

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on April 26, 2023 at 6:00 p.m. in Lane Auditorium, Albemarle County Office Building, 401 McIntire Road, Charlottesville, VA 22902.

BOARD MEMBERS PRESENT: Mr. Jim Andrews, Mr. Ned Gallaway, Ms. Beatrice (Bea) J.S. LaPisto-Kirtley, Ms. Ann H. Mallek, Ms. Diantha H. McKeel, and Ms. Donna P. Price.

ABSENT: None.

OFFICERS PRESENT: County Executive, Jeffrey B. Richardson; County Attorney, Steve Rosenberg; and Clerk, Claudette Borgersen.

Agenda Item No. 1. Call to Order. The meeting was called to order at 6:00 p.m. by the Chair, Ms. Donna Price.

Ms. Price said Albemarle County Police Officers Ronnie Vanderveer and Josh Wright were present at the meeting to provide their services.

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Agenda Item No. 2. **Public Hearing: Calendar Year 2023 Tax Rates**. To receive comments on Proposed Tax Rates for Calendar Year 2023.

Mr. Andy Bowman, Chief of the Office of Management and Budget, stated that there were two separate public hearings, one on the Calendar Year (CY) 2023 tax rates and one on the proposed Fiscal Year (FY) 2024 budget. He said that the state required there be two separate public hearings, but he would be giving one presentation that discussed both items together.

Mr. Bowman said that since February 22, 2023, the Board of Supervisors had six work sessions, along with a public hearing on the proposed budget from the County Executive that the Board has continued to revise. He said that nine town halls had been held during the last few weeks on this topic, so he would only briefly summarize the work done over the last few months.

Mr. Bowman said that the FY24-28 Strategic Plan included six strategic goals and 23 related strategic objectives for them. He said that staff had worked to align all of these with either additional investments or work plans to implement strategies and projects to move them each forward. He said that in addition to the strategic plan, the Board also considered the projected revenues and the five-year financial plan, taking a long-term look at the County's obligations, commitments, and other projections. He said they also looked at the County's financial policies to make sure they were aligned with best practices. He said that the County's Triple Triple A bond rating, which allowed the County to have the highest credit rating possible for local governments, allowing for borrowing at the lowest possible rate relative to the market and providing flexibility if needed.

Mr. Bowman said that the budget was balanced on the current tax rates for real property, personal property, food & beverage, and transient occupancy taxes. He said that the real estate revenue was the subject for the first hearing, and the current proposed rate was calculated to be \$0.854 per \$100 of assessed value. He said that each penny on the tax rate was equal to \$2.7 million in estimated collectable revenues, which meant that for every cent changed on the tax rate, \$2.7 million must be adjusted in the budget.

Mr. Bowman stated that once advertised, the Board could not adopt a tax rate higher than the \$0.854, only a rate equal to or lower than that number. He said that CY 2023 overall reassessments had a 13.46% increase over Calendar Year 2022. He said that the lowered or effective tax rate would be \$0.753 per \$100 of assessed value to receive the same amount of real estate tax revenue based only on the change in real estate assessments.

Mr. Bowman said that the total budget for the County was \$551 million, which was a decrease from the prior year due to the change in ARPA (American Rescue Plan Act) funding for County Government and Schools. He said that the capital program would change year-to-year based on projects starting and completing during the five-year CIP work. He said that there was \$408.2 million in general fund revenues, with approximately \$271.2 million of that coming from general property taxes. He said that this fund was the primary source of funding for the Schools and transfers and capital debt, and also was the fund that the Board of Supervisors had the maximum amount of discretionary authority over.

Mr. Bowman said that they were working with the best information available regarding the state revenue, understanding that the state budget had not been finalized, and they would continue to monitor the situation in the coming months. He said that this was another reason why the County had increased its budget stabilization reserve, so that if there were dramatic changes, they would be able to weather that.

Mr. Bowman said that for expenditures, the transfer to Schools was the largest portion at 57%, or \$182 million of the \$408.2 million. He said that in the County Government portion, public safety was the largest area of expenditures at \$61.1 million. He said that the increases in revenues for the general fund revenues were going to multiple areas. He showed a slide that showed that \$14.6 million was going to Public Schools per the operating funds formula, \$5.9 million was going to Schools capital for increased project costs and debt service, \$21.5 million was for workforce stabilization efforts such as salary and benefits, new positions, and class and compensation implementation, \$2.2 million was for government

capital for increased project costs and debt service, and \$3.2 million was for partner agencies' rising costs for services, including JAUNT and CAT (Charlottesville Area Transit), and the Emergency Communications Center (ECC).

Mr. Bowman presented a slide that showed how the proposed FY24 budget aligned with each of the six strategic plan goals.

