



Henrico **NEXT**

TOGETHER TOWARD TOMORROW



2045

COMPREHENSIVE PLAN

Board of Supervisors

October 8, 2024

AGENDA

Henrico

NEXT



TOGETHER TOWARD TOMORROW

PUBLIC ENGAGEMENT



AGENDA



- Update on Process and Next Steps
- Briefing of Housing and Market Assessments, Nexus Support Study and Trends Report
- Presentation of Built and Natural Environment Existing Conditions Report

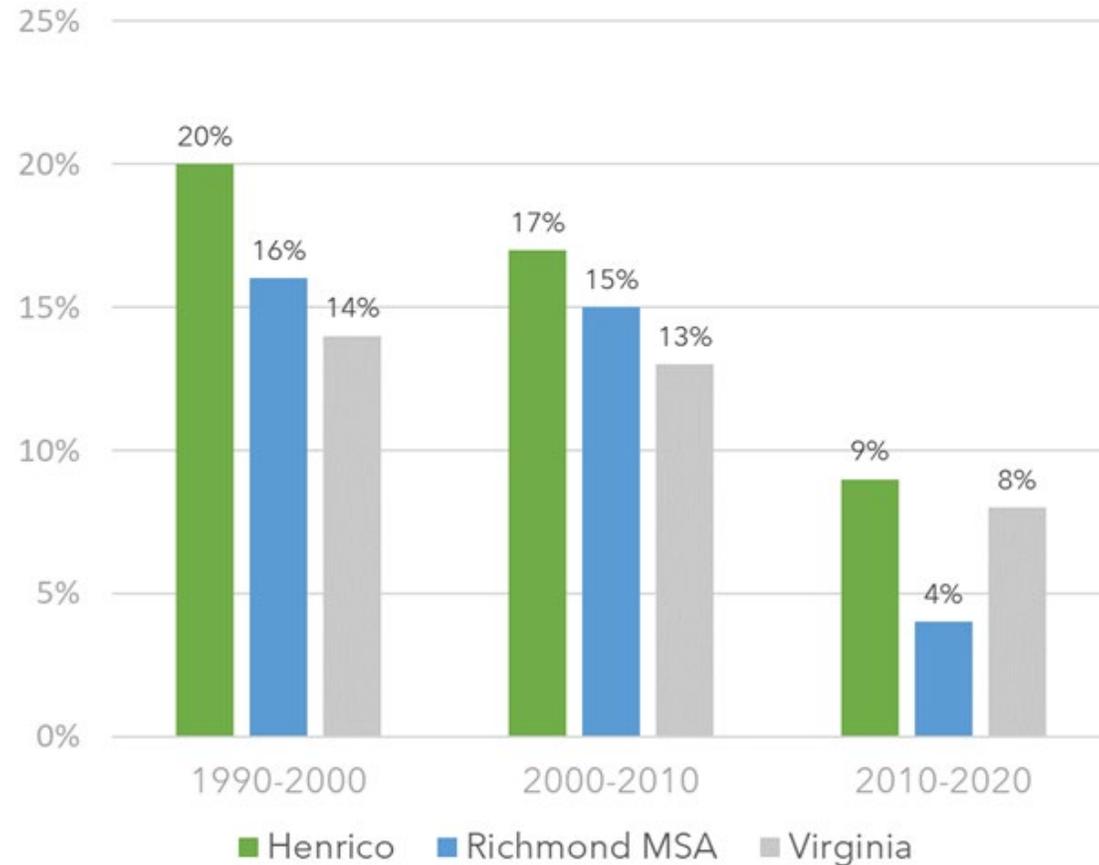
AGENDA

- Highlights from Reports
 - Market Assessment
 - Housing Assessment
 - Housing Nexus Support Study
 - Summary Trends Report (presented alongside previous three)
- Key Takeaways from Analysis



MARKET ASSESSMENT

SLOWING POPULATION GROWTH

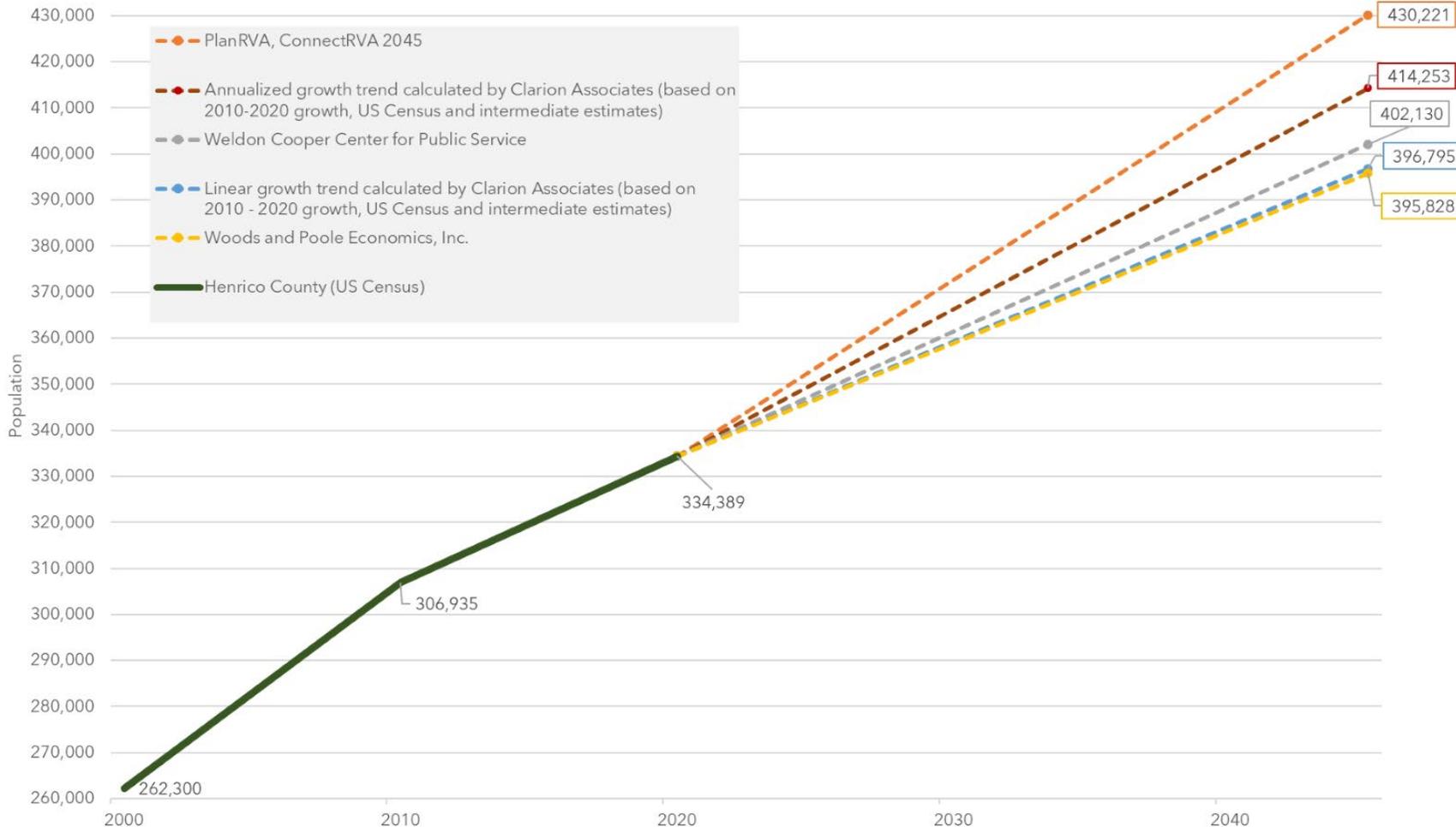


20%
growth rate of
Henrico County,
1990-2000

9%
growth rate of
Henrico County,
2010-2020

US Census Bureau, 2000, 2010, & 2020 decennial estimates. Figure from Summary Trends Report.

