



## APPENDIX F: HOUSING AFFORDABILITY

Prepared by the Henrico County  
Planning Department

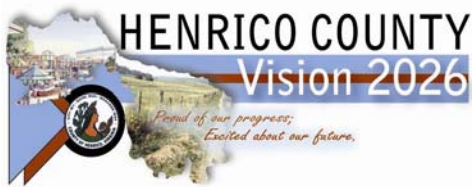
Revised: May 1, 2009



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### **I. LEGAL BASIS**

The Code of Virginia specifies that a Comprehensive Plan shall include “the designation of areas and implementation of measures for the construction, rehabilitation and maintenance of affordable housing, which is sufficient to meet the current and future needs of residents of all levels of income in the locality while considering the current and future needs of the planning district within which the locality is situated.” (Code of Virginia § 15.2-2223) “Affordable housing”, as defined by the Code of Virginia §15.2-2201, means, as a guideline, housing that is affordable to households with incomes at or below the area median income, provided that the occupant pays no more than thirty percent of his/her gross income for gross housing costs, including utilities. Local governments may establish individual definitions of affordable housing and affordable dwelling units including determination of the appropriate percent area median income and percent income.

Henrico County has promoted an environment conducive to development, business growth, job creation, a vibrant living environment and affordable housing for its residents. Its diverse and affordable housing stock may be one of its best kept secrets. Promotion of housing developments, the absence of impediments such as cash proffers and some of the smallest minimum lot sizes in the metropolitan area have contributed to this situation.

## II. DEMOGRAPHICS

As Table 1 indicates, Henrico County's population increased by 80,794 residents between 1980 and 2000. Based on the County's 3-C Report, the 2006 estimated population increased by an additional 37,143 people for a total of 299,443 residents. Henrico's growth is reflected in the continued recordation of subdivision lots. Growth in single-family housing occurred in both the eastern and western portions of the county but more growth has been concentrated in the western portion.

**Table 1: Historic Census Data – Henrico County, VA**

	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2006</b>
<b>Total</b>	181,506	217,881	262,300	299,443

\* 1980, 1990, 2000 U.S. Census; 2006 Henrico County 3-C Report

Using 2000 Census data, along with the County's 2006 3-C Report, Table 2 depicts the increase in single-family and multi-family dwellings. Home ownership, reflected in the number of owner-occupied units, has continued to grow in Henrico County.

**Table 2: Housing Data – Henrico County, VA**

	<b>1990</b>	<b>2000</b>	<b>2006</b>
Total housing units	94,539	112,570	125,972
Occupied housing units	89,138	108,121	122,540
Owner-occupied	56,848	71,089	92,284
% Owner-occupied	63.8	65.7	75.3
Vacant units	5,401	4,449	3,432
Homeowner vacancy	1.7	1.1	1.6
Rental vacancy	9.1	5.1	6
Owner household size	2.59	2.54	2.56
Renter household size	2.11	2.11	2.09

\* 1990, 2000 U.S. Census; 2006 Henrico County 3-C Report; 2006 American Community Survey

As of July 2006, 40,177 homes out of 85,548<sup>1</sup> (approximately 46% of single family detached homes, townhouses and condominiums, as reported by the County Assessor's Office) are affordable to low-income families, as reflected in Table 3<sup>2</sup>. In 2006, the U.S. Department of Housing and Urban Development defined low income as \$54,100 for a family of four in the Richmond-Petersburg area. This definition is based on 80% or less of the Median Family income for a family of four, which was \$67,200.

<sup>1</sup> Excludes Residential Acreage category

<sup>2</sup> (Calculation assumes 10% down, 7% interest rate, 30-year mortgage, 28% for principal, interest, taxes and insurance and long term debt not to exceed 36% of gross monthly income.) Source: Henrico County Real Estate Tax Records with affordability analysis by Community Revitalization.

