

Rappahannock-Rapidan Regional Housing Study

Presentation to Town of Warrenton

February 9, 2021



Background

- *RRRC involvement in housing planning primarily focused on coordination/grant management related to homeless programs and technical assistance to local planning efforts*
- *February 2019: Regional Commission and local partners identify growing need for relevant housing data to support housing policy decisions*
- *Study funded via Virginia Housing Community Impact Grant*
- *Camoin Associates/310 Ltd consultant team selected in January 2020*



Regional Housing Study Purpose

Recognition that capacity to address housing within local governments and the patterns of development in the region vary widely, the study was developed with these purposes in mind:

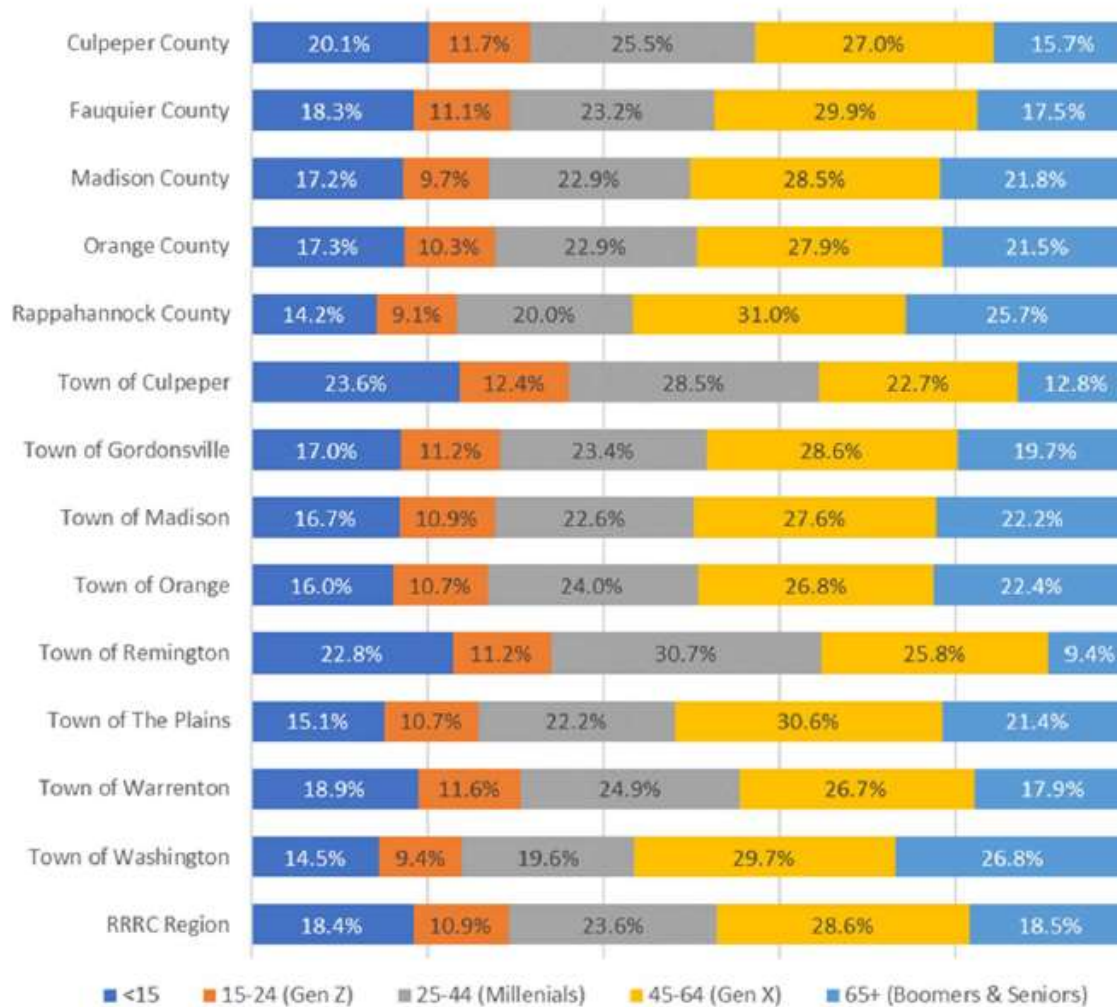
- Provide qualitative and quantitative data to understand and quantify existing and future housing opportunities and challenges (regional and local)
- Examine current land use practices that both help and hinder housing developments through zoning ordinances throughout the region
- Offer strategy recommendations for addressing major issues at regional and local level

Baseline Analysis Findings

Demographics

- Steady population growth, primarily in three counties and larger towns
- Job growth lower than population growth since 2003
- High percentage of out-commuters
- Aging population
 - Those aged 65+ represent the highest increase in each jurisdiction between 2010 and 2019