POPULATION PROJECTIONS



334,389

**2020 population of
Henrico County**

~400,000

**2045 projected
population of Henrico
County**

HOUSING UNIT GROWTH

25,500

**new housing units
predicted to be added in
Henrico County by 2045**



STEADY INCOMES

\$70,307

median household
income in 2019 for
Henrico County

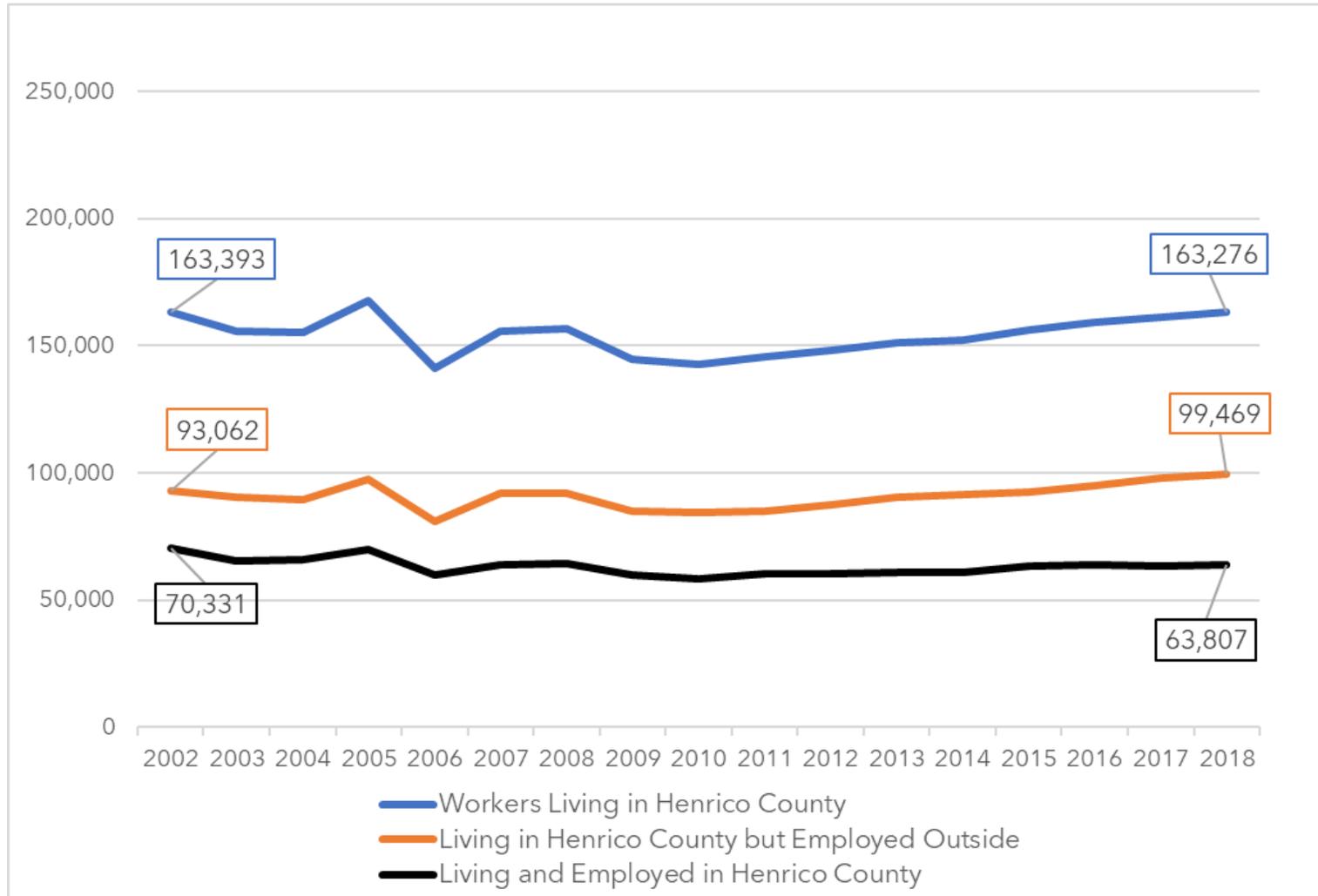
\$76,345

median household
income in 2021 for
Henrico County

	2000*	2010*	2019
<i>Henrico</i>	\$73,023	\$70,521	\$70,307
<i>Richmond MSA</i>	N	\$67,505	\$68,529
<i>Virginia</i>	\$69,300	\$72,037	\$74,222

*2000 and 2010 household median income in 2019 inflation-adjusted dollars
N indicates no data available.