**Table 3: Affordability of Homes in Henrico County, VA**

<b>Value Range</b>	<b>Number of Dwellings in Range</b>	<b>Percentage of Dwellings</b>
<b>Assessed Value</b>		
<\$50,000	130	0.15%
\$50,000 - \$59,999	330	0.39%
\$60,000 - \$69,999	776	0.91%
\$70,000 - \$79,999	1707	2.00%
\$80,000 - \$89,999	1841	2.15%
\$90,000 - \$99,999	2,421	2.83%
\$100,000 - \$109,999	3,454	4.04%
\$110,000 - \$119,999	4,352	5.09%
\$120,000 - \$129,999	5,443	6.36%
\$130,000 - \$139,999	5,328	6.23%
\$140,000 - \$149,999	4,630	5.41%
\$150,000 - \$159,999	4,931	5.76%
\$160,000 - \$169,999	4,834	5.65%
\$170,000 - \$179,999	4,271	4.99%
\$180,000 - \$189,999	3,823	4.47%
\$190,000 - \$199,999	3,275	3.83%
\$200,000 - \$249,999	11,886	13.89%
\$250,000 - \$299,999	7,497	8.76%
\$300,000 - \$399,999	7,296	8.53%
\$400,000 - \$499,999	3,606	4.22%
\$500,000 and up	3,717	4.34%
<b>TOTAL</b>	<b>85,548</b>	<b>100.00%</b>

The renter has also been well served in the Henrico County housing market. In addition to the supply of single-family, townhouse and condominium units, Henrico County has 32,410 apartments. Of those 7,714 or 23.8% are subsidized and meet the definition of affordable to persons at or below 60% of area median income. As can be seen in Table 4, from 1990 through 2004, 42% of all multi-family housing in the metropolitan area, including subsidized apartments, was developed in Henrico County.



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Table 4: Multi-Unit Residential Building Permits, Regionally

	Henrico County	Chesterfield County	Hanover County	Powhatan County	Goochland County	City of Richmond	New Kent County
1990	418	8	96	0	0	20	0
1991	32	0	0	0	0	0	0
1992	8	219	0	6	2	8	0
1993	71	4	88	0	0	31	0
1994	90	0	122	0	0	4	0
1995	100	294	5	0	0	21	0
1996	298	0	56	0	3	242	0
1997	1,166	240	150	2	0	232	0
1998	275	501	0	0	2	0	0
1999	348	725	60	0	0	115	0
2000	0	38	75	0	0	100	0
2001	1,042	503	0	2	0	104	0
2002	590	816	0	0	0	355	0
2003	326	909	108	0	0	216	0
2004	145	1,098	0	0	0	79	0
<b>Total</b>	<b>4,909</b>	<b>5,355</b>	<b>760</b>	<b>10</b>	<b>7</b>	<b>1,527</b>	<b>0</b>

\* Richmond Regional Planning District Commission, 2006.



### III. AFFORDABLE HOUSING EFFORTS

The County understands that even with the above-mentioned level of affordability, some families and individuals could still use assistance in their efforts to become homeowners. Henrico County has been aggressive in its efforts to encourage and assist these aspiring homeowners through its support of many non-profit private corporations, which provide homeownership assistance to families and persons at 80% median income and below. Henrico County's direct financial support for homeownership assistance has totaled in the millions of dollars. The County funds construction of new affordable housing through allocations to Community Development Corporations. Funding goes towards site improvements, pre-development expenses and acquisition of land for the construction of new homes for sale to low income families. In addition, the County has supported applications for financing utilizing low income housing tax credits and low interest bonds for the rehabilitation/development of thousands of subsidized apartments in the County. Other County programs promoting affordable housing are described below.

#### **DOWN-PAYMENT AND CLOSING COST ASSISTANCE**

Currently, Henrico County funds several non-profit organizations that provide up to \$10,000 in down-payment and closing cost assistance to County residents buying a home. The assistance is in the form of a no-interest, deferred loan. Because the loan is forgiven over a 5-year period, this functions more as a grant program. This increases the opportunity for first time home buyers to buy a home, as many families or individuals cannot provide the needed down-payment and closings costs to get into homeownership. In addition, the loan package is often below market interest through non-profit relationships with banks and/or the Virginia Housing Development Authority.

#### **EMERGENCY REPAIRS AND HOUSING REHABILITATION**

The County has funded and operated, through non-profit providers, extensive residential rehabilitation programs. These include emergency repairs, moderate rehabilitation and lead based paint testing and abatement. These programs help existing low income homeowners maintain and remain in their homes.

#### **REAL ESTATE TAX ABATEMENT PROGRAM**

Henrico County currently has in place a real estate tax abatement program to encourage the rehabilitation or replacement of older multi-family properties. Chapter 20, Article 2, Division 3 of the Henrico County Code provides for partial real estate tax exemption for the rehabilitation of multi-family buildings that are 26 years of age and older. A base value is established prior to renovation and the owner is issued a credit memorandum for the difference in the assessment

after renovation is complete. The assessment has to increase the improved base value by at least 50% in order to qualify. The tax exemption is for a period of 7 years. The program also covers certain commercial, industrial, and hotel and motel properties.

