



Affordable Housing
in the Rockbridge
Area
Washington and Lee University
(Rockbridge County,
Lexington City, Buena Vista
City)

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Introduction

The U.S. Department of Housing and Urban Development (HUD) recognizes the generally accepted definition of housing affordability as: “a household [paying] no more than 30 percent of its annual income on housing” (Affordable Housing). HUD estimates that 12 million U.S. households spend more than 50 percent of their annual income on housing.

The issue of affordable housing, also known as workforce housing, leads to many other problems, at times playing a role in the cycle of poverty. Anderson et. al find that the “importance of safe, decent, and affordable housing to good health is increasingly prominent in public health policy and research” (qtd. in Crowley, 23). When an impoverished family has to pay more than 30 percent of its income for its rent or mortgage payments annually, several problems may arise. Families may find themselves financially unstable and unable to pay for other necessities such as food or clothing. Crowley reports that the lack of affordable housing often forces families to frequently move, displacing their children’s location of education (22). This move between schools is linked to school performance problems and may even cause psychological harm to the children (Crowley 24). Crowley’s report also indicates that when parents do not feel as though they have control or a choice in their housing, their parenting skills are dampened (23).

It is also important to consider the quality of the available housing. There is a great deal of evidence that links substandard housing to negative effects. A situation where the only affordable housing available is substandard must be considered as seriously as a complete lack of affordable housing.

The lack of affordable housing hits close to home as any local newspaper-reader in the Rockbridge Area (including Lexington city, Rockbridge County, and Buena Vista) could tell you. There is growing pressure to address Rockbridge Area workforce housing. The Rockbridge County Growth Planning Committee (RCGPC) categorized it as a “Related [Issue] Requiring Discussion and Action” in their 2007 Growth Planning Report. The RCGPC, a government charged study group, makes recommendations to the local government. It does not have the authority to create policy, but prioritizing affordable housing as a “related issue” does generate pressure on the government to act on it. Several members of the Growth Planning Committee are also members of the Rockbridge Area Conservation Council (RACC). RACC asked Washington and Lee’s Community/Academic Research Effort (CARE) for a student to gather information on and research the issue.

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This paper sets out to aid the Rockbridge Area Conservation Council as it moves forward on the issue of affordable housing in the Rockbridge Area. RACC’s website states that its mission is to: “Promote wise stewardship of natural and cultural resources through education, advocacy, and action in order to protect and enhance the quality of life for present and future inhabitants of Rockbridge County” (Rockbridge Area Conservation Council). Chris Wise, a member of the organization, explains how this mission statement applies to the issue of affordable housing, and why RACC is interested in discussing it. He recognizes that part of the heritage and culture of Rockbridge County that RACC is trying to preserve is the people, and more specifically, the wide range of incomes these people earn (Wise 2007). As he stated, “we need all people; people of all incomes are

important” to preserving this area’s heritage (Wise 2007). If there is not enough workforce housing, Rockbridge Area’s identity will drastically change.

I started addressing this enormous issue by asking some questions. What information has already been collected in this effort? Is there a discernable need for affordable housing in the area? What does the Committee need to know in order to move forward? In considering these, the following questions may also be asked: 1) What has already been done in this area? 2) What successful affordable/workforce housing models exist in other areas? And of special interest to RACC: 3) What is the connection between affordable housing and green-sustainable housing? By answering these questions, this paper addresses possibilities for an appropriate model for Rockbridge. It also explores current obstacles to addressing affordable housing with interested community members’ and parties’ opinions.

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Bill Blatter, Lexington City’s Director of Planning and Development, reveals an interesting insight that puts this paper in perspective. Blatter is Director of this department which “assures that development within the City respects and promotes the heritage, appearance, and exceptional quality of life of the City of Lexington.” (Planning and Development). According to Blatter, at an affordable housing forum in June of 2005, “political decision makers were just not willing to take on” the issue of affordable housing wholly (2007). Though the government’s role would be coupled with the private and the non-profit sectors’ roles, no politician was willing to support the substantial annual funding that any solution would require from the local government (Blatter 2007). Blatter believes that if the public were to increase its concern and pressure, the

government, the private sector, and the non-profit sector could come together to address the issue (2007).

This paper will bring together data which suggests a need for affordable housing and a need to apply this public pressure, and will offer some solutions that can be used to create pressure on these three groups. It will also identify unanswered questions that need to be further investigated before effective pressure can be brought.

Section I: Existing data on affordable housing in Rockbridge County

Much anecdotal evidence points to the need for affordable housing. Washington and Lee Journalism students put together an excellent report and broadcast a few years ago collecting some of this evidence. Their report is accessible online (“A Place to Call Home”). Authors of this report interviewed a new Habitat for Humanity home recipient, Jane Wells, and an inhabitant of a low-income apartment complex. This report found that there are people in need of decent affordable housing.

The article cites county data which states that as much as one-third of the county’s housing is substandard. Rockbridge Area Habitat for Humanity’s Executive Director Dan Walz concurs in this article that substandard housing is a major problem in the area (“Substandard Housing”). The article also finds that less than 6 percent of the area’s homes are “cheap” when comparing the number of “cheap” (section eight housing, public housing, rehabilitated homes, trailers, low rent apartments—850 total) to the total 14,642 units in the Rockbridge Area (“Scarce and Pricey Housing Options”). However, the findings relate that some of these housing units are vacant, often because applicants’ credit ratings are so low. The reporters also explain that residents willing to pay higher

prices drive prices up: generally in the Rockbridge Area, college students will pay more for rentals, and retirees will pay more for homes.

Many in the community agree that the lack of affordable housing is growing rapidly due to the influx of wealthy retirees. The Rockbridge Area has recently become a destination for those who formally lived in expensive suburbs or cities. The Rockbridge County Growth Planning Committee coins this phenomenon “suburban flight” and claims that it affects the demand of land and housing in the county, leading to higher prices (A Framework for Housing). Later in this section, census data will illustrate that in the past few years, more retirees appear to be moving to this area and driving up housing prices.

It is difficult to know exactly how students in the Rockbridge Area affect the housing situation. Anecdotally, it appears that students demand housing and are willing to pay collectively more than a family might. Joan Neel, former director of Threshold (see Section III), remarks that “lower-income residents in Lexington are being forced out of the rental market as landlords buy up low-income housing and rent it out at rates the locals cannot afford” (qtd. in Prosser, 8).

While anecdotal evidence points to a lack of affordable housing, it is also important for RACC to consider the available statistics that imply a non-maximizing equilibrium of supply and demand of affordable housing. The statistics must consider the area population, the median age, the median income, and the percentage of household income spent on housing, in addition to other data, over a period of relative years.

The Central Shenandoah Planning District Commission (CSPDC) estimates from the census data that the Rockbridge Area population rose to 35,000 in 2005, up 900 from 2002 (Facts and Figures 2003; Facts and Figures 2006). The majority of the population is

in Rockbridge County, which also accounts for the greatest population growth of the three localities in the Rockbridge Area. The population estimates jumped from 20,800 in 2002 to 21,500 in 2005. Between 2000 and 2003, the Commission estimates that per capita income rose from \$21,860 to \$23,612 (Facts and Figures 2003; Facts and Figures 2006).

Census data available for Rockbridge County, the City of Lexington, and the City of Buena Vista can be viewed in Exhibit 1. While the population increased 1.3 percent from 2000 to 2005 in the Rockbridge Area, the U.S. percentage change is 5.3 percent, and in Virginia, it is 6.9 percent. The population in this area has not grown as quickly as elsewhere in the U.S.

The interesting data appear in a comparison between the 1990 census and the 2000 census in Rockbridge Area's three localities in exhibits 2 and 4-8. Exhibit 2 shows a population breakdown by age in Rockbridge County for 1990 and 2000. The population has aged in the decade, with the percentage of those people 65 and over increasing 1.8 percent. The percentage of 25-44 years olds decreased 2.92 percent. This aging seems to point to the Growth Planning Committee's theory of "suburban flight".

Another indication that "suburban flight" might be taking place: housing sale comparisons reveal that in the past few years the price of houses has risen dramatically. Exhibit 3 displays a graph of the average price of homes sold from 2000 to 2006 (not adjusted for inflation). The Central Shenandoah Planning District Commission also has data that have been adjusted for inflation, seen in Exhibit 4. Adjusted for income, the average price of homes increased \$59,534 from 2000 to 2006 (Housing Costs

Comparison). As retirees move into this area from wealthier areas, they are able to spend more on housing than former inhabitants are able to.