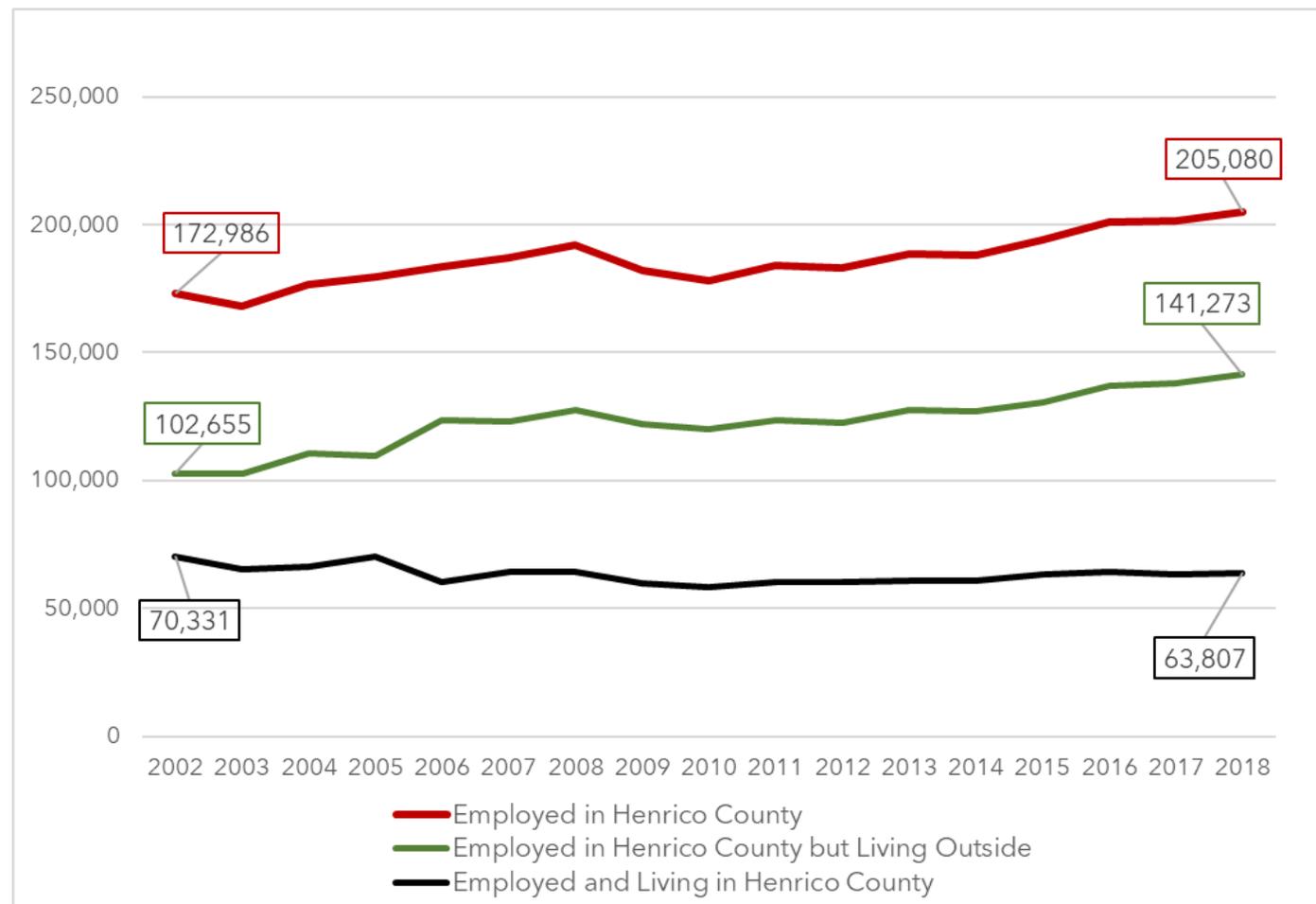
EMPLOYMENT: HENRICO RESIDENTS



61%
of Henrico
residents work
outside the
county

EMPLOYMENT: HENRICO WORKERS

141,273
workers commute
into Henrico County



DIVERSIFIED EMPLOYMENT

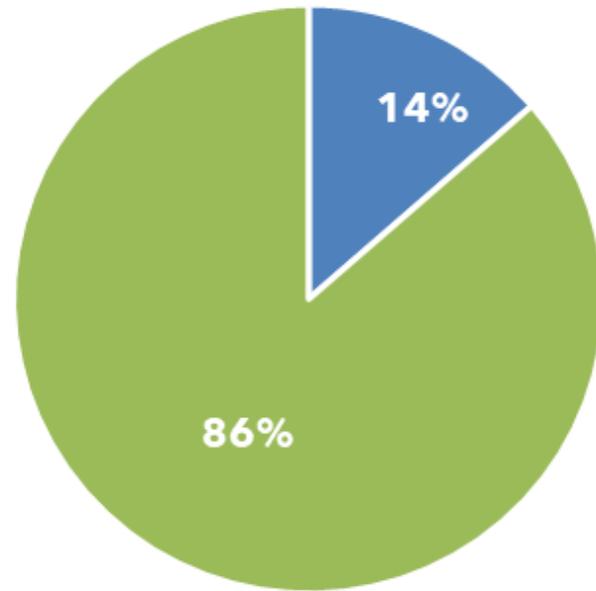


No industry accounts for more than 16% of jobs.

RETAIL SALES

14%

of U.S. retail sales are online



■ E-Commerce Retail Sales ■ Brick and Mortar Retail Sales

Henrico County generally did not have unmet retail demand

EMPLOYMENT GROWTH

Nonresidential Land Use	Estimated Jobs in 2020	Projected Jobs in 2024	2020-2024 % Change	Annual %
Retail	31,362	32,138	2.5%	0.62%
Office/Institutional	115,334	120,692	4.6%	1.16%
Industrial	28,025	29,340	4.7%	1.17%