Distribution of Age, 2019



Source: Esri

Percent Change in Population by Age Cohort, 2010-2019

Locality	<15	15-24 (Gen Z)	25-44 (Millennials)	45-64 (Gen X)	65+ (Boomers & Seniors)
Culpeper County	(1.5%)	(0.4%)	(1.1%)	(0.5%)	3.5%
Fauquier County	(2.3%)	(0.7%)	(0.3%)	(1.5%)	4.8%
Madison County	(1.2%)	(1.3%)	1.2%	(2.9%)	4.2%
Orange County	(1.6%)	(0.4%)	(0.8%)	(0.6%)	3.4%
Rappahannock County	(1.9%)	(1.0%)	0.2%	(3.9%)	6.6%
Town of Culpeper	(1.5%)	(1.1%)	(2.2%)	1.9%	2.8%
Town of Gordonsville	(3.8%)	(0.5%)	0.5%	(0.3%)	4.1%
Town of Madison	(8.2%)	(0.5%)	0.6%	0.3%	7.9%
Town of Orange	(1.6%)	(0.7%)	(3.4%)	1.7%	4.1%
Town of Remington	1.5%	(4.7%)	2.3%	(0.5%)	1.4%
Town of The Plains	(3.8%)	2.9%	0.1%	(6.3%)	7.1%
Town of Warrenton	(2.5%)	0.1%	(1.8%)	1.4%	2.8%
Town of Washington	7.1%	4.2%	0.3%	(12.5%)	0.9%
RRRC Region	(1.8%)	(0.6%)	(0.5%)	(1.3%)	4.2%

Source: Esri

RRRC Region Industry Overview, 2009-2019							
NAICS	Description	Avg. Earnings Per Job	2019 Location Quotient	2009 Jobs	2019 Jobs	2009 - 2019 Change	2009 - 2019 % Change
11	Agriculture, Forestry, Fishing and Hunting	\$ 40,734	3.36	2,373	2,431	58	2.4%
21	Mining, Quarrying, and Oil and Gas Extraction	\$ 76,038	0.52	117	138	21	17.9%
22	Utilities	\$142,765	1.00	228	210	(18)	(7.9%)
23	Construction	\$ 55,580	1.67	5,963	5,865	(98)	(1.6%)
31	Manufacturing	\$ 64,489	0.87	3,261	4,280	1,019	31.2%
42	Wholesale Trade	\$ 64,315	0.66	1,877	1,487	(390)	(20.8%)
44	Retail Trade	\$ 35,854	1.22	6,977	7,519	542	7.8%
48	Transportation and Warehousing	\$ 65,472	0.43	1,554	1,003	(551)	(35.5%)
51	Information	\$100,917	0.63	866	705	(161)	(18.6%)
52	Finance and Insurance	\$ 88,829	0.42	1,098	1,040	(58)	(5.3%)
53	Real Estate and Rental and Leasing	\$ 56,318	1.09	966	1,153	187	19.4%
54	Professional, Scientific, and Technical Services	\$ 84,881	0.88	3,061	3,600	539	17.6%
55	Management of Companies and Enterprises	\$ 97,117	0.24	267	216	(51)	(19.1%)
56	Administrative and Support and Waste Management and Remediation Services	\$ 40,758	0.69	2,243	2,642	399	17.8%
61	Educational Services	\$ 39,181	0.79	1,023	1,269	246	24.0%
62	Health Care and Social Assistance	\$ 50,575	0.79	5,659	6,201	542	9.6%
71	Arts, Entertainment, and Recreation	\$ 27,078	0.80	968	873	(95)	(9.8%)
72	Accommodation and Food Services	\$ 21,032	0.97	4,216	5,162	946	22.4%
81	Other Services (except Public Administration)	\$ 32,800	1.52	3,875	4,452	577	14.9%
90	Government	\$ 65,313	1.26	11,079	11,628	549	5.0%
99	Unclassified Industry	\$ 36,513	2.95	<10	159	Insf. Data	Insf. Data
Entire Region		\$ 52,262		57,674	62,034	4,360	7.6%

