

Patrick County Comprehensive Plan – Comprehensive Housing Affordability Analysis and Housing Planning

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Comprehensive Housing Affordability Analysis and Housing Planning

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COMPREHENSIVE HOUSING AFFORDABILITY ANALYSIS AND HOUSING PLANNING

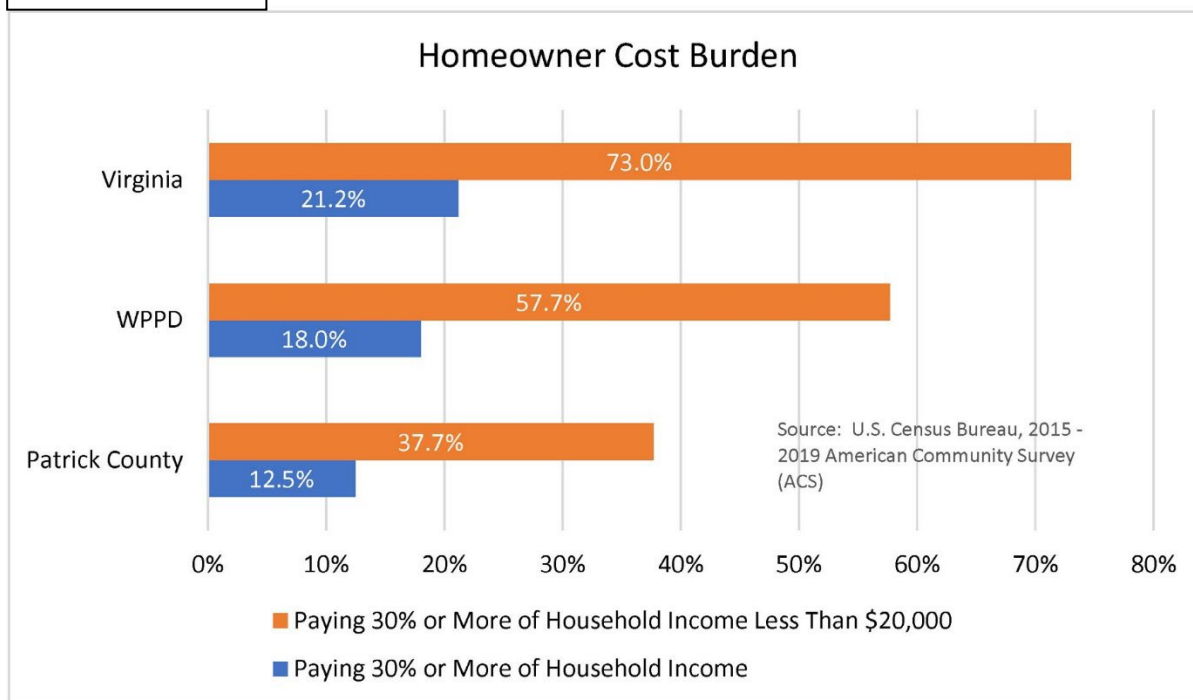
Introduction

The *Code of Virginia*, in describing contents of what should be addressed in comprehensive plans, now includes housing affordability as one area that should be included. Intended to be an addendum to the housing chapter and to include a housing planning component into the County plan, Chapter 8 has been developed to document the County's situation.

