

FLOYD COUNTY AND TOWN STRATEGIES

Strategy 1: Develop a full inventory of vacant parcels and assess for their infill housing potential

Developing a successful infill strategy will help property owners understand their parcels' potential, spur new investments, and increase beneficial economic activity. Available and developable parcels in the county's core are rare and in high demand, driving their value up regardless of the condition of the property. If creative density options are deemed feasible, this strategy could also increase the supply of attainable housing in high-amenity areas.

FRAMEWORK

This strategy can be organized into four distinct areas of work:

1. **Parcel mapping, data collection, and analysis.** Using GIS and assessment records, create a database of all vacant parcels. Each record should include the following:
 - Address and parcel ID
 - Current owner
 - Lot dimensions and area
 - Current zoning
 - Utility status
 - Street frontage measurement
 - Any notable topography or vegetation
2. **Create build-out scenarios for vacant inventory.** After the parcel database has been filled out, staff can exclude all non-buildable parcels. Add several new fields representing possible development scenarios for each parcel, such as the following:
 - **Two fields for "low" and "high" development scenarios.** For each property, a "low" density scenario represents either no development or one residential unit. Under a "high" development scenario, a property would have at least two dwelling units, one of which may be an accessory dwelling unit.

After scenarios are entered for each buildable vacant parcel, aggregate the results, and create a sliding scale of development potential for the total area. For example, a "low" scenario might total 12 new single-family homes and 6 accessory dwelling units; a "high" scenario might total 16 single-family homes, 4 duplexes, and 8 accessory dwelling units.

3. **Public education and engagement.** Use this investigation to engage and educate the public regarding land use, housing types, and development. Develop an "FAQ" document written for laypeople that covers the following, preferably with graphics and example photos:
 - What is an accessory dwelling unit?
 - What is a duplex?
 - Are there any ADUs and small apartment buildings in Floyd now?

- What would the approximate housing costs be for a family in an ADU or duplex?
- Which types of workers/households would benefit from these non-traditional housing types?
- Why is promoting infill development important?
- What is the current process for building a home in Floyd?
- How does current zoning influence/limit housing types?

After this FAQ is developed, staff may consider hosting public meetings to educate residents about the scope of parcel vacancy and the development possibilities. During this process, staff could speak about the benefits of infill development without taking a preferred stance on density level.

Rather, staff could showcase the “scenarios” developed in the previous step and use maps and graphics when possible to illustrate the different visions while remaining neutral on suggestions. Residents will ask questions, provide feedback, and earn a better understanding of infill development.

4. **Finalize a vision and draft land-use reforms.** Using responses from the public and other stakeholders, staff will finalize a vision for infill development in and around the town and begin drafting necessary changes to zoning ordinances to support this vision.

IMPLEMENTATION PLAN

Immediate:

- **Update data sources.** Ensure GIS and all other data sources are available and updated. Seek and collect missing information.
- **Build initial database.** If needed, verify conditions of parcels with site visits.
- **Identify partners willing to share data.** Use list of properties provided by Appalachian Power where utilities have been cut off to identify potential long-term vacancies. Develop a memorandum of understanding to receive updated list quarterly.

Short-term (next 12 months):

- **Conduct additional research on “paper subdivisions”** in and around the town. Consult legal opinions if necessary. Incorporate paper subdivisions into database as best as possible.
- **Begin to draft public engagement strategy.** Make a list of materials needed for engagement, including presentations and factsheets. Consider engaging stakeholders in need of workforce housing.
- **Finalize database:** Finalize parcel database and begin development scenario projections.

Mid-term (12–24 months):

- **Finish scenario projections and aggregate results.**
- **Begin public outreach.** Schedule meetings, invite important stakeholders, and finalize materials.
- **Respond to outreach results.** Gather citizen input, develop vision, and draft new ordinances as required.

LEGAL, FINANCIAL, AND ORGANIZATIONAL CAPACITY

- The town and county, with support from the NRV Regional Commission, currently have the capacity to undertake this work.
- There are no known legal challenges to this strategy; however, some of the “paper subdivisions” may require additional deed research beyond current staff capabilities.

FUNDING SCOPE REQUIREMENTS AND PROJECTED IMPACT

- Additional funding will likely not be required.
- The short-term impact of this strategy is that residents will have a greater understanding and appreciation for smart development strategies, even non-traditional ones.
- The long-term impact of this strategy is that the town and county will maximize their real estate assets and promote greater housing options. The scale of impact depends on the number of parcels identified and selected for development.

POTENTIAL FUNDING SOURCES

- Virginia Housing
- Town and county general funds

METRICS TO EVALUATE SUCCESS

- Parcel database created and completed.
- “Paper subdivisions” are better understood for their development potential.
- Multiple development scenarios created.
- FAQ document created and publicized.
- Public engaged via meetings, forums, and other methods.
- Infill vision and strategies developed.

