

Chapter XI:

HOUSING

**ADOPTED
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Introduction

Establishing a comprehensive housing policy within the Comprehensive Plan requires careful attention to the goal of providing opportunities to meet local housing needs within the context of the adopted “vision for Smithfield.” As in most growing communities, large pockets of high density, multi-family housing are counter balanced in Smithfield by a number of affluent single family neighborhoods. While high-income retirees are drawn to the region for its quality of life, the non-specialized employment demands for relatively lower income wage earners within the Town place pressure on both the local and regional housing markets to provide for low and moderate cost housing for its workforce. While this demand continues to evolve, the Town’s supply of land suitable for residential housing is rapidly dwindling, leaving few tracts available to absorb the predicted demands for the next twenty-five years. Thus, key decisions regarding residential land use allocations must be tested against a highly constrained set of real estate resources.

In addressing issues related to future housing needs in most communities, the marketplace generally works well in meeting demand for medium and higher income residents. The private sector normally provides an adequate supply of housing for all but low and moderate income sectors, as defined by HUD, the United States Department of Housing and Urban Development. Both the public and private sectors generally acknowledge that public intervention is often required to adequately meet the needs of this housing group. Conventional economic wisdom and recent locally-focused housing analysis reveals that without some form of housing intervention, low and moderate income families will remain virtually shut-out of the local detached residential housing market. While Smithfield currently has a relatively abundant supply of low and moderate income housing at high densities, a need clearly exists to provide single family housing for those who make the Town their place of employment. Unfortunately, recent residential market dynamics have exacerbated affordability gaps in the region, making affordable single family residential opportunities all but unachievable for those earning low to moderate incomes in Smithfield.

Relative to this planning process, the Town recognizes its responsibility to sensitively blend the apparent incongruity between:

- (1) fulfilling the housing demands created by the Town's relatively low and moderate wage earners who wish to make Smithfield their place of residence; and
- (2) the Town's objective of carefully managing any future additions to its current, disproportionately large supply of high density, multifamily housing stock relative to neighboring municipalities within the Southern Hampton Roads area.

The 1998 Comprehensive Plan Update included specific land use objectives seeking to prohibit the additional construction of multi-family housing within the Town limits in response to the perception that the Town was oversupplied with apartment units relative to the local marketplace. That Plan Update focused its energies relating to multifamily uses specifically on the promotion of retirement housing and assisted living. The Current Plan softens this stance towards multifamily apartment units a bit. While the Town does not encourage the development of such units throughout the Town, it is willing to consider market-driven multifamily apartment communities in appropriately zoned locations in Smithfield, so long as the project provides affordable workforce housing opportunities within a development which upholds the high design standards outlined for new construction in Smithfield. Concurrently, the Town continues to support and encourage the development of assisted living and retirement communities at appropriate locations within the Town boundaries.

While the Town provides its "fair share" of multi-family housing on a regional basis, it has been unable to provide sufficient owner-occupied, affordable single family detached housing to local hourly wage earners desiring to live within the Town boundaries. In addressing this issue, housing policy needs to extend beyond traditional low income housing approaches which are heavily weighted towards high-density rental projects, direct housing subsidies and other governmentally-supported fiscal programs. Because these mechanisms have been unsuccessful in most small communities, the question of "how can we do it better" is very difficult to answer. Supply and demand analyses alone cannot adequately direct housing policy. This is the challenge facing Smithfield today, and it is the intent of this Plan to provide the foundation for a successful approach to serving the housing needs of its citizenry.

Workforce Housing and Affordable Housing

HUD defines housing affordability based upon the relationship of family income to the area's median family income (AMFI) and the percentage of income spent on housing. Following this

definition, affordability ranges are typically determined by calculating total housing costs, including either rent or combined Principal, Interest, Taxes, and Insurance (PITI) expenses, that equal slightly less than 30 percent of a family's gross income for those making equal to or less than 80 percent AMFI.