Housing Costs

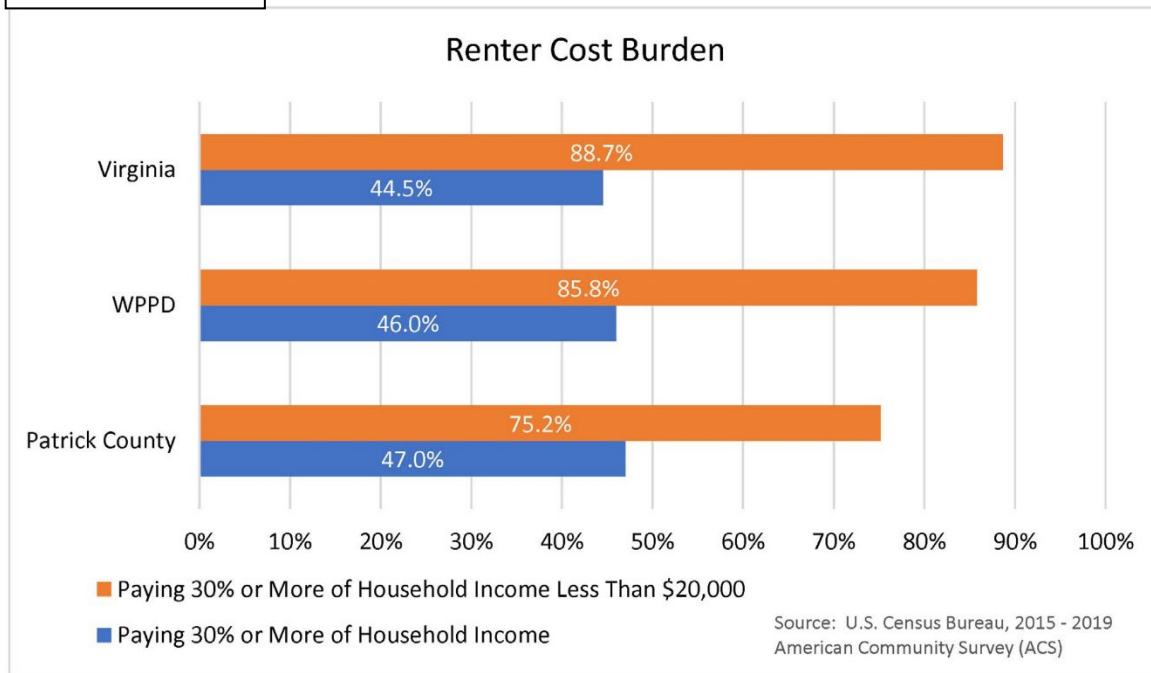
Patrick County owners are less cost burdened (as a percent of income) than the West Piedmont Planning District as a whole and much less cost burdened than the State, as Figure 1 shows. This relatively low-cost burden probably also aids Patrick County's high homeownership rate. Figure 2 shows that the cost burden of renters is more closely aligned with those of the State and the District; therefore, homeowners appear to have a clear advantage over renters in both the County and the District in this regard. According to the 2015 – 2019 ACS, the median gross rent in Patrick County was \$573, while the West Piedmont Planning District's median rent was \$710, and Virginia's median rent was \$1,234. Gross rent includes monthly contract rent plus the estimated average monthly costs of utilities and fuels, if these are paid by the renter.

Figure 1



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Figure 2



The median value of Patrick County's housing units was \$120,000 in 2019, with 24.2 percent of units valued below \$100,000 and 37.9 percent valued above \$150,000. The Region (WPPD) had a median housing unit value of \$124,281, with 39.8 percent of units valued below \$100,000 and 39.2 percent valued above \$150,000. Again, Virginia's figures were much higher with a median housing unit value of \$273,100. Only 11.0 percent of Virginia's housing units were valued below \$100,000 and 79.3 percent valued above \$150,000.

General Assessment of Housing Needs in the County

Based on provisions for mobile homes (the most affordable housing type in the area), families having to pay out more than 30 percent of income for homeownership, the percentage of families owning their own home, the County appears to have a more affordable housing environment than the State in aggregate and, in most cases, appears to be in a better situation than the other jurisdictions in the Planning District. When median owner costs are reviewed, the County's ownership costs are substantially lower than the State and some of the surrounding areas of the District, having the lowest percentage (41.8 percent) of owners in the Planning District's localities with a mortgage. Comparing the County to the Commonwealth for complete plumbing, and complete kitchens, it is recognized that there are units that need rehabilitation or replacement; the County may be able to identify some problem areas where some targeted, rehabilitation programs might be useful.

General Housing Goals for Improving Affordability and Conditions

The following sets out some specific goals that the County will want to reach over an extended period:

1. Work toward maintaining or improving the amounts of current housing stock for low- to moderate-income persons.
2. Work toward maintaining and improving the quality of existing housing stock suitable for housing qualifying low- to moderate-income families.

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3. Find an implementing agency to be the primary assisting agency in rehabilitation of existing housing and promoting construction of new, improved housing.
4. Work toward improving water and sewer infrastructure and roads in an effort to provide more opportunities for development of housing.
5. Encourage development of affordable housing in established centers, such as Stuart and Patrick Springs, to maximize use of existing infrastructure and ensure that residents are within close proximity of community facilities and can make use of multiple modes of travel.