Mr. Bowman stated that the adjustments made throughout the budget process included an addition of \$600 thousand for the first year of the Darden Towe Field Rebuild project, the transit reserve funding to JAUNT in the amount of \$1,008,731, the increased Tax Relief for the Elderly and Disabled Program, the advanced start date for the housing position to July 1, and the increase to the Boards and Commissions compensation. He said that the changes in the Tax Relief for the Elderly and Disabled Program was that both the total income and net worth limits were increased, so that the combined total income did not exceed \$83,850 and the total net worth did not exceed \$250 thousand.

Mr. Steve Rosenberg, County Attorney, said that there was a question raised at the recent meeting about the provisions of §58.1-3210, which provided for the exemption or deferral of taxes on property of elderly and disabled people. He said that Ms. Price had raised questions about the provisions in that section of the state code, and he wanted to confirm that the manner in which the County had implemented this authority was consistent with the state code provision. He said that there was a broad grant of authority to localities to establish a program of exemptions or deferrals, and their program that provided for relief on a percentage basis was in keeping with that broad grant of authority.

Mr. Rosenberg said that the particular sentence that was focused on previously was a mechanism to allow the County, if it desired, to provide for backward-looking relief. He said that the current ordinance did not do that, but they could include in the County Code a provision that would provide relief to property owners at the time that they first applied for participation in the program, but that relief was limited and not as expansive as the current program that had the percentage exemption depending on income and net worth thresholds.

Mr. Rosenberg said that by choosing to include that backward-looking relief, it would be limited to that increment identified in the particular sentence of the state code. He said that the current program and proposed modifications to the program were in keeping with the broader grant of authority that was in the first sentence of the state code provision.

Ms. Price thanked Mr. Rosenberg for his work that allowed the Board to understand the full extent of the legal provision.

Mr. Bowman said that he could answer any questions from the Board about the budget.

Ms. Price asked the Board if there were any questions for staff. Hearing none, she opened the public hearing.

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Mr. John Lowery, Samuel Miller District, said that he would be discussing the tax rate but had been reading financial statements of Albemarle County for decades. He said that he had introduced David Rose, the investment banker for the County, to Bob Tucker, and Mr. Rose's team had worked with the County ever since. He said that yes, the County was in great financial shape. He said that the first thing that Mr. Rose's team did was raise the credit rating of the County and had continued to be Triple A since then. He said that he was not sure that the Board realized that last year, there was a budget surplus, which was in the comprehensive financial report on page 13. He said that it stated that as of June 30, 2022, the County's government funds reported a combined ending balance of \$125 million, which was an increase of \$12.9 million.

Mr. Lowery said that this fund balance had the income statement married to the balance sheet, and if there was leftover money, it went into the fund balance. He said that the County had been running surpluses for seven years, which he had headlines from the Daily Progress to confirm. He said that year after year, there was a surplus. He said that the next line in the statement was that approximately 48% of the fund balance, or \$60 million, was available for spending at the government's discretion and was unassigned. He said that that meant that the Board could direct that money where they wished.

Mr. Lowery said that tonight, there would be a \$22 million increase because of higher assessed values. He said that he submitted that the Board could cut the tax rate, otherwise, taxes would go up again and there would be another surplus. He said that in closing, 65% of the County went to work in the morning from out of this County and went back at night to where they lived not in this County, which was because taxes were too high to live here.

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Ms. Mary Ann Doucette, White Hall District, stated that as an individual homeowner in Albemarle County for about 16 years, she found that the taxes went up each year that she had lived in the County, but this year was overwhelming to see her assessment go up 17%. She said that she did not believe that if she put her house on the market today that she could get anywhere near what the assessment was. She asked the Board to lower the tax rate and roll it back to the \$0.753 instead of the proposed \$0.854. She said that inflation had affected all of them, and for groceries alone she was spending about \$400 more per month, and there were other areas that were just as affected.

Ms. Doucette said that she hoped she was wrong, but it seemed that the Board of Supervisors, in advertising this new assessment and tax rate, were uncaring about the impact this had on individuals within the County. She said that those who were seniors were on fixed incomes and did not get a 4% increase. She said that the taxes had risen so unexpectedly, and people did not have the time to prepare their individual budgets for this, so people were unsure of what they were going to have to do to pay taxes and keep their houses. She asked the Board to consider the plight of so many elderly people who were on fixed incomes in the County.

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Mr. Joseph Jones, White Hall District, said that he had been born in Albemarle County and had seen a lot of changes. He said that regarding the tax rate he had seen on television, there were several Board members who said that they did not want to cut the tax rate. He said that he had attended one of Ms. Mallek's town hall meetings and indicated that there was a budget surplus, which disappeared and it was unclear if there was a way to save it to give people a break on taxes.

Mr. Jones said that since that meeting, he had wondered what to say to the Board of Supervisors, and yesterday he saw a literal sign in the form of a bumper sticker that said, "I love this country, but I don't trust the government." He said that he believed that this was the sentiment of many County residents about the County government, because everyone could acknowledge the Board's responsibilities to oversee the welfare of the County from rural to urban, and they had done well with the Triple A bond rating. He said that on the other hand, it was the Board's responsibility to look out for Albemarle constituents.

