

**A G E N D A**

**JAMES CITY COUNTY BOARD OF SUPERVISORS**

**WORK SESSION**

**County Government Center Board Room**

**March 23, 2004**

**4:00 P.M.**

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- A. CALL TO ORDER**
- B. ROLL CALL**
- C. BOARD DISCUSSIONS**
  - 1. Affordable Housing
  - 2. Strategic Management Plan
- D. ADJOURNMENT**

## MEMORANDUM

DATE: March 18, 2004

TO: The Board of Supervisors

FROM: Richard B. Hanson, Housing and Community Development Administrator *RH*

SUBJECT: Affordable Housing Work Session

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The Comprehensive Plan update adopted last year identified affordable housing as a major concern of County residents. As you are aware an increasing number of items requiring Board of Supervisor's action have an impact on the availability of affordable housing. At the March 23<sup>rd</sup> Work Session information and discussion will focus on:

- Affordable housing needs of County residents and workers
- Pricing, description, and supply of affordable housing in the County
- Affordable housing in process

We will be updating you on current County initiatives including the Ironbound Square Residential Revitalization Project and have invited several speakers to provide additional information related to the Low Income Housing Tax Credit Program and the Supportive Housing for Seniors Program.

We have enclosed the following items for your review prior to the work session:

- Information from the 2000 Virginia Housing Atlas comparing population and housing characteristics of James City County with those of the Commonwealth as a whole
- Description of James City County affordable homeownership programs
- Descriptions of the Low Income Housing Tax Credit Program and the HUD Section 202 Supportive Housing for Seniors Program.

We would also refer you to the analysis as well as the goals, strategies, and actions included in the Housing chapter of the Comprehensive Plan update.

**2000 Virginia Housing Atlas**  
**JAMES CITY COUNTY & STATE OF VIRGINIA**  
 James City County, VA

	JCC	VA
Area (Square Miles):	143	39594
Total Population:	48,102	7,078,515
Persons per Square Mile:	336	178
Urban Percent:	71.30%	73.00%
Total Housing Units:	20,772	2,904,192
Occupied Units:	19,003	2,699,173

Units in Structure (Total Units)	JCC	JCC	VA
One Unit	16,435	79.1%	72.0%
2 - 4 Units	758	3.6%	5.3%
5 or More Units	2,156	10.4%	16.2%
Mobile Homes, Trailers & Other	1,423	6.9%	6.5%

Year Structure Built (Total Units)	JCC	JCC	VA
Pre - 1939	249	1.2%	9.1%
1940 to 1959	1,390	6.7%	17.7%
1960 to 1979	5,100	24.6%	33.6%
1980 to 1989	6,729	32.4%	19.6%
1990 and After	7,304	35.2%	20.0%

Gross Rent			
Median	\$ 703		\$ 650
Below \$300		5.0%	9.3%
\$750 or More		43.1%	35.3%
No Cash Rent		5.6%	5.8%

Owner Costs			
Median Owner Costs w/o Mortgage	\$ 341		\$ 263
Median Owner Costs With Mortgage	\$ 1,227		\$ 1,144
Owners with Mortgage		77.4%	75.1%

Owner Value			
Median	\$ 167,300		\$ 125,400
Below \$100,000		19.2%	36.7%
\$150,000 or More		57.0%	38.6%
\$300,000 or More		18.6%	9.2%

Household Type			
Total Households	19,003		
Family Households	13,989		
Total Married Couple Households	11,735		
Percent of all Households		61.8%	52.8%
Female Headed Families, No Spouse	1,699		
Percent of all Households		8.9%	11.9%
Male Headed Families, No Spouse	555		
Percent of all Households		2.9%	3.8%
Non - Family Households	5,014		
Percent of all Households		26.4%	31.5%

Subfamilies			
Subfamilies with Children Under 18	279		
Ratio to Total Families		2.0%	2.9%

