

HOUSING ADVISORY COMMITTEE  
 Policy Formulation and Best Practices Subcommittee  
 Minutes  
 Neighborhood Development Services Conference Room, City Hall  
 June 17, 2014  
 12:00 pm

Attendance Record	Present	Absent
<b>MEMBERS</b>		
Chris Murray	X	
Dan Rosensweig	X	
Frank Stoner	X @ 12:40	
Jennifer McKeever	X	
Joy Johnson		X
Kristin Szakos	X	
Mark Watson		X
Lesley Fore	X	
Ridge Schuyler	X	
Kaki Dimock	X	
<b>STAFF</b>		
Kathy McHugh	X	
Melissa Thackston	X	
<b>VISITORS</b>		
Pat Lloyd	X	

The meeting was called to order by Dan Rosensweig at approximately 12:05 pm.

Dan Rosensweig began the meeting by explaining that a secondary sub-committee had been formed to make recommendations for changes to Housing Policy 1 to allow the group to be able to go back to the full HAC next month to seek approval for the policy at their July 16<sup>th</sup> meeting. He explained that he had worked with Ridge Schuyler, Melissa Thackston, and Kathy McHugh to edit the current version being presented at the meeting and that much attention had been paid to the section dealing with accountability and tracking. He further stated that he did not have a strong sense of being proprietary about the document, so he encouraged the group to “take their gloves off”, as everything was up for discussion. Dan indicated that Charlottesville Affordable Housing Fund (CAHF) is the best source of funds to leverage other sources and get stuff built. He said that the policy update was being done to provide a basis for staff to be able to make recommendations to City Council.

Chris Murray and Lesley Fore both commented that the current version is a much better document than the last and commended the group for a job well done.

Chris then asked about Capital Improvement Program (CIP) discussions by the Planning Commission. He wanted to know if the CIP is the best way to keep CAHF funding safe from political whims. Kristin Szakos stated that it does about as good a job as anything and that only loans and bonding decisions can bind future councils.

Dan explained that every year the Planning Commission get a recommendation from the Budget Office to cut funding for CAHF and every year, the Planning Commissions asks Council to restore funding.

The discussion continued with Melissa Thackston stating that the use of CIP acknowledges that affordable housing is part of our infrastructure. Dan noted that Dave Norris previously pushed for a permanent source of funding with a percentage set aside in the general fund. Kristin Szakos stated that this could be a slippery slope and that she was concerned that other efforts would also want a special set aside – thus limiting funds under the discretion of Council.

Chris Murray then asked if we could look at the general and then come back to specific issues. He then asked if the recipient could also be the beneficiary, as it appears that the policy presumes that the recipient is a non-profit. He asked if the policy could help individuals sustain affordability.

Dan Rosensweig responded that funding authorization limits provision of funding to non-profits and CRHA. He then asked the group if there was a consensus over changing the definition of a recipient, to which the group replied no.

Chris stated that protecting the ability to buy land and preserving existing affordable housing were the most important things for the policy. Jennifer McKeever interjected that the document speaks to maintaining rather than preserving (see page 3 under guidelines), but that this was essentially the same thing. Kathy McHugh provided examples of where the policy already addresses the concerns being raised by Chris and pointed to housing rehabilitation and land assembly being specifically enumerated in the potential uses of funds section (see page 6).

Dan then told the group that he was able to vet the policy from Habitat's standpoint and that it works and is not too cumbersome. He stated that he specifically looked at the process and to whether it limited access and utilization of potential funding by his organization. He suggested that the group look do the same and that we send out the final draft well in advance so that the full HAC could do the same. He added "nobody knows your business better than you."

Dan asked Kaki Dimock if this policy would impact rapid rehousing. Kaki stated that they are already running out of flexible landlords, but not need for more affordable units. Her concern was over the lack of willing and qualified landlords, but that the policy did not appear to inhibit what they do. She stated that TJACH is interested in on-going access to funding to assist with rapid rehousing.

