

SECTION V

HOUSING NEEDS OF LOWER INCOME HOUSEHOLDS

This Section of the document will focus on the housing needs of lower income households. Results of secondary research at the census tract level will be used to define the location, extent and nature of lower income housing needs. Household income data will be analyzed in terms of the cost of both rental and sales housing on the Eastern Shore in an effort to define the affordability of the housing stock to lower income households. Finally, this Section includes a detailed examination of the needs of various types of lower income housing needs, including special needs populations, renters, homeowners and prospective homebuyers.

A Demographic and Economic Analysis

i Racial Characteristics and Person of Hispanic Origin by Census Tract

The 2000 Census reported that 39 percent of the population of the Eastern Shore was minority populations. The 2000 Census reported that blacks accounted for 88.5 percent of the Eastern Shore’s minority population. In Accomack County in 2000 35.9 percent of the population was minority populations and in Northampton County in 2000 45.8 percent of the population was minority populations. Persons of Hispanic origin, who may be of any race, accounted for 4.8 percent of the Eastern Shore’s 2000 population. The 2000 Census reported that 5.3 percent of Accomack County’s population was persons of Hispanic origin and in Northampton County in 2000 3.4 percent of the population was persons of Hispanic origin. The following table provides a review of the racial make-up and persons of Hispanic origin by census tract in 2000.

Population by Race and Persons of Hispanic Origin - 2000								
CT	Population	White	% White	Black	Other Race	% M inority	Hispanic Origin	% Hispanic Origin
<i>Accomack County</i>								
9901	4,324	4,191	96.9	41	92	3.1	23	0.5
9902	8,801	5,174	58.8	3,312	315	41.5	284	3.2
9903	2,904	2,206	76.0	493	205	24.0	223	7.7
9904	6,035	2,458	40.7	2,849	728	59.3	909	15.1
9905	2,791	1,720	61.6	884	187	38.4	205	7.3
9906	4,671	3,672	78.6	916	83	21.4	68	1.4
9907	5,031	2,950	58.6	1,967	114	41.4	103	2.0

CT	Population	White	% White	Black	Other Race	% Minority	Hispanic Origin	% Hispanic Origin
9908	3,748	1,905	50.8	1,627	216	49.2	247	6.6
<i>Northampton County</i>								
9901	4,054	2,414	59.5	1,512	128	40.5	106	2.6
9902	4,409	2,042	46.3	2,173	194	53.7	185	4.2
9903	4,630	2,521	54.4	1,949	160	45.6	163	3.5

Source: U.S. Bureau of the Census

ii Areas of Minority Concentration by Census Tract

An area of minority concentration is an area in which the percentage of minority persons exceeds the percentage for the community as a whole. Therefore, in Accomack County the census tracts with a proportion of minority population in excess of 36 percent are considered concentrated and in Northampton County the census tracts with a proportion of minority population in excess of 46 percent are considered concentrated. Based on the 2000 Census the tracts with concentrations of minority persons in Accomack County are 9902, 9904, 9907, and 9908. Based on the 2000 Census the tract with a concentration of minority persons in Northampton County is 9902.

iii Areas of Concentration of Persons of Hispanic Origin by Census Tract

In Accomack County the tracts with a proportion of persons of Hispanic origin in excess of 5.3 percent are considered concentrated and Northampton County the census tracts with a proportion of persons of Hispanic origin in excess of 3.4 percent are considered concentrated. Based on the 2000 Census the tracts with concentrations of persons of Hispanic origin in Accomack County are 9903, 9904, 9905, and 9908. Based on the 2000 Census the tracts with a concentration of persons of Hispanic origin in Northampton County are 9902 and 9903.

iv Low and Moderate Income Population by County and Census Tract

Using income and population data from the 2000 Census and median family income from HUD, low-income persons were calculated for Accomack and Northampton Counties. Low-income persons identified in this section are defined as those with an annual income of 80% of MFI or less. The number of low-income persons was derived using the formula that HUD used to calculate low-income persons in 1990. To determine low-income households, the 2000 average household size for each county was applied to the number of low-income persons for the area.

The low-income population figures contained in this document are not official HUD figures and cannot be used to determine fundability of projects under the CDBG program or eligibility for other HUD funding programs. HUD will release data regarding low-income persons in 2003, which will become the official low-income population figures..

The HUD formula for calculating low-income persons considers persons residing in households, which is limited to those persons living in housing units. The formula for calculating low-income persons excludes persons residing in group quarters. The group quarter population includes persons under formally authorized, supervised care or custody such as correctional institutions, nursing homes, and juvenile institutions. The group quarter population also includes noninstitutionalized persons living in such group quarters as college dormitories, military quarters, and group homes. To determine the number of low-income persons by census tract, the median family income for the county was applied

Low- and Moderate-Income Population - 2000				
	Total Family Population and Non-Family Population	Total Low Moderate Income Persons in the area	Percentage of Low Moderate Income Persons in the area	Low Income Households
Accomack County	37,441	17,282	46.2%	7,062
CT 9901	4,299	1,919	44.6%	923
CT 9902	8,771	4,446	50.7%	1,705
CT 9903	2,890	1,489	51.5%	589
CT 9904	5,597	2,924	52.2%	1,072
CT 9905	2,748	1,187	43.2%	494
CT 9906	4,503	1,615	35.9%	712
CT 9907	5,019	2,125	42.3%	856
CT 9908	3,614	1,715	47.5%	721
Northampton County	12,726	6,144	48.3%	2,569
CT 9901	4,042	1,909	47.2%	810
CT 9902	4,195	2,006	47.8%	829
CT 9903	4,489	2,242	50.0%	936

Source: US Department of Housing and Urban Development, US Bureau of the Census, Mulin and Lonergan Associates, Inc

v Poverty rates by Eastern Shore, County and Virginia

The 2000 Census reported that on the Eastern Shore 9,421 persons, or 18.6 percent of the population, were below the poverty level. In Accomack County in 2000, 18.0 percent of the population was below the poverty level. In Northampton County in 2000, 20.5 percent of the population was below the poverty level. In contrast, the 2000 Census reported that only 9.6 percent of the state's total population was below the poverty level.

vi Poverty Rate by Census Tract

The following table shows the poverty rate by census tract in Accomack County and Northampton County in 2000.

Poverty Rate by Census Tract - 2000		
CT	Persons Below Poverty	% Persons Below Poverty
<i>Accomack County</i>	6,788	18.0
9901	551	12.8
9902	1,432	16.4
9903	559	19.3
9904	1,545	27.1
9905	442	15.9
9906	620	13.5
9907	814	16.3
9908	825	22.4
<i>Northampton County</i>	2,633	20.5
9901	786	19.5
9902	93963	22.3
9903	908	19.8

Source: U.S. Bureau of the Census

vii ***Median Renter Income***

The National Low Income Housing Coalition (NLIHC) has prepared an analysis of income characteristics for renter households on the Eastern Shore. The NLIHC estimates that renter households in *Accomack County* have median incomes that are about 67 percent of the County-wide median income. The NLIHC estimates that renter households in *Northampton County* have incomes that are 54 percent of the County-wide median income. The table also shows the maximum affordable monthly housing cost for renter households on the Eastern Shore by percent of area median income. Section V(A)xi furthers discusses income as a factor of housing affordability on the Eastern Shore and the ability of low income renter households to afford housing based on income.

Median Renter Income						
County	2000 Renter Income		Maximum Affordable Monthly Housing Cost by % of Family Area Median Income			
	Annual (\$)	Monthly (\$)	30% (\$)	50% (\$)	80% (\$)	100% (\$)
Accomack	23,475	1,956	176	293	470	587
Northampton	20,091	1,674	151	251	402	502

Source: National Low Income Housing Coalition

viii *Vacant for Rent Units*

The 2000 Census collected data on the median monthly contract rent charged for rental units in Accomack County and Northampton County. Contract rent is the monthly rent agreed to, regardless of any furnishings, utilities or services that were included in the fee. The 2000 median contract rent in Accomack County was \$330 and the median contract rent in Northampton County was \$260. Statewide in 2000 the median contract rent was \$550. As noted in Section II(c) of this document, local realtors and newspaper advertisements indicate that contract rents for a two-bedroom unit on the Eastern Shore have increased since 1990 to about \$425-\$450 per month in 2000. The current rents are comparable to the HUD Fair Market Rents for the two Counties.

A concern with regard to housing involves costs in excess of acceptable limits. Generally, when a household spends more than 30 percent of its gross income on housing it is considered excessive by housing economists and lending institutions and the household is classified as cost burdened. When households pay higher proportions of their incomes for housing, they are forced to sacrifice other basic necessities such as food, clothing and health care. To avoid being cost burdened, households may live in substandard housing to reduce their housing costs or they may double-up with other households leading to overcrowding.

The 2000 Census reported that 23 percent of all renters in *Accomack County* were cost burdened paying greater than 30 percent of their income for rent. The Census indicates that 48.0 percent of the cost burdened households had incomes of less than \$10,000 per year. The 2000 Census reported that 23 percent of all renters in *Northampton County* were cost burdened. About 47.8 percent of the cost burdened renter households in Northampton County had incomes of less than \$10,000 per year.

The following tables list the number of vacant housing units for rent in Accomack County and Northampton County that are affordable to households by various income groups. The 1990 figures are the most recent data available, however the 2000 Census tabulations for HUD's CHAS database are expected to be completed mid- 2003.

Accomack County - 1990					
Vacant-For Rent Units Affordable to Households with Incomes Below 80% of Median					
Unit Size	Vacant For Rent Units	Number Affordable to Households with Incomes:			
		0-30% of Median	31-50% of Median	51-80% of Median	Over 80% Median
0 -1 bedroom	56	14	33	56	56
2 bedrooms	208	45	149	208	208
3 or more bedrooms	103	39	99	103	103
Total	367	98	281	367	367

Source: CHAS Database, US Census Bureau, September 1993

The above chart reflects 367 vacant for rent units in Accomack County. The table shows that:

- 27 percent are affordable to households with less than 30 percent of median income;
- 76 percent are affordable to households with incomes between 30 percent and 50 percent of median income; and
- all of the units are affordable to households with incomes between 51 percent and 80 percent of median income.

Northampton County - 1990					
Vacant-For Rent Units Affordable to Households with Incomes Below 80% of Median					
Unit Size	Vacant For Rent Units	Number Affordable to Households with Incomes:			
		0-30% of Median	31-50% of Median	51-80% of Median	Over 80% Median
0 -1 bedroom	37	23	35	37	37
2 bedrooms	69	45	69	69	69
3 or more bedrooms	60	38	60	60	60
Total	166	106	164	166	166

Source: CHAS Database, US Census Bureau, September 1993

The above chart reflects 166 vacant for rent units in Northampton County. The table shows that:

- 64 percent are affordable to households with less than 30 percent of median income;
- 99 percent are affordable to households with incomes between 30 percent and 50 percent of median income; and
- all of the units are affordable to households with incomes between 51 percent and 80 percent of median income.

Many of the vacant for rent units on the Eastern Shore are old and deteriorated, lack modern conveniences and have small rooms. Therefore, it is reasonable to assume that the information in the above table, which was derived from the CHAS Database, may be misleading in that it fails to take in to account the habitability of the vacant for rent units. Many of the vacant for rent units on the Eastern Shore are not habitable because of old age, neglect and location.

Using HUD determined 2002 median family incomes for Accomack and Northampton Counties, the following table provides how many vacant-for-rent units are affordable to households at various income levels. It is assumed that there is a housing expense ratio of 30 percent. In Northampton County, all of the vacant-for-rent units are affordable for households with incomes that are 80 percent of the median family income.

Vacant-For -Rent Affordable to Households by Median Household Income 2000								
	Median Family Income (\$)			Vacant for sale units	Median Price Asked (\$)	Number Affordable to Households with Incomes:		
	30% MFI	50% MFI	80% MFI			30% of Median	50% of Median	80% of Median
Accomack	10,890	18,150	29,040	255	326	71	192	234
Northampton	11,640	19,400	31,040	73	303	34	71	73

Source: US Department of Housing and Urban Development, US Bureau of the Census

ix Vacant for Sale Units

In 2000, the Census reported that the median value of a housing unit in *Accomack County* was \$79,300 and that the median value of a housing unit in *Northampton County* was \$78,700. The Accomack County wide median value was 63.2 percent of the 2000 Statewide median value, and the Northampton County wide median value was 62.8 percent of the Statewide median value of \$125,400. The comparison of the Counties and Statewide median values shows housing on the Eastern Shore is more affordable than in Virginia as a whole.

The 2000 Census reported that 23 percent of renters in Accomack County were cost burdened, paying greater than 30 percent of their income for rent. The 2000 Census indicates that 48 percent of the cost burdened renter households had incomes of less than \$10,000 per year. The 2000 Census indicates 22.8 percent of renters in Northampton County were cost burdened. Approximately 48 percent of the cost burdened renter households in Northampton County had incomes of less than \$10,000 per year.

