

HOUSING ADVISORY COMMITTEE

Minutes

Basement Conference Room City Hall

August 19, 2009

12:00 pm

Members:

Charlie Armstrong, Co-Chair

Peter Loach

Chris Murray

Richard Spurzem

Sasha Farmer

Karen Waters

Cheri Lewis

Amy Kilroy

Jennifer Jacobs

Overton McGehee

Staff:

Melissa Celii

Others:

Mike Harvey

Edith Good

Susan Pleiss

Meeting began at 12:10.

Introductions/Welcome: Introductions were made.

Approval of Minutes: Minutes from July 15, 2009 were approved.

Guest Speaker: Mike Harvey from the Thomas Jefferson Partnership on Economic Development gave a presentation of economic challenges in the greater Charlottesville region with a focus on workforce challenges. His presentation focused on three key issues: underemployment, the shifting middle class, and chronic unemployment and poverty in the African American community. Following his talk there was a discussion about how it may be cheaper to increase peoples' incomes and education than to subsidize or build affordable housing. Members thought it was important to realize how a lack of jobs affects and relates to affordable housing needs and availability in the community.

Action Committee on Housing Report: Staff presented an updated version of the Affordable Housing Report that tried to tie estimated costs to correlate with different goals. Members provided general feedback as well as specific changes they would like to see incorporated into the report.

General comments included a consensus that at a minimum the City needs to maintain what it currently has in terms of affordable housing units, but with the understanding that the City can not remain where it is because it is already behind the need. Some members expressed a desire to see language that addresses how zoning can be used to increase affordable housing such as through density bonuses. It was stated that capturing

affordable housing revenue through zoning powers versus taxing powers may be a better option. Mr. McGehee volunteered to draft some text regarding this. It was also pointed out that the amount of leveraged funds available fluctuates and a greater emphasis of this fact should be mentioned in the report.

The report will also need to mention loans and recapturing of funds/ program income. What happens when loans are paid off and returned to the City? If the City earns \$500,000 in program income is that in addition to minimum funding investments needed to reach affordable housing goals or counted as part of future funding investments? Also, because funds are recaptured and reinvested, there needs to be mention that some units therefore 'move' around the City and are not tied to a fixed unit; this is also true of some vouchers. The report also needs to mention that Dogwood housing is only affordable as long as the City has an investment in it, and the loan is about to expire.

It was suggested that the report also mention that even if there are a certain number of affordable units available, low-income residents may not qualify to live in those units because of problems with credit. The report needs to include a discussion about the importance of credit counseling as well as the need for employment training. Members wanted to make sure that while the bulk of the report will focus on increasing the supply of affordable housing, there needs to be a discussing about reducing the need for affordable housing by increasing peoples' incomes. Members wanted the report to really stress how a lack of jobs and upward employment mobility has an impact on the housing stock and the relative affordability of the housing stock.

It was also suggested that the report include a broader history of past housing policy including the past strategy of only investing in middle class housing. Members also asked that a table of all tax credit properties including tax credit expirations be added to the report.

One member wondered if the report should focus on rental over homeownership or homeownership over rentals. Other members thought that the focus should be on income and provide options for both tenures. A consensus was reached that the report should encourage a spectrum of affordable housing options to meet the diverse population and needs of the City. Members expressed a desire for the September HAC meeting to focus exclusively on the housing report.

Possible Future Action Committees: None.

Other Business: None.

Meeting Adjourned at 1:40.