

HOUSING MARKET ANALYSIS (24 CFR 91.210)

General Characteristics

Based on information available to the jurisdiction, the plan must describe the significant characteristics of the jurisdiction's housing market, including the supply, demand, and condition and cost of housing and the housing stock available to serve persons with disabilities, and to serve other low-income persons with special needs, including persons with HIV/AIDS and their families. Data on the housing market should include, to the extent information is available, an estimate of the number of vacant or abandoned buildings and whether units in these buildings are suitable for rehabilitation. The jurisdiction must also identify and describe any areas within the jurisdiction with concentrations of racial/ethnic minorities and/or low-income families, stating how it defines the terms "area of low-income concentration" and "area of minority concentration" for this purpose. The locations and degree of these concentrations must be identified, either in a narrative or on one or more maps.

The housing market in the City of Virginia Beach has gone through a dramatic 10-year cycle of growth, accelerated growth in terms of price and now a decline in housing price value. However, the values have decelerated at the same rate as the acceleration, only the number of sales per year.

In 1999, the median house price sold in the City of Virginia Beach was \$118,000. In 2009, the median house price sold was \$238,000. At the peak of the price escalation, the median house price sold was \$259,000 in 2007. **This trend in price averaged an annual price increase of 16% over the ten-year period.**

In 2010, there has been very little increase in supply, building permit figures have ranged as high as a 50 percent decline, year over year. The supply that is available is higher priced builder inventory and existing housing that is selling very slowly with a very large inventory on the market. This includes short sales and foreclosures. The credit environment for housing has tightened considerably causing the slow down in purchases in recent years. This is a national trend although Hampton Roads has not been hit as hard as many other locations. The price drop-off has not been as steep in significantly overbuilt markets. Therefore, the prices have stayed higher decreasing the affordability for all households, especially the low-moderate income households. Most of these families are completely priced out of the for-sale market. Many of the low-moderate households that own housing are being cost burdened because of the higher assessment brought on by the booming house prices. This factor and potential disruptions in income because of the unsteady job market have place a high percentage of households at risk for foreclosure.

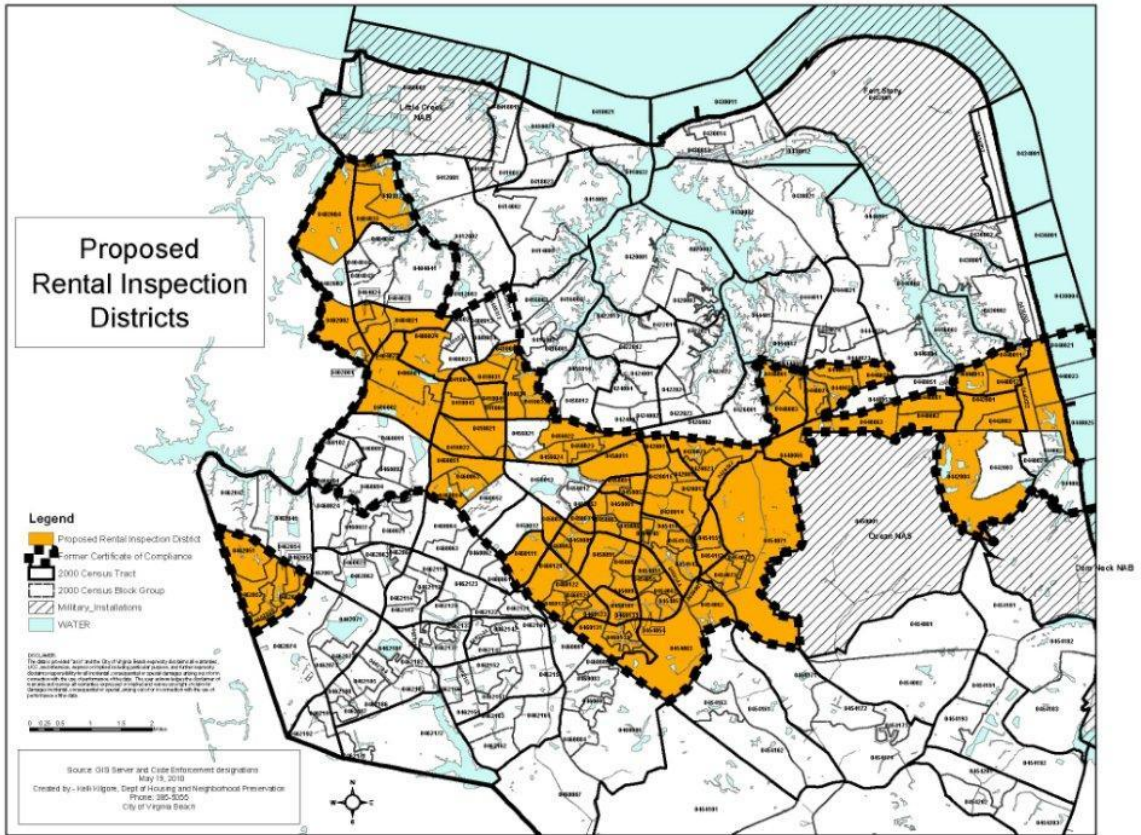
The rental market is more of the same. The average rental rate in 1999 was \$550 per month. The average rental rate in 2009 was \$945. This one factor is the primary problem area for persons renting and their cost burdening. While incomes have only increased by 3.5 percent per year, the rental costs have increased by 7 percent per year. Add in the unstable employment, especially for persons with modest skills, and we have the potential for housing instability unprecedented for well over 30 years.

