

CULPEPER AFFORDABLE HOUSING NEEDS ASSESSMENT

SUBMITTED TO VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY
DEVELOPMENT

JUNE 2013

Prepared by the Culpeper Affordable
Housing Committee and
Rappahannock-Rapidan Regional
Commission with funding from the
Virginia Department of Housing and
Community Development

June 2013

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I. BACKGROUND

The Culpeper Affordable Housing Needs Assessment was initiated by the Culpeper Affordable Housing Committee, which is facilitated by Culpeper Human Services and comprised of human services providers, housing advocates, representatives of the Town and County administrations and other parties interested in addressing the need for affordable housing in Culpeper. The Committee is interested in identifying and undertaking a project as part of a proactive approach to solving affordable housing needs in Culpeper. As a preliminary step, the Committee agreed that is important to conduct a comprehensive housing needs assessment to document the condition of current housing stock, collect information on the unmet housing need of various populations, and identify and prioritize activities to address those needs. This is a report of the findings of this study, which is intended to support multiple future housing projects.

This project was funded by a Community Development Block Grant (CDBG) pre-planning grant to the Town of Culpeper from the Virginia Department of Housing and Community Development. Although the Town of Culpeper was the grantee, this was a joint effort of the Town, the County of Culpeper, the Affordable Housing Committee and the Rappahannock-Rapidan Regional Commission, which served as grant administrator and project manager. The Culpeper Town Council and the Culpeper County Board of Supervisors endorsed this project.

Management Team.

The needs assessment study was completed under a management team comprising most members of the affordable housing committee. It included the following members:

NAME AND TITLE	ROLE	RESPONSIBILITY
Chip Coleman Mayor, Town of Culpeper	Elected Official – Town	Liaison with Town Council; represent citizen interests
Kim Alexander Culpeper Town Manager	CEO - Town	Overall grant execution and program execution, as it relates to the Town
Patrick Mulhern Town of Culpeper Planning Director	Town Planning Director	Coordinate project with Town’s Comp Plan and planning interests
Frank Bossio Culpeper County Administrator	CEO - County	Overall program execution, as it relates to the County
Sue Hansohn Culpeper County Board of Supervisors	Elected Official – County	Liaison with Board of Supervisors; provide expertise on housing need and real estate sector
Bob Orr Culpeper County Bldg. Official	Building Official	Provide expertise on County housing conditions and building code
Neil Drumheller County Planner	Culpeper County Dept. of Planning and Zoning	Coordinate project with County’s Comp Plan and planning interests
Cheryl Carter Interim Director, Culpeper Community Development Corp.	Housing provider	Provide expertise on housing needs and availability
Ginger McAlister Rappahannock Rapidan Community Services	Section 8 administrator	Provide knowledge of rental market and needs and representation of special need groups
Tom Huggard	Citizen representative	Represent citizen interests; provide expertise on Town housing needs
Cathy Zielinski Program Manager Rappahannock-Rapidan Regional Commission (RRRC)	Grant and Project Administrator	Day-to-day

Lisa Peacock Director, Culpeper Human Services	Human Services provider	Represent interests of low income and special needs populations
Sanford Reeves Building Business owner Culpeper, County Planning Commission	Rehab Specialist	Provide expertise on residential building rehab and County building needs
Ramona R. Chapman ramona.chapman@dhcd.virginia.gov	VDHCD	Capacity Development Specialist

Project Activities. The Management Team completed a housing and demographic analysis, based on information available from the U.S. Census, Area Board of Realtor (RBI data), and the Town of Culpeper property tax database. Two public hearings were held to solicit input from the public and inform them of the housing needs assessment project. The first meeting was held August 2011; the second in June 2012. In addition, two surveys were conducted. The first was a targeted to the general population of Culpeper County to assess residents’ current living condition (Appendix E.) The second was a survey of landlords (Appendix D), conducted by local Housing Choice Voucher program administrators to document existing rental units and rents. Town and County planning staff and the County’s Building Official provided information about existing housing stock and needs for rehabilitation.

The management team reviewed project data and generated the priority list of needs for affordable housing for Culpeper. The results of this study will be used to direct future action of the Affordable Housing Committee and is available to Town and County staff and committees to inform future housing planning.

