AFFORDABLE HOUSING FOR LOW-INCOME SENIORS IN THE FREDERICKSBURG AREA

STUDY COMMITTEE REPORT

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INTRODUCTION

For the last 18 months, the Fredericksburg League of Women Voters (covering Virginia Planning District 16 which includes Caroline, King George, Spotsylvania, and Stafford Counties, and Fredericksburg City) has examined the local situation as it relates to affordable housing, specifically affordable housing for low income senior residents. While it is well documented that in our area there is a lack of affordable and accessible housing for residents with limited income or other financial resources, it is not as clear how that same lack of affordable housing specifically impacts our senior residents. This report looks at the most recent available data, reviews existing housing-support programs and incentives at the federal, state, and local levels and evaluates how well these programs are meeting existing housing needs. As part of that discussion, we have identified challenges and barriers low-income seniors may face as they search for affordable housing.

Our summary and conclusions lead us to a series of recommendations - principally for local government action - that will be presented to our League's members to enable them us to reach consensus about the official positions we intend to adopt. These positions will be used to help influence our local legislators and other leaders in the effort to ensure that all low-income seniors are able to live in safe, healthy, and affordable homes.

This report is organized into the following sections:

I. Defining the Problem
II. Current Programs Addressing Affordable Housing Needs for Seniors
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I. DEFINING THE PROBLEM

For the purpose of this study, we use the following definitions for "affordable" housing as developed by the U.S. Department of Housing and Urban Development (HUD).

- **Affordable housing** is housing (e.g., a house or apartment) where the occupying household spends less than 30% of their gross income on housing related costs. This includes not only a mortgage payment or rent payment, as applicable, but also all other housing related costs passed on to the occupying household. This could include real estate taxes, fees, utilities, and maintenance costs.

- When a household spends more than 30% of its income on housing, it is classified as **housing cost-burdened**. Under these circumstances, the household may find it necessary to cut back on items or services that might otherwise be considered necessities (e.g., food, medicine, medical care, or transportation) or put off basic expenditures to keep the residence in good repair. In some instances, households may find it necessary to spend up to 50% of their income on housing related expenses.

- When a household spends more than 50% of its income on housing related costs, it is classified as **severely housing cost-burdened**. Under these circumstances, the cutbacks could become more severe, to the point of threatening health or even life.

According to the American Community Survey, published by the U.S. Census, Virginia's Planning District 16 (PD 16) has an estimated 7,100 senior households (i.e., includes a 65+ year old householder) that are classified as housing cost burdened. Data on those that are severely housing cost- burdened is difficult to ascertain, but based on percentage estimates computed from U.S. data by the Joint Center on Housing Studies at Harvard University, 16% of senior households are severely housing cost-burdened nationwide. If such an estimate holds true for our area, roughly 3,500 senior households in Planning District 16 are severely housing cost-burdened.

<u>Current Senior Populations</u>

A breakdown of the housing cost-burdened senior households by jurisdiction is provided in Table 1. It indicates that:

- The Fredericksburg City population has the largest percentage of housing cost-burdened senior households (42%);
- 32% of senior households in all of PD 16 are housing cost-burdened;
- By county, Spotsylvania has the largest number of housing cost-burdened senior households followed by Stafford.

Table 1. HOUSING COST-BURDENED SENIOR HOUSEHOLDS IN PD 16

Jurisdiction	Senior Households		
	Total	Number cost burdened	% cost burdened
City of Fredericksburg	1768	743	42
Stafford County	6766	1926	28
Spotsylvania County	9090	3110	34
Caroline County	2685	785	29
King George County	1779	533	30
Total	22088	7097	32

Source: U.S. Census Bureau, 2012-2016 American Community Survey, 5-Year Estimates.

Table 2 provides a breakdown of housing cost-burdened senior households by residence type. More than 71% of all housing cost-burdened senior households throughout the region are homeowners (i.e., 5048 homeowners vs. 2049 renters). Looking only at homeowners (vs. renters), 27% are housing cost-burdened.

Table 2. HOUSING COST-BURDENED SENIOR HOUSEHOLDS BY RESIDENCE TYPE

Jurisdiction	Renters			Home Owners		
	Total	Number Burdened	%	Total	Number Burdened	%
City of Fredericksburg	744	446	60	1024	297	29
Stafford County	755	483	64	6011	1443	24
Spotsylvania County	1449	971	67	7641	2139	28
Caroline County	261	74	28	2424	711	29
King George County	212	75	35	1567	458	29
Total	3421	2049	60	18667	5048	27

Source: U.S. Census Bureau, 2012-2016 American Community Survey, 5-Year Estimates.

The fact that fewer owners than renters are cost-burdened may reflect a variety of factors. First, many seniors have likely paid off their mortgage and have to pay only maintenance, utility, and tax expenses. Second, even if senior homeowners are still paying off a mortgage that was obtained years ago, they are very likely to have purchased a house that cost significantly less than current house prices, providing equity value upon which they can draw if necessary. In addition, fixed mortgage payments typical of older mortgages do not inflate as quickly over time as monthly rent payments. Long term ownership of a home with a fixed rate mortgage provides some expense stability that may help prevent low income seniors from facing rapidly increasing housing costs.

It has been argued that the numbers included in Table 2 may not accurately represent real life conditions and that individuals counted in these categories may be spending more than 30% of their gross income on housing but are not cost-burdened. One example is given that a senior household making several hundred thousand dollars per year from investments and retirement accounts may be able to spend more than 30% of their income on housing without being burdened. Census Bureau data strongly suggests this is not the case. The median income of senior households in our area by type of household (single or non-single) is shown in Table 3.

Households comprised of a single senior female, which represent 5,793 of the senior households in PD 16, have median incomes ranging from $22,471 in Caroline County to $32,893 in King George County. Households comprised of a single senior male, which represent 2141 households in our region, have median annual incomes ranging from $25,394 in Caroline County to $55,759 in the City of Fredericksburg. Other types of senior households (e.g., senior couples), which represent 14,165 households in our region, have median annual incomes ranging from $50,674 in Caroline County to $77,042 in Stafford County. Based on salary information, it is clear that most seniors living in PD 16 do not enjoy an income level that easily supports current high housing costs.

Table 3. MEDIAN ANNUAL INCOMES FOR SENIOR HOUSEHOLDS IN PD 16 BY HOUSEHOLD TYPE

Jurisdiction	Single Male Household, 65+		Single Female Household, 65+		Other Senior Households	
	Number	Median Income	Number	Median Income	Number	Median Income
City of Fredericksburg	327	$55,759	711	$23,698	741	$67,337
Stafford County	488	$40,952	1577	$30,799	4701	$77,042
Spotsylvania County	862	$35,888	2307	$28,710	5921	$67,029
Caroline County	227	$25,394	775	$22,471	1683	$50,674
King George County	237	$42,708	423	$32,893	1119	$67,881
Total	2141		5793		14165	

Source: U.S. Census Bureau, 2012-2016 American Community Survey, 5-Year Estimates

It is possible to calculate the average housing cost that would be affordable for each of these household types in the jurisdiction where they live (see Table 4). To avoid being cost-burdened, a senior female living alone with a median income can afford between $562 and $822 in housing costs, which include utilities, taxes, and maintenance where appropriate. Senior males living alone with a median income for their jurisdictional area can afford between $635 and $1394 per month. Finally, seniors living in non-single households with a median income in their jurisdiction can afford between $1267 and $1926 per month.