The following tables list the number of vacant housing units for sale in Accomack County and Northampton County that are affordable to households by various income groups. The 1990 figures are the most recent data available, however the 2000 Census tabulations for HUD's CHAS database are expected to be completed mid- 2003.

Accomack County - 1990					
Vacant-For Sale Owner Units Affordable to Households by Median Household Income					
Unit Size	Vacant For Sale Units	Number Affordable to Households with Incomes:			
		0-30% of Median	31-50% of Median	51-80% of Median	Over 80% Median
0 -1 bedroom	26	10	19	19	26
2 bedrooms	118	7	28	60	118
3 or more bedrooms	172	11	30	58	172
Total	316	28	77	137	316

Source: CHAS Database, US Census Bureau, September 1993

The above shows 316 vacant for sale units in Accomack County. The table shows that:

- 9 percent are affordable to households with less than 30 percent of median income;
- 24 percent are affordable to households with incomes between 30 percent and 50 percent of median income; and
- 43 percent are affordable to households with incomes between 51 percent and 80 percent of median income.

Northampton County - 1990					
Vacant-For Sale Owner Units Affordable to Households by Median Household Income					
Unit Size	Vacant For Sale Units	Number Affordable to Households with Incomes:			
		0-30% of Median	31-50% of Median	51-80% of Median	Over 80% Median
0 -1 bedroom	4	0	0	0	4
2 bedrooms	17	3	0	12	17
3 or more bedrooms	36	0	6	6	36
Total	57	3	6	18	57

Source: CHAS Database, US Census Bureau, September 1993

The above table shows that in Northampton County there are 57 vacant for sale units. The table shows that:

- 5 percent are affordable to households with less than 30 percent of median income;
- 10 percent are affordable to households with incomes between 30 percent and 50 percent of median income; and
- 32 percent are affordable to households with incomes between 51 percent and 80 percent of median income.

Many of the vacant for sale units in Accomack County and Northampton County that are affordable, particularly by households with income below 80 percent of median may not be habitable. Because of the old age, lack of plumbing and extreme deterioration of many of the housing units on the Eastern Shore, many of the vacant for sale units require extensive rehabilitation to make them habitable. Once the costs for major rehabilitation are included, far fewer of the vacant for sale housing units are affordable to households with incomes at or below 80 percent of median. Far fewer households with incomes below 30 percent of median could afford to own a home on the Eastern Shore. Many of the vacant for sale housing units in Accomack County and Northampton County are small making the units undesirable for residential use by a modern family, regardless of the household's income. Finally, while the prices for the vacant for sale units on the Eastern Shore are lower than the housing units State-wide, households on the Eastern Shore lack sufficient income to save for down payments and closing costs. Many of the lower income households also have poor credit histories and lack stable employment histories that allow them to qualify for conventional mortgage loans.

Using HUD determined 2002 median family incomes for Accomack and Northampton Counties, the following table provides how many vacant-for-sale units are affordable to households at various income levels. To determine what price housing unit a household could afford, the following assumptions were made:

- A housing expense ratio of 30 percent was used.
- Five percent of the value of the unit was added to account for closing costs, taxes, and insurance.
- Households would have a mortgage value of 95 percent and an interest rate of 7.0 percent on a 30 year loan.

Using the listed assumptions, the affordable housing values were determined for each income level (30% MFI, 50% MFI, and 80% MFI). The affordable housing values were applied to the asking price for vacant for sale units reported by the 2000 Census. The following table shows the affordable housing in Accomack and Northampton Counties.

Vacant - For Sale Units Affordable to Households by Median Household Income 2000								
	Median Family Income (\$)			Vacant for sale units	Median Price Asked (\$)	Number Affordable to Households with Incomes:		
	30% MFI	50% MFI	80% MFI			30% of Median	50% of Median	80% of Median
Accomack	10,890	18,150	29,040	244	68,200	36	82	137
Northampton	11,640	19,400	31,040	93	55,600	34	44	65

Source: US Department of Housing and Urban Development, US Bureau of the Census

x **Relative Rent Burden**

The Virginia Center for Housing Research (the Center) has created the Virginia Rent Burden Index (VRBI). The VRBI monitors the affordability of rental housing for the median income family and, in particular, for extremely low income families. The VRBI reflects the percent of income required to rent a modest but decent apartment and is calculated by the Center for each County in Virginia. The VRBI is calculated for median income married couples and for extremely low income married couples. The rent amount is based on the HUD Fair Market Rents (FMRs), which reflect the maximum monthly gross rent, including utilities, for an apartment in the bottom two-fifths of the rental housing market. The FMRs are estimated annually. The income amount for the VRBI is based on the Virginia Adjusted Gross Income reported on the Virginia Income Tax Form for married-couple returns. The median income VRBI represents the rent burden for the average family and the VRBI for the 15th percentile estimates the rent burden for extremely low income families (those in the bottom 30 percent of incomes). The VRBI income figures do not include single parent families. Therefore in communities with a high percentage of single parent families, the VRBI can seriously underestimate the rent burdens for extremely low income families.

The VRBI is an important indicator of relative housing affordability. Renters typically face the most serious housing affordability problems, particularly extremely low income renters. The VRBI is calculated by the Center for both median family incomes and extremely low incomes, so it is capable of detecting problems for extremely low income families that would not be captured at the median.

The Center determined that from 1989 to 1996, the average rent burden index for extremely low income families increased by 22 percent in Virginia while it decreased about three percent for median income families. The Center reports that a combination of falling income and higher rents led to the changes in VRBI among extremely low income families State-wide from 1989 to 1996.

As previously noted, when a household spends more than 30 percent of its gross income on housing it is classified as cost burdened. The VRBI calculated by the Center for 1996 indicates that on average in Virginia, extremely low income families contributed half of their income to rent. Households paying 50 percent or more of their gross income on housing are classified as severely cost burdened.

The Center reports that in *Accomack County* in 1989 the VRBI for an extremely low income family was 46.7 percent. By 1996 the VRBI for an extremely low income family in Accomack County increased by 115.6 percent to 100.8 percent. In 1989 the Center calculated that the VRBI in *Northampton County* for an extremely low income family was 48.9 percent. From 1989 to 1996 the VRBI for an extremely low income family increased in Northampton County by 127.3 percent to 111.2 percent. This means that a modest but decent quality two-bedroom apartment costs more than the total income of extremely low income families on the Eastern Shore. With the FMR being prohibitively expensive, extremely low income families are required to live in crowded or substandard housing.

Virginia Rent Burden Index for Extremely Low Income Families			
County	1989 Extremely Low Income VRBI	1996 Extremely Low Income VRBI	Percent Change
Accomack	46.7	100.8	115.6
Northampton	48.9	111.2	127.3

Source: Virginia Center for Housing Research

xi Income as a Factor of Housing Affordability

The VRBI measures rental affordability by locality in Virginia, but the VRBI does not indicate rental affordability for a constant income level. Another perspective of affordability is given by the number of hours of work required at minimum wage to pay the HUD Fair Market Rent. Based on the FMRs reported in Section II(C), the National Low Income Housing Coalition (NLIHC) reports that in both Accomack County and Northampton County, 55 hours of work each week are required to pay the FMR for a one bedroom unit. This conclusion is based on the assumption that renter households should not pay more than 30 percent of their gross income towards rent.

The following table presents the work hours per week necessary at minimum wage to afford the FMR by unit bedroom size on the Eastern Shore. As shown in the table, all households earning the minimum wage on the Eastern Shore must work in excess of 40 hours per week to afford the FMRs for any size unit.

Work Hours/ Week Necessary at Minimum Wage (\$5.15) to Afford 2001 FMR					
	0-bedroom	1-bedroom	2-bedroom	3-bedroom	4-bedroom
Accomack					
FMR (\$)	343	371	433	575	693
Work Hrs/ Wk to Afford	51	55	65	86	103
Northampton					
FMR (\$)	289	365	428	575	693
Work Hrs/Wk to Afford	43	55	64	86	103

Source: National Low Income Housing Coalition

In *Virginia's Local Economies*, a 1998 publication prepared by the Weldon Cooper Center for Public Service, it is noted that the average weekly wage for Accomack-Northampton is \$321, which is less than two-thirds of the State-wide wage of \$526. The report indicates that the average weekly wage in *Accomack County* is \$334, which is \$8.03 per hour for a 40 hour work week and \$17,368 annually. The report indicates that in *Northampton County* the average weekly wage is \$287, which is \$7.18 per hour for a 40 hour work week and \$14,924 annually.

The following table shows the hourly wage needed, based on a 40 hour work week, and the minimum annual income that a household on the Eastern Shore must earn to afford the FMRs and avoid paying more than 30 percent of their income for rent. The table shows that a household in *Accomack County* working full time at a job paying the average weekly wage cannot afford a three-bedroom or four-bedroom unit. In *Northampton County* a household working full time at a job paying the average weekly wage can only afford a zero-bedroom (efficiency) or one-bedroom unit.

Hourly Wage and Annual Income Needed to Afford 2001 FMRs					
	0-bedroom	1-bedroom	2-bedroom	3-bedroom	4-bedroom
Accomack					
FMR (\$)	343	371	433	575	693
Hourly Wage (\$)	6.60	7.13	8.33	11.06	13.33
Annual Income (\$)	13,720	14,840	17,320	23,000	27,720
Northampton					
FMR (\$)	289	365	428	575	693
Hourly Wage (\$)	5.56	7.02	8.23	11.06	13.33
Annual Income (\$)	11,560	14,600	17,120	23,000	27,720

Source: National Low Income Housing Coalition

For couples, the wage rates mean both spouses must work and pay child care if necessary. For single-parent households, this option is not available. In Accomack County, the 2000 Census reports that about 57 percent of the households with children had just one parent. Seventy-seven percent of the single parent households were female headed. In Northampton County in 2000, 65 percent of the households with children had only one parent. Eighty-six percent of the single parent households were female headed. In addition to child rearing single-earner households, there are many who must care for an aging parent or cannot work because of disability.

xii Homeownership

Tenure by Race and Hispanic Households

The following table shows housing tenure by race in Accomack County and Northampton County in 2000. The table also shows housing tenure for Hispanic households. The table indicates that a greater percentage of white households own their housing units. The home ownership rate for black households in 2000 on the Eastern Shore was higher than the Statewide rate of black owner-occupancy, which was 51.3 percent. The Statewide rate of owner-occupancy by Hispanic households in 2000 was 44 percent.

Home Ownership by Race of Household and Hispanic Origin - 2000					
Race	Virginia	Accomack		Northampton	
	Percent	Total Owners	Percent	Total Owners	Percent
White	73.5	8,542	81.0	2,367	76.8
Black	51.3	2,811	63.9	1,247	58.5
Am. Ind., Eskimo	57.1	10	71.4	6	100.0
Asian	56.8	13	50.0	7	100.0
Native Hawaiian/Pac. Isl	47.0	3	100.0	0	0.0
Other	38.4	28	14.0	9	16.4
Two or more races	47.7	65	56.5	19	50.0
Total	68.1	11,472	75.0	3,655	68.7
Hispanic Origin	44.1	83	25.5	20	22.2

Source: U.S. Bureau of the Census

HMDA Data

Under the terms of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (F.I.R.R.E.A.), any commercial lending institution who makes five or more home mortgage loans must report all residential loan activity to the Federal Reserve Bank under the terms of the Home Mortgage Disclosure Act (HMDA). The HMDA regulations require most institutions involved in lending to comply and report information on loans denied, withdrawn or incomplete and the reasons for denial by race, and sex. The information from the HMDA statements assists in determining whether financial institutions are serving the housing needs of their communities. The data also helps to identify possible discriminatory lending patterns.

The following is a review of the 1999 HMDA statements for Accomack County and Northampton County. The purpose of the analysis of the HMDA statements is to determine the need to encourage area lenders, other business lenders, and the community at-large to actively promote existing programs as well as develop new programs to assist residents in securing home mortgage loans. The analysis of the HMDA statements focuses on the number of homeowner mortgage applications received by the lenders in the Counties for conventional home purchase of one- to four-family dwellings, the decision, and the reasons for denial.

As shown in the tables on the following pages, the analysis of the 1999 HMDA statements shows that in *Accomack County* black households generally submit applications for home purchases in numbers that represent their proportion of the 2000 population. The other groups identified in the HMDA analysis do not submit applications in proportion to their representation of the 2000 population. In *Northampton County*, white households generally submit applications for home purchases in numbers that represent their proportion of the 2000 population. The other groups

identified in the HMDA analysis do not submit applications in proportion to their representation of the 2000 population.

