

HOUSING ADVISORY COMMITTEE
Minutes
Basement Conference Room City Hall
September 18, 2013
12:00 pm

Attendance Record	Present	Absent
MEMBERS		
Bob Hughes	X	
Carmelita Wood		X
Charlie Armstrong	X	
Chris Murray	X	
Connie Dunn	X	
Dan Rosensweig	X	
Frank Stoner	X	
Joyce Dudek	X	
Jennifer McKeever	X	
Joy Johnson		X
Kaki Dimock		X
Kira Drennon	X	
Kristin Szakos	X	
Mark Watson	X	
Nancy Kidd	X	
Ryan Jacoby		X
Wes Bellamy		X
NON VOTING MEMBERS		
IMPACT		X
Ron White		X
Vicki Hawes		X
STAFF		
Kathy McHugh	X	
Melissa Thackston	X	
OTHERS		
Edith Good	X	

The meeting began at approximately 12:00 PM with lunch provided for those in attendance.

The July 17, 2013, minutes were then considered. A motion to approve was made by Bob Hughes and a second by Kristin Szakos. Vote was unanimous to approve.

Kathy McHugh preceded to present information to the group regarding the proposed Affordable Dwelling Unit ordinance (ADU) amendments to provide an overview of the recommended changes and the history behind the need for these changes. The basis of this presentation was the handout "Overview of Draft Standard Operating Procedures/Regulations City Code Section 34-12 (Affordable Dwelling Unit Ordinance) as well as a copy of the amended versions of City Code sections 34-12, 24-827, 34-828, and 29-110.

Shortly into the presentation, the group began to question various aspects of what was proposed. Accordingly, after a very brief introduction to the topic, the presentation was abandoned in order to facilitate more of a group question and discussion approach.

Specifically, Kristin Szakos asked if the amount of \$2/square foot for payment in lieu is too low and why developers are choosing this option rather than to build actual affordable units. Kathy responded that the ordinance was put into place before her hiring; however, that she understood that the City had originally asked for \$4/square foot and that the General Assembly had pushed the value back to half of what was requested. She went on to say that Arlington County's ADU ordinance (which was used as the basis for our ordinance) uses much higher costs for payment in lieu; however, they have only been successful with obtaining rental units.

Kathy then directed the group to look over the proposed standard operating procedures (SOP) developed by NDS and the City Attorney's office. She explained that these regulations address what the City expects when ADUs are to be built subject to section 34-12 of the City Code.

Connie Dunn commented that on page 2 of the SOP that the limitation on landlord screening due to use of a Section 8 /Housing Choice Voucher (HCV) would not cover credit screening, as this is not covered by the HCV process. She suggested that we would want to reconsider screening regardless of whether a voucher is being used.

Frank Stoner stated that consideration should be given to apartment and/or housing of different sizes (1, 2 & 3 bedroom units) and/or dimensions. He also stated that unit types per VHDA could be used as a standard.

Dan Rosensweig requested clarification as to the type of review / feedback being sought. He asked if a 10,000 foot view was needed or if staff was asking the group to get into the weeds of the regulations.

Chris Murray interjected that overlapping requirements were cumbersome and difficult to meet. For example, he stated that the low income housing tax credit program requires that awardees submit a marketing plan also. He then suggested that, in cases where such documents are necessary for other sources, the City could agree to accept the same plan.

Dan Rosensweig added that if this is the direction that we are going that we are guaranteeing that the City will only get payments in lieu rather than units. Also, that if we want to get more on-site development we need to ask the HAC how to do it.

Charlie Armstrong stated that the Virginia Code set the standard requiring use of 60% Area Median Income (AMI) and that this is really going to be hard to do. Further, having the City require Universal Design and the same finishes for all units is a non-starter as this only complicates the matter.

Kristin Szakos remarked that if it is a deal breaker here, why not in Arlington.

This led to general questions about what Arlington County's units look like on-site, off-site, etc... There was also a comment about use of the payment in lieu (at the end of the time on the market) for homeowner units as being a step in the right direction.

Kristin then asked if maybe we should hold a special meeting or slow down the process to flesh out questions and get a better idea of how it is working in Arlington. She added that we might want to put this in with the legislative agenda packet to ask for a higher monetary requirement in our own ordinance.

Kathy stated that City code changes can be made even without the adoption of the implementing regulations; however, we need to have these in place in case a project comes forward.

Dan Rosensweig asked what a reasonable timeframe to finalize the regulations is. Kristin stated that the ordinance would require 2 readings and that the 2nd reading would not happen until December.

Kathy then added that the Governor's Housing Conference is on the date of the next HAC meeting (November 20th) and that she is recommending that we reschedule this meeting or skip it. Dan Rosensweig added that October 16th is the next subcommittee meeting date that we could use this time to get together and have a focused time to discuss the proposed regulations.