Table 4. MEDIAN AFFORDABLE HOUSING COSTS FOR SENIOR HOUSEHOLDS BY JURISDICTION AND HOUSEHOLD TYPE

Jurisdiction	Single Male Household, 65+		Single Female Household, 65+		Other Senior Households	
	Median Annual Income	Affordable Monthly Housing Cost	Median Annual Income	Affordable Monthly Housing Cost	Median Annual Income	Affordable Monthly Housing Cost
City of Fredericksburg	$ 55,759	$ 1,394	$ 23,698	$ 592	$ 67,337	$ 1,683
Stafford County	$ 40,952	$ 1,024	$ 30,799	$ 770	$ 77,042	$ 1,926
Spotsylvania County	$ 35,888	$ 897	$ 28,710	$ 718	$ 67,029	$ 1,676
Caroline County	$ 25,394	$ 635	$ 22,471	$ 562	$ 50,674	$ 1,267
King George County	$ 42,708	$ 1,068	$ 32,893	$ 822	$ 67,881	$ 1,697

Source: U.S. Census Bureau, 2012-2016 American Community Survey, 5-Year Estimates.

Table 5 provides a picture of the median housing costs for each jurisdiction by housing type. As one might expect, the data show that owning a home without a mortgage is the least expensive housing available. However, if one looks at these data along with that in Table 4, it becomes apparent that for senior females in the area, a mortgage-free home is likely the *only* affordable means of living alone. Homes without a mortgage are the only option shown in these data to be affordable when compared to a single female's calculated 30% of income limit for housing. Note that the median affordable housing cost for senior females is less than the median housing cost for single males and all other senior living configurations. Clearly, there is a range of available housing costs for each category, but finding affordable options becomes less likely as the median costs increase.

Table 5. MEDIAN MONTHLY HOUSING COSTS BY TYPE AND JURISDICTION

Jurisdiction	**Own Home with Mortgage**	**Own Home without Mortgage**	**Zero bedroom rental**	**One bedroom rental**	**Two bedroom rental**
City of Fredericksburg	$1,846	$480	$784	$922	$1,119
Stafford County	$2,066	$514	$1,160	$1,093	$1,255
Spotsylvania County	$1,671	$452	$1,362	$1,032	$1,198
Caroline County	$1,437	$379	$677	$759	$826
King George County	$1,864	$482	--	$802	$960

Source: U.S. Census Bureau, 2012-2016 American Community Survey, 5-Year Estimates.

The data in Tables 4 and 5 suggest that seniors *not* living alone are most likely to find affordable housing in PD 16 except under non-typical circumstances. The median annual income for these households is within a few hundred dollars per month of the median housing costs for all housing types.

The ability of a senior male living alone to find affordable housing is moderate. His median annual income is likely to be great enough to live comfortably in an owned home without a mortgage or in a zero or one-bedroom rental in any of the jurisdictions. He may have difficulty, however, finding an affordable home to buy with a mortgage or a larger rental unit.

It is evident that a significant senior population exists in PD 16 that has difficulty finding affordable housing at this time. It appears that there are nearly 7,100 senior households that are housing cost-burdened (i.e., spending more than 30% of household income for housing related costs) and nearly 3,500 senior households that are severely housing cost-burdened (i.e., spending more than 50% of household income on housing related costs).

<u>Future Senior Population Projections</u>

The data seems to demonstrate that there is a substantial affordable housing problem facing our area today. If current trends continue, the situation is likely to worsen over time.
The U.S. Census Bureau projects that by 2030, the 65+ population will exceed 74 million, an increase of 55% from 2015. By 2060, it projects that the 65+ population will exceed 98 million, a 102% increase from 2015. Housing affordability for low-income seniors, therefore, is likely to become more severe in future years unless forthcoming generations are more prepared for their senior years.

Looking into the future of household income for today's seniors versus the household income of the next generation of seniors, Table 6 provides a partial listing of the annual household income for households aged 65+ and households aged 46 to 64. The number of households aged 65+ are shown with annual incomes between $0 and $39,999. The number of households aged 45-64 years old are shown with annual incomes between $0 and $59,999. The extension to an income of $59,999 for the 45-64 year old group was made because published studies suggest that retirement income for households is typically between 50% and 75% of pre-retirement income. Therefore, households making $60,000 per year in pre-retirement will likely have an income of approximately $30,000 - $45,000 per year after retirement.

Table 6 shows that today there are 7,999 senior households in PD 16 with annual household incomes ranging from $0 to $40,000 per year. In twenty years, it is projected that there will be roughly 12,312 current households that will be in the 65+ category and have household incomes between $0 and $40,000 per year (assuming that upon retirement, those households will earn approximately 60 percent of their pre-retirement income).

This suggests a 54% increase in housing cost-burdened senior households in our area twenty years from now. This assumption is based upon no growth in area population over the next 20 years and that the survivors in the current 65+ group will equal the loss of members of the 46 to 64 group. It also assumes that the economic conditions of households in twenty years will be about the same as today.

Significant population growth or deterioration in the area's economy could easily increase the change in housing cost- burdened senior households well beyond 54% in twenty years. Conversely, a substantial loss of area senior population or considerable improvement in the local economy potentially could decrease the number of disadvantaged senior households over the next twenty years.

Table 6. NUMBER OF HOUSEHOLDS IN AREA WITH LOW TO SEVERELY-LOW ANNUAL INCOME IN 2016 BY AGE GROUP.

Annual Household Income/ Age Group	City of Fredericksburg	Stafford County	Spotsylvania County	Caroline County	King George County	Total
Less than $10,000						
65+	79	237	419	174	33	942
45 to 64	305	297	502	269	101	1474
$10,000 to $14,999						
65+	225	166	419	142	130	1082
45 to 64	77	185	317	92	78	749
$15,000 to $19,999						
65+	119	374	384	265	43	1185
45 to 64	107	420	306	61	53	947
$20,000 to $24,999						
65+	121	204	489	165	126	1105
45 to 64	103	280	316	104	43	846
$25,000 to $29,999						
65+	38	401	606	240	142	1427
45 to 64	102	313	476	179	76	1146
$30,000 to $34,999						
65+	111	320	396	135	92	1054
45 to 64	162	342	379	254	57	1194
$35,000 to $39,999						
65+	41	368	505	206	84	1204
45 to 64	128	373	362	261	74	1198
$40,000 to $49,999						
45 to 64	87	477	732	214	102	1612
$50,000 to $59,999						
45 to 64	232	919	1,268	560	167	3146
TOTAL(<$40K retirement income)						
65+	734	2070	3218	1327	650	**7999**
45 to 64 (65+ in 20 yrs)	1303	3606	4658	1994	751	**12312**

Source: 2012-2016 American Community Survey 5-year estimate.