Mr. Jones said that he felt that the Board was ignoring the citizens' welfare. He said that he had not heard the words "cut" and "spending" used in the same sentence since Mr. Ken Boyd sat on the Board. He said that to quote a fruit producer friend, "there was always rain at the end of a drought," so he would remain optimistic that the Board would reduce the tax rate by at least \$0.05 so that he could say that he loved this County and trusted the government.

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Ms. LaPisto-Kirtley asked if Mr. Bowman could address the subject of a fund balance surplus that had been raised by constituents.

Mr. Bowman said that the County had financial policies that required 10% of the County's budget to be in an unassigned fund balance in order to keep their Triple Triple A bond rating. He said that the County would only touch this money if there was a very significant disruption. He said that there was also an additional 2% called a budget stabilization reserve, which was a reserve for unforeseeable situations that were short term of acute in nature. He said that anything other than that combined 12% would be up to the Board's discretion to use. He said that in this budget, surplus funds were invested in the Capital Improvement Plan to keep up with additional project costs and other one-time costs rather than ongoing expenses.

Ms. Nelsie Birch, Chief Financial Officer, said that any time there was an anticipated budgetary variance, they wanted it to be positive because it allowed them to know they had managed their funds appropriately. She said that that information was brought before the Board, and the Board could make a determination about what to do with that. She said that this was all done in the public discourse and was not done in any type of private conversation, and the Board had the opportunity to determine whether the money should be put into the capital program or not.

Ms. Birch said that Mr. Bowman had mentioned that they had done so as part of the FY24 budget by bringing forward a series of items of what could be done with the anticipated positive budget variance from FY23 for the purpose of protecting their capital program. She said that they were building three new schools over the next five years, so much of the increase was to support the increase in the costs to construct those buildings.

Ms. Birch said that Mr. Lowery's comments about the \$60 million had a finer point, which was that without that fund, the County would be facing serious issues such as not having capital to pay bills and having nowhere to turn in the event of significant economic detriment. She said that while \$60 million was a large amount, it was 10% of their almost-\$600 million budget. She said that anything over the 10% unassigned balance and 2% budget stabilization reserve were funds that would be presented before the Board for them to determine where the funds should go for investments in the community.

Ms. LaPisto-Kirtley asked if the County used the \$60 million fund balance to lower taxes, what would the outcome be on their Triple Triple A bond rating.

Ms. Birch said that she did not want to speculate what Wall Street would do, but it was a foundation for having flexibility in how they managed their money. She said that having an adequate fund balance or rainy-day fund was part of that, and without it, it would increase their risk significantly, and investors giving them money through bonds would likely have large interest rates because the County's rating had gone down. She said that she did not know what the rating itself would be, but it would go down considerably if the funds were gone.

Ms. LaPisto-Kirtley asked if there was an approximation of how much money was saved through maintaining a Triple Triple A bond rating and keeping low interest rates for debt payments.

Ms. Birch said that Mr. Bowman could address that. She clarified that this was not only the ability

to have lower interest rates, but the other part of this was having access to capital markets. She said that when the rating was lowered, it became riskier, and the investors for those risky clients were not always there for them.

Ms. LaPisto-Kirtley asked if the Triple Triple A bond rating allowed them to have access to capital that other entities may not.

Ms. Birch said yes, and there was competition among investors. She said that the last time they issued bonds, there were about ten investment companies that wanted to invest in their bonds, but she had been in other localities where no one came to the table to invest in the bonds, which was a situation they never wanted to be in. She said that they should protect what they could to ensure they had the ultimate flexibility when they needed to access capital markets.

Mr. Bowman said that in the last two years, the County had done two issuances for refinancing, and the savings of those combined was approximately \$5 million with those two in total.

Ms. LaPisto-Kirtley said that if the tax rate were lowered by \$0.10 or \$0.05, her calculations resulted that there would be \$27 million and \$13.5 million that would be taken from other projects that benefited the citizenry. She asked if this was correct.

Mr. Bowman said yes.

Ms. Mallek asked if the Comprehensive Annual Financial Report (CAFR) was issued before the end-of-year bills were paid, meaning the numbers looked larger because there were uncompleted contracts that had yet to be accounted for.

Mr. Bowman said that at the end of FY22, it reflected all activity as of June 30, but due to the nature of business in the County, projects may cross fiscal years and funding was reappropriated. He said that it would appear in the unassigned category but was not restrictive because the County had an obligation for that.

Ms. Mallek asked if it was obligated but not allocated or spent.

Mr. Bowman said yes.

Ms. Mallek said that there had been a hope in the past that when allocating funds for the next year, at least \$0.03 would be put into the capital program from the end-of-year funds in order to be ready to build things. She said that during the Great Recession, there was nothing put into capital, which had a large impact on those projects. She asked if Mr. Bowman knew of that \$0.03 equivalency being put into capital this year.

