03 Regional Findings

INTRODUCTION

This section identifies housing trends that suggest the roles that each locality plays in the region and the interconnectivity among regional employment, transportation, and housing patterns.

Data were gathered from four main sources: American Community Survey (ACS) published tables, ACS Public Use Microdata Sample (PUMS) files, the Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy (CHAS) data, and the New River Valley Association of REALTORS® multiple listing service (MLS) data. These resources were supplemented with 2019 US Bureau of Labor Statistics (BLS) earnings by occupation data, Jobs EQ 2020Q1 employment by occupation data, 2012–2016 Location Affordability Index (LAI) data, Appalachian Power, and 2017 OnTheMap data from the US Census Bureau Center for Economic Studies.

Local input was provided by 10 focus group discussions, an online public survey which garnered 1,158 responses, and two expert advisory groups comprising stakeholders across all localities and housing-related sectors.

Regional Findings

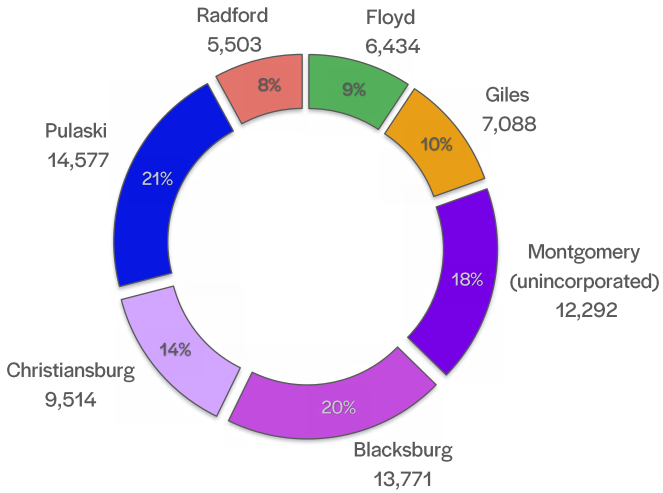
3.1 CURRENT HOUSING TRENDS

Population Growth

The NRV region includes the four counties of Floyd, Giles, Montgomery, and Pulaski, the City of Radford, and the towns of Floyd, Glen Lyn, Narrows, Pearisburg, Pembroke, Rich Creek, Blacksburg, Christiansburg, Dublin, and Pulaski. The region's population is 181,860 and comprises 69,180 households, each including two to three people on average. More than one third of the region's households live in the Towns of Blacksburg and Christiansburg.

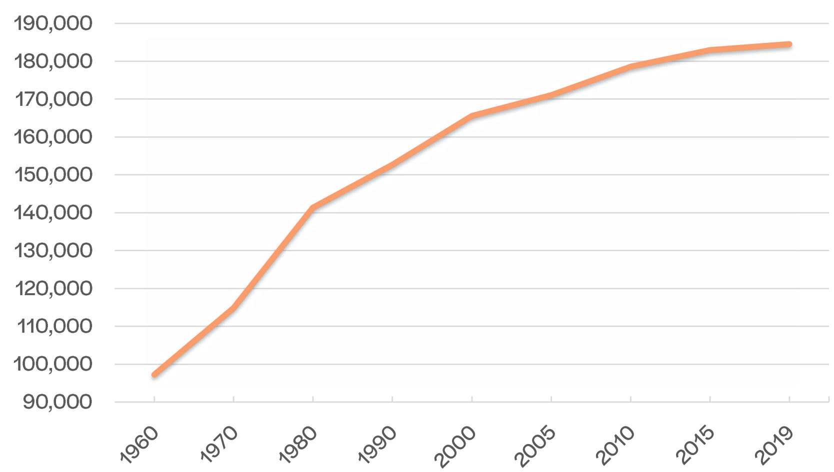
The NRV's population has increased by 87 percent since 1960, with the largest decade of growth occurring between 1970 and 1980.

Number of Households by Jurisdiction



Source: NRVRC-VCHR Tabulation of 2017 ACS 5-year Estimates

NRV Population 1960 - Present



Source: Weldon Cooper Center for Public Service 2019

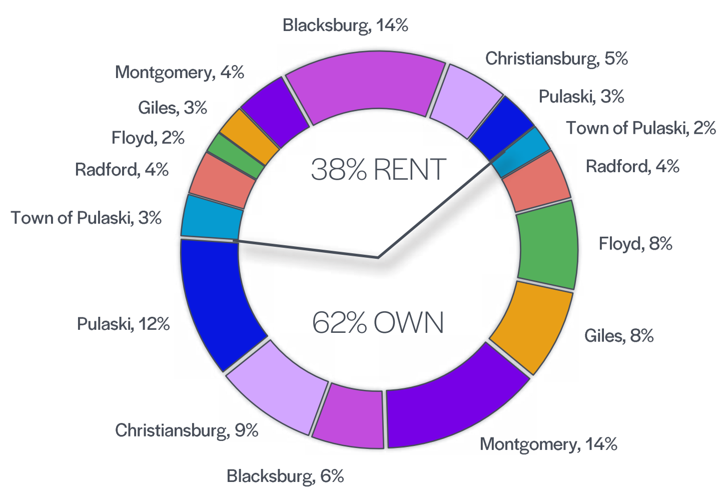
Regional Housing Stock

The median build year in the region is 1979, and more than half of homes were built prior to 1980. Only 18 percent of the region's housing stock was built after 2000. Single-family detached homes are most prevalent in the region, comprising 61 percent of the NRV's housing stock.

Tenure

Tenure refers to whether a resident is a renter or owner. In total, 62 percent of NRV households are homeowners and 38 percent are renters. Montgomery County and the City of Radford have a disproportionately high number of renters owing to the presence of the region's two universities, Virginia Tech and Radford University. Floyd, Pulaski, and Giles have a disproportionately high number of homeowners. Floyd has the highest rate of homeownership at 81 percent.

Housing Tenure - Owner and Renter



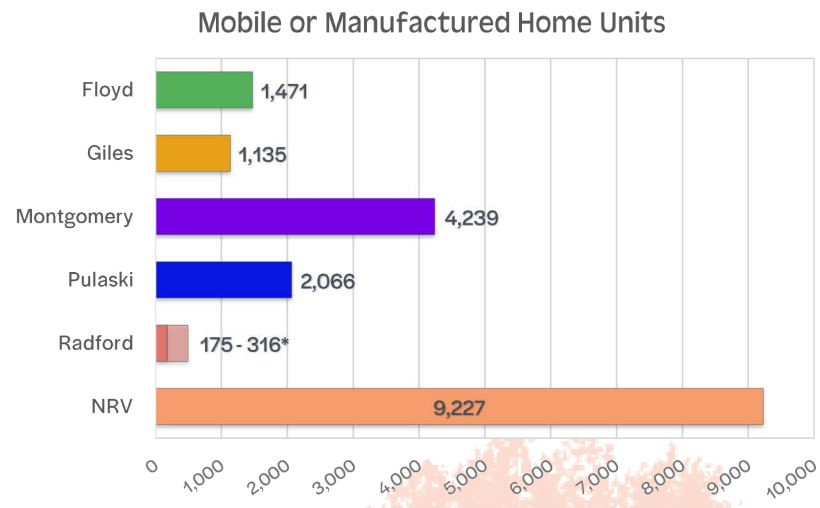
Source: NRVRC-VCHR Tabulation of 2017 ACS 5-year Estimates

Manufactured Homes

Manufactured and mobile homes comprise 12 percent of the region's housing. Floyd County has the highest percentage of manufactured and mobile homes, comprising 22 percent of its stock, whereas Montgomery County has the largest number of manufactured and mobile housing units in the region at 4,239.

The terms "mobile home" and "manufactured housing" are distinguished based on the date of manufacture. Mobile homes designate units built prior to the 1976 HUD code standards for manufactured homes and are considered substandard stock that should be replaced to provide safe and healthy housing for residents. There are nearly 2,000 pre-1976 mobile homes throughout the region.

Manufactured housing units are those constructed in 1976 or later. Present-day manufactured houses, which have significantly higher health, safety, and energy efficiency standards, are an affordable and practical housing option for many residents of the region.



*Margin of error used
Soruce: NRVRC-VCHR Tabulation of 2017 ACS 5-year Estimates

Percentage of Mobile or Manufactured Home Units to Total Housing Units

Locality	Total Units	Percent Mobile or Manufactured Units
Floyd	7,981	18%
Giles	8,346	14%
Montgomery	39,571	11%
Pulaski	17,289	12%
Radford	6,507	3 - 5%*
NRV	79,694	12%

*Margin of error used
Source: NRVRC-VCHR Tabulation of 2017 ACS 5-year Estimates

3.2 HOUSING THE COMMUNITY

Market Conditions

Days on Market

Median days on market, that is, the number of days a home is listed on the MLS before it sells, have decreased steadily from 77 in 2002 to 9 in 2019, an 88 percent decrease. In total, median days on market have decreased 64 percent since the pre-recessionary low in 2007. This decrease along with low market vacancies and increasing sale prices and rents imply that demand for housing in the NRV is increasing.

Recent growth in both the number of students and employees at Virginia Tech are a major contributing factor to housing demand, especially in Montgomery County. Virginia Tech has grown by nearly 5,000 students over the past 4 years, and a growing cluster of technology companies has developed around the university. Prior to the pandemic, industry leaders estimated that they would add over 800 jobs in the sector within the next 2 years. The region's other major employment sectors have added thousands of jobs over the past 5 years, with more than 1,200 jobs added in the manufacturing and transportation/warehousing sectors and over 1,000 added in the health care and social assistance sectors. During the same period, growth in these well-paying sectors has outnumbered losses in other sectors like retail, providing net job growth of 3.8 percent (2,739 net new jobs).

For units priced between $132,000 - $275,000 (represents the middle half of all units sold) median Days on Market was 13.5.

Other factors of housing demand are harder to quantify, such as the region's rural character, proximity to outdoor amenities, and relatively low cost of living that attract many residents to the area.

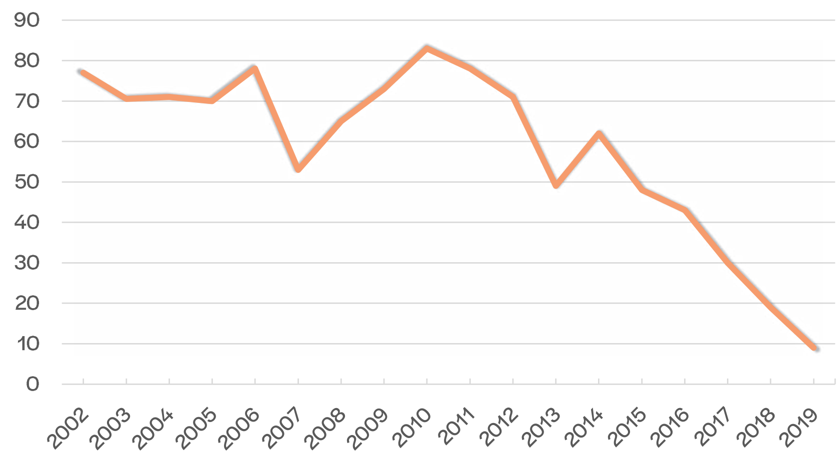
In employer focus groups conducted for this study, several local businesses described their efforts to attract talented workers to the region. Employees relocating to the region are looking for housing in walkable places with amenities such as dining, retail, parks, and schools. Potential new hires who are unable to find a suitable apartment or house may decline to move to the region and instead accept a job in another locality with more options. Several employers noted that a shortage of available housing for new employees was a major impediment to their successful growth in the region.

Median Days on Market (2019)

Floyd	36
Giles	15
Montgomery	18
Blacksburg	3
Christiansburg	7
Pulaski	12
Town of Pulaski	13
Radford	13

Source: VCHR Tabulation of NRV REALTORS 2019 MLS Data

Annual Median Days On the Market



Source: VCHR Tabulation of NRV REALTORS 2002-2019 MLS Data

Market Vacancy

Market vacancy is the number of homes available to rent or buy at any given time. Calculating a locality's market vacancy rate may help determine the health of an area's housing market, and healthy housing markets have a market vacancy rate between two and seven percent. This indicates that citizens can generally feel confident about successfully buying or selling a home without the market moving too quickly or too slowly.

