



CHAPTER 12: HOUSING

HOUSING IMPROVEMENT GOALS:

The goals for improving housing in Charles Town are the following:

- **Provide an opportunity for a diverse mix of housing types to meet the needs of citizens at all stages of their life.**
- **Use both public and private means and incentives to enhance the provision of "Affordable Housing"**
- **Protect the existing housing stock from deterioration and obsolescence.**

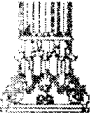
Existing Conditions

Charles Town is a City in transition. A look at the 2000 census would indicate that only 70 new homes were added since 1990. The census would also show a housing stock that is on the average more than 60 years old. However, more than 50% of the housing units were moved into since 1995. Table 12.1 below indicates the most important current housing information for the City. All information is from the 2000 Census unless otherwise noted.

Table 12.1
Selected Housing Characteristics 2000

<u>Charles Town</u>		<u>Jefferson County</u>
1,396	Total Housing Units	17,623
1,285	Number of Occupied Units	16,165
92%	Percent Occupied	91.7%
51.3%	Percent Owner Occupied	75.8%
48.7%	Percent Renter Occupied	24.2%
50.9%	Percent Occupied Since 1995	45.9%
77.5%	Percent Value Over \$150,000	68.3%
66.0%	Housing with a Mortgage	71.7%
50%	Gross Rent greater than 25% of Income	52.6%





New housing growth has been dramatic in Jefferson County, and along with it the growth in the cost of new housing. This has an impact on the City as well. It affects land values in the City and gives an indication of the relative wealth of the newcomers which can affect the economy of the City. Table 12.2 below compares Jefferson County with its surrounding counties for the years 2000 – 2004.

Table 12.2
Area Single Family Average Home Prices 2000-2004

Jurisdiction	2000	2001	2002	2003	2004
Jefferson Co.	\$144,000	\$152,830	\$172,780	\$213,471	\$248,415
Berkeley Co.	\$106,483	\$116,163	\$127,029	\$148,606	\$172,807
Washington Co.	\$124,582	\$136,302	\$144,221	\$170,685	\$205,138
Clarke Co.	\$217,797	\$258,707	\$282,526	\$304,431	\$367,037

Source: Quad-State Business Journal. March 2005.

During the five-year period illustrated above, Jefferson County's average home price jumped 102%. This was the greatest percentage increase of the surrounding area.

The mix of housing types will be undergoing change based on the housing developments that are already under construction and on the drawing boards.

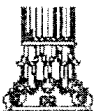
The 2000 US Census listed 878 housing units (62.2%) as single-family detached. An additional 51 units (3.6%) were listed as single-family attached. The remaining housing units (34.2%) are some form of multi-family housing. Jefferson County data shows 74.2% single-family detached, 3.4% single-family attached, and the remaining 22.5% multi-family. The new housing being built in Charles Town may shift the housing mix to a greater percentage of single-family attached based on current approved plans.

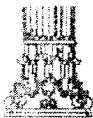
Affordable Housing

From the period 1990 to 2000 average income in Charles Town rose 17%. For the same period of time housing prices rose 28%. Even more astounding, was the increase that came after 2000. The period from 1991 to 2004 saw the average single family housing price increase by 121%. The people who bought those homes with the larger price tags came from outside the county with their place of employment generally outside of Jefferson County. This has left residents who live and work in Jefferson County/Charles Town in an economic dilemma. The young and the old are being priced out of the current housing market.

Table 12.3
Current Rental Housing Summary
Charles Town 2000

- **Median rent asked:** **\$ 581/mo.**
- **Median gross rent:** **\$ 454/mo.**
- **Minimum wage earner can afford:** **\$ 268/mo.**
- **Social Security Income of \$564/mo.**
means that the affordable gross rent is: **\$169/mo.**
- **Percent of renter-occupied units without
an automobile:** **24%**





