influenced by local policy, there are opportunities to influence conditions at the local level.

Finally, unlike many rural parts of Virginia, the Study Area is growing, and that growth means opportunity to implement policies and plans to shape growth in the direction the community would like it to head.

¹ <https://news.virginia.edu/content/population-projections-show-virginia-aging-growing-more-slowly>

² Virginia Employment Commission. July 2019. Virginia Community Profile Prince Edward County. Accessed via VirginiaLMI.com

³ Prince Edward County FY2020 Budget presentation found at http://www.co.prince-edward.va.us/pdf/ADM_FY20_Budget_PPT_Presentation_WWB.pdf

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EXECUTIVE SUMMARY

While the amount of new housing estimated to be produced in the Study Area given current trends is sufficient to meet future needs, the price point and housing size are not targeted to the population's needs.

There will be new demand for 48 households per year on average over the next two decades.

Without intervention, this new demand will likely be satisfied by new single-family homes in rural settings. There is a housing size mismatch. 73% of the Study Area's housing units are three bedrooms or larger while 63% of the population is one or two person households. For the 4,061 one or two person households in the Study Area, there are only 1,933 studios, one-, or two-bedroom housing units. That is a gap of 2,128 smaller housing units.

Affordable rental options are the primary housing gap.

Median rents are out of reach for 2,489 households in the Study Area, but there are only 240 subsidized housing units. There is a need for 435 additional rental units at or below 50% of Area Median Income (AMI). An affordable rent for a two-bedroom home at 50% of AMI is \$632. For a one bedroom, it is \$527. As housing costs continue to increase faster than income, a growing share of working-age households will find themselves severely cost burdened.

Higher-end apartments are also in demand.

Given the number of households at higher income, there also appears to be a deficit of rental units at 100% of AMI or higher. That translates to new rental units at \$985 to \$1,125 for a one-bedroom.

Senior housing needs are acute and growing.

Households age 65 years and older will be the fastest growing demographic in the coming decades. Housing that meets the needs and budget of this population should be a major focus. Housing quality and quantity for rural seniors will require urgent attention. Downsizing seniors may also seek smaller homes, inadvertently competing with millennials for similar housing.

Employment trends will influence future housing demand.

Employment trends indicate that housing for new workers earning approximately \$35,000 annually will be a growing need for the Study Area. That income translates to a rent of \$875 and a sale price of \$135,000. Denser, less expensive housing near jobs and amenities can be encouraged to attract millennials and the next generation of housing renters and owners.

1. Who Lives in Prince Edward County and Farmville?

POPULATION

Based on the most recent Census population estimates, 22,903 people live in the Study area, comprising 7,281 households (average household size of 2.52). After several decades of double-digit increases in population, population in the Study Area has slightly declined since 2010, according to ACS estimates—about 2%.

Still, the University of Virginia Weldon Cooper Center population projections estimate the population of Prince Edward County will increase 7% by 2030. These competing trends make the upcoming 2020 Census all the more valuable in determining the most current and accurate picture of population growth in the Study Area.

GROUP QUARTERS

The ACS collects data on households living in “group quarters,” which is generally used as a proxy for understanding student populations. In the case of the Study Area, this distinction is more nuanced. Group quarters populations include students living in dormitories, seniors in assisted living, prisoners and other similar arrangements. This means that in the Study Area this number includes some college students, seniors, residents of the Piedmont Jail, the Juvenile detention center and likely the Immigrant Detention Center. This population has increased by 5% from 2010 to 2017. The population excluding this group quarters population has decreased by 3.6% between 2010 and 2017.

FIGURE 1:
Total population in Prince Edward County: 2010-2017

Population has declined 1.9% since 2010—3.6% when excluding group quarters.

Source: American Community Survey 5-year estimates, 2006-2010 through 2013-2017

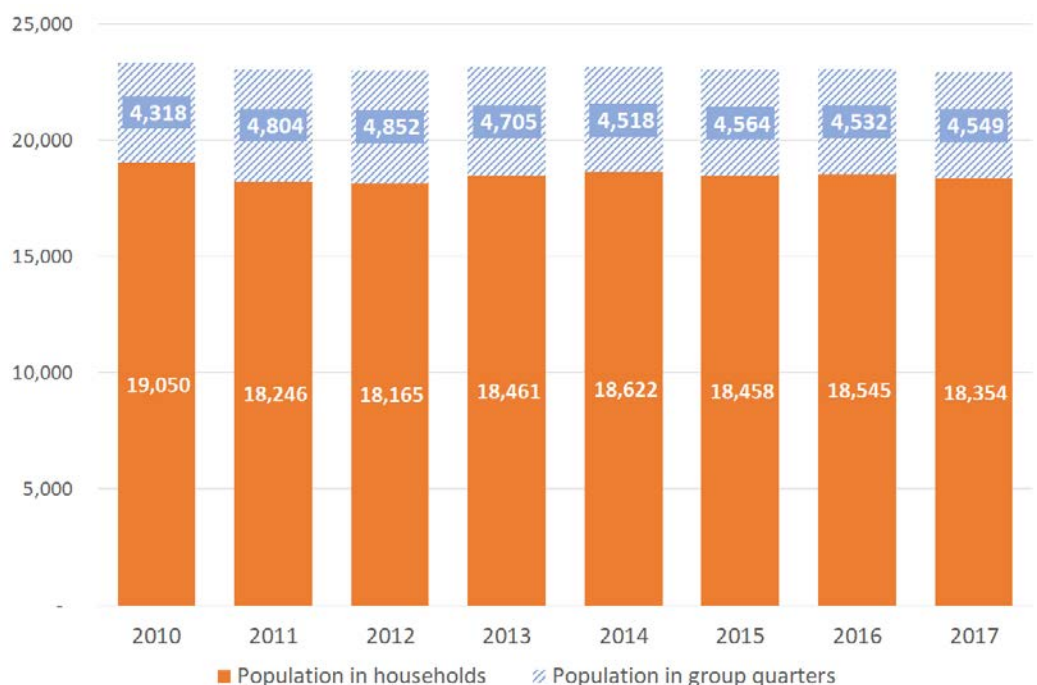
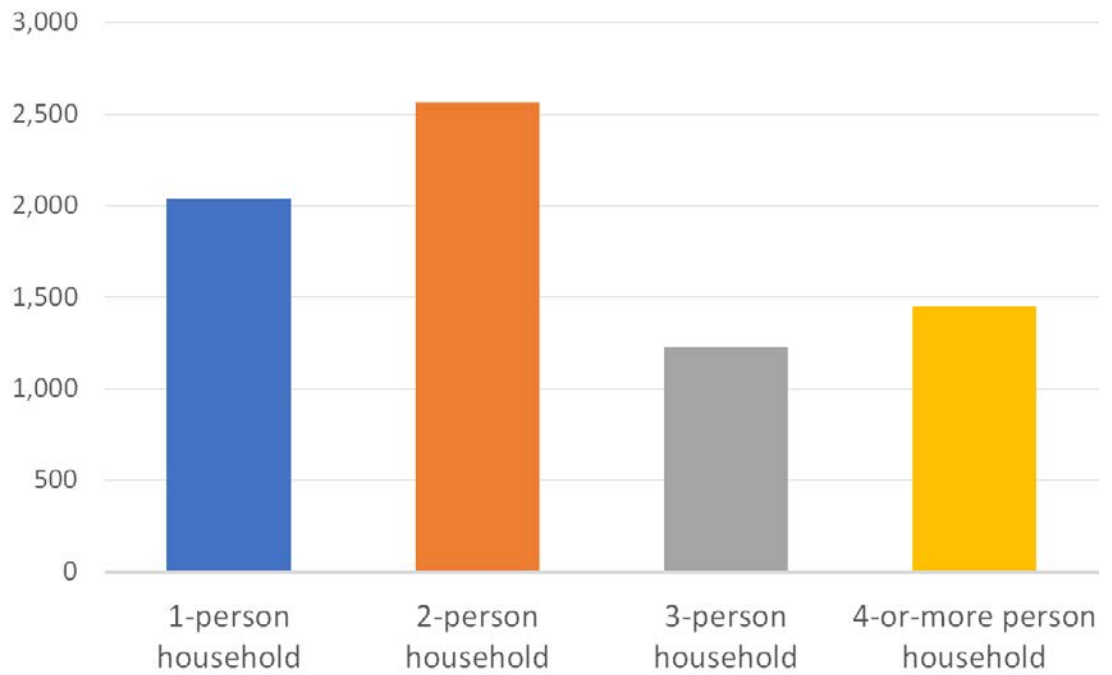


FIGURE 2:

Number of households by size: 2017

Almost two-thirds (63%) of all households are 1- or 2-person.

Source: 2013-2017 American Community Survey 5-year estimates



HOUSEHOLD SIZE AND COMPOSITION

Following national trends, household sizes are becoming smaller. Well over half of households in the Study Area are one or two person households. As the population ages, smaller household sizes are likely to increase. The two biggest age cohorts

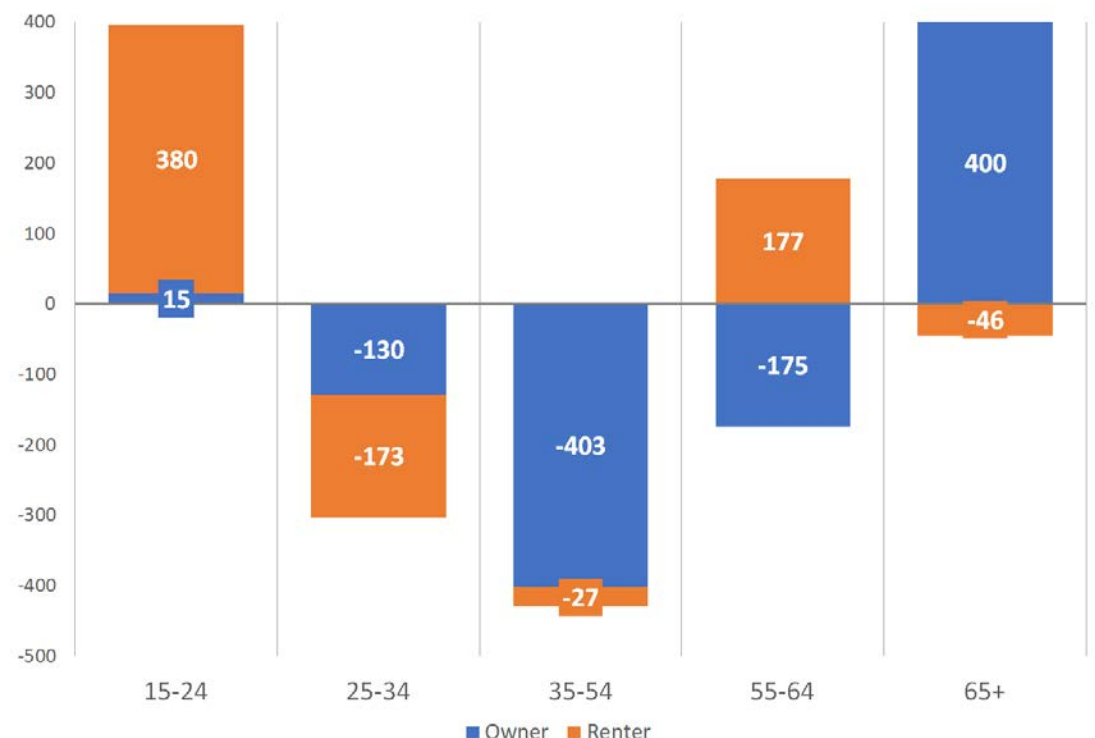
for growth in the last decade have been households age 15 – 24 and households over 65. That is a 23% increase in households over 65 since 2008, and a 158% increase in households between 15 and 24 years of age.

FIGURE 3:

Change in households by tenure and age group: 2008-2012 to 2013-2017

Young and senior households have increased most dramatically.