Healthy Housing Markets Have a Market Vacancy Rate Between 2-7%

The New River Valley has a healthy market vacancy rate of three percent. Vacancies are lowest in Montgomery County at 1.5 percent and in the towns of Blacksburg and Christiansburg at 1 percent, indicating that these markets are too tight. In other words, there are not enough homes available for the number of buyers who would like to purchase them. This demand may further pressure buyers, causing bidding wars and escalating home prices. Anecdotally, survey respondents and focus group participants shared that many Blacksburg homes are being sold through "pocket listings," which are homes transacted between listing and buyers' agents without ever being listed on MLS.

This tightness in the NRV's real estate market keeps sales prices and rents high, which erodes the area's competitive advantage at the state and national levels.

Top Five Industry Growth Sectors

	Industry	Number of Employees	5-Year % Change	5-Year Change in Employees
1	Transportation and Warehousing	2,237	14.7%	288
2	Health Care and Social Assistance	8,185	14.6%	1,042
3	Arts, Entertainment, and Recreation	1,402	11.9%	149
4	Manufacturing	12,709	11.3%	1,291
5	Public Administration	2,159	5.0%	103

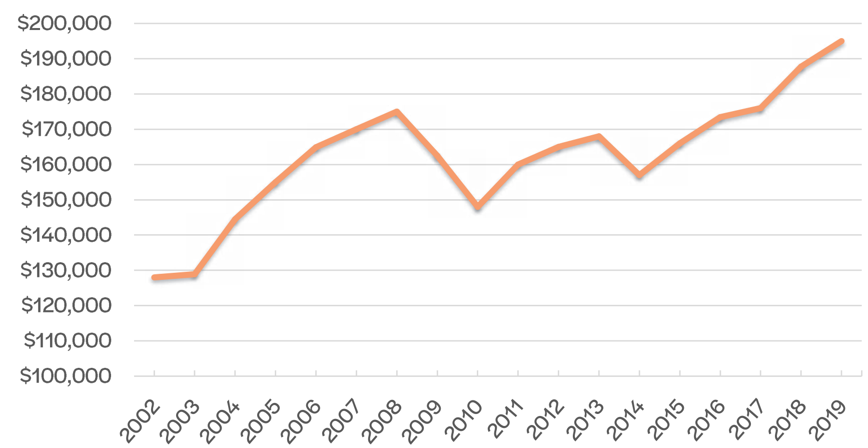
Source: Jobs EQ 2020

Median Sale Price

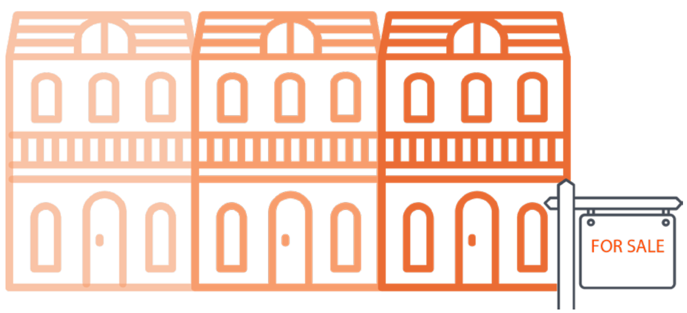
Sale prices within the region have risen steadily since 2002 and were only moderately affected by the 2008 recession. The median sale price in 2019 was $195,000, which exceeds that of the pre-recession peak by 11 percent.

The Town of Blacksburg has become one of the NRV's primary jobs and amenities centers, and the Blacksburg-strand schools are among the most desirable. As Blacksburg is the most location-efficient place in the NRV, the region's housing demand has centered on the Town of Blacksburg and nearby parts of Montgomery County. Therefore, housing prices in town have risen faster than any other part of the NRV, and the market has become extremely tight. Outside of Montgomery County and the Town of Blacksburg, prices of newly built homes have begun aggregating in a range between $175,000 and $275,000.

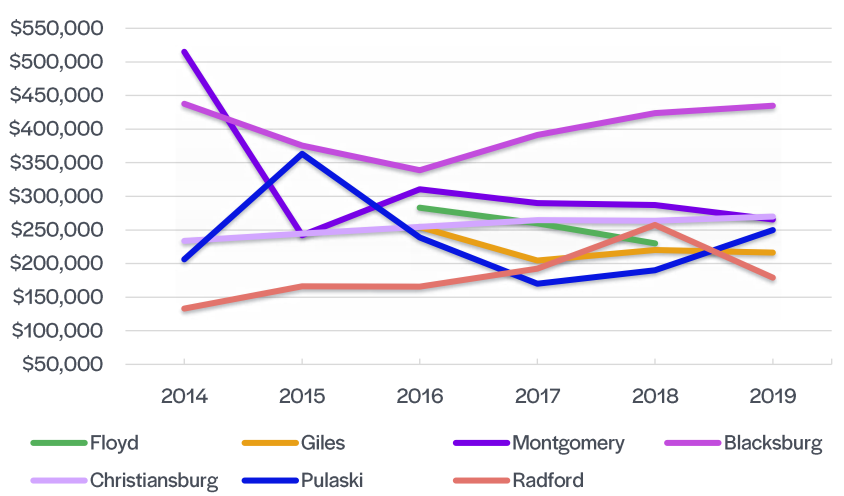
Annual Median Sale Price



Source: VCHR Tabulation of NRV REALTORS 2002-2019 MLS Data

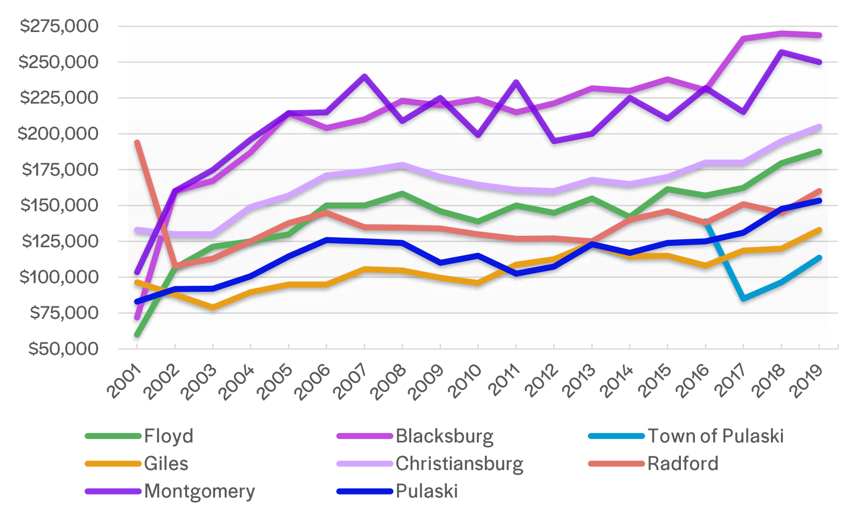


Median Price of Homes Built & Sold 2014-2019



Source: VCHR Tabulation of NRV REALTORS 2002-2019 MLS Data

Median Sale Price by Locality 2002-2019



Note: Town of Pulaski MLS data only avaialble 2016-2019

Source: VCHR Tabulation of NRV REALTORS 2002-2019 MLS Data

Housing Affordability

A home is considered affordable if a household spends less than 30 percent of its gross income on housing costs. For homeowners, this includes the mortgage, property taxes, insurance, and utilities. For renters, this includes the monthly rent and utilities. A household that consistently spends more than 30 percent of its income toward housing is considered cost burdened, and such households may have to sacrifice other necessities to retain housing.

Undergraduate Student Impact

The median household income in Montgomery County is $56,462. The median family income is $83,630.

The median family income in the region is $72,511 and includes households with two or more related occupants. College students in the region generally report disproportionately low or no annual incomes and therefore affect the NRV's household income data. However, as most students do not live in family households, they have far less effect on median family income. This provides a more accurate indicator of the income of permanent residents in the region.

Affordable Housing Payments by Income

	Median Family Income	Max. Affordable Payment
Floyd	$57,986	$1,450
Giles	$57,483	$1,437
Montgomery	$83,603	$2,090
Blacksburg	$88,843	$2,221
Christiansburg	$76,137	$1,903
Pulaski	$56,937	$1,423
Radford	$56,648	$1,416
New River Valley	$72,511	$1,812

Source: NRVRC-VCHR Tabulation of 2017 ACS 5-year Estimates

Using these numbers, the calculation implies that households earning the median family income should pay no more than $1,812 for a monthly rent or mortgage.

Households seeking to purchase a home should spend no more than $297,000 with a 5 percent down payment and no more than $383,000 with a 20 percent downpayment.

$72,511
Median Family Income

$ →
MAX 30%
Income Toward

$1,812
MAX AFFORDABLE
Rent or Mortgage

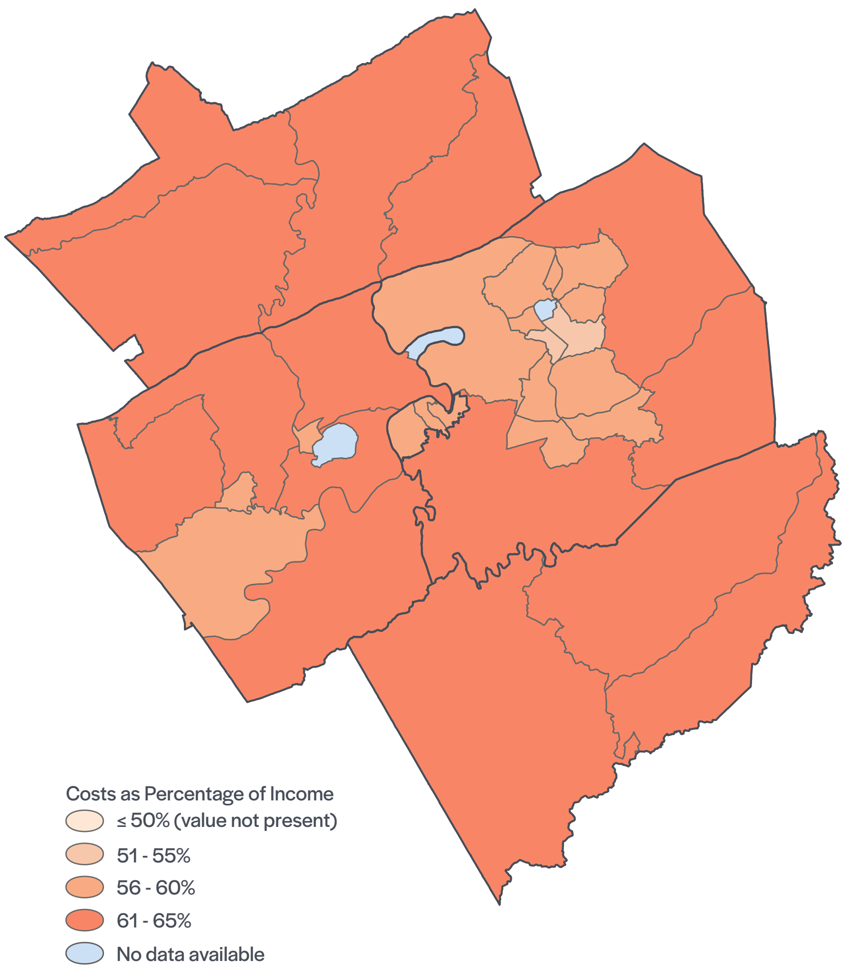
DOWN PAYMENT
5% ~$297,000
20% ~$383,000
MAX AFFORDABLE
House Price

The region is well covered by mortgage financing opportunities. A downpayment of 20% or more helps to avoid private mortgage insurance, but some special loan products catered to low and moderate income households or prospective buyers in rural areas will accept 1% or 0% downpayment.

