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AFFORDABLE HOUSING NEEDS ASSESSMENT

MULLIN &
LONERGAN
ASSOCIATES
INCORPORATED

GLOUCESTER COUNTY, VIRGINIA

GLoucester County, Virginia Workforce and Affordable Housing Needs Assessment

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1. EXECUTIVE SUMMARY

A. Introduction

In 1977, Gloucester County completed its first housing study and in 1980, the county completed its first comprehensive plan. In light of the growth that has taken place since that time, the county has recently embarked on a new comprehensive plan. Due to the ever-increasing demand for housing and the perceived need for additional workforce and affordable housing, the county retained the services of Mullin & Lonergan Associates in December 2006 to prepare an updated housing needs assessment. The results of this new housing study will be used to frame policy within the comprehensive plan.

More specifically, the purpose of this study is:

- to define the economic and physical climate for housing development
- to document the characteristics of the county's housing stock
- to identify housing problems and opportunities
- to define the supply and demand characteristics for various types of housing, including sales housing, rental housing and special need housing
- to define the organizational framework of agencies, organizations and developers currently engaged in housing development activity
- to determine the impact of newer, higher quality housing on the quality, availability and affordability of the older traditional housing stock
- to define how Gloucester compares to other counties in the region in terms of housing
- to define exactly what is meant by the term "workforce and affordable housing"
- to identify barriers to the production of workforce and affordable housing
- to prioritize needs and establish a strategic plan of action to address housing needs

B. Historical Background

Gloucester County's history is steeped in agriculture, with tobacco farming the primary industry up until the Civil War. Tobacco production gradually declined while production of corn, soybeans and flower bulbs – especially daffodils – increased. Up until the 1950s, the county was characterized by scattered houses in the countryside, spread over a landscape of farmlands, waterways, shoreline and extensive undisturbed natural areas, with a few small, compact rural settlements.

For over fifty years, new residents have sought the pleasant, rural environment of Gloucester County. When the George P. Coleman Bridge opened in 1952, people had easier access to its open space and scenic countryside, and many left Newport News,

Hampton and Williamsburg for the quieter and sparsely populated Gloucester County across the York River. Bridge tolls restricted the migration to some degree but the population grew from 10,343 in 1950 to 14,059 in 1970, a gain of 36% over 20 years. When the tolls were eliminated in 1976, the population burgeoned to 20,107 residents in 1980, a gain of 43% in just 10 years. Most of this growth was concentrated in the Gloucester Point area from Bena to Ordinary. Suburbanization of farmland spurred a 50% population increase during the 1980s, when the population increased from 20,107 to 30,131. By 2000, the growth rate had slowed and 34,780 residents were living in the county.

C. The Origin of Land Development Regulation

Development associated with the growing population went unchecked until 1966 when the county adopted subdivision regulations. Before 1966, there were no governmental standards for the subdivision of parcels or the construction of homes and businesses. Less than 1,000 new housing units were constructed during each of the three decades from 1940 through 1970. When the bridge tolls were lifted in 1976 and more residents migrated to Gloucester, a housing boom ensued. Between 1970 and 1980, over 3,000 new houses were built. During the 1980's, another 4,100 units were added to the rapidly increasing housing stock. Between 1950 and 2000, the county's housing inventory increased fourfold to a total of 14,494 units.

Some of the housing constructed during the seventies and eighties were originally second homes for families residing in the Hampton Roads area. Later, these dwellings would be transformed into primary residences. Some apartments also were built during the sixties and seventies. Quite often, new housing was serviced by dirt roads without access to public water and sewer infrastructure. Eventually, these units would become the county's low cost housing stock. Without minimum standards to regulate the location, type and quality of development, growth occurred in unpredictable and, quite often, undesirable ways.

In 1984 Gloucester County adopted zoning regulations. Coupled with subdivision regulations, these local ordinances have guided the location, type, quality and density of land development in the county over the past twenty years. More recently, the county's subdivision ordinance was amended to require that most new residential lots provide access to a public street.

In 1991 the county updated its 1980 comprehensive plan. The plan recommended a "contained growth strategy" for managing the rate, location, quality and costs of growth in the county. A key component of the comprehensive plan was the establishment of a "development district" which delineated the boundaries of the areas identified as most suitable for new population growth due to the proximity and availability of existing infrastructure and employment opportunities. The purpose of the Development District was to guide future growth and preserve the scenic rural countryside.

The prevalence of numerous natural watercourses running through Gloucester County provides scenic vistas as well as an abundance of environmentally sensitive lands with poorly draining soils. According to the Natural Resource section

in the county's comprehensive plan, about 61% of the county is not suitable for conventional sewage drainage fields. New technological advances in alternate septic systems have outpaced pre-2000 land use policies and unwittingly contributed to sprawl in Gloucester County. These new systems have been a catalyst for development on land that was previously unsuitable for conventional septic systems and, therefore, new residential construction. Since 2000, vast tracts of land that were previously considered undevelopable have been developed. Recently, Gloucester County and the Virginia Department of Health have passed regulations on the maintenance of alternative septic system technology. The cost and maintenance of these new systems are financial considerations for developers and home owners.

From 1990 through 1999, the county approved an average of 346 building permits annually for new residential units. From 2000 through 2006, this total fell slightly to an annual average of 323 approved permits. For the first seven months of 2007, however, the pace appears to be increasing substantially and the county is on track to issue more permits than last year.



New housing construction underway at River Club at Twin Island.

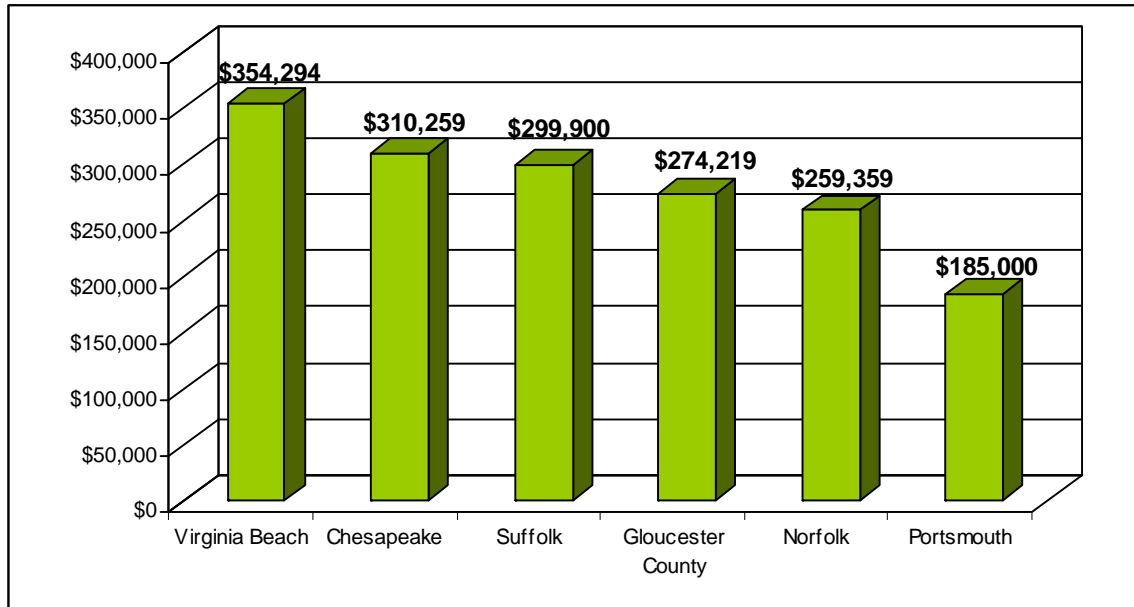
D. Gloucester County within the MSA

Today, Gloucester County functions primarily as a bedroom community to Hampton Roads and York County. Only 4 in 10 of the county's workers live and work in Gloucester. Forty percent of employed residents commute to jobs in Newport News while another 17% commute to jobs in York County.

In July 2006, the median sales price of housing in Gloucester County was 30% less than in Virginia Beach and 13% less than in Chesapeake. In order to fully comprehend the dynamics of the Gloucester County housing market, one must first understand the regional economy of the Norfolk – Virginia Beach – Newport News metropolitan area. Of the five areas compared against the county, Gloucester was the

third-lowest in median housing sales price (see Table 1-1). Homebuyers looking to purchase a house have realized that they can buy more house for their money in Gloucester County than elsewhere in the region.

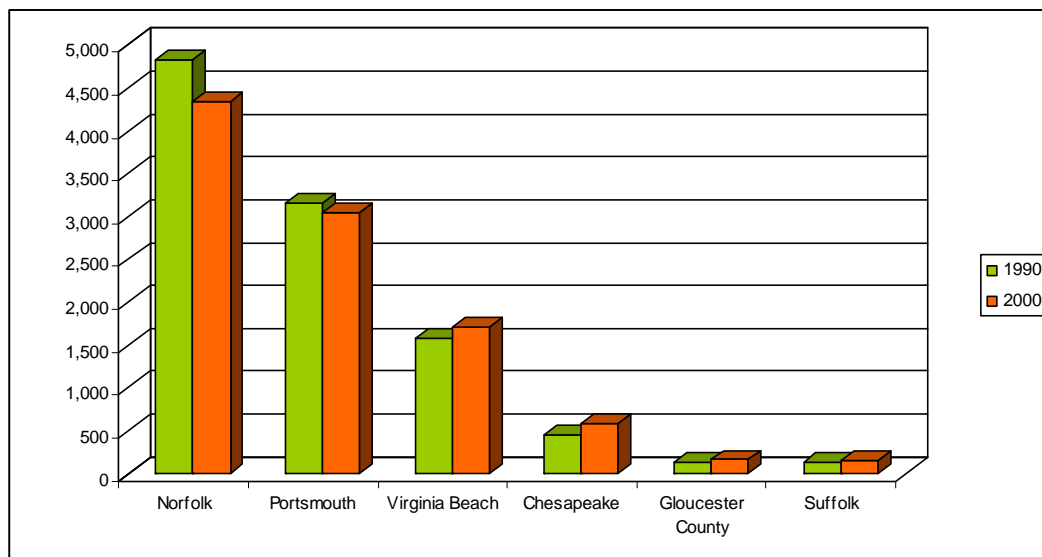
Table 1-1
Comparison of Median Sales Prices of Housing in the MSA – July 2006



Sources: Virginia Beach Real Estate; Middle Peninsula Association of Realtors

Homebuyers have also realized that in Gloucester County, they can live in less crowded neighborhoods. Population density, which is the number of persons residing in one square mile, is very high in Norfolk, Portsmouth and Virginia Beach in comparison to Gloucester County. The low density, rural environment appeals to many households seeking an alternative to urbanized areas.

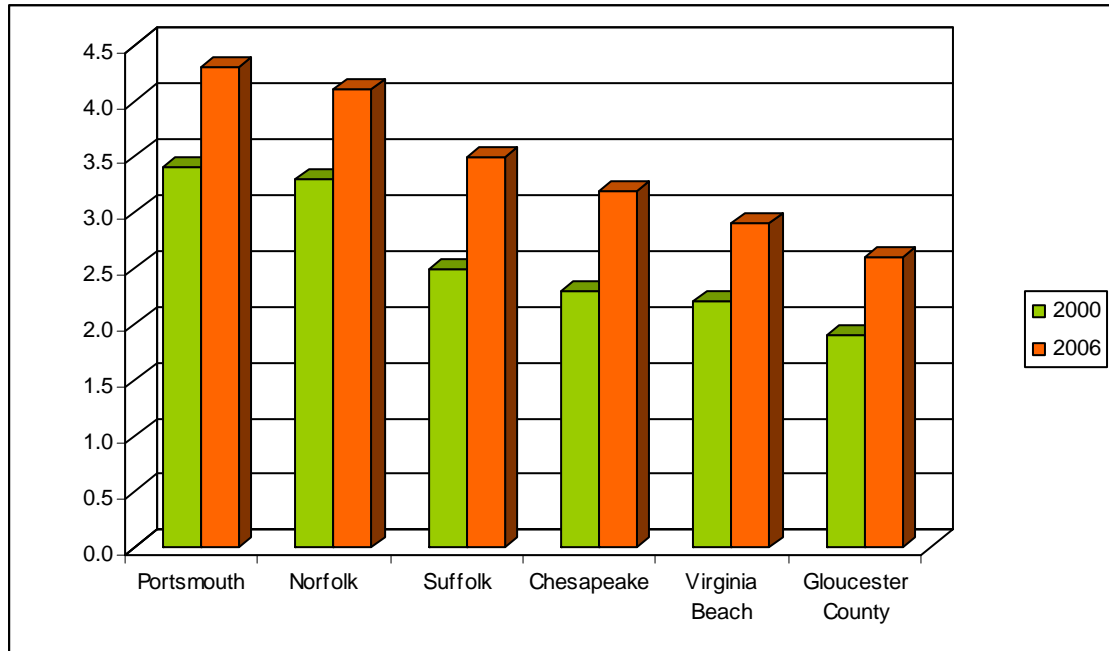
Table 1-2
Comparison of Population Density in the MSA – 1990 to 2000



Source: U. S. Census Bureau

Within the MSA, unemployment is lowest in Gloucester County. With unemployment above 4% in both Portsmouth and Norfolk, Gloucester's rate of 2.6% is the lowest in the region.

**Table 1-3
Comparison of Unemployment Rates in the MSA – 2000 and 2006**



Source: Virginia Employment Commission

As a result of these circumstances, potential homebuyers are fleeing the more expensive urban housing markets in search of less expensive housing in neighboring counties such as Gloucester. Consequently, the population of Gloucester County is on the rise. Between 1990 and 2000, Gloucester's population grew by 15.4%, reaching 34,780 residents. (Provisional estimates provided by the Hampton Road Planning District Commission project the 2006 population for the county to be 38,293.) Two-thirds of the county's population growth is attributable to net migration, but natural increase (the number of births exceeding the number of deaths) also contributed to growth. Nearly 8,000 county residents in 2000 migrated to Gloucester County between 1995 and 2000.

The influx of new residents has created demand for services and additional infrastructure. Near Gloucester Courthouse on Highway 17, new commercial businesses such as Lowe's, Home Depot, Walmart, Applebee's, Ruby Tuesday, Eckerd, Comfort Inn and a new Hampton Inn have been constructed in response to increased demand for more service and retail establishments. The greatest growth by number of jobs is projected to be among office and administrative support followed by sales, food preparation, and serving. Major occupation groups projected to have the greatest percent increase include computer and mathematical, healthcare support, community and social services, and protective services.



New commercial development is occurring to meet the demand of an increasing population

E. Growth in Gloucester County

Population growth is particularly evident in the northern half of the county. During the 1990s, population increased 22.5% in census tract 1001 and 24.3% in census tract 1002 in the northern part of the county. The population declined in census tract 1004 where the majority of vacant housing units are located. Overall, growth is projected to continue in Gloucester, albeit at a slower pace. By 2010, the county's population is projected to grow to 38,900, an increase of 11.8% in a decade. (The Hampton Road Planning Commission District estimates the 2010 county population will be 40,474.)

**Table 1-4
County Population by Census Tract – 1990 and 2000**

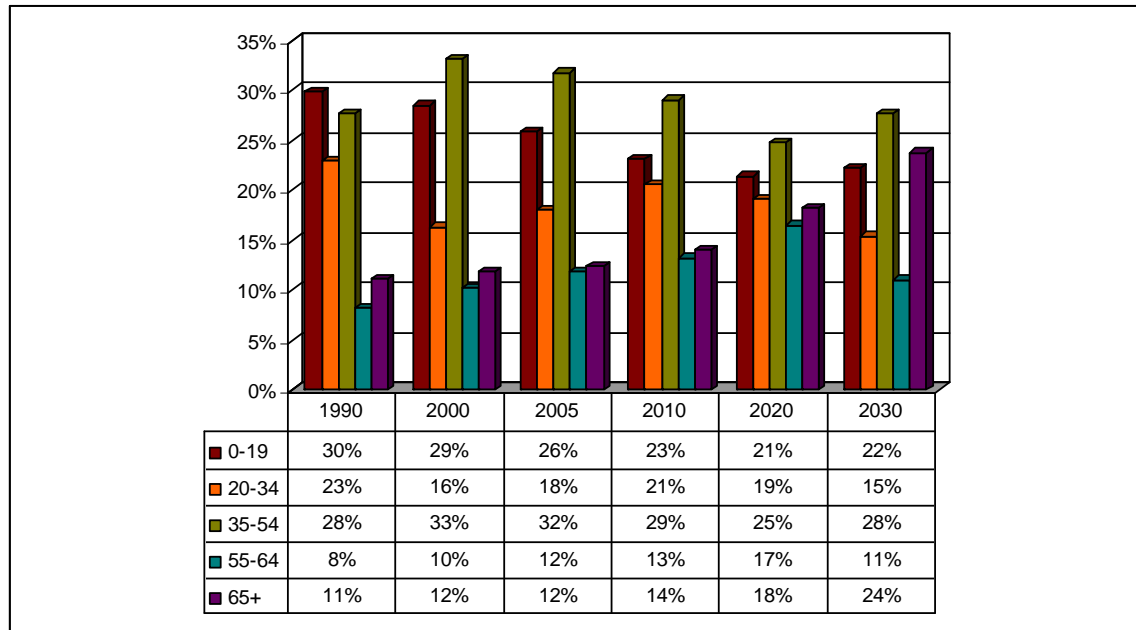
	1990 Population	2000 Population	% Change
CT 1001	5,417	6,637	22.5%
CT 1002	9,557	11,883	24.3%
CT 1003	9,678	10,892	12.5%
CT 1004	1,643	1,484	-9.7%
CT 1005	3,836	3,884	1.3%
Gloucester County	30,131	34,780	15.4%
MSA	1,396,107	1,569,541	12.4%
Virginia	6,187,358	7,078,515	14.4%

Source: U.S. Census Bureau

Gloucester County is “graying” faster than the state. During the 1990s, the fastest growing age groups were 50-64 year olds, followed by those 75 and older, and 65-74 year olds. Projections show that these trends will continue over the next several years such that persons 55 and older will comprise more than one-third of the population by

2030. The implications of an increasing elderly population are significant for the housing market. The elderly tend to remain in their homes until circumstances require them to move. Elderly who move to multi-family housing frequently prefer to remain in their neighborhood where they are close to family and friends and where they are familiar with the surroundings.

**Table 1-5
County Population by Age – 1990 to 2030**



Sources: U.S Census Bureau; Virginia Employment Commission

Growth in new households exceeds growth in population. This is a significant trend because every household needs a dwelling. Gloucester County gained 2,167 new households during the period 1990 to 2000, an increase of 19.7%. This increase in households reflects a national trend as people defer marriage, have fewer children, divorce more frequently and live longer lives. This trend is expected to continue as projections show a 10% increase in population between 2000 and 2012 accompanied by a 13% increase in households.

The composition of households is changing. Increases are prevalent in empty nesters, single parent and non-family households. These changes, as well as projections for future households, imply a need for smaller dwelling units. More significantly, the growth in single parent and non-family households (consisting of one person) creates a need for units that are affordable to households with only one wage-earning individual.

F. Gloucester's Housing Market

How do all of these factors impact the Gloucester County housing market?

Positive net migration plus a natural increase in the population accompanied by an increase in households all generate demand for new housing. The market has responded to that demand by adding 2,043 new housing units during the 1990s (a 16.4% increase) and another 2,525 new units between 2000 and July 2007 (a 17.4% increase). Of these

2,525 units, 1,975 were single family (78%) and 526 were manufactured housing units (20.8%). Less than 1% (only 24 units) was multi-family housing.

**Table 1-6
Trends in Housing Units in Gloucester County – 2000 through July 2007**

	New Residential Units			Minus Demolitions	Equal Net Units Added to Inventory
	Single Family	Manufactured Home	Multi-Family		
2000	183	89	0	9	263
2001	215	89	0	5	299
2002	247	72	5	5	319
2003	268	76	11	4	351
2004	257	70	8	12	323
2005	288	53	0	17	324
2006	291	55	0	16	330
2007	226	22	0	18	230
Total	1,975	526	24	86	2,439

Source: Gloucester County Building Office

The sales housing market has been very strong in Gloucester County. Between 2003 and 2006, the median sales price surged 75% to \$274,219. This was equivalent to an annual average increase of 19%. Sales transactions increased about 9% each year and selling prices were within 3% of the asking prices.

**Table 1-7
Annual Residential Sales – 2003 to 2006**

	2003	2004	2005	2006
Sales Transactions	321	467	495	438
Median List Price	\$158,621	\$200,454	\$228,022	\$280,826
Median Sales Price	\$156,652	\$196,396	\$222,692	\$274,219
Total Sales Volume	\$50,285,385	\$91,716,938	\$110,232,692	\$120,107,708
Average Days on Market	135	117	111	135

Source: Middle Peninsula Association of Realtors, Multi-List Service

In 2006, 41% of all home sales were in the \$250,000 and higher range. Only 71 real estate transactions (17% of all sales) involved properties priced at \$160,000 or less. The housing market in Gloucester County was more active than elsewhere in the Middle Peninsula with the total number of sales transactions higher in Gloucester than in surrounding counties. Gloucester had the third lowest median sales price in the six-county region.



Higher-end sales housing is being constructed along the riverfront in Gloucester County.

The cost of sales housing is rapidly outpacing income. After adjusting for inflation, median household income has *decreased* 0.3% from \$45,421 in 2000 (equivalent to \$54,900 in 2006 dollars) to \$54,854 in 2006. In contrast, the median sales price of housing has increased 60% from \$156,652 in 2003 (equivalent to \$171,600 in 2006 dollars) to \$274,219 in 2006, after adjusting for inflation.

The rapid increase in housing values is great news for those who purchased homes before 2000. Home equity has doubled and the dramatic increase in net worth affords several choices to those who purchased their homes before the meteoric run-up in housing values. These fortunate homeowners can either stay put and secure a home equity loan to remodel and/or expand their home, or alternatively, move up to a larger, higher priced home. But what about Gloucester County residents who are trying to buy their first home in the county? The median household income in Gloucester is \$45,421 and households in this income range can afford units selling for up to \$160,000.



Homes built before 2000 have increased significantly in value.

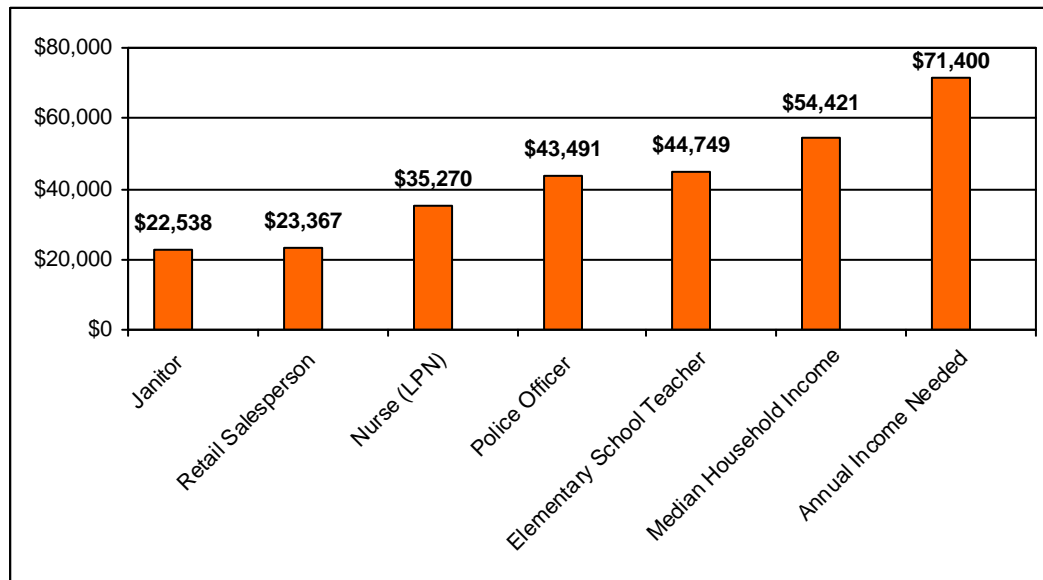
For first-time homebuyers in search of sales housing for less than \$150,000, the options are very limited. A manufactured housing unit on a lot is one option. Much of the stick-built housing available for under \$150,000 consists of 1960s- and 1970s-style housing in need of substantial rehabilitation. This would require homebuyers to secure a rehabilitation loan in addition to a mortgage loan for the acquisition amount. Many first-time homebuyers are simply priced out of the housing market.

Who are the households unable to afford housing in Gloucester County? Many of them are members of the regional workforce such as teachers, police officers, nurses, and residents who work in retail and service jobs. They are the folks that are relied upon every day to keep the community thriving. The National Housing Conference (NHC) classifies these workers as holding vital community occupations. Each year NHC provides updated research comparing home ownership and rental affordability with median wages to reveal the degree of difficulty that households in Gloucester County have in becoming homeowners. The research is based on the premise that housing should be affordable to those workers that fill vital community occupations.

Based on the 2006 median sales housing price of \$274,219, an annual household income of \$71,400 would be needed to purchase a home in Gloucester County.

Assuming these were one-wage earning households, none of the five vital community occupations could afford to purchase a home selling for the median sales price. Prospective buyers who are priced out of the county's housing market will migrate to other counties in the Middle Peninsula in search of lower cost housing.

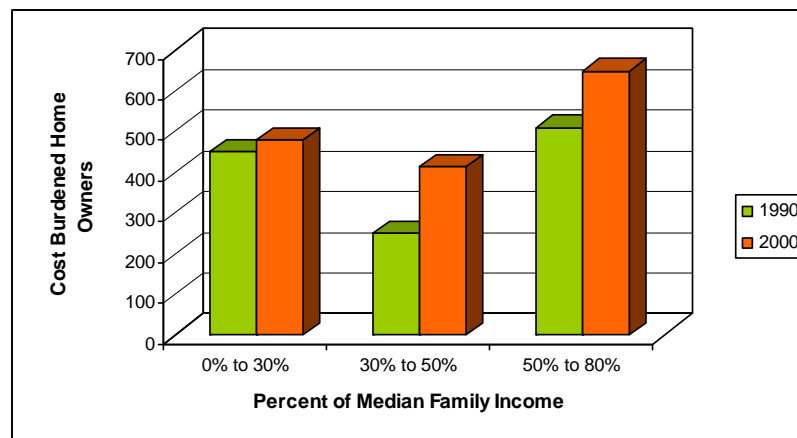
Table 1-8
Annual Income Needed to Afford Median Sales Housing Price in Gloucester County – 2006



Source: National Housing Conference

The number of lower income households who already own their home and who are cost burdened is rising. In 2000, a total of 1,542 lower income home owners were cost burdened (paying more than 30% of gross income on monthly housing expenses), representing a 27% increase from 1990. While more recent data is not available, it is expected that the rate has since increased even more with the rising cost of housing in Gloucester County.

Table 1-9
Trends in Cost Burdened Home Owners – 1990 to 2000



Source: U. S. Department of Housing & Urban Development, State of the Cities Data System

The implications for sales housing are increased demand for more homes to meet specific household needs. In particular, there are increasing demands for move-up homes, especially for empty nester households; affordable starter homes for first-time homebuyers; and, accessible units for elderly households in conjunction with an increasing demand for home-based services for elderly households.

The rental housing market is even tighter than the sales housing market in Gloucester County. There were 2,445 rental units in 2000 with the majority located in the southern half of the county in census tracts 1002 and 1003. Demand for rental housing is very strong as evidenced by the fact that less than 1% of all rental units were vacant in 2000. Such a low rental vacancy rate exerts upward pressure on rents and makes it more difficult for renters to secure housing.

Median rent actually decreased during the 1990s while household income increased. Median gross rent was \$527 in 2000, a decrease of 9% from \$444 in 1990 (equivalent to \$580 in 2000 dollars). During this same period, median household income increased 32%, after adjusting for inflation. So, theoretically, renting became more affordable during the 1990s.



Older rental units comprise some of the county's most affordable housing stock.

In 2006, street rents exceeded HUD Fair Market Rents. The “street” rent for a two-bedroom rental unit ranged from \$750 to \$1,000 a month while the HUD Fair Market Rent (FMR) was only \$735. Consequently, private landlords were able to command higher rents in the marketplace than through the county’s Section 8 rental assistance program.

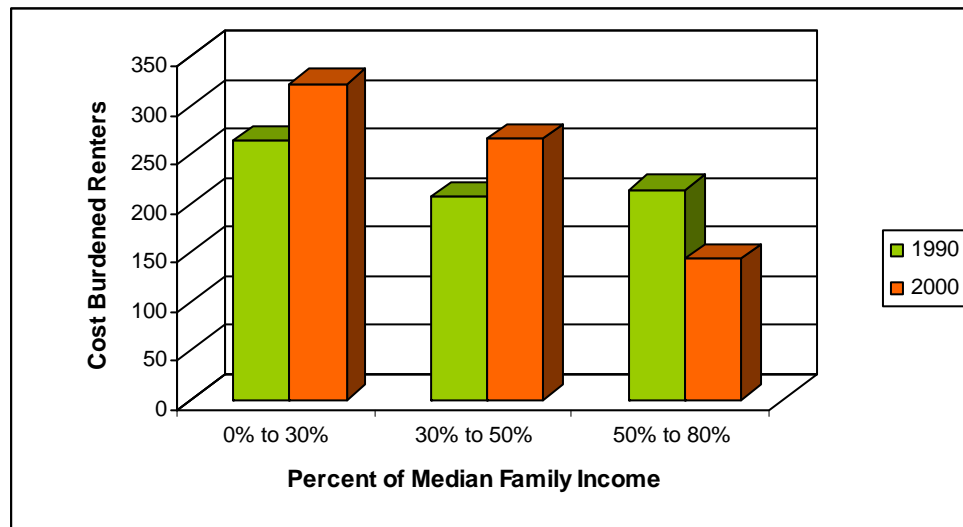
More than 1,200 renter households could not afford the HUD 2-bedroom FMR in 2000. Compounding this situation is the fact that market rents are higher than the FMRs, placing even more rental units out of reach for approximately one in every two renter households in the county.

Retail Salespersons and Janitors could not afford a one-bedroom unit renting for the HUD FMR of \$735 per month as one-wage earning households. Licensed Practical Nurses, Police Officers and Teachers could afford a one-bedroom unit or a two-bedroom unit renting for the HUD FMR of \$844 per month, even as one-wage earning households. While this scenario seems reasonable at first glance, it poses certain

problems. First, only 92 Section 8 housing vouchers are available and in use in Gloucester County. Second, private landlords are able to command market rents for their rental units, and market rents are much higher than the FMRs. Consequently, there is little incentive for private landlords to join the Section 8 program. And, third, Congress has continuously decreased the budget for Section 8 vouchers annually over the past several years. Even if more landlords were interested in the program, there is insufficient budgetary authority to expand the number of vouchers available locally.

There are only 188 units of affordable rental housing in Gloucester County where over 1,200 renter households are cost burdened. Daffodil Gardens and Village Green are the two assisted rental housing complexes in the county. Both have extensive waiting lists. In addition, there are 92 privately owned rental units in Gloucester that are occupied by Section 8 voucher holders.

Table 1-10
Trends in Cost Burdened Renter Households – 1990 to 2000



Source: U. S. Department of Housing & Urban Development, State of the Cities Data System

The number of lower income renter households who are cost burdened is rising. In 2000, 22% more extremely low income and 28% more very low income households were cost burdened than in 1990. The difficulty in paying rent is increasing among the poorest of the poor in Gloucester County.



Daffodil Gardens are the premier affordable housing units for the elderly in Gloucester County.

There is virtually no land zoned for multi-family rental housing that is not already developed. However, there are some older apartment complexes constructed in the 1970s and 1980s that are under-developed relative to the maximum density permitted under current zoning regulations for multi-family housing where public water and sewer services are available. Conceivably, these could be redeveloped into better designed and higher quality multi-family housing, providing that developers are permitted to build to a higher density than what current standards permit.

G. Workforce and Affordable Housing Need

Existing demand for workforce and affordable housing is based on the number of households in Gloucester County who are living in inadequate housing. ***Projected*** demand is based on the increase in the number of lower income households expected to reside in Gloucester County regardless of housing condition. The combination of existing demand plus projected demand provides an estimate of the overall need for workforce and affordable housing units in Gloucester County to the year 2012.

Existing workforce and affordable housing demand consists of those households with three specific housing problems. These included lower income households who were cost-burdened, households who were living in overcrowded conditions, and housing units without complete plumbing or kitchen facilities.

Table 1-11
Households with Housing Problems by Income – 2000

Income Group	Renters	Owners	Total Households
Extremely Low Income (0% - 30% of MHI)	332	490	822
Cost-burdened	322	480	802
Very Low Income (31% - 50% of MHI)	269	429	698
Cost-burdened	265	413	678
Low Income (51% - 80% of MHI)	184	671	855
Cost-burdened	144	649	793
Total Lower Income Households with Housing Problems	785	1,590	2,375
Cost-burdened	731	1,542	2,273
Other Income (above 80% of MHI)	873	7,770	8,643
Cost-burdened	8	730	738

Source: U. S. Department of Housing & Urban Development, State of the Cities Data System

There are 2,375 households with housing problems in Gloucester County. This represents 18% of all county households. Of the 2,375 households, 785 were renter households and 1,590 were owner households. Overall, cost burden impacted 96% of the 2,375 lower income households. These 2,375 households represent the total existing workforce and affordable housing demand in Gloucester County.

Projected workforce and affordable housing demand consists of the anticipated increase of 1,145 lower income households between 2000 and 2012. Data provided by Claritas indicates that the number of lower income households in Gloucester County is expected to increase by 1,145 between 2000 and 2012. This increase represents 68% of the total increase in households by 2012. The increase in total households will occur as a result of new household formation within the existing population and migration of new households to Gloucester County from elsewhere. The projected increase of 1,145 lower income households represents the total projected workforce and affordable housing demand in Gloucester County.

Table 1-12
Projected Change in Households by Income, 2000 to 2012

	2000 Census	2007 Estimate	2012 Projection	Change from 2000 to 2012	
				Number	Percent
Extremely Low Income (0% - 30% of MHI)	1,555	1,343	1,754	199	14.8%
Very Low Income (31% - 50% of MHI)	1,458	1,168	1,192	-266	-22.8%
Low Income (51% - 80% of MHI)	1,802	3,217	3,014	1,212	37.7%
Total Lower Income Households	4,815	5,728	5,960	1,145	20.0%
Other Income (above 80% of MHI)	8,318	8,595	8,853	535	6.4%
Total Households	13,133	14,323	14,813	1,680	12.8%

Source: Claritas, Inc.

There is a projected demand for 1,145 workforce and affordable housing units—397 rental units and 748 owner units. Among very low income households, the data project a vacancy or availability of 266 units (98 rental units and 168 owner units).

Table 1-13
Projected Workforce and Affordable Housing Demand by Income and Tenure, 2000 to 2012

Income Group	Renter Units	Owner Units	Total Units
Extremely Low Income (0% - 30% of MHI)	107	92	199
Very Low Income (31% - 50% of MHI)	-98	-168	-266
Low Income (51% - 80% of MHI)	388	824	1,212
Total Demand for Affordable Units	397	748	1,145
Other Income (above 80% of MHI)	54	482	535

Source: Claritas, Inc.; U.S. Census Bureau; Mullin & Lonergan Associates, Inc.

The total overall demand for workforce and affordable housing in Gloucester County is estimated to be 3,520 units. A combination of existing demand and projected demand results in total workforce and affordable housing demand. In summary, the total overall demand for workforce and affordable housing in Gloucester County in the year 2012 is estimated to be 3,520 units. Note that existing demand exceeds projected demand by a ratio of 2 to 1.

Table 1-14
Summary of Total Workforce and Affordable Housing Demand for Gloucester County, 2000 to 2012

	Existing Demand		Projected Demand 2012		Total
	Renters	Owners	Renter Units	Owner Units	
Extremely Low Income (0 - 30%)	332	490	107	92	1,021
Very Low Income (31 - 50%)	269	429	-98	-168	432
Low Income (51 - 80%)	184	671	388	824	2,067
Total Demand	785	1,590	397	748	3,520

Source: Claritas, Inc.; U.S. Department of Housing and Urban Development CHAS Data; Mullin & Lonergan Associates, Inc.

The second step in estimating the workforce and affordable housing needs of Gloucester County is to determine the extent to which housing demand is likely to be met through the existing housing inventory and any projected new housing development. Housing demand is comprised of different types of housing need. For example, cost burdened households may benefit from rent subsidies while new construction may be necessary to meet new demand for home owners and households living in substandard housing.