The federal government has set the definition of “affordability” as, “...a household should pay no more than 30 percent of its annual income on housing” (Department of Housing and Urban Development). “We live in prosperous times. Home ownership hit a record high level in 2002 climbing over 67% for the first time in our nations’ history. Unemployment is at its lowest rate in almost 30 years. According to Harvard’s Joint Center on Housing Studies, “no housing market in the nation –not Baltimore, not Iowa, not Texas, nowhere – can a household earning today’s minimum wage reasonably afford a modest two bedroom rental”. (Source: Providing Affordable Housing; Michael Bodaken, Anne Heitlinger; Planning Commissioners Journal; No.45; Winter 2002)

How does Charles Town/Jefferson County stack up with regard to housing affordability? Many figures in the tables below are for Jefferson County since annual data is not tabulated by small city. However the previous comparisons of the demographic characteristics of the two entities indicates that housing affordability is in much the same condition. It is also a problem that has no political boundaries, and cannot be solved in isolation one from the other.

Charles Town Housing Opportunity Board

In March 2006, the City of Charles Town having recognized the need to be more active in addressing the various housing issues, created the Charles Town Housing Opportunity Board. The Board’s mission is, “to act as a clearing house of information for the City Council, eligible applicants for low and moderate cost housing, contractors, developers, lending institutions, and realtors, with regard to availability, construction, and development of low and moderate cost housing; to establish criteria and eligibility requirements for persons of low to moderate income levels who may inquire as to the availability of such low and moderate cost housing, both as owner occupied and rental housing units; to maintain a list of qualified interested applicants for such housing units, which list shall be public information, available to any person or entity, private or public; and to encourage the development and construction of quality low and moderate cost housing within the City of Charles Town.

Before proceeding a few definitions are needed in order to understand the data.

Affordable Housing:

A home is considered affordable if it costs no more than 30% of the owner’s/renter’s income.

AMI: Area Median Income for families.

FMR: Fair Market Rent

Housing Wage:

The amount a Charles Town worker would have to earn per hour in order to be able to work 40 hours per week and afford a two-bedroom unit at the area’s Fair Market Rent.

Affordability Index:

30% of the AMI as indicated in the latest census.

Extremely Low Income:

30% of the Affordability Income Standard.

Very Low Income:

50% of the Affordability Income Standard.

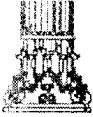
Low Income:

80% of the Affordability Income Standard.

Income and Affordability

Using the above definitions the following statements reflect the relationship of current wages and rental prices that impact families in Charles Town. When the statement is made that a



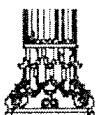


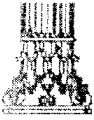
family is unable to afford a particular situation, it may often mean that there are other sacrifices being made in their living arrangements that are being required because of the rent they pay. The availability of an automobile is also important because of the necessary reliance on automobile transportation in the rural and suburban areas.

- In 2000 in Charles Town an extremely low income family (earning \$8786 per year can afford a monthly rent of \$220 while the FMR for a two-bedroom unit is \$422.
- 43% of the renters in Charles Town are unable to afford a two-bedroom unit.
- A minimum wage earner (earning \$5.15 per hour-national minimum wage) can afford a monthly rent of \$268.
- In Charles Town a worker earning the minimum wage (\$5.15 per hour) has to work 82 hours per week in order to afford a two-bedroom unit at the area's Fair Market Rate.
- The Housing Wage in Charles Town is \$8.12 per hour. This is the amount a full time (40 hours per week) worker must earn per hour in order to afford a two-bedroom housing unit.
- Social Security Income (SSI) data is available only by states. For the State of West Virginia, in 2004 a family receiving \$564 monthly, can afford a monthly rent of \$169, while the FMR for a one-bedroom housing unit is \$401.