RESPONSIBLE ACTORS AND THEIR ROLES

- Town and county staff will lead the parcel database effort, public engagement, and policy drafting.
- Local developers and builder may be useful as stakeholders to gather input on any challenges/opportunities for ADUs and modest-density development.
- NRVRC may serve as a technical advisor to assist town and county staff.

Strategy 2: Hold an event on alternative homeownership models

The Town and County of Floyd are well-known for their innovative, creative residents. Hosting a symposium on alternative homeownership models would reflect on Floyd's history with cooperatives and similar communities and look toward community land trusts (CLTs) and similar shared-equity models to keep homeownership in Floyd permanently affordable and attainable.

FRAMEWORK

An event on alternative homeownership models could accomplish the following:

- **Recognition of and reflection on Floyd's history.** Planners could invite leaders and developers of cooperative communities in Floyd to discuss their experiences and plans.
- **Education on CLTs and other similar models.** CLTs are a common model for shared-equity homeownership, preserving affordability in perpetuity. CLTs can also be used to preserve common areas, agricultural land, and other real estate. Organizers could reach out to representatives from Virginia's two CLTs (Thomas Jefferson CLT in Charlottesville and Maggie Walker CLT) along with technical advisors from Grounded Solutions Network, the nationwide resource hub for CLTs.
- **Asset mapping to determine capacity.** The major goal for this event should be for stakeholders to agree on a roadmap for action. By "asset mapping," organizers will be able to accomplish the following:
 - Determine the persons and organizations interested in alternative models.
 - Evaluate the strengths, weaknesses, and opportunities for each stakeholder.
 - Identify a coordinating person or organization.
 - Investigate whether external consulting/assistance is needed and for which tasks.

From this exercise, the town and county will develop a tangible set of next steps to create alternative homeownership models.

IMPLEMENTATION PLAN

Immediate:

- **Form a planning committee.** Include representation from local government, nonprofit, and community members.
- **Determine hosting format.** Make a list of possible venues and consider virtual participation options.
- Set attendance goals.

Short-term (next 12 months):

- **Determine program format.** Begin developing a program and agenda for the event and decide on format. Options for different sessions include the following:
 - Keynote and plenary addresses
 - Break-out sessions
 - Storytelling events
 - Generative discussions / visioning exercises
- **Identify speakers.** Reach out to potential speakers from Floyd and other areas, including state and national experts.
- Select a venue and date.

- **Market event.** Announce and begin marketing event through posts on county/town website, social media, and partner contacts. Draft a direct email to any existing distribution lists.
- **Open registration.** Create online registration options through platform such as Constant Contact or EventBrite. Provide registrants with necessary details such as location directions, virtual meeting link, and agenda.

Mid-term (12–24 months):

- Make final logistical arrangements.
- Confirm speakers and their topics.
- Host event and generate next steps.

LEGAL, FINANCIAL, AND ORGANIZATIONAL CAPACITY

- While town and county staff may be interested and capable in helping plan this event, they may not have the bandwidth to lead the entire task.
- Nonprofit and social service leaders and volunteers can be recruited to help plan and organize the event.

FUNDING SCOPE REQUIREMENTS AND PROJECTED IMPACT

- Likely costs for this event include venue rental, food and drink (if provided), and travel reimbursements and stipends for any major speakers.

POTENTIAL FUNDING SOURCES

- Minimal registration fees may be charged to cover food and drinks, if provided. Fees should not exceed \$20–30 to encourage widespread participation.
- The town and county, along with nonprofit organizations, may sponsor the event.
- Businesses and individuals could also be solicited for donations/sponsorships.
- Virginia Housing Event Sponsorship grant.

METRICS TO EVALUATE SUCCESS

- Planning committee formed.
- Funds raised to cover event costs.
- Event program and participants confirmed.
- Attendance goals met.
- Tangible next steps created with roles assigned.

RESPONSIBLE ACTORS AND THEIR ROLES

- Town and county staff will initiate and assist with the planning process and event logistics.
- Community members will participate in the planning committee and help develop a program, create content, and recruit speakers.

Strategy 3: Tackle housing vacancy by studying new tax structures

There are nearly 1,550 vacant units in Floyd. Most vacant units (77.5 percent) are either long-term vacant or are held for either seasonal, recreational, or occasional use which may pose a challenge for the county. Although long-term vacancies can become health and safety risks, they may be converted into viable housing if identified.

In small communities, a few vacant structures may have significant effects on property values, neighborhood image, and development potential. While local governments in Virginia have little power to force owners to fix up properties, several strategies are available.

