



West Virginia Housing Policy Framework

Report and Recommendations from the
West Virginia Housing Policy Work Group

Project Support Provided by the Claude Worthington Benedum Foundation

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Why West Virginia Needs a Housing Policy Framework

Adequate housing plays an integral role in the well being and prosperity of West Virginia's individuals, families, and communities. When done well, it has the potential to provide an essential springboard for households all across the state to improve their economic situation and contribute to their communities. With the proper investments, it can play a crucial role in the economic vitality and resilience of West Virginia's communities, stimulating economic activity, creating jobs, and fostering neighborhood stability. When housing is safe, decent, and affordable, it provides the stability that children need to do better in school, reduced exposure to stress, toxins and infectious disease, and space within families' tight budgets to adequately invest in health care, food, and savings.

Housing affordability and housing quality are significant challenges for nearly a fifth of West Virginia's households. To better meet the needs of West Virginians of all backgrounds – including singles, families with children, seniors, disabled adults, and those transitioning out of homelessness – West Virginia need a healthy mix of housing options. This includes market-rate as well as subsidized, affordable housing, homeownership opportunities and decent rental housing, single-family homes and multi-unit developments tied to services. To achieve this, West Virginia needs a clear, consistent housing policy framework to guide its investments and make maximum use of precious public resources.

The need for a coordinated housing policy and investment decisions has become all the clearer over the past five years as the need for better housing choices in West Virginia rose, and resources from the federal government reached a 40-year low. Consider these statistics:

- 52 percent of West Virginia's low-to-moderate-income renters¹ face unaffordable housing costs (spending more than 30 percent of income on housing), as do 29 percent of low-to-moderate-income homeowners. This impacts approximately 159,000 West Virginia households, evenly split among renters and homeowners.²
- Approximately 79,000 of these households (43,000 renters and 36,000 homeowners) face severe housing cost burdens, paying more than half of total household income for housing.³
- The state's very low-income renters (earning less than 50 percent of median income) are the most impacted, with nearly 48 percent facing severe cost burdens.⁴
- 30 percent of all children in West Virginia less than 5 years of age live in families with incomes below the poverty level.⁵ These families struggle the most to find safe and affordable housing.

¹ Defined as households earning less than 120 percent of area median income

² Center for Housing Policy, *Custom Tabulations of the 2011 American Community Survey 1-Year PUMS files*

³ Center for Housing Policy

⁴ Center for Housing Policy

- 28 percent of all renter households in West Virginia have annual incomes classified as extremely low. Approximately 29,000 affordable rental units are needed to address the current housing shortage for this income group.⁶
- By 2030, the senior population of West Virginia is projected to increase by over 170,000 individuals, reaching nearly 25 percent of the state’s population in 2030.⁷ As the number of seniors in West Virginia grow so will the demand for new senior housing and for homes that will enable seniors to age in place.
- In 2009, almost half of West Virginia seniors in the lowest quartile of incomes spent at least 30 percent of their incomes on housing.⁸
- About a third of owner-occupied housing and a third of rental units were built before 1960.⁹
- More than five percent of West Virginia homes lack complete plumbing – more than double the national rate.¹⁰

A comprehensive housing policy framework will help the public sector and private sector work together to address these needs more effectively.

What a Housing Policy Framework Does

The purpose of a housing policy framework is to establish broad goals and policy direction related to the state’s housing policy, and to assist in coordination between state agencies, between state and local government, and between the private and public sector, to address the state’s housing challenges.

A housing policy framework helps ensure that policy responses to West Virginia’s housing issues are not piecemeal, but instead link together to form a cohesive and comprehensive strategy. It is not meant to be static, however. The framework should continue to evolve in response to changing opportunities or new issues that emerge.

Coordination among state agencies is particularly important. Housing is closely tied to the state’s social service provision, its economic development, its educational success, and its ability to care for its growing senior population, among other objectives. The State’s various agencies need to be integrated into this framework, and share in the responsibility for implementing it.

⁵ US Census, *2011 American Community Survey 1-Year Estimates*

⁶ National Low Income Housing Coalition, *State Housing Profile: West Virginia*, 2013

⁷ Christiadi, *Trends and Characteristics of the Elderly Population in West Virginia* Morgantown, WV: WVU Bureau of Business and Economic Research

⁸ AARP (2011) *West Virginia State Housing Profiles 2011*. AARP Public Policy Institute http://assets.aarp.org/rgcenter/ppi/liv-com/AARP-HouProf_2011-WVs.pdf

⁹ Center for Housing Policy

¹⁰ Center for Housing Policy

Overview of the Process for Creating the Policy Framework

In September 2012, a group of dedicated individuals representing a wide range of housing-related entities came together to discuss the rising housing challenges in West Virginia combined with declining federal support for all housing assistance. Looking at what the State of Virginia has done with its Governor's adoption of a state housing policy framework, the group discussed the feasibility of developing a comprehensive housing policy for West Virginia in hopes of more fully engaging the state government in improving housing outcomes for West Virginia households. The group agreed the timing and opportunity for public policy change around housing was critical, and development of a policy would provide a framework to (1) address issues and promote coordination and efficiency within the housing industry, and (2) engage the Governor and other policy makers to promote progressive policy actions.

CommunityWorks in West Virginia agreed to coordinate the effort, and secured a grant from the Claude Worthington Benedum Foundation for the necessary support, research, and analysis to develop the policy framework with the group. Using a neutral facilitated process, the group expanded their work group to include federal, state, local, and private stakeholders in the housing industry, and began meeting in February of 2013 on a bi-monthly basis to develop the components of the policy framework. Additionally, consultants from the National Housing Conference and the Center for Housing Policy were engaged to provide research and analysis to inform our priorities.

