

Augusta County, Virginia Housing Assessment

**Prepared for
The Augusta County Community Development Department**

Prepared by

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Summary

Population growth in the next few decades in Augusta County is expected to continue, however at a slower rate than during the 1990s. Nonetheless, Augusta is growing at a much faster rate than either of its neighboring cities, Staunton and Waynesboro. The County's population has grown much more quickly than was expected during the drafting of the County's Comprehensive Plan in 1994. Consequently, the County will have difficulty in meeting the physical development goals set out in its planning area policies.

The County is projected to continue attracting young households (often families), although rising housing costs could create affordability barriers, particularly if mortgage interest rates increase. Rents remain relatively affordable as the median contract rent in the County did not keep pace with inflation between 1990 and 2000.

Homeownership is higher in Augusta than for the state as a whole (83.2% of Augusta households in 2000 were homeowners versus 68.1% statewide). Augusta attracts family households who prefer homeownership and continued population growth is expected to put demands on the ownership housing market to a much greater extent than on the renter market. At the same time, there are more rental units in the county than in either Staunton or Waynesboro and demand for rental housing is projected to increase.

While housing affordability is not a problem for most households in the County, many low-income households require assistance in order to afford housing. As of 2000, 3,403 low-income homeowners and 1,117 low-income renters needed assistance in affording housing without paying greater than 30% of their income for housing costs. We project housing demand by households with incomes below \$25,000 (in year 2000 dollars) to increase during the current decade by nearly 865 units for owners and by 304 units for renters. In addition, some areas of the County identified in this report have evidenced more significant housing problems than elsewhere in the County and should be targeted for specialized attention.

Although the minority population in the County is fairly small and disparities in incomes, poverty, and homeownership between blacks and whites have narrowed, some disparities remain. The median income for black households is 26.3% lower than for white households and the poverty rate for blacks is 10.8% higher than for whites. At the same time, the homeownership rate for blacks is only slightly lower than for whites and significantly higher than for blacks as a whole in Virginia.

A much larger demand in owner-occupied units is projected than renter-occupied units by 2020, reflecting the owner-occupied character of the County. Demand is projected to increase among families, empty-nesters and retirees. Households moving into Augusta are coming from the higher cost housing markets of Albemarle County and northern Virginia, as well as other areas. Projected increases in demand include households earning less than \$25,000.

We project an increase in the number of elderly households living in the County, which will also increase demand for health care services, including long-term care facilities and out-patient services. Increased housing demand among elders can create opportunities to develop housing designed to meet the needs of an older population, potentially providing elderly residents greater opportunities to maintain independent living with the County. Housing developments targeted to this population could provide clustered housing that would provide greater accessibility to health care and other services.

Meeting increases in the overall demand for housing and the need for affordable housing are significant challenges for the County. Overall, housing construction is barely keeping up with increased housing demand and the housing market in Augusta County is currently fairly tight. More of the County's recent housing development has been in the agricultural conservation areas than in the rural conservation areas, although the Community Development Department has identified rural conservation areas as being more appropriate for residential development. The County needs to identify the appropriate areas for future residential development, including the development of townhouses, apartments and manufactured housing. Although the current annual pace of multi-family housing is sufficient to meet projected demand, opportunities to meet affordable housing demand through use of the Low Income Housing Tax Credit should be explored.

Augusta County, Staunton and Waynesboro should work together to address the challenges of meeting the projected demand for housing along with providing affordable housing. Redevelopment in Staunton and Waynesboro could ease some of the growth pressure on the County. At the same time, expansion of affordable housing in the County would provide much needed opportunities for lower income families who are paying a third or more of their incomes in order to live there and for lower income workers commuting into the County for jobs.

Introduction

To assist the planning efforts of Augusta County, the Virginia Tech Center for Housing Research (CHR) was contracted to perform a housing market and needs analysis. This report summarizes the findings of that analysis, describes trends from 1990-2000, projects growth from 2000-2020 and identifies important characteristics of the housing market in Augusta County. The data used for this effort came primarily from the 1990 and 2000 Censuses, the CHR Housing Model, and the Augusta County Community Development Department.

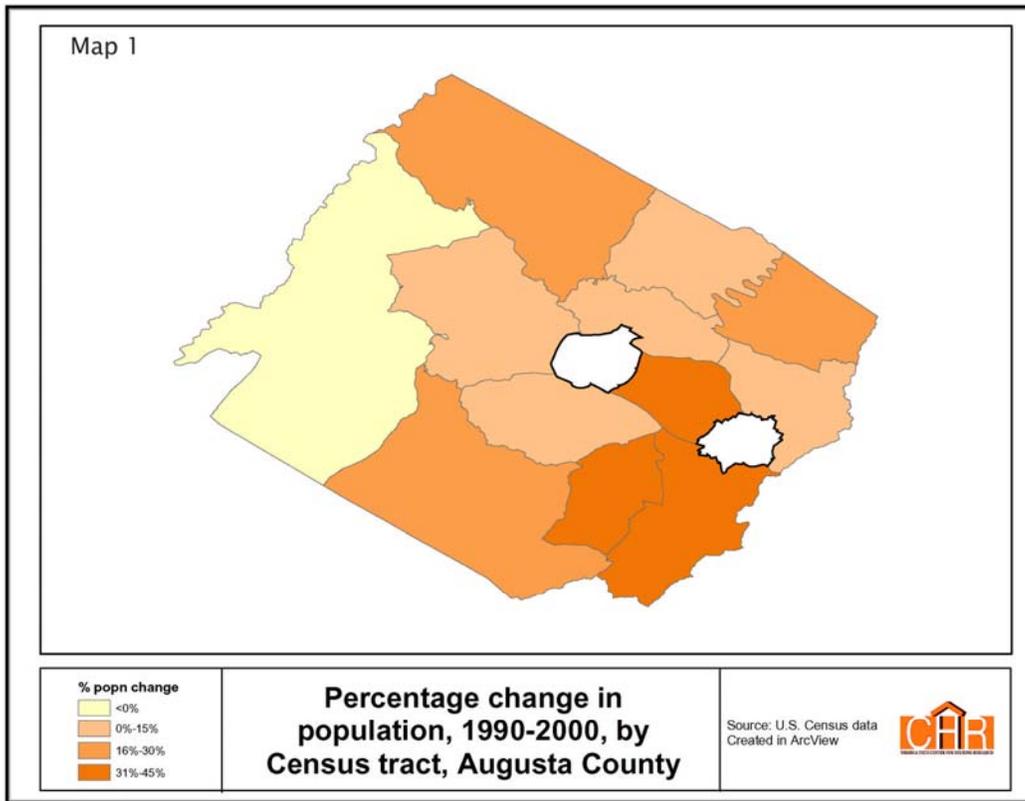
The report is organized into seven sections: population growth and household composition; race and ethnicity; incomes and poverty; housing tenure, values and rents; elderly households and persons with disabilities; projected housing demand; and housing production. The first three sections describe the demographic characteristics, while the following three sections examine housing characteristics and trends. The last section examines the supply of housing, the gap in affordable housing supply relative to demand, and whether the supply of housing is keeping up with projected demand. The report concludes with an outline of significant findings and provides an overall assessment of the County's housing market.

This report uses several geographic terms which bear some explanation. The most frequently used geographic areas, census tracts and block groups, are United States Census Bureau designated areas. The County is divided into twelve census tracts, ranging in population from 1,269 to 9,474 (2000 populations). Census tracts are made up of several block groups. This report also refers to magisterial districts. These areas are both Census areas called "County subdivisions" and the voting magisterial districts for the County. Magisterial districts are made up of "sub-districts" which are known in the County as voting precincts. Maps in Appendix A identify the parcels comprising each of these categories of geographies. Finally, the interstates referred to throughout this report are Interstates 81 and 64. Interstate 81 runs north-south through the middle of the County, while Interstate 64 branches out due east from I-81 in the southern portion of Staunton.

Population Growth and Household Composition

In 1994, Augusta County produced population growth forecasts that predicted between 7.5% and 12.1% growth by 1999. These forecasts proved to be lower than the actual growth that occurred. Between 1990 and 1999, the Census showed 18.6% growth in the County, generally considered to be a moderate to high rate of growth. Population change varied significantly among census tracts ranging from population loss to 45% growth, as shown in Map 1. Between 2000 and 2003 Augusta County grew by an additional 1,812 people. By 2003, Augusta County's population was 67,427 (according to Census population estimates), marking a 23.3% increase since 1990. According to projections produced by the Virginia Employment Commission, the County's population is expected to grow to 71,300 by 2010 and to 76,100 persons by 2020. The VEC projections point to a significant slowing in the County's population growth (to be discussed in more detail in subsequent sections).

Augusta County is growing at a rate nearly two and a half times that of Waynesboro and nearly ten times that of Staunton. The population of Staunton decreased by 2.5% and Waynesboro's population grew by only 5.2%. In 1990, Augusta County accounted for 53.8% of the population of the County and two cities combined. This figure increased to 58.0% by 2000. Additionally, Augusta County's portion of owner-occupied housing units within this area increased from 60.3% to 65.2% between 1990 and 2000. As Augusta County is growing much more quickly than the independent cities, the County is increasingly consuming more of the area's share of population and households. To channel growth into geographic areas that Augusta County has identified as appropriate areas for growth, the County should work with the cities to maintain Staunton and Waynesboro (and the areas immediately surrounding them) as population centers. Doing so will allow the less expensive housing stock in the cities to serve as one source of affordable housing available to residents of Augusta County, while promoting population clustering. However, the cities should not be used strictly as a method of supplying low-income housing.



Migration

Population growth, particularly from migration, has a significant socioeconomic impact on a community and typically reflects the strength of the local economy. From 2002 to 2003, the increase in population in the County was split roughly evenly between natural increase (51.6%) and migration (48.4%). According to Census migration data, Augusta County netted 3,323 people from migration between 1995 and 2000. The five-year population mobility rate¹ in Augusta County remained fairly low, 38.0% compared to a state-wide average of 47.8%. One reason for this might be the propensity of Augusta County residents to build on to existing homes rather than to move into larger homes. Table 1, shows the top 10 sources of in-migration and out-migration to and from the County. While these data report net migration into the combined area of Augusta County, Waynesboro and Staunton, most of this migration was likely to the County. In addition, the County was probably attracting net migration from the two cities, although the data are insufficient to estimate this.

Table 1: Top origins and destinations for migration to and from Augusta County, Staunton and Waynesboro combined, 1995-2000

Rank	In-migration origins	Net in-migration	Out-migration destinations	Net out-migration
1	Albemarle County, VA	471	Montgomery County, VA	267
2	Fairfax County, VA	446	Mecklenburg County, NC	117
3	Arlington County, VA	188	Chesterfield County, VA	74
4	Rockbridge County, VA	171	Frederick County, VA	69
5	Hampton city, VA	154	Palm Beach County, FL	65
6	Los Angeles County, CA	152	Washington County, AR	63
7	Rockingham County, VA	147	Greene County, VA	59
8	Highland County, VA	146	Wake County, NC	59
9	Nelson County, VA	125	Warren County, VA	56
10	District of Columbia	122	Loudoun County, VA	55

Source: U.S. Census Bureau

Not surprisingly, Albemarle County was the leading source of migrants to Augusta County between 1995 and 2000, followed by Fairfax and Arlington Counties (excluding net-migration from Waynesboro and Staunton into Augusta, which is not reported by the Census Bureau). Albemarle has become a much more expensive housing market than Augusta, which provides an affordable housing alternative to workers commuting over Afton Mountain. People moving from Fairfax and Arlington, as well as the District of Columbia, are less likely to be commuting back to those locations for work, but also are probably drawn to Augusta because of lower housing costs. In addition to Albemarle, several jurisdictions adjacent to Augusta are significant sources of migration into Augusta: Rockbridge, Rockingham, Highland, and Nelson Counties. Los Angeles

¹ The percent of the population aged 5 and over that lived in a different residence in 2000 than in 1995.

County, California is an unexpected source of migration into Augusta but had more people on net moving into Augusta than nearby Rockingham County. It is possible that seasonal migrant farm labor explains the otherwise abnormal migration pattern from Los Angeles. Movement between Rockingham and Augusta is fairly balanced, so that net migration is small. Unlike Rockingham, however, Los Angeles attracts few out-migrants from Augusta.

Washington County, Arkansas is headquarters to Tyson Foods and Wal-Mart. Montgomery County hosts Virginia Tech. Wake County, North Carolina in addition to hosting North Carolina State University, provides one of the fastest growing metropolitan areas in the near south, offering attractive job opportunities. Florida draws retirees. The other destinations are largely metropolitan areas.

Development patterns

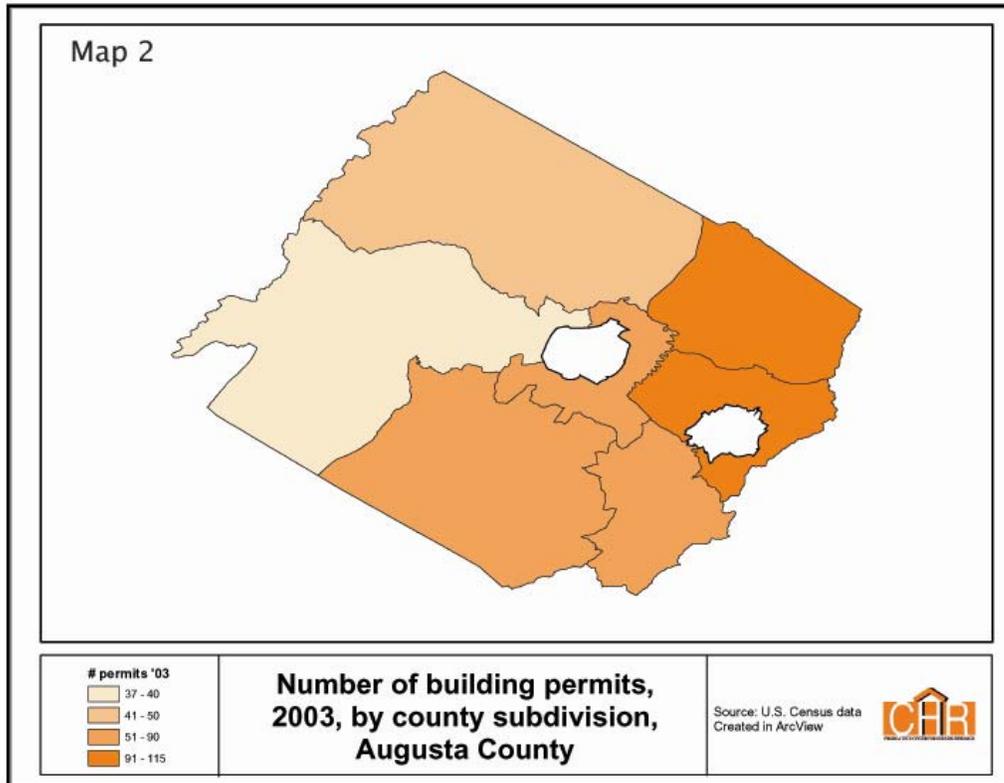
An analysis of data on the age of housing units provides insight into development patterns within the County. The parts of the County immediately surrounding the independent cities of Staunton and Waynesboro are comprised of a relatively new housing stock. In Beverly Manor, the magisterial district surrounding Staunton, and in Wayne, the magisterial district surrounding Waynesboro, 13.6% and 15.7%, respectively, of the housing stock was built between 1995 and 2000. The slowest market for new home construction (and population growth) lies in the western portion of the County, south of Route 250 to the southern border of the County and east just past Route 42. This area shows gradual change in demographics and housing.