Source: 2008-2012 and 2013-2017 American Community Survey 5-year estimates



RENTER VERSUS OWNER HOUSEHOLDS

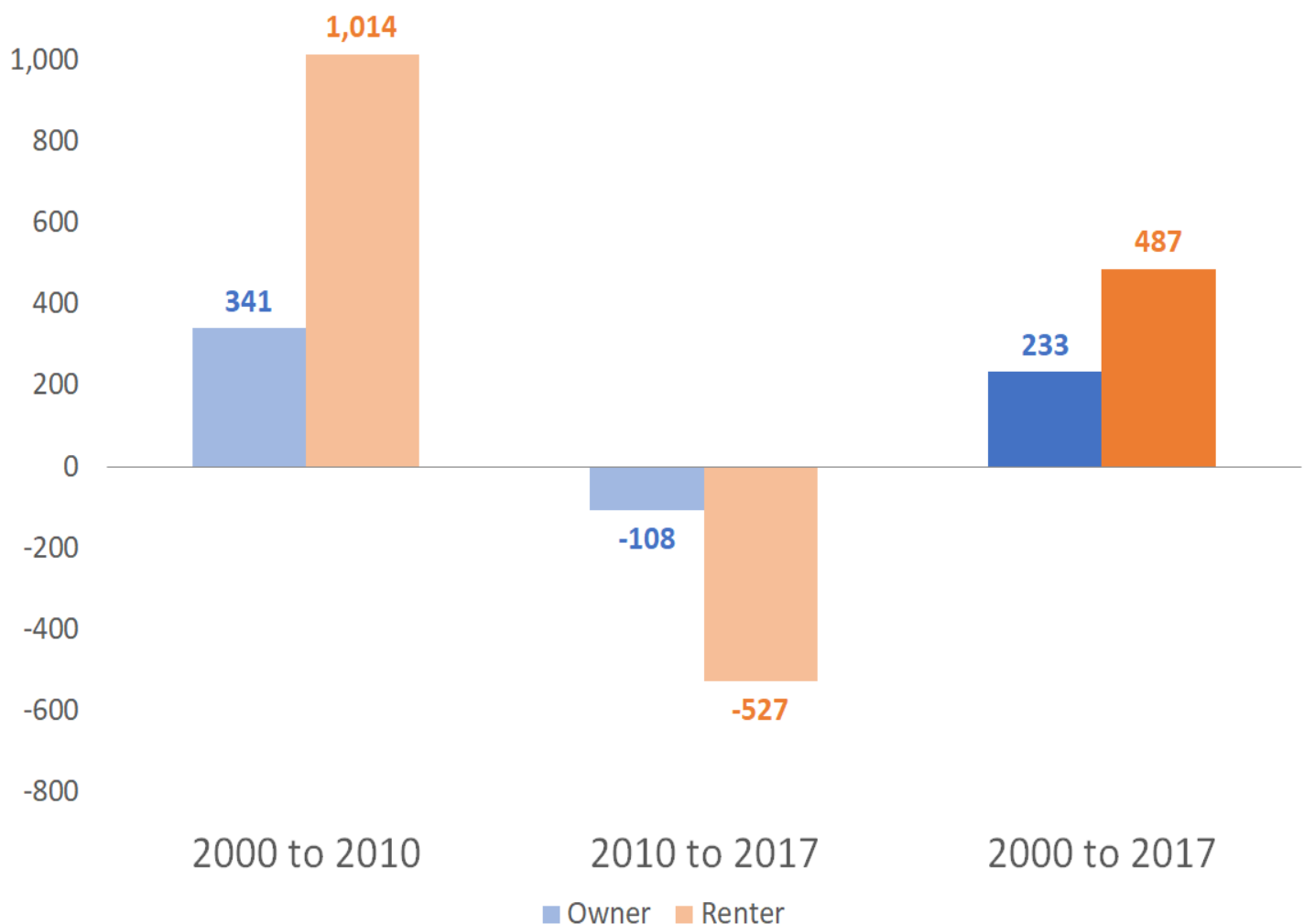
The Study Area's homeownership rate of 65% is in line with state and national levels (66% and 64%, respectively). When broken down by jurisdiction however, Farmville shows its uniqueness as a college town. The homeownership rate in Farmville is 45%, while in Prince Edward County excluding Farmville, it is

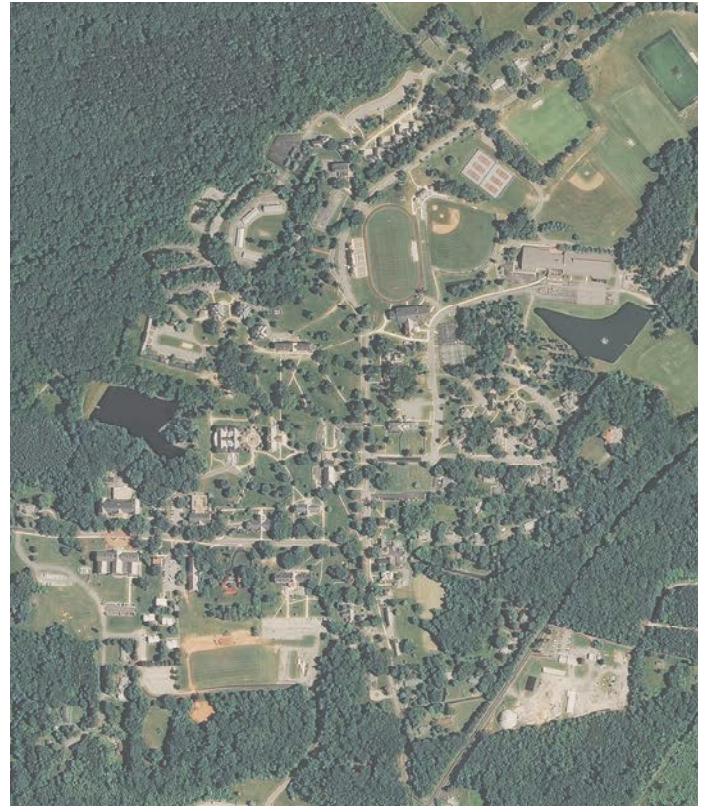
74%. Homeownership levels in both the county and town have slightly decreased since 2000 due to significant growth in households that rent their homes. Between 2000 and 2017, the Study Area gained 487 renter households and 233 owner households.

FIGURE 4:
Change in households by tenure: 2000 to 2017

New renter households formed at twice the rate of owners from 2000 to 2017.

Source: 2000 Census; 2010 Census; 2013-2017 American Community Survey 5-year estimates





Longwood University and Hampden-Sydney College

Source: Mapbox Satellite

STUDENT POPULATION

Students comprise a significant portion of the population—well over 5,000—and have a commensurate impact on the private housing market.

Due to the higher density at which students live with roommates, students have an ability to pay high prices for private market rental housing. This can have a negative impact on the housing market for non-students looking to rent by driving rents higher for those traditional renters as well.

However, a robust student housing market also has many positive attributes—it is lucrative for landlords and grows the local tax base. Student communities are often vibrant places

that include retail options and culture important to communities.

Longwood University undergraduate enrollment in 2018 was 4,324. Hampden-Sydney enrollment in 2018 was 1,072. Longwood on-campus student housing in 2018 had capacity for 67% of Longwood students.

As of 2019, Longwood has no plans to build new residence halls, although the 2025 Longwood Master Plan mentions the capacity to build a small residence hall on what is known as the Venable Triangle.⁴

⁴ Longwood University. June, 2016. "Place Matters: The Longwood University Master Plan 2025", retrieved as of September 1, 2019 <https://is-suu.com/longwooduniversity/docs/placematters20160624?e=1270031/61272603>

Longwood new student enrollment in 2019 dropped to approximately 800 new students, and the number of students taking a fifth year to complete their degree has also dropped. Longwood's past typical new student enrollment was closer to 950-1,000.⁵

If this 800-student enrollment number continues to be the norm in future years, on and off campus housing demand by Longwood students would decrease. The Longwood University Master Plan states that 60% of Longwood students desired on-campus housing.

This is supported by a 2010 article conducted by a group of Longwood researchers entitled "*Student Housing: Trends, Preferences and Needs*" published in the journal *Contemporary Issues in Education and Research*.⁶

Their research found that 55% of Longwood students surveyed stated their first housing choice preference was mixed-use, apartment style housing or other off-campus housing within walking distance to the university. Only 2% of respondents identified dorms as their first preference.

55% of Longwood students prefer mixed-use, apartment style housing or other off-campus apartments within walking distance to the university.

Only **2%** consider dorms as their first preference.

⁵ Longwood University interviews, September 2019.

⁶ Copeland, Kenneth Jr., Flanigan, Mary A., Reeves La Roche, Claire. "Student Housing: Trends, Preferences and Needs". *Contemporary Issues in Education and Research*. Vol 3 Number 10 – October, 2010.

The article concludes that changing preferences mean new housing types are needed to satisfy student demand. The high cost of on-campus housing was one of the stated reasons for these preferences.

Universities make the choice to limit or increase the amount of on-campus student housing for a great variety of reasons. A March 2019 report found that universities across the country provide on-campus housing for only a fifth of their students on average.⁷

This average varies greatly based on the type of university (four year college, community college, etc.) and the physical location of the school (urban, rural, land grant institution, etc.).

For Longwood, the rate of on-campus housing is much higher than this average, with Longwood providing on-campus housing options for up to 67% of its current undergraduate population.

Over the last ten years, much analysis has been done in various parts of the country to understand the impact of off-campus student housing on the local real estate market. Most of these studies have shown that increases in off-campus student housing do have a small impact on the sales and rental prices for non-student households in those neighborhoods.⁸

A study of New Jersey colleges, for example, identified a 2.7 percent increase in home prices as a result of certain types of colleges, specifically 4-year universities with a residential on-campus option. It should be noted that these studies also recount the many benefits to the local economy and real estate market that universities have.

8 Thomas M. Laidley, 2014. "The Privatization of College Housing: Poverty, Affordability, and the U.S. Public University," *Housing Policy Debate*, Taylor & Francis Journals, vol. 24(4), pages 751-768, October.

VANDEGRIFT, D. , LOCKSHISS, A. and LAHR, M. (2012), Town versus Gown: The Effect of a College on Housing Prices and the Tax Base. *Growth and Change*, 43: 304-334. doi:10.1111/j.1468-2257.2012.00587.x

City of Bloomington, 2017. "Bloomington Normal, IL Metropolitan Region Regional Housing Study," retrieved as of September 11, 2019. https://mcplan.org/file/493/2017_BN%20Home_Regional%20Housing%20Study_FINAL.pdf.

7 Bunch, Julia, March 22, 2019. "More Beds Per Student Campuses Living Requirement.", *Student Housing Supply*. Retrieved as of September 11, 2019 <https://www.realpage.com/analytics/more-beds-per-student-campuses-living-requirements/>.

INCOME AND EMPLOYMENT

Compared to surrounding areas, the Study Area has a more equal distribution of households at all income levels, but also a much higher portion of extremely low-income households earning below \$20,000 annually.

And while the area has seen a net decrease in its lowest income households (or these households have seen their income grow in the last decade), 21% of the Study Area's households earn below \$20,000 annually.

From a post-recession 2010 high of 10.3% unemployment, the Study Area has seen its labor market rebound. Average unemployment for 2018 was 3.8%, on par with the national rate.

Government (2,321 jobs), Health Care and Social Assistance (2,096 jobs), and Retail (1,258 jobs) make up almost 60 percent of the jobs in Prince Edward County.⁹ While these industries are poised for growth, many of the jobs created do not provide wages sufficient to cover the cost of housing for workers.

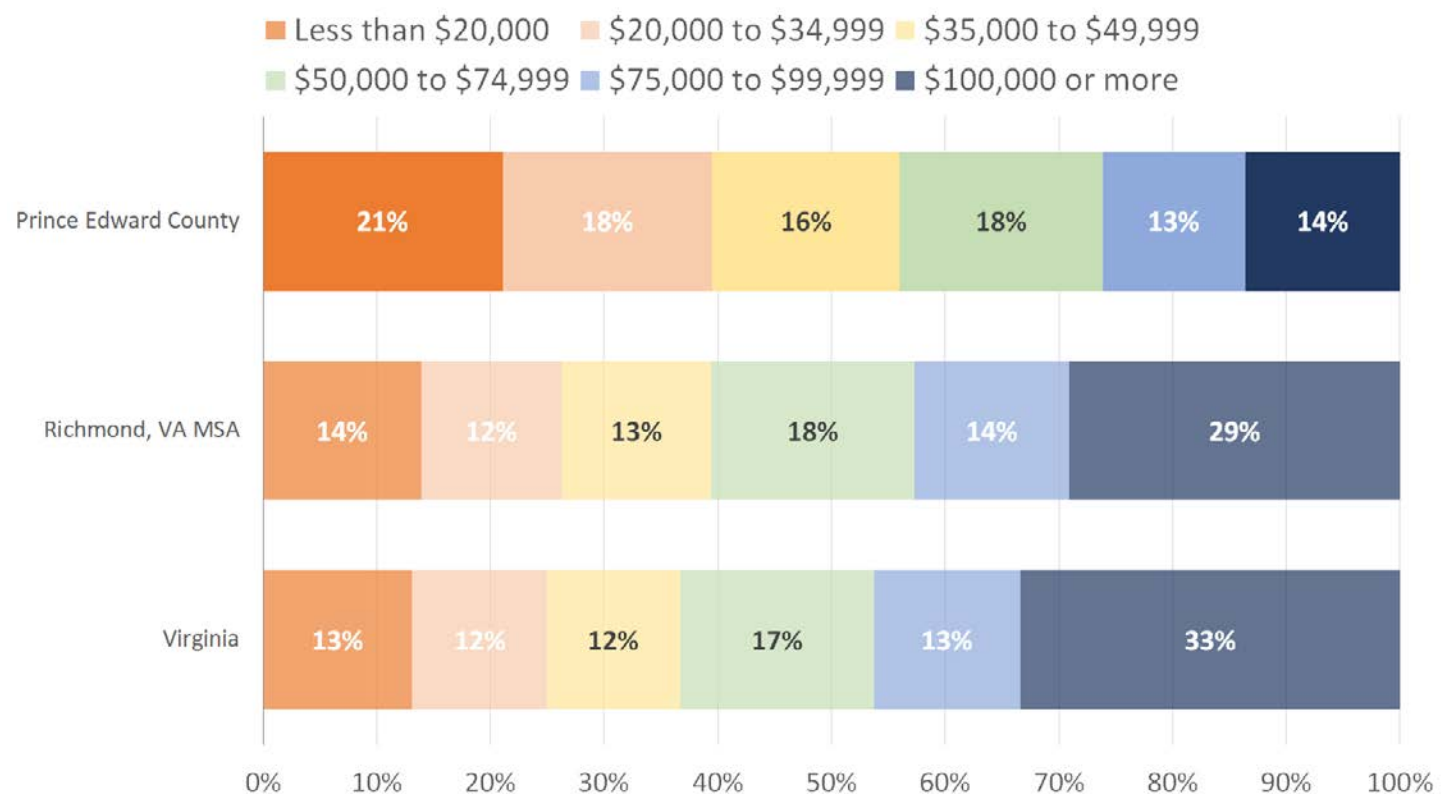
⁹ Virginia Employment Commission. July 2019. Virginia Community Profile Prince Edward County. Accessed via VirginiaLMI.com

FIGURE 5:

Comparison of household incomes by geography: 2017

Households in Prince Edward County earn less on average than those in the Richmond region and across the state.