Source: Emsi

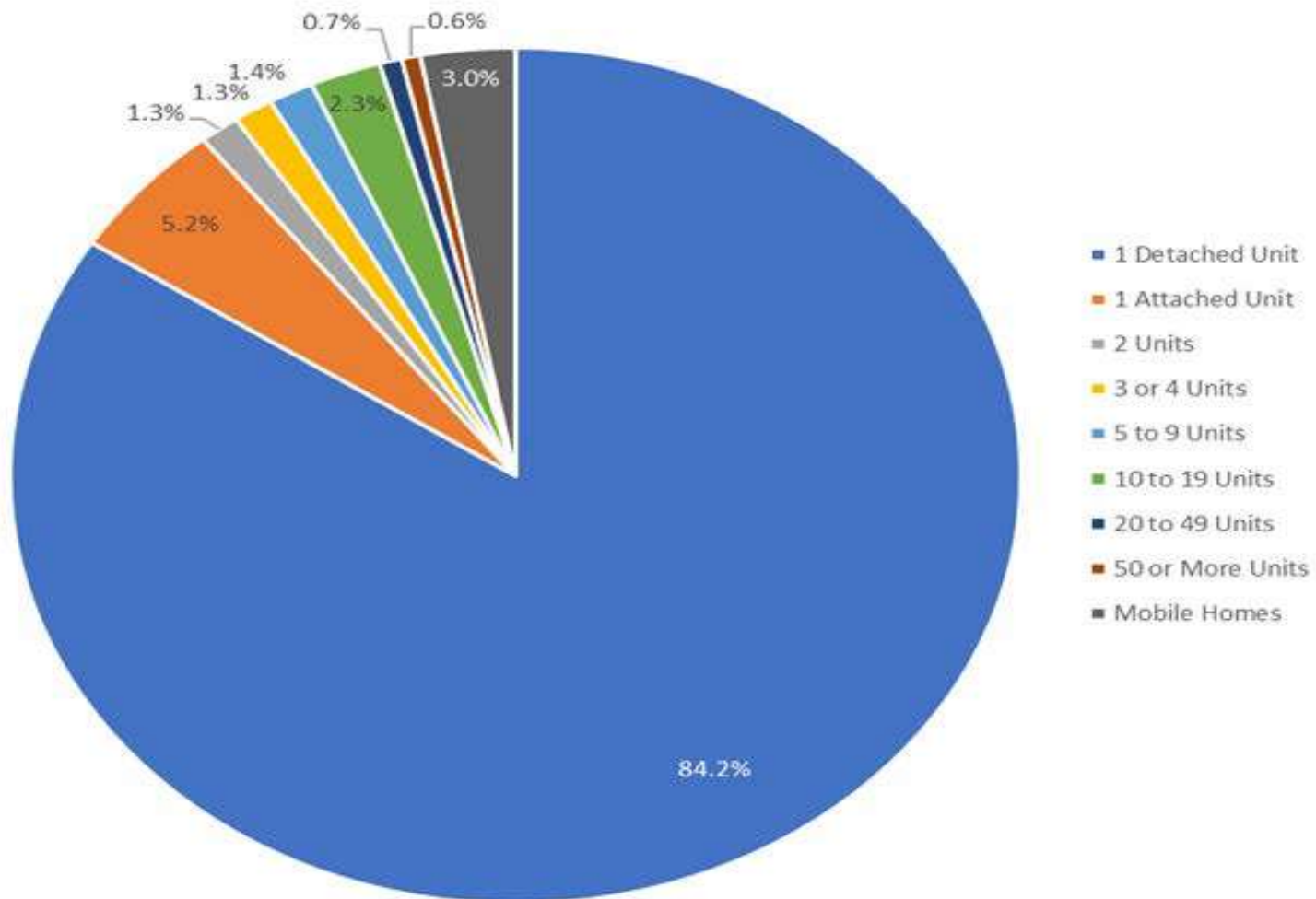
Notes: Population growth (2010-2019) is 9.3%; Percent of workforce commuting out of region has also grown

Baseline Analysis Findings

Housing Stock

- 90% of existing housing is single-family units (primarily unattached)
- 80%+ of occupied housing is owner-occupied
 - Highest rate is in Fauquier County
- Rental rates higher in Towns
- Vacancy rates higher in Rappahannock and Madison counties
- Very low (3%) rental vacancy rate across the region
- 38% of housing stock between 10 and 30 years old
- 31% of housing stock between 30 and 50 years old

Housing by Unit Type, RRRC Region, 2018



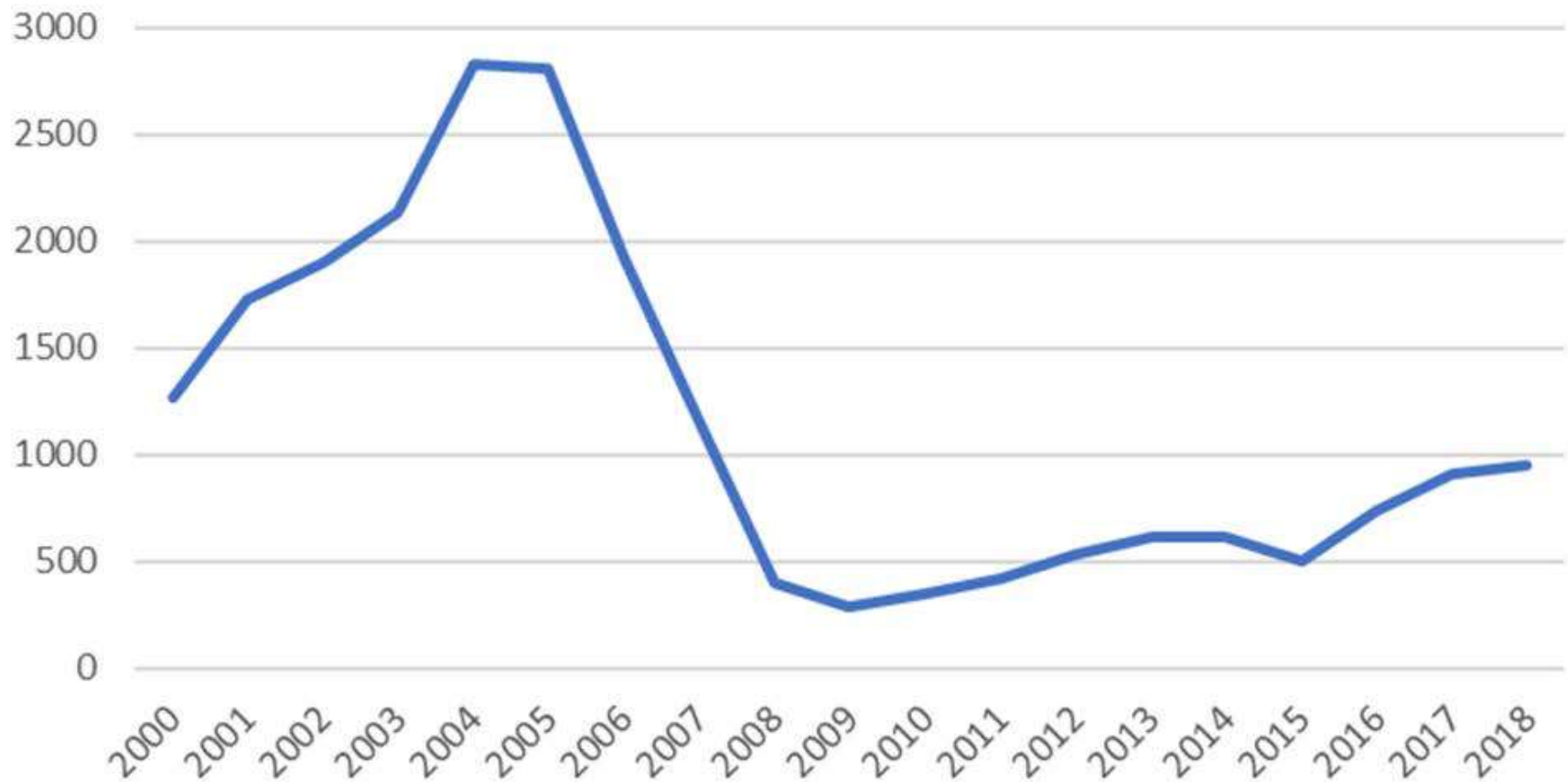
Source: American Community Survey 5-Year Estimates, 2014-2018

