



## HARDING AVENUE BOUNDARY ADJUSTMENT AND WORK FORCE HOUSING FACT SHEET

This fact sheet provides information regarding the proposed boundary adjustment and work force housing on the Harding Avenue Poff property.

### 1. Why is the boundary adjustment needed?

The Town of Blacksburg can contribute approximately \$4 million of its Federal Community Development Block Grant (CDBG) funds for housing located within the Town. The New River Valley HOME Consortium can also contribute approximately \$1.5 million to assist in creating work force housing.

### 2. What is work force housing?

Work force housing is for working people earning modest incomes. Work force housing is high quality, attractive housing – the only difference is subsidy funds are provided to lower the cost to the people living in the housing.

### 3. Why is the housing needed?

The average sales price of the 239 homes sold in Montgomery County in 2007 was \$276,206, making them out of reach for many working people. Affordable housing attracts quality employees and reduces the need for long distance commutes. Using the County's average home sales price of \$276,206 the monthly payment including principal, interest, taxes, and insurance (PITI) would cost \$1869/month for a 30yr mortgage at 6.25% with 5% down. This is \$636 more per month than a qualifying family of four earning \$44,000/yr can typically afford.

### 4. Who lives in work force housing and how do people qualify?

The housing is for working people with a preference to people who live or work in Montgomery County. People qualify based on several factors including income levels defined by the Federal funding, ability to qualify for a mortgage, credit history and work history. Households with incomes ranging from \$21,550 for a single person to \$73,920 for a family of four would qualify for the housing. The housing is not public housing and it is not Section 8 housing.

#### Examples of Local Wages

Montgomery County Teacher - \$34,228

Montgomery County Deputy- \$32,454

Montgomery County School Secretary- \$19,373

Montgomery County Public Facilities Maintenance Worker - \$22,702

Town of Blacksburg Custodian - \$18,124

Town of Christiansburg Equipment Operator - \$24,002

### 5. Why was another site, such as Givens Lane, not chosen?

Community Housing Partners (CHP) and the Town performed extensive feasibility studies on acquiring the Clayton Estates mobile home park on Givens Lane to redevelop it with work force



housing. The project required significant improvements to the water and sewer system in addition to the construction of a new road system within the park. The project was not financially feasible for work force housing because the combined cost of the infrastructure improvements and federally required relocation costs made the per home cost greater than what could be supported by people who qualify under program guidelines.

**6. Why was the Harding Avenue site chosen?**

Local realtors and land owners were contacted during the last two years in an effort to locate viable work force housing sites close to and within the Town of Blacksburg. Several sites within the Town limits were considered before the Harding Avenue site was identified. The Harding Avenue site is viable for development because of proximity to the Town's boundary, access to utility and public transportation services, as well as compatibility with the surrounding area with respect to density.

**7. Will the homes be owner occupied or will it be student housing?**

The for-sale homes will be deed restricted to owner occupied only, as required by subsidy funding regulations. The housing will also include rentals that will be managed by Community Housing Partners. Funding sources precludes student occupants of the rental units, unless the household has an eligible working family member.

**8. Do the homeowners pay a mortgage and property taxes?**

The homeowners have 30 year fixed-rate low interest mortgages and pay property taxes. The subsidies provided through the NRV HOME Consortium and the Town of Blacksburg's CDBG program lower the mortgage amount to make it affordable to working families but it does not affect the taxable value of the property. All the housing, including the rentals, will pay property taxes with the value established by the Montgomery County Tax Assessor.

**9. How does the home sales process work to ensure continued owner occupancy and affordability?**

- a. Potential homeowners apply to Community Housing Partners (CHP) to purchase a home.
- b. CHP verifies income and employment, obtains credit report and determines the level of subsidy required for the home to be affordable to the homeowner.
- c. Qualified buyers purchase the homes with the following deed restrictions:
  - Deed restrictions include an owner occupancy provision as required by the Federal funds administered by the New River Valley HOME Consortium and the Town's CDBG program. The HOME Consortium and/or Town contacts the homeowner every three years to ensure the house remains owner occupied.
  - To sell their home, the homeowner notifies CHP, the holder of a right of first refusal to purchase. If CHP does not purchase and/or arrange for a new buyer within the 45 day option period, the homeowner can sell to any purchaser, and repay the original subsidy and shared appreciation as outlined below.

- At closing, the homeowner repays all original subsidies and shares with CHP any appreciated value (equity). The equity split is based on the amount of original subsidy provided to the homeowner and the length of time the homeowner has lived in their home. Longer occupancy results in greater equity, therefore, incentivizing long-term ownership. CHP uses the share of equity funds to assist the new home purchaser.
- Heirs may assume ownership of the house provided they meet current income qualifications.

Attached is a graphic that shows how the subsidy and shared appreciation process is structured.

#### **10. What densities are allowed under the current County zoning?**

The Harding Avenue site is identified in the County's Comprehensive Plan as an "Urban Expansion" site. The Comprehensive Plan states that Urban Expansion sites are to be developed at "urban densities and intensities."

The R-2 zoning in the County allows single family and duplex homes on 15,000 square foot lots and clustered single family and duplex homes on 11,000 square foot lots when 25% open space is provided. The site could be developed to a density of 80 lots consisting of single family (80 units) or duplex homes (160 units) or 81 clustered lots consisting of single family (81 units) or duplex homes (162 units); similar to what is being proposed after a boundary line adjustment.