It is projected that an additional 1,800 housing units will be created between 2007 through 2012. The first step in determining housing supply is to identify the extent to which the current housing delivery system is already providing housing for lower income households. The net change in the existing housing stock between 2000 and 2006 was 2,209 housing units for an average annual net increase of 316 units. Based on these trends, it is projected that an additional 1,800 housing units (approximately 300 units annually over the next six years) will be created from 2007 through 2012. Of these:

- 1,530 units (85%) will be single family owner-occupied units
- 180 (10%) will be manufactured housing units
- 90 units (5%) will be multi-family renter-occupied housing units.

Furthermore, it is projected that the private housing market will continue to cater to higher income households and owners rather than lower income households and renters.

The total projected workforce and affordable housing supply for 2000-2012 is estimated to be 993 units, leaving an unmet need of 2,527 affordable housing units. Workforce and affordable housing need is determined by identifying the unmet workforce and affordable housing demand. The total workforce and affordable housing demand for 2000-2012 was calculated to be 3,520 housing units. A combination of new construction and rehabilitation activities by four nonprofit organizations as well as the approval of new manufactured housing permits is expected to provide 993 workforce and affordable housing units between 2000 and 2012. Consequently, there is a net unmet need for 2,527 workforce and affordable housing units in Gloucester County.

**Table 1-15
Total Workforce and Affordable Housing Need for Gloucester County, 2000-2012**

WORKFORCE AND AFFORDABLE HOUSING DEMAND	
Existing Demand for Workforce and Affordable Housing (2000)	
Households with Housing Problems	2,375
Future Demand for workforce and Affordable Housing (2000-2012)	
New Lower Income Households	1,145
Total Workforce and Affordable Housing Demand	3,520
WORKFORCE AND AFFORDABLE HOUSING SUPPLY	
Future Supply of Workforce and Affordable Housing (2000-2012)	
2000-2006 New Construction/Rehabilitated Units	
Daffodil Gardens	64
Habitat for Humanity (Gloucester County only)	4
Gloucester Housing Partnership (averaged 13 units/yr x 7 years)	91
Manufactured Housing Units (permits approved from 2000-2006)	504
2007-2012 New Construction Units	
Daffodil Gardens - Phase II (similar to original development)	64
Habitat for Humanity (Gloucester County only)	4
Laurel Shelter	4
Gloucester Housing Partnership (average 13 units/yr x 6 years)	78
Manufactured Housing Units (average 30 units/yr x 6 years)	180
Total Workforce and Affordable Housing Supply	993
Total Workforce and Affordable Housing Need (Total Demand minus Total Supply)	2,527

Source: Mullin & Lonergan Associates, Inc.

These projections are based on the assumption that current public policies impacting the creation of workforce and affordable housing remain unchanged. If, however, new policies are approved that would provide incentives for the creation of new workforce and affordable housing units, then the total workforce and affordable housing supply could be increased, thereby decreasing unmet need.

H. Barriers to Workforce and Affordable Housing

Barriers to workforce and affordable housing are obstacles that impede the development of workforce and affordable housing units. Some barriers to workforce and affordable housing, such as local public policies, can be modified or eliminated. Regulatory policies, such as zoning regulations that limit or prohibit multi-family housing or the development of single family units on smaller lots that currently permitted, can be changed by local government officials. Physical constraints, such as the condition of soils or severe topography, are barriers that cannot reasonably be modified. There also

are barriers that are driven by local market conditions such as rising construction costs or a demand for housing that outpaces the available supply. This type of barrier typically requires public incentives to ameliorate its impact on workforce and affordable housing.

i. Public Policy – Zoning

- There is a virtual absence of developable land zoned for multi-family housing. Consequently, if a developer wishes to build multi-family units, he must apply for a rezoning and endure the public hearing process, where NIMBYism (Not in My Back Yard) can kill the project.
- Density standards in areas with public water and sewer service are viewed as unreasonably low.
- Proffers that are expected of the builders and developers increase the cost of housing on a per-unit basis.
- There is a lack of quality design standards that would require more visually attractive and less intrusive developments that are compatible with surrounding land uses and the overall rural countryside environment.
- Current single family zoning regulations do not permit accessory rental units on the same parcel with a principal single family, owner-occupied dwelling unit.
- Zoning regulations do not distinguish between elderly and other multi-family housing in required off-street parking spaces. Fewer required parking spaces would decrease the amount of land required for development, as well as reduce the amount of land covered with an impervious surface.
- There is a lack of incentives for developers to build higher density projects.
- There is a relative absence of large development sites served by public water and sewer. The cost of water and sewer extensions is prohibitive to an affordable housing developer.

ii. Public Policy – Subdivision

- The development plan review and approval process is viewed as too lengthy, too cumbersome and too costly by developers.
- The development standards for major subdivisions proposed outside of the Development District are less restrictive than the standards for subdivisions located within the district. This has had the effect of spurring large-lot residential growth in the rural and environmentally-sensitive areas which do not have public water and sewer service.
- There is an absence of pro-rata sharing of the cost of water and sewer service extensions (i.e. a developer finances required infrastructure improvements and other users are permitted to tap into the system without reimbursing a pro-rata share of the cost to the developer).

iii. Public Policy – Other

- State and federal funding resources have been continuously decreased over the past several years with fewer resources made available to subsidize workforce and affordable housing projects.

iv. Market Barriers

- The high cost of building lots places new housing development beyond the reach of affordable housing developers.
- It is very difficult to find land suitable for development with access to public water and sewer service.
- In high growth areas, market rate developments offer higher profit margins to builders and developers, thereby reducing the supply of labor and number of firms interested in workforce and affordable housing, as well as any financial incentive.
- There is a general scarcity of existing apartment buildings with public water and sewer service that would be candidates for rehabilitation as workforce and affordable housing.
- Market rate transactions offer fewer challenges (to builders and developers) and higher commissions (to Realtors) than do workforce and affordable housing developments.
- There is a relative scarcity of homes available for sale for less than \$200,000. Existing housing units with sales prices of less than \$200,000 generally require extensive rehabilitation, thereby making the unit less affordable.
- “Street” rents are higher than HUD Fair Market Rents, which is a disincentive for private landlords to participate in the Section 8 Housing Choice Voucher Program.

v. Physical Barriers

- There is a prevalence of poorly draining soils throughout the county, which are not suitable for conventional sewage drainage fields and require alternative systems that are expensive to install and maintain.

vi. Other Barriers

- Interviews with a variety of stakeholders revealed that there is a mindset amongst some in the county that defines desirable housing as that which covers the cost of schools and public services, and is estimated to be no less than \$250,000 per housing unit. Whether true or not, this type of perception fuels NIMBYism and works against multi-family rezonings, higher density developments and similar tools that can provide workforce and affordable housing.
- Another perception identified through interviews was that housing affordable to lower income households and workforce households

should pay for itself in terms of covering the cost of schools and other municipal services.

Identification of these barriers establishes the foundation upon which a reasonable set of strategic actions can be recommended to increase the supply of workforce and affordable housing in Gloucester County.

I. A Plan of Action to Expand Workforce and Affordable Housing in Gloucester County

i. Change Public Perception

There is a perception amongst some that higher priced housing is an effective means of limiting residency in Gloucester County only to those households that can pay their fair share of municipal costs. This may be camouflaged as “preserving rural character” in some instances. While preservation of the rural environment is a worthwhile goal in some areas of Gloucester County, it is not appropriate in areas that are already suburbanized.

- The county’s housing goal should be to achieve a variety of housing types in different locations and at price points that are affordable to all residents.
- Engage in public education and outreach to help residents understand that there are costs associated with an undersupply of workforce and affordable housing such as increased traffic congestion, increased commuting times and distance, increased health care costs, increased need for road maintenance, less time for volunteer and other civic activities, etc.
- Put a familiar face on workforce and affordable housing needs such as a local school teacher, nurse, or police officer. Illustrate that people who fill vital community occupations cannot afford to purchase or rent in Gloucester County today.
- Publicize this report to educate the public on the county’s workforce and affordable housing needs.

ii. Improve the Quality of the Housing Stock

Gloucester County has many older housing units in need of repair. These units represent the county’s “inherent” workforce and affordable housing stock, which should be protected and preserved as a core asset of the county.

a. Reinforce neighborhood sustainability through an expanded code enforcement program

The vast majority of county residents care about the community and take good care of their properties. For the most part, this seems to happen naturally and without governmental intervention. The natural tendency to care for one’s property is a statement about community values and pride of ownership.

Pride of ownership can't be legislated, but it is important to reinforce this value whenever and wherever possible. In the small number of cases where property maintenance does not occur naturally, the county must be prepared to combat deterioration. Poor upkeep and low maintenance standards lead to lower property values and a general state of decline. As a property owner, it is difficult to motivate oneself to fastidiously care for his or her home when a neighboring property has fallen into disrepair.

The county currently administers a complaint-based housing inspection program, which is effective in weeding out certain types of housing problems. The county may want to consider a more proactive and aggressive effort to enforce codes. Adoption of a property maintenance code would be an important first step in this process. At the first sign of a problem, the county must be prepared to sustain neighborhood quality through rigorous and uniform enforcement of building codes and property maintenance codes.

b. Implement a Rehab/Infill Strategy

Some areas of the county may lend themselves to concentrated rehabilitation and targeted infill development. Typically, these opportunities involve neighborhoods or smaller areas characterized by deteriorated structures and vacant parcels. Investing in the redevelopment of such an area would have a positive physical and financial impact on surrounding properties and would eliminate the further spread of blight and disinvestment.

- Identify areas where a rehab/infill housing strategy would be appropriate. This would include areas where utility infrastructure already exists and zoning permits single family or multi-family housing.
- Acquire and demolish substandard housing units. Re-use the cleared site for new infill housing opportunities for Habitat for Humanity and Gloucester Housing Partnership.
- Facilitate the rehabilitation of homes in need of repair through Gloucester Housing Partnership.
- Make expanded use of CDBG, HOME and USDA Rural Development funds where appropriate, especially in areas where there is a concentration of substandard housing.
- Expand partnerships with Middle Peninsula Planning District Commission and/or Bay Aging to assist in securing state and federal funds.
- Engage Habitat and Gloucester Housing Partnership to assist in *local* fundraising for leverage purposes.
- Examine the big picture of rehab/infill housing needs in Gloucester County. Define specific neighborhoods or areas as

priorities or phases of a broader strategy for housing preservation.

- Be proactive in working with developers and residents to create a long range vision for a redevelopment master plan for underdeveloped and visually unattractive neighborhoods in the southern part of Gloucester County.

iii. **Revise Land Use Policies**

a. **Increase the Amount of Land Zoned for Multi-Family Housing**

As part of the comprehensive planning process, we urge the county to take a proactive role in re-examining the zoning ordinance and map. By rezoning land within the Development District to permit multi-family housing by right, the county can increase the supply of workforce and affordable housing. A comprehensive rezoning to expand the number and location of zoning districts that permit multi-family housing by right will eliminate the opportunity for NIMBY proponents to object to development proposals on a case-by-case basis.

b. **Treat Garage Apartments and Cottage-type Dwelling Units as Permitted Uses within Residential Districts**

Garage apartments and cottage dwellings can provide small, workforce and affordable housing units in developed areas where infrastructure exists. Well-written standards should require units that are subordinate in square footage to the principal residential structure. This type of starter housing for renters offers affordable opportunities for single persons in the county.

c. **Adopt Quality Design and Development Standards for New Multi-Family Housing**

In conjunction with a comprehensive rezoning initiative, the county should adopt quality design and development standards for all new apartment complexes. This could make the outdated 1970s style apartment complexes potential candidates for redevelopment and redesign.

Increase density requirements within the multi-family zoning districts to make redevelopment financially feasible to developers.

Define flexible overall development standards that create the potential for more interesting site plans and a higher quality of development.

d. **Treat Non-profit Organizations that Specialize in Workforce and Affordable Housing as a Special Class of Developer**

Nonprofit housing developers cannot compete on a level playing field with for-profit developers in the absence of incentives. Nonprofits typically do not have ready access to capital and are dependent upon highly competitive public resources to finance their workforce and affordable housing projects. Incentives provided by the county can foster a higher level of commitment from and a stronger desire to

produce more workforce and affordable housing units by local nonprofits.

- Streamline the permitting process for projects involving workforce and affordable housing.
- Participate in the cost of financing infrastructure improvements for projects involving workforce and affordable housing.
- Waive local fees for nonprofit organizations that develop workforce and affordable housing.

e. Streamline the Review and Approval Process

When contemplating a development project, developers deserve to know what is expected of them from the outset so that they can estimate their costs and determine whether it makes sense to proceed with a project.

- Avoid “ratcheting-up” the local land use approval process by using today’s deal as tomorrow’s development standard. It creates uncertainty, adds considerably to the cost of housing and makes everybody’s job more difficult. Rather than negotiating proffers with developers on a case-by-case basis, strive to establish a clear and uniform development standard and approval process for all developers so that they compete on a level playing field.
- Prepare a written roadmap for developers that clearly defines Gloucester County’s expectations. Define a step-by-step approval process with detailed submission requirements and meeting schedules.
- Look for ways to streamline the approval process. Time adds to the cost of housing without improving the quality of the product.
- Make the approval process transparent. Avoid negotiating proffers with developers in private. This will add openness, fairness and legitimacy to the process.

f. Establish an On-going Dialogue between County Planning Officials and Developers

Too frequently, community planners and developers assume adversarial positions in the approval process. Give-and-take is needed in order to improve the quality of development. A conversation with the development community can provide opportunities to improve the clarity and predictability of the pre-development process and define a reasonable development standard for the county. The time is right to implement these land use recommendations as part of the comprehensive plan update. Forcing developers to seek relief from the county’s development standards through variances and special exceptions essentially transfers functional responsibility for land use policy-making to NIMBYists.

g. Increase Standards for Residential Growth Outside of the Development District

The capital improvements required of a developer outside of the Development District are typically limited to construction of state roads and drainage ditches. Within the district, however, required improvements are significantly higher and more costly. This situation provides a financial incentive for developers to build new residential subdivisions outside of the district, thereby circumventing the reason the district was created in the first place. Increasing the development standards outside of the Development District to a level that equals or exceeds the standards within the Development District will discourage new residential growth in environmentally-sensitive conservation areas.

h. Adopt Local legislation Aimed at Increasing the Supply of Workforce and Affordable Housing

Inclusionary zoning requires developers to set aside a specified number or percentage of proposed housing units for lower income families. In return, developers receive density bonuses of a specified percentage beyond what the zoning ordinance permits. Recent studies show that claims of affordable units negatively impacting market values within a high-end development are not occurring.

There are several reasons why inclusionary zoning should be part of the workforce and affordable housing equation in Gloucester County:

- Being a suburban county, Gloucester County is at a competitive disadvantage when applying for state CDBG and HOME funds because there are few concentrated areas of poverty and substandard housing. Gloucester County cannot rely on significant amounts of state and federal funds to create workforce and affordable housing
- While the county is fortunate to have a number of dedicated local and regional workforce and affordable housing providers, the production levels are low. These agencies and organizations lack the capacity to make a major dent in the overall workforce and affordable housing needs of the county. Even if the capacity of non-profit developers were expanded, the cost of land is prohibitive and the supply of land is very limited. It takes the financial strength of a well-established for-profit developer to compete in the Gloucester County market.
- Because of the recent run-up in sales prices, developers are anxious to participate in Gloucester County's housing market. The county should capitalize on this circumstance and use the dynamic housing market to expand the supply of workforce and affordable housing.

iv. Establish an Affordable Housing Trust Fund

a. Implement a three-tiered approach towards an overall trust fund strategy

1) National Level

Follow the movement of legislation through Congress relative to the National Affordable Housing Trust Fund ACT (H.R. 2895). Sixty percent of the proceeds would be distributed to large cities and counties while forty percent of the proceeds would be distributed to the States. It is assumed that Gloucester County would compete for funding through the Commonwealth of Virginia.

2) State Level

Advocate for legislation at the State level for creation of a Virginia Housing Trust Fund. Some 37 states across the nation already have housing trust fund legislation. Lawmakers in Virginia continue their efforts to enact this important legislation (HB 92 and SB 277). Advocate with Gloucester County's state legislative delegation to enact a bill that provides for a dedicated funding stream and that authorizes *counties* in Virginia to create their own affordable housing trust funds.

3) Local Level

Anticipate housing trust fund activity at all three levels and take action to prepare for a confluence of these programs in Gloucester County. Make advance preparations for the creation of a Gloucester County Special Affordable Housing Fund, complete with administrative guidelines on how the program will operate.

b. Financial Leveraging Strategy

Financial leveraging means using a relatively small amount of Gloucester County resources to obtain larger grants from state and federal government. One method of accomplishing this goal would be to use the proposed county affordable housing fund proceeds to leverage funding under the Virginia Housing Development Authority's Sponsoring Partnership and Revitalizing Communities (SPARC) funds. The general goal is to make expanded use of state and federal programs to augment county housing trust funds with resources such as Low Income Housing Tax Credits, the HOME Investment Partnership Program, the USDA Rural Development Program, the State Community Development Block Grant Program, Virginia Housing Development Authority programs, and the Federal Home Loan Bank's Affordable Housing Program.

c. Management Strategy

In order to set its workforce and affordable housing strategy in motion, the county must first organize its human resources that will be assigned to this task. The goal would be to utilize existing resources to expand workforce and affordable housing in Gloucester County, such as Habitat for Humanity, Bay Aging, and Gloucester Housing Partnership. Don't

create a new county housing bureaucracy. Keep new programs simple and easy to administer.

One important element of the management strategy would be to utilize the Gloucester County Housing Department as the administrative entity to carry out the county housing trust fund program and to apply for state and federal funds. The department knows how to disseminate and process applications from prospective participants. The Housing Department also understands the household income qualification process. These tasks are the primary administrative function of an affordable housing trust fund program.

d. Implementation Strategy

This workforce and affordable housing study represents a significant public investment of time and money. The county should actively seek dividends from this investment. County officials should implement the recommendations of this report and use the study as a guide to daily decision-making relative to workforce and affordable housing.

- Expand public awareness of workforce and affordable housing issues in Gloucester County by conducting a public meeting to summarize the results of the housing study. Solicit public input on the findings and recommendations of this report.
- Adopt the housing study and incorporate it into the county's comprehensive plan. Recognize it as Gloucester County's statement of official workforce and affordable housing policy.
- Workforce and affordable housing policy cannot exist in a vacuum. Evaluate other county practices and policies and modify them, as necessary, to become consistent with Gloucester's workforce and affordable housing policy.
- Foster cooperative relationships between for-profit and non-profit developers in terms of workforce and affordable housing (e.g., Habitat could collaborate with for-profit developers to achieve workforce and affordable housing objectives).
- Transform the steering committee established for this study into a more formal "Gloucester County Workforce and Affordable Housing Task Force" to implement the recommendations of this report.
 - Expand membership of the task force to include for-profit builders and developers and local Realtors.
 - Create subcommittees to tackle individual components of the strategy (i.e., inclusionary housing ordinance, workforce and affordable housing fund, etc.).
 - Establish point-in-time benchmarks against which performance in implementing the plan's recommendations

will be judged. The task force should prepare an annual report of accomplishments.

- Treat workforce and affordable housing as a major policy issue in Gloucester County. Each January when the county is establishing its overall policy and programmatic goals for the coming year, review workforce and affordable housing achievements from the prior year and establish new goals for the year ahead.

2. INTRODUCTION

There are many different factors that influence the cost and availability of housing in Gloucester County. Some factors are physical in nature, such as the availability of water and sewer. Some factors are regulatory, such as zoning and subdivision. Certain factors are demographic in nature, such as population shifts and household formation. Still others are economic, such as household income.

Of all the factors that affect housing, migration is perhaps the single most significant factor that has impacted Gloucester County's housing market. Gloucester County is located just north of Hampton Roads, a growing urbanized area that provides jobs and amenities for many of the county's residents. Hampton Roads also serves as an external force, placing growth pressure on rural Gloucester County. Much of Gloucester's growth is directly related to the impact of new residents relocating from Hampton Roads to the more rural environment of the county. Housing is more affordable to those households moving to Gloucester County. Migration has fueled a considerable increase in the cost of housing over the past several years. This is good news for households that already own their homes. But for others, it has become increasingly difficult to afford housing in Gloucester County.

Gloucester County commissioned this analysis to examine the various changes that have been taking place in the factors that influence housing. In particular, this analysis focuses on lower cost housing or "workforce and affordable housing."

Affordable housing means paying no more than 30% of gross household income for housing expenses including mortgage or rent, utilities, insurance and taxes, regardless of income level. The primary goal of this study is to determine whether there is an adequate supply of affordable sales and rental housing to meet the needs of households below 80% of median income in Gloucester County.

A. Purpose of the Workforce and Affordable Housing Needs Assessment

The purpose of the housing needs assessment and strategy is:

- To define the economic and physical context for housing development in Gloucester County
- To document the characteristics and condition of the county's housing stock
- To identify and document housing problems and opportunities in Gloucester County
- To define the supply and demand characteristics of various types of housing in Gloucester County, including sales housing, rental housing, special need housing, etc.
- To define the organizational framework of agencies, organizations, developers and individuals currently engaged in the delivery of housing activities and dwelling units

- To define non-housing issues that affect the housing market in Gloucester County, such as development regulations, taxes, crime and schools
- To determine the impact of newer, higher quality housing on the quality and affordability of the older, traditional housing stock in Gloucester County
- To prioritize needs and establish a strategic plan of action to address housing needs in Gloucester County.

B. Methodology

Data included in this housing needs assessment has been gathered from a variety of statistical sources and interviews. Statistical information has been collected, organized and analyzed by census tracts within Gloucester County. Where appropriate, the analysis compares the characteristics of Gloucester County to the Middle Peninsula Planning District counties; the Norfolk-Virginia Beach-Newport News, VA-NC Metropolitan Statistical Area (MSA); the Commonwealth of Virginia; and, the nation as a whole. Face-to-face and telephone interviews were conducted with a broad range of housing practitioners in Gloucester County to supplement the statistical data. Interviews were conducted with nonprofit affordable housing developers, for-profit builders and land developers, apartment managers, homeless assistance organizations, real estate professionals, and human service organizations. In addition, interviews were conducted with a number of public officials, including the Director of Housing, the Director of Planning and the county's planning staff, the Tax Assessor and the Director of Code Compliance.

To determine current and projected workforce and affordable housing needs, the target population was first identified. In this report, the target population consists of all households with incomes up to 80% of the area median household income. This population segment was further categorized into the following:

- Extremely low income households with incomes up to 30% of the median household income
- Very low income households with incomes from 30% up to 50% of the median household income, and
- Low income households with incomes from 50% up to 80% of the median household income.

To determine the current demand for workforce and affordable housing, the following characteristics were used:

- Households in physically deficient housing units
- Households in overcrowded housing units, and
- Households paying more than 30% of gross income for monthly housing costs.

Projected demand for workforce and affordable housing is defined as the net increase in cost burdened households between 2000 and 2012. This estimate was determined using data projections produced by Claritas, Inc., which are based on Census 2000 data and

updated with demographic data from many sources, including local governments, consumer databases and postal delivery counts.

Current and projected housing supply was determined by quantifying the number of housing units through new construction and demolition permits issued through the Gloucester County Office of Code Compliance.

C. Organization of Report

Part 3 of this report includes a detailed demographic profile of Gloucester County. Population and households are discussed at the county and census tract levels. Where appropriate, comparisons are made with the Middle Peninsula Planning District counties; the Norfolk-Virginia Beach-Newport News, VA-NC Metropolitan Statistical Area (MSA); the Commonwealth of Virginia; and, the nation, where appropriate.

Part 4 provides an economic overview of the county, including an analysis of employment sectors and wages. In Part 5, characteristics of the physical housing inventory are described.

Part 6 includes a summary of available data on special needs populations, such as persons with disabilities, the elderly, and homeless persons and families.

Part 7 consists of a discussion of non-housing factors that can impact a housing market. Issues such as crime and the quality of local schools play important roles in a regional housing market. Other issues such as the availability of services and land use regulations are discussed in terms of how they influence development.

Part 8 of the report focuses on housing affordability as it relates to five vital community occupations: teacher, nurse, police officer, retail sales clerk, and janitor. Together, these five occupations comprise one-third of the nation's labor force. They are the backbone of a local economy and, oftentimes, workers in these professions cannot afford to live in proximity to their employment.

In Part 9, a summary of current and future housing needs is provided. By matching projected housing supply with demand, it is possible to quantify unmet housing need. Part 10 includes a summary of the nonprofit organizations who are working to develop workforce and affordable housing in the county. Barriers that these organizations face, as well as other entities who develop housing in Gloucester County, are presented in Part 11.

Finally, in Part 12, a series of strategic actions are proposed to assist the county in meeting its workforce and affordable housing needs over the next five years.

3. DEMOGRAPHIC TRENDS

The following narrative describes the general demographic characteristics and trends of Gloucester County. Much of the statistical information in this part was derived from census reports published by the U.S. Bureau of the Census. Because statistics in the Census data products are based on the collection, tabulation, editing, and handling of questionnaires, errors in the data are possible. Therefore, it is important to take care when reviewing the Census derived statistics.

In addition to errors occurring during the collection of the Census data, it is noted that much of the Census data presented in this document is based on sample data from Census 2000 Summary File 3 rather than 100 percent reporting and is, therefore, subject to sampling error. One hundred percent data from Census 2000 Summary File 1, where used, are subject to non-sampling error. Non-sampling error is confidentiality edits applied by the Census Bureau to assure the data do not disclose information about specific individuals, households, and housing units. Because of sampling and non-sampling errors, there may be discrepancies in the reporting of similar type of data, however, the discrepancies will not negate the usefulness of the census data to conduct the analysis.

A. Population

Gloucester County is strategically located in the southeastern portion of Virginia's Middle Peninsula. The county is bounded on the south by the York River, on the north by the Piankatank River and on the east by Mobjack Bay. Richmond, the state capital, is 59 miles west of the county and Washington, D.C. is 153 miles to the north. The Port of Hampton Roads is 45 miles to the south. Gloucester County is located within the Norfolk-Virginia Beach-Newport News, VA-NC Metropolitan Statistical Area (MSA).

During the first half of the twentieth century, Gloucester County's population declined as the region industrialized with better job opportunities available in the urban areas. Since 1940, however, Gloucester County's population has continuously increased as a result of the development of highways through the region that allowed people to work in the cities and live in the suburbs. The growth has transformed the county from a very rural community to one that is becoming more suburbanized.

Gloucester County's growth is the result of migration from the Hampton Roads area. Much of the growth in Gloucester County results from the progression of the population northward from the older, more congested Hampton Road/Newport News communities. Despite the continued growth, Gloucester County is still sparsely settled with just 173 persons per square mile compared to 191 persons per square mile across Virginia. Within the Norfolk-Virginia Beach-Newport News MSA, population density varies from 25 persons per square mile in Surry to about 4,300 persons per square mile in Norfolk.

Gloucester County is the fastest growing county in the Middle Peninsula Planning District. Table 3-1 provides an overview of population counts since 1900 for Gloucester,

the remaining counties within the Middle Peninsula Planning District, and York County, the closest county to the south across the York River. Table 3-2 illustrates the rise in population, beginning in 1950, that sets Gloucester County apart from neighboring counties on the middle peninsula. As the first county beyond the York River, Gloucester has benefited from the migration of residents northward from the Hampton Roads area.

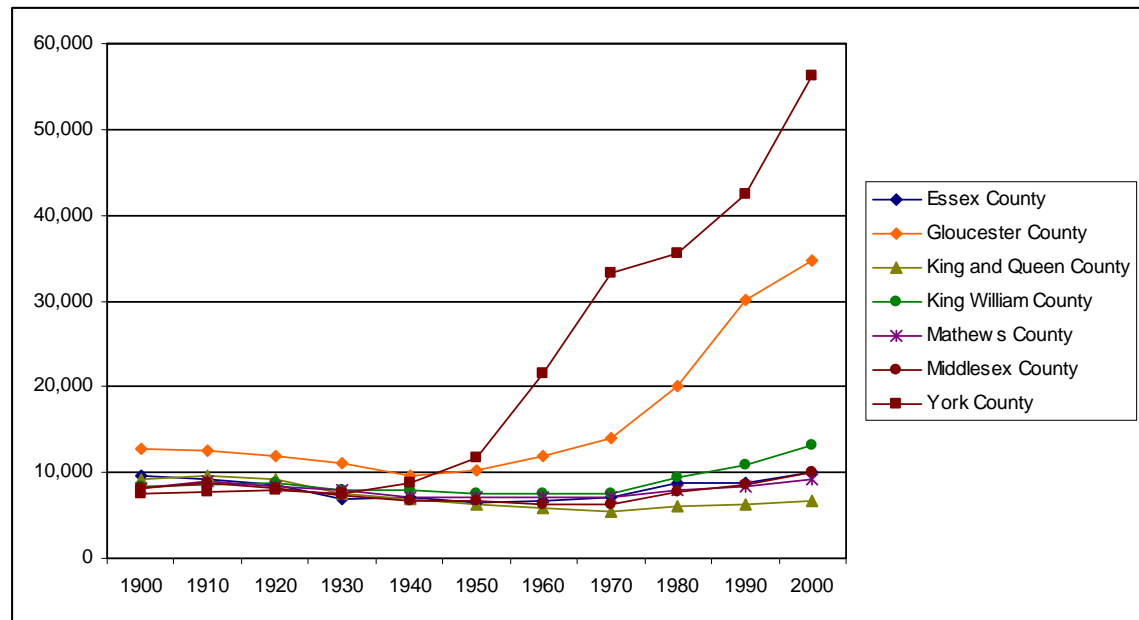
Table 3-1
Regional Trends in Population – 1900 to 2000

	1900	1910	1920	1930	1940	1950	1960	1970	1980	1990	2000
Essex County	9,701	9,105	8,542	6,976	7,006	6,530	6,690	7,099	8,864	8,689	9,989
Gloucester County	12,832	12,477	11,894	11,019	9,548	10,343	11,919	14,059	20,107	30,131	34,780
King and Queen County	9,265	9,576	9,161	7,618	6,954	6,299	5,889	5,491	5,968	6,289	6,630
King William County	8,380	8,547	8,739	7,929	7,855	7,589	7,563	7,497	9,334	10,913	13,146
Mathews County	8,239	8,922	8,447	7,884	7,149	7,148	7,121	7,168	7,995	8,348	9,207
Middlesex County	8,220	8,852	8,157	7,273	6,673	6,715	6,319	6,295	7,719	8,653	9,932
York County	7,482	7,757	8,046	7,615	8,857	11,750	21,583	33,203	35,463	42,434	56,297
Virginia	1,854,184	2,061,612	2,309,187	2,421,851	2,677,773	3,318,680	3,966,949	4,651,448	5,346,797	6,187,358	7,078,515

Source: U.S. Census of Population, 1790-2000

Prepared by Weldon Cooper Center for Public Service

Table 3-2
Regional Comparison of County Population Trends – 1900 to 2000



Source: U.S. Census of Population, 1790-2000

Prepared by Weldon Cooper Center for Public Service

Table 3-3
County Population by Census Tract – 1990 and 2000

	1990 Population	2000 Population	% Change
CT 1001	5,417	6,637	22.5%
CT 1002	9,557	11,883	24.3%
CT 1003	9,678	10,892	12.5%
CT 1004	1,643	1,484	-9.7%
CT 1005	3,836	3,884	1.3%
Gloucester County	30,131	34,780	15.4%
MSA	1,396,107	1,569,541	12.4%
Virginia	6,187,358	7,078,515	14.4%

Source: U.S. Census Bureau

Two-thirds of Gloucester County's growth between 1990 and 2000 was the result of new residents moving into the county. There are two main factors that affect population growth: natural increase and migration. Natural increase is a product of birth and death rates. Gloucester County's population in 1990 was 30,131. The total change between 1990 and 2000 was 4,649 and equivalent to a growth rate of 15.4%. Of this number, 3,208 were attributed to net migration and 1,441 to natural increase.

According to 2000 census data, 7,904 of the county's 32,770 residents (24%) lived somewhere else in 1995 and migrated to Gloucester County between 1995 and 2000. Of the 7,904 new residents to the area, 33.4% relocated from another state.

Gloucester County is projected to continuing growing at a faster rate than the MSA and the state overall. The Census Bureau 2006 population estimate for Gloucester County is 38,293, an increase of about 3,500 residents or 10% since 2000. Population projections prepared by the Virginia Employment Commission (VEC) estimate that Gloucester County's population will increase to 38,900 by 2010, an 11.8% increase from 2000. As shown in Table 3-4, the county's population is projected to steadily increase by an average of 3,800 residents each decade through 2030. This rate of growth is projected to be higher than the rate of growth for both the state and the MSA.

Table 3-4
Population Projections to 2030
Virginia Employment Commission

	Gloucester County		MSA		Virginia	
	Population	% Change	Population	% Change	Population	% Change
2000	34,780	-	1,569,541	-	7,078,515	-
2010	38,900	11.8%	1,692,945	7.9%	7,892,884	11.5%
2020	42,700	9.8%	1,822,160	7.6%	8,601,896	9.0%
2030	46,200	8.2%	1,956,013	7.3%	9,275,103	7.8%

Source: Virginia Employment Commission, Economic Information Services Division

Additional population projections were obtained for the county and each of the five census tracts from Claritas, Inc. for this report and are included in Table 3-5. The 2007 county population estimate is 37,333 residents with a projected 2012 population projection of 38,335 residents. This is slightly less than the VEC projection of 38,900 residents in 2010. This additional data source was acquired because it also provides household projections, which are valuable in estimating future housing needs. (The

Hampton Road Planning District Commission population projection for the county in 2010 is 40,474.)

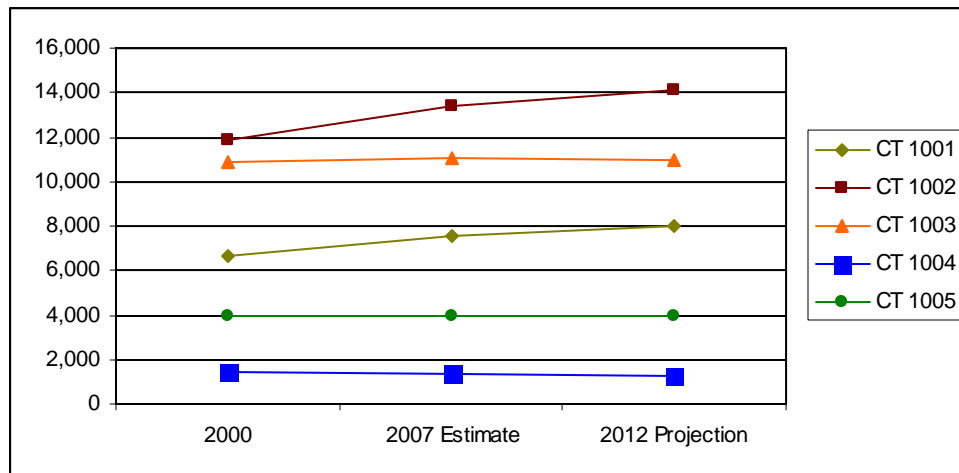
Table 3-5
Population Projections to 2012
Claritas, Inc.

	2000	2007 Estimate	2012 Projection
CT 1001	6,637	7,574	8,027
CT 1002	11,883	13,378	14,089
CT 1003	10,892	11,042	10,984
CT 1004	1,451	1,359	1,272
CT 1005	3,917	3,980	3,963
Gloucester County	34,780	37,333	38,335

Source: Claritas, Inc.