One of the activities of the group was a survey of more than 200, diverse housing stakeholders throughout West Virginia to identify pressing policy issues and critical housing needs. Major excerpts can be found in Appendix 1. Key findings:

- Respondents most commonly identified “Affordability for lower income families” (68% of respondents) as the most important issue to be addressed through a statewide comprehensive housing policy, followed by “Housing for the homeless” (38%), “Development of rental units” (36%) and the state’s “Aging housing stock” (35%).
- The most frequently identified factors inhibiting housing development were the lack of joint planning involving local government, local housing organizations, developers, and other housing related stakeholders” (62%), and a lack of recognition of the importance of housing as a component of economic and community development (51%).
- Temporary housing for the homeless was identified as needed by the highest number of survey respondents (84%) followed closely by a need for more starter single family homes (79%).
- More than three of every four survey responses indicated there was “not enough” housing for the elderly, the physically handicapped, veterans, and persons in recovery from addictions who are in need of transitional housing.

Additional activities of the group included research of other housing policy efforts and best practices in other states, analysis of national and West Virginia housing market data, development of guiding principles, identification of critical issues, and consensus on goals and recommendations to move West Virginia forward.

Guiding Principles for Housing Policy Framework Development

As a first step in developing the policy framework, the policy group defined and agreed upon a set of guiding principles. These four overarching principles capture the values, beliefs, and priorities of the policy group with respect to West Virginia's housing future. The principles establish a sound foundation on which West Virginia can build a comprehensive housing policy that promotes safe, decent, and affordable housing options for all West Virginians.

The Guiding Principles adopted by the Policy Group are:

- ✓ **Housing is an Essential Component of Community and Economic Success and Growth**
 - Housing is inextricably connected to the well being of West Virginia's citizens and must be considered in state, regional, and local planning for transportation, education, healthcare, social services, and economic development.
 - Investments in housing provide jobs and build wealth. Quality housing is essential to neighborhood revitalization efforts and business development.
 - Safe and affordable housing is essential to thriving communities. Inadequate and unsafe housing affects everyone through devalued property and the costs associated with recovery from fire and floods, healthcare, and poor job markets.

- ✓ **All West Virginian's Should Have Access to Adequate, Safe, and Affordable Housing**
 - The state has a responsibility and obligation to its citizens to promote housing choices that allow all West Virginians to pursue economic and social opportunities that promote health and well being.
 - A range of housing options should be available in all areas of the state. Many West Virginia communities currently lack a diversity of housing options that include quality single family homes, rental units, and special needs housing. Changing demographic characteristics must be considered in housing development.
 - Affordability must be a policy priority. Many West Virginian's are unable to afford safe and decent housing. Seniors on fixed incomes, persons with disabilities, the homeless, and many young families and low wage earners are unable to secure quality housing. More than one fourth of all homeowners with a mortgage and half of all renters pay at least a third of the total household income for housing and are considered to be cost burdened.

- ✓ **Comprehensive Housing Policy is an Urgent Need**
 - West Virginia currently lacks coordinated and comprehensive statewide policies that encourage development of safe housing for all West Virginians.
 - Housing development is an important component of economic recovery and West Virginia's growing population of Senior citizens requires that attention be placed on specialized housing for this population.
 - State housing policy should recognize and place a high priority on making sure there is an adequate supply of safe and affordable housing. Nearly one in four of all housing units in West Virginia were built prior to 1950 and the median value of owner occupied housing in West Virginia is only 57.2% of the national average.

- ✓ **Housing Policy Must Be Built on Effective Partnerships and Coordinated Efforts across All Stakeholder Groups**
 - State and federal housing programs need to be administered in a coordinated fashion in order to achieve the greatest impact from the available resources.
 - Local governments, housing organizations, and developers need to be supported in packaging sufficient financing for housing projects particularly in rural areas of the state.
 - Local partnerships must be encouraged in order to promote comprehensive planning, code enforcement, and housing development.

The Proposed West Virginia Housing Policy Framework

Goals and Recommendations

In response to the needs of the state and declining federal funding for housing assistance, the West Virginia Policy Group developed the following goals and recommendations for consideration. These goals and recommendations respond to key critical issues identified by the group, namely: a lack of accountability and input in how West Virginia spends its housing resources; limited federal, state, private, and foundation resources to leverage; the lack of a statewide and local economic development plan that includes housing; the quality and quantity of the state's housing stock (vacant, rental, new, dilapidated, owner-occupied); and the growing need/demand for housing for seniors, those with special needs, and the homeless. These goals and recommendations are also inspired by the shared values of independence, sense of community, and pride of homeownership in West Virginia.

Policy Goal 1: Raise the importance of housing in state governance and promote accountability, effectiveness and consistency in housing policy administration.

Recommendation

1.1 Appoint a housing liaison staff position within the Governor's Office. This position would promote efficiency and responsiveness to the needs of the housing community.

Policy Goal 2: Increase resources for housing development, preservation and rehabilitation.

Recommendations

- 2.1 Identify designated revenue sources at the state level to fund flexible housing programs.
- 2.2 Provide incentives to increase private investment in housing including promotion of public/private partnerships.
- 2.3 Promote and ensure that public funding decisions are consistent with state housing policy.
- 2.4 Identify land banking opportunities.
- 2.5 Expand funding sources for preservation and rehabilitation of existing housing stock.
- 2.6 Increase access to capital and technical assistance to non-profit housing organizations.

Policy Goal 3: Promote statewide planning, coordination and integration of housing with other state improvement efforts.

Recommendations

3.1 Ensure planning for housing is integrated into economic development projects, workforce development, transportation and education efforts including new school planning and other related issues.

- Encourage local Economic Development Authorities to include housing advocates in their planning.
- Encourage City and County governments to develop housing plans as soon as economic development opportunities are identified.