Source: 2013-2017 American Community Survey 5-year estimates



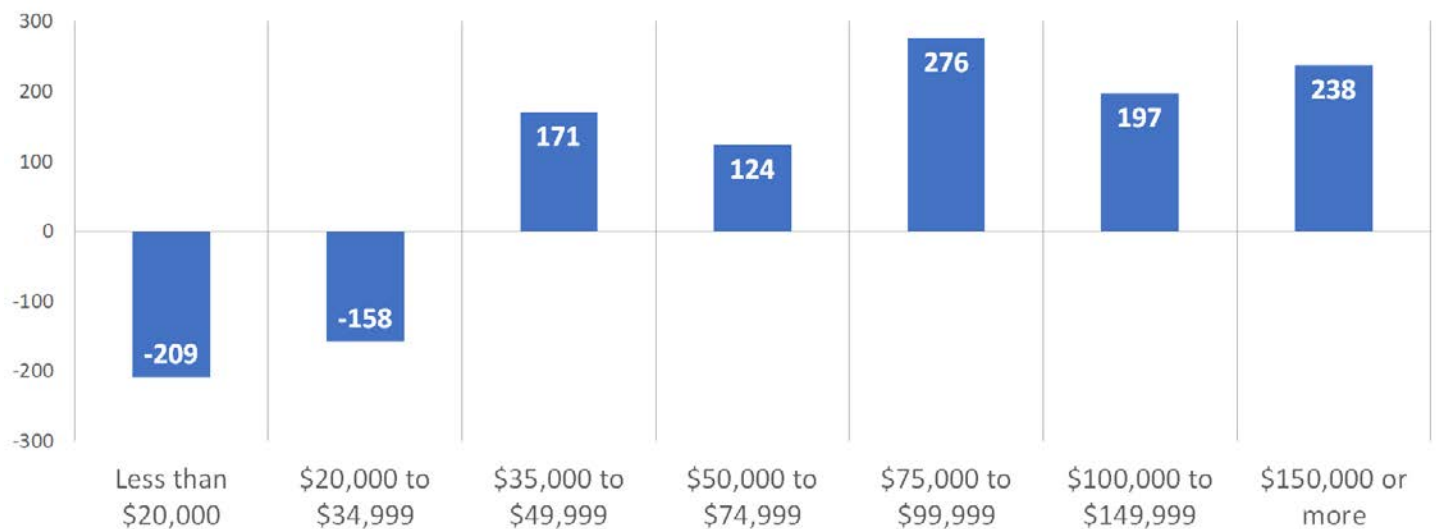


FIGURE 6:

Change in households by income: 2005-2009 to 2013-2017

Following the recession, the number of middle- and upper-class households has grown.

Source: 2005-2009 and 2013-2017 American Community Survey 5-year estimates

1 in 5 households in Prince Edward County earn less than \$20,000 per year.

2 in 5 earn less than \$35,000 per year.

Average home prices and rents in the Study Area necessitate an annual salary of \$42,000 (for ownership¹⁰) or \$31,800 (for rental¹¹). The statewide non-metro average annual gross income for several key occupations are listed in comparison.

In addition to understanding households in poverty, it is important to understand households above the Federal Poverty Level but unable to afford life's basic necessities such as quality housing, healthcare, and childcare.

¹⁰ Based on an average sales price in 2018 for the Study Area of \$173,351 for a single-family home. Assumes \$300 per month in taxes and insurance; 5% interest rate on a 30-year mortgage.

¹¹ Based on a median rent of \$764 2017 median rent plus utilities for a total rent burden of \$795.

These are known **ALICE households** (Asset Limited, Income Constrained, Employed), a term that helps analysts understand how the cost of living affects working households. Income of an ALICE household varies by jurisdiction and household size.

A total of 30% of Virginia households are ALICE households, while in Prince Edward County 49% of households qualify as ALICE households. 67% of African American households qualify as ALICE and 46% of senior (over 65) households are ALICE.

In 2016, for Prince Edward County, the ALICE income threshold for all households under 65 years of age was \$45,000 and \$30,000 for households over 65 years.

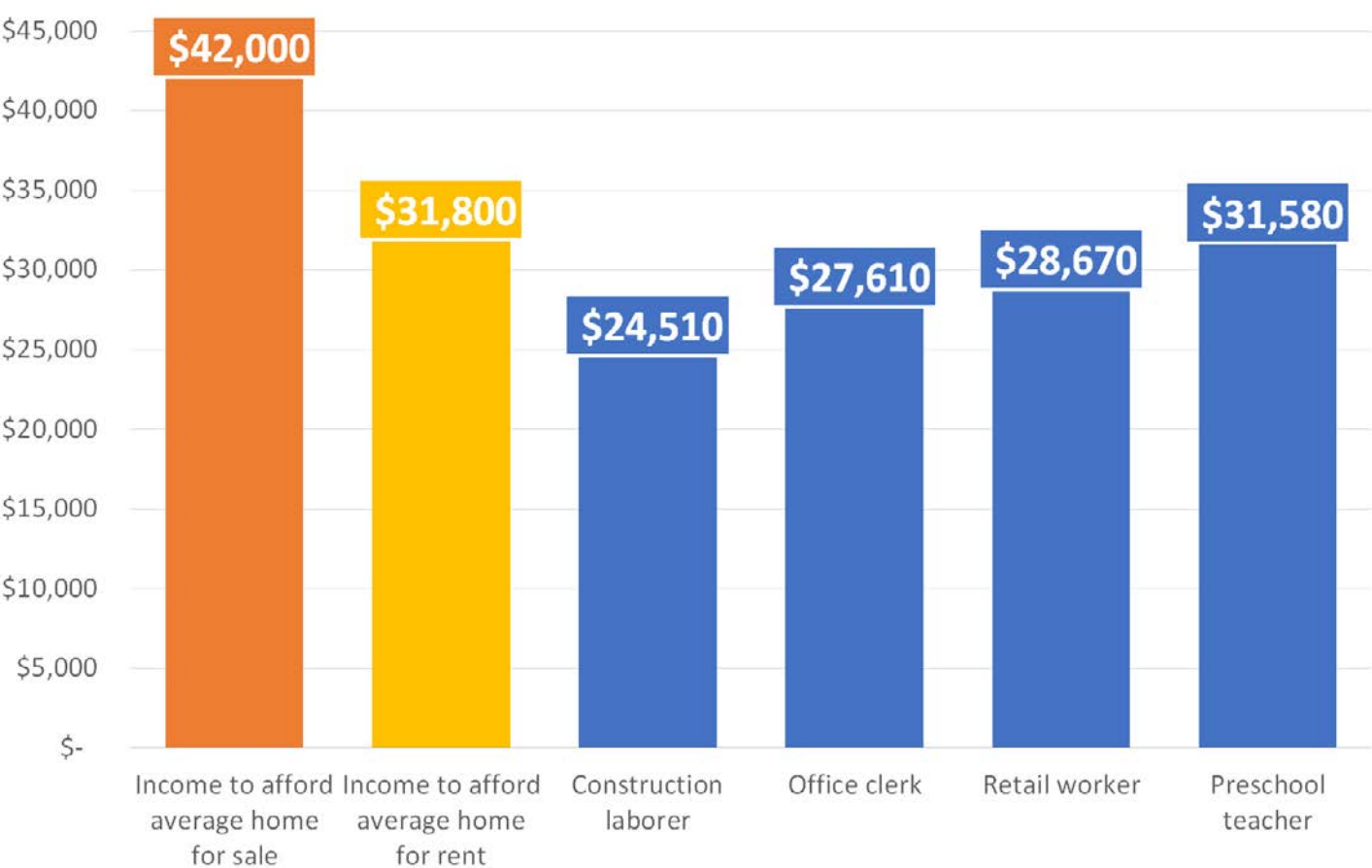


FIGURE 7:
Housing affordability in Prince Edward County for selected salaried occupations: 2019

Incomes for many jobs do not allow workers to comfortably afford housing.

Source: *Housing Virginia SOURCEBOOK, "Paycheck to Paycheck" (2019 Q1)*

What is ALICE?

ALICE is a term created by the United Way. ALICE, an acronym for Asset Limited, Income Constrained, Employed, is a new way of defining and understanding the struggles of households that earn above the Federal Poverty Level, but not enough to afford a bare-bones household budget. Using census data and cost of living assumptions, the United Way defines ALICE incomes for each county and city in the country to help researchers understand housing cost burden for working households.

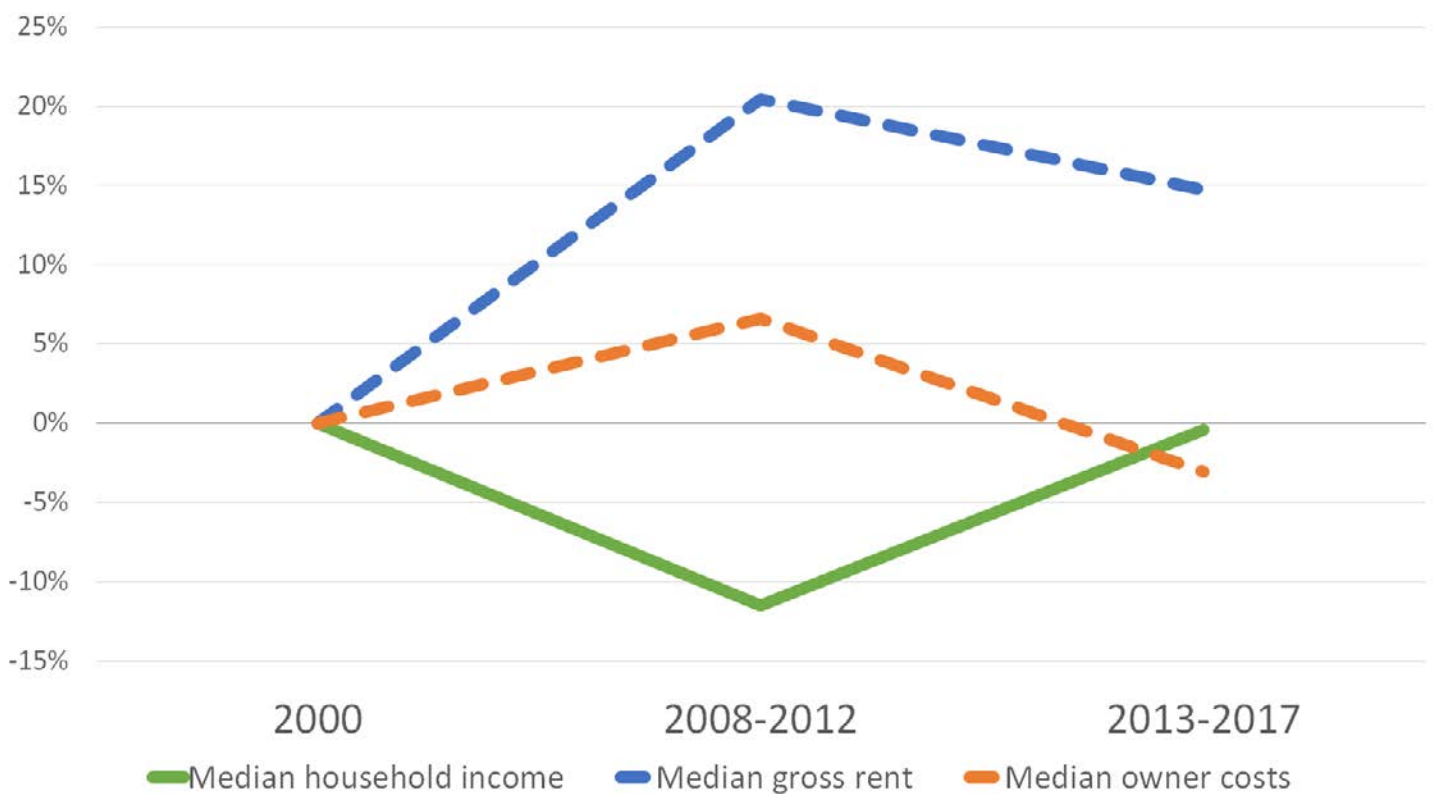


FIGURE 8:

Change in median income vs. median housing costs in Prince Edward County: 2000 to 2017

Incomes remain flat while housing costs have increased.

Source: 2000 Census; 2008-2012 and 2013-2017 American Community Survey 5-year estimates (adjusted to 2017 dollars)

2. Who Will Live Here in the Future?

POPULATION PROJECTIONS

University of Virginia Weldon Cooper data projects 8.7% population growth between 2017 and 2030, and 14.3% growth by 2040. The Study Area is projected to add 166 new households between 2017 and 2020, 523 between 2020 and 2030, and 411 between 2030 and 2040. That is an average of 48 new households per year over the next 21 years.