The projected increase of 54% in housing cost burdened senior households in PD 16 over the next twenty years is consistent with national projections by the Joint Center for Housing Studies at Harvard University. It projected the growth in all severely cost-burdened renters throughout the United States from 2015 until 2025. It also projected an increase of between 30.4% and 62% for senior renters over that ten year period. At the same time, the study projected income changes from a best case scenario where increases in income (3.0% per year) exceeded the increase in rents (2% per year), to a worst case scenario where rents increased faster than incomes (3% per year rent increase and 2% per year income increase).

Assuming that national estimates are reflected in PD 16, an even greater need for lower-cost housing for seniors -- especially single female seniors -- appears likely during the next twenty years. Based on data from our area on the current population and income distribution by age, the number of senior households with earnings of less than $40,000 will likely increase by approximately the same 54% as is projected for the rest of the country.

II. CURRENT PROGRAMS ADDRESSING AFFORDABLE HOUSING NEEDS FOR SENIORS

Providing affordable housing for lower income households, including seniors, is not a new topic. Since the Great Depression, Federal, state and local programs have been developed over time to help provide affordable housing for economically disadvantaged households.

Even though the United States currently has numerous affordable housing programs under various statutes, a shortage of affordable housing for low income seniors remains and is likely to increase. Most of the existing affordable housing programs do not appear to be fully meeting current and projected needs. Many of those that were enacted to subsidize housing costs for the most disadvantaged households are not accepting any new households into the programs. Other programs may be producing “affordable” housing but not necessarily for extremely low and very low income families.

In the following sections, Federal, State, and local programs that could have an impact on affordable housing for low income senior households are outlined. Some were designed specifically for senior households.

A. Federal Programs

Over the decades the federal government funded a number of different supportive programs. These programs are administered primarily by the Internal Revenue Service (IRS), U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Agriculture (USDA). While low-income seniors are eligible for most of the programs, very few are specifically designated for very-low income elderly individuals. Key programs are summarized below.

Internal Revenue Service (IRS) Low-Income Housing Tax Credit (LIHTC)

The IRS' Low Income Housing Tax Credit (LIHTC) program is the most widely available program for developers to build affordable housing for individuals and families. Investors receive federal tax credits which can be directly subtracted from their annual federal income taxes. This permits developers to finance a project at almost zero interest, resulting in making the project much less expensive to develop and build, particularly when the income from the tax credits is combined with other sources of public financing. It is expected that the cost of owning or renting these homes will be lower than the general market rates.

The City of Fredericksburg currently includes numerous projects that used the LIHTC as one part of their financing package. These are:

- Townsend Square
- Madonna House
- Crestview
- Riverside Manor
- Wicklow Square
- Forest Village
- Weston Circle
- Mill Park Terrace
- Hazel Hill
- Colonial Heights

In reality, the rent charged at some of these projects is not necessarily affordable to low-income renters. Under the program, some of the apartments within the project must rent at a price of roughly 50--60% of the average median income (AMI) for the metropolitan area in which the project is located. Fredericksburg and most of the surrounding counties is classified by the U.S. Department of Housing and Urban Development (HUD) as part of the Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area. This means that the average median income takes into account the annual income of the families residing within the northern Virginia suburbs of Washington, DC. As a result, the AMI for a family of four residing in any of the covered jurisdictions - including Fredericksburg and most of the surrounding counties - is set at $117,200 per year. For a family of two the AMI is $93,800 per year. As a result, the corresponding target rent under this program for a two-bedroom apartment is $1318 to $1582 per month, and for a one-bedroom apartment, it is $1099 to $1319 per month.

In contrast, the annual medium household income in the City of Fredericksburg is estimated at $53,980 per year by the 2012-2016 U.S. Census American Community Survey 5-year estimates. Using the 30% rule for affordability, an affordable rent for the *average* household in Fredericksburg is $1350 per month (including utilities). An affordable rent for a *low income* household with an income of 50% of the AMI for the city is $675 per month (including utilities).

This clustering of most jurisdictions in our area with the wealthier Virginia cities and counties to our north results in a very small number of rental units being built using the LIHTC program that are affordable to low-income families and individuals.

Only Caroline County is classified within the Richmond HUD Metro FMR Area, which results in an AMI for Caroline County low-income residents of $83,000. Such an income would translate to a monthly rental of approximately $2045. To be affordable, rents need to be subsidized. There are two LIHTC-funded rental complexes in Bowling Green with 32 units in the first, and 56 units in the second.

HUD Supportive Housing for the Elderly (Section 202)

The Housing Act of 1959 created the Supportive Housing for the Elderly program, which has two components. The first is a capital advance to develop rental housing through new construction, rehabilitation, or acquisition. Capital advance funds bear no interest and repayment is not required as long as the housing remains available for the intended, low-income seniors for at least 40 years. Private nonprofit organizations may apply to develop Section 202 projects. The organizations must contribute a minimum capital investment of 0.5 percent of the amount that HUD advances. Eligible residents must be at least 62 years of age and of *very low* income (i.e., less than 50% of AMI).

The second component of Sec. 202 is a rental assistance fund. This fund makes up the difference between the HUD-approved operating expenses of the development and the amount of rent the resident pays (30% of adjusted income). These funds may also be used by the nonprofit organization to hire a service coordinator and pay for supportive services (e.g., emergency repair contractors).

This area has only one apartment complex that was built under the Section 202 program and which continues to be supported under the program. Mill Park Terrace Apartments in the City of Fredericksburg also used the LITTC program for some of its construction costs. It has 128 senior apartments. According to information from its service coordinator, there is a waiting list of roughly 150 seniors seeking an apartment at any one time. The coordinator has estimated that the typical waiting time to rent an apartment at Mill Park Terrace is two or more years.

HUD has stopped providing funding for capital advances to develop new housing under Sec. 202, so it does not appear likely that this area will get any additional Section 202 - assisted apartment complexes. HUD continues to provide project rental assistance funding for Mill Park Terrace.

HUD Housing Choice Voucher Program (Section 8)

The Housing Choice Voucher Program, also known as the Section 8 voucher program, is the primary HUD program for providing rental assistance to *very low* income families, including the disabled, and the elderly. The vouchers received under this program may be used to subsidize rent at any single-family home, townhouse or apartment whose owner accepts a Section 8 voucher.

This program is administered locally by public housing agencies that receive HUD funding. In the Fredericksburg area, Section 8 vouchers are managed by the Central Virginia Regional Housing Coalition.