In 2006, the Area Median Income (AMFI) for the Hampton Roads region was \$60,300 for a four-person household. Area Median Family Income is the average income for a family within a given metropolitan area. AMFI is used to gauge eligibility for many housing-programs (e.g., a participant must have income less than 80 percent of AMFI to qualify for certain aid). While HUD surveys only entire metropolitan areas in calculating AMFI on an annual basis, Smithfield's estimated Median Family Household Income was slightly higher (\$64,781) in 2006. This is a substantial increase from the estimated \$53,906 median family household income reflected in the 2000 census. Families earning less than 80 percent of AMFI (approximately \$51,824 in Smithfield) and spending more than 30 percent of their gross income on housing are considered cost-burdened. Those spending less than 30 percent are by definition affordably housed, but may be occupying unfit units.

For the sake of the Comprehensive Plan, workforce housing shall be generally defined as housing that is affordable to those between 60 and 120 percent of the area median family income (AMFI) in the Smithfield community. More specifically, workforce housing as it applies to Smithfield is defined by four principal factors:

1. *Affordability.* No more than 30% of household income should be allocated to housing costs (typically defined as Principal, Interest, Taxes, and Insurance, or PITI for home purchase or alternatively, rent plus all housing related utilities for rental opportunities).
2. *Home Ownership.* Ideally, workforce housing shall be provided as for-sale, single-family homes for sale at market prices which are affordable to working members of a community. However, workforce housing shall not be limited to owner-occupied dwelling units. The Town acknowledges that rental opportunities, within detached, attached and multi-family dwellings, provide a valuable component of workforce housing stock in a community. That being said, the primary initiative within the Town will focus upon owner-occupied opportunities given the existing oversupply of multifamily dwelling units in the Town relative to its regional neighbors in the market.
3. *Vital, Modest Wage Earners.* Workforce housing shall be provided to vital members of the community workforce, including police officers, teachers, nurses and medical technicians, as well as wage earners at critical economic development uses operating within the Town (i.e. the packing and processing plants).
4. *Proximity.* Such housing opportunities must be located close to employment centers, allowing for realistic transportation costs for commuting Town workers.

Isle of Wight County Task Force on Work Force Housing

Since the last Plan Update was completed, an alarming trend has been witnessed in the Smithfield community: new housing built in the area is not affordable for most people who work in the Town. In response to the recognition of this growing problem in the larger Isle of Wight County marketplace, a group of concerned community leaders in the County joined together in late 2006 to establish the Isle of Wight County Task Force on Workforce Housing. The Task Force was established to examine the ongoing issues related to the growing imbalance between the limited supply of housing that is affordable to those working in the County and the steady demand for such residences.

After spending several months studying the issue extensively, the Task Force came to the conclusion that “in recent years new housing built in Isle of Wight County is not affordable for practically anyone who actually works within the County.” (*Final Report of the Isle of Wight County Task Force on Workforce Housing*, April 2007, Page 2) The Task Force defined the current County workforce, defined as those who “teach our children, protect our homes and businesses, maintain our roads and streets, staff our stores and offices, till our fields, and work in our manufacturing plants”, to total nearly 12,000 people. (*Final Report*, Page 2) As of February 1, 2007, the Task Force estimates that a family earning Isle of Wight County’s median income could only afford to buy approximately 11 percent of the houses currently listed on the Multiple Listing Service: in effect, they could only choose from among 35 homes listed. The remaining 89 percent of homes listed were generally unaffordable to approximately half of all County residents. Clearly this represents a major ongoing policy issue for the County and for the Town, particularly given its long-standing role as a host for relatively higher residential densities given its supporting utility and transportation infrastructure. Not only does this issue pose significant implications for housing prices and affordability in the coming generation, but also for land use policy.