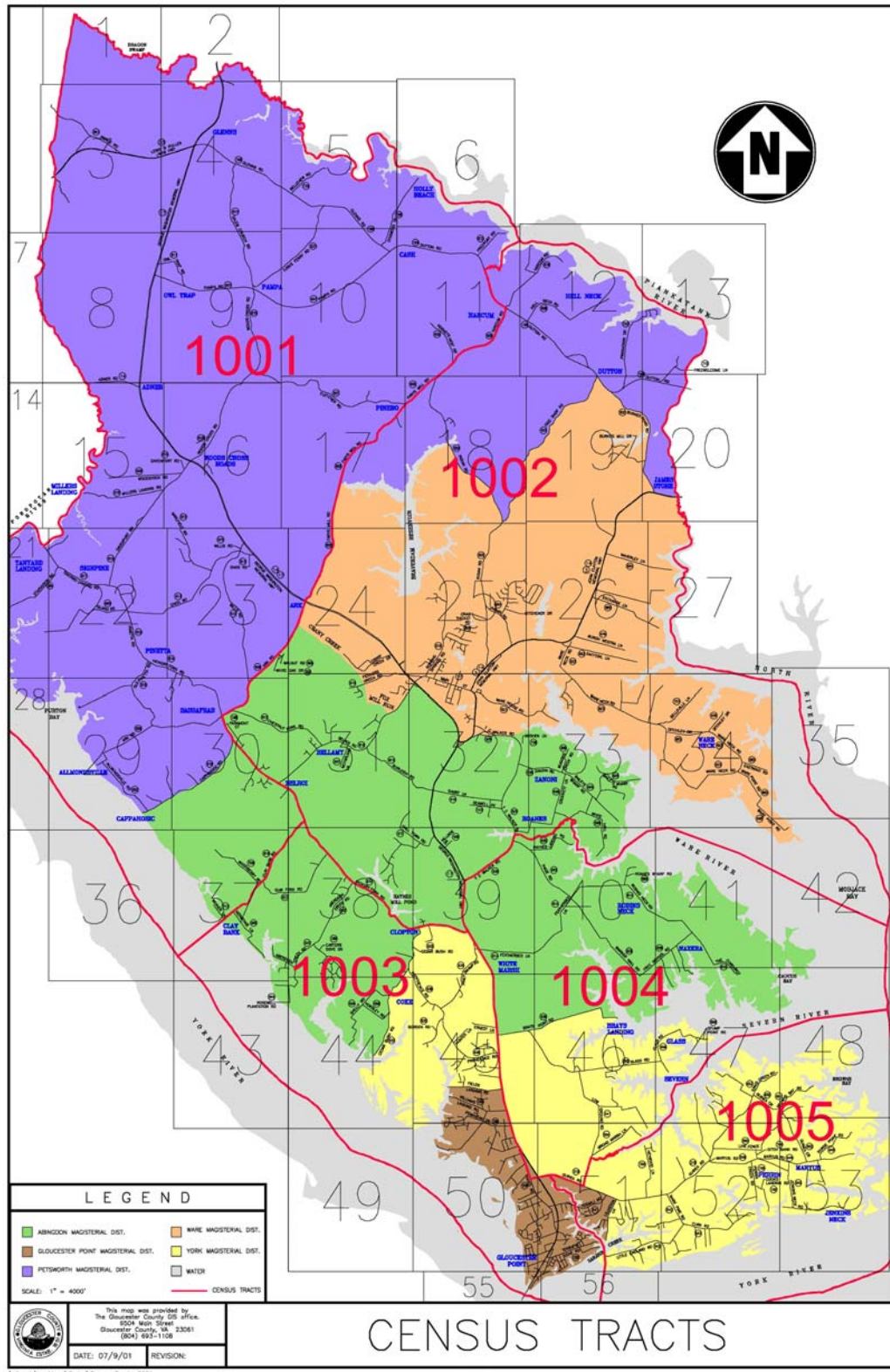
Net population growth between 2007 and 2012 is projected to occur in census tracts 1001 and 1002. Currently, it is estimated that approximately 56% of the 2007 population reside in these two tracts in the northern half of the county. Census tracts 1003 and 1005 are each projected to incur net losses of less than 1%, while census tract 1004 is projected to lose about 6% of its residents over the next five years.

Table 3-6
Population Projections by Census Tract to 2012



Sources: Claritas, Inc.

Map 3-1
Gloucester County Census Tracts and Magisterial Districts – 2000



B. Population by Race and Persons of Hispanic Origin

In 1990 there were 3,602 minority persons in Gloucester County, equivalent to 12% of the population. During the 1990s, the county's minority population increased 27.5% to 4,594. In 2000, about 13% of the county's population was comprised of minority persons.

As shown in the table below, Gloucester County's population by race changed between 1990 and 2000 as follows.

- White residents increased by 3,657 or 13.7%.
- Black residents increased by 22 or 0.7%.
- American Indians increased by 95 or 158%.
- Asian/Pacific Islanders increased by 119 or 58%.
- The population of persons of all other races (not mentioned above) increased by 111 or 528.6%.

In 1990, residents of Hispanic origin numbered 295 in Gloucester County, comprising 1% of the population. As of 2000, 644 persons of Hispanic origin lived in the county, representing 1.9% of the population. During the 1990s, Gloucester County's Hispanic population increased by 349 persons or 118.3%.

Table 3-7
Population by Race and Persons of Hispanic Origin – 1990 and 2000

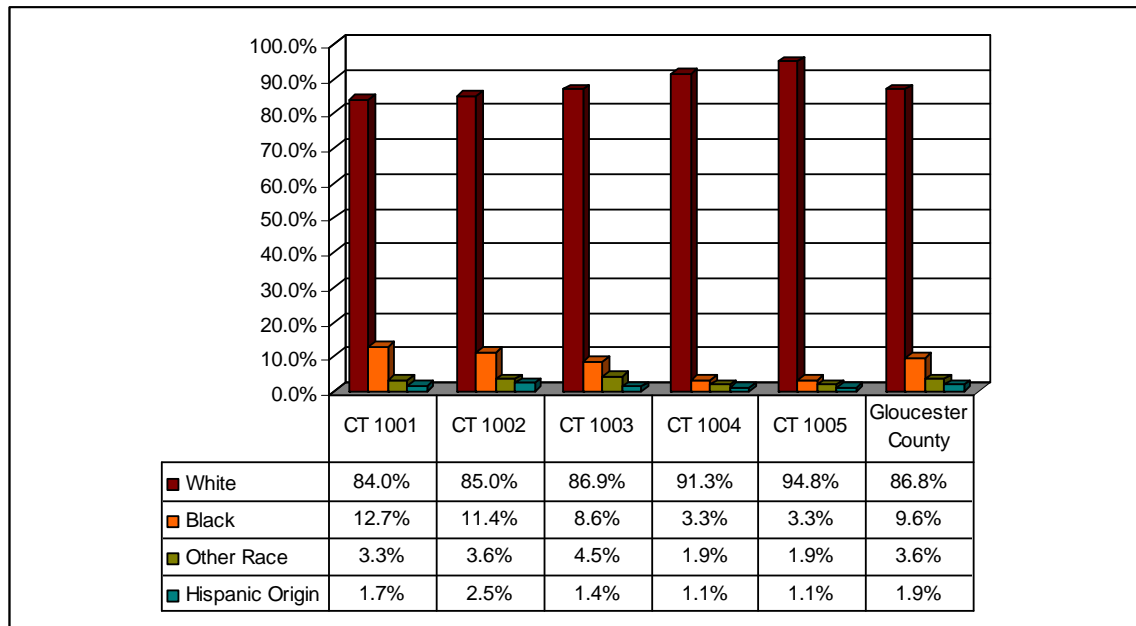
	Total Population	White Residents		Minority Residents						Residents of Hispanic Origin	
		Total	% of Population	Black	American Indian/ Eskimo	Asian, Pacific Islander	Other	Two or More Races	% of Population	Total	% of Total
1990											
Virginia	6,187,358	4,793,278	77.5%	1,163,068	16,391	158,808	55,813	**	22.5%	55,813	0.9%
MSA	1,396,107	947,160	67.8%	398,093	4,679	35,205	10,970	**	32.2%	32,329	2.3%
Gloucester County	30,131	26,529	88.0%	3,317	60	204	21	**	12.0%	295	1.0%
2000											
Virginia	7,078,515	5,116,929	72.3%	1,384,008	22,394	259,972	138,381	156,831	27.7%	327,273	4.6%
MSA	1,569,541	980,481	62.5%	485,368	6,215	44,311	18,492	31,563	37.3%	48,963	3.1%
Gloucester County	34,780	30,186	86.8%	3,339	155	323	132	645	13.2%	644	1.9%

Source: U.S. Census Bureau

**Not reported in 1990

Table 3-8 illustrates the percentage of population by race and by persons of Hispanic origin by census tract in Gloucester County.

Table 3-8
Population by Race and Persons of Hispanic Origin by Census Tract – 2000



Source: U.S. Census Bureau

C. Households

The U.S. Census Bureau defines “population” as “all people, male and female, child and adult, living in a given geographic area.” The term “household” is defined to include “all the people who occupy a housing unit as their usual place of residence.” When describing housing markets and housing needs, focusing the discussion on *households* is much more relevant and accurate because each household requires a dwelling unit while several *people* may comprise the same household and live in the same housing unit. In other words, relating housing need to the number of *households* in a geographic area is much more accurate in determining housing need than trying to relate it to the number of *persons*.

For example, if one hundred family households each had a new child born in the same year, the population of their town would increase by 100 persons. However, there would be no need for additional housing units to accommodate this increase in population. By comparison, if 50 new family households relocated to the town, then these 50 new households would each require their own housing unit.

Household growth is exceeding population growth. From 1990 to 2000, households in Gloucester increased by 2,167 or 19.8%. In that time, population increased 15.4%. Decreasing household size contributes to the higher rate of household growth. Decreasing household size is attributable to deferral of marriage, fewer children, increased rates of divorce, and longer life spans.

Table 3-9
Households and Persons per Household by Census Tract – 1990 and 2000

	Total Households				Average Persons per Household	
	1990	2000	% Household Change 1990 to 2000	% Population Change 1990 to 2000	1990	2000
CT 1001	1,874	2,392	27.6%	22.5%	2.87	2.77
CT 1002	3,443	4,357	26.5%	24.3%	2.72	2.65
CT 1003	3,595	4,213	17.2%	12.5%	2.69	2.58
CT 1004	603	596	-1.2%	-9.7%	2.62	2.41
CT 1005	1,451	1,569	8.1%	1.3%	2.63	2.5
Gloucester County	10,966	13,127	19.7%	15.4%	2.72	2.62
MSA	493,536	577,659	17.0%	12.4%	2.60	2.60
Virginia	2,291,830	2,700,335	17.8%	14.4%	2.61	2.54

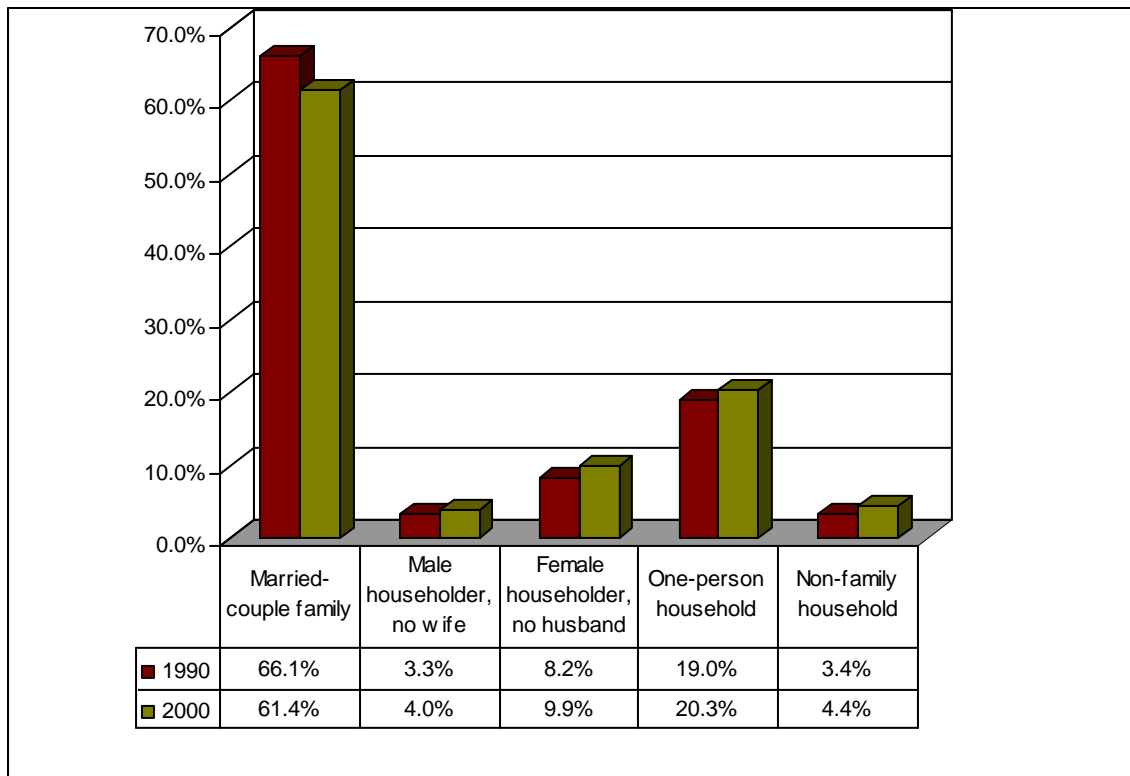
Source: U.S. Census Bureau

Households are classified by type according to the sex of the head of the household (householder) and the presence of relatives. Examples include married-couple family; male householder, no wife present; female householder, no husband present; and, non-family household.

The Census defines a family as a householder and one or more people living in the same household who are related to the householder by birth, marriage, or adoption. All people in a household who are related to the householder are regarded as members of the family. Not all households contain families since a household may comprise a group of unrelated people or one person living alone.

Married-couple households are declining while all other household types are increasing. Between 1990 and 2000, married-couple family households decreased from 66.1% to 61.4% of all household types (see Table 3-10). Growth rates of 1% or less were evident in male householder, one-person and non-family households. Female-headed households increased 1.7%. The growth in single-parent family households creates the need for units that are affordable to households with only one income. As shown in Part 5 of this report, different household types have different tenure patterns with married-couple households having the highest rate of home ownership followed by male-headed households. Female-headed households own their units at significantly lower rates. While women have traditionally worked in lower wage occupations than men, the number of women in higher paying managerial and professional specialty occupations is growing. Women earning higher incomes will support increased household formation by single women.

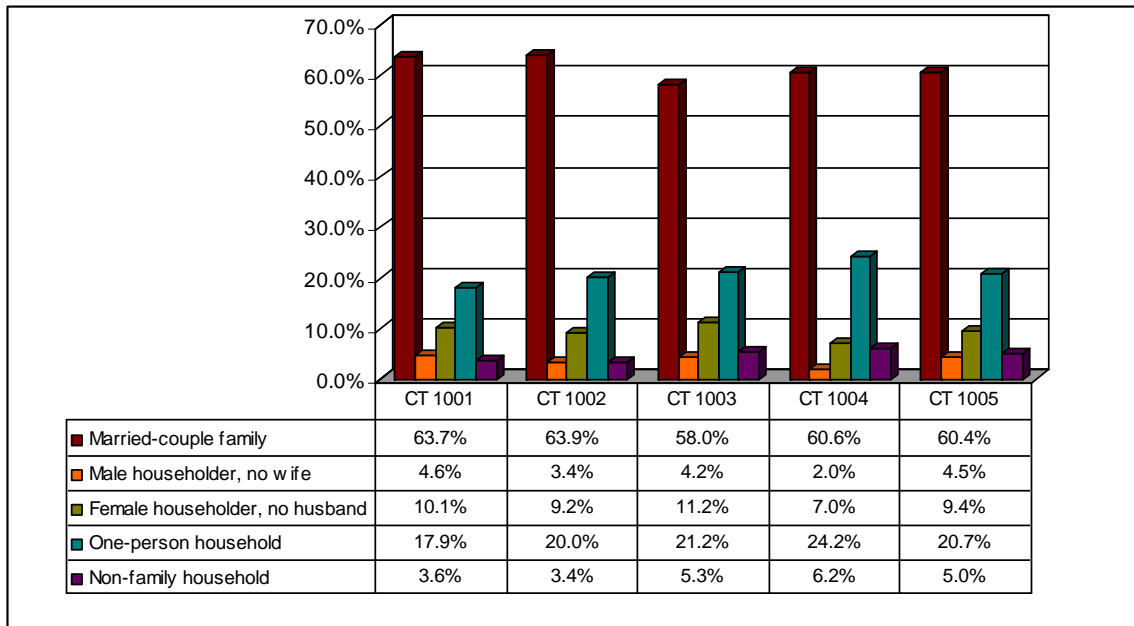
Table 3-10
Trends in County Household Types – 1990 and 2000



Source: U.S. Census Bureau

One in five households were one-person households in 2000. Analyzed on a census tract basis, married-couple family households were highest in the same areas projected to experience the most growth over the next five years (see Table 3-11). This is to be expected with much of the recent housing development consisting of single-family homes and occurring in census tracts 1001 and 1002. More one-person households and single-parent households were found in the other three census tracts where the majority of multi-family rental housing units are located.

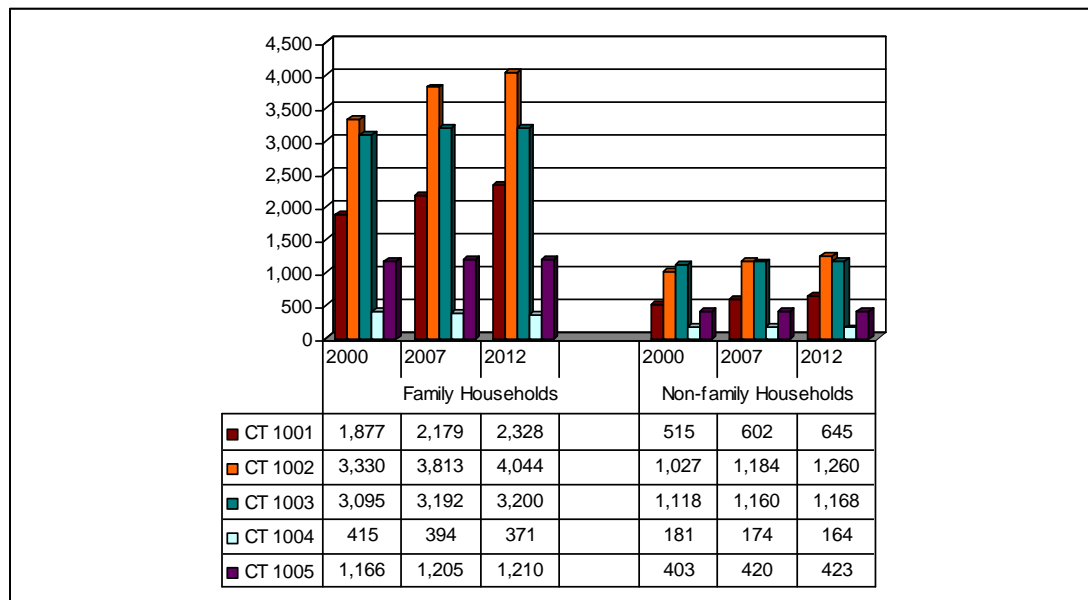
Table 3-11
Household Types by Census Tract – 2000



Source: U.S. Census Bureau

Family households will continue to be the majority household type and increase but at a slower rate. Since 2000, family households have increased by a total of 900, averaging 128 households annually. Over the next five years, this rate is projected to significantly decrease to an annual rate of only 73 households. Non-family households (i.e. one-person and non-family households) have increased by 296 since 2000 for an average annual increase of 42 households. By 2012, these households are projected to increase by another 120 for an annual average increase of 24 households.

Table 3-12
Household Type Projections by Census Tract – 2000 to 2012

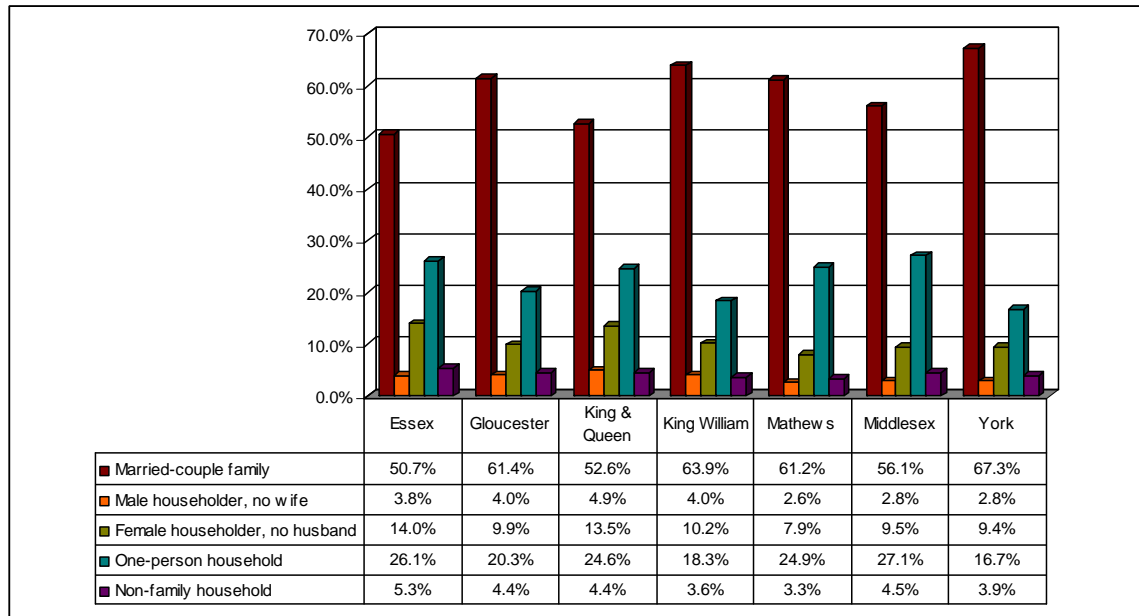


Source: Claritas, Inc.

Growth in family households is projected to occur primarily in census tracts 1001 and 1002.

Regionally, Gloucester County ranked third-highest in married-couple family households in 2000. York and King William had higher rates. Gloucester ranked below Essex, King and Queen and King William in the number of single-parent households (male householders and female householders combined). It also had among the lowest rates for one-person and non-family households in the region.

Table 3-13
Regional Comparison of Household Types – 2000

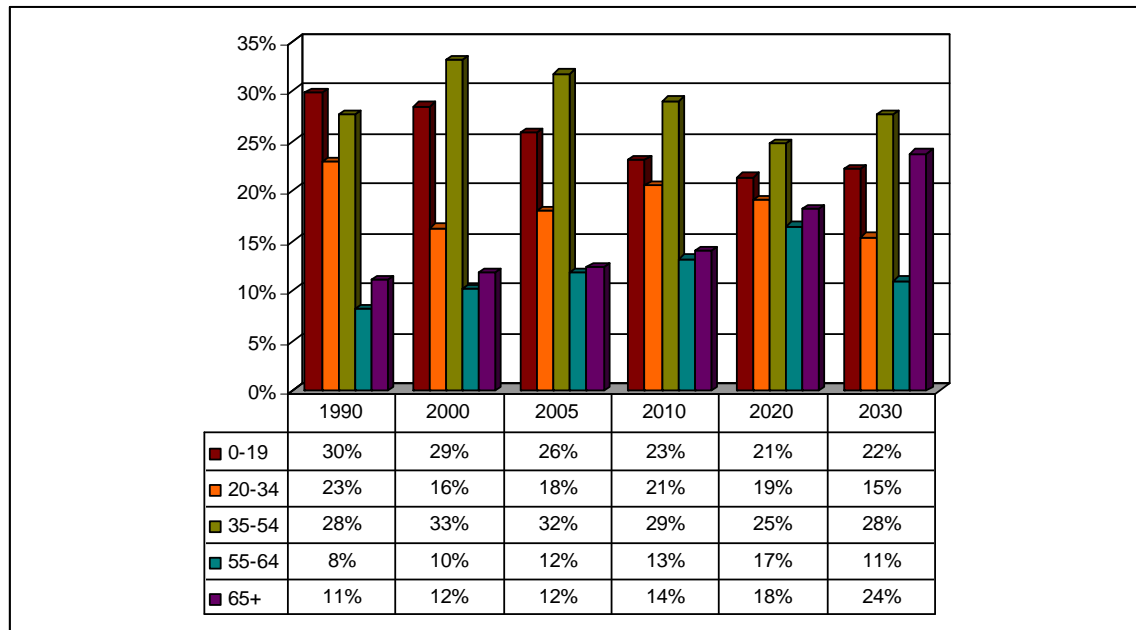


Source: U.S. Census Bureau

D. Population by Age

Gloucester County is “grayer” than Virginia and will continue to age over the next few decades. In 2000 the median age of Gloucester County’s population was 38 years; in Virginia, it was 35.7 years. In 1990, 30% of the county’s population was 19 or younger and 22% was 65 and older. By 2030, it is projected that 22% of the population will be 19 and younger, while 24% will be 65 and older.

Table 3-14
County Population by Age – 1990 to 2030



Sources: U.S Census Bureau; Virginia Employment Commission

Children up to age 19 comprised nearly 30% of the population in 1990 and 29% of the 2000 population. By 2030, this age group is projected to account for 22% of the total population.

Young adults age 20 to 34 accounted for 23% of the population in 1990 but only 16% of the 2000 population. By 2010, young adults are projected to comprise 21% of the population, falling to 15% by 2030.

Adults age 35 to 54 represented 28% of the population in 1990 and grew to 33% in 2000. However, this segment of the population has already begun to decrease according to 2005 estimates released by the Census Bureau. By 2010, it is projected they will decrease to 29%, but increase once again to 28% by 2030.

Adults age 55 to 64 comprised the smallest age group in 1990 at 8% of the population. By 2000 they had grown to 10% and in 2005, to 12%. It is projected that this group will continue to grow, up to 17% of the population in 2020 before declining to 11% in 2030.

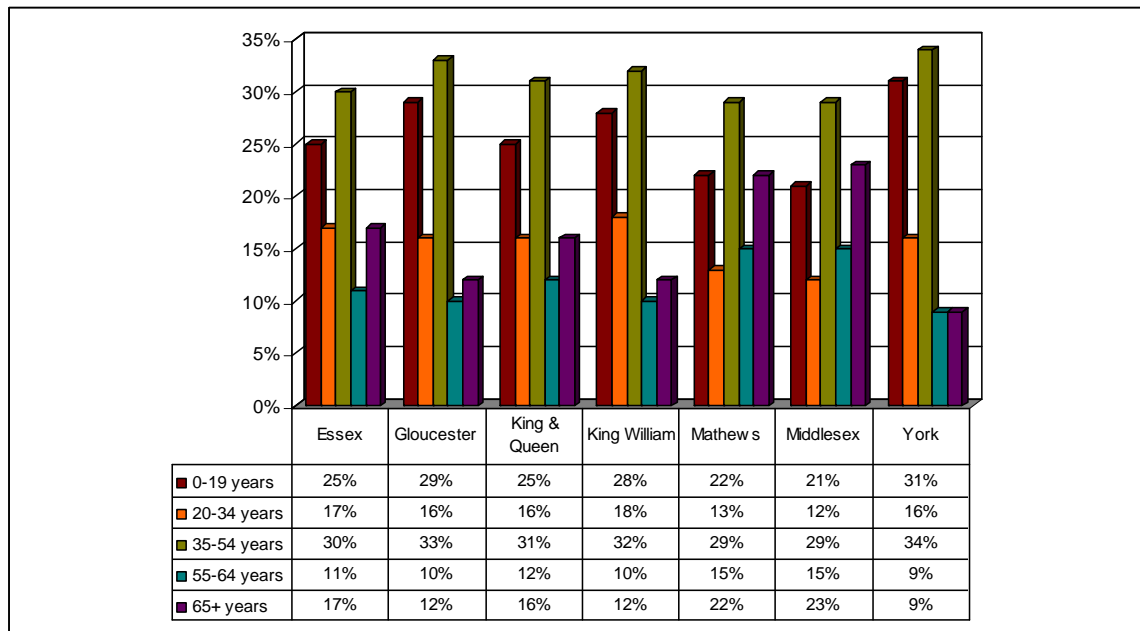
Elderly persons age 65 and older comprised 11% of the population in 1990. Since then, this group has slowly been increasing as a percentage of the population. By 2000, they comprised 12% of the population but are projected to increase to 24% by 2030.

Looking at demographic changes as a whole, general housing trends to expect in Gloucester County over the next 20 to 30 years include the following:

- A slowing demand for small starter homes and apartments because of fewer young people

- A strong demand for empty-nester move-up homes and renovations of existing homes because of an increased population of middle-aged persons
- An increased demand for home-based services that enable seniors to age in place
- An increased demand for alternative forms of assisted living at a variety of prices. As baby boomers age and families grow smaller, there will be more older people who need support and assistance and fewer family members to fill the traditional role of providing needed care.

Table 3-15
Regional Comparison of Population by Age – 2000



Source: U.S. Census Bureau

Regionally, Gloucester's population is younger than some of the surrounding counties. In 2000 the median age of the county's population was 38.0 years. This was lower than Essex (40.3), King and Queen (40.9), Mathews (46.2) and Middlesex (46.8).

E. Future Trends

The Demographic Profile of Virginia prepared by the Weldon Cooper Center for Public Service in October 2006 identified three critical trends that stand out for Virginia's population over the next few decades. These include the following.

i. Selective Decentralization

As the Commonwealth's population continues to grow, the number of metropolitan areas as well as the boundaries of the existing metro areas is expected to increase and expand. Rural and less densely settled counties adjacent to metro areas, such as Gloucester County, are likely to experience significant population growth as space and workforce and affordable housing become harder to obtain in the urban core areas. Counties with significant

quality of life advantages, those with access to urban amenities (either their own or ones nearby), and those with a diversified, service-based economy are particularly prone to rapid growth.

ii. Aging Population

The average age of the population will increase as the baby boomer generation enters retirement age. Current fertility rates are below the replacement level of 2.1 children per woman, and medical advances have improved longevity. As a result, Virginia's population, like the nation as a whole, will experience significant aging in the next few decades. By 2030, nearly one in every five Virginians will be 65 years or older. This population will be predominantly women, as women have a longer life expectancy than men. As the baby boomers age, the percentage of older workers will increase as will the average age of the labor force. The U.S. Bureau of Labor Statistics projects an increasing labor force participation rate for those age 55 to 64 in the short term.

iii. Ethnic Diversity

Racial and ethnic diversity within Virginia will increase as a result of both immigration and births to immigrant parents and racially mixed couples. Immigrants are typically young, at the peak of their work productivity as well as at the height of their reproductive years. While non-Hispanic whites will continue to be the majority of Virginia's population in the next few decades, Asian and Hispanic proportions will further increase due to differential fertility and immigration. The black proportion is likely to stabilize around 20%, while the American Indian population will remain a small fraction of the total population.

4. ECONOMIC TRENDS

Economic trends are important to the understanding of the housing market because of the relationship between income and housing choice. The following discussion of trends and projections in occupations and employment provides a basis for discussion of the ability of households to afford housing, which will impact housing choice and demand in Gloucester County.

A. Labor Force and Unemployment

Gloucester County's unemployment rate has consistently been below national and state rates. From 1996 to 2006, Gloucester County's labor force has increased by about 3,300 persons or 20%, from 16,820 to 20,131 reflecting the aging of the population. Total persons employed increased by about 3,500 persons or 21.5% from 16,213 to 19,697. Unemployed persons decreased 28.5% from 607 to 434. From 2000 to 2003, unemployment increased from 1.9% to 3.1%, but by 2006 it had declined to 2.2%.

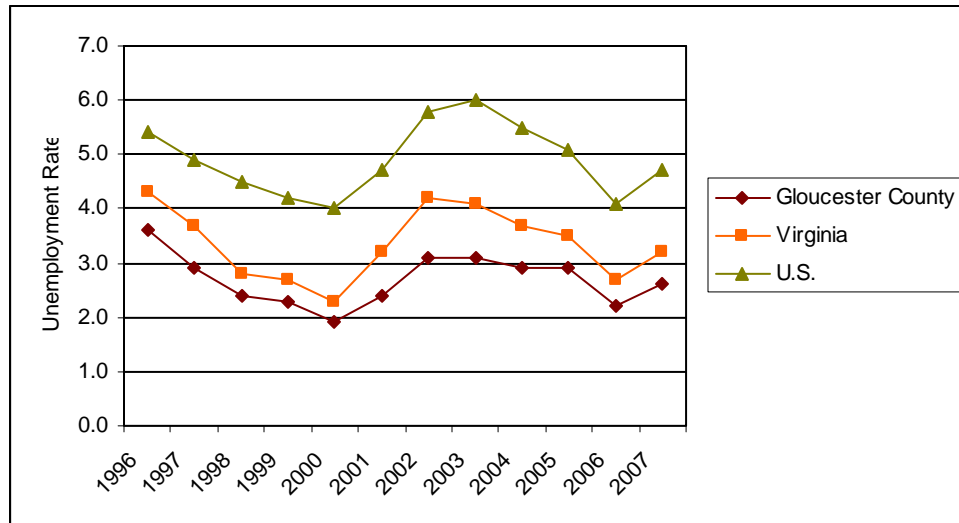
Table 4-1
Gloucester County Labor Force – 1996 to 2006

	Civilian Labor Force	Total Employed	Total Unemployed	% Unemployed
1996	16,820	16,213	607	3.6%
1997	17,423	16,923	500	2.9%
1998	17,881	17,447	434	2.4%
1999	18,037	17,629	408	2.3%
2000	17,489	17,153	336	1.9%
2001	17,922	17,483	439	2.4%
2002	18,665	18,091	574	3.1%
2003	19,115	18,530	585	3.1%
2004	19,411	18,843	568	2.9%
2005	19,754	19,173	581	2.9%
2006	20,131	19,697	434	2.2%

Source: Local Area Unemployment Statistics Unit and Bureau of Labor Statistics

While Gloucester County's trends in unemployment have followed those in the U.S. and Virginia, the county's unemployment rate has consistently been below the national and state rates. The margin below the national rate has been as great as 2.9% in 2003. After dipping to almost 2% in 2006, the unemployment rate has slowly begun to rise, reaching 2.6% in June 2007. This followed state and national unemployment trends (see Table 4-2).

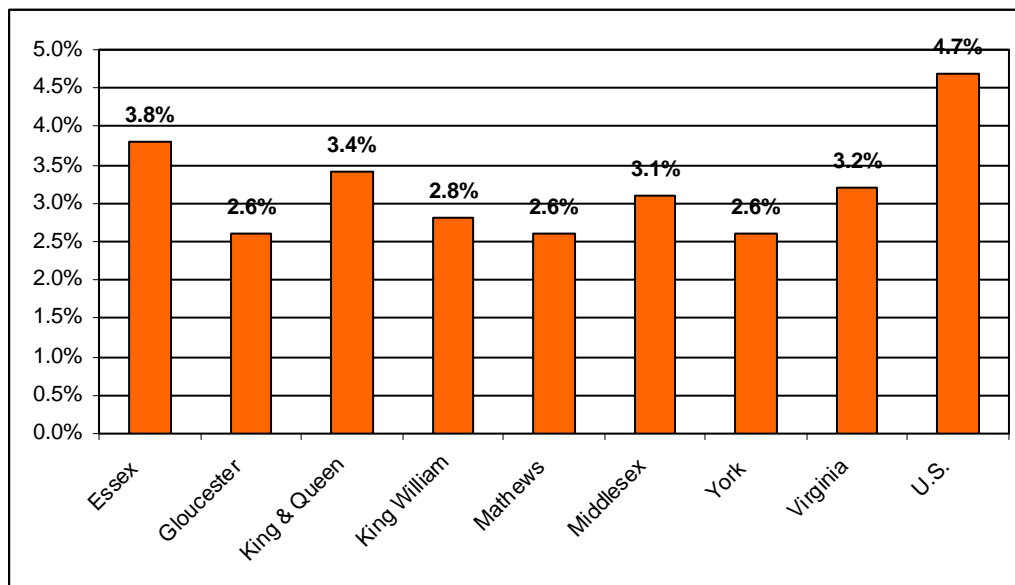
Table 4-2
Trends in Unemployment – 1996 to 2007



Source: Local Area Unemployment Statistics Unit and Bureau of Labor Statistics

Regionally, Gloucester County has the lowest unemployment rate. The county tied with Mathews and York in June 2007, all with rates of 2.6%. Unemployment increased in the counties located farther inland and away from the Hampton Roads employment center. Still, surrounding county and state unemployment rates were less than the national rate of 4.7%.

Table 4-3
Regional Comparison of Unemployment Rates – 2007



Source: Local Area Unemployment Statistics Unit and Bureau of Labor Statistics

Table 4-4 lists the characteristics of Gloucester County's 2000 civilian labor force and compares it to Virginia's civilian labor force. While this data is from the 2000 census, more recent employment data does not provide a breakdown of the civilian labor force by sex, race and Hispanic origin.

The county's unemployment rate of 4% was comparable to the State rate of 4.2%. By sex, the rate of unemployment was similar among men at 3.9% and women at 4%. In Gloucester County there were no unemployed American Indians/Native Alaskans. The rate of unemployment among Asian/Pacific Islanders was 3.2% and 3.5% among whites. Persons of Hispanic origin had an unemployment rate of 4.4%.

Blacks had the highest unemployment rate at 8.6%. Blacks are the only race in the county with an unemployment rate that is higher than persons of the same race Statewide. The high rate of unemployment among the county's black labor force impacts their ability to be adequately housed in the community.