Housing Demand Analysis Findings

Real Estate Trends

- Increase in median price and units sold
- Decrease in days on market
- Some market-driven response, particularly for 55+ housing, apartments, townhomes
- Building permits have stabilized, but not returned to pre-2007 levels
- Potential impact of approved, unbuilt developments

Structures Permitted, RRRC Region, 2000-2018



Source: Weldon Cooper Center for Public Service, University of Virginia

Structures Permitted by Unit Type, 2000-2018

	Culpeper County		Fauquier County		Madison County		Orange County		Rappahannock County		RRRC Region	
	#	%	#	%	#	%	#	%	#	%	#	%
Single Family Units	7,310	35.2%	7,352	35.4%	1,219	5.9%	4,215	20.3%	646	3.1%	20,742	100.0%
Duplex Structures	54	73.0%	6	8.1%	0	0.0%	14	18.9%	0	0.0%	74	100.0%
Structures with 3-4 Units	51	86.4%	4	6.8%	0	0.0%	0	0.0%	0	0.0%	59	100.0%
Structures with 5+ Units	440	40.8%	380	35.3%	20	1.9%	238	22.1%	0	0.0%	1,078	100.0%
All Structures	7,855	35.7%	7,742	35.1%	1,243	5.6%	4,467	20.3%	726	3.3%	22,033	100.0%

Source: Weldon Cooper Center for Public Service, University of Virginia

Structures Permitted by Unit Type, 2008-2018

	Culpeper County		Fauquier County		Madison County		Orange County		Rappahannock County		RRRC Region	
	#	%	#	%	#	%	#	%	#	%	#	%
Single Family Units	1,799	31.1%	2,386	41.3%	380	6.6%	1,032	17.9%	184	3.2%	5,781	100.0%
Duplex Structures	4	50.0%	4	50.0%	0	0.0%	0	0.0%	0	0.0%	8	100.0%
Structures with 3-4 Units	0	-	0	-	0	-	0	-	0	-	0	-
Structures with 5+ Units	252	58.6%	78	18.1%	0	0.0%	100	23.3%	0	0.0%	430	100.0%
All Structures	2,055	33.0%	2,468	39.7%	380	6.1%	1,132	18.2%	184	3.0%	6,219	100.0%