In its analysis, the Task Force provided a very valuable and thorough look at the important issue of workforce housing affordability. With the help of David Rusk and Tom Doerr of the Innovative Housing Institute, the Task Force has introduced a variety of specific and logical recommendations outlining how the County and the Towns of Smithfield and Windsor could attack this issue and promote the development of new, affordable work force homes in the community. These recommendations included a range of specific changes proposed for the land use and zoning policies of the County and Towns of Smithfield and Windsor. In addition, the Task Force has also recommended changes in fee and tax policies; the provision of direct

subsidies for both the “supply side” (i.e. housing production) and “demand side” (i.e. buyer/renter assistance); and the introduction of policies to preserve the existing stock of older, workforce housing. (*“Final Report,”* Page 5)

Summing up its thorough analysis of the issue, the Task Force finds only one basic solution for the ongoing workforce housing affordability crisis in Isle of Wight: *“the County and the towns must amend their land use and zoning policies to allow, encourage, and even require more intensive use of residential land.”* (*“Final Report,”* Page 5)

Within the context of this Plan, it is important to understand that the Task Force focused its analysis on the larger Isle of Wight County market; however, much of the final analysis and recommended objectives are applicable to Smithfield. And with respect to its summary final solution, the Town embraces this stance and has attempted to speak to it directly via this Comprehensive Plan Update by initiating changes in the future land use plan and in the recommendations for zoning ordinance modifications provided herein.

Several members of the Task Force participated in the numerous public work sessions held as part of the development of the Comprehensive Plan Update. Their participation was particularly informative and extremely helpful in shaping the development of this new Housing chapter. While not every Task Force recommendation has been incorporated into the Plan Update, much of the final analysis and recommended objectives presented in its Final Report are applicable to Smithfield and are embraced herein.

The Isle of Wight Task Force on Workforce Housing’s recommended program projects that if its comprehensive recommendations are implemented, it would produce 100 to 150 new, affordable homes a year within the County for the local workforce. This is a logical and realistic goal for the community. Within this established goal, it is hoped that the Town could provide 15-25 of these new dwelling units each year, given its limited land availability and land use policy objectives.

Housing and the Comprehensive Plan

While this Plan is not intended to fulfill the purpose of a comprehensive housing plan for Smithfield, it does provide the analysis essential to identify key housing issues as well as access the critical demographic and economic influences which will impact housing in the future. It is hoped that the Plan will augment the ongoing work by the Isle of Wight County Task Force on Workforce Housing by doing the following:

1. Echoing and supporting those objectives, initiatives, and implementation strategies outlined by the Task Force which the Town has determined to be appropriate for Smithfield;
2. Develop a base analysis of the housing market which is focused more specifically on the Town and its particular strengths, opportunities, needs and role within the overall regional housing market;
3. Outlining the specific areas within the land use plan where additional workforce housing opportunities could be logically introduced and supported by the necessary community infrastructure; and
4. Introducing recommendations for specific measures (i.e., Zoning Ordinance modifications) which could further the goals and objectives outlined by the Task Force.

In addition to these pursuits, this section will focus upon the following fundamental study tasks related to housing:

1. Evaluation of range of options for major housing goals for the Town.
2. Assessment of existing housing supply and demand patterns.
3. Projection of future housing supply and demand patterns.
4. Refinement of major housing goals and objectives based on demographic and economic analysis.
5. Establishment of policies and initiatives to direct general planning and land use decisions related to housing.
6. Preparation of a Future Land Use Plan which designates and allocates areas for future housing.
7. Preparation of an implementation strategy for housing policy, including both public and private sector programs.
8. Preparation of recommendations for growth management for the physical development of housing and neighborhoods.

HOUSING GOALS AND OBJECTIVES

As related to the process above, the following set of major Housing Goals were subjected to continued revision and refinement during the planning process and have been adopted into the Comprehensive Plan. The statements represent a generalized vision for housing within the

Town and are addressed more specifically within subsequent sections of this chapter as well as in the individual Planning Area summaries.

Major Goal Statement:

Provide for a wide variety of housing options for all Smithfield residents with an emphasis placed upon quality site planning in future residential development areas.