FRAMEWORK

The Town and County of Floyd could develop a joint framework for tackling vacant property using the “*fix it up, pay it up, or give it up*” method developed by Frank Alexander at the Center for Community Progress.

1. **Fix it up.** Property owners with vacant or derelict properties are given adequate notices about issues and provided opportunities to remedy the issue proactively.

A common incentive program used by localities in Virginia is the **rehabilitation tax abatement** authorized in Va. State Code § 58.1-3221. By ordinance, a locality may do the following:

- Provide partial real estate tax exemption on structures older than 20 years that have undergone significant rehabilitation or have been demolished and replaced under certain circumstances.
 - Exempted value shall not exceed the increase in assessed value or up to 50% of the rehabilitation cost.
 - Prescribe specific zones or districts where the exemption is allowed.
 - Allow the exemption for up to 15 years.
 - Develop an application process and set an application fee.
2. **Pay it up.** If the owner fails to fix up their property, localities can request compensation via code enforcement penalties. The town and county can review their fee structures and determine whether problem owners are generally convinced to fix issues after fines are levied.
 3. **Give it up.** Finally, if an owner fails to abide by these processes, localities in Virginia may cause transfer of property depending on the individual circumstances:
 - **Spot blight removal** (§ 36-49.1:1). If a structure is in significant disrepair, deemed unfit/unsafe, or is a hub for criminal activity, localities may use the spot blight designation to request a specific remedy plan from the owner. If the owner does not comply, or the plan is insufficient, the locality may remedy the blight and place a lien on the property for those costs, which may result in the property being auctioned off if the balance is unpaid.
 - **Tax foreclosure and direct sale** (§ 58.1-3965 and § 58.1-3970.1). If a property is seriously tax delinquent, a locality may force a judicial proceeding to sell the property at

a public auction. There are many steps required to get to this point, as outlined in § 58.1-3965. Localities may also use a similar process but transfer the property to a nonprofit entity (via “direct sale”) rather than sell at a public auction under the process outlined in § 58.1-3970.1.

IMPLEMENTATION PLAN

Immediate:

- **Assess any prior efforts.** Complete a critical review of any prior efforts by the town and county to address vacancy.
- **Create a vacant building registry.** Post the registry online and develop a plan to update it at least once every 6 months.

Short-term (next 12 months):

- **Research potential for rehab tax abatement program.** Develop a task force to investigate a potential rehab tax abatement program. Explore programs used by similar localities across the state.
- **Determine whether to implement legal proceedings for addressing blighted properties.** Using registry and tax records, determine if any properties are eligible for spot blight and/or tax foreclosure.

Mid-term (12–24 months):

- **Draft ordinance language.** If the rehab abatement program is pursued, draft an ordinance that includes specific guidelines in accordance with state law. Begin public hearing process and seek approval.
- **Execute program.** Begin spot blight and/or tax foreclosure if possible.

LEGAL, FINANCIAL, AND ORGANIZATIONAL CAPACITY

- While specific taxes on vacant and blighted structures are levied in some localities across the country, lawmakers in Virginia have yet to enable that authority to cities and counties in the commonwealth.
- The spot blight and tax foreclosure processes are labor-intensive and require many staff hours. County and town attorneys may not have the capacity to undertake these strategies on several properties concurrently.

FUNDING SCOPE REQUIREMENTS AND PROJECTED IMPACT

- The rehab tax abatement requires a locality to “forego” taxable revenue. This abated amount depends on the program’s utilization.
- Administrative costs associated with these strategies may be significant. The town and county can communicate with other localities who have these programs to determine accurate estimates for workloads.

POTENTIAL FUNDING SOURCES

- Application fees for rehab tax abatements, code enforcement fines, and additional set asides in municipal budgets.

METRICS TO EVALUATE SUCCESS

- Number of vacant properties declines.
- Occupancy rates increase.
- Property values increase for formerly vacant parcels and adjacent ones.

RESPONSIBLE ACTORS AND THEIR ROLES

- Town and county planners, along with building and code enforcement officials, will create the registry and monitor it.
- Town and county assessors and attorneys will help develop tax abatement program and conduct spot blight and/or tax foreclosures as necessary.

Strategy 4: Increase workforce rental housing within the PSA service area

Both the Town and the County of Floyd benefit from additional supply of many different types of housing for a mix of incomes and household types. There is an acute need for workforce rental housing within the public service authority (PSA) district. In this respect, Floyd shares commonalities with other rural jurisdictions in the state. Many of these communities lack quality workforce rental housing to serve its local workforce.

Good quality rental housing can also serve as a transition for older homeowners who may choose to downsize into smaller homes closer to amenities. Workers earning entry wages in the county's prevalent service industry also need access to affordable apartments.