Even with the influence of the University, the population is aging. Between 2020 and 2030, the population of college-age individuals (15-24) in the Study Area is projected to increase only 1%. The population 25 to 65 (“Working Age”) will increase 5%. The population over 65 will increase by 20% between 2020 and 2030, far outpacing other age groups.

EMPLOYMENT PROJECTIONS

Job growth in future years will be driven in large part by the healthcare industry. From doctors and surgeons, to home health aides and food services staff, this industry has a wide range of jobs and income levels. According to the Virginia Employment Commission, the median annual salary for the top twenty sectors for job growth in the County is \$32,674. Two job categories — Personal Care Aides and Nursing Assistants — account for over 50% of the job growth projected. These are two of the lowest paid job categories in these projections, with an average salary of \$22,080.¹² This salary equates to an affordable monthly rent of \$552.

¹² Virginia Employment Commission. July 2019. Virginia Community Profile Prince Edward County. Accessed via VirginiaLMI.com

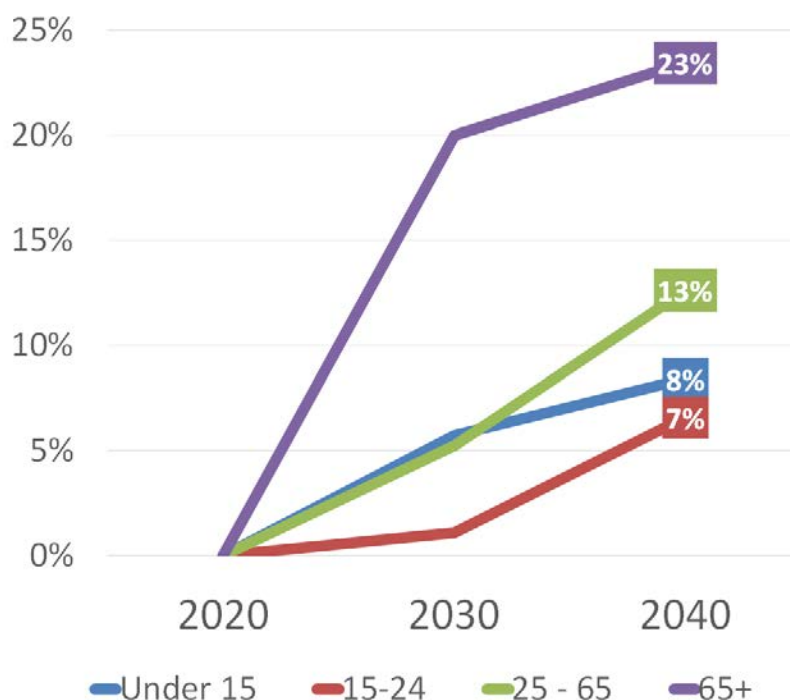


FIGURE 9:
Projected population growth in Prince Edward County by age group: 2020 to 2040

The majority of population growth in the next ten years will come from individuals over 65.

Source: University of Virginia Weldon Cooper Center for Public Service

3. What Kind of Housing Exists Here?

OVERVIEW

The County's housing stock consists primarily of single-family housing in a rural setting—70% of housing in the Study Area is single-family housing.

After single-family units, the most common form of housing in the study area is manufactured housing—fourteen percent of all homes are factory-built, which may include older “mobile homes” as well as newer manufactured units placed on permanent foundations.

The remaining 16% comprises a mix of multifamily structures, most of which have 5 units or more per building. Duplexes, triplexes, and quads are the least common form of housing in the Study Area comprising only 511 units out of 9,383 total housing units.

The Study Area's most diverse housing options are found in Farmville, including the only multifamily rental (apartment complexes), senior assisted living, student housing, mixed-use developments, and downtown mobile home parks. As of 2019, there is also a tiny home community.

When it comes to non-student housing, the Study Area has experimented with new housing types, including loft conversions for rental housing (such as Lofts at Worsham School), mixed-use

developments (such as the conversion of the second floors of commercial buildings on Main Street), and the nine tiny homes for rent at North Virginia and First Streets.

Some of these housing types reflect revitalization of existing buildings in the Study Area while others are evidence of new, creative approaches to bringing more quality rental housing to the non-student market at a cost and size that meets the market.

CONDITION

In the absence of local building code data around housing condition, housing age is often used as a proxy for housing condition. Over one third (37%) of the Study Area's housing stock is 50 years old or greater. This is in line with the national average.

The average life span of a house, according to HUD, is 40 to 50 years without having significant annual maintenance. This means that at least 37% of the housing stock in the Study Area requires significant annual maintenance to preserve livability.

RENTAL HOUSING

Median gross rent for the Study Area in 2017 was \$764. Median gross rent has increased significantly in the last decade. Between 2000 and 2012, median gross rents increased from \$666 per month to \$802 per month—a 20% increase.

By 2017, average rents had decreased slightly to \$764. That is affordable to a household earning \$31,800. That puts median rents out of reach for approximately 34% of the Study Area's households—2,489 households.







The predominant size of rental housing is three-bedroom—over half (55%) of rental housing is three bedrooms or larger. In a Study Area with 63% one or two person households, this is a mismatch between housing type and household size. Over the last five years, no new multifamily housing has been built in the Study Area.

FIGURE 10:

Map of multifamily housing communities in Prince Edward County

Source: U.S. Department of Housing and Urban Development, MHVillage, interviews

TYPE OF MULTIFAMILY HOUSING

-  Planned market-rate
-  Tiny / mobile homes
-  Professional-oriented
-  Income-restricted
-  Age-restricted
-  Student-oriented

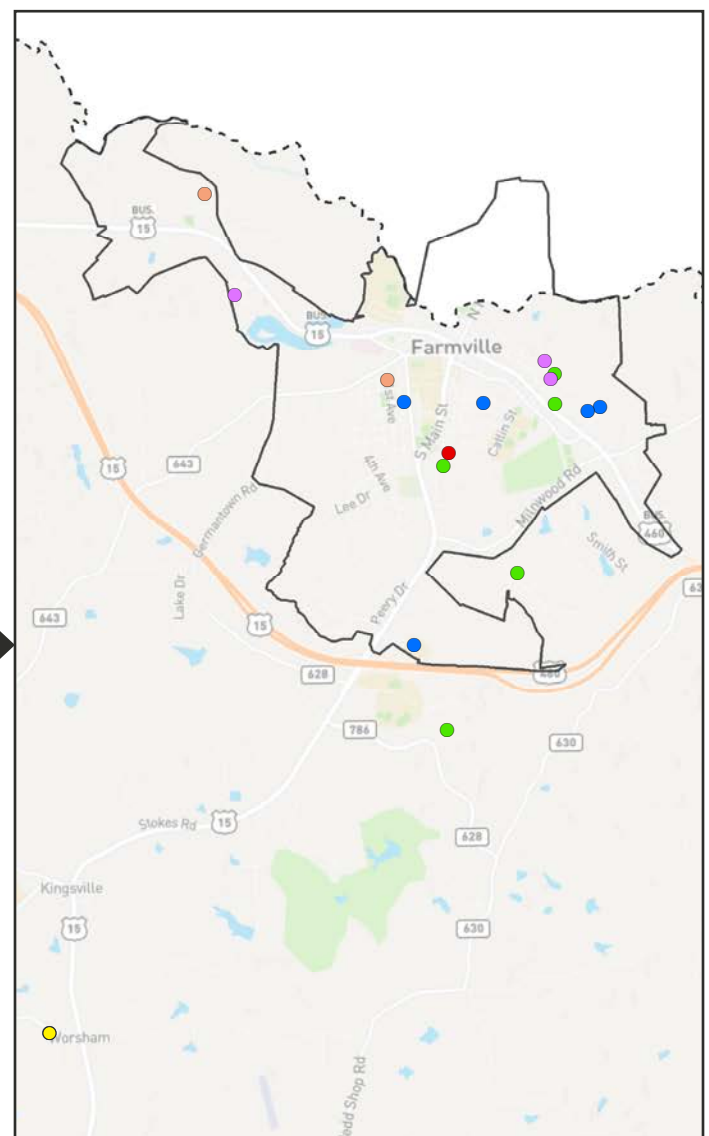
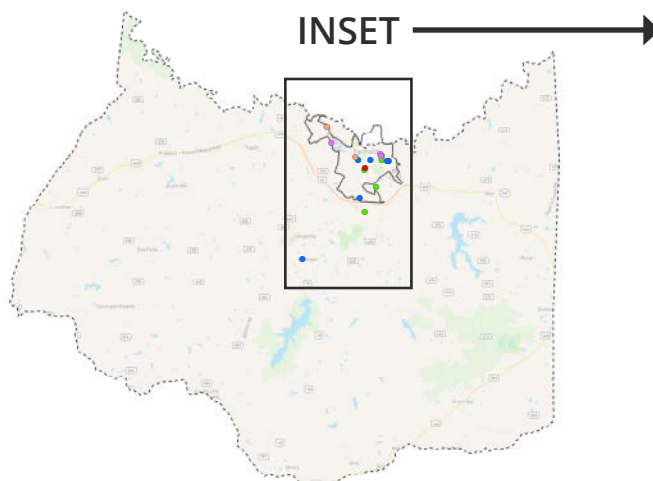


FIGURE 11:**Subsidized rental housing units in Prince Edward County by community and subsidy type**

There are fewer than 250 subsidized rental units in the Study Area.

Source: National Housing Preservation Database

Community Name	Units by Subsidy Type					Total Units ^B
	LIHTC 9% ^A	Section 8	Section 202	RD 515	HOME	
Evergreen Manor		12				12
Parkview Gardens	79	80			11	80
Parc Crest at Poplar Forest	44					44
Country Estates	24			20		24
Meadows Apartments	40			8		40
Milnwood Village	40			40		40
	227	92	0	68	11	240

A “LIHTC” refers to units produced via the Low-Income Housing Tax Credit. “9%” refers a particular program where 9% of development costs are eligible for the tax credit; this scheme is generally reserved for new construction.

B Subsidy totals may exceed grand total due to some units being cross-subsidized by multiple programs.

SUBSIDIZED HOUSING

240 units of housing are considered “subsidized” rental housing in the Study Area, as listed below. These homes are dedicated affordable units that utilize one or more public assistance programs to keep rents low for low income households.

Figure 10 shows the locations of subsidized (and unsubsidized) apartment complexes in the Study Area which is useful to understand the current location and connection between this housing type. Income-restricted housing in the Study Area indicated through interviews that there were existing waitlists for all unit sizes.

MANUFACTURED HOUSING

The Study Area also has 1,309 manufactured housing or “mobile home” units. Only 193 (15%) of these units are in the Study Area’s four manufactured home communities, the vast majority of which are located in a single park—Farmville Park—with 140 units. Figure 10 includes the location of these four communities.

Including this housing in the map further details a picture of where some of the Study Area’s affordable housing is currently located.

SINGLE-FAMILY HOUSING

The Study Area's primary housing stock consists of single-family homes. The average number of new building permits over the last 5 reported years (2013-2017) was 47. The vast majority (all but 6) of the permits issued in this 5-year period were for single-family homes. No multifamily permits were issued between 2013 and 2017.

In 2018, 196 single-family homes were sold in the Study Area. The median price for these homes was \$164,750, and the average days on market was 98 (the median days on market was 52). This places the Study Area in roughly the middle of the pack when it comes to other cities and counties in Virginia.

For comparison, Chesterfield County saw 6,661 homes sold in 2018 with a median price of \$259,000. Amelia County saw 145 homes sold in 2018 with an average price of \$205,000. The Study Area's housing stock is significantly more affordable than these nearby jurisdictions.

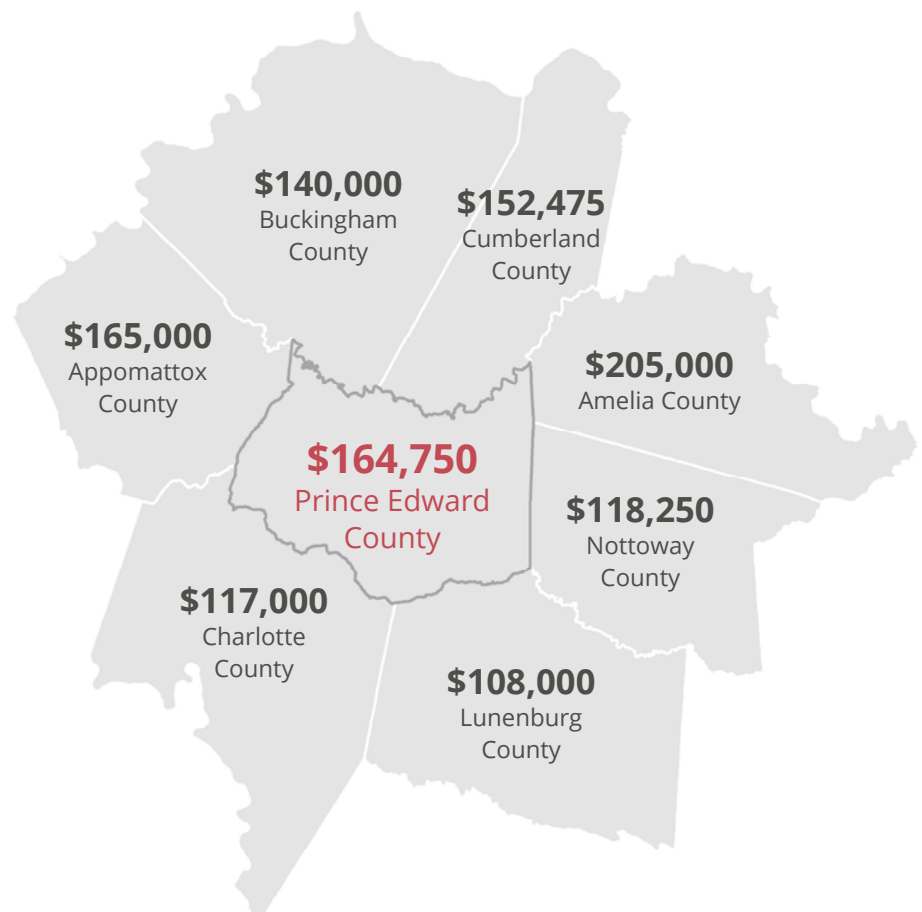
The average home sales price of \$164,750 in the Study Area is affordable to a household earning approximately \$42,000 annual gross income. \$42,000 is approximately 80% of the Area Median Income for the Study Area in 2018. Given that the ALICE incomes for the Study Area are \$45,000 for a household under 65 years of age, this puts the average market-rate sales price for new housing within reach of ALICE households.

