

Agenda materials and minutes from the April 2, 2019, Board of Supervisor work session on the Regional Housing Needs Assessment

On April 3, 2019, the Board of Supervisor held a work session to review the results from the Comprehensive Regional Housing Study and Needs Assessment commissioned by the Central Virginia Regional Housing Partnership and the Thomas Jefferson Regional Planning Commission. The materials related to that work session, including the Executive Summary, a summary of the regional housing study results, and minutes from the work session are found on the following pages. A video recording of the work session can be accessed via the link below.

[Link to video recording of the April 3, 2019 work session. The work session begin at time 32:43.](https://albemarle.granicus.com/player/clip/357?view_id=1&redirect=true&h=9c8c30821345418053e3f7859c4dbffe)

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AGENDA DATE: 4/3/2019

TITLE:

Update on Regional Housing Needs Assessment and Next Steps

SUBJECT/PROPOSAL/REQUEST: Presentation Regarding the Regional Housing Needs Assessment

ITEM TYPE: Regular Information Item

STAFF CONTACT(S): Richardson, Walker, Graham, Pethia

PRESENTER (S): Stacey Pethia and Chip Boyles

LEGAL REVIEW: Not Required

REVIEWED BY: Jeffrey B. Richardson

BACKGROUND: In December 2018, Albemarle County entered into a Memorandum of Understanding with the Thomas Jefferson Planning District Commission for the completion of a regional housing needs assessment. The scope of work for this assessment includes a review of housing market conditions, the need for market-rate and affordable housing, and the issues and barriers that are inhibiting the market's ability to provide affordable housing options.

The results of the analyses are presented at a regional level, as well as for Albemarle County. The report also identifies distinctions between housing needs in the County's Development Areas and those in our more rural communities. The report is in the final editing phase with an anticipated release in early April. However, as these edits are not related to the research findings, staff believe this is an appropriate time to begin discussing the data and our proposed work plan to address housing needs in our communities.

STRATEGIC PLAN: Quality Government Operations: Ensure County government's capacity to provide high quality service that achieves community priorities

DISCUSSION: A review of the data indicates increases in housing costs are impacting both homeowners and renters. Approximately 20 percent of all homeowners and 34 percent of renter households are estimated to be paying more than the officially recognized affordable housing expenditure of 30 percent of monthly income. While the County's lowest-income residents are particularly burdened by high housing costs, higher income households are feeling financially pinched, particularly households whose incomes fall between 60 percent and 80 percent of the local area median income of \$89,600 per year.

The report identifies a number of factors leading to the housing supply-demand mismatch including constraints in the region's housing stock and a prevalence of low-wage, part-time jobs in the service and tourism sectors. As the total number of households paying more than the recommended 30 percent of income towards housing in Albemarle County and the City of Charlottesville is expected to increase from 10,700 (2,589 homeowners and 9,820 renters) to 14,850 (2,930 homeowners and 11,920 renters) by the year 2040, staff believe it is important to begin work on updating our housing policy. To begin that updating process, staff is seeking guidance from the Board of Supervisors on setting housing priorities, recommendations for which are outlined in the 'Next Steps' section of Attachment A.

Additionally, staff is asking for guidance on the Board of Supervisors' preferred process for completing the update itself. Attachment A presents two paths that process can take. The first is through a Board appointed housing committee. Staff believes this approach will require much more time and a housing committee may be more appropriate for the implementation of the updated policy.

Alternatively, the policy update could be completed via a staff-led process similar to the process used for development of recent small area plans. Staff believes this approach will more quickly lead to

implementation of an updated policy. Both processes have positive and negative characteristics associated with the breadth of community representation, costs associated with the work, and time to completion. Again, the pros and cons of each method are outlined in Attachment A.

BUDGET IMPACT: There is no direct budgetary impact specifically related to this information.

RECOMMENDATION:

Staff recommends the Board receive the information provided in the presentation and Attachment A, then direct staff to:

1. Provide a Resolution of Intent (ROI) to the Planning Commission for initiating an update of the County's Affordable Housing Policy, using this assessment as guidance for this update; and
2. Include with this proposed ROI, an outline of a staff led process that assures community engagement is adequately addressed.

ATTACHMENTS: Attachment A: Summary of the Regional Housing Needs Assessment

Summary of the housing needs analysis results

APRIL 3, 2019

Introduction

The upcoming Regional Housing Needs Assessment, completed by the Partnership for Economic Solutions, contains a multitude of information related housing needs within the Planning District 10 region. Following is a brief summary of the results of that report, which primarily focuses on the supply and demand for housing in Albemarle County's urban (i.e., Development Areas) and rural areas, with an emphasis on affordable housing needs. The information is presented in three sections as outlined below:

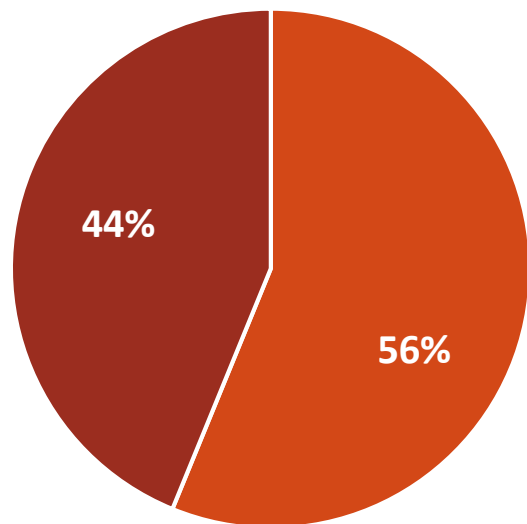
- I. Summary of study data;
- II. Staff recommendations for housing priorities; AND
- III. Next steps in the housing workplan.

A copy of the full needs assessment will be made available to each member of the Board of Supervisors once the report is released in April 2019.

Summary of study data

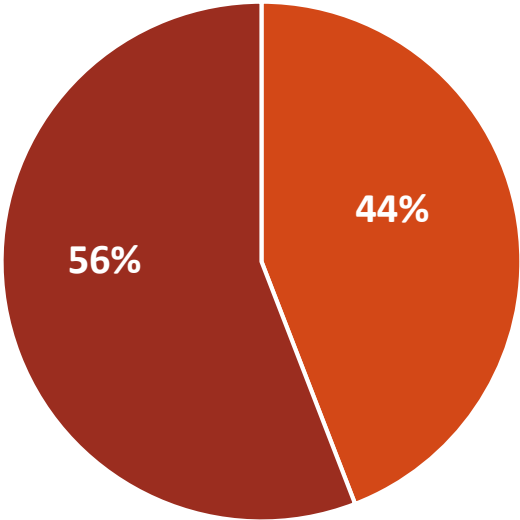
Population

- In 2018, Albemarle County's population was estimated to be 109,126 persons.
- 56% of the County's residents live in urban areas (our Development Areas)
- 44% of residents live in rural areas