**Table 4-4
Civilian Labor Force Profile – 2000**

Labor Force Characteristics	Gloucester County		Virginia
	Total	Percent	Percent
Total Civilian Labor	17,394	100.0	100.0
Employed	16,703	96.0	95.8
Unemployed	691	4.0	4.2
Male Civilian Labor	9,292	100.0	100.0
Employed	8,928	96.1	95.9
Unemployed	364	3.9	4.1
Female Civilian Labor	8,102	100.0	100.0
Employed	7,775	96.0	95.6
Unemployed	327	4.0	4.4
White Civilian Labor	15,249	100.0	100.0
Employed	14,719	96.5	96.8
Unemployed	530	3.5	3.2
Black Civilian Labor	1,643	100.0	100.0
Employed	1,502	91.4	91.6
Unemployed	141	8.6	8.4
Am. Indian, Alaska Native	72	100.0	100.0
Employed	72	100.0	93.7
Unemployed	0	0.0	6.3
Asian, Pacific Islander	185	100.0	100.0
Employed	179	96.8	96.3
Unemployed	6	3.2	3.7
Other Race Civilian Labor	245	100.0	100.0
Employed	231	94.3	94.3
Unemployed	14	5.7	5.7
Hispanic Civilian Labor	271	100.0	100.0
Employed	259	95.6	94.5
Unemployed	12	4.4	5.5

Source: U.S. Census Bureau

B. Employment by Industry

Gloucester County's industries have traditionally been associated with the abundant natural resources found in the area. With its advantageous location in the geographic center of the Eastern Seaboard, the county is experiencing increased economic diversification.

The retail sector accounts for 19.3% of all employment in the county. The Virginia Employment Commission Economic Information Services Division reports that the total number of employees located in Gloucester County in 2006 was 11,532. The largest major industry sector is retail trade followed by arts, entertainment, recreation, accommodation and food services at 13.8%, education services at 12.8%, and health care and social service at 12%.

In Virginia in 2006, the largest major industry sector was professional, scientific, management, administrative and waste management comprising 17.8% of all employment, followed by retail trade at 11.7%, health care and social service at 10.5%, and arts, entertainment, recreation, accommodation and food services at 10.3%.

The shift from manufacturing to retail employment has resulted in lower-paying jobs, and as a result, less disposable income available for housing. As shown in the table below, since 1990 employment in manufacturing in Gloucester County has declined from 14.7% to 2.9%. The situation is not expected to change, and the gap between high-paying and low-paying jobs will widen. In addition to retail, increases have occurred in professional, scientific, management, administrative and waste management (from 6.5% in 1990 to 10.5% in 2006), education (7.7% to 12.8%), health care and social service (6.9% to 12%), and in arts, entertainment, recreation, accommodation and food services (1.2% to 13.8%). One effect of jobs shifting from manufacturing to services is that employee benefits are not as generous. Reduced benefits, particularly health insurance, reduce disposable income that is available for housing, placing households at greater risk of experiencing a housing problem.

**Table 4-5
Employment by Industry – 1990, 2000, and 2006**

	Virginia			Gloucester County		
	1990	2000	2006	1990	2000	2006
Agriculture, forestry, fishing, hunting, mining	2.6%	1.3%	0.7%	4.5%	2.3%	0.6%
Construction	7.8%	7.3%	7.3%	11.0%	11.4%	9.6%
Manufacturing	15.2%	11.3%	8.1%	14.7%	10.6%	2.9%
Wholesale trade	3.4%	2.7%	3.3%	3.0%	2.8%	2.6%
Retail trade	16.1%	11.4%	11.7%	17.3%	11.6%	19.3%
Transportation, warehousing, utilities	6.7%	4.6%	4.1%	7.2%	4.3%	2.9%
Information	*	3.8%	2.8%	*	1.9%	1.5%
Finance and insurance, and real estate	6.5%	6.7%	5.4%	4.4%	3.7%	3.9%
Professional, scientific, management, administrative, waste management	8.0%	11.6%	17.8%	6.5%	8.2%	10.5%
Educational	8.0%	8.6%	8.3%	7.7%	8.9%	12.8%
Health, social service	7.1%	9.7%	10.5%	6.9%	12.0%	12.0%
Arts, entertainment, recreation	1.1%	7.3%	10.3%	1.2%	8.3%	13.8%
Other services (except public administration)	8.2%	5.4%	3.6%	6.1%	4.6%	3.7%
Public administration	9.3%	8.3%	6.1%	9.5%	9.4%	3.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*Data not collected in 1990

Source: U.S. Census Bureau

In 2006, 10 of the largest employers in Gloucester County were retail or food service establishments based on the total number of employees. This corresponds with the Virginia Employment Commission's finding that the largest employer by industry is retail trade. The other larger employers reflect higher employment within educational services (Gloucester County schools), and health care and social assistance (Riverside Regional Medical Center and York Convalescent Center).



New retail development continues on Highway 17

**Table 4-6
Gloucester County Top 25 Employers
Fourth Quarter 2006**

Employer Name	Estimated Number of Employees
Gloucester County Schools	1,000 and over
Riverside Regional Medical Center	500-999
Virginia Institute of Marine Science	500-999
Walmart	250-499
County of Gloucester	250-499
Rappahannock Community College	250-499
York Convalescent Center	100-249
Lowe's Home Centers, Inc.	100-249
Industrial Resource Technology	100-249
Food Lion	100-249
The Home Depot	50-99
Farm Fresh	50-99
JL Jkm Enterprises, LC	50-99
Wendy's	50-99
Rappahannock Concrete Corporation	50-99
Ruby Tuesday	50-99
Mar Mac Transportation Services	50-99
Thousand Trails LP	50-99
Whitley Peanut Factory, Inc.	50-99
Gloucester House	20-49
Chesapeake Bank	20-49
Hardee's	20-49
Virginia Electric & Power Company	20-49
Applebee's Neighborhood Grill	20-49
Kentucky Fried Chicken	20-49

Source: Virginia Employment Commission

The anticipated growth of jobs in food preparation, food serving, healthcare support, community services, social services and protective services implies a corresponding need for lower cost housing to support the growth of lower wage households in the county's economy. The Virginia Employment Commission projects employment by major occupation group to 2012 (see Table 4-7). The information is not available separately for Gloucester County but is reported for the Greater Peninsula Labor Workforce Investment Area, which includes Gloucester County, James City County, York County, and the cities of Hampton, Newport News, Poquoson and Williamsburg. The greatest growth by number of jobs is projected to be among office and administrative support followed by sales, food preparation, and serving. Major occupation groups projected to have the greatest percent increase include computer and mathematical, healthcare support, community and social services, and protective service.

Table 4-7
Greater Peninsula Labor Workforce Investment Area
Employment by Major Occupation Group – 2002 and 2012

	Employment			Openings		
	Estimated 2002	Projected 2012	% Change	Replacements	Growth	Total
Office, Administrative Support	34,205	39,384	15.1%	779	1,548	2,327
Sales	24,375	29,006	19.0%	840	767	1,607
Food Preparation and Serving	20,540	23,267	13.3%	821	464	1,285
Computer and Mathematical	6,143	10,766	75.3%	83	1,186	1,269
Transportation, Material Moving	12,437	14,398	15.8%	279	584	863
Management	10,962	13,700	25.0%	206	582	788
Production Occupations	20,720	20,485	-1.1%	517	263	780
Business and Financial	10,301	13,720	33.2%	182	583	765
Healthcare Practitioners	9,476	12,010	26.7%	182	278	460
Installation, Maintenance, Repair	10,066	11,464	13.9%	227	226	453
Personal Care, Service	5,671	7,348	29.6%	145	280	425
Construction, Extraction	10,045	11,190	11.4%	206	155	361
Healthcare Support	4,365	6,198	42.0%	72	269	341
Protective Service	5,564	7,386	32.7%	165	167	332
Maintenance	9,079	9,461	4.2%	183	122	305
Architecture and Engineering	6,067	6,879	13.4%	135	169	304
Community and Social Services	2,508	3,460	38.0%	49	219	268
Education, Training, Library	14,351	17,646	23.0%	302	97	399
Media	2,018	2,633	30.5%	38	97	135
Life, Physical, Social Sciences	1,572	2,014	28.1%	37	71	108
Legal	961	1,199	24.8%	11	33	44
Farming, Fishing, Forestry	139	144	3.6%	4	3	7
Total All Occupations	221,565	263,758	19.0%	5,463	8,163	13,626

Source: Virginia Employment Commission

C. Commuting Patterns

Four in ten workers live and work in Gloucester County. The Virginia Employment Commission reports that about 41% of the county's workers live and work in Gloucester County (see Table 4-8). The remainder work outside of the county. Statewide, just 7% of the workers live and work in the same county. A larger percentage of workers who live locally support the local economy as those living and working in the county are largely circulating their incomes within the county.



Gloucester County is a county of commuters.

**Table 4-8
Gloucester County Commuters – 2005**

All Workers in Gloucester County	16,938
People who Live and Work in the County	6,895
Out-Commuters	10,043
In-Commuters	2,480
Net In-Commuters (In-Commuters minus Out-Commuters)	-7,563
Retention Rate (People who live and work in the County as a % of all workers in the County)	40.07%

Source: Virginia Employment Commission

One-third of all commuters travel out to Newport News for employment. Another 15% work in York County. About 32% of those who commute to jobs in Gloucester County live in Mathews County.

**Table 4-9
Gloucester County Commuting Patterns – 2005**

LOCAL RESIDENT WORKERS (People who live and work in Gloucester County)	
Gloucester County	6,895
IN-COMMUTERS Top Ten Places Workers are Commuting From:	
Mathews County	780
Newport News city	319
Middlesex County	296
York County	241
King and Queen County	122
Hampton city	121
Lancaster County	112
James City County	100
King William County	40
Williamsburg city	38
OUT-COMMUTERS Top Ten Places Residents are Commuting To:	
Newport News city	3,311
York County	1,505
Hampton city	1,033
James City County	923
Williamsburg city	554
Middlesex County	415
Norfolk city	319
Mathews County	255
Lancaster County	190
King William County	183

Source: Virginia Employment Commission

D. Wages

The average county wage was equal to only 61% of the average State wage in 2006. Wages are the sum of income received regularly by people 16 years old and over before deductions for personal income taxes, social security, union dues, and Medicare deductions. The Virginia Employment Commission reports that the average weekly wage for Gloucester County in 2006 was \$499. This is equivalent to \$12.48 per hour or

\$24,950 per year, assuming a 40-hour week worked for 50 weeks of the year. The average weekly wage Statewide in 2006 was \$822, which is equivalent to \$20.55 per hour or \$41,100, assuming a 40-hour week worked for 50 weeks of the year.

Table 4-10 includes the annual salary of jobs in the Middle Peninsula Planning District in which Gloucester County is located. The table shows the percent of the persons employed by industry in the county with the amount of wages paid for entry level, median, and experienced persons employed in the industry.

Nearly one-third of employed persons work in industries with the lowest entry level wages in the Middle Peninsula Planning District. Another 22% work in industries that have entry level wages that are about the same as those for all industries in the Middle Peninsula Planning District. About 19% of the employed persons work in industries that pay above the entry level wage in the district. The greatest growth by number of jobs is projected to be among lower wage jobs including office and administrative support followed by sales, food preparation, and serving. None of these job classifications offer above average wages. But these lower wage workers are essential to the continued growth of the county's economy. Again, the growth in lower wage jobs contributes to the demand for affordable sales and rental housing in Gloucester County.

**Table 4-10
Annual Salaries in the Middle Peninsula Planning District – 2006**

	Entry Level Salary	Median Salary	Experienced Salary	% of Total Persons in County Employed in 2006
Accommodation and Food Services	\$12,283	\$15,968	\$21,392	10.2%
Other Services	\$13,844	\$21,179	\$28,909	3.3%
Agriculture, Forestry, Fishing & Hunting	\$14,177	\$26,121	\$38,163	0.5%
Retail Trade	\$14,367	\$20,628	\$30,847	17.1%
Mining	\$15,282	\$26,499	\$37,526	*
Trade, Transportation and Utilities	\$15,426	\$22,746	\$35,017	*
Information	\$15,448	\$25,336	\$38,399	1.2%
Arts, Entertainment, and Recreation	\$15,820	\$20,644	\$26,202	1.7%
Administrative and Support Services	\$16,175	\$21,730	\$38,015	1.8%
Manufacturing	\$16,328	\$23,965	\$35,925	2.6%
Health Care and Social Assistance	\$16,798	\$24,201	\$39,504	10.3%
Educational Services	\$16,833	\$31,236	\$40,562	12.3%
Enterprises	\$17,604	\$25,860	\$43,828	0.3%
Finance and Insurance	\$17,785	\$22,030	\$34,095	3.4%
Professional and Technical Services	\$17,805	\$26,843	\$42,282	2.2%
Construction	\$18,054	\$26,620	\$36,231	8.4%
Public Administration	\$18,254	\$27,857	\$36,941	*
Transportation and Warehousing	\$18,706	\$29,853	\$40,968	2.0%
Wholesale Trade	\$19,281	\$25,315	\$37,758	2.3%
Total, All Industries	\$16,094	\$24,331	\$36,239	79.6%
Median Household Income (2007)	\$54,421			

* Not available

Source: Bureau of Labor Statistics Occupational Employment Statistics Survey

E. Income

Income is broader than wages and represents the total funds available to a household. The Census defines income as the sum of the amounts reported separately for wage plus interest, dividends, or net rental or royalty income or income from estates and trusts; social security or railroad retirement income; Supplemental Security Income; public assistance or welfare payments; retirement, survivor, or disability pensions; and, all other income.

The median household income in Gloucester County in 2000 was \$45,421. This represented an increase of 43.8% from \$31,591 in 1990. However, once adjusted for inflation, the median household income in 2000 was only 9% more than in 1990. The county's 2000 median household income was equivalent to 97% of the State's median household income.

The median household income estimate for 2007 is \$54,421. This is approximately 1% less than the 2000 median household income after adjusting for inflation. Declines in income also were evident in census tracts 1001, 1002 and 1003.

Table 4-11
Median Household Income Trends – 1990 to 2000

	1990 Adjusted Income*	2000 Actual Income	% Change in Income 1990-2000
CT 1001	\$38,400	\$40,262	4.8%
CT 1002	\$44,100	\$48,053	9.0%
CT 1003	\$43,100	\$45,010	4.4%
CT 1004	\$35,400	\$56,433	59.4%
CT 1005	\$37,200	\$45,928	23.5%
Gloucester County	\$41,600	\$45,421	9.2%
Virginia	\$43,900	\$46,677	6.3%

*Adjusted for inflation to 2000

Sources: U.S. Census Bureau; Mullin & Lonergan Associates, Inc.

Table 4-12
Median Household Income Trends – 2000 to 2007

	2000 Adjusted Income*	2007 Actual Income	% Change in Income 2000-2007
CT 1001	\$48,600	\$47,937	-1.4%
CT 1002	\$58,000	\$57,324	-1.2%
CT 1003	\$54,300	\$53,505	-1.5%
CT 1004	\$68,100	\$68,608	0.7%
CT 1005	\$55,500	\$56,897	2.5%
Gloucester County	\$54,900	\$54,421	-0.9%
Virginia	\$56,400	na	na

*Adjusted for inflation to 2007

Approximately 2,500 households (18%) have median household incomes of less than \$25,000, which is equivalent to about 46% of the county median household income. Another 3,200 households (22%) have median household incomes between \$25,000 and up to \$44,999, which is equivalent to about 83% of the county median household income.

Table 4-13
Household Income – 2007

	CT 1001		CT 1002		CT 1003		CT 1004		CT 1005		Gloucester County	
	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
Less than \$10,000	185	6.7%	215	4.3%	268	6.2%	28	4.9%	120	7.4%	816	5.7%
\$10,000 to \$14,999	128	4.6%	160	3.2%	157	3.6%	13	2.3%	69	4.2%	527	3.7%
\$15,000 to \$19,999	131	4.7%	161	3.2%	197	4.5%	12	2.1%	73	4.5%	574	4.0%
\$20,000 to \$24,999	116	4.2%	170	3.4%	227	5.2%	12	2.1%	69	4.2%	594	4.1%
\$25,000 to \$29,999	148	5.3%	299	6.0%	207	4.8%	43	7.6%	96	5.9%	793	5.5%
\$30,000 to \$34,999	147	5.3%	297	5.9%	183	4.2%	21	3.7%	73	4.5%	721	5.0%
\$35,000 to \$39,999	228	8.2%	313	6.3%	251	5.8%	22	3.9%	75	4.6%	889	6.2%
\$40,000 to \$44,999	197	7.1%	267	5.3%	253	5.8%	25	4.4%	72	4.4%	814	5.7%
\$45,000 to \$49,999	188	6.8%	242	4.8%	246	5.7%	16	2.8%	66	4.1%	758	5.3%
\$50,000 to \$59,999	297	10.7%	511	10.2%	534	12.3%	42	7.4%	144	8.9%	1,528	10.7%
\$60,000 to \$74,999	385	13.8%	722	14.4%	592	13.6%	87	15.3%	167	10.3%	1,953	13.6%
\$75,000 to \$99,999	383	13.8%	808	16.2%	617	14.2%	82	14.4%	237	14.6%	2,127	14.9%
\$100,000 or more	248	8.9%	832	16.6%	620	14.2%	165	29.0%	364	22.4%	2,229	15.6%
Total	2,781	100.0%	4,997	100.0%	4,352	100.0%	568	100.0%	1,625	100.0%	14,323	100.0%
MHI	\$47,937		\$57,324		\$53,505		\$68,608		\$56,897		\$54,421	

Source: Claritas, Inc.

F. Persons Living Below the Poverty Level

The number of persons living in poverty increased between 1990 and 2000. In 1990 there were 2,510 persons (8.4%) living below poverty in Gloucester. By 2000, this number increased to 2,644 persons (7.7%). However, because the county's population increased at a greater rate than the number of persons living in poverty, the *percent* of persons living in poverty decreased during the 1990s.

Overall, county poverty rates were less than State rates (see Table 4-14). Both the county and State poverty rates declined among persons 65 years of age and older, while poverty rates rose among children younger than 18 years.

Table 4-14
Persons and Households Below Poverty – 1990 and 2000

	1990		2000	
	Virginia	Gloucester County	Virginia	Gloucester County
Persons below poverty	611,611	2,510	656,641	2,644
Percent below poverty level	10.2%	8.4%	9.6%	7.7%
Persons 65 and over below poverty	88,570	540	71,545	334
Percent below poverty level	1.5%	1.8%	1.0%	1.0%
Households below poverty	241,453	1,076	259,417	1,070
Percent below poverty level	10.5%	9.8%	9.6%	8.1%
Persons younger than 18 below poverty	197,382	771	209,532	870
Percent below poverty level	3.3%	2.3%	3.1%	2.5%

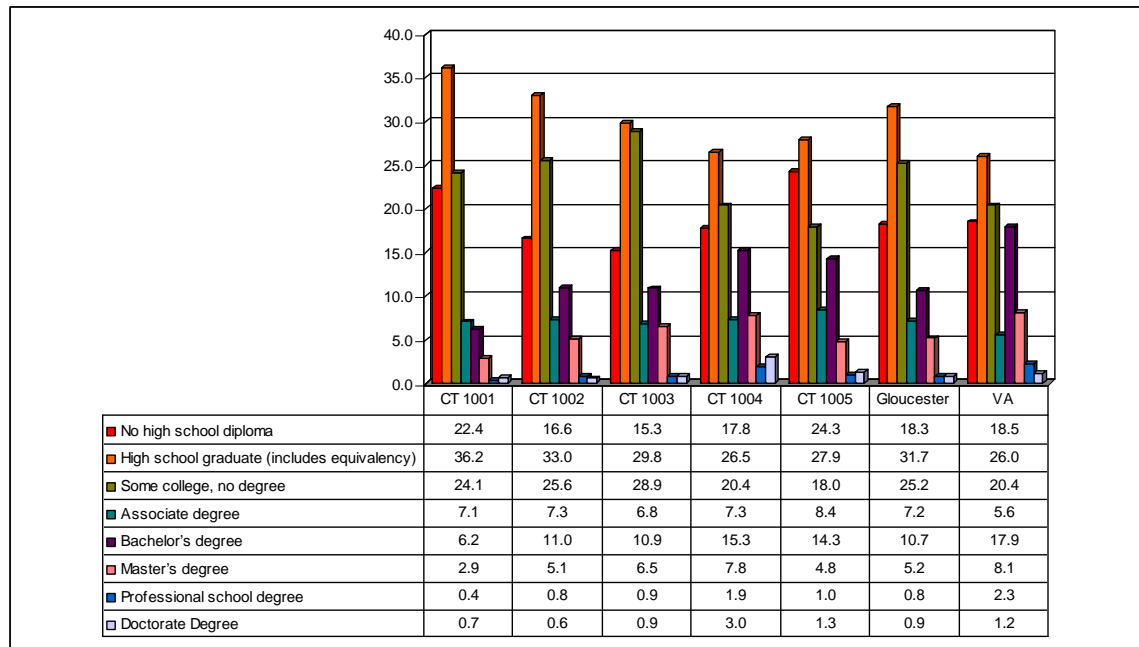
Source: U.S. Census Bureau

G. Educational Attainment

An educated workforce supports economic development. Decisions by employers regarding where to locate are based in part on the availability of a workforce. The availability of a qualified workforce will support the location of jobs that require higher skills that are likely to pay higher wages. A higher skilled, higher wage workforce will have more housing options. The Virginia Employment Commission reports that in March 2007, of 129 unemployment claimants in Gloucester County, 75 (58%) lacked a high school diploma or had no education beyond high school. The higher skilled, higher wage workforce attracts a greater variety of employers and the workers will have more housing options due to less disruptions as a result of being unemployed. The 2000 Census reported the following information about the educational attainment of Gloucester County's population.

- Countywide, 18% of persons age 25 and over lacked a high school diploma, which was comparable to the rate Statewide.
- About 32% of persons age 25 and over in the county were high school graduates compared to 26% in Virginia.
- 50% of county residents attended college with 24.8% graduating with a degree. These rates were lower than the State's rates of 55.5% attending college with 35.1% graduating.
- Gloucester County's percentage of persons with advanced degrees (6.9%) is also lower than the percentage in Virginia (11.6%).

Table 4-15
Highest Educational Attainment for Persons Age 25 and Over – 2000



Source: U.S. Census Bureau

5. HOUSING TRENDS

General characteristics and trends of the housing market are included in this section. More detailed analyses on the cost and affordability of owner and renter housing is included in Part 8.

A. The Current Housing Market

Interviews with local Realtors, builders and developers were conducted to identify current trends in the housing market in Gloucester County. Overall, the sales market is cooling as evidenced by the increase in the average number of days that a house sits on the market before sale. Appreciation of housing has been so significant over the past 2-3 years that the increase in wealth generated by increased equity has resulted in a high number of move-ups. In 2005, one week was the average number of days on the market; by 2006, it had increased to one month. In January 2007, 150 days on the market was typical. As a result, list prices are falling by \$5,000 to \$20,000 for homes to sell. Homes selling for under \$300,000 are selling more rapidly in the current market.

Single-family homes are the predominant choice of housing, although duplexes are also selling well. Condominiums also sell well but home owner association fees of up to \$240 per month in addition to a mortgage payment of \$1,800 can be very steep.

In terms of existing sales housing, \$250,000 is about the least one can expect to spend for a home. This amount would purchase an existing three-bedroom ranch-style home with a garage, on a one-half acre lot in decent condition. It is nearly impossible to find a single family house under \$200,000 in good condition. A small 1,000-square foot ranch house in poor condition might sell for \$150,000. Under \$150,000, housing choices are extremely limited with mostly mobile homes falling within this price range.



New residential construction in Gloucester Court House and across the county has produced many new homes available for \$250,000 and higher.

New sales housing units in the \$200,000 to \$275,000 price range are scarce, particularly since the average building lot is in the \$50,000 to \$110,000 price range. (A building lot worth \$25,000 in 2005 now sells for \$50,000.) Guinea Road is a lower cost area but much of the land lies within the 100-year floodplain. According to local Realtors and builders, the minimum feasible package price for new construction of a single family home is \$250,000. Some homes in Craney Creek that were selling for \$150,000 in 2002 are now on the market for \$239,000.

The Points in Gloucester Point is a new subdivision of condominiums and townhouses that is selling well. A two-bedroom unit can be purchased for just under \$200,000. Gloucester County is approving more subdivision plans but the units being built are very costly. Since 2006, zoning and proffers are thought to have driven up the cost of housing. There appears to be a more limited market for higher cost sales housing going into 2007. Realtors are seeing people from Gloucester County looking farther out into Middlesex County and Mathews County in search of affordable housing.

There is concern that Gloucester County is entering a foreclosure market. Interest-only mortgages are reaching their five-year anniversary and interest rates will be adjusted dramatically upward. If foreclosures continue to increase, many high-priced homes could glut the cooling market.

Rental units are scarce, so houses can rent for up to \$1,000 per month on average. Nice homes with three bedrooms can rent for as high as \$1,200 per month. Townhouses rent for \$575 per month for a 1-bedroom unit and \$750 per month for a 2-bedroom unit. Utilities are not included in these rents.

Realtors believe multi-family housing, patio homes, and smaller subdivisions of 10-15 units would address the demand for more workforce and affordable housing options. Encouraging the construction of affordable units in new developments through easing of land development regulations would also be advantageous.

In terms of affordable rental housing, the waiting lists at Village Green Apartments, Daffodil Gardens and the county's Section 8 Housing Choice Voucher program are indicators of unmet need.

B. Recent Housing Construction Activity

New housing construction has exceeded household growth in the county since 2000. During the 1990s, the county's housing inventory increased 16.4% while households increased 19.7%. Since 2000, housing units have increased 16.8% with households growing 9.1%. The increase in housing units at a faster rate than households ensures that the *number* of units is available to satisfy demand. (The type and cost of these recently constructed units will be discussed later.)

Table 5-1
Trends in Housing Units in Gloucester County – 1990 to 2007

	Housing Stock		Households	
	Total Units	% Change	Number	% Change
1990	12,451	-	10,966	-
2000	14,494	16.4%	13,127	19.7%
2007	16,933	16.8%	14,323	9.1%

Sources: U.S. Census Bureau; Gloucester County Building Office; Claritas, Inc.

New residential construction activity remains strong in the county. Over 2,500 new housing units have been added to the county's housing inventory since 2000. With the exception of a slight decrease in 2004, the number of building permits has increased incrementally each year since 2000. Through July of this year, 248 units have been authorized for construction, placing the county on track to surpass last year's total of 346 if the current level of activity is maintained.

More than 78% of all new housing construction activity was single family dwellings. Since 2000, residential building permits have been approved for 2,525 units with 1,975 of these issued for single family units. Manufactured units accounted for 526 or 21% of all activity. Multi-family units numbered only 24, representing less than 1% of all new residential development.

Recent rezonings to multi-family designations have added approximately 400 units of multi-family housing to the county's stock. However, most of these are age-restricted units (i.e. restricted to persons 55 years and older or 62 years and older) in planned unit developments.

New subdivision approvals have been nearly equally divided between inside the Development District and outside of the district. Recent code changes that (1) require on-site monitoring of maintenance for alternative septic tanks and (2) requirements for subdivision development on lots of less than two acres to be on public water and sewer

services may help guide new development to public services and shift larger scale developments to the Development District.

Table 5-2
Trends in Housing Units in Gloucester County – 2000 through July 2007

	New Residential Units			Minus Demolitions	Equal Net Units Added to Inventory
	Single Family	Manufactured Home	Multi-Family		
2000	183	89	0	9	263
2001	215	89	0	5	299
2002	247	72	5	5	319
2003	268	76	11	4	351
2004	257	70	8	12	323
2005	288	53	0	17	324
2006	291	55	0	16	330
2007	226	22	0	18	230
Total	1,975	526	24	86	2,439

Source: Gloucester County Building Office

Over 86% of the increase in housing units countywide resulted from an increase in owner-occupied units during the 1990s. On a census tract level, owner-occupancy of housing units increased in all areas during the 1990s. The highest increases occurred in tracts 1001 and 1002 where the highest rates of population growth also were noted. Tract 1003 also experienced a significant increase of 20% while tracts 1004 and 1005 increased 3.1% and 7.3%, respectively.

Rental occupancy rates also rose. The highest rates were once again evident in the fastest-growing areas of tracts 1001 and 1002, with tract 1003 experiencing an increase of 17.5%. Tracts 1004 and 1005 saw decreases in rental occupancy rates of significant percentages (34.2% and 10.1%, respectively). In census tract 1004, the loss of rental units could be attributable to demolition as a total of 34 units were lost during the decade. Conversion of rental to owner occupied units may also have occurred. In tract 1005, the loss of some rental units may be attributed to an increase in vacant units.

Table 5-3
Housing Trends by Census Tract – 1990 and 2000

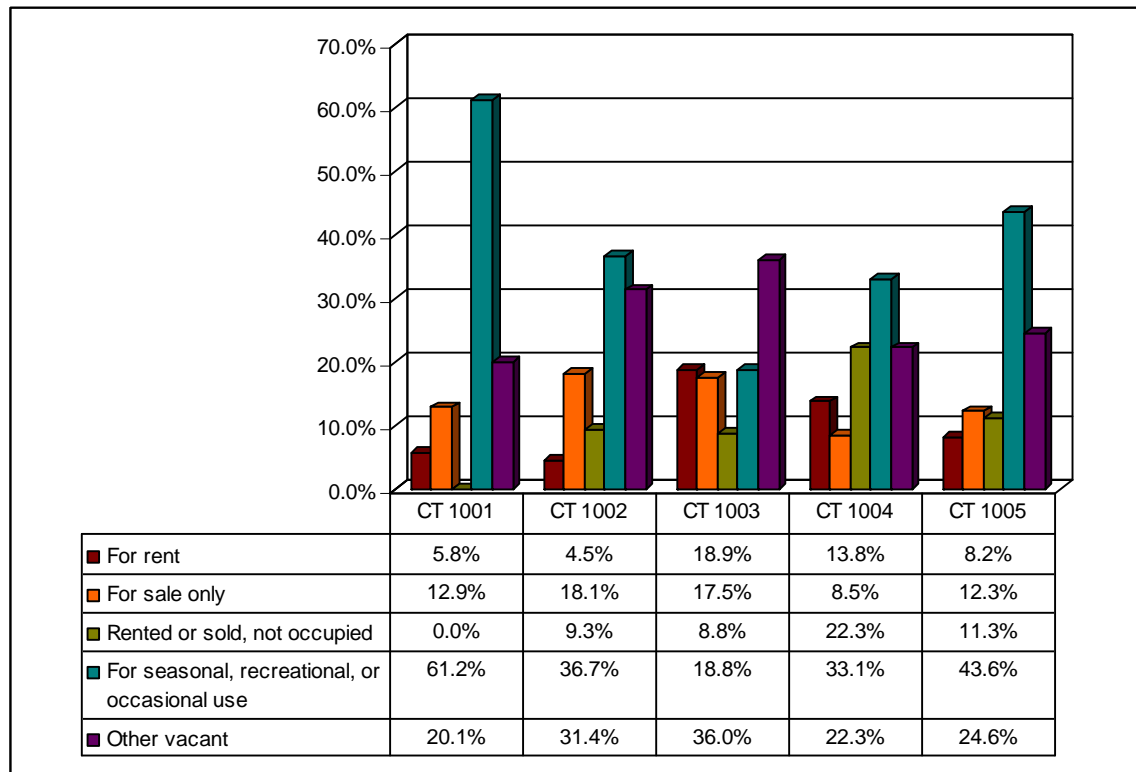
	CT 1001			CT 1002			CT 1003			CT 1004			CT 1005			Gloucester County		
	1990	2000	% Change	1990	2000	% Change	1990	2000	% Change	1990	2000	% Change	1990	2000	% Change	1990	2000	% Change
Owner occupied	1,611	2,072	28.6%	2,857	3,622	26.8%	2,622	3,146	20.0%	491	506	3.1%	1,245	1,336	7.3%	8,826	10,682	21.0%
Renter occupied	263	320	21.7%	569	735	29.2%	908	1,067	17.5%	152	100	-34.2%	248	223	-10.1%	2,140	2,445	14.3%
Vacant	334	325	-2.7%	438	420	-4.1%	388	297	-23.5%	137	130	-5.1%	188	195	3.7%	1,485	1,367	-7.9%
Total	2,208	2,717	23.1%	3,864	4,777	23.6%	3,918	4,510	15.1%	780	736	-5.6%	1,681	1,754	4.3%	12,451	14,494	16.4%

Source: U.S. Census Bureau

C. Vacant Housing

Nearly one in 10 homes was vacant in 2000. Vacant housing units numbered 1,367, equivalent to 9.4% of the housing stock (see Table 5-4). In 1990, there were 1,485 vacant units, representing 12% of the housing stock. Of the 1,367 vacancies in 2000, 39.3% were held for seasonal, recreational, or occasional use. Deducting these units from the total vacant stock reduces the county's year-round vacancy rate to 5.7%.

**Table 5-4
Vacant Units – 2000**



Source: U.S. Census Bureau

Included in the vacant housing stock were a number of units that were categorized as for rent or for sale. However, the condition, or habitability, of these units is unknown.

D. Units per Structure

Despite an increasingly older population and smaller households, single family dwellings remain the most popular housing choice in Gloucester County. In 2000, multi-family housing units numbered 1,076. Since then, another 24 units have been added resulting in 1,100 multi-family units. This is equivalent to 6.5% of the existing housing stock.

The increasing elderly population will tend to remain in their single family housing until circumstances require them to move. The elderly that move to multi-family housing generally prefer to remain in their communities, making the availability of multi-family housing important to sustaining the county's elderly population in Gloucester County. Multi-family housing may also be influential in addressing the needs of younger households that are just forming. Younger households are important to the local economy by creating jobs, filling jobs of retiring workers, and purchasing local goods and services.

Table 5-5
Units per Structure and Manufactured Homes – 2000

Census Tract	Total Housing Units	Single-family Attached and Detached		Multi-family				Manufactured Homes	
		Total	% of Total	2-4 units	5-9 units	10 or more	% of Total	Total	% of Total
CT 1001	2,717	1,883	69.3%	47	0	0	1.7%	787	29.0%
CT 1002	4,777	4,066	85.1%	161	69	38	5.6%	443	9.3%
CT 1003	4,510	3,189	70.7%	306	203	176	15.2%	636	14.1%
CT 1004	736	582	79.1%	0	0	0	0.0%	154	20.9%
CT 1005	1,754	1,505	85.8%	41	35	0	4.3%	173	9.9%
Gloucester County	14,494	11,225	77.4%	555	307	214	7.4%	2,193	15.1%

Source: U.S. Census Bureau

Manufactured homes account for 15.1% of the housing stock. There were 2,193 manufactured homes in Gloucester County in 2000. Since then, permits have been issued for another 526 units, bringing the total to 2,719 units (of the 2007 inventory). Despite being a popular housing choice, it is often a misunderstood segment of the housing industry. As housing costs rise, manufactured housing becomes the most affordable path to home ownership for low income households, seniors, and first-time homebuyers. Purchase of new manufactured homes often requires low down payments and includes most appliances. The price of a manufactured home does not include land, making the purchase more affordable than site-built housing. However, despite the affordability, there are some areas of concern with manufactured homes. These include:

- The high rate of manufactured homes on rented lands eliminates home appreciation and leaves homeowners vulnerable to increase in lot rents that eliminate predictability and affordability.
- Manufactured home ownership on rented land is vulnerable to exploitation by landlords who may be resistant to water, sewage, and other environmental improvements.
- When the owner of a manufactured home community decides to change the use of the land, residents are in jeopardy. The cost of moving a home and the likelihood of finding an appropriate site are major obstacles for these residents. As real estate prices increase, owners of manufactured home communities may seek to cash in on a potential windfall making more manufactured home communities vulnerable to sale.
- Legal disputes arise between tenants and landlords in manufactured housing communities. Due to the limited economic means of some tenants, legal action is not a feasible form of dispute resolution.
- The financing of manufactured homes is similar to consumer financing of an automobile. This arrangement of providing personal loans, higher interest rates, and little oversight in terms of underwriting has led to the writing of considerable bad risk loans. The repossession of the homes leads to a glut of pre-owned homes that are difficult to resell. Low income households that purchase manufactured homes often are unaware of how the financing process does not mirror site-built housing.

E. Housing Tenure

Home ownership in Gloucester County exceeds State, MSA and national rates.

The rate of home ownership in Gloucester County has exceeded 80% since 1970, while the rates in the U.S., the MSA and Virginia have been consistently below 70%.

Gloucester's above average rate of home ownership is indicative of a rural area.