Transportation costs are the next-highest household expense after housing costs for most families. In high-priced real estate markets, many households make tradeoffs between housing and transportation. For example, a household may purchase a home that is further from members' employment because the home may be less expensive or have other amenities that were not otherwise affordable.

However, many households underestimate the ongoing cost of fuel and vehicle maintenance. The Location Affordability Index (LAI) map illustrates that the region's town centers are more affordable for families at the median income than other areas are when accounting for housing and transportation costs. Although no rule exists regarding combined housing and transportation costs, some research suggests that spending more than 45 percent may strain household budgets. On this basis, median-income households may struggle to find affordable housing in the region.

Housing and Transportation as a Percentage of Income for a Median-income Family by Census Tract



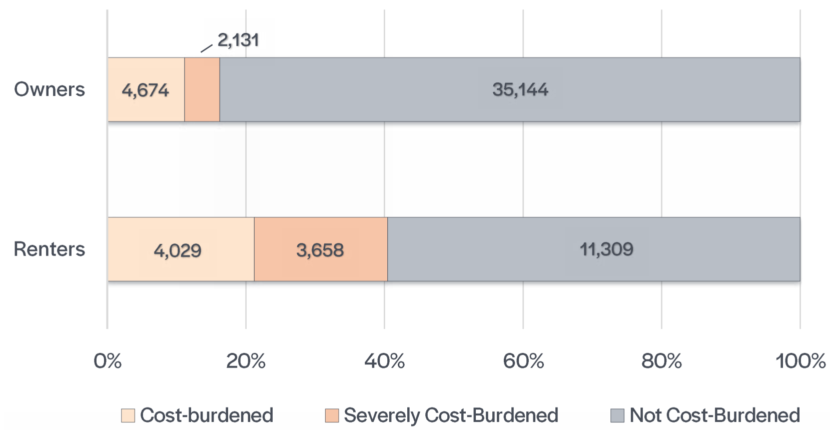
Source: VCHR tabulation of HUD Location Affordability Index Data, 2012-2016 ACS

Cost Burdened Households + Vulnerable Populations

Housing is needed in the NRV at every price point along the income spectrum. However, some populations are particularly vulnerable when the housing market is tight.

Approximately 41 percent of cost-burdened households are homeowners and 59 percent are renters. Moreover, more than 14,500 non-undergraduate households (21 percent) in the NRV pay more than 30 percent of their income for housing and may need more affordable housing. These households may have to make choices between housing and other needs like medical care, child care, transportation, home maintenance and repair, food, or clothing.

Cost-Burden Among Non-Undergrad Households in the New River Valley



Source: VCHR Tabulation of 2013-2017 PUMS Data

Nearly half of all cost-burdened households spend more than 50 percent of their income on housing, which is considered severe cost burden. Such households are likely making hard choices between housing and necessities like food and clothing. These households are at risk for homelessness when their incomes are below the regional median.

Although the region's housing shortage creates challenges across multiple populations, certain residents are particularly vulnerable in the market:

- 5,500 households (8 percent) are extremely low income, earning less than 30 percent of the area median income (AMI).
- 4,170 households (6 percent) have children.
- 3,600 households (5 percent) are headed by seniors.

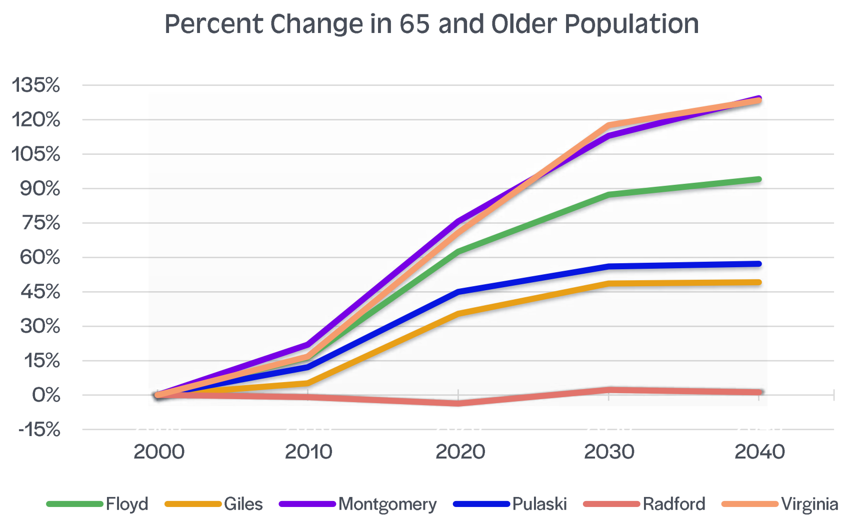
The region does not have sufficient reliable data on cost-burdened households of color, but estimates range from 27 percent to 47 percent of cost-burdened Black households.

These residents are likely to sacrifice other needs like medical care or home maintenance, because finding another place to live is an arduous process in the region's tight housing market regardless of affordability. This situation is compounded for those who are seeking a unit that costs less than $275,000 and for those with additional requirements that limit their search, such as remaining in the same school district, accessibility requirements for aging in place, or locating within a particular distance to a job or childcare provider.

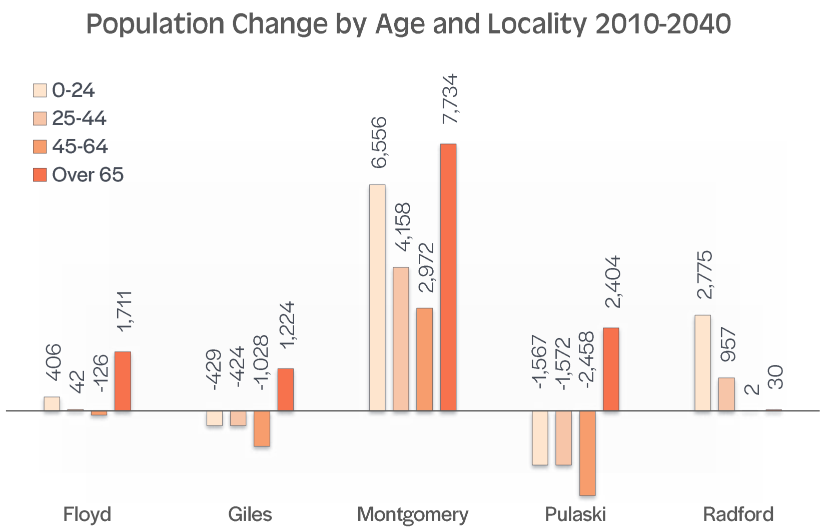
Aging Population

Our communities are aging, and most older adults would prefer to remain in their homes rather than move to institutionalized care such as retirement and nursing homes. By 2030, approximately one in six citizens in the region are projected to be 65 or older. By 2040, nearly 35,000 residents will be 65 or older.

Currently, 3,600 senior-headed households (i.e., 21 percent) are cost burdened, and these households are often on fixed budgets. Ongoing housing maintenance and repairs may be deferred due to increasing costs, creating an unsafe environment over time. Even senior households with the financial means to pay for home modifications may not make critical modifications proactively and instead schedule them only after a fall or other health concern.



Source: NRVRC Tabulation of 2010 ACS 5-year Estimates, 2000 US Decennial Census, Population Projections from Weldon Cooper Center for Public Service



Source: 2010 ACS 5-year Estimates, Weldon Cooper Center for Public Service 2019

Housing Gap Analysis

Housing gaps describe the difference in number of households earning a particular income and housing units affordable and available to those households.

Although the region has enough housing stock to accommodate earners at 50 percent of AMI, 72 percent of that stock is occupied by households earning greater than that. Moreover, households earning 50 percent of the AMI or below occupy only 27 percent of housing stock that is affordable to them.

Earners at 50–80 percent and 80–100 percent of the median income occupy only 15 percent and 10 percent of housing affordable to them, respectively. More than half of these units are occupied by households earning greater incomes.

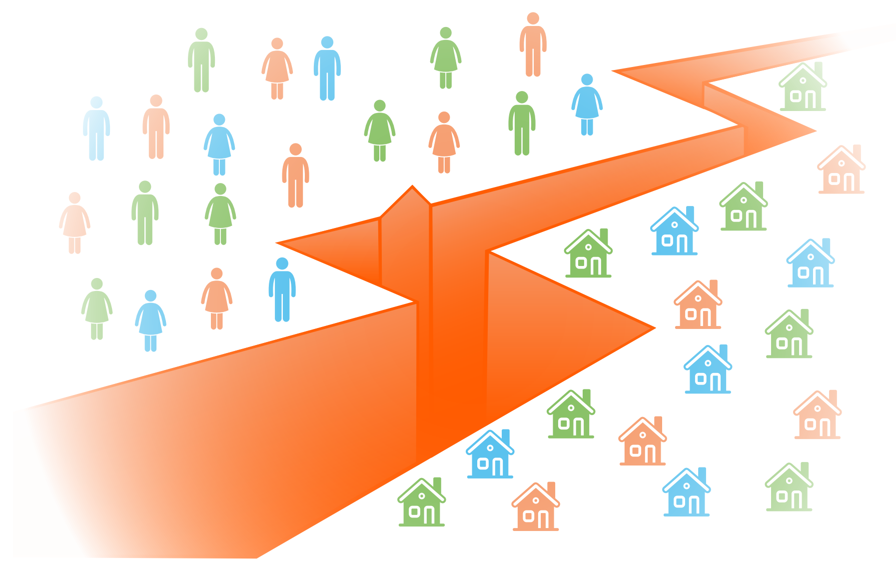
The market does not match housing units with the households that need them. Households with higher incomes often better compete for housing units because they are more attractive to landlords and finance agencies. When there is insufficient appropriate housing for everyone, some households must accept substandard or unaffordable housing.

Housing Gap by Annual Median Income

ANNUAL MEDIAN INCOME (AMI)	HOUSEHOLDS BY INCOME	# OF UNITS AFFORDABLE		PERCENTAGE OF UNITS OCCUPIED BY HH AT SAME AMI
<= 50% of AMI	6,315	11,813	HOWEVER	26.4%
50% - 80% of AMI	6,030	13,110	HOWEVER	15.4%
80% - 100% of AMI	5,120	5,786	HOWEVER	10.6%

Source: VCHR Tabulation 2012-2016 Chas Data

> There is intense competition in the region for housing within the mid-range price of $175,000 to $275,000. Adding housing within this price range and slightly above this will help relieve some of this demand pressure. Income-restricted housing will still be needed to full respond to the needs of low and moderate income households.



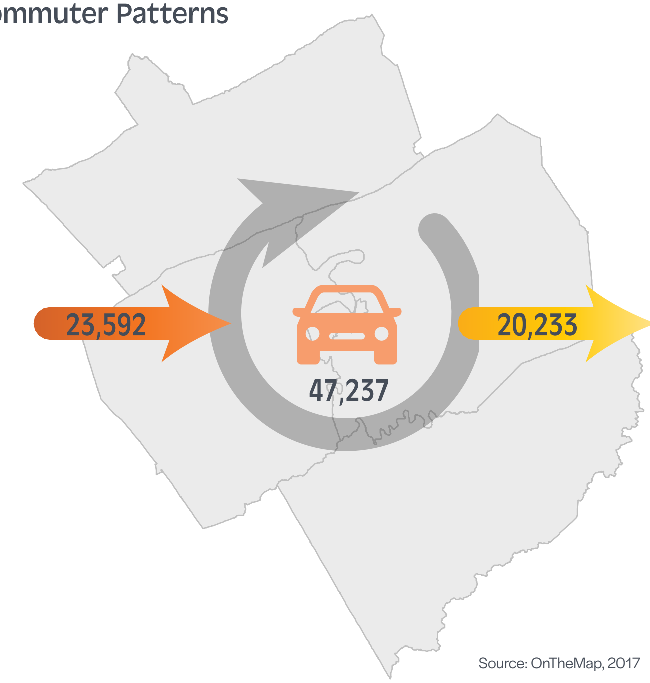
Workers Who Live + Work Within Region

The NRV jurisdictions together comprise the Blacksburg–Christiansburg–Radford Metropolitan Statistical Area (MSA). MSAs are defined based on the strength of intra-regional commuting patterns. This designation is important because it shows the interconnectedness of the region geographically and economically. Commuting patterns can be used to approximate a housing market, because households generally seek to buy or rent a home within a reasonable commute of their job just as they generally seek employment within a reasonable commute of their home.

