



## Housing Advisory Committee (HAC)

Wednesday, March 15, 2017  
12:00 PM – 1:00 PM  
Conference Room,  
Neighborhood Development Services

### Minutes

In attendance: Betsy Lawson, Piedmont Housing Alliance  
Erica Allen, Citizen at Large  
Jody Lahendro, Planning Commission  
Joyce Dudek, Albemarle Housing Improvement Program  
Lesley Fore, Local Energy Alliance Program/HAC Co-chair  
Nancy Kidd, MACAA  
Phil d'Oronzio, Banker/HAC Chair  
Ridge Schuyler, Citizen at Large  
Steve Stokes, JABA  
Erin Briggs-Yates, Thomas Jefferson Area Coalition for the Homeless  
Trish Romer, University of Virginia  
Dan Rosensweig, Habitat for Humanity  
Shelley Murphy, Piedmont Housing Alliance  
Alex Ikefuna, Neighborhood Development Services  
Stacy Pethia, City Staff

Jeff Fogel, Citizen  
Emily Dreyfus, Citizen

Absent: Bob Hughes, Charlottesville Area Association of Realtors  
Carmelita Wood, Neighborhood Representative  
Frank Stoner, Free Enterprise Forum  
Grant Duffield, Charlottesville Redevelopment and Housing Authority  
Jennifer McKeever, School Board  
Joy Johnson, Public Housing Association of Residents  
Kristin Szakos, City Council  
Paul Kent, Region 10  
IMPACT  
Ron White, Albemarle County

Phil d'Oronzio (PD) welcomed everyone to the meeting. He presented the minutes from the February meeting for review. XX motioned the minutes be accepted. XX seconded the motion. PD called for a vote on accepting the February minutes. All members voted unanimously to accept the minutes.

Dan Rosensweig (DR) introduced the topic of the meeting: the prioritization of the HAC's policy/program recommendations from the RCLCO housing study. He reminded attendees that, at the February meeting, Kristin Szakos (City Council member), asked the HAC to streamline the list of recommendations presented to City Council in November 2016. Specifically, the HAC was requested to identify some immediate action Council can take that will have immediate payoffs, as well as priority actions they need to take due to long term planning efforts. To that end, the HAC Policy Subcommittee met on March 2<sup>nd</sup> to review the November recommendations and the HAC's recommendations related to the code audit efforts.

DR noted the subcommittee developed a list of priority recommendations, which have been classified as:

1. recommendations for immediate action yielding immediate benefits; and
2. recommendations for immediate action yielding future benefits.

Stacy Pethia (SP) summarized those recommendations and forwarded the list to all HAC members for review. DR believes the list is an accurate reflection of what the subcommittee agreed should be presented to City Council, and asked if other subcommittee members agreed. All subcommittee members present agreed the list is accurate.

DR noted that if Council moves forward with the recommendations, the HAC will, for the first time, meet its annual goals for the creation of affordable housing units in the City. He stated this will be a move in the right direction, but is still a drop in the bucket related to affordable housing needs in this community.

PD suggested the committee discuss each recommendation in the order they are presented on the lists. However, he did note that recommendation #2 – Council should double the amount of annual allocation to the affordable housing fund – can be eliminated from the discussion as Council has already agreed to do this. He stated that the City Manager is proposing to increase the fund by \$800,000 this year, and then double the amount of allocation beginning FY 2019.

PD then introduced recommendations #1 – City Manager agrees to prioritize the sale/lease of City owned property for affordable housing development – for discussion. SP stated she has a map with all vacant parcels in the City, both parcels owned by the City and parcels owned by other entities. She will ask the City GIS Specialist to download the parcel data into a spreadsheet so the exact addresses and parcel data can be identified. She noted the number of City owned parcels is not high. PD asked if any committee members had any questions/comments about recommendation #1; no one did.