Subdivision development allows for population growth in areas the County has identified as appropriate for development. A Weyers Cave subdivision significantly impacted the County, making Weyers Cave the sub-district leader in single-family housing unit construction in 2003 (57 units). Located within a fifteen mile commute, Weyers Cave is ripe for spillover development from the Harrisonburg area. The Weyers Cave subdivision channels population growth in a manner that meets the County's physical development objectives.

Since sub-district trends likely reflect neighborhood-level developments, examining a larger geography reveals changes that more substantially contribute to the County's overall population. Map 2² shows the number of building permits in each area in 2003. Wayne led the magisterial districts (districts that contain sub-districts) with 23.2% (105 single-family units) of all single family home building permits in the County in 2003. Wayne's development is a factor of its proximity to Interstates 81 and 64. Even more significant to its growth is the development of the regional hospital in Fishersville.

² This map presents county subdivision (magisterial district) data from 2003 that was provided by the Augusta County Community Development Department. However, 2000 geographic boundaries were used to map this data. Between 2000 and 2003 a change in county subdivision boundaries occurred. Therefore, this map presents 2003 data mapped using 2000 geographic definitions and is therefore not 100% accurate.

(Augusta County Building Inspection Department statistics reported here are based on an analysis of over 90% of building permits recorded for the year³.)



There are significant clusters of new construction in Fishersville and Wilson, just north of I-64. In addition, new construction is clustered around Interstate 81, particularly in the Urban Service Areas just east of I-81 in the Weyers Cave sub-district and west of I-81 in Jolivue. The location of residential development will be further discussed in the section “Housing Construction”.

Demographics

A cohort analysis provides insight into the ages of migrants into and out of the County. A “cohort” refers to a group of people born within a ten-year time span. A cohort analysis tracks changes in the number of people in each birth cohort over several decades. For instance, this cohort analysis begins in 1990, and therefore tracks changes in the group of people born between 1981 and 1990 over the following three decades, calculating the cohort’s size when its members are ages 30-39 in 2020. Since only a few people in younger age groups die over a ten-year span, any significant change in the size of the group can be attributed to migration. Older cohorts are also analyzed.

³ The County provided us with a map showing locations for building permit approvals in 2003. Because we assessed this map manually by counting the permit location symbols, a 100% count of all data points could not be established.

An analysis of the size of cohorts (Table 2) from 1990 through 2000 indicates that families with children are moving to the County. The cohorts aged 0-9 in 1990 and 10-19 in 2000 increased in size from 7,345 people to 8,962 people. Similarly, the cohorts aged 20-29 in 1990 and 30-39 in 1990 increased significantly as they aged by ten years. The 1990 to 2000 increases in these age groups can only be due to net migration into the County. The largest increases are consistently for the cohorts that are 30-39 in the ending time period. These cohorts heavily represent young families and correspond to the increases in children in the County.

1990 age	1990 pop	2000 age	2000 pop	2010 age	2010 pop	2020 age	2020 pop
						0-9	10,422
				0-9	9,042	10-19	8,730
		0-9	8,087	10-19	6,997	20-29	5,116
0-9	7,345	10-19	8,962	20-29	9,016	30-39	13,374
10-19	7,549	20-29	6,673	30-39	8,719	40-49	7,433
20-29	7,801	30-39	10,183	40-49	9,587	50-59	9,484
30-39	9,497	40-49	11,128	50-59	11,900	60-69	11,165
40-49	8,084	50-59	8,921	60-69	8,548	70-79	6,902
50-59	5,665	60-69	5,773	70-79	4,540	80+	3,474
60-69	4,735	70-79	3,990	80+	2,952		
70-79	2,907	80+	1,898				
80+	1,094						

Source: Virginia Employment Commission

Due to net in-migration, the cohorts aged 40-49 in 2000 increased by 1,631 people (17%) between 1990 and 2000. The VEC projections, however, indicate that younger cohorts, when they reach ages 40-49 years, contribute to net out-migration. The cohorts aged 50-59 in 2000 show a similar pattern; the current cohort contributes to net in-migration, but younger cohorts will produce out-migration as they reach the ages of 50-59 after 2010. The reason for these reversals in migration patterns is unclear and the VEC projections for these cohorts might be too conservative. If this proves to be the case, Augusta County can expect higher population growth than projected by the VEC. It bears noting, however, that the Census Bureau's estimate of the County's population in 2003 is somewhat below the growth curve projected by VEC.

Cohorts in older age groups are obviously at greater risk of death to natural causes. In addition, post-retirement migration streams typically flow toward sun-belt locations. However, the cohort aged 60-69 in 2000 increased slightly over its size ten years earlier as 50-59 year olds, due to net in-migration. Although the 60-69 age groups in 2010 and 2020 are smaller than the 50-59 age groups ten years earlier, there will be an ever increasing number of people ages 60-69 in the County. In 2000, there were 5,773 60-69 year olds; by 2020 there will be a projected 11,165 persons ages 60-69. This occurs because although net loss among these cohorts is projected as they age, the cohorts are larger when they are younger than their predecessors had been. The addition of

independent, congregate living and assisted living facilities in Augusta will be necessary to serve this population as well as the increasing number of older persons.

The composition of households indicates that families favor Augusta County as a residential location. In Augusta County in 2000, 76.2% of households were family households, compared to 68.5% statewide. Family households also favor homeownership. Of all homeowners in the County, 79.3% were family households, while 60.4% of renter households were family households. Nearly 87% of all family households lived in owner-occupied housing units.

Recommendations

- Prepare for continued growth in the corridor east of Interstate 81.
- Identify potential development areas. Review zoning and subdivision ordinances and revise to facilitate development in preferred areas. Channel development through planned subdivisions.
- Monitor the provision of adequate senior care facilities to accommodate the growing retiree and elderly population.

Race and Ethnicity

In this section and the next, “Incomes and Poverty,” we provide data for Staunton and Waynesboro to use as a reference point for Augusta County. However, the discussion will remain focused on Augusta County.

Augusta County’s population was rather homogenous with 95% of the population classified as white alone in 2000. (The 2000 Census included the identification of persons of two or more races. “White alone” and “black alone” refer to those who identified themselves as being only one race.) Of the remaining 5.0%, 3.6% were black or African American alone. Although Staunton and Waynesboro were more racially diverse than Augusta County, all three areas were significantly less diverse than the state, whose population in 2000 was 19.6% black alone. Table 3 shows the racial composition of the County and two cities. Similarly, less than 2.5% of residents of the County and cities were foreign born (not of American parents) with almost half of the foreign born having become naturalized citizens.

	Augusta County	Staunton	Waynesboro
White alone	95.0%	84.1%	86.7%
Black/African American alone	3.6%	13.3%	10.0%
2 or more races	0.7%	1.9%	1.9%
Hispanic	0.8%	1.1%	3.2%

Dissimilarity

We calculated a dissimilarity index at the census tract level and at the block group level to measure the degree of racial segregation between whites and blacks within the County (based on the “white alone” and “black alone” categories). The small number of Asians and Hispanics in Augusta made it impractical to calculate an index for these groups.

The Index can range from zero to one, where zero indicates perfect numerical integration and a score of one represents complete numerical dissimilarity at the geographic level used in the calculation. The index estimates the percent of the population that would have to make a desegregating move in order to achieve the same percentage of the minority population in every block group.⁴

According to the Lewis Mumford Center for Comparative Urban and Regional Research, index scores below 0.40 are considered “fairly low”. A random distribution would likely result in index scores between 0.10 and 0.20. A score of zero is unrealistic and probably undesirable as it would severely restrict freedom of choice for all groups. While scores ranging from 0.40 to 0.50 should be considered “moderate”, values above 0.60 are considered “very high”.

Table 4 presents the results of the Dissimilarity Index for whites and blacks. Index scores are higher at the block group level than at the census tract level—a typical trend since concentration tends to occur more at the neighborhood or block group level than at the tract level. Dissimilarity apparently decreased between 1990 and 2000, though as noted, changes in the index for small populations may be misleading. The tract-level scores all fall below 0.40, placing them in the “fairly low” category. Block group scores reveal, probably more accurately, “moderate” dissimilarity.

	2000		1990
	Block group	Census tract	Census tract
Augusta County	0.478	0.319	0.335
Staunton	0.385	0.201	0.238
Waynesboro	0.419	0.356	0.361

Source: U.S. Census Bureau

Although racial patterns at the block group level identified blacks as moderately segregated from whites, the level of dissimilarity is declining, albeit slowly. Ensuring equal housing opportunities throughout the housing market should be a priority as a housing policy in the County. Promoting equal access in housing is important to ensure that all residents have equal opportunities to access public goods, to make investments

⁴ Though this is the most commonly used measure of dissimilarity, it comes with two primary weaknesses. First, it cannot reveal the spatial pattern of dissimilarity. Second, it measures dissimilarity of only two racial or ethnic groups relative to each other. In addition, this index is sensitive to small populations, such as the number of blacks in Augusta County. Therefore, small changes in the black population may cause seemingly significant changes in the dissimilarity index.

through real estate, to avoid aggregating poverty, to provide equal access to employment opportunities and to, in general, protect the legal rights of all citizens.

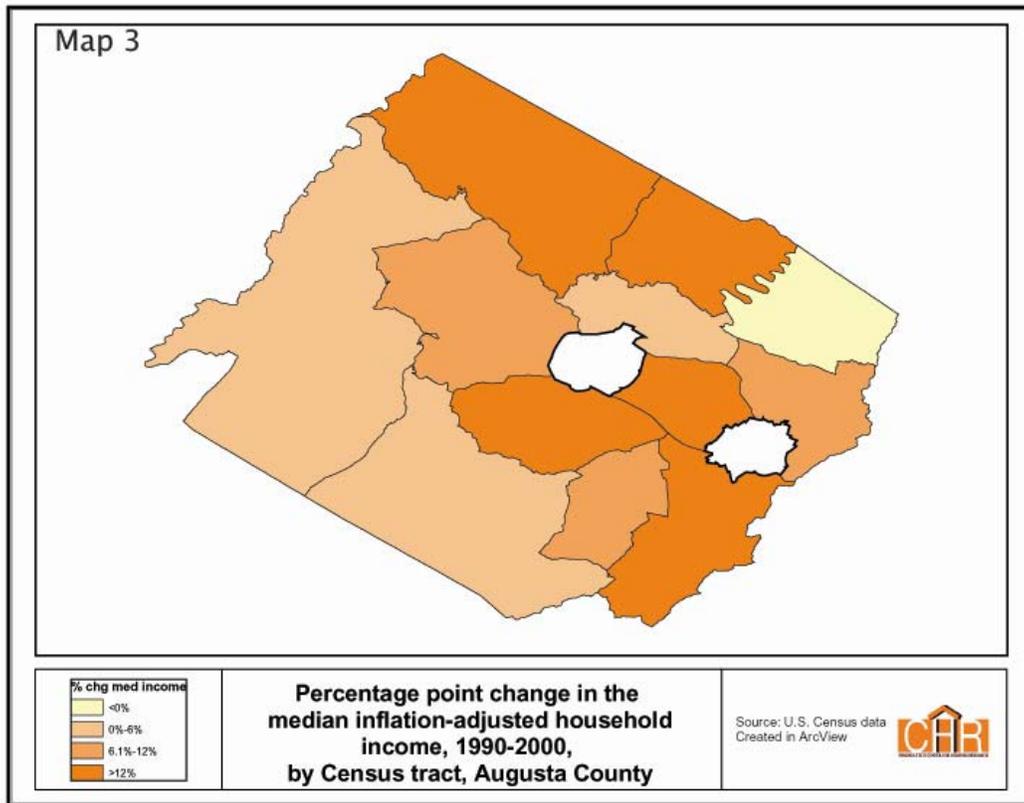
Recommendations

- Continue working to provide equal access to all housing in the County. This is particularly important at the neighborhood level.
- Promote mixed-income neighborhoods and mixed-use development.
- Develop economic empowerment programs that increase job opportunities and earnings.

Incomes and Poverty

Incomes and Unemployment

Real (inflation adjusted) incomes in Augusta County increased 6.9% between 1989 and 1999 while real incomes decreased in Staunton and Waynesboro between 1989 and 1999. According to the Bureau of Labor Statistics, the inflation rate during this period was 34.4%. Map 3 illustrates the percent change in income in each census tract, thus showing a pattern of change within the County. The largest gains in income were in the areas between Staunton and Waynesboro and on the northwestern border of the County.



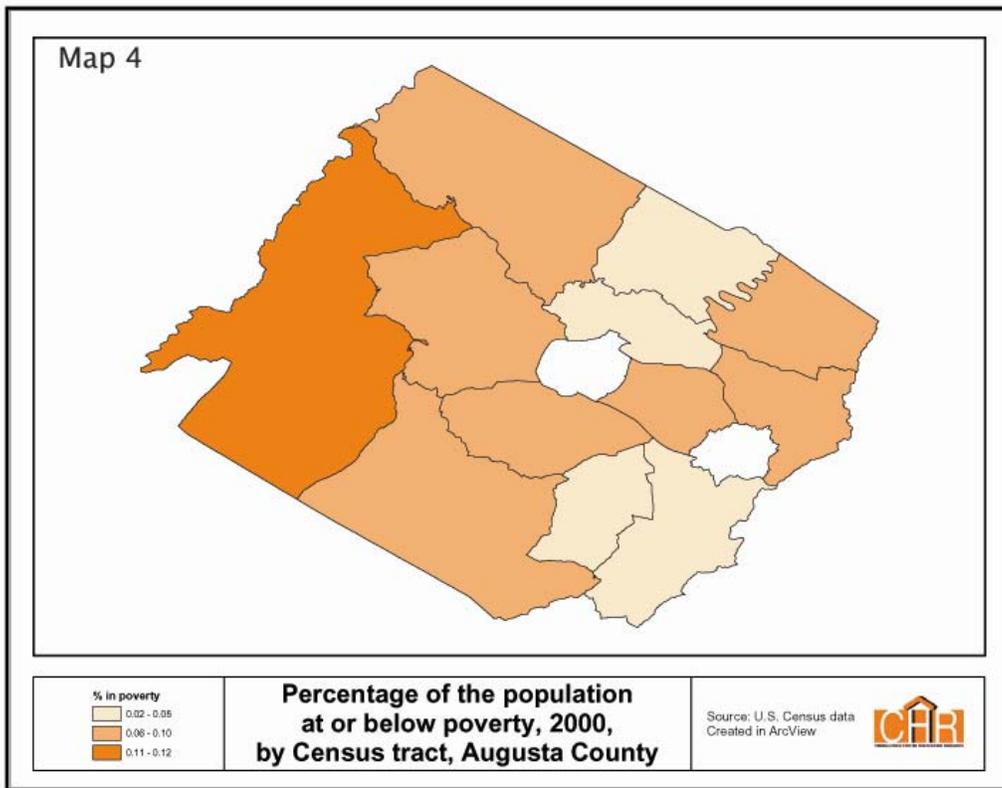
The median household income in Augusta County was \$43,045 in 1999 but incomes varied widely within the County and cities. Median household incomes in, for instance, ranged from \$30,077 upwards to \$47,978 for census tracts in Augusta County. Incomes also varied according to the race of the householder. The median income for white householders was \$43,459 while that of black or African American alone householders was \$31,737, or 26.3% lower.