Overall, 70 percent of workers living in the NRV also work in the region. This varies by locality: Montgomery and Floyd have the lowest and highest percentage of residents who commute outside of the county to work, respectively. Commuting without a car is possible for some places in the NRV thanks to walking, cycling, and public transit. Furthermore, lower-cost housing options that have short commutes to jobs and other services make some localities location-efficient.

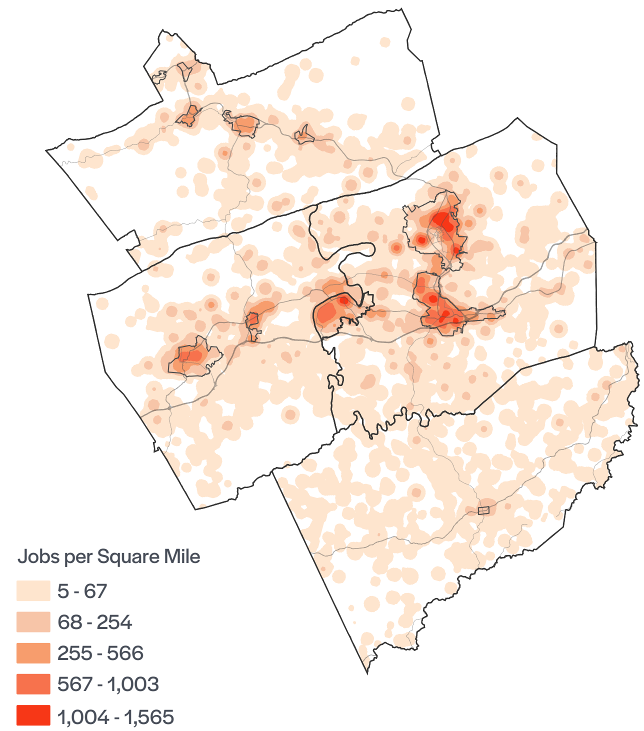
Employment in the NRV is concentrated in the college towns, retail areas, and manufacturing facilities in the region, with the largest concentration of jobs in Blacksburg, Christiansburg, and Radford.

NRV Commuter Patterns



Source: OnTheMap, 2017

NRV Job Density Map



Source: U.S. Census Bureau, Center for Economic Studies, 2017

Top Job Sectors by Affordability

Workers in 124 occupations in the region cannot afford the median rent ($865) or median owner costs with a mortgage ($1,168) in the NRV as single earners earning at the median for their occupation. Workers in 24 occupations with 10,146 total employees cannot afford the median rent or owner costs in the NRV when they are earning at the 90th percentile for their occupation, and those in 9 of the top 10 occupations by employment cannot afford the median rent as single earners earning at the median. Median owner costs are affordable only when sharing housing costs with another earner for workers earning at the median for 7 out of 10 of the top occupations.

Photo Courtesy of WDBJ

Top 10 Occupations in NRV

Occupations	Number of Workers	Median annual earnings	Affordable costs for: Single earner at the median	Single-earner at 90th percentile	Two median earners
Team Assemblers	2,718	$32,100	$803	$1,205	$1,605
Cashiers	2,220	$18,700	$468	$603	$935
Combined Food Preparation and Serving Workers	2,012	$18,400	$460	$573	$920
Retail Salespersons	2,007	$22,400	$560	$948	$1,120
Office Clerks, General	1,508	$28,900	$723	$1,000	$1,445
Waiters and Waitresses	1,288	$24,200	$605	$928	$1,210
Janitors and Cleaners, Except Maids	1,204	$26,100	$653	$983	$1,305
Customer Service Representatives	1,126	$28,300	$708	$1,045	$1,415
Registered Nurses	1,035	$56,500	$1,413	$1,920	$2,825
Administrative Assistants, Except Legal, Medical	1,024	$32,000	$800	$1,165	$1,600
Stock Clerks and Order Fillers	990	$20,900	$523	$780	$1,045
Laborers and Freight, Stock, Movers, Hand	953	$24,300	$608	$855	$1,215
Total - All Occupations	75,410	$34,000	$850	$1,395	$1,700

Can afford both median rent and median owner cost

Can afford median rent but not median owner cost

Cannot afford median rent or median owner cost (with mortgage)

Source: JobsEQ 2020

3.3 HOUSING MARKET CHALLENGES + OPPORTUNITIES

Regional housing market challenges can be roughly divided into demand-side and supply-side challenges that are related to and influence each other. Some challenges present opportunities to improve our region and communities, whereas others must be overcome using strategies to provide housing types not readily addressed by the market.

Demand Challenges

Growing Overall Demand

Job growth, Virginia Tech expansion, increasing amenities, and preservation of natural resources is making the NRV more desirable for more households. Demand has outpaced housing supply, as evidenced by increasing prices and very few days on market.

University Impacts to Rental Market

The region's student population creates a significant and competitive demand for the rental stock attributed to approximately 23 percent of rentals being occupied by university students. Most rental leases are therefore offered on a July–June rental cycle and often for premium rents. This cycle presents a problem for new hires moving to the region during other times of the year. Moreover, some student households can afford higher rents than typical two-earner households because of family support. Owing to higher spending power and guaranteed demand, much of Blacksburg's modestly priced housing has become attractive for investors who add stronger competition to the real estate market.

Preference Shifts

Economic shifts and changing housing preferences have caused housing challenges in some communities. Aging adults and millennial homebuyers contribute to intense demand for smaller square-footage housing conveniently close to community amenities such as shopping, schools, trails, and restaurants. Demand from these two groups along with limited housing supply can rapidly escalate rents and sale prices.

New demand for rural, small-town living because of the COVID-19 pandemic may put additional pressure on amenity-rich rural places as many white-collar jobs have shifted to remote work.

Short-term Rentals

There are more than 2,250 properties held for seasonal or recreational use around the region. Focus groups brought up the impact short-term rental units have on the housing market. While sometimes providing critical secondary income for families, visitors can also be disruptive to neighbors and change the character of a neighborhood.

Demand Opportunities

Growing demand in the NRV offers many opportunities for development of housing and amenities. The region can focus on the following:

- Creation of high-quality, market-rate housing
- Preservation of existing affordable housing Community development in places that are well-located
- Community development in well-located places

Community Development is the collection investment in elements that make a place desireable to live and work, such as infrastructure, multi-modal transporation connectivity, business vibrancy, and recreation.

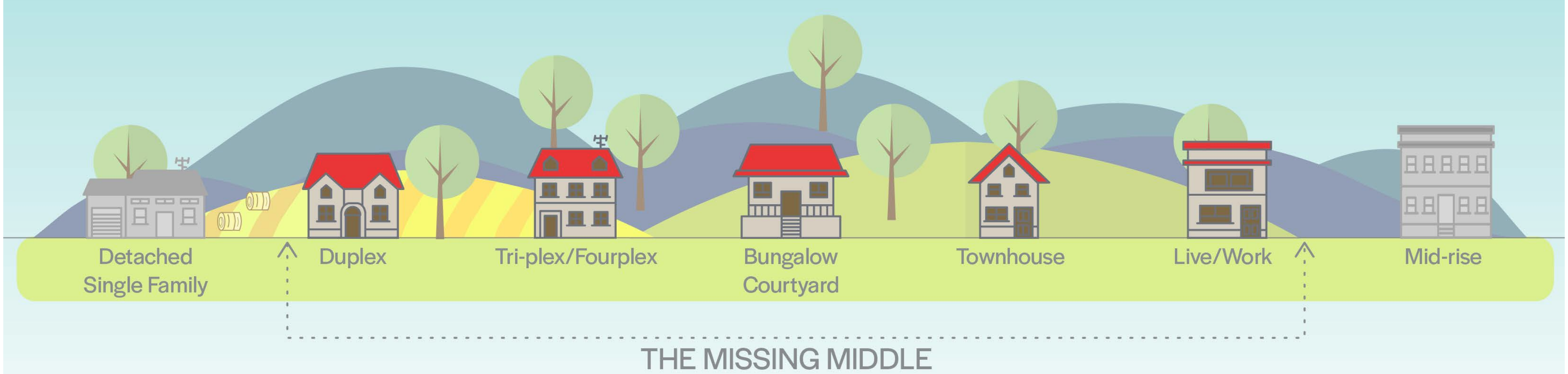
Focus group participants echoed the demand for walkable, convenient places.

Growing demand offers opportunities to create affordable housing. As demand grows, housing becomes more expensive throughout the NRV, especially in amenity-rich places with services, retail, entertainment, recreation, and beautiful settings. Although increasing home values in a community are desirable to an extent, excessive price escalation can make it difficult for moderate-income buyers to purchase a home and recruitment and turnover become burdensome for employers. A healthy housing market is important for both economic and community development.

High demand can be leveraged to encourage variation in development types and income-restricted housing. This can be accomplished through new policies, incentives, and clear guidance for developers. Steadily increasing prices and decreasing days on market imply steadily growing demand. In those locations, plans to preserve affordable housing and overall market affordability should begin before communities become unattainable to portions of the population and workforce.

Steadily adding housing of varied size and type to "meet" demand, encouraging re-investment in existing housing, and finding ways to proactively reserve housing for essential, low-income workers and their families are important components of market health. This may include housing types such as townhomes, duplexes, small-scale apartment buildings, and accessory dwelling units as well as neighborhoods comprised of or interspersed with homes with smaller square footage.

Adequate housing supply and access to homeownership for households at all income levels creates opportunities for wealth building and encourage workers to stay in the region.



Supply Challenges

Inventory and Production

The region has lost nearly 60 establishments and 200 workers in the building construction industry since its 2008 peak, the most of which have been of new single-family home construction and residential remodelers. Similarly, specialty trades (e.g., plumbers, electricians, masonry) lost nearly 100 establishments and 700 jobs. Many NRV projects must therefore seek contractors from surrounding areas or states, increasing project costs and contributing to a further erosion of local skilled trades workers and firms. These shortages are likely to worsen without a significant increase in the pipeline of new skilled workers.

Although the median price of existing units is $195,000, the market is largely producing new for-sale housing priced higher than $230,000, contributing to limited inventory and strong competition. This leaves little opportunity for low- or moderate-income households; that is, they require financing to buy a home near or below the median price. Intense competition for homes in their price range and few income-restricted units further exacerbates their problem.

FOR SOME LOW-INCOME INDIVIDUALS, ENERGY BILLS CAN REGULARLY CONSUME MORE THAN HALF THEIR INCOME.

Affordability

Long term, the lack of affordable housing excludes low- and moderate-income households from the communities and diminishes regional diversity and economic vibrancy. Such households struggling to live in our community include childcare workers, preschool and kindergarten teachers, cashiers, food service workers, and home health and personal care aids. These workers either accept substandard housing or commute from longer distances.

Housing Reinvestment & Replacement

Homes require regular maintenance and generally need upgrades every 20–30 years. Over half of the region's housing was built prior to 1980, with 15 percent of the stock built prior to 1950. Potential homebuyers have expressed frustration that this stock (which is typically the most moderately priced) is in need of significant and costly repairs.

Mobile Homes

The region's housing stock includes nearly 2,000 pre-1976 mobile homes, about 75 percent of which are occupied. Mobile homes built prior to 1976 are considered substandard and in greatest need of replacement. The HUD Code was established in 1976 to set construction standards for manufactured units.