Both of the conditions described above only exacerbate the problems for low-moderate income households, persons with disabilities and special needs including the elderly and the HIV/AIDS households.

We have seen very little rise in abandoned housing. There are some vacant houses as people, especially the military, have had to move for employment reasons, but have left their home open for sale. This period of time is growing but the housing is not abandoned.

Because there are so few abandoned houses, there is very little opportunity for rehabilitation. When a house is abandoned, it usually increases the calls for Code Enforcement. Our department is very aggressive on these type of properties and when all efforts have been exhausted to get the legal homeowner to bring the property to a satisfactory level, we enter the house into the spot blight program. This allows the city to acquire the home and fix it, condemn it or sell it. We have exercised this very sparingly over the past 5 years.

We have identified concentrations of low-income families with the HUD data for Upper Quartile Exceptions. The map below is a reflection of those areas.



Public and Assisted Housing

(1) The plan must describe and identify the public housing developments and the number of public housing units in the jurisdiction, the physical condition of such units, the restoration and revitalization needs, results from the Section 504 needs assessment (i.e., assessment of needs of tenants and applicants on waiting list for accessible units, as required by 24 CFR 8.25), and the public housing agency's strategy for improving the management and operation of such public housing and for improving the living environment of low- and moderate-income families residing in public housing. The consolidated plan must identify the public housing developments in the jurisdictions that are participating in an approved PHA Plan.

The City of Virginia Beach does not have any public housing units. There are no public housing developments participating in an approved PHA plan.

(2) The jurisdiction shall include a description of the number and targeting (income level and type of family served) of units currently assisted by local, state, or federally funded programs, and an assessment of whether any such units are expected to be lost from the assisted housing inventory for any reason, such as expiration of Section 8 contracts.

The following charts are a reflection of the households that are living in Section 8 Housing Choice Voucher units and those that are on the waiting list based on the needs of the assessment completed by the Rental Housing division.

We do not expect to lose units for the Housing Choice Voucher program. We have retained a Housing Broker to continually find new housing units for our voucher programs. We are continually looking for grant opportunities to increase the number of vouchers for our citizens. We currently have a grant request for 50 Family Unification Vouchers and 100 units in a grant request for non-homeless persons with disabilities.

We will remain aggressive in our pursuit of new voucher opportunities and new building or rehabilitation opportunities to increase the number of units available for low-income citizens of Virginia Beach.

Housing Choice Vouchers

As should be expected, the number of very low income households that receive Housing Choice Vouchers is significantly higher than the other categories for both the voucher holders and the persons on the wait list.

Housing Choice Voucher – Voucher Holders and Wait List Households by Income

Category	Voucher Holders	%	Wait List	%
Extremely Low Income (30% AMI or less)	1,181	62.5	460	72.0
Low Income (30.1% to 50.0% of AMI)	597	31.6	165	25.8
Moderate Income (50.1% to 80.0% of AMI)	112	5.9	14	2.2
TOTAL	1,890	100.0	639	100.0

SOURCE: Rental Housing Division, Department of Housing and Neighborhood Preservation, City of Virginia Beach

The low income families with children, the elderly and the disabled are represented in the voucher program. We expect this trend to continue because of the difficulty of these participants to significantly increase their income.