Recommendation #3 – creation of a landlord risk reduction fund – was opened for discussion. PD asked if the idea is to create a separate pot of money for the fund. SP responded yes but, in the long term, this may not actually require any money being put aside. She explained that other cities and organizations that have created such funds have found that landlord rarely ask for money. She further explained that many cities/organizations use this type of fund to encourage landlords to forego the usual security deposit required with a new lease, the rationale being that security deposits tend to be significant barriers for lower-income households searching for rental housing. In practice, landlords would enter in to an agreement with the risk reduction fund manager that they would forego the security deposit with the understanding they can access the fund to help repair any damages caused by a tenant at time of move out. PD asked if any attendees had any questions/comments about recommendation #3. No questions/comments were raised.

PD moved on to recommendation #4 – Waiving developer fees. This recommendation was broken down into two parts:

1. waive developer fees for all developments providing on-site affordable housing; or
2. waive developer fees for projects triggering the City's Affordable Dwelling Unit ordinance, providing affordable units on-site.

DR asked SP if the subcommittee wanted to include a percentage of units of around 15%. SP stated the subcommittee did not indicate that during the March 2<sup>nd</sup> meeting. SP agreed to make the change to the recommendations. DR noted the change corresponds to the HAC goals for affordable housing development. There was no further discussion on this item.

PD introduced recommendation #5 – provide \$900,000 to the Charlottesville Redevelopment and Housing Authority to cover the gap in federal for the Housing Choice Voucher program. He asked if \$900,000 is indeed the gap in funding.

DR stated that, no, the figure was derived from a conversation with Councilwoman Szakos during the subcommittee meeting and the doubling of the affordable housing fund, which would be \$1.7 million. However, City staff proposed an \$800,000 increase to the fund instead. During the March 2<sup>nd</sup> meeting, Councilwoman Szakos stated she would like to fund as many vouchers as they can but keep the commitment to doubling the amount of the housing fund. Allocating \$900,000 towards the voucher program was a compromise and comes close to filling the program's funding gap. The full gap is closer to \$1.2 million.

SP expressed concerns over how the recommendation would work. The housing fund can only be used towards affordable housing in the City; however, there is an agreement that all vouchers issued by the CRHA can be used regionally. She noted City's legal department checking to see if the City restricting use of the vouchers violates the agreement. DR stated he believes Council can waive the requirement that housing fund monies only be used in the City. SP also asked what happens to families helped through this allocation if future Council members decide to stop funding the program? The family would most likely not be able to afford the rent on their own and the CRHA would most likely not be able to absorb those voucher payments into their budget. PD asked what would be the harm in making the recommendation anyway. SP stated the downside is a family secures housing and a year later they lose their rental assistance; she feels there is a moral issue involved. DR noted the current Council can't obligate future Councils to current funding decisions. He suggested one solution to this is recommend Council, when they allocate the funds, include a letter to future Councils stating their intention is make the program allocation over the long term. He noted Councilwoman Szakos didn't think the letter was necessary, and felt future Councils would most likely continue the funding.

Alex Ikefuna (AI) stated that if, ultimately, the current Council decides to fund the voucher program, it is the City's responsibility to continue funding the program indefinitely. He did not believe the City wants to assume that responsibility. Ridge Schuyler (RS) responded that it is the HAC's responsibility to make recommendations to City Council to reach the 15% affordable housing goal. He doesn't feel the HAC should hesitate to make the recommendation; it is up to Council to accept or reject it. He stated the HAC should be afraid to help people now just because someone in the future might harm them. He doesn't feel the HAC wants to lead people down an unfair path, but the HAC can't know if the funding will stop.

Erin Briggs-Yates (EY) noted any future funding cut would not be dissimilar to what is currently happening with HUD. RS backed that up by noting the President's current budget proposal, if adopted, would cut the safety net to shreds.