Source: Weldon Cooper Center for Public Service, University of Virginia

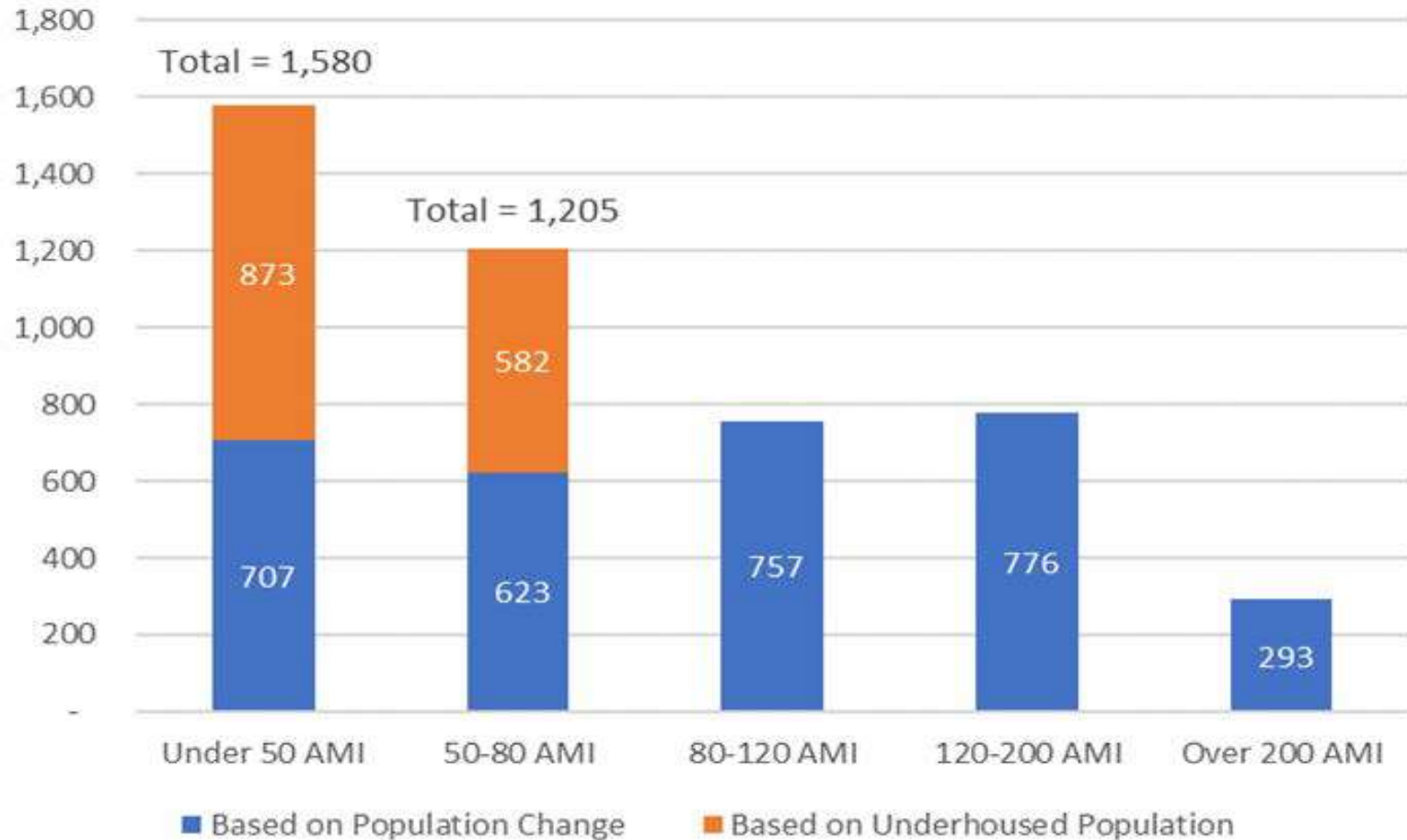
Housing Demand Analysis Findings

Projected Population Growth

- 22% forecasted growth over 20 years at current household size (2.69) equates to 20% increase in housing stock needed by 2040
- Largely expected in Culpeper, Fauquier, Orange
- Most demand from population growth for those aged 65+ and 35-44
- Potential need for additional options for 65+ with possibility of transfer of housing to younger generation
- Impacts of net-migration and out-commuters seeking lower housing costs relative to Northern Virginia, Fredericksburg, Charlottesville
- Estimated demand of 4,600 housing units across the region based on population growth (2019-2024) and underhoused population (those aged 18-34 and living with non-spouse/partner)

Existing Demand based on 5-year projected population growth and 7.5% of underhoused population