Mr. Bowman said that it was challenging to make those comparisons to 15 years ago. He said that the Board had historically prioritized one-time funds for one-time purposes, and those included their capital projects because they had to plan for the debt service to pay that back, and a lot of the cash they needed to build schools, open parks, or in economic development and housing had been the areas that investments of one-time funding had been made in the past. He said that was because that and the entire unassigned fund balance was one-time money, and once spent it was gone.

Ms. Mallek clarified that that was different than monies required to pay salaries, which would need to be brought in continuously.

Mr. Bowman said that was correct.

Ms. McKeel said that part of this increase was due to the construction and materials costs associated with their capital projects that must be offset. She said that about \$39 million had to be put forward to cover that increase this year.

Mr. Jeff Richardson, County Executive, said that was correct. He stated that due to increasing costs driven by construction and labor increases, materials increases, and the cost of borrowing and debt service due to rising interest rates, the costs to build the same projects that were in their CIP for FY24-FY27 were predicted to go up \$38.4 million. He said that this budget recommended that they increase the capital program by \$16.7 million next year, which was \$16.7 million above formula.

Mr. Richardson said that if they were going to be able to keep the projects on pace with the Board of Supervisors' and the School Board's goals, they had to come up with additional one-time money to absorb the cost increases. He said that this County had not built a public school in 20 years, and there was a tipping point with school capacity, so that was why they had to build three schools within the five-year CIP. He said that they had worked hard during this process to see how they could keep the capital program on pace while dealing with those challenges.

Ms. McKeel said that those capital projects had been requested by the community and had the support of the community.

Mr. Andrews asked for clarity about the lowered property tax rate approved last year by the Board in order to address the raise in appraised car values.

Mr. Bowman said that the rate had dropped from \$4.28 to \$3.42, or approximately 20% or \$0.86.

Mr. Andrews said that some of those supply chain issues had been resolved, so to the extent that they were looking at valuations, they were real and not expected to be dramatically affected.

Mr. Bowman said that last year, the personal property values were increasing up to 25%, so the Board responded by dropping the rate by 20% to help offset that. He said that this year was a different situation in which the car values were beginning to drop up to 19%. He said that the rate was staying the same, so the personal property tax bills would likely decrease due to the rate staying the same and the decrease in values.

Mr. Andrews said that keeping the rate the same was a reallocation to some extent.

Mr. Bowman said that yes, although everyone's individual experiences would be different. Most people would see their real estate tax bill increase and their personal property tax bill decrease.

Mr. Andrews said that the real estate reassessments were done on a calendar year basis, which was why they were looking at it this way now, but they did not know that they would sustain throughout the fiscal year. He said that there had not yet been a dramatic decrease in property values.

Mr. Bowman said that was correct. He said that they budgeted on a fiscal year basis and set rates on calendar years, they had an assumption on two different reassessments. He said that in CY24, they projected growth in the County's real estate market, but not as strong as the past few years.

Mr. Gallaway said that the tax rate in 2014 was \$0.799, then raised in 2015 to \$0.819, to \$0.839 in 2016 and stayed there, then in 2019 went up to \$0.854, which was where they stood currently.

Mr. Bowman said that was correct.

Mr. Gallaway said that the last tax rate increase, while delayed a year, \$0.013 of that \$0.015 increase was a bond referendum that passed with 70% of the County supporting it. He said that that rate had stayed the same.

Mr. Bowman said that was correct. He said that that referendum was the primary driver of that tax increase Mr. Gallaway referred to.

Mr. Gallaway said that the last tax rate increase that occurred without the bond referendum behind it would have been in 2016 when it increased from \$0.819 to \$0.839.

Mr. Bowman said that was correct.

Mr. Gallaway asked if the equalized rate was \$0.73.

Mr. Bowman answered that it was \$0.753.

Mr. Gallaway asked if that was about \$20 million.

Mr. Bowman said that it was nearer \$27 million.

Mr. Gallaway said that when they made the change last year to decrease the personal property tax rate, it was approximately a revenue avoidance of \$7 million. He said that this year, if they kept it at \$3.42, they were foregoing \$4 million.

Mr. Bowman said that was correct. He said that the decline year-to-year in personal property was around \$3.3 million. He said that each penny on the personal property tax rate was equal to \$100 thousand, so if the Board equalized that rate upwards, it would be approximately \$0.33 on the personal property rate.

Mr. Gallaway said that to equalize the property tax, it would go down to \$0.753, and to equalize personal property, they would have to increase it by \$3.76.

Mr. Bowman said that was generally correct.

Ms. Price closed the public hearing.

Ms. Price clarified that there was no action requested by the Board, but there was opportunity for Supervisors to share comments if they desired.

Ms. LaPisto-Kirtley said that this was a carefully planned budget, and it gave them the items they needed to recover from the pandemic. She said that they increased the police force salaries in order to get nearer full capacity of employment.

Mr. Richardson confirmed that there were very few vacancies in the Police Department (PD) at this time.

Mr. Henry said that with the current recruiting class, they would be fully staffed.

