

## What happened to affordable housing? Supply is shrinking in Richmond area, according to report

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Megan Edwards, a registered nurse, is looking for a starter home for \$200,000 or less.

It would be nice if she could find a small rancher in Hanover County, where she grew up. Or in nearby Henrico County. So far, no luck.

Edwards, 25, is moving from Seattle, so her mother is house-hunting for her.

"It's surprising that there is very little inventory for under \$200,000," said her mother, Jeanie Edwards.

Her daughter's predicament shows how hard it is to find affordable housing in the Richmond area -- a problem that is getting worse, according to a report released today by the Southern Environmental Law Center and the Virginia Local Initiatives Support Corp.

The law center is a nonprofit organization dedicated to protecting natural resources. Virginia LISC is a housing-advocacy group.

A symposium on the report, "Connections and Choices: Affordable Housing and Smarter Growth in the Greater Richmond Area," will be presented today at the Virginia Historical Society. The area includes Richmond and five surrounding counties.

The Richmond area faces a shrinking supply of affordable housing, according to the report. Also, incomes have not kept pace with skyrocketing housing prices, making it more difficult to buy a house.

"A lack of affordable housing can undermine communities by forcing essential employees such as teachers, nurses, police, firefighters and many other members of the workforce to live outside the area where they work," the report states.

Judy Kilgour, an agent with Long & Foster, said it's challenging to find housing for public-service workers in the counties where they work.

Kilgour worked with a Hanover deputy sheriff who needed a county address so he could take his vehicle home at night. There was no way could he afford a starter home in the county, she said.

She got creative, finding a less expensive house in King William County with a Hanover mailing address. His department approved it. He got the house.

A housing unit is typically defined as affordable when the monthly cost is no more than 30 percent of a household's income, the report states.

Yet more people are spending more money to pay their mortgages.

And that doesn't include transportation costs, which together with housing leaves little money for food, clothing, health care, education and other expenses, according to the report.

"Many people decide to drive farther to purchase or rent in an area with cheaper housing," the report states. "Yet, the hidden transportation costs of housing location are poorly understood and surprisingly high."

### What can you afford to buy?

Income and home price are for the Richmond area — the city of Richmond and counties of Chesterfield, Hanover, Henrico, Goochland and Powhatan.

Occupation	2004 median income	Affordable cost for home	Occupation	2004 median income	Affordable cost for home
Fast-food cook	\$14,600	\$55,750	Elementary school teacher	\$48,330	\$184,550
Home health aide	\$17,260	\$65,908	Computer programmer	\$57,860	\$220,941
Hairstylist	\$18,880	\$72,094	Biology professor	\$60,920	\$232,625
Travel agent	\$28,500	\$108,828	Veterinarian	\$96,590	\$368,833
Firefighter	\$35,680	\$145,639			
Police officer or sheriff's deputy	\$38,140	\$150,641			

SOURCE: [www.hsb.com](http://www.hsb.com) (assumes 6.3 interest rate, zero down payment, 30-year loan)

Sprawl is a major contributor to the lack of affordable housing, the report says. But so are regulatory barriers that require minimum lot sizes, setbacks from the road and parking requirements.

"Many of the most promising efforts to improve housing affordability in the region involve policy changes to promote more compact, less costly growth patterns," according to the report.

Developers say localities make it difficult to pursue affordable housing. Localities say they are making strides to address the issue.

### Median value and monthly costs for Richmond-area owner-occupied housing

Includes the city of Richmond and the counties of Chesterfield, Hanover, Henrico, Goochland and Powhatan.

<b>2000</b>	median value:	\$119,891
	monthly payment*:	\$971
<b>2005</b>	median value:	\$180,444
	monthly payment*:	\$1,422
<b>2010</b>	median value:	\$241,063
	monthly payment*:	\$1,873

\*Assumes fixed-rate (6.3%), 30-year mortgage, zero down, good credit; includes principal and interest, taxes and mortgage insurance.

SOURCE: <http://k3.money.cnn.com/tools/mortgagecalc/> and data based on U.S. census

Zoning in Chesterfield County, for example, does not allow for high-density housing. However, it does allow for conditional-use planning developments where smaller lots can be built.

"Developers can in effect write their own zoning ordinances," said county Planning Director Kirkland A. Turner.

To approve such a development, the county would look for amenities that support a high quality of living, such as use of open space and attractive streetscapes, he said.

Henrico allows for an urban, mixed-use zoning classification that combines residential with commercial development.

These include developments such as Rocketts Landing, Wilton on the James and West Broad Village, all of which mix residential living with office and retail space.

"Henrico has been very proactive in providing an array of zoning classifications that minimize sprawl," said Randy Silber, the county's planning director.

That's fine for a developer with deep pockets who can do multimillion-dollar projects that include

residential and commercial components, said Donald Allen, a Richmond-area builder and owner of D.O. Allen Homes.

Unfortunately, it's not realistic because most developers don't have that kind of money, Allen said.

Besides, a multi-use site doesn't work at every location, he said.

Developers run into all kinds of problems and delays trying to build high-density, affordable housing in the Richmond area, Allen said.

It's not just young families and children looking for affordable housing, he said.

"It's single people, seniors and kids coming out of college."

Allen is building Creekside Village, a community with 97 town houses in Hanover with prices starting at \$229,000.

He had to go through hoops to get the project approved, he said. Moreover, it took three years to get a building permit after the rezoning application was approved.

"Most localities have done away with small-lot zoning," Allen said.

"You can't have affordable housing without high density. And if you can't overcome that, there is no sense talking about all the other things associated with affordable housing."

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