

Planning District Commission Housing Development Initiative

Virginia Housing
Special Achievement

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VIRGINIA HOUSING

2023 NCSHA Award Submission

ENTRY CATEGORY:

Special Achievement

ENTRY NAME:

**Planning District Commission
Housing Development Initiative**



“We are thankful for Virginia Housing’s generous support for much-needed affordable units and for entrusting PDCs to spearhead collaborative efforts with regional and local organizations to help meet critical housing needs,” said Lou Ann Wallace, president of the Virginia Planning District Commissions. *“PDCs are doing what they do best — bringing stakeholders together to address challenges that reach across local borders.”*

Brief Description

For over 50 years, Virginia Housing has worked to address the statewide shortage of affordable housing. While the commitment to create more housing opportunities is strong and unwavering, the existing housing environment is challenging. Housing production has not kept pace with demand. Across the Commonwealth, about 30,000 new housing units are being developed annually, less than half of the rate from the mid-2000s. Population growth remains steady at about 11% per year, while housing production lags behind this growth by 2%. To put this in perspective for consumers, from 2017-2022, median home prices across the state increased roughly 40%, jumping from \$286,000 to \$401,000. Further, approximately 1 in 3 Virginia households are considered housing cost burdened — that is, they were spending more than 30% of their income on housing expenses, while 1 in 10 spend more than 50% of their income on housing. In short, lower production levels and escalating costs have created a severe housing crisis in Virginia, necessitating new partnerships and innovative ideas to improve market conditions.

Why It Was Undertaken

Partnerships are essential in our work. Virginia is fortunate to have a strong network of 21 Planning District Commissions, also known as Local Development Districts, *created to encourage and facilitate local government cooperation and state-local cooperation in addressing, on a regional basis, problems greater than local significance.* Created in 1968, PDCs are divided into planning districts based on the community of interest among its counties, cities and towns. Considered units of local government, they are made up of elected officials and citizens appointed to the Commission by member local governments — as such, PDCs are in an excellent position to understand local and regional needs as well as positioned to provide interventions specifically tailored to their communities.

The Planning District Commission Housing Development Initiative has led to the creation of regional housing analyses and market studies. These allow local governments, housing development partners and community stakeholders to understand the local housing landscape from where housing gaps exist, the intensity of demand, type of housing solutions needed, and recommendations to put in place measures necessary to increase housing production. Complimenting the planning work is the seeding of a construction program for new housing. Presently in full swing, the development grant is on track to yield roughly 1,800 new housing units, approximately 1,400 of which will be new rentals and nearly 400 new homeownership opportunities.

Why It Is Meritorious and Meets NCSHA Award Judging Criteria

What makes this innovative?

The PDC Housing Development Initiative is a direct response to the need for locally-tailored solutions to solve the Virginia-wide housing affordability issue. Planning resources are available to PDCs to undertake regional housing market analyses to better inform local decision-makers about the extent of

the housing shortage and to proposed strategies to begin closing the demand gap. During a typical regional market analysis, grant recipients complete the following:

- Meetings with community members, property owners, citizen groups and others are supplemented with data mining to analyze and understand the extent of need.
- Land use plans, zoning regulations, and other ordinances and tools are reviewed to determine if actions are needed to improve the overall development environment.
- Regional and local information is summarized and presented to provide insight into the housing market, along with recommendations to catalyze development.

By introducing resources to jumpstart development activities, work moves the decision-making process to the local level, providing information along with resources to respond in a customized manner instead of having outside resource agencies determining the local priority.

Truly innovative is the work emanating from the individual PDCs. We now have 21 different models for how to address housing production. The PDCs have developed creative frameworks for deploying resources, including:

- Focusing on small-scale private developers.
- Undertaking resiliency efforts in partnership with housing development.
- Creating programs to support both rural and urban housing challenges.
- Partnering with existing networks like Habitat for Humanity to accelerate their production.
- Gap financing, creating a regional housing trust and more.

Is this model or approach replicable? If so, has it already been replicated?

The PDC Housing Development Initiative is not only replicable but it has created a model for iterative learning and collaboration. Housing market work is supported by modest investments of up to \$20,000 per locality, typically packaged by region. A key component is engagement — extensive work is undertaken to bring community stakeholders into the process to help understand their perspectives while also educating the community. Most PDCs have completed or initiated the regional analysis component, and others, seeing the benefits, are following suit. The low-cost approach for studies can easily be replicated.

How does this effort respond to an important state housing need?