Housing Choice Voucher – Voucher Holders and Wait List Households by Family Information

Category	Voucher Holders	Wait List
Families with Children	1,077	543
Elderly Families	304	10
Families with Disabilities	814	37

SOURCE: Rental Housing Division, Department of Housing and Neighborhood Preservation, City of Virginia Beach

The percentage of Black/African American voucher holders is **SIGNIFICANTLY** higher than the population as a whole in the City of Virginia Beach.

Housing Choice Voucher – Voucher Holders and Wait List Households by Race

Category	Voucher Holders	%	Wait List	%
White	314	16.6	109	17.1
Black/African American	1,545	81.8	518	81.1
Asian	26	1.4	5	0.8
Native American	1	0.1	5	0.8
Hawaiian/Pacific Islands	4	0.2	2	0.3
Other	0	0.0	0	0.0
TOTAL	1,890	100.0	639	100.0

SOURCE: Rental Housing Division, Department of Housing and Neighborhood Preservation, City of Virginia Beach

Housing Choice Voucher – Voucher Holders by Bedroom Size

Category	Voucher	%	Size of Units Leased	%
1 Bedroom	873	46.2	214	11.3
2 Bedrooms	729	38.6	885	46.8
3 Bedrooms	256	13.5	728	38.5
4 Bedrooms	31	1.6	62	3.3
5 Bedrooms	1	0.1	1	0.1
5+ Bedrooms	0	0.0	0	0.0
TOTAL	1,890	100.0	1,890	100.0

SOURCE: Rental Housing Division, Department of Housing and Neighborhood Preservation, City of Virginia Beach

Homeless Facilities

The plan must include a brief inventory of facilities and services that meet the emergency shelter, transitional housing, permanent supportive housing, and permanent housing needs of homeless persons within the jurisdiction, including any persons that are chronically homeless. The inventory should also include (to the extent the information is available to the jurisdiction) an estimate of the percentage or number of beds and supportive services programs that are serving people that are chronically homeless.

Emergency Shelter Facilities

Organization Name/Type	Target Population	McKinney-Vento Funds?	Beds for Households with Children	Beds for Households without Children	Total Year-Round Beds	Seasonal Beds	PIT Count 2010	Utilization Rate
Judeo-Christian Outreach Center/Shelter	SMF+HC	Yes	4	2	46	0	50	100%
Loving Caring Ministries/Shelter	SMF+HC	No	9	8	17	0	0	0%
Mother Seton House, Inc./Seton Youth Shelters	YMF	Yes	0	21	21	0	9	43%
Samaritan House/Scattered Site	SMF+HC/DV	Yes	64	3	67	0	71	106%
Third Party Voucher/Scattered Site	SMF+HC	No	17	6	23	0	23	100%
Virginia Beach Community Development Corporation/Harbor House Shelter	HC	No	8	0	8	0	2	25%
Volunteers of America/Winter Shelter	SMF	No	0	64	64	64	84	131%

Transitional Housing

Organization Name/Type	Target Population	McKinney-Vento Funds?	Beds for Households with Children	Beds for Households without Children	Total Year-Round Beds	Seasonal Beds	PIT Count 2010	Utilization Rate
CAMG Inc./CAMG1	SMF	Yes	0	3	3	0	3	100%
CAMG Inc./CAMG4	SMF+HC	Yes	9	2	11	0	9	82%
Holy Spirit Catholic Church/Spirit House	SF	No	0	3	3	0	2	67%
Judeo-Christian Outreach Center/JCOC	SMF/VET	No	0	14	14	0	0	0% Under Development
Samaritan House/Scattered Sites	HC/DV	Yes	63	0	63	0	36	57%
VetsHouse/VetsHouse	SM/VET	Yes	0	20	20	0	20	100%
Virginia Beach Community Development Corporation/	Transitional Housing Program for Families	Yes	104	0	104	0	78	75%
Virginia Beach Community Development Corporation/Hope House	SMF	No	0	7	7	0	7	100%