A sample within the census exhibited in the profile of selected housing characteristics offers more housing related data. Exhibit 5 displays the number of housing units built in the specified years prior to the each census. In Rockbridge County, Lexington, and Buena Vista, we see that the number of houses built in the five years prior to the census is much higher in 2000 than in the 1990 census. This indicates that more houses are being built now than before. Total housing units increased to 9,550 in Rockbridge County from 7,975 in the decade (we know from exhibit 1 that they increased to 10,514 by 2005). In Lexington the number of housing units rose from 2,311 to 2,376 (2,411 by 2005), and in Buena Vista the number rose from 2,494 to 2,716 (2,814 by 2005). We know then that the number of housing units has increased drastically, especially when compared to such modest population growth. This could signify “suburban growth” since retirees building or buying new houses generally only have two persons in their household.

Exhibit 6 presents information on mortgage payments: how much they have increased in value and as a percentage of household incomes. Across the board, mortgage payments have skyrocketed in value *and* as a percentage of household incomes. The median mortgage payments for those that owned a home and had a mortgage jumped from \$490 to \$780 per month in Rockbridge County during the decade. In Lexington, the median mortgage payment increased from \$629 to \$982, and in Buena Vista from \$445 to \$680.

In Rockbridge County, homeowners paying 30 percent or more of their household income to their mortgage payments increased nearly 2 percent points from 1989 to 1999 (from 14.8 to 16.7 percent). In Lexington 24.8 percent of homeowners were paying 30 percent or more of their household income in 1999, up from 13.2 percent in 1989. In Buena Vista, this number has gone from 17.5 percent to 18.6 percent during this time period. Remember, housing is considered affordable when the costs associated with it consume 30 percent or less of the household income. A significant number of Rockbridge Area residents are paying more than 30 percent of their income to housing costs.

It is important to consider renters as well. In 2000, approximately 30 percent of Rockbridge Area housing units were renter-occupied (Exhibit 1). Remember from page 7 that a portion of these renters are students. Again, we do not know exactly how the student renters skew the data, but in section VI I will address how one might expose this information. Like median mortgage payments, gross rent and rent as a percentage of income increased greatly over this period. Related information appears in Exhibit 7. Of those renters in Rockbridge County given the longer survey (1,427 in 1989 and 1,690 in 1999), the percentage that paid under \$300 for monthly rent dropped staggeringly from 39.3 percent to 15.6 percent. In Rockbridge County, the median rent over this period rose from \$310 to \$442. In Lexington, the median rent increased from \$355 to \$434. Over this decade, the median rent in Buena Vista rose from \$294 to \$403.

As a percentage of household income, the renters in Rockbridge County paying 30 percent or more of their household income to rent each month increased from 23.8 to 30.5 percent. In Lexington, the percentage of renters paying 30 percent or more

increased from 44 percent to 52 percent(!) It is likely that students are especially impacting this statistic. In Buena Vista, this number went from 24.3 percent in 1989 to 26 percent in 1999.

On another note, the census data from 1990-2000 seems to indicate that the quality of housing has gone up in the ten years. Exhibit 8 shows that housing without complete plumbing or kitchen facilities has decreased. In the cities of Lexington and Buena Vista these houses have been eradicated, though some remain without these resources in Rockbridge County.

We can tell from the anecdotal evidence that there is a problem of affordable housing. The statistical evidence from the census data, however, also suggests that there has been a great change occurring in the last one and half decade related to affordable housing.

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Section II: A closer look at Rockbridge Area's problem of affordable housing

The evidence has established there is a problem of affordable housing; now we should look closer to examine the causes and effects of this problem. These are important to consider when thinking about what has been and can be done.

What is causing this shortage of affordable housing? Is there a lack on the supply side (i.e., a shortage of affordable housing), or are the obstacles for poor families to get affordable housing so great that their ability to demand it is driven down? There certainly appears to be a diminished equilibrium between the supply and the demand if there are working families unable to afford quality housing. Recommendations to alleviate the problems discussed in this section appear in Section VI.

It may seem that there is simply a scarcity of affordable housing. This could be explained in two ways: either the incentives (benefits) to supplying affordable housing are too low or the costs are too high. Zoning laws, for example, make it harder to provide affordable housing. Zoning regulations can restrict the number of houses being built in an area. Thus each house sits on more land and is more expensive to the buyer and potentially less profitable for the developer to build. In Rockbridge County, for example, a two-acre lot law is in effect. This law was created because the “ideal” was that when a resident was old enough to buy their own lot, they would go out to find their two acre lot. There are also sewage considerations drawn into the regulations, according to Alexia Smith (2007).

Lee Merrill, a local architect, believes the high costs associated with building homes act as a disincentive for developers to construct affordable housing: for example, carpenters can charge \$20-\$45 an hour (2007). Profit-maximizing developers may prefer to build luxury homes to sell to wealthier households.

On the other hand, if the obstacles (or costs) to demanding workforce housing are too high, or the benefits too low, residents will not be able or want to demand it. Low-income households often have poor credit history, which make it nearly impossible for them to take out mortgages or loans to buy homes. Dan Walz, executive director of Rockbridge Area Habitat for Humanity, cites poor credit as being one of the greatest obstacles to purchasing a home. He states that the increasing credit availability—especially to young people—has had a detrimental affect and will continue to hurt potential homeowners. He alleges that sources of credit such as cell phones, cable, and revolving credit are posing great problems to the younger generations. If a household’s

credit history is poor, they will be unable to demand housing. If they are able to find a loan to buy a home, the interest will likely be very expensive. Additionally, the paperwork involved in finding a home and applying for loans is very time intensive and working parents may not have the time to devote to seeking quality affordable housing. Also, as mentioned earlier, the government will not demand affordable housing in future developments if the public does not pressure it to alleviate the issue.

The community does not entirely recognize the benefits of quality, affordable housing. There is a “not in my backyard” (NIMBY) phenomenon suggesting a negative connotation linked to affordable housing. Additionally, I do not believe that parents are aware of all the benefits associated with quality, affordable housing. There is not enough literature targeted to poor households advocating quality, affordable housing as a means to break the cycle of poverty.

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There is an implicit assumption that every household would like to demand affordable housing. However, if the costs exceed the benefits associated with supplying and demanding housing, an optimal quantity of housing will not exist. This appears to be the case in the Rockbridge Area, since there are still working families paying over 30 percent of their income to housing costs.

Section III: What has been done thus far?

Threshold

Lexington City addressed the problem of affordable housing through Threshold starting in the late 1980s.¹ From 1989 to 1997, Lexington City received five Community Development Block Grants (Neel, 2007). Each grant allocated funding to a specific part

¹ All information on Threshold, including some wording, came from correspondence between Joan Neel and the author in 2007.

of town: Diamond Hill/Green Hill (in 1989), Centreville (1992), Diamond Hill separately (1993), Green Hill separately (1995), and a final one in the neighborhoods of Centreville, Diamond Hill, Green Hill, and Hook Lane (1997). Threshold, Lexington's "housing commission," used the money to rehabilitate occupied housing through its rehabilitation program. Threshold also purchased vacant lots and abandoned homes, rehabilitated the homes, and sold them to low- or moderate-income buyers through its homeownership program. As a non-profit government agency, Threshold was able to partner with Habitat for Humanity to develop the vacant lots (Neel, 2007). Habitat for Humanity "is a nonprofit, ecumenical Christian housing [non-profit which] seeks to eliminate poverty housing ...and to make decent shelter a matter of conscience and action" (Habitat for Humanity). Habitat utilizes volunteers and donations to lower the cost of building the houses.

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Threshold provided the owners of these homes forgivable loans, which allowed Threshold to place restrictions on the future of these homes. These loans would require no repayment if the restrictions were followed. For example, if an owner lived in the housing for over five years, the loan would be forgiven. If a landlord rented to low income households (rent and utilities consumed less than 35 percent of the household's income) for the next ten years, the debt would be forgiven. If the owner passed away or had to be permanently moved for health-related reasons to a hospital, nursing home or home of a relative, the debt would also be pardoned. Such property restrictions keeping people in a neighborhood are also seen in the Community Economic Development (CED) movement, which we learned about in Poverty 423 through William Simon's *The Community Economic Development Movement*.

Threshold's rehabilitation program lifted the existing housing's quality to minimum housing requirements to make it safe, sound, and sanitary. For example, it often updated the electrical, heating, and plumbing systems in the house. As mentioned before, the data in Exhibit 8 shows that the number of households without complete plumbing or kitchen facilities dropped to zero from 1990-2000. Threshold's homeownership program also "rehabbed" abandoned homes to sell to low- to middle-income households.

