Southside Regional and Local Housing Study

Technical Report

Prepared by

The Southside Planning District Commission

The Virginia Center for Housing Research at Virginia Tech

HousingForward Virginia

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Contents

Executive Summary

Housing demand is growing across the Southside Planning District Commission (PDC) region, composed of Brunswick, Halifax, and Mecklenburg counties. Business growth and economic development in each county is increasing the number of jobs available in the region, which is likely to sustain increases in housing demand. Increased demand is improving prices and rents in the market, but not without consequences. The region needs more housing investment to satisfy demand and realize its economic potential.

Increasing demand since 2015 has improved the health of the housing market throughout the region, but in some localities, demand has surpassed supply. For example, the Town of South Boston has an extremely competitive rental market, pushing up rents and excluding some workers. Even in places where overall supply and demand are balanced, housing gaps still require additional development to respond to specific demand segments:

- Rental housing and homeownership opportunities for low- and mid-wage workers (i.e., household income less than $60,000), a particularly important gap
- Moderately priced apartments for young professionals
- Turnkey housing for young families

The region is highly connected to surrounding areas, including the Richmond metropolitan area, the Raleigh metropolitan area, the Greensboro metropolitan area, and the nearby Danville micropolitan area. Although Southside PDC localities are preferred by those seeking rural and small-town lifestyles, substantial growth among businesses has put these localities in direct competition with more urban places to attract and retain employees. The region needs more amenities and high-quality services to attract and retain skilled workers, as well as enough affordable housing to retain service industry workers.

All three counties have seen substantial increases in rent, with the Town of South Hill in Mecklenburg County demonstrating the most dramatic change in the region. When an area’s rent becomes unaffordable, longtime residents who work low-wage jobs may have to leave. Even workers who are able to pay rent may choose to leave if they no longer have enough extra income to save for a home. Home prices in the region are also increasing beyond affordable levels for some workers, and those workers are likely to seek a place where they have the opportunity to buy a home and build wealth.

Housing is a key element of the region’s competitiveness. This report provides details about the housing market in the region, housing needs, and housing gaps, as well as strategies to address local housing challenges and goals. Citizens can use this report to learn about housing issues in the region. Developers, builders, and local governments can use this report as a road map for providing the mix of housing types the region needs to support further economic development.

Acknowledgements

The Southside Regional Housing Market Analysis would not have been possible without the collaborative input, feedback, and participation of the following partners: Virginia Housing, Virginia Department of Housing and Community Development, Virginia Center for Housing Research at Virginia Tech, HousingForward Virginia, Brunswick County, Town of Alberta, Town of Brodnax, Town of Lawrenceville, Halifax County, Town of Halifax, Town of South Boston, Mecklenburg County, Town of Boydton, Town of Chase City, Town of Clarksville, Town of La Crosse, Town of South Hill, Southside Planning District Commission staff, the Virginia REALTORS®, and all community focus group participants.

About the Study

The Southside PDC in partnership with the Virginia Center for Housing Research at Virginia Tech (VCHR) and HousingForward Virginia (HFV) conducted this study to identify housing needs, challenges, and opportunities in the Southside Virginia region and develop solutions for purposeful housing development and research-driven housing projects.

Study Team

Serving the counties of Brunswick, Halifax, and Mecklenburg, the Southside PDC was established as the official regional planning and development agency to promote intergovernmental cooperation and coordination on mutual problems of regional significance. **The Southside PDC commissioned this study to develop data-driven strategies to address housing challenges and opportunities for the region and each locality therein. PDC staff participated in data compilation and analysis training to prepare them to update the study and respond to changing market contexts.**

The Virginia Center for Housing Research at Virginia Tech (VCHR) was created by the Virginia General Assembly and Virginia Tech in 1989 to respond to the housing research needs of Virginia and the nation. In its 25-year record of performance, VCHR has established an unparalleled reputation for high-quality research on affordable housing that integrates policy, building technology, and the housing industry. In response to every request, VCHR identifies the best talent within Virginia Tech and beyond providing the capacity, talent, and drive to deliver the best research product possible. VCHR works with multiple partners and sponsors to fulfill its mission within the commonwealth, including Virginia Housing, the Virginia Department of Housing and Community Development (DHCD), HousingForward Virginia, and the Virginia REALTORS®. **VCHR led data collection and analysis for this study.**

HousingForward Virginia (HFV) is a Richmond-based 501(c)3 nonprofit organization that serves as the commonwealth's trusted resource for knowledge and insight on affordable housing. HFV is led by a diverse board of directors representing Virginia's geographies and housing stakeholders. Advocates, planners, developers, and mission-aligned organizations rely on HFV to understand challenges, build solutions, and advance their work. For more than a decade, HFV has helped complete numerous local, regional, and statewide housing studies in Virginia, often in partnership with VCHR. Its collective expertise in policy, finance, and research helps practitioners translate information into meaningful action. **HFV led solutions development for this study.**

Study Scope

VCHR, HFV, and Southside PDC staff designed this scope of work based on concerns from PDC member jurisdictions and housing stakeholders. The study included a housing needs assessment, market analysis, policy review, and solutions development. This report, the technical version, provides results of the study in detail. Details are intended to support the work of local and regional stakeholders who will lead the implementation of solutions and further housing plans. The report's companion consumer version, which summarizes key characteristics of the market and major findings, is intended to be accessible for lay audiences and as an entrée to housing issues in the Southside region.

Market Analysis and Housing Need

VCHR and Southside PDC staff conducted a housing market analysis and needs assessment with the intention of understanding gaps, needs, and barriers for the **entire market: all household types and all income levels**. The scope of the work was guided by VCHR staff expertise and stakeholder questions and concerns. The data analysis includes identification of the regional housing market and submarkets therein, household characteristics, housing unit availability and conditions, housing gaps, and market dynamics.

The data supporting this analysis and the methods applied are discussed in the next section, Data and Methodological Notes. The results of the analysis are discussed for the regional context as well as for each county and the two largest towns: South Boston and South Hill. The Regional Findings section offers an overview of the housing market and common themes across localities. The Local Findings and Solutions sections offer greater detail on market gaps and how each submarket has unique roles and challenges.

North Carolina Policy Analysis

VCHR and HFV collaborated to review relevant housing strategies pursued by North Carolina (N.C.) localities, since Southside is located at Virginia's southern border, directly adjacent to N.C. localities. In some contexts, Southside localities "compete" with N.C. localities for residents. Further, some N.C. localities share characteristics with Southside PDC jurisdictions and, therefore, might have had housing strategies that could be applicable for Southside jurisdictions. VCHR identified relevant communities by examining commuting patterns, economic characteristics (industries, employment, etc.), and population characteristics (number of households, median age of householder, etc.).

HFV investigated housing strategies by searching websites of local governments, state and local housing agencies, and nonprofit providers; several targeted interviews were also conducted with knowledgeable practitioners. Overall, this research determined that there are very few initiatives underway in the relevant jurisdictions that could be lessons or best practices for the Southside PDC region.

Key findings for this portion of North Carolina include:

- Most housing activities focus on modest home repair programs, affordable homeownership, and Housing Choice Vouchers.
- On the whole, Virginia's PDCs surpass North Carolina's Councils of Government (COGs) in terms of regional coordination and planning for housing.
- Fast growth and rising housing costs are leading Charlotte, Raleigh, and Durham to make significant affordable housing investments and policy changes, but most of those strategies are not applicable to rural areas with much lower populations.

Solutions

This study features policy solutions for the region and its localities. These recommendations were developed in a collaborative process between HFV, the Southside PDC, local government representatives, and other community stakeholders over five phases:

- Gathering context: HFV first assembled important background information from prior studies and plans, feedback from local listening sessions, community input from focus groups and interviews, and the findings from VCHR's needs analysis.
- Defining priorities: HFV synthesized material for each locality and for the whole region to propose important opportunities, challenges, and objectives for its housing solutions.
- Preliminary solutions: HFV used those priorities to suggest a wide range of potential policies and programs that could advance each community's respective housing goals. Working together with the Southside PDC and locality staff, HFV consolidated these options into a short list for every jurisdiction and the region.
- Initial drafts: HFV then prepared working drafts of each solution to present for staff feedback. Solutions incorporated current best practices in housing policy and program development, and accounted for both administrative and political capacities.
- Final versions: A final round of input from the Southside PDC and local government staff helped HFV refine each solution into its full, complete versions.

Two tiers of solutions are provided to the region and each jurisdiction:

- PRIORITY solutions provide higher levels of detail and reflect strategic objectives for those communities.
- SECONDARY solutions are less detailed and usually include strategies that communities can pursue in the background, or following additional research.

Data and Methodological Notes

VCHR used both quantitative and qualitative data to complete the market analysis and needs assessment. Much of the quantitative data is publicly available, allowing Southside PDC staff to update measures as market contexts change. The quantitative data used in this report was the latest available at the time of writing, and most measures are created using five years of pooled data. The population of Southside jurisdictions is too small to reliably create estimates using only one year of Census data. Given the need to use five-year pooled data, comparisons over time and benchmarking should be completed every five years.

Qualitative data is a critical resource to assess the validity of quantitative analysis and to help communicate data conclusions. VCHR and Southside PDC staff collected qualitative data and input from stakeholders throughout the study process. The themes of those conversations are reflected in the study's analysis. Southside PDC staff retain additional details in notes from focus groups, meetings, and interviews. PDC staff will remain involved with development and responses to housing needs, staying current on issues and benchmarks. VCHR and HFV staff remain available to provide technical assistance.

Quantitative Data Analysis

The American Community Survey (ACS) is VCHR's main source of information on households, including demographic profile (e.g., family size, family type, householder age); occupancy characteristics (e.g., number of occupants, presence of children, seniors, elderly, and/or people with disabilities); and tenure (i.e., whether the household rents or owns the home where they live). VCHR analyzed five-year estimates from 2022, the most recent data year at the time of writing.

Household non-response increased substantially in the ACS during the COVID-19 pandemic because of the challenges of conducting a household survey, especially for households with lower socioeconomic status—those most likely to experience housing cost burden and other housing-related challenges. Although the U.S. Census Bureau has refined its methodology to reduce the effect of non-response bias owing to the COVID-19 pandemic, the organization still labels 2020 data as experimental. As such, VCHR has omitted 2020 ACS data from longitudinal analysis and, where necessary, represented the period from 2019 to 2021 as a broken line.

The availability of quality, publicly available data is limited for many rural jurisdictions and other small places since the U.S. Census Bureau is unable to collect enough sample data to make reliable estimates. Analysis of limited and sometimes unreliable data requires additional time and effort by the research team to collect and validate data. The team analyzed and reported reliable data and then supplemented this data with local data and collected additional data through interviews and focus groups.

VCHR supplemented ACS rent data for South Boston with 2024-Q3 CoStar rent and vacancy data. CoStar offers more recent data, but this data is only available for properties participating in CoStar data collection, usually multifamily properties or other properties owned or operated by larger management groups. As such, this data only had adequate coverage for the largest town.

VCHR also used local real estate tax assessment data and local certificate of occupancy data to supplement ACS data for each county. Real estate assessment data offers a complete census of units by year built. Certificate of occupancy data offers insights into building trends, including types of buildings and pace of delivery.

VCHR used a special ACS tabulation called Consolidated Housing Affordability Strategy (CHAS) data to estimate the degree to which economic means of households are matched with affordability of the housing supply. 2016-2020 and 2017-2021 CHAS data vintages were the latest available at the time of writing. The CHAS data designate each unit as affordable to specific income levels based on the size of the unit, the unit's value or rent, and the level of income required for a household of corresponding size to affordably rent or own the unit. The CHAS tabulation also provides data on the income levels of occupants currently living in units at each unit affordability level. These estimates are the primary source used for the housing gap analysis.

VCHR used 2021 OnTheMap data from the U.S. Census Bureau's Center for Economic Studies to analyze commuting patterns and identify groups that disproportionately commute into the region for work. VCHR described the inflow and outflow of workers in the region and documented trends of note by workers' income, age, and industry. VCHR also used this commuting data to determine the geographic scope of the N.C. policy review.

VCHR's workforce housing affordability analysis compares maximum affordable housing costs by occupation to local housing costs to determine which workers may struggle to afford housing in the region or who may commute from outside the region because they cannot find appropriate, affordable housing close to their job. VCHR used

2021 and 2024 Lightcast occupation employment and earnings data to calculate maximum affordable monthly housing costs (i.e., 30% of monthly income) for each occupation using three scenarios:

- A single earner with a median wage
- A single earner with a 90th percentile wage to represent highly skilled or experienced workers
- Two earners with a median wage for a single occupation to represent dual-earner households.

VCHR used 2022 ACS survey data on median gross rent and median selected monthly owner costs with a mortgage to define housing costs.

VCHR analyzed 2014-2023 home sale data provided by the Virginia REALTORS®. Southside PDC staff provided a special tabulation of this data that designated properties in close proximity (within 5 miles) to the regions' lakes. VCHR used this data to analyze trends and demand in the homeownership market.

Qualitative Data Analysis

Southside PDC staff coordinated listening sessions for VCHR and HFV to learn about housing market conditions and challenges from local staff and stakeholders. VCHR and HFV met with staff from each county and many representatives from the region's towns. Staff and stakeholders described each jurisdiction and its housing stock, housing challenges, and potential opportunities. These initial sessions helped the study team understand the region and shaped the elements of the study to respond to local concerns and conditions.

Qualitative data from experts, stakeholders, and citizens helped the study team assess the validity of quantitative data analysis, identify additional topics for analysis, and contextualize study findings. VCHR has added insights and themes to the findings, summarizing the discussions as a whole to promote earnest conversation and protect the anonymity of participants.

Local experts such as builders, developers, Realtors, lenders, housing service providers, employers, and school representatives are valuable resources in understanding housing-related challenges and opportunities. VCHR and Southside PDC staff conducted eight focus groups and 11 interviews with key housing experts and stakeholders:

- Realtors and real estate agents
- Builders and contractors
- Developers
- Service providers
- Educators
- Employers
- Local government staff and officials
- Economic development staff
- Lenders
- Building officials

Important Terms and References

Tenure

The term "tenure" refers to the method by which a household possesses their home: renting, fully owned with no home loan, or owned with a mortgage or other home loan.

Cost-burdened Households

The U.S. Department of Housing and Urban Development (HUD) established the term "cost-burdened" to describe households who need more affordable housing. HUD defines cost-burdened households as "families who pay more than 30% of their income for housing... and may have difficulty affording necessities such as food, clothing, transportation, and medical care." Severely cost-burdened households pay 50% or more of their income for housing and are likely to be making tough choices between housing and other necessities.

Percentage of Area Median Income (AMI)

HUD sets income limits by household size that determine eligibility for assisted housing programs. HUD develops these income limits based on Median Family Income estimates and Fair Market Rent (FMR) area definitions for each metropolitan area, parts of some metropolitan areas, and each non-metropolitan county. These income limits are useful tools for assessing housing needs because they standardize income-based household categories while considering household size. The 2021, 2022, and 2024 income limits for the HUD Metro Fair Market Rent Areas represented in the Southside PDC are provided for reference, and the appropriate annual income limits based on data vintage were applied in the analysis.

2024 HUD Low Income Limits: Brunswick County

Note: HUD calculated Brunswick County income limits using the state non-metro median income for a family of four because 50% of the Brunswick median is less than 50% of the state median ($36,650).

	Median Income for Family of Four	Person in Family			
FY2024 Income Limits		1	2	3	4
Extremely Low (30%)	$62,800	$15,400	$20,440	$25,820	$31,200
Very Low (50%)		$25,700	$29,350	$33,000	$36,650
Low (80%)		$41,100	$46,950	$52,800	$58,650

2024 HUD Low Income Limits: Halifax County

Note: HUD calculated Halifax County income limits using the state non-metro median income for a family of four because 50% of the Halifax median is less than 50% of the state median ($36,650).

	Median Income for Family of Four	Person in Family			
FY2023 Income Limits		1	2	3	4
Extremely Low (30%)	$71,300	$15,400	$20,440	$25,820	$31,200
Very Low (50%)		$25,700	$29,350	$33,000	$36,650
Low (80%)		$41,100	$46,950	$52,800	$58,650

2024 HUD Low Income Limits: Mecklenburg County

	Median Income for Family of Four	Person in Family			
FY2023 Income Limits		1	2	3	4
Extremely Low (30%)	$74,000	$15,550	$20,440	$25,820	$31,200
Very Low (50%)		$25,900	$29,600	$33,300	$37,000
Low (80%)		$41,450	$47,400	$53,300	$59,200

2022 HUD Low Income Limits: Brunswick County

Note: HUD calculated Brunswick County income limits using the state non-metro median income for a family of four because 50% of the Brunswick median is less than 50% of the state median ($33,900). $33,350 is derived from HUD's ceiling or floor adjustment.

	Median Income for Family of Four	Person in Family			
FY2023 Income Limits		1	2	3	4
Extremely Low (30%)	$56,600	$14,000	$18,310	$23,030	$27,750
Very Low (50%)		$23,350	$26,700	$30,050	$33,350
Low (80%)		$37,350	$42,700	$48,050	$53,350

2022 HUD Low Income Limits: Halifax County

	Median Income for Family of Four	Person in Family			
FY2023 Income Limits		1	2	3	4
Extremely Low (30%)	$65,800	$14,150	$18,310	$23,030	$27,750
Very Low (50%)		$23,500	$26,850	$30,200	$33,550
Low (80%)		$37,600	$43,000	$48,350	$53,700

2022 HUD Low Income Limits: Mecklenburg County

Note: HUD calculated Mecklenburg County income limits using the state non-metro median income for a family of four because 50% of the Mecklenburg median is less than 50% of the state median ($33,900). $33,350 is derived from HUD's ceiling or floor adjustment.

	Median Income for Family of Four	Person in Family			
FY2023 Income Limits		1	2	3	4
Extremely Low (30%)	$64,400	$14,000	$18,310	$23,030	$27,750
Very Low (50%)		$23,350	$26,700	$30,050	$33,350
Low (80%)		$37,350	$42,700	$48,050	$53,350

2021 HUD Low Income Limits: Brunswick County

Note: HUD calculated Brunswick County income limits using the state non-metro median income for a family of four because 50% of the Brunswick median is less than 50% of the state median ($29,850).

	Median Income for Family of Four	Person in Family			
FY2023 Income Limits		1	2	3	4
Extremely Low (30%)	$54,000	$12,880	$17,420	$21,960	$26,500
Very Low (50%)		$20,900	$23,900	$26,900	$29,850
Low (80%)		$33,450	$38,200	$43,000	$47,750

2021 HUD Low Income Limits: Halifax County

	Median Income for Family of Four	Person in Family			
FY2023 Income Limits		1	2	3	4
Extremely Low (30%)	$60,000	$12,880	$17,420	$21,960	$26,500
Very Low (50%)		$21,000	$24,000	$27,000	$30,000
Low (80%)		$33,600	$38,400	$43,200	$48,000

2021 HUD Low Income Limits: Mecklenburg County

Note: HUD calculated Mecklenburg County income limits using the state non-metro median income for a family of four because 50% of the Mecklenburg median is less than 50% of the state median ($29,850).

	Median Income for Family of Four	Person in Family			
FY2023 Income Limits		1	2	3	4
Extremely Low (30%)	$57,700	$12,880	$17,420	$21,960	$26,500
Very Low (50%)		$20,900	$23,900	$26,900	$29,850
Low (80%)		$33,450	$38,200	$43,000	$47,750

Housing Affordability

Housing affordability is a broad term used to discuss the degree to which housing units in a market or submarket meet the income-based needs of households in that market. Researchers and practitioners generally consider housing affordability for income groups that may face challenges related to affording housing, including (but not limited to) the following:

- extremely low-income households who do not make enough money to obtain decent housing
- young workers who wish to become homeowners but cannot find a starter home with associated costs within their budget
- established owners who cannot find an appropriate home to "trade up" to as their families grow and they enter their professional prime
- seniors who struggle to find affordable, accessible housing that meets their needs, including maintenance and modifications to make their existing homes suitable for aging

Housing affordability is not usually a concern for higher-income households who can obtain their desired housing without sacrificing other household needs such as safety, transportation, medical care, food, education, and childcare. However, a shortage of housing for households at any income level may affect the availability of housing for other households, which in turn affects the businesses expanding in the market or economic development efforts for attracting new businesses.

Householder

This report refers to "householders" when the available data pertains to the householder as defined by the U.S. Census: "the householder refers to the person (or one of the people) in whose name the housing unit is owned or rented (maintained) or, if there is no such person, any adult member, excluding roomers, boarders, or paid employees. If the house is owned or rented jointly by a married couple, the householder may be either the husband or the wife. The person designated as the householder is the 'reference person' to whom the relationship of all other household members, if any, is recorded."

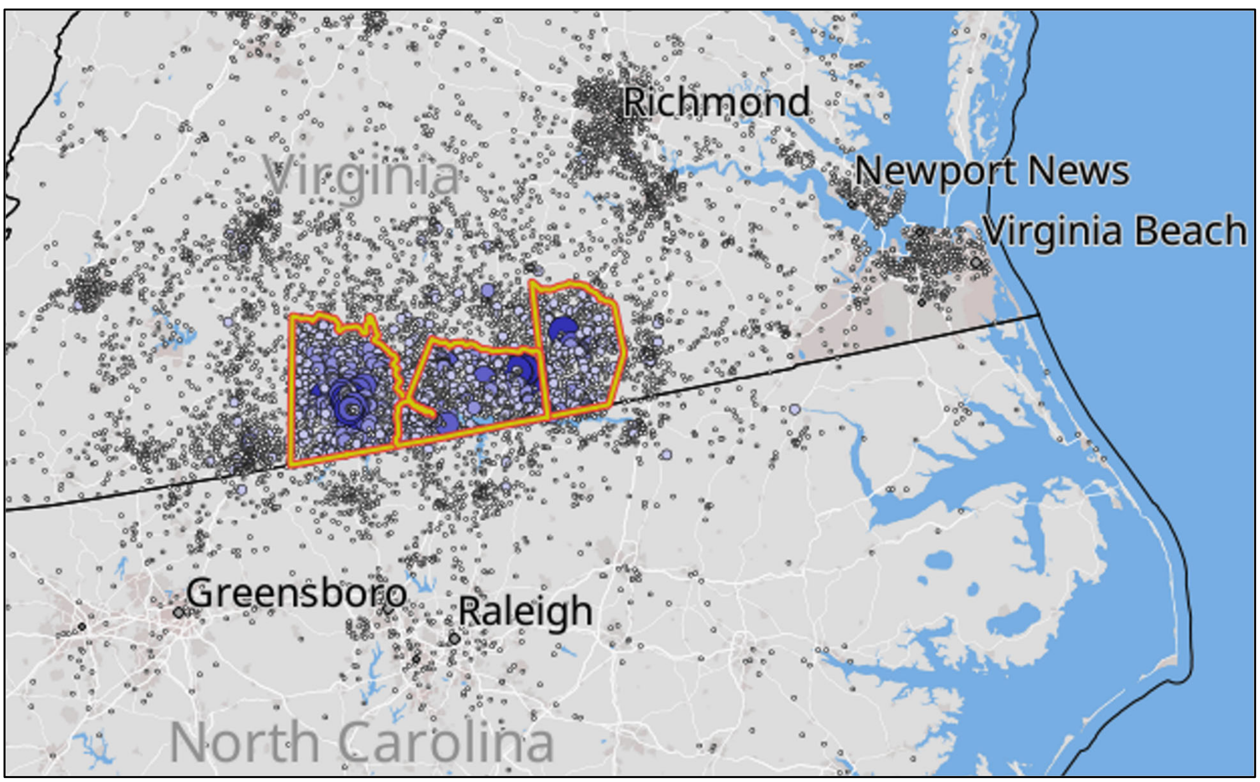
Regional Findings

Regional Housing Market

The Southside PDC region is the core of the housing market for people who work there. Most workers with their primary job in the region live in Halifax County (28%) or Mecklenburg County (23%). A substantial portion (9%) live in Brunswick County. Smaller proportions (2-3%) commute from Pittsylvania County, Charlotte County, Lunenburg County, and the City of Danville. However, the region is well connected by highways and has a wide commuteshed, meaning workers consider many different places to live, about a quarter of them commuting from more than 50 miles away. This means that workers consider neighboring counties in both Virginia and North Carolina, as well as larger urban metros like Richmond and Raleigh, N.C., as alternative housing markets.

Southside communities offer rural and small-town lifestyles as well as outdoor amenities that are attractive to many households. In order to compete with other jurisdictions, the region will need to give attention to housing quality and price as well as service and retail amenities. Housing for low-wage workers, starter homes, and turnkey trade-up homes will each play a role in attracting and/or retaining workers and households.

Home Location of Employees Working in the Southside PDC Footprint, 2022
Source: U.S. Census Bureau, Center for Economic Studies, LEHD
Note: Most employees commute from these locations, but in some cases, though employed by a company in the Southside region, employees work for a satellite location closer to their home or work from home.



Households

More than 80,000 people make up almost 33,000 households in the Southside PDC region. Most households in the region are families (62%), related in some way, or singles (34%). Relatively few households are composed of roommates.

Population, Households, and Average Household Size for Southside PDC Counties
Source: 2022 American Community Survey 5-year estimates

Locality	Population	Households (Family Households)	Average Household/Family Size
Brunswick County	15,965	6,165 (3,852)	2.21/2.72
Halifax County	34,013	13,519 (8,424)	2.45/3.19
Mecklenburg County	30,367	13,037 (7,860)	2.25/2.87
Total	**80,345**	**32,721** (20,136)	

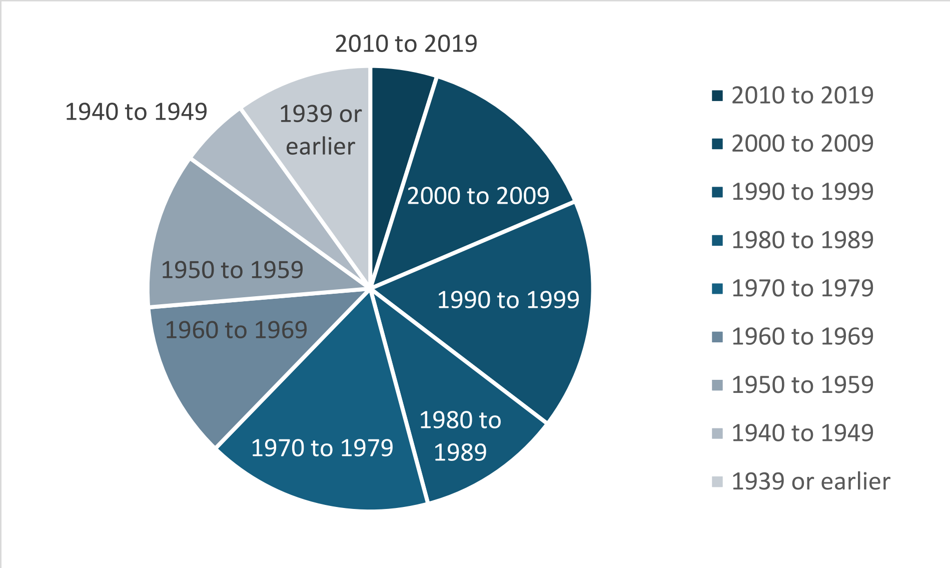
Housing Units

There are more than 44,000 housing units in the Southside PDC region. Housing units are largely single-family homes, either site-built/modular (73%) or mobile/manufactured (21%). Multifamily housing is less common (21%) and largely concentrated in towns with the infrastructure (sewer, water, walkability) and amenities to serve higher-density development.

The vintage of housing units often reflects periods of high demand and favorable building conditions (e.g., availability and cost of financing, materials, and labor). Much of the existing housing in the region was built prior to 2010, with the largest portions built in the 1970s and 1990s. Recent building has been very limited despite increasing demand. Where data is available, the local sections of the report discuss recent trends in more detail.

Demand has largely absorbed vacant rental units and has balanced the for-sale market. Rental market vacancy, the number of units vacant and for-rent, is very low—too low in some places. However, many vacant buildings still remain. More than 5,700 residential units are estimated to be long-term vacancies. Most of these units are in poor condition, either abandoned or otherwise vacant in the long term and not available for sale or for rent.

Housing Units by Year Built
Source: 2022 American Community Survey 5-year estimates



Gap Analysis

The regional gap analysis highlights the connectedness of the housing market, particularly how a gap in housing units for one income group impacts availability of units for other income groups:

- Without opportunities to "trade up," higher-income households stay in more affordable housing even when they might prefer to pay more in exchange for more space, more desirable locations, more amenities, etc.
- Without enough affordable housing, households without income-restricted housing often suffer hardship to pay higher rents.
- Homeowners who can no longer afford their housing costs may not be able to maintain their home and afford other necessities.
- Households in the middle face an extremely competitive market for units they can afford.

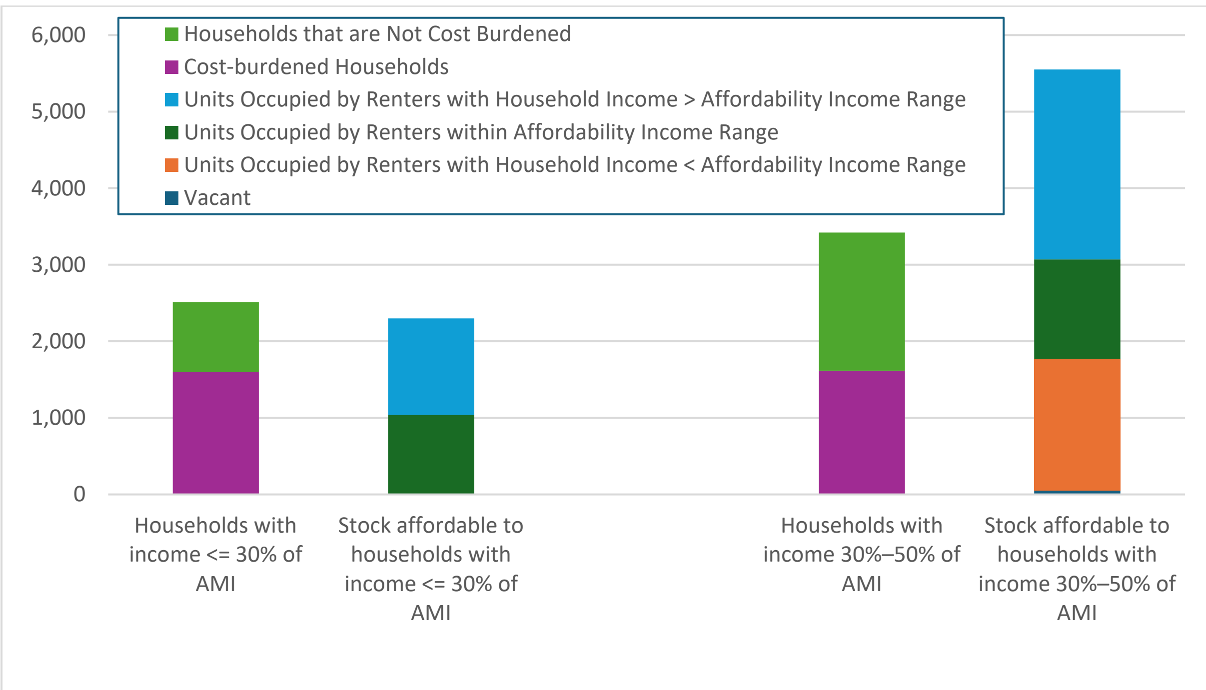
Each pair of columns in the Rental Housing Gap graph compares the number of households in each income group to the number of housing units affordable to them. Each column provides additional information: cost burden in the "households" column and information about the income of the unit occupants in the other column.

There aren't enough housing units in the Southside region to serve extremely low income (less than 30% of AMI) renters living in the region. As a result, most of these households struggle with housing cost burdens and may consume housing that would be affordable to households with incomes in the 30-80% of AMI range. Housing that is affordable to and occupied by households with extremely low incomes (45% of the units in this category) is likely to be committed affordable units. This housing is reserved for households with low incomes through incentive or subsidy programs such as the Low-Income Housing Tax Credit or HUD's project-based vouchers. However, 55% of units affordable to extremely low- and very low-income households are occupied by households in higher-income groups.

More than half (67%) of rental stock in the Southside region has rent affordable to households with low incomes between 30% and 80% of AMI. Because there's not enough stock to serve households on either end of this category, both lower-income households and higher-income households compete for these units. The competitive rental market disadvantages households in every income category—consequences of a tight rental market are discussed in more depth in the Rental Market Conditions section—and results in hardships for low-income households not able to compete for an affordable unit.

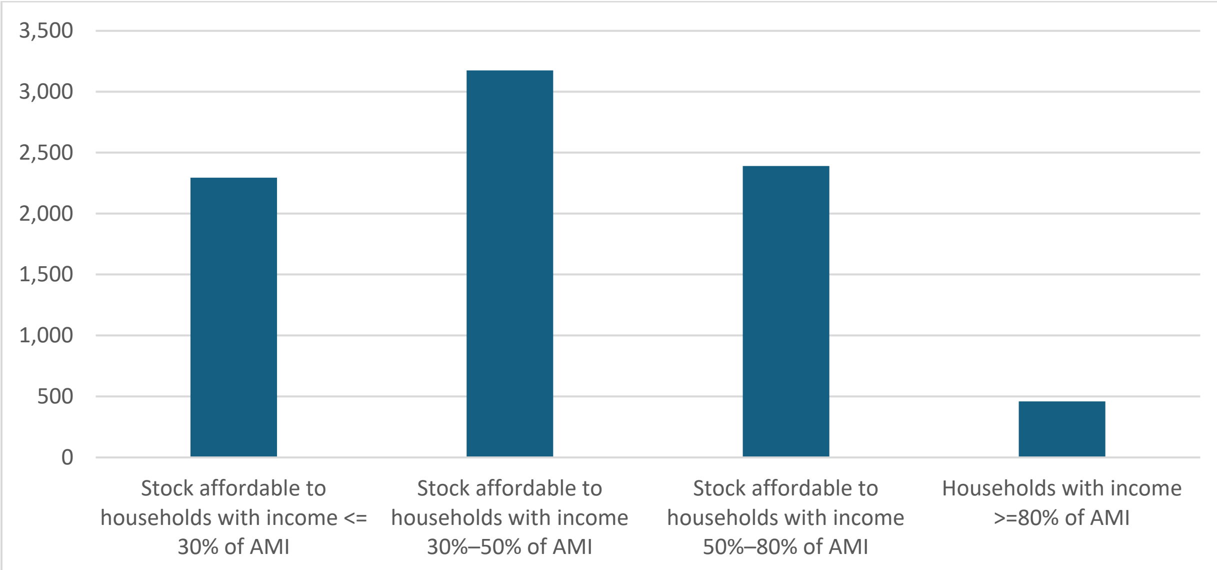
Rental Housing Gap, Southside PDC

Source: VCHR tabulation of 2017-2021 CHAS data



Building units on either end of the 30-80% of AMI income category would help relieve competition to access these units. Some higher-income renters may choose to "trade up" to a unit with more space, amenities, nicer features, and/or a better location if the unit were available and still affordable to them. Renters who are currently enduring a housing cost burden would likely welcome a unit that is affordable and meets their needs. Some renters may also choose to become homeowners if a unit that is affordable and meets their needs were available. Availability of homeownership opportunities is discussed more in the following sections.