Ms. LaPisto-Kirtley said that not having a fully-staffed PD cost more money over time, and that having a fully-staffed PD was important to be prepared for emergencies. She said that the same was true of Fire Rescue, and the County was applying for SAFER (Staffing for Adequate Firefighters and Emergency Response) grants to receive additional monies to hire 30 firefighters for the County. She said that they were also doing what was necessary to pay for the schools and make sure that their children had what they needed. She said that she understood assessments were high, but she believed they had a strong budget that was focused on the needs of the community. She said that the fund referenced as a surplus by the public was an essential rainy-day fund that was necessary in case of extreme disaster.

Ms. Mallek said that the County population had doubled since 1980, and with that population came obligations. She said that there would always be a struggle to meet them, but in the capital projects being maintained and kept on track was a very important bridge between the northside and southside of Lickinghole Creek, which would help to get Fire Rescue vehicles across and provide more safety for the 10,000 residents who lived in that growth area section right now.

Ms. McKeel said that the Board had gone through hours of discussion about this budget and had many opportunities for the public to come and listen. She said that all work sessions were on the website where they could be listened to, and they hoped that at some point people would listen to the discussions about the projects that there may be concern about. She said that the Board tried to do all of this in an open and transparent way and not wait until the very end to surprise people. She said that it was critical, and it saddened her to hear people putting down government, because the public was also the government, and they all had a responsibility to their fellow citizens.

Ms. McKeel said that while not everyone needed social services, police, or Fire Rescue, it behooved them to ensure that everyone in the community was safe, and that everyone was educated. She said that a growing community, which Albemarle County was, needed services. She said that they needed the 30 firefighters over the next five years because there were no more volunteers due to the current climate that did not allow for people to spend time volunteering like they once did. She said that it was the County's responsibility to ensure that Fire Rescue and police services were able to respond to the needs of the community.

Mr. Andrews said that even the \$4.28 that the previous personal property tax rate was at, it would have contributed \$8 million, or \$0.03 on the property tax rate, which was something to consider as part of this process. He said that he understood people were very concerned about the effects of the increases in their assessed values, but the public hearings tonight were discussing this in the context of the budget so that they could figure out if there was anything they did that was unnecessary. He said that it had been difficult to find any overages because there were so many unmet needs, however they were able to meet some of the needs, including capital programs that had been in the works but were jeopardized by the increased costs of construction, materials, and interest rates that they could not have otherwise dealt with.

Mr. Gallaway said that he had a great town hall last night with Rio District constituents, and he expected that he would continue to hear from constituents at the next public hearing that evening. He said that he appreciated the constituents who asked what exactly was being done with the tax revenues. He said that when he first joined the Board in 2016, they thought the tax rate would have gone up \$0.04 - \$0.06 by this time, but the Board hadn't done that because the property values had increased and they didn't need to change the rate. He said that the current Board had a strategic plan, and the tax rate and revenues that had been coming in had been needed in order to afford the strategic plan objectives.

Mr. Gallaway said that they should absolutely pay attention to where surplus funds went, and it was up to constituents to ask their representatives how that money was being used. He said that while the money could be used to give something back, they should ask what other uses there were for it, and his constituents at the town hall meeting last night were open to having that conversation. He said that the economic outlook the County had received had explained that the increase in property values that they had seen was not a long-term trend, and he did not want to have values drop so much that revenues were programmed to result in a shortfall the next year.

Mr. Gallaway said that in that case, they would have to make cuts to items they had just put in place, or they had to raise the tax rate, and he did not want to be in the situation of facing any constituents if values decreased and to justify that taxes must be raised to support the strategic plan. He said that a portion of the surplus was being used in anticipation that the values would not be sustained and that there would be surplus dollars to do what they did not do this year, which was raise the personal property vehicle tax up to equalization.

Mr. Gallaway said that he had also been upset about large surpluses in the County in the past, but the current Board and administration used projections up to March to ensure they were close to what they believed the revenues to be. He said that they had to be conservative with cost estimates so that there was not a shortfall year after year, which would then result in having to use the surplus in the stabilization reserve. He said that the next public hearing they would hear was about where that revenue was programmed, and if it was justified. He said that constituents could either agree with him or not about the revenue allocations, and he had to stand to that when he faced reelection again.

Ms. Price said that the County Executive had recently noted to her that the Board had spent over 53 hours in public meetings in the past six to eight weeks, most of them related to the budget. She said that there were six budget work sessions in addition to discussion during the regular Board meetings. She

said that through this budget process, it remained in her mind that in 2007, the Board of Supervisors reduced the tax rate by \$0.06 on real estate property, and then the next year began the Great Recession. She said that those two events in conjunction resulted in a reduction of County staff of about 10%, and the inability to fund any schools for 20 years.

Ms. Price said that the three schools proposed totaled \$130 million. She said that if they reduced the tax rate by \$0.05 or \$0.10, that would be between \$13.5 million and \$27 million, and on slide 9 of the presentation, it was shown where most of the funds were going, which included public schools, schools capital, workforce stabilization, capital government, and partner agencies. She asked how it was possible to cut the tax rate and still do those things that needed to be done.