3.2 The State Consolidated Plan which is required by the US Department of Housing Urban and Development (HUD) should be consistent with the Guiding Principles for Housing Policy.

3.3 Support interagency collaboration in addressing housing needs.

3.4 Centralize reliable statewide data including housing implications on cost, market power, opportunities, and local demographic trends/moving trends to drive decision-making.

Policy Goal 4: Increase the quality and quantity of West Virginia’s housing stock.

Recommendations

4.1 Recognize that the issue of housing quality is a function of building codes.

4.2 Replicate and grow best practice models in the areas of rental rehabilitation programs.

Policy Goal 5: Ensure that West Virginia can meet the housing needs of its senior, special needs, and homeless populations.

Recommendations

5.1 Explore best practice models for replication to serve these populations.

5.2 Foster more comprehensive collaboration between human service agencies and housing agencies.

5.3 Reform existing state assisted-living funding programs to expand access to non-institutional, community housing options.

5.4 Promote housing for special populations with accessibility and transportation resources.

5.5 Address specialized housing populations re-entering into communities.

5.6 Adopt the Ten Year Homeless Plan and activate the Interagency Council on Homelessness.

West Virginia Policy Group

The proposed West Virginia Housing Policy Framework has been shaped by the collective expertise and experience of the policy group members representing federal, state, and local stakeholders within the housing industry. Their time and dedication over the past year is gratefully acknowledged.

West Virginia Housing Policy Group Members

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Bill Dotson	Huntington Housing Authority
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Dave Clark	Woodlands Development Group
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Appendix 1- Findings from the Survey of Stakeholders

West Virginia Housing Policy Group

Summary and Recommendations from the Stakeholder's Survey

March 25, 2013

Background and Introduction

The West Virginia Housing Policy Group was convened in September of 2012 in order to develop a comprehensive state policy framework for housing in West Virginia. The group is working to identify key issues that should be addressed through a comprehensive and coordinated policy framework that promotes safe and affordable housing for all West Virginians. Discussions have been hosted by *CommunityWorks in West Virginia, Inc.* with support from the *Claude Worthington Benedum Foundation*.

A broad range of housing stakeholders from across West Virginia were asked to respond to an online survey that was designed to solicit the views and opinions of knowledgeable people from across the state about housing issues that might be addressed through a coordinated statewide policy. The survey results provide valuable information to help shape the recommendations being developed by the working group.

Survey Methodology

The survey was accessible on-line through the Internet. A wide range of housing stakeholders were asked to respond to the survey and instructions for accessing the survey were distributed by working group members through e-mail. The survey was conducted as a convenience survey and is therefore representative only of the views and opinions of those persons that chose to respond. Nevertheless, given the wide diversity of respondents and the broad geographic representation, the survey results may be considered to be reasonably representative of the views and opinions of housing stakeholders from throughout West Virginia. Survey results provide useful information to help inform the ongoing discussions related to establishing a comprehensive and coordinated policy framework to promote safe and affordable housing in West Virginia.

A total of 206 persons knowledgeable of housing issues responded to the survey. Survey respondents represented a wide range of stakeholder types with the largest contingent of responses coming from persons who identified themselves as representing a non-profit housing agency or organization. These respondents made up nearly half (47.8%) of the total respondents. Local public housing authorities were represented by 8.9% of respondents and persons involved in local governments made up 7.4% of all responses. Other stakeholder groups including persons working for local human services agencies, state and federal housing agencies, and other constituencies involved in the housing market such as realtors, bankers, developers, etc. made up the remaining 35.9% of the survey respondents.

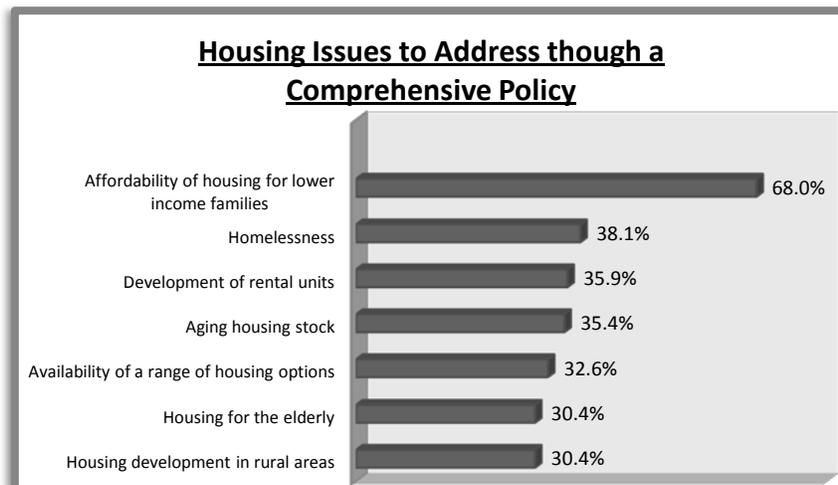
Some level of response was received from all areas of West Virginia. The largest number of responses was from persons indicating they were most knowledgeable of housing issues in the Eastern Panhandle (Berkeley, Jefferson, and Morgan counties). Persons knowledgeable of housing related issues in this part of the state accounted for 31.5% of all survey responses received. Respondents indicating they were most knowledgeable of issues in the area defined by Boone, Kanawha, and Putnam counties accounted for 15% of the total responses and the remainder of the responses were from persons knowledgeable of issues in other areas of the state. Given the relatively high number of responses from the Eastern Panhandle area, the data was sorted to determine if persons completing the survey from the rapidly growing Eastern Panhandle area responded to questions differently than those in other parts of West Virginia. This differential analysis of the survey responses was unremarkable – the response pattern of Eastern Panhandle respondents was consistent with the responses of persons located throughout the remainder of West Virginia.