Rental Housing Stock by Affordability Level
Source: 2017-2021 CHAS

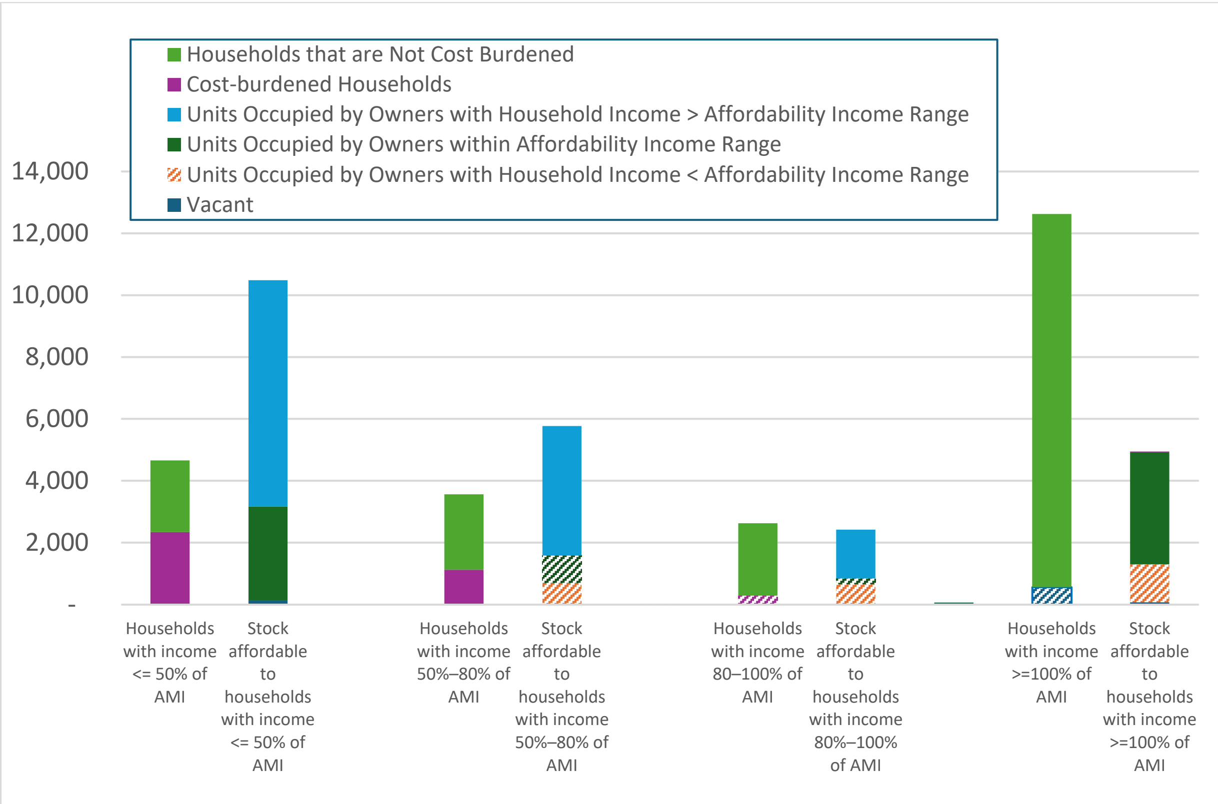


Affordability concerns and gap analysis for owners differ substantially from the gap analysis for renters. The mortgage finance system generally prevents homeowners from being cost-burdened when they buy their home, and often homeowners' income increases over the life of their mortgage. Homeowners also face relatively little change in housing costs compared to renters. When homeowners do become cost-burdened, it's often due to economic hardship such as job loss, death of a family member, or fixed incomes that do not keep up with rising costs of taxes, utilities, and insurance. Because many homeowners had the opportunity to reduce their housing costs by refinancing their mortgages during the 2014-2021 period, decreased rates of cost burden among owners with a mortgage are expected. However, inflation and associated increasing interest rates since 2021 have decreased access to homeownership among low- and moderate-income buyers.

Housing cost burdens shown in the left column of each pair are far more common among homeowners with low and very-low incomes. Like the rental scenario, these households may have to make choices between housing and other necessities. However, these owners may own their home free and clear or, when they have a mortgage, be able to work with their mortgage lender on a payment plan that keeps them from becoming delinquent. To avoid foreclosure and potential homelessness, they may defer home maintenance, forgo needed upgrades and modifications, and/or forgo utilities to pay for other necessities like food, medicine, or childcare. These sacrifices represent a clear threat to the household, but also represent a risk for the locality. While households come and go, housing units stay with a community for generations. Allowing the housing stock to deteriorate can decrease the competitiveness of the market overall and require substantial investments in rehabilitation or in demolition and infill development. Ensuring that owners who represent 71% of residents can maintain their homes is part of the stewardship responsibility of local governments and communities.

Quantity and occupancy of the housing stock across income affordability levels, shown in the right-hand column of each pair, also provide important insights. Most owners have higher incomes than they need to comfortably afford their unit, which though anticipated based on relatively fixed housing costs and expected increases in income, also represents the potential for households to trade up. Over time, as households' size and income grow, many owners will seek to move to new homes that better accommodate new needs. However, there is not enough housing stock to accommodate households with incomes greater than 80% of AMI. This gap in housing for higher-income households may limit options to trade up and require higher-income households to stay in their starter home longer, restricting the supply of housing that is affordable for first-time homebuyers and to lower- and moderate-income households and also potentially inflating the price of that stock.

Owned/For-sale Housing Gap, Southside PDC
Source: VCHR tabulation of 2017-2021 CHAS data
Note: Hashed coloring indicates that the population segment is too small to provide an accurate estimate.



Conclusion

Throughout the Southside PDC region, localities need to address key housing gaps and housing conditions. Focus group and data findings helped the study team identify common barriers to addressing these challenges, including homebuyer readiness, vacant and abandoned housing, developer capacity, and regional coordination.

Market Competitiveness and Homebuyer Readiness

Across the region, median days on the market (DOM), from list to close, has decreased substantially. Decreasing median DOM indicates that homes are selling faster and is evidence of increasing demand. Prices increase when demand increases faster than supply, so increases in price show that the market is becoming more competitive. In Mecklenburg County, median sale price increased 34% from 2014 to 2021 for properties sold within 5 miles of a lake. However, properties that are not located near the lakes saw a more dramatic increase of 104%. During the same time period, median price in Halifax County increased 65%. In Brunswick, median price rose from $67,500 in 2017 to $169,000 in 2023, a 150% increase.

Price and interest rate increases, along with increased competitiveness, mean that many would-be first-time homebuyers are struggling to find an affordable home. As such, the readiness of first-time homebuyers becomes more important to their success. Some local lenders and housing providers offer limited homebuyer education and credit repair guidance; however, more in-depth services are needed to support potential buyers in the increasingly competitive market context.

Vacant and Abandoned Housing

Across the region, a large portion of housing has been vacant in the long term: 1,862 units (9%) in Mecklenburg, 947 (12%) in Brunswick, and 2,915 (17%) in Halifax. The units are abandoned, slated for demolition, or otherwise held in the long term without being offered for sale or for rent. About 23% of long-term vacancies in Halifax County are in South Boston while the rest are primarily in the unincorporated parts of the county. In Mecklenburg, a majority of long-term vacant properties (88%) are located in unincorporated areas of the county.

Abandoned properties can be a health and safety hazard. In contrast, properties held in the long term may be livable housing units and an opportunity to increase the region's housing inventory if they are located in desirable locations and are not dilapidated. Increasing prices may encourage owners who have been holding vacant units in the long term to sell, reducing the number of long-term vacancies. However, some owners will not respond to improved market conditions. These properties will require additional local and regional attention to address.

Development

The region is fortunate to have builders and subcontractors but lacks needed development capacity. Most available land and redevelopment opportunities with infrastructure are in or nearby the region’s towns. Parcel accumulation, design, demolition, infrastructure upgrade, and other site preparation measures need to be led by developers. Developers are experienced in real estate transactions, engineering, and design that needs to occur in advance of project proposals. They also lead equity investment and financing for site preparation in advance of building, as well as construction and permanent financing. Participants in builder and developer focus groups identified development capacity as a key barrier to creating new housing; therefore, the region needs to attract or create additional development capacity. Primary Solution 2, Secondary Solutions 1 and 2, and the Regional Towns Solutions will support development and help the region attract developers in the short term, while growing local capacity for development in the longer term.

Regional Solutions

PRIMARY SOLUTION 1

Pool resources to receive certification as a HUD counseling agency to improve homebuyer readiness.

ISSUE: *The Southside PDC region faces a critical shortage of affordable housing options for its workforce and young professionals.*

This issue is exacerbated by a lack of diversity in the housing inventory and accelerated job growth that strains the limited market. Additionally, local governments and social services are experiencing capacity issues, hindering their ability to effectively address these housing challenges.

SOLUTION: *To address these interconnected issues, the Southside PDC could seek HUD certification as a counseling agency by pooling resources from member localities.*

This initiative would streamline the homebuying process, increase access to first-time homebuyer assistance programs, and ultimately expand homeownership opportunities in the region.

How It Works

1. Resource Pooling and Position Creation

Member localities of the Southside PDC would contribute funds proportionally based on population or another agreed-upon metric to support the staffing and potential expansion of existing HUD-certified housing counselor position(s). The PDC could also pursue funding through Virginia Housing's PDC Housing Development Program to support regional affordable housing efforts. This grant program allocates significant funding to Planning District Commissions to increase affordable housing supply and strengthen PDC capacity to address housing priorities. The Southside PDC could house these positions or partner with an existing nonprofit or housing authority to help manage the program. The number of positions created would depend on available funding and projected demand for services, with staffing levels adjusted as needed.

2. Certification and Service Delivery

Selected candidates would undergo HUD certification training to become qualified housing counselors. Ongoing professional development and training would be provided to ensure counselors stay current with HUD requirements and changes in federal and state homebuyer assistance programs. Consider expanding services to include post-purchase counseling to support long-term homeownership success.

Services could be delivered in-person at rotating locations throughout the region, as well as virtually to increase accessibility for all member localities, including rural areas. Counselors would offer both group and one-on-one sessions covering topics such as:

- Financial literacy and budgeting
- Credit repair and management
- Navigating the homebuying process
- Understanding mortgage options
- Accessing first-time homebuyer assistance programs

3. Regional Planning Efforts and Partnerships

Align counseling services with upcoming zoning and comprehensive plan changes to ensure new homeowners are prepared for and can take advantage of evolving housing opportunities in the region. Use data and insights from the counseling program to inform future housing policy decisions and zoning updates. Establish partnerships with local lenders, real estate agents, and developers to create a network of housing professionals familiar with the program. Collaborate with employers in the region to promote the service as part of employee benefits packages, particularly for industries experiencing workforce housing challenges.

4. Data Collection and Reporting

Implement a robust data collection system to track program outcomes, including number of individuals/families counseled, number of successful home purchases, types of assistance programs utilized, and geographic distribution of homebuyers. Regularly report outcomes to member localities and use data to refine and improve the program.

How to Do It (suggested but flexible implementation timeline)

Within 6 months

- Secure commitments from member localities for funding contributions.
- Determine the organizational structure for housing the counselor position(s).
- Begin the recruitment process for housing counselor(s).
- Initiate partnerships with local housing professionals and employers.

Within 1 year

- Complete HUD certification for selected counselor(s).
- Launch the counseling program with an initial focus on group education sessions.
- Develop and implement a marketing strategy to raise awareness of the program.
- Establish data collection and reporting protocols.

Within 2 years

- Expand to full-service individual counseling sessions.
- Conduct a comprehensive program evaluation and adjust services as needed.
- Explore opportunities for program expansion based on demand and outcomes.
- Integrate program insights into regional housing policy recommendations.

Who Does What

Southside PDC Staff: Coordinate resource pooling among member localities, oversee program implementation and management, and compile and disseminate program reports to stakeholders.

Member Localities: Provide funding contributions for the program, promote the counseling services to residents, and incorporate program insights into local housing policies and plans.

Local Housing Partners (e.g., lenders, real estate agents, developers): Participate in the referral network for the counseling program and provide expertise and resources for educational components of the program.

Employers: Promote the counseling services to employees and consider incorporating homebuyer counseling into employee benefit packages.

How to Fund It

Member locality contributions: Primary source of funding, allocated based on an agreed-upon formula.

HUD Housing Counseling Program grants: Apply for federal funding to supplement local contributions.

Virginia Housing: Explore grant opportunities for housing education and counseling programs.

Local financial institutions: Seek sponsorships or donations as part of Community Reinvestment Act activities.

Regional employers: Solicit contributions from major employers benefiting from improved workforce housing options.

How to Measure Success

- Number of individuals/families receiving counseling services annually
- Percentage of counseling recipients who successfully purchase homes
- Average time from initial counseling to home purchase
- Utilization rates of various first-time homebuyer assistance programs
- Geographic distribution of new homeowners across the region
- Retention rates of new homeowners (measured at 1, 3, and 5 years post-purchase)
- Impact on regional homeownership rates, particularly among young professionals and workforce populations

Examples

The Central Shenandoah Planning District Commission - Regional First-Time Homebuyers Program

The CSPDC offers programs that benefit low-to-moderate-income first-time homebuyers in the region including down payment assistance and counseling services. The CSPDC has also created new housing program management positions to assist its localities in identifying, applying for, and administering housing rehabilitation and housing production projects.

PRIMARY SOLUTION 2

Develop regional tools and resources to assess vacant home conditions and ownership, enabling prioritized intervention strategies.

ISSUE: *The Southside PDC region is grappling with a significant number of vacant and abandoned homes, contributing to neighborhood blight and reducing the overall quality of the housing stock.*

Local governments often lack the capacity and resources to effectively track, assess, and intervene in these properties. This issue hinders efforts to revitalize communities, expand housing options, and maintain property values across the region.

SOLUTION: *Create a comprehensive regional system to identify, assess, and prioritize interventions for vacant and abandoned properties.*

This system would include a centralized database, standardized assessment tools, and a coordinated approach to resolving ownership issues and implementing intervention strategies. By pooling resources and expertise across the region, this solution would enable more effective and efficient responses to property vacancy and abandonment.

How It Works

1. Regional Vacant Property Database

The Southside PDC would develop a centralized, GIS-based database of vacant and abandoned properties across the region. This database would include key information for each property, such as owner status (including heirs' property situations), prior enforcement actions, amount of liens or unpaid taxes, property condition assessments, and intervention options permitted under state law. Data would be integrated from multiple sources, including tax records, code enforcement reports, and utility usage information, to provide a comprehensive view of each property's status.

2. Standardized Property Condition Assessment

A uniform assessment tool would be created to evaluate the condition of vacant properties consistently across the region. Local staff or volunteers would be trained to conduct these assessments using mobile technology, ensuring efficient and accurate data collection. The property condition data would be regularly updated in the regional database, providing an up-to-date picture of the region's vacant housing stock.

3. Ownership Research and Resolution

The Southside PDC would establish a regional team or contract with a third-party service to conduct thorough ownership research on vacant properties. This team would coordinate with organizations like LISC Virginia to access resources for resolving heirs' property issues. A streamlined process would be developed for clearing titles and resolving ownership disputes, helping to overcome one of the major barriers to addressing vacant properties.

4. Intervention Strategy Toolkit

A comprehensive guide to intervention options available under Virginia law would be created, including strategies such as tax foreclosure, spot blight abatement, receivership, and vacant property registration programs. Decision trees would be developed to help local governments determine the most appropriate intervention for each property based on its specific circumstances and legal status.

§ 15.2-7500 et seq. *Land Bank Entities Act*

- Enabling legislation for the creation/designation of land bank entities
- Covers property acquisitions and dispositions
- Allows for tax exemption for land bank entities
- Optional collection of partial tax assessments on conveyed properties

§ 15.2-7509. Financing of operations

- Up to 50% of real property taxes collected on conveyed properties may be remitted to the land bank entity
- Allocation of property tax revenues begins after conveyance and lasts for up to 10 years

§ 58.1-3965. *When land may be sold for delinquent taxes; notice of sale; owner's right of redemption*

- Covering the general process for auctioning tax delinquent properties

§ 58.1-3970.1. *Appointment of special commissioner to execute title to certain real estate with delinquent taxes or liens to localities*

- Process for "direct sale" of tax-delinquent properties to land banks and nonprofits
- Expanded criteria for delinquent balance and assessed value of properties in most localities

§ 15.2-907.1. *Authority to require removal, repair, etc., of buildings that are declared to be derelict; civil penalty*

- Local powers/process for addressing derelict buildings

§ 15.2-907.2. *Authority of locality or land bank entity to be appointed to act as a receiver to repair derelict and blighted buildings in certain limited circumstances*

- Local powers/process for using land banks as receivers for derelict/blighted properties

§ 36-49.1:1. *Spot blight abatement authorized; procedure*

- Specific action that localities can take to remediate properties that meet "blighted" criteria

5. Regional Land Bank Feasibility Study

The Southside PDC would conduct a detailed analysis of the potential for creating a regional land bank. This study would assess legal requirements, governance structures, and funding mechanisms for such an entity. A proposed operational model and implementation plan would be developed, providing a road map for potentially establishing this powerful tool for addressing vacancy and abandonment.

6. Coordinated Enforcement and Intervention

Regional protocols for coordinated enforcement actions would be established, allowing for more efficient and effective interventions across jurisdictional boundaries. A shared legal services pool would be created to support intervention activities, providing member localities with access to specialized legal expertise. Templates for local ordinances to support vacancy reduction efforts would be developed, ensuring consistency and best practices across the region.

7. Funding and Resource Pooling

The Southside PDC would explore options for pooling resources across jurisdictions to support the program, maximizing the impact of limited local funds. Relevant state and federal grant opportunities would be identified and pursued to provide additional funding. A fee structure for services provided to member localities would be developed to ensure the program's long-term sustainability.

8. Training and Capacity Building

Regular training sessions would be provided for local staff on using the regional tools and resources, ensuring that all member localities can effectively leverage the new system. The Southside PDC would offer ongoing technical assistance to help localities implement intervention strategies. Peer learning and best practice sharing among member jurisdictions would be facilitated, fostering a collaborative approach to addressing vacancy and abandonment across the region.

How to Do It (suggested but flexible implementation timeline)

Within 6 months

- Form a regional steering committee to guide program development.
- Begin development of the regional vacant property database.
- Initiate discussions with LISC Virginia on heirs’ property resources.
- Start the regional land bank feasibility study.

Within 1 year

- Launch the regional vacant property database and begin data population.
- Implement the standardized property condition assessment tool.

- Establish the ownership research and resolution process.
- Develop and distribute the intervention strategy toolkit.
- Complete the regional land bank feasibility study.

Within 2 years

- Fully implement the coordinated enforcement and intervention protocols.
- Establish the shared legal services pool.
- Implement a regional training and capacity building program.
- If feasible, begin the process of establishing a regional land bank.

Who Does What

Southside PDC: Provide overall program management and coordination, develop and maintain the regional database and assessment tools, coordinate regional training and capacity building efforts, and manage shared resources and services.

Member Localities: Contribute data on vacant properties within their jurisdictions, participate in property condition assessments, implement local intervention strategies using regional tools and resources, and contribute funding and resources to support the regional program.

Regional Steering Committee: Provide strategic guidance on program development and implementation, review and approve major program decisions and resource allocations, and advocate for the program with local elected officials and other stakeholders.

LISC Virginia: Provide resources and expertise on resolving heirs' property issues and offer guidance on best practices for vacancy reduction and community revitalization.

Legal Partners: Assist with ownership research and title clearing, provide guidance on legal intervention options, and support the development of the shared legal services pool.

Technology Partners: Develop and maintain the GIS-based regional database, create mobile apps for property condition assessments, and provide ongoing technical support and system upgrades.

How to Fund It

Member locality contributions: Based on population or number of vacant properties

Virginia Housing: Capacity building and community impact grants

DHCD: Virginia Vacant and Derelict Structures Fund, Industrial Revitalization Fund

Federal sources: HUD Community Development Block Grants, EPA Brownfields grants

Private foundations: Seek grants focused on community revitalization and blight reduction

Examples

Roanoke

Rather than acquiring these properties to sell them to the highest bidder, the City is working with a non-profit organization called Total Action for Progress (TAP). TAP's Housing Department will administer the city's land bank program, working to turn the acquired properties into affordable housing.

Other cities such as Danville, Martinsville, and Chesapeake have designated or created land bank entities and are attempting to get them off the ground.

SECONDARY SOLUTION 1

Create framework for strategic development along town-county borders.

ISSUE: *Housing development issues are often exacerbated at town-county borders, where jurisdictional boundaries can hinder coordinated planning and efficient resource allocation.*

The result is missed opportunities for strategic growth that could benefit both towns and counties, as well as the region as a whole.

SOLUTION: *Develop a comprehensive framework to facilitate collaborative planning and development along town-county borders within the Southside PDC region.*

This framework would enable more efficient use of infrastructure, promote diverse housing options, and leverage the unique strengths of both town and county governments to create vibrant, mixed-use communities in strategic growth areas.

How It Works

1. Border Area Identification and Analysis

Conduct a region-wide assessment to identify potential growth areas along town-county borders. Analyze existing infrastructure, land use patterns, and development potential in these areas. Prioritize sites based on criteria such as infrastructure availability, market demand, and alignment with regional growth strategies.

2. Coordinated Planning, Development, and Infrastructure Process

The Southside PDC could facilitate the establishment of joint town-county planning teams for each prioritized border area. These teams could develop a shared vision and goals for each border, incorporating input from both jurisdictions. They could create detailed small area plans that address land use, infrastructure, housing diversity, and economic development with consistent or complementary zoning designations. The use of joint overlay districts could be considered to promote desired development patterns along these arteries and ensure that collaborative development does not come at the expense of environmental protection or farmland preservation goals.

As part of this coordinated process, the teams could conduct joint infrastructure needs assessments for each border area. This could inform the development of coordinated capital improvement plans that align with the small area plans. To support implementation, the teams could explore innovative financing mechanisms such as tax increment financing or special assessment districts that span jurisdictional boundaries. This approach would ensure that both planning and infrastructure development are addressed in a holistic, collaborative manner, maximizing efficiency and promoting cohesive growth in border areas.

3. Intergovernmental Agreements and Economic Development Coordination

The Southside PDC could assist towns and counties in drafting and adopting formal intergovernmental agreements for each border development area. These agreements could define roles, responsibilities, and resource-sharing arrangements between the jurisdictions. They could include clear dispute resolution mechanisms and establish protocols for joint review and approval processes. Importantly, the agreements could outline mechanisms for revenue sharing from new development, ensuring that both jurisdictions benefit from growth in these areas.

As part of these agreements, the jurisdictions could commit to aligning their economic development strategies for border areas. This could involve developing joint marketing efforts to attract desired businesses and industries to these areas, leveraging the combined strengths and resources of both town and county. The agreements could also outline plans for coordinating on workforce development initiatives to support new employment opportunities created by border area development and consider potential impacts on school districts and other special-purpose local governments. This comprehensive approach would create a strong framework for collaboration, addressing both governance and economic development aspects of border area growth.

4. Implementation Support and Monitoring

Provide ongoing technical assistance to local governments implementing border area plans and establish a regional monitoring system to track progress and outcomes. Facilitate regular meetings of town-county teams to address challenges and share successes.

How to Do It (suggested but flexible implementation timeline)

Within 6 months

- Conduct initial border area identification and analysis.
- Form a regional steering committee to guide framework development.
- Begin outreach to town and county governments to introduce the concept and gather input.

Within 1 year

- Complete detailed assessments of priority border areas.
- Draft template intergovernmental agreements and joint planning processes.
- Develop model zoning and development regulations for border areas.
- Create a toolkit of best practices for collaborative border development.

Within 2 years

- Implement pilot projects in 2-3 selected border areas.
- Provide training and technical assistance to local governments on framework implementation.
- Establish the regional monitoring system.
- Conduct an initial evaluation of pilot projects and refine the framework as needed.

Who Does What

Southside PDC: Provide technical assistance and resources to local governments. Facilitate regional coordination and knowledge sharing among the participating localities. Manage the regional monitoring system to track progress and outcomes of the collaborative efforts.

Town and County Governments: Align local plans and regulations with the collaborative framework to ensure consistency across the region. Contribute resources and expertise to shared projects. Engage residents and stakeholders in the planning process to ensure that local needs and perspectives are incorporated.

State Agencies (e.g., DHCD and VDOT): Provide valuable guidance on aligning local efforts with state policies and resources. Offer technical assistance on specific aspects of border area development. Prioritize funding for collaborative border area projects, incentivizing regional cooperation.

Examples

Minneapolis and Hennepin County

Minneapolis and Hennepin County in Minnesota have each developed a comprehensive set of programs and policies to promote affordable housing development. Hennepin County, leveraging its authority as a taxing entity, has implemented a dedicated property tax specifically to fund affordable housing initiatives. This property tax provides a consistent and reliable source of funding for such projects. Meanwhile, the City of Minneapolis, despite having more limited taxing powers, plays a crucial role in planning and implementing tax increment financing (TIF) districts throughout the city. The synergy between Hennepin County's stable funding through targeted taxation and Minneapolis' strategic use of TIF has created a favorable environment for affordable housing development.

SECONDARY SOLUTION 2

Increase capacity and resources to support housing development across the region.

ISSUE: *The region faces significant housing challenges, including a lack of diverse housing inventory, labor supply issues in the construction sector, and capacity constraints within local governments.*

Local jurisdictions often lack the specialized expertise and resources needed to effectively plan for and facilitate the development of diverse, affordable housing options.

SOLUTION: *To address these interrelated challenges, the Southside PDC can take two approaches to expanding capacity and making progress on housing goals: 1) Determining PDC-led initiatives requiring additional capacity, and 2) Determining PDC-facilitated programs requiring minimal extra capacity.*

How It Works

1. Southside PDC-led Initiatives

Strategies where Southside PDC staff acts as the lead may require significant additional capacity and resources within the PDC itself. These initiatives are directly managed and implemented by PDC staff, often involving new programs, dedicated funding streams, and expanded in-house expertise. While these initiatives can begin with current PDC capacity, they will most likely need to be adjusted as they take up more time, at the least requiring the PDC to identify a more dedicated housing position.

Regional Housing Trust Fund

One potential Southside PDC-led initiative could be creating a regional housing trust fund to support affordable housing development across the area. This fund could pool resources from member localities and seek matching funds from state and federal sources. The PDC could establish clear criteria for fund usage, potentially focusing on gap financing for affordable housing projects or predevelopment loans to support early-stage planning and design work.

Technical Assistance Program

Another Southside PDC-led initiative could be establishing a comprehensive technical assistance program to support member localities. This program could offer services such as zoning and land use analysis for housing development, market studies and housing needs assessments, site feasibility studies, grant writing and administration for housing-related funding, and developer outreach and negotiation support. By centralizing these specialized services at the regional level, individual localities could access expertise they may not be able to maintain in-house.

2. Southside PDC-facilitated Programs

In contrast, strategies where the Southside PDC acts as a regional convener and facilitator leverage existing resources and partnerships without necessarily requiring substantial new PDC capacity. In these cases, the PDC's role is to bring together key stakeholders, coordinate efforts across the region, and provide a platform for collaboration. These approaches allow the PDC to catalyze regional housing solutions without taking on all implementation responsibilities directly.

Workforce Development Initiative

One example of a PDC-facilitated program could be a workforce development initiative to address labor shortages in the construction industry. The Southside PDC could partner with local community colleges and trade schools to develop targeted workforce programs. This approach could include creating apprenticeship programs, developing specialized training courses for emerging construction technologies, and establishing a regional construction job board to connect workers with employment opportunities. The PDC would act as the convener, broker, and coordinator of a pipeline of trades and developers rather than running workforce development in-house.

Augusta Build Blitz

This innovative program in Augusta County, organized by the Home Builders Association of Virginia (HBAV), brings together industry partners, manufacturers, and workforce development programs to rapidly construct small, affordable homes while providing hands-on training opportunities.

https://www.wmra.org/2024-09-24/valley-carpentry-students-building-nine-homes-in-nine-day-blitz

By adapting elements of the Augusta Build Blitz model, the Southside PDC could create a workforce development initiative that simultaneously addresses construction labor shortages, provides hands-on training, and produces affordable housing units. The PDC would serve as the regional coordinator and facilitator, bringing together educational institutions, industry partners, local governments, and funders to create a pipeline of skilled workers and affordable homes.

Housing Innovation Lab

Another PDC-facilitated program could be creating a Housing Innovation Lab dedicated to researching and piloting innovative housing solutions for the region. This lab could explore cutting-edge approaches such as modular and prefab construction methods, investigate adaptive reuse strategies for vacant commercial properties, and develop model ordinances for diverse housing types like accessory dwelling units and missing middle housing.

Regional Land Bank

Establishing a regional land bank would allow the Southside PDC to address vacancy issues and support strategic land acquisition across member localities. This would involve developing policies and procedures for the acquisition and disposition of properties, creating a database of potential development sites, and coordinating with local governments on priority areas for redevelopment.

Political Considerations

Given potential sensitivities around regional approaches, the Southside PDC would work to build consensus among member localities and key stakeholders. A clear communication strategy would be developed to demonstrate the value of expanded PDC services to both local governments and the public, emphasizing how regional coordination can lead to more effective and efficient housing solutions.

How to Do It

Within 6 months

- Secure commitments from member localities for increased funding to the Southside PDC.
- Initiate discussions with potential partners for workforce development initiative.
- Draft initial policies and procedures for the regional housing trust fund.

Within 1 year

- Onboard new staff and launch technical assistance program.
- Establish the regional housing trust fund and begin accepting applications.
- Implement the workforce development initiative with at least one educational partner.
- Begin operations of the regional land bank.

Within 2 years

- Fully implement all components of the expanded housing support program.
- Complete at least one pilot project through the Housing Innovation Lab.
- Conduct a comprehensive evaluation of the program's impact and effectiveness.
- Develop long-term sustainability plan for the expanded services.

Who Does What

Southside PDC: Provide overall program management and coordination, hire and manage new staff, administer the regional housing trust fund, and coordinate with member localities and other partners.

Member Localities: Provide funding contributions for expanded PDC services, participate in and utilize technical assistance programs, contribute to and support the regional land bank, and align local planning efforts with regional housing initiatives.

New Southside PDC Staff: Provide specialized expertise in housing development, deliver technical assistance to member localities, and manage specific program components (e.g., Housing Innovation Lab).

Educational Partners: Collaborate on workforce development initiatives and provide training and education programs for construction trades.

Private Sector Partners (e.g., developers, contractors): Participate in workforce development programs, provide industry insights to inform Housing Innovation Lab projects, and utilize Southside PDC resources to facilitate housing development projects.

How to Fund It

Increased member locality contributions: Primary source of funding for expanded PDC capacity.

Virginia Housing: Explore grant opportunities for planning and capacity building.

DHCD: Seek funding through various programs (e.g., Virginia Housing Trust Fund, Community Development Block Grants).

Federal sources: Pursue grants from HUD, USDA Rural Development, and other relevant agencies.

Private foundations: Seek grants from organizations focused on housing and community development.

Corporate partners: Solicit contributions from major employers in the region who would benefit from increased housing options.

Examples

WPPDC offers Rehabilitation Specialist services for CDBG Housing Rehabilitation grants. Its specialist is also available to conduct XRF lead-based paint testing for the planning phase, and risk assessments and clearance testing in the construction phase. WPPDC also has hired other housing specialists to join its team in implementing a host of housing initiatives for the region.

Regional Towns Solutions

PRIMARY SOLUTION 1

Revitalize towns with mixed-use development.

ISSUE: *Many town centers in the Southside PDC region lack vibrancy and have underutilized historic buildings, creating missed opportunities for housing and economic development.*

SOLUTION: *Implement a comprehensive downtown revitalization initiative focused on mixed-use redevelopment, with an emphasis on upper-story residential units and ground-floor commercial spaces.*

How It Works

This strategy aims to breathe new life into town centers by promoting mixed-use development that maximizes the use of existing structures while creating vibrant, walkable downtown areas. The initiative will focus on the adaptive reuse of historic buildings by encouraging the conversion of underutilized historic buildings into mixed-use developments, preserving architectural heritage while creating new housing and commercial opportunities. This could involve:

- Identifying vacant or underutilized buildings suitable for redevelopment
- Working with property owners to explore redevelopment options
- Connecting property owners with developers experienced in historic rehabilitation projects

1. Upper-story residential development: Promoting the conversion of upper floors in downtown buildings into residential units.

This process typically involves conducting a survey of potential upper-story spaces suitable for conversion, developing design guidelines for upper-story residential units, and creating incentives for property owners to convert these spaces into housing.

2. Ground-floor activation: Encouraging vibrant commercial uses on ground floors to create an active streetscape.

By identifying target businesses that align with community needs and preferences and offering incentives for businesses to locate or expand in downtown areas, the street-level of historic streets becomes lively and brings in residents. Implementing façade improvement programs can further enhance street-level aesthetics and create inviting public spaces, including:

- Improving sidewalks and crosswalks
- Adding street furniture, lighting, and landscaping
- Creating pocket parks or plazas in underutilized spaces

3. Leveraging funding sources: Most mixed-use redevelopment projects access and utilize various funding sources, making projects more financially viable. These can include:

- DHCD Main Street funding: Apply for and utilize Virginia Main Street grants and technical assistance to support downtown revitalization efforts.
- State and federal tax credits: Assist property owners and developers in accessing historic rehabilitation tax credits, new markets tax credits, and other applicable incentives.
- Local incentives: Develop a package of local incentives such as tax abatements, fee waivers, or expedited permitting for qualifying projects.

4. Proactive developer recruitment: Actively seeking out and engaging with developers experienced in mixed-use and historic rehabilitation projects can make a new effort streamlined and replicable.

Recruitment should be done through a variety of methods, including by creating marketing materials highlighting redevelopment opportunities and hosting developer tours to showcase available properties and community assets. By establishing relationships with developers specializing in small-town revitalization, their expertise can help tailor-fit solutions for each place and balance the need for modernization with preserving the town's architectural heritage.

5. Regulatory updates: Review and update local zoning and building codes to facilitate mixed-use development and prevent costly delays.

To revitalize downtown areas, cities should ensure zoning regulations allow for mixed-use development, combining residential, commercial, and public spaces. It's important to adopt flexible building codes that strike a balance between preserving historic architecture and meeting modern safety standards. Additionally, streamlining the permitting processes for downtown redevelopment projects can encourage investment and speed up revitalization efforts.

How to Do It

Within 6 months

- Form a downtown revitalization task force comprising local officials, business owners, property owners, and community representatives.
- Conduct an inventory of downtown buildings, identifying vacant and underutilized spaces suitable for redevelopment.
- Review current zoning and building codes to identify barriers to mixed-use development.
- Begin outreach to property owners to gauge interest in redevelopment opportunities.
- Identify potential funding sources, including DHCD Main Street grants and other state/federal programs.

Within 1 year

- Develop a comprehensive downtown master plan that outlines the vision for mixed-use development and identifies priority projects.

- Create design guidelines for upper-story residential units and ground-floor commercial spaces.
- Update zoning and building codes to facilitate mixed-use development and adaptive reuse of historic buildings.
- Establish a package of local incentives to support downtown redevelopment projects.
- Apply for DHCD Main Street designation (if not already designated) and related grant funding.
- Host a developer showcase event to highlight redevelopment opportunities in the downtown area.

Within 2 years

- Implement public space improvements to enhance walkability and downtown aesthetics.
- Launch a marketing campaign to attract businesses and residents to the revitalized downtown area.
- Establish a revolving loan fund or other financial tool to support ongoing redevelopment efforts.
- Complete at least one demonstration project showcasing successful mixed-use redevelopment.
- Develop a long-term monitoring and evaluation plan to track the impact of revitalization efforts.
- Maintain ongoing communication with residents and stakeholders to ensure revitalization efforts align with community needs and preferences.

Who Does What

Town Councils: Provide overall leadership and policy direction, approve zoning changes and incentive programs, and allocate local funding for revitalization efforts.

Planning Departments: Lead the development of the downtown master plan, update zoning and building codes, and manage the permitting process for redevelopment projects.

Economic Development Departments: Spearhead developer recruitment efforts, manage incentive programs, and coordinate business attraction/retention initiatives.

Main Street Program (if applicable): Coordinate revitalization efforts, manage grant applications, and lead community engagement activities.

Property Owners: Participate in planning processes, consider redevelopment opportunities, and potentially undertake mixed-use projects.

Developers: Partner with the Towns and property owners to implement mixed-use redevelopment projects.

Community Organizations: Provide input on revitalization plans, support community engagement efforts, and potentially partner on specific projects or initiatives.

How to Fund It

DHCD:

- Virginia Main Street grants (up to $25,000 for planning, up to $100,000 for implementation)
- Community Development Block Grant (CDBG) funds
- Industrial Revitalization Fund (up to $5 million for redevelopment projects)

Virginia Housing:

- Mixed-Use/Mixed-Income (MUMI) Development program
- Community Impact Grants (up to $20,000 for planning efforts)

Historic tax credits:

- Federal Historic Preservation Tax Credits (20% credit for certified rehabilitation of historic structures)
- Virginia Historic Rehabilitation Tax Credits (25% credit for certified rehabilitation of historic structures)

Local sources:

- General fund allocations
- Tax increment financing (TIF) districts
- Special assessment districts
- Meals and lodging taxes

Private sources:

- Local/regional foundations
- Corporate sponsorships
- Crowdfunding campaigns for specific projects

How to Measure Success

- Number of buildings rehabilitated or redeveloped
- Number of new housing units created in downtown area
- Square footage of new or improved commercial space
- Increase in downtown property values
- Changes in downtown vacancy rates (commercial and residential)
- Number of new businesses opened
- Increase in downtown foot traffic and event attendance
- Resident and visitor satisfaction surveys

Examples

Woodstock High School and Bank Adaptive Reuse (Woodstock, VA)

http://woodstocklofts.com/history/

By rehabilitating the early 20th-century Woodstock High School and the 19th-century Shenandoah Bank & Trust building into upscale loft-style residences, the Woodstock Lofts project preserved significant historic features while adapting the structures for modern use. Utilizing federal and Virginia historic rehabilitation tax credits, the development maintained the town's architectural heritage, contributing to community revitalization and economic growth.

Sheridan Row Housing (Lexington, VA)

https://frazierassociates.com/portfolio-item/sheridan-row/

The Sheridan Row project serves as a model for historic preservation through adaptive reuse in small towns. By converting a block-long commercial building in the historic district into street-front retail spaces with three urban loft condominiums above, the development retained original architectural features like heart pine flooring and wood trim, while integrating sustainable design elements such as green roofs and energy-efficient appliances. This approach preserved the building's historic character, provided modern amenities to residents, and contributed to downtown revitalization.

PRIMARY SOLUTION 2

Implement a regional adaptive reuse program.