FIGURE 12:

Median single-family homes sales price in 2018 by county

Among its surrounding localities, Prince Edward had the third highest average home purchase price in 2018.

Source: Virginia Association of REALTORS®



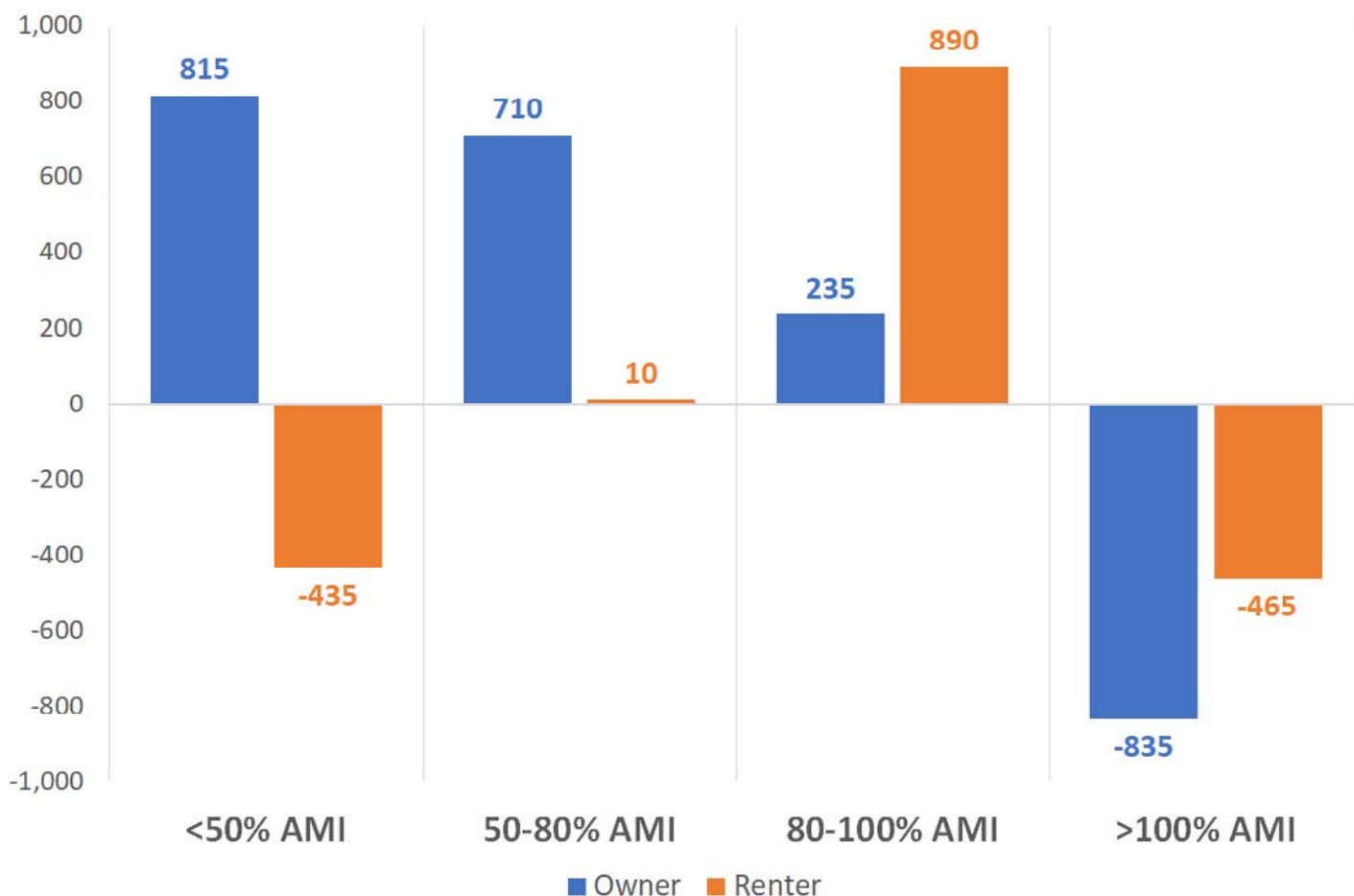


FIGURE 13:

Difference between number of homes and number of households by income category

Current homeowners underpay for housing, while low-income renters compete for a supply that doesn't exist.

Source: 2011-2015 Comprehensive Housing Affordability Strategy data

Average home prices include new construction and existing home sales. Although the available home sales data could not be filtered for new construction, stakeholder interviews helped determine that new construction products, such as the Rock River homes or the Crestview project, are selling to the upper end of the market at \$200,000 and higher.

AFFORDABILITY ANALYSIS

One helpful way to analyze an area's housing market is to compare the number of households in a given income range to the number of homes affordable to that range.

If there are more homes affordable at an income level than households in that range, there is a “surplus.” If there are more households than affordable homes in a particular range, there is a “deficit” for housing at that level. When there are significant supplies or demands, a “mismatch” exists in the housing market: some households are paying less than they can afford, while others are paying more.

In Prince Edward County, there is a surplus of homeownership at very affordable levels, but a deficit at high levels. This means that, relative to income, people are getting “good deals.”

Homeownership is fairly affordable to most residents, likely due to many owners who purchased their homes at very reasonable prices in the past 30 years and maintain a stable income, which keeps them from experiencing a cost burden.

However, it is a different story for the rental market. There is a deficit of affordable rentals at the lowest income levels and a near even balance at the next highest income level. There is a surplus around the median and then another deficit at the highest income bands. This means that some moderate- and high-income renters could afford to pay more, but many low-income renters need homes that are more affordable.

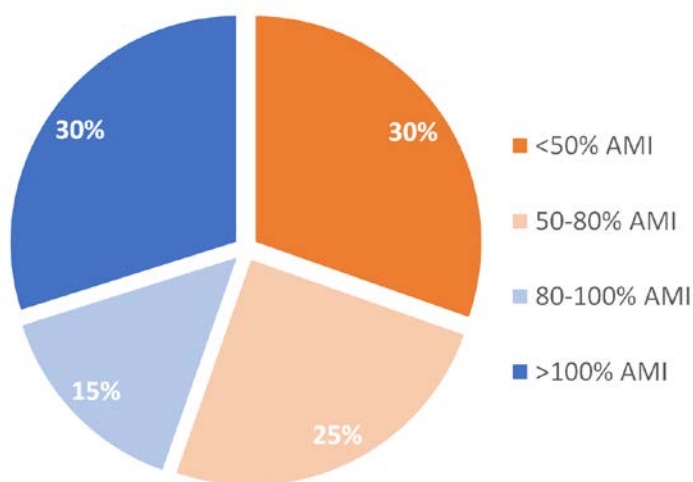


FIGURE 14:

Owner-occupied affordability by AMI level

Over half of all the owner-occupied homes are affordable to households below 80% AMI.

Source: 2011-2015 Comprehensive Housing Affordability Strategy data

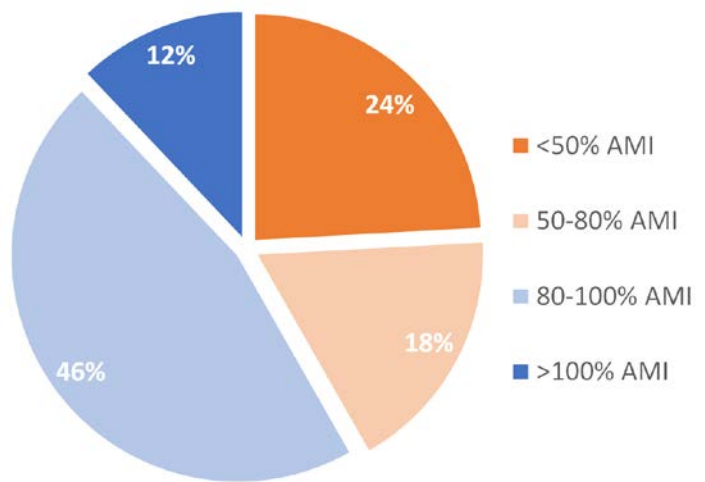


FIGURE 15:

Renter-occupied affordability by AMI level

Fewer than half of all the renter-occupied homes are affordable to households below 80% AMI.

Source: 2011-2015 Comprehensive Housing Affordability Strategy data

VACANT PROPERTIES

As indicated in two data sets (ACS data and the US Postal Service data), vacant housing remains a significant component of the housing stock in the Study Area. US Postal data indicates that 2,230 housing units in the first quarter of 2019 were identified to be vacant.¹³ This constitutes 21.8% of the USPS residential unit count for the Study Area.

Estimates from the 2013-2017 ACS indicated 1,316 “other” vacant housing units in the Study Area, which include all unoccupied structures that are not listed for sale or rent, under construction, or used as vacation homes and similar seasonal uses. In most cases, these homes have been abandoned with no immediate plans for re-occupancy.

However, this report does not significantly dwell on the use of vacant housing stock for new housing production because *no one interviewed* during the qualitative portion of this report research acknowledged that vacant housing was a significant component of the Study Area’s housing stock.

From local building officials to practitioners and residents, there was universal sentiment that vacant housing stock was not significant in the Study Area. This discrepancy should be reconciled by using local building data and in-person surveys.

STUDENT HOUSING

According to data provided by Longwood University, average total enrollment (undergraduate and graduate) over the last 3 years (2016-2018) was 4,957. The school provides approximately 3,100 units of student housing that have been occupied at an approximate occupancy rate in recent years of 90%. That means on average 2,227 students (45% of total) are living in housing off campus.

While actual enrollment has decreased as of 2019 according to the State Council for Higher Education of Virginia, enrollment is expected to increase to 5,737 by the 2021-2022 school year. Assuming Longwood produces no additional housing units, its current 3,100 units of housing could translate to 2,637 students seeking housing in the private market by the year 2021.

¹³ The US Postal Service identifies “vacant” residential buildings as buildings that have not collected mail for 90 days or longer. This can include addresses that are under construction. Given the limited number of new construction permits issued in recent years, it is likely that this category is not significantly influencing the number of vacant units for the Study Area.

COUNTY AND TOWN HOUSING PLANS

In addition to the incorporated towns of Farmville and Pamplin, Prince Edward County has unincorporated communities including Darlington Heights, Green Bay, Meherrin, Prospect, Rice and Worsham.

The Prince Edward County Comprehensive Plan (2014) indicates that residential density should be encouraged around these population concentration areas, particularly Farmville (page 83 of the Comp Plan).

The Plan states Affordable Housing as one of the five Special Policy Areas on which the County is focused. Recommendations under this goal include:

1. Evaluate and possibly amend the zoning ordinance to ensure that it allows a full range of residential development options in areas of the county slated for future residential development.
2. Amend the zoning ordinance to provide incentives, such as density bonuses for the development of affordable housing. Allow higher densities in development areas where water and/or sewer are available.
3. Explore grant opportunities for the development of affordable housing and support the housing activities of local Nongovernmental Organizations (NGO's), such as Habitat for Humanity which is active for Prince Edward County.

4. Evaluate development standards and processes to ensure that they do not unnecessarily contribute to the cost of housing.

The Town of Farmville Comprehensive Plan is currently undergoing an update to be released in the Spring of 2020. Through a series of community input session and surveys, the Town has already identified housing as a key priority for the future plan. According to Interim Town Manager Dr. C. Scott Davis, the Town intends to prioritize a wide variety of housing types for the future of Farmville.

With a goal of providing non-students housing that can accommodate a variety of price points, the Town intends to explore the viability of townhomes, condominiums and apartments. The ability to create higher density and mixed-use housing is likely to be a growing priority for town planners.

4. Without Intervention, What Are the Likely Trends in the Housing Stock?

As background for this report ten (10) area real estate developers, REALTORS®, and local community development officials were interviewed.

Two focus groups (see Appendix for additional details) were also conducted with twelve (12) local stakeholders. Interviewees' understanding of the market strengths and weaknesses and details of specific deals inform the conclusions and the quantitative data in the report.

Names and specific comments have not been included in the report to respect the confidentiality of the candid opinions shared.