Survey Findings

Housing Issues:

Respondents were asked which issues they thought were the “most important issues that need to be addressed” through a statewide comprehensive housing policy.

Chart 1



In the opinion of the survey respondents, affordability for lower income families appears to be the most important issue to be addressed followed by housing for the homeless, development of rental units, and the aging housing stock in the state. Those issues identified as “most important by at least 30% of the survey respondents are summarized in

Chart 1.

Several comments were made by survey respondents about issues that need to be addressed that can provide the policy work group with some additional insight into which housing issues are seen as most important. These comments are provided in Appendix 1.

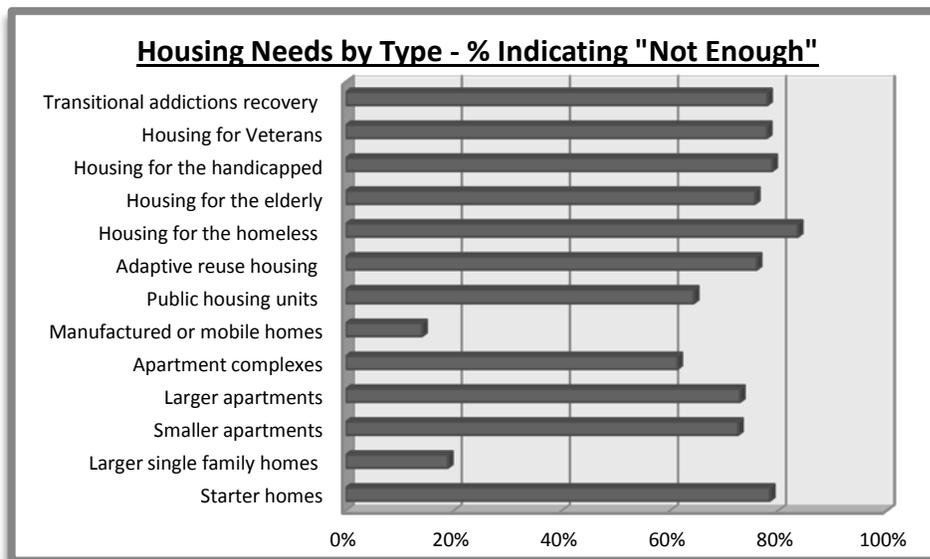
Housing Needs:

Those persons completing the survey were asked about the current level of housing availability in the particular area of the state they represented. A relatively high percentage of all survey respondents indicate they believe there is a need to develop all types of housing listed with the exception of modular

or mobile homes and large, more expensive single family homes. Survey findings would indicate the current supply of larger more expensive homes is adequate to meet demand and there appears to be an over-reliance on modular or mobile homes (30.5% of the survey respondents believe there is “too much” of this type of housing in their particular area of the state).

Temporary housing for the homeless was identified as needed by the highest number of survey respondents (83.6%) followed closely by a need for more starter single family homes (78.5%). Housing for special populations was also seen by survey respondents as insufficient to meet present needs. More than three of every four survey responses indicated there was “not enough” housing for the elderly, the physically handicapped, veterans, and persons in recovery from addictions who are in need of transitional housing.

Chart 2



A need for additional rental units (both small and large apartment units) was also identified as a need by more than 70% of the survey respondents. The percentage of persons completing the survey who indicated there is not enough housing of each type is summarized in Chart 2.

Local Housing Development:

Persons completing the survey were asked to identify those factors that inhibit housing development which they consider to be “most significant”.

More than half of all survey respondents identified the major factors that inhibit housing development as:

- (1) There needs to be more joint planning at the local level, and*
- (2) Housing is not seen as a critical component of economic and community development.*

Respondents were given a list of possible choices that might inhibit development and were also permitted to comment on this question.

The factors most frequently selected as inhibiting housing development were related to a lack of planning at the local level and a lack of recognition of the importance of housing as a component of

economic and community development. 62.3% of respondents feel there needs to be more joint planning involving local government, local housing organizations, developers, and other housing related stakeholders. 51.4% believe housing development is not seen as a critical component of community and

economic development. 42.9% of all respondents also indicated they believe local governments and housing organizations lack the capacity to plan and finance housing projects.

Several comments indicated there was a need for more knowledgeable developers – particularly those that are interested in developing housing for low and moderate income families. A complete list of comments related to the factors that inhibit housing development is included as Appendix 2.

When asked specifically if local housing agencies and organizations work effectively with local partners such as banks, realtors, builders and developers to address safe and affordable housing needs; 70% survey respondents said “no”. An even higher percentage of respondents (79.6%) were of the opinion that local housing issues were not addressed within the context of a comprehensive community design that promotes the health and well being of local residents. Although eight of ten people who completed the survey indicted local housing issues were not addressed in any comprehensive community planning context, nearly all (94.5%) said they believe it is important for any comprehensive state housing policy to encourage housing development in locations where residents can easily access necessary community services.

Need for Technical Assistance:

Nearly all of the housing stakeholders who completed the survey identified the need for technical assistance to be provided as part of any comprehensive housing policy framework for West Virginia. When asked: “Do you think it is important for state and federal agencies that fund housing programs to provide technical assistance to local communities to assist them in designing and financing housing projects?”, 92.3% of all respondents answered “yes”.

Green Building and Energy Efficiency:

Survey respondents were asked their opinion about whether or not a state housing policy should encourage “Green” building and energy efficient construction methods. 98.9% of all respondents said such a policy should promote energy efficient construction, and 83.3% indicated that a comprehensive state housing policy should encourage “Green” building standards. There was, however, some concern expressed in the open-ended comments that Green build techniques would drive up the cost of housing making it even less affordable.