Tenure	JCC	JCC	VA
Renters	4,363	23.0%	31.9%
Owners / (Homeownership Rate)	14,640	77.0%	68.1%
Rate for 25-34 Year Olds		54.9%	46.1%
Rate for 35-44 Year Olds		80.1%	68.2%
Rate for 65 and Older		79.5%	80.1%

Household Size & Crowding			
Population per Household	2.47		2.54
1.01 Persons or More per Room		1.3%	3.2%

Substandard Occupied Units			
Lacking Complete Plumbing	35	0.2%	0.7%
Lacking Complete Kitchen	122	0.6%	0.6%

Cost Burden			
Renters			
Paying 30% or More of Income		44.7%	36.7%
Paying 30% or More of Income with Income Less Than \$20,000		82.8%	78.2%
Owners			
Paying 30% or More of Income		21.6%	20.5%
Paying 30% or More of Income with Income Less Than \$20,000		72.4%	56.4%

Income			
Median Household Income	\$ 55,594		\$ 46,677
Median Family Income	\$ 66,171		\$ 54,169

Poverty			
Total Persons Below Poverty	3,001	6.4%	9.6%
Under 18, Below Poverty	848	7.7%	12.3%
18-64, Below Poverty	1,776	6.3%	8.6%
65 and Older, Below Poverty	377	4.8%	9.5%

Adults with Disabilities			
Age 21-64	3,849	14.4%	17.5%
Age 65+	2,681	34.4%	42.1%

Population in Nursing Homes			
Age < 65	0		3,711
Age 65+	42		35,154

# Affordable Ownership Housing

## James City County Affordable Housing Incentive Program (AHIP)

- Background
  - Flexible Public/Private Partnership Program begun in 1990
  - Participating Builders offer homes for sale at below market prices which qualify for special reduced rate mortgages and/or downpayment assistance
  - Objectives
    - Provide First Time Homebuyer Opportunities for Low to Moderate Income Residents/Workers
    - Encourage Production of Affordable Homes
- Partners
  - OHCD, Builders, Developers, Lenders, Government Financing Agencies
- Incentives
  - Buyer Prequalification and Referral – OHCD solicits applications from potential first time homebuyers. OHCD determines whether applicants appear to meet loan-underwriting requirements. For applicants determined ineligible information is provided regarding actions required to become eligible. Eligible applicants are provided information about homes offered by AHIP builders in their price range. Eligible buyers are provided referral letter to AHIP builder stating price and terms of financing reservation. AHIP sales price reflects reduction in sales and marketing expense.
  - Low Interest Rate Mortgages – OHCD obtains reservations of special reduced rate mortgages from government finance agencies. Mortgage fund reservations include buyer income restrictions, property restrictions, sales price limits and various underwriting requirements.
  - Downpayment/Closing Cost Assistance – OHCD or lender partners obtain reservations of funds to finance downpayment and closing costs from government finance agencies.
  - Fee Waivers – Building permit and inspection fees may be waived for AHIP homes presold to eligible buyers.
  - Property – Opportunities to purchase raw land, lots, or property suitable for rehabilitation or redevelopment provided to AHIP partners.
- Related Programs
  - Home Buyer Seminars – Since 1992 OHCD has offered homebuyer classes taught by OHCD staff or participating lenders. Classes follow curriculum developed and accepted by government financing agencies. Class participants include AHIP buyers as well as other first time homebuyers.