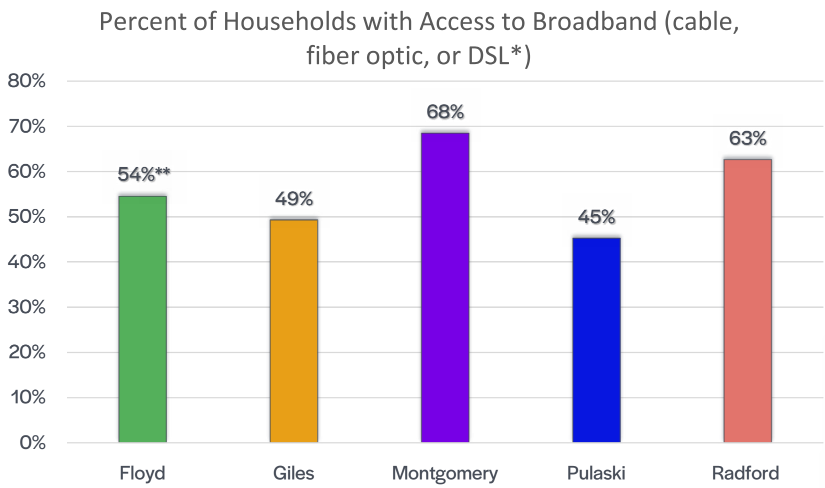
PRE-HUD CODE MOBILE HOMES CONSUME APPROXIMATELY 53% MORE ENERGY THAN EVERY OTHER KIND OF HOME.

Accessibility

More than 10,000 households include at least one person with an ambulatory limitation. In total, 57 percent of these households have low incomes below 80 percent of AMI and may struggle to afford modifications to their homes. Housing program leaders and experts on aging in our region have identified funding for home repair and modification as a major challenge for our region. Addressing this challenge requires community investments and advocacy at the state and federal levels.

Water and Sewer

Strategic water and sewer system expansion can be used to effectively limit sprawl, but they may be a barrier to desirable developments. While using infrastructure to limit the geographic expansion of places, localities must provide opportunities for growth by emphasizing creative density with policy and clear goals and guidance for developers.



*ACS includes DSL in its definition of Broadband, which does not always meet the speed thresholds of 25Mbs/down 3Mbs/up
**Data does not reflect broadband expansion project in Floyd which began in 2017
Source: NRVRC-VCHR Tabulation of 2017 ACS 5-year Estimates

Broadband is typically defined as internet speeds of 25Mb/s download and 3Mb/s upload.

Broadband

High-speed internet service is critical infrastructure needed for households to accesses economic opportunities, manage household needs, and participate in their communities. Both the workforce and education systems have become progressively more web-based, and this connectivity is becoming crucial for areas to be competitive in the marketplace. In rural areas where access to the internet is scarce, approximately 58 percent of residents believe that access to high-speed internet is a problem in the area (Anderson, 2018) [add as footnote to page]

Supply Opportunities

Local Government

Local governments can play an integral role in addressing the housing challenges in their communities with the ability to raise and dedicate funds for housing, encourage the development of a variety of housing choices, promote innovative approaches to density, and work regionally to establish market-wide housing goals, policies, and programs.

Tools for...

Encouraging Housing Development

- Land use and zoing regulations/incentives
- Tax abatement
- Resource dedications
- Clear development goals and guidelines

Maintaining + Improving Existing Housing Stock

- Code development and enforcement
- Tax incentives
- Low interest financing for improvements

Regional Collaboration

Local government cannot and should not address housing challenges alone. Housing markets are not defined by jurisdiction but by consumer preferences. As housing markets are not defined by jurisdiction, but rather by consumer preferences, a well-rounded housing plan must have regional consideration and include a variety of partners. Owing to housing shortages and affordability challenges, maintaining the diversity of lifestyle while responding to demand requires collaboration among not only local governments and developers but also employers, institutions, and the public.

Employer Housing Benefits

Since the Great Recession, employers have become more involved in addressing housing challenges beyond raising wages, such as making philanthropic donations to address homelessness, providing benefits to employees including down-payment assistance and second mortgages, and building housing. Such collaborations between companies, builders, and local governments help alleviate shortages and address issues directly.

Early steps employers can take are to understand and document their employees housing needs and preferences and communicate those to builders and elected officials. Employers are able to advocate more effectively than a few employees as well as represent employees who do not currently live in the jurisdiction where their job is located.

Construction Industry Entrepreneurship + Innovation

Participants in the builder and developer focus group explained that few new subcontracting businesses have emerged, partially because of risk aversion lingering from the Great Recession and partially because of financial and capital barriers to licensure and starting a business. However, focus group participants noted that colleagues who have become entrepreneurs and started new business have begun closing the gap in subcontractors and have been extremely successful. Local, regional, and state-level opportunities exist for mobilizing resources and supporting entrepreneurship in the trades.

Although the housing industry values innovation, it is inherently risky, and the housing industry is historically risk averse. While innovations in building and construction can reduce energy use, produce a more durable product, and utilize more sustainable materials, construction organizations depend on a trusted production path that has historically provided profits. Many in the housing industry have therefore chosen to wait, becoming second movers on innovation and allowing others to attempt and potentially fail before implementing.

Pulaski County

Household Profile

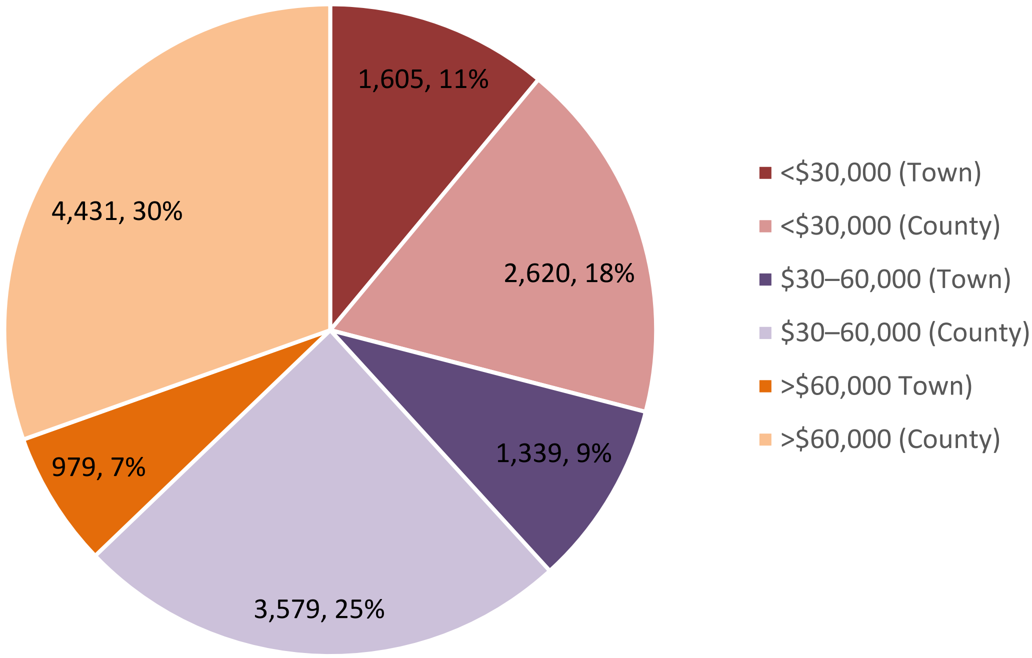
Pulaski County had an estimated population of 33,417 people in 2018 living in 14,525 households, which comprise approximately 20% of the NRV total. About one third of the county's households live in the two towns of Pulaski and Dublin. Pulaski is the larger of the two, with 4,730 households compared to 980 in Dublin.

Approximately 24,530 residents live in owner-occupied households (10,507 units), and 8,887 live in renter households (4,018 units), indicating a relatively high homeownership rate of 72.3%. The towns have disproportionately more rental units than the unincorporated county does, with 50% of all rental units located in towns. Approximately half of the households in Dublin rent their homes compared to nearly 40% of Pulaski ones.

The proportion of households with a householder over the age of 60 is nearly 40% (5,941 households). This is relatively high compared to the NRV overall but like Giles, Floyd, and localities without university populations. The median age is 46.3, well above the national average of 37.9. Weldon Cooper population projections suggest that the number of people 65 and older will continue to increase over the next 10 years.

Median household income in Pulaski County is $52,638, approximately that of the NRV average. An estimated 4,446 or 13.4% of county residents live in households with incomes below the poverty level, although the rate for the Town of Pulaski is closer to 22%. As shown in Figure 20, nearly two thirds of households in Pulaski County have incomes of $60,000 or lower.

Figure 27: Households by Income Level
Pulaski Town and Pulaski County
NRVRC Tabulation of 2017 ACS 5-year Estimates



More than 2,200 households in Pulaski pay more than 30 percent of their income for housing and therefore may need more affordable housing. Although renters have higher rates of cost burden, most cost-burdened households in the county are owners. Almost 30% of renter households pay more than 30% of their income on housing costs compared to only 16% of owner households.

Housing Stock Profile

Existing housing stock in Pulaski is located mainly in several small, urbanized areas north of Claytor Lake and the New River, including the Towns of Pulaski and Dublin as well as the county Fairlawn area across the New River from the City of Radford. In addition to having the best access to roads, utilities, and amenities such as shopping and public services, these areas are also near the county's employment hubs, including several large manufacturing firms near Interstate 81 as well as retail and professional services.

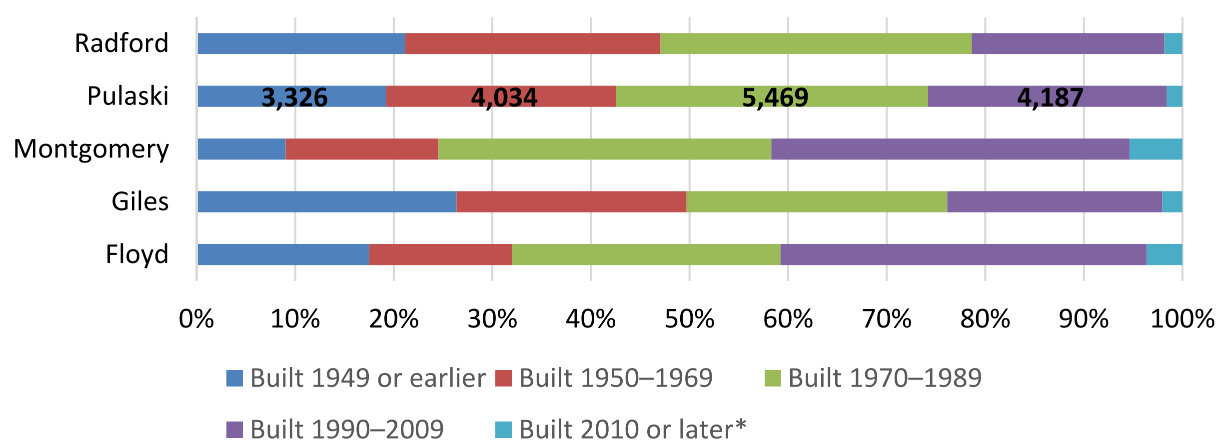
Several areas along rural roads and highways have significant residential development, including large mobile home developments along state highways, along the frontage of rural farm roads, and in small communities such as Draper and Parrott. The section of Pulaski County on the south shore of Claytor Lake and the New River is less developed and is geographically isolated from much of the county's infrastructure, requiring costly upgrades to expand water/sewer systems and broadband availability. Small communities on the south side of the lake include Allisonia, Hiwassee, and Snowville, and Claytor Lake itself has both campgrounds and housing developments along portions of the shore.

Each of the communities in Pulaski County has different development patterns and housing characteristics based on the history of industrial development and growth in the NRV region. Residential and industrial buildings in the Town of Pulaski reflect the strong growth of the town during the early and mid-20th century. Numerous historic buildings and large portions of the housing stock are at least 50 to 100 years old. Although some smaller farming communities may have been there before, rural areas have a very varied housing stock of old and new development and include many modular and manufactured homes. Housing in Dublin and Fairlawn reflect post-WWII development and the new industrial facilities along the interstate, with several older neighborhoods as well as newer subdivisions.