Under this program, HUD pays the property owner the difference between what the resident can afford to pay for rent and the actual rent for the unit. Eligibility for a voucher is based upon the family's total gross income and size. A family's income may not exceed 50% of the median income for the metropolitan area in which the unit is located. Because most of the Fredericksburg area is considered by the federal government to be within the Northern Virginia housing market, with its higher median incomes and rents, it results in significantly higher rents at any apartment complexes in our region that might otherwise be affordable to persons seeking to use a Section 8 voucher.

A person or family with a housing voucher must pay 30% of their monthly adjusted gross income for rent and utilities, and if the unit rent is greater than the payment standard, the renter is required to pay the additional amount. Currently, the Central Virginia Regional Housing Coalition is not accepting new applications for Section 8 vouchers even if a family qualifies in terms of income.

HUD Self-Help Ownership Opportunity Program (SHOP)

The Self-Help Homeownership Opportunity Program (SHOP) is a HUD program designed to help people with lower incomes to own a home. Under this program, HUD awards grant funds to eligible national and regional non-profit organizations to purchase home sites and develop or improve the infrastructure for new or rehabilitated housing. At the same time, the homebuyers must be willing to contribute significant amounts of their own sweat equity toward the construction or rehabilitation of their home.

To apply for SHOP grants, organizations must have experience in using homebuyer and volunteer labor to build housing and must have completed at least 30 units of self-help homeownership housing within the last 24 months. SHOP grant funds are made available through HUD's annual SHOP NOFA competition. Eligible homebuyers must apply to participate in the SHOP program through a current SHOP grantee or one of their affiliates.

HUD Home Investments Partnership Program (HOME)

The HOME Program administered by HUD provides grants to states and units of local government for a variety of housing activities, according to local housing needs. Eligible uses of funds include tenant rental assistance, housing rehabilitation, assistance to homebuyers, and new construction of housing. HOME funding may also be used for site acquisition, site improvements, demolition, relocation, and other necessary and reasonable activities related to the development of non-luxury housing. Funds may not be used for public housing or for Section 8 tenant rent subsidies.

All housing developed with HOME funds must serve low- and very low-income families and individuals. For rental housing, at least 90 percent of the families benefited must have incomes at or below 60 percent of the area median income; the remaining 10 percent of the families benefited must have incomes at or below 80 percent of area median income. For home ownership, assistance must be to families with incomes at or below 80 percent of the area median income.

Each year, HUD publishes the applicable HOME rent limits by area, adjusted for bedroom size. For projects with five or more HOME assisted rental units, 20 percent of the units must be rented to very low-income families.

Eligibility is limited to states, cities, urban counties, and consortia (contiguous units of local governments with a binding agreement). Participating jurisdictions must provide a 25 percent match of their HOME funds. Participating jurisdictions must also set aside at least 15 percent of their allocations for housing to be owned, developed, or sponsored by community housing development organizations.

HOME funds are allocated using a formula designed to reflect relative housing need. Forty percent of the funds are allocated to states, and 60 percent is allocated to units of local government. Virginia receives at least $3 million per year.

Large local jurisdictions that are eligible for at least $500,000 in direct funding also can receive an allocation from the state. Smaller population communities like Fredericksburg and/or its surrounding counties that do not qualify for an individual allocation under the formula can team up with one or more neighboring counties to form a consortium whose members' combined allocation would meet the threshold for direct funding.

The City of Fredericksburg could separately participate in HOME by applying for program funds made available by Virginia, but it would have to compete with other lower population jurisdictions within the state.

HUD Public Housing

HUD provides federal aid to local housing agencies (HAs) that manage public housing units for low-income residents. Public housing is limited to low-income families and individuals. Eligibility is based on annual gross income and status as elderly, as a person with a disability, or as a family, as well as on citizenship or immigration status.

HA’s use the same income limits set by HUD for most other HUD programs -- the low income limits at 80% and very-low income limits at 50% of the median income for the county or metropolitan area in which the housing is located. At this time there are no local housing agencies in PD 16 that manage public housing units.

USDA Housing Direct Loans

The U.S. Department of Agriculture operates programs for affordable housing projects in rural areas, as designated by each state's USDA Rural Development office. The Multi-Family Housing Direct Loan program provides competitive-priced financing for developers of affordable multi-family housing for low-income, elderly, or disabled individuals and families. Developers, including private and non-profit organizations, are eligible to apply for purchase, improvement and construction loans if they cannot obtain commercial credit that would allow them to charge rents that are affordable. Applications are accepted on an annual basis.

Other USDA housing programs include:

- single family low-interest loans
- fixed rate direct home loans and guarantees
- single family housing repair loans and grants, and
- competitive grants to public and private non-profit Self-Help Housing organizations and Federally Recognized Tribes to be used by families to build their own homes

The City of Fredericksburg, Stafford County, and the urban portion of Spotsylvania County do not qualify for USDA's housing programs, but King George, Caroline, and the rural portions of Spotsylvania are eligible.

National Housing Trust Fund (HTF)

The National Housing Trust Fund (HTF) is a fund created by the Housing and Economic Recovery Act of 2008. The purpose of the HTF is to help provide for the construction and preservation of housing, principally rental units, for *extremely low-income households* (i.e., households with incomes less than 30% of the area AMI). To a lesser extent, HTF also supports homeowner housing, for *very low-income households* (i.e., households with incomes between 30% and 50% of the area AMI).

Unlike other federal housing assistance programs, the HTF has a dedicated funding source. Freddie Mae and Freddie Mac are assessed 0.042% of their total business volume for various federal programs. Sixty five percent of the total assessment goes to the HTF.

HUD administers the funds by providing annual general purpose grants to states based on population (“block grants”) to the states and U.S. possessions after approval of their spending plans. A State must use at least 80% of each annual grant for rental housing. Up to 10% may be used for homeownership, and up to 10% may be used for the grantee's reasonable administrative and planning costs.

The HTF funds may be used for the production or preservation of affordable housing through the acquisition, new construction, reconstruction, and/or rehabilitation of non-luxury housing with suitable amenities. Eligible activities and expenses include:

- Real property acquisition
- Site improvements and development hard costs
- Related soft costs
- Demolition
- Financing costs
- Relocation assistance
- Operating cost assistance for rental housing, and
- Reasonable administrative and planning costs

All HTF-assisted units are required to have a minimum affordability period of 30 years. Eligible forms of assistance include:

- Equity investments
- Interest-bearing loans or advances
- Non-interest bearing loans or advances
- Interest subsidies
- Deferred payment loans
- Grants, and
- Other forms of assistance approved by HUD.

The first allocation of HTF funds was made in 2016; Virginia received $3,139,830. In 2017, Virginia was allocated $4,672,562, and in 2018, the state distribution was identical to 2017. Local governments must compete for the funding by filing proposed projects or programs with the Virginia Department of Housing and Community Development.

As a relatively new program, HTF is yet to be widely utilized in Virginia.