Housing is the essential foundation of community development. From leading initiatives to better educational attainment, improved health outcomes, opportunities for wealth-building and local economic competitiveness, housing is of the essence in any of those conversations. Virginia has a severe shortage of housing across all income levels and types in both rural and metro areas. More than ever, communities need to understand the specific conditions affecting the housing shortage first and the need resources to serve as a catalyst. The PDC Housing Development Initiative serves as both.

What are some of the measurable benefits of this approach? How has this approach addressed the needs of our targeted customers (i.e. localities, residents, etc.)?

By the numbers, the development program is an overwhelming success. Development resources were made available to all 21 PDCs and every one of those accepted. There was some reluctance exhibited by a couple of PDCs as their boards questioned the place of local government intervention in the housing market. However, after many conversations and proof of concept efforts, we have participation by all 21. A real benefit is how this initiative has elevated the housing conversation in parts of Virginia where the topic was not a priority. The effort has opened the door for not just the engagement and local discussion, but now the actual development of new affordable housing in some areas where this was

not being addressed. In terms of metrics, approximately 1,400 new affordable rental units will be developed, along with roughly 400 new homeownership units.

Does this approach have a proven track record of success in the marketplace?

The planning and development programs are being utilized across Virginia, spanning rural and metro markets. PDCs have now taken a more central role in the housing conversation and several have added staff to ensure they have the capacity to continue leading housing efforts. The 1,800 housing units are new, so we are adding substantially to the housing inventory across Virginia.

Does the benefit outweigh the cost?

The measureable and intangible benefits far outweigh the cost. Modest investments in the housing market analysis provides the region with an understanding of the environment and recommended solutions to improve the development outlook. On the development side, the \$40 million seed funding is yielding 1,800 new affordable units at an average cost of \$22,000 per unit, an exceptional value. Housing units will be designed to ensure long-term affordability, plus are built to high-quality standards to ensure these will remain in place. The intangible has been the education of communities and local leaders during the planning and analysis process, as well as the heightened awareness of the importance of housing to communities.

How does the approach demonstrate the effective use of resources?

All new housing units must meet Virginia Housing's rental affordability requirements or be within the defined sales price limits for those developed for homeownership. For planning-related work, a modest investment of grant resources now positions the local leaders with an understanding of the housing landscape as well as recommendations for how to make their communities more "developer-friendly." Further, the success of the program has already led one locality to invest \$3 million in local funds to extend this program, a great indicator of the power of this initiative.

How did the approach effectively employ partnerships?

The housing crisis will not be solved by just one or a few. This PDC Housing Development Initiative foremost has truly strengthened the partnership between the PDC network and Virginia Housing. During the program design development phase, PDC partners were consulted as to how to best structure the effort. Once initiated, regular meetings are held every two weeks so everyone can share and learn from one another. At the local level, the PDC outreach to the housing development community has leveraged many partners already engaged in affordable housing development, and just as importantly, engaged many new developers, introducing an entirely new cohort which can now also be relied upon to bring more housing inventory to bear.

What strategic objectives does the approach achieve (i.e. state, local, Virginia Housing, etc.)?

This effort aligns with the following goals from our Opportunity 2025 Strategic Plan:

- Address State Housing Needs by partnering with the Housing Delivery Network.
- Address Unmet Rental Needs of Low-income and Critical Needs Populations.
- Strengthen homeownership for first-time homebuyers in Virginia.

