

GILES COUNTY STRATEGIES

Strategy 1: Use the planned unit development framework to expand housing opportunities

A planned unit development (PUD) is a common land use tool found across the country and in many Virginia localities. Virginia code (§ 15.2-2201) defines a PUD as follows:

“...a form of development characterized by unified site design for a variety of housing types and densities, clustering of buildings, common open space, and a mix of building types and land uses in which project planning and density calculation are performed for the entire development rather than on an individual lot basis.”

In urban and dense suburban areas, PUDs are used to give developers and localities flexibility for factors including site design, use types, and street and infrastructure design. In rural communities, PUDs help planners manage new development to help retain community character, avoid strain on utilities, and prevent sprawl.

In Giles County, PUDs are used by planners to retain community character and prevent sprawl. As development pressure expands westward from Blacksburg and Montgomery County, smart growth is becoming extremely important. Giles County should expand its use of PUDs to help current and future residents access new homes available at a range of affordable prices in high-quality communities.

FRAMEWORK

Giles County’s current PUD guidelines are contained in Section 607 of the zoning ordinance under “Planned Development District R-4.” It uses a “floating” zone approach where the district is classified to a parcel on an as-needed, as-approved basis.

There are several ways that the current PUD ordinance can be used to help promote greater housing opportunities.

1. **Encourage non-traditional single-family housing.** Examples include attached townhomes, manufactured homes, and modular homes. The PUD ordinance may be amended to include specific references to these or other innovative types that deliver smaller-scale, more affordable, clustered housing.
2. **Encourage accessory dwelling units.** The development cost of an accessory dwelling unit can be greatly reduced when constructed alongside the primary structure, using economies of scale and greater efficiency. The county may promote developers to offer accessory units as an “add-on” feature for homebuyers seeking flexible arrangements. If desired, the ordinance may control features such as the size and placement of allowable accessory dwelling units.
3. **Encourage duplexes and other small apartment buildings.** These provide high-quality rental options for seniors and other households. Appropriate conditions to place on apartments may be factors including unit sizes, parking, and common areas.

4. **Consider adding estimated housing prices to the list of required data accompanying an application.** This will help county staff determine affordability levels and allow a conversation with the developer about ways to produce lower-cost homes, if necessary.

For reference, the “Residential Planned Unit Development District” section in the Franklin County, Virginia zoning ordinance explicitly allows for the following:

- Single-family, townhome, duplex, and multifamily housing allowed as permitted uses.
- Maximum densities for residential uses:
 - Single-family: 3 units per acre
 - Two-family, detached dwelling, duplexes: 5 units per acre
 - Multifamily: 15 units per acre
 - Townhouses: 10 units per acre

To provide developers a better sense of desired housing types, densities, and styles, the county may consider a land development guide and/or pattern book. Land development guides are illustrated “playbooks” that translate the text of a zoning ordinance into graphic representations so that architects, builders, and the public can easily understand the scale, form, and design parameters outlined in a locality’s code.

NRVRC recently completed a land development guide for the Town of Pulaski. The guide includes photographs, flow charts, and color illustrations that graphically represent the text of the town’s zoning ordinance. The goal of the guide is to help development applicants, reviewers, and interested citizens have a common understanding of applicable regulations.

Components of this guide include the following:

- Isometric illustrations to show sample developments for each zoning district, incorporating dimensions for setbacks, heights, and lot coverage;
- Charts outlining policy processes for rezoning and other amendments to town code;
- Illustrations of temporary and permanent sign types;
- Plan-view illustrations of parking space and flow types;
- Flow charts for minor and major subdivision processes, site plan review, and construction plan review;
- Recommended plant species for landscaping.

IMPLEMENTATION PLAN

Immediate:

- **Evaluate existing PUDs:** conduct a review of all approved and pending PUDs in the county and determine successes and missed opportunities.
- **Solicit feedback from PUD developers:** hold interviews with previous and current PUD developers about the process and how additional density should be incorporated that aligns with market demand.
- **Determine need for a land development guide:** review the Town of Pulaski’s Land Development Guide and determine whether Giles should create a similar document.

Short-term (next 12 months):

- **Incorporate edits:** if needed, begin drafting changes to the PUD ordinance.
- **Seek best practices:** Investigate and seek similar localities that use PUDs for additional insight and information (e.g., Franklin County, Virginia).
- **Design a public engagement campaign:** engage the public to explain why changes would be helpful and beneficial for Giles. Consider in-person events and/or online engagement tools such as Bang the Table or MetroQuest.
- **Consider consultant assistance:** if desired, engage with NRVRC to assist with the creation of a land development guide and/or public engagement component.

Mid-term (12–24 months):

- **Finalize the ordinance:** draft final language for any necessary changes to the ordinance. Seek and obtain planning commission and supervisor approval.
- **Market the new ordinance:** officially announce and advertise changes to the building community.