B. Virginia State Programs

There are a variety of programs administered within Virginia that focus on supporting residents' ability to locate and use affordable, accessible, and acceptable housing. The most prominent are discussed below.

<u>Virginia Housing Development Authority (VHDA)</u>

VHDA is a self-supporting, not-for-profit organization created by the Commonwealth of Virginia that is designed to help Virginians attain affordable housing. VHDA provides mortgages, primarily for first-time homebuyers and developers of quality rental housing. VHDA uses no state taxpayer dollars but raises money in the capital markets to fund loans. It also teaches free homeownership classes and helps people with disabilities and the elderly make their homes more livable. VHDA works with lenders, developers, local governments, community service organizations and others.

VHDA has many different programs to help individuals buy or rent an appropriate home. To qualify for a VHDA loan, an applicant must demonstrate credit worthiness and have both a stable income and adequate funds for a down payment and other purchase costs. By definition, this requirement may effectively exclude those in the very or extremely low-income levels. To obtain a loan, the applicant must be a first time homebuyer (unless the purchase is for a home in an Area of Economic Opportunity), and intend to live in the residence – it may not be used for a trade or business. The VHDA loan program requires applicants to complete the VHDA's Homeownership Education Class. .

The Housing Choice Voucher Program helps provide affordable housing to very low- and low-income individuals and families, including people with disabilities and senior citizens. Vouchers are distributed through VHDA in partnership with local housing agency partners and allow qualifying prospective tenants to select from a wide range of housing options. In Planning District 16, the voucher program is administered by the Central Virginia Housing Coalition.

The tenants pay the landlord a percentage of their monthly income, with the voucher subsidizing the remainder. A rental unit qualifies for subsidy only if it is in decent, safe, and sanitary condition as defined by program Housing Quality Standards. A unit may include single family homes, apartments, or mobile homes.

VHDA also has some "accessibility grants" available through the Rental Unit Accessibility Modification (RUAM) program. These grants are for modifications that would improve daily living for persons with disabilities. While fair housing laws generally permit modifications, tenants typically bear the cost of having the modifications made. Grants of up to $4,000 per rental unit are available to qualified tenants who earn 80% or less of the area median income based on HUD guidelines.

Department of Housing and Community Development (DHCD)

The VA Department of Housing and Community Development invests more than $100 million each year into housing and community development projects throughout the state - the majority of which are designed to help low- income to moderate-income citizens. Programs and partnerships are designed to support economic development, revitalization, infrastructure improvements, housing, and other community issues. DHCD programs generally fall into four categories:

- housing finance services,
- housing preservation,
- community infrastructure development, and
- shelter services.

Examples include: down payment assistance (DPA); gap financing to support production of affordable housing; preservation and rehabilitation support for existing affordable housing stock; Virginia Community Development Block Grant (VCDBG); grant assistance to homeless shelters; and support for child care and services for children from homeless families. The DHCD also administers the National Housing Trust Fund (see below). Direct shelter and child care services will not be discussed here.

Among finance services, the Down Payment Assistance (DPA) program provides flexible gap financing for first-time homebuyers with household incomes at or below 80% of the Area Median Income (AMI) to purchase homes that are safe, decent and accessible. Home buyers access funds through local DPA provider agencies that are selected by the state through a competitive application process.

There is considerable flexibility in the type of home, including condos and manufactured homes that can be purchased under the program. Houses purchased under the DPA must pass a Uniform Physical Condition Standards inspections, and a visual paint Assessment by a certified lead inspector if built before 1978. The DHCD grants require that the buyer completes a homebuyer education counseling course.

Housing and associated costs cannot exceed 95% of the area median home sales price as established by HUD. The homebuyer must provide 1% of the sales price from their personal income, or a contribution of $500 if their income is below 50% of AMI.

DHCD housing preservation programs generally emphasize development and modification of housing rather than direct support of the owner or renter. A preservation grant requires some long term guarantee of access to permanent utility hook-up and must be located on land that is owned by the participant or leased for a period at least equal to the affordability period.

Comprehensive community development assistance is available through the Virginia Community Development Block Grant (VCDBG) program in non-urban parts of the state. This federally funded program provides grants to eligible units of local government for projects that address critical community needs, including housing, infrastructure, economic development and telecommunications.

The DHCD also administers the funding from National Housing Trust Fund (HTF) that is allocated to the state (see Federal Program section). The DHCD allocates these funds competitively through its annual "Affordable and Special Needs Housing" application process. Non-profits propose projects making use of the funds in various jurisdictions throughout the state and the DHCD selects the most beneficial. The projects must relate to affordable rental properties for **extremely low-income households**. The funds are provided as low interest loans for construction or rehabilitation.

Virginia Housing Trust Fund

The Virginia Housing Trust Fund was established in 2013. The trust fund receives funds as appropriated by the General Assembly from the general fund of the Commonwealth of Virginia. In the most recent biennium budget, this fund is to receive $5.5 million in 2018 and 2019.

At least 80% of the fund is to be used for short, medium, and long-term loans to reduce the cost of homeownership and rental housing. Up to 20% of the fund may be used to provide grants for targeted efforts to reduce homelessness.

The Virginia Department of Housing and Community Development (DHCD) administers distribution of the funds along with the Virginia Housing Development Authority (VHDA). The 80% that is earmarked for reducing the cost of homeownership and rental housing is included in the semi-annual “Affordable and Special Needs Housing” application process and distributed according to the benefits determined for the various projects (see above).

C. Planning District 16 Affordable Housing Programs and Policies

There are also are a number of locally operated programs, policies and incentives to help low income residents obtain or retain affordable housing. Some key local approaches are described below.

PROGRAMS

Tax relief

State law allows local jurisdictions to provide real estate tax relief for seniors (65 and older) and the disabled, but the requirements and amount of tax relief differ from one jurisdiction to the next.

In *Fredericksburg*, tax relief is provided if (1) the home is the sole dwelling of the owner; (2) income from all sources does not exceed $50,000; and (3) the total net worth of the owner(s) is less than $200,000. The value of the house and lot are not included in the net worth.

Stafford County provides several programs. Full tax relief (up to $3000) is provided to seniors whose total income is less than $35,000 and whose total net worth is $200,000 or less. Partial relief at 50% is provided to seniors whose income is between $35,001 and $40,000 and whose net worth is no more than $200,000. Fifty percent relief is also provided to seniors whose income is $30,000 or less and whose net worth is no more than $400,000. These programs apply only to the applicant's home and one acre of land. The maximum tax relief is $3000.

Spotsylvania County provides relief to those who meet the following criteria: Income of $50,000 or less; net worth less than $200,000 (excluding home and up to 10 acres); and applicants reside in Spotsylvania County at the exempted home. Up to $1200 in taxes can be exempted under this program.

King George County provides tax relief to those that meet the following criteria: the combined gross income of the household is not greater than $40,000 and the maximum amount of assets of the household does not exceed $60,000 excluding the dwelling and five acres of land. Under these circumstances, eligible residents will have their total property tax bill exempted.

