



Subcommittee Meeting to Discuss  
Employer Assisted Housing Program  
**Housing Advisory Subcommittee**

Wednesday, January 18, 2017  
12:00 Noon – 2:00 PM

**Minutes**

**In Attendance:** Kristin Szakos, City Council  
Shelley Murphy, Piedmont Housing Alliance  
Phil d'Oronzio, Banking Community  
Dan Rosensweig, Habitat for Humanity Greater Charlottesville  
Ridge Schuyler, Education  
Trish Romer, University of Virginia  
**Developer dude**  
Stacy Pethia, Neighborhood Development Services

**Welcome and Introductions**

Stacy Pethia (SP) began the meeting by welcoming everyone, and reminding them to sign in.

**Review of December 2016 Minutes**

The minutes from the December 2016 meeting were reviewed and approved by subcommittee members.

**Report on Research**

SP explained the purpose of the subcommittee is to develop an employee assisted housing program, initially to assist City of Charlottesville employees purchase homes within the City, but that can also act as a model for other employers in the area. At the last meeting, two potential model tracks were discussed:

1. Forgiveable loan program for employees earning up to 120% AMI (up to \$10,000 in assistance);
2. Program that increases affordability for employees earning up to 80% AMI.

SP noted a loan program would prohibit loan recipients from accessing FHA mortgages. Suggested one of two alternatives: 1) the City guarantee a second mortgage to cover the cost of the down payment; 2) the City provides a guarantee to approved lenders to reduce the risk of extending 100% mortgage loans to eligible homebuyers – similar to the USDA’s single family guaranteed housing loan program.

Phil d’Oronzio (PD) explained how such a program could work. Structure mortgage insurance program in which the City pays the upfront mortgage insurance premium for the home purchase. This could be provided as a forgivable loan to employees as the funds are not secured to a property. He has one local bank that is willing to look at such a program.

**Bob Hughes** asked if the bank would consider the loan a debt against the employee when they go to get the loan?

Shelley Murphy (SM) asked who the target audience is for the program.

PD stated the target audience is City employees, with an emphasis on those who would have difficulty qualifying to purchase homes in the City to high sale prices. Also need to think about affordability issues and how to structure a program address them.

SM offered to bring some best practices related to EAHPs.

Dan Rosensweig asked where funding for an EAH program would come from. He noted CAHF funds can only assist households earning up to 80% AMI. Has concerns that if CAHF funds are used, the City will not be able to meet their affordable housing goals.

Kristin Szakos (KS) wondered how many people would be likely to take advantage of such a program each year?

SP noted many EAH programs require loan recipients to attend homebuyer education courses prior to any funds being awarded.

PD suggested a pilot program, with few loans, would be good way to start.

SM noted it is important to make sure homeownership can sustained.

DR stated goal of program is not necessarily housing affordability, but to encourage City employees to live in the City limits.

KS pointed out this program will address affordability in the sense that it will lower transportation costs. But also addresses environmental and quality of life issues.

Ridge Schuyler (RS) asked how we can help lower-income workers – such as entry level teachers and police officers -- live in the City.

KS noted that affordability is an inventory, density, housing stock and zoning issue. SP suggested two programs – one to assisted employees earning 80%-120% AMI purchase homes in the City, the other is a program to make housing more affordable for employees under 80% AMI.

RS will do some research into the affordability issue for lower-income employees.

**Public Comment**

There were no comments.