LEGAL, FINANCIAL, AND ORGANIZATIONAL CAPACITY

- State code allows Virginia localities to adopt PUD ordinances without additional enabling authority from the general assembly.
- Any necessary amendments to the county’s current PUD ordinance require a public process. Public opposition may arise owing to fears about density; however, Giles can proactively educate residents about the common benefits of smart growth. Simultaneously creating a land development guide may be useful.
- Staff may require additional time and expertise to review any future PUDs with complex design and development plans because of new allowable densities.

FUNDING SCOPE REQUIREMENTS AND PROJECTED IMPACT

- The county may complete this work with its current staff or identify the need for third-party consultant assistance.
- Projected impact depends on private market activity. Successful implementation and execution would help the county add new housing types at attainable prices without public subsidy, add to the tax base, and diversify its housing stock for future generations.

POTENTIAL FUNDING SOURCES

- The county may allocate a portion of general fund dollars if securing a consultant for all or a portion of this work.
- Staff should specifically ask developers about their ability to finance non-traditional density types. If working capital is difficult to find, Giles can facilitate conversations with other lenders and investors across the region.

METRICS TO EVALUATE SUCCESS

- PUD ordinance is amended (or strengthened through other means that do not require amended language) with public support to allow for and promote a wide variety of housing types.

- Developers propose new housing types in their PUD proposals that are sold or rented at prices within reach of most Giles County residents.
- Utility infrastructure is expanded and improved at a sustainable rate.

RESPONSIBLE ACTORS AND THEIR ROLES

- Planning staff will evaluate current PUD ordinance, conduct outreach and receive feedback, and make suggested changes.
- The planning commission and supervisors will provide input and make final approvals.

Strategy 2: Expand homebuyer education

Giles County has an interest in providing opportunities for its own residents (especially young workers and young families) to buy a home and stay in Giles County. Many young families currently leave the county because they are unable to find or afford a starter home in their community. Many young residents face real or perceived barriers to homeownership, including the inability to qualify for mortgage financing because of credit challenges, insufficient savings, or job instability/irregularity.

FRAMEWORK

Homebuyer education programs and counseling have become widespread in the United States over the last several decades. There has been an uptick in the need for these programs since the 2009–2012 Great Recession. Most lenders significantly increased their requirements for obtaining mortgage credit after the recession, such as raising the credit rating required to qualify for a mortgage loan, lower loan to value ratios, higher down payments, or required private mortgage insurance.

Homebuyer education and readiness programs include a wide variety of services, such as

- Individual counseling
- Group sessions
- Credit repair
- Homebuyer savings clubs
- IDA down payment match programs
- Financial management and budgeting
- Responsibilities of homeownership
- Home maintenance
- Legal considerations
- Foreclosure counseling

Today, most lenders in Virginia require that the homebuyer attend a Virginia Housing (formerly VHDA) approved homebuyer education class. These are usually done in group settings but can also be completed online. In addition to Virginia Housing's classes, many private lenders also offer homeownership training and credit counseling. Some nonprofit organizations also offer classes, such as Community Housing Partners in the NRV.

While group counseling or an online counseling session may be sufficient for some homebuyers, many others will require longer-term assistance that includes credit repair, individual counseling, and down payment savings plans.

IMPLEMENTATION PLAN

Immediate:

- **Identify services needed:** conduct a survey of potential homebuyers in the area to determine the level of services required. Meet with local lenders to determine their experience with mortgage loan applications in the area. Meet with realtors to discuss and understand the common circumstances of potential homebuyers.

Short-term (next 12 months):

- **Learn from experienced counseling agencies:** invite Virginia Housing staff to the area to learn about their education resources. Meet with Community Housing Partners to understand the counseling and homebuyer assistance that they offer. Explore other housing counseling services in the region, including USDA financial products and services.
- **Connect with established rural homeownership centers to learn about successful approaches to outreach and marketing.** Candidates include the Homeownership Center in Elkins, WV and the housing counseling services provided at the Housing Alliance, Inc. in Hazard, KY.

Mid-term (12–24 months):

- **Connect counseling services to potential Giles homebuyers:** work with organizations offering counseling services to bring those services to Giles County on a consistent basis. The county may assist in that process by providing space for the counseling agency to use at no cost.
- **Create robust marketing campaign:** the county should develop and launch an advertising and information program to encourage homeownership and direct potential homebuyers to where they can receive counseling and financial assistance.

LEGAL, FINANCIAL, AND ORGANIZATIONAL CAPACITY

- Housing counseling and homeownership education programs require funding. Virginia Housing and the US Department of Housing and Urban Development provide some funding for these activities. Most counseling agencies will have already determined which of these funds they are able to access and under what circumstances. The funding source may not always cover the entire cost of the counseling activity, especially when that activity must be conducted at a significant distance from the home office.
- Giles County may need to seek additional funding to support the work of housing counseling agencies in the county. Some banks as well as larger realty organizations may be willing to participate in providing support for housing counseling. Such contributions provide Community Reinvestment Act credits to the banking institution, which are important to the bank when it goes through its periodic review by its regulatory agency.

FUNDING SCOPE REQUIREMENTS AND PROJECTED IMPACT

- The volume of homebuyers seeking counseling services will determine funding requirements. In general, housing counseling is inexpensive compared to the cost of providing affordable housing.

