

## FAUQUIER COUNTY AFFORDABLE HOUSING COMMITTEE

### HOUSING REPORT 2008 EXECUTIVE SUMMARY

The Fauquier Affordable Housing Committee's Needs Assessment is an initial look at the general housing conditions of Fauquier County. Further study will examine housing needs in individual localities, including the towns of Warrenton, Remington and The Plains, and county service districts; and will quantify targets for new construction, rehabilitation and repair for specific socio-economic groups.

#### KEY FINDINGS

- ✓ ***Rise in Home Prices** - The last six years have witnessed increased housing prices throughout most of the country, as well as within Fauquier County, where the median price of existing homes increased 127 percent between 2000 and 2006, from \$176,000 to \$399,000. The County, like much of the nation, is in a particularly volatile situation within what may be a natural downturn in the housing market cycle. The long-term forecasts, however, suggest continuing population growth and home price. Projected job growth and higher housing prices in Northern Virginia will continue to contribute to increased demand for housing in Fauquier County.*

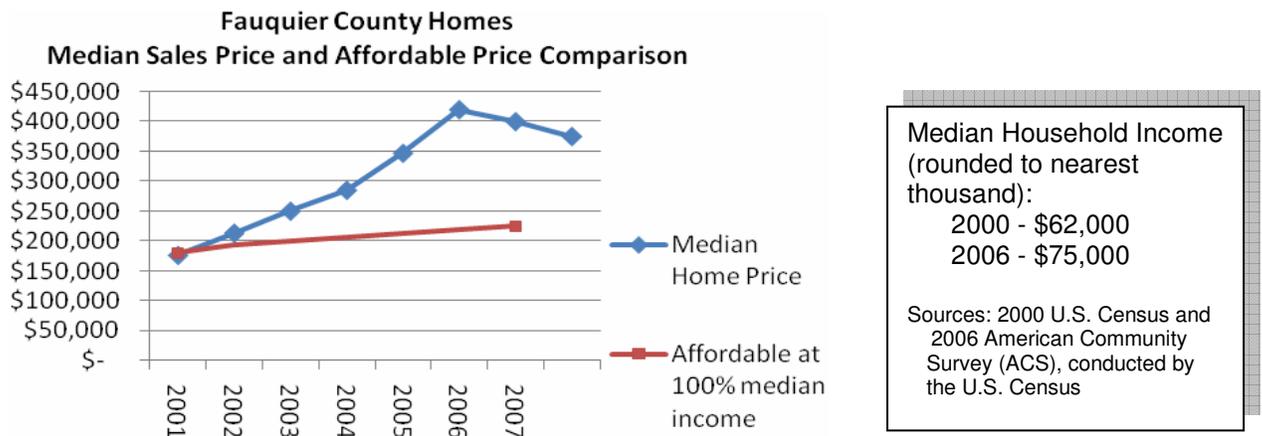


Figure 1 – Source: MRIS

- ✓ ***Median Income Shift** - While housing prices increased 127 percent, median income increased a relatively modest 21 percent - an average 3.5 percent per year - during the same time period.*

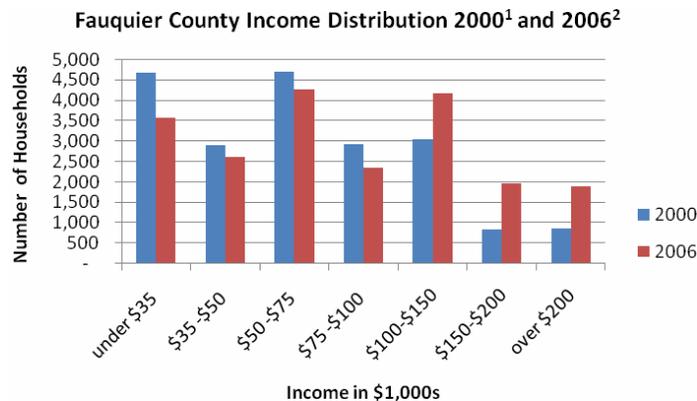


Figure 2- Sources: <sup>1</sup>2000 U.S. Census and <sup>2</sup>2006 American Community Survey (U.S. Census)

- ✓ Home Ownership Opportunities - Many of Fauquier County's current residents benefited from housing opportunities in the last twenty-five years, and were able to become Fauquier County homeowners prior to the escalation in housing prices in 2000. In the current market, however, the same opportunities are not available for many first-time homebuyers.