AI returned to recommendation #4, stating that incentives are good to encourage developers to produce affordable units on-site as opposed to making a cash contribution to the City. He asked if the HAC wanted to consider recommending the City increase the amount of money they are required to contribute. One issue with the Affordable Dwelling Unit program right now, is the cash contribution is so low, it is an easy way out for developers and doesn't help the City. Trish Romer (TR) stated the subcommittee discussed increasing the

amount of cash contribution, but the group didn't think that was possible as the amount is legislated by the State. AI suggested it can be added as a recommendation. DR noted that would be considered a future benefit. He stated increasing the amount is not enabled by State code; the City is charging the maximum allowed by the State. SP indicated Councilwoman Szakos informed the subcommittee that asking for a higher amount had been on the legislative agenda, but has been removed. SP noted that, while Councilwoman Szakos indicated the City is unable to increase the amount of payment, she can add the recommendation to the list if the HAC agrees to do so.

DR stated the idea behind the prioritized list was to keep it short. The current proposed recommendations provide the biggest bangs for their buck. They are the ones the City can do right now in this legislative term to make a difference. He noted it is still a recommendation to Council, just not on the prioritized list. PD asked if there was a motion to add increasing the amount of payment to the list. As no one made a motion to do so, he tabled the topic for a future discussion.

PD moved on to the immediate action for future benefit category of recommendations. He asked if anyone could explain the first recommendation in this category -- prioritize inclusion of affordable housing in City led development.

SP stated the City has a list of priorities for use of City owned land. When the City looks at a City owned site for development, they determine what City priority they will meet with development of that land, such as economic development, or parking, or something else. This recommendation asks them to include affordable housing in their list of top priorities. She explained, for instance, if they are building a parking structure, they could include affordable housing at the top of the structure. RS noted the recommendation would put affordable housing on the agenda, and could allow Council to meet multiple goals at the same time.

PD moved on to recommendation #2 -- Instruct City staff, consultants, Planning Commission and other persons/parties involved in the development of a Form Based Code, to prioritize and maximize increased floor area ratio and other allowances as tools for increasing affordable housing development in the City. Jody Lahendro (JL) stated the list of recommendations has been presented to Planning Commission. While they are supportive of the recommendation, they would like to see the wording changed to something less demanding; they took issue at the word "instruct". PD asked if the HAC wanted to consider changing the language to, "instruct City Council to urge" Planning Commission and others. DR stated we have to be careful, because the HAC was created to make recommendations to Council on ways to get the City closer to the 2025 affordable housing. He noted Council can decide to instruct or not. The recommendation asks Council to put affordable housing higher on the list of City priorities; this doesn't mean they have to. If the recommendation is coming from the HAC, then it is appropriate to ask Council to give the orders. JL stated the Planning Commission is concerned developers will use the language in the recommendation to put forward ideas that have a nominal affordable housing advantage that then gets a larger development that doesn't actually do much for affordable housing. The developers are simply using the recommendation as leverage. DR noted that is why the word 'maximize' is in there. The City shouldn't give 3 FAR bonuses for one unit. There seems to be a sense that developers want to skirt around the rules.

DR suggested maybe there is better language. If the idea is to maximize, then let's ask Council to urge the City to use a strong leverage to encourage affordable housing. SP stated the real issue is using the word 'instruct'. Perhaps there is a better to say that? RS and PD asked how City Council informs the Planning Commission, can they say 'do x'? DR noted they can but don't, and that is a real problem as it is where you get a conflict between public aspirations and policy. JL indicated Council needs a majority vote to tell Planning Commission to do something. PD asked for a motion to change the wording of the recommendation; Lesley Fore (LF) made the motion, JL seconded the motion. The recommendation was not accepted 7 – 3 against.

For the final recommendation -- Instruct City staff, consultants, Planning Commissioners and other persons/parties involved in code audits/zoning ordinance updates, to prioritize all allowable land use/planning tools, including increased density, in order to stimulate affordable housing development – DR noted there are other regulatory and policy that can happen (e.g., update to the Standards and Design manual) in addition to the code audit. PD moved to add “and other applicable updates” to the recommendation. DR seconded the motion. The recommendation was accepted. PD asked if there were any more changes. There were none.

PD called for a motion to approve the recommendations with changes. He moved to approve the recommendations with edits, LF seconded. All voted in favor of accepting the recommendations with edits.

PD asked if there was any other business to discuss.

DR stated that Councilwoman Szakos encourages HAC members and their organizations to reach out to City Council expressing support for the recommendations. He encourages all HAC members to do so.