The housing rehabilitation program aided both low- and moderate- income households that were previously living in substandard conditions. The homeownership program aided more moderate-income households, mainly because of credit and loan availability (Neel 2007). As mentioned earlier, the lower-income households could not qualify for loans. Their credit had been damaged by previous loan defaults, collections, judgments for non-payment of bills, late payments and in some cases, abandoned outstanding debts (Neel). Moderate-income households were more likely to qualify for mortgage financing (Neel). Often mortgage lenders would require that borrowers have adequate income for the mortgage payments, costs associated with homeownership, and other normal financial responsibilities, in addition to having good credit history. Moderate-income households were more likely to meet these requirements than low-income households.

Although Threshold still exists, former director Joan Neel states to the author in e-mails that "Threshold significantly reduced the number of substandard housing within the City. It eliminated blight within the target areas. Every qualifying household who applied, received services...the majority of need [in Lexington] has been addressed"

(Neel FW: Follow Up Question). However, she also admits that “there is little vacant land available within the City of Lexington suitable for the construction of new housing. None of that land is owned by Threshold or the City...Many of the people earning low- or moderate-income wages cannot afford to live within the City of Lexington, [instead] seeking housing within the County” (Neel FW: Follow Up Question).

Ms. Neel is unsure if Threshold has a future. It appears Threshold has already done its job in Lexington, renovating homes that needed it, and buying up what vacant land there was. Yet there is still a disparity in affordable housing levels, and perhaps present-day Threshold can consider what role it can play in alleviating this issue.

Other Projects

The state of Virginia awarded Rockbridge County a \$1.2 million grant a decade ago to replace a failing water system in the Natural Bridge area. Sam Crickenberger, planning director of Rockbridge County, reports that to apply for the grant, Rockbridge County “had to include housing rehabilitation as a part of the project” (RE: quick questions). The Buck Hill Community Improvement Project thus rehabilitated 31 homes, provided eight of those with indoor plumbing, and built four new houses (Past Projects).

The Rockbridge County Affordable Housing Project existed as a viable solution at one point. The county government planned to develop an affordable housing model community with the Rockbridge Area Habitat for Humanity, the CSPDC, and a private developer. While the group received a preliminary planning grant from the Department of Housing and Community Development (DHCD), the plans fell through because “soils were not adequate for the number of drain fields needed [and] Buena Vista [would not] serve the area with public sewer” (Crickenberger RE: quick questions).

Had the Rockbridge County Affordable Housing Project been implemented, it would have offered “a wide range of affordable housing opportunities to a significant number of low and moderate income citizens of the County” (Housing). The Community Development Block Grant would have enabled the county to execute an affordable housing needs assessment in addition to identifying infrastructure (water and sewer) needs. This project would have accomplished a great deal, and I will recommend in Section VI that a version of it be executed.

The Rockbridge Area completed two very successful projects with Threshold in Lexington and the Buck Hill Community Improvement Project in the County. However, Section I indicates that the affordable housing problem still exists and must be addressed.

Section IV: What have other areas done?

Rockbridge Area should consult other localities’ affordable housing projects. This area may wish to incorporate successful features from these projects.

The Environmental Protection Agency awarded Davidson, North Carolina with the “Overall Excellence in Smart Growth Award” in 2004. The city of Lexington, along with Washington and Lee University, may be able to learn something from Davidson College’s collaboration with the town of Davidson. The college has grown while keeping its heritage by preserving its historic buildings, not demolishing its old campus. The director of physical plant cited this as setting “a standard of quality for our neighbors in town” (Giduz, Bill). The college also initiated a modern workforce housing neighborhood with 200 homes primarily for the college’s employees. The town has implemented a planning ordinance that requires 12.5 percent of all new housing be

“affordable to families making less than the county's median family income” (Giduz, Bill).

One nearby model of affordable housing that Rockbridge Area might learn from is also green. Albemarle Housing Improvement Program (AHIP), a non-profit, worked together with UVA interns and corporate sponsors to complete the Camp Springs Subdivision in 2005, building homes for low-to-moderate income households. “AHIP’s mission was to build homes that were not only affordable to build but affordable for the new owners to live in for many years to come” (Camp Springs Subdivision). AHIP was able to use materials that were energy efficient and environmentally responsible through a private grant and donations.

Sean Tubbs and Brian Wheeler of the Charlottesville Tomorrow Weblog have been chronicling Albemarle County’s admirable strides in enacting green legislation. Last December, the Albemarle County Planning Commission passed a resolution encouraging developers to adopt more sustainable practices (Tubbs). The Board of Supervisors followed in February with a consensus: contingent on budgetary constraints, future County buildings should be green buildings and apply for LEED certification (Wheeler). The U.S. Green Building Council measures developments’ level of “greenness,” and then grants Leadership in Energy and Environmental Design (LEED) certification if certain standards are met. The Board of Supervisors in Albemarle County was persuaded to progress into the green movement by evidence which revealed that the benefits of green building far outweigh the costs (Wheeler). Though their decision pertained to buildings and not houses, it is a step toward implementing more and learning more about sustainable housing techniques.

Section V: How does sustainable housing tie in?

The question of the relationship between affordable housing and green-sustainable housing is pertinent because the organization RACC, which initiated this research project, had clear interests in it. Additionally, if the sustainability of a house allows a poor family to afford living in that house, it could play a key role in any solution to affordable housing.

Sustainable housing and green housing are closely linked. Some of the attributes that are often linked to sustainable building are origin of materials, use of sun and wind in placement of the home, and choice of materials. It is clear that the benefits of these techniques are great; from savings on future energy consumption and bills to environmental conservation. Surprisingly, the costs of some of these techniques are very low and thus well worth considering. One example of a low-cost green building effort is designing the house in the most efficient direction to capture sunlight and take advantage of wind direction. Lee Merrill, a local architect, asserts that this technique alone can cause a 10-15 percent change in future energy consumption (2007). Blatter relates that sustainable housing methods were used in the Threshold program. The direction of the houses being built was considered, passive solar was implemented when possible, and on demand hot water (costing about \$200-\$300 extra) was installed in addition to wet packs when appropriate at the homes that Threshold rehabilitated or built.

Not much data exists that evaluates sustainable housing techniques, but RACC or another student could research into this topic. It would be wise to compare the costs and benefits associated with each technique to determine which should be utilized in future affordable housing projects.

Section VI: Recommendations

Identifying and analyzing the need

A greater study must be undertaken to assess the need for affordable housing in the Rockbridge Area. Although evidence exists, it is important to all stakeholders involved to know more about this need and what its causes and effects are. As RACC (or any other interested party) moves forward on this issue, the following questions will be important to consider. An effective survey will give legitimacy to the claim that more affordable housing is needed, and would give those interested a place to start. This needs assessment could perhaps be accomplished through a CARE research project.

Joan Neel gave advice for a possible survey's design. She emphasized heavily that the survey recipients be ensured of anonymity upon taking the survey. They should also be ensured that the survey's outcomes would not be used for any other purpose than for the CARE research project at hand. The questions should be discreet, narrowly defined—no open questions. Before sending out the survey, the researchers should contact the city council and the police to make them know about this survey. If anyone should inquire to them about the survey, these agencies would be aware of its purposes.

Some of the questions that should be answered by this needs assessment would include: how many people need affordable housing? What are the demographics of this population? Are they families, or even related? Do they need to be located in a certain place? What income level are they in? What are this population's needs? How do students skew the affordable housing data? These questions could help identify what the causes and effects of this problem are.

The researchers should begin their research by reading a report prepared by students enrolled in Professor Leibel's Winter 2005 section of Economics of Poverty.

These students set out to:

identify the number of households that are both eligible for becoming a partner family with Habitat for Humanity and willing to follow the guidelines necessary for acquiring a Habitat for Humanity home.

The students estimated through the survey that in Rockbridge Area (Rockbridge County, Lexington, and Buena Vista), four to five percent of households or between 560 and 650 households "might benefit from the services provided by the Rockbridge Area chapter of Habitat for Humanity."

Government, non-profits, private agencies play roles in alleviating affordable housing problem once it is identified

The participants of the Rockbridge Area Affordable Housing Forum in July 2005 generated an extensive list of ways the issue of affordable housing could be addressed. The entire list can be found in exhibit 9. The Rockbridge Area would be wise to learn from Davidson and Albemarle County's successful projects. The government, non-profits, and private parties all have roles to play in alleviating this issue; these three stakeholders need to work together for an effective solution. However, for organizational purposes, in this section I will focus on why each entity has a stake at hand, and give suggestions of what each can do.