Per capita personal income data for the period 2000-2002 was available only for Augusta County, Staunton and Waynesboro combined. The combined area experienced a 6.8% (unadjusted) increase in per capita personal income over the two year period—a rate significantly higher than Virginia’s 5.5% increase and the nation’s 3.6% increase. (Bureau of Economic Analysis, Table CA1-3, May 2004.) The sources of migration, presented in a previous section, provide some context for the influx of higher income households into the area.

To accompany the County’s high incomes relative to the incomes of the independent cities within the County, unemployment remains low. The 2000 Census reported an unemployment rate of 2.5% in the County and in 2003; the Bureau of Labor Statistics reported a 3.1% unemployment rate for the County. Post-2003 data shows a drop back to the 2000 level. Low unemployment and its impact on the County’s economy will most likely continue to attract in-migration.

Poverty and Single-Parent Households

Poverty rates also indicate the County's relative prosperity. Just 5.8% of the County's population fell below the poverty line in 2000, compared to approximately 12% and 13% in the cities (see Map 4) and 9.6% in the state. Nearby Rockingham County's poverty rate was 8.2%. Poverty distribution by age, as reported by the Census, shows that five year olds (now 9-10 year olds) are disproportionately affected. Table 5 shows poverty rates for the entire population and by age.



	Augusta County	Staunton	Waynesboro
Total 1999 below poverty level	3,685	2,485	2,459
Under poverty 1999	5.8%	11.7%	12.8%
Under 5 years	7.2%	15.5%	22.6%
5 years	11.1%	11.2%	29.5%
6 to 11 years	5.8%	18.9%	26.8%
12 to 17 years	7.2%	16.1%	15.9%
18 to 64 years	5.2%	10.3%	11.1%
65 to 74 years	5.7%	10.2%	4.0%
75+ years	8.0%	11.2%	8.5%

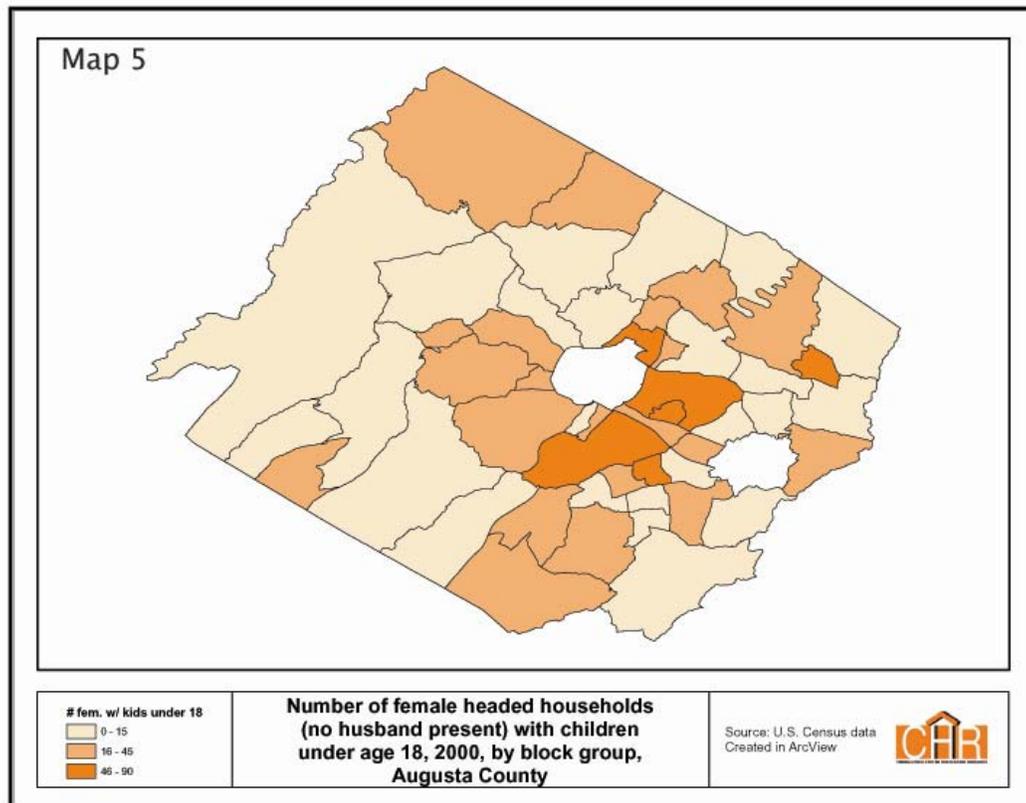
Source: U.S. Census Bureau

The poverty rate for blacks or African Americans was 16.6% in the County in 2000 (Table 6). The statistic clearly supports the need to continue promoting equal access to housing and employment among all races in the County. In the County, the largest gap appeared for the population ages 6 to 17. In this age group, the poverty rate in black-alone youth was triple that of the white-alone group. Targeting poverty within this demographic group, by offering free school meals, providing adequate housing, after school programs or tutoring may help to address this gap.

	Augusta County		Staunton city		Waynesboro city	
	white alone	black alone	white alone	black alone	white alone	black alone
Total pop. Income in 1999 below poverty level:	61,244	1,404	18,252	2,444	16,580	1,941
	5.5%	16.6%	10.7%	17.8%	10.7%	24.9%
Under 6	6.7%	17.7%	12.8%	20.0%	21.7%	31.5%
6 to 17	6.3%	19.3%	19.1%	15.8%	16.2%	40.4%
18 to 64	4.9%	8.5%	9.3%	15.2%	9.6%	18.8%
65 and over	6.8%	14.3%	9.6%	32.7%	5.5%	19.1%

Source: U.S. Census Bureau

The incidence rate of female-headed households (no husband present) with children under the age of 18 provides another measure of poverty and economic stability (see Map 5). In 2000 in the County, 4.5% of all households were female-headed households (no husband present), compared to 6.7% statewide. While the overall incidence of single mothers was low in Augusta County, Map 5 shows a few areas where the incidence was relatively high. For example, 14.7% of householders in Verona were female-headed households. Verona and other areas with a high rate of female-headed families should be targeted for special programs aimed at supporting this vulnerable group.



Concentrations of poverty and single-parent households provide an analytical tool for housing policy by identifying geographical areas for outreach and social services. Impoverished households may require social services such as career or education guidance, soft skills development such as professional etiquette or resume writing, transportation, rehabilitation and counseling, as well as financial assistance, in addition to housing assistance. Housing assistance may come in the form of publicly assisted housing (only 4 units of assisted housing currently exist in the County), tax breaks or construction of more appropriately sized rental units (which is addressed in a subsequent section).

Recommendations

- Work with Staunton and Waynesboro to maintain their population growth while working to create an equitable share of assisted housing in the County.
- Promote the role of the cities as urban service areas.
- Also work with the cities to promote rehabilitation of housing stock in those areas.

- Address the relatively large poverty gap between blacks and whites ages 6-17. This may be done through promoting minimum housing requirements (potentially helping to fund improvements), free school meal programs, after school programs, assisted housing, or social services for parents.
- Target social service programs to the areas with most need (high incidence of poverty and/or female-headed households, specifically the Verona area, where the rate of single mothers is the highest in the County). Helpful forms of aid might include career or education guidance, soft skills development, transportation assistance, rehabilitation and counseling, and financial and housing assistance. These forms of aid, however, should be paired with an incentives program to ensure continued program success.

Housing Tenure, Values and Rents

Demographics of homeownership

Although homeownership is high in the County (83.2%), rates vary across races and ages. Table 7 presents 2000 homeownership rates by race in Augusta. Homeownership rates were particularly high for blacks (78.5%) as compared to the state (51.3%). There was a 5% gap between the white-alone and the black-alone homeownership rates in Augusta County. This gap was much smaller than the discrepancy statewide (22.2%).

	Augusta County	Virginia
Total population	83.2%	68.1%
White	83.4%	73.5%
Black	78.5%	51.3%

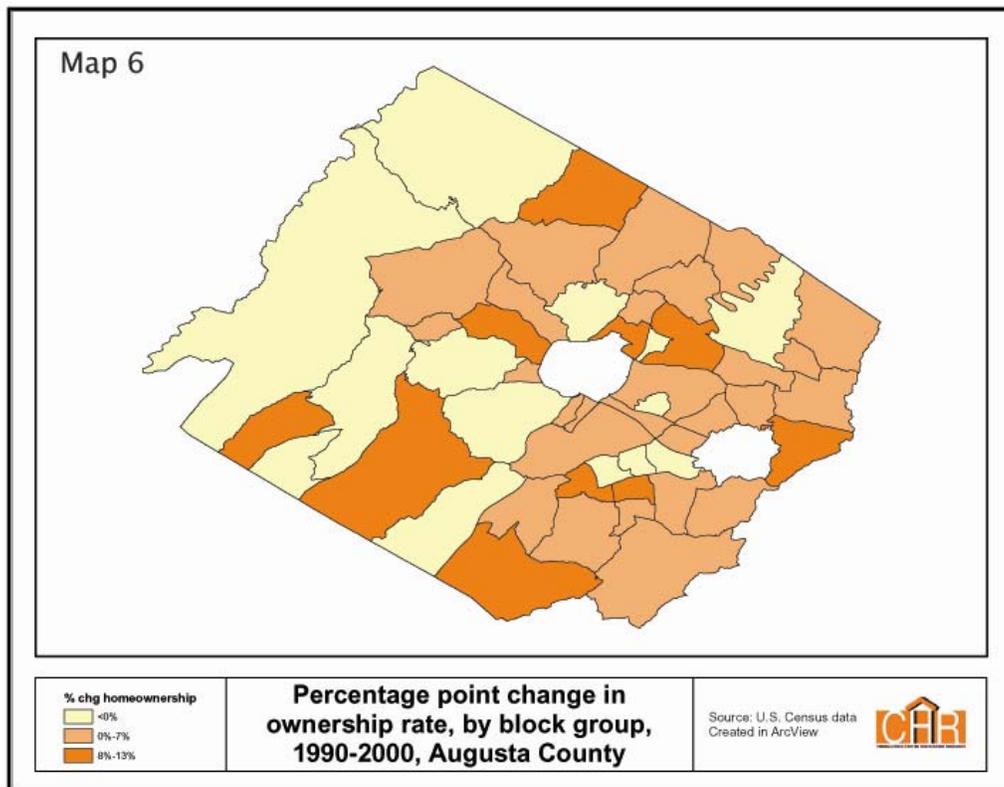
Source: U.S. Census Bureau

Table 8 shows homeownership rates by age. Homeownership becomes more common as householders age. Rates in Augusta County in 2000 varied from 34.6% (15 to 24 year olds) to 91.3% (65 to 74 year olds). While the youngest age cohort underwent declining homeownership between 1990 and 2000, both the 25-34 and the 35-44 age cohorts maintained their homeownership rates between 1990 and 2000. Augusta County had much higher homeownership rates than the state in 2000 for the 25-34 and 35-44 age cohorts.

	Augusta County		Virginia	
	1990	2000	1990	2000
15 to 34	47.3%	34.6%	17.0%	15.3%
25 to 34	67.5%	68.9%	47.3%	46.1%
35 to 44	83.1%	83.4%	69.4%	68.2%
45 to 54	84.5%	88.1%	79.0%	78.1%
55 to 64	91.1%	88.3%	82.3%	82.9%
65 to 74	86.5%	91.3%	80.8%	83.0%
75+	80.3%	86.6%	74.1%	76.6%

Source: U.S. Census Bureau

Map 6 illustrates the percentage point changes between 1990 and 2000 in homeownership throughout the County. Rates of change varied widely, from losses in homeownership rates (predominantly in the northwestern portion of the County) to +15% (predominantly in the eastern portion of the County).



Affordability

One of the best measures of affordability is the percent of household income devoted to housing costs. Approximately 75% (11,337 of 15,304 homeowners) of homeowners in the County paid less than 25% of income on selected housing costs in 2000. Of course,

housing affordability poses a larger challenge to low-income households. HUD's Comprehensive Housing Affordability Strategy (CHAS) data reveals an affordability problem for low-income homeowners (households with less than 80% of the median family income). The cost burden for each HUD income category is presented in Table 9. Nearly two-thirds (656) of owners with incomes below 30% of the area median family income (AMFI) were cost burdened and about 45% (460) had cost burdens of paying 50% or more of income for housing. The incidence of housing affordability problems declined dramatically as income approached the median and only a few owners (8%) with incomes above 80% of the AMFI level devoted more than 30% of their income to housing costs (and almost none had cost burdens above 50% of income). In total, there were 2,313 low-income owners with cost burdens over 30% AMFI, including 1,031 with cost burdens over 50% AMFI.