Permanent Supportive Housing

Organization Name/Type	Target Population	McKinney-Vento Funds?	Beds for Households with Children	Beds for Households without Children	Total Year-Round Beds	Chronic Homeless	PIT Count 2010	Utilization Rate
CAMG Inc./CAMG1R	SMF	Yes	0	3	3	0	2	67%
CAMG Inc./CAMG10	Smf	Yes	0	30	30	4	27	90%
CAMG, Inc./CAMG33	SMF+HC	Yes	9	82	91	12	78	86%
CAMG Inc./CAMG88	SMF+HC	No	0	23	23	17	18	78%
Judeo-Christian Outreach Center/PSH	SMF	Yes	0	8	8	8	0	0% Under Development
Virginia Beach Community Development Corporation/New Haven	SMF	Yes	0	2	2	2	1	50%
Virginia Supportive Housing/Gosnold Apts	SMF	Yes	0	12	12	9	12	100%
Virginia Supportive Housing/Cloverleaf Apartments	SMF	Yes	0	42	42	10	36	100%

Special Need Facilities and Service

The plan must describe, to the extent information is available, the facilities and services that assist persons who are not homeless but who require supportive housing, and programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing.

Facilities	Services	Target Served
Lynnhaven Center	Community based, daily program for adults serving individuals with substance dependence, acute psychiatric symptoms for those with co-occurring disorders.	MHSA
The Harbour	Provide adult residents eighteen years or older with integrated pscho-social services to individuals with serious mental illness, substance abuse problems and co-occurring disorders. Provides a variety of groups that focus on assisting the consumer in developing skills and providing support.	MHSA
Magic Hollow I	Provides for adults with serious mental illness and co-occurring disorders including psychiatric evaluations, medication management, individual and group therapy.	MHSA
Beach House	Provides psychosocial rehabilitation in a clubhouse community. Six days per week and includes opportunities for employment, education and socialization.	MHSA
Case Management Services	Assists children, adults and their families with access to medical, psychiatric, social, educational, vocational, financial, and other support services. Provides discharge	MHSA

	planning to individuals in local and state facilities.	
Magic Hollow II	Provide services to adults over the age of 60. Services include individual and group therapy, medication and management, case management, education and support groups. Encourages socialization and independent living skills.	MHSA/Seniors
Respite Care	Provides a temporary break from care giving responsibilities allowing the family caregiver time to regroup, renew, recharge and restore balances in life and reduce stress. In-home adult sitter provides supervision and socialization to individuals who live with their primary caregiver and who are not safe to be left alone due to frailty, illness or dementia.	MHSA
Supportive Residential Services	Provides safe, affordable housing and support services for individual receiving services through the MHSA Division.	MHSA
Adult Corrective Services	Curriculum based mental health and substance abuse education, relapse prevention, re-entry planning and referrals to community resources including jail diversion, forensic services, competency restoration, advocacy, discharge planning, and referrals for inmates with serious mental illness.	MHSA
Group Homes	4405 Chelsea Court Virginia Beach, Virginia 23455	DEVELOPMENTAL SERVICES
	1128 Gladiola Crescent Virginia Beach, Virginia 23453	DEVELOPMENTAL SERVICES
	3705 Gresham Court Virginia Beach, Virginia 23452	DEVELOPMENTAL SERVICES
	1604 Grey Friars Chase Virginia Beach, Virginia 23456	DEVELOPMENTAL SERVICES
	705 Reasor Drive Virginia Beach, Virginia 23454	DEVELOPMENTAL SERVICES
	1117 Valley Stream Court Virginia Beach, Virginia 23456	DEVELOPMENTAL SERVICES
Infant Program	2307 Millwood Road Virginia Beach, Virginia 23454	DEVELOPMENTAL SERVICES
Intermediate Care Facilities	6316 Colby Way Virginia Beach, Virginia 23464	DEVELOPMENTAL SERVICES
	145 South Kentucky Avenue Virginia Beach, Virginia 23452	DEVELOPMENTAL SERVICES
	149 South Kentucky Way Virginia Beach, Virginia 23452	DEVELOPMENTAL SERVICES
BizNet Village	2752 West Neck Road Virginia Beach, Virginia 23456	DEVELOPMENTAL SERVICES
	2756 West Neck Road Virginia Beach, Virginia 23456	DEVELOPMENTAL SERVICES
Juvenile Detention Center	Municipal Center, Building 27, 2533 George Mason Drive Virginia Beach, Virginia 23456	JUVENILES
Supportive Residential Services	Atlantic Manor 745 Lawrence Drive, Apartment 202 Virginia Beach, Virginia 23462	SUPPORTIVE RESIDENTIAL SERVICES