ISSUE: *Towns in the Southside PDC region have numerous vacant or underutilized non-residential buildings outside downtown areas that could be repurposed to address housing needs and promote economic development.*

SOLUTION: *Develop and implement a comprehensive regional adaptive reuse program to encourage the transformation of a wide range of underutilized non-residential buildings into new residential or commercial spaces, focusing on areas outside the downtown core.*

How It Works

This strategy aims to repurpose vacant or underutilized non-residential buildings throughout the region, including and extending beyond small downtown areas. The program will focus on:

1. Regional Building Inventory and Assessment

Conduct a comprehensive inventory of potential non-residential buildings suitable for adaptive reuse across the Southside PDC region. Identify vacant or underutilized buildings such as old schools, warehouses, and industrial sites. Assess the structural integrity and potential for redevelopment. Create a regional database of properties with key information for developers and investors.

2. Regional Incentive Package Development

Design a suite of regional incentives to encourage property owners and developers to invest in adaptive reuse projects. Coordinate with multiple jurisdictions to offer consistent incentives across the region. Develop a regional tax-sharing agreement to distribute benefits of successful projects.

3. Flexible Zoning and Building Code Updates

Work with multiple jurisdictions to create consistent adaptive reuse policies. Develop model zoning and building code updates that can be adopted by individual towns. Create an adaptive reuse overlay zone or special-use permit process applicable to non-downtown areas.

4. Regional Technical Assistance Program

Establish a regional team of experts to provide support to property owners and developers. Offer pre-development consultations to discuss potential projects. Connect property owners with architects, engineers, and contractors experienced in adaptive reuse. Provide guidance on accessing state and federal incentives (e.g., historic tax credits).

5. Regional Marketing and Promotion

Develop a regional brand for the adaptive reuse program. Create marketing materials highlighting available properties across the region. Showcase successful adaptive reuse projects through regional tours, case studies, and media outreach.

6. Preservation of Community Character

Develop regional design guidelines for adaptive reuse projects that respect local character. Encourage the preservation of significant architectural features where possible. Promote projects that contribute to each town's unique identity and cultural heritage.

7. Targeted Recruitment on a Regional Scale

Proactively seek out developers and businesses interested in adaptive reuse opportunities across the region. Attend national conferences and events to promote regional adaptive reuse opportunities. Develop a regional pitch to attract businesses that could benefit from unique, repurposed spaces.

How to Do It

Within 6 months

- Form a regional adaptive reuse task force with representatives from multiple jurisdictions.
- Conduct an initial inventory of potential non-residential buildings suitable for adaptive reuse across the region.
- Review current zoning and building codes in participating jurisdictions to identify barriers to adaptive reuse projects.
- Begin outreach to property owners of identified buildings to gauge interest in the program.
- Research successful regional adaptive reuse programs in other areas for best practices.

Within 1 year

- Develop a comprehensive regional adaptive reuse policy and incentive package.
- Create regional design guidelines for adaptive reuse projects that respect community character.
- Draft model zoning and building code updates for adoption by individual jurisdictions.
- Establish a regional technical assistance program to support property owners and developers.
- Develop regional marketing materials and a website to promote adaptive reuse opportunities.
- Host regional informational workshops for property owners, developers, and community members.

Within 2 years

- Implement the full suite of regional incentives and support programs.
- Launch a targeted recruitment campaign to attract developers and businesses interested in adaptive reuse projects across the region.

- Complete at least one demonstration project in each participating jurisdiction showcasing successful adaptive reuse.
- Develop a regional recognition program to celebrate successful adaptive reuse projects.
- Establish a regional monitoring and evaluation system to track program impacts and adjust as needed.

Who Does What

Southside PDC: Provide overall coordination and management of the regional program.

Participating Town Councils: Approve participation in the regional program and adopt necessary local policy changes.

Regional Planning Team: Lead the development of the regional adaptive reuse program and create model code updates.

Regional Economic Development Team: Promote adaptive reuse opportunities and recruit developers and businesses.

Regional Building Officials Committee: Develop flexible building code interpretations for adaptive reuse projects.

Property Owners: Consider adaptive reuse opportunities for their properties and potentially undertake projects.

Developers: Partner with the region and property owners to implement adaptive reuse projects.

Community Organizations: Provide input on program development and support community engagement efforts.

How to Fund It

DHCD:

- Community Development Block Grant (CDBG) funds
- Industrial Revitalization Fund (up to $5 million for redevelopment projects)

Virginia Housing:

- Mixed-Use/Mixed-Income (MUMI) Development program
- Rental Housing Resources

Historic tax credits:

- Federal Historic Preservation Tax Credits (20% credit for certified rehabilitation of historic structures)

- Virginia Historic Rehabilitation Tax Credits (25% credit for certified rehabilitation of historic structures)

Regional funding pool:

- Contributions from participating jurisdictions
- Revenue sharing from successful projects

Private sources:

- Regional foundations interested in community revitalization
- Corporate sponsorships for specific projects
- Impact investment funds focused on community development

How to Measure Success

- Number of buildings repurposed through the program across the region
- Total square footage of space rehabilitated region-wide
- Number of new housing units created in non-downtown areas
- Number of new businesses opened in repurposed spaces outside downtowns
- Private investment leveraged through the program across the region
- Increase in property values of rehabilitated buildings and surrounding areas
- Reduction in vacant or underutilized non-residential properties region-wide
- Regional community satisfaction surveys

Examples

Piedmont Triad Adaptive Reuse Program, North Carolina

- Regional collaboration between multiple counties and cities
- Focus on repurposing former textile mills and tobacco warehouses
- Created over 1,000 new housing units and 500,000 square feet of commercial space

Rural Massachusetts Adaptive Reuse Initiative

- State-led program focusing on adaptive reuse in rural communities
- Emphasis on repurposing vacant schools and municipal buildings
- Resulted in creation of affordable housing and community spaces in 15 rural towns

HOW SOLUTIONS 1 AND 2 WORK TOGETHER

These two primary solutions can complement each other in several ways:

- Geographic focus: Solution 1 concentrates on downtown areas, while Solution 2 could target non-residential buildings outside downtown cores. This allows for comprehensive revitalization across entire communities.
- Resource sharing: The technical expertise and financial resources developed for each program can be shared and leveraged to support both initiatives.
- Marketing synergy: Success stories from both programs can be marketed together to showcase the region's comprehensive approach to revitalization.
- Policy alignment: Zoning and building code updates can be coordinated to ensure consistency between downtown and non-downtown areas.
- Developer relationships: Relationships built with developers through one program can be leveraged to support projects in the other.
- Holistic community development: Together, these solutions address housing, economic development, and community revitalization needs across various settings within the region.

SECONDARY SOLUTION 1

Address water and sewer needs via strategic infrastructure planning and financing.

ISSUE: *Limited water and sewer infrastructure capacity can constrain new housing development in towns across the Southside PDC region.*

SOLUTION: *Develop a comprehensive approach to infrastructure planning and financing that aligns with housing development goals and leverages a range of funding sources.*

How It Works

This strategy aims to ensure that water and sewer infrastructure capacity supports housing development through strategic planning and innovative financing approaches.

1. Infrastructure Needs Assessment

Conduct a comprehensive assessment of current and future water and sewer infrastructure needs. Evaluate existing system capacity and condition. Project future demand based on housing development goals. Identify critical upgrades and expansion needs. This process should be careful to balance growth with environmental protection, and involve coordination with neighboring jurisdictions to identify regional infrastructure needs.

2. Alignment with Housing and Growth Plans

Ensure infrastructure planning aligns with broader housing and growth objectives. Coordinate infrastructure planning with comprehensive plan updates. Prioritize infrastructure investments in designated growth areas. Develop policies to encourage housing development in areas with existing capacity.

3. Innovative Financing Strategies

Explore and implement a range of financing options to fund infrastructure projects. Pursue federal and state grants such as CDBG and USDA Rural Development. Consider municipal bond issuance for major projects. Explore public-private partnerships with developers. Leverage new Virginia Resources Authority (VRA) funding options for housing-related infrastructure.

4. Strategic Growth Management

Implement policies to manage growth and maximize infrastructure efficiency. Adopt adequate public facilities ordinances. Consider impact fees or pro-rata share agreements for new development. Encourage higher-density development in areas with existing infrastructure.

How to Do It (suggested but flexible implementation timeline)

Within 6 months

- Form an infrastructure planning task force with representatives from public works, planning, and finance departments.
- Begin a comprehensive assessment of water and sewer infrastructure needs.
- Research available funding sources, including new VRA options for housing-related infrastructure.

Within 1 year

- Complete the infrastructure needs assessment and prioritize projects.
- Develop a 5-10 year capital improvement plan for water and sewer infrastructure and determine equitable access plans to improve infrastructure.
- Explore and initiate applications for relevant grant funding opportunities.
- Begin discussions with VRA about potential funding for housing-related infrastructure projects.

Within 2 years

- Implement policy changes to align infrastructure planning with housing development goals.
- Secure funding for high-priority infrastructure projects and long-term maintenance.
- Establish ongoing monitoring and evaluation process for infrastructure capacity and housing development.

Who Does What

Town Councils: Approve infrastructure plans and financing strategies and adopt relevant policy changes.

Public Works Departments: Lead infrastructure needs assessment and develop project priorities.

Planning Departments: Ensure alignment between infrastructure and housing plans.

Finance Departments: Explore and implement financing strategies and manage grant applications.

Town Managers: Coordinate efforts across departments and engage with regional and state partners.

How to Fund It

- Virginia Resources Authority (VRA) financing for housing-related infrastructure
- USDA Rural Development Water and Waste Disposal Loan and Grant Program
- Virginia Department of Health (VDH) Drinking Water State Revolving Fund
- Virginia Department of Environmental Quality (DEQ) Clean Water Revolving Loan Fund
- Community Development Block Grant (CDBG) program
- Municipal bonds
- Developer contributions or impact fees

How to Measure Success

- Increase in water and sewer capacity to support new housing development
- Number of new housing units supported by infrastructure improvements
- Ratio of infrastructure investment to new housing units created
- Reduction in areas with inadequate water/sewer service
- Successful leveraging of diverse funding sources for infrastructure projects

Local Findings and Solutions

Local findings and solutions are organized by county with town findings incorporated into the county narrative. County solutions follow the Findings sections. South Boston solutions follow Halifax County solutions. South Hill Solutions follow Mecklenburg County solutions. Solution options for smaller towns follow the Regional Solutions section.

Brunswick County Findings

Brunswick County is approximately 70 miles south of Richmond and 90 miles northwest of Raleigh, N.C. Approximately 16,000 people reside within more than 6,100 households in the county, which includes three towns: Alberta, Brodnax, and Lawrenceville. The county borders the state of North Carolina and is surrounded by the Virginia counties of Mecklenburg, Greensville, Lunenburg, Nottoway, and Dinwiddie.

Brunswick County is the most rural jurisdiction in the region and will experience housing demand trends similar to other rural places in the United States. According to data from the U.S. Census Bureau and Brookings, 56 major metropolitan areas (populations greater than 1 million) reported population declines between July 2020 and July 2021. At the same time, smaller metro areas experienced higher population growth than in the previous two years, and non-metro areas reported the greatest annual population gain in over a decade[1]. This population migration, coupled with changes in housing preferences and an influx of millennial homebuyers in the market, may provide rural and small communities with new advantages.

Even before the COVID-19 pandemic, national household surveys implied an increasing preference for detached home options. The pandemic appears to have accelerated this trend; however, the degree to which it has *caused* rural migration has not been established. Preference for detached homes increased from 55% to 59% and from 55% to 61% among millennials (aged 26–42) and Gen X, respectively[2]. Similarly, data from Pew Research Center point to increased desirability for homes that are larger and farther apart (60% of those surveyed), even if schools, stores, and restaurants are several miles away[3]. The CoreLogic Single-Family Rent Index (SFRI) by property type suggests a shift in demand during the pandemic to more interior and exterior residential space and to communities with lower population density. This has led to higher rent increases for detached houses—more than 5% higher than for attached properties[4].

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[1] Frey, W. H. (2022). "Big cities saw historic population losses while suburban growth declined during the pandemic." Brookings. Retrieved September 12, 2022, from https://www.brookings.edu/research/big-cities-saw-historic-population-losses-while-suburban-growth-declined-during-the-pandemic/
[2] Broberg, B. (2020). The 2020 NAR Community Preference Survey. On Common Ground. National Association of Realtors. Chicago, IL. Retrieved October 11, 2022, from https://www.nar.realtor/on-common-ground/the-2020-nar-community-preference-survey
[3] Gómez, V. (2021). "More Americans now say they prefer a community with big houses, even if local amenities are farther away." Pew Research Center. Retrieved September 30, 2022, from https://www.pewresearch.org/fact-tank/2021/08/26/more-americans-now-say-they-prefer-a-community-with-big-houses-even-if-local-amenities-are-farther-away/
[4] Boesel, M., Chen, S., & Nothaft, F. E. (2021). "Housing preferences during the pandemic: Effect on home price, rent, and inflation measurement." Business Economics, 56(4), 200–211.

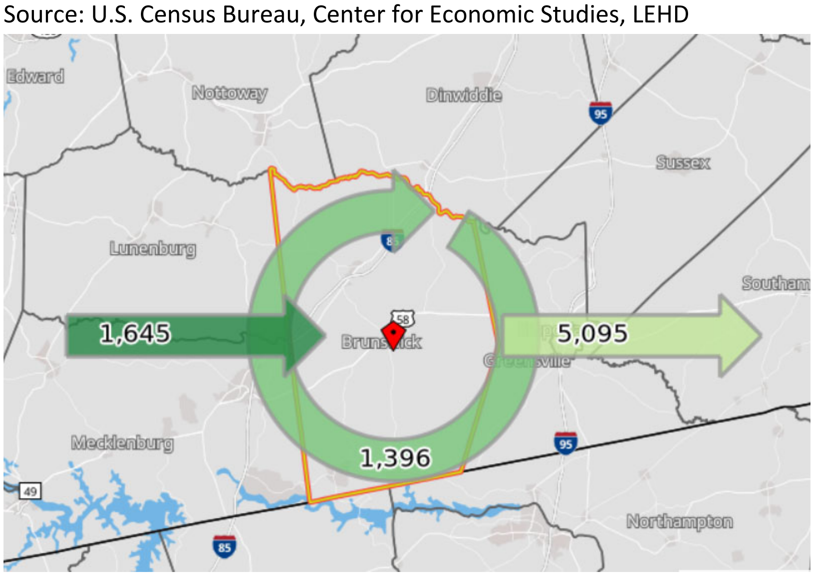
Despite the trend toward lower-density living, younger generations (especially millennials) show a preference for suburban living that allows for both personal space and easy access to walkable downtowns with central city amenities. Home amenities desired include more interior and exterior space as well as "specialty spaces," such as a home office or private workspace; however, there was an expressed preference for affordability even if it requires accepting a smaller house or lot[5]. Small communities with lower cost of living, especially those with vibrant downtowns may be well positioned to attract new households if homes that meet their needs and preferences are available.

Brunswick Regional Housing Market

The majority (78.5%) of working Brunswick County residents commute out of the county for their primary job. Of the 6,491 working individuals who live in Brunswick County, 1,396, or 21.5%, work in the county itself. While 9.9% of workers commute to Mecklenburg County, about 20% of workers commute to the Richmond metropolitan area (e.g., Richmond city, Chesterfield County, Henrico County, Dinwiddie County). Smaller numbers of residents commute to the City of Emporia (4.7%), Greensville County (4.3%), and Nottoway County (2.5%).

Brunswick has about 3,000 jobs, and about half (46%) of these workers live in the county itself. Nearly 1,645 workers commute into the county for their primary job: the largest number commute from Mecklenburg County (15%), followed by Greensville County (5%) and Halifax County (3%).

2021 Inflow/Outflow of Brunswick County Workers for Primary Jobs
Source: U.S. Census Bureau, Center for Economic Studies, LEHD



[5] (Coomer, 2019; Broberg, 2020)

Households

As of 2022, 15,965 people within 6,165 households reside in Brunswick County. Of the county's three towns, Alberta has at least 105 households, Brodnax has at least 95 households, and Lawrenceville has 416 households.

In Brunswick County, 47% of householders are identified as white and a nearly equal proportion, 49%, as Black. The population of householders identifying as Hispanic is too small to provide a reliable estimate. Brunswick County's median age is 44.6 years, which is approximately 6 years older than the overall median age in the state of Virginia (38.7 years). A substantial proportion of households, 42%, includes at least one member who is 65 or older. This figure is higher than the state's average of 30%, suggesting that there is a need for facilities and services for seniors. Twenty-eight percent of households (1,726) include one or more child younger than 18.

Living Arrangements

The majority of households (66%) are composed of one or two individuals, indicating a prevalence of smaller family units, including an aging population living alone or in couples and younger people living independently or as couples. Two-person households, mostly married couples, make up the largest demographic subset, accounting for 34% of all households. Thirty-two percent of households (2,003) are composed of a single individual. Among those, about half (1,007) are individuals who are 65 or older. The remaining households are made up of three people (15%) or four or more people (18%).

Tenure

As of 2022, 73% of households own their homes. Householders aged 35 and older are commonly homeowners. Renter households tend to be younger than owner households: 47% of renter householders are aged 44 or younger, compared to only 14% of homeowners.

Housing Insecurity

More than 1,300 households in Brunswick County spend more than 30% of their income for housing. Cost-burdened households may have to compromise other necessities such as food, clothing, medical care, and education to accommodate housing expenses. Moreover, a significant number of these cost-burdened households are severely cost-burdened, meaning they spend more than 50% of their income on housing. Among cost-burdened households, 43% spend more than 50% of their income for housing. Severely cost-burdened households often make choices between housing and other basic necessities and may be at risk for homelessness in the event of an emergency expense or economic hardship.

Thirty-three percent of renters are cost-burdened while 36% of homeowners with a mortgage are cost-burdened. Approximately 13% of renter households spend over 50% of their income on housing costs. Among homeowners who own their homes free and clear, about 9% are cost-burdened.

The mortgage finance system generally prevents homeowners from being cost-burdened when they buy their home, and often homeowners' income increases over the life of their mortgage. Homeowners also face relatively little change in housing costs compared to renters. Homeowners become cost-burdened due to economic hardship such as job loss, death of a family member, or fixed incomes that do not keep up with rising costs of taxes, utilities, and insurance. When cost-burdened owners choose other necessities over housing, they may still make mortgage payments or even own their home free and clear. However, they may defer maintenance and forgo upgrades, threatening both their well-being and the community's housing stock. Solutions like weatherization, indoor plumbing repair, and other home-repair programs can reduce housing costs and provide overdue upgrades, benefitting both the resident and the community.

Households are more likely to make tough choices between housing and other needs when they have low incomes. These households are also more likely to be at risk for homelessness in the event of an unexpected household expense, such as a medical expense or major appliance failure. According to CHAS 5-year 2020 data, 67%, or 475, of extremely low-income households (those earning 30% or less of AMI) experience housing cost burdens and may be at risk for homelessness. The income thresholds for low-income households in 2024 show that a four-person household with an income of $31,200 is classified as an extremely low-income household, and one with an income of $36,650 is considered to have a very-low income. Households with extremely low or very-low incomes are likely to qualify for housing assistance programs.

2024 HUD Low Income Limits: Brunswick County

Note: HUD calculated Brunswick County income limits using the state non-metro median income for a family of four because 50% of the Brunswick median is less than 50% of the state median ($36,650).

	Median Income for Family of Four	Person in Family			
FY2024 Income Limits		1	2	3	4
Extremely Low (30%)	$62,800	$15,400	$20,440	$25,820	$31,200
Very Low (50%)		$25,700	$29,350	$33,000	$36,650
Low (80%)		$41,100	$46,950	$52,800	$58,650

Incomes differ throughout the county. Median income is lowest in Lawrenceville and highest in Brodnax. Given a much higher median income, households in Brodnax tend to have higher incomes. Since the HUD Low Income Limits are based on incomes throughout the county, fewer households in Brodnax will qualify for housing assistance programs based on these guidelines. This situation works to the advantage of households in Lawrenceville and Alberta. Since the HUD income limits are based on incomes throughout the county and household incomes are generally lower in Alberta and Lawrenceville, a larger percentage of households in the towns will qualify for programs like the Weatherization Assistance Program and the Indoor Plumbing Repair Program than would if smaller-area income limits were applied.

Median Household Income for Brunswick County, Towns of Alberta, Brodnax, and Lawrenceville

Source: 2022 ACS 5-year estimates

	Median Household Income
Brunswick County	$52,678
Town of Alberta	$51,250
Town of Brodnax	$76,607
Town of Lawrenceville	$46,429

The table below shows the number of low-income households in the county and among them, the number who are cost-burdened, spending more than 30% of their income on housing. The town populations are too small to reliably estimate the number of low-income households. For Lawrenceville, the largest town, data reliably indicate that *at least* 175 households have low incomes.

Households by Income, Brunswick County
Source: VCHR tabulation of 2016–2020 CHAS data
Note: Cost burden decreased from 2019 to 2021 in many places, likely due to pandemic support such as rental assistance and the federal Child Tax Credit. Preliminary data from 2022 suggest that these improvements were reversed as pandemic support programs ceased.

	Households	Cost-burdened
Low-income Households (<80% of AMI)	2,695	1,195
Total Households	6,140	

Households experiencing homelessness are often less visible in suburban, exurban, and rural contexts. Because services for households experiencing homelessness in the county are limited, those who are unsheltered may have to leave the county to obtain temporary shelter. Focus group participants explained that since there are no hotels in the county, households experiencing crisis often need to go to Mecklenburg County to use emergency assistance funds, resulting in long commutes back for children to attend school. Other households may “couch surf,” moving between the homes of friends and family, squat in unused buildings, or camp.

The annual point-in-time counts conducted by Continuums of Care count households experiencing literal homelessness, those who are living in a shelter or who are unsheltered, and often cannot capture the full magnitude of homelessness experienced in areas with few services. As such, counts of school-aged children experiencing homelessness are often a better indicator of homelessness challenges in these contexts. During the 2020-2021 school year, Brunswick County schools reported fewer than 10 children who experienced homelessness. Because families must self-identify their housing struggles and may worry about the stigma of receiving services, levels of insecurity are also sometimes undercounted.

Workforce Affordability

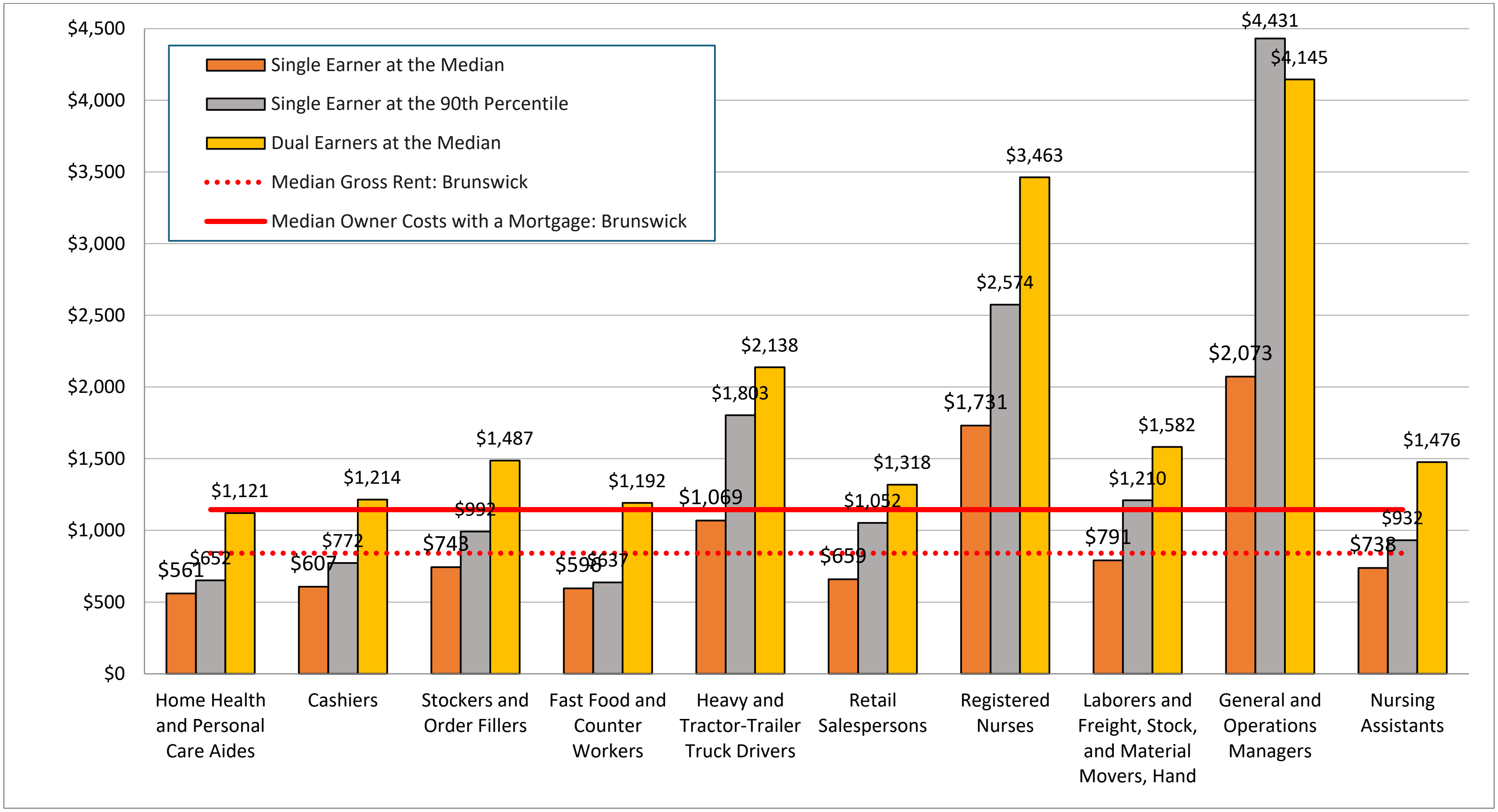
In Brunswick County, the majority of households, 64% or 3,930 households, have at least one working individual. Among households with workers, 2,304 consist of a single worker and 1,625 include two or more workers. Conversely, 2,235 households do not have any employed individuals. Households who are not working are likely to be retired since 42% of households have at least one person aged 65 or older; 1,522, or 24.7%, are receiving retirement income; and 2,725 households, or 44.2%, are receiving Social Security income. A small percentage of householders may have disabilities that prevent them from working. Households receiving Supplemental Security Income (SSI) can be a proxy for this population. In Brunswick County, 535 households, or 8.7%, receive SSI.

VCHR compares maximum affordable housing costs by occupation to housing costs in order to determine which workers may struggle to afford housing. VCHR compared these costs in three scenarios: a single earner, earning at the median for his or her occupation; dual earners, both earning at an occupation's median wage; and a single earner, earning at the 90th percentile. VCHR chose these scenarios to benchmark the experience of typical households. Households generally include one or two workers. VCHR included an analysis of housing affordability for earners at the 90th percentile to consider whether households can more readily afford housing later in their career, with increased skill or experience.

Among the top 10 occupations in Southside PDC shown in the graph on the next page, single earners in only three of these occupations can afford the median rent in Brunswick County without straining their budget. Specifically, only heavy and tractor-trailer truck drivers, registered nurses, and general and operations managers can comfortably afford median rental rates by allocating 30% or less of their monthly income. A significant proportion of workers in Brunswick, particularly those in service and support roles, may find it challenging to secure affordable housing. The picture becomes even more concerning when considering homeownership. Only registered nurses and general and operations managers can afford the median owner costs with a mortgage as a single earner with median wages. This reality presents a potential hurdle for many workers wishing to lay down roots in Brunswick. When examining workers in the 90th percentile of income for their respective occupations, the scenario somewhat improves. Four additional occupations can afford the median rent (stockers and order fillers; retail salespersons; laborers and freight, stock, and material movers, hand; and nursing assistants), and laborers and freight, stock, and material movers can afford owner cost with a mortgage in Brunswick.

Maximum Affordable Housing Costs for Top 10 Occupation by Employment in the Southside Region Compared to Brunswick County Housing Costs

Source: Tabulation of 2021 Lightcast dataset adjusted to 2022, and 2022 ACS 5-year estimates



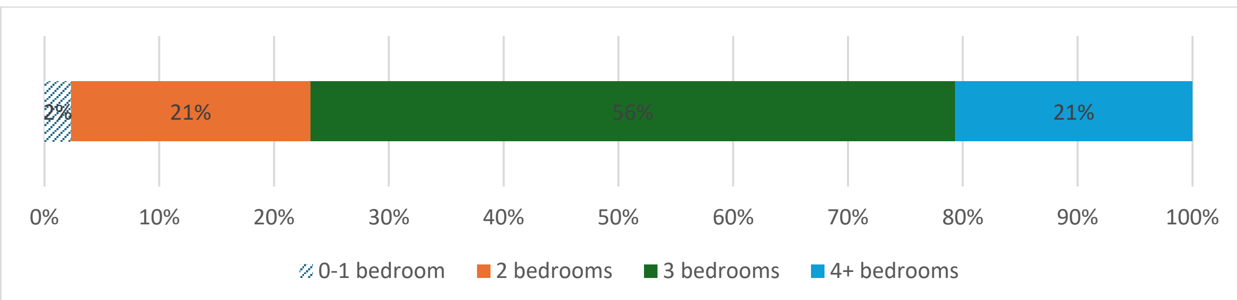
Housing Units

Brunswick County largely consists of single-family homes, accounting for 96% of all housing options in the area. This includes 5,364 detached, site-built units, and 2,246 mobile or manufactured homes[6]. Multifamily units are extremely limited in the county, with ACS estimates ranging from a minimum of 158 to a maximum of 426 units.

Bedrooms

More than half of the housing stock (56%) in Brunswick County is composed of three-bedroom units. Housing units with four or more bedrooms make up about 21% of the housing stock. Taken together, homes with three or more bedrooms account for a sizable 77% of all units in the county. Considering that about 66% of households in Brunswick County consist of two or fewer people, there is a discrepancy between housing size and household size. Developing smaller, well-located units could be beneficial for both current and future residents, as the trend toward smaller households is consistent both locally and beyond. Further, smaller units may more readily accommodate younger, less experienced workers; small, single-earner households; or downsizing seniors who need more affordable housing. Indeed, smaller units tend to have lower rents.

Housing Units by Number of Bedrooms in Brunswick County
Source: VCHR tabulation of 2022 ACS 5-year estimates
Note: The hashed part of the graph indicates that the data is not reliable.

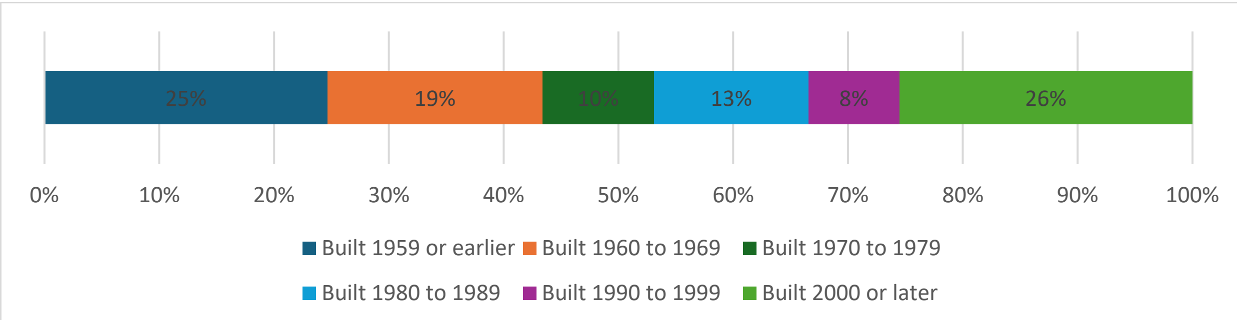


[6] According to data from the Department of Motor Vehicles (DMV), as of June 2022, 2,962 mobile or manufactured homes are registered in Brunswick County. ACS data in 2021 suggest that the number of occupied mobile or manufactured homes is 2,246, so it is likely that most of the registered units are occupied as residences rather than being used for storage or businesses and offices.

Year Built and Condition

Approximately 26% of the housing inventory in the county was constructed after the year 2000. However, more than half the housing stock was built before 1980, making it more likely that older homes will need repairs.

Housing Units by Built Year in Brunswick County
Source: VCHR tabulation of 2022 ACS 5-year estimates

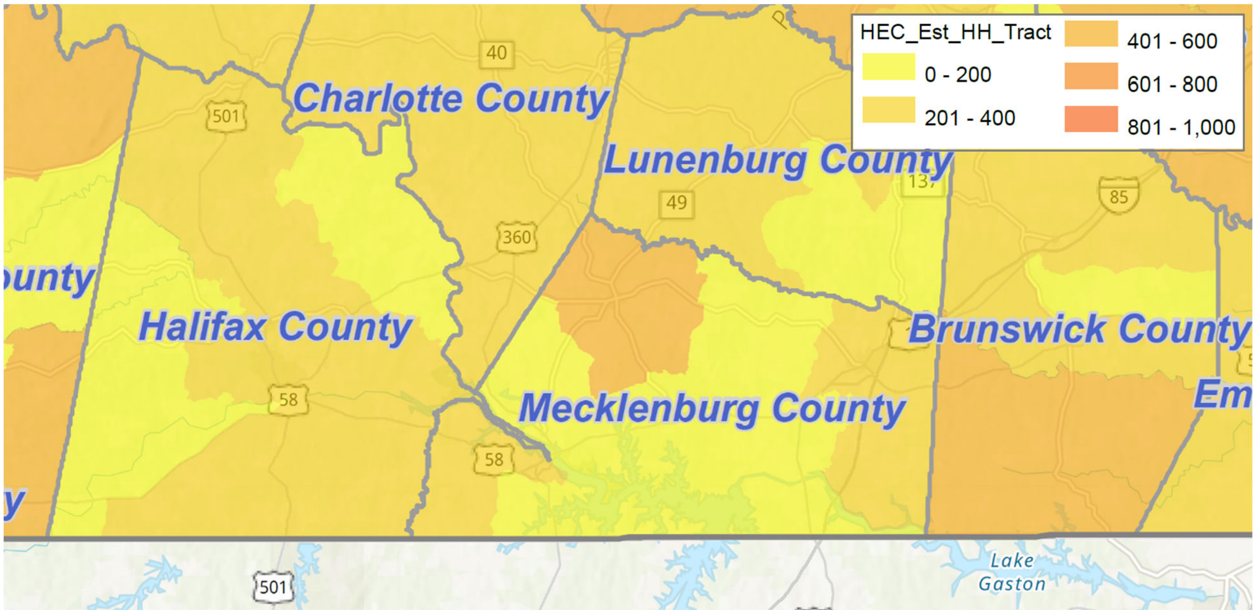


Homes need regular maintenance and periodic upgrades. Upgrades, modernizations, and replacements are typically needed every 10-15 years. When homeowners face housing affordability challenges, they may choose to defer maintenance or forgo upgrades in favor of necessities like food, childcare, and medical care. Though the county's tight housing market and increasing sale prices should encourage investment generally, homeowners with tight budgets and little savings may not have the means to make those investments. Focus group participants explained that many households do not have resources to maintain their housing, leading much of the county's stock to fall into substandard condition. Further, low market vacancy may discourage investments in rental property since landlords have little competition and renters must settle for what's available no matter the condition.

Households with high-energy costs can be a proxy for housing condition because older homes that have not been updated tend to cost more to heat and cool. VCHR estimated the number of households with average monthly energy costs greater than $305[7]. There are more than 1,150 households with high energy costs in Brunswick County. Many of them are concentrated in the tracts shown in orange. There are at least 497 households whose high energy costs and low incomes result in an energy burden. These households would be excellent candidates for home repair and rehabilitation incentives as well as weatherization.

[7] VCHR defined high energy costs as those in the top 25% for the Southside Planning District Commission & Commonwealth Regional Council PUMA ($305 per month), which includes Halifax, Mecklenburg, Brunswick, Charlotte, Lunenburg, Nottoway, Prince Edward, Amelia, Cumberland and Buckingham counties.

Households with High Energy Costs
Source: VCHR 2022



Market Dynamics

Brunswick County has a total of 7,940 housing units, 29% more units than households. Of vacant units, 53% are long-term vacancies: abandoned, slated for demolition, or otherwise held in the long term without being occupied. These 947 units may be an opportunity to increase the county's inventory if they are located in desirable locations and are not dilapidated. Encouraging their sale may be a beneficial strategy. In Brunswick County, 38% of vacant units are held for seasonal, recreational, or other occasional use, which is evidence of demand from second-home buyers over and above demand from residents and prospective residents.