Accomack County Market Share of Mortgage Applications 1999 HMDA							
Lender	Total Applications	White Actual 63.38%	Black Actual 31.56%	Hispanic Actual 5.38%			
Conseco Finance Service Corp.	233	109	148	108	74	0	13
Oakwood Acceptance Corp.	48	12	30	35	15	1	3
First Virginia Bank-Hampton Rds.	17	9	11	7	5	1	1
Suntrust Mortgage, Inc.	17	13	11	1	5	1	1
The Cit Group/Sale Financing	16	3	10	7	5	0	1
Norwest Mortgage, Inc.	14	14	9	0	4	0	1
First Union Home Equity Bank	12	5	8	4	4	0	1
Greenpoint Credit, LLC	12	5	8	7	4	0	1
Bank of America, NA	9	6	6	1	4	0	2
Navy Federal Credit Union	8	not reported	5	not reported	3	not reported	*
The Associates	7	1	4	5	2	0	*
Conseco Bank, Inc.	6	4	4	2	2	0	*
York Federal Savings Loan	6	6	4	0	2	0	*
Equity One	5	not reported	3	not reported	2	0	*

Source: Federal Financial Institutions Council

* less than one unit

63.38% = White Percentage of Accomack County Population

31.56% = Black Percentage of Accomack County Population

5.38% = Hispanic Percentage of Accomack County Population

The HMDA data in the above table is for Accomack County. In 1999 there were 466 applications received by lenders for the purchase of one- to four-unit owner occupied dwellings. The above table reports lenders who received five or more applications for housing for one- to four-unit owner occupied dwellings in Accomack County.

Within Accomack County, the 2000 Census reported that 63.38 percent of the population was white and 31.56 percent was black. The 2000 Census reported that 5.38 percent of the population in Accomack County was persons of Hispanic origin of any race. The number in the column with titled Actual represents the number of Applications Received for conventional home-purchase loans, one to four family dwellings, in Accomack County in 1999 by the identified population. The

number in the adjoining column represents the number of applications that would have been received if the identified population made applications in proportion to their share of Accomack County's population. The table shows that generally, applications are received from black households in proportion to their share of the population of Accomack County. White and Hispanic households do not make applications in proportion to their share of the population of Accomack County.

Northampton County Market Share of Mortgage Applications 1999 HMDA							
Lender	Total Applications	White Actual	53.29 %	Black Actual	43.03 %	Hispanic Actual	3.47 %
Conseco Finance Servicing Corp.	50	29	27	19	22	0	2
Bank of America, NA	17	14	9	1	7	1	*
Suntrust Mortgage, Inc.	16	15	9	1	7	0	*
Norwest Mortgage, Inc.	15	14	8	0	6	0	*
Oakwood Acceptance Corp.	9	1	5	8	4	0	*
Chase Manhattan Bank, USA, Inc.	6	3	3	3	3	0	*

Source: Federal Financial Institutions Council

* less than one unit

53.29% = White Percentage of Northampton County Population

43.03% = Black Percentage of Northampton County Population

3.47% = Hispanic Percentage of Northampton County Population

The HMDA data in the above table is for Northampton County. The above table reports lenders who received five or more applications for housing for one- to four-unit owner occupied dwellings in Northampton County. In 1999, there were 171 applications received by lenders for the purchase of one- to four-unit owner occupied dwellings.

Within Northampton County, the 2000 Census reported that 53.29 percent of the population was white, and 43.03 percent was black. The 2000 Census reported that 3.47 percent of the population in Northampton County was persons of Hispanic origin of any race. The number in the column titled "Actual" represents the number of applications received for conventional home-purchase loans, one to four family homes, in Northampton County in 1999 by the identified population. The number in the adjoining column represents the number of applications that would have been received if the identified population made applications in proportion to their share of Northampton County's population. The table shows that generally, applications are received from white households in proportion to their share of the population of Northampton County. Black and Hispanic households do not make applications in proportion to their share of the population of Northampton County.

Number of Applications Received for Conventional Home Purchase Loans, 1 - 4 Family Units, Versus Percent of Population - 1999

Accomack										
Applicants	White 63.38%		Black 31.56%		Other Race 5.06%		Hispanic 5.38%		Women 51.46%	
466	213	295	183	147	8	24	3	25	168	240
Northampton										
Applicants	White 53.29%		Black 43.03%		Other Race 3.68%		Hispanic 3.47%		Women 53.21%	
171	104	91	41	54	2	6	1	6	69	91

Source: Federal Financial Institutions Council

The HMDA data in the above table is for Accomack County and Northampton County. The number in the column with the title represents the number of applicants submitted in each County by the identified population. The number in the next column represents the number of applicants that would have been made if the number of applicants were in proportion to their share of the population.

The analysis of the HMDA data for Accomack County data for 1999 shows:

- 466 applications for a one- to four-unit owner-occupied dwelling were submitted;
- 292 (62.7 percent) were denied and 39 applications (8.4 percent) were either withdrawn by the applicant or closed by the lender for incompleteness;
- 61 (13 percent) of the applications were approved by the lender and accepted by the borrower; and
- 64 (13.7 percent) applications were approved by the lender, but not accepted by the borrower.

The analysis of the HMDA data for Northampton County data for 1999 shows:

- 171 applications for a one- to four-unit owner-occupied dwelling were submitted;
- 57 (33.3 percent) were denied and 10 applications (5.8 percent) were either withdrawn by the applicant or closed by the lender for incompleteness;
- 70 (40.9 percent) of the applications were approved by the lender and accepted by the borrower; and
- 21 (12.3 percent) applications were approved by the lender, but not accepted by the borrower.

The following table shows the 1999 rate of denial for a mortgage loan for a one- to four-unit owner occupied dwelling on the Eastern Shore by race and sex of the head of the household of the

applicant. In both Counties, the rate of denial among white households was lower than the rate of denial among all households. In both Counties, the rate of denial among black households, Hispanic households and female headed households was higher than the rate of denial among all households.

Denial of Applications for Conventional Home Purchase Loans, 1 - 4 Family Units, 1999						
	Accomack County			Northampton County		
	Applicants	Total Denied	% Denied	Applicants	Total Denied	% Denied
White Applicants	213	123	57.7	104	18	17.3
Black Applicants	183	146	79.8	41	34	82.9
Other Race Applicants	8	2	25.0	2	0	0.0
Race Not Provided	62	21	33.9	24	5	20.8
Total Applicants Denied	466	292	62.7	171	57	33.3
Hispanic Applicants	3	1	33.3	1	1	100.0
Women Applicants	168	121	72.0	69	31	44.9

Source: Federal Financial Institutions Council

The 1999 HMDA data contained the reason for denial for only 36 of 292 denied applications in Accomack County and only 16 of 57 denied applications in Northampton County. In both Counties the overwhelming reason given for denial by the lenders was credit history, primarily meaning a poor credit history but including no credit history. The second major reason given by lenders to deny applicants was high debt-to-income ratios.

Barriers to Home Ownership

Despite the high rate of home ownership on the Eastern Shore, as shown in Section V(A)(xi) of this document, a full-time minimum wage worker on the Eastern Shore cannot afford the FMR for a one-bedroom unit in the community. Low wages on the Eastern Shore result from the large percentage of persons working in the poultry plants and the service industries. Low wage households typically live from paycheck to paycheck with no ability to save money for a downpayment and closing costs to purchase a home.

The 1999 HMDA data reveals that poor credit history is the major reason given by lenders for denial of home mortgage loans. Persons working in low wage jobs will continue to have problems with credit that will impede their ability to purchase a home.

The housing stock on the Eastern Shore can be classified as middle-aged. In Accomack County, 35 percent of the structures were built prior to 1950 and another 46.6 percent were built between 1950 and 1979. The older age of the housing stock on the Eastern Shore results in problems with

the quality of the units. Because over 80 percent of the units on the Eastern Shore were constructed prior to 1979, the incidence of lead-based paint is high. The need for extensive rehabilitation of the old units and lead abatement increases the cost of home ownership thus impeding the ability of households to purchase units. While realtors report that housing can be purchased for as little as \$25,000, the units are substandard and generally obsolete. Housing on the Eastern Shore selling for under \$40,000 is generally in need of extensive rehabilitation. The need for substantial rehabilitation increases the cost of the unit and is a barrier to home ownership, particularly by low income households.

The least expensive units on the Eastern Shore are located outside of the towns and villages. While the units are affordable, they are frequently located in remote areas that are inaccessible to public transit and jobs. Without access to transportation and jobs, households cannot afford to purchase, rehabilitate and maintain housing.

Despite environmental constraints on the Eastern Shore that limit the availability of land, lots for single family home development are available. The environmental constraints on the Eastern Shore, particularly the sandy soils that require care in the siting of septic tanks without negatively impacting wells, results in the need for excessively large lots. The large lots add to the cost of housing. Without central water or sanitary sewer it is difficult to develop higher density housing, which can be more affordable.

Bay Creek, a significant new development on the Eastern Shore is being developed in Cape Charles. Bay Creek is being marketed as a resort community. Realtors report that the impact of new development in Northampton County has increased the price of housing in the County in concentric circles moving away from Cape Charles. The Northampton County Department of Social Services reports that in the past two years, it has seen more clients from the Cape Charles area whose house has been sold by the owner to take advantage of the increased prices and speculation by investors in the community. The resort nature of certain areas of the Eastern Shore also results in higher housing costs. Resort housing values are related to the unit's value as an investment.

As reported in Section VII(J) of this document, the Chesapeake Bay Bridge-Tunnel Commission has considered a reduction in toll rates for commuter traffic. Depending on the toll rate, the reduction has the potential to open up the southern part of Northampton County for commuter-oriented bedroom-community development. The resulting demand may increase the cost of land and housing in the southern part of Northampton County. This market trend will increase the cost of home ownership with the effect that lower income households may be priced out of the sales market.

xiii Summary of Housing Needs

Using the Comprehensive Housing Affordability Strategy (CHAS) Database prepared by the US Census in 1993 with data from the 1990 Census, the tables on the following pages were prepared showing households on the Eastern Shore by Median Family Income (MFI) and the incident of housing problems by MFI. The CHAS Database only reports the information County-wide. It is not

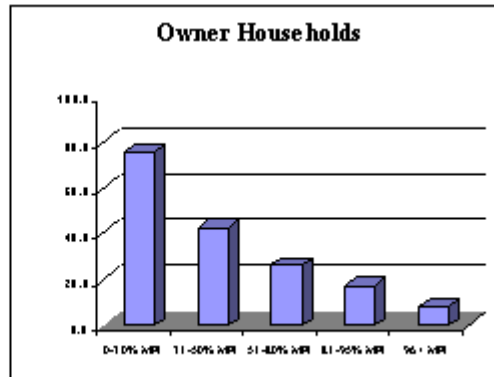
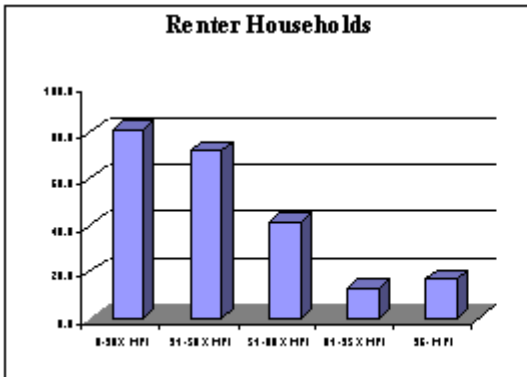
possible to report the information by municipality or census tract within Accomack County and Northampton County.

Accomack County Households by Income and Housing Problems						
Income Category of Resident	Total	With Any Housing Problems	% of Total	Cost Burden 30%	Extreme Cost Burden 50%	Over-crowded
Renters						
Extremely Low (0-30% MFI)	751	609	81.1	102	430	62
Very Low (31-50% MFI)	583	420	72.0	199	85	80
Low (51-80% MFI)	759	315	41.5	150	26	78
Middle (81-95% MFI)	316	41	13.0	15	0	10
Above (96%+ MFI)	916	150	16.4	35	0	59
Total	3,325	1,535	46.2	501	541	289
Owners						
Extremely Low (0-30% MFI)	1,411	1,062	75.3	418	558	27
Very Low (31-50% MFI)	1,080	459	42.5	241	107	46
Low (51-80% MFI)	1,763	395	26.0	224	61	37
Middle (81-95% MFI)	791	136	17.2	65	5	39
Above (96%+ MFI)	4,276	337	7.8	203	33	33
Total	9,051	2,389	26.4	1,151	764	182

Source: CHAS Database, US. Census Bureau, September 1993

Accomack County - Households with a Housing Problem

	Renters		Owners	
	W/problem	Percent	W/problem	Percent
0-30% MFI	609	81.1	1,062	75.3
31-50% MFI	420	72.0	459	42.5
51-80% MFI	315	41.5	395	26.0
81-95% MFI	41	13.0	136	17.2
96+ MFI	150	16.4	337	7.8



The CHAS Database reports 12,376 households in Accomack County (26.9 percent renters, 73.1 percent owners). The CHAS Database reports that 3,924 (31.2 percent) of the households in Accomack County have housing problems. The CHAS Database indicates that 83 percent of the households with housing problems are low income with incomes at or below 80 percent MFI.

Renter households make up 39 percent of the households in Accomack County with a housing problem. Sixty-three percent of the renter households are extremely low, very low, and low income (at or below 80 percent of MFI). The CHAS Database indicates that 87.5 percent of the renter households with a housing problem in Accomack County have income at or below 80 percent MFI.