Table 12.4
2004 Renter Households: Jefferson County

Estimated Renter Median Annual Income	\$29,288
Monthly Rent Affordable At Renter Median Income	\$732
Income Needed to Afford 2 BR FMR	\$24,016
# Families Earning 30% or less of AMI	654
# Families Earning 30-50% of AMI	432
Income Needed to Afford FMR	
Zero Bedrooms	\$15,560
One Bedroom	\$21,000
Two Bedrooms	\$23,920
Housing Wage Hourly Wage Needed To Afford (40 hours/wk):	
Zero Bedrooms	\$ 7.48
One Bedroom	\$10.10
Two Bedrooms	\$11.50





Work Hours/Week Necessary
At Minimum Wage to Afford

Zero Bedrooms	58
One Bedroom	78
Two Bedrooms	89

Housing affordability is as much about earnings for a family as it is about the cost of housing. A program that only addresses the cost of housing is not comprehensive enough to solve the problem.

Assets/Opportunities

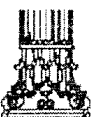
- The City and County have a supply of diversified housing space that can be utilized if a concerted effort is made to use at least part of it for low to moderate income housing.
- The Commerce Corridor Project can be a catalyst for addressing some of the affordable housing needs.
- The dynamic housing market that currently exists can be used to address affordable housing if the right tools for implementation are put in place.
- There are numerous "in-fill" opportunities to develop scattered site affordable housing projects so that concentration is avoided.
- There is upper story space available for affordable apartments if the resources can be brought to bear to make them safely habitable at a reasonable cost.
- The City is one of the very few jurisdictions that can provide water and sewer service concurrent with developer initiatives. This cannot always happen in other parts of the Eastern Panhandle.

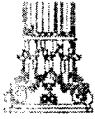
Constraints/Challenges

- The West Virginia Housing Development Fund in their 1997 Business Plan estimated that there was an annual deficit of 105 owner occupied housing units per year for the years 1996-2000; and, a deficit of 115 units of rental housing per year.
- The problem of affordable housing is regional not local. Success will require regional cooperation and commitment.
- The current transportation network with its dependency on the automobile can be a hindrance in addressing the problem. A housing unit may be affordable but its location may require the trip to work to be unaffordable.
- A regional work group for addressing the affordability issue does not currently exist.
- Although the current efforts to establish impact fees for all imaginable services assists in increasing the price of housing, the elimination of these fees does not guarantee that housing prices will go down. Housing prices will remain market driven, and costs will be shifted to those least able to pay as much as the rest of the population.

RECOMMENDATIONS FOR HOUSING

1. Make changes to the City Zoning and Subdivision Regulations to increase the potential for Affordable Housing by:
 - a. Review design standards to determine if changes can be made to reduce unnecessary costs while continuing to protect the public interest.





- b. Allow for conversion of under-used structures in the appropriate locations.
 - c. Establish a City/County task force that would look at all the obstacles that stand in the way of affordable housing and develop a plan of action including cost, responsible party for taking action, and time-table for action. Some of the types of representation on the task force should be:
 - i. Local and County government
 - ii. WV Housing
 - iii. Banking
 - iv. Development interests
 - v. Major employers
 - vi. Economic and Community Development
 - vii. Non-profit Housing interests
 - d. Encourage diversity in housing types including multi-family housing, condominiums, assisted living, high-rise in appropriate areas, and forms of housing that allow for the extended family.
2. Continue participation in the West Virginia Development Fund's Employer Assisted Loan Program and encourage other municipalities in the county to do the same.
 3. Request participation in the Employer Assisted Loan Program as a bargaining tool for new employers requesting zoning. (They are choosing to come to Charles Town/ Jefferson County because of the business and living environment and will be willing to contribute to the community).
 4. Work with West Virginia Housing Development Fund for the promotion of the following programs:
 - a. Early Ownership Program
 - b. Deferred Closing Cost Loan Program
 - c. Low Income Assisted Mortgage Program
 - d. Mortgage Credit Certificates
 - e. HOME Investment Partnership Program
 - f. Flood Assistance Program
 - g. West Virginia Homeless Shelters/Special Needs Programs
 - h. Land Development Program
 - i. Other programs as they evolve from state and federal sources
 5. Identify residential rental rehabilitation projects.
 6. Continue to work with the Eastern Panhandle Home Consortium to improve affordable housing opportunities.
 7. Support the Charles Town Housing Opportunity Board and assist in furthering their influence to maintain affordable housing.