Household Income	No. of Households <sup>1</sup>	%	Estimated Price Range for Affordable Homes	No. of Existing Homes <sup>2</sup>	%	Current Real Estate Listings <sup>3</sup>	%
under \$35,000	3,559	17.1%	Under \$105,000	68	0.3%	2	0.0%
\$35,000-\$50,000	2,603	12.5%	\$105,000 - \$150,000	215	1.0%	15	2.1%
\$50,000-\$75,000	4,264	20.5%	\$150,000 - \$250,000	2,727	12.8%	111	15.2%
\$75,000-\$100,000	2,333	11.2%	\$250,000 - \$350,000	5,268	24.8%	166	22.7%
over \$100,000	8,008	38.6%	Over \$350,000	12,954	61.0%	436	59.7%
<b>TOTAL</b>	<b>20,767</b>			<b>21,232</b>		<b>730</b>	

Figure 3 <sup>1</sup> 2006 American Community Survey, U.S. Census; includes households in multi-family rental and ownership units

<sup>2</sup> Property Tax Database 2007 – Does not include multi-family units

<sup>3</sup> MRIS February 2008 – Includes condominiums and coops

- ✓ Rental Housing - For many families, rental housing is the best option and also can be a first step toward home ownership. The study showed there is a shortage of multifamily rental housing in all price ranges. The greatest need, however, appears to be for well-built, well-designed two- and three-bedroom apartments in the \$600 to \$1,000 per month price range to meet the needs of households with incomes under \$50,000, which generally are not candidates for home ownership. These families and individuals comprise nearly 30 percent of the County's population (Figure 3.) Some of these households will qualify for subsidized or income-restricted housing.
  - Many local government salaries, including teachers', fall into the income category \$35,000 to \$50,000. Future workforce projections show the largest number of new jobs will fall into this income range, which will increase the demand for this type of housing.
  - It is unlikely that private developers will address this need without some incentives.

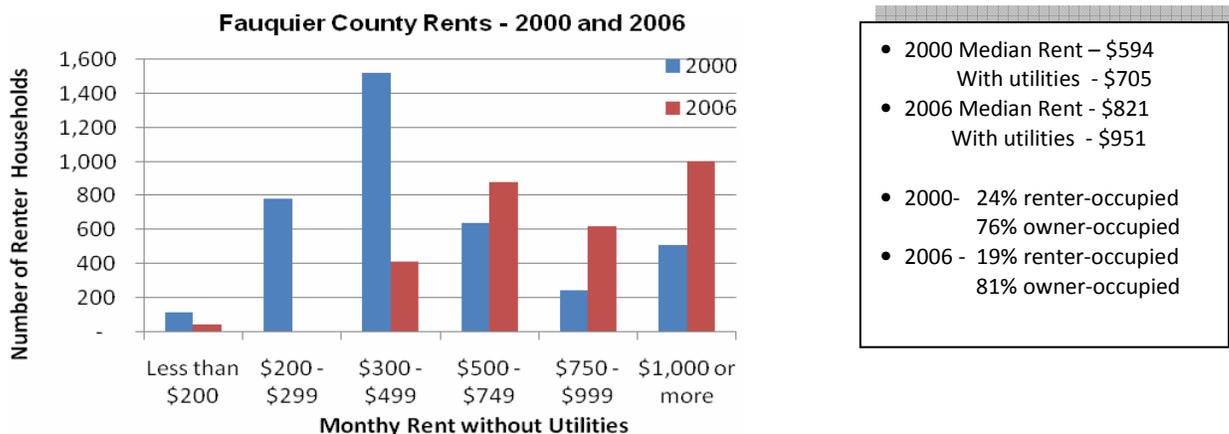


Figure 4- Sources: 2000 U.S. Census and 2006 ACS

- ✓ Substandard Housing Of the 3,010 single family homes in the County valued below \$250,000, 655, or 22 percent, are reported in fair or poor condition. The 2006 ACS reported that 686 households heat with wood and 78 are estimated to have no heating source. Also, 116 housing units lack complete plumbing facilities and 83 lack complete kitchen facilities.