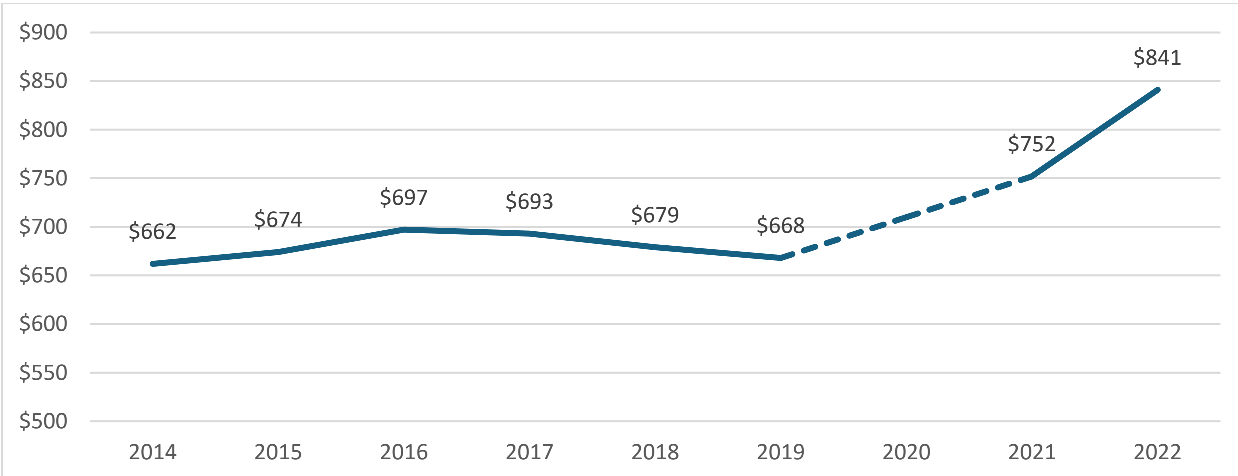
Despite a considerable number of vacant homes in Brunswick County, less than 2.5% of all housing units are available for sale or rent. This limited availability of housing units indicates a tight housing market for both renters and owners. Tightness in the housing market highlights the continued need for an increase in the number of available rental properties and homes for sale.

Rental Market

There are approximately 1,670 rental units in the county. The number of vacant rental units in Brunswick County is small, with less than 2.5% of total rental units vacant for rent. Combined with recent increases in rents, 26% over the past three years, demand for rental units has likely increased beyond supply. Focus group participants explained that the number of apartments in the county is very small and that they fill up quickly because they are the best option for people who need rental housing in close proximity to work or services.

Median Gross Rent, Brunswick County
Source: VCHR tabulation of 2014-2022 ACS 5-year, not adjusted

Note: 2020 ACS data was omitted because of reliability.



Homeownership Market

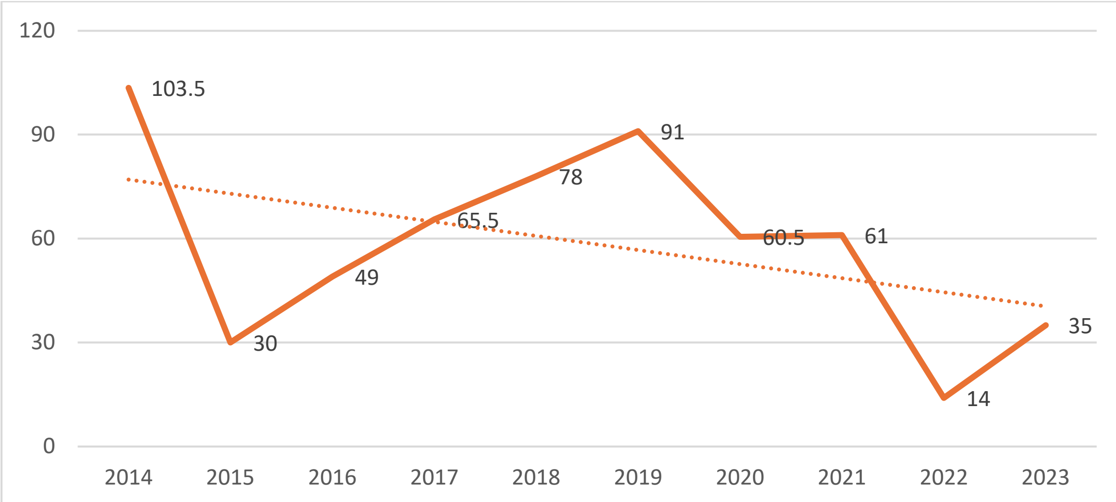
In the for-sale housing market, sales data is used to assess the balance between supply and demand; however, with relatively few sales annually, annual changes in the median can be erratic. Linear trend lines as shown in the Median Days on the Market and Median Sold Price graphs can help to interpret the general trajectory of market indicators: decreasing days on the market and increasing prices.

The for-sale housing market in Brunswick County has generally been healthy, with only a few instances of DOM above 60 or below 30. In 2014, the median DOM stood at a relatively high 103 days, suggesting homes took more than three months before being sold. In 2022, median DOM dipped to 14, a temporary shift to a "seller's" market, perhaps related to increased demand for rural properties in the aftermath of the COVID-19 pandemic. Median DOM returned to 35 in 2023.

The overall decrease in median DOM is indicative of increasing demand and improving market health; however, DOM is not consistently low enough to indicate that supply is inadequate. DOM below 30 indicates that the market is shifting to a seller's market that may begin to exclude first-time homebuyers or those who need unconventional financing. Despite the housing market trends, wages in the region and associated affordable housing costs are evidence that many low- and moderate-income working households are already excluded from the market. Price increases along with recent increases in interest rates will further exclude these households and potentially threaten businesses' ability to retain workers.

Median Days on the Market (DOM), Brunswick County

Source: VCHR tabulation of 2014-2023 Virginia REALTORS data



The median sold prices have generally increased since 2017, also reflecting the growing demand for homeownership in the county. From 2017 to 2023, median price has risen from $67,500 to $169,000, marking a 150% increase. Increases in price substantiate the health of the for-sale housing market and give buyers confidence that they will be able to build equity in their home, attracting more potential buyers to the market. Prices spiked in 2021, likely due to temporary demand for rural properties in response to the COVID-19 pandemic. This demand may have been speculative and not related to actual migration because although rural prices increased, fewer people actually moved in 2020[8] and 2021[9] and rate migration to rural places showed little to no change in 2020. Nonetheless, among those who did move in 2020 and 2021, a larger share moved to small towns and rural places.

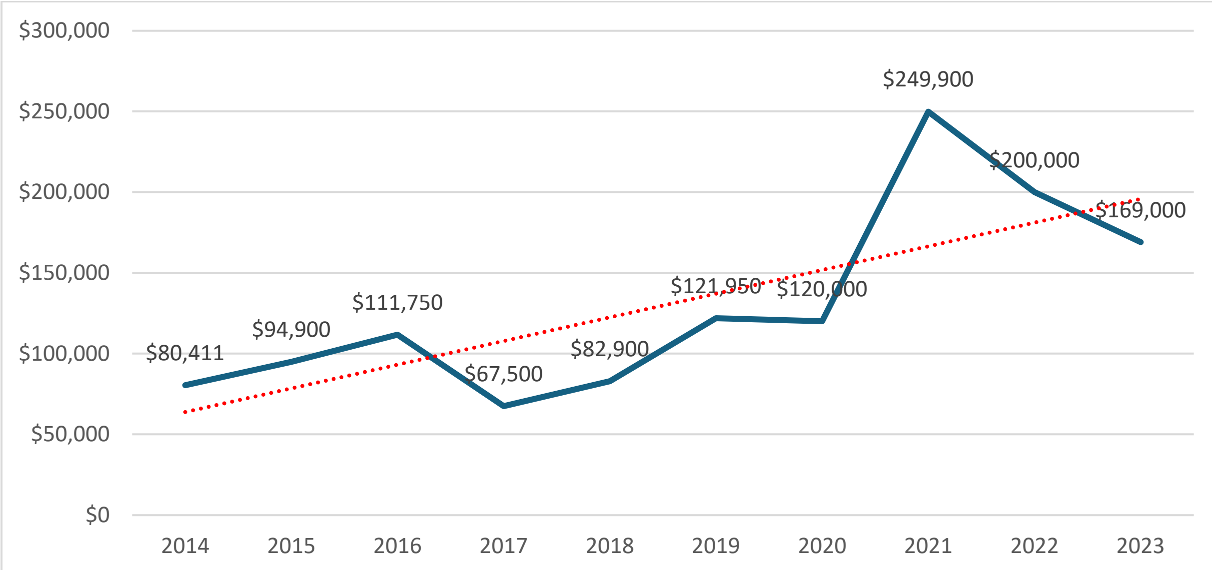
Increasing demand and relative market health benefits both owners and the county. Increasing prices are likely to incentivize investment in housing, alleviating some concerns about housing condition. In addition, increasing prices may encourage owners who have been holding vacant units in the long term to sell, reducing the number of long-term vacancies. Nonetheless, not all owners will have the financial means to make investments or relocate to units more desirable for aging. Programs such as tax abatement for seniors, critical home repair, USDA home renovation loans, and the Weatherization Assistance Program (WAP) and Indoor Plumbing Repair (IPR) may benefit these households.

[8] Fry and Cohn. December. (2021). "In 2020, fewer Americans moved, exodus from cities slowed." Pew Research Center. Available from https://pewrsr.ch/3dZmwW5

[9] Yun L., Evangelu N., and Dunn M. (2021). "2021 January-June Migration Trends Report." National Association of REALTORS Research Group.

Median Sold Price, Brunswick County

Source: VCHR tabulation of 2014-2023 REALTORS sale data



Conclusions

The Brunswick housing market has strengthened over the past decade, with increasing demand for both rental and homeownership units. Though the overall housing market can be considered balanced, evidence from the rental market indicates that demand may be greater than supply for rental stock that is in good condition and located in close proximity to employment and services. The County and Towns therein should encourage the development of smaller rental units that meet the needs of workers and seniors. Both groups are likely to need smaller, subsidized units. Including market-rate units in the same development may make larger developments more viable and encourage diverse communities in terms of age and income.

Housing conditions are also a concern in the county. Focus group participants discussed poor conditions of both rental housing and owned housing. Also, given the number of senior, cost-burdened owners, maintenance and investment in much of the owned stock is likely to be limited. Furthermore, a large part of the housing stock is vacant, abandoned, or otherwise held in the long term without being occupied. Many of these units have fallen into disrepair and have a negative effect on the value of nearby properties, in addition to presenting a health and safety hazard.

Finally, supports for low-income families are limited in the county. Many households may endure substandard housing as their only option and be forced to leave the county in the event of crisis. More than 500 households in the county are spending more than 50% of their income for housing, and many of them are at risk of experiencing housing insecurity or crisis in the event of any economic hardship. The County will need a combination of homeownership supports and affordable rental housing to stabilize these households.

Brunswick County Solutions

PRIMARY SOLUTION 1

Address water and sewer needs via strategic infrastructure planning and financing.

ISSUE: *Brunswick County lacks sufficient water and sewer infrastructure to support new housing development, hindering growth and affordable housing initiatives.*

SOLUTION: *Develop a comprehensive strategy for infrastructure planning and financing, leveraging various funding sources and recent legislative changes to support housing-related infrastructure projects.*

How It Works

1. Strategic Infrastructure Planning

Conduct a comprehensive assessment of current water and sewer infrastructure, identifying gaps and priority areas for expansion. Developing a long-term infrastructure master plan that aligns with the County's comprehensive plan and housing goals should include:

- Prioritized expansion areas based on development potential and housing needs
- Phased implementation timeline
- Cost estimates for major projects

Coordinate closely with the Planning Department to ensure that infrastructure plans support desired housing development patterns and affordable housing initiatives. Consider forming a task force or advisory committee with representatives from relevant county departments, utilities, and the development community to guide planning efforts.

2. Innovative Financing Approaches

Rural communities have numerous options to finance critical water and sewer infrastructure projects that support affordable housing development. At the federal and state level, several targeted grant programs provide substantial funding opportunities, including:

- The USDA Rural Development Water & Waste Disposal Loan & Grant Program, which offers dedicated support for rural infrastructure projects.
- Virginia also maintains two key funding mechanisms: the Department of Health's Drinking Water State Revolving Fund and the Department of Environmental Quality's Clean Water Revolving Loan Fund.

Recent state legislation has expanded financing possibilities through the Virginia Resources Authority (VRA). Under HB1805 (2023), localities can now finance housing-related infrastructure through VRA without affecting their bond capacity, creating new opportunities for development. For larger-scale improvements, municipalities should consider issuing municipal bonds, weighing both general obligation and revenue bonds based on their specific project needs and fiscal circumstances.

Public-private partnerships present another valuable avenue for funding infrastructure expansion in priority development areas. These partnerships can take various forms, including cost-sharing agreements with developers or the establishment of special tax districts to distribute financial responsibility. Communities should also explore flexible funding sources like Community Development Block Grants (CDBG) that can support infrastructure improvements tied to affordable housing initiatives.

A forward-thinking approach worth investigating is the creation of a revolving loan fund specifically dedicated to water and sewer infrastructure projects that facilitate housing development. This sustainable financing mechanism could provide ongoing support for critical infrastructure needs while maintaining financial flexibility for the community.

3. Policy and Regulatory Approaches

Review and update the county's subdivision ordinance and other development regulations to ensure they support efficient infrastructure expansion. Consider changes such as:

- Allowing cluster developments to reduce infrastructure costs
- Providing density bonuses for developments that extend public utilities
- Streamlining the review process for projects that align with infrastructure plans

Explore the use of impact fees or system development charges to help offset infrastructure costs for new development, while ensuring fees don't overly burden affordable housing projects. Consider adopting a formal Adequate Public Facilities Ordinance (APFO) to ensure that new development aligns with infrastructure capacity and expansion plans.

How to Do It

Within 6 months

- Form an interdepartmental working group to lead infrastructure planning efforts.
- Begin comprehensive assessment of current water and sewer infrastructure.
- Initiate discussions with VRA about potential funding opportunities.
- Review current development regulations for potential updates.

Within 1 year

- Complete infrastructure assessment and draft long-term master plan.
- Identify and prioritize specific infrastructure projects for the next 3-5 years.

- Develop a financial strategy, including pursuit of grants and exploration of bond options.
- Propose updates to development regulations to support infrastructure goals.

Within 2 years

- Finalize and adopt long-term infrastructure master plan.
- Secure initial funding and begin implementation of priority projects.
- Establish ongoing monitoring and reporting process to track progress and adjust strategies as needed.

Who Does What

Brunswick County Board of Supervisors: Provide overall direction and approval for infrastructure strategies, approve bond issuances and major grant applications, and adopt necessary policy and regulatory changes.

County Administrator's Office: Coordinate efforts between departments and external partners, oversee development of master plans and financial strategies, and lead engagement with state agencies and VRA.

Planning Department: Ensure alignment between infrastructure plans and broader land use and housing goals, propose and implement relevant updates to development regulations, and coordinate with developers on infrastructure needs for housing projects.

Public Works Department / Public Service Authority: Lead technical assessment of current infrastructure and expansion needs, manage implementation of infrastructure projects, and provide ongoing maintenance and operations of water and sewer systems.

Finance Department: Develop comprehensive financial strategies for infrastructure expansion, manage bond issuances and grant applications, and explore innovative financing mechanisms like revolving loan funds.

Economic Development Department: Highlight infrastructure improvements to attract new businesses and housing developers and assist in forming public-private partnerships for infrastructure projects.

Virginia Resources Authority (VRA): Provide guidance on available funding options for housing-related infrastructure and process loan applications and administer funds.

How to Fund It

- The Virginia Resources Authority (VRA) offers loans specifically for housing-related infrastructure projects, providing a valuable funding option for localities.
- Federal grants are available through multiple agencies and include the USDA Rural Development Water & Waste Disposal Loan & Grant Program, the EPA Clean Water State Revolving Fund, and HUD Community Development Block Grants.
- State-level grants and loans can be pursued through the Virginia Department of Health's Drinking Water State Revolving Fund, the Virginia Department of Environmental Quality's Clean Water Revolving Loan Fund, and water/wastewater grants from the Virginia Department of Housing and Community Development.
- Municipal bonds, including general obligation bonds and revenue bonds backed by water/sewer fees, can be issued to finance large-scale infrastructure improvements.
- Public-private partnerships with housing developers can help share costs and risks associated with infrastructure expansion.
- Special tax districts or tax increment financing can be established in targeted development areas to generate dedicated funding for infrastructure projects.
- Impact fees or system development charges can be implemented to offset infrastructure costs, though care should be taken to ensure these don't overly burden affordable housing projects.
- County general fund allocations can be used to support high-priority infrastructure projects that align with overall community development goals.

How to Measure Success

- Number of new housing units (total and affordable) connected to public water and sewer annually
- Percentage of county land area with access to public water and sewer
- Volume of new water and sewer infrastructure installed (e.g., linear feet of pipe, treatment capacity)
- Amount of external funding secured for infrastructure projects
- Number of new housing developments facilitated by infrastructure expansion
- Reduction in infrastructure-related barriers reported by housing developers
- Improved water quality and system reliability metrics

PRIMARY SOLUTION 2

Develop a range of tools to support historic revitalization and new housing developments.

ISSUE: *Brunswick County has underutilized historic properties that could be repurposed for housing, while also needing to encourage new housing developments.*

SOLUTION: *Create a comprehensive toolkit to support both historic revitalization projects that incorporate new residential units and encourage new housing developments.*

How It Works

This solution includes five primary components, along with leveraging existing state programs to maximize impact. While these components can be pursued independently, success is more likely if the County implements multiple strategies simultaneously.

1. Adaptive Reuse Incentives: Brunswick County could develop a package of financial and regulatory incentives specifically for projects that convert historic buildings into residential use. Key components of this strategy could include:

- Property tax abatements for a set period after renovation
- Reduced or waived permit fees for qualifying projects
- Density bonuses allowing additional units in exchange for preserving historic facades

These incentives would make it financially viable for developers to undertake challenging rehabilitation projects.

***2.* Historic District Zoning Overlay:** The County could create a special zoning overlay for historic areas to facilitate mixed-use development. Key elements of this overlay could include:

- Allowing mixed-use development by right
- Providing flexibility on parking requirements
- Establishing clear guidelines for compatible infill development
- Streamlining the approval process for projects that meet predetermined criteria

This approach would help revitalize town centers by encouraging a mix of residential, commercial, and community uses.

3. Streamlined Permitting Process: Brunswick County could implement an expedited review process for historic revitalization projects. Key components of this process could include:

- Assigning a dedicated staff liaison for historic projects
- Holding pre-application meetings to identify and address potential issues early
- Instituting concurrent review processes to reduce overall timelines
- Creating a checklist of pre-approved design elements to fast-track certain aspects of proposals

4. Technical Assistance Program: The County could establish a program to provide expertise and resources to developers working on historic properties. Key elements of this program could include:

- Workshops on historic tax credits and other financing tools
- Design assistance to balance preservation with modern needs
- Connections to qualified contractors experienced in historic renovation
- Guidance on navigating state and federal historic preservation requirements

5. Design Guidelines: Brunswick County could develop a set of illustrated guidelines that balance historic preservation with modern housing needs. Key components of these guidelines could include:

- Clear expectations for rehabilitation and new construction
- Flexibility for modern amenities while preserving historic character
- Examples of successful adaptive reuse projects
- Guidance on energy-efficiency upgrades in historic buildings

Leveraging State Programs:

To maximize the impact of these local initiatives, Brunswick County could actively pursue funding and support through two key state programs:

Industrial Revitalization Fund (IRF)

The IRF program, administered by DHCD, is particularly well suited for repurposing larger non-residential properties into new community-generating uses. While not permitted for residential-only repurposing, most IRF projects have resulted in mixed-use outcomes that help reinstate keystone structures to the community. Brunswick County could:

- Identify eligible vacant non-residential structures whose poor condition creates physical and economic blight

- Develop project proposals for mixed-use redevelopment, potentially including housing components
- Apply to the state as the project sponsor for IRF funding

Virginia Main Street (VMS) Program

The VMS program offers communities technical assistance, consulting services, training, and grant funding to implement the National Main Street Center's Main Street Approach. Brunswick County could:

- Apply for the "Exploring Main Street" level to access initial help and funding for organizational development and small physical improvement projects
- Utilize VMS resources to develop a comprehensive vision for downtown revitalization
- As revitalization efforts progress, pursue higher levels of the VMS program to access additional resources and support

Additionally, the County could work with developers to leverage federal and state historic tax credits for commercial structure rehabilitation, as well as explore Virginia Housing's Mixed-Use/Mixed-Income (MUMI) Development program for low-interest mortgage financing on projects that include both residential and commercial uses.

How to Do It

Within 6 months

- Form a task force of County staff, local developers, and preservation experts to guide the development of the revitalization toolkit.
- Conduct an inventory of historic properties suitable for adaptive reuse.
- Begin drafting adaptive reuse incentives and historic district overlay zoning proposals.
- Initiate conversations with DHCD about IRF and VMS program participation.

Within 1 year

- Finalize and adopt adaptive reuse incentives and historic district overlay zoning.
- Implement streamlined permitting process for historic revitalization projects.
- Launch technical assistance program for developers.
- Submit applications for IRF funding and VMS program participation.
- Develop illustrated design guidelines for historic rehabilitation and compatible new construction.

Within 2 years

- Monitor and evaluate the effectiveness of new incentives and programs.
- Adjust strategies based on feedback and outcomes.
- Pursue higher levels of VMS program participation if initial efforts are successful.
- Explore creation of a revolving loan fund to further support historic revitalization efforts.

Who Does What

Brunswick County Planning Department: Lead the development of incentives, zoning overlays, and design guidelines; coordinate with other departments on streamlined permitting.

County Economic Development: Assist with developer outreach and IRF/VMS applications.

Local Developers and Property Owners: Provide input on incentives and barriers; pursue revitalization projects.

Preservation Virginia (or similar organization): Offer expertise on balancing preservation with new development.

DHCD: Provide guidance and support through IRF and VMS programs.

How to Fund It

- Local general funds
- Virginia Housing PDC grant funds (for planning and program development)
- DHCD Community Development Block Grant planning grants
- National Trust for Historic Preservation grants
- IRF and VMS program funds (for specific projects)

How to Measure Success

- Number of historic properties rehabilitated
- Number of new housing units created through adaptive reuse
- Private investment leveraged through incentive programs
- Increase in property values in target areas
- Number of new businesses opened in revitalized historic buildings

Examples

Historic Ashland Theatre (IRF project):

The Historic Ashland Theatre stands as a shining example of how Industrial Revitalization Fund (IRF) support can breathe new life into cherished community landmarks. Originally opened in 1948, this art deco gem underwent a comprehensive renovation that preserved its historic character while adapting it to meet modern entertainment needs. The revitalized theater now serves as a dynamic performing arts venue and cultural hub in downtown Ashland, hosting live performances, films, and community events. This transformation has not only saved a historic structure but has also catalyzed economic activity in the surrounding downtown area, drawing visitors and supporting nearby businesses.

Norton IDA Cidery Project (IRF project):

In Norton, the Industrial Development Authority (IDA) demonstrated innovative thinking by transforming an underutilized property into a thriving cidery through IRF funding. This project exemplifies how industrial spaces can be reimagined for new economic purposes while maintaining their historic character. The cidery has become both a local production facility and a tourist destination, creating jobs and generating new tax revenue for the region. By incorporating local agricultural products into its operations, the cidery has also strengthened connections between urban and rural economies in Southwest Virginia.

Historic Downtown Staunton (VMS program success):

Historic Downtown Staunton's revitalization through the Virginia Main Street (VMS) program showcases the power of comprehensive community-driven preservation. Through careful planning and strategic investments, Staunton has successfully preserved its architectural heritage while adapting historic buildings for contemporary uses. The downtown area now features a vibrant mix of restaurants, boutiques, galleries, and residential spaces housed in beautifully restored Victorian-era buildings. This transformation has earned Staunton national recognition for historic preservation and downtown revitalization, serving as a model for other communities seeking to balance historic character with modern economic vitality. The success of Staunton's downtown revitalization is reflected in its low vacancy rates, increased property values, and robust tourism economy.

SECONDARY SOLUTION 1

Explore potential for community land trust (CLT) uses.

ISSUE: *Brunswick County lacks mechanisms to ensure long-term housing affordability and community control over development.*

SOLUTION: *Explore creating a new community land trust (CLT) or partnering with existing CLTs to develop permanently affordable housing options in the county.*

How It Works

Community Land Trusts (CLTs) are nonprofit organizations that acquire and manage land to preserve long-term affordability. In the CLT model, the trust retains ownership of the land while selling the homes on that land to income-qualified buyers. This arrangement, along with resale restrictions, keeps the homes permanently affordable.

Key components of the CLT model include:

- ***Land ownership and leasing:*** The CLT maintains ownership of the land, leasing it to homeowners through a long-term ground lease (typically 99 years). This reduces the purchase price for homebuyers by removing land costs from the equation.

- ***Affordable home sales:*** The CLT sells only the physical house to qualified buyers, typically at below-market rates. Income restrictions ensure homes go to those most in need of affordable options.

- ***Resale formula:*** When a CLT homeowner decides to sell, a predetermined formula calculates the resale price. This formula balances fairness to the seller with long-term affordability, usually allowing the seller to recoup their investment plus a portion of the home's appreciation.

- ***Stewardship:*** The CLT provides ongoing support to homeowners, including financial education, maintenance assistance, and foreclosure prevention when needed.

- ***Community control:*** CLTs are typically governed by a board composed of CLT homeowners, community members, and public representatives, ensuring local interests are represented.

Brunswick County could investigate establishing its own CLT or partner with an existing organization like the Virginia Statewide Community Land Trust (VSCLT) to implement this model locally. Each approach has its benefits:

Creating a new CLT:
- Allows for tailored focus on Brunswick County's specific needs
- Provides maximum local control over operations and priorities
- Can be designed to integrate with existing county housing programs

Partnering with VSCLT:

- Leverages existing expertise and operational infrastructure
- May be faster to implement and more cost-effective initially
- Provides access to a broader network of resources and support

Regardless of the approach chosen, a CLT in Brunswick County could help create and preserve affordable homeownership opportunities. By removing land costs and implementing resale restrictions, CLTs can offer homes at 25-30% below market rate, making homeownership accessible to more families. While often used for single-family homes, CLTs can also preserve affordability for multifamily buildings, mixed-use developments, and even commercial spaces for local businesses.

How to Do It

Within 6 months

- Form a working group of County staff, local nonprofits, and community leaders to study CLT models.
- Reach out to VSCLT and other Virginia CLTs to learn about their operations and potential partnerships.
- Identify neighborhoods or properties that could benefit from the CLT model.

Within 1 year

- Develop a business plan for establishing a county CLT or partnering with an existing CLT.
- Draft policies and procedures for CLT operations and governance.
- Create educational materials to inform residents about the CLT model.
- Identify potential funding sources for CLT startup and property acquisition.

Within 2 years

- If creating a new CLT, incorporate as a nonprofit and establish a community-based board of directors.
- Acquire initial properties through donation, purchase, or transfer of County-owned land.
- Begin marketing CLT homes and selecting initial homebuyers.
- Establish ongoing funding mechanisms to sustain CLT operations.

Who Does What

Brunswick County Board of Supervisors: Approve CLT initiatives, provide initial funding support, and consider donating County-owned land.

County Planning Department: Research CLT models, coordinate with potential partners, and help identify suitable properties.

Local Nonprofits: Potentially operate the CLT or partner in its development and management.

Virginia Statewide CLT: Provide guidance, partnership opportunities, and potential operational support.

Community Members: Participate in CLT governance, homeownership opportunities, and community outreach.

How to Fund It

- Virginia Housing Community Impact Grants
- USDA Rural Development housing programs
- Federal HOME and CDBG funds (via Virginia DHCD)
- Local community foundations and philanthropic organizations
- In-kind support through donation of County-owned land

How to Measure Success

- Number of permanently affordable homes created
- Number of low- and moderate-income households served
- Reduction in housing cost burden for CLT homeowners
- Increase in community engagement around affordable housing issues
- Amount of public and private funding leveraged for affordable housing

SECONDARY SOLUTION 2

Use the next comprehensive plan updates to prioritize housing opportunities in long-range planning goals.

ISSUE: *Housing needs are not sufficiently integrated into Brunswick County's long-range planning goals.*

SOLUTION: *Make housing a central focus of the next comprehensive plan update, creating a more integrated approach to community development.*

How It Works

The comprehensive plan serves as the guiding document for the county's long-term growth and development. By intentionally incorporating housing as a key component, Brunswick County can ensure that future land use decisions, infrastructure investments, and economic development strategies align with housing needs and opportunities. This approach involves integrating housing solutions into the comprehensive plan.

As the County works to draft an update to its comprehensive plan, it can consider the following strategies when evaluating options. These approaches fall into four broad categories:

- Diversity of housing options
- Density bonuses
- Regulatory efficiencies
- Investing in public engagement

1. Diversity of housing options

There are several opportunities for the County to leverage its zoning code to make developing a wider variety of housing easier and less costly to develop at scale. These include:

Accessory dwelling units

Craft new ADU regulations for detached and attached units that are economically viable and use design standards that respect neighborhood cohesion. Best practices for successful ADU zoning ordinances include:

- Clear and consistent guidelines grounded in the actual parcel geometries and layouts of residential lots
- Flexible residency requirements, so occupant does not have to be a direct relative or caregiver
- Parking requirements for no more than one additional space
- Proactive limitations on the use of ADUs as short-term rentals
- Amnesty path for any existing nonconforming ADUs that meet certain criteria

ADUs can also be encouraged by granting tax abatements in exchange for provision of the unit as a long-term rental on the market, and by working with community lenders (small banks and credit unions) to develop new ADU construction loan products for homeowners.

Cottage-style and cluster housing

Cottage-style housing features multiple smaller, separate homes on one lot. The County can assess the parcel inventory to determine how many suitable parcels or aggregation opportunities exist for cottage courts. Guidelines for cottage-style developments should be simple, with illustrations demonstrating different options for developers. The results should be attractive and respectful of neighborhood cohesion; Bluegrass Trails in Farmville is a good example.

Small-scale multifamily

Likewise, small-scale multifamily homes—such as duplexes—can be an effective infill strategy to provide lower-cost options for a range of household types. Important considerations for zoning ordinances are similar to those for ADUs above but also include:

- Avoiding overly restrictive design standards that specify architectural styles and materials, which can significantly increase construction costs
- Using lot coverage or floor area ratio (FAR) to define density guidelines, rather than minimum lot sizes or units per acre

2. Density bonuses

Within an updated zoning ordinance, the County can strategically guide density and incentivize lower-cost housing through either of the following mechanisms:

Inclusionary zoning

Adopt an “affordable dwelling unit” ordinance in accordance with the statutory allowances in Va. Code Ann. § 15.2-2305 or Va. Code Ann. § 15.2-2305.1. Density bonuses (beyond the maximum allowable amounts under current zoning and future land use designations) can be granted in exchange for the developer’s agreement to offer a certain percentage of units at below-market rates for low-income renters.

Transfer of development rights

In a transfer of development rights (TDR) program, local governments help broker arrangements where the development capacity for a parcel designated for conservation is added onto the development capacity of a parcel targeted for growth. In this scenario, the increased density can help reduce the per-unit cost of development, and can allow builders to design and provide homes sold or rented at more affordable prices.

Virginia adopted enabling legislation in 2006 for localities to enact TDR programs. Va. Code Ann. § 15.2-2316.2 outlines the statutory guidelines for such programs. To date, few localities in Virginia have pursued and adopted TDR programs. Technical complexity and staff capacity are likely reasons.

3. Regulatory efficiencies

Along with helpful reforms to the uses and densities within zoning districts, the County can also evaluate these options to improve the overall effectiveness (and reduce administrative burdens) of its land use regulations:

Form-based code

Form-based code simplifies the development process by focusing on physical form rather than use, providing clear and predictable guidelines for developers. This reduces the uncertainty and time involved in obtaining approvals and, therefore, can lower costs. By promoting higher-density and mixed-use developments, form-based code allows for more efficient land use, making it economically viable to include lower-cost housing units.

Additionally, the streamlined and consistent design standards reduce the need for extensive design revisions, further cutting down costs. Overall, form-based code creates a more straightforward and supportive environment for developing diverse and lower-cost housing options.

Reduced parking requirements

The County can consider waiving or lowering the number of parking spaces per residential unit for workforce or affordable housing. Negotiate with the developer to determine the appropriate market demand for resident parking.

4. Investing in public engagement

To continue the momentum of community engagement conducted as part of the comprehensive planning process so far, the County can explore:

Illustrated pattern books

The County can use illustrative design standards and pattern books to visually communicate the desired aesthetic and functional outcomes of new housing developments. These tools help residents understand what new housing will look like and how it will fit into the community, addressing concerns about changes in neighborhood character.

Messaging guides

Messaging guides can be created to explain complex housing issues, terms, and concepts in simple, accessible language. These guides ensure that all community members have a clear and consistent understanding of the goals and benefits of the housing plan, helping to dispel myths and misinformation.

Community ambassadors

By leveraging community partners and trusted organizations, the County can expand its reach and credibility. These partners can help disseminate information, host educational events, and provide a platform for discussions, ensuring that the message reaches diverse segments of the community and garners broader support.

Solution-focused workshops

Workshops that focus on the design and implementation of a specific strategy can help orient conversations toward problem-solving. These workshops allow residents to voice their concerns, contribute ideas, and see firsthand how their feedback influences the final policies. This participatory approach builds trust and fosters a sense of ownership among residents.

Interactive tools

Innovative web tools, such as interactive visualizations, can be used to engage the public in a dynamic and accessible way. These tools allow residents to explore potential housing scenarios, visualize changes in their neighborhoods, and understand the impact of different planning decisions. By making complex data more tangible, these tools can enhance public understanding and support for the housing plan.

How to Do It

Within 6 months

- Form a housing working group to guide the comprehensive plan update process.
- Gather relevant housing data and conduct a needs assessment.
- Begin community engagement to understand housing priorities.

Within 1 year

- Draft housing goals and strategies for the comprehensive plan.
- Identify areas for potential zoning changes to support housing goals.
- Develop measurable targets for housing production and affordability.

Within 2 years

- Finalize and adopt the updated comprehensive plan.
- Begin implementing new housing strategies and zoning changes.
- Establish a system for monitoring progress on housing goals.

Who Does What

Brunswick County Board of Supervisors: Approve the updated comprehensive plan and any associated zoning changes.

County Planning Department: Lead the comprehensive plan update process, coordinating with other departments and stakeholders.

Housing Advisory Committee (or similar group): Provide input on housing needs and goals throughout the process.

Community Members: Participate in public engagement sessions and provide feedback on housing priorities.

Regional Planning Organizations: Offer technical assistance and data support for the housing assessment and goal-setting process.

How to Fund It

The County could allocate funds from its general budget to support the comprehensive plan update process. Additional funding sources to explore include:

- Virginia Housing planning grants
- DHCD Community Development Block Grant (CDBG) planning grants
- Partnerships with local universities for research support

How to Measure Success

- Adoption of a comprehensive plan with robust housing goals and strategies
- Number of zoning changes implemented to support housing diversity
- Increase in building permits issued for diverse housing types
- Progress toward specific housing production and affordability targets

Halifax County Findings

Halifax County is located in south-central Virginia, on the North Carolina border. It is bound by the Virginia counties of Charlotte and Campbell to the north, Mecklenburg to the east, and Pittsylvania to the west, and the North Carolina counties of Caswell, Person, and Granville to the south. The county includes four incorporated towns: the Town of Halifax (the county seat), Scottsburg, South Boston, and Virgilina. The Town of Halifax is 115 miles southwest of Richmond and 85 miles northwest of Raleigh, N.C. The county and the two large towns, Halifax and South Boston, are connected to small-to-midsize cities (Danville, Lynchburg, and Greensboro) and larger cities (Richmond and Raleigh) via major highway corridors: U.S. 58, 501, and 360.

Halifax Regional Housing Market

Commuting patterns can be a helpful tool in defining housing markets. In terms of commuting, Halifax County is most closely connected to its geographic neighbors, Danville and Pittsylvania County to the west and Mecklenburg County to the east. Among the workers commuting to the county, most commute from the west, either Pittsylvania or Danville. Likewise, most residents who commute out of the county commute to Danville. In focus groups, connections between Halifax and Danville were mentioned by many participants, some of whom themselves commute from Danville to work in Halifax. The market vacancy for rental units is far lower in Halifax than in Danville, but the inventory of for-sale units is higher in Halifax than Danville. Greater availability may make Danville more accessible to renters, despite higher median rents.

Just over 10,400 people have their primary job in Halifax, and 56% of those workers live in the county. The rest commute from neighboring jurisdictions: 4.7% from Pittsylvania, 4.04% from Mecklenburg, 3% from Danville, and 2.5% from Charlotte County. Fewer workers commute from Campbell County (167), Person County, N.C. (152), Bedford (117), Lynchburg (105), and Henry County (93).

About 57% of Halifax residents (7,690) commute out of the county for their primary job. These residents commute to a variety of places, some nearby: 787 to Danville, 439 to Mecklenburg, and 305 to Person County, N.C.; some to Lynchburg (424) and Campbell County (385); and some to the Richmond region: 436 to Henrico, 314 to the City of Richmond, and 301 to Chesterfield County. Halifax is likely the residence of choice for households who commute to larger job and housing markets, since they could likely choose to live in a larger market if they preferred to do so.