**Table 5-6
Regional Comparison of Home Ownership Rates – 1990 to 2000**

	1990	2000
Essex	78.9%	77.3%
Gloucester County	80.5%	81.4%
King & Queen	81.9%	82.5%
King William	81.2%	85.0%
Mathews	83.3%	84.7%
Middlesex	82.8%	83.1%
York	71.6%	75.8%
MSA	59.0%	63.0%
Virginia	66.3%	68.1%
U.S.	64.2%	66.2%

Source: U.S. Census Bureau

As shown in the table below, characteristics of homeowners in Gloucester County include the following:

- The youngest households are predominantly renters with about two-thirds of those aged 15 to 24 renting.
- Typically, as households age into their 30s in Virginia and nationwide, the tenure rate is more evenly distributed between owners and renters. In Gloucester County, however, about two-thirds of the young adults are home owners with the rate of home ownership among households age 25 to 34 as high as 84% in census tract 1001.
- By the time households are middle-aged, they are predominantly owners and own their units at rates higher than the countywide rate.
- The majority of the elderly are also homeowners with households age 65 to 74 having the highest rates of home ownership in Gloucester County.
- Among the county's older elderly, the rate of home ownership is slightly lower, but still higher than the rate countywide.

**Table 5-7
Tenure by Age of Householder – 2000**

Age of Householder	CT 1001		CT 1002		CT 1003		CT 1004		CT 1005		Gloucester County	
	% Own	% Rent	% Own	% Rent	% Own	% Rent	% Own	% Rent	% Own	% Rent	% Own	% Rent
15 to 24	23.7%	76.3%	42.6%	57.4%	32.4%	67.6%	100.0%	0.0%	54.5%	45.5%	35.7%	64.3%
25 to 34	84.0%	16.0%	66.4%	33.6%	59.0%	41.0%	54.1%	45.9%	60.2%	39.8%	65.3%	34.7%
35 to 44	82.1%	17.9%	83.2%	16.8%	72.1%	27.9%	71.7%	28.3%	85.0%	15.0%	79.4%	20.6%
45 to 54	92.9%	7.1%	89.8%	10.2%	79.1%	20.9%	89.7%	10.3%	87.2%	12.8%	86.8%	13.2%
55 to 64	92.9%	7.1%	86.7%	13.3%	88.0%	12.0%	94.9%	5.1%	88.4%	11.6%	89.1%	10.9%
65 to 74	90.3%	9.7%	88.8%	11.2%	90.1%	9.9%	95.5%	4.5%	94.9%	5.1%	91.0%	9.0%
75 and over	88.6%	11.4%	88.4%	11.6%	83.8%	16.2%	77.8%	22.2%	96.6%	3.4%	89.2%	10.8%
All Households	86.6%	13.4%	83.1%	16.9%	74.7%	25.3%	83.5%	16.5%	85.7%	14.3%	81.4%	18.6%

Source: U.S. Census Bureau

Table 5-8 illustrates tenure by race and Hispanic households in Gloucester County.

- “Other race” households own their units at the highest rate (100%) followed by white households (82.6%) and Asian/Pacific Islander households (82.4%).
- The lowest rate of home ownership is among “two or more race” households (55.3%).
- About 96% of the county’s Hispanic households own their units.

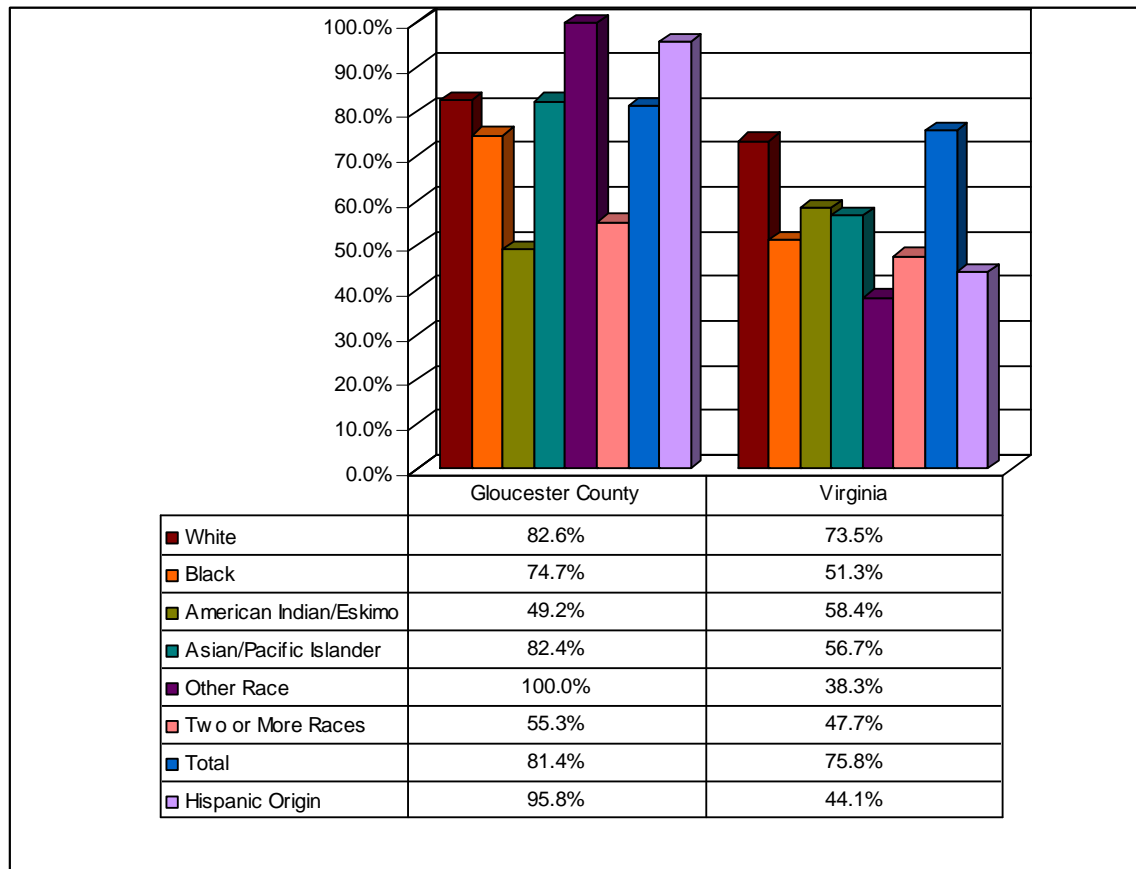
Table 5-8
Tenure by Race and Hispanic Origin – 2000

	Total Housing Units	Owner Occupied		Renter Occupied	
		Total	Percent	Total	Percent
White	11,546	9,451	81.9%	1,995	17.3%
Black	1,505	1,050	69.8%	355	23.6%
American Indian/Eskimo	159	29	18.2%	30	18.9%
Asian/Pacific Islander	13,010	10,530	80.9%	2,380	18.3%
Other Race	137	37	27.0%	0	0.0%
Two or More Races	223	68	30.5%	55	24.7%
Total	26,580	21,165	79.6%	4,815	18.1%
Hispanic Origin	118	113	95.8%	5	4.2%

Source: U.S. Census Bureau

Home ownership is higher among most minority households in Gloucester County than in Virginia. While black households and households consisting of two or more races own their homes at a lower rate than all households overall in Gloucester, home ownership is higher among these households in the county than in Virginia overall. As shown in the following table, in comparison to households by race Statewide, all households except for American Indian/Native Alaskan have higher rates in Gloucester County than in Virginia. Much of this is attributable to higher rates of employment among the county’s minority population than among the minority population Statewide.

**Table 5-9
Owner Households by Race and Hispanic Origin – 2000**



Source: U.S. Census Bureau

A majority of households across all income ranges owned their home. Only in census tract 1002 did the rate of home ownership fall below 50%, and this occurred among households with incomes less than \$10,000 (see Table 5-10).

**Table 5-10
Tenure by Household Income – 2000**

	CT 1001		CT 1002		CT 1003		CT 1004		CT 1005		Gloucester County	
	% Own	% Rent	% Own	% Rent	% Own	% Rent	% Own	% Rent	% Own	% Rent	% Own	% Rent
Less than \$10,000	69.3%	30.7%	43.5%	56.5%	56.7%	43.3%	52.5%	47.5%	69.8%	30.2%	57.8%	42.2%
\$10,000 to \$14,999	75.3%	24.7%	59.1%	40.9%	52.6%	47.4%	70.0%	30.0%	75.0%	25.0%	63.5%	36.5%
\$15,000 to \$24,999	78.1%	21.9%	59.0%	41.0%	61.5%	38.5%	83.6%	16.4%	73.2%	26.8%	66.1%	33.9%
\$25,000 to \$34,999	86.8%	13.2%	72.5%	27.5%	60.1%	39.9%	67.9%	32.1%	85.7%	14.3%	73.3%	26.7%
\$35,000 to \$49,999	83.4%	16.4%	87.1%	12.9%	71.9%	28.1%	84.4%	15.6%	87.7%	12.3%	80.9%	19.1%
\$50,000 to \$74,999	97.6%	2.4%	94.5%	5.5%	89.1%	10.9%	88.3%	11.7%	87.0%	13.0%	92.3%	7.7%
\$75,000 to \$99,999	96.3%	3.7%	97.2%	2.8%	93.8%	6.2%	89.8%	10.2%	100.0%	0.0%	96.2%	3.8%
\$100,000 to \$149,999	100.0%	0.0%	100.0%	0.0%	87.2%	12.8%	100.0%	0.0%	94.0%	6.0%	95.4%	4.6%
\$150,000 or \$more	100.0%	0.0%	100.0%	0.0%	91.0%	9.0%	0.0%	0.0%	82.9%	17.1%	95.0%	5.0%
All Households	86.6%	13.4%	83.1%	16.9%	74.7%	25.3%	83.5%	16.5%	85.7%	14.3%	81.4%	18.6%

Source: U.S. Census Bureau

Home ownership is highest among married couple households. More than 90% of married couple families own their own home, which is higher than the overall county home ownership rate of 81.4%. All other household types own their homes at rates lower than the county rate. Female householders own their homes at the lowest rates.

**Table 5-11
Tenure by Household Type – 2000**

	CT 1001		CT 1002		CT 1003		CT 1004		CT 1005		Gloucester County	
	% Own	% Rent	% Own	% Rent	% Own	% Rent	% Own	% Rent	% Own	% Rent	% Own	% Rent
Married-couple family	91.4%	8.6%	92.3%	7.7%	85.7%	14.3%	87.7%	12.3%	93.1%	6.9%	90.2%	9.8%
Male householder, no wife	72.0%	28.0%	81.8%	18.2%	67.6%	32.4%	0.0%	0.0%	66.3%	33.7%	70.8%	29.2%
Female householder, no husband	73.0%	27.0%	52.6%	47.4%	49.3%	50.7%	100.0%	0.0%	68.6%	31.4%	58.7%	41.3%
Non-family households	83.0%	17.0%	68.7%	31.3%	60.0%	40.0%	72.9%	27.1%	80.6%	19.4%	69.6%	30.4%
All Households	86.6%	13.4%	83.1%	16.9%	74.7%	25.3%	83.5%	16.5%	85.7%	14.3%	81.4%	18.6%

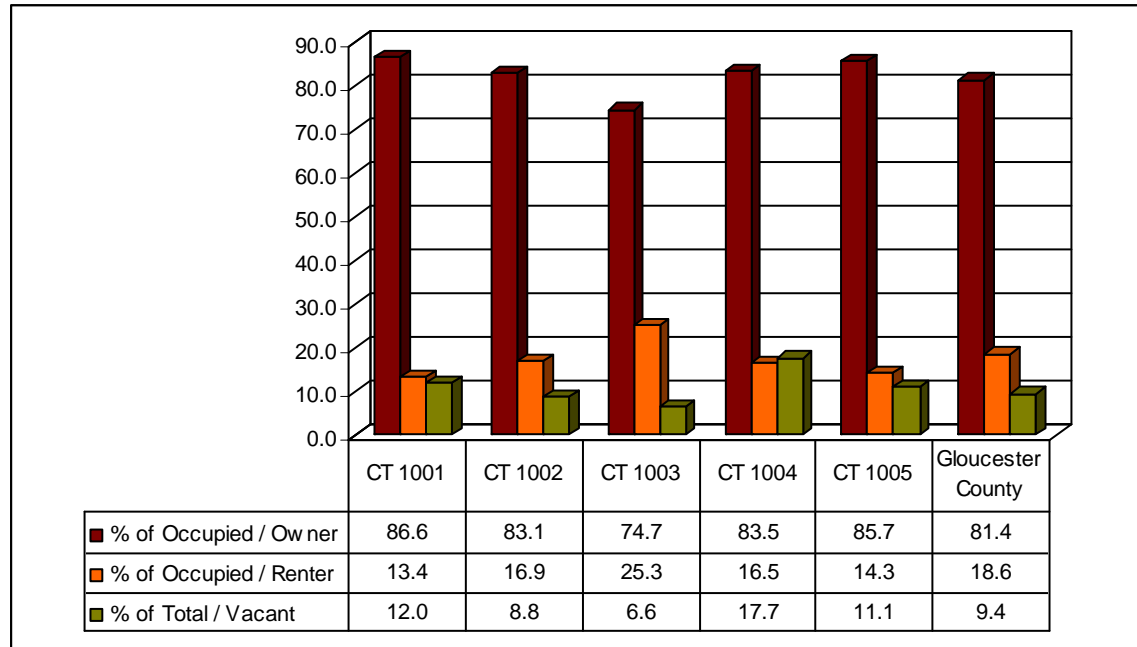
Source: U.S. Census Bureau

The rate of home ownership is highest in census tract 1001. Interestingly, the demographic characteristics of tract 1001 are more indicative of renter households. This area has the highest rate of low income persons, the highest rate of female-headed households, one of the highest rates of minority households, a median income that is lower than the county median income, and a higher rate of non-high school graduates. Census tract 1001 does have a higher percentage of manufactured homes, which may support the higher rate of home ownership.

Census tract 1003 has the lowest rate of home ownership in the county. This tract also has a high rate of female-headed households in addition to a high percentage of multi-family units.

Census tract 1005, which has the second highest home ownership rate, has the highest rate of white households and a high rate of college graduates. This tract, however, has a low rate of married couple households.

Table 5-12
Tenure and Vacant Units – 2000



Source: U.S. Census Bureau

i. Owner Housing Characteristics

The owner vacancy rate was less than 2% in 2000. Of the 10,682 owner-occupied units in Gloucester County, 205 were vacant and for sale only. This represented just 1.4% of the housing inventory. A vacancy rate between 3% and 5% is preferable because it allows some mobility for households who are moving. The low rate of vacant for sale only units may impact the affordability of housing because of a low number of available units in the marketplace at any given time.

Table 5-13
Owner-Occupied Housing Supply – 2000

	Housing Units		Owner-occupied Units		Vacant for Sale Only Units	
	Total	Occupied	Total	Percent of Occupied	Total	Percent of Total Units
CT 1001	2,717	2,392	2,072	86.6%	42	1.5%
CT 1002	4,777	4,357	3,622	83.1%	76	1.6%
CT 1003	4,510	4,213	3,146	74.7%	52	1.2%
CT 1004	736	606	506	83.5%	11	1.5%
CT 1005	1,754	1,559	1,336	85.7%	24	1.4%
Gloucester County	14,494	13,127	10,682	81.4%	205	1.4%

Source: U.S. Census Bureau

Median housing value declined between 1990 and 2000. The median housing value in Gloucester County in 2000 was \$110,000, an increase of about 30% since 1990. After adjusting for inflation, however, median housing value actually decreased 1.5% between 1990 and 2000. Median household income increased 9% (when adjusted for inflation) during the same period.

The 2000 median housing value in Virginia was \$118,800, up 31.4% from \$90,400 in 1990. After adjusting for inflation, the 2000 median value was nearly equal to the 1990 median value. In the MSA, the 2000 median housing value was \$110,100, up from \$87,000 in 1990. After adjusting for inflation, median housing value dropped 4% by 2000.

In 2006, the median sales price in Gloucester County reached \$274,219.

More recent housing values are available from the Middle Peninsula Association of Realtors' Multi-List Service. Multi-list data reflects a dynamic sales housing market in Gloucester County in which the median sales price has increased steadily. Because the median sales price of housing has increased so dramatically, the total dollar sales volume has continued to increase despite the fact that the number of sales transactions declined in 2006. By 2006, the sales market began to cool as evidenced by fewer sales transactions and a longer average period of time on the market.

Chart 5-14 compares 2006 sales transactions in Gloucester County against sales transactions in other counties in the Middle Peninsula and covered by the association's multi-list service. In terms of the total number of sales transactions, there were more sales in Gloucester County than in all of the other counties combined. In terms of median sales price, Gloucester County ranked fourth highest. Only King and Queen County and Essex County had lower median sales prices than Gloucester County.

Table 5-14
Median Sales Prices – 2006

	Sales Transactions	Median List Price	Median Sales Price	Average Days on Market
Matthews County	146	\$340,214	\$325,322	144
King & Queen County	21	\$262,683	\$248,898	125
King William County	4	\$312,338	\$298,375	90
Middlesex County	162	\$419,701	\$402,291	153
Essex County	79	\$271,160	\$263,634	187
Gloucester County	438	\$280,826	\$274,219	135

Source: Middle Peninsula Association of Realtors, Multi-List Service

Chart 5-15 reveals that during the four-year period from 2003 through 2006:

- The number of sales transactions increased about 9% per year
- Median sales prices increased about 75% for the period or almost 19% per year
- Median sales prices were within 3% of median list prices throughout the period.

Table 5-15
Annual Residential Sales – 2003 to 2006

	2003	2004	2005	2006
Sales Transactions	321	467	495	438
Median List Price	\$158,621	\$200,454	\$228,022	\$280,826
Median Sales Price	\$156,652	\$196,396	\$222,692	\$274,219
Total Sales Volume	\$50,285,385	\$91,716,938	\$110,232,692	\$120,107,708
Average Days on Market	135	117	111	135

Source: Middle Peninsula Association of Realtors, Multi-List Service

More than 40% of all homes sold in 2006 sold for \$250,000 or more.

Chart 5-16 provides a breakdown of sales transactions for 2006 by price range. Some 41% of the homes sold were in the \$250,000 and over category. Less than 4% of the total number of transactions (only 15 sales) involved properties with prices below \$100,000 due to the relative scarcity of listings in this price range. Less than 17% of the total number of transactions (71 sales) involved properties with prices less than \$160,000.

Table 5-16
Annual Residential Sales – 2003 to 2006

	Single Family Detached	Condominium	Total Units Sold	% of Units Sold
Under \$40,000	1	0	1	0.2%
\$40,000 to \$59,999	0	0	0	0.0%
\$60,000 to \$79,999	4	0	4	1.0%
\$80,000 to \$99,999	10	0	10	2.4%
\$100,000 to \$139,000	26	2	28	6.7%
\$140,000 to \$159,000	27	1	28	6.7%
\$160,000 to \$179,000	46	0	46	11.0%
\$180,000 to \$199,999	55	2	57	13.7%
\$200,000 to \$249,999	70	3	73	17.5%
\$250,000 and over	178	0	178	42.7%
Total	417	8	425	101.9%

Total equals more than 100% due to rounding.

Source: Middle Peninsula Association of Realtors, Multi-List Service

ii. Renter Housing Characteristics

The rental vacancy rate of less than 1% in 2000 was too low to support a vibrant rental housing market. Only 128 housing units were identified by census data as vacant and for rent units, equivalent to 0.9% of the vacant stock. The vacancy rate is lower than the preferred rate of 3% to 5%, which allows some mobility for households who are moving. The low rate exerts upward pressure on rents, negatively impacting the ability of lower income households to find workforce and affordable housing because of a small number of available units in the marketplace at any given time.

Table 5-17
Renter-Occupied Housing Supply – 2000

	Housing Units		Renter-occupied Units		Vacant for Rent Only Units	
	Total	Occupied	Total	% of Occupied	Total	% of Total Units
CT 1001	2,717	2,392	320	13.4%	19	0.7%
CT 1002	4,777	4,357	735	16.9%	19	0.4%
CT 1003	4,510	4,213	1,067	25.3%	56	1.2%
CT 1004	736	606	100	16.5%	18	2.4%
CT 1005	1,754	1,559	223	14.3%	16	0.9%
Gloucester County	14,494	13,127	2,445	18.6%	128	0.9%

Source: U.S. Census Bureau

Income outpaced rental rates during the 1990s. The median gross rent in Gloucester County in 2000 was \$527, an increase of about 19% since 1990 when the Census reported a median gross rent of \$444. After adjusting for inflation, however, median rent actually decreased 9% during the 1990s. At the same time, median household income increased 32% (adjusted for inflation). Unlike housing values, growth in income outpaced rental rates during the 1990s.

Median gross rent in Virginia was \$650, up 31.3% from \$495 in 1990. After adjusting for inflation, median rent was unchanged between 1990 and 2000 for the State. In the MSA, the 2000 median rent of \$513 was a moderate increase of 6.7% over the 1990 rate of \$481. However, after adjusting for inflation, the MSA median rent for 2000 was 18.6% less than in 1990.

Table 5-18
Trends in Median Gross Rents – 1990 to 2000

	1990		2000	% Change 1990-2000**
	Actual	Adjusted*	Actual	
Virginia	\$495	\$650	\$650	0.0%
MSA	\$481	\$630	\$513	-18.6%
Gloucester County	\$444	\$580	\$527	-9.1%

*Adjusted for inflation to 2000

**Between 1990 amount adjusted to 2000, and 2000 amount

Source: U.S. Census Bureau

iii. Assisted Rental Housing Inventory

There are two assisted rental housing developments (Village Green and Daffodil Gardens) in Gloucester County that provide subsidized units for income-eligible residents. Additionally, the Housing Department of Gloucester County administers a Section 8 Housing Choice Voucher Program.

a. Village Green Apartments

Village Green Apartments were built in 1984 and financed with USDA Rural Development 515 funds. In 1996, Village Green Apartments utilized tax credits for the rehabilitation of the existing facility. The complex consists of 32 units, a mix of 16 one-bedroom and 16 two-

bedroom units, and offers preferences for the elderly and persons with disabilities. Rent is based on 30% of a household's income. One-bedroom units rent for \$448 to \$685 per month, while two-bedroom units generally rent for \$497 to \$734 per month. The maximum income limit for qualifying is \$25,320 for a one-person household.

Currently, there are 27 applicants on the waiting list and very little turnover in units. When people are informed of the lengthy waiting list, they generally do not want to be placed on it. Without other available affordable units in the immediate area, people are forced to go as far away as West Point to find units without a lengthy wait.

b. Daffodil Gardens

Daffodil Gardens, a 64-unit apartment complex, was developed by Bay Aging, Inc. in 2000 with Section 202 financing from HUD. Units leased up immediately due to a lack of decent, affordable rental units for the elderly. Currently, there are 85 names on a waiting list. The success of Daffodil Gardens has Bay Aging working to acquire an option to purchase land adjacent to the development for the construction of additional senior units. The potential tract of land is larger than what is needed for the proposed project but the surplus land could be used for a new senior center and/or other types of housing.

c. Section 8 Housing Choice Voucher Program

The Gloucester County Housing Department administers the Section 8 Housing Choice Voucher Program for residents. Currently, 77 vouchers and 15 mainstream vouchers (for disabled) are in use in Gloucester County. The majority of vouchers are for single family homes and mobile homes.

The department recently opened the waiting list for the Section 8 Program and received 400 applications across six counties in only four hours. The current waiting list includes 320 applicants from the Middle Peninsula with 37% of these being elderly and/or disabled households. With only 15 to 20 vouchers turning over annually, the length of time that an eligible applicant may have to wait to receive a voucher could exceed two years. Section 8 waiting lists are extensive in the county and across the nation as federal funding for the program is in a state of continuing decline.

The program offers preferences for victims of domestic violence, persons with disabilities, victims of hate crimes, persons living in substandard housing, and the homeless.

One of the challenges faced by the Housing Department in administering the Section 8 Housing Choice Voucher Program is the undersupply of units in the private rental market. It is difficult to motivate private landlords to rent their units to Section 8 voucher holders. Because the demand for rental units is high and the supply is low, rents on the private market are quite expensive. In most cases, the achievable market rent

exceeds the Section 8 payment standard. This imbalance creates an economic disincentive for landlords to participate in the Section 8 program.

In interviews conducted with local Realtors, builders and housing advocates, it was learned that a typical 2-bedroom unit rents for anywhere between \$750 and \$1,000 depending on the location and condition of the unit. This can be significantly more than the 2007 HUD FMR of \$844 for a 2-bedroom unit. The net result of this situation is that it is difficult for the Section 8 Housing Choice Voucher agency to secure an adequate supply of private rental housing units that could provide decent and affordable housing for very low and low income households.

Unmet housing needs described by the Housing Department include the following:

- Short-term emergency vouchers for up to one year
- An affordable housing stock
- A financing mechanism to establish a housing trust fund
- A rental rehabilitation program established through VHDA
- Owner rehabilitation financing, and
- Zoning incentives to encourage the development of affordable housing units.

F. Housing Condition

There is limited, reliable data available that describes the physical condition of the housing stock in Gloucester County. Census data is one reliable source available to evaluate the condition of residential structures. Three factors can be evaluated: age of the structure, degree of overcrowding and lack of complete plumbing and kitchen facilities. Even these factors have their limitations; however, in the absence of more accurate data, some qualifying assumptions can be made.

The age of a residential structure demonstrates the time the unit has been in the inventory and the duration of time over which substantial maintenance is necessary. The age threshold commonly used to signal a potential deficiency is represented by the year built with units that are 40 years old or over used as the threshold. However, the age of the structure alone cannot be used exclusively to determine the condition of housing. Many older units are well-maintained. Older units, however, have a greater need for maintenance, including replacement of expensive building systems. Because of neglect, it is likely that some of the older units in the county are no longer habitable. Newer housing units that have bigger rooms and modern amenities generally have higher sales values reflecting a preference for newer units. Geographic locations with a variety of new housing types are more attractive to new households, but generally less affordable to lower income households.

Another variable used to identify housing condition is overcrowding, which is directly related to the wear and tear sustained by the residential structure. The value of more than

one (1.01) person per room is used as the threshold for defining living conditions as substandard. Finally, lack of complete plumbing and kitchen facilities are identified as variables with the sharing of facilities between households used as an index of deficient housing conditions.

i. Age of Housing

Age is used to demonstrate the amount of time the housing unit has been in the overall inventory and the duration of time over which substantial maintenance is necessary. The age threshold commonly used to signal a potential deficiency is represented by the year built with units that are 40 years old or over used as the threshold.

Almost one-third of the county's housing stock was built before 1970.

In 2000 there were 4,273 units that were constructed prior to 1970. This represented 29% of the existing stock. Among owner occupied units, 25% were constructed prior to 1970 while 36% of all rental units were built before 1970. More than one-half of all vacant units were constructed prior to 1970.

**Table 5-19
Owner-Occupied Housing by Year Structure Built – 2000**

	CT 1001		CT 1002		CT 1003		CT 1004		CT 1005		Gloucester County	
	Units	%	Units	%	Units	%	Units	%	Units	%	Units	%
1990 to March 2000	676	32.6%	959	26.5%	657	20.9%	76	15.0%	156	12.7%	2,524	23.6%
1980 to 1989	716	34.6%	1,228	33.9%	928	29.5%	80	15.8%	296	24.0%	3,248	30.4%
1970 to 1979	345	16.7%	645	17.8%	792	25.2%	117	23.1%	328	26.6%	2,227	20.8%
1960 to 1969	138	6.7%	229	6.3%	299	9.5%	81	16.0%	121	9.8%	868	8.1%
1940 to 1959	62	3.0%	323	8.9%	303	9.6%	64	12.6%	205	16.6%	957	9.0%
1939 or earlier	135	6.5%	238	6.6%	167	5.3%	88	17.4%	230	18.7%	858	8.0%
Total	2,072	100.0%	3,622	100.0%	3,146	100.0%	506	100.0%	1,336	108.4%	10,682	100.0%

Source: U.S. Census Bureau

**Table 5-20
Renter-Occupied Housing by Year Structure Built – 2000**

	CT 1001		CT 1002		CT 1003		CT 1004		CT 1005		Gloucester County	
	Units	%	Units	%	Units	%	Units	%	Units	%	Units	%
1990 to March 2000	67	20.9%	47	6.4%	58	5.4%	13	13.0%	5	2.2%	190	7.8%
1980 to 1989	80	25.0%	203	27.6%	391	36.6%	0	0.0%	51	22.9%	725	29.7%
1970 to 1979	47	14.7%	165	22.4%	348	32.6%	23	23.0%	70	31.4%	653	26.7%
1960 to 1969	55	17.2%	41	5.6%	107	10.0%	12	12.0%	16	7.2%	231	9.4%
1940 to 1959	12	3.8%	184	25.0%	95	8.9%	10	10.0%	52	23.3%	353	14.4%
1939 or earlier	59	18.4%	95	12.9%	68	6.4%	42	42.0%	29	13.0%	293	12.0%
Total	320	100.0%	735	100.0%	1,067	100.0%	100	100.0%	223	100.0%	2,445	100.0%

Source: U.S. Census Bureau

**Table 5-21
Vacant Housing by Year Structure Built – 2000**

	CT 1001		CT 1002		CT 1003		CT 1004		CT 1005		Gloucester County	
	Units	%	Units	%	Units	%	Units	%	Units	%	Units	%
1990 to March 2000	113	34.8%	56	13.3%	41	13.8%	29	22.3%	2	1.0%	241	17.6%
1980 to 1989	16	4.9%	110	26.2%	83	27.9%	0	0.0%	30	15.4%	239	17.5%
1970 to 1979	49	15.1%	65	15.5%	56	18.9%	0	0.0%	4	2.1%	174	12.7%
1960 to 1969	32	9.8%	66	15.7%	21	7.1%	6	4.6%	100	51.3%	225	16.5%
1940 to 1959	115	35.4%	87	20.7%	64	21.5%	64	49.2%	11	5.6%	341	24.9%
1939 or earlier	0	0.0%	36	8.6%	32	10.8%	31	23.8%	48	24.6%	147	10.8%
Total	325	100.0%	420	100.0%	297	100.0%	130	100.0%	195	100.0%	1,367	100.0%

Source: U.S. Census Bureau

ii. Lacking Complete Plumbing and Complete Kitchen Facilities

Exclusive use of plumbing is identified as a variable with the sharing of facilities between households used as an index of deficient housing conditions. In 2000, 176 housing units lacked complete plumbing. Of those:

- 34 units were owner occupied
- 67 units were renter occupied
- 75 units were vacant.

Exclusive use of a kitchen is also identified as a variable with lack of a kitchen or the sharing of facilities between households used as an index of deficient housing conditions. In 2000, 113 housing units lacked a complete kitchen. Of those:

- 37 units were owner occupied
- 9 units were renter occupied
- 73 units were vacant.

iii. Overcrowding

An additional variable used to identify housing condition is overcrowding, which is directly related to the wear and tear sustained by the structure. The value of more than one (1.01) person per room is used as the threshold for defining living conditions as substandard. In 2000, there were 246 units with more than one person per room. Of these:

- 179 units were owner occupied
- 67 units were renter occupied.

Table 5-22
Units Lacking Complete Plumbing/Kitchen Facilities and Overcrowded Units – 2000

	CT 1001		CT 1002		CT 1003		CT 1004		CT 1005		Gloucester County	
	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
Total Housing Units	2,717	100.0%	4,777	100.0%	4,510	100.0%	736	100.0%	1,754	100.0%	14,494	100.0%
Lack Complete Plumbing	23	0.8%	46	1.0%	48	1.1%	12	1.6%	47	2.7%	176	1.2%
Lack Complete Kitchen	0	0.0%	46	1.0%	38	0.8%	6	0.8%	23	1.3%	113	0.8%
Total Occupied Housing Units	2,392	100.0%	4,357	100.0%	4,213	100.0%	606	100.0%	1,559	100.0%	13,127	100.0%
Overcrowded Owner Units	34	1.4%	69	1.6%	59	1.4%	13	2.1%	4	0.3%	179	1.4%
Overcrowded Renter Units	24	1.0%	0	0.0%	26	0.6%	4	0.7%	13	0.8%	67	0.5%
Total Overcrowded Units	58	2.4%	69	1.6%	85	2.0%	17	2.8%	17	1.1%	246	1.9%

Source: U.S. Census Bureau

6. SPECIAL NEEDS POPULATIONS

Persons with special needs include the frail elderly, persons with disabilities, persons with mental illness, persons with substance abuse problems, persons with HIV/AIDS, and homeless families and individuals. While it is possible to estimate the number of individuals in most of these categories based on census data and other reliable sources, it is not possible to determine how many of these individuals have housing needs. Furthermore, many of these individuals with special needs may also have very low incomes and, therefore, their needs may already have been taken into account in estimating the needs of households with lower incomes.

A. Persons with Disabilities

The Census Bureau defines “disability” as a long-lasting physical, mental, or emotional condition. This condition can make it difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. This condition also can impede a person from being able to go outside the home alone or to work at a job or business.

Disability rates among Gloucester County appear to be comparable with the rates in the MSA and across the State with a few exceptions. For persons with mental disabilities, the rate among 5 to 15 year olds is higher in the county than in the MSA or State. This is also the case among 16 to 20 year olds. However, among the older age group of 65 years and older, the rate is slightly lower.

The rate of go-outside-the-home disabilities among 16-20 year olds and persons 65 and older is lower in the county than in the MSA or the State.

Employment disability among is higher among 16 to 20 year olds in the county is higher than the MSA or the State, but lowest for 21 to 64 year olds.

Sensory disabilities among those 65 and older are slightly higher in Gloucester County than elsewhere.

Table 6-1
Type of Disability for Civilian Non-institutionalized Population 5 Years and Older – 2000

	Gloucester County		MSA		Virginia	
	Number	Percent	Number	Percent	Number	Percent
5 to 15 year olds	6,021	100.0%	259,370	100.0%	1,087,367	100.0%
Sensory disability	36	0.6%	1,180	0.5%	4,742	0.4%
Physical disability	10	0.2%	906	0.3%	3,482	0.3%
Mental disability	350	5.8%	12,801	4.9%	46,191	4.2%
Self-care disability	0	0.0%	278	0.1%	1,614	0.1%
More than one disability	138	2.3%	3,028	1.2%	11,369	1.0%
16 to 20 year olds	2,191	100.0%	105,417	100.0%	462,382	100.0%
Sensory disability	14	0.6%	675	0.6%	2,638	0.6%
Physical disability	9	0.4%	480	0.5%	2,139	0.5%
Mental disability	68	3.1%	2,985	2.8%	12,127	2.6%
Self-care disability	0	0.0%	75	0.1%	220	0.0%
Go-outside-home disability	14	0.6%	1,731	1.6%	6,262	1.4%
Employment disability	136	6.2%	3,841	3.6%	15,796	3.4%
More than one disability	64	2.9%	4,642	4.4%	19,088	4.1%
21 to 64 year olds	19,888	100.0%	824,937	100.0%	4,073,957	100.0%
Sensory disability	209	1.1%	9,051	1.1%	40,692	1.0%
Physical disability	500	2.5%	18,729	2.3%	82,909	2.0%
Mental disability	71	0.4%	6,461	0.8%	29,815	0.7%
Self-care disability	15	0.1%	316	0.0%	1,434	0.0%
Go-outside-home disability	138	0.7%	5,317	0.6%	26,189	0.6%
Employment disability	889	4.5%	43,858	5.3%	200,110	4.9%
More than one disability	1,699	8.5%	71,479	8.7%	331,181	8.1%
65 years and older	3,916	100.0%	154,390	100.0%	753,882	100.0%
Sensory disability	158	4.0%	5,613	3.6%	27,418	3.6%
Physical disability	386	9.9%	15,442	10.0%	74,102	9.8%
Mental disability	28	0.7%	1,671	1.1%	8,779	1.2%
Self-care disability	0	0.0%	363	0.2%	1,319	0.2%
Go-outside-home disability	111	2.8%	8,049	5.2%	38,108	5.1%
More than one disability	911	23.3%	36,029	23.3%	167,359	22.2%

Source: U.S. Census Bureau

The Middle Peninsula/Northern Neck Community Services Board (CSB) assists mentally ill and mentally disabled clients with housing services throughout a 10-county region. The major barrier to release of clients from Eastern State Hospital is a lack of affordable housing units. Currently, the CSB refers clients to a 60-bed adult living facility on Carey Avenue in Gloucester Courthouse. CSB provides daily case management to residents of the facility.

CSB clients also may qualify to live in Belroi Home, a transitional housing facility located on Belroi Road in Gloucester County. This facility serves clients with mental illness and substance abuse problems. Up to four clients live independently without supervision at Bell Roy Home.