- CDBG Homeownership Savings Program – This program, begun in 1999 and funded by a Community Development Block Grant – Local Innovation Grant, provides matching grants available for downpayment and closing cost to persons who successfully fulfill a program participation contract. Contract requirements include regular monthly savings and completion of economic literacy and homebuyer classes.
- James City County Employee Home Purchase Savings Program – a savings matching grant program similar to the CDBG Savings Program funded by the County General Fund available to JCC and JCSA employees.
- Neighborhood Revitalization Projects – With funding from Community Development Block Grants (CDBG) and other resources OHCD undertakes comprehensive infrastructure, public facility and housing improvements in designated target neighborhoods. Development of new affordable owner occupied housing has been an integral component of these projects, including the current Ironbound Square Residential Revitalization project.
- Housing Development Fund – provides local support, which leverages federal and state funding for affordable housing and blight abatement. Expenditures from the fund have included funding for Ironbound Square property acquisition and redevelopment, Toano Trace site development as well as several small infill development projects.
- Outcomes Through 2003
  - Since 1990 OHCD has reviewed over 1400 applications from potential buyers. 311 first time homebuyers have purchased homes with special low interest rate first mortgages and/or downpayment assistance provided through the AHIP and/or Homeownership Savings program.
  - The AHIP program has provided a public/private partnership framework which has enabled James City County to leverage a significant proportion of special financing home ownership financing made available statewide by the Virginia Housing Development Authority (VHDA) and the Virginia Department of Housing and Community Development (VDHCD). The 206 special low interest rate mortgages provide to AHIP buyers to date total over \$13.7 million. A total of \$2.2 million in downpayment and closing cost assistance has been provided to 255 AHIP buyers.
  - The AHIP program has been a major inducement to construction of homes sold to low and moderate income workers and County residents. 207 newly constructed homes have been sold to buyers who received special financing through AHIP and were referred to AHIP builder partners. 59 of these homes were located in Toano Trace cluster subdivision built on surplus county property.

- Special Financing 2004

- VHDA SPARC Mortgages – \$2,900,000 allocation for 28 first mortgages

- 1% below the standard VHDA tax exempt rate (3.75% as of mid March)
- Mortgage options include thirty year conventional insured, FHA, VA and RHS loans. Step Rate and FHA Plus options available.
- Targeted to buyers with household incomes below 80% of area median income.
- Maximum sales price \$115,000

- Hampton Roads Regional Loan Fund

- VHDA thirty year first mortgages at 4.125%
- Income Limit 60% of area wide median income plus \$2,000
- Down Payment Assistance from federal HOME funds allocation, may used with VHDA SPARC or HRRLF VHDA first mortgages.

- Federal Home Loan Bank of Atlanta-First-Time Homebuyer Program FHP

- Down Payment Assistance of up to \$5,000 available through participating AHIP lender partners

- CDBG and JCC Employee Home Purchase Savings Program

- Downpayment matching grants

- The Ironbound Square Residential Revitalization Project, which has received a \$1 million CDBG commitment, includes a redevelopment area along several blocks fronting on Ironbound Road. The project includes property acquisition, blight removal, and resubdivision of the redevelopment area to accommodate new affordable housing, approximately 76 senior citizen apartment units and 45 single family homes. \$1.2 million of local funding for the redevelopment project is committed under the CDBG grant agreement including Housing Development Fund and Community Development Fund.

## Federal Low-Income Housing Tax Credit Program

### **Description:**

This federal program, managed by VHDA in the State of Virginia, was authorized under Section 42 of the Internal Revenue Code of 1986 and encourages the development of affordable rental housing by providing owners with a federal income tax credit. This program has become a potent incentive for prompting private investors to participate with non-profit and for-profit organizations in the construction and rehabilitation of affordable housing. These credits are taken annually for a term of ten years, beginning with the tax year in which the project was placed in service or in the following year.

Significant rent and income restrictions apply to units that are reserved for low-income households. At a minimum, either 20 percent or more of the units in a project must be occupied by tenants whose incomes are 50 percent or less of the area's median income, or 40 percent of the units must be occupied by tenants whose incomes are 60 percent or less of the area's median income. The owner must make an irrevocable choice between these options. More than the minimum proportion of units may be designated for low-income use as this will increase the base from which the amount of credits received is computed. The gross rent charged to a tenant in a low-income unit may not exceed 30 percent of the HUD published income limits applicable to such unit size (based on 1.5 persons per bedroom). These projects must comply with income and rent restrictions for 30 years.