Ms. Price said that the 10% fund balance was necessary to maintain the Triple Triple A bond rating and the additional 2% that the Board had been designated as funds that they must have. She said that she would not eliminate the ability for the County to meet their emergency financial needs. She said that they had just come through a pandemic, and but for the money from CARES (Coronavirus Aid, Relief, and Economic Security Act) and ARPA (American Rescue Plan Act), she did not know where the County would be. She said that she struggled to see how she could vote to lower the tax rate and still provide the services she felt obligated to provide.

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Agenda Item No. 3. **Public Hearing: FY 2024 Proposed Operating and Capital Budgets.** To receive comments on the Proposed FY 24 Operating and Capital Budgets.

Ms. Price pointed out that there were more than ten individuals who had signed up to speak, and their procedural rules provided that if more than ten speakers were signed up to speak, the time allotted may be reduced to two minutes rather than three minutes. She asked the Board if they would like to maintain the three-minute time slot for the 14 individuals signed up to speak. She said the floor was open for the Board's discussion or a motion.

Mr. Andrews **moved** that the Board maintain the three minutes. Ms. Mallek **seconded** the motion.

Roll was called and the motion carried by the following recorded vote:

AYES: Mr. Andrews, Mr. Gallaway, Ms. LaPisto-Kirtley, Ms. Mallek, Ms. McKeel, and Ms. Price.

NAYS: None.

Mr. Bowman said that his previous presentation adequately addressed this item, so had no further comments, but could answer any questions from the Board.

Ms. Price, hearing no comments by the Board, opened the public hearing. She asked the County Attorney if the procedural rules must be read again for the public.

Mr. Steve Rosenberg, County Attorney, said no.

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Mr. Tom Eckman, speaking for Rose Byrne in the Samuel Miller District, said that Ms. Byrne was disabled and had been a member of IMPACT (Interfaith Movement Promoting Action by Congregations Together) and an advocate for affordable housing for seniors and people with disabilities. He said that she supported annual funding of the Housing Fund with \$5 million to serve people struggling with housing and disabilities. He said that she put in a lot of effort in creating this video, which was her ten-year struggle to get an affordable, accessible house. He said that the video only ran for two minutes, so he appreciated the three-minute time allotment.

Mr. Eckman played a two-minute video of Ms. Byrne sharing her struggle to get an affordable, accessible house in 2011, and expressing her concern for others with disabilities who needed access to ADA-compliant homes.

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Ms. Kimberly Fontaine, Executive Director of the Alliance for Interfaith Ministries (AIM), a nonprofit organization serving Albemarle County and Charlottesville residents for 41 years, said that they provided emergency financial assistance primarily to families in need. She said that she was present to tell the Board of Supervisors that \$260 thousand in emergency financial assistance to families and individuals in need was a drop in the bucket. She said that they had the unenviable position of increasing homelessness in Albemarle County, particularly among seniors.

Ms. Fontaine said that for the duration she had served at AIM, she did not believe there had been any affordable housing units added to the Albemarle County housing stock, and she had a different definition of affordable than the official governmental definition. She said that this morning, their phones were ringing off the hook because the community resource line known as Pathways was under the mistaken impression that they had funding currently available for Albemarle County residents. She said that two staff members and one volunteer answered all phone calls, and every single call except for one was from an Albemarle County resident in search of assistance with rent or utilities, assistance that was otherwise unavailable anywhere else.

Ms. Fontaine said that this funding was not available, was not able to be made up on the backs of

the nonprofit agencies in their area, and they simply did not have that funding. She said that the majority of those impacted by the lack of funding for emergency assistance in the County were seniors and on limited incomes, and she could share data that confirmed this. She said that the landlords who evicted the most families were located in the County, and the County accounted for a disproportionate share of evictions in the Charlottesville area.

Ms. Fontaine said that most people needing assistance were already working two or three jobs and the most hours they could, receiving the maximum amount of benefits available to them. She said that they had economized to the nth degree, and they had for months been telling Albemarle County residents to go to local food banks twice per month to save money on their food budget to be able to absorb increases in housing costs to avoid eviction. She asked for the Supervisors to imagine giving that advice to a sibling, parent, or retired relative in the County, because that was exactly what was happening at the nonprofit agencies.

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Ms. Vikki Bravo, IMPACT, said that in the meetings they had with the Board of Supervisors, they had emphasized the need for \$5 million in this budget and ongoing budgets for building new affordable housing. She said that they were happy to see \$4.7 million listed in this budget for affordable housing. She clarified that \$5 million would build about 166 apartments, and over ten years, that would be 1,660 apartments, making a dent in the need for affordable housing, but it must be ongoing.

