

# Housing Albemarle Introduction

A NEW  
HOUSING  
POLICY  
FOR  
ALBEMARLE  
COUNTY

# Overview

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Background

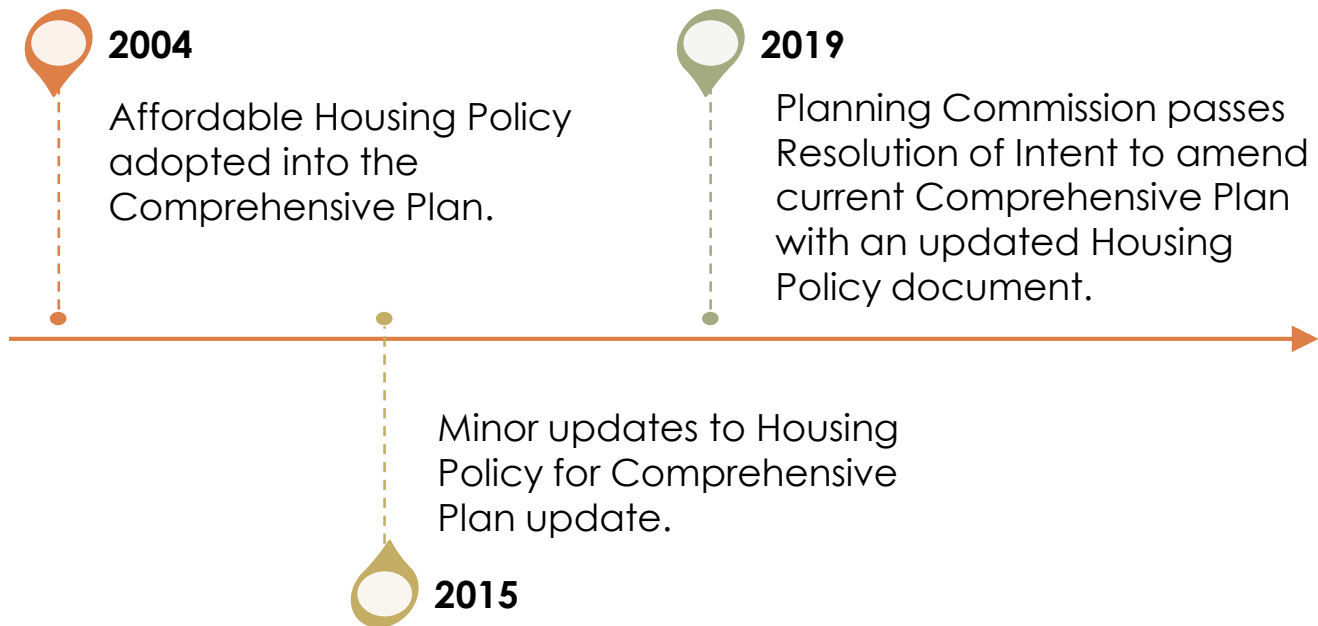
Current policy

What is affordable housing, anyway?

Background

# History

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Albemarle County's [Affordable Housing Policy](#) was first adopted in 2004, as an appendix to the Comprehensive Plan. Some minor updates were made to the policy in 2015 when the Comprehensive Plan was updated. On July 23, 2019, in recognition of increasing housing affordability issues in the county, the Planning Commission unanimously passed a Resolution of Intent to amend the current Comprehensive Plan with an updated housing policy document.

# Current housing policy

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Currently, the housing policy defines affordable housing as:

***'houses affordable to...the County population that have household incomes at or below 80% of area median income'***

Area median income, or AMI, is established each April by the U.S. Department of Housing and Urban Development (HUD). This amount applies to whole metropolitan Charlottesville region and is adjusted for household size. These income amounts are used to determine who qualifies for a range of federal, state and local government affordable housing programs. The table below shows the maximum annual incomes households of various sizes can have to qualify for affordable housing in Albemarle County.

| Area Median Income: \$89,400 |                      |          |          |          |          |          |          |          |
|------------------------------|----------------------|----------|----------|----------|----------|----------|----------|----------|
| % AMI                        | Persons in Household |          |          |          |          |          |          |          |
|                              | 1                    | 2        | 3        | 4        | 5        | 6        | 7        | 8        |
| <b>80%</b>                   | \$50,050             | \$57,200 | \$64,350 | \$71,500 | \$77,250 | \$82,950 | \$88,700 | \$94,400 |

Sources: US Dept of Housing and Urban Development

# Current housing policy

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## OBJECTIVES

- Safe, decent, & affordable housing options.
- Housing choice & equal housing opportunities.
- Safe, high quality, sustainable neighborhoods.
- Meet housing needs and services of diverse population
- Direct assistance towards those most in need

## STRATEGIES

- Regulatory & administrative functions.
- Targets for affordable housing development.
- Long-term affordability.
- Private sector partnerships.
- Identify additional sources for affordable housing development.