	Beach Park 866 Old Virginia Beach Road Virginia Beach, Virginia 23451	SUPPORTIVE RESIDENTIAL SERVICES
	100 A South Palm Avenue Virginia Beach, Virginia 23452	SUPPORTIVE RESIDENTIAL SERVICES

Barriers to Affordable Housing

The plan must explain whether the cost of housing or the incentives to develop, maintain, or improve affordable housing in the jurisdiction are affected by public policies, particularly by policies of the jurisdiction, including tax policies affecting land and other property, land use controls, zoning ordinances, building codes, fees and charges, growth limits, and policies that affect the return on residential investment.

We will continue to build on the successes we obtained in the past years when the Workforce Housing Program and the Neighborhood Preservation Initiative and the Plan to End Family Homelessness were all approved by City Council. We are using both the Homeless Prevention and Rapid Re-Housing (HPRP) Funds and the CDBG-R funds to assist households in removing affordability barriers even though these funds were actually made a part of the FFY 2008 Annual Plans.

DHNP staff has participated in the evaluation process of three Strategic Growth Area initiatives. These initiatives are designed to create a plan for future development of areas deemed to be outliving their current economic and physical value. DHNP’s role has been to keep the housing needs of all demographic segments in the evaluation mix of the planners, consultants and civic participants. The Burton Station SGA and the Pembroke SGA have been completed and approved. The Newtown SGA has not been approved by City Council at this time.

DHNP staff also participated in writing the Housing and Neighborhood Preservation Chapter for the Comprehensive Plan for the City of Virginia Beach. This plan was recognized by the Virginia Association Planning Association as **THE** outstanding plan in the Commonwealth. Many of the goals and policy guidelines established in this document will enhance our efforts to remove Barriers to Affordable Housing.

The following table from the 5-year plan identifies barriers and potential ways to overcome them. However, many barriers remain even though progress is being made on reducing their impact on our low-moderate income households and individuals.

Barriers to Affordable Housing and How to Overcome Them

Barrier/Issue	Action to Overcome	Where	How	Desired Result
Lack of Appropriately Zoned Land for Housing Development	Rezone land to allow housing as a by-right use	City's strategic growth areas	Develop proposal and request adoption by Planning commission and City Council	Proposals for housing do not have to go through a rezoning process; more land is available for housing
Allowable density combined with cost of land make development of affordable housing difficult	Rezone land to allow increased density by-right when it includes some affordable units (both higher allowable density and density bonuses)	City's strategic growth areas	Develop proposal and request adoption by Planning commission and City Council	Affordable housing is more feasible due to higher density/lower land cost. Affordable housing proposals do not have to go through a rezoning process
Barrier/Issue	Action to Overcome	Where	How	Desired Result
Market rate housing is extremely financially attractive; thus affordable housing is unlikely to be built under current market conditions	Require or incentivize a portion of all housing be affordable	In defined zoning categories in strategic growth areas	Develop proposal and request adoption by Planning commission and City Council	Affordable housing is created within new development and results in income integrated development
Current zoning does not allow housing in certain districts; some locations could provide affordable housing as part of a	Allow mixed use development in appropriate locations	In defined zoning categories	Develop proposal and request adoption by Planning commission and City Council	Lower cost units created/ costs are subsidized by retail/commercial use allowance

"mixed-use" development				
Cost of land makes affordable units difficult to develop	Provide development subsidies and/or gap financing	In appropriate areas/not related to zoning necessarily	Offer special financing, fee waivers, etc. in order to reduce cost of some/all units. Also request set-aside of units to be sold to people with referrals/ owner subsidies	Lower cost units and/or units reserved for people in defined income groups and/or with subsidies
Cost of taxes contributes to lack of affordability	Provide appropriate and meaningful tax abatement allowances in return for defined number of affordable units	In strategic growth areas	Develop proposal and request approval of city council	Total cost of development is reduced, thus increasing affordability if appropriate controls are in place
Development review process is lengthy, uncertain and expensive	Reduce review time and increase certainty	Wherever development and redevelopment is desired	All above zoning changes will allow more by-right development, thus reducing time and uncertainty	Risk and cost of developing affordable housing is reduced, thus more developments are expected