POTENTIAL FUNDING SOURCES

- US Department of Housing and Urban Development, Virginia Housing, local banks, realty companies, and insurance companies.

METRICS TO EVALUATE SUCCESS

- Number of new loans approved.
- Reduction in the mortgage loan denial rate.

RESPONSIBLE ACTORS AND THEIR ROLES

- County staff, housing agencies, lenders, realtors, and social service agencies.

Giles County + Towns Partnership Strategy

Encourage smart housing growth

For many residents, Giles County is an oasis nestled in one of the finest natural settings in the commonwealth. The five towns in the county are important community centers. As the NRV grows, Giles will continue to see development pressure from the east.

However, the towns have challenges. Many younger families struggle to purchase their first home. Although they support the local economy, increasing numbers of tourists seek short-term housing options that might strain an already limited inventory.

One collaborative solution for these problems involves the towns developing a “playbook” for common housing investments and development. Shared guidance would help simplify regulations, align municipal efforts, and increase opportunities for significant state and federal funding.

FRAMEWORK

Towns in Giles County can collaborate on a new set of initiatives and guidelines to align activities, pool knowledge and resources, and develop a common housing vision.

This effort should include the following:

- Compiling an inventory of infill parcels available and designated for new construction.
- Creating a directory of contractors available for construction and rehab projects.
- Developing design guidelines for new construction.
- Combining town (and county) resources to create a “portal” for homeownership counseling and services for residents with assistance from Virginia Housing.

IMPLEMENTATION PLAN

Immediate:

- **Create a task force:** Identify public officials (e.g., town managers, planners, and planning commissioners) who are interested in and capable of serving on a collaborative task force.
- **Establish clear objectives for the group, such as the following:**
 - Discussing their communities’ housing trends, challenges, and projections.
 - Identifying barriers such as regulatory and funding ones.
 - Sharing relevant solutions and any recent “wins.”
 - Compiling a list of pertinent data needs and research questions.

Short-term (next 12 months):

- **Create a parcel database:** develop a unified database of undeveloped parcels within the towns where new construction may be encouraged. Within the database, list the following:
 - Address and parcel ID
 - Current owner
 - Lot dimensions and area
 - Current zoning
 - Development potential under by-right scenario
 - Development potential under amended zoning scenario (if applicable)

- **Calculate housing need:** analyze the list and determine the projected development capacities for towns individually and in aggregate. How many new homes could vacant land support?
- **Establish common housing goals:** create a common set of goals and recommendations for parcels in this database, particularly to influence the desired size, type, and price of new construction.
- **Create qualified contractors list:** leverage community networks to compile a publicly available list of qualified contractors for construction and repair. Advertise the list throughout the county to encourage homeowners to make safety and comfort improvements.

Mid-term (12–24 months):

- **Identify funding resources for homebuyers:** begin long-term conversations with Virginia Housing about increasing resources available to homebuyers throughout the county.
- **Hire a housing counselor:** combine town and county funds to support a part- or full-time housing counselor to support homebuyers with education, down payment assistance, financing options, and credit repair. The counselor will work closely with Virginia Housing and USDA.

LEGAL, FINANCIAL, AND ORGANIZATIONAL CAPACITY

- There are no known legal challenges to any of the activities in this strategy. However, developing common zoning and land use regulations to be shared among towns may be difficult owing to differences in existing codes.
- Local governments in Giles County are small and have limited resources. Officials will need to be aware of time and funding constraints. NRVRC, Virginia Housing, Department of Housing and Community Development (DHCD), and Housing Forward Virginia may all serve different technical advisory roles to assist these localities.

FUNDING SCOPE REQUIREMENTS AND PROJECTED IMPACT

- Funding requirements for this collaborative planning effort may be absorbed within municipal budgets. Exploring new dedicated funds to ensure that local officials are not given an “unfunded mandate” may be advantageous.
- A grant in the range of \$25,000–\$50,000 spread among the localities would help defray the costs associated with staff time for one year. However, this figure is an estimate that is dependent on the amount of actual work associated with this strategy.
- Financing a housing counselor is dependent on the desired salary range for that position.

POTENTIAL FUNDING SOURCES

- Together, localities may be able to cover the baseline costs of this effort using discretionary budget spending.
- Virginia Housing, DHCD, and the Appalachian Regional Commission are potential sources of dedicated grant funding for both planning efforts and for dedicated homebuyer resources. Towns could work with the NRVRC to explore options.

METRICS TO EVALUATE SUCCESS

- Creation and regular meetings of a task force.
- Development of an exhaustive list of undeveloped parcels throughout towns.

- Shared goals and strategies established to guide new housing within towns.
- Towns see an increase in the number of homeowners able to connect with home repair and rehab contractors.
- The number of homebuyers (especially first-time) increases, and more homes become owner-occupied.

RESPONSIBLE ACTORS AND THEIR ROLES

- Local planning officials for the towns and county will need to collaborate and meet on a regular basis to create and implement recommendations.
- NRVRC may provide technical assistance and assist with making connections with regional and state housing officials.