The housing policy identifies five housing objectives ranging from providing safe, decent, affordable housing options to directing limited resources toward individuals and families most in need of assistance.

The policy also outlines five broad strategies to meet those objectives. These strategies include setting targets for affordable housing development, finding ways to ensure housing remains affordable over the long-term, and identifying additional resources for affordable housing development.

Albemarle County has made progress toward meeting many of our housing policy goals but some of the strategies, such as setting targets for affordable housing development, have not yet been developed.

What is  
affordable  
housing?



# Affordable housing is...

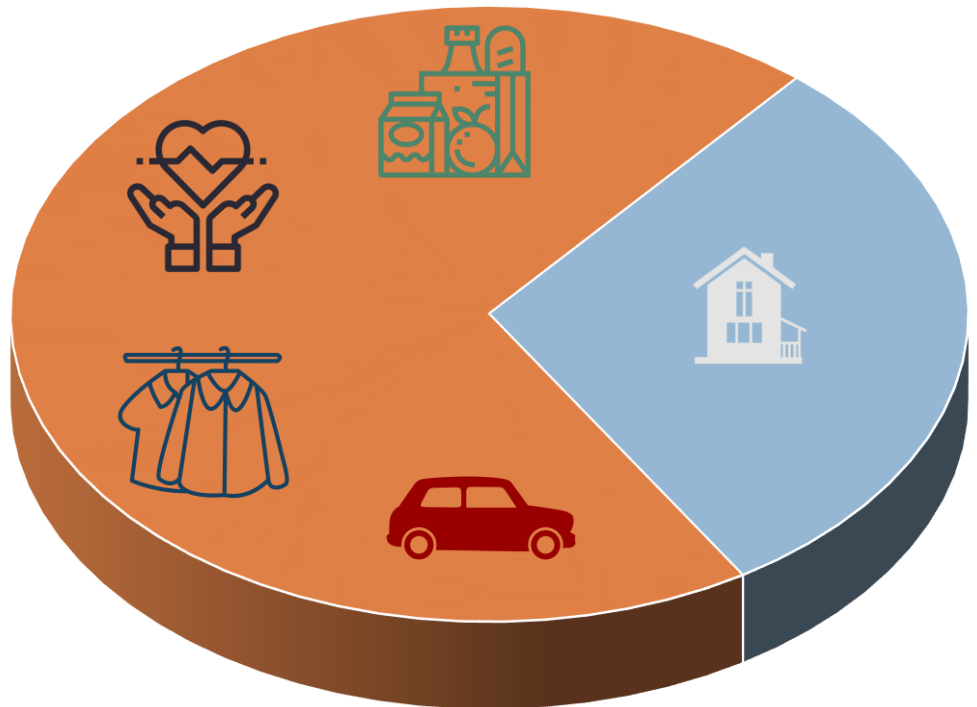
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Affordable housing is simply housing you can afford with the income you have. And total housing costs should take up no more than 30% of your monthly pre-tax income.

Total housing costs include:

For renters: rent + tenant paid utilities

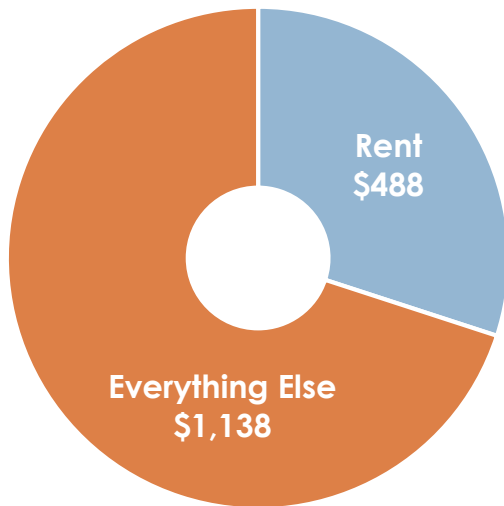
For homeowners: mortgage payment including principal + interest + property taxes + mortgage insurance





# Household budget for a Home Health Aide – affordable rental home

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Home Health Aide renting a 1-  
bedroom apartment home

Annual income = \$19,510

Monthly income = \$1,626

Affordable rent = \$488/month

Source: Bureau of Labor Statistics

For example, let's take a look at a household budget for home health aide. In the Charlottesville region, home health aides earn, on average, \$19,510 per year, or \$1,626 per month before taxes. With this salary, the home health aide can afford to pay \$488 per month for rent and utilities, leaving them \$1,138 per month to cover all other costs such as groceries, health care and transportation costs.