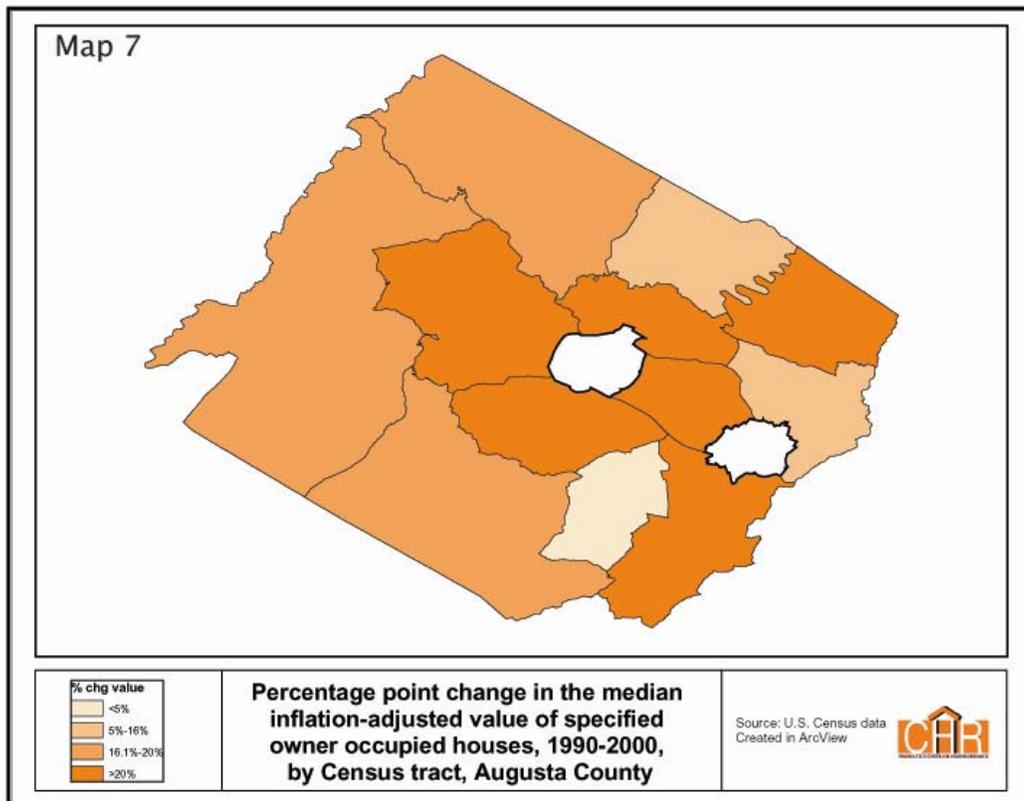
Household income	% with >30% cost burden	% with >50% cost burden
<30% AMFI	64.1%	44.9%
30%-50% AMFI	39.4%	20.9%
50%-80% AMFI	29.6%	6.7%
>80% AMFI	7.8%	0.8%

Source: HUD's CHAS data, 2000

Homeowner cost burden is partially determined by the price of housing. Owner-occupied homes valued at \$125,000 and above were twice as likely to exist in the County as in the cities. Table 10 shows the value of owner-occupied units in the County in 2000. The inverse was true for homes valued under \$50,000. The median value for owner-occupied housing units was about 25% higher in the County (\$110,900) than in the cities. Map 7 illustrates the percentage change in the inflation-adjusted median value of owner occupied housing throughout the County. The darkest areas on the map represent the areas in which the inflation-adjusted median cost of housing increased the most between 1990 and 2000. The inflation rate during this period was 31.75%. The largest increases were seen along the Route 250/I-64 corridor between Staunton and Waynesboro and in the area immediately to the west of Staunton. Together with Map 6, Map 7 provides data for Table 18, which presents patterns of socioeconomic and housing conditions throughout the County. In areas with quickly increasing values in owner occupied housing and quickly changing rates of homeownership and incomes, neighborhoods undergo large swings in character and affordability. Further discussion is provided with Table 18.

Table 10: Value of owner occupied housing units, 2000	
	Augusta County
Less than \$50,000	3.9%
\$50,000 to \$79,999	17.7%
\$80,000 to \$99,999	20.8%
\$100,000 to \$124,999	17.6%
\$125,000 to \$149,999	15.8%
\$150,000 to \$174,999	7.9%
\$175,000 to \$199,999	5.9%
\$200,000 to \$249,999	5.9%
\$250,000 to \$299,999	2.5%
\$300,000 to \$399,999	1.1%
\$400,000 to \$499,999	0.5%
\$500,000 to \$749,999	0.3%
\$750,000 to \$999,999	0.1%
\$1,000,000 or more	0.2%
2000 median value	\$110,900
1990 median in 2000 \$	\$95,690

Source: U.S. Census Bureau

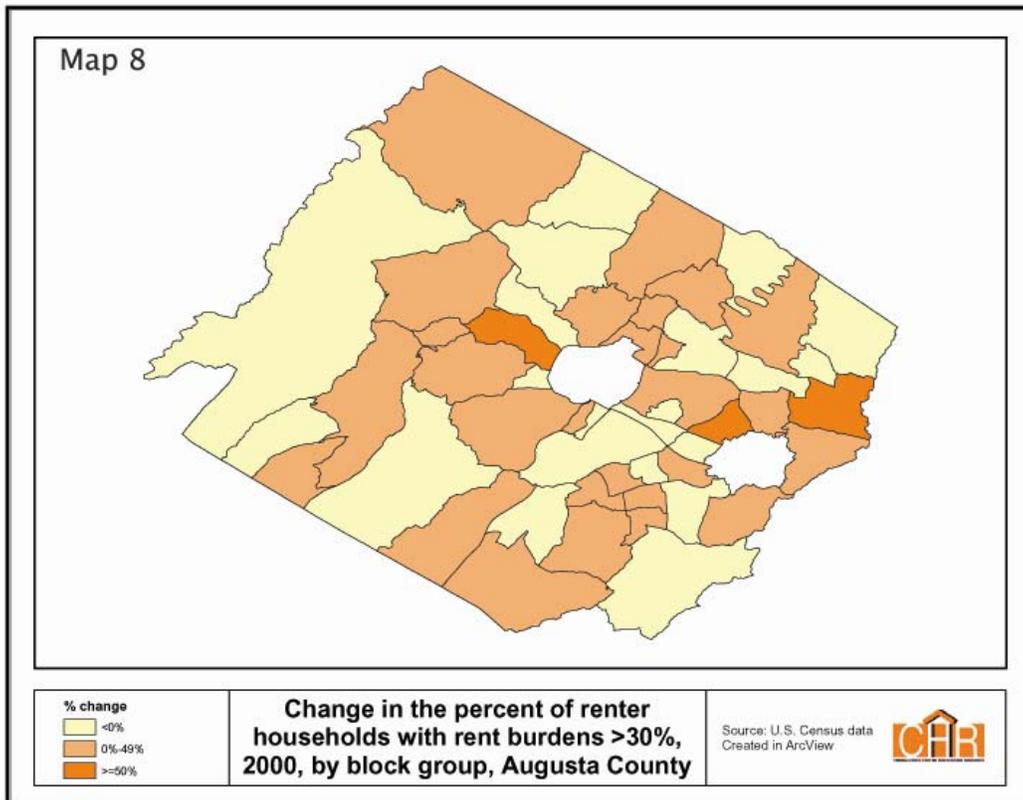


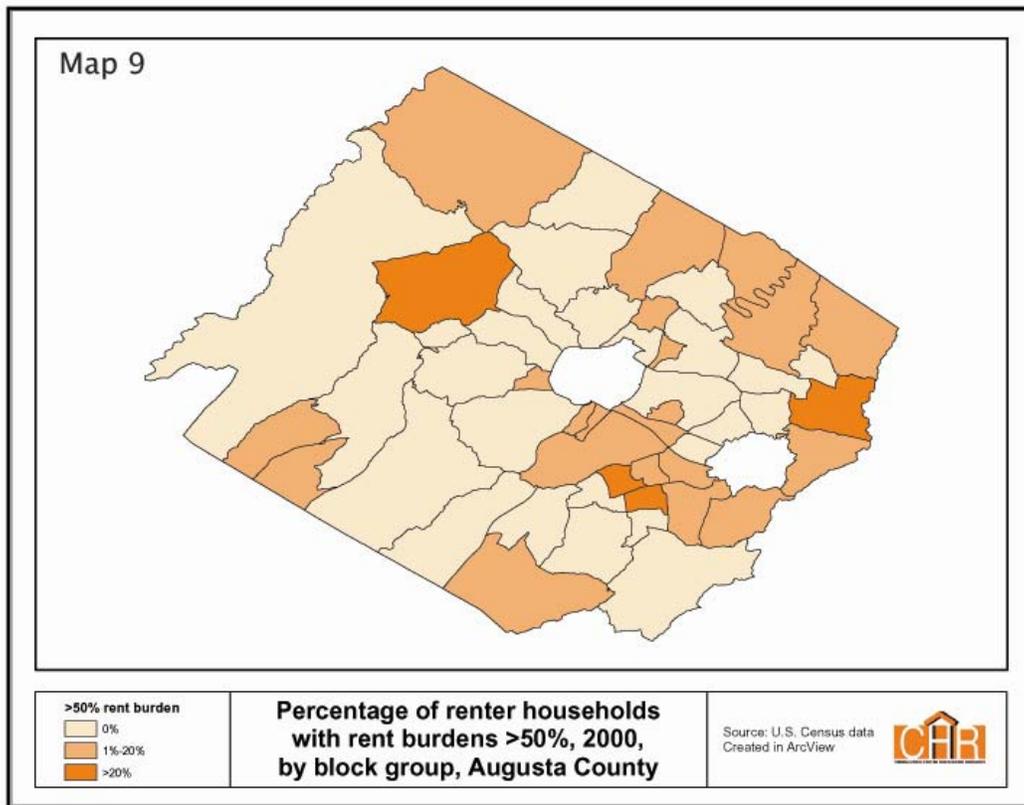
As Table 11 shows, slightly over 51% of renter households in the County paid less than 25% of household income on rent (with 14.5% not computed) in 2000. However, a

greater percentage of renter households in Augusta had cost burdens in excess of 30% as compared to owner households. Over 34% of renters paid greater than 25% and over 7% paid over 50% of income for housing. As Map 8 shows, rent affordability generally improved from 1990 to 2000, though not in all areas of the County. The Weyers Cave and Route 250/I-64 corridors in particular showed increasing affordability problems. Map 9 shows the percent of renter households with rent burdens exceeding 50%. Areas for targeted assistance in the County are census tract 708, block group 1 (portion of Hankey Mountain Highway) and 705, block group 3 (around Dooms).

Augusta County	
Total:	3,784
< 25%	51.2%
25%-29%	10.9%
30%-49%	16.1%
>= 50%	7.2%
Not computed	14.5%

Source: U.S. Census Bureau





Just as changes in homeowner cost burdens are tied in part to changes in home values, the change in rent burden over time is influenced by changes in rents. Rent levels in the local market have not kept up with overall inflation. The median rent in Augusta County increased from \$357 in 1990 to \$413 in 2000—still failing to keep pace with inflation by about \$57 per month. The highest median contract rent (\$483/month in year 2000 for census tract 711) in the County occurred in Stuarts Draft.

Although the sub-inflation level increase in rents points to greater affordability in the renter market, it can also reflect weak demand. With low interest rates and rising real incomes during the 1990s, more households shifted to the owner-occupied housing market. The County should monitor the pace of multi-family development to assure an adequate supply to meet anticipated growth.

The County's rental housing poses several advantages over the cities' rental housing. The first is age; the median year built of rental units in Staunton was 1959—12 years older than the median for the County (Waynesboro's median age of rental units was essentially equal to the County's). Second, locations in the County can increase accessibility to jobs in Staunton, Waynesboro and the County, particularly for families with two workers. Living in the County allows households to more easily split commuting times. As already mentioned, 2003 building permits clustered around

Interstate 81. Access to major transportation routes is clearly an important factor in development.

Housing Problems

Housing cost burdens are a key measure of housing problems for all low-income households. Cost-burdens above 30% of income are considered by HUD to constitute a housing problem.⁵ Other measures of housing problems include incomplete plumbing and kitchen facilities and overcrowding.⁶ Table 12 provides the percent and number of low-income households with one or more housing problems (cost burden >30%, incomplete plumbing, incomplete kitchen facilities or overcrowding) in 2000.

	% Low-income renters	# Low-income renters	% Low-income owners	# Low-income owners
Augusta County	25.8	1,070	18.0	3,718
Staunton	31.9	1,181	17.4	1,027
Waynesboro	38.3	1,234	17.2	872

* Note: Low-income means <80% median family income

In terms of incidence rates (percentage of households), trends can be discussed for extremely low income (<30% MFI), very low income (30%-50% MFI) and low income households (50%-80% MFI). As Table 13 shows, in some income brackets, Augusta owners carried a higher incidence rate of housing problems; in other brackets, renters had a higher incidence rate. In terms of the number of households with housing problems, there were more owners in Augusta with housing problems in all income brackets.

⁵ Note that “housing problem” is not synonymous with “worst case housing problems”. Worst case problems, as provided in the CHAS data, can be better approximated by the number of households with cost burdens >50%.

⁶ Here, overcrowding is defined as 1.01 or more persons per room. Cost burden is the fraction of a household's total gross income spent on housing costs. For renters, housing costs include rent paid by the tenant plus utilities. For owners, housing costs include mortgage payment, taxes, insurance, and utilities.

Income bracket	Percentage of renter households with housing problems	Percentage of owner households with housing problems
<30% MFI	50.6%	66.5%
30%-50% MFI	60.1%	41.1%
50%-80% MFI	25.1%	31.3%

Table 14 provides data on housing problems for different types of households for both the renters and owners in Augusta County. In this table, an elderly household is one with one or two people, either of which exceeds 62 years of age. A small related household is a family household of one to four people, none of whom exceed 62 years of age. A large related household is a family household with five or more people none of whom exceed 62 years of age. Overall, housing problems from cost burden decrease as incomes increase (incomes are indicated through a tiered system, beginning with <30% median family income) and “other housing problems” are completely overshadowed by cost burden problems in the poorest households.

	Augusta County Renters					Augusta County Owners				
	Elderly	Small related	Large related	All other	Total renters	Elderly	Small related	Large related	All other	Total renters
Household income <=30% MFI	223	214	14	165	616	566	194	44	220	1024
% with other housing problems	0	0	0	6	1.6	2.6	0	22.7	0	2.4
% cost burden >30%	37.2	60.3	71.4	48.5	49	57.8	58.8	68.2	84.1	64.1
% cost burden >50%	24.2	25.7	71.4	36.4	29.1	33.6	36.1	68.2	77.3	44.9
Household income >30% to <=50% MFI	153	245	54	238	690	837	394	95	312	1638
% with other housing problems	13.1	8.1	18.5	0	7.2	1.7	0	15.8	1.2	2
% cost burden >30%	47.7	49	35.2	64.3	52.9	14.7	68.3	68.4	60.3	39.4
% cost burden >50%	9.2	12.2	0	20.6	13.5	5.1	40.6	21.1	38.1	20.9
Household income >50 to <=80% MFI	136	444	65	370	1015	1,220	1,495	275	425	3,415
% with other housing problems	2.9	4.5	23.1	0	3.8	0	1.7	12.7	0	1.7
% cost burden >30%	30.9	18.9	15.4	21.6	21.3	16	37.8	36.4	35.3	29.6
% cost burden >50%	2.9	0	0	2.7	1.4	4.1	8.7	3.6	9.4	6.7
Household income >80% MFI	138	1093	160	435	1826	2,505	9,424	1,160	1,489	14,578
% with other housing problems	5.8	0.8	15.6	3.4	3.1	0.8	0.6	6	0.7	1.1
% cost burden >30%	7.2	1.8	0	0	1.6	6.6	7.1	9.5	12.7	7.8
% cost burden >50%	0	0	0	0	0	0.6	0.8	0.9	1	0.8

*% of households with other housing problems excludes households with cost burdens. Percent of households with cost burden >30% excludes households with cost burden >50%.