In recent years, Pulaski County has developed more "bedroom community" subdivisions, which allow workers to live in Pulaski County and travel to jobs at regional employment hubs in the universities and industrial parks as well as nearby shopping. The ongoing development of the subdivisions near the Pete Dye River Course in Fairlawn and a large, proposed subdivision community adjacent to the new Pulaski County Middle School between Dublin and Pulaski represent the largest areas of ongoing new development.

The age of the Pulaski County housing stock is like that in the rest of the NRV, with concentrations of older housing in the towns and village areas and newer developments in subdivisions around the county. About 26% of the 17,266 housing units in Pulaski County were built since 1990 (4,531 units). The remaining 74% are older: 8,084 units were built between 1960 and 1989, and 4,651 were built before 1960.

Figure 28: Housing Units by Jurisdiction and Year Built
VCHR tabulation of 2017 ACS 5-year Estimates



*Although the sample of existing homes built since 2010 in Pulaski is too small to provide a reliable estimate, between 163 and 383 homes were built in this period.

Of the estimated 4,814 residential units in the Town of Pulaski, 48.5% were built before 1960. The town has many well-preserved historic houses from the early and mid-20th century that provide unique housing options at relatively low prices. Moreover, several investors are working to rehabilitate historic houses in the residential historic district. Other neighborhoods with older housing stock have units that have significant maintenance, disinvestment, and blight issues, including some abandoned or uninhabitable units. Town code enforcement and tax sale efforts seek to remedy the worst conditions and rehabilitate or redevelop these older structures.

In total, 16 percent of Pulaski County housing units (2,712 units) are vacant, many of which are vacation/recreation homes or market vacancies (for-sale or for-rent). More than 1,000 units are long-term vacancies: abandoned, slated for demolition, or otherwise held and not occupied long term, more than 300 of which are in the Town of Pulaski. The sample of units that are vacant for-sale and vacant for-rent is too small to provide a reliable market vacancy rate. However, a drop in median days on the market and an increase in median sale price and median contract rent indicate increasing demand for housing units.

Figure 29: Pulaski County Median Days on Market

VCHR Tabulation of New River Valley Association of REALTORS® MLS Data

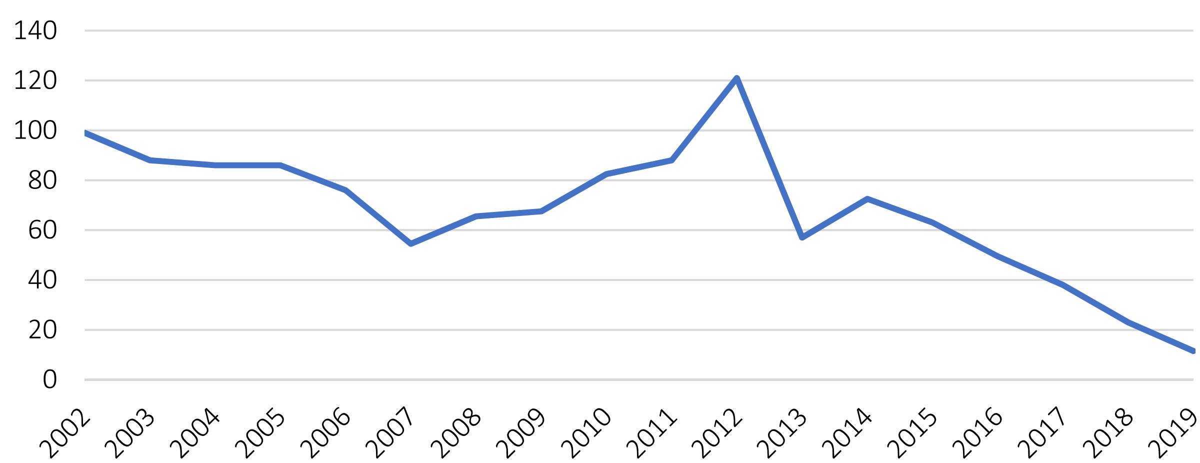
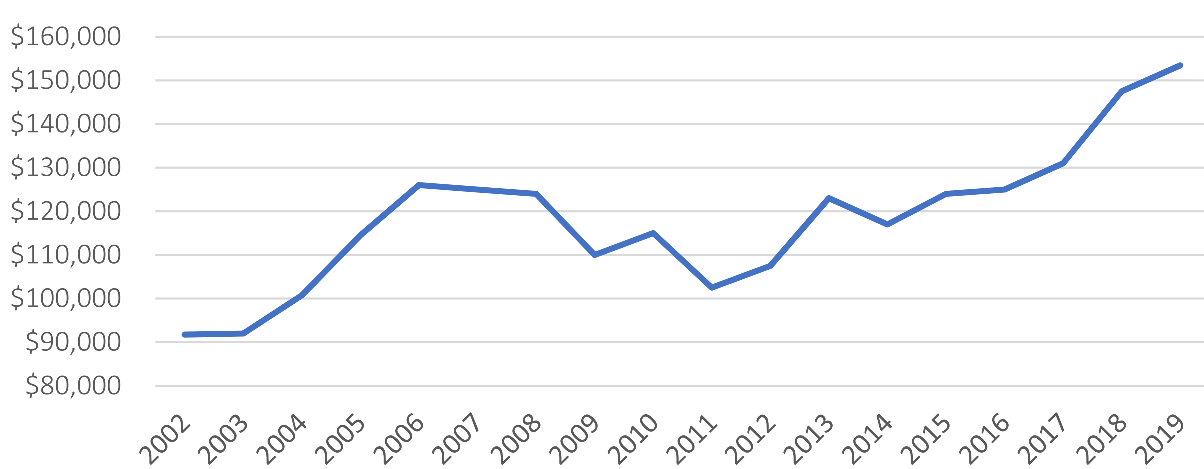


Figure 30: Pulaski County Median Sale Price

VCHR Tabulation of New River Valley Association of REALTORS® MLS Data



Pulaski's median sale price has risen 32 percent by 2019 since its pre-recessionary peak in 2008, and median days on the market fell to 11.5, which is an 82 percent decrease in the same period.

Median gross rent for rental units in Pulaski County is $657, well below the regional average of $857. As noted previously, few rental opportunities exist, especially in newer developments. Median monthly owner costs in Pulaski County are $1,088 for units with a mortgage and $373 for units without a mortgage, somewhat lower than the regional average.

Housing Need

This section highlights the most prominent housing challenges and opportunities, but is not exhaustive. Many challenges discussed this local profile are not limited to Pulaski County and its towns and influence communities throughout the region. As such, many of the opportunities and strategies are addressed by regional and partnership approaches. The Local, Partnership and Regional Strategies (separate document) detail opportunities and actions each jurisdiction can undertake to promote the health of our region's housing market and submarkets.

Challenges

Pulaski County has many older housing units that have maintenance or upgrade needs as well as many units in need of expensive repairs to remain or become habitable and compete with better housing options. Some neighborhoods require significant investment to preserve and upgrade aging housing stock or targeted redevelopment to add more modern housing options. The aging housing stock is located not only in the historic industrial towns but also in rural areas with aging mobile home parks and farmhouses.

The aging population in Pulaski County may require different housing features and community amenities from their current ones. Focus group participants mentioned issues such as a lack of newer single-level housing models and the need for more walkable communities with nearby amenities and shopping. These amenities are critical to housing demand among other groups, including families and young professionals. The town and county are working to facilitate development in areas with existing amenities to attract new residents from around the region to Pulaski communities.

Many residents in Pulaski County and the NRV, especially those at the lower end of the income scale, struggle to find affordable and appropriate housing options. As in other NRV localities, lower-income residents and especially renters struggle to find affordable, appropriate housing near jobs and amenities. Although Pulaski County has relatively few rental options, it is an affordable place to live for both renters and owners if housing is available.

Opportunities

Although the county's residential population has been shrinking slightly as the rest of the region grows, job growth presents an opportunity to attract workers to live there. Pulaski County is capitalizing on commuters to the region's well-paying jobs, with several high-end subdivision developments planned or under development in Fairlawn and in the area near the new Pulaski County Middle School. Superior housing stock with relatively affordable prices and walkable surroundings along with community development efforts may spur new amenities and services; in addition, these increase with housing and the community and must be cultivated concurrently. Attention to ever-changing housing and community amenity preferences are critical to the success of new developments serving as more than a bedroom community.

The Town of Pulaski has a unique revitalization opportunity to use its historic assets to build a community of new and current residents. Successful revitalization efforts across Virginia and the nation are tailored to local conditions, seek to build a stronger sense of place, and seek to integrate new residents with long-term ones[c]. Blight removal and renovations can revitalize neighborhoods, whereas new construction and renovation that brings new residents can support struggling businesses. Moreover, mixed-income, affordable housing can deconcentrate and alleviate poverty. Private investors have begun the process of purchasing and renovating several historic commercial and residential structures in the Town of Pulaski, creating dozens of downtown apartment units and stabilizing neighborhoods of historic mansions in northwest Pulaski. Town and county infrastructure can complement investor efforts by upgrading aging water and sewer systems. Regional partners are working to expand regional broadband capacity from trunk lines to serve more residential areas and broaden residential demand.

PULASKI COUNTY STRATEGIES

Strategy 1: Improve and preserve existing housing stock

The median year built for homes in Pulaski County is 1975, and approximately 40 percent of the county's housing stock predates 1969. As the US population continues to age (particularly in rural areas), ongoing maintenance and updates to existing housing stock are critical for resident safety and community vibrancy. Stagnant wages and fixed incomes may cause homeowners to defer maintenance, and localities can proactively ensure that valuable existing housing stock is maintained and preserved.

FRAMEWORK

Three basic approaches can be employed for improving housing conditions and preserving the existing housing stock in the county:

1. Enhanced code enforcement and adoption and enforcement of the property maintenance code
2. Incentives for property owners to improve their buildings
3. Partnerships with housing providers on rehab and repair programs as well as housing acquisition and rehabilitation

Code enforcement may be complex and require significant administrative effort, especially in rural areas with low housing density. Virginia promotes a statewide property maintenance code, which many jurisdictions have adopted and enforce primarily based on passively responding to resident complaints rather than proactive application.

In the absence of the willingness or ability of the owner to make required improvements, building residents may be subject to displacement without an available alternative housing option. Further, access to home interiors for inspection may be challenging. Homeowners are protected by the Fourth Amendment from unlawful searches and may object to permitting an inspector to enter their home. Although courts have generally upheld the ability to conduct such inspections if the health and safety of the community is at risk, jurisdictions generally aim to minimize adversarial relationships with homeowners in their community. Although renters are similarly protected, most leases allow property owners the right to an inspection with adequate notice. In addition, renters are often those complaining about housing quality and are therefore willing to cooperate with inspectors.

The county may also choose to designate rental housing inspection districts as permitted by state code. There are specific procedures, benefits, and challenges associated with rental inspections, the adoption of which are regulated by the state in Title 36, Chapter 6, Section 36–105:

> *The rental inspection district is based upon a finding by the local governing body that*
> *(i) there is a need to protect the public health, safety, and welfare of the occupants of dwelling units inside the designated rental inspection district;*
> *(ii) the residential rental dwelling units within the designated rental inspection district are either (a) blighted or in the process of deteriorating, or (b) the residential rental dwelling units are in the need of inspection by the building department to prevent deterioration, taking into account the number, age and condition of residential dwelling rental units inside the proposed rental inspection district; and*

(iii) the inspection of residential rental dwelling units inside the proposed rental inspection district is necessary to maintain safe, decent and sanitary living conditions for tenants and other residents living in the proposed rental inspection district.

This section of the code suggests that the community must collect data on property conditions to appropriately adhere to the code. Once rental inspection districts are designated, the county can commence with an inspection program, the program frequency and design of which are within the discretion of each locality. Some jurisdictions have periodic inspections (e.g., annually or biennially). Some jurisdictions prefer to conduct inspections when tenancy changes. While district inspection programs are valuable for urban areas where deteriorated structures may be concentrated in a specific neighborhood, the problem may be much more uneven in rural areas.