Potential Housing Programs and Sources of Assistance in Improving Housing Affordability and Improving Housing Conditions

In recognition that, while a locality might acknowledge that there are deficiencies in quantity, quality, and affordability of housing within its jurisdictional area and also might set in place some basic goals it would like to reach in ameliorating any problems it might discover, a basic need immediately in managing a problem would be to identify sources of assistance.

A number of different agencies in Virginia offer sources of financial assistance and other resources for housing. The principal agencies providing assistance and services include: the Department of Housing and Community Development, Virginia Housing, and the Virginia Housing Commission.

Some of the more prominent and widely used programs that can be utilized by counties included under the Department of Housing and Community Development are: Indoor Plumbing Rehabilitation Program, Weatherization Assistance Program, Emergency Home Repair program, Homeownership Assistance Program, Local Housing Rehabilitation Program, Multi-family Loan Program. The Virginia Housing Development Authority has management responsibilities for the following programs: HUD-Insured Home Equity Conversion Mortgages, Virginia State Tax Credit Program, Multi-family Loan Program, Rental Rehabilitation Grant Program, Basic Home Purchase Loan Program, Single-Family Affordable Housing Program.

Local Initiatives. Approaches to improving housing in the County would be to explore rehabilitation programs that might be implemented by Support to Eliminate Poverty (STEP), Incorporated--the local community action agency. For water and sewer improvement needs regarding substandard homes and neighborhoods, the Virginia Water Project could also be a source of assistance. For areas that can be sufficiently targeted and have a majority of low- and moderate-income persons, the Community Development Block Grant program could be utilized by the Board of Supervisors. Similarly, USDA - Rural Development and the Rural Development Administration also may offer assistance to the Board.

Furthermore, staff of the West Piedmont Planning District Commission (WPPDC) are currently pursuing a funding strategy to undertake a County-wide planning process to evaluate sites for housing development, as well as that for commercial and industrial. This study may address components of housing affordability as well.

Solutions That Empower People or "STEP" Inc. administers the Section 8 housing choice voucher program in Franklin, Patrick, and Bedford counties on behalf of the Virginia Housing Development Authority (VHDA). The organization also inspects rental homes participating in this program to ensure that they are properly maintained. Elderly residents and/or disabled families are STEP's highest priority. STEP serves nearly 200 households annually with this program.

New Housing Program Availability

Historically, Patrick County has not frequently benefited from home loan programs from the U.S. Department of Agriculture (USDA). In 1997, the USDA announced that the County had been designated as a targeted area for its Guaranteed Rural Housing Program (GRHP). The loan

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program serves persons that have repayment ability for the proposed loan, have acceptable credit history, and have household incomes not exceeding 115 percent of the median household income for the County in which they reside. Loans can be made up to 100 percent of the value of the real estate or contract price. USDA will guarantee the loan for up to 90 percent; interested applicants must contact an approved local lender to apply. Lenders are approved by USDA's Rural Development agency and are asked to contact Rural Development for qualification. Lenders benefit because through participation in the federal loan program they can help themselves to meet Community Reinvestment Act (CRA) goals, make loans of relatively low risk, and expand their market share.

Housing Affordability Summary

- Affordability has been provided through the high number of mobile homes in Patrick County. The County's housing stock for mobile homes make up nearly 26 percent of all housing units; this is significantly greater than the State at 5.1 percent and the Planning District at 16.7 percent.
- Compared to the statewide figures, the burden of housing cost is relatively low within the County as homeowners paying 30 percent or more of income for housing is 21.2 percent in the State, but only 12.5 percent of households in the County pay 30 percent of income or more. The cost burden of renters paying 30 percent or more of their income for housing is more on par with the District and the State.
- Patrick County has a higher homeownership rate (79.0 percent) than the Region (71.0 percent) and State (66.3 percent).
- Median owner value for the County (\$120,000) in 2019 was lower than the District (\$124,281) and the State (\$273,100).
- A comparison of County and State Census data shows that Patrick County is by all housing indices, very affordable. Median owner costs in the County for owners with mortgages (\$1,024 per month) are substantially lower than the State's rate of \$1,799 per month. In addition, the share of families with mortgages in Patrick County (41.8 percent) is significantly lower than the State (68.7 percent).
- There are a number of sources within the State and Region that provide assistance and services for financial aid, rehabilitation, and upgrading for low- and moderate-income families.