Households

Approximately 34,000 people compose about 13,520 households in Halifax County. The county includes four incorporated towns: South Boston, Halifax, Virgilina, and Scottsburg. Virgilina and Scottsburg are very small, mostly residential towns. Virgilina includes as many as 80 households, while Scottsburg includes as many as 84 households. The number of households and housing units in Virgilina and Scottsburg is too small to create reliable estimates from ACS sample data, so Virgilina and Scottsburg will not be highlighted separately from county data in most instances. South Boston is home to an estimated 2,936 households, and the Town of Halifax includes 555. These two larger towns are located at the county's core and will be addressed separately when possible.

Tenure

Most households in Halifax (73%) own their home. The incorporated areas of the county, with the exception of Virgilina, have lower rates of homeownership than the unincorporated areas of the county. South Boston and Scottsburg have the highest concentrations of renters. Nearly 40% of the county's 3,693 renter households live in South Boston. Nonetheless, the majority of rental units are located in the unincorporated parts of the county.

Tenure by Halifax Areas
Source: 2022 ACS 5-year estimates

	Halifax County	Unincorporated Areas	Halifax Town	South Boston
Households	13,519	9,915	555	2,936
Owners	9,826	7,797	409	1,558
Renters	3,693	2,118	ND	1,378

Living Arrangements

Most households in Halifax County include one or two people. The proportion of one- and two-person households is fairly consistent throughout the county, though South Boston has a larger proportion of one-person households than the county as a whole.

Households by Size for Halifax County Areas
Source: VCHR tabulation of 2022 ACS 5-year estimates

<table>
<tr><th></th><th>1-person</th><th>2-person</th><th>3-person</th><th>4-or-more</th><th>Total Households</th></tr>
<tr><td>Halifax Co.</td><td>4,781 (35%)</td><td>4,539 (34%)</td><td>2,065 (15%)</td><td>2,134 (16%)</td><td>13,519</td></tr>
<tr><td>Unincorporated Co.</td><td>3,533 (34%)</td><td>3,650 (35%)</td><td colspan="2">3,267 (32%)</td><td>10,470</td></tr>
<tr><td>Town of South Boston</td><td>1,182 (40%)</td><td>857 (29%)</td><td colspan="2">897 (31%)</td><td>2,936</td></tr>
<tr><td>Town of Halifax</td><td colspan="2">421 (76%)</td><td colspan="2">66-202</td><td>555</td></tr>
</table>

Most households (8,424; 62%) are family households, related as married couples, traditional nuclear families, single parents with children, grandparents raising grandchildren, or in some other way. Among non-family households, most are singles. Seniors 65 and older make up the largest proportion of single-person households at 55%. Fewer than 172 households (less than 1.3%) are composed of roommates.

Housing Insecurity

About 20% of households in Halifax County (2,698) spend more than 30% of their income on housing. Households spending more than 30% of their income on housing are considered cost-burdened and may have to make choices between housing and other necessities such as food, clothing, medical care, and transportation. Focus group participants discussed workers, students, seniors, and families that are housing insecure. Stakeholders in the region explained that housing options are so limited that households may not be able to attain housing in a location where they are able to afford transportation to work. They described workers and students who shelter with friends or family, sometimes couch surfing.

Tenure plays a crucial role in housing affordability, with renters more vulnerable to increasing housing costs than homeowners, and a higher rate of housing cost burden among renters than among owners. Forty-three percent of renters in Halifax are cost-burdened compared to 18% of owners. Twenty-seven percent of owners with a mortgage have housing cost burdens. Owners who own their home free and clear, who represent over half of owners in the county (56%), have lower rates of cost burden.

Cost-burdened Households by Tenure, Halifax County
Source: 2022 ACS 5-year estimates

Tenure	Cost-burdened Households	Percentage of total households	Percentage of Cost-burdened Households
Renters	1,576	12%	47%
Owners	1,791	13%	53%
Total	3,367	25%	100%

Renters generally face increased housing costs annually, while owners with a mortgage generally have fixed payments that change little from year to year. In competitive markets, renters may also be subject to turnover in unit ownership, which is often associated with rent increases. Stakeholders described dramatic rent increases regionally over the last five years. These increases are discussed in more detail in the Rental Market Conditions section.

The severity of housing cost burden is increased when households have low incomes. Nearly half (48%) of Halifax households have low incomes—incomes less than 80% of Area Median Income (AMI)—and among them, 47% are cost-burdened. Also important, more than half of households with low incomes (57%) include seniors 62 and older. Among them, 40% experience housing challenges, cost burden, incomplete facilities, and/or overcrowding[10]. HUD

[10] 3,810 households with low incomes include seniors 62 and older, and 1,830 of them experience one of four housing challenges: cost burden, incomplete plumbing, incomplete kitchen, or overcrowding (2016-2020 CHAS). Among the 1,830 households that include seniors, have low income, and experience housing challenges, 1,300 (71%) own their home.

definitions of income are applied here because they are used as the basis for many of the programs that can address housing challenges.

2024 HUD Low Income Limits: Halifax County

Note: HUD calculates the Halifax County income limits using the state non-metro median income for a family of four because 50% of the Halifax median is less than 50% of the state median ($36,650).

	Median Income for Family of Four	Person in Family			
FY2023 Income Limits		1	2	3	4
Extremely Low (30%)		$15,400	$20,440	$25,820	$31,200
Very Low (50%)	$71,300	$25,700	$29,350	$33,000	$36,650
Low (80%)		$41,100	$46,950	$52,800	$58,650

Households with Low Incomes by Income Level and Cost Burden, Halifax County

Source: VCHR tabulation of 2016-2020 CHAS data

Income Range	Households	Cost-burdened Households	Cost-burdened Owners
Low (50-80% AMI)	2,455	695 (28%)	>435
Very Low (30-50% AMI)	1,915	975 (51%)	>390
Extremely Low (30% of AMI or less)	2,160	1,430 (66%)	880
Total Households with Low Income	6,530	2,985 (47%)	1,705 (1,280 renters)

Among households with low incomes who are burdened by housing costs, 55% are owners. The mortgage finance system generally prevents homeowners from being cost-burdened when they buy their home, and often homeowners' income increases over the life of their mortgage. Homeowners also face relatively little change in housing costs compared to renters. Homeowners become cost-burdened due to economic hardship such as job loss, death of a family member, or fixed incomes that do not keep up with rising costs of taxes, utilities, and insurance. When cost-burdened owners choose other necessities over housing, they may still remain current on their mortgage payment, and they may even own their home free and clear. However, cost-burdened owners may defer maintenance and forgo upgrades, threatening both their well-being and the community's housing stock. As such, solutions like weatherization, indoor plumbing repair, and USDA home repair can reduce housing costs and provide overdue upgrades that benefit both the resident and the community.

Households who have low incomes and housing cost burden may be at risk for homelessness. They may not be able to save for unexpected expenses such as home repairs or medical emergencies, which can leave them at financial risk should an emergency occur. Households with extremely low incomes and who are cost-burdened (1,430) could become homeless with any economic hardship.

Workforce Housing

Most households in Halifax (60%) include at least one worker. Those households who do not include workers are likely retired: 39% of households are headed by someone 65 or older, 26% receive retirement income, 46% receive Social Security income, and 8% receive Supplemental Security Income (SSI), which is available to qualifying people 65 and older or those with a disability that keeps them from working and who have little income and assets.

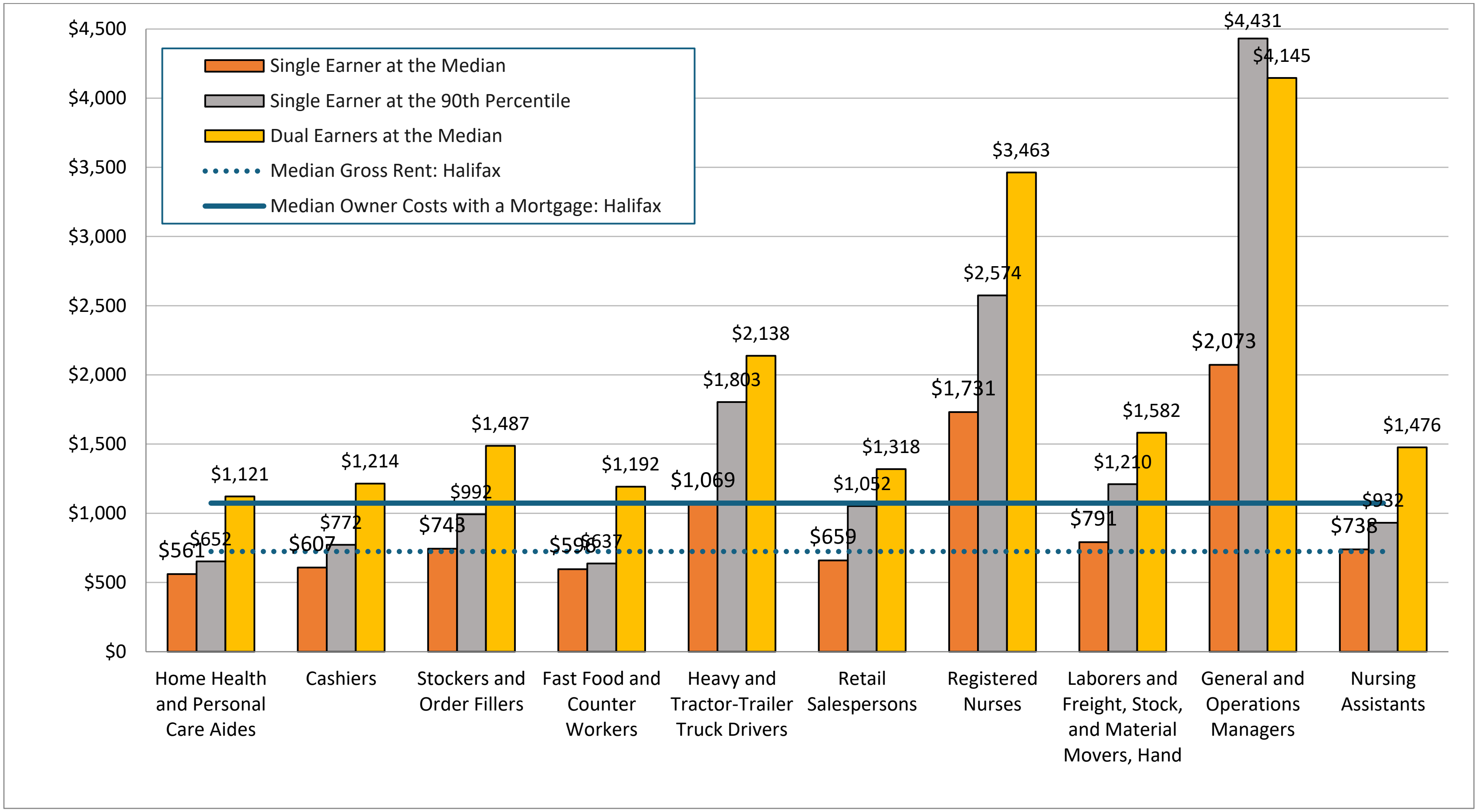
Approximately 20% of workers earn less than $1,250 per month in their primary job, meaning they can afford no more than $375/month for housing costs as a single earner. Thirty-eight percent of workers earn between $1,251 and $3,333 per month in their primary job and can afford no more than $1,000/month for housing costs as a single earner. Other workers earn more than $3,333 per month in their primary job.

Many workers in the Southside PDC region are likely to struggle to afford housing costs in Halifax, where median rent is $724 and median owner costs are $1,074 per month among owners with a mortgage. Workers in six of the top 10 occupations by employment cannot afford median rent as a single earner with median wages. Workers in these occupations cannot afford median owner costs with a mortgage even if they are earning in the 90th percentile. Workers who cannot afford to become homeowners as they advance in their career or who struggle to find housing at all will likely seek employment and housing options in other places where they can more readily invest in their future.

Workers with higher incomes also struggle to find housing because availability is limited. The overall number of housing units has decreased over the 2017-2022 period[11], and the pace of building has not increased significantly in recent years. Rental market vacancy (i.e., percentage of rental units available for rent) is very low and competition for units is becoming fierce. Rental and homeownership market conditions are discussed in the Housing Units section.

[11] Halifax had a significantly significant decrease in total housing units from 2017 to 2022, 784 units. This loss could be related to demolition, abandonment, or transition to another, non-residential use.

Maximum Affordable Housing Costs for Top 10 Occupations by Employment in the Southside Region Compared to Halifax County Housing Costs
Source: Tabulation of 2021 Lightcast dataset adjusted to 2022, and 2022 ACS 5-year estimates



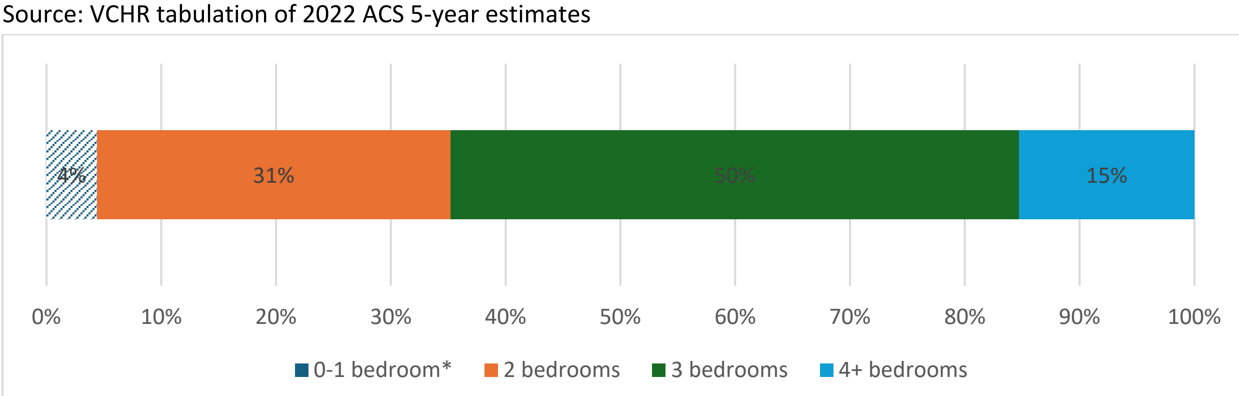
Housing Units

There are 17,384 housing units in Halifax County, approximately 3,650 more units than households. Most of the vacant units, about 2,915, are long-term vacancies that are abandoned, slated for demolition, or otherwise held in the long term without being occupied. About 23% of long-term vacancies are in South Boston, while the rest are primarily in the unincorporated parts of the county. Abandoned properties can be a health and safety hazard; however, properties held in the long term may be livable housing units and the County may want to incentivize their sale or rental. At least 583 units are classified as vacant because they are used seasonally. These units encompass any unit that is occupied by someone who considers their usual residence to be elsewhere and which they do not rent in their absence. These units are usually vacation homes or hunting accommodations.

The majority of housing units (94%) in Halifax are single-family homes, including approximately 3,449 (20%) mobile or manufactured homes. Scottsburg and Virgilina include only single-family homes. The county has at least 742 multifamily units, most in small buildings with less than 10 units and mostly located in the Town of South Boston.

Most housing in the county has three or more bedrooms, though most households have only one or two people. One-person households comprise 35% of households, while efficiency-style or one-bedroom units make up less than 5% of the housing stock. Further, 34% of households include two people, who can be accommodated in one-bedroom units without being overcrowded. Even though two-bedroom units make up 31% of housing units, one- and two-person households far outnumber housing units with two or fewer bedrooms. Increasing the diversity of the housing stock by prioritizing smaller units could support early-career workers, service workers, students, and seniors who need more affordable housing options, especially if units are well located and reduce transportation costs.

Housing Units by Number of Bedrooms, Halifax County
Source: VCHR tabulation of 2022 ACS 5-year estimates



*The number of 0- and 1-bedroom units is too small to make a reliable estimate.

Homes in Halifax County were largely built between 1950 and 2009. Existing homes are evidence of fairly steady building throughout this time period. Homes in both the towns of South Boston and Halifax are somewhat older than the county at large. Nearly 24% of homes in South Boston were built prior to 1950, and 37% were built between 1950 and 1969. In the Town of Halifax, 65% of homes were built prior to 1970.

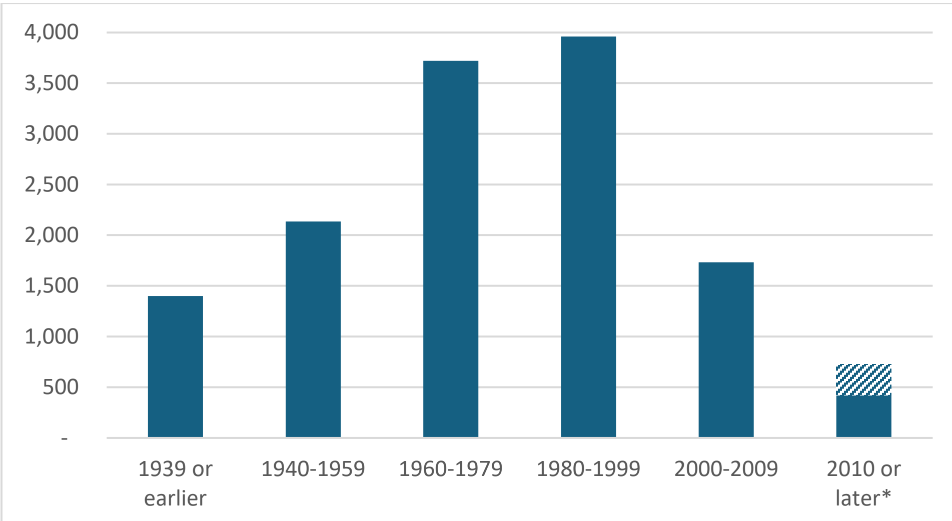
Homes need regular maintenance and periodic upgrades. Upgrades, modernizations, and replacements are typically needed every 10-15 years. When homeowners are cost-burdened, they may choose to defer maintenance or forgo upgrades in favor of necessities like food, childcare, and medical care. Nearly 1,940 owners in Halifax

(1,705 of whom have low incomes) are cost-burdened and may benefit from programs such as tax abatement for seniors, critical home repair, USDA home renovation loans, and the Weatherization Assistance Program (WAP), among others.

Housing Units by Year Built, Halifax County

Source: VCHR tabulation of 2022 ACS 5-year estimates

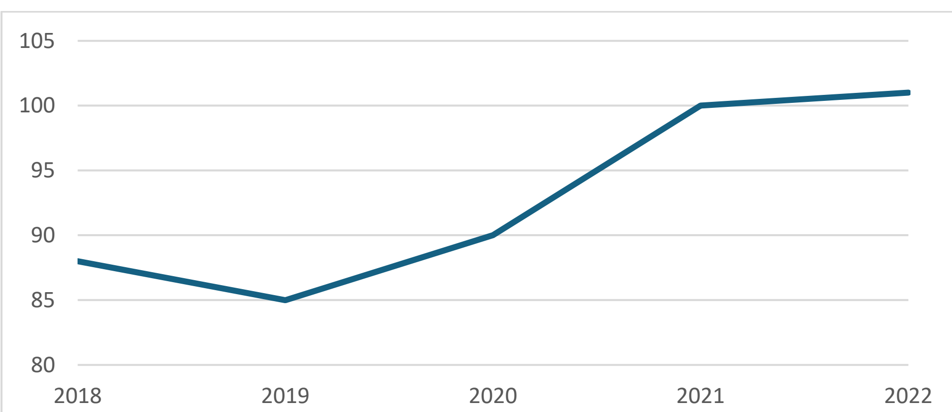
*Too few units have been built since 2010 to provide a reliable estimate. At least 421 units have been built since 2010 and as many as 727.



Home-building reduced throughout the county in the 2010-2019 decade, with no more than 727 units added from 2010-2022[12]. The pace of building[13] has increased since 2019, and if the average annual pace of 2020-2022 continues, units built in the 2020-2029 decade will surpass 2010-2019 but fall short of quantities produced in the 2000s.

New Housing Units Annually, Halifax County

Source: VCHR tabulation of 2018-2022 Halifax County occupancy permits



[12] VCHR tabulation of 2019 ACS 5-year estimates

[13] Includes placement of manufactured homes, VCHR tabulation of Halifax Certificate of Occupancy Permits

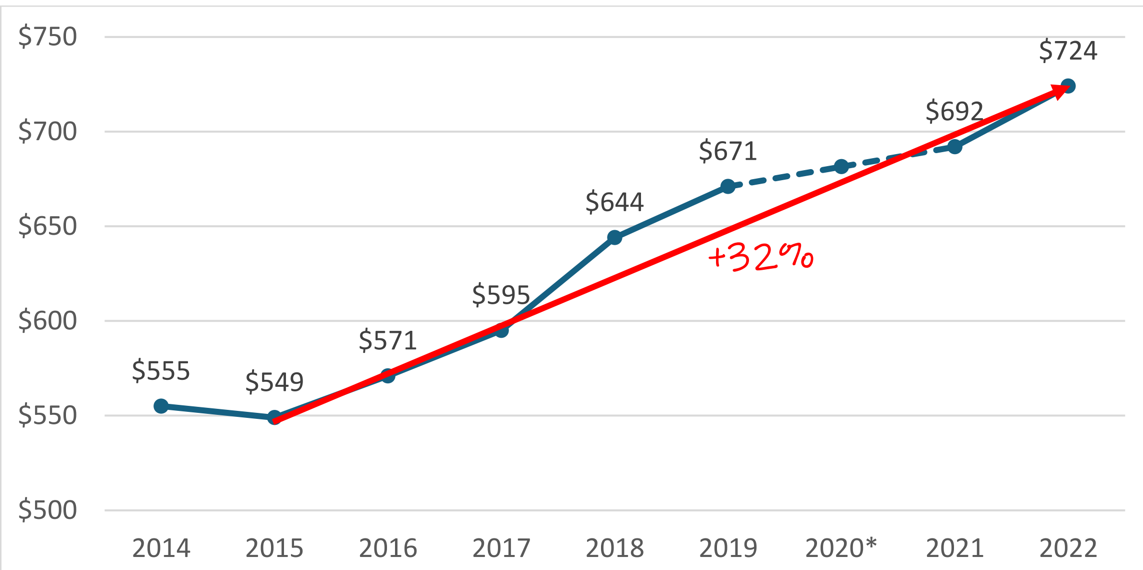
Rental Market Dynamics

The rental vacancy rate in Halifax County is less than 3%, and South Boston's vacancy rate is even lower, at less than 1%. These rates are extremely low and suggest the need for more rental units in order to accommodate demand and encourage competition in the market. Focus group participants described the limited number of existing rental units and suggested that the county needs new apartments located in close proximity to employment opportunities. Employers described housing as a limitation to recruitment and retention, and other focus group participants explained that access to employment opportunities is predicated on housing.

Increases in median rent substantiate high rental demand in the county. Median gross rent in Halifax in 2022 was $724 per month. This rent is 32% higher than the median gross rent in 2015, signaling increased demand in the face of relatively stagnant supply. Indeed, there was a nearly 4% decline in total housing units (regardless of tenure) over the 2015-2022 period.

Median Gross Rent (Nominal), Halifax County

Source: 2010-2022 ACS 5-year estimates



*The U.S. Census Bureau deemed 2020 data experimental, and it has been omitted from the study.

Rents have also risen steadily in South Boston since 2015, reaching a median gross rent of $703 in 2022. Focus group participants explained that rents have continued to increase since 2022. CoStar provides more up-to-date information than the ACS, though only for a portion of the town's rental units. For the 486 units included in CoStar, median asking rent was $890 in the third quarter of 2024. The rental vacancy rate, which is less than 1%, indicates that the market for these rental units in South Boston is too tight.

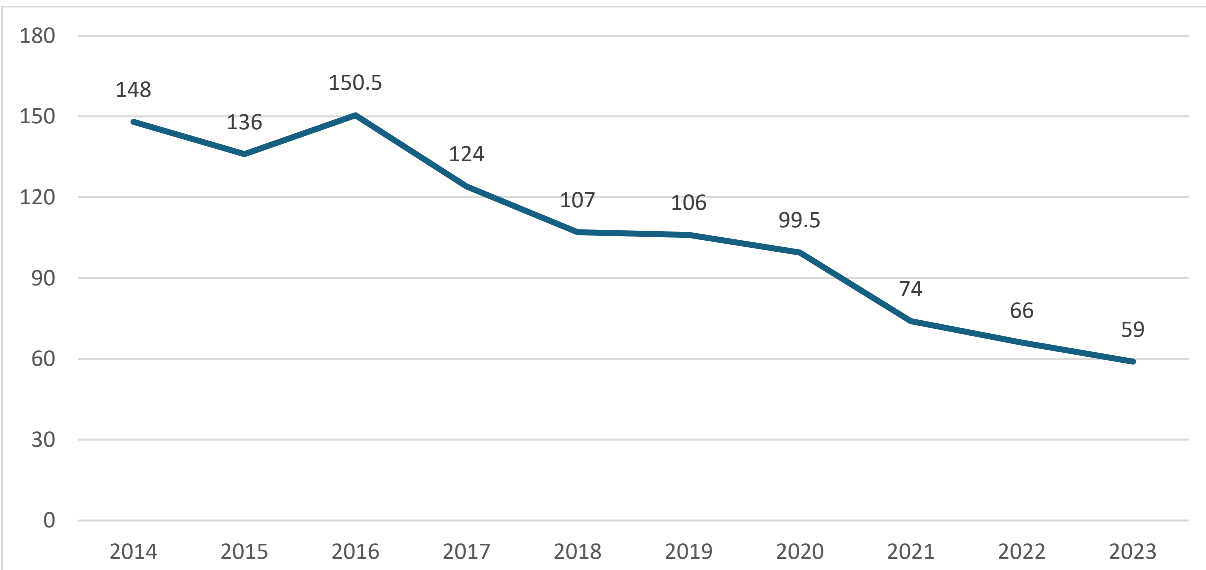
In addition to stagnating growth by limiting options for newcomers, the limited rental supply is likely to have consequences for current residents (e.g., decreasing affordability and increased risk of displacement) and for the condition of the county's housing stock. The tight rental market in Halifax will likely affect investments in homes in the region. Increased sale prices can encourage investments in homes because homeowners are more likely to receive a return on upgrades and repairs when they sell. However, the tight rental market may encourage buyers to make minimal investments and "flip" previously owner-occupied homes for the purposes of renting. Simultaneously, high demand for rental units with a limited supply can discourage long-term investments in rental properties since tenants must compete for properties (by accepting less quality for higher rent) rather than landlords competing for tenants with upgraded properties and good property maintenance. This tendency is likely to have the greatest impact on low- and moderate-income renters who compete less successfully for lower-cost units and may be displaced as landlords increase rents.

Homeownership Market Conditions

In the for-sale housing market, sales data is used to assess the relationship between supply and demand. Similar to the rental vacancy rate, median days on the market (DOM) can be used to evaluate whether the quantity of for-sale inventory is adequate. The steady decrease in median DOM is indicative of increasing demand and improving market health, and DOM is not yet low enough to indicate that supply is inadequate. In Halifax County, a property typically remains on the market for about two-and-a-half months before it's sold. DOM below 30 would indicate that the market is shifting to a “seller’s” market that may begin to exclude low- and moderate-income households, as well as first-time homebuyers.

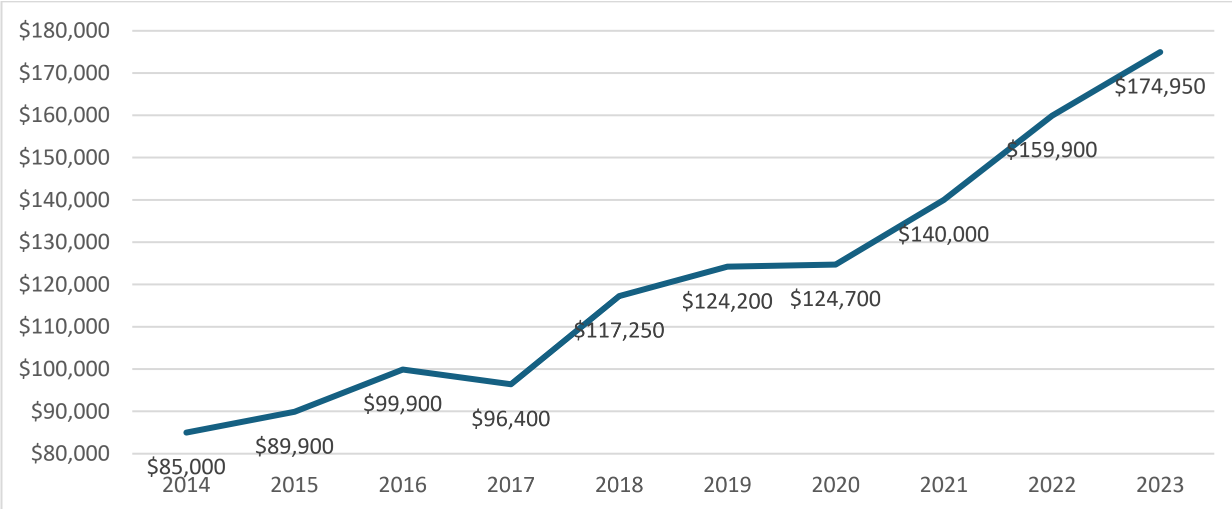
Median Days on the Market (DOM) 2014-2023

Source: VCHR tabulation of Virginia REALTORS data



Steady increases in median sale prices are also evidence of increasing demand. Median price increased 65% from 2014 to 2021. Increasing market health benefits both owners and the county. Further, this trend gives buyers confidence that they will be able to build equity in their home. Nonetheless, as house prices and interest rates increase, some prospective homebuyers may be priced out of the market. Focus group participants regionally expressed concern that the wages of longer-term workers are not keeping up with those of new jobs and the associated market impact on prices and rents. Employers expressed that new jobs in the region, including construction jobs, are likely to be sustained and potentially increase in number over time. With increasing jobs, demand is also expected to increase. As market health continues to improve, the County should consider solutions that ensure lower-wage employees have the opportunity to buy homes and build equity.

Median Sale Price 2014-2023
Source: VCHR tabulation of Virginia REALTORS data



Conclusions

The county needs additional rental units to respond to demand and support economic growth. In order to respond to both new demand and existing housing challenges, these units should serve diverse demand segments: small households, seniors (living alone or as couples), workers with limited means, and a limited number of families relocating for work. Well-located, small (i.e., efficiency, one-bedroom, and two-bedroom) apartment-style rental units are most likely to respond to the most urgent and greatest housing demand in the county. Focus group participants emphasized that new units should be sited where water and sewer infrastructure is available and also in close proximity to services (for seniors) and employment (for workers). If new rental units are not added, economic growth will likely be limited and housing insecurity is likely to increase among existing low-wage workers.

The county's for-sale inventory remains adequate; however, the condition of the housing stock is threatened by vacancy, housing cost burden among owners, and investment disincentives presented by the extremely tight rental market. About 2,915 housing units are abandoned, slated for demolition, or otherwise held in the long term without being occupied. Abandoned properties can be a health and safety hazard; however, properties held in the long term may be livable housing units and the County may want to incentivize their sale or rental. When homeowners are cost-burdened, they may choose to defer maintenance or forgo upgrades in favor of necessities like food, childcare, and medical care. Nearly 1,940 owners in Halifax (1,705 of whom have low incomes)[14] are cost-burdened and may benefit from programs such as tax abatement for seniors, critical home repair, USDA home renovation loans, and the Weatherization Assistance Program (WAP), among others. The tight rental market may encourage buyers to make minimal investments and "flip" previously owner-occupied homes for the purposes of renting. Simultaneously, high demand for rental units with a limited supply can discourage long-term investments in rental properties since tenants must compete for properties (by accepting less quality for higher rent) rather than landlords competing for tenants with upgraded properties and good property maintenance.

[14] VCHR tabulation of 2016-2020 CHAS data

Finally, given anticipated economic growth and associated housing demand, the County will need to make a plan for incorporating committed affordable housing into its stock. These units should support the near-term housing needs and longer-term wealth-building of low-wage (though critical) workers, as well as seniors who need to relocate to smaller units nearer services. Low-wage service workers who are critical to community development as well as healthcare, childcare, and other service industries have historically been able to afford housing costs in Halifax, but the changing market is leading to housing insecurity among many of these workers. These workers and their families are likely to leave the county, threatening future growth, if the County does not integrate supports for them. As such, the County should consider a comprehensive approach to attracting affordable rental housing development and ensuring homeownership opportunity for low- and moderate-income households.

Halifax Solutions

PRIMARY SOLUTION 1

Use the next comprehensive plan updates to prioritize housing opportunities in long-range planning goals.

ISSUE: *Halifax County's current comprehensive plan may not adequately address or prioritize housing needs within its long-range planning goals.*

Without clear housing priorities in the comprehensive plan, the County can face challenges in coordinating infrastructure investments, guiding development patterns, and meeting the evolving needs of current and future residents.

SOLUTION: *Implement a housing-focused comprehensive plan update initiative to embed housing priorities deeply within the County's long-range planning goals.*

By integrating housing strategies throughout the comprehensive plan, the County can better align its resources and policies to support diverse housing options, from affordable units to market-rate homes. The updated plan would provide a framework for coordinating housing initiatives with other community priorities such as economic development, transportation, and environmental sustainability, ensuring a more cohesive approach to community growth.

How It Works

The comprehensive plan serves as a guiding document for major decisions by elected and appointed officials in Halifax County. By prioritizing housing within this plan, the County can ensure that housing affordability and availability are considered in all aspects of long-term growth and development.

This solution involves several key components:

Housing needs assessment: Conduct a thorough analysis of current and projected housing needs in Halifax County. This should include data on population trends, household composition, income levels, and housing stock conditions.

Goal setting: Based on the needs assessment, develop specific, measurable housing goals for inclusion in the comprehensive plan. These could include targets for new housing units, affordability levels, and geographic distribution.

Land use and zoning review: Evaluate current land use patterns and zoning regulations to identify barriers to housing development. Propose changes that would support a diverse range of housing types and affordability levels.

Reforms for new and existing supply: Ensure that any reforms not only promote the creation of new homes where needed, but also reinvestment and preservation of older housing stock.

Integration with other planning elements: Ensure that housing goals are aligned with and supported by other aspects of the comprehensive plan, such as transportation, economic development, and environmental sustainability.

Implementation strategies: Develop concrete strategies and action steps for achieving the housing goals. This could include policies, programs, and partnerships.

Monitoring and evaluation framework: Create a system for regularly tracking progress toward housing goals and adjusting strategies as needed.

Community engagement: Involve residents, housing providers, employers, and other stakeholders throughout the planning process to ensure broad support for housing initiatives.

How to Do It

Within 6 months

- Secure funding and resources for the comprehensive plan update process.
- Form a housing advisory committee to guide the housing component of the plan.
- Begin collecting data for the housing needs assessment.
- Develop a community engagement strategy.

Within 1 year

- Complete the housing needs assessment.
- Hold initial community meetings to gather input on housing priorities.
- Draft preliminary housing goals and strategies.
- Begin reviewing land use and zoning regulations.

Within 2 years

- Finalize housing goals and strategies based on community input.
- Integrate housing component with other elements of the comprehensive plan.
- Develop implementation and monitoring plans.
- Present draft plan for public review and comment.
- Revise and adopt the updated comprehensive plan.

Who Does What

Halifax County Board of Supervisors: Initiate the comprehensive plan update process, provide overall guidance, and ultimately approve the updated plan.

Planning and Zoning Department: Lead the day-to-day work of updating the plan, including coordinating with other departments, managing consultants, and organizing community engagement activities.

Housing Advisory Committee: Provide expertise and guidance on housing issues, review draft goals and strategies, and help build community support for housing initiatives.

Halifax County IDA: Contribute data and insights on housing needs and programs, assist in developing implementation strategies, ensure alignment between housing and economic development goals, and provide input on workforce housing needs.

Community Members: Participate in public meetings and surveys, provide feedback on draft plans, and advocate for housing needs in their communities.

Southside PDC: Offer technical assistance, data, and regional context to inform the planning process.

How to Fund It

- Allocate County funds for the comprehensive plan update process as part of the annual budget.
- Explore planning grants from the Virginia Department of Housing and Community Development (DHCD).
- Consider applying for a Community Impact Grant from Virginia Housing to support housing-related planning activities.
- Investigate potential funding or in-kind support from major employers or institutions in the county.
- Partner with local universities or colleges for research assistance and data analysis.
-

How to Measure Success

- Adoption of a comprehensive plan with clear, measurable housing goals
- Number of zoning changes implemented to support housing goals
- Increase in housing permits issued for diverse housing types
- Number of affordable housing units created or preserved
- Level of community participation in the planning process
- Alignment of County policies and programs with housing goals post-adoption

Examples

Cville Plans Together

Charlottesville's 2021 comprehensive plan update, known as "Cville Plans Together," focused heavily on addressing housing affordability and equity issues. The City followed this with a complete overhaul of its zoning ordinance in 2023, which included allowing more housing types in traditionally single-family neighborhoods and reducing parking requirements to encourage denser development.

Roanoke City Plan 2040

Roanoke similarly updated its comprehensive plan in 2020 with a strong emphasis on creating more diverse and affordable housing options. In 2021, the City adopted major zoning reforms that included allowing ADUs by right in all residential zones, reducing minimum lot sizes, and creating new mixed-use districts to promote walkable, transit-oriented development.