The CHAS Database reports that homeowners make up 61 percent of the households in Accomack County with a housing problem. Forty-seven percent of the owner households have income at or below 80 percent MFI. The CHAS Database indicates that 80 percent of the owner households with a housing problem have incomes at or below 80 percent of MFI.

The CHAS Database records information regarding cost burden in Accomack County. Some 2,957 of the 12,376 households in Accomack County, representing 23.9 percent of the total households, are cost burdened. The CHAS Database reports that 64.8 percent of the cost burdened households are owners. As noted in Section V(A)(viii) and (ix), cost burden is concentrated among households with incomes of less than \$10,000 per year.

- There are 1,508 extremely low income households that are cost burdened (35 percent renters, 65 percent owners). 69.7 percent of the total extremely low income households are cost burdened.
- There are 632 very low income cost burdened households (45 percent renters, 55 owners). 38 percent of the total very low income households are cost burdened.
- There are 461 low income households that are cost burdened (38 percent renters, 62 percent owners). 18.2 percent of the total low income households are cost burdened.
- There are 356 households with income above 80 percent MFI that are cost burdened (14 percent renters, 86 percent owners). About six percent of the households with income above 80 percent MFI are cost burdened.

The CHAS Database records information regarding households in overcrowded housing units in Accomack County. Of the 12,376 households in Accomack County, 471 (3.8 percent) are overcrowded with more than 1.01 persons per room. The CHAS Database indicates that 70 percent of the overcrowded households have incomes at or below 80 percent of MFI. The CHAS Databook reports that 61.4 percent of the overcrowded households are renters.

- ***Housing Needs of Elderly, Small Family, Large Family, and Other Households***

Housing needs vary based on factors such as size of household, age of householders, and type of household. Elderly households are defined as having one or two persons with the head of household age 65 or over. Small family households consist of one to four related individuals. Large family households have five or more related individuals. Households that do not fall into one of the three categories are identified as “other”.

The CHAS Database reports the following information for extremely low, very low, and low income renter households by household size in Accomack County.

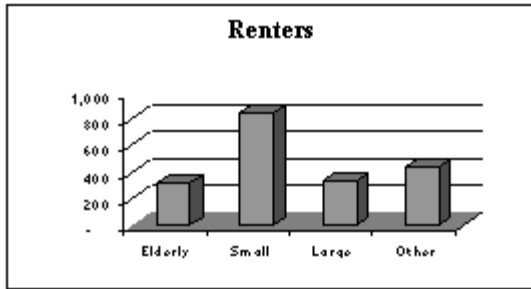
Accomack County									
Renter Households With Incomes Below 80 Percent MFI Having Any Housing Problem									
	Households 0-30% MFI	With a Housing Problem	Households 31-50% MFI	With a Housing Problem	Households 51-80% MFI	With a Housing Problem	Total Households	With a Housing Problem	% with a Housing Problem
Elderly	260	195	117	62	98	54	475	311	65.5
Small	209	187	289	229	351	104	849	520	61.2
Large	96	83	104	82	131	90	331	255	77.0
Other	186	144	73	47	179	67	438	258	58.9
Total	751	609	583	420	759	315	2,093	1,344	64.2

Source: CHAS Database, US Census Bureau, September 1993

The above table shows that of the renter households in Accomack County between 0 percent and 80 percent of MFI, 64.2 percent report a housing problem. Among the low income renter

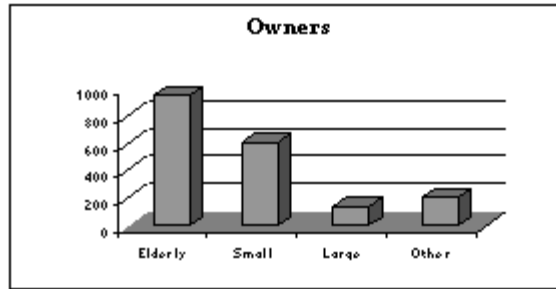
**Accomack County
Renter Households Below 80% MFI**

	With a Housing Problem	Percent
Elderly	311	65.5
Small	849	61.2
Large	331	77.0
Other	438	58.9
Total	1,344	64.2



**Accomack County
Owner Households Below 80% MFI**

	With a Housing Problem	Percent
Elderly	959	42.5
Small	608	45.7
Large	140	56.2
Other	209	49.8
Total	1,916	45.0



households, the greatest number of households report

ing a housing problem are small households while the largest percentage of households reporting a housing problem are large households.

The CHAS Database reports the following information for extremely low, very low, and low income owner households by household size in Accomack County.

Accomack County Owner Households With Incomes Below 80 Percent MFI Having Any Housing Problem									
	Households 0-30% MFI	With a Housing Problem	Households 31-50% MFI	With a Housing Problem	Households 51-80% MFI	With a Housing Problem	Total Households	With a Housing Problem	% with a Housing Problem
Elderly	904	696	608	204	744	59	2,256	959	42.5
Small	313	234	309	150	707	224	1,329	608	45.7
Large	42	42	79	53	128	45	249	140	56.2
Other	152	90	84	52	184	67	420	209	49.8
Total	1,411	1,062	1,080	459	1,769	395	4,254	1,916	45.0

Source: CHAS Database, US Census Bureau, September 1993

The above table shows that among low income owner households 45 percent report a housing problem. As with renter households, the largest percentage of households reporting a housing problem are large households although the greatest absolute number of households reporting a housing problem are elderly households.

**Accomack County
Renter Households With Incomes Below 80 Percent MFI Having Any Housing Problem
by Race of Household**

	Total	Elderly	Small	Large
White Non-Hispanic	46.5	51.1	47.3	22.1
Black Non-Hispanic	77.0	85.4	68.6	93.5
Hispanic	41.7	0.0	66.6	100.0
All	64.2	65.5	61.2	77.0

Source: CHAS Database, US Census Bureau, September 1993

The above table shows that 64.2 percent of all renter households below 80 percent MFI in Accomack County have a housing problem. As defined by HUD, a disproportionately greater need among any racial or ethnic group exists when a particular racial or ethnic group is at least ten percentage points higher than the percentage of persons in the category as a whole. Using the HUD standard, black non-Hispanic households have a disproportionately greater need. Among renter households types, elderly black non-Hispanic households, large black non-Hispanic households, and large Hispanic households in Accomack County have a disproportionately greater need.

**Accomack County
Owner Households With Incomes Below 80 Percent MFI Having Any Housing Problem by Race
of Household**

	Total	Elderly	Small	Large
White Non-Hispanic	41.4	38.5	45.9	55.0
Black Non-Hispanic	53.6	57.3	44.8	57.1
Hispanic	100.0	100.0	100.0	0.0
All	45.0	42.5	45.7	56.2

Source: CHAS Database, US Census Bureau, September 1993

The above table shows that 45 percent of all owner households below 80 percent of MFI in Accomack County have a housing problem. The above table shows that among owner households there is a disproportionately greater need by black Non-Hispanic elderly households, Hispanic elderly households, and Hispanic small households in Accomack County.

Northampton County Households by Income and Housing Problems						
Income Category of Resident	Total	With Any Housing Problems	% of Total	Cost Burden 30%	Extreme Cost Burden 50%	Over-crowded
Renters						
Extremely Low (0-30% MFI)	593	459	77.4	108	238	37
Very Low (31-50% MFI)	352	252	71.6	90	28	38
Low (51-80% MFI)	282	128	45.4	31	0	35
Middle (81-95% MFI)	124	23	18.5	2	0	2
Above (96%+ MFI)	323	32	9.9	3	0	2
Total	1,674	894	53.4	234	266	114
Owners						
Extremely Low (0-30% MFI)	505	364	72.1	142	185	13
Very Low (31-50% MFI)	456	221	48.5	93	67	15
Low (51-80% MFI)	581	147	25.3	75	14	32
Middle (81-95% MFI)	264	48	18.2	37	7	4
Above (96%+ MFI)	1,608	48	4.3	46	17	12
Total	3,414	828	24.3	393	290	76

Source: CHAS Database, U.S. Census Bureau, September 1993

The CHAS Database reports 5,088 households in Northampton County (32.9 percent renters, 67.1 percent owners). The CHAS Database reports that 1,722 (33.8 percent) of the households in Northampton County have housing problems. The CHAS Database indicates that 91 percent of the households with housing problems are low income with incomes at or below 80 percent MFI.

Renter households make up 51.9 percent of the households in Northampton County with a housing problem. Seventy-three percent of the renter households are extremely low, very low, and low income (at or below 80 percent of MFI). The CHAS Database indicates that 93.8 percent of the renter households with a housing problem in Northampton County have income at or below 80 percent MFI.

The CHAS Database reports that homeowners make up 48.1 percent of the households in Northampton County with a housing problem. Forty-five percent of the owner households have income at or below 80 percent MFI. The CHAS Database indicates that 88 percent of the owner households with a housing problem have incomes at or below 80 percent of MFI.

The CHAS Database records information regarding cost burden in Northampton County. 1,183 of the 5,088 households in Northampton County, representing 23.3 percent of the total households, are cost burdened. The CHAS Database reports that 57.7 percent of the cost burdened households are owners.

- There are 673 extremely low income households that are cost burdened (51 percent renters, 49 percent owners). 61.3 percent of the total extremely low income households are cost burdened.
- There are 278 very low income cost burdened households (42 percent renters, 58 owners). 34.4 percent of the total very low income households are cost burdened.
- There are 120 low income households that are cost burdened (26 percent renters, 74 percent owners). 13.9 percent of the total low income households are cost burdened.
- There are 112 households with income above 80 percent MFI that are cost burdened (5 percent renters, 95 percent owners). About five percent of the households with income above 80 percent MFI are cost burdened.

Of the 5,088 households in Northampton County, 190 (3.7 percent) are overcrowded with more than 1.01 persons per room. The CHAS Database indicates that 89 percent of the overcrowded households have incomes at or below 80 percent of MFI indicating problems with finding affordable units causing households to double-up. The CHAS Database reports that 60 percent of the overcrowded households are renters.

- ***Housing Needs of Elderly, Small Family, Large Family, and Other Households***

The CHAS Database reports the following information for extremely low, very low, and low income renter households by household size in Northampton County.

The CHAS Database reports the following information for extremely low, very low, and low income renter households by household size in Northampton County.

Northampton County									
Renter Households With Incomes Below 80 Percent MFI Having Any Housing Problem									
	Households 0-30% MFI	With a Housing Problem	Households 31-50% MFI	With a Housing Problem	Households 51-80% MFI	With a Housing Problem	Total Households	With a Housing Problem	% with a Housing Problem
Elderly	236	169	86	48	76	41	398	258	64.8
Small	174	144	113	85	110	39	397	268	67.5
Large	47	41	77	63	46	26	170	130	76.5
Other	136	105	76	56	50	22	262	183	69.8
Total	593	459	352	252	282	128	1,227	859	68.4

Source: CHAS Database, US Census Bureau, September 1993

The above table shows that of the renter households in Northampton County between 0 percent and 80 percent of MFI, 68.4 percent report a housing problem. Among the low income renter households, the greatest number of households reporting a housing problem are small households while the largest percentage of households reporting a housing problem are large households. This pattern was also reported among low income renter households in Accomack County.

The CHAS Database reports the following information for extremely low, very low, and low income owner households by household size in Northampton County.

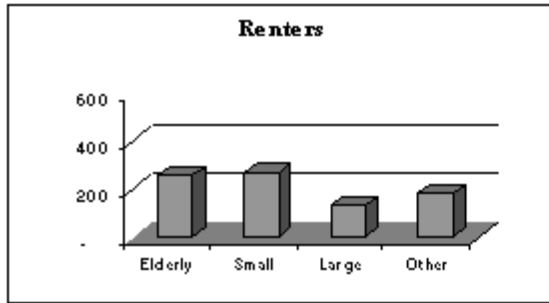
Northampton County									
Owner Households With Incomes Below 80 Percent MFI Having Any Housing Problem									
	Households 0-30% MFI	With a Housing Problem	Households 31-50% MFI	With a Housing Problem	Households 51-80% MFI	With a Housing Problem	Total Households	With a Housing Problem	% with a Housing Problem
Elderly	299	203	258	115	247	30	804	348	43.3
Small	97	79	69	33	199	55	365	167	45.8
Large	34	26	96	59	71	43	201	128	63.7
Other	75	56	33	14	64	19	172	89	51.7
Total	505	364	456	221	581	147	1,542	732	47.4

Source: CHAS Database, US Census Bureau, September 1993

The above table shows that among low income owner households 47.4 percent report a housing problem. As with renter households, the largest percentage of households reporting a housing problem are large households. The greatest absolute number of households reporting a housing problem are elderly households. This pattern was also reported among low income owner households in Accomack County.

