

chapter 7

HOUSING



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In the modern economy, households locate in an area based on the quality of life there. Businesses follow the workforce, locating near a strong base of employees and customers. So cultivating the local economy means creating conditions that the workers and shoppers of the future find attractive. All the elements of this Plan – parks, schools, clean air – help create those attractive conditions. But housing may be the most important.

Winchester must have housing choices that newcomers find appealing, or they will move elsewhere, and jobs will follow them away. This chapter outlines how the city can reposition itself by improving its housing stock while respecting the stable neighborhoods and the historic core area.

CITYWIDE HOUSING OBJECTIVES

As noted in Chapter Three there are nine citywide housing objectives to address the citywide goal for housing is:

Provide opportunities for vibrant, high quality, mixed-income, higher density housing in a diverse range in suitable living environments in order to facilitate economic and social sustainability.

The nine citywide housing objectives are:

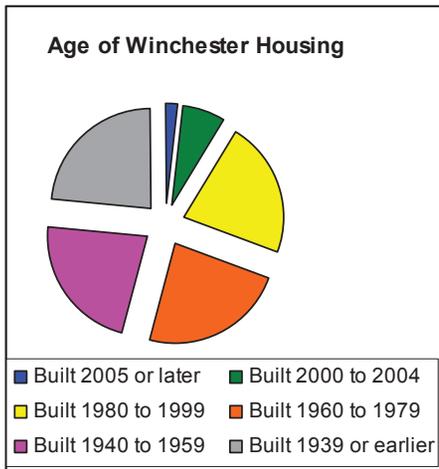
1. Increase the appreciation rate of city home values relative to the region.
2. Provide opportunities for new mixed-income and mixed dwelling-type residential use in higher density setting that incorporate the quality design principles of New Urbanism.
3. Facilitate the rehabilitation of existing economically viable substandard housing units in suitable living environments while maintaining and preserving the existing character of vibrant residential neighborhoods designated in this Plan.
4. Continue to pursue code enforcement to eliminate blight and undue overcrowding in residential areas to improve the quality of the housing stock.
5. Actively pursue the acquisition and demolition or redevelopment of economically obsolete residential structures except those contributing architecturally to the historic district.
6. Promote appropriate housing development, particularly to serve targeted populations such as young professionals and empty nesters.
7. Promote the development of appropriate low- and moderate-income housing that is well maintained and managed.

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8. Pursue means of recovering the costs of impacts associated with multi-family rental properties through alternative tax assessments.
9. Discourage the conversion of single family detached units to multi-family rental units in traditionally single-family areas.

PRESENT CONDITIONS

What kinds of housing does Winchester have now?

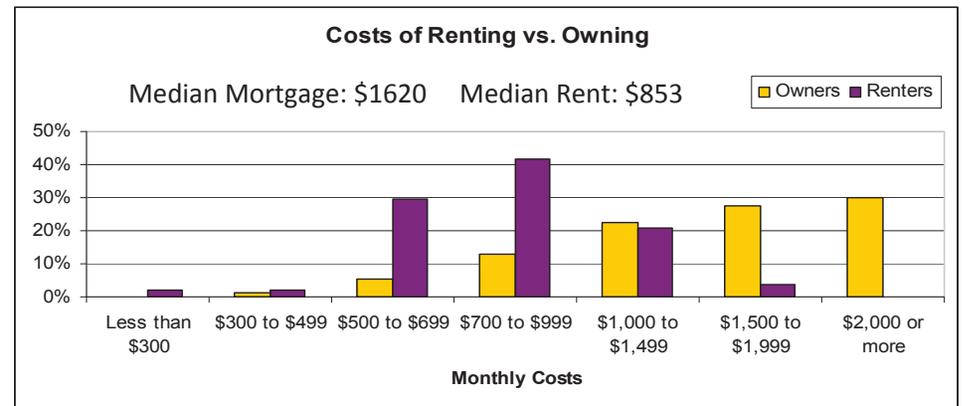


In 2010, the City had 11,872 housing units for 26,203 persons. In 2008, the last year for which detailed data is available, Winchester had 11,588 housing units for 25,773 persons. Census surveys estimated 1,677 vacant units (14 percent vacancy). Of the rest, owners occupied 51 percent, and the other 49 percent were rented. Home ownership correlates with low density: in the central corridor, nearly three quarters of dwellings are rented, while on the city’s more suburban edges owner occupancy reaches 85 percent.

The chart at left shows the age of Winchester’s housing stock. About 24 percent of the city’s houses predate 1939, with many fine examples of nineteenth century styles. Historic housing is mostly downtown, and the city’s Historic District helps preserve them. Almost half of the city’s housing, shown in orange and pink, is old but not historic. Some of these units are nearing the end of their economic lives.