As for questions about Arlington's experience, the group wanted to know:

- are the units integrated
- are developers balking at doing the units
- what kind of units have they gotten (on-site, off-site)
- do they get annual reports
- do all the units have the same finishes

Chris Murray commented that he thought that if a funding source required compliance (e.g., tax credits) for some other reason, that the City should not require duplicate reporting, as this could be cumbersome.

Dan asked what would happen if the income level of a household living in an ADU increases? Kathy explained that the SOP offers options to allow the person to stay in the affordable unit at an increased market level rent, move to a market rate unit in the same development, and/or move elsewhere. Further, if the individual opted to stay in the affordable unit, that another unit would need to be designated / set aside for use as an affordable unit.

Kristin suggested that maybe a provision should be used to allow a one-year "over income" tenant to find a new home or increase income to a point where they could afford market rent. Connie Dunn mentioned that public housing has a similar rule in that the resident can remain in the unit and delay paying increased rent over a four year period of time in which increases are phased in.

Kathy stated that while she liked the idea because of fairness, that she thought we would be limited strictly to what the Virginia Code allows and there is no provision for a grace period ... only that ADUs be provided to persons/households at 60% AMI or less.

Jennifer McKeever denoted that maybe we should ask David Toscano to revise the ordinance to allow flexibility if recertification is an issue, because we don't want to disincentive people to do better and we don't want developers to balk if they suddenly find themselves in non-compliance.

Charlie Armstrong stated that maybe we need a more bare bones approach with the focus on getting mixed income and then add things down the road as we see they are needed later.

Dan Rosensweig asked about real world examples of what types of projects would trigger the ordinance and asking recent developers what would have made them want to do units versus a payment.

Jennifer McKeever asked why the urgency, to which Kathy responded that we need to be able to tell developers what will be required and what ADU development will look like so that they can make an

informed decision. Kathy went on to say that we need to get the code changes done first and look to have the regulations follow soon after – maybe by January 1st.

Dan Rosensweig stated that he is concerned that the homeowner draft regulations would limit the creativity that we have been seeing in proffers and that perhaps it would be better to have a principled regulation rather an outcome oriented “detailed” regulation.

Kathy responded that she thinks that the current homeowner provisions allow for a high level of flexibility relative to providing owner occupied ADUs, as there are no limitations imposed on “how this can happen.” She stated that it is going to be vital for everyone to read the full SOP prior to the 10/16/13 meeting so that the discussion can be fruitful, as a thorough reading will likely clear up some issues but raise awareness of new ones.

In order for the October 16th meeting to be as effective as possible, it was noted by several that the Chairperson needs to be in attendance at the meeting. While Kathy can provide materials, make reports, and take minutes of the meeting – it is difficult for her to also serve as Chairperson and conduct the flow of the meetings. Dan Rosensweig then nominated Chris Murray as Vice Chair, to serve when Joy Johnson is unable to attend. Jennifer McKeever seconded the motion and by unanimous vote, the motion carried. There was then a discussion about lack of attendance by some members and the need to follow up with them per the adopted by-laws. If they are not going to be able to attend, then appropriate action will need to be taken. Kathy agreed to follow up with those individuals once she has reviewed attendance records for this year.

Frank Stoner asked if there has been any communication with Albemarle County about their proffer policy as it is not working well. Kathy stated that she would be glad to reach out to Ron White about this, but that in her research for the ADU regulations that she discovered a new “revised” Albemarle County housing policy from August 2013. She added that she would ask Ron and the City Attorney’s Office to attend the 10/16/13 special HAC meeting to participate in the discussion.

Kathy then quickly reviewed the lead-based paint subcommittee report (as per the handout) and stated that the group didn’t think that the numbers provided by the Health Department supported the need for further action at this time. However, if the State adopts the lower standard for elevated blood lead levels that the matter would need to be reconsidered in light of the increases that would likely occur. She also noted that the group was more concerned over issues / problems related to indoor air quality and healthy homes. In summary, the subcommittee is taking a “wait and see” approach to lead based paint as local efforts are restricted based on State standards for elevated blood lead levels.

Kathy then discussed the upcoming Housing and Homelessness Symposium and explained what the planning group for the event had done since initially discussing this with the HAC. Kristin Szakos requested that we make sure that people are aware that the facility is on the trolley line and that it would be great to offer Spudnuts for breakfast. As few in the group had registered for the event, Kathy was asked to resend the notice to everyone.

The final agenda item was the need to have the policy subcommittee review and make initial recommendations for changes to housing Policy #1. Dan Rosensweig stated that given his new role as chairperson of the Planning Commission that he was currently overwhelmed with handling logistics and asked if Kathy McHugh could set up a meeting time after November 5th.

Dan Rosensweig announced to the group that Ruby Payne is coming to speak at a Habitat lunch event and that he would be sending out an invitation to the group. Nancy Kidd stated that the new MACAA director is a trained “bridges out of poverty” trainer and that she would like to have her communicate with Habitat for Humanity about this and Ruby Payne’s planned appearance.

With no further business, the meeting adjourned at 1:30 pm, with a reminder that the next meeting will be 10/16/13 and that the 11/20/13 meeting was being cancelled.