JL asked if a date was set for presentation to City Council. SP said no; she will be taking the recommendations back to Planning Commission on March 28<sup>th</sup> for a housing work session. Everyone is invited to attend the meeting, which begins at 5:30 in Council Chambers. SP noted Planning Commission has been informed they are not allowed to change any of the recommendations, but can provide comments.

PD opened the meeting for public comments:

Jeffrey Fogel, introduced himself as a citizen concerned with affordable housing and people in the community. He stated he is concerned the HAC is willing to accept the 15% affordable housing goal, noting the City is unable to produce affordable housing in the quantities needed by the community. He went on to state that 30% - 35% of people in the community need affordable housing and asked what happens to the other 20% if the City only provides 15% affordable housing. He stated the City will remove all well-off people from the town if sufficient quantities of affordable housing are not provided. The proposal presented today should have been put forward 20 years ago. The City refuses to commit to affordable housing. He state he thought the HAC was a body of advocates for affordable housing. If Council rejects the recommendations, HAC should talk to the community, tell them to put pressure on Council to meet affordable housing needs. Otherwise, demographics in the City will change. The City has fallen behind meeting the goal over the past six years and Charlottesville is becoming two cities, the poor versus upper middle class. He asked why the City can't build affordable housing or provide funding. He suggested the City should increase the property tax rate to help with affordable housing.

PD thanked Mr. Fogel for his comments, adding that the HAC shares his frustration.

Mr. Fogel stated the HAC needs to go out and make thing happen; nothing will change if the HAC only makes recommendations to City Council. He noted that Kristin Szakos is an advocate for affordable housing, but nothing has changed in the seven years she has served on the Council.

PD asked if there were any other public comments.

Emily Dreyfus suggested the HAC revisit the 15% affordable housing goal, noting that Mr. Fogel raised some good points.

AI responded that it is easy to sit on the sidelines and say 15% is not enough. The City has constraints from the State, making it difficult for City Council to make change. He urged everyone to reach out to their State representatives and urge them to provide enabling legislation for the City's affordable housing efforts.

DR suggested the HAC have a future discussion about the 15% goal. HAC members voted to do so.

Ms. Dreyfus noted it is important to identify who the affordable housing is being developed for. Lower-income households should be the target.

DR responded that Habitat for Humanity, the organization he represents, tries to create a housing ecosystem value map so we can look at the entirety of the housing spectrum and see where the real need is. He noted Habitat is tired of not making progress on the affordable housing front, but stated they could make bigger changes with community partners. Meeting affordable housing needs will take the entire community working together. He stated Habitat wants to be the catalyst of community-wide thinking around affordable housing solutions, and said he will work with the City and County to develop a more strategic approach.

PD ended the meeting by thanking everyone for attending.

### **Proposed HAC Priority Recommendations for City Council as of March 15, 2017**

#### Immediate Action – Immediate Benefit

1. Direct City Manager to immediately identify, and sell/lease, appropriate City owned properties for affordable housing development and to investigate additional land purchase for affordable housing.
2. Double the annual contribution to the Charlottesville Affordable Housing Fund.
3. Create a landlord risk reduction fund.
4. Waive developer fees:
  - a. for all developments providing a minimum of 15% (of total unit count) on-site affordable housing units; OR
  - b. for projects, triggering the City's Affordable Dwelling Unit Ordinance, providing required affordable housing units on-site.
5. Provide approximately \$900,000 to the CRHA to help cover the gap in funding for the Housing Choice Voucher Program.

#### Immediate Action – Future Benefit

1. Prioritize inclusion of affordable housing in City led development.
2. Instruct City staff, consultants, Planning Commission and other persons/parties involved in the development of a Form Based Code, to prioritize and maximize increased floor area ratio and other allowances as tools for increasing affordable housing development in the City.
3. Instruct City staff, consultants, Planning Commissioners and other persons/parties involved in code audits/zoning ordinance updates and other applicable policy updates, to prioritize all allowable land use/planning tools – including increased density – in order to stimulate affordable housing development.