Caroline County exempts up to $1000 in real estate taxes for seniors whose household income does not exceed $40,000 and net worth, excluding the house and land, is not more than $85,000.

Funds for House Repair and Accessibility

In all the jurisdictions, some funds are available for house repair and accessibility needs for low-income homeowners including seniors. In Stafford, Spotsylvania, Caroline and King George Counties, the state-funded Emergency Home and Accessibility Repair Program (EHARP) provides funds to low-income residents to remove urgent, emergency health and safety hazards. It also addresses physical accessibility barriers for low-income Virginians. The program provides funding to local administrators to undertake physical repairs that improve housing conditions. Eligible repairs can include plumbing, structural, electrical, roofing, as well as installation of wheelchair ramps and other accessibility modifications. Up to $4000 is available for applicants.

Healthy Generations, formerly known as the Rappahannock Area on Aging, previously was the local administrator of this program, but this year the program was transferred to the Caroline County Habitat for Humanity organization.

As an "entitlement community" based on need, Fredericksburg does not qualify for the EHARP program but instead receives a Community Development Block Grant (CDBG) from the Virginia Department of Housing and Urban Development (DHUD). This grant, which provides emergency funds for plumbing, electricity and roof repair, is open to all income-eligible homeowners (at or below 50% of the area median income). Loans are forgiven over five years at 20% of the loan each year. In the 2018-2019 fiscal year the City received approximately $186,000 from the CDBG, which funds home repair as well as other programs, including down payment assistance, removing architectural barriers, etc. Assistance can range from a few thousand dollars to $22,000, depending on need. The DHUD takes applications year-round and maintains a waiting list.

POLICIES

Land Use and Zoning Policies

Land use and zoning policies have the potential to provide incentives for producing or preserving housing for low-income households, including seniors. The ability of a city or county in Virginia to adopt zoning tools to control land use or provide incentives for expanded housing is constrained by state statute. Virginia is a "Dillion's Rule" state in which the legal authority of local governments is limited by what state statutes have "expressly granted" or "fairly implied" to the jurisdiction. If a Virginia jurisdiction is interested in regulating the use of property, such as requiring developers to set aside some rental apartments for low-income residents, it may be necessary to change state law to allow the city or county to exercise that specific authority. Some changes to local housing policies may be achieved by other means, such as city or county ordinances or voluntary incentive programs.

Occupancy Regulations and Potential Senior House Sharing

By using creative shared housing situations, seniors may be able to ensure that the cost of their total housing expense is affordable although some of these possibilities also may be limited by local occupancy regulations and other zoning policies.

In *Fredericksburg*, occupancy regulations in the zoning code place a limit of no more than three unrelated people living together as a family. The definition of "family" is "one person or two or more persons related by blood, adoption or marriage, living and cooking together as a single housekeeping unit, with no more than two boarders, or a group of not more than three unrelated persons living together as a single housekeeping unit." A larger group may share a residence only if they are identified in Sec. 15.2-2291 of the Code of Virginia (e.g., mental illness, intellectual disability, or developmental disabilities).

In a summary sheet that outlines occupancy restrictions, the City portrays overcrowding as the reason for limiting the size of households with unrelated residents. It refers to health studies that show risks from overcrowding (e.g., limiting children's exercise and play areas, reducing privacy, fatigue from routine household tasks, spread of infection and disease). According to conversations with local officials, it appears that the current restrictions were devised primarily to address overcrowding in housing rented to students.

For *King George and Caroline Counties*, there are no zoning regulations regarding who occupies a dwelling. Instead, the total number of people who may reside in a dwelling is based upon an adequate number of bedrooms and adequate drainage of the property. House sharing, therefore, is an alternative option in those counties.

In *Stafford County*, a group of up to 4 unrelated persons living and cooking together is permitted under the zoning code. The limitation on the number of unrelated persons does not apply to any of the residents who are handicapped. While not as flexible as the regulations in King George or Caroline Counties, Stafford County's requirements are more open to the option of house sharing for senior citizens.

Spotsylvania County has an identical residential occupancy ordinance to that in the City of Fredericksburg.

Accessory Dwelling Unit Regulations ("In-Law Suites")

Accessory dwelling unit is the legal designation for a private living area either within, attached to or on the same property as a house. These units are also often referred to as "in-law suites", "granny flats" or "carriage houses."

In *Fredericksburg*, current zoning laws allow accessory dwellings, but only when the accessory dwelling does not make the number of dwellings on the property exceed the existing zoning code. For example, if a property is zoned Residential-4, four dwellings are permitted per acre. Lots where an accessory dwelling could be permitted are very rare because most residentially-zoned areas in the city already have the maximum number of dwellings per acre. Developers generally sub-divide their property to take maximum advantage of the zoning limits so that they can build as many units as are allowed. As a result, particularly in the older city neighborhoods, "infill" building projects have reached the limits of the dwelling site maximums. The city council has recently, however, asked the zoning department to investigate how the rule might be relaxed to permit more accessory dwelling units in the future.

In *Stafford County*, accessory dwellings are permitted in areas zoned A-1 Agricultural, A-2 Rural Residential, and R-1 Suburban Residential. The dwellings are subject to the following regulations:

- An accessory dwelling shall not exceed twenty-five (25) percent of the total gross floor area of the principal dwelling unit.
- There shall be no more than one accessory dwelling per lot.
- When an accessory building is located in the principal dwelling, the entry to the unit and its design shall be such that the appearance of the building shall remain a one-family residence.
- An accessory dwelling shall have the same address as the principal dwelling,
- This term shall not include a carriage house.

In *Spotsylvania County*, "accessory apartments" are the only accessory dwellings permitted and are permitted only in mixed-use districts (MU-1 through MU-4). These units can be above a garage or elsewhere. They must be at lease 200 square feet and meet all property set-back limits. A discussion with the planning department indicates that no requests have been made for such units in the county.

Caroline County permits only a separate dwelling unit within a Rural Preservation District and they are termed "family apartments". These dwellings have several stringent restrictions, including the following:

- Units may not be occupied by more than three (3) persons, at least one of which must be the natural or adopted parent, grandparent, child, grandchild, brother, or sister of the owner and occupant of the single family residence on the same lot;

- Unit can contain no more than 1,000 square feet of living space, with a single bedroom
- No dwelling units other than the principal structure (a single-family dwelling) and only one such family apartment shall be located on a lot;
- When such a unit is no longer needed by a member of the immediate owner's family and the three (3) year period following the date it passes final inspection by the County Building Official has expired, the unit shall be considered a nonconforming use and as such can be rented to anyone.

In *King George County*, accessory dwellings are permitted only within the R-1 district (one dwelling per lot) by special exception and require at least two public hearings and approval by the board of supervisors. The accessory dwelling unit can be no larger than 800 square feet. Other restrictions include that the overall property continue to have the appearance of a single dwelling, and that if no public or well water or community sewer is available at the property, the overall lot size requirement for the single dwelling must be increased by at least 5,000 square feet.