PRIMARY SOLUTION 2

Develop strategies to expand housing quality.

ISSUE: *Many older homes across various housing types are past their functional lifespans, presenting health, safety, and energy-efficiency concerns.*

Although older homes, including traditional single-family houses, manufactured homes, and multifamily units, provide much-needed naturally occurring affordable housing options, they often face significant challenges. These older structures frequently present serious health, safety, and energy-efficiency hazards. Additionally, financing for repairs can be difficult to obtain, especially for low-income homeowners.

SOLUTION: *Explore land use, fiscal, and other mechanisms to ensure that existing housing stock benefits both homeowners and the community in the long term.*

This recommendation investigates and proposes specific actions the County could take to address these issues. Options include evaluating zoning ordinance changes to influence housing rehabilitation, identifying incentive opportunities within real estate assessment and related tax schemes, and leveraging grant funds to support the repair or replacement of dangerous, substandard housing units.

How It Works

This solution includes three primary tasks, along with recommendations for prerequisite data analysis to better inform potential decisions. While these tasks are not dependent on one another, success is more likely if localities within the county simultaneously pursue at least two options together.

Data analysis: Determine scope and scale of housing repair needs. The County can combine its residential property data, code enforcement records, and energy-efficiency information to investigate the condition of existing housing stock. Data should be inclusive of multiple years (at least three, ideally five or more) to increase sample size and reveal any important trends.

Data should be analyzed to answer the following questions, which will provide staff and leadership with important context:

- How many homes of various types (single-family, multifamily, manufactured) are in need of significant repairs or upgrades?
- What is the geographic distribution of homes needing repairs across the county?
- What are the most common types of repairs needed (e.g., roofing, HVAC, accessibility upgrades)?
- What is the correlation between home age, type, and repair needs?

Once the data analysis is completed, staff can prepare a memo to share findings with the Planning Commission and Board of Supervisors. This memo could also outline some of the potential solution steps described below.

TASK 1: *Evaluate and amend zoning ordinances.*

All new homes—whether built on site or in a factory—must conform to local zoning codes. While local governments in Virginia generally have broad powers to regulate residential uses in their zoning ordinances, state code (§ 15.2-2290) requires localities to permit manufactured homes:

". . . in all agricultural zoning districts or districts having similar classifications regardless of name or designation. . ."

Still, manufactured homes must be on an individual lot (with no other residential units) and secured to a permanent foundation. The code does give localities the authority to apply general development standards in these districts, but those standards must apply to both site-built and manufactured homes.

While it's crucial to maintain the existing housing stock, the County should also consider how zoning regulations might impact housing rehabilitation and replacement efforts. The County can evaluate how current zoning code may encourage or discourage housing repairs and upgrades across all housing types.

TASK 2: *Identify possible tax and financial incentives.*

Consult with County Attorneys to determine fiscal incentives that localities can implement under existing state code. Establish certain housing quality criteria that rehabilitated or replaced homes should meet to receive incentives, such as energy-efficiency performance and accessibility features.

Consider reduced or waived permit fees, along with real estate tax rebates or abatements, for:

- Significant home repairs or rehabilitations that improve energy efficiency
- Accessibility upgrades for seniors or persons with disabilities
- Replacement of substandard housing units with new, high-quality homes

TASK 3: *Secure new funding and create incentives to eradicate substandard housing. Work with Southside PDC, Virginia Housing, and DHCD to identify and jointly apply for funding that:*

- Covers some or all expenses associated with major home repairs or replacements
- Provides extremely low-income residents with assistance to find safe, quality housing alternatives if their current home is beyond repair

Conduct proactive outreach to residents in poorest-quality homes and connect with service providers to begin evaluating repair needs or relocation options.

Criteria to prioritize home repairs will help triage properties/residents with greatest needs. Criteria should consider:

- Number of and severity of housing problems (e.g., no heat, water leaks, structural issues)
- Resident income and assets
- Resident physical and/or mental disabilities
- Presence of seniors and/or children
- Other attributes as needed

Develop a streamlined process for repair program approval. Consider reducing, waiving, or refunding permit fees for qualifying repairs. Identify qualified contractors to complete work across various housing types.

How to Do It

Within 6 months

- Conduct a comprehensive survey and inventory of older homes in the county.
- Categorize properties based on their condition and prioritize those needing immediate attention.
- Review and update local regulations to facilitate the improvement and replacement of aging inventory.

Within 1 year

- Implement and enforce updated standards for the maintenance and safety of older homes.
- Begin the process of assisting owners/buyers through SRHA to decommission non-habitable homes and deliver/install new manufactured homes.
- Explore and develop financing models with Virginia Housing and DHCD to support affordable manufactured home ownership.
- Engage community lenders to create favorable loan products for manufactured home improvements and purchases.

Within 2 years

- Strengthen collaboration with community groups and other stakeholders to improve the quality and upkeep of homes.
- Provide ongoing education and support to residents and potential buyers.
- Monitor and evaluate the progress of the initiative, making adjustments as needed to ensure success.

Who Does What

Halifax County Board of Supervisors: Approve new policies and incentives for manufactured housing and housing preservation.

Planning and Zoning Department: Update zoning regulations and develop preservation strategies.

County Administration: Collaborate with manufacturers and promote manufactured housing initiatives.

Local Housing Organizations: Assist with community outreach and education programs.

Manufactured Housing Industry Representatives: Provide input on modern housing solutions and best practices.

How to Fund It

Funding options to support the removal (and potential replacement) of substandard manufactured homes:

- Federal (via DHCD): CDBG, HOME, Weatherization Assistance Program (WAP)
- Local: Dedicated general fund revenue, special fees, or assessments
- Private: Local philanthropic foundations and other donors

How to Measure Success

- Number of manufactured homes assessed and improved
- Increase in the number of habitable and safe manufactured homes
- Amount of state, federal, and private investment leveraged
- Improved quality and integration of manufactured homes within the community

Examples

Albemarle Housing Improvement Program (AHIP)

AHIP, a nonprofit based in Albemarle County, focuses year-round on emergency repairs, home rehabs, and energy-efficiency upgrades. It is a full-service, state-licensed Class A Contractor and an EPA-certified lead abatement contractor.

project:HOMES

project:HOMES is an affordable housing nonprofit organization based in the Richmond region. In addition to developing affordable homeownership and senior rental housing, project:HOMES provides home rehabilitation and weatherization services.

In recent years, project:HOMES has also turned its attention toward manufactured housing. In 2021, the nonprofit acquired a 50-unit manufactured home park with the intention of stabilizing it and replacing deteriorating units. project:HOMES has also invested resources in designing its own energy-efficient manufactured home unit. It has been able to leverage funding from Virginia Housing and other entities to support its work in the manufactured home space.

SECONDARY SOLUTION 1

Address infrastructure limitations that stifle new housing development.

ISSUE: *Infrastructure limitations, particularly utility capacity and availability, are hindering new housing development in Halifax County.*

SOLUTION: *Enhance communication and cooperation between developers, planners, and service providers to ensure efficient infrastructure development for new housing projects.*

How It Works

This strategy involves creating new channels for coordination between key stakeholders involved in housing development and infrastructure planning. The main components include:

Creating liaison positions: Dedicated staff members could be appointed to facilitate communication between developers, county planners, and utility providers. These liaisons would help streamline processes and ensure all parties are aligned on infrastructure needs for new housing projects.

Establishing regular coordination meetings: Monthly or quarterly meetings could bring together representatives from the planning department, Halifax County Service Authority, developers, and other relevant stakeholders. These meetings would provide a forum to discuss upcoming projects, infrastructure constraints, and potential solutions.

Seeking new funding sources: The County could proactively pursue state and federal grants specifically for infrastructure improvements that support housing development. This could include programs from agencies like the Virginia Department of Housing and Community Development or the U.S. Economic Development Administration.

Increasing Halifax County Service Authority capacity: The County could work with the Service Authority to assess current staffing and resource needs. Additional investments in personnel or equipment may be necessary to keep pace with development demands.

Developing a comprehensive infrastructure plan: A long-term infrastructure plan could be created that aligns with housing development goals outlined in the County's comprehensive plan. This would provide a roadmap for strategic infrastructure investments and expansions.

How to Do It

Within 6 months

- Appoint infrastructure liaison(s) within the county planning department.
- Establish a regular schedule for coordination meetings between stakeholders.
- Begin research on potential infrastructure funding sources at the state and federal level.

Within 1 year

- Conduct a needs assessment for the Halifax County Service Authority to determine resource gaps.
- Host a series of public workshops to gather input on infrastructure priorities.
- Develop a draft comprehensive infrastructure plan aligned with housing goals.

Within 2 years

- Implement staffing or equipment upgrades at the Service Authority based on needs assessment.
- Finalize and adopt comprehensive infrastructure plan.
- Apply for at least 2-3 major infrastructure grants to support plan implementation.

Who Does What

Halifax County Board of Supervisors: Approve infrastructure improvement plans, liaison positions, and funding allocations. Provide high-level direction on infrastructure priorities.

Planning and Zoning Department: Coordinate liaison activities, organize stakeholder meetings, and lead development of comprehensive infrastructure plan. Work closely with developers to understand infrastructure needs for housing projects.

Halifax County Service Authority: Participate in coordination meetings, provide technical expertise on utility expansions and improvements, and implement capacity upgrades as needed.

Halifax County IDA: Research and pursue infrastructure grant opportunities. Assist in developing public-private partnership models for infrastructure projects.

Local developers: Actively participate in coordination meetings. Provide data and projections on infrastructure needs for planned and potential housing developments.

How to Fund It

- Virginia Department of Housing and Community Development - Community Development Block Grants
- USDA Rural Development - Water & Waste Disposal Loan & Grant Program
- Virginia Resources Authority - Infrastructure financing programs
- Impact fees on new developments (would require new county ordinance)
- Public-private partnerships with major employers or developers

How to Measure Success

- Number of new housing units approved in areas with infrastructure constraints
- Reduction in infrastructure-related delays for development projects
- Increase in available water/sewer capacity
- Amount of new infrastructure funding secured
- Level of developer satisfaction with county processes (via survey)

SECONDARY SOLUTION 2

Streamline regulatory approval processes for desired housing types.

ISSUE: *Current regulatory approval processes may be slowing down the development of desired housing types in Halifax County.*

SOLUTION: *Implement a streamlined development initiative to accelerate desired construction projects by reducing procedural barriers and enhancing coordination within local planning offices.*

How It Works

Halifax County could implement several strategies to streamline approvals for desired housing types:

Pre-design consultations: Offer developers the opportunity to meet with planning staff early in the process to discuss proposals and identify potential issues before formal submission. This proactive meeting can help developers craft applications that are more likely to be approved quickly.

"Fast track" permitting: Create an expedited review process for proposals that meet certain criteria, such as including a percentage of affordable units or using pre-approved designs. The new process could involve shortened timelines, simplified checklists, and dedicated staff support.

Pre-approved designs: Develop a library of pre-approved styles and floorplans for priority housing types like starter homes, duplexes, or accessory dwelling units. Proposals using these designs could benefit from a simplified review focused mainly on site-specific issues.

Internal coordination: Enhance communication and workflow between different county departments involved in development review. Steps could involve creating a cross-departmental review team or implementing new project management software.

Regular process evaluation: Conduct periodic assessments of approval processes to identify bottlenecks and opportunities for improvement. These assessments should involve gathering feedback from both staff and applicants.

How to Do It

Within 6 months

- Form an interdepartmental working group to assess current approval processes and identify opportunities for streamlining.
- Engage with local developers and builders to understand their pain points in the current system.
- Research best practices from other Virginia localities that have implemented similar streamlining initiatives.
- Determine which housing types should be prioritized for streamlined approval based on comprehensive plan goals.

Within 1 year

- Draft new policies and procedures for expedited reviews, including eligibility criteria and timelines.
- Develop templates and checklists to simplify the application process for priority housing types.
- Create a library of pre-approved designs, potentially partnering with local architects.
- Implement new project management software to improve internal coordination and tracking.
- Train staff on new procedures and technologies.

Within 2 years

- Fully implement the new streamlined processes.
- Conduct outreach to developers and builders to promote the new options.
- Gather data on processing times and applicant satisfaction to evaluate the initiative's success.
- Adjust the program based on feedback and performance metrics.

Who Does What

Halifax County Board of Supervisors: Approve new policies and necessary code changes to enable streamlined processes, as well as allocate funding for implementation costs such as new software or additional staffing.

County Administrator: Oversee the initiative and coordinate between departments, while reporting progress and outcomes to the Board of Supervisors.

Planning and Zoning Department: Lead process improvement efforts, draft new procedures, conduct pre-application consultations with developers, manage the library of pre-approved designs, and serve as the primary point of contact for expedited reviews.

Building Department: Collaborate on developing streamlined processes, especially for building permit reviews, and participate in cross-departmental review teams for expedited applications.

Halifax County IDA: Promote the new streamlined options to developers and builders and provide feedback on how the initiative impacts efforts to attract businesses.

Local Architects and Designers: Assist in developing pre-approved design libraries and provide input on streamlined design review processes. Developers and builders could provide feedback on proposed process improvements and utilize new streamlined options for eligible projects.

How to Fund It

General fund allocation: The County could dedicate a portion of its annual budget to support this initiative, viewing it as an investment in economic development.

Permit fee restructuring: Halifax County could consider implementing slightly higher fees for standard reviews to offset reduced or waived fees for expedited processes.

Virginia Housing grants: Programs like the Community Impact Grant could potentially support planning efforts related to streamlining approvals for affordable housing.

GO Virginia: Region 3 could be interested in supporting efforts that help attract workforce housing development to the region.

Examples

<u>City of Norfolk</u>

Missing Middle Pattern Book: Norfolk created a library of pre-approved designs for "missing middle" housing types like duplexes and small apartment buildings. Proposals using these designs benefit from an expedited review process.

<u>Albemarle County</u>

Electronic Plan Review: Albemarle implemented new software to allow for concurrent electronic review of development applications by multiple departments, significantly reducing overall review times.

South Boston Solutions

PRIMARY SOLUTION 1

Leverage partnerships for affordable homeownership.

ISSUE: *South Boston faces a shortage of affordable homeownership options under $200,000, limiting opportunities for low- and moderate-income residents to build wealth through homeownership.*

SOLUTION: *The Town could pursue an affordable homeownership initiative leveraging two key partnerships: Southside Outreach Group and the Virginia Statewide Community Land Trust (VSCLT). This dual approach could maximize opportunities to lower land costs and create sustainable affordable homeownership options.*

How It Works

- **Partnership with Southside Outreach Group**

The Town could collaborate with Southside Outreach Group, a local nonprofit, to develop affordable homes on land the group already owns in the area. This partnership could allow for targeted development that aligns with community needs and values.

Key components of this partnership could include identifying suitable parcels owned by Southside Outreach Group for development, collaborating on site planning and home designs, exploring innovative building techniques and efficient design strategies to reduce costs, developing a qualification and selection process for homebuyers, and creating a marketing and outreach plan to attract eligible buyers.

- **Partnership with Virginia Statewide Community Land Trust**

South Boston could engage with VSCLT to implement a community land trust (CLT) model. This approach separates land ownership from home ownership, significantly reducing the overall cost of homeownership for residents.

Key components of this partnership could include working with VSCLT to establish CLT operations in South Boston, identifying potential properties for the CLT model, developing CLT homebuyer education programs, creating a resale formula that balances affordability and equity building, and establishing long-term stewardship protocols for CLT properties.

- **Combining strategies to develop a pipeline**

By combining these partnerships, the initiative could leverage Southside Outreach Group's existing land assets and utilize VSCLT's expertise in implementing the CLT model. This approach could create a pipeline of affordable homes using both traditional and CLT ownership models, ensure long-term affordability through the CLT structure, and develop a replicable model that can be expanded or adapted in the future.

How to Do It

Within 6 months

- Initiate formal discussions with Southside Outreach Group and VSCLT.
- Identify potential properties for development through both partnerships.
- Begin drafting memorandums of understanding (MOUs) with both partners.
- Conduct initial community outreach to gauge interest and needs.

Within 1 year

- Finalize MOUs with Southside Outreach Group and VSCLT.
- Develop site plans and home designs for the first phase of development.
- Create homebuyer qualification criteria and selection processes.
- Establish CLT operational procedures with VSCLT.
- Begin homebuyer education programs.

Within 2 years

- Complete construction on the first phase of homes.
- Place first round of homebuyers in new properties.
- Evaluate program success and make necessary adjustments.
- Begin planning for subsequent phases of development.

Who Does What

Town of South Boston: Lead coordination between partners, provide any necessary zoning or regulatory support, assist with community outreach and engagement, and explore potential funding sources or incentives to support the initiative.

Southside Outreach Group: Contribute land for affordable home development, collaborate on site planning and home designs, and assist with community outreach and homebuyer identification.

Virginia Statewide Community Land Trust: Provide expertise on CLT model implementation, assist in developing CLT operational procedures, support homebuyer education efforts, and offer long-term stewardship for CLT properties.

Local Financial Institutions: Develop specialized mortgage products for CLT and affordable homeownership, and provide financial education and counseling to potential homebuyers.

How to Fund It

Virginia Housing Trust Fund: Could provide low-interest loans or grants for affordable housing development

USDA Rural Development programs: May offer loans or grants for rural homeownership initiatives

Virginia Housing (formerly VHDA): Could provide homeownership grants or low-interest mortgages

Local financial institutions: May offer specialized loan products or down payment assistance

Town of South Boston: Could explore dedicating funds from general revenue or establishing a housing trust fund

Private foundations: May provide grants for innovative affordable housing models

How to Measure Success

- Number of affordable homes created (target: at least 20 within first 2 years)
- Number of homeowners served (target: 20+ families)
- Average sale price of homes (target: under $200,000)
- Long-term affordability of CLT homes (target: 100% of CLT homes remain affordable at resale)
- Homeowner satisfaction rates (target: 90%+ satisfied with their homes and the program)
- Increased property tax revenue from previously vacant or underutilized lots
- Economic impact of construction activity (e.g., jobs created, local materials purchased)

Examples

Henrico County - Partnership with Maggie Walker Community Lant Trust
In order to provide working people and families with lower or moderate incomes with 12 new or refurbished homes, Henrico has teamed up with a number of nonprofit housing developers, including Maggie Walker Community Land Trust (MWCLT), Richmond Metropolitan Habitat for Humanity, and project:HOMES. There are two more houses being built. The area of historic Highland Springs where 10 of the residences are within a mile of one another has been the focus of the work for greatest impact.

Created in 2023 in partnership with Montgomery County and the Town of Blacksburg, NRHT operates as a program under Community Housing Partners, whose mission is to create communities and homes that are healthy, sustainable, and affordable.

SECONDARY SOLUTION 1

Develop wetlands-friendly zoning and building strategies.

ISSUE: *South Boston's development potential is constrained by wetlands and restrictive zoning regulations, limiting opportunities for new housing and urban expansion while potentially overlooking sustainable development practices.*

SOLUTION: *Implement a Wetlands-Friendly Development Initiative to balance environmental protection with development needs. This approach could involve revising zoning regulations, incorporating sustainable building techniques, and exploring wetland mitigation strategies.*

How It Works

1. Zoning Regulation Review and Revision

The initiative could begin with a comprehensive review of current zoning regulations, focusing on areas adjacent to wetlands. South Boston could then develop new zoning guidelines that allow for more flexible development strategies while maintaining environmental protections. These could include:

- Provisions for increased density in upland areas to offset wetland preservation
- Allowances for cluster development to minimize wetland impacts
- Establishment of wetland buffer zones with specific use restrictions
- Incorporation of Low Impact Development (LID) standards into zoning code

2. Wetlands-Friendly Building Techniques

The Town could promote and incentivize the use of wetlands-friendly building techniques among developers. This might include:

- Elevated foundations or pier construction to minimize ground disturbance
- Use of bioswales and rain gardens for natural drainage
- Integration of wetland features into landscaping plans
- Requirements for permeable paving in parking areas and driveways
- Green roof installations to reduce runoff

By incentivizing these practices, South Boston could encourage development that not only coexists with wetlands but actively incorporates them as amenities.

3. Wetland Mitigation and Conservation Programs

The Town could explore the creation of a wetland mitigation bank or conservation easement program. This could provide a mechanism to offset necessary development impacts while ensuring overall wetland preservation or even expansion in the area. Key elements might include:

- Establishing a local wetland mitigation bank where developers can purchase credits
- Creating a conservation easement program for landowners to voluntarily protect wetlands
- Developing a "fee-in-lieu" program where developers can contribute to off-site wetland restoration projects

4. Education and Outreach

To support the initiative, South Boston could implement an education and outreach program targeting developers, property owners, and the public. This could include:

- Workshops on wetlands-friendly development techniques
- Public information campaigns on the benefits of wetland preservation
- Site tours of successful wetlands-friendly developments
- Partnerships with local schools for wetland education programs

5. Pilot Projects and Demonstration Sites

The Town could work with developers to create pilot projects showcasing wetlands-friendly development techniques. These sites could serve as:

- Real-world examples of successful wetlands integration in development
- Training grounds for local builders and developers
- Educational resources for the community and potential eco-tourism attractions

By implementing these interconnected components, South Boston could create a comprehensive approach to wetlands-friendly development that balances environmental protection with the need for urban expansion and new housing opportunities.

How to Do It

Within 6 months

- Initiate comprehensive review of current zoning regulations.
- Begin consultations with environmental experts and urban planners.
- Start community engagement process to gather input on wetlands-friendly development.

Within 1 year

- Draft revised zoning regulations incorporating wetlands-friendly provisions.
- Develop guidelines for wetlands-friendly building techniques.
- Explore feasibility of a wetland mitigation bank or conservation easement program.

Within 2 years

- Implement revised zoning regulations.
- Launch wetland mitigation bank or conservation easement program, if feasible.
- Begin pilot projects showcasing wetlands-friendly development techniques.

Who Does What

South Boston Planning Department: Lead the zoning review and revision process, coordinate with environmental experts, and develop new guidelines for wetlands-friendly development.

Local Environmental Organizations: Provide expertise on wetland ecosystems and assist in developing conservation strategies.

Developers and Builders: Participate in pilot projects and provide feedback on proposed regulations and building techniques.

State Environmental Agencies: Offer guidance on wetland protection regulations and assist with any necessary permitting processes.

How to Fund It

- EPA Wetland Program Development Grants
- Virginia Department of Environmental Quality grants
- Local budget allocations for zoning updates and environmental initiatives
- Private-sector partnerships for pilot projects

How to Measure Success

- Number of new developments incorporating wetlands-friendly techniques
- Acreage of wetlands preserved or created through mitigation efforts
- Increase in permeable surface area in new developments
- Reduction in flood-related incidents in newly developed areas
- Number of eco-tourism or educational initiatives related to wetland preservation

Mecklenburg Findings

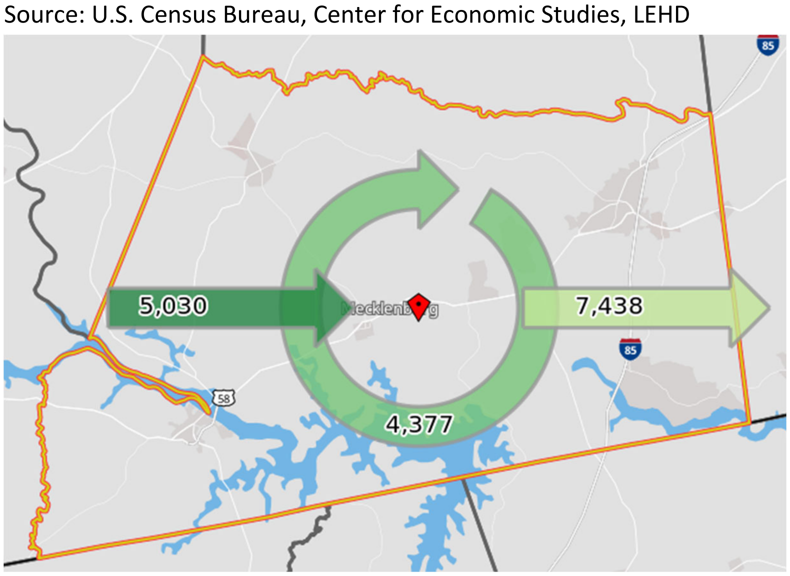
Mecklenburg County is located in south-central Virginia, on the North Carolina border. It is bound by the Virginia counties of Charlotte and Lunenburg to the north, Brunswick to the east, and Halifax to the west, and the North Carolina counties of Granville, Vance, and Warren to the south. The county includes six incorporated towns: Boydton, Brodnax, Chase City, Clarksville, La Crosse, and South Hill. The Town of Brodnax is split geographically between Mecklenburg and Brunswick counties and will be included with Brunswick County data for the purposes of this analysis. The largest town, South Hill, is 80 miles southwest of Richmond and 76 miles northeast of Raleigh, N.C. The Town of South Hill is conveniently located in the east-central portion of Mecklenburg County adjacent to Interstate 85, the major north-south transportation corridor in the county, and Route 58, the major east-west corridor.

Mecklenburg Regional Housing Market

Commuting patterns can be a helpful tool in defining housing markets. In terms of commuting, Mecklenburg is most closely connected to its geographic neighbors, Halifax County to the west, Brunswick County to the east, and Lunenburg County to the north. Among the workers commuting to Mecklenburg, most commute from Brunswick County in the east. Differentially, most residents who commute out of the county commute north to Richmond. Overall, Mecklenburg County has a net outflow of 2,408 employees; however, the Town of South Hill has an inflow of 1,748 employees.

Just over 9,400 people have their primary job in Mecklenburg, and 46.5% of those workers live in the county. The rest commute from neighboring jurisdictions: 6.8% from Brunswick County, 4.7% from Halifax County, 3.7% from Lunenburg County, and 2.8% from Charlotte County. Fewer workers commute from Chesterfield County (174), Warren County, N.C. (131), Henrico County (124), Granville County, N.C. (113), and Pittsylvania County (108).

2021 Inflow/Outflow of Mecklenburg County Workers for Primary Jobs
Source: U.S. Census Bureau, Center for Economic Studies, LEHD



About 63% of Mecklenburg residents (7,438) commute out of the county for their primary job. More than 50% of workers are commuting over 25 miles to their primary job, with 43.6% commuting more than 50 miles. These residents commute to a variety of places, some in nearby localities: 5.9% to Richmond, 4.3% to Henrico County, 3.8% to Brunswick County, 3.6% to Chesterfield County, 3.5% to Halifax County, 2.4% to Newport News, and 2.0% to Chesapeake City. Workers earning more than $3,333 per month make up 45% of Mecklenburg residents who commute to a job outside of the county. Mecklenburg County is likely the residence of choice for households who commute to larger job and housing markets, since these households could likely choose to live in a larger market.

Households

Approximately 30,370 people comprise about 13,040 households in Mecklenburg County. The county includes six incorporated towns: Boydton, Brodnax[15], Chase City, Clarksville, La Crosse, and South Hill. Boydton and La Crosse are very small towns. Boydton includes as many as 158 households, while La Crosse includes as many as 268 households. The number of households and housing units in Boydton and La Crosse is too small to create reliable estimates from ACS sample data, so they will not be highlighted separately from county data in most instances. South Hill is home to 2,211 households, Chase City is home to 1,036 households, and Clarksville includes 759. These towns will be addressed separately when possible.

Tenure

Most households in Mecklenburg (72%) own their home. The incorporated areas of the county have lower rates of homeownership than the unincorporated areas of the county. There is not enough data to show where the highest concentration of renters lives within the represented towns. It can be estimated that the highest concentration is located in South Hill with 1,115 renters. Just over 46% of the county's 3,797 renter households live within a town. Nonetheless, the majority of rental units are located in the unincorporated parts of the county.

Tenure by Mecklenburg Areas
Source: 2022 ACS 5-year estimates

	Owners	Renter	Total Households
Mecklenburg County	9,240	3,797	13,037
Unincorporated Areas	6,635	2,046	8,681
Incorporated Towns	2,605	1,751	4,356

[15] Brodnax is split geographically between Mecklenburg and Brunswick counties and will be included with Brunswick County data for the purposes of this analysis.

Tenure for Large Mecklenburg Towns

Source: 2022 ACS 5-year estimates

	South Hill	Chase City	Clarksville
Households	2,211	1,036	859
Owners	1,096	757	539
Renters	1,115	ND	ND

Living Arrangements

Most households in Mecklenburg County include one or two people. The proportion of one- and two-person households is fairly consistent throughout the county, but households within town limits have a larger proportion of one-person households than the county as a whole.

Households by Size for Mecklenburg County Areas

Source: 2022 ACS 5-year estimates

Note: The Town of Brodnax is split geographically between Mecklenburg and Brunswick and is included with Brunswick County data for the purposes of this report. Brodnax is not included in the towns in this table.

<table>
<tr><th></th><th>1-person</th><th>2-person</th><th>3-person</th><th>4-or-more</th><th>Total Households</th></tr>
<tr><td>Mecklenburg Co.</td><td>4,499
(35%)</td><td>5,003
(38%)</td><td>1,599
(12%)</td><td>1,936
(15%)</td><td>13,037</td></tr>
<tr><td>Unincorporated Areas</td><td>2,655
(31%)</td><td>3,587
(41%)</td><td colspan="2">2,439
(28%)</td><td>8,681</td></tr>
<tr><td>Incorporated Towns</td><td>1,844
(42%)</td><td>1,416
(32%)</td><td colspan="2">1,096
(25%)</td><td>4,356</td></tr>
</table>

Most households (7,860; 60%) are family households, related as married couples, traditional nuclear families, single parents with children, grandparents raising grandchildren, or in some other way. Among non-family households, most are singles. Seniors 65 and older make up the largest proportion of single-person households at 55%. Fewer than 678 households (about 5%) are composed of roommates.

Housing Insecurity

Almost a quarter of households in Mecklenburg County (3,042) spend more than 30% of their income on housing. Such households are considered cost-burdened and may have to make choices between housing and other necessities such as food, clothing, medical care, and transportation. Focus group participants discussed workers, students, seniors, and families who are housing insecure. Stakeholders in the region explained that housing options are so limited that households may not be able to attain housing in a location where they are able to afford transportation to work. Focus groups also discussed a common concern of housing affordability and availability. As large industries are developed in Mecklenburg County, local residents are not able to compete with rent stipends and salaries of temporary or migrating employees working for these companies.

Tenure plays a crucial role in housing affordability, with renters more vulnerable than homeowners to increasing housing costs and also experiencing a higher rate of housing cost burden. Just over one-third of renters in Mecklenburg (34%) are cost-burdened compared to 19% of owners. Twenty-four percent of owners with a mortgage have housing cost burdens, while those who own their home free and clear have lower rates of cost burden.

Cost-burdened Households by Tenure

Source: 2022 ACS 5-year estimates for Mecklenburg County

Tenure	Cost-burdened Households	Percentage of households	Percentage of Cost-burdened Households
Renters	1,272	34%	42%
Owners	1,770	19%	58%
Total	3,042	23%	100%

Renters generally face increased housing costs annually, while owners with a mortgage generally have fixed payments that change little from year to year. In competitive markets, renters may also be subject to turnover in unit ownership, which is often associated with rent increases. Stakeholders described dramatic rent increases regionally over the last five years. These increases are discussed in more detail in the Rental Market Conditions section.

The severity of housing cost burden is increased when households have low incomes. Nearly three-quarters (74%) of Mecklenburg households have low incomes—defined as less than 80% of Area Median Income (AMI)—and among them, 49% are cost-burdened. Also important, over a third of households with low incomes (37%) include seniors 62 and older. Of those households, 56% of households experience housing challenges, cost burden, incomplete facilities, and/or overcrowding[16]. HUD definitions of income are applied here because they are used as the basis for many of the programs that can address housing challenges.

2024 HUD Low Income Limits: Mecklenburg County

FY2023 Income Limits	Median Income for Family of Four	Person in Family			
		1	2	3	4
Extremely Low (30%)	$74,000	$15,550	$20,440	$25,820	$31,200
Very Low (50%)		$25,900	$29,600	$33,300	$37,000
Low (80%)		$41,450	$47,400	$53,300	$59,200

[16] 1,670 households with low incomes include seniors 62 and older, and 940 of them experience one of four housing challenges: cost burden, incomplete plumbing, incomplete kitchen, or overcrowding (2016-2020 CHAS). Among the 1,670 low-income households that include seniors, 47% are owner-occupied in unincorporated parts of the county and 22% are rented in unincorporated parts of the county.

Households with Low Incomes by Income Level and Cost Burden, Mecklenburg County

Source: SPDC tabulation of 2016-2020 CHAS

Income Range	Households	Cost-burdened Households	Cost-burdened Owners	Cost-burdened Renters
Extremely Low (30% of AMI or less)	1,700	1,010 (59%)	320	690
Very Low (30-50% AMI)	1,480	755 (51%)	485	270
Low (50-80% AMI)	1,925	580 (30%)	425	155
Total Households with Low Income	5,105	2,345 (46%)	1,230	1,115

Among households with low incomes who are burdened by housing costs, 52% are owners. The mortgage finance system generally prevents homeowners from being cost-burdened when they buy their home, and often, homeowners' income increases over the life of their mortgage. Homeowners also face relatively little change in housing costs compared to renters. Homeowners become cost-burdened due to economic hardship such as job loss, death of a family member, or fixed incomes that do not keep up with rising costs of taxes, utilities, and insurance. When cost-burdened owners choose other necessities over housing, they may remain current on their mortgage payment, and they may even own their home free and clear. However, cost-burdened owners often defer maintenance and forgo upgrades, threatening both their well-being and the community's housing stock. As such, solutions like weatherization, indoor plumbing repair, and USDA home repair, which can reduce housing costs and provide overdue upgrades, can benefit both the resident and the community.

Households who have low incomes and who experience housing cost burden may be at risk for homelessness. They may not be able to save for unexpected expenses such as home repairs or medical emergencies, leaving them at financial risk should an emergency occur. Households with extremely low incomes and who are cost-burdened (1,101) could become homeless with any economic hardship.

Of the total households in Mecklenburg County, 40% have at least one person 65 or older. Focus group participants expressed interest in housing for the county's rapidly aging population. Households including at least one person 62 and older largely own their own home (82%). About 44% of these households also have low incomes. Among them, 1,355 have at least one housing problem: the housing unit lacks complete kitchen facilities, the housing unit lacks complete plumbing facilities, the household is overcrowded, and/or the household is cost-burdened. Most (1,225) are cost-burdened.

Workforce Housing

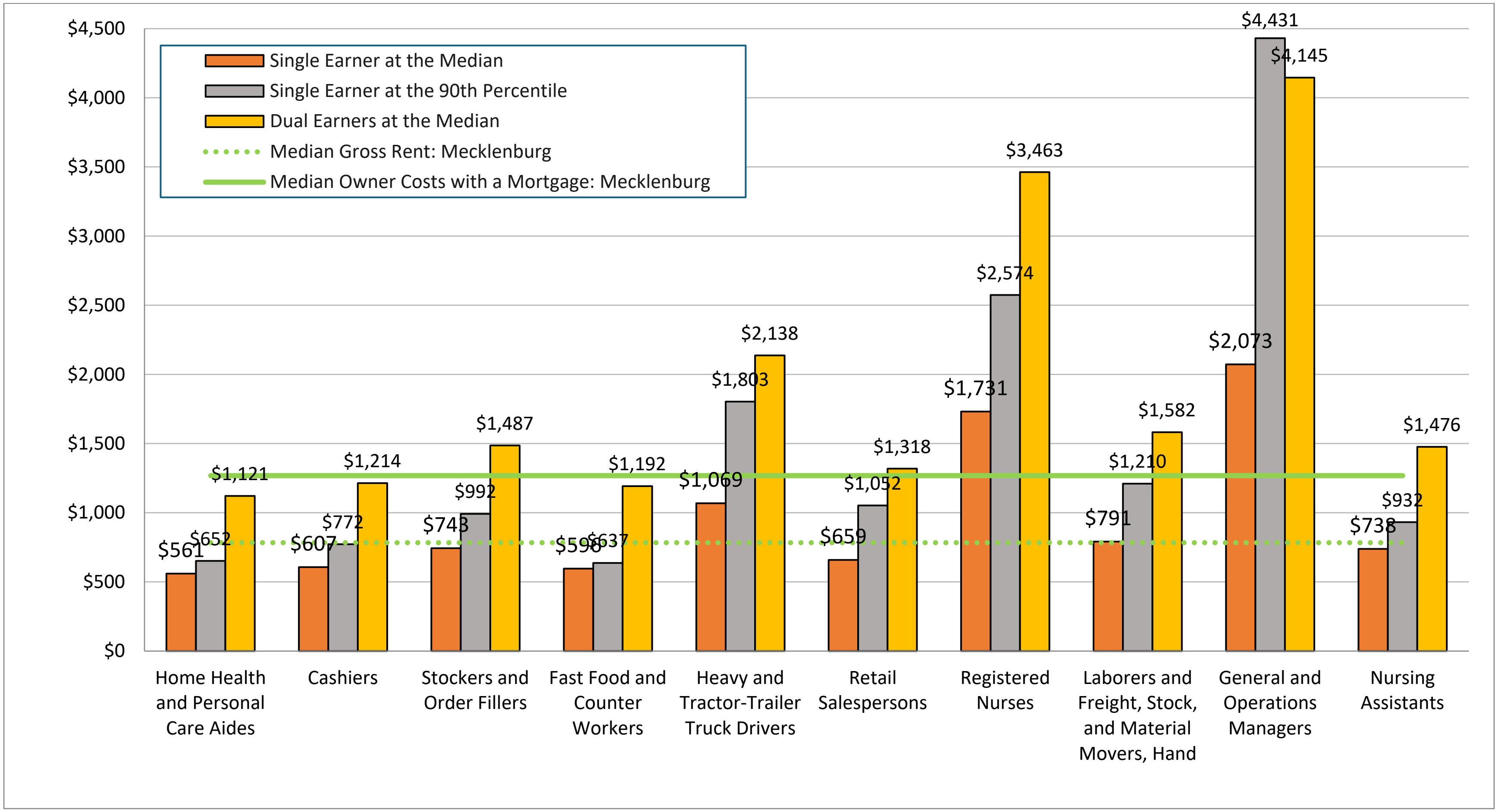
Most households in Mecklenburg (60%) include at least one worker. Those households who do not include workers are likely retired: 39% of households are led by someone 65 or older, 21% receive retirement income, 46% receive Social Security, and 7% receive Supplemental Security Income (SSI), which is available to qualifying people 65 and older or those with a disability that keeps them from working and who have little income and assets.