Incentives for property owners and partnerships with new housing providers are varied and may include the following basic approaches:

- **Expand and Develop New Housing Rehabilitation and Repair Programs**. Complete rehabilitation programs that address a wide range of housing needs are highly desirable but costly. The long-term demand for and the viability of the housing stock is also a consideration when deciding to make a major capital investment. Therefore, scaled-back, lower-cost repair programs may be more effective, especially when combined with volunteer efforts.
- **Identify New Resources for Energy Efficiency Programs**. By improving the energy efficiency of housing, it may become more affordable. The capacity to deliver energy efficiency improvements is high, principally through the weatherization network of providers. However, federal resources for weatherization have been in steep decline for several years as stimulus funding from the Great Recession has ended. New resources must be identified to continue to improve the energy efficiency of our housing stock, such as through initiatives funded by utilities. The state's two major electric utilities have existing pilot programs that should be studied and supported, and outreach to electric co-ops and gas utilities should be conducted to test efforts for similar models.
- **Expand Utilization of USDA-RD 504 Rehabilitation Program**. The 504 Program provides resources for housing rehab in rural communities. This program has been underutilized in Virginia, and efforts should be undertaken to improve the delivery system for 504 loans and grants.
- **Undertake an Active Housing Replacement Program**. Many homes in rural Virginia are not suitable for rehabilitation, as they are too deteriorated and/or the type of housing is obsolete and not appropriate for future occupants. To ensure that the housing stock remains healthy and viable, new homes need to be built to replace homes that need to be demolished and removed from the housing stock. New homes offer many advantages, including high energy efficiency that lowers utility costs and the use of high quality, modern, durable materials that lower maintenance costs.
- **Encourage Habitat/Rebuilding Together Models that Utilize Volunteers**. Federal, state, or local financial resources may be insufficient to address all housing quality challenges in rural communities. Therefore, incentivizing and supporting the expansion of volunteer-driven housing programs, such as Habitat and Rebuilding Together, are critical.
- **Adopt a Real Estate Tax Abatement Program to Encourage Rehabilitation of Deteriorated Properties.** Tax abatement programs that incentivize rehabilitation are common throughout Virginia and broadly permitted under the state's constitutional authority for tax abatement. These programs generally protect property owners who undertake substantial property

rehabilitation from increased assessments for several years. The value of the property is determined prior to rehab, and this value becomes the base value during the abatement period. The base value may rise owing to general increases in market values in the area but not owing to building improvements conducted during rehabilitation. Abatement periods generally range from 5 to 10 years and often taper during the final 2 or 3 years of the abatement period.

- **Enact a Vacant Building Registration Requirement.** The 2013 General Assembly session adopted legislation permitting the Town of Pulaski to require owners of buildings with vacancies for a continuous period of 12 months to register these structures with the town and pay an annual fee not to exceed $100; furthermore, failure to register results in a civil penalty. Numerous jurisdictions in Virginia, including the City of Richmond, have adopted similar programs. The building registry system is useful to localities in providing a single database for vacant properties that can be used to target code enforcement/public nuisances as well as provide referrals to developers who are interested in redevelopment opportunities in the community.
- **Develop a Façade Improvement Program.** These programs provide small grants and low-cost loans to property owners with buildings on prominent streets in the community. Façade improvement programs are often incorporated into Main Street programs to improve the appearance of the downtown business district. The focus of these programs is to repair deterioration of the building façade, restore storefronts, paint, and generally support improvements that enhance the appearance and architectural features of the building. Such programs generally require a match by the building owner, and funding comes from a variety of sources, including CDBG, local general funds, bank funding pools, and philanthropy.
- **Improve Assistance to Building Owners on Use of Federal and State Historic Tax Credits.** Federal and state historic credits are critical financial incentives available to assist building owners with rehabilitation costs. These credits are both "by right," whereby owners do not need to compete to receive them. Rehabs that follow state and federal standards entitle the owners to receive the credits. These credits can effectively reduce the cost of rehab by 40–50% through the injection of equity from investors that seek to use the credits.

  The tax credit program is complex and requires qualified experts to help owners navigate the application process and identify investors. The county can offer a seminar on the credit program and maintain a list of consultants for referrals to interested owners.

IMPLEMENTATION PLAN

Immediate:

- Inventory housing conditions in the county.
- Develop an assessment identifying types of challenges (e.g., facades, roofs, and paint) and whether geographic concentrations exist.
- Establish a working group to review assessment results.
- Determine which approaches best suit the county's needs.

Short-term (next 12 months):

- Identify and secure resources.
- Design the programs and initiatives.
- Enlist business and community leaders.

- Set aspirational goals (e.g., eliminate substandard homes), make relevant campaigns, and build community pride around them.

Mid-term (12–24 months):

- Launch the initiative.
- Obtain media and social media coverage.
- Engage county residents in the challenge.
- Provide public recognition and awards for accomplishments.
- Create a county report card on progress.

LEGAL, FINANCIAL, AND ORGANIZATIONAL CAPACITY

- A project of this scale requires additional staffing to lead the effort and manage resource development and partner relationships. The County and Town of Pulaski can pursue this as a shared initiative with shared staff leadership.
- Legal considerations in terms of code enforcement must be explored with county staff and the county attorney.

FUNDING SCOPE REQUIREMENTS AND PROJECTED IMPACT

- Establish project goals, such as the number of rehabs, home upgrades, façade improvements, energy efficiency upgrades, and replacement homes. The goal level should demonstrate community impact, which is critical to maintaining support and momentum for the effort.

POTENTIAL FUNDING SOURCES

- Numerous sources of funding exist for this initiative and for the planning needed. Virginia Housing (formerly VHDA) should be consulted early, as they offer community impact grants that can support assessments.
- Other funding sources include CDBG, the HOME Consortium, weatherization funds, utility companies, the Virginia Housing Trust Fund, and a regional trust fund (if enacted).
- Some seniors can obtain reverse mortgages, but these should be carefully reviewed, and homeowners should have adequate counseling before considering a reverse mortgage.

METRICS TO EVALUATE SUCCESS

- Number of homes improved or replaced.
- Resources provided to the program.
- Number of volunteers engaged.

RESPONSIBLE ACTORS AND THEIR ROLES

- County and town staff
- Community development staff
- Contractors
- Local housing providers

EXAMPLES AND BEST PRACTICES

Vermod *– The Vermod is a high-quality manufactured home being built by a company in Vermont used to replace deteriorated mobile homes throughout New England. Most of the homes are 14 feet wide, which is the traditional mobile home width. The lengths can vary to achieve square footage ranging from 600 ft.*^{2} *to 1200 ft.*^{2} *Many home variations are available, including units placed side-by-side, stacked on each other, or configured as a one-bedroom cottage with a pitched roof.*

The home is designed and built to be "net zero," implying that the home can generate as much electricity as is used by its residents. The home comes equipped with integrated solar panels on the roof, and the structure uses high-quality, durable materials that make it maintenance-free for long periods.

Although the Vermod may cost more than $100,000, innovation in this space is happening very rapidly. Project:HOMES, a Richmond-based nonprofit, is developing a prototype replacement unit at a much lower cost.

Project:HOMES Renew Crew—*Richmond-based project:HOMES has sponsored a "Renew Crew" for the past decade. Comprising mainly volunteers with staff supervision, this work team conducts a wide range of repairs and improvements for homes of lower-income (mostly senior) residents in Central Virginia.*

The team does some pre-fabrication (particularly ramps, stairs, and decks) in its warehouse to improve quality control and to focus the work of untrained volunteers on the job site. The Renew Crew has assisted hundreds of households over the past few years, and its colorfully painted vehicles have raised community awareness of the program.

Strategy 2: Develop an action plan for transforming county assets into housing

Localities are seeking innovative ways to address ever-expanding and changing housing challenges in their community, especially in the wake of stagnant or declining public resources. Some municipalities are looking inward for strategies, including reimagining public real estate assets. Because of higher levels of site control, these properties represent major opportunities for new housing investments.

FRAMEWORK

Even in strong markets, localities may continue to hold real estate that is vacant or underused. The following can help accomplish plans for adapting and reusing surplus properties:

- Creating an inventory of all surplus assets
- Evaluating housing potential for holdings
- Soliciting public input to develop criteria for RFP(s)
- Releasing RFPs for any real estate assets the county identifies for development
- Evaluating responses and select development partners

IMPLEMENTATION PLAN

Immediate:

- **Develop a parcel database:** identify all county-owned parcels that are vacant or underused, and develop a database of these properties and relevant information about them.
- **Consider new uses for underutilized parcels:** craft an RFP-based transfer/disposal process that prioritizes housing for new proposed uses.

Short-term (next 12 months):

- **Evaluate potential for residential development:** consider the zoning, topography, utilities, and any existing structures on all properties. Evaluate the potential for residential development, including types beyond single-family detached homes.
- **Launch pilot initiative:** identify one or two key properties with high development potential to begin a pilot initiative.

Mid-term (12–24 months):

- With public input, **develop an RFP** that includes the following:
    - Housing production and affordability requirements
    - Expectations for special populations, such as seniors
    - Breakdown between owner-occupied and renter-occupied housing
    - Development timeline, phasing, and affordability periods
    - Site improvements and infrastructure improvements
    - Other relevant considerations
- **Release RFP:** target RFP widely throughout the county and region, leveraging Virginia Housing to attract high-quality responses.
- **Select the most-qualified respondents:** evaluate responses, solicit additional public input, and make final selections.

LEGAL, FINANCIAL, AND ORGANIZATIONAL CAPACITY

- The county must follow all ordinances that govern the transfer and sale of publicly owned land. Alternatively, the county may elect to retain ownership of the land and enter long-term ground leases with the developer for the improvements.
- Crafting, releasing, and evaluating an RFP requires skill and time. The county should ensure that its staff are capable before formally starting the process.

FUNDING SCOPE REQUIREMENTS AND PROJECTED IMPACT

- There are limited funding requirements beyond administrative costs required to oversee the process. However, depending on specific scenarios, the county may elect to provide funds that support site improvements and/or assist with housing affordability.
- The impact of this strategy depends on the amount, scale, and type of real estate offered for development along with the eventual plans for residential use on such properties.

POTENTIAL FUNDING SOURCES

- The county may choose to allocate some costs into its existing operating budget or elect to reserve and dedicate federal grants (e.g., CDBG) and/or capital-improvement dollars.
- Once private nonprofit or for-profit developers are selected to improve a property, those entities will be responsible for raising all necessary capital.

METRICS TO EVALUATE SUCCESS

- Number of parcels identified for future housing development.
- Meetings held with the public and other stakeholders to develop an RFP process.
- Number of RFPs released and number of qualified responses received.
- New housing units developed on underused public land.
- Increase in taxable real estate.

RESPONSIBLE ACTORS AND THEIR ROLES

- County planning staff and attorneys will investigate surplus properties, develop an RFP process, and evaluate responses.
- Planning commissioners and supervisors will review the RFP process, provide feedback on responses, and make final decisions regarding transfers.
- Third-party developers will submit responses to RFPs and, if selected, undertake design and construction pursuant to the final proposal.

Strategy 3: Continue community development partnerships with towns

Pulaski County's two towns, Pulaski and Dublin, have unique features that play important roles in the county's growth and economic development plans. The Town of Pulaski is the county seat and the traditional economic hub of the county. Downtown Pulaski has many historic buildings and great potential for historic downtown revitalization. Dublin is home to several large-scale manufacturers who have been expanding and adding new employees. Both towns offer great potential for residential and commercial development.

FRAMEWORK

The county can help both towns capitalize on their assets through community development partnerships. The opportunity in Dublin lies in the development of new, high-quality housing development, both ownership and rental, to help meet housing choices and amenities for new Volvo employees who prefer living closer to where they work.