■ Urban ■ Rural

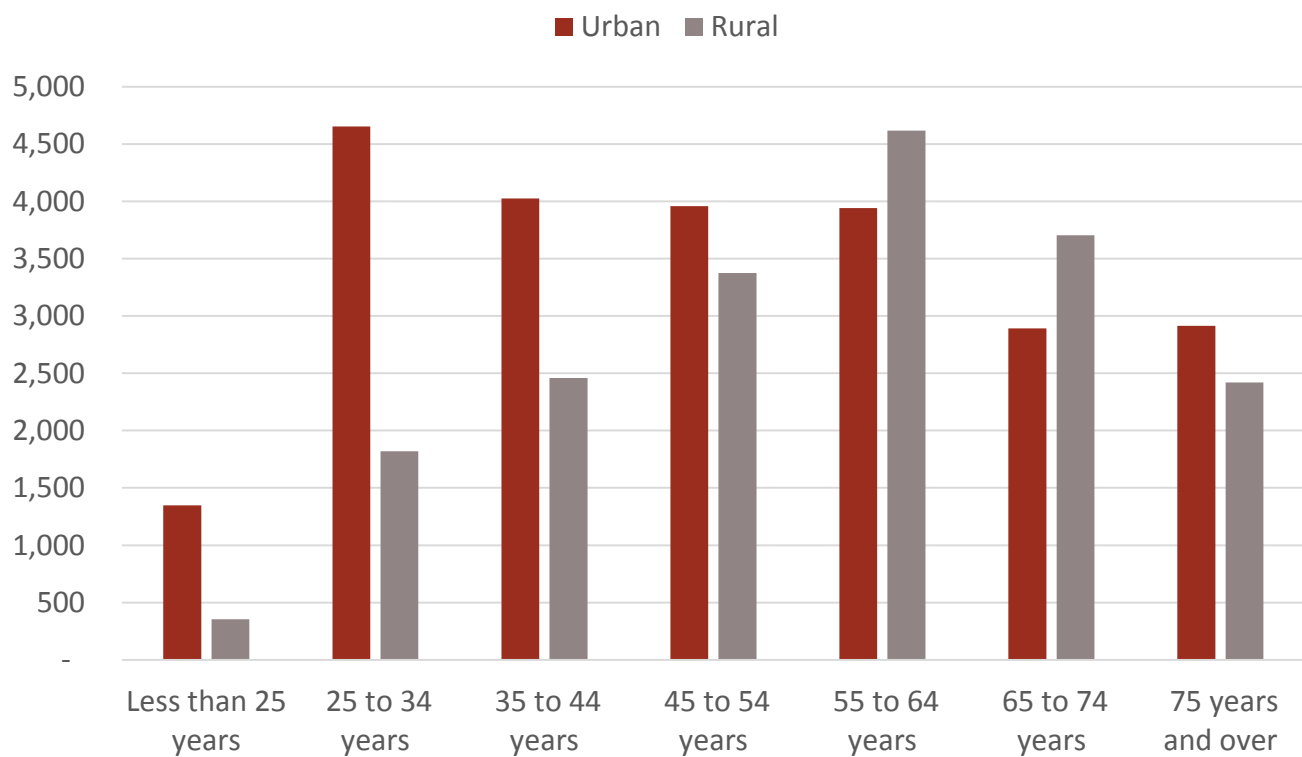
Households



- County residents are organized into 42,479 households.
- The distributions of households between urban and rural areas is the mirror image of the population distribution, indicating larger household sizes in the urban areas – approximately 3.27 persons per urban household vs. 2.01 persons per household in rural areas.

■ Urban ■ Rural

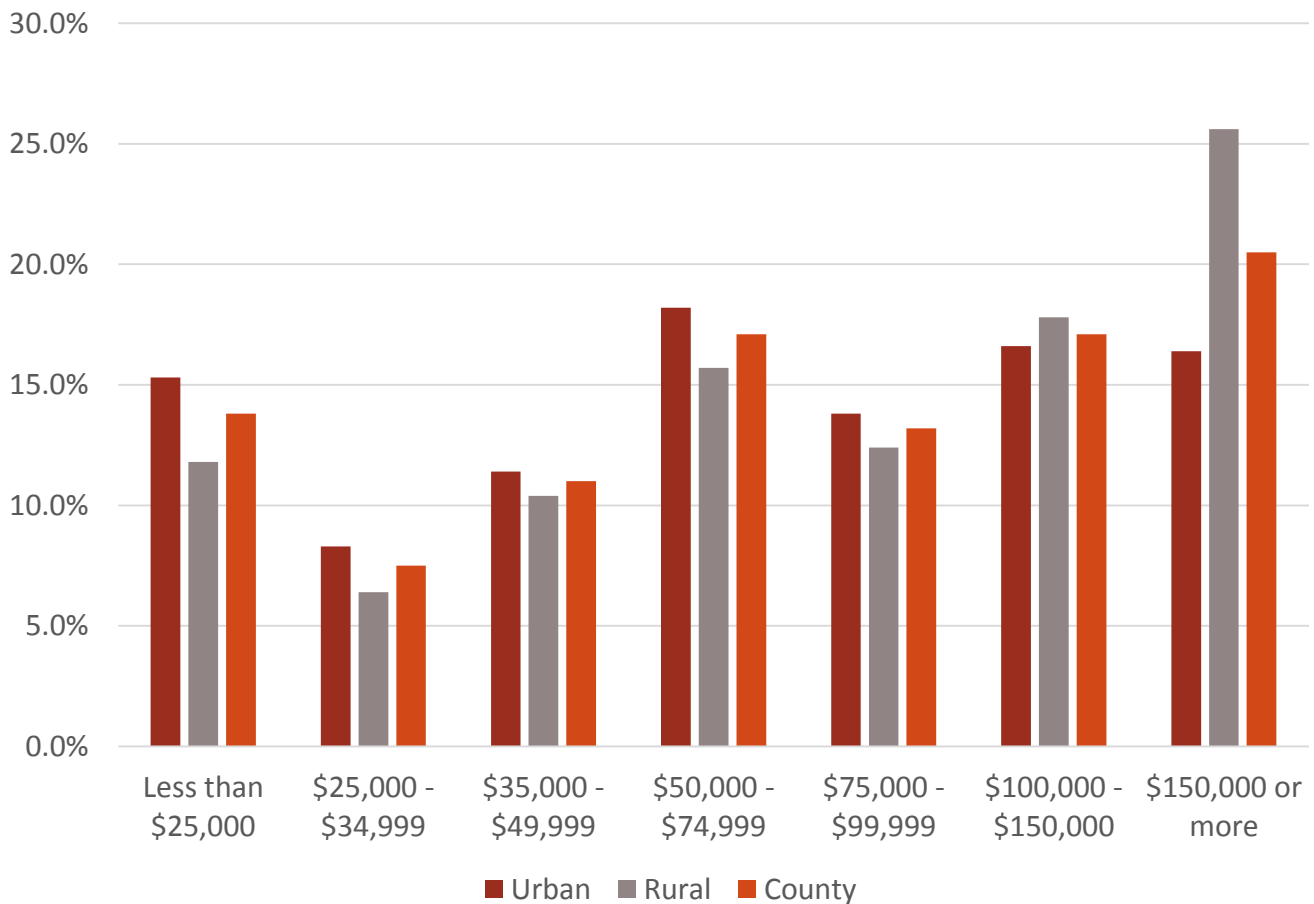
Householders by age



- Nearly half (48.2%) of the County's households are headed by someone aged 55 years or older.
- Senior householders are more prevalent in rural areas with 57.3% of all rural households headed by someone aged 55 or older.
- 42.3% of urban households are headed by someone under the age of 45 years.
- One quarter of urban householders are under the age of 35 years.