Approximately 20% of workers earn less than $1,250 per month in their primary job, meaning they can afford no more than $375/month for housing costs as a single earner. Forty-three percent of workers earn between $1,251 and $3,333 per month in their primary job and can afford no more than $1,000/month for housing costs as a single earner. Other workers earn more than $3,333 per month in their primary job.

Many workers in the Southside PDC region are likely to struggle to afford housing costs in Mecklenburg, where median rent is $784 and median owner costs are $1,268 per month among owners with a mortgage. Workers in five of the top 10 occupations by employment cannot afford median rent as a single earner with median wages. Workers in seven of these occupations cannot afford median owner costs with a mortgage even if they are earning in the 90th percentile. Those workers who advance in their careers but still cannot afford to become homeowners or who struggle to find housing at all will likely seek employment and housing options in other places where they can more readily invest in their future.

Maximum Affordable Housing Costs for Top 10 Occupations by Employment in the Southside Region Compared to Mecklenburg County Housing Costs

Source: Tabulation of 2021 Lightcast dataset adjusted to 2022, and 2022 ACS 5-year estimates



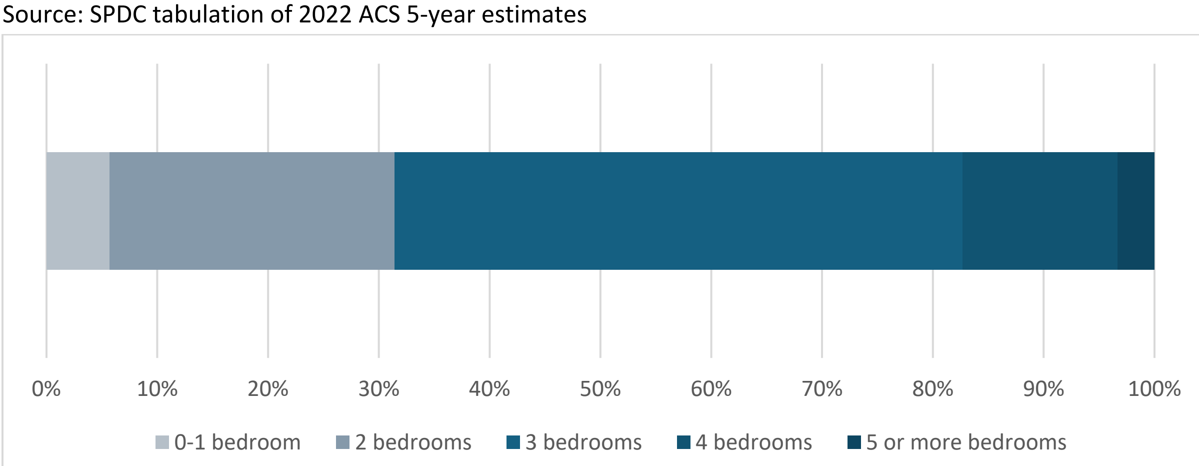
Housing Stock

There are 19,063 housing units in Mecklenburg County, which is approximately 6,026 more units than households. Most vacant units—about 1,862—are long-term vacancies that are abandoned, slated for demolition, or otherwise held in the long term without being occupied. A majority of the long-term vacant properties are located in unincorporated areas of the county (69%). Abandoned properties can be a health and safety hazard, while properties held in the long term may be livable housing units and the County may want to incentivize their sale or rental. Mecklenburg has 3,984 units (66% of vacant units) classified as vacant because they are used seasonally, which is the highest amount of any county in the region. These units encompass any unit that is occupied by someone who considers their usual residence to be elsewhere and that they do not rent in their absence. It is probable that most of these homes are located along the lake systems in Mecklenburg County and are used as second homes. Typically, homes along Lake Gaston and Kerr Lake are more high-end stick-built structures. Since the COVID-19 pandemic, focus group participants have seen an increase in out-of-state buyers obtaining housing on the lake due to more flexibility surrounding remote work.

The majority of housing units (93%) in Mecklenburg County are single-family homes, including approximately 3,676 (19%) mobile or manufactured homes. Some manufactured units are located in the county's four manufactured home communities, though many are spread across the county situated on a single or shared parcel. Boydton includes only single-family homes. There are small number of duplexes, at least 179. The county has about 1,040 multifamily units, most in small buildings with fewer than 10 units and mostly located in the Town of South Hill.

Most housing in the county has three or more bedrooms, though most households have only one or two people. One-person households comprise 35% of households, but efficiency-style or one-bedroom units make up 6% of the housing stock. Furthermore, 38% of households include two people, who can be accommodated in one-bedroom units without being overcrowded. Even though two-bedroom units make up 26% of housing units, one- and two-person households far outnumber housing units with two or fewer bedrooms. Increasing the diversity of the housing stock by prioritizing smaller units could support early-career workers, service workers, students, and seniors who need more affordable housing options, especially if units are well located and reduce transportation costs.

Housing Units by Number of Bedrooms, Mecklenburg County
Source: SPDC tabulation of 2022 ACS 5-year estimates



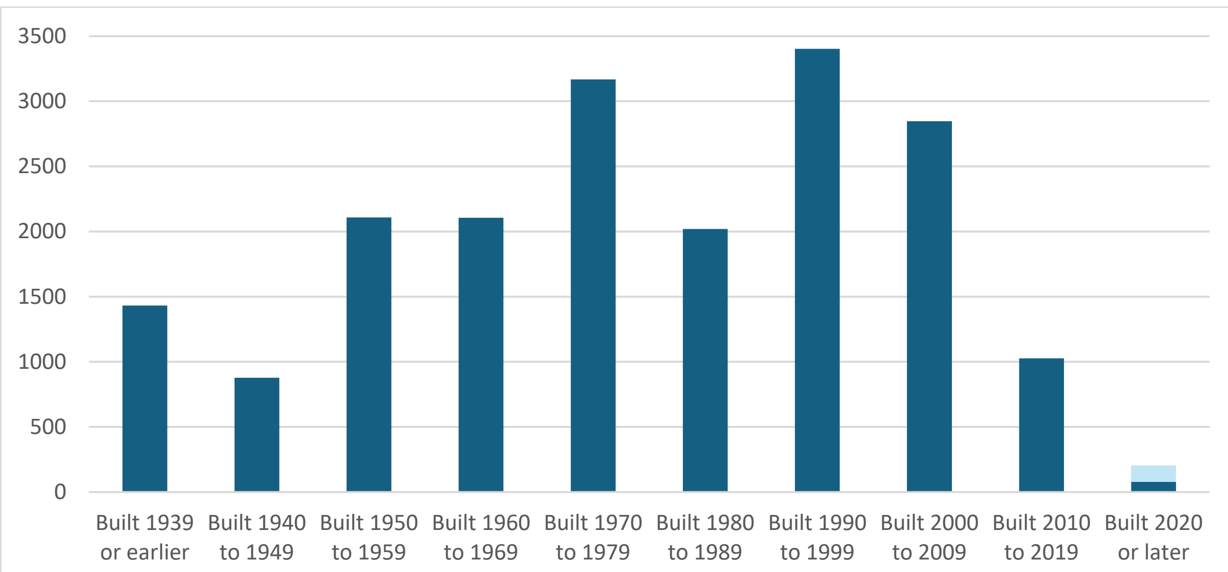
Homes in Mecklenburg County were predominantly built between 1950 and 2009, with the largest shares built in the 1970s (17%), 1990s (18%), and 2000-2009 (15%). Housing in the towns is generally older than units in the unincorporated areas of the county. In the Town of Clarksville, 60% of homes were built prior to 1970, and in the Town of Chase City, 73% of homes were built before 1970. Forty-three percent of homes in South Hill were built prior to 1970. Only 25% of homes in the unincorporated areas of the county were built prior to 1970. Relatively few homes have been built since 2009. Local stakeholders state that extending and developing infrastructure to new housing development is costly to contractors and localities, which may discourage new builds.

Homes need regular maintenance and periodic upgrades. Upgrades, modernizations, and replacements are typically needed every 10-15 years. When homeowners are cost-burdened, they may choose to defer maintenance or forgo upgrades in favor of necessities like food, childcare, and medical care. Approximately 1,770 owners in Mecklenburg are cost-burdened, and most (90%) have low incomes. Therefore, these owners may benefit from programs such as tax abatement for seniors, critical home repair, USDA home renovation loans, and the Weatherization Assistance Program (WAP), among others.

Housing Units by Year Built, Mecklenburg County

Source: SPDC tabulation of 2022 ACS 5-year estimates

Note: There were not enough units built in 2020 or later to create an accurate estimate. The dark part of the column indicates the minimum number of units built, and the light coloring indicates the possible number of units built based on the margin of error.



Home-building throughout the county waned in the 2010-2019 decade, with 1,026 units added[17]. The pace of building[18] in the county, outside of the Town of South Hill, which has its own permitting office, increased between 2017 and 2021, with a significant decrease in 2022. A review of the certificate of occupancy data for the Town of South Hill showed an increase of multifamily units in 2022 going from eight total residential units developed in

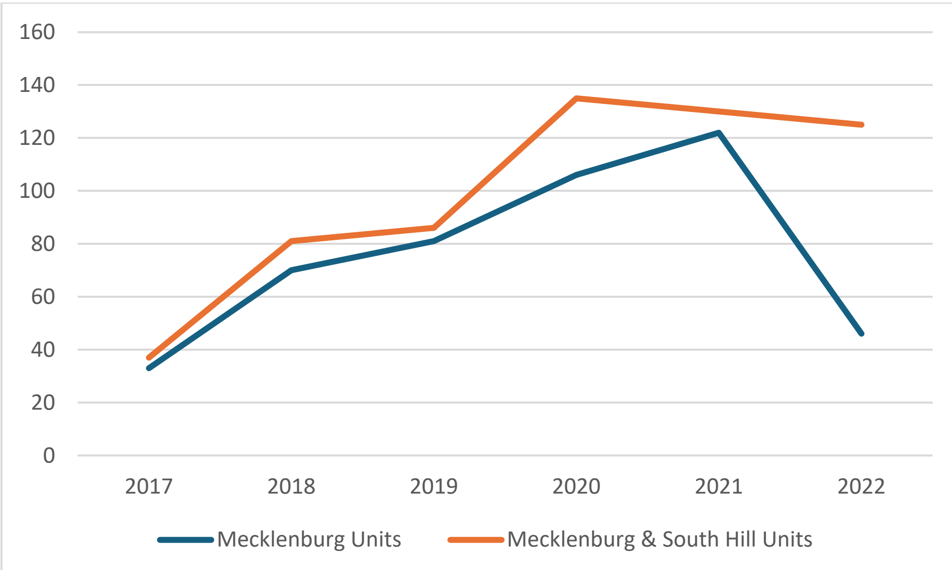
[17] SPDC tabulation of 2022 ACS 5-year estimates

[18] Includes placement of manufactured homes, SPDC tabulation of Mecklenburg Permitting Records

2021 to 79 residential units developed in 2022. With the exception of one duplex, all permits for residential units through the county in 2022 were for single-family residences.

New Housing Units Annually, Mecklenburg County

Source: SPDC tabulation of 2018-2022 Mecklenburg County new units



Rental Market Dynamics

There is not enough data to evaluate whether the total quantity of rental housing is adequate[19]; nonetheless, increased rents, resulting in heightened living costs, could pose a significant challenge to renters in the area. Focus group participants described the limited number of existing rental units and suggested that the county needs new apartments located in close proximity to employment opportunities. Employers described housing as a limitation to recruitment and retention, and other focus group participants explained that access to employment opportunities is predicated on housing.

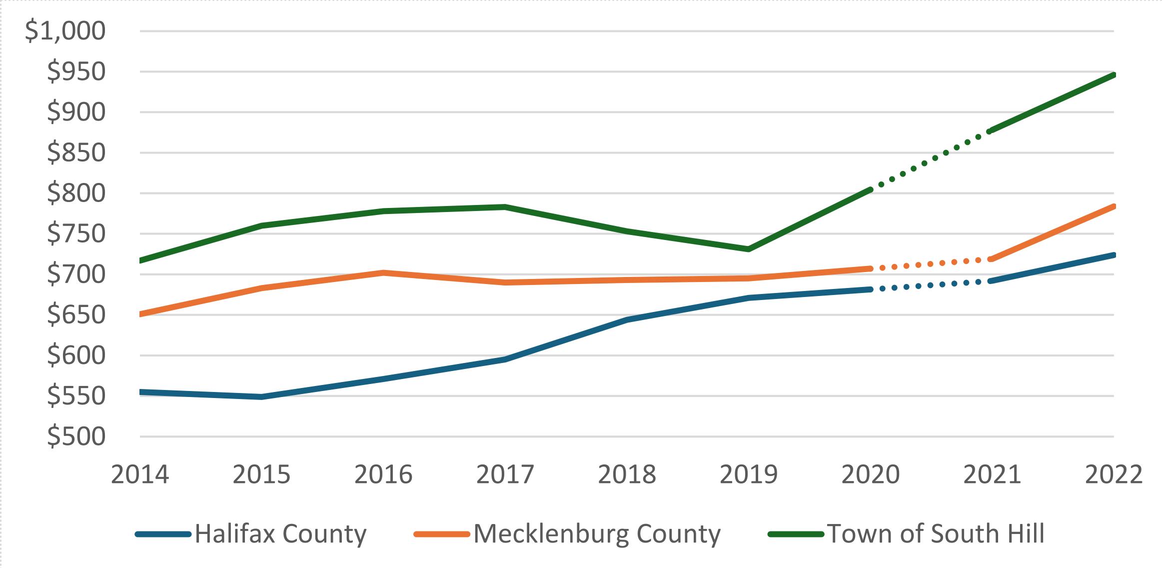
Increases in median rent substantiate high rental demand in the county. Median gross rent in Mecklenburg in 2022 was $784 per month. This rent is 15% higher than the median gross rent in 2015, signaling increased demand in the face of relatively stagnant supply. Indeed, there was only a 2% increase in total housing units (regardless of tenure) over the 2015-2022 period. Local stakeholders agree that the reported median rent of $784 appears to be low, noting that they mostly see rent exceeding $1,000 a month. A search on Realtor.com on March 27, 2024, showed 15 properties for rent in Mecklenburg County. The median monthly rent for the nine properties was $1,350. It is important to note that these results exclude properties that are rented without agency assistance.

[19] There are 43 to 203 vacant rental homes in Mecklenburg County, representing 1% to 5% of all rental housing units.

Median Gross Rent (Nominal), Mecklenburg County

Source: 2010-2022 ACS 5-year estimates

Note: The U.S. Census Bureau deemed 2020 data experimental, and it has been omitted from the study.



Since 2019, rent in South Hill has increased much faster than the surrounding areas. According to ACS estimates, gross rent reached $946/month in 2022. More recent data is available from CoStar for a limited number of units in South Hill (about 10% of all rental units). The median asking rent reported for these units rose through the third quarter of 2022, suggesting that demand continues to increase.

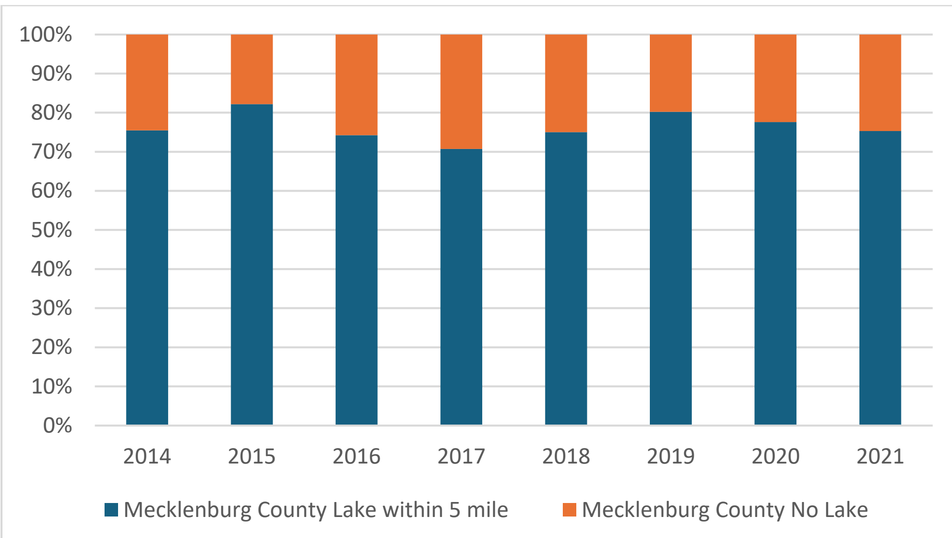
In addition to stagnating growth by limiting options for newcomers, the limited rental supply is likely to have consequences for current residents (e.g., decreasing affordability and increased risk of displacement) and for the condition of the county's housing stock. The market affects investments in homes in the region. Increased sale prices can encourage investments in homes because homeowners are more likely to receive a return on upgrades and repairs when they sell. However, a tight rental market may encourage buyers to make minimal investments and "flip" previously owner-occupied homes for the purposes of renting. Simultaneously, high demand for rental units with a limited supply can discourage long-term investments in rental properties since tenants must compete for properties (by accepting less quality for higher rent) rather than landlords competing for tenants with upgraded properties and good property maintenance. This tendency is likely to have the greatest impact on low- and moderate-income renters who compete less successfully for lower-cost units and may be displaced as landlords increase rents.

Homeownership Market Dynamics

Mecklenburg County is situated along the Lake Gaston and Kerr Lake water system, which is part of the Roanoke River chain. The two lakes (separated by the John H. Kerr Dam) are located along the Virginia and North Carolina border with over 350 miles of shoreline. With proximity between Richmond and Raleigh, both lakes are a popular location for second homes and vacation homes. Properties within 5 miles of the lakes dominate the Mecklenburg County housing market, generally comprising more than 70% of county home sales annually. These homes are much larger and sell for much more than the other homes in Mecklenburg County. Although more households have made their primary residence in their vacation homes due to the COVID-19 pandemic's impact on teleworking, most homes on these lakes are not considered primary residences. Sales data has been separated by homes located within 5 miles of the lakes and homes that are not "on the lake" in an effort to demonstrate the difference between the lake submarket and residences located throughout the rest of the county.

Total Sales 2014-2021 by Mecklenburg County Submarket

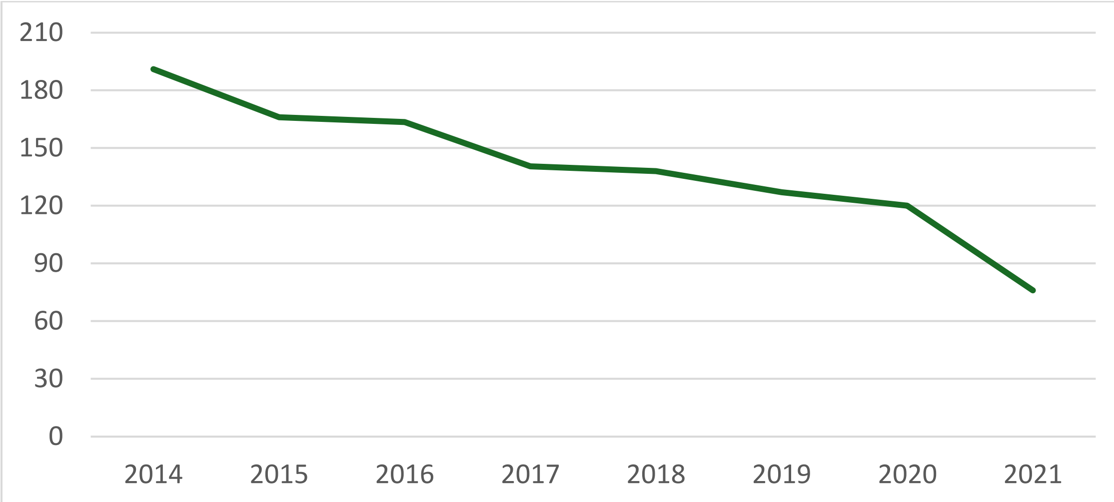
Source: VCHR tabulation of Virginia REALTORS data



In the for-sale housing market, sales data is used to assess the relationship between supply and demand. Similar to rental vacancy rate, median days on the market (DOM) can be used to evaluate whether the quantity of for-sale inventory is adequate. The steady decrease in median DOM indicates increasing demand and improving market health; however, DOM is not yet low enough to indicate that supply is inadequate. In Mecklenburg County, a property typically remains on the market for about two-and-a-half months before it's sold. In recent years, DOM for homes throughout the county has been similar. DOM below 30 would indicate that the market is shifting to a "seller's" market that may begin to exclude low- and moderate-income households as well as first-time homebuyers.

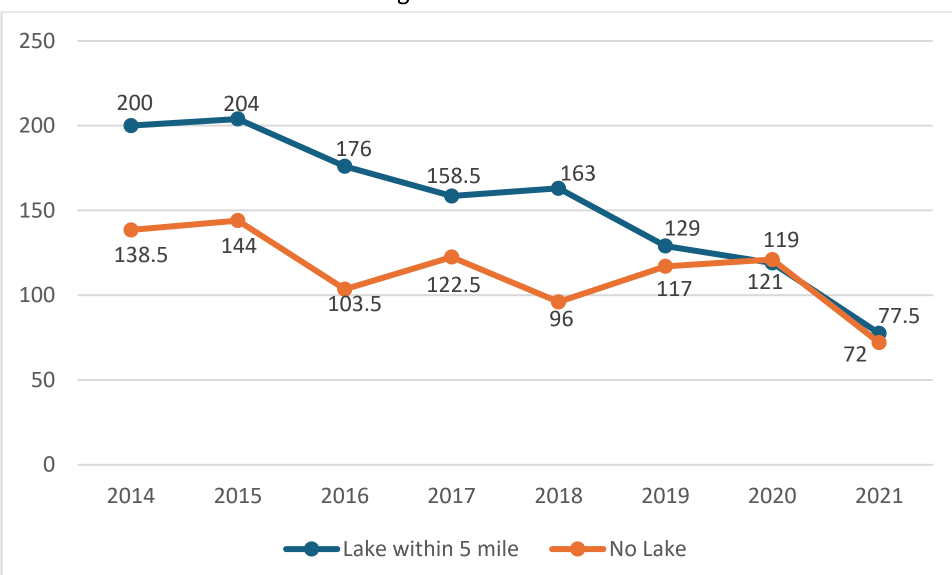
Median Days on the Market (DOM) 2014-2023

Source: VCHR tabulation of Virginia REALTORS data



Median Days on the Market (DOM) 2014-2021 by Submarket

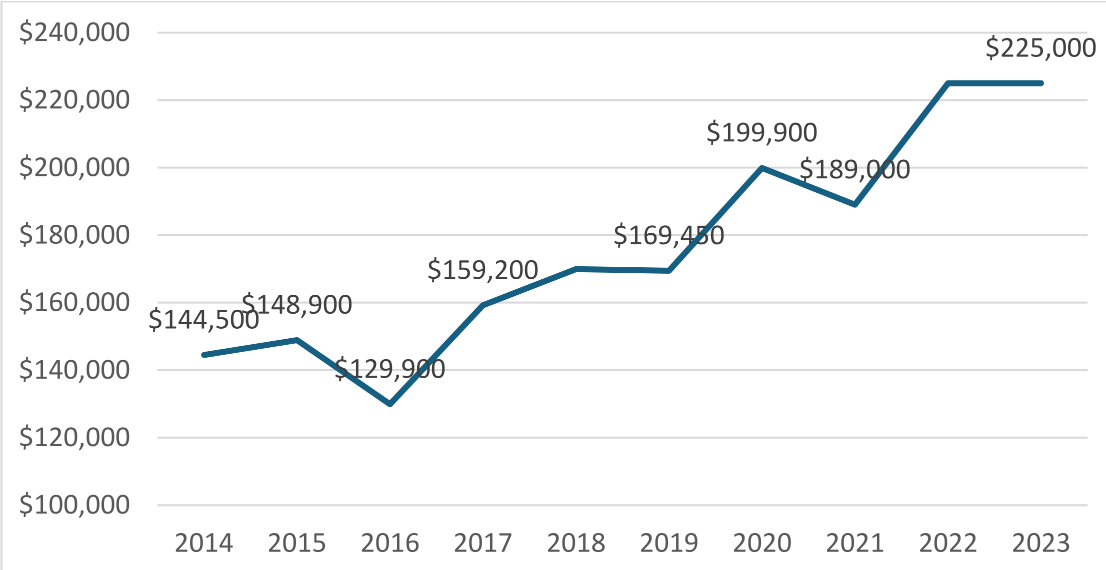
Source: VCHR-SPDC tabulation of Virginia REALTORS data



Steady increases in median sale prices are also evidence of increasing demand. Median price increased 34% from 2014 to 2021 for properties sold within 5 miles of a lake. However, properties not near the lakes saw a significantly more drastic increase of 104%. Median price continued to increase in 2022 but plateaued in 2023.

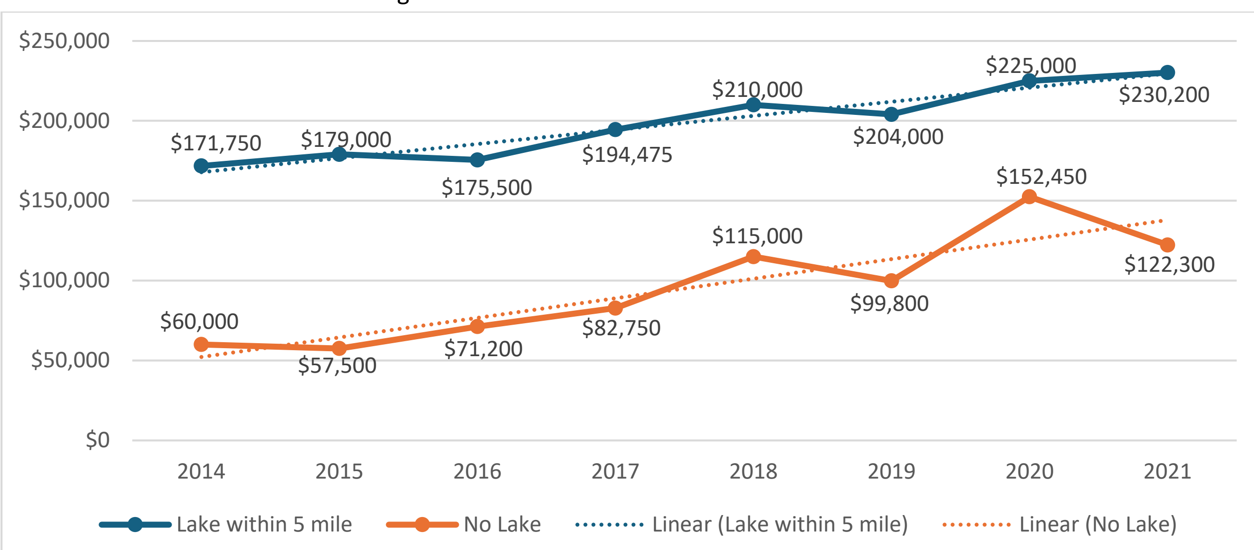
Median Sale Price 2014-2023

Source: VCHR-SPDC tabulation of Virginia REALTORS data



Median Price 2014-2021

Source: VCHR-SPDC tabulation of Virginia REALTORS data



Increasing market health benefits both owners and the county. Further, this trend gives buyers confidence that they will be able to build equity in their home. Nonetheless, as house prices and interest rates increase, some prospective homebuyers may be priced out of the market. Focus group participants regionally expressed concern that the wages of longer-term workers are not keeping up with those of new jobs and the associated market impact on prices and rents. Employers expressed that new jobs in the region, including construction jobs, are likely to be sustained and potentially increase in number over time. With increasing jobs, demand is also expected to increase. As market health continues to improve, the County should consider solutions that ensure lower-wage employees have the opportunity to buy homes and build equity.

Conclusions

Economic shifts in the county have increased housing demand and improved the health of the housing market, but increasing prices and rents are threatening many longtime residents and workers. Significant increases in rent, as well as in prices for houses outside the lake area, have both positive and negative impacts. Increases in prices and rents will encourage reinvestment and may encourage the sale of longtime vacant properties. However, increased rents are burdening many residents and putting homeownership out of reach for many workers. Though new businesses have brought many high-paying jobs to the county, workers in at least half of the top 10 occupations likely struggle to find an affordable rental unit, and many will find homeownership costs out of reach, even when sharing those costs with another worker. Lack of affordable units may threaten economic growth and community development in the long run since workers in many of the occupations that provide amenities like shopping, dining, and essential healthcare services will not be able to buy a home and build wealth in the county. Many may leave to seek housing stability and future opportunity.

New rental units should respond to both new demand and existing housing challenges. These units should serve diverse demand segments: small households, seniors (living alone or as couples), workers with limited means, and new households relocating for work. Well-located, small (efficiency, one-bedroom, and two-bedroom) apartment-style rental units are most likely to respond to the most urgent and greatest housing demand in the county. If new rental units are not added, community development and amenities will likely be limited, and housing insecurity will likely increase among existing low-wage workers. Given the desire for increased amenities and economic growth, the County will need to make a plan for incorporating committed affordable housing into its stock. These units should support the near-term housing needs and longer-term wealth-building of low-wage workers through homeownership.

Retired residents also need support to age in the community. Households including someone 62 or older make up more than half of households, as well as 52% of cost-burdened households. Ensuring that vulnerable seniors have access to home repair, rehabilitation, modification, and weatherization—as well as alternative housing options—should be a priority for the County. Focus group participants substantiated the need for more senior living, especially for those with low incomes. Because most seniors are homeowners, supporting their successful aging will also help preserve the quality of the housing stock.

Mecklenburg Solutions

PRIMARY SOLUTION 1

Revise zoning codes to promote creative density options.

ISSUE: *Mecklenburg County's current zoning regulations, particularly those related to lot sizes, are hindering builders' ability to develop cost-effective housing solutions.*

SOLUTION: *The County could revise its zoning codes to allow for targeted development, grouping residential properties closer together while preserving more open space.*

How It Works

Mecklenburg County can both preserve its rural character and become more developer friendly by amending zoning and subdivision regulations to reduce cost and barriers to development. These changes can be done as part of the larger comprehensive planning process to ensure strategies align with overall development goals.

Cluster Development: One method for lowering price is to reduce the cost of land per home though greater density, which may be achieved by changing local land use regulations to allow for and incentivize the production of smaller homes that are inherently less expensive. Increased density also reduces the strain of expanding infrastructure across the county. Cluster development, also known as conservation subdivision design, allows for grouping or "clustering" homes on smaller lots than typically permitted by zoning, while maintaining the overall density of the development. This strategy could increase housing density without sacrificing green areas, potentially lowering infrastructure costs for developers and creating more affordable housing options for residents, all while preserving natural landscapes and habitats.

Innovative housing types that would benefit from changes in regulations to allow cluster development could include:

- Site-built, smaller two- and three-bedroom homes
- High-quality manufactured and modular homes
- "Missing middle" homes (e.g., attached townhomes, duplexes, and small-scale apartment buildings)
- Accessory dwelling units

The County could achieve results in two ways (not mutually exclusive):

- Allow for creative density **by-right** in certain new or preexisting zoning districts
- Promote **conditional uses** of creative density in certain districts, or new overlay zones, that are not by-right—but which are still easily achieved through an extra administrative approval or public hearing

Open Space Proffers: When considering open space proffers in cluster developments, the County could provide general guidelines rather than specific requirements. These guidelines could encourage developers to consider factors such as

- Preservation of environmentally sensitive areas
- Creation of communal recreational spaces
- Maintenance of rural viewsheds
- Connectivity to existing open spaces or trail systems

The County should emphasize flexibility in these guidelines, allowing developers to propose creative solutions that fit the unique characteristics of each site while still meeting the overall goals of cluster development.

Infrastructure Implications:

Cluster development offers numerous infrastructure advantages. By grouping homes closer together, it significantly reduces the extent of road construction and utility installations, lowering both initial costs and long-term maintenance expenses. This approach also improves stormwater management through increased open space and decreased impervious surfaces. Additionally, cluster development minimizes strain on existing infrastructure and provides flexibility for future upgrades or expansions. Overall, these benefits result in cost savings for developers and local governments while promoting more sustainable and efficient land use patterns.

Steps to Implementation

Zoning code review: Conduct a comprehensive review of current zoning codes, identifying areas where lot size requirements and other regulations may be hindering affordable housing development. This process could start with improving negotiable requirements, like parking minimums, which are low-effort changes that can aid developers. For example, county code currently requires two spaces for townhomes and multifamily but only one for single-family; changing townhome and multifamily requirements to match could lower barriers.

Best practices research: Examine successful cluster development models from other counties, focusing on those with rural characteristics similar to Mecklenburg. This research could include site visits, interviews with planning officials, and analysis of outcomes in these jurisdictions. It should also involve seeking technical assistance from rural development experts like those from USDA Rural Development, DHCD, DEQ, SERCAP, and other agencies. Some funding opportunities above include technical assistance activities as part of their efforts to aid rural development. Another resource to examine is the Housing Assistance Council (HAC), a national nonprofit that advances affordable housing in rural communities throughout the United States. HAC offers technical assistance to local governments for a range of activities, including capacity building, predevelopment work, and other topics relevant to infrastructure.

Stakeholder engagement: Engage with local builders, developers, environmental groups, and residents to gather input on potential zoning changes and cluster development approaches.

Draft zoning amendments: Using research and stakeholder input, draft amendments to the zoning code that allow for cluster development. These amendments could include:

- Reduced minimum lot sizes in certain zones increases density allowances when open space is preserved
- Reasonable guidelines for preferences around shared open space proffers and management
- Design standards to ensure that cluster developments maintain rural character

Incentives: Consider offering incentives to developers who utilize cluster development approaches, such as expedited permit reviews or density bonuses.

Education and outreach: Develop materials and workshops to educate builders, developers, and the public about the benefits and processes of cluster development.

How to Do It

Within 6 months

- Review current zoning and subdivision ordinances and consult with developers to identify barriers.
- Initiate best practices research on cluster development in comparable rural counties.
- Start stakeholder engagement process with builders, developers, and community groups.

Within 1 year

- Draft initial zoning amendments to allow for cluster development.
- Hold public hearings and gather feedback on proposed amendments.
- Refine amendments based on public input.

Within 2 years

- Finalize and adopt zoning amendments.
- Develop and implement education and outreach program on new cluster development options.
- Monitor and evaluate early cluster development projects.
- Make adjustments to the program as needed based on initial outcomes.

Who Does What

Mecklenburg County Planning Department: Lead the zoning code revision process, conduct research, draft amendments, and coordinate stakeholder engagement.

County Board of Supervisors: Provide oversight and approval for zoning changes, participate in public hearings, and adopt final amendments.

Local Builders and Developers: Participate in stakeholder engagement, provide feedback on proposed changes, and potentially implement cluster development projects.

Environmental Groups and Conservation Organizations: Offer input on environmental safeguards and open space preservation strategies.

Residents: Participate in public hearings and provide feedback on proposed changes.

How to Fund It

DHCD Community Development Block Grants: DHCD makes federal CDBG funds available to non-entitlement localities on both competitive and open submission bases. There are several relevant programs the County could apply for that would support predevelopment work. For all CDBG grants, there are varying requirements for serving communities/households with low-to-moderate incomes.

- Planning Grant: Up to $1 million available for Activation Planning Grants (to determine priorities via public input) or Project-Driven Planning Grants (to expand readiness for a specific site). Open submission.
- Community Improvement Grant: Competitive submission with varying maximum grant amounts up to $3.5 million. DHCD recommends prior completion of a Planning Grant. Range of eligible funding uses available for project implementation.
- Construction-Ready Water and Sewer Fund: Open submission grant up to $800,000 to support development of community water and wastewater infrastructure.

Virginia Housing Community Impact Planning Grant: Up to $20,000 for Area Planning, Project Planning, Market Assessment, or Policy Study project. Up to $50,000 for Community Input Sessions or Neighborhood Community Planning projects.