FOR SALE HOUSING

Single-family home construction is the most likely new construction product, as new multifamily development occurs only occasionally. No multifamily housing was permitted between 2013 and 2017.¹⁴ It's likely that 40 to 50 new homes will be built annually in the Study Area given current trends.

This volume of home production should keep pace with the growth in population for the area. These new homes are likely

to be built at the top end of the market—at price points of \$200,000 and higher.

Single-family home pricing will follow macro-economic trends in the country (i.e., prices will fall during a recession) but will likely remain more affordable than surrounding areas. Current single-family housing stock is affordable on average to households earning approximately \$42,000 annually (average sales price in 2018 was \$164,750).

In the Study Area, households earning this income or higher constitute approximately 54% of the population. Eight-hundred and sixteen (816) households in the Study Area earn between \$30,000 and \$40,000; as a result, they are priced out of the for-sale housing market.

The median annual salary for the most common job types growing in the Study Area is \$35,647. Creating affordable homeownership for this income bracket requires housing at a price point of approximately \$135,000 per unit and should be a significant focal point for local housing policy.

¹⁴ Based on University of Virginia Weldon Cooper Center building permit data. After 2012, the Town of Farmville no longer reported permit figures separately. This data may exclude new multifamily in the Town not reported to the Weldon Cooper dataset.

RENTAL HOUSING

New rental housing for non-students is not a common housing type constructed in the area, but through interviews and focus groups was identified as a strong need for low-income as well as mid- and high-income households.

Median rent in the Study Area is \$764. The eight (8) tiny homes developed on Virginia Street rent for \$860 per unit and were leased within a few months of completion. Tenants of the project are not student and instead have primarily been Longwood University employees and teachers.

This new market-rate rental housing is rented by word-of-mouth and appears to be in high demand. Meanwhile, at the lower end of the rental market, subsidized rental housing and manufactured housing appear to maintain very low vacancy rates and strong waitlists.

All of this indicates a strong demand for additional rental housing at a variety of price points. The most significant gap for rental housing exists at the 50% AMI level and below. There is a gap of 435 units of housing at this level. Housing affordable to this group rents at \$632 for a two-bedroom apartment (\$527 for a one-bedroom).

Higher income households earning greater than 100% of AMI also may be willing to pay for higher priced rental housing that meets their needs. This indicates a possible market for rental housing of in the \$1,000 to \$1,200 range for a one- or two-bedroom unit.

HOUSING DENSITY

Many interviewees noted that the Study Area has successfully experimented with alternative forms of housing such as lofts, tiny homes and mixed-used downtown developments. There was a consensus that the Study Area has an openness to alternatives to the single-family housing type common to the area.

Projects like the Worsham Lofts and the Virginia Street tiny homes (both rental projects) provide smaller housing units a greater density or smaller footprint would be well-received in the area. However, to date this housing type has been reserved for the rental market, not homeownership.

Both the Town of Farmville and Prince Edward County are emphasizing affordable housing and working to address affordable housing needs in their comprehensive plans and zoning policies. There is a focus on promoting higher density development in areas with existing water and sewer that is near existing areas of development, such as Farmville and its outskirts.

There is an emphasis on allowing a mix of housing types including townhomes and duplexes in certain areas to encourage the development at a mix of housing price points. All of these efforts will support new housing development and should be encouraged and expanded upon.

Local planners can continue to consider additional means of increasing density to support more affordable product. In the absence of local financial resources to contribute to new projects, or land to donate, allowing for greater density and easing the planning approval and permitting process are the two most significant local tools to support new housing development.

STUDENT HOUSING

Based on interviews, the general sentiment among real estate professionals was that student housing needs had been met and that given Longwood's anticipated growth in coming years, the existing stock of private rental housing for students would generally meet the needs of students for housing. Longwood does not currently have plans to build additional student housing.

LOCAL DEVELOPMENT COMMUNITY PLANS

According to several interviews with local market-rate developers these developers have potential development sites for new single-family and multifamily developments but do not have a sense that the market is sufficiently strong to support new market-rate housing. Developers have generally arrived at this conclusion by gauging waiting lists for their properties along with lease up and sale time periods.

This information is anecdotal, not scientific, but represents a common belief in the insufficient demand at the top of the market. See appendix itemizing interviews and responses for details.

4. Recommendations

1. INCREASING HOMEOWNERSHIP OPPORTUNITIES

The Study Area is valued for its rural single-family housing stock at an affordable price point compared to surrounding areas. The market is likely to continue to support this housing in future years. Median sales price in 2018 was \$164,750, a need for homeownership below \$135,000 has been identified as a significant need.

The Coalition could seek to prioritize for-sale housing that reaches lower income brackets by including housing for sale at \$135,000 which is not currently available on the market. This is approximately \$40,000 lower than the average sales price in the Study Area in 2018, which included both new construction and existing home sales. New home production has focused on the standard 3-bedroom, single-family home. Smaller units are needed to serve the future population.

STRATEGIES TO PROMOTE GREATER WEALTH-BUILDING AND HOUSING SECURITY THROUGH HOMEOWNERSHIP:

To address the need to create and preserve affordable homeownership, support new home development that is high-quality and modest in size.

- Encourage new, modest-cost housing with amenities that are desired by

both the area's aging population and the area's young (less than 34 years old), working-age population. For the aging population, housing should be single-floor and accessible or adaptable, combined with locational access to healthcare and retail. For younger families, locational access to jobs and entertainment rate high, as well as modern amenities in the kitchen and baths.

- Local jurisdictions can encourage smaller housing units built for homeownership through the encouragement of higher density zoning and more flexible zoning. More flexible zoning can encourage creative, higher density homeownership opportunities such as townhomes, accessory units, tiny houses, and re-shaping large houses into duplexes.

Address the cost of land.

- Identify parcels controlled by the jurisdiction, available for donation or otherwise available at a below market cost for new residential development.
- Identify churches or other local institutions with available land who may be interested in partnering to support new housing development with an in-kind donation of land.

Use Community Development Block Grant (CDBG) funds to support local housing nonprofits and housing initiatives.

- A portion of the state's CDBG funds are competitively awarded to localities for use in affordable housing projects via the Department of Housing and Community Development (DHCD). The state supports a wide array of housing strategies through these funds, from homeownership to rental.
- CDBG funding allocated by DHCD is an important source of money for affordable housing rehabilitation and production, along with critical home repairs for lower-income households. The Study Area should plan for a solicitation of these funds.

Targeting of new housing development to job creation.

- Create better communication between economic development professionals, major employers and housing developers.
- Develop a recognition that affordable homeownership is key to the economic growth of the Study Area.

Consider community land trusts.

- A community land trust (CLT) is a nonprofit corporation that acquires and manages land for affordable housing development.

- Community land trusts sell homes to low- and moderate-income families at an affordable, below-market rate but retain ownership of the land.
- They enter into a shared-equity agreement with the homeowner, who leases the land for a nominal fee. The original buyers agree to perpetuate property affordability by reselling at below-market rates to other lower income buyers.

Expand utilization of USDA-RD 504 Rehabilitation Program.

- USDA-RD 504 is one way to address the Study Area's housing rehab and senior housing needs. The 504 Program provides low interest (1 percent for 20 years) loans to very low-income homeowners to repair, improve, or modernize their homes; or grants to elderly very low-income homeowners to remove health and safety hazards.
- This program has been underutilized in Virginia, and efforts should be undertaken to enhance the effectiveness of the delivery system for 504 loans and grants. The maximum loan amount is \$20,000 and the maximum grant is \$7,500. Loans and grants can be combined for up to \$27,500 in assistance. While grant funding is limited through this program on a statewide level, the loan funds are virtually unlimited.

- The Study Area should work with its network of housing providers to encourage the expansion and implementation of this program within city limits.

Use strategic code enforcement as a housing tool to increase the quality of existing affordable housing.

- It is also likely that distressed housing serves as much of the Study Area's affordable housing stock, while many vacant and abandoned properties could be put into productive uses.
- Code enforcement can be a potent tool to improve affordable housing, when performed strategically and in conjunction with a broader housing plan. Code enforcement is first and foremost a tool to identify hazardous housing conditions and to hold the owner responsible.
- Code enforcement should provide incentives and disincentives for maintaining property and should structure these so that they rely on and support the other existing housing preservation tools such as CDBG funding priorities and private nonprofit housing efforts.

Improve access to mortgage credit repair and counseling classes.

- Homebuyer education, credit repair and other types of pre-purchase counseling are not nearly as readily available in rural communities as urban. Expand the network of counseling and increase

the capacity for the use of electronic training and communication.

Recognize the link between seniors aging in place and the lack of starter homes.

- Much of the existing affordable homeownership stock in any market is in smaller-footprint "starter homes." Ideally, these homes would be made available to the next generation of owners as the previous generation "trades up" or as individuals age, retire, and downsize.
- However, many seniors are increasingly aging in place in homes that could be considered the starter home inventory for the next generation. Some of these seniors age in place in these homes by choice, but many find themselves in homes with significant deferred maintenance and limited accessibility. Seniors who may be interested in moving are unable to find affordable alternatives, becoming "stuck in place" instead.
- Therefore, providing senior housing options such as senior rental developments and senior higher-density homeownership communities can serve to also open up the homeownership market for starter homes.

Investigate and determine specific needs of manufactured homes and manufactured home communities across the Study Area.

- The Study Area is home to four manufactured home communities in addition to over a thousand manufactured homes located individually on private property.
- A statewide coalition (The Manufactured Home Community Coalition of Virginia) has recently formed to focus on the challenge of older, poor quality manufactured homes and the identification of resources and strategies to address the problem. We recommend coordination with this group.
- In 2018, the average manufactured housing unit sold for \$78,600 excluding land costs in the U.S. Manufactured housing offers significant affordability benefits to lower income households.
- In recent decades, there have been significant innovations and improved quality of this type of housing. When well-sited and maintained, research shows that manufactured housing does retain its value and does not affect property values in neighboring communities. Jurisdictions should consider embracing and encouraging the use of quality manufactured housing for homeownership. Zoning should allow for manufactured housing, and CDBG assistance for existing parks should be considered.

2. INCREASING RENTAL OPPORTUNITIES

The U.S. has traditionally been one of the world's leading nations in terms of homeownership, with the national homeownership rate reaching nearly 69 percent in 2008 just prior to the mortgage collapse.

At the same time, the availability of quality rental housing at a variety of price points makes our housing markets work properly, especially as housing prices continue to outpace income gains.

There are a variety of reasons why households prefer or require rental housing versus homeownership. The primary reason is affordability. With the exception of certain programs (with very limited capacities) that provide substantial subsidies to homebuyers, such as the USDA-502 Direct program or a Habitat for Humanity program, it is extremely difficult for a household with an income below 80 percent of AMI to be able to afford homeownership. Those families need a quality, stable rental housing alternative.

The good news is that the Study Area will be adding new households over the next two decades. These households will be working, filling community needs and contributing to the local economy.

However, many of these will be in the lower end of the income range. This includes people that the community relies on each day: schoolteachers, school bus drivers, childcare workers, health

care assistants, retail workers. Many traditional jobs in the Study Area do not have average wages that can support the median sales price of a for-sale home.

Often objections to rental housing relate to the scale and the design. However, rental housing does not need to be solely in the form of large scale “urban” style walk-ups. Many communities have been returning to the “missing middle” to provide rental housing in a form and scale that is consistent with the fabric of their neighborhoods.

The “missing middle” refers to a gentle density of housing (between single-family and large multifamily) that was much more common in the years prior to and just after World War II. These include duplexes, fourplexes, townhomes, bungalow courts and other small-scale designs.

There is another reason why communities should begin to look positively on the provision of rental housing. There are two large population groups that are seeking it—millennials and baby boomers. Millennials have a strong preference for rentals because they are less expensive, and because they may not yet be ready to set down roots.

Some boomers are seeking rentals as they downsize from the homes where they raised their families. Many are looking for low maintenance and walkability, with connections to retail, entertainment, and culture.

The market will respond to demand in one way or another. This is happening in many communities that are not providing sufficient rental housing, where increasing numbers of single-family detached homes are converting to rentals. Single-family homes are best suited for homeownership, and conversion of these to rentals results in fewer homes available to meet the needs of potential homebuyers. Providing new rentals to meet demand will help prevent existing single-family homes from becoming rental properties.

STRATEGIES TO PROMOTE ABUNDANT, HIGH-QUALITY RENTAL HOMES:

Find strong, reliable development partners.

- This will allow you to shape the development of rental housing to fit the needs of the community. These partners could be from the nonprofit or for-profit sectors. Develop incentives that will facilitate the development of the type of rental housing envisioned in your locality.

- Consider replicating successful existing models such as the Tiny Home project recently completed.

Take advantage of available funding resources.

- VHDA offers a range of assistance for rental housing development in smaller communities. One mentioned elsewhere in this report is the “Mixed Use—Mixed Income” program that provides low interest rates for projects that involve housing and some commercial development. VHDA will require some of the apartments to be priced so that they are affordable to lower income households, but others can be offered at market rates. Other programs from USDA-RD, DHCD, Virginia Community Capital and others can make high quality development possible.

Monitor and preserve existing affordable rental stock.

- There are several existing affordable rental housing communities in the Study Area that are assisted through the VHDA Low Income Housing Tax Credit (“LIHTC”) program and/or USDA-RD’s 515 rental housing program. These have been identified earlier in the report in Figures 10 and 11.
- These communities represent a vital resource and should be preserved with regular re-capitalization that will allow for rehab and upgrades.

