

NRV HOUSING TRUST FUND

Floyd County Board of Supervisors

March 26, 2024



Regional Housing Building Blocks

New River Valley HOME Consortium

- Formed in 2007
- Annual funding allocation from HUD
 - Currently \$600K/yr
 - Funding rotates throughout region



Regional + Local Housing Study

- Completed in 2021
- Documented housing needs in region
- Recommended creation of a regional housing trust fund (one of 7 regional strategies)



Housing Trust Fund definition

A dedicated, set-aside funding source for the preservation or development of affordable housing

What is 'Affordable Housing'?

Who are we serving? What do these housing terms mean?

Extremely Low Income

30% Area Median Income

Low Income

50% Area Median Income

Moderate Income

80% Area Median Income



= \$30,000

for family of 4

= \$36,750

for family of 4

= \$58,750

for family of 4

Household qualifies for
Section 8 Program/
Housing Choice Voucher

By the Numbers



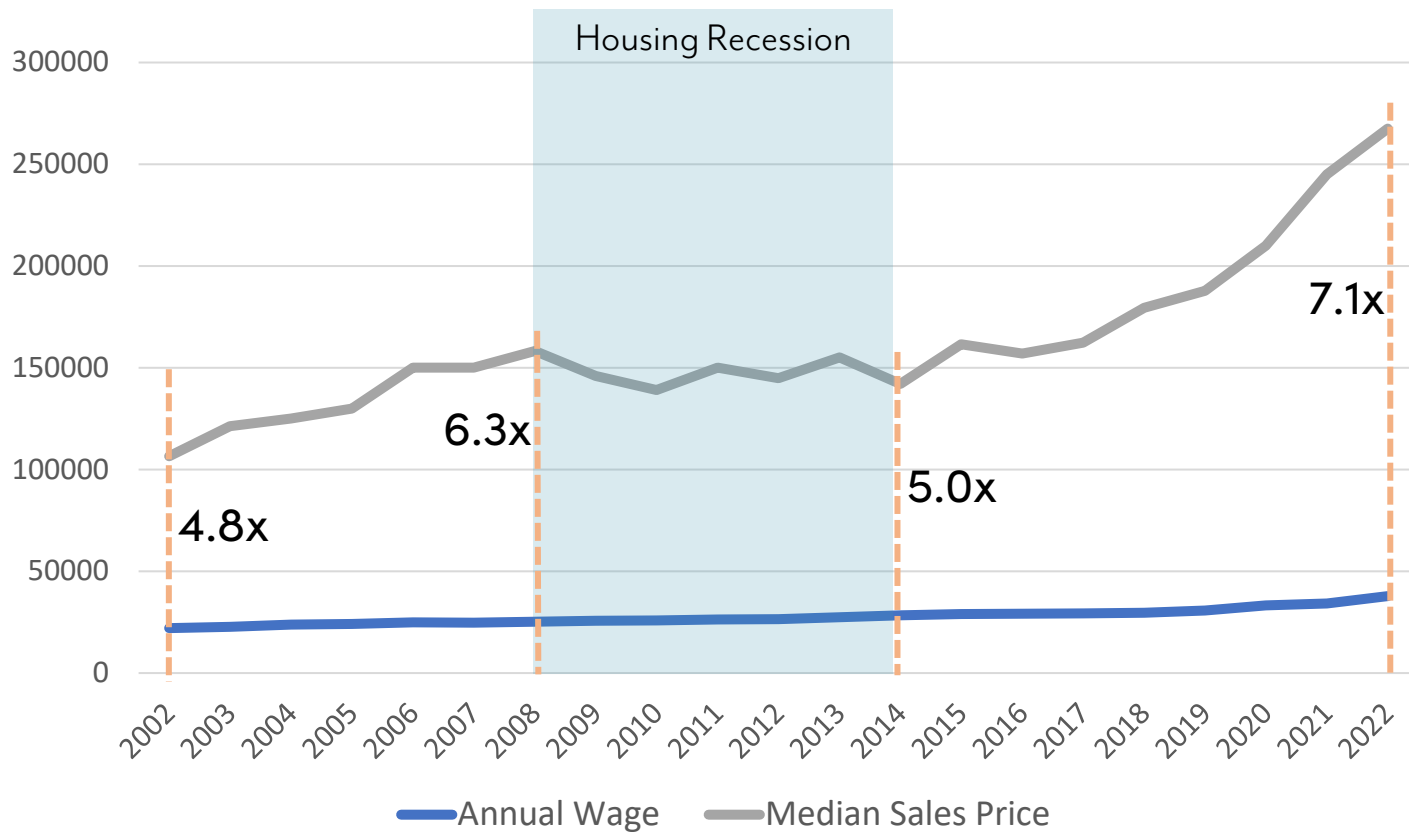
Greatest changes in median sales price 2019-2022

- Christiansburg: \$205,000 to \$280,000 (+37%)
- Montgomery: \$242,000 to \$340,000 (+40%)
- Radford: \$160,000 to \$230,000 (+44%)
- Blacksburg: \$268,751 to \$395,000 (+47%)
- Floyd Co: \$155,000 to \$267,450 (+73%!)