The government can play a powerful role in this endeavor if it chooses to prioritize it. As mentioned in the introduction, the government will react when the public puts pressure on it. It has the ability to create regulations and collect taxes. To induce affordable housing it could implement a plan like Davidson's requiring that a certain

percentage of future large developments be “affordable.” Area planners could review local zoning laws to ensure they accommodate growth and are compatible with this effort. There is a need to reconsider the Rockbridge County zoning law that requires lots to be sold in two acre increments. The Area’s departments of development and planning, directed by Bill Blatter in Lexington, Sam Crickenberger in Rockbridge County, and Tracey Schiflett in Buena Vista are responsible for “developing, amending, and enforcing” the zoning ordinances—these may be the people to voice concerns to (“Planning and Development”). A “housing commission” such as Threshold could be formed by the local governments in Buena Vista and Rockbridge County.

There are several ways taxes could play a role. Taxes could be levied on “luxury” homes, to be dispersed through a variety of affordable housing related areas: taxes could be spent on non-profits such as Habitat for Humanity, or to buy certain properties to resell to low-moderate income households, or to provide rehabilitation for dilapidated housing. Additionally, tax incentives could be used to attract low -income homeowners—for example for a few years after a lower-income household bought a house there could be a guarantee against a tax increase. Additionally tax incentives could be offered to induce donations of land, or investment in affordable housing.

Private entities also have a role to play. Employers are interested in ensuring their workers have affordable living options nearby. They also have a stake in ensuring there are viable housing options when attracting new employees. Private developers can decide to collaborate with non-profits out of personal preferences. They may also be induced by the government to build more affordable housing through density bonuses. The government can allow a developer to build more houses in less space than is

generally allowed in return for building affordable housing, awarding them a density bonus. Builders can choose to put more time into the design of a house to ensure its sustainability. Private firms can donate materials to bring the costs of affordable housing down, or to promote sustainability as the firms did in Albemarle County's AHIP program.

Non-profits have a stake in this problem as well. Some non-profits such as Habitat for Humanity are dedicated to providing quality, affordable housing. RACC is one organization whose mission does not include the words "affordable housing," and yet it has found it to be important in its work. Even if a non-profit's mission is not dedicated to affordable housing, many serve people affected by it. Non-profits serving children are another prime example. As mentioned in the introduction, children are greatly affected by their home environment. It would be in these non-profits' interest as well as their constituents' to work together to alleviate undesirable and unhealthy housing while working toward their mission's goals.

The closest credit counseling I found was the Consumer Credit Counseling Service of Virginia located in Staunton. Community building corporations, senior centers, or community centers could offer credit counseling or homeownership counseling. The non-profit the author interned at, the East River Development Alliance (ERDA) in Long Island City, NY, worked to improve public housing neighborhoods, but part of their programming included a homeownership initiative. It will be most efficient for non-profits to collaborate with each other and with other public and private agencies. For example, perhaps there could be more credit lessons taught in school in addition to the credit counseling offered at non-profits. By offering more classes nearby, more

households would be motivated to participate and in turn improve their credit and household finances.

RACC should continue working with other non-profit agencies, as well as government and private entities. More research must be done evaluating the costs and benefits associated with sustainable housing. There are certain techniques that will always make sense; those that are free or low in cost compared to their benefits. We need to know if the expensive techniques are worth it. Is there grant money to complete a valuation of the different techniques, or to use the techniques in building affordable housing? Another CARE project could be initiated by RACC.

The Rockbridge County Affordable Housing Project (see Section II) should be re-instigated by the government, non-profits, and private entities. It should be expanded to include Lexington City and Buena Vista. This would allow for a needs assessment which could also evaluate how students skew the housing data. The end goal would be affordable housing opportunities for many members of the community's workforce.

Addressing affordable housing from a supply and demand view

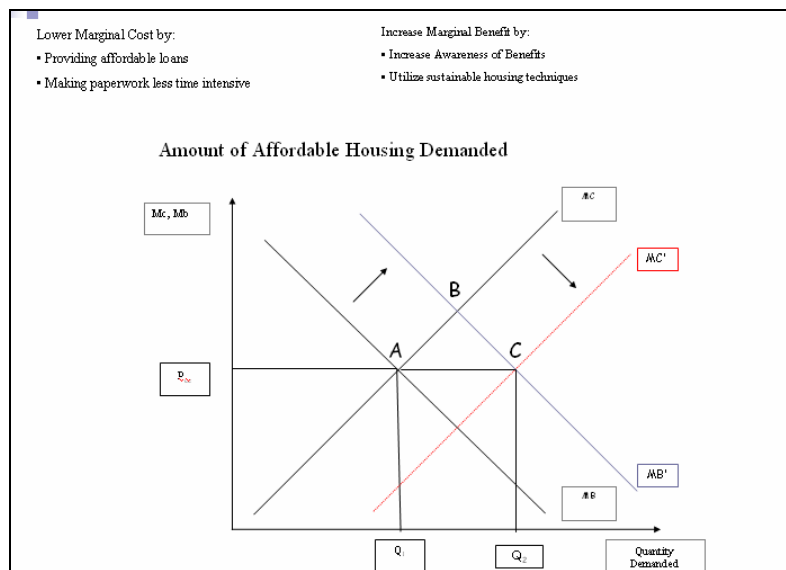
Another way to consider recommendations is in light of the problem's causes as discussed in Section II. If the costs exceed the benefits in both supplying and demanding quality, affordable housing, there will not be enough of it. Most of these recommendations would be best satisfied if the government, non-profits, and private entities worked together.

If we know that the problem lies on the demand side and that not enough low- to moderate-income households are able to look for quality, affordable housing due to poor credit or the time involved in finding it, we could consider options to increase these

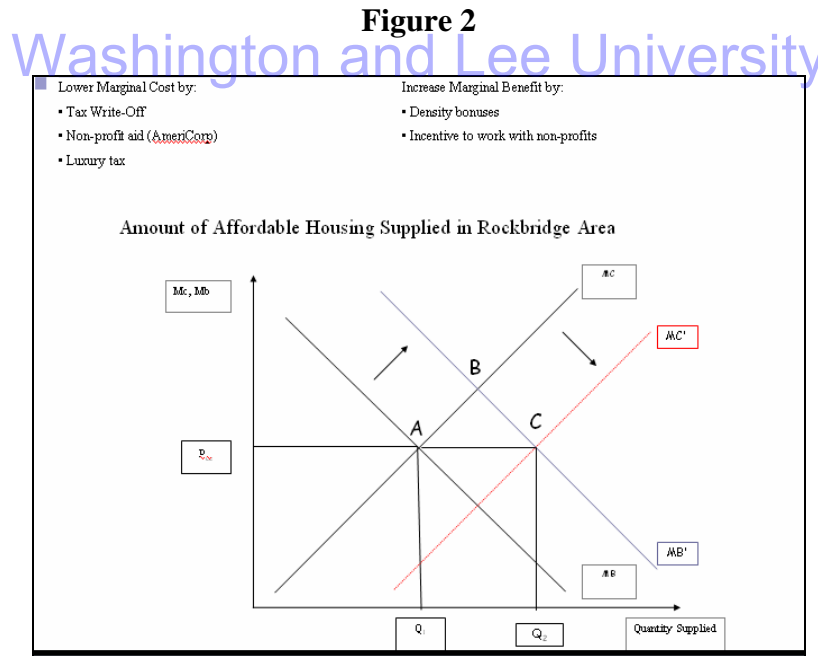
households' marginal benefits and lower their marginal costs of homeownership. These options could include offering credit counseling or creating awareness for how greatly a home's quality can affect a child's wellbeing. Eradicating the NIMBY (see Section II) concern with campaigns targeting the public's misconceptions of affordable housing may be a collaborative effort. For example, the campaigns could emphasize that affordable housing does not equal slum housing, and that workforce housing is necessary to sustain the community's culture and heritage. Another alternative that taxes could fund is a revolving loan fund to make loans more affordable. If the time involved in seeking and applying for (loans for) affordable housing is too great for a family, cutting down the paperwork or providing more assistance in filling it out may prove a worthy solution which the government, non-profits, or private entities like banks could offer. If sustainable housing techniques are utilized, more households may see added benefits and lower costs to owning a home (see Figure 1).