Planning Objectives and Policies

- A. Adopt a pro-active housing program which targets and promotes opportunities for the improvement of substandard dwellings. Identify housing funding sources and grant opportunities that may be available to Smithfield residents.
- B. Identify threatened neighborhoods and reverse their decline by proactive enforcement of building codes and focusing rehabilitation efforts in these areas.
- C. Encourage the continued development of nursing homes, adult care centers, assisted living facilities, and other housing types which provide amenities that are attractive to retirees.
- D. Identify and promote new development opportunities for single family detached residential units including creative use of cluster development, new urbanism design concepts, and “smart growth” practices which enable the most efficient use of undeveloped land, while also enabling the preservation of sufficient open space.
- E. Recognize the disproportionate allocation of multifamily housing within the Town and limit future development within this sector of the housing market. Insure that any and all future development of multifamily housing adheres to strict design standards established in the Town Zoning Ordinance and serves to provide affordable housing opportunities. Make necessary adjustments to existing zoning districts if and where appropriate.
- F. Promote the implementation of new zoning or updated zoning districts that provide incentives which encourage the development of affordable workforce housing opportunities in the Town.

- G. Play an expanded role in the coordination and facilitation of low and moderate income housing development and redevelopment by private sector and institutional sector participants (such as Habitat for Humanity) within the Town.
- H. Coordinate with Isle of Wight County in their ongoing effort to develop an affordable workforce housing initiative.

Smithfield Housing Market Needs Assessment

Total housing units in Smithfield have grown substantially since 2000. It is estimated that 285 new housing units have been added between 2000 and 2006. This represents an increase of almost 11% during this time period. The ratio of home ownership to renters has remained relatively constant during this time.

TABLE XI-1

**Total Housing Units
Estimated Housing Units by Occupancy: 2000-2006
The Town of Smithfield, VA**

	2000	%	2006	%
Total Units	2,521	100%	2,806	100%
Owner Occupied	1,677	67%	1,838	66%
Renter Occupied	761	30%	844	30%
Total Vacant	83	3%	124	4%

Sources: 2000 US Census and Claritas MarketPlace

TABLE XI-2

**Total Housing Units
Estimated Housing Units by Occupancy: 1980/1990/2000
Isle of Wight County, VA**

	1980	%	1990	%	2000	%
Total Units	7,660	100%	9,753	100%	12,066	100%
Owner Occupied	5,457	71%	7,181	74%	9,153	76%
Renter Occupied	1,589	21%	1,851	19%	2,166	18%
Total Vacant	614	8%	721	7%	747	6%

Sources: 1980, 1990, 2000 US Census and Isle of Wight County Comp. Plan

Isle of Wight County has experienced a significant amount of residential construction over the past twenty-five years. During this period, the County has witnessed a modest increase in the percentage of owner-occupied units. Statewide, approximately 70% of all housing units are owner-occupied. So, the County exceeds the State average by a healthy amount.

TABLE XI-3

Housing Units
Estimated Housing Units by Units In Structure: 2006
The Town of Smithfield, VA

	Total	%
1-Unit Attached	162	5.8%
1-Unit Detached	1,993	71.0%
2 Units (Duplex)	35	1.2%
3 to 19 Units (Multi-family)	417	14.9%
20 to 49 Units (Multi-family)	8	0.3%
50 or More Units (Multi-family)	82	2.9%
Mobile Home or Trailer	109	3.9%
Boat, RV, Van, etc.	-	0.0%
Total:	2,806	100%

Source: Claritas MarketPlace

Nearly 18% of all housing units in Smithfield are multi-family in nature. The vast majority of these units are garden-style apartments. In Isle of Wight County as a whole, multi-family units constitute less than 5% of all housing units. Manufactured or mobile homes account for nearly 18% of all dwelling units in the County.