Virginia Housing Community Impact Stabilization and Deconstruction Grant: Stabilization Grant available for "*redevelopment of foreclosed, abandoned, and vacant blighted residential properties or properties to be converted for residential use.*" Deconstruction Grant available "*to dismantle buildings in a revitalization area in order to develop affordable housing with the goal of maximizing the reuse potential of the building's components.*" For either, the County may have to designate the applicable properties as being located in a Redevelopment Area, Conservation District, and Rehabilitation Area (per Va. Code Ann. § 36).

Virginia Housing Predevelopment Loan Fund: A below market rate loan up to $500,000 with 36-month term. Funds can be used for architectural/engineering reports, legal fees, permitting fees, appraisals, and other similar expenses.

Virginia Resources Authority: Low-cost loan financing for local governments via the public debt market. Specific programs that could support infrastructure, utilities, site acquisition, and similar activities include:

- Local Government Direct Loan Program: Flexible awards between $250,000 and $750,000
- Virginia Pooled Financing Program: For larger projects
- Clean Water Revolving Loan Fund: For water/wastewater improvements and brownfield remediation
- Drinking Water State Revolving Loan Fund: For public water supply, storage, and distribution

For a fuller but slightly out-of-date listing of infrastructure funding options, see:

Virginia Water and Wastewater Funding Sources (Environmental Finance Center Network, July 2019)

Other sources could include:

- County general funds for staff time and resources dedicated to the zoning revision process
- Potential grant funding from state or federal sources for rural development and affordable housing initiatives
- Allocating a portion of building permit fees to support ongoing program administration and monitoring

How to Measure Success

- Percentage of open space preserved in new developments
- Infrastructure costs for cluster developments versus traditional developments
- Home prices and affordability metrics in cluster developments
- Resident satisfaction in cluster developments (via surveys)
- Environmental impact assessments of cluster developments versus traditional developments
- Changes in overall housing supply and affordability in the county

Examples

Winchester

The City of Winchester enacted a cottage-style housing ordinance in 2011 with drawings demonstrating types of cottage courts that are allowed under the ordinance. The ordinance is a part of initiatives seeking to build greater in-fill density and creative housing in areas of demand.

Falls Church

The Railroad Cottages, a cottage housing development by Railroad, LLC, received Special Exception approval from the City Council on Sept. 11, 2017. The Planning Commission approved the site plan and consolidation plat on Nov. 20, 2017. The project includes the following:

- Ten cottage units, each approximately 1,500 square feet in size;
- One common house, approximately 1,500 square feet in size, and containing a kitchen, dining area, social interaction area, and guest room on the second floor;
- Common open space throughout the site; and
- Clustered parking area with a carport over 10 parking spaces and 3 additional parking spaces.

Rural cluster provisions

- *Hanover County.* Mandatory rural cluster to obtain maximum permitted density. Sixteen clustered lots are permitted per each 100 acres with a minimum of 70% open space required (slightly more than 6 acres per lot on average). If cluster is not used, minimum lot size/density is 10 acres per dwelling in the agricultural zone.
- *Loudoun County.* Voluntary rural cluster. In the AR-1 District, a minimum lot size of 20 acres is required, unless lots are clustered. In this case, a lot yield of one lot per 5 acres is allowed, with cluster lots at least 20,000 square feet and not more than 4 acres in size, with at least one lot of at least 15 acres, and at least 70% of the land in the cluster subdivision in common open space. In the AR-2 District, a minimum lot size of 40 acres is required, unless lots are clustered. In this case, a lot yield of one lot per 15 acres is allowed, with cluster lots at least 20,000 square feet and not more than 4 acres in size, with at least one lot of at least 25 acres, and at least 70% of the land in the cluster subdivision in common open space.

Richmond Regional Housing Framework (Chesterfield, Henrico, Richmond, Hanover)

https://pharva.com/framework/

- Designed to guide policy and investment decisions over the next 15 years, to enhance regional cooperation and public engagement, and provide more affordable housing options for all residents.
- Over 1,900 people in the region were reached in community meetings, focus groups, and interviews to identify priority housing challenges and common values.

PRIMARY SOLUTION 2

Facilitate new partnerships across public, private, and nonprofit sectors to expand residential development capacity.

ISSUE: *Mecklenburg County lacks a robust ecosystem of affordable housing developers capable of meeting residents' diverse housing needs.*

SOLUTION: *Convene and coordinate partners to attract, train, and support new and existing developers and builders to specialize in affordable housing projects.*

How It Works

The following initiatives can be significantly strengthened through partnership with Southside PDC, which offers two complementary approaches to support implementation in their regional solutions. Through PDC-led initiatives, the County can access technical assistance, specialized expertise, and regional funding mechanisms without having to develop all these resources internally. This partnership approach ensures that Mecklenburg County is not shouldering the full burden of implementation alone but rather leveraging regional resources and expertise while contributing to solutions that benefit the entire region. The County can particularly benefit from the PDC's ability to coordinate with educational institutions, broker relationships with developers, and provide specialized technical services that would be costly to maintain at the county level.

Capacity Building Program

Establish a capacity building program to nurture local talent and expertise in affordable housing development. This program could offer training workshops, mentorship opportunities, and technical assistance to help local contractors, small developers, and nonprofit organizations gain the skills and knowledge needed to undertake affordable housing projects.

Developer-Builder Network

Create a network of affordable housing developers and builders to foster collaboration, knowledge sharing, and peer support. Regular meetings, an online platform, and collaborative projects could help build relationships and strengthen the local affordable housing ecosystem.

Partnerships with Educational Institutions

Partner with nearby community colleges, universities, or trade schools to develop specialized courses or certificate programs in affordable housing development and construction. This could help create a pipeline of skilled professionals entering the field.

Affordable Housing Resource Center

Establish a dedicated resource center to provide developers and builders with access to market data, best practices, funding information, and technical assistance. This centralized hub of information and support could help reduce barriers to entry for new players in the affordable housing space.

Project Facilitation Services

Offer project facilitation services to help guide developers through the process of planning, financing, and constructing affordable housing. This could include assistance with site selection, community engagement, and navigating regulatory requirements.

Gemonstration Projects

Initiate demonstration projects to showcase innovative affordable housing designs and construction methods. These projects could serve as learning opportunities for local developers and builders while also proving the feasibility of affordable housing in the region.

How to Do It

Within 6 months

- Conduct a needs assessment to identify specific skills and knowledge gaps in the local development community.
- Begin designing the capacity building program curriculum and identifying potential instructors and mentors.
- Initiate discussions with educational institutions about developing affordable housing-focused courses or programs.
- Start planning the first affordable housing demonstration project.

Within 1 year

- Launch the capacity building program with an initial cohort of participants.
- Establish the developer-builder network and host the first meeting.
- Create an online platform for the network to facilitate ongoing communication and resource sharing.
- Open the affordable housing resource center, either physically or virtually.
- Begin construction on the first demonstration project.

Within 2 years

- Complete the first round of the capacity building program and evaluate its effectiveness.
- Expand the developer-builder network to include regional partners.
- Implement specialized courses or certificate programs at partner educational institutions.
- Complete and showcase the first demonstration project.
- Begin offering comprehensive project facilitation services to support new affordable housing developments.

Who Does What

Mecklenburg County Planning Department: Oversee the implementation of the program, coordinate with partners, and provide project facilitation services.

Local Educational Institutions: Develop and offer specialized courses in affordable housing development.

Experienced Developers and Builders (including the Home Builders Association of Southside Virginia): Serve as mentors and instructors in the capacity building program.

Regional Planning Organizations: Assist with data collection, analysis, and regional coordination efforts.

Local Contractors and Small Developers: Participate in training programs and the developer-builder network.

How to Fund It

- Allocate County and/or Town funds for program administration and the resource center.
- Seek grants from state agencies like Virginia Housing or DHCD for capacity-building initiatives.
- Explore partnerships with philanthropic organizations focused on rural development or affordable housing.
- Consider implementing a small fee for some services to help sustain the program long term.

Examples

- Rural Community Assistance Corporation's Housing Counseling Network: This program provides training, technical assistance, and support to rural housing organizations across the western United States, helping build local capacity for affordable housing development.
- Minnesota Housing's Capacity Building Program: This initiative offers customized technical assistance, peer-to-peer learning opportunities, and resources to strengthen the ability of rural communities to address their housing needs.
- NeighborWorks America's Rural Initiative: This national program provides training, technical assistance, and resources to support affordable housing and community development efforts in rural areas across the United States.
- Small Developer Training Program in Austin, Texas: Launching this year, the program aims to boost the availability of affordable housing in Austin by equipping small-scale developers with the necessary skills and knowledge. The comprehensive education initiative is organized by HousingWorks Austin and includes small-scale development strategies and insights into the regulatory environment to enable smoother planning and approval processes.

SECONDARY SOLUTION 1

Promote aging-in-place strategies and retirement developments for the aging population.

ISSUE: *A growing number of seniors in the county require homes and services to support their mobility status and changing health needs.*

SOLUTION: *Adopt and implement zoning changes and innovative housing models to create more age-friendly communities that support residents as they age and seek to retire near the lake.*

How It Works

Innovative housing solutions

This strategy focuses on updating zoning regulations and encouraging innovative housing options to create more age-friendly communities. The County could promote accessory dwelling units (ADUs) by updating zoning to allow them by-right in all residential zones. This would involve simplifying the permitting process, removing owner-occupancy requirements, and allowing both attached and detached ADUs. To further encourage ADU development, the County could provide pre-approved designs and offer financial incentives like fee waivers or tax abatements.

Encouraging universal design in new construction is another key component. The County could incorporate universal design principles into building codes and require a percentage of units in new multifamily developments to be fully accessible. Offering density bonuses for developments that exceed accessibility requirements and creating a universal design certification program could further incentivize these practices.

Supporting master planned "village" models and naturally occurring retirement communities (NORCs) is another important strategy. The County could allow and incentivize mixed-use, walkable developments that combine housing, services, and amenities. The County can create more options for older residents by facilitating the development of intentional "village" models where seniors can access shared services and/or providing zoning flexibility for cohousing or other innovative senior living arrangements.

Mixed-use development

Promoting diverse housing options is crucial for creating age-friendly communities. The County could allow a mix of housing types in all residential zones, reduce minimum lot sizes and setbacks, and implement form-based codes to ensure new development fits neighborhood character while allowing greater density. Prioritizing accessibility in new master-planned developments is essential. This strategy could include requiring sidewalks and other pedestrian infrastructure, reducing parking requirements, allowing shorter setbacks, and mandating a mix of housing types and community spaces. Avoiding 100% age-restricted communities would help create more diverse, intergenerational neighborhoods.

Community design elements are also crucial for creating age-friendly neighborhoods. The County could implement Complete Streets policies, support transit-oriented development, enhance public spaces with age-friendly amenities, and allow small-scale commercial uses in residential areas to provide convenient access to services. As seniors drive less, for example, they may need to find transportation services to replace self-driving. Many communities are also looking at changing their own development patterns and infrastructure to make it easier for seniors to age in place in a way that does not separate them from the community.

How to Do It

Within 6 months

- **Evaluate existing networks and leadership:** Identify service providers and community leaders who are currently involved in working with seniors and would be well positioned to join a countywide Aging in Place Leadership (AIP) Team. This team would be responsible for organizing and guiding a comprehensive initiative following successful models like those in the New River Valley and the Village network model in Northern Virginia.
- **Identify gaps:** Learn where the gaps exist in housing needs and services for seniors (e.g., access to food, transportation, recreation).
- **Map areas of concentration**: Map the location of senior households in the area using tract or block-group level American Community Survey estimates to understand where concentrations exist.
- **Evaluate survey data:** Review prior surveys of senior renters and homeowners in the region to refresh the understanding of their preferences and plans with respect to housing. Update findings as needed.
- **Seek best practices for an AIP policy:** Research best practices from similar communities as to how they built AIP into policy and program decisions at the local level—for example, as a part of new developments or streetscapes.

Within 1 year

- **Establish timeline and resources:** Assemble a county-wide AIP Leadership Team to meet on an established basis. Develop an action plan by placing the AIP initiatives on a timeline and identify the resources needed for implementation. If resources do not permit full-scale implementation, identify initiatives that can be piloted by order of priority.
- **Develop a home-modification program:** Implement a comprehensive home-modification initiative that incorporates the following elements:
- **Home assessments**: Pursue outreach to older residents to support home self-assessments as well as access to low-cost certified home assessments.
- **Quality construction:** Coordinate with qualified contractors and use a construction quality-control process.
- **Financial assistance:** Provide financial assistance to homeowners on terms that are consistent with their ability to pay for AIP home modifications.
- **Program navigation support:** Many seniors will need a navigator/coordinator to help them through the process.

Within 2 years

- **Coalition build beyond the county:** Support localities in mapping and prioritizing the needs of their residents, and identify areas of shared priority to be pursued at either a regional or local scale (perhaps as a pilot project if funding is limited). Ensure the Continuum of Care, regional healthcare providers, and other important stakeholders are included.

- **Strengthen capacity:** Establish consistent funding sources and training programs to continue to provide a stream of home modification services to address all levels of need. This strategy may involve create hub locations in rural parts of the county.

- **Incorporate AIP in housing education and outreach**: Make AIP part of follow-up housing study conversations and outreach. If a housing forum is held, make AIP one track within the event. Use the existing Virginia Builders Summit and Expo, Hokie Wellness Fair, Lifelong Learning Institute, or hospitals as natural venues for disseminating relevant information.

Who Does What

County Planning and Community Development Department: Lead zoning updates and coordinate with other departments on AIP initiatives.

County Department of Social Services: Oversee expansion of senior services and manage home modification program.

AIP Leadership Team: Guide strategy development and provide ongoing input and oversight.

Healthcare Providers: Partner on telehealth and mobile clinic initiatives.

Local Contractors and Occupational Therapists: Participate in home modification program.

Senior Community Organizations: Assist with outreach and program implementation.

Nonprofit Experts (e.g., AARP): Provide best practices and funding resources to local initiatives.

How to Fund It

Many traditional affordable housing funding sources can also be accessed to assist lower-income seniors with aging in place. Most of these programs are means tested and only available to seniors with incomes below 80% of AMI and in many cases, less than 50% of AMI. These include:

- **State and federal grant programs:** Funding programs through the DHCD, HUD, the U.S. Department of Agriculture (USDA), and Virginia Housing may serve the housing needs of seniors; however, these sources have significant limiting factors to serving effectively for home modification needs. CDBG funds, distributed by DHCD, may be used for a wider variety of housing, community, and economic development activities. These funds could be used to make home modifications or repairs, as well as make community adaptations.

- **Medicaid and Medicare**: Commonwealth Coordinated Care Plus (CCC Plus) is a Medicaid-managed long-term services and support program that includes some minor home modification services for qualifying seniors. Medicare and Medicaid reimbursement rules are also providing strong incentives for health care institutions to address the housing status of their patients. This participation could include partnering for home modification initiatives—especially those in which trained occupational therapy professionals can evaluate home conditions and make recommendations.

- **Nonprofit assistance:** Local affordable housing providers like Habitat for Humanity have demonstrated experience providing home modifications. The Southeast Rural Community Assistance Project (SERCAP) Aging in Place program, based in Roanoke, provides support services for individuals who wish to continue living at home despite health setbacks, including adaptive design solutions for homeowners.

Aging in place, however, is not a unique need for lower-income seniors. Many seniors with significant retirement income and substantial home equity also need AIP assistance. As a result, AIP programs in the region and the AIP Leadership Team should make access to programs and services available on a market rate basis and connect local developers with the tools to succeed in providing the best fit for buyers.

How to Measure Success

- Number of homes modified through the program
- Reduction in senior falls or injuries in the home
- Increased participation in community support services
- Number of new housing units incorporating universal design
- Healthcare utilization metrics (e.g., reduced ER visits, increased preventive care)
- Senior satisfaction surveys on quality of life and independence

Examples

Albemarle Housing Improvement Program (AHIP) *- Seniors Safe at Home*

Approach: AHIP is a 30-year-old housing organization located in Albemarle County. Over the last decade, AHIP has evolved into an agency that primarily serves seniors with a range of services to help them stay in their homes longer. Seniors Safe at Home sets out to make sure that no senior citizen must wait for a critical home repair while helping them preserve assets and age in place. The types of repairs vary and address heating/cooling, roof leaks, stair and porch repair, kitchen and bath accessibility, plumbing and electrical problems, and issues with well and septic systems.

Outcomes: In 2016, this program enabled home repairs and rehabs for 98 senior citizens, or 53% of AHIP's clients. As of 2021, the number of helped seniors rose to 66% of their total rehab participants. AHIP uses a variety of funding sources; however, the largest share of its support comes from the City of Charlottesville and Albemarle County. Both of these jurisdictions use local and HUD funds to support AHIP's work. AHIP also raises a substantial amount of charitable funding every year from corporate and philanthropic sources, as well as individuals.

The Village

Approach: The Village movement began in the United States nearly 20 years ago. There are now more than 220 Village programs across the country and at least 10 operating in Virginia (primarily in Northern Virginia). The program is based on the idea of volunteerism. Seniors in the community join and form a nonprofit organization with a modest annual fee, and most organizations hire a coordinator who helps the members find services such as in-home care, handyman help, drivers, and meal delivery.

Frequently, other members of the community will volunteer to help individuals who are a part of the village. For example, a young person in the neighborhood might be willing to mow a lawn, rake leaves, clean gutters, take out the trash, or change a ceiling light bulb for a senior resident.

College Service Project: Appalachia Service Project

Approach: The College Service Project (CSP) is a student-led, campus-based organization that affiliates each of its chapters with the Appalachia Service Project (ASP). The CSP follows the ASP model for home repair projects in their local communities. College students and other volunteers make critical repairs on homes and build new homes when current dwellings are beyond repair. More than 15,000 volunteers give their time to repair and build homes with ASP.

Outcome(s): In the 55 years since ASP's founding, over 400,000 volunteers have repaired nearly 20,000 homes. Not only does the service create safer living situations for rural families in Appalachia, it also establishes meaningful relationships between repair staff and homeowners. Likewise, youth and adult volunteers gain experience and confidence to make important home repairs.

South Hill Solutions

PRIMARY SOLUTION 1

Assemble a comprehensive incentive package for new housing that serves lower-income and housing-insecure residents.

ISSUE: *Rising costs and regulatory challenges are hindering the development of affordable housing for lower-income and housing insecure residents in South Hill.*#

SOLUTION: *Offer a comprehensive package of financial incentives and reduce barriers to help important affordable housing projects succeed and encourage nonprofit and for-profit developers to increase the supply of lower-cost housing.*#

How It Works

It takes a combination of financial, regulatory, and technical support to draw in and reward developers who can provide lower-cost options. South Hill can explore adopting and standardizing new mechanisms to spur future growth.

Incentive eligibility and criteria

The first step should involve determining what types of residential development should be eligible for any special incentives. These could include:

- Minimum number and/or percentage of affordable units
- Income levels served by affordable units
- Length of affordability terms
- Identical design and quality for market-rate and affordable units
- Proximity to transit and/or other amenities and services
- Location in designated growth area
- Current site control

The Town should consider other minimum criteria but should avoid artificially restricting eligibility with unworkable requirements.

Partial real estate tax exemptions

Localities in Virginia are permitted to offer partial exemptions on real estate taxes for certain types of properties that are rehabilitated, renovated, or replaced under certain conditions. These programs can help spur investments in older neighborhoods and contribute to productive infill or reuse of underused properties. Owners can have the value of their improvements exempted from the calculation of their property taxes for a definite period after work is completed, usually for no more than 20 years.

South Hill's current town code only offers partial exemption for rehabilitation projects under Va. Code Ann. § 58.1-3221, which covers commercial and industrial properties. This, however, would not be applicable to residential-only developments, and it is unclear whether it would apply to mixed-use developments.

Therefore, the Town can consider designing new exemptions using other similar state statutes.

§ 58.1-3220. Partial exemption for certain rehabilitated, renovated or replacement residential structures sets specific guidelines for the design of residential tax abatement programs. Many localities across the state have programs using this statute. It can be used for both single-family and multifamily properties.

- The partial exemption can either be a stated amount or percentage of the increase in assessed value of the property, or an amount up to 50% of the cost of rehabilitation, renovation, or replacement.
- The partial exemption can begin on the date of completion or on Jan. 1 of the following year.
- The period of exemption cannot last more than 15 years.
- Localities can shorten the length of the exemption period or reduce the amount of the exemption in stepped increments.

§ 58.1-3219.4. Partial exemption for structures in redevelopment or conservation areas or rehabilitation districts can grant exemptions up to 30 years, but properties must be located in a "Redevelopment or conservation area or rehabilitation district" designated by ordinance. These exemptions can be approved on a project-by-project basis, and are often used to strengthen Low-Income Housing Tax Credit (LIHTC) applications.

Financial incentives

The Town can use a variety of tools to increase the financial viability of affordable housing projects, especially through collaboration with partners like the county's Industrial Development Authority (IDA). These investments can be made in conjunction with significant mixed-use development projects, or they can be made available for "one-off" projects that have the potential to strategically advance the Town's broader economic and community development objectives.

Tax abatements

IDAs can facilitate tax abatements to affordable housing projects in the form of rebates granted by the locality. These require a town ordinance to authorize, for example, annual rebates equal to the incremental increase in property taxes following project completion. In exchange for providing affordable housing, the developer/owner will pay taxes only on the original value of the property, which helps reduce long-term operating costs—which in turn can secure better financing.

Grants

One common function of IDAs is to provide grants to businesses and other entities to foster innovation, workforce development, and other activities that support the community's economic growth objectives. While these grants are usually not targeted to housing-specific uses, the IDA may want to explore options to use any discretionary funds for strategic housing activities in the private sector.

As one potential strategy, the IDA could consider performance grants for firms involved in the production of lower-cost housing, or who can strengthen the construction workforce, especially through innovative methods.

Revenue bonds

IDAs can issue tax-exempt bonds that provide large, low-cost funding to create transformative capital projects. Numerous IDAs throughout Virginia use multifamily revenue bonds to help boost the construction or rehabilitation of affordable housing in their communities. These bonds are guaranteed by the future income ("revenue") of the project and provide below-market interest rates.

Neither the IDA nor the Town formally loans money; the arrangement simply provides developers with access to capital markets at attractive rates. In fact, IDAs use this arrangement as an income-generating activity by earning fees collected from the bond recipient.

Land support

IDAs can purchase and hold onto land until suitable development partners are selected, utilities are planned, and financing terms are established. Along with market acquisitions, IDAs can also organize and execute property swaps to strategically trade land with private owners or other public entities.

Fee reductions and waivers

While the Town’s development fees—for zoning applications, building permits, and utility hookups—are not exorbitant, they can still contribute to the overall costs for a project. These fees are one opportunity for the Town to make it slightly easier for new affordable housing to get built.

To accomplish this, the Town can explore:

- Waived or reimbursed fees for certain projects: To encourage specific types of residential development, such as smaller starter homes or dedicated affordable units, the Town could offer to waive or reimburse a full or partial amount of the applicable availability and hookup fees. To be sustainable and successful, such a policy would need to have clear guidelines on project eligibility and incentive amounts.

- Installment payment plans for residential projects: To reduce the upfront financial burden of these initial fees, the Town could offer residential developers the opportunity to use installment plans. For example, the Rockbridge County Public Service Authority allows new and existing businesses the ability to pay these water and wastewater hookup fees in installments for a period up to 60 months.

Streamlined approvals

The Town can apply lessons and successful strategies from similar markets that have effectively streamlined their land development processes. This could involve adopting proven regulatory frameworks or technology-based solutions to improve efficiency. This could include expedited review timelines, simplified application procedures, and clear public guidelines for developers and homeowners.

For example, a “fast track” for certain small-scale apartment buildings might include:

- A fully administrative approval process with no public hearings required (“by-right”)
- Pre-defined review steps across departments with simple checklists
- Simplified application forms that are legible and accessible
- Reviews completed within five business days
- A series of pre-approved designs and floor plans

Zoning incentives

South Hill ’s current zoning code is relatively relaxed with respect to townhomes, duplexes, and other smaller-scale multifamily housing types. However, there are still several opportunities for the Town to leverage its zoning code to make developing affordable housing easier and less costly to develop at scale. These include:

- Density bonuses: Adopt an “affordable dwelling unit” ordinance in accordance with the statutory allowances in Va. Code Ann. § 15.2-2305 or Va. Code Ann. § 15.2-2305.1. Density bonuses (beyond the maximum allowable amounts under current zoning and future land use designations) can be granted in exchange for the developer agreeing to offer a certain percentage of accessory units at below-market rates for low-income renters.
- Reduced parking requirements: Waive or lower the number of parking spaces per residential unit. Current regulations require at least 2 spaces per unit, except for 1.5 spaces in the case of efficiency and one-bedroom units.
- Expanded by-right multifamily: Allow multifamily development without a conditional use permit (or similar special exemption) in more areas of the town. Because affordable rental housing development becomes easier at scale, developers who leverage LIHTC and other state/federal programs seek sites that allow a meaningful number of units without uncertainty of approval.

How to Do It

The following timeline of tasks is conceptual and nonbinding. The Town will determine an appropriate timeline that takes into consideration ongoing plan reviews, the comprehensive plan update, annual budget cycles, and other important policy processes.

Within 6 months

- Form a dedicated task force consisting of members from the Community Development Department, IDA, Town Council, Planning Commission, and Public Works Department to set objectives and evaluate specific strategies.
- Begin identifying potential funding sources such as Community Development Block Grants, Virginia Housing Community Impact Planning Grants, and private funds from philanthropic foundations.
- Conduct a thorough review of existing financial and regulatory incentives to identify gaps and opportunities for enhancement.
- Engage with key stakeholders, including developers, community members, and housing advocates, to gather input and support for the proposed incentives and regulatory changes.
- Develop and promote simplified application forms and processes for developers interested in affordable housing projects to reduce administrative burden.

Within 1 year

- Roll out financial incentives such as grants, revenue bonds, and land support mechanisms to make affordable housing projects financially viable for developers.
- Establish a fast-track approval process for certain affordable housing projects, including predefined review steps and pre-approved designs.
- Design and implement new real estate tax partial exemptions for rehabilitated, renovated, or replacement residential structures to encourage investments in affordable housing.
- Initiate pilot projects for developments that include affordable housing units, leveraging financial tools such as multifamily revenue bonds.

Within 2 years

- Adopt proven regulatory frameworks and technology-based solutions to further streamline residential development processes across the town.
- Continuously monitor the effectiveness of financial and regulatory incentives and make adjustments as needed to ensure they are achieving desired outcomes.
- Secure long-term funding commitments from state and federal sources, as well as private grants, to sustain affordable housing development efforts.

- Conduct a comprehensive evaluation of progress made in increasing affordable housing inventory and addressing regulatory barriers, using this evaluation to refine strategies and set new goals.
- Publicize successful affordable housing projects and the benefits of the incentives and regulatory changes to encourage further participation from developers and community members.

Who Does What

South Hill Town Council: Approve and implement the incentive package.

Town Planning Department: Develop and administer the incentive program, streamline processes, and lead efforts to design and implement new incentive strategies. Provide analysis and recommendations to the Planning Commission and City Council.

Economic Development Authority: Learn about best practices from other EDAs/IDAs in Virginia, collaborate with the Town to evaluate and develop incentives, and partner with developers to provide support on specific projects.

Local Housing Organizations: Provide input on incentive design and outreach to developers.

How to Fund It

Virginia Housing Community Impact Planning Grant: Up to $20,000 for Area Planning, Project Planning, Market Assessment, or Policy Study project. Up to $50,000 for Community Input Sessions or Neighborhood Community Planning projects.

Virginia Resources Authority: VRA offers low-cost loan financing for local governments via the public debt market. The Town could collaborate with VRA to explore supplemental financing options for new affordable housing development.

Private funds: Grants from philanthropic foundations that support community development and civic innovation could also be explored.

How to Measure Success

- Number of new affordable housing units produced
- Number of persons experiencing homelessness or housing insecurity
- Amount of state, federal, and private investment leveraged for new developments

Examples

Arlington County - Affordable Housing Investment Fund (AHIF)

Approach: Arlington County has expanded affordable housing by providing low-interest loans to developers through AHIF, has introduced bonus density provisions, and has actively involved communities in decision-making processes.

Outcomes: The program has enabled the majority of the approximately 8,300 rental units approved throughout the county that help provide homes for low- and moderate-income households, including specialized housing for the elderly, the homeless, or persons with disabilities.

SECONDARY SOLUTION 1

Support and grow affordable housing developers.

ISSUE: *South Hill lacks a robust ecosystem of affordable housing developers capable of meeting the town's diverse housing needs.*

SOLUTION: *Implement a comprehensive strategy to attract, train, and support new and existing developers and builders to specialize in affordable housing projects.*

How It Works

Capacity Building Program

Establish a capacity building program to nurture local talent and expertise in affordable housing development. This program could offer training workshops, mentorship opportunities, and technical assistance to help local contractors, small developers, and nonprofit organizations gain the skills and knowledge needed to undertake affordable housing projects.

Developer-Builder Network

Create a network of affordable housing developers and builders to foster collaboration, knowledge sharing, and peer support. Regular meetings, an online platform, and collaborative projects could help build relationships and strengthen the local affordable housing ecosystem.

Partnerships with Educational Institutions

Partner with nearby community colleges, universities, or trade schools to develop specialized courses or certificate programs in affordable housing development and construction. This could help create a pipeline of skilled professionals entering the field.

Affordable Housing Resource Center

Establish a dedicated resource center to provide developers and builders with access to market data, best practices, funding information, and technical assistance. This centralized hub of information and support could help reduce barriers to entry for new players in the affordable housing space.

Project Facilitation Services

Offer project facilitation services to help guide developers through the process of planning, financing, and constructing affordable housing. Services could include assistance with site selection, community engagement, and navigating regulatory requirements.

Demonstration Projects

Initiate demonstration projects to showcase innovative affordable housing designs and construction methods. These projects could serve as learning opportunities for local developers and builders while also proving the feasibility of affordable housing in the region.

How to Do It

Within 6 months

- Conduct a needs assessment to identify specific skills and knowledge gaps in the local development community.
- Begin designing the capacity building program curriculum and identifying potential instructors and mentors.
- Initiate discussions with educational institutions about developing affordable housing-focused courses or programs.
- Start planning the first affordable housing demonstration project.

Within 1 year

- Launch the capacity building program with an initial cohort of participants.
- Establish the developer-builder network and host the first meeting.
- Create an online platform for the network to facilitate ongoing communication and resource sharing.
- Open the affordable housing resource center, either physically or virtually.
- Begin construction on the first demonstration project.

Within 2 years

- Complete the first round of the capacity building program and evaluate its effectiveness.
- Expand the developer-builder network to include regional partners.
- Implement specialized courses or certificate programs at partner educational institutions.
- Complete and showcase the first demonstration project.
- Begin offering comprehensive project facilitation services to support new affordable housing developments.

Who Does What

South Hill Planning Department: Oversee the implementation of the program, coordinate with partners, and provide project facilitation services.

Local Educational Institutions: Develop and offer specialized courses in affordable housing development.

Experienced Developers and Builders: Serve as mentors and instructors in the capacity building program.

Regional Planning Organizations: Assist with data collection, analysis, and regional coordination efforts.

Local Contractors and Small Developers: Participate in training programs and the developer-builder network.

How to Fund It

- Allocate Town funds for program administration and the resource center.
- Seek grants from state agencies like Virginia Housing or DHCD for capacity building initiatives.
- Explore partnerships with philanthropic organizations focused on rural development or affordable housing.
- Consider implementing a small fee for some services to help sustain the program long-term.

Examples

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- NeighborWorks America's Rural Initiative: This national program provides training, technical assistance, and resources to support affordable housing and community development efforts in rural areas across the United States.
- The Small Developer Training Program in Austin, Texas, is launching this year and aims to boost the availability of affordable housing in Austin by equipping small-scale developers with the necessary skills and knowledge. The comprehensive education initiative is organized by HousingWorks Austin

  and includes small-scale development strategies and insights into the regulatory environment to enable smoother planning and approval processes.

SECONDARY SOLUTION 2

Address water and sewer needs via strategic infrastructure planning and financing.

ISSUE: *Limited water and sewer infrastructure capacity can constrain new housing development in areas of South Hill.*

SOLUTION: *Develop a comprehensive approach to infrastructure planning and financing that aligns with housing development goals and leverages a range of funding sources.*

How It Works

This strategy aims to ensure that water and sewer infrastructure capacity supports housing development through strategic planning and innovative financing approaches:

1. Infrastructure needs assessment

Conduct a comprehensive assessment of current and future water and sewer infrastructure needs. Evaluate existing system capacity and condition. Project future demand based on housing development goals. Identify critical upgrades and expansion needs. This process should be careful to balance growth with environmental protection and involve coordination with neighboring jurisdictions to identify regional infrastructure needs.

2. Alignment with housing and growth plans

Ensure infrastructure planning aligns with broader housing and growth objectives. Coordinate infrastructure planning with comprehensive plan updates. Prioritize infrastructure investments in designated growth areas. Develop policies to encourage housing development in areas with existing capacity.

3. Innovative financing strategies

Explore and implement a range of financing options to fund infrastructure projects. Pursue federal and state grants such as CDBG and USDA Rural Development. Consider municipal bond issuance for major projects. Explore public-private partnerships with developers. Leverage new Virginia Resources Authority (VRA) funding options for housing-related infrastructure.

4. Strategic growth management

Implement policies to manage growth and maximize infrastructure efficiency. Adopt adequate public facilities ordinances. Consider impact fees or pro-rata share agreements for new development. Encourage higher-density development in areas with existing infrastructure.

How to Do It

Within 6 months

- Form an infrastructure planning task force with representatives from public works, planning, and finance departments.
- Begin a comprehensive assessment of water and sewer infrastructure needs.
- Research available funding sources, including new VRA options for housing-related infrastructure.

Within 1 year

- Complete the infrastructure needs assessment and prioritize projects.
- Develop a 5-10 year capital improvement plan for water and sewer infrastructure and determine equitable access plans to improved infrastructure.
- Explore and initiate applications for relevant grant funding opportunities.
- Begin discussions with VRA about potential funding for housing-related infrastructure projects.

Within 2 years

- Implement policy changes to align infrastructure planning with housing development goals.
- Secure funding for high-priority infrastructure projects and long-term maintenance.
- Establish ongoing monitoring and evaluation process for infrastructure capacity and housing development.

Who Does What

Town Council: Approve infrastructure plans and financing strategies and adopt relevant policy changes.

Public Works Department: Lead infrastructure needs assessment and develop project priorities.

Planning Department: Ensure alignment between infrastructure and housing plans.

Finance Department: Explore and implement financing strategies and manage grant applications.

Town Manager: Coordinate efforts across departments and engage with regional and state partners.

How to Fund It

• Virginia Resources Authority (VRA) financing for housing-related infrastructure

• USDA Rural Development Water and Waste Disposal Loan and Grant Program

• Virginia Department of Health (VDH) Drinking Water State Revolving Fund

• Virginia Department of Environmental Quality (DEQ) Clean Water Revolving Loan Fund

• Community Development Block Grant (CDBG) program

• Municipal bonds

• Developer contributions or impact fees

How to Measure Success

• Increase in water and sewer capacity to support new housing development

• Number of new housing units supported by infrastructure improvements

• Ratio of infrastructure investment to new housing units created

• Reduction in areas with inadequate water/sewer service

• Successful leveraging of diverse funding sources for infrastructure projects

What’s Next

Housing is a critical element of the region’s competitiveness and a priority that will require efforts from all housing stakeholders in the Southside PDC region. This report outlines the market context and solutions needed to address gaps and achieve local and regional housing goals. The technical report provides in-depth details to support the region, localities, and housing stakeholders as they work to implement solutions.

The Southside PDC will initiate steps to action by formally adopting the Southside Regional Housing Market Analysis and making a commitment to address housing challenges through a regional approach. The Southside PDC will inform the community, stakeholders, and changemakers of the current housing challenges, needs, and opportunities through a Regional Housing Summit. This summit will give all stakeholders the opportunity to collaborate—a crucial step in understanding and tackling housing challenges effectively. Through networking, collaboration, and collective learning, the summit will also encourage partnerships among stakeholders, promoting a unified and potentially regional approach to housing solutions.

The Southside PDC will work closely with its member localities to implement the recommended regional approaches to address housing needs. Southside PDC will also continue monitoring relevant housing data to ensure that the solutions remain relevant and effective over time. Regular assessment allows for adjustments based on changing conditions or emerging needs.

Additionally, the Southside PDC will provide support to localities in the region seeking to apply for and administer grant funding to implement primary and secondary solutions as outlined in this study. By helping local governments secure funding, the Southside PDC can facilitate the implementation of both immediate and long-term housing solutions outlined in the study.

Together with local and regional leadership, housing stakeholders can create the housing mix needed to support the region’s workers, families, and seniors. The solutions in this report take both regional and local approaches to new development and stewardship of existing housing and emphasize preparedness for future growth. With these solutions, crafted in partnership with local and regional staff, the region is poised to meet housing demand and achieve economic goals.