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Figure 1

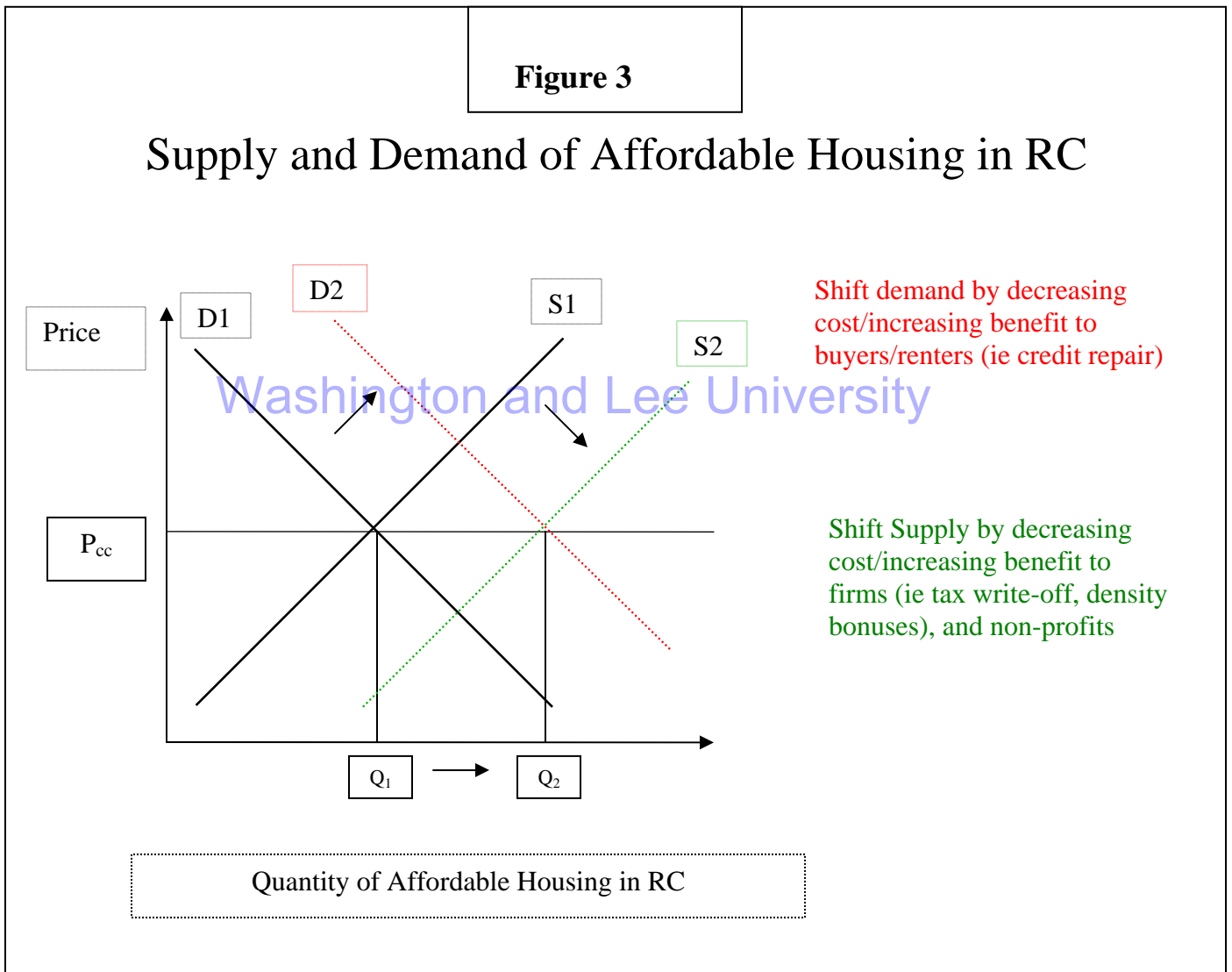


If however, we know that the affordable housing problem exists because there is a lack of supply of housing, we would want to consider other options. These would lower the marginal cost and increase the marginal benefit of supplying quality, affordable housing. Some examples of policies include density bonuses, and a tax write-off for private firms contributing to an affordable housing effort (see Figure 2). As mentioned in Section II, zoning laws may make it more costly to provide affordable housing. The public can educate itself on the zoning regulations and suggest amending them if they are not conducive to affordable housing. If non-profits work with the government and private entities to lower the cost of supplying affordable housing and increasing the profitability to the firms of supplying it, we may see something similar to the movements in Figure 2:



The entities involved with stimulating the supply and demand will want to perform a cost-benefit analysis on each recommendation to ensure that their efforts will be worth it. Once supply and demand increase, the new quantity of quality, affordable

housing in the Rockbridge Area should theoretically increase, and if the costs and benefits have been properly evaluated, this greater quantity of housing will not create too large a cost for any entity.



Conclusions

The Rockbridge Area faces a great change in its culture and heritage if it does not address the quantity of available workforce housing. It has made strives with Threshold

and the Buck Hill Community Project. As it moves forward on this issue it can learn from these experiences as well as from other areas' projects. Most importantly, the area's government, non-profits, and private entities must learn to collaborate in this effort. If they address this issue by increasing supply, and increasing working households' abilities to demand housing, they can achieve a superior match of supply and demand. Thus they will be able to provide more households with quality, affordable homes.

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Exhibit 1: General Census Information

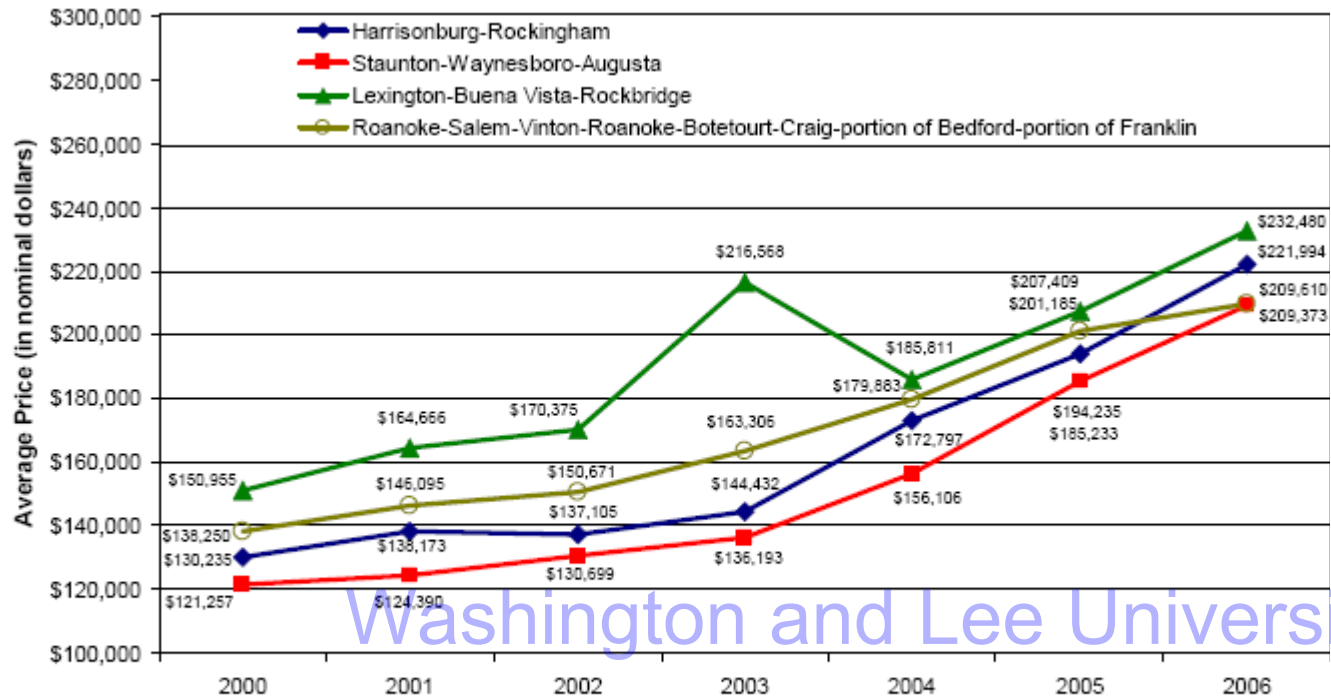
	Rockbridge County	Lexington city	Buena Vista city	Rockbridge Area (self - calculated)	Virginia	USA
People QuickFacts						
Population, 2005 estimate	21,242	6,776	6,437	34,455	7,567,465	296,410,404
Population, percent change, April 1, 2000 to July 1, 2005	2.10%	-1.30%	1.40%	1.3%	6.90%	5.30%
Population, 2000	20,808	6,867	6,349	34,024	7,078,515	281,421,906
Persons under 5 years old, percent, 2005	5.10%	2.80%	5.30%	4.69%	6.80%	6.80%
Persons under 18 years old, percent, 2005	20.70%	9.20%	21.10%	18.51%	24.10%	24.80%
Persons 65 years old and over, percent, 2005	17.00%	18.10%	17.70%	17.35%	11.40%	12.40%
Living in same house in 1995 and 2000, pct 5 yrs old & over	64.70%	42.00%	59.70%	59.19%	52.20%	54.10%
People QuickFacts						
Housing Units, 2000	9,550	2,376	2,716	14,642		
Housing units, 2005	10,514	2,411	2,814	15,739	3,174,708	124,521,886
Homeownership rate, 2000	77.70%	54.90%	70.70%	0.717920938	68.10%	66.20%
Housing units in multi-unit structures, percent, 2000	5.40%	28.70%	13.50%		21.50%	26.40%
Median value of owner-occupied housing units, 2000	\$92,400	\$131,900	\$72,900	\$95,192.65	\$125,400	\$119,600
Median household income, 2003	\$37,796	\$30,981	\$33,728		\$50,028	\$43,318
Per capita money income, 1999	\$18,356	\$16,497	\$16,377		\$23,975	\$21,587
Persons below poverty, percent, 2003	9.80%	16.10%	11.60%		9.90%	12.50%