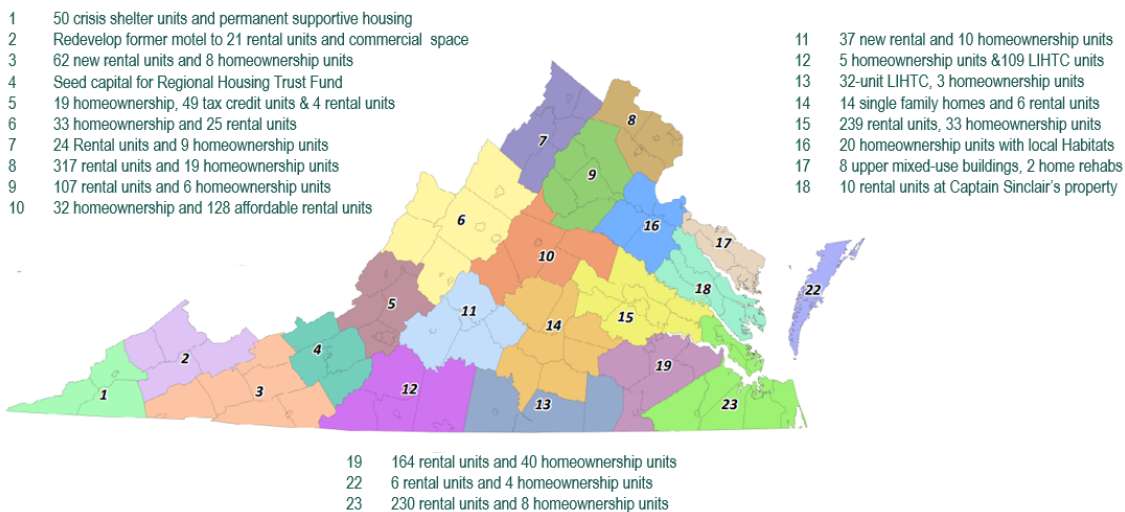
Visual Aids

Research

PDCs in each locality and grant usage description

Planning District Commission Projects to-date

Virginia Planning District Commissions



Housing Forward article



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GRANTS TO 21 PLANNING DISTRICT COMMISSIONS WILL SUPPORT EFFORTS TO BUILD MORE HOUSING OVER THE NEXT THREE YEARS.

Virginia Housing [recently awarded](#) \$40 million in grants to the 21 Planning District Commissions (PDCs) in the Commonwealth. [Virginia's PDCs](#) are a quasi-governmental network responsible for planning and coordinating at a regional level. The authority's recent [2025 Strategic Plan](#) included the goal to support the existing housing delivery network to increase affordable housing. Virginia Housing developed the new grant program that puts PDCs front and center at administering and coordinating new grant funding to build affordable housing.

Innovative construction efforts in partnership with Habitat for Humanity



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Virginia Housing Grants Provide Modular Home in Powhatan

On a sunny February day in Powhatan, VA, Nikki and Aiden Chrimes watched emotionally as the two pieces of their modular home were craned onto their foundation. The roof was lifted to the structure soon after and volunteer landscaping crews from Habitat for Humanity began digging holes for magnolia trees donated by Hudgins Landscaping.

This story and many like it are made possible by partnerships and funding by Virginia Housing. In 2021, Virginia Housing dedicated \$40M in the form of a one-time Planning District Commission grant to 21 localities across the state with the purpose of stimulating local housing stock. Nikki

ICF Concrete Home



PDC’s Housing Studies:

Examples of Planning District Commission Housing Initiative funds supporting regional housing studies across the state.

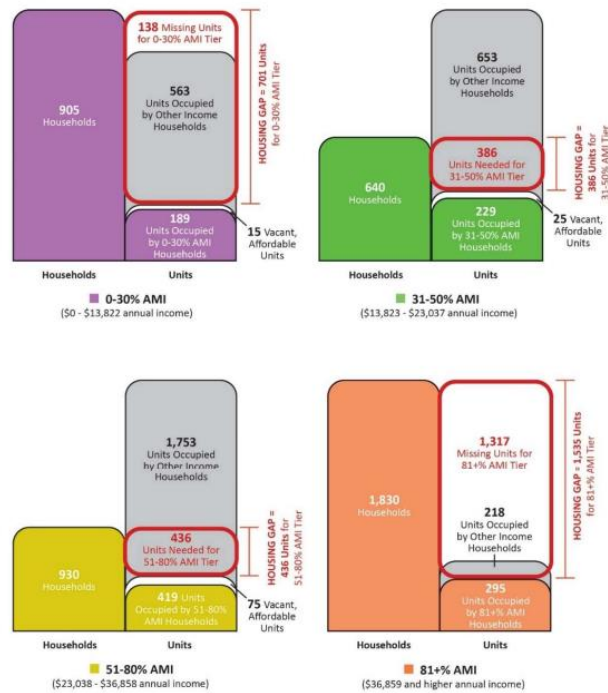
Mount Rogers PDC



EngageNRV.org/Mount-Rogers-Regional-Housing-Study

Accomack-Northampton PDC

HOUSING GAP FOR RENTER HOUSEHOLDS IN ACCOMACK COUNTY



ESVAPlan.org/Wp-Content/Uploads/2022/04/Housing-Study-w-Appendices-4.18.22-pdf.pdf

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COMMUNITY ECONOMY **HOUSING** TRANSPORTATION NATURAL RESOURCES GIS SERVICES

Housing

REGIONAL + LOCAL
NRV HOUSING STUDY

The regional housing study began in 2018 with the goal of addressing common housing questions from localities across the New River Valley. The study incorporated regional and local data as well as input from 10 focus groups and over 1,100 online survey responses to develop seven regional housing strategies and tailored strategies for each locality. The Regional Commission partnered with the Virginia Center for Housing Research at Virginia Tech, Housing Forward Virginia, and czb, LLC to provide housing market data collection, analysis training, and strategy development.

