



Workforce Housing

Virginia Department of
Housing and Community
Development



**VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT**
Partners for Better Communities



What is Workforce Housing?





Housing Trends: HB854 Affordable Housing Study



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Three fastest growing regions from 2010 to 2020

Northern Virginia 14.2%

Richmond 10.7%

Northern Shenandoah Valley 9.9%

U.S. Census Bureau, Population Estimates Program
and Decennial Census P.L. 94-171 Redistricting Data.

Virginia's annual housing production peaked in 2004 and has not caught pace since.



2004

63,215

Building permits

2020

33,813

Building permits

U.S. Census Bureau, Annual Building Permit Survey.

Data Storefront and Comprehensive Housing Affordability Strategy, 2013-2017 5-year estimates, Table 7.

Population growth
since 2008



10.2%

Housing supply growth
since 2008

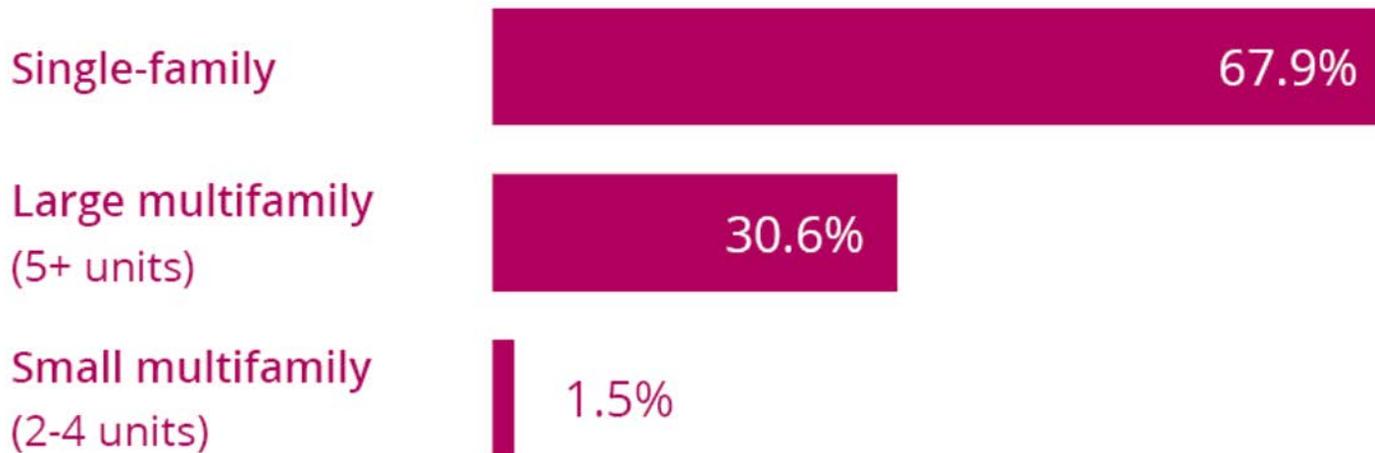


8.7%

U.S. Census Bureau, Population Estimates Program
and Decennial Census P.L. 94-171 Redistricting Data.

Data Storefront and Comprehensive Housing Affordability Strategy,
2013-2017 5-year estimates, Table 7.

Residential building permits by structure type since 2010



U.S. Census Bureau, Annual Building Permit Survey.

Minimum number of new homes needed each year to meet projected growth through 2040

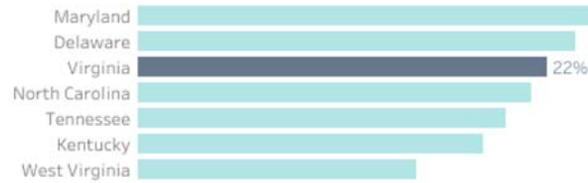


Based on calculations of data from University of Virginia Weldon Cooper Center for Public Service.

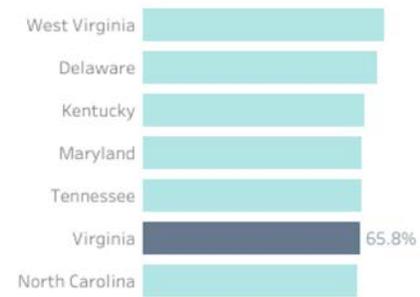
Virginia REALTORS®.