D. Housing Support Options in Other Virginia Jurisdictions

There are some creative approaches being used in other areas of the state to address the problem of insufficient affordable housing. Several of these are described below.

__Donated Public Land__

Some local governments have made land available at reduced or no cost for affordable housing. Excess land can be owned by the city or county, a school district, a parks authority or other local entity and can be either vacant or underutilized. Both Arlington County and the City of Alexandria have programs that use public land for affordable housing.

__Faith-Based Development__

There are many houses of worship, some of which have valuable surplus land or underutilized areas on their property. All or part of such land might be sold or leased for the purpose of turning it into living space for low-income seniors. According to David Bowers, vice-president of the non-profit Enterprise Community Partners, as reported in the Washington Post, the Mid-Atlantic region has become a national leader in this area.

Such projects are typically a public-private partnership between the developer, the church, and city or county housing offices which assist with long-term loans. Arlington County and the City of Alexandria have both used this method to build low-income housing.

__Inclusionary Zoning/Density Bonus Offsets__

Inclusionary zoning is a set of mechanisms, both voluntary and mandatory, that are designed to address local policy goals. Local jurisdictions are allowed by state law to enact voluntary inclusionary zoning ordinances. Approximately 13 cities and counties in Virginia, including Fredericksburg City, have adopted inclusionary-type ordinances.

These types of ordinances cannot require developers to include affordable housing units in new projects unless the developer is compensated with some type of benefit in exchange for doing so. A benefit, such as allowing the developer to build the project with more units than would otherwise be permitted (a “density increase”) makes inclusionary zoning in most Virginia communities essentially a voluntary incentive. Jurisdictions in Planning District 16 can only encourage developers to include affordable housing in their projects by offering project incentives. These can include offering the developer the ability to construct at a higher density than the underlying zoning allows (e.g., allowing an 80-apartment complex where the underlying zoning allows only 60 apartments), or providing a faster project approval process than other developers are normally provided.

Some Virginia jurisdictions have obtained statutory authority from the General Assembly to adopt ordinances that can mandate developers to provide inclusionary zoning. None of the jurisdictions in Planning District 16 are in this category, so counties and the City of Fredericksburg have no authority to require that developers negotiate with them when new projects are planned. State legislation would have to be introduced and passed to give local governments in our area the ability to require inclusionary zoning.

Arlington County has an Affordable Housing Ordinance that gives developers additional density for a project if they include a certain number of affordable units or contribute to the county’s Affordable Housing Investment Fund. The City of Alexandria provides an incentive to build affordable housing units by providing a “bonus density” of up to 20 percent and a bonus height of up to 25 feet in exchange for affordable units or by making an equivalent contribution to the City’s Housing Trust Fund. The counties of Loudoun, Fairfax, Albermarle and Fairfax City and also have similar programs, although none of them appear to be reserved for low-income senior housing.

Local Housing Trust Fund

Local governments in Virginia have statutory authority to establish a local housing fund. The requirements are somewhat different for cities than for counties. Generally a local trust fund receives its revenues from a dedicated funding source - such as developer contributions, loan repayments and interest. It can be used to leverage private and public financing to develop and rehabilitate affordable housing projects. It can also be used as a match for federal HOME funds, homebuyer education and foreclosure prevention, and a variety of other local projects.

The City of Alexandria Housing Trust Fund is nearly 30 years old and has helped to create more than 260 units and over 150 rehabilitation and accessibility projects. It is overseen by an advisory committee, administered by the City’s Office of Housing and the disbursement of funds is authorized by the city council. The City of Richmond began a Housing Trust Fund in 2015-2016 with $2.2 million and attracted $78 million in private and public funds. As a result, 1100 families, seniors and previously homeless individuals now have safe, affordable housing. By the city's estimates, over 700 jobs have been created and more than $50 million in economic activity has been generated.

Affordable Housing Overlay Zone

Overlay zones are generally used to protect special features in a community such as historic buildings, wetlands, and waterfronts. Such zones are applied over one or more existing zoning districts and provide additional or stricter standards for properties inside the zone.
If authorized by Virginia statute, local jurisdictions can use an overlay district to require the development of affordable housing, particularly housing targeted at specific groups such as low-income seniors. Arlington County has established such zones to retain affordable housing in parts of the county that are proposed to be redeveloped. Rather than allowing a developer to demolish existing units and construct new units at higher densities charging market rates, the county requires the development to be built only if the old units are replaced on a one-for-one basis.

Reduced Parking Requirements

Another voluntary incentive for developers to set-aside units for low-income seniors in a housing development is a reduction of the number of parking spaces per unit, as would be required under current zoning. The City of Alexandria currently provides optional parking unit reductions to developers in exchange for an increased number of units set aside for low-income households.

Tax Increment Financing

Tax increment financing (TIF) is generally considered a source of revenue for economic development, but it also can be used to leverage the development of housing. A TIF anticipates future incremental tax revenues resulting from new development within a designated district and dedicates the projected revenues to finance bonds or to support community projects, including affordable housing. Both Arlington County and the City of Alexandria have utilized TIF-financed bonds to build affordable housing units.

Inventory of Naturally Occurring Affordable Housing

Existing rental properties that might be become unavailable to low-income seniors due to demolition, unaffordable rent increases condominium conversions, etc. may be unknown to the local government in the absence of a method of identifying them in advance. An interactive website, called the National Housing Preservation Database provides information on all available data on federally subsidized housing properties developed with nine distinct funding sources. Virginia also tracks housing units produced or preserved with federal subsidies.

Land Banks

Land banks are entities established by local ordinance to acquire, hold, and manage foreclosed and/or abandoned properties in their jurisdiction(s). These entities can be either governmental or nonprofit and can cover more than one jurisdiction. In Virginia, their establishment and operation are allowed for all local governments under the Land Bank Entities Act. Currently, none of the local jurisdictions that are the subject of this report have elected to establish land banks. However, they have the power to form one or more through a public hearing and the enactment of a local ordinance.

Land banks are designed to acquire and maintain problem properties in their jurisdictions and then transfer them back to responsible ownership and productive use in accordance with local land use goals and priorities, creating an efficient and effective system to eliminate blight.

In order to accomplish these tasks, land banks are not given the power of eminent domain, but are generally granted the ability to:

- Obtain property at low or no cost through the tax foreclosure process
- Hold land tax-free
- Clear title and/or extinguish back taxes
- Lease properties for temporary uses
- Negotiate sales based not only on the highest bid but also on the outcome that most closely aligns with community needs, such as workforce housing, a grocery store, or expanded recreational space

While all land banks exist to serve the same primary purpose of acquiring problem properties and returning them to productive use, they are quite diverse in their structure and operations. There are approximately 170 land banks and land banking programs in operation throughout the country (as of January 2018) but only one in Virginia (The City of Danville). They vary greatly in terms of the types of cities, regions, and economic conditions in which they operate, the size of their inventories, their staff capacity, their legal authorities, and their goals and programs.