Households by income

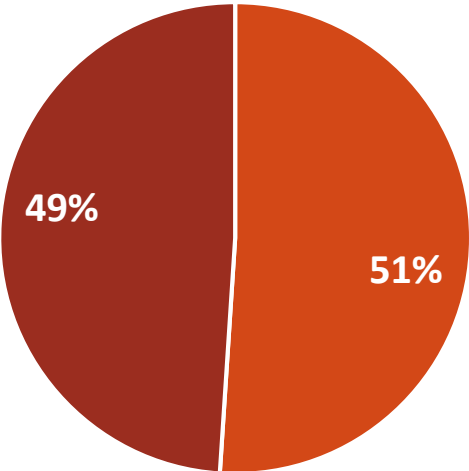
- County-wide, more than one-third of households have annual incomes of \$100,000 or more.
 - *43.4% of rural households*
- While approximately one-third (32.2%) of households have annual incomes less than \$50,000.
 - *35% of households in urban areas of the County*



Housing market data - Tenure

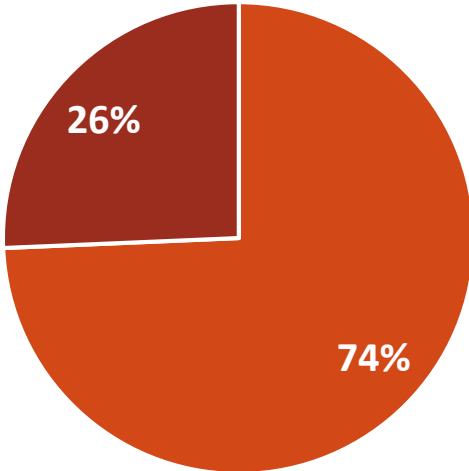
- Homeownership is the dominant tenure in the County, with 61.3% (26,047) of households owning their homes
- Homeownership is far more prevalent in the rural areas with 74% of rural households owning their homes compared to 51% of households in the Development Areas.
- Renter households are concentrated in the County's urban areas where 49% of households are renters

Development Areas



■ Owners ■ Renters

Rural Areas



■ Owners ■ Renters

Housing market data - Costs

Median Sales
Price (Q4 2018)

\$396,000

Median Gross
Rent (2017)

\$1,189

- During the 4th quarter 2018, Albemarle County saw the highest median home sales price in the Thomas Jefferson Planning District (TJPD) region of \$389,000.
- This figure is \$51,000 greater than the Q4 median sales price in the City of Charlottesville (\$345,000) and \$170,000 greater than the Q4 median sales price of \$226,000 found in Louisa County .
- In 2017 (the last year for which data is available), the median gross rent in the County was \$1,189 per month.
- This was the second highest median gross in the region, and just \$63/month less than the median gross rent in Fluvanna (the region's highest at \$1,252/month).

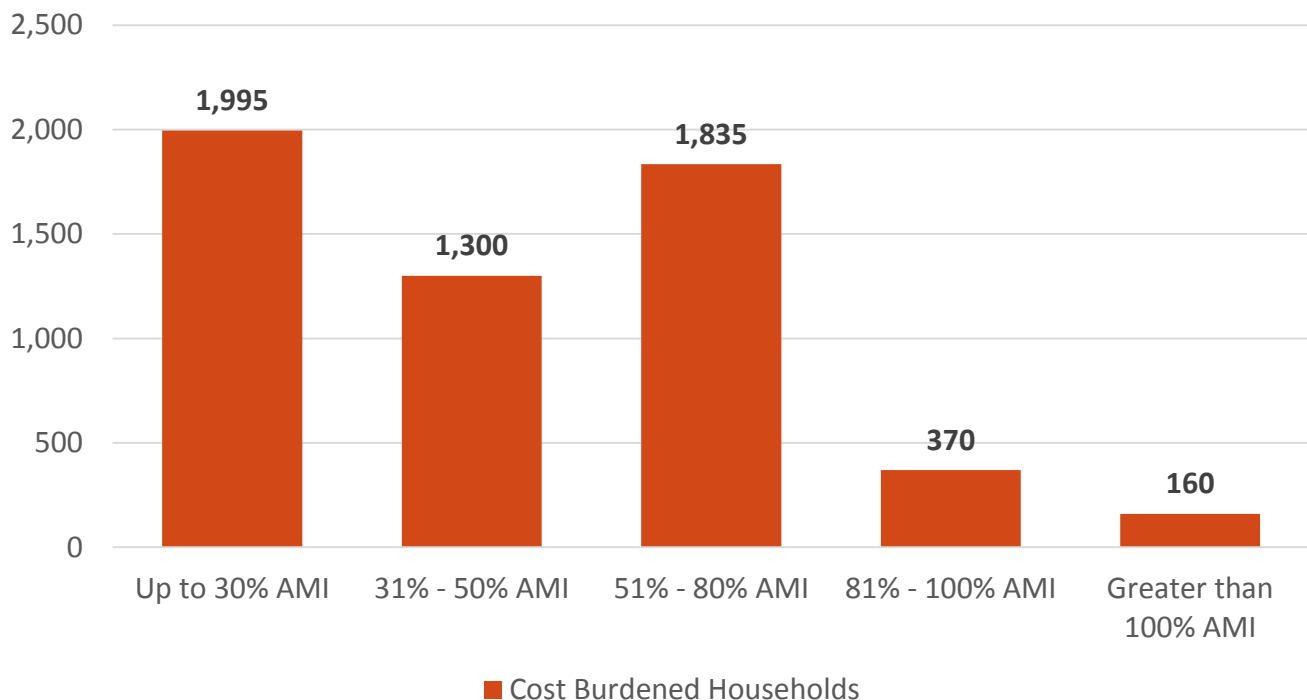
Area median income (AMI) and federal income limits

- Housing affordability is based on household income, with housing considered to be affordable if gross housing costs consume no more than 30% of a household's gross annual income.
 - For renters gross housing costs include monthly rent and utility payments
 - For homeowners gross housing costs include monthly mortgage and insurance payments, property taxes and utilities.
- Currently, the AMI for our region equals **\$89,600/year**.
- AMI is the basis for setting income limits for federal housing assistance programs, which are vary by household size (see table below).
- More than one-third (37%) of County household incomes fall within the low- to extremely-income categories, with nearly 21% of those households qualifying as very-low or extremely-low income.