As an illustrative example of how to use Table 14, the left half provides data on renters. The first four rows of data cover households earning 30% or less of the median family income. The first row is the number of households in this category; the second row provides the percent of households from the first row that have “other housing problems” (definition given in footnote seven). The second row excludes households with cost burdens greater than 30%. The third row provides the percent of the first row that has a cost burden exceeding 30%; this includes households with cost burdens greater than 50%. Therefore, the first “data” cell in Table 14 shows that there are 223 elderly renter households in the County. Of these, 37.2% (83) have cost burdens exceeding 30% of income. Of those 83 households, 54 (24.2%) have cost burdens exceeding 50% of household income. None have “other” housing problems.

The second group of four rows provides the same data for households earning 30-50% of median family income. The third grouping represents households earning 50-80% of median family income. Finally, the last four rows provide data on all households earning more than 80% of median family income. The data provided in Table 14 allows planners to compare types of households as to affordability and other problems and better tailor their approach to housing policy and planning.

Large families have the most dramatic need for housing assistance. Among extremely low-income (<30% MFI) large family renters, 71.4% carried a cost burden in excess of 30% of income. Large families in the other income brackets, however, could better afford but did not have an adequate supply of appropriately sized rental housing. The cost burden incidence rate for the very low income group (30-50% MFI) dropped to 35.2% and continued to fall as income increased. Meanwhile, however, the incidence rate of “other problems”⁷ increased, reaching 23.1% (the highest rate of “other problems” of any renter household type in any income group) in the low income group (50-80% MFI). Large, related owner and renter households showed overcrowding even in the >80% MFI income bracket, signaling a shortage in the market of adequately sized housing units. The policy implications are two pronged. 1) Provide both financial assistance and incentives for minimum housing standard enforcement for the lowest income groups of large families. 2) For large families closer to the median AFI, the County could either directly build adequately sized rental units earmarked for large, low-income families, or provide incentives for builders to construct these units.

Another important trend shown by Table 14 is the increase in households in the County earning between 30% and 50% median family income and carrying a cost burden over 50%. Households falling into this category grew from 115 in 1990 to 435 in 2000—an increase of almost 300%. The County could set aside or earmark units of appropriate rents for this group, or could work to subsidize units otherwise unaffordable to this group. Even when rents are affordable to this group, they are in competition with those with higher incomes for available rental units. Protecting this group from households of

⁷ “Other problems” refer to housing problems that are not cost burden. These problems include overcrowding, incomplete kitchen facilities or incomplete plumbing. As incomplete facilities represents only a very small portion of households, “other problems” can be used as an approximate estimate of overcrowding.

higher incomes pursuing low rents will be an important aspect of ensuring affordable housing.

The recommendations made in this section highlight a need to earmark units for specific groups of households, and to provide increased numbers of particular types of housing units. A gap analysis provides a method of quantifying these needs. This data provides the number of units affordable to a particular income group, then specifies how many of those units are inhabited by households within that income group. The difference is called the “supply gap” for that income category.

One cause for the cost burdens discussed above is a shortage of affordable housing units. Currently, only four federally assisted housing units are provided in the County. The supply gap in affordable rental housing is estimated in Table 15. The table provides the number of renters in each of the HUD income categories (<30%MFI, 30-50%AMFI, 50-80%MFI, <80%MFI) and the number of affordable rental units that are needed at that income level, with affordability defined as housing costs less than 30% of income. Although a sufficient number of affordable rental units may exist for the number of households in a given income bracket, households earning higher incomes could reside in a portion of that housing stock. This occupancy mismatch results in a larger affordable supply gap than otherwise indicated. This overall affordable housing supply gap represents the number of additional affordable rental units for low income households required to significantly reduce cost burdens or overcrowding. In Augusta County, 2000 CHAS data revealed a supply gap of 251 units for extremely low-income renters (<30% MFI), 462 units for very low-income renters (<50% MFI) and a total supply gap of 1,117 units for all low-income households (<80% MFI).⁸

	Supply gap
<30% MFI	251
<50% MFI	462
<80% MFI	1,117
Total supply shortage	1,117
Source: HUD’s CHAS data, 2000	

The previous recommendations for low-income renter households provide justification for a supply gap analysis for owner-occupied units. The same analysis of owner-occupied units reveals a more significant need for affordable owner properties than rental properties. Table 16, below, shows the supply gaps for owner occupied units. The total supply gap for low-income owners (<80% MFI) was 3,403 in 2000. This indicates a need for more modest single family homes in the County.

⁸ Please note that the supply gap for rental households with incomes between 30% and 50% MFI cannot be deduced by subtracting 251 from 462, since the data source does not indicate which housing bracket households living beyond their means live in. Therefore, some <30% MFI households may be living in housing appropriate for households earning 30%-50% MFI, while others may be living in housing intended for households earning 50%-80% MFI. The cells in Tables 15 and 16 are cumulative.

Table 16: Owner occupied unit supply gap by HUD income category, 2000	
	Supply gap
<30% MFI	N/A
<50% MFI	1,429
<80% MFI	3,403
Total supply shortage	3,403
Source: HUD's CHAS data, 2000	

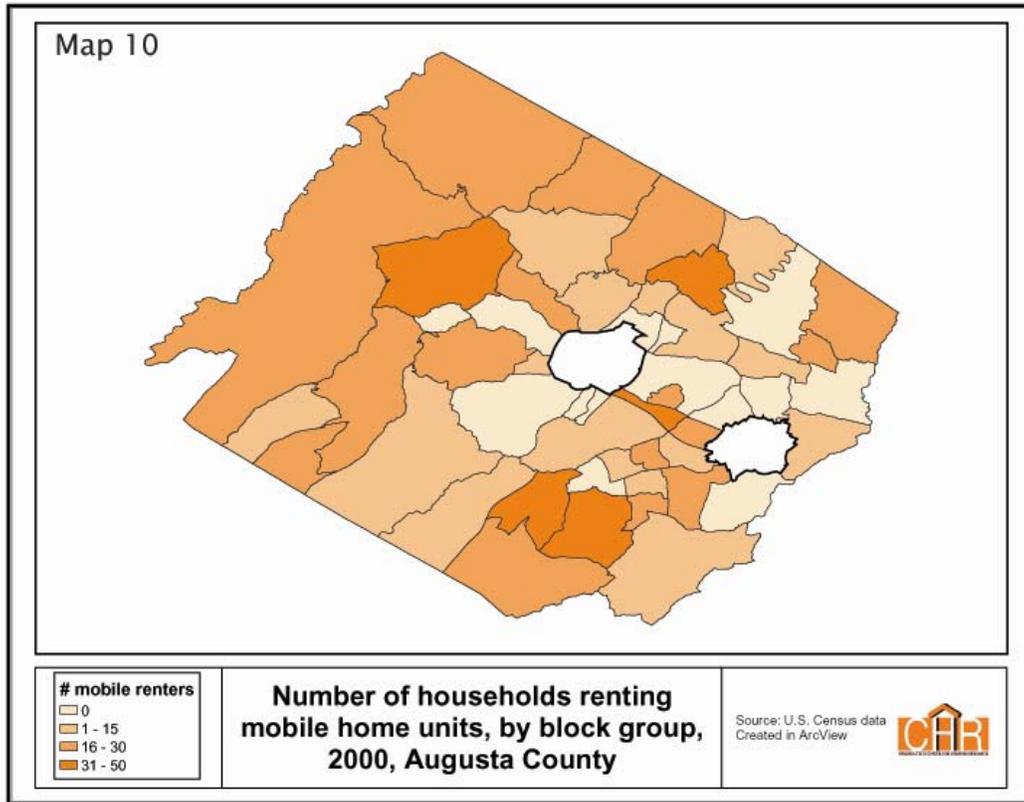
A limited supply of rental units for large families, as noted earlier, compounds the affordability gap. The composition of apartments by number of bedrooms is shown in Table 17. As shown here, efficiencies and one-bedroom apartments were more likely to exist in the cities than in the County, while the County supplied a larger percentage of three-bedroom apartments. Similarly, rental units with four-bedrooms were proportionately more prevalent in the County. These could be single-family houses, including mobile homes, in addition to apartments. Despite the greater supply of 4-5 bedroom apartments in the County, the incidence rates were still too low to accommodate the large families seeking affordable housing. The shortage of affordable four-bedroom and five-bedroom units as shown in Table 17 subsequently leads to overcrowding of large, related family households.

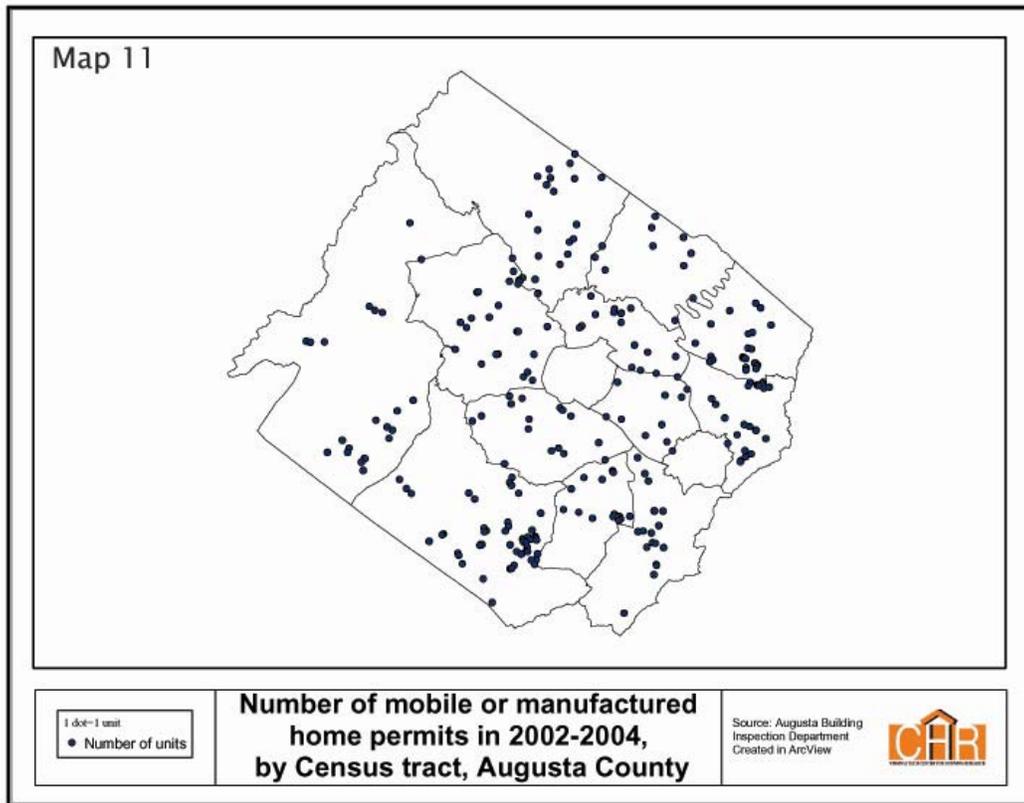
Table 17: Number of bedrooms in renter-occupied units			
	Augusta County	Staunton city	Waynesboro city
Renter occupied	16.8%	38.6%	38.8%
No bedrooms	0.6%	2.9%	1.1%
1 bedroom	12.4%	28.8%	18.6%
2 bedrooms	42.0%	38.4%	49.5%
3 bedrooms	35.8%	23.4%	25.3%
4 bedrooms	7.7%	4.3%	4.9%
5 or more bedrooms	1.5%	2.2%	0.4%
Source: U.S. Census Bureau			

Mobile Homes

In 2000, mobile homes accounted for a little over 13% of the total housing stock of Augusta County and 16% of the rental unit stock. As Map 10 shows, mobile homes were widely dispersed in 2000, with a few notable clusters, occurring along the Route 250/I-64 corridor, the Crimora area and the Stuarts Draft area. In 2003, mobile and manufactured home permits accounted for 9% of building permits in the County (see Map 11, please note that “dot” placement on this map is site-specific). Some mobile home permits, however, replaced older existing units and do not necessarily constitute new site development or additional units in the housing stock. Typical of rural areas, mobile

homes present a viable form of affordable housing in Augusta County. However, mobile homes, as with other types of housing, still can be unaffordable or substandard or both.





County-wide, only 18.4% of mobile home renters had cost burdens in excess of 30% of income with the median value of an owner-occupied mobile home \$25,700 in 2000. Most of the mobile homes units in the County were relatively new with only 8% of all mobile homes built before 1970. Table 18 reveals a few areas of the County where mobile homes may need monitoring. In census tracts 704, 705, 706, 707, 709 and 710, for instance, rented units were significantly older than owner occupied units. Census tract 707 also had a high rate of renters with cost burdens exceeding 30%. Census tract 709 had the highest rate of high renter cost burdens and had a very high median value of owner-occupied mobile homes. In these areas, rent assistance or provision of alternative housing options may alleviate housing problems. Finally, in census tract 703, a particularly high percentage of mobile home units were rented and the value of the units was especially high.

Table 18: Mobile home tabulations by Census tract, Augusta County, 2000

Census tract	Rent burden			Year structure built		Value
	Number (percent) of mobile homes rented	% rent burden >=30%	% not computed (in % w/ burden)	% rented mobile homes built before 1970	% of total built before 1970	median value for owner-occupied mobile homes
701	62 (27.6%)	9.6%	54.8%	12.9%	14.5%	\$ 31,000
702	59 (24.0%)	0.0%	39.0%	25.4%	16.6%	\$ 41,500
703	69 (58.0%)	26.1%	0.0%	11.6%	11.3%	\$ 70,800
704	54 (8.3%)	14.8%	9.3%	25.9%	5.8%	\$ 17,000
705	25 (11.2%)	16.0%	20.0%	40.0%	29.1%	\$ 22,700
706	71 (27.5%)	25.4%	22.5%	25.4%	11.2%	\$ 21,400
707	26 (12.0%)	46.2%	0.0%	23.1%	4.0%	\$ 19,600
708	81 (35.4%)	9.9%	9.9%	13.6%	16.3%	\$ 56,200
709	10 (23.3%)	60.0%	0.0%	60.0%	14.0%	\$ 66,600
710	85 (22.1%)	0.0%	51.8%	24.7%	8.7%	\$ 37,100
711	88 (20.9%)	9.1%	27.3%	8.0%	4.4%	\$ 19,200
712	40 (17.0%)	15.0%	0.0%	17.5%	18.8%	\$ 31,900

Source: U.S. Census Bureau 2000

Neighborhood-level Trends

To help identify neighborhoods with rapidly changing tenure or affordability characteristics, we examined trends in housing values, household incomes and homeownership rates between 1990 and 2000 on the Census block group level for Augusta County (see Table 19). Declining house values, incomes or ownership rates might identify areas of greater neighborhood distress. Only one block group in the County, the northwestern part of Fishersville (census tract 706, block group 2), had a significant decline in both income and homeownership rate between 1990 and 2000. In the County, rising costs pose a potential threat to affordability, but for the most part this is offset by higher incomes. The areas west of Crimora and Dooms, on the other hand, are growing quickly and should be monitored for continued affordability. Also, the portion of the County surrounding Scenic Highway, bordering Rockingham County near Bridgewater, should be targeted for the same reason. Table 19 shows in bold the block groups undergoing the most dramatic change. This table shows the dramatic changes in housing costs relative to changes in income throughout the County. The changes in median household income and median value of owner-occupied housing are changes in real dollars.