II. TOWN AND COUNTY DEMOGRAPHICS

The 2010 U.S. Census was the first official documentation of the growth and other demographic changes that have had an important impact on Culpeper in the past decade. The Census confirmed that between 2000 and 2010, the Town of Culpeper’s population increased from 9,664 to 16,379, an increase of 69.5 percent, while the overall County population increased by 36 percent, from 34,262 to 46,689. In the same time period, the number of

housing units in the Town increased 51 percent, from 4,139 to 6,271. The portion of housing units in the County, excluding the Town, saw an increase of 30.4 percent.

In the two years since the release of that data, the American Community Survey (ACS) Five-year Estimates have provided updates and comparisons between the Town and County demographics and housing profiles. (ACS housing profiles can be found in Appendix A.) ACS tells us that in the Town of Culpeper 53 percent of households own their home, and 47 percent rent. In the County (numbers include Town residents), about 73 percent of household own and 27 percent rent. In the Town, 48 percent of renters pay more than 35 percent of their income for housing expenses. In the County, 44 percent of renters pay more than 35 percent of income for housing.

The ACS data was used to generate a picture of what housing looks like now in Culpeper, compared with what it should look like to offer affordable housing to everyone under median income, using the definition that people should spend no more than 30 percent of their gross income for gross housing costs, including utilities. (§ 15.2-2201.[Code of Virginia])

	HH Income	Mo. Housing Expense (30%)	Monthly Rent	% of Rental Units
Town Median	54,000	1,350		
	40,000	1,000	> \$1,000	46.30%
	30,000	750	\$750 - \$1,000	23.80%
	20,000	500	\$500 - \$750	20.90%
	16,200	405	< \$500	8.90%
County Median	66,500	1,660		
	60,000	1,500	> \$1,500	12.00%
	50,000	1,250	\$1,000 - \$1,500	36.70%
	40,000	1,000	\$750 - \$1,000	21.80%
	30,000	750	\$500 - \$750	20.00%
	20,000	500	< \$500	9.40%

The table above shows that 8.9 percent of rental units in the Town of Culpeper, as identified in the ACS estimates, rent for less than \$500 per month, which is the amount affordable for a household earning under \$20,000. The table below shows that about 17% of households in the Town earn under \$20,000.

CULPEPER TOWN AND COUNTY HOUSEHOLD INCOME

	Town number HH	percent	County number HH	percent	Town cumulative HH	Cumulative percent	County cumulative HH	Cumulative percent
less than \$10,000	305	5.2%	557	3.5%	305	5.2%	557	3.5%
\$10,000 - \$14,999	433	7.4%	625	4.0%	738	12.6%	1,182	7.5% ← 30% median
\$15,000 - \$24,999	537	9.2%	1,288	8.1%	1,275	21.8%	2,470	15.6% ← 50% median
\$25,000 - \$34,999	441	7.5%	1,188	7.5%	→ 1,716	29.3%	3,658	23.1% ← 80% median
\$35,000 - \$49,999	946	16.2%	2,342	14.8%	2,662	45.5%	6,000	37.9%
\$50,000 - \$74,999	1,160	19.8%	2,944	18.6%	3,822	65.3%	8,944	56.6%
\$75,000 - \$99,000	778	13.3%	2,411	15.2%	4,600	78.6%	11,355	71.8%
\$100,000 - \$149,999	866	14.8%	2,992	18.9%	5,466	93.4%	14,347	90.7%
\$150,000 - \$199,999	243	4.2%	995	6.3%	5,709	97.6%	15,342	97.0%
\$200,000 and over	142	2.4%	473	3.0%	5,851	100.0%	15,815	100.0%
All Households	5,851	100.0%	15,815	100.0%				
Median Income*	\$57,908		\$ 63,509					
80% median	\$46,326		\$50,807	Between 50% and 80% = Low Income				
50% median	\$28,954		\$31,755	Between 30% and 49% = Very Low Income				
30% median	\$ 17,372		\$ 19,053	Below 30% = Extremely Low Income				
*ACS 2006-2010 5-yr								

III. CURRENT HOUSING STOCK

With information provided by the Town's Director of Planning and Community Development, the Management Team considered the importance of the condition of existing housing as a component of long-term affordable housing. In its comprehensive plan, the Town identified Neighborhood Investment Areas that include residences in need of repair and rehabilitation. There currently is no source of assistance for homeowner or landlords to make the needed repairs. Most of the designated neighborhoods include a mix of incomes and a broad range of conditions. Several years ago, the Town of Culpeper secured a CDBG Community Improvement Grant to offer forgivable, zero-interest loans for this purpose for one of the most distressed neighborhoods. However, despite diligence on part of the Town staff, homeowners, particularly landlords, would not agree to participate.