Since 1990, the County has promoted the maintenance of its neighborhoods and has invested over \$15 million in the rehabilitation of homes owned by the elderly, low income and disabled. As shown in Table 5, ElderHomes Corporation alone has received close to \$7.5 million in support from Henrico County.

**Table 5 Direct Assistance to Low Income Families & Individuals**

<b>Private Non-Profit Corporation or Public Agency Housing Appropriations</b>	<b>Direct Financial Support Since 1990*</b>
ElderHomes Rehabilitation	\$5,407,000
Mental Health Access for Disabled	\$50,000
Mental Health Group Homes	\$998,000
Interfaith Housing Corporation	\$2,272,000
Hilliard House Transitional Housing	\$371,000
Habitat for Humanity	\$927,000
HomeBuy5	\$167,900
Housing Options Inc.	\$630,000
St. Joseph's Villa Transitional Housing	\$142,000
Home Inc. Keystone Program	\$180,000
Parham Park Place II	\$200,000
Southside CDC/American Dream Program	\$719,101
Partnership for Down-payment Assistance	\$345,000
<b>Total</b>	<b>\$12,409,001.00</b>

\* Through 2006. Source: Henrico County Department of Community Revitalization

There is also an increased recognition of the value of preserving and enhancing existing neighborhoods for current and future inhabitants. To that end, the Board of Supervisors and County Administration have assumed a leadership position in assisting Henrico's older communities. In July 2004 the Board approved the establishment of a Department of Community Revitalization to ensure a vital living environment for all its citizens. Program goals include seeking voluntary compliance with zoning, building and environmental codes, thereby maintaining and improving the appearance of aging suburban neighborhoods. While enforcement is a tool, there is a strong focus on prevention and elimination of blighting influences through educational initiatives. Another key is the coordination of volunteer assistance for the indigent and disabled who cannot reach code compliance through their own efforts.



## IV. LAND USE AND ZONING

The County supports the construction of both rental and ownership units in a variety of housing types through its land use approval processes. In addition to large single-family detached homes, smaller homes, apartments, townhouses and condominiums are being constructed throughout the County to accommodate a range of income levels.

Henrico County currently has a wide range of opportunities for varying lot sizes in the County Zoning Ordinance. Single-family lot sizes range from one acre in the A-1 and R-0 Districts to 5,625 sq. ft., or approximately 0.13 of an acre, in the R-5A District. While a variety of single-family lot sizes is important to providing affordable housing, other housing style options, including condominiums and townhomes, are also important avenues for ownership and can often provide more affordable options versus detached single-family homes. The zoning ordinance allows multi-family densities of nine units per acre for townhomes and condominiums in the RTH District, and 14.5 and 19.8 units per acre for condominiums in the R-5 and R-6 Districts respectively. The County has several examples of RTH style developments where unit prices are affordable. Additionally, the County has a mixed-use zoning district, Urban Mixed-Use (UMU), where up to 40 residential units per acre can be developed. As of 2006, the County has approved 4 UMU projects, each providing a diverse range of housing types and sizes. The Future Land Use Map outlines areas where the varying types of zoning districts would be most appropriate. Mixed-use developments are important because they can use the higher densities to provide a wider range of opportunities for ownership and/or rental within the same community in addition to providing the convenience and accessibility of less expensive forms of travel (e.g. walking, biking).

In an effort to keep residential development costs low and promote affordable housing, the County is continuously evaluating its processes. Changes have been made to the rezoning and subdivision approval process to make them as efficient as possible. An example of this is the Expedited Approval Process used for all Plan of Development and Subdivision cases. Separate construction and utility plans are no longer required; instead, a single plan is submitted for comments, thereby expediting the process and saving applicants money. Additionally, in order to streamline permit approvals for all residential development, the County established a Permit Center staffed by a multi-disciplined team. Finally, unlike Chesterfield, Hanover and Goochland Counties, Henrico County does not use cash proffers.



## **V. CONCLUSION**

Henrico County provides well-maintained, diverse, affordable housing options. By continuing to maintain the health of current housing stock while developing new housing opportunities, the County expects to meet the changing demands and expectations of future residents.