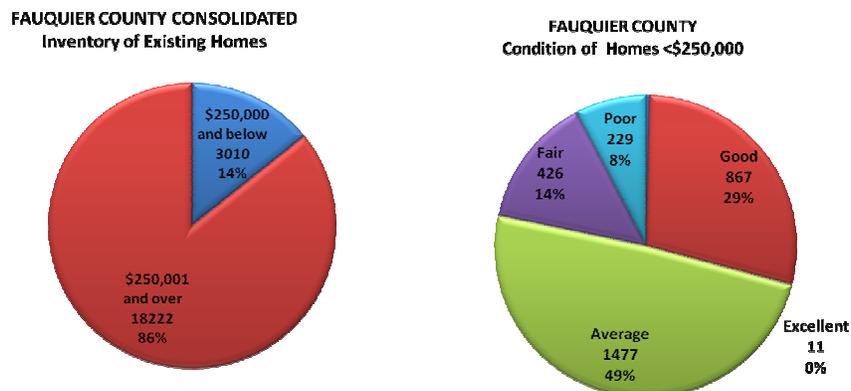


Figure 5 – Source: Property Tax Records

- ✓ Elderly and People with Disabilities - There is a need for safe, affordable and accessible housing for people over age 60 and those with physical and sensory disabilities. This need is projected to expand in the next 25 years as the aging population increases as a percentage of the total population.
  - In 2006, 791 households received property tax relief under the County's provision for Elderly and Disabled. Of those 791 properties, 154 were classified as substandard. Nine properties were listed in the tax database as having no bathrooms.
  - Multifamily rental developments within the county are serving low-income seniors. Some seniors living on social security only, however, may not qualify for these apartments.
  - Helping seniors stay in "owned" homes - by offering in-home supports, necessary repair and rehabs, and transportation - can increase affordability significantly.
  - There is a need for quality supportive housing and assisted living homes for the growing numbers of frail older adults and for people with disabilities.

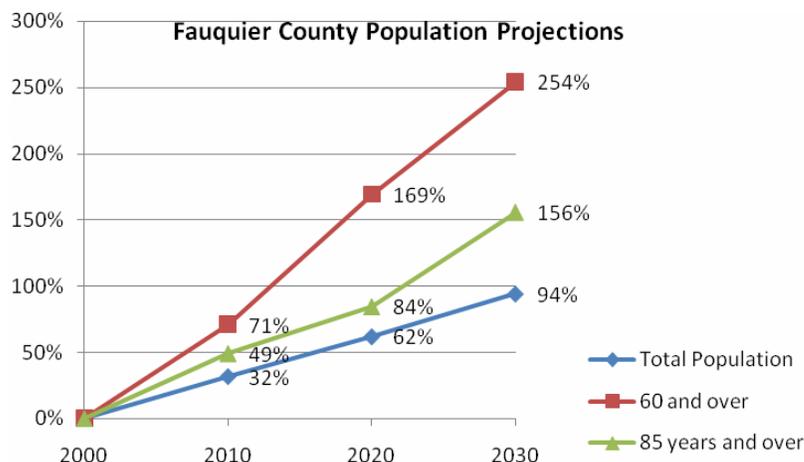


Figure 6 Source: Virginia Employment Commission, Labor Market Information

**BACKGROUND**

**What Is an Affordable Home?**

*The U.S. Department of Housing and Urban Development (HUD) definition of affordability - that a household pay no more than 30 percent of its annual income on housing – leaves a broad range of possibilities when it comes to identifying the supply or inventory of affordable homes in Fauquier County. The following chart summarizes the maximum housing expenditure, and possible price range of affordable homes, for households at various income levels.*

<b>FAUQUIER COUNTY HOME AFFORDABILITY</b>				
Household Income <sup>1</sup>	Approximate Income Category <sup>2</sup>	Monthly Housing Expense <sup>3</sup>	Affordable Home Price Examples <sup>4</sup>	
			Scenario A	Scenario B
\$ 75,000	Moderate (80% - 100%) Median	\$ 1, 875	\$ 198,000	\$ 256,000
\$ 60,000		\$ 1,500	\$ 158,000	\$ 204,000
\$ 50,000	Low (50 – 80%)	\$ 1,250	\$ 130,000	\$ 169,000
\$ 45,000		\$ 1,125	\$ 116,000	\$ 151,000
\$ 35,000	Very Low (30 – 50%)	\$ 875	\$ 89,000	\$ 115,000
\$ 30,000		\$ 750	\$ 75,000	\$ 97,000
\$ 22,500	Extremely Low (30% and below)	\$ 563	\$ 48,000	\$ 70,000