Total	174,721	182,170	4.3%	1.07%

1%
Annual
employment
growth in Henrico
County

NONRESIDENTIAL PROJECTIONS

3.4 million
growth in
nonresidential space
demand in Henrico
County

Nonresidential Land Use	Estimated Sq. Ft. 2020	Projected Sq. Ft. 2024	Net Change Sq. Ft. 2020-2024
Retail	27,200,000	27,900,000	700,000
Office/Institutional	22,400,000	23,400,000	1,000,000
Industrial	36,100,000	37,800,000	1,700,000
Total	85,700,000	89,100,000	3,400,000

These projections have been leveraged in the Housing Nexus Support Study.



HOUSING ASSESSMENT

TOTAL HOUSING UNITS

137,141

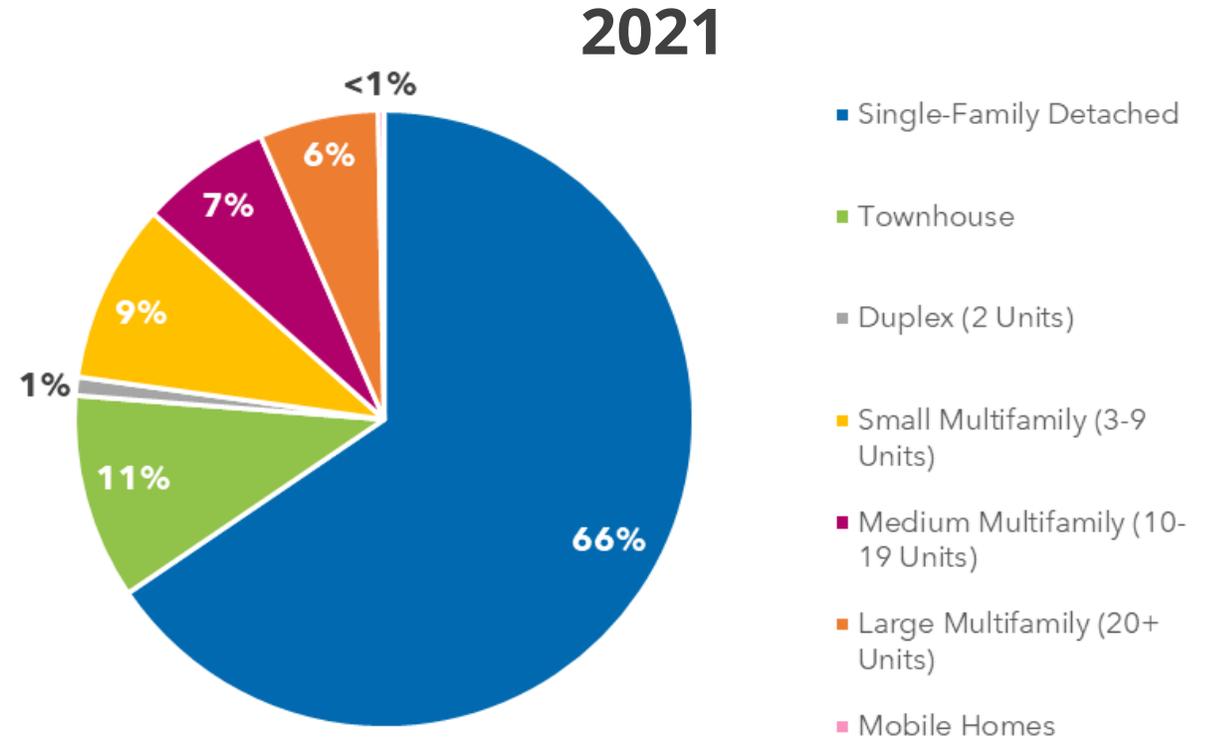
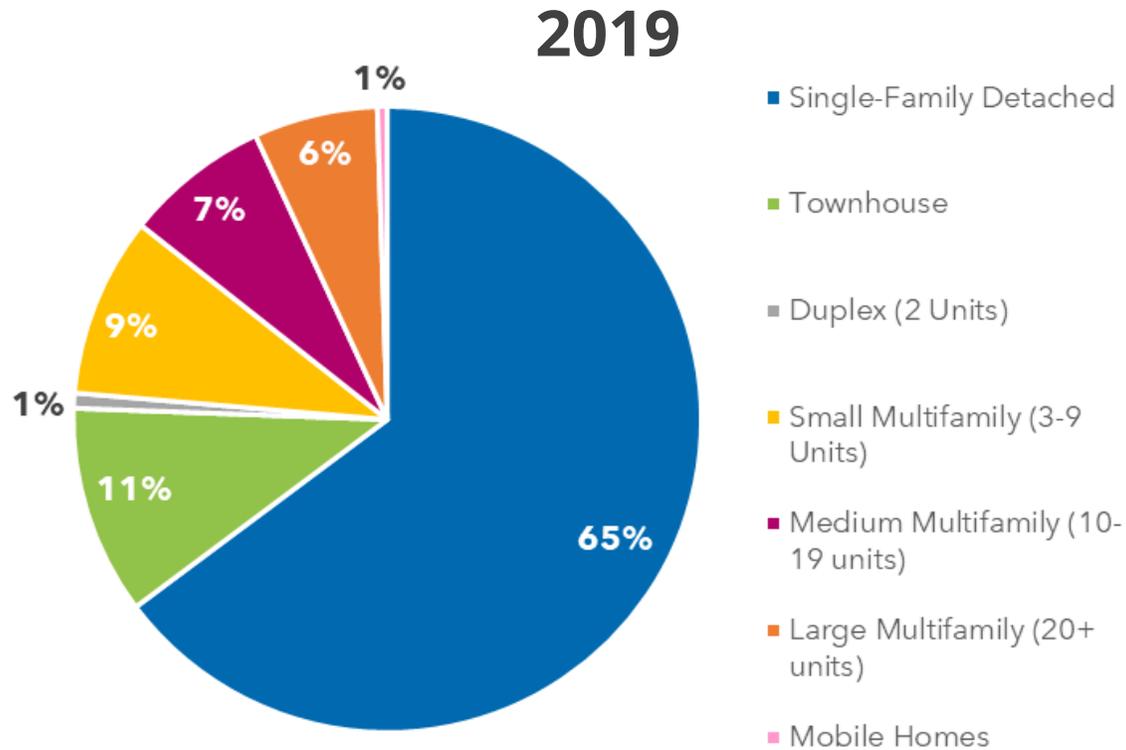
total housing units in
Henrico County in 2019