Chris Murray indicated that he was concerned over reporting requirements, stating that we need to add a sentence under tracking measures on page 5 that allows recipients to submit another report if it provides the pertinent information. Jennifer McKeever supported this addition and Kristin Szakos noted that she thought it had already been added.<sup>1</sup>

Chris added that we need to make it clear and distinguish between supported affordable and affordable housing. Both are used in the document and there needs to be a thorough review to make sure each is used as it should be. Kristin Szakos stated that she is agreeable to allowing "SAU" to be used in lieu of supported affordable unit.

Chris then asked the group to reconsider the definition of affordable to allow it to include up to 100% AMI. Dan Rosensweig was not comfortable with doing this and there was no general consensus around such a change. Chris then asked if the use of funding for projects up to 100% AMI (as described on page 3) should be changed to be consistent with the definition. Kathy McHugh stated that there is a difference between definitions and guidelines and that the inclusion of this language had been to provide a policy basis for funding mixed income projects, but that the group (and the current wording) reflected that there was a

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<sup>1</sup> Language regarding reporting alternatives was added to the ADU regulations, but had not been previously included with housing policy 1.

preference for applications benefitting the lowest level of AMI. The group asked that the word “strong” be added in front of preference. Chris noted that City Council will have the ultimate say in what gets funded, with the group agreeing that the policy simply provides a basis for staff evaluation and recommendations to Council.

Dan Rosensweig then explained that money is fungible and that use of CAHF for a project as a whole should be okay as long as funding continues to be used by the recipient for affordable housing. He liked having the ability to allow agencies to show that they are maintaining a certain number of affordable units in the project overall and that this would provide flexibility with specifying units. Chris interjected that the recycling part could be tricky if an agency ceases to exist.

Kristin Szakos then stated that the policy looks pretty good overall and that she thinks it is ready for the full HAC, based on today’s discussions/changes. Jennifer McKeever then asked if the policy would go to the Planning Commission and Dan explained that this is not part of their purview. Kristin added that any additional insights from the HAC should be added, but that then the policy could go to Council.

Frank Stoner added that he has no problem with accountability measures, but asked where the affordability period figures came from as he felt that the 40 years was out of sync with the allowable amortization schedule for rental property. Kathy McHugh explained that the housing rehab terms/funding amounts came directly from the rehab policy but that she was not sure where the rental numbers came from (she thought it was based on an example found while doing research for the policy, but that it had been some time since she looked at this).

Kristin Szakos asked if the numbers should be indexed for inflation and maybe a statement needs to be added to say that the policy would be reviewed and updated every 5 years. Dan added that perhaps we can use the CPI index approved for the ADU ordinance. Kathy agreed that she would do this and revisit the source of the original rental period of affordability, as she was also concerned over the length of time being excessive.

The group discussion continued with a decision made that there needed to be potential for flexibility with the period of times required in the period of affordability. Ridge Schuyler stated that he would be glad to draft some language to provide discretion in how we look at the total number of supported affordable units overall and the impact of a project over time. Kristin added that she had a few editorial changes that she would provide to Ridge and Chris Murray and Lesley Fore both stated that they would e-mail Kathy McHugh with their questions/concerns for changes.

Lastly, the group discussed other business relative to a request from Virginia Supportive Housing to provide additional rental subsidies for up to 5 units at the Crossings. There was a question about rental subsidies under housing policy 1, but it was noted that these were provided in the original policy as well as the current draft. Dan asked that Kathy look into whether this would have any impact on the Special Use Permit<sup>2</sup> and if not that he no further concerns. Kristin Szakos noted that this would take away 5 units that are generally affordable, but that she was not opposed to using funds to further homelessness efforts. The group was in agreement that this would be something that could be supported with CAHF funding.

With no further business, the meeting was adjourned.

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<sup>2</sup> A follow up with Missy Creasy confirmed that such a change would not impact the SUP, as the funding for rent does not impact land use.