Demand for New Units

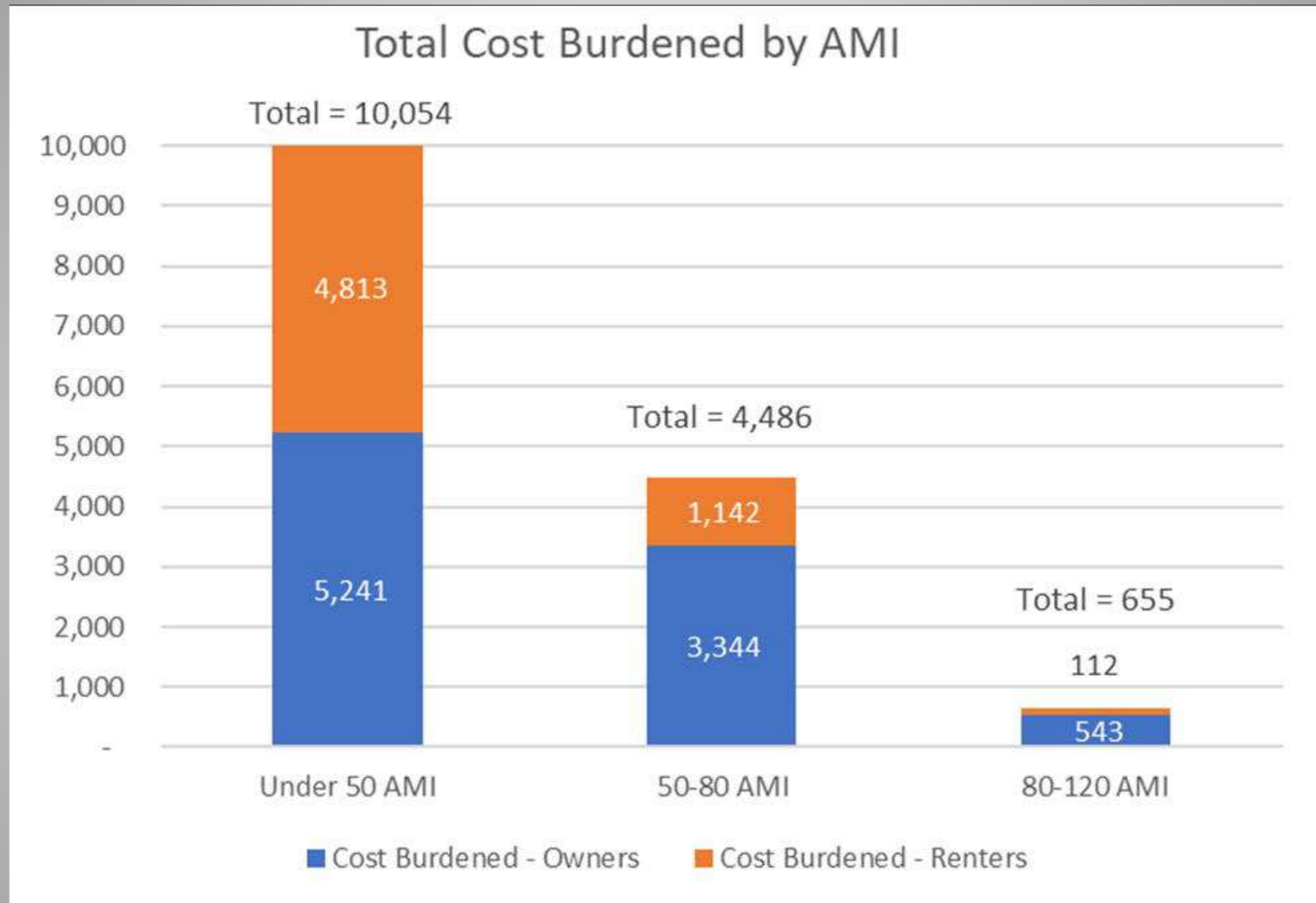


Housing Demand Analysis Findings

Affordability

- ~40% of renters and ~20% of owners spending more than 30% of income on housing
- Median home price of \$368,000 equates to an income of \$81,700 needed to meet 30% threshold
- For resident workers, household income is \$64,900 (equates to a ~\$17,000 deficit in earnings to income required for median home price)
- Locally, those earnings gaps range from \$11,000 to \$22,000

24% of region's household are cost-burdened
Equates to 15,000 housing units



Cost Burdened Home Owners by AMI

	Culpeper County	Fauquier County	Madison County	Orange County	Rappahannock County	Total
Under 50% AMI	1,412	1,611	534	1,389	296	5,241
50-80% AMI	871	1,208	372	776	117	3,344
80-120% AMI	130	222	65	110	16	543
Total	2,412	3,041	971	2,275	429	9,128

Source: ACS 2018 5-Year Estimates; Camoin 310

Cost Burdened Renters by AMI

	Culpeper County	Fauquier County	Madison County	Orange County	Rappahannock County	Total
Under 50% AMI	1,620	1,408	503	958	325	4,813
50-80% AMI	466	397	75	176	29	1,142
80-120% AMI	56	47	3	5	1	112
Total	2,142	1,852	580	1,138	355	6,067

Source: ACS 2018 5-Year Estimates; Camoin 310

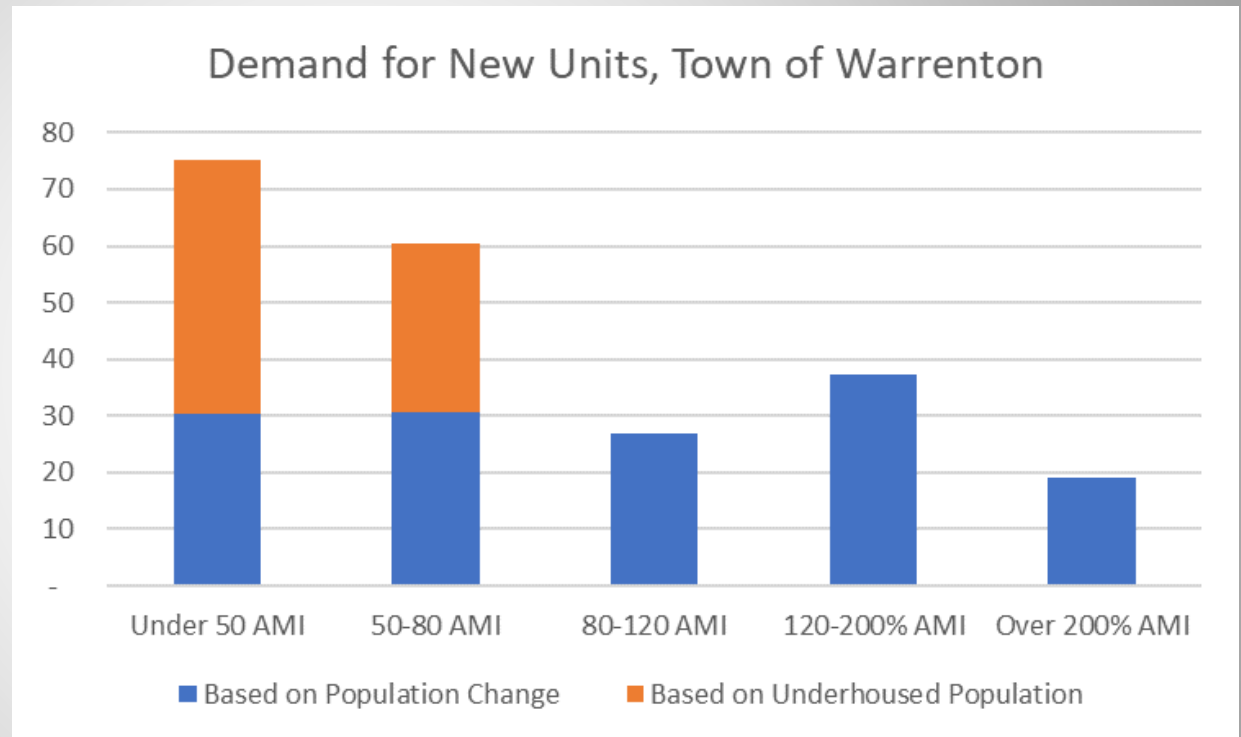
Demand for New Units – Town of Warrenton