The Management Team concluded that it would be more feasible to conduct a scattered site program, rather than concentrate on a single neighborhood. This would provide an opportunity to find a suitable number of property owners to participate and could be used as a pilot that can demonstrate the project to more reluctant property owners. Detailed information about the Neighborhood Investment Areas is included as Appendix B.

Recently, the Town Council has considered a maintenance code as incentive for owners of distressed properties to make needed repairs. Council decided not to pursue the maintenance code at this time. Because of this circumstance, and the requirement to concentrate on a single neighborhood, the Needs Assessment Management Team decided that timing is not right to pursue another CDBG grant for this purpose.

Condition of existing housing, however, is an issue in the Town and County, resulting in an unknown number of households living in substandard conditions, with no other options for affordable housing.

IV. MARKET CONDITIONS

Over the past decade housing prices in Culpeper have fluctuated drastically. In 2002 the median sales price for existing homes was about \$183,000. By 2006, before the housing market collapse, the median price had grown to \$342,000. By the end of 2011, it had fallen to \$175,000, and then rebounded to \$201,000 in 2012. (RealEstate Business Intelligence (RBI) Additional RBI data and charts can be found in Appendix C.)

Between 2000 and 2010, the number of housing units in the Town increased 51 percent, from 4,139 to 6,271. The portion of the County excluding the Town saw an increase of 30.4 percent. In recent months the housing prices have increased over the same month of the previous year, however, the number of units sold and length of time on the market have remained relatively level. Current prices have created a market accommodating to buyers at and above median income. Anecdotal information suggests that investors are buying many of the properties for the purpose of leasing, not flipping, which was a problem at the height of the housing bubble.

The rental market is more difficult to quantify. ACS shows 2,558 occupied units paying rent in the Town of Culpeper, with a median monthly rent of \$968. In the County there are 3,937 units paying rent, with a median rent of \$987. The survey of landlords conducted in spring 2012 (see Appendix D), which included known apartment complexes, property management companies, and individual property owners willing to share information, identified only 26 units renting for under \$500 per month. Of that number, there were no vacancies. There are only 49 units in the County known to have income-based rent.

The only single-room occupancy identified by the landlord survey is the Culpeper Motor Court, a motel that charges \$220 per week for one person, and an additional \$20 per week for each additional person.

The data collected about the rental market supports the conclusions of housing stakeholders that the largest unmet needs in the region are for two and three bedroom multi-family units renting for \$400 to \$600 per month and single-room occupancy.

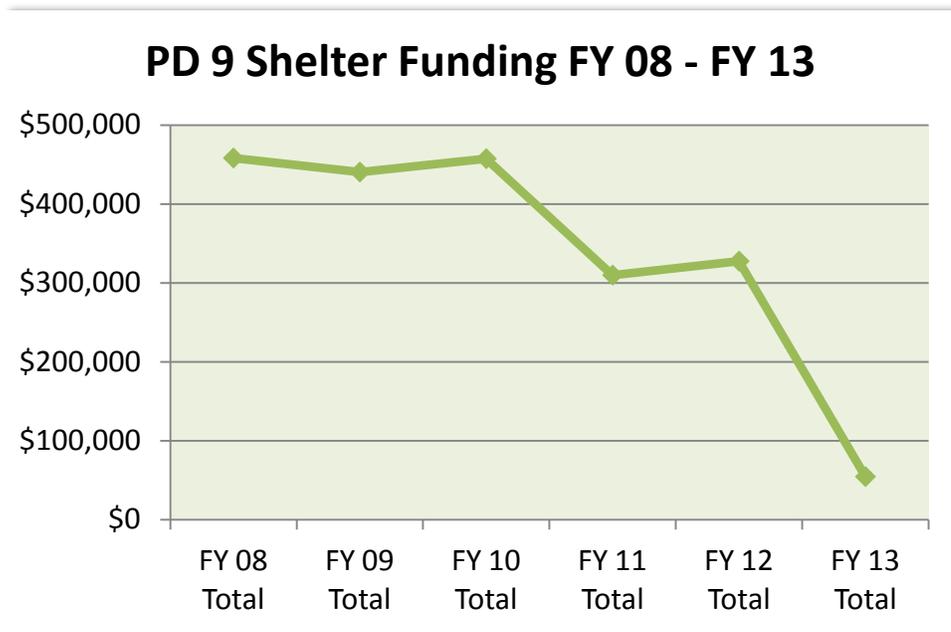
Foreclosures have also played a role in rental and sale inventories in the past several years. In 2008, Culpeper was identified as having the highest foreclosure rate in the state, mostly among the newer housing developments. In 2013, the foreclosure situation has improved, although certain areas are still categorized as high foreclosure areas. Appendix C, pages 5 and 6 include additional data on local foreclosure trends.