Conclusions and Recommendations

- ✓ Housing affordability for moderate and low income families should be addressed through a comprehensive policy framework.
- ✓ Development of temporary and transitional housing for the homeless appears to be a critical need in many areas of West Virginia.
- ✓ There is a need to promote the development of single family starter homes that are affordable for moderate and lower income West Virginian’s.

- ✓ There is a need to promote the development of both smaller and larger apartments.
- ✓ Housing for special populations including seniors, physically handicapped, and persons recovering from addiction is needed in many parts of the state.
- ✓ There appears to be an over-reliance on modular and mobile homes in many areas of West Virginia.
- ✓ A comprehensive housing policy framework should promote joint planning of housing projects involving local government, local housing organizations, developers, and other housing related stakeholders.
- ✓ Additional attention needs to be paid to housing as a critical component of local economic and community development.
- ✓ Stakeholders appear to support policies that encourage energy efficient methods to be employed in the construction of new housing.
- ✓ Dedicated resources for providing technical assistance to local communities to assist them in planning and financing housing projects should be included in any comprehensive housing policy framework.
- ✓ Consideration should be given to policies that build capacity within local communities for comprehensive planning and housing development.
- ✓ Housing stakeholders appear to support policy that would promote planning for housing in the context of a comprehensive community design that allows access to needed community services and promotes the health and well being of community residents.

Report Prepared by

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Appendix 2 – Preliminary Housing Needs Assessment

Preliminary Housing Needs Assessment for West Virginia

Prepared by: Center for Housing Policy

While West Virginia did not experience a surge in foreclosures or a collapse of housing prices characteristic of many other states during the Great Recession,¹¹ it still faces multiple housing challenges, as described below. This preliminary needs assessment provides recent information on the state’s housing needs to help inform the development of a state housing policy framework.

1. High Housing Cost Burdens

While housing costs in West Virginia are below the national average, incomes in West Virginia are also significantly lower than the national average, with the result that many low- and very low-income households struggle to afford their housing.

High shares of very low-income households in West Virginia were “severely cost burdened” in 2011, spending more than 50 percent of their income on rent or homeownership costs. Nearly 48 percent of very low-income renters and 31 percent of very low-income homeowners fall into this category.

Table 1. Housing Cost Burdens of Renters and Owners (2011)

	<i>Renters</i>	<i>Owners</i>
Very Low Income (0-50% AMI)	87,352	86,743
% Severely Cost Burdened ^(a)	47.5%	31.2%
% Moderately Cost Burdened ^(b)	71.1%	51.7%
Low Income (51-80% AMI)	34,475	93,198
% Severely Cost Burdened	5.6%	6.6%
% Moderately Cost Burdened	40.9%	23.7%
Moderate Income (81-120% AMI)	29,680	98,620
% Severely Cost Burdened	^(c)	2.9%
% Moderately Cost Burdened	7.7%	13.6%

Source: Center for Housing Policy tabulations of 2011 American Community Survey 1-Year PUMS files

^(a) Severely cost burdened is defined as spending more than 50 percent of the household’s income on housing.

^(b) Moderately cost burdened is defined as spending more than 30 percent of the household’s income on housing.

^(c) the estimate has a high margin of error and has been withheld.

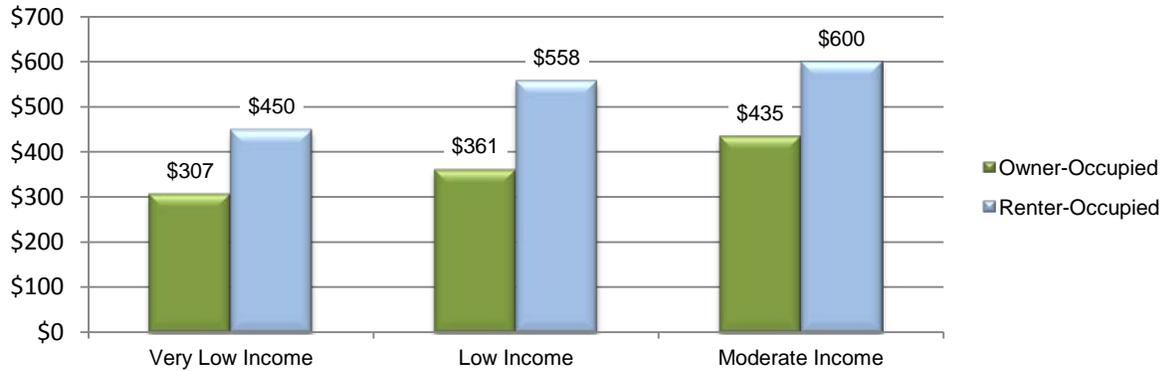
Seventy one percent of very low-income renters and nearly 52 percent of very low-income homeowners face at least a moderate-cost burden, defined as paying more than 30 percent of income toward housing.

Among low-income households, 41 percent of renters and nearly a quarter of homeowners were moderately cost burdened. Cost burdens are lighter for moderate-income households. In 2011, less than 14 percent of homeowner households, and about 8 percent of renter households were moderately cost burdened.

¹¹ Boettner, Ted. (4/3/2012). *Lack of Housing Bubble Made WV Recession Less Severe*. West Virginia Center on Budget & Policy Blog <http://www.wvpolicy.org/lack-of-housing-bubble-made-wv-recession-less-severe>.