Source: US Census Bureau State & County QuickFacts

Exhibit 2: Age Comparison in Rockbridge County

Rockbridge County Population Comparison: 1990 to 2000						
Total population: 1990	18,350	100.00%	Total population: 2000	20,808	100.00%	% Change from 1990
Age			Age			
Under 5 years	1,120	6.10%	Under 5 years	1,123	5.40%	-0.70%
5 to 17 years	3,081	16.79%	5 to 9 years	1,231	5.90%	
n/a	n/a	n/a	10 to 14 years	1,387	6.70%	
18 to 20 years	692	3.77%	15 to 19 years	1,329	6.40%	
21 to 24 years	1,035	5.64%	20 to 24 years	1,196	5.70%	
25 to 44 years	5,508	30.02%	25 to 34 years	2,421	11.60%	-2.92%
			35 to 44 years	3,229	15.50%	
45 to 54 years	2,232	12.16%	45 to 54 years	3,151	15.10%	2.94%
55 to 59 years	1,099	5.99%	55 to 59 years	1,274	6.10%	0.11%
60 to 64 years	1,041	5.67%	60 to 64 years	1,208	5.80%	0.13%
65 to 74 years	1,655	9.02%	65 to 74 years	1,942	9.30%	0.28%
75 to 84 years	742	4.04%	75 to 84 years	1,027	4.90%	0.86%
85 years and over	145	0.79%	85 years and over	290	1.40%	0.61%
18 years and over	14,149	77.11%	18 years and over	16,179	77.80%	0.69%
n/a	n/a	n/a	62 years and over	3,976	19.10%	
65 years and over	2,542	13.85%	65 years and over	3,259	15.70%	1.85%
n/a	n/a	n/a	Median age (years)	40.4	(X)	

Exhibit 3: Average Price-Homes Sold (in nominal dollars) (Not adjusted for inflation)



Prepared by: Central Shenandoah Planning District Commission - Rev. 02.05.07
 Data Source: Virginia Association of Realtors - <http://www.varealtor.com/NewRoom/HomeSales.asp>
 The Charlottesville Area does not report Average Price-Sold, so they have not been included in the graph above.

Exhibit 4: Average Price-Homes Sold (in nominal dollars) (Adjusted for inflation)

	2000	2001	2002	2003	2004	2005	2006	\$ Increase 2000 - 2006	% Increase 2000 - 2006
Harrisonburg-Rockingham	\$149,208	\$155,055	\$151,705	\$156,702	\$182,675	\$199,592	\$221,994	\$72,786	48.8%
Staunton-Waynesboro-Augusta	\$138,922	\$139,588	\$144,617	\$147,763	\$165,030	\$190,342	\$209,373	\$70,451	50.7%
Lexington-Buena Vista-Rockbridge	\$172,946	\$184,785	\$188,518	\$234,967	\$196,433	\$213,129	\$232,480	\$59,534	34.4%
Winchester-Frederick-Warren-Clark	\$164,714	\$174,994	\$198,190	\$216,100	\$259,114	\$316,315	\$313,470	\$148,756	90.3%
Shenandoah-Page	\$125,446	\$126,336	\$148,848	\$158,097	\$186,838	\$224,886	\$247,836	\$122,390	97.6%
Roanoke-Salem-Vinton-Roanoke- Botetourt-Craig-portion of Bedford- portion of Franklin	\$158,390	\$163,945	\$166,716	\$177,180	\$190,166	\$206,734	\$209,610	\$51,220	32.3%

Prepared by: Central Shenandoah Planning District Commission - Rev. 02.05.07

Source: Virginia Association of Realtors

<http://www.varealtor.com/Newsroom/HomeSales.asp>

The Charlottesville Area does not report Average Price-Sold, so they have not been included in the chart above.

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Exhibit 5: Rockbridge Area Year of Housing Unit Building Comparison

RC 1990			RC 2000			Lexington City 1990			Lexington City 2000			BV 1990			BV 2000		
Total housing units	7,975	100%	Total housing units	9,550	100	Total housing units	2,311	100	Total housing units	2,376	100	Total housing units	2,494	100	Total housing units	2,716	100
YEAR STRUCTURE BUILT			YEAR STRUCTURE BUILT			YEAR STRUCTURE BUILT			YEAR STRUCTURE BUILT			YEAR STRUCTURE BUILT			YEAR STRUCTURE BUILT		
1989 to March 1990	192	2.4%	1999 to March 2000	349	3.7	1989 to March 1990	38	1.6%	1999 to March 2000	18	0.8	1989 to March 1990	15	0.6%	1999 to March 2000	64	2.4
1985 to 1988	594	7.4%	1995 to 1998	813	8.5	1985 to 1988	75	3.2%	1995 to 1998	127	5.3	1985 to 1988	62	2.5%	1995 to 1998	47	1.7
1980 to 1984	697	8.7%	1990 to 1994	1,011	11	1980 to 1984	43	1.9%	1990 to 1994	76	3.2	1980 to 1984	206	8.3%	1990 to 1994	91	3.4
1970 to 1979	1,616	20.3%	1980 to 1989	1,384	15	1970 to 1979	243	10.5%	1980 to 1989	105	4.4	1970 to 1979	514	20.6%	1980 to 1989	316	11.6
1960 to 1969	1,246	15.6%	1970 to 1979	1,495	16	1960 to 1969	442	19.1%	1970 to 1979	306	13	1960 to 1969	295	11.8%	1970 to 1979	416	15.3
1950 to 1959	1,005	12.6%	1960 to 1969	1,156	12	1950 to 1959	355	15.4%	1960 to 1969	324	14	1950 to 1959	494	19.8%	1960 to 1969	433	15.9
1940 to 1949	498	6.2%	1940 to 1959	1,414	15	1940 to 1949	245	10.6%	1940 to 1959	653	28	1940 to 1949	369	14.8%	1940 to 1959	754	27.8
1939 or earlier	2,127	26.7%	1939 or earlier	1,928	20	1939 or earlier	870	37.6%	1939 or earlier	767	32	1939 or earlier	539	21.6%	1939 or earlier	595	21.9

The percentage of houses built in the five years prior to the census in each of the three areas was greater in 2000 than in 1990.