Encourage the development of additional LIHTC projects to foster workforce housing for a wide variety of households.

- LIHTC projects are the most plentiful and successful means for developing new affordable rental housing.
- Recently, the federal regulations governing this program were adjusted to make the income limitations more flexible. Previously, all tenants must have earned no more than 60% AMI; now, that cap is 80% AMI.
- In the Study Area, 80 percent AMI for a family of four in 2018 is \$44,950, and \$36,000 for a family of two. Maximum rents at 80 percent AMI for a two-bedroom apartment would be \$1,124.

Promote VHDA Mixed-Use Mixed-Income projects.

- VHDA's MUMI low-interest loan program is a great opportunity to create projects that include a mix of residential and commercial to cater to a wide variety of income levels. The MUMI program provides significant flexibility to choose from income mixes for the units including:

1. Workforce 80/20 Model: 20 percent of the units restricted to 80% AMI or below and 80 percent of the units unrestricted.

2. Workforce 40/50 Model: 40 percent of the units restricted to 100% AMI and 60 percent unrestricted.

3. Workforce 100 Model: 100 percent of the units restricted to 150% AMI or below.

Ensure that adequate land is available for the development of new rental housing units.

- Encourage the use of vacant or underutilized downtown structures into rental housing. This type of downtown housing can be an attraction that will keep millennials in your community. Historic Tax Credits paired with VHDA funding are a key tool in affordable rental housing development.

Consider a voluntary inclusionary zoning ordinance to create a variety of housing types and price points.

- Several counties and cities in Virginia have chosen to implement inclusionary zoning policies (of which there are a variety) in order to increase the range of housing types and price points newly constructed in their communities. Inclusionary zoning policies use either mandatory or voluntary zoning requirements to create below-market housing units in new construction rental or ownership projects.
- Due to Virginia state law, the Study Area is not currently eligible to implement mandatory inclusionary zoning, but instead can create conditional inclusionary zoning programs only applicable when a developer seeks a variance or special exemption for development.

- In 2017, Housing Virginia completed a comprehensive report describing inclusionary zoning policies, including detailed examples of its implementation and processes by which new jurisdictions can consider its use.

Consider the adoption of an accessory dwelling unit ordinance.

- These ADU ordinances allow for the addition of a living unit to an owner-occupied unit. ADUs can help seniors to age in place successfully or can enable them to co-locate with a child or other relative while still maintaining independence.

3. MEETING COLLEGE-AGE AND YOUNG PROFESSIONAL HOUSING NEEDS

Approximately 69 percent of under 25-year-old households earn less than \$35,000 per year. These households are likely to delay homeownership for many years beyond previous generations due in part to their higher student debt burdens, lower relative wages, and other macroeconomic factors. This makes affordable rental housing a key component to retaining and attracting this demographic.

When considering locations for this housing, proximity to colleges, employment, and amenities are all important considerations. In general, rental housing at higher densities in either townhome or mid-rise developments will help to manage housing cost and enable projects to be situated near existing developed areas on smaller parcels.

In thinking through housing solutions for this population, it is important to remember housing for this cohort is also closely linked to economic development. If the number of jobs increases in the region, but there is insufficient housing at the necessary price points for these new workers, this population will live outside of the region.

The lack of housing to meet this demand could mean increased traffic, decreased tax base from real estate taxes and, in general, a less vibrant community that does not necessarily live, work,

and recreate within the Study Area. Additionally, these commuting workers could ultimately choose to find work elsewhere, closer to home and in a more convenient area.

Additionally, businesses could make location choices based on housing options. To attract new business or expand existing ones, the region must position itself as an affordable, high quality housing market with plentiful options at the right price points.

STRATEGIES TO ENCOURAGE THE ATTRACTION AND RETENTION OF YOUNGER HOUSEHOLDS:

Continue to develop strong collaborations between colleges and local government to address student and post-graduation housing needs.

- The Study Area has strong, existing partnerships with the centers of student population that should be strengthened and expanded. Universities and colleges can work directly with jurisdictions to create vibrant mixed-use developments that link area universities to the surrounding communities.
- Creatively pairing student housing with other housing needs can lead to vibrant community spaces where students and other community members mingle and collaborate.

Foster higher-density rental housing developments that can cater to young workers at incomes below 80 percent AMI.

- Creating additional density in high-amenity areas, without requiring a lengthy rezoning process, will help create lower-cost housing while also preserving existing open agricultural space.
- Make use of the LIHTC, MUMI, and historic tax credit programs similar to what is described above in the Rental Housing Solutions section.

Consider commercial linkage fees to increase funding for rental projects.

- This form of impact fee is assessed on new commercial developments or major employers based on the need for workforce housing generated by new and expanding businesses. Revenues are used to help fund affordable housing opportunities within commuting distance to the employment center.
- Commercial linkage fees balance growth in non-residential development by stimulating affordable residential development for workers or supporting demand for services.

STRATEGIES TO ADDRESS THE NEED FOR STUDENT AND NON-STUDENT PRIVATE RENTAL HOUSING:

A number of localities around the country have begun to make changes to local housing policy in order to address the impact off-campus student housing may be having on the cost of non-student housing in the area. Some of the strategies used include the following.

Universities and jurisdictions work together to create a plan for anticipated growth.

- These plans consider the university's real estate holdings, plans for expansion, and future student enrollment. By integrating the university's goals and plans into the jurisdiction's process, the two can create mutually beneficial land use plans and policies. Longwood and Farmville are a good example of this work given the collaborative nature of the Longwood University 2025 Master Plan.

Jurisdictions target home repair and homeowner assistance programs to neighborhoods experiencing significant student housing growth.

- In this way, existing homeowners and non-student renters are "protected" by receiving assistance to stay in their homes and maintain their homes in good condition, rather than selling their homes to be used as student housing.

Use workforce housing creation as a means to create non-student housing.

- Some localities seek partnerships with developers to build “workforce” housing using the federal low-income housing tax credit program. This program restricts student occupancy so that the housing is reserved for moderate-income workforce households.

Housing assistance for university staff.

- Some universities can offer housing assistance to employees. Through down payment assistance or ongoing rental assistance, universities can assist their staff in competing in the market with student housing prices.

Establish a rental registration program.

- Rental registration and licensing laws for private landlords help jurisdictions to manage the quantity and quality of student rental housing. Virginia code does allow for jurisdictions to establish a system of rental inspections and registrations.¹⁵

- Some jurisdictions have gone so far as to place caps on the number of rental housing registrations allowed in a neighborhood or municipality. This type of restriction has been contested in courts but has been upheld in some instances.¹⁶
- Longwood University’s existing database of Farmville Area Rental Listings can be a great start to creating this system.

Consider changes to zoning to address land use.

- Minimum Distance Requirements in zoning regulations prohibit new student housing from being created within a certain distance of existing student housing. These rules are an attempt to prevent saturation in a specific neighborhood that could contribute to price pressure for neighboring properties.
- Philadelphia went so far as to exclude student housing as an allowable use in certain areas through its zoning laws. This restriction has been contested in court but was most recently upheld in 2011 at the state level.

¹⁵ Code of Virginia Title 36. Housing, Chapter 6. Uniform Statewide Building Code, Article 1. General Provisions, § 36-105.1:1. (Effective October 1, 2019) Rental inspections; rental inspection districts; exemptions; penalties

¹⁶ Black, Karen, September 6, 2019. “The Role Student Housing Plays in Communities.” Shelterforce, Retrieved September 11, 2019

4. ADDRESSING THE CHALLENGE OF A GROWING SENIOR POPULATION

The largest demographic shift that the Study Area is facing in the next twenty years is the rapidly growing senior population. This is a phenomenon that is happening across the country, but the impact is felt most strongly in small towns and rural communities. In these areas, there is a combined effect.

First, baby boomers are much more likely to want to “age in place” after retirement than the previous generation. Second, millennials are leaving rural Virginia, attracted to the jobs, culture, and entertainment offered by more urbanized areas. The result of these two trends is that rural areas are experiencing a more rapid rise in the average age in their communities than any other areas of the state.

The location of where seniors live in rural areas is frequently isolated. They can be long distances from services, health care, and shopping. These distances become an increasing challenge as their ability to drive safely declines. Social isolation for these households can also negatively affect both mental and physical health during the aging process.

One common trait that most seniors share is that their incomes decrease as they enter retirement. Many seniors live solely on Social Security combined with whatever retirement savings they have. More than half of all households over 55

report less than \$50,000 in retirement savings. Although boomers are frequently portrayed as an affluent generation, the reality is that many will face hardship in retirement.

Another factor is that there has been a very large increase in the number of rural seniors over the age of 65 that still have mortgage debt. The growth in senior households with a mortgage in rural Virginia grew by 125 percent from 2000 to 2014.

In the previous generation, it was common for couples to have their mortgage paid off by the time they retired. That is no longer the case, and many Boomers will literally be paying on their mortgages for the rest of their lives.

As senior household incomes decrease, it becomes increasingly difficult for them to pay the cost of maintenance on their older home and even to pay the cost of heating and cooling a home that may be much larger than they need.

Persons who are non-elderly but who have disabilities face many of these same housing challenges. Almost one million Virginians have a disability, ranging from vision and hearing to cognitive and ambulatory. The number of Virginians with a disability has been rising rapidly over the last five years as the population ages.

Individuals with a disability earn 30 percent less than those without, making affordability a key issue as well as accessibility.

For Virginians with a disability, finding an accessible home that they can afford is often one of the biggest challenges that they face.

STRATEGIES TO HELP TODAY'S AND TOMORROW'S SENIORS HAVE SAFE AND AFFORDABLE HOMES:

Consider the adoption of an accessory dwelling unit ordinance.

- ADU programs allows a homeowner to add another small living unit to their home—either in the side or back yard, or within the footprint of the house, or as an addition to the house.
- Such a program can help seniors in several ways: it might allow a child or relative to provide a living unit for their parent at their home while still providing a level of privacy and independence.
- It might also allow a senior to add a living unit that could be occupied by a caregiver who could provide them with extra income and occasional help with activities, such as shopping or routine maintenance.

Create senior living communities.

- Not all seniors wish to “age in place” or can do so successfully. There is a growing demand for senior living communities with affordable rents that are newly constructed. Not all new senior communities need to be in 80-100 unit apartment high rises. In rural communities, there are efforts to create senior “villages” that may be 6-10 small cottages that are clustered, which allow for better socialization.
- For larger scale senior living communities, the LIHTC program can make a substantial contribution to affordability.

Consider senior “Village” networks.

- These are voluntary associations of seniors that support each other and draw upon the volunteerism of younger community members to complete basic home upkeep and maintenance tasks, as well as other day-to-day services. “Village” programs are springing up around the country and several of the earliest are in Northern Virginia.

Use Community Development Block Grant (CDBG) funds to support local housing nonprofits and housing initiatives.

- A portion of the state's CDBG funds are competitively awarded to localities for use in affordable housing projects via the Department of Housing and Community Development (DHCD). The state supports a wide array of housing strategies through these funds, from homeownership to rental.
- CDBG funding allocated by DHCD is an important source of money for affordable housing rehabilitation and production, along with critical home repairs for lower-income households. The Study Area should plan for a solicitation of these funds.

Appendix A: Focus Group Summary

On April 25, 2019 HDAdvisors held two focus groups with local constituents to discuss the housing market and conditions in Farmville and Prince Edward County. The following is a summary of the prompts used during this meeting as well as the general sentiments conveyed. Individual comments have been consolidated into general comments to maintain anonymity.

Prompts:

- What type of housing is needed in Prince Edward County/ Farmville?
- What parts of the jurisdiction would be best for specific types of new housing?
- Is there a need for housing at more affordable levels in Prince Edward County/ Farmville?
- What specific price points, for both rental and ownership, do you see are needed?
- How does one find out about available housing/ is it difficult to learn of housing availability?
- What barriers exist in finding suitable housing?
- Thinking specifically about seniors, what are their housing needs and how are they being met?
- Thinking specifically about very low income individuals, what are their housing needs and how are they being met?
- Thinking specifically about students and young professionals, what are their housing needs and how are they being met?

Focus Group 1 – Representatives from the local business community

Number of attendees: 2

HOUSING TYPE

- Compared to urban areas, the area of Prince Edward County and Farmville is affordable in terms of housing prices, rents and property taxes.
- However, there is a scarcity of housing stock, particularly rentals. The workforce in the area needs a variety of rental options, including short-term rentals that currently don't exist in sufficient quantity. The rentals that do exist are dominated by students. The demand for student housing drives up the cost of rentals and dictates a housing type that isn't conducive to non-students (ie, large number of bedrooms).
- Generally student housing is rented at a rate of \$500 per bedroom. Non-students also have to contend with students as neighbors if they do chose to live in existing rental housing, which can be difficult. Apartment complexes like Poplar, Park Crest and Sunnyside are generally full.
- Our household commutes to Richmond for work – that choice was driven in part by a desire to live in this area for its housing quality and rural setting. Our neighbors also have these extensive commutes.
- In terms of single family homeownership, there are limited starter homes. Homes generally sell for \$300K and above. Any homes below that are fixer-uppers and are bought to be converted into student housing.