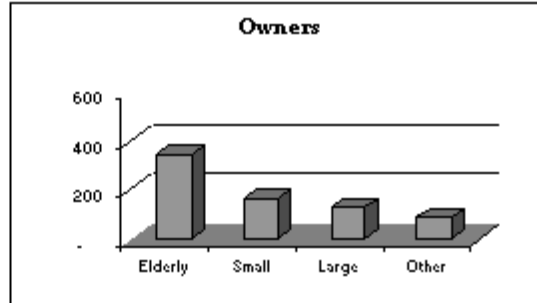
**Northampton County
Renter Households Below 80% MFI**

	With a Housing Problem	Percent
Elderly	258	64.8
Small	268	67.5
Large	130	76.5
Other	183	69.8
Total	859	68.4



**Northampton County
Owner Households Below 80% MFI**

	With a Housing Problem	Percent
Elderly	348	43.3
Small	167	45.8
Large	128	63.7
Other	89	51.7
Total	732	47.4



Northampton County Renter Households With Incomes Below 80 Percent MFI Having Any Housing Problem by Race of Household				
	Total	Elderly	Small	Large
White Non-Hispanic	52.6	54.8	57.1	40.6
Black Non-Hispanic	75.9	69.9	73.3	84.7
Hispanic	64.7	100.0	50.0	100.0
All	68.4	64.8	67.5	76.5

Source: CHAS Database, US Census Bureau, September 1993

The above table shows that 68.4 percent of all renter households below 80 MFI in Northampton County have a housing problem. Using the HUD standard for disproportionately greater need, no group among all households has a disproportionately greater need. Looking at the household types shows that Hispanic elderly households and Hispanic large households in Northampton County have a disproportionately greater need.

**Northampton County
Owner Households With Incomes Below 80 Percent MFI Having Any Housing Problem
by Race of Household**

	Total	Elderly	Small	Large
White Non-Hispanic	42.5	37.6	49.0	55.5
Black Non-Hispanic	51.1	50.3	43.1	63.9
Hispanic	100.0	0.0	0.0	100.0
All	47.5	43.3	45.8	63.7

Source: CHAS Database, US Census Bureau, September 1993

The above table shows that 47.5 percent of all owner households below 80 percent of MFI in Northampton County have a housing problem. There is a disproportionately greater need among Hispanic households. By household types, the above table shows that among owner households, there is a disproportionately greater need by large Hispanic in Northampton County.

B Rental Needs of Lower Income Households

i Need for Rental Assistance

Information from the CHAS Database contained in Section V(A) of this document reports that in *Accomack County*:

- There are 751 extremely low income (less than 30 percent MFI) renter households.
- 81 percent (609 households) have a housing problem.
- 70.8 percent of the extremely low income renter households (532 households) are cost burdened.
- 8.2 percent (62 households) are overcrowded.
- 32 percent (195 households) of the extremely low income households with a housing problem are elderly households and 31 percent (187 households) are small households.
- 27 percent of the vacant for rent units are affordable to extremely low income households.
- The National Low Income Housing Coalition estimates that extremely low income households can afford only \$176 per month for housing costs.

The CHAS Database indicates that in *Northampton County*:

- There are 593 extremely low income renter households.
- 77 percent (459 households) have a housing problem.
- 58.3 percent of the extremely low income renter households (346 households) are cost burdened.
- 37 percent (169 households) of the extremely low income households with a housing problem are elderly households and 31 percent (144 households) are small households.
- 64 percent of the vacant for rent units are affordable to extremely low income households.
- 6.2 percent (37 households) are overcrowded.

- The National Low Income Housing Coalition estimates that extremely low income households can afford only \$151 per month for housing costs.

The CHAS Database indicates that on the *Eastern Shore*:

- There are 1,344 extremely low income renter households.
- 79.5 percent (1,068 households) have a housing problem.
- 65.3 percent of the extremely low income renter households (878 households) are cost burdened.
- 34 percent (364 households) of the extremely low income households with a housing problem are elderly households, 31 percent (331 households) are small households, 11.6 percent (124 households) are large households, and 23.4 (249 households) are other households.
- 38 percent of the vacant for rent units are affordable to extremely low income households.
- 7.4 percent (99 households) are overcrowded.

Extremely low income households require public housing or rental assistance in order to be adequately housed. The extremely low income households cannot afford tax credit housing or private assisted housing without rental assistance. On the Eastern Shore, the extremely low income households compete for a limited supply of public housing, Section 8 vouchers or private assisted housing. The supply of assisted housing for families is very limited on the Eastern Shore with many of the assisted units restricted to the elderly or persons with disabilities.

The Accomack-Northampton Regional Housing Authority (RHA) administers 348 Section 8 vouchers and 150 Section 8 vouchers under its “Mainstream” program for non-elderly disabled for a total of 498 Section 8 vouchers. As of April 2001, the RHA reports that there were 421 households on the Section 8 waiting list. About 70 percent of the Section 8 voucher holders on the Eastern Shore receive income from employment. Because wages on the Eastern Shore are low and the jobs in the service industry do not provide opportunities for promotions to higher wage jobs, there is very little turnover of Section 8 vouchers.

The RHA indicates that the number one need for rental assistance on the Eastern Shore involves single mothers with children. Presumably because there are several assisted elderly housing developments on the Eastern Shore, there are fewer elderly households on the Section 8 waiting list.

Landlords participating in the Section 8 program are aware that the rental units must meet the Housing Quality Standards (HQS) established by the US Department of Housing and Urban Development (HUD). Consequently, the rental units available to households receiving Section 8 assistance are usually in reasonably good condition, with only minor repairs needed (painting, windows, light fixtures). Landlords are anxious to participate in the Section 8 program because it is a good mechanism for the timely payment of rent. The number of participating landlords is on the rise. The RHA makes sure that tenant contributions to rent are paid in full and on time.

About 30 percent of all voucher holders live in mobile homes, which must be anchored in order to meet HUD’s HQS. There are few private apartment buildings on the Eastern Shore. Most of the Section 8 voucher holders reside in older single family detached homes that are occupied as rental housing. The dwellings typically lack washer, dryer and air conditioning.

The Eastern Shore Coalition Against Domestic Violence (ESCADV) refers clients to the RHA for Section 8 assistance. The ESCADV reports that because of the long waiting time for assistance, victims of domestic violence on the Eastern Shore often times must return to live with their abuser because Section 8 assistance is not immediately available. The ESCADV reports that it is aware of households being turned away by landlords because they have children, which is in violation of fair Housing laws.

The Center for Independent Living refers persons with physical disabilities to the RHA for Section 8 assistance. The Center reports that there is a very limited supply of rental housing on the Eastern Shore that has been modified to accommodate the physically disabled. Generally landlords are willing to make modifications, but they require the tenant pay for the modifications. Extremely low income households can not afford to make the modifications. Once a household is awarded Section 8 assistance, it is given 60 days to find a unit and begin using the Section 8 voucher. The Center reports that because of lack of quality rental housing on the Eastern Shore that is accessible to the physically disabled, many of the households cannot find a unit in 60 days and must re-enter the Section 8 waiting list.

Service providers for special needs populations on the Eastern Shore report that because of the lack of quality rental housing, once clients receive Section 8 assistance they often must relocate from one community to another to find rental housing that complies with HQS. The relocation is particularly difficult on families with children who must change schools and to persons lacking transportation who must relocate further away from their jobs.

Besides financial assistance, extremely low income households require services that contribute to their well being. The services can include social work, case management, counseling, employment and training, daycare, activities for children and youth, health services, and services for the elderly. Rental housing for extremely low income households should be accessible by public transportation or have access to employment and educational opportunities and services such as daycare and shopping.

ii Unmet Rental Housing Needs of Special Populations

Special needs housing or supportive housing is for people who cannot maintain housing stability on their own and need supportive services to meet their needs. The target group includes people with mental illness, developmental disabilities, physical disabilities, HIV/AIDS, substance abusers in recovery, at-risk single parents, at-risk youth, and programs that serve low income or formerly homeless persons. Supportive housing can be either transitional or permanent, but the trend is toward providing permanent housing. Services are an integral part of supportive housing and typically require strong partnership arrangements with other community groups and service organizations.

A key financing principle of supportive housing development is that they must be economically self-sustaining, with the long-term cash flow built into the basic project underwriting. Funding uncertainties are particularly acute in supportive housing programs because of uncertainties about the long-term availability of resources needed to fund the social services. Much of the funding for social services is annual funding that is vulnerable to budget cuts. Despite the need for deep subsidies, supportive housing is far less expensive than institutionalization.

- ***Elderly and Frail Elderly***

When a person has one or more limitations of Activities of Daily Living (ADL), they may need assistance to perform routine activities of daily living and therefore, can be considered frail. Elderly persons may need housing assistance for two reasons; financial and supportive. Supportive housing is needed when an elderly person is both frail and low income since the housing assistance offers services to compensate for the frailty in addition to the financial assistance. By this definition of need, there are no elderly that require supportive housing, only frail elderly.

An estimate of the number of frail elderly requiring supportive services can be obtained by applying the national prevalence statistics for the proportion of elderly that required assistance with daily living skills to the number of elderly households in Accomack County and Northampton County who are low income.

The population of the Eastern Shore is older than the population State-wide. State-wide in 2000 just 11 percent of the population was age 65 and over. The 1990 Census reported that in *Accomack County*, there were 5,851 (18.5 percent) persons over the age of 65. The 2000 Census reports that in *Accomack County* there were 6,389 persons (16.7 percent) persons age 65 and over. The 1990 Census reported that in *Northampton County*, there were 2,589 (19 percent) persons age 65 and over. The 2000 Census reports that in *Northampton County* there were 2,771 (21.2 percent) persons age 65 and over. Applying the national prevalence statistics of 14.4 percent of all elderly who require assistance with daily living skills to this population, 1,319 low income frail elderly persons require housing with supportive services housing on the Eastern Shore.

Information from the CHAS Database reported in Section V(A)(xiii) of this document reports for *Accomack County* that among elderly renter households:

- 75 percent of the extremely low income have a housing problem,
- 53 percent of the very low income have a housing problem, and
- 55 percent of the low income have a housing problem.

The CHAS Database identifies that among elderly renter households in *Northampton County*

- 71.6 percent of the extremely low income have a housing problem,
- 55.8 percent of the very low income have a housing problem, and
- 53.9 percent of the low income have a housing problem.

As elderly persons become frail, there is a higher incidence of poverty, and a greater need for care in the home. The Eastern Shore Agency on Aging/Community Action Agency offers an in-home care program described in Part 6(E) of this document. During 2000, the Agency assisted 70 clients with the in-home care program. The Agency reports that the private market has sufficiently supplemented the in-home care program it provides.

For elderly persons in need of housing assistance, the number of Accomack County residents in 1990 age 65 and over and below the poverty level was 1,378 and the number of Northampton County in 1990 age 65 and over and below the poverty level was 655. It was assumed that this population would be most in need of economic housing assistance among the elderly. This figure

excludes the elderly who have supportive housing needs for exclusively non-economic reasons. It is anticipated that some elderly above the poverty level are also in need of financial housing assistance; the estimate provided should be viewed as a minimum number.

The number of frail elderly in need of supportive housing was estimated by multiplying the number of elderly on the Eastern Shore below the poverty line (2,033) by the national percentage of elderly either institutionalized or with at least one limitation of Activities of Daily Living (ADLs), which was equivalent to 20.1 percent or 408 persons. The number reported is a minimum. Many elderly with ADL limitations who are not below the poverty line also require supportive housing. The need, however, is more severe among the lower income population.

The Assisted Rental Housing Inventory contained in Section IV(A) of this document identifies 274 units of assisted housing for elderly households on the Eastern Shore. As of June, 2001, there were 79 households on the waiting lists at the assisted elderly rental housing developments on the Eastern Shore.

The Agency reports that the elderly population that it serves on the Eastern Shore is growing. The growing elderly population is comprised of long-time residents who spent their lives working low pay jobs. They subsist on Social Security, which is very limited due to low earnings. Some elderly have small pensions. Most of the Agency's clients retired before the poultry plants began operation on the Eastern Shore, so most have no employer pension. The high cost of medicine and medical care is a major problem faced by the elderly on the Eastern Shore with elderly households forced to decide between obtaining health care or decent housing.

The Agency reports that many of the housing units in which the elderly reside on the Eastern Shore would be lost from the stock if building and property maintenance codes were strictly enforced. The Agency reports that there is a need for additional decent affordable housing for the elderly on the Eastern Shore.

- ***Mentally Ill***

Severe mental illness includes the diagnoses of psychoses and the major affective disorders such as bipolar and major depression. The condition must be chronic, meaning it has existed for at least one year, in order to meet the HUD definition for a disability.

National prevalence data indicates that one percent of the adult population meets a definition of severe mental illness. The number that require supportive housing can be derived from national statistics as described below.

Three national surveys of patients in a variety of psychiatric residential settings provide norms for assessing the needs of the mentally ill. Use of these figures assumes that the institutionalized population is most in need of supportive housing as they either entered the institution from a near-homeless situation or may become homeless upon leaving. These studies indicate the following statistics.