Income Limits (2018)

Income Level	Household Size			
	1	2	3	4
Extremely Low Income (30%)	\$17,950	\$20,500	\$23,050	\$25,600
Very Low Income (50%)	\$29,900	\$34,150	\$38,400	\$42,650
(60%)	\$35,900	\$41,000	\$46,100	\$51,200
Low Income (80%)	\$47,800	\$54,600	\$61,450	\$68,250
Moderate Income (100%)	\$62,700	\$71,700	\$80,600	\$89,600

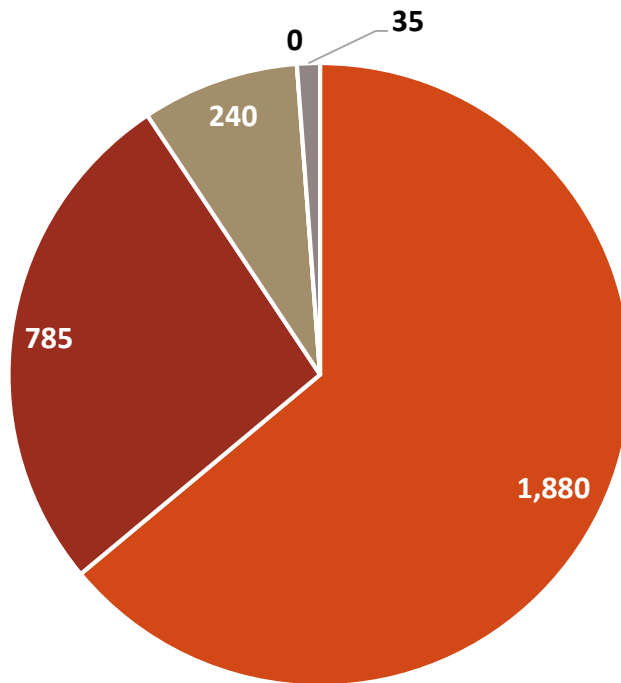
Cost burden by income level – renter households



- A household is considered to be cost burdened if they are spending more than 30% of their income towards their gross rent.
- Although high rental prices are affecting households across the income spectrum, households with incomes at or below 80% AMI (e.g., \$68,250/year for a family of four) are most likely to struggle with high housing costs.
 - Currently, **5,660 (34.4% of all renters)** renter households are cost burdened.
 - **90.6% (5,130)** of cost burdened renters have household incomes at or below 80% AMI.

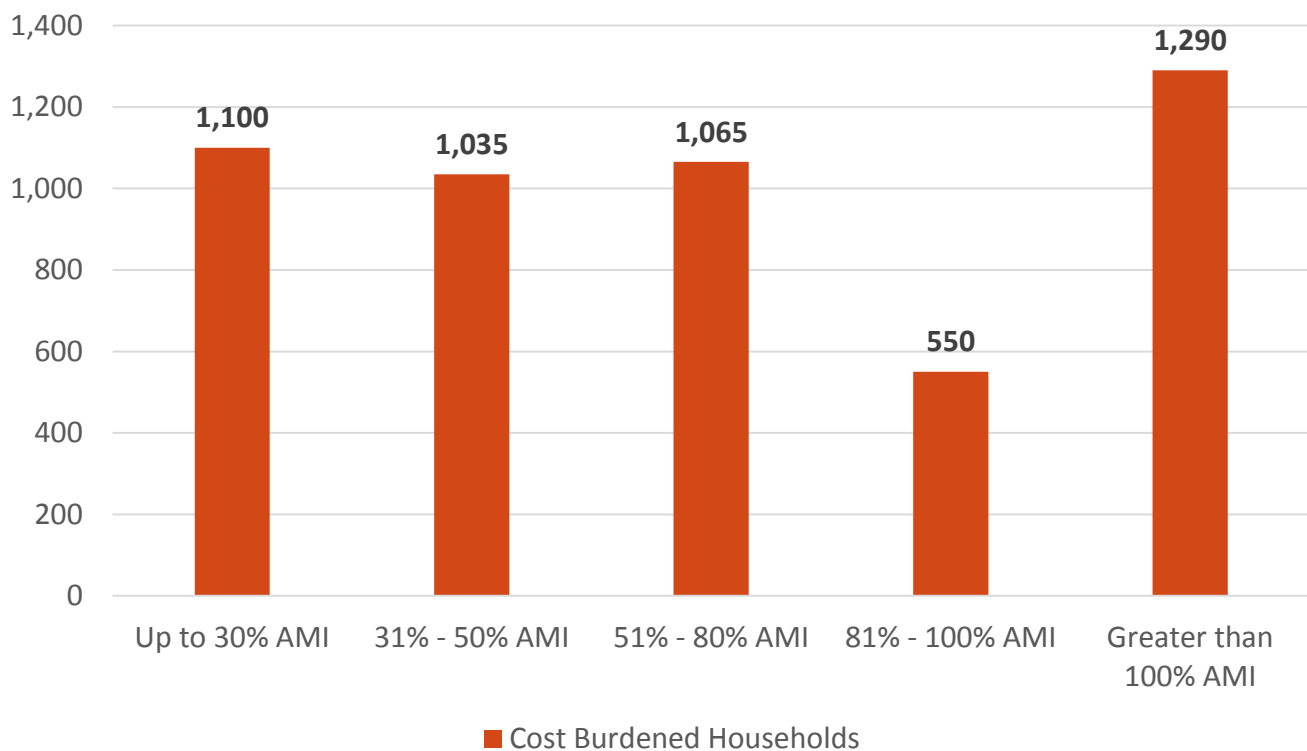
Severe cost burden by income level – renters households

- Households are considered to be severely cost burdened if gross housing costs consume 50% or more of their household income.
- Of the total number of cost burdened renter households, **51.9% (2,940) are experiencing severe housing cost burdens.**
- Severe housing cost burdens disproportionately affect very low- and extremely low-income renters.
 - 94.2% of extremely low-income renter households
 - 60.2% of very low-income renter households



■ Up to 30% AMI ■ 31% - 50% AMI ■ 51% - 80% AMI ■ 81% - 100% AMI ■ Greater than 100% AMI