## Section 202 Supportive Housing for the Elderly Program

### **Summary:**

HUD provides capital advances to finance the construction, rehabilitation or acquisition with or without rehabilitation of structures that will serve as supportive housing for very low-income elderly persons, including the frail elderly, and provides rent subsidies for the projects to help make them affordable.

### **Purpose:**

The Section 202 program helps expand the supply of affordable housing with supportive services for the elderly. It provides very low-income elderly with options that allow them to live independently but in an environment that provides support activities such as cleaning, cooking, transportation, etc. The program is similar to Supportive Housing for Persons with Disabilities (Section 811).

### **Type of Assistance:**

HUD provides interest-free capital advances to private, nonprofit sponsors to finance the development of supportive housing for the elderly. The capital advance does not have to be repaid as long as the project serves very low-income elderly persons for 40 years.

Project rental assistance funds are provided to cover the difference between the HUD-approved operating cost for the project and the tenants' contribution towards rent. Project rental assistance contracts are approved initially for 5 years and are renewable based on the availability of funds.

The available program funds for a fiscal year are allocated to HUD's local offices according to factors established by the Department.

### **Eligible Grantees:**

Private nonprofit organizations can apply to develop a Section 202 project if they can, among other requirements, submit a resolution that they will provide a minimum capital investment equal to 0.5 percent of the HUD-approved capital advance, up to a maximum of \$25,000 for national sponsors or \$10,000 for other sponsors. Public entities are not eligible for funding under this program.

### **Eligible Customers:**

Occupancy in Section 202 housing is open to any very low-income household comprised of at least one person who is at least 62 years old at the time of initial occupancy.

### **Application:**

Applicants must submit an application for a capital advance, including a Request for Fund Reservation (HUD Form 92015-CA) and other information in response to the Notice of Funding Availability (NOFA) published in the Federal Register each fiscal year. Applications must be submitted to the local HUD field office with jurisdiction over the area where the proposed project will be located. Those selected for funding must meet basic program



requirements, including private nonprofit status, financial commitment and acceptable control of an approvable site. Awards are usually announced in September.

**Technical Guidance:**

The program is authorized under the Housing Act of 1959; Section 210 of the Housing and Community Development Act of 1974 P. L. 86-372 (12 U.S.C. 1701q, 73 Stat. 654, 667); the National Affordable Housing Act, P. L. 101-625 (42 U.S.C. 12701); the Housing and Community Development Act of 1992 (P.L. 102-550); the Rescissions Act (P.L. 104-19); and the American Homeownership and Economic Opportunity Act of 2000 (P.L. 106-569). Program regulations are in 24 CFR Part 891. To learn more about the Section 202 program, see Supportive Housing for the Elderly (HUD Handbook 4571.3) and Supportive Housing for the Elderly--Conditional Commitment--Final (HUD Handbook 4571.5) which are available on the Internet at <http://www.hudclips.org> or from the HUD Multifamily Clearinghouse at 1-800-685-8470. Also see notice H96-102 REV 00-23 (HUD).

Content updated November 30, 2001

**U.S. Department of Housing and Urban Development**

451 7th Street, S.W., Washington, DC 20410  
Telephone: (202) 708-1112 TTY: (202) 708-1455

**MEMORANDUM**

DATE: March 23, 2004  
TO: The Board of Supervisors  
FROM: Rona J. Vrooman, Training and Quality Performance Coordinator  
SUBJECT: FY 05 Strategic Management Plan

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The Strategic Management Plan is an important document that guides the County's work. Based on input and guidance from citizens, staff, and Board members, the Plan has been revised. A copy of the Plan brochure is attached.

The purpose of the Work Session is to unveil the updated Strategic Management Plan, review the County's Strategic Directions and Pathways, and discuss how we will continue to fulfill our mission of working in partnership with all citizens to achieve a quality community.