Additionally, the CSB has 10 clients who receive Section 8 housing vouchers and live in Gloucester County; another 3-4 clients are on a waiting list. Some voucher recipients are county residents while others choose to live there. With a voucher, clients pay an average of \$500 per month for a 1-bedroom apartment. According to the CSB, there are

more rental apartments available in Gloucester County compared to other counties in their region.

According to the CSB, priority housing needs include affordable housing for released offenders.

B. Elderly and Frail Elderly

A frail elderly person is defined as one who has one or more limitations of activities of daily living (ADL), and one who may need assistance to perform ADLs. Elderly persons may need housing assistance for two reasons – financial and supportive. Supportive housing is needed when an elderly person is both frail and low income, since the housing assistance offers services to compensate for the frailty in addition to financial assistance.

An estimate of the number of frail elderly requiring supportive services can be obtained by applying the national prevalence statistics of 14.4% for the proportion of elderly that require assistance with ADLs to the number of elderly in Gloucester County who are lower income. In 2000 there were 4,108 persons age 65 and older in the county. Applying the 14.4% national prevalence standard to the total number of low income elderly residents results in an estimated 592 frail elderly persons who may require supportive housing in Gloucester County.

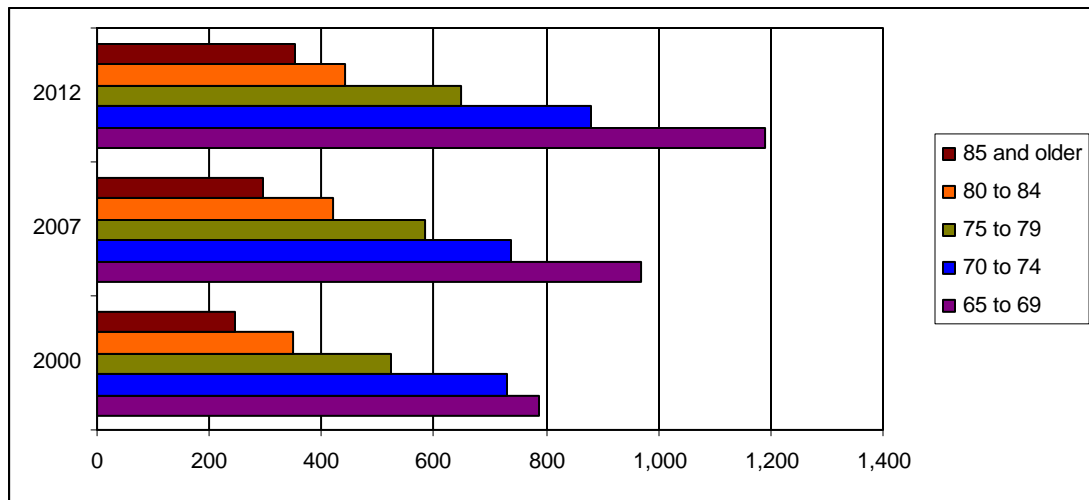
By 2012, one in four households is projected to be 65 years or older. In 2007 there are estimated to be 3,006 households with a head of household who was at least 65 years of age, comprising 21% of all households. This is a slight increase of 367 households since 2000 when elderly households accounted for 20% of all households. By 2012, this segment of households is expected to increase to 3,513 households in the county and represent nearly 24% of all households.

Table 6-2
Elderly and Frail Elderly Households – 1990 to 2012

Age of Householder	1990	2000	2007	2012
65 to 69	1,190	788	968	1,191
70 to 74		732	737	881
75 to 79	901	525	586	650
80 to 84		349	420	440
85 and older		245	295	351
Total Elderly Households	2,091	2,639	3,006	3,513
Total Households	10,966	13,127	14,323	14,813

Sources: U.S. Census Bureau; Claritas, Inc.

Table 6-3
Elderly and Frail Elderly Household Trends – 2000 to 2012



Source: U.S. Census Bureau

A “quick test” was conducted on Gloucester County’s population to determine the initial ability to support additional subsidized elderly rental housing units. A quick test is an informal market analysis, based on census data, to compare the number of age- and income-eligible residents in a given area to the number of existing subsidized rental units. This analysis provides an indication as to whether there is a sufficient pool of eligible senior residents to justify additional subsidized units.

It is important to note that a quick test quantifies the number of age- and income-eligible households that could potentially qualify for age- and income-restricted housing. However, an independent market analysis would be required to verify that an actual demand exists within a specific market and at a certain location. A sufficient eligible population does not solely determine demand. Other demand factors include, but are not limited to, vacancy rates within the proposed market area, waiting list information, population growth patterns, proposed building type (high- or low-rise), future development plans, and economic activity.

Unit numbers were determined based on a capture rate of 5%. A 5% capture rate assumes that 5% of the eligible population within the primary market area would be served by a potential project. Generally, projects in areas with overall capture rates (proposed project plus existing subsidized units) of 25% or higher are not considered feasible.

The quick test for Gloucester County revealed a potential market for up to 30 subsidized elderly rental housing units. The capture rate would be 5.15% and the overall capture rate would be 18.9% (proposed project plus existing subsidized housing units). Additional detailed information and related tables are included in Appendix A.

It should be noted that the 5% capture rate is a very conservative estimate. Additional data would need to be analyzed to determine the actual market demand for affordable elderly rental units in Gloucester County. Recent data on future trends in population

analyzed for is report predict a large percentage increase in the senior population. For instance, by 2010 there is a projected increase of 39% of persons age 65 to 74; those 75 and over are projected to increase 43%. By 2030, elderly persons age 65 and over are projected to account for about 37% of the county's population, up from 11% in 2000.

C. Homeless Families and Individuals

Gloucester County participates in a regional consortium of counties to conduct the annual Point in Time survey under the direction of the U.S. Department of Housing and Urban Development (HUD). Each year in January, communities across the country count the number of homeless families and individuals in their locales. The January count in Gloucester County revealed four homeless individuals with a total of 48 homeless individuals in the 11-county region. While this number may be very low, one homeless advocate in the county believes the homeless population is invisible in Gloucester County. Homeless families and individuals will quite often double-up with family and friends because they cannot find decent affordable housing. Technically, these persons are housed but are only one step away from out-on-the-street homelessness.

i. Laurel Shelter

In Gloucester County, Laurel Shelter provides emergency housing for the homeless. The facility opened ten years ago to provide emergency housing to women and their children for 60 days. Now, however, 60 days is not practical because it is not sufficient time during which to save money and find a decent, affordable place to live. According to the shelter director, the difference between clients being successful (i.e., finding a place to live) or not is a rental unit costing between \$375 and \$550 per month.

During the first half of 2006, Laurel Shelter averaged 12.3 persons per night. During the second half of the year, they averaged 19.2 persons per night. Many domestic violence victims will admit to being homeless rather than having been abused.

Laurel Shelter consists of a large home with 19 twin beds that can house as many as 27 persons at a time. The typical client is a single mother with 2-3 children. The service area includes the five counties of Gloucester, Mathews, Middlesex, King and Queen, and King William. Because the shelter will admit families with children up to 12 years of age, they receive referrals from outside of Gloucester County.

The facility is typically filled to capacity and Laurel Shelter plans to construct four units of transitional housing on the same property. Zoning approval has been obtained and partial funding of \$200,000 has been secured from the Virginia DHCD Share Expansion Program. Total development costs are estimated to be \$350,000-\$400,000 for the four modular units. Occupancy is anticipated in 2009. Clients will have the opportunity to reside in the shelter for 19-24 months, which is within reasonable distance from Rappahannock Community College.

When clients are ready to transition out of the shelter, they are required to locate housing on their own in an effort to increase their self-sufficiency. Typically, they look for affordable units in Mathews, York, Newport News, and Hampton. However, for local families, this would mean moving away from Gloucester and their established support systems and requiring the children to transfer to new schools. In Gloucester County, decent, workforce and affordable housing options are very limited for this population. Village Green Apartments has a two-year waiting list and most other rental complexes are too expensive. Mobile homes would be an option but these are often in poor condition, in unsafe locations or too far away from employment opportunities.

Laurel Shelter's housing needs include:

- Affordable rental units in the \$350-\$550/month range
- Affordable owner units
- Short-stay transitional housing units.

ii. Salvation Army

The Salvation Army located in Gloucester County provides housing and emergency assistance to persons and families impacted by eviction, fire, or homelessness. Typically, evictions are due to loss of income from being out of work due to illness and the inability to pay rent. In 2006, the organization averaged 1-2 households per month who were evicted for foreclosure or became homeless. In early 2007, they were seeing about 3-4 households per month. According to staff, many people do not know that the Salvation Army is available to assist them with emergency cash assistance for rent, mortgage and utilities. Instead, they go to check-cashing establishments when they need cash to carry them until the next paycheck and pay exorbitant interest rates.

About 65% of persons assisted are local homeless and the remaining 35% are transients. The Salvation Army puts them up at the Gloucester Inn for about 3-4 nights then contacts local churches who have agreed to rotate paying the motel bill to enable them to stay longer. A total of 22 churches assist with this program.

When trying to locate permanent housing for clients, the organization starts by calling the trailer parks first. Recently, a staff member spent three days driving around the county with a family but could not find a decent, affordable place for them to rent. There is a local church that provides the use of a cottage for someone to stay temporarily. The Salvation Army pays a \$350 deposit and charges the household no rent for 90 days, but the household must pay the electric/fuel bills in winter. Case management is provided during that time while they try to find a permanent house.

The Salvation Army would like to be able to purchase a small house that they could rent to households in need for a period of months. However, a small

home in decent and habitable condition in close proximity to employment opportunities cannot be located for less than \$150,000.

When looking for an apartment, the Salvation Army tries the following but the waiting lists are always long:

- Claudia Drive (about \$450 per month)
- Daffodil Gardens
- Guinea Road (\$350 per month and higher)
- Hickory Fork Road (\$500 per month and higher).

Workforce and affordable housing needs identified by the Salvation Army include:

- Affordable rental units
- Transitional housing for persons and families attempting to become self-sufficient and independent.

D. Persons with HIV/AIDS

According to the Virginia Department of Health, there were 39 persons living with HIV/AIDS in Gloucester County at the end of 2005.

7. NON-HOUSING FACTORS THAT INFLUENCE THE HOUSING MARKET

A. Land Use Issues

i. Overview

Gloucester County is predominantly rural in character with just 173 persons per square mile compared to 191 persons per square mile across Virginia. Many of the county's older, smaller homes were initially developed as vacation homes. At the time, there were no development controls in effect when these homes were developed, and only minimal infrastructure existed.

Today, there are two primary developed areas of the county. The first, Gloucester Court House, is the county seat. Located in the central area of the county, this village setting developed around the county courthouse and offers amenities typically found in a small town. A central business district provides locations for professional and personal service establishments, restaurants and government offices in close proximity to the courthouse complex. Older homes on smaller lots are located directly behind the business district. This area of the county has public water and sewer service.

The second area, Gloucester Point, is at the southernmost area of the county that fronts on the York River. It is more suburban in nature with one-half acre lot subdivisions, some of which have water and sewer service. Business establishments in this area are primarily located along Highway 17.

The primary thoroughfare through Gloucester County is Highway 17, a divided four-lane highway running north-south and connecting the county to the Hampton Roads area via the George P. Coleman Bridge. Along the length of this corridor is an abundance of commercial establishments between Gloucester Courthouse and Gloucester Point. Several big box retailers have located in the Gloucester Court House area along Highway 17 during the past ten years.

The remaining parts of the county are low density and even more rural in nature. The waterfront areas of the county are ultra-low density and, depending on the location, very desirable. Many higher-priced homes have been built along the scenic waterfront, while the assessments of older waterfront homes have increased substantially in recent years.

ii. Comprehensive Plan

In 1980 the county prepared its first comprehensive plan. The 1991 plan update recommended a "contained growth strategy" for managing the rate, location, quality and costs of growth in the county. A key component of the comprehensive plan was the establishment of a "development district" which delineated the boundaries of the areas identified as most suitable for new

population growth due to the proximity and availability of existing infrastructure and employment opportunities. The purpose of the development district was to guide future growth to locate within the district and preserve the scenic rural countryside.

The comprehensive plan was updated in 1995 with revised implementation strategies. In 2001, the Chesapeake Bay ACT required revisions to implement the Act's provisions. In 2003, the county further amended its comprehensive plan to incorporate the provisions of the Dragon Run Watershed Management Plan. Currently, the county is once again updating its comprehensive plan in response to the growth and development experienced since 2002.

iii. Zoning and Subdivision

Gloucester County adopted zoning regulations in 1984. Since that time, revisions have been adopted to gradually increase the quality and type of land use permitted in the county. Additionally, Gloucester County has regulated subdivision development since 1966. Both of these local ordinances have guided the location, type, quality and density of land development in the county. Recently, the county has recognized the need to increase the quality of development standards for residential land uses. For example, in 1999, the subdivision ordinance was amended to require all newly created residential lots provide access to a public street.

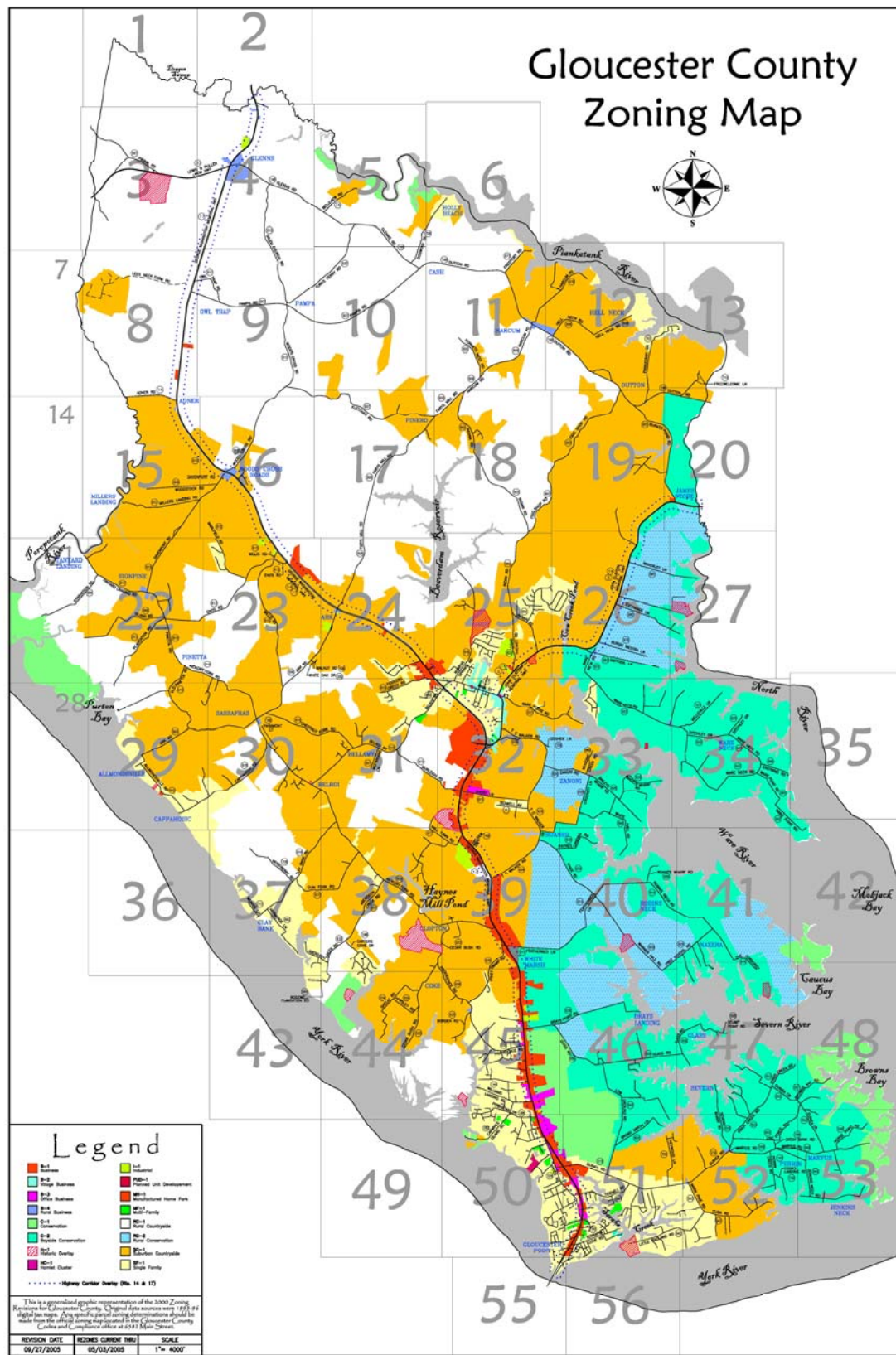
The following discussion focuses on the residential uses permitted in the county.

Single family dwelling units are permitted by right in the Bayside Conservation (C-2), Rural Countryside (RC-1), and Rural Conservation (RC-2) districts. However, the minimum lot size for single family units in these environmentally-sensitive districts is 5 acres. If the structure is developed within a clustered development, then the required lot size is 1-2 acres. Manufactured homes are permitted by right with the same minimum lot size requirements. RC-1 and RC-2 are agricultural districts where major subdivisions of 3 lots or more are not permitted.

Single family dwelling units also are permitted by right within the Suburban Countryside (SC-1) district with a maximum lot size of 1 acre. If included within a clustered development, the minimum lot size is 30,000 square feet at a net density of 1 unit per 1.5 acres. (Net density is the number of dwelling units per acre of developable land excluding wetlands and steep slopes.)

Within the Single Family (SF-1) district, single family dwelling units are permitted by right within major subdivisions on lots as small as 10,000 square feet if public water and sewer service are available. A maximum net density of 2 units per acre is permitted. If constructed within a minor subdivision or as part of a family transfer, a minimum lot size of 30,000 square feet is required.

**Map 7-1
Gloucester County Zoning Map**



Within the Hamlet Cluster (HC-1) district, single family dwelling units are permitted by right on lots as small as 20,000 square feet if clustered; otherwise, the minimum lot size required is 30,000 square feet if public water and sewer service are available. However, this district is not currently mapped on the county zoning map.

Multi-family dwelling units are permitted by right exclusively within the Multi-family (MF-1) district.

- Two-family dwellings are permitted at a maximum net density of 6 per acre
- Multi-family dwellings of 3 units or more and townhouses are permitted at a maximum net density of 8 per acre.

According to the county planning department, virtually all land currently zoned for multi-family housing is developed and new proposals would require rezonings. However, many of the older multi-family developments are under-developed relative to maximum densities permitted by current zoning regulations.

Multi-family dwelling units also are permitted by right within a Planned Unit Development (PUD). A PUD proposal requires a rezoning and allows multi-family units at a maximum density of 10 units per acre.

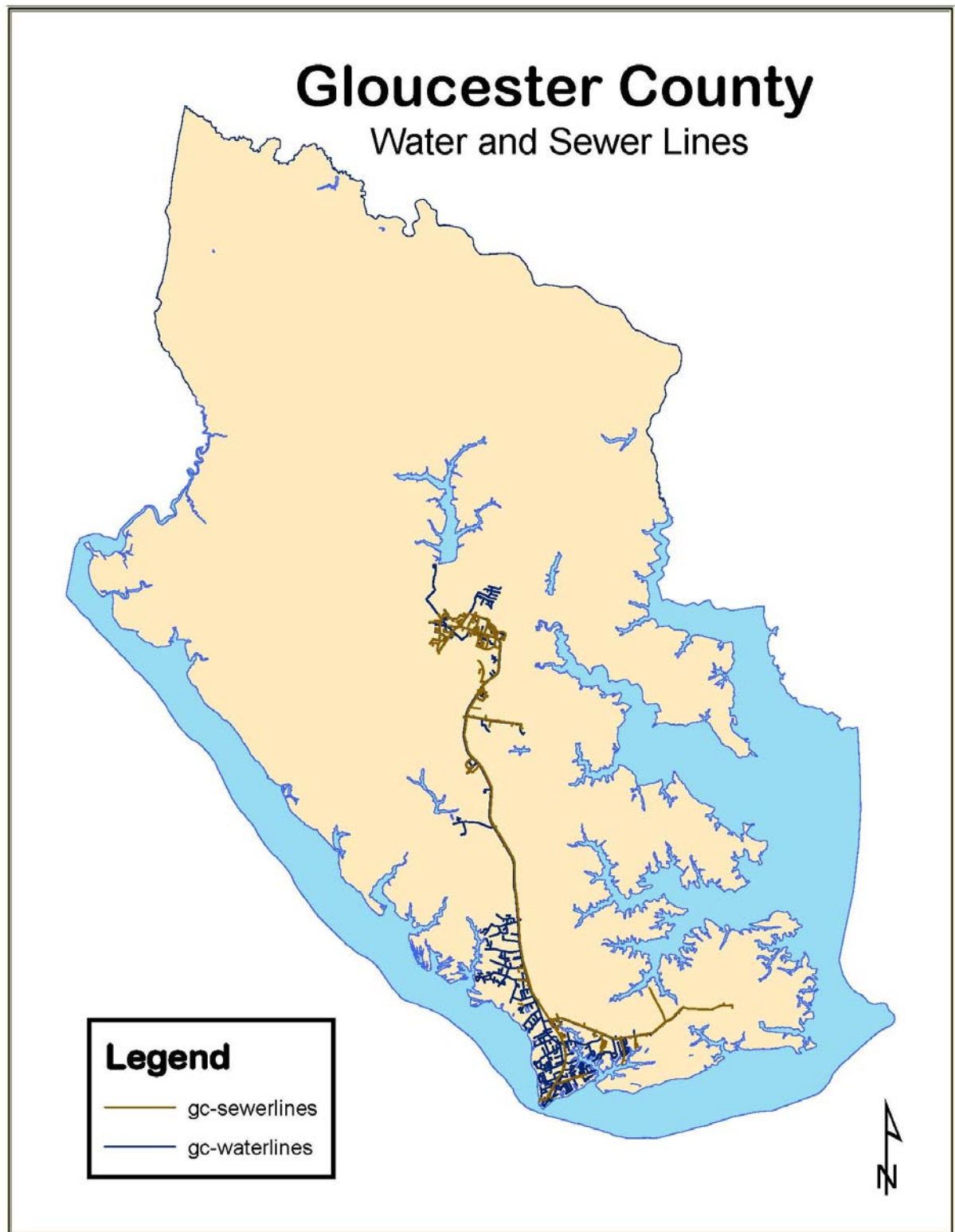
Manufactured home parks are permitted by right within the Manufactured Home Park (MH-1) district which requires a minimum site of 5 acres for development. New mobile home park proposals also would require rezonings as there is no land currently zoned for such and available for new development. Existing mobile home parks, if properly zoned by-right, could be served by public water and sewer services. This action would allow increased density and eliminate areas with failing septic tank systems.

In summary, the maximum density requirements as regulated by the county's zoning ordinance demonstrate that Gloucester County is striving to maintain a low density environment. In growth areas, such as Gloucester County, this kind of environment does not foster private development of workforce and affordable housing for lower income households.

iv. Water and Sewer Issues

The prevalence of numerous natural watercourses running through Gloucester County, and the location of Mobjack Bay to the east, provide scenic vistas as well as an abundance of environmentally sensitive lands with poorly draining soils. According to the Natural Resources section of the county comprehensive plan, about 61% of the county is not suitable for conventional septic treatment systems. While technology is making it possible to provide on-site septic systems in marginal areas, these systems are expensive to install and maintain. A newly adopted ordinance now provides oversight for the regular maintenance of these systems.

Map 7-2
Gloucester County Water and Sewer Service Area Map



New technological advances in alternate septic systems have outpaced pre-2000 land use policies and unwittingly contributed to sprawl in Gloucester County. These new systems have been a catalyst for development on land that was previously unsuitable for conventional septic systems and, therefore, new residential construction. Over the past six years, vast tracts of land that were previously considered undevelopable have been developed.

Sewer treatment capacity is not an issue as there is surplus treatment capacity. Distribution and collection facilities are the major challenge. The economics of development limit a developer's capacity to extend infrastructure. According to local developers, they must be able to achieve sales prices above \$250,000 in order to recoup their capital outlay for infrastructure. This situation severely limits, even eliminates in most cases, the potential for the development of new affordable housing units.

v. Residential Development Trends

The following trends in residential development were noted by the Gloucester County Planning Department in an early draft of the comprehensive plan. All of these trends are the direct result of public policies adopted by Gloucester County and have had the unintentional effects of facilitating the development of (1) higher-end housing that is well beyond the reach of lower income households and (2) low density housing beyond the public water and sewer service areas.

- ***Recent trends indicate an increase in residential land use, most often associated with subdivision development occurring in the rural areas of the county.*** The majority of recent major subdivisions (more than three lots) are located outside of the Development District.
 - Since 2000, fifteen major subdivisions (containing 708 residential lots on 2,005 acres of land) outside of the Development District have received preliminary approval.
 - During the same period, fourteen major subdivisions in the Development District (containing 650 residential lots on 481 acres) have received preliminary approval.
 - Since 2006, the demand for residential growth outside of the Development District remains strong with a total of 8 new major subdivisions receiving preliminary approval compared to only two approvals for subdivisions within the district.
- ***Areas facing the greatest development pressure are within the Suburban Countryside (SC-1) zoning district.*** This district requires a 2-acre lot minimum and comprises approximately one-third of the county's land area, with a substantial amount of rural land. All major subdivisions given preliminary approval since 2000 outside of the Development District are located in this zoning district. If current trends persist, future residential growth will locate in areas of the county

characterized by forests and agricultural fields, and where no future water and sewer service extensions are planned.

- ***The county's higher quality development standards for new residential development within the Development District have had the inadvertent effect of contributing to sprawl outside of the district.*** The improvements required of the developer outside of the district are typically limited to construction of state roads and drainage ditches. Inside the Development District, required improvements include public water and sewer facilities, curbs and gutters, sidewalks, street trees, stormwater management facilities, fire hydrants, street lights and other amenities. The higher cost of these items provide a financial incentive for developers to build subdivisions outside of the Development District, thereby circumventing the reason the district was created in the first place. For those developments located within the district, the costs of constructing these amenities are passed on to the homebuyer, thereby substantially increasing the purchase price of a single family home.
- ***Much of the land zoned for single family housing (SF-1) with access to public water and sewer service has been developed.*** Based on the county's GIS, there are 296 parcels of land consisting of 5 or more acres zoned SF-1, representing a total of 3,126 acres. Only 32 parcels of land consisting of 15 acres or more are zoned SF-1, and some of these are being developed. In contrast, there are over 632 parcels consisting of 15 acres or more in the SC-1 district.
- ***There are no undeveloped parcels of land zoned for multi-family housing by right.*** Less than 1% of the county is zoned for multi-family housing. Most of the existing multi-family units were built prior to 1990. Current zoning permits up to 8 dwelling units per acre in the Multi-Family District (MF-1) with public water and sewer service, and up to ten units per acre within a Planned Unit Development (PUD). However, without available developable land zoned for multi-family housing by right, the burden of obtaining a rezoning is on the developer. Such requests require a public hearing where opposition from neighboring property owners has historically been strong. Some of this opposition may be due to the type and quality of multi-family housing that exists in the county. Prior to 1984, the county did not have zoning to regulate the location or type of residential development proposed.

vi. **Developers' Perspective**

Interviews and focus groups were conducted with local developers for this report. It is clear that developers want to participate in this vibrant housing market. As long as housing prices continue to rise in the Hampton Roads, there will be a demand for less expensive housing in Gloucester County. However, local developers did vocalize a few issues of concern.

First, developers are expected to finance the cost of roads and utility infrastructure associated with major subdivisions in the county. And, local

officials routinely seek cash proffers from developers to finance other capital improvements such as trails, parks and schools. In the case of a recent development proposal, the county sought an affordable housing proffer which acknowledges that the county recognizes the need for workforce and affordable housing.

Second, developers feel burdened by the local approval process. A small subdivision requires a one-year approval process. From the developer's perspective, the approval process needs to be streamlined. Negotiations between developers and the county take place on a project-by-project basis, rather than by routine interaction to discuss the type of development that the county prefers.

Finally, many county residents are opposed to development that could potentially alter the scenic rural environment that is synonymous with Gloucester County. Public hearings for applicant-requested zoning changes or conditional uses can meet with much opposition and delay. This can be daunting to developers and taken as a sign that Gloucester County is not open to higher density development.

B. Crime

Crime In Virginia is published annually by the Virginia State Police. The report uses the Uniform Crime Reporting (UCR) Program, a system of collecting and analyzing crime statistics gathered on selected crimes by participating law enforcement agencies in Virginia. The UCR uses an Incident Based format, which describes the nature of crime problems, their magnitude, and their trend over a period of time. Information relating to two different levels of offenses is collected by the Incident Based Reporting format. The most serious offenses are designated as Group A offenses; the less serious offenses are designated as Group B offenses.

- Group A offenses include arson, assault, bribery, burglary, counterfeiting/forgery, destruction/damage/vandalism of property, drug/narcotic offenses, embezzlement, extortion/blackmail, fraud offenses, gambling offenses, homicide, kidnapping/abduction, larceny/theft, pornography/obscene material, prostitution offenses, robbery, sex offenses, forcible and non-forcible, stolen property offenses, and weapon law violations.
- Group B offenses consist of bad checks, curfew/loitering/vagrancy violations, disorderly conduct, driving under the influence, drunkenness, family offenses, nonviolent, liquor law violations, peeping tom, runaway, trespass of real property, conspiracy to commit group a offense, conspiracy to commit group b offense, and all other offenses.

Table 7-1
Crime Trends in Gloucester and Surrounding Counties – 2005

	2005 Population	Incident Rate per 100,000	Total Incidents	Selected Crimes							
				Murder	Rape	Robbery	Aggravated Assault	Burglary	Larceny	Vandalism	Drug Offenses
King & Queen County	6,900	2420.28	174	1	1	0	7	12	35	24	62
Essex County	8,156	2439.92	200	0	0	0	13	25	80	50	19
Mathews County	9,400	2957.44	279	0	1	1	6	17	76	72	29
Middlesex County	10,200	2852.94	302	0	3	0	11	18	104	58	30
Gloucester County	35,700	4050.42	1,663	0	5	1	23	34	368	236	450
York County	61,500	4617.88	3,015	1	6	32	17	185	1,059	801	467

Source: Crime in Virginia

According to the report, there were 1,663 Group A incidents in Gloucester County in 2005, the second-highest among counties in the Middle Peninsula. Of these 1,663 incidents, 22% consisted of larceny, 14% were vandalism and 27% were drug offenses. State-wide, the incident rate was 6,627.52 per 100,000 residents. While Gloucester County's crime rate is higher than most counties surrounding it, this is to be expected in more populated areas.

C. Schools

Gloucester County's public school system includes one high school, two middle schools, and six elementary schools serving about 6,000 students. All are fully accredited by the Virginia Department of Education. Each school level has programs for gifted and talented students, as well as special education classes for students with special needs. More than half of the high school students are engaged in a college preparatory curriculum that may include Advanced Placement course work.

The Virginia Department of Education publishes the Virginia School Report Card, which reports on the progress of the public schools in raising student achievement and enhancing the learning environment. The Virginia School Report Card provides ratings for Adequate Yearly Progress (AYP) and school accreditation based on the achievement of students on tests taken during the academic year.

The Virginia School Report Card rates schools according to the progress toward the goals of the No Child Left Behind (NCLB) ACT of 2001. This federal law requires states to set annual benchmarks for achievement in reading and mathematics leading to 100% proficiency by 2014.

Performance in Gloucester County has improved and has been above the State's performance level. Table 7-2 provides a review of Gloucester County's English and Mathematics performances in comparison with the performances Statewide for the school years 2003-2004, 2004-2005, and 2005-2006.

Table 7-2
Percentage of Students Passing/Not Tested – 2003 to 2006

	2003 – 2004			2004 – 2005			2005 - 2006		
	Passed	Tested	Not Tested	Passed	Tested	Not Tested	Passed	Tested	Not Tested
English Performance									
Gloucester County	84	100	0	83	99	1	88	100	0
State	79	99	1	81	99	1	84	100	0
Mathematics Performance									
Gloucester County	86	99	1	81	98	2	74	99	1
State	83	98	2	84	99	1	76	100	0

Source: Virginia Department of Education

NCLB also requires schools to make progress in science or attendance for elementary and middle schools, and graduation for high schools. As shown in Table 7-3, science performance in the County has been above the level of science performance Statewide.

Table 7-3
Percentage of Students Passing/Not Tested – 2003 to 2006

	2003 – 2004	2004 – 2005	2005 - 2006
Science Performance			
Gloucester County	89	88	88
State	84	84	85
Attendance Rate			
Gloucester County	95	95	95
State	95	95	95

Source: Virginia Department of Education

D. Taxes

Relative real estate tax burden is an important factor in the affordability of sales housing. Taxes frequently influence home purchase decisions. Once the home is purchased, increases in taxes can adversely affect affordability and contribute to foreclosure.

According to The Tax Foundation, a non-partisan tax research group, Virginia ranks among the 50 states as follows.

- 24th in median property taxes paid on homes (2005)
- 25th in property taxes as a percent of home value (2005)
- 30th in property taxes as a percent of income (2005).

The Board of Supervisors adopts a tax rate for real estate each year when the budget is approved. Real property tax assessments were last increased in 2002. Virginia mandates that assessments be performed at least every 6 years. Currently, Gloucester County is on a 4-year cycle but is considering going to a 2-year cycle for re-assessments. In January 2006, assessments went up about 80% on average following one of the most vibrant housing markets (2002 through 2006) in the area. Consequently, the Board of Supervisors decreased the millage from \$0.95 to \$0.57 cents per \$100 of assessed value to offset the increased valuation in property. As a result, most property owners are paying the same in property taxes or less, except for waterfront property owners.

The 2007 real estate tax rate in Gloucester County is \$0.57 per \$100 of assessed value. Real estate is assessed at 100% of market value. The effective tax rate equals the total

tax rate times the ratio of assessed valuation to market value. Property tax on a property having a market value of \$100,000 is \$570.

Gloucester County has the third lowest effective tax rate in the region. The 2006 *Hampton Roads Statistical Digest* reports that of the 17 communities in the region, effective tax rate varies from \$0.47 per \$100.00 of assessed value in Williamsburg to \$1.06 per \$100.00 of assessed value in Chesapeake.

8. HOUSING AFFORDABILITY ANALYSIS

Affordable housing means paying no more than 30% of gross household income for housing expenses including mortgage or rent, utilities, insurance and taxes, regardless of income level. When a household pays more than 30%, the household is considered cost burdened. This section of the report analyzes the cost of housing for owners and renters in Gloucester County.

When households pay higher proportions of their incomes for housing, they are forced to sacrifice other basic necessities such as food, clothing and health care. Additionally, households that are cost burdened may have trouble maintaining their dwelling. Cost burden is of particular concern among extremely low and very low income households who have fewer housing choices.

The number of cost burdened households (both owners and renters) can be identified using HUD-formulated data based on Census 2000. Although this information is dated, it is the only available source of data that describes the degree to which households are cost burdened by income group. And, while median household income is used throughout this report, HUD bases its cost burdened data on median family income (MFI). As a point of reference, the 2000 median household income was \$45,421 in Gloucester County. By comparison, the median family income was \$51,426. The difference in these two dollar amounts do not detract from the usefulness of the cost burdened data as a valuable tool in enumerating cost burdened households.

A. Sales Housing

i. Cost Burdened Home Owners

One in five home owners were cost burdened in 2000. Of the 10,658 home owners in 2000, a total of 2,272 were paying more than 30% on housing. Of these, 645 were extremely low income households with incomes up to 30% of MFI. This income group experienced the highest rate of cost burden with 74.4% paying more than 30% of their income on housing costs. Nearly 59% of the 645 were paying more than 50% of income on housing.

**Table 8-1
Cost Burdened Home Owners by Income – 2000**

	Number	Percent
All Owner Households	10,658	100.0%
Households with incomes 0% up to 30% MFI (Extremely Low Income)	645	6.1%
Paying more than 30% of income on housing	480	74.4%
Paying more than 50% of income on housing	380	58.9%
Households with incomes 30% up to 50% MFI (Very Low Income)	762	7.1%
Paying more than 30% of income on housing	413	54.2%
Paying more than 50% of income on housing	225	29.5%
Households with incomes 50% up to 80% MFI (Low Income)	1,481	13.9%
Paying more than 30% of income on housing	649	43.8%
Paying more than 50% of income on housing	154	10.4%
Households with incomes 80% MFI and higher	7,770	72.9%
Paying more than 30% of income on housing	730	9.4%
Paying more than 50% of income on housing	62	0.8%

Source: U.S. Department of Housing & Urban Development, State of the Cities Data System

The degree of cost burden among home owners significantly decreased as income increased. Among the 762 very low income home owners, 54.2% were cost burdened. Almost one-third of the 762 owners paid more than 50% of their income on housing. The degree of cost burden was significantly lower among low income home owners with 43.8% of the 1,481 households paying more than 30% on housing. And, less than 10% of all other home owners with incomes of 80% and above MFI were cost burdened.