The chart on the right shows the monthly costs paid by owners and renters in Winchester. Most renters pay less than \$853 per month, whereas most of the city’s largest and finest homes are owned. The city does not have very many luxury rental units.

Today, the city’s most valuable housing is mortgaged by dual-income families. Rented units tend to cost less and include a more diverse and transient population. About 2,000 houses are owned, with no mortgage -these are generally older and long held in the same family. A significant number of single-family houses have only one occupant, often a widow or widower. Seniors pay little property tax, and the tax code encourages some rigidity in the market as they choose not to occupy smaller units.



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FUTURE TRENDS

What kinds of housing does Winchester need for the future?

Chapter Two explains the demographic changes coming to the city. In order to make the most of change, the city must have appropriate housing to meet the needs of newcomers -or they, and their jobs, will go elsewhere.

The city's total population is projected to reach about 29,300 by 2020 and 32,500 by 2030. Group quarter population -college dormitories, nursing homes, group homes -amounted to about 800 persons in 2000, but swelled to as much as 1,870 by 2008, partly due to Shenandoah University taking over two former motel establishments and partly due to an influx of privately operated group homes throughout the City. The rapid expansion of group home facilities earned Winchester an unofficial title of 'Recovery City' and is in conflict with the vision for a sustainable community of choice.

Of the estimated 25,773 residents of the City in 2008, a total of 23,899 were identified as residing in households (i.e. not group quarter population). In 2008, there were an estimated 11,588 dwelling units, of which 9,911 were occupied. Assuming a Census average 2.41 persons per dwelling and assuming no increase in the percentage of group quarter population, , that means that an average of 112 new housing units must come onto the market each year to support the projected growth noted in the previous paragraph.

Factoring in a normal vacancy rate of 10 percent, that adds another 11 units annually for a total of 123 units needing to be constructed each year. And they must be the kind of units that new residents want.

Vacant land within Winchester's city limits does not provide very much space for building houses: most open space is important for environmental sustainability and recreation. Therefore, suburban-styled development of detached houses on large lots is not a long term option. The new housing must take the form of increased density including apartments and condominiums. Greater density on limited land will tend to increase values. The most natural course for the city's growth is to replace today's obsolete housing with denser and more valuable units. That is just what the key growth demographics demand.

Winchester has enough housing to meet the needs of large households and couples with children. Family needs can be met while aligning growth to three demographic growth groups:

| | |
|---------------------|--|
| Students | Shenandoah University plans to grow enrollment without matching construction of dormitories. So more undergraduate and graduate students will seek rental housing close to the campus and the social life of downtown. |
| Young Professionals | Educated workers without children often seek housing near their jobs and the shopping and entertainment options of a city. |
| Empty Nesters | After their children move out, dual-income couples have many years to continue working and living actively. They may seek a smaller dwelling close to their jobs and social and cultural interests. |

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Members of these groups often feel less attached to the suburban lifestyle. The energy, diversity, and convenience of a small city appeals to them. These households should fuel Winchester's sustainable growth. But the city must have the kind of housing they desire.



Mixed-Use redevelopment underway downtown.

This means:

- More quality apartments downtown and near the university.
- Apartments near, or even above, downtown offices and businesses.
- Luxury apartments with amenities for dual-income couples.
- Condominium units to provide equity investment at similar price and quality to luxury apartments.
- More mixed-use development.
- Converting or demolishing obsolete and blighted houses to result in more desirable housing types.

Today, Winchester does not have enough of the kind of housing that the future requires. Considering the natural rigidities of the housing market and the current pressures against financing new development, there is a role for the City to improve market functionality.

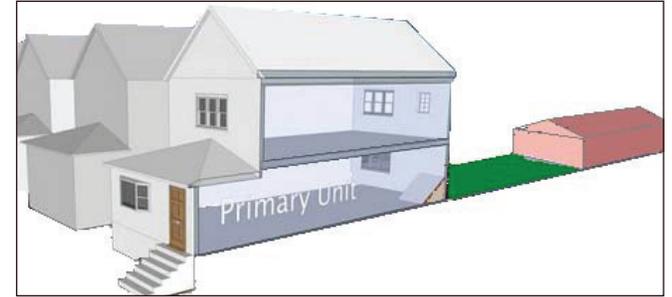
City staff should work with developers to remove obstacles to the creation of a more vibrant housing stock. At the level of individual houses, there are already some incentives for rehabilitation. A homeowner or landlord who improves the value of a house that is at least 25 years old and situated within the Historic District by at least forty percent does not have to pay tax on the added value for ten years. Many older homes could benefit from such renovations.

Some older houses' obsolescence amounts to spot blight or dereliction by law. They need to be rehabilitated or demolished. The City already has incentives in place to encourage the rehabilitation or demolition of these structures. Property owners can receive a 10-year tax abatement on the increased value related to rehabilitation or, in the case of demolition, receive up to \$5,000 of demolition value abated for a 10 year period along with reimbursement of building and demolition permit fees.

