



Housing Advisory Committee (HAC) Employer Assisted Housing Subcommittee

Wednesday, March 15, 2017
1:00 PM – 2:00 PM
Conference Room,
Neighborhood Development Services

Minutes

In attendance: Phil d'Oronzio, Banker/HAC Chair
Ridge Schuyler, Citizen at Large
Shelley Murphy, Piedmont Housing Alliance
Trish Romer, University of Virginia
Stacy Pethia, City Staff

Absent: Bob Hughes, Charlottesville Area Association of Realtors
Grant Duffield, Charlottesville Redevelopment and Housing Authority

Phil d'Oronzio (PD) called the meeting to order.

Ridge Schuyler (RS) began the discussion with an update on his research track, which is focused on equity sharing and whether there is room for a second mortgage that would fill the gap between the purchase price of a house and what the employee could afford to buy. He has been looking into efforts in other states for a model that may be applicable to Charlottesville. Illinois has a 50% tax credit that employers can take advantage of if they provide employer assisted housing as a perk for their employees. RS stated he is working on putting together a memo outlining potential tools, where those tools are working, what such a program may look like from a financial standpoint of an employer who may want to offer such a program. He plans on taking a sample house for sale and a sample wage, and see what the second mortgage would look like. While RS understands this type of program may not work in Charlottesville, he still feels it is important to explore the model.

Shelley Murphy (SM) then updated the subcommittee on her research. Loudoun County, VA has an EAH program. SM spoke with a representative of Loudoun County for more detailed information, and believes their program could be a good model for Charlottesville to work with. The County offers up to \$10,000 in downpayment assistance, offered as a 5-year forgivable loan with balance due as long as the employee remains a Loudon County resident and employee. The County places a lien on the property for the loan amount, and generally holds the second or third lien. The program can be accessed by full and part time County employees, and employees with the Circuit Court, the School Board and correctional officers. XX asked if the full amount of the loan must be repaid when employment ends before the 5 year term ends. SM clarified only remaining balance of the loan is due at that time.

XX thought forgivable loans were not allowed under certain mortgage programs. SM responded that, because Loudoun County allows loan recipients to make payments on any balances due, the forgivable loans are not a problem. The program is for first-time homebuyers, but the goal is to have County employees move back to the area. To be eligible for assistance, an employee must not have lived in the County in the past 12 months.

XX: one of the issues is that families hve outgrown their homes and they cannot purchase another home in the City; they are looking for homes further and further away.