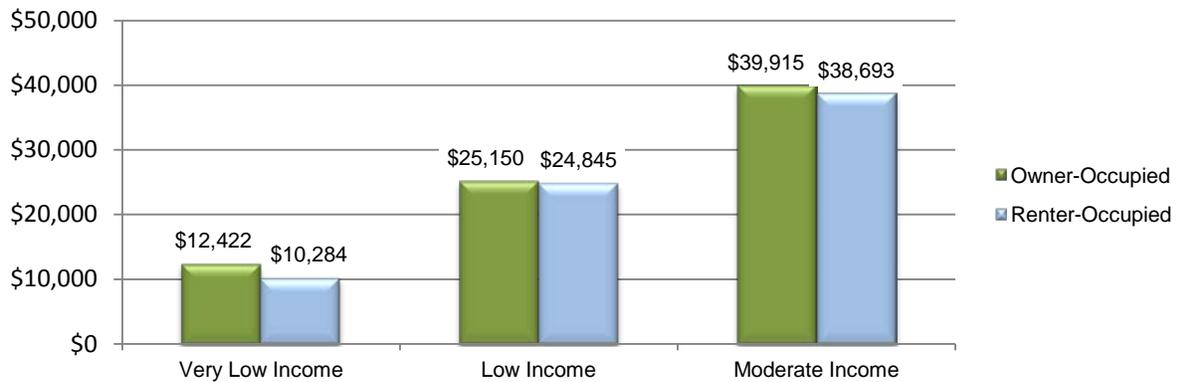
Generally, housing costs are a higher share of income for renters than homeowners in West Virginia though this varies somewhat by income bracket (see Table 1). Median housing costs are actually higher for renters than for homeowners (Figure 1), in spite of renters having a lower median income (Figure 2), resulting in a greater share of income spent on housing (Figure 3).

Figure 1. Median Monthly Housing Costs for Owners and Renters (2011)



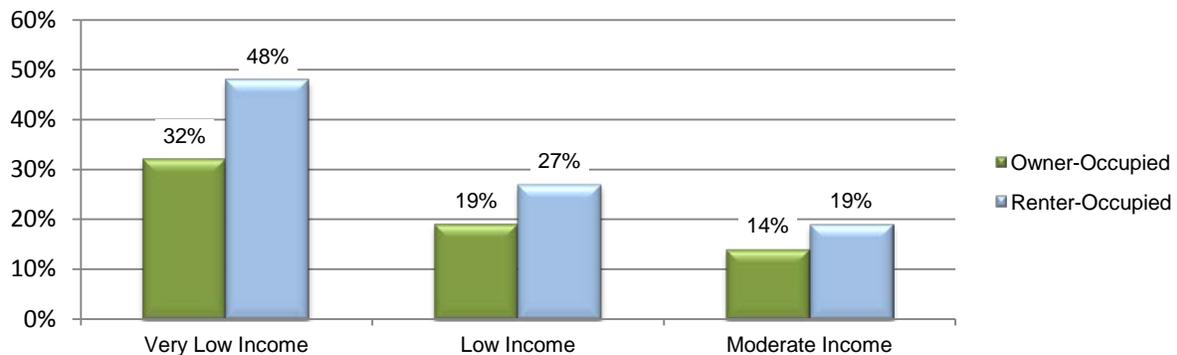
Source: Center for Housing Policy tabulations of 2011 American Community Survey 1-Year PUMS files

Figure 2. Median Household Income for Owners and Renters (2011)



Source: Center for Housing Policy tabulations of 2011 American Community Survey 1-Year PUMS files

Figure 3. Median Percent of Income Spent on Housing for Owners and Renters (2011)



Source: Center for Housing Policy tabulations of 2011 American Community Survey 1-Year PUMS files

The particularly high cost burden facing very low-income renters is consistent with recent findings from *Out of Reach 2013*. In this report, the National Low-Income Housing Coalition (NLIHC) found that a housing wage of \$12.35 per hour would be needed to afford the Fair Market Rent (FMR) for a local two-bedroom apartment (\$642). In West Virginia, the estimated average wage for a renter is \$10.18 per hour. In order to afford the FMR for a two-bedroom apartment at this wage, a renter must work 49 hours per week, 52 weeks per year.¹²

2. Senior Housing Needs

West Virginia’s senior population has been growing steadily since 1940. In 2012, West Virginia had the second highest share of seniors of any state in the nation.¹³ Individuals 65 and older made up 16 percent of West Virginia’s population in 2010, compared to the national average of 13 percent.¹⁴ The senior population of West Virginia is projected to increase by over 170,000 individuals to reach nearly 25 percent of the state’s population in 2030.¹⁵ As the number of seniors in West Virginia grows, so too will the demand for new senior housing and for homes that enable seniors to age in place. Interviewees report that most single-family homes are two-story, narrow structures that pose mobility challenges to seniors and individuals with physical disabilities.¹⁶ This often results in seniors moving out of their homes to independent and assisted living facilities. However, most independent and assisted senior living facilities in the state are not affordable for low- and moderate-income seniors.¹⁷

In addition to finding the right kind of housing, many seniors have difficulty affording their housing. Seniors are generally lower income than the rest of the state’s population. The median income of West Virginia senior-headed households was \$28,375 in 2011.¹⁸ This was over \$10,000 less than the median income of \$38,482 for all West Virginia households.¹⁹ In 2011, approximately nine percent of West Virginian seniors lived in poverty.²⁰

Table 2. Share of Senior Households by Annual Income (2011)

Less than \$20,000	\$20,000 to \$29,999	\$30,000 to \$39,999	\$40,000 to \$49,999	\$50,000 to \$59,999	\$60,000 or more
32.0%	20.9%	13.4%	9.1%	6.9%	17.8%

Source: U.S. Census Bureau, 2011 American Community Survey 1-Year Estimates, “Table B19037.”