- Approximately nine percent of patients of state mental hospitals are either homeless or in danger of becoming homeless.

- Approximately 15 percent of patients leaving a state mental hospital need housing or are in danger of losing their housing.
- Approximately 22 percent of patients entering a community hospital were literally homeless; 11 percent had been literally homeless within three months prior to admission.

The conclusion provided by HUD is that the possible range of homelessness among mental hospital patients appears to be four percent to 22 percent for literal homelessness at admission, and an additional five percent to 11 percent who are in danger of becoming homeless.

Approximately one percent of the adult population meets a definition of severe mental illness. For *Accomack County*, this is equivalent to 299 adults and for *Northampton County*, this is equivalent to 100 adults, assuming all persons 18 years of age and above to be adults.

The Eastern Shore Community Services Board (ESCSB) provides services to the mentally ill on the Eastern Shore. An inventory of services provided by ESCSB is contained in Section VI(E) of this document.

The A-NRHA has 150 Section 8 non-elderly Disability Vouchers from HUD. The ESCSB refers clients to A-NRHA for the Section 8 vouchers. Some 75 of these vouchers are exclusively for the disabled, including the severely mentally ill, while 75 are for the disabled or elderly. The vouchers were awarded in December 2000 and it was anticipated that they would be fully utilized by September 2001.

ESCSB receives funds from the State of Virginia Department of Health to provide services to the mentally ill and mentally retarded. The funds are for persons at risk of being institutionalized and can be used for most anything that will allow them to remain housed including on-going rent (usually no more than three months), security deposits, furniture, utilities. The program is based on need and was first funded in 1999. In 2000, the program funded 28 severely mental ill persons and 40 mentally ill persons.

The ESCSB reports that besides lack of funds, a major problem for its clients on the Eastern Shore is finding rental housing that is not substandard and that will meet the Section 8 Housing Quality Standards (HQS). The ESCSB reports that much of the housing in the community was built prior to 1950 with the old units not being able to meet the HQS. Also many of the units built on the Eastern Shore in the 1970s under FHA are falling apart and do not meet the HQS. The ESCSB reports that because of quality issues, most of the mobile homes that are for rent can not meet the HQS, with many of the older mobile homes on the Eastern Shore lacking central heat.

The ESCSB reports that it prefers to be able to house clients in areas of the Eastern Shore where they prefer to live. But this makes it more difficult to place persons, particularly in the rural areas outside of the settled communities, where there are few quality rental units. The ESCSB indicated that with more Section 8 assistance available in recent years, rents have increased on the Eastern Shore to reflect the HUD Fair Market Rents. The ESCSB reports that paying tap-in fees to community sewer or water is a major obstacle for its clients. The ESCSB reports that clients who can find employment can usually afford rental housing, although it may not always be good quality. A problem is the relative absence of jobs with career growth opportunities outside of the service

industries and the poultry plants. The ESCSB reports there is a need for transitional housing for the mentally ill on the Eastern Shore in addition to emergency shelter besides the faith based emergency housing available at Light House Ministries. Many of the clients the ESCSB has placed at Light House Ministries reportedly leave because they do not wish to participate in the faith requirements. The ESCSB reports that it lacks funding of any kind for households with mentally ill children. Many of the single parents leave their jobs because of lack of child care. Frequently, these families subsist on the mentally ill child's Social Security income.

- ***Developmentally Disabled***

The 1990 Census reports 529 persons in *Accomack County* and another 264 persons in *Northampton County* who are between the ages of 16 and 64 and have a self-care limitation that creates a work disability. The 529 persons represent 1.7 percent of Accomack County's 1990 population and the 264 persons represent 2.0 percent of Northampton County's 1990 population. The base definition of developmental disability is an IQ score of less than 70. The Association for Retarded Citizens (ARC), a national organization for retarded and disabled citizens suggests that nationally accepted percentage of the population which can be categorized as developmentally disabled is ten percent of the population of persons with self-care limitations. Using the ARC estimate, there are 53 persons in Accomack County and another 26 persons in Northampton County who are developmentally disabled. The number of persons in need of supportive housing is not known.

The ESCSB reports that there is a need for additional small group homes for mentally disabled persons who are leaving institutions. The ESCSB indicated that as of May, 2001, there are 20 persons on its waiting list for a bed in a group home. Because occupants of the small group homes usually live the remainder of their lives in the group homes, the average wait for a space is four years.

The ESCSB reports a need for decent affordable rental housing because many of its clients live in substandard housing. The ESCSB reports that poverty on the Eastern Shore contributes to mental health problems. The poor do not receive proper medical care during their pregnancy, which can create problems for their children.

Transportation is pervasive problem. The ESCSB's fleet of vans is aging and replacements are needed. The ESCSB is constantly seeking funds for transportation.

- ***Physically Disabled***

To be considered physically disabled, a person must have an illness which substantially impedes one or more life's major activities. Conditions include orthopedic impairments, arthritis, heart disease, visual impairments, inter vertebral disc disorders, asthma, nervous disorders, hypertension, diabetes, hearing impairments, emphysema, cerebrovascular disease and osteomyelitis/bone disorders.

Not all persons with physical disabilities require supportive housing. However, for those that cannot live with family or are in need of help in performing the Activities of Daily Living and for whom attendant care in their own home is not sufficient, supportive housing is an option.

Demographic characteristics indicate an increasingly older population with the US Census reporting that the two fastest growing population segments are the 45 year to 54 year and the 75 year and up age groups. Most older people will experience temporary disability at some point in their lives. The US Census reports that almost 20 percent of the population has some level of disability and ten percent describe the disability as severe.

In Accomack County, the Census reports:

- in 2000, there were 5,167(13.5 percent of population) in the 45 year to 54 year age group;
- in 2000, there were 2,884 persons (7.5 percent of population) in the 75 year and up age group; and
- in 1990, there were 1,448 persons age 16 and over, or 5.8 percent of the population age 16 and over, with a mobility limitation.

In Northampton County, the Census reports:

- in 2000, there were 1,804 (13.8 percent of population) in the 45 year to 54 year age group;
- in 2000, there were 1,269 persons (9.7 percent of population) in the 75 year and up age group; and
- in 1990, there were 695 persons age 16 and over, or 6.9 percent of the population age 16 and over, have a mobility limitation.

As described in Section VI(E) of this document, the Center for Independent Living is a private non-profit organization that provides information, referral, and advocacy for persons who are physically disabled on the Eastern Shore. The Center for Independent Living reports that in 2000 it had approximately \$19,000 in funds for adaptive improvements. In 2000 the Center for Independent Living assisted ten households with the funds. About half the households assisted were elderly.

Outside of assisted housing, there is no rental housing for the disabled on the Eastern Shore. Many of the units need repairs beyond those that are eligible for funding as part of the Center for Independent Living's adaptive modification funds. The Center for Independent Living prefers not to provide funds for adaptive modifications for units that are substandard.

Households with disabled persons often must relocate from their established community to another part of the Eastern Shore to find accessible housing. Landlords will make modifications to units to accommodate the disabled, but the landlords require the disabled to pay for the modifications. The Center for Independent Living reports that some landlords refuse to rent to households with children.

The Center for Independent Living reports that client households reunion on the waiting list for Section 8 assistance for about a year. Also, households have only 60 days from the time they are notified that the Section 8 voucher will be made available to them until they find a unit and begin to use the Section 8 assistance. The Center for Independent Living reports that because of lack of quality rental housing on the Eastern Shore that is accessible to the physically disabled, many of the households cannot find a unit in 60 days and must re-enter the waiting list for Section 8 assistance.

In addition to the need for quality rental units, the Center for Independent Living reports the need for assistance for households wanting to purchase a home.

- ***Persons with Alcohol and Other Addictions***

Alcohol or other drug abuse is defined as an excessive and impairing use of a lcohol or other drugs, including addiction. Persons who are classified with alcohol or other addictions may have a history of inpatient treatment (detox), be identified by current symptomatology or by an assessment of current intake, and by some combination of these approaches. The National Institute of Alcohol Abuse and Alcoholism estimates the number of men with drinking problems at 14 percent to 16 percent and the number of women with similar problems at six percent. No similar statistics exist for abuse of other drugs. However, the National Institute of Alcohol Abuse and Alcoholism estimates that one third or more of the clients in publicly funded residential group programs are homeless most of the year before entering treatment. Since this group lacks housing and medical insurance, it is assumed that they are low income and in need of supportive housing.

Service providers assisting the homeless, victims of domestic violence and the mentally disabled on the Eastern Shore indicate that between one-third and one-half of their clients have problems with substance abuse. There is no residential treatment program for persons on the Eastern Shore with substance abuse problems. The ESCSB offers substance abuse counseling. Transitional living quarters and services have been identified as a need by service providers. This need occurs for clients who, while in treatment, either lose their housing or realize that their ability to sustain long term sobriety is negatively affected if they remain in their current housing situation.

Other identified needs include adequate outreach and referral services, facilities to accept special population groups, particularly veterans, on a temporary or permanent basis when the individual requires a supervised setting due to drug or alcohol addiction or inability to deal with pressures of daily living, and transitional housing for individuals and single parent families who have completed short term treatment programs.

- ***Persons with HIV/AIDS***

The Virginia Department of Health (VDH) reports that as of the end of 2000, there were 90 diagnosed cases of AIDS on the Eastern Shore and 112 persons who were diagnosed as HIV positive. Of the 90 persons diagnosed with AIDS, 38 have died. The VDH reports that 61 percent of the persons on the Eastern Shore diagnosed with HIV/AIDS are male and about 80 percent of the persons with HIV/AIDS are black. The VDH reports that about one-third of the persons with HIV/AIDS on the Eastern Shore are between the ages of 20 to 29, another third are between the ages of 30 to 39, and the remainder are above age 40.

The Eastern Shore Health District (ESHD), which serves both Counties, reports that as of May, 2001, it was providing case management services to 50 persons with HIV/AIDS. The ESHD indicates that other persons with HIV/AIDS in the community use private services while others go to the mainland to access services. The ESHD reports that the majority of the persons with AIDS/HIV that it is assisting are black women. Many of the women are single with children.

While HIV is beginning to be considered a manageable chronic disease, there are many persons with HIV/AIDS, including those receiving medication, who are unemployed or are only able to work part-time with these persons subsisting on SSI. The households are in need of rental assistance to avoid losing their housing.

The Accomack-Northampton Housing and Redevelopment Corporation administers Housing Opportunities for Persons With AIDS (HOPWA) funds available from the Virginia Department of Housing and Community Development. The HOPWA funds are used on the Eastern Shore to provide tenant based rental assistance to persons with AIDS/HIV. The ESHD reports that during 2000, it referred six persons to the Housing Redevelopment corporation for HOPWA funds for rental assistance. In 2001, four persons were referred for HOPWA funds for rental assistance.

Many individuals with AIDS/HIV are not insured. Comprehensive primary medical care to manage many individuals' illness is important. Because of the many barriers that exist affecting the individuals with HIV's access to health care, there is a need for primary care services by the HIV population.

- ***Homeless***

There is no information available to quantify the population of persons on the Eastern Shore who are homeless. The following is a list of the characteristics of persons at-risk of homelessness on the Eastern Shore.

People without adequate and stable income will be continually at risk of a housing crisis. The Weldon Cooper Center for Public Service reports in *Virginia's Local Economies* that the average weekly wage in *Accomack County* is \$334, which is \$8.03 per hour for a 40 hour work week and \$17,368 annually. The Census indicates that there are 6,199 households (49 percent) in *Accomack County* with annual incomes of less than \$17,500. As reported in Section V (A)(xi) of this document, a household in *Accomack County* working full time at a job paying the average weekly wage cannot afford a three-bedroom or four-bedroom unit.

Virginia's Local Economies indicates that the average weekly wage in *Northampton County* is \$287, which is \$7.18 per hour for a 40 hour work week and \$14,924 annually. The Census indicates that there are 2,165 households (42.6 percent) in *Northampton County* with annual incomes of less than \$15,000. As reported in Section V (A)(xi) of this document, a household in *Northampton County* working full time at a job paying the average weekly wage can only afford a zero-bedroom or one-bedroom unit.

Many adults on the Eastern Shore work for low or minimum wages, without job skills that support long-term employment or without adequate formal education. People with no or minimum job skills are at risk of repeated housing crises. The 1990 Census reported that in *Accomack County*, 40.6 percent of the population age 25 years and over had not finished high school and in *Northampton County* 42.7 percent of the population age 25 and over had not finished high school.

Each child reared in a single parent family, as well as their family, is at risk of experiencing a housing crisis if they are poor. The 2000 Census reported that there were 2,210 female headed households in *Accomack County*. Fifty-six percent of the female headed households had children

under the age of 18. The 2000 Census reported that there were 929 female headed households in *Northampton County*. Fifty percent of the female headed households had children under the age of 18.