Existing Demand based on 5-year projected population growth and 7.5% of underhoused population

Housing demand was generated from the growth in households over the next five years and the underhoused population (those aged 18-34 and living with others such as relatives).

The Town of Warrenton has demand for new units at the following income levels:

- < 50% of AMI – 75 Units
- 50-80% AMI – 61 Units
- 80-120 AMI – 27 Units
- 120-220% AMI – 37 Units
- Over 200% AMI – 19 Units

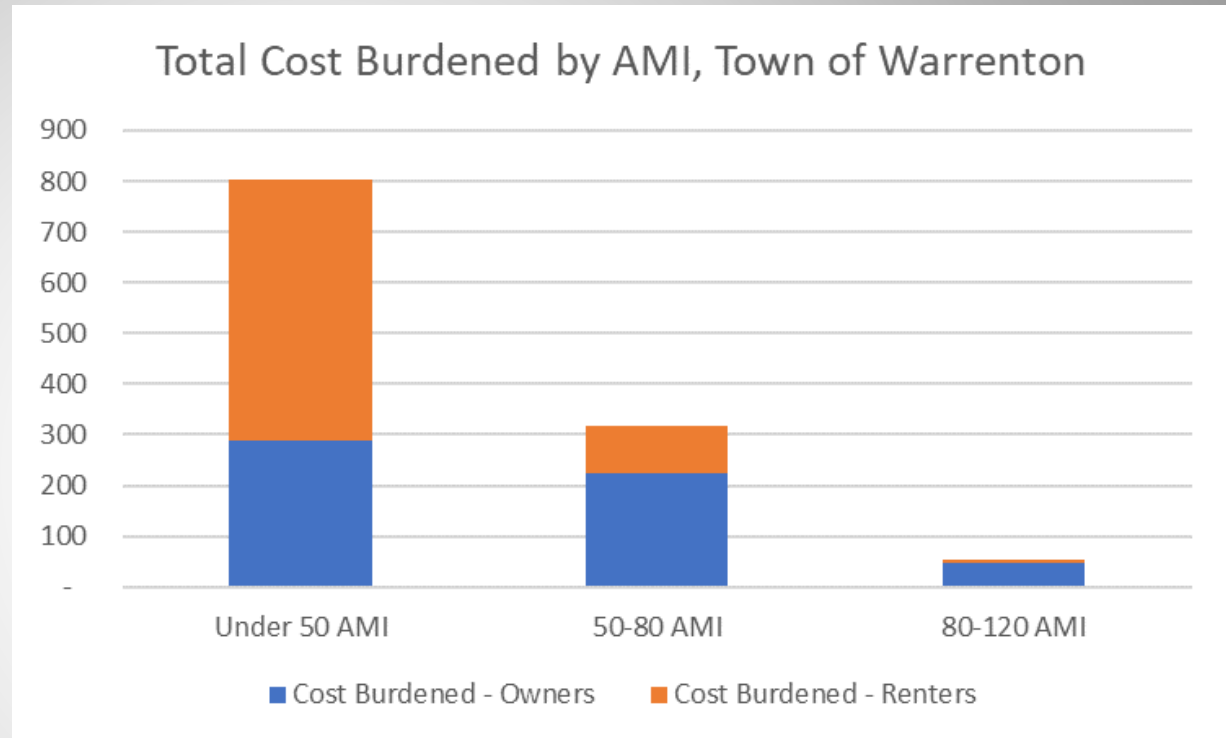


Cost-Burdened Households – Town of Warrenton

Potential demand for affordable housing can be seen in those populations that are paying more than 30% of their income on housing, we call these “cost burdened” households.