FRAMEWORK

The development of multifamily rental housing is a complex undertaking, requiring a significant amount of knowledge, expertise, and financial capacity. One recent workforce rental housing development in the town is the nine-unit Station on South Locust developed nearly a decade ago. The project was supported by Virginia Housing (formerly VHDA) and Virginia Community Capital, and it was one of the first "mixed-use/mixed-income" projects financed by Virginia Housing. The model is now widely used, especially in rural communities and small towns.

In the County and Town of Floyd, large-scale multifamily rental development is not feasible, whereas relatively small community-scale projects are more likely and conform to existing community character. This approach requires special rural-specific strategies and planning, discussed here.

Rental housing development in Floyd requires the following elements:

- An available, suitably located site
- Appropriate zoning
- Infrastructure and utilities
- Development expertise
- A willing, well capitalized developer/owner
- Adequate market demand
- Debt financing
- Gap financing
- Equity
- Contractor capacity
- Property management expertise
- Community support

The shortage of available land for residential rental development has been an ongoing challenge for the county and other developers pursuing housing development projects. Parcels located within the PSA service area are in high demand, and many property owners are hesitant to sell.

IMPLEMENTATION PLAN

Immediate:

- **Survey properties.** Conduct a thorough survey of properties and ownership within the PSA. Determine whether publicly owned property exists. Involve realtors and other community leaders. This survey should include a complete inventory of vacant second- and third-floor spaces in commercial and mixed-use buildings within the town. These vacancies are an important asset that could be transformed into moderately priced rental or condominium units.
- **Identify rehab partnership opportunities.** Partner with FISH and Habitat to collaborate on their current efforts to identify properties with development potential.
- **Identify properties where development is feasible.** Begin dialogue with owners about sale or joint venture with a developer. Thereafter, identify a property or properties that are options for development. Explore the potential for the town or county to acquire and control the site, using possibly a land bank or a community land trust (CLT).

Short-term (next 12 months):

- **Potentially retain real estate development consulting expertise.** Identify and meet with potential development partners, such as the experienced area non-profit developers Community Housing Partners and People, Inc.
- **Explore funding partnerships.** Invite Virginia Housing, Virginia Community Capital, Virginia Community Development Corporation, and the Department of Housing and Community Development to the town to discuss the assistance their organizations can provide to the town and the developer. Rezone the property for use as a multifamily development site.
- **Conduct a market study.** Determine the demand for housing at that site, that is, the number of apartments that can be supported and the rent levels.
- **Prioritize community education and outreach.** Address community opposition. Undertake community education as needed to help neighbors understand the project and overcome fears and misperceptions.

Mid-term (12–24 months):

- Prepare an RFP seeking a development partner for the site.
- Select a partner and move ahead with development.

LEGAL, FINANCIAL, AND ORGANIZATIONAL CAPACITY

- The goal should be to remove as many of the barriers as possible before outreach to a development partner, ensuring greater interest and speed in completing the project.

FUNDING SCOPE REQUIREMENTS AND PROJECTED IMPACT

- Funding needed will be determined by the size of the project.

POTENTIAL FUNDING SOURCES

- Virginia Housing, Virginia Department of Housing and Community Development (Community Development Block Grant and Virginia Housing Trust Fund), NRV HOME Consortium, and NRV Regional Housing Trust Fund (if created).

METRICS TO EVALUATE SUCCESS

- Identification of sites, number of apartments produced, rent levels, and income of renters.

RESPONSIBLE ACTORS AND THEIR ROLES

- Town and county staff, non-profit housing providers, NRV Regional Commission, NRV HOME Consortium, property owners, realtors, consultants, developers, and investors.

BEST PRACTICES EXAMPLE: 103–107 THIRD AVENUE, RADFORD

Originally a Hudson car dealership, this early 1900s building once included a ramp that let customers drive up to the second-floor service area. In the 1950s, an addition was built in the parking lot space. The building later became home to Grand Furniture and Piano and, most recently, Radford Pottery. Renovation transformed the 9,400 square-foot building located within walking distance of downtown Radford's historic district into street-level commercial space and upper-level apartments.

Separate facades reflect both the 1900s and 1950s heritage of the structure. More than a decade ago, the city began working with Joe Fortier of Taylor Hollow Companies, who had successfully renovated several other historic buildings in downtown Radford. To help secure the deal, the city helped Fortier obtain a \$250,000 HOME Consortium loan. The city also invited Virginia Housing to the project to determine whether it would be a good fit for their mixed use-mixed income program. After reviewing the plans and visiting the site, Virginia Housing provided a permanent loan through its REACH Virginia program for \$550,000 with a 5 percent interest rate.