139,826

total housing units in
Henrico County in 2021



HOUSING INVENTORY



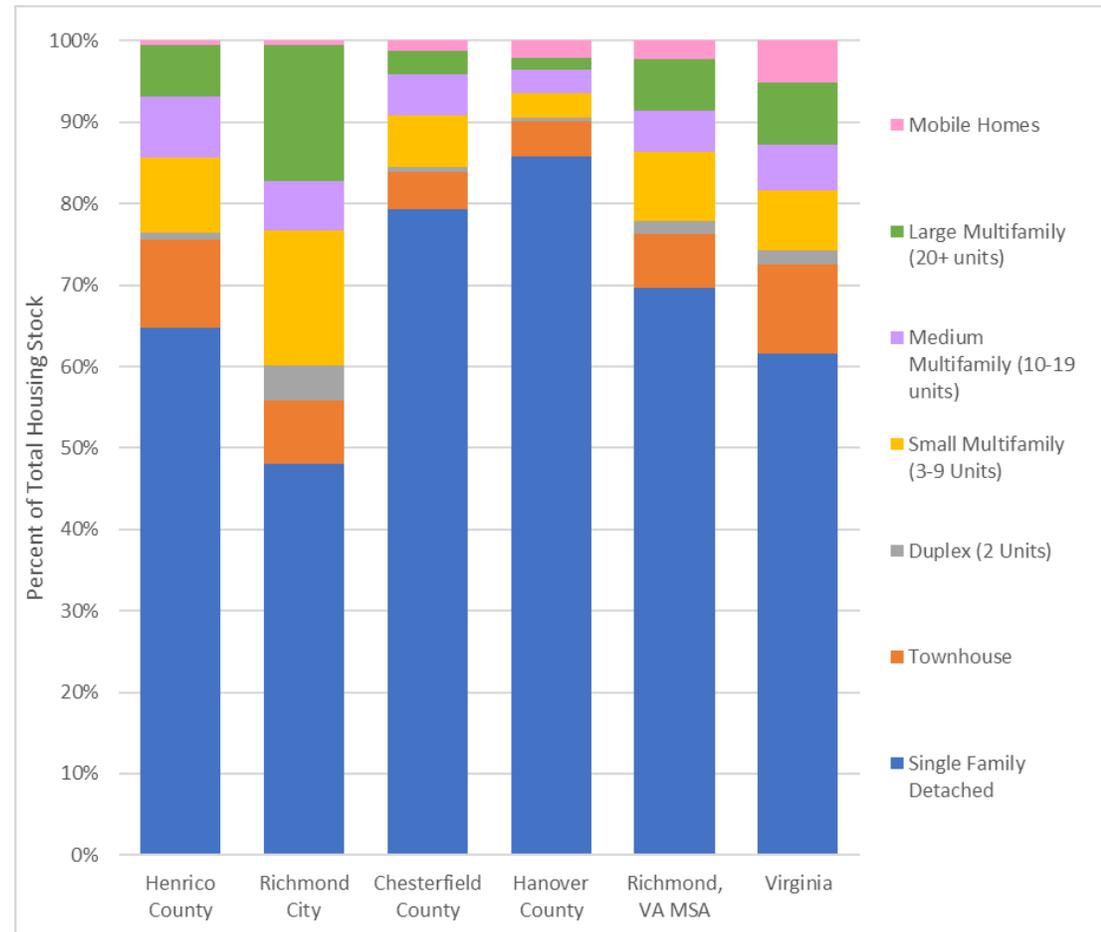
Figures from Summary Trends Report

HOUSING TYPE COMPARISON

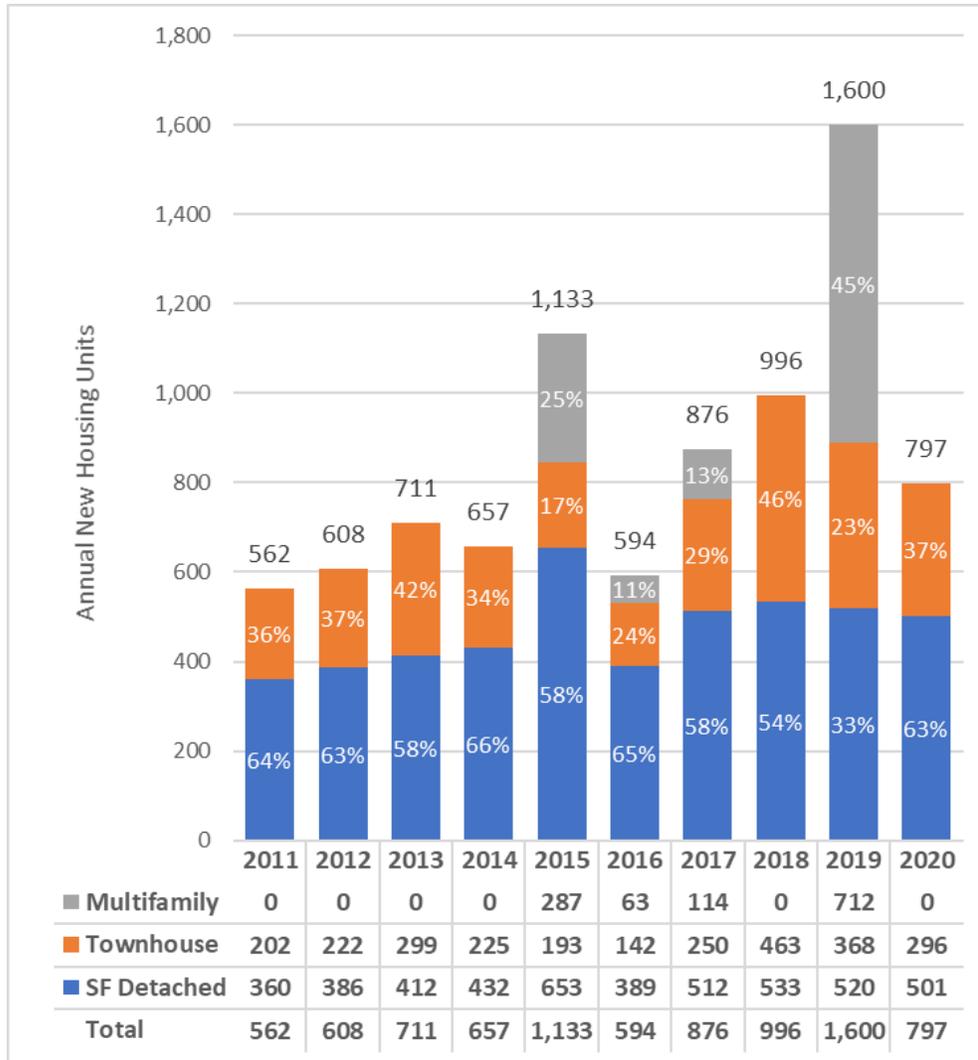
Henrico County's housing variety was...

higher than nearby counties and the Richmond MSA,

but lower than Richmond.



RECENT HOUSING GROWTH



8,534

new single family detached, townhome, and multifamily units built in Henrico County 2011-2020

31%

of new units 2011-2020 were townhomes

14%

of new units 2015-2020 were multifamily residences

RENTAL RATES

33.7%

of housing units are renter-
occupied in Henrico County

Data from Summary Trends Report, 2021

61.0%

of housing units are owner-
occupied in Henrico County

Data from Summary Trends Report, 2021

In 2019, Henrico County's rental rate was...

- **lower** than Richmond City (51.6%),
- and **higher** than the Richmond MSA (31.8%), the state (30.3%), Chesterfield County (23.2%), and Hanover County (16.5%).

Data from Housing Assessment

MEDIAN HOME VALUES

\$242,600

**median home value in
Henrico County, 2019**

Data from Housing Assessment

\$268,400

**median home value in
Henrico County, 2021**

Data from Summary Trends Report



MEDIAN RENT



\$1,170

**median rent in Henrico
County, 2019**

Data from Housing Assessment

\$1,258

**median rent in Henrico
County, 2021**

Data from Summary Trends Report

WHAT IS COST BURDEN?

The US Department of Housing and Urban Development (HUD) defines housing as **affordable** when a household spends **less than 30%** of their income on mortgage or rent expenses. A household which spends **30% or more** of its income on housing is "**cost burdened.**"

MORTGAGE COST BURDEN

25.2%

**of Henrico County mortgage
holders were cost-burdened,
2019**

Data from Housing Assessment

23.5%

**of Henrico County mortgage
holders were cost-burdened,
2021**

Data from Summary Trends Report

RENT COST BURDEN

48.1%

**of Henrico County renters
were cost-burdened, 2019**

Data from Housing Assessment

49.3%

**of Henrico County renters
were cost-burdened, 2021**

Data from Summary Trends Report

HOUSING MARKET STATUS

Percent Change from 2020 to 2021 in Second Quarters	Henrico County	
	Single Family Market	Condo/Townhouse Market
New Listings	16%	-1%
Closed Sales	2%	51%
Median Sales Price	19%	39%
Listing Days	-52%	-39%
Inventory of Homes for Sale	-33%	-46%
Monthly Supply of Inventory	-40%	-60%

Compared to the Richmond Metro Area and the Central Virginia Region, Henrico County had a **lower supply** for housing inventory and a **shorter listing time** for single family homes.

Lack of supply is expected to continue to impact the county's housing market.