Table 19: Socioeconomic change by block group, Augusta County, 1990-2000				
	Population, 2000	Change in real income, 1990- 2000	Change in real value of owner occupied housing	Change in homeown ership rate
Block Group 1, Census Tract 701	794	\$4,480	\$7,537	-4.28%
Block Group 2, Census Tract 701	593	-\$11,335	\$14,298	-1.38%
Block Group 3, Census Tract 701	816	\$6,285	\$12,516	8.83%
Block Group 4, Census Tract 701	1,499	-\$1	\$17,706	-10.16%
Block Group 1, Census Tract 702	1,193	\$2,303	\$16,357	-8.30%
Block Group 2, Census Tract 702	1,150	\$3,778	\$23,353	13.29%
Block Group 3, Census Tract 702	1,460	\$12,750	\$9,250	1.77%
Block Group 1, Census Tract 703	1,705	\$7,159	\$17,525	3.03%
Block Group 2, Census Tract 703	1,321	-\$4,100	\$13,255	2.40%
Block Group 3, Census Tract 703	1,582	\$5,772	-\$1,053	5.59%
Block Group 1, Census Tract 704	1,676	\$7,206	\$39,691	-3.04%
Block Group 2, Census Tract 704	1,731	-\$4,356	\$9,312	6.61%
Block Group 3, Census Tract 704	1,610	-\$6,509	\$10,357	2.16%
Block Group 1, Census Tract 705	676	\$12,508	\$58,586	2.64%
Block Group 2, Census Tract 705	1,251	-\$11,831	\$21,102	1.24%
Block Group 3, Census Tract 705	1,380	\$4,757	\$10,084	5.65%
Block Group 4, Census Tract 705	1,301	-\$3,729	\$3,739	7.92%

Block Group 1, Census Tract 706	2,256	\$7,154	\$46,582	1.34%
Block Group 2, Census Tract 706	709	-\$8,328	\$38,806	-8.83%
Block Group 3, Census Tract 706	1,675	\$3,036	\$32,946	2.78%
Block Group 4, Census Tract 706	992	\$21,799	\$31,510	4.19%
Block Group 5, Census Tract 706	1,119	-\$358	\$13,875	5.33%
Block Group 1, Census Tract 707	957	\$12,074	\$38,019	-6.60%
Block Group 2, Census Tract 707	1,672	\$6,462	\$21,259	5.72%
Block Group 3, Census Tract 707	1,318	-\$5,324	\$21,111	7.51%
Block Group 4, Census Tract 707	1,019	-\$7,975	\$14,136	-4.03%
Block Group 5, Census Tract 707	1,122	\$691	\$37,089	9.91%
Block Group 1, Census Tract 708	1,353	\$6,506	\$28,525	1.77%
Block Group 2, Census Tract 708	1,136	-\$7,950	\$16,191	-0.16%
Block Group 3, Census Tract 708	961	\$4,327	\$57,368	10.00%
Block Group 4, Census Tract 708	793	\$16,589	\$9,651	3.37%
Block Group 5, Census Tract 708	955	\$5,262	\$35,112	-0.58%
Block Group 6, Census Tract 708	819	-\$2,860	\$16,885	3.75%
Block Group 1, Census Tract 709	1,433	-\$2,413	\$30,946	-1.78%
Block Group 2, Census Tract 709	692	-\$3,810	\$14,937	-0.38%
Block Group 3, Census Tract 709	601	\$4,677	\$5,129	3.25%
Block Group 4, Census Tract 709	1,628	\$5,206	\$22,966	0.91%
Block Group 1, Census Tract 710	985	\$3,586	\$63,935	8.87%
Block Group 2, Census Tract 710	1,023	\$6,039	\$24,945	-3.36%
Block Group 3, Census Tract 710	1,385	\$5,979	\$3,968	7.96%
Block Group 4, Census Tract 710	2,328	-\$473	\$9,925	5.91%
Block Group 1, Census Tract 711	2,381	\$2,017	\$17,097	-15.83%
Block Group 2, Census Tract 711	825	-\$5,466	\$7,087	-4.76%
Block Group 3, Census Tract 711	1,146	\$2,400	-\$12,831	10.75%
Block Group 4, Census Tract 711	1,055	-\$1,017	-\$6,071	7.93%
Block Group 5, Census Tract 711	767	\$22,023	\$1,157	5.86%
Block Group 6, Census Tract 711	3,300	\$2,779	\$8,565	0.24%
Block Group 1, Census Tract 712	1,477	\$12,128	\$19,144	-1.40%
Block Group 2, Census Tract 712	1,939	\$6,701	\$11,630	2.07%
Block Group 3, Census Tract 712	1,062	-\$3,047	\$7,013	1.49%
Block Group 4, Census Tract 712	994	\$13,273	\$57,914	5.98%
Source: U.S. Census Bureau				

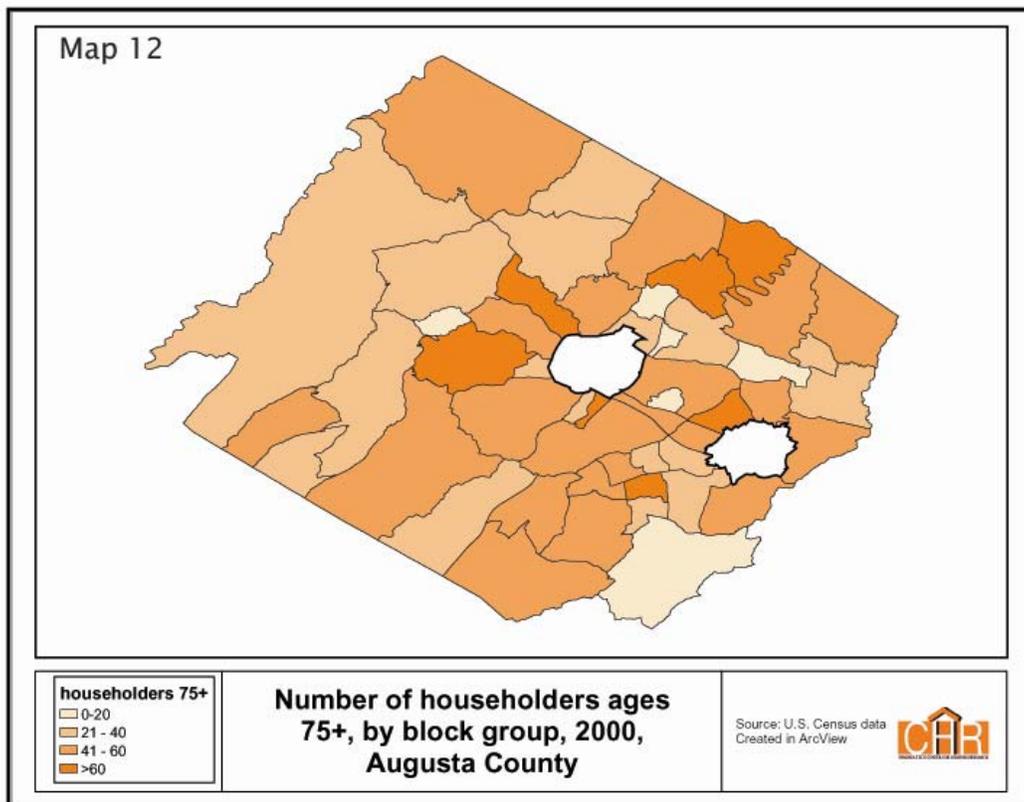
Recommendations

- The highest concentrations of extreme rent burden (>50%) occurred in census tract 708, block group 1 (portion of Hankey Mountain Highway) and tract 705.98, block group 3 (around Doods). Providing a sufficient stock of rental units in these areas (through construction, incentives to developers, or rent assistance) should be one development goal.
- Large renter family households struggle in Augusta's housing market more than any other household group. Lower income groups should be targeted for financial support, while the 50-80% MFI households in this group need larger rental units and housing standards enforcement.
- Households (owner and renter) earning 30-50% MFI with housing cost burdens increased almost 300% between 1990 and 2000. Earmarking affordable units and

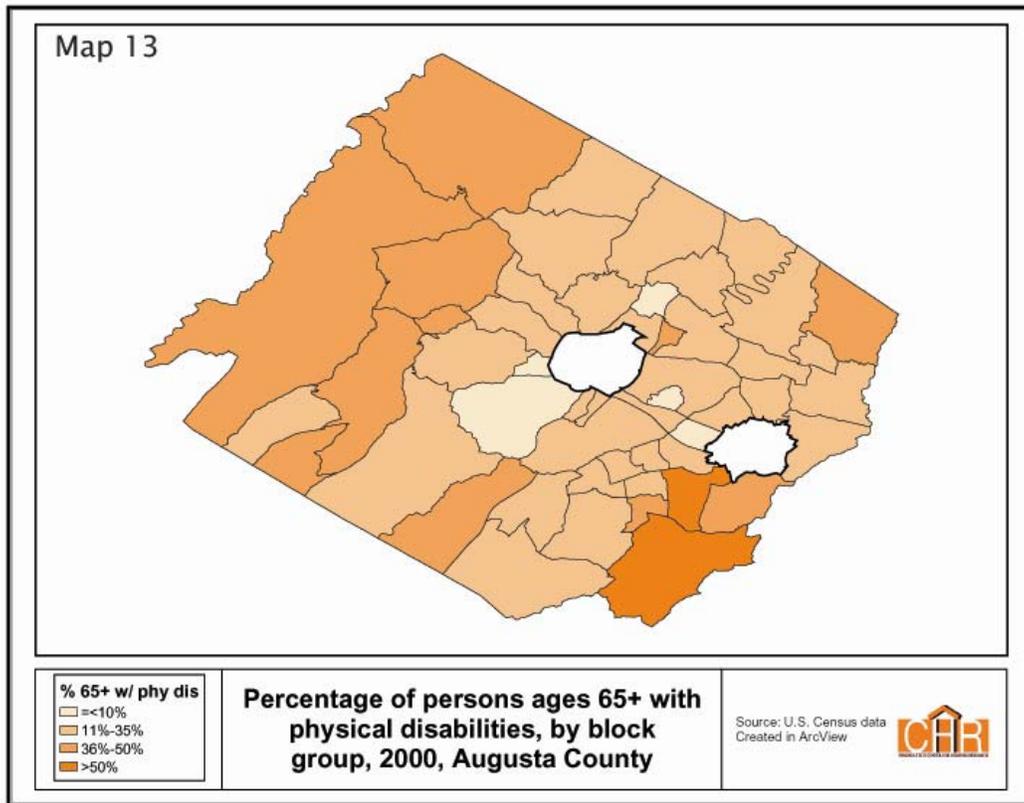
- providing financial assistance, employment guidance, and potentially food program assistance will help to alleviate the growing pressure on this group.
- Renter households have very high rates of cost burdens >30% in census tracts 707 and 709. In these areas, rent assistance or provision of more affordable units may alleviate some housing problems.
 - When compared to owner occupied mobile home units, renter occupied mobile home units are much older. Ensuring that rented mobile homes meet minimum housing standards and that landlords comply with all housing regulations may provide protection to mobile home renters in these areas.
 - The areas west of Crimora and Dooms are growing quickly. These areas should be monitored to ensure continued affordability and implement an action strategy if unaffordability problems begin to escalate.
 - Countywide, there is a total supply shortage of 1,117 rental units and 3,403 owner occupied units for low-income households. This shortage could be addressed through promoting mixed use development and/or requiring that a small percentage of units in new developments be affordable to this group.

Elderly Households and Persons with Disabilities

Elderly households and persons with disabilities often need assistance with transportation, access to health care, financial advising, assistance with home maintenance and other social services. The projected growth in the senior population in the County highlights the need for social services to help this population to live independently as long as possible. At the time of the 2000 Census, there were 8,428 persons aged 65+ (12.8% of the total population). As an indicator of the elderly population most likely in need of services, Map 12 shows the number of householders over age 75 by block group in 2000. This population is spread thinly and evenly through the County and clustered densely in Staunton and Waynesboro.



The highest concentrations of persons ages 65+ with disabilities occurred along the Route 42 corridor, between Buffalo Gap and Craigsville, and along Route 250 between Churchville and West Augusta. The other main area of concentration occurred between Lyndhurst and Sherando. In these areas, between 65.5% and 85.9% of persons over the age of 65 had disabilities (see Map 13).



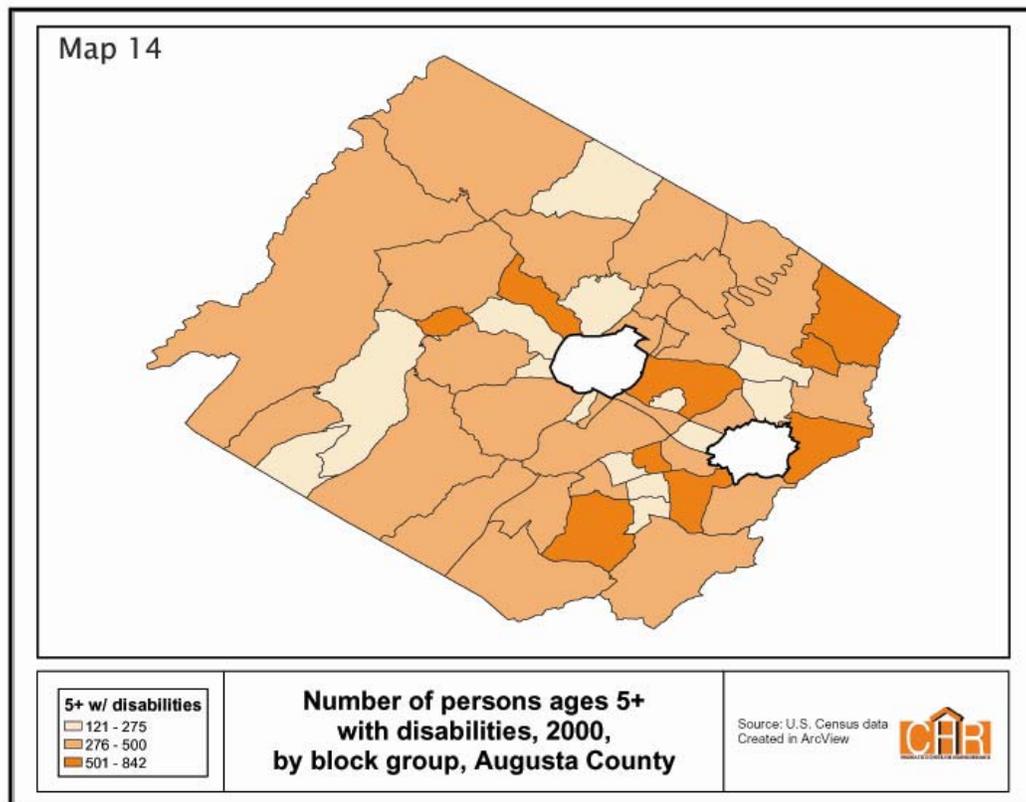
As shown in Table 20, while 40.1% of Augusta County’s population ages 65+ reported a disability in 2000, only 4.0% reported a disability and an income below the poverty line.