¹² NLIHC (2013). *Out of Reach 2013: West Virginia*. Washington DC: NLIHC

¹³ Paulhus, Elizabeth and Renate Pore. (July 2012). *The State of Older Adults in West Virginia: Economic Security and the Over 65 Population*. Morgantown, WV: WVU Bureau of Business and Economic Research

¹⁴ Christiadi. *Trends and Characteristics of the Elderly Population in West Virginia*. Morgantown, WV: WVU Bureau of Business and Economic Research.

¹⁵ Christiadi. *Trends and Characteristics of the Elderly Population in West Virginia*. Morgantown, WV: WVU Bureau of Business and Economic Research.

¹⁶ Interview with Freddie White, West Virginia Bureau Senior Services (April 18, 2013).

¹⁷ Interview with Freddie White, West Virginia Bureau Senior Services (April 18, 2013).

¹⁸ U.S. Census Bureau, 2011 American Community Survey 1-Year Estimates, “Table B19049.”

¹⁹ U.S. Census Bureau, 2011 American Community Survey 1-Year Estimates, “Table B19049.”

²⁰ AARP. (2012). *Why Social Security and Medicare are Vital to West Virginia’s Seniors*. AARP Public Policy Institute. http://www.aarp.org/content/dam/aarp/research/public_policy_institute/econ_sec/2012/WV-SSandMedicarefact-sheet-AARP-ppi-econ-sec.pdf.

Seniors are predominantly homeowners, but there are still substantial numbers of seniors living in rented homes. Because of their greater numbers, there are more cost burdened homeowner senior households than renter households, but a higher share of renting seniors are cost burdened than homeowner seniors (34 percent vs. 15 percent) due mostly to the fact that over three quarters of senior homeowners do not carry a mortgage.²¹ (See Table 3.)

Table 3. Housing Costs as a Percent of Income for Senior-Headed Households (2011)

Household Type	Total	No. of Households Paying 30% or more of income	Share Paying 30% or more
Renters	28,741 (15%)	9,886	34%
Homeowners	164,230 (85%)	25,239	15%

Source: U.S. Census Bureau, 2011 American Community Survey 1-Year Estimates, “Tables B25093, B25072.”

Cost burdens are greatest among seniors with the lowest incomes. According to Census data compiled by AARP, a quarter of senior households earned less than \$17,391 in 2009. Of these households:

- 28 percent were renters, with nearly two-thirds cost-burdened, and 35 percent severely cost burdened;
- 62 percent owned their homes free and clear, but more than a third of these households were still cost-burdened by non-mortgage expenses such as property taxes, utilities and homeowner insurance; and
- 10 percent carried a mortgage, for which nearly all were cost-burdened and 72 were severely cost burdened.²²

According to Freddie White of the West Virginia Bureau of Senior Services, there are not enough subsidized rental units for seniors in West Virginia and waitlists for existing units are very long.²³ Given the projected growth of the senior population in the state, the need for affordable senior housing is expected to grow as well.

3. Housing and Services

Many West Virginians require homes that address needs other than shelter. Individuals with mental illness, physical or intellectual disabilities, substance abuse issues, or a combination of “co-occurring” needs, require affordable housing with access to services.

Limited data is available to characterize the scale of need for housing with access to services. One data point is that, in 2011, West Virginia’s Bureau of Behavioral Health and Health Facilities provided mental health services to over 60,000 clients. Approximately 90 percent of these clients (52,902 individuals) lived in private residences, 4 percent of clients were served in residential care (2,375 individuals), and nearly 4 percent were residing in a homeless shelter (2,149 individuals).

²¹ U.S. Census Bureau, 2011 American Community Survey 1-Year Estimates, “Table B25027.”

²² AARP. (2011). *West Virginia State Housing Profiles 2011*. AARP Public Policy Institute. http://assets.aarp.org/rgcenter/ppi/liv-com/AARP-HouProf_2011-WVs.pdf.

²³ Freddie White, West Virginia Bureau Senior Services.

According to staff at the West Virginia Bureau of Behavioral Health and Health Facilities, one of the most pressing needs for clients that live with mental illness, physical or intellectual disabilities is housing that is affordably priced for individuals who may not be able to work, and who rely on limited Supplemental Social Security income. Most of their clients cannot afford market-rate housing. As a result, many of the Bureau's clients live in substandard housing.²⁴

A second pressing need for these individuals is housing that is accessible to services. This may mean homes located in central areas that are close to existing service providers and well served by public transit, as well as homes that are directly connected to on-site services or built around service hubs.

It is the shared opinion of staff at the Bureau of Behavioral Health and Health Facilities that most individuals dealing with substance abuse issues do not need long-term supportive housing, but are better served instead by short-term treatment facilities. There remains, however, some need for long-term supportive housing for people recovering from substance abuse, such as that provided through group recovery homes, particularly where substance abuse co-occurs with other issues such as mental illness.

The need for more affordable housing choices linked to services becomes clearer when we look at the public costs of *not* properly housing individuals with mental illnesses, substance abuse issues, or physical or intellectual disabilities. There is limited accounting of these costs nationwide. But a recent report on the West Virginia's prison system found that approximately 25 percent of inmates in West Virginia have a mental illness or substance abuse history, or both.²⁵ Instead of incarcerating individuals with minor criminal convictions related to substance abuse or mental illness, the Governor and state legislature is working on diverting these individuals to short-term residential treatment facilities and long-term supportive housing, based on a recognition that these programs are lower cost than prison stays and better meet the core needs of individuals convicted of non-violent and minor crimes stemming from their substance abuse or mental illness.

4. Housing Quality

There is a need for improved housing quality in West Virginia. About 34 percent of owner-occupied housing, and 33 percent of rental units, were built before 1960. As a home ages, if it is not properly maintained and renovated, the condition of the home will degrade. The large share of homes that are at least 50 years old suggests that many homes may require significant maintenance. In many cases, this maintenance is deferred due to high costs.