TABLE XI-4

Housing Units
Estimated Housing Units by Units In Structure
Isle of Wight County, VA

	1980		1990		2000	
	Total	%	Total	%	Total	%
1-Unit	6,234	81.4%	7,145	73.3%	9,252	76.7%
2 Units (Duplex)	183	2.4%	122	1.3%	92	0.8%
3 to 4 Units (Multi-family)	33	0.4%	131	1.3%	185	1.5%
5 or More Units (Multi-family)	191	2.5%	275	2.8%	401	3.3%
Manufactured Homes (new)	1,012	13.2%	1,998	20.5%	2,136	17.7%
Other	7	0.1%	82	0.8%	--	--
Total:	7,660	100%	9,753	100%	12,066	100%

Sources: 1980, 1990, and 2000 US Census and Isle of Wight County Comp. Plan

TABLE XI-5

Building Permits
Estimated Building Permits for Isle of Wight County 2000-2006
Isle of Wight County, VA

Housing Type	2000	2001	2002	2003	2004	2005	2006	Total
Single Family	227	260	334	370	417	534	615	2,757
Multi-family	0	0	0	0	228	0	0	228
Mobile Home*	119	70	66	56	95	49	57	512
Demolition	(22)	(44)	(27)	(28)	(29)	(21)	(23)	(194)
Net Total Additional Homes**	324	286	373	398	711	562	649	3,303

* Includes single- and double-wide mobile homes

Assumes that all demolitions represented housing units, although this is slightly
 ** unrealistic.

Sources: *Isle of Wight County Task Force on Workforce Housing, April 2007*

Of the 642 total affordable rental housing (multi-family) units recognized by Isle of Wight County and its Department of Social Services in the County Comprehensive Plan, 522 of the total units (or 88% of the total) are located within the Town of Smithfield. According to the County's Comprehensive Plan, there have been three housing complexes built to accommodate low income elderly residents of Isle of Wight County since 1990. Covenant Place, built in 1990 was built in the Town, while Springdale Apartments (Phases I and II) was constructed in Windsor.

TABLE XI-6

Household Income

	2000		2006		2011	
	Census	%	Estimate	%	Projection	%
Total Household Income	2,419	100%	2,682	100%	2,841	100%
Income Less than \$15,000	466	19%	445	17%	431	15%
Income \$15,000-\$24,999	334	14%	299	11%	274	10%
Income \$25,000-\$34,999	249	10%	245	9%	275	10%
Income \$35,000-\$49,999	300	12%	342	13%	326	11%
Income \$50,000-\$74,999	497	21%	482	18%	440	15%
Income \$75,000-\$99,999	321	13%	364	14%	392	14%
Income \$100,000-\$149,999	246	10%	439	16%	517	18%
Income \$150,000-\$249,999	6	0%	66	2%	182	6%
Income \$250,000-\$499,999	-	0%	-	0%	4	0%
Income \$500,000 or more	-	0%	-	0%	-	0%
 Average Household Income	 48,288		 59,063		 67,308	
 Median Household Income	 43,023		 50,543		 56,519	

Source: *2000 Census and Claritas
MarketPlace*

TABLE XI-7

**Smithfield Housing Cursory Market Analysis
The Town of Smithfield, VA**

	2000	2006	2020
Household Projection			
Population	6,324	6,776	8,267
Group			
Population	- 111	- 107	- 100
Household Population	6,213	6,669	8,167
Average Household Size	/ 2.55	/ 2.49	/ 2.4
Number of Households	2,436	2,678	3,403
Housing Unit Production			
Occupied Units	2,444	2,806	3,456
Vacancy Rate (estimate)	3%	4%	4%
Vacant Units	77	124	135
Total Housing Units	2,521	2,682	3,321
Residential Unit Demand Projection			
Change in Number of Occupied Units (2000-2020)			1,012
Change in Number of Vacant Units (2000-2020)		Less:	<u>58</u>
Total: Aggregate Household Demand (2000-2020)			954
Planning Timeframe		/	<u>20</u>
Average Annual Housing Demand (in Dwelling units)			48

Source: 1990 Census, 2000 Census, Claritas & Cox Company Projections

Smithfield Housing Demands: 2020

Projections reveal that there will be cumulative demands for 1,012 new residential units over the next decade and a half, excluding institutional and group quarters. This represents an average of approximately 48 units annually (see Table 7). The impact of this “pure demand” would increase the existing housing stock from 2,521 to 3,321 units (an increase of 31%) over the projection timeframe. However, if vacancy rates increase over time, this could impact the demand projections substantially. Also, note that assumptions on no net housing replacements add a further downward influence on the projected housing demand. Clearly, demand for new housing units is cyclical, as evidenced by the building permits granted in the Town in the past two years. In 2007, the Town granted approximately 100 zoning permits for new residential units; in 2008 only 51 were granted. Even with the variability witnessed during various points in the residential market cycle, the Town is convinced that the estimate of approximately 48 new dwelling units demanded per year is a realistic and conservative long term projection for the Town for planning purposes.