Ms. Bravo said that that \$5 million was less than 1% of the County's budget, and affordable housing was a foundational need that affected all aspects of quality-of-life. She said again, they appreciated seeing the \$4.7 million in this year's budget, and all of the work done for affordable housing, and they also appreciated their recent decision to bring developers, nonprofits, and other stakeholders to the table with Supervisors and staff to complete the plan going forward with affordable housing. She said that secondly, IMPACT also supported the request put forward by the Pathways program for \$2 million to assist people at risk of eviction or who had been evicted.

Ms. Bravo said that keeping people housed was as important as building new housing, and it prevented family upheaval and was less expensive. She said that one eviction made it more likely that there would be more evictions, affecting kids in school, parents at their work, and the mental and physical health of families. She said that other speakers would be speaking on this issue, and IMPACT joined them in this request.

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Ms. Syleethia Carr stated that she was a resident of the City of Charlottesville but had also lived in the County back and forth due to affordable housing issues. She said that she had many friends, neighbors, and coworkers who were living in the County and not in the best of homes for affordable housing. She said that \$260 thousand was appalling to her, because they were living in a time where affordable housing was affecting every single person, whether they were low-income or middle class. She said that it was devastating to everyone. She said that sometimes children were powerful on their own and did not need a lot of help, but some children struggled and needed a little bit more care, and this was true with affordable housing. She said that the Board of Supervisors was in the position to do that for their family within the community, and she hoped that today they would do something for her.

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Ms. Elizabeth Stark, City of Charlottesville, said that she was an anti-eviction advocate. She said that last week after she spoke to the Board, she went to the courthouse on Thursday where the eviction hearings took place. She said that she would be standing outside the courthouse tomorrow at 2:00 p.m. She said that the tenants that she spoke with were bereft when she told them that they had no options because Pathways was out and the Alliance of Interfaith Ministries funding was out. She said that there was no funding for people in the County.

Ms. Stark said that through their anti-eviction work, they had spoken to a retired couple who both had mobility issues but had gotten rid of their car and sold their car, while having nowhere to go for recreation where they lived in the urban ring. She said that they had done everything they could to economize and were still facing eviction, wondering how to make ends meet, but at that time Pathways funding was still available, so they were able to connect them, but she could not overstate how terrified tenants were to face this with no help whatsoever.

Ms. Stark said that a volunteer last night spoke for 30 minutes on the phone to a tenant who was out of work for two months but had gotten a new job, however had fallen behind on rent during that time, and was now facing eviction tomorrow even though she was employed. She said that the \$3 thousand that Pathways would have given her over three months would have kept her in her home, as she was a woman nearing retirement age and did not know what she was going to do now.

Ms. Stark said that she could not emphasize enough that their organization now had to tell all tenants facing eviction that there was no funding for them, even if it was the smallest amount to help them get back on their feet. She said that she understood how tough budgeting was, but she hoped that the Board would reconsider how to weigh this, because she did not know what to tell those families facing eviction. She said that if the Supervisors wished to join her, she would be outside of the courthouse at 1:30 p.m.

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Mr. Gustavo Espinosa, Tenant Organizer for Legal Aid Justice Center, requested increased



funding for Pathways and the allocation of the full \$2 million request. He said that the current proposed \$260 thousand was only \$5 thousand a week to cover the entire County. He said that last year, 428 families were evicted in the County, or more than one family a day. He said that number did not include the families who left without going to court when they got an eviction notice. He said the median amount families were evicted for increased from \$1,200 to \$4,500, or two to three months of rent. He said that the current funding would only be able to help one family per week, but that \$2 million would cover that amount. He said that one in three families received an automatic determination because they were unable to go to court.

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Ms. Pada Covarrubias, Community Organizer for the Public Housing Association of Residents, said that although they work with residents in the City, they received many calls from surrounding areas, especially Albemarle, from people seeking help with housing. She said that affordable housing was an issue in the community, and low-income people were being pushed out of their communities. She requested that the Pathways program be supported and funding be allocated for emergency rental assistance and affordable housing funds.

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Ms. Jojo Robertson, Jack Jouett District, stated that when the Board considered safety, in addition to police and firefighters, they should consider housing. She said that families deserved safety in housing. She said that housing insecurity put a burden on the schools. She asked the Board to think about their youngest constituents.

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Ms. Emily Smith, Housing Attorney at the Legal Aid Justice Center and Rio District resident, requested that the Board allocate \$2 million for emergency housing assistance programs. She said that average rental judgements had increased to over \$4 thousand. She said that emergency rental assistance was often the only way for low-income families to remain in their homes. She said an eviction could lead to long-term housing instability. She said the current proposed allocation of \$260 thousand would only amount to \$5 thousand per week. She asked the Board to prioritize this assistance.

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Ms. Victoria Horrock, White Hall District, said she supported funding for Pathways and for affordable housing. She said she wanted her tax dollars to be used to ensure that eviction was not something the community had to experience. She requested that the Board fully fund emergency rental assistance for families.

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Mr. Pablo Miller, White Hall District, said that he lived in Crozet and supported the Pathways program.