Table 20: Disability and poverty, Augusta County 2000

Age	Total population	With a disability	and below poverty	% with a disability	% disabled and below poverty
5-15	9,896	577	86	5.8%	0.9%
16-20	3,808	482	76	12.7%	2.0%
21-64	38,037	6,806	671	17.9%	1.8%
65+	8,105	3,246	321	40.0%	4.0%
Total	59,846	11,111	1,154	18.6%	1.9%

Source: U.S. Census Bureau

Waynesboro had the highest overall disability rate within the local area, with an alarming rate for the population ages 21-64 (the working-aged population). The rate of 27.7% was roughly 9 percentage points higher than Staunton or Augusta County for this age group. Map 14 presents the number of disabilities for the population over 5 years in 2000, which showed significant clustering in Staunton and Waynesboro. Correspondingly, the percent of the population in this age group who were both disabled and below poverty was higher in Waynesboro than in the other jurisdictions.



Recommendations

- The highest concentrations of persons 65+ with disabilities occurred along Route 42 between Buffalo Gap and Craigsville, along Route 250 between Churchville and West Augusta and between Lyndhurst and Sherando. The County should focus on ensuring that appropriate senior care facilities, social services and 911 services serve these communities.

Projected Housing Demand

Augusta County is expected to grow by 3,545 households from 2000 to 2010 and add an additional 2,245 by 2020, as shown in Table 21. This presents a sharp drop from the 5,037 increase in households during the 1990s. Between 2000 and 2020, the County is projected to need 5,158 owner-occupied units but only 633 additional renter-occupied units. The number of new multi-family units built in the County so far this decade is close to the increase in renter demand between 2000 and 2020. This could reflect a change in development patterns and a higher level of rental housing demand in the County.

	1990	2000	2010	2020
Total	19,781	24,818	28,363	30,608
Owner	15,931	20,628	23,654	25,786
Renter	3,850	4,190	4,710	4,823

Source: Virginia Tech Center for Housing Research

The largest increase in demand for rental housing between 1990 and 2020 is estimated to be in the current decade, between 2000 and 2010. Although population growth in Augusta County currently draws heavily on the in-migration of young adults, projections indicate that the County’s growth will shift to middle-aged households and retirees, as most of this population ages in place. This indicates that while currently a younger population is being attracted to the County, potentially relying initially on rental housing, in the long run, single family housing will be more important.

Housing Demand Based on Age

Demand for housing changes over a person’s lifetime. Since most new households form among persons below the age of 35, the number of households in this age category in any given Census primarily represents new households that had to be absorbed in the housing market. Young adults first establishing an independent household are most likely to be unmarried and geographically mobile, but with limited income. Housing demand among these start-up households is largely for apartments. As we age, household size typically expands, as do incomes and housing demand. Spouses and children require larger housing units and increased incomes enable increased housing consumption. By age 35, most Americans are living in an independent household either as a single adult, a spouse or a roommate. Consequently, changes in the number of middle-aged households (excluding geographic mobility) primarily reflect migration, or separations, divorce and remarriage. As people age further, children move out to establish their own independent households. After decades of homeownership, some prefer to rent rather than own and at later years, infirmity and death increasingly impact household composition and independence.

Table 22 provides a snapshot of housing demand by showing percent owners by household type by age of the householder by income in 2000. Table 22 shows that married couple families were much more likely to be owners than renters of housing. Homeownership for married couples was over 68% for all groups except for the lowest age groups and lowest income groups. Owning versus renting was more ambiguous and dependent upon income levels for the no-spouse family households and the non-family households. No-spouse present family households with householders under age 35 were less likely to own than rent at all income levels except for the \$150,000+ group. The middle-aged and older no-spouse present family households were more similar to their married couple counterparts. While the total number of no-spouse family households

was low, it is interesting that across all age groups the \$150,000+ group were 100% owners. Among non-family households, owning was more prevalent than renting at all age and income categories except for the under 65 age group earning less than \$25,000. The percent owners for non-families were significantly less, however, than for the married couple families.

	< \$25,000	\$25,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$100,000	\$100,000 - \$150,000	\$150,000+
Total						
Family						
Married-couple						
<35	31.2%	67.1%	81.7%	68.8%	100.0%	86.4%
35-54	59.8%	81.8%	90.0%	93.7%	97.8%	97.1%
55-64	80.8%	91.4%	95.5%	96.9%	93.9%	85.6%
65+	85.3%	96.1%	94.6%	93.1%	100.0%	89.1%
No-spouse present						
<35	25.4%	40.2%	20.8%	0.0%	0.0%	100.0%
35-54	40.5%	76.1%	67.0%	72.5%	74.6%	100.0%
55-64	69.8%	100.0%	72.6%	100.0%	0.0%	100.0%
65+	74.3%	82.5%	100.0%	75.0%	52.0%	0.0%
Non-family						
<65	41.9%	60.3%	64.0%	71.0%	81.0%	71.9%
65+	70.3%	85.4%	86.2%	100.0%	82.4%	61.9%

Source: Center for Housing Research

Housing Demand Based on Income

Table 23 projects housing demand based on income from 2000 to 2020. Over the twenty year period, the projections indicate significantly increased rental demand among households earning <\$15,000 (+282 households) and an even greater increase in ownership demand among households earning <\$15,000 (+1,073 households), \$35,000-\$49,999 (+1,019 households) and \$50,000-\$74,999 (+955 households). The number of households earning less than \$15,000 overestimates the number of poor households, as this group includes retirees with wealth but not necessarily income. These projections are based on constant dollars and assume that the income distribution remains constant for specific age and household type categories.

	2000	2010	2020
Total			
<\$15,000	2,865	3,503	4,220
\$15,000-\$24,999	3,278	3,809	4,236
\$25,000-\$34,999	3,439	3,908	4,151
\$35,000-\$49,999	5,082	5,746	6,146
\$50,000-\$74,999	5,829	6,529	6,880
\$75,000-\$99,999	2,336	2,601	2,671
\$100,000-\$149,999	1,486	1,686	1,707
\$150,000+	503	582	597
Owner			
<\$15,000	1,914	2,377	2,987
\$15,000-\$24,999	2,264	2,666	3,061
\$25,000-\$34,999	2,768	3,151	3,442
\$35,000-\$49,999	4,190	4,796	5,209
\$50,000-\$74,999	5,281	5,927	6,236
\$75,000-\$99,999	2,205	2,439	2,492
\$100,000-\$149,999	1,366	1,532	1,539
\$150,000+	467	536	542
Renter			
<\$15,000	951	1,126	1,233
\$15,000-\$24,999	1,014	1,143	1,175
\$25,000-\$34,999	671	757	709
\$35,000-\$49,999	892	950	937
\$50,000-\$74,999	548	602	644
\$75,000-\$99,999	131	162	179
\$100,000-\$149,999	120	154	168
\$150,000+	36	46	55
Source: Virginia Tech Center for Housing Research			

The increase in low-income rental demand reflects increases in young adults and, less so, elderly households. For the most part, the latter are already living in the County. While young adults obviously reflect new household formations, many are probably existing residents living as dependents in parents' households. One of the changing dynamics facing the County is the extent to which there will be increased demand for rental housing from the large number of children growing up in the County.

Housing Production

Augusta County has identified its comprehensive plan growth goals and population projections through 2014. The population projections are used to designate appropriate amounts of land in the various planning policy areas for expected residential demand. Two issues emerge here. First, the population growth forecast prepared by Augusta County underestimated actual growth. Second, the physical development goals outlined

by the planning area policies have not been met, as a higher percentage of development than desired has located in agricultural conservation areas.

Planning Area Policies

The County's Planning Area Policy descriptions state that rural conservation areas "are planned to remain rural and agricultural in character but to absorb most of the County's future rural residential development. The County will encourage rural residential development in these areas to use a cluster design, preserving 80% of the tract in permanent open space conservation easements, with all lots located on the remaining 20% of the tract." Agricultural Conservation Areas, alternately, "are planned to remain in predominantly agricultural and forestal uses with very little additional residential development."

In reality, however, in 2003 16.4% of permits occurred in agricultural conservation zones while only 9.9% of permits occurred in rural conservation zones. Although the agricultural conservation zone is much larger, the rural conservation areas clearly are not absorbing "most" of the County's rural residential growth. It appears, however, that the County has succeeded in promoting higher densities in the developed portions of rural conservation areas. Not universally, but for the most part, new units in these areas are occurring in or near existing subdivisions. Development needs to occur with more clustering in rural conservation areas instead of in agricultural conservation areas if rural conservation areas are to absorb "most" of the County's growth while preserving agricultural areas as set forth in the County's conservation goals.

Geographic Patterns

Residential and commercial development in 2003 occurred in a few distinguishable clusters throughout all areas and relatively evenly through the Agricultural Conservation zones. The clusters occurred near the northern border of the County just east of Interstate 81, between Waynesboro and Staunton along the Route 250/I-64 corridor (in Fishersville), in the southern tip of Stuarts Draft and just south of Staunton, near Interstate-81.

For residential and commercial permits, looking beyond the cluster-level of development and instead assessing on the County magisterial districts level, a clear geographic pattern again appears. Map 2 shows the number of 2003 building permits by 2000 Census County subdivisions. As noted earlier, the count is not complete, but includes over 90% of all building permits reported by the County. Almost all of the building permits not included on the map are located in Urban Service Areas. The eastern districts of the County (Wayne and Middle River) accounted for 23.2% and 21.2%, respectively, of all single-family home building permits in 2003. The Wayne district portion consists almost entirely of the Fishersville/Wilson development, which is occurring through subdivision development. The Middle River development is mostly Weyers Cave (which is driven by one new subdivision) and Crimora (another established community). In both Weyers Cave and Crimora, the majority of development is occurring in Urban Service Areas,

Community Development Areas or Potential Community Development Areas. Future growth should be monitored closely in this area, to ensure continued growth in appropriate subdivisions and Planning Areas.

Residential development between 1995 and March of 2000 somewhat paralleled the 2003 growth patterns. A larger bulk of housing occurred in the southeastern corner of the County and west of Staunton, just north of Route 250. Focused development in the northeastern quadrant of the I-64/I-81 intersection continued through both time periods. The same is true of the area just southwest of Waynesboro.

At the precinct (sub-district) level, Fishersville's growth shows appropriate growth patterns. Forty-two of Fishersville's 50 single-family permits in 2003 occurred in either urban service or potential urban service areas. Higher densities among the remaining eight units occurred in rural conservation zones. The Fishersville/Wilson area has led growth in the County since at least 2000, when the Wayne magisterial district accounted for over one-quarter of all single family home permits in the County. Wayne accounted for almost one-quarter of permits again in 2001, one-fifth in 2002 and 23% in 2003.

The problem in Fishersville is not sprawl; instead, public services constrain growth. New subdivisions bring new children, which place a larger demand on public schools than can be currently accommodated. The areas of the County in which school capacity could accommodate new students lie in areas without public water and sewer. Yet, there is ongoing demand for housing in the Fishersville/Wilson area. Therefore the County faces a decision to reject rezoning requests in Fishersville and thus promote sprawl into the countryside so that children can attend the schools in the western part of the County (and along with it, permitting the related environmental problems), or to provide increased classroom space near the areas that are otherwise more appropriate for growth.

The most significant development of agricultural conservation areas has occurred to the east and west of Interstate 81, in the sub-regions of Fort Defiance and New Hope. Together, these sub-regions account for 31.5% of single-family permits in agricultural conservation areas. The impetus for growth is clear—easy access to I-81 and Staunton. The housing units in Fort Defiance are in moderate proximity to one another, which also runs countercurrent to the County's growth goals for the agricultural conservation areas.

Of the seven new mobile/manufactured homes in Spottswood, six were located in agricultural conservation areas. In fact, 10 of 12 new mobile/manufactured homes in the Riverheads district are located in agricultural conservation areas. When possible, new growth should center around the rural communities, rural conservation areas and community development areas, which the County has indicated are appropriate areas for growth.

Supply versus Demand

Tracking the increase in the supply of housing relative to the projected increase in demand helps identify potential shortages of housing. Building permit data (provided by

HUD's C-40 report on housing permits) provides a supply measure to examine along with the Center's projection of housing demand. Of course, not all building permits are used to construct homes for new residents. Some permits reflect a replacement or renovation of older units. Therefore, the ratio of supplied units to demanded units will somewhat overstate the ratio of new units to new households.

Between the 1990 and 2000 decennial censuses, Augusta County approved 5,083 building permits and 4,984 new households came into the County. The permit to new household ratio of 1.02 comes with some margin of error, reflecting error in Census data and the discrepancy between permit approval dates and project completion dates. Also, the number of permits reflects housing replacement and, in part, the vacancy rate. Although construction is generally keeping up with projected demand, it allows for very little vacant housing or replacement of older units. This translates into a fairly tight housing market. While this has not affected the rents in the County, it may be a contributing factor in owner-occupied housing costs, which have by far outstripped inflation between the censuses.

Comparing 2001-2003 building permits (from HUD) to the CHR household projection model indicates that so far, in the period 2000-2010, the ratio of building permits to household growth is much higher than in the previous decade. Part of the significant increase in permits may be the large subdivision development around Weyers Cave. These are estimates and will require validation at the next Census.

The 2000 Census year structure built data, shown in Table 24, provides some estimation of the past rate of replacement of the housing stock. Between 1990 and 2000, Augusta County lost 12.6% of housing units built between 1970 and 1979 and lost 7.8% of all units built before 1979. This indicates a moderate rate of replacement in the housing stock, which again signals that the housing market in 2000 was tight, given the permit to household ratio given above. This is predictable for a housing market largely comprised of new housing (over 44% of the County's housing stock as of 2000 had been built since 1980).

	2000	1990	difference
Total:	26,738	21,202	5,536
Built 1990 to March 2000	7,143	851	6,292
Built 1980 to 1989	4,633	4,120	513
Built 1970 to 1979	4,927	5,639	-712
Built 1960 to 1969	2,871	3,268	-397
Built 1959 or earlier	7,164	7,324	-160
Source: U.S. Census Bureau			

Housing permit data between 1997 and 2004 supports our earlier observations about local growth patterns. These data show that construction has accelerated in the County in recent years while remaining static in Staunton and diminishing slightly in Waynesboro. Augusta County's predicted growth in single-family units has accelerated since 1997.

Significantly more growth in multi-family units has transpired in the last two years than in the six preceding years. The most recent large multi-unit addition occurred last year (2004) with the construction of 173 multi-family units. Table 25 shows building permit data for the County.