Figure 7

<sup>1</sup> Income Source: 2006 American Community Survey (U.S. Census)

<sup>2</sup> This report uses 2006 American Community Survey (ACS) estimate of median income rather than HUD Area Median Income (AMI). Because Fauquier County is part of the DC-VA-MD HUD Metro Area, HUD median income figures are based on the entire Metro Area, not just Fauquier County. The Census Bureau’s 2006 ACS reports Fauquier County’s 2006 median income as about \$75,000, compared with the 2006 HUD figure of \$90,300 (HUD 2008 AMI is \$99,000.)

<sup>3</sup> For rentals, the monthly housing expense includes rent and utilities. For home ownership, the expense includes mortgage payment, utilities, taxes, and HOA or condo fees.

<sup>4</sup> Affordable home price source: RealtyTrac – approximately 30% of gross income for housing  
Assumptions: Scenario A – Other debt = \$200; interest rate = 7%; down payment = 5%  
Scenario B – Other debt = \$0; interest rate = 5.5%; down payment = 15%

Note: Conventional lenders frequently have guidelines that allow them to approve mortgages with payments up to 32 to 38 percent of gross monthly income.

## CONCLUSIONS AND RECOMMENDATIONS

1. The growth in population and housing in Fauquier County in the past seven years has consisted largely of households with incomes above the county median. This has generated the rise in the area median income and has contributed to the escalation in housing prices. This trend is likely to continue, unless policy and planning changes are implemented to promote a variety of housing types and costs.  
*Recommendations: Update the Affordable Housing section of the Comprehensive Plan to reflect the goal of diversity of housing type, price and density. This section should define affordable housing and set targets for maintaining the inventory of affordable homes at ratios no lower than 2006 levels.*
2. If Fauquier County wishes to maintain the current level of affordable housing, assistance will be needed to complete repairs and rehabilitation on some substandard dwellings. Some of these properties, which cannot be brought up to livable standards at a reasonable cost, will need to be replaced.  
*Recommendations: Continue to support county nonprofit organizations that operate home repair and rehabilitation. Explore ways to offer incentives to homeowners to encourage needed repairs and rehabilitation. Consider establishing an outreach program to identify elderly, residents with disabilities, and other low-income families who are living in substandard housing and need assistance with repairs, rehabilitation, and home modifications.*
3. One of the greatest identified needs is for well-designed and well-built low- and moderately-priced multifamily housing, for rent and ownership. This type of housing is best suited for areas with public utilities, tying affordable housing needs to County land use planning, and creating unique challenges for the towns within the County.  
*Recommendations: Work with the towns of Warrenton, Remington and The Plains to look at the current and planned affordable housing efforts and identify opportunities for joint action. Review county service district plans to ensure that affordability concerns are addressed.*
4. Accessibility issues in housing for older adults and persons with disabilities span income brackets but can be more difficult to overcome for low- and moderate-income households. All new housing plans, particularly those designated as 'age restricted', can benefit from a review for accessibility.  
*Recommendation: Promote concepts of universal design and 'visitability' in building projects throughout the community.*
5. The needs of the homeless and extremely low-income families and individuals are best met by a combination of housing and services. Existing local emergency and transitional programs are unable to fill all of the current requests for shelter and services.  
*Recommendations: Continue to work with local nonprofit housing organizations and the Regional Continuum of Care to monitor the needs of the homeless, provide adequate shelter and services, and develop solutions for chronic homelessness.*
6. A local Affordable Housing Trust Fund can be an important tool to address many of the identified affordable housing needs.  
*Recommendations: Identify potential sources of funding for a local housing trust fund. Evaluate the effectiveness of the SPARC New Homeowners Program and make a recommendation about continuing the program.*

## EMERGING ISSUE: FORECLOSURES

The national subprime mortgage crisis has had an impact on the housing situation in Fauquier County. All of the local housing nonprofits report a significant increase in the number of calls from individuals and families looking for assistance because of eviction or difficulty paying their mortgages. At the end of April 2008, The RealtyTrac website listed 230 Fauquier County properties in foreclosure or bank owned. This is a situation that merits continued monitoring.