In total, 1,542 cost burdened home owners are in need of affordable housing. In terms of identifying existing affordable housing need, the universe of home owners with incomes at 80% of MFI and below who are cost burdened can be characterized as having unmet housing needs.

ii. Purchasing a Home

Who are the households unable to afford housing in Gloucester County? Many of them are members of the regional workforce such as teachers, police officers, nurses, and residents who work in retail jobs. They are employed at the corner deli, the local auto body shop and own the small business down the block. They are the folks we rely on everyday to keep our community thriving.

The National Housing Conference (NHC) classifies these workers as holding vital community occupations. Each year NHC provides updated research comparing home ownership and rental affordability with median wages in 200 metropolitan areas and for more than 60 occupations. The database reveals the degree of difficulty that households in Gloucester County have in becoming homeowners. The research is based on the premise that housing should be affordable to those workers that fill vital community occupations. The five vital community occupations identified by the NHC include:

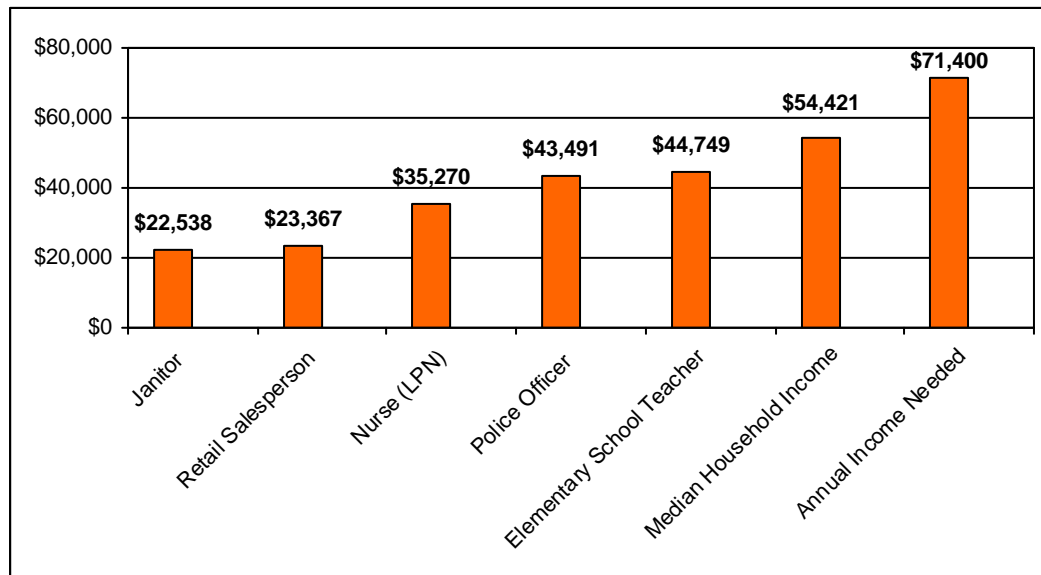
- Janitor

- Retail Salesperson
- Licensed Practical Nurse
- Police Officer, and
- Elementary School Teacher.

Together, these five vital community occupations comprise one-third of the national labor force. The gross annual income for each of these occupations is listed in the table below.

Based on the 2006 median sales housing price of \$274,219, an annual household income of \$71,400 would be needed to purchase a home in Gloucester County. Assuming these were one-wage earning households, none of the five vital community occupations could afford to purchase a home selling for the median sales price.

Table 8-2
Annual Income Needed to Afford Median Sales Price in Gloucester County – 2006



Sources: National Housing Conference; Middle Peninsula Association of Realtors Multi-list Service

To calculate the price range in which these households could look for sales housing, one must first calculate the amount of house each household could afford to purchase. The following chart lists the maximum sales price that each of these five households could afford based on the following assumptions:

- A 30-year fixed rate mortgage at 7%
- A downpayment of 5% of the purchase price
- Home owners insurance of \$360 per year (\$30 per month)
- Property taxes averaging \$2,700 per year (\$225 per month), and
- The total amount of principle, interest, taxes and insurance (PITI) equal to no more than 30% of gross household income.

Table 8-3
Maximum Sales Prices Affordable to Five Vital Community Occupations
in Gloucester County – 2006

Occupation	Annual Salary	Amount Available for PITI	Maximum Mortgage Amount	Maximum Sales Price
Janitor	\$22,538	\$620	\$60,277	\$63,450
Retail Salesperson	\$23,367	\$643	\$63,672	\$67,023
Nurse (LPN)	\$35,270	\$970	\$112,415	\$118,331
Police Officer	\$43,491	\$1,196	\$146,080	\$153,768
Elementary School Teacher	\$44,749	\$1,231	\$151,231	\$159,191

Source: Mullin & Lonergan Associates, Inc.

Two of the five occupations listed above would be limited to houses selling for less than \$70,000. Even the two occupations with the highest incomes would be limited to purchasing homes selling in the range of \$150,000-\$160,000. In a region where the median sales price was \$274,219, purchasing a home would be extremely difficult, if at all possible, for these five households as single-wage earning households. While the argument is made here using single-wage earning households, total household income would be used to compute the amount of house a household could afford.

In 2006, the median renter household income was estimated to be \$32,948 in Gloucester County. As a result, approximately 1,247 renter households would be limited to a maximum sales price of less than \$108,000.

Only 71 housing units sold for \$160,000 or less in Gloucester County in 2006. To find locations in Gloucester County where these five households could potentially look for an affordable home to purchase, the Multi-list Service (MLS) of the Middle Peninsula Association of Realtors was analyzed. During the 2006 calendar year, only one house sold for \$40,000 or less. No units in the \$40,000 to \$59,999 price range sold, and only 4 units sold in the \$60,000 to \$79,999 range (see Table 5-16). These 71 units were equivalent to less than 17% of all units sold in 2006.

Other factors that impact the purchase of a home include the household's other long-term debt and living expenses. Lenders typically consider as acceptable a housing payment to household income ratio of 30% in addition to a total debt-to-household income ratio of 36%. Many households are encumbered with debt and monthly living expenses that cause them to exceed permitted total debt to income ratios even if their annual household income is within an acceptable housing payment to household income ratio of 30%. Additionally, a typical expense for many working families is child care, which can be a considerable amount of household monthly income. Households without health insurance may pay as much per month for health insurance as they pay for their housing. Also, across Gloucester County, most households need a vehicle to get to work. For low income households, owning a vehicle is a major household expense that significantly impacts the household income to total debt ratio, reducing the ability to finance housing debt. The impact of many of the typical living expenses is greatest on lower

income households as these costs take a greater proportion of their monthly income than higher income households.

B. Rental Housing

i. Cost Burdened Renters

Nearly one-third of all renters were cost burdened in 2000. Of the 2,437 renter households, 739 were identified as paying more than 30% on housing. Of these 739 households, 517 (62.3%) were extremely low income households. The rate was higher among very low income households with 71% experiencing cost burden. For low income households, the rate dropped to 21.4%. Less than 1% of households at or above 80% of median household income were cost burdened.

**Table 8-4
Cost Burdened Renters by Income – 2000**

	Number	Percent
All Renter Households	2,437	100.0%
Households with incomes 0% up to 30% MFI (Extremely Low Income)	517	21.2%
Paying more than 30% of income on housing	322	62.3%
Paying more than 50% of income on housing	229	44.3%
Households with incomes 30% up to 50% MFI (Very Low Income)	373	15.3%
Paying more than 30% of income on housing	265	71.0%
Paying more than 50% of income on housing	65	17.4%
Households with incomes 50% up to 80% MFI (Low Income)	674	27.7%
Paying more than 30% of income on housing	144	21.4%
Paying more than 50% of income on housing	14	2.1%
Households with incomes 80% MFI and higher	873	35.8%
Paying more than 30% of income on housing	8	0.9%
Paying more than 50% of income on housing	0	0.0%

Source: U.S. Department of Housing & Urban Development, State of the Cities Data System

ii. Renting a Dwelling Unit

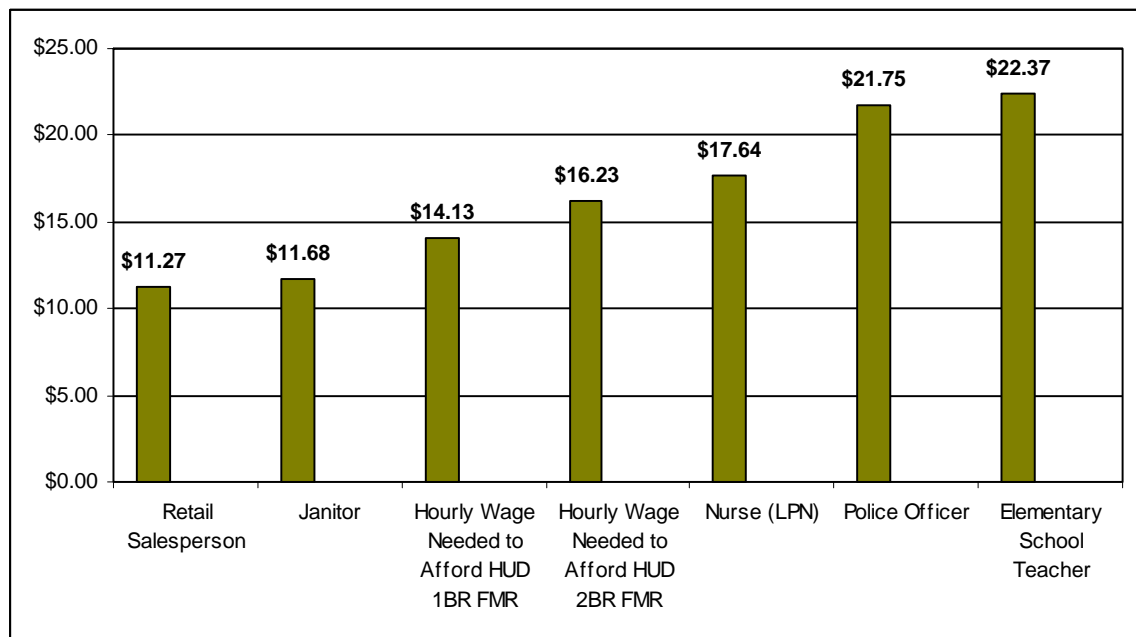
One of the most credible and widely used sources of information about rental housing cost and affordability is the National Low Income Housing Coalition's (NLIHC) annual publication *Out of Reach*. The 2006 *Out of Reach* publication reported the following data for Gloucester County relative to housing affordability:

- For *renter* households, the median income was only \$32,948. This equates to a gross monthly income of \$2,745. For a household with this income, monthly rent (including utilities) of \$824 or less is affordable.
- The 2007 HUD Fair Market Rent (FMR) for a 2-bedroom unit in Gloucester County is \$735. Therefore, a household earning the median renter income could afford the HUD 2-bedroom FMR.
- NLIHC estimates that approximately 51% of the 2,445 renter households cannot afford the HUD 2-bedroom FMR. Compounding this situation is the fact that market rents are higher than the FMRs, placing even more

rental units out of reach for approximately one in every two renter households in the county.

Based on the 2007 HUD FMRs, Retail Salespersons and Janitors could not afford a one-bedroom unit renting for the HUD FMR of \$735 per month as one-wage earning households. LPNs, Police Officers and Teachers could afford a one-bedroom unit or a two-bedroom unit renting for the HUD FMR of \$844 per month, even as one-wage earning households. While this analysis looks affordable on paper, there are three problems with it. First, only 92 Section 8 housing vouchers are available and in use in Gloucester County. Second, private landlords are able to command market rents for their rental units, and market rents are much higher than the FMRs. Consequently, there is little incentive for private landlords to join the Section 8 program. And, third, Congress has continuously decreased the budget for Section 8 vouchers annually over the past several years. Even if more landlords were interested in the program, there is insufficient budgetary authority to expand the number of vouchers available locally.

Table 8-5
Hourly Wages Required to Afford HUD Fair Market Rents – 2006



Source: National Low Income Housing Coalition

Gloucester County needs people who need workforce and affordable housing. Communities need police officers to keep their towns and villages safe. They need teachers to educate their children. They need people to work the counters at the local grocery store, coffee shop and dry cleaners. They need janitors to clean local businesses and schools. The human infrastructure of our communities is vital to the economic sustainability of communities, yet many of these workers cannot afford to live where they work. In order to find workforce and affordable housing, they are forced to move farther and farther away from employment centers, enduring longer commutes and contributing to increased traffic congestion and pollution.

And, availability of workforce and affordable housing within a reasonable commuting distance is a key factor for business location decisions.

9. ORGANIZATIONAL CAPACITY

In addition to collecting hard data (household projections, housing inventories, etc.) for this report, local housing practitioners were interviewed. These nonprofit organizations were identified as playing important roles in creating new workforce and affordable housing units in Gloucester County. Three housing developers in the county were identified and interviewed.

A. Nonprofit Organizations

i. Bay Aging

Bay Aging covers a ten-county region and provides a wide variety of services and programs. Bay Aging is primarily a developer of Section 202 housing for the elderly and currently owns nine senior housing facilities. In Gloucester County, Bay Aging developed and manages Daffodil Gardens, a 64-unit complex built in 2000. The demand for Daffodil Gardens was so great that the rental units leased up immediately and a waiting list of 85 applicants currently exists. Bay Aging is working to acquire additional land to help Daffodil Gardens address the need additional affordable, elderly rental housing. There is also a need for a new senior center and/or market rate condominiums near Daffodil Gardens. A primary concern of this project is the sewer pump station required by county regulations.

The success of Bay Aging is far-reaching as other counties have approached the nonprofit organization to assist in meeting the workforce housing needs in their communities. Bay Aging has expressed an interest in developing workforce housing for employed low and moderate income households in Gloucester County.

In addition to developing housing for seniors, Bay Aging implements a CDBG-funded weatherization program and a HOME-funded indoor plumbing program. The organization also has created a separate for-profit organization that sells energy-efficient 760 square foot modular homes.

As a major player in elderly housing development, Bay Aging is committed to universal design and naturally-occurring retirement communities (NORC). Bay Aging is a recipient of State funding to expand workforce housing in its service area.

Staff capacity within a nonprofit organization is an issue. Adequate training requires time and money, which is placed in jeopardy if staff move on to other employment.

ii. Gloucester Housing Partnership

Gloucester Housing Partnership (GHP) focuses primarily on the rehabilitation of existing homes in Gloucester County. GHP was created in

1992 and since that time, it has completed 325 projects representing a total investment of \$927,000.

GHP relies on two employees (a part-time coordinator and a full-time job foreman) along with volunteer labor; however, volunteers are increasingly difficult to find.

GHP receives funding from the following sources to carry out its affordable housing activities:

- The Virginia CDBG Program (for concentrated rehabilitation activities in the Indian Road CDBG target area)
- State Emergency Home Repair funds
- Disabilities Services Board (for ramps and accessibility improvements)
- Church donations
- United Way
- The Virginia Indoor Plumbing Program
- Gloucester County
- Private foundations including the Sanders Foundation and the Franciscan Sisters Foundation.

The biggest frustration for GHP is that many homes are too deteriorated and require more money to repair than what the property is worth. In cases where rehab is substantial, it is sometimes possible to relocate residents temporarily to houses owned by Ware Episcopal Church and Bethany United Methodist Church.

Currently, five homes are being rehabilitated and 30 applications are being processed for future work. In 2006, GHP received 100 applications, about a third of which will be denied or withdrawn. Referrals are received from Bay Aging case workers. Most applicants are extremely low income households. The State Emergency Home Repair Grant is approximately \$6,013 and must be matched by the applicant. Volunteer labor valued at \$15 per hour counts toward the match. Bay Aging provides plumbing services.

There are two main issues associated with using the State CDBG Program to finance GHP's housing rehabilitation activities. First, the county is required to contribute funding to the program in order to receive a grant even if the beneficiaries are extremely low income households. Second, in the Indian Road CDBG target area, many homeowners are reluctant to participate because they do not want a lien placed on their property, even though the lien is forgivable.

iii. Habitat for Humanity

The local Habitat chapter was founded in 2000 as an outgrowth of the Samaritan Group, a local service organization. Habitat has built (or has

caused to be built) five homes since 2000: four in Gloucester County and one in Mathews County. A second house in Mathews is underway and a third house is in the planning stages.

All five homes involved new construction, which the organization prefers to acquisition-rehab-resale of existing homes. The site selection chairperson continually checks real estate listings in search of inexpensive lots. Habitat is willing to pay up to \$30,000 or \$35,000 for a building lot, but lots in this price range are becoming scarce. Habitat typically incurs another \$40,000 to \$45,000 in expenses for building materials and on-site septic systems. It hires professional roofers, plumbers, electricians, and HVAC contractors. Frequently, Habitat receives donations of labor and materials.

Due to the high cost and limited supply of building lots, Habitat is anxious to collaborate with private for-profit developers in achieving its affordable sales housing objectives. As part of the subdivision approval process, developers would allocate a certain number of building lots or dwelling units as “affordable units.” Ideally, these units would be integrated into the development in such a way that they would not stand out as being visually different than the market rate units. However, the interior of the Habitat units would make use of less expensive finishes. Habitat would then work with the developer, general contractor, subcontractors and the homebuyer to write down the cost of construction through donations and contributions of material and labor.

The selling price of a Habitat home is in the \$80,000 to \$85,000 range. Buyers must have a minimum income equal to 25% of median household income and a maximum income that does not exceed 50% of median household income. Locally, this translates to an annual household income of up to \$60,000. Habitat attempts to obtain \$10,000 in closing cost assistance through the State Housing and Community Development Department. Buyers must finance \$70,000 at zero interest (repayment of principal) plus a monthly escrow for taxes and insurance. Mortgages range from \$300 to \$350 per month. Habitat holds the mortgage.

Habitat’s buyer selection committee reviews the applicant’s income, debt, credit rating, and rent history. Buyers (adults) must contribute 300 hours of sweat equity, which can include time spent by friends and relatives in building the house. There are two basic Habitat designs: a two-bedroom/one-bathroom 1,000 square foot home, and a three-bedroom/two-bathroom 1,200 square foot home. Both models include foundations, crawl spaces, vinyl siding, drywall, and floor covering.

There are three mortgages in the transaction:

- First mortgage for the actual sales price of home
- Second mortgage consisting of a Virginia DHCD \$10,000 down payment and closing cost loan, deferred and forgivable over five years

- Third mortgage for the difference between the sales price and the appraised value, deferred and forgivable over 20 years.

There have been no defaults on any Habitat mortgages. The Virginia Housing and Development Authority services all of Habitat's mortgages and escrows at no cost. Homebuyer and homeownership counseling is provided by the Gloucester County Extension Department. Habitat's family support division also provides counseling on budgeting and predatory lending. Buyers are expected to attend Saturday home maintenance classes at Lowe's.

The local Habitat chapter has 120 volunteers, mostly from church groups and the local Rotarians in Gloucester and Gloucester Point. The Rotarians also raised \$25,000 in cash. Habitat raises cash from donations, fund raising, and through payment of mortgages.

B. Workforce and Affordable Housing Projects in the Pipeline

The "pipeline" refers to all proposed affordable housing projects that are in various stages of pre-development or construction. Based on interviews with local nonprofit housing developers, only two pipeline projects were identified:

- Bay Aging, Inc. is in the conceptual planning stages of a follow-up to the successful and highly desirable Daffodil Garden Apartments. However, because site acquisition has not occurred to date, definitive details are unavailable. The project would be affordable units for income-eligible elderly households.
- Laurel Shelter is in the planning stages of developing 4 units of transitional housing for clients exiting their emergency housing facility. Partial financing is in place, zoning approval has been achieved and plans are moving forward to develop the new housing for occupancy in 2009.

No other workforce and affordable housing projects were identified.

10. BARRIERS TO WORKFORCE AND AFFORDABLE HOUSING

Barriers to workforce and affordable housing are obstacles that impede the development of workforce and affordable housing units. Some barriers to workforce and affordable housing, such as local public policies, can be modified or eliminated. Regulatory policies, such as zoning regulations that limit or prohibit multi-family housing or the development of single family units on smaller lots, can be changed by local government officials. Physical constraints, such as the condition of soils or severe topography, are barriers that cannot reasonably be modified. There also are barriers that are driven by local market conditions such as rising construction costs or a demand for housing that outpaces the available supply. This type of barrier typically requires public incentives to ameliorate its impact on workforce and affordable housing.

In Gloucester County, many barriers to workforce and affordable housing were identified. While the barriers listed below were identified and explained in detail throughout the report, they are summarized here for convenience.

A. Public Policy Barriers

i. Zoning

- There is virtually no developable land zoned for multi-family housing. Consequently, if a developer wishes to build multi-family units, he must apply for a rezoning and endure the public hearing process, where NIMBYism (Not in My Back Yard) can kill the project.
- Furthermore, there are some older apartment complexes constructed in the 1970's and 1980's that are currently under-developed based on allowable densities for multi-family housing under existing zoning, provided public water and sewer service are available. Conceivably, these could be redeveloped into better designed and higher quality multi-family housing, providing that developers are permitted to build to a higher density than what current standards permit.
- Current single family zoning regulations do not permit accessory dwelling units on the same parcel with a principal single family owner-occupied dwelling unit.
- Density standards in areas with public water and sewer service are viewed as unreasonably low.
- Proffers are expected of the builders and developers increase the cost of housing on a per-unit basis.
- There is a lack of quality design standards that would require more visually attractive and less intrusive developments that are compatible with surrounding land uses and the overall rural countryside environment.

- Zoning regulations do not distinguish between elderly and other multi-family housing in required off-street parking spaces. Fewer required parking spaces would decrease the amount of land required for development, as well as reduce the amount of land covered with an impervious surface.
- There is a lack of incentives for developers to build higher density projects.
- There is a relative absence of large development sites served by public water and sewer. The cost of water and sewer extensions is prohibitive to an affordable housing developer.

ii. Subdivision

- The development plan review and approval process is viewed as too lengthy, too cumbersome and too costly by developers.
- The development standards for major subdivisions proposed outside of the Development District are less restrictive and much less costly than the standards for subdivisions located within the district. This has had the effect of spurring large-lot residential growth in the rural and environmentally-sensitive areas which do not have public water and sewer service.
- There is an absence of pro-rata sharing of the cost of water and sewer service extensions (i.e. a developer finances required infrastructure improvements and other users are permitted to tap into the system without reimbursing a pro-rata share of the cost to the developer).

iii. Other

- State and federal funding resources have been continuously decreased over the past several years with fewer resources made available to subsidize workforce and affordable housing projects.

B. Market Barriers

- The high cost of building lots places new housing development beyond the reach of affordable housing developers.
- It is very difficult to find land suitable for development with access to public water and sewer service.
- In high growth areas, market rate developments offer higher profit margins to builders and developers, thereby reducing the supply of labor and number of firms interested in workforce and affordable housing, as well as any financial incentive.
- There is a general scarcity of existing apartment buildings with public water and sewer service that would be candidates for rehabilitation as workforce and affordable housing.

- Market rate transactions offer fewer challenges (to builders and developers) and higher commissions (to Realtors) than do workforce and affordable housing developments.
- There is a relative scarcity of homes available for sale for less than \$200,000. Existing housing units with sales prices of less than \$200,000 generally require extensive rehabilitation, thereby making the unit less affordable.
- “Street” rents are higher than HUD Fair Market Rents, which is a disincentive for private landlords to participate in the Section 8 Housing Choice Voucher Program.

C. Physical Barriers

- There is a prevalence of poorly draining soils throughout the county, which are not suitable for conventional septic drainage fields and require alternative systems that are expensive to install and maintain.

D. Other Barriers

- Interviews with a variety of stakeholders revealed that there is a mindset amongst some in the county that defines desirable housing as that which covers the cost of schools and public services, and is estimated to be no less than \$250,000 per housing unit. Whether true or not, this type of perception fuels NIMBY arguments and works against multi-family rezonings, higher density developments and similar tools that can provide workforce and affordable housing.
- Another perception identified through interviews was that housing affordable to lower income households and workforce households should pay for itself in terms of covering the cost of schools and other municipal services.

Identification of these barriers establishes the foundation upon which a reasonable set of strategic actions can be recommended to increase the supply of workforce and affordable housing in Gloucester County.

11. EXISTING AND PROJECTED DEMAND FOR WORKFORCE AND AFFORDABLE HOUSING

The demand for workforce and affordable housing is comprised of both existing demand as well as projected demand. Existing demand for workforce and affordable housing is based on the number of households in Gloucester County who are living in inadequate housing. Projected demand is based on the increase in the number of lower income households expected to reside in Gloucester County regardless of housing condition. The combination of existing demand plus projected demand provides an estimate of the overall need of workforce and affordable housing units in Gloucester County for 2012.

A. Housing Demand

i. Existing Workforce and Affordable Housing Demand

To estimate existing housing demand, households with three specific housing problems were identified. These included (1) lower income households who were cost-burdened and paying more than 30% of gross income on monthly housing costs, (2) households who were living in overcrowded conditions, and (3) housing units without complete plumbing or kitchen facilities. Cost burden data was reported by HUD and based on Census 2000 (see Part 8). Overcrowded units and substandard units were reported in Census 2000 (see Part 5).

This report focuses on households with incomes equal to 80% or less of the median household income, collectively referred to as lower income households. In 2000, the median household income (MHI) was \$45,421. Affordable housing demand was calculated according to the following income groups:

- Extremely low income households (0 – 30% MHI or up to \$13,623/year)
- Very low income households (31 – 50% MHI or \$13,624 to \$22,711/year)
- Low income households (51 – 80% MHI or \$22,712 to \$36,337/year).

The following table provides an overview of housing problems experienced by income group in 2000. The number of households in each income group that experienced cost-burden is highlighted because this housing problem was, by far, the most prevalent one.

Table 11-1
Households with Housing Problems by Income – 2000

Income Group	Renters	Owners	Total Households
Extremely Low Income (0% - 30% of MHI)	332	490	822
Cost-burdened	322	480	802
Very Low Income (31% - 50% of MHI)	269	429	698
Cost-burdened	265	413	678
Low Income (51% - 80% of MHI)	184	671	855
Cost-burdened	144	649	793
Total Lower Income Households with Housing Problems	785	1,590	2,375
Cost-burdened	731	1,542	2,273
Other Income (above 80% of MHI)	873	7,770	8,643
Cost-burdened	8	730	738

Source: U.S. Department of Housing and Urban Development, CHAS Data (2000)

There are 2,375 households with incomes at or below 80% of MHI with housing problems. This represented 18% of all households in Gloucester County. Of the 2,375 households, 785 were renter households and 1,590 were owner households. Overall, cost-burden impacted 96% of the 2,375 lower income households.

These 2,375 households represent the total existing workforce and affordable housing demand in Gloucester County.

ii. Projected Demand for Workforce and Affordable Housing, 2000 to 2012

Household projections by income group were obtained from Claritas¹ and clustered into the same three categories used for existing demand. The following table provides the projected change in total households by income group between 2000 and 2012.

Table 11-2
Projected Change in Households by Income, 2000 to 2012

	2000 Census	2007 Estimate	2012 Projection	Change from 2000 to 2012	
				Number	Percent
Extremely Low Income (0% - 30% of MHI)	1,555	1,343	1,754	199	14.8%
Very Low Income (31% - 50% of MHI)	1,458	1,168	1,192	-266	-22.8%
Low Income (51% - 80% of MHI)	1,802	3,217	3,014	1,212	37.7%
Total Lower Income Households	4,815	5,728	5,960	1,145	20.0%
Other Income (above 80% of MHI)	8,318	8,595	8,853	535	6.4%
Total Households	13,133	14,323	14,813	1,680	12.8%

Source: Claritas, Inc.

¹ Claritas, Inc. estimates age/sex distribution using a modified cohort survival method, which ages population based on age/sex specific survival probabilities, and estimates births over the estimation period. Group quarters and other populations that do not age in place are not included. For household size, the distribution of households by size starts with the 2000 census distributions, and is then advanced to the current year based on the estimated change in persons per household (average household size). Iterative proportional fitting (IPF) is then used to ensure consistency with previously estimated household totals and average household size.

Lower income households are projected to increase by 1,145 between 2000 and 2012. This increase represents 68% of the total increase in households by 2012. The increase in total households will occur as a result of (1) new household formation within the existing population and (2) migration of new households to Gloucester County from elsewhere. Household changes between income groups may occur for similar reasons. Additionally, resident households may shift between income groups as a result of changes in financial situations. Retail trade, the largest employer by industry in Gloucester County, provided employment for almost 20% of the labor force in 2006. Job growth is projected primarily in food preparation, food service, healthcare support, community services, social services and protective services—all lower wage positions. It is likely that the increase of 199 households in the extremely low income group may result from some of the 266 very low income households shifting into the extremely low income group.

The projected increase of 1,145 lower income households between 2000 and 2012 represents the total projected workforce and affordable housing demand in Gloucester County.

The projected demand for workforce and affordable housing can be further refined to estimate the demand for renter units and owner units. Past trends in the ratio of renters versus owners offer a reasonable assumption for future projections. Among *extremely low income households*, the ratio was 34% renters and 66% home owners in 1990. By 2000, the ratio was 44% renters and 56% home owners. Given the sharp increase in housing costs since 2000 and the shift to a retail and service-based economy, it is reasonable to assume a ratio of 54% renters and 46% home owners within this income group by 2012.

Among *very low income households*, the ratio of renters to owners in 1990 was 29% to 71%. In 2000, the ratio was 33% to 67%. For the same reasons stated above, it is logical to assume that the ratio of renters to owners in 2012 could be 37% to 63%.

Among *low income households*, the ratio was 30% renters and 70% owners in 1990 and 31% to 69% in 2000. By 2012, it is reasonable to estimate that the ratio could be 32% renters to 68% owners.

The ratio of renters to home owners among households with incomes above 80% of median household income in 2000 was 10% renters and 90% home owners. This ratio was applied for 2012.

Table 11-3
Projected Workforce and Affordable Housing Demand by Income and Tenure, 2000 to 2012

Income Group	Renter Units	Owner Units	Total Units
Extremely Low Income (0% - 30% of MHI)	107	92	199
Very Low Income (31% - 50% of MHI)	-98	-168	-266
Low Income (51% - 80% of MHI)	388	824	1,212
Total Demand for Affordable Units	397	748	1,145
Other Income (above 80% of MHI)	54	482	535

Source: Claritas, Inc.; U.S. Census Bureau; Mullin & Lonergan Associates, Inc.

There is a projected demand for 1,145 workforce and affordable housing units—397 rental units and 748 owner units. Among very low income households, the data project a vacancy or availability of 266 units (98 rental units and 168 owner units).

iii. Summary of Existing and Projected Workforce and Affordable Housing Demand

The total overall demand for workforce and affordable housing in Gloucester County in the year 2012 is estimated to be 3,520 units. A combination of existing demand and projected demand results in total workforce and affordable housing demand for the year 2012. Existing demand is defined as the number of households that have housing problems (cost burden greater than 30% of income and/or overcrowding and/or without complete kitchen or plumbing facilities). Based on reported housing problems, a total of 2,375 units comprise existing demand (see Table 9-1).

Projected demand for workforce and affordable housing is determined by the anticipated increase in the number of lower income households regardless of housing problems. The projected demand for workforce and affordable housing is 1,145 units (see Table 9-3). In summary, the total overall demand for workforce and affordable housing in Gloucester County in the year 2012 is estimated to be 3,520 units. Note that existing demand exceeds projected demand by a ratio of 2 to 1.

The table below provides a summary of total workforce and affordable housing demand.

Table 11-4
Summary of Total Workforce and Affordable Housing Demand for Gloucester County, 2000 to 2012

	Existing Demand		Projected Demand 2012		Total
	Renters	Owners	Renter Units	Owner Units	
Extremely Low Income (0 - 30%)	332	490	107	92	1,021
Very Low Income (31 - 50%)	269	429	-98	-168	432
Low Income (51 - 80%)	184	671	388	824	2,067
Total Demand	785	1,590	397	748	3,520

Source: Claritas, Inc.; U.S. Department of Housing and Urban Development CHAS Data; Mullin & Lonergan Associates, Inc.

B. Housing Supply

The second step in estimating the workforce and affordable housing needs of Gloucester County is to determine the extent to which housing demand is likely to be met through the existing housing inventory and any projected new housing development. Housing demand is comprised of different types of housing need. For example, cost-burdened households may benefit from rent subsidies while new construction may be necessary to meet new demand for home owners and households living in substandard housing.

The first step in determining housing supply is to identify the extent to which the current housing delivery system is already providing housing for lower income households. The existing housing inventory, current building activity, and housing programs already in place must be evaluated.

i. Existing Housing Inventory

According to Census 2000, there were 14,494 housing units in Gloucester County. This represents a gain of 16.4% over the 12,451 units in 1990. The following chart summarizes characteristics of the county's housing inventory. This information is analyzed in greater detail in Part 5.

Table 11-5
Characteristics of Existing Housing Stock, 2000 to 2012

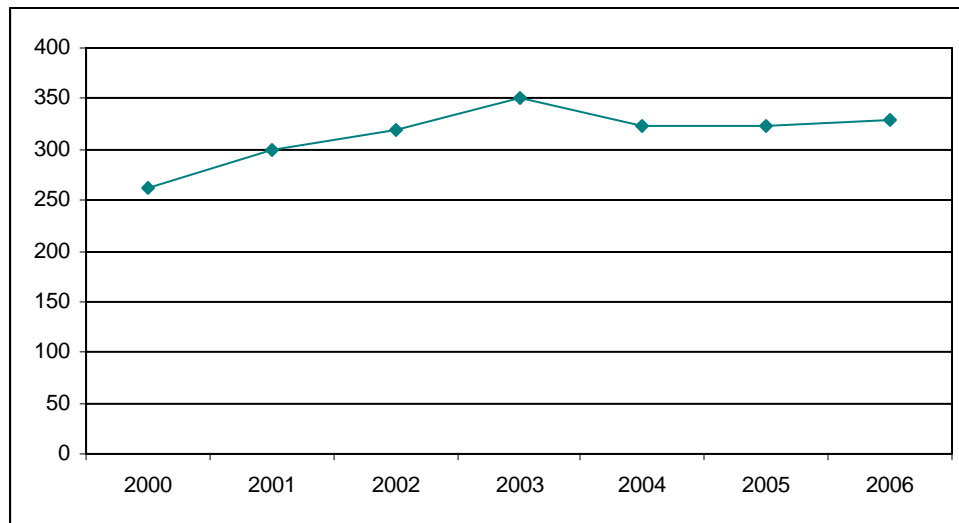
Characteristic		Number	Percent
Type of Structure	Single family	11,225	77.4%
	Multi-family	1,076	7.4%
	Mobile homes	2,193	15.1%
	Total	14,494	100.0%
Occupancy Status	Occupied	13,127	90.6%
	Vacant	1,367	9.4%
	Total	14,494	100.0%
Tenure	Owner	10,682	81.4%
	Renter	2,445	18.6%
	Total	13,127	100.0%
Year Unit Built	1990-2000	2,955	20.4%
	1980-1989	4,212	29.1%
	1970-1979	3,054	21.1%
	1960-1969	1,324	9.1%
	1950-1959	1,060	7.3%
	1940-1949	591	4.1%
	Before 1940	1,298	9.0%
	Total	14,494	100.0%
Rent	Less than \$250	158	7.9%
	\$250 to \$349	342	17.1%
	\$350 to \$449	816	40.7%
	\$450 to \$549	252	12.6%
	\$550 to \$649	223	11.1%
	\$650 to \$799	144	7.2%
	\$800 and higher	70	3.5%
	Total	2,005	100.0%
Housing Value	Less than \$25,000	79	1.0%
	\$25,000 to \$49,999	207	2.5%
	\$50,000 to \$79,999	1,074	13.1%
	\$80,000 to \$99,999	1,924	23.4%
	\$100,000 to \$124,999	1,773	21.6%
	\$125,000 to \$149,999	1,062	12.9%
	\$150,000 to \$199,999	1,064	12.9%
	\$200,000 to \$249,999	375	4.6%
	\$250,000 to \$499,999	605	7.4%
	\$500,000 and higher	57	0.7%
	Total	8,220	100.0%

Source: U.S. Census Bureau

ii. Recent Housing Construction Activity

Between 2000 and July 2007, a total of 1,975 new single family and 24 new multi-family housing units were added to the county's housing stock. Another 526 manufactured housing units also were added. Additionally, 86 dwelling units were demolished. This activity over seven years resulted in a net gain of 2,439 units to the housing inventory (see Table 5-2). This rate of new construction produced a net annual average of 328 units. Residential building permits issued in the first seven months of this year reveal an accelerated construction rate which, if continued unabated, will result in a net addition of approximately 396 units to the housing stock.