HOUSING NEXUS SUPPORT STUDY

HOUSING NEXUS SUPPORT STUDY'S PURPOSE

Understand Important Relationships

**New
Businesses**



**New Workers'
Household
Incomes**

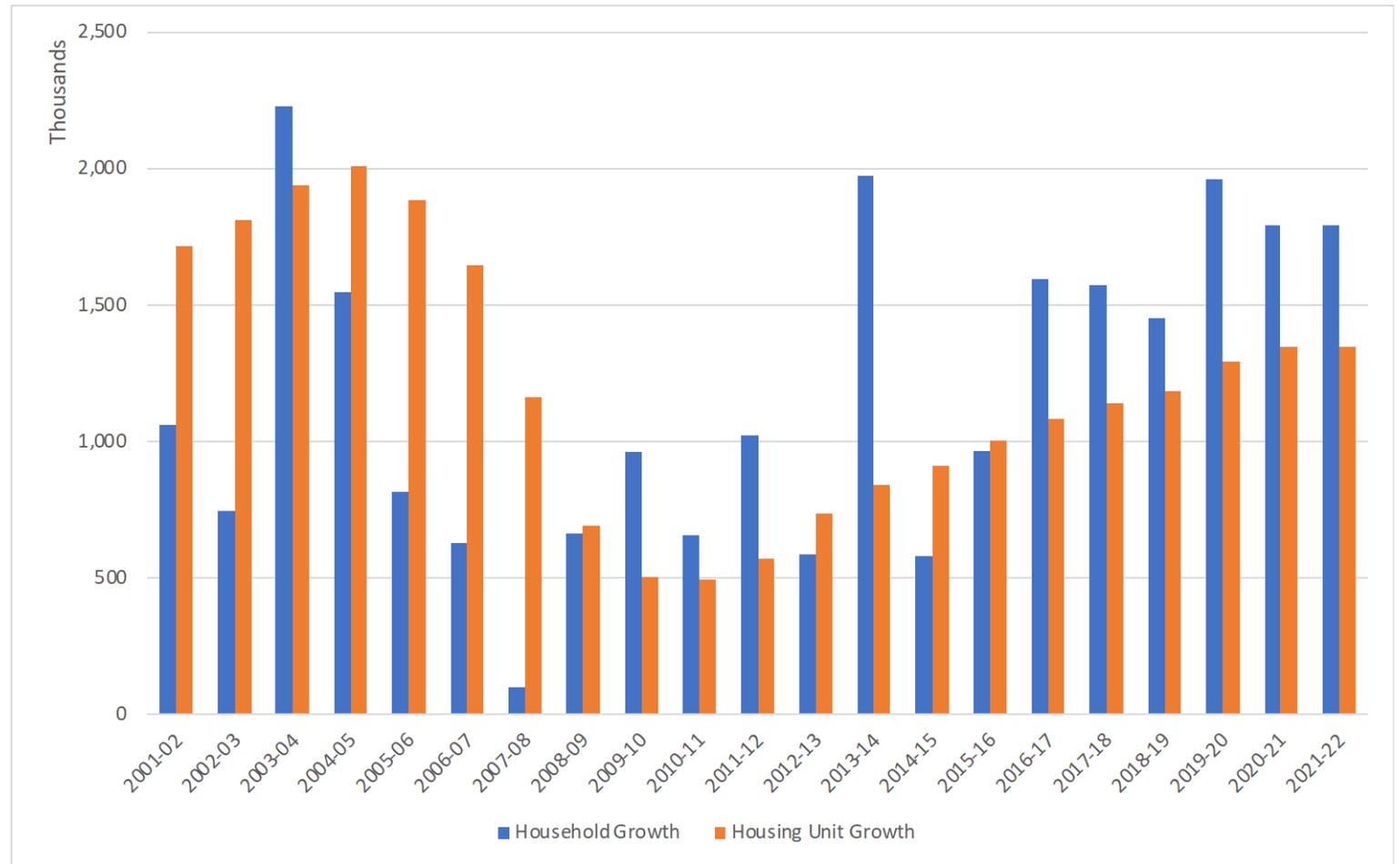


**New Worker
Households'
Housing
Needs**

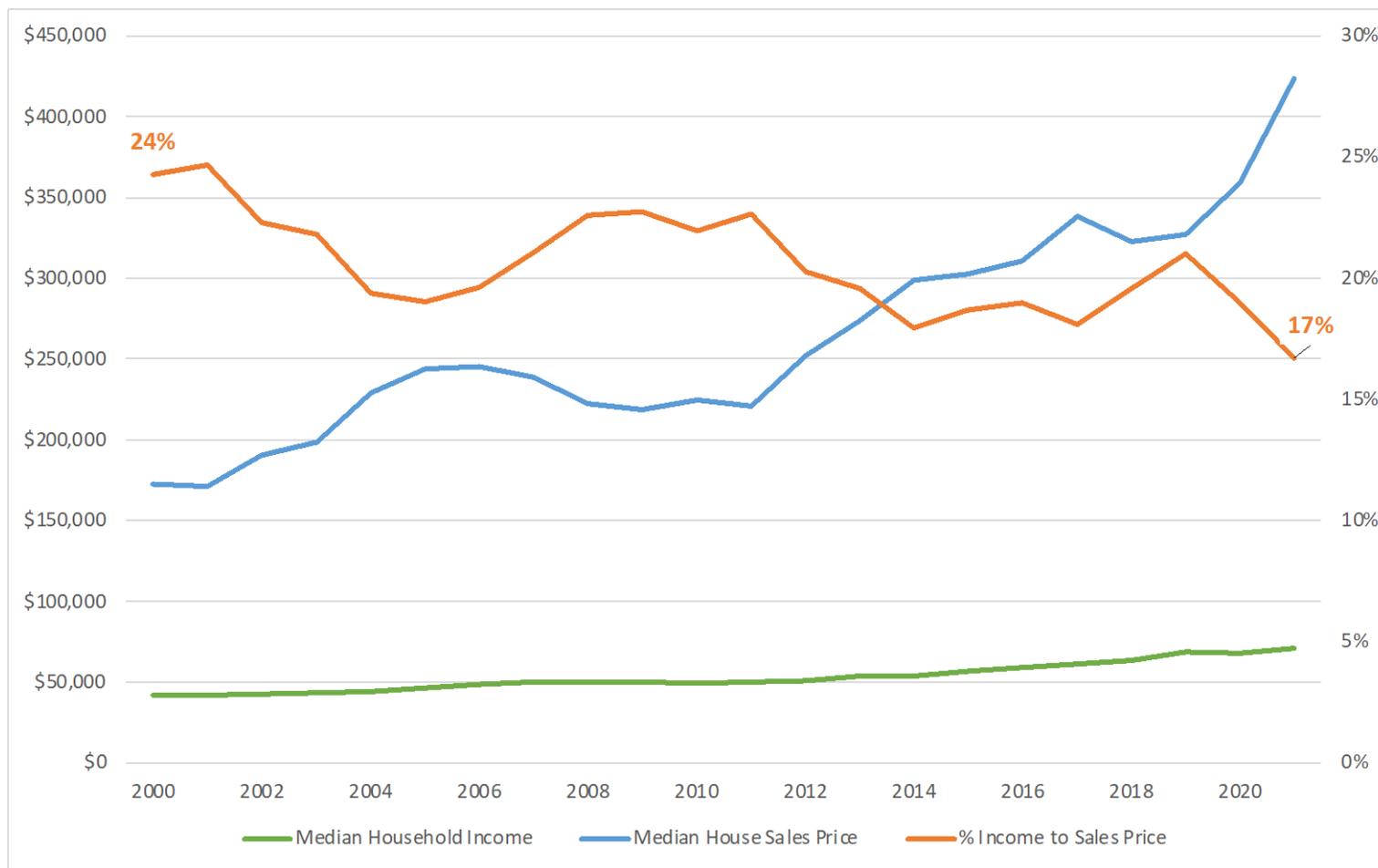
**+ Compare Projected
Housing Demand & Supply**

NATIONAL TRENDS: HOUSING STARTS

New residential construction has not yet returned to the peak of 2005, which has resulted in a **shortage of housing units being built** in comparison to the growth of households.



