

Virginia Beach Housing Study

Final Report – Highlights & Insights

City Council – Jan. 23, 2024



Today's Goals

Review:

- Housing study process and timeline
- Highlights and insights presented in consumer report prepared by consultants

Consultants:

Virginia Center for Housing Research (VCHR)

Mel Jones, Research Scientist

HousingForward Virginia

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Why This Housing Study Update Was Needed

- Post-recession vs. post-pandemic markets
- End of COVID-19 assistance
- Stronger local housing policy knowledge

How Did We Get Here?

- **NOV. 2022:** Council approves ordinance to fund updated study
- **JAN. – FEB. 2023:** VCHR data analysis & public meetings
- **MARCH – APRIL 2023:** Online survey & expert focus groups
- **JUNE 2023:** City Council interviews with consultant
- **AUG. 8, 2023:** Briefing on key findings and potential goals for solution options
- **SEPT. 26, 2023:** Briefing on affordable housing policy and program recommendations
- **OCT. 2023 – JAN. 2024:** Consultant completes and submits housing study report to staff.

Changing Demographics

- The average household is getting smaller.
- Many seniors live on their own.
- Younger generations are less able to form households and buy homes.

Tightening Market

Homeownership Market

- Prices grow with strong demand.
- Market stabilizes but tightens.

Rental Market

- Rent growth challenges lower-wage workers.
- Lack of options leads to housing instability.

Housing Affordability

- 1 in 3 households in VB are housing cost-burdened.
- Older residents need support to reduce their housing costs.
- Average wages for the most common jobs still put affordable housing out of reach.

Housing affordability for the top 10 most common occupations in the region

Single earner at median wage

Can afford to rent and buy home in Virginia beach

General and operational managers

Can afford to rent but not buy home in Virginia Beach

Registered nurses

Cannot afford lower quartile rent in Virginia Beach

Fast food and counter workers

Customer service representatives

Retail salespersons

Office clerks (general)

Cashiers

Home health and personal care aids

Waiters and waitresses

Stockers and order filers

8 Proposed Program & Policy Solutions

Strategic Priorities	Easy Wins	Background Work
Develop a City-managed Housing Trust Fund (HTF)	Create a Housing Assistance Fund for workers	Pursue self-sustaining mixed-income, mixed-use rental development
Use VB Development Authority (VBDA) to fund new large-scale, mixed-use development projects	Leverage Virginia Statewide Community Land Trust (VSCLT) to create permanent affordable homeownership opportunities	Research opportunities to simplify and streamline the permitting and review processes
Design housing education campaign to incorporate into successful community engagement		Consider advisory board to guide new zoning changes and redesign Workforce Housing Program

Strategic Priority 1

Develop a City-managed Housing Trust Fund (HTF)

- Housing Trust Funds (HTF) are used throughout Virginia and other states
- Provides capital to address diverse housing needs
- Supplements limited federal and state resources
- Legal structures and governance models are available

Strategic Priority 2

Use VBDA to fund new large-scale, mixed-use development projects

- Leverage VBDA powers to support affordable housing and complement efforts to boost business diversity and tourism
- Expansion into housing aligns with growing state support and recognition of its role in economic vitality

Strategic Priority 3

Design housing education campaign to incorporate into successful community engagement

- Overcome stigma around increased housing density and affordability
- Bridge stronger connections between housing and other sectors
- Dispel misconceptions and foster broad community support

Easy Win 1

Create a Housing Assistance Fund for workers

- Mitigate challenges arising from essential workers living outside VB due to housing costs
- Financial assistance could include down payment assistance, temporary rental assistance and/or relocation assistance
- Enhance community integration and quality of life for critical members of economy

Easy Win 2

Leverage Virginia Statewide Community Land Trust (VSCLT) to create permanent affordable homeownership opportunities

- CLTs maintain long-term housing affordability and community stability
- Beneficial for low- and moderate-income residents
- Working with VSCLT eliminates need for a new organization

Background Work 1

Pursue self-sustaining mixed-income, mixed-use rental development

- Utilize public financing to support development by the private sector
- Provide short-term financing at below-market interest rates to reduce construction costs and equity investments to reduce long-term borrowing costs
- Potentially eliminates the need to use federal and state subsidies to create affordable housing units

Background Work 2

Research opportunities to simplify and streamline the permitting and review processes

- Focus group attendees/stakeholders: Administrative challenges slow down and add costs to residential development
- Explore comprehensive assessment of development procedures
- Implement “fast track” and “green tape” best practices

Background Work 3

Consider advisory board to guide new zoning changes and redesign Workforce Housing Program

- Establish zoning advisory board to facilitate revisions to zoning ordinance
- Focus on residential and mixed-use zone, and improve effectiveness of current Workforce Housing Program
- Involve diverse community voices in shaping policies

Next Steps

- Opportunity for Council to review full report
- Staff will return at a later date for Council feedback and direction on proposed solutions

For More Info

Report will be available online:
VirginiaBeach.gov/HousingStudy

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Thank You

Questions and Comments