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Rona J. Vrooman

RJV/adw  
stratplan.mem

Attachment

## Values:

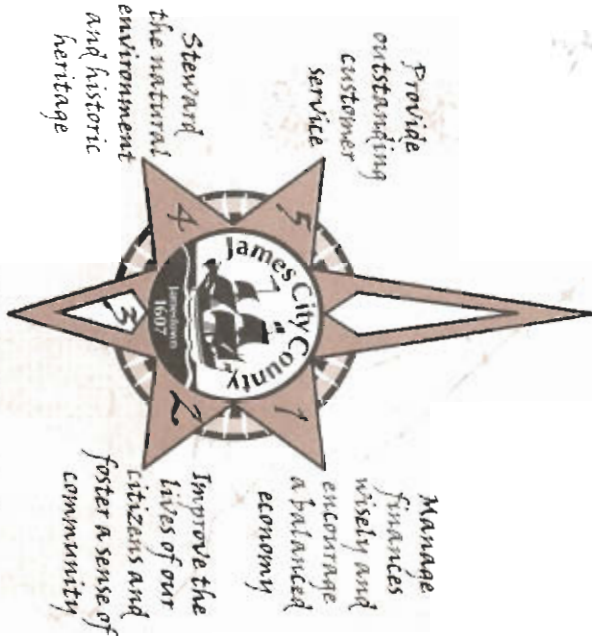
### In dealing with our customers and each other, we value:

- Diversity, mutual respect, trust, honesty and personal responsibility
- Demonstrating high standards of excellence, efficiency and commitment to service
- Communicating openly and constructively and working in a collaborative manner
- Providing opportunities for broad involvement, learning and information sharing

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### Mission:

We work in partnership with all citizens to achieve a quality community.



Plan responsibly for the needs of a growing, diverse community

Our *Strategic Management Plan* is an important document that charts our future direction.

*Strategic Directions* describe our needs, priorities and aspirations.

*Pathways* outline the key initiatives that will move us forward in the right direction.

# James City County Strategic Management Plan

### Mission:

We work in partnership with all citizens to achieve a quality community.



# Strategic Directions and Pathways

## 1) Manage finances wisely and encourage a balanced economy

- a. Evaluate service delivery costs
- b. Identify services/programs with overlapping missions and/or constituents and increase efficiencies through shared or merged services
- c. Diversify tax revenue, tax base and employment options
- d. Develop and promote revenue alternatives to property taxes
- e. Foster new and existing small businesses
- f. Focus on technology and research activities that generate economic growth

## 2) Enhance the lives of citizens and foster a sense of community

- a. Address the needs of the underserved and protect the vulnerable
- b. Enhance employability of citizens
- c. Increase the variety of safe, sanitary and affordable housing
- d. Support education/outreach about preventable health issues
- e. Improve access to information by decreasing the "digital divide"
- f. Enhance community appearance
- g. Bring together diverse groups
- h. Support lifelong learning opportunities
- i. Increase volunteerism

## 3) Plan responsibly for the needs of a growing, diverse community

- a. Involve diverse citizens in planning
- b. Ensure ongoing operational costs are funded
- c. Develop adequate water supply and provide sewer infrastructure to meet needs
- d. Invest in the capital project needs of the community
- e. Match community growth with the ability to maintain a high quality natural and man-made environment
- f. Adapt services to meet needs of our growing older population

## 4) Steward the natural environment and historic heritage

- a. Highlight our natural environment and rich history in County facilities and publications
- b. Provide environmental education for citizens
- c. Ensure private development and government operations are environmentally sensitive
- d. Seek partnerships, citizen committees, trusts and donations to protect the environment
- e. Prevent/minimize environmental impact of wastewater spills
- f. Manage stormwater effectively and protect groundwater
- g. Preserve greenspace

## 5) Provide outstanding customer service

- a. Institutionalize a customer service philosophy
- b. Maintain a well-trained and high performing workforce for normal and emergency operations
- c. Implement mechanisms to track, resolve and follow up complaints
- d. Improve collaboration and knowledge sharing
- e. Share information with citizens
- f. Ensure services recognize and respect diversity