²⁴ Interview with Elliot Birkhead, director of the Office of Consumer Affairs and Community Outreach, West Virginia Bureau for Behavioral Health and Health Facilities (April 18, 2013).

²⁵ Paulhus, E., Wilson, R., Thomson, S., Patterson, J., and Spence, B. (February 2012). *Stemming the Tide: The Racial and Economic Impacts of West Virginia's Prison System*. West Virginia Center on Budget & Policy, American Friends Service Committee, and Partnership for African American Churches.

Figure 4. Year Home Built, Owners (2011)

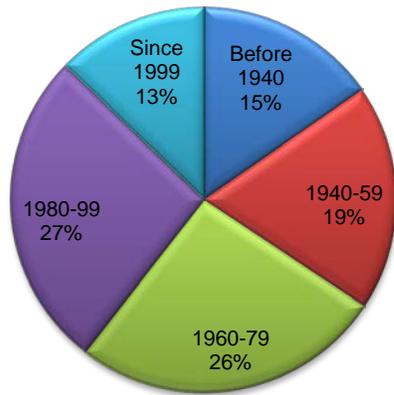
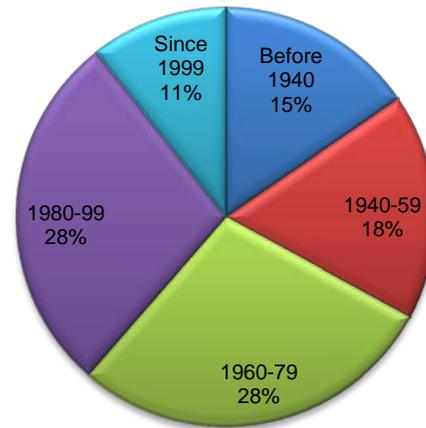


Figure 5. Year Home Built, Renters (2011)



Source: Center for Housing Policy tabulations of 2011 American Community Survey 1-Year PUMS files

A significant portion of housing in West Virginia lacks basic amenities. In 2011, 4.7 percent of all housing units did not have complete kitchen facilities (stove or range, refrigerator, and sink and faucet) compared to 3.3 percent of housing units nationally. More than five percent of West Virginia homes lacks complete plumbing (running water, toilet, and bathtub or shower),²⁶ a much greater portion than the national figure (2.2 percent). Finally, approximately 14 percent of owner-occupied homes, and 16 percent of rental homes were mobile homes in 2011.²⁷ Many mobile homes are cheaply constructed and may pose issues in terms of housing quality.

²⁶ Center for Housing Policy tabulations of 2011 American Community Survey PUMS data.

²⁷ Center for Housing Policy. (March 2013). *Housing Trends: West Virginia*. Washington, DC: Housing Research and Advisory Service Data Report.

Figure 6. Units Per Structure, Owners

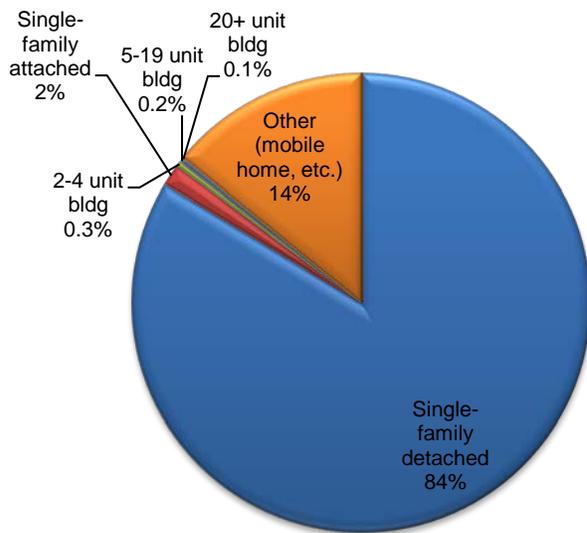
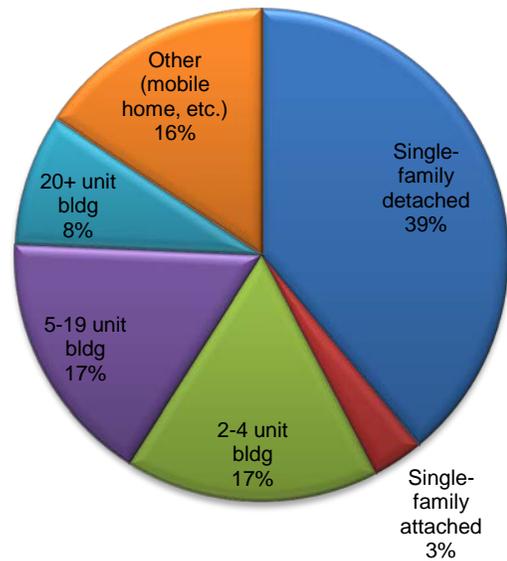


Figure 7. Unites Per Structure, Renters



Source: Center for Housing Policy tabulations of 2011 American Community Survey 1-Year PUMS files

5. West Virginia’s Existing Subsidized Housing Stock

According to the National Low Income Housing Coalition’s *National Housing Preservation Database*, approximately 19 percent of rental housing units in West Virginia is subsidized with federal assistance. This ratio varies considerably by county, however, from a low of 0 percent in Pocahontas County to a high of 51 percent in Summers County. The largest source of support is Section 8 project-based assistance, which supports nearly 30 percent of the state’s federally subsidized units.²⁸ Housing units developed using the Low Income Housing Tax Credit make up the second highest share of subsidized units in the state (27 percent).

²⁸ These units are restricted to households earning less than 80 percent of AMI, and 40 percent of households in each project must earn less than 30 percent of AMI.