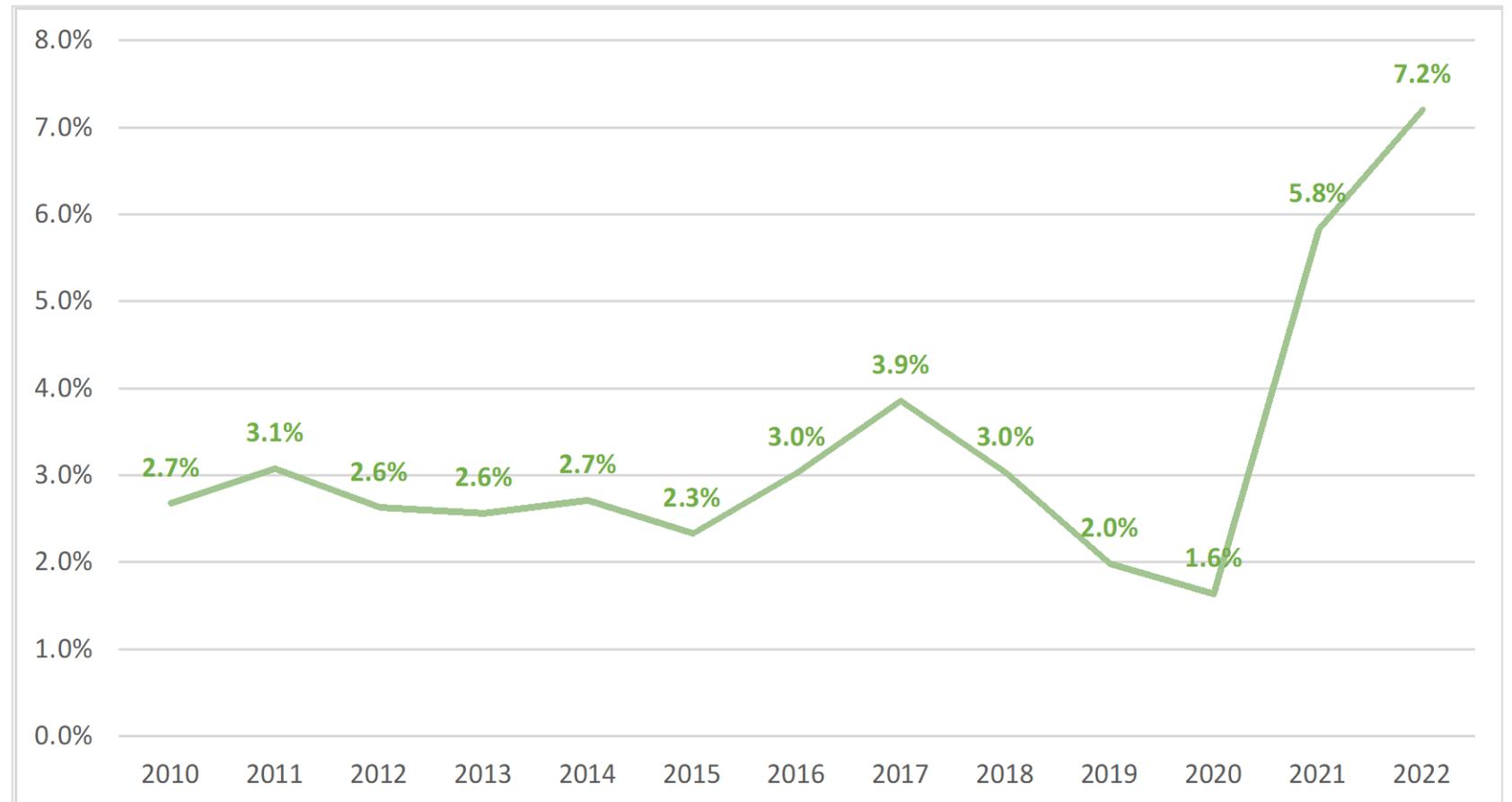
NATIONAL TRENDS: INCOMES & HOUSING



Home prices are increasing at a faster rate than incomes

NATIONAL TRENDS: CONSTRUCTION COSTS

Construction costs have been increasing



NATIONAL TRENDS: HOUSING PREFERENCES



1. Higher demand for multifamily units in response to escalating single-family prices and limited supply
2. Increasing demand for rent-by-choice units (as opposed to rent-by-necessity)
3. Evolving senior housing desires
4. Emergence of single-family rental communities as a new product type

NEXUS STUDY METHODOLOGY

- 1. Determine the number of jobs and worker households generated from different types of projected nonresidential development**
- 2. Estimate income levels of projected worker households**
- 3. Calculate the share of worker households generated by each type of nonresidential building (office, industrial, retail) at each income level**
- 4. Project housing demand from employment growth by income level**

(continued)

METHODOLOGY, CONT.

5. Define prototypical housing units for workers (such as apartments and single-family units)
6. Assign housing demand to prototypes affordable at each income level
7. Identify projected supply of housing units
8. Compare projected housing demand (from workers in new jobs) to projected supply to determine if there is a gap

STEP 1: JOBS GENERATED

		Retail ⁴	Office/Institutional	Industrial	Total
Projected New Square Feet ¹		1,750,000	2,500,000	4,250,000	8,500,000
Projected New Jobs ¹		1,940	13,394	3,288	18,622
Worker Household per Job ²	0.56				
Worker Households Created		1,086	7,501	1,841	10,428
Worker Households in Henrico ³	31%	337	2,325	571	3,233

STEP 2: ESTIMATE INCOMES

1-Person Worker Household			
	Henrico County Weighted Average Household Income by Industry ¹	Henrico County Area Median Income ²	Industry Average % of Median ³
Retail	\$41,310	\$63,000	66%
Office	\$64,290	\$63,000	102%
Industrial	\$51,610	\$63,000	82%
Institutional	\$60,000	\$63,000	95%
Lodging	\$39,260	\$63,000	62%

STEP 3: SHARE OF WORKER HOUSEHOLDS BY TYPE AND INCOME

Estimated % Households by Income Group

	Retail ¹	Office/Institutional	Industrial
Extremely Low-Income (up to 30%)	0.00%	0.00%	0.00%
Very Low-Income (31% to 50%)	5.06%	1.94%	0.14%
Low-Income (51% to 80%)	36.64%	16.25%	12.16%
Median Income (81% to 100%)	13.04%	12.11%	30.74%
Above Median Income (101% to 120%)	35.56%	21.08%	34.35%
Income Category above 120% (121%+)	9.70%	48.62%	22.61%
Total	100.00%	100.00%	100.00%

STEP 4: PROJECT HOUSING DEMAND BY INCOME

Estimated Number Households by Income Group: 100% in Henrico

	Retail ¹	Office/Institutional	Industrial	Total
Extremely Low-Income (up to 30%)	0	0	0	0
Very Low-Income (31% to 50%)	55	146	3	204
Low-Income (51% to 80%)	398	1,219	224	1,841
Median Income (81% to 100%)	142	908	566	1,616
Above Median Income (101% to 120%)	386	1,581	632	2,599
Income Category above 120% (121%+)	105	3,647	416	4,168
Total	1,086	7,501	1,841	10,428

1. Includes lodging land use.

Assumes 100% of all new worker households live in Henrico County.

STEP 4: PROJECT HOUSING DEMAND BY INCOME (CONT.)

Estimated Number Households by Income Group: 31% in Henrico

	Retail ¹	Office/Institutional	Industrial	Total
Extremely Low-Income (up to 30%)	0	0	0	0
Very Low-Income (31% to 50%)	17	45	1	63
Low-Income (51% to 80%)	123	378	69	570
Median Income (81% to 100%)	44	282	176	502
Above Median Income (101% to 120%)	120	490	196	806
Income Category above 120% (121%+)	33	1,130	129	1,292
Total	337	2,325	571	3,233

1. Includes lodging land use.

Assumes 31% of all new worker households live in Henrico County.
This is based on 2018 estimates of worker households living in county.

STEP 5: DEFINE PROTOTYPICAL HOUSING UNITS

Income	Prototype	Development Cost	Median Sales Price
Extremely Low-Income (up to 30%)	Rental	\$200,000	
Very Low-Income (31% to 50%)	Rental	\$200,000	
Low-Income (51% to 80%)	Rental	\$200,000	
Low-Income (51% to 80%)	Ownership		\$330,000
Median Income (81% to 100%)	Ownership		\$330,000
Above Median Income (101% to 120%)	Ownership		\$330,000

STEP 6: ASSIGN DEMAND TO PROTOTYPES

Demand

Extremely Low-Income (up to 30%)
 Very Low-Income (31% to 50%)
 Low-Income (51% to 80%)¹
 Low-Income (51% to 80%)¹
 Median Income (81% to 100%)
 Above Median Income (101% to 120%)
 Income Category above 120% (121%+)

Apartment
 Apartment
 Apartment
 Single-Family
 Single-Family
 Single-Family
 Single-Family

Total

	10-Year Projection: 100% Worker Households Live in Henrico County	10-Year Projection: 31% Worker Households Live in Henrico County
	0	0
	204	63
	1,841	570
	1,616	502
	2,599	806
	4,168	1,292
	10,428	3,233