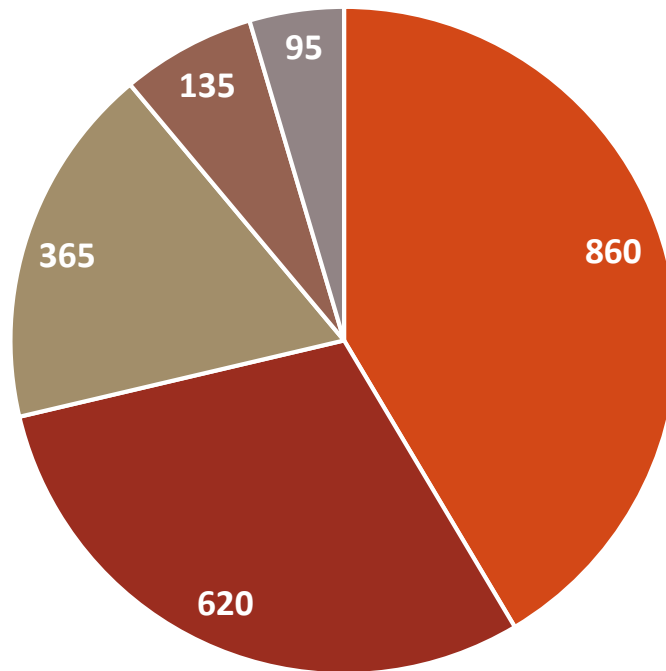
Cost burden by income level – owner households



- Approximately 20% of all homeowners are paying more than 30% of their household income towards their housing costs.
- While higher-income homeowners may choose to pay more to purchase a house near a good quality school or that is equipped with higher cost amenities (e.g., stainless steel appliances or marble counter tops), lower-income homeowners are more likely to struggle with rising property taxes and/or maintenance costs due to aging housing.

Severe cost burden by income level – owner households

- The impacts of the rising costs of maintaining homeownership are felt most strongly by low-income homeowners with 57.7% of homeowners with incomes at or below 80% AMI paying 50% or more of their income towards rent.
- At the lowest end of the income spectrum (less than 30% AMI), **more than three-quarters (78.2%) of homeowners are experiencing severe housing cost burdens.**



■ Up to 30% AMI ■ 31% - 50% AMI ■ 51% - 80% AMI
■ 81% - 100% AMI ■ Greater than 100% AMI

Units available at less than or equal to 80% AMI – rental

Unit Size	Income Level			
	30%	50%	60%	80%
Rental Housing (un-assisted)				
Efficiency	0	3	5	8
1 bedroom	0	17	39	42
2 bedroom	0	7	25	68
3 bedroom	0	1	15	48
Total	0	28	84	186

- A December 2018 survey of rental advertisements on both Zillow and Craigslist identified a total of 298 units rental at monthly rates affordable to low-income households.
- The majority (62.4%) of those units rent at prices affordable to households with incomes of 80%.
- No units are available for extremely low-income households.

Units available at less than or equal to 80% AMI – owner

Household Size	Affordable Sales Price by Income Level*			
	30%	50%	60%	80%
1 person	\$65,000	\$126,000	\$157,000	\$219,000
2 persons	\$78,000	\$148,000	\$184,000	\$254,000
3 persons	\$84,000	\$163,000	\$203,000	\$287,000
4 persons	\$95,000	\$183,000	\$227,000	\$315,000

Assumes a 30-year mortgage interest rate of 4.75% with 5% downpayment and not more than 35% of income going towards mortgage principal, interest, real estate taxes and insurance. Condo or homeowner association fees are not included.

- A family of four with a household income between 60% - 80% AMI could to afford to purchase a home in the price range of \$227,000 - \$315,000.
- In 2018, approximately 386 units in Albemarle County and the City of Charlottesville combined, sold for less than \$300,000 a number equal to approximately one for sale unit for every 16 households in the 60% - 80% income categories.
- Homeownership opportunities for the County's lowest-income residents are even more constrained with only 26 (1 unit for every 150 extremely low-income households) units selling for less than \$100,000 in 2018.

Key issues impacting housing cost/affordability

There is a multitude of issues affecting the provision and cost of housing in Albemarle County and the broader region. Many issues are shared in both urban and rural region; other issues are felt more strongly in one area or the other. While a complete listing of these issues is provided in the upcoming Regional Housing Needs Assessment report, a sample, organized under six broad categories, is provided below:

- Housing supply
 - Too few units to meet demand (urban/rural)
 - High construction costs (urban/rural)
 - Student competition for housing (urban)
- Land development policies
 - Zoning by dwelling units per acre (urban)
 - Large-lot zoning (rural)
- Transportation
 - Transit not running frequently enough (urban/rural)
 - Non-transit oriented development (rural)
- Funding
 - Decreasing federal funds (urban/rural)
- Incomes
 - Prevalence of low-wage, part-time service/tourism jobs (urban/rural)
- Discrimination
 - Language/cultural barriers to fair housing choice (urban/rural)

Recommendations for housing priorities

Recommendations for housing priorities

Based on the results of the housing needs assessment, staff recommends focusing on the following housing-related issues, which are listed in order of priority. Once these, or another set of priorities are approved, they will form the basis of an updated housing policy. Staff recommendations, in order of priority, are as follows:

1. Rental housing:
 - a. Increase the number of multifamily rental units serving households with incomes between 30% and 60% AMI, particularly Low Income Housing Tax Credit (and other state/federally funding programs) developments.
 - b. Increase the number of affordable rental units for senior (55+) households.
 - c. Increase the number of fully accessible rental units.
 - d. Support the construction of Permanent Supportive Housing units.
2. Workforce housing:
 - a. Increase housing options for households with incomes between 60% - 100% AMI (workforce housing).
 - b. Research feasibility of providing housing for County teachers and school staff.
3. Preservation:
 - a. Preserve expiring use properties (i.e., rental properties at the end of their required affordability periods) and market rate affordable rental properties.
 - b. Continue offering real estate tax relief to income qualifying senior homeowners. Examine feasibility of expanding program to include non-senior homeowners.
 - c. Continue to support homeowner rehabilitation efforts.

Recommendations for housing priorities

1. Homeownership:
 - a. Increase the number of homeownership units affordable to households with incomes between 60% - 100% AMI (workforce housing).
 - b. Examine ways to ensure long-term affordability of for-sale units.
2. Regulatory:
 - a. Identify all state enabling legislation related to affordable housing
 - b. Update the housing policy
 - c. Examine creation of a permanent housing fund. Examine methods of capitalizing such fund, including non-county revenue sources.

Next steps

Tools and policy

'Tools for the Toolbox'

- Development of white paper outlining all housing related state enabling legislation afforded to the County (*in progress*).
- Will provide mechanisms through which housing goals can be achieved.

Housing Policy Update:

- Determine best method for completing the update.
 - Staff led vs. standing housing committee
- Will outline Board of Supervisors' overall goals for housing.
- Basis for development of an implementation plan to achieve housing goals.

authorizes this resolution as a request for JAUNT to create a subsidiary or other appropriate entity to oversee this pilot program, and authorizes the County Executive to prepare and sign a letter to the CEO of JAUNT requesting JAUNT to pursue a subsidiary, or other appropriate entity, that could provide project oversight.