The Town of Warrenton has a number of cost burdened households at the following income levels:

- < 50% of AMI – 804 Households
- 50-80% AMI – 317 Households
- 80-120 AMI – 55 Households



Mortgage Income Deficit: Median Home Price vs. Household Income

	Culpeper County	Fauquier County	Madison County	Orange County	Rappahannock County	RRRC Region
Median Price of Home*	\$349,000	\$440,000	\$300,000	\$272,000	\$310,000	\$368,000
Down Payment of 10%	\$34,900	\$44,000	\$30,000	\$27,200	\$31,000	\$36,800
Loan Amount	\$314,100	\$396,000	\$270,000	\$244,800	\$279,000	\$331,200
Average Mtg Payment, 30 Years at 3.5% with Additional Costs**	\$1,943	\$2,188	\$1,687	\$1,541	\$1,740	\$2,042
Household Income Threshold	\$77,720	\$87,520	\$67,480	\$61,640	\$69,600	\$81,680
Resident Household Income	\$66,034	\$76,873	\$48,729	\$49,681	\$47,975	\$64,911
Income Deficit	-\$11,686	-\$10,647	-\$18,751	-\$11,959	-\$21,625	-\$16,769

* Median home sales in the region for Q2 2020.

**Average Mortgage Payment includes private mortgage insurance, taxes, and insurance, for comparable priced houses within each region.

Source: Emsi, Zillow, Greater Piedmont Realtors, Gale Harvey Real Estate, Camoin 310

Strategies & Recommendations

1. Increase & preserve the supply of attainable housing
2. Address perceptions of growth and attainable housing
3. Address maintenance needs and alleviate substandard housing stock
4. Examine and adapt existing land use protocols

Recognize that there is a need for diverse housing options across the region

Recognize that there each County and Town has authority for land use decisions and that any policy changes will be implemented at different scales across the region

Strategies & Recommendations

Increase & preserve the supply of Attainable Housing

- Continue to engage and support market-driven responses related to senior housing and multi-family units
- Encourage universal design principles
- Consider targeted incentives for higher density and mixed-use developments, potentially in designated UDAs
- Inventory existing multi-family and/or affordable rentals for both consumers and potential owners (non-profit or otherwise)
- Inventory underutilized buildings that may be repurposed for attainable housing or context-appropriate reuse

Strategies & Recommendations

Address perceptions of Growth and Attainable Housing

- Lack of available housing in the region causes stagnation and prevention of natural turnover within the market
 - Impacts on aging population seeking lower maintenance housing
 - First-time homebuyers and workers seeking housing within their locality of employment
- Rentals are consistently challenging at attainable rates, with impacts seen at lower-income levels

Strategies & Recommendations

Address maintenance needs and alleviate substandard housing stock

- Rental and owned homes were noted as having issues regarding maintenance (cosmetic and functional issues)
- Primarily in rural, non-urban areas
- Need for collaboration amongst existing non-profit/volunteer-driven home repair and rehabilitation organizations

Strategies & Recommendations

Examine and adapt existing land use protocols

- The region's rural character and historical context means that there are significant areas where development will not occur
- Infrastructure is limited in certain areas of the region, or may face capacity, costs and/or maintenance concerns
- Housing diversity is an emerging subject for much of the region and policy changes are likely to occur incrementally over time

Ordinance Review

Practices That Encourage	Findings
Inclusionary Zoning	None found.
Incentives and Bonuses	A density bonus is offered to encourage private sector development of Affordable Dwelling Units (ADUs). The 2040 Draft Comp Plan recommends expanding density bonuses
Allow Flexibility (minimum restrictions)	The 2040 Draft Comp Plan proposes flexibility among the most recent areas annexed for residential and commercial development, aligning more with form-based versus a dwelling units per acre model.
Fee Waivers and Tax Exemptions	None found.
Priority to attainable housing developers	None found.
Overlay zoning to reduce SF and increase attainable units	The PUD provides increased flexibility in development encouraging recognition of the areas changes in industry and the housing market.
A variety of resident types available (mobile homes, townhomes, SF, etc.)	The Town of Warrenton has eight different residential zoning districts ranging from single-family-large-lot to mixed-use-commercial-residential development. The 2040 Draft Comp Plan proposes form-based code for its most recently annexed parcels.

Practices That Hinder	Findings
Minimum buildable lot size	R-15: Min. 15,000 SF; R-10: Min. 10,000 SF; R-6: Min. 6,000 SF; RT: Min. 10,000; RMF: Min. 6,000 SF
Density requirements	R-15: 1 main building; R-10: 1 main building ; R-6: 1 main building; RT: 7 units per acre; RMF: 7 units per acre
Setbacks	R-15, R-10, R-6, RT, RMF: Yes
Parking requirements	Single Family: 2 spaces per unit Townhouses/Duplexes/2-Family Units: 2 spaces per unit Multifamily: 1 space per unit for efficiency units, 1 space per unit for 1-BR units, 1.5 spaces per unit for 2-BR units, 2 spaces per unit for 3+ BR units Mobile Homes: 2 spaces per unit
Open space requirements	Percentage of gross parcel area

Rappahannock-Rapidan Regional Housing Study

Housing Study Webpage

<https://www.rrregion.org/housingstudy>

Executive Summary (Links to Appendices)

Strategies & Recommendations Summary

Locality Summary Profiles

Housing Demand Analysis

Local Ordinance Best Practices Review

Baseline Demographic Analysis

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