Exhibit 6: Rockbridge Area Ownership Costs Comparison

RC 1990			RC 2000			Lexington City 1990			Lexington City 2000			BV 1990			BV 2000		
MORTGAGE STATUS AND SELECTED MONTHLY OWNER COSTS			MORTGAGE STATUS AND SELECTED MONTHLY OWNER COSTS			MORTGAGE STATUS AND SELECTED MONTHLY OWNER COSTS			MORTGAGE STATUS AND SELECTED MONTHLY OWNER COSTS			MORTGAGE STATUS AND SELECTED MONTHLY OWNER COSTS			MORTGAGE STATUS AND SELECTED MONTHLY OWNER COSTS		
Specified owner-occupied housing units	3,116	43.3%	Specified owner-occupied units	6,590	66	Specified owner-occupied housing units	1,033	47.6%	Specified owner-occupied units	1,225	0.5	Specified owner-occupied housing units	1,599	66.5%	Specified owner-occupied units	1,800	0.71
With a mortgage	1,543	49.5%	With a mortgage	2,304	56	With a mortgage	540	52.3%	With a mortgage	737	63	With a mortgage	885	55.3%	With a mortgage	1,006	61.2
Less than \$300	182	11.8%	Less than \$300	32	0.8	Less than \$300	52	9.6%	Less than \$300	0	0	Less than \$300	115	13.0%	Less than \$300	55	3.3
\$300 to \$499	621	40.2%	\$300 to \$499	298	7.2	\$300 to \$499	167	30.9%	\$300 to \$499	57	4.8	\$300 to \$499	408	46.1%	\$300 to \$499	212	12.9
\$500 to \$699	366	23.7%	\$500 to \$699	549	13	\$500 to \$699	93	17.2%	\$500 to \$699	138	12	\$500 to \$699	186	21.0%	\$500 to \$699	265	16.1
\$700 to \$999	287	18.6%	\$700 to \$999	708	17	\$700 to \$999	127	23.5%	\$700 to \$999	187	16	\$700 to \$999	139	15.7%	\$700 to \$999	281	17.1
\$1,000 to \$1,499	40	2.6%	\$1,000 to \$1,499	543	13	\$1,000 to \$1,499	83	15.4%	\$1,000 to \$1,499	191	16	\$1,000 to \$1,499	37	4.2%	\$1,000 to \$1,499	165	10
\$1,500 to \$1,999	41	2.7%	\$1,500 to \$1,999	144	3.5	\$1,500 to \$1,999	18	3.3%	\$1,500 to \$1,999	101	8.6	\$1,500 to \$1,999	0	0.0%	\$1,500 to \$1,999	10	0.6
\$2,000 or more	6	0.4%	\$2,000 or more	30	0.7	\$2,000 or more	0	0.0%	\$2,000 or more	63	5.3	\$2,000 or more	0	0.0%	\$2,000 or more	18	1.1
Median (dollars)	490		Median (dollars)	780	(X)	Median (dollars)	629		Median (dollars)	982	(X)	Median (dollars)	445		Median (dollars)	680	(X)
Not mortgaged	1,573	50.5%	Not mortgaged	1,811	44	Not mortgaged	493	47.7%	Not mortgaged	441	37	Not mortgaged	714	44.7%	Not mortgaged	639	38.8
Less than \$100	222	7.1%	Median (dollars)	203	(X)	Less than \$100	35	3.4%	Median (dollars)	241	(X)	Less than \$100	59	8.3%	Median (dollars)	207	(X)
\$100 to \$199	1,018	32.7%				\$100 to \$199	242	23.4%				\$100 to \$199	530	74.2%			
\$200 to \$299	285	9.1%				\$200 to \$299	152	14.7%				\$200 to \$299	98	13.7%			
\$300 to \$399	24	0.8%				\$300 to \$399	33	3.2%				\$300 to \$399	7	1.0%			
\$400 or more	24	0.8%				\$400 or more	31	3.0%				\$400 or more	20	2.8%			
Median (dollars)	158					Median (dollars)	190					Median (dollars)	151	21.1%			

Exhibit 6 (contd.)

RC 1990			RC 2000			Lexington City 1990			Lexington City 2000			BV 1990			BV 2000		
SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1989			SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1999			SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1989			SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1999			SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1989			SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1999		
Specified owner-occupied housing units	3,116	43.3%	Specified owner-occupied units	6,590	66	Specified owner-occupied housing units	1,033	47.6%	Specified owner-occupied units	1,225	0.5	Specified owner-occupied housing units	1,599	66.5%	Specified owner-occupied units	1,800	0.71
			Less than 15 percent	2,008	49				Less than 15 percent	458	39				Less than 15 percent	685	41.6
Less than 20 percent	2,109	67.7%	15 to 19 percent	591	14	Less than 20 percent	663	64.2%	15 to 19 percent	241	21	Less than 20 percent	951	59.5%	15 to 19 percent	318	19.3
20 to 24 percent	376	12.1%	20 to 24 percent	486	12	20 to 24 percent	127	12.3%	20 to 24 percent	113	9.6	20 to 24 percent	229	14.3%	20 to 24 percent	208	12.6
25 to 29 percent	141	4.5%	25 to 29 percent	319	7.8	25 to 29 percent	99	9.6%	25 to 29 percent	74	6.3	25 to 29 percent	123	7.7%	25 to 29 percent	110	6.7
30 to 34 percent	156	5.0%	30 to 34 percent	180	4.4	30 to 34 percent	20	1.9%	30 to 34 percent	111	9.4	30 to 34 percent	120	7.5%	30 to 34 percent	94	5.7
35 percent or more	304	9.8%	35 percent or more	506	12	35 percent or more	116	11.2%	35 percent or more	181	15	35 percent or more	160	10.0%	35 percent or more	212	12.9
Not computed	30	1.0%	Not computed	25	0.6	Not computed	8	0.8%	Not computed	0	0	Not computed	16	1.0%	Not computed	18	1.1

Exhibit 7: Rockbridge Area Rental Costs Comparison

RC 1990			RC 2000			Lexington City 1990			Lexington City 2000			BV 1990			BV 2000		
GROSS RENT			GROSS RENT			GROSS RENT			GROSS RENT			GROSS RENT			GROSS RENT		
Specified renter-occupied housing units	1,427	19.8%	Specified renter-occupied units	1,896	19	Specified renter-occupied housing units	980	45.1%	Specified renter-occupied units	1,007	0.5	Specified renter-occupied housing units	668	27.8%	Specified renter-occupied units	747	0.29
Less than \$200	172	12.1%	Less than \$200	73	4.3	Less than \$200	107	10.9%	Less than \$200	117	12	Less than \$200	138	20.7%	Less than \$200	81	10.8
\$200 to \$299	389	27.3%	\$200 to \$299	191	11	\$200 to \$299	211	21.5%	\$200 to \$299	158	16	\$200 to \$299	176	26.3%	\$200 to \$299	79	10.6
\$300 to \$499	562	39.4%	\$300 to \$499	613	36	\$300 to \$499	416	42.4%	\$300 to \$499	310	31	\$300 to \$499	240	35.9%	\$300 to \$499	281	37.6
\$500 to \$749	75	5.3%	\$500 to \$749	450	27	\$500 to \$749	156	15.9%	\$500 to \$749	220	22	\$500 to \$749	49	7.3%	\$500 to \$749	211	28.2
\$750 to \$999	7	0.5%	\$750 to \$999	83	4.9	\$750 to \$999	38	3.9%	\$750 to \$999	80	8	\$750 to \$999	6	0.9%	\$750 to \$999	29	3.9
\$1,000 or more	7	0.5%	\$1,000 to \$1,499	24	1.4	\$1,000 or more	14	1.4%	\$1,000 to \$1,499	79	7.9	\$1,000 or more	0	0.0%	\$1,000 to \$1,499	0	0
			\$1,500 or more	0	0				\$1,500 or more	0	0				\$1,500 or more	0	0
No cash rent	215	15.1%	No cash rent	256	15	No cash rent	38	3.9%	No cash rent	36	3.6	No cash rent	59	8.8%	No cash rent	67	9
Median (dollars)	310		Median (dollars)	442 (X)		Median (dollars)	355		Median (dollars)	434 (X)		Median (dollars)	294		Median (dollars)	403 (X)	
GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1989			GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1999			GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1989			GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1999			GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1989			GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1999		
Specified renter-occupied housing units	1,427	19.8%	Specified renter-occupied units	1,896	19	Specified renter-occupied housing units	980	45.1%	Specified renter-occupied units	1,007	0.5	Specified renter-occupied housing units	668	27.8%	Specified renter-occupied units	747	0.29
			Less than 15 percent	429	25				Less than 15 percent	126	13				Less than 15 percent	165	22.1
Less than 20 percent	521	36.5%	15 to 19 percent	188	11	Less than 20 percent	268	27.3%	15 to 19 percent	59	5.9	Less than 20 percent	292	43.7%	15 to 19 percent	148	19.8
20 to 24 percent	230	16.1%	20 to 24 percent	199	12	20 to 24 percent	113	11.5%	20 to 24 percent	146	15	20 to 24 percent	66	9.9%	20 to 24 percent	102	13.6
25 to 29 percent	98	6.9%	25 to 29 percent	94	5.6	25 to 29 percent	98	10.0%	25 to 29 percent	82	8.2	25 to 29 percent	89	13.3%	25 to 29 percent	60	8
30 to 34 percent	62	4.3%	30 to 34 percent	95	5.6	30 to 34 percent	69	7.0%	30 to 34 percent	104	10	30 to 34 percent	55	8.2%	30 to 34 percent	50	6.7
35 percent or more	278	19.5%	35 percent or more	420	25	35 percent or more	362	36.9%	35 percent or more	416	42	35 percent or more	107	16.0%	35 percent or more	146	19.5
Not computed	238	16.7%	Not computed	265	16	Not computed	70	7.1%	Not computed	67	6.7	Not computed	59	8.8%	Not computed	77	10.3