Item No. 8.3. County Transportation Planner Quarterly Report, ***was received for information.***

Item No. 8.4. Natural Heritage Committee Annual Report, ***was received for information.***

Item No. 8.5. 2018 Annual Report of the Board of Zoning Appeals, ***was received for information.***

Item No. 8.6. Board-to-Board, March 2019, a monthly report from the Albemarle County School Board to the Albemarle County Board of Supervisors, ***was received for information.***

Agenda Item No. 9. **Work Session:** Update on Regional Housing Needs Assessment and Next Steps.

The Executive Summary forwarded to the Board states that in December 2018, Albemarle County entered into a Memorandum of Understanding with the Thomas Jefferson Planning District Commission for the completion of a regional housing needs assessment. The scope of work for this assessment includes a review of housing market conditions, the need for market-rate and affordable housing, and the issues and barriers that are inhibiting the market's ability to provide affordable housing options.

The results of the analyses are presented at a regional level, as well as for Albemarle County. The report also identifies distinctions between housing needs in the County's Development Areas and those in our more rural communities. The report is in the final editing phase with an anticipated release in early April. However, as these edits are not related to the research findings, staff believe this is an appropriate time to begin discussing the data and our proposed work plan to address housing needs in our communities.

A review of the data indicates increases in housing costs are impacting both homeowners and renters. Approximately 20 percent of all homeowners and 34 percent of renter households are estimated to be paying more than the officially recognized affordable housing expenditure of 30 percent of monthly income. While the County's lowest-income residents are particularly burdened by high housing costs, higher income households are feeling financially pinched, particularly households whose incomes fall between 60 percent and 80 percent of the local area median income of \$89,600 per year.

The report identifies a number of factors leading to the housing supply-demand mismatch including constraints in the region's housing stock and a prevalence of low-wage, part-time jobs in the service and tourism sectors. As the total number of households paying more than the recommended 30 percent of income towards housing in Albemarle County and the City of Charlottesville is expected to increase from 10,700 (2,589 homeowners and 9,820 renters) to 14,850 (2,930 homeowners and 11,920 renters) by the year 2040, staff believe it is important to begin work on updating our housing policy. To begin that updating process, staff is seeking guidance from the Board of Supervisors on setting housing priorities, recommendations for which are outlined in the 'Next Steps' section of Attachment A.

Additionally, staff is asking for guidance on the Board of Supervisors' preferred process for completing the update itself. Attachment A presents two paths that process can take. The first is through a Board appointed housing committee. Staff believes this approach will require much more time and a housing committee may be more appropriate for the implementation of the updated policy.

Alternatively, the policy update could be completed via a staff-led process similar to the process used for development of recent small area plans. Staff believes this approach will more quickly lead to implementation of an updated policy. Both processes have positive and negative characteristics associated with the breadth of community representation, costs associated with the work, and time to completion. Again, the pros and cons of each method are outlined in Attachment A.

There is no direct budgetary impact specifically related to this information.

Staff recommends the Board receive the information provided in the presentation and Attachment A, then direct staff to:

1. Provide a Resolution of Intent (ROI) to the Planning Commission for initiating an update of the County's Affordable Housing Policy, using this assessment as guidance for this update; and
 2. Include with this proposed ROI, an outline of a staff led process that assures community engagement is adequately addressed.
-

Ms. Stacy Pethia, Housing Planner, presented. She invited Mr. Chip Boyles to give an update of the ongoing process as the Thomas Jefferson Planning District Commission (TJPDC) commissioned the report and will lead the development of a regional housing strategy.

Mr. Chip Boyles, Executive Director of the Thomas Jefferson Planning District Commission, addressed the Board. He thanked the County for its participation in the regional housing analysis, the regional housing strategic plan, and the newly created regional housing partnership. He noted that the County's data in the report to be presented by Ms. Pethia was a component of the regional housing study where the TJPDC was looking at several local jurisdictions, beginning with Albemarle but also Fluvanna, Greene, Louisa and Nelson to look at housing in a regional way, with Albemarle being distinctive in that it has both rural and urban components. He indicated that the report was largely complete except for finalization of the executive summary, and it would be shared with TJPDC and the regional jurisdictions with the data to be used to begin working with citizens and stakeholders to identify gaps, needs, and priorities with the local jurisdictions. He explained that the group would then look for regional housing opportunities that meet the goals, wants, and resources of each of the individual jurisdictions. He invited the Board to attend the regional housing summit to be held on April 19 at the Omni Hotel, which was designed for decision makers and stakeholders to get a comprehensive understanding of the issue, to include transportation, the job force, and equity.

Ms. Pethia stated that the regional housing needs assessment covers a wide variety of data such as population, household demographics, and economic data. She said today's focus would be on the housing needs within the County. She said the housing needs assessment identified the number of renter and owner households that pay more than 30% of their incomes for housing, as well as those who live in substandard housing, which was identified as being households without complete plumbing facilities. She noted that the median area income for a family of four was \$89,600 and more than half of County households has income above the median income, including 64% of homeowners and 36% of renters. She stated that 9.5% of households have incomes between 81%–100% of area median income, and typically do not qualify for housing assistance, and it was important to pay attention to them. She said that there are 5,660 rental households, representing 34% of all renters, that pay more than 30% of income for housing and are considered to be cost-burdened – and 91% of the cost-burdened have incomes below 30% of area median income. She said that 52% of these households are severely cost-burdened, as they pay more than 50% of their income towards housing costs. She characterized extremely low-income households as those with an income of 50% AMI or less and noted that 77% of renters with incomes at or below this level pay more than 30% of their income towards housing.

Ms. Pethia next focused on homeowners, noting that high-cost burdens are often due to rising property taxes and increased maintenance costs as their homes age. She said that 58% of homeowners with incomes at or below 80% of AMI pay more than half their incomes for housing. At the lowest end of the income spectrum, more than 75% of homeowners experience severe housing cost burdens. She said Albemarle County has the third highest housing costs within Planning District 10 and ranks fifth in the percentage of cost-burdened homeowner households. She said the report identified 2.5 pages of issues that affect the cost of housing, including a supply/demand mismatch; the approaching end of affordability periods for units built with low-income tax credits; zoning regulations with minimum parking or minimum lot size requirements; a lack of resources and programs to assist those with incomes of 60%–100% of AMI; and lack of public transit or efficient transit in many areas.