Detailed Report
Detailed Report (full-document download)

Consumer Report
1 Introduction + 2 Housing Matters

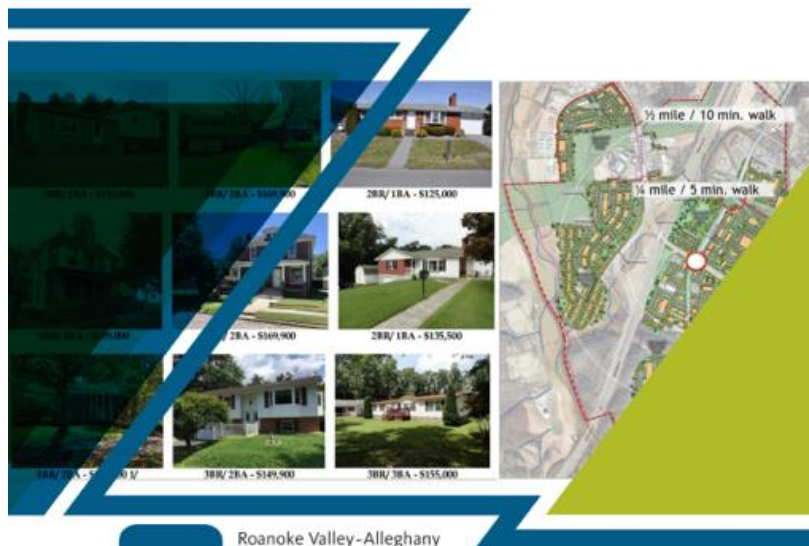
[NRVRC.org/Housing/Regional-Local-Housing-Study](https://www.nrvrc.org/Housing/Regional-Local-Housing-Study)

Roanoke Valley-Alleghany Regional Commission

Regional Housing Market Study Analysis

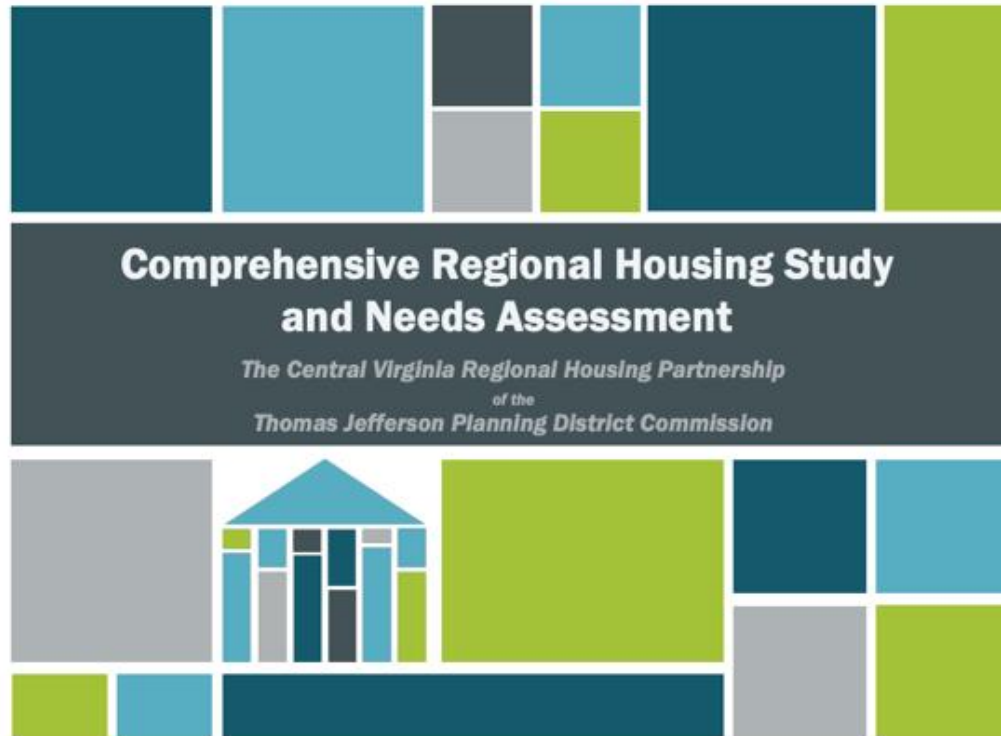
Roanoke Valley-Alleghany Region

This study provides demographic, economic, household, and housing analyses outlining the shifting market dynamics across the Region.