Land banks are generally funded through a variety of sources, which may include revenue from the sale of properties, foundation grants, general fund appropriations from local and county governments, and federal and state grants. Several of the more successful land banks from around the country are capitalized by their local units of government either through yearly budget allocations or in-kind assistance such as shared staffing. A unique funding mechanism in the code for Virginia jurisdictions is the ability to return 50% of tax revenue from a property returned to productive use to the land bank entity for the first ten years.

III. **SUMMARY**

The problem of insufficient affordable housing in our local area is well known and documented. Statistical analyses by a variety of sources demonstrate that this problem extends to and includes low-income seniors, and the problem is expected to grow in the future. There are roughly 7,100 senior households in PD 16 that are housing cost-burdened at this time. Of those households, roughly 3,600 are severely housing cost burdened. These numbers are expected to increase more than 50% over the next 20 years, and more than double by 2060. This is an expanding problem that requires a well coordinated effort to ensure that all low-income seniors are able to live in homes that are affordable, accessible, decent, and safe.

While there are a number of different programs and incentives in place to address the problem of insufficient affordable housing, few of them are intended to specifically target the low-income senior population. Generally, most affordable housing programs focus on workforce housing, families with children or persons with disabilities. While low-income seniors may be included in each of these eligibility categories, they remain a relatively small but growing proportion of the total group, and their needs often do not attract much of the public's attention.

IV. CONCLUSIONS

Funding for existing federal and state programs has continued to decline in recent years while the cost of housing has continued to increase, particularly for retired seniors whose income is generally lower than when they were employed. While we strongly encourage our national and state League of Women Voters to continue their advocacy work to improve the affordable housing laws and policies at all levels of government, given current federal and state funding and program limitations identified in this report, it is evident to us that future progress must be addressed at the local government level. It is becoming increasingly necessary for our local governments to step into the gap and take a more prominent role in assuring that there are affordable housing options for low-income older residents. And it seems apparent that the problems must be addressed proactively now, before they grow beyond reach.

A number of actions present themselves as possible avenues for making positive change that will help ensure safe and affordable housing for low-income seniors in Planning District 16. While each may not be immediately possible, they all should be considered as part of a long term plan for improving the housing options for our area's growing low-income senior population.

- Cooperation between the counties and the City of Fredericksburg is crucial to providing more effective federal and state assistance to low-income seniors in PD 16. The combined populations could also help our area qualify for certain federal and state programs.

- More comprehensive and current information about the scope of the problem for low-income seniors in Planning District 16 is needed so that the City, its surrounding counties and the development community can fully understand the costs and benefits of adequate affordable housing for this growing population.

- Local zoning codes should be updated to allow innovative housing options for low-income seniors. For example, limitations on occupancy regulations may have the unintended consequences of restricting a group of low-income seniors from sharing a large house or apartment that might otherwise be too expensive for 1-3 unrelated individuals. In today's market, newer house construction generally includes four, five, or more bedrooms in one structure. If four or five seniors were allowed to rent such houses, it could result in not only affordable housing for all the residents but also create a residence with more social interaction and mutual assistance with aging issues.

- Accessory dwelling requirements may prevent aging parents to live close to their children and still have a private space. Converting a basement or garage to an accessory dwelling or constructing a "grannie flat" in the back yard would make that possible and financially beneficial to both parents and children. Similarly, many seniors' homes are bigger than they might want to take care of. Some might prefer to construct an accessory dwelling on their property and rent out the old, large home to a younger couple or family while they move to a newly-constructed accessory dwelling on the same lot. This would not only increase the stock of affordable housing for low-income seniors, but provide them with added income to be able to continue to afford living in the area. A senior individual or a couple in a grannie flat are unlikely to create an additional demand on parking since they may not drive or the size of the lot is likely to be large enough to accommodate an additional vehicle.

- The donation or reduced price of local government-owned land can be a no- or low-cost method for providing affordable housing without costing the public entity a large expenditure of public funds. The cost of development is reduced for builders and infrastructure improvements can be significantly less expensive. In addition, low income seniors living in apartments built on donated public land typically do not cost the local government substantial new expense since there is no need to build additional schools or parks to serve the residents.

- Houses of worship or not-for-profit organizations sometimes have unused or underutilized land that they could be interested in selling for low-income housing. Such organizations may be less concerned with getting the highest sale price, thereby reducing the cost of an affordable senior housing project to a non-profit developer.

- Sometimes affordable housing on the private market may be available to low-income seniors who have no easy way to access the information. While there is online data that tracks federal and state-funded housing properties, there is no similar regional inventory or "available housing" clearinghouse as a method to identify and track affordable units.

- Land banks are not a necessary entity in all jurisdictions, but in the right environment and with the right legal structure, a land bank can be a key tool for returning vacant and poorly maintained property to productive use, including the development of affordable housing for low-income seniors.

- Local Housing Trust Funds permit jurisdictions to move quickly and decisively when opportunities arise. They also are used by localities as leverage to obtain money from other sources such as the HUD HOME grants for affordable housing projects.

V. RECOMMENDATIONS

The Study Committee makes several recommendations for the League of Women Voters of Fredericksburg to consider in determining a position on ensuring affordable housing for low-income seniors in Planning District 16. If adopted, the recommendations would become the position of the League and the basis for advocacy directed toward local city and county elected officials, appointed planning officials and staff, as well as regional bodies. The recommendations were selected based upon several key factors:

- they can be accomplished without additional state legislative approval;
- they can be adopted by one or more local political jurisdictions in Planning District 16, either individually or jointly;
- they have the potential to increase the affordable housing options for low-income seniors in a relatively short period of time; and
- they are practicable and affordable.

Those recommendations are:

1. Amend local zoning ordinances to allow accessory dwellings on lots where they are currently prohibited.
2. Alter local occupancy restrictions so as to permit a greater number of unrelated seniors to occupy a residence.
3. Create a consortium of an adequate number of government jurisdictions in Planning District 16 to qualify for the federal HOME program in order to compete for the funds that are allocated to the Commonwealth, with the understanding that participating jurisdictions must provide a ¼th match of the HOME funds received.
4. Create a local Housing Trust Fund, composed of one or more government jurisdictions.
5. Create a land bank, when needed, to manage surplus housing supply.
6. Update the 2008 George Washington Regional Commission “Affordable Housing Task Force Mid-Year Report with current information and particular emphasis on the low-income senior population, both current and projected.

7. Create an “Affordable Housing Advisory Committee” for Planning District 16. A broadly representative community-wide effort is needed to help evaluate the proposals developed by the League of Women Voters of the Fredericksburg Area and other civic organizations. It can also help set priorities for action and work with the League in a coalition to advocate for solutions to the growing problems of affordable housing for low-income seniors.

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