Cost burden, particularly among households whose income is less than 80 percent of MFI, is a concern. When households pay higher proportions of their incomes for housing, they are forced to sacrifice other basic necessities such as food, clothing and medical care. As was described in Section V(A)(xiii) of this document in *Accomack County*,

- 70.8 percent of the total extremely low income households are cost burdened;
- 48.7 percent of the total very low income households are cost burdened, and
- 23 percent of the total low income households are cost burdened.

In *Northampton County*,

- 58.3 percent of the total extremely low income households are cost burdened;
- 33.5 percent of the total very low income households are cost burdened, and
- 11 percent of the total low income households are cost burdened.

About half of all the cost burdened households on the Eastern Shore pay more than 50 percent of their income for housing. Households paying more than 50 percent of their income for housing are classified as severely cost burdened. Severely cost burdened households are most vulnerable to a housing crisis.

People who are doubling up, which is often identified by overcrowding, are at-risk of becoming homeless. Section V(A)(xiii) identifies 471 households in *Accomack County* that are overcrowded. Seventy percent of the overcrowded households have incomes below 80 percent MFI. In *Northampton County* there are 190 overcrowded households. Eighty-nine percent have incomes below 80 percent MFI.

Others who are vulnerable to residing in a shelter or on the street, and are at risk of becoming homeless include:

- Persons leaving institutions.
- Victims of domestic violence.
- Special needs populations (persons with AIDS, disabilities, drug and alcohol addiction).
- Large families who are low income.
- Residents of rooming houses.

There is no unduplicated count of the homeless population on the Eastern Shore. A description of the homeless population has been obtained through interviews with the staff at the two homeless shelters on the Eastern Shore.

The Eastern Shore Coalition Against Domestic Violence (ESCADV) operates a 16 bed emergency shelter for victims of domestic violence and their children. The ESCADV reports that during 2000 there were 960 bed nights used at the shelter. One percent of the clients were men. The number of persons served has been fairly consistent over the past few years. The ESCADV reports that

many of the occupants of the shelter cycle in and out before doing something permanent regarding their domestic situation. About one-third of the occupants are substance abusers.

Light House Ministries (LHM), the other emergency shelter on the Eastern Shore, contains 17 beds. Over the last few years the LHM has filled about 300 bed nights per year, although there are nights when the shelter is full and persons are turned away. Both shelters indicate that while many of the occupants at the shelter are non-residents passing through the community, most of the occupants are permanent residents of the Eastern Shore.

Staff persons at both emergency shelters on the Eastern Shore report that there is a lack of decent affordable rental housing available to its clients. Despite the fact that its homeless clients may be employed, as is often the case with persons staying at LHM, it can take a long time to save money for a security deposit, first month's rent and utilities. This phenomenon is due to the fact that jobs on the Eastern Shore pay lower wages. Many of the clients move to mobile homes, which LHM identifies as substandard. LHM reports that there is a lack of decent rental housing for young households that are just starting out. The emergency shelters cite transportation as a problem, particularly the lack of public transit in the evening and on the weekend that provides access to jobs at the poultry plants.

The ESCADV refers clients to the Regional Housing Authority for Section 8 assistance. The ESCADV reports that because of the long waiting time for assistance, victims of domestic violence on the Eastern Shore often must return to live with their abuser because Section 8 assistance is not immediately available. The ESCADV reports that it is aware of households being turned away by landlords because they have children.

The homeless service providers on the Eastern Shore report that many of the clients they serve cycle in and out of the emergency shelters. To avoid cycling in and out of the emergency shelters, the service providers indicate a need for transitional housing. Transitional programs for the homeless typically provide temporary or interim housing and services to homeless individuals and families living in emergency shelters to help facilitate the transition to long-term or permanent housing. Depending on the project, transitional programs may provide assistance for several days or weeks or for as long as two years. Another method of managing transitional housing needs is to place homeless persons directly into permanent housing, then provide supportive services to build self-sufficiency. Successful transitional housing programs involve the integration of housing and social services that develop life skills and foster self-sufficiency. Without the support of transitional housing and a life skills program to assist the homeless with overcoming their problems that lead to their homelessness, persons remain at risk of again becoming homeless.

Statistics show that as many as half of all homeless adults become homeless because they are evicted or experience some other problem with the landlord or with paying their rent. Providing legal assistance or legal representation to tenants in eviction proceedings greatly increases the likelihood that the tenant can win the case or reach an agreement with the landlord. Less intense programs that provide guidance and coaching, but not direct legal representation are not as helpful in preventing eviction. Emergency cash assistance programs that provide case-management assistance offering budgeting training, family counseling, and help in accessing welfare benefits, targeted to at-risk households, can also be beneficial in reducing homelessness. Without case-

management assistance, emergency cash assistance will not be a long-term solution to at-risk households.

- ***Migrant Farm Workers***

The primary source of housing for migrant farm workers on the Eastern Shore is farm labor camps, which are developed, owned and operated by the growers. The Eastern Shore contains one of the highest concentrations of migrant farm workers housing in the US. The housing at the farm labor camps on the Eastern Shore is diverse, consisting of mobile homes, single family stick built dwellings, apartments, and dormitories.

The Eastern Shore Health District (ESHD) reports that as of June 2001, there were 90 camps for migrant farm workers on the Eastern Shore. The ESHD indicates that in *Accomack County* there were 70 camps with a maximum capacity of 3,500 persons. There were 20 camps in *Northampton County* with a maximum capacity of 1,000 persons.

The ESHD is in charge of inspections of the camps. The inspectors enforce the State of Virginia's Office of Health Protection and Environmental Management codes, which has adopted the federal farm labor housing code. The four health department inspectors are directed to inspect the camps every two weeks. Recognizing that conditions at the farm labor camps can change quickly, the ESHD generally inspects each of the farm labor camps weekly. The ESHD reports that the vigorous inspection of the camps allows them to detect problems immediately, thus avoiding potential problems. The ESHD indicates that they have a good relationship with the growers on the Eastern Shore and that the growers are cooperative.

In the early 1980s, the farm labor camps on the Eastern Shore were identified as having some of the poorest quality housing for migrants in the US. Through adoption of the codes by the State and strict and continuous enforcement by the ESHD, the condition of the housing at the farm labor camps has improved significantly.

The Virginia Migrant and Seasonal Farm Workers Board indicates that because of modest farming revenues, growers have difficulty providing and maintaining housing for migrant farm workers. In the early 1990s, the Virginia Department of Housing and Community Development made funds available to growers through the Virginia Housing Partnership Revolving Fund. The funds were available in the form of a grant or low-interest loan, which could be used by growers to improve or build new housing. The ESHD reports that many growers on the Eastern Shore used funds from the Virginia Housing Partnership Revolving Fund, substantially improving the condition of the farm labor camps. In its Annual Report for 2000, the Migrant Worker Policy Committee of the Virginia Migrant and Seasonal Farm Workers Board recommends that funds be appropriated for a low interest loan program for construction and rehabilitation of farm worker housing.

The code that governs the construction and maintenance of migrant labor camps defines a camp as a facility that houses more than ten persons. The ESHD indicates that the definition effectively prevents it from enforcing the code against housing that is obviously occupied by migrants but contains less than ten persons. This loop hole raises concerns with the quality of the small migrant labor camps.

Generally, migrant farm workers living in grower provided camps are brought to the area under contract with the grower, and do not need to search for housing. Migrant farm workers who come to the Eastern Shore without a contract with a grower or who arrive later in the growing season generally must find housing on their own in the community. The National Council on Agricultural Life and Labor Research Fund, Inc. (NCALL Research) reports that annually, about 1,700 migrant farm workers seek alternative housing on the Eastern Shore.

NCALL Research reports that migrant farm workers on the Eastern Shore are very poor, with an average annual income of \$5,692. They are employed only 34 weeks per year, with many farm workers working 12 to 13 hours per day during the peak season to earn \$200 per week. Using the HUD Fair Market Rents as a guide, the median gross rent for a two-bedroom apartment is \$430 per month, which represents 90 percent of a migrant farm worker's income. Subsequently, migrant farm workers double-up, living in overcrowded housing in order to afford rents. Others live in vehicles or outdoors. Service providers on the Eastern Shore report that they are aware of landlords requiring a security deposit that often is beyond the farm worker's means. Furthermore, service providers indicate that many landlords on the Eastern Shore will not rent unless a one-year or six-month lease is signed. It has been reported that migrant farm workers are subject to price gouging by landlords on the Eastern Shore. Service providers on the Eastern Shore indicate that migrant farm workers experience discrimination and prejudice from landlords based on race, ethnicity and national origin.

Telamon Corporation estimates that about 30 percent of the migrant farm workers stay permanently on the Eastern Shore. The migrants who stay generally have few skills and are employed in low wage jobs. The most immediate need of the permanent farm worker population is decent affordable rental housing.

iii Need for Rental Assistance

The statistical analysis completed for this report indicates that there is a need for additional affordable rental housing on the Eastern Shore. Of 4,999 renter households on the Eastern Shore, 2,429 have a housing problem including 735 households that cost burdened, 807 households that are extremely cost burdened, and 403 that are overcrowded. About 88 percent (2,183 households) of the renter households with a housing problem on the Eastern Shore are low income with incomes at or below 80 percent MFI.

Actual occupancy characteristics of the affordable rental housing on the Eastern Shore supports the statistical analysis of this report. About all of the affordable rental housing developments on the Eastern Shore are fully occupied and have waiting lists. The Accomack-Northampton Regional Housing Authority reports 421 households on the waiting list for Section 8 assistance, which further confirms the demand for affordable rental housing.

There are two alternative methods for addressing the under supply of affordable rental housing on the Eastern Shore. The first alternative involves rehabilitating vacant rental units or converting non-residential structures to affordable housing. The second alternative involves construction of new affordable rental housing.

On the Eastern Shore, the conversion of non-residential structures and the rehabilitation of vacant housing offers little in the way of viable opportunities to address the need for affordable rental housing. Only 13.5 percent of the Eastern Shore's rental housing is contained in multi-family dwelling. Most of the multi-family rental housing in the community is recently constructed assisted housing. Mobile homes comprise 19 percent of the Eastern Shore's rental housing. It is estimated that up to half the mobile homes on the Eastern Shore were built prior to enactment of the HUD mobile home code in 1976 and are functionally obsolete, even if in good condition. It is expected that a greater percentage of the older mobile homes are renter-occupied. Mobile homes do not offer a realistic opportunity for rental rehabilitation.

The Eastern Shore's vacant rental housing stock is largely in disrepair and in need of substantial rehabilitation. While there is some opportunity to rehabilitate vacant single family units on the Eastern Shore, the rehabilitation is costly and less manageable than construction of new units. Rental housing for low income households should be located close to transportation or have access to employment and educational opportunities and services such as daycare and shopping. Much of the vacant housing in need of substantial rehabilitation on the Eastern Shore is in remote locations and is not strategically located to serve as housing for low income households. Given the circumstances on the Eastern Shore, the construction of new affordable rental housing is the most viable method for addressing the need for rental housing for low income households in the community.

The following provides a review of the need for affordable rental housing by location and household type on the Eastern Shore.

The CHAS Database contained in Section V (A) of this document identifies 569 elderly low income households on the Eastern Shore that are cost burdened and overcrowded. Of the total, 311 elderly low income households are in Accomack County and 258 elderly low income households are in Northampton County. The 1990 Census reported that in Accomack County there were 5,581 persons age 65 and over while the 2000 Census reported 6,389 persons age 65 and over. The median age of Accomack County's population increased from 37.4 in 1990 to 39.4 in 2000. The 1990 Census reported that in Northampton County there were 2,589 persons age 65 and over, and the 2000 Census reported that there were 2,771 persons age 65 and over. The median age of Northampton County's population increased from 37.4 in 1990 to 42.4 in 2000. The aging in place that occurs on the Eastern Shore is expected to result in a growing elderly population that lives on a small income consisting largely of Social Security. Advances in health care will continue to expand life expectancy resulting in a continued and increasing demand for affordable rental housing on the Eastern Shore.

The forecasted demand for affordable rental housing for elderly households with incomes below 60 percent MFI is shown in the following table. Given the fact that new elderly rental housing developments offer competitive rents, professional management and a very competitive amenity package, it is estimated that at least 25 percent of lower income elderly rental households would consider relocating to affordable housing.

Location	TARGET GROUP: Elderly Households Below 60% MFI - 2000	MINUS: Existing Affordable Elderly Rental Units	RESIDUAL	Mobility Factor	Potential Demand for Additional Affordable Elderly Rental Units
Accomack	1,791	33	1,758	25%	439
Northampton	820	241	579	25%	144
Eastern Shore	2,611	274	2,337	25%	583

The CHAS Database contained in Section V(A) of this document identifies 1,641 non-elderly low income renter households on the Eastern Shore with a housing problem. Of the total, 1,033 non-elderly low income renter households are in Accomack County and 258 non-elderly low income renter households are in Northampton County. Many low income renter households on the Eastern Shore work in low skill low wage jobs that do not offer promotions to higher wage positions. Because of low wages, low income renter households in the community will continue to have housing problems in the community resulting in a continued and increasing demand for affordable rental housing for non-elderly households on the Eastern Shore.