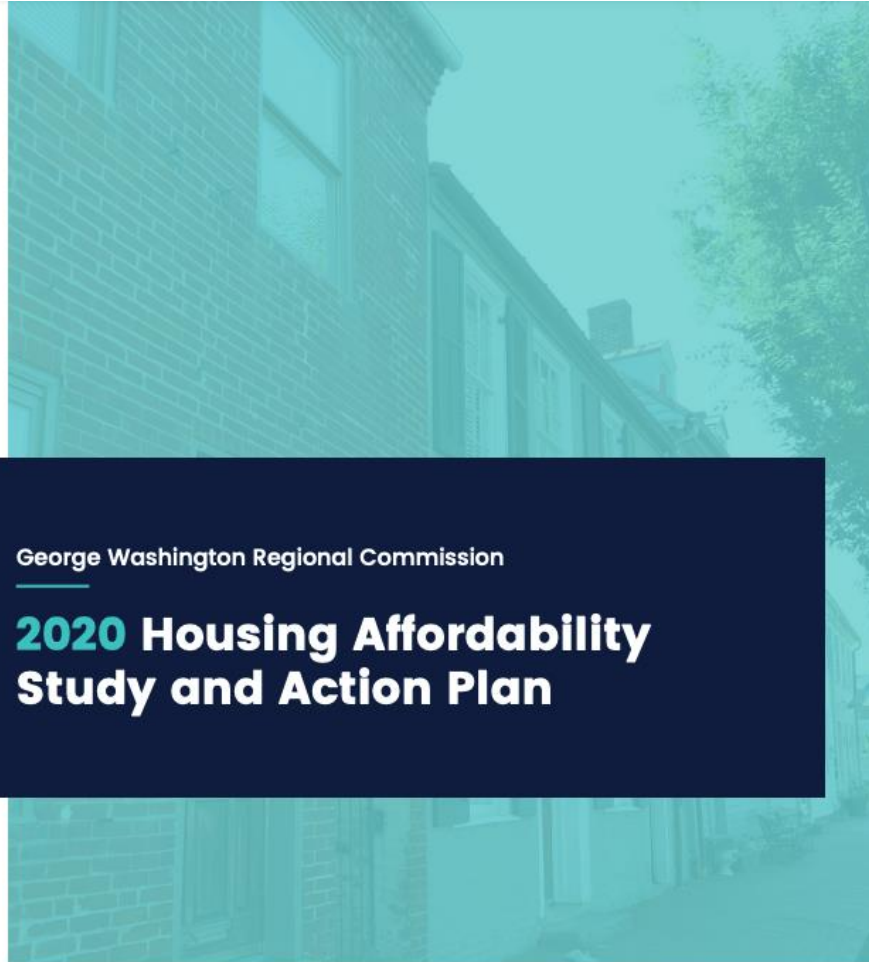
[Regional-Housing-Market-Analysis-Study-05122021.pdf \(RVARC.org\)](#)

The Central Virginia Regional Housing Partnership of the
Thomas Jefferson Planning District Commission



[CVRHP-Housing-Needs-Assessment-Packet-web.pdf \(TJPDC.org\)](#)

George Washington Regional Commission



Rappahannock-Rapidan Regional Commission



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REGIONAL HOUSING STUDY

The Regional Commission was awarded a Community Impact Grant from Virginia Housing (formerly Virginia Housing Development Authority) to conduct a regional housing study in late 2019. The origin of the study developed from requests from members of the Regional Commission, as well as local government and non-profit staff partners, regarding the ever-increasing importance of housing diversity, affordability and availability for citizens and workers in the region, as well as related to the need for detailed housing data for use in long-range housing policy planning for their localities and the greater region. As proposed, the RRRC regional housing study will be comprised of two primary focus areas:

- 1) Local & Regional Housing Data Collection and Analysis and
- 2) Analysis of Policies, Strategies, and Practices for Local & Regional Implementation

Capacity within the local governments in the region for conducting housing data and policy analysis varies and the first task will provide detailed data for the region's five counties and eight towns for use in long-range planning and policy making decisions. Likewise, the patterns of development within the Rappahannock-Rapidan region vary greatly and there is a recognition that each locality has unique opportunities that will impact potential implementation strategies and housing policies.

[Rappahannock-Rapidan Regional Commission, VA \(RRRegion.org\)](http://RRRegion.org)