New, denser, more valuable housing can be built on sites following demolition. Where blighted, vacant structures sap a neighborhood's vitality, condemnation is appropriate to consider. City planners should help developers consolidate small parcels for redevelopment projects that include the kinds of housing demanding by the changing market.

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For key parcels, the city can play a more active role. City finances may underwrite the risks of development, or the city may partner with builders by contributing land and taking a portion of profits. State law permits many other forms of public-private partnership, and staff should remain alert to the possibilities and take the lead in educating developers. Such actions are justified when the benefits of the project -in catalyzing the growth of a neighborhood -accrue to the public as positive externalities.



The Zoning Ordinance should be revised to channel development into the desired forms. This means incentives for mixed uses, green buildings, mixed dwelling types, and other principles of New Urbanism. Chapter Ten gives more attention to traditional design. Under current law, accessory apartments and cottages like those shown on the right are not allowed in most areas. Yet they offer an easy increase in density, especially for students, without changing the façade of a house. As long as alleys offer safe emergency access, these units should be more generally permitted.

Conversely, the Zoning Ordinance should contain restrictions on undesirable housing types. The city has many stable residential neighborhoods where no great change makes sense. In these neighborhoods, the conversion of single-family homes to multi-family rental use should be discouraged. A limited supply of land means that detached, large houses are best used as valuable homes for single families. Denser townhouse and apartment forms are preferable to splitting up the city's largest and oldest houses.

Planning and finance staff should monitor the revenue generated by new housing compared to the services granted by the city. The marginal dwelling and household should yield funding equal to the marginal costs of city services to that household. If the existing regime of taxes and fees does not suffice, then it should be changed.

EQUITY CONSIDERATIONS

What about housing for people with low incomes?

This Plan calls for increased density of housing; that today's blighted and underused property should become denser, higher value stock for new demographic groups to use. The danger of this strategy is that it risks displacing low-income residents. Changing demographics and rising property values that destroy a neighborhood's old character is called gentrification. It is not desirable. Redevelopment efforts should add capacity for desired growth while preserving options for the poor and improving the quality of low-income housing. Management and maintenance of low-income housing developments should be carefully scrutinized by the City to ensure that they do not become tomorrow's slums.

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The federal definition of affordable housing is: costing less than 30 percent of a household's income. If housing costs more than that, there may not be enough left for food, transportation, and the other needs of life. The table on the following page shows local wages for key community jobs and the housing cost that is 30 percent of that income. Such workers might have to share housing or have difficulty supporting dependents.

| Wages and Affordable Housing in Winchester | | |
|--|-------------|-------------------------|
| Profession | Hourly Wage | Affordable Monthly Rent |
| First-year teacher | \$16.82 | \$807 |
| Licensed nurse | \$14.47 | \$695 |
| Fast food manager | \$12.50 | \$600 |

Many local households maintain steady occupancy of owned or rented dwellings despite low incomes. Nonprofits like Help with Housing, Habitat for Humanity, and The Salvation Army provide counseling and support. The city's Office of Housing and Neighborhood Development (OHND) provides assisting through housing vouchers.

Winchester does not have any public housing projects. Instead, OHND provides vouchers to households earning less than half of the local median income –about \$29,000 for a family of four. With their vouchers, families can rent any property on the private market; the landlord then receives compensation from the state. As of July 2010, OHND subsidized housing for 253 households. Some 94 others remained on a waiting list, and there is no way to know how many families have given up applying or do not understand the program. There is no shortage of landlords willing to partner with OHND. The voucher program promotes mixed income neighborhoods, prevents homelessness, and preserves free market choices.

City inspectors work to ensure the quality of rental housing and address unhealthy conditions. This work should continue, in partnership with other city staff: police, fire and rescue, and social services staff all have an interest in stable housing for the poor.

Redevelopment efforts catering to growth demographics should focus on vacant and blighted structures in areas designated for redevelopment or revitalization/infill as depicted on the Character Map in Chapter 9 of this Plan. They should increase density in appropriate neighborhoods and include adding apartments above downtown businesses. Redevelopment should not be a blunt instrument that damages any stable neighborhood.

Finally, while this Plan distances itself from prior Plans that discouraged rental housing, there nonetheless needs to be attention to recovering the costs of impacts associated with multi-family rental properties. Impacts include additional public safety, education, and demand for recreational facilities. One of the housing objectives of this Plan is to mitigate the impacts of multifamily rental development through measures such as alternative tax assessments. This could include assessing multifamily structures on an income-generating basis rather than on a square footage basis as is currently done. Another approach is to charge for services or require privately contracted services such as was done with refuse collection at multifamily complexes a number of years ago.