



**VOP Presentation to JCC
Comp Plan Community
Participation Team, July 2008**

or

**"We (still) have a housing
problem."**

Virginia Organizing Project
Ben Thacker-Gwaltney
3613 Nelms Ln
Williamsburg, VA 22903
757-570-3005
ben@virginia-organizing.org
www.virginia-organizing.org



The Heart of the Problem

\$370,000 -- Median selling price for a home in James City County as of March 2008 (MLS data)

\$97,850 -- Price of house affordable to a starting teacher (spending no more than 30% of their income)

\$91,850 -- Price of house affordable to a starting firefighter or police officer

\$171,717 -- Price of house affordable to family at JCC median income for a family of four (\$55,594)

People who work here should be able to afford to live here.

We have a problem with our housing in the Williamsburg area. House prices have been spiraling up and up for the past decade so that working people can no longer buy a house here.

The average price in James City County is now around ⁷⁰~~\$355~~,000. In comparison, starting salary for a teacher is \$33,000, and starting salary for a police officer is \$31,000. How much house can that buy them? For the teacher, one that costs \$133,000. For the police officer, only \$125,000.

Think about it. A new teacher can only afford to pay \$133,000, but the average house price is \$355,000. That's almost triple what a teacher can afford. So what does the teacher do? Either hope their partner has a good job, too, or find a place to live somewhere in Newport News or New Kent and drive up to work every day.



Results from the VOP Summer Canvass (so far)

1,216 Doors Canvassed in James City County

261 Resident Contacts

Answers to the question, "Do you support more housing in James City County that is affordable for people who work here?"

Yes – 70% (182 responses)

No – 8% (22 responses)

Unsure – 22% (57 responses)



Other Recent Studies Support Action on Workforce Housing

Housing Needs Study, December 2007.

- Overall, about 35% of James City County's lowest income **renters** were forced to spend a larger portion of their income for housing than the less than 30% threshold indicated by the U.S. Department of Housing and Urban Development (HUD) as a nominal measure for housing affordability. (p. 57)
- Overall, about 50% of James City County's lowest income **owners** were forced to spend more than 30% of their income on housing. (p. 58)
- The study indicates we are nearly 2000 housing units short of that needed by current county homeowners with incomes at less than 80% of the county median income. (p.59)



Other Recent Studies Support Action on Workforce Housing (cont.)

JCC Business Climate Taskforce Report, January 2008

- *The County will have to commit to supporting reforms on zoning ordinances and planning codes that promote affordable housing, such as streamlining the approval process, identifying and rezoning sites for multifamily housing, offering density bonuses and expedited review processes. (p. 19)*
- *Supplying an adequate amount of local workforce housing is not only critical to sustaining our working professionals and maintaining our service, retail and public service jobs. It is also key to attracting new industries. (p. 19)*



Inclusive Housing—A Tested Policy Solution

- ***What is inclusionary zoning?***
- ***How is affordable housing defined?***
- ***What elements are usually part of an inclusionary zoning ordinance?***
 - *It mandates or invites builder participation;*
 - *Defines what is affordable;*
 - *Sets project size that triggers participation;*
 - *Gives density bonuses and other incentives;*
 - *Sets income limits for eligibility;*
 - *Establishes a time period for re-sale control.*

We propose a solution to this problem: Inclusionary zoning.

What is inclusionary zoning?

Inclusionary zoning asks or requires developers to include a certain percentage of affordable homes (sometimes called “below-market rate units”) in every new housing development they build. In return for building affordable houses, the local government gives the developers incentives to help make up for the lower profit.

How is affordable housing defined?

Affordable housing is housing priced so that households can afford to buy or rent without paying more than 30% of their income. James City County defines affordable homes as those costing no more than \$160,000.

What elements are usually part of an inclusionary zoning ordinance?

Typically, an inclusionary zoning ordinance:

- either mandates or invites developers’ and builders’ participation in the program as they plan new residential developments;
- defines what is “affordable” housing;
- sets a minimum project size (number of housing units) that triggers participation;
- gives density bonuses and other incentives to compensate for building affordable units;
- sets income limits to determine households eligible for affordable units (usually a range of the regional median income);
- establishes a period during which resale prices or rental increases are controlled to maintain the supply of affordable housing;



Inclusive Housing—The Benefits

- *People can live in the same community in which they work*
- *Little or no financial cost to local government*
- *Inclusive communities*
- *Housing for a diverse labor force*
- *Reduces stigma of affordable housing*
- *Limits sprawl and reduces commute times, air pollution, and road congestion*

There are many benefits to adopting an inclusionary zoning ordinance locally:

It allows people to live in the same community in which they work

As housing prices soar, many people, including those who provide core services in the community (for example, police officers, firefighters, teachers, and health care providers) plus those who work in the tourism and retail industries discover that they simply cannot afford to purchase a home here.

It provides affordable housing at little or no financial cost to local government

Inclusionary zoning works as a partnership between developers who create affordable units and local government. This creates affordable housing without having to commit much public money.

It creates inclusive communities

Well-crafted inclusionary zoning ordinances help create mixed-income communities, which provide openings through which low- and moderate-earning families can buy homes in booming housing markets, accumulate wealth, and share part of the American dream.

It provides housing for a diverse labor force

A healthy community requires a diverse labor pool, including professionals, service sector employees, public servants, and others. In hot housing markets like ours, lower-paid employees are instead being driven out.

It reduces the stigma of affordable housing

Inclusionary zoning ordinances can assure that the affordable units blend in with market-rates units, making the affordable units virtually indistinguishable from the rest of the neighborhood.

It limits sprawl and reduces commute times, air pollution, and road congestion

A low supply of affordable housing can result in large-scale commuting which overtaxes existing roads. If people who work here live here, it reduces sprawl, commute times, air pollution, and traffic congestion.

Inclusive Housing—Common Concerns

- *Is it fair to ask private developers to be responsible for producing affordable housing?*
- *Will the below-market units diminish the property values of adjoining market-rate units?*
- *Are voluntary inclusionary zoning policies just as effective as mandatory ones?*
- *Do density bonuses promote over-development and congestion?*

Is it fair to ask private developers to be responsible for producing affordable housing?

Asking private developers to share responsibility for creating affordable housing is both appropriate and crucial. Market rate housing generates a need for affordable housing for public school teachers, civil servants, childcare workers, and others whose services are needed to support market rate unit occupants, but who earn too little to afford average priced homes in the community.

Will the below-market units diminish the property values of adjoining market-rate units?

Studies show that locating affordable housing within higher-end developments does not undermine housing values, as many claim. One study by the Innovative Housing Institute, which looked at 14 communities with set-aside units, showed no significant difference in price trends between housing in inclusionary developments and the market as a whole. It also found no difference in price behavior between units within 500 feet of a subsidized unit and those further away.

Are voluntary inclusionary zoning policies just as effective as mandatory ones?

Many jurisdictions have attempted to introduce voluntary inclusionary zoning ordinances, including James City County. They have produced very few affordable units when compared with mandatory policies. James City County's voluntary incentives have themselves produced minimal affordable housing units.

Do density bonuses promote over-development and congestion?

This question asks whether increasing the number of units allowed on land zoned for single family development strains the environment and resources of local government. Inclusionary zoning policies promote reasonable density in development, leading to less sprawl and the preservation of open space. The alternative, growth beyond normal growth boundaries, creates sprawl that strains government resources and the environment far beyond what inclusionary zoning would require.



Imagine if everyone who
worked here could afford to
live here...