Considerations for Low and Moderate Income Housing

In assessing the proper direction for housing policy for the Town, consideration should be given to the special treatment of low and moderate income housing. While this consideration does not necessarily involve new Town-initiated programs and expanded fiscal responsibility, it is important that community-wide attention to these issues be acknowledged in the Plan. The establishment of low and moderate income housing initiatives are sensitive to the following considerations:

- *supporting opportunities for low and moderate income housing ownership;*
- *increasing low and moderate income, detached housing supply;*
- *prioritizing locally-controlled housing programs to first meet the needs of Town residents and persons employed in the Town;*
- *expanding growth management tools to better ensure safe and efficient housing and neighborhood development;*
- *allocating adequate land areas on the Future Land Use Plan to satisfy both housing needs and planning policy;*
- *establishing a program that insures that whenever a mobile or manufactured home is demolished in the Town it is replaced with a modern affordable workforce housing unit;*

- *privately initiating the Community Land Trust as a means of ensuring that housing remains available for low and moderate income families; and*
- *insuring that the current stock of both public and private multi-family rental housing receive proper maintenance and management to safeguard the health and welfare of residents.*

Considerations for Elderly Housing

Given current demographic influences, elderly housing issues also draw special attention in this planning focus. There has been a dramatic increase in the number of retirees migrating to the Smithfield area, and as such, the Plan calls special attention to the needs of the increasingly aging society in the region. Projections for the region indicate that demand for adequate and affordable housing for the elderly, including nursing homes, assisted living and other life-care facilities; will increase significantly over the next two decades. In this regard, local and regional housing initiatives should incorporate the following considerations:

- *respond to the housing demand sector which serves the unique requirements of the disabled and others with special needs;*
- *promote the continued use of accessory apartments (“mother-in-law” apartments) where appropriate;*
- *coordinate with institutions and other entities responsible for development of assisted living, nursing home, and independent life-care projects; and*
- *encourage new housing in areas of the Town which provide safe and convenient pedestrian and mass transit access to community services.*

OTHER RELATED HOUSING ISSUES

In addition to the above, a broad range of general planning issues and considerations have been identified, which are intended to serve as the Town’s foundation for adequately directing and organizing initiatives and strategic plans for housing. These issues take on both a local and regional context and give rise to concerns which may extend beyond the scope of this Plan and traditional Town initiatives. The adopted Housing Goals call for plans, policies, strategies and initiatives which should ultimately be linked to key issues such as:

1. community density, character and ambiance;
2. housing supply and growth;
3. housing and neighborhood land area allocation;
4. housing quality and adequacy;
5. health, safety and welfare issues; and
6. regional housing issues.

1. Social and Housing Equity Issues:

- An adequate distribution of safe and properly located housing should be available to all Town households at reasonable costs.
- There should be no racial, ethnic, age and/or disability status discrimination in the type and availability of housing opportunities within the Town.
- The Plan should allocate areas for well-planned neighborhoods for low and moderate income housing.

2. Health, Welfare and Safety Issues:

- The Town should initiate a proactive housing inspection and code enforcement program for all residences, targeting substandard dwellings with substantial code deficiencies.

3. Town-wide Housing Density, Character and Ambiance:

- Future housing stock should be predominantly single-family detached and attached, with an additional focus on assisted living and nursing care facilities.
- The outlying jurisdictions should absorb a greater percentage of the region's high density housing.
- Housing and neighborhood qualities are a function of ownership patterns and home ownership programs should be supported.
- Neo-traditional single family neighborhoods, developed at appropriate densities, should be encouraged in order to provide an excellent alternative to high density, multi-family projects.
- A sliding scale of performance-related density bonuses for projects incorporating affordable workforce housing opportunities and clustering of new homes should be promoted for implementation via new Zoning Ordinance districts.