Ms. Pethia said she has developed a list of recommendations from the report for consideration as priorities, which takes the County's resources into consideration. She stated that households with AMI of 30% or less are best served through public housing and housing choice voucher programs. Her recommendations are as follows:

- 1) increase the number of multi-family rental units that serve households with incomes between 30%–60% of AMI through increased low-income housing tax credits in projects, increase the number of affordable rental units for households with residents age 55+, increase the number of fully accessible rental units.
- 2) support the construction of permanent supportive units for the homeless or those with disabilities who are unable to live completely independently but who could do well with onsite supportive services.
- 3) to address workforce housing needs, increase housing options for households with incomes between 61%–100% of AMI and investigate the feasibility of providing housing for County teachers and other school staff.
- 4) work to preserve existing affordable housing by examining methods for preserving expiring use properties or those with expiring affordability terms as well as preserve market rate affordable properties.
- 5) continue real estate tax relief to income qualifying senior and disabled homeowners and examine the feasibility of expanding the program to include non-senior homeowners as Charlottesville does through its CHAP program.
- 6) to support affordable homeownership opportunities, examine methods for ensuring long-term affordability of for-sale units.
- 7) adjust regulatory issues by identifying state enabling legislation related to affordable housing that the County may use.
- 8) update the County housing policy to support the development of a housing strategy that would help the County meet any housing goals in the policy, and
- 9) examine the feasibility of a permanent housing fund and outside funding sources.

Ms. Pethia stated that she was in process of creating a white paper to identify all affordable housing-related state enabling legislation to identify tools and mechanisms, through which they could meet the County's goals identified by an updated housing policy, which would form the basis for a housing strategy or implementation plan. She requested Board direction for updating the housing policy. She stated that there are two ways to go. She said the first would be to put together a standing housing advisory committee, though she acknowledged this could take time and they could have competing interests in the same room, which would make it difficult to reach a consensus. She said that a second option would be a staff-led process similar to that used to develop the small area plans, which she feels would be a more fluid process and would enable her to identify the needs of individual communities, and it could be a faster process.

Ms. Palmer asked Ms. Pethia to elaborate on how they are defining substandard housing. Ms. Pethia responded that the report defines it as those that lack complete plumbing facilities as well as kitchen facilities.

Ms. Palmer remarked that there are many seniors in the rural areas who are no longer able to conduct maintenance on their homes and she assumes this was underreported. Ms. Pethia agreed.

Ms. McKeel added that the report was missing those with older homes in the urban ring that have bathrooms but are falling into disrepair. Ms. Pethia confirmed this and added the importance of groups such as the Albemarle Housing Improvement Program (AHIP).

Ms. Mallek asked what the sources of information for the report came from. Ms. Pethia explained that the consultant relied on census data and data from other sources.

Mr. Randolph pointed out that the report took a broad-brushed look, and it was up to the Board to deliberate and consult with Ms. Pethia to determine how to implement it. He characterized the study as being the most detailed, specific, and thorough that he has seen since serving the County on the Planning Commission. He remarked that the Board chose to take on Southwood because it was a specific affordable housing project and they used it as a beta test to determine what does and does not work and learn through the process. Subsequent to the Board's engagement with Southwood and prior to this report, PVCC and Ridge Schuyler came up with Orange Dot #3 and combined with the opportunity zones promoted by TJPDC, the County would focus on specific geographic locations where property and affordable housing was most significant, according to that report. He stated that this approach would allow the County to do case studies and comprehensively marshal resources across the board through the use of small area plans that focuses on housing, transportation, job needs, and economic development.

Mr. Randolph said the report identifies workforce housing, which the Board has not really contemplated, and it allows the Board to bring IMPACT's focus into the discussion. He stated that resources are limited, and the Board needs to target them to where they are most likely to be successful. He recounted that he has served on committees that, because they were staff led, got things done faster, while in other cases, they have had a broader brush committee, such as with solid waste, breweries, cideries, and farm wineries, etc. whereby they were able to develop a consensus. He said affordable housing was a challenging policy question for communities across the country because nobody has yet gotten it right. He said the County could receive community input, address community needs and wants, and save the taxpayers money without the process being unnecessarily slowed down. He stated that instead of thinking about the speed of the process, they should focus on building consensus so that residents in the rural areas of the County could understand why. Mr. Randolph acknowledged that there was a risk of special interest advocacy, though they could work around this. He recalled that staff has primarily controlled the issue of stormwater and the County had problems as a result of this. He said they could get representation of diverse communities on the Housing Advisory Committee, which could accomplish a lot as the Solid Waste Committee did if it was well run and focused. He praised Ms. Pethia for the pioneering work and for starting a meaningful conversation.

Mr. Dill remarked that when considering the establishment of a housing fund, they could go in the direction of a small fund that helps people in emergency situations or a much larger one of \$1 million that looks for opportunities to partner with private developers, analogous to the Economic Development Fund. He asked Ms. Pethia for her opinion. Ms. Pethia responded that there were many options, though she looks at the housing fund as a way to support larger projects. She said that the primary purposes of Charlottesville's fund were to support AHIP's homeownership rehabilitation project, low-income housing tax credit developments and the rental assistance program. She said one of the important aspects of a housing fund was the importance of setting priorities at the front end. She noted that the City of Richmond's fund specifically assisted homeowners with rehabilitation projects and developers to purchase and rehabilitate vacant homes to put them back into use. Arlington County's fund was used to support multi-family rental housing development. She noted Fairfax County used some of its fund to support their affordable dwelling unit program by purchasing units from developers to keep them affordable for a longer period and make sure they go to income-qualifying people. She said the priorities could change over time as the Board decides to focus on specific areas.

Ms. Palmer remarked that AHIP money could be moved to the housing fund. She recounted how the Board held discussions for several years before it got to the point where they allocated funding to the Economic Development Fund. She wondered if it makes sense to launch this program on the staff side to get it going, with the Board having discussions, and then revisit the committee formation after knowing more about how it should be structured. She asked Ms. Pethia for her thoughts on timing and alternative timing. Ms. Pethia responded that either way works, and the makeup of the committee was an important

part. She said the committee was important at the implementation phase and once a policy and list of strategies are developed, the committee monitors progress and keeps them on their toes and accountable – and they could measure what does and does not work and make recommendations for changing the policy or strategies.

Ms. McKeel remarked that the use of the term staff-led may take people down a road she does not intend. She noted that the community was involved, it was not just staff getting together in a room and presenting something, and maybe it should be called something else. Ms. Pethia clarified that they would go out into the communities, meet with Committee Advisory Committees (CACs), attend town hall meetings, and talk with residents about what their housing needs are to obtain input that would inform policy.

Mr. Randolph suggested they have a hybrid that combines aspects of both, with a process open to public participation early, and to obtain the best consensus possible. He said the policy could be twisted and misinterpreted by those who want to subvert the real intent of the process, as some may be concerned about a sudden economic change of who was living in the neighborhood, dictated by the housing policy.