The forecasted demand for affordable rental housing for non-elderly households with incomes below 60 percent MFI is shown in the following table.

Location	TARGET GROUP: Elderly Households Below 60% MFI - 2000	MINUS: Existing Affordable Elderly Rental Units	RESIDUAL	Mobility Factor	Potential Demand for Additional Affordable Elderly Rental Units
Accomack	1,589	45	1,544	30%	463
Northampton	881	55	826	30%	248
Eastern Shore	2,470	100	2,370	30%	711

It is estimated that at least 30 percent of lower income non-elderly renter households on the Eastern Shore would consider relocating to assisted housing, provided that the location is within proximity to jobs, public transit, affordable child care and commercial amenities. Applying the 30 percent mobility factor to the target group of non-elderly households results in approximately 711 renter households that would consider moving.

Special Needs Rental Housing

Based on interviews with service providers on the Eastern Shore, the demand for additional special needs affordable housing resources is as follows:

- Housing for the Mentally Ill - 10 units.

- Housing for the Developmentally Disabled - 9 units.
- Housing for the Physically Disabled - 10 units.
- Housing for Persons with Addictions - 5 units.
- Housing Assistance for Persons with HIV/AIDS - 10 households.
- Homeless Shelters and Transitional Housing - 20 spaces.
- Housing for Migrant Farm Workers - 34 units.

Successful rental housing developments require good property management including resident screening and selection; timely rent collection; setting and enforcing rules; implementing eviction procedures; maintaining accurate records; providing maintenance and repairs; and maintaining building safety and security. The quality of the initial construction and soundness of the financial underpinning have long-term effects on the property management and resident satisfaction. Rental housing developments that are poorly constructed and under-financed will have more difficulty maintaining the property in good condition and satisfying the tenants. Scattered-site rental housing is more difficult and more expensive to manage than developments with a larger number of units.

Over and above the basic property management functions listed above, enriched property management, particularly at housing for low income households, is also concerned with providing services or organizing activities that contribute to the well being of individual tenants and that build a sense of community. The services and activities can include social work and counseling, employment and training, daycare, activities for children and youth, health services, and services for the elderly. Rental housing for low income households should be located close to transportation or have access to employment and educational opportunities and services such as daycare and shopping.

C Lower Income Homeowner Needs

i Rehabilitation of Owner-Occupied Housing

Information from the CHAS Database contained in Section V(A) of this document reports that in *Accomack County*:

- There are 9,051 owner households. 47 percent (4,254 households) are low income with incomes at or below 80 percent MFI.
- 26.6 percent (2,389 households) of the owner households have a housing problem. 80 percent (1,916 households) of the owner households with a housing problem are low income. 44 percent (1,062 households) are extremely low income with incomes at or below 30 percent MFI.
- 21 percent (1,915 households) of the owner households are cost burdened. 84 percent (1,609 households) are low income. 51 percent (976 households) are extremely low income.
- 2.0 percent (182 households) are overcrowded. 60 percent (110 households) of the overcrowded owner households are low income.
- 40 percent (959 households) of the owner households with a housing problem are low income elderly households.

The CHAS Database indicates that in *Northampton County*:

- There are 3,414 owner households. 45 percent (1,542 households) are low income with incomes at or below 80 percent MFI.
- 24.3 percent (828 households) of the owner households have a housing problem. 88 percent (732 households) of the owner households with a housing problem are low income. 44 percent (364 households) are extremely low income with incomes at or below 30 percent MFI.
- 20 percent (683 households) of the owner households are cost burdened. 84 percent (576 households) are low income. 57 percent (372 households) are extremely low income.
- 2.2 percent (76 households) are overcrowded. 79 percent (60 households) of the overcrowded owner households are low income.
- 42 percent (348 households) of the owner households with a housing problem are low income elderly households.

Using indicators of deterioration, the following table provides the number and location of owner-occupied units on the Eastern Shore with the greatest need for rehabilitation. While a large percentage of housing units on the Eastern Shore are owner-occupied, many of the units are old and in need of modernization. Units lacking complete plumbing need to be modernized or replaced. Households that are cost burdened i.e., paying in excess of 30 percent of their income for housing, are likely to defer maintenance on their unit. Overcrowding of units results in excess wear and tear on the housing. As noted in Section II(C)(x), up to half of the mobile homes in Accomack County were built before 1976 which is prior to enactment of the HUD mobile home code. The old mobile homes are functionally obsolete.

Owner-Occupied Units in Need of Rehabilitation											
CT	Owner Occupied Units	% of Occupied Units	Mobile Homes	Units Over Age 40		Lacking Complete Plumbing		Crowded		Cost Burdened	
				Total	%	Total	%	Total	%	Total	%
Accomack											
9901	1,363	80.0	348	580	42.6	12	0.9	12	0.9	265	19.4
9902	1,322	74.0	118	502	38.8	34	2.6	40	3.0	155	11.7
9903	944	81.9	32	560	59.3	27	1.5	27	2.9	124	13.1
9904	1,258	68.2	372	477	37.9	13	1.0	21	1.7	181	14.4
9905	781	71.5	105	461	59.0	49	6.2	21	2.7	104	13.3
9906	1,433	78.3	159	755	52.7	84	5.9	3	0.2	259	18.1
9907	1,288	74.1	140	651	50.5	67	5.2	20	1.6	161	12.5
9908	1,081	72.6	176	449	41.5	70	6.5	47	4.3	158	14.6
Northampton											
9901	1,099	70.7	116	614	55.9	18	1.6	25	2.3	133	12.1
9902	1,123	68.2	215	518	46.1	54	4.8	42	3.7	149	13.3
9903	1,150	59.7	148	676	58.8	48	4.2	11	1.0	195	17.0

Source: US Bureau of the Census

There are 2,400 owner-occupied housing units on the Eastern Shore in need of rehabilitation.

ii Indoor Plumbing Needs

The Virginia Center for Housing Research estimates that as of 1999, there were 782 units on the Eastern Shore lacking complete plumbing. This represents a decrease of 59.6 percent from 1990 when the Census recorded 1,936 units on the Eastern Shore lacking complete plumbing.

iii Heired property issues

The PDC indicated a situation exists whereby the title to property is difficult to establish. This presents a problem in the homeowner housing rehabilitation program. Possession seems to pass from generation to generation without benefit of a will. Approximately one half of all housing rehabilitation applicants have a problem with property title. On the average, seven out of ten are solvable but cause delays in the rehabilitation process. The balance are not solvable and assistance is denied.

The Eastern Shore of Virginia Habitat for Humanity has confirmed that the problem achieving clear title makes it difficult to acquire land for new development.

D Needs of Prospective Lower Income Homebuyers

Home ownership is positively linked to family stability, improved property maintenance, improved residential satisfaction, and increased civic participation. Expanding home ownership among low income households on the Eastern Shore is a way to contribute to community improvement as well as individual satisfaction.

There is decent housing for sale on the Eastern Shore that is affordable to low income households, particularly those with incomes at or above 50 percent of MFI. This affordable housing creates the opportunity for some low income renters to become homeowners. Section V(A)(ix) of this document reports that information from the CHAS Database indicates that of 316 vacant for sale units in *Accomack County*:

- 9 percent are affordable to households with less than 30 percent of median income;
- 24 percent are affordable to households with incomes between 30 percent and 50 percent of median income; and
- 43 percent are affordable to households with incomes between 51 percent and 80 percent of median income.

The CHAS Database identifies in *Northampton County* there are 57 vacant for sale units and that:

- 5 percent are affordable to households with less than 30 percent of median income;
- 10 percent are affordable to households with incomes between 30 percent and 50 percent of median income; and
- 32 percent are affordable to households with incomes between 51 percent and 80 percent of median income.

HUD reports that the 2001 median family income for a family of four in *Accomack County* was \$34,800. The 2001 median family income for a family of four in *Northampton County* was \$35,900. Using the HUD's MFIs, the following are the 2001 low and moderate income levels on the Eastern Shore.

Low Income Four Person Family - 2001		
	Annual Income	Monthly Income Available for Housing (30%)
Extremely Low Income (less than 30% of MFI)	\$12,250	\$306
Very Low Income (less than 50% of MFI)	\$20,400	\$510
Low Income (51% to 80% of MFI)	\$32,650	\$816

Commercial lending institutions on the Eastern Shore report that they generally require the standard housing expense ratio of 30 percent and a 20 percent down payment. Adding two percent to the purchase price for closing costs, and \$100 per month for taxes and insurance the maximum purchase

price that four person low income households on the Eastern Shore can afford with a 30 year mortgage at a rate of 7.5 percent is as follows:

- a four person extremely low income household at 30 percent MFI could afford a unit costing up to \$35,000;
- a four person very low income household at 50 percent MFI could afford a unit costing up to \$72,000; and
- a four person low income household at 80 percent MFI could afford a unit costing up to \$125,000.

As reported in Section II(C)(xi) of this document, realtors on the Eastern Shore report that a 1,400 square foot 25 year old stick built unit with some deferred maintenance can be purchased on the periphery of Accomac for \$45,000. It was reported that typically prices are a bit less in Belle Haven, Keller, Painter and Melfa. The realtors also report that the similar unit can be purchased in Exmore for \$40,000 to \$45,000. The same unit costs \$70,000 in Onancock. Modest and relatively new habitable in town housing varying from 1,800 to 2,500 square feet on the Eastern Shore can be purchased for \$65,000 to \$125,000. Realtors say that a unit can be purchased on the Eastern Shore for as little as \$25,000, although it is substandard, in a remote location, and generally obsolete. Most housing on the Eastern Shore under \$40,000 requires extensive and expensive renovation.

Based on the information from the realtors regarding sales prices on the Eastern Shore and the above analysis, it is seen that there is decent housing on the Eastern Shore that is affordable to low income households, particularly those with incomes at or above 50 percent of MFI. This affordable housing creates the opportunity for some low income renters to become homeowners.

Real estate transaction activity information for the Eastern Shore contained in Section II(C)(xi) of this report shows that in 2000, there were 34 sales of units in *Accomack County* and 11 sales of units in *Northampton County* between \$60,000 to \$69,000. Units in the \$60,000 price range are affordable by households with incomes at or near 50 percent of MFI. The real estate activity report identifies 80 sales of units in *Accomack County* and 18 sales of units in *Northampton County* in the price range of \$80,000 to \$125,000. Housing from \$80,000 to \$125,000 is affordable by households with incomes at or near 80 percent of MFI.

Secondary lenders on the Eastern Shore will extend mortgage loans to low income households with outstanding credit with a zero to five percent down payment with no points. In June, 2001, the rate for loans in the \$80,000 to \$100,000 range was seven percent. The rate for loans less than \$80,000 is 7.5 percent and loans greater than \$100,000 can be reduced below seven percent by 0.25 to 0.50 percentage points. Using a smaller down payment, the pool of low income households eligible to purchase housing on the Eastern Shore can be expanded.

New mobile homes can be purchased on the Eastern Shore in the \$30,000 to \$70,000 price range with an average sales price of \$42,000. Modern units vary in size from about 1,200 square feet to 2,000 square feet. The purchase price of mobile homes does not include the price of the land, which is between \$10,000 to \$12,000 for a non-waterfront lot in both Counties. The prices for mobile

homes also require a dealer's set-up fee of up to \$4,000. Mobile homes can be purchased with no down payment and the total price, including land and dealer's set-up fee, can be financed. With a 20 year mortgage at a rate of 8.0 percent and \$50 per month for taxes and insurance the monthly costs of new mobile homes would be as follows:

- entry level \$30,000 - \$435
- average price \$42,000 - \$485
- top end price \$70,000 - \$719

Because of low wages on the Eastern Shore, low income households have limited ability to save for down payment and closing costs while renting. To buy a unit, low income renter households need assistance as they are not able to save money while paying rent. Strategies for increasing access to owned housing on the Eastern Shore need to include reducing the cost of buying a home for low income households by lowering down payment requirements or monthly payments, increasing access to credit, and educating potential buyers about the responsibilities of home ownership. Developing creative financing approaches to meet down payment requirements and cover the additional cost of necessary repairs are particularly critical in assisting low income buyers. This process often requires unique partnerships between lending institutions, non-profits, and government.

As reported in Section V(A)(xii) of this document, lenders in both Counties on the Eastern Shore report that the overwhelming reason given for denial of mortgages was poor credit history. Therefore, in addition to offering financing assistance home ownership programs for first-time low income households there is a need to provide pre-purchase counseling teaching households how to manage their income, training, and screening, and pre-qualify buyers.

Despite counseling programs, a consistent source of earned income continues to be a major challenge for first-time homeowners, particularly low income households. A home ownership program for low income households should be established in recognition of the additional financial demands that home ownership will bring to the households. Post-purchase financial assistance and other supports such as maintenance training, home maintenance service, and foreclosure prevention are critical elements of any home ownership program.

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