#### **11. What impact does this Boundary Line Adjustment have on future requests, especially in the Harding Avenue area?**

Boundary adjustments are mutual decisions between the Town and County and both governing bodies must decide on a case by case basis that there is a benefit for the citizens of Montgomery County. The County's urban expansion area ends at this site. Town utilities would be difficult to provide due to the topography and distance from the pump station.

All boundary line adjustment requests are evaluated on their own merits and require public hearings with approval from both the County Board of Supervisors and Blacksburg Town Council. The Town of Blacksburg does not have any plans for expanded urban growth into Montgomery County in general or specifically along Harding Avenue. The primary reason for this boundary line adjustment is to allow the use of Community Development Block Grant funds that can only be expended on projects within the Town limits.

#### **12. How will the housing affect schools?**

The Montgomery County School Board uses a national standard of 0.6 children per home to calculate the enrollment. The following chart shows the current capacity and enrollment at the local schools, the estimated increase in enrollment at the school from the proposed development and the effect on capacity.



School	Capacity	Enrollment 4/30/08	Estimated Increased Enrollment from this Development	Number Under Capacity
Harding	300	241	278	22
Middle	1200	834	852	348
High	1216	1159	1184	32

Giving preference to existing residents of Montgomery County may also lower the projected number of additional students, since many would already be attending County Schools and in turn might lower the number of new students attending schools.

**13. How will traffic and traffic safety be impacted?**

A traffic study conducted by Gay and Neel, Inc. in May 2008, indicated Harding Avenue currently has a traffic rating of B and a scale of A to F with A being the best and F the worst. Based on the study, Harding Avenue has the vehicular capacity to maintain a B rating while handling traffic from an additional 750 homes, which is far greater than what is proposed in this development.

To address concerns expressed about pedestrian safety, traffic and speed along Harding Avenue, improvements can be evaluated as part of the development process and the Town’s Capital Improvements Program. Traffic accident counts were obtained from the Blacksburg Police Department for the period between 2005-2007. During that time there were 14 accidents, two of which involved collisions with deer and three of which involved cars hitting parked vehicles or trees. The nine other accidents involved more than one vehicle. Harding Avenue is not included in the top five Blacksburg streets with the highest number of accidents.

**14. What are the neighborhood and community benefits?**

At least thirty percent of the site will be set aside as permanent open space. If the community is supportive, park land, trails, and picnic areas can be provided for public use. An old spring house is located on the property surrounded by trees and bluffs which could be made into an attractive area for public use. A neighborhood-serving community room could also be included as part of the development if there is community support.

**15. Who is Community Housing Partners?**

Community Housing Partners (CHP) is a non-profit organization headquartered in Christiansburg for over 30 years. CHP is one of the most respected non-profits in the Country having produced thousands of high quality homes for people with modest incomes. CHP has a 10 member, volunteer board of directors. More information about CHP can be found on its website at [www.communityhousingpartners.org](http://www.communityhousingpartners.org)



**16. Define the non-profit status of Community Housing Partners.**

Community Housing Partners is a non-profit, public benefit, 501(c)(3) tax exempt organization. CHP's non-profit mission is to create affordable, green, sustainable housing opportunities and services for the people and communities they serve. All income generated by the organization must be used to support its public purpose. CHP's most recent audited financial statements are attached.

**16. What has CHP developed locally and why were they selected for this development?**

The Town of Blacksburg conducted a Request for Proposals for developers in 2005 and selected Community Housing Partners. CHP developed the high quality, national award winning duplexes on Roanoke and Lee Streets. The homes are owner-occupied and provide work force housing to households earning less than 80% of the area median income (\$49,300 for a family of four, \$39,450 for a two person household). The development's value to the surrounding neighborhood is evidenced in the recent sale of two of these homes that had an appreciation in value of 10% over an 18 month period. Information about the Roanoke Lee homes is attached.

**17. What is sustainable development?**

The development will obtain the EarthCraft™ Community certification which entails a third-party verification to ensure that environmental standards are met on all areas of the site development. To be EarthCraft™ community certified, environmentally-responsible practices addressing site design elements must be adhered to including: land disturbance, water quality, storm water management, energy, water and transportation infrastructure, community design, open space, green space preservation, pedestrian design, green building and other environmentally sustainable issues.

In addition to the EarthCraft™ site development standards, all the homes will be certified EarthCraft™ with features that include advanced framing techniques, fiber cement siding, hardwood and ceramic tile flooring, low VOC paints and finishes, ENERGY STAR™ appliances, lighting, and windows, cellulose insulation, duct sealing, high efficiency 14 SEER heat pumps, water conservation through efficient appliances, rain barrels, rain gardens, pervious paving, native landscaping and other green building measures.

More information about EarthCraft certified communities can be found at [www.earthcrafthouse.com/About/communities.htm](http://www.earthcrafthouse.com/About/communities.htm)

**18. What are the timing considerations?**

Per the purchase agreement for the property, CHP has until November 1 to get the boundary line adjustment and appropriate zoning. The rezoning process in the Town of Blacksburg takes approximately four months.

**19. How is the community involved?**

The community is involved through public hearings on the boundary line adjustment, design workshops, and public hearings on rezoning to Planned Residential.