Neighbor state comparison for homeowner households

Percent of homeowners cost-burdened



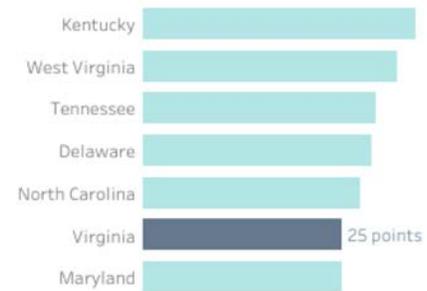
Homeownership rate



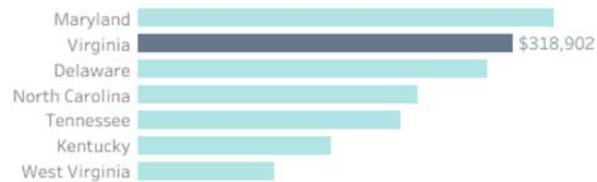
Homeowner median household income



Black-white homeownership rate gap



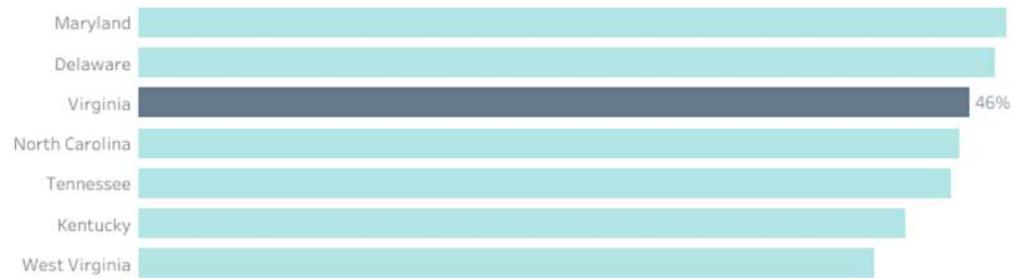
Zillow Home Value Index



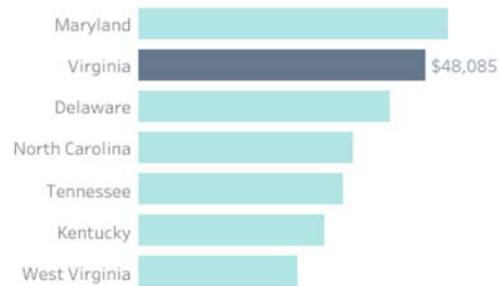
Sources: U.S. Census Bureau, American Community Survey, 2019 1-year estimates; HUD, Comprehensive Housing Affordability Strategy, 2013-2017 5-year estimates; Zillow.com, Zillow Home Value Index.

Neighbor state comparison for renter households

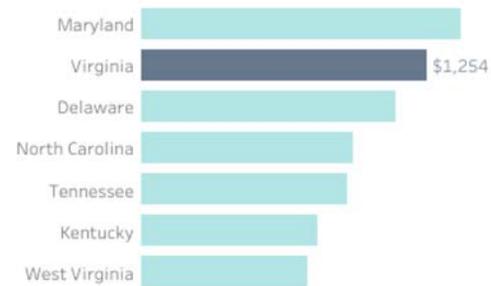
Percent of renters cost-burdened



Renter median household income



Gross median rent



Source: U.S. Census Bureau, American Community Survey, 2019 1-year estimates; HUD, Comprehensive Housing Affordability Strategy, 2013-2017 5-year estimates.

Key Takeaways

- About 30,000 new homes are built in Virginia each year. However, this rate is about half the annual production from the mid-2000s.
- Statewide population growth remains several percentage points above the increase in housing supply, even as shrinking average household sizes require more homes per person.
- Even in the Urban Crescent, Virginia's housing supply is predominantly detached single-family homes. These are also the most common new homes built, along with larger apartment buildings.
- Townhomes and small-scale apartments—which can be more affordable by design—remain relatively rare.



DHCD Programs Addressing Workforce Housing



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Programs for Workforce Housing Development

- Affordable and Special Needs Housing
- Down Payment Assistance
- Industrial Revitalization Fund
- Acquire, Renovate, Sell



Affordable and Special Needs Housing (ASNH)

- Provides gaps in financing to make possible the creation and preservation of affordable housing
- Funded through three resources:
 - HOME Funds
 - National Housing Trust Fund
 - Virginia Housing Trust Fund
- Funding can support housing for up to 80% area median income
- Spring 2022 Competitive Application Round::
 - 61 applications requested funding
 - 34 projects funded totaling \$27,172,944
 - Projects will create and preserve 1,990 units



Down Payment Assistance (DPA)

- Provides flexible gap financing for first-time homebuyers
- Funding can support households up to 80% area median income to purchase safe, decent and accessible housing
- Provided in the form of a grant with a mandatory “affordability period” for the applicant to continue to occupy the house as their primary residence
- Income eligible homebuyer may receive up to 10 percent or 15 percent (within the established approved areas by DHCD) of the sales price, plus up to \$2,500 to pay for the cost of closing





Acquire, Renovate, Sell (ARS)

- Create affordable homeownership opportunities for low- to moderate- income, first-time homebuyers
- Providers will acquire undervalued homes using their own lines of credit, renovate using ARS funding and other leveraged sources if necessary, and resell the property at fair market value to a first-time homebuyer
- After sale, ARS funding is returned, and provider utilizes net proceeds as program income to re-invest in local, affordable housing efforts
- Maximum of \$45,000 in ARS funding awarded for renovations



Industrial Revitalization Fund (IRF)

- Leverages local and private resources to achieve market-driven redevelopment of vacant and deteriorated industrial and commercial properties
- Eligible properties include those formerly used for
 - Manufacturing
 - Warehousing
 - Mining
 - Transportation
 - Power production,
 - Large-scale white elephant structures
- Funding can assist with mixed-use development of derelict structures
- At least 30% of the end use structure must be for commercial use
- Grants and loans are available up to \$5 million per project with 1:1 match required



What is next?



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Housing Affordability Listening Sessions

- Seven sessions held throughout Virginia
- Participants provided unique perspectives and local insights on a crucial issue facing the Commonwealth and each region
- Facilitated conversations centered around increasing the stock of housing units that all Virginians can afford to buy and rent
- Focused on evaluating problems for particular regions and looking at creative and actionable solutions to those issues



Northern Virginia Listening Session Topics

1. Land (Zoning/Availability/Cost)
2. Processes and Regulations
3. Eviction and Displacement Prevention





Policy Development

- Final listening session will be held Aug. 10
- A full report will be compiled from all seven listening sessions and distributed to the administration, as well as the listening session attendees
- Solutions will be utilized to formulate action items to increase housing affordability and the affordable housing stock

THANK YOU



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