Ms. Mallek remarked that she would rate the preservation of existing stock as the number one priority, as this presently affects people. She asked when they would have an assessment of the existing housing inventory in the County. She thought an element of the Thomas Jefferson Planning District Commission (TJPDC) project was an inventory of housing stock in the County which would then provide the Board with some more valid information. Ms. Pethia responded that the census data indicates the number of units and working with the Albemarle Housing Improvement Program, they could get a good handle on the substandard housing stock. She said she would like to conduct a survey of rental properties of 10+ units to get an idea of where market rate affordable units are located, their condition and price points, which would begin to build a housing inventory, and some areas they could work on preserving. She noted that market rate affordable units are the ones that tend to be sold and flipped into market rate and identifying and keeping an eye on these could enable them to reach out to current owners to potentially work with them to rehab the properties and keep them affordable.

Ms. McKeel referred to the Orange Dot #3 report, which showed the Hydraulic Road/Commonwealth area as having the lowest median family income after Southwood. She noted that this area was a hotspot for police, fire, and rescue. She said the area was in an opportunity zone and the County could do some wonderful things for the people there and leave it affordable.

Ms. Mallek asked for confirmation that there would be another category of smaller, older homes that are way out in the country. She stated that these residents are invisible and do not attend Board meetings, but they have great needs and deserve the right to live out their lives without being disrupted. She expressed hope that the study would obtain valid information on this and support having AHIP work on this issue. She said the White Hall District has 10 enclaves that are dramatically different from each other and from all the other places in the County.

Ms. McKeel remarked that the people they are talking about now are those that never attend meetings and who are busy going to work and raising their children.

Ms. Mallek added that there are four older neighborhoods in Crozet that have the same circumstances, with houses built in the 1920s and 30s, and she would like them to figure out a way to not have these neighborhoods become gentrified and ruined.

Ms. Palmer remarked that she learned that many low-income families do not write wills and some live in houses owned by a deceased person. She asked Ms. Pethia to be aware of this and wondered whether they should talk with Legal Aid to help people get these properties in their name in order to get the help they need.

Ms. McKeel added that they have this problem in Berkeley in the urban ring.

Mr. Gallaway remarked that the Board would be asked to do a resolution of intent to the Planning Commission to initiate an update to the housing policy. He asked Supervisors if they had additional comment about the staff led versus housing advisory committee issue.

Ms. Palmer said she would prefer to begin with the staff led and to have the committee at a later date.

Ms. McKeel expressed agreement with Ms. Palmer, but not have it stated as “staff led”.

Ms. Mallek said she would feel better after the summit and after hearing what the big picture was, as she was not prepared to jump into either of the options nor approve the notice of intent and noted the Board would talk about this again in May.

Mr. Randolph suggested that Ms. Pethia come back before the Board after the summit with a blueprint of what a staff led process would look like in terms of the number of staff and hours required and where they would obtain community input to ensure that all points of view could be incorporated in terms of both a regional and socioeconomic basis. He asked Supervisors for comment.

Ms. McKeel remarked that she was happy to do this, though she was not sure that the summit would provide answers to what Ms. Pethia was trying to get at because it would focus on specific areas.

Mr. Gallaway asked Ms. Pethia for feedback regarding what Supervisors had said. Ms. Pethia responded that she was happy to get together a blueprint and outline a process, after the summit.

Ms. Mallek asked her to speak to her apprehension that the report by the consultant would be discussed and they would determine regional needs. Ms. Pethia responded that the results of the report would be presented during the keynote speech in the morning, with the afternoon session to address housing, and the first session would deal with government involvement and regulatory barriers. She said that Robert Liberty of Portland State University would talk about zoning changes and other programs that Portland was using to adjust affordable housing, and a nonprofit would talk about how local regulations help or hurt their efforts. She said the second session would be about nonprofit housing, and the final session would deal with for-profit involvement in housing.

Mr. Dill said he was fine with the Board taking time to consider policies and what they need to do, though there are plenty of rehabilitation projects they could do with funding. He suggested that they provide support for a voucher program now, as they do not have to wait to see what the recommendations are, and they are in budget discussions.

Mr. Gallaway pointed out that they have put a new housing planner into the budget, and he was fully prepared to approve the resolution of intent and proceed with the staff led process. He supports approving this and start moving. He said the summit would provide them with an opportunity to start looking at the big ramifications, layers, and complexity. He added that he did not need any of the summit information to make this decision. Mr. Gallaway then **moved** to proceed as recommended. Mr. Randolph **seconded** the motion.

Ms. Mallek remarked that workforce housing does not seem to her to be the most important thing, as indicated in the recommendations. She added that she was a bit alarmed that they are moving too fast, which may be her misinterpretation.

Ms. Pethia stated that these are recommendations for priorities, and they can change, but they help get the conversation going.

Ms. Palmer remarked that the information from the Albemarle Housing Improvement Program (AHIP) would help inform the priorities list.

Ms. Pethia said she plans to meet with nonprofit stakeholders to learn what their needs are to help set priorities.

Mr. Gallaway then restated his **motion** to direct staff to provide a Resolution of Intent (ROI) to the Planning Commission for initiating an update of the County's Affordable Housing Policy and including with the ROI an outline of a staff led process that assures community engagement is adequately addressed. Mr. Randolph agreed as **second**. Roll was called and the motion carried by the following recorded vote:

AYES: Ms. McKeel, Ms. Palmer, Mr. Randolph, Mr. Dill, Mr. Gallaway and Ms. Mallek.

NAYS: None.

Agenda Item No. 10. **Work Session:** Amending the Comprehensive Plan to Incorporate Biodiversity Strategies.

The Executive Summary forwarded to the Board states that the Biodiversity Action Plan for Albemarle County (BAP) was completed in June 2018. On July 5, 2018, the Board endorsed the BAP and directed staff to begin working with the Planning Commission to amend the Comprehensive Plan (Comp Plan). On September 4, 2018, the Planning Commission adopted a Resolution of Intent to amend the Comp Plan to incorporate strategies for conserving biodiversity. County staff developed draft revisions for the Comp Plan.

An online survey and one public meeting were conducted to solicit public comment. Two work sessions were held with the Planning Commission to review the proposed revisions, on November 20, 2018 and February 12, 2019. At the more recent of the two work sessions, the Planning Commission approved proceeding to a work session with the Board of Supervisors to review the proposed Comp Plan revisions.

Objective 4 of the Natural Resources chapter of the Comp Plan states: "Protect the biological diversity and ecological integrity of the County in both the Rural Area and Development Areas." Strategy 4a states: "Develop an Action for Biodiversity to protect significant areas of biological importance to the County." Narrative for Strategy 4a includes the statement: "When completed, the action plan should be presented to the Board of Supervisors for adoption into the Comp Plan."

Completing the BAP was the first step in implementing Strategy 4a. County staff is working to complete full implementation of the strategy by amending the Comp Plan.

After Planning Commission adoption of the Resolution of Intent to amend the Comp Plan (Attachment A), staff drafted revisions to the Comp Plan incorporating strategies to conserve biodiversity.