The Widening Affordability Gap

Annual Salary and Median Housing Price Change in Floyd County 2002-2022



In general, a home's purchase price should be no more than **3-5 times** a purchaser's annual salary

In 2022:

Average salary - \$37,743

Median sale price - \$267,450

That's a factor of **7.1**

Housing Trust Fund Timeline

Milestones Achieved 2021-2023

- Completed Regional + Local Housing Study
- Regional Commission received \$2M housing development grant from Virginia Housing to pilot program
- Conducted extensive research on other local/regional trust funds
- Regional stakeholders group met monthly to build the Housing Trust Fund program
- The NRV HOME Consortium model provided a successful template
 - Rotate funds around the region (5-yr cycle)
 - Each locality chooses how it uses the funds

MLS Search 3/25/24, Single Family Homes for Sale in Floyd County

			Range of Income Needed to Purchase	
1	\$ 2,750,000		\$ 687,500	\$ 916,667
2	\$ 1,100,000		\$ 275,000	\$ 366,667
3	\$ 775,000		\$ 193,750	\$ 258,333
4	\$ 699,900		\$ 174,975	\$ 233,300
5	\$ 495,000		\$ 123,750	\$ 165,000
6	\$ 399,999		\$ 100,000	\$ 133,333
7	\$ 399,900		\$ 99,975	\$ 133,300
8	\$ 349,500		\$ 87,375	\$ 116,500
9	\$ 347,500		\$ 86,875	\$ 115,833
10	\$ 324,000		\$ 81,000	\$ 108,000
11	\$ 299,900		\$ 74,975	\$ 99,967
12	\$ 297,000		\$ 74,250	\$ 99,000
13	\$ 289,900		\$ 72,475	\$ 96,633
14	\$ 275,000		\$ 68,750	\$ 91,667
15	\$ 275,000		\$ 68,750	\$ 91,667
16	\$ 229,900		\$ 57,475	\$ 76,633
17	\$ 198,000		\$ 49,500	\$ 66,000
18	\$ 148,000		\$ 37,000	\$ 49,333
19	\$ 125,000		\$ 31,250	\$ 41,667
	\$ 514,658	average listing price		
	\$ 324,000	median listing price		

Sale price of Habitat townhomes (\$140,000) →

Observations:

- Housing affordability is defined as not spending more than 30% of income on housing + utilities
- Housing affordability is not just a numerical/financial calculation, but also a supply/availability issue
- The buying power of the average household's income has become progressively lower over time (become home prices are rising faster than wages)
- Hundreds of workers in Floyd County cannot afford to rent or purchase a home
- Housing availability/affordability is directly tied to job recruitment and retention

Income of Household of 4 qualifying as low-to-moderate income (\$58,750)

KEY NRVHTF GOALS

- More funds to support affordable housing development
 - Supplement other funding sources
 - Leverage additional grant funding
- Rules and requirements decided by NRV
- Locality choice in how funds are used
- Return on investment
 - Housing units
 - Localities receive more than they contributed
- Regional funding approach: public and private investment

Use of Funds

- Funds will rotate throughout the region alongside HOME funding
- Project selection guided by Floyd County
- Funding provided to a developer/contractor to assist with:
 - Homeownership
 - Rental
 - Homeowner Rehabilitation

Investment Methodology

\$600K/Yr Model

	Population	~\$600K/Yr Allocation*	Funding Anticipated 2024-2028**	Approx 5-yr Award Value
Floyd	15,609	\$27,316	\$109,264	\$381,185
Giles	16,657	\$29,150	\$116,600	\$465,892
Montgomery	92,561	\$161,982	\$647,928	\$1,948,277
Pulaski	33,571	\$58,749	\$234,996	\$804,723
Radford	13,885	\$24,299	\$97,196	\$635,308
Non-Govt		\$300,000	\$1,500,000	
VA Hsg Grant			\$2,000,000	

*Based on ~\$1.75 per capita;

**Represents 4-years of locality investment due to grant seed money in Year 1

Investment Methodology

\$600K/Yr Model

Locality	Weldon Cooper 2022	Per Capita Rate	Investment
Floyd (Co only)	15,160	\$ 1.75	\$ 26,530
Town of Floyd	449	\$ 1.75	\$ 786
Giles	16,657	\$ 1.75	\$ 29,150
Montgomery (Co only)	33,389	\$ 1.75	\$ 58,431
Blacksburg	36,610	\$ 1.75	\$ 64,068
Christiansburg	22,562	\$ 1.75	\$ 39,484
Pulaski (Co only)	21,996	\$ 1.75	\$ 38,493
Pulaski Town	8,904	\$ 1.75	\$ 15,582
Town of Dublin	2,671	\$ 1.75	\$ 4,674
Radford	13,885	\$ 1.75	\$ 24,299
	172,283		\$ 301,495

Funding commitments for a five-year cycle are vital for regional equity

Housing Trust Fund Timeline

Milestones Achieved to 2023-present

- Awarded two pilot housing proposals in 2023:
 - 1) \$850,000 to Claremont Apartments in Town of Pulaski;
 - 2) \$950,000 to Legacy on Main project in Town of Blacksburg; totaling 106 units
- Seeking local investment for FY25
 - Joint Budget Review request to all localities
 - Requests to other local partners: Virginia Tech, Carilion, Radford University, LewisGale, and other major employers
- Regional Commission pursuing nonprofit arm for long-term oversight

DISCUSSION



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