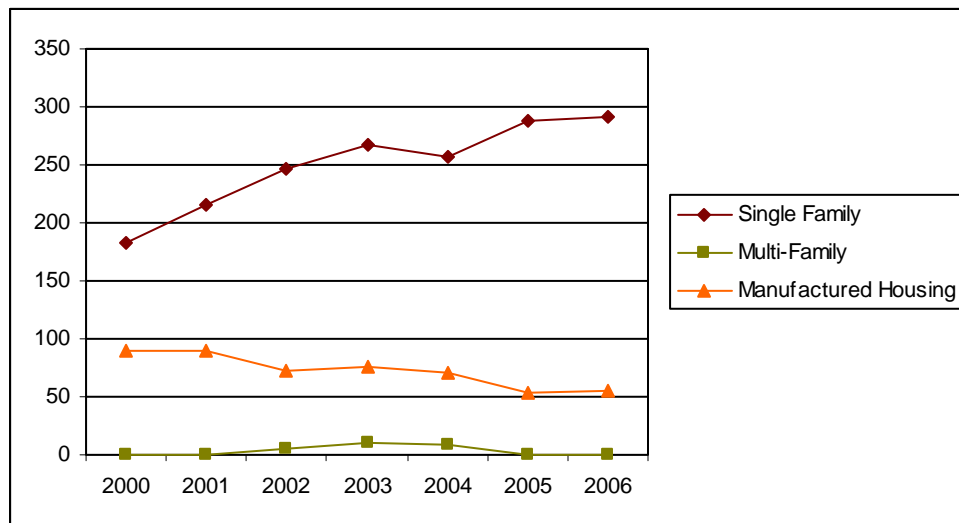
Table 11-6
Total Residential Building Activity, 2000 to 2006



Source: Gloucester County Building Office

Single family units remain the predominant choice for new housing. A few multi-family units were constructed between 2002 and 2004 but their impact on the housing market has been negligible. Manufactured housing units have gradually been decreasing in the number of new permits issued annually, more than likely as a result of rising land prices.

Table 11-7
Trends in New Residential Building Permits, 2000 to 2006

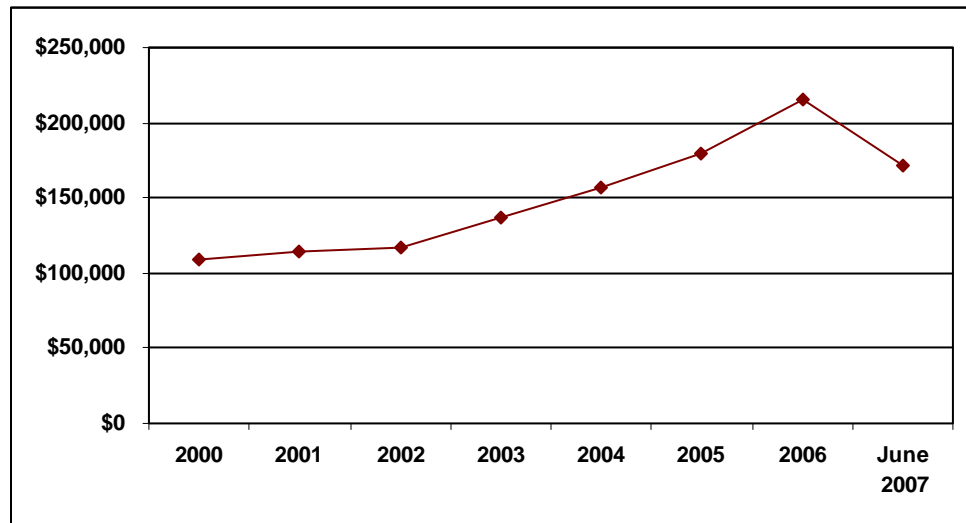


Source: Gloucester County Building Office

The average construction cost per housing unit has risen steadily since 2000, peaking at \$216,000 in 2006. Year-to-date building permits issued in 2007 reveal a lower average construction cost of \$172,000 per unit (all single family units). While the sales price exceeds the contractor's construction cost, the average construction cost per unit is an indicator that the cost of

purchasing of home in Gloucester County will remain high (above \$225,000 for a single family owner-occupied unit) for the foreseeable future.

Table 11-8
Average Construction Cost per Housing Unit, 2000 to July 2007



Source: U.S. Census Bureau

With average construction costs running above \$150,000 per unit since 2004, it is assumed that most of the housing units constructed since at least 2004 have been in the \$200,000 sales price range and higher. Local sales housing data document this assumption. In Gloucester County where a household income of \$71,400 (equal to 121% of the median household income) was required to purchase the median priced home in 2006, it also is assumed that only a fraction of the new units being added to the current housing inventory are affordable to households at 80% of median household income or below.

The exception to this trend is the manufactured housing stock. In 2006, a total of 977 dwelling units were valued between \$0 and \$100,000 by the Tax Commissioner. Of these, 304 were manufactured housing units. Among dwelling units valued between \$100,001 and \$150,000, 406 were manufactured units.

Table 11-9
Dwelling Units Valued up to \$150,000 – 2006

	\$0 - \$100,000	\$100,001 - \$150,000
Non-habitable dwellings	140	11
Townhomes/Condos	0	69
Single Family units	533	1,946
Manufactured Housing Units	304	406
Total	977	2,432

Source: Gloucester County Commissioner of Revenue

Between 2000 and July 2007, permits were issued for another 526 manufactured housing units in Gloucester County. The number of such permits approved annually has been declining gradually from 89 in 2000 to 55 in 2006. For the first seven months of this year, another 22 permits were

issued. At this rate, it could be anticipated that a total of approximately 36 permits for manufactured housing units will be issued for all of 2007.

iii. Projected Housing Growth

Projecting net change in the future housing supply can be difficult given the uncertainty of interest rates, construction costs, mortgage availability, developer behavior, etc. However, recent trends as well as projections of housing demand based on household formation rates provide reasonable benchmarks for likely estimates of net change in the housing supply. The following projections are based on the assumption that no changes are made to local policies and no new policies impacting workforce and affordable housing (such as inclusionary zoning) are adopted.

It is projected that an additional 1,800 housing units will be created between 2007 through 2012. The net change in the existing housing stock between 2000 and 2006 (seven complete calendar years) was 2,209 housing units for an average annual net increase of 316 units. Based on these trends, it is projected that an additional 1,800 housing units (approximately 300 units annually over the next six years) will be created from 2007 through 2012 (six complete calendar years). Of these:

- 1,530 units (85%) will be single family owner-occupied units
- 180 (10%) will be manufactured housing units
- 90 units (5%) will be multi-family renter-occupied housing units.

Furthermore, it is projected that the private housing market will continue to favor higher income households and owners over lower income households and renters.

C. Gloucester County Workforce and Affordable Housing Need

Workforce and affordable housing need is determined by identifying the unmet workforce and affordable housing demand. The total workforce and affordable housing demand for 2000-2012 was calculated to be 3,520 housing units. The total workforce and affordable housing supply for the same period is estimated to be 993 units, leaving an unmet need of 2,527 workforce and affordable housing units (see Table 11-10).

The workforce and affordable housing supply for 2000-2006 was calculated as follows:

- Daffodil Gardens was developed by Bay Aging and provided 64 new units of affordable rental housing for elderly residents in 2000.
- The local Habitat for Humanity chapter was founded in 2000 and has since constructed (or caused to be constructed) four affordable housing in Gloucester County.
- Gloucester Housing Partnership was created in 1992 and has since averaged approximately 13 rehabilitation projects annually. It was estimated that

approximately 91 housing units (13 units/year x 7 years) were rehabilitated in the county between 2000-2006.

- Permits were approved for 504 new manufactured housing units between 2000 and 2006.

The workforce and affordable housing supply for 2007-2012 was calculated and based on the following assumptions:

- Bay Aging will develop a second 64-unit complex similar to Daffodil Gardens.
- Habitat for Humanity will construct another four units in the county.
- Laurel Shelter has plans and partial financing to construct four units of transitional housing in the county.
- Gloucester Housing Partnership will rehabilitate another 78 housing units (13 units/year x 6 years) owned and occupied by lower income households.
- Approximately 180 permits will be approved for new manufactured housing units (30 units/year x 6 years).

Table 11-10
Total Workforce and Affordable Housing Need for Gloucester County, 2000-2012

WORKFORCE AND AFFORDABLE HOUSING DEMAND	
Existing Demand for Workforce and Affordable Housing (2000)	
Households with Housing Problems	2,375
Future Demand for workforce and Affordable Housing (2000-2012)	
New Lower Income Households	1,145
Total Workforce and Affordable Housing Demand	3,520
WORKFORCE AND AFFORDABLE HOUSING SUPPLY	
Future Supply of Workforce and Affordable Housing (2000-2012)	
2000-2006 New Construction/Rehabilitated Units	
Daffodil Gardens	64
Habitat for Humanity (Gloucester County only)	4
Gloucester Housing Partnership (averaged 13 units/yr x 7 years)	91
Manufactured Housing Units (permits approved from 2000-2006)	504
2007-2012 New Construction Units	
Daffodil Gardens - Phase II (similar to original development)	64
Habitat for Humanity (Gloucester County only)	4
Laurel Shelter	4
Gloucester Housing Partnership (average 13 units/yr x 6 years)	78
Manufactured Housing Units (average 30 units/yr x 6 years)	180
Total Workforce and Affordable Housing Supply	993
Total Workforce and Affordable Housing Need (Total Demand minus Total Supply)	2,527

Source: Mullin & Lonergan Associates, Inc.

As stated previously, these projections are based on the assumption that current public policies impacting the creation of workforce and affordable housing remain unchanged. If, however, new policies are approved that would provide incentives for the creation of new workforce and affordable housing units, then the total workforce and affordable housing supply could be increased, thereby decreasing unmet need. Recommendations for revisions to public policies are included in Part 12.

12. STRATEGIC HOUSING PLAN

A. Basis for Recommended Strategies

This Strategic Housing Plan is based on five over-arching and interrelated themes:

- ***Gloucester County needs people who need workforce and affordable housing.*** People who fill critical jobs in the county cannot afford to live where they work. Creating workforce and affordable housing opportunities for these households is a priority.
- ***Housing demand and costs will continue to rise.*** As long as housing costs rise in Hampton Roads, homebuyers there will continue to look northward to Gloucester County for less expensive housing in a rural setting. Consequently, this will maintain pressure on builders and developers in Gloucester County to meet the demand for higher-end, single family housing.
- ***There is a need to diversify the housing stock in Gloucester County.*** Rezoning requests for multi-family housing proposals too often are met with stiff opposition, perhaps due to the lack of quality design and development standards in the county's zoning ordinance. Rezoning appropriate parcels for new multi-family housing development and increasing the permitted density would provide incentives to developers.
- ***The development plan review and approval process for should be standardized.*** The development plan review and approval process is viewed as too lengthy, too cumbersome and too costly by developers. Development standards for major subdivisions proposed outside of the Development District are less restrictive and much less costly than the higher quality standards for subdivisions located within the district. This has facilitated the development of sprawl in the environmentally-sensitive areas of the county.
- ***Developers need incentives to build workforce and affordable housing units.*** The data demonstrate that a Gloucester County household would need to have an annual income of \$71,400 to purchase a house selling for the median sales price of \$274,219 in 2006. This income level is equal to 121% of the area median income. Furthermore, it is almost impossible for a homebuyer to find a decent house selling for less than \$200,000. Realtors have indicated that the supply of decent and affordable housing units for first-time homebuyers is very limited. But with a stronger demand for high-end housing, developers will need financial incentives to build smaller, more affordable units.

B. Strategic Housing Plan

The following recommendations are made to assist in creating workforce and affordable housing opportunities in Gloucester County.

i. Change Public Perception

There is a perception amongst some that higher priced housing is an effective means of limiting residency in Gloucester County only to those households that can pay their fair share of municipal costs. This may be camouflaged as “preserving rural character” in some instances. While preservation of the rural environment is a worthwhile goal in some areas of Gloucester County, it is not appropriate in areas that are already suburbanized.

The county’s housing goal should be to achieve a variety of housing types in different locations and at price points that are affordable to all residents.

Engage in public education and outreach to help residents understand that there are costs associated with an undersupply of workforce and affordable housing such as increased traffic congestion, increased commuting times and distance, increased need for road maintenance, less time for volunteer and other civic activities, etc.

Put a familiar face on workforce and affordable housing needs such as a local school teacher, nurse, or police officer. Illustrate that people who fill vital community occupations cannot afford to purchase or rent in Gloucester County today.

Publicize this report to educate the public on the county’s workforce and affordable housing needs.

ii. Improve the Quality of the Housing Stock

Gloucester County has many older housing units in need of repair. These units represent the county’s “inherent” affordable housing stock, which should be protected and preserved as a core asset of the county.

a. Reinforce neighborhood sustainability through an expanded code enforcement program

The vast majority of county residents care about the community and take good care of their properties. For the most part, this seems to happen naturally and without governmental intervention. The natural tendency to care for one’s property is a statement about community values and pride of ownership.

Pride of ownership can’t be legislated, but it is important to reinforce this value whenever and wherever possible. In the small number of cases where property maintenance does not occur naturally, the county must be prepared to combat deterioration. Poor upkeep and low maintenance standards lead to lower property values and a general state of decline. As a property owner, it is difficult to motivate oneself to fastidiously care for his or her home when a neighboring property has fallen into disrepair.

The county currently administers a complaint-based housing inspection program, which is effective in weeding out certain types of housing

problems. The county may want to consider a more proactive and aggressive effort to enforce codes. Adoption of a property maintenance code would be an important first step in this process. At the first sign of a problem, the county must be prepared to sustain neighborhood quality through rigorous and uniform enforcement of building codes and property maintenance codes.

b. Implement a Rehab/Infill Strategy

Some areas of the county may lend themselves to concentrated rehabilitation and targeted infill development. Typically, these areas include several deteriorated structures and possibly a few vacant or under-developed parcels as well. Investing in the redevelopment of such an area would have a significant physical and financial impact on surrounding properties and would eliminate the further spread of blight and disinvestment.

Identify areas where a rehab/infill housing strategy would be appropriate. This would include areas where utility infrastructure already exists and zoning permits single family or multi-family housing.

- Acquire and demolish substandard housing units. Re-use the cleared site for new infill housing opportunities for Habitat for Humanity and Gloucester Housing Partnership.
- Facilitate the rehabilitation of homes in need of repair through Gloucester Housing Partnership.
- Make expanded use of CDBG, HOME and USDA Rural Development funds where appropriate, especially in areas where there is a concentration of substandard housing.
- Expand partnerships with Middle Peninsula Planning District Commission and/or Bay Aging to assist in securing state and federal funds.
- Engage Habitat and Gloucester Housing Partnership to assist in *local* fundraising for leverage purposes.
- Examine the big picture of rehab/infill housing needs in Gloucester County. Define specific neighborhoods or areas as priorities or phases of a broader strategy for housing preservation.
- Be proactive in working with developers and residents to create a long range vision for a redevelopment master plan for underdeveloped and visually unattractive neighborhoods in the southern part of Gloucester County.

iii. Revise Land Use Policies

a. Increase the Amount of Land Zoned for Multi-Family Housing

As part of the comprehensive planning process, we urge the county to take a proactive role in re-examining the zoning map. By rezoning land

within the Development District to permit multi-family housing by right, the county can increase the supply of workforce and affordable housing. A comprehensive rezoning to expand the number and location of zoning districts that permit multi-family housing by right will eliminate the opportunity for NIMBY proponents to object to development proposals on a case-by-case basis.

In the interest of cost containment, provide relief to off-street parking requirements for senior housing developments.

b. Treat Garage Apartments and Cottage-type Dwelling Units as Permitted Uses within Residential Districts

Garage apartments and cottage dwellings can provide small, workforce and affordable housing units in developed areas where infrastructure exists. Well-written standards should require units that are subordinate in square footage to the principal residential structure. This type of starter housing for renters offers affordable opportunities for single persons in the county.

c. Adopt Quality Design and Development Standards for New Multi-Family Housing

In conjunction with a comprehensive rezoning initiative, the county should adopt quality design and development standards for all new apartment complexes. This could make the outdated 1970s style apartment complexes potential candidates for redevelopment and redesign.

Increase density requirements within the multi-family zoning districts to make redevelopment financially feasible to developers.

Define flexible overall development standards that create the potential for more interesting site plans and a higher quality of development.

d. Treat Non-profit Organizations that Specialize in Workforce and Affordable Housing as a Special Class of Developer

Nonprofit housing developers cannot compete on a level playing field with for-profit developers in the absence of incentives. Nonprofits typically do not have ready access to capital and are dependent upon highly competitive public resources to finance their workforce and affordable housing projects. Incentives provided by the county can foster a higher level of commitment from and a stronger desire to produce more workforce and affordable housing units by local nonprofits.

- Streamline the permitting process for projects involving workforce and affordable housing.
- Participate in the cost of financing infrastructure improvements for projects involving workforce and affordable housing.

- Waive local fees for nonprofit organizations that develop workforce and affordable housing.

e. Streamline the Review and Approval Process

When contemplating a development project, developers deserve to know what is expected of them up-front so that they can estimate their costs and determine whether it makes sense to proceed with a project.

- Avoid “ratcheting-up” the local land use approval process by using today’s deal as tomorrow’s standard. It creates uncertainty, adds considerably to the cost of housing and makes everybody’s job more difficult. Rather than negotiating proffers with developers on a case-by-case basis, strive to establish a clear and uniform development standard and approval process for all developers so that they compete on a level playing field.
- Prepare a written roadmap for developers that clearly defines Gloucester County’s expectations. Define a step-by-step approval process with detailed submission requirements and meeting schedules.
- Look for ways to streamline the approval process. Time adds to the cost of housing without improving the quality of the product.
- Make the approval process transparent. Avoid negotiating proffers with developers in private. This will add fairness and legitimacy to the process.

f. Establish an On-going Dialogue between County Planning Officials and Developers

Too frequently, community planners and developers assume adversarial positions in the approval process. Give-and-take is needed in order to improve the quality of development. A conversation with the development community can provide opportunities to improve the clarity and predictability of the pre-development process and define a reasonable development standard for the county. The time is right to implement these land use recommendations as part of the comprehensive plan update. Forcing developers to seek relief from the county’s development standards through rezonings essentially transfers functional responsibility for land use policy-making to NIMBYists.

g. Increase Standards for Residential Growth Outside of the Development District

The capital improvements required of a developer outside of the Development District are typically limited to construction of state roads and drainage ditches. Within the district, however, required improvements are significantly higher and more costly. This situation provides a financial incentive for developers to build new residential subdivisions outside of the district, thereby circumventing the reason the district was created in the first place. Increasing the development

standards outside of the Development District to a level that equals or exceeds the standards within the Development District will discourage new residential growth in environmentally-sensitive conservation areas.

h. Adopt Local legislation Aimed at Increasing the Supply of Workforce and Affordable Housing

Inclusionary zoning requires developers to set aside a specified number or percentage of proposed housing units for lower income families. In return, developers receive density bonuses of a specified percentage beyond what the zoning ordinance permits. Recent studies show that claims of affordable units negatively impacting market values within a high-end development are not occurring.²

There are several reasons why inclusionary zoning should be part of the workforce and affordable housing equation in Gloucester County:

- Being a suburban county, Gloucester County is at a competitive disadvantage when applying for State CDBG and HOME funds because there are few concentrations of poverty and substandard housing. Gloucester County cannot rely on significant amounts of state and federal funds to create workforce and affordable housing
- While the county is fortunate to have a number of dedicated local and regional workforce and affordable housing providers, the production levels are low. These agencies and organizations lack the capacity to make a major dent in the overall workforce and affordable housing needs of the county. Even if the capacity of non-profit developers were expanded, the cost of land is prohibitive and the supply of land is very limited. It takes the financial strength of a well-established for-profit developer to compete in the Gloucester County market.
- Because of the recent run-up in sales prices, developers are anxious to participate in Gloucester County's housing market. The county should capitalize on this circumstance and use the dynamic housing market to expand the supply of workforce and affordable housing.

Any inclusionary zoning ordinance for Gloucester County should incorporate the following provisions:

- A goal of 15% should be established for all new housing developments. These units should be affordable to households with incomes at or below 120% of median household income.

² The Innovative Housing Institute reviewed 14 communities with inclusionary zoning. No significant difference in price trends between market rate homes and affordable set aside units was noted. See www.inhousing.org/housenex.htm. Also, the Family Housing Fund of Minneapolis in 2000 looked at 12 low income housing tax credit projects and found that the sales of surrounding market rate units had similar or higher sales prices following construction of the subsidized units.

- Waive local fees and proffers for projects involving workforce and affordable housing and, instead, provide density bonuses, zoning relief or other incentives to developers.
- Provide a subsidy to low and moderate income buyers (see Affordable Housing Trust Fund strategy).
- Use the unmet workforce and affordable housing need identified in this report as the rationale for moving forward with local legislation.
- Establish an on-going dialogue with developers to shape the legislation. Ask for and be guided by their input. Developers will respond positively to this opportunity. At the very least, this process will sensitize the development industry to the county's workforce and affordable housing needs. Also, invite non-profit developers to the table (e.g., Habitat for Humanity).
- Strive for invisible product mixing. A casual observer should not be able to discern any exterior difference between a market rate unit and an affordable rate unit from the street. A certain degree of cost savings may be achieved on less luxurious interior finishes (e.g., laminate instead of marble countertops, linoleum instead of stone tile or hardwood flooring, etc.) rendering the affordable units less expensive.

iv. Establish an Affordable Housing Trust Fund

a. Implement a three-tiered approach towards an overall trust fund strategy

1) National Level

Follow the movement of legislation through Congress relative to the National Affordable Housing Trust Fund ACT (H.R. 2895). Sixty percent of the proceeds would be distributed to large cities and counties while forty percent of the proceeds would be distributed to the States. It is assumed that Gloucester County would compete for funding through the Commonwealth of Virginia. As of this writing, the bill targets proceeds to extremely low income households (i.e., 30% of median household income), which is potentially problematic if the goal is to expand homeownership. Households with incomes below 50% of median household income experience difficulty in their transition to homeownership. In any event, local programs in Gloucester County should be designed to leverage funding under this Act.

2) State Level

Advocate for legislation at the State level for creation of a Virginia Housing Trust Fund. Some 37 states across the nation already have housing trust fund legislation. Lawmakers in Virginia continue their efforts to enact this important legislation (HB 92 and SB 277). Some states have enacted legislation that does not provide for a dedicated funding stream (i.e., Iowa). These programs have proven to be less than

useful. Advocate with Gloucester County's state legislative delegation to enact a bill that provides for a dedicated funding stream. Otherwise, it is not worth the effort. In any event, this is a potential source of funding for county workforce and affordable housing activities. Any Gloucester County programs should be designed to leverage funding under this Act.

Also advocate for legislation at the State level that authorizes *counties* in Virginia to create their own affordable housing trust funds.

3) Local Level

Anticipate housing trust fund activity at all three levels and take action to prepare for a confluence of these programs in Gloucester County. Make advance preparations for the creation of a Gloucester County Affordable Housing Trust Fund, complete with administrative guidelines on how the program will operate.

- Begin to explore dedicated revenue streams to capitalize the Gloucester County Affordable Housing Trust Fund (e.g., a specified percentage of the real estate transfer tax or a flat add-on fee for the recording of deeds and mortgages).
- Prepare housing trust fund revenue projections and use these as a basis for defining the priorities of the trust fund program (i.e., homeownership versus homeowner rehabilitation versus rental housing activities).
- Priority should be given to transactions that can be structured as a deferred loan. Eventual repayments will perpetuate the revolving fund.
- Create program administrative guidelines for a revolving fund homeownership assistance program aimed at lower income working households:
 - Make available down payment assistance as deferred loans
 - Provide closing cost assistance as deferred loans
 - Allow second mortgages for the purchase of existing dwellings
 - Deferred loans should be repaid to the fund when the property is sold or the title is transferred.
 - Other potential uses of proceeds include the financing of a rehabilitation/infill housing program.

b. Financial Leveraging Strategy

Financial leveraging means using a relatively small amount of Gloucester County resource to obtain larger grants from state and federal government. One method of accomplishing this goal would be to use the proposed county housing trust fund proceeds to leverage funding under the Virginia Housing Development Authority's Sponsoring Partnership and Revitalizing Communities (SPARC) funds. Communities across

Virginia are receiving funding under this program for local down payment and closing cost assistance programs and other strategies aimed at expanding home ownership.

The general goal is to make expanded use of state and federal programs to augment county housing trust funds with resources such as Low Income Housing Tax Credits, the HOME Investment Partnership Program, the USDA Rural Development Program, the State Community Development Block Grant Program, Virginia Housing Development Authority programs, and the Federal Home Loan Bank's Affordable Housing Program.

c. Management Strategy

In order to set its workforce and affordable housing strategy in motion, the county must first organize its human resources that will be assigned to this task. The goal would be to utilize existing resources to expand workforce and affordable housing in Gloucester County, such as Habitat for Humanity, Bay Aging, and Gloucester Housing Partnership. Don't create a new county housing bureaucracy. Keep new programs simple and easy to administer.

One important element of the management strategy would be to utilize the Gloucester County Housing Department as the administrative entity to carry out the county housing trust fund program and to apply for state and federal funds. Why utilize the Housing Department? Because the department knows how to disseminate and process applications from prospective participants. The Housing Department also understands the household income qualification process. These tasks are the primary administrative function of an affordable housing trust fund program.

d. Implementation Strategy

This workforce and affordable housing study represents a significant public investment of time and money. The county should actively seek dividends from this investment. County officials should implement the recommendations of this report and use the study as a guide to daily decision-making relative to workforce and affordable housing.

- Expand public awareness of workforce and affordable housing issues in Gloucester County by conducting a public meeting to summarize the results of the housing study. Solicit public input on the findings and recommendations of this report.
- Adopt the housing study and incorporate it into the county's comprehensive plan. Recognize it as Gloucester County's statement of official workforce and affordable housing policy.
- Workforce and affordable housing policy cannot exist in a vacuum. Evaluate other county practices and policies and modify them, as necessary, to become consistent with Gloucester's workforce and affordable housing policy.

- Foster cooperative relationships between for-profit and non-profit developers in terms of workforce and affordable housing (e.g., Habitat could collaborate with for-profit developers to achieve workforce and affordable housing objectives).
- Transform the steering committee established for this study into a more formal “Gloucester County Affordable Housing Task Force” to implement the recommendations of this report.
 - Expand membership of the task force to include for-profit builders and developers and local Realtors.
 - Create subcommittees to tackle individual components of the strategy (i.e., inclusionary housing ordinance, workforce and affordable housing trust fund, etc.).
 - Establish point-in-time benchmarks against which performance in implementing the plan’s recommendations will be judged. The task force should prepare an annual report of accomplishments.
 - Treat workforce and affordable housing as a major policy issue in Gloucester County. Each January when the county is establishing its overall policy and programmatic goals for the coming year, review workforce and affordable housing achievements from the prior year and establish new goals for the year ahead.

13. APPENDIX A – SUPPORTING DATA FOR QUICK TEST FOR AFFORDABLE HOUSING FOR THE ELDERLY

Gloucester County Affordable Housing Units for Elderly Households Quick Test Methodology

Capture Rate Analysis

Proposed Rents		Capture Rate =		5.15%		
Unit	#	Type	Rent	Income Limits		
				1-person	2-person	
1 Bedroom	0	40%	\$452	40% \$ 16,880	\$ 19,280	
1 Bedroom	0	50%	\$565	50% \$ 21,100	\$ 24,100	
1 Bedroom	0	60%	\$678	60% \$ 25,320	\$ 28,920	
Total		30				

Maximum Income per Tax Credit Program for Gloucester County

1 Bedroom @ 40%:	\$18,080
1 Bedroom @ 50%:	\$22,600
1 Bedroom @ 60%:	\$27,120

Minimum Income per Tax Credit Program assuming Tenant pays 45% of income for rent.

1 Bedroom @ 40%:	\$12,053
1 Bedroom @ 50%:	\$15,067
1 Bedroom @ 60%:	\$18,080

Age & Income Statistics for Gloucester County Census Tracts

55 to 64 years	# of Households
\$10,000 to \$14,999 (40%)	114
\$10,000 to \$19,999 (50%)	206
\$15,000 to \$24,999 (60%)	206

65 to 74 years	# of Households
\$10,000 to \$14,999 (40%)	101
\$10,000 to \$19,999 (50%)	178
\$15,000 to \$24,999 (60%)	232

75 and older	# of Households
\$10,000 to \$14,999 (40%)	143
\$10,000 to \$19,999 (50%)	256
\$15,000 to \$24,999 (60%)	227

Total between \$10,000 to \$14,999 (40%)	358	x 35% eligible	125
Total between \$10,000 to \$19,999 (50%)	640	x 35% eligible	224
Total between \$15,000 to \$24,999 (60%)	665	x 35% eligible	233
			582

Total Age & Income Eligible Population 582

Subsidized Units in Market Area 80
Overall Capture Rate 18.90%

Notes:

Age category of 55 to 75 years and over was based on all units being 1 bedroom units for elderly.
Income eligibility assumes equal distribution across range.
Data HAS NOT been trended and is based on 2000 Census Information.

14. APPENDIX B – RECOMMENDED DEVELOPMENT STANDARDS FOR MULTI-FAMILY HOUSING

During the interview process for this report, it was stated that one of the primary reasons opponents are vocal about proposed multi-family rezonings was because of the existing examples of outdated 1970s-style apartment complexes found in Gloucester County. Indeed, most of these complexes are large and box-like, organized around large asphalt parking lots with spare and unattractive architecture. Minimal landscaping was visible throughout the complexes and most of it was very poorly-maintained. Smaller multi-family developments appeared to be even less-inviting. While most of these dwelling units comprise the affordable rental housing stock in the county, there is little reason why they cannot be attractive, better-designed and well-secured rental neighborhoods that are compatible with surrounding areas.

The recommendations offered in this section are meant to be conceptual in nature. These are design criteria that should be considered and incorporated into new multi-family housing design standards for the county. While developers may have different ways of designing specific elements of the project to meet these criteria, the final developments should all be attractive, safe and innovative residential neighborhoods.

In conjunction with the recommendation to undertake a comprehensive rezoning initiative for the purpose of identifying and designating appropriate parcels for new multi-family zoning districts within the Development District, these planning and design principles are meant to guide the county in establishing and adopting innovative standards for all new multi-family housing proposals.

A. Intent

All new multi-family housing will be designed to fit the scale and rhythm of surrounding existing neighborhoods. These standards are intended to improve site planning to enhance the image of the County, reflect unique site characteristics, and provide strong neighborhood environments. This will be achieved through innovative design that maintains local character; protects and maintains natural, historic and cultural resources; incorporates community amenities; provides usable open space; creates safe livable spaces for residents; and, creates an attractive asset for the County.

B. Density

It would be appropriate to create two multi-family zoning districts. MF-1 would be for areas located immediately adjacent to single family zoning districts or nestled among single family homes. This district would be lower density while MF-2, a medium density multi-family district, would be more appropriate for suburbanized areas located in close proximity to major intersections along the Highway 17 corridor and/or commercial uses.

- Multi-family District, MF-1
 - Two-family units/duplexes; Townhouses of 3-4 units

- Attainable density of 8-10 du/acre
- Maximum density of 12 du/acre if proposal incorporates one or more design incentives
- Minimum common open space (as a percentage of net land area) shall be 15%
- Multi-family District, MF-2
 - Apartment villages
 - Attainable density of 12-15 du/acre
 - Maximum density of 18 du/acre if proposal incorporates one or more design incentives
 - Minimum common open space (as a percentage of net land area) shall be 12%

C. Design Incentives

The provision of design incentives is a mechanism to recognize unique and innovative developments. This approach acknowledges the value and potential costs of incorporating certain design elements within a residential neighborhood. The successful incorporation of the design incentives could allow increases in density up to the maximum levels specified. Even with the incorporation of these incentives, the maximum density specified is not guaranteed. To earn incentives, the developer must apply for each specific incentive.

For example, the County could grant a 2 du/acre increase if the developer provides an extra 5% of open space above and beyond what is required in the ordinance. Another example would be to grant a 1 du/acre increase if the developer preserves and integrates a natural, historic or cultural feature into the overall site plan.

D. Design Principles

i. Multi-Family Design Principle #1: Site Planning

New multi-family developments will become an integral part of the neighborhood and create a comfortable and social living environment for residents.

- Buildings will frame neighborhood gateways and define public open spaces.
- Public common spaces and private spaces will be clearly distinguishable.
- Ground floor units will have direct access from streets and common spaces.
- Units will provide “eyes-on-the-street” security by orienting towards streets and common areas.

- Entry points will be designed to create a positive identity for the development. Landscape and site design will frame and distinguish entry points.
- Parking will be screened by landscaping or buildings.
- Parking will be unobtrusive and not disrupt the quality of common spaces and pedestrian environments.
- Visible, long and unbroken rows of parked cars or garage doors are prohibited. Parking will be distributed throughout the development in discrete courts and garages.
- Services will not be visible from public areas. Trash bins, utility meters, transformers and other service elements will be enclosed or otherwise concealed from view.

ii. Multi-Family Design Principle #2: Common Open Space

New multi-family housing developments will provide public and common open space. The common open space is for use by all residents of the development.

- Common open spaces and amenities shall enhance the sense of community. It shall be integrated purposefully into the overall design; it shall not consist of residual areas left over after buildings and parking lots are sited.
- In developments designed for families with children, play spaces are required and must be secure and observable.
- Common open space will be centrally located and have a physical and visible connection to public open space, where practical.
- Common open space will be connected to an internal pedestrian system.
- All new developments shall set aside a percentage of the net site acreage as common open space for the use and enjoyment of the residents. Clustering of buildings is encouraged to minimize small, narrow strips in front of and between buildings.
- Open space may be in a natural, undisturbed state, or may be landscaped for more formal courtyards or plazas, or may be developed for active or passive recreation.

iii. Multi-Family Design Principle #3: Architectural Design

The design of new multi-family developments shall demonstrate a commitment to lasting and durable design.

- Developments shall utilize a unifying theme with common architectural forms and elements.
- Visual interest shall be created by articulation of facades, forms and use of color.

- Building forms shall be articulated by varying roof heights and wall planes. Long, unbroken volumes and large, unarticulated wall and roof planes are prohibited.
- Facades will have three-dimensional elements such as chimneys, balconies, bay windows or dormers, to break up large wall and roof surfaces.
- Every façade will be well-composed, articulated and consistent on each façade.
- Roof forms shall cover the entire width and depth of buildings. Superficial roof forms such as mansards affixed to buildings are prohibited.
- False fronts, facades and parapets are prohibited.
- Stairways, fences, trash enclosures and other accessory elements will be designed as integral parts of the architecture. Manufactured components attached to the outside of buildings, such as stairways and sheds, are prohibited.

iv. Multi-Family Design Principle #4: Materials and Color

The selection of architectural finishes and color will support the overall image and massing concepts.

- Architecture within each development shall use a palette of materials which convey an image of quality and durability.
- All facades shall employ the same vocabulary of materials.
- On corner units, architectural materials should be consistent on both exposed elevations.
- Buildings designed with obvious references to styles or periods shall be consistent with that style or period.
- Painted surfaces shall use colors that reinforce architectural concepts and are compatible with natural materials, such as brick or stone.

v. Multi-Family Design Principle #5: Lighting

Lighting shall be an integral part of the planning and design rather than an afterthought.

- Lighting shall be designed for specific tasks (i.e., illuminating common areas, parking, streets, paths, etc.).
- Lights shall be mounted on architecturally-designed posts no more than 16 feet in height.
- Fixtures and posts shall be consistent throughout the development.
- Fixtures shall incorporate cutoffs to screen the view of light sources from residences.

vi. Multi-Family Design Principle #6: Landscaping

Landscaping shall integrate the project with the surrounding neighborhood and coherently support site and architectural concepts.

- All site areas not covered by structures, walkways, driveways or parking spaces shall be landscaped.
- Landscaping shall support the distinction and transition between private and common open spaces.
- Landscape materials shall be live plants. Gravel, rock, bark and other materials are not substitutes for plant cover.
- Natural features and existing trees shall be incorporated into the landscape plan.
- Plazas and common areas subject to pedestrian traffic may be surfaced with a combination of landscape and decorative pavers or textured concrete.
- Parking lots shall be generously landscaped to provide shade, reduce glare and provide visual interest. Parking lots shall provide shade trees (of at least 15-gallon in size) for each four spaces.