	Total number of permits	Number of single family permits	Number of multi-family permits
2004	653	480	173
2003	622	563	59
2002	520	517	3
2001	477	447	30
2000	467	467	0
1999	489	480	9
1998	615	461	154
1997	386	365	21

Source: HUD's CHAS data

Given the building permit data and projected housing demand, it appears that construction is likely to keep up with demand through 2010. Recent construction in the multi-family market has been large compared to its historical rates.

Recommendations

- Future residential development should be concentrated in planned subdivisions in order to channel development into appropriate planning policy areas.
- Fishersville is a quickly growing area of the County. In this area, subdivision development will result in a large demand on public schools. Non-subdivision development threatens to promote sprawl and pressure environmental qualities of the area. Because this area is growing quickly, the County should be proactive and soon decide upon a level of appropriate subdivision development and an appropriate level of low density development.
- Ten of twelve mobile/manufactured home permits in the Riverheads district in 2004 occurred in agricultural conservation areas. Where possible, new growth should occur in rural communities, rural conservation areas and community development areas.
- The ratio of building permits to new households was higher in 2001-2003 than throughout the 1990s.

Summary of Findings and Recommendations

Major findings of this study include:

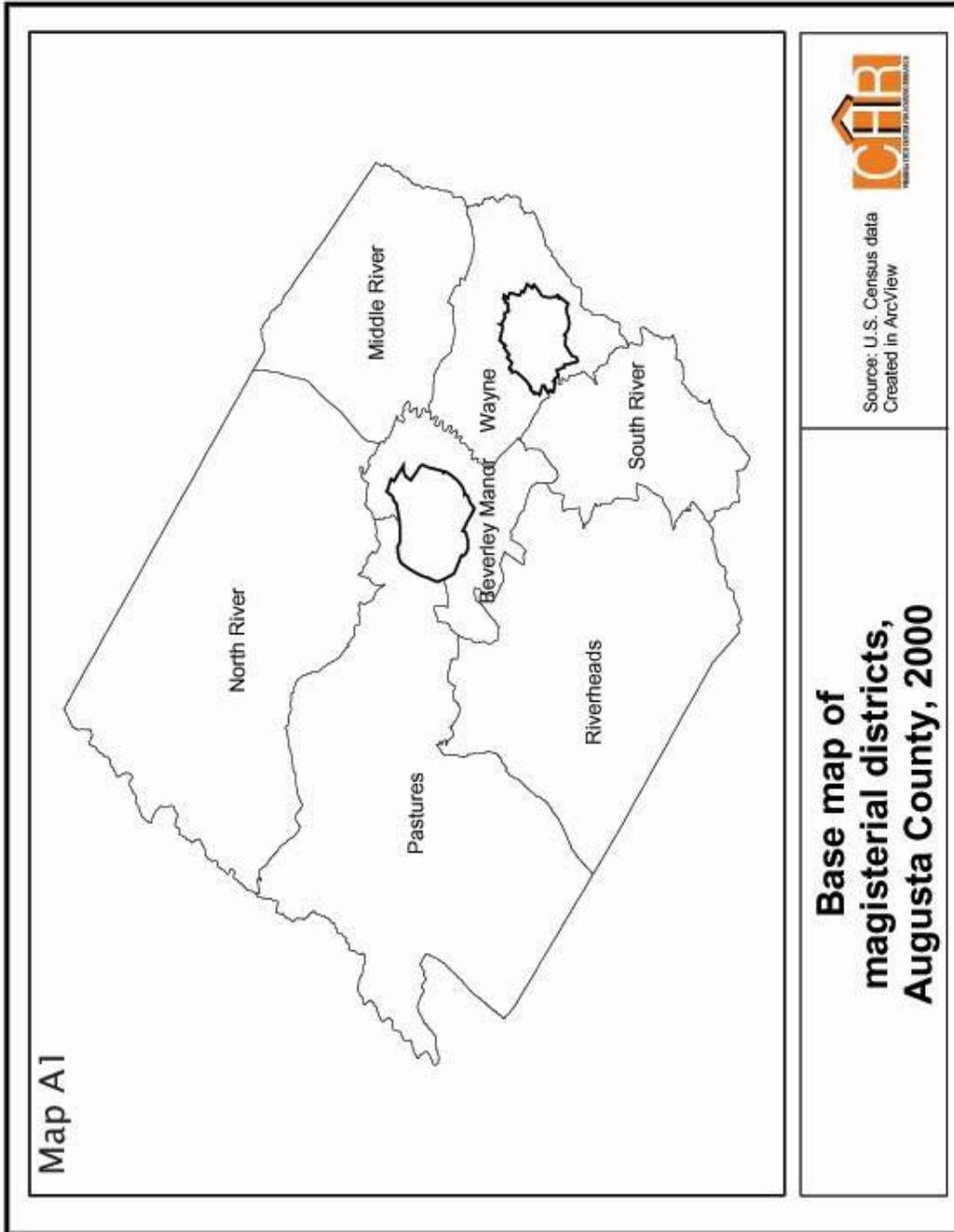
- Housing demand continues to grow and the County will need 3,500 new units developed during the current decade.
- There was a shortage of 3,403 affordable owner units and 1,117 affordable rental units for low-income households in 2000. The number of households with incomes below \$25,000 (in year 2000 dollars) is projected to increase by 1,169.
- Housing cost burdens have risen dramatically since 1990 for households earning between 30% and 50% of median family income.
- Large family renter households struggle in Augusta's housing market more than any other household group.
- In Verona, 14.7% of all households are female-headed (no husband present) households with children under the age of 18, the highest rate in the County.
- The highest concentrations of extreme rent burden (>50% of income) occur in census tract 708, block group 1 (portion of Hankey Mountain Highway) and tract 705.98, block group 3 (around Dooms). Census tracts 707 and 709 have very high rates for renter cost burdens over 30% of income.
- Renter-occupied mobile homes are much older than owner-occupied units and could be subject to higher maintenance needs to meet minimum housing standards.

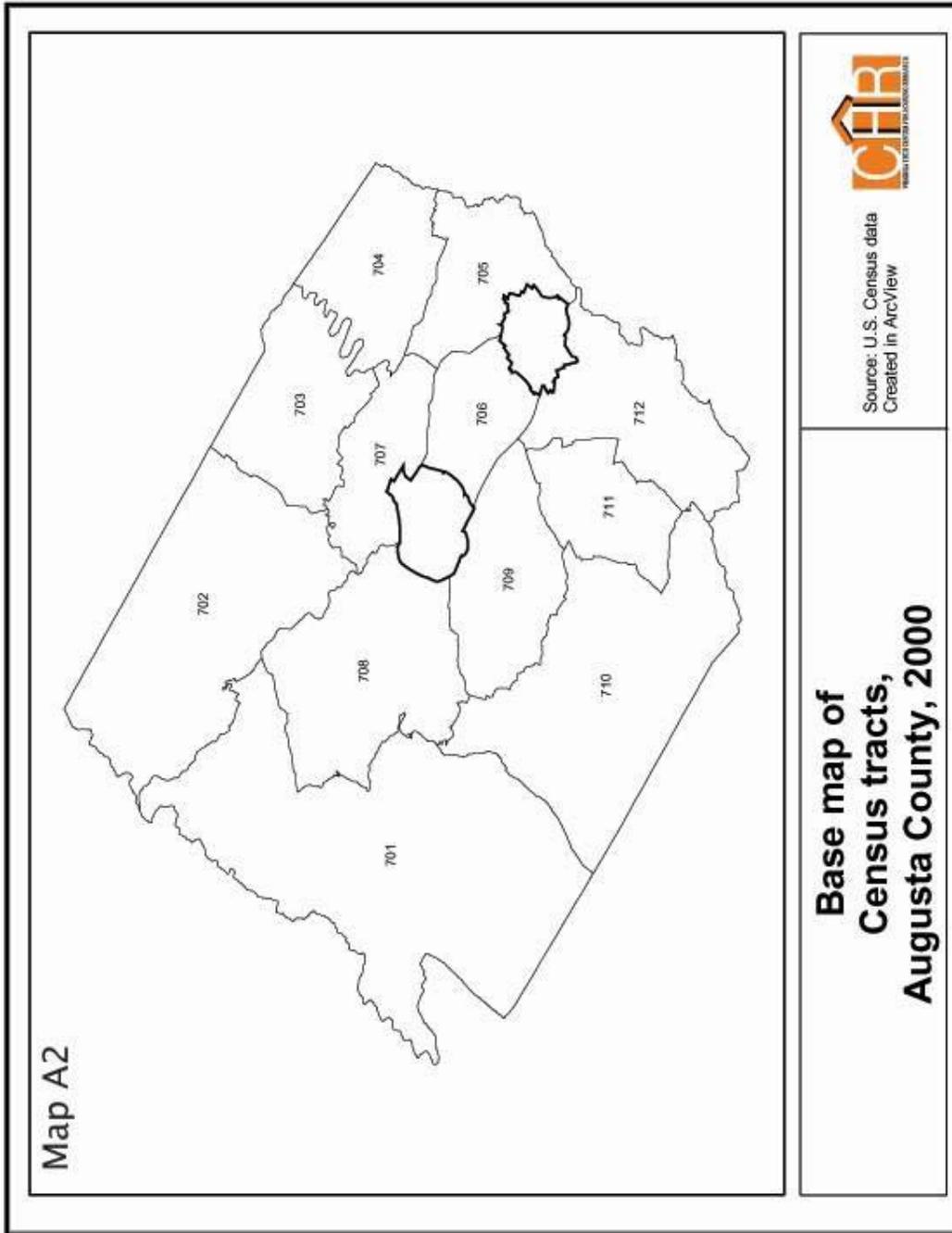
As a consequence, we recommend the following actions:

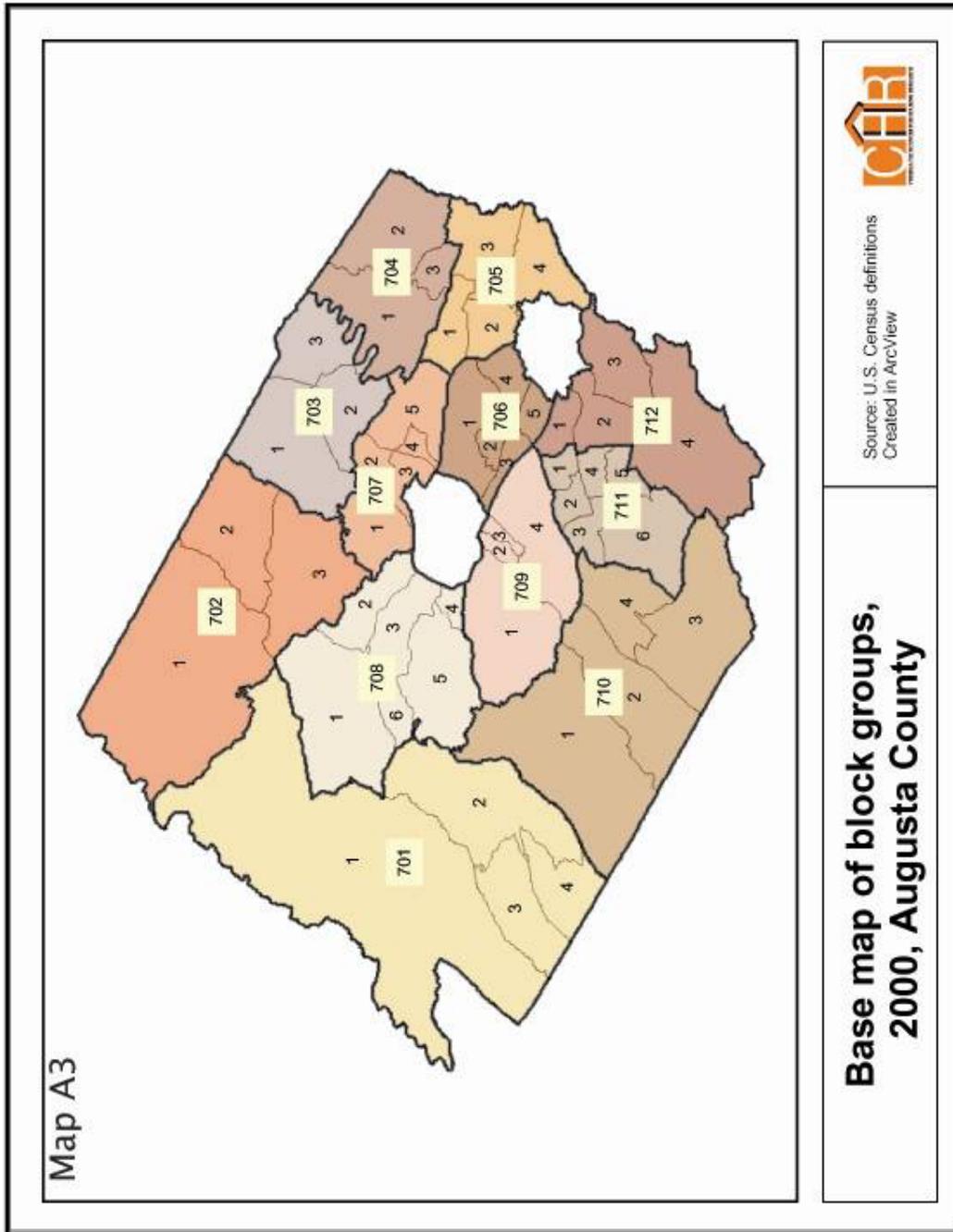
- Identify the appropriate areas for projected growth and channel growth through development of planned subdivisions.
- Identify opportunities for the development of new affordable housing, as well as opportunities to assist households with excessive housing cost burdens. Large families (five or more people) with low-incomes should be a priority for such assistance.
- Examine incentives for the inclusion of affordable housing in new developments and the development of mixed-income subdivisions.
- Promote the development of housing to accommodate the growing retiree and elderly population.
- Promote equal housing opportunities for all persons regardless of race.
- Examine housing and social service needs in Verona and in census tracts 707, 708 and 709 for possible targeting of assistance.
- Provide assistance to low-income working families, particularly with incomes between 30-50% of the median family income, through financial counseling, job counseling, and information about available benefits (e.g. the Earned Income Tax Credit).
- Study the condition of older renter-occupied mobile homes to determine if a program of code enforcement and incentives for maintenance is needed.
- Augusta County, Staunton and Waynesboro should work together to address the challenges of meeting the projected demand for housing along with providing affordable housing. Redevelopment in Staunton and Waynesboro could ease

some of the growth pressure on the County. At the same time, expansion of affordable housing in the County would provide much needed opportunities for lower income families who are paying a third or more of their incomes in order to live there and for lower income workers commuting into the County for jobs.

Appendix A







Note on Map A3—The numbers given in pale yellow rectangles are the census tract numbers. Each census tract is color coded with dark lines drawn around it. Block group numbers, without borders, are provided for each block group in each census tract. These are the numbers ranging typically from 1-5 or so within each census tract.