4. Housing and Neighborhood Planning - Quality of Life Issues:

- New housing projects should be properly related to other community facilities and public transportation;
- Services for housing and neighborhoods should be efficiently organized and located in close proximity to the residents;
- The values of existing and new housing and neighborhoods must be safeguarded;
- Public safety in critical “at risk” housing areas should be protected by increased local police support and other community safeguards;
- Housing conditions should be annually accessed and protected; and
- Crowding is an often hidden community concern and should be carefully monitored and controlled.

IMPLEMENTATION

As the Town has developed this Update of the Comprehensive Plan, it has become evident that housing, and more specifically, providing sufficient housing opportunities for Smithfield’s workforce, has quickly evolved into one of the most critical issues facing the Town as it plans for its future. What has also become clear as the Town has continued through this planning process is the consensus among Town leadership that the community should tackle these issues via a combination of zoning ordinance refinements and the introduction of an aggressive housing policy. In doing so, the Town should be mindful of the implication of the new Cash Proffer policy and its practical impact on the affordability of workforce housing. The introduction of this new policy will only serve to exacerbate the challenges facing lower and moderate income workers in Smithfield as the proffer amount is passed along to consumers in the price of newly constructed homes. The Town should be mindful of this implication and allow for the waiver of the recommended cash proffer amount to all affordable units provided within newly proposed projects as part of rezoning requests.

It is recommended that the Town focus its future efforts to address housing issues on two specific tracks: (1) through revisions to the Zoning Ordinance that recognize "smart growth" principles and new urbanism and incorporate housing-related, performance-related density bonuses rewarding the incorporation of affordable workforce housing units, and (2) the creation of a separate Housing Policy to be based on the strategies outlined within this chapter of the Comprehensive Plan. The two approaches need to combine to achieve the following objectives:

1. Incentivize the development of affordable housing via bonus provisions and incentives to be incorporated into the Town's Zoning Ordinance.
2. Promote mixed residential uses of medium density, including SFD and Townhouses, within the same project.
3. Encourage new urbanism and neo-traditional forms of residential projects.
4. Relax certain site development standards and criteria for projects that include adequate levels of affordable housing.
5. Create a "master strategy" for defining and negotiating proffers and conditions to be attached to rezoning applications.
6. Create opportunities for an expanded Smithfield housing policy that, in combination with zoning policy, results in an expansion of the Town's affordable housing base.

More specifically, the Town should seek to implement the following initiatives impacting affordable workforce housing in the community:

1. Establish specific annual targets (i.e. 15-25 dwelling units per year) for single family attached housing production that is affordable to the Town's workforce, and encourage landowners seeking to develop property in the Town to apply for zoning districts which enable such development.

2. Encourage new residential subdivisions to incorporate affordable workforce housing units (i.e. attached residential dwelling units) contiguous to single family detached lots within the same neighborhoods and communities.
3. Promote the integration of accessory apartments into new residential communities. These apartments could be located inside of the principal single family structure, attached to the structure, over a garage, or in a separate, but connected building.
4. Introduce the update of two separate Zoning Districts as a means of responding to the recommended Workforce Housing Unit (WHU) zoning laws as authorized by Virginia statutes (section 15.202305) in order to provide incentives for the production of such housing. The updated drafts of two existing zoning districts, the S-R (Single Family) and the NU-R (formerly the A-R Residential District) should be reviewed in light of the above objectives. Following the Commonwealth's legislative recommendation, these districts should allow for an increase of up to 30 percent in the developable density (above the by-right density cap) by special use permit, provided that up to 17 percent of the total units approved, including the optional density increase, to be affordable dwelling units, as defined in the Ordinance. In the event that a 30 percent increase is not achieved, the percentage of affordable dwelling units required shall maintain the same ratio of 30 percent to 17 percent. Additional details on the two updated zoning districts are included in the "Implementation" chapter.
5. Revise the existing N-R, Neighborhood Residential and DN-R, Downtown Residential zoning districts to enable and encourage affordable housing via special use permit. The permit conditions shall include the same 30 percent density increase with the corresponding 17% affordable housing production as described in 4. above.
6. Waive cash proffers as recommended in its Cash Proffer policy for all proffered affordable or workforce housing units incorporated into a rezoning application plan.
7. Waive sewer and water tap fees levied on any new affordable or workforce housing unit constructed in the Town.
8. Join Isle of Wight County in funding a Workforce Housing Trust Fund via an automatic allocation of a set percentage of property transfer fees/recordation fees per the recommendation of the Task Force on Workforce Housing. This Fund could receive other grants and private contributions; share in the equity windfall of future market-rate sales of non-price controlled affordable and work force housing units; and serve as a