STEP 7: IDENTIFY SUPPLY

Projected Supply

Total Projected>>>

Extremely Low-Income (up to 30%)

Very Low-Income (31% to 50%)

Low-Income (51% to 80%)

Median Income (81% to 100%)

Above Median Income (101% to 120%)

Income Category above 120% (121%+)

10-Year Housing Unit Projection ¹	
Owner-Occupied	Renter-Occupied
7,487	4,031
10	150
13	1,159
1,244	2,278
1,164	323
3,021	42
2,035	79

STEP 8: COMPARE SUPPLY TO DEMAND AND IDENTIFY GAPS

	Projected Supply		Projected Demand		Surplus/(Shortfall)	
	10-Year Housing Unit Projection ¹		10-Year Projection: 100% Worker Households Live in Henrico County			
	Owner-Occupied	Renter-Occupied	Owner-Occupied (Assumed Single-Family Unit)	Renter-Occupied (Assumed Multifamily Unit)	Owner-Occupied (Assumed Single-Family Unit)	Renter-Occupied (Assumed Multifamily Unit)
<i>Total Projected>>></i>	7,487	4,031				
Extremely Low-Income (up to 30%)	10	150		0	10	150
Very Low-Income (31% to 50%)	13	1,159		204	13	955
Low-Income (51% to 80%)	1,244	2,278	1,841	1,841	(597)	437
Median Income (81% to 100%)	1,164	323	1,616		(452)	323
Above Median Income (101% to 120%)	3,021	42	2,599		422	42
Income Category above 120% (121%+)	2,035	79	4,168		(2,133)	79

Assumes 100% of all new worker households live in Henrico County.

STEP 8: COMPARE SUPPLY TO DEMAND AND IDENTIFY GAPS

	Projected Supply		Projected Demand		Surplus/(Shortfall)	
	10-Year Housing Unit Projection ¹		10-Year Projection: 31% Worker Households Live in Henrico County		Owner-Occupied (Assumed Single-Family Unit)	Renter-Occupied (Assumed Multifamily Unit)
	Owner-Occupied	Renter-Occupied	Owner-Occupied (Assumed Single-Family Unit)	Renter-Occupied (Assumed Multifamily Unit)	Owner-Occupied (Assumed Single-Family Unit)	Renter-Occupied (Assumed Multifamily Unit)
<i>Total Projected>>></i>	7,487	4,031				
Extremely Low-Income (up to 30%)	10	150		0	10	150
Very Low-Income (31% to 50%)	13	1,159		63	13	1,096
Low-Income (51% to 80%)	1,244	2,278	570	570	674	1,708
Median Income (81% to 100%)	1,164	323	502		662	323
Above Median Income (101% to 120%)	3,021	42	806		2,215	42
Income Category above 120% (121%+)	2,035	79	1,292		743	79

Assumes 31% of all new worker households live in Henrico County. This is based on 2018 estimates of worker households living in county.

AFFORDABILITY GAP

Income	Prototype	Development Cost¹	Median Sales Price²	Supported Financing³	Affordability Gap^{4,5}
Extremely Low-Income (up to 30%)	Rental	\$200,000		\$45,300	(\$154,700)
Very Low-Income (31% to 50%)	Rental	\$200,000		\$86,200	(\$113,800)
Low-Income (51% to 80%)	Rental	\$200,000		\$147,700	(\$52,300)
Low-Income (51% to 80%)	Ownership		\$330,000	\$271,100	(\$58,900)
Median Income (81% to 100%)	Ownership		\$330,000	\$364,000	\$34,000
Above Median Income (101% to 120%)	Ownership		\$330,000	\$456,910	\$126,910

CURRENT HOUSING POLICIES

Vision 2026 Comprehensive Plan housing policies included:

- Designate land to accommodate a variety of uses that supports forecasted growth.
- Achieve a balanced mix of land uses (residential and nonresidential) to ensure fiscal health of the county.
- Protect the character and sense of place found in the county's varied communities.
- Leverage existing investments in infrastructure and services through infill, redevelopment, and intensification of existing developed sites.
- Provide housing and employment opportunities for a diverse population that varies in socioeconomics, culture, and age.

FUTURE LAND USE & HOUSING

Currently adopted Future Land Use categories allow for the following intended residential uses (% of acres):

19%

rural
residential

30%

general residential
(suburban, urban,
and multifamily)

6%

mixed use development
that includes medium
and higher density
residential

HOUSING REGULATIONS

Zoning Ordinance allows housing in some form in following:

- Agricultural districts
- Base residential zoning districts
- Community Mixed-Use district
- Business districts
- Planned Development districts

The Ordinance also includes the following area-specific districts that provide for development of housing:

- Two redevelopment overlay zoning districts
- Form-Based Alternative Overlay (FBA-O) Districts that apply to five subdistricts in the county

HOUSING REGULATIONS, CONT.

An evaluation of Agricultural and Residential zoning districts shows that by-right development is allowed in the following (percent of total residentially zoned acres for each housing type):

93.7%

**single-family
detached units**

6.3%

**multifamily
and
townhomes**

POLICY CONSIDERATIONS FOR THE 2045 COMPREHENSIVE PLAN

- Adjust the County's focus from large tract development to Planned Developments (PD) and **provide opportunities for mixed-residential developments on smaller infill and redevelopment sites.**
- **Allow middle housing types in existing single-family neighborhoods located in the Urban Residential (UR) FLU category** with appropriate design standards.
- **Add new mixed-density housing types to the plan's land use guidance**, including cottage homes and pocket neighborhoods.
- The maximum Multifamily Residential (MFR) density is currently limited to 19.8 units per acre unless modified through a master plan process. **Increase the MFR density in areas that are near transit and employment centers.**

(cont.)

POLICY CONSIDERATIONS FOR THE 2045 COMPREHENSIVE PLAN, CONT.

- **Provide additional flexibility regarding accessory dwelling units (ADUs)**, such as allowing larger sized units in appropriate circumstances (e.g., on larger lots), and by-right in some or all zoning districts.
- **Provide an additional base zoning district that allows for the full mix of residential uses.**
- **Allow business zoning districts to include more types of residential uses** by-right, with a provisional use permit, or as an alternative, allow if part of a vertically mixed-use project.
- **Create an incentive, such as a bonus density, for developing a mix of residential uses**, particularly those that are more affordable at certain price points.



CONCLUSIONS

CONCLUSIONS

- Population growth is slowing in the county similar to statewide trends.
- Employment has grown but a smaller share of county jobs is held by county residents. This means a higher share of in-commuters hold jobs in the county.
- All types of growth—population, housing, employment—are projected to continue generally along the same trends as the previous decade.
- The West Submarket of the county has the most diverse housing stock, higher share of recent housing growth, highest median income, highest median values and rents, and highest share of cost burdened households.

CONCLUSIONS

- Lack of housing supply is expected to continue to impact the county's housing market.
- Home prices are increasing at faster rates than incomes.
- The Housing Nexus Support Study examined housing needs for future workers. If all worker households live and work in the county, a shortfall of housing units is projected for low-income (51-80% of AMI), median income (81-100%) AMI), and high income (>120% AMI). However, if the current relationship holds of only 31% of households living and working in the county, then housing supply is projected to meet housing demand.
- The county's fiscal stewardship and balance between residential and nonresidential value is assumed to continue in the future.