# Household budget for a Home Health Aide – market rate rental home

However, rental costs in our area far exceed what a home health aide can afford to pay. As you can see in the table below, if the home health aide tried to rent a modest 1-bedroom apartment in Albemarle County, the home health aide most likely pay \$1,189 for rent each month. Adding to that amount the average costs of groceries, utilities, transportation and healthcare in our region, would leave the home health aide with no income after paying rent and bills. In fact, at this rent level, the home health aide's bank account would be **overdrawn** by \$893 each month.

Annual income = \$19,510  
Monthly income = \$1,626  
Affordable rent = \$488/month

| Budget Item       | Monthly Cost  |
|-------------------|---------------|
| Salary*           | \$1,626       |
| Rent**            | -\$1,189      |
| Groceries***      | -\$400        |
| Transportation*** | -\$411        |
| Utilities***      | -\$239        |
| Healthcare***     | -\$280        |
| <b>Balance</b>    | <b>-\$893</b> |

Sources: \*Bureau of Labor Statistics Occupation & Wage data; \*\*US Census Bureau; \*\*\*US Dept of Labor Consumer Expenditure Survey 2017

# Federal definition of affordability

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It is this type of housing affordability issue that policies and programs are designed to address. They do this by:

Setting criteria for who qualifies for affordable housing programs. These criteria are based on area median income (AMI) and adjusted for the size of the household. As explained earlier, Albemarle County's housing policy helps provide housing for individuals and families with income no greater than 80% AMI. The table below shows a fuller range of those qualifying incomes.

| % AMI      | Persons in Household |          |          |          |          |          |          |          |
|------------|----------------------|----------|----------|----------|----------|----------|----------|----------|
|            | 1                    | 2        | 3        | 4        | 5        | 6        | 7        | 8        |
| <b>30%</b> | \$18,800             | \$21,450 | \$24,150 | \$26,800 | \$30,170 | \$34,590 | \$39,010 | \$43,430 |
| <b>50%</b> | \$31,300             | \$35,800 | \$40,250 | \$44,700 | \$48,300 | \$51,900 | \$55,450 | \$59,050 |
| <b>80%</b> | \$50,050             | \$57,200 | \$64,350 | \$71,500 | \$77,250 | \$82,950 | \$88,700 | \$94,400 |

Albemarle County also applies the federal Fair Market Rents (FMR) to our housing programs. These rent levels are established by the federal Department of Housing and Urban Development and take effect in October of each year. The FMRs represent the cost of renting a modest apartment in our region.

## 2019 Fair Market Rents

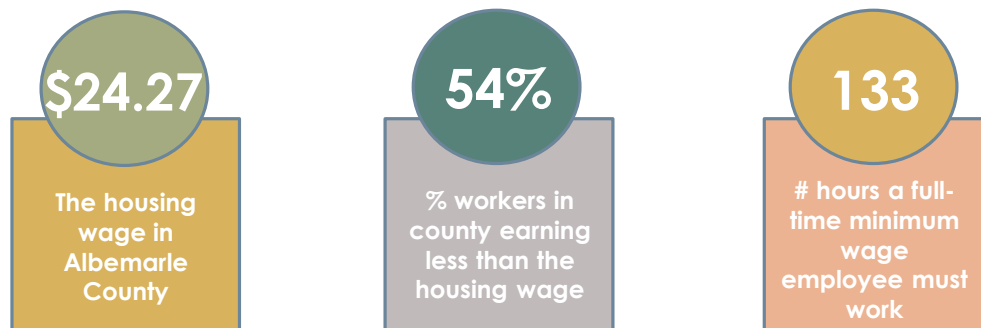
| Efficiency/<br>Studio | One<br>Bedroom | Two<br>Bedroom | Three<br>Bedroom | Four<br>Bedroom |
|-----------------------|----------------|----------------|------------------|-----------------|
| \$854                 | \$1,082        | \$1,262        | \$1,573          | \$1,942         |

# The housing wage – a measure of affordability

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Another way to measure housing affordability is by calculating what is known as the housing wage. The housing wage represents the hourly wage a full-time worker must earn in order to afford to rent a modest two-bedroom apartment.