V. HOMELESSNESS

In 2011, Culpeper County had 50 emergency shelter beds, including 20 seasonal beds operated by the Culpeper warming shelter, and 55 transitional housing beds. As of June 2013, there are only five transitional beds, operated by Deane Outreach Ministries for veterans in their program. The 35 remaining emergency shelter beds include the seasonal warming shelter and the 15 bed emergency shelter operated by Culpeper Community Development Corporation. Regionally, one-third of shelter beds were lost with the closing of the Orange Greater Development Corporation.

Between 2010 and 2011, federal and state grant funding for shelters in the Rappahannock-Rapidan Region dropped from almost \$500,000 per year to \$40,000. Part of the cause for reduction in emergency shelter and transitional programs is due to changes in homeless service funding at the state and federal levels. Funding is being shifted away from emergency and transition shelters to rapid re-housing programs, which are based on a philosophy of 'housing first' and diversion from shelter. Rapid re-housing and diversion consist of rental, utility and security deposit cash assistance; housing location assistance when needed; and housing-focused support services. Although the homeless shelter providers and other stakeholders are working together to make the transition to rapid re-housing, it has become clear the Culpeper and other counties lack resources and affordable housing infrastructure necessary for successful change. Most important is the lack of affordable units available for permanent supportive housing or within control of a public or private housing organization that works with homeless advocates. Culpeper and the R-R Region have no housing authority, no HUD recognized housing counseling agency (Culpeper Community Development Corporation

does housing counseling but has not been designated by HUD), no down-payment assistance for low-income homebuyers, no Community Housing Development Organization (CHDO), no single-room occupancy for extremely low-income individual adults, no permanent supportive housing, except that offered by Rappahannock-Rapidan Community Services, and no other organization with a mission to develop and operate affordable and rehabilitation housing programs.



VI. CONCLUSIONS AND PRIORITIES FOR NEXT STEPS

The Culpeper Affordable Housing Needs Assessment Management Team and the Culpeper Affordable Housing Committee have worked on collection of the data in this report and have reviewed the data in context of assuring that affordable housing is available for residents of Culpeper County and the Town of Culpeper now and in the future.

The following are the main findings:

- Early in the project, all participants reached the consensus that any development and rehabilitation efforts are best spent in the Town of Culpeper, which offers proximity to the Culpeper Trolley (the only public fixed-route transit in Culpeper), human services, and employment with retailers and other businesses.
- The greatest needs for new housing are for safe, healthful two to three-bedroom apartments in the \$400 to \$600 range for families; and single-room occupancy for individuals.
- There is a need for permanent supportive housing and accessible housing for persons with disabilities.
- While preservation of the existing housing stock is important to assure the current level of affordable housing, a housing rehab project that focuses on a single neighborhood is not believed to be feasible at this time.

Next Steps. Extended discussion and input on affordable housing needs has led to the conclusion that establishment of a regional housing organization is a prerequisite to other efforts to address affordable housing needs in Culpeper. Consideration was given, and is still under discussion, about the value of a single-county housing authority, but no sponsor has come forward to champion that idea. Discussions of the Culpeper Affordable Housing Committee, including County and Town official, the regional Continuum of Care partnership, and the Rappahannock-Rapidan Regional Commission (RRRC) have endorsed the concept of proceeding with plans and design for a regional entity, with RRRC acting as facilitator and convener.

RRRC has applied for a grant to fund this planning effort, which has a desired completion of spring 2013. A factor in this timeline is deadline for state grant applications for the FY2014 – FY2015 housing grant cycle.

The Culpeper Affordable Housing Committee will continue to work with the Continuum of Care partnership to complete this step and continue to proactively look for housing solutions in Culpeper.