legal trustee of “soft” second mortgages that can be administered to members of the local workforce seeking to qualify for home purchases in the County. In addition to being a source of cash subsidies as needed to lower production costs (i.e., the “supply side” of the work force housing market equation), the Workforce Housing Trust Fund would provide buyer and renter subsidies (i.e., the “demand side” of the equation) in the form of down payment assistance, closing cost assistance, lower interest mortgages, rent subsidies, direct purchase of workforce housing units, etc.

9. Support the County (via annual funding) in the creation of the position of “Housing Officer” within the Isle of Wight County government whose primary function would be to oversee all aspects of the workforce housing program (short of zoning administration).
10. Establish employee housing assistance programs in order to facilitate the process of Town employees finding affordable housing opportunities within the Town they serve. These programs shall include forgivable down payment loans, lower-interest mortgages, and financial education workshops designed to help employees understand the mortgage application and underwriting process.
11. Foster the maintenance of the existing workforce housing stock through “sensitive code enforcement” wherein zoning inspectors and the recommended County Housing Officer approach owners of deteriorating properties with offers of access to community (i.e., Workforce Housing Trust Fund) financial resources which could be made available to assist the owners in making any necessary upgrades to the property.
12. Encourage the recommended County Housing Officer to make available (via the Workforce Housing Fund and federal, state and other local funds) flexible loans or grants to lower income home owners for the purposes of making necessary renovations to their properties, provided they qualify as workforce housing dwelling units.
13. Encourage the recommended County Housing Officer to initiate a pro-active relationship with the owner of each subsidized housing project in Smithfield in order to stay apprised of the owner’s intention for the project and to coordinate the strategy of maintaining the property within the community’s workforce housing inventory should the owner seek to cancel its subsidy contract.

Given the Town's reluctance to actively promote higher density, multi-family development (besides assisted living and nursing home projects) due to the abundance of apartments and mobile homes located in the Town, the expectations for the pace of the implementation of the strategies outlined in this chapter must be realistic. Scores of additional housing opportunities for the Town's workforce will not be created overnight by means of a single, large project under this strategy. Instead, it is hoped that additional affordable opportunities will be introduced into the marketplace on a project-by-project basis. While this does not represent a "quick fix" to an important problem facing the Town, it does reflect a comprehensive, realistic approach in which new developments are encouraged to integrate the much needed housing opportunities within projects that meet the high expectations held for new communities in Smithfield. The Isle of Wight Task Force on Workforce Housing's recommended program projects that if its comprehensive recommendations are implemented, it would produce 100 to 150 new, affordable homes a year within the County for the local workforce. This is a logical and realistic goal for the community. Within this established goal, it is hoped that the Town could provide 15-25 of these new dwelling units each year. This range is realistic, given the Town's limited land availability and land use policy objectives.

It's obvious that the benefits of this approach will take time to become visible to the community, but it's equally obvious that the longer the community postpones taking steps to address the issue, the more pronounced the affordability gap for those earning low and moderate incomes in Smithfield seeking local residences will become. The housing policies and implementation strategies introduced in this chapter provide an important initial step by the Town to address this important issue.