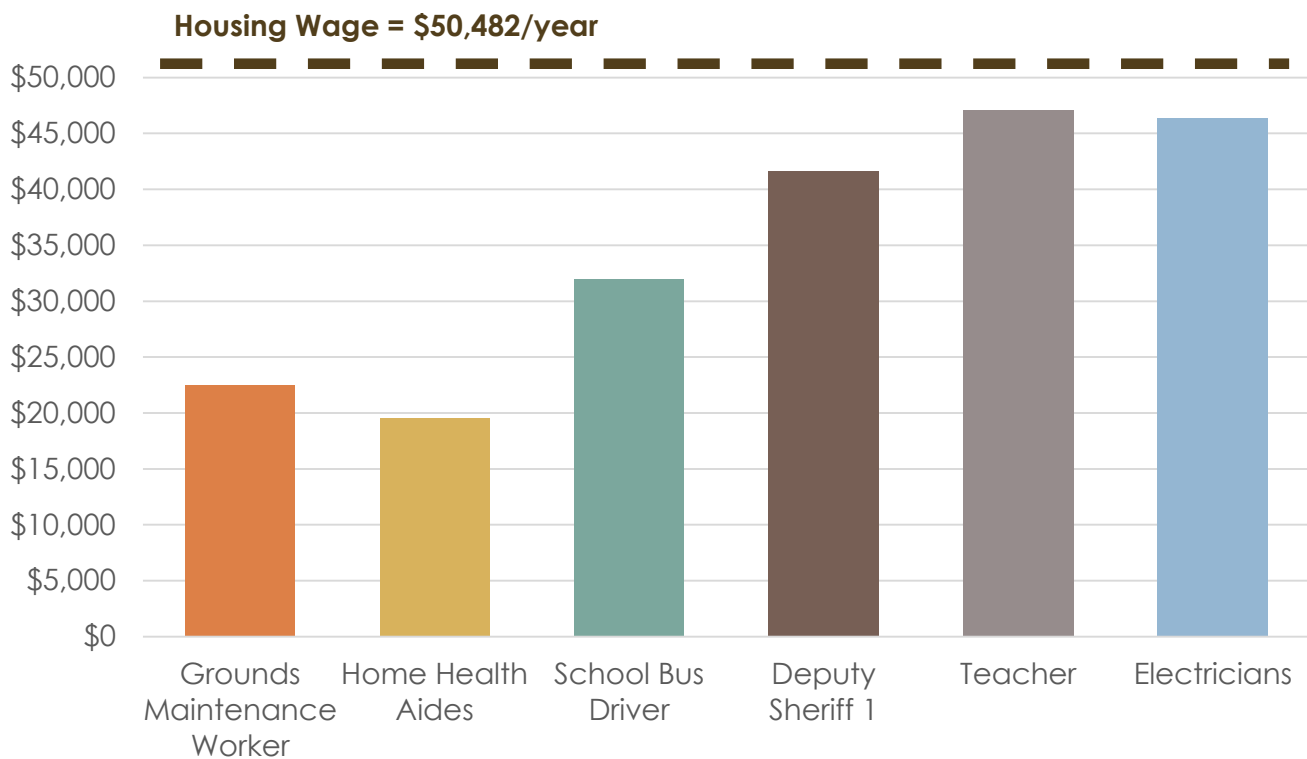
In Albemarle County, the rent for a modest 2-bedroom apartment is \$1,262 per month making the housing wage equal to \$24.27 per hour or \$50,482 per year.



Sources: US Dept of Housing and Urban Development; Bureau of Labor Statistics

According to the US Bureau of Labor Statistics, approximately 54% of the people working in the Albemarle County earn less than half of the housing wage for our area. While many local households with two working adults are able to afford local rents, workers earning the federal minimum wage of \$7.25 per hour will never make ends meet. A family with two adults working minimum wage jobs will need to work at least 133 hours per week in order to afford to rent a modest 2-bedroom apartment in our county. That is the equivalent of 3.3 full time jobs.

# Housing wage and local occupations



Sources: Bureau of Labor Statistics; Albemarle County

A housing wage of \$24.27 per hour places modest rental units out of reach of many local workers providing vital services to our community, such as school bus drivers, deputy sheriffs and school teachers.

# What does affordable housing look like?

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Often, when people hear the phrase, 'affordable housing' certain images of housing come to mind, similar to the images shown here. Those images can be similar to the ones shown here: run-down buildings, with poor design that often resembles the outside of a parking garage. These are the types of buildings no one should have to live in – or near – and represent the types of buildings our new housing policy will be designed to discourage.



# Affordable housing today

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Fortunately, affordable housing design and construction has come a long way. Today's affordable housing incorporates good design and construction standards, blending nicely into existing communities. And today's affordable housing developments include energy-saving features, such as high-efficiency appliances and solar panels which help to decrease the overall costs of housing. These are housing units we can all be proud to live in and welcome into our communities.