The county and the towns must work together to identify development sites with appropriate zoning and access to utilities. Virginia Housing (formerly VHDA) homeownership staff should be invited to work with the county and town staff to offer attractive financing for new buyers. Virginia Housing can also arrange for services needed to prepare homeowners for obtaining mortgages, such as homebuyer education and counseling.

The opportunity in the Town of Pulaski lies with its historic character. There are numerous historic structures that are ideal for historic restoration and conversion to mixed-use development. The town offers a charming, walkable urban center that is attractive to many households. The key is to create attractive apartment and loft-style housing while continuing to build the retail base, including shopping, dining, and entertainment.

As partnerships and area-wide approaches are critical to success, town/county coordination is necessary. People will seek to live in the Town of Pulaski not only because of the historic character, quality affordable housing, and opportunities to socialize at bars, restaurants, and coffee shops but also because of attractive features such as access to high-speed internet and outdoor recreational opportunities.

IMPLEMENTATION PLAN

Immediate:

- Dublin
    - Identify development sites.
    - Recruit builders and developers for the conversation.
    - Consult with realtors to understand buyer preferences.
    - Understand Volvo's hiring plans, such as number of new employees, when they will be hired, and at what salary level.
    - Bring Virginia Housing and other mortgage lenders to the table.
- Pulaski
    - Inventory downtown assets.
    - Renew or reinvent the downtown plan.

    - Engage merchants and property owners.
    - Reimagine uses for the furniture plant.
    - Bring in outside advisors and financial resources.

Short-term (next 12 months):

- Recruit developers to pursue development projects.

Mid-term (12–24 months):

- Support projects.
- Facilitate process approvals.
- Educate the community to ensure community support.

LEGAL, FINANCIAL, AND ORGANIZATIONAL CAPACITY

- The towns and the county must access outside expertise to assist with the facilitation of new development.
- Planning and zoning should accommodate and fast track new development if it aligns with the local area plans.

FUNDING SCOPE REQUIREMENTS AND PROJECTED IMPACT

- Set development goals and measure progress by creating a community development report card. Enlist business and community leaders, and set funding requirements to the scale of redevelopment.

POTENTIAL FUNDING SOURCES

- Virginia Housing, Virginia Community Capital, historic tax credits, Virginia Community Development Corporation, the Virginia Department of Housing and Community Development, HOME Consortium, regional housing trust fund (if enacted), and Virginia Housing Trust Fund.

METRICS TO EVALUATE SUCCESS

- New and rehabilitated residential housing units as well as new tenants in commercial spaces.
- Ability to attract new workers and households to live in Pulaski County.

RESPONSIBLE ACTORS AND THEIR ROLES

- Town and county staff, state agencies, public and private funders, and NRV Regional Commission housing staff.

Strategy 4: Implement strategies in the Comprehensive Plan that address housing access and strategic "40 by 30" growth

In 2019, Pulaski County adopted its most recent comprehensive plan to guide growth until 2030, a product of many months of research and community engagement. There are seven major topics in the plan: land use, economic development, transportation, recreation and tourism, housing, infrastructure, and community facilities and services.

Although addressing all categories over the next decade are critical to supporting robust, sustainable growth, the housing chapter deserves special attention. This strategy goes beyond the Comprehensive Plan and outlines specific actions for the county and its partners to achieve its long-term housing goals. The strategy will also integrate the county's current "40 by 30" initiative to achieve a population of 40,000 people by 2030.

FRAMEWORK

The housing chapter is organized into five objectives, each with a subset of policy recommendations—24 in total. Some of the previous strategies in this section already address some of these policies, including the following:

- **Strategy 1: Improve and preserve existing housing stock**
  - Policies 1.4.2, 1.4.4, 1.4.5, and 1.4.6
- **Strategy 3: Develop an action plan for transforming county assets into housing**
  - Policies 1.1.1, 1.1.2, 1.3.1, 1.3.4

The county can also explore two distinct initiatives guided by specific policies in the plan:

1. Create a centralized housing resource center.

Implements Policy 1.2.1.

- This recommendation solves a common problem for many regions and localities across the state: residents who are eligible for and need housing resources are uncertain where to find them or start looking for them.
- A similar strategy was proposed in the Richmond Regional Housing Framework in 2020 for a regional homeownership center. It is currently being planned by the Partnership for Housing Affordability, a regional coordinating nonprofit.
- One physical location and website can serve as a "one-stop shop," especially for first-time homebuyers. The center is supported by participating entities. The center offers a full range of services to new homebuyers covering financial literacy, credit repair, and homebuyer readiness to financing, down payment, and closing cost assistance, mortgage loans and information about homes to purchase.
- Once established as a "go-to" resource, it may be possible to add services for renters and expand the mission of the center.

2. Promote density and strategic growth opportunities to achieve "40 by 30."

Implements Policies 1.1.1, 1.1.2, 1.3.1, 1.3.2, 1.3.3, and 1.3.4.

- Growing to a population of 40,000 by 2030 is possible. Sprawling development may allow the county to meet this goal; however, it may diminish community character, stretch the capacity of public utilities, and increase housing costs and traffic. To avoid this scenario, the county should promote and plan for creative density options that are well-connected to amenities and resources.
- Using the recent comprehensive plan engagement as a foundation, the county should pursue an expanded public conversation about the role of density in economic development and high-quality communities.
- Speak to non-traditional stakeholders about housing needs and challenges, including employers and faith congregations.
- Research and consider the possibility of using new provisions under § 15.2-2305.1 (see 2020 General Assembly HB1101), which allow localities to adopt comprehensive *voluntary* affordable dwelling unit ordinances. These capabilities can be integrated into the county's current planned unit development process, providing the county with a wide range of tools to jointly promote density and affordability. Relevant components include the following:
    - Ability to increase density in exchange for homes that are sold/rented to households below 80% AMI.
    - Ability to waive a wide range of development fees.
    - Ability to request payments to local housing funds in lieu of the production of onsite affordable units.
- In partnership with economic development officials, develop a marketing campaign targeting employers, developers, and builders to encourage new types of creative developments in the county.
- Develop factsheets and other educational materials about "non-traditional" density, including townhomes, small apartment buildings, and high-quality manufactured/modular homes. Include example price points along with household income levels required to affordably purchase these homes.

IMPLEMENTATION PLAN

Immediate:

1. **Create a centralized housing resource center.**
    - Develop a list of all organizations and stakeholders that help provide housing opportunities and related forms of assistance.
    - Create a task force with representatives from these organizations.
2. **Promote density and strategic growth.**
    - Research § 15.2-2305.1 and determine the applicability for Pulaski County.
    - Review public engagement from comprehensive plan update and note common refrains against density.

Short-term (next 12 months):

1. **Create a centralized housing resource center.**
    - Identify strengths, weaknesses, and opportunities related to the provision of affordable housing in the county.
    - Determine specific roles.
2. **Promote density and strategic growth.**

- Develop talking points and messages to counter NIMBYism. Use Housing Virginia as necessary.
- Begin outreach to the economic development community and other stakeholders.

Mid-term (12–24 months):

1. **Create a centralized housing resource center.**
    - Finalize operating procedures and intake process.
    - Begin advertising among the public and taking clients.
2. **Promote density and strategic growth.**
    - Create marketing materials to promote smart growth to achieve "40 by 30."
    - Develop any specific land use reforms needed to achieve the goal.

LEGAL, FINANCIAL, AND ORGANIZATIONAL CAPACITY

1. **Create a centralized housing resource center.**
    - Creating the center will help reduce duplicative efforts and expand the capacity of housing providers who operate in the county.
2. **Promote density and strategic growth.**
    - The county is well-positioned to continue the momentum on advancing smart density.

FUNDING SCOPE REQUIREMENTS AND PROJECTED IMPACT

1. **Create a centralized housing resource center.**
    - Costs may be absorbed among multiple organizations, but the program would be more successful with dedicated funding for a part- or full-time position to operate the center.
    - If successful, the Center would help residents achieve homeownership who would otherwise not have considered the opportunity. New partnerships and operational efficiencies will be created.
2. **Promote density and strategic growth.**
    - Limited new funding is required for this effort.
    - A successful campaign would result in reformed development pathways to help private developers create new housing in the county available at a wide range of prices, suits changing market preferences, and is a net positive to the county's tax base.

POTENTIAL FUNDING SOURCES

1. **Create a centralized housing resource center.**
    - Local banks, REALTORs, builders/developers, social service organizations, and Pulaski County.
2. **Promote density and strategic growth.**
    - If needed, raise additional funding from the economic development community and business organizations.

METRICS TO EVALUATE SUCCESS

1. **Create a centralized housing resource center.**
    - All stakeholders unified to evaluate gaps and duplications in service.
    - New efficiencies identified and implemented.

- Housing center established and promoted.
- Clients served by center achieve better housing opportunities.

2. Promote density and strategic growth.

- Public perception of density improves.
- Private sector more deeply engaged in county residential growth plans.
- New pathways for creative density established and implemented.
- New proposed developments use new density options and create affordable, high-quality communities.

RESPONSIBLE ACTORS AND THEIR ROLES

1. Create a centralized housing resource center.

- Nonprofit housing providers: advertise available homes and any applicable program restrictions.
- Counseling organizations: provide direct homebuyer and renter assistance.
- Banks and mortgage lenders: provide funding, educational materials, and access to loan products.
- REALTORs: educate brokers on affordable homeownership programs and offer homebuying assistance to buyers.
- County staff: advertise hub to residents and provide funding.
- Virginia Housing: coordinate and provide homeownership educational programs.

2. Promote density and strategic growth.

- County staff: lead engagement, assemble stakeholders, and research new mechanisms for density and affordability via land use regulations.
- Economic development community: promote the county as open and receptive to creative density and emphasize the sustainable path to “40 by 30.”

Strategy 5: Address water and sewer needs via strategic infrastructure financing

Pulaski County requires additional water and sewer infrastructure to accommodate growth that includes new residential and commercial development. Concurrently, many county residents seek to ensure that the attractive rural, small-town character of much of the area is preserved.

FRAMEWORK

The county must continue to refine and define its growth areas and where transportation and other infrastructure improvements are required to support this growth. Well-crafted growth areas and plans can increase competitiveness for statewide funding. Montgomery County is the fastest-growing county in the region and provides a model for defining high-growth areas, including the targeting of local, state, and federal funding resources to guide higher levels of development in those areas.

IMPLEMENTATION PLAN

Immediate:

- Strengthen the partnership and growth plan with the Public Service Authority.
- Develop an inventory and timetable for potential sources of grant and loan funding for infrastructure financing.

Short-term (next 12 months):

- Target residential growth areas and provide support to expand access to public infrastructure in those areas.
- Pursue grant funding with regional, state, and federal partners to increase accessibility throughout the county's defined growth areas.

Mid-term (12–24 months):

- Consider the inclusion of funding through a capital improvement program.
- Continue to pursue grant funding with regional, state, and federal partners.

FUNDING SCOPE REQUIREMENTS AND PROJECTED IMPACT

The cost of utility extension and capacity expansion are significant. The Public Service Authority notes that *water and sewer line extensions are offered based on the willingness of area residents to pay the additional debt service and operational costs incurred by the Authority as a result of the requested line extension*.

Public–private partnerships can also be used for funding and implementing water and sewer infrastructure needs. These include the opportunity for developers to participate in providing water and sewer infrastructure for new developments, which is widespread in many jurisdictions throughout Virginia but may substantially affect housing costs, depending on the specific circumstances.

POTENTIAL FUNDING SOURCES

- Water Infrastructure Finance and Innovation program
- Clean Water State Revolving Fund (CWSRF)
- Rural Water Loan Fund (RWLF) and Water Quality Improvement Fund (WQIF)
- Community Development Block Grant with targeted LMI benefit

METRICS TO EVALUATE SUCCESS

- Establish targets for residential and commercial development over the next decade. Measure progress using actual, completed development compared to the targets.

RESPONSIBLE ACTORS AND THEIR ROLES

- County Board of Supervisors
- Pulaski Planning Commission
- Public Service Authority
- Commercial and Residential Developers