Exhibit 8: Rockbridge Area Housing Characteristics Comparison

RC 1990			RC 2000			Lexington City 1990			Lexington City 2000			BV 1990			BV 2000		
SELECTED CHARACTERISTICS			SELECTED CHARACTERISTICS			SELECTED CHARACTERISTICS			SELECTED CHARACTERISTICS			SELECTED CHARACTERISTICS			SELECTED CHARACTERISTICS		
Lacking complete plumbing facilities	627	7.9%	Lacking complete plumbing facilities	188	2.2	Lacking complete plumbing facilities	7	0.3%	Lacking complete plumbing facilities	0	0	Lacking complete plumbing facilities	60	2.4%	Lacking complete plumbing facilities	0	0
Lacking complete kitchen facilities	394	4.9%	Lacking complete kitchen facilities	99	1.2	Lacking complete kitchen facilities	41	1.8%	Lacking complete kitchen facilities	0	0	Lacking complete kitchen facilities	15	0.6%	Lacking complete kitchen facilities	0	0
No telephone in unit	663	8.3%	No telephone service	277	3.3	No telephone in unit	90	3.9%	No telephone service	80	3.6	No telephone in unit	66	2.6%	No telephone service	116	4.6

The quality of housing has gone up in the decade in all three areas.

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Exhibit 9: Notes from Rockbridge Area Affordable Housing Forum
Rockbridge Area
Affordable Housing Forum
June 7, 2005

**What are some possible ways the affordable housing problem
may be addressed in the Rockbridge Area ?**

These are the answers/ideas that were contributed by citizens in working groups on June 7.
They are organized into categories.

GOVERNMENT'S ROLE:

- The government's role is to induce and encourage mixed use and mixed income developments.
- There should be better coordination among jurisdictions to promote, coordinate opportunities—to avoid redundancy and promote best practices.
- Encourage Planning Commissions and other regulatory authorities to make affordable housing a priority.
- Create a multi-jurisdictional housing program (and redevelopment board) with shared staff member to coordinate and promote affordable housing. Work with representatives from all the jurisdictions and promote/pursue the best ideas for the provision of housing.
- Review local zoning rules to assure they are written in such a manner that encourages the development of affordable housing.

EDUCATION NEEDS:

- Identify which population groups need assistance with affordable housing. Are they working members of the community? Married couples w/o children, married with children, single-head households, male or female head-of-household, unrelated individuals living as a household unit, elderly? What are their needs?
- Educate the public in the problem and acceptance of affordable housing and combat NIMBY:
 - The need for affordable housing is definite.
 - Affordable housing is desirable and does not equate to shoddy quality or slums.
 - Affordable housing residents or homeowners are integral members of our community.
- Educate appraisers about Rural Development.
- Provide continuing education for realtors on available loan programs through DPOR (Dept. of Professional and Occupational Regulation) or the Realtors Board.
- Require realtors and appraisers to take courses directed at serving the more moderate-income home buyer.

Exhibit 9 (Contd.)

FUNDING AND TAX IDEAS:

- Fully fund Habitat for Humanity.
- Broader use of CDBG's (Community Development Block Grants), i.e., to purchase properties.
- \$80,000 ceiling for affordable housing: this cost would include \$10,000 for land, \$60,000 for construction and \$10,000 for site work, well and septic.
- Fund/identify sources of down payment and closing cost assistance.
- Loans for manufactured homes need to be improved (loan to value requirements) and perhaps subsidized.
- Offer a tax reassessment moratorium on affordable housing.
- Offer tax credit for recording fees.
- When affordable housing is provided, or when a moderate-income family purchases a home, the locality could implement a program so there is no tax increase for the first few years of homeownership.
- Investigate tax incentives (such as tax credit for investment in affordable housing) and disseminate that information.
- Offer tax benefits for land donated to leverage affordable housing.
- Charge impact fees to developers to compensate for improved infrastructure.
- Create a luxury tax on more costly units (above \$300,000).
- Offer a bonus for giving 10-15% of each project for affordable housing.
- Create tax and regulatory policies to buy land and encourage affordable housing opportunities through public/private partnerships.
- Redirect properties taken for taxes at tax auctions. Instead of auctioning the properties, give the localities the opportunity to take these houses and return them to the private sector (state law), with the focus being the provision of affordable housing.

LOCATION/DENSITY/TYPES OF HOUSING:

- Shortage of land limits options for affordable housing.
- NIMBY problems limit affordable housing.
- Identify the location of "affordable land"—Goshen, Stoney Run, Glasgow, Arnold's Valley—where else?
- Housing could possibly be kept available for low-income people in places in the county—e.g., Glasgow—where people are getting older.
- Extend utilities into the county—or use small scale treatment facilities? Or composting facilities?
- County: Some of the land is less than desirable for home construction due to topography. Think of water in/out; investigate alternative means of sewage disposal other than septic systems.
- Look at minimum lot sizes: Regulatory? Legislative?
- Concentrate the development of new housing around areas where housing already exists.
- Offer density bonuses in residential areas (not close to Lexington where land costs are too high).
- Zoning lessens chance for affordable housing. We need greater density to spread out infrastructure costs.

Exhibit 9 (Contd.)

- Encourage higher density housing - more apartment complexes.
- Work with health department to find good alternatives for dense development.
- Zoning restrictions on rentals for more than “n” unrelated people *living in a single house*.
- Owner/Occupancy limits/mandates.
- Whole mix or range of housing - important from low- to high-income.
- Encourage land use and community structure which creates housing for a larger number of households in limited space, such as the construction of duplexes. Look at construction methods which are more affordable than stick built, such as double wide mobile homes.
- Rezone height/story regs in downtown/urban areas.
- Encourage second story housing.
- Encourage accessory (granny) units.
- Encourage modular homes; legislate acceptance of modular housing in all jurisdictions
- Less is more = smaller houses. Change the code restriction on minimum sizes for living spaces.
- Improve quality of mobile homes and other modular housing.
- High quality modular homes.
- Improve quality of mobile homes and other modular housing.
- Cottage villages - well built, well sited, 900 sf, as in NC areas where private developers develop these with government encouragement
- Adding to cottage village idea - housing very dense with green zones around and using environmentally advanced systems like solar heat, etc - models of green living
- Promote the development of mixed-use communities. Create communities with a mixture of housing, priced from the affordable and upwards. Include housing for both families and an aging population.

REHABILITATION OF EXISTING HOUSING:

- Redevelopment, rehabilitation, reclamation for affordable housing—continued renewal.
- In city, preservation is important; in county, new construction is. Look at rehab possibilities in county, too.
- Localities should look at existing buildings with conversion and adaptive reuse in mind. Schools, large buildings such as the former K-Mart—could any of these be converted into affordable housing?
- Rehabilitate existing housing. The less expensive houses need repairs. Institute a program to provide the needed repairs to bring them up to good quality. When sold, take a silent second for the cost of repairs.
- A “silent second” to help bring homes up to government standards.
- Fixer uppers: Coordinate plumbers, electricians, carpenters to assist (train?) those willing to do-it-yourself.
- Fund programs which make it easier for lower-income households to get needed repairs and improvements.
- Create a revolving loan fund for rehabilitation.

Exhibit 9 (Contd.)

- Sweat equity and training by local contractors to help get mandatory electrical and plumbing up to code.
- Educate residents about rehabilitation tax credits (local, state, federal).

FINANCIAL COUNSELING FOR MODERATE INCOME PEOPLE:

- Provide financial counseling to help people keep control of their finances to begin with by making modest choices.
- Provide debt counseling.
- Provide credit counseling.
- Streamline approval process.
- Provide homeownership counseling to continue after the home purchase.
- Provide regional credit counseling and financial management staff.

SPECIFIC TO LEXINGTON:

- Put all W&L students into dorms or fraternities.
- Restrict zoning changes that diminish housing – i.e., the businesses buying houses in the Diamond Hill area, moving business in, renting apartment, turning yards into parking lots.
- Try to enable Threshold to count your 1st job as your qualifying amount - secondary jobs (to have down payment) actually put you over and disqualify you.

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