HOUSING LOCATION

- New rental housing in downtown Farmville would be ideal. "High-end" apartments for "professionals" (ie \$1K/month for 1-bedroom units). The Avenues is the most popular area to live in because of its close proximity to downtown. If it were to become less a rental area for students that would be great.
- Townhomes is not that viable as a homeownership preference.
- More single family homes out in the County and in new housing developments would be really desirable.

SENIORS

- There is age-restricted housing and assisted living but it is expensive.

LOW INCOME

- We have a lot of poverty and we have low income housing. If it's built new and high-quality, maybe that would be an improvement. Perhaps then there would be some support of it.

Focus Group 2 – “Anchor Institutions” (Universities, school system, health systems, social service providers)

Number of attendees: 10

HOUSING TYPE

- It is difficult to find quality housing at a reasonable price here. Rental housing for all income levels is needed.
- Non-student rental housing is really only available by word-of-mouth because the market is so tight. This word of mouth network is not equitable. If you are low income you may not be aware of who owns potential housing for rent. Young teachers say they can't find rental housing because the students take it all.
- Love townhouses/apts. You need it all to give us the variety that will potentially keep prices at a decent level. It's not an either or. Both and.
- New housing needs to be built in the “right” price point – not too expensive. \$300k / \$400k is too expensive for homeownership.
- The changing demographics and mindset of the community might be receptive to the townhomes/condos housing type, but that still won't help working poor.

HOUSING LOCATION

- In Farmville need to be cognizant of traffic creation and the historic district. We need a Sunchase but for non-students. Perhaps build professional rental housing slightly further away from campus. The YMCA duplexes are nice. Jackson Heights is an appealing neighborhood. Would like to see more like Farm Ridge off of Osborne Rd.
- Longwood has excess student housing but students prefer to live off campus.
- There is such potential for downtown housing above stores. Would love to see the creamery turned into housing.
- Need to consider access to public transportation when thinking of housing for low income households.
- When recruiting folks to come work downtown living would be ideal to integrate them into the community.

SENIORS

- Many seniors are aging in place in town and that is comfortable/ walkable. In the County there are some seniors renting horrible trailers. We are seeing a lot more of that. People are living much longer there are more adult protection cases.
- Perhaps we could do more government housing. What we have stays full & with a

waiting list. We might need it for the elderly even. Make a mixed community and add a little vibrancy to the whole issue. That's how Charlottesville is. Interesting to have people right alongside each other. Very attractive subsidized housing.

LOW INCOME

- The need for rental housing is really acute at the lower income range.
- Households with barriers (criminal background, credit, etc.) have the hardest time, especially given how tight the market is.
- Low income households are doubling and tripling up in substandard housing. Out in the County, housing for some low income households is extremely substandard but landlords know how to exploit this (since there is nowhere else to go). Rents charged for this substandard housing is too high - \$500/month for a very poor condition trailer. Motel rooms for very high rates. In the town motel there were 100 children displaced when it was shut down. Farmville motel is \$60/night.
- I've heard horrible stories about housing conditions. Housing quality is a hidden issue. Out of sight out of mind. The general public doesn't know about it. There needs to be a bottom standard for the slumlords. So that they aren't charging huge prices for horrific conditions. I had a client who had \$1,500 electric bill.
- There's a hidden homeless problem. There was an effort several years ago to do a rotating homeless shelter. The Rescue Mission has had trouble finding a permanent place but ran into NIMBY. That service is no longer available. STEPS is leading a coalition on that now. The only local resource is a domestic violence shelter.

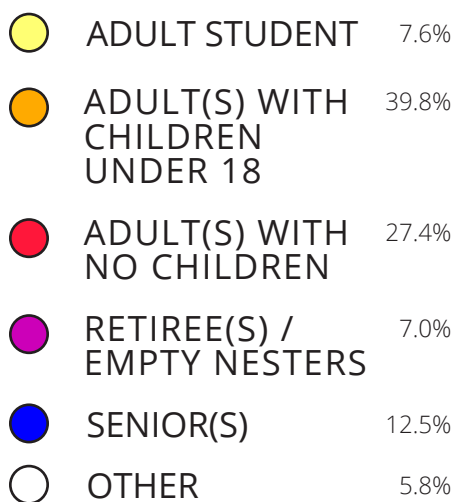
STUDENTS AND YOUNG PROFESSIONALS

- It's hard for a single to afford a first time home. You'd need dual income in order to afford even the starter homes.
- Mega commuters – sometimes it's a choice not related to housing and they want to live elsewhere because they prefer the other places. Hampden Sydney is trying to get faculty and staff on campus so that there is more interaction. More young families are coming to the Hampden Sydney area. Maybe another grocery store would encourage this new development
- As an example the Lofts at Warsham is a good model for higher end rentals for professionals.

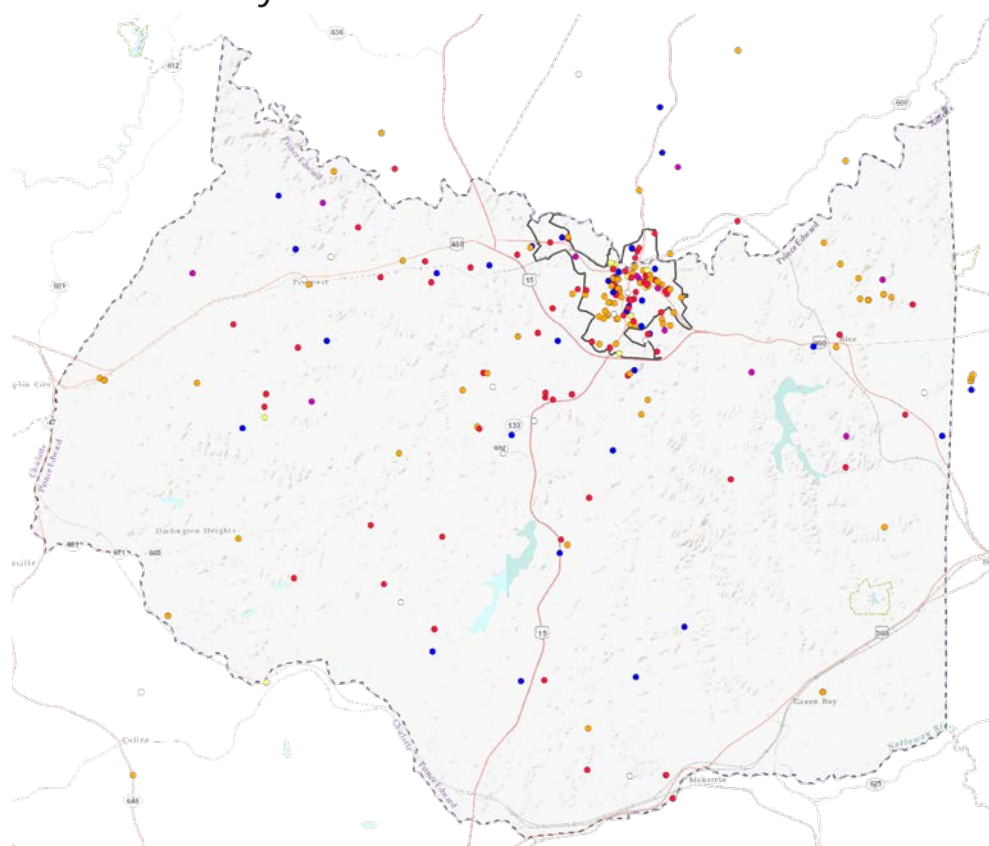
Appendix B: Selected Maps of Community Survey Responses

QUESTION 4:

Which of the following best describes your current household?



618 responses



QUESTION 5:

Do you rent or own your home?

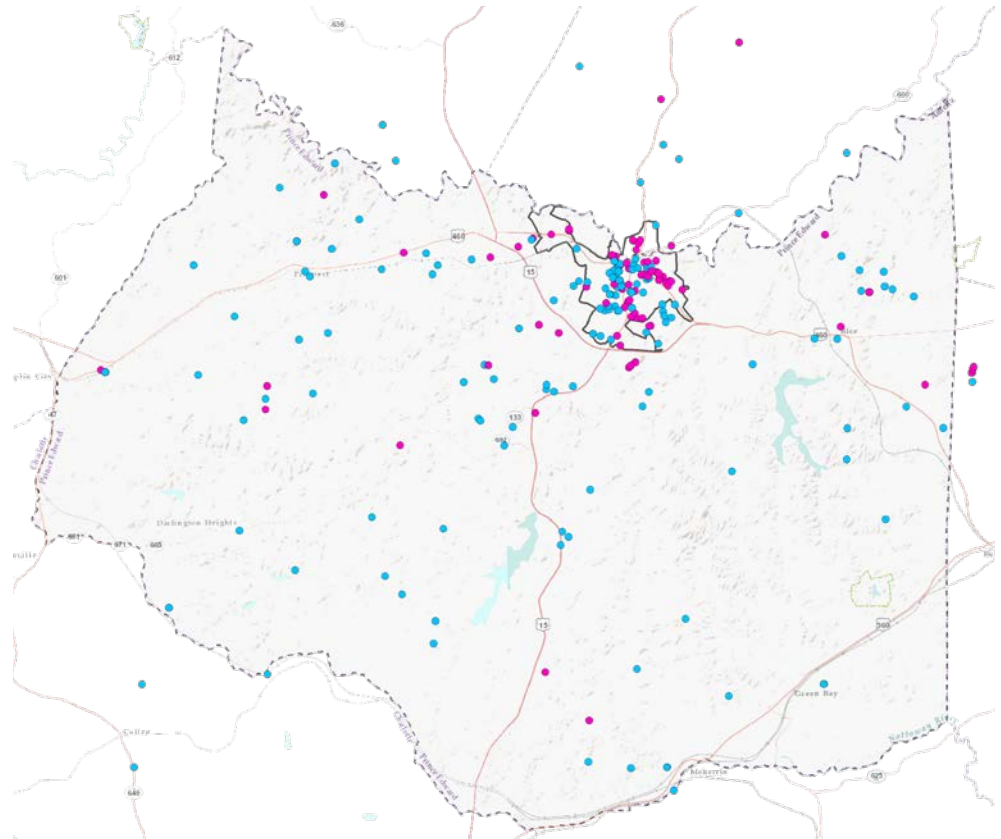
OWNER

66.6%

RENTER

33.4%

598 responses



QUESTION 8:

My current home is at a price I can afford.

STRONGLY AGREE

46.1%

SOMEWHAT AGREE

29.3%

SOMEWHAT DISAGREE

8.9%

STRONGLY DISAGREE

7.1%

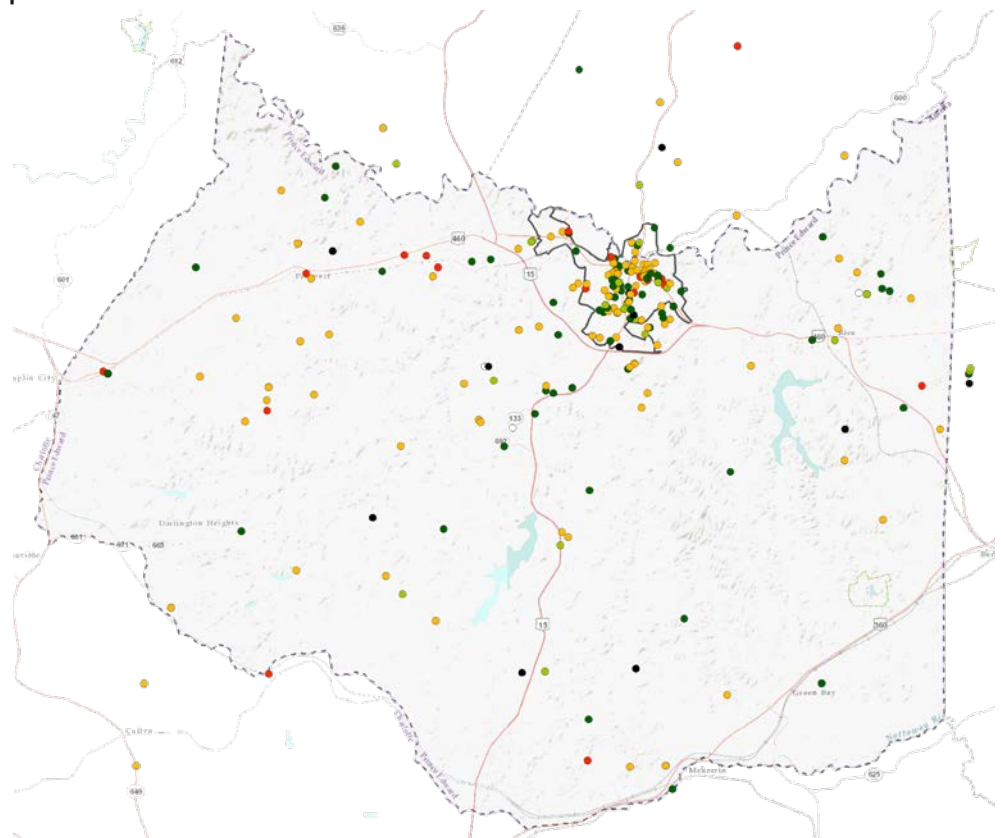
I'M NOT SURE

2.4%

PREFER NOT TO ANSWER

6.2%

618 responses



For the Prince Edward/Farmville Affordable Housing Coalition

By HDAdvisors

September 2019