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Ms. Lanika Hester, Jack Jouett District, stated she supported affordable housing and increased support for Pathways. She said that her daughter's education and health would be impacted by housing instability. She said she was also speaking for others who could not make it to the meeting to speak.

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Ms. Price confirmed with the Clerk that there were no further sign-ups.

Ms. Borgersen said that was correct.

Mr. Andrews asked for more information about how to address and fund Pathways with the federal assistance winding down.

Mr. Bowman responded that funding had been provided to housing assistance programs through CARES and ARPA, and that the County was continuing a DSS FTE to help with benefits through FY24, as well as the \$260 thousand in funding.

Mr. Andrews asked what funding had been available prior to ARPA and CARES funding.

Mr. Bowman responded that there was no emergency assistance funding provided by the County.

Mr. Andrews asked for more information about how the schools would be financed in the capital program.

Mr. Bowman said that for school capital projects, especially those with a long life cycle like schools, they were typically funded 5% by cash, and the remaining 95% would be borrowed funding. He said that they assumed they would use lease-revenue bonds which were not issued by referendum.

Ms. Mallek asked for more information about the additional staff which would be hired to assist with benefits. She asked if the new staff members would assist with state and federal programs.

Mr. Bowman that they wanted to ensure they were supporting the department so that it could review the applications in a timely manner. He said that they were shifting the focus of the DSS to focus more broadly on the Department of Human Services.

Ms. McKeel asked for more information about the total allocation for the Pathways program.

Mr. Bowman said that the ARPA funding for the Pathways program was \$2.5 million, and the CARES funding was about \$2 million. He said that the Board implemented other programs to provide direct assistance to residents.

Ms. McKeel asked for the total amount the County had allocated.

Ms. Price said \$4.5 million to \$5 million.

Ms. Emily Kilroy, Assistant to the County Executive, explained that prior to the pandemic, the County did not have an emergency financial assistance program. She said that during the pandemic, when CARES and ARPA funding became available to help community needs, the County decided to use some of their allocations to implement emergency assistance programs, and to be eligible, applicants had to prove a COVID-19 impact to the household. She said that money was now gone, and they were considering local funding for the first time in FY24 for the emergency assistance program of \$260 thousand. She stated that the program was intended to financially assist people during short-term hardships.

Ms. LaPisto-Kirley confirmed that the County allocated \$260 thousand from the County's budget and was not using ARPA funding, and that this was something new they were doing.

Ms. Kilroy said yes.

Ms. Mallek asked how they determined to allocate \$260 thousand.

Mr. Bowman said that they could return as a follow-up with more information. He said that they tried to determine a balanced allocation in relation to competing objectives.

Ms. Price closed the public hearing and brought the matter back before the Board for comments.

Ms. McKeel thanked those who spoke for coming out, and said that she was saddened by the stories she heard.

Ms. McKeel expressed concerns about the conditions of the rental apartment units and requested a future discussion about the matter.

Mr. Andrews said he was concerned about the unmet needs of community members, and that he looked forward to future discussions on housing.

Mr. Gallaway said that the revenue generated from the economic development investments through Project ENABLE should provide relief from reliance on the real estate property tax. He said that he would be considering ways to address homelessness in the budget.

Ms. Price noted that Project ENABLE would allow the County to reduce its reliance on residential property tax revenues as the value of commercial and industrial real estate increased. She said that when more people worked from home during the pandemic, more of those spaces were vacant. She spoke about the myriad comments that had been made at the meeting, ranging from requests to decrease the tax rate to requests to expand social support programs. She said that the emergency assistance programs were to financially support people who could generally meet their expenses in times of need. She noted that inflation had impacted all residents.

Mr. Andrews asked for more information about the budget visualization tool on the County website.

Mr. Bowman responded that they provided a visualization tool in partnership with Smart Cville to display where tax dollars were allocated and what the County revenues were.

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Agenda Item No. 4. From the Board: Committee Reports and Matters Not Listed on the Agenda.

Ms. Mallek stated that on April 18, the Governor hosted a workforce summit in Richmond to reorganize the workforce system. She said that on April 21, there was the 57th rededication of the Dogwood Memorial.

Mr. Gallaway stated that the Regional Housing Partnership Executive Committee voted to proceed with work sessions related to developer incentives. He said he would provide reports on the work sessions to staff and the Board. He said that they planned to have agendas in May.

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Agenda Item No. 5. From the County Executive: Report on Matters Not Listed on the Agenda.

There was no report from the County Executive.

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Agenda Item No. 6. Adjourn to May 3, 2023, 1:00 p.m., Lane Auditorium.

At 8:09 p.m., the Board adjourned its meeting to May 3, 2023, 1:00 p.m., Lane Auditorium, Albemarle County Office Building, 401 McIntire Road, Charlottesville, VA 22902. Opportunities for the public to access and participate in this meeting are posted on the Albemarle County website on the Board of Supervisors home page and on the Albemarle County calendar. Participation will include the opportunity to comment on those matters for which comments from the public will be received.

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